

**MARKETING AND PROMOTIONAL EFFECTS FROM NEPAL  
TOURISM BOARD IN THE DEVELOPMENT OF RURAL TOURISM IN  
NEPAL**

By

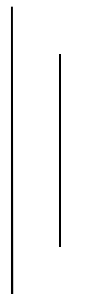
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Tribhuvan University



In partial fulfillment of the requirement for the degree of  
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# **RECOMMENDATION**

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**MARKETING AND PROMOTIONAL EFFECTS FROM NEPAL  
TOURISM BOARD IN THE DEVELOPMENT OF RURAL TOURISM IN  
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*has been prepared as approved by this Department in the prescribed format of the  
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NEPAL**

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accepted as partial fulfillment of the requirement for the  
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## **DECLARATION**

I hereby declare that the work reported in this thesis " **MARKETING AND PROMOTIONAL EFFECTS FROM NEPAL TOURISM BOARD IN THE DEVELOPMENT OF RURAL TOURISM IN NEPAL**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirements for the Degree of Master of Business Study (M.B.S.) under the supervision of **Dr. N.K. Pradhan** of Shanker Dev Campus.

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.....

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## **ABBREVIATIONS**

NTB	:	Nepal Tourism Board
FAM	:	Familiarization Tours
GDP	:	Gross Domestic Product
HAN	:	Hotel Association of Nepal
NATTA	:	Nepal Association of Tours and Travel Agents
TAAN	:	Trekking Agents Association of Nepal
VITOF	:	Village Tourism Promotion Forum-Nepal
NTNC	:	National Trust for Nature Conservation
NRB	:	Nepal Rastra Bank
TIA	:	Tribhuvan International Airport
NAC	:	Nepal Airlines Corporation
NTY	:	Nepal Tourism Year
VNY	:	Visit Nepal Year
TRPAP	:	Tourism for Rural Poverty Alleviation
MOTCA	:	Ministry of Tourism and Civil Aviation
IT	:	Information Technology
TTF	:	Travel Trade Fair
DNC	:	Destination Nepal Campaign
VDC	:	Village Development committee
RACTR	:	Round Annapurna Circuit Trek Route
CBT	:	Community Based Tourism
WTO	:	World Tourism Organization
MICE	:	Meeting Incentives Conference Exhibitions

# **CHAPTER - I**

## **INTRODUCTION**

### **1.1 Background of the study**

Tourism is an activity done by an individual or a group of people which leads to a motion from a place to another, from a country to another for performing a specific task or it is visit to a place or several places in the purpose of entertaining which leads to an awareness of other civilization, cultures, knowledge of countries and history. It includes the activities of persons travelling to and staying in places outside their usual environment for leisure, business and other purposes. It is also a collection of activities, services and industries that delivers a travel experience, including transportation, accommodation, eating and drinking establishments, shopping, entertainment business, activity facilities and other hospitality services provided for individuals or groups traveling away from home. The main motivation of earlier travelling were food, water, safety or trades but the idea of travel for pleasure or exploration soon emerged.

Tourism is considered as an activity essential to the life of the nations because of its direct effects on the social, educational and economics sectors of national societies and their international relations (Murphy, 1981:4).

The world tourism organization defines tourists as people "traveling to and staying in places outside their usual environment for not more then one consecutive year for leisure, business and other purposes". They claimed that tourism is currently the world's largest industry.

The earliest travelers walked or rode domesticated animals but later on inventions of the wheel and the sail provided new models of transportation. Each improvement in technology increased the opportunities to travelers. In recent years, tourism is regarded as world's largest and fastest growing industry. It has been playing a vital role in the socio-economic sectors of the most of developed as well as developing

countries. Most of the countries are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country. Tourism has been identified as an important source of foreign currency earnings. Tourism is multi faced industry, which promotes employment opportunities and generating economic growth of the country (Shrestha, 1978: 74).

Nepal is one of the richest countries in the world in terms of bio-diversity due to its unique geographical position and latitudinal variation. The elevation of the country ranges from 60m above sea level to the highest point on earth, Mt. Everest at 8,848 m, all within a distance of 150 km with climatic conditions ranging from sub-tropical to arctic. This wild variation fosters an incredible variety of ecosystems, the greatest mountain range on earth, thick tropical jungles teeming with a wealth of wildlife, thundering rivers, forested hills and frozen valleys. Within this spectacular geography is also one of the richest cultural landscapes anywhere. The country is a collection of ethnic groups and sub-groups who speak over 93 languages and dialects. Nepal offers an astonishing diversity of sightseeing attractions and adventure opportunities found nowhere else on earth. Thus Nepal is a destination of infinite charm and diversity – the visitor's dream-come-true.

Nepal stretches 145 - 241 kilometers north to south and & 850 kilometers east to west with an area of 147,181 sq. kilometers. Nepal is topographically divided into three regions; the Himalaya to the north, the hills consisting of Mahabharat range & Churia hills in the middle and the Terai plains to the south with covering 15%, 68% and 17% respectively in the total area of the country. The highest point is Mt. Everest (8850m) and the lowest point at Jhapa district (67m). Altitude generally increases as one travels south to north. Administratively, Nepal is divided into 5 development region, 14 zones and 75 districts.

The geographical, cultural and natural diversity are the touristic potentialities of Nepal and the tourism industry has been playing a significant role in the country's economy. The exotic culture, unique social setting, arts and architecture, colorful festivals are

resources of tourism in Nepal. In top of them the geographical diversity is adding a charm on its beauty. Nepal is the country of Mount Everest, the land of Yeti, the birthplace of goddess Sita, the country of Bhrikuti and Araniko and the land of Lord Buddha. Its various snow-peaked mountains, rivers and lakes and mysterious charms are inviting the visitors of the world.

A huge numbers of people are still below poverty line. The majority of the population lives in rural area i.e. about 80% of the total population. Major economic activities are related in agriculture and rest others are from other sectors such as manufacturing, commerce, services, tourism and remittance etc.

In Nepalese economy the main sources of earning of foreign currency is from Tourism. Tourism has been the main industry of this land locked country. It is a land of temples, monasteries, stunning views popular lakes, snow capped mountains and wonderful national parks. The mountains and majestic Himalayas are the most tourism attractions of our nations. Trekking tourism is the most popular type of mountain tourism in Nepal, followed by mountaineering and rafting. There are dozens areas in the mountain regions opened for foreigners.

Tourism in Nepal has been gradually emerged as one of the major industry in Nepal and it has been a driving force for the economic development of Nepal. It also gives employment opportunities for huge numbers of people in directly and indirectly. The total contribution of travel and tourism to GDP was 8.8% of total GDP in 2011 and it is expected to grow by 4.8% in 2012.

### **Nepal Tourism Board**

Nepal tourism board (NTB) is an autonomous body modeled as a partnership between Government of Nepal and the private sector tourism industry of Nepal and has legal duties as the national tourism organization. NTB aims to promote Nepal as quality tourism destination in the international arena with specific brand image.

It is a national organization established in 1998 by an act of parliament in the form of partnership between the government of Nepal and private sector tourism industry to

develop and market Nepal as an attractive tourist destination. The board provides platform for vision-drawn leadership for Nepal's tourism sector by integrating government with the dynamism of private sector. NTB is promoting Nepal in the domestic and international market and it working toward repositioning the image of the country. It also aims to regulate product development activities. Fund for NTB is collected in the form of Tourist service fee from departing foreign passengers at the Tribhuvan International airport, Kathmandu, thus keeping it financially independent. The board chaired by the secretary at the ministry of Tourism and civil Aviation consists of 11 board members with five government representative, five private sector representatives and the chief executive officer.

"NATURALLY NEPAL" once is not enough, is the tourism brand of Nepal. "Naturally Nepal" is a simple expression that repackages the Nepal brand in a positive light. "Once is not enough" not only accurately captures the tourist emotions at the airport's departure gate but also serves as a decision tool that enables the Nepali tourism industry individually and collectively to focus both on consumer retention and acquisition.

The following factors can be taken as major strategies of NTB

- ) Focusing marketing and promotion activities on regional and emerging markets
- ) Exploration of new tourism potential market segments
- ) Highlighting the tourism brand: Naturally Nepal; Once is not enough!
- ) Enhancement of air connectivity with the regional, emerging and potential markets.
- ) Lobbying with government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas.
- ) Attract and encourage private sector for investment in tourism sector.
- ) Capacity building of human resources involved in tourism
- ) Lobbying with government for effective intervention in domestic tourism development.

### **Main Objectives of NTB**

- J To introduce Nepal in the international arena by developing it as fascinating tourist destination.
- J To develop, expand and promote tourism business upon protecting and promoting natural and cultural heritage and environment of the country.
- J To create maximum employment opportunities by increasing national productions and foreign currency earning through the development, expansion and promotion of tourism/
- J To establish Nepal's image in a high and dignified way in the international tourism community by developing Nepal as a safe reliable and attractive tourist destination.
- J To conduct or cause to be conducted functional research develop tourism as per necessary for finding out ways and means to solve problems encountered in tourism sector so as to provide qualitative service to the tourist.
- J To assist in establishing and developing institutions necessary for tourism development.

### **Major functions, power and duties of NTB**

- J To act as the representative of the government of Nepal or any person or institutions/body with the approval of the government for carrying out any activities related to tourism
- J To formulate and implement or cause to be implemented necessary program or infrastructure development, tourist service, facility extension, human resource development and including other activities related with environmental protection in the tourist destination for the establishment, improvement, development, extension, promotion and protection of tourism business.
- J To develop Nepal as an attractive tourist destination.
- J To coordinate activities of persons, institutions and bodies who provide services to the tourists.

- ) To promote the optimum of the participation of the private sector in various activities related with tourism for the development, extension and promotion of tourism business.
- ) To motivate private sector in the tourism related field in an effective way.
- ) To gradually develop Nepal as an adventurous and attractive tourist destination
- ) To organize international seminars, conferences, trade fairs, cultural and youth festivals and support other tourism related promotional activities.
- ) To encourage the participation of local community in various activity.
- ) To mobilize the investment to develop infrastructure in the new tourist destinations.

### **1.1.1 Marketing and promotion**

Marketing is "the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. It is a process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

The definition of marketing can be summed up "it begins with consumers attracting and persuading them to buy your products and services and making them satisfied with the purchase and ends with profit".

"The right product, in the right place, at the right time, at the right price".- Adcock

"Marketing is the social process by which individuals and organizations obtain what they need and want through creating and exchanging value with others". – Philip Kotlar.

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals". – American Marketing association.



Basically marketing is about meeting the needs and wants of customers. It is about understanding customers and finding ways to provide products or services which customers demand. All types of organization need marketing to achieve their objectives and marketing has gained a great deal of importance for the success of modern organization.

To the general public, marketing is selling products. However, selling represents only part of marketing. Marketing consists of creating, promoting and delivering products to satisfy customer's needs. It creates value for customers. It delivers satisfaction to customers. It deals with customers.

Promotion is persuasive communication. It is highly visible component in the marketing mix. It tells the target customers about products, price and place. It is also known as marketing communication.

"Promotion includes all the activities the company undertakes to communicate and promote its products to the target market".- Philip Kotlar.

"Promotion is the element in an organization's marketing mix that serves to inform, persuade and remind the market of a product and/or the organization selling it, in hope of influencing the recipients feelings, beliefs or behavior".- William Stanton.

Promotion is a market mix elements. There are four Ps to marketing: price, promotions, placement and product. The "promotions" P is what is generally thought of as marketing. Promotion is a form of corporate communication that uses various methods to reach a targeted audience with a certain message in order to achieve specific organizational objectives. It involves disseminating information about a product, product line, brand or company. Nearly all organizations, whether for-profit or not-for-profit in all types of industries, must engage in some form of promotion

Promotion is the business of communicating with customers. It will provide information that will assist them in making a decision to purchase a product or

service. Promotion keeps the product in the minds of the customer and helps stimulate demand for the product. Promotion involves ongoing advertising and publicity. Generally, promotion is communicating with public in an attempt to influence them toward buying your products or services. Communication plays an important role in marketing. Communications perform the function of informing the target group about the nature and type of the firm's product and services. This persuasive communications are commonly called "Promotion". Marketing communication is the essential element of the promotion function of marketing. Effective marketing depends on effective management of its promotion function.

Promotion has the following objectives:

- ) Informing
- ) Persuading
- ) reminding
- ) reinforcing

The elements of promotions can be considered below:

- ) Personal selling.
- ) Sales promotion.
- ) Public relations.
- ) Direct marketing.
- ) Advertising
- ) Publicity

### **1.1.2 Rural Tourism in Nepal**

Tourism has been considered as fundamental instrument for economic development of the country. It is a fast growing and profitable small and medium business which gives an incentive to work, to preserve and rationally use local resources, cultural and historical heritage. Rural tourism is one of great significance in the stabilization and improvement of social economic conditions. Development of tourism business and infrastructure would stimulate economics with small businesses in the rural population

"Rural tourism is increasingly viewed as a tool for improving economic and social conditions in rural areas. Rural tourism is a growth industry and can be accredited to changes in lifestyle, higher levels of disposable income, car ownership, and second holiday/weekend break markets". - Alexander & McKenna, 1998

Rural tourism focuses on participating in a rural lifestyle. The majority of Nepalese territory can be characterized as rural area. The employment situation is unfavorable in rural areas with low possibilities of employment. However, we can say that rural tourism enables tourists to reunite with nature and the culture of the destinations, and that it contributes to the economic and social recovery of the rural areas, as well as to the conservation of the environment and the spreading of local cultures. It provides an escape for the urban population and arranges of distinct leisure time activities. It provides recreation and tranquility and inter- weaving of nature with local, architecture, food, culture and community. Rural tourism gives a possibility to get acquainted with probably the main treasures of the country: nature, culture, customs and traditions. It allows them to get in the everyday life and culture of the locals residents.

The majority of the population in Nepal lives in villages and a tourist has a possibility to stay in one of those. He will be able not only to watch sidewise the life in the village, but also to participate directly in it. Money, spent by tourists is given straight to the population. If the rural tourism develops further, it will be able to play an important role in country's development, decreasing the poverty level. The main aim of rural tourism is to link Village Development and Sustainable Tourism through the generation of income, employment and local markets for agricultural products and handicrafts. It is increasingly important of tourism to local economy.

Nepal is a country where 83% of total area is covered by mountains/ hills thus providing increased opportunities for nature based tourism and adventure tourism, including trekking, mountaineering, rafting, paragliding, cycling, wildlife observation, bird watching and cultural experience. Almost all of these activities take place in rural areas of the country. Now a days rural tourism has turned into one of the leading

economic activities and shows a positive relationship between developing rural tourism and an increase in income. It can be a suitable way to enhance economic advantage and employment. Considering the potentials for rural tourism, Nepal can act to enhance its economy and rural economy as well.

Before the concept of village tourism was introduced, most of Nepal's tourism activity was centered on major trekking routes and mountains. The rural tourism program was devised to spread the economic benefits of tourism over a wider area, and create jobs outside of agriculture. Government support provided infrastructure such as roads, telecommunications and electricity, and in 1995, a village tourism program was included in the national tourism policy.

Village tourism and home stays are new concept of ecotourism in rural part of Nepal. Among the advantages of such stays is the possibility for visitors to freely interact with their host families, get to understand the local culture, language, activities and customs. During their stay the tourist are able to feel what it is like to live the life of a Nepali villager. They can walk with their host family while they go about their daily tasks, tending animals, tilling the fields, going to school with the children. They can help with mowing grass, picking fruits, making butter, playing with children; they can even teach at the local primary school.

### **1.1.3 Rural tourism development in Nepal**

The development of rural tourism was followed by the changes on tourist's demands and behavior. Tourism in rural areas offers the potentials for alternative, individual and more authentic tourism experiences satisfying the needs of the experienced and highly demanded "new" tourists.

The history of tourism in Nepal related to Kathmandu valley when Manjushree came from China. After this in 249 BC emperor Ashok of India visited Nepal and established some monuments. During the Lichhavi period, lots of foreigners visited Nepal as pilgrims.

Tourism development in Nepal dates back to the early 1950s following the successful ascent of Mount Annapurna by French mountaineer Maurice Herzog. After the political movement in 1951, a lot of infrastructures have been changed and many foreigners have started to help the development of the country then government made attempt in the development of tourism in Nepal with liberal tourism policy compare to before.

It is believed that, the First National Development Plan (1955 - 60) started the process of identifying possibilities and the building of some infrastructure for tourism development. As a first national tourism organization, the Tourism Development Board was set up in 1957 but it didn't seem to fulfill requirement needed and manage the tourism in fullest. Furthermore, with a view to promote the tourism industry, the first national tourism organization was changed into the Department of Tourism in 1961 within the ministry of public work, transport and communication.

The Second National Development Plan (1962 - 65) was the "take off" period for tourism in Nepal. To regularize tourism activities, the tourist legislation was brought into force in 1962, and during the planned period, construction of the tourist standard hotels in several visiting places was instigated. Due to a significant growth in tourist arrivals from overseas, its importance was realized and the Department of Tourism (DOT) started recording data from 1962. In 1962 tourist arrivals were recorded as 6,179 which in four years, increased by more than 100 percent. Owing to the multiple effects of tourism on the national economy, new tourism policies were formulated by the government in the Third National Development Plan (1966 - 70). In 1969 a Tourism Development Committee was formed, to prepare a national tourism master plan.

The Master Plan for Tourism, which was prepared with assistance from the West German Government, was seen to be the first framework for government's planning on tourism. The Fourth (1970-75) and Fifth (1975-80) National Development Plans have incorporated most of the projects and programs recommended in that master

plan. The 1972 Master Plan set a comprehensive list of proposals to be carried out during the following ten-year period.

A separate Ministry of Tourism was formed in February 1977. In April 1978, the government formed a high level Tourism Co-ordination Committee to co-ordinate promotion and development activities and to review the Master Plan for Tourism and other programs for the development of tourism.

Keeping in view the importance of tourism for the economic development of Nepal, a high- level tourism council under the chairmanship of the Prime Minister was formed in the Eighth Plan. The tourism industry has the additional comparative advantage of being an important industry for earning foreign currency without causing any adverse effect on the environment. It has also been realized that tourism can play a significant role in the development of rural and mountainous areas of Nepal. It was thought that, tourism being an employment oriented industry, could solve the unemployment problems, if it is expanded to different additional areas of the country.

During the eighth plan period, the National Civil Aviation Policy 2050 was implemented and other notable achievements has gained including the opening of upper Mustang, Manaslu and Kailash/ Mansarovar from Humla, the upgrading of Pokhara airport and the conservation of the Gorkha Durbar.

The Ninth Plan (1997) stresses the increased participation of private sector in the management of tourism industry and envisages a catalytic role for the government with a limited role in infrastructure development. The Ninth plan indicates a clear shift in tourism policy and objectives. It recognizes tourism as an important sector of the economy, which can increase employment, foreign exchange, thus improving regional imbalance.

The Ninth Plan spelt out the long-term perspectives of tourism and made a 20 - year forecast for tourism development. This included:

- ) Tourism as an important sector of the economy for national development.

- J) Setting up of Nepal as a tourist destination in the world tourism market, to stretch out benefits of tourism to rural areas.

"Visit Nepal 98" has announced with the slogan "A sustaining habitat through sustainable tourism". It is a landmark process to guide Nepal tourism into 21<sup>st</sup> century and it is really successful in arousing consciousness about tourism potentials of the country among the people and causes them enthusiasm to work for product enhancement as well as to launch many tourism events such as fair, exhibitions, and conferences about the Nepal tourism attraction.

The creation of a Nepal Tourism Board (NTB) was the product of close cooperation between the private and public sectors. One of the key features of the NTB is tourism products and resources development. It focuses in its activities on marketing, promotion and international relation for tourism including quality enhancement and development of domestic tourism in the country.

Furthermore, in the Ninth Five Year Plan, the concept of model tourism villages at five different areas such as Shree Antu in Ilam district, Basantapur in Terahthum district, Dhanusham Dham in Dhanusha district, Tansen in Palpa district and Khaptad area in Doti, Acchham, Bajhang and Bajura districts has been clearly mentioned.

Rural tourism development has received much attention in both current policy and plan as a means of income and employment generation, diversification and direct effect on local economies without having an adverse impact on the environment. Similarly, it also facilitates tourists to lengthen their stay period, which ultimately bolsters national income in terms of foreign currencies. The regional imbalance situation at present in tourism development has caused negative impacts on the villagers leading to migration into other urban areas to find jobs. With the proper development of tourism in such areas the prevailing migratory problem can be controlled to some extent. With a great prospective for sustained tourism development the concept of tourism product development in the above- mentioned areas has been

adopted as a potent tool for an intensive and integrated community development program.

Annapurna, Kathmandu, Pokhara and Chitwan region, often referred to as the 'tourism triangle'. Before the concept of rural tourism was introduced, most of Nepal's tourism activity was centered on major trekking routes and mountains. The rural tourism program was devised to spread the economic benefits of tourism over a wider area, and create jobs outside of agriculture. Government support provided infrastructure such as roads, telecommunications and electricity, and in 1995, a village tourism program was included in the national tourism policy. This has led to the tourism entrepreneurs and development workers to seek alternative ways on how to diversify the tourism benefits to other parts of the country as well in par with environmental conservation. Nepal's rural settings also provide a strong foundation to promote rural and/or village-based tourism because of its unique lifestyle, unspoiled culture and tradition. If marketed in an innovative way it can bring tourism benefits in the villages that are off the main trekking trails and help create off-farm employment.

After the village tourism program in national tourism policy, Nepal Village Resorts was set up to market and manage the program. It was launched in Sirubari in 1997 but later it extended in many more villages. Local community members were heavily involved in the planning stages.

Home stay in Nepal started the act in august 17, 2010 focusing every tourist to visit every rural village of Nepal. Home stay is one of the most popular kinds of bed and breakfast with the typical Nepali family.

Under the home stay concept, anyone having a house with at least four rooms can use the vacant rooms for tourists' home stay. The household should be able to give a taste of the local culture and food. As per the government rules for home stay, any house owner willing to operate home stay at his home should register at the Local Homestay Management Committee. The house owner must be able to provide hygienic and well facilitated rooms and services.



A home stay is a cultural exchange in which a person visiting or temporarily staying in another country lives with a family in the host country. There are home stays for short periods (one night or a weekend) and for longer periods

## **1.2 Statement of Problem**

Nepal is very rich in rural tourism due to its geographical, cultural and natural diversities. There are lots of potentialities in the tourism of Nepal and it has a significant role in the country's economy. The exotic culture, unique social setting, arts and architecture, colorful festivals are resources of tourism. Most of the part of Nepal lies in the rural area and it has lots of drawback in the development opportunity so that tourism boost up in rural part is the best idea to raise the country economy for the base level.

Although Nepal has been very rich in such natural beauties and cultural heritages, the rural tourism sector is not well developed. As Nepal is economically poor, there are no well transportation and communication facilities which are necessary for tourism development. Due to political instability, transport and tourism industries have been affecting the cultural and historical heritages are being affected day by day due to criminal activities. Many tourists have been killed by criminals for money which is a big reason to decrease tourists.

Nepal is suffering from unstable political situation which led to riots, demonstrations and lots of road blocks in the country which stamped a very negative impression for the travelers. Lots of foreign countries have given the travel warning to their nationals so that people have problem of arranging travel insurance and it makes them fear of travelling.

We still have lack of proper infrastructures i.e. roads, airports, accommodation in the rural part of the country. Government hasn't done much in the development of infrastructure and creates a new possibility in the rural part of the country due to lack of Budget. Kathmandu, Chitwan and Pokhara are known as a main tourist destination

of the country especially for non trekkers though there are lots more to see in other parts of country.

NTB is not success in marketing due to its lack of budget. We must admit that Nepal tourism year 2011 wasn't much success due to its inappropriate marketing and promotion. We see lack of advertisement in the proper media (TLC, BBC, CNN, animal planet, national geography) as well as there are not much described about rural tourism of country though it covers major part of the nation. The announcement was made very late to get the travelers attention in a very short time.

We have lack of appropriate flight connection from Europe and other countries as well as very long transit in between which gives lots of hassles and difficulties of arranging traveling permits.

We also can notice the poor coordination among different agencies and weak in public-private partnership. We also have tourism patterns limited to only in a few geographical areas.

We also have lack of national carrier to connect with major cities in the world as well as lack of inadequate investment in tourism sector.

### **1.3 Objectives of Study**

Although there is lots of potentiality in the rural tourism in Nepal but it is never given any priority. The concept of rural tourism has a noble cause, it is another kind of sustainable tourism that exploits resources in rural regions, causes little or no harmful impact and generates increasing benefits to rural areas in terms of rural productivity, employment, improved distribution of wealth, conservation of the rural environment and culture, local people's involvement etc.

Not much study has been done in Nepal to access the potential of rural tourism so that the main aim of the study will be to access the marketing and promotional campaign

of Nepal Tourism Board in rural market. The other sub – objectives can be mentioned as below:

- ) To analysis the travel trends figure in rural tourism.
- ) To know the types of marketing and promotional tools effective in rural tourism.
- ) To know the general model of marketing adopted by NTB.
- ) To offer suggestion in affordable measures for promoting rural tourism in effective way.
- ) To identify the essential elements for development of rural tourism in Nepal.

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

Tourism has become a very important and dynamic sector in economy and particular in the developing countries. Its growth affects not only the activities directly linked to tourism but also other sectors. Tourism is already an important sector in Nepal and it has have been fast growing. Increases in economic growth, disposable income and leisure time, political stability, and aggressive tourism campaigns, among others factors can add up the significant growth of tourism.

Nepal has extreme poverty and widespread conflict (including political issues and ethnic clashes), extensive political corruption, lack of political and social stability, human resource weakness and economic vulnerability but still Nepal is holding high potentiality for rural tourism.

This thesis is an attempt to investigate how the use of promotional activities can help to develop the tourism industry especially in rural tourism of Nepal. The expansion of the tourism through out the world has increased competition among the tourist destination, trying to attract more tourists by adopting appropriate marketing and promotional techniques and strategies. As an important element if marketing mix, promotion plays the vital role in marketing any product and services. Tourism service is of no exception because of the tourist also wants to know in advance about the attractions and facilities of particular destination. Tourists also want to know other

related information of the place. By using the different tools of promotion, promoter should try to influence the potential tourists to attract the product. Promotion plays an important role in Tourism marketing; the tourism marketing in Nepal for rural tourism is far behind from reaching this goal, which leads to incapacity to attract a significant number of tourists. This is mainly due to inadequate and ineffective promotional measure taken by NTB. They are highly base on local media which is not sufficient to attract the international tourist. It is important to understand the successful practices in terms of branding, marketing and promotion.

### **1.5 Limitation of the Study**

- J This study will be focusing in the general assessment of marketing and promotional trends of Nepal tourism Board for the development of rural tourism in Nepal.
- J This study will cover assessment of travel trends from 2005 to 2011 ( 6 years)
- J The marketing and promotion campaign of private travel trade organizations will not included.
- J The study will be using secondary data from Nepal tourism board and other concern organization because it is hard to visit all rural part of Nepal.
- J Limited people will be interviewed during the preparation of thesis due to time and financial boundaries.
- J The information provided by company will be assumed to be authentic.
- J Limited Community Based tourism home stay will be the taken during the preparation of thesis.

### **1.6 Organization of the study**

The study will be divided into five chapters.

The first chapter consists of introduction with the definition of tourism, Nepal tourism Board, Marketing and promotion, rural tourism in Nepal and its development. It also deals with the statement of problem, objectives, significance, limitations of the study.

Chapter two provides extensive research view which includes concept of tourism marketing, reviews of books, journals, articles that describes about tourism and rural tourism and its marketing and promotional achievements with reference to rural tourism in Nepal.

Chapter three deals with research methodology tools and techniques used to analyze and interpret the findings.

Chapter four is about analyzing and presentation of finding on the basis of primary and secondary data received from various sources.

The last part includes the summary, conclusion and recommendation of report work on the base of major finding.

## **CHAPTER -II**

### **REVIEW OF LITERATURE**

#### **2.1 Concept of Marketing and Promotion.**

According to 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".

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

It recognizes marketing as a process. The process involves planning and implementation of the marketing activities, such as conception, pricing, promotion and distribution of products. These marketing activities are undertaken to create exchanges that meet individual and organization goals. The individual goals include satisfaction and utility from the product. The organizational goals include profit and long term survival of the organization.

" Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others"- Philip Kotler, Marketing management, 9<sup>th</sup> ed.

Simply saying marketing is getting the right product or service in the right quantity, to the right place, at the right time and making a profit in the process. Marketing is about identifying and understanding the customer and giving them what they want. It's not just about advertising and promoting your business. Effective marketing is a result of examining every aspect of business and how it affects the consumer's end experience. It covers everything you'll need to do in order to deliver your products and services to

the consumer including research, planning, pricing, packaging, promotion, selling and distribution.

Promotion has been playing a key role in marketing. It is always desirable to identify competitive strengths of a product and promote it on the market. Promotion performs the major role of communicating to the buyers. The promotional tools provide valuable information to buyers about the products, its availability, prices, utilities and benefits. The information helps buyers to make a choice decision that favors the organization and its product. Promotional efforts within an firm include advertising, personal selling, sales promotion, publicity and public relations. The major functions of promotion are informing, persuading, reminding and reassuring the market about the product or the organization.

Promotion is a form of corporate communication that uses various methods to reach a targeted audience with a certain message in order to achieve specific organizational objectives. Nearly all organizations, whether for-profit or not-for-profit, in all types of industries, must engage in some form of promotion. Such efforts may range from multinational firms spending large sums on securing high-profile celebrities to serve as corporate spokespersons to the owner of a one-person enterprise passing out business cards at a local businessperson's meeting.

Like most marketing decisions, an effective promotional strategy requires the marketer understand how promotion fits with other pieces of the marketing puzzle (e.g., product, distribution, pricing, target markets). Consequently, promotion decisions should be made with an appreciation for how it affects other areas of the company. For instance, running a major advertising campaign for a new product without first assuring there will be enough inventories to meet potential demand generated by the advertising would certainly not go over well with the company's production department. Rather, the overall success of a promotional strategy requires input from others in impacted functional areas.

In modern marketing, promotion is a must. A good product, an attractive price and an accessible distribution must be supported by an effective promotion to satisfy

customer needs. Many businesses use sales promotions to increase the demand for or visibility of a product or service. These promotions often require increased expenditures (such as advertising) or loss of revenue (such as discounts), and/or additional costs (such as increased production). Business leaders need to determine the value of previous or proposed promotions.

The primary task of promotion is to inform the buyers about the product, its price, availability, utilities and benefits. The information develops a better awareness among buyers on products, their attributes and utilities. This function is useful to stimulate the primary demand for a generic product. Even consumerists and social critics generally applaud the information function of promotion since it aids the consumer in making more intelligent purchase decision. (Carl McDaniel, "Marketing").

Promotional marketing is a business marketing strategy designed to stimulate a customer to take action towards a buying decision. Promotional marketing is a technique that includes various incentives to buy. It is a balanced combination of strategic activities, giveaways, presentation and the right timing.

The function of promotion in Nepal is largely information and persuasion. The reminding and reinforcement aspects are neglected. The post-purchase stage of buying process has virtually remained untouched by promotion. Nepalese marketing emphasize advertising and sales promotion but the publicity has remained neglected. For the development of tourism industry, promotion has a quite big hand. We can define the promotion of tourism industry in following two ways.

- \* Quality of Service
- \* Advertisement

### **Quality of service**

Tourism industry is based on quality of service. Prompt services, hospitality, accuracy are the most important factors of the quality service. The customer satisfaction by quality service can be a major means of advertisement that tourist can



advertise by mouth to mouth publicity so that quality service is very important in this industry.

### **Advertisement**

This is the era of media and nothing can be promoted with out advertisement. NTB is organizing many trade fairs out of Nepal which is good campaign for promotion of Nepalese tourism. Private tourism agencies also have promoted Nepal in various aspects and places.

The major means of advertising in tourism are as follows:

- A) Worldwide website
- B) Pamphlets and booklets
- C) post letters & e-mails
- D) Conference & Conventions
- E) Television channels
- F) Radio stations
- G) News papers
- H) Stickers
- I) Diplomatic missions
- J) Shows and events
- K) Familiarization (FAM) trips

### **2.2 Concept of Tourism**

The Word tour is derived from the Latin word Tornare / tornus and the Greek word Tornos, meaning "a tool, circle or a turner's wheel. In the sense of the word of the origin, tourist is a person who undertakes a circular trip, i.e., ultimately comes back to the place from where he sets about his journey.

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

Tourism is different from travel. In order for tourism to happen, there must be a displacement: an individual has to travel, using any type of means of transportation (might even travel on foot: nowadays, it is often the case for poorer societies, and happens even in more developed ones, and concerns pilgrims, hikers) But all travel is not tourism.

Three criteria are used simultaneously in order to characterize a trip as belonging to tourism. The displacement must be such that:

- ) It involves a displacement outside the usual environment.
- ) The travel must occur for any purpose different from being remunerated from within the place visited.
- ) Tourism displacement can be with or without an overnight stay.

Mathieson and Wall (1982) created a good working definition of tourism as "the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs."

According to Macintosh and Goeldner (1986) tourism is "the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors".

Tourism includes all economic activities which are organized to fulfill the needs of such travelers. Any travel for holiday, business or professional trips becomes a part of tourism. Tourism is there a composite phenomenon which embraces the incidence of mobile population travelers who are stranger to the places they visit. It is essentially a pleasure activity in which money earned in one's normal domicile is spend in the places visited the increasing importance of the quantitative aspects by experts in the field to arrive at a internationally accepted definition of the tourist as the basic unit of measurement for tourism statistics.

Although, the need to differentiate rural tourism from other forms of tourism exists. Even if there is ambiguity between urban and rural and it is certainly difficult to speak about strictly rural characteristics, people still shape images and views of the countryside that differ from those of the town ( E. Sillignakis).

### **2.2.1 Tourism in Nepal**

Both domestic and international tourism has already been identified as one of the most effective tools for sustained economic development of the country. Promotion and development in tourism has great potential in reducing the regional economic imbalances and help raise the standard of living across the nation.

Tourism in Nepal is a recent phenomenon it took its pace after the culmination of democracy in 1950 the first ascent of Mt. Everest on May 29, 1953 that massive national and international media type and propelled Nepal as a new potential tourism destination.

Nepal has immense potentiality in terms of tourism. The mystical Himalayan country on the roof of the world has a very powerful appeal as a tourist destination Nepal offers tourists a breath taking experience of nature and ever present mountain scenery. Including Everest, the world's highest peak, flora and fauna in Nepal are truly amazing both in terms at their variety and in some cases, their rarity. The friendly populations of the country are generally very happy to share their innate hospitality as well as their many customs and traditions with the visitors (Ecosystem and Biodiversity conservation, 2005:164)

Tourism has another advantage as compared to merchandise export. This means that many goods consumed by tourist don't have to be transported across international borders and hence face on tariff barrier of foreign countries. Thus, "Greater the domestic product of tourist's goods lesser the leakage of earning from tourism" (Upadhaya, 2003:29).

Nature, culture and major tourist resources of Nepalese tourism industry and Nepal's rich bio-diversity render it ideals as an ecotourism destination. Thus for the sustainable tourism development there is need of conservation of natural environment and environment heritage i.e. present of tourist in a particular destination should have as much as possible minimal adverse effect on the natural and cultural environment of the destination. So, promotion of a particular tourist destination should of along with the conservation of natural and cultural environment of that destination. Thus we need to mitigate adverse effects on the natural and cultural environment. Thus it can be done by developing eco-friendly tourism.

Nepal tourism master plan was prepared in 1972, which had sketched only the road map for tourism development. But presently we need a comprehensive new tourism master plan to enhance the promotion and development of inclusive tourism in Nepal. Pushpa Rajkumar member, NPC in his recent interview, opined we already have a tourism master plan so I don't think we need a new master plan rather we should study the old master plan and implement the desirable once for tourism development in the country. He gave emphasize to encourage more tourists in the country Nepal should focus on the infrastructure development and the next is certainly political stability once the peace prevails permanently tourist will start flocking in Nepal in no time (NTIR, 2007:19)

### **2.3 Rural Tourism Marketing**

In the present day marketing has became of the important factor in profit and non-profit organization. Proper marketing system is needed in any organization for the proper result. Marketing denotes the business activities that direct the flow f goods and services.

According to the British institute of Marketing "Marketing is the management function which organizes and directs all those business activities involved in assessing and converting customers purchasing power info effective demand for a specific product or services to the final customer or user so as to achieve the profit target or other objectives set by company". (Bhatia 1994)

In the view of Drucker (1973:64) the aim of marketing is to know and understand the customer so well that the products or services fits and sells it.

Tourism being the fastest growing and most competitive industry in the world it should be marketed properly "Tourism needs to be marketed, just as any other products, indeed move so, because it is an industry in which the customers still has an immense variety of choice. There are a numbers of destinations competing with each other to get a bigger and bigger share of market". (Bhatia 1994).

In the competition scenario the marketing on tourism products needs greater attention. There are lots of possibilities all over the world in the field of tourism. Each country has rich cultural and heritage beauties and wonderful landscapes so that the country with aggressive marketing can get the attention of travelers. Thus, tourism being a high publicity product effective marketing is a must for the successful running of tourism industry.

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 its effects all the operation of tourism. (Negi 1990.387)

Tourism marketing is defined as the "systematic and coordinated efforts exerted by the national tourist organization or the tourist enterprises a group and individuals, in a view of sustained tourism growth. (Bhatia 1994: 142)

"Marketing and tourism is to be understood as a systematic and coordinated execution of business policy by tourist undertaking whether probated or state owned, at local regional national or international level to achieve the optimum satisfaction of needs of identifiable consumer groups and in doing to achieve on appropriate return". Hence, tourism marketing denotes the development at a tourism product to meet the needs of the tourism and then employing the techniques of direct sales, publicity and advertising to bring the products to the tourist (Bhatia, 1994: 142)

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

There is no doubt that rural tourism can benefit from the application of marketing theory. While marketing is used more and more to help in the planning and promotion of traditional tourist centers, there is proper expertise applied to rural tourism marketing.

The rural Tourism marketing focuses on the business of selling, packaging and advertising rural area of the country into marketing with well planned program. Rural tourism marketing will focus on the following objectives and criteria to maximize:

- J Assist with rural area tourism staffing needs and provide training on hospitality and service excellence.
- J Develop, advertise and packages of rural area of the country to attract the clients for the maximum stay.
- J Attraction of visitors to rural communities and area.
- J Increase the length of stay by visitors in the rural area.
- J Increase the revenues of local by the tourist visiting their locality
- J Effecting marketing on visitors.
- J Monitor potential target group from all over the country and bring them into interest.

The mission of rural tourism marketing efforts to raise tourist arrivals aggressive domestic and international tourist in the rural part of the country by ensuring hassle-free and pleasant stay of tourists.

Although there are lots of potentialities in the in the rural tourism sector, we don't have able to take this opportunities due to proper marketing and promotional activities in rural tourism of Nepal. The publicity is too poor and not much effective in the qualitative and quantitative way. There are some efforts made by Nepal Tourism Board, Private tourism entrepreneurs, government of Nepal other stakeholders but still it is not sufficient to bring into boost of rural tourism. There is lack of advertisement in foreign media and very less campaign has been arranged.

Alwis (1997:8) says "All good marketing starts with customers and ends with the customers". We must ensure the security and hospitality in the tourism business to get the positive approach of the clients to bring it back to the friends and family. In fact, a good image memory and the mouth publicity are the best promotional activities to achieve and it has equally important like adverting in brochure, newspaper and articles.

Nepal tourism board also has tourism marketing and promotion department of implement the integrated programs of international marketing and promotion in partnership with the private sector. The major promotional activities include travel trade exhibition/marts, organizing sales missions/road shoes, media and tour operators meet, press etc.

Adequate budget, financial and technological resources are needed for effective tourism marketing but we are undertaking very limited marketing activities while other countries with more resources are spending huge amount on aggressive marketing at their destination (Pokharel, 1995:24). We have achieved "World at mouth" publicity in Europe and India both by travelers as well as tour operators. As the government budget is not large enough to tackle all markets since we are trying to carry consumer oriented marketing. I suggest we concentrate on tour and travel trade journalist, film and TV producers should be tour strategy for inexpensive but wide publicity (Shakya, 1995).

For the promotion of quality in the country infrastructure and services should be improved properly (Sandhev, 36). " For most countries the successful promotion and development of tourism is the existence of adequate infrastructure and quality human resources".-(Frangiailia, 1996.13)

"An integrated approach, which the twin adjectives at environmental protections and sustainable, economic development should be based on an appreciations of the broader implication at tourism for the environmental, demographic, economic and distributional concerns in mountain ecosystem". Hence, development of tourism in Nepal should take into account promotional and marketing issues as well as with the inherent problems and challenges (Hari Shrestha N.T.B).

#### **2.4 Rural Tourism in Nepal**

Even though it seems simple to define rural tourism as “tourism that takes place in the countryside” this definition does not include the complexity of the activities and the different forms and meanings developed in different countries, as well as the number of protagonists participating in rural tourism (Lane, 1993).

According to (Lane, 1994) it is difficult to define rural tourism since there is not a systematic source of data in rural tourism and neither World Tourism Organization (WTO) nor the Organization for Economic Cooperation and Development (OECD) have appropriate measures.

Nevertheless, Opperman (1996) suggested that the field of rural tourism still lacks a comprehensive body of knowledge and theoretical framework. He argued that this is caused by

- A) Definitional problems concerning what constitutes rural tourism.
- B) Lack of data sources on small, rural enterprises which make rural tourism much less obvious and signify much more tedious work for researchers in their quest for data (Butler, 1998:224).



According to European Union “rural tourism is a vast concept covering other services besides accommodation such as events, festivities, outdoor recreation, production and sale of handicrafts and agricultural products”. (Commission of the European Communities, 1987: 218).

Nevertheless, according to Murdoch (1993), not all tourism in rural areas can consider to be strictly “rural”. Therefore because of the complex nature of tourism as well as that of rural areas there is a considerable ambiguity as to what constitutes rural tourism. Indisputably there arises a need for more unequivocal definition of rural tourism (Lane, 1993)

A Number of villages of Nepal are major attractions of visitors. Natural gifts, biodiversity and ethno-cultural heritage have been proved as the boon to the nation. It is an explicit concept that affluent and conscious people harness the gifts to achieve maximum benefit out of them. There are many such unique and novel areas to be explored which are equally luring to the pioneers and connoisseurs of the tourism.

Rural tourism in Nepal has the potential to reach the grass root level of the society benefiting the poorest community through employment and use of local resources. It can be linked with sustainable community development, ultimately leading to the overall development of the country combining environmental protection with economic development targeted to improve the living conditions of the local population. Nepal offers a wide variety of natural and cultural experiences. Nepal is a country rising from 60 meters above sea level to the highest point on earth, Mt. Everest at 8848 meters, within a distance of 150 kms., resulting in sub-tropical and sub sequent biodiversity. Covering just 147,181 sq. km., Nepal is home to 2% of all the flowering plants in the world, 8% of the world’s population of birds (more that 848 species), 4% of mammals, 11 of the world’s 15 families of butterflies (more that 500 species), 600 indigenous plant families, and 318 species of exotic orchids. In addition, more than 101different ethnic groups with 90 spoken languages add an

exciting cultural dimension to visitors. This diversity and the geographic setting of the country have provided vast potential in Nepal for rural tourism destinations.

Although Nepal with its wide variety of biodiversity and culture is an attractive product for the rural tourism market, these very essence and identity of the villages are the most vulnerable to external forces in today global competition. The local communities must be aware of long term and short term benefits of harnessing their natural and cultural environment to the external factors. When there is a dearth of economic activities, short term gains are more attractive and perceived as guaranteed than the slow returns of long term gains. In this process and haste for short term benefits, there is a danger of losing the very essence and identity of the destination. Therefore, making the local community aware of the long term gain is very important.

The focus of tourism today on “sustainable tourism” that protects and benefits the local community and environment is dependent upon local products produced by and benefiting local communities. Products include tourist attraction sites, activities for tourists, services and facilities, as well as souvenirs. Promotion and publicity are equally important for a successful destination

Tourism development in Nepal has been visualized as a development tool – not just in promoting tourism growth but also in reducing rural poverty. Though poverty is widespread and pervasive, it is even more acute in the rural/ mountain areas. In the potential areas, tourism is expected to engage them in the higher productivity areas by linking to commercial process, and marketing chain beyond borders (Pandey 2003).

Community Based Tourism (CBT) in Nepal is considered one of the important industries for sustainable development and empowerment. The government is apprehensive on promoting this industry with higher priority. With a view, it being an employment oriented industry there is a notion that it could solve the socio-economic discrepancies, if expanded to many areas of the country. Taking these facts into consideration, it has been initiated to develop community-based tourism with wider

objectives. It is also argued that the impacts on livelihoods and not just income need to be assessed along with the variety of positive and negative effects.

There is a strong belief that CBT capacitates and empowers local people as actors in tourism planning, development and management. There is a perception among the local stakeholders that CBT helps them understand how tourism could contribute to their well-being and take active roles to minimize the negative impacts of tourism. It is intended that the management, development and ownership of local tourism resources and products should be carried out by the local communities themselves to ensure maximum tourism benefits to the local stakeholders, making them more responsible. Despite the fact that there are numerous training courses being run particularly focused on the tourism development in Nepal, there is still a deficiency of more CBT related training manuals. Effective teaching and learning process, sharing knowledge and experiences amongst the trainers, participants as well as other stakeholders are still in high demand. Furthermore, proper monitoring and follow-up practices of executed training events are preferred to be ensured.

This is the reason the government of Nepal has given utmost priority to promoting CBT and it has also been perceived that this kind of tourism can play a significant role in the development of rural and mountainous areas of Nepal. With a view that it is an employment oriented industry, it is expected to solve the unemployment problems, if it is expanded to different areas of the country. Taking these facts into consideration, the government in partnership with private sectors and local community has initiated to develop community-based sustainable rural tourism with wider objectives (Pandey 1996, 2003).

In order to obtain tourism benefits at the community level, various governmental and non-governmental organizations have been working closely with the rural communities.

Tourism for Rural Poverty Alleviation Programme (TRPAP) was designed in 2001 to support the government to formulate policies for sustainable tourism development and

to create an environment for poverty alleviation in rural areas through community-based tourism. This pilot programme, which was focused on 48 Village Development Committees (VDCs) in six districts, had intended to serve as an appropriate vehicle to provide improvements in living standards and achieve sustainable tourism activity. It was focused primarily on the disadvantaged and discriminated sections of Nepal's rural population, especially women, lower caste groups and ethnic minorities who lived below the poverty line. It also provided assistance for the development of institutional mechanisms to ensure sustainability of tourism development through local ownership in terms of decision-making, implementation and operation of tourism ventures activities.

Village tourism can be based in special areas, locality, settlement and villages with its typical peculiarity because a village possesses verities or specialties. Nepal has no acuteness of resources and opportunities for tourism development. It can be the backbone of the economy and an important measure to fight against the rural poverty. The tourism potentialities are mostly unexplored, minimum in use and not brought at the screen of dissemination.

Though Nepal has immense prospects of village tourism, for the time being the country will not be able to exploit the treasury of it. In order to gain the widest possible community support, the program worked closely with the community as a whole. Hence, the model of 'focus groups' rather than 'target groups' had applied. The objective was to provide benefits to all members of the community and also to raise the living standards of the poorer sections. With a view that the benefits of rural-based tourism accrue to both tourists and local inhabitants, local level planning process had been initiated for tourism to create demand for locally produced goods and services and to raise the living standards of rural people by creating off-farm employment and income-generating opportunities. (TRPAP 2001):

The inventory report shows that a total of 1,020 tourist beds are available at the 297 home stays developed in eight various rural villages of Nepal including Sirubari

(Syangja), Gurung Heritage Trail (Ghalegaun-Pasgaun-Nagidhar), Barapak homestay (Gorkha), Tamang Heritage Trail (Rasuwa), Indigenous Peoples Trail (Ramechhap), Numbur Cheese Circuit (Ramechhap), Shree Antu (Ilam) and Olangchung Gola (Taplejung). Amongst the available homestay villages, Shree Antu, Ilam comprises the largest number of tourist beds (403 beds) whereas Olangchung Gola comprises the least number of homestay tourist beds (12 beds).

### Major Home Stays in Nepal

S.N	District	Village tourism products	No of home stays	No of rooms	No of bed
1	Ilam	Shree Antu	63	167	403
2	Lamjung	Gurung Heritage trail	124	124	248
3	Syanja	Sirubari Village tourism	37	59	126
4	Rasuwa	Tamang Heritage trail	27	39	99
5	Ramechhap	Numbur Cheese Circuit	11	20	52
6	Ramechhap	Indigenous People trail	11	18	40
7	Gorkha	Barpak Village tourism	20	20	40
8	Taplejung	Olangchug Gola	4	4	12

Source: TRPAP, 2009

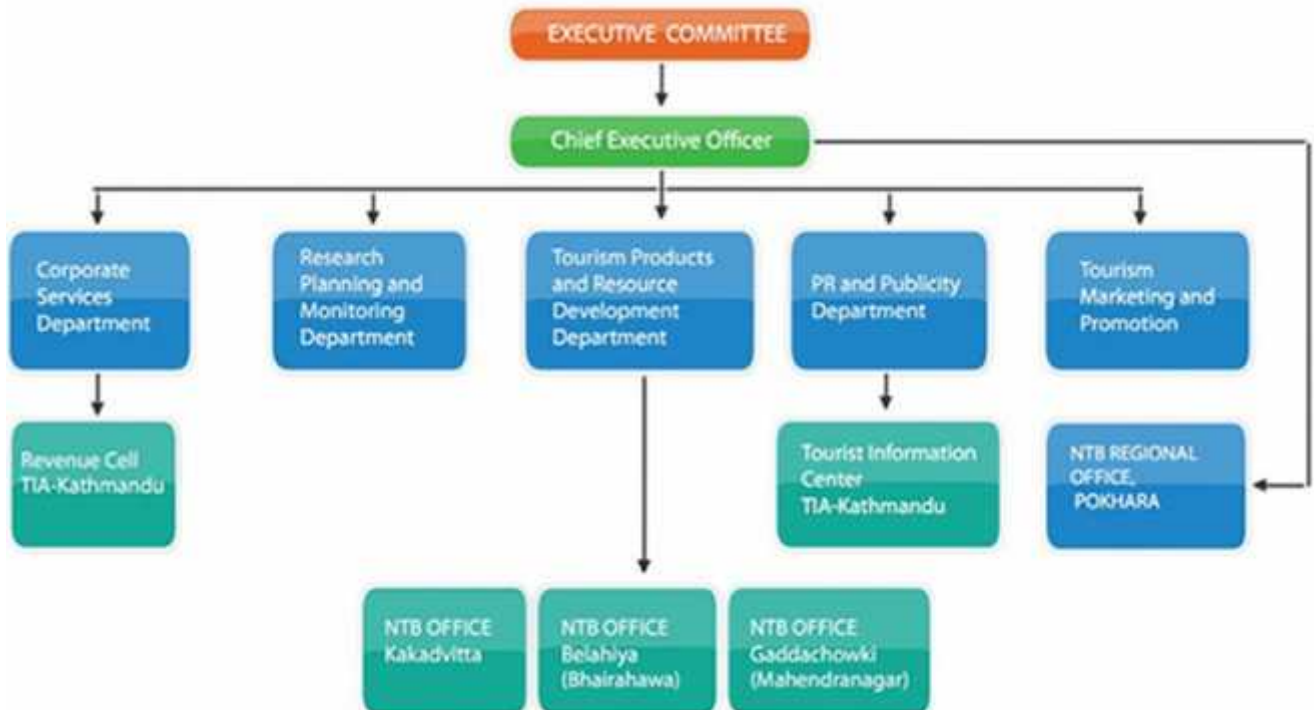
Likewise there many more villages who has operated homestays in the village i.e. Kopan Homestay in Kathmandu, Ghanapokhara in Lamjung district, Hattibang and Kaule in Chitwan etc.

Machhapuchhre Model trek has covered seven village development committees (VDCs), namely Lahachowk, Ghachowk, Machhapuchchhre, Rivani, Lwanghalel, Sardikhola and Dhital in Kaski district in Western Nepal, has developed as an alternative trekking and hiking route to the Round Annapurna Circuit Trek Route (RACTR) in the Annapurna Conservation Area in Western Nepal on two folds: (a) an organized trekking route with tented camping and (b) a local community-managed home stay tourism product

## **2.4 Introduction of Nepal Tourism Board**

Nepal Tourism Board is a national organization established in 1998 by an act of parliament in the form of partnership between Government of Nepal, and private sector tourism industries of Nepal to develop and market Nepal as an attractive tourist destination. The Board provides platform for vision-drawn leadership for Nepal's tourism section by integrating government commitment with the dynamism of private sector tourism industries. NTB is promoting Nepal in the domestic and international market and is working toward repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of Tourist Service Fee from departing foreigner passengers at the Tribhuvan International Airport, Kathmandu thus keeping it financially independent. The Board chaired by a Secretary at Ministry of Culture, Tourism and Civil Aviation constitutes of 11 board members with five government representatives, five private sector representatives and the Chief Executive Officer. The organization structure of the Nepal tourism board has figured as below.

  
**NTB**  
**ORGANIZATION STRUCTURE**



Nepal Tourism Board is an agency to promote Nepal in the national and international markets. Unstable political situation in Nepal has affected the work of NTB. NTB has also not considered the growing domestic travelers as tourists with the law of Nepal defining only foreign travelers as “tourists”. This has two major disadvantages: the domestic visitors are not counted by any statistics and there are no incentives for Nepali population to travel within the country.

The following factors can be taken as major strategies of NTB

- ) Focusing marketing and promotion activities on regional and emerging markets
- ) Exploration of new tourism potential market segments
- ) Highlighting the tourism brand: Naturally Nepal; Once is not enough!
- ) Enhancement of air connectivity with the regional, emerging and potential markets.

- J Lobbying with government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas.
- J Attract and encourage private sector for investment in tourism sector.
- J Capacity building of human resources involved in tourism
- J Lobbying with government for effective intervention in domestic tourism development.

### **Destination Nepal Campaign (2002-2003)**

Nepal tourism board is the official secretariat of Destination Nepal Campaign 2002-2003. DNC works together with non-governmental organizations, private sectors and local agencies to implement its programs. DNC's objectives are to create awareness about tourism inside the country, enhance and re-establish the image of Nepal as a safe reliable and attractive travel destination by international marketing and promotion.

NTB takes the participation in various trades fair organized in different countries. The recent participations are;

Nepal Tourism Board along with nine Nepalese travel companies participated in Travel Trade Fair (TTF) held in Bangalore, India from January 13 to 15, 2012 with an exclusive focus on Visit Lumbini Year 2012. It was a good opportunity for Nepal delegation to immediately update about the campaign as the inauguration of Visit Lumbini Year 2012 coincided with the fair date.

Nepal was successfully promoted at the travel and trade fair held in the city of Utrecht, The Netherlands by Nepal tourism Board. The fair, Vakantiebeurs which was held from Jan 10 to 15, 2012 is the biggest Travel Trade Fair in Benelux region held annually in Utrecht. The fair was dedicated for both trade and public where more than 125000 visitors visited and enquired about their next vacation.

Nepal Tourism Board and Nepal Association of Tour and Travel Agents (NATTA)



participated along with fifteen prominent Nepali travel trade companies at the FITRUR, one of the largest International Tourism Trade Fairs in Europe between 18 to 22 January at Feria de Madrid in Spain.

NTB has participated in the TTF 2012 organized in Kolkatta on July 2012 to explore the newer tourism products among Indians.

The following major travel fairs that NTB has participated almost in every year from their establishment.

TTF, India

ITB, Germany

WTM, London

FITTUR, Spain

Vakantideur-Netherlands

PATA mart.

### **Nepal Tourism Year 2011**

The Ministry of Tourism and Civil Aviation (MoTCA) in association of Nepal Tourism Board (NTB) launched the “Nepal Tourism Year 2011(NTY2011)” campaign. It has launched to promote the tourism sector of Nepal which targets to bring at least one million international tourists in Nepal by the year 2011 and create better opportunities of employment and revenue generation. Basically, the concept of the NTY 2011 is to capture the scattered opportunity among the different available resources. NTB has placed the worldwide publicity in the major TV channels, news paper, magazine etc. As part of promoting Nepal Tourism Year 2011 (NTY-2011) in London, the Embassy of Nepal and the Nepal Tourism Board (NTB) together have started a publicity campaign by placing advertisements on city buses. Adverts have been placed on 13 buses covering 21 major inter-city routes across London.

“The promotional campaign has been targeted to create a wider impact about the NTY campaign in London through movable objects,” said NTB spokesperson Aditya Baral.

Recognizing the media’s role in influencing public opinion throughout the world, Nepal Tourism Board in consultation with its tourism stakeholders established Media Center within its existing setup in 2003. The Media Center aims to facilitate Nepal-based foreign journalists as well as national media community by disseminating accurate tourism information related to Nepal’s tourism products and activities.

NTB has promoted Nepal through the booklets, brochures, maps, multimedia, photos, presentation, documentaries and montages in various travel fairs from its establishment. Very often NTB launches tourism promotional campaigns and missions in major tourism market along with other tourism organizations as well as private companies, annually 2/3 sales missions are carried out by NTB in main tourism markets.

The following major honors have achieved by NTB on its promotional activities.

PATA gold award for DVD Rom (2012)

PATA gold award for CD Rom (2000/2005)

Grand Prix award for Naturally Nepal montage, Czech Republic (2006)

Observer Travel Award 2002, UK (2<sup>nd</sup> position in long hand destination category)

Wanderlust Travel award 2001, UK (2<sup>nd</sup> position in top country category)

NTB also have made some familiarization (FAM) trips by inviting international and national media persons for covering destination publicity in an effective way.

Before the sales mission or campaign that NTB organizes the press conferences to have the good media relations while promoting destinations.

Despite the ambitious target of welcoming one million visitors, only around 730,000 visitors entered the country during the much publicized Nepal Tourism Year (NTY)

2011. Nepal observed aggregate growth of 21.4 percent in total tourist arrivals via air in 2011, according to statistics compiled by Tribhuvan International Airport (TIA) Immigration Office. A total of 544,985 tourists entered the country via air in 2011 -- about 100,000 more than what the country had welcomed a year ago.

Nepal Tourism year 2011 (NTY2011) has identified more than 10 new destinations suitable for rural tourism in Nepal and add up as important dimension with the targeted to bring on million tourists for NTY2011. Selection of potential destinations, houses or resort, providing training, making tour packages, FAM trips and Market promotion for the selected destination were done but the achievement on the rural tourism in Nepal didn't have satisfactory due to late promotion and poor infrastructure.

## **2.5 Review of Thesis work**

There was not any written policy made regarding the tourism in Nepal. The very first written study on tourism was made by French national George Lebrec in 1959 "General plan for the organization of Tourism in Nepal". Lebrec recommended to make promotional materials such as brochures, postage stamps depicting the Himalayan peaks and flora and fauna and to use films, documentaries prepared by mountaineering expeditions for the promotion tourism in Nepal. He also suggested establishing Nepal Tourism office. Later Lebrec prepared two other reports in 1964 and 1966 entitled "Report on the development tourism" and "Reports on tourism in Nepal".

Literature shows that until the early 1950s Nepal was a forbidden Kingdom, remote and virtually unexplored. However, a few foreigners had entered the country as invitees for hunting expeditions. Moreover, the country had no air and road access to the capital Kathmandu until 1947, when the first airplane landed; it was only in 1955 that the Tribhuvan Rajpath, the road linking Kathmandu with India was completed. The airport at Kathmandu has been extended and regular air services from India were started in 1954. As a result Thomas Cook organized the first conducted tour to Nepal in 1955.

The Master Plan for Tourism, which was prepared with assistance from the West German Government, was seen to be the first framework for government's planning on tourism. The 1972 Master Plan set a comprehensive list of proposals to be carried out during the following ten-year period. During the first six years since the master plan made its recommendations, considerable progress was made within the Nepalese context. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight-seeing, independent "Nepal style" tourism, trekking and pilgrimage. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites. Furthermore, the plan has emphasized for development outside Kathmandu such as the development of Pokhara, Chitwan, National Park, development of national parks at Langtang, Annapurna and Dhaulagiri and Khumbu. The development of pilgrimage centers at Lumbini, Muktinath, Barahchetra and Janakpur was also envisaged. The Master Plan had recommended for the establishment of a Ministry of Tourism and Culture embracing functions then found within the Department of Tourism, the Department of Archaeology, the Department of Culture, the Department of Forestry, the Ministry of Foreign Affairs and the Immigration Office.

**'Nepal Tourism Marketing Strategy (1976-81)** is a study done by Joseph-Edward Susnik of Yugoslavia and submitted his report 'Nepal Tourism Marketing Strategy 1976-81' on 24 March 1977. His main suggestions were: "without substantial increase in the number of international visitors, stay of tourists cannot be prolonged at present; Nepal should become the starting point of any Asian tourist as it is the cradle of a religion and culture that influenced the history and life of the major parts of Asia, built up good image of secondary destinations".

**'National Tourism Promotion Report 1983'** was prepared by National Tourism Promotion Committee of 1981. Suggestions were also provided on marketing

strategies and plans for tourism. It reemphasized the need for promoting Nepal Style Tourism as mentioned in the Nepal Tourism Master Plan which would include sightseeing, trekking and wildlife adventure and which would promote Nepal as a primary destination. The major suggestions given in this report are to develop resorts in the mid mountains to encourage tourists from India during the hot Indian summer season, promotion in Europe be stepped up, special programs be designed for Buddhist pilgrims from Asian countries and that similar pilgrimage packages be designed for Hindu pilgrims from India, depute a person in the Embassies of Nepal for promoting tourism, participate in various important trade fairs and to promote convention tourism.

In his report Mr. Susnik Edward Susnik, has suggested for the formation of "Nepal tourism marketing committee and "Nepal tourism infrastructure committee" with the representatives of private sector. It has also suggested for the formation of tourist officials in India and Germany. However his suggestion were similar with that of "Nepal tourism master plan 1972" (Shrestha 1999)

**National promotional committee report 1983** has suggested for the development of resorts in the mid mountains, promotion of tourism in India and Europe. The basic thrust was to create some awareness program for pilgrimage from Asian countries and open a concept of Convention tourism.

**Nepal tourism master plan review 1984**, The assessment of "Nepal tourism master plan, 1972 was carried out and the report entitled "Nepal tourism master plan review, 1984" was published. It has suggested action plans for implementation of the plan and for the promotion of tourism in Nepal. The report further suggested to design various destination oriented marketing program and to Improve the capability of ministry of tourism in assuming responsibilities institutionally, administratively and technically.

**Nepal Rastra Bank (1989)** carried out an econometric study with an objective to study and estimate the level and patterns of tourist expenditure in Nepal, to estimate

the value added and imports contents and thereby not foreign exchange earnings from tourism in Nepal, and to estimate income and employment generation in the tourism sector of Nepal. The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to his variable was less. Country-wise time series regression for 14 countries gave mixed results.

**Nepal tourism Development program**, 1990 has come up on the financial assistance of Asian Development to prepare Nepal tourism development program, 1990. The basic purpose of the programs was to review existing plans and policies and suggest modifications providing a long term strategy for using resources on a sustainable basis. Similarly, other tasks were to prepare tourism development action plans for the development and to frame a sound organizational structure as well to update institutional capacity.

Nepal tourism development program consists of reports in four volumes entitled product development program, marketing strategy, environmental impacts and institutional framework for the development of tourism. This study has observed that the basic economic strategy of the tourism industry should be earned foreign exchange, employment generation, income generation and regional distribution.

**Pokharel T.C.** has also prepared a separate review article entitled "*Summary of past marketing strategies and plans for tourism in Nepal*" with description of the studies and seminar reports related to Nepalese tourism marketing encompassing important studies and seminar proceedings with an emphasis on marketing of Nepalese tourism.

**Tuladhar (1993)**, in his doctoral work, aimed to study the development of International Tourism in Kingdom of Nepal from the view of resources, the level of its explorations, utilizations and possibilities of its improvement. This study has been

done against the background of the overall conditions and its development including natural and anthropological resources, economic development of the country, tourists' demands, and tourist supply. His major findings included the use of dispersion as a basic for the balancing of prognosis may promote foreign visitor's quality and the possibilities for attempt and contribution for the future development of international tourism in Nepal should work out alternative prognostic situations in unison with the extracted priority of the tourist supply and direction for their improvement. He has given various suggestion for the promotion (i.e. more international flights, more cultural shows or other suitable entertainment to increase the length of foreign tourist, summer resorts, develop human resources in tourism etc).

**Pradhananga (1993)**, analyses the changing pattern of tourist's consumption and its economic impacts on employment, exports and national revenue were made. The basic objectives of the study were to examine the consumption pattern of tourist, to analyze the use of local resources in tourist consumption and their effects on employment, to probe into capacity utilizations of hotels in relation to the tourist's number and length of stay and to examine the change in government revenue resulting from the tourist export.

This study dealt with different tourism aspects i.e., hotels and lodges, airline, travel agencies, trekking agencies, carpet and garment industries and transport agencies working in Nepal. He suggested that different tourism related policies and sectors like infrastructure, open-sky policy, planning of new tourism project, opening of a new destination in the country, tourism marketing strategy, management of travel agencies, full capacity utilization of hotels etc., should be planned properly.

**Bhattarai (1994)**, in his research study entitling " *A study on tourism for the formulation of marketing strategy in Nepal*" were to analyze the trends of tourist arrivals in Nepal to project future arrivals, to identify promotional activities already underway, to assess how much about Nepal the tourist knew before deciding to travel, to bring into debate the vulnerability of the industry in terms of environmental

degradation, political upheavals and other similar problems and to suggest affordable measures for promoting Nepal effectively. The researcher concluded in terms of typology and arrival trends, seasonality, promotional activity, tourist's travel information and sources, tourist destination information levels, product information, repeat visits, publicity and promotional positioning and marketing objectives etc. He also suggested in terms of the selective e-marketing, creative destruction, promotional themes, promotional mix and positioning, India focus and so on.

**The Tourism Policy 2052 (1995)** clarified the role of the private sector in tourism. In July 1994 the Partnership for Quality Tourism Project was launched by UNDP to experiment with public private partnership. Initiatives from the private sector saw the introduction of new tourism services like Hot Air Ballooning in Kathmandu and one power glider in Pokhara.

#### **The objectives of Tourism Policy 1995.**

- ) To develop tourism as an important sector by setting up linkages between tourism and other sectors.
- ) To augment tourism in the rural areas to improve - employment opportunities; net proceeds of the foreign currency; growth of national income; and regional imbalances.
- ) To maintain the country's virtuous image in the international market by providing quality services and a sense of security.
- ) To promote Nepal as an attractive tourism destination.
- ) Participation of the private sector to be sought to the maximum extent for tourism products development and diversification.
- ) Confine government's role as coordinator and motivator for the growth of the travel and tourism industries to infrastructure development. Upgrade the existing tourism infrastructure and facilities as well as prioritize the development of new tourist destinations, particularly in rural areas earn larger amount of foreign currency by the development of the tourism industry.
- ) Upgrade the tourist facilities and services.



- J) Promote Foreign Investment, including joint ventures, to transfer skills and technology Implement the National Civil Aviation Policy as an integral part of the Tourism policy.

### **Visit Nepal Year (VNY) 1998**

It was planned as a year long event that was officially declared on April 1996 by Nepalese Government. This was taken up as national campaign and was first in the history of tourism of its kind. The central theme of the campaign has been ‘A Sustainable Habitat through Sustainable Tourism’. Similarly, its marketing slogan was ‘A World of its Own’ which reveals that there is a ‘world’ in Nepal that needs to be discovered in its natural resources, living cultural heritage and friendly and hospitable host. Some of the important objectives of the program have been as follows:

- I) To raise the image of Nepal throughout the world
- II) To protect the conserve the natural and cultural centers in integrated form
- III) To diversify the tourism products
- IV) To raise the public awareness about tourism.
- V) To distribute the fruits of tourism up to the grass root.
- VI) To increase the volume of domestic tourism.
- VII) To increase the length of tourist stay to 13 days and their expenditure to US\$50.
- VIII) To welcome 50, 0000 tourists.

Visit Nepal Year 1998 helped Nepal to rebuild its image internationally, and also contributed to introduce professionalism in tourism in general and helped to raise awareness among the Nepalese people about the importance of tourism in particular. Similarly, more than 49 different national seminars and conferences and 29 international conferences and seminars held within VNY'98. International Tourism Fair and Exhibitions were held in more than 24 countries. However, its impact was not of desired extent among the foreign tourists.

**M.K. Dahal (1999)** argues, the agriculture sector instead of playing the role of leading sector remains eventually a lagging sector. Since more than twenty-five years we have invested huge amount of money in agriculture at least, 25 % of our national budget. When we look at the result it is highly disappointing”. As a result, there is a growing debate among the Nepalese economists about government’s top priority for agriculture sector. So, we have to look for an alternative sector. Tourism can be a perennial source to support to the Nepalese economy compared to agriculture.

**Shrestha (1999)**, in her Ph. D. Thesis entitled "*Tourism in Nepal: Problems and Prospects*" mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basis of its contribution to national economy status of tourism infrastructures, review of the planning and policies of the government exports in the sample, and also analyzed the trend of foreign exchange earnings and share of tourism receipts to gross domestic product. She has pointed out that Nepal has not been able to introduce and diversify new tourism products. On the other hand, the experts are of the opinion that the problem of the air accessibility, lack of proper marketing and promotional strategy, pollution, lack of required infrastructure, lack of co-ordination, frequent, frequent change in government as well as lack of political commitment are the short coming of tourism industry in Nepal. Despite of the various problems, she added, the prospects of tourism are bright in Nepalese economy in generating employment, contributing to national GDP and also for over all development of the economy. Shrestha found that the role of tourism in economic development in significant in Nepal. The net earnings from tourism are greater the some other sectors.

**Pradhananga (2000)**, in his book '*Tourists Consumption Pattern and its Economic Impact in Nepal*' had presented the changing pattern of tourists' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent as

direct expenditure and the benefits of tourist money mainly went to hoteliers, travel and trekking agencies and airlines. The direct import content was 33.49 percent in tourism sector, 17.34 percent in tourism percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to Rs. 314.97 million in 1987/88 from 34.91 million in 1974/75.

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

**Bhandari K (2000)**, in his article '*Tourism in the New Millennium*' posted on the independent' has written that Nepal government attaches priority to tourism even though this sector has not been able to receive higher share in government spending due to certain other obligations in basic need areas. A major problem with the Nepalese private sector is that it is small, disorganized and is limited in its capacity to raise resources and invest in the form of equity. The savings/investment rates are low. There is limited exposure to international trends. The culture of state intervention still prevails and is generally accepted. Similarly he has added that tourism considered a major component of the Nepalese economy, has so far, been concentrated in a few major locations, and confined to a few major products. We have not been able to add more places of interest to the tourist, so he had claimed for need of future action. His suggestions are: Despite our immense potentiality, we are unable to exploit the economic benefits proportionate to this, due to poor infrastructure, too little investment and irrational marketing.

**Upadhyaya (2003)**, in his Ph. D. dissertation entitled '*Tourism as a Leading Sector in Economic Development of Nepal*', he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remains confirmed to local and regional level or helped the national

economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually.

In the year 2004 "The tourism marketing strategy for Nepal 2005-2020" was designed for the Nepal tourism board and Nepal's. In fact, the strategy itself is the culmination of extensive review and consultation and is the first comprehensive marketing strategy (Travers 2004: VII). It includes the analysis of every tourist generating market and uncovers the possibility to exploit the growing markets. It also projects the figures. In fact, this figure seems to be ambitious because of instability inside the country and lack of promotional activities outside the country. It is a fact that tourism's potential can only be realized in a climate of peace and stability (Travers, 2004:2)

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

Since the political situation is changing, NTB should focus more in the promotion of the country, which can only be possible with the help of stakeholders. Role of government cannot be denied and therefore it is the time for the ministry and the line agencies to take corrective measures. They should be sincere and work towards developing tourism-the only sector with benefits. Since the main objective of tourism is human welfare and prosperity, the government should promote distributive justice, which can results in mass participation. Government should sincerely work towards the promotion of rural tourism by conducting a high level national survey and exploring new destinations like Sirubari with receptive capacity and which is easily accessible from the main tourists generating outlets.

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

**Silwal (2005)**, in his thesis *"Tourist consumption pattern and its Economic Impact in Nepal"* had presented the changing pattern of tourist' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent as direct expenditure and the benefits of tourist money mainly went to hoteliers, travel and trekking agencies and airlines. The direct import content was 33.49 percent in tourism sector, 18.34 percent in tourism percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to Rs. 4.82 million in 2003/04 from 3.91 millions in 1974/75.

**Pradhan (2010)**, conducted study on *"problems and prospects of Tourism industry in Nepal."* The main objective of the thesis is as follows:

- ) To analyze the role of tourism in the economic development of Nepal.
- ) Reviewing the trend of tourist arrive in Nepal.
- ) To identify major problems and issues in the growth of tourism in Nepal.
- ) To access the impact of tourism in terms of government revenue, foreign currency earning and employment opportunities.
- ) To provide suitable policy recommendation.

The major findings of his study on the basis of secondary date are as follows:

- ) The number of tourist inflow is smoothly increasing from 2000 to 2007. However the annual rate of increase in fluctuating, a total of 663684 tourists arrived in 2000 that represented 10.3% increase over 1999.
- ) Countrywide, the highest number of tourist arrival is from India.
- ) By age group, the highest share was recorded by the 31 to 45 age group.
- ) Tourist arrivals by air transportation are higher than Land Transportation.

- J The largest number of tourist inflow Nepal for recreation purpose and the average length of stay were recorded as 11.9 days in 2007.
- J Nepal tourism potentiality has not been utilized properly.

**Thakur (2011)**, conducted study on "*A study on Marketing of Tourism in Nepal*" The main objective of the thesis is as follows:

- J To access the tourism market of Nepal
- J To access the marketing and promotion of Nepal tourism Board and other private sector in global tourism market.
- J To access the impact of Tourism in the Nepalese economy.
- J To evaluate the environment necessary for tourism development in the country.
- J To identify and analyzed the major problem of tourism development in Nepal.
- J To access and evaluate the existing promotional mechanism and efforts and identify areas of improvement needed.

The major findings of her study on the basis of secondary and primary data are follows:

- J The share of Nepal in world tourism market is more or less at 0.06 -0.07 percent but the share of Nepal in South Asian market is increasing marginally.
- J The highest number of visitors viewed that friends/Relatives were the main source of information to come to Nepal.
- J Very small segment of visitors were motivated by travel agents, newspaper and televisions.
- J Many tourists arrived in Nepal for the purposes of pleasure, trekking and mountaineering.
- J Indian tourist occupied most of tourist in Nepal. The after China, Sri-Lanka, USA, Europe are others to follow.

The analysis has also shown the impact of tourist expenditure on employment. The direct employment opportunities generated were 12.41 percent in tourism sector, 34.88 percent in tourism related sectors and 51.71 percent in non-tourism sector.

The current priorities of Nepalese tourism are shaped by Tourism Policy 2065. Nepal tourism board aligns its annual programs and activities to match the priorities and new initiatives of the government and aspirations of private sector.

### **Objectives of Tourism policy 2065**

- ) Leading role of private sector in tourism
- ) More focus on partnership approach. Public-private-people.
- ) Empathies in rural tourism, community based tourism and home stays.
- ) Formation of tourism coordination committee and crisis management committee.
- ) Activation of tourism council.

As part of its ongoing commitment towards tourism development, the government of Nepal launched the Tourism vision 2020 with the main goal of increasing international tourist arrival and increase in employment of tourism sector.

### **Major objectives of Tourism Vision 2020.**

- ) To improve livelihood of people across the country by developing integrated tourism infrastructure, increasing tourism activities and products generating employment in the rural area.
- ) To improve tourism as a broad-based sector by bringing tourism into the main stream of Nepal socio-economic development.
- ) To expand and extend tourism products and services in new and potential areas of Nepal by enhancing community capacity to participate in tourism activities.
- ) To publicize, promote and enhance the image of Nepal in international tourism source.
- ) To attract new investment in creating new tourism facilities, products and services.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

The purpose of this chapter is to describe the methodology used to achieve the research objectives of this study. This section discusses the methods used to collect the data for this research, outline the analytical framework, the selection of the sample and data analysis procedures.

The general methodology followed is data collection through the primary and secondary sources. The secondary data published by various authorized agencies are used and the collected information through interview and questionnaire addressed to different types of unit in tourism business has included as a primary data.

#### **3.1 Research Design**

The main purpose of this study is to obtain an insight into the current development of rural tourism in Nepal in order to propose further recommendations for efficient rural development of the country. Nepal tourism board is only the authorized promoter of tourism in Nepal so that Nepal tourism board has selected as a research study.

For the above reason, this research will take an exploratory cum descriptive approach. According Sekaran (2002:123) an exploratory study is undertaken when not much is known about the situation at hand, or when no information is available on how similar problems or research issues have been solved in the past. The collected data from several sources is simply explored by using some statistical tools. The aim will be to gain familiarity with the issues, and to gain a deeper understanding about the topic.

The following steps have been taken for the completion of this study.

- ) Problem identification of this study and selection of Topic.
- ) Review of previous literature.
- ) Clearly describe the data to be obtained and how to be obtained.
- ) Methods of analyzing the data.



) Research report (i.e. Conclusion)

### **3.2 Selection of study area.**

The study sought to identify the marketing and promotional efforts from Nepal tourism board in the development of rural Tourism in Nepal. The element of the study is selected through the related tourism literature review.

As Nepal Tourism board is main marketing and promotional body of tourism in Nepal that the operation model of such activities were studied.

### **3.3 Nature and source of data.**

For the purpose of this research, and in order to achieve the objectives will be collected and will be used both primary and secondary data.

The primary data are collected through the interview and questionnaire to the people related to tourism or engaged in the tourism business in Nepal.

The secondary data will be taken from the journals, broacher, articles, publication issued by Nepal tourism board, National trust for Nature conservation, Immigration of Nepal, Civil aviation of Nepal, Bureau of statistics, Nepal Rastra Bank and other related organizations. As well as the data and information used in the previous study and research work.

### **3.4 Method used in collection of primary data:**

For the purpose of primary data collection the techniques of interview and questionnaire has been used in order to collect the data of study. With the help of interview and questionnaire, data was collected by authorized personal of Nepal Tourism board, National trust for Nature conservation, Immigration of Nepal, Civil aviation of Nepal.

These are presented in the data presentation chapter. Questionnaire and interview has been designed by which the objective of the study and the primary data could obtain.

The first step of the study has been done with the visit of Nepal tourism board to get the necessary information. The second step of study is to collect the necessary data for the objectives of the study in Nepal Tourism board and National trust for nature conservation. The questionnaire has been dropped to the related person and collected later. The primary data used in the study is fresh and taken for this study as well as the obtained data has been carefully studied.

### **3.5 Tools and techniques used in data analysis.**

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions and supporting decision making.

As above mentioned the study is exploratory and it is process of accumulating facts. It is not necessarily explain relationship, test hypothesis and make prediction. As per the nature of research no hypothetical tools have been used. Only some statistical tools are used to explore the data. Main tools used in the study are:

\* **Percentage (%)**: To show the percentage of respondents on particular questions or opinion.

\* **Chart**: Different charts like pie, bar column etc to show the graphical presentation of data.

\* Average Mean & Bar diagram

## **CHAPTER – IV**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

This part is concerning any research which includes detail analysis and interpretation of data to this study. This is the section where the filtered data are presented and analyzed. This is one of the major chapters of this study because it includes detail analysis and interpretation of data from which concrete result of rural tourism market can be obtained. In this chapter, the relevant data and information necessary for the study are presented and analyzed keeping the objectives set in mind. This chapter consists of various calculation made for the analysis of rural tourism market in Nepal.

The evaluation of market efforts being initiated by NTB to promote rural tourism in Nepal has been done both on the perceptive basis as well as secondary data and information. In this chapter, an attempt has been made to assess the tourism development and marketing on the basis of views and perceptions collected through the questionnaire and by conducting in depth interviews with the tourists, tourism related organization and tourist experts.

#### **4.2 Secondary Data Analysis**

On this section of the study, the secondary data obtained from the annual reports of Nepal tourism board, Ministry of Travel and Civil Aviation, National trust for Nature conservation, different community based home stay have been analyzed to achieve the objectives of the study.

#### **4.3 Tourist inflow in Nepal.**

The development of tourism in modern sense started in Nepal since the beginning of the 1960's. Since 1962, HMG/Department of tourism started keeping the statistics of tourism. Since the beginning the number of tourists visiting Nepal has been increasing every year except in the years 1965, 1981, 1984, 1989, 1993 and 2008.

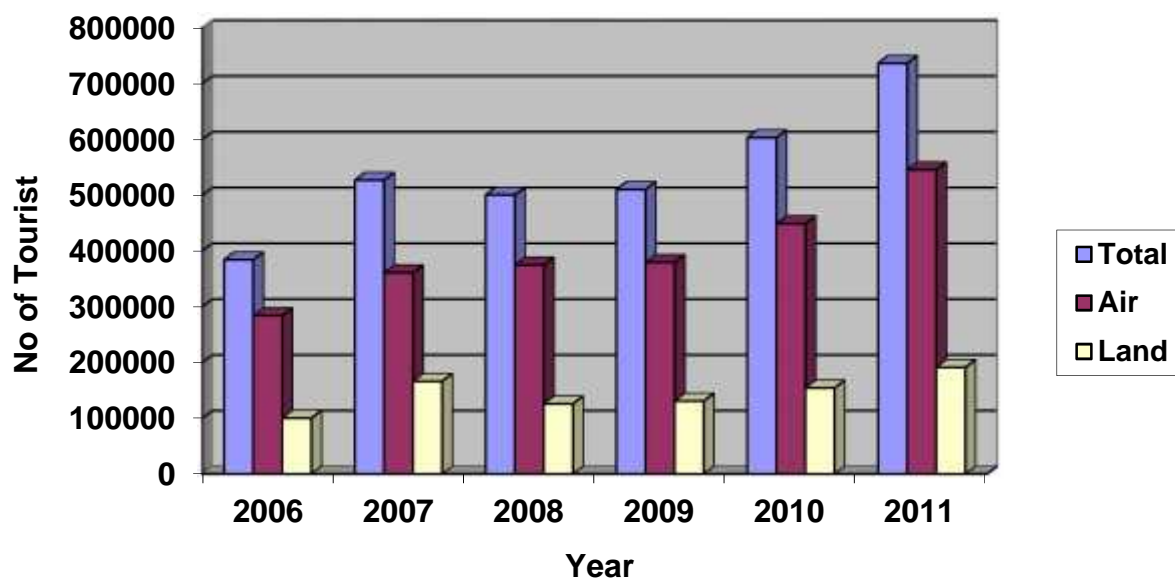
The table 4.1 shows the number of arrival of tourist in total and in separately the number who have travelled by air and by land as well as average length of stay.

**Table 4.1**  
**No of tourist arrival in Nepal 2006-2011**

year	Total		By air		By land		Average Length of stay
	Number	Growth rate	Number	Growth rate	Number	Growth rate	
2006	383926	2.3	283819	73.9	100107	26.1	10.20
2007	526705	37.2	360713	68.5	165992	31.5	11.96
2008	500277	-5.0	374661	74.9	125616	25.1	11.78
2009	509956	1.9	379322	74.4	130634	25.6	11.32
2010	602867	18.2	448800	74.4	154067	25.6	12.67
2011	736215	22.1	545221	74.1	190994	25.9	13.12

Source: Nepal tourism statistics, 2011

**Chart 4.1**  
**No of tourist arrival in Nepal 2006-2011**



The table 4.1 & Chart 4.1 have shown the arrival data from the year 2006-2011. The growth rate of tourist arrival is positive in all years except the year 2008 with 5%

decrease from the year 2007. The 383926 arrivals in 2006 represent an additional 2.3% growth in relation to the 2005 (375398 arrivals).

The total arrival in 2011 is 736215 while the year 2006 was only 383926. The year 2007 has rapid growth in the tourist arrival compared to all other years.

Nepal was suffering a lot with Maoist conflict and the tourism was the first hit out of it due to series of general shutdown and road blocks. Since the year 2006 represented the historic event of Comprehensive Peace Accord between the government and Maoists, the tourism sector got positive impact with the increased number of tourists. The impact of comprehensive peace accord has shown in the year 2007 with the substantial increase of tourist arrival by 37.2% growth rate.

From 2007 to 2008, Nepal's tourism declined by 5%. Many embassies declared negative travel advice to Nepal due to political unrest in Nepal, which made negative impact on foreign tourists travelling to Nepal. The Strike in Bangkok and the attack in Hotel Taj Mahal of Mumbai also brought negative impact on the tourism market of Nepal as many of our international flights are connected either with Indian airports or Bangkok airport.

From 2009 the number of tourists visiting Nepal has flourished. In 2009, the number increased slightly to 509,956 with an annual growth rate of 1.9 percent. In 2010, figures reached new heights and exceeded 6 lakhs for the first time in the history of Nepal: 602,867 arrived that year with an annual growth rate of 18.2 percent. In 2010, international tourism recovered more strongly than expected from the shock it had suffered in 2009 from economic recession and the global financial crisis.

In 2010, the government launched a series of initiatives aimed at ensuring the success of Nepal Tourism Year 2011 (NTY 2011). Tourist arrival grew by 22.1% in 2011 compared to 2010 registering 736215 with positive growth. This also marked the highest number of tourist arrival by air and land in both. The political leaders also

showed their solidarity in raising their voice for a common national interest on the promotion of tourism, which was a bit relief in the tourism hassles on Nepal to bring into positive growth.

### 4.3.1 Tourist arrival by Major Nationalities

The table and figure under shows the major tourist arrival from different countries from 2006 to 2011.

**Table 4.2**

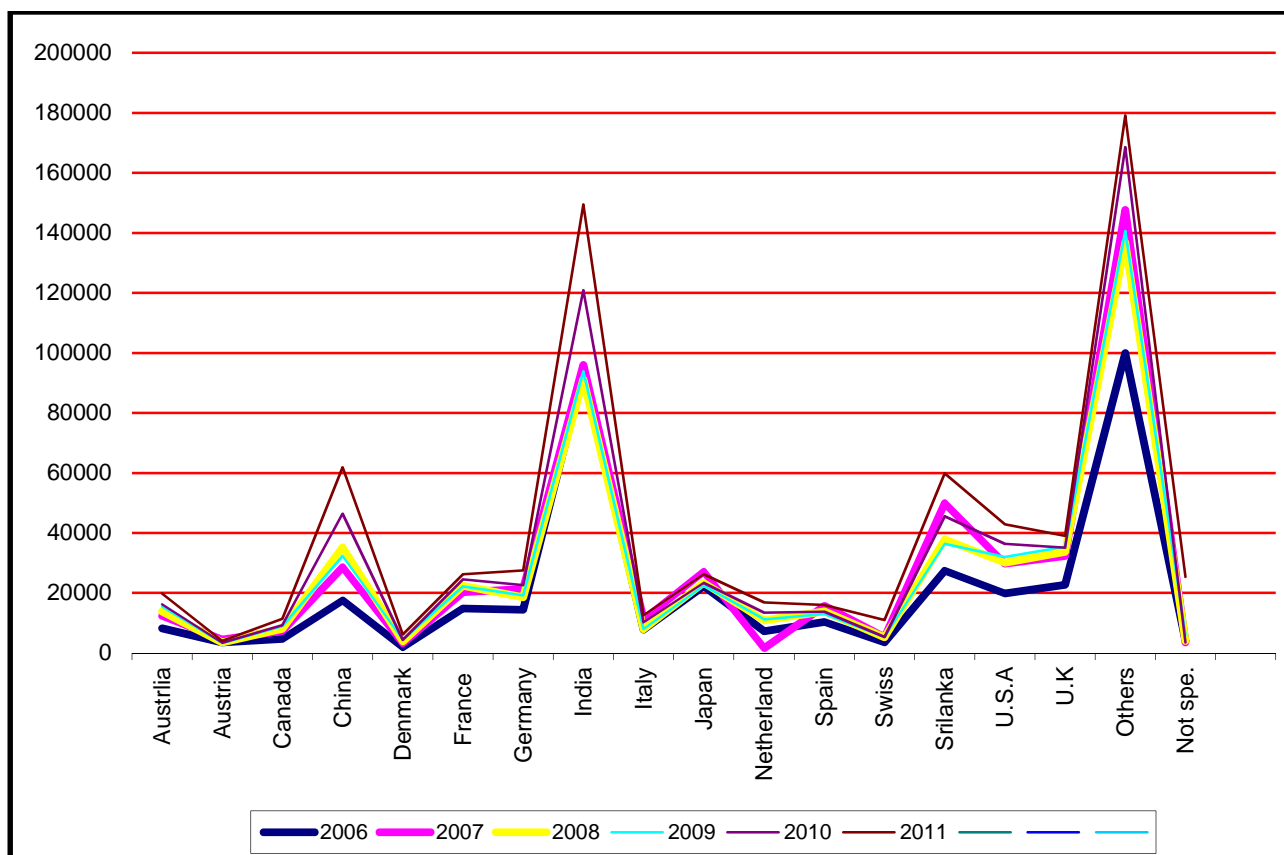
**Tourist arrival by major nationalities 2006-2011**

<b>Nationality</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Australia	8231	12369	13846	15461	16243	19824
Austria	3474	4473	3540	3245	3389	3998
Canada	4733	7399	8132	8965	9322	11404
China	17538	28618	35166	32272	46360	61917
Denmark	1956	3157	3847	4464	4359	6138
France	14835	20250	22402	22154	24550	26720
Germany	14361	21323	18552	19246	22538	27472
India	93722	96010	91177	93884	116231	149504
Italy	7736	11243	7914	7982	10195	12621
Japan	22242	27058	23383	22445	23332	26283
Netherlands	7207	10589	10900	11147	13471	16836
Spain	10377	15672	13851	13006	13712	16037
Switzerland	3559	5238	5186	5281	5320	11020
Sri Lanka	27413	49947	37817	36362	45531	59884
U.S.A	19833	29783	30076	32043	36425	42875
U.K	22708	32367	33658	35382	35091	39091
Others	99996	147694	136823	140574	168590	179158
Not Specified	4005	3515	4007	6043	3465	25433
<b>Total</b>	<b>383926</b>	<b>526705</b>	<b>500277</b>	<b>509956</b>	<b>602867</b>	<b>736215</b>

Source: Nepal tourism statistics, 2011

**Chart 4.2**

**Tourist arrival by Major Nationalities 2006-2011**



The vibrant performance of arrivals is from India, which is progressive in each year except 2008. The year 2006 has arrival of 93722 which has gone up to 149504 while coming to 2011.

A notable development is the contribution of Chinese market which has shown up as an emerging market in the Nepalese tourism. It has growing up with the arrival in all years except 2009. It has growth of average 42.17% while coming from 2006 to 2011.

The other vibrant performances of arrival from 2006 to 2011 are from Australia, Canada, Denmark, Netherlands and U.S.A which has increased number of people in each year with average growth of 23.47%, 23.49%, 35.66%, 22.27% and 19.36% respectively. France, Switzerland, U.K and Germany also have increased number of tourist arriving each year except one year in-between with average growth of 13.35%, 34.98%, 12% and 15.21% respectively.

Sri Lanka also have leading tourism market for Nepal which has arrival of 27413 in 2006 and grew up to 59884 in 2011 with the growth of 19.74% in average.

Japan and Italy also have significant growth of arrival which shifting from the year 2006 to 2011.

Indian and Chinese markets are the remarkable growth in the Nepalese tourism, All European market as well as American market has shown the positive growth from the year 2006 to 2011 in the tourism market of Nepal.

#### 4.3.2 Tourist arrival by Purpose of Visit

The table under mentioned shows the tourist arrival by their purpose of visit.

**Table 4.3**

**Tourist arrival by purpose of visit**

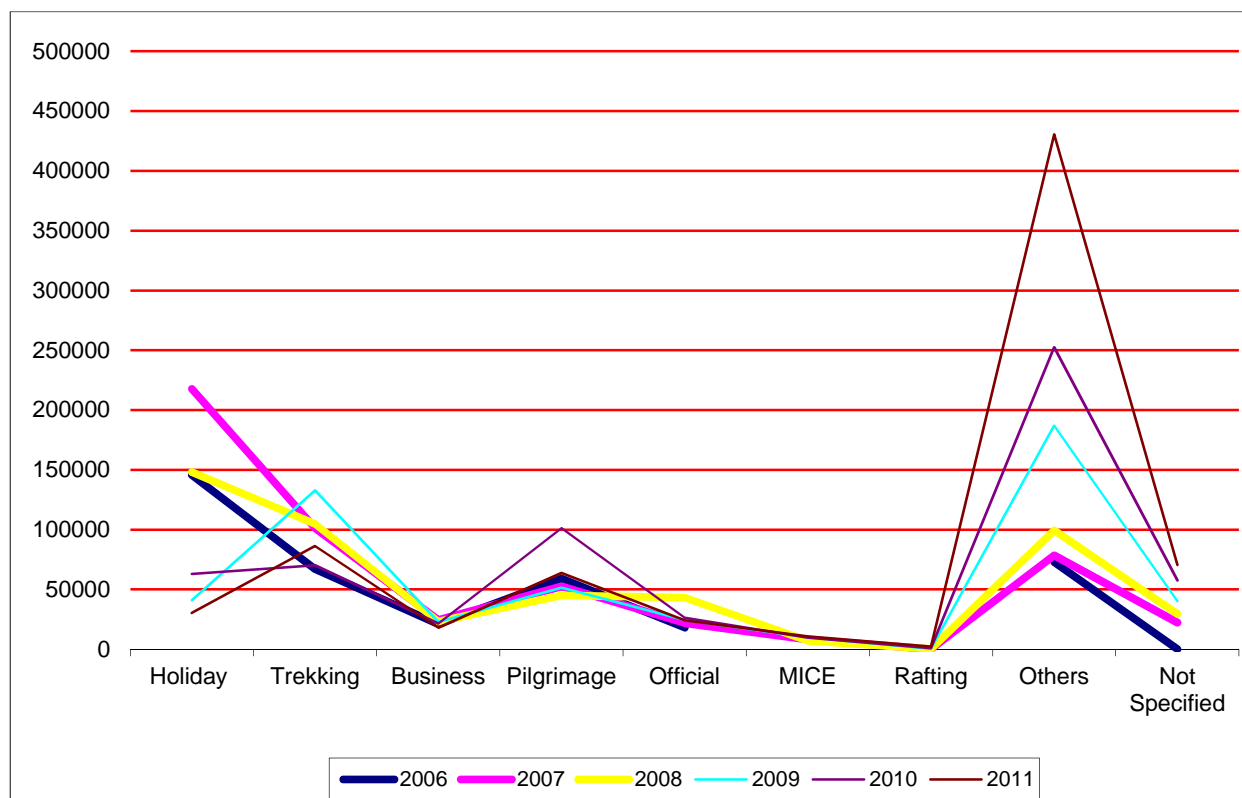
<b>Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Holiday Pleasure	145802	217815	148180	40992	63082	30210
Trekking & Mountaineering	66931	101320	104822	132929	70218	86260
Business	21066	24487	23039	22758	21377	17859
Pilgrimage	59298	52594	45091	51542	101335	63783
Official	18063	21670	43044	24518	26374	24054
Mice	-	8019	6938	9985	9627	10836
Rafing	-	65	243	285	730	2181
others	72766	78579	99391	186849	252473	430641
Not Specified	-	22156	29529	40098	57651	70391
<b>Total</b>	<b>383926</b>	<b>526705</b>	<b>500277</b>	<b>509956</b>	<b>602867</b>	<b>736215</b>

Source: Nepal tourism statistics, 2011



**Chart 4.3**

**Tourist arrival by Purpose of Visit 2006-2011**



Holiday pleasures trips have been the dominant part of a tourist arrival in Nepal from the beginning to 2008 then trekking and mountaineering follow it. The major number of tourist arrival shows for these two components till 2007. After that pleasure share have been declining. One reason for this may be attributed to separate accounting in specific topics including pilgrimage. The share of trekking and mountaineering is increasing till 2009 from 66931 in the year 2006 to 132929 in the year 2011.

It has poor performance in the official and Mice visitors in Nepal though it has improving in each year. This data shows that huge numbers of tourist has no segment with diverse purpose. However, trekking and mountaineering will remain a major attraction as Nepal is the market leader in the region for this type of tourism market for the country

### 4.3.3 The arrival of tourist as trekkers and pilgrimage

The data below shows the arrival detail of tourist as a trekkers and pilgrimage.

**Table 4.4**

#### **The arrival of tourist as trekkers and pilgrimage**

<b>Year</b>	<b>Total Arrival</b>	<b>Trekking &amp; Mountaineering Number and percentage</b>	<b>Pilgrimage Number and percentage</b>
<b>2006</b>	383926	66931 (17.43%)	59298 (15.44%)
<b>2007</b>	526705	101320 (19.23%)	52594 (9.98%)
<b>2008</b>	500277	104822 (20.95%)	45091 (9.01%)
<b>2009</b>	509956	132929 (26.06%)	51542 (10.10%)
<b>2010</b>	602867	70218 (11.64%)	101335 (16.18%)
<b>2011</b>	736215	86260 (11.71%)	63783 (8.66%)

Source: Nepal tourism statistics, 2011

Nepal is known as trekking destination as well as rich in its culture and pilgrimage. From the above table we observe that most of the tourist prefers trekking and pilgrimage holiday in Nepal. The year 2006 has 17.43% of trekkers and mountaineering as well as 15.44% of pilgrimage visitors in Nepal.

The year 2006 to 2009 has annually increased market from the visitors 66931 to 132929 but it is decreasing from the year 2009 to 2010. The year 2009 was the highest number of tourist for trekking recorded 132929 trekkers in different part of Nepal. The year 2010 was the highest number of pilgrimage visitor of Nepal with 101335 visitors and it is growing up by 16.18%. The year 2008 has lowest number of pilgrimage visitors in Nepal. Indians are the major market of the pilgrimage holiday and there was attack in Taj Hotel, Mumbai which made less number of Indian tourist arrival in Nepal.

#### 4.3.4 The arrival of tourist as trekkers

The data below shows the arrival details of tourist as trekkers in different part of the country.

**Table: 4.5**

**The arrival of tourist as trekkers (2006-2011)**

Year	Controlled areas								
	Everest	Mustang	Lower Dolpa	Upper Dolpa	Humla	Manaslu	Kancha njunga	Annapurna	Langtang
2006	20639	248	225	92	1256	561	335	37901	4562
2007	26511	1282	419	198	1542	895	404	60237	8165
2008	31201	838	709	383	1065	1443	1490	69800	9533
2009	29036	1659	739	313	1177	1635	508	N/A	10535
2010	32084	2162	785	358	1633	2162	488	N/A	10315
2011	34645	2950	808	397	1758	2813	591	N/A	13838

Source: Nepal tourism statistics, 2011

The data above shows the tourist as trekkers in different controlled areas of Nepal. We can observe that trekkers market is growing till the year 2009 and the highest number of tourist visits to Annapurna region. It has highest number of tourist arrival in all years and also increasing each year. After Annapurna region trekkers are attracted to Everest has the maximum number of tourist arrival. Everest region has 20639 trekkers on 2006 which is increased to 34645 on the year 2011. Langtang region have third position in all years with significant number of trekkers. It has only 4562 trekkers in 2006 but increased to 13838 on the year 2011. Langtang area can be taken as an emerging market on trekking of Nepal.

Upper Dolpa has the lowest number of trekkers which is 92 in 2006 but increased to 397 on the year 2011.

From the data above shows that the trekking routes on far western and eastern Himalaya routes haven't well developed so that marketing should be focused on those regions too.

### 4.3.5 The arrival of tourist for expedition, peaks and mountaineering

The data below shows the arrival details of foreign tourist for the purpose of expedition, peaks and mountaineering.

**Table 4.6**

#### **The arrival of tourist for expedition, peaks and mountaineering (2006-2011)**

Year	No. of Team	Total no. of mountaineers
2006	133	986
2007	162	1128
2008	267	2018
2009	352	2136
2010	600	2225
2011	867	4266

Source: Nepal tourism statistics, 2011

The table above shows the mountaineers data of Nepal from the year 2006-2011. It is found that the total arrival for mountaineering purpose is increasing in each year. The total arrival on 2006 was only 986 but it reached to 4266 on the year 2011 as well as there were increased number of team to participate.

### 4.4 Community based village tourism in Nepal

Tourism products in rural area are vague. Public-private partnership approach or modality has developed in various villages in Nepal in the development of community based tourism. There are growing numbers of villages registered into the community based village tourism in Nepal and some of the model villages are undertaken for the study of foreign tourist visiting in rural part of Nepal.

#### 4.4.1 Nepal village resort, Sirubari

Nepal Village resort is regarded as the model village for the introduction and promotion of community based village tourism in Nepal. It has been established on 1997 in Sirubari, Syanja being based on local communities.

**Table 4.7**

**Foreign visitors' data of Nepal village resort (2006-2011)**

Year	Arrival	Growth rate	Average stay	Major Nationalities
2006	25	8.69%	3 days	Belgium, France, Germany, Spain, Holland
2007	76	204%		
2008	64	-15.78%		
2009	78	21.87%		
2010	90	15.38%		
2011	78	-13.33%		

Source: Nepal Village resort committee.

Nepal village resort has increased number of tourist till 2001 but it has surprisingly decreased from 2002 due to political unrest in country but the year 2006 has slowly picked up.

The year 2006 has only 25 tourists which is increased of 8.69% on the year 2005 but 2007 has growing rate of 204%. The year 2010 has the highest number of tourist arrival in-between 2006-2011. It has average stay of 3 days and data shows that European market is the potential market of this model village. According to them the first commercial group of 16 Belgium was to visit this model village.

#### 4.4.2 Tamang Heritage trail

**Table 4.8**

**Foreign visitors' data of Tamang Heritage trail (2006-2011)**

<b>Year</b>	<b>Arrival</b>	<b>Growth rate</b>	<b>Average stay</b>	<b>Major Nationalities</b>
2006	35		11 days	France, USA, Spain and Holland
2007	50	42.85%		
2008	75	50%		
2009	107	42.66%		
2010	230	114.95%		
2011	252	9.56%		

Source: Tamang Heritage trail committee.

Tamang heritage trail Rasuwa has established on 2006 and the foreign tourist arriving at the beginning of the year has 35 visitors. The data above shows the significant growth rate in each year. The year 2010 has tremendously increased on its visitors. The highest number of visitors recorded on the year 2011 with 252 numbers. It has 11 days average stay in this trail which is quite good number for the income of the locals. The major foreign market of this trail is depended on Europe and USA from the information given by committee.

#### 4.4.3 Ghale Goun Village resort

**Table 4.9**

**Foreign visitors' data of Ghalegoun Village resort (2006-2011)**

<b>Year</b>	<b>Arrival</b>	<b>Growth rate</b>	<b>Average stay</b>	<b>Major Nationalities</b>
2006	N/A		3 days	Japanese, Italy, American and Netherlands
2007	N/A			
2008	179			
2009	257	43.57%		
2010	160	-37.74%		
2011	308	92.5%		

Source: NTNC, Ghalegoun

Ghale goun village resort, Lamjung has established on 2008 and the foreign tourist arriving at the beginning of the year has 179 visitors. The year 2010 has decreasing number to 160 visitors which is -37.47% of decreasing. It took a very good pick up on the arrival of the year 2011 with the increase of 92.5%. The highest arrival on Ghale Goun shows on the year 2011. The data above shows the average stay of 3 days in this region. The major visitors of this place have from Japan, Italy, American and Netherlands.

#### 4.4.4 Numbur Cheese Circuit

**Table 4.10**

**Foreign visitors' data of Numbur Cheese Circuit (2006-2011)**

<b>Year</b>	<b>Arrival</b>	<b>Growth rate</b>	<b>Average stay</b>	<b>Major Nationalities</b>
2006	N/A		14 days	Europeans only
2007	N/A			
2008	N/A			
2009	4			
2010	10	150%		
2011	16	60%		

Source: Northern Rammechhap tourism development committee.

Numbur Cheese circuit has been established on 2009 in the northern part of Rammechhap with the help of TRPAP. The above data shows the route is not much popular among the foreign tourist. The year 2009 has 4 foreign visitors which increase to 16 tourists while coming to 2011 but it is not satisfactory. It may be due to the lack of publicity and facilities provided by the government and private sector but it has average stay of 14 days which employs higher number of locals during the visit. According to the committee all visitors were from Europe.

## **4.5 Marketing Promotion by Nepal Tourism Board.**

### **4.5.1 The overall Marketing Objectives**

The overall marketing objectives are to expand the overall volume and value international markets of tourism to Nepal by concentrating on inherent product strengths and other possible competitive areas, to position Nepal firmly as a varied and multi-faceted destination with weakness breaks, lifetime experiences with special interest products comprising nature, culture and adventure to improve the spatial distribution of visitors and foster the growth of new tourism areas, increase length of stay and spend and deregulating and open sky policy by increasing FDI in tourism spheres. The main objective of NTB is to establish Nepal as a premiere holiday destination in international arena with definite brand image.

### **4.5.2 Vision and Strategy**

The vision (Nepal tourism board-2008) of Nepalese tourism is establishing the Nepal tourism board as the leading NATO championing the best and innovative practices if destination marketing and development and eco tourism in this region. The most important plan is to make Nepal the number one mountain tourism destination in the world as envisioned by the brand and to maximize the tourism benefits by developing Nepal as a premier holiday destination by following the spirit of "inclusiveness and sustainable tourism for greater harmony and equitable distribution of income.

Forecast shows that the number of visitors will continue to increase, largely due to the strength of Nepalese economy, competitive travel price and Nepalese interest in offering new experience to increase visitor spend and days. Term strategy for 2006-2009 is enhancing the visitors' number, increasing the spending pattern of the visitors, increasing the average length of stay.

The Long-term strategy (2010-2015) is predicting that the destination should make specific study of the market segments of their interest, spread out their marketing strategy to reach wider areas and also plan their future air connectivity to suit the demand from such areas.



The main goals of long term strategy are: to create destination demand by rebuilding destination image, catalyst to bring Nepalese travel trade, international travel trade and consumers together, establish backward and forward linkages and promote a perfect product-market with 3 brand segments: weekend breaks, amazing adventures and lifetime experiences ( Nepal Tourism Board, 2010)

**4.6 Tools and Activities used by NTB for tourism marketing and promotion.**

Since its start in 1999, NTB has been using different strategies in order to promote Nepal as an attractive tourism destination. It has been using various marketing tools to compete with other competitors in global tourism market. Some special promotional programs conduct as a campaign for instance: Visit Nepal year 1998, Nepal tourism year 2011 so on. Selection of tools and activities are depending on market. Different kinds of activities could be conduct in different market segment differently. Generally, NTB uses the following tools for marketing and promotion.

- ) Participation in Travel trade fair.
- ) Advertisement/Sales and promotion campaign
- ) Familiarization (FAM) Trips.
- ) Publicity materials publications
- ) press conferences

**4.6.1 Participation in Travel Trade Fair**

NTB has been participating jointly with private travel trade industry partners in different Travel Fairs organized in different countries. Travel trade fairs are important platform for NATOs and travel industries for direct approach to consumers and tour operators from all over the world. Though regarded it as conventional marketing tool, it has been really important to use Travel Trade Fairs to position Nepal as a destination among potential and existing FITs and tour agents. Following tables shows the different travel trade fair where NTB has participated from 2006 to 2011.

<b>2006</b>	<b>2007</b>
-------------	-------------

TTF, India	CMT Germany
ITB, Germany	JSDF UK
WTM, London	UNWTO-Malaysia
Vakatieur, The Netherlands	MAST-Kathmandu
JATA	<b>2008</b>
CMT, Germany	CMT, Germany
PATA Mart, Hong Kong	CMT, Austria
SATTE, India	CMT, France
ATTA, world summit USA	CMT, Swizerland
DTM, Bangladesh	JATA-Japan
World Travel Fair, Shanghai	<b>2010</b>
MITF, Malaysia	CMT Germany
CITM, China	ITB Berlin
<b>2009</b>	ITB Singapore
TKT, Thailand	ITB Egypt
KOFTA Seoul	2011
CPC India	TITF, Thailand
IPTIN, Thailand	Nepal Fair in Belgium
	BIT Italy
	NTY Paris
	TTF and OTM in Mumbai

Source: NTB marketing dept.

#### **4.6.2 Advertisement/Sales mission/ Promotion campaign**

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

### **Sales mission & promotional campaign**

Nepal Promotion, Beijing, Bangkok-	2006
South India Sales Mission-	2006
India Road Show-	2007
China Sales Mission-	2007
Central Western India Sales Mission-	2008
Nepal Participation in Bit Italy-	2009
Nepal fair in Belgium-	2010
Nepal Participation in TITF Thailand-	2010
PATA Tourism Meet-	2010
First Eastern Regional Techno Fest-	2011
South Korean Little Angles perform in Nepal-	2011
Civil Servants to Scale Mt. Everest-	2011
Nepal to Host International Cannoning Event-	2011
Great Himalayan Trail opens for business-	2011
Kantipur Cultural Festival-	2011

### **4.6.3 Familiarization (FAM) Trips**

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

#### **4.6.4 Press conferences**

It is very important to have good media relations while promoting destinations. So, NTB organizes press conferences of different media and tours operators in major tourism markets. It specially takes place before the sales mission and promotion campaign. Press conferences are jointly organized with MOCTCA, Tourism organizations and tourism industry partners. Here are some details of the press conference organized by NTB.

Press Conference, TTF, Kolkata-	2006
Press Meet, Paris, France-	2007
Press Conference, Ecotourism Australia-	2008
Press Conference IT tourism, India-	2009
Press Conference Silva airline operation Oman to Nepal-	2010
Press meet Tariff system (GSP)-	2011

#### **4.6.5 Publication of Publicity material and Website**

Information and communication is very important for visitors about the destination where they are traveling. So, NTB has been producing different kinds of publicity materials both print and electric, brochures, leaflets, booklets, maps are in printed form where as CD Rom, DVD, VCD, Videos, Promos are of electronics versions which is very effective and indispensable in e-marketing. A website [www.welcomenepal.com](http://www.welcomenepal.com) is there as a means of world wide wave publicity which is very effective and indispensable in e-marketing.

#### **4.7 Primary Data Analysis**

For the purpose of knowing the marketing and promotional activities of NTB in rural tourism of Nepal, the primary objective of the study, primary data analysis has been done. To get the fruitful result, the respondents have been categorized in four: tourists, tourism professionals, home stay committee, travel and tourism organization.

#### **4.7.1 Analysis of responses provided by Tourist:**

To have the knowledge on the marketing promotional activities of NTB in rural tourism, questionnaire has prepared for foreign tourist travelling in Nepal.

#### **Profile of the respondent**

The profile of the respondents who were interviewed in the course of the study is presented here under

#### **Nationality**

During the study, altogether 22 tourists were interview and had filled up questionnaire among which following are the percentage of nationality on the basis of continent.

<b>Region</b>	<b>Percentage (%)</b>
Europe	63.63%
Asia and Pacific	18.18%
America	18.18%

Source: Field Survey: 2012

#### **Sex**

Among all respondents 45.45% were males and 54.55% were female respondent.

#### **Age**

The numbers of respondents by age group were as below

<b>Age Group</b>	<b>Percentage (%)</b>
Below 20	9.09%
20-40	36.36%
40-60	45.45
60 and above	9.09%

Source: Field Survey: 2012

#### **Travel Tendency**

Among the respondents 45.45% were the single travelers and 54.55% were group travelers.

### **Frequency of visit**

Among the respondents 40.90 % were first time in Nepal & 13.63 % were repeated visitors and 45.45% has visited more than two times in Nepal.

### **Occupation**

Among the total tourist questioned, 13% were Student, 68.18% were employee, 9.09 % were business men and 9.09% were others.

### **Length of Stay**

Among all tourists were asked that average stay of respondent is 16.45days.

### **Purpose of visit**

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

<b>Purpose of Visit</b>	<b>Percentage (%)</b>
Pleasure & sightseeing	45.45%
Trekking and mountaineering	40.90
Culture	9.09%
Official /Business	4.54%
Pilgrimage	-

Source: Field Survey: 2012

### **Place of visited**

All respondents were asked place of visited. The survey shows most of people have visited Chitwan, Pokhara, Kathmandu and some others were visited Mustang, Langtang, Nagarkot and Bhaktapur.

### **Travel preferences**

All respondents were asked their general preference in Nepal in which 77.27% people prefers travelling in rural part and 22.72% people would like visit only on urban area.

### **Opinion of Service and Facilities**

All respondents were asked on their opinion of services and facilities in which

<b>Opinion</b>	<b>Percentage (%)</b>
Excellent	18.18%
Satisfactory	27.27%
Good	54.54%
Poor	-

Source: Field Survey 2012

### **Main source of Information**

Respondents when asked about the factors that influenced them to visit Nepal, as a response, 68.18% of tourist said that their friends and relatives were main source of information which led them to Nepal. Likewise, 9.09% people said that travel trade fair was the main source of information whereas other 9.09% people said that they got the idea of visiting Nepal from guidebook and 4.54% people said website related to Nepal is the source of visiting to Nepal.

### **Publicity material & rating**

Among the respondents when asked about whether they have gone through any publicity material relating Nepal tourism that 50.10% said that they have never gone through the materials of NTB promotion and other 40.90 % has gone through the publicity material of NTB and other tourism organization.

Among the respondent 19.18 % mentioned the publicity material was good, 30.72% said satisfactory and rest other 59.10 affirmed the poor rating in the publicity materials.

### **Awareness of Rural tourism in Nepal**

While respondent were asked if they were aware of rural tourism in Nepal that 90.90% of the respondent pointed on their awareness of rural tourism in Nepal and rest 9.10% pointed that there were unknown on it.

### **Interests on Rural Tourism Activities.**

Respondent when asked if they are interested on joining rural tourism activities that 95.45% respondent showed their interest on joining in rural tourism activity and 4.55% pointed that they are not interested in rural tourism activities in Nepal.

### **Future of Rural tourism in Nepal**

Respondent when asked about the future of rural tourism in Nepal 68.18% of the respondent on the good future of rural tourism in Nepal and 18.18% of the total respondent affirmed on excellent future of rural tourism in Nepal. Similarly, 13.63% of the respondents pointed on the satisfactory and 4.54% of the total respondent affirmed on poor future of rural tourism in Nepal.

### **Perception of visitors' on service, facilities and their ratings.**

Tourist's opinion in different aspect is asked to all respondents and tried to know their perception about the services & facilities. The responses are as follows:

### **Perception of visitors' on service, facilities and their ratings.**

Feature / Rating	Good ( %)	Satisfactory (%)	Poor (%)
Sightseeing tour	54.54%	45.46%	-
Accommodation	40.90%	50%	9.10%
Transportation	27.27%	50%	22.73%
Agency Service	77.27%	22.73%	-
Travel information	45.45%	54.55%	-
Tour itinerary	63.63%	36.37%	-

Source: Field Survey: 2012



#### **4.7.2 Analysis of responses provided by Tourism Professionals**

To have the knowledge on the marketing and promotional efforts of NTB, questions have been prepared for the tourism professionals and asked to NTB employee and VITOF members.

#### **Perception of the Nepalese tourism**

The responses obtained on the perception of Nepalese tourism that 50% of the respondents finds the tourism has a good position in Nepal. Similarly, 36% affirms the satisfactory position and the rest 14% indicated on excellent.

#### **Important factors on Tourism Development**

Respondent were asked about the important factors on tourism development in Nepal. The finding has been ranked on the basis of their responses. Most of the respondent has pointed on the need of Airlines development in Nepal. Nature and culture is the second need for the development of the tourism in Nepal. Many of the respondents also affirmed that transportation is the next necessity in the development of tourism. The table shows that least priority has given on the agency service afterwards accommodation.

<b>Feature / Rating</b>	<b>Rank</b>
Accommodation	5
Transportation	3
Agency service	6
Security	4
Nature & Culture	2
Airlines	1

Source: Field survey 2012

### **Rural Tourism Market in Nepal**

The respondents' opinion about rural tourism market in Nepal shows the majority of the respondent had indicated either in satisfactory or in good with 35.71% in both prospects.

Similarly 14.28% has indicated in excellent and the rest 14.28% has indicated the poor rural tourism market in Nepal. With the responds we can summarize that the rural tourism market in Nepal is very good.

<b>Evaluation</b>	<b>Percentage (%)</b>
Excellent	14.28% %
Good	35.71%
Satisfactory	35.72% %
Poor	14.28%

Source: Field survey 2012

### **Marketing and Promotional efforts of NTB**

All the respondents were asked to assess and evaluate promotional efforts undertaken by Nepal Tourism Board on the development of Nepalese tourism. The majority of the respondents have affirmed satisfactory with 57.14% where as 28.56% of total respondent indicated the good efforts of NTB in the marketing and promotional efforts of NTB.

<b>Efforts</b>	<b>Percentage (%)</b>
Excellent	14.28
Good	28.56
Satisfactory	57.14%
Poor	-

Source: Field survey 2012

### **Essential elements to Promote Rural Tourism**

On the perception of essential elements to promote rural tourism in Nepal that majority of the respondents thought that Publicity is the essential elements on the promotion of rural tourism in Nepal with 35.71% of total respondents. 28.57% of the

respondent thought of advertising, 21.42% on sales promotion and direct marketing and E-marketing has 7.14% in both elements.

<b>Elements</b>	<b>Percentage (%)</b>
Sales promotion	21.42%
Publicity	35.71%
Advertising	28.57%
Direct Marketing	7.14%
E-marketing	7.14%

Source: Field survey 2012

### **Concentration of Marketing Effort**

While respondents were asked about the marketing efforts to be done that 64.28% expressed that Nepal's marketing efforts should be concentrated at international level. Similarly, 21.42% said that promotion in National level. 7.14% of the respondents mentioned marketing should be concentrated in New Market and rest 7.14% said marketing should be made in specified target market.

<b>Level</b>	<b>Percentage (%)</b>
National Level	21.42%
International Level	64.28%
New Market	7.14%
Specified target market	7.14%

Source: Field survey 2012

### **Importance of Destination Marketing in Rural Tourism**

Among the respondent were asked whether they find importance of destination marketing, 57.14% affirmed that it highly needed. Likewise, 35.71% of the responded stated medium importance of destination marketing and rest 7.14% said low importance of destination marketing.

<b>Importance</b>	<b>Percentage (%)</b>
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High	57.14%
Medium	35.71%
Low	7.14%
Not necessary	-

Source: Field survey 2012

### **Strength on Rural Tourism**

Respondents were asked on the present strengths of rural tourism. Most of responded mentioned that culture is the important strength of rural tourism market in Nepal. Likewise, enriched natural beauty is on the second rank on the strength of rural tourism. Third rank has followed about Adventurous and limited persons indicated the originality.

<b>Strength</b>	<b>Rank</b>
Adventurous	3
Enriched natural beauty	2
Culture	1
Originality	4

Source: Field survey 2012

### **Weakness on Rural Tourism**

About the weakness on rural tourism, the higher number of respondent mentioned that there should be easy accessibility. Infrastructure is on the second rank in need of development. Similarly, skill manpower is on third rank on the weakness of main power and accommodation is at the least.

<b>Weakness</b>	<b>Rank</b>
Accommodation	4
Accessibility	1
Skill manpower	3
Infrastructure	2

Source: Field survey 2012

### **Suitable measures for Promoting Rural Tourism**

The respondents were asked about suitable measures for promoting rural tourism in Nepal in Nepal. As a response, majority of respondents 42.85% said there is need to do destination marketing for promoting rural tourism, 35.71% said the media promotion is needed for the rural tourism promotion. Similarly, 14.28% said the Niche marketing is suitable and rest 14.28% affirmed on quest new market for the suitable measures of rural tourism promotion.

<b>Measures</b>	<b>Percentage (%)</b>
Destination Marketing	42.85%
Media promotion	35.71%
Quest new market	14.28%
Niche Marketing	14.28%

Source: Field survey 2012

### **Tourist seeking in Rural Destination**

Respondents when asked about the factors that influenced tourist to visit the rural destination that highest number of respond came on the prospect of cultural diversity to visit the rural destination. After the cultural diversity, respondents acknowledged on enriched natural beauty. Likewise originality has the third position and hospitality is the least priority of tourist to visit the rural tourism in Nepal.

<b>Prospect</b>	<b>Rank</b>
Originality	3
Enriched natural beauty	2
Cultural diversity	1
Hospitality	4

Source: Field survey 2012

### 4.7.3 Analysis of responses provided by Travel and Tourism organization

Different travel and trekking companies were asked to find the marketing and promotional efforts of NTB. The finding of the result has been presented below:

#### Types of Business.

Respondent were asked on their type of business in which 50% of the respondent have tours and travel company and other 50% of the respondent belongs to the trek company.

#### Marketing concentration for Tourism Development

Regarding the marketing concentration of tourism development in Nepal that travel organizations were asked the market of concentration, in which 91.66% of the total respondent affirmed on international market and other 8.33% responded pointed on specific target market. The finding shows that international level is the most important to be concentrated in the development of tourism development.

Level	Percentage (%)
National Level	-
International Level	91.66%
New Market	-
Specified target market	8.33%

Source: Field survey 2012

#### Market concentration of Tourism Organization

To know that current market scenario that respondent were asked their market concentration. The majority response came on European market with 50% and others are in Asian market with 33.33%. 16.66% of the respondents pointed on Americans and there are no on for African Market on their market concentration.

<b>Region</b>	<b>Percentage (%)</b>
Asian	33.33%
Europe	50%
American	16.66%

Source: Field survey 2012

### **Dependent of Tourism Industry**

Regarding the dependent of the tourism industry in Nepal respondents were asked which market they depend on. 91.66% of the respondent confirmed on international market and rest 8.33% are on domestic market. It shows that tourism industry in Nepal is dependent on international market.

<b>Market</b>	<b>Percentage (%)</b>
Domestic	8.33%
International	91.66%

Source: Field survey 2012

### **Suitable Marketing Efforts for Rural Tourism**

Regarding the right marketing measures that respondents affirmed the destination marketing is suitable for the development of rural tourism in Nepal. 83.33% of the respondents agreed on Destination marketing and rest 16.66% pointed on Media promotion.

<b>Measures</b>	<b>Percentage (%)</b>
Destination Marketing	83.33%
Media promotion	16.66%
Personal promotion	-

Source: Field survey 2012

### **Major potentiality of rural tourism in Nepal**

Respondents were asked to know the major potentiality of rural tourism in Nepal and the majority of the responded affirmed the cultural diversity is the most important factor of the rural tourism. The table shows the Responses on the rank basis on their response. Natural biodiversity is the second potentiality of the rural tourism in Nepal. Adventurous and originality are least priority in the rural tourism of Nepal.

<b>Potentialities</b>	<b>Rank</b>
Natural Biodiversities	2
Cultural diversities	1
Adventurous	3
originality	4

Source: Field survey 2012

### **Efforts of NTB for the promotion**

To know initiation taken by NTB to promote Nepal as a tourist destination, the respondents given the various aspects and the result has been shown on the rank basis. Majority of the respondents pointed on Travel trade fairs. Similarly, publicity is the second efforts of the NTB on the promotion of Nepalese tourism but they haven't done anything in the creation of infrastructure.

<b>Major efforts</b>	<b>Rank</b>
Destination marketing	4
Development products	5
special events	6
e-marketing	3
creation of infrastructure	7
publicity	2
travel fair	1

Source: Field survey 2012



### **Determination of Marketing Efforts**

All travel organizations were asked their determination for marketing efforts and majority of the respondents said on their Budget. Tourist arrival is the next factor for the travel organization on the determination of marketing efforts. Some organization depends on the travel trend on their determination and least of the organization determines by their capacity utilization.

<b>Determination</b>	<b>Rank</b>
Capacity utilization	4
Tourist arrival	2
Budget	1
Trend	3

Source: Field survey 2012

### **4.7.4 Analysis of responses provided by Home stay committee**

To know the promotion and marketing efforts in rural tourism in Nepal, 6 different members of different home stay committees were asked questionnaires. The major findings are as under mentioned.

### **Importance of CBT**

To know why Community Based tourism is important in Nepal that home stay committee members were asked on this matter. The responses obtained from them have been presented below.

<b>Context</b>	<b>Percentage (%)</b>
Social Context	-
Environmental Context	-
Socio-economic context	66.66%
Tourism industry context	33.33%

Source: Field survey 2012

Table shows that majority of the home stay committee sated that Socio-economic context is major important factor of developing Community based tourism. 66.66% of total responded affirmed on socio economic context and 33.33% of total responded

stated on Tourism industry context. The major finding on the important of CBT shows the Socio-economic context.

### **Promotional activities**

While respondent were asked if they have done any promotion activities either in national or in International market that 83% of the total respondent has answered "YES" and rest 17% has answered "NO" on the promotional activities.

### **Marketing tools used by Home stay committee**

To know the marketing tools used by home stay committee that four different marketing tools were given and the responses as under mentioned.

<b>Tools</b>	<b>Percentage (%)</b>
Broachers/Leaflets	66.66%
e-marketing	33.33%
Documentary	-
Personal selling	-

Source: Field survey 2012

Majority of the home stays have published the brochures and leaflets for the marketing in National and international market. 66.66% of the total respondent has done the marketing through brochures / Leaflets and rest 33.33% of the responded has done the e-marketing. On the basis of response that most of the home stay have used the brochures/leaflets for the marketing of home stay.

### **Cooperation with NTB**

To know the co-operation of NTB with home stay product that questionnaire has been sent to the home committee in which 83% of the total respondent has answered "YES" and rest 17% has answered "No". It shows that home stay committee has good co-operation with NTB.

### **Assistance given by NTB**

The assistance of NTB is essential for developing the home stay in Nepal so that questionnaire has been made to the committee to know if there is any assistance given by Nepal tourism board.

<b>Issues</b>	<b>Percentage (%)</b>
Promotion	66.66%
Finance	-
Training	16.33%
Development of product	16.337%

Source: Field survey 2012

The table above shows that the major topic that NTB has worked together is on promotion of product on home stay committee. 66.33% of total respondent has stated that NTB has given the assistant on the promotion activities on their product and 16.33% of the responses came on training and rest 16.33% stated on development of product. The finding shows that NTB has done the promotion on home stay products in rural tourism.

### **Promotion activities of NTB in rural tourism**

To know the efforts of promotional activities, the respondents were asked to express their view.

<b>Efforts</b>	<b>Percentage (%)</b>
Excellent	-
Good	-
Satisfactory	66.66%
Poor	33.33%

Source: Field survey 2012

The table above shows majority of the respondent are satisfactory on the promotional activities of NTB, which indicated by 66.66% and 33.33% of the respondent stated that the promotion activities of NTB in rural tourism in poor. It shows that NTB should do more promotion on the rural tourism products.

### **Reason of visiting Rural area**

To know the reason why people should visit the rural area that responded were asked the reason with 4 different options.

<b>Reason</b>	<b>Percentage (%)</b>
Natural biodiversities	16.66%
Cultural diversity	83.33%
Adventurous	-
originality	-

Source: Field survey 2012

The responses obtained from them shows that 83.33% of the responses is on cultural diversity is the main reason to visit rural area of Nepal and 16.66% of the responses stated the reason of Natural biodiversities is the main reason to visit the rural part of Nepal.

### **Training need for improvement**

To inquire if the training is needed for the improvement in Community Based Tourism to develop the skill main power that all respondent stated "YES". 100% of the total respondent agreed on the requirement of training.

### **Problems on promotion of rural tourism**

Technical problems are hindering on the promotion of rural tourism in Nepal. To examine the major technical problems, the home stay committees were asked to state their view.

<b>Problems</b>	<b>Percentage (%)</b>
Accommodation	33.33%
Accessibility	50%
Skill manpower	8.33%
infrastructure	8.33%

Source: Field survey 2012

The result obtained from them shows that majority of respondent stated on accessibility with 50% of the total respondents. 33.33% of the responses show the accommodation and 8.33% affirmed on skill main power and rest 8.33% pointed on infrastructure. On the basis of their responses, accessibility is the major problem for the promotion of rural tourism.

#### **4.8 Analysis of perception of different groups**

Tourist, tourism professionals, tour companies and home stay committee had expressed mixed responses towards the marketing and promotional efforts of NTB in the development of rural tourism in Nepal. They were asked about tourism attractions, products, promotion and publicity, marketing efforts of NTB especially on rural tourism in Nepal. On the basis of collecting and analyzing of primary and secondary data, the major findings can be summarized as below:

- ) NTB has been playing its vital role in tourism promotion and marketing sector as a leading agency.
- ) NTB is conducting various promotional events in some international potential markets.
- ) The majority tourist come to Nepal are from Asian continent, afterwards Europe is leading tourism market for Nepal.
- ) More then half of the tourist have never gone through the publicity materials of NTB.
- ) More the half of the tourist who come to Nepal use their friends and relatives as their source of information.
- ) Most of the tourists who come to Nepal are employee.
- ) Most of the tourists who come to Nepal have preference of visiting rural part of Nepal.
- ) Cultural diversity is the main potentiality of rural tourism in Nepal.
- ) Accessibility is the main problem in the development of rural tourism.
- ) A promotional activity of rural tourism in Nepal done by NTB is satisfactory, which could be better.

- ) Destination marketing is needed for the development of rural tourism in Nepal.
- ) Airlines services should be improved for the development of tourism in Nepal.
- ) Socio-economic context is the main factor to develop the community based tourism in Nepal.
- ) NTB has given the major efforts in Travel Trade fairs.
- ) Marketing efforts of NTB should be focused on international level.
- ) Rural tourism industry in the country has good position as perceived by organization.
- ) Training needed for the improvement of community based tourism.
- ) By the assistance of NTB, the tourism promotion has already been achieved internationally and locally with successful community-based tourism.

## **CHAPTER -V**

### **SUMMERY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summery**

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

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

Meantime, NTB has gone through very tough time. It was very challenging time to undertake its marketing and promotional activities amidst growing competition in international tourism market. The internal insurgency was completely unfavorable for international visitors. Country has experienced a sharp decline in tourist arrival. The concept of regional tourism is being developing. A part of Asian countries European countries are leading market for the tourism in Nepal especially for the rural tourism. So, keeping this view as very important, this study is being proposed in order to analyze the marketing and promotional activities carried out by NTB in the development of rural tourism market of Nepal.

Similarly, the objective of this study is also to recommend suitable strategies to promote rural tourism in Nepal. Tourism related data are collected from secondary as well as primary sources. Questionnaires are designed to receive the responses of tourists and tourism entrepreneurs, employee regarding tourism marketing activities, tourist preferences and needs etc.

The marketing and promotional activities functioned by NTB is analyzed from 2006 to 2011. The tourist arrival trend is analyzed with special focus on arrival of tourists from major markets to know the suitable market promotion.

## **5.2 Conclusion**

Rural tourism market in Nepal has greater potentialities in the field of tourism in Nepal. 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 destination. 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. The study has shown the rural tourism in Nepal has a great potentiality in the poverty alleviation of rural part of Nepal.

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



The secondary data analysis help to conclude that in past, tourism was not as satisfactory as anticipated due to political unrest in the country but now it is improving. Tourist arrival from secondary data indicates the encouraging factor in the tourism industry of Nepal so that NTB should formulate new and cost effective marketing action plans. The primary data shows major visitors of rural area belongs to European continent so that marketing and promotional approach European countries are effective. Destination marketing should be carried out for the promotion of rural tourism in Nepal.

Similarly, primary data shows the accessibility is the major problems in the promotion of rural tourism in Nepal so that the measurement should be taken for the easy accessibility. Likewise, the data analysis helps to conclude that the travel and tours are highly dependent on international tourist and their market is based on European tourist.

### **5.3 Recommendations**

Tourism sector is taken as a backbone of Nepalese economy. It is also taken as a sector of comparative advantages. Nepal is a country with major parts in the rural area so that we should take more and more benefits by promoting and well marketing of rural are in the tourism sector. From this research, some recommendations are drawn for tourism marketing and promotion.

1. Most of the experts viewed that Nepal tourism is based on triangle shape i.e. Kathmandu, Pokhara and Chitwan. It is required to give attention to promote and develop the other parts of the country too.
2. The rural part of Nepal has great potential for tourism. The government should show a prime concern in this regard. We need an integrated master plan accordingly.

- 3 We should serve more packages being based on rural tourism as it is an emerging market especially the country like Nepal.
- 4 The close coordination is necessary among government, private sector, local communities and other stakeholders to promote tourism. They should give emphasis to conserve our cultural and natural assets. If the cultural aspects are taken over from community based tourism then it has no value.
- 5 We should serve various and multiple products and package program to attract the international tourists in Nepal. In designing package programs different combination can be included to suit different age, sex and interest group of visitors.
- 6 For easy accessibility to tourists to various places to tourist interest in the country, the government should give attention in developing and improving road transportation. Nepal has limited access and the available roads are also not maintained properly. For access to new areas, roads should be constructed in strategic ways which would improve access as well as not alter the trekking route.
- 7 Most of tourist visits Nepal through the information from their friends and relatives and the number of visitors who are motivated by the publicity activities are very less so that we should equally be able to catch the media of their interest. We must be searching other kinds of marketing tools and media to attract more and more tourists.
- 8 Nepalese embassies and consulate offices abroad can be the best media to provide information about Nepal. By mobilizing these agencies through qualified staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.

- 9 NTB has run some very well designed joint trade-tourist board initiatives, such as the Mt. Everest Golden Jubilee campaign and Pashupatinath Darshan Packages. These types of activity need to be further developed being based in the rural tourism products.
- 10 Destination marketing website needs to be developed. This is a key marketing tool for the future and shouldn't be confused with a corporate NTB website. Investment in internet marketing, the fastest growing tourist board marketing activity worldwide has been very low.
- 11 Quality service should be emphasized on. For this purpose all the management and workers especially in the rural area should be well trained and well experienced.
- 12 The necessary infrastructure for tourism development such as accommodation, trails, airstrips, communication, campsites and drinking water in the rural area should be improved.
- 13 Nepal must target its markets. Europeans are the leading market for rural tourism in Nepal so that marketing and promotional efforts must be done on the basis of these identified target market.
- 14 Response of tourism professional shows that airlines is the major factor for the development of tourism in Nepal but Nepal has major problems with the connection of international flights from Europe and USA. Nepal airlines should increase its flights or the special coordination needed with international flight companies to attract more flights to Nepal for easy access.

- 15 At present Tribhuvan International Airport (TIA) is the only international airport of Nepal. Big aircrafts have troubles of landing due to the geographical condition of the Kathmandu valley so that it doesn't seem to have financially attractive to international carriers to come to Nepal. Therefore, an alternative international airport should be developed in other parts of Nepal which will be technically and economically suit and viable from market perspectives.
- 16 Special campaign should be organized in main university and colleges of European countries in order to promote Nepal as a rural tourism destination for the study of sustainable and eco tourism so that they choose Nepal for their research and study.
- 17 The exact definition of activities in the selected villages should be given that can be of the tourist interests i.e. from baking bread to handling with domestic animals and different food processing as well as traditional handicraft products.
- 18 FAM trips for electronics and non-electronics media personals from International media should be organized on the rural tourism products so that the message can be reached among the readers and viewers quickly on the high scale.
- 19 Tourist brochures of a high quality and sufficient information about tourist attractions should be produced.
- 20 The marketing tools such as spots on foreign TV channels (so far most now spot on BBC, TLC, CNN) should be multiplies and widely used.
- 21 A regular attendance on tourist fair and regular advertising in the specialized magazines is recommended.

- 22 Primarily several villages on regional basis to be designated as a pilot village projects to implement a community based village tourism. Such areas should be carefully selected in order to achieve harmonized distribution of tourists and development of distant areas of the country. For this purpose the adequate activation of communities, farmers and related tourist agencies is to be organized.
- 23 Appropriate sight seeing and destination marketing should be included in this process in order to distribute tourists to different areas and thus strengthen tourism of those areas as well. As per opinion of many local experts the cultural heritage is not promoted as it would deserve and as it is possible due to numerous interesting cultural sights in the country.
- 24 Linking new rural tourism with Kathmandu and Pokhara tour operators should thus be an essential part of any new product development process. The agencies must be more active in this sense but also very careful in order not to blow up some facts and promise too much or simply give wrong information about the possibilities of certain rural areas.

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**Appendix – I**  
**Questionnaire for Tourists**

1. Name:
2. Nationality:
3. Sex:                    M                    F
4. Age:                    20-40  
                                  40-60  
                                  60 and above
5. Are you traveling with group or alone?  
                                  Single  
                                  Group
6. Mention your frequency of visit in Nepal.  
Once                    Twice                    More then two
7. Occupation  
Student            Employee            Business            Others
8. How long do you stay in Nepal?  
No of days:
9. Did you visit other countries on this journey?(exclude country in transit)  
Yes                    No
10. Purpose of visit  
Pleasure & sightseeing  
Trekking and mountaineering  
Culture  
Official  
Pilgrimage
11. Where have you visited (will visit) during your stay in Nepal?
12. Your general travel preference  
Rural area                    Urban area
13. How did you find the services & facilities provided during your visit in Nepal?

Excellent	Good
Satisfactory	Poor

14. In which sector you feel to improve for the development of tourism in Nepal?

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

Friends /Relatives

Tourist information office

Magazine

Trade fairs

Website

Guidebook

Documentaries

16. Did you go through any publicity materials relating Nepalese tourism published by Nepalese tourism Board & other related agencies and organization?

If yes,           Nepal tourism Board  
                           Other Nepalese tourism organization  
                           Foreign tourist agency

17. How do you rate these publicity materials?

Excellent	Good
Satisfactory	Poor

18. Are you aware of rural tourism possibility in Nepal?

Yes                    No

19. Would you like to join on rural tourism activities?

Yes                    No

20. How do you see the future of rural tourism in Nepal?

Excellent	Good
Satisfactory	Poor

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

Sightseeing tour

Good	Satisfactory	Poor
Accommodation		
Good	Satisfactory	Poor
Transportation		
Good	Satisfactory	Poor
Agency service		
Good	Satisfactory	Poor
Travel information		
Good	Satisfactory	Poor
Tour itinerary		
Good	Satisfactory	Poor

22. What are your suggestions to improve the rural tourism in Nepal?

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## Appendix – II

### Questionnaire for Tourism Professional

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

- |              |      |
|--------------|------|
| Excellent    | Good |
| Satisfactory | Poor |

2. What are the main important factors that influence tourism development of the country? Please tick as many as relevant)

- |                  |                |
|------------------|----------------|
| Accommodation    | Transportation |
| Agency service   | Security       |
| Nature & Culture | Airlines       |

3. How do you evaluate the rural tourism market in Nepal?

- |  |              |      |
|--|--------------|------|
|  | Excellent    | Good |
|  | Satisfactory | Poor |
4. How do you evaluate the marketing and promotional efforts being done by NTB?
- |  |              |      |
|--|--------------|------|
|  | Excellent    | Good |
|  | Satisfactory | Poor |
5. What are the essential elements to promote rural tourism in Nepal?
- |  |                 |                  |
|--|-----------------|------------------|
|  | Sales promotion | Publicity        |
|  | Advertising     | Direct marketing |
|  | E-marketing     |                  |
6. Where Nepal's marketing should be concentrated on the marketing of rural tourism in Nepal?
- |  |                |                         |
|--|----------------|-------------------------|
|  | National level | International Level     |
|  | New market     | Specified target market |
7. How do you find the importance of destination marketing in global tourism market?
- |  |      |               |
|--|------|---------------|
|  | High | Medium        |
|  | Low  | Not necessary |
8. What are the strength and weakness of rural tourism in Nepal?
- Strength:
- |  |             |                         |
|--|-------------|-------------------------|
|  | Adventurous | Enriched natural beauty |
|  | Culture     | Originality             |
- Weakness:
- |  |                |                |
|--|----------------|----------------|
|  | Accommodation  | Accessibility  |
|  | Skill manpower | Infrastructure |
9. What could be the suitable measures for promoting rural tourism in effective way?
- |  |                       |                 |
|--|-----------------------|-----------------|
|  | Destination marketing | Media promotion |
|  | Quest new market      | Niche marketing |

10 What do you think that tourist is seeking in terms of rural destinations?

Originality Enriched natural beauty

Cultural diversity Hospitality

11. What are your suggestions to improve the rural tourism in Nepal?

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.....  
.....  
.....

Signature:

Name:

Affiliated Organization:

### **Appendix -III**

#### **Questionnaire for Travel & Tourism organization.**

1. Name of Organization:

2. Name of respondent:

3. Year of establishment:

4. Address:

5. Types of Business:

Tours & Travel agent

Trekking Agency

6. What should we do to develop the Nepalese tourism in International market?

7. Where Nepal's marketing should be concentrated on the marketing of tourism in Nepal?

National level

International Level

New market

Specified target market

8. In which market segment do you concentrate?

Asian

European

American

African

9. The travel and tour industry is dependent on which of the following tourist?

Domestic

International

09 What type of marketing efforts needed for the development of rural tourism in Nepal?

Destination promotion

Media promotion

Personal promotion

Any other (specify)....

10 What could be the major potentiality to attract tourist to visit rural part of Nepal?

Natural biodiversities

Cultural diversity

Adventurous

originality

11. What efforts are being initiated by NTB to promote Nepal as a tourist destination (please tick as many as relevant)

Destination Marketing

Creation of infrastructure

Development product

publicity

Special events

Travel fair

e-Marketing

Any other (Specify).....

12. What types of marketing do you do for the promotion of your company?

13 What factors determine your marketing efforts?

Capacity utilization

tourist arrival

Budget

Trend

Any other (Specify).....



- |     |    |
|-----|----|
| Yes | No |
|-----|----|
10. Is there any assistant given by NTB in the following issues ?(Please tick as many as relevant)
- |           |                        |
|-----------|------------------------|
| Promotion | Finance                |
| Training  | Development of product |

11. What do you feel about the promotional activities of NTB for the development of rural tourism in Nepal?

- |              |      |
|--------------|------|
| Excellent    | Good |
| Satisfactory | Poor |

12. Why should people visit your place?

- |                        |                    |
|------------------------|--------------------|
| Natural biodiversities | Cultural diversity |
| Adventurous            | originality        |

13. Do you feel a training need for the improvement of CBT?

- |     |    |
|-----|----|
| Yes | No |
|-----|----|

14. What are the major problems to promote the rural tourism in Nepal? (Please tick as many as relevant)

- |                |                |
|----------------|----------------|
| Accommodation  | Accessibility  |
| Skill manpower | Infrastructure |

15. What are your suggestions to improve the CBT in Nepal?

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## Appendix- V

### Photos Impression of Village Tourism in Nepal







