

INDIA

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General Market Overview

- Population: 1.13 billion. Major population centres are Mumbai (21.6 million), Delhi (21.5 million), Kolkata (15.7 million), Chennai (7.85 million) and Bangalore (7.35 million). India is the second youngest country in the world with 43% of the population below the age of 25.
- Continues to be politically stable, though general elections are due by May 2009.
- The outstanding success of Indian IT and call centre employment has created a noticeable impact in the economy and is reflected in the growing middle class.
- In the 2007/08 financial year GDP grew by 11% and is forecast to grow at 5-6% for the next year. The annual inflation rate is around 10%-12%.
- The middle class is becoming increasingly affluent, mobile, internet savvy and more sophisticated in terms of what is demanded from tourism products and services, and more importantly the price they are willing to pay for it.
- An Indian Market Research Bureau study reveals the greatest desire of the Indian middle-class after buying a house is to holiday abroad.
- Exchange rate AUD\$1=32.65 INR (as at 16 October 08).
- Language: English, Hindi (North/West) and Tamil (South) are the 3 main languages.
- Annual leave entitlement: 30 days.

Market Profile

- India is classified as one of Australia's emerging markets. Travel for the purpose of visiting friends and relatives and education is expected to remain strong while increased disposable income and economic activity are driving holiday and business travel.
- The Indian tourism market was valued at USD\$4.8 billion in 2007.
- Indian inbound tourism to Australia is forecast to grow at approximately 16% per annum from 2007 to 2015 (albeit from a small base). India is the second largest travel market in Asia after China and is one of the fastest growing travel markets in the world.
- For the year ending June 2008, Indian visitor arrivals to Australia were 100,800 (approximately 1.8 per cent of inbound arrivals to Australia), an increase of 22% over the same period last year. The main reasons for visiting Australia were holiday, business and visiting friends and relatives.
- South Australia attracted 3,700 visitors from India in the year ending June 2008, which reflects an increase of 12% from the same period in 2007. This equates to approximately 4% of total Indian visitors to Australia.
- There has been a noticeable growth of various travel portals and online travel services. The rise in the urban middle class, combined with access to travel-specific technology, indicates more changes to come in the future for the Indian outbound market.
- Inbound business from India is highly seasonal. Travel normally occurs from May to July. November and early December are also popular months to travel, especially for the honeymoon segment.
- The SATC will focus its marketing activity on the 'Experience Seeker' (in line with Tourism Australia's approach), specifically the middle and upper class families in the primary geographical area of Mumbai (Maharashtra State) and Delhi. Honeymooners and small incentives will be targeted as secondary markets.

- Australia is known for its natural environment in particular scenic landscapes. Beach culture and lifestyle also contribute to positive perceptions of Australia.
- Products (tourism experiences) to promote in India will generally be within the tourism regions of Adelaide, Kangaroo Island, the Barossa, the Adelaide Hills and the Fleurieu Peninsula. This is due to their accessibility and the experiences available. The products to be promoted include:
 - Nature and wildlife of Kangaroo Island
 - Food and fresh produce throughout the State
 - Shopping experiences, including the Central Market and shopping precincts such as Rundle Mall and Harbour Town
 - Adelaide Oval as one of the world's best cricket grounds and the Bradman Collection
 - Wine in the Barossa region

Consumer Trends

- 61% of Indian visitors to Australia are first time visitors.
- Most Indian consumers will rely on travel agents for information when planning trips to Australia. Travel agents and word of mouth have a big influence on destination choice.
- The majority of packages are booked through travel agents.
- There has been an increase in the usage of the Internet to research and gather information for travel.
- Indian consumers have a short lead time for booking their holidays, ranging from three to six weeks on average, and have a preference for pre-planned itineraries.
- Australia offers a fresh, new and exciting destination. Indians like to brag about the fact that they have visited Australia.
- Destination awareness and preference levels for Australia already exist in our target audience, but knowledge of South Australia is low amongst both consumers and the travel trade.
- A paradigm shift has taken place in the last five years. A sizeable number of Indian families will either travel on their own or with other family friends. This segment is not interested in packaged tours. This has led to most large and medium sized travel companies spinning new divisions for FIT holidays. These divisions provide suggested itineraries, which are easily modified to suit the client's desires.
- Indians spend an average of 10-12 nights abroad and approximately \$1,800 per person per leisure trip. Other than travel and accommodation, most Indians spend money on shopping for accessories, electronics, local souvenirs, perfumes and fashion.
- Top 6 activities for Indian visitors in Australia are
 1. Eating out at a restaurant/café
 2. Shopping for pleasure
 3. Going to the beach
 4. Going to the markets
 5. Visiting wildlife parks, zoo's and aquariums
 6. Visiting National Parks, botanical or other public gardens

Airlines

- There is no direct air access between India and Adelaide.
- Singapore Airlines fly daily from Mumbai to Adelaide via Singapore. Connections to New Delhi, Kolkata, Bangalore, Hyderabad, Ahmedabad, Chennai and Kochi are also available with Singapore Airlines and Silk Air.
- Qantas flies direct from Mumbai to Sydney three times per week (Sunday, Wednesday and Friday).
- Qantas has a code share agreement with Jet Airways, providing a connection to Adelaide from Delhi, Mumbai and Chennai via Singapore.

Competition

- The most popular destinations for the Indian consumer are Europe, USA, Africa and the Far East (including Singapore, Malaysia, Thailand and Japan).
- Faster and easier visa processing and issuing by the USA has impacted many destinations, including Australia.
- The most popular travel destinations for Indians in the next 12 months will be Singapore, Australia, Dubai and Malaysia.
- Various NTOs and International Airlines have undertaken regular marketing activities for Indian trade such as familiarisation tours and trade missions. The British High Commission intends to launch a Trusted Partner program next year which is along the lines of Tourism Australia's Preferred Aussie Specialist Scheme meant for faster visa processing with select travel agents.

Trade Information Summary

- India has a highly fragmented distribution system with no clear definition or classification of either types of agents or their activities. Most large retail agents brochure and market their own programs with links to inbound tour operators.
- More than 90% of leisure business to Australia is handled by an Inbound Tour Operator.
- The big three operators (Thomas Cook, SOTC Kuoni and Cox & Kings) hold approximately 25% of market share. They act as both wholesalers and retailers, cater to all markets and promote and sell all major destinations around the world.
- Many online travel agents have entered the offline market as they are realising the limitations of online travel businesses in India.
- Tourism Australia's primary focus in India is with Aussie Specialist travel agents, who are targeted as a priority for ongoing training and familiarisation. As of 30 September 2008, the Aussie Specialists Agent program in India had 222 agencies and 746 agents across 33 cities registered.
- Tourism Australia along with the Department for Immigration and Multicultural Affairs (DIMA) have introduced a Preferred Agency Scheme with the Aussie Specialist agencies, whereby visa applications submitted through these agencies will be processed within 24 hours. The Preferred Agency scheme currently has over 98 agencies with 196 agents across 19 cities.
- Currently there are 20 agencies participating in the Electronic Visa Lodgement trial, which allows them to issue same day visas.

Key Highlights of Marketing Activities in 2007/08

Wholesale Brochure Advertising

- SATC negotiated to advertise in wholesale brochures featuring a South Australian package and itinerary. South Australian advertisements and packages are currently featured in the following brochures: Saltours, Strawberi Holidays, SOTC Kuoni, Thomas Cook, InOrbitz, Cox & Kings and Holiday Representations. Negotiations are continuing with other major wholesalers.

Indian Media Famils

- The SATC has hosted six Indian journalists under Tourism Australia's Visiting Journalist Program. Inder Raj Ahluwalia visited Adelaide from 21 to 23 November 2007. Rupali Dean, Mitali Saran and Anita Rao-Kashi visited from 16 to 18 April 2008 and Raul Dias and Preeti Verma visited from 28 April to 1 May 2008. The journalists visited Adelaide, the Barossa, Adelaide Hills and Kangaroo Island. To date six articles have resulted from these famils and over \$50,000 in media value.

Indian ASP Agents famil

- In February 2008, eight Indian 'Aussie Specialist' agents visited South Australia as part of Tourism Australia's Aussie Specialist familiarisation program. The group visited Adelaide, Kangaroo Island, the Adelaide Hills and Barossa.

Rainbow FM Radio Promotions

- Between February and November 2008, South Australia featured in promotional segments on radio FM Rainbow in Mumbai, the only Indian FM Channel that broadcasts in English. Vinod Advani, the host, promoted South Australia's attractions and experiences to increase consumer awareness of South Australia as a tourist destination. Approximately half a million listeners tune into the Monday and Friday shows.

India Travel Mission 2008

- Vinod Advani attended Tourism Australia's India Travel Mission (ITM) from 22 to 26 September in Chennai, which included 130 buyers and 50 sellers. The ITM provided an opportunity to establish and develop business relationships with key qualified travel agencies and tour operators from all over India. The two-day workshop included a number of networking functions and 80 one-to-one business appointments with Indian buyers.

Cox & Kings Promotion

- From June to October 2008 the SATC ran an online campaign to promote Cox & Kings travel packages to South Australia. The key component of this campaign was a South Australian microsite linked to the Cox & Kings home page. Cox and Kings have also sent out three electronic direct mailers to their high-end FIT database to direct traffic to the microsite.

Lovestory 2050

- From 23 June to 11 July the SATC in conjunction with Fever 104FM in Mumbai ran a radio promotion to promote key South Australian holiday experiences and capitalise on the interest generated by the launch of the Bollywood film "Love Story 2050". The campaign finished on 11 July with a trip for two people to Adelaide being given away

as the grand prize in the consumer promotion. The call to action for the promotions was southaustralia.com and coxandkings.com, the website of Indian travel wholesaler Cox and Kings.

Trade Training

- **Bombay** – Vinod Advani conducted presentations on South Australia to sales and marketing staff of the following agencies: Kuoni, Cox & Kings, TCI, Saltours, Strawberi, Lifestyle Holidays and Beacon Holidays. Each month, Vinod visits at least eight non-Aussie specialists who also send FIT's of various communities to Australia. These are not high numbers but it still a market worth educating. Simple presentations are done and one or two brochures are given out for future reference.
- **Delhi** – In April 2008, Vinod conducted presentations to the entire sales and marketing staff of all the travel agencies with whom the SATC advertised and included SA in their itineraries including Kuoni, Cox & Kings and TCI.

Active Inbound Companies in the Region

- WEL Travel
- Travel Maestro
- Holiday Pacific
- Australian Tour Management (ATM)
- ATS Pacific
- Australian Vacations
- Experience Tours Australia (a division of AOT)
- Southern Travelnet
- NRG Tourism
- Qantas Holidays

Opportunities for Operators

- Participation at the India Travel Mission in September 2009.
- Hosting of Aussie Specialists Agents and Media Familiarisation tours. Tentative itineraries would include visits to Kangaroo Island, Fleurieu Peninsula, Barossa, Adelaide Hills and Adelaide.
- Exposure of relevant products in our bi-monthly electronic newsletter that is distributed to all travel trade partners in Asia.
- Inclusion of relevant products in tactical campaigns.
- Exposure of relevant products on Asia website (www.southaustralia.com).
- Participation in ATE 2009.

Useful Tips – Working in the Indian Market

- Be mindful of school holidays and seasonal travel patterns.
- Many Indians live a pampered and luxurious life. The average family has one maid, one cook and a driver. Labour is cheap so they often have someone to do menial tasks (eg office boys, help at airports, waiters etc).
- Service in Indian hotels and restaurants is usually excellent due to the number of staff. They do not understand 'self help' restaurants and think they are receiving bad service when they are kept waiting.
- Though they speak English quite well, they generally do not think in English. Australians can mistake this as being rude.
- There is no informal translation of 'Please' in Hindi and other main languages.
- Management staff are not usually in the office before 10.00am–10.30am and will generally work until about 7.00pm. Meetings in market should not be made prior to 10.30am at the earliest.
- Sometimes Indians ask questions which may seem too personal and intrusive. Please remember that discussing one's family and personal life is normal among Indians.
- Try to avoid the following subjects in conversation: Pakistan, religion, rich and poor divide.
- Seniority, age and authority are respected in India, both in business and public life.
- Compared to many other cultures, relationships and feelings play a larger role in decisions in India. In general, Indians tend to take larger risks with people whose intentions they trust. Thus, your credibility and trustworthiness are critical in negotiating a deal.
- Bargaining for the price or extra concessions is normal in India. Indian negotiators expect and value flexibility in negotiations. A straightforward offer may be perceived as a rigid stand. It is advisable to build some buffers into your initial offer, which will allow for bargaining later.
- Decision making can be a long process because of the bureaucratic nature of many Indian organisations and because the decision may have to be approved by people not at the negotiating table.
- When planning meals for Indian guests it is advisable to ask if they are vegetarians or non-vegetarians. It is also advisable to have a few varieties of vegetarian dishes available at lunch and dinner parties and to keep meat and vegetarian dishes on separate tables (if possible) and to label them. Rice is served with almost every meal.
- Be prepared for the fact that your guests will be late, since arriving punctually for a social occasion is considered bad manners. Also, some of your guests may not turn up at all even when they have promised that they will.