

SECTOR BRIEF

Issue #13, May 2016



Sector: Tourism

Interventions: Strategic Marketing Efforts

Districts: National - Focus on Great Himalaya Trails districts

Marketing efforts to support redevelopment and repositioning of Nepal's tourism industry

Nepal's tourism industry has the potential to bring high foreign exchange returns for relatively low capital investment, whilst also being an appealing private sector enterprise accessible to the poor. However, at present, the quality of Nepal's physical destination facilities and service delivery do not meet expectations of higher paying international visitors who consequently opt to travel elsewhere.



Additionally, the 2015 earthquake is deferring interest due to safety concerns and the few visitors that do travel to Nepal are able to push rates down creating an unsustainable shift towards a low value model. Yet, considering the market demand for active mountain destinations; the number of visitors pre-earthquake 2015; and the potential to tap into the high-growth Asian markets; it is possible to

improve tourism arrivals and to increase spending on improved destination facilities within five to ten years.

To achieve this vision in support of long-term, sustainable tourism in Nepal, Samarth-NMDP's tourism programme (up to 2017) is currently working on:

- **Enhancing Destination Area Management** to improve local benefits from tourism by ensuring that rural residents have more control over local, natural and cultural resources.
- **Supporting Industry Innovation** through the development of new tourism products and infrastructure facilities and enhancement of the quality of existing enterprises to meet the current and future demand.
- **Diversifying the Source Markets** to not only increase visitor numbers but also to reduce seasonality and improve resilience, enabling better industry development.

Essential in achieving the last objective, is the successful implementation of an appropriate marketing strategy that creates higher-value market linkages through innovative promotion and communication approach. This brief focuses on the marketing intervention of the tourism component and highlights the achievements made in it.

Great Himalaya Trails (GHT) forms the central value proposition for tourism enhancement

Samarth is currently working towards endorsing the Great Himalaya Trails (GHT) as a brand: the trails and enterprises that adhere to the proposed GHT guidelines on safe trekking, quality standards, environmental impact standards can be registered with the GHT entity and use the brand accordingly. The enterprises should also adhere to social objectives that ensure fair working conditions, wages and respect for all indigenous cultures regardless of caste and gender.

The underlying idea is that entrepreneurs who adhere to the standards of the GHT are able to charge higher prices for their products and services. Due to clear advantages of being certified under the GHT brand, Samarth envisages that more enterprises will pursue improved standards, raising the quality of the industry over the coming years and thereby introducing high value tourism in Nepal.

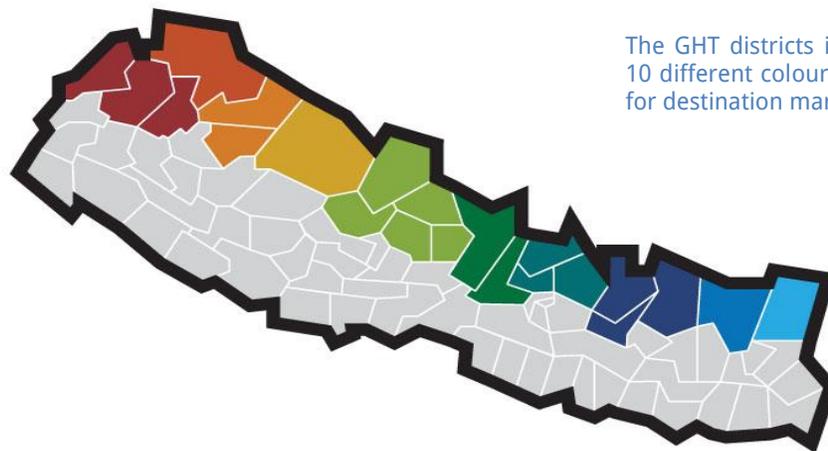
To achieve this objective, Samarth-NMDP is working on product development (physical improvements) and destination area management improvements and to communicate these developments to the market, Samarth-NMDP has developed a comprehensive marketing strategy emphasizing GHT's world-class resource base, able to provide a diverse personal experience for every visitor.

Rebranding of the GHT to appeal to a wider variety of tourists

GREAT HIMALAYA TRAILS

Great Himalaya Trails was initially conceptualized as a long-distance trekking product covering the length of Nepal. The ancient routes and pathways that generations of mountain communities have used make it possible to walk the length of the Himalayas which is estimated at some 1,700km. However, the idea of this single trail, taking 120 days to complete, only attracts a small niche market of avid adventurers.

In order to appeal to a wider variety of tourists, Samarth-NMDP - as the current custodian of the GHT- rebranded the GHT as *a network of trails* across the Nepali Himalayas that capture the unique and diverse heritage of Nepal and its people and inspires travelers to explore Nepal according to their individual interest. It strengthens the GHT's ability to be more than a hiking trail by capturing cultural and spiritual activities as well as more diverse active options such as mountain biking and climbing. The GHT stays true to the authentic appeal of Nepal's tourism attractions but emphasizes quality adaptation that ensures a sustained and beneficial tourism system, able to attract increasing visitors from diverse source markets, thus enabling the GHT to be the brand that represents quality and diverse tourism products of Nepal.



The GHT districts in Nepal divided into 10 different colour-coded sections used for destination marketing

The Great Himalaya Trail (2011 - 2013)

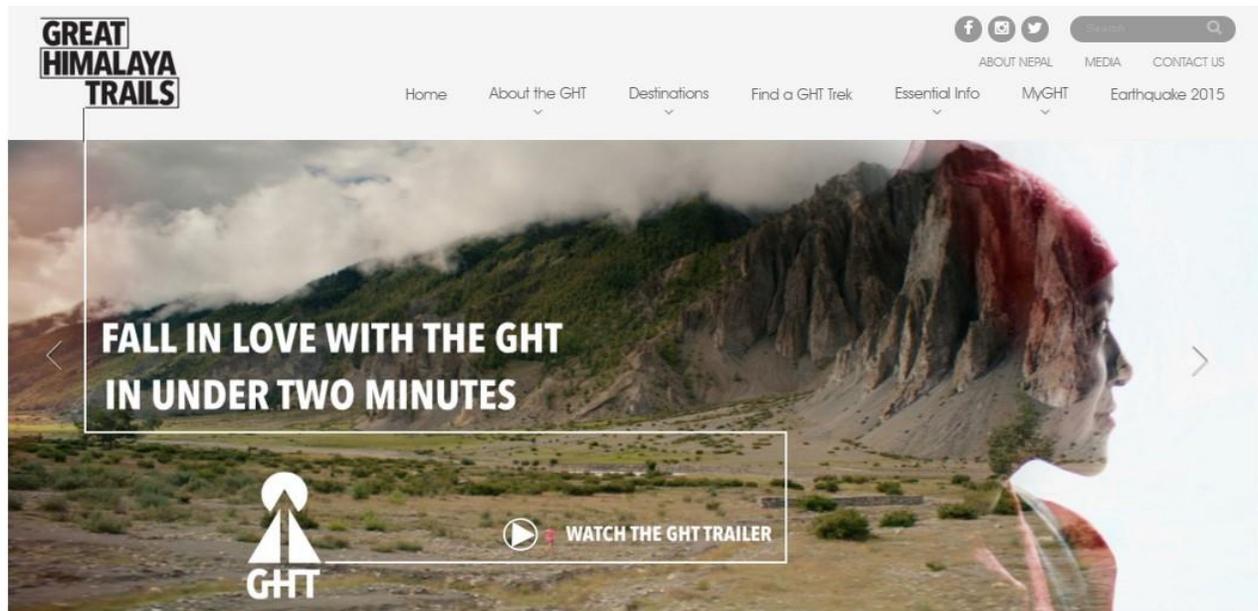
- *'One trail to rule them all'*
- One long trekking trail that covers 1700km
- Target: Extreme adventurer

Great Himalaya Trails (2014 onwards)

- *'The network of extraordinary journeys'*
- A network of trails that allows individuals to shape their own experiences
- Target: Everyone

Creation of GHT platforms

As part of its strategy, Samarth-NMDP has created marketing platforms for the GHT, comprising the website, Facebook and Instagram. The website was launched in June 2015 and is updated regularly with exciting blog posts and other features to keep engaging with past and future visitors.



GreatHimalayaTrails.com

The website has an innovative functionality called '*Find a Trek*' which enables prospective visitors to search trails by region, time of year, degree of difficulty and time available. This makes finding a suitable itinerary easier and is therefore likely to enable a better experience when visiting Nepal.

The website also added a '*Trekker's Journal*' section early in 2016 where trekkers can share their experience from along the trails. The target is to grow the online community and to engage them towards a decision to select and ultimately purchase a GHT journey through an agent abroad or in Nepal.

Most initial and reoccurring contact comes from the GHT Facebook page which now boasts over 100,000 likes and the Instagram account which has grown organically to more than 11,000 followers. The official hashtag of the GHT (#MyGHT) has seen a consistent growth since its introduction in August 2015. It now has more than 4,000 posts that have used the hashtag on Instagram alone. Use of the hashtag indicates brand awareness among travelers, and increases the exposure of our message.

Launch of MyGHT advertising campaign to grow brand recognition

In February 2016, Samarth launched a nationwide advertising campaign called MyGHT. The objective of the campaign was to grow the brand recognition in Nepal and around the world. It aimed at creating awareness of the diversity of the GHT and the experience it offers to travelers all across the world. It was designed to influence travelers in the initial phase of the programme's objective to make GHT a recognizable and highly diverse product.

The ad campaign highlights travelers and adventurers with both national and international profiles – all of whom have experiences and stories to share from along the GHT showcasing the diversity of memorable experiences available along the GHT.

The campaign promoted the GHT as a personal experience and acted as an invitation for travelers to visit Nepal and have their own GHT moment. The first phase of the campaign focused on the domestic market with ads featured in national daily newspapers. Phase two focused on international markets.



Pasang Lhamu Sherpa Akita, mountaineer and National Geographic Adventurer of the Year 2016, shares her experience on the GHT as part of the MyGHT advertisement campaign featured in national news dailies.

Formation of industry partnerships for scale and sustainability

Samarth-NMDP forms strategic partnerships with the private sectors, associations and the government in the implementation of its development objectives. Samarth-NMDP deliberately selects industry leaders as partners based on their market volume, specialist operations (niche markets), innovation and/or product offering. In an industry characterized by 'product-copying' and competing mainly on price, Samarth envisages the GHT marketing approaches and products to be replicated by other tourism companies in Nepal.

Cobranding with Tara Air

Samarth-NMDP partnered with Yeti Airlines' Tara Air, whose route network offers tourists access to all the gateways along the GHT, to showcase a real example of the quality of Nepal's new tourism products. Tara Air's new airplane, with the GHT logo, provides improved passenger standards and increased safety specifications.



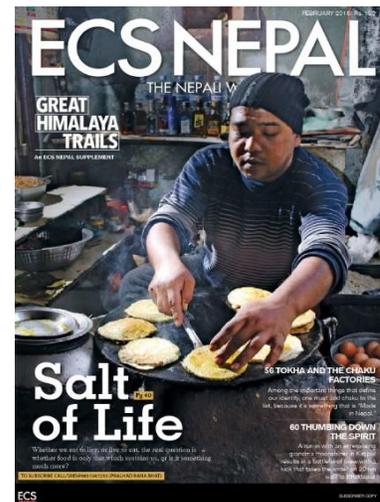
Tara Air's new aircraft with GHT logo.

This forms the first of a series of joint efforts in support of tourism development along the GHT aimed at re-establishing visitor confidence and attracting tourists from new markets to come to Nepal. The partnership between the GHT and Yeti Airlines is also a reflection of the support of the private sector to the GHT and its objectives.

Partnership with the ECS magazine

GHT partnered with ECS Media's flagship magazine ECS Nepal, a monthly magazine with a circulation of 20,000 that explores the unique Nepali culture and presents the country as an attractive destination, to promote the GHT through rich content and mesmerizing pictures.

Samarth supported the initial supplements covering stories from the trails that focused on different sections of the trail with each supplement. The additional advertising revenue generated from the supplement was to allow the magazine to continue with the content on the GHT. The earthquake, however, brought the revenue down and disrupted the arrangement.



Increasing visitor confidence through diverse market communication

The 7.8 magnitude earthquake that struck Nepal on 25th April, 2015 shook the positive image of Nepal as a tourism destination. Image is a critical factor in the success of any destination so Samarth-NDMP sought to support the rebuilding of the image through three key activities described below utilizing the Great Himalaya Trails brand. Specifically the communication activities sought to inspire people to come to Nepal, not out of sympathy, but because Nepal remains an outstanding tourism destination, and merits a visit.

AdventureWeek Rebound Nepal

Samarth-NMDP, through the GHT, partnered with Adventure Travel Trade Association (ATTA), an organization that promotes adventure travel throughout the world, in a high-level media trip. Journalists were invited to Nepal from reputed publications to create quality articles able to inspire tourists to book a trip to Nepal. The event was called *AdventureWeek Rebound Nepal* on the Great Himalaya Trails.

"Participating in AdventureWeek Nepal not only allowed me to witness first-hand the importance of tourism to Nepal and the rural economy, but also allowed both ATTA and GHT to have the message 'Nepal is Open for Business' through all the journalists and operators who participated. We will continue building our relationship with the GHT and Nepal, as we will continue to share our positive experience of Nepal and look for more opportunities to be of assistance."

- Shannon Stowell, President of Adventure Travel Trade Association

AdventureWeek was promoted at two important travel events: the Outdoor Retailer show in Salt Lake City, with an estimated audience of 1200 and at the Adventure Travel World Summit in Chile, to an audience of around 1000. Participants of AdventureWeek were from a broad range of publications such as Matador Network, China Conde Nast, Vanity Fair, AFAR, Travel Weekly, National Geographic and more.

Instagram influencer trip



A picture of Everest by an Instagrammer to promote the GHT through Instagram

Prior to the Rebound Week, Samarth-NMDP organized an *Instagram Influencer* trip for 6 widely followed influencers. The objective was to introduce the GHT and Nepal to a large audience on the photo-sharing network and to target those passionate about travel and remote destinations. Through the six Instagram accounts, GHT reached a total of 6.85 million people, garnered more than 1.6 million likes and 7,000 comments. This trip also allowed GHT's own Instagram account and signature hashtag (#MyGHT) to gain a loyal following of people interested in Nepal and mountain tourism. The number of followers on the GHT account increased 2,000% during the course of the trip. The Instagram trip was covered by local newspapers which included the Nepali Times and ECS Fridays.

GHT teaser video

To showcase the intrinsic value and global appeal of the GHT and Nepal, Samarth-NMDP produced a promotional video to inspire travelers to experience the majestic grandeur of the Himalayas, the genuine hospitality of the rural villages, the rugged adventure along the trails and the spiritual experience available on the GHT.

Providing quality imagery of Nepal was important to counter the prevalent images of collapsed buildings and destruction that were at the top of mind of the travelers. The 2-minute video was created to act as a 'teaser' for a full length movie, which is the travelers' own experience along the GHT.



GHT trailer inspires travelers to go on their own journey to experience the trails GreatHimalayaTrails.com/GHT-trailers/

The video was primarily shared on Facebook, where it has reached one million people, and has been viewed more than 324,000 times, liked over 7,500 times and share 2,500 times. The trailer is available in seven languages – Chinese, French, Spanish, German, Japanese, Nepalese and English.

What next?

Going forward, the GHT will continue to inspire travelers to come to Nepal and explore the trails through the online platforms by sharing excellent and engaging content. GHT will continue to grow its online communities, increase user engagement and seek to enhance partnerships with private and public market players to leverage the brand.

To ensure that the marketing efforts of the GHT are sustainable, Samarth-NMDP is currently working with various stakeholders to create a national entity which will act as a custodian of the GHT in the future. The entity will be tasked with continued promotion of the GHT values and high value tourism product that contribute to the socio-economic development of Nepal. It is envisioned that GHT will seek to enhance tourism attractions through quality adaptations that ensures a beneficial tourism system in Nepal which is able to attract increasing visitor numbers from diverse source markets.

Expected impact on the beneficiary

Substantive growth in the trekking-tourism sub-sector will create income generating opportunities for (unskilled) men and women in rural Nepal: On the supply side, local entrepreneurs who adhere to the standards of the GHT brand will be able to charge higher prices for their products and services which will structurally increase their income. In addition, specific marketing activities and listing on the GHT website and associated social media will increase exposure and subsequent demand from visitors. On the demand side, due to increased choices and quality products, visitor days will increase and visitors' average spend will increase, in turn increasing the income of men and women in the rural mountain communities of Nepal. It is expected that 20,210 rural entrepreneurs will have increased their annual income by GBP 82 after the completion of the Samarth-NMDP programme through its tourism sector.

About Samarth-NMDP

Samarth-NMDP is a five year UK aid-funded program that aims to reduce poverty in Nepal. The programme follows a market systems development approach, addressing underlying causes in the performance of the market systems, to bring about more competitive and sustainable markets that work better for the poor.