


The Embassy of Iceland in India, New Delhi



ÚTFLUTNINGSRÁÐ ÍSLANDS

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Opportunities for Icelandic Tourism Companies in Indian Market

Date: 5th November
Place: Trade Council

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Embassy of Iceland in India





Scope of Presentation

Indian Economy – General Facts

Outbound Tourism Market from India

Recommendations

Our Services



India – Facts at a Glance

- India is the largest democracy in the world
- 10th most industrialized country
- The World's biggest back office
- World's largest skilled workforce



Highlights of the Indian Economy

- Increased disposable income, increased wealth
- Large emerging affluent middle class
- Aggressive liberalisation and market reforms
- Strong drive for Foreign Direct Investment
- Increased overseas remittance from Indians abroad



India Growing....

- Growing aspirations fuelled by Media Penetration
- Changing consumption basket with travel moving up quickly
- Fast growing per capita income with strong & stable currency
- Liberalized scenario with easy availability of Foreign exchange, Visas, Flight connectivity etc.





INDIAN TOURISM AT A GLANCE

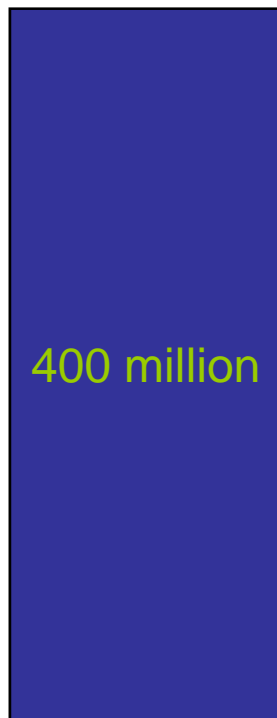
India is one of the fastest growing travel markets in the world. With more than 1.1 billion inhabitants and the GDP increasing by more than 8 percent every year, the country offers enormous potential for future growth in outbound travel

India's domestic travel market has been booming steadily over the past 15 years . It has stimulated the economic growth and boosted employment



Size of Indian Tourism Market

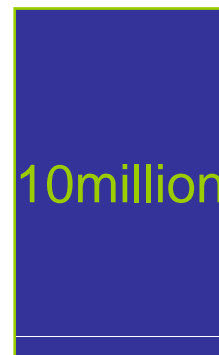
Domestic



50 million Outbound by 2020

16 million Outbound by 2010

Outbound



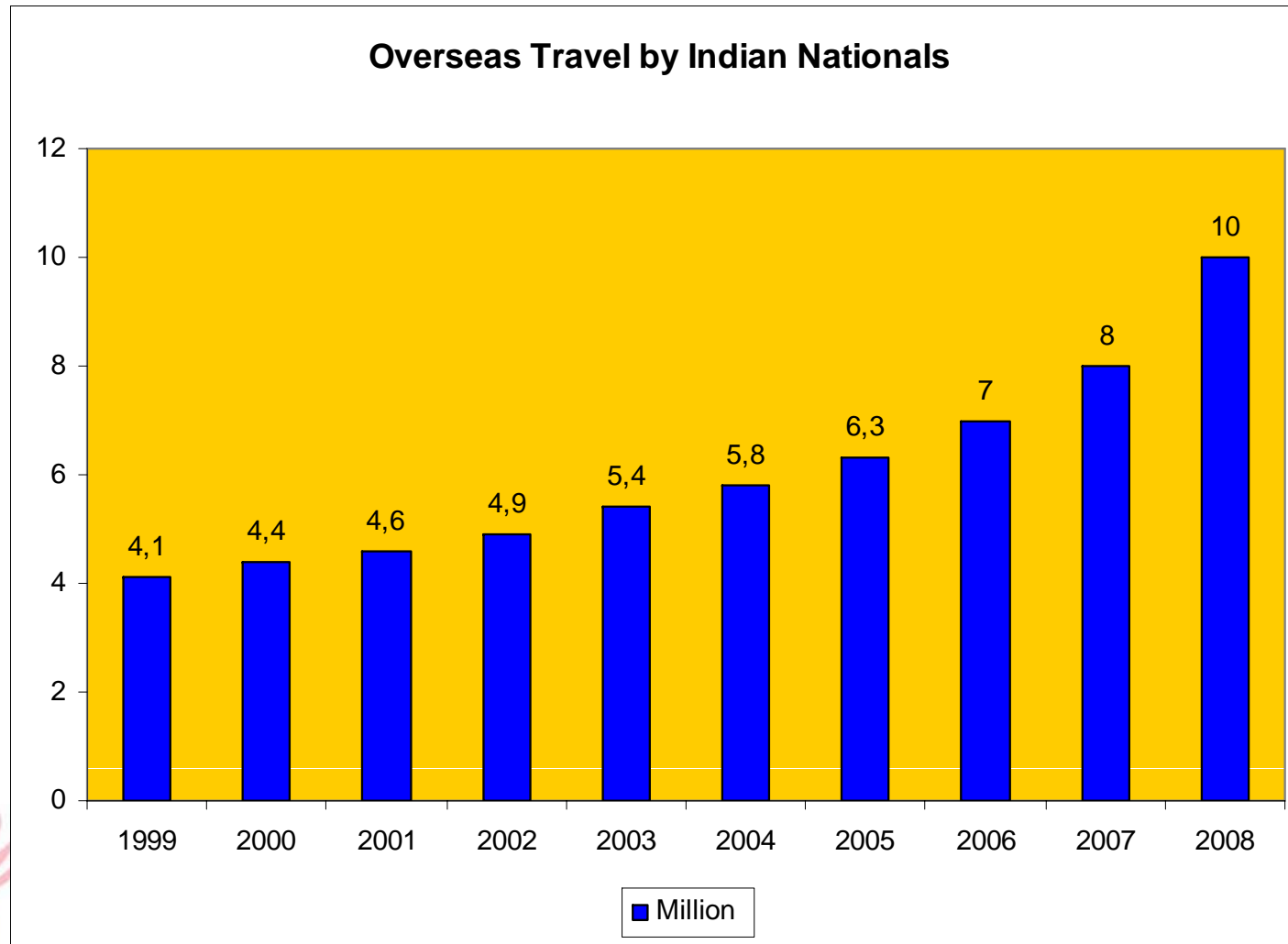
Inbound



Source:
UNWTO



Outbound Traffic





Outbound Tourist Market in India

India is one of the fastest growing outbound tourism market with the growth rate of 11.8% per annum

Outbound tourism expenditure from India would grow by over 25.7 % between 2006 and 2011 to reach a value of US\$ 21 billion by 2011

The Indian Outbound travel market has grown from 3.7 million in 1997 to 10 million international departures in 2008.

Source: United Nation World Travel Organisation



Key Factors for the Growth of Outbound Tourism Market from India

- Good economic performance of the country, creating a substantial disposable income
- Upper- middle income group is the largest segment
- Age group of 15- 49 to comprise of 62%of outbound travel
- Liberalisation of the civil aviation policies of the country, making air access to more destinations at cheaper fares





Key Factors for the Growth of Outbound Tourism Market from India

- Availability of numerous holiday packages and easier bank loans
- Relaxation of foreign exchange regulations
- Liberalisation of travel documents
- Greater awareness about destinations due to marketing campaigns by increasing number of countries





Outbound Travel Trends

Top five Outbound Destinations for Indians

UK

Switzerland

Australia

France



South Africa





Top Five Emerging Destinations

Greece

Egypt

Morocco

Turkey

Spain



Key Market Segments in India

Family travellers

- It is the most prominent market
- The trend of travelling alone has changed , children are now travelling with their parents
- Generally travel during the summer holiday season between mid April and June
- Family travellers consists of six or more people which includes the extended family, close friends or group of families



Key Market Segments in India

Honeymooners

- Going abroad on honeymoon is becoming increasingly fashionable in India
- Travel season is from October until March when most weddings takes place
- The upper middle class is choosing Europe for their honeymoon for the oomph factor



Key Market Segments in India

VFR(Visiting Friends and Relatives)

- 30 million Indians are living in various parts of the world
- Indian community is tight knit which stimulates travel from immediate members of the family as well as from friends or relatives
- UK has the largest Indian population estimated at 2.9 million
- Indians are visiting friends and relatives particularly in the United States of America, United Kingdom, Canada and Australia





Key Market Segments in India

VFR(Visiting friends & Relatives)

- Indian travellers stay partly with friends or relatives
- Prefer to stay at hotels within the destination for leisure
- The retired Indians are also visiting their children who are settled abroad



Key Market Segments in India

MICE(Meeting Incentives Conference &Exhibitions)

- Fast growing segment
- Continued globalization of India
- Incentives to workers on their good performance
- Neighbourhood destinations are offering competitive cost
- Outbound meetings segment from India is growing at about 30% per annum
- Companies are expanding their budgets
- Europe remains a popular destination for incentive travel



Outbound Tourism from India to Nordic Countries

- The Outbound Tourist from India to Europe is increasing at a rate of 5 -7 percent per annum
- Majority of travellers go to UK, Switzerland and France
- Indian travellers to the Nordic regions is still very small
- Small number of Indians travel due to lack of tourism information
- 2500 Indian travellers visited the Nordic region as leisure travellers in 2009

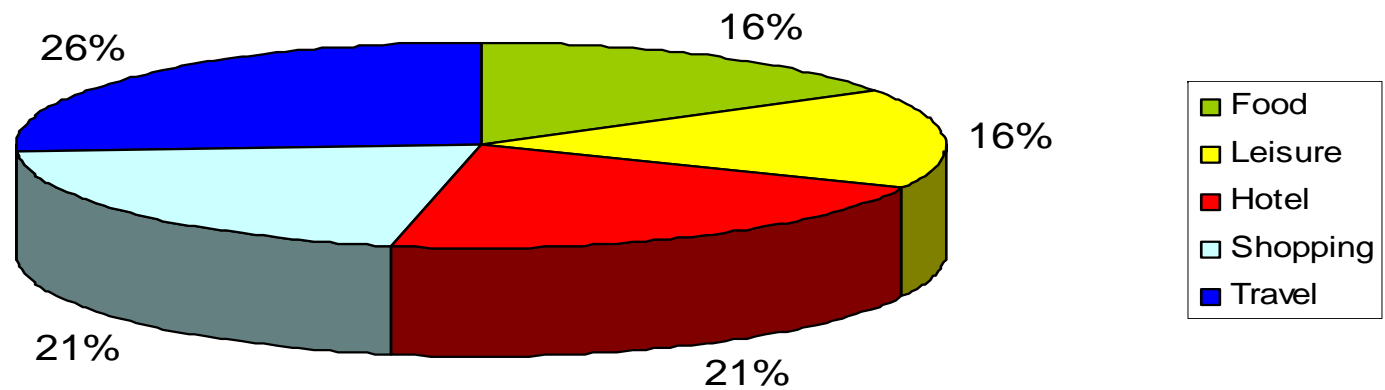


Factors in Destination Choice

- Value for Money
- Various attractions and activities
- Food (Many Indians prefer pure vegetarian food)
- Air Connectivity
- Multiple Destinations in one trip



What Indian Tourists Spend On



Mode of Booking

- Indian travellers usually do not book their tickets well in advance
- Compare prices, bargain with the travel agents
- Book tickets through a combination of traditional distribution partners and online options
- The Indian traveller feels more comfortable to book the tickets off- line instead of booking them through web
- 95% of outbound travel bookings go through conventional travel agents



NTO's Play a Major Role

- National Tourist Office(NTO) plays a major role in selling a destination
- NTO keeps the travel trade informed of the latest destinations.
- They offer new products and various ways to sell the destination through their training programmes
- Convenient for the Indian travel agents to sell the destination




Most Pro-Active National Tourist Office(NTO)

- Singapore Tourism Board is the most pro-active tourism board in India
- Malaysia takes the second place
- Switzerland tourism board takes the third place and is known for introducing new products year after year for the Indian Outbound Market
- Australia takes the fourth place, they have two annual workshops to update the Indian travel trade
- Thailand takes the fifth place
- Scandinavian Tourism Board(STB) has set up office in India in 2007



Recommendations

- Recognize India as a high potential source market
- Generate awareness through presence, promotions through placing advertisements in the travel focussed newspapers and magazines
- Organising familiarisation trips for travel agents which is considered a prerequisite for them to sell packages to their customers
- Pre- set all inclusive packages will be more appealing to the Indian travellers. These packages can be put together by consortium of Iceland Air and local travel agencies
- Tourism Board to set shop in India
-  Participate in Travel and Trade events which would be an ideal platform to showcase Iceland's unique characteristics





Our Services

- Created a database of all the major tour operators in India
- Regularly updating the Indian travel companies with the information on Iceland and Embassy's activities by interacting with them on a day to day basis
- Creating opportunities for networking events with travel trade professionals





Thank You

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