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Navn på kandidat: Bikram Basnet
Sagar Aryal

An Empirical Study on External Environmental factors influencing Nepalese Travel & Tour Business

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Abstract

Title: An empirical study on influence of external environmental factors in Nepalese travel and tour agencies.

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Authors: Bikram Basnet and SagarAryal

Tutor: Tor Korneliussen

Supervisor: Sudip Kranti Tiwari

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Purpose: The purpose of this paper is to identify the environmental factor that influence the Nepalese tourism business.

Methodology: This research is based on qualitative research methodology as this approach provides flexibility in understanding the views and response of stakeholders as we need to conduct interview with institution like travel agencies, tourists themselves, and various other concerned board.

Theoretical perspectives: This study's theoretical focus is mainly on the study about Nepalese travel and tour agencies to know about the present situation of Nepalese tourism market with regards external environment factor.

Empirical foundation: The empirics are based on interviews of individuals with past and present situations as well as future potentials of Nepalese travel agencies with regards to international market. The interviews are intended to develop a deeper understanding of what environment factor influences the tourism sector in Nepal.

Conclusions: This thesis is very useful in tourism sector for promotion and development of Nepalese tourism business. Furthermore, findings reveal that environmental analysis is the core factor that influence the tourism sector in Nepal.

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Abbreviations

ABC	Annapurna Base Camp
ACA	Annapurna Conservation Area
CBS	Central Bureau of Statistics
CEO	Chief Executive Officer
CNN	Cable News Network
GDP	Gross Domestic product
NAC	Nepal Airlines Corporation
NRN	Non-Resident Nepalese
NTB	Nepalese tourism board
NTTA	Nepal Travel and Tourism Agencies
PESTL	Political, Economic, Sociocultural, Technological, Legal
SWOT	Strength Weakness Opportunities Threats
TIA	Tribhuvan International Airport
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization
WTTC.	World Travel and Tourism Council

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1 INTRODUCTION

1.1. Background of the study

Nepal is in the south Asia country with rich in socio cultural and natural resources and especially known by its natural beauty and Geo- religious features like Mt Everest, birthplace of Lord Buddha and many other natural beauties. Similarly, it has varied cultural and climate which act as a catalyst to attract outsiders from different countries. Likewise, it is also rich in natural phenomenon such as flora and fauna, wild animals, unique ecological and natural environment for various creatures. Nepal is one of the adventure destination for rock climbers, rafting, mountaineers. Hindu and Buddhist cultural heritages are also the strong attraction for the outsider to visit Nepal. CNN which is one of the world-famous news channel has enlisted Everest region as a number one destination of the world to travel (The Kathmandu post,2010).

Although Nepal is the gift of god for all these resources, the country has not been able to utilize these resources for the development of the nation. So, the prospective of tourism in Nepal is very high (Shrestha, 2018). Tourism is one of the world's fastest growing industry in the world. It has been playing vital role in the development of socio –economic sectors of developing as well as developed countries in the world. Hence, many nations are giving their effort to enhance this sector. So, tourism industry in Nepal is one of the competitive sector that plays important role in economy development. Balance of payment and employment opportunity will increase by this sector. For many decades this sector has been vital sector for the generation of employment and foreign exchange. It is a rapidly developing sector with huge potential for investment and development (Afam & Del poro , 2012).

Tourist are those people who are activated in travelling activities. According to UNWTO, Tourism can be defined as, "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."(Ugurlu, 2010: UNWTO, 2016). 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. In addition to this travel can be made

for any purpose different from being remunerated from within the place travelled: the previous limits, where tourism is considered as a recreation activity, and visiting friends and relatives. However, with the changes in time now tourism covers vast array of purposes such as medical tourism, educational tourism, sport tourism, cultural tourism and many more. And another important factor for tourist to be is “Duration” which must be stayed overnight, and maximum duration of stay is stated. (Ugurlu,2010).

UNWTO also focus on sustainable tourism. Sustainable tourism development are basic management practices and guidelines which are applicable to all types of tourism including in large segment (mass tourism) of tourism as well as small segment (niche segment) of tourism. In tourism sustainability principles basically refer to the economic factor, environmental factor and socio-cultural aspects which helps in the development of tourism and there should be suitable balance between these three dimensions to make sure long-term sustainability. (Ugurlu, 2010: UNWTO, 2016). According to Raghed (2015) Sustainable tourism should be

- 1) Make excellent use of environmental resources which are considering to be key elements key element in maintaining essential ecological processes, tourism development, and helping to conserve natural heritage and biodiversity.
- 2) Honor the socio-cultural aspect of the respective communities, preserve their cultural heritage, established living cultural heritage and traditional values, and devote to inter-cultural understanding and tolerance.
- 3) Focus on stable, possible economic operation with subject socio-economic benefits to all shareholders such as stable employment and income-generating opportunities and social services to the communities, and finally contribute to the poverty alleviation of the respective communities.

Informed participation of all relevant stakeholders, as well as strong political leadership are required to sustainable tourism development. This activity will also ensure wide participation and consensus building among the people living in that communities. Hence achieving sustainable in tourism sector is ongoing process and which requires regular monitoring of impacts and taking necessary preventive or corrective measures whenever there is deviation.

Therefore, Sustainable tourism is most essential tools to create higher level of satisfaction to the tourist. And provide knowledge to promote tourism sector.

The Nepal tourism board (NTB) is a national organization established in 1998 by the act of parliament in the form of a partnership between the Government of Nepal and private sector tourism industries to develop and market Nepal as an attractive tourist destination (Nepal, 2018). The NTB is the parent organization that helps to promote and create leadership for Nepalese tourism sector who can work to promote Nepalese tourist sector and implement government plans and policy for the development of tourism sector in Nepal. NTB promotes Nepal Internally in domestic market and international markets as well as it is also working toward repositioning the image of the country. (Nepal, 2018.)In future, it aims to regulate product development activities. NTB maintains financial; independence through funding derive from the Tourist Service Fee levied on departing foreigner passengers at Tribhuvan International Airport (TIA), Kathmandu. The Board has 11 members – five government representative, five private sector representatives and the chief executive officer (CEO) and is chaired by the Secretary of Ministry of Culture, Tourism and Civil Aviation. (Nepal, 2018)

Exceptional expansion of information and expertise tied with mounting transportation has become influential forces accountable for development in these Eras. Tourism seizes to remains unaffected by these forces. Nepal is well renowned all over the world for its natural beauty and rich cultural diversity. Better known as the Country of Mountains, many international tourists visit Nepal every year for mountaineering, trekking, pilgrimage and a rich natural and cultural experience. According to Nepal tourism Statistics (2015) In the year 2015, 538,970 number of international tourists visited Nepal. Tourism has also been identified as a pillar for national development and has always been a top government priority.

The main purpose of steering this study is to stimulate Nepalese tourism industry in with respect to environmental factor. For the easy access of the study researcher will start with some background of Nepalese tourism.

This study includes Nepal Tourism Board and Nepal Association of Travel & Tours Agent and its mission, vision and objectives with their plan and procedures to internationalization of promotion of Nepalese tourism. This study also has discussed

the problems, opportunities, solutions and the actions for the projection to abroad. The tourism sector of Nepal has been an important sector for many decades in generating foreign exchange and employment in the country (Banskota ,2018) . It is a growing sector with huge potentials for investment and development (Afram & Del Poro 2012; Enterprise Europe Network, 2006). In 2011 visitor's arrival to Nepal was all time highest (above 700,000) and so have the number of operators of all kinds increased in this sector (Nepal Tourism Statistics ,2015). Sustainable pro-poor development studies at different destinations are useful to develop a comprehensive knowledge- base of this sector to address important questions on how local people can benefit from tourism in their areas; how tourism receipts are spread across different areas; how tourism is impacting the local economy etc. (Ashley et al., 2007; Frechtling, 2006 & 2011; Wang & Davidson, 2006). Director General at the Department of immigration, Kedar Neupane, said that there was improvement in the number of tourists visiting Nepal in 2016. However, there was slight decline in numbers of tourists visiting Nepal in 2015, due to massive earthquake and unofficial blockade along Nepal-India border points, added Neupane. (The Himalayan times, 2017)

1.2 Statement of Problem

Tourism sector and its potentiality for contribution in national economy can be important factor in the country like Nepal. However, still the nation is not able to generate maximum revenue due to various factor. Travel and tourism industries serves as bridge in between tourist and the revenue generation.

We have tried to study the existing situation of travel and tourism agencies, its mode of internationalization, challenges it has faced. The Nation like Nepal where the natural scenic beauty are largely available, culturally mixed people and lot more attraction but still its contribution in national GDP is not as expected. We planned to study travel agencies ongoing operation and some effective suggestion which can help the stakeholder to abstract fruitful information.

1.3 Significance of study

Tourism is the back bone of economic development for developing countries like Nepal. However, tourism sector is not developing as we expect as a result Nepalese tourism sector is still facing lot of problems. Development of this sector is strongly

depending up on the quality and quantity of the components. Most of the potential destination for tourist lack proper communication facilities, transportation system, and proper accommodation. Similarly, potential destination is not properly advertised and promoted so that large number of tourist does not know about Nepal in international front.

According to T&T Competitiveness report (2011) around 3-4% of contribution Nepalese GDP is from tourism sector. This industry plays vital role to provide thousands of job opportunities to every kind of people. Besides the job and contribution, according to T&T Competitiveness Report, 2011; USD 330 Million has been collected as revenue in 2010. Tourism has considered as the main contributor to earn Foreign Exchange in 2010 (T&T Competitiveness Report, 2011)

This data is recorded data. There are lots of Indians who have visited Nepal which may have not included in the data. If we can get our tourism industry promoted to international level, we can able to develop our country economy status and our living standard will be increased too.

So, the above data gave us encouragement to research in this topic. Hence, researcher just not want to research in this topic; but also want to promote Nepalese tourism all over the world.

The motivating factors behind the study of this travel and tourism industries are the potentiality of tourism in Nepal. Few researchers before having studied the tourism and their reason to visit but we found that the study about travel and tour agencies have not been adequately done. Another factor that encouraged us to research is to provide some effective suggestion to concern party. Nepal being as small country but rich in cultural and natural heritage is ideal place for tourist to visit. Typical cultural heritages, diversities of language, and multicultural nation are the core characteristics of Nepalese society. Because of this life style of Nepalese people are equally interesting to all outsider. Eco-tourism, rural-tourism, and sustainable tourism are gaining popular. Likewise, Home stay is also gaining popular nowadays for both national as well as international tourist. Tourism industry plays vital role in economic development of Nepal by generating foreign currency, employment opportunities and increase revenue. This research is designed to identify the relationship of travel and tourism sector of Nepal in light with international tourist.

Researcher believes this research will help to promote the Nepalese industry all over the world and increase the revenue in large volume. This may provide the format to develop the relation to the abroad travel agencies as well as countries too. In addition, it will also provide the actual data of inbound and outbound tourism data which will be helpful to go through the analysis part. The agencies and planners can get data and information about travel and tourism sector which will help them to identify the status of tourism sector in Nepal. These findings may help planners, policy makers and researcher to identify the activities needed to promote tourism sector in Nepal. This present research also guides future researcher by providing baseline information

1.4 Research Question

Tourism sector is the heart of economic development for country like Nepal. However, its development in last few years is not encouraging. As a result, this sector is facing lot of problem to established in international stage. Our research question tries to cover the existing situation of NTTA, its operation to access with foreign tourist in international market. Hence, the major aspect of our study with respect to tourism sector in Nepal and its international process are;

1. How external environmental factors influence the Nepalese travel and tour agencies in Nepal?

This research starts with detail Study of literature.

1.5 Research Objectives

The general objective of this proposed research is to promote and study the service level of tourism sector and increase the mass flow of tourist in Nepal. Our major focus is reveal the major obstacle in travel and tour agencies Moreover, the specific objectives are

1. To understand the existing situation of Nepalese travel and tourism agencies by assessing level of environmental factor.
2. To analyze the tools and technique that they use to cope up the market competition and changing external environmental factor.

1.6 Research Gap

This Section represent the deficit in our literature of research. we have tried to review the literature which are closely related with travel and tour agencies like NTA,NTTA and NAC. However, there are several other sector like hotel industries, transportation sector and also several manpower involve in it.

Researcher studied in tourism other aspect but limited research has been made regarding the travel and tour agencies . Moreover, the internal environmental factor like human resources, capital also affect in its operations which are not studied in this research project.

1.7 Nepal as research location

Nepal is located in the Himalayas and bordered to the north by the People's Republic of China, and to the south, east, and west by the Republic of India. With an area of 147,181 square kilometers and a population of approximately 30 million. (Geographia, 2005). Nepal is the world's 93rd largest country by land mass and the 41st most populous country. Kathmandu is the capital of the nation and a treasure house of ancient art and culture.

Nepal is rich in wildlife (Poudel et. Al., 2012). Thousands of flora and fauna species are found in Nepal. Rare animals like one horned rhino, red panda is found in Nepal. There are 8 national parks, 1 hunting reserve, 5 conservation areas and 3 wildlife reserves. Terrain is the richest habitat of wildlife. One can see royal Bengal tiger, swamp deer, musk deer, blue bull, gharial and marsh mugger crocodile. One can see birds such as babbles and orioles, koels and drongos, peacocks, floricans, wildfowl. moist temperate forest of deodar, maple, oak, are the few features to describe hilly region in Nepal. As well as animal like deer, ghoralseerow, leopard and monkey are found here. The gorgeous multi-colored Impeyan Pheasant (Nepal's national bird) is also found here with other endangered birds like the Koklas and Cheer Pheasants. In the Himalayan region, one can find snow leopard, Himalayan thar, blue sheep, wolf, black bears and lynx (Visit Nepal, 2012).

Nepal is a multiethnic and multilingual country (Upadhaya, 2011). The indicator of independence to the major castes in their respective region can bring all people into the mainstream of improvement. So, these parties have brought forth the provision of the federal system of government. The second amendment in the Interim

Constitution of Nepal, 2007 has also accepted this notion. The federal system involves dual government system: state government and central government (Sahayogee&Pagal, 2018).

The country is divided into different autonomous regions or states. Each state has its own government formed by the representatives of the people. The state government is provided with the autonomy to maintain law and order and improve the condition of the people, run internal administration and carry out development activities in its province or state. Legislation of rules, laws, policies and programs and the revenue collection and expenditure also come under the powers and functions of the state government (Sahayogee&Pagal, 2018).

Popular Destination for Tourism

Kathmandu: Kathmandu is the capital city on Nepal which possess several cultural heritages listed in UNSCO. It is also known as city of wood and temple. Cultural heritage such as Pashupatinath temple is one of the holiest place for Hindu is also situated in the heart of Kathmandu city. Apart from this Kathmandu Darbar Square, Bhaktapur Durbar Square, Patan Darbar Square, Swoyambhunath are the famous place for tourist (Sahayogee, 2018).

Pokhara: Pokhara lies in the western part of the country. It is one of the popular hub for tourist It is famous for adventure and natural beauty. It is one of the most popular destination for paragliding, Mountain flight, rafting and so on. It is also known as city of Seven lake. Similarly, suitable weather and friendly people, beautiful Himalayan range are the major attraction. (Sahayogee, 2018)

Lumbini: Lumbini is the small town situated in southern Terrain region of Nepal is one of the holy places for Buddhist. It is the birth place of Lord Buddha Many Buddhist people from all over the world will visit this place. And Lumbini also listed in world heritage sites by UNESCO. (Sahayogee, 2018)

Chitwan: Another popular destination for tourist is Chitwan which is famous for natural beauties and wild creatures. Biggest National park of the country lies in this place. Many people from different country came to this place for refreshment as well as research purpose. So, the prospect of eco-tourism is very high in Chitwan. (Sahayogee, 2018)

Annapurna Conversation Area (ACA): This conversation area is the largest conversation area which covers as area of 7629 sq. and located in Annapurna Range. The main attraction of the area is the range of Himalayan such as Machhapuchre, Annapurna range, Dhaulagiri, Manang, and Mustang Valley. Apart from this it is also popular for trekking. This area is 202 Km far away from Pokhara city. Major tourist activities performed in this area are trekking and mountaineering. (Sahayogee, 2018)

Janakpur: Janakpur is the famous among Hindu religion. It is the birth place of King Janak. And is famous for Janaki Mandir which is also compare with Taj Mahal of India. People from different country visit Janakpur to explore ancient Mithila culture. (Sahayogee, 2018)

Rara National Park: Rara national park is in the far western region of the Nepal. It is one of the beautiful places in Nepal. The main attraction of this area is Rara lake which is the biggest lake in Nepal. Similarly, it is the protected area and is suitable for different habitat for a great number of birds. Birds from Siberia visit this area during winter. (Sahayogee, 2018)

Apart from these places there are other several popular places. And these popular places have been visited by many tourists.

Tourist Activities

Trekking: Nepal is the mountainous country and for trekker's it is the paradise. Scenic hills, Mountains, and Himalayas offer some of the best route for trekking in the world. Trekking in Nepal is Adventures and provide life time experience to the trekker. Some of the popular route for trekking are Annapurna Base camp, Makalu Ghandruk, Lantang and many other. (Nepal, 2018)

Rafting: Nepal is second rich country in water resources. Mainly all rivers flow from Mountain to hilly region. So, the prospective of Rafting is very high. Some of the popular place for rafting in Nepal are Sunkoshi river, karnali, Tamor, Trushili, Arun river, and so on. (Nepal, 2018)

Paragliding: Paragliding is one of the most adventure that many people love to do. Similarly, there are lots of place for paragliding but Pokhara is one of the best place to perform these activities because of its natural beauty. And tourist will enjoy Ariel. Nepal has the suitable topography and geography for the paragliding. Some of the

places where tourist came for Paragliding are Pokhara, Dolakha, Banepa and Gorkha. (Nepal, 2018)

Jungle Safari: Jungle safari is also one of the popular activities that tourist love to do when they visit Nepal. Tourist can get lot of adventure and amusement from Jungle Safari, not only this they can also get chance to explore wild creature and natural habitat. Tropical dense forest of Terrain region is the suitable place for Jungle Safari. Chitwan National Park, and Bardiya National Park are the few popular places for Jungle Safari in Nepal. (Nepal, 2018)

Hunting: Many tourists who are fond of hunting visit Nepal. For the Hunting reserve in Nepal where is license hunting is allowed. Many tourists from western country visit Dhorpatan of Nepal for hunting Blue Sheep. Similarly Hunting of other animals such as Red Panda, wolf, Musk Deer are also allowed after getting license from respective department. Mostly Hunting are planned in Spring and autumn season. So, for this purpose also many tourists from different country visit Nepal. (Nepal, 2018)

Bungee Jumping: Another adventure activity that tourist love to do is bungee jumping. And Nepal is the perfect place for this. The popular bungee site of Nepal is located closed to Chinese boarder at Barahnise. This Bungee Site is situated 160 meters over the river Bhotekoshi. So many tourists from different place came to Nepal for this purpose. (Nepal, 2018)

Ultra-Light Aircraft: Next Adventure that tourist can do in Nepal is ultra-light flight. It is very famous in Pokhara. It provides the services like sightseeing of mountains, lakes. (Nepal, 2018)

Canyoning: Canyoning in fresh waterfalls, formed among deep gorges, are the perfect adventure for tourist who love canyoning. Canyoning in Nepal is very adventure. Some places especially in Jalbire located at Chitwan National Park is the perfect place for canyoning for all age people. (Nepal, 2018)

Cultural Tours: Nepal is also famous for cultural diversity many people from different country visit Nepal for cultural tour. Kathmandu Valley is the perfect place for cultural tour. Nepal's climatic conditions, natural setting and the perfect reason for many tribes to settle in the country. It is once said that Nepal is the common garden of various ethnic group. Geographically Nepal is divided into three setting

namely Himalayan region, Hilly region and Terrain region. So, we can find cultural diversity in the country and hence it is also possible to explore all the culture of the people living in this region. So, people from different country visit Nepal to observe cultural diversity and so on. (Nepal, 2018)

Meditation: According to various Hindu religious book many Hindu gods and goddess visit Nepal to meditate and relax for thousand for years. It is believed that meditation rejuvenates energy in our body. Because of this meditation has become popular in the last few decades. In Nepal also, there are several meditation centers that attract lot of foreign tourist as well as national tourist (Nepal, 2018)

1.8 Travel Industry in Nepal

Nepal is a beautiful nation recognized as ideal hub for adventure, nature, religious, culture lovers. Nepal's travel and tourism sector pumped Rs177 billion into the economy and supported more than 427,000 jobs last year, the World Travel and Tourism Council (WTTC) said that tourism accounts for 7.5 percent in Nepalese GDP furthermore this trend is expected to increase by 4.3percent annually. And also, it is forecasted if this trend continues in 2027 its impact in GDP will increased and reached up to 8.3 percent. The GDP generated directly by the travel and tourism sector includes its indirect and induced impacts. (WORLD TRAVEL & TOURISM, 2017).

Furthermore, the report said that Nepalese rupee(NPR) 85.2 in 2016 or 3.6 % of total GDP was contributed by Travel and tourism sector. And forecasted that this will to rise by 6.8 percent to and reached to NPR 91 billion in 2017. According to this report among 185 countries Nepal is stood in 37th place in terms its contribution to GDP.

In terms of direct contribution of tourism to the economy Nepal is behind India and Bangladesh but is ahead of Sri Lanka in South Asia

Similarly, The London-based council also said that investment in this sector is NPR 16.5 billion. Which accounts 3 percent of the total investment. (The Kathmandu post, 2017)

In 2016, this industry directly created 427,000 jobs, or 2.9 percent of the total employment. This is expected to rise by 2.9 percent per annum to 604,000 jobs in 2027. (The Kathmandu post, 2018)

The total contribution of tourism to employment, including wider effects from investment, the supply chain and induced income impacts, was 945,000 jobs in 2016. This is forecast to increase by 5.4 percent in 2017 to 996,000 jobs. The report has forecast that by 2027, the industry is expected to support 1,325,000 jobs. (The Kathmandu post, 2017)

According to Economic Impact Research report published by WORLD TRAVEL & TOURISM in 2017 it is mentioned that Foreign tourist arrivals to Nepal is increased by 39.71 percent in 2016. Similarly, Visitor exports generated NPR48.6 billion or 17.7 percent of total exports in 2016. Hence in 2017 it is expected to grow by 9 percent and is expected to attract 801,000 numbers of foreign tourist Nepal (world travel & tourism, 2017).

Likewise, it is also forecasted that, an increase of 6.8 percent per annual will be achieved till 2027.

According to report Leisure travel spending made by inbound and domestic tourist generated 86.7 percent of direct travel and tourism GDP in 2016, or Rs122.3 billion, compared to 13.3 percent for business travel spending of Rs18.8 billion. (world travel & tourism, 2017).

Business travel spending is expected to grow by 8.2 percent in 2017 to Rs20.4 billion. Leisure travel spending is expected to grow by 6.9 percent this year to Rs130.8 billion.

Domestic travel spending generated 65.6 percent of the direct travel and tourism GDP in 2016 compared with 34.4 percent for visitor exports or foreign visitors.

Domestic travel spending is expected to grow by 6.1 percent in 2017 to Rs98.2 billion, while foreign visitor spending is expected to grow 9 percent this year to Rs53 billion, (The Kathmandu post, 2018).

CEO of Nepal Tourism Board, Mr. Deepak Raj Joshi said that; “One of the strongest points has always been the friendlier approach of Nepali citizens towards the foreigners. The organic hospitality which the Nepali has been providing attracts many people from across the world to revisit Nepal. In the meantime, the diversification in the areas of tourism has also contributed largely. Nepali tourism which was centered in sightseeing and mountaineering in the beginning has now expanded to watching wildlife and engaging in vacation activities. (The Kathmandu

post, 2017) In places like Thamel, Pokhara Lakeside and Sauraha of Chitwan, you can experience the world's best foods rarely found elsewhere in the region. Similarly, transportation facilities like green number-plate vehicles that are not affected even during the strikes as well as the arrangement of tourist police who provide safety and assist foreign visitors have also been creating some difference in the tourism business in Nepal.

In effort to make a solid tourism development, Tourism Development Board was formed in 1957 AD culminating to the establishment of Nepal Tourism Board in 1998. Since 1962, Tourism Department started keeping the statistics of tourist visiting Nepal. Shortly after, Nepal Tourism Development Committee was formed in 1969 which helped formulate the tourist policy as well as plan a future development of tourism in Nepal. After the formation of Nepal Tourism Board in 1998, government of Nepal decided to dissolve Tourism Department handing the responsibility of formulating new policies and plans to Tourism and Civil Aviation Ministry. (Shrestha & Shrestha, 2012,).

1.9 Importance of Tourism in Nepal

We all are aware about the contribution of the tourism in Nepalese economy with good amount of GDP. It has also created job opportunities to numbers of people and earns foreign income. Tourism is a medium or portal via which people around the globe can share the ideas and knowledge whilst creating an understanding amongst themselves. Tourism provides an opportunity to understand the different societies, cultures, tradition, foods and life style of various countries around the world. Tourism doesn't just help generate income, but it also helps to maintain the economic stability in the country. Tourism helps people by providing them with employment directly and indirectly. People working on tourism industry are the direct beneficiary but the people working on agriculture, airlines, hospital, hotels are the indirect beneficiary. The products from the indirect beneficiary can be promoted via tourism and get to the international market as well. It helps people to understand each other and respect each other which helps to maintain the peace in the country and the world.

Tourism is a medium which helps create mutual relation among nations and help bring diverse people close to each other and interact in close proximity. It plays a greater role in keeping friends, family and relatives close and in contact with each other occasionally which is important in the world today. Tourism also helps create demand in the market which allows the local products to get the market and increase the popularity of it.

1.10 Organization of the Thesis

This research paper will present overview of Nepalese travel and tourism sector with international tourist. It is organized in five chapters. First chapter provides the background of the title and the remaining part of research is structured as follows:

Chapter 2: This section present industry and market analysis based on external environment analysis, and porter five force model.

Chapter 3: This section presents literatures which are relevant to this research such as tourism industry and its components as well as research model.

Chapter 4:

This chapter represents and grants the research methodology used in this study. This section presents the intensions and the choices of the different people (tourists) from inside and outside of Nepal. We have an interview with stakeholders of Nepalese tourism representatives. This will somehow clarify and motivates the investors to invest in tourism sector to expand all over the world.

Chapter 5:

This part will cover the analysis and interpretation of data collected from different stakeholder of our research title. We have analyzed the various factor affecting operations of Nepalese travel and tourism agencies. we have interpreted the information based on PESTL analysis.

Chapter 6: The final chapter presents findings and conclusion.

2 Literature Review and Theoretical Framework

2.1 Introduction

This session presents the literature relevant to the research such as Nepal Tourism Board (NTB), Nepal Association of Travel and Tours Agents (NATTA), Nepal Airlines and other aspects of Nepalese Tourism to take outside Nepal too. This session will also discuss about the theoretical framework as well. Nepal is known as a suitable place to promote tourism. Natural Beauty has provided with various scenic beauty which are loved by tourists. Tourist has their own choices and purpose of visit, like to view natural beauty, adventure tourism, to study history, religion and culture We can see that some tourists come here to enjoy their holidays. (Suresh, 2018).

Nepal is located between India and China with 147,181 km². It is 0.03% of the world total area and 0.3% of the Asia continent. It is land locked country and proudness of being not ruled by any other countries. (WorldAtlas, 2018). Nepal has history of not being ruled by any other countries. In another hand Nepal has different types of myths for derivation of the word 'Nepal'. Following are the logics of name derivations The Sanskrit word NEPALAYA means "at the foot of the mountains" or "abode at the foot"; Nepal may be derived from this.

- I The Tibetan word NIYAMPAL means "holy land". Nepal may be derived from it.
- II NEP are the people that used to be cow herders (GOPAL) who came to the Nepal valley from the Ganges Plain of modern-day India. Combining the two words yields Nepal.
- III Some inhabitants of northern Nepal came from Tibet, where they herded sheep and produced wool. In Tibetan, ne means "wool" and pal means "house". Thus, Nepal is "house of wool".
- IV The NEWAR people, who inhabit the Kathmandu Valley, have the word NEPA in their Nepal Bhasa language, meaning "country of the middle zone". Nepal may have been derived from this. (Wikipedie,2018)

According to Buddhist legend, the deity MANJUSRI drained the water from NAGADAHA (a mythical lake that is believed to have filled the Kathmandu Valley). The valley became inhabitable and was ruled by BHUMIGUPTA, a cow-

herder, who took advice from a sage named "Ne Pāla" means "protector" or "taking care", so Nepal reflected the name of the sage who took care of the place, according to Nepali scholar Rishikesh Shah.

Tourism plays a significant role in Nepal. We can get many advantages from it. Firstly, we can earn foreign currency which can be used for our development. Many people have got employed in the offices belonging to tourism. Thus, it helps to lessen the problems of unemployment. Tourists loves shopping of local hand made products like pashmina, small monuments. This can help our cottage industries can get benefited. Tourism helps our hotel and travel industry. They want to live in good hotels. Many expensive and good hotels have been providing quality services to them. Similarly, lots of tourist guides and porters gets employment opportunities. (Raashtraword, 2017)

2.2 Industry Structure and Market Characteristics

Tourism sector has been identified as one of the pillars of Nepalese economy. Owing to the natural beauty and rich culture, tourism has been identified as one of the most potential economic activity. A major source of revenue and foreign exchange, tourism is an ever-growing industry of Nepal as well as of whole world.

One of the critical characteristic of Nepalese tourism industry is that the services is scattered. Some are operating hotels, other travel and transportation, while some are providing activity-based services. All-inclusive package tours are not widely used in Nepalese tourism sector which is only recently being popularized by foreign packaged trips. Given that multiple cost centers have often been viewed as troublesome while traveling, the potential of all-inclusive packages is yet to be unleashed.

In the same way the market for tourism activities is also ever expanding. With increasing income and accessibility, the number of people traveling has also increased. Nepal has been witnessing an increasing number of tourists every year. The year 2016 marked a 12.77% increase in the number of tourists arriving Nepal as compared to last year. Although the year before, the number was quite less owing to the disastrous earthquake and the fuel shortage, the situation has become promising once again. Interestingly, almost as per the tourism statistics around 50% of the tourists are coming to Nepal for leisure holiday. This gives an optimistic picture on

the potential of unique travel packages to be successful.

Nepalese tourism industry is also experiencing an increase in domestic tourism. In the recent times, the appeal of domestic tourism especially on wilderness and adventurous tourism has seen to be increasing. People prefer to go to unique places, far away, even requiring walking for few hours or days. Especially the youth prefer such travels than mainstream touristic places or activities. Looking at the interest of major people; Nepalese tourism industry can fulfill all the desires of the travelers as Nepal is rich in these unique monuments as well as places. For instance, Nepalese can experience three different climates in three different days, which is not possible in other countries.

2.3 Nepal Tourism Board (NTB)

NB was established in 1998 by an ACT of Parliament in the form of partnership between Nepal Government and private sector. The main objective of NTB is to develop and market Nepal in international level as an attractive place to visit. It provides the platform to promote the tourism sector with collaboration with Government as well as Private sector bodies. Currently NTB is promoting Nepal in the local and global market and helps to established image if country across the globe. “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 tourists' 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 (Nepal, 2018).

NTB has been working continuously to promote Nepalese tourism all over the world. Nepal Tourism Summit in US, Nepal Tourism and Sales Summit in Nepal, Tourism, Trade and Investment Program in Singapore and many other events are being help inside and outside the country to promote Nepalese tourism. As Nepal Tourism Summit in US was a good attempt to be known in American and European countries. Nepal Tourism and Sales Summit were organized for Asian countries. Tourism, trade and Investment Program held in Singapore is another effort of NTB to promote Nepalese tourism all over the world. (Nepal ,2018)

2.4 Nepal Association of Travel and Tours Agents

NATTA was established in 1966 i.e. Falgun 22, 2074 by a group of travel agents when they felt that there is need of some organized body to regulate the travel industry in a well-planned schedule. The primary purposes of NATTA have been to protect the professional interests of those engaged in the travel trade business, to promote its orderly growth and development, to safeguard the travelling public from exploitation by unreliable agents. The aims and Objectives of the Association shall be to contribute to the healthy development of tourist industry and trade. Second is to develop goodwill among travel agents on all subjects of common interests and welfare & protect the professional interest. Third is to provide co-operation and consultation to Government of Nepal for the promotion of tourism in Nepal. Main mission is to work directly or indirectly for institutional mission of all matters pertaining to interests of tourist industry & trade. Its objective is to make feeling of close co-ordination and professional ethics among all components engaged in tourist industry and trade. It also undertakes research work for promotion of tourism and to obtain national & international recognition for the association. And the last but not the least is to promote and safeguard the interests of other professionals, trade & industries that are ancillary to tourism.

NATTA with collaboration with national and international travel agents is working hard to promote Nepalese tourism as well as to get more tourist in Nepal every year. It is organizing different events and being engaged with many promotional activities all domestically as well as internationally. (Nepal association of tour & travel agents (NATTA), 2018).

2.5 Nepal Airlines Corporation (NAC)

Nepal Airlines Corporation (NAC) was established on 1 July 1958 through representation of Nepal Airlines Corporation Act, 2019 with the main objective to provide air transport service to any person, agency or organization that needs such service for transportation of men or materials from one airport to another either within or outside the country. It operates domestic as well as international flights with good accommodation as well reasonable price.

NAC is also another effective and motivated organization to promote Nepalese tourism to different countries. Its flight to different countries is additional mileage

for increase in number of tourism. In addition, it is playing the role of facilitator to carry tourist. NAC's flight to Doha, Dubai, Hongkong, Delhi, Bangalore and Kulalampur are carrying passengers to Nepal. (Nepalairlines.com.np, 2018)

2.6 Interrelationship between NTB, NATTA and NAC

2.6.1. NATTA and Nepal Government

Government of Nepal has organized with collaboration to NATTA sales mission to China returned to the country; Association of Tour and Travel Agents (NATTA) is putting an additional effort to promote Nepal in the Chinese market through its Discover Nepal-China mission. The objective of the mission is to promote Nepal in China. There are lots of events held in different countries. Nepal China mission, Nepal Tourism Summit in US, Nepal Tourism and Sales Summit in Nepal, Tourism, Trade and Investment Program in Singapore are some of the important events organized by NATTA collaboration with Nepal. (Tourismdepartment.gov.np, 2018).

2.6.2 NTB and Nepal Government

The major role of Nepal tourism board is to perform all sorts of tourism promotional activities for the betterment and development of the country making Nepal as one of the finest destination for tourist to travel. Visit Nepal 1991, Naturally Nepal- Once is not enough; Nepal Ghum gham Barsha and so on are lots of memorable and successful initiation on NTB and Nepal Government. (Coretreks,2017)

2.6.3. NAC and Nepal Government

Nepal Airlines Corporation is one of the strongest tools to make Nepalese travel industry accessible all over the world. For that NAC and Nepal Government is providing discounts. NAC is also introducing lots of travel schemes too. (PeacenepalDOTCOM,2017).

2.7 Impact on Nepalese tourism in Nepalese economy

The interlink between Tourism, NAC, NTB and Nepal Government have multi effect which will lead Nepal to better economy as well as the best destination for tourist all over the world. First of all, we all know that Nepalese economy. Secondly employment opportunities will be created which will lead to high level of income. This will help Nepal and Nepalese to raise their standard of living.

Nepalese tourism has numbers of attractive destinations as well as wonderful place to visit. According to Trip Advisor, Nepal comes under 10 ranks to be visited. It also adds that it is also a cheaper destination as compared with other destinations.

2.7 Environmental Analysis

Environmental analysis simply refers to the strategic tools and technique that helps to examine the factor (Internal as well as external) that has a positive as well as negative impact on the performance in the operation of the organization. Internal environment basically deals with the internal issues that are arises inside the organization. Whereas external environment deals with external issue outside the organization.

The impact of the external environment is detrimental to the success of every business. It becomes even more important for businesses like tourism that are heavily dependent on the external environment for all operations. Through PESTLE analysis researcher will analyze the external factor and their potential impact on our business.

2.7.1 PESTL Factors (Nepal with international scenario)

PESTL Analysis is one of the effective and common approach for analysis of business external environment. PESTL stands for Political, Economic, Socio-cultural, Technological and Legal. So, it is also considered as a macro environmental factor which is used in scanning environmental component. Hence, PESTL analysis is one of the essential tool for an enterprise to cope with change. Changes in domestic political climate, European integration after breaking down of Soviet Union, world power shift are the recent major changes in political environment. Whereas economic changes include the effect of economic cycle, pattern of world trade, currency conversion rate, commodity prices, labor market and change in capital market. Similarly, social changes consist of changes in taste and preference, demographic patterns, and think about environment and sustainable growth. Technological changes include advancement of technology in process of production of goods and service and its distribution channels in the market. Legal environment consists of legal rules and regulation (Gupta A, 3013).

Political: There is lot of political changes in last two decades in Nepal. Nepal was a monarchy under executive control of the King. Faced with a communist movement

against absolute monarchy, King Birendra, in 1990, agreed to a large-scale political reform by creating a parliamentary monarchy with the King as the head of state and a Prime Minister as the head of the government (Nepalmyanmar.org, 2018). As a mountainous country with agriculture, hydropower and tourism all important for its economy, Political forces are detrimental in shaping the success of our business. First and foremost, the political stability is one of the critical factors that travelers analyze during destination selection. Therefore, political stability is very important for our business to grow. If the political instability continues, and we must face another economic blockade like in 2016, our business will be negatively affected. Moreover, the external political factors concerning political preference manifested in visa procedures, tourism promotions and the like is also reflected on tourism industry.

The distribution of tourists in Nepal has been skewed towards Indians (India) who represent almost 33% of the arrivals, followed by Western European, North American and Japanese markets (Ministry of Culture, Tourism and Civil Aviation, 2001). The Southeast Asian market has been rapidly increasing in percentage terms as tourists in these markets have increased their disposable income, and there has been more interest in leisure and outdoor recreation. Additionally, tourists from Southeast Asia especially from India, Bhutan and Sri Lanka visit to Nepal due to Buddhism, because city of Lumbini is the birth site of Lord Buddha. Since tourism is seasonal, the Indian market plays an important role as Indian tourists primarily visit during May and June, which compensates for the seasonal decline from other countries. Nepal is a long-haul destination from the major tourist generating regions and it is not surprising to note that the average length of stay has been 11.5 nights with 86% of all visitors coming via air and 14% by land (Ministry of Culture, Tourism and Civil Aviation, 2001).

For instance, Europe and Asia Pacific countries are performing very well because of political stability. Like we can relate Brexit which has played a significant political event and had a noticeable impact on tourism and the hospitality industry not only in the Europe but all around the world. Both Brexit and Terrorism are hurting revenues. All the political factors all around the world has important role for the industry which can play significant role of collecting revenue and profits in 2017.

A single unwanted or unconditional event affects entire tourism industry. For example; from 2058 BS to 2063 BS, the internal war between Nepal Government and Moist, the large number of tourists had been decreased. Even a small terrorist activity may affect tourism deeply in an area for a prolonged period. As we are aware that Nepal has close ties with both of its neighbors, India and China. with a long-standing treaty between, Indian and Nepal. Both country citizens may travel to each other's countries without any visa the border between two countries are free for movement. Nepalese citizens may work in India without legal restriction. The Indian Army maintains seven Gorkha regiments consisting of Gorkha troops recruited mostly from Nepal. This standing treaty also help Nepalese tourism to grow in Nepal as there is word of mouth reference. In India, Nepalese are introduced as loyal, honest and brave as well. The reference may help to invite Indian tourism. Safety and security are important aspects of travel destination choice and the perceived risk within Nepal and the South Asian region has mired the pace of international tourist arrivals. (Thapa,2003). Over time, the image of South Asia stricken with natural catastrophes and enduring political rhetoric and military exchanges between India and Pakistan have proved to be an encumbrance for tourism growth in Nepal (Richter, 1992)

Economic: In fiscal year 2000/01 Nepal's GDP stood at NPR 413 billion (USD 5.62 billion). Since then, Nepal's economy, as estimated for the 2009/2010 fiscal year, has painstakingly grown to NPR 619 billion (USD 8.42 billion) at 2000/01 prices (Dhakwa et al., 2011). The decade saw momentous change in Nepal's political spectrum through the removal of the monarchy and end of the civil war. However economic progress has at best trudged forward with socio-political issues consistently trumping the economy. According to the Central Bureau of Statistics (CBS), Nepal's per capita Gross National Income (GNI) during this time period doubled from NPR 19,144 (USD 260) in 2000/01 to NPR 42,291 (USD 575) in 2009/10. (Dhakwa et al., 2011). As per the current trends, economic forces are in favor for tourism business. The global economy is in the rise and so is the disposable income of people, making a conducive environment for travel and tourism. Moreover, the trends of paid holidays are also supportive to tourism.

According to PESTEL analysis of Abhijeet Pratap in Chestnotes.com, Economic factors have remained a major factor behind the high demand in the tourism sector

globally in 2016. The labor market has continued to grow stronger and with-it consumer spending. They add; not just this, disposable personal income as well as average hourly incomes have also risen. Hence there are positive signs for the tourism industry. The economic situation is a signal that the industry will continue to flourish in 2017. The situation of demand is healthy, and the hotel brands would be able to benefit from the current situation. The airlines brands will also reap the benefits. In 2016, the major airlines had tough earnings throughout the year.

We can relate the above analysis in Nepalese economy with international market. Increase in tourism flow will increase the revenue of any country. If the economy of any other country increased, the proceeds or standard of living will be increased. This will mark people able to travel around the world which will increase the economy of any other country automatically.

In addition, the evidence seems to verify the notion that tourism growth granger causes economic growth and vice versa indicating a bi-directional causality between economic growth and tourism growth. It is well known fact that increase in tourism increases economic activities and increase in economic growth create favorable environment for tourism.

Socio-culture: According to 2011 census, Nepal's population grew from 9 million people in 1950 to 26.5 million in 2011 (Central Bureau of Statistics, 2012). This correlated with the drop-in sex ratio from 94.41 as compared to 99.80 for 2001. The annual population growth rate is 1.35%. Folklore is an integral part of Nepalese society. Many Nepalese folktales are enacted through the medium of dance and music. The socio-cultural changes are also supportive to tourism. The western culture already had traveling as a part of their lifestyle. We can attract western people to see the eastern culture and people. Nepal has different cultures to be explored. Moreover, the rich diverse culture of our country is a big pull factor on tourism.

On the positive aspect of tourism impact, the development of the infrastructures that results from the tourism would be advantageous to the community and its people. Tourism encourages the preservation of historical places, traditional customs, festivals and handicrafts which would otherwise have vanished or lost with time. The social interaction between the guest and the host creates a better cultural understanding. This allows raising global awareness of critical issues such as

poverty. On the negative aspect, bad influences might enter in the community along with the guest in the community such as use of drugs and alcohol as well as prostitution, the crime level might increase as well along with the increment of the crowd. The entry of new culture in the host community might affect the pre-existing culture of the community. The erosion of traditional values and customs might happen with increase of tourist in the area. (Simm, 2016)

Nepal with other countries have good inter relation between Nepalese and international socio-cultural exchange. As we Nepalese carry verities of culture which are unique as well as popular all over the world. If Nepal focus on forwarding cultural tourism, it will be benefited by numbers of socio-cultural factor. Nepalese culture will be popular all over the world and Nepalese will also get the knowledge of different culture.

Tourism Policy (2008) has categorized 13 different type of tourism in Nepal. Tourism stakeholders were disappointed when social tourism was not a part of the tourism category in the tourism policy of Nepal. Social tourism is not mentioned in any of the strategies that are currently being developed. Unless this subject is embraced by the government it will be difficult to encourage wider participation. In several European countries (France, Belgium, Spain, Portugal, Italy) social tourism is a part of public policy. Implementation forms vary and include voucher schemes, subsidies for the construction of holiday facilities, public-private partnerships and subsidies for targeted disadvantaged groups. For example in UK, there is no any specific tourism policy However, some organizations provide facility such as holiday grants on an individual basis, and public funding is available for respite breaks. It is not crucial that people who are normally excluded from taking a holiday have to do so at peak times. In Spain, this system enables spare capacity in the off-peak accommodation sector to be utilized, thus enabling more employees to stay in work through a longer season.

Technological: The bulk of the energy need is dominated by fuel wood with 68% agricultural waste with 15%, animal dung with 8%, and imported fossil fuel 8%. All commercial fossil fuel, mainly oil and coal, are either imported from India or from international markets routed through India and China. Nepal has to spend one fourth of its foreign earning to import fuel. The fixed telephone service account for 9.37%, mobile for 64.63%, and other services for 3.76% of the total penetration rate.

Similarly, the numbers of subscribers to data/internet services are 4,667,536 which represents 17.53% penetration rate. Most of the data service is accounted by GPRS users.

Technological advancement has been a major factor in enhancing business and the same is the case with tourism related businesses. It plays the facilitators of demand for the tourism industry in the 21st century. Owing to technological development, people can plan holidays easily through internet and email facilities. Any activity is possible with a click of the mouse, even booking a holiday for anywhere from anywhere. We will heavily build upon the available technologies to reach out to customers, facilitate services and coordinate among partners as online-portal of NTB, NAATA and other organizations will be the primary touch point.

Technological era has great influence in tourism industry as people don't have much doubt to the physical appearance. Travelers can book their tickets, see the places where they want to stay or visit. It will help anyone to accomplice to find the best deals all over the world. Airlines as well as hotels are really focus on the social media to reach the larger number of customers.

The chestnores.com write that; mobile technology has fueled the growth of tourism by facilitating mobile bookings, check ins, messages and several other things. Buyer and sellers are facilitated by the use of technology. However, the true power of mobile is still unexplored and in 2017 mobile technology, cloud technology and Internet of Things will affect several new changes. Technology is shaping the travel experience at many other points too including on the ground and in the air. (Pratap,2017)

Nepal is also developing in the field of technology with regards to the tourism, promotion is being approached via different source of media. One can go through the different ratings as well as actual footage of the actual place. In addition to the technological heroic role in tourism industry; one can see lots of places and will be motivated to visit the places.

Environmental: Environmental sensitivity is the current trend. People are aware of the environmental damages that their actions can cause and hence prefer to choose an option that does the least damage if none. Environmental sustainability is the prime concern of many institutions and individuals. This environmental awareness

is what tourism industry will build upon, promoting ecotourism.

United Nations has also recognized 2017 officially as the International Year of Sustainable Tourism for Development. One even important thing is the impact of weather conditions on travel and tourism. Even the airlines industry is impacted directly by changing weather conditions. Airplanes cannot fly in stormy weather and if a disaster happens, it affects the entire industry. You all know of seasonal tourism and how changing seasons affect demand and supply of tourism in various areas. Thus, environmental or ecological factors have a major impact on tourism industry. Cities that are greener and cleaner receive tourists in larger numbers. (Pratap,2017)

The environment and its resources are very important for tourism industry since the tourism is directly related to environment. This can lead to having both positive and negative effect on the environment. Tourism development might lead to the conservation and protection of environment which is a good thing. It would help to raise a global awareness about the environmental values and help protect the natural areas by increasing their economic importance. Better and economical use of the environmental resources might be successful then after. Along with these, the construction of roads, buildings, houses, hotels, airports might have an adverse effect on the environment. Overuse of natural resource is dangerous and a serious matter. Tourism also creates an increased pollution through traffic emission, littering, noise and increased sewage production. (United Nations Environment Program, 2016)

Legal: In terms of legal environment, factors such as entry policies, the diplomatic relations among different countries are important for our business. As of now, Nepal does not have such relation with any country to bar the travelers from coming to Nepal. As tourism is a national priority, the legal requirements to establishing tourism related business is also facilitative.

The regulatory environment in the tourism industry is complex. It is because both labor and public security are important concerns. Apart from it, there are other laws too that influence the sector, but public safety and labor laws are two most important concerns for it. Tourism brands including the airlines cannot lose focus of risk management or they risk losing market share. The legal pressures and challenges in the tourism environment are big.

Staff training has also become more and more important to prevent any legal hassles. Now many nations are safe and have low rate of crime helps to increase number of tourist. (Pratap,2017)

To summarize, the PESTEL analysis shows that the external environment is supportive to Nepalese tourism industry, posing many opportunities to build upon.

2.8 Five Forces of Market and its state in this industry

Porter's Five Force model is also one of the power full management tool for analyzing the current industry financial status by using outside- in perspective. Due to advancement in technology, globalization and deregulation the structure of market and economy is changing. five forces model of the market is very simple but influential tool for the success of a business. This five-force model is the approach of Industrial organization theory. Industrial organization theory assume that the attractiveness of an industry is determine by market structure.

The level of competition within an industry also determines the opportunities and threats that lie ahead. In following section includes a brief analysis of the competition situation of the industry through Porter's Five Forces.

2.8.1 Rivalry within Industry

The rivalry within industry is very high (we have taken all the tourism focused countries as an industry). Although the actual product may not match, there are many other similar tourism service providers. A bulk of travel agency, tour operators are already functioning and have set a stronghold in the market. Most of the countries are focused on easy family packages, cheap costs, trekking and mountaineering products. Countries are really focusing on attracting tourist from all over the world. Governments are making their laws flexible to attract the tourism. This may affect Nepalese tourism globally as we are small and would not be able to match the flexibility of rules and regulations as others. (Essays, UK. 2013).

2.8.2 Threat of New Entrants

The threat of new entrant to our business is medium. Tourism related business is quite popular in globe, and a set of people might come up with similar business idea. Owing to the easiness of business registration, low requirement of fixed cost, and easy availability of human resources, entry in this industry is not very difficult.

Moreover, the popularity of online travel booking solutions is making it lucrative in the tourism sector. (Essays, UK. 2013).

2.8.3 Threat of Substitutes

The threat of substitutes is probably the biggest threat to our business. For Nepal, cheap and beautiful countries with cheap services are the main threat of substitutions. One of the biggest threats is international online portal which are directly linked with direct provider. They may decline the revenue of the country as the services and commission charges are taken by those countries. The other threat is of substitution of the product itself. There are a number of star hotels, luxury hotels, budget hotels, guest house, and many more on these countries which are cheaper as well. This may decrease the numbers of tourists in Nepal. These accommodation facilities pose as threat of substitutes. (Essays, UK. 2013).

2.8.4 Bargaining power of buyers

The bargaining power of buyers is expected to be in the lower to mid-level. The buyers have some bargaining power- the rampant availability of substitutes and low switching cost will boost the bargaining power of buyers but given the uniqueness of our service and other peculiar features, we believe tourist from the Globe will prefer ours over others. Since Nepal has different unique and adventurous places to travel, we expect the bargaining power to be on the mid to lower side. We also add Nepal is suitable for every age groups. (Essays, UK. 2013).

2.8.5 Bargaining power of suppliers

For our business, the bargaining power of suppliers is very high. Travel agents from different countries and the main Governments are our suppliers. They have different options to send their people or customers. There are lots of countries with suitable pricing and easy accessible to visit. Hence Nepal has to tackle the power properly. (Essays, UK. 2013).

3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter represents and grants the research methodology used in this study. Methodology is the means of tool used as instrument in order to perform certain task. Methodology does not explain specific methods but suggest specific processes.

This section presents the intentions and the choices of the different people (tourists) from inside and outside of Nepal. We have an interview with stakeholders of Nepalese tourism representatives. This will somehow clarify and motivates the investors to invest in tourism sector to expand all over the world.

The business is the brainchild of the founding members. Convinced with the tourism potential of the country and profitability, and committed to promote values of sustainability, the idea of internalization of Nepalese tourism industry was conceived. Being in a circle of tourism professionals and travel enthusiasts, Nepalese tourism can bring something innovative in tourism sector all over the world. The concept of Nepalese tourism emerged was evaluated both from the demand and supply side. We approached few other people, primarily those who owned critical resource, in our circle to partner with us for the business. With their agreement, the founding structure was created.

3.2 Research Method (Qualitative)

Authors believe more in qualitative research methodology because this approach provides flexibility in understanding the views and response of stake holder concerned with travel and tourism agencies. As we need to conduct the interview with institution like travel agencies, tourist themselves, various other concern board. The information abstracted from these sources can provide researcher the reliable data regarding various travel and tour agencies in the light of international tourist.

Moreover, Ospinia has mention the definition of shank as “qualitative approach is the complete systematic form of empirical studies into meaning.” (Ospinia,2004) Shank (2002) where experience of concerned parties helps researcher to generate concept. As we focus more on the way existing travel agencies goes for internationalization, this approach is suitable for researcher to accumulate the information based on their experience and perception.

3.3 Nature and Source of Data:

Primary Sources: As the idea emerged, we conducted a reconnaissance with a small group of people, purposively sampled for having been traveling- both on their own and through travel and tours services. Primary data were collected by direct question and answer interaction to local community people, Nepalese Tourism stakeholders, proprietor of Travel and Tours, tourist visiting Nepal from abroad.

Secondary Data: Secondary data were collected from NTB, NATA, NAC, different stakeholders of travel and tourism and from different websites, newspaper, published and unpublished reports.

3.4 Sampling Procedure:

The sample has been taken by using simple random sampling procedure to collect data from visitors

and judgmental sampling procedure was used to collect data from key informants. In total we have interviewed 30 numbers of foreigners who are here to visit Nepal. We have asked them, “Why did you come to Nepal for visit?” and another question was, “How you came to know about Nepal?”.

Why did you come to Nepal for visit?			
Adventure	Religion	Hospitality	Nature
7%	47%	10%	37%

Figure:

Table showing the result of interview among random sampling.

How you came to know about Nepal?			
Friend	Media	Advertisement	Web
13%	23%	40%	23

Figure: Table showing result of means of information about Nepal

3.5. Overview of the companies

In this section, author has presented the general overview of the company with whom major data and information has abstracted. These are some of the well-known travel agencies of Nepal and they have been providing service to both domestic and foreign tourist. The information gathered from these institutions help us to analyze the various environmental factor affecting their operation.

Company's Name	Established year	Major services	Interviewee Position
Euro Tours and Travels	2013	Adventure travel, Tailor made tour, Ticketing & offbeat tour	Manager
Sabbatical travel solutions	2016	Short trip, domestic tourist tour	CEO/Manager
One Globe Travel Company	2014	International Tour for domestic tourist, Adventure trip	Manager
Himalayan Dream Team	2014	Mountain trip and other major tour of adventure.	Executive Director and city guide

4. Analysis and Interpretation

4.1 Introduction

In this chapter the data and information gathered from interview of various concerned party will be analyzed and interpret with our theory. Authors aim to answer the research question based on the information gathered and the theory we have proposed for our research. In addition to this, Uppsala model is most appropriate model of internationalization where the investment and commitment is

increased in new market along with the meeting up the given target. Beside this, we have analyzed the various external factor that influence the operation of travel and tour agencies.

Based on the information Nepalese travel and tourism agencies holds minimum capacity to open direct branch in international market and promotional expenses is quite higher for newly opened travel agency. Major environmental factor like political situation, legal obligations, technological changes and so on affects a lot in its operation and to capture the international market.

We are analyzing and research questions from chapter one.

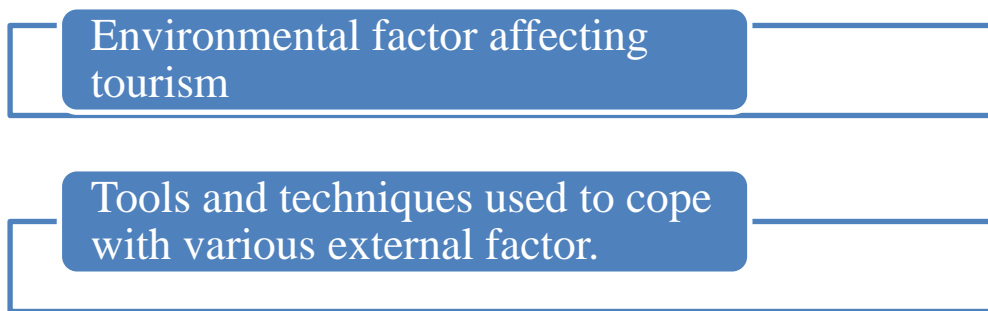


Figure: - Analysis of data and information in major headings



Figure: - Techniques to asses external environment (Source - Team FME ,ISBN 978-1-62620-999-2)

After receiving the required information from concerned parties, we realize that Nepalese travel and tourism is also directly affected by the various external environmental factor. The factor affecting the operation and meeting the organizational objective of Nepalese travel and tourism are discussed as below.

Political factor

Political factor involves the various changes made from government or other political parties that affects every sector of country. This may include factors like rules regarding employment, consumer protection laws, regulations about taxation, trade restriction or reforms or any inevitable changes.

With regards to Nepalese travel and tourism, the unstable political scenario, frequent strikes in previous years has negative impact in tourism sector. NTTA expects for more promotional activities regarding tourism based on their choices should made from government in international market. moreover, as Nepal has recently formed newly elected government that has shown hope of improvement in tourism business as well. According to information, during the civil war between government and Maoist, the tourism sector has been badly affected where even domestic people fears to travel.

Political factor includes the following aspect that affects travel and tour agencies.

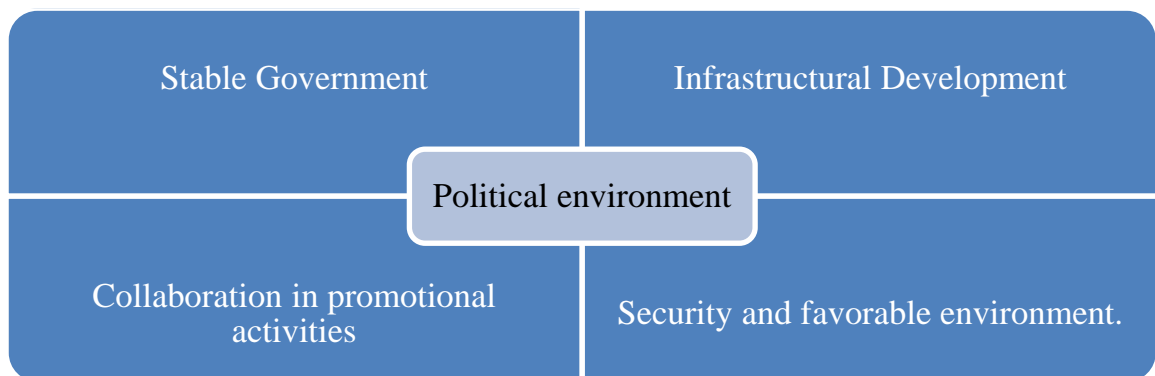


Figure: - Political factor affecting Nepalese travel and tour operations

Economical Factor

Economic factors have direct relationship with any commercial organization of nation. The major issues include inflation, tax & duties, finance and credit policy from central bank, living cost, foreign exchange rate, GDP & GNP and so on. (Free-management-ebooks.com, 2013)

NTTA is affected by the ongoing inflation rate as the rate increase the cost for visit to foreigner also increases gradually which can be negative influential factor while choosing the destination. Flexible credit policy helps entrepreneurs to invest more capital in travel industries. Economic factors are the back bone of any nation for its

overall development, thus higher the country is economically improved better the infrastructure for tourism is managed. There are lots of tourist visiting site in Nepal which is not able to be part of attraction for foreigner due to lack of proper hotel, road way and other basic facilities needed for tourist.

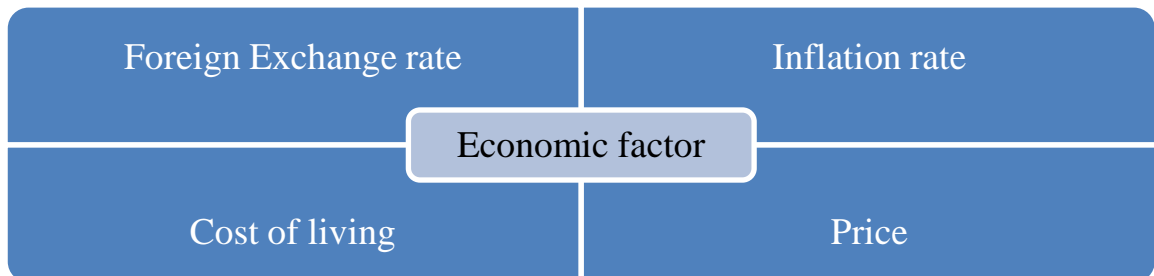


Figure: - Major Economical factor affecting travel and tourism agency

Socio-Cultural factor

Social factor of external environment consists the component of society. It includes age distribution, life style, education, religious belief, population of country. social and cross-cultural communication has significant impact in global market. (Free-management-ebooks.com, 2013)

Travel and tourism agencies is service sector industry which operates remaining close to society. Nepal is country of huge variety of culture, religiously important places like temple, monasteries can attract large number of pilgrims. Pilgrims from India, Srilanka and china comes Nepal to visit holy place like Lumbini, Pashupatinath, Muktinath for religious purpose. Thus, travel and tour agencies seek for preservation of such cultural heritage site to attract more people from the other country. Apart from this, we have long historically important place like Patan durbar square, Bhaktapur durbar square which are major attraction for visitor. Demographic factor comes under social aspect which includes age group, population, life expectancy and travel and tour lacks qualified manpower for better quality.

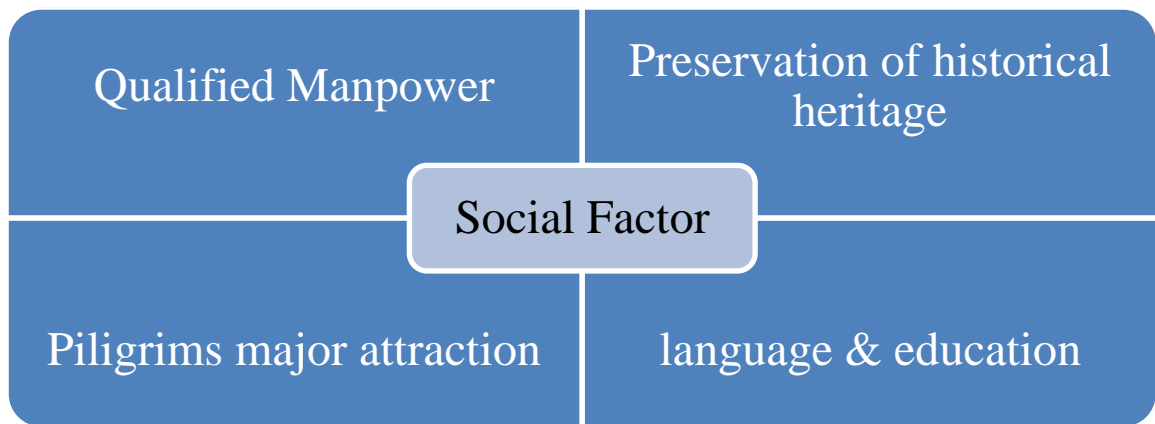


Figure: - Socio-cultural factor affecting travel and tourism

Technological Factor

These factors can be broadly divided in two factors like manufacture and infrastructure. Some of crucial subfactor are automation, network coverage, use of outsourcing, patent and license, knowledge management system and so on. Organization that fails to adopt with technological changes creates opportunities for other competitor to enter in market easily. (Free-management-ebooks.com, 2013)

As the globalized market consist of huge competitors which has the reach of advance technology that can help in effective marketing Nepalese travel agencies are not able to adopt completely the technological factor due to lack of enough capital or manpower. The use of internet in promotion of the visiting site is major tools implemented by travel agency. As this tool are used by all other competitors so decorating the site in an attractive way can be challenging.

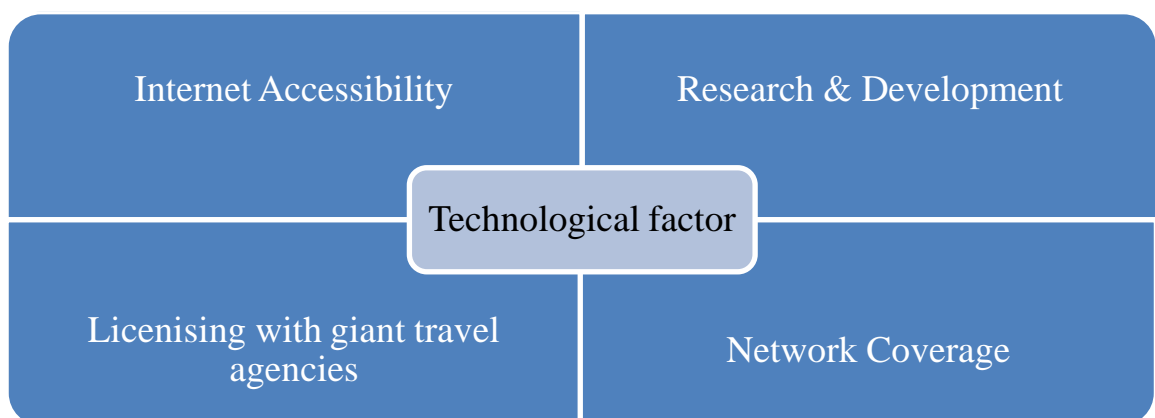


Figure: - Technological factor affecting travel and tour

Legal Factor

This factor includes the current and impending legislation which affect the operation of institution. This includes commercial policy, taxation, employee rights and labor law, and other regulatory bodies. (Free-management-ebooks.com, 2013)

Nepalese travel and tour has favorable legal rights and this service sector is supported by government regulating bodies. however, they are governing with taxation and rules of various conservation areas. Foreign policy regarding stay permit, Legal rules regarding the attraction area and price regarding the entry in various national park and their obligation during the visiting of such area.

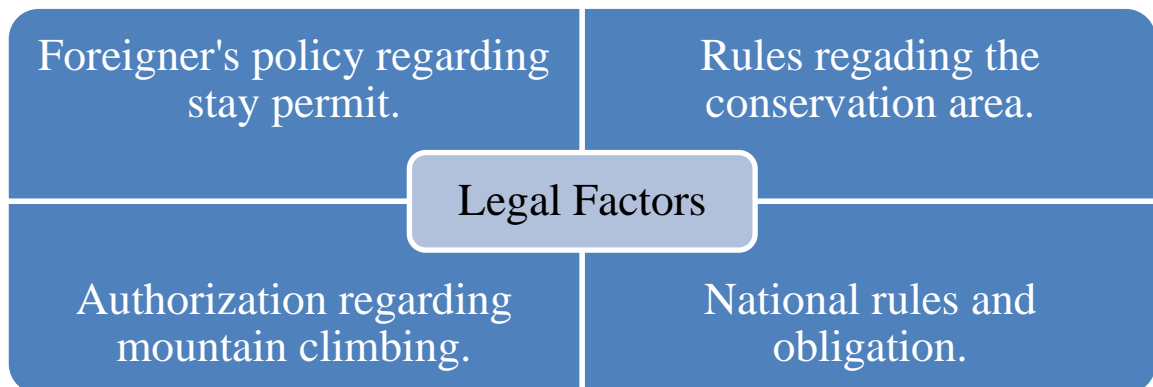


Figure: - Legal factor regarding operations of travel agencies

4.2 Tools and techniques used to cope with various external factor.

External environment changes gradually as its various component keep on changing with the span of time. Any organization while making strategic planning only understanding the macro environment does not give you all required information, thus we also need to understand the action of competitors and consumer.

Those forces are broadly divided in to five group that helps to determine the risk and opportunities in the market.

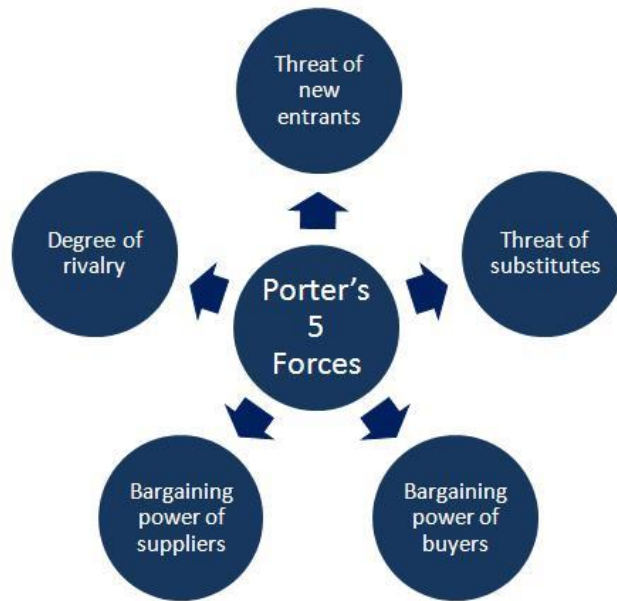


Figure: - Porter's Five forces Model (source :- Porter ,Michael E (five competitive forces that shapes strategy,2008)

As we are explaining the Nepalese travel and tour's markets in international scenario, there is intense competition between various rivals. however, government should always support the home country industries though flexible policy, promotional activities and developing the basic infrastructure. As this sector is entirely service sector, they are always dedicated to make the tourist stay with pleasure and satisfaction.

Travel industries involves in generating foreign currency and several other sectors like hotel industries, transportation sector and so on. Profit margin can be higher than other manufacturing company. so, there is always high chances of entering new player in market. however, company that can provide better quality of service in appropriate price and cope with the changing environment can move ahead and those which are not able meet the need of time gets collapsed.

With regards to international tourist, they have several options to choose the service provider in single click in internet. so, travel and tour agencies are always focused on few major countries where they have higher number of costumers and the positive word of mouth from the old costumer is the major tools for holding costumer. While going through collected data, the major factor to hold the costumer are price, the

package of service provider, company rating by old customer, company market brand name.

In periphery of travel and tour agencies, bargaining power of supplier indicates to foreign agents that works together to bring customer from host country. As they work as middle men, they have strong bargaining power and the frequent topic of discussion is the rate of commission, other bonuses. As those agents has several option of travel agencies in visiting country, maintain healthy relationship is big challenges for them.

4.2.1 Competitive Rivalry

Competitive rivalry is the first factor described by Michael porter to analyze the business working environment of the firm. Under this factor it includes the total number of competitors, and how is the quality of their products comparing to own firm. While talking about the tourism sector of Nepal there are a lot of travel and tourism agencies which are competing with each other. All of them have their own techniques and attractions like price cuts, seasonal discounts and other schemes to attract the tourists. As there is high level of existence of competitive rivalry it is very hard for a single travel firm to maintain its strength in tourism market of Nepal.

4.2.2 Threat of New Entrants

This factor tells about the possibility of entry of new firms in the market which can affect the current marketing condition of the firm. It talks about how easily the new firm can enter into the market, how much it costs and how can they affect the market. If it is cheap and there are less barriers to enter the market, the new firms can easily enter the market and can easily weaken up the position of existing firm. In the context of Nepal, there are not so much high and strict barriers for new firms to enter into tourism market, so the firms need to carefully understand the threats that the new firms can give in the market area. As the internal and external tourism is increasing day by day in Nepal, the number of tourism firms are also getting higher, so all the trading firms should carefully analyze the possibility of entrance of new firms in the competition.

4.2.3 Threat of Substitution

This factor explains about chances of customers to changing the firm due to finding the same product and services by another firm in a different way. In another words we can

say that a substitution that is less costly and easy to make can easily decrease the market position the current firm in the particular market. With regards to the travel and tourism business of Nepal there are different firms which are offering the same service in different and unique way. We can find this trend on rafting, jungle safari, city tour, hotel service and other areas. so the firms need to alert about the existence of substitute product and services that can be introduced by their competitors.

4.2.4 Bargaining Power of Supplier

This explains about the power of the supplier to change the prices of product, transportation cost and other costs which are related to get the products within the firm to sell them again in the market. This power can be determined by how many suppliers a firm have, how easy it for the suppliers to increase the price level, is the product they are supplying is unique and how much it is easy to switch the current supplier. If the number of supplier is more it is easy to change from one to another. In the context of Nepal there are limited suppliers of the products which are needed to run the travel business. As it is landlocked country it is not so easy to import the high equipment and big machines from abroad and the suppliers are limited so they can easily increase the price and other conditions, the bargaining power of the supplier must be carefully undertaken while running the travel and tour business.

4.2.5 Bargaining Power of Buyer

This factor discusses about the how many buyers a firm have, how large is the order volume and is there any possibility for the buyers to switch the firms. It is the power of the buyers that how easily they can get the price down. If the firm have large number of customers the firm have more power and if the firm have small number of customers or buyers, they have more power. In the context of Nepalese tourism market most of the travel and tour firms have medium range of buyers and only few have large volume of customers. So, all the firms have to carefully understand the power of their buyer which can change the current trading environment of the firm with in the tourism market.

5 Findings and the conclusions

The main purpose of this research was to find an answer the to the following research problem: “To understand the existing situation of Nepalese travel and tourism agencies by assessing level of environmental factor and also to analyze the tools and technique that they use to cope up the market competition and changing external environmental factor.”

After going through the micro and macro analysis of Nepalese tourism industry and its perspective towards internalization; researcher have found some of the findings and probable solutions which are stated below:

5.1 Findings

Recently, Nepal Tourism Board (NTB) has compiled a “Tourism Product of Nepal” as a promotional material on the occasion of “Visit Nepal Tourism Year 2011.” The Government of Nepal announced a Tourism Policy about 4 years ago. In addition, a Tourism 2020 Vision was developed in which it was stated to attract 2 million visitors by 2020 (MoTCA, 2009) (K. Banskota, Impact of tourism in Nepalese economy).

From the secondary data collected from NTB, we concluded that 71.63% of people visit Nepal for holiday and pleasure purpose

Purpose of Visit (2015)		
Purpose	N0. of Tourist	In Percentage
Holiday and Pleasure	386,065	71.63
Trekking and Mountaineering	9,162	1.7
Business	20,876	3.87
Pilgrimage	14,996	2.78
Official	21,479	3.99
Seminar/Conference	9,038	1.68

Others	77,354	14.35
Total	538,970	100
Source: (NTB, 2015) (http://www.newbusinessage.com/MagazineArticles/view/1706)		

- Majority of the people have lower education therefore there need to be initiated educational based programs by government and non-government agencies.
- As per a World Trade Organization (WTO) finding, one tourist creates jobs for 12 people directly or indirectly. A major source of foreign currency earnings, the travel and tourism business has been strongly contributing to the Nepali economy. The sector's direct contribution was Rs 83.7 billion or 4.3 percent of the country's GDP in 2014. In 2015, the amount was Rs 85.3 billion accounting for four percent of the GDP. In 2016, it is expected to grow to Rs 91.3 billion or seven percent of the GDP. A 2016 World Travel and Tourism Council (WTTC) report ranks Nepal third among 184 countries in terms of direct contribution to the GDP by travel and tourism. WTTC initial report forecasts that the direct contribution of the sector will grow by an annual rate of five percent to Rs 149.4 billion or 4.7 percent of the GDP by 2026. (Sharma,2017)

- Emerging local people in new tourism activities starts with tourism awareness and then requires capacity building and skill training.
- The author, based on his survey, thinks that there is a high potentiality in tourism development in Nepal if all the aforementioned things are done. Nepal has got everything that is needed for tourism development. Tourists who visit Nepal are looking for unique and new activities to engage on and they are willing to try new things out. Most of the tourists have said they are willing to visit Nepal again and most of them have been here multiple times. The tourists who visit here are not satisfied with the infrastructural developments and they think that all these needs to be upgraded as soon as possible. (Tourism and Prospect – Thesis Report, Subash Basnet, 2016, bachelor's Thesis)
- In order to access tourism products, it is necessary to upgrade and maintain roads, trails, bridges and other essential infrastructure. These improvements not only help tourists; but also ease the live holds of local people
- Low level of infrastructural development, lack of awareness, entrepreneurship and investment and lack of marketing to the existing tourism products are serious challenges for tourism development in Nepalese tourism industry.
- Moreover, we have also done SWOT analysis for the concrete findings of Nepalese tourism industry. Source (Types of Tourism in Nepal and Their Prospect – Subash Basnet, 2016 – Degree Program in Tourism)

a. **Strengths:**

The advantage of having a new kind of tourism activity in Nepal means opening a whole new door in tourism sector. Lots of people would get a job which would help in economic growth of the country. Huge amount of foreign currency will enter into country. The import and export market would also grow. Establishment of new tourism activity means development of new infrastructure such as roads, electricity, health, education. This could mean potential establishment of new businesses which means more employment opportunity.

b. **Weakness:**

The weakness about this is that the country is going through a huge economic loss at this moment and trying hard to recover. So, it would be hard to establish new businesses and new tourism activities soon. The political instability of Nepal is

major hurdle for any kind of business to start. There are strikes and revolutionary acts going on all the time which does not just affect the country's situation politically but also the whole nation from small business to big ones and the people. The lack of proper developmental infrastructures is also major setback for any kind of tourism activity to establish and grow in the country. So, the first thing that needs to be done is the proper development of existing infrastructures and establishment of new ones.

c. Opportunity:

The opportunity is huge in case of establishment of new tourism activity. The prospect of opportunity is bright. New business means new job opportunity and new job opportunity means potentiality of economic development. This won't just mean an opportunity for the people of Nepal, but it also means an opportunity for the tourists to try new stuffs here in Nepal. This would provide an opportunity for the locals to start new business and sell their products in the market and earn for their livelihood.

d. Threats:

There are threats as well in doing this. Just because it's a new business doesn't mean it is going to do good and last long. Opening a new kind of business and being hit means having a competitor and a competitor means threat. The failure of new business or activity means economic loss. In this modern age of technology, the technology itself is a great threat. The technology advances each year and pretty quickly which means it would be hard to keep up with that since the business would just be new and that is very expensive.

With reference with the primary data collected at Thamel and different area of inside valley, we got into the conclusion that most of the people visit Nepal to travel different religious monuments. Among them the Indian tourist are high in percentage. Among the total tourism (according to our data) 40% of Indian people visit Nepal. PashupatiNath and Muktinath are the most attractive monuments for them. For hospitality only 10% people have attraction to Nepal. So, it came to conclusion, proper hospitality training should be provided to the employees of the travel sector. In other note, adventure tourism should be promoted as lots of people are being attracted toward the adventure tourism all over the world. Hence there are number of places which should be improved. Nepalese tourism should be diversified

for the proper development in Nepalese economy.

Why did you come to Nepal for visit?			
Adventure	Religion	Hospitality	Nature
7%	47%	10%	37%

Figure: Table showing the result of interview among random sampling

In regards with the second question; “How you came to know about Nepal?” Nepal’s advertisement is stronger than other factors. According to the people we interviewed; they came to know about Nepal through the exhibitions and short orientation programs. Though we are pushing lots of advertisements in orientations and exhibitions, media and web medium can also help us to double the number of tourism arriving Nepal every year.

How you came to know about Nepal?			
Friend	Media	Advertisement	Web
13%	23%	40%	23

Figure: Table showing result of means of information about Nepal.

In addition; we have also interviewed owners of the renowned travel agencies. Most of them for advocating for:

- a. Government support and securities to private travel agencies
- b. Huge promotion
- c. Diversify from traditional tourist to activities such as sports and entertainments
- d. Comprehensive training of managers, wardens, travel agents, guides who work in the industry so the as to help them give excellent services.

According to Country wise Tourist Arrival Statistics for the year 2013-2016 published by Ministry of Culture, Tourism and Civil Aviation (2016): Indian tourists visit to Nepal in largest number. In 2016, 118,249/- tourist visited Nepal. Following

data will give us the actual information regarding the arrival of tourists in Nepal.

Countrywise-Tourist-Arrival-Statistics-2013-2016					
SN	Country	2013	2014	2015	2016
1	India	180,974.00	135,343.00	75,124.00	118,249.00
2	China	113,173.00	123,805.00	66,984.00	104,005.00
3	Sri Lanka	32,736.00	37,546.00	44,367.00	57,521.00
4	USA	47,355.00	49,830.00	42,687.00	53,645.00
5	UK	35,668.00	36,759.00	29,730.00	46,295.00

Figure source: (Ministry of Culture, Tourism & Civil Aviation, 2016)

Deepak Raj Joshi, CEO of NTB says regarding the failure of tourism industry in internationalization to Business Age online portal, “We have not been able to develop basic infrastructure for tourism. Also, mostly tourists come to our country by themselves without anyone from here in Nepal trying to bring them. We have not taken initiative to bring tourists to Nepal. It indicates that we are weak in approaching foreigners to make them visit Nepal. Big Nepali business houses related to hospitality and tourism are not present in the source countries. We just handle the tourists that the agents send to us. We have traditional kind of marketing, communication and promotion tools even now.

We have not been able to communicate why they should visit Nepal. Similarly, we have lagged behind in exploring opportunities in adventure tourism despite being a pioneer in the segment in the South Asia region.” Nonresident Nepalese (NRN)/ Journalist working at London Mr. Devraj Sharma (Chiran) say on Nepalese tourism worldwide, “Nepalese tourism has not promoted outside Nepal. In my experience in

London, most people know Nepal as a state of India or Sagarmatha (Mt. Everest) is situated in China. We are trying to promote Nepalese tourism in cooperation with all NRNs living all over world.”

Above statement of two different people from different field proves that there are lots of loopholes to be fulfilled, improvements must be done regarding the enhancement of Nepalese tourism industry to be introduced internationally. We also had asked number of tourists regarding reasons of their visit in Nepal. All are from different country where majority of Spanish was higher. Most of the tourist (more than 60%) said that they are here in Nepal because to look over the natural beauty, trekking and feel the direct view of Himalayas with their bare eyes. 20 % of them were in Nepal for their organizational work. Though they visited Nepal for the work; they told us that they have also visited to Nagarkot, Pokhara and Lumbini. According to our questionnaire session, we came to know that Pokhara, Lumbini, Annapurna Base Camp (ABC), Upper Mustang, Muktinath, Nagarkot, Swyambhunath and Pashupatinath are on top of their list. 100% of people are well-known about the above places. Mount Everest is the most specific target of specific group of people. 20% of the people we have interviewed came to Nepal to be adjusted in Nepalese environment (near Everest Base Camp and other hilly places). We found group of people who are interested to climb Mount Everest come to Nepal for numbers of time for long vacation before climbing Mt. Everest.

For the above tourists, all the facilities were provided and according to them all the facilities were provided. The only complains were the pollution and traffic. According to them, they were unhappy to travel from one place to another.

We have listed some problems through the interview or questionnaire session of this study which has also been collected and listed as below

a. Lack of infrastructural development:

Nepal is beautiful country whose major attraction are natural sceneries, historical and religious sites, arts & architecture and social cultures. Nepal can be one of the best destination if we can introduce lots of hidden naturally beautiful places. But due to lack of infrastructural development it is unable to utilize its features. Hardly few tourist destinations are well equipped by all the physical facility such as road way, airway, communication, five star and three-star hotels and so on. Hence if we able

to provide all the infrastructural facilities we can attract large numbers of tourists in our country.

b. Lack of conservation of cultural and religious sites:

Nepal has been favored by cultural and religious sites there are various cultural sites such as Pashupatinath Temple, Mukthinath Temple, Lumbini, Bhaktapur, Patan. Kathmandu is considered as a city of temple which helps to attract large number of tourists. Because of Earthquake our cultural sites and temples were destroyed, now they need to renovate. However, such cultural heritages are not protected from many years by government. There are no any conservation activities carried out by local government. Due to lack of conservation activities such sites are being deteriorated day by day as a result people coming to Nepal to see such cultural heritage and sites are decreasing day by day. This ultimately hamper the development of tourism activities in our country.

c. Inadequate means of entertainment:

Due to advancement in technology means of entertainment are also changing day by day Nepal being developing country people here are not habitual with such developed tool and technology for the means of entertainment. Hence, we are still using traditional means of entertainment. So these means of entertainment are not sufficient for tourist. As mainly tourists visit Nepal to pass their leisure time by hoping to get more entertainment. But means of entertainment are not properly managed for tourists. So, it is a major problem of tourism industries.

d. Lack of tourist's goods:

Nepal is a developing nation. Mainly Nepal depends upon imports of good from third countries. Being a developing country Nepal lack to import quality of goods. The goods which are used by tourists are not produced in Nepal. The tourist's goods which are imported from other countries are generally expensive. Similarly, we are also not able to produce such good in our country. If the required goods are manufactured in our country many tourists will visit Nepal.

e. Lack of proper tourism centers:

In order to guide tourist, we need to develop many information centers in various city where number of tourist visiting there is high. This will help tourist to visit to get information about different place. But we can see only few such centers in our

city which is not sufficient for tourist and tourists do not want visit places without any information. Hence, we do not have proper tourism centers to provide them necessary information. As well as proper promotion activities is also lacking. So, to attract large number of tourist such centers should be established in different places. So that tourist will get proper information and they can enjoy their time.

f. Lack of publicity:

One of the major problems for lack of tourist in Nepal is due to lack of publicity. Nepal is the beautiful country with various natural, cultural and historical sites. However, we are still unable to promote our country in the world stage. Still many foreigners are unaware about the Nepal. So, in order to attract huge number of tourist promotion and publicity need to be done in proper way. But without its publicity it has got no importance because publicity is the one of the effective tools of marketing. Nepal is unknown to many peoples in the world which affects tourism development. Therefore, lack of publicity directly hampers the flow of tourist in Nepal.

g. Lack of facilities and safety for tourists:

We are unable to provide better facilities and security to the tourists which are defecting tourism development in our country. They should be free from fear and provided with better facilities which helps to increase number of tourists.

h. Internal conflict:

There is a high chance of internal conflicts in Nepal such as strike, Banda, political movements etc. which damages the reputation of tourism development in Nepal among the tourist community.

Analyzing the above problems, researcher has found some of the probable solutions which will help tourism industry to be stronger and attractive.

- I The number and capacity of domestic and international air services should be increased.
- II There should be a good provision of transport and communication in tourism areas.
- III Tourists should be provided with of the things necessary for the tourists in the markets, banks, and security.
- IV Provisions must be made to produce the things necessary for tourism industry in our own country.

- V There should be the provision of simple and easy access to fulfill the requirements of tourists.
- VI Nepal should be introduced to the world through advertisement for its art, culture and natural beauty.
- VII Cultural and religious places should be well maintained and conserved.
- VIII Investors should be encouraged for the development of tourism industry.

Researcher believes that the above steps of solutions will help Nepalese Tourism Industry to be more reliable as well as smoother too.

5.2 Solutions

As per the researcher findings, we must really work hard on Opportunities utilizing Strength. More effectively we also must work on Weakness and our Threats. As researcher government should provide favorable environment by developing infrastructure of development like transportation and other required facilities for foreigners. Travel and tourism agencies should have proper benchmarking with other international competitors and the techniques used by them to attract more number of foreigners.

5.3 Implication of the Study

This research is very useful in tourism sector for promotion and development of Nepalese tourism sector. It also helps planner and policymaker to identify and explore the new job opportunities, enhance service level. Also, it facilitates to increase the flow of mass tourist in Nepal. Furthermore, findings reveal that environmental analysis is the core factor the influence tourism sector in Nepal.

5.4 Limitation of the Study

Present research has some limitations which can be address in next another research. Firstly, it focuses only on tourism sector therefore limitations from generalization take place. Next another research should focus on integration of other service sector with tourism sector. Secondly researcher can use both qualitative and quantitative methods to understand status of tourism in Nepalese sector. Researcher only focus on external factor of environment like political, social and other related factor whereas the internal factor like human resource, capital, management system also largely influences the operation of organization.

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Appendix

Name:

Organization:

Designation:

Date:

- a. How to promote Nepalese tourism all over world?
 - I. With appropriate branding, promotion and marketing to abroad
 - II. Increase in investment
 - III. Government support and securities to private travel agencies
 - IV. Special focused inbound packages
 - V. Others (If any).....
- b. How you find the broad opportunities to earn in macro level:
 - I. Huge promotion
 - II. No commission suspect/ direct contact
 - III. Easy excess to the travel agents
 - IV. Free competition with similar price
 - V. Others (If any).....
- c. What are major external factor affecting in tourism business?
 - I. Government policy
 - II. Legal obligations
 - III. Development of Infrastructure
 - IV. Tourist information and promotion center
 - V. Price and other cost of visit
- d. Can Tourism create job opportunities?
 - I. Yes
 - II. No
 - III. Your Comments and Suggestions (If any).....

- e. How can we improve the service level of tourism sector?
 - I. Roads and other means of transport should be improved
 - II. Diversify from traditional tourist to activities such as sports and entertainments
 - III. Increase awareness on tourism and its attractions
 - IV. Comprehensive training of managers, wardens, travel agents, guides who work in the industry so that they can help them give excellent services
 - V. Others (If any).....

- f. What can be best means of reaching towards customer?
 - I. Website of travel and tour agencies
 - II. Agent of international market
 - III. Direct approach from foreigners
 - IV. Other

- g. How can we increase the flow of mass tourist in Nepal?
 - I. Roads and other means of transport should be improved
 - II. Diversify from traditional tourist to activities such as sports and entertainments
 - III. Increase awareness on tourism and its attractions
 - IV. Comprehensive training of managers, wardens, travel agents, guides who work in the industry so that they can help them give excellent services
 - V. Others (If any).....

Other subjective questionnaire

- h. What are major strength and weakness in Nepalese travel and tourism agencies?
- i. How can we cope up with the changes in international market?
- j. What can be the role of other stake holder like government, manpower, legal bodies and so on?