

**A STUDY ON THE PROMOTION OF TOURISM  
INDUSTRY IN NEPAL**

**Submitted By:**

**UJWAL RIMAL**

**Shanker Dev Campus**

**Campus Roll No.: 228/064**

**T.U. Regd. No.: 7-2-39-169-2004**

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# CHAPTER - I

## INTRODUCTION

### 1.1 Background of the Study

Located north of the India sub- continent and spread in the area of 1, 47, 181 sq.km, Nepal is a small, sovereign and independent country. A world known icon Mt Everest with an altitude of 8,848 meters has placed Nepal in the world in terms of natural beauty surpassing the rest. It lies between 80<sup>0</sup> 4' to 88<sup>0</sup> 12' east longitude and 26<sup>0</sup> 22' to 30<sup>0</sup> 27' north latitude. Having length of 885 kilometers east-west and width of 193 kilometers north- south, it is situated in between two big nations, China in the north and India in the South.

The whole country has been divided into three physical regions: The Mountains, the Hilly and the Terai. The mountain region covers 15%, Hilly region 68% and Terai region 17% of the total area of the country. Administratively, the country is divided in to 5 development regions, 14 zones and 75 districts. Though being a small country, it has diverse climate from tropical, sub- tropical to tundra climate.

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

The main sources of earning foreign currency are merchandise export, tourism service and remittance from abroad. In general, Nepalese economy is

characterized by slow growth rate, poverty and large scale deprivation. However, development efforts have been initiated but the results have not been encouraging in many sectors. Thus it is essential to have a clear vision of future destination which would encourage utilization of potential with competitive advantage like hydro power, agro- industry, tourism and other sector.

In terms of development, however, Nepal is one of the least development countries of the world with a per capita income of U.S.\$ 473(Economic survey 2009 published by the government).With a population size of 25 million ,more than 10% caste/ ethnic group are accommodating in the country. Nearly 25% of these people are still subsisting below poverty line.

Nepal is a multi-lingual, multi-ethnic, multi-religious and a multi-cultural country. It is culturally rich with diverse customs, life styles, festivals, food habits, clothing and language of various ethnic variations. Although culturally diverse, there always exists perfect harmony.

Nepal, being one the poorest countries of the world has limited opportunity for the faster economic growth. Nepal has 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 wildlife, 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 (Pashupatinath, 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 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. 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 Langtan National Park (LNP).

Nepal is a country having international glory for adventure and cultural 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 country sees greater arrival of tourists in the autumn and winter 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 where by the same resources could be tapped for more benefits to the country.

In the recent years, tourism is regarded as the world's largest and fastest growing industry. It has been playing a pivotal role in the socio- economic sectors of most of the developed as well as developing countries of the globe. So, most of the nation are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country. Tourism has been identified as an important source of exchange earning as an industry creating employment opportunities and generating economic growth of 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 generates 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 note worthy 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. After peace accord signed between the government and the fighting Maoists, the tourism industry has seen the significant improvement.

The international tourism and travel now constitutes the world's largest and most rapid expanding industry. Globally, more than 613 million international tourists move from place of permanent residence each year, and this figure is expected to reach 1.6 billion 2020 (WTO, 1999). In terms of world tourism, tourist arrivals in Nepal account for only 0.09 percent of international tourist arrivals and tourism earnings account for mere 0.023 percent of international tourism receipts.

This indicates the gap between the potential and realities in the tourism sector. In 2001, Nepal has been voted second in the Top country Category out of 180 countries in the wanderlust Travel Awards 2001. Having so much potentially, still we are not able to attract more tourists in Nepal. This is due to the poor promotions as well as present environment of this country.

Marketing in tourism play most critical part. It is a well – known fact that as long as the inherent sense of curiosity and adventure dwells in the heart of human beings, the desire to travel in order to see new sights and experience new things and to live under different environments, will always grow. It may be presumed that such being the case, marketing in the tourism industry is greatly simplified, as part of the process has already been complete by the desire for the travel in people. Identification of markets like that of the product is crucial for any organization, which adopts the marketing concept. In fact, the first step a marketing organization will have to take is to identify its markets.

The most crucial factor is that without planned promotions, and marketing of Nepal as a tourist destination and marketing tourist product, it will not be possible to advance the concept for realistic achievement. Government of Nepal has accorded high priority to the sustainable development of tourism and has made poverty alleviation a primary objective of the tourism sector. Before

the formation of Nepal Tourism Board (NTB) in 1999, the promotion of tourism was completely handled by Government of Nepal.

The Nepal Tourism Board, NTB was established by an Act of Parliament, as a partnership between the private sector tourism industry and Government of Nepal. The Nepal Tourism Board has to play a vital role in the marketing and publicity of Nepalese tourism. The country now has over 1026 Travel Agencies and 2277 Trekking Agencies.

As applied to the tourism industry, the most important function of marketing is to bring about an awareness of the product and services in the minds of consumers in the market areas. This is done by the way of promotion. Tourism promotion is one of the elements of the marketing mix and an important tool for marketing.

The term promotion is interpreted and defined in many ways. Basically, purpose of promotion is to inform, to persuade, to encourage or, more specifically, to influence the potential customer. Like in any other industry, successful marketing in tourism cannot rely only on a product of the right kind, on a market related pricing policy and on a reliable and effective distribution network. Thus promoting tourism internationally involves great amount of money. Individual travel agency in Nepal cannot afford to spend such amount of money in promotion but there is alternative, simple and cost effective solution i.e. promote your company image through internet.

Technology has totally changed the way marketing is done by the National Tourist Organization all over the world .Gone are the days of marketing destinations by distributions of tourism brochure to stray visitors coming to office, film shows or the desk- bound officials sitting cozily in their chairs and disseminating information from their moth-eaten files .It is now an age of websites as well as internal instant updated information on the websites and online purchasing of holidays packages.

Internet is the new and extremely powerful tool that can be used to remain competitive and successful in the world of tourism marketing is the internet: “a collection of millions of interconnected computers located in countries throughout the world—all linked by phone lines and high speed cables to form a gigantic computer network system” .The internet’s potential is so great that some have described it as a “Marketing Bonanza”.

Internet has added new dimensions to the travel industry distribution worldwide. The system is very lime. Anyone owning a personal computer and having access to the internet can reach a website where airline tickets or packaged holidays are on sale and buy whatever he prefer by giving his credit card number. To make the matter easier there are millions website of travel retailer wholesalers and the consolidations as well as the national tourist office of different countries telling you the possibility of enormous options for bargaining and deals in travel holidays.

Potential tourists can use the net to research destinations appealing for both independent travelers and those wishing to travel with a group tour. Operators based in destinations as well as Home Countries can advertise their products on the internet and take bookings directly from customers. Hotel and airlines can use sophisticated databases to allow customers to make bookings directly online and take payments by credit card.

The World Wide Web is a means of filling computer generated data, text and graphics. Websites are viewed using web browsers, software programs resident on the user’s computer. A website may be compared to a magazine on one’s computer. The number of web sites on the internet runs into the million and is growing daily. Web sites cover just about every interest available to mankind. Unless access is restricted to certain sites, as in some countries, internet users can access all information available on the internet. The WWW can thus be



seen as a combination of yellow pages, encyclopedias, dictionaries trade directories land just about anything else that can be published.

The World Wide Web (WWW) is the fastest growing marketplace. And power of internet can't be ignored. E-marketing can reduce marketing costs dramatically. The best free marketing tool invented ever email. Due to the awareness of internet marketing (i.e. E-marketing), existence of website doesn't mean you will get customer all depends on the effective promotion. The starting point in formulating an effective internet marketing strategy is to identify the needs of customers who will visit the web site. The content of the site should be structured such that the needs of various visitors are given first priority. In short, site content and structure should match visitor needs and abilities. Taking all those considerations in mind, this research will focus on finding out the e-marketing role and impact in tourism sector by travel agencies in Nepal.

For success in tourism promotion, Nepal tour operators and hotels need to get connected to the internet and work towards better communication with potential customers around the world. Operators need to establish websites with professional web producers. This method of doing business does require change and training.

Having an internet account does not necessarily mean that operators will maximize the potential of this new medium, not using an internet account properly is often worse than not having one at all. It is at the convergence of tourism, marketing and the internet (i.e. e-marketing), that thesis emerges. In Nepal, only handful travel related agencies have marketed their services through internet in systematic manner.

Keeping all those advantages in mind development to tourisms, travel agencies must follow effective modern marketing producer to promote tourism industry.

Still tourism industry in Nepal is bright if the current political crisis is settled and if effective marketing methods are undertaken. Given this background, this paper attempts to shed some light on the e-marketing by travel agencies in Nepal and how travel agencies can help future tourism development in the country through effective hi-tech method of marketing.

The main purpose of this is to explore the hi-tech method of marketing practices adopted by travel agencies and other associated institution to promote the tourism in Nepal. It covers tourism, marketing and use of internet in promotion of tourism. Specifically, the purpose of this research is to review the form and function of electronic marketing to investigate the e-marketing prospecting of tourism in Nepal.

This research will focus on the facts and figure of current market of tourism and how the travel agencies and making marketing the tourist destinations through internet. Marketing (specifically marketing positioning) involves the creation of an image of product or service, in this case, the tourist destinations. Central to this research is the belief that no matter how good tourism destinations, how low the prices, nothing will be effective if good marketing methods are not implemented. But there is a fine line between traditional promoting the destinations and hi-tech promotion through internet. Faculty marketing methods can lead to tourist disappointment and dissatisfaction, loss of repeat business, bad “word of mouth advertising, and a poor reputation. So, the focus of this study specifically will be on:

- Tourism in Nepal.
- Tourism marketing by traveling agencies.
- E-marketing.
- Challenges of tourism, e-marketing and travel agencies.

## **1.2 Statement of the Problem**

In economic arena of Nepal, tourism plays a very important role. Tourism is one of the main sources of foreign earnings. Natural and cultural attractions are main assets of tourism in Nepal. Due to such attraction, the potentiality has tourism is very high in Nepal. However, this potentiality is not been explored properly. “Although Nepal’s tourism potentials is vast but factors such as limited air service, poor infrastructure and lack of appropriate marketing strategy have resulted in limited growth”(Bhatia, 1997: 4).

Though the tourist arrival is providing due course of time, Nepal is far behind in world tourism in compared to the other countries of south Asia (Anand and Bajracharya, 1985:3). Nepal tourism board, national tourism organization is undertaking different marketing program and different country segments but due to very limited marketing and promotional budget, it’s not being effective. NTB’s marketing program has to compare with competitor like India, Malaysia, Thailand which spend huge amount of money for marketing and promotion.

In Nepal, very limited marketing activities are being undertaken while other countries with more resources are spending huge amount of money on aggressive marketing of their destinations. Nepal has no coherent overseas marketing. The concerned organizations have a very limited budget for promotion and are short of expert staffs. Most marketing is done by Nepalese private sectors and foreign tour operators. For conventional sightseeing activities, this tends to result in the country being an extension of the of India or Thailand .Specialist adventure operators are small, with limited marketing budget in their target markets and Nepal had done very little in identifying the target markets.

The next relatively big obstacle is the cost of promotion. The expenditure made in publicity is too poor and not more effective both in quality and quantity. The

ministry of tourism published brochures and booklets only in the few language in limited copies. There is the lack of advertisement in the foreign papers. In such a situation, the most of the visitors are unknown about Nepal. Similarly, tourism industry does not seem to apply marketing approach properly and purposively for its promotion and development.

The ministry of tourism has no budget for the promotion .Nepalese tourism travel has been marketed mainly through travel agents and tour operators abroad. We have never been able to go to the consumers. It is simply beyond our reach to advertise in, say Newsweek, which could take our entire promotional fund. There is also a growing trend of undercutting. If we have U.S. \$100 as the rack rate, we give as much as 50 percent to the tour operators. That has been our marketing strategy because we depend so much on tour operator.

Regarding negative reporting done by some national and the international Media, certainly it has done a lot of harms in the tourism sector of Nepal. Pollution and environmental degradation of Kathmandu is sending the wrong message abroad about Nepal. It should be minimized as soon as possible. Government of Nepal should also take necessary initiatives for the publicity of tourism abroad. In Nepal, even one five star rated hotel spends Rs.30 million or more annually for the publicity at the international level but due to the lack of budget, government is not able to make sufficient publicity even in visit in Nepal year and further. So, these issues indicate the major problems emerging and seen in mass media and tourism marketing in fields of Nepal.

Beside environment and other problems at present, Nepalese tourism industry is surrounded by numerous problems. There are lots of problems regarding e-marketing phenomena also. Over the decade, Nepalese tourism industry seems to be in the doldrums due to political crisis in the country, although the hope of rays has begun after the election of constitutional assembly but the condition is

still the same. Several problems due to Indo-Nepal crisis added flipped to the problem, especially when Indian Airline was hijacked in December 1999 and Hritik Roshan episode took place in December 2000 and now the terrorist attack in Mumbai. Moreover, instability of government, security problem and frequent Nepal bandh has also disturbed the marketing planning process of travel agencies in the country.

The earth has become the global village because of the latest technology and interest. Traditional marketing techniques are being replaced by E-marketing. It is fast, cost effective and sophisticated. Correspondence using e-mail, internet and websites help to promote the tourism products instantly all over the world. E-marketing establishes clear communication among the prospects with the help of audio- visual materials. It helps to interact directly among service providers and prospects or clients to provide online service like e-booking, e-payment by customized pricing etc.

But availability of the technological infrastructure and ability to use is the essential factor. Due to the unaware of World Wide Web and e-marketing power, still travel agencies are not taking advantage of Hi- tech way of doing marketing .Most of the people are not conscious about internet as marketing tool. For the majority of tourist operators in Nepal, the promotion has been a marketing gimmick. Most of them are using traditional way of marketing. They have misconception about websites and marketing the websites. However most of travel agencies adopt internet as marketing tool do not want to share their promotional strategy.

Nepal's tourism marketing is traditionally misdirected. Our marketing so far has been such that tourism here has become a seasonal business, that is the period between October and April is projected as ideal for visiting Nepal. There is the lack of research based marketing and enough budget to carry out effective market and promotion campaign comparing with other countries'

promotion. Currently, the power cut (load shedding) problem is also disturbing to work online continuously. Based on these discussions, this study will focus on answering following research questions:

- What is the current situation of travel and tourism industry?
- In this age of information technology, how can the tourism sector be uplifted without using electronic devices?
- How can the condition of E-marketing be improved in the country with Financial and technological backwardness and with the acute problem of power-cut?
- To what extent travel agents are using e-marketing tools and techniques to promote the tourism product?
- What are problems they are facing to use e- marketing technique and to promote the tourism product?

### **1.3 Objectives of the Study**

Tourism activities have become indispensable from the view point of country's economy. The country with high Himalayas holds great potentiality to establish tourism as major industry .So Nepal can attract more and more tourists from the global market and also from its neighboring countries through its effective marketing and promotional campaigns. This study deals with promotion with a focus on electric marketing. The objective of the study is to find out the E-marketing prospects in tourism sector by travel agencies in Nepal and the importance of the internet for promoting tourism destination. The specific objectives of the study are enumerated as follows:

- To analyze current situation of tourism in Nepal .
- To display the present condition of E-marketing in tourism sector of Nepal.
- To explore and identify the problems and prospects of tourism and e-marketing.

- To analyse the significance of E-marketing esp. in the tourism sector of Nepal.
- To highlight the benefits to Nepal through the tourism sector with the use of E-marketing.
- To suggest for the improvement based on research findings

#### **1.4 Significance of the Study**

This study holds a lot of significance in a sense that the study will reveal the necessity of E-marketing in this age of advertisement. The tourism sector of Nepal, which possesses tremendous potentialities to contribute to economic revolution of Nepal can be consolidated remarkably through the use of electronic devices in all aspects of tourism. The study will display the fact how this sector improves and benefits Nepal after the use of E-marketing. Not only the existing tourist areas of Nepal will be advertised across the world. It will certainly help to attract and increase the number of tourism from around the world. This aside the concerned authorities related to tourism, will get information regarding the necessity and value of E-marketing of tourism sector. The people involved in this business as well as will know how the business can be uplifted and they will accelerate their efforts accordingly.

#### **1.5 Limitations of the Study**

This research study has tried to carry out without a stain of errors. But it isn't a fact in reality because some errors may occur during the study. Almost all the research works are based on samples, therefore sometimes sample may not present population. Every researcher tries to do error free study is not an exception. However, research study is limited by time period, area of study and data. Based on these discussions, following are the major limitations of the study:

- Tourism industry includes many industries like Hotels, Restaurants, Transports, Airlines Trekking agencies etc. So this research does not

represent the data from whole tourism industry. Only travel agencies are taken as area of the study.

- Study area is small and oriented to Kathmandu Valley only.
- Only five years is (2007-2012) considered for data collection.
- Travel agencies may not want to share the E-Marketing promotional strategies with outsiders.

## **1.6 Organization of the Study**

According to the general prescribed format, the entire study is organized into five different chapters as follows:

### **Chapter I -Introduction**

This chapter deals about the Introduction of the study. It incorporates of following subchapters as background of the study, statement of the problem, objectives of the study, significance of the study, limitations of the study and organization of the study.

### **Chapter II - Review of Literature**

This chapter deals with review of available relevant studies. It incorporates the conceptual framework, review of the related books, journals, articles, published and unpublished research works, review of previous theses and the research gap.

### **Chapter III- Research Methodology**

The third chapter is the Research Methodology that is adopted. It incorporates of following subchapters as Research design, Population and Sample, Nature and Sources of data, Data collection Procedure and Tools and Techniques of Analysis.



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

This chapter deals with the presentation and analysis of all the relevant collected data. Analysis is done as necessary and the major findings will be drawn. This part is the heart of the study.

#### **Chapter V - Summary, Conclusions and Recommendations**

The fifth chapter is Summary, Conclusions and Recommendations. This is the last chapter of this work which incorporates the summary, conclusion and recommendations on the basis of the study.

### **2.3 Research Gap**

Various studies have been undertaken mostly however, confining to enquire the economic impact. Although, tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism (including e-marketing). In view of the importance of marketing and need for Nepal to go for extensive promotion, the research study on the topic "A Study on the condition of E-marketing for the promotion of tourism industry in Nepal" has been initiated.

In this age of information and technology, the importance of E-marketing cannot be ignored to promote the tourism products and services worldwide. Travel agencies are playing important promotional role for tourism sector while acting as the agency role in the travel and tourism sector. The knowledge, attitude and awareness of the travel agency operators regarding e-marketing is attempted to find out in this study. Hopeful environment is created after the election of constitutional assembly and the initiation of peace process in the travel and tourism sector. This study has been conducted to present the problem and prospects of e-marketing in travel and tourism sector of Nepal and to present the current scenario of e-marketing, its prospects and level of perception and ability to utilize these technique by travel agencies. No any this type of survey and study is found within five years (2007 to 2012) related to this topic. So this study will be important reference study for anyone who is interested in E-marketing and Travel & Tourism sector. Thus this study has fulfilled a research gap.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

This chapter describes methodology employed in this study. Research methodology is a way to systematically solve the research problem. In other words research methodology describes the methods, progress applied in the aspect of the study. This chapter describes research design, nature and sources of data, population and sampling, data collection procedure, tools and techniques of analysis and plan work of the study. The study of research methodology gives he student the necessary training in gathering materials and arranging them, participating in the field work which required, and also training in techniques for collection of data appropriate to particular problems, in the use of statistics, questionnaires and controlled experimentations and in recording evidences, sorting out the interpreting it (Kothari, 2003:13).

#### **3.1 Research Design**

Research design is the framework of controlling the collection of data for scientific conduction of the research project. It helps to collect necessary data required for the project. Information which is collected through different sources has been analyzed in order to achieve the objective of the study.

The main intention of this research is to collect the factual information which describes the marketing problem and prospects of e-marketing in tourism industry in Nepal. For this purpose, survey was conducted. Survey is descriptive and analytical research design. They are designed to obtain detail information from sample population. Survey is conducted to obtain detail information existing variable by either structure questionnaires or unstructured interviews. Collected data are simply explored by using some statistical tools.

### 3.2 Population and Sample

The large group about which the generalization is made called population under study. Because of the large group size, it is fairly difficult to collect detail information from each member of population. Rather than collecting detail information from each number, the small portion is chosen as representation of the population is called the sample. There are altogether 1026 travel agencies which is the population of the research study and out of that, 25 travel agencies from Kathmandu valley has been selected as sample.

In order to narrow the parameters of this study to a manageable scale and to obtain a meaningful and comparable sample, the sample are collected incorporating all level of travel agencies like big, small and medium. A sample of 25 travel agencies is purposive and based on the location, level and date of establishment.

Location: More than 60% Travel Agencies are located in the area of Thamel, However, in sampling, travel agencies are selected to represent from other locations too.

Level: The sample is selected incorporating all level of travel agencies according to operating capacity.

Date of establishment: While selecting sample data of establishment is also taken into consideration. It is selected from oldest to newer.

**Table: 3.1**  
**Population and Sample**

S.N	Group of Respondents	Sample Size
1	Thamel	15
2	Durbar Marg	5
3	Other places of Kathmandu	5
4	Total sample size	25
5	Population size	1026

### **3.3 Nature and Sources of Data**

To achieve the real and factual result out of this research, both primary and secondary data are collected .But most of the data and information related with this study are based on primary data source. Primary data are collected through the questionnaire. The questionnaire schedule was designed in view of data requirement and distributed to the authorized person of travel agencies through which a field survey is conducted. Apart from this, some information and data are also collected through unstructured interview with personal and other data are collected from Nepal Tourism Board, Nepal Association of Travel Agents, articles, books and other relevant reports related with the study.

### **3.4 Data Collection Procedure**

A set of questionnaires was developed and distributed to the selected samples. The distribution was done personally through field visit to get accurate and actual information in time. However, additional information was also collected from unstructured interviews with the respondents.

### **3.5 Tools and Techniques of Analysis**

This step is a blue print for decoding the information of the data collected from primary and secondary sources. After the collection of data, an analysis of the data and the interpretation of the results are necessary because data collected from various sources might be in raw form. So, they cannot be used directly. Further, they need to be verified and simplified for the purpose of analysis. The data collected through questionnaire were categorized, tabulated, processed and analyzed using different methods. The systematic analyses is done using quantitative and as well as qualitative techniques. Simple statistical data tools such as percentage, weighted average, Tables, charts, diagrams, and pie chart are used to analyze and present the collected data and information to make it more easily understood. Since the study is mainly descriptive, so the analyses of the result are described logically.

### **3.5.1 Bar- Diagrams and Graphs**

Diagrams and graphs are aids which give a bird's eye view of a set numerical data which show the information in a way that enable us to make comparison between two or more than two sets of data. Diagrams are in different types .Out of various type of diagram one of the most important forms of diagrammatic presentation of data is simple bar diagram, which is perhaps the effective graphic method for comparing quantities.

### **3.5.2 Pie-Diagram**

A pie diagram is a widely used aid that is generally used for diagrammatically presentation of the values of the values of differing widely in magnitude. In this method all the given data are converted into 360 degree as the angle of a circle is 360 degree and all components of the data are presented in term of angles that total 360 degree for one set of data.

### **3.5.3 Percentage**

Percentage is one of the most useful tools for the comparison of two quantities or variables. Simply, the percentage means per hundred. In other words, the fraction with 100 as its denominator is known as a percentage and the numerator of this fraction is known as rate of percent.

## **4.26 Major Findings**

- The majority of survey respondents (84%) report that the current situation of travel and tourism sector in Nepal is poor. In addition only (16%) respondents seem satisfied with the current situation of travel and tourism industry in Nepal.
- Perception of respondents regarding Nepal as a potential destination for tourist (60%) considers Nepal as high potential tourist destination.
- Regarding better year for tourism industry in last five years, the majority of the respondents (84%) think, 2010-2is the better year for tourism industry

- The reason for the good inflow of the tourist in those years is due to better environment of the country (44%) respondents respond.
- Majority of (84%) respondents express that 2006-2007 is the worst year for tourism industry and it is due to emergency period and insurgency.
- Majority of (76%) respondents think due to the internal problem of the country i.e. Nepal's own political crises and insecure environment the flow of tourist is badly affected.
- Asian and European are the major tourist visitors of this country. Majority of (64%) respondents express that Asian are the frequent visitors. Similarly (36%) respondents express that Europeans are the second most frequent visitors.
- Majority of (56%) respondents think that website is the most suitable promotional medium for their business whereas (24%) prefer e-marketing, (12%) prefer personal contact and (8%) prefer magazines.
- There are comparative opinion found regarding the factors effecting for healthy tourism (32.60%) respondents report better environment is must, similarly (28.46%) respondents report political factors, whereas( 24.34%) and (14.60%) respondents believe promotional and hospitality factors is important for the healthy tourism in Nepal respectively.
- Most travel agencies (76%) do have website published on web, whereas, only (24%) do not have website.
- Majority of (78.95%) respondents say that the objective of using website is to promote their business and remaining (21.05%) of respondents said that the objective of using their website is to inform about their profile and services. It means that they want to flow information think website about them and tourism destinations. But no one wants to maintain website just for prestige.
- Majority of (57.9%) respondents' expectations from their website are meet, (26.31%) respondents' expectations are below and only (15.79%) respondents expectations are exceed.

- It has found that majority of (72%) respondents and remaining (28%) of respondents have been using internet from last 4-7 years and 1-3 years respectively.
- Out of total respondent's majority of respondents (68%) are familiar or they have an idea about e-marketing
- E-mail marketing is the promotional tools widely used by travel agencies to promote their website, (52.63%) of respondents are found using e-mail marketing, (31.57%) are found using search engine submission and only (15.8%) are found including their URL in tourism related directories.
- It has found that those who are using email marketing method, majority of (70%) respondent are found using normal email because of simple and easy method and only (30%) are found using new blog e mail marketing method to inform or promote their services to the outside world.
- It has found that of those, who are using search engine submission, (66.66%) of respondent are found using free submission method for submitting their site in major search engines, where as only 33.34% are found using paying inclusion method for submitting website in major search engines..
- Of those, who have chosen pay inclusion option, all of them has used Google for submitting their site in search engine.
- Majority of (63.15 %) respondents have never focused on optimizing keywords or pages on their site because of lack of proper knowledge of search engines optimization whereas, (36.85%) had taken keyword optimization into their concerned sites.
- Majority of (75%) of the respondents have not implemented internet as promotional tool due to lack of knowledge whereas (25%) have not implemented due to the lack of fund.
- It has found that the majority of respondents are satisfied by the contribution made by internet for promoting tourism in Nepal.



- Majority of (88%) respondents are found using email everyday for getting touch with clients . only (12%) respondents are found using e-mail several times a week for getting touch with clients
- The advantages for using e marketing as promotional tools, the most common responses are cost saving (21.95%), time saving (23.41%), effectively (27.48%) and exposure to the outside world (27.16%) respectively.
- Majority of (72%) respondents are found using online payment and booking system. It means that Nepalese travel agencies are not only promoting online but also doing business and getting benefit through it also.
- At present, the sector is badly hit by internal problems such as unstable government, law and order situation, transportation problems, hospitality problem, rumor that international media has been spreading regarding Nepal as an unsecured destination for tourist etc. These are the problems that have been demoralizing the tour operator in Nepal. It seems that if these problems are rectified, and E-marketing is carried out, the tourist industry in Nepal is sure to get expected success.

## **CHAPTER -V**

### **SUMMERY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter is the important chapter for the research because this chapter is the extracts of all the previously discussed chapters. This chapter consists of mainly three parts: Summary, Conclusion and Recommendation. In summary part, revision or summary of all four chapters is made. In conclusion part, the result from the research is summed up and in recommendation part, suggestion and recommendation is made based on the result and experience of thesis.

Recommendation is made for improving the present situation to the concerned parties as well as for further research.

## **5.1 Summary**

Nepal, Although 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. Tourism Policy 2065 is also effective in improving the situations of tourism in Nepal.

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 .It also emerged as an exemplary model for the Nepalese economy and represents around 4% to the country's GDP is also a major source of employment. 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 the topic problems and prospects of e marketing in tourism industry in Nepal was undertaken. With this respect, five objectives were taken into consideration i.e. to analyze current situation of tourism in Nepal, to analyze travel agency's perception regarding E- marketing, to study popularity of internet as marketing tools among travel agencies, to explore and identify the problems and prospects of tourism and E- marketing and to suggest for the improvement based on research findings.

To determine the objective of the research field survey was conducted using survey questionnaires (Appendix) and responses were collected during the period of February 2012. Approximately 60% of all respondents were from Thamel area and rests were from Durbar Marg, Kamal pokhari, and Naxsal and other palaces collected information was analyzed in order to determine objectives of the research using static tools. Collected information and data were analyzed using statically tools in order to determine objective of the research study.

## **5.2 Conclusions**

The most crucial factor is that without correct promotion and E-marketing of Nepal as tourism destination for potential tourists, the flow of tourist will not increase. Though travel agencies are playing vital role for promoting Nepal as tourist destination in its own way and knowledge of internet seems satisfactory but the way of marketing through internet seems minimal. More emphasis should be laid on the use of E-marketing.

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 participating trade fair have website and using email forgetting 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 are 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 tourists visit to any country, they are more concerned 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 are solved and travel agencies undertake internet as promotional tools, the flow of tourist will rise definitely.

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 or e-marketing is one of the promotion tools to promote our destination and services throughout the 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 of e-marketing, prospects, practices and its problems. This research has demonstrated the current trends of internet marketing and its knowledge among travel agencies.

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 have perceived that the situation is very critical at present. Although, the country possesses high natural potentiality to enchant tourist from all over the world, mostly Asian and European are the major source of tourists. During last five years 2008-2009 were the better year for tourism industry and the reasons for great inflow of tourist in those years were due to better environment of the country. The years 2005-2006 were considered as the evil year as during those years there were heavy influx of tourists and the reason for that were the to country's own internal problems. So, for the healthy tourism, the country must first settle down its own internal problems and create better environment for tourists to come. Almost all the respondents prefer website and e marketing as promotional medium and very few chose personal contact and magazines and e-marketing as promotional tools.

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 doesn't seems effective to promote their services i.e. performing just or below expectation but the truth is that existence of website doesn't mean people will come and visit your site. Adequate promotion is essential for this.

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, blog 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 guarantee way of submitting their site in search engine and only nominal no of travel agency are using Google search engine services for submitting their site in search engine. Most of the travel agencies were not giving priorities to optimizing key words or 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 basis 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, most of the travel agencies have online payment and booking system for the visitors. The entire respondents consensus is that present tourism is badly hit by internal problems such as unstable government, Maoist problems, law and order situation and rumor that international media has 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 adopted for promoting tourism by these travel agencies, the future of tourism industry will be glorious 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 are using e-mail on regular basis but due to lack of knowledge, fund and ignorance they are not utilizing e-marketing in a professional way seriously. The environment to use e-marketing is to be created beating all the hurdles on the way of using e-marketing for enhancing the condition of tourism in Nepal.

### 5.3 Recommendations

- Tourism is hampered by the political instability and conflict in the country. First of all political and security system should be made suitable for the development of tourism sector in the country.
- Nepal has been regarded as high potential destination for tourists, but due to lack of proper planning and information, we are not able to increase the flow of tourist in the country. So, effective marketing strategies should be made jointly by the government and private sector and proper coordination between the concerned bodies should be maintained.
- Nepal Tourism Board and all the tourism related associations should also take some initiatives and organize training program regarding internet and its effectiveness as promotional tools and suggest way of doing it for travel agencies and other tourism related organization like hotels, trekking agencies, transports etc.
- Education regarding internet and computer plays a vital role to determine changes in the world. This study recommend that education about e-marketing is a must for travel agents in order to promote its services through internet or can take help with internet marketing consultants like [www. mountdigit.com](http://www.mountdigit.com) for promoting its services through internet.
- Travel agencies can also use tourism related services directory or websites that link or feature your details of your tourism services on their websites. I would like to recommend [www.safari.com](http://www.safari.com) for better services. They also charge annually few dollars for their services. Travel agencies can also search such directories in web.
- Popular travel agencies can also exchange banner of their respective company with one another and can ask for one another to set up a banner on each other's websites or can add its company banner in most popular sites like msn, yahoo, goggle etc by paying few dollars annually.
- Nepalese travel agencies should optimize keywords or pages for better positioning the websites in the search engines. For that their words should

be incorporated within the Meta tag that helps to boost search engines ranking. They can use the most important tags like Title Tag and Meta Description Tag.

- The most important way to bring more traffic to travel agencies' site is by using pay per click programs where travel agencies can create ads and link them to keywords. Both Yahoo and Google have these programs available. Where travel agency have to only pay when someone clicks on your ad. The rate may be from two cents to hundreds of dollars per click. The more you pay per click the higher your ad appears in the search engines. This can also be the good strategy for the travel agencies to cover their customers worldwide and can sale the tourism packages they have made.
- 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.
- Travel agencies also can submit its site using pay inclusion. Although there are several different kinds of paid inclusion like pay-per-click or positioning your site on top 10 popular search engines. Advantages of pay inclusion are that are indexed much faster than submitting through free add URL. There are different pay inclusion program you can search on internet all you need to do is spend few hundred dollars annually as service charge or you can submit your sit using fee add URL search engines like Google etc.
- Travel Agencies can use the E-commerce newsletters method that allow to develop relationships with their clients and let them know when we invent something they may be interested in. Travel agency may start with just a few names and email addresses asking those folks to forward their newsletter (it should have a link to a permission-based sign up form) to



their friends and urge them to sign up. Before long they have a new client base to market your product. They will not be spamming since everyone on their list has given the permission to email them.

- The internet marketing is the best way of marketing the tourism packages, but one thing it lacks is, personal interaction with the potential client. So travel agents must convey their message with words and pictures to sell their product. Therefore, their website needs to have a call to action. They must ask the customer to buy the product or hire them. At the very least they should ask the visitor to click on a link and get more information. Make sure they have an easy payment system in place to handle credit card purchases.
- The more traffic your Website receives, the more sales you are likely to close. One way to increase traffic to your site is through SEO (search engine optimization). This means your Website is clear of any obstacles that would deflect traffic and has plenty of keywords and metatags to attract search engines. I suggest the travel agencies of Nepal to hire someone who knows how to write in code language and create style sheets rather than set up their own website through one of the templates offered by email providers.
- Online magazines offer ad space for a fee (depending upon the magazine's popularity and traffic) and may appear for the duration of the current issue of the magazine. Travel agencies can also adopt this type of e marketing method by selecting a magazine that relates to the tourism product they are able to direct their ad to their target market rather than to a generic audience.

These are the few of the promotional ways 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. Use of E-

marketing esp. of internet with an appropriate knowledge and training regarding its use can do a lot to improve the present state of tourism in Nepal.