

CHAPTER – I

INTRODUCTION

1.1 Background

Nepal is a small, autonomous and independent federal republic kingdom. With its landlocked ness, Nepal is blessed with snow-capped mountains which had made it geographically moving. Nepal is one of the most popular countries for tourism of the world. An area of Nepal 1, 47,181 sq. Km. A worlds known icon Mt. Everest with an altitude of 8,848 m. had placed Nepal in front of the world in terms of natural beauty surpassing the rest. It lies between 26. 22' to 30. 27' north latitude and 80.4' to 88. 12' east longitude and latitude. Having length of 885 Km. east-west and width of 193 Km. north-south, it is situated in between two big nations, India in south and China in north. Mountainous, Hilly and Terai. The whole country has been divided into three regions. The mountain region covers 15%, hilly 68% and Terai region 17% of the total area of the country. Administratively, the country is zoned into 5 development region, 14 zones and 75 districts (CBS 2005). Though being small country, it has diverse weather from sub-tropical to desert to peak tundra with every form of landscape and flora. Nepal is a country of many festivals, being festivals major aspect of cultural life of Nepalese people. As multi-lingual people occupied the country, it is culturally rich with different religious customs, festivals, life styles, food habits, clothing's and languages of various cultural variations.

Though culturally diverse, there always exists perfect agreement. Nepal is one of the least developed countries of the world In terms of development. Nearly 38% of these people still subsist below poverty line. According to the report NPC by end of ninth plan the total figure of employed manpower reached 995900, where as the unemployed were estimated to be 5%. However the percentage of underemployed labor will be 12.4% including the 5% of fully employed, the total unemployment figure estimated to remain at 17.4% (Tenth Plan, 116-117). So this shows it is very

serious problem in Nepal. The major economic activity is agriculture and the rest includes industrialized, trade, business and services. The mass of population lives in rural areas. Thus agriculture is unable of accelerating pet level of economic development due to the several bottlenecks. The economy is agro-based and above 60% of national income is generated from this sector. However the need in torrential rain and use of permanent means of production are the major constraints of agriculture.

The main sources of foreign currency earning are products expert, tourism services and remittance from abroad. In general Nepalese economy is characterized by slow growth, mats poverty and large-scale deprivations. However development efforts have been initiated but the results have not been encouraging in many sectors. Thus, it is essential to have a clear vision of future destination which would encourage utilization of potentials with competitive advantages like hydro-power, agro-industry, tourism and other sectors (Bajracharya, 1996: 2-3).

In recent years, tourism is regarded as the world's largest and fastest growing industry. It has been playing a key role in the socio-economic sectors of the most of the developed as well as developing countries of the globe. So, most of the nations are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country. Tourism has been identified as an important source of foreign exchange earning; as an industry creating employment opportunities and generating economic growth of the country (Shrestha, 1978: 74

1.1.1 History of Nepal

The recorded history of Nepal is centered on the Kathmandu valley and begins with the Kirantis who are said to have ruled for many centuries beginning from the 7th or 8th Century B.C. with their famous King Yalumber who is even mentioned in the epic, 'Mahabharata'. The Gopals who were herdsmen are believed to have

ruled before the Kirantis but little is known about them. Their descendants are said to still live at the edge of the valley. Around 300 A.D. the Lichavis arrived from northern India and overthrew the Kirantis. The descendants of the Kirantis are the Rais and Limbus who predominate in eastern Nepal. One of the legacies of the Lichavis is the fabulous Changu Narayan Temple near Bhaktapur which dates back to the 5th Century. In early 7th Century, Amshuvarman, the first Thakuri king took over the throne from his father-in-law who was a Lichavi. He married off his daughter Bhrikuti to the famous Tibetan King Tsong Tsen Gampo thus establishing good relations with Tibet. Bhrikuti went on to convert the king to Buddhism. The Lichavis brought art and architecture to the valley but the golden age of creativity arrived with the Mallas who came to power around 1200 A.D. During their 550 year rule, the Mallas built an amazing number of temples and splendid palaces with picturesque squares that are lined with architecturally beautiful temples. It was also during their rule that society and the cities became well organized, religious festivals were introduced and literature, music and art were encouraged. Sadly after the death of Yaksha Malla, the valley was divided into three kingdoms: Kathmandu (Kantipur), Bhaktapur (Bhadgaon) and Patan (Lalitpur). The rivalry among these kingdoms led to the building of grand palaces and the uplifting of the arts and culture. Around this time, the Nepal as we know it today was divided into about 46 independent principalities. One among these was the kingdom of Gorkha with a Shah king in power. Much of Kathmandu valley's history around this time was recorded by Capuchin friars who lived here on their way in and out of Tibet.

Nepal, as a state, was established when an ambitious Gorkha king named Prithvi Narayan Shah embarked on a conquering mission that led to the defeat of all the kingdoms in the valley (including Kirtipur which was an independent state) by 1769. Instead of annexing the newly acquired states to his kingdom of Gorkha, Prithvi Narayan decided to move his capital to Kathmandu establishing the Shah

dynasty which ruled unified Nepal from 1769 to 2008 when the last Shah ruler, Gyanendra relinquished his power to make way for total democracy under the rule of a Prime Minister.

The history of the Gorkha state goes back to 1559 when Dravya Shah established a kingdom in an area chiefly inhabited by Magars. At this time the Kathmandu valley was ruled by the Malla kings. During the 17th and early 18th centuries, Gorkha continued a slow expansion, conquering various states while forging alliances with others. Prithvi Narayan dedicated himself at an early age to the conquest of the Kathmandu valley. Recognizing the threat of the British Raj in India, he dismissed European missionaries from the country and for more than a century, Nepal remained in isolation.

During the mid-19th century Jung Bahadur Rana became Nepal's first prime minister to wield absolute power relegating the Shah king to a mere figurehead. He started a hereditary reign of the Ranas that lasted for 104 years during which time the Shah Kings had no real power. The Ranas were overthrown in a democracy movement of the early 1950s with support from an unlikely person, the monarch of Nepal, King Tribhuvan. Soon after the overthrow of the Ranas, King Tribhuvan was reinstated as the head of the state. In early 1959, Tribhuvan's son King Mahendra issued a new constitution, and the first democratic elections for a national assembly were held. The Nepali Congress Party was victorious and their leader, Bisheshwar Prasad Koirala formed a government and served as prime minister. But by 1960, King Mahendra had changed his mind and dissolved Parliament, dismissing the first democratic government.

After many years of struggle when the political parties were banned, they finally mustered enough courage to start a people's movement in 1990. With the public rising up against absolute monarchy and demanding democracy, the then ruler

King Birendra accepted constitutional reforms and established a multiparty parliament with himself as head of state and the prime minister heading the government. In May 1991, Nepal held its first parliamentary elections. In February 1996, one of the Communist parties (Maoist wing) went underground to wage a people's war against monarchy and the elected government.

Then on June 1, 2001, a horrific tragedy wiped out the entire royal family along with many of their close relatives. With only King Birendra's brother, Gyanendra and his family surviving, he was crowned the king. King Gyanendra tolerated the elected government for only a short while and then dismissed Parliament to grab absolute power. In April 2006, strikes and street protests in Kathmandu led to a 19-day curfew and the political parties joined forces with the Maoist rebels to bring pressure on the monarch. Eventually, King Gyanendra realized it was futile holding on to power and relented. He agreed to reinstate parliament. But the political parties and a majority of the general public had had enough of dynastic rule and their abuse of power. On May 28, 2008, a newly elected Constituent Assembly declared Nepal a Federal Democratic Republic, abolishing the 240 year-old monarchy. Nepal today has a President as Head of State and a Prime Minister heading the Nepal Government.

1.1.2 Development of Tourism in Nepal

People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The recorded history of Nepal begins with the Lichhavis who came to power in 400 A.D. With them the nation began to do well in art, culture, painting, architecture and sculptures. The Mallas, who succeeded them, gave a new turn to this prosperity by transforming the small kingdoms of Kathmandu, Patan and Bhaktapur into "*Open air Museum of art and Architecture*". But efforts to earn foreign currency to accelerate development through tourism were nil, and there was no link between tourism and national

economy. After centuries, the democratic revolution of 1951 AD, marked a new era in Nepalese Tourism for all foreign visitors. Nepal opens its door to international tourists after the dawn of democracy. For convenience, development of tourism in Nepal can be remembered by dividing it into three phases.

- i. First phase: History of Tourism before 1940.
- ii. Second Phase: History of Tourism from 1940 to 2000.
- iii. Third Phase: History of Tourism after 2000.

I) First Phase of History of Tourism before 1940

The early history of Nepal is the history of Kahtmandu valley and the ancient history of tourism is also related to the Kathamandu valley. The Kathmandu valley take birth when a visitor name Manjushree came here from China, cut the border of the hill in Chovar with a sword and emptied the water of the lake. After this in 249 BC, royal leader Ashok of India visited Nepal as a pilgrim and erected a Monastery entitled '*Charumati Bihar*', and also four Buddhist stupas in the four corners of Patan. During the Lichhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchong Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailaskut Bhawan and Mangriha of Lichhavi dynasty.

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

After the unification, the rulers of Nepal had not made any attempt to develop tourism in Nepal on the contrary the policy of the government was not let tourist enter into Nepal, except in some special cases. In the Rana's regime for 104 years the policy of the government was not favorable for tourism development. Only during the great festival of Shivaratri, permission was given to Indians to enter into Nepal as pilgrims. Till 1950 only 100 foreigners visited Nepal (Pokhrel & Karki, 2055). The restrictions on tourists to enter into Nepal during the Rana regime of 104 years adversely affected tourism in Nepal. As a result there was a lack of foreign exchange earning from tourism for the development of infrastructure in the country.

II) Second Phase: History of Tourism from 1940 to 1990

When the Rana government was overthrown from power and Nepal got a new birth i.e. democracy was brought in the country. Thereafter, a rage of development in the country, internal as well as external communication and transportation tasks began to start. Many foreign countries started to help for the development of Nepal. In actual sense the promotion of tourism started more or less only in the beginning of 1960s. The then government made attempt to the development of tourism with liberal tourism policy relatively than there before. In 1965, John Copman, who was running 'Tree Top' in Africa, came to Nepal and being impressed with dense forest and wild animals started 'Tiger Top', first Jungle Resort. Similarly, James Robert, Ex-British Army-man who was in British India came in contact with Nepalese Gorkha soldiers and with their links came to Nepal and introduced trekking tourism by opening company named 'Mountain Travel' in 1965, which still runs to this days. And Edmund Hillary introduced and promoted mountaineering in Nepal.

In 1953, Tenjing Sherpa and Sir Edmund Hillary succeed in climbing the world's highest peak Mt. Everest. After getting membership to the UNO in 1950, Nepal

gradually became known to the world. In the auspicious occasion of the coronation of His Majesty King Mahendra in 1956, government head and diplomat from different countries of the world visited Nepal. After these travelers, political and commercial delegation began entering in Nepal. Diplomatic, cultural and economic relationship with different countries were set up, with increasing diplomatic relationship with different organizations like UNO, WHO, UNESCO, FAO etc. a congenial atmosphere was created in Nepal for tourism development.

A new era of Nepalese tourism started in November 1957 when a 'Tourism Development Board' was established under the chairmanship of minister for trade and Industry. In 1958, this 'Tourism Development Board' has transferred to Ministry of Public Works, Transportation and Communication. In 1959, this has attached to the 'Department of Construction and Communication Works', and directorate of tourism were opened. Similarly, 'Tourism Information Center' was established this year. In such organizational development process, in 1961, the government decided to established 'Department of Tourism' with the establishment of this department, the country got an opportunity to obtain membership of various international tourism development institutions such as International Union of Official Travel Organization (IUOTO), South Asian Travel Commission (SATC), The Pacific Area Travel Association (PATA), and American Society of Travel Agent (ASTA).

In 1970, Nepal Tourism Development Committee was constituted under the chairmanship of late prince Himalayan Bir Bikram Shah. In 1972, the committee published 'Nepal Tourism Master Plan' with technical assistance from the government of Federal Republic of Germany. The master plan had been prepared for further development in the field of tourism started to be considered the country, tourism started to be considered as an industry and for its development efforts have been made to distributed posters, booklets to international organization and to provide sufficient hotel facilities and transportation facilities to

tourists. As a result, there was 41 fold increases in tourists visiting Nepal, 6179 tourists in 1962 and 2548885 in 1990.

III) Third Phase: After 2000

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

The Eighth Five Year Development Plan was a bold enough to acknowledge the defects of policies pursued and their net efforts on achievements. The plan has designed some objectives for tourism:

- a. To improve the quality of services and facilities relating to Tourism.
- b. To develop necessary infrastructures for the tourism sector and expand the tourism sector and expand the tourism activities to other places of the country.
- c. To forgo a close coordinating link between tourism sector and other sectors of the economy.
- d. To argument the use of local materials and services in the tourism industry.

Similarly, the ninth plan had noted that "The tourism industry can be developed as an important sector of the national economy on account of its comparative advantage engendered by exiting attractive features and special geographical location of the nation." The plan also carried out some policies to develop village tourism.

The tenth plan has also focused the tourism sector as an important organ of the national economy which will not only contribute to the national economy but will not only provide benefits to foreign tourist as well as increase the income generating and employment opportunities. The plan has set some objective relating to tourism sector such as qualitative promotion of tourism sector, conservation and preservation of historical, cultural, religious and archaeological heritage and enforcing their practical utilization and to make air transportation services easily accessible standard and reliable.

1.1.3 Policies and Program under Globalization in Nepal

Analysis of the event related to development of tourism in Nepal suggests that in the decade of nineties there have been much more conscious efforts to globalizing the economy of Nepal. However, here we are taking up only some important events that reflect upon globalization of tourism related activities in Nepal. These are: (Upadhyaya, 2003: 194)

-) Formation of Tourism Council (1992)
-) National Civil Aviation Policy (1993)
-) Tourism Policy (1995)
-) Visit Nepal year (1998)
-) Destination Nepal 2002-2003.
-) Tourism Policy (2008)
-) Nepal Tourism Year (2011)

A. Tourism Council (1992)

Tourism Council is an apex body for tourism ministries and department, is an attempt to integrated and consolidated development of tourism. This apex body is chaired by prime Minister who has 30 members. It is expected that this apex body will help to remove obstacles during the process of implementation, provide

correct directives and formulate policies by bringing about co-ordination among different ministries and departments for the sake of the development of tourism industry. But the major for the tourism council is that it does not enjoy the executive power and attention to implement its well intention and well planned programs. If this problem is removed, it provides to be of immense help for galvanizing the tourism sector Vis-à-vis the Nepalese economy.

B. National Civil Aviation Policy (1993)

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

-) To develop international air transport service
-) To encourage private sector in airline service
-) To develop and expand air transport and air ports in the remote areas of the country.
-) To encourage recreational, adventure and research oriented air facilities.
-) To make air transport reliable and safe through installation of modern equipments at air ports.

C. Tourism Policy (1995)

It is during the eight five year development Plan (1992-97) period that the government of Nepal announced an independent tourism policy (1995). It was announced with the aim of increasing national income and productivity, increasing foreign currency, creating employment opportunities, improving regional imbalance and projecting the image of Nepal in the international area through diversification of travel and tourism industries.

D. Visit Nepal Year 1998

This was first national campaign in the history of tourism of its king. The central theme of the campaign has been "a sustainable habitat through sustainable tourism" similarly its marketing slogan was " A world of its own" which reveals that there is a 'world' in Nepal that needs to be discovered in its natural resources, living cultural heritage and friendly and hospitable host. Some major objectives of VNY '98 were:

- J To raise the image of Nepal throughout the world.
- J To protect and conserve the natural and cultural centers in integrated form.
- J To diversify the tourism product.
- J To develop Nepal as one of the important tourist destination.
- J To raise the public awareness about tourism.
- J To distribute the fruits of tourism upto the grass root.
- J To increase the volume of domestic tourism.
- J To increase the length of tourist to 13 days. and their expenditure to USD 50.
- J To improve the quality of tourism.
- J To welcome 5 Lakh tourists.

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

E. Destination Nepal Campaign-DNC (2002-2004)

As the impact of VNY it was not of desired program 'Destination Nepal 2002-2004' had been planned to initiate DNC started from December 2002 and ended on December 2004 as a two year program. The international year of mountain 2002, International year of eco-tourism 2002 and visit south Asia 2003 were also integrated under this campaign. It was implemented with the partnership between

the government and private sector to promote tourism industry and create awareness among the people. The main objectives of DNC 2002-04 were:

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

Nepal has started to pay more attention to this industry. However, it does not seem that proper program and planning has been made and the industry may not be professionally managed as is needed for the sector's proper development. Besides, its true potentiality can be realized only by proper marketing strategies and in this respect Nepal does not seem to have extended adequate attention.

Nepal has ample opportunities to develop international tourism as it consists of rich natural resources, beautiful landscapes and bio as well as cultural diversities. Thus tourism can be a good source of income for developing country like Nepal. Keeping in view of those facts, Nepal government has taken important steps and made long-term plans, policies and strategies for development of tourism in Nepal. In this context, Nepal Tourism Board Act 2053 was passed by both the houses of the parliament in December 1996, and obtained the Royal Seal in February 1997. The Board designed as a partnership between the HMG and the private sector travel industry of Nepal has been empowered to work as a National Tourism Organization commencing 31st of December 1998.

The Board has certain statutory responsibilities assigned by the Nepal Tourism Board Act, 2053 as mentioned below:

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. 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:

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

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

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

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

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

F. Tourism Policy (2008)

Tourism Policy

Objectives

The activities of tourism and cultural sectors, when implemented effectively with prioritization Not only contributes to national economy but also provides benefits to foreign tourists as well as Increase the opportunities for income generation and employment. In view to this following Objective has been set forth in the tenth plan.

1. Effective promotion of tourism sector achieving sustainable development by enhancing Public participation thus contributing to poverty alleviation.
2. To increase people participation in the conservation of historical, cultural, religious and Archaeological heritage and enhance their practical utilization.

3. To establish a standard airport and aviation service with adequate infrastructure Development for domestic and international flight.

The major strategies comprise of establishing regional tourist hub center, creating pollution free Environment for the tourist, preserving and conserving historical cultural religious heritages; Enhancing people's participation and ensuring air services and airport with necessary Infrastructure. The main policies are promoting quality tourism; enhancing internal tourism; strengthening Economy; generating more employment opportunities especially to the rural women and deprived Communities through cottage and handicraft industries development, and implementing Destination Nepal 2002/03 Campaign. The Eco- tourism projects, tourism infrastructure Development programs, world heritage site conservation projects, second international Airport Project is the main programs.

Strategy

1. In an effort to generate massive participation, organize and operate public awareness Programs regularly to notify the benefits of tourism sector.
2. To increase tourism activities in recently opened (previously banned) and other possible Sectors by maximum utilization of tourism resources and unifying the programs by Establishing the regional tourism hubs.
3. To expand mountaineering, trekking, rafting and other advantageous activities to other Sectors through participation of local bodies and NGO's.
4. To integrate Eco- tourism concept while implementing programs in such a way that Environmental conservation and social values are not bypassed
5. To re-establish Nepal as a beautiful and peaceful destination through clean environment, Pollution control, polite behavior, security and safety guarantees.
6. To run promotional programs at low risk tourist sites so as to prevent from obvious political and economic backlash worldwide.

7. To change peoples concept towards their cultural and tourism by enhancing positive attitude and guarantee multiplicative advantage up to the lowest level with adequate return from Tourism.
8. To help the tourism sector by preserving cultural richness and religious tradition.
9. To encourage involvement of non-governmental sectors in management, preservation and Utilization of cultural, religious archeological and natural heritage in accordance to Decentralization policy.
10. Make air travel easily accessible, safe, standard and reliable.

Policy and Working Policy

1. To encourage tourism based on quality and price.
2. To establish domestic tourism as an economical alternatives.
3. To explore new possibilities besides incentives, convention, sports and rural tourism, practically develop and maximize the available tourism resources.
4. To increase employment opportunities, occupational use, and to conserve local skills and encourage the tourist to use locally produced goods and services so that large amount of revenues generated by tourism be spent on those areas. To prioritize the involvement of local women and backward communities.
5. To implement a well managed system to guarantee tourist safety.
6. To make mountaineering tourism more attractive by allowing to summit new or low usage mountains through the adoption of promotional subsidy, low price or free of cost.
7. To establish pollution control and waste management works as an income generation alternatives and implement it through the coordination with local bodies, private sectors and non-governmental organizations.

8. To form and implement code of product concerning parties which provide services in entry points, lodging, travel, entertainment. Improve standard and easy accessibility of service sector.
9. To successfully implement “Destination Nepal campaign 2002-03” as a highly prioritized Program.
10. To identify new tourist promoting sites in view to diversify tourism market.
11. To implement sub regional standard projects and programs in accordance with South Asian countries, to develop and promote tourism infrastructure.
12. To use up to date promotional technique while campaigning in neighborhood countries as well as the region. In promotional activities involvement of HMG/N representing institution, private organization, individuals and business groups abroad will be sought.
13. To promote cultural and religious tourism through conservation, maintenance and self sustained management of world heritage and other cultural, religious, and historical places.
14. To conserve world heritage and protected sites by implementing specific standards.
15. To implement development works of Pashupati, Lumbini and Janaki temple according to the master plan.
16. To conserve and preserve the multicultural, multilingual as well as literature, arts and cultural study.
17. To survey, research and excavate archaeological sites of national importance.
18. To improve and develop infrastructure of culturally related institutions.
19. To prioritize expansion of museum sectors, encourage private sectors to establish museum.
20. To expand international network through cultural exchange and effective promotion.
21. To endorse copyright act to protect the rights of writers, litterateur, musician and other who are dedicated to art.

22. To ensure the development of necessary infrastructure (road, communication, water supply, health, services, etc.) in coordination with concerned ministries and organizations.
23. Development and expansion of satellite aided communication that supports to aviation safety.
24. To upgrade and construct necessary infrastructure for airports, construct hangars, install communication and other necessary technical equipment and produce skilled manpower for the same.
25. To make the flights for remote areas regular and trustworthy by involving private airlines and implementing accordingly.
26. To conduct flights to neighbor countries from domestic airports.
27. Maximum use of Nepalese air space.
28. To start construction of second international airport in an appropriate terai region considering industry, commerce and tourism, regional balance and aviation technology.
29. To prioritize participation of private sector wholly or partially in construction and management of airports.
30. To encourage scheduled and chartered flights and involve private sectors in operation of international flights.
31. To renew existing air agreement and prioritize new ones.
32. To arrange teaching and learning facilities covering all aspects of tourism and civil aviation sectors.
33. To establish higher education facility in fields of tourism, mountaineering training academy of international standard.
34. To operate RNAC in joint venture with foreign and Nepalese institutional participation or privatize totally.
35. To make and implement master plan of tourism, cultural and civil aviation sectors and amend rules related to regulation of institutional improvement.

Programs and implementation system Major programs to be conducted in this section will be as follows:

1. NTB to conduct program at local levels to enhance public awareness towards tourism in coordination with social organization and NGO's, educational institutes.
2. Local communities' involvement will be emphasized on developing new tourist spots. NTB to coordinate the promotion with the help of private sector.
3. Operation of tours and travels will be encouraged. Travel to the rural areas will be coordinated with the help of local communities and security bodies. To provide health, communication services in rural areas, concerned bodies will coordinate accordingly.
4. NTB to setup hub and consolidate programs respectively.
5. In coordination with the concerned municipalities waste management and pollution control will be managed by participation of private sectors.
6. Make and implement code of conduct to reduce unhealthy competition. NTB to monitor the services provided and will be authorized to relegate, promote and recommend for expulsion to HMG/N.
7. Encourage the formation of single body to represent all concerned bodies representing tourism sector from the level of policy making to implementation.
8. Natural, archeological, religious, and cultural and tourist places will be categorized. The income generated from these places will be mobilized for future development through local and non- government bodies such that they will be managed in a sustainable way.
9. Participation of local women and backward community in conservation of physical and existing heritages.
9. A permanent body comprising of tourist-sector, private sector and intellectuals will be formulated to emulate successful programs and make destination Nepal 2002-03 a success.

10. Organization or individuals will be appointed as representatives of Nepal in foreign countries with the help of embassies and consulates for tourism promotion activities.
11. Timely strategy to promote low risk areas as tourist destination. While promoting and campaigning Nepal, national and foreign tour operator and friends of Nepal will be mobilized.
12. Development and expansion of satellite-aided communication that supports to aviation safety will be established in airports through CAAN.
13. Short-distance international flight to neighboring countries will be started through development of some domestic airports.
14. Construction of second international airport will start in an appropriate Terai region. In case of HMG incapability construction will cover the involvement of national and foreign private sectors.
15. Joint venture or totally privatization of RNAC through organizational reforms during the plan.
16. RNAC to expand its through agreements with other prestigious international airlines.
17. To keep up to date data and information of culture, tourism and civil aviation sector, as well as to keep in account of international activities concerning it.

Policy Wise, Legal and Institutional Reforms

1. To implement programs in coordination with decentralization system in the process of delivering, quality tourist service with the preservation of natural and cultural heritage through the involvement of local institution. Necessary technological and other assistance will be made available to such institution to enhance their capacity.
2. Timely amendment of acts, laws, political concerning tourism and civil aviation sector as well as institutional reforms of all concerned organizations.
3. To formulate culture and amend existing aviation and tourism policies.

4. To determine the standard in culture, tourism and civil aviation sector, phase out unproductive bodies.
5. To formulate civil aviation acts, amend existing acts, establish office of register for copyright laws.
6. To amend existing acts, laws and implement process to make the arrival of the international airlines easy, transparent and attractive.
7. To provide industry status to tourism sector with all the services and facilities. New incentives will be along with amendment of restriction imposed by HMG.
8. To formulate and implement long- term (20 years) master plan for tourism sector.
9. To develop and promote tourist activities according to master plan for major religious, Historical and cultural sites (Lumbini, Pashupati, Janakpur etc).

G. Nepal Tourism Year 2011

In order to expand and extend the tourism activities across the nation, the government of Nepal has declared year 2011 as “Nepal Tourism Year-2011” .The main goal of the campaign is to achieve one million tourists annually .Since the campaign focuses on overall tourism development, it aims to see at least 40 percent of the arrivals beyond the present tourism sites. The other objective of the campaign is:-

To improve and extend tourism related infrastructure in existing and new tourism site. Enhance the capacity of service providers and built community capacity in the new area care to the need of the tourist. The campaign equally gives emphasis on promotion of domestic tourism for sustainability of tourism industry, coordination for infrastructure enhancement and development, product improvement and expansion, natural and international publicity, enhancement of community capability, up –graduation of service quality etc.

The Nepal Tourism Year 2011 also puts emphasis in exploring new tourism potential market segments, promoting tourism board “Naturally Nepal-once is not enough” connecting Nepal by air with both regional and emerging markets, lobbying sufficient resource to improve / expand tourism activities ,attracting and encouraging investment in tourism facility, developing human resources for capacity building, lobbying with government for effective policy intervention , promoting domestic tourism by endorsing leave Travel Concession to the Government employees, and organization major sports / events with tourism associations and stockholders.

1.2 Statement of the Problem

In economic arena of Nepal, tourism plays a very important role. Tourism is one of the main sources of foreign exchange earning. Natural and cultural attractions are main assets of tourism in Nepal. Due to such attraction, the potentiality of tourism is very high in Nepal. However, this potentiality is not been exploited properly. "Although Nepal's tourism potential is vast but factors such as limited air access, poor infrastructure and lack of appropriate marketing strategy have resulted in limited growth" (Bhatta, 1997: 4). Though tourist arrival is growing due course of time, Nepal is far behind in world tourism as compare to the other countries of south Asia (Anand & Bajracharya, 1985: 3). Nepal tourism board, national tourism organization is undertaking different marketing program. In different country segment but due to very limited marketing & promotional budget, it's not being effective. NTB's marketing program has to compete with competitor like India, Thailand, Malaysia who spend huge amount of money for marketing and promotion.

Asian countries have increasing outbound tourism by which Nepal can benefit a lot. But Nepal lacks appropriate and conducive tourism policies and strategies. There is always big problem of air-seats and air connectivity. Consumer research

based marketing strategies are yet to be developed. Decade long insurgency inside the country had made negative publicity of the country consequently tourist arrival has gone down despite the continuous effort of Nepal tourism Board and private sector of promoting Nepal. The travel trend has shown that Nepal's major tourism market is Europe & USA. The tourist arrival from these market holds negligible percentage if its compared to tourist arrival figure from same market to other Asian countries like India, China, Malaysia, Thailand, Singapore, Srilanka. This unbalance travel trend signifies that Nepal's tourism promotion and marketing efforts is not effective and well enough to meet the competition with above mentioned tourism destinations. The major problem behind this is not having enough budgets for effective market & promotion.

China, Japan, Korea, Singapore are now established as big economic powers in world economy. In the meantime, we are not able to attract more tourists from these big nations. Keeping the problem of enough budgets in shade, the major problem is of enough air services to and from these countries. We have not direct and enough air link with these countries.

If we summarize the problem that has been faced by NTB and Nepalese travel industry, we can point out as follows:

-) Lack of sufficient budgets to carry out effective market & promotion campaign to compare with other countries promotion.
-) Unavailability of sufficient air services between major different market and Nepal.
-) Lack of research based marketing.
-) Lack of successful promotional and marketing activities.
-) History interior revolution.

1.3 Objectives of the Study

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

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

-) To Show the trend of tourist arrivals in Nepal.
-) To analysis the travel trend figures from Asian markets.
-) To know the type of promotional tools effective in Asian market.
-) To know general model of marketing of NTB.

1.4 Methodology

To accomplish the stated objectives of this study, following methodology has been adopted.

Research Question and Design

Data in this study will be analyzed keeping in mind with the following research questions:

-) What is the general situation of tourist inflow into Nepal?
-) What percentage of total tourist arrival does Asian Market cover?
-) What are the promotional measures taken by NTB in order to promote Nepal in different Market?
-) What is the 'Information Level' of tourists coming to Nepal from different countries?
-) How can we make our promotional & marketing efforts more effective in different Market?

The study will be almost desk research as its main objective is to find out marketing & promotional efforts of Nepal Tourism Board. However, some summarized finding of random survey among tourist coming from major Asian nations will be presented. Desk research will be used to seek, review and analyze secondary information, existing studies on tourism and relevant tourism statistics Nature and Sources of Data.

The study entitled "Tourism Promotion and marketing by Nepal Tourism Board" is basically based on secondary data. Primary data is also used to know the tourist's perception & information level. Secondary data and information were collected from following sources:

1. Nepal Tourism Board
2. Ministry of Culture, Tourism and Civil aviation
3. Central Bureau of Statistics
4. National planning commission
5. UN World Tourism Organization
6. World Travel and Tourism Council
7. Ministry of Finance
8. Nepal Rastra Bank
9. Articles and other publication
10. Official records
11. Internet

The source of primacy data were NTB, hotels, travel agencies, trekking agencies, rafting agencies, tourism exports. Primary data were collected using questionnaire. Questionnaires were designed to gather information related to tourism marketing & promotion program, information dissemination, tourism product development and pricing. Tourism organization/professional/experts/ NTB was given questionnaire and acquired information.

1.5 Limitation of the Study

-) The study will be focusing in the common estimation of marketing and promotional trends of Nepalese Tourism Board in growing different market like China, Japan, India, Sri-lanka, Thailand, Malaysia and Bangladesh, S. Korea & Taiwan America.
-) The study will cover assessment of travel trend from 2003-2009 (7 years) after the establishment of NTB.
-) The promotion & marketing campaign of private travel trade industries will not be included.
-) The study will be using secondary data from NTB and information extensively because of impossibility of surveying all market in the field by visiting out countries.

1.6 Organization of the Study

This research document is organized into five chapters:

Chapter I: Introduction

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

Chapter II: Review of Literature

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

Chapter III: Research Methodology

Third chapter deals with research methodology, tools and techniques used to analyze and interpret the findings.

Chapter IV: Data Presentation and Analysis

Data Presentation and analysis of the findings on the basis of primary as well as secondary data that were taken from various sources.

Chapter V: Summary, Conclusion and Recommendation

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

CHAPTER - II

LITERATURE REVIEW

2.1 Marketing Concept

Marketing is a great deal of strategic in modern organization. Achieve their goals every organization needs marketing. Marketing create demand for products. What their Customer need, demand and want it helps to find out. It also helps to decide what products should be offered to satisfy their needs and wants. Marketing's task is to design a product/service combination that provides real value to targeted customers motivates purchase and full fills genuine consumer needs.

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

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

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

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

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

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

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

2.2 Concept of Tourism

The word 'Tourism' is related to 'tour' which is derived from a Latin word 'Tornos'. Tornos means a tool for describing a circle or turners wheel. This is a word of compass or rather a pin at the end of the stretched string used to describe a circle. It is from this word 'Tornos' that notion of a 'round tour' or a 'package tour' has come which is very of the essence of tourism. It was late as 1643 the term was first used in the scene of going round or traveling from places around an excursion, a journey including visiting a number of places in circuit or sequence, circuitous journey, embrality the principles places of a country or region (Negi, 1990:21).

Prior to the advent of the industrial revolution, travel was primarily related to the trade, the desire for military conquest or the performance of group rites. It was principally the traders, in the early historical period, who blared the trail by establishing national trade routes and communications which later extended throughout the region and finally to other continents. Thus, it was trade that first motivated travel in the real sense (Tewari, 1994: 1). Later, the advent of modern

means of transport and communication has uplifted tourism by facilitating and encouraging traveling. This developed form of traveling in modern terminology is known as 'tourism' today. National Committee on Tourism, India defined it as, "The new phenomenon of traveling in pursuit of leisure, culture and the quest for knowledge about alien lands con notes the concept of tourism, the growth of tourism is closely related to the ease and speed of travel, economic growth and political development" (Mohanty, 1992: 43). Tourism grew gradually over the years as easier and faster means of travel became available. Mass tourism started in Europe only in late 19th century but today it is a worldwide reality. "Today tourism revolution is sweeping the global, a revolution promising much and delivering a great deal. It has emerged as the most lucrative business of the world, having tremendous potentiality for earning foreign exchange, yielding tax revenue, promoting growth of ancillary industries, generating income and employment and in the development of industrially backward region thorough its various linkage effects" (Singh, 1975).

2.3 Tourism Defined

Tourism has been defined in different ways by various authors and concerned organizations and yet there is not universally accepted definition of tourism. Hermann V. Schullaid, an Australian economist gave one of the earliest definitions of tourism in 1910. According to Schullaid, tourism is "the sum total of the operators, mainly of an economic nature, which directly relates to the entry, stay and movement of foreigners inside and outside or certain country, city or region" (Satyal, 1988: 7).

R.de Meyer has defined tourism as, "A collective term for human movement and its attendant activities caused by the exteriorization and fulfillment of the desire to escape that is more or less latent in everybody" (Upadhyay, 1995: 7). This definition received the first prize by Academic International de Tourism at Monte

Carlo in 1952. However, this definition does not seem to be broad enough. Another definition of tourism given by the Swiss professors Waiter Hunziker and Kuet Krapf, in 1942, is more phenomenons arising from the travel and stay of strangers, provided the stay does not imply the establishment of permanent residence and is not connected with a remunerated activity" (Bhatia, 1994: 38).

The tourism society in Britain had also attempted to classify the concept and it 1976 defined tourism as: "Tourism is the temporary short-term movement of people to destinations outside the places where they normally live and work and their activities during the stay at these destinations; it includes movement for all purpose, as well as day visits or excursions" (Bhatia, 1994: 38).

The most widely used and popular definitions of tourism is one prepared by the united Nations conference on International Travel and Tourism held in Rome in 1963. This definition was recommended by International Union of Official Travel Organizations (IUOTO) in 1908. Again, in 1993, the United Nations Statistical Commission adopted Rome definitions of tourism in revised from prepared by World Tourism Organization (WTO) as a follow up to the Ottawa International Conference on Travel and Tourism Statistics, jointly organized by WTO and the Government of Canada in June 1991. In this definition WTO has developed a schematic breakdown of all travelers. A traveler is defined as "any person on a trip between two or more countries or two or more localities within his/her country of usual residence" (WTO, Framework for the collection and publication of Tourism Statistics: 4).

An Austrian economist Hermann Von Schellard, in the year book of national Economy and Statistics 1990, gave the first definition of tourism. He defined tourism "the sum total of operators mainly of an economic nature which directly

related to the entry, Stay and movement of foreigners inside and outside a certain country, city or region" (Batra, 1990: 1).

The League of Nations defined in 1937 the term foreign tourist as; "Any person visiting a country, other than that in which he usually resides for a period of at least 24 hours."

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

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

Tourism is perceived as an economic activity which accrues to the recipient countries a definite source of foreign exchange and national income, creates jobs to reduce unemployment, fosters entrepreneurship, stimulates production of food and local handicrafts, speeds of communication facilities, cultural exchanges and above all, contributes to a better understanding of the host country. Some of principal changing dimensions of the vast expanding tourist industry are bringing into sharper focus the global concern over the cultural, ecological, environment, socio-economic and political effects of tourism (Motiram, 2003: 1).

2.4 Tourism Marketing and Promotion with General Market

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

In the view of Drucker (1976), the aim of marketing is to know and understand the customer so well that the product or service fits and sells itself. According to the British Institute of Marketing, "Marketing is the management function which organizes and directs all those business activities involved in assessing and converting customer purchasing power into effective demand for a specific product or service to the final customer or user so as to achieve the profit target or other objectives set by the company" (Bhatia, 1994: 139). Similarly Eugene J. Kelly has defined marketing "as a business discipline, marketing consists of systematic study of the demand generating or consumer motivating forces, the temporal and spatial considerations influencing economic transaction, and the interacting efforts and responses of buyers and sellers in a market" (Bhatia, 1994: 140). According to the American Marketing Association, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" (Bennett, 1988: 115). Today, in the field of marketing, more priority is given to know the desire of customers and to satisfy them. The present concept calls for a customer orientation backed by integrated marketing aimed at generating customer satisfaction and long run consumer welfare as the key to attaining success (Kotler, 1972: 46-54).

The challenge of marketing goes beyond the success of business. It must also serve the goals of society. It must act in concert with broad public interest. For marketing does not end with the buy-sell transaction – its responsibilities extend well beyond making profits. Marketing shares in the problems and goals of society and its contributions extended well beyond the formal boundaries of the firm (Lazer, 1978: 1).

Tourism being the fastest growing and most competitive industry in the world it should be marketed properly. "Tourism needs to be marketed, just as any other product, indeed move so, because it is an industry in which the customer still has an immense variety of choice. There are a number of destinations competing with each other to get a bigger and bigger share of the market" (Bhatia, 1994: 137). Hence, tourism marketing is regarded as a central point of whole tourism activities. Today all direct and indirect promotional activities to sell destinations are related to tourism marketing and it effects all the operations of tourism (Negi, 1990: 387).

Tourism marketing is defined as the "systematic and co-coordinated efforts exerted by the National Tourist Organizations and/or the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals, in view of the sustained tourism growth" (Bhatia, 1994: 142). According to Krippendorf (1971: 46) "Marketing and tourism is to be understood as a systematic and coordinated execution of business policy by tourist undertakings whether private or state owned, at local, regional, national or international level to achieve the optimum satisfaction of needs of identifiable consumer groups and in doing so to achieve an appropriate return." Hence, tourism marketing denoted the development of a tourism product to meet the needs of the tourists and then employing the techniques of direct sales, publicity and advertising to bring this product to the tourists (Bhatia, 1994: 142).

There is a need of tourism marketing with proper planning and sound policies. "Its complexity lies in the fact that tourism promotion in its various forms has to be directed at large number of people in various lands of different socio-economic structures, having different needs, tastes, attitudes, expectations and behavior pattern. It is only through the efficient marketing strategy that will help understand people's tastes and preferences for travel. And hence need for marketing in tourism" (Bhatia, 1994: 141). However, tourism industry does not seem to apply marketing approach for its promotion and development adequately (Anand and Bajracharya, 1985: 1).

Because of the competitive global scenario and the ever expanding tourism industry, the marketing of the tourism products need greater attention. There are countless tourist destinations world-wide and to develop tourism, every country tries to capitalize on its cultural, religious and natural heritage in addition to the various forms of entertainment packages. But only those countries which have devised aggressive marketing strategy have been able to attract a greater number of tourists. Thus, tourism being a high publicity product effective marketing is a must for the successful running of tourism industry.

Adequate budget, financial and technological resources are needed for effective tourism marketing. But, "we understand very limited marketing activities while other countries with more resources are spending huge amount of money on aggressive marketing of their destination (Pokherel, 1995: 24). In this regard, Hotel Association of Nepal President Yogendra Shakya commented saying "we have alone practically nothing as far as promotion is concerned. The Ministry of Tourism has no budget for promotion" (Spotlight, 1994). Government also should take necessary initiative for the publicity of tourism abroad. In Nepal, even one five star rated hotel spend Rs 30 million annually for the publicity at international level due to the lack of budget Government is not able to make sufficient publicity

even in Visit Nepal year also (Aajako Samacharpatra, 1997). "We have achieved 'word of mouth' publicity in Europe and India both by travelers as well as tour operators. As the government budget is not large enough to tackle all markets, especially since we are trying to carry consumer oriented marketing. I suggest we concentrate on Fam tours for tour and travel operators and travel trade journalist from Japan. Luring film and TV producers should be our strategy for inexpensive but wide publicity" (Shakya, 1995).

The Lacunai in promotional efforts in Nepal is further indicated by the fact that "the expenditure made in publicity is too poor and not more effective in both quality and quantity. The Ministry of Tourism published brochures and booklets about tourism only in few languages and that also in limited copies. There is lack of advertisement in the foreign papers; in such a situation most of the visitors are unknown about Nepal" (Shrestha, 1981: 65).

"Nepal lacks the most essential market information focused on its products, while the most irrelevant material is produced at considerable cost and dubious impact. Fair participation, in the absence of proper information material to flow up interest, poorly staged as it often is, appears less than effective and probably a waste of money. At the same time, there is an urgent need for Nepal to work against increasingly critical world media coverage on ill-effects especially on mountain tourism. By inviting journalists, Nepal should convey the fact that it is taking serious steps towards improving matters, but needs help to do so" (Ministry of Tourism, 1984: 102).

It is interesting to note the comment about the situation of Nepalese tourism marketing made by Shakya. (Spotlight, 1994) According to him "Nepalese tourism has been marketed mainly through travel agents and tour operators abroad. We have never been able to go to the consumer. It is simply beyond our reach to

advertise in, say Newsweek, which could take our entire promotional fund. There is also a growing trend of undercutting. If we have US \$ 100 as the rack rate, we give as much as 50 percent to the tour operators. That has been our marketing strategy because we depend so much on tour operators".

Another serious challenge faced by tourism sector is the level of competition because it is a very competitive business. Here it will be interesting to quote the saying of (Alwis, 1997: 8) "my friend in the travel industry in Nepal, talk of the glorious days, barely a decade ago, when a trekking tour was sold to visitors for US \$ 80 per day on the average. They now lament, that it is sold for only US \$ 18 per day on the average." In view of Alwis "this certainly is not the result of the lack of demand for Nepal's unique tourism potential or a lack of adequate number of 'upmarket' visitors out there in the market place. It is in the opinion of most the result of unhealthy competition between the travel agents, the hoteliers, the tour operators (trekking, rafting and other), the protection of the sky and the like. They also claim that it is the lack of specialization, lack of product quality improvement, diversification of product and inadequate delivery of quality service". In this respect "the government of Nepal should have clear policy to discourage cut-throat competition in the hotel industry and thereby attract quality tourists" (Sandhu, 1996: 36). Moreover, many Americans and Europeans complain about the pollution and environmental degradation of Katmandu. Due to this Katmandu is sending wrong message about Nepal. We should try our best to solve the problems of pollution and environment (Sandhu, 1996: 35). "negative reports on Katmandu have adversely affected the tourism industry and Nepal's image" (Choegyal, 1994: 28). Regarding negative reporting done by some national and international media certainly it has done a lot of harms in the tourism sector of Nepal. For this a planned approach is needed to counter the negative effects and organizing large scale promotional campaigns could regain our lost reputation (Rajbhandari, 1994: 26). In this context Mishra (1994: 24) says "'Say Goodbye to Shangri-La' was

published in Newsweek of 4th October 1993 issue. It has definitely affected the tourism especially qualitative tourist. However, in my opinion, the correct information about Kathmandu Valley came in time and we should take it in a positive way instead of being defensive. Had it not been published in such a renowned journal, it would not have been grave concern to all conscious people of Nepal and abroad."

Air accessibility is also a hurdle in Nepal. Sthapit (1996: 31) expressed "We need to take concrete steps with respect to tourism marketing in order to boost arrivals. But there is problem of air seat capacity." Sandhu (1996: 35) also has similar view in this respect. He says, "This is the one really single major problem. RNAC has limited number of aircrafts and the tour operators have to face the problems of air seat. Nepal should allow more international airlines to come to Nepal and encourage the national carrier to compete internationally. It would give new thrust for the tourism development of this country, generate employment and increase the number of tourist arrival."

For the promotion of quality tourism in the country, infrastructure and services should be improved properly (Sandhu, 1996: 36). "For most countries, including Nepal, one of the most essential conditions for the successful promotion and development of tourism is the existence of adequate infrastructure and qualified human resources" (Frangialli, 1996: 13).

Alwis (1997: 8) says, "All good marketing begins with the customers and ends with the customers. All good tourism marketing therefore, should begin with the visitor (tourist) and see through to the end, that we have met all reasonable expectations of that visitor. We must ensure that he or she returns with as much as a positive feeling as possible, about Nepal and its people." In fact, the good image and memories of tourists are more beneficial for the country than the promotional

activities like, international advertisement, brochures, newspaper article etc., So far Nepal is concerned as a tourist destination it offers a unique product and unparalleled opportunities for marketers who want to take on the challenge. It just means that both Nepalese operators and their partners in Asia need to work harder and be innovative if they are to achieve yields that Nepal's tourism operations deserve (Alwis, 1996: 29). For Nepal "USA, Australia and the Pacific and other European countries, specially the Scandinavian countries- are very potential future markets. South East Asia is emerging to be an economic giant. But as our marketing resources are not so big, we have to select only a few countries" (Shakya, 1995).

"While formulating the tourism strategy, it is essential that our tourism marketers keep abreast the fast changing trends, particularly the changing trends in tourism market ... Tourism marketers should be quick to respond the changing economic scenario in the world" (Shrestha, 1995: 85). Similarly, in view of Sharma (1992: 112) "An integrated approach, with the twin objectives of environmental protection and sustainable economic development, should be based on an appreciation of the broader implications of tourism for the environmental, demographic, economic and distributional concerns in mountain ecosystems." Hence, development of tourism of Nepal should take into account promotional and marketing issues as well as deal with the inherent problems and challenges.

2.5 Review Studies of Tourism Promotion and Marketing

In this section an attempt is made to review of previous studies on tourism with special reference to Nepal. There was no plan and policy regarding tourism in Nepal till 1950s. For the first time the written study on tourism was made on the late 1950s. In Nepal, "General plan for the Organization of Tourism in Nepal" prepared by French national George Lebrec, in 1959, was the first tourism plan, which was prepared by the help of the French Government. In this plan, Lebrec

has recommended to make brochures, posters, postage stamps depicting the Himalayan peaks and Flora and Fauna and to the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate Nepal Tourism Officers. Later, George Lebrec visited Nepal in 1964 and 1966 and prepared two reports on tourism entitled "Report on the Development of Tourism" and "Report on Tourism in Nepal" respectively. In these reports Lebrec had recommended that tourism in Nepal had started growing at a faster pace (Pokherel).

In 1972, with an aim to run tourism in a planned way and formulating policy the Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight seeing, independent "Nepal style" tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites. Furthermore, the plan has emphasized for development outside Kathmandu such as the development of Pokhara, Chitwan, National Park, development of national parks at Langtang, Annapurna and Dhaulagiri and Khumbu. The development of pilgrimage centres at Lumbini, Muktinath, Barahchetra and Janakpur was also envisaged. The

Master Plan had recommended for the establishment of a Ministry of Tourism and Culture embracing functions then found within the Department of Tourism, the Department of Archaeology, the Department of Culture, the Department of Forestry, the Ministry of Foreign Affairs and the Immigration Office.

'Nepal Tourism Marketing Strategy 1976 – 1981' prepared by Joseph-Edward Susnik started with the premises that:

-) As the stay of tourists cannot be prolonged for now the number of international visitors should be increased substantially.
-) Images of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
-) Nepal should become a gateway for South and South-East Asia.
-) Nepal should become the starting point of any Asian tour as it is the cradle of a religion and culture that influenced the history and life of the major parts of Asia. In his report, Susnik has suggested for the formation of Nepal Tourism Marketing Committee as well as Nepal Tourism Infrastructure Committee with representation of private sector and the Department of Tourism be recognized into Nepal Tourist Office which should concentrate on the marketing and promotional activities abroad with independent operational budget.

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

pilgrimage packages be designed for Hindu pilgrims from India, depute a person in the Embassies of Nepal for promoting tourism, participate in various important trade fairs and to promote convention tourism.

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

'Nepal Tourism Master Plan Review' (1984) is a review study and it has suggested action program for implementation for the promotion of tourism in Nepal. This study contains three parts. In part one, a background to be 1972 Tourism Master Plan, its contents and intents, and its practical use and operation together with a comprehensive review of past developments in key areas of tourism. Part two sets forth an updated set of policy objectives and a market development concept forth e five years and part three provides action-oriented recommendations. According to this review report, there is no need for a new comprehensive master plan in tourism. The 1972 Master Plan is relevant in its long-term policy contents, and most of its basic conceptual assumptions have been fully verified. This study focuses on a pragmatic policy framework essential to solving priority issues of tourism.

This study observed that active market promotion was the most important factor for the tourism development in Nepal.

This study, therefore, suggested to various destinations oriented marketing programs. The major programs include:

-) Developing a systematic concept of promotional material,
-) Determining the quality standard for each individual product.
-) Producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal,
-) Establishing representative offices in Western Europe, USA and Japan,
-) Participating in selected tourism trade fairs,
-) Offering familiarization tours to agents and journalists,
-) Establishing a Nepali-style tour package,
-) Directing sales to tour operators from the country of origin without middleman form India,
-) Expanding the trekking possibilities.

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

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

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

highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to his variable was less. Country-wise time series regression for 14 countries gave mixed results.

Among tourism sub-sectors (when direct, indirect and induced effects were combined) the ratio of import content for hotel was estimated at 53.45 percent, travel agencies 74.51 percent, trekking agencies 54.04 percent and airlines 67.05 percent. The ratio of direct import content when the indirect and induced effects were taken out was estimated at 35.45 percent for hotels, 15.12 percent for travel agencies, 10.79 percent for trekking agencies and 57.60 percent for airlines. The value added for the tourism sector i.e., total payment to domestic factors including payments to intermediate and final inputs. (When direct, indirect, and induced effects were combined) was estimated at 37.74 percent as compared to 44.66 percent for tourism related sector and 42.82 percent for the overall sector (Nepal Rastra Bank, 1989: 5).

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

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

-) The objective of marketing trekking should be to reinforce the image of Nepal as a world leader and trekking as premium product.
-) For sightseeing tourism Kathmandu and the Himalayas must be established

as a 'must see' premium product.

- J Initial promotional budget for Tourism Promotion Board to be US \$ 7,60,000 in its first year to be financed from a modest increase in visa fees.
- J Encourage travel agencies in generating countries to represent Nepal for information purpose also.
- J Professional representation to be established in London, Japan, Hong Kong, Washington or New York.
- J Ten fold budget increase in public relation budget to complement new overseas representations.
- J Seek technical assistance in marketing for best use of the funds.

Pokharel, Tek Chandra, 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:

- J To review existing plans and policies and suggest modifications to provide a longer-term strategy for using the countries tourism resources on a sustainable basis, while satisfying on increasing number of visitors;
- J 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 the essence of the strategy is to

establish Nepal as a premium product able to command the price of a premium product. The main marketing strategies initiatives for Nepal mentioned in the report were:

- J To establish Mount Everest and the Himalayas as a "must see" attraction for any world tourist;
- J To establish Kathmandu as the unique mystic city within a valley of exceptional scenic appeal;
- J To establish Pokhara as the "Gateway Resort to the Himalayas"
- J 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:

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

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

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

Tuladhar (1993), in his doctoral work, aimed to study the development of International Tourism in Kingdom of Nepal from the view of resources, the level of its explorations, utilizations and possibilities of its improvement. This study has been done against the background of the overall conditions and its development including natural and anthropological resources, economic development of the country, tourists' demands, and tourist supply. To achieve the objectives of this study, a systematic method of investigation in the theoretical scheme was used. His major findings included the use of dispersion as a basic for the balancing of prognoses may promote foreign visitor's quality and the possibilities for attempt and contribution for the future development of international tourism in Nepal should work out alternative prognostic situations in unison with the extracted priority of the tourist supply and direction for their improvement. Tuladhar has given various suggestions in his study like to promote charter flights with RNAC by tour operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for the tourist travel to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resorts like suitable tourist hotels and villas on the banks of lakes and rivers, to develop the national concept and to develop human resources by emphasizing on tourism education.

Pradhananga (1993), analyses the changing pattern of tourist's consumption and its economic impacts on employment, exports and national revenue were made. The basic objectives of the study were to examine the consumption pattern of tourist, to analyze the use of local resources in tourist consumption and their effects on employment, to probe into capacity utilizations of hotels in relation to the tourist's number and length of stay and to examine the change in government revenue resulting from the tourist export. This study dealt with different tourism aspects i.e., hotels and lodges, airline, travel agencies, trekking agencies, carpet

and garment industries and transport agencies working in Nepal. According to him leakage of foreign exchange earning, high import contents, seasonal fluctuations in demand for tourism and over dependence on seasonality factor have been the major weaknesses in the tourism industry. He suggested that different tourism related policies and sectors like infrastructure, open-sky policy, planning of new tourism project, opening of a new destination in the country, tourism marketing strategy, management of travel agencies, full capacity utilization of hotels etc., should be planned properly.

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

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

Kathmandu has seen to be centre of the tourism activities. The priority was placed on the development of pilgrimage centre at Lumbini, Muktinath, Barahachhetra and Janakpur. Similarly, the development of national parks in the Langtan Area, Khumbu, Annapurna and the Dhaulagiri was suggested for the promotion of adventurous mountain tourism. To increase the duration of stay, sight seeing tours from east (i.e. circular tours to Kathmandu, Namche Bazaar, Janakpur and Chitwan) to west (i.e. Gorkha, Pokhara, Tansen, Lumbini and Chitwan Circuit) of the valley and the development of resorts area with the appropriate recreational facilities were recommended.

On the institutional front, the master plan of tourism and culture a san authoritative body for overall planning, promotion and development of tourism. It was suggested that the functions distributed among them existing organization of the department of tourism, department of archaeology, department of forestry, department of immigration, and ministry of foreign affair to be brought under the proposed ministry. It was also suggested that ecological surveys and measures for the conservation and promotion of the traditional music, dance customs, and festivals, to be carried out.

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

-) Infrastructural facilities to diversify tourism to important market segment were not laid properly to meet the need of the time.
-) The private sector invested in all the places with the tourism potentials and market began to develop in accordance with the dictated of the buyers. This demand induced development resulted in uncontrolled development and proliferation of low quality establishments.
-) While the Kathmandu has become increasingly crowd the other sight seeing places, e.g. Pokhara, Tansen, Gorkha, Lumbini were neglected.
-) In Mountain tourism, Annapurna, Khumbu and Langtan became over exposed causing increasing pressure on their scarce Natural resources.
-) Other regions with comparable attraction were not developed because of the failure of the government to open and regulate and control tourism.
-) International pilgrimage tourism in still in the incipient stage of development despite the presence of world renowned heritage site like Lumbini and Janakpur Dham.

- J Wildlife tourism has been limited to the Chitwan, after many years it has been to extend to the Bardia and Sukla Phant reserve.
- J The master plan recommended the development of supply guided "Nepal Style Tourism" to give Nepal an independent and unique destination and status. It emphasized providing mixed image of comfortable natural and cultural sight seeing along with the variety of soft and hard adventure product as per the physical stamina and time disposition of the travelers.
- J But the infrastructural back up and, imaginative and innovative endeavor needed to create alluring supply guided are seriously talking.
- J All adventure market segments including wildlife/trekking and rafting were stated by expatriates and blindly strives to excel by Nepalese entrepreneurs.
- J The Ministry of Tourism, established in 1977, according to the recommendation of the Master Plan, has not become an effective central government body to look after the vital issues and challenges in the field of tourism.
- J Rather than focusing on policy/planning and co-ordination, it has implemented only simple plans that fir under its jurisdiction.
- J It has only added to the bureaucracy but not provided the effectiveness and efficiency envisaged in the place.
- J The 1984 review recommended two other institution to address the highest policy level were set up only 1992 in the form of tourism council and Nepal Tourism Board in 1999 which is fully functioning as a National Tourism Institution.
- J It seems that most of the recommendation contained in the 1972 Master Plan has yet to materialize conceptually and functionally. The government has to play pivotal role in the decentralization of tourism regulating and monitoring the qualities of the products and Marketing the destination internationally.
- J The private sector has to create a mix of product unique more imaginatively.

Shrestha (1999), in her Ph. D. Thesis entitled "*Tourism in Nepal: Problems and Prospects*" mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basis of its contribution to national economy status of tourism infrastructures, review of the planning and policies of the government exports in the sample, and also analyzed the trend of foreign exchange earnings and share of tourism receipts to gross domestic product.

She has pointed out that Nepal has not been able to introduce and diversify new tourism products. On the other hand, the experts are of the opinion that the problem of the air accessibility, lack of proper marketing and promotional strategy, pollution, lack of required infrastructure, lack of co-ordination, frequent, frequent change in government as well as lack of political commitment are the short coming of tourism industry in Nepal. Despite of the various problems, she added, the prospects of tourism are bright in Nepalese economy in generating employment, contributing to national GDP and also for over all development of the economy.

Shrestha found that the role of tourism in economic development in significant in Nepal. The net earnings from tourism are greater the some other sectors. The share of tourism in terms of GDP came down to 3.2 percent in 1997, which was 4.1 percent in 1993/94. But the convertible foreign exchange increased by 10.74 percent during the period 1974/75 – 1996/97. Despite these facts, tourism is one of the main contributors of convertible foreign currency sharing 16 percent of total exchange earning in 1996/97.

Pradhananga (2000), in his book 'Tourists' Consumption Pattern and its Economic Impact in Nepal' had presented the changing pattern of tourists' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent as direct expenditure and the benefits of tourist money mainly went to hoteliers, travel and trekking agencies and airlines. The direct import content was 33.49 percent in tourism sector, 17.34 percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to Rs. 314.97 million in 1987/88 from 34.91 million in 1974/75.

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

Upadhyaya (2003), in his Ph. D. dissertation entitled "Tourism as a Leading Sector in Economic Development of Nepal", he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remains confirmed to local and regional level or helped the national economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually. As W. W. Rostow has made it clear that in the process of economic development of a backward country some sectors must play the role of a leading sector. So that not only the sector(s), in question, grow rapidly but also have the capacity to move other sector of the economy forward. This process leads the entire economy on higher growth path. He has depicted the fact that the

tourism sector has been improving its significance in the economy. It has been improving its significance in the economy. It has been estimated that the activities related to tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earning, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization.

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

2.6 Review of Thesis Works

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

-) To survey the current market situation of Travel Agencies.
-) To find out and examine travel agencies perception regarding e-marketing.
-) To find out popularity of internet as marketing tools among travel agencies.
-) To explore the problem and prospects of e-marketing and to suggest appropriate recommendation in order to promote intoxicating beauty this country through internet.

In his study, to determine the objective of research Hirachan had conducted a field survey. In which 25 were complete out of 30 responses. The majority of the survey respondents reported that the current situation of travel and tourism is poor(80%),

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

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

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

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

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

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 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 catch. 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 to the government. However, due to the following reasons, the role of the government should be an incentive provider too as in to compete with the growing competitors like India, Bhutan, Srilanka and Maldives, and also to develop and diversify 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 diversify 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 rooted 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 strengthen supervision, administration of party cadres by deepening the anti corruption struggle.

Bhandari, K. (2000), 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 savings/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 been 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 investments in new areas with potentials. These policy measures can be introduced after detailed consultations 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 and 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.

CHAPTER - III

RESEARCH METHODOLOGY

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

3.1 Topic Selection

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

3.2 Nature and Source of Data

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

3.3 Methods Used in Collection of Primary Data

For the purpose of primary data collection, field survey was conducted in June /July 2011. During the survey, altogether 120 respondents were surveyed. Among them, hundred were tourists from different countries and twenty were travel trade

companies (trekking and tours). The survey was completed random sampling for tours and travel companies. Apart from that tourism professionals and experts were interviewed and their perception and opinion about present tourism scenario and marketing activities were collected and later used while preparing recommendations. All the information were analyzed and presented.

3.4 Tools and Techniques Used in Data Analysis

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

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

CHAPTER - IV

DATA ANALYSIS AND PRESENTATION

4.1 Introduction of Nepal Tourism Board (NTB)

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

After 1990, viewing the globalizing context of the world, Nepal government also started to lunch different policies and programs related to tourism. In 1995, an independent “Tourism Policy” was announced and in 1998 ‘visit Nepal year-1998’ campaign was conducted. In such scenario thinking the public-private partnership for the tourism development, Nepal Tourism Board (NTB) has been set up on the date of 31st December 1998 as a national tourism institution under the act of parliament (NTB Highlights, 2003). The board is providing platform for vision-drawn leadership for Nepal’s tourism 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 established to work as a professional and dynamic NTO to address the pressing need by designing specific brand image for Nepal as a travel destination and support the same by self sustained promotional campaigns. The new tourism brand i.e. marketing slogan of Nepal is “*Unleash yourself Naturally Nepal, once is not enough.*”

4.2. Objectives of NTB

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

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

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

provide qualitative services to the tourist.

- f. To assist in establishing and developing institution necessary for tourism development.

4.3. Roles and responsibilities of Nepal Tourism Board.

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

- a. To develop and introduce Nepal as an attractive tourist destination in the international marketplace.
- b. To promote and develop institutions for the promotion of tourism industry.
- c. To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
- d. To develop Nepal as a secure, dependable as well as attractive travel destination by establishing a respectable image of Nepal in international travel trade community.
- e. To work towards providing quality service to the tourist visiting Nepal.
- f. To study the bottlenecks against the same by means of conducting research and implementing and getting implemented the results of such research in order to do away with these bottlenecks.
- g. To promote and develop institutions for the promotion of tourism industry.

4.4. Organizational Structure of NTB

As the NTB has been established to develop tourism with public private force, its executive committee members also consists from government as well as private sector. To executive committee comprises of 11 members, 5 members representing Nepal government, 5 members representing the private sector and chief executive officer (CEO) of the Board as the member secretary of the executive committee.

The executive committee has been formed to systematically execute and cause to be executing necessary programs and to take care of and manage all the activities of the Board for achieving its objectives.

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

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

4.5 Resource Allocation

4.5.1 Year Wise Allocation of Resource for Tourism Development (2001/02 to 2010/11)

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

Table 4.1

Year Wise Allocation of Resource for Tourism Development

Fiscal Year	Total Tourism Development Expenditure	Total Tourism Development Expenditure as % of Total Development Expenditure
2001/02	221.5	0.70
2002/03	383.7	1.03
2003/04	253.9	0.80
2004/05	189.7	0.65
2005/06	183.7	0.54
2006/07	209.4	0.51
2007/08	198.5	0.90
2008/09	219.1	0.91
2009/10	317.9	0.98
2010/11	219.2	0.65

Source: Economic Survey, Various Issues, and Budget Speech, Various Issues, MoF 2011

The table has shown that there is wide fluctuation in developmental expenditure for Tourism. The expenditure on tourism was 221.5 million rupees in the FY 2001/2002 which was only 0.70 percent of total expenditure. Thus, the outlay allocated for tourism gradually increased to 383.7 million in 2002/2003 which was 1.03 percent of total expenditure. In 2009/10 which was 0.98 percent of total expenditure and in 2010/11 the amount allocation 219.2 million which was 0.65 percentage of total expenditure. Therefore, it can be argued that the government's approach towards developing the tourism sector has not been consistent and coherent. To increase the more returns from tourism, the government must increase to share of tourism expenditure.

4.5.1 Plan Wise Allocation of Resources

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

Table 4.2
Allocation of Resource in Various Plans

(Rs. in million)

Plan Period	Total Plan Outlay	Tourism Outlay	Percentage share of tourism in total outlay	Plan wise growth rate of tourism outlay
First plan (1956-61)	330	1.0	0.30	-
Second Plan (1962-65)	600	2.0	0.33	100
Third Plan (1965-70)	1740	5.0	0.29	150
Fourth Plan (1970-75)	2570	5.0	0.19	0.0
Fifth Plan (1975-80)	11404	20.0	0.18	300
Sixth Plan (1980-85)	21750	60.0	0.28	200
Seventh Plan (1985-90)	29000	74.0	0.26	24
Eight Plan (1992-97)	113479	1088.0	0.96	1370
Ninth Plan (1997-2002)	189580	1707	0.90	57
Tenth Plan (2002-07)	178350	1979	1.10	15.93
2007-2011	198450	75	0.89	0.18

Source: Various Development Plans, NPC, HMG/N

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

4.6 Tourist Inflow in Nepal

Only from initiation the First Plan (1956-61) the government started to invest in tourism sector and only after that period the inflow of tourists started to increase. This shows that the investment in this sector has positive impact on tourist arrival as well as economic development of Nepal through increasing tourism activities and foreign exchange earnings. The table has shown the arrival of tourist in Nepal since 2001.

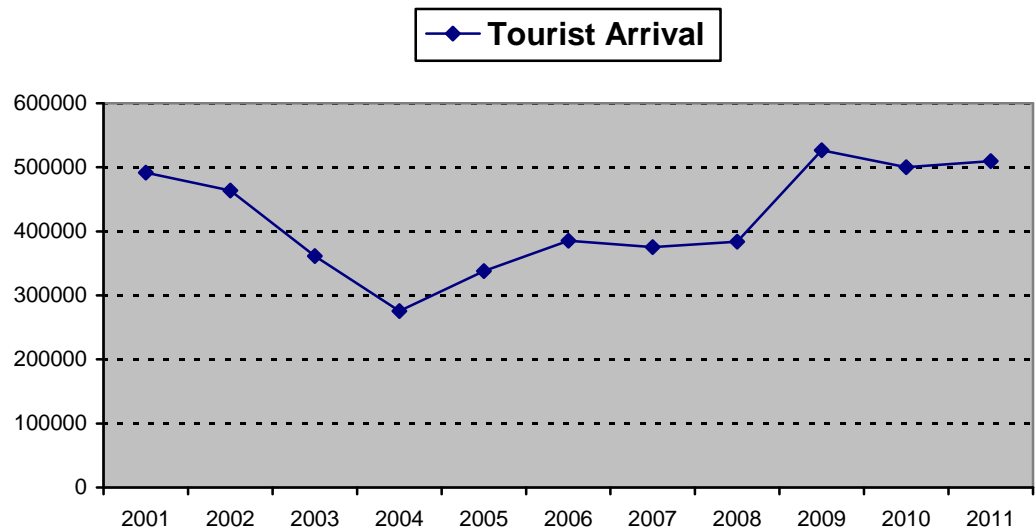
Table 4.3
Tourist Arrivals and Average Length of Stay (2001-2011)

Year	Total No. of Tourist	Arrival Growth Rate	Average Length of Stay
2001	491504	6	12.28
2002	463646	-5.7	11.88
2003	361237	-22.1	11.93
2004	275468	-23.7	7.92
2005	338132	22.7	9.6
2006	385297	13.9	13.52
2007	375398	-2.6	9.09
2008	383926	2.30	11
2009	526705	37.20	12
2010	500277	-5.02	11.5
2011	509752	1.89	12.6

Source: Nepal Tourism Statistics 2011

The growth rate of tourist arrival is positive in all the years except in 2001, 2002, 2003, 2006, and 2009 due to various causes including terrorism. . The tourism sector faced a critical condition. In the year 2002, 2003, and 2004 the arrival largely decreased with -5.7 percent, -22.1 percent and -23.7 percent respectively. But after the year 2005, there was positive sign in this sector with growth rate 22.7 percent in 2005 and 13.9 percent in 2006. In 2007 and 2010 there was negative sign and in 2011 there was positive sign.

Figure 4.1
Total Number of Tourist Arrival



Source: Tourism Statistics 2011

Similarly the Chart represents annual average length of stay of tourists, which fluctuate between 9 and 13 days. In 2001 there was 12.28 day of average length of stay of tourist .11.88, 11.93, 7.92, 9.6, 13.52, 9.09, 11, 12, 11.5, 12.6 day of average stay in Nepal in 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010,

2011 respectively. The length of stay depends on the attraction of our diversified cultural, natural heritages, tourism sites and accommodation provided to them during their stay. For this there should be an improvement on the facilities such as transportation, communication, visa regulation, diversified tourist package etc. should be explored and developed

4.6.1 Tourist Arrival from different Countries

Table 4.4
Tourist Arrival from Different Countries

Year	America	Europe	Africa	Asia	Australia & Pacific	Others	Not Specified	Total
2001	46,910	6,723	1,857	249,793	15,207	5	0	320,495
%	14.63673	2.09769	0.57941622	77.93974945	4.744847814	0.00156009	0	100
2002	49,032	6,992	2,040	224,532	15,641	8	0	298,245
%	16.44018	2.34438	0.68400141	75.28441382	5.244346091	0.00268236	0	100
2003	39,120	6,201	1,596	164,989	13,036	0	0	224,942
%	17.39115	2.75671	0.70951623	73.34735176	5.79527167	0	0	100
2004	21,265	5,276	1,132	148,670	8,420	0	0	184,763
%	11.50934	2.85555	0.61267678	80.46524466	4.557189481	0	0	100
2005	22,992	6,451	1,612	200,045	9,608	0	0	240,708
%	9.551822	2.68001	0.66969108	83.10691793	3.991558237	0	0	100
2006	25,505	7,661	1,161	218,387	10,947	0	758	264,419
%	9.645676	2.8973	0.43907586	82.59126613	4.140020195	0	0.286666238	100
2007	22,853	8,263	1,302	230,282	8,317	0	2,776	273,793
%	8.346817	3.01797	0.47554174	84.10806704	3.037696362	0	1.013904665	100
2008	34512	11712	1509	119480	9712	0	0	176925
%	19.50657	6.61975	0.85290377	67.53143988	5.489331638	0	0	100
2009	30730	10319	1142	190192	8761	0	0	241144
%	12.74342	4.27919	0.47357595	78.87071625	3.633098895	0	0	100
2010	38208	136657	1205	111490	16181	0	0	303741
%	12.57914	44.9913	0.39671957	36.70561432	5.327236033	0	0	100
2011	40697	136070	1190	112394	17644	0	0	307995
%	13.21353	44.1793	0.38636991	36.49215085	5.728664426	0	0	100

Source: Nepal Tourism Statistics 2011, MOCTCA.

Tourist arrival in Nepal, their share of Asian market is higher than other markets in 2001. Asia tourist arrival percent is 77.9, the second Tourist arrival is America 14.63 percentage, Europe 2 percentage, Africa 0.57 percentage and Australia 4 percentage. 77, 75, 73, 80, 83, 82, 84, 67, 78 Percentage tourist arrival from Asian market from the year 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009 respectively. In 2010 the tourist arrival percentage is decreased by 45 percentage but European increase by 44.99 percentage. In 2010 American tourist arrival 13 percentage European 44 percentage African tourist is 0.39 percentage Asian market is 36 percentage and Australian tourist arrived percentage is 5.72 percentage in the percentage of above table shows the Asia market is major market in the field of Nepalese tourist market.

4.6.2. Tourist Arrival from Major Market

Table 4.5
Tourist Arrival from Major Market

Countries	2007		2008		2009		2010		2011	
	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%
India	95685	41.08	93722	39.3	96010	30.4	91177	30.4	93781	31.3
Srilanka	18770	8.05	27413	11.5	49947	15.8	37817	12.6	36537	12.2
Japan	18239	7.8	22242	9.3	27058	8.5	23383	7.8	22189	7.4
China	21170	9.0	16800	7.0	27339	8.6	35166	11.7	31628	10.6
Germany	14345	6.1	14361	6.0	21323	6.7	18552	6.1	19128	6.4
USA	18539	7.9	19833	8.3	29783	9.4	30076	10.0	31835	10.6
Netherland	8947	3.8	7207	3.0	10589	3.3	10900	3.6	10995	3.6
UK	25151	10.8	22708	9.5	32367	10.2	33658	11.2	35022	11.7
Spain	8891	3.8	10377	4.3	15672	4.9	13851	4.9	12998	4.3
Switzerland	3163	1.3	3559	1.4	5238	1.6	5186	1.7	5198	1.7
Total No of Tourist arrival	232900	100	238222	100	315326	100	299766	100	299311	1385525

Source: Nepal Tourism Statistics 2011, MOCTCA.

Above table shows that the tourist arrival from different country .In 2007 from India 95685 tourist visited in Nepal which was 41.08 percent like this from Srilanka 18770 which was 8.05 percent ,from Japan 18239 tourist visited which was 7.8 percent ,from China 21170 tourist visited in Nepal which was 9.0 percent from Germany USA Netherland UK Spain Switzerland 6.1,7.9,3.8,10.8,3.8,1.3 percentage similarly in 2007. In 2011 31.3,12.2,7.4,10.6,6.4,10.6,3.6,11.7,4.3,1.7 percentage of tourist arrival from form India, Srilanka, Japan China Germany, USA, Neatherland ,UK, Spain, Switzerland respectively.

4.6.3. Tourist Arrival by Purpose of Visit from Major Nationalities

Table 4.6

Tourist Arrival by Purpose of Visit from Major Nationalities

Nationality	Year	Holiday/ Pleasure	Trek & Mountaineering	Business	Pilgrimage	Official	Other	Total
Australia	2005	2874	2223	367	303	252	1076	7095
	2011	8471	3698	568	378	642	1513	15270
France	2005	6119	5050	553	360	373	1653	14108
	2011	9519	7989	912	613	560	2530	22123
Germany	2005	5860	4945	815	271	557	1897	14345
	2011	8070	6789	1113	372	693	2091	19128
India	2005	43650	8697	9325	5542	7382	21089	95685
	2011	43650	8697	9325	5542	7382	19185	93781
Italy	2005	5215	1930	342	123	221	927	8758
	2011	4415	1930	342	123	221	1000	7897
Japan	2005	9582	3111	970	1751	638	2187	18239
	2011	9582	7061	970	1751	638	2408	22189
Netherlands	2005	4790	2274	382	184	267	1050	8947
	2011	5613	2589	712	213	280	688	10095
Spain	2005	5987	1573	207	172	127	825	8891
	2011	7152	3215	311	600	416	1304	12998
Switzerland	2005	1518	893	112	58	123	459	3163
	2011	2633	1113	312	158	23	959	5198
Srilanka	2005	727	198	89	17224	115	417	18770
	2011	12565	1519	912	19318	918	1305	36537

Source: Nepal Tourism Statistics 2011, MOCTCA.

The table shows the tourist arrival by the purpose of visit from major Nationalities in 2005 and 2011. The arrival also represents the interest of nationals of these countries such as the Australians have the interest in holiday/pleasure, trekking and Mountaineering. Similarly the national of Austria, France, and Germany etc are interested in holiday pleasure, trekking and Mountaineering. Regarding the interest, other countries, especially Asian, have focused on pilgrimage and others as well as holiday pleasure and trekking & Mountaineering. Thus the marketing of NTB has to be different in different countries on the basis of their interest. The data have shown that different national has different types of purpose or motives to visit Nepal. The Srilankans are mainly used to visit Nepal with the pilgrimage purpose. Similarly, Spanish give importance on holiday pleasure so the marketing objective should be different in different countries to increase tourist arrival and their length of stay.

4.7 Marketing Tools used by NTB for Destination Promotion

Since its inception in 2000, NTB has been using different strategies in order to promote 'Nepal' as an attractive tourism destination. It has been using various marketing tools so as to compete with other competitors in global tourism market. Based on its annual operational plans which are prepared annually. Nepal Tourism Board uses following marketing tools for destination marketing:

1. Participation in Travel Trade Fair.
2. Advertisement/Sales and Promotion Campaign.
3. Familiarization (FAM) Trips.
4. Publicity Materials Publications.
5. Press Conferences.

1. Participation in Travel Trade Fair

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

2. Advertisement/Sales Mission/Promotion Campaign

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

Sales mission & Promotion Campaign: -

Discover India, India	–	1999
Joint Campaign with Necon Air	–	2000
Nepal Day Program, India	–	2000
West Europe Road Show – Europe	–	2000
Japan Sales Mission	–	2001
US Road Show, USA	–	2001
NTB/NAC Joint Promotion Campaign	–	2002
Border town Promotion, Sikkim	–	2002
NTB sales mission to China- HKG	–	2002
Pilgrimage destination promotion, India	–	2003
Nepal Evening in Paris	–	2003
Nepal Mart, India	–	2003
Special India Promotion Campaign	–	2004

Sales Mission, China	–	2004
Dhaka Travel Mart	–	2009
Nepal Trade and Tourism Exhibition in Doha	–	2009
Nepalese Tourism Promoting Program in Denmark	–	2009
Tourism Promotion Program in USA	–	2009
Nepalese Tourism Promoting Program in Luxembourg	–	2009
Tourism Promotion Programs Organized in UK and Germany		–2009

3. Familiarization (FAM) Trips

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

4. Press Conferences

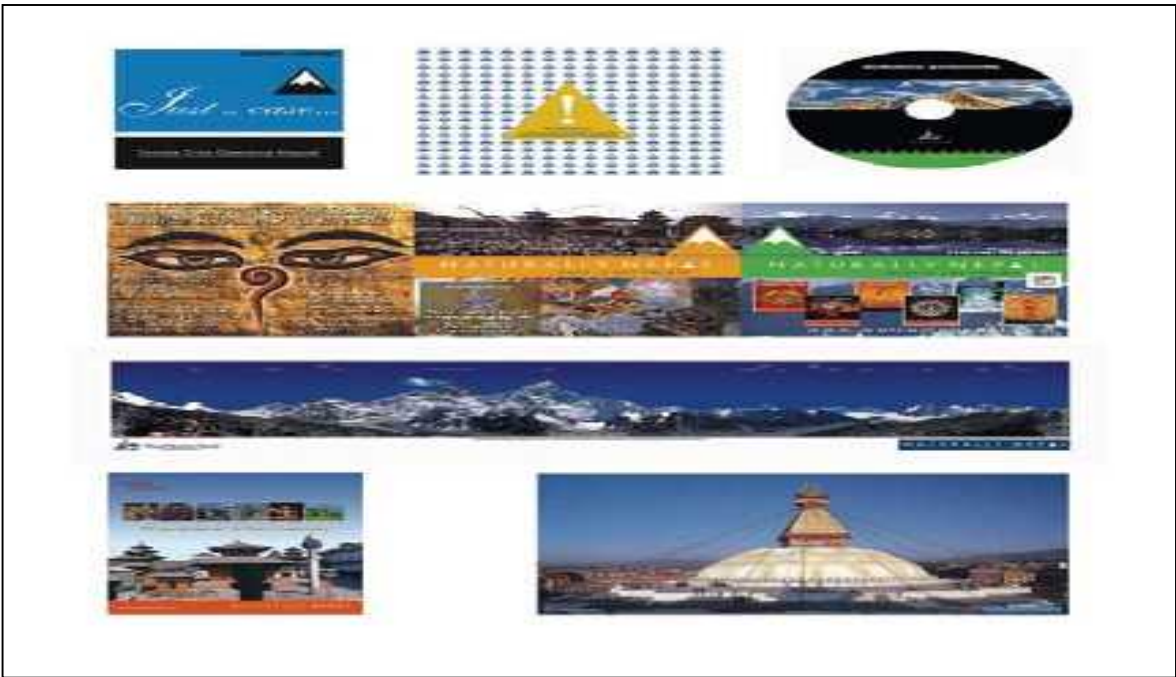
It is very important to have good media relations while promoting destinations. So, NTB organizes press conferences of different media and tours operators in major tourism markets. It specially takes place before the sales mission and promotion campaign. Press conferences are jointly organized with MOCTCA.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

Press Conference

Press Meet, India	–	2001
Joint PC, Jet Airways – India	–	2004
Press Conference, Banglore, India	–	2004
Press Conference, London, Paris	–	2004
Press Conference, China	–	2004
Tour Operator Meet – Bangladesh	–	2004
Press Conference, India	–	2005
Press Conference, TTF, Kolkata	–	2006
Press Meet, Paris, Europe	–	2007
Press Meet, UK	–	2008
Press Meet, USA	–	2008
Press Meet, Germany	–	2009
Tourism Vision 2020 Lunched	–	2009

5. Publication of Publicity Material and Website

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



Source: NTB PR & P Dept.

6. Brand Promotion

New tourism brand with the slogan '*Unleash yourself*', tagline '*Naturally Nepal*' and sub tag-line '*Once is not enough*' was introduced by Nepal Tourism Board (NTB) in early 2006. With a lot of consumer research and trade consultation process the brand was being introduced. The basic thrust of brand development was to develop BRAND NEPAL as an international tourist destination and regain consumer confidence in the international market by concentration on marketing the experiential product clusters. '*Naturally Nepal*' is a simple expression that repackages brand Nepal in a positive light. '*Once is not enough*' not only accurately captures the tourists' emotions at the airport's departure gate but also serves as a decision making tool that enables h Nepali tourist industry-individually and collectively to focus on customer retention rather than acquisition. 4.8 Marketing budget allocation by NTB.

Table 4.7
Marketing Budget Allocation by NTB

Year	Amount (Rs.)
2005	79,907,500
2006	61,798,380
2007	25,974,113
2008	42,731,570
2009	55,449,000
2010	69,850,251.34
2011	84939530.6

Source: Nepal Tourism Statistics 2011, MOCTCA.

4.8 Marketing Programs in Different Country for 2008-11

India:

The Board's long term objectives in India are:

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

Short Term Action for India:

-) To target a 20% growth in Indian arrivals.
-) To open a new NTB office in India to affectively top the market and launch an India focused campaign
-) To mount a high profile campaign through journalists awareness visits
-) To continue to promote pilgrimage plus leisure packages expanding the range of holidays options made available and to expand the number of partners involved, both in Nepal (product suppliers) and India (specialists tour

operators and carriers)

- J To plan and launch a travel agents, online training scheme, so as to create a network of Nepal specialist travel agents in India, and run familiarization to Nepal with those agents who complete the course in partnership with airlines partners
- J To mount a small but focused poster hoarding campaign advertising Nepal at key sites likely to be visited by overseas tourists to India

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

Source: NTB Annual Operational Plan 2010/2011

Table 4.8

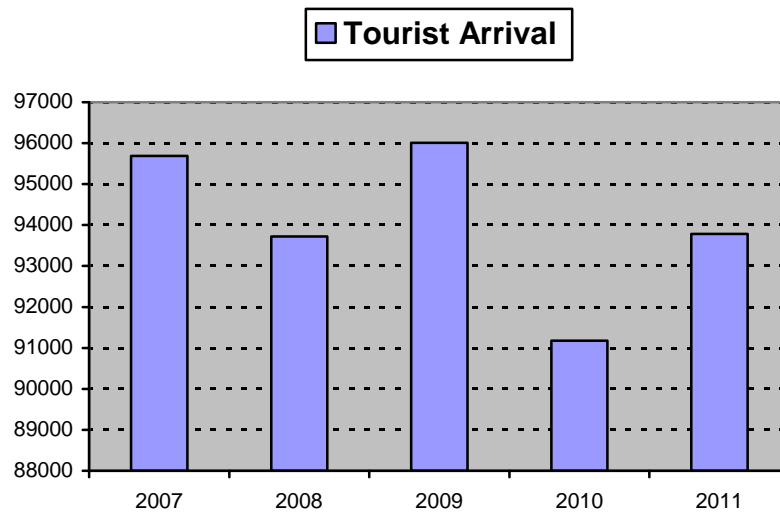
Tourist Arrival from India

Year	Tourist Arrival
2007	95685
2008	93722
2009	96010
2010	91177
2011	93781

Source: Tourism Statistics 2011

Figure 4.2

Tourist Arrival from India



Source: Tourism Statistics 2011

USA

Overall marketing objectives for USA:

-) To build awareness about Nepal as a value for money tourism destination
-) To foster marketing partnership with carriers and USA based travel agencies serving the market and support joint activity

Short term action for USA:

-) To attain the CITM travel trade fair
-) To continue building of Nepal's profile in USA, particularly amongst the travel trade
-) To position new tourism brand in the market

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

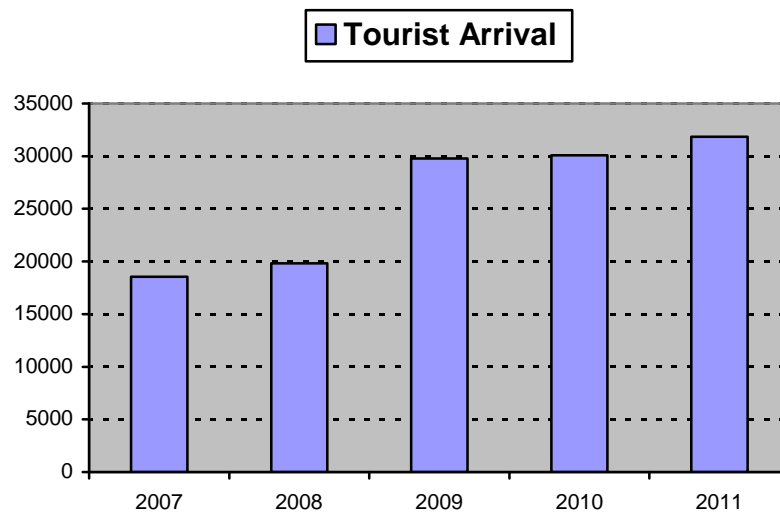
Source: NTB Annual Operational Plan 2010/2011

Table 4.9
Tourist Arrival from USA

Year	Tourist Arrival
2007	18539
2008	19833
2009	29783
2010	30076
2011	31835

Source: Tourism Statistics 2011

Figure 4.3
Tourist Arrival from USA



Source: Tourism Statistics 2011

SRILANKA

The Board's long term objectives in Sri Lanka are to:

-) Build awareness on Nepal as a convenient, easily accessible, familiar, beautiful, welcoming and value for money leisure tourism destination with a

pleasant climate.

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

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

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

Program Activities	Allocated Budget
Fairs/Joint promotion/FAM trip: participation in Sri Lanka travel mart SLGSA and road show with PATA Nepal for Buddhist circuit promotion	
Total	7,00,000

Source: NTB Operational Plan 2011

Japan

Overall Marketing Objectives for Japan

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

Short Term Actions for Japan

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

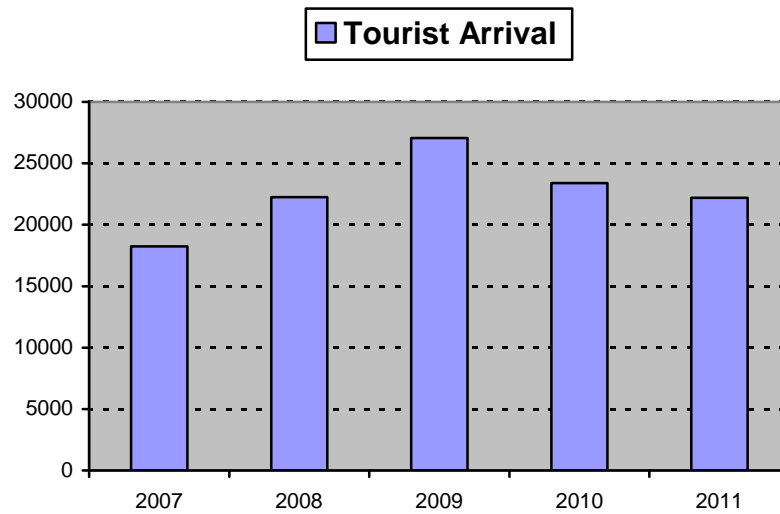
Table 4.10

Tourist Arrival from Srilanka

Year	Tourist Arrival
2007	18239
2008	22242
2009	27058
2010	23383
2011	22189

Figure 4.4

Tourist Arrival from Srilanka



Source: Tourism Statistics 2011

4.9 Analyses of Primary Data

Profile of the Respondents

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

Nationality

During the study, altogether 100 tourists were interviewed and had filled questionnaire among which following are the percentage of the nationality on the basis of region:

Region	No.	%
Europe	25	25
Asia & Pacific	35	35
America	20	20
Australia	15	15
Others	5	5

Source: Field Survey 2011

Frequency of Visit

Among the respondents 30 percent were 1st time visitors and 40 percent were repeated visitors. Among the repeated visitors, 15 were 2nd time visitor, 5 percent time visitor and rest have visited Nepal more than 3 times.

Occupation of Visitors

Among the total tourists interviewed, 55 percent were service holder, 15 percent were business man, 20 percent were students, and 10 percent were retired and housewives.

Purpose of Visit

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

Purpose of visit	No.	%
Pleasure & sightseeing	42	42
Trekking	28	28
Mountaineering	20	20
Business	4	4
Others	6	6

Source: Field Survey 2011

Features of Tours

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

About 45 percent of tourists visiting Nepal came alone on self guided tours whereas 55 percent tourists visited with friends and families who came on organized tours.

Similarly, among the respondents, 30 percent of tourists come by land via India whereas 70 percent have used air transport to reach Nepal. While visiting inside Nepal almost 85 percent tourists had used land transport for their convenience.

Tour Program and Spending in Nepal

Regarding the tour program of the tourists, respondents who were asked about the same, about 60 percent gave emphasis on sightseeing around Kathmandu and Pokhara. Likewise 40 percent of respondents enjoyed their visit by doing trekking in mountains.

Tourists coming for official purposes preferred sightseeing of Kathmandu, Pokhara and Chitwan while tourists coming for study preferred to go for trekking

as well as sightseeing in and outside Kathmandu. Whoever in the tourists group, everyone enjoyed the cultural richness of the Kathmandu and Bhaktapur city.

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

Length of Stay	Spending(US\$)
Less than 10 days	500-700
More than 10 days	700-1300
More than 30 days	1300-3000

Source: Field Survey 2011

Motivating Factors and Source of Information about Nepal

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

Source of Information

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

Likewise 40 percent tourists mentioned that their experience of prior visit had inspired them to visit Nepal again. 60 percent of tourists said that website related with Nepalese tourism was the main source of information to visit Nepal.

Publicity Material

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

Marketing Efforts

Regarding the marketing efforts needed, the majority of the respondents 41.66 percent mentioned that there is need for destination promotion. Like wise, 33.33 percent respondents said to carry out media promotion. 25% suggested that personalized promotion is needed.

Types of Marketing Efforts

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

Source: Field Survey 2011

Concentration of Marketing Efforts

All the respondents said when asked about marketing efforts, 50.16 percent expressed that Nepal's marketing efforts should be concentrated at international level. 24.84 percent said that promotion in target market is necessary. 15.5 percent mentioned marketing should be concentrated in potential new market. Rest 9.5 percent said marketing should be national level also.

Concentration Marketing Efforts

Promotion in International level	50.16%
Target market	24.84%
Potential new market	15.50%
Promotion in national level	9.50%

Source: Field Survey 2011

Marketing

NTB as public private institution is promoting Nepal by various means. As global competition is very strong, National Tourism Organization is applying are measures to cope up with that competition among the various constraints. Though

its marketing efforts are not highly satisfactory, it is somehow able to position Nepal as tourism destination international market. 60 percent said marketing efforts satisfactory, 25 percent said less satisfactory. Rest 15 percent mentioned not satisfactory.

Satisfactory	60%
Less satisfactory	25%
Not satisfactory	15%

Source: Field Survey 2011

4.10 Major Findings

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

1. Tourists coming from different countries expressed satisfaction toward the Nepalese tourism product attractions Nepal's tourism is widely known for pleasure and sightseeing. Adventure tourism is popular among the tourists. Nature and wild lives holds another major attraction. The facilities and services that are available in tourism markets are satisfactory for tourists. Whereas facilities like transportation and airlines services needs serious concern for improvement.
2. Most of tourists who visit Nepal get information from their friends and relatives. The publicity of 'word of mouth' is widely used. The information through media and publicity material is less. There should be extensive promotion through various means. There is need for professional marketing efforts needed to target different segments in order to enhance promotion.

3. There are problems in environment as perceived by tourists which is very important to be addressed. Measures for environment conservation and pollution control should be taken.
4. As far as marketing efforts of government/NTB is concerned, the private sector and tourism professionals are not satisfied with marketing efforts initiated by government. NTB's role is very crucial in promotion of tourism but it has many constraints. However, NTB is doing its best by optimum utilizing its resources. The time is very important that government needs to take active role in marketing by considering tourism industry as major contributor in national economy. Appropriate policy and strategies should be formulated in national level to address tourism industry.
5. To sum up, Nepalese tourism industry in the country is not as poor as perceived by organization. However, it needs to be promoted by making effective marketing and promotional strategies. Target market should be given more importance. The regional tourism promotion would give higher benefit. So, market like India, China and East Asia should be focused for promotion. The problems and weakness should be addressed efficiently and Nepal's tourism potentials should be explored and exploited by designing appropriate strategies and program with visionary approaches and its practical implications

CHAPTER -V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

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

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

Within its eight yrs time, NTB has gone through very tough time. It was very challenging time to undertake its marketing and promotional activities amidst growing competition in international tourism market. The internal insurgency was completely unfavorable for international visitors. Country has experienced a sharp decline in tourist arrival. The concept of regional tourism is being developing.

Country like India, China, and Malaysia are benefiting by flow of tourist from major Asian countries itself. So, keeping this view as very important, this study is being proposed in order to analyze the marketing and promotional activities carried out by NTB in there regional Asian markets. Similarly, the objective of this study is also to recommend suitable strategies to promote 'Nepal' in major Asian Markets.

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

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

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

5.2 Conclusion

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

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

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

from Asian countries have visited Nepal in the year 2005 which is 60% of total tourists arrivals.

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

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

5.3 Recommendations

1. The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to international visitors. It is required to give attention to promote and develop these areas. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.
2. Both, the government and the local people should give due emphasis to conserve our cultural and natural assets. The tourism products we have are

not properly conserved, so their condition is degrading. These products should be maintained and preserved properly for the sustainable growth of industry.

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

Nepal a hub for international flights making it a noted tourist destination.

6. For easy accessibility of tourists to various places of tourist interests in the country, the government should give due attention to developing and improving road transportation. In Nepal there is limited access and the available roads are also not maintained properly. For access to new areas, roads should be constructed in strategic ways which would improve access as well as not alter the trekking routes. Similarly, regular maintenance of roads is also necessary at least in the tourist frequented areas. A proportion of tourism revenue may be allocated for this purpose.
7. One of the main problems faced by Nepalese tourism is the deteriorating conditions of the environment. We need to focus on environment issues especially pollution in Kathmandu Valley, major trekking routes and tourist places. In Kathmandu solid waste lying scattered and rubbish are not collected on time and cleansed. These have proved to be eye sores to everybody including the visitors. Besides, they pose serious health hazards. Tourists have expressed serious concern about it and other respondents also have given great emphasis to this aspect. For this, solid waste situation in Kathmandu must be improved or Nepal may well forget about the tourism industry. Pollution should be controlled by enforcing standards to vehicles, industries and other sources of pollution at the valley level in Kathmandu and not on a pocket or compartment basis. Attention should also be given to decongest especially tourist areas.
8. The analysis clearly showed that Nepal has not given due attention towards the promotion of tourism. It does not seem to have been able to market tourism properly. Despite proving to be a market leader in many areas in the South Asia, its market share is limited. Professional approach should be incorporated in marketing Nepal and its products.

9. Tourism marketing should be done jointly by the government and the private sector to promote destination, promote products and to counter poor or bad publicity abroad whenever such cases happen. Such publicity has occurred on number of occasion. One sector should not wait or look at other sector to do the job. Both these should join hands and promote Nepal on a continuous manner.
10. Nepalese Embassies and consulate offices abroad can be the best media to provide information about Nepal. By mobilizing these agencies through qualified staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese Embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.
11. Most tourists come to Nepal through the suggestion of friends/relatives and personal contacts. We must continue to promote such visitors. However, Nepal also should target the visitors who are motivated by promotion and publicity. It may not be necessary to reiterate that promotion is the most powerful tool of marketing. To attract more visitors, continuous and sustained promotion through appropriate media at existing market and potential markets is needed it will help to attract those visitors who are motivated by promotion. Thus, Nepal will be able to get both types of visitors those who visit by good word of mouth well as those who select tour by promotions.
12. Nepal must target its markets according to strengths and prospects. The leading market segments for Nepal may be India, Western Europe, Japan, USA and Australia. The SAARC, ASEAN and East Asia also may be promising segments for future. So, all marketing and promotional efforts must be done on the basis of these identified target markets. All marketing efforts must be done by prioritizing on the basis of the existing and potential market strengths.

13. In Nepal, the government has been giving attention to develop the tourism sector. But, in view of the importance of the sector, the allocation of development and promotional budget is very low. Due to
14. the lack of budget, tourism promotion is not being done properly. Greater allocation of development as well as promotional budget is needed in this sector. In order to gear up promotion of tourism, the private sector also should spend more allocating separate budget for its marketing.
15. Nepal must make an annual tourism promotion and marketing plan. Target markets and segments should be identified on the basis of continuous market analysis and analysis of the competitive situation. Prioritization should be made on the basis of our product strength, market trend and need and strategies of other competitors. Suitable strategies and promotional program should be developed on such basis. Proper budgeting and resource allocation and continuous monitoring and feedback are also necessary to realize defined targets. In this way, professional promotion and marketing can be institutionalized.
16. Services provided by the government like immigration, custom etc., are very important to promote the tourism industry and these services affect the visitors. These services were not rated satisfactory by the tourists. All three groups (tourists, organizations and experts) also identified the lacunae in the area. It reveals that there is a significant need to improve the process and service of immigration and customs in Nepal and the government must extend immediate attention to improve the situation.
17. To broaden the market in Asian countries NTB should hire professional PR agencies in major market like Bangkok, Kualalampur. So that PR can be utilized to build develop the networks of travel trade who sell Nepal. Through professional PR, marketing and promotional programs can be organized time and again.

18. There should be special provision in immigration rules so that foreign older people could stay longer in Nepal. Special visa provision should be there for such person. Large group of older people especially from East Asia want to travel Nepal who want to stay for longer period.
19. Special campaign should be organized in main university and colleges of Asian countries in order to promote Nepal as a destination for study. Different aspects of Nepal like eco tourism, protected area management, mountain region and natural resources should be focused among the foreign students, so that they choose Nepal for their research and study program.
20. NTB government and private sector jointly should start a promotion campaign of '*send home a friend*' concept. Lots of Nepalese are going in other Asian countries for work, so if those all departing Nepali nationals could be taught about this concept, they can send lots of foreign friends to Nepal.
21. Political parties should think very sensitively towards creating peaceful and strike free Nepal in order to improve Nepal's image abroad. All types of political demonstrations, strikes, *bands*, and vandalism should not exist.

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APPENDICES

Appendix-1

**Status of air connectivity between Kathmandu and other major Asian cities
in 2011**

Airlines	Sector
Nepal Airlines	Kathmandu-Delhi-Kathmandu
	Kathmandu-Kualalumpur-Kathmandu
	Kathmandu-Osaka-Kathmandu
	Kathmandu=Dubai-Kathmandu
	Kathmandu-Bangkok-Kathmandu
Indian Airlines	Delhi-Kathmandu-Delhi
	Kolkatta-Kathmandu-Kolkata
	Varanasi-Kathmandu-Kathmandu
Jet Airways	Delhi-Kathmandu-Delhi
Air sahara	Delhi-Kathmandu-Delhi
Air China	Lhasa-Kathmandu-Lhasa
China Southern Airlines	Gwangzhau-Kathmandu-Gwangzhau
Biman Bangladesh	Dhaka-Kathmandu-Dhaka
GMG Airlines	Dhaka-Kathmandu-Dhaka

Thai Airways	Bangkok-Kathmandu-Bangkok
Air Arabia	Abu Dhabi-Kathmandu-Abu Dhabi
Korean Air	Seoul-Kathmandu-Seoul
Pakistan Int'l Airlines	Karachi-Kathmandu-Karachi
Qatar Air	Doha-Kathmandu-Doha
Gulf Air	Bahrain-Kathmandu-Bahrain
Druk Air	Delhi-Kathmandu-Delhi

Source: Tribhuvan International airport (TIA)

Appendix -2

Questionnaires

Questionnaire for Tourism Professional

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

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

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

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

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

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

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

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

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

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

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

Questionnaire for Tourists:

1. Where did you come from? (Nationality)

2. Your Sex: Male_____ Female_____

3. What's your age: 20 – 30, 31 – 55, 56 and above

4. Have you visited Nepal alone or with group?

5. Mention your frequency of visit in Nepal.

1st

2nd

3rd

6. What's your occupation?

Student Service-holder Businessman

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

8. How long you stay in Nepal?

_____ Days/Months

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

Yes No

If Yes which country

10. What was your purpose of visit to Nepal?

Pleasure Sightseeing Business Maintaining

Official Trekking Other _____ Specify

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

12. How much money you spent during your visit?

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

14. In which sector you felt need improvement immediately?

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

Friends/Relatives Tourist office

Travel agents Prior visit

Magazine Trade fairs

Website Guide Book

Television/Radio

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

17. If Yes Where?

In Nepal

In own Country

any other country

18. How do you rate these publicity materials?

Very good

Satisfactory

Very poor

Good

Needs Improvement

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

a) Climate

b) Friendly people

c) Mountains

d) Culture & Architecture

e) Value for money

20. How do you evaluate safety & security situation in Nepal?

a) Good

b) Satisfactory

c) Unsatisfactory

d) Very Poor

21. What type of environmental effects did you find due to tourism in Nepal?

Please Specify:-_____

22. How do you rate your visit to Nepal on the following aspects?

A. Sightseeing Tours:-

a) Good b) Satisfactory c) Unsatisfactory

B. Accommodation:-

a) Good b) Satisfactory c) Unsatisfactory

C. Shopping Facilities:-

a) Good b) Satisfactory c) Unsatisfactory

D. Food & Drinks:-

a) Good b) Satisfactory c) Unsatisfactory

E. Entertainment Activities:-

a) Good b) Satisfactory c) Unsatisfactory

F. Transportation:-

a) Good b) Satisfactory c) Unsatisfactory

G. Tourist Info Offices:-

a) Good b) Satisfactory c) Unsatisfactory

H. Immigration Formalities:-

a) Good b) Satisfactory c) Unsatisfactory

I. Airlines:-

a) Good b) Satisfactory c) Unsatisfactory

J. Agency Service:-

a) Good b) Satisfactory c) Unsatisfactory

23. What are your suggestions to improve tourism in Nepal?

Questionnaire for Tourism Organization

1. Name of Organization :

2. Year of establishment :

3. Address :

4. Type of Business :

a. Travel

b. Trekking

c. Mountaineering

d. Rafting

e. Hotel

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

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

- v. Official
- vi. Conference
- vii. Others
- c. Age wise:
 - i. Old
 - ii. Matured
 - iii. Young
- d. Income group wise:
 - i. High income
 - ii. Moderate income
 - iii. Low income

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

Strength

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

Weakness

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

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

- a. Highly satisfactory
- b. Competitive

- c. Satisfactory
- d. Poor
- e. Extremely poor
- f. Give reason for your assessment

14. Where should Nepal position in the international market?

(Please tick as many as relevant)

I. a. Pleasure tourism

b. Adventure tourism

c. Low spending tourists

d. Nature tourism

e. Mix of above

f. Any other (Please verify)

II. a. High spending tourists

b. Medium spending tourists

c. Culture tourism

d. Mix of above

e. Any other (Please verify)

Please tick as many as relevant)

a. Poor preservation

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

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

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

18. How do you rate the level of competition in tourism business in Nepal?

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

19. What efforts are being initiated by the government to promote Nepal as a tourist destination? (Please tick as many as relevant)

- a. Destination promotion
- b. Creation of infrastructure
- c. Development product
- d. Publicity

- e. Special events
- f. Facilitating tourism industry
- g. Participation in fairs/exhibition
- h. Any other

20. What do you think about the marketing effort being done at present by the government?

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

21. Please mention their shortcoming and strengths?

22. What new efforts should be initiated by the government?

23. In which area of marketing government should concentrate and in which area should the private sector concentrate?

Private Public Both

- a. Product or service promotion
- b. Destination promotion
- c. Tackle competition (international)
- d. Correcting damaging reports/publicity

24. How often do you promote your service? (in one year)

Advertisement Campaigns Others

In the country:

Outside the country:

25. What factors determine your marketing efforts?

- a. capacity utilization
- b. budget
- c. tourist arrival trend
- d. any other (please verify)
- e. competitions performance

26. Do you allocate promotion budget?

27. Which marketing or advertising agencies you rely upon?

- a. National
- b. International
- c. Both
- d. None

28. Are you satisfied with marketing organizations/advertising agencies?

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

29. How do you evaluate your marketing efforts

- a. Highly satisfactory
- b. Satisfactory
- c. So so

- d. Less satisfactory
- e. Unsatisfactory

Please give reason for your answer.

30. How do you develop your promotional packages/strategies?

(Please tick as many as relevant)

- a. Assessing the market
- b. Assessing the views reactions of consumers
- c. Assessing competitor's strategies
- d. Assessing international market trend
- e. In consultation with link agencies
- f. In consultation with experts
- g. Any other (please specify)

31. What results have you attained from these efforts :

- a. Increased sale
- b. Performance improvement
- c. Improved image
- d. No change in Business