

# **CHAPTER- I**

## **Introduction**

Traveling since ancient times has served as a means of communication, as a means of education as well as for the pursuit of business. Travelling allows the meeting of new people, communicating and learning new ideas and the study of new cultures which leads to refining your own. Whether it leads to learning new ways of living, or different philosophies of life, to bettering ourselves or simply experiencing adventures or relaxation, the travelling tourist lives within every one of us even more. Today tourism has become a highly competitive business for tourism destinations all over the world. Tourism and leisure activities are becoming more and more important in the people's life. Tourism has become a highly competitive business for tourism destination over the world. The higher standard of living and advance transport and communication systems has contributed towards the rapid growth in the tourism industries. Tourism has become a highly competitive business for tourism destinations all over the world. The Web has been the primary source of information for tourists. A recent study showed that the number of people using the Internet for vacation and travel planning has increased by more than 300% over the past few years. Information and communication technology (ICT) could be a backbone of the travel industry. While the demand side of tourism services has grown, the supply side has been expanded exponentially and numerous competitors came in the industry. This increase in the supply side in the tourism industry increased the customers' expectations and made tourist providers look for possible solutions to overcome this dilemma by using novel methods for tourist attraction. Currently, travelers must visit multiple independent websites for various information such as for accommodation and facilities for activities to plan their trip. It is difficult and time-consuming to find the right product or service and a site with high reliability.

E-commerce is a growing sector and many tourism businesses are involved in developing their internet services including traditional travel agents, tour operators, national tourist offices, airlines, hotels and other accommodation providers and other similar firms. This means of doing business is known as 'e-tourism', or 'tourism e-business'. It was mentioned that e-tourism firms use internet to better serve their customers. Customer relationship management is a crucial subject which firms take

special attention to, which directly or indirectly results in Customer satisfaction, Customer loyalty and finally Customer retention. Among these concepts customer satisfaction can relatively influence customer loyalty and retention which in turns increases firms profit and efficiency. If a company wants to satisfy its customer, it should first investigate factors which affect customer satisfaction. It needs to answer what it is that satisfies customers, and then it should test how well it serves these factors in its firm. In other word, what is the perception of its customers about each of these factors? There is a quick need for finding a way to assess and increase tourist satisfaction while they are searching and purchasing on line.

Tourism today as a sustainable business, is a means that is supposed to sustain this ‘knowledge’ transfer to the benefit of all parties involved in the process.

### **1.1. Background**

Travel and Tourism is one of the world’s largest and fastest growing industries and its growth shows a consistent year to year increase. The World Tourism Organization predicts that by 2020 tourist arrivals around the world would increase over 200%. Generating 10.8 percent of Gross Domestic Products (GDP) in the year 2008 and more than 480 million jobs worldwide. According to the World Travel and Tourism Council (WTTC), this contribution is expected to grow to 10.6 percent of GDP by the year of 2012, account for 2.8 percentages of total jobs across the globe.

Tourism has three stages; First stage is when potential tourists are searching for different tourist services, airline tickets, hotels etc in order to plan their trips. This stage is called pre-trip stage. The second stage begins when tourists start their trip and ends when they arrive to their first departure or finish their trip. The mentioned stage is called in-trip stage. The third and final stage follows the previous stage and consists of the services which tourist service providers offer their customers after their trip. Because of the dependence of tourism especially its first stage upon the supply and exchange of information throughout the production and distribution chain, the tourism industry has proved particularly suitable for the adoption of ICT.

ICTs have been applied in tourism since the early adoption of Computer Reservation System (CRS) in airlines in 1950s and in the transformation to Global Distribution Systems (GDSs) in the 1980s. Hotel property management systems (PMSs) and hotel CRS systems appeared shortly afterwards, bringing switch companies into the market

as well in order to improve interconnectivity and interoperability. However, it is the development of the Internet that brought the revolutionary changes to the structure of the industry.

Many tourism businesses are involved in developing their internet services including traditional travel agents, tour operators, national tourist offices, airlines, hotels and other accommodation providers and other similar firms. Travel services fit extremely well with the new interactive media, as the products are natural candidates for multimedia descriptions. New tourism environment is facing a rapidly changing environment and needs a continuous research. Most agree that research on users can provide data with which to devise and introduce improved competitive strategies and that higher degree of competitiveness are linked to the adaptation to changes in demand. Since websites of tourist's service providers are important factors for the development of tourism industry, it is important to often check if it fits the needs of prospective customers or not. Given the role a web site plays as the only interface between a user and a company, effective web site design must be seen as a prerequisite for successfully instituting an Internet commerce initiative.

Although more than ten years has passed since the use of internet and websites for travel agencies, still there is room for improvement. Therefore a valid and empirically reliable measure that captures users' evaluation of the organization's web site and online tourist satisfaction measurement is essential.

### **1.1.1. Management Information System**

The terms MIS and information system are often confused. Information systems include systems that are not intended for decision making. The area of study called MIS is sometimes referred to, in a restrictive sense, as information technology management. That area of study should not be confused with computer science. IT service management is a practitioner-focused discipline. MIS has also some differences with ERP which incorporates elements that are not necessarily focused on decision support.

An 'MIS' is a planned system of the collection, processing, storage and dissemination of data in the form of information needed to carry out the management functions. In a way, it is a documented report of the activities that were planned and executed. According to Philip Kotler "A marketing information system consists of people,

equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

The successful MIS must support a business's Five Year Plan or its equivalent. It must and training regimens. In effect, MIS must not only indicate how things are going, but why they are not going as well as planned where that is the case. These reports would include performance relative to cost centers and projects that drive profit or loss, and do so in such a way that identifies individual accountability, and in virtual real-time.

Anytime a business is looking at implementing a new business system it is very important to use a system development method such as System Development Life Cycle. The life cycle includes Analysis, provide for reports based upon performance analysis in areas critical to that plan, with feedback loops that allow for titivation of every aspect of the business, including recruitment Requirements, Design, Development, Testing and Implementation.

### **1.1.2. NEPAL at a glance**

Nepal officially the Federal Democratic Republic of Nepal, is a landlocked sovereign state located in South Asia. It is located in the Himalayas and bordered to the north by the People's Republic of China, and to the south, east, and west by the Republic of India. With an area of 147,181 square kilometers (56,827 sq mi) and a population of approximately 30 million, Nepal is the world's 93rd largest country by land mass and the 41st most populous country. Kathmandu is the nation's capital and the country's largest metropolis.

Nepal has a rich geography. The mountainous north has eight of the world's ten tallest mountains, including the highest point on Earth, Mount Everest, called Sagarmatha in Nepali. It contains more than 240 peaks over 20,000 ft (6,096 m) above sea level. The fertile and humid south is heavily urbanized. By some measures, Hinduism is practised by a larger majority of people in Nepal than in any other nation. Buddhism, though a minority faith in the country, is linked historically with Nepal. Many Nepali do not distinguish between Hinduism and Buddhism and follow both religious traditions. There are 3 different buddhist traditions: Himalayan Buddhism, Buddhism of Kathmandu Valley (mostly Mahayana and Vajrayana), and also the Theravada Buddhism.

### **1.1.3. NEPAL as popular destination**

Blessed with geographical, historical and cultural specialties, unique and individual, Nepal has a wide prospect for tourism development. Development of tourism industry leads to multiplication of employment opportunities and contributes a good deal to the foreign exchange earnings. The rich cultural heritage, enchanting diversity of tribes and commodities and heart -warming parade of scenic beauty proves that there are more than enough justifications for developing this sector.

We have abundant resources for which the country enjoys competitive advantages. The exotic culture, unique social setting, arts and architecture, religion and above all people themselves are the resources, if harnessed appropriately could bring about noteworthy achievements. Tourism represents one among such sectors, which could rebuild the image of the country bringing back multifaceted benefits to the country and the people at large. The fifty years of tourism in Nepal has established a commendable example for the other sectors of the economy as well. Nepal is a tourist's paradise with an infinite variety of interesting things to see and do. From the lofty snow capped Himalayan mountains of Everest, Kanchenjunga, Annapurna, Dhaulagiri and many other peaks, to the populated valleys, and the forested plains where the tiger and the rhinoceros roam, forest full of wild life, birds and flowers to shrines, temples and palaces with ageless sculptures and legend, the country provides the tourist with a fascinating mix of unparalleled nature beauty with a rich and ancient civilization. Trekking, white water rafting and mountaineering are popular tourist activities.

Tourism has been the main industry of this land locked country. Nepal is a land of the unparalleled beauty with its unique flora and fauna topping the majestic Himalayan range including the highest peak in the attracted in ever-increasing numbers. Nepal has managed to retain its old-world charm. Juxtaposed between two Asian giants, China to the north and India to the south, Nepal is a land of temples (Pashupati, Krishna Mandir, Manakamana and Muktinath being the most famous), stupas and monasteries (Swayambhunath and Bouddhanath or Tengboche), World Heritage Sites (the birthplace of the Buddha Lumbini or the ancient cities of Patan and Bhaktapur), stunning views, popular lakes (like the Phewa, Begnas lake at Pokhara), snow-capped mountains (including, the 8,848-metre Everest) and national parks (like Chitwan and Bardia). The mountains and majestic Himalayas are the true tourism assets and icons

of our nation. Trekking tourism is the most popular type of mountain tourism in Nepal, followed by mountaineering and rafting. There are at least a dozen areas in the mountains of the mountains of Nepal that has been opened for tourists. Some of the most popular areas are the Annapurna Conservation Area (ACA), Sagarmatha National Park(SNP), and Langtang National Park (LNP). (Nepal's Tourism Blitz: Ravi Sharma). Nepal is a country having international glory for adventure and culture bewilderment. The number of world heritage sites within a small limited area has pointed out the importance and authenticity of its culture, tradition, and ethnicity. The heritage sites have become an indispensable resource for the development and promotion of tourism in the urban as well as rural sector of the country.

The autumn and winter seasons are when the country sees greater arrival of tourists than in the other months of the year. The seasonality factor is quite worrying yet not much has been done as how to attract visitors during the other months as well. In the past, not much concerted action was undertaken to make the tourists come during the other months also. But now, there has been a growing realization that tourism products ought to be designed whereby the same resources could be tapped for more benefits to the country. Tourism is obviously a heavy weight industry and a source of previous foreign exchange. These roles of the tourism industry for the economic development of Nepal can hardly be exaggerated. Tourism has been a driving force for the economic development of Nepal. It also employment opportunities for a millions of people both directly and indirectly. Being the poorest countries of the world, its opportunities for the faster economic growth are limited. We have abundant resources for which the country enjoys competitive advantages.

The exotic culture, unique social setting, arts and architecture, religion and above all people themselves are the resources, if harnessed appropriately could bring about noteworthy achievements. Tourism represents one among such sectors, which could rebuild the image of the country bringing back multifaceted benefits to all.

#### **1.1.4. World Tourism and Economy**

Travel & Tourism is set for a milestone year as the industry's direct contribution to the global economy is expected to pass \$2 trillion in GDP and 100 million jobs.

According to a research by the World Travel & Tourism Council (WTTC)<sup>i</sup>, the global Travel & Tourism industry will grow by 2.8% in 2012, marginally faster than the

global rate of economic growth, predicted to be 2.5%. This rate of growth means that Travel & Tourism industry is expected to directly contribute \$2 trillion to the global economy and sustain some 100.3 million jobs. When the wider economic impacts of the industry are taken into account, Travel & Tourism is forecast to contribute some \$6.5 trillion to the global economy and generate 260 million jobs – or 1 in 12 of all jobs on the planet. In 2011, Travel & Tourism's total economic contribution, taking account of its direct, indirect and induced impacts, was US\$6.3 trillion in GDP, 255 million jobs, US\$743 billion in investment and US\$1.2 trillion in exports. This contribution represented 9% of GDP, 1 in 12 jobs, 5% of investment and 5% of exports.

David Scowsill, President & CEO of WTTC, said: "In 2012, when international travellers are expected to surpass one billion for the first time, the industry will pass two other major milestones: a direct contribution of \$2 trillion to the world economy and 100 million jobs. But these numbers are dwarfed by the total forecast contribution of our industry – \$6.5 trillion to the global economy and 260 million jobs." Over the medium-term, the prospects of the industry are even more positive with average annual growth expected to be 4% through to 2022 by which time Travel & Tourism will employ 328 million people – or 1 in 10 of all jobs on the planet. David Scowsill continued: "It is clear that the Travel & Tourism industry is going to be a significant driver of global growth and employment for the next decade. Our industry is responsible for creating jobs, pulling people out of poverty, and broadening horizons. It is one of the world's great industries". Other selected highlights from the research shows:

- South & Northeast Asia will be the fastest-growing regions in 2012, growing by 6.7%, driven by countries such as India and China where rising incomes will generate an increase in domestic tourism spend and a sharp upturn in capital investment, and recovery in Japan
- After an extremely challenging 2011 when civil unrest and violence had a dramatic impact on demand for Egypt, Tunisia and Libya, North Africa is showing signs of recovery in 2012 with Travel & Tourism direct GDP growth forecast at 3.6%. Morocco (8.3%) will be the star performer of this region as negative perceptions of security continue to affect tourism in Egypt and Tunisia
- In the Middle East, where civil unrest and violence in some countries continues, growth will be more subdued (3%), although there are stark differences at country

level. Qatar will grow fastest at 13.2% while Syria will likely see another dramatic fall, estimated at 20.5%, as the political situation worsens, increasing concerns over security. It is worth noting that 14% of all international arrivals in the Middle East in 2010 were for Syria, the second most important destination in the region after Saudi Arabia

- The mature economies of North America and Europe will continue to struggle in 2012. North America, which saw a slight upturn in the USA's economic situation at the end of 2011, should see growth of only 1.3% in Travel & Tourism direct GDP over the year
- The prospects for Travel & Tourism growth in Europe in 2012 are precarious. Current forecasts suggest a 0.3% increase in Travel & Tourism direct GDP for the region overall, but this will be propped up by newer economies such as Poland and, of course, Russia. A decline of 0.3% is expected across the European Union. Consumer spending is set to tighten as austerity measures kick in, and there continues to be considerable uncertainty around the future of the Eurozone and peripheral economies of Greece, Spain, Italy and Portugal.

### **1.1.5. MIS and Tourism**

For tourism businesses, the Internet offers the potential to collect and share information and booking facilities available to large numbers of tourists at relatively low costs. It also provides a tool for communication between tourism suppliers, intermediaries, as well as end-consumers. It is quite clear that the advent of Internet-based electronic commerce offers considerable opportunities for firms to expand their customer base, enter new product markets, rationalize their business and can run business in new and more cost-effective ways. The Internet is revolutionizing the distribution of tourism information and sales. An increasing proportion of Internet users are buying on-line and tourism will gain a larger and larger share of the online commerce market. Obviously, the Internet is having a major impact as a source of information for tourism. However, the industry is also facing more stringent impediments to the adoption of new information technology, in particular, e-business. Part of the problem relates to the scale and affordability of information technology, as well as the facility of implementation within rapidly growing and changing organizations. In addition, new solutions configured for large, stable, and



internationally-oriented firms do not fit well for small, dynamic, and locally-based tourism firms. The use of the Internet plays an important role in the development and use of Information and Communication Technologies. There is a growing availability of Internet resources in travel and tourism for a diversity of users. The Internet can be used in two different but not exclusive ways: first, as a source of information, and second, as a marketing tool to facilitate online transactions. It has been pointed out that the development of Information and Communication Technologies blurs the traditional boundaries between distribution and information. For example, interactive information screens at tourist information centers enables tourists to obtain information and make bookings at the same time. On the other hand, tourism organizations can use Information and Communication Technologies for addressing individual needs and wants of their consumers. The Tourism industry is a consumer of a diverse range of information and a main user of these technologies. The technologies have affected the way tourism organizations conduct their business and, in particular, the way organizations distribute their tourism products in the marketplace.

Internet as another selling channel is the value of World Wide Web. Research report showed that the retention of customers online is easier than in traditional “bricks and mortar” companies where the online company spends three to five times less to retain them. Companies that retained customers exhibited traits of reliable basic operational execution. Their sites downloaded quickly; they responded to customer queries quickly; they delivered more than 95 percent of their orders on time; and they made it easy for customers to return or exchange purchases. One company raised its on-time delivery rates from 60 to 90 percent, and cut customer churn in half. Internet can play an important role in enhancing a brand and corporate reputation. So with the availability of abundant information with the Internet can play a pivotal role in enhancing brand relationships and corporate reputations.

#### **1.1.6. Company Profile**

Nepal Tourism Board (NTB) is a national organization established in 1998 by an act of parliament in the form of partnership between Government of Nepal, and private sector tourism industries of Nepal to develop and market Nepal as an attractive tourist destination. The Board provides platform for vision-drawn leadership for Nepal's

tourism section by integrating government commitment with the dynamism of private sector tourism industries.

NTB is promoting Nepal in the domestic and international market and is working toward repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of Tourist Service Fee from departing foreigner passengers at the Tribhuvan International Airport, Kathmandu thus keeping it financially independent. The Board chaired by a Secretary at Ministry of Culture, Tourism and Civil Aviation constitutes of 11 board members with five government representatives, five private sector representatives and the chief executive officer. Along with the NTB other giants Travel and Trekking Agencies which are in the market at the present scenario will also be taken due care. Those agencies will play a very important role in this study because of their contribution in the Tourism sector.

#### **1.1.7. Tourism Information management system**

It was only 50 years ago that the first mainframe computer was developed, 25 years since the introduction of the personal computer and only a decade since the World Wide Web was introduced, and yet their influence on daily operations is pervasive. It was in the mid-1990s, when a flurry of internet service providers began offerings of dial-up access, and e-services became widely available to mass consumers.

On the other hand tourism and leisure activities are becoming more and more important in the people's life. While the demand side of tourism services has grown, the supply side has been expanded exponentially and numerous competitors came in the industry. This increase in the supply side in the tourism industry increased the customers' expectations and made tourist providers look for possible solutions to overcome this dilemma by using novel methods for tourist attraction. Using new technology is a way to solve this problem. The development of information communication technologies (ICTs) changed industry structures around the world, tourism is not exempted from that. E-tourism describes a new way of doing business. It means fast communications, global accessibility and minimal costs for new businesses going online. E-commerce is a growing sector and many tourism businesses are involved in developing their internet services including traditional travel agents, tour operators, national tourist offices, airlines, hotels and other accommodation providers and car hire firms. This means of doing business is known

as ‘e-tourism’, or ‘tourism e-business’ .E-tourism firms use internet to better serve their customers .Customer relationship management is a crucial subject which firms take special attention to, which directly or indirectly results in Customer satisfaction and Customer retention.

As we all know Nepal is one of the most popular tourist destinations in the world, known for its natural beauty, diverse culture and festivals. Nepal is welcoming and serving a large no. of tourists from around the globe. As tourists are both cost and time conscious, they demand better service as well as specific information according to their preferences. Now a day’s tourists are facing a lot of problems due to the lack of proper flow of information. The websites of NTB and other Travel and Trekking agencies provides limited information which does not satisfies the information thirst of tourists. Many tourism organizations put their information online and allow customers to book and reserve their options online. Lots of people use tourist websites as information channel or for purchasing tourism products instead of traditional travel agencies. In these cases since websites are the only channels which link tourism organizations with tourists, it is very important to design and facilitate them in a way that satisfies customers. For that a well equipped information system is a must as from where we can abstract the necessary information and forward it for decision making process.

## **1.2. Focus of the Study**

The current study focuses on two interrelated issues that need to be addressed as part of an effort to implement a successful information system in the tourism industry. The first issue is the selection and categorization of study area for presentation and the second is the real analysis for suggestion to the concerned agencies.

The main focuses of the study are as follows:

- To know about the current functioning of Nepal tourism board.
- To gain in-depth knowledge of Nepalese tourism sector.
- To identify the problems faced by the Travel and trekking agencies along with other service rendering stakeholders.
- To gain the depth knowledge about the operation of travel and trekking agencies.
- To know about the control mechanism of Nepal Tourism Board.

- To gain the knowledge of MIS integration and its real application.
- To identify the problems faced by the visitors.
- To give suggestion to the concerned parties for the betterment.

### **1.3. Statement of Problem**

Many tourism related organizations put their information online and allow customers to book and reserve their options online. Lots of people use tourist websites as information channel or for purchasing tourism products instead of traditional travel agencies. In these cases since websites are the only channels which link tourism organizations with tourists, it is very important to design and facilitate them in a way that satisfies customers. Making customers satisfied is important from different perspectives. Many researchers have shown that satisfaction can affect customer retention and also it can make them recommend the goods or services to the others. About the case of tourism, satisfaction in the first step of tourism can affect potential tourists' intention for purchasing that special product or products. As a result it is necessary to investigate which factors are important for tourists while they are implementing the first step of their trip online.

A travel has three stages. First stage is when the tourist is planning and organizing the trip, this stage is called pre-trip stage. The second part is the time during the trip and is called in-trip stage. The last stage starts when the travel finishes. This stage is called after-trip stage. The tourism processes will be equally important in each stage but due to the great dependence of the first stage to information technology, the focus of this research is more on the electronic tourism in this stage.

With the rapid increase in the use of Web application in the tourism sector we can see many tourism related organization trying to prove that they offer more and better services than the other. The major web site that are currently launched in Nepal either provide the limited information that are available on their database or the tourist will have to go accordingly to the itinerary provided by the tour operator or the travel agent. If a tourist wants to visit any destination or tourist spot of their choice then there are no such sites available. Similarly if the tourist comes to Nepal and got few free hours, there is no any such reliable application available to suggest the tourist to use up those free hours. Much of the travel web site here in Nepal provide limited

amount of information. For a traveler who wishes to travel on his or her own, there isn't any means provided. When they are here they are bounded to certain constraints. The main constraints will be the time, cost and the quality of service to be provided.

## **1.4. Objective of the Study**

This study “**Tourism information management system**” is essential to analyze performance of overall industry, to outlet new ideas, provide sources of livelihood to the professionals, management team, investors, customer, policy makers and other peoples depending directly or indirectly in the industry.

- To analyze the overall flow of information in the tourism sector.
- To identify and rectify the problems associated with NTB and other stakeholders.
- To get full fledged knowledge about integration of computer technology in tourism sector for the flow of information.
- To study the impact of information in the Tourism industry.
- To give feedback to the stakeholders.
- To analyze the effectiveness of existing websites and suggesting them to upgrade as per tourists need.
- To identify the problems faced by NTB, its stakeholders and overall industry.
- To understand how MIS is being integrated in real application is the main objectives of this study.

## **1.5. Rationale of the Study**

The Underlying principles of study are as follows:

- With this study we can gain some information about Nepalese tourism industry and the role played by NTB and other organizations which may be difficult for them to identify themselves.
- This can be the secondary research data or the reference to our followers.

- This study will present us and others the real scenario of the Tourism industry. This also enhances our knowledge about the topic.
- The lack of information sharing system between Nepal government, NTB and other stakeholders is creating a huge gap between them which is creating many problems and which ultimately may destroy the overall industry. So this research study also focuses on the importance of information in tourism industry.
- This study also highlights the investment and return for the national GDP.

## **1.6. Limitation of Study**

The limitations of study are as follows:

- This research study only analyze the current information system used by NTB and some of Travel and Trekking agencies for the collection and refinement of those data's for decision making.
- Use of Secondary data is also another limitation of this study. Some primary data is collected from observation, questionnaire, and interview method and it is assumed to be accurate and reliable.
- The time constrain is one of the prime factor of the study.
- At present Load shedding system of Nepal is also affecting the research work.
- Being a Technical subject it is difficult to understand.

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

The research Study entitled “**Tourism Information management System**”, A Case Study of Nepal Tourism Board and its stakeholders, Travel and trekking agencies” includes the following chapters:

## **Chapter I: Introduction**

The first chapter provides the background information of the study, focus of the study, statement of the problem, objective of the study, significance of the study, limitation of study, and organization of the study, therefore, this chapter provides summary of overall study.

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

Review of literature is very important part of every research. This chapter includes the theoretical background of MIS and review how MIS can help the managers in their decision making process in different hierarchy of organization. Many Unpublished Master Degree Thesis and other related paper works are also reviewed in this chapter.

## **Chapter III: Research Methodology**

This chapter constitutes the methodology adopted to conduct the study, data analytical techniques, and processes. This chapter also contains research design, population and sample, sources of data, data collection methods, research software tools, data analysis tools and techniques used for data analysis.

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

In this chapter, system run chart, analysis of existing system, data flow diagram, entity relationship diagram, limitation of existing system, feasibility analysis, analysis of data and major findings are presented.

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

This chapter contains summary, conclusion and recommendation for the improvement of management information system in tourism related organization.

Apart from this Bibliography and Appendix is also attached.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

We can find many research works done by scholars in this field. Apart from this, there are many books, articles, dissertation and other relevant study concerned with Tourism industry. Some of relevant studies, their objective findings and conclusions and other literature related to this topic have been reviewed in this chapter. This study will try to find and foretells the very worthiness of the study being undertaken. This part of study is divided into following sections:

- Conceptual Framework
- Review of Journals and Articles
- Review of Thesis

#### **2.1. Conceptual Framework**

This part of literature review focuses on the conceptual review of Tourism Blessed with geographical, historical and cultural specialties, unique and individual, Nepal has a wide prospect for tourism development. Development of tourism industry leads to multiplication of employment opportunities and contributes a good deal to the foreign exchange earnings. The rich cultural heritage, enchanting diversity of tribes and commodities and heart -warming parade of scenic beauty of to prove that there are more than enough justifications for developing this sector.

Nepal has ample opportunities to develop international tourism as it consists of rich natural resources, beautiful landscapes and bio as well as cultural diversities. Thus tourism can be a good source of income for developing country like Nepal. Keeping in view of those facts, Nepal government has taken important steps and made long-term plans, policies and strategies for development of tourism in Nepal. In this context, Nepal Tourism Board Act 2053 was passed by both the houses of the parliament in December 1996, and obtained the Royal Seal in February .



### **2.1.1. Tourism board of Nepal**

Nepal Tourism Board(NTB) is a national organization established in 1998 by an act of parliament in the form of partnership between Government of Nepal, and private sector tourism industries of Nepal to develop and market Nepal as an attractive tourist destination. The Board provides platform for vision-drawn leadership for Nepal's tourism section by integrating government commitment with the dynamism of private sector tourism industries.

NTB is promoting Nepal in the domestic and international market and is working toward repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of Tourist Service Fee departing foreigner passengers at the Tribhuvan International Airport, Kathmandu thus keeping it financially independent. The Board chaired by a Secretary at Ministry of Culture, Tourism and Civil Aviation constitutes of 11 board members with Five government representatives, Five private sector representatives and the chief executive officer. The Board designed as a partnership between the HMG and the private sector travel industry of Nepal has been empowered to work as a Board Act, 2053 as mentioned below<sup>ii</sup>:

1. To develop and introduce Nepal as an attractive tourist destination in the international marketplace.
2. To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
3. To work towards increasing the gross domestic product and foreign exchange income by means of promoting the tourism industry and to work towards increasing employment opportunities in the same industry.
4. To develop Nepal as a secure, dependable as well as attractive travel destination by establishing a respectable image of Nepal in international travel trade community.
5. To work towards providing equality service to the tourists visiting Nepal.
6. To study the bottlenecks against the same by means of conducting research and implementing and getting implemented results of such research in order to do away with these bottlenecks.

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

Putting all those objectives in strong consideration, NTB has designed its overall organizational structure in such a way that collective actions of each unit emphasizes in overall marketing & promotion of its diversified potential as well as existing tourism products. Nepal Tourism Board had prepared its Tourism Marketing Strategy for Nepal and its three main objectives are as follows:

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

In order to achieve these objectives, NTB has presented its core product Strengths through its overall marketing campaign. Nepal's core product

Strengths are seen as the following:

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

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

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

### **2.1.2. Management Information System (MIS)**

When the concept of MIS was developed it concentrates mainly on processing raw data and to present it in the form of reports at regular intervals. The system was largely capable of handling the data from collection to processing. It was more impersonal, requiring each individual to pick and choose the processed data and use it for his requirements.

After years it was further modified and a distinction was made between data and information. The information is a product of an analysis of data. This concept is similar to a raw material and the finished product. What are needed are information and not a mass of data. However, the data can be analyzed in a number of ways, producing different shades and specifications of the information as a product. It was, therefore, demanded that the system concept should be an individual-oriented, as each individual may have a different orientation towards the information.

This concept was further modified, that the system should present information in such a form and format that it creates an impact on its user, provoking a decision, an action or an investigation. It was later realized that even though such an impact was a welcome modification, some sort of selective approach was necessary in the analysis and reporting.

Hence, the concept of exception reporting was imbibed in MIS. The norm for an exception was necessary to evolve in the organization. The concept remained valid till and to the extent that the norm for an exception remained true and effective. Since the environment turns competitive and is ever changing, fixation of the norm for an exception becomes a futile exercise at least for the people in the higher echelons of the organization.

The concept was then evolved that the system should be capable of handling a need based exception reporting. This need may be either of an individual or a group of people. This called for keeping all data together in such a form that it can be accessed by anybody and can be processed to suit his needs. The concept is that the data is one but it can be viewed by different individuals in different ways. This gave rise to the concept of Database, and the MIS based on the Database proved much more effective.

Over a period of time, when these conceptual developments were taking place, the concept of the end user computing using multiple databases emerged. This concept

brought a fundamental change in MIS. The change was decentralization of the system and the user of the information becoming independent of computer professionals. When this became a reality, the concept of MIS changed to a decision-making system. The job in a computer department is to manage the information resource and leave the task of information processing to the user. The concept of MIS in today's world is a system, which handles the databases, provides computing facilities to the end user and gives a variety of decision making tools to the user of the system. (*Jawadekar, 2003:3-4*)

The MIS is a concept of the last decade or two. It has been understood and described in a number of ways. It is also popularly known as the Information System, the Information and Decision System, the Computer-based Information System. The MIS has more than one definition.

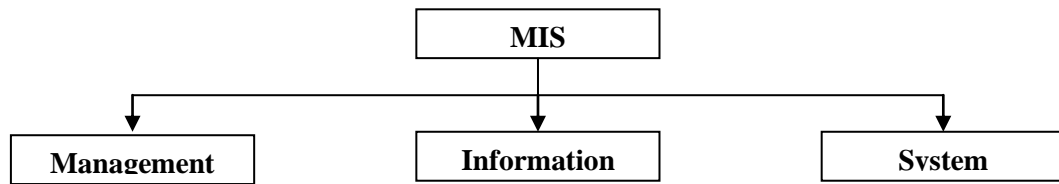
The MIS can be defined as

- A system which provides information support for decision making in the organization.
- An integrated system of man and machine for providing the information to support the operations, the management and the decision making function in the organization.
- A system based on the database of the organization evolved for the purpose of providing information to the people in the organization.
- A computer-based Information System

Though there are a number of definitions, all of them converge on one single point, that is, the MIS is a system to support the decision making function in the organization. The difference lies in defining the elements of the MIS. However, in today's world, the MIS is a computerized business processing system generating information for the people in the organization to meet the information needs for decision making to achieve the corporate objectives of the organization. (*Jawadekar, 2003:5-6*)

Generally, the combination of major three components namely Management, Information, and System is known as MIS. In order to make the concept more clear each part of components is examined separately.

**Figure 1**  
**MIS and its Components**



### 2.1.3. Management

Management is the process of planning, organizing, leading and controlling the work or organization members and of using all available organizational resources to reach stated organizational goal. It is especially in dealing with matters of time and human relationship as they arise in organizations. It is an attempt to create desirable future keeping the past and the present in mind. It is practiced in and is a reflection of a particular historical era. It is practice that produces consequences and effect that emerge over time. (*Stoner, Freeman and Gilbert, 2000:21*)

Management is the art and science of getting things done through others, generally by organizing and directing their activities on the job. A manager is therefore someone who defines, plans, guides, assists, and assesses the work of others, usually people for whom the manager is responsible in an organization. According to Oxford Dictionary, management is the “process of dealing with or controlling people or things”.

Management can be viewed as a function, a process, a profession or a class of people. And along with material, capital and labor, management is considered as a resource. It refers to the kind of tasks and activities that are performed by managers.

The specific natures of activities are determined by such managerial functions as planning, organizing, directing and controlling. In fact, management is a process of achieving an organization’s goals and objectives by making the fullest use of available resources like men, materials, machines, money, methods etc.

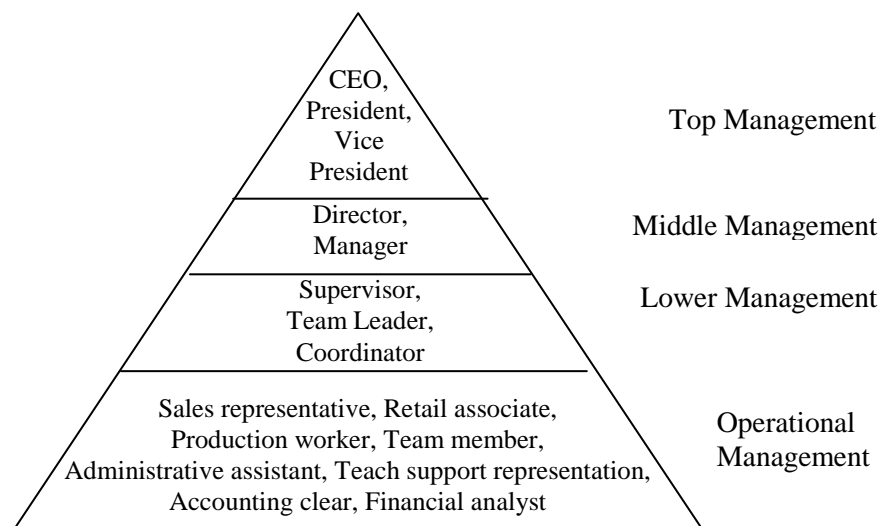
The various functions of management are as follows:

- **Planning:** It is the process of deciding in advance the courses of action to be followed; when and also, how to undertake these actions.

- **Organizing:** It refers to the grouping of people and activities in order to facilitate the achievement of the organizational objective.
- **Controlling:** Control is the mode of checking the progress of plans and also, correcting any deviations that may occur along the way.
- **Directing:** It is the process of activating the plans, structure and group efforts in the desired direction. It is needed for implementation of plans by providing the desired leadership, motivation and proper communication.

Management can be grouped into three hierarchical levels - top, middle and junior management levels. (*Adhikari, 2005:5*)

**Figure 2**  
**Levels of Management**



(Source: *Adhikari; 2005: 7*)

Top (or strategic) management establishes the policies, plans and objectives of the organization as well as a budget framework under which various departments will operate. Middle (or tactical) management has the responsibility of implementing the policy and overall plans of the top management. Junior (or operational) management has the responsibility of implementing day-to-day operations and decisions of the middle management to produce goods and services to meet the revenue, profit and other goals, which in turn will enable the organization to achieve its overall plans and objectives.

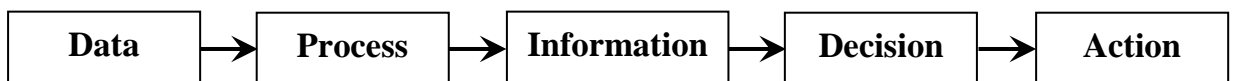
#### 2.1.4. Information

The word ‘information’ is used commonly in our day to day working. Information can be defined as the data, which can be organized and presented so that the decision maker may take the necessary action. In other words, information is the result/product of processing data. (*Adhikari, 2005:29*)

Jawadekar (2003:85) defines information as the processed data, which improves representation of an entity, updates the level of knowledge, reduces uncertainty, aids in decision-making and has a surprise value.

Similarly to this, Davis and Olson defines information as the data that has been processed into a form that is meaningful to the recipient and is of real or perceived value in the current or the prospective actions or decisions of the recipient. Data is defined as groups of non-random symbols in the form of text, images or voice representing quantities, actions and objects.

**Figure 3**  
**Information System**



(Source: *Adhikari; 2005: 27*)

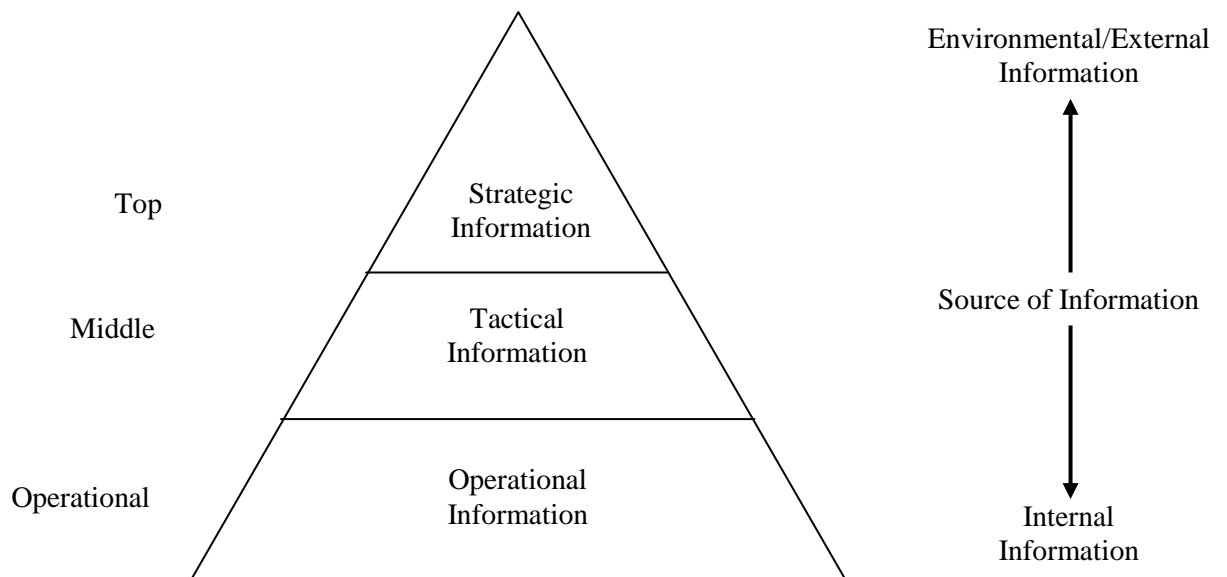
Information as a concept bears a diversity of meanings, from everyday usage to technical settings. Generally speaking, the concept of information is closely related to notions of constraint, communication, control, data, form, instruction, knowledge, meaning, mental stimulus, pattern, perception, and representation. Many people speak about the Information Age as the advent of the Knowledge Age or knowledge society, the information society, and information technologies, and even though informatics, information science and computer science are often in the spotlight, the word "information" is often used without careful consideration of the various meanings it has acquired.

#### 2.1.5. Classification of Information

According to the levels of management, information can be classified as the operational, tactical and strategic information.

**Figure 4**

**Information Classification**



(Source: *Behl; 2009:21*)

- a) **Strategic information** is the information required for the senior managers. They need information to generate regular reports, to prepare retrieval requests, and information which would assist in identifying problem areas and opportunities.
- b) **Tactical information** is carrying out the programs and plans for the senior management. Typically, they need information, which would assist in analysis, planning and reporting. Middle managers time orientation is in the range between lower management and that of top management. They need information to obtain routine cross-functional summary reports, to identify nonfactual details, to identify factual details, to generate exception reports.
- c) **Operational information** is for monitoring the firm's daily activities. Lower managers are concerned primarily with the result of past operations and with conducting current operations. Lower manager's decisions usually are repetitive and structured. They need information to obtain operational data, to assist in scheduling of activities, to identify out of control situations, to generate performance and daily transaction reports. (*Adhikari, 2005:33-34*)



### **2.1.6. Data and Information Concepts**

The word data is the plural of datum, through data commonly represents both singular and plural forms. Data are raw facts to observations, typically about physical phenomenon or business transactions. For instance, take of an aircraft would generate many data describing that event. More specifically, data are objective measurements of the attributes (the characteristics) of entities (such as people, place, things and events). Data is more than the raw material of information systems. The concept of data resources has been broadened by managers and information systems professionals. They realize that data constitutes a valuable organizational resource. Thus, data as data resources must be managed effectively to benefit all end users in an organization.

The data resources of information systems are typically organized into:

- Data bases that hold processed and organized data.
- Knowledge bases that hold knowledge in a variety of forms such as facts, rules and case examples about successful business practices.

People often use the terms data and information interchangeably. However, it is better to view data as raw material resources that are processed into finished information products. Then we can define Information as data that have been converted into a meaningful and useful context for specific end users. Thus, data are usually subjected to value-added process (we call data processing or information processing) where, (1) its form aggregated, manipulated and organized; (2) its content is analyzed and evaluated; and (3) it is placed in a proper context for a human user. (*O'Brien, 2004:8*)

Information, therefore, like any other resource in an organization, should be properly managed to ensure its cost-effective use. It is an ingredient that is vital to good management and if properly managed, should rank in importance with the organization's personnel, material and financial resources. In an organizational context, it is increasingly being recognized as a resource independent of the technology used in manipulating it. (*Adeoti-Adekeye, 1997:318-319*)

### 2.1.7. Information System(IS)

The rapid evolution of computer technology is expanding man's desire to obtain computer assistance in solving more and more complex problems: problems, which were considered solely in the domain of man's intuitive and judgmental processes, particularly in organizations, a few years ago.

Information systems are becoming of ever-greater interest in progressive and dynamic organizations. The need to obtain access conveniently, quickly and economically makes it imperative to devise procedures for the creation, management and utilization of databases in organizations. Management information and information systems, in particular those related to effective decision-making processes in an organization, i.e. MIS, are regarded as valuable organizational resources. Simply put, an information system is a system for accepting data/information as a raw material and through one or more transmutation processes, generating information as a product. It comprises the following functional elements, which relate to the organization and its environments:

- **Perception:** Initial entry of data whether captured or generated, into the organization.
- **Recording:** Physical capture of data.
- **Processing:** Transformation according to the "specific" needs of the organization.
- **Transmission:** The flows which occur in an information system.
- **Storage:** Presupposes some expected future use.
- **Retrieval:** Search for recorded data.
- **Presentation:** Reporting, communication; and
- **Decision making:** A controversial inclusion, except to the extent that the information system engages in decision making that concerns itself.

Information system is generally expected to provide not only a confrontation between the user and information, but also, the interaction required for relevant and timely decision making. Its main purpose is to satisfy users' information needs. Approaching information systems in an organizational content shows that it is a sub-system within

an organizational system which is a “living and open” system. Academics interested in information works and information practitioners alike have defined information systems in various ways but with basic ideas of people, information technology and procedures which enable the facilitation of the generation, use and transfer of information. Although information systems are considered to belong to an applied discipline, there is need for an understanding of their underlying basic concepts by information practitioners. (*Adeoti-Adekeye, 1997:321*)

The definition of information systems by Duff and Assad (1980) is considered to be adequate: “A collection of people, procedures, a base of data and (sometimes) hardware and software that collects, processes, stores and communicates data for transaction processing at operational level and information to support Management decision making.”

Certain deductions can be made from the above definition that:

- The definition covers the what, how and why of information systems;
- An information system can be manual or computer-based;
- That information systems have existed in organizations and always will;
- That an information system is supposed to support both the basic operations of an organization and its management;
- A distinction seems to be made between data for transaction processing purposes and information for decision-making purposes; and
- The definition has provided what can be considered as basic concepts underlying information systems, namely: people, management, information, systems and organizations.

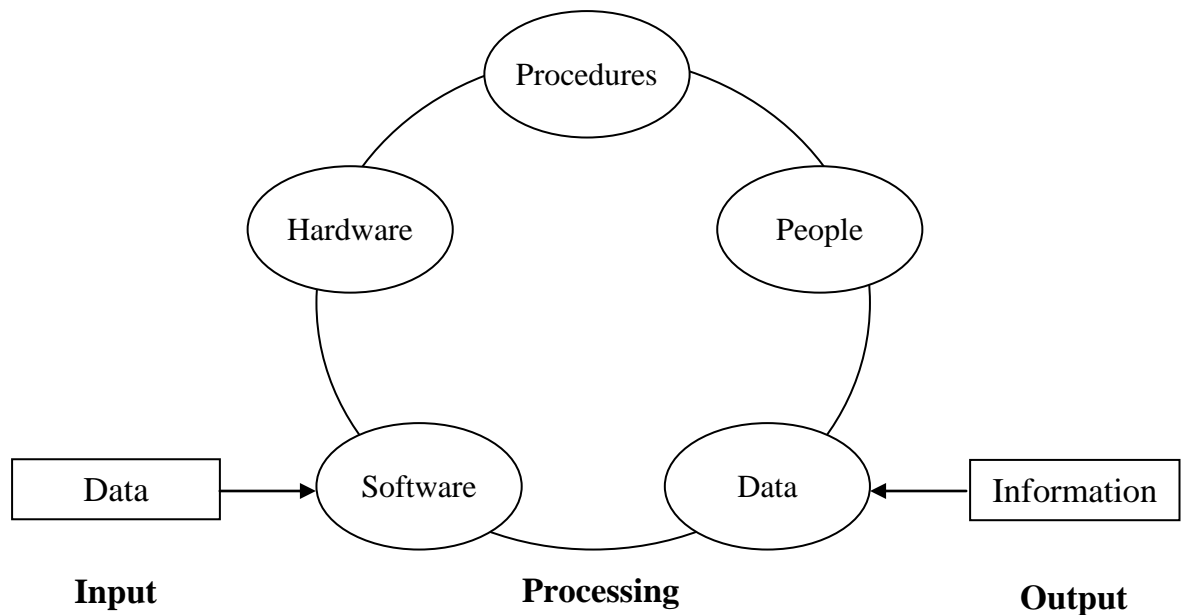
The attributes indicated above can be considered as major attributes or essential elements for developing an information system concept in an organizational context. In order to understand the information system concept further, Salton (1975) highlighted the most important computer-based information systems as Information retrieval system (IRS), Question-answering system, Database system (DBS), Management information system (MIS), Decision support system (DSS).

An information system collects, processes, stores, analyzes and disseminates information for a specific purpose. Information systems are often at the heart of most organizations. For example, banks and airlines cannot function without their information systems. With the advent of electronic businesses (e-businesses), if there is no information system, then there is no business. Information systems accept inputs and process data to provide information to decision makers and help them communicate their results. Now, a World Wide Web presence and activities are expected by consumers and decision makers. So, information systems have become critical for many organizations that in the past did not rely on them. (*Turban and Aronson, 2004:38*)

Information is data that has been changed into a useful form of output. An information system has five key components: hardware, software, data, processes, and people. (*Adhikari, 2005:30*)

Interrelated components that collect, process, store and disseminate information to support decision making, control, analysis and visualization in an organization is the information system in organization. This system may contain information about significant people, places and things within the organization or in the environment surrounding it.

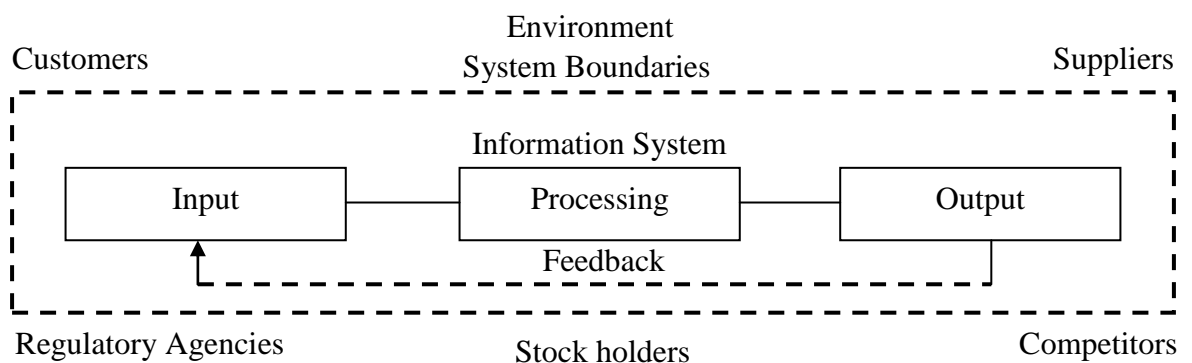
**Figure 5**  
**Information System Components**



(Source: Adhikari; 2005:30)

Three activities in an information system produce the information need for the organization. These activities are input, processing and output. The output has the control called feedback which will help the members of the organization to evaluate or correct the input stage. Typical figure of information system is given below. (Adhikari, 2005:32)

**Figure 6**  
**Typical Figure of Information System**



(Source: Adhikari; 2005: 32)

### **2.1.8. Information System Security**

The Information system held in computer-based systems, security measures need to be more complex but more effective in control. Risk analyses need to be undertaken to determine the most effective methods of ensuring information security.

Basic security measures that may need to be carefully applied include:

- Adequate physical security of the buildings in which computer equipment or critical communications equipment (microwave installations or optical fiber/cable exchanges) are held including protection against both human intervention and possible natural disaster (flood, fire).
- Back-up and recovery capabilities in case of system failure including recovery of power supply, telecommunications links, hardware, and software as well as provision for manual or lower tech methods of achieving the same task in case the computer system cannot be revived and simple precautions such as daily backups of all systems and data and storage of backup media at a separate location.
- Thorough testing of all aspects of systems under production conditions prior to their being placed into production mode.
- Access controls on software and data, to prevent unauthorized external access (hacking) or internal attempts at manipulation of system configuration, system code, or data recorded.
- Thorough training of staff in the computing systems and software they are required to use, so that data is not lost or systems damaged accidentally.
- Ensuring that all staff is aware of the security precautions that need to be applied. (*Adhikari, 2005:37-38*)

### **2.1.9. System**

The word system (from the Latin (systema), and this from the Greek (sustema)) is an assemblage of entities/objects, real or abstract, comprising a whole with each and every component/element interacting or related to another one. Any object which has no relationship with any other element of the system is not a component of that

system. A subsystem is then a set of elements which is a system itself and a part of the whole system.

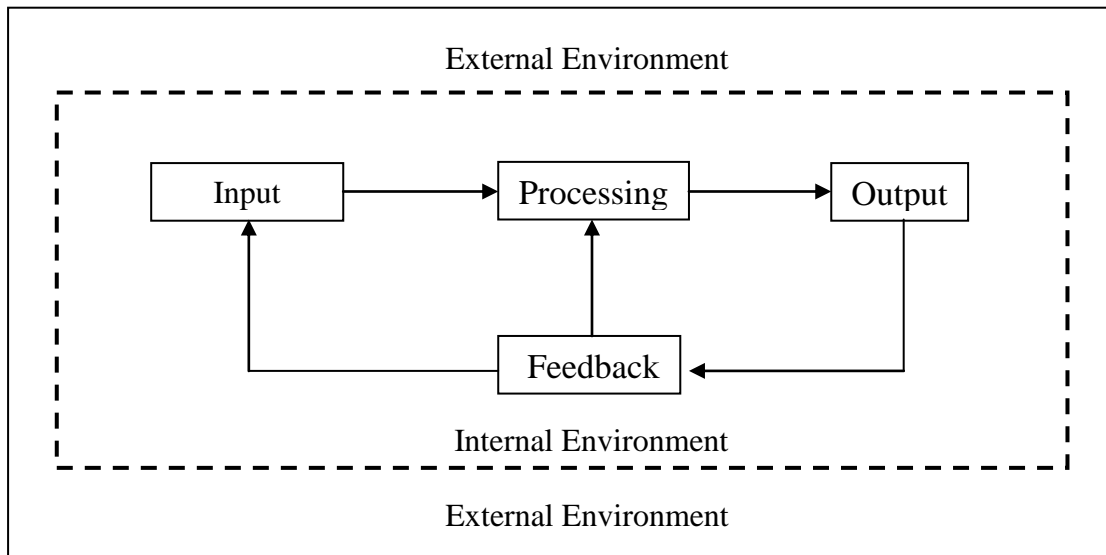
A system is group of interrelated components working together toward a common goal by accepting inputs and producing outputs in an organized transformation process. Such as a system (sometimes called a dynamic system) have three a basic interacting component or functions: Input, Processing and Output.

- **Input:** Involves capturing and assembling elements that enter the system to be processed. For example, raw materials, energy, data and human effort must be secured and organized for processing.
- **Processing:** Involves transformation process that converts input into output. For instance, a manufacturing process, the human breathing process, or mathematical calculations.
- **Output:** Involves transferring elements that have been produced by a transformation process to their ultimate destination. For instance, finished products, human services, and management information must be transferred to their human users.

The system concept becomes even more useful by including two additional components: feedback and control. A system with feedback and control components is sometimes called a cybernetic system, that is, a self-monitoring, self-regulating system.

Figure 7

### Model of System



(Source: Behl; 2009: 12)

- **Feedback:** Is data about the performance of a system. For example, data about sales performance is feedback to sales manager.
- **Control:** Involves monitoring and evaluating feedback to determine whether a system is moving toward the achievement of its goal. The control function then makes necessary adjustments to a system input and processing components to ensure that it produces proper output. For example, as sales manager exercises control when he or she reassigns sales persons to new sales territories after evaluating feedback about their sales performance. (O'Brien, 2004:8)

#### 2.1.10. Computer Based Information System (CBIS)

In this 21<sup>st</sup> century information technology has become a necessity. Believe it, act on it, or become a footnote in history. The revolution in business caused by the internet and its related technologies demonstrates that information systems and information technology are essential ingredients for the success of today's inter-networked business enterprise. Therefore, as tomorrow's managers, entrepreneurs and business



professionals, business students must learn how to use and manage a variety of information technologies to revitalize business processes, improve managerial decision making, and gain competitive advantage.

Thus, a CBIS demonstrates how the internet, intranets and extranets can give a business a strategic technology platform that supports electronic commerce and enterprise collaboration among the inter-networked enterprises in today's global business environment.

System is a collection of interrelated and integrated components and operates in a social context and with a computer based information system; the software usually includes application programs, which perform specific tasks for users Lucas (1997). And a CBIS is a collection of components for disseminating information regarding specific purpose.

The major components of a CBIS can include:

1. Hardware,
2. Software,
3. A database,
4. A network,
5. Procedures, and
6. People. (*O'Brien, 2004:151*)

### **2.1.11. Decision Making and MIS**

Decision Support System (DSS) is a special class of system, which is used as a support in decision-making. DSS is a set of well integrated, user friendly, computer based decision making tools that can combine internal and external data with various models to solve unstructured and semi-structured problems. Many of the decision-making situations, at all levels of management are such that, its occurrence is infrequent but the methodology of decision-making is known. Some of the methods are proven and are widely used. Such applications are separated and are packed in the DSS.

These systems use data from the general MIS and are used by a manager or a decision maker, for decision support. The DSS could be an internal part of MIS. When the decision making need is in real time dynamic mode, all such systems are designed to read, measure, monitor, evaluate, analyze and act as per decision guidance embedded in the system. The MIS would become more useful if the decision-making is made person independent and executed with well-designed DSS.

The ultimate purpose of the MIS is to make decisions at all levels of operations based upon the information flow. If decisions cannot be automated through MIS design, the objective becomes one of providing information to improve the decision-making ability of the manager. (*Adhikari, 2005:20*)

#### **2.1.12. Role of MIS**

The role of the MIS in an organization can be compared to the role of heart in the body. The information is the blood and MIS is the heart. In the body, the heart plays the role of supplying pure blood to all the elements of the body including the brain. The heart works faster and supplies more blood when needed. It regulates and controls the incoming impure blood, processes it and sends it to the destination in the quantity needed. It fulfills the needs of blood supply to human body in normal course and also in crisis. (*Jawadekar, 2003:7*)

The MIS plays exactly the same role in the organization as heart plays in body. The system ensures that an appropriate data is collected from the various sources, processed, and sent further to all the needy destinations. The system is expected to fulfill the information needs of an individual, a group of individuals, the managers and the top management.

The MIS satisfies the diverse needs through a variety of systems such as Query Systems, Analysis Systems, Modeling Systems, and DSS. The MIS helps in Strategic Planning, Management Control, Operational Control, and Transaction Processing.

The MIS helps the clerical personnel in the transaction processing and answers their queries on the data pertaining to the transaction, the status of a particular record and references on a variety of documents. The MIS helps the junior management personnel by providing the operational data for planning, scheduling and control, and

helps them further in decision making at the operations level to correct an out of control situation.

The MIS helps the middle management in short term planning, target setting and controlling the business functions. It is supported by the use of the management tools of planning and control.

The MIS helps the top management in goal setting, strategic planning and evolving the business plans and their implementation. The MIS plays the role of information generation, communication, problem identification and helps them in the process of decision-making. The MIS, therefore, plays a vital role in the management, administration and operations of an organization.

**Table 1**

**Organization and Information Concepts**

<b>Levels of Management</b>	<b>Use of MIS</b>	<b>Nature of Information</b>	<b>Value of Information</b>	<b>Reporting Media and Structure</b>
CEO & Board	Goal Setting, Policy Making, Strategic Planning	Key, Accurate, Futuristic	Very High, Meeting High Risk & Uncertainty Situation	Unstructured
Middle Division, Department, Product Managers	Decision Making Problems solving Monitoring & Achieving Business Goals, Planning & Schedule	Exception, Precise, Analytical Decision Oriented, Related to Past, Current Future	High, Meeting Risky Situation	Ad hoc, unformatted, Regular but Modified Frequent, Display & Print
Supervisory, Jr. Managers, Supervisors, Officers	Problem Solving & Meeting Targets	Processed & Summarized and Classified for the Current Period	Low, Meeting near Certainty Situation	Given at fixed Internal Display & Print
Operational Assistants, Clerks	To know the status facts	Detailed Relating to Current Period	Lowest	Lowest Volume Print

(Source: Jawadekar, 2002:107)

### **2.1.13. Objectives of MIS**

An effective MIS has following objectives:

- Facilitate the decision-making process by furnishing information in the proper time frame. This helps the decision-maker to select the best course of action.
- Provide requisite information at each level of management to carry out their functions.
- Help in highlighting the critical factors to be closely monitored for successful functioning of the organization.
- Support decision-making in both structured and unstructured problem environments.
- Provide a system of people, computers, procedures, interactive query facilities, documents for collecting, storing, retrieving and transmitting information to the users. (*Adhikari, 2005:14*)

### **2.1.14. Limitation of MIS**

Some limitations of MIS are:

- MIS cannot replace managerial judgment in decision-making. It is merely an effective tool for the managers in decision-making and problem solving.
- The quality of output of MIS is directly proportional to the quality of input and processes.
- MIS cannot provide tailor made information packages. It is required to analyze the available information before decision-making.
- In a fast changing and complex environment, MIS may not have enough flexibility to update itself quickly.
- MIS takes only quantitative factors into account.
- MIS is less useful for making non-programmed decisions.
- MIS is less effective in organizations where information is not being shared with others.

- MIS is less effective due to frequent changes in top management, organizational structure and operational staff. (*Adhikari, 2005:19*)

### **2.1.15. Tourism Information mmanagement system**

Tourism is reputed to be the world's largest industry. Its revenues support a significant proportion of the economies of many nations and it is one of the largest employers worldwide. Its contribution to gross national product, employment and regional development are well documented and, unlike many other sectors, it is forecast to grow in importance in the coming decades as leisure time increases(WTTC,2002:8). Tourism is acknowledged to be very information intensive. Tourists need information before going on a trip to help them plan and choose between options, and also increasingly need information during the trip as the trend towards more independent travel increases. In modern societies, time has become a scarce commodity. Therefore, for many consumers their annual holiday represents a major emotional investment that cannot easily be replaced if something goes wrong. Therefore, since travellers cannot pre-test the product or easily get their money back if the trip does not meet up to their expectations, access to accurate, reliable, timely and relevant information is essential to help them make an appropriate choice. It is notable that the greater the degree of perceived risk in a pre-purchase cont ext, the greater the consumer propensity to seek information about the product.

This need for information is heightened by certain characteristics of the tourism product. Foremost among these is its intangibility- unlike manufactured goods, the tourism product cannot be inspected prior to purchase and therefore it is almost completely dependent on representations and descriptions to help consumers make a purchase decision. It is also fixed geographically, and thus the customer must travel- and thus in effect consume the product- in order to experience what they are buying. Two other characteristics are its complexity and its interdependence. Individual tourism products are diverse, and in many cases it is this heterogeneity which makes them attractive in the first place. In addition, tourism products are rarely bought individually, and the endless combinations and permutations of alternative travel routes, transportation modes, time and lodging accommodation make travel decisions difficult even for the initiated. Suppliers, therefore, face a challenge, which is

described as trying to gain identity with untold millions of potential customers covering the whole spectrum of incomes, interests, knowledge, sophistication and needs. Even the simplest trip means trying to match the expectations of diverse travelers to the bewildering array of choices and options provided by millions of tourism suppliers, each trying to differentiate themselves from their competitors. Given that millions of people travel every day, it can be seen that the communication of accurate, current and relevant information is essential to the efficient operation of the tourism industry.

Travellers can acquire information from a wide variety of sources, including directly from the tourism supplier. However (perhaps because of the time pressure mentioned earlier), many choose to use the services of an intermediary. These take different forms. The travel agent acts as both a search-and-book service and as an advisor for the customer, relieving them of much of the burden of searching for suitable products, and also using their knowledge and experience to help match customers with travel experiences.

Tour operators act as consolidators, packaging different travel components together and marketing them as a single seamless product. Some government tourism organizations also act as intermediaries, distributing information and brochures for tourism suppliers in their region. The primary role of each of these intermediaries is to facilitate the purchasing process, and information exchange is key to this function. As such, tourism suppliers must provide each one of these intermediaries with information in an appropriate format to assist them in the sales process.

Tourism suppliers have traditionally provided this information in the form of print-based media such as brochures or flyers, and through listings published in local or regional guides. However, developing and distributing such promotional material is costly, time-consuming and labour-intensive. In addition, such information is static, while much of the data needed to make a booking (such as, for example, availability and rates) changes frequently, particularly as the reservation date approaches. As a result, consumers usually have to contact the supplier directly to ensure that the product is available and to confirm the rate at which it will be sold. Again, access to timely and accurate information is important at this stage. Tourism products are volatile in that if they are not sold, they represent lost revenue. Therefore, as their 'use by date' approaches, information about them tends to change frequently as suppliers manipulate their price in an attempt to ensure that they are all sold. Current rates must

therefore be made available to both intermediaries and direct buyers. Information also has to be able to flow in the opposite direction as, in order to make a booking, the customer's contact and payment details have to be communicated to the appropriate tourism suppliers, and thus an effective and efficient method of communication is needed.

In tourism destination management, maximizing travel satisfaction is crucial for a successful business. The evaluation of the physical products of destination as well as the psychological interpretation of a destination product is necessary for human actions, which could be represented as travel satisfaction which results in destination loyalty. With reference to the tourism and hospitality industry, it can be stated that satisfied tourists are more likely to recommend the tourist destination to others, which is the cheapest and most effective form of marketing and promotion. Furthermore, tourist satisfaction usually contributes to increased rates of the retention of tourists' support, loyalty and acquisition, which in turn helps in realizing economic goals like increased number of tourists and revenues. It was investigated by researchers (Akama, S. et al., 2002) that mentioned factors are the reason why tourist satisfaction is a subject which is worth being studied. That is the reason why satisfaction has been chosen among the mentioned aspects in tourism literature. In the following chapter satisfaction literature will be reviewed.

Businesses recognized customer satisfaction plays a key role in a successful business strategy. What is unclear is the exact nature of that role, how satisfaction should be managed, and whether managerial efforts aimed at increasing satisfaction lead to higher store sales.

The research findings indicate that the majority of companies derived benefits that were oriented on satisfying customers, improving process effectiveness, increasing company growth in terms of income, increased learning by customers, and enhancing value generation. Customer satisfaction is a direct determining factor in customer loyalty, which, in turn, is a central determinant of customer retention. Firms that valued their customers above all else out-performed those that did not. Insofar as satisfaction means the intent to purchase again and the high probability that the satisfied customer will recommend the goods or services to others, increasing customer loyalty can lead to higher profitability. Moreover, bearing in mind that tourism is an experience made up of many different interdependent parts, some more

tangible than others, customer satisfaction may be treated as a cumulative measure of total purchase and consumption experience over time.

#### **2.1.16. Information system (IS) in Tourism**

Tourism represents a global, very important and rapidly expanding economic sector in all economies and countries. Information is a critical resource for tourism, thus Information Systems (IS) play not only a catalyst role for enhancing the competitiveness and performance of tourism operators and destinations, but IS also empower tourism demand. IS applications boost productivity (e.g. CRM, reservations systems), foster networking and collaboration practices (e.g. e-marketplaces, destination management systems) both amongst tourism suppliers and tourists themselves. Indeed, the tools and applications of the social and semantic web fundamentally change the way travellers search, share, create and disseminate information about tourism suppliers and destinations. User-generated content and social networking also empower and enable travellers to become actively involved in various business operations such as marketing, new product development, distribution. However, full exploitation and organizational integration of IS and the new web technologies require tourism firms and organizations to reengineer their operating models, reconfigure value chains and networks and continually evaluate and redefine their business roles and inter-firm relations.

#### **2.1.17. E-Tourism**

It is widely recognized that Information and Communication Technologies are rapidly expanding and have affected the way businesses are performed and the way organizations compete with its competitors. Organizations adopt e-business for several reasons and perceived benefits. Some of these benefits include better management of information, better integration of suppliers and vendors, better channel partnership, lower transaction costs, better market understanding, and expanded geographical coverage.

The Tourism industry is a consumer of a diverse range of information and a main user of these technologies. The technologies have affected the way tourism organizations conduct their business and, in particular, the way organizations distribute their



tourism products in the marketplace Comments in the visitors' book clearly identified three categories of users. The first class of users was the tourist who wants to plan a trip, seeking information on air routes, distances between cities and towns and locations of local tourist information centers. Which maybe on their planned route. Second there was also a clear demand from travel professionals who are seeking information to advise their clients. The final group were those who had emigrated from the region who used the information to keep in touch and as a promotional brochure for their friends (Millar, 1997). Increasingly, consumers can undertake their entire tourism product search and booking online and, therefore, they require flexible, specialized, accessible, interactive products and communication with tourism organizations. Thus, both tourism destinations and enterprises increasingly need to adopt innovative methods and enhance their competitiveness.

A MORI survey conducted March 2001 showed that the Internet was used as much as traditional brochures as sources of information for booking holidays and travel.

The research company Jupiter MMXI found that the UK is the biggest online travel market in Europe with nearly six million people visiting travel sites in January 2002.

Large UK travel sites such as lastminute.com and easyjet.com are getting over a million visitors a month (Figures published by Visit Scotland, 2002, in Tourism in Scotland 2001)

E-retailing is promoted widely as a convenient avenue for shopping. Shopping online can economize on time and effort by making it easy to locate merchants, find items, and procure offerings. Consumers do not have to leave their home nor travel to find and obtain merchandise online. They can also browse for items by category or online store.

E-tourism technologies have been developing over a number of years. In the 1970s, a travel marketing and distribution system known as Computer Reservation Systems (CRS) was introduced. This was an airline database that managed and distributed reservations electronically to remote sales offices and external partners. This allowed customers (travel agents) to make and confirm reservations and allowed all travel businesses to operate flexibly. It offered travel agents increased productivity and competitive advantage as there after they were able to offer the consumer quick access to the most up-to-date information and indeed access to CRS is of continuing importance to online travel agents. In the 1980s, geographical coverage was expanded via Global Distribution Services. This has been developed since the Internet, offering

consumers access to easily comparable information. All three systems operate both independently and jointly.

The critical success factors in the adoption of e-business are identified as: combining e-business knowledge, value proposition and delivery measurement, customer satisfaction and retention, monitoring internal processes and competitor activity, and finally building trust on our site. Internet as another selling channel is the value of World Wide Web. Researchers at McKinsey and Company report that the retention of customers online is easier than in traditional “bricks and mortar” companies where the online company spends three to five times less to retain them. Companies that retained customers exhibited traits of reliable basic operational execution. Their sites downloaded quickly; they responded to customer queries quickly; they delivered more than 95 percent of their orders on time; and they made it easy for customers to return or exchange purchases. One company raised its on-time delivery rates from 60 to 90 percent, and cut customer churn in half (Agrawal et al., 2001). Internet can play an important role in enhancing a brand and corporate reputation. The Internet also can play a pivotal role in enhancing brand relationships and corporate reputations.

The use of the Internet plays an important role in the development and use of Information and Communication Technologies. There is a growing availability of Internet resources in travel and tourism for a diversity of users. The Internet can be used in two different but not exclusive ways: first, as a source of information, and second, as a marketing tool to facilitate online transactions.

It has been pointed out that the development of Information and Communication technologies blur the traditional boundaries between distribution and information

For example, interactive information screens at tourist information centers enables tourists to obtain information and make bookings at the same time. On the other hand, tourism organizations can use Information and Communication Technologies for addressing individual needs and wants of their consumers.

## **2.1.18. Role of ICT in E-Tourism**

In order to analyze the role of ICT in helping the tourism industry confronted to these changes in the economy react, we adopted a framework, illustrated as follows.

The first dimension of this framework is the type of actors or partners an enterprise deals with. We distinguish the following actors:

□□*Business*: the other businesses or enterprises making transactions with the enterprise. This issue deals with business-to-business trade.

□□*Consumer*: the final customer or consumer buying the products or the services of the enterprise. This point mainly addresses the retail commerce.

□□*State*: the public authorities which often are partners in the trade or commerce processes. This aspect mainly refers to the role of public authorities.

We cross this dimension with a second one which is a 3-step maturity model. This model suggests three kinds of generic activities in trade and commerce which can be supported and improved by ICT.

□□*Boundary*: an enterprise can use ICTs to improve its information gathering capability and better interact with its environment by getting and sending information outside its boundaries (in order to target some new trade opportunities more quickly, for example)

□□*Relation*: an enterprise can use ICTs to support and improve its cooperative relations when making transactions with its partners (i.e. supplier, customer, consumer, value-added provider, third-parties).

□□*Market*: a group of companies (competitors, buyers and sellers) can use technologies to improve their global efficiency or competitiveness when reaching their markets.

### **2.1.19. Benefits of using internet for tourism firms**

- It is the most cost effective way of communicating with target markets and disseminating information.
- It is a quick and easy way for the customer to buy travel products.
- It offers opportunities for improvements in customer service and retention through meeting and promoting individual preferences.
- It reduces costs through increased efficiency in internal operations and purchasing Process.
- It encourages greater co-operation amongst traditional competitors through the Provision of hypertext links. Links are a cheap, quick way of raising the profile of a new site and getting round the difficulty of up-dating information in-house. The inclusion of links on tourism websites offers benefits to both the user and the service provider. The service provider can offer a greater range of

information on related tourism products without having to enter into contracts with the service providers and the user has access to immediate information and online shopping opportunities.

### **2.1.20. Disadvantages of E-tourism**

E-tourism has some disadvantages:

- Tensions between growing demands for personalized services tailored to the individual's needs and interests and reluctance amongst consumers to release such information over the Internet in case it is misused.
- The preference of many customers to conduct complicated transactions in a face-to face environment (e.g. high street travel agents).
- Existing travel agent business being super ceded, with resultant job losses.
- Growing inequality and increased social exclusion for those customers and businesses without access to necessary technology.
- Threat of data loss and growing unhealthy competition resulting market crash.

### **2.1.21. E-commerce**

Electronic commerce (e-Commerce) refers to all forms of transaction relating to commercial activities of both organizations and individuals that are based the processing and transmission of digitized data including text, sound, and visual images (United Nations, 2000).

The e-Commerce strategy is perceived to offer many advantages. One great benefit of online business is that it lowers the cost of information delivery and transfer. There are no expensive brochures, so publishing and postage costs are reduced.

Another advantage is that Internet technology can be used as a marketing tool. It is an inexpensive way of providing catalogs, and new products or services can be advertised on the Internet immediately. Customers can access business content provided on the WWW instantly an unlimited number of times anytime day or night. The Internet lowers the cost of market research. Potential or target customers can be reached in both local and international markets. Furthermore, an effective web site that is entertaining and which contains the information needed for buying decisions quickly enhances an organization's image and public recognition.

E-commerce offers greater returns on investment. Traditional storefronts are costly to build. The expenses include the purchasing or renting a premises, store decorations, labor, and products. On the other hand, the main expenses in setting up an online storefront are the fee paid to web designers for developing web sites. The amount involved in the latter case is substantially less than the former.

Further, online business may lower costs in the long run such as lower costs for business transactions and lower cost for customer services are suggested. From the service perspective, product support or customer services on the Internet can be accessed instantly 24 hours a day. Web technology can be used to improve customer services and reduce costs. Typically in the US, a live call agent of service transaction costs \$5, while a voice responding system costs 50 cents, and service via a web-based system might cost only few cents. A company may publish a web site detailing its products open for customers to access 24 hours a day and including customer service systems which can capture customer action online and provide an assistant if customers have any problems

E-commerce has become especially important in two interrelated dimensions, namely Business-to-consumer (B2C) and business-to-business (B2B) e-commerce. E-commerce is enabling customers to have an increasing influence on products created, how products are customized, and how services are delivered. Ecommerce offers customers convenient shopping methods for products, information and services, electronic banking, and personal finance management. It is making it easier for consumers to find the desired products and services, match them more precisely to their requirements, and compare prices, (Vulkan, 2003). Several business models have been developed to support various customers' needs; among them are online portals, content providers, transaction brokers and community creators.

For business-to-business relations e-commerce facilitates the form of organization where companies rely on suppliers and product distribution to respond more effectively to the changing market and customers demand and to achieve more efficient operation. This type of e-commerce relationships offers organizations the possibility to work in the direct contact with producers, giving more room for customization and control over business activities. This helps to reduce the costs significantly by removing 'middlemen' from the supply chain. Good examples of companies that employ this business model are Dell and Cisco, (Guttman, 2003; Laudon & Traver, 2002) Consequences that e-commerce brings for business-to-

business relationships are eliminating inventory, and operational and distributional costs that indirectly provide customers with lower prices. E-commerce can help businesses to increase production flexibility by ensuring timely availability of components from suppliers, to improve quality of the products by increasing cooperation between buyers and sellers and reducing quality issues, to increase opportunities for collaborating with suppliers and distributors, and to create greater price transparency — the ability to see the actual prices on the market, (Laudon & Traver, 2002). In this way e-commerce responds to the customer demand of lower prices and greater convenience.

### **2.1.22. E-commerce in tourism industry**

The study of e-commerce in the tourism industry has emerged as a ‘frontier area’ for information technology. The literature on e-commerce in the tourism industry was critically reviewed with a view to developing a framework suitable for this study. E-commerce is defined as the process of buying and selling or exchanging products, services and information via computer networks including the Internet. However, adoption of Information and Communication Technologies (ICT) is only part of the story. In particular, network access costs, dissemination of information on electronic commerce, training, skill development and human resources provide big challenges for smaller companies.

The difficulty in addressing issues of trust and confidence also makes SMTEs more vulnerable than large firms to problems linked to authentication/certification, data security and confidentiality and the settling of commercial disputes.

However, a SME Electronic Commerce Study done by APEC reported that “Small and medium enterprises are significant players in business-to-business electronic commerce, which constitutes more than 80 percent of all e-commerce activities. SMEs that can demonstrate their capabilities to use e-commerce will have a competitive advantage in the e-commerce marketplace.”

Most research suggested that government plays an important role in facilitating the use of electronic commerce for the tourism industry and in increasing their ability to reap the benefits, (*e.g.* via awareness building and training programmes). Governments in partnership with the private sector should establish a more comprehensive and consistent policy approach to the tourism industry and electronic

commerce, and apply evaluation mechanisms to assess what works and does not work (UN 2001, OECD, 2000, Korea Information Society Development Institute 2000, APEC-TEL 1999).

### **2.1.23. Functional activities of e-commerce**

E-commerce provides new channels for the global marketing of products and services, and presents opportunities to create new businesses providing information and other knowledge-based intangible products. E-commerce supports functional activities in tourism organizations in the following functions :

- **Marketing:-**The advent of e-commerce is changing marketing practice in the tourism industry. First, e-commerce enhances the promotion of products and services through direct, information-rich and interactive contact with customers, Second, e-commerce establishes a direct online distribution channel, Third, e-commerce enables savings in administrative and communication costs because it reduces the use of ordinary mail and paperwork, Fourth, e-commerce enhances customer service by enabling Customers to find detailed information online, and by answering standard e-mail Questions with intelligent agents and human expert systems. Finally, customers need Less time to find more information upon tourism products and make comparisons.
- **Purchasing:-**The benefits of electronic systems such as EDI (Electronic Data Interchange) for e-commerce in purchasing are the reduction of lead times, and administrative and communication costs.
- **Design:-**The use of e-commerce can facilitate high quality design of products and services in the tourism industry, through continuously refined information about current and potential customers to anticipate and respond to their needs.
- **Production:-** E-commerce applications enhance the degree of externalization of some tourism services. Management information systems like Enterprise Resource Planning (ERP) and database technologies can facilitate supplier-

customer relationships and the electronic analysis and transfer of information.

- **Sales and distribution:-** E-commerce has enabled the development of new tourism companies that compete with traditional tourism intermediaries by enhancing direct marketing and cost reductions. Online booking is an example of activity that customers can perform directly with tourism companies without the intervention of a travel agent.
- **Human Resource Management:-** The use of the Internet enables online training and personnel selection. Many companies advertise job openings on their own web sites, and the candidates' information is electronically transferred to the company's human resource database.

#### **2.1.24. Customer expectation in e-tourism**

- Quick response to enquiries.
- More detailed and tailored information on tourism destinations.
- Possibility of booking travel, accommodation and restaurants online.
- Able to check out competition easily at the click of a button.
- Importance of destination management and marketing.
- Branding – collection of tourism products and services.
- Tourism marketing as a means of facilitating regional development.
- Marketing should be used as a strategic mechanism in co-ordination with Planning and management rather than as a sales tool.
- Must acknowledge travel motivations (moves towards personal service through customer profiling).

In the early 1980s, the IMP group established that relationships were perceived as "good" if they were long term, close and cooperative . As there were fewer communication channels available then, these relationships were established mainly through face to face meetings between the supplier and buyer. Obviously, a wide variety of technical, commercial and organizational information is exchanged between companies and the type of communication channel used depends on the type of



information being exchanged (Sheena Leek ,Turnbull , Naudé,2003).

### **2.1.25. Impact of internet on tourism industry**

- Low / varied level of internet literacy among some micro businesses and stakeholders.
- Degree of access amongst stakeholders to technology.
- Extent to which Government should be responsible for providing a national website with links to information about their business.
- Level of responsibility that each should have for their own marketing and the development of their own website.
- Opportunities/disadvantages of Broadband – possibility of paying for use of broadband to reduce Internet congestion.
- Collapse of dot coms in 1999-2000 led to significant losses for venture capitalists. As a consequence investors are more cautious of business plans based on costly marketing campaigns aimed at quickly raising the company's global profile. Instead it has been suggested that the future of many dot coms lie in the development of 'clicks and mortar', 'bricks and clicks' businesses, which benefit from the advantage of both internet and traditional business.

### **2.1.26. Threat of tourism websites**

Perhaps the most powerful competitors emerging in Internet-based tourism services are those with the resources to invest. They seem to be the portal sites, reservation technology providers, and Microsoft. Portal sites are approaching the sector through structuring their vast data warehouses into thematic sites (e.g. tourism). CRS providers see the Internet as another distribution channel that compliments their existing arrangements, while Microsoft recognize the potential of the sector for exploiting their own considerable technological and financial strengths. Mobile and m-commerce distribution

### **2.1.27. Barriers to introducing IT in small to medium sized Organizations**

There are some factors as barriers of implementing IT in small organizations.

- Lacking financial resources
- Lacking IT knowledge/experience;
- Resistance to change
- Peripheral locations

### **Lacking financial resources**

Few companies, and certainly have sufficient in-house expertise to launch an e-commerce project without some external help , Although it can be argued that a Web presence does not necessarily involve great costs, minimizing the expenses by cutting down on essential forms of customer service is a highly questionable strategy.

### **Lacking IT knowledge/experience**

SMTes' illiteracy in IT essentially means that they are unable to take advantage of many opportunities for efficiency improvements and enterprise promotion. The IT revolution has profound implications for the management of the industry , which means that the hotel manager of the future must be familiar and comfortable with technology, able to see and exploit its potential . With an increasing number of computer-literate prospective travelers, consumer expectations could force the introduction of IT in SMHOs and their satisfaction would increasingly depend on this provision. Unless the SMHOs satisfy their needs, they will fail to attract consumers (Buhalis and Main, 1998).

### **Resistance to change**

Closely related to the issue of lacking IT knowledge is the barrier arising from a resistance to change at management and/or worker level. According to Collier (1991), there are all sorts of reasons why managers and workers might resist technological change. First, they may resent change especially if there is no consultation. Second, they may be anxious about their job, and third, they may be worried about appearing incompetent.

### **Peripheral location**

The barriers to introducing IT are likely to be even higher in peripheral regions, where new technologies not always gain a foothold as rapidly and with the same intensity as in urban centers. The barriers may also arise from technological services; for instance, broad bandwidth Internet connections, being more expensive as a result of the limited demand, or a technological infrastructure not being available in peripheral areas

because of the great expenses involved. Hence, for many peripheral SMHOs fast Internet connections are not a matter of course, which must be taken into consideration when planning their Internet strategies. Moreover, in peripheral regions, IT-knowledgeable workers and professional consultants may be hard to find or extremely busy. Consequently, the peripheral companies may not be able to find system developers or workers who can operate the systems the topics that have been covered by researchers related to e-tourism: Benefits of internet for tourism websites, advantage and disadvantages of e-tourism, expectations of tourists toward e-tourism, Factors that can change e-tourism, Threats (firms, technology), barriers for implementing e-tourism. As it is mentioned different aspects of e-tourism have already been studied, but in spite of the importance of satisfaction we had mentioned before there haven't been enough studies related to this topic.

### **2.1.28. E- satisfaction**

Measuring Electronic satisfaction as a concept has gained increasing importance in the marketing literature in recent times. The examination of consumer satisfaction in an online context follows the growing consensus that in Internet retailing, as in traditional retailing, consumer satisfaction is not only a critical performance outcome, but also a primary predictor of customer loyalty and thus, the Internet retailer's endurance and success.

Successful online companies tend to direct their attention to customer satisfaction and retention, using surveys to identify customers' needs; offering a website that is simple, accessible and affordable to use; honesty regarding disclosure of fees and charges; offering additional communication channels to clients, such as SMS; ongoing improvements of the website; providing tools online to enable clients to conduct transactions and manage their accounts independently), with distinctive focus on increased segmentation and fine-tuning of value propositions. Quality is one of the factors which satisfy customers .Since website is the link between customer and company, companies should show in their websites all the efforts about improvement of quality. Besides a company should provide high quality Web sites to its customers: there is no human contact through Web sites. The interaction via the Internet between a company and a customer is always through technology. This means the "moment of truth" between a company and a customer is the Web site. Although companies may

try to emulate human behavior with technology, the interaction remains different because some aspects of human interaction cannot be replaced with technology, e.g. courtesy, friendliness, helpfulness, care, commitment, flexibility and cleanliness. The absence of these aspects of human interaction through which quality can be delivered to customers will have to be compensated by better performance on other quality factors or by excellent performance on “new” specific Web quality factors.

### **2.1.29. Tourist satisfaction**

Tourists, like other customers, usually have initial expectations of the type and quality of services to be offered in a particular destination. These expectations are formed mainly through information provided via tourism advertisements, commercials, brochures, mass media and informal information from friends and relatives. The extent to which tourist expectations are met will eventually determine the level of tourist satisfaction. If the overall performance, while or after visiting a destination, exceeds or meets initial expectation then the tourist is considered satisfied. However, if perceived performance falls below initial expectation then the tourist may be dissatisfied. Customer satisfaction is increasingly becoming a salient issue in most service industries.

With reference to the tourism and hospitality industry, it can be stated that satisfied tourists are more likely to recommend the tourist destination to others, which is the cheapest and most effective form of marketing and promotion . Furthermore, tourist satisfaction usually contributes to increased rates of the retention of tourists’ patronage, loyalty and acquisition, which in turn helps in realizing economic goals like increased number of tourists and revenues. As a consequence, there is usually a positive association between tourist satisfaction and the destination’s long term economic success.

Moreover, tourists can express their satisfaction through many ways such as positive word of mouth, paying compliments to the service or product provider and development of long-term loyalty to the destination. At the same time, through tourist satisfaction, the relationship between the tourist and the tourist destination is strengthened (Akama, Mukethe Kieti,2002). However, in many literatures service qualities mentioned as a main factor, it should be stated that overall tourist satisfaction is affected not only by the quality of what the tourist receives, but also by price and

perceived value of the product and/or service. These results from an evaluation of the rewards and sacrifices associated with the purchase of the tourism product (Magi & Julander, 1995). In summary, the evaluation of tourist satisfaction needs to be considered in multiple dimensions. Tourists may have varying motivations for visiting particular destinations, and also may have different satisfaction levels and standards. Therefore, a model that integrates the approaches used by previous models may be most effective in assessing tourist satisfaction. Consequently, destination managers should establish a higher tourist satisfaction level to create positive post-purchase tourist behavior, in order to improve and sustain destination competitiveness. In tourism, as in other service industries, the emergence, survival, development, and failure of ventures depend heavily upon customer satisfaction. It is found that firms that valued their customers above all else out-performed those that did not. Insofar as satisfaction means the intent to purchase again and the high probability that the satisfied customer will recommend the goods or services to others, increasing customer satisfaction can lead to higher profitability. Moreover, bearing in mind that tourism is an experience made up of many different interdependent parts, some more tangible than others, customer satisfaction may be treated as a cumulative measure of total purchase and consumption experience over time.

## **2.2. Review of Journals and Articles**

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

In 1972, with an aim to run tourism in a planned way and formulating policy the

Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan defined the tourism development programs to be adopted and the market segments of Nepalese tourism were identified as organized sightseeing, independent “Nepal style” tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country’s attractions suited to the needs of international tourism and opening up the country’s attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites.

Furthermore, the plan has emphasized for development outside Kathmandu such as the development of Pokhara, Chitwan, National Park, development of national parks at Langtang, Annapurna and Dhaulagiri and Khumbu. The development of pilgrimage centers at Lumbini, Mukhtinath, Barahachettra and Janakpur was also envisaged. The Master Plan had recommended for the establishment of a Ministry of Tourism and Culture of Archaeology, the Department of Culture, the Department of forestry, the Ministry of Foreign Affairs and the Immigration Office.

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

- As the stay of tourists cannot be prolonged for now, the number of international visitors should be increased substantially.
- Image of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
- Nepal should become a gateway for South-East Asia.
- Nepal should become the starting point of any Asian tour, as it is the cradle of a religion and culture that influenced the history and life of the major parts of Asia. In his report, Susnik has suggested for the

formation of Nepal Tourism Marketing Committee as well as Nepal Tourism Infrastructure Committee with representation of private sector and the Department of Tourism be recognized into Nepal Tourist Office, which should concentrate, on the marketing and promotional activities abroad with independent operational budget.

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

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

**“Nepal Tourism Master Plan Review”** (1984) is a review study and it has suggested action program for implementation for the promotion of tourism in Nepal. This study contains three parts. In part one, a background to be 1972 Tourism Master Plan, its contents and intents, and its practical use and operation together with a comprehensive review of past developments in key areas of tourism. Part two sets forth an updated set of policy objectives and a market development concept forth e five years and part three provides action-oriented recommendations. According to this

review report, there is no need for a new comprehensive master plan in tourism. The 1972 Master Plan is relevant in its long-term policy contents, and most of its basic conceptual assumptions have been fully verified. This study focuses on a pragmatic policy framework essential to solving priority of tourism.

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

- Developing a systematic concept of promotional material,
- Determining the quality standard for each individual product,
- Producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal,
- Establishing representative offices in Western Europe, USA and Japan,
- Participating in selected tourism trade fairs,
- Offering familiarizations tours to agents and journalists,
- Establishing a Nepali-style tour package,
- Directing sales to tour operators from the country of origin without middleman from India,
- Expanding the trekking possibilities.
- The conclusion and action-oriented recommendations of this study focused on improving the capability of the Ministry of Tourism to assume to assume its responsibilities in tourism, institutionally, administratively and technically.

**Nepal Rastra Bank** (1989) carried out an econometric study with an objective to study and estimate the level and patterns of tourist expenditure in Nepal, to estimate the value-added and imports contents and thereby not foreign exchange earnings from tourism sector of Nepal, and to estimate income and employment generation in the tourism sectors of Nepal.

In this study, regressions were run on the time-series data as well as cross-sectional data for the period 1974-1987. The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number



of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to this variable was less.

Country-wise time series regression for 14 countries gave mixed results. Among tourism sub-sectors (when direct, indirect and induced effects were combined), the ratio of import content for hotel was estimated at 53.45 percent, travel agencies 74.51 percent, trekking agencies 54.04 percent and airlines 67.05 percent. The ratio of direct import content when the indirect and induced effects were taken out was estimated at 35.45 percent for hotels, 15.12 percent for travel agencies, 10.79 percent for trekking agencies and 57.60 percent for airlines. The value added for the tourism sector i.e., total payment to domestic factors including payments to intermediate and final inputs. (When direct, indirect, and induced effects were combined) was estimated at 37.74 percent as compared to 44.66 percent for tourism related sector and 42.82 percent for the overall sector (Nepal Rastra bank, 1989:2).

This study estimated the average per capita per day tourist expenditure (Rs. 742), the average length of tourist stay (9.3 nights), and the employment in the tourism sector. The study suggested liberalizing exchange, emphasizing trekking tourism, doing aggressive marketing, expanding both international and national air services, developing integrated tourism development policy, and establishing a fully-fledged apex body.

**T.C. Pokharel (2003)**, has also prepared a separate review article entitled “summary of past Marketing Strategies and Plans for Tourism in Nepal” with description of the studies and seminar reports related to Nepalese tourism marketing encompassing important studies and seminar proceedings with an emphasis on marketing of Nepalese Tourism. The basic tasks of „Nepal Tourism Development Programme“ (1990) were:

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

“Nepal Tourism Development Programme” consists of four reports. Product development program and marketing strategies have been defined in this study. For both trekking tourism and sightseeing tourism of the strategy is to establish Nepal as a premium product able to command the price of a premium product.

The main marketing strategies initiatives for Nepal mentioned in the report were:

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

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

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

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

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

**Tuladhar (2004)**, aimed to study the development of International Tourism in

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

**Upadhaya Dr. R.P. (2005)**, in his another article headed "Outlook on development of Nepalese tourism" published on NTTR, Sept 18-24, 2006, has explained the role of NTB to develop Nepalese tourism as follows:

Since the political situation is changing, NTB should focus more in the promotion of the country, which can only be possible with the help of the stakeholders. Role of government cannot be denied and therefore it is the time for the ministry and the line agencies to take corrective measures. They should be sincere and work towards developing tourism-the only sector with benefits.

Since the main objective of tourism is human welfare and prosperity, the government should promote distributive justice, which can result in mass participation. Government should sincerely work towards the promotion of rural tourism by conducting a high-level national survey and exploring new destinations like Sirubari with receptive capacity and which is easily accessible from the main tourists

generating outlets.

At present, Nepal is on media highlights, so this is the right time to cache. NTB instead of going and attending promotional activities in different countries can focus on developing the information technology (IT) section of the board by creating attractive websites with updated news and information on destinations of Nepal.

Similarly, Nepal government is playing the role of facilitator, motivator and regulator since 9th plan (1997-2002). National tourism policy of 1995 has emphasized assigned the above role of the government. However, due to the following reasons, the role of the government should be an incentive provider too as in to complete with the growing competitors like India, Srilanka, and Maldives, and also to develop and diversity the tourism products by creating new tourism destination and to endure the present critical situation.

He concluded that proper attention will be paid towards the several natural and cultural sites that possess great tourism potential. Sincere efforts are needed to reduce visitor's concentration in Kathmandu and diverse tourism to locations that hold tourism potential. To reduce visitor's concentration in limited areas, the villages in hinterland should be linked with the main trekking routes whenever possible. This can help spread tourism benefits.

The struggle against deep routed corruption is a long-term complicated task where we must constantly ring the alarm. We also must punish corruption and build an honest, clean and healthy tourism industry. Every level of party organization must strength supervision, administration of party cadres by deepening the anti-corruption struggle.

### **2.3. Review of Thesis**

**Kuber kumar Bista (059)**, has conducted “ Tourism marketing and promotion in Asian market by NTB”. In this study, Bista had tried to find out the marketing strategy used by NTB for attracting Asian tourist. In this research the researcher had failed to present the exact marketing and promotion strategy used by NTB. Hence the research study is not up to mark.

**Bhandari K. (2006)**, in his article “Tourism in the new Millennium” posted on „The independent“ has written that Nepal government attaches priority to tourism even though this sector has not been able to receive higher share in government spending due to certain other obligations in basic need areas. A major problem with the Nepalese private sector is that it is small, disorganized and is limited in its capacity to raise resources and invest in the form of equity. The saving/investment rates are low. There is limited exposure to international trends. The culture of state intervention still prevails and is generally accepted.

Similarly, he has added that tourism considered a major component of the Nepalese economy, has so far, been concentrated in a few major locations, and confined to a few major products. We have not able to add more places of interest to the tourist, so he has claimed for need of the future action. His suggestions are:

Despite our immense potentiality, we are unable to exploit the economic benefits proportionate to this, due to poor infrastructure, meager investment and irrational marketing. However, spreading tourism to new places with more activities is of utmost necessity, with the increase of competition among the South Asian countries. Various policy measures need to be initiated to attract investment in new areas with potentials. These policy measures can be introduced after detailed consultation with the entire travel trade sector and with the mobilization of newly formed Nepal Tourism Board (NTB). Also this helps the Board to plan marketing of these zones in advance, which also helps in the marketing budget of the individual private sector in those regions.

There needs to be various reforms carried out in the aviation policy so as to make favorable condition for the airlines to open up in new sectors. The various social and tourist routes need to be redefined. Distinction between commercial and remote routes within social routes is required. Nepal Tourism Board should be very clear in its marketing strategies. Advertisements should be well connected with the events taking place in the country, efforts should be initiated to make documentaries, and they should be telecast through various international channels. Finally, a very strong research base will certainly help in effective planning. Thus, various studies have been undertaken mostly however, confining to enquire the economic impact. Although tourism is important for developing country like Nepal, there is a dearth of

literature relating to marketing and promotion, the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

**Nabin Prasad Bhatta(062)**, has conducted research on “The Role of Mass media in tourism marketing. His case study focuses mainly on the study of English daily newspaper of Nepal. He had pointed out the positive effect of mass media marketing in Nepalese tourism sector but the study lack the way of using electronic and other medias in tourism marketing.

**W.W. Rostow (2007)**, has made it clear that in the process of economic development of a backward country some sector must play the role of a leading sector. So, the not only the sector (s), in question, grow rapidly but also have the capacity to move other sector of the economy forward. This process leads the entire economy on higher growth path. He has depicted the fact that the tourism sector has been improving its significance in the economy. It has been improving its significance in the economy. It has been estimated that the activities related tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earnings, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization.

**Upadhaya (2008)**, in his Dissertation entitled “Tourism as a Leading Sector in Economic Development of Nepal”, he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remain confirmed to local and regional level or helped the national economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually.

**Shobha Bista (060)**, had conducted a research on “Role and impact of E-marketing on the tourism sector practices in travel agency in Nepal. This study is very fruitful for me as the nature of this thesis is similar to mine. Her study focuses mainly on the Nepal Tourism Board (NTB), its role and responsibilities, and marketing strategy used by NTB. There is deep analysis of overall functioning of NTB, and other travel agencies. This research work is a milestone and serves as a good source of reference for future study.

## **2.4. Research Gap**

Information Technology is playing an important role in the travel and tourism industry today. The growing trend of using internet and its services in tourism organizations has drastically changed the way how people buy and sell their products online. Lots of people use tourist websites as information channel or for purchasing tourism products instead of traditional travel agencies. In these cases since websites are the only channels which link tourism organizations with tourists, it is very important to design and facilitate them in a way that satisfies customers. Making customers satisfied is important from different perspectives. Many researchers have shown that satisfaction can affect customer retention and also it can make them recommend the goods or services to the others. About the case of tourism, satisfaction in the first step of tourism can affect potential tourists' intention for purchasing that special product or products. As a result it is necessary to investigate which factors are important for tourists while they are implementing the first step of their trip online. Bearing this statement in mind an essential question to be addressed is:

With the rapid increase in the use of Web application in the tourism sector we can see many tourism related organization trying to prove that they offer more and better services than the other. The major web site that are currently launched in Nepal either provide the limited information that are available on their database or the tourist will have to go accordingly to the itinerary provided by the tour operator or the travel agent. If a tourist wants to visit any destination or tourist spot of their choice then there are no such sites available. Similarly if the tourist comes to Nepal and got few free hours, there is no any such reliable application available to suggest the tourist to use up those free hours. Much of the travel web site here in Nepal provide limited amount of information. For a traveler who wishes to travel on his or her own, there isn't any means provided. When they are here they are bounded to certain constraints. The main constraints will be the time, cost and the quality of service to be provided.

The gap of this study is that the data used are mostly primary data, which is collected from observation, questionnaire, and interview method. The conclusion and

recommendation made in this study cannot generalize the whole industry and from the Review of Literature it has been found that there is no any other Research conducted on the same topic “Tourism information management system”.



## **CHAPTER III**

### **RESEARCH METHODOLOGY**

The only one look is not enough. There are many errors. Therefore, we must look into the phenomenon again and again and study the problem differently and thoroughly each time. Research is a knowledge building process. It generates new knowledge, which can be used for different purpose. Research is undertaken not only to solve a problem existing in the work setting, but also to add or contribute to the general body of knowledge in a particular area of interest to the researcher. Thus research is an organized, systematic, data based, critical, scientific inquiry or investigation into a specific problem, undertaken with the objective of finding answers or solutions to it (*Wolff and Pant, 2005:5*).

Methodology is the research method used for investigation. Research Methodology is the way of doing and completing research work. It is the way to solve the research problem systematically. The systematic and well organized way of solving the research problem can be referred to as research methodology. The research methodology methods and techniques are convenient and appropriate for analyzing the data and information collected. This includes personal observation, questionnaire distribution, secondary data collection, annual report, previous study, websites of service providing agencies etc. Research methodology depends on the various aspects of research projects. The size of project, the objective of project, impact of project in various aspects of human life etc are the variables that determine the research methodology of the particular projects.

The topic has been selected as Tourism Information Management System (A case study of Nepal Tourism Board and its stakeholders). The study mainly focuses on Nepalese tourism industry putting NTB and ministry of tourism as the key role player. The flows of information between these stakeholders are closely observed.

#### **3.1. Research Design**

Research design point out the way to the researcher in the right in order to achieve the goal. A simple survey will be made to collect the opinion of the general public and the

concerned parties regarding the topic. Thus, the research design here will be exploratory and descriptive in nature.

The study will examine the current situation of the tourism industry with a view to make suggestions for improving the industry. Keeping in view the nature of the study, an exploratory research design will be applied because it implies to find out the current situation of existing system in an organization.

This will be a descriptive, diagnostic and development research. Descriptive research is essentially a fact finding approach relative largely to present and abstracting generalizations by cross sectional study of the current situation and diagnostic research design relates to problem and to find out that solution. The research can also be taken as a development approach as it takes the developmental approach in finding out the strength and weakness.

### **3.1.1. Population and Sample**

There are 1975 registered travel agencies but only 325 had renewed their permit and 1418 trekking agencies registered along with 35 rafting agencies and other service providing organization operating in Nepal at present. Population refers to the target group on whom we have conducted our research. In Nepal Currently there Apart from this, general public who will visit the Nepal tourism board for different purpose will also be taken as sample. Total of 115 respondents were given the questionnaire on December 2011.

## **3.2. Sources of Data**

The research design for this study will be based mostly on the exploratory design method. Thus, the sources of data collection will be both based on primary and secondary sources. Keeping in the view of explorative nature of the study, primary source is the main source of information and data. The sources of data collection can be better being explained as ;

### **3.2.1. Primary Data**

For primary data collection interview will be taken with staffs in the concerned organization. Interaction and interviews with visitors and staff will also be carried out. Direct interview with the staffs, officers and departmental heads involved will also be made. Regular unstructured and structured interviews will be conducted with the said groups during the research period. Primary data collection includes:

- Visit of NTB and some travel and trekking agencies and Interviewing with the public and tourist visiting NTB and to get their opinion about the role of NTB and services rendered by it.
- Interviewing with staffs providing services to visitors.

### **3.2.2. Secondary Data**

The secondary data to be used will be taken from annual reports, Newsletters, brochure, organizational chart, and different websites related to the industry. Sources of secondary data for this study includes data, internally generated reports which are found within the board and web site of the company and sources refers to books, websites, publication periodicals, data service and computer data banks, reports and statistics gathered and complied by other prior to study.

Sources for this study have been listed below:

- Data and information collected from NTB and other materials provided by the staff at NTB.
- Publications of NTB.
- Annual reports of NTB and Ministry of Tourism and Civil Aviation.
- Internet articles and previous thesis and project works.
- Visit website of the NTB i.e. [www.welcomenepal.com](http://www.welcomenepal.com)
- Search engines like Wikipedia [www.wikipedia.org](http://www.wikipedia.org), Google [www.google.com](http://www.google.com)
- Books, research papers from different library.

### **3.3. Data Collection Procedure**

Both primary and secondary data will be used in preparing these reports. And data will be obtained directly from concerned staffs of NTB and other Travel and Trekking

agencies along with other service rendering stakeholders.

#### **a) Questionnaire**

At first, a formal list of question to be asked during the interviews will be prepared to gather responses from the respondents on a given topic. Then they will be prioritized according to the importance of the question. Similarly, questionnaire in a leaflet will be prepared for the purpose of interview with the general public and tourists to obtain the data. Structured questionnaires will be prepared to collect data from general public visiting the NTB premises and NTB staffs Tourists getting service from NTB. This questionnaire will be targeted to people regardless of sex, age, education or any other such demographic criteria, the only requirement was that the respondent should be associated with tourism industry. This questionnaire will be designed so as to focus on specific reason to be dependent on NTB. For the Travel and Trekking agencies the questions will be focused on the process of flow of information between NTB, Ministry of Tourism, and these agencies. The role played by NTB to control and strengthen the stakeholders. Exploring and launching new products etc.

#### **b) Interview**

Structured interviews with the staffs and other concerned authority will be conducted.

#### **c) Observation**

In this course of preparation of study report, researcher will frequently visit the organization to collect the information through observation.

#### **d) Review**

This method primarily implies the collection of secondary data, which have been already published. Most of the secondary data will be collected from the published material, website of the organization and other internet published materials.

### **3.4. Analytical Tools and Technology**

As stated earlier, the basic structure of this study is descriptive and analytical as well. In order to make the study more precise, the data will be presented in tabular form. Figures and diagrams will be used to verify the data presented for the performance of

NTB along with other Travel and Trekkin agencies, Rafting agencies, Hotels and, Mountenaring, and other service providing agencies .

### 3.5. Research Software Tools Used

Different software will be used for preparing this research report, without help of these Software tools; it will be very difficult to present the research report. To prepare the research report Microsoft Excel 2003 is used as Analysis Tools and Microsoft Word 2003 is used as Report Writing Tools.


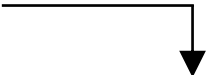

### 3.6. Data Analysis Tools and Techniques

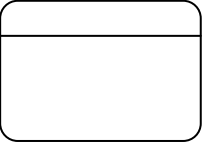
The data collected from secondary as well as primary sources will be sorted and only the related data will be processed. They will be further examined in relation to the objectives. According to their pattern, available data will be presented in the Data Flow Diagrams (DFD) and Entity Relationship Diagram (ERD).

#### 3.6.1. Data Flow Diagram (DFD)

The components of a data flow diagram (DFD) are:

**Table 2 DFD Object Symbols and Description**

Objects	Symbols	Description
External Entity		It is a person or group, which interacts with the system, something outside the system. It is not a user. e.g., Customer, Supplier, Government Agency, Accounting Department, Human Resources System, etc.
Data Flow		It is the directional movement of data to and from External Entities, the process and Data Stores. In the physical model, when it flows into a data store, it means a write, update, delete etc. Flows out of Data Stores mean read, query, display, select types of transaction.
Data Store		It is a repository of information. In the physical model, this represents a file, table,

		etc. In the logical model, a data store is an object or entity.
Process (Activity, Function)		Depending on the level of the diagram, it may represent the whole system as in a Context (level 0) diagram or a business area, process (activity), function, etc. in lower levels.

(Source: *Shankar; 2005:240*)


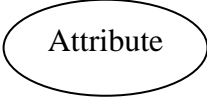
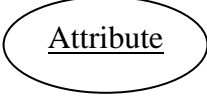


A data flow diagram (DFD) is a graphical representation of the "flow" of data through an information system but it does not show program logic or processing steps. A data flow diagram illustrates the processes, data stores, and external entities in a business or other system and the connecting data flows.

A data flow diagram can be used for the visualization of data processing (structured design). It is common practice for a designer to draw a context-level DFD first, which shows the interaction between the system and outside entities. This context-level DFD is then "exploded" to show more detail of the system being modeled. With a dataflow diagram, users will be able to visualize how the system will operate, what the system will accomplish, and how the system will be implemented. Dataflow diagrams can be used to provide the end user with a physical idea of where the data they input, ultimately has an effect upon the structure of the whole system from order to dispatch to restock how any system is developed can be determined through a dataflow diagram.

### **3.6.2. Entity Relationship Diagram (ERD)**

Different types of symbols representation are discussed in detail below:

**Table 3 ERD Object Symbols and Description**

<b>Objects</b>	<b>Symbols</b>	<b>Description</b>
Entity		An entity is an object or concept about which you want to store information.
Attributes		Attributes are the properties or characteristics of an entity.
Key attribute		A key attribute is the unique, distinguishing characteristic of the entity. For example, an employee's social security number might be the employee's key attribute.
Multi-valued attribute		A multi-valued attribute can have more than one value. For example, an employee entity can have multiple skill values.
Relationships		Relationships illustrate how two entities share information in the database structure.

(Source: *Sadagopan; 2005: 107*)

An entity-relationship (ER) diagram is a specialized graphic that illustrates the interrelationships between entities in a database. It helps the analyst understand the organizational system. ER diagrams often use symbols to represent three different types of information. Boxes are commonly used to represent entities. Diamonds are normally used to represent relationships and ovals are used to represent attributes.

## **CHAPTER IV**

### **SYSTEM ANALYSIS AND DATA PRESENTATION**

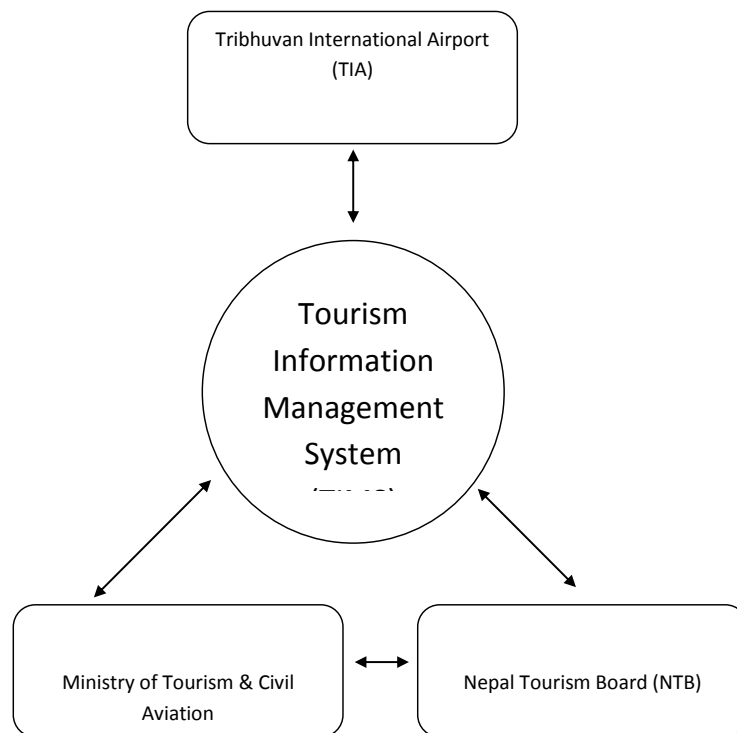
#### **4.1. Organization and System Analysis**

Nepal Tourism Board (NTB) has been set up on the date of 31 December 1998 as a national tourism institution under the act of parliament (NTB Highlights, 2003). The board is providing platform for vision drawn leadership for Nepal's tourism section by integrating government commitment with the dynamism of private sector tourism industries. NTB is promoting tourism in the domestic and international market and is working towards repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of tourist service fee from departing foreigner passengers at the Tribhuvan International Airport (TIA) keeping it financially independent.

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

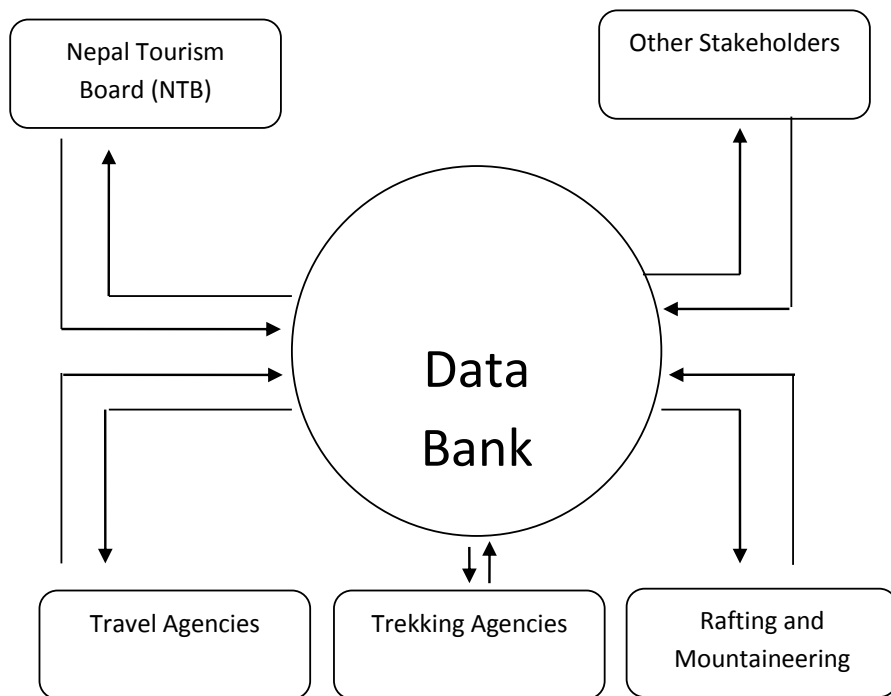


## 4.2. Data Flow diagram of existing system



**Figure 8 : Data Flow Diagram of Existing System**

### 4.3. Context Level Diagram



**Figure 9 : Context Level Diagram**

## 4.4. Analysis of Primary data and Results

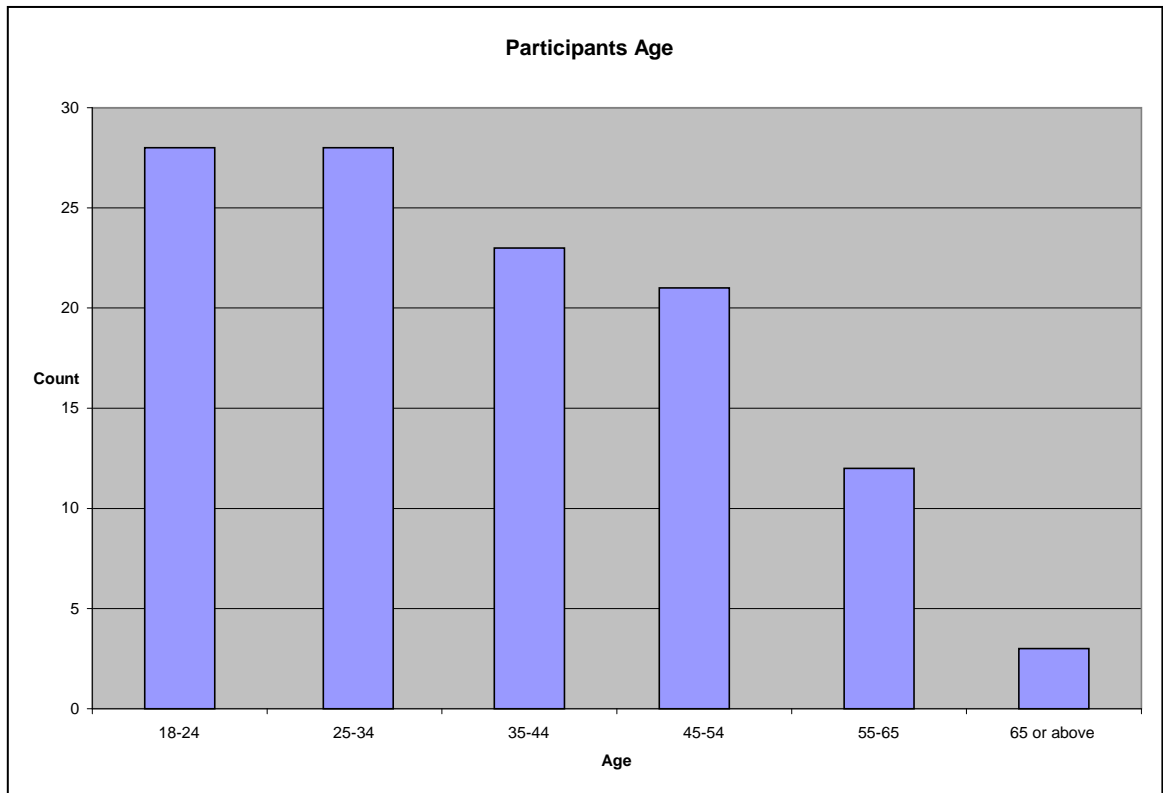
In this chapter the findings regarding the empirical data of the survey will be presented. The questionnaire which was used in this research had three sections. The first section was related to demographic information of the respondents. The second and third sections were related to our research question and had asked respondents the level of their satisfaction about each item in online tourism comparing with the traditional travel agencies. These questions were five points scale questions. Finally some key questions were extracted from the literature which would be helpful for e-tourism literature. Age of the respondents was the first information which the respondents had to answer. In our sample the distribution of male and female was almost the same, while the percentage of female respondents (52%) was a little more than the percentage of male respondents (48%).

### 4.4.1. Public Opinion Survey Data Analysis

The majority of the respondents were between 18-34 years old. This can be due to different reasons. First of all it may be the result of the old people desire to continue traditional methods and it is the young generation who always prefer to try novel methods. In other words the population of the people who have experience in tourism industry using internet technology, our selected population, consists of more young people than the elderly people. The second reason may be because old people are reluctant to answer questionnaire. The tabulated data on age of respondents can be seen in Table 1 and the picture can be seen in Figure 1.

Age	N
18-24	28
25-34	28
35-44	23
45-54	21
55-65	12
65 or above	3

**Table 4 Age of Respondents**

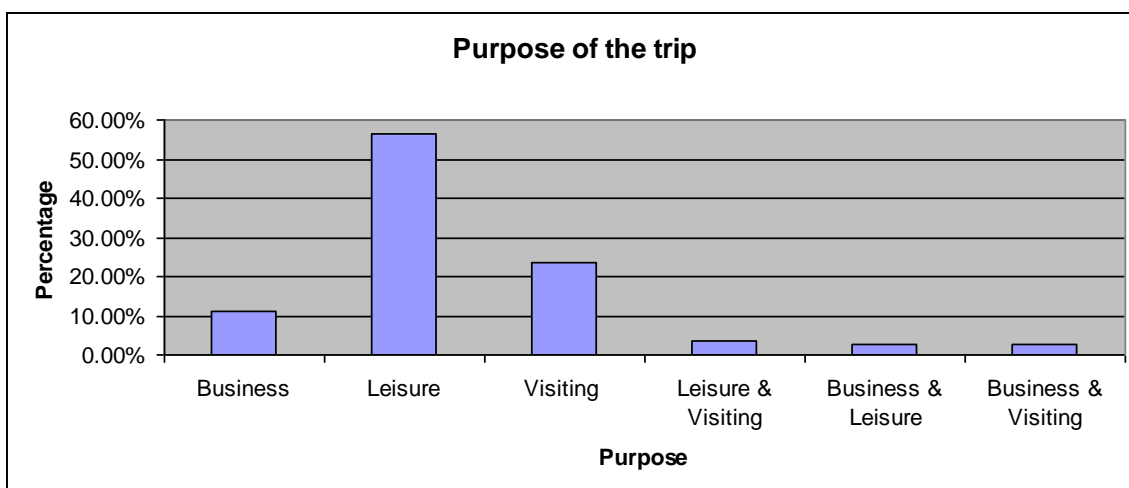


**Figure 10 Ages of Respondents**

The purpose of the trip of respondents is showed in the following table and graphically represented in the chart (Figure 4)

Purpose of the Trip	N	Percentage
Business	13	11.30%
Leisure	67	58.26%
Visiting	28	24.35%
Leisure & Visiting	3	2.61%
Business & Leisure	2	1.74%
Business & Visiting	2	1.74%
	115	

**Table 5 Purpose of the Trip**

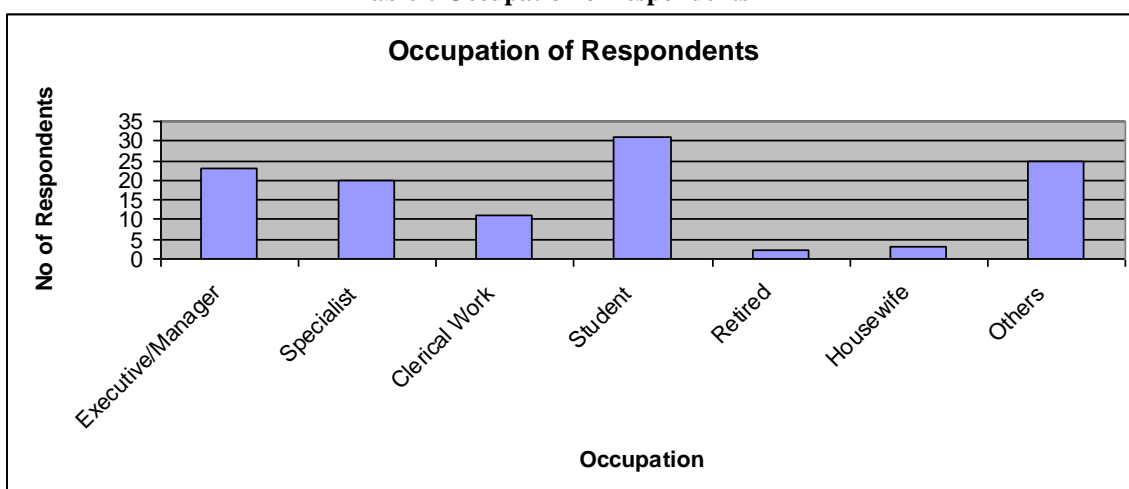


**Figure 11 Purpose of the Trip**

Students consists a high percent of respondents (27%). The occupation of the respondents has been shown in table below and graphically represented in figure 5.

Occupation of Respondents	N	Percentage
Executive/Manager	23	20.00%
Specialist	20	17.39%
Clerical Work	11	9.57%
Student	31	26.96%
Retired	2	1.74%
Housewife	3	2.61%
Others	25	21.74%
	115	

**Table 6 Occupation of respondents**



**Figure 12 Occupations of Respondents**

Use of travel agency and tourism website has been shown in the following table. It

shows that 37% of respondents use travel agencies less than once a year and about 8% of them use travel agencies more than five times a year.

<b>Use of travel agency</b>	<b>N</b>	<b>Marginal Percentage</b>
Less than once a year	41	37.27%
Once a year	22	20.00%
Twice a year	20	18.18%
Three times a year	15	13.64%
Four times a year	3	2.73%
Five times or more a year	9	8.18%
Valid	110	100.00%
Missing	5	
Total	115	

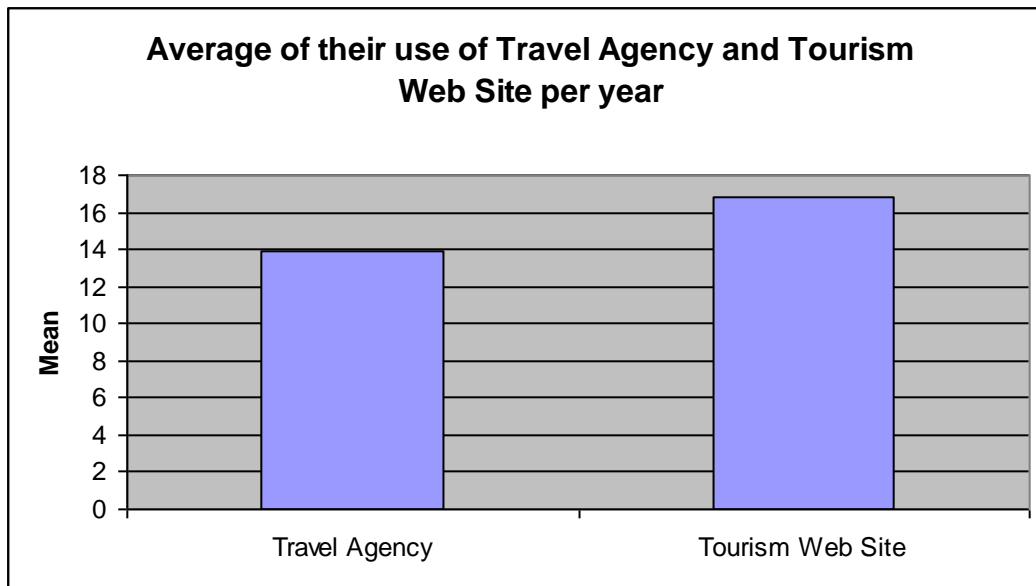
**Table 7 Use of Travel Agency**

Table 5 shows the percentage of respondents related to the frequency of their use of tourism websites. How many times in a year respondents use tourism websites. 35% use more than five times in a year. The figures are almost opposite the use of travel agencies and shows that respondents use tourism websites more than travel agencies.

<b>Use of Tourism Web Site Per Year</b>	<b>N</b>	<b>Marginal Percentage</b>
less than once a year	13	11.50%
once a year	12	10.62%
Twice a year	13	11.50%
Three times a year	23	20.35%
Four times a year	12	10.62%
Five times or more a year	40	35.40%
Valid	113	100.00%
Missing	2	
Total	115	

**Table 8 Use of Tourism Web Sites**

The following figure 6 shows that the average of their use of travel agency is much less than that of in their e-tourism use.



**Figure 13 Comparison between the average use of Travel agency and Tourism Web site**

Table5-3 demonstrates the number and percentage of 1 to 5 scales for time efficiency item. This table shows how the time efficiency of using e-tourism comparing with the traditional travel agencies is. It shows that 42.3 % of respondents think that using tourism website causes much better time efficiency comparing with going to traditional travel agencies.

Time efficiency		N	Marginal Percentage
	Much worse than	2	1.80%
	Worse than	6	5.41%
	The same	23	20.72%
	Better than	33	29.73%
	much better than	47	42.34%
Valid		111	100.00%
Missing		4	
Total		115	

**Table 9Time efficiency in online Tourism**

The following table shows respondents opinion about the convenience of possibility of using e-tourism any where and anytime comparing with the related limitation in traditional travel agencies.

Purchase Anywhere		N	Marginal Percentage
	Much worse than	2	1.85%
	Worse than	13	12.04%
	The same	28	25.93%

	Better than	36	33.33%
	much better than	29	26.85%
Valid		108	100.00%
Missing		7	
Total		115	

**Table 10 Perceptions about convenience of purchasing anywhere**

Table 8 displays both the numbers and percentages for each, 1 to 5, answer to the fourth question in the questionnaire. The question is how direct and immediate is the access of information in tourism websites comparing with the information which is available in the travel agencies. About 30% of respondents think that it is much better and only 2.7% think that it is much worse than travel agencies.

Time efficiency		N	Marginal Percentage
	Much worse than	3	2.70%
	Worse than	11	9.91%
	The same	24	21.62%
	Better than	40	36.04%
	much better than	33	29.73%
Valid		111	
Missing		4	
Total		115	

**Table 11 Direct Access of Information in an Online Tourism**

The following table (Table 9) shows the mental perception of tourists' about customer services in e-tourism comparing to the services which are offered by travel agencies.

Customer Service		N	Marginal Percentage
	Much worse than	13	11.71%
	Worse than	32	28.83%
	The same	31	27.93%
	Better than	22	19.82%
	much better than	13	11.71%
Valid		111	100.00%
Missing		4	
Total		115	

**Table 12 Perception of respondents about Customer service**

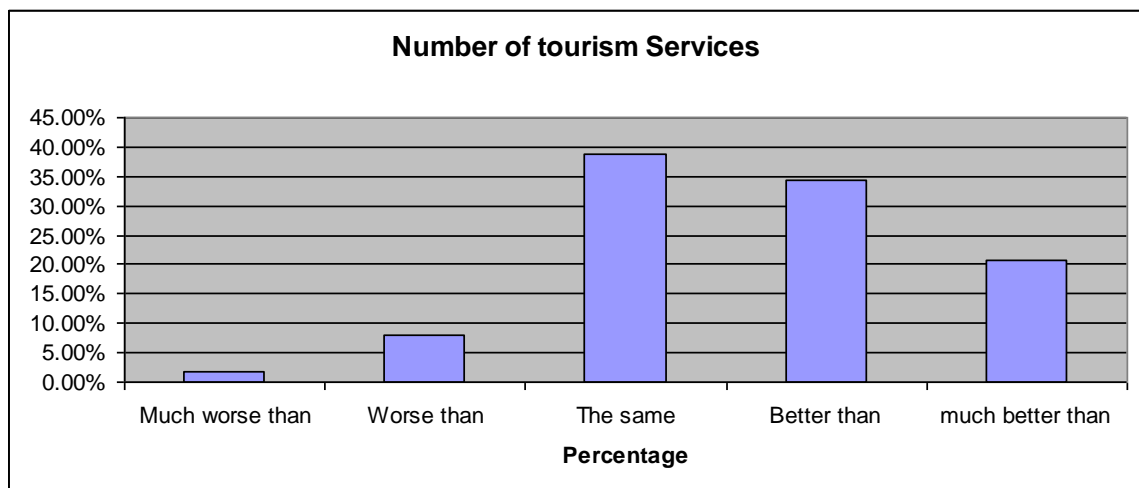
In the next questions respondents are asked to mention how they think about the number of tourism services in on-line tourism comparing with providing tourism information and services off-line. However the respondents who think number of tourism services are the same in both cases contains the highest column but in fact the



totally people who think number of tourism services in online environment is better and much better are more than 50% of the total respondents.

Number of Tourism Services		N	Marginal Percentage
	Much worse than	2	1.80%
	Worse than	9	8.11%
	The same	43	38.74%
	Better than	38	34.23%
	much better than	23	20.72%
Valid		111	
Missing		4	
Total		115	

**Table 13 Number of Tourism Services**



**Figure 14 Percentage of Tourism services**

The comparison between the varieties of tourism services in both environments has been shown in Table 11, 16.7% think that variety of tourism services is much better in e-tourism comparing with off-line tourism.

Variety of Services		N	Marginal Percentage
	Much worse than	1	0.93%
	Worse than	8	7.41%
	The same	37	34.26%
	Better than	44	40.74%
	much better than	18	16.67%
Valid		108	100.00%
Missing		7	
Total		115	

**Table 14**Varieties of services

Table 12 shows that almost 40% of respondents think that quality of information in tourism website are the same as that of in off-line tourism.

Quality of information		N	Marginal Percentage
	Much Worse than	3	2.73%
	Worse than	25	22.73%
	The Same	44	40.00%
	Better than	31	28.18%
	Much Better than	7	6.36%
Valid		110	100.00%
Missing		5	
Total		115	

**Table 15** Perception of respondents about quality of information

Table 13 shows the quantity of information in on-line tourism comparing with offline. 35% think that it is the same in both environments. 14.5% think is much better in on-line. It seems that respondents are more satisfied with quantity of information than quality of information.

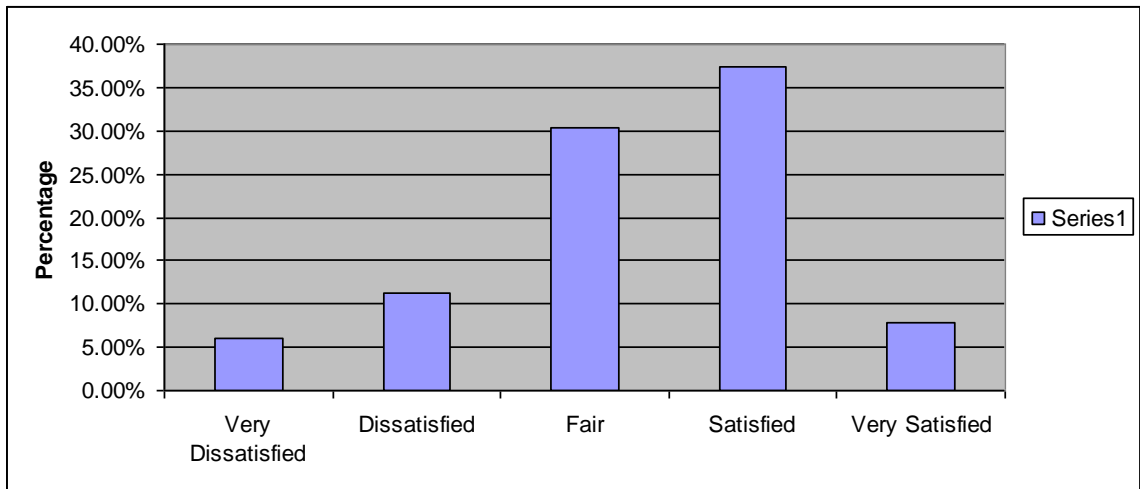
Quantity of information		N	Marginal Percentage
	Much Worse than	2	1.82%
	Worse than	18	16.36%
	The Same	39	35.45%
	Better than	35	31.82%
	Much Better than	16	14.55%
Valid		110	100.00%
Missing		5	
Total		115	

**Table 16** Perception of respondents about quantity of information

Figure 8 shows the perception of respondents from ease of use of tourism websites, 35% think that it is fair and about 40% mentioned that they've been satisfied.

Ease Of Use		N	Marginal Percentage
	Very Dissatisfied	7	6.09%
	Dissatisfied	13	11.30%
	Fair	35	30.43%
	Satisfied	43	37.39%
	Very Satisfied	9	7.83%
Valid		107	93.04%
Missing		8	
Total		115	

**Table 17 Perception of respondents about ease of use of the web site**



**Figure 15 Perception of respondents about ease of use of the web site**

Table 15 below shows the major factor that is considered by the respondents. 34 % of the respondents think that Site design is the major factor and the next important factor is the convenience of using the site.

Major Consideration	N	Marginal Percentage
Convenience	32	27.83%
Product Offerings	15	13.04%
Product Information	18	15.65%
Financial Security	11	9.57%
Site Design	39	33.91%
Missing	0	
Total	115	

**Table 18 Major Consideration by the respondents**

Table 15 shows the attractiveness of tourism websites, almost 48% of the respondents have selected satisfied and very satisfied.

Attractiveness		N	Marginal Percentage
	Very Dissatisfied	7	6.54%
	Dissatisfied	13	12.15%
	Fair	35	32.71%
	Satisfied	43	40.19%
	Very Satisfied	9	8.41%
Valid		107	100.00%
Missing		8	
Total		115	

**Table 19 Perceptions of respondents about attractiveness of tourism websites**

Table 16 shows how satisfied respondents are with interactive and helpfulness of tourism websites. Figures show that 30% of respondents are satisfied toward this factor.

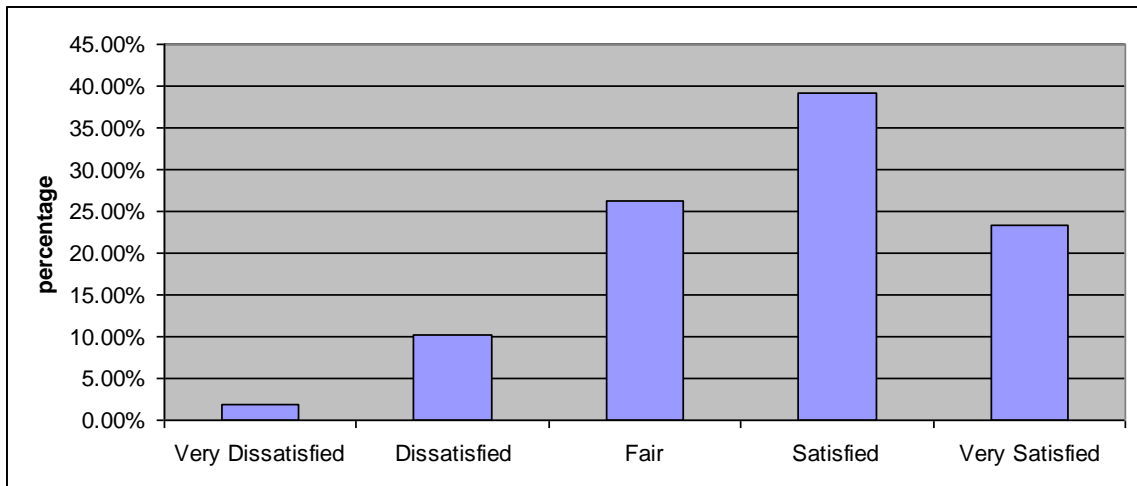
Interactive and helpful		N	Marginal Percentage
	Very Dissatisfied	4	3.74%
	Dissatisfied	19	17.76%
	Fair	39	36.45%
	Satisfied	33	30.84%
	Very Satisfied	12	11.21%
Valid		107	100.00%
Missing		8	
Total		115	

**Table 20 Perception of respondents about Interactive and helpfulness**

The satisfaction on the download time is tabulated in table 17. Figure 9 shows how much if people are satisfied with download time of tourism websites.

Download satisfaction		N	Marginal Percentage
	Very Dissatisfied	2	1.87%
	Dissatisfied	11	10.28%
	Fair	28	26.17%
	Satisfied	42	39.25%
	Very Satisfied	25	23.36%
Valid		107	
Missing		8	
Total		115	

**Table 21 Download time of tourism websites**



**Figure 16 Download time of tourism websites**

Table 18 demonstrates that how respondents rate their overall satisfaction in on-line tourism. It shows that more than 80% of responses have rated their overall satisfaction good and very good and only 2.8% of the responses are poor.

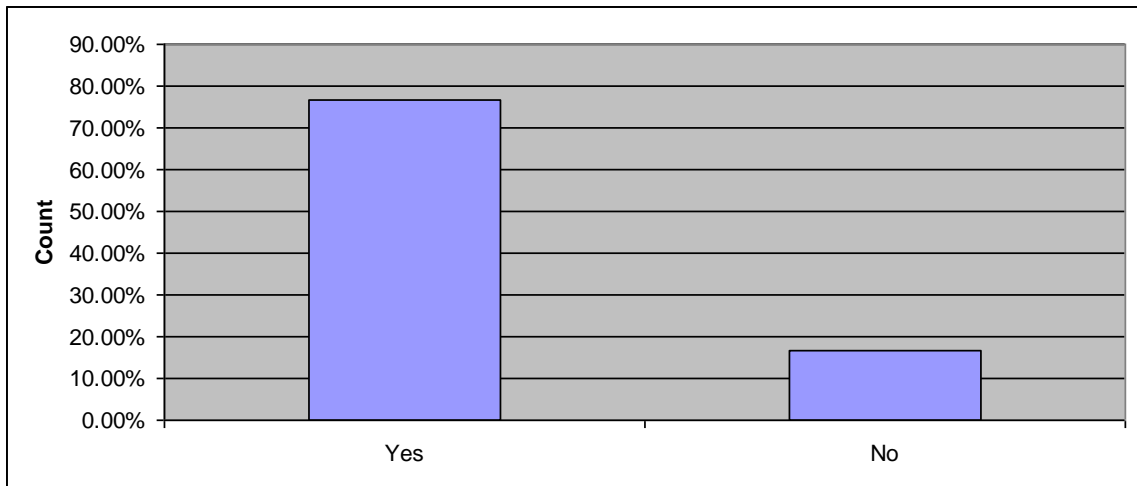
Overall Satisfaction		N	Marginal Percentage
	Poor	3	2.75%
	Fair	16	14.68%
	Good	62	56.88%
	Very Good	28	25.69%
Valid		109	100.00%
Missing		6	
Total		115	

**Table 22 Overall Satisfaction in online Tourism**

Table 18 and Figure 10 are about the question: Does your e-satisfaction affect your intention of buying from a tourism website. 20% claim that there isn't any relationship between satisfaction and intention but more than 80% think that satisfaction affects intention of buying from that website.

Satisfaction affect intention		N	Marginal Percentage
	Depends in Situation	8	6.96%
	Yes	88	76.52%
	No	19	16.52%
	Valid	115	100.00%
Missing		0	
Total		115	

**Table 23 Does Satisfaction affect intention?**



**Figure 17 Does Satisfaction affect intention?**

In the next question they were asked if they will use travel agency or tourism website for their next travel. Table 20 demonstrate that 71.5% of respondents mention that in their future travels they will use tourist websites for their travel while only 3.5 % has told that they will use traditional travel agencies and 8% has said that it depends on the situation.

Future Purchase		N	Marginal Percentage
	Depends On Situation	9	7.83%
	Both	20	17.39%
	Online	82	71.30%
	Travel Agency	4	3.48%
Valid		115	100.00%
Missing		0	
Total		115	

**Table 24 use of travel agency or tourism website for future purchase**

The next question had asked them if they will recommend others to use tourism web sites or not. Table21 shows that 85% the respondents recommend on-line tourism to the others.

Recommend to others		N	Marginal Percentage
	Depends in Situation	9	7.83%
	Yes	98	85.22%
	No	8	6.96%
Valid		115	100.00%
Missing		0	
Total		115	

**Table 25 Recommend of tourism websites to others**

The last question asked was: Do you think that all the traditional system should be replaced with the new technology? Table 22 shows that 67% of respondents think that Traditional system has to be replaced by the new online system while remaining 30% are either unsure or do not think so.

Replacement of Traditional System		N	Marginal Percentage
	Depends in Situation	10	9.35%
	Yes	71	66.36%
	No	26	24.30%
Valid		107	100.00%
Missing		8	
Total		115	

**Table 26 Replacement of Traditional System**

#### **4.5. Analysis of Secondary Data**

**Tourist Arrival by month (2010-2011)**  
**Table 27 : Tourist arrival by month (2010-2011)**

Month	2010	2011	%change
January	33,645	42,599	26.61
February	49,264	56,339	14.36
March	63,058	67,530	7.09
April	45,509	59,724	31.24
May	32,542	46,184	41.92
June	33,263	46,015	38.34
July	38,991	42,304	8.50
August	54,672	71,338	30.48
September	54,848	61,109	11.42
October	79,130	99,304	25.49
November	67,537	83,430	23.53
December	50,408	60,056	19.14
Total	602,867	735,932	22.07

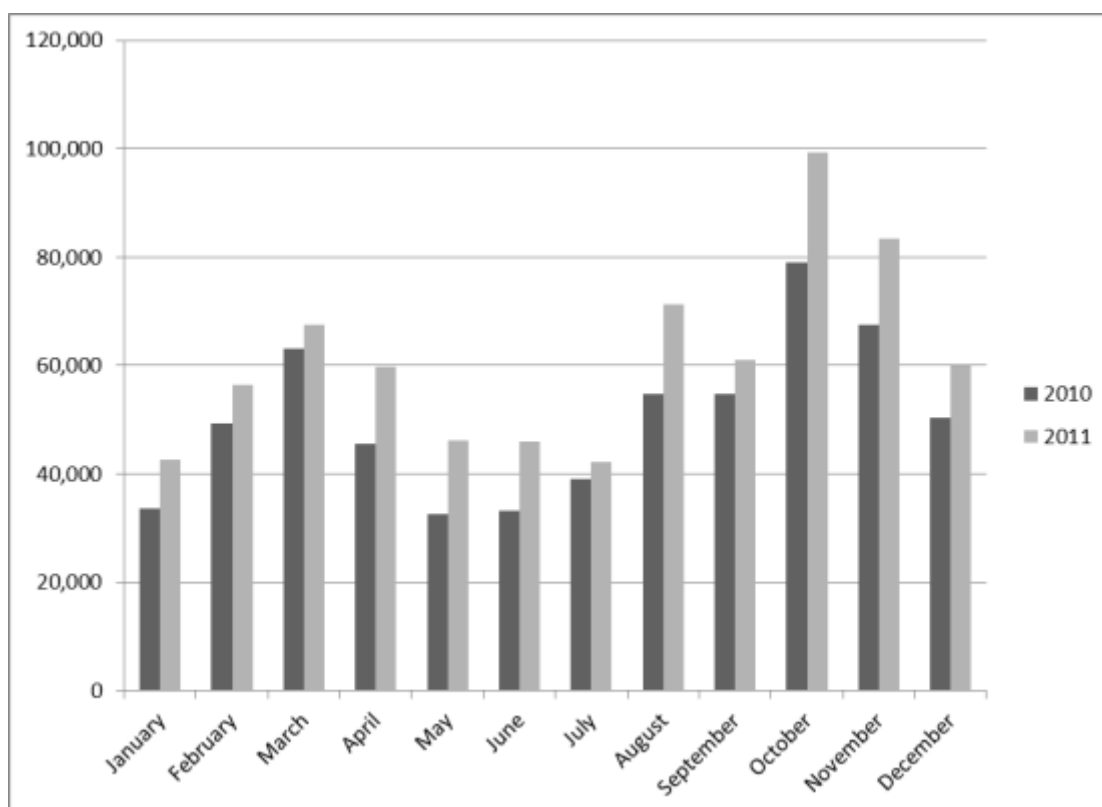


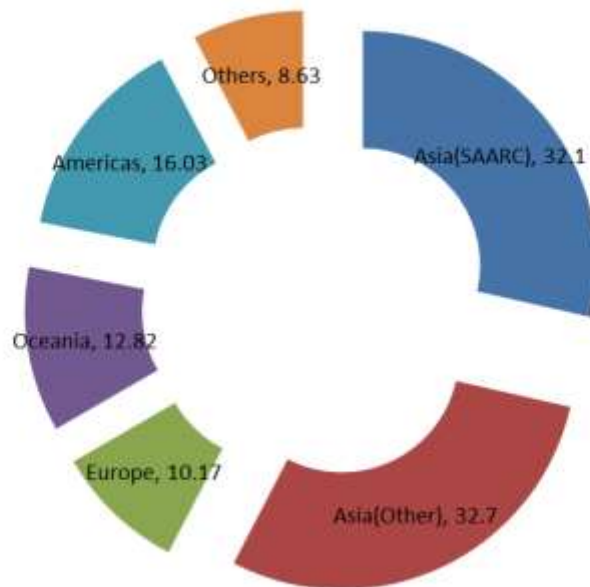
Figure 18 :Tourist arrival by month (2010-2011)

Table 28 Total Tourist arrival by Region (Source NTB)

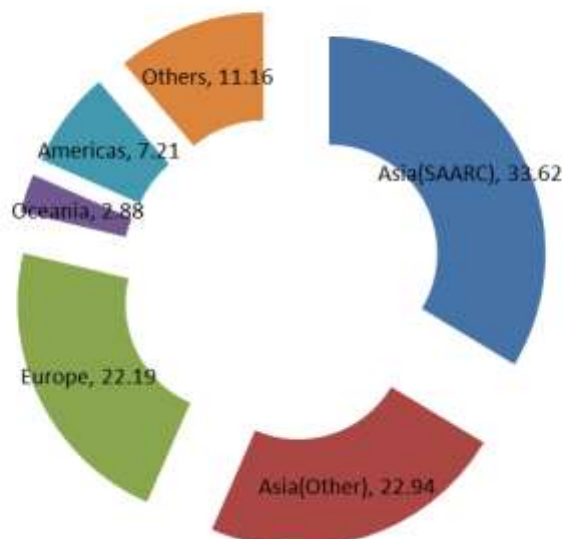
Total Tourist arrival by Region				
Region	2010	2011	%change	%share
Asia(SAARC)	187,272	247,387	32.10	33.62
Asia(Other)	127,229	168,839	32.70	22.94
Europe	148,217	163,290	10.17	22.19
Oceania	18,767	21,173	12.82	2.88
Americas	45,747	53,079	16.03	7.21
Others	75,635	82,164	8.63	11.16
	602,867	735,932	22.07	100.00



**Total Tourist arrival by region**



**Percentage share of Total Tourist arrival by Region**



## **4.6. Nepal Tourism Board Press Release**

### **Record Breaking Visitor Arrivals in October 2011 (*November 2, 2011*)**

The figures released by Immigration Office, Tribhuvan International Airport (TIA) reveal that visitor arrivals in the month of October 2011 have increased by 16.8% to 73,264 compared to the same month last year and crossed 70,000 mark for monthly air arrival for the first time in the tourism history of Nepal.

The arrivals from SAARC region have shown positive growth of 19.4% with India (26.2%) and Pakistan (11.3%) while arrivals from Bangladesh and Sri-Lanka declined by 10.2% and 13% respectively. A sustained growth of 33.7% has been observed in the arrivals from the SAARC region during the first ten months of 2011, in comparison to the same period last year.

Asia ( other than South Asian region) saw overall increase of 40% in October 2011. Except for Malaysia ( -1%), almost all the markets recorded positive growth with China ( 105.9%),Japan ( 7.3%) Singapore (5.7%), South Korea (29.4%) and Thailand (23.6%) compared to the same month last year.

Regarding long haul markets, Europe registered overall positive growth of 15.1% compared to the same month last year with total visitor arrivals of 34166, highest of all on month-by-month basis in 2011. Arrivals from Belgium, Denmark, Germany, Italy, Israel, Spain, Switzerland and UK were up by 18.2%, 48.8%,19.3%,25.5%,88.3%, 20.7%,15.8%, and 7.3% respectively. However France and the Netherlands registered negative growth by 3.9% and 17.1% respectively compared to the same month in 2010.

The figures show overall decrease of 5.4% from Oceania with Australia ( -0.2%) and New Zealand (-30.4% ). Likewise, Canada also recorded negative growth of 0.2% whereas arrivals from the United States of America were up by 5.4% in comparison to the same month last year.

Overall in January – October (ten months of 2011) period, India grew at an average of 42.4% , China (66.7 %), Germany (11.2 %), France (3.8%),UK (6.6%) and USA (14.3%). On month-by-month basis, October was the strongest of all with total 73,264 visitors, ahead of April (51,969) March (46,491), September (45,782) and May (39,179). The visitor arrivals totaled 443,108 between January and October 2011 registering 21.7% of growth compared to the same period in 2010. A total of 69,115 foreign tourists departed from TIA in October 2011.The number of

Nepalese arrivals stood at 70,531 while 52,952 Nepalese departed from TIA in October 2011.

#### **4.7. Justify Your Statement**

In the course of analysis, data gathered from the various sources have been studied. For this we deal with the analysis and interpretation of the data collected from various sources and research methodology.

It shows that 37% of respondents use travel agencies less than once a year and about 8% of them use travel agencies more than five times a year.

The percentage of respondents related to the frequency of their use of tourism websites. How many times in a year respondents use tourism websites. 35% use more than five times in a year. The figures are almost opposite the use of travel agencies and shows that respondents use tourism websites more than travel agencies. The average of their use of travel agency is much less than that of in their e-tourism use. It is found that 42.3 % of respondents think that using tourism website causes much better time efficiency comparing with going to traditional travel agencies. The answer on, how direct and immediate is the access of information in tourism websites comparing with the information which is available in the travel agencies. About 30% of respondents think that it is much better and only 2.7% think that it is much worse than travel agencies. The response to the number of tourism services in on-line tourism comparing with providing tourism information and services off-line. However the respondents who think number of tourism services are the same in both cases contains the highest column but in fact the totally people who think number of tourism services in online environment is better and much better are more than 50% of the total respondents. Almost 40% of respondents think that quality of information in tourism website are the same as that of in off-line tourism. 35% think that it is the same in both environments. 14.5% think is much better in on-line. It seems that respondents are more satisfied with quantity of information than quality of information. 34 % of the respondents think that Site design is the major factor and the next important factor is the convenience of using the site.

## **CHAPTER V**

### **RECOMMENDATIONS AND CONCLUSIONS**

#### **5.1. Summary**

International tourism recovered strongly in 2010 and this trend continued to sustain in 2011 as well. Year 2011 has shown healthy signs in terms of international tourist arrivals. According to UNWTO, tourist arrival grew by a healthy 4.5% between January and August 2011. Destination around the world recorded as estimated total of 671 million international tourist arrivals in this period, 29 Million more than in the same period 2010. In the context of Nepal, 2011 has concluded with positive notes in terms of total visitors arrivals from the whole year. In 2011 the visitor arrivals have increased by 22.1% to 735932 compared to the same period of 2010. This is 133065 more than in same period (January to December) of 2010.

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

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

We have abundant resources for which the country enjoys competitive advantages. Tourism represents one among such sectors, which could rebuild the image of the country bringing back multifaceted benefits to the country and the people at large. She has developed as an independent sector of the economy heavily involving the

Nepalese private sector. Travel agencies are among such private sector wings which are responsible to bring or has contributed to great extent to invite lots of tourist from all over the world. So to great extent promotion of tourism by these travel agencies has direct correlation with the inflow of tourist in Nepal. In order to find the perception of travel agencies regarding e-marketing prospect practiced in tourism sector this topic was undertaken. With this respect five objectives were taken into consideration i.e. To survey the current market situation of Travel Agencies, to find and examine Travel Agencies perception regarding E-marketing, to find out popularity of internet as marketing tools among Travel Agencies, to explore the problems and prospects of E-marketing and recommend appropriate recommendation in order to promote intoxicating beauty of this country through internet.

To determine the objective of the research field survey were conducted using survey question (Appendix). A total of 115 responses were collected during a 45 days period in December, 2010 of the responses collected, Almost all complete information was collected except few incomplete. Approximately 80% of all respondents were Tourist arrived at Nepal from various parts of the world. The collected information was analyzed in order to determine objectives of the research using static tools

## **5.2. Conclusion**

Over the decade, the growth of internet has been exponential, internet is part of hundreds of millions of peoples, lives, and the number of users keeps growing. If tourism is to be developed sensibly the travel agencies must promote its site and services through internet to reach wide number of tourist all over the world. Only way to do it is through internet. Though travel agencies are participation trade fair have website and using email for getting in touch with their clients but that's not enough with the growing no of international tourist and its competitors. Almost all the travel agencies in Kathmandu valley do have website but existence of website doesn't mean visitor will come to visit their site, for that promotion is must. It seems that travel agencies do have knowledge about e-marketing but they are not taking into professionally or to a great concern, may be due to lack of knowledge or fund. We must expand our tourism. Currently travel agencies stuck in promoting through personal contact, through tour agents and marketing in local area to grab bunch of

tourist and focus on Europe and Asia but with the advantages of internet they can reach all corner of the world. Travel agencies must not overlook the fact that a new trend in international tourist is emerging. Before every visit to any country, tourist are more concern about the security and activities that region can offer. They get all those information through websites. Travel agencies have abundance to packages to offer the only concern at present is lack of security to tourist and proper way of doing marketing on internet. If the current problems solved and travel agencies undertake internet as promotional tools definitely the flow of tourist will rise.

Tourism industry is a foreign currency spinner and its impact on Nepalese economy can hardly be exaggerated. Given the diverse nature of tourism resources in this part of the world, promotion is must in order to better inflow the number of tourists in Nepal Internet marketing /e-marketing is one of the promotion tools to promote our destination and services throughout world. This major aims of the study was to assess the travel agencies perception regarding e-marketing. The research presented in this thesis is an important step in the examination of the current situation e-marketing prospects practices and its problems. This research has demonstrated the current trends of internet marketing and its knowledge among travel agencies. In this survey there were 60 sampled travel agencies of Kathmandu valley.

The research process itself has been valuable learning experience about current situation, e-marketing popularity and its problems among travel agencies. Almost all the respondents perceived that the situation is very critical at present. Though the country possess high natural potentiality to enchant tourist from all over the world. Mostly Europe and Asia are the major source of tourist. During last five years 2003-04 were the better year for tourism industry and reason for great inflow of tourist in those year were due to better environment of the country. 2002-2003 were considered as the evil year, during those years there were heavy influx of tourist and reason for that were due to country own internal problems. So for the healthy tourism the country must first settle down its own internal problems and create better environment for tourist to come. Almost all the respondents' prefer personal contact as promotional medium and very few chosen website and e-marketing as promotional tools. It seems that there is lots of gap between respondents' though about hi-tech way of doing marketing. Surprisingly, almost all the travel agencies do have website and most of them kept it for promotional purpose and few for providing information about Nepal. Website seems not effective to promote their services i.e. performing below

expectation but truth is that existence of website doesn't mean people will come and visit your site for that promotion is essential though most of the travel agents are using internet from last 4-7 years and most of them possess knowledge about e-marketing and using email and search engine submission as a promotional tools but not giving more concentration in submitting their URL in tourism related directories. They are only using normal email for promoting their site; it seems that they are not considering other email marketing tools such as newsletters, bulk email marketing and new content notification. While submitting their site in search engines they are not choosing pay inclusion option, they are only choosing free submission options. It seems that they are not conscious about professional of guarantee way of submitting their site in search engine and only nominal no of travel agency are using Alta Vista search engine services for submitting their site in search engine. Most of the travel agencies were not giving priorities to optimizing key words/pages for better positioning their site in major search engines. Almost all the respondents were satisfied by the contribution made by internet but due to lack of knowledge and fund they were not implementing as promotional tools in effective manner. Though they are using email in regular basic for getting in touch with the clients and have common responses regarding its advantages like effectiveness, exposure to outside world, time saving and cost saving. The entire respondents consensus that present tourism is badly hit by interval problems such as unstable government, Maoist problems, law and order situation and rumor that international media had been spreading regarding Nepal as an unsecured destination for tourist etc. If the current crisis is settled down and hi-tech way of doing marketing is also consider for promoting tourism by these travel agencies the future of tourism industry will gloried to great extent than before. After going through the whole research what I have concluded is that most of the travel agencies knows the importance of internet as marketing tools, due to the fact that most of them have a website and using e-mail on regular basis but due to lack of knowledge, fund and ignorance they are not utilizing emarketing in professional way of seriously.

## **5.2. Recommendation**

With the evolution of technology there are various parts in tourism industry where new things can be applied few of which are recommended below.

- One important type of e-tourism applications that has surfaced in recent years is dynamic packaging systems. Dynamic packaging is critical to today's travel industry, such as airlines, hotels, tour operators and travel agencies, to create custom packages to consumers. We can develop a platform to enable dynamic packaging using the latest Internet technologies. Apps for iPhone, Android and other smart phone can be developed that helps in travelling.
- Education regarding internet and computer plays a vital role to determine every change in world. This study recommend that education about e-marketing is must for travel agents in order to promote its services through internet or can consult with internet marketing consultants like [www.Mountdigit.com](http://www.Mountdigit.com) for promoting its services through internet.
- Web site is must to display travel agencies profile, services it offers and information about places they can be visit. For that website should be made in interactive way where viewers can negotiation. Prices of packages travel agencies can offer can also be displayed .Generally email marketing can be implemented with these 3 objectives in mind:
  - Sending direct promotional emails to try and acquire new customers or persuade existing customers to visit again
  - Sending emails designed to encourage customer loyalty and enhance the customer relationship
  - Placing your marketing massages or advertisements in emails sent by other people
- Travel agencies can also use tourism related service directory or websites that link feature your details of your tourism service on their website. I would like to recommend [www.safarinow.com](http://www.safarinow.com) for better service. They also charge annually few hundred dollars for their service. You can find lots of such directories on web.
- Links from other popular website back to your website is one way of increasing your site's popularity. You need to search for websites that there are the right ones. Then you need to send the webmaster an email asking for a link in exchange for a link to his site. Then you need to setup a link on your site to his site and then you need to check that he has set up a link in return.



- Link popularity travel agencies can also exchange banner of their respective company using barter system asking for one another to setup a banner on each other websites. Or travel agencies can add its company banner in most popular site like msn, yahoo etc by paying few hundred dollars annually.
- Last but not the least to promote Nepal as popular and safe tourist destination in global arena.

These are the few of the promotional way to promote web sites on internet in order to inform about the services on internet. If the correct methods of promotion are used on internet to popularize travel agencies sites definitely it will contribute to promote tourism sector in Nepal to a great extent.

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## Appendix

### Questionnaires in studying satisfaction in tourism website

Good morning/afternoon/evening. I am a MBS (Master's of Business Studies) student in Shanker Dev Campus under the Tribhuvan University, Nepal. I would like to conduct a research concerning the tourism information management system. I sincerely hope you can spare a few minutes to answer the following question and all the information gathered will be used for academic purpose only while kept confidential.

#### Part One

Gender: 1. <input type="checkbox"/> Female 2. <input type="checkbox"/> Male	Purpose of this trip: 1. <input type="checkbox"/> Business 2. <input type="checkbox"/> Leisure 3. <input type="checkbox"/> Visiting Friends/Relatives
Age 1. <input type="checkbox"/> 18-24 2. <input type="checkbox"/> 25-34 3. <input type="checkbox"/> 35-44 4. <input type="checkbox"/> 45-54 5. <input type="checkbox"/> 55-64 6. <input type="checkbox"/> 65 or above	Use of travel agency services: 1. <input type="checkbox"/> Less than once a year 2. <input type="checkbox"/> Once a year 3. <input type="checkbox"/> Twice a year 4. <input type="checkbox"/> Three times a year 5. <input type="checkbox"/> Four times a year 6. <input type="checkbox"/> Five times or more a year.
Nationality: .....	
Occupation: 1. <input type="checkbox"/> Executive/Manager 2. <input type="checkbox"/> Specialist 3. <input type="checkbox"/> Clerical Work 4. <input type="checkbox"/> Student 5. <input type="checkbox"/> Retired 6. <input type="checkbox"/> Housewife 7. <input type="checkbox"/> Others: _____	Use of tourism websites 1. <input type="checkbox"/> Less than once a year 2. <input type="checkbox"/> Once a year 3. <input type="checkbox"/> Twice a year 4. <input type="checkbox"/> Three times a year 5. <input type="checkbox"/> Four times a year 6. <input type="checkbox"/> Five times or more a year
Phone Number (Optional):	E-mail address (optional):

(Your Details)

**Part two**

Based on your experiences as an online customer of tourism websites, please consider the following set of questions related to **your satisfaction on tourism websites**. Read the questions 1 to 12 and *compare your purchasing from tourism websites with the traditional travel agencies* and circle a number between 1 and 5.

**1: Much worse than, 2: Worse than, 3: The same, 4: Better than 5: Much better than**

	Question	
1.	How much are you satisfied with the <i>time efficiency</i> of purchasing from a tourist website comparing to going to traditional agencies?	1 2 3 4 5
2.	How is shopping from a tourism website from home, office, etc. comparing with <i>going</i> to and shopping from travel agencies?	1 2 3 4 5
3.	The convenience of <i>24/7 operating hours</i> of tourism websites comparing to the limited working hours of traditional travel agencies.	1 2 3 4 5
4.	How <i>direct</i> and immediate is the <i>access of information</i> in tourism websites comparing to traditional travel agencies.	1 2 3 4 5
5.	How is the <i>number of tourism services</i> (Airline tickets, hotels, etc.) offered on internet comparing to traditional travel agencies.	1 2 3 4 5
6.	How is the <i>variety</i> of tourist services (Airline tickets, hotels, etc.) offered on internet comparing with traditional travel agencies?	1 2 3 4 5
7.	How is the <i>quantity of information</i> about airline flights, restaurants, shopping, transportation etc. in tourism website comparing to traditional travel agencies?	1 2 3 4 5
8.	How is the <i>quality of information</i> about airline flights, restaurants, shopping, transportation etc. in tourism website comparing to traditional travel agencies?	1 2 3 4 5
9.	Do you <i>feel Safe</i> in online transactions comparing with traditional travel agencies?	1 2 3 4 5
10.	How is the availability of a <i>formal privacy</i> in tourist websites comparing with traditional travel agencies?	1 2 3 4 5

### **Part Three**

Based on your experience as an online customer of a tourist website, please select the one that you consider the most important factor in the online Tourism. The one that you think should be considered the most in all.

<b>Convenience</b>	<b>O</b>
<b>Product Offerings</b>	<b>O</b>
<b>Product Information</b>	<b>O</b>
<b>Financial Security</b>	<b>O</b>
<b>Site Design</b>	<b>O</b>

## Part Four

Based on your experiences as an online customer of a tourism website, please consider the following set of statements relate to **your satisfaction of the tourism websites** .Read the statement 13 to 18 and tell *how much you are satisfied with each statement in tourism websites*.

*1: Strongly Dissatisfied (SD) 5: Strongly Satisfied (SS)*

		SD	SS
12.	Friendliness and ease of use of the tourist web sites	1 2 3 4 5	
13.	Attractive web site design	1 2 3 4 5	
14.	Interactive and helpfulness of the tourist websites	1 2 3 4 5	
15.	What do you think about Download time of tourism Websites?	1 2 3 4 5	

16. How would you rate your overall satisfaction of your electronic tourism experience?

Very Good                      Good                      Fair                      Very poor                      Poor

2 ☐                      3 ☐                      4 ☐                      5 ☐                      1 ☐

17. Does your satisfaction of a website positively affect your intention of buying from that website?

Yes ☐                      No ☐                      .....

18. In the future, will you get your travel needs online or from travel agencies?

Online ☐                      Travel agency ☐                      .....

19. Will you recommend purchasing from tourist websites to others?

Yes ☐                      No ☐                      .....

20. Do you think that all the traditional system should be replaced with the new technology?

Yes ☐                      No ☐