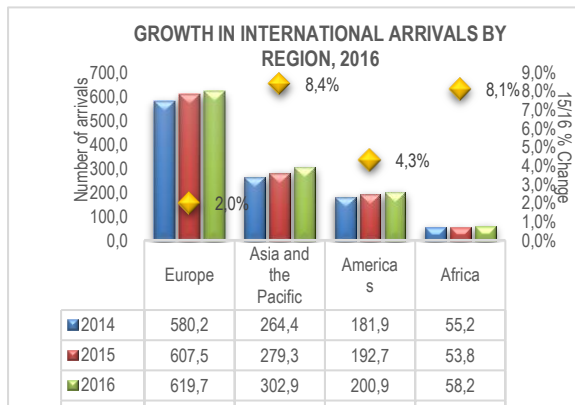


Country Profile: India 2017

1. Global Tourism Performance of India

The World Tourism Organisation (2016), projects international tourist arrivals worldwide to grow at a rate of 3% to 4% in 2017. Asia and the Pacific (+8%) led growth in international tourist arrivals in 2016. 24 million more international tourist arrivals were recorded in 2016 to total 303 million.

Growth was strong across all four sub-regions, with Oceania receiving 10% more arrivals, South-Asia 9% more and North-East Asia and South-East Asia both 8% more.



The United Nations World Tourism Organisation predicts that India, as one of the world's fastest growing outbound travel markets behind China, will have 50 million outbound travellers by 2020. According to Australian tourism, the industry's Tourism 2020 strategy identifies that India has the potential worth between A\$1.9 billion (US\$1.42 billion) and A\$2.3 billion (US\$1.72 billion) annually in visitor spend by the end of the decade.

According to the World Travel & Tourism Council Report, India was rated 16th globally in terms of visitor exports, generating US\$19.5 billion in tourism spending in 2016. The U.S. Department of Commerce projects tourism from India will increase by 47 per cent from 2014 to 2020, totalling 1,414,000 visitors in 2020.

1.1 Global Tourism Market Insights on India

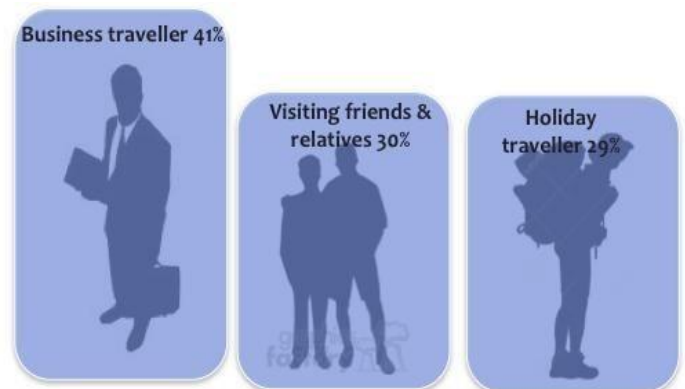
Traveling Behaviours of the Indian Tourists

- Firstly, Indian tourists prefer semi-free independent travel where most will pre-book/ package parts of their holidays before arriving to a destination. This includes booking flights, transfers, accommodation and some activities.
- Group travel and tours are popular options for less experienced travellers as group travel is considered safer for a new destination so far away from home.
- Safety and security, as well as value for money are the main reasons these consumers pre-book of their holidays and when they are selecting a holiday destination.

Media Consumption Habits

India represents the third largest Internet population in the world after China and the USA. According to a report by WeAreSocial, a social media marketing agency, Indians spend an average of 8 hours on the internet daily. Of which, a quarter of their time online is spent on social networking sites, making these sites the primary driver of online activity in India.

INTERNATIONAL TOURIST ARRIVALS 2016



The Profiles of Indian Travelers

There are different sets of Indian travellers where tour and activity providers can target. Specifically, these travellers include:

- Affluent – they are amongst the wealthiest of India’s population, but income does vary across cities.
- Men and women aged 35-54 years, who are highly educated with highly skilled professions and have the disposable income to travel.
- Couples (including honeymooners) and families (often traveling with children).

Business travel represented the strongest growth in travel from India, with an almost fivefold increase in travel expenditure for business reasons over the past five years.

Indian traveller abroad is divided into 3 segments business traveller, VFR (Visiting Friends relatives) and the essential tourist, apart from Indian students studying abroad. Apart from business travel, mostly Indians travel (especially VFR) around the holiday seasons.

Influences on Destination Choices



How to influence their travel decision-making

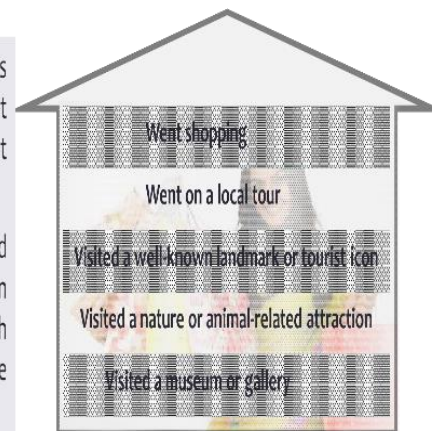
There are many factors that can influence the Indian traveller’s decision-making. Most predominantly, recommendations from family and friends play the most influential role as they are seen as trusted information sources. Travel agents and tour operators are consulted for information on where to holiday and are important when planning and booking.

Other sources include: travel specific information on the Internet, online social networking sites such as Facebook, destinations featured on TV and films and marketing messages from news and media.

How the Indians research and book their holidays

For the average Indian traveller, there are many ways that they engage with when researching and booking a holiday. Usually, overseas holidays are planned with the immediate family, with ‘feeling comfortable and safe’ being the most important factor in their destination choice. Most of the planning starts two to six months prior to the holiday.

- ✓ Discovering new places and things is one of key drivers for travel amongst the Indians and this drives them to sight seeing as a major activity
- ✓ This is often indulged in local organized tours as that also gives them opportunity to spend quality time with family without bothering about the details of organizing the tour



FIT (Free Independent Traveller) 40% Package Traveller 60%

Just under half are first-time visitors and just over half repeat visitors. First-time Indian outbound travellers are likely to take package tours, but repeat and VFR visitors prefer independently organized trips (FIT)

Indians are among the biggest spenders (6th in the world) on accommodation for holidays and tend to place emphasis on style and luxury when planning their trips.

Amongst key consideration factors, accommodation often emerges as one of the deciding factors for the Indian tourists when deciding on a travel plan. Good accommodation is viewed as crucial to the entire experience, and women especially were observed to influence their husbands into booking the best hotels. Indians on package tours tend to opt for 3- to 4-star hotels while FITs often choose 5 star hotels. Indians look towards further and more exotic destinations.



Indians allocate a significant proportion of their total expenditure to shopping when travelling



Break from routine and stress; to recharge

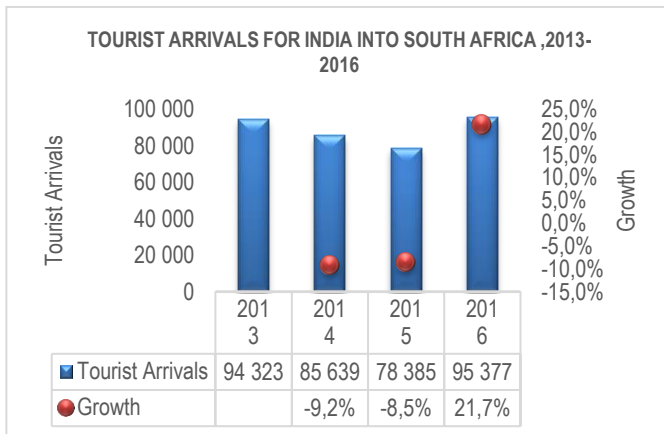
Spend quality time with loved ones

Sharing of discovery and sense of achievement

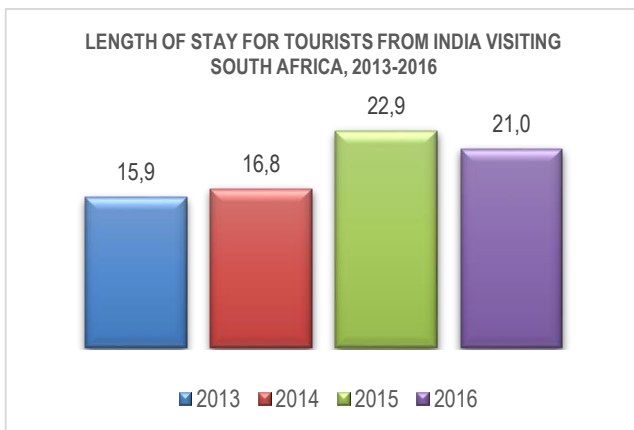
Needs of the Indian Leisure Traveller

2. National Tourism Performance of India in South Africa

South Africa received the highest tourist's arrivals from India in 2016 illustrating positive progress in tourist arrivals despite declines in the previous years. The positive double digit growth 21.7% shows rise on Indian travellers to the country.

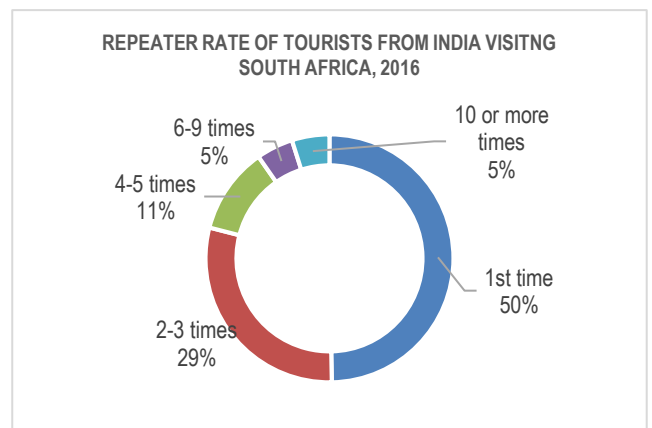


Indian tourists have one of the longest length of stays amongst overseas markets to South Africa. They stay in the country ranging from 2-4 weeks. The length of stay amongst Indian tourists have also increased since 2013 to 2016.

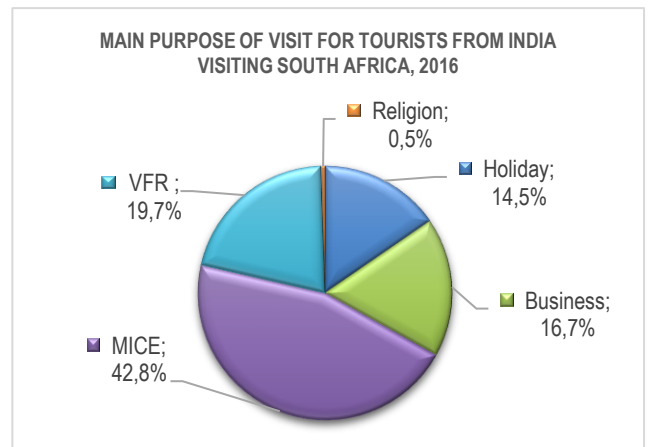


The spend data for Indian tourists visiting South Africa illustrate high average spend, higher than the Chinese tourists who are seen as the highest spenders in Asia and Australasia.

The repeater rate of Indian tourists indicates that over 50% of Indians tourists come to South Africa once and less than half come back for second and third visitor.



Research has shown that Indian tourists predominantly travel to the country for meetings, incentives, conferences and exhibitions. Another favourable reason why Indian tourists travel to the country is for visiting friends and family.



The Indian tourists prefer to stay with friends and family as their main choice of accommodation, due to the fact that many Indian tourists are very family orientated which has influence on their choice of accommodation and VFR bin one of their main purposes of visit further validates their main choice of accommodation.

They also prefer to stay at hotels as second option as Indians also enjoy luxury and have the disposable income to stay at 4 and 5 star hotels

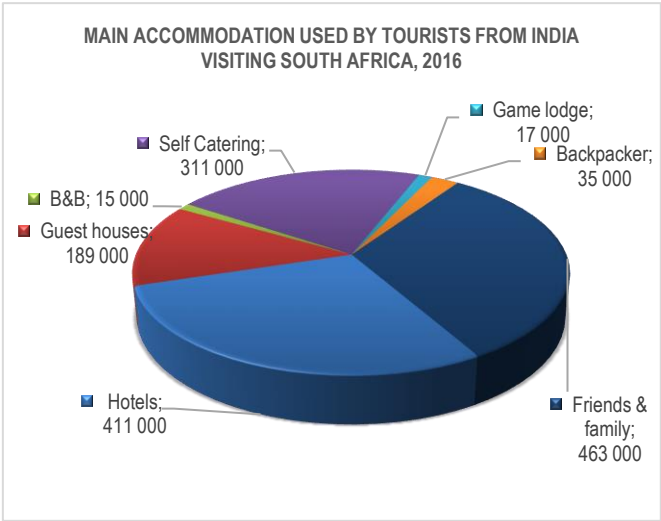
SPEND DATA OF TOURISTS FROM INDIA VISITING SOUTH AFRICA, 2016

AVERAGE SPEND IN SA R14 900

TOTAL TFDS R1202MN

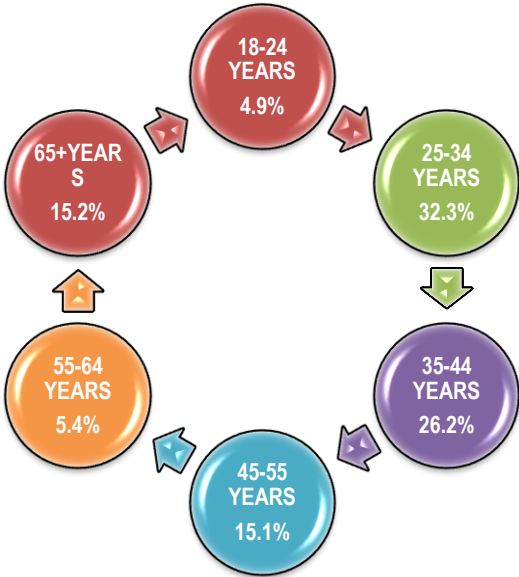
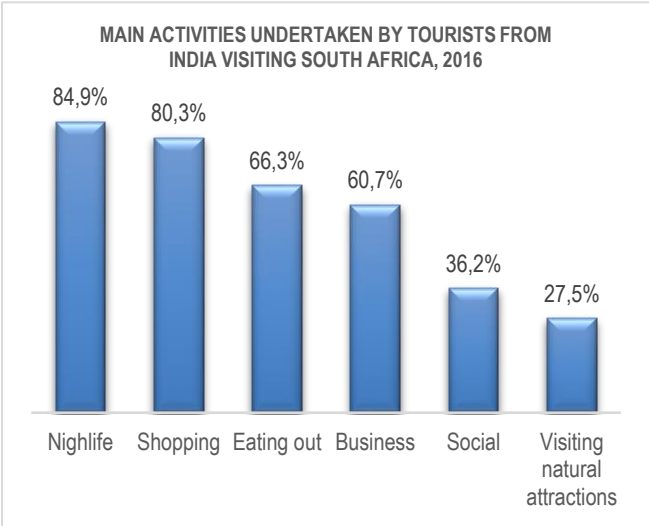
TOTAL COST OF TRIP (INC AIRFARE) R32 600

TOTAL PREPAID EXPENSES R28 300



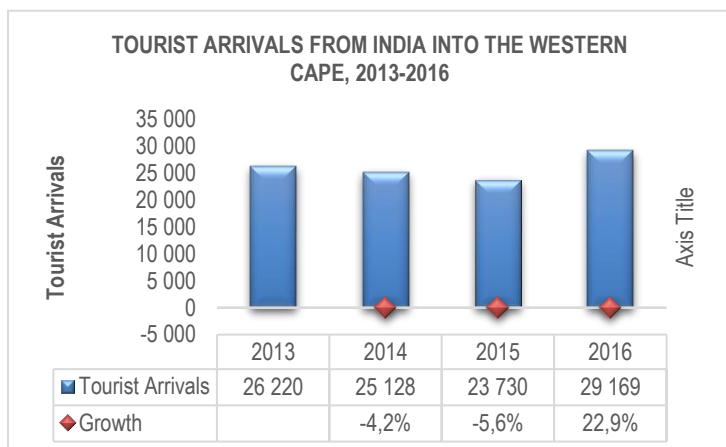
South Africa seems be hotspot for nightlife and shopping amongst Indian tourists. They also enjoy our local cuisine and gourmet restaurants as they also enjoy immersing themselves in the culture of the destination they travel to.

The majority of Indian tourists to South Africa are your middle aged group with high education and more disposable incomes, which also explains the high average spend by Indian tourists.

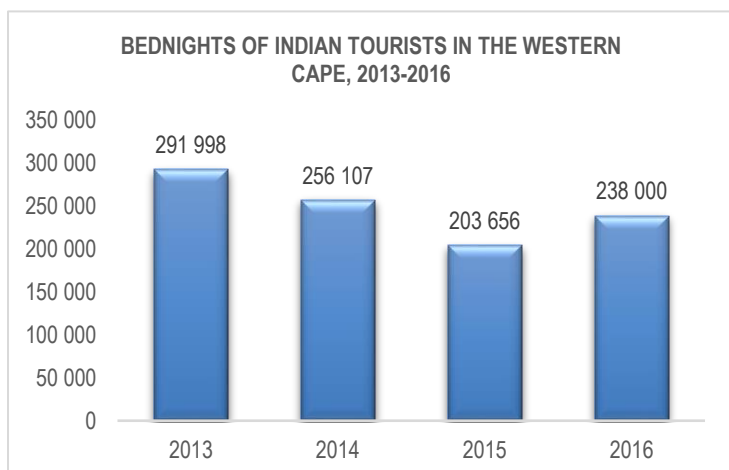


3. Provincial Tourism Performance of India in the Western Cape.

The Western Cape received positive number of tourist's arrivals from India with double digit growth 22.9% since 2013. Tourist's arrivals in 2016 illustrate recovery in tourism from Indian market to the province.

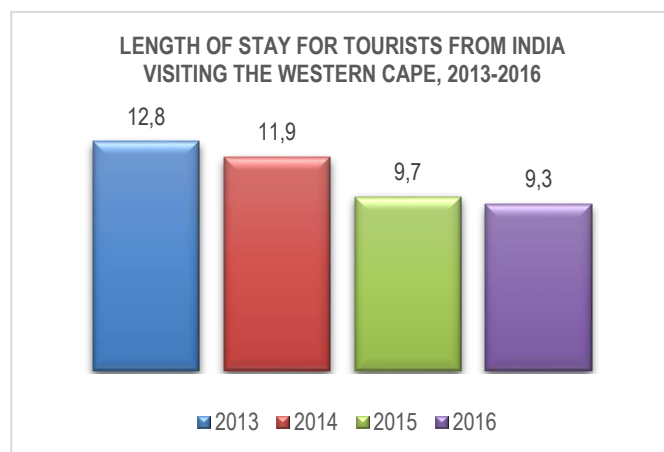


The Western Cape received a positive number of bednights from the Indian market, which can be seen by choice of accommodation where majority of Indian tourists prefer to stay at hotels.

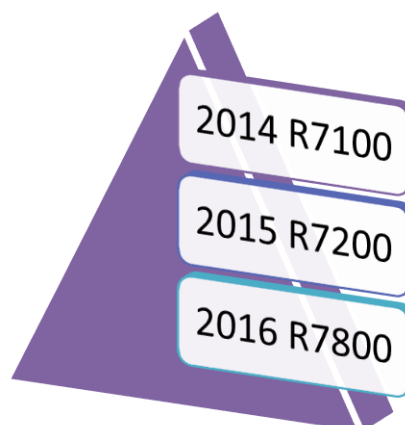
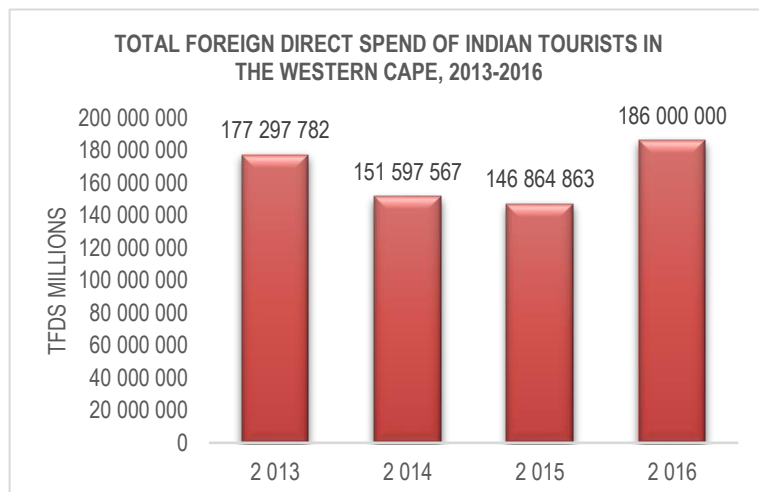


The average spend of Indian tourists has shown positive growth since 2014. It increased by R600 in 2016 with total of R7800 when compared to 2015.

Indian tourists stay approximately a week in the Western Cape, slightly lower compared to the previous and the lowest length of stay amongst all four years.



In 2016, the total foreign direct spend from the Indian market for the province was highest TFDS since 2013, making positive contribution to the economy of the Western Cape.



Recommendations

- Tourism spending amongst Indians is expected to grow at rapid rate in the next few years and Indian enjoy staying longer in the Western Cape when compared to other markets, therefore an excellent market to target by enticing them with activities and attractions where they can spend more and stay longer.
- India has a high number of internet users, therefore marketers need to increase their online presence in order to attract and retain the Indian market.
- The data shows that many Indians are coming to the country for business purposes and good way to target this market would be through MICE initiatives
- Indians enjoy travelling to travel friends and relative so marketing initiatives should be family orientated.
- Indian tourists enjoy shopping and nightlife and using these main activities in promotional and marketing campaigns to attract Indian market.

List of sources

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- STB Market Insights India,2016
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