Basanta Rimal

DIGITAL MARKETING IN THE TOURISM INDUSTRY OF NEPAL

Current Impacts & Future Perspectives

Thesis
CENTRIA UNIVERSITY OF APPLIED SCIENCES
International Business
December 2019
ABSTRACT

The main subject of this thesis is based on digital marketing in the tourism industry of Nepal, how is it being applied and how effective is it. Now, we are in the digital era, digital transformation has revolutionized the ways we communicate, work, spend time, and consume. The main theme of this thesis is focused on tourism businesses which are growing along with digital marketing and the challenges they are facing while adopting it.

Furthermore, digital marketing is a current phenomenon and is one of the fastest growing industries in the world. The tourism sector is sensitive, and the industry has a very competitive market. Nepal being a tourism country has tremendous potential growth in the tourism business. On the other hand, digital marketing is ruling over businesses as an effective marketing platform. Taking into account the current phenomenon in the world, this thesis was intended to figure out the insight relation between the Tourism Industry of Nepal and Digital Marketing.

The aim of the thesis was to identify the importance and key impacts of digital marketing. The theoretical framework of the thesis explained the digital marketing growth and its performance in general, meanwhile, a theoretical approach was based on several books, articles, magazines, blogs and online sources. The Research of this thesis was conducted in a quantitative method; besides, data were collected through an online questionnaire survey. The main goal of the research was to find out the facts regarding digital marketing and to support the theoretical concept of the thesis.

Key words
Challenges, Digital Marketing, Digital Transformation, Effective, Impacts, Importance, Tourism Industry
ABBREVIATIONS

GDP – Gross Domestic Product
HAN- Hotel Association Nepal
MoCTCA- Ministry of Culture Tourism & Civil Aviation
NAA – Nepal Airsports Association
NATA- Nepal Association of Travel Agencies
NATTA- Nepal Association of Travel and Tours Agencies
NMA- Nepal Mountaineering Association
NTB - Nepal Tourism Board
REBAN- Restaurants and Bar Association of Nepal
# ABSTRACT

# ABBREVIATIONS

# CONTENTS

## 1 INTRODUCTION

## 2 MAJOR TOURISM BUSINESS IN NEPAL

### 2.1 Adventure tourism

### 2.2 Travel agency

### 2.3 Hotel and lodge

### 2.4 Restaurant and bar

## 3 MARKETING OF TOURISM BUSINESS IN NEPAL: TRADITIONAL AND MODERN

### 3.1 Traditional Marketing

### 3.2 Modern Marketing

## 4 DIGITAL MARKETING IN NEPAL

### 4.1 Digital marketing in general

### 4.2 Impacts of digital marketing in tourism industry

### 4.3 Problems and challenges

## 5 RESEARCH METHOD

### 5.1 Quantitative Research Method

### 5.2 Validity and Reliability

## 6 DATA ANALYSIS AND RESULTS

### 6.1 Chart, table and analysis

### 6.2 Findings and Suggestions

## 7 CONCLUSIONS

## REFERENCES

## APPENDICES

### FIGURES

<table>
<thead>
<tr>
<th>FIGURE</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIGURE 1</td>
<td>Hotel in Nepal</td>
</tr>
<tr>
<td>FIGURE 2</td>
<td>Ad market share of media platforms</td>
</tr>
<tr>
<td>FIGURE 3</td>
<td>Digital around the world in 2018</td>
</tr>
<tr>
<td>FIGURE 4</td>
<td>Pull and Push Marketing Strategy</td>
</tr>
<tr>
<td>FIGURE 5</td>
<td>Internet penetration in Nepal</td>
</tr>
<tr>
<td>FIGURE 6</td>
<td>Different components for Digital Marketing</td>
</tr>
<tr>
<td>FIGURE 7</td>
<td>Effective Marketing Source</td>
</tr>
<tr>
<td>FIGURE 8</td>
<td>Portion of Digital Marketing</td>
</tr>
<tr>
<td>FIGURE 9</td>
<td>How long has digital marketing been used?</td>
</tr>
<tr>
<td>FIGURE 10</td>
<td>Business update in online platform</td>
</tr>
<tr>
<td>FIGURE 11</td>
<td>Influence factors in implementing digital marketing</td>
</tr>
<tr>
<td>FIGURE 12</td>
<td>Common contact methods</td>
</tr>
<tr>
<td>FIGURE 13</td>
<td>Effective level of different digital marketing tools</td>
</tr>
<tr>
<td>FIGURE 14</td>
<td>How applicable is digital marketing in reality to reach targeted audiences?</td>
</tr>
<tr>
<td>FIGURE 15</td>
<td>Digital Marketing Cost</td>
</tr>
</tbody>
</table>
FIGURE 16. Sale fluctuation after digital marketing ................................................................. 33
FIGURE 17. Investment in digital marketing ................................................................................ 34
FIGURE 18. Digital marketing plan ............................................................................................. 35
FIGURE 19. Is digital marketing complex or convenient? .......................................................... 35
FIGURE 20. Tourism business environment in Nepal without digital marketing ......................... 36
FIGURE 21. Level of digital marketing strategies executed by the Tourism Industry of Nepal ........ 37
FIGURE 22. Digital marketing a drive engine to expose the tourism industry of Nepal globally ...... 38
FIGURE 23. Rating of Digital Marketing ....................................................................................... 38
1 INTRODUCTION

Today, we are living in the 21st century encircled by digital technology and it is also called the digital age. The development of digital technology has brought drastic changes in different sectors as well as in everyday activities of a human being. The world is running every day with new innovations, development, creations, and at present technology is leading and it is growing faster. In the modern world, we clearly see that everything is going digital. For instance, entertainment, health, banking, business, and even currencies are modifying to digital or somehow, they are connected with digital technology. Nowadays, people are more engaged and linked with digital technology and digital devices as a means of communication, entertainment, news, work and so on. Advancement of technology in communication and information has made people more attached in digital devices, meanwhile, social media has grown and established so well.

The evolution of digital technology has created a big platform for marketing for all kinds of businesses. A huge number of companies are jumping online to market their business and it is always important for businesses to keep updated with the latest trend to survive in a competitive business world. Most of the companies in the world are now focusing on online strategies rather than traditional way of organizing and marketing. Besides, digital marketing has now become the most effective and fruitful marketing method for any kind of business from small to big, national to international. Digital marketing is not so expensive, and it can be afforded even by a small company with less amount of capital and it provides similar opportunities to all kinds of businesses.

The main aim to write this thesis is to know the importance and future perspectives of digital marketing in the tourism industry of Nepal. Today’s world is totally depending and running through digital technology and most of the companies in the world have adopted digital marketing as their strongest marketing platform where they can easily show their products and services of their company or business to their interested customers. The objective of this study is to understand the value of digital marketing and its strength to boost up tourism industry of Nepal. In this thesis, there is more about the impacts of digital marketing in the tourism business in Nepal. Nepal is an underdeveloped country where the internet and digital technology are not well developed compared with other developed countries. However, it is growing gently and has brought some changes in business sectors. With the gradual pace, tourism businesses are adopting digital marketing through the means of social media and the internet by replacing traditional marketing and thus resulting effectively both inside the country and internationally as well.
Nepal has great potential in the tourism industry because of its unique geographical position and altitude variation. It is rich in natural beauty, flora and fauna, and has culture and religious diversity as well. Nepal’s tourism industry is playing a significant role in the country’s economy. In the future, it can be an engine of economic growth of the country if promotion and marketing activities are managed properly. At present, Nepal is facing so many challenges in the promotion and marketing of tourism business because of a lack of technology, limited tourism infrastructure, and skilled manpower.

As a commissioner for the thesis, one paragliding company from Pokhara valley was chosen. Company name is New Paraworld Pvt.Ltd and it is located in lakeside-6, Pokhara. It was established in 2011 and has 10 workers altogether in the company at present. It is an adventure tourism business and is also a member of the Nepal Airsports Association (NAA). The major product of this company is to provide an opportunity for visitors to take part in paragliding. Suman Thapa, a managing director and himself an owner of the company has provided me a lot of information regarding the current situation of tourism business and marketing strategies as per his experience in the tourism business since 2011.

The research part of the thesis was conducted in a quantitative method besides data were collected through a questionnaire survey. The main purpose of the research was to identify the importance and key impacts of digital marketing in the tourism industry of Nepal. The questionnaire survey was conducted online. An application named ‘SurveyHero’ was used to create and design an online survey. In order to support the theoretical concept of the thesis, research was designed objectively, thus, to find the facts and measure accurately.
2 MAJOR TOURISM BUSINESS IN NEPAL

Nepal is a small landlocked country spread over an area of 147,151 sq. km. The country is located in a unique geographical position and has a different topography which is from plain land to the high Himalayas. Because of its diverse geography, Nepal has a different climate, vegetation, landscapes, scenario and rich in natural resources such as mountains, rivers, forests, lakes, waterfalls and so on. Besides this, there are other aspects such as holy places, historical places, ancient art and sculpture, cultures and festivals which attract people to visit Nepal. (Nepal Tourism Board 2019.) Thus, having prosperous natural aspects, the tourism of Nepal is filled with activities such as hiking, trekking, rock climbing, jungle safari, rafting, paragliding, bungee jump, and sightseeing. Numerous tourism activities and natural beauty are attracting domestic and foreign tourists (Bookmundi 2019). Indeed, the great potentiality of tourism and the massive flow of tourists every year is encouraging tourism business and making the country’s economy strong as well.

As one of the biggest economic sectors in the world, travel and tourism drives exports, create jobs and generate prosperity across the world. Annual analysis of the global economic impact of travel and tourism shows for 10.4 % of global GDP and 9.9% of total employment in 2017 (World Travel & Tourism Council 2018). Nowadays, many countries are collecting foreign currency through travel and tourism. It plays a significant role in the economy, culture and social development of many nations. Development of the tourism industry uplifts the living standard of local people, escapes them from poverty and helps to solve the unemployment problem which are the serious problems of developing countries.

In recent years, the number of international tourists is increasing rapidly in Nepal which is a positive signal for the tourism industry. Not only international tourists, but domestic people are also traveling to different parts of the country on holiday and festival times. According to the economic impact of Travel & tourism, domestic travel spending generated 56.0% of direct travel & tourism GDP whereas 44.0% for visitor exports in Nepal during 2017 (World Travel & Tourism Council 2018). A massive flow of people every day inside the country is inspiring the tourism industry and it is a hint for the sustainable tourism industry. People spend a lot of money while traveling, they pay for services, entertainment, refreshment and facilities such as transportation, accommodation, food and health service. Such characteristics of traveler create and give an opportunity to the local people to establish and run business. Thus, I have tried to highlight the tourism business enterprises which are in existence and are in an increasing number of trends, and indeed more or less supporting tourism of Nepal (Nepal Tourism Statistics 2018).
2.1 Adventure tourism

Nepal is the land of adventure activities, including eight of the highest mountains in the world, enchanting trekking routes and fast-flowing white rivers from the Himalayas. Nepal offers ultimate challenges for adventure seekers and facilitating some of the best adventure sports to take place. Expedition and trekking are very popular and in-demand in adventure tourism in Nepal. People from different parts of the country visit Nepal for mountaineering activities, thus mountain climbing business is increasing day by day. Similarly, Nepal has already explored paragliding which is another part of adventure tourism. Paragliding experience with a beautiful view of the mountain is best among the other regions of the world. Also, the visitors have the opportunity to experience thrilling and adventurous rafting in fast-flowing white rivers. Thus, the country has great potential in adventure tourism. (Adhikari 2017.)

Taking into consideration the demand for adventure activities in Nepal, there are different institutions spread over the country which are running a business on adventure activities according to the feature and character of adventure. Some of the existing and popular businesses running over adventure tourism are paragliding institutions, trekking institutions, rafting institutions, mountaineering agencies and so on. Thousands of people come to Nepal for trekking, rafting, paragliding, mountaineering, bungee jump, and other adventure activities. Such institutions and agencies help visitors to take part in adventure activities and fulfill their desire. (Simm 2018.) Every traveler wants his/her trip to go smoothly and enjoy every moment of their holiday and make it memorial. Such institutions provide proper services, guide and safety to their customers so that they do not have any trouble or difficulty during the time of travel. They also help to arrange transportation, food, accommodation, booking and ticketing if needed. They give services to their customers and make money in return. Indeed, adventure tourism is one of the important sources of earning foreign exchange. Tourists who come to visit Nepal for adventure activities usually have to pay visa fees, trekking fees, rafting fees, mountaineering royalty and charges in various forms, thus increase government revenue. Similarly, institutions and agencies which are running a business on adventure activities have to pay the business fee, income taxes and so on which directly or indirectly supports the tourism of Nepal and increases the volume of revenue. (Shrestha 2016, 146-148.)

The growing number of adventure tourism is providing thousands of job opportunities to the local people and uplifting their life standard. Tourism employment survey 2014 conducted by the ministry of culture tourism & civil aviation (MoCTCA) illustrates that there are 1636 numbers of trekking agencies, 49 rafting agency, and 22 paragliding and ultralight agencies in Nepal which were registered and were legal to operate (MoCTCA 2014). The number of tourism business is increasing; thus, the number of travel
agencies were 3444 in 2016 and rose to 3824 in 2017. Similarly, the number of trekking agencies were 2367 in 2016 and rose to 2637 in 2017 (Nepal Tourism Statistics 2018). There are 1442 trekking, travel and tourism related agencies, which are registered in Nepal mountaineering association (NMA) as Associate Member and are allowed to climb NMA peaks or can issue a permit to climb (Nepal Mountain-eering Association 2019).

2.2 Travel agency

A travel agency is a profit-making business firm set up for organizing trips. It plays an important role in the development of tourism as well as in the travel business. At present, travel agencies act as a middleman between customers and tourist service provider like hotels, transport, entertainment, excursions etc. Moreover, travel agency work as an advisor and they serve tourists by providing complete information about travelling and destinations and inspire them to take the tour and buy travel packages. According to Tourism Act, 2035 of Nepal, “travel agency means a person, firm or a company which manages services relating to travel and accommodation to tourist or other person with some charges, whatever the business is conducted by any name” (Shrestha 2016,115). Besides this, travel agencies publicize and promote various tourist sites, maintain contact with foreign travel agency, motivates people to travel, they do and participate in tourism exhibitions, fair seminars, marts, etc. which plays the role of marketing and promotion of tourism of the country in domestic as well as in international market. Promoting and publishing function of travel agencies attracts a lot of domestic as well as foreign tourists and convinces them to travel. It helps in earning foreign currency by selling tickets of various modes of transport, booking and reservations of hotels, trekking and mountaineering arrangements, entertainment facilities and also helps to uplift other business such as hotel, restaurants, transportation services, entertainment business, trekking agencies, mountaineering agencies and so on. (Shrestha 2016, 125-127.)

Institutions of travel agency somewhat seem like a current phenomenon in Nepal. In Nepal before 1959 there was no travel agency, the first travel agency was established in 1959 under the name of Shah & Rai Pvt. Limited and was registered under the Company Act of Nepal. The number of tourist’s arrival in Nepal was increasing every year, naturally, the number of travel agencies started to increase. Before 1965, Shah & Rai Pvt. Limited used to work as a branch of shah & Rai company of India, later, it came fully under the control of Nepalese management by the name Third Eye Tours. In the year 1965, Nepal travel agency and Everest travel service were established, similarly, yeti Travels Pvt. Limited was established in 1966. In the same year 1966 (2022 B.S), Nepal Association of Travel Agencies (NATA)
was established and later association renamed as Nepal Association of Travel and Tours Agencies (NATTA). It was established to create unity among the national travel agents and to support the government to develop and promote tourism of Nepal. Gradually, with the rise of the flow of tourists and the demand for their services, travel agencies are growing progressively in Nepal. In 1990, there were 104 registered license holder travel agencies in Nepal, since the number of registered travel agencies started to increase rapidly, and it has been observed that about 50 to 243 new travel agencies are being registered every year. The Number of travel agencies rose to 637 in 2000, 1,739 in 2010 and 2567 in 2014. (Shrestha 2016, 129-130.) The number of travel agency was 3444 in 2016 and it rises to 3824 in 2017. It clears that travel agencies are growing successfully and supporting the Tourism Industry of Nepal (Nepal Tourism Statistics 2018).

2.3 Hotel and lodge

The term tourism and hotel industry are interconnected with each other. In general, tourism is one of the world’s fastest-growing industry in the world. The hotel industry is a part of the hospitality industry which provides accommodation and food services to the people who are far from their place or their home. People who travel for more than a day need a place to sleep and rest and there are various types of hotels and lodging across the world to accommodate and facilitate them. The global hotel industry comes under the umbrella of travel and tourism industry where we can see the revenue by the global hotel industry in 2017 was 570.18 billion U.S dollars whereas travel and tourism industry contributed 7.61 trillion U.S dollars to the global economy in 2016 (Statista 2017).

In the context of Nepal, strong growth of domestic as well as foreign tourists has boosted Nepal’s hospitality industry and inspiring hotels and lodges for expansion. Rising trend of tourist since 2009, the hotel industry is building more opportunities and passing through an interesting phase of investment by domestic as well as foreign investors. Acknowledge the great potential of tourism and the bright future of the hotel industry, many global hotels are considering the Nepali market and moving their steps to run business in Nepal. The number of hotel chains including Aloft by Marriott Starwood, Doubletree Hilton by Hilton Hotels and Resorts, Sheraton by Marriott Starwood and Holiday Inn by Intercontinental Hotels Group has already signed management contracts with Nepali entrepreneurs. (Shakya 2018.)
This figure is taken from the Nepal Economic Forum and it indicates the number of registered hotels existing in Nepal. According to the figure, the number of hotel and beds are increasing every year simultaneously. There were 107-star category hotels and 746 non-star hotels in 2012 and has reached 120-star category hotels and 985 non-star hotels which have all total 38242 number of beds at the end of 2016. This figure demonstrates the positive changes in the hotel industry in Nepal and has a bright future in this sector in the coming days. Most of the good hotels in Nepal are in big cities and tourist destinations such as Kathmandu, Chitwan and Pokhara. However, other tourism destinations are lacking standard hotels because of lack of transportation and the absence of other means of infrastructures. Additionally, hotel members also have associations named Hotel Association Nepal (HAN) which was established in 1966 with eight-member hotels. They are the leading representative organization in the hospitality industry and are representing more than 300 hotels, resorts and guesthouses of Nepal. Their objective is to promote the hospitality industry of Nepal nationally and internationally, maintain unity and cooperation between their members (HAN 2019).

### 2.4 Restaurant and bar

Restaurant business is not a newborn business, it was since long years before and is pretty familiar and popular worldwide. Restaurant and Bar are a sustainable type of business which will never end in the world. In Nepal, the business of food has positive changes and seems growing noticeably over the past few decades. A large number of people are motivated to joining this business meaningfully. According to the Pramod Jaiswal, President of restaurants and Bar association of Nepal (REBAN), there are around 2,000 standard restaurants, bars, fast food outlets and cafes operating across the country. The surprising
number of restaurants and other food business in the country demonstrates a profitable business opportunity in the eatery sector. According to the department of industry, there are 716 registered restaurants which are of investment of Nepali rupee 30 million and above. (Prasain 2017.)

Nepal as an ideal destination for tourism imports thousands of foreign tourists every year and has a massive flow of domestic tourists as well. A huge flow of tourists in different parts of the country and increasing spending capacity of Nepalese people are the major factors behind the success of the food business. Famous tourism places such as Kathmandu, Pokhara, Dharan, Lumbini, Jhapa has comparatively a greater number of high quality and standard restaurant and Bar than other small cities and places. Nepal is quite popular for its cuisine and has different kinds of restaurants to satisfy the taste to different taste of people. Different types of food such as Mexican, Indian, Japanese, Korean, Italian, Chinese are easily available for food lovers in standard restaurant and bar near popular tourist destinations. (Prasain 2017.)
3 MARKETING OF TOURISM BUSINESS IN NEPAL: TRADITIONAL AND MODERN

Marketing plays a vital role in the success of any business activities in current days. It helps to manage the relationship between the buyer and the seller. Through marketing, the seller would be able to know the buyer and understand their needs. Fulfilling those needs, seller runs a business and eventually, growth happens. In the tourism industry, proper and planned marketing can make a big difference. Tourism is growing rapidly and competitive all over the world. Hence, marketing is an essential factor in the tourism sector. Tourism is very competitive and sensitive sector; thus, good marketing strategy and components are essential to moving the business forward. (Shrestha 2016, 98.)

According to tourism expert Renton de Alwis, “All good marketing begins with the customers and ends with customers. All good tourism marketing, therefore, should begin with the visitor(tourist) and see through to the end, that we have melt all responsible expectations of that visitors. We must ensure that he or she returns with as much as a positive feeling as possible, about Nepal and its people” (Shrestha 2016, 99 [Alwis 1997]).

Marketing did not come suddenly in this era; it has its evolutionary history. Marketing came gradually after human civilization and is dynamic. Value of marketing strategies changes frequently along with the changing trend of human society.

According to American Marketing Association, ‘Marketing is the activity, set of institutions, and process for creating, communicating, delivering, and exchanging offers that have value for customers, clients, partners, and society at large’ (American marketing Association 2013).

3.1 Traditional Marketing

In the context of Nepal, industry, organization and other forms of business started and developed a bit later than other countries. Being as an underdeveloped country, people of Nepal used to depend upon agriculture as their prime source of income. Slowly, organization, government institution and business started to grow, hence advertisement and marketing came into practice in Nepal. 1919 B.S was the year; Nepal had the first printed form of an advertisement on the cover page of the book ‘Mokhashidhhi’. Likewise, the second advertisement was published after 26 years in 1945 B.S. Advertisement was not grown well during those years. Gorkhapatra appeared in 1958 as a weekly newspaper and started growing on advertising in Nepal. At that time mainly government notices and orders were published in the newspaper as an advertisement. The first commercial advertisement came on practice in the year 1984 B.S in Nepal which was published by Gorkhapatra newspaper. (Chaulagain 2018.) After the collapse of
the Rana regime in 2007 B.S, various independent newspapers and magazines were born and came to existence as a consumer aimed advertisement. However, the advertisement was steady and did not take peak because of unsupportive government policies. In 1990 B.S, the government opened an open market economy, hence it brings significant changes in media, rise in quantities of newspapers and build a good environment for advertising in the newspapers. The 90s and 2000s were the periods when there were rapid changes in advertising and marketing business through print media, FM, radio, Television channels, outdoor campaigns, wall posters and painting. (Sharma 2016.)

Advertisement in print media is taken as a secure and useful tool for tourism marketing in Nepal since the past. Information about the destination, tourism products, offers and beautiful travel packages were presented through newspapers, travel journals, travel books, stickers and so on. Many tourism companies designed brochures and travel journals including their products, services, package information mentioning destination and price. Travel journals, brochures and travel books were made colorful, and the inclusion of photographs to enhance attraction. Moreover, Advertising in the newspaper was taken as an effective tool for business marketing on past days. Advertisement in newspaper was expensive, the only large size of companies could afford to advertise through it. Many people used to read the newspaper and had trust in it, hence it was powerful media to get customer attention and make a purchase decision. Thus, advertisement in the newspaper was considered the best way to reach large audiences as well as to maintain goodwill and brand of the company among people. In addition, another popular traditional method of marketing was display media. Display media such as hoarding boards, banners and posters along the main road of big cities and on the side of highways also attracts tourists. Methods of display media are still existing and seem effective for the tourism business. We can see big hoarding boards, banners and posters on highways and big cities which reflects the products and general information of the company. Likewise, an advertisement was also made by painting text on the wall and big rocks, posters and stickers on public transports such as buses and vans. (Shrestha 2016, 100.)

Furthermore, another means of marketing on the old days was word of mouth and is still in existence. Satisfied visitors used to tell good memories, the main attraction and wonderful visit to their friends, family and relatives, such type of positive description always makes goodwill of the organization and motivates listeners and motivates them to go and experience. Therefore, many tourism companies try to provide the best quality product and services to their customer, so the visitor will spread the message of their good experience which later brings a drastic increase in the number of customers. Fairs and exhibitions are also taken as the best marketing method in the tourism business and are common in Nepal. Promotion activities and information about travel packages and products used to be provided in fairs
and exhibition which were in practice in Nepal since many years ago. Especially, during the festival time, there used to have different programs representing Nepalese festivals where the organization and companies used to market their product and services by distributing flyers and brochures to the people. Besides, some companies sponsor different sports, events and music festivals to promote their products and services in the locality. Especially, they made the promotion of their products and services through mike announcement in an event and also, they put their banners and posters in different places of event Venue. In Nepal, Television and radio advertising were born after 1990 and still, it is a popular and effective marketing component. Many tourism companies do advertisement through FM, radio and television by creating a short story and displaying products and services. Creative stories and commercial video of products and services generate emotion and excitement which persuade audiences to experience. A decade ago, advertisement through radio, FM and television were more expensive and only big companies could afford it but nowadays it has become cheaper and affordable by the small size of companies. (Sharma 2016.)

Although traditional marketing has been getting success in the past, there are some disadvantages and poor performance too which results in traditional marketing ineffective to the modern business world. Overall, traditional marketing of tourism industry in Nepal seemed to push marketing where companies are more focused to promote and advertise their products and services rather than knowing customers interest, wants and desire. In many cases, traditional marketing is more expensive and time-consuming which would be a big problem for small-size companies and to those who are just starting a business. One of the biggest problems of traditional marketing is that traditional marketing systems are more physical and static which results in poor performance in collecting feedback from customers. To make the right marketing strategy it is important to interact with audiences, get to know their psychology and prospects. Traditional marketing methods such as television, radio, newspaper, brochures, flyers and banners lack the ability to interact with the customers, thus the traditional marketing has a low response rate. (Thakur 2019.)

3.2 Modern Marketing

Marketing is a very sensitive sector, so it is always important to be updated with the latest technology and trends in the world. Marketing policies and strategies must be changeable to come up with the different pattern of customers such as their interest, taste, attitudes, expectations, demand and their behav-
Generally, companies and businesses do marketing in that platform where they found more audiences and targeted customers. We are in the era of technology and the internet where many people are active online for different purposes of their life. We see people around using modern devices and depending upon technology. Since it is clear for all businesses and companies that they can easily reach to the large group of audiences through the internet and modern technologies. Thus, digital marketing is becoming an effective marketing hub for every kind of businesses in the world. Similarly, most of the tourism companies of Nepal are trying digital marketing by following the trend of society and a new generation. In Nepal, the number of internet users and smartphone holders are increasing rapidly every year. It was found that approximately 16.67 million Nepalese were benefited by the use of internet in 2017 and has been observed the growth of the internet by 15.60 percent every year (Neupane 2018). The growing number of internet and social media users are pushing digital marketing to the new height. It has become an effective tool for marketing and to promote tourism product and services with high impact and low cost. Social media such as Facebook, Instagram, and websites are playing a big role in promotional activities as well as media to interact with the audiences. These days, many tourism businesses of Nepal are investing more amount on creating smart websites and Facebook pages as a means to attract and catch the attention of audiences on their product and services (Prasain 2018). However, being as a developing country large number of the citizens of Nepal are uneducated and not familiar with modern technology. Lack of skilled manpower and advancement in technology might be the reason behind less portion of digital marketing in the market. Thus, advertisement and marketing on print media, television and radio are still leading marketing pattern and companies are implementing it as an effective method (Sharma 2016).
As shown in the figure above which was published by Advertisement Association of Nepal, print media has the highest share in ad market which holds 47 percent, followed by television and radio with 19 percent each, meanwhile, digital marketing which includes online portals, social media and digital media has only 5 percent. Remaining 10 percent is held by other small components of marketing and advertisement such as digital theatre advertising, hoarding boards, digital display and banners (Sharma 2016). Furthermore, Nepal tourism industry follows many other components for tourism marketing nationally and internationally. One of the common marketing methods is by organizing fairs and exhibitions such as cultural programs, food festivals, Nepalese handicraft exhibitions with the support of government organizations, hotel association, travel agency association, Nepal Association of rafting agents and so on.

Promotion of tourism is done by participating in different international fairs and exhibitions in different countries, such as ITB Fare Berlin, WTM London, BIT Milan, JATA Tokyo, CMT Fare Stuttgart (Germany), ITE Hong Kong, ATM Singapore and so on. Such exhibitions and fairs flow information’s about tourism products and services and tourism destinations of the country to national and international level. Likewise, familiarization tours are also taken as effective tourism marketing in the context of Nepal. Many tourism business organizations organized familiarization tours for foreign tour operators, journal-
ists, media personnel and other important personalities to promote tourism and tourism industry of Nepal. Such familiarization tour participants give publicity of the sites visited with relevant information either by writing or speaking which spread a positive message in the international market. During a trip to different tourism destinations foreign tour operators, journals and media persons make documentaries, videos, blogs and do posted in their official sites through different media which can highlight tourism products to the potential visitors. Moreover, personal contact and word of mouth as a means of marketing are common in Nepal. Organizations contact their old clients, friends and those with whom they have old relation as a person and offer them their products and services at a reasonable price and convince them to experience their product and services. Such interrelation between organization and customers maintain good relation and slowly make the connection with other more customer through their old friends and customers. (Shrestha 2016, 101-103.)
4 DIGITAL MARKETING IN NEPAL

This chapter illustrates the meaning and importance of digital marketing in general. It gives an idea of online presence in order to promote business. Moreover, the chapter is discussed regarding the tourism industry of Nepal, taking into account the current phenomenon of digital marketing growth. Readers will be able to find information about the impacts of digital marketing in the tourism industry. Also, it highlights the major problems and challenges that tourism companies in Nepal are facing while adopting digital marketing.

4.1 Digital marketing in general

Digital marketing is the current phenomenon in the globe. If we assume marketing as a tree, then digital marketing is a branch of marketing. Chaffey and Ellis-Chadwick [2012] described digital marketing described simply as ‘achieving marketing objectives through applying digital technologies’ (Chaffey 2015, 328). This definition clears that digital marketing doesn’t mean the only adoption of technology; it also reminds that it is the result obtained from the use of technology emphasis on marketing. Especially digital marketing refers to online marketing or internet marketing. In the modern world, everything is going digital and technology is leading. To survive in this competitive world, almost all companies are adopting digitalization and jumping online to market their business. Companies need to be updated with the latest trend of technology to keep their brand alive. Internet acts as a double edge sword to existing brands. Customer who has knowledge of brand will trust the product and services but there is always an uncertainty in loyalty. Penetration of the internet might make the customer trail other brands. That is why companies must build sound planning and strategies of digital marketing to exist and rule over the market. Nowadays, people use smartphones, laptops and pc at home and tend to use google or other search engines to look at information about business or company. If the business or company is not online then the people will not find sufficient information about the company or business and it will cause a negative impact on market reputation. No matter what the business is, it should have an online presence in order to boost advertising and increase sales. (Bovykina 2019.)
Report of 2018 from ‘We Are Social’ and ‘Hootsuite’ shows that, among the total population of the world 7.593 billion, 53% of people were using the internet which was 4.021 billion. A total number of active social media users were 3.196 billion which was increased by 13% than the previous year. Similarly, there were 5.135 billion people who were using mobile phones and was observed increasing by 4% every year. Moreover, usages of social media and penetration of the internet seem very high. It is clear that digital marketing has a bright scope at present. Business and companies have no more option rather than shifting to digital space. Digital marketing has become one of the important aspects of every business. Thus, companies should be aware of digital marketing and start utilizing the benefits of this change.

Digitalization has created a digital marketing platform for every kind of businesses. Both large and small business can implement their marketing strategies and tools of marketing in order to market their product or services to their targeted customers. Additionally, components and tools for digital marketing such as social media, YouTube, email, web, search engine optimization (SEO), pay per click (PPC) and digital display are considered as an effective tool. The ground for digital marketing is the search engine optimization which enables searching for the websites in no time with quick response. It also assures high-quality links that are mobile friendly and most importantly search engine optimization helps in terms of
keyword searching instead of surfing the keyboard. Email marketing is another element of digital marketing which ensures in driving huge sales and keeping customers interest focused. With the birth of a technological revolution, using smartphones and instant email notification has made email marketing much smart and effective than ever before. Social media strategy is another important element which helps in improving brand awareness and developing and maintaining a relationship with the customers. It is not necessary to remain active and awake all the times in every social media site, rather people can use just the one that benefits them. Another highly successful and most used element of digital marketing is paid ads or pay per click campaign. In the modern competitive world of the market, visibility is the key. People believe in what they see rather than what they hear. Pay per click campaign assists customers of their interest where they can click on the ads to get information about the product. For example, Google AdWords and display ads have been proven crucial and are also gaining exponential popularity in the search engine results. (Manaram Technology 2018.)

As shown in the figure above, marketing strategies are of two types that are pull marketing and push marketing. In push marketing, companies normally push their commercial offers to customers. They are more on advertisement and publicity of their products and services without knowing customers interest. On the other hand, the pull strategy mainly focuses on customers interest and market demand and try to

FIGURE 3. Pull and Push Marketing Strategy (Gigantiello 2017)
pull customers on their wish. Likewise, modern marketing methods of the tourism industry of Nepal is following both push and pull marketing strategies which are very effective and fruitful. For instance, radio and television advertisement, exhibition and fairs, direct emails, print advertisement and display advertisement act push marketing which makes audiences aware of the product existence. Once after push marketing when audiences came to know about the products and services and its importance, then pull marketing will become more effective. Act of pull marketing is mostly playing by social media, websites, search engine optimization, word of mouth and familiarization tours. All these marketing tools has the qualities to draw potential customers towards companies’ products and services. Furthermore, digital marketing on social media and websites are analytical, so the companies can analysis the interest and demand of potential customers by which companies can create a better plan and change marketing strategy when required.

4.2 Impacts of digital marketing in tourism industry

Today’s marketing is all about building profitable customer by interacting with them. It starts with understanding their needs and wants, designing good offers and selecting target groups to whom they can provide products and serve best. As Wal-Mart founder Sam Walton stated, ‘There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else’ (Armstrong, Kotler, Harker & Brennan 2012, 8). People are the one and only important element for any kind of business; thus, it is important to be updated with the customer’s trend. In this era, it is pretty obvious to see that the world is shifting towards technology and people are more active on the internet and online media. Around 50% of people in the world use the internet. These day’s people rely on digital technology to research, entertainment and evaluate and purchase products and services they need in their life. Therefore, it seems digital marketing is more effective for every business in this modern world. In the context of Nepal, internet penetration seems very high this day. Before the digital marketing trend, companies had to go for the door to door marketing to get targeted customers and to know their interest. Such marketing methods were expensive and time taking. But nowadays companies are following digital marketing methods and the result is progressive. (Thakur 2019.)
FIGURE 4. Internet penetration in Nepal (Digital Nepal Framework 2018)

The figure demonstrates the rising number of internet user in Nepal. It shows that 57% of Nepalese were connected with the internet in the year 2017 which was a drastic change in the number compared to the year 2012. It can be noticed that Nepal is adding new internet users by 6-7 percent every year. Besides, mobile penetration in Nepal has been observed rapidly over the last 4-5 years. Penetration of mobile has reached 113% in 2017 which was just 21% in 2009. Nepalese people are realizing the importance of internet, online presence and smartphones; thus, it is growing at a phenomenal rate. Furthermore, social media and entertainment sites such as Facebook, Twitter, Instagram, YouTube is becoming more popular. Nepal had around 9.3 million Facebook users in the year 2018. Similarly, there are more than 6.4 million registered users on YouTube. Such a modern trend of internet and social media has changed the formulaic concept of traditional marketing and has created the platform of digital marketing in the country. The number of registered websites in 2017 was 56,286 and among them, 40,000 were commercial websites. (Digital Nepal Framework 2018.) Many businesses and organizations started to invest and update in digital marketing to enhance their online presence on the internet as well as to promote business globally.

Digital adoption and GDP growth has a strong bond. According to a World Bank report, the country results in incremental growth in economic by 1.3% with every 10% increase in internet penetration. Digital marketing has a very good impact on the business sector in Nepal. That’s why people rely on and adopt it rapidly. Nepal seems like a fast-growing country in the digital and internet sector. After digitalization, business in Nepal has turnover its face. Marketing and advertisement through electronic media such as television, Facebook, websites and emails are faster and effective. Therefore, the tourism industry is emphasizing more on these elements and is considered powerful tools for marketing. A portion of digital marketing is growing impressively to 10 % which was only 5 % a couple of years ago. Sudan Subedi, a senior officer of the Nepal Tourism Board (NTB) said that the Tourism Board is moving
towards paperless marketing and giving more importance to digital marketing. They are updated on websites to promote their tour packages and also spreading messages through social networking sites. Traditional marketing has not been effective to promote tourism business globally. Therefore, the Tourism Board of Nepal has implemented digital marketing to design products, promote and reach the targeted audiences. It is using networking sites and social media such as Facebook, Twitter, YouTube and Google Plus to target their audiences. Nepal tourism board has planned to invest 200 million Nepalese Rupees in digital marketing only. Furthermore, several media campaigns were launched by NTB through international media such as BBC and TripAdvisor to promote tourism of Nepal internationally. (Rising Nepal 2014.)

4.3 Problems and challenges

Sound market connection and marketing strategy are needed for the smooth growth of the tourism industry. In order to boost tourism activities and tourism industry, Nepal has participated in various international exhibitions, lunched promotional campaigns, made promotional films, and videos and documentaries of important tourism destinations. Besides, emphasizing on the internet and mobile medium, many companies have changed their marketing methods and shifted to digital marketing from a traditional one. It seems that big tourism companies are now sharing the budget for digital marketing, and the investment over digital marketing has made a significant impact on the tourism industry as a whole. Despite various efforts, Nepal has not been able to achieve an optimum result in tourism development. Marketing activities are very limited and have a poor implementation. (Shrestha 2016, 108-109.)

Digital marketing is considered an effective tool for marketing; however, tourism industries of Nepal are facing problems and challenges while growing through it. Firstly, instability of government seems like a major problem in tourism development and promotional activities. It brings uncertainty in business policy, lacks investors and innovation on promotional activities. Government of Nepal has separated very less promotional budget for tourism, thus private sectors are motiveless and done promotion in unsystematic ways, and the efforts from the private sector have not been adequate to cover the whole tourism industry. Role of government on promotional activities of tourism should be great in the country, but in Nepal, government participation and efforts don’t seem strong enough (Shrestha 2016, 110). Besides, the low literacy rate of the country seems like a major challenge to adopt digital marketing, though the country has high internet and mobile penetration. Nepal has around 60% literacy rate, the remaining 40% are uneducated and traditional. Remarkably, teenagers and youth are the ones who use the internet
and are educated. It is easy to know their demand, interest and desires from their activities on the internet which helps the business to find their target group and flow message on them. But, promotion and advertisement business through digital marketing would not reach to the ones who are uneducated and could not access the internet. Almost 40% of people, who are old and belongs to above 50 age group are less active on the internet and are uneducated. Reasonably, at present condition of Nepal, digital marketing has not been effective enough to attract all customers and its challenging for them to reach all segment of the targeted customer. (Digital Nepal Framework 2018).

Furthermore, lack of appropriate technology and skilled manpower hinders the growth of digital marketing in the tourism sector and result in poor promotional activity. Nepal as a developing country is behind in modern technology and infrastructure development. Much skilled manpower is moving overseas for a better opportunity; thus, the country is lacking skilled manpower such as technician and IT specialist to focus primarily on the tourism sector. The gap that exists between the tourism industry and modern technology is one of the reasons behind the slow growth of digital marketing. Tourism Businesses wants to promote their products and services on the internet in a professional way, but the correlation between the tourism industry and the technology has not been progressive enough to reach out all the targeted audience. The digital media penetration in the tourism sector somewhat seems slow and misplaced at the moment, therefore tourism marketing appears unorganized in Nepal. It is vital for the tourism industry to incorporate digital media to the fullest in order to achieve sustainable growth of the industry, and with the growth in the modern technology and the advancement in digital marketing, it is inevitable for the tourism industry to embrace and incorporate the modern technology to survive. (Dhungana 2018.)
5 RESEARCH METHOD

Research is a general term which is used to find out information and knowledge in a scientific, and more or less systematic way. It involves collecting, organizing and analyzing data with proper study, observation, comparison and experiment. Research is done to find out the information and discover things that you did not know, or which has not been discovered yet. It is about enhancing the borders of knowledge. Besides, research methods are the techniques which provide ways to collect, sort and analysis information of social and physical phenomena, and gives fine conclusion (Walliman 2011, 7). Research methods are broadly divided into two categories which are qualitative research and quantitative research. The concept in quantitative research methods are usually in the forms of variables, data appears in numbers and made a specific measurement, whereas, qualitative research methods are mostly described in a narrative fashion, images, and is non-statistical (Dudovskiy 2017).

A research study of this thesis was conducted through the quantitative research method in which the questionnaire was used in the research process to collect relevant information from a large number of people. A questionnaire survey was made online with the help of free online tool name ‘SurveyHero’ and it was set with altogether 21 questions. The survey was described as a part of the study and was mentioned clearly that the participation in the survey is voluntary, and their data are non-anonymous and confidential. A questionnaire survey was chosen for the research because of the assumption that it involves a large population. Thus, more data and opinions can be analysed to find the accurate result. Overall, the main purpose of the survey was to identify the importance and key impacts of digital marketing in the tourism industry of Nepal. Thus, the survey questionnaire was designed in such a way to dig and collect hidden information about the digitalization in the tourism industry of Nepal.

5.1 Quantitative Research Method

A quantitative research method is a numerical data collecting process by standardized techniques, then evaluating and measuring collected data by applying statistical methods. It is used to analyse and explain the phenomenon systematically and accurately by gathering fool-proof statistical data from a large group of people. The research aims for objectivity and believes in facts; thus, researchers use quantitative research method especially when they are looking for objective and conclusive answers. Furthermore, it can be conducted in different ways such as questionnaire, interviews, observation and records. Since
Quantitative research methods generally identify the problems and explain the phenomenon, however, has the limitation and does not explore the ‘why’ and ‘how’ behind a phenomenon. (Bhatia 2018.)

Quantitative data analysis is such a technique by which collected raw data turns into meaningful data through the process of rational and critical thinking. Since, quantitative research is conducted in a large group of people, hence it has frequencies of variables and differences in variables. Therefore, it is important to analyse data in a standardized way and should make a careful decision to obtain trustworthy conclusion. Furthermore, the quantitative research method is generally linked with the finding evidence to either support or reject hypotheses which are generally mentioned at the early stage of the research process. (Dudovskiy 2017.)

5.2 Validity and Reliability

The validity of research can be explained as a method which measures accurately what is intended to measure. High validity research generally produces genuine results that correspond to real properties, characteristics, and variation in the physical and social world. High reliability is considered as one indicator to ensure validity. If the data collection is not reliable, measurement probably wouldn’t be valid. However, reliability in the study is not enough to ensure validity. In some cases, even the method is reliable, it would not define the real situation. For example, in a sample test, you use a thermometer to measure the temperature and it shows the same temperature each time. However, the thermometer which was used has not been calibrated properly and has shown the result 2 degrees lower than the true value. In this case, measurement is reliable but is not valid because the temperature shown by the thermometer was the same each time but was not real. (Middleton 2019.)

Validity is an important element and is considered to be a compulsory requirement for all types of studies. It is not possible to minimize all the errors and to calculate 100 percent accurate result, however, researchers have to make an effort to correct and minimize errors to find the accurate result as much as possible. Taking into account the characteristics of the study and by selecting appropriate methodology somehow helps to obtain a valid measurement. Research validity are in different forms and some of them are content validity, criterion-related validity, construct validity, internal validity, external validity, concurrent validity and face validity (Dudovskiy 2017). To ensure the validity of this thesis, research was made through a questionnaire survey. Meanwhile, the questionnaire was designed regarding the objective of the thesis. A questionnaire survey was made non-anonymous and confidential to minimize
the risk of wrong participation in the survey. Furthermore, errors were checked carefully to find the accurate result as well as to ensure the validity of the research.

Reliability is the degree to which the method produces stable and consistent results. In simple term, if the research is concerned with high levels of reliability, then the other researchers would be able to achieve the same result consistently by applying same research method under similar circumstances (Dudovski 2017). Measurement can be reliable without being valid but usually, if the measurement is valid then that is reliable too. For example, the thermometer displays the same temperature every time if you measure the temperature under the same circumstances. It means that if the measurement is reliable then the result must be the same each time the test is completed (Middleton 2019).

Furthermore, the research part of this thesis is reliable because the data collecting process was made sincerely and systematically. There were approximately 30 respondents in the questionnaire survey which was made online. All the data were collected from different tourism business of Nepal and the questionnaire format was same to all respondents. Thus, the findings of this thesis research are precise, stable and reproducible which is well enough to make it reliable.
6 DATA ANALYSIS AND RESULTS

Data analysis is the process where statistical and logical techniques are used to evaluate, describe and illustrate the numerical terms by emerging findings to derive meaningful insights. It is an important part of the research, thus, has to be careful and rational when making critical analysis and interpretation of figures. Appropriate and accurate analysis of research findings is an essential component of ensuring data integrity (Responsible Conduct in Data Management 2005). Statistics methods are most preferred and effective to summarize data, describing patterns, relationships, and connections. Statistics methods are classified into two groups which are called descriptive statistics and inferential statistics. Descriptive statistics generally summarize data whereas inferential statistics are used to identify significant differences and to compare between groups of data (McLeod 2019).

In this study, data were collected through an online questionnaire survey. Survey has 21 questions altogether and among them, 3 questions were open-ended and remaining others were to choose the best alternative depending upon the structure of the questions. During the process of data collection, surveys were forwarded to the existing tourism companies in Nepal through email, Facebook Instagram and Viber, and got altogether 30 respondents. Survey data was collected from the 2nd of September to the 10th of October 2019. All the data and information collected from respondents were carefully checked and analysed wisely. Errors were removed and corrected. The ultimate aim of the researcher was to come up with fruitful conclusion regarding the key impacts and future of digital marketing in the tourism industry of Nepal.

6.1 Chart, table and analysis

In this following chapter, results of the collected data are demonstrated in a figure. All the questions of the survey are described and analysed separately as shown in the figures. Figures which are shown below were created from Microsoft Excel based upon the data from the questionnaire survey.
This was the first question of the questionnaire which was asked about digital marketing components that tourism companies are using for advertising and promoting their business. As seen in the above figure, social media and websites are more chosen, on the other hand ‘others’ and ‘pay per click advertising’ are less preferred. Among 30 respondents, 27 companies are using social media, 23 companies are using websites, 13 companies using email marketing, 12 companies are using content marketing, 7 companies are using search engine optimization and 3 companies are using PPC respectively. It is good to know that one company is using some other tool too. It is crystal clear from the above figure that social media and websites have seemed more popular and most preferred digital marketing tool. Likewise, pay per click advertising and search engine optimization have less impression in the digital platform even though those are considered an effective tool for marketing strategies globally.
The above pie chart illustrates the more effective marketing source for tourism business. The question was asked to the tourism companies regarding which marketing source is more effective for the tourism business. Here you can see the entries in the pie chart which were obtained from the survey. Among the total, 90% believed and has marked their opinion on digital marketing as an effective marketing source, followed by radio & television with 7% and print media by 3% respectively. Besides, ‘other’ was given as an alternative option to mention in case of some other effective marketing sources followed by companies but has no any response on ‘others’ at all. The figure demonstrates that digital marketing has dominated other marketing methods in the context of tourism business.
The figure shows the overall portion of the digital marketing activity of tourism companies. From the given figure we can clearly see that 10% of companies have opted to 0–20% digital marketing, 23% of companies have 21–40%, 33% companies are using 41–60% digital marketing, 27% companies have 61–80% digital marketing and 7% companies have 81–100% digital marketing. From this figure, we can notice that few companies have a poor digital presence, and only 10% of the companies mostly depend on digital presence rather than other traditional marketing techniques to boost their business. Overall, we can say that many of the companies have adopted digital marketing in large quantity than other marketing methods.

![Pie chart showing digital marketing adoption](image)

**FIGURE 8.** How long has digital marketing been used?

The above figure illustrates the data, which was received from 30 respondents regarding the question, since how long has digital marketing been used in your business? Pie chart demonstrates that 20% of the companies were using digital marketing since last year, 46% of companies using it for 2-3 years ago, whereas 27% of companies were adopting digital marketing since last 4-5 years, and only 7% of companies have been using it since more than 5 years. From the above figure, we can notice that many of the tourism companies have implemented digital marketing just a few years before and among 30 respondents only 7% of the companies were in online presence since more than 5 years. It means that the growth of digital marketing is in an initial stage. By comparing figure 9 and figure 8, we can assume that digital marketing is growing tremendously and seems as an effective marketing method in the tourism business.
The above pie chart demonstrates the activity of tourism business in the online platform. In the questionnaire survey, the question was asked as to how often you update your business in an online platform. According to the response of respondents, it shows that 27% of companies are active in online platform in a daily basis, likewise, we can see 60% of companies are active weekly, 6% of companies updated their business monthly, and 7% of companies updated annually. Here we have seen the big covered area by the companies who use to update their business daily and weekly. By analyzing the figure, we can say that most of the companies are active frequently in the online platform as required.

FIGURE 10. Influence factors in implementing digital marketing
The above bar graph shows the factors that influenced tourism companies to go through digital marketing. The question was asked as, what factors did actually influence you in implementing digital marketing strategy for your business? The given graph is the result obtained from the respondents. There is not such a comprehensive difference on the influence factors, here we can see global trend was chosen by 7 respondents, mass marketing by 9, 10 respondents had marked networking, digital transformation was selected by 7 respondents, and 12 respondents had chosen all above factors. Besides all factors, networking was chosen by the highest number of respondents, followed by mass marketing. Meanwhile, the global trend and digital transformation have the same figure. Taking in to account the survey result, we can accept that all the factors have their own value and seem key influencing factors behind the growth of digital marketing.

![Bar Graph](image)

**FIGURE 11.** Common contact methods

The following bar graph shows the common contact methods of customers to the companies. This question was a multiple-choice question which was asked with five best alternative options. Five best alternative options were websites, email, social network, phone and office visit, among them ‘phone’ and ‘social network’ was chosen heavily, and was highlighted as a most common contact method, followed by email, websites and office visit. According to the graph, ‘phone’ has the largest figure considering the most common contact method, however, the figure of social network, email and websites hint that customers are likely available in digital platform and active online. Office visit has the smallest figure in the graph; thus, it means that customers rarely visit offices in order to contact companies.
The above figure illustrates the effective level of different digital marketing activities. The question was asked as ‘based on your experience, how effective do you consider these digital marketing activities for your business?’ Meanwhile, five popular digital marketing activities were given such as SEO, email, PPC, Social Media and Content, and effectiveness was measured of each activity in four categories which are ‘extreme’, ‘good’, ‘satisfactory’ and ‘not at all’. As per the survey result, social media and content marketing activities were highlighted as the most effective marketing activities, followed by email, SEO and PPC. Thus, it is clear that many of the companies are making good use of social media and content marketing to promote their business. On the other hand, PPC seems comparatively less effective than other activities. From the given figure we can notice that email marketing is considered not much effective neither less effective. Besides, it is surprising to see that SEO and PPC were considered ineffective marketing activities by some of the companies. It means that whether SEO and PPC were not utilized properly or they are not advantageous in comparison to other tools in the context of tourism business of Nepal.
FIGURE 13. How applicable is digital marketing in reality to reach targeted audiences?

The above figure illustrates the result obtain from the survey question which was asked as ‘In your opinion, how applicable is digital marketing in reality to reach targeted audiences?’ The results revealed that digital marketing is very useful to reach targeted audiences. As shown in the figure, 67% of respondents answered digital marketing is ‘very useful’ to reach targeted audiences, 30% of total respondents answered it as a ‘useful’, 3% of respondents answered it ‘satisfactory’ whereas there is no any response over the option ‘poor’. It means that digital marketing is applicable for tourism business to reach up to their potential customer.

FIGURE 14. Digital Marketing Cost
The above pie chart shows the relative cost of digital marketing than other means of marketing methods. The survey question was designed as ‘Based on your investment experience, how costly is digital marketing than other means of marketing?’ The above pie chart is the outcome obtained from 30 respondents. As shown in the figure, 60% have mentioned digital marketing is ‘Reasonable’, 23% of the total respondents have figured it as ‘Relatively Cheaper’ and 17% of respondents have considered it as ‘Relatively Expensive’. Taking in to account the data received from the respondents, we can assume that digital marketing cost is worthy as its performance and result. On the other hand, it seems relatively cheaper than other traditional marketing methods.

![Pie Chart](image)

FIGURE 15. Sale fluctuation after digital marketing

The above pie chart illustrates the overall figure for sale fluctuation of products and services of the tourism companies after implementing digital marketing. As shown in the figure, 77% of companies have their products and services increasing, 23% have constant in their sales, and none of the companies has sales decreasing. It means that digital marketing has a positive result regarding the company’s sales growth. The figure shows the vast differences between constant sales and sales increasing; thus, it gives the sense that proper utilization of digital marketing could uplift business and lead to success.
FIGURE 16. Investment in digital marketing

The above pie chart demonstrates the opinion of tourism companies about investment in digital marketing. To find out the opinion of different companies, the survey question was designed as ‘Compared to the previous year, are you looking forward to investing more, same or less money in digital marketing?’ It can be noticed clearly in the above figure that 73% of companies are looking forward to investing more money, 23% of companies are investing the same amount whereas only 4% of total companies are looking forward to investing less money. Thus, it means that many of the companies rely on digital marketing considering as an effective method to promote and advertise their business. Comparing this figure with figure 16, it is found that the companies investing more money in digital marketing and the companies which have increased sales are almost similar in the figures, whereas same capital investment is same with the figure constant sales, and has not more differences between less investment and sales decreasing. Thus, we can assume that sales increment after digital marketing and investment over digital marketing are somehow interrelated, and it seems that increment in sales plays a role over investment.
Every business has a certain plan of marketing to promote their product and services. Likewise, in order to find out the plan and strategies of tourism companies of Nepal regarding digital marketing, survey question was asked as ‘How are you planning digital marketing for your business?’ The figure which is shown above is the data received from tourism companies during the interval of the survey. According to the figure, 87% of companies are planning digital marketing for the long-term, 10% among the total companies are uncertain about implementing digital marketing, and only 3% of the companies are performing digital marketing for short-term. It is clear that many of the companies are executing digital marketing for the long-term. Through this, we can predict that digital marketing has a great future, and probably would overcome other marketing methods.

**FIGURE 17. Digital marketing plan**

**FIGURE 18. Is digital marketing complex or convenient?**
The above figure shows the general procedures of digital marketing, whether complex or convenient. Simply the question was asked as ‘In your opinion, is digital marketing complex or convenient?’ The main purpose of this question was to know the opinions of respondents regarding the insight process while implementing digital marketing. It helps to analyse the potential opportunity of digital marketing and the pace of digital evolution. As shown in the figure, the majority of respondents have highlighted digital marketing as a convenient which is 87% whereas 13% of the respondents answered it as a complex method. It means that many of the tourism companies are going easily through digital marketing. Thus, it can be predicted as digital marketing has great potential to bring revolution in the marketing method.

![Figure 19](image)

**FIGURE 19.** Tourism business environment in Nepal without digital marketing

The above bar graph is the result obtained from the survey question which was asked as ‘would it be possible to run a tourism business in Nepal without digital marketing?’ Meanwhile, three alternative options were given which are ‘Yes, it is possible’, ‘Yes, but hard to compete’ and ‘No, it is not possible’. Among 30 respondents in total, 20 respondents have selected the option ‘Yes, but hard to compete’, 6 respondents have chosen ‘Yes, it is possible’ and 4 respondents have chosen the option ‘No, it is not possible’. Thus, the data and figure are shown in the bar graph clearly illustrates that it is possible to run a tourism business without digital marketing but is difficult to compete with the competitors in the market. Indeed, customers, these days are more active and available online, thus in the absence of digital marketing companies could lose reputation and goodwill.
The question was asked to the different tourism companies to know their opinions on digital marketing strategies implemented by the tourism industry of Nepal is well enough or not. The above pie chart and entries on it are the outcome of the survey. As shown in the figure 37% of the total respondents are ‘agree’ on the implemented strategies as well enough, 33% of the respondents are ‘disagree’ on it, 13% of the respondents have answered ‘don’t know’, 10% of the respondents are ‘strongly disagree’ and 7% of the respondents are ‘strongly agree’. If we categorize the given alternative options in three divisions such as positive, negative and neutral, meanwhile ‘strongly agree’ and ‘agree’ come under positive which means well enough and it holds altogether 50%, similarly ‘strongly disagree’ and ‘disagree’ comes under negative which means not well enough and it holds 43%, and the option ‘don’t know’ could be considered a neutral which has 7%. Thus, the result shows that there is not such a vast difference between the respondents who thought digital marketing implemented is well enough and the respondents who thought it is not well enough. However, the majority of respondents are agreed on digital marketing strategies are implemented well enough. It means that the tourism industry of Nepal is adopting digital marketing strategies wisely and productively, however, has some trouble and challenges which has to be tackled professionally to generate a better result.
The above pie chart demonstrates the opinions of the respondents regarding digital marketing as a drive engine to expose the tourism industry of Nepal globally. According to the survey result, 57% of respondents are ‘Strongly agree’ whereas 43% of respondents are ‘Agree’ on it. Surprisingly, there is no any response on other alternative options such as ‘Disagree’, ‘Strongly disagree’ and ‘Can’t say’. Thus, it hints that digital marketing is taken as a heavily powerful marketing method in order to expose the tourism business of Nepal globally.

The above pie chart illustrates the rating of digital marketing method based on its performance and result. The question was asked with four alternative options to rate digital marketing such as ‘Excellent’,
‘Good’, ‘Satisfactory’ and ‘Poor’. As shown in the figure, 53% of the total respondents listed it as an ‘Excellent’, 47% of the respondents chosen it as a ‘Good’, besides this, there is no any response over the options ‘Satisfactory’ and ‘Poor’. From this figure, we can assume that digital marketing has very good performance and result in the context of the tourism industry of Nepal. Thus, the marketing method is heavily highlighted by positive indicates.

Meanwhile, a questionnaire survey has three open-ended questions which was asked to the respondents regarding major challenges while adopting digital marketing and was requested to mention some positive and negative changes in their business which was noticed after implementing digital marketing. Not all the respondents but many of them have given an answer in open-ended questions. Going thoroughly on the answers which were received during survey interval, there are different types of problems which companies are facing. Many of the companies have mentioned the problem of technical issues and lack of skilled manpower to generate digital marketing in a creative way. Because of it, companies have to effort more, have to give more time and the cost becomes more expensive. Some of the companies are facing problem on the online payment system, and fake booking and websites created in the name of the company by hackers. Identifying those problems, I found that many of the companies have the problem of a weak security system and lack of advancement in technology. Furthermore, companies have shared their experience regarding positive and negative changes in their business after digital marketing. Many of the companies have expressed that after digital marketing they are having a huge flow of customers and engaging with customers directly. Mass marketing, reliable and quick performance of digital marketing is been accepted as a positive change. On the other hand, companies are having difficulties to reach customers from rural areas and have unhealthy price war in the market between competitors because of easy and low-cost features of digital marketing which were received as negative changes.

Likewise, the last question of the survey was requested to the entrepreneurs to suggest other tourism companies who are not following digital marketing methods. Many of the respondents have given suggestion taking into account digital marketing. They made a suggestion to other companies to go through digital marketing to maximize brand awareness and to reach in the global marketplace. Some of the respondents have mentioned that the future is digital so sooner or later, thus has requested to come up with digital marketing strategies to exist in upcoming days.
6.2 Findings and Suggestions

From this research, it was found that digital marketing is growing rapidly in the tourism industry of Nepal with its remarkable impression. Companies are adopting it heavily and considering it as an effective method to promote and boost up their sales. Furthermore, many companies are taking it as a very convenient method and have planned their strategies for the long term. Impacts and result of digital marketing are encouraging people to come up with new ideas and creativity on it, thus the growth of digital marketing seems sustainable. Nowadays, customers are more available and active online, so it is an opportunity for every business to catch the attention of customers by presenting products and services in a unique strategy through a digital platform. Besides this, digital media is playing the role of mediator to connect customers and business. Thus, perfect timing and correct strategy are important to win the customers heart because customers have many options while making a purchase decision.

Besides the positive impacts of digital marketing, there is some difficulties and challenges while adopting it. In fact, digital marketing is in the initial stage so that many companies are still lacking in professional methods. Companies are facing problem in functioning digital marketing strategies such as safety and technical issues. As a suggestion, companies should hire a specialist or technical person to update content regularly and to protect official sites from cyber issues. Furthermore, an only online presence is not enough to connect with the customers. Things that are presented in the online platform should be clear, convenient and easy, thus, the customer could understand and access easily. As per the survey result, social media and content marketing components are considered most effective for marketing, accordingly, companies must think about these components to promote products and services as well as to maintain goodwill and reputation in the market. Goodwill of the company is considered an asset, and directly or indirectly it persuades customers to experience products and services of the company.
CONCLUSIONS

Future is uncertain, it is impossible to say exactly what will happen in the future, but it can be analyzed and look forward. We can notice that technological advancement has changed the method of business marketing. At past, Companies used to collect data by market research and do analysis to understand the demand and desire of audiences, but nowadays companies are adopting digital marketing by which they can reach all kinds of audience groups and detailed insight into the characteristics of consumers and their behaviour. Mass adoption of technology and internet into the everyday life of people has affected marketing over the past three decades and seems that it will come more effective in future too.

There is no doubt that many businesses in different industries are using digital marketing to enhance their sales performance. Especially, the travel and tourism sector has a significant impact on the rise of internet users and increased admiration of social channels. Social media and digital presence made the tourism industry easy to communicate and market to their targeted demographics. Many of the traveller’s research on the internet about the destinations they are interested to visit and the activities they want to participate when they arrive there. Audiences are smarter these days, they prefer to use social media and the internet to buy product and services rather than going to the shop or company. New generation no longer wants to depend on local agencies to go to new places. They are more aware and inspired by various online channels such as Facebook, YouTube, Instagram and other travel videos. Such purchasing decision of consumers influenced tourism marketing to be more creative and innovative on digital marketing. Travel deals and offers are now easily spread via the internet to the potential travellers which traditional market could not do. Marketing has become dynamic and seen changing constantly. Companies are coming up with new marketing strategies every day to convince audiences, to make them feel that they want their products.

The tourism industry of Nepal has great potential because the country is rich in natural resources and has many tourism destinations. It is uplifting and generating money; however, it is not well developed regarding its potential. The industry is still lacking digital advancement and online presence to promote tourism all over the world. After the slow growth in the tourism industry, businesses have now realized the importance and benefits of digital marketing and business online presence. Thus, many tourism companies are now following digital marketing methods to promote product and services. Furthermore, many companies are investing more money in digital marketing considering it a drive engine to expose their products and services comprehensively. Indeed, digital marketing is easy, convenient and cheaper
compared to other traditional means of marketing. In addition, small and local companies are also influenced by its effectiveness and doing marketing in social media where the market was dominated by big companies before. Furthermore, the government and private sector are investing in big capital to develop and maintain a digital platform in the country. It was just the beginning phase of implementation of digital marketing in the tourism industry of Nepal. The positive impact and effectiveness of digital marketing clear that it has a bright scope in future. Literacy rate of the country is increasing rapidly, soon the country will have educated people in every age group. At the moment, older people are not well educated, and it is difficult for them to come up with modern technology and internet use. Youth generation is educated as well as active on the internet. Internet and mobile penetration seem very high in the country, more than 50% of people are active in social media and online activities. It clears that most of the people in the country are active on the internet and probably it will increase more after the literacy rate of the country goes up. Marketing becomes fruitful when the companies understand the desire and demand of the audiences and mostly depends upon where the marketing has done. To increase sales and promote product and services it is important to know where the consumers are. At present situation, audiences are mostly available on the internet, thus digital marketing will be an effective tool for the tourism industry to reach potential consumers and targeted group in both domestic as well as international market. Furthermore, companies are promoting their product and services in the international market by collaborating with international media such as BBC and TripAdvisor. Overall, the growth of digital marketing in the tourism industry of Nepal seems sustainable and fertile.
REFERENCES


Survey, ´Role of Digital Marketing in Tourism Industry of Nepal´

The main purpose of this research is to identify the importance and key impacts of digital marketing in tourism industry of Nepal. I let people know that participation in this research is voluntary and their data are non-anonymous and confidential.

Basic Info

Name of the Company:
Type of Company:

1. What kinds of digital marketing do you use for your business? (You can select more than one option)

   Social Media                                      Pay per click advertising
   Websites                                           Content marketing
   Email                                              Others, please specify
   Search engine optimization                         

2. Considering the current situation of Nepal, which marketing source is more effective for tourism business?

   Print media                                       Digital marketing
   Radio & Television                                Others, please specify
3. Overall, what portion of the marketing activity for your business is digital?

- 0-20 %
- 21-40 %
- 41-60 %
- 61-80 %
- 81-100 %

4. Since how long has digital marketing been used in your business?

- 1 year ago
- 2-3 years ago
- 4-5 years ago
- More than 5 years ago

5. How often do you update your business in online platforms?

- Daily
- Weekly
- Monthly
- Annually

6. What factors did actually influence you in implementing digital marketing strategy for your business? (You can select more than one option)

- Global trend
- Digital transformation
- Mass Marketing
- All above
- Networking

7. What are the most common methods for your customers to contact you? (Mention at least two methods)

- Websites
- Social network
- Email
- Phone
- Office visit
8. Based on your experience, how effective do you consider these digital marketing activities for your business?

<table>
<thead>
<tr>
<th></th>
<th>Extreme</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. SEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Email</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. PPC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Social Media</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Content</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. In your opinion, how applicable is digital marketing in reality to reach targeted audiences?

<table>
<thead>
<tr>
<th></th>
<th>Very Useful</th>
<th>Satisfactory</th>
<th>Useful</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Email</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. PPC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Social Media</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Content</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Based on your investment experience, how costly is digital marketing than other means of marketing?

<table>
<thead>
<tr>
<th></th>
<th>Relatively expensive</th>
<th>Relatively cheaper</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. PPC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Social Media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Content</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. What is the degree of sale fluctuation of your products/services after using digital marketing?

<table>
<thead>
<tr>
<th></th>
<th>Increasing</th>
<th>Decreasing</th>
<th>Constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Email</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. PPC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Social Media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Content</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Compared to previous year, are you looking forward to investing more, same or less money in digital marketing?
   - More
   - Same
   - Less

13. How are you planning digital marketing for your business?
   - Long-term
   - Uncertain
   - Short-term

14. In your opinion, is digital marketing complex or convenient?
   - Complex
   - Convenient

15. Taking into account the tourism business in Nepal, would it be possible to run this without digital marketing?
   - Yes, it is possible
   - No, it is not possible
   - Yes, but hard to compete

16. The level of digital marketing strategies executed by tourism industry of Nepal is well enough.
   - Strongly agree
   - Strongly disagree
   - Agree
   - Don’t know
   - Disagree

17. What are the major problems that your business is facing while adopting digital marketing?
18. What are the positive and negative changes that you have noticed in your business after implementing digital marketing strategies?

Positive:

Negative:

19. Digital marketing can be a drive engine to expose tourism industry of Nepal globally?

   Strongly agree  Disagree
   Agree  Strongly disagree
   Can’t say

20. How would you rate digital marketing method based on its performance and result?

   Excellent
   Good
   Satisfactory
   Poor
21. As an entrepreneur what would you like to suggest other tourism companies which are not following digital marketing methods?

Thank you so much for your active participation