

Dipesh Subedi
A Cultural Based Travel
Community-Based Tourism

Type of the written work (Assignment / Thesis)
fall 2016
Faculty
Degree programme of International Business



SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

Thesis Abstract

Faculty: School of Business and Culture

Degree programme: Bachelor of International Business, BBA

Specialisation: International Business

Author/s: Dipesh Subedi

Title of thesis: A cultural Based travel

Supervisor/s: Miia Koski

Year: 2016

Pages: 44

Number of appendices: 4

This thesis discusses the relation between travelling and different cultures that come while travelling. The main objective of this thesis is to fill up the gap between the people who want to explore different cultures and willing to experiences living in different cultures.

While travelling people come across many different cultures. They want to know, feel and experience the difference in behaviour and lifestyle. The main question of the thesis is “How can travel and culture come together? “OR “how can we get the culture and travel to interact with each other in a best possible way?” . People travel between different places coming face to face with different cultures. Today’s world offers the open platform for all the planetary inhabitants to explore every corner of the world encountering the completely different lifestyle derived from the dissimilar culture. Many people attend lectures, read books and listen to others experiences. They certainly help but the fact is that nothing can be compared to going and living the culture yourselves.

In order to give an objective, meaningful and purposeful answer different combined research method has been used. Different people were given the same set of Boolean question and were analysed. Some choose people were also interviewed and the thought were analysed.

The analytic result of the questionnaires brings us to the conclusion of the thesis. The collective thought and answer of people refer to the uncertainty of human behaviour. People want to explore different cultures but need a proper guideline to do so. There are people and offices that help people to travel anywhere known but lack the objective or purpose to help the travellers experience other culture.

Table of Content

Thesis Abstract	2
1.1 Sustainable tourism:	8
1.2 Research Problem	9
1.3 Research method	9
2 Business Idea	10
2.1 Introduction	10
2.2 Objective	11
2.3 Business strategy	11
2.4 Market Research	12
3. SWOT analysis	13
3.1 Strength	13
3.2 Weakness	14
3.3 Opportunities	14
3.4 Threats	15
4 Marketing	16
4.1.1 Online marketing	17
4.1.2 Paper Marketing	17
4.1.3 Television Marketing	17
4.1.4 Mouth to Mouth marketing	18
4.2 Marketing Mix	18
4.3 4 Ps (Price, People, Place, Promotion)	19
4.3.1 Price	19
4.3.2 Place	20
4.3.3 Promotion	20
4.3.4 People	21
4.4 Marketing Strategy	22
5.1 Analysis of questioners using Quantitative Research method	24
5.1.1 Analysis based on Age group	25
5.1.2 Analysis based on Interest	27
5.2 Analysis of qualitative research method	28
6 Finance Management	29
6.1 Introduction	29
6.2 Objectives of Financial Management	29
6.3 Functions of Financial Management	30
6.4 Financial Requirements	31

6.5 Financial Analysis	32
7 Conclusion	36
Bibliography	38
APPENDICES	40
Appendix 1. Quantitative Questionnaires (for visitors)	40
Appendix 2. Qualitative Questionnaires (for visitors)	42
Appendix 3. Quantitative Questionnaires (for host)	43
Appendix 4. Qualitative Questionnaires (for hosts)	44

Table of Figures

1 Analysis based on age of travellers.....	25
2 Analysis based on age of host	26
3 Interest group of travellers and hosts	27
4 Income history	33
5 Income Prediction	34
6 Expenses	35

Introduction

Culture: learned and shared human patterns or models for a living; day- to-day living patterns. These patterns and models pervade all aspects of human social interaction. Culture is mankind's primary adaptive mechanism.(Damen, 1987).

Like a computer's processor is programmed and developed in their own way by different manufacturers, a human brain is continuously being trained in the culture they are born under and the norms and values collectively work out so as to distinguish the members within a wide range of cultures present elsewhere. (Hofstede, 1984)

Culture can be defined as the mindset of different characteristics engraved through the living process while watching and learning from the elders who have been practising the culture since a long time.

Travelling can be the movement from one place to another with the intention of experiencing something different and new which is often temporary and for short period but can be a permanent shift as well for a limited time(Web Finance, Inc., 2016)

Tourism has taken over all range and has been growing as the largest industry in the world as people have started to feel the urge to explore the uniqueness of existing cultures and the beauty of the geographical lines that differ from place to place, country to country, etc. The tourism is growing rapidly at the global annual rate of 7.4%, East Asia and the Pacific zones being the fastest growing at the rate of 14.7%(1999-2000), more than double the global average. (UNTWO 2006) There is an increasing demand for sustainable tourism considering the impacts of tourism upon the people and the environment which demands more focus and attention of awareness. **According to the World Tourism Organisation:**

'The development of sustainable tourism requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide

participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.' (UNTWO 2006)

1.1 Sustainable tourism:

- Conserving the environment while making the optimal use of the resources so as to assist the ecological processes to carry on in a healthy manner.
- Appreciation of the norms and values of the host communities with due respect and meanwhile discovering the uniqueness, conserving their cultural heritages and simultaneously contribute to the emergence of the intercultural co-operation and understanding, letting off all the critics about the host culture.
- Offers the opportunity to upgrade to a better socio-economic state operating the economic activities so as to facilitate the social services in more efficient way that can generate employment opportunities and consequently assist in poverty alleviation in the context of host's society
- Ensures the maintenance of tourists' satisfaction while they learn and earn some experiences so that they can cope with the concept of sustainability and flourish the ideology within their circle (UNWTO 2005).

Today world is a changing and the happening world. Everyone is busy with their own personal or professional duties. People have less time to worry about and do certain things that they like. But whenever they get a chance, they will certainly go ahead with their wishes. One of the high wish lists of people is travel and second are understand and know different people and culture. People travel to get away from their hectic life to relax and enjoy the wonderful places around themselves.

There are many ways one can find out about the different places and culture. One can explore the online world. It is quite easy to find out about the places,

see pictures, read blogs and reviews from other travellers who have travelled there before now. The world is now in your hand with the development of internet and mobile or touch phones. You can also take advice from friends and families who have already been the place you want to visit. Or, you can check out the nearest travel agent. You will easily find descriptions, places to visit, air and buses fare and so on.

The business idea is similar to a travel agent. The main objective of the business is not only to get people where they want but also give them the real experience of local culture.

1.2 Research Problem

The main research problem of this thesis is if some tourists want to get involved with the local traditions and places, how they will get to know the core, the fairy tale behind it and also the changed came come through the generations. As we talked with the people of different age group, profession and ethics, we got to know that they want to get knowledge of local culture but are concerned as how the local people will react. Will they be accepted or rejected? People are concerned that their own cultural behaviour might offend them or they might get offended.

Another concern is the locals. Will they act normally or try to do things differently? Will they welcome the visitor or will they just shut themselves up? This is a secondary thesis question which is related and is discussed only briefly. These are some vital question that needs to be solved.

1.3 Research method

In order to find out a definitive answer to the research question, combine research method has been used. The quantitative research method is used to get the answer from as many people as possible whereas qualitative research method is used to get analytical and precious answers from certain persons only.

Why both, well the answer is simple, its help to understand the thinking, exploring, willingness and range of group or individual people more clearly.

2 Business Idea

2.1 Introduction

People travel for various different reasons. Some travel for experience new places, some for fun, and some to see and admire beautiful places, some for entertainment. Whatever the reason maybe, people travel. Now, people travel to experience, admire and learn different cultures, see the local tradition and also explore the place as a local person.

The Internet has put the world in our palm. We can now, see different places, read and explore different cultures through just a single click. There are also different travel agents and offices which help us to get required information and visit different places. And we have touch phone now, which are more convenient and easy to use. We just need an internet connection. Technology has brought us very far ahead. This same technology has also taken us away from real people and introduced virtual around us. It has started to become a blockage between real life and real experience. The travel agencies and the internet which provided the necessary information for visiting a place can be accurate but cannot be localised as most of them are targeted commercially, profitability not for sure experience and exploring local places. The usual travel agent has a deal with different hotels, airlines, buses and trains so that they can provide a package of stay in cost effective manner. But, they probably will not have any connection personal or professional connection with local people, local market and local places.

People want to travel, people need to travel because as you see the world, you grow personally, professionally, mentally and physically. But, how is it possible?

Just by visiting, museums, restaurants, meeting some people are not enough. Knowing the real culture, meeting the real people, tasting the local food is necessary in today's virtual world, This Business idea is not different from travel agencies. This also promotes different places, peoples, food, sells different airlines, bus, ship tickets and makes hotels and other staying reservations. The only difference is that we will arrange a local stay for tourists. We will guarantee people the real life experience of local culture, people, food and places. The whole lifestyle of local people they are visiting. (Barrow, 2009)

2.2 Objective

The main objective of the business is to provide the localised experience of everything people want to experience. Tourists today thrive to get and gain local experience of local culture, meet local people and know the lifestyle of people. We will try to introduce tourists into local communities and let them feel the local environment.

2.3 Business strategy

The Business strategy is simple and easy. We will give both our parties what they need and want. Parties meaning the tourist and the hosts.

First, we gather information about the interest of the people. We will know how and where they want to travel, what are the necessary things for them in the host's place, what are the things that can be avoided. We will then bring out the abstracted output and implement the same at our host place.

Secondly, we go to the different places, meet different local peoples and gather information about the places. We then identify the potential people who are or can be qualified as host. Then we provide them with sufficient infrastructure and make them our host.

2.4 Market Research

Market Research is a very important component to run the business successfully. It is necessary to have the real want and need of the market. Market research should be done every once in a while to stay ahead of the competitors.

The first step of market research is to identify the target group. In this business idea, the target group is broad. The target group are the people who are capable of travelling. Travellers who have an interest in local people, culture, food and places are more potential customers or target group.

Once the target group is identified, their requirements are must be known. The interest of the target people should be analysed. The place where most people want to travel must be identified and see if you can make a strong connection with the local communities and establish a better understanding between all local people and us. Then, the food that travellers prefer to eat and try. We also should create an understanding of food and eating habit of travellers and avoid the potential damage which comes with food issues. Then, important thing is to understand what traveller are expecting when they meet local people / host. The behaviour which the travellers are looking from the host is necessary. Also, the travellers' interests match the host knowledge.

Once, the traveller group is identified and analysed, then local people are also important to identify. We should also identify the local people who want to be a host. We need to inspect the infrastructure of the potential host and make the required arrangements according to travellers need. Need to check if necessary training should be given to the people. The infrastructure of the local places should also be checked so as the traveller can be well informed beforehand.

When the analysis of both travellers and hosts are done. A comparison should be made between the want and need of travellers and facility which can be provided by the hosts. If all in place and everything can be arranged, then we are ready to invade the market.

3. SWOT analysis



1 Swot Analysis

SWOT analysis is a tool to recognise and assess the internal and external aspects of any given concept that helps promote the quality of project, product, place or person. (Tech Target, 2016)

3.1 Strength

Travelling business is not a unique business in itself. Cheap air flights and hotels, low/high budget, presentable packages are some of its common features. It not very odd to think that this concept is also the same.

We are of course following the same concept of travelling business but with a modern idea of letting willing travellers get close and personal with the people and the culture of the country they wish to visit. It is a unique idea that travel company can implement to increase their fame and along with it clients, as

people nowadays are more curious of knowing the culture more along with the places to visit.

3.2 Weakness

The idea of this business look as simple as it can be but could be hard to implement on a fast track. First, we need to find trustworthy people to be as a host and then convince the travellers about the place and the host. This can be a tough task to do, as a first phase.

Another thing is that the interested host may or may not be fully capable of providing all the important and necessary information to the travelling people. Also, although a good relation is established between the host and the company, the host may stop responding with known or unknown reason.

3.3 Opportunities

The world is the full of opportunities to give and take. People want to visit places, learn a new culture and local people and we provide them with all their needs. Hence, more customers mean more business.

The other thing is that, in order to establish a host and company relationship, we have to travel many places and meet different people. This provides us with the opportunities to gain more knowledge, experience and exposure. We can bring back all these and share in the company, which will be very profitable for all of us.

This idea might change the structure of travelling business. It will give new meaning to travelling different places, meeting new people and learning their culture. It will also provide the host with better-earning possibilities, experience

and sharing of cultures. This can also attract many other who want to get associated with us as host.

3.4 Threats

The biggest threats as we can see them are the competing travelling agencies. These have been and will be dividing the business. The creating a host in the destination country can be easily imitated by them as all of us has our own set of networks.

Another major threat is the internet and the Wi-Fi system. People has the world in their palm with smartphones and tablets. People can easily look over the internet, find the places and people they want to visit. They can easily read about the culture and people of the visiting country/countries from the desk of their home. The Internet provides all the necessary information the cheapest way possible. It can be from knowing the place to booking tickets and hotels. Also, the review and blogs of people who had already travelled there.

Most important part to be considered are the local hosts. The crucial part is the assurance of the reliability and trustworthiness of the host so that the operating company can focus on other important issues rather than coping with the uncertainties due to betrayal.

4 Marketing



2 Marketing Mix

4.1 Introduction

“Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”

“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. Finding out the customer’s value and need is the core of Marketing.” (Kotler, 2015)

Marketing has a major impact on growing the business and reaching the goals of the company. The most important portion of marketing is to identify the target group, place and the technique that can effectively reach the targeted people.

There are several methods which can be used in marketing.

4.1.1 Online marketing

Today world is an online world. Most of the people are using the internet and are active online. Especially the social networking sites have brought people inside a box. People can view and interact with different things or product. Social networking sites like Facebook, twitter. So, advertisement on these social networking sites means reaching and transforming our product / service to huge potential consumers.

Other online advertisements are also much more effective. Currently, it is the best way of reaching out to people.

4.1.2 Paper Marketing

Everybody reads the news. We can read the online news but it cannot be compared to the newspaper. People believe on what's printed on paper rather than what comes online. The advertisement in a newspaper is more effective and easily recognisable. People get connected easily to paper printer marketing.

Paper marketing can be banners, leaflets, brochures visiting cards or advertisement column in a newspaper. The design of the advertisement leaves a great mark over the customers and urge them to try the service or product. They are easy to get distribute, easy to be come across and stored.

4.1.3 Television Marketing

Like the newspaper, people watch television every day. It is one home application which doesn't get switch off at home nowadays. Visually powered advertisement can also be as effective as reading or looking at the advertisement. People see, watch, observe and learn about the product / service.

The advertisement would contain different places where people can travel, the places where they will stay and also people they will be hosted by. The advertisement might be also real life visiting and staying at the places and their comments.

4.1.4 Mouth to Mouth marketing

No marketing or advertisement method can match mouth to mouth marketing. People who went through the journey of the service or product are the best marketing people. As we all know, the first impression is the last impression. Reading or watching the service or product makes people use the service or product. The product or service need to be best. If the service is good enough or even better than the customer gets satisfied and spreads the better word about the service or product which can potentially increase the customer base.

4.2 Marketing Mix

Marketing any products companies need to bring together a quality product that can be or will be appreciated by the customers, proper channel of distribution at right places.

Business needs to consider some variable to create better marketing mix. Such as:

- Product/service offered must be acceptable meaning that it should not over-run the restrictions or act offensively to the law or cultural bonds.
- The quantity of sales is a prime factor in order to generate a profit so the pricing must be relevant.
- The supply chain management must be considered centrally because the availability of items in right place at right time is one of the determinants for successful business operation.
- Promotion and advertising are one of the important factors as the target group of customers need to know that the product exists that can facilitate their daily life.

4.3 **4 Ps (Price, People, Place, Promotion)**

4.3.1 **Price**

Research upon and figuring out what customers are willing to pay for the product actually helps to determine the price of the product on sale like no other means. (Mind Tool, 1996-2016, Mind Tool Ltd.)

The product or service is meaningless without the correct choice of price. The price of the products depends on upon the buyers' behaviour and the competitive products price.

The product quality and reliability measure to the price of the product. But it doesn't mean that the price of the product can be set high. The price of the product should also consider the buying capability of target consumers. The price can be set high or less accordingly. If the price is set too low, it can have a negative impact on the quality of the product. If the price is set too high, it will be hard or impossible for all the consumers to afford the product. Hence, the price should be considered and set according to the people purchasing capacity and the surrounding environment.

The price also should complement the price of the competing product. Right price and better quality attract consumers. But the price is high or low and the quality is same or low then the competitor then it will not work.

4.3.2 Place

Facilitation of availability of the product for the customers with a properly managed supply chain network is what 'place' signifies.

The choice of the place in this business idea is very important. The place where the business is set-up and its visibility to the general public or the target group are very important. The place of business should be selected in such a method that it is easily noticeable and accessible by all.

Another important thing is the host. The hosts are or should be selected in such particular manner that the place is good enough to share the traditional and historical culture of the community or country it is based on. And not remote so that it will create difficult to reach and do anything in particular.

If both the things are well matched and well informed, then it can act as a threat to the traveller, otherwise, a disaster for the business.

4.3.3 Promotion

Promotion is the business of communicating with customers. It is to push the perseverance of the customers to buy the service or product. The creativeness, the urges, the temptation of the promotional campaign is the key to the success of customers willingly purchasing the service.

The promotion can vary from place to place, person to person. Paper promotion is an adequate way of reaching some people through newspaper, brochures, holding board and banners. It can be creative and eye-catching for people to come and discuss and decide in person and most probably use the service.

Then, electronic promotional can also be same as effective as paper one. People can see the promotional, read or watch them and decide. Small gigs and scrolling letters are enough to catch a person interest.

One way or another, the choice of media to reach the potential customers is most important. The promotional campaign stands up as the first step of urging people to buy the service. The better the campaign, more the people and the sell.

4.3.4 People

People are the potential customers who are most likely to purchase the service.

The target group which we choose is very important and need to be precise. The bad selection of target group will affect the marketing strategy and will definitely cause trouble for the running of the business. Hence, the choice of the target group is very important.

The business potential customers are youngsters, adult and even older members of the society. So, the choice is obvious. But among them also, identifying the people who are interesting in other culture and people is very necessary.

Next step of to create and setup the proper business, the proper host must be selected. It cannot be just some people who know the place and the culture. The host/s which can be selected should be reliable and trustworthy. The host/s should also have a good understanding of the things need to be done when they get people to be hosted.

4.4 Marketing Strategy

Several kind of communication means will be used as a marketing strategy, the internet being the prime platform. We are demographic relies heavily on the Internet for information. While we currently have a website, they recognise that resources are required to monitor and operate the site as well as an upgrade in need. The website will constantly have tested to determine that it is coming up as one of the top results when keywords are entered into a search engine.

Magazines and booklets are still in existence offering strong marketing and advertising platform increasing the visibility and competitiveness in the market, opening up the range of products and services that we will be offering to the target group.

Newsletters will be another mode of marketing as we gain loyal customers in the long run. Newsletters might include the special offers and promotion schemes so as to attract new and keep those retained customers. The goal of the newsletters is to incentivize the past customers to join us for another trip with a special deal.

Monitoring the progress is a key thing in the smooth operation of any business so we will do that to ensure we are in a competitively healthy position in relation to our competitors and if we are synchronising with the market's growth and demand. Opening up to the new market segment is always available and in order to be superior, rational adjustments in positioning are crucial when the new product segment has been identified and unique strategy has been adopted relying upon our strengths in respect to our nearest competitors for the

new segment. This might incur additional cost for sure as the research has to be carried out beforehand and all other necessary information must be accessed too.

The marketing strategy will be to develop long-term relationships with customers. Demographic and psychographic information are needed in order to maintain the relation as knowing the customer is a key factor that determines the relation with them, that we will proceed with a database of all our customers and their potential. We will keep a database from which to obtain important demographic & psychographic information. As the business becomes profitable, plans will be implemented to expand. There is virtually no limit to the number and variety of trips we can provide. Trips can take place on every continent and in most countries. The goal is to establish us as an international provider of top of the line hard-adventure travel.

5 Research Methodology

The collection of information to make the correct and precise business decisions can be called research. It might indulge historical facts, previous research conducted over the same or similar topic, interviews and surveys. Research is a reasonable and systematic search for new and useful information on a particular topic.

Research method can be quantitative, qualitative or both. The quantitative research method is used to get a response in larger scale, or get the numerical facts. The qualitative research method is used to get more inside view of the person of interest/s.

This thesis used both qualitative and quantitative research methods. The reasons are clear, to get the best response from the target groups and to ensure the business delivers the goods according to the expectations.

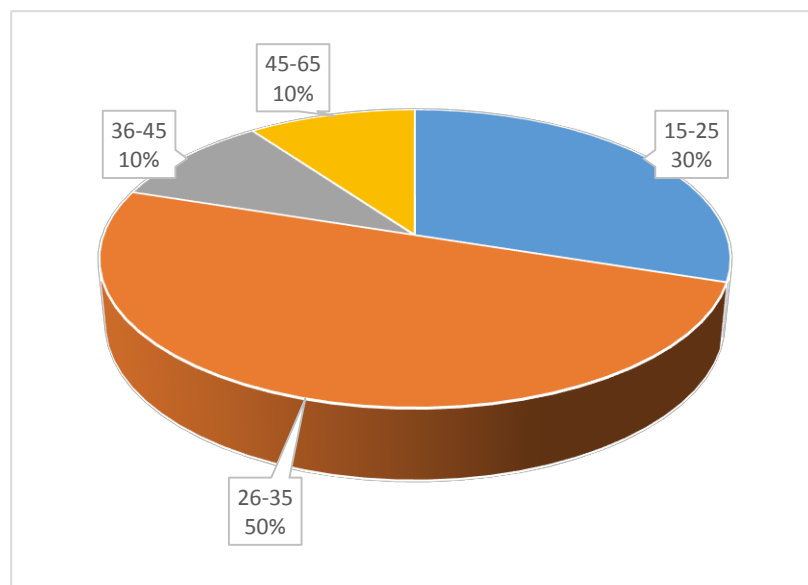
5.1 Analysis of questioners using Quantitative Research method

The first process was the set the questioners. The questions need to be short and understandable. Then, the distribution method of the questioners was to be decided. The best way to get to almost everyone today is through social media and e-mail. But, nothing can beat the hand to hand distribution and collection of questioners.

So, the questioners were sent through social media and emails. And also, were hand-distributed and collected at different places like playground, colleges, offices, shops and restaurants. Compiling the data after the collection was carried out so as to figure out the conclusion. During hand to hand distribution and collection of questioners, simple things about the company and its purpose could also be explained which was had a better impact of over the business idea.

All the questioners were checked carefully and categorised according to age, interests subsequently. All the form which were not filled properly were eliminated. This means the forms which were half-filled, the form missing the age and more. Also, the form which was filled just for fun were also eliminated. These are over filled forms like choose all the options of the form.

5.1.1 Analysis based on Age group



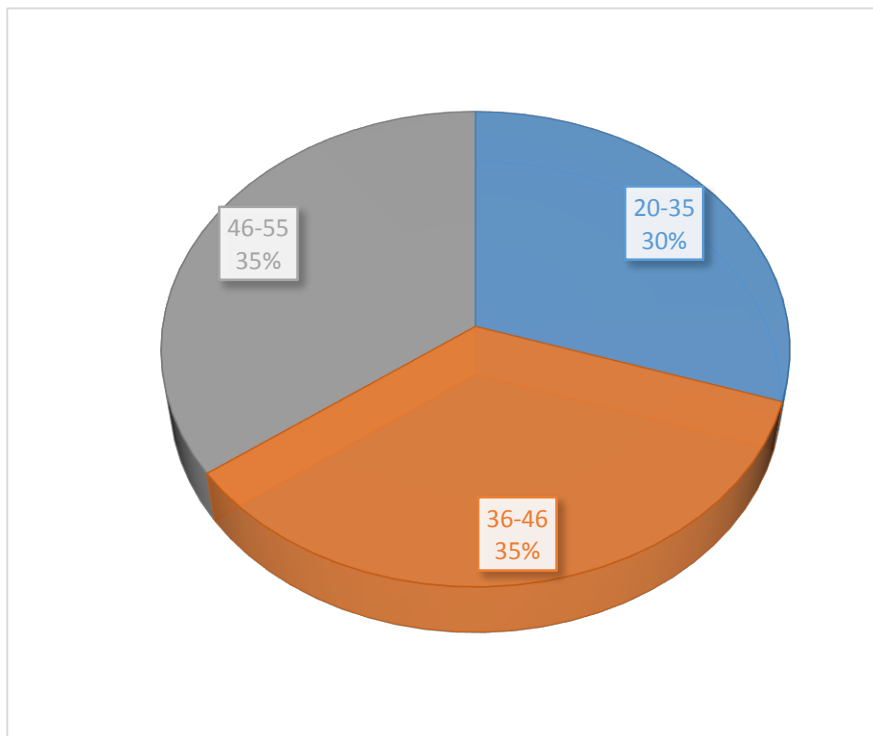
1 Analysis based on age of travellers

The distribution of questioners was done to age grouped from 15 – 65. All these age groups were chosen to get the diversity in the research. Questioners were simple enough so that all age group and easily understand also in order to get or retrieve all the answer.

As we can distinguish that people within age group 26-35, real open to the idea of living the culture. They want to get the real benefits of learning the culture and could give it a try of they find a good and reliable company.

Then, the youngsters, aged 15-25, were really keen to explore this experience. As they had started working and could afford to go anywhere as they wish and try new places and experience new things.

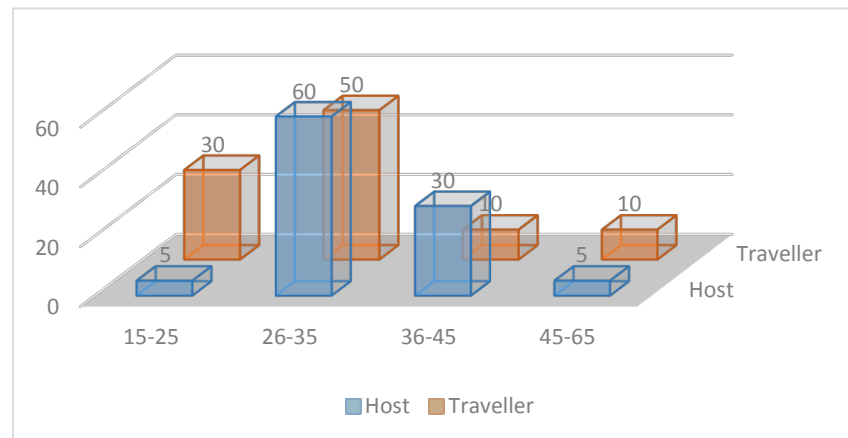
The people age grouped 36-65, were bit tentative and had doubts about living in with a host in a new place. They just wanted to keep it simple and just enjoy their outing and had no much interest of local culture and people.



2 Analysis based on age of host

The hosts were mostly excited over the idea of hosting the travellers. As we can see, it is almost equally distributed in the chart. Perhaps, the older age people were more excited and eager to host so as to the younger ones. We can see that host, aged 36-45 and 46-55, were happy and ready to get traveller and help them with the surroundings.

5.1.2 Analysis based on Interest



3 Interest group of travellers and hosts

The interest of the host and traveller group should also be taken into account. As we can see above in the graph, the host and traveller ratio is almost equal. The most interest group to travel and stay with a host and the group who want to host the travellers were the same group, aged from 26-35. Travellers falling in 15-25 were little uncomfortable whereas the same age grouped host were more eager. But again, host, aged 36-45, were not that much interest in compare of travellers of same age group.

5.2 Analysis of qualitative research method

The qualitative research method is necessary to get the personal, professional need of people while they travel. As this business idea deals which direct contact with local people and culture, it is important to know the comfortable level of the travellers and also the discomfort situations.

In order to do the research, people from different age groups, profession, ethics, and counties were selected. Then, the questions were pre-hand distributed so that they can analysis the question and provide us with a definite and factual answers. Then we went to visit the person as was agreed and the interview was taken. The interview was recorded, with the consent of the interviewee. While the questions were answered, the body language, speech and gestures were also taken into account.

After the interview was done, the recorded answered were draughted one by one. Then the answers of each individual were carefully analysed and compared.

6 Finance Management

6.1 Introduction

Finance is the way of managing the money. It is the field which analyses the certainty and uncertainty of time, conditions and invest. Financial Management means planning, organising, directing and controlling the financial activities such as procurement and utilisation of funds of the enterprise. It means applying general management principles to financial resources of the enterprise. Finance can be defined as the process of managing money and money-related issues like time-effect on investment, the terms and conditions, investment activities, risks and uncertainties in a planned, organised and most relevant way that facilitates the generation of the expected outcome. (MSG, 2016)

6.2 Objectives of Financial Management

Financial management is all about the most efficient use of the financial resources available, therefore, the objectives (MSG, 2016) can be listed as below:

- To manage and provide adequate funds to the concerned department.
- To take care of the stakeholders providing them with return on their investment and assessing and monitoring share markets and most of all, getting to meet the expectations of the board members and investors.
- To make the most out of the available funds reducing cost whenever possible.
- To deal with uncertainties and risks related to investments and provide a safe and ensured investing conditions and platform with optimal rate of return on investment.
- To plan and organise capital investment.

- To maintain a balance between debt and equity meanwhile structuring the capital asset to obtain a maximum return.

6.3 Functions of Financial Management

Estimation of capital requirements: Prior to everything, estimation of capital investment is the main duty of a financial manager. Assessment of the cost structures and the future expansion plans and schemes are all to be considered in order to defend any uncertainties or risks in near future that will assist in the smooth operation of the business activities. Profit generation is the prime intention of the business operation, so issues regarding capital must be thoroughly specified.

Determination of capital composition: The estimation works out as a framework for creating the actual figure for debt and equity in both short-term and long-term. The shares of equity capital and the funds from external sources will help analyse the debt-equity as it is the law that if a company goes bust, the debt must be paid before the equity is paid out.

Choice of sources of funds: Additional funds can be obtained from numerous sources:

1. Loans to be taken from banks and financial institutions
2. Public deposits to be drawn like in the form of bonds.
3. Issue of shares and debentures

There are many different factors that determine which source we must be going with, first being the scale of the needed fund and there comes the official processes, terms and conditions and the time that it takes to be completed.

Investment of funds: The decision-making process is important from the finance manager's side in order to ensure the safety and profitability of the investment and the expected return are being incurred.

Disposal of surplus: The financial manager is responsible for the handling of the net profit which is normally done in following two ways.

Dividend declaration - The profit in the form of a dividend is distributed among the stakeholders, or even bonus can be offered. There is a risk of inadequate funds in future if the profit is distributed to the stakeholders all the time.

Retained profits - The net profit is added up to the capital fund which will be invested in new activities or the promotion and expansion of the existing modules and segments. The company benefits from this.

Management of cash: Management of cash flow is one of the important responsibility of finance manager, as cash is a multi-purpose utility which is needed in paying out salaries, rents, bills, creditors, liabilities, stock maintenance, procurement, and so on. The manager must recognise the priority elements and act accordingly with the organised use of the cash. 'First thing first' can be adopted in that. There is an immense need for the proper management of cash as that's all that everyone's looking for.

Financial controls: taking control over the financial activities implementing several scientific techniques like ratio analysis, forecasting, bond assessments, investment peripherals, currency basket analysis, etc. is also the responsibility of the finance manager.

(MSG, 2016)

6.4 Financial Requirements

The business idea is based on the host infrastructure. Even though, this business idea is conceptualised over an established, it might need some changes to be made in order to match the new business. The changes might be the place, people or something similar.

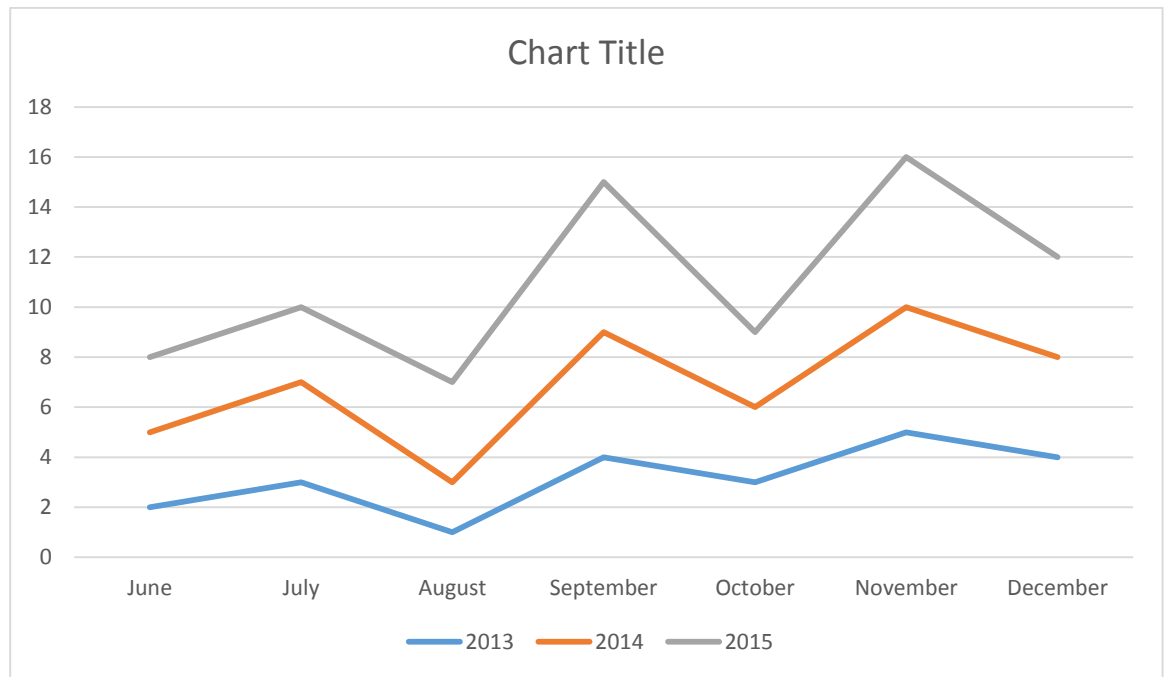
The most important finance requirement is the setup the infrastructure of the host/s. The first part of the process is the contact and create an establishment within the potential host and the company. The company personal must visit places to places and create a proper channel. Once, the host/s are identified, the infrastructure must be good enough to host other people. The host must have all the necessity things to be the ideal for people to come and live in. The infrastructure of the host/s must be according to the request of the traveller/s and should be able to make necessary changes as per the request.

The most important financial requirement is the marketing strategy. The marketing strategy for the same old travelling agencies might not be enough. Since the idea is new and unique, it will take some lengthy time to creative some effective and creative marketing strategy.

6.5 Financial Analysis

The Financial requirement suggests that much more investments are needed to be made in order to achieve the required result from the business idea.

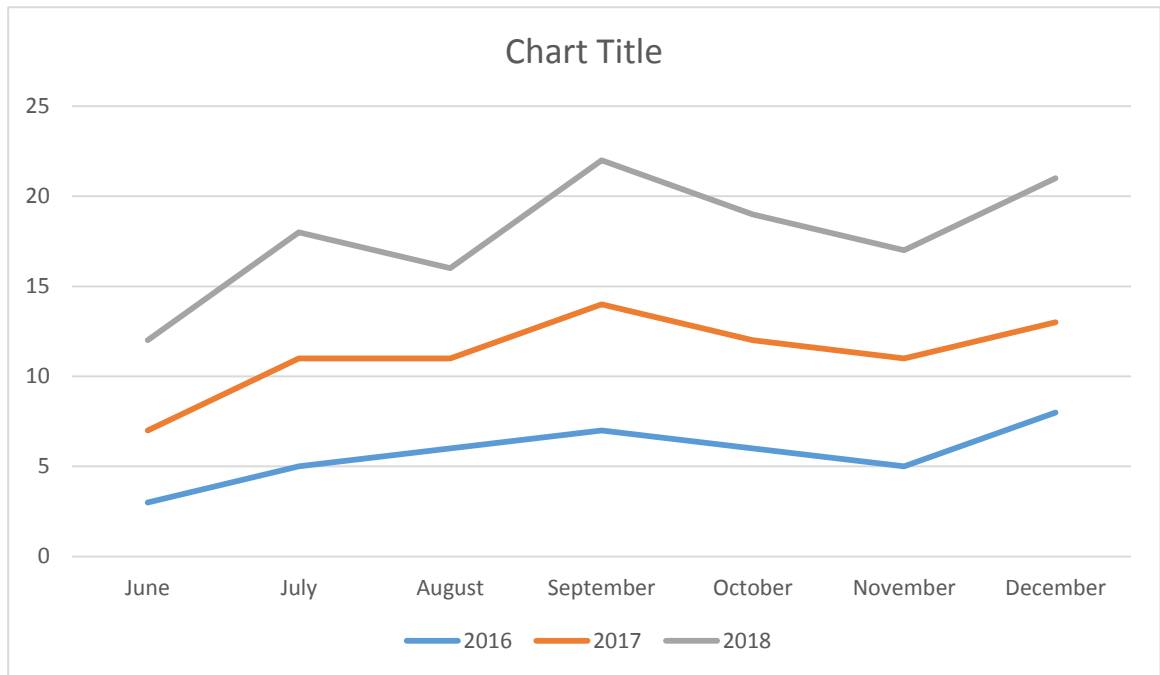
6.5.1 Previous Financial history



4 Income history

As, the graph above explains the monthly income of the year 2013-2015, from June till December. As we can see, there is not much difference in income between the years. We can notice that in August and October there is a slight tilt in the graph, which means that there is a decrease of people using the service. And again, September see the hike of the service users.

6.5.2 Prediction of Increase in Income



5 Income Prediction

The above graph suggests the predicted income of the company in coming years, 2016- 2018. The first year can be as same the previous year but then after the word is spread about the company's new idea of excursion with the local culture, the customers will come and use the service more than before.

expenses marketing media used. Visiting different places, meeting different peoples is another expense that will occur often. Finally, the most noticeable expense will be setting up the atmosphere of the office after new tie-ups.

7 Conclusion

The expansion of the tourism business depends on the infrastructure of the host country and also the expedition level of the tourists. The business idea is set to be implementation over a running tourism business.

The research clearly shows that the people are unaware of the method or way to get in touch with the local culture of places and persons where they are travelling. The want and excitement level of meeting new people, experience their local culture is high to low from youngsters and more adult people.

The places or countries where the research was done, to find out whether the people were interested in host tourists and help them through their stay, came out as adult people were more interested in hosting more than the younger ones.

The conclusion of the research shows that people are willing to travel to different places in order to experience and the local culture, if through the correct and safe channel. People are themselves willing to travel to different places not just to view the places and meet people but also to eat and feel the local cultural traditions, food, music and more over local people. It can also be concluded as, the best way of tourist to get to know the local culture is to live with the local family. In order this to happen, a host family must be established. It means all

the infrastructures, basic necessities and demand of the tourists must be met. Establishment of the host not only brings business to the office but also will be a source of income to the host family which can improve their financial structure.

In another hand, the safety of the tourists and the hosts must also be taken into consideration. Cross verification of the people travelling and the hosts should be done in order to ensure no misbehaviours or unfortunate events would occur.

The business depends on people who love to travel, go to new places and meet new people. The idea of local host can add a new excitement and enthusiasm to the travelling sector. As the world now has become so small due to the developments of technologies, people now know so much about everything. But, yet they fail to experience the purity. Studies can be done over all the things but living it is a totally different. This business idea provides people with the opportunity to experience the people and the place by living, eating and playing with it. The purity of the culture and the place can only be felt or known when one gets involved and live the life. It can be for one day, a whole week or more, people can experience the true culture and feel the true people.

Marketing will play a great role on people deciding to buy this service. Especially, mouth-mouth marketing will have the greatest. Hence, it will our best effort to keep the experience as genuine as possible, as close to the culture as possible. The marketing strategy as discussed above can be enough or some changes can be made, in order to get the best result. Financial investment is more required for correcting the infrastructure of the host/s. It might not be applicable over all the hosts but measurement must be taken and everything everywhere should be standard and also ready as the customers require. Another major financial investment will be in marketing. Marketing expenses are never finished but can be a lot in starting and can get stable in the later part.

As many time stated, the business all depends upon the travelling choices made by the people. The targeted destination can be many but are selected according to the most preferred places according to the history of business. The places will be offered according to the climate and the stability, meaning political and others. People will definitely choose to use the service because people need excitement in life. They will get a new meaning to living life, share happiness

and sorrow with people. More importantly, the culture will get mixed up and new generation culture will emerge without any discrimination and equality for everyone.

Bibliography

- Barrow, P. (2009). *Essential Business Finance : A complete guide to starting, expanding and selling the Business*. (2nd ed.). London: Kogan page. Retrieved November 26, 2015
- Damen, L. (1987). *Culture Learning: The Fifth Dimension in the Language Classroom*. Reading, MA: Addison-Wesley.
- Hofstede, G. (1984). *National cultures and corporate cultures*. In L.A. Samovar & R.E. Porter (Eds.), *Communication between Cultures*. Belmont, CA: Wadsworth.
- John, W. (2006). *How to Write a Marketing Plan* (3rd Edition ed.). London: Kogan page.
- Kotler, P. (2015). *Dr Philip Kotler Answers Your Questions on Marketing*. Retrieved January 05, 2016, from Kotler Marketing Group: http://www.kotlermarketing.com/phil_questions.shtml
- Kumar, R. (2011). *RESEARCH METHODOLOGY: a step-by-step guide for beginners* (3rd Edition ed.). London: Sage Publication Pvt Ltd. Retrieved January 5, 2016, from a step-by-step guide for beginners
- Lott, A.M. (2010). *Future of Diversity: Cultural Inclusion Is a Business Imperative*
Black Enterprise. Vol. 41 No 1, 75
- Moran, R., Harris P. & Moran, S. (2011). *Managing cultural differences*
Leadership skills and strategies for working in a global world, 8th edition
Oxford: Butterworth-Heinemann
- Mountinho, L. 1987. Consumer Behaviour in Tourism.
European Journal of Marketing, 16.
- MSG. (2016). *Management Study Guide*. Retrieved January 10, 2016, from Financial Management: <http://www.managementstudyguide.com/financial-management.htm>

- Okely, J. (1996). *Own or Other Culture*. London: Routledge.
- Peterson, B. (2004). *Cultural Intelligence: A Guide to Working with People from Other Cultures*.
Yarmouth: Nicholas Brealey Publishing. Accessed 6.10.2012.
<http://site.ebrary.com/lib/okstate/docDetail.action?docID=10448436>
- Prentice Hal: New Jersey: Pearson Education- Developing Marketing Strategies and Plans
 Marketing Management. Edition 13.
- Swarbrooke, T. (1999). *Sustainable Tourism Management*. CAB International, Wallingford, UK.
- The Hofstede Center (2013). *National cultural dimensions*.
 URL: <http://geerthofstede.com/national-culture.html>.
- Tech Target. (2016). *SWOT analysis (strengths, weaknesses, opportunities and threats analysis)*.
 Retrieved December 25, 2015, from Tech Target:
<http://searchcio.techtarget.com/definition/SWOT-analysis-strengths-weaknesses-opportunities-and-threats-analysis>
- Web Finance, Inc. (2016). *Business Dictionary*. Retrieved November 25, 2015 , from Travel:
<http://www.businessdictionary.com/definition/travel.html>
- World Tourism Organization -2009. *Tourism and Sustainability*.
- Young, S. T. (2009). *Essentials of Operation Management* (1st ed.). New Delhi: Sage Publication.
 Retrieved December 02, 2015

APPENDICES

Below are the questions distributed and analysed for the research purpose.

Appendix 1. Quantitative Questionnaires (for visitors)

Gender:

Age:

Occupation:

1. Do you Travel?

Yes

No

2. Why do you travel?

Fun

Explorer Places

Experience Culture

3. Travel with

Family

Friends

Alone

4. How often do you travel?

Regularly

Sometimes

Once in a year

Never

5. How do you travel?

Yours

Online assistance

Through Travel Agent

6. How do you learn about the different culture before going there?

Online

Books

Seminars

People

7. Do you get proper cultural experience?

Yes

No

7.1. Do you want to experience first-hand?

Yes

No

8. Do you wanted to be hosted by local person

Yes

No

Appendix 2.**Qualitative Questionnaires (for visitors)**

Gender:

Age:

Occupation:

1. Do you travel or wish to travel? Please kindly let us know why in any case.
2. How often do you travel? Also, list some places you have and your wishes as well.
3. Do you learn about the place and culture that you are travelling? How?
4. How do you travel? And learn about places and cultures.
5. Do you get a chance to visit local people and relate to the local culture?
6. Do you want to experience different culture locally?
7. What matter you the most - place or culture? Why?

Appendix 3.**Quantitative Questionnaires (for host)**

Gender:

Age:

Occupation:

1. Do you want to register as a host?

Yes	No
-----	----

2. Whom to you wish to host:

Male	Female	Both
------	--------	------

3. What kind of home you have?

Own House	Rented Apartment	Hotel/Motel
Others		

4. Facilities you can provide:

Breakfast	Bedroom	Toiletries
Wi-Fi	Bathroom with Shower	

Appendix 4.**Qualitative Questionnaires (for hosts)**

Gender:

Age:

Occupation:

1. Do you want to be a host? Could you kindly specify the reason behind your answer?
2. What kind of tenants are you looking for?
3. What can you offer more than others hotels/motels/hostels?
4. How do you differentiate yourself from the guides?
5. Do you think you will be available to provide the correct information?