

CHAPTER – I

INTRODUCTION

1.1. Background of the study

Nepal has very much potentiality of developing tourism Industry. It is full of number of Himalayan peaks, mountains and wild lives. There are also many places and things of culture, historical and religious importance. As a citizen of Nepal we have to be proud of being with such natural assets. It is our duty to explore the markets of the products of these assets. We can earn lot of money by selling the beauty of our natural assets. Thousands of people may come to see Nepal and its beautiful heritage. For that we have to explore the potentiality of tourism market in different areas, as it is possible.

As we see the data of visitors arrived from abroad in 2010 are 602855, which is more than 18% than previous year. The composition of tourist arrival comprises 34.63% from Asian Counties except India; 18.64% from Europe; 19.30% from India; 7.86% from America and Canada; 3.27% from Australia and territories; 5.90% from U.K and remains 10.58% from the rest of the World.¹ It shows the possibility of tourism development in Nepal is encouraging.

We know Nepal is a land locked country. It is located north of the India subcontinent and spread in an area of 1,47,181 sq.km, Nepal is a small, sovereign and independent landlocked kingdom; Nepal is blessed with snow-capped mountains, which had made it geographically impressive. world known icon Mt. Everest with an altitude of 8848 miters had placed Nepal in front of the world in terms of natural beauty surpassing the rest. It lies between 80⁰4' to 88⁰12' east longitude and 26⁰22' to 30⁰27' north latitude. Having length of 885 km east west and width of 93 km north south, it is situated in between two big

¹ Nepal Rastra Bank, *NRB Economic Review Vol 24, April 2012 fulltext, P. 48* (Accessed on www.nrb.org.np).

nations, China in north and India in South (CBS). The whole country has been divided into three regions: Mountainous, Hilly and Tarai. The mountain region covers 15%, hilly 68% and tarai region 17% of the total area of the country. Administratively it is divided into 14 Zones and 75 districts.

Although Nepal is small country, it has diverse climate from sub-tropical desert to mountain tundra with every form of landscape and vegetation. Nepal is a country of numerous festivals and significant aspect of culture life of Nepalese people. As multilingual people are inhabited in the country, it is culturally rich with diverse religious customs, life styles, festivals, food habits, clothing and languages of various ethnic variations. In term of development, Nepal is one of the least developed countries of the world with less than per capita income of US\$ 650 with population size of 27 Million and nearly 24.8 % of these people still subsist below poverty line². The Adult literacy rate in Nepal is 56.6 %.³ Although there are 25 lakhs landless farmers, the main occupation of here is agriculture. Our crops of production are paddy, maize, wheat and other cash crops. The major economic activity is agriculture and the rest includes manufacturing trade, commerce and service. The economy is agro-based and above 60% of national income is generated from this Sector. However the dependency is monsoon and use of traditional means of production is the major constraint of Agriculture. Thus agriculture is incapable of acceleration desired level of economic development due to the several bottlenecks.

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

² www.worldbank.org.np accessed on August 2012.

³ United Nation Education, Scientific and Cultural Organization, *NLSS-III 2010-2011*, (Accessed on August 2012 from www.unesco.org).

competitive advantages like hydropower, agro-industry, tourism and other sectors.

In recent years, tourism development and its marketing is regarded as the world's largest and fastest growing industry. It has been playing a vital role in the socio-economic sector 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 strength economic life by promoting tourism in the country. Tourism has been identified as an important source of foreign exchange earnings as an industry. It is creating employment opportunities and generating economic growth of the country. Considering the historical background, geographical situation and socio-cultural wealth there are enormous touristic potentialities in Nepal and the tourism industry has been playing a significant role in the country's economy. People from both East and West are attracted to visit Nepal due to having all important ingredients for tourism development. Nepal's natural attractions, resulting from physical, historical monuments and temples, art treasures and festivals and its wildlife are the best attractions for the foreign visitors. Nepal's Himalayas and their scenic beauty are also the prominent attractions to the visitors. Nepal is the country of Mount Everest, the land of yeti and land. Nepal is also birth place of Lord Buddha. It's various snow-peaked mountains, river and lakes, conducive climate and mysterious charms are inviting the visitors of the world. Cultural, religious and natural resources are the three major attractions of Nepal, which have eight cultural and two natural world Heritages sites. It offers nature based tourism activities like trekking, mountaineering, rafting and wildlife sanctuaries as well as culture and people based and man-made attractions. Considering all these potentialities, there is adequate prospect to develop tourism in the country. Tourism is a multi-faceted industry, which promotes cottage industry, trade and other services sectors. Tourism is one of the main sources of foreign exchange earnings for Nepal. Overall, tourism plays a vital role in the process of national

development, which is a boon to a country like Nepal with other limited resources.

1.1.1. Evolution of Tourism in Nepal

The history of Nepalese tourism can be found from ancient times. People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The recorded history of Nepal begins with the Lichhavis who came to power in 400AD with them the nation began to prosper in art, culture, painting, architecture and sculptures. The Mallas, who succeeded them, gave a new turn to this prosperity by transforming the small kingdoms of Kathmandu, Patan and Bhaktapur into “Open 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 1952 AD marked a new era in Nepalese Tourism for all foreign visitors. Nepal opens its door to international tourism after the dawn of democracy. For convenience development of tourism in Nepal can be remembered by dividing of tourism into three phases.

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

i. First Phase: History of Tourism before 1950.

The ancient history of Nepal is the history of Kathmandu valley and the ancient history of tourism is also related to the Kathmandu valley took birth when a visitor name Manjushree came here from china, cut the edge of the hill in chovar with a sword and emptied the water of the lake. After this in 248BC, emperor Ashok of India visited Nepal as a pilgrim and created Monastery entitled ‘Charumati Bihar’, and also for 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 Shragchong Ganpo visited Kathmandu. He met King Anshuvarma and married his daughter, the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts about the Dailaskut Bhawan and Mangriha of Lichhavi dynasty. Similarly, around 6th century, in the Kirati Regime, some foreigners visited Nepal as pilgrims. In the 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. 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 earnings from tourism for the development of infrastructure in the country.

ii. Second Phase: History of Tourism from 1950 to 1990.

A great political change took place in 1951 in Nepal. The Rana government was overthrown from power and Nepal got a new birth i.e. democracy was brought in the country. Thereafter, a range 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 they're 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 1955, 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, WTO, 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 the prince late Himalaya 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, tourism started to be considered as an industry and for its development efforts there have been made distributed posters, booklets to international organization and to provide sufficient hotel facilities and transportation facilities to tourists. As a result, there was 41-fold increase in tourists visiting Nepal, for example, 6179 tourists in 1962.

iii. Third Phase: After 1990

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

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

Similarly, the ninth plan had noted, "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 contribute to the national economy but also 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.

There has become a great change after the success of people's movement in Nepal. Now the country has been declared as republican nation. It has started to develop the country with a new dimension. Under the 3 years interim plan the first republican government has targeted to explore the new tourism marketing through the extension of transportation. It has planned to construct for railway services from east to west in southern range, Lok Marg from east to west in mountain region and fast track train services from Lhasa to Kathmandu to Lumbini. After the completion of these projects huge areas of tourism marketing will be explored. Thousands of Chinese tourists will visit Nepal through this fast track services.

1.1.2. Policies and Programs under Globalization in Nepal.⁴

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

⁴ Rudra Prasad Upadhyay , *A Study of Tourism al a Heading Sector for Economic Development of Nepal*, Unpublished Ph. D. Thesis, Department of Economics, Lacknow University, 2003, P.194.

important events that reflect upon globalization of tourism related activities in Nepal. These are:

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

1.2. Statement of Problem

In economic arena of Nepal, tourism plays a very important role. Tourism is one of the main sources of foreign exchange earnings. 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.

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, Sri Lanka. 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. Now the first republican government is planning to buy 5 Boeing Air jets. We have hope we can facilitate enough air services after the services of these Aeroplanes. If we summarize the problem that has been faced by NTB and Nepalese travel industry, we can point out as follows:

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

1.2.1. Tourism Marketing and Economic Development

Nepal is a land locked country. We do not have shipping access with the rest of the world. We do not have piles of mines. We do not have remarkable and income generating exportable goods. Although we have hydro-electricity potentiality of 83 thousand Mega Watts, we are not being able to exploit it. There is high level of politics within the phenomena of this exploitation. So it has become a dream only for us to exploit this potentiality. The next potentiality to grow our economy remains in tourism marketing. We have

natural beauty. We can attract thousands of tourists from abroad to see our natural beauty. Through this tourist trade we can generate employment, we can promote hotel business, and we can sell our gift products and so on. In many ways tourist marketing in Nepal can help us to grow our economy.

1.3. Importance of The Study

Tourism has been considered as one of the most important aspect of Nepalese economy. Nepal government is committed for the overall development of tourism sector. Due to the globalization process any part of world has become very closely accessible. People's desire has been increasing day by day because of information explosion. One can get any type of information of the world within a minute. In such situation if we can draw the attention of the world towards Nepal we can have so many visits of tourists from abroad. The visits of tourists in Nepal can help us to grow Nepalese economy by running our hotels, selling goods, traveling and trekking, etc. They can come to see the natural beauty of Nepal if we can provide them good services and make available of gift goods of good quality. So the study on potentiality of tourism market in Nepal will help us to find the new ways to develop the good services for tourists, to increase the production of tourist's goods of good quality, to improve the hospitality in hotels and markets, to improve the quality of Hotels, to maintain the beauty of side seen parks, roads and gardens etc. Ultimately the increase in visits of tourists in Nepal will give us opportunity to earn foreign currency, generate new employment opportunities, produce goods and services and exchange the cultures which helps us to grow economy. It also teaches us how we can make our promotional and marketing efforts more effective in world tourism market. We have the encouraging past record as an example of tourist inflow in Nepal as follows:

Table No. 1

Number of International Tourist Arrivals in Nepal

Indicator	Year		% Change	Share in 2010 of Total %
	2009	2010		
Australia and Territories	17900	19716	10.15	3.27
Europe	96009	111309	15.94	18.46
USA and Canada	41008	47387	15.56	7.86
U.K	35382	35539	0.44	5.90
SARC(except India)	55713	71239	27.87	11.82
India	93884	116321	23.90	19.30
Other Asian	120934	137537	13.73	22.81
Other	49126	63807	29.88	10.58
Total	509956	602855	18.22	100

Source: Nepal Rastra Bank, NRB Economic Review vol 24, April 2012

1.4. Objective 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 tourism market. The other sub-objectives can be mentioned as below:

-) To analysis the potential of tourism industry in Nepal.
-) To evaluate Nepali tourism and trend in general while focusing on the development of tourism make ting plan.
-) To examine the effectives of the present marketing and promotional plans.
-) To find out the trend of tourist arrivals in Nepal.
-) To find out the effectiveness of promotional activities for tourism development.
-) To suggest affordable measures for promoting tourism effectively.
-) To find the ways to grow economy through tourism sectors.

1.5. Limitation of the Study

-) The study is based mainly on secondary data.
-) The data available in published annual report have been assumed to be correct and true.
-) Due to Time and cost constraint not all the related areas are possible to cover in depth.
-) Only data of Tourism statistics 2010, MOCTCA has been analyzed

1.6. Organization of the Study

This research document is organized into five chapters: Chapter one consists of short introduction of Nepal and development history of tourism in Nepal, economic viability, problem identification, significance of the study, and objectives of study with research methodology. Chapter two provides extensive research reviews, which includes concept of tourism marketing, reviews of books, journals, articles that describes about tourism and tourism marketing with special reference to Nepal. Chapter three deals with research methodology, tools and techniques used to analyze and interpret the findings. Similarly, chapter four is about the analysis and presentation of the findings on the basis of primary as well as secondary data that were taken from various sources. The last part, chapter five provides summary of the whole research work, recommendations for development based on the major findings and the conclusion.

CHAPTER II

REVIEW OF LITERATURE

2. Introduction

“Tourism is the total relationships and phenomena linked with the stay of foreign persons in a locality on condition that they do not settle there to exercise a major permanent or temporary activity of a lucrative nature”⁵. “Simply we mean by the word tourism, the income generated by arrival of tourists in the country. But the literal concept of the word tourism is different. 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, travel of principle places of a country or region.”⁶

Some author describes tourism as a system. Webster’s new international dictionary defines it as travelling for recreation. In technical sense, the world tourism signifies reception of the foreigners with an idea of exhibiting them our possessions. Tourism is systems of four inter related part of market, travel destination and marketing. Marketing is service related to the Tourist. The second segment of tourism is travel which includes where and when to go. Third segment destination consists of attraction, accommodation and amenities. These mix individually or jointly to encourage people to travel. According to Edmond Picord, Professor and economist at university of business, the function of tourism is to import currency from foreign resources into the country. Its

⁵ Lea John, *Tourism and Development in the Third World*, Tata McGraw-Hall, New Delhi, 2002, P.47.

⁶ Jagmohan Negi, *Tourism Travel Concepts and Principles*, Gitanjali Publishing House, New Delhi, 1990, P.21.

impact is what tourist expenditures can do to the different sectors of the economy and in particular the hotel keepers.

From the above facts tourism is known as a visit a person from one place to another for their want. International Association of Scientist Experts in Tourism (IASSET) further added few points as Tourism arises from the movement of people and their stay in various destinations.

2.1. Conceptual /Theoretical Review

2.1.1. Meaning and definition of Tourism

There are two elements in tourism, the journey to the destination and the stay including activities at the destination. The journey and the stay takes place outside the normal place or residence and work so that tourism gives rise to activities which are distinct from those of the resident and marketing populations of the places. The movement to destinations is of temporary, short term character with intention to return within a few days, weeks or months. Destinations are visited for the purpose other than taking up permanent residence or employment.

The word “tourist” started being used more from the early nineteenth century as somewhat disapproving synonym for traveler. It is now used in social science to describe any person whose movements fulfill two conditions:

-) The absence from home is relatively short.
-) That the money spent during absence, is money which is not earned in the places visited.

Definition of tourism by various authors by various ways: -

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."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." This definition received the first prize by Academic International de Tourism at Monte Carlo in 1952.

However, this definition does not seem to be broad enough. Another definition of tourism given by the Swiss professors Waiter Hunziker and Kuet Krapf, in 1942, is more phenomenon's 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."⁸

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"⁹

The most widely used and popular definition of tourism is one prepared by the United Nations conference on International Travel and Tourism held in Rome in 1963. This definition was recommended by International Union of Official Travel Organizations (IUOTO) in 1908. Again, in 1993, the United Nations Statistical Commission adopted Rome definitions of tourism in revised form prepared by World Tourism Organization (WTO) as a follow up to the Ottawa International Conference on Travel and Tourism Statistics, jointly organized by

⁷ Y.R Satyal, *Tourism in Nepal-a Profile*, Nath Publishing House, Varanasi, 1988, P.7.

⁸ A.K. Bhatia, *International Tourism*, Sterling Publishers, New Delhi, 1994, P. 38.

⁹ Ibid.

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 by WTO, Framework for the collection and publication of Tourism Statistics: 4 "any person on a trip between two or more countries or two or more localities within his/her country of usual residence"

An Austrian economist Hermann Von Schellard, in the yearbook 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"¹⁰

The League of Nations defined in 1937 the term foreign tourist as; "Any person visiting a country, other than that in which he/she 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

¹⁰ K. I. Batra, *Problems and Prospects of Tourism*, Printwall Publisher, Jaipur, 1990, P.1.

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.

The Department of Tourism defines tourists as citizen of all foreign countries visiting Nepal and staying for at least 24 hours and utmost 6 months for various purposes like recreation, health, study, religion, pilgrimage, business, sightseeing, conference and mountaineering excluding the permanently stationed representatives or staff of foreign organization in Nepal.

2.1.2. Tourism Marketing

“Tourism marketing is defined as the systematic and coordinated efforts exerted by the national tourist organizations and tourists enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals in view of the sustained tourism growth.”¹¹

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.

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"

Now, Tourism being the fastest growing and most competitive industry in the

¹¹ A.K. Bhatia, *International Tourism*, Sterling Publishers, New Delhi, 1994, P.142.

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."¹² 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.¹³

According to Krippendorf "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.¹⁴

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. Government also should take necessary initiative

¹²A.K. Bhatia, *International Tourism*, Sterling Publishers, New Delhi, 1994, P.137.

¹³ Jagmohan Negi, *Tourism Travel Concepts and Principles*, Gitanjali Publishing House, New Delhi, 1990, P.387.

¹⁴ A.K. Bhatia, *International Tourism*, Sterling Publishers, New Delhi, 1994, P.142.

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.

NAC 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.

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.

"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".¹⁵

Hence, development of tourism of Nepal should take into account promotional and marketing issues as well as deal with the inherent problems and challenges.

2.1.3. Types of Tourism¹⁶

People travel for different purposes and different factors create desire to travel

¹⁵ Puspa Sherestha, *Tourism in Nepal: Problem and Prospect*, Unpublished Ph. D. Thesis, Department of Economics, Banaras Hindu University, 1999, p.85.

¹⁶ Matekoo Bindu, *Role of Tourism in Economy*, Prentice Hall of India Pvt. Ltd, New Delhi, 1989, P. 45.

and make them tourists and travel from place to place. There are various types of tourism, which includes: -

1. Recreational Tourism

It is mainly concerned with leisure and rest and to recover physical stamina. This type of tourist usually stays longer the visitor's stay by the sea or in mountain area for relaxation. They are preference to go to climate resort.

2. Sport Tourism

Tourists interested in sports are of two types, Firstly visiting sport events like Olympic games, world cup, Asian games, football etc, which attracts not only sportsman to host the country but also a large number of sports fan tourists to see these function. Secondly to visit well organized sporting event in countries which have specialized facilities such as winter sports, natural sports, mountain climbing, hunting, fishing etc.

3. Cultural Tourism

This type of tourism is motivated by the eagerness to learn different cultures of different countries, mostly this type of tourist to learn different habits, language and customs of people.

4. Business of Technical Tourism

Tourist come for business purpose, attend convention and conferences are called business tourist. To attract more convention tourist there should be Hi-tech convention complexes for business meetings, seminars etc.

5. Pilgrimage Tourist

Many Hindu and Buddhist devotees have been coming to Nepal as pilgrims from foreign countries so relating such type of tourist are recalled as pilgrimage tourism.

6. Pleasure Tourism

Under pleasure tourism, people go on holiday for enjoyment out of curiosity, to take rest, observe something new for delight, good scenery of unknown tradition. This type of tourism usually depends upon different taste of different people.

2.1.4. Relation between tourism and economic growth

Tourism is one of the most remarkable sources of economic growth of the nation. It provides countries like ours a considerable potential of economic growth but it depends upon the realistic goals to be achieved. Since tourists visiting a destination required additional services like transportation, water supply etc, these should be created or expanded in a bigger amount. It is true that the place of tourism in the economic and social development of nations is very much inter related.

“The number of international tourist arrivals illustrated an evolution from a mere 25 million international arrivals in 1950 to an estimated 806 million in 2005, corresponding to an average annual growth rate of 6.5% (UNWTO, 2009a). Moreover, international tourist arrivals in the world grew by 6.9% in 2007, highest growth in Middle East (15.3%), followed by Asia Pacific (10.5%), Africa (8.5%), Europe (5.2%) and Americas (4.9%) in the same year (UNWTO, 2009b). international tourist arrivals in the world grew by 6.9% in 2007, highest growth in Middle East (15.3%), followed by Asia Pacific (10.5%), Africa (8.5%), Europe (5.2%) and Americas (4.9%) in the same year (UNWTO, 2009b).

Apparently, tourism exports have become an important sector and a growing source of foreign exchange earnings in many developing countries (Seddighi & Theocharous, 2002). It is a demand-driven, service-oriented industry, experiencing rapid growth and innovation and plays a key role in the growth of the country's economy (Chu, 2008). The tourism industry, which benefits the

transportation, accommodation, catering, entertainment and retailing sectors, has been blooming in the past few decades (Cho, 2003). Furthermore, international tourists have increasingly sought exotic destinations in their pursuit of relaxation, escape, and adventure in the preceding century and recognizing the opportunity to earn valuable foreign currency, developing countries have catered to these desires by encouraging tourism development (Werner, 2003). Economic literature on economic growth and tourism argues that international tourism may affect growth through several ways beyond the direct revenues receipts from tourist.

For example, the foreign direct investment associated with this sector can bring managerial skills and technology with potential spillover benefits to other sectors as well. National policies designed to foster tourism, by improving security, stability, and openness, can also enhance growth in other sectors of the economy (Arezki, Cherif, & Piotrowski, 2009).¹⁷

In context of our country Nepal, “602855 tourists arrived in Nepal in 2010 which is more 18% figure in compared to 2009. In the year 2008/09, the foreign earnings amounted to NRs.27.96 billion. This figure is 40% of total merchandize export value and 22.8% of total value of exports of goods and non-factorized services and in the year 2009/10 (first 8 months), the foreign earnings amounted to NRs.16.676 billion. This figure is 40% of total merchandize export value and 23.1% of total value of exports of goods and non-factorized services. The figure reveals that the percent share of value of foreign exchange earnings from tourism in national GDP fluctuated over the time and in 1980, 1981 and in between 1988-1999 was more than 3 percent and reached more than 4 percent in 1992 and 1993. However, the mean contribution of this industry as a percentage of GDP was 2.67”¹⁸.

¹⁷ Nepal Rastra Bank, *NRB Economic Review Vol 24-1, April 2012 full text*, P. 32 (Accessed on www.nrb.org.np).

¹⁸ Nepal Rastra Bank, *NRB Economic Review Vol. 24-1, April 2012 full text*, Pp 33 - 48 (Accessed on www.nrb.org.np).

Employment opportunity also provide by tourism industry directly and indirectly. Following table gives light on direct employment opportunity provided by tourism industry which is directly related with economic development.

Table no. 2
Direct employment generated by tourism sector(In number)

Year	Total number of tourist	Direct employment (by 15:1 ratio)	Direct Employment (by 5.6:1 ratio)
1980	162,897	10,860	29,089
1985	180,989	12,066	32, 319
1990	254,885	16,992	45,515
1995	363,395	24,226	64,892
2000	463,646	30,910	82,794
2005	375,398	25,027	67,035
2008	500,277	33,352	89,335
2009	509,956	33,997	91,063

Source: Nepal Tourism Statistics, 2009 and other issues; NPC, Ninth Plan and Tenth Plan.

2.1.5. Major Tourism Activities in Nepal¹⁹

1. Mountain Climbing

The 800 km stretch of the Nepal Himalayan is the greatest in the world with eight peaks that rise above 8,000m including the highest in the world, Mt. Everest. Ever since the country opened its peaks to climbers in 1994, the Nepal Himalayan has become a great theatre of mountaineering activity and the

¹⁹ Ministry of Culture and Civil Aviation, (Accessed on 2012-10-12 from www.tourism.org.np).

drama of success and failure have provided impetus to thousands of men and women to meet the ultimate challenge. The Nepal Himalayan has been an attraction to many people, be they saints, philosophers, researchers or adventures.

2. Trekking

The best way to experience Nepal's unbeatable combination of natural beauty and culture riches is to walk through them. One can walk along the beaten trails or virgin tracks. Either way you are in for an experience for a lifetime. Along with forests of rhododendron, isolated hamlets, and small mountain villages, birds, animals, temple, monasteries and breathtaking landscapes, you will also encounter friendly people of different cultures offering a fascinating glimpse of traditional rural life.

3. Bird Watching

Nepal is a paradise for bird lovers with over 646 species (almost 8% of the world total) of birds, and among them almost 500 hundred species are found in Kathmandu Valley alone. The most popular bird watching spots in Kathmandu are Phulchoki, Godavari, Nagarjun, Bagmati River, Taudaha and so on. Get your binoculars and look forward to a rewarding experience.

4. Mountain Flight

Only awe-stricken silence can come close to matching the experience of going on a mountain flight to encounter the tallest mountains on earth. Mountain flights offer the closest possible aerial views of Mt. Everest, Kanchenjunga and the Tibetan Plateau. Mountain flights appeal to all category of travelers and have become a popular tourist attraction of Nepal. For those who are restricted by time or other considerations from going for a trek, these flights offer a panoramic view of the Himalayan in just one hour.

5. Rock Climbing

For all those cliffhangers out there, Kathmandu offers a roster of stone walls that make for an experience of a lifetime. Now of late, Rock climbing has become a popular sport in Kathmandu, which offers some really terrific places for rock climbing. Nagarjun, Balaju, Shivapuri and Budhanil Kantha are some of the places where you can try this sport.

6. Rafting/ Kayaking/ Canyoning

Rafting is one of the best ways to explore the typical cross section of natural as well as ethno-cultural heritage of the country. There are numerous rivers in Nepal which offer excellent rafting or canoeing experience. You can glide on calm jade waters with munificent scenery all about or rush through roaring white rapids, in the care of expert river-men employed by government authorized agencies. One can opt for day of river running or more. So far, the government has opened sections of 10 rivers for commercial rafting. The Trisuli River (Grade 3+) is one of the most popular of Nepal's raftable rivers. The Kali Gandaki (5-5+) winds through remote canyons and deep gorges for five days of intense rapids. The Bhoté Koshi (4-5) is 26km of continuous white water and the raging Marshyanghi is four days of uninterrupted white water. The Karnali River (4-5) provides some of the most challenging rapids in the world. The Sun Koshi (4-5), 27km, requiring 8-10 days to complete, is a big and challenging river. Adventurers are provided with world-class services by rafting agents. Agencies here provide life jackets, camping and the standard rafting paraphernalia needed by world-class rafting. An extremely popular sport in Europe, canyoning is now available in Nepal. Canyoning gives you the freedom to explore some of the most ruggedly beautiful, yet forbidden places in the world.

7. Hot Air Ballooning

Hot air ballooning is very popular with tourists for it affords the most spectacular bird's-eye view of the Kathmandu valley and the Himalayan ranges

towering in the background. On a clear day it's a superb way to view the Himalayan (from over 6000m up), and the view of the valley is equally breathtaking.

8. Bungy Jumping

The ultimate thrill of a bungy jump can now be experienced in Nepal at one of the best sites that this sport can boast of anywhere in the world. Nepal's first bungy jumping site is situated 160m. Over the Bhoté Koshi river, inviting you to experience the ultimate adrenaline rush in the surroundings of this amazing place. The jump, at 160m., is staffed and operated by some of the most experienced jumpmasters in the business.

9. Paragliding

Paragliding in Nepal can be a truly wonderful and fulfilling experience for the adventure seeking. A trip will take you over some of the best scenery on earth, as you share airspace with Himalayan griffin vultures, eagles, kites and float over villages, monasteries, temples, lakes and jungle, with a fantastic view of the majestic Himalayas.

10. Ultralight Aircraft

Ultralight aircraft take off from Pokhara and offer spectacular views of the lakes, mountains and villages. This is an ideal way to see life from a new perspective. The choice of Pokhara Valley for ultra-light aircraft is appropriate chiefly because of the proximity of the mountains, and the scenic lakes. For those who wished they could fly birds when growing up, this flight is a must. It might be lonely at the top, but this flight is a must. It might be lonely at the top, but the spectacular view from up high certainly makes it all worth it. Flights are from the Pokhara airport beginning September through June. The flights take place from sunrise to 11 a.m. and from 3 p.m. to sunset every day during these months.

11. Mountain Biking

The best way to explore the Kathmandu Valley is on a mountain bike. Nepal's diverse terrain is a mountain biker's dream adventure comes true. Mountain biking offers an environmentally sound way of exploring this magnificent country, its landscape and living heritage. There are plenty of dirty roads and trails in Nepal to meet every mountain biker's wildest fantasy. Mountain biking is specially recommended if you wish to explore urban centers of Nepal such as Pokhara and Kathmandu as well as the countryside. Adventurous souls may plan extended trips to such exotic locales as Namche Bazaar, and western Nepal. You could even do the entire length of Nepal across the plains. Mountain bikes are available for rent by the day or longer in many of the bicycle rental outlets in Nepal and around the city.

12. Jungle Safari

National Parks located specially in the Terai region in Nepal attract visitors from all over the world. A visit to these parks involves game- stalking by a variety of means-foot, dugout canoe, jeep, and elephant back. One is bound to sight a one – horned rhino or two at every elephant safari. Besides the rhinos, wild boars, samburs, spotted deer, sloth bear, four-horned antelope are also usually seen. A Royal Bengal tiger may surprise you by his majestic appearance.

2.1.6. Major Tourism Sites²⁰

1. Kathmandu

Kathmandu, the capital city of Nepal, is one of the world's oldest cities. The old part of the city, with narrow medieval streets and lovely little shrines, centers on the Durbar Square. One can find distinctive pagoda-roofed temples, stone sculptures, old monasteries and historic monuments in Durbar Square.

²⁰ Ministry of Culture and Civil Aviation, (Accessed on 2012-10-12 from www.tourism.org.np).

2. Bhaktapur

Bhaktapur or also known as Bhadgaon, is a museum of medieval art and architecture with many fine examples of sculpture, woodcarving and colossal pagoda temples consecrated to different gods and goddesses. The city is shaped like a conch shell-one of the emblems of the god Vishnu and was founded by King Ananda Deva in 889 A.D. Pottery and weaving are its major traditional industries. The city lies fifteen Kilometers to the east of Kathmandu. The city is 1,402 meters above sea level.

3. Patan

The ancient name of Patan is Lalitpur which means a city of beauty. It is indeed a city of beauty and grace and is planned on a circular format with Buddhist stupas at each of the four points of the compass. The city is three Kilometers south-east of Kathmandu across the river Bagmati. Like Kathmandu, its center of attraction is Durbar Square complex, situated right in the middle of the market place. The city is full of Buddhist monuments and Hindu temples with fine bronze gateways, guardian deities and wonderful carvings. Noted for its craftsmen and metal workers, it is also known as the city of artists. It is believed that the city has been built during the reign of Vira Dev in 299 A.D.

4. Pokhara

Pokhara, an enchanting city nestled in the tranquil valley, is the starting point for many of Nepal's most popular trekking and rafting destinations. The serenity of Phewa Lake and the magnificence of the fish-trail summit of Machachhapuchhre (6,977m) rising behind it creates an ambience of peace and magic. The valley surrounding Pokhara is home to thick forests, gushing rivers, clear lakes and the world famous views of the Himalayas. Situated 200 km west of Kathmandu, the city is connected by air and road not only from Kathmandu but from other parts of the country. Pokhara offers magnificent

views of Dhaulagiri, Manaslu, Machchhapuchhre, five peaks of Annapurna and other peaks.

5. Lumbini

Lumbini is the birthplace of Siddhartha Gautam. The Shakya prince and the ultimate Buddha, the Enlightened One, is the pilgrimage destination of the world's millions of people faithful to all schools of Buddhism. UNESCO lists this nativity site, identified by Indian Emperor Ashoka's commemorative pillar as a World Heritage Site. The main attraction of Lumbini remains the Sacred Garden which spread over 8sq km, possessing all the treasures of the historic area. The Mayadevi temple is the main attraction for pilgrims and archaeologists alike. Here we find a bas relief of Mayadevi, Lord Buddha's mother giving birth to him. Standing west to the Mayadevi shrine is the oldest monument of Nepal, the Ashoka Pillar. Emperor Ashoka erected the pillar in 249 BC to commemorate his pilgrimage to the sacred site. To the south of the pillar, we find the sacred pond, {Puskarni} where Queen Mayadevi had taken a bath just before giving birth to Lord Buddha. Places of various interest surrounds the area There are other places of interest too nearby. It is accessible by air from Kathmandu to Bhairawa. From Kathmandu it takes about eight hours by bus or car.

6. Chitwan

Chitwan is one of the finest national parks in Asia, renowned for its concentration of wildlife and top class tourist lodges, which provide the opportunity to see animals in their natural habitat. Chitwan which means the 'heart of the jungle' is among the last surviving example of the continuous band of forests and grasslands, which once extended from the Indus River in Pakistan to the Burmese border. The main attraction here is the Chitwan National Park, One of the largest forests regions in Asia teeming with wildlife such as the rare great one-horned rhinoceros, several species of deer, sloth bear, leopard, wild boar, fresh water, dolphin, crocodile, more than 350 species of birds and the elusive Bengal tiger. Chitwan National Park is listed in the

UNESCO World Heritage Site (natural) list. Visitors to Chitwan may enjoy elephant back excursions, nature walks, canoe trips and jungle treks. There are several authorized agencies to organize such safaris. Visitors may also take a river raft. First driving from Kathmandu to the river Trishuli or Seti Khola, The five-hour drive to Chitwan (165km overland) from Kathmandu is filled with thrilling views of the hills, rivers and plains with jungles on either side.

7. Dhulikhel

Dhulikhel is scenic and town situated 30 kilometers east of Kathmandu on the Arniko Rajmarg (Kathmandu Kodari Highway). From here one can have a panoramic view of the Himalayan range. From the main town, a short visit to Namobuddha, with stupa and Buddhist Monastery is highly recommended site to visit. Panauti, a village noted for its numerous temples with magnificent woodcarving, is a short distance from Dhulikhel.

8. Muktinath & Jomsom

It is believed that all miseries / sorrows are relieved once you visit this temple (Mukti=Nirvana, Nath=God). The famous temple of Lord Muktinath lies in the district of Mustang and is situated about 18km northeast of Jomsom at an altitude of about 3,749m. The main shrine is a pagoda shaped temple dedicated to Lord Vishnu. Set into the wall around it is 108 waterspouts from which pour holy water. The temple is situated on a high mountain range and is visited during fair weather. There are two ways to get to Muktinath from Kathmandu. Either take a direct flight from Kathmandu via Pokhara to jomsom and hike for 7-8 hours via Kagbeni or trek all the way from Pokhara which takes 7-8 days. It is believed that one should visit this temple after competing pilgrimages of four Dhams in India. This temple is held sacred by Hindus as well as Buddhists. The Jwala Mai temple nearby contains a spring and an eternal flame fed by natural gas underground. Jomsom is a major center in the Annapurna region. There is a world-class accommodation facility in Jomsom from where one can enjoy remarkable natural beauty.

9. Gorkha

Gorkha is the birthplace of King Prithvi Narayan Shah the great, the founder of modern Nepal. Situated on a hill overlooking the snowy peaks of the Himalaya is a beautiful old palace known as Gorkha Durbar. There are two attractive temples of Gorakhanth and Kali inside the place precinct. Gorkha can be reached in about six hours by road from Kathmandu and four hours from Pokhara. A side trip to Manakamana temple, on the way to Gorkha is very enjoyable and interesting. The Nepalese believe that MANAKAMANA Goddess fulfills the wishes of all people and that's one reason why the temple is visited by the tourist and the locals all through the year.

2.2. Tourism Promotions

“Till the late 1960’s Nepal used to be the destination for wealthy travelers in search for exotic destinations and mountaineers. Then Nepal was discovered by hippie movement who were the forerunners of the present budget travelers. The Himalayas, wildlife, trekking on established routes and major religious sites can be side as the classified Nepali product in the tourism sector.

Nepal started tourism promotion particularly form 1960s followed by the constitution of the Nepal Tourism Development Committee (1970) with the formation of the Nepal Tourism Master plan (1972). In 1977, the government of Nepal set us a separate ministry to look into tourism affairs. However, Nepal’s tourism for the three decade perspective of tourism development similar to other aggregate achievements reflects only the past trend and does not necessarily mean a linear achievement reflects only the past trend and does not necessary mean a linear directive for the future.”²¹

“With Nepal tourism brand 'Naturally Nepal, once is not enough !', the government of Nepal in consultation with Nepalese travel trade sector and concerned organizations decided on October 25, 2008 to launch a national

²¹ Dr. Harka, *Destination Nepal*, Himalayan Publishing House, Bombay, 2007, P23.

tourism campaign "Nepal Tourism Year 2011". The main objective of this announcement reflects the government's expectation to bring tourists Nepal at least one million by the year 2011. The campaign will also focus on mobilizing the networks of the Non-Resident Nepalese (NRN) communities, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines and national and international media. Similarly, friends and well-wishers of Nepal, tourism academicians and celebrities will be approached in order to highlight the campaign internally as well as internationally”²²

“The Observation started the need for an effective marketing plan, particularly because it is a service industry with a fixed product. L.K. Pradhan categorizes Nepal’s market into five groups. These are: -

- i. The allo-centric visitor (lovers for outdoor and adventure travelers)
- ii. The psycho-centric visitor (Traditional relaxation and pleasure seekers)
- iii. The semi-centric visitors (a combination of pleasure, holiday and adventure-a growing trend for Nepal)
- iv. The seasonal holiday visitors (Mainly regional tourists, summer holiday makers and convention and conference visitors) and
- v. Individuals and small family groups of budget travelers.”²³

Nepal’s past marketing has been mainly based on speculation without sufficient information on the tourist market. The promotion has thus remained limited. For a development country like Nepal, tourism can bring very higher prospects of increasing foreign exchange for which publicity and special target group focused advertising is essential. The major part of marketing Nepal was done by Nepal Airlines Corporation, but this national carrier has been suffering from internal crisis and the tourism objectives do not totally match its infrastructure

²² Nepal Tourism Year 2011 (Accessed on www.nepaltourismyear2011.com).

²³ L.K Pradhan , *Tourism in Nepal: Development and Diversification*, Education Enterprise Pvt. Ltd., Kathmandu,2001, P.25.

levels. So a proper market-focused promotional plan is needed with broad national tourism objective.

2.3. Strength, Weakness, Opportunity and Threat (SWOT) Analysis

) Strengths

After the peace agreement between government of Nepal and so called rebel group the political parties of Nepal have been agreed and given their commitment to tourism as the most important sector of Nepalese economy. Consequently the "New Nepal" was awarded also a new tourist brand name. The natural beauty, diversity and unique features at the same time are representing a permanent strong point of tourist sector in the country. Natural beauty is the one of the most important strength of tourism sector. Eye Silver Snow cap

) Weaknesses

The country could not earn foreign currencies as expected from this sector. Poor infrastructures, poverty, illiteracy, are always a serious problem in tourism sector, especially airlines and transportation services are bottlenecked. Drinking water and hygienic food also represent a big problem for rural tourism since they are not easily accessible in rural areas. The major weakness is always disturbances and strikes in the main highways from the political parties. So tourism industries are unmotivated and are in sickness condition. Less use of computer technologies and software programs are the drawback of his sector. Lack of inventory of tourism sites and lack of good master plan, the possibility of integrated and coordinated development of the tourism sector has not yet been transformed to an opportunity. Apart from conventional tourism, development and growth of other innovative tourism, such as adventure tourism and eco-tourism, has not been encouraging. During the political conflict in Nepal many airports were damaged and need to physical infrastructure development, expansion and modernization of various airports,

and construction of new airports could not be carried out at the same time due to the lack of adequate resources.

) Opportunities

Economical emerging and most populist neighboring countries India and China represent the enormous potential for tourism sector in near future. The promotions of regional tourism through South Asian Association for Regional Cooperation (SAARC) could be the useful instrument to develop this sector. Community based rural tourism is the high potential of the country. People become more conscious in updating an inventory of cultural heritage of the country. The natural scenery, high mountains, incomparable cultural heritage and various specialties have made Nepal a well-known place in the world tourism map. There is a possibility of further growth in the number of tourists with the opening up of new mountains and restricted areas. Recently political developments in Nepal and peace agreement with so called rebel group are improving the country's image at global level and have help to bring more tourists to Nepal. There is also an immense possibility of developing adventure tourism in the mountains and rivers of Nepal.

) Threats

Political condition still not quite good, strike in the tourism industries is the major problem, not good air connectivity with rest of the world, security problems and so on is the major domestic threats. There are some declining figures in tourism inflow in Nepal due to the very recent global financial crisis. More importantly, threats from the competition on the global market, especially from close competitors like Malaysia, Thailand, Singapore, Sri Lanka, Maldives where the resource constraints like low budget comparing to competitors, slow development of infrastructure also have an important negative role.

CHAPTER III

RESEARCH METHODOLOGY

3. Introduction

This chapter includes:

1. Research Design
2. Population and Sample of the Study
3. Sources and Collection Procedures of Data
4. Data Analysis Tools

3.1. Research Design

Discriptive and Analytical Research Design are used for analysis of the data in this thesis.

3.2. Population and Sample of the Study

Tourists visited in Nepal till now are the population of this study. But it is very difficult and time consuming to analyze all the data of the population. Therefore a sample should be drawn for the study for few years mainly which is published in Tourism Statistics 2010, MOCTCA in this study.

3.3. Source and Collection Procedures of Data

In this study, secondary data is very important because all of the figures were used from secondary source. The information for the study was compiled by visiting different libraries including the library of Tribhuvan University, Magazines of Nepal Tourism Board (NTB), web site of Ministry of Culture, Tourism and Civil aviation, Books of Tourism, Association of Travel Agents, Newspapers, different tourism related books, magazines, reports, journals, websites and all available published materials concerning the study from different sources which deals with the Tourism Trends.

3.4. Tools And Techniques Used In Data Analysis

In order to accomplish the objective of the study various graphs, diagrams, including pie charts, bar charts have been applied for the purpose of analysis. The result of analysis has been tabulated, analyzed and interpreted.

1. Statistical Tools

To draw the conclusion by analyzing the collected data simple statistical tool like bar diagram, pie-chart are used and tabulation are used to implicit the comparative results.

2. Bar-chart diagrams

Diagrams and graphic are visual aids which give a bird's eye view of set of numerical data which show the information in a way that enables us to make comparison between two or more than two set of data.

3. Pie-chart diagrams

A pie-chart diagram is a widely used aid that is generally used for diagrammatic presentation of the values different widely in magnitude. In this method all the given data are converted into 360 degree of the angel of circle is 360 degree and all components of the data are presented in terms of angles that total 360 degree for one set of data.

4. Percentage

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

5. Line Chart

Line Chart is one of the most useful tools for presenting trend. By help of Line chart we can easily know trend on one glance.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1. Introduction

The following chapter contains statistics relating to the tourists in term of their nationality, country of residence, mode of transportation, purpose of visit, age, sex and the relevant matter with explanation. It also includes the tourism receipts and availability of Indian tourist coming by air and surface transport.

4.2. Impact of tourism in Nepal

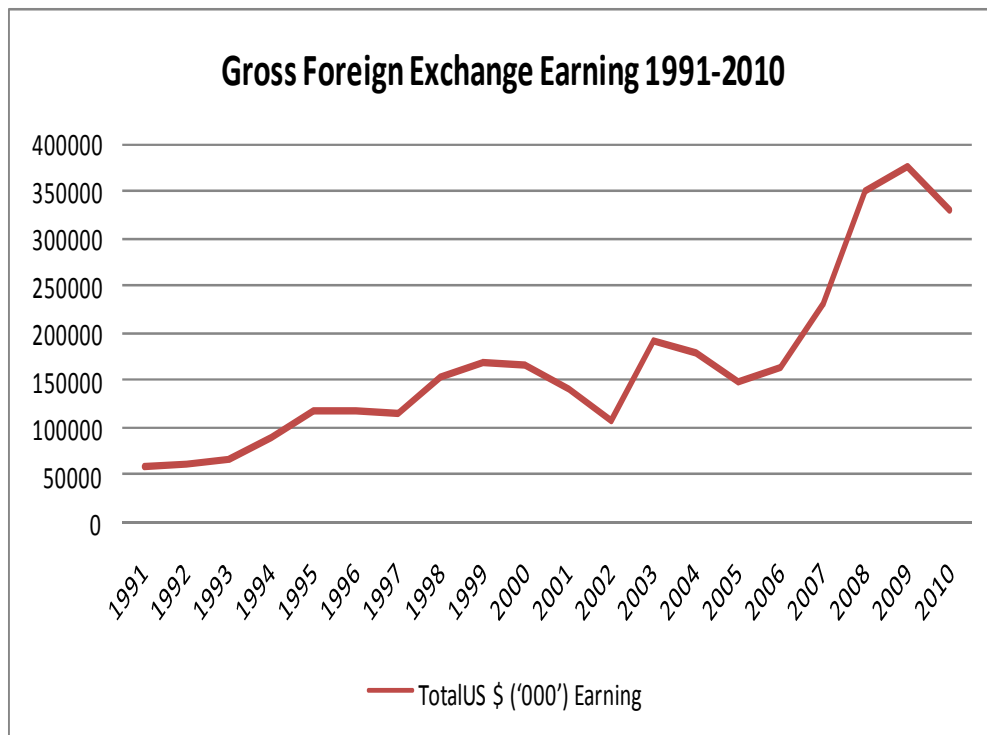
Unlike the development countries, Nepal so far has not been able to generate income through the merchandise export so the trade gap presently is being adjusted partly by tourisms receipts and partly by remittances from abroad. In 1991, the total receipt from tourism was US \$58,589. The growth in tourism in 1991, 1996-1997, 2000-2001, 2004-2005 and 2010 was very much negative in overall impact. (Table No. 3) The pattern of tourist inflow is controlled by the concentration of the tourists in Kathmandu which comes as new problems facing the tourism Industry in some destinations.

Table No. 3
GROSS FOREIGN EXCHANGE EARNINGS, 1991-2010

Year	Total Earning		% Change in US \$	Average Income per Capital in US \$	Average Income Per Visitor Per day in US\$
	US \$ (‘000’)	NRs (‘000’)			
1991	58589	2260808	-8.0	292.2	31.0
1992	61090	2838100	4.3	268.2	26.4
1993	66337	3225464	8.6	315.6	26.4
1994	88195	4341700	32.9	393.7	39.4
1995	116784	6059000	32.4	474.5	42.1
1996	116644	6599700	-0.1	430.0	31.9
1997	115904	6698700	-0.6	401.9	38.3
1998	152500	10024482	31.6	475.8	44.2
1999	168100	11421084	10.2	479.1	39.0
2000	166847	11827403	-0.7	453.7	38.2
2001	140276	10468205	-15.9	472.4	39.6
2002	106822	8300553	-23.8	512.0	64.8
2003	192832	14508396	80.5	765.9	79.1
2004	179941	13146534	-6.7	609.8	45.1
2005	148411	10600345	-17.5	532.0	58.5
2006	162790	11784644	9.7	561.0	55.0
2007	230617	15185071	41.7	535	45.0
2008	351968	24802155	52.6	860.3	73.0
2009	377172	28996950	7.2	739.6	65.3
2010	329982	23428700	-12.5	547.4	43.2

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 1



The receipts for the years 1990 and 1991 was the year of political movement and restoration of human rights and the following transitional year in which a decline was registered in the foreign exchange earnings every though the number of tourists was higher compared to the previous years. Similarly on 2001, 2002, 2004, 2005 years was also the decline of foreign exchange earnings due to the internal conflict in the country with the Maoist but slowly as the situation stabilized. The year 2006 and 2007 again we see a substantial increase in the foreign exchange earning but in 2010 foreign exchange earning again decreased compared to previous year. (Table 3)

Nepal earns foreign exchange earnings \$58 million in 1991 and reached \$ 3.29 billion in 2010. In 1991, average income per visitor per day in US\$ was 31 and reached \$ 79.1 in 2003. Due to some political condition of our country average income per visitor per day was \$43.2 in 2010. Average income per capita in was \$292 in 1991 and \$765.9 in 2003. In 2010, average income per capita was \$547.4 (Table 3). Thus it is to realize that tourism is major importance for the development of the country's economy.

4.3. Tourist Arrival By Air And Land

The table no 4 shows that there is an increasing trend of tourist inflow every year in the country except in 1993, 2000-2002 and 2005 national as well as international political and economic disturbances. The growth rate of the tourist inflow increased to its maximum in 1991 with 15%, 1992 with 14.1% and in 2003 the highest with 22.7%. The minimum growth rate found was in 2002 with -23.7%.

The table no 4 indicates that about 84% of the tourist arrived in Nepal by air. The maximum air passenger is found in 1991 with 91%. Similarly only 9% tourist arrived by land that year. The maximum tourist visiting Nepal by land is in 2006 and 2007 with 26%. The same table shows the average length of stay of the tourists. The maximum length of stay was found in 2004 with 13.52 days. The minimum length of stay was in 2002 with 7.92 days. Thus from the analysis it can be said that there is no remarkable change in the average length of stay of the tourists.

Table No. 4
Tourist Arrivals by Air and Land (1986-2010)

Year	Total		By Air		By land		Average length of stay
	Number	Growth Rate %	Number	% of total	Number	% of total	
1986	223,331	23.4	182,745	81.8	40,586	18.2	11.16
1987	248,080	11.1	205,611	82.9	42,469	17.1	11.98
1988	265,943	7.2	234,945	88.3	30,998	11.7	12.00
1989	239,945	-9.8	207,907	86.6	32,038	13.4	12.00
1990	254,885	6.2	226,421	88.8	28,464	11.2	12.00
1991	292,995	15.0	267,932	91.4	25,063	8.6	9.25
1992	334,353	14.1	300,496	89.9	33,857	10.1	10.14
1993	293,567	-12.2	254,140	86.6	39,427	13.4	11.94
1994	326,531	11.2	289,381	88.6	37,150	11.4	10.00
1995	363,395	11.3	325,035	89.4	38,360	10.6	11.27
1996	393,613	8.3	343,246	87.2	50,367	12.8	13.50
1997	421,857	7.2	371,145	88.0	50,712	12.0	10.49
1998	463,684	9.9	398,008	85.8	65,676	14.2	10.76
1999	491,504	6.0	421,243	85.7	70,261	14.3	12.28
2000	463,646	-5.7	376,914	81.3	86,732	18.7	11.88
2001	361,237	-22.1	299,514	82.9	61,723	17.1	11.93
2002	275,468	-23.7	218,660	79.4	56,808	20.6	7.92
2003	338,132	22.7	275,438	81.5	62,694	18.5	9.60
2004	385,297	13.9	297,335	77.2	87,962	22.8	13.51
2005	375,398	-2.6	277,346	73.9	98,052	26.1	9.09
2006	383,926	2.3	283,819	73.9	100,107	26.1	10.20
2007	526,705	37.2	360,713	68.5	165,992	31.5	11.96
2008	500,277	-5.0	374,661	74.9	125,616	25.1	11.78
2009	509,956	1.9	379,322	74.4	130,634	25.6	11.32
2010	602,867	18.2	448,800	74.4	154,067	25.6	12.67

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No 2

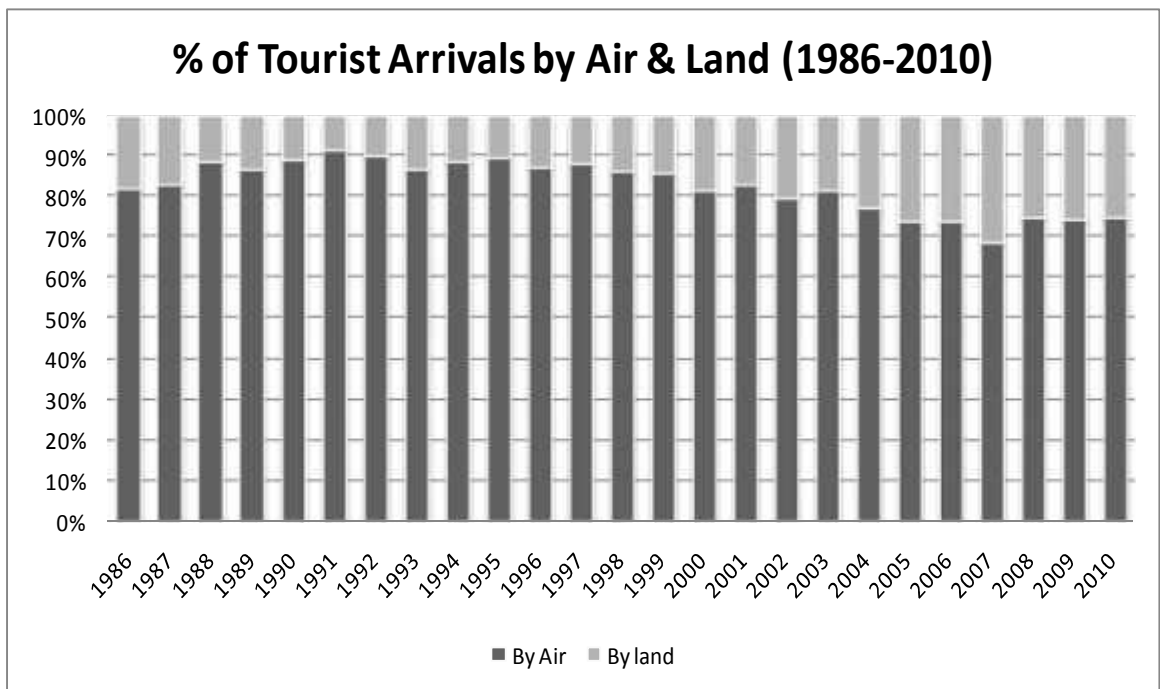


Figure No 3

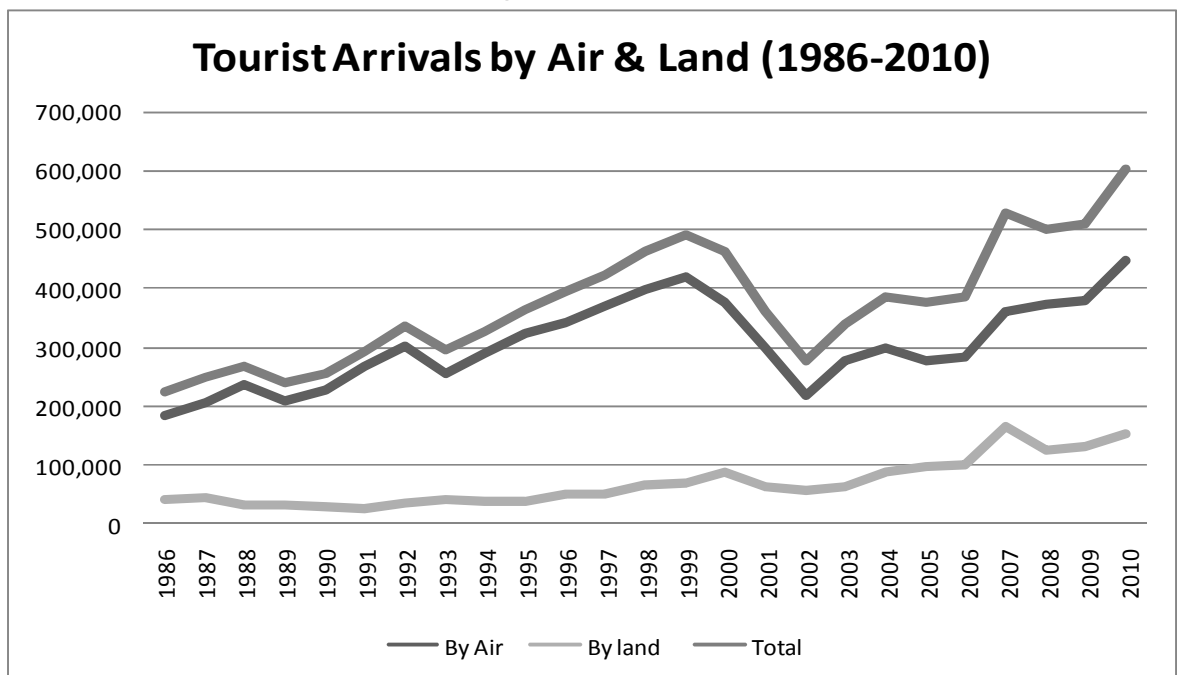
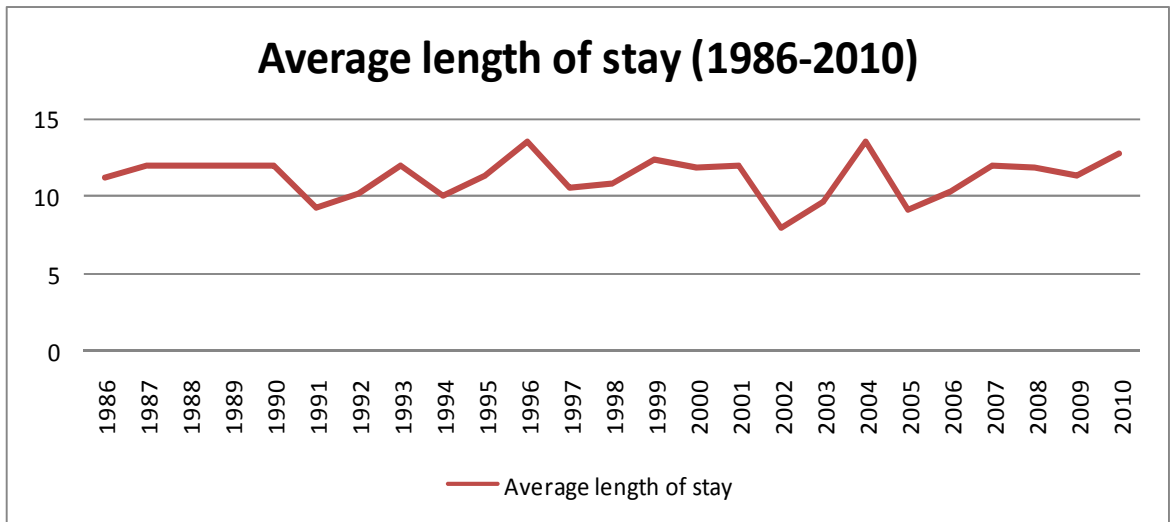


Figure No 4



4.4. Tourist Arrivals by Month

Nepal has four tourist seasons (a) Spring (March-May), (b) Summer (June-August) (c) Autumn (September-November) and (d) Winter (December-February). Here the monsoon season starts from the month of May up to middle of September i.e. 4 Months of the year. At this time, air service and road service may not work regularly and flight schedule and buses usually get cancelled. Climate is one of the factors determining the number of tourists arriving Nepal in the rainy of monsoon months. Table No 5 and Figure No. 5 shows that July month is the lowest of the tourist arrivals and the highest peak of month was October from 1991 to 2010. Table No 6 and Figure No. 6 shows Indian tourist arrival in June is greater. Table no 5 presents, 15.8% increase in total in 2010 compare to 2009 except Indian tourist. Similarly, table No. 6 present that 28.8% increase in total in 2010 compare to 2009 only Indian tourist. Except Indian tourist, in Jan, Feb, March, April, May, June, July, August, Sep, Oct, Nov and December was found 17.1%, 25.1%, 23.2%, 6.5%, 3.4%, 5.2% 21.7%, 19.5%, 23.2%, 6.7%, 17.7%, 17.6% and Indian tourist, in Jan, Feb, March, April, May, June, July, August, Sep, Oct, Nov and December was found 4.9%, -0.8%, 77.7%, -1.2%, 18.7%, 4.3%, 40.3%, 42.8%, 56.2%, 32.0%, 77.8%, 42.9% change respectively in compare to 2009.

From the above facts, we can say that the tourist arrival from different continents have increased year by year which shows that the future of tourism has lot of potential because of the past trend of tourist arrivals inflow in Nepal.

Table No. 5
Tourist Arrivals by Month (1991-2010) Excluding Indian

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
1991	13,299	14,320	19,908	17,471	9,167	6,279	11,415	17,103	16,526	30,663	25,449	18,889	200,489
1992	12,560	20,331	24,792	20,295	11,380	7,264	12,708	20,198	18,442	33,834	25,862	20,113	227,779
1993	14,147	18,164	25,200	14,594	9,355	8,536	9,076	16,671	18,293	34,415	23,715	18,039	210,205
1994	14,795	19,794	24,856	19,778	12,244	8,561	13,352	20,524	21,289	30,063	20,556	18,179	223,991
1995	15,758	19,482	25,381	23,419	12,491	9,270	14,141	20,211	22,344	38,398	28,177	17,063	246,135
1996	17,678	23,629	31,738	25,458	14,042	9,777	13,724	21,833	23,201	38,139	29,221	22,661	271,101
1997	16,856	24,151	33,389	24,343	14,836	9,973	16,024	24,772	24,344	46,110	30,712	22,909	288,419
1998	20,124	27,855	33,097	28,997	15,647	11,195	15,724	26,387	29,241	49,787	38,587	23,814	320,455
1999	20,554	29,259	38,158	29,637	22,305	12,731	16,782	29,402	33,650	54,099	38,835	25,431	350,843
2000	21,092	33,939	38,959	36,430	18,658	12,036	16,842	27,205	34,643	51,100	45,318	31,509	367,731
2001	25,158	32,763	40,684	32,211	17,406	8,929	13,965	21,658	26,132	37,198	25,795	15,018	296,917
2002	13,180	16,960	25,102	16,877	11,751	8,338	9,962	15,515	18,768	30,251	24,044	17,943	208,691
2003	15,659	19,321	22,260	20,303	15,288	7,835	13,607	19,149	22,577	38,040	31,750	25,980	251,769
2004	22,947	28,743	35,468	26,279	15,581	9,776	17,070	27,657	21,829	38,104	29,330	22,187	294,971
2005	19,531	17,061	25,847	18,311	15,438	11,170	14,921	26,119	27,413	40,553	34,778	27,822	278,964
2006	21,126	21,320	30,169	18,435	13,517	11,841	15,066	24,966	26,327	43,026	37,402	27,009	290,204
2007	25,857	33,133	48,022	32,794	23,296	18,937	26,160	37,658	38,813	65,745	46,822	33,458	430,695
2008	30,473	40,334	51,364	31,952	19,619	12,922	18,097	32,084	33,870	60,938	47,467	29,980	409,100
2009	23,969	34,594	45,950	34,938	20,362	17,078	19,942	36,121	36,241	65,592	48,667	32,618	416,072
2010	28,076	43,289	56,632	37,208	21,053	17,967	24,273	43,172	44,650	69,982	57,304	38,363	481,969
	(17.1)	(25.1)	(23.2)	(6.5)	(3.4)	(5.2)	(21.7)	(19.5)	(23.2)	(6.7)	(17.7)	(17.6)	(15.8)

Figures in parenthesis represent percentage change over 2009.

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No 5

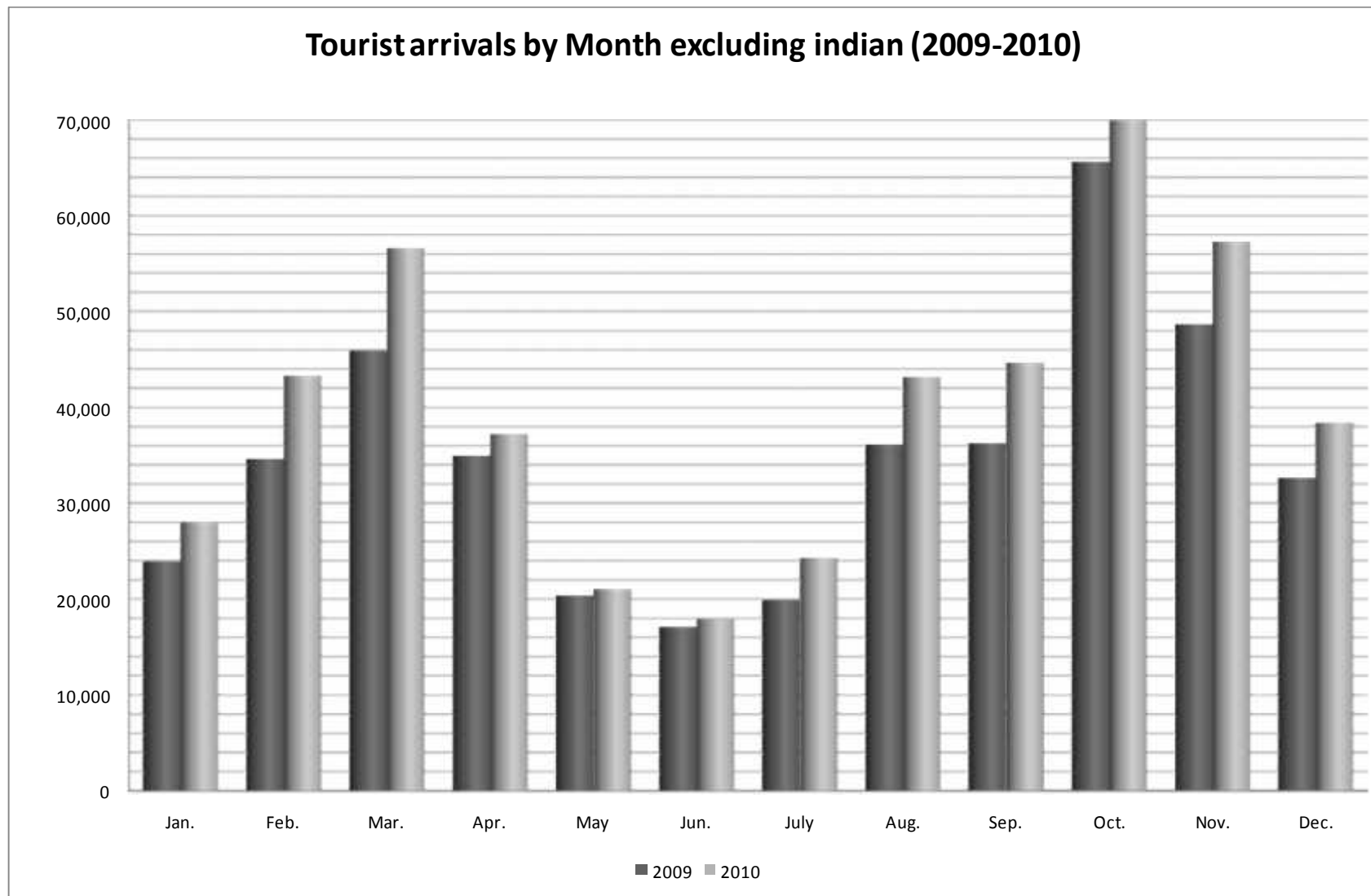


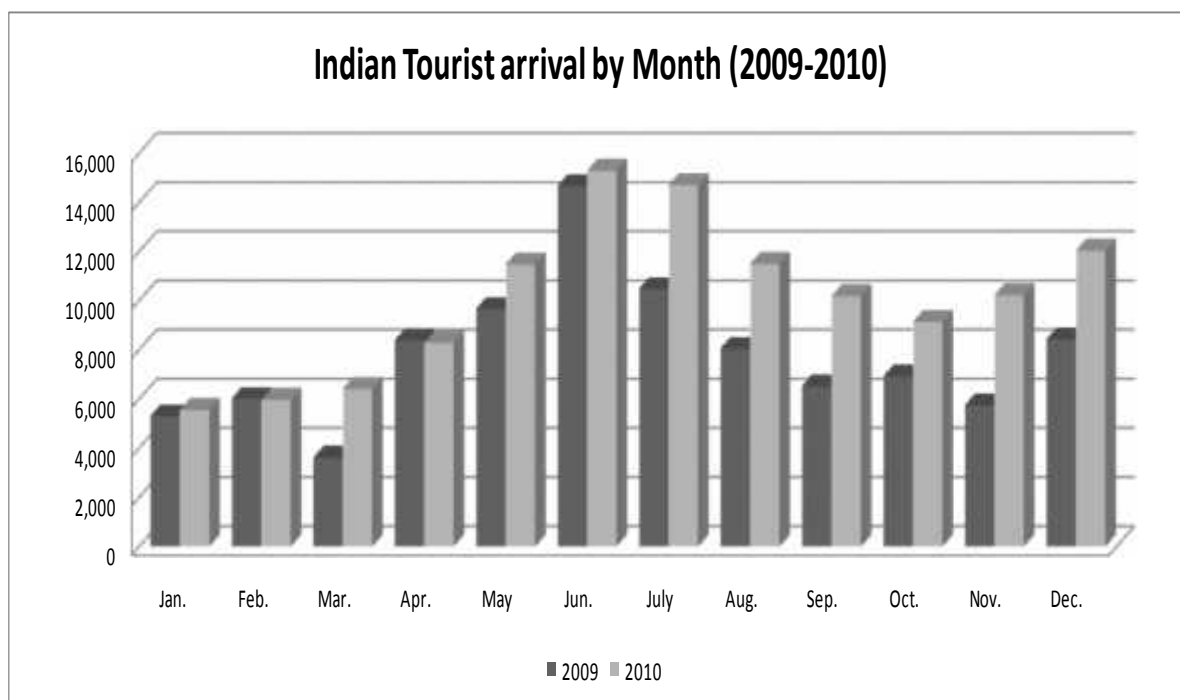
Table No 6
Indian Tourist arrival by month (1991-2010)

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
1991	4,618	5,062	5,415	6,250	12,785	13,529	7,947	7,326	6,698	8,676	7,058	7,142	92,506
1992	4,891	7,158	6,713	10,387	17,709	15,205	8,234	7,140	6,397	8,813	6,479	7,448	106,574
1993	5,091	5,767	5,618	5,527	11,230	11,066	4,512	4,912	5,646	7,827	6,663	9,503	83,362
1994	6,940	5,078	6,730	7,514	13,988	14,346	6,387	7,086	6,670	9,330	7,452	11,019	102,540
1995	6,449	8,758	8,838	10,575	15,352	16,380	9,839	7,475	8,225	8,447	7,605	9,317	117,260
1996	10,208	6,047	7,598	10,873	15,686	16,972	8,960	7,247	8,980	9,175	8,429	12,337	122,512
1997	8,729	8,710	9,788	10,886	18,620	16,394	10,067	10,777	7,637	10,162	9,461	12,207	133,438
1998	8,698	10,101	8,241	12,090	20,167	17,986	12,171	9,787	10,423	12,700	8,816	12,049	143,229
1999	9,198	8,875	8,060	11,137	20,407	18,318	10,411	9,047	10,467	12,444	10,030	12,267	140,661
2000	4,215	5,020	5,985	7,205	9,705	14,897	7,638	7,465	8,880	8,095	7,675	9,135	95,915
2001	5,296	5,917	6,025	6,872	10,939	4,101	4,364	3,664	5,038	4,047	4,487	3,570	64,320
2002	3,996	3,708	3,713	4,376	8,136	8,880	6,659	5,578	4,984	5,021	4,679	7,047	66,777
2003	5,556	5,028	5,477	5,548	7,416	12,516	9,054	8,419	6,147	7,419	6,648	7,135	86,363
2004	8,041	6,888	8,822	7,235	11,221	10,017	7,790	5,505	3,667	5,269	7,051	8,820	90,326
2005	5,946	3,277	4,028	5,103	10,103	11,438	9,075	10,791	8,653	10,945	6,727	10,348	96,434
2006	7,643	4,408	6,704	3,548	9,353	14,369	10,117	8,184	7,035	6,644	6,717	9,000	93,722
2007	7,335	6,801	6,700	8,148	12,558	12,379	9,277	7,025	6,739	4,899	5,451	8,698	96,010
2008	6,440	6,341	7,371	6,523	10,791	11,427	7,330	7,927	7,752	5,483	4,932	8,860	91,177
2009	5,309	6,023	3,617	8,399	9,675	14,671	10,490	8,053	6,530	6,930	5,756	8,431	93,884
2010	5,569	5,975	6,426	8,301	11,489	15,296	14,718	11,500	10,198	9,148	10,233	12,045	120,898
	(4.9)	-(0.8)	(77.7)	-(1.2)	(18.7)	(4.3)	(40.3)	(42.8)	(56.2)	(32.0)	(77.8)	(42.9)	(28.8)

Figures in parenthesis represent percentage change over 2009.

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 6



4.5. Tourist Arrivals by purpose of Visit.

The official tourism statistics record nine types of tourists coming to Nepal. They are those who came here for Holiday Pleasure, trekking & mountaineering, business, Pilgrimage, Office, convention/conference, Rafting, others and Not Specified. While this classification records the conference and convention tourists by grouping trekking and mountaineering and excluding rafting. Table No. 7 and Figure No. 7 shows that percentage of Holiday/Pleasure, Trekking & mountaineering, Business, Pilgrimage, Official, Convention/Conference, Rafting, Others and Not Specified are 10%, 12%, 3%, 17%, 4%, 2%, 0%, 42% and 10% respectively in 2010.

Holiday/Pleasure seeker visitors were 63082 which are approximate 181% less in comparison to 1991. Group of Trekking & Mountaineering tourist are gradually in increasing trend, but in 2010 it decrease comparison to 2009. Group of Pilgrimage tourists were 101335 in 2010 which are approx. 91% greater than 1991. Rafting started in 2007. In that year 65 visitor visit Nepal for Rafting

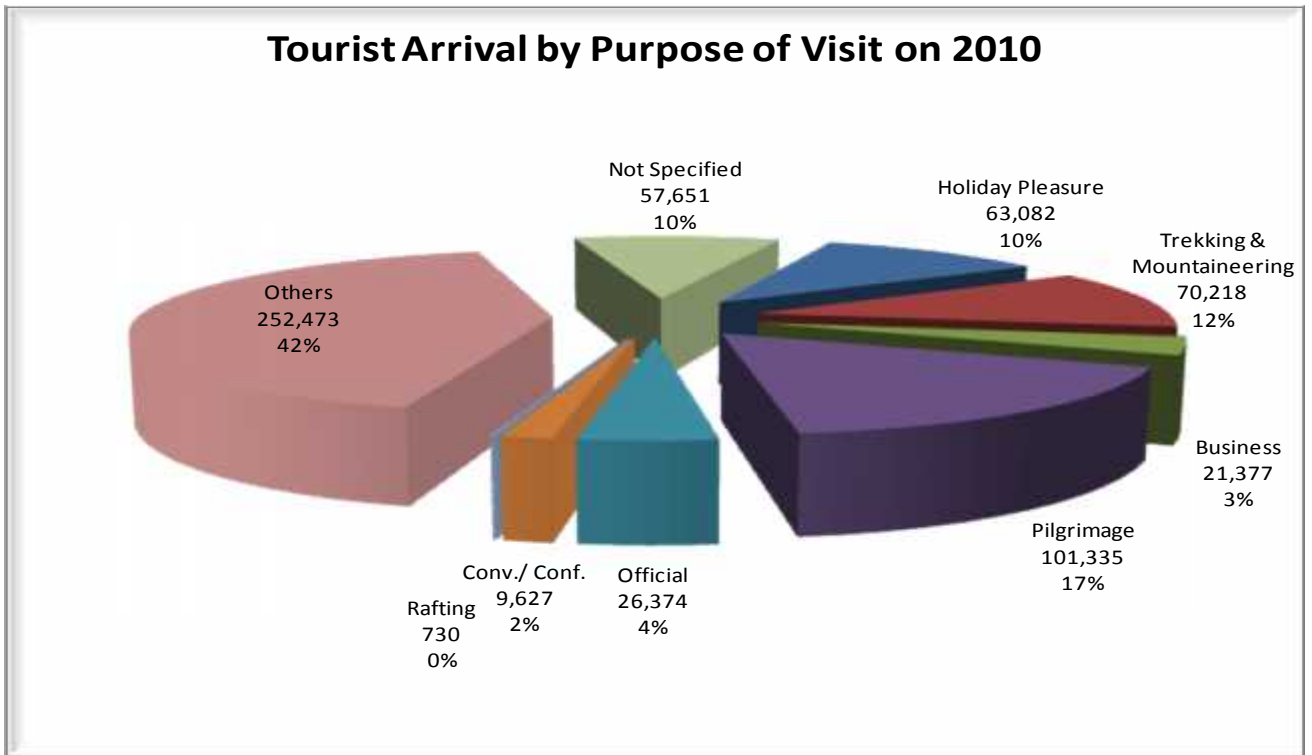
purpose. In 2010, 730 visitors visited for Rafting purpose. With this data, we can conclude that, although we have enough natural resource to increase tourist inflow but we are not getting satisfactory result.

Table No. 7
Tourist Arrival by Purpose of Visit

Year	Holiday Pleasure	Trekking & Mountaineer ing	Busines s	Pilgrimag e	Official	Conv./ Conf.	Raf ting	Others	Not Specifi ed	Total
1991	177,370	42,308	14,601	9,103	37,274	5,441	-	6,898	-	292,995
1992	237,711	35,166	31,765	7,219	20,967	815	-	710	-	334,353
1993	170,279	69,619	19,495	10,429	15,812	5,367	-	2,566	-	293,567
1994	168,155	76,865	23,522	5,475	20,431	5,361	-	26,722	-	326,531
1995	183,207	84,787	21,829	5,257	20,090	5,272	-	42,953	-	363,395
1996	209,377	88,945	25,079	4,802	20,191	6,054	-	39,165	-	393,613
1997	249,360	91,525	27,409	4,068	24,106	5,824	-	19,565	-	421,857
1998	261,347	112,644	24,954	6,164	22,123	5,181	-	21,271	-	463,684
1999	290,862	107,960	23,813	19,198	24,132	5,965	-	19,574	-	491,504
2000	255,889	118,780	29,454	15,801	20,832	5,599	-	17,291	-	463,646
2001	187,022	100,828	18,528	13,816	18,727	0	-	22,316	-	361,237
2002	110,143	59,279	16,990	12,366	17,783	0	-	58,907	-	275,468
2003	97,904	65,721	19,387	21,395	21,967	0	-	111,758	-	338,132
2004	167,262	69,442	13,948	45,664	17,088	0	-	71,893	-	385,297
2005	160,259	61,488	21,992	47,621	16,859	0	-	67,179	-	375,398
2006	145,802	66,931	21,066	59,298	18,063	0	-	72,766	-	383,926
2007	217,815	101,320	24,487	52,594	21,670	8,019	65	78,579	22,156	526,705
2008	148,180	104,822	23,039	45,091	43,044	6,938	243	99,391	29,529	500,277
2009	40,992	132,929	22,758	51,542	24,518	9,985	285	186,849	40,098	509,956
2010	63,082	70,218	21,377	101,335	26,374	9,627	730	252,473	57,651	602,867

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 7



4.6. Tourist Arrivals by Purpose of visit and month

The number of official visits also peaked during the Nov, Dec and January which offers another marketing opportunity. There is a potential for people travelling to Nepal for holidays/Pleasure, Business, Pilgrimage and mountaineering activity is low. Business and Pilgrimage both point to regional tourism markets.

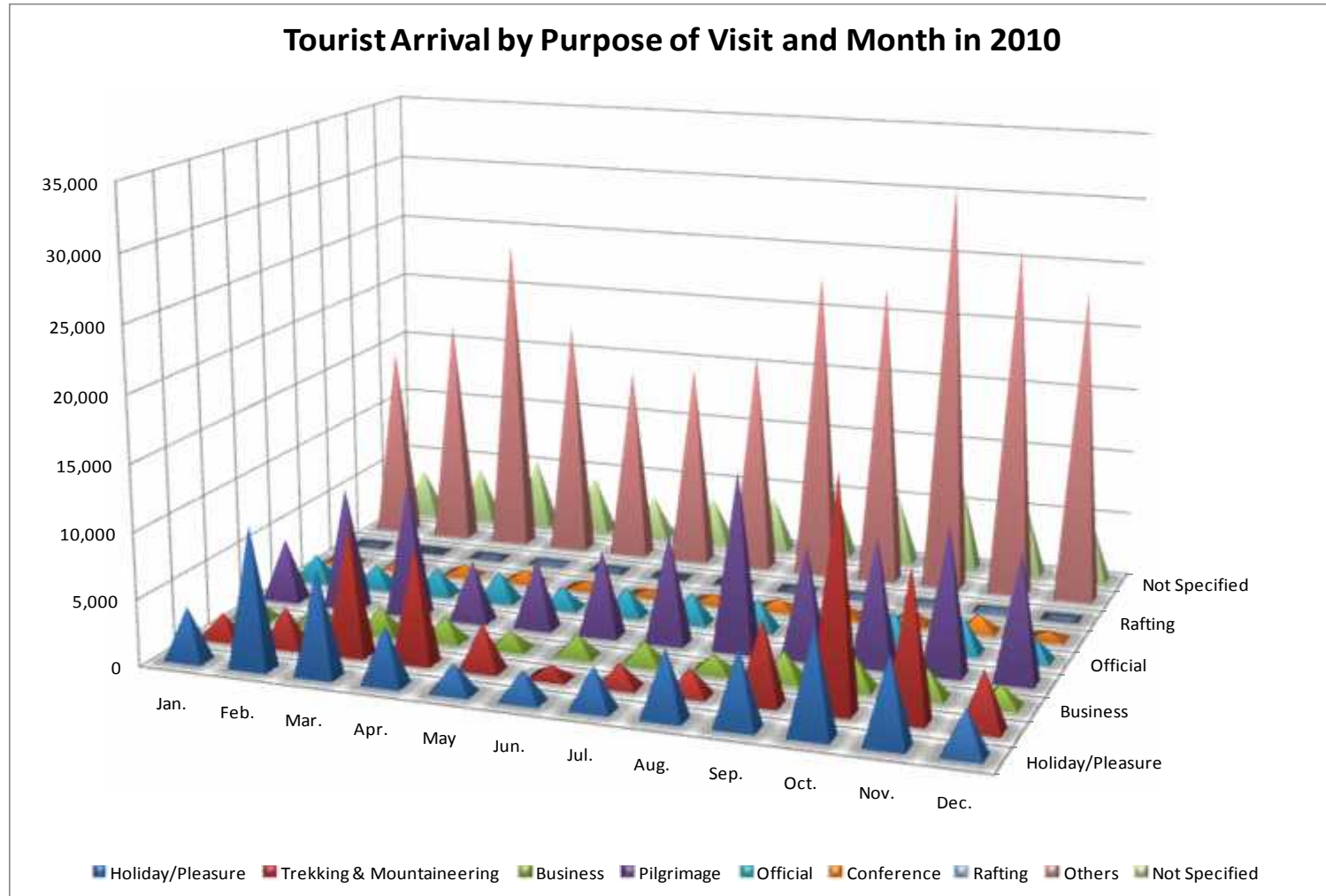
Table No. 8 and Figure No. 8 presents Pilgrimage tourist has increased in October, November, February and March but increase

Table No. 8
Tourist Arrival by Purpose of Visit and Month in 2010

Purpose of visit	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Holiday/Pleasure	4,030	10,607	7,946	4,437	2,181	2,267	3,197	5,110	5,684	7,794	6,512	3,317	63,082
Trekking & Mountaineering	1,959	3,004	9,763	8,662	3,456	981	1,727	1,990	6,275	17,111	10,940	4,350	70,218
Business	1,652	1,755	2,023	1,835	1,260	1,653	1,691	1,325	2,164	2,343	2,101	1,575	21,377
Pilgrimage	4,715	9,183	10,434	4,578	5,259	6,465	8,219	13,503	8,495	9,681	11,138	9,665	101,335
Official	2,066	1,744	2,073	2,275	1,584	2,153	2,293	2,422	2,549	2,584	2,706	1,925	26,374
Conference	617	1,006	780	923	582	444	593	815	898	1,065	1,291	613	9,627
Rafting	32	19	39	117	35	21	21	34	58	155	153	46	730
Others	14,953	17,689	24,562	18,263	14,865	15,636	17,092	23,870	23,290	31,356	26,957	23,940	252,473
Not Specified	3,621	4,257	5,438	4,419	3,320	3,643	4,158	5,603	5,435	7,041	5,739	4,977	57,651
Total	33,645	49,264	63,058	45,509	32,542	33,263	38,991	54,672	54,848	79,130	67,537	50,408	602,867

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure 8



4.7. Tourist Arrivals by Different Airlines

Nepal is a landlocked country and it has no option of sea transportation. Therefore there are only two modes of traveling in Nepal i.e. by land and by Air. Due to the new International airlines operation in the country and due to its internal problems, Nepal airlines have not been able to contribute fully.

But in the past decade it has contributed to the prompt international tourism by operating service to different parts of the world where Bangkok, London, Frankfurt, Paris, Shanghai and Osaka are the name of a few. Domestic private airlines call Necon Air had also operated its International service to Patna, Calcutta and Banaras but it also discontinued due to internal of its own. Altogether there are currently more than 23 international airlines operating there service in Nepal including Indian airlines.

Air transportation has played a great role in catering to tourist. It covers 75% (appx.) of the tourist arrivals in 2010. A mission promotion promoted by the tourism department of Nepal in 1990 with the slogan of “Visit Nepal Year 1998” attracted the attention of the tourist in this destination and solved some of the problems faced by the aviation sector. Gulf Air, Transavia Airlines, Qatar Air, Condor and Austria Airlines started its regular flights after the “Visit Nepal 1998” and Thai Airways and Singapore Airlines increased its flight frequency then.

Table No. 9 present that tourist arrival through airlines is pretty much increasing every year. Data shows on the table no 9 indicate that in year 2003, 2004, 2007, 2008 and 2009 majority of tourist arrival Nepal through Indian Airlines. Nepal airlines brought majority of the tourist in year 2001 and 2002. From figure no. 9, in 2009 and 2010, Indian Airlines, Thai Airlines and Jet Airways gave largest contributes to bring international tourist in Nepal. In 2009 and 2010, the share of tourist flow through Indian Airlines were 66,430 and 68,120 respectively, through Thai Airlines were

50,956 and 48,985 and through jet Airways were 49,263 and 67,602. Similarly through Nepal Airlines tourist arrival were 19,668 in 2009 and 21,879 in 2010. In 2010, Indian Airlines have become the major airlines bringing the tourist in Nepal with highest number 68,120. In past, Nepal Airlines played important role in tourism arrival in Nepal but due to internal problems there are disturbance time to time regarding its transportation on tourist in Nepal.

We also come to the conclusion from above interpretation that major tourist visit in Nepal through Airlines than the land route. So air transport can play a significant role to promote the tourist industry in Nepal. There should be a swift marketing approach from the government side to provide extra needed facilities to increase air transportation in Nepal. Providing an offer to conducting private airlines is one of them. Government should try to open sky policy due to the inability to play an important role by NAC due to its internal problems.

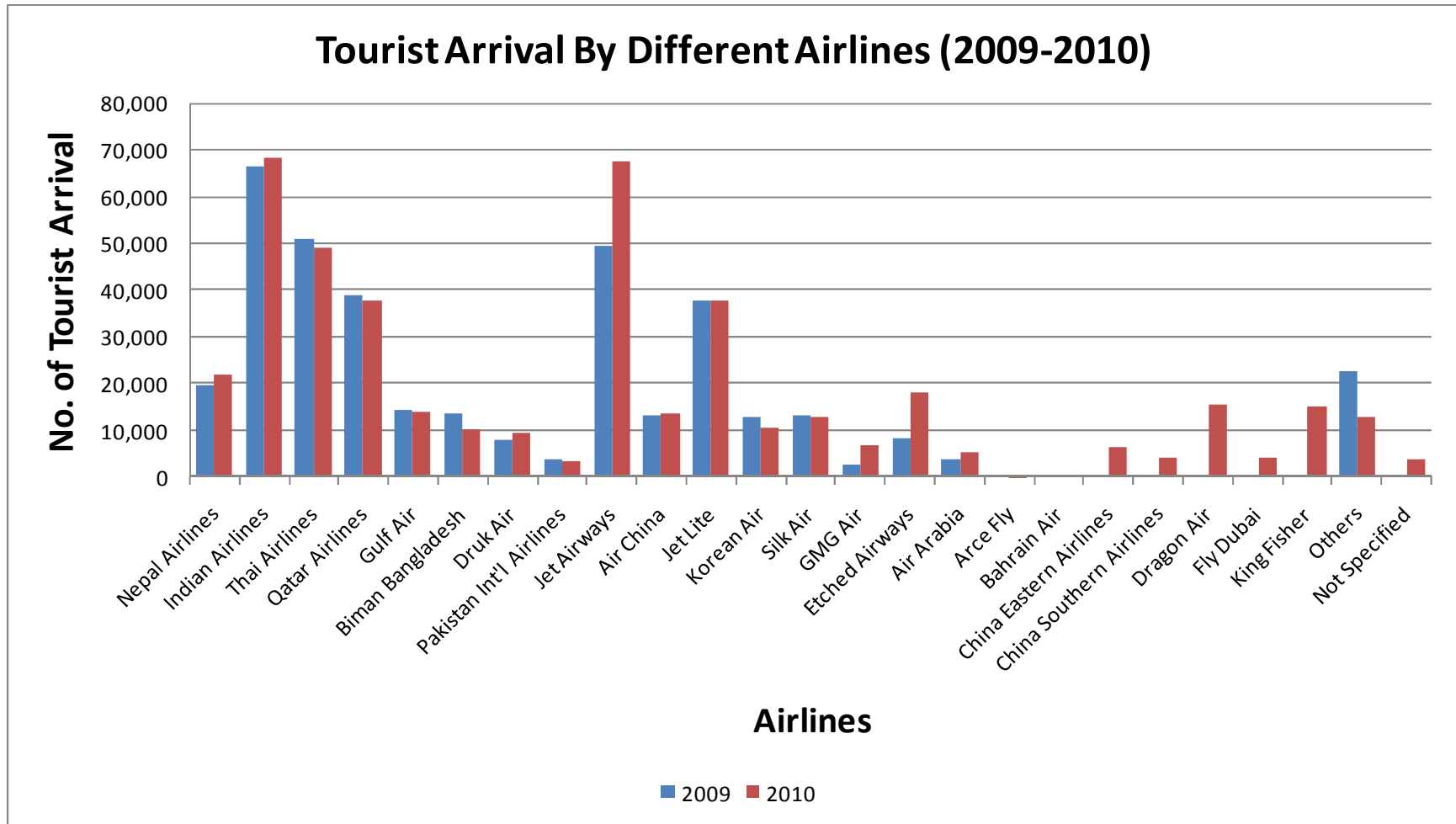
Table No 9
Arrivals by Different Airlines

Airline	Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nepal Airlines	83,760	65,550	70,779	57,678	42,069	38,612	29,943	21,000	19,668	21,879
Indian Airlines	78,024	47,543	78,461	78,959	36,982	36,311	65,571	60,954	66,430	68,120
Thai Airlines	49,810	39,825	55,102	58,197	44,956	48,203	54,667	44,699	50,956	48,985
Qatar Airlines	21,526	21,003	26,320	32,866	30,526	34,091	48,349	44,374	38,806	37,803
Gulf Air	10,146	9,733	18,532	16,986	19,015	19,361	21,047	17,401	14,234	13,931
Biman Bangladesh	11,877	9,524	10,882	9,432	4,714	6,221	7,755	10,360	13,502	10,360
Druk Air	2,589	2,681	3,343	4,373	7,282	6,257	10,584	9,275	8,019	9,303
Pakistan Int'l Airlines	6,194	-	-	1,910	1,855	1,997	2,265	2,614	3,609	3,339
Jet Airways	-	-	-	15,101	20,077	25,086	39,385	48,662	49,263	67,602
Air China	-	-	-	-	6,295	6,298	18,120	7,693	13,250	13,436
Jet Lite	-	-	-	-	-	-	36,266	28,103	37,913	37,800

Korean Air	1,481	-	-	-	-	-	7,606	5,737	12,986	10,459
Silk Air	-	-	-	-	-	-	-	9,340	13,189	13,030
GMG Air	-	-	-	-	-	-	-	4,195	2,633	6,877
Etched Airways	-	-	-	-	-	-	-	14,789	8,354	18,235
Air Arabia	-	-	-	-	-	-	-	4,045	3,755	5,428
Arce Fly	-	-	-	-	-	-	-	-	-	19
Bahrain Air	-	-	-	-	-	-	-	-	-	394
China Eastern Airlines	-	-	-	-	-	-	-	-	-	6,543
China Southern Airlines	-	-	-	-	-	-	-	-	-	4,030
Dragon Air	-	-	-	-	-	-	-	-	-	15,344
Fly Dubai	-	-	-	-	-	-	-	-	-	4,134
King Fisher	-	-	-	-	-	-	-	-	-	15,290
Others	34,107	22,801	12,019	21,833	63,575	61,382	19,155	41,420	22,755	12,792
Not Specified										3,667
Total	299,514	218,660	275,438	297,335	277,346	283,819	360,713	374,661	379,322	448,800

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 9



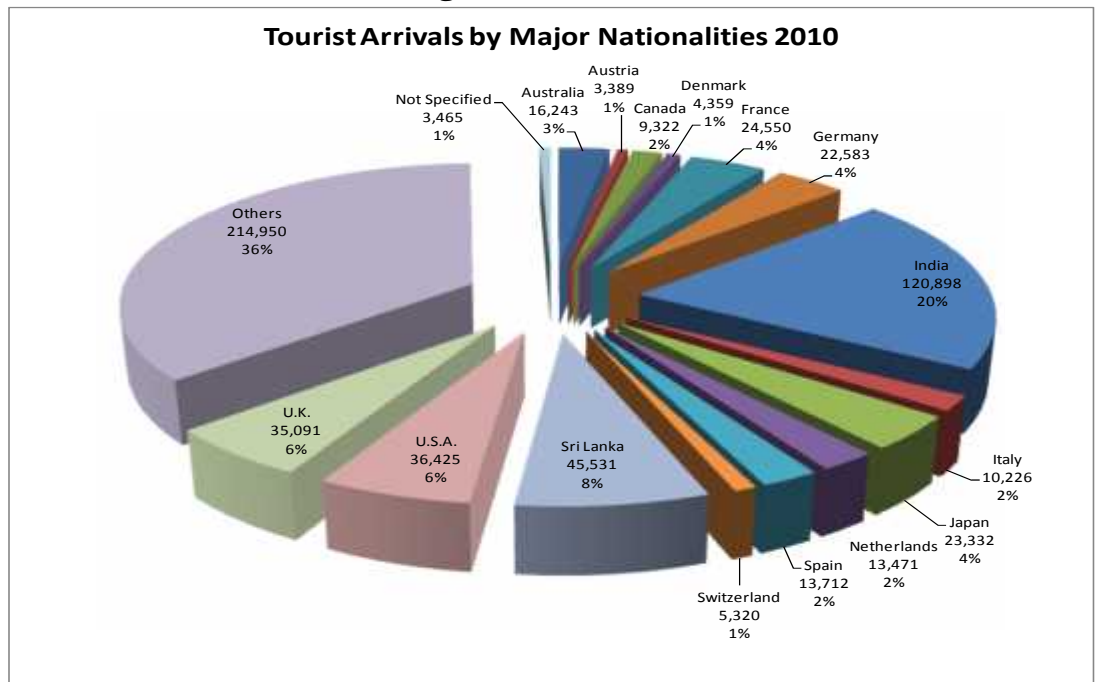
4.8. Tourist Arrival by Major Nationalities

Table No. 10
Tourist Arrival by Major Nationalities

Nationality	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	10,455	7,159	7,916	9,671	7,093	8,231	12,369	13,846	15,461	16,243
Austria	4,164	3,140	3,025	4,341	3,007	3,474	4,473	3,540	3,245	3,389
Canada	7,068	3,747	4,154	4,825	4,168	4,733	7,399	8,132	8,965	9,322
Denmark	3,854	2,040	2,178	2,633	1,770	1,956	3,157	3,847	4,464	4,359
France	21,187	13,376	15,865	18,938	14,108	14,835	20,250	22,402	22,154	24,550
Germany	21,577	15,774	14,866	16,025	14,345	14,361	21,323	18,552	19,246	22,583
India	64,320	66,777	86,363	90,326	95,685	93,722	96,010	91,177	93,884	120,898
Italy	8,745	8,057	8,243	12,376	8,785	7,736	11,243	7,914	7,982	10,226
Japan	28,830	23,223	27,412	24,231	18,239	22,242	27,058	23,383	22,445	23,332
Netherlands	13,662	8,306	8,443	11,160	8,947	7,207	10,589	10,900	11,147	13,471
Spain	5,897	5,267	8,265	11,767	8,891	10,377	15,672	13,851	13,006	13,712
Switzerland	5,649	3,352	3,246	3,788	3,163	3,559	5,238	5,186	5,281	5,320
Sri Lanka	9,844	9,805	13,930	16,124	18,770	27,413	49,947	37,817	36,362	45,531
U.S.A.	32,052	17,518	18,838	20,680	18,539	19,833	29,783	30,076	32,043	36,425
U.K.	33,533	21,007	22,101	24,667	25,151	22,708	32,367	33,658	35,382	35,091
Others	90,400	66,920	93,287	113,745	124,737	120,732	176,312	171,989	172,846	214,950
Not Specified		-	-	-	-	4,005	3,515	4,007	6,043	3,465
Total	361,237	275,468	338,132	385,297	375,398	383,926	526,705	500,277	509,956	602,867

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 10



Tourism Industry in Nepal could not take a fast pace development due to the lack of insufficient facilities of air transportation, accommodation, sightseeing etc. before 1960's. Nepal tried to improve its tourism industry by providing several services and facilities as a much as possible after that year. Tourist arrival in Nepal has been increasing year after year from then.

The table no. 10 provides the details about the visitor arrivals in Nepal from major foreign countries from the year 2001 to 2010. It reveals that majority for the Indian tourists have been visiting every year. Table no. 11 shows that 64320, 66777, 86363, 90326, 95685, 93722, 96010, 91177, 93884 and 120898 from India from the year 2001 to 2010 respectively. United Kingdom (U.K) holds the second position with 33533, 21007, 22101, 24667 and 25151 from 2001 to 2005. Afterward Sri Lanka took second position until 2010 with 27413, 49947, 37817, 36362 and 45531. In 2010, USA holds third position with 36425 and U.K. fourth position with 35091.

4.9. Tourist Arrivals by Sex and Age Groups.

While presenting and interpreting the types of tourist arrivals, it is important to discuss and present the number of males and females tourist visiting Nepal. The importance is due to the difference in the degree of awareness about the products presented to them. Here we discuss the number of males and females visiting Nepal from 1991 to 2010.

Given table presents incoming of tourist from 1991 to 2010 by sex and age group. In sex group there are Male and Female column. Similarly, Age group have 6 column 0-15, 16-30, 31-45, 46-60, 61 & Over and Not Specified.

According to Table No. 11, Male tourist is greater than Female tourist in all year from 1991 to 2010. Figure No. 11 supports this conclusion. In 2010, male tourist is greater with 361611 and female with 241256. This table and figure also supports that inflow of tourist is in increasing trend except some year. In 2010 comparison to 1991, Male tourist increase by 103.64% and female tourist increased by 109.02%. And comparison to 2009, male tourist increase by 25.49% and female tourist increased by 8.77%.

Figure no. 12 present percentage of different age groups tourist in 2010. According to figure No. 13, Age Groups of 0-15, 16-30, 31-45, 46-60, 61&over and Not Specified were 7%, 20%, 31%, 29%, 11% and 2% respectively. From above fact we came to know that age groups of 31-45 years tourist inflow in greater than other age groups of tourist. Age group of 31-45 Years tourist is increase by 33.74% comparison to 2009.

Table No. 11
Tourist Arrivals by Sex and Age Groups

Year	Sex		Total	Age Groups					Not Specified
	Male	Female		0-15	16-30	31-45	46-60	61&Over	
1991	177,574	115,421	292,995	17,174	96,634	94,539	54,320	30,328	-
1992	197,051	137,302	334,353	18,624	105,123	111,096	65,651	33,859	-
1993	179,178	114,389	293,567	15,289	91,947	96,665	59,768	29,898	-
1994	205,389	121,142	326,531	20,097	96,016	106,260	66,174	37,984	-
1995	224,769	138,626	363,395	22,878	106,603	120,212	76,647	37,055	-
1996	233,055	160,558	393,613	22,185	94,924	116,307	89,751	70,446	-
1997	251,358	170,499	421,857	23,840	121,286	126,828	107,111	42,792	-
1998	267,871	195,813	463,684	26,763	122,103	151,846	121,190	41,782	-
1999	286,161	205,343	491,504	30,967	150,307	155,985	113,314	40,913	-
2000	266,937	196,709	463,646	19,136	119,816	148,063	125,140	51,491	-
2001	213465	147772	361,237	14608	95801	115678	93621	41529	-
2002	174,710	100,758	275,468	12425	67774	99622	67017	28630	-
2003	204,732	133,400	338,132	16056	78,357	99,740	85,753	58,226	-
2004	255,303	129,994	385297	38,734	84125	128,267	96,920	37,251	-
2005	257,972	117,426	375,398	30,429	57,115	114,103	106,077	67,674	-
2006	218,818	165,108	383,926	37,433	75,626	123,541	95,260	52,066	-
2007	290,688	236,017	526,705	38,870	112,879	164,488	130,756	69,927	9,785
2008	286,983	213,294	500,277	42,581	106,596	150,171	121,387	60,531	19,011
2009	288,155	221,801	509,956	84,891	140,805	141,955	99,197	39,638	3,470
2010	361,611	241,256	602,867	41,156	120,395	189,852	172,800	64,593	14,071

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Figure No. 11

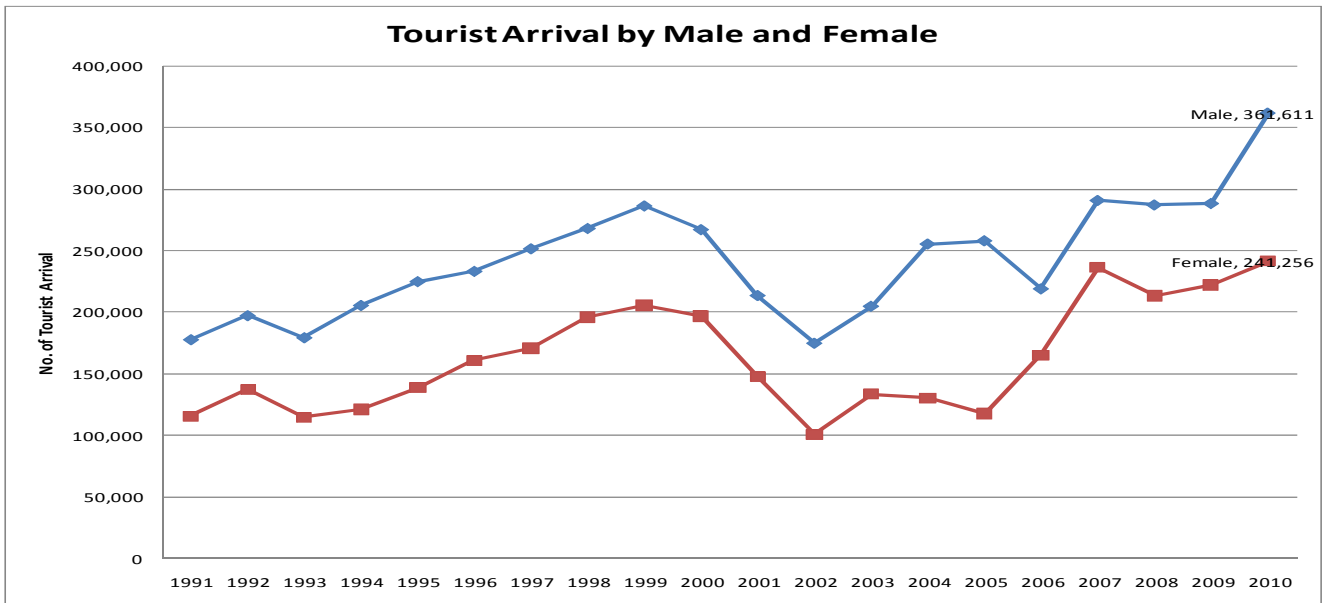
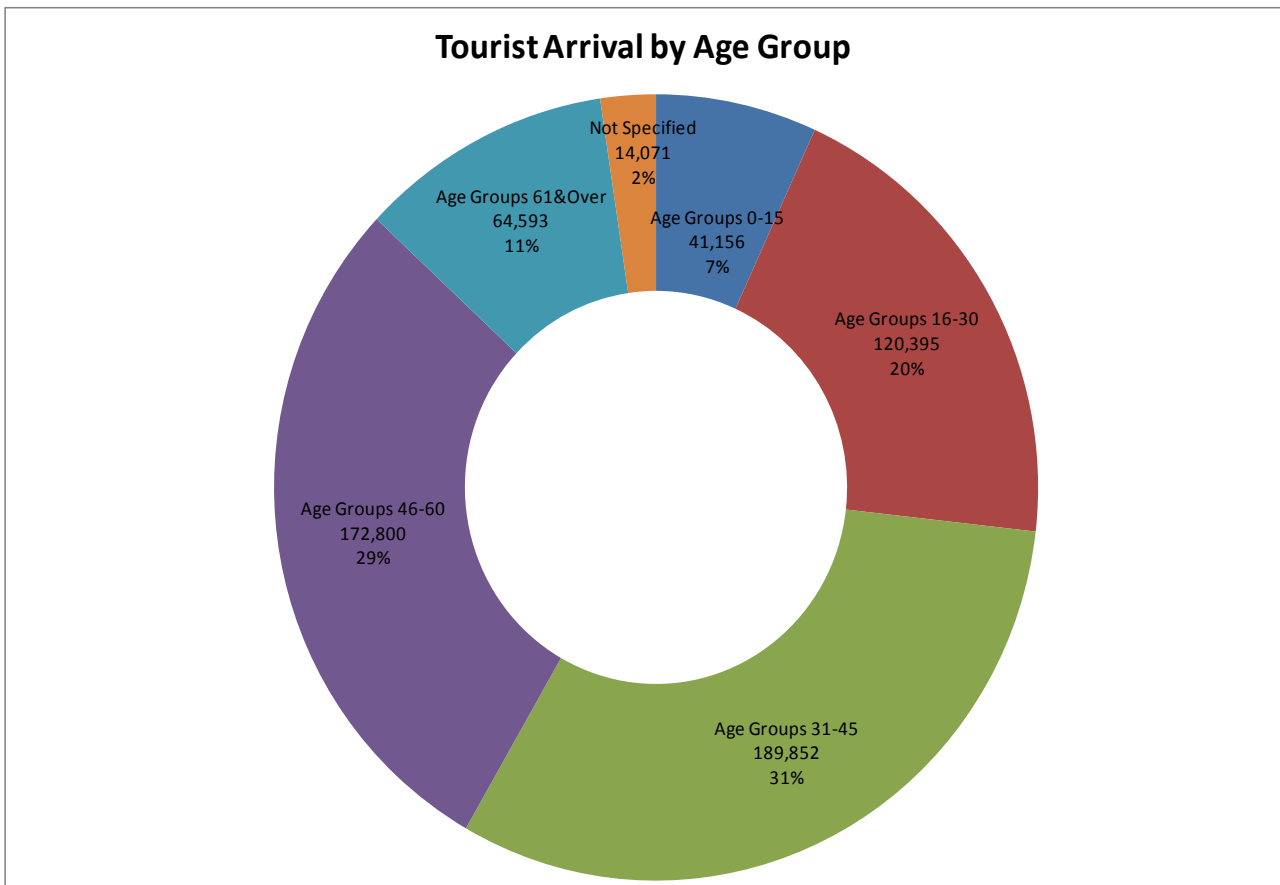


Figure No. 12



4.10. Tourist Arrival by sex and Age Groups (Monthly) in 2010

Table No. 12

Tourist Arrival by sex and Age Groups (Monthly) in 2010

Month	Sex	Age Groups						Total
		0-15 Yrs	16-30 Yrs	31-45 yrs	46-60 Yrs	61 & Above	Not Specified	
January	Male	1,305	3,981	6,940	5,459	1,903	494	20,082
	Female	918	3,255	3,674	3,872	1,528	316	13,563
	Total	2,223	7,236	10,614	9,331	3,431	810	33,645
February	Male	1,842	5,333	9,775	8,153	3,316	823	29,242
	Female	1,162	4,141	5,503	6,018	2,633	565	20,022
	Total	3,004	9,474	15,278	14,171	5,949	1,388	49,264
March	Male	2,425	6,455	11,967	10,844	4,705	1,052	37,448
	Female	1,353	5,057	6,735	8,117	3,625	723	25,610
	Total	3,778	11,512	18,702	18,961	8,330	1,775	63,058
April	Male	1,652	4,966	9,698	7,667	3,003	485	27,471
	Female	1,150	4,036	5,361	5,163	2,033	295	18,038
	Total	2,802	9,002	15,059	12,830	5,036	780	45,509
May	Male	1,520	3,800	6,781	5,295	1,928	323	19,647
	Female	1,051	3,167	3,727	3,542	1,183	225	12,895
	Total	2,571	6,967	10,508	8,837	3,111	548	32,542
June	Male	1,884	4,210	6,756	5,390	1,682	460	20,382
	Female	1,295	3,335	3,498	3,483	968	302	12,881
	Total	3,179	7,545	10,254	8,873	2,650	762	33,263
July	Male	1,761	5,058	8,078	6,444	1,766	555	23,662
	Female	1,280	4,277	4,145	4,305	972	350	15,329
	Total	3,041	9,335	12,223	10,749	2,738	905	38,991
August	Male	2,718	6,520	11,519	9,431	2,300	913	33,401
	Female	1,615	4,870	6,245	6,641	1,308	592	21,271
	Total	4,333	11,390	17,764	16,072	3,608	1,505	54,672
September	Male	1,990	6,391	11,624	8,960	3,264	765	32,994
	Female	1,243	5,063	6,294	6,308	2,460	486	21,854
	Total	3,233	11,454	17,918	15,268	5,724	1,251	54,848
October	Male	2,662	7,595	14,880	13,615	6,567	1,098	46,417
	Female	1,670	6,357	8,756	10,243	4,962	725	32,713
	Total	4,332	13,952	23,636	23,858	11,529	1,823	79,130
November	Male	2,720	6,708	13,722	11,771	4,616	901	40,438
	Female	1,656	5,358	7,890	8,327	3,305	563	27,099
	Total	4,376	12,066	21,612	20,098	7,921	1,464	67,537
December	Male	2,612	5,893	10,379	8,151	2,755	637	30,427
	Female	1,672	4,569	5,905	5,601	1,811	423	19,981
	Total	4,284	10,462	16,284	13,752	4,566	1,060	50,408
Total	Male	25,091	66,910	122,119	101,180	37,805	8,506	361,611
	Female	16,065	53,485	67,733	71,620	26,788	5,565	241,256
	Total	41,156	120,395	189,852	172,800	64,593	14,071	602,867

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Table No. 12 presents tourist arrival in 2010 by sex and age group monthly. According to table no. 12, highest amount of tourist inflow on the month of October were 79,130. If we analyze Age Group wise, age group of 46-60 were greater with 23,858 and than 23,636 of 31-45 age group on month of October. But in total, Age Group of 31-45 was greater with 122,119 and than 101,180 of 46-60 age groups in 2010. On the basis of Male and Female, on October Male tourist was greater with 14,880 (Age group of 31-45) and same month of Female were greater with 10,243 (Age Group of 46-60). Record shows, Month wise total, October month were greater with 46,417 Male and 32,713 Female and according to Total, 3,61, 611 Male and 241,256 Female all total 602,867 Tourist arrived Nepal in 2010.

4.11. Length of Stay by Major Nationality in 2010.

Table No. 13
Length of Stay by Major Nationality in 2010

Nationality	No. of Tourist's Days	Same Day Visitors	Number of Departure with specified length of stay	Average Length of Stay
Australia	333,292	1,313	18,066	18.45
Austria	64,054	285	3,918	16.35
Belgium	52,517	410	5,639	9.31
Canada	183,520	759	10,440	17.58
China	680,619	3,165	43,538	15.63
Denmark	65,198	340	4,672	13.96
Finland	46,284	229	3,155	14.67
France	376,392	1,759	24,200	15.55
Germany	381,804	1,684	23,163	16.48
Greece	30,093	195	2,688	11.20
India	1,273,369	9,166	126,087	10.10
Israel	56,056	372	5,113	10.96

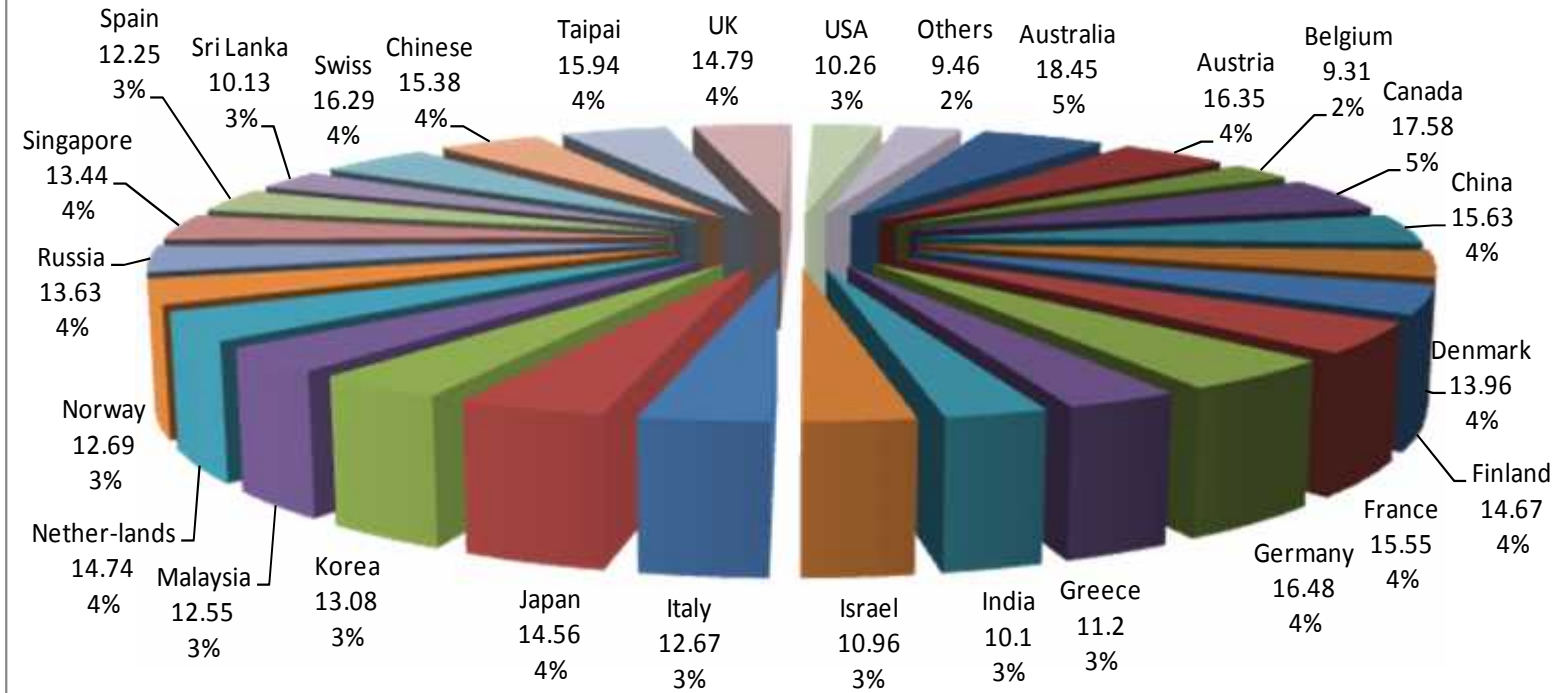
Italy	126,052	723	9,950	12.67
Japan	367,994	1,837	25,277	14.56
Korea	140,044	778	10,708	13.08
Malaysia	82,636	478	6,582	12.55
Nether-lands	191,580	945	12,995	14.74
Norway	36,325	208	2,863	12.69
Russia	95,857	511	7,034	13.63
Singapore	69,325	375	5,159	13.44
Spain	141,185	838	11,530	12.25
Sri Lanka	461,011	3,309	45,526	10.13
Swiss	85,765	383	5,264	16.29
Chinese	114,062	539	7,415	15.38
Taipai	614,430	2,801	38,535	15.94
UK	554,739	2,727	37,511	14.79
USA	1,358,065	9,625	132,411	10.26
Others	22,163	170	2,343	9.46
Not Specified	-	-	-	-
TOTAL	8,004,431	45,924	631,782	12.67

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Table No 13 and Figure No 13 present Length of Stay of the tourist in Nepal by major Nationality in 2010. It was found that tourist from Australia had the highest length of stay in Nepal with 18.45 days followed by Canada with 17.58 days. Germany comes 3rd with 16.48 and 4th comes Austria with 16.35 days. Indian tourist's length of stay exists 10.1 days. So it is evident that even though Nepal has the highest amount of Indian tourist here but there average length of stay is much less than tourist from other countries.

Figure No. 13

Average Length of Stay by Major Nationality in 2010



4.12. Hotel Accommodation

Hotel Industry plays a significant role in promotion of the tourist in the world. Hotel industry provides the greatest accommodation for tourist visiting during their trip. Hotel industry must be diversified into categories such as deluxe, semi-deluxe and moderate according to the need and demands of the tourist.

Table No. 14
Hotel Accommodation in Kathmandu valley, 2009-2010

Category	No. of Hotels		No. of Rooms		No. of Beds	
	2009	2010	2009	2010	2009	2010
Five Star	8	8	1,539	1,539	2,897	2,897
Four Star	2	2	190	190	362	362
Three Star	11	13	372	501	774	957
Two Star	27	28	1,138	1,183	2,263	2,348
One Star	26	26	564	564	1,374	1,374
Tourist standard	348	387	5,010	5,903	9,976	11,525
Total	422	464	8,813	9,880	17,646	19,463

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Table No. 14 shows the Hotel Accommodation in 2009 and 2010 in Kathmandu Valley with the number of rooms and beds. It indicates that there are 8 five stars, 2 four stars, 11 three stars, 27 two stars, 26 one star and 348 tourist standard in Kathmandu Valley in 2009. Similarly, there are 8 five star, 2 four star, 13 thee star, 28 two star, 26 one star and 387 tourist standard hotel in Kathmandu valley in 2010. The above mentioned hotel have total 8813 rooms and 17646 beds in 2009 and 9880 rooms and 19463 beds in 2010.

4.13. Summary of Tourist Scenario

Table No. 15
Summary of Tourist Scenario

Indicators	2009	2010	% Change
Revenue from Tourism:			
Total Earning(US\$ ' 000)	377,172	329,982	-12.5
Average Income per Visitor per day(US\$)	65.3	43.2	-33.8
Tourist Arrival by:			
Air	379,322	448,800	18.3
Land	130,634	154,067	17.9
Total	509,956	602,867	18.2
Average Length of Stay	11.32	12.67	11.9
Purpose of Visit:			
Holiday/Pleasure	40,992	63,082	53.9
Trekking and Mountaineering	132,929		-47.2
Business	22,758	70,218	-6.1
Pilgrimage	51,542	21,377	96.6
Official	24,518	101,335	7.6
Conference/Conv.	9,985	26,374	-3.6
Rafting	285	9,627	156.1
Others	186,849	730	35.1
Not Specified	40,098	252,473	43.8
Tourist Arrival by Major Five Airlines:			
Rank 1	Indian Airlines	Indian Airlines	
Rank 2	Thai Airlines	Jet Airways	
		Thai Airlines	
		Qatar Airlines	
		Jet Lite	

Rank 3	Qatar Airlines		
Rank 4	Jet Lite		
Rank 5			
Top Five Country of Nationality:			
Rank 1	India	India	
Rank 2	Sri Lanka	P.R. of China	
Rank 3.	U.K	Sri Lanka	
Rank 4	P.R. of China	U.S.A.	
Rank 5	U.S.A.	U.K.	
Sex:			
Male	288,155	361,611	25.5
Female	221,801	241,256	8.8
By Age groups:			
0-15 years	84,891	41,156	-51.5
16-30 years	140,805	120,395	-14.5
31-45 years	141,955	189,852	33.7
46-60 years	99,197	172,800	74.2
61+ years	39,638	64,593	63.0
Not Specified	3,470	14,071	305.5

Source: Nepal Tourism Statistics 2010, Ministry of Culture, Tourism and Civil Aviation

Table no. 15 presents summary of above study which compare figure of 2009 and 2010. It also presents % change in 2010 comparison to 2009.

4.14. Major Findings of the Study

From The chapter of data presentation and analysis, we have come to some major findings from the analysis. These are: -

- Earnings from tourism industry are slightly increasing but there are many down and fall in recent years also. Average Income per Capital and Average Income per Visitor per day have also many down and fall.
- From above facts, Tourist arrival is slightly in increasing trend with many ups and downs. Among them 75% tourist visited in Nepal by air in recent year. But, their length of stay has not increased in significant way.
- Excluding India, March, October and November is the largest tourist arrival month in 2010. But, for Indian tourist, May, June, July and December is the largest tourist arrival month in 2010.
- The tourists records show that tourist usually come to Nepal for pilgrimage. This shows Nepal has to increase adventure destination for Trekking & Mountaineering and Rafting to increase tourist arrival.
- Majority of tourist come to Nepal through International Airlines. There are more than 23 international airlines are operating there services in Nepal. In 2010, Indian Airlines and Jet Airways played vital role to bring tourist. But our Own Nepal Airlines is far backward for bringing tourist.
- The records shows, Indian tourist covers greater than the western tourist. Our tourism fortune is closely tied with other Asian countries since the tourist visiting Nepal come with multiple destination trips. Majority of tourist come from the Indian route. The data shows that the tourist arrival by air is the highest even from the Indian route.
- The statistical record shows that Middle age group (31-45 Yrs) tourist is greater than other age group in Nepal. It also shows that Majority Male tourist visited Nepal than Female. In figure of 2010, 361611 male and only 241256 female arrived Nepal. Female tourist rate is also in increasing trend.

- Above figure shows that length of stay of Australia and then Canada. Although in number of Indian tourist is greater than other but length of stay is lowest in the country.
- Although Hotel is the significant part of the tourism industry, it is concentrated only in Kathmandu valley rather than other part of the country.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

Tourism Industry is a management philosophy which in the light of tourist demand makes it possible through research, forecasting and selection to place tourism products on the market most in the line which the organization's purpose for the greatest benefit.

Nepal has a very partial tourism product as yet not exploited fully. She has a cultural heritage entered in the Kathmandu Valley. She has the cultural museum where art treasures and monuments of historical interest are preserved. The arts and crafts of Nepal, enriched by Hindu and Buddhist culture have especially in the Kathmandu Valley. Innumerable temples in both stupas and pagoda style and many other interesting monuments and even private houses with carved doors, windows, balconies are within easy reach of the valley.

Some of these places such as Hanuman Dhoka- the old Darwar square of the Kathmandu, Darwar Squares of Patan and Bhaktapur, the Buddhist Stupas of Boudhanath and Swayambhunath are well known and other places of interest like ancient places like Sanhu, Changhunarayan, Pharping, Kirtipur and Thimi deserve attention. The combination of religious shrines, the artistic creations of man and nature in the form of Himalayan snowy are unique in the world. Kathmandu valley's have ancient cities, temples and arts in stone, wood, brass and bronze, standing as they have been for thousands of years, are invaluable legacies of centuries past. These are the spiritual and cultural treasures impossible to come across anywhere else.

Nepal has much to offer to the visitors from its rich cultural treasures to great natural beauties of the Himalayas, which line across northern Nepal topped by

Mount Everest (8,848m), the highest peak in the world together which peaks some eight peaks over 8579 meter. The Himalayan Region lines at an altitude 4877 m to 8848 m above the sea level with the snow line running at 4877m.

After the culture and the Great Nepal Himalayas, the tourism marketing products are based on wildlife in a jungle setting. Terai region of Nepal occupies 17 percent of the total area of the country. It is a fertile plain stretching from east to west in the southern part, densely populated and is the food basin of the country.

The region which has rich and varied species of flora and fauna is a long tropical zone, richest area for Nepal's wildlife with gaurs, wild buffaloes, four species of deer, Royal Bengal tigers, leopards, one-horned rhinoceros, swamp deer, two kinds of crocodiles and the Gangesic dolphin inhabiting the rivers. The region is also full of bird life like black partridge, peacock, pigeon, vulture, kites, snipe duck and parrots. Adventure in the heart of the Terai jungle in Royal Chitwan National Park is getting popular among the international visitors at present.

Nepal has established eight National Parks extending from Terai to Sub-Himalayan region. These parks and wildlife areas are greatly influenced by the landscape of the country and the flora and fauna with the difference in the climatic conditions and the ranges of altitudes. So Nepal can be called zoologically and botanically one of Asia's richest areas. There areas where the visitor may see all kind of wildlife in the dense forests of the terai and glacial valleys, grizzly bear, mountain blue sheep, red panda, wild yak, snow leopard and many species of birds.

There are lots of opportunities to experience wildlife adventure or relax in the jungle setting of Nepal's National Parks and wildlife Reserves. Royal Chitwan National Park and Sagarmatha national Park are now included in World

Heritage Sites (natural) by World Heritage Committee as Universal Heritage of mankind.

Not only wildlife, Nepal is also a land of varied attractions for adventure by trekking on both well-established routes and in more remote areas. Trekking through magnificent hills, valleys and lakes shows the greatness of landscape, enjoying the breath-taking views of snowy Himalayan range and the calm and quiet green valleys. Trekking is really the visitor's pastime that Nepal is most well-known for owing to the country's vast and generally safe landscape, from the valleys to the majestic peaks of the Himalayan ranges. Trekking offers variety and beauty of many sites and scenery and the opportunities of coming near to so many of the different ethnic groups living in the different trekking areas of Nepal. Trekking offers vacation paradise providing new delights and thrills.

Nepal has major religious sites for pilgrimages in different parts of the country possessing many sacred and well-regarded places of religious tourists which attract the visitors from all over the world. Nepal has a great potentiality for the growth of pilgrimage tourism also.

The vast potentials of tourism describe above are attracting tourists even at present and they will surely become great attraction for the future. In order to secure, the objectives of enhancing future tourism markets are to be created by giving considerable thoughts to watchful expansion of tourism marketing for Nepal and improving Nepal's tourism product. The tourist arrivals from international markets must be increased in order to raise foreign exchange earnings in the future. Marketing is a modern method of creating management function which assists trade and employment by promoting consumer needs and concentrating on research and development to meet them. Tourism is a service industry and selling of products and tourism is becoming more complex due to indefinable nature of the goods for sale.

The technique of marketing is constantly changing in accordance with other characteristics of modern age. So the Marketing Research ensures substantiality with the best possible results and the maximum return of the time and money spent to market. Improved management technique with an imaginative use of research can land to more effective tourism arrivals and to more assistance and contribution to national tourism to the national economy.

India, P.R of China, Sri Lanka, U.S.A. and U.K., country wise are the tourism generating markets for Nepal. The annual growth of tourism arrival from overseas country averaged about 8 percent over the last 20 years. The length of tourist stay in Nepal ranges from 10-13 days. But the tourist movement is still limited to certain geographical areas of the country which are in need of expansion.

There are many potential sites in the country that need to be searched, developed and opened for international visitors. The aim should be for an increasing number of visitors to come other Asian markets and for a greater proportion of visitors to stay in quality hotels. In order to attract even more visitors from neighbors India, more promotional activities must be done in India putting more force in pilgrimage as well as sightseeing tourism.

The international markets show keen interest in marketing profile form Nepal. Nepal despite a practical tourism product has been under-sold in the overseas market. The government of Nepal should take a leading role in order to highlight the importance of tourism as an economic and social activity. Government of Nepal has to play a coordinator's role and in close consultation with all tourism sectors which will create a solid base for foreign exchange earning resource.

The Government has announced the year 2011 as Tourism Year. NTY 2011 has a target to welcome one million tourists and to provide them facilities, additional investment in tourism infrastructure is needed. Various infrastructure developments will be done within Tribhuvan international Airport (TIA). With the Infrastructure development, discounts will be granted for landing and parking during the peak hours. NTB will also carry out different international promotional activities for the promotion of Nepal Tourism Year which includes Sales missions and road shows in tourist generating countries, FAM tour of international journalists in Nepal, high level delegation to different countries for interaction with travel trade and media. But only 7,30,000 visitor visited in 2011.

5.2. Conclusion

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

From the search findings of the previous chapter, we can layout the conclusion in following points.

- ❖ Nepal's marketing plan should focus on maintaining the present growth trend while trying to address the seasonality factor by focusing marketing in South and East Asian countries. A review of tourist arrivals reveals that the numbers have remained fairly stable and steadily increasing despite the fact that large investment has not been made in marketing. For this the national tourism objective of increasing the number of tourists and extending their length of stay should be given importance which will also allow time for

beginning diversification and that needed for product research and development.

- ❖ The market status of tourism has changed in the last two decades as European countries; India and P.R. of China have emerged as major source markets while the United States and U.K. has diminished in terms of importance. So Nepal's marketing plan should focus on trying to maintain the growth trend.
- ❖ Tourism is very sensitive to international and national political conflicts or ecological disasters and ups and downs in the world economy. So to heavily depend upon tourism to build up the economic crisis occurs. Our landlocked country, which is unable to export its natural resources, the foreign exchange earned by the tourism industry is vital for the country's economic development. Tourism has to be developed generating employment both directly and in other related to improve the national economy since it's an industry, which has larger role for the private sector. The purpose of this study is to find out the prospects by which the growth can be much accelerating so particular emphasis has thus been given to information, marketing and promotional aspects of the industry.
- ❖ The basic goal of every nation is to become economically developed since it leads to higher standard of living, higher per capita income of people and the country itself would be strong enough. Every country whether developed or developing is trying to reach that goal where they can have commanding economic conditions but the road to achieving required proper functioning from all class of society. Nepal is landlocked and developing country facing several problems such as shortage of capital, unemployment, lack of trained manpower etc., which stand as a big challenge in the path of development of the country. This poses a major hurdle to the infrastructure development and needs to be overcome and the most appropriate and

practicable source of income and economic development of the country would be related to the Tourism Industry.

- ❖ Tourism has been universally recognized as one of the fastest growing industry of the world. Tourism industries play important role to serve the nation by utilizing permanent resources, using local techniques, mobilizing domestic capital, acquiring foreign currency earning and creating bright image of the nation in the world. Such activities increasing the net National income. Tourism industry therefore plays a significant role in providing foreign currency earning, creating employment opportunity and also improving Nepal's balance of payments as well as raising the living standard of the people.
- ❖ Keeping in mind the great role which the tourism industry can play in development of the country, it is wise to state that the well being of the nation more or less depends upon the proper functioning of the tourism sector. Nepal cannot face competition in international market where almost all the countries are imposing restrictions on import in order to promote and protect their own domestic industries. Thus on the top, the major and dependable source of economic activity plays a crucial role in accumulating foreign exchange and providing employment opportunity and reduce unnecessary pressure and outstanding industry in terms of foreign currency earnings. Employment and so on. In the field of tourist business, Nepal has been majestically bestowed by Mother Nature. The natural environment is the basic asset in attracting tourist to Nepal.
- ❖ Nepal's tourism has been in the growth phase since 1970's and has emerged as the primary foreign exchange earner on which the domestic economy depends quite effectively but even if the recent years is marked by growth

in tourism, there is no clear indication that this will become stable and continue to grow due to both external and internal factors.

- ❖ Nepal has very good market stats as trekking and mountaineering is concerned compared to other Himalayan countries but there should be a planned approach in view of the future years so that they will continue to receive the trekking arrangements through the internal agencies of the country.
- ❖ The over-dependence on the tourism industry for the overall economic development of the country might create problems in the long run and the lack of proper planning has questioned on the Nepal's tourism policy. It is tourism that leads the Nepali economy. The political crisis, shift in exchange rates and energy crisis make tourism based economies less secure.
- ❖ A better understanding of tourism as an industry as it exists and the identification of associated opportunities should be highlighted more organized marketing with effective coordination of activities from the government and private sector involved in tourism should be followed.

5.3. Recommendations

Increasing the earning is the major tourism objective so for the growth of tourism there should be a proper classification and understanding of tourists visiting the country for any planning exercises. Nepal tourism statistics do not attempt to define tourists with different level of income to it's difficult to focus marketing on say the high-income or middle-income market groups without knowing what and where to aim at.

✓ **Proper plan and policy**

The more planned approach and proper policy is applied in the tourism industry, the more it gives us the benefits in the sector. As we see the status of the tourism arrivals in 2009 and 2010, it is clear the political ever largely affects the tourism arrivals. Therefore, make proper policy plan and maintain the arrival of tourists.

✓ **Proper classification**

There should be listing in regard to the tourists on their purpose of visit by trekking and mountaineering, which should include rafting in Nepal tourism statistics. The importance of trekking cannot be minimized in the tourism. There is also the need to classify tourist interests by occupations, to make the marketing approach more effective. There should be also identification of “domestic” tourist groups as increasing number of middle class Nepalese have started to travel to the different tourist destinations to spend their holidays with can be another market section for marketing plans.

✓ **The leakage season**

The seasonality gap can affect Nepali tourism; the tourist number's during the monsoon months still declines even though the annual tourist arrival increasing. Tourists from India have been filling u during the leaden months helping to reduce the impact of seasonality so Nepal's tourism development option seems closer to India than the foreign countries. Fresh marketing efforts are needed to attract more business groups; pilgrims can convention tourists like making special rates available to them.

✓ **Market Promotion**

Market promotions one of the most important concerns in Nepalese tourism. The concepts of master plans should be set into motion with coordination between government and the private sector. There should be product-focused marketing with adequate information material and per set targets during the participation at international fairs.

✓ **Product Knowledge**

The products of tourism in Nepal are the high mountains, tropical jungles, the Himalayan foothills, historical sites and cultural heritage. But there are new possibilities of product improvement like more golf and tennis courts, opening ski-resorts etc so there options should also be considered.

✓ **Government role**

There is a need to effectively strengthen the government's role in tourism development planning, especially marketing. There should be comprehensive survey on the target tourist groups media habits or there means of obtaining travel information for the promotions of tourism. At the establishment of Nepal Tourism to take charge of Nepal's tourism promotions and marketing plans, it should intensely carry out the marketing functions like publicity, promotion, information, market representation and market research. Except visiting of international and national tourism experts, presentation of different reports and master plans, there should be realization in the element that tourism requires consistent efforts of all parties' involvement in the industry.

✓ **Religion based tourism promotions**

Our country has been attracting tourist interested in pilgrimage since the ancient times. Major amount of Asian tourists which includes Buddhists visiting Lumbini, the birth place of Lord Buddha, and Hindu devotees visiting pashupatinath so there are also opportunities for developing and promoting religions-based tourism to Asian Visitors.

✓ **Repeat visits**

The environment pollution, safety reasons, availability of infrastructure and personal instances of having bad experiences with travel agents pick pockets of visa officials might lover the changes of repeated visit to the country, which can be tackled by effective marketing.

✓ **Mode of transportation**

We have known from the previous data analysis that tourist basically use airlines to visit Nepal and few amounts to tourist visit by land compared to the air. Since tourists mostly use air transportation to visit Nepal so efforts should be made by policy markets in extending the air services to different areas so that tourist would not face any problems in transportation visiting the country.

✓ **Media Image**

Nepal also has to be focused in sending out the message to the outer world that the civil conflict in the country is over and the political stability is far better that previous decade. This will help to reverse the negative media coverage in the past from the international media about the country. On the other hand, the environmental issues should be highlighted showing how the problems of pollutions and environmental degradation have been controlled and the measures that have taken to counter those problems.

✓ **Information Resources**

Tourists rely upon travel magazines, general newspapers, personal links, travel agents so there should be good amount of information as required for the tourist in different publishing's and travel agents. There is a need to work towards what is being written in well established travel magazines while at the same time increase the public relation activates in offices associated with tourist handling. Nepalese embassies abroad still have not been able to circulate

the information resource to promote tourism so there should be some adequate movement from the Nepalese Embassies abroad.

✓ **Public relation**

It is one of the important factors, which will help to increase the number of tourist arrivals in the country. Without the outreach of mass, we won't be able to justify our tourism assets so there should be public relation activities in a deeper level like inviting travel writers of major publications, film markets, foreign media which can highlight the country's tourism market.

✓ **Promotional Literatures**

There is no doubt that our country has numerous touristic attractions to explore but there is a lack of proper channeling of those attractions. The country's attraction should be presented with uniqueness and with difference in the promotional literatures. The literatures should reflect the well known tourism landmarks like Mt. Everest, the Kathmandu valley Himalayas in general and the new face of Lumini.

Lastly one thing also is mentioned here is that though the "budget-class" tourists who spend less in their visits, these types of tourist make insignificant contributions to the national income and the contributions reach the smaller entrepreneurs in the economy. The government and the private sector must intensify the marketing efforts with proper research and attract and targeted tourist to achieve their goal of increasing the number of tourists.

Nepal has already achieved significant amount of tourism growth making any major investment in marketing. The satisfaction of the tourist coming to Nepal is very good which shows the high possibility of repeated visits of the tourist.

Increasing the number of tourist arrival in the country is important for the development to tourism in Nepal but there should be an approach for the sustainability on the number of tourist visiting the country as we have seen in past years that there have been huge ups and downs in th arrivals of tourist in the country due to various reasons. If we look at the current few years, the growth of tourism is positive and the numbers are increasing so there should be a planned approach for a long term improvement of tourism infrastructure.

The area affected by environmental pollution can be set as those places where the tourist can be reduced in the beginning or the visitors charge can be reduced in those areas so that the environment in those areas can get time to regenerate. The trekking router which is overcrowded and polluted, the Kathmandu valley which is affected by air pollution, industrialization and urbanization should be taken as serious problems in promoting tourism since trekking is the most important part of tourism in the country. So reducing the prices of the trekking regions in terms of the flow of tourist in those areas is one of the options variables. The mountain flight which is very popular since recent years can be advertised as sightseeing the Mount Everest which will attract the mountain inspired tourists.

With above mentioned suggestions we can minimize the problems of marketing the tourism industry in and out of the country and find out the prospects of flourishing tourism continuously in the long run.

☆☆☆

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