



Domestic Tourists' Willingness to Pay for Natural and Cultural Heritage Sites in Pokhara Valley, Nepal

Arjun K. Thapa¹, Kumar Bhattarai^{2*}

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ABSTRACT:

This study investigates the willingness to pay of domestic tourists for increased entrance fees at selected tourist sites in the Pokhara Valley, Nepal. The study was based on cross-sectional data collected from 130 domestic tourists visiting three purposively selected fee-paying sites in Pokhara. The survey was conducted by using a quasi-random sampling technique. A structured questionnaire was administered on a rotational basis across the selected sites. A binary logistic regression model was employed to identify the factors influencing domestic tourists' willingness to pay. The study found that the mean actual fee was Rs 63.3, while the mean WTP was Rs 101, resulting in a mean consumer surplus of Rs 37.7 per visit. Regression results showed that age (45 years and above), monthly family income (Rs. 10,000-20,000 and Rs. 50,000-100,000), and frequency of recreational visits (2-3 times and 5 or more times in the past two years) significantly influenced the willingness to pay of domestic tourists. The relatively inelastic demand for recreational sites suggests that policymakers and site managers have the flexibility to revise and potentially increase entrance fees at key tourist sites in the Pokhara Valley.

Keywords: Domestic tourists, Fee paying sites, Nepal, Pokhara Valley, Willingness to pay

JEL Classification: Q26, Q51, Z32

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¹ Ph. D., School of Development and Social Engineering, Pokhara University, Nepal, arjunthapa@pu.edu.np ,

^{2*} Corresponding author, Ph. D. Candidate (Tribhuvan University), Department of Economics, Patan Multiple Campus, Tribhuvan University, Nepal, bhattarai1000@gmail.com

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1. INTRODUCTION

Tourism contributes to the economy in multiple ways. It contributes to earning foreign exchange, creating jobs, generating government revenue, and supporting livelihoods (Barros et al., 2011; Belloumi, 2010; Bhattarai & Karmacharya, 2022; Saleh et al., 2015). Recognizing this, the Government of Nepal has launched several tourism promotion campaigns, including 'Visit Nepal 1998', 'Nepal Tourism Year 2011', and 'Visit Nepal 2020' (Bhatt, 2025). The 'Visit Nepal 2020' campaign was canceled due to the COVID-19 pandemic. Nepal possesses abundant natural and cultural resources with strong tourism potential. Pokhara Valley stands out as one of the most popular tourist destinations in Nepal. Tourists can enjoy panoramic views of the Annapurna mountain range, Phewa and Begnas Lake, and green hills from different fee-paying sites across Pokhara Valley.

In times of international travel restrictions, such as during pandemics or economic downturns, domestic tourism becomes a crucial fallback for sustaining tourism-related businesses. Among the major attractions that draw both domestic and international visitors to Nepal are natural and cultural heritage sites, which not only serve as recreational spaces but also represent important revenue sources. However, maintaining and managing these sites sustainably requires adequate financial resources, and the most important source of revenue is entrance fees or user charges. Domestic visitors usually enter these sites for free or at a very low cost, which puts extra pressure on the limited resources available to maintain them. A study in the vicinity of Fewa Lake, Pokhara, found that 85% of domestic tourists were willing to pay an entry fee to enjoy the recreational value of Fewa Lake, provided that the quality is enhanced (Thapa, 2013). Jurado-Rivas and Sánchez-Rivero (2019) suggest charging a premium price on certain tourism products or services to make them more sustainable. Similarly, Moran's (1994) study in Kenya's protected areas also found that park fees represent the most accessible market mechanism for financing revenue sharing and additional park investments. Successful tourism in protected areas requires the ability to develop and market tourism products based on these areas, as well as the capacity to maintain their quality for the future (Font, Cochraine & Tapper, 2004). Research indicates that demand for major tourism sites in Nepal is price inelastic, suggesting that modest fee increases would not significantly deter visitation (Bardecki & Wrobel, 2012).

There is considerable scope to revise entrance fees at high-traffic tourist sites in the Pokhara Valley to ensure both conservation and sustainable revenue generation. Estimating visitors' willingness to pay (WTP) can help policymakers determine optimal pricing strategies while preserving access and equity. Understanding the socioeconomic and behavioral factors that influence WTP can inform policy design and implementation. In this context, the study has two objectives: to measure the willingness to pay of domestic tourists for selected natural and cultural heritage sites in Pokhara Valley and to determine the key factors influencing their WTP. Measuring WTP has direct policy implications (Bhattarai, 2019; Bhattarai et al., 2017), enabling the design of evidence-based policies to manage tourism sites more sustainably and efficiently.

Researchers have assessed the WTP for tourist sites in various countries, including Nepal. Khan et al. (2014) analyzed the determinants of WTP for recreational services in

Pakistan by applying logistic regression. The study found that income, age, educational attainment, and the quality of recreational services positively affect visitors' WTP. Pedroso and Kugnu (2019) estimated the WTP of wildlife tourists in Kenya by applying a contingent valuation method. The mean WTP was \$41.6. The study found that age, education, employment, respondents' perception of the landscape, hotel, and perception of water quality were the determinants of WTP. Similarly, Witt (2019) found that visitors' WTP (\$18) was higher than the current entrance fee (\$13.7) in Mexico. Visitors' demand was found to be relatively inelastic, with aggregate fee rises of 26% estimated to result in a 5% decrease in visitation. Barnes (1999) conducted a study in Namibia and found that domestic tourists were willing to pay N\$362 per person, which was significantly higher than the actual amount paid. This suggested that introducing a higher fee could help capture additional revenue.

Geztner and Thapa (2015) studied the WTP of international visitors in Langtang National Park of Nepal. The authors found that international visitors were willing to pay significantly more than the current payment. Compared to the existing entry fee of \$30, visitors were willing to pay approximately \$64. An econometric estimation of the determinants of WTP shows that tourists with experience in visiting parks were willing to pay higher entry fees. Bardecki and Wrobel (2012) also found that entry fees in protected areas of Nepal were generally far below what foreign visitors would be willing to pay. Baral et al. (2006), by applying the contingent valuation method, found that the mean WTP of foreign visitors to the Annapurna Conservation Area of Nepal was \$69.2 while the existing fee was \$27. The authors found that family size, visitors' satisfaction, the use of a guide, and group size were the determinants of WTP. Applying the travel cost method, Thapa (2013) found the cost of traveling, income, age, education, and location as the major determinants of demand for Fewa Lake's recreational amenities.

2. METHODOLOGY

2.1 Study design

This study was grounded in the theory of consumer utility maximization and utilized an empirical design based on cross-sectional data. To estimate the economic value of natural and cultural heritage sites in the Pokhara Valley, both the Contingent Valuation Method (CVM) and the Travel Cost Method (TCM) were employed. The CVM involved asking domestic tourists an open-ended question regarding the maximum amount they were willing to pay to visit these sites. This approach enabled the estimation of both use and non-use values, as respondents' stated preferences capture not only the recreational benefits derived from site visits but also the intrinsic value they assign to preservation and the cultural significance of the site. Complementarily, the TCM was applied by collecting data on tourists' visitation frequency over the past two years, their distance traveled from home, and their mode of transportation. This information facilitated the estimation of the recreational use value based on observed travel behavior and associated costs. By combining CVM and TCM, the study provides a more comprehensive valuation framework that integrates both stated and revealed preferences.

2.2 Study area

The study was conducted at three selected fee-paying tourist sites in Pokhara. These sites included Sarangkot View Tower, Davi's Fall (also known as Davis Fall), and the International Mountain Museum. Sarangkot is known for its mesmerizing landscape of Pokhara, with Phewa lake and the mountain range consisting Dhaulagiri, Annapurna and Manaslu. Sarangkot tower is on the hill top at the 1,600 m height above sea level. The entry fee at Sarangkot View Tower is Rs. 40 for domestic tourists. Davis Fall is one of the major attractions of Pokhara, located within a park. It is a waterfall with a 500-foot-long underground tunnel. The entry fee to Davis fall is Rs 50 for domestic tourists. The International Mountain Museum is a comprehensive exhibition showcasing themes related to Nepal's mountains, their history, mountaineering, mountaineers, cultures, and the lifestyles of people living in the mountains. The entry fee for general domestic tourists is Rs 100.

2.3 Nature and source of data

To meet the analytical and empirical objectives, this study depended mostly on quantitative data. A questionnaire comprising both closed-ended and open-ended questions was administered for this purpose. The study relied on primary data for its information but also incorporated information from secondary sources, like published government documents.

2.4 Sample size and sampling method

The questionnaire was administered in March and April 2021 to coincide with the domestic tourist seasons. Firstly, three fee-paying sites were purposively selected, and then the questionnaire was administered during office hours and on weekends (Saturdays) across the three sites. The respondents were Nepalese citizens (internal tourists) who were 21 years of age or above and willing to participate in the interview at the exit gate of the respective sites. The sample size was calculated by using the formula suggested by Cochran (1977):

$$n = \frac{Z^2 \cdot P \cdot Q}{e^2}$$

Where, n = Size of sample, $Z^2 = 1.96$, $P = 0.5$ (population size is unknown), $Q = P - Q = 0.5$, e = Margin of error (8.55%)

Based on this formula, a sample size of the study was 131. However, during the administration of the survey, one questionnaire was found to contain inconsistent information and was therefore excluded from the analysis. As a result, data from 130 respondents were included in the final analysis. The sample survey was conducted based on a random sampling technique.

2.5 Data analysis and management

The collected data were coded and entered into an Excel sheet. The researcher checked for any inconsistencies and incoherence before uploading it to STATA 12. Appropriate tables, charts, and diagrams were generated as per the requirement of descriptive analysis. The study applied logistic regression to analyze various determinants of tourists' willingness to pay for increased fees in selected tourist sites.

2.6 Model specification

This study measured the WTP of domestic tourists and analyzed the determinants of their WTP for natural and cultural heritage sites in Pokhara. To analyze the determinants of WTP, a binary logistic regression model was employed. In this model, the dependent variable was the respondent's WTP, coded as 1 for 'yes' and 0 for 'no'. The WTP was modeled as a function of several explanatory variables, including gender, education, age, resident area, site, family income, and visiting frequency. The potential factors influencing WTP were identified through a comprehensive review of relevant literature. The logistic regression model was specified as follows:

$$P(Y=1|X) = \frac{1}{1 + e^{-(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_K X_K)}} \quad (1)$$

Where, Y represents the binary dependent variable, i.e. WTP and $X_1, X_2, \dots, X_K$ represent the explanatory variables as mentioned above.

Alternatively, in its logit form, the model can be expressed as:

$$\log \left(\frac{P(Y=1)}{1-P(Y=1)} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_K X_K \quad (2)$$

3. RESULTS AND DISCUSSION

3.1 Socio-demographic status of tourists

Socio-demographic characteristics of tourists are major determinants of demand for tourism activities. The major demographic variables considered for this study were age, gender, marital status, caste/ethnicity, education, occupation and residence of visitors. Table 1 presents the socio-demographic status of tourists in this study.

Table 1 .Socio-demographic status of respondents

Variable	Category	Frequency	Percentage
Age	20 to 29	77	59.2
	30 to 49	45	34.6
	50 to 59	4	3.1
	60 above	4	3.1
Gender	Female	58	44.6
	Male	72	55.4
Marital status	Unmarried	45	34.6
	Married	84	64.6
	Others	1	0.8
Caste / ethnicity	Brahmin	43	33.1
	Chhetri	33	25.4
	Janajatis	34	26.2
	Dalits	20	15.4
Education	Illiterate	8	6.2
	Literate primary	27	20.8
	Lower secondary	46	35.4
	Secondary	28	21.5
	plus two	21	16.2
Residence	Rural	7	5.4
	Urban	123	94.6
Occupation of visitor	agri & labor	9	6.9
	salaried job	31	23.8
	Business	18	13.8
	foreign & other	15	11.5
	Housemaker	27	20.8
	student & unemp	30	23.1
Family income month	Below 10000	9	6.9
	10000 to 20000	17	13.1
	20000 to 50000	69	53.1
	50000 to 1 lakh	25	19.2
	above 1 lakh	10	7.7

Source: Field visit, 2021.

A majority (59%) of the respondents belonged to the age group of 20 to 29 years. It indicates that the flow of internal tourism in Nepal is popular among the younger population. After the younger population, the middle-aged population, aged 30 to 49 years, holds the second-highest position (34%). In the gender-wise distribution, male participants outnumbered their female counterparts. Women still face social and cultural restrictions on mobility, and their absence from home for extended periods often invites scrutiny. Around 60 percent of respondents visiting these sites were married, but a third of them were unmarried. Over half of the visitors were of Brahmin and Chhetri. Janajati occupies around a quarter of the total visitor population. The level of education is also an important factor affecting the demand for tourism. In this study, the majority of them (35%) had lower secondary level education, followed by

secondary level education. Around 6% of visitors were illiterate. The majority of respondents (95%) currently reside in an urban area. Forty-seven percent of the visitors were engaged in some form of income-generating occupation, while 43% were either students or homemakers. Among the visitors, the majority (53%) fell within the range of earning Rs. 20,000 to Rs. 50,000 per month. Surprisingly, 25% of respondents' monthly household income fell within Rs. 50,000 to Rs. 100,000. This suggests that most respondents belonged to the middle-income group.

3.2 Visitation frequency and entrance fee

Visitors were asked about the frequency of their visits to recreational sites across the country, including how often they had visited Pokhara and the specific site under study. In addition to visiting frequency, the mode of travel, such as tourist bus, taxi, private vehicle, and other means, was also recorded, as presented in table 2.

Table 2 No. of times visited and mode of travel

Variable	Category	Frequency	Percentage
Visits in last 2 years	Up to 2 times	17	13.1
	3 to 4 times	27	20.8
	5 to 6 times	31	23.8
	7 to 10 times	19	14.6
	Above 10 times	36	27.7
Visits to the site under study in last 2 years	First time	104	80.0
	2nd time	11	8.5
	3rd time	7	5.4
	4th time	4	3.1
	5th time	2	1.5
	Up to 10 times	2	1.5
Mode of travel	Tourist bus	25	19.2
	Taxi	20	15.4
	Private vehicle	12	9.2
	Motorcycle	48	36.9
	Others / walking	25	19.2
Distance from home	Up to 45 minutes	54	41.2
	1 to 1.7 hours	16	12.2
	2 to 5 hours	21	16.0
	6 to 12 hours	20	15.3
	12 hours above	19	14.6

Source: Field Survey, 2021.

Over a quarter of respondents have visited tourist sites more than 10 times in the past two years' period. The data indicate that most respondents were frequent travelers. Eighty percent of respondents reported visiting the current site once in the last two years period. Around thirty-seven percent of visitors were found to have used a motorcycle as a mode of travel to the current site. It might be due to two reasons: most of them are locals or people residing within the vicinity of the Kaski district, and the threat of COVID-19 has led to a decrease in the use of public vehicles and local transport. A large portion of the visitors were students and young people. Around 19 percent of people had arrived at the current site via tourist bus and on foot. The walkers were likely to be locals of Pokhara. In this study, 16% of

visitors reached Pokhara within 2 to 5 hours of travel, while 29.9% had traveled for more than 6 hours to arrive at the destination.

3.3 Willingness to pay for the increased entrance fee

In this study, 75% of respondents expressed willingness to pay an increased entrance fee at the respective sites. Table 3 presents the WTP for an increased fee by various socio-demographic factors, including sex, respondent education, family income, profession type, place of residence and site of visit.

Table 3. Willingness to pay by various socio-demographic factors

Variable	Category	Yes		No	
		No.	%	No.	%
Sex	Female	40	69.0	18	31.0
	Male	58	80.6	14	19.4
Education	Illiterate to primary	26	74.3	9	25.7
	LS to plus 2	33	71.7	13	28.3
	Above plus 2	39	79.6	10	20.4
Family income (Rs. '000')	Below 10	9	100.0	0	0.0
	10 to 20	10	58.8	7	41.2
	20 to 50	54	78.3	15	21.7
	50 to 100	16	64.0	9	36.0
	Above 100	9	90.0	1	10.0
Profession	Homemaker	21	77.8	6	22.2
	Agriculture	10	55.6	8	44.4
	Business	11	61.1	7	38.9
	Government job	5	62.5	3	37.5
	Other salaried activities	32	94.7	6	5.3
	Student	19	90.5	2	9.5
Place of residence	Rural area	5	71.4	2	28.6
	Urban area	93	75.6	30	24.4
Place of visit	Sarangkot	29	70.7	12	29.3
	Davis fall	29	80.6	7	19.4
	Mount museum	40	75.5	13	24.5

Source: Authors' calculation based on field survey, 2021.

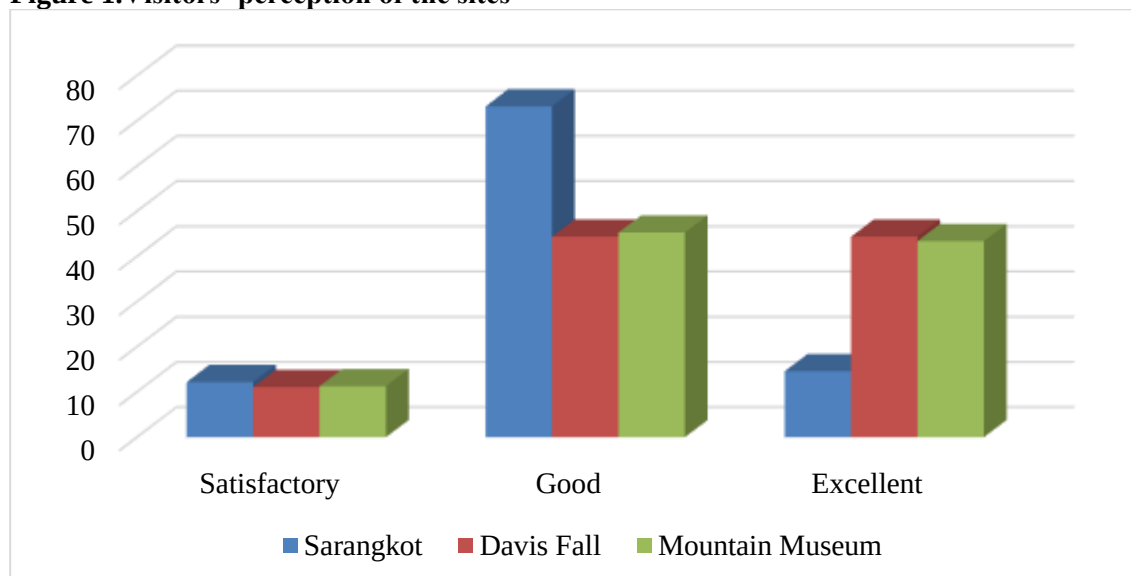
In this study, the majority of respondents across different demographic and socio-economic categories expressed willingness to pay for an increased entrance fee at the selected sites. Overall, 80.6% of males and 69% of females were willing to pay more. Willingness to pay increased with education level, ranging from 74.3% among those with education up to primary level to 79.6% among those with education above Plus 2. Income also showed a positive correlation, with 90% of respondents earning above Rs. 100,000 and 78.3% of those earning between Rs. 20,000 and Rs. 50,000 indicating a willingness to pay more. Professionally, students (90.5%) and individuals in other salaried jobs (94.7%) showed the highest willingness, while farmers (55.6%) and businesspeople (61.1%) were less inclined. Urban residents (75.6%) showed slightly higher willingness than rural ones (71.4%). Regarding

the place of visit, visitors to Davis Fall (80.6%) and Mountain Museum (75.5%) were willing to pay higher fees compared to those visiting Sarangkot (70.7%).

3.4 Visitors' perceptions of the sites

Visitors were asked to evaluate the quality of the ambiance and their overall satisfaction with the sites visited. They expressed their opinions using a five-point Likert scale with the options: very poor, poor, satisfactory, good, and excellent. Notably, none of the respondents selected the first two options-very poor or poor-indicating generally favorable perceptions of the sites. Sarangkot received the highest proportion of 'good' ratings at 73.2%, indicating general approval but fewer ratings in the 'excellent' category (14.6%). In contrast, Davis Fall and the Mountain Museum had a more balanced distribution between 'good' and 'excellent' ratings, with nearly equal percentages. Davis Fall received 44.4% in both categories, while the Mountain Museum was rated 45.3% as 'good' and 43.4% as 'excellent'. This suggests that while Sarangkot was largely appreciated, Davis Fall and the Mountain Museum left a stronger impression on a significant share of visitors.

Figure 1. Visitors' perception of the sites



3.5 Entrance fee, WTP and consumer surplus

The entry fee for Nepalese nationals and citizens of SAARC countries is different. There is a 50% discount for students on some of the sites.

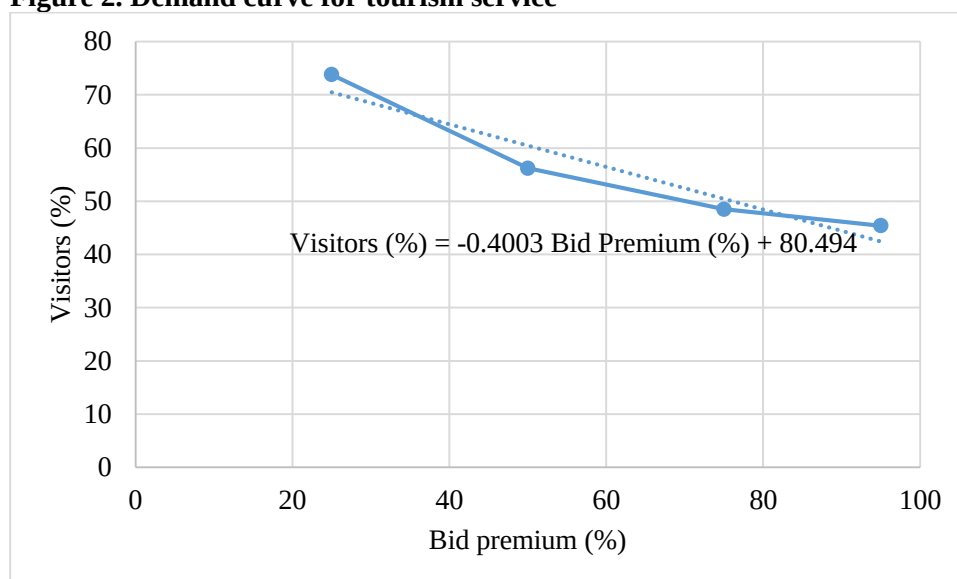
Table 4 . Fee and number of visitors

Tourist site	No. of visitors	Entry fee per person (Rs)	Actual entrance fee paid (Rs)	Mean WTP per person (Rs)	Total WTP (Rs)	CS per person (Rs)	Total consumer surplus (Rs)
Sarangkot	41	40	1,640	53.2	2,181.2	13.2	541.2
Mountain Museum	36	100	3,600	168.6	6,069.6	68.6	2,469.6
Davis Fall	53	50	2,650	92.0	4,874.9	42.0	2,224.9
Total			7,890		13,125.7		5,235.7
Average			60.7		101.0		40.3

Source: Authors' calculation based on field survey, 2021.

The mean WTP was Rs 101, while the average entrance fee was Rs 60.7. So, the average consumer surplus was Rs 40.3 per visit. The demand curve for tourist visitation to Pokhara's tourist sites is shown by the curve sloping downward from left to right in figure 2. It indicates that 45.4% of visitors were willing to pay a 95% increment in the entry fee, 48.5% of them were willing to pay a 75% increment in fees, 56.2% were willing to pay a 50% increment in fee, and 73.8% were willing to pay a 25% increment in the fee. There is an inverse relationship between bid premium (%) and no. of visitors (%), suggesting that as the bid premium increases, the number of visitors decreases. This aligns with the law of demand. Figure 2 illustrates that the demand for visiting these sites is inelastic, indicating that an increase in the entrance fee would lead to higher total revenue for these sites.

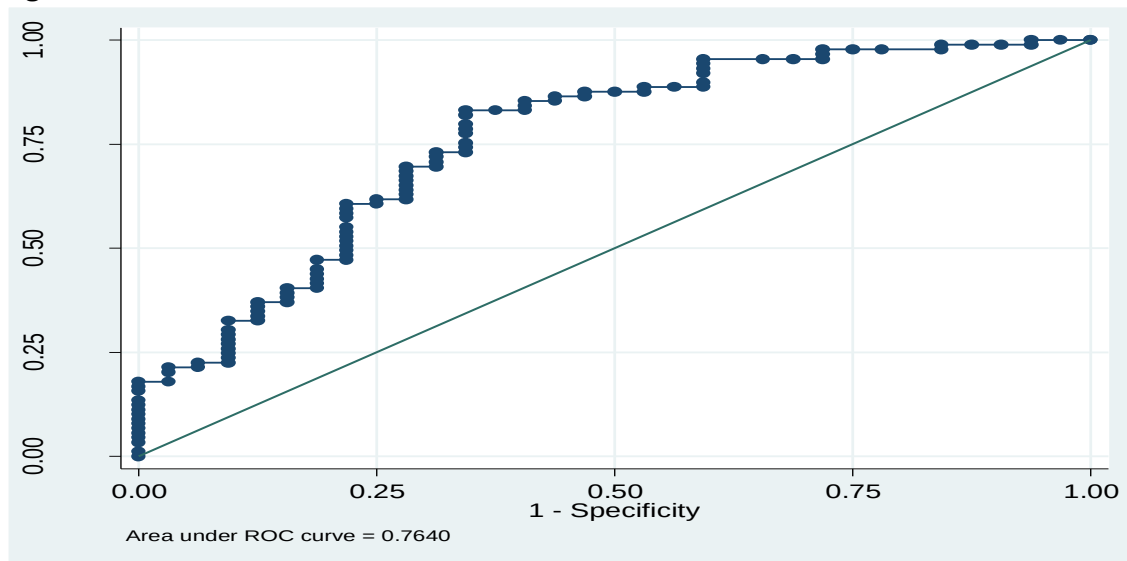
Figure 2. Demand curve for tourism service



3.6 Estimation of the logit model

To analyze the determinants of WTP, a logit model was estimated. In this model, gender was categorized as female = 1 and male = 2; education was categorized as illiterate/primary = 1, lower secondary (LS) to higher secondary education (plus 2) = 2, and above higher secondary education = 3. Age was grouped into four categories: up to 24 years = 1, 25 to 34 years = 2, 35 to 44 years = 3, and 45 years and above = 4. Residence was coded as rural area (Rural Municipality) = 1 and urban area (other local levels) = 2. The places visited were assigned values as follows: Sarangkot = 1, Davis Fall = 2, and Mountain Museum = 3. Monthly family income was divided into five brackets: up to Rs 10,000 = 1, Rs 10,001 to 20,000 = 2, Rs 20,001 to 50,000 = 3, Rs 50,001 to 100,000 = 4, and above Rs 100,000 = 5. The frequency of visitation was coded as follows: once every two years = 1, 2 to 3 times = 2, and 4 times or more = 3.

For logistic regressions, the receiver operating characteristics (ROC) curve test is important. The specificity and reliability, as indicated by the ROC value of 0.764, suggest that the model's ability to explain true positives is very high and acceptable.

Figure 3. ROC curve

The regression analysis produced an adjusted R^2 of 18.9% and a probability > chi2 value of 0.06, indicating that the model provides a reasonably good fit for explaining variations in WTP. Similarly, the VIF value of each variable was less than 10, indicating that there is no multicollinearity problem in the data.

Table 5. Regression result

Variable	Odds Ratio	Standard Error	p-Value	[95% Interval]	Confidence
Gender (Rf. Female)	1.221	0.631	0.699	0.443	3.361
Education (Rf. Illiterate and Primary)					
LS to Plus 2	0.568	0.377	0.394	0.155	2.085
Above Plus 2	1.147	0.747	0.833	0.320	4.113
Age (Rf. below 24)					
25 to 34	0.697	0.436	0.564	0.204	2.379
35 to 44	0.520	0.404	0.400	0.114	2.382
45 and above	0.205	0.173	0.060	0.039	1.070
Resident area (Rf. Rural area)					
Urban area	1.344	1.792	0.825	0.098	18.349
Sites (Rf. Sarangkot)					
Davis Fall	1.731	1.168	0.416	0.461	6.496
Mountain Museum	1.409	0.882	0.584	0.413	4.804
Family income (Rf. Below Rs 10,000)					
Rs 10,000 to Rs 20,000	0.079	0.114	0.078	0.005-1.334	
Rs 20,000 to Rs 50,000	0.154	0.207	0.165	0.011-2.158	
Rs 50,000 to Rs 100,000	0.041	0.060	0.031	0.002-0.742	
Visiting frequency (Rf. Once in 2 Years)					

2 to 3 times	14.041	11.614	0.001	2.776
4 times and more	5.503	3.999	0.019	1.324

Source: Authors' estimation based on field survey, 2021.

The regression analysis identified three variables that have a statistically significant relationship with visitors' WTP: age, family income, and visiting frequency. Khan et al. (2014) also found that age influences visitors' WTP. Duran-Roman et al. (2021) concluded that age, income, sex, and budget determine visitors' WTP. Geztner and Thapa (2015) concluded that visiting frequency influences tourists' WTP. Visitors aged 45 and above are 0.21 times as likely to exhibit higher WTP compared to those below 24 years, indicating that older visitors exhibit lower WTP compared to younger visitors. In terms of household income, visitors from households earning Rs 10,000-20,000 per month and Rs 50,000-100,000 per month are 0.08 times and 0.04 times as likely, respectively, to have higher WTP compared to those with monthly income below Rs 10,000. This suggests that visitors from middle-income groups are less likely to exhibit higher WTP. One possible explanation is that low-income visitors may view the site as a unique opportunity and thus value it more. At the same time, middle-income groups might be more price-sensitive or have different spending priorities. On the other hand, frequent visitors exhibit a significantly higher WTP. Specifically, visitors who visit the site 2-3 times are 14.04 times more likely to exhibit higher WTP compared to those who visit only once in two years. Similarly, visitors who visit 4 or more times are 5.50 times more likely to show higher WTP compared to infrequent visitors.

4. POLICY IMPLICATIONS

Based on the findings, several important policy implications emerge. First, the mean WTP of domestic tourists was Rs. 101, significantly higher than the current mean entry fee of Rs. 63.3. This indicates clear potential for increasing the entry fee without deterring visitors, thereby enhancing revenue generation for site maintenance and tourism development. The logistic regression results suggest that WTP is significantly influenced by age, family income, and visiting frequency. Older tourists (especially those aged 45 and above) are less likely to have a higher WTP, implying the need for age-sensitive pricing, such as discounts for senior citizens. Frequent visitors are significantly more willing to pay, suggesting a strong perceived value of the sites and providing justification for multi-visit passes or loyalty incentives. Interestingly, variables such as gender, education, and urban-rural residence showed no significant effect on WTP, indicating that a largely uniform pricing policy is feasible across these groups. Although higher-income groups appeared to have lower odds in the model, this may reflect complex behavioral responses or expectations and calls for further exploration or potential voluntary contribution schemes. Importantly, raising fees closer to tourists' WTP can be justified through a cost-benefit analysis, where increased revenue can be used to improve infrastructure, services, and conservation efforts, and the benefits outweigh the costs of such improvements. This provides a sound basis for local governments and heritage site managers to reform pricing policies and investment decisions, ensuring sustainability and enhancing the overall tourist experience.

5. CONCLUSION

This study examined the WTP of domestic tourists for natural and cultural heritage sites in the Pokhara Valley, Nepal. The majority of respondents expressed a willingness to pay more than the current entrance fee at the selected sites. The estimated mean WTP was Rs. 101, compared to the existing average fee of Rs. 63.3, implying a mean consumer surplus of Rs. 37.7. Results from the logistic regression model identified age, family income, and frequency of visits as determinants of WTP. Given that the demand for these sites appears to be price inelastic, there is scope to increase entrance fees, which could enhance total revenue without substantially decreasing visitor numbers. These findings have important implications for pricing strategies and sustainable heritage site management in Nepal.

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