THE PRESENT SITUATION OF TRAVEL AGENCIES AND THEIR FUTURE PROSPECTS IN BHUTAN

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ABSTRACT

Since the inception of Tourism in 1974, Bhutan was guided by the policy of cautious growth, a “high value, and low volume” principle. With the increase in the international tourist arrivals, the role and responsibility of travel agents has become more intense and challenging. The Researcher aims to provide a better understanding about the current working situation of the travel agencies in Bhutan, the major trends affecting their roles and finally to propose a guideline for future development of travel agents in Bhutan.

Convenience method was used for both distribution of questionnaire to the tourists at the Paro International Airport and also for semi-structured interview conducted with the travel agents and the Association of Bhutanese Tour Operators. The findings of the study indicated that majority of the International tourists to Bhutan were senior citizens with a high income level and first time visitors. The respondents were very satisfied with the overall performance of the travel agents. However, the findings indicated that travel agents in Bhutan did not perform to the high importance level of the service quality attributes perceived by the tourists. It’s recommended that the travel agents, other tourism stakeholders and the Government should work together in allocating the resources effectively and focus more to enhance the quality of service attributes to maintain and maximize the guest satisfaction. Furthermore travel agents need to intensively emphasize on the use of ICT as a marketing and promotional tool of the products and services to the international market.

Keywords: Travel Agencies, Importance-Performance Analysis, Tourism policy, Bhutan.
INTRODUCTION

Bhutan is a small land-locked country with an overall size of 38,394 square kilometers situated along the southern slopes of the Himalayan range bordered by the Tibetan region of China in the north and the Indian states of Arunachal Pradesh, Sikkim, Assam and west Bengal in the east, west and south. Bhutan can be divided into three distinct geographic regions or climatic zones: Southern, Central and Northern having a population of approximately 700,000 people (NSB, 2004).

Bhutan officially opened to the international tourists in 1974 during the coronation of the 4th King. Tourism Council of Bhutan (TCB) the then Department of Tourism was created to formulate policy and guidelines to direct the growth of the Tourism industry in Bhutan. The Bhutan’s policy makers have long been ambivalent towards tourism, with concerns that potential negative impacts might outweigh the financial gain (Uitz and Zeppezaure, 2005). Since then “High Value, Low Impact” policy was implanted to guide the development of Tourism Industry in Bhutan. The Royal Government of Bhutan (RGoB) now recognizes its considerable potential as a tool for development, employment opportunities and as a contributor to national revenue. It is second to hydropower in terms of its potential to generate foreign exchange and provide for national sustainable development.

Bhutan’s travel agents are interchangeably used as tour operators, since travel agents in Bhutan puts together a tour or vacation and all its components and sells the product directly through his or her own company or through an intermediation of a foreign travel agent as an “all inclusive packages” tour at a daily price set by the government. The all inclusive package tour includes the accommodation, transportation, all three meals including evening tea and snacks, English speaking guide, entrance to the museums, visa fee of USD 20, royalty USD 65 and taxes to the government (RGoB, 1999). The policy of the government of “high value, low impact” with a fixed daily all inclusive package rate of USD 220 per person per night provided an advantage to the Bhutanese travel agents since tourist will not be able to process their visa to Bhutan unless they travel their trips through a registered Bhutanese travel agent either directly or routed through a foreign travel agent. Somehow due to the lack of information on the pricing policy of this daily tariff of USD 220 it has created confusion or misunderstanding among the international visitors. It has been perceived by many tourists that USD 220 per night was only a visa fee to enter Bhutan and there will be other additional cost involved such as accommodation, transportations, etc. This has discouraged many potential interested visitors to visit Bhutan.

After the liberalization on the licensing of the travel agents in 1991, and also the support from the government in promoting Bhutan to the International market there was a drastic increase in the number of tourists visiting Bhutan from 5,599 in 2002 to 17,344 in 2006 but unfortunately this rise has been compensated by the subsequent rise in the number of travel agents from 100 in 2002 to 281 in 2006 (Dorji, 2006). This drastic increase in the number of travel agents led to a very high competition among the travel agents. According to the observation out of the 17,344 tourist arrivals, the ten largest companies handled about 67% of the tourists leaving only 5,724 to the remaining 271 travel agents. This implies that the remaining companies deal with as low as 21 tourists annually, or even less (Rogers, 2002). Quality assurance is recognized as an essential element in the success for all industries and most particularly for the services sector in Bhutan. Delivering the quality service to the customer will result in significant advantages in the highly competitive environment of the travel services industry. This is reflected in customer satisfaction and loyalty, increased productivity and profitability and retention of qualified and experienced staff (RGoB, 2005).

The increase in the number of travel agents eventually led the smaller travel agents to compete on the price by illegally lowering
on the daily rate of US 220 per night instead of competing on the quality of services and products they offer. With the prevalence of undercutting on the rate in the industry leads to travel agents choosing lower quality standard hotels and other related tourism products at lower price to maximize their profit which leads to low quality of tour. This contradicts to the policy set by the government of “High Value, Low Impact” resulting in low quality of services tour package and more unsatisfied tourists. The low quality and unsatisfied tourists with the services can also be associated with the travel agents taking a dominant role in the tourism industry of Bhutan in selecting the services for the visitors. Since travel agencies provide an all inclusive package tours there is very less choice for the tourists to choose their accommodation and other travel related products. The consequences of this will discourage the hotels in Bhutan to improve and develop their quality standards and extension.

To improve their competitiveness and efficiency, travel agents in Bhutan have turned towards the increasing use of information and communication technology (ICT) which is a relatively a recent phenomenon in Bhutan. ICT and their applications are changing the way people live, learn, work and interact. The application of the ICT on the tourism industry, particularly to the travel agencies who organizes the all inclusive tour arrangements has a positive impact on the whole operation. It allows interacting internally and externally more quickly, cheaply and accurately among the employees, with the customers, Government organizations and the tour product suppliers. With the application of ICT all the travel agents cut their telephone and fax costs by using Internet and marketing cost by launching websites. It was mainly e-mail that was perceived as the main benefit gained, as the communication and transaction was made faster, easier and more convenient (Badnjevic and Padukova, 2006). Recognizing that ICT have an immense impact on virtually all aspects of our lives, the RGoB owns this Vision and declares a strong commitment to developing and implementing a National ICT Strategy and Action Plan, based on the ICT Vision (A White Paper, 2004).

In spite of the importance of the travel agencies for Bhutanese tourism, no earlier research has been carried out to study in detail of their operations, the problems and challenges they come across and the factors that contribute to their relative success. Therefore the objectives of this study are to provide an in depth information on the current working situation, role and responsibility, challenges and the future prospects of the travel agencies in Bhutan.

METHODOLOGY

In order to accomplish these objectives of the study both qualitative and quantitative method were used as the research methodology.

Three main groups of population have been identified for this study. International tourists to Bhutan, (17,344 tourists visited Bhutan in 2006), the travel agents functioning in Bhutan (281 travel agents) and The Association of Bhutanese Tour Operators.

This study has excluded the Indian tourists visiting Bhutan since they do not fall under the government regulation of the daily tariff and also their procedure of travel and behavior are different from the international tourists. Therefore this study focuses only on the International non-Indian tourists to Bhutan.

The questionnaires were distributed to 250 tourists selected through convenience sampling method at the departure lounge at Paro International Airport. From the list of 281 travel agents registered with the Department of Tourism as of 2006 in Thimphu, 30 travel agents were selected based on systematic and convenience sampling method for a qualitative personal interview. Convenience sampling method was also used with the Association of Bhutanese Tours Operators for conducting a qualitative interview.
The data gathered from the Questionnaires were entered into the SPSS computer software program version 15.0. The SPSS was used to compute the data and to generate statistics in terms of frequencies, means, standard deviations, and as well as t-test. Importance-Performance Analysis (IPA grid) was used to analyze the level of satisfaction of the tourists. Content coding and analysis was used for analyzing the interviews conducted with the travel agents and the Association of Bhutanese Tour operators.

RESULTS

The findings indicated that the majority of the visitors to Bhutan were married, female, aged over 45 years and earning USD 75,001 and above. It’s clear from the results that Bhutan at the moment caters mostly to senior group of tourists with high level of income having high educational background and profession. 44% of the respondents were from America followed by Britain (26%) and Asian (24.8%). 89.2 % of the respondents were first time visitors to Bhutan and are traveling mostly with family or in a group for holiday purposes (76.8%). Friends and relatives were mentioned as the main source of information followed by others (school, books, magazine, journals, TV and also the philosophy of Gross National Happiness by the fourth king of Bhutan). From the survey 60% of the respondents booked their trip to Bhutan through the intermediation of foreign travel agency while 40% contacted directly to the local agents due to the fact that it has been recommended by friends and relatives who had visited Bhutan. This indicated that “word of mouth” has been a very successful marketing tool for the Bhutanese travel agents to reach their market and at the same time a very good affiliation with renowned foreign travel agents would prove very useful and beneficial for the Bhutanese travel agents in attracting more international visitors. 61.2% of the respondents visit Bhutan in conjunction with other neighbouring countries (Nepal, India, Thailand, etc) and the service of foreign travel agents are mostly sorted because of their vast knowledge, experience and reliability of the travel arrangements.

The culture, tradition and natural resources of Bhutan were mentioned as the most attractions of Bhutan. However, hikes and moderate trekking (12.4%), farm house stay (8%), meditation retreat and spiritual tours (5.2%) and white river rafting were mentioned as some of the most potential products for the respondent. Majority of the respondents were not sure of their next visit to Bhutan, but 36.7% mentioned to visit after one year and 21.6% after five years. The keywords mostly cited by the respondents to describe Bhutan were “Unique”, “Beautiful”, “Unspoilt”, “Peaceful”, “Exceptional”, “Wonderful”, “Fascinating” and “Friendly”.

The overall difference between Importance and Performance Levels

Table 1 demonstrates that the overall performance value of the Travel Agencies are below the importance values for 13 of the total 14 total attributes. This means that there was a negative gap in the 13 attributes. Respondents were unsatisfied with hotel facilities, transportation, quality of food, overall tour package, value for money, cleanliness/sanitation, safety and security, website, brochures, guide responsiveness and attitude, other employees (driver and staff), efficiency and tour management. Paired sample t-test was performed to determine the statistical significant difference in means between Importance and performance values. Interpretation of the results was done at 5% level of significance; where the value p≤0.05 was considered as being significant and p≤0.01 was considered as being highly significant. The gap results showed that hotel facilities,
### Table 1
Overall differences in guests Importance level and Performance level of the Travel Agents.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Importance (Mean)</th>
<th>Performance (Mean)</th>
<th>Gap (P-I)</th>
<th>t</th>
<th>p-Value</th>
<th>Satisfaction Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guides attitude &amp; Responsiveness</td>
<td>4.61</td>
<td>4.23</td>
<td>-0.38</td>
<td>6.566</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Transportation</td>
<td>4.52</td>
<td>4.01</td>
<td>-0.51</td>
<td>7.263</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Cleanliness/sanitation</td>
<td>4.50</td>
<td>3.56</td>
<td>-0.94</td>
<td>12.325</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Safety and Security</td>
<td>4.49</td>
<td>4.33</td>
<td>-0.16</td>
<td>2.324</td>
<td>.021*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Hotel facilities</td>
<td>4.46</td>
<td>3.68</td>
<td>-0.78</td>
<td>11.042</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Other employees (Driver &amp; staffs)</td>
<td>4.45</td>
<td>4.30</td>
<td>-0.15</td>
<td>2.750</td>
<td>.006*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Tour management</td>
<td>4.44</td>
<td>4.11</td>
<td>-0.33</td>
<td>5.434</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Quality of food</td>
<td>4.33</td>
<td>3.59</td>
<td>-0.74</td>
<td>9.314</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Efficiency in correspondence</td>
<td>4.23</td>
<td>3.92</td>
<td>-0.31</td>
<td>4.674</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Over all tour packages</td>
<td>4.21</td>
<td>3.92</td>
<td>-0.29</td>
<td>3.962</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Value for money</td>
<td>4.11</td>
<td>3.49</td>
<td>-0.62</td>
<td>7.521</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Website</td>
<td>3.51</td>
<td>3.14</td>
<td>-0.37</td>
<td>5.306</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Brochures</td>
<td>3.21</td>
<td>2.98</td>
<td>-0.23</td>
<td>3.594</td>
<td>.000*</td>
<td>Unsatisfied</td>
</tr>
<tr>
<td>Television/Trade fairs</td>
<td>2.78</td>
<td>2.99</td>
<td>0.21</td>
<td>0.795</td>
<td>.428</td>
<td>Satisfied</td>
</tr>
</tbody>
</table>

Note: Paired-Samples T Test was performed to check for statistically significant differences between Importance and Performance
* Indicates statistically significant differences at p ≤ 0.05

transportation, quality of food, overall tour package, value for money, cleanliness/sanitation, website, brochures, guide responsiveness and attitude, other employee (driver and staff), efficiency in correspondence and tour management were at the highest level significant level of p≤0.01. Safety and Security showed a significance level of p≤0.05. Only one attribute Television/Trade fair showed no significance level of p= .428.

**Importance-Performance Analysis (IPA Grid)**

This study of the IPA grid gives a clearer idea into the tourist evaluations on critical issues which allows the travel agents and other tourism stakeholders to react according to the needs and requirements and for further recommendation. Moreover the result indicated the importance level of the service attributes and the performance of the travel agency on the attributes as perceived by the respondents.
Figure 1 which is divided by the grand means showed that travel agents need to reconsider and pay more attention to achieve the satisfaction level of the tourists. “Cleanliness/Sanitation”, “Hotel facilities” and “Quality of food” falls in the Concentrate Here quadrant (I), the service attributes have highly expectations by the tourists, but the actual service qualities are seen as below average. This implies that improvement efforts should be concentrated here by the travel agents and the other tourism stakeholders in order to achieve the maximum satisfaction of the tourist. On the other hand “Value for money”, “Website”, “Brochures” and “Television/Trade fairs” was located in the Low Priority quadrant (III) which has low expectations from the tourists and also low performance from the travel agents. Limited resources should be expanded on the attributes belonging to this quadrant because the tourist’s gives less importance and have low expectations compared to other attributes.

Rest of the attributes “Guide attitude & responsiveness”, “Safety & security”, “Transportation”, “Tour management”, “and Other employees”, “Efficiency in correspondence” and “Overall tour management” all fall in the Keep Up the Good Work quadrant (II) were both importance and performance are rated above. The result indicates that travel agents had performed relatively well but since the mean score ratings of the performance were below the importance level effort should be made to maintain and improve the services. No attributes were loaded in the Possible Overkill Quadrant (IV).

The findings from Managers and Proprietors of the Travel Agents

“Unique culture and tradition”, “untouched and unspoilt destination”, “last Shangri-La”, “destination of a life time”,

Figure 1
IPA grid
“Beautiful” and “Peaceful” were used as the key words to promote Bhutan to their markets by the travel agencies in Bhutan. Increasing the number of tourist arrivals, generating more revenue and offering exclusive quality services were the main goals and objectives of every travel agent. However, lack of flexibility of government policy, accessibility, lack of both public and private initiatives in human resource development, lack of professionalism, lack of tourism infrastructure and superstructures, imbalance regional development, seasonality problem, undercutting on price by the travel agents and limited varieties of products were hampering tourism industry as a whole and particularly the development of travel agencies in achieving their goals.

“Word of mouth” was mentioned by all the travel agents as the most effective, less expensive and the best strategy for marketing and also for disseminating information about Bhutan to its international market. ICT has been warmly welcomed by all the sectors for its enormous benefits. Launching website to provide information and correspondence through email has been the main purpose of internet for the travel agents in Bhutan. Larger travel agents having enough resources advertise in the travel magazine and websites, distribute brochures, and participate in trade fairs as their marketing tools.

The findings from the General Secretary of ABTO

The Association of Bhutanese Tour Operators (ABTO) was formed to represent and protect the collective interest of the tourism industry in general, and to advance the cause of travel agents in particular. Accessibility to Bhutan, inefficient marketing strategies and seasonality were mentioned as the major obstacles for the tourism development while royalty and tariff system, hotel facility development, opening of new geographic regions were the main issues discussed with the travel agents. However, in general at this present scenario with high competitiveness, travel agents are efficiently delivering quality services and well organized tours to sustain their business.

The government has been forthcoming and supportive to the activities carried out by the association and also in development of low season tourism products to offset seasonality problems. With continues support from the Government and cooperation among the tourism stakeholders in keeping its unique culture intact and tradition vibrant, and secure a healthy natural environment for the visitors, travel agents have great prospects in Bhutan.

CONCLUSION AND RECOMMENDATIONS

Based on the findings and the observations, travel agents have relatively done well in keeping up with their roles and responsibilities and adhering to the guidelines and the policy of sustainable tourism. However, the number of problems and concerns were raised by the respondents of the survey. The researcher have developed and proposed the following recommendations to the Travel Agents in particular, and to the government and other tourism stakeholders in general. These are discussed below, together with measures for improvement.

1) Product development and offering value added products. Travel agents need to intensify and add more value on the existing products and take initiative and emphasize on the new product development in the less favoured regions and during the low seasons to enhance the tourist’s experience which contributes to the satisfaction levels of the tourists. Moreover, the government should support by initial funding, provide incentives and facilitate the travel agents on the product development to ensure the long term sustainability of tourism and to comply with the basic tenets of eco-tourism ideology. Some great potentials and ideas for new products which can be developed in regard to the capacity and its
scenario in Bhutan are developing additional new trekking routes based on community tourism in Bhutan which not only offers an opportunity for community involvement in the tourism benefits but will also help reduce rural-urban migration. Other product, which can foster local people’s participation, includes community visitor centers, family lodges, managed campsites and producing and showcasing local handicrafts. Buddhism is also one of the essential parts of the Bhutanese society and one of the most important reasons for tourists to visit the Kingdom.

2) The hotel facilities and the cleanliness & sanitations within the country should be improved and developed. The major concern repeatedly mentioned by the tourist resulted in many unsatisfied tourists. The tourists indicate their dissatisfaction with the services and facilities in the hotels in the country during their stay particularly in respect of cleanliness and insufficient room heating system. While a proper system of hotel classification must be introduced and implemented to ensure that the facilities and services provided are standardized. However certain basic amenities with sense of hygiene within the hotel are an utmost priority for all kind of hotels. A system of penalties must be vigorously followed to ensure full compliance to maintaining hygienic environment, which is not only appreciated by the tourists but also benefits the general population.

3) Quality and varieties of gastronomy is the must for food and beverages department and need innovation and further improvement. The Tourism Council of Bhutan (TCB) must encourage and conduct trainings to the chefs and cooks in restaurants and hotels for varieties of both local and international cuisine to meet the palate of the tourist since it is another major concerns being expressed by the tourists, travel directories and travel writers. Another area which is being considered but not implemented as of now is the conduct of annual food festival of Bhutan. A system of penalties must be vigorously followed to ensure full compliance to maintaining a clean environment, which is not only appreciated by the tourists but also benefits the general population.

4) The need for training and education in the hospitality and tourism services. Tourism Council of Bhutan (TCB) should educate and initiate professional guide training programs at several intervals to meet the increasing importance and expectation levels of the tourism industry. Recently government came up with the establishment of hotel and tourism management training institute (HTMTI) which is a positive step in enhancing the human resources. However, curriculum must focus and be inclusive of the detailed history, customs and tradition of the country and modern practices of tour guiding and ethics in the industry. An introduction of performance award system will give recognition for their hard work and motivate guides and staffs in their improving their service quality performance toward the guests. Similarly this same system of award can be applied on the travel agents, hoteliers and other tourism stakeholders to improve their performance and also for quality assurance certification.

5) Travel agents need to establish and develop a reliable and strong relationship with the hoteliers, transport suppliers airline and the foreign travel agents in order to provide tourists with high quality of product and services. Majority of the travel agents do not own hotel in Bhutan so they have to make a personal contact and relationship with the hoteliers and vice versa the hoteliers have to keep good relations with the travel agents in order to achieve high occupancy rate. Currently there is no proper legal bond within the B2B relationships which is unethical and often creates misunderstanding and dishonesty within the industry. It is recommended that DoT should intervene and build stronger and reliable relationship between the travel agents and the hoteliers, airline and foreign travel agents to improve the quality of products and provide
professional services to the tourists. Annual forum should also be organized by the DoT in coordination with ABTO, Bhutan Hotel Association and Druk air to further strengthen and develop the relationships, discuss on any related issues and for smooth functioning and enhancement of the tourism sector.

6) It is recommended that the government must develop a mechanism of controlling the number of travel agents through vigilant licensing procedures on certain criteria like introducing a minimum financial resource requirement, proper office set up, availability of minimum number of well conditioned transport at its disposal, adherence to an established tour operations code of conduct, an agents knowledge in tour operations and be able to maintain a number of employed personnel. Since the liberalization of the travel agents in 1991 the number of travel agents increased and it is expected to increase further. This is not a healthy system for the country’s policy of encouraging high value tourism. A large number of travel agents are in constant competition to generate business and as a result, some operators resort to un-fair trade practices such as price undercutting. This in turn results in providing lower quality of services which is totally in contravention to providing high value services and at the same time, such practices would jeopardize the image of the country.

7) The policy of “high value, low volume” should be maintained but the tariff system which serves as a USP for Bhutan need to be amended to ensure that the quality of products and services offered to the tourists are improved in order to achieve maximum satisfaction of the tourists. The policy of “high value, low volume” has actively been managed to deliver the principles of the policy through the tariff system, but Bhutan needs to reflect on the concept of quality of services to be delivered. It is recommended that both government and travel agents should offer tourists the choice of service and quality levels instead of the all inclusive packages currently marketed which will allow many new opportunities for the development of small and medium businesses, upgrading the quality of the existing business and provide room for innovation and development to the other tourism stakeholders. Moreover, the government should liberalize the package price and allow customers a choice of service and quality levels which will allow development of new types of products throughout all seasons and regions.

8) Seasonality is a great challenge for tourism development in Bhutan. It is recommended that both the government and travel agents must adopt product-oriented development of tourism products in Bhutan to address the seasonality problem. Already initiatives have been taken by the government in the past to address the seasonality problem by lowering the tariff rate to motivate the tourist but this strategy has not been very successful. Therefore, it has become very necessary for both government, travel agents and other stakeholders to extend the existing products and further adoption in the development of new products/treks during off seasons which will not only address the issue of seasonality but also help in increasing the number of repeat visitors which has been very low as indicated in the result.

9) Transportation and road needs to be improved and developed. Government should consider the duty exemption not only for the bigger vehicle of more then 20 seats and above, but to have the same duty exemption to imported smaller vehicles to ensure providing comfortable and luxurious vehicle to the tourist. The findings indicated that majority of the respondents are FIT’s to small size groups of under 4 - 6 Pax which require smaller comfortable vehicles. While the issue of poor condition of the road concerning the safety for both domestic and international travellers might be difficult to address in the short run but must be consider for future plans and development.
10) The safety and security of the travellers should be focused and given high priority. Bhutan is generally perceived as a safe destination, however due to the country’s geographical location of being located in proximity to some countries with political disturbances, a notion of being unsafe is perceived by the tourist due to the lack of awareness by some of the tourist. Such feeling by the tourists can portray a very negative image of the country and hurt the tourism industry. The Government must use the arm of its media to reciprocate appropriately and dispel any notions of the country being unsafe and other security aspects should it prove to be incorrect. However, if such situations exist immediate measures should be taken by the government to eradicate the problems from the beginning. Journalists, travel writers and book writers should be invited on the familiarization trip to portray Bhutan to the world.

11) The increasing number of travel agents needs to be controlled. The Government must develop a mechanism of controlling the number of travel agents through development of measures such a licensing procedures on certain criteria like introducing a minimum financial resource requirement, office set up, availability of minimum number of conditioned transport at its disposal, adherence to an established tour operations code of conduct, an agents knowledge in tour operations, be able to maintain a number of employed personnel etc. In 2006 there were 281 travel agents which increased to 350 in 2007 operating in a country that provides tour services to only a limited number of guests in a year (17,344 tourists in 2006). This is not a healthy system for the country’s policy of encouraging high value tourism. A large number of agents are in constant competition to generate business and as a result, some operators resort to unfair trade practices such as price undercutting. This in turn results in providing lower quality of services which is totally in contravention to providing high value services and at the same time, such practices would jeopardize the image of the country. Tour operators indulging in any mal practices must be penalized to weed out unwanted elements in the industry.

12) Restroom facilities should be constructed on the highways and in the public areas where necessary. Government in cooperation with TCB should initiate plans and incentives to encouraging private sectors to develop cafeterias at different points with rest room facilities where tourist and the general public can stop and avail of these facilities. Moreover government should immediately address the construction of sufficient number of hygienic restroom facilities at public places on a pay and use system to maintain the facility.

13) Finally, the government and the travel agents should focus and train more employees on the use of ICT. The benefit of ICT is enormous and has greatly benefited travel agents to correspond more quickly, cheaply and accurately with the tourists, government organizations and other related tourism stakeholders. Travel agent in Bhutan should explore the usage of ICT beyond email and website such as e-business, making available online payment transaction, usability and interactive websites etc and similarly the government should facilitate and support the travel agents in the implementation of the ICT. It is also recommended that training should be provided to the employees by travel agents, government and other tourism stakeholders on the usage of ICT software programs. Furthermore, the government should provide tax incentives for the investment on the ICT and also special interest rate for those who develop standard systems.

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