Study on Tourism in the Overseas Market of Australia and New Zealand

Final Report

Ministry of Tourism, Government of India

सत्यमेव जयते

Government of India

ACNielsen ORG–MARG

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Executive Summary

The foreign tourist arrival growth in India is little less than 11% per annum (2010) & Australia contributes around 3% of FTA in India. Considering the tremendous potential to attract foreign tourist, The Ministry of Tourism, Government of India has taken lot of innovative steps in terms of promotion and market development activity. To get a better understanding, Ministry of Tourism commissioned a study to gauge the perception of tourists—past as well as prospective—in selected foreign markets about tourism in India. This study-report attempts to assess the impact of the ongoing overseas campaign launched by the Ministry of Tourism, Government of India, to promote India as a high-value, up-market tourist destination. The Ministry of Tourism also intends to use the insights from this study as inputs in designing future overseas campaigns.

The report covers an in-depth insight of the traveller's demographic profile, level of awareness about India & its different products & services, preference & attitude, like & dislike & finally lead to arrive need-gap of the past travellers. The report has dealt with the different promotional strategies adopted by the competitive countries & what is the take away out of it & what best India tourism can offer to attract tourist from the target market. Government of India has set up India Tourism offices in different countries to facilitate intending travellers by way of providing required information so that they can plan accordingly. The study also covers the traveller's perception as well as experience to deal with those establishment & suggestion for improvement.

The entire study has been carried out by way of extensive secondary research followed by face to face / telephonic interviews with the help of local office of The Nielsen Company. The categories of respondents are pas and prospective outbound tourists, travel houses, Indian tourism offices in Sydney.

India has for long been known for its rich culture and heritage beautiful and artistic historical monuments, cuisine with traditional Indian spices and herbs, pocket friendly rates, breathtaking natural beauty and a wide range of tropical beaches. Given the fact that Australia, New Zealand and India were a part of the British Empire, and both are a part of the Commonwealth of

Nations, all three nations have a similar history and share common interest in a lot of areas like sports, politics and culture. Australia and New Zealand being extremely close to each other make excellent holiday destinations for residents from respective countries. The flight connectivity between Australia and New Zealand is also very good, which makes travelling for residents of both countries very convenient. These travellers are willing to spend for the purpose of exploring new destinations and for a good experience. India, USA, UK, Fiji and Thailand though might be distant from Australia and New Zealand, have a lot of good destinations and experiences to offer for the Australian and New Zealand travellers.

For holidaymakers from ANZ, India is a long haul destination. The travel season is mostly during summer (ANZ is in southern hemisphere and thus has summers when it is winter in northern hemisphere) with a peak in November. The largest travel is within the Pacific rim islands including Fiji. Amongst long haul destinations, Asia is preferred by a large segment of ANZ holidaymakers with Thailand, Malaysia, Singapore and China being the top destinations. However, India does not seem to be amongst the top Asian destinations for travellers from ANZ which needs to modify; ANZ past travellers has spent average INR2.30 lakh per person with a total bed night spent 26 days on an average. Most of the past travellers visited India to meet friends & relatives along with spending time to travel across India. The most fascinating things to them were to enjoy the cultural diversity, scenic beauty, Indian cuisine & people & that is why they would like to visit India in near future.

All the past travellers are aware about India through different sources but the promotional /publicity material available at various forums are not helping to plan their travel. The information provided needs to be more comprehensive and clear. Travellers feel the need of a travel plan. All the required information is available on the website of ***Incredible India,*** but the website needs to be more focussed, product driven and clear so that travellers can decide their destination and can compare the benefit to visit India vis-à-vis other competitive countries. The Campaign should be focused more to lure the intending travellers to “Visit India “rather than simply describing India.

Travellers are only aware of Golden Triangle, Kerala & Goa, therefore, more destination specific visuals/ campaigns defining the products and its unique features need to be devised and promoted. Rather than marketing India or just one state to the trade, focus should be on marketing a product /activity/ event. Under the umbrella of brand India new tourist circuits need to be created to attract different type of travellers. Segment specific products i.e different products and packages for adventure tourists, family travellers, business travellers, medical tourist's etc. need to be offered. Thus there is need to focus separately for the 3 different stakeholders;

Trade/ Tour Operator:

Tour Operators help travellers in planning foreign trips to countries that they are not aware of. Focussing on trade and making them fully aware of the products that India has to offer will create a gateway for foreign tourists to India. It is also suggested to improve the number of tour operators and motivate them to work for 'India Tourism Office'. There is a need for an integrated approach by India Tourism Office and tour operators. India Tourism Office must participate in important fairs and festivals where they can sponsor any event which will finally send a message to "*Visit India*" and not just educate travellers about India.

Media:

Media is a medium that can be used to make people aware about India. Media reaches the masses and hence is a very important tool of promotion. The media advertisements need to focus on the various products that India has to offer assuring that India is a safe and secure country to visit and can also showcase the unique blend of modern and traditional experiences that India has to offer. Media can help remove the myth of people that India is not a safe country and that India is still backward in its approach. The fact being that India is safe and has a huge variety of modern products to offer and that India is developing at a very fast pace as far as technology and modern amenities are concerned, which needs to be highlighted. Media can also take the help of Australian and New Zealand celebrities and famous personalities to promote the pleasant experiences that they had encountered during their stay in India.

Traveller:

More efforts need to be put in creating promotional campaigns which will increase footfalls of travellers to India. In order to attract intending travellers as well as past travellers (for repeat visit) - a comprehensive travel guide or plan with lots of stimulus is essential. Thus it is imperative to categorise the travellers from any particular country on the basis of their travel pattern and habit/ behaviour.

Last but not the least is "*Incredible India"* website needs to be upgraded regularly. The content of the website also needs to be reviewed periodically and new destinations/ products/ circuits need to be brought to the knowledge of the travellers. Promotional campaigns need to highlight the incredible India web-address more prominently to increase the visibility of the website.

Way Forward – Long Term and Short Term Measures to promote Indian Tourism

Short Term Measures:

- Organize focused Familiarization tours for media persons and tour operators.
- Impart training to front office executives who are in direct contact with prospective travellers.
- New destinations, new products, new packages, new circuits and new luxury properties need to be promoted alongside well known destinations, so as to offer a large choice in front of prospective travellers.
- New methods of promotion need to be introduced which have immense reach irrespective of the geography.
- Frequent interaction with tour operators – to remain connected.
- To position India as an STOP OVER DESTINATION for ANZ travellers to UK.

Long Term Measures:

- More focus on product /destination campaigns required for different set of travelers. Products for specific countries should be designed based on the needs and requirements of travelers from that specific geography.
- Rather than sending brochures etc, fortnight updates on what is happening NEW in India –event, launch, festival etc.
- Design advertisements with celebrities of the target country to lend trust and credibility to the promotional advertisement.

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Chapter One
About the Research Study


1.1 Introduction to the study

The growth of the Indian tourism sector in recent years has hinted at the untapped potential of the sector to contribute to national income and employment. This study was designed to gauge the perception of tourists—past as well as prospective—in selected foreign markets about tourism in India. This study-report attempts to assess the impact of the ongoing overseas campaign launched by the Ministry of Tourism, Government of India, to promote India as a high-value, up-market tourist destination. The Ministry of Tourism also intends to use the insights from this study as inputs in designing future overseas campaigns.

1.2 Scope of work

The scope of work for the study was as under:

- To conduct a study on tourism in the overseas markets of Australia & New Zealand.
- Primary survey of the past and prospective travellers
- Compilation and analysis of information from secondary sources.
- Each country report shall provide information on the following aspects
    - Market /Country overview — economic and social profile
    - Outbound travel pattern in past
        - Traveller's profile

    - Preferred destinations
    - Expenditure pattern
    - Travellers to India

- Projections of future outbound travel
- Role and characteristics of tourism and travel trade in these countries
- Attractiveness of India for visitors from these countries
- Indian tourism marketing and promotion in these countries.
- Suggestions of specific measures to promote Indian tourism in these countries.
- Role of Indian tourism offices in these countries in promotional activities should also be elaborated.

1.3 Objective of the study

The study aims to provide critical feedback to the Ministry of Tourism with regard to

- India as an attractive destination to visitors from these countries
- Marketing and promotion of Indian tourism in these countries.

Further, the findings of the study are expected to provide critical inputs in

- Suggestions of specific measures to promote Indian tourism in these countries.
- Elaboration upon the role of Indian tourism offices in these countries with regard to promotional activities.

The study was carried out by means of secondary as well primary research, the focus being on primary research.

1.4 Methodology

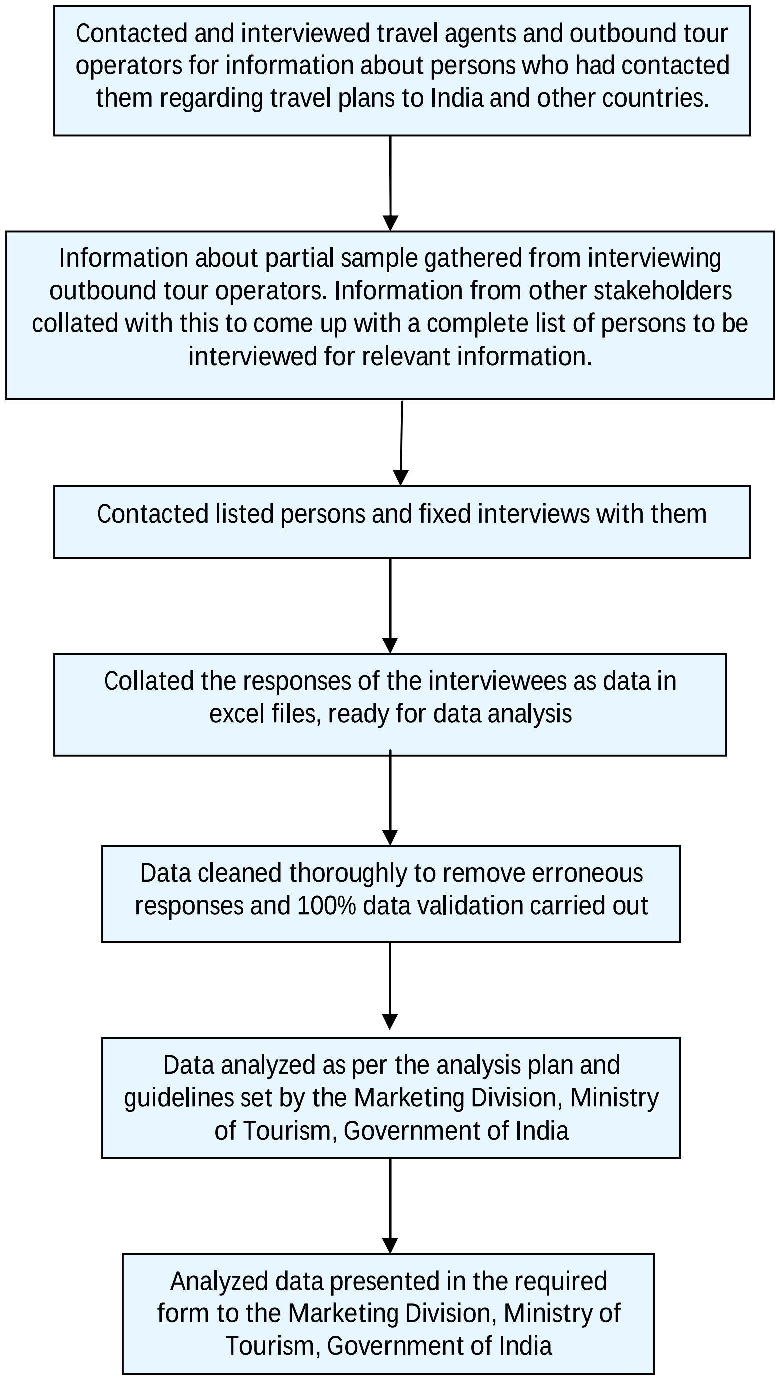
1.4.1 Research approach and methodology

The stakeholders involved were different for different categories of respondents of the study. The following table presents the consolidated list of stake holders and their envisaged roles in helping the study to achieve its objective:

Stakeholders	Purpose	Role-play
Travellers or Visitors	Outbound travellers and visitors as well as potential abroad travellers and visitors. These include: ▪ Persons who have travelled abroad in the last one year, and specifically to India ▪ Persons who have travelled abroad in the last one year, and to other countries but not India ▪ Persons who have not gone abroad yet but are planning or intend to travel abroad in near future and specifically to India ▪ Persons who have not gone abroad yet but are planning or intend to travel abroad in near future to other countries but India	Face-to-Face interviews with this sector of stakeholders provided valuable information with regard to the objective of the study
Travel agents and Outbound Tour Operators	Travel agents and tour operators with expertise in providing outbound travel options to travellers and prospective travellers	Knowledge about respondents who have already travelled abroad to India or other countries, as well as about prospective travellers intending to travel abroad to other countries or to India
Indian Tourism Ministry Offices or Directors of Tourism Offices	Officials from Ministry of Tourism and Tourism Offices provide help and information to persons interested in travelling to India	Information regarding travellers who have visited India in the last one year and who are intending to visit India in future

1.4.2 Operational methodology

The following flowchart provides a graphical representation of the methodology followed to gather relevant information from respondents.



1.5 *Sample size*

The following table gives details of the sample of respondents in the various countries—both past and prospective tourists—classified according to their actual or desired destinations. The details for Australia and New Zealand are highlighted in yellow.

Country	Category of respondents				Total
	Persons who travelled abroad in last three years		Persons who have not gone abroad yet but intend to travel in near future		
	To India	To other countries	To India	To other countries	
Australia & New Zealand	902	902	200	500	2504

1.5.1 Coverage

Segments

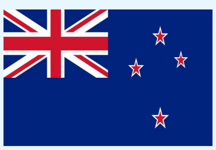
The following segments were covered by the study in Australia & New Zealand:

- Outbound Tourists
- Travel houses: major ones across various cities in proposed countries as well as Indian travel houses who have overseas counterparts to attract tourists into India
- Indian tourism offices in Sydney

The list of destinations short listed in order to interview tourists in Australia is as follows:

Country	Time	Location	No. of Respondents	Sources Of Respondents	Hit Rate
AUS 	Nov 2010 – March 2011	CANBERRA	330	1. Our Local office in London 2. Local directory (1816) 3. Local tour operators (1815)	Nielsen contacted 3631 respondents to achieve 1879 interviews
		MELBOURNE	888		
		SYDNEY	661		
		Total	**1879**		

The short listed destinations for New Zealand are the following:

Country	Time	Location	No. of Respondents	Sources Of Respondents	Hit Rate
NZ 	Nov 2010 – March 2011	AUCKLAND	577	1. Our Local office in London 2. Local directory (626)	Nielsen contacted 1252 respondents to achieve 626 interviews
		CHRISTCHURCH	49		
		Total	626		

Apart from interviewing tourists at these destinations, officials from Indian tourism offices and outbound tour operators were also interviewed to gather more information regarding travel patterns of international tourists and their perception and inclination towards travelling to India.

1.5.2 Method of enquiry

Different modes of enquiry were followed for the various respondent categories as follows

- **For / local population** – Direct face-to-face interviews and telephonic interviews, using the questionnaires provided

- **For tour operators** – Direct face-to-face interviews using the questionnaires provided
- **For Indian tourism offices** – Face-to-face discussions with an aim to get an idea about the promotional measures undertaken by the respective offices

1.5.3 Conduct/ control of field operations in different locations

The rest of the primary survey was conducted in association with the local ACNielsen ORG- MARG offices at the various locations. Research professionals from Delhi supervised the field operations to maintain quality of the data being collected.

1.5.4 Data analysis, quality control measures

Analysis of data was primarily conducted on SPSS (Statistical Package for Social Sciences). Frequency and cross tabulation analysis were conducted as required. Segmentation of the entire sample of travellers was carried out on SPSS using parameters like traveller's age, occupation, education, annual income, last expenditure of abroad visit, etc. in order to give a detailed description of the travellers' profile.

Chapter Two
Background

2.1 Introduction

Australia is the closest continent and nation to the island cluster that makes up New Zealand. Both countries have elected governments but continue to accept Britain's Queen Elizabeth II as their head of state.

Australia[i]

An island continent of around 7.7 million sq km area, Australia is the sixth largest country in the world. Home to astounding natural beauty and a variety of plant and animal life, this large island continent is known for its sun, sea and sand and has always been a magnet for tourists from all over the globe. A wide spectrum of landscapes like deserts in the interior, the vast 'outback', hills and mountains, tropical rainforests, and densely-populated coastal strips with long beaches and coral reefs off the shoreline, makes Australia a unique tourist destination. Sydney, the city with the famous Opera House and Melbourne, are major cities while Canberra is the Australian capital.

Australia was founded with the influx of European settlers just over two hundred years ago, although the original inhabitants, the aborigines, had inhabited the continent for tens of thousands of years before that. In 1768, the British Admiralty instructed Captain James Cook to begin a search for the 'Great South Island' that Dutch sailors had reached in the early 17th century. This led to the 'discovery' of modern Australia. Australia was, to begin with, a destination for British convicts, but free settlers were also attracted later by its agricultural potential and, from the 1850s, by the discovery of gold.

Australia became a nation on 1 January 1901, and as mentioned above remains a constitutional monarchy, a federation and a parliamentary democracy. The Australian Constitution of 1901 established a federal system of government under which powers are distributed between a federal government (the Commonwealth) and the six States. Two Territories - the Australian Capital Territory and the Northern Territory - have more limited powers; there are also a number of offshore territories. Despite severance of constitutional links with United Kingdom, Australia remains part of the British Commonwealth.

New Zealand

The island country of New Zealand in the south-western Pacific Ocean is geographically isolated, situated about 2,000 kilometres southeast of Australia across the Tasman Sea. The 'land of the long white cloud' as named by the local Māori population, is made up of two main islands and a number of smaller islands. Besides the main North and South Island, the five largest inhabited islands are Stewart Island, the Chatham Islands, Great Barrier Island, D'Urville Island, and Waiheke Island.

New Zealand enjoys a mild and temperate maritime climate and most of the landscape is covered by tussock grass or forests of pod carp, kauri or southern beech. The country boasts of a distinctive fauna dominated by birds. The arrival of humans, associated changes to habitat and the introduction of rats, ferrets and other mammals have over time led to the extinction of a number of once-flourishing bird species.

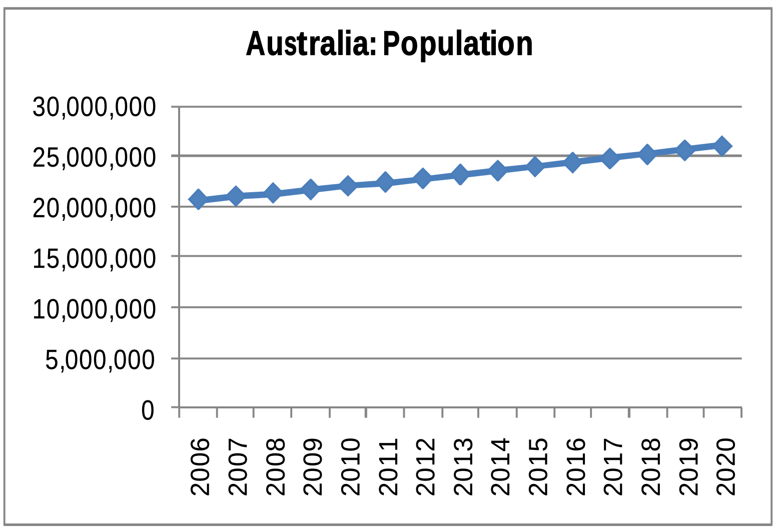
Earlier a British colony, New Zealand became self governing in 1852 and is at present, a constitutional monarchy with a parliamentary democracy. Queen Elizabeth II, as the Queen of New Zealand, is the head of state. The Queen is represented by the Governor-General. The Queen's role is limited and executive political power is exercised by the Cabinet, led by the Prime Minister. New Zealand has close ties with Britain, Australia and the United States and several Pacific Island nations.

2.2 *Social profile*

Australia

In its early years Australia followed a "White Australia" immigration policy which was subsequently dismantled in the decades after World War II. With a friendlier immigration policy, the Australian population is rapidly attaining more multi-cultural hues, notwithstanding some racial tensions (as has recently been the case with people of Indian origin there), leading to an increase in the number of non-European arrivals on its shores. The population has been growing steadily since the last decade and according to estimatesii, as of 4 March, 2011, it stands at 22.6 million; is expected to cross 25 million by 2020 and touch near about 40 million in 2050.

Figure 1 Australia's estimated population



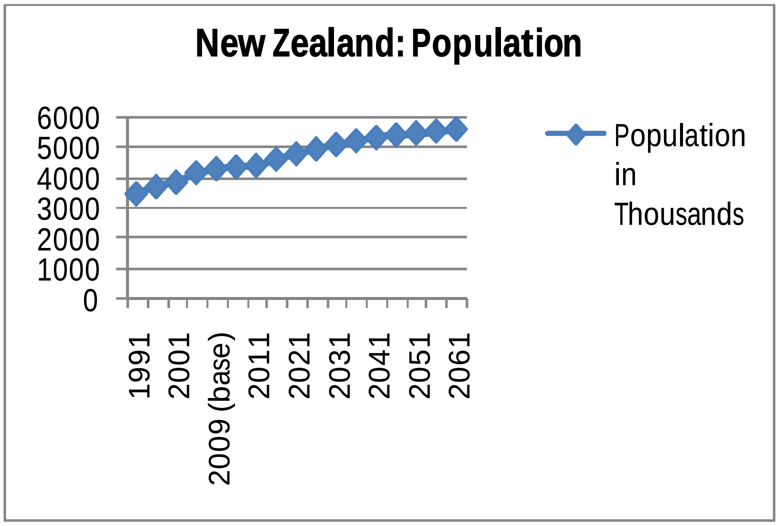
Source: www.abs.gov.au

New Zealand

Using 2009 as the base year the Government of New Zealand's estimated population growth figuresiii place the population at roughly 4.5 million in 2011.

New Zealand is a young and growing nation with relatively high levels of inbound migration (mainly from the United Kingdom and from Asia and the Pacific) and outbound migration (mainly to Australia and the United Kingdom). The population of New Zealand was reported at 4.32 million in 2009, according to the International Monetary Fund (IMF).

Figure 2 New Zealand's estimated population in 2011



Source: www.stats.govt.nz

2.2.1 Urban/rural population

Urban population refers to the number of people living in urban areas as defined by national statistical offices. It is calculated using World Bank population estimates and urban ratios from the United Nations World Urbanization prospects.

2.2.1.1 Australia

A predominantly urban nation (89% of the total Australian population lived in towns and cities as of 2010), it is estimatediv that between 2010 and 2015 the nation will see a 1.2% annual rate of urbanization.

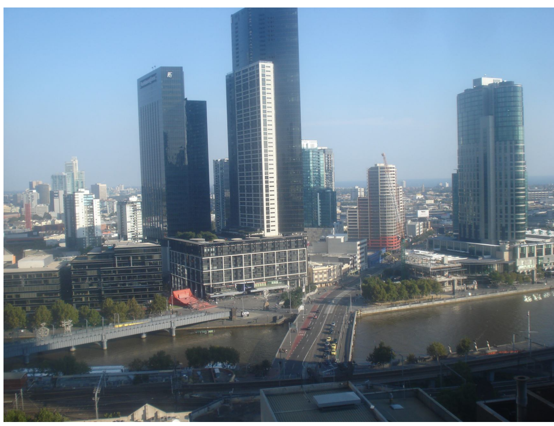
Population growth in the 12 months ended 30 June 2010 was highest in Western Australia (2.2%) and lowest in Tasmania (0.9%).v As of 30 June 2009, more than 14.0 million people, about two-thirds of Australia's population, lived in capital city Statistical Divisions (SDs)vi. The Australian coastal region was also a high population growth area in 2008-09.

Intensifying the urbanization process in recent times are 'urban infill's', which have contributed to population growth in Australia. An urban infill is the development of a site within an already-developed area, either by building housing on land that was previously vacant or used for non-residential purposes, or by replacing low-density housing with higher-density dwellings. In 2008-09, urban infill contributed to a large population increase in Parramatta and Canada Bay in western Sydney, where the population figures rose by 4,800 and 3,400 respectively. With barely 11% of the population living in its rural areas, one can safely say that Australia is a largely urbanized nation.

2.2.1.2 New Zealand

New Zealand is also a predominantly urban country (86.56%) living in towns and cities in 2008 as per the World Bank), with the majority of its population living in 16 main urban areas and over 50% of the total population living in the four largest cities of Auckland, Christchurch, Wellington, and Hamilton.

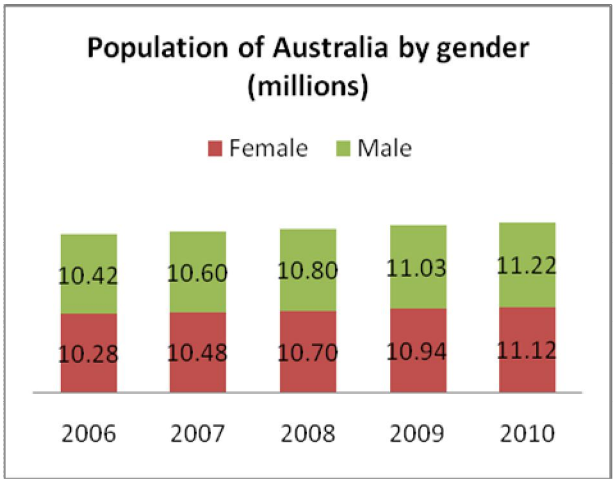
New Zealand's cities generally rank high on international 'liveability' scales. For instance, according to the Mercer 2010 Quality of Life Survey, Auckland was the world's fourth most liveable city and Wellington the twelfth. New Zealand's rural population stood at 13.44% (573740.16) in 2008, according to the World Bank.




2.2.2 Gender statistics

2.2.2.1 Australia

Figure 3 Population in Australia by gender (millions)



Source: www.cia.gov

The gender ratio in Australia, as estimated for 2011vii is evenly balanced for males and females. The male and female population in the country is seen to be nearly the same over the period from 2006 to 2010 as well.

Table 1 Age-specific gender ratios in Australia (2011 estimates)

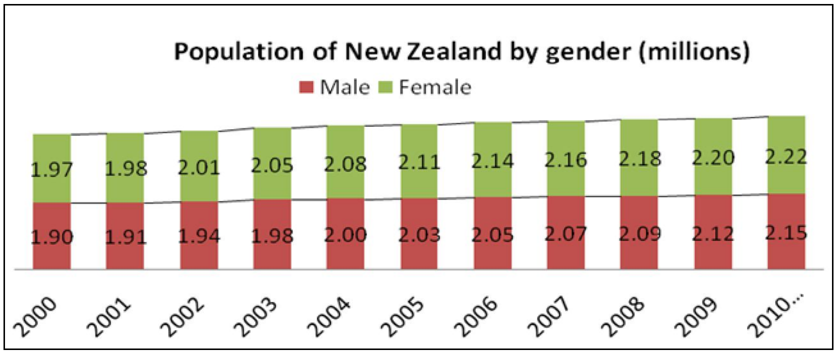
Age Group	Gender Ratio (male per female)
At birth	1.055
Under 15 years	1.05
15-64 years	1.03
64 years and above	0.84
Total population	1.00

Source: www.cia.gov

However, if we look at the age-specific gender ratios (Table 2.1), we see that the women have the advantage in older age-groups, as females outlive males.

2.2.2.2 New Zealand

Figure 4 Population in New Zealand by gender (millions)



Source: http://www.stats.govt.nz

New Zealand has a long history of promoting women's equality; it was the first country to give women the vote in the 19th century and has strong female participation in politics and judiciary. The nation ranked fifth in the 2008 Gender Gap Report showing great progress in education attainment, political empowerment and economic participation. It has been seen that generally, in New Zealand number of women has been more than the number of men in the last 20 years. While in 1991, women outnumbered men by 56,800; by 2010 this figure was 78,400.viii

2.2.3 Prominent religious groups

2.2.3.1 Australia

Table 2 Prominent religious groups in Australia in 2006

Religion	Population (%)
Anglican	18.7
Roman Catholic	25.8
Presbyterian & Reformed	03.0
Christian (no denomination specified)	4.6
Other Christian	7.9
Uniting Church	5.7
Eastern Orthodox	2.7
Muslim	1.7
Buddhist	1.3
Other religions	2.4
None	18.7
Other or unidentified	13.7
Source: https://www.cia.gov	

Christianity is the main religion on this continental nation where the population comprised 65.4% Christians of various denominations as of 2006. Buddhists and Muslims also find a mention (3.0%), but other significant global religions such as the Jewish religion and Hinduism were not seen in significant numbers in 2006 and were clubbed under 'Other religions' – a section that comprised 2.4% of the population.

Table 3 Prominent religious groups in New Zealand in 2006

Religion	Population (%)
Anglican	13.8
Roman Catholic	12.6
Presbyterian, Congregational, & Reformed	10. 0
Christian (no denomination specified)	4.6
Methodist	3.0
Pentecostal	2.0
Baptist	1.4
Other Christian	3.8
Maori Christian	1.6
Hindu	1.6
Buddhist	1.3
Other religions	2.2
None	32.2
Other or unidentified	9.9

Source: New Zealand 2006 Census

2.2.3.2 New Zealand

Christianity was the predominant religion in New Zealand in 2006, while another 32.2% indicated that they had no religion. Hinduism and Buddhism were followed by 2.9% of the population. The main Christian denominations predominant as per the 2006 Census are seen to be Anglicanism, Roman Catholicism, Presbyterianism and Methodism. The New Zealand-based Ratana church (not specifically mentioned in the Census) also has adherents among the indigenous Māori population. Spiritualism and New Age religions are also gaining popularity and there was marked increase in the number of non-Christians as per the 2006 Census.

It was seen that:

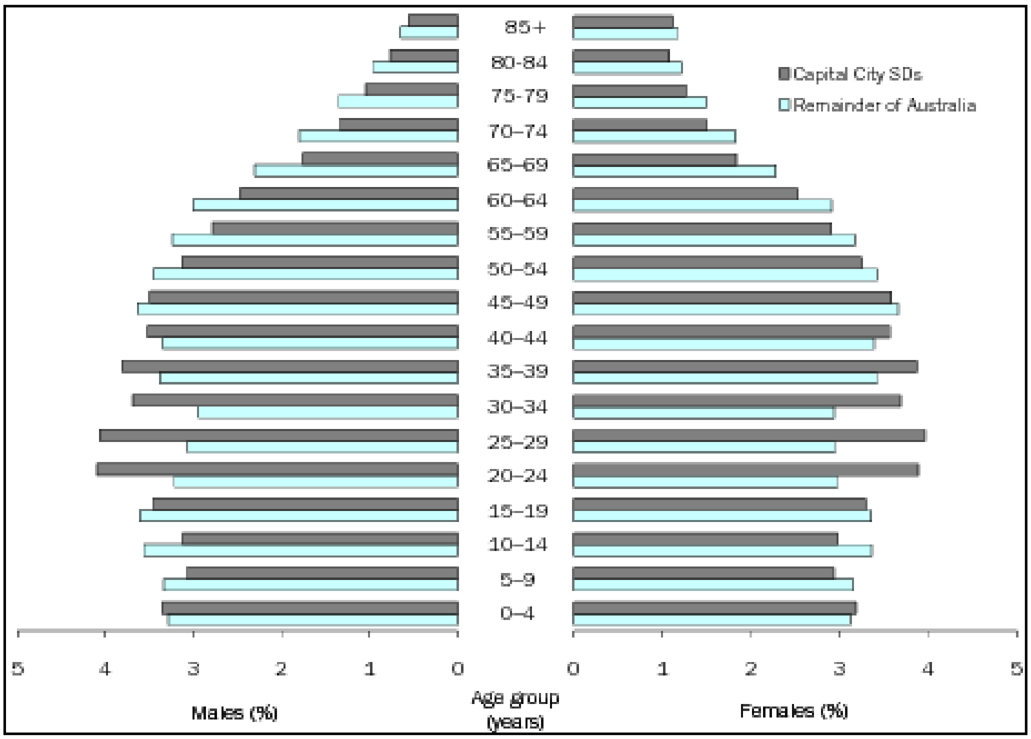
- Islam had increased 74% since the 1996 Census;
- Spiritualism had increased 64% since the 1996 Census;
- Hinduism had increased 56% since the 1996 Census; and
- Buddhism had increased 48% since the 1996 Census.

2.2.4 Age distribution

2.2.4.1 Australia

Life expectancy is 99 years for both men and women. The share of urban inhabitants was as high as 89% in 2010 with urbanization estimated to grow at 1.2 % over 2010-15ix.

Figure 5 Age and sex distribution (%), capital city SDs and remainder of Australia - 30 June 2009



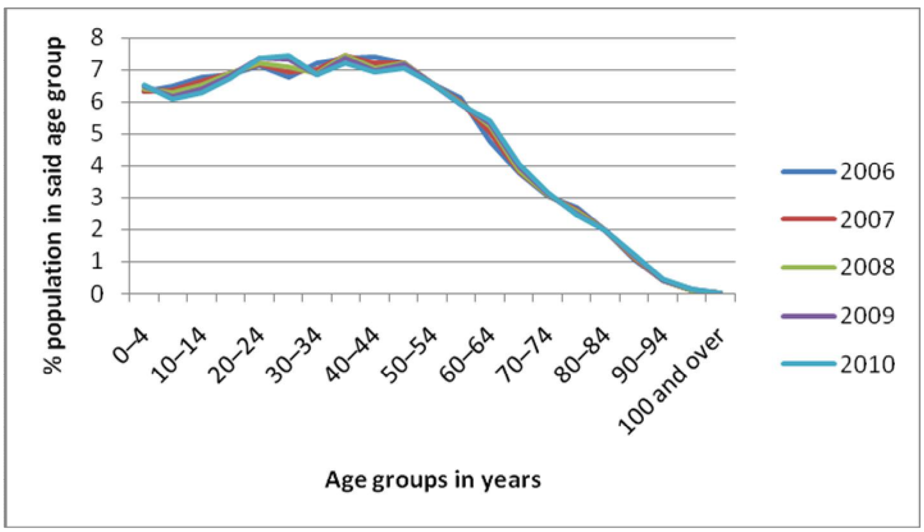
Source: Australian Bureau of Statistics, http://www.abs.gov.au/ausstats/abs@.nsf/Products/3235.0~2009~Main+Features~Main+Features?OpenDocument

The population pyramid above compares the population residing in capital city Statistical Divisions or SDs, with the population residing in the remainder of Australia. As mentioned earlier, SDs are defined by the Australian Bureau of Statistics as areas under the unifying influence of one or more major towns or cities. Each capital city forms its own Statistical Division, and in Australia the population of the SD is the most-often quoted figure for that city's population. Statistical Districts are defined as non-capital but predominantly urban areas. The Australian Government treats divisions and districts with more than 100,000 people as metropolitan cities.

Each dark bar illustrates the percentage contribution of a sex and five-year age category to the total population of capital city SDs, while each lighter colour bar illustrates the percentage contribution to the remainder of Australia's population. Here Australia is seen as an attractive destination for young to middle-aged adults for education, employment and other opportunities in capital cities, since people in 20-44 years age group represented 38.2% of the population in the combined capital city SDs, compared with 31.6% of the population in the remainder of Australia. However, older adults aged 45 years and over made up a smaller proportion of the population in capital city SDs (36.4%) than in the remainder of Australia (41.6%).

The age distribution data in the figure below shows the percentage of population in various age groups over the years. The learning basically is that over the years there has been no change in the population distribution across age classes over the years as the lines are almost congruent.

Figure 6 Age distribution (%) of Australian population



Source: United Nations (http://esa.un.org)

2.2.4.2 New Zealand

It is clear from the Table that the majority of New Zealand's population falls within the 15-64 age-group, which also encompasses all the working adult age group. Since the age structure of the population affects a country's socio-economic issues, we find the age- and sex-wise break-upx as follows:

0–14 years
20.7% (male 0.45 million/ female 0.42 million)

15–64 years

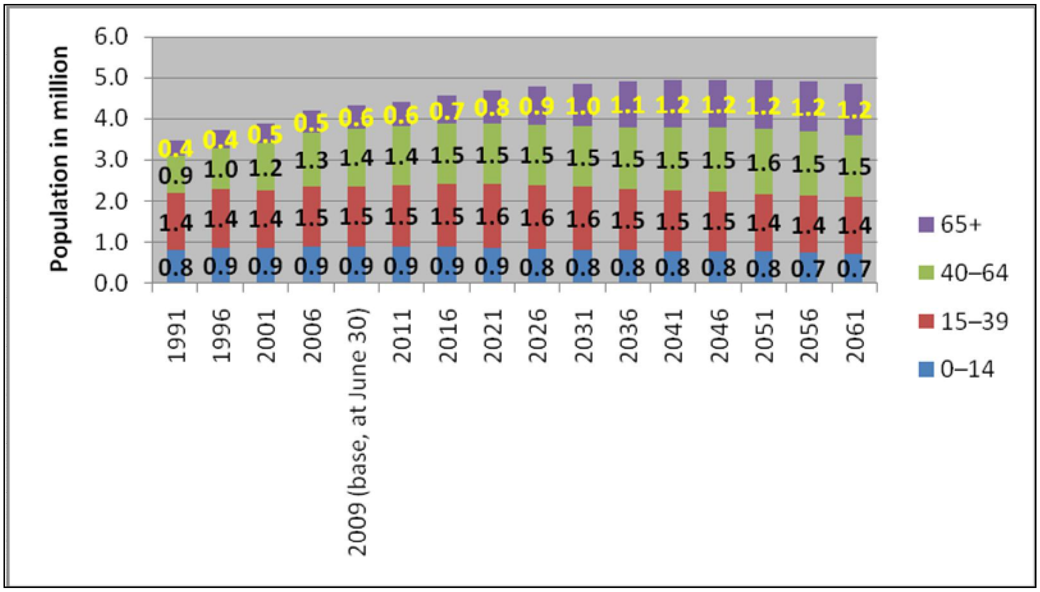
66.5% (male 1.4 million/ female 1.4 million)

65 years and over

12.8% (male 0.2 million/ female 0.3 million)

As can be seen from the figure below, the nation can expect to age over the next 50 years. The proportion of the population in the 65 plus age group will go up.

Figure 7 Age-wise population projections (2009 as base year)



Source: http://www.stats.govt.nz

As mentioned above, the majority of the New Zealand population falls in the 15-64 age groups, with a healthy female to male ratio.

Several changes in key demographic indicators have occurred over the last three decades attributed are:

- pursuit of higher qualifications and hence, an increase in the number of years dedicated to education;
- delayed entry into labour force due to increased number of years dedicated to education;
- delayed entry into labour force due to increased number of years dedicated to education, leads to delay in starting family life; and
- policies have also been revised regarding retirement and citizens now retire at a much later age.

Coupled with these changes, there are some behavioural changes that affect the age distribution, too, such as:

- the family size becoming smaller;
- more people remaining single, or re-partnering
- migration into New Zealand; and
- greater diversity in family living arrangements and housing options.

2.2.5 Literacy

2.2.5.1 Australia

Counted among the developed, industrialized nations of the world, this continent-nation boasts 99% literacy rates among both men and women. Australia is seen as an attractive destination for young to middle-aged adults for education, employment and other opportunities. The nation attracts many foreign tourists, including from South Asia, to its institutions of higher learning.

2.2.5.2 New Zealand

In the past two decades New Zealand has achieved international recognition for high standards of education. Despite increased immigration and the number of families living in poverty, as well as relatively low teachers' salaries, New Zealand has one of the highest adult literacy rates (99%) in the industrialized world.

Primary and secondary schooling is compulsory for children aged six to 16. There are 13 school years and attending public schools is free. In the adult population 14.2% have a bachelor's degree or higher, 30.4% have some form of secondary qualification as their highest qualification and 22.4% have no formal qualification though they are very much literate.

2.3 *Economic profile*

Australia

Table 4 Snapshot of the economy of Australia	
GDP	USD 1,219.722 billion (nominal) USD 889.6 billion (PPP) (2010)
GDP growth	3.3% (2010)
GDP per capita	USD 54,869 (nominal)[xi] USD 39,692 (PPP)[xii]
GDP by sector	agriculture: 4%; industry: 24.8%; services: 71.2% (2010 est.)
Main industries	mining, industrial, education and transportation equipment, food processing, chemicals, steel
Source: CIA World Fact book unless otherwise mentioned	

The economy of Australia is a developed, modern market economy with a GDP of approximately USD 889.6 billion on PPP basis in 2010. Australia's per-capita GDP is slightly higher than that of the UK, Germany, and France in terms of purchasing power parity. The country was ranked second in the United Nations 2010 Human Development Index after Norway.

Apart from memberships in key global organizations like the United Nations (UN), the Commonwealth, and the World Trade Organisation (WTO), Australia is an important member of the Asia Pacific Economic Co-operation (APEC) and the Association of South East Asian Nations (ASEAN) Regional Forum (ARF). It aims to forge free-trade deals with China and ASEAN, the Association of Southeast Asian Nations.

Economic reforms initiated in Australia the 1980s ushered in the era of high growth rates. These reforms included lowering of tariffs, the floating of the exchange rate, and steps towards enterprise-level rather than industry-wide pay bargaining, as well as bank deregulation and the introduction of compulsory saving for pensions.

The labour force is estimated to be around 11.62 million (2010). The services sector dominates the economy with a 68% share of GDP and a 75% share of employment. The agricultural and mining sectors (10% of GDP combined)xiii account for 57% of the nation's exports.xiv

New Zealand

Table 5 Snapshot of the economy of New Zealand	
GDP	USD 188 billion [xv]
GDP growth	-1.3% (2009 est.)
GDP per capita	USD 31,067 (2010 est.)
GDP by sector	agriculture (4.5%), industry (25.8%), services (69.7%) (2009 est.)
Main industries	Food processing, textiles, machinery and transportation equipment, finance, tourism (to NZ), mining (in NZ)
Source: CIA World Fact book unless otherwise mentioned	

New Zealand has a modern, prosperous and developed market economy. The New Zealand dollar, informally known as the kiwi dollar, is the currency of New Zealand. The kiwi dollar is also in circulation in the Cook Islands, Niue, Tokelau, and the Pitcairn Islands. According to the United Nations Development Programme's Human Development Index, New Zealand was ranked the third most developed country in 2010 after Norway and Australia, and was ranked fourth in the 2011 Index of Economic Freedom published by The Heritage Foundation.

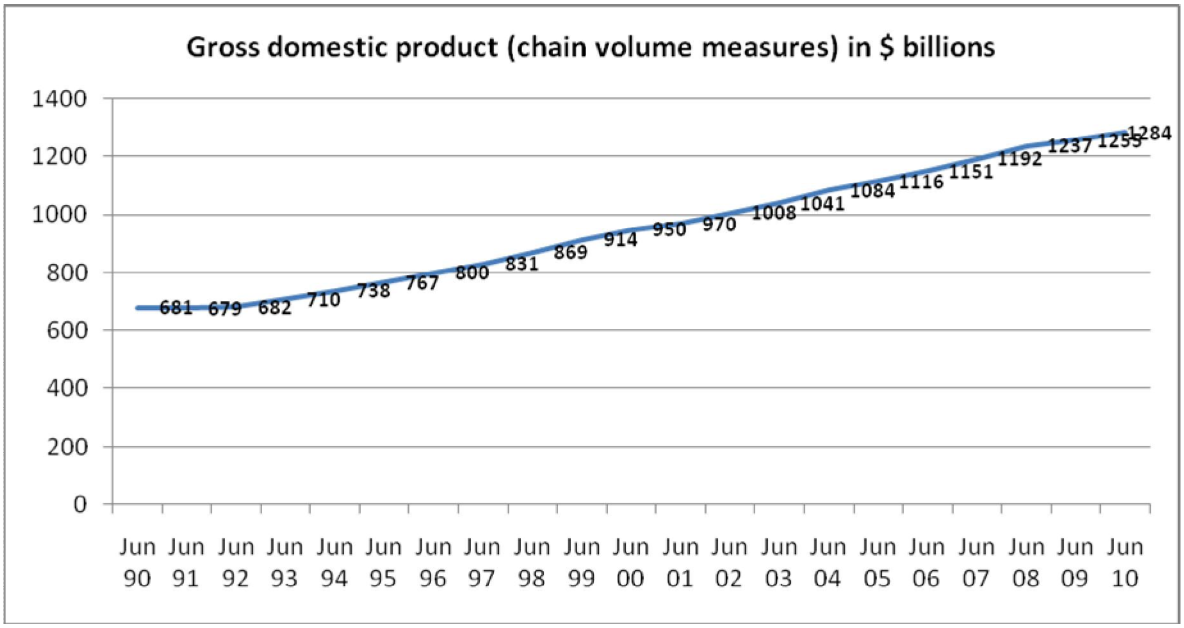
2.3.1 Gross domestic product (GDP)

2.3.1.1 Australia

Table 6 Australia's annual GDP growth rate	
Year	GDP growth rate USD
2008	2.2%,
2009	1,2%
2010	3.3%
Source: https://www.cia.gov/	

The economic reforms that got underway in the 1980s, saw the service sector becoming the biggest segment of the Australian gross domestic product (GDP) at 68.4% in 2008, followed by industry (29%), while agriculture accounted for a mere 2.5%, notwithstanding large exports of agricultural products from the country. Tourism, education and financial services remain important components of the services sector. In fact, Australia has had a dream run of growth during the last two decades. With a GDP of USD 889.6 billion (2010 data in PPP terms), Australia was the thirteenth largest national economy by nominal GDP in 2010, representing about 1.7% of the world economy and ranked 109 in a country comparison to the world in 2010xvi.

Figure 8 GDP of Australia in $million (chain volume measures)

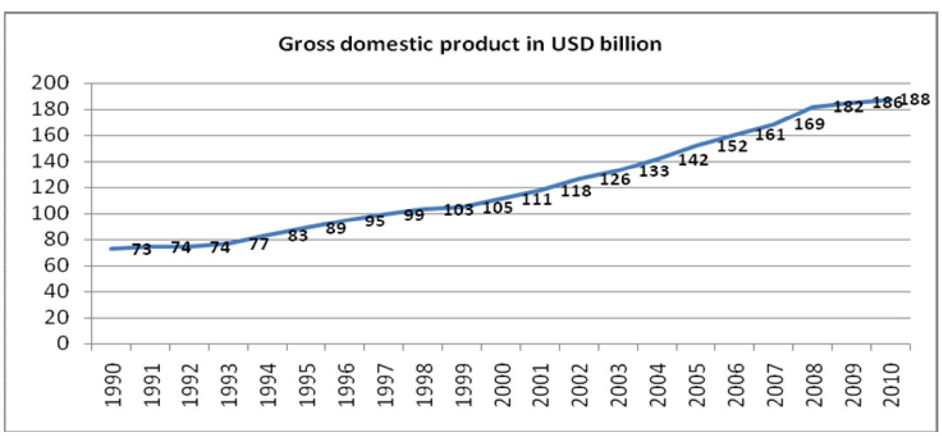


Source: Australian Bureau of Statistics

2.3.1.2 New Zealand

From 1987 until 2010, New Zealand's average quarterly GDP growth was 0.55% reaching an historical high of 2.70 percent in September of 1999 from a record low of -2.60% in March of 1991.xvii As is evident from the figure below, the GDP appears to have steadily increased from 1990, forming a plateau once at 1997-1998-2000, before rising again to plateau in 2008-9 and 2010 at USD 188 billion (current prices).

Figure 9 Tracking GDP from 1990 to 2010 (in billion USD at current prices)



Source: www.stats.govt.nz

2.3.2 Per capita income/spending power

Table 7 Australia: GDP - per capita (purchasing power parity [PPP])

Year (est.)	USD per capita	USD (billion)
2010	41,300	889.6
2009	40,500	861.1
2008	40,500	850.9
Source: https://www.cia.gov		

2.3.2.1 Australia

In terms of GDP at Purchasing Power Parity (PPP), Australia ranked 18th in the world in the year 2010. With a very low population density of only two people per sq km, Australia has the 17th highest per capita GDP in the world (in terms of PPP) at USD 41,300 for 2010.

The GDP at PPP grew from USD 850.9 billion in 2008 to USD 889.6 billion in 2010. Other pluses include low inflation (estimated rates at 1.8% (2009) and 2.9% (2010)), the lowest unemployment for almost 30 years, low government debt and regular budget surpluses. The nation remained relatively unaffected by major world calamities like Asia's financial meltdown of 1997-98, Japan's decade of stagnation and America's tech-stocks crash.

2.3.2.2 New Zealand

Table 8 New Zealand: GDP (PPP terms)

Year (est.)	USD per capita	USD billion
2010	28,000	119.2
2009	27,700	116.8
2008	28,500	118.8
Source https://www.cia.gov		

With regard to per capita purchasing power parity (PPP), The CIA World Fact book ranks New Zealand at 51st globally. As can be seen, both per capita and overall GDP (PPP) fell marginally in 2009 but recovered in 2010.

2.4 Tourism overview

Australia

Tourism is a key sector for the Australian economy and is heavily promoted by the country. The objective of tourism in Australia is to grow the demand for both leisure tourism (international and domestic) as well as business events (international). It also aims to support industry to increase visits, dispersal, and economic value. The boosting of demand for Australia as a travel destination is supported by strengthening the travel distribution system. There is also focus on development of a sustainable tourism industry through consumer marketing, trade development and research activities (see Box 1).

Box 1: Key priorities of Australian tourism in 2010-13

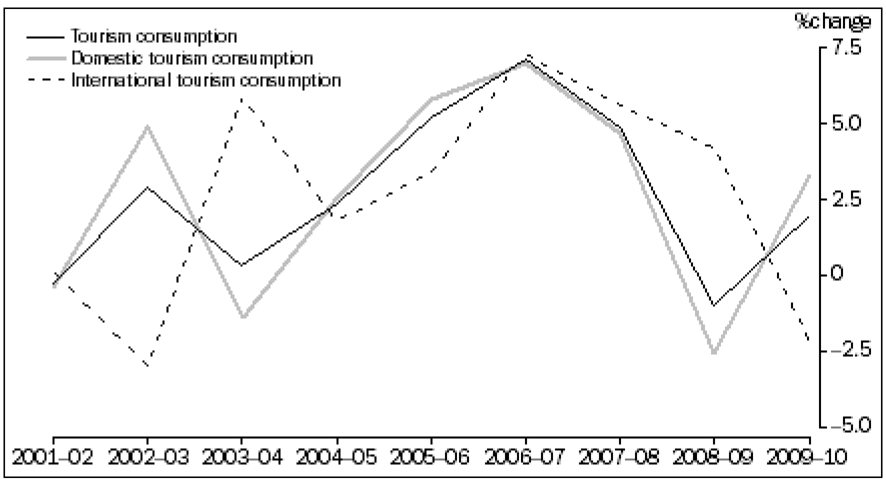
- Tourism consumer marketing: inspiring increased international and domestic travel.
- International business events marketing: promoting high yielding business events such as meetings, conventions, incentives and exhibitions and associations.
- Industry development: supporting the Australian government's national long-term tourism strategy through participation in initiatives and programmes that promote quality and service delivery, including promotion of quality through accreditation, indigenous tourism development and distribution of quality Australian product.
- Partnerships: strengthening partnership with the tourism industry and state and territory tourism organizations.
- Building brand Australia: working with Australian government agencies and state and territory governments to extend Australia's brand and support its promotion.
- Communicating research and insights: promoting growth in the tourism industry through insights provided by quality research, and providing forums for the sharing and dissemination of these insights.
- Corporate governance: implementing and maintaining high standards of corporate governance across the organization.
- Performance measurement: rigorous measurement of the outcomes of tourism Australia's activities.

Source: http://www.tourism.australia.com/en-au/documents/corporate%20-%20about%20us/tacorporateplan2010-13jul.pdf

In 2009-10 direct tourism GDP increased by 3.2% to USD33, 886m in contrast to GDP for the Australian economy which grew by 2.3%. In 2009-10 the tourism share of GDP was unchanged at 2.6%. Tourism share of GDP has declined steadily since a peak of 3.4% in 2000-01. While the peak in 2000-01 was heavily impacted by price increases in tourism services, resulting from the introduction of the GST and the volume impact of the Olympic Games, the overall trend of declining share has continued over a long period. xviii

In the period 2009-10, domestic tourism consumption represents 75.6% of total tourism consumption, whereas international consumption represents 24.4%. The international component of total internal tourism consumption has decreased in share from 25.4% in 2008-09 following increases in share over the three previous years.

Figure 10 Growth in Total, Domestic and International Tourism Consumption in Australia



Source: www.abs.gov.au

New Zealand

Tourism contributes close to 10 per cent of New Zealand's gross domestic product and both directly and indirectly employs nearly one in ten New Zealanders. From publicly listed companies to owner-operated small businesses, New Zealanders are involved in tourism throughout the length and breadth of New Zealand. Tourism supports 94,600 direct and 90,200 indirect full-time equivalent jobs, or 9.6 per cent of the total workforce in New Zealand. In the global context, New Zealand is a very small player, with just 0.3 per cent of international arrivals in 2009 and about 0.7 per cent of international tourism expenditure.

The New Zealand Tourism Research Institute is based at the Auckland University of Technology. It brings together experts in the tourism and hospitality sectors to develop tourism research to support the development of a profitable and sustainable tourism industry. Tourism is one of New Zealand's largest export industries, second only to the dairy industry in terms of foreign exchange earnings.

In the year 2009, international tourist arrivals in New Zealand reached 880 million, down 39 million over 2008 as a result of the global financial crisis. Globally, tourists spend more than USD 2.3 billion a day, equating to USD 852 billion in 2009. Between 1999 and 2008, the domestic market share (share of total nights spent by New Zealand residents in domestic/offshore destinations) declined by 17.8%.

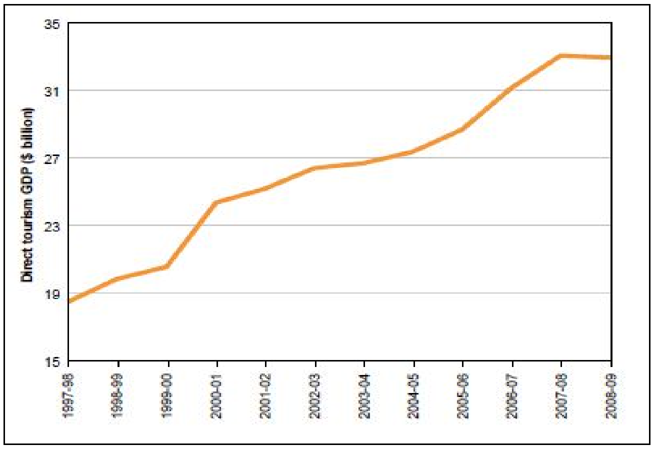
New Zealand’s international visitors come from over 150 countries. Significant secondary markets are India, Singapore, The Netherlands, Hong Kong, Taiwan, Malaysia and Thailand. Smaller markets with potential during the Rugby World Cup in 2011 include South Africa, France, Italy and Argentina. The top eight countries provide 77% of the total visitors.xix

2.4.1 General statistics

2.4.1.1 Australia

The contribution of the tourism sector to the country's GDP has increased steadily since 1997-98, but has shown a slight dip in 2008-09 (figure below). The share of tourism in the expenditure fell slightly from USD 31.46bn in 2008 to USD 28.87bn in 2009.

Figure 11 Tourism's contribution to GDP



Source: Australian Tourism Key Facts; www.ret.gov.au

Australia is currently a net exporter of tourism and in 2006-2007 the net tourism surplus (the total export of tourism good and service minus the import tourism good and services) was USD 327 millionxx.

2.4.1.2 New Zealand

Tourism contributes close to 10 per cent of New Zealand's GDP. According to data accumulated by the country's Ministry of Economic Development, in the year-ended March 2009, international visitors spent NZD 9.3 billion in New Zealand. Domestic tourism contributed NZD 12.4 billion to New Zealand's economy, of which almost NZD 9.7 billion came from domestic households. Combined with domestic travel expenditure, this made the tourism industry in New Zealand worth NZD 21.7 billion a year.

In 1999, 1.61 million international visitors visited New Zealand. By the end of 2008, this number increased by 52% to 2.45 million visitors, an average annual growth rate of 4.8%. Visitor arrival figures increased rapidly between 1999 and 2004, outperforming the global average, but the rate of growth has eased recently.

New Zealand received almost 2.5 million visitors in the year ending April 2010. New Zealand's international visitor footfalls have doubled since 1992 and they are expected to continue to climb at a rate of about 2.5 per cent each year between 2009 and 2015.

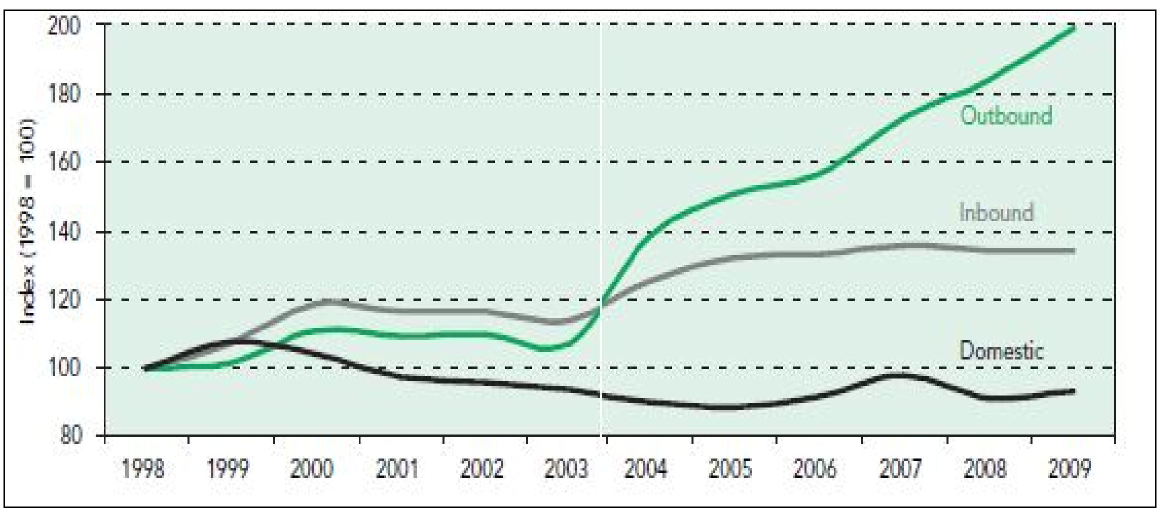
International tourism expenditure (excluding airfares) is forecast to grow by an average of 4.7 per cent per annum to reach NZD8.2 billion in 2015. This represents an increase in spending of NZD 2.25 billion by 2015.xxi

2.4.2 Outbound/ long-haul market

2.4.2.1 Australia

While Australia with its natural beauty and adventure sports is indeed an attractive holiday destination for tourists from all over the world, more and more Australians have been travelling out of the country in recent years. Regarding the outbound/long haul market, the number of tourists increased from 27,100 in 1991 (1.15% of total outbound tourists) to 106,100 in 2008 (2.1% of total outbound tourists). The indices for inbound, outbound and domestic tourism in Australia are shown in the figure below. Outbound tourism, though growing at a slower rate than inbound tourism till 2003, outstripped the latter subsequently. While inbound travel has reached a plateau, outbound travel has risen consistently till 2009.xxii

Figure 12 Indices for inbound, outbound and domestic tourism in Australia



Source:http://www.ret.gov.au/tourism/Documents/Tourism%20Statistics/tourism_facts_figures_may_2010_screen.pdf

The domestic tourism industry contributes most to the sector`s total income amounting to around 74% but the growth rate of the domestic travel has been low over the years 1998-2009. The outbound industry, on the other hand, has almost doubled over the same period growing at an average rate of about 6.4% annually. The international tourism to Australia has also been growing at the average rate of 2.7%. The same has been the finding from the National Visitor's Survey 2010 as well. (Box 2).

Box 2. Some Findings from a National Visitor Survey (2010)

According to a National Visitor survey by Tourism Research Australia, on the basis of data for outbound trips for the year ending June 2010, Australians spend an average of 20 nights abroad for each overseas trip.

Findings from National Visitor Survey

Total trips	Australians aged 15 years and over took six million international trips.
Nights	Australians spent 118 million nights away on outbound travel. This is An average of 20 nights abroad for each overseas trip.
Countries	The most popular international destination was New Zealand (16%), followed by the USA and Canada (11%), Indonesia (9%) and the United Kingdom (7%).
Purpose	The most popular reason for outbound travel was holiday (55%), Followed by visiting friends and relatives (24%) and business (18%).

Source: Travel by Australians: September Quarter 2010 Travel by Australians – September 2010 Quarterly Results of the National Visitor Survey, Tourism Research Australia, Canberra.

In terms of annual departures, outbound travel from Australia has shown positive growth rates since 1999, till 2009, except for 2001 and 2003 as table below shows. The negative trend may be explained by international predicaments such as the terrorist attack on the World Trade Centre in 2001 followed by the second Gulf War. But overall, the tourism activity has been buoyed by high growth rates in the economy as well as low unemployment rate.xxiii The outbound departures have grown at fairly high rates of 10.6%, 6.3% and 8.2% for the recent years 2007-09. Over the span of 1999 to 2009, the departure figures have nearly doubled.

Table 9 Australian outbound tourism

	Departures	Annual Change (%)
1999	3,210,000	1.5
2000	3,498,200	9.0
2001	3,442,600	-1.6
2002	3,460,900	0.5
2003	3,388,000	-2.1
2004	4,368,700	28.9
2005	4,755,700	8.9
2006	4,940,600	3.9
2007	5,462,300	10.6
2008	5,808,000	6.3
2009	6,284,900	8.2

Source:www.ret.gov.au/tourism/Documents/Tourism%20Statistics/tourism_facts_figures_may_2010_screen.pdf

The strength of the Australian dollar since 2004 has been an important factor driving Australian outbound travelxxiv and conversely challenging the competitiveness of domestic tourism. Moreover, Australia's remarkable economic performance has made overseas travel relatively affordable, which in turn has impacted domestic tourism adversely. Other factors contributing to sustained growth in Australian outbound travel include rise in international air capacity servicing Australia.

The short-term statistics support a rising trend for outbound travel as there has been a remarkable increase in outbound travel till August 2010. With increasingly favourable exchange rates and international seat capacity to key leisure destinations in South East Asia undergoing considerable expansion, the latter part of 2010 is expected to witness continued growth. As a result, the forecast for outbound travel has been revised upwards to 7.2 million or 15% growth in 2010 (from an earlier figure of 13.4%).

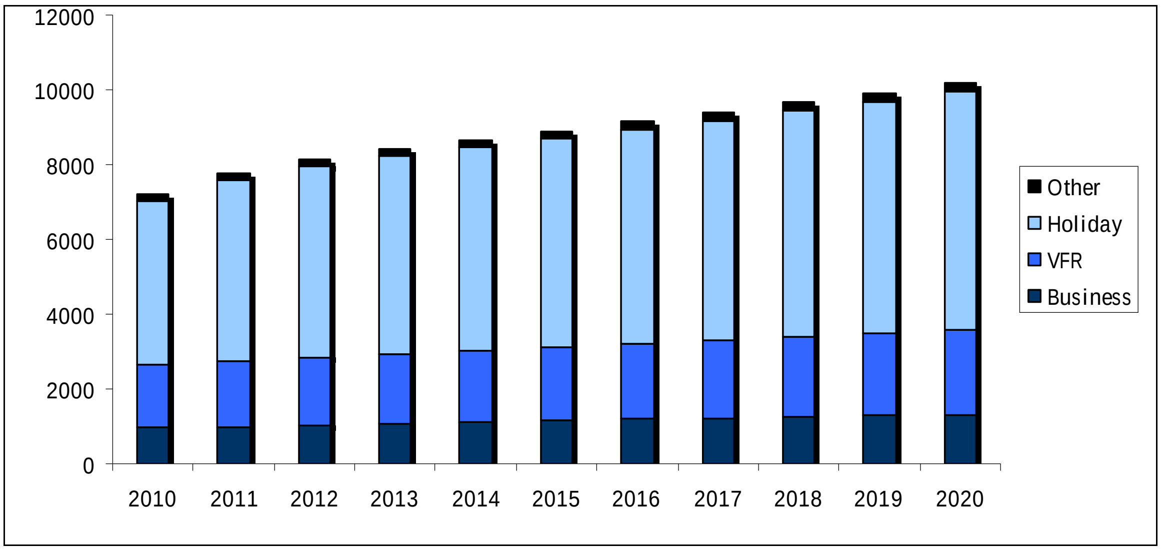
Between 2009 and 2020, outbound travel is expected to grow by an annual average rate of 4.5%. On this basis, it is expected that outbound travel will continue to exceed international arrivals for each year of the forecast period. By 2020, the number of outbound trips is forecast to reach 10.2 million or around 1.7 million more trips than international arrivals to Australia.xxv

However, the above scenario will be affected by large changes in fuel prices. Fuel is an important cost component for international carriers and as demand for oil increases, it starts to put pressure on airline costs and raises the probability of airfare rises. In fact, fuel prices play a significant role in all tourism segments, including domestic travel.

Australians travel abroad mainly for holidaying. The other major reasons include visiting friends and relatives and business. The shares of various reasons for travelling abroad by Australians have remained fairly stable over the last decade.

The major causes of overseas travel by Australians, namely, holidays, visiting family & friends and business, have continued to remain dominant till 2010. The forecasts indicate that they are likely to dominate in the future as well. There have been changes in travel destinations; although New Zealand, US and UK still hold large shares of departures, China and other Asian countries are increasing their shares of the market.

Figure 13 Short term departures from Australia by purpose of visit (in thousands)



Year	Business	VFR	Holiday	Other	Total
2010	969	1687	4383	185	7224
2011	999	1756	4841	188	7784
2012	1037	1808	5113	192	8150
2013	1076	1861	5273	197	8407
2014	1117	1908	5422	203	8650
2015	1156	1959	5571	208	8894
2016	1187	2017	5729	214	9147
2017	1218	2077	5891	220	9406
2018	1249	2136	6049	226	9660
2019	1280	2195	6216	231	9922
2020	1311	2254	6381	237	10183

Source: Forecast 2010 Issues 1&2, Tourism Forecasting Committee, Tourism Research Australia, Department of Resources, Energy and Tourism, Australian Government.

2.4.2.2 New Zealand

In theory each New Zealand resident could generate many domestic or outbound nights each year but in practice tourism behaviour is constrained by both time and money. There has been a decrease in aggregate tourism nights generated by New Zealand residents over a period, and that the increase in outbound nights has come at the expense of domestic nights i.e. domestic nights seem to have been substituted for outbound nights.

According to data secured by the Ministry of Economic Development, Government of New Zealand, for the year ended 2010 the total number of trips by residents of New Zealand were 2,026,193 up 5.7% from the previous year. The recent growth in outbound trips has been experienced across all major destination markets, although the largest aggregate change in outbound growth has been to Australia which receives over half of all short-term New Zealand resident departures.

Throughout New Zealand there has been a noticeable decline in domestic tourism in recent years, accompanied by a large increase in outbound travel. The decline in the number of domestic overnight trips has been driven mainly by a decrease in the number of people taking domestic holidays or visiting friends and relatives (VFR), while the increases in outbound trip taking have been experienced across all purposes of travel. The growth in outbound trips has been spread fairly evenly across Australian and non-Australian destinations.

Combined domestic and outbound visitor nights have remained quite stable at 85-90 million between 1999 and 2005, with domestic nights per capita falling 27% from 17.39 to 12.64 over this period and outbound nights per capita increasing 32% from 6.41 to 8.45. The decline in domestic tourism and corresponding increase in outbound tourism is not unique to New Zealand. In fact, this trend has been observed in several countries including Australia and the United Kingdom. There has been an international shift in travel preferences toward outbound travel, with the largest increases occurring on short-haul routes that are well served by value-based airlines. This is highly evident in Asia and Europe and also in New Zealand where short-term departures to Australia and the Pacific Islands have increased significantly in recent years.

Growth in outbound trips has been spread fairly evenly across Australian and non-Australian destinations. Over half of all short-term New Zealand resident departures are to Australia, although this share has fallen in recent years. The average length of an outbound trip has fallen over the study period from 20.8 nights in 1999 to 18.5 nights in

2005. The decline in average outbound trip duration has been more than offset by the increase in outbound trips taken resulting in an increase in outbound visitor nights of 21.1% in 2004 and 5.4% in 2005.

The observed trends of declining domestic tourism per capita and increasing outbound tourism per capita are not unique to New Zealand. These trends are widespread, most likely driven by structural changes in the aviation industry which have reduced the barriers to outbound travel.

2.4.3 Preferred destinations/frequency of travel

2.4.3.1 Australia

Asian and Pacific destinations are leading the very strong growth in Australian outbound travel. In 2010, growth is forecast to be 37% for Indonesia and Fiji, 18% for China, 16% for Thailand and 15% for Malaysia. Outbound travel to the United States is also forecast to increase 23% on the back of further increases in air seat capacity.

New Zealand has been the most preferred destination for the Australians over nearly two decades (table below), followed by USA and UK at the second and the third spot respectively.

Table 10 Five most popular destinations for outbound Australians (1991 and 2008)

1991			2008		
Destination	Number of Departures	%	Destination	Number of Departures	%
1. New Zealand	353400	15.01	1. New Zealand	864700	17.50
2. USA	288400	12.25	2. USA	440300	8.91
3. UK	254400	10.80	3. UK	412800	8.36
4. Indonesia	214100	9.09	4. Thailand	288000	5.83
5. Hong Kong	130600	5.55	5. China	251000	5.08

Source: Neelu Seetaram (2010), 'A Study if Outbound Tourism from Australia', Discussion paper 47/10, Issue 1441-5429, Department of Economics, Monash University

The relative popularity UK and USA as tourist destination has slightly diminished, however, in the reference period, in favour of some upcoming Asian destinations like China, Fiji, India, Singapore, Thailand, and Vietnam. Many of these new destinations are high growth areas. A possible reason for this trend is the relatively high value of the Australian dollar in these countries and their proximity to Australia, making the travel cost to these destinations lower for Australians. Another factor contributing to the spurt in travel to such destinations is the introduction of low cost flight on Asian routes from 2006 which further reduces the travel cost from Australia.

New Zealand has continued to be the most preferred destination for outbound Australian tourists since 2008 till date because of its proximity to Australia. In the year 2009 New Zealand accounted for 16.4% of the total share of the Australian outbound tourism while the US accounted for 9%, Indonesia for 8.7% and UK for 7%.xxvi The top gainers in 2009 were Indonesia, Malaysia and the United States (table below).

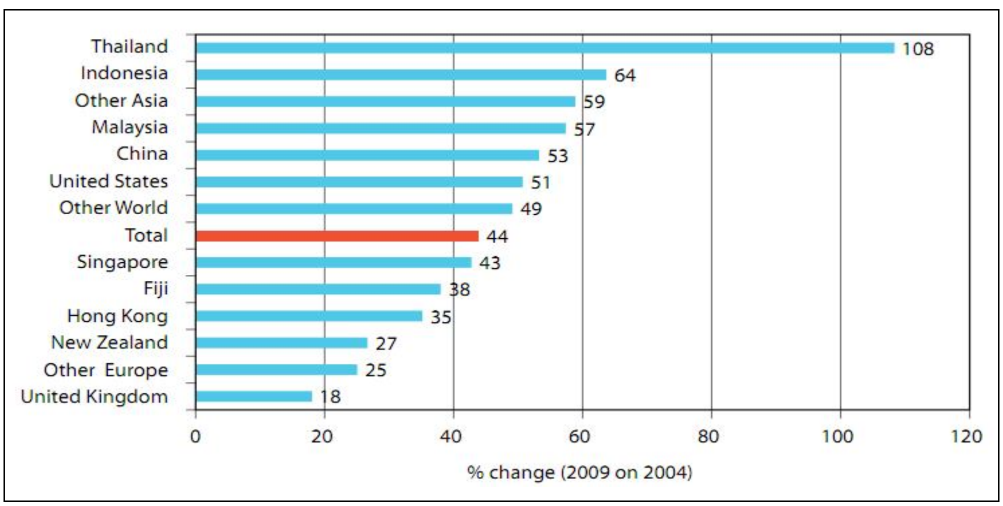
Table 11 Australian outbound tourism top-10 main destinations in 2009

	Departures	Annual Change (%)
New Zealand	1,033,300	12.2
United States	567,000	15.2
Indonesia	548,500	44.1
United Kingdom	442,600	5.3
Thailand	392,300	-2.9
China	278,800	0.5
Fiji	242,200	2.5
Malaysia	227,400	19.1
Singapore	226,800	4.1
Hong Kong	206,100	-3.3

Source: http://www.ret.gov.au/tourism/Documents/Tourism%20Statistics/tourism_facts_figures_may_2010_screen.pdf

Although New Zealand is the most preferred destination for outbound Australian tourists, the gain has been the maximum for Thailand (108%) if we consider the period 2004–09. Other South-East Asian countries, China and US have also seen high growth during this period.

Figure 14 Growth in Australian travel to overseas destinations



Source: http://www.ret.gov.au/tourism/Documents/tmc/stateofindustry.pdf

New Zealand continued to remain the preferred destination for Australian outbound travellers in 2010 as well and also that holiday remained the main reason for the Australians to travel abroad. However, business and conventions/conferences have made huge gains over the previous year. Indonesia has reached the third spot as the most preferred destination.

2.4.3.2 New Zealand

In 2008, the most popular holiday destinations were Australia, Fiji, and the Cook Islands whereas most of the VFR travel was to Australia, the United Kingdom and China. The main business destinations were Australia, the United States and China.

Table 12 Most popular destinations for specific purpose (2008)

Reason for travel	Aus.	Fiji	UK	USA	China	Cook Islands
Leisure	47%	8%				5%
Visiting friends & relatives	49%		8%		4%	
Business	56%			6%	4%	
Other purposes						

Source: http://www.tourismresearch.govt.nz/

The number of New Zealanders travelling to Australia has seen an increase by 329,600 between 1999 and 2008. This is an average annual growth rate of 4.9%. The next biggest increase was to China (up 47,400), followed by the Cook Islands (up 39,600) and Fiji (up 30,500). The increase in New Zealanders travelling to China can largely be accounted by the de-restricting up of travel restrictions by the Chinese government and the growing interest in this destination.

Table 13 Trips abroad by New Zealand residents

Source: International Visitor Arrivals and Departures

YEAR ENDED December	Trips Abroad by NZ Residents			Growth Rate (%)	
	2008	2009	2010	08-09	09-10
TOTAL (1)	1,967,126	1,918,316	2,026,293	-2.5	5.6
MAJOR DESTINATIONS:					
Australia	949,624	944,277	976,301	-0.6	3.4
Fiji	99,346	92,283	96,967	-7.1	5.1
UK	93,071	87,397	92,294	-6.1	5.6
USA	93,319	88,050	98,920	-5.6	12.3
Asia	256,060	249,574	272,294	-2.5	9.1
Europe	168,882	155,052	167,698	-8.2	8.2
PURPOSE OF TRIPS					

Holiday	820,065	771,981	820,420	-5.9	6.3
Visit Friends / Relatives	630,806	669,125	686,343	6.1	2.6
Business	281,213	256,177	290,429	-8.9	13.4
(1) Totals are actual visitor counts and may differ from sample based data.					
Source: http://www.tourismresearch.govt.nz/Data--Analysis/Domestic-Travellers/Outbound-travel/Outbound-Travel-Key-Data/					

Migration flows to and from Australia and the United Kingdom continued to play a major role in New Zealand's migration patterns. While, in the June 2009 year, United Kingdom was the largest source country for permanent and long-term (PLT) arrivals, Australia was the second-largest source country for PLT arrivals (13,555) and the largest destination country for PLT departures (42,231). Overall, 65% of those PLT arrivals from Australia were New Zealand citizens. The result was a net outflow of 28,676 people from New Zealand to Australia during the June 2009 year, compared with a net outflow of 31,923 in 2008. In comparison, there was a net PLT inflow from the United Kingdom of 9,141.

Short trips by New Zealand residents to India have been increasing steadily since the 1990s. In the decade 1989–98, there was an annual average of 4,200 departures. This rose to 9,800 in 2003 before increasing sharply, a reflection of the growing Indian population in New Zealand. In the year ended June 2010, there were 30,700 short-term resident departures to India, making it the eighth most popular destination for New Zealand residents.

When we look at the resident departures to India by country of birth, the influence on travel of the growing number of India-born New Zealand residents is obvious. In the June 2002 year, 58% of departures (5,100) were of India-born residents. In 2010, 20,700 (or 67%) of the total 30,700 departures were travellers born in India. In the same time period, the proportion of travellers to India who were born in New Zealand reduced from 29% of short-term departures (2,600 trips in 2002) to 22% (6,700 trips in 2010).

According to data accumulated and analyzed by Tourism New Zealand for the year ended June 2009, some key pointers have been drawn out. The following figures are based on final counts of arrivals to, and departures from, New Zealand. They include overseas visitors, New Zealand resident travellers, and permanent and long-term migrants entering or leaving New Zealand.

- Total passenger arrivals and departures numbered 8.9 million, down 3% on the June 2008 year

- Professionals were the largest occupation group for both PLT arrivals (9,570) and PLT departures (7,961)
- Australia was the main destination for almost half the New Zealand residents' short-term departures (936,856).

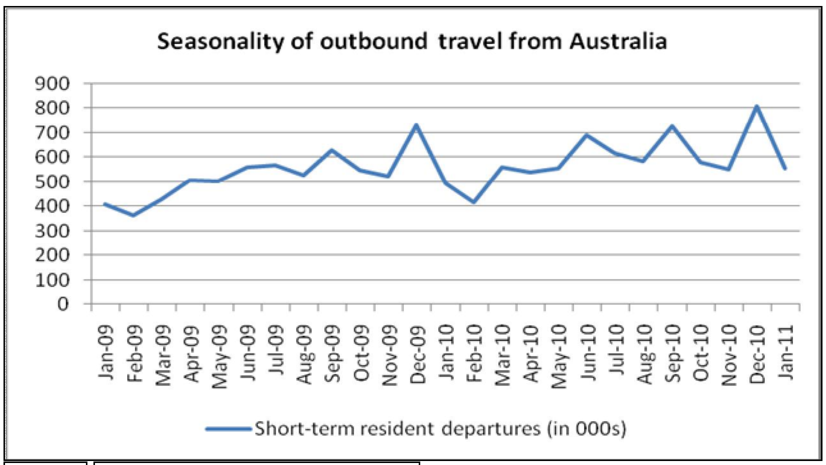
2.4.4 Seasonality/travel pattern

Seasonality is a major challenge as outbound travel has exhibited a fairly regular seasonal pattern over time.

2.4.4.1 Australia

Data from on short term resident departures from the Australian Bureau of Statistics shows that Australians prefer to travel in the third quarter (Jul–Sep) of every year with another peak in December each year.

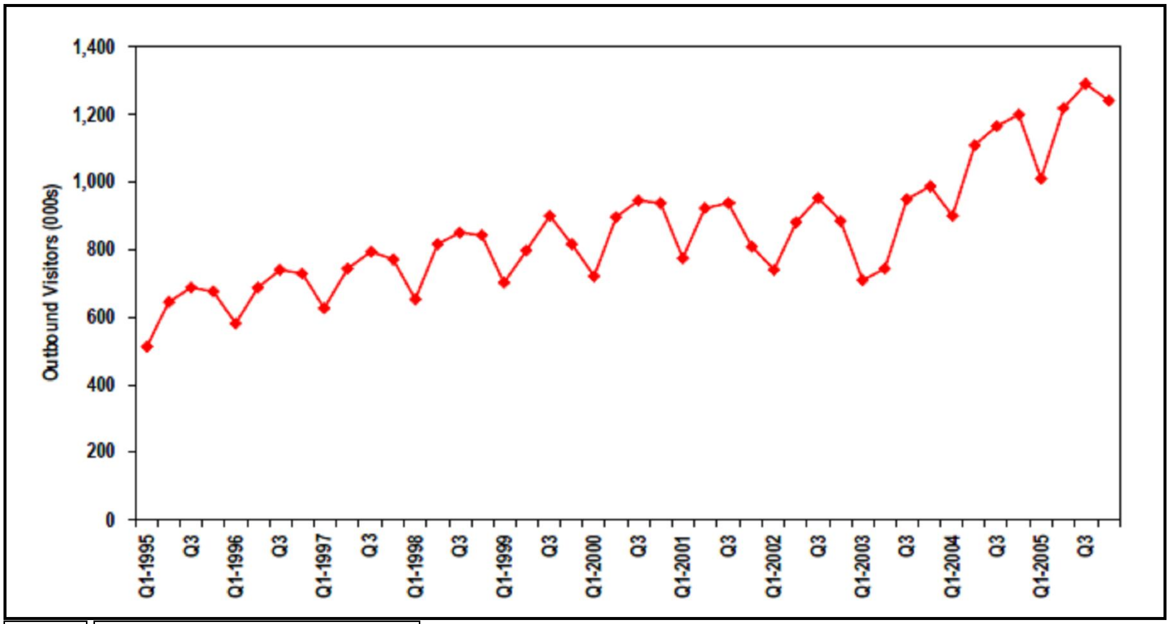
Figure 15 Seasonality of outbound travel from Australia (Monthly departures Jan 2009 to Jan 2011)



Source: Australian Bureau of Statistics

This has remained the seasonality in past years as well and has not changed.

Figure 16 Seasonality of outbound travel from Australia (Quarterly departures Q1 1995 to Q4 2005)

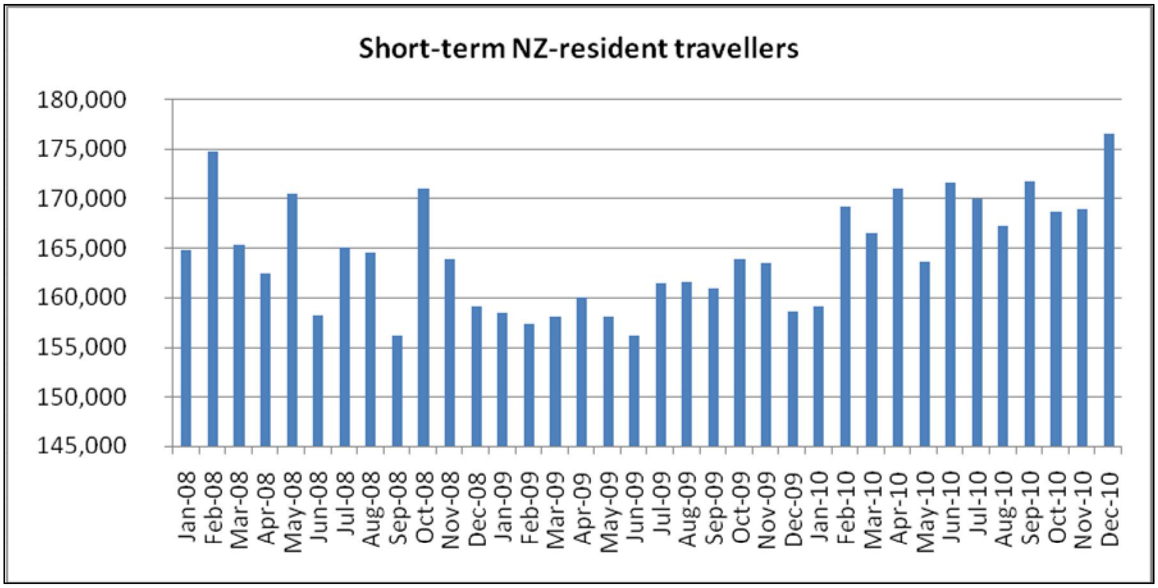


Source: Australian Bureau of Statistics

2.4.4.2 New Zealand

Data from on short term resident departures from the Statistics New Zealand shows that New Zealanders prefer to travel in the months of February, April–May, July and September–October. The dip in outbound travel between Dec 2008 and Feb 2010 is owed to the global meltdown.

Figure 17 Seasonality in outbound travel from New Zealand (Jan 08 to Dec 10)



Source: Statistics New Zealand, www.stats.govt.nz

Chapter Three
Travel Trade

3.1 *Introduction*

Australia is one of the most actively promoted tourist destinations, globally. At the helm of this is Tourism Australia which is mandated to actively grow demand for both business and leisure tourism down under.

Tourism is a vital industry for the island nation, generating AUD 92 billion in spending and contributing 2.6% of Australia's total GDP. Among its many responsibilities, Tourism Australia oversees and enables,

- Leisure consumer marketing,
- Business Events Australia,
- Industry Development,
- Research and Insights, and
- Stakeholder Engagement.

2020 Tourism Industry Potential calls on the travel and trade industry as well as the government in Australia to focus on the increasing returns from the tourism industry. By 2020, inbound tourism potential is estimated at somewhere between AUD 135 billion and AUD 160 billion including day trips.

3.2 *Role and characteristics of tourism and travel trade in the country*

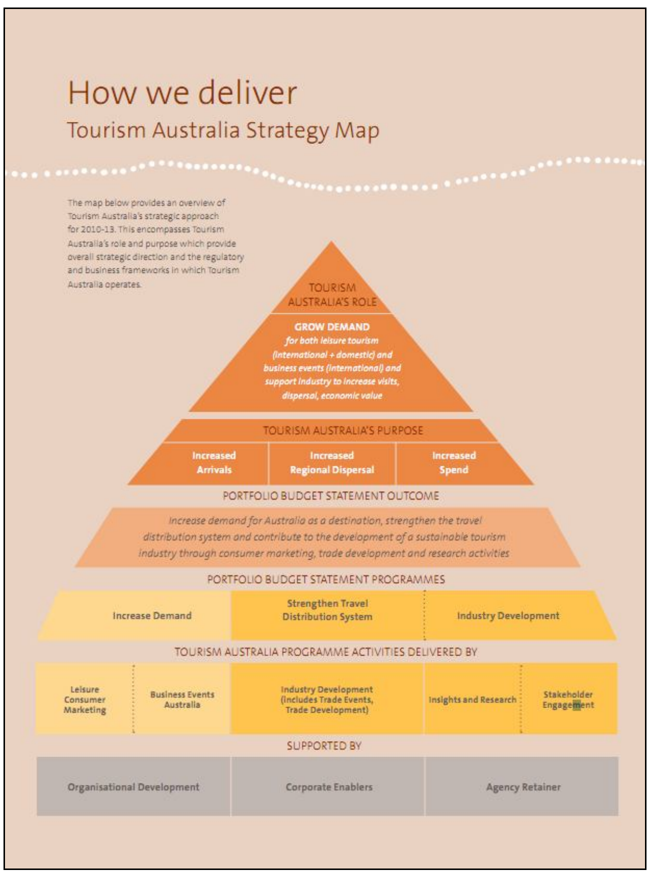
3.2.1 Australia

To achieve this target, the industry and the government has put together many proactive programmes, based on key target geographies. Not surprisingly, New Zealand with 74,900 visitors in January 2011 was the leading source for inbound tourists with a 6% increase compared to the same period last year. Similarly, with 59,900 visitors from the UK, 37,200 from the US, 23,300 from Japan and 21,600 from South Korea were the leading source countries during Jan 2011. However, here too the bullish Chinese economy plays out significantly with 60,600 visitors showing a 63% jump compared to last year January.

This also may be partially attributed to the Greater China Travel Mission (GCTM), the largest trade event in market, which provides a platform for Australian suppliers to conduct one-on-one appointments with qualified key distributors from mainland China, Hong Kong and Taiwan. The three day annual event also includes market updates as well as a Guest Speaker/Forum program thus creating greater industry collaborations and thus foothold in source countries. There are many similar B2B programmes organized with key inbound tourism markets in view to maximize tourist inflow into Australia.

On the other hand B2C programmes which are customized for each market are meant to complement the traction created through B2B activities. These B2C campaigns are planned and executed with the tourist season from the source countries in mind.

Figure 18 Tourism Australia strategy map



3.2.2 New Zealand

There are a large number of organizations that are involved in tourism in New Zealand, including Government departments, regional and Māori tourism organizations, marketing networks formed by private operators and industry associations representing operators from across the different sectors of the tourism industry. From tourism businesses and support services, to industry associations, regional tourism organizations and Government agencies, the New Zealand Tourism Strategy 2015 is the document that sets a direction for tourism in New Zealand. It keeps all of these organizations and individuals on the path of delivering a sustainable social, environmental and economic contribution to New Zealand.

The Aviation, Tourism and Travel Training Organisation (ATTTO) works with industry partners to develop national qualifications in tourism and coordinate workplace training. www.attto.org.nz

3.3 Flight connectivity and relative costs

3.3.1 Australia

Several flights are available from all major airports in Australia to Indian destinations: Jet Airways, Qantas Airways, Virgin Blue, Pacific Blue Airlines, Air India, Air North and Indian Airlines.

Figure 19 Major airports in Australia

The relative attractiveness of Indian destinations vis-à-vis other foreign destination in the eye of an Australian traveller can be gauged from the table below, which presents flight rates and number of flights available from there major Australian cities to various destinations as on March 10, 2011.

Table 14 Flight rates (Indian Rs) and flight availability (number)

	Perth			Melbourne			Sydney		
(Indian Rupees)	Min	Max	Flights	Min	Max	Flights	Min	Max	Flights
New Zealand	18821	300053	22	7225	26172	15	8588	48984	14
Thailand	18779	226924	13	19946	284141	19	25729	284449	32
United Kingdom	44629	198887	42	52926	82276	43	42374	289748	69
USA	29022	375099	24	76723	507873	61	50515	499460	135
China	24972	93158	12	29350	203252	24	24343	569780	40
Mumbai	23822	227434	20	36208	508711	42	32529	638594	52
Bangalore	29155	40206	8	36900	50208	12	37243	233636	15
Delhi	25242	213346	17	39173	233035	39	35495	638594	48
Hyderabad	29605	50821	6	50208	435319	11	43421	233363	14
Chennai	27360	214913	13	39091	63627	15	47728	288720	22
Kolkata	27350	265729	19	34482	295535	18	43421	647777	13
Ahmadabad	49026	231086	6	50208	266790	13	45486	263583	16

Source: http://www.skyscanner.in

New Zealand, Thailand and China have very competitive airfares vis-à-vis Indian destinations, while UK and USA have a large number of flights operating from the Australian cities. In India, only Delhi and Mumbai have relatively larger number of flights coming in from Australian cities. So the Indian tourism sector has to focus on competitive airfares to the Indian destinations, as well as on increasing flight availability for Australian tourists.

3.3.2 New Zealand

The major (non-Indian airlines) operating out of India include Air New Zealand, Malaysia Airlines, Singapore Airlines, Qantas Airlines, Cathay Pacific, Thai Air, Jet Star, and Air Asia. As the map shows, New Zealand has three international airports: Auckland, Wellington and Christchurch.

Figure 20 Flights from all major airports to India

The price of outbound tourism in New Zealand has increased by just 9% since 1990, driven by intense competition in the short-haul aviation market and the strong New Zealand dollar. At the same time the price of domestic tourism has increased by 44%.

Table 15 Relative price: travelling from New Zealand to India and other countries as on March 4, 2011

	Auckland			Christchurch			Wellington		
(Indian Rupees)	Min	Max	Flights	Min	Max	Flights	Min	Max	Flights
Australia (Sydney)	8982	39958	60	6623	63021	29	9065	48339	43
Fiji (Nadi)	12424	91018	22	16474	102629	21	18010	37020	42
United Kingdom (London)	50145	629813	66	45685	642798	59	71554	642499	35
USA (New York City)	68683	209272	88	73213	713514	24	64739	102483	39
China (Beijing)	38439	269471	47	34703	282990	17	40325	135416	33

Cook Islands (Rarotonga)	No Flights								
Samoa (Apia)	14207	103112	17	16913	104633	14	16913	73828	26
Thailand (Bangkok)	34055	308333	47	31042	245492	33	33511	60272	32
Canada (Ottawa)	68856	707330	22	76614	707330	11	76175	707528	13
Source: http://www.skyscanner.in									

Table 16 Air tickets price range from major Indian cities to New Zealand as on March 4, 2011

	Auckland			Christchurch		
(Indian Rupees)	Min	Max	Flights	Min	Max	Flights
Mumbai	46934	679216	28	35302	331418	37
Kolkata	49048	237182	24	35302	220474	25
Thiruvananthapuram	47333	313857	33	54837	180032	9
Kozhikode	47333	782220	20	54837	180032	5
Ahmadabad	47333	593339	30	48646	250628	13
Kochi	88298	237248	24	163128	347283	23
Hyderabad	39287	315214	31	42724	363223	31
Gaya	130685	197990	3	-	-	-
Bangalore	49048	696290	22	36500	350753	20
Chennai	53633	289102	20	35302	284592	14
Coimbatore	88686	319513	27	161577	347649	23
Delhi	49048	119445	28	35302	354522	34
Varanasi	90696	233482	7	151173	343591	3
Nasik	-	-	-	51213	51996	2
Agra	-	-	-	51278	171785	3
Lucknow	-	-	-	50701	195256	6
Mangalore	-	-	-	52478	177861	3
Khajuraho	-	-	-	152489	176398	2
Nagpur	-	-	-	53976	230462	5
Raipur	-	-	-	58312	253919	5
Source: http://www.skyscanner.in						

3.4 Hotel prices

Australia and New Zealand

Table 17 Relative prices of hotels in India and other countries

Country	Price Range (for a night)
Australia (Sydney)	Rs. 874 to Rs. 32232
Fiji (Nadi)	Rs. 351 to Rs. 4918
United Kingdom (London)	Rs. 589 to Rs. 39796
USA (New York City)	Rs. 814 to Rs. 39572
China (Beijing)	Rs. 605 to Rs. 29141

Cook Islands (Rarotonga)	Rs. 4155 to Rs. 66242
Samoa (Apia)	Rs.1260 to Rs.14363
Thailand (Bangkok)	Rs. 465 to Rs. 13679
India (Delhi)	Rs. 545 to Rs. 25110
Canada (Ottawa)	Rs. 3079 to Rs. 6280
Source: http://www.skyscanner.in	

As the table shows, the cheapest stay options are available in Fiji and, in the mid-range Ottawa in Canada. New Delhi ranks just below Beijing in terms of cost with regard to high-end accommodation. However, it has long been a matter of global debate in the travel tourism industry that India not only lacks adequate budget hotels/accommodation, that are both safe and up to standard, but that its four and five star hotels are by far more expensive those than in other south Asian countries such as Thailand. Visitors, thus often opt for longer stays in those countries since they are left with more to spend on eating, shopping and other tourist attractions.

3.5 India vis-à-vis other destinations from the Australian tour agents' perspective (qualitative analysis of questionnaire for tour operators)

Tour operators interviewed in Australia highlighted many aspects of their experience with holiday-makers travelling from there to India and other countries. Discussion with travel agents and tour operators reveals that huge potential to develop India as a tourist destination in the Australian market.

The Australian are very curious to know more about India's rich cultural heritage; its scenic beauty, the people and their warmth reception; all of this coupled with plenty of adventure tourism spots, makes India a location that cannot be compared the market with any product and any destination around the world.

However, the Australians are not very aware about latest tourism products on the Indian market nor do they know much about the socio-political situation. Their perception about India needs immediate updating if Australia is to be successfully tapped as a market. In order to do this, policy-makers must take action to correct and streamline matters.

3.5.1 Who travels to India and why

Australians are very keen to visit India but need greater awareness on places of interest, and important destinations. They surf the net but are not sure about the reality of the claims made by destinations such as India.

They compare a visit to India on cultural, accessibility and safety parameters with Sri Lanka, Cambodia, or Vietnam and then decide which country to visit. Thus an awareness level needs to be generated focussing on the Incredible India campaign.

Exciting new products/ circuits/ destinations need to be developed by India Tourism. This is the need of the hour. Australians also feel India lacks amusement options/ night life.

Of those that visit nearly 30-35% become repeat visitors. These repeat visitors specially have rated India on various parameters as follows.

- Varieties of cuisine – excellent
- People of India – wonderful and warm
- Contrast in climate and culture and social aspects - excellent
- Ethnic beauty – excellent
- Heritage sites – excellent

3.5.2 Perception among Australian tourists about India

Young Australians are sceptical about visiting Asian countries, due to cultural variation as well as availability food of choice, though they want to try Indian cuisine. They feel very safe visiting European Union countries rather than Asia.

Australians are uneasy about the law and order situation of different parts of India; as well as touts. There is a travel advisory for Australians visiting India. They do not seem to be very interested in places other than those of historical interest. So they are unable to make proper plans for longer durations of stay.

They do not like been accosted by beggars displaying their starved and diseased conditions at tourist spots. They are concerned about cleanliness and the chances of contracting infections. They complain of traffic jams and congested footpaths which make both motoring as well as walking on India's roads unpleasant.

In their opinion hotel rooms in Thailand and Malaysia are cheaper for better quality of facilities. Also, night life in India is non-existent in most destinations and where present, it is not up to the standard of night life offered by other Asian cities. Similarly there is a dearth of amusement options and entertainment parks.

3.5.3 Way forward

The image of India needs to improve further. A lot of wrong messages have been conveyed which need to change. Though they consider India to be one of the fastest-growing economies of the world but they perceive it to be a hub of political unrest resulting in a poor law and order situation. Australians are not very aware of the scale of development that has taken place in India and the kind of progress made in technology and peripheral activities. A proper campaign by the Indian Tourism Department is the need today. As also a host of other action points are indicated:

1. The visa process should be simplified and the time for processing reduced significantly.
2. All that is positive about India needs to be aggressively marketed. The 'Incredible India' campaign needs to be more focussed on the specific attractions of individual geographies within India rather than trying to promote everything from the Taj to the backwaters all at once which dilutes and confuses.
3. Cleanliness needs to be ensured at tourist spots, eateries, airports, railway stations, public toilets, hotels and buses if Australian tourists are to be attracted to India.

Chapter Four
Past outbound travel behaviour

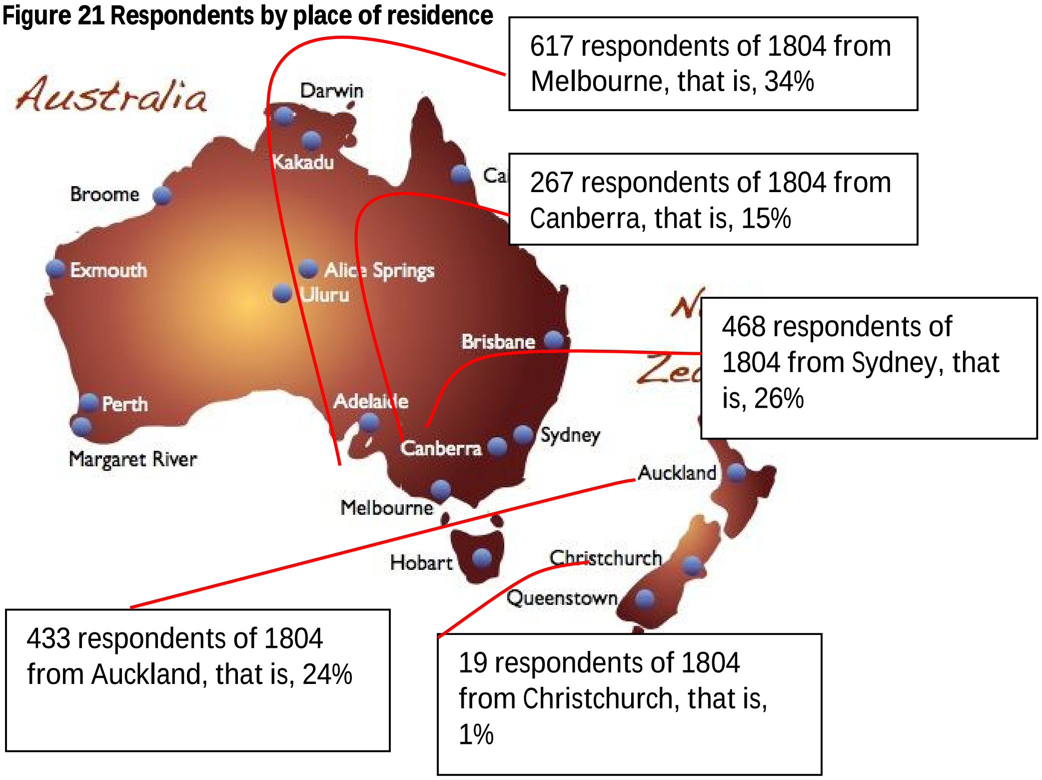
4.1 *Profiling Information*

4.1.1 By place of residence, age group, employment status, gender

4.1.1.1 Place of residence

- The survey investigated 1804 respondents (persons who have travelled abroad in the last three years) residing in Australia and New Zealand. 902 have travelled to India in the past three years and the other 902 have travelled to other countries in the past three years.
- Seventy five percent of the respondents were from Australia (1352) and twenty five percent of the respondents were from New Zealand (452).
- The survey covered respondents from Sydney, Canberra and Melbourne in Australia and from Auckland and Christchurch in New Zealand.

Figure 21 Respondents by place of residence



4.1.1.2 Age categories

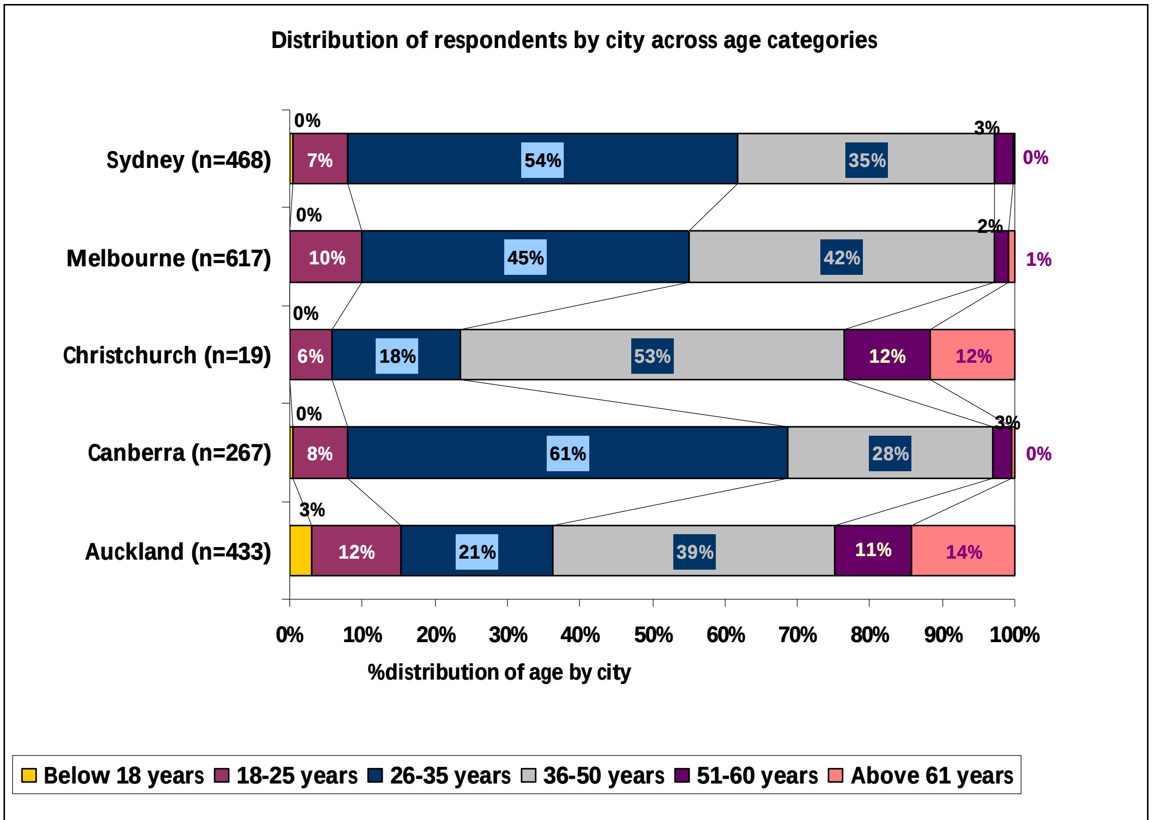
44% of the respondents, that is, 786 respondents were between 26 to 35 years of age. 38% of the respondents were in the age group of 36 to 50 years. Overall, 82% of the respondents were in their peak productive years between 26 and 50 years of age. 171 respondents of 1804 are relatively young, in the 18 to 25 years age category.

Table 18 Respondents across age categories

Age categories	No. of respondents	Percentage
Below 18 years	17	1%
18-25 years	171	9%
26-35 years	786	44%
36-50 years	679	38%
51-60 years	79	4%
Above 61 years	72	4%
Total	1804	100%

Overall, it is see that among the respondents from Auckland and Christchurch, that is, New Zealand, there are a higher proportion of respondents above 51 years.

Figure 22 Distribution of respondents by city across age categories

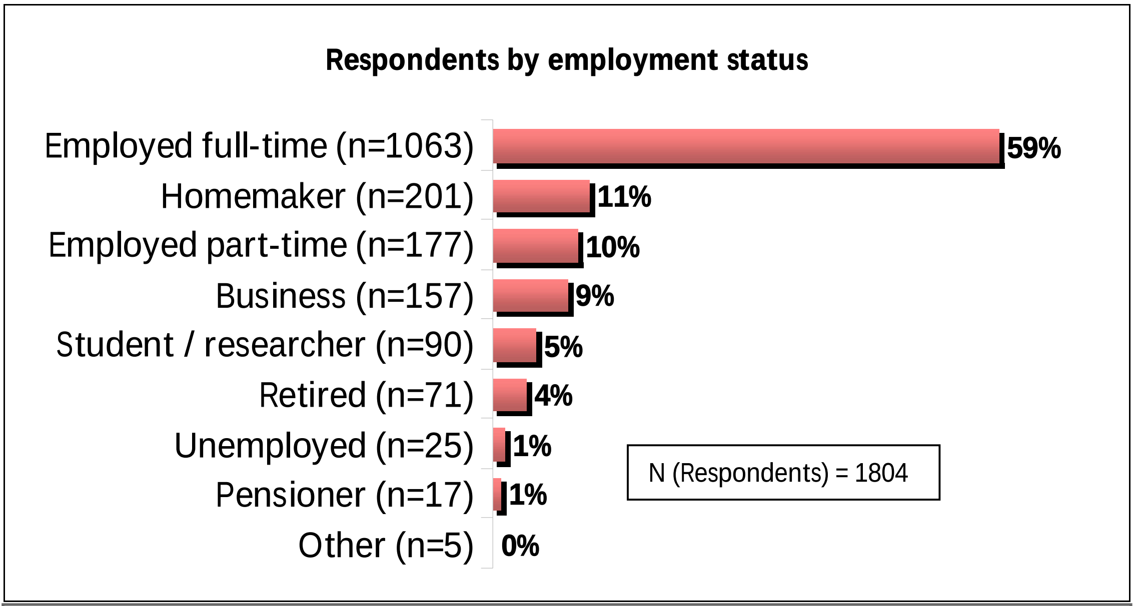


- N (Respondents) = 1804
- Percentages are calculated for each age category in the particular city
- The colouration of the bar shows the age distribution for each city.

4.1.1.3 Employment status

59% respondents were employed full time. As many as 201 homemakers constituted 11% of the respondents. Other important segments were part time employees and business persons constituting 10% and 9% respectively. About 90 respondents constituting 5% of the sample were students or researchers.

Figure 23Employment status of respondents



Note: "N" is the total number of Respondents/ Responses, "n" is the number of Respondents /Responses who have answered the particular option/choice of the question asked.

4.1.1.4 Gender

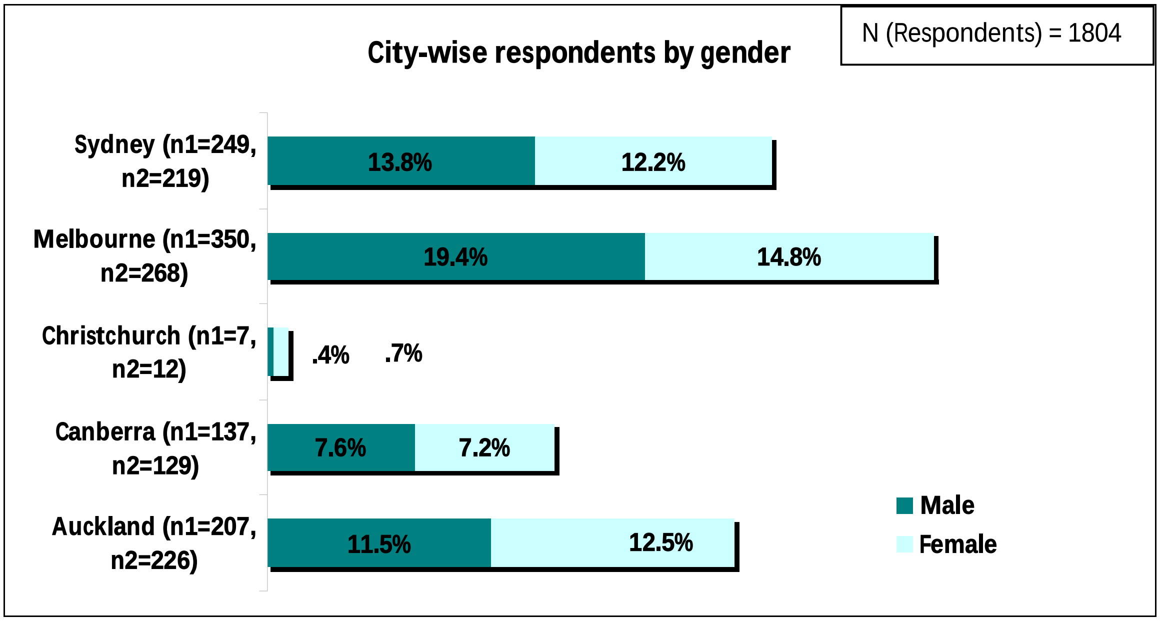
Women constituted about 47% of the survey participants. Overall, 855 women (past travellers) were interviewed during the primary survey across the five cities.

Table 19 Respondents by gender

Gender	No. of respondents	Percentage
Male	949	53%
Female	855	47%
Total	1804	100%

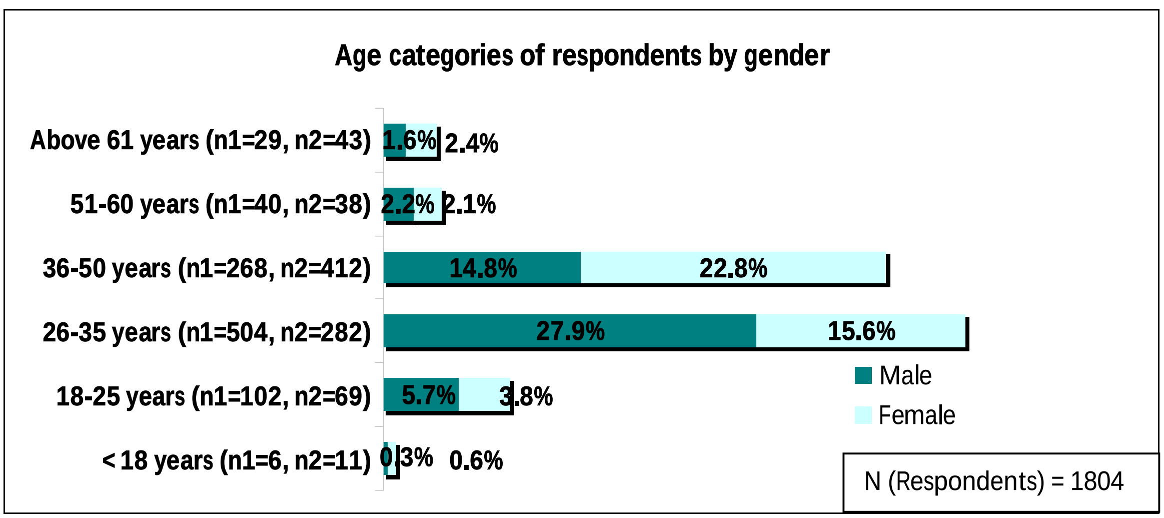
The female respondents to male respondents' ratio remained more or less similar across cities. However, the percentage of women was higher among respondents from Christchurch where 12 of the 19 respondents were women. In Melbourne the percentage of male respondents was almost 57%.

Figure 24 City-wise respondents by gender



The gender distribution had some variation across age categories. The percentage of women respondents was 60% or more in the age categories, below 18 years, 36 to 50 years and above 61 years. In the age groups 18 to 35 years and 51 to 60 years, men were in majority.

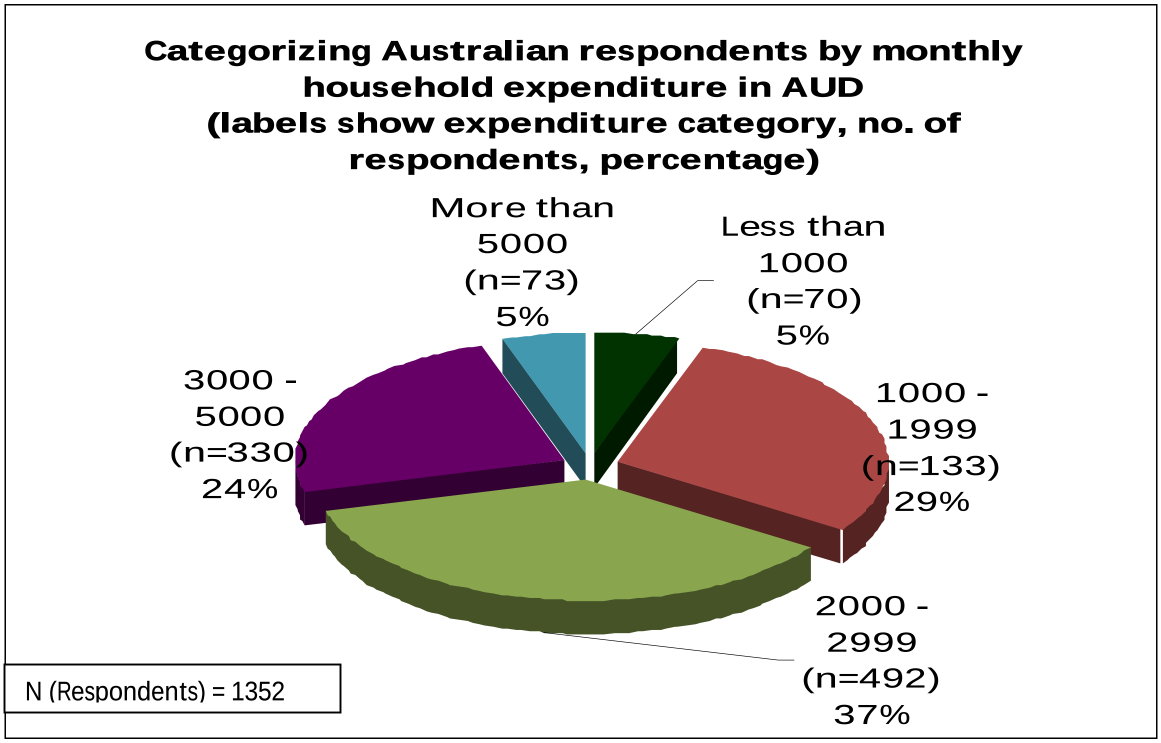
Figure 25 Age categories of respondents by gender



4.1.2 By expenditure per month

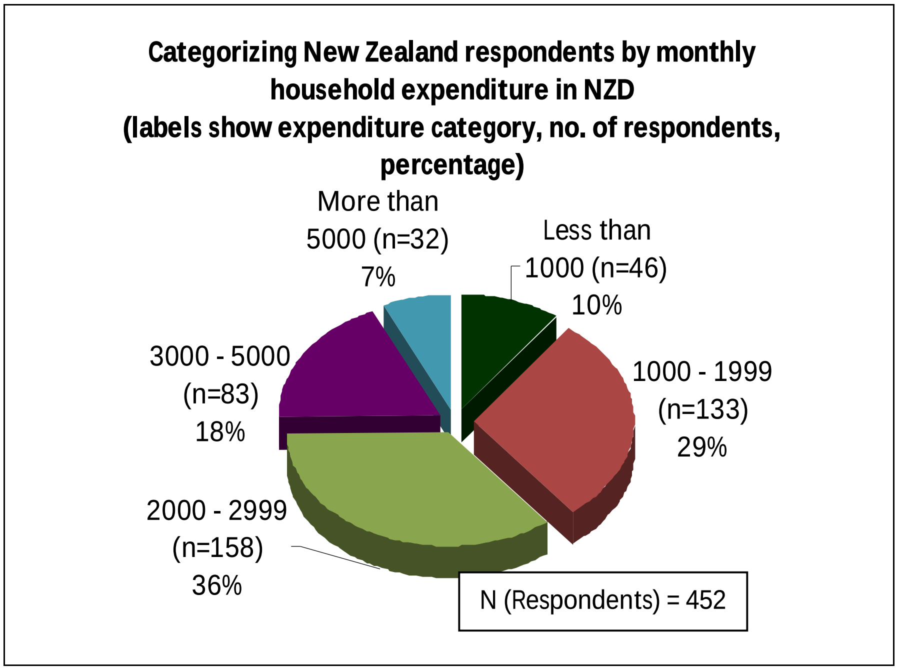
66% of the respondents from Australia were in the monthly household expenditure category of AUD 1000 – AUD 2999. Those in higher monthly expenditure categories of AUD 3000 – AUD 5000 and >AUD 5000 were 24% and 5% respectively.

Figure 26 Categorizing Australian respondents by monthly household expenditure in AUD



65% of the respondents from New Zealand were in the monthly household expenditure category of NZD 1000 – NZD 2999. Those in higher monthly expenditure categories of NZD 3000 – NZD 5000 and >NZD 5000 were 18% and 7% respectively. 46 of the 452 respondents from New Zealand were from lower expenditure categories of less than NZD 1000 per month.

Figure 27 Categorizing New Zealand respondents by monthly household expenditure in NZD

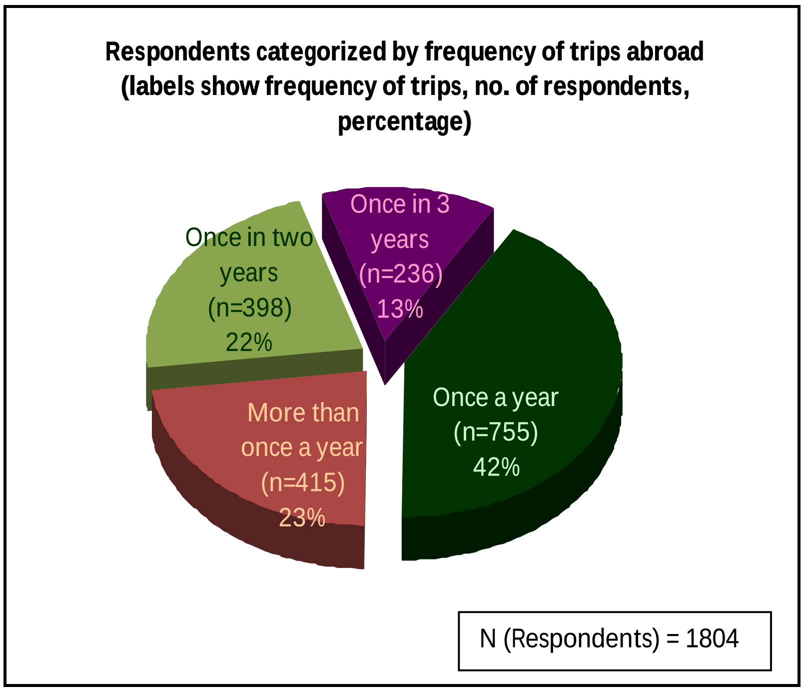

Categorizing New Zealand respondents by monthly household expenditure in NZD
(labels show expenditure category, no. of respondents, percentage)
More than 5000 (n=32) 7%
Less than 1000 (n=46) 10%
1000 - 1999 (n=133) 29%
2000 - 2999 (n=158) 36%
3000 - 5000 (n=83) 18%
N (Respondents) = 452

4.2 General Travel Behaviour

4.2.1 Frequency of trips abroad

Of the 1804 persons surveyed, 42% travel once a year. 23% travel several times in a year. 398 respondents travelled once in two years (22%).

Figure 28 Respondents categorized by frequency of trips abroad



4.2.2 Choice of Trips (Package / non-package)

Among those interviewed during the primary survey, 75% had not opted for package trips.

Table 20 Choice of trips (package/non-package)

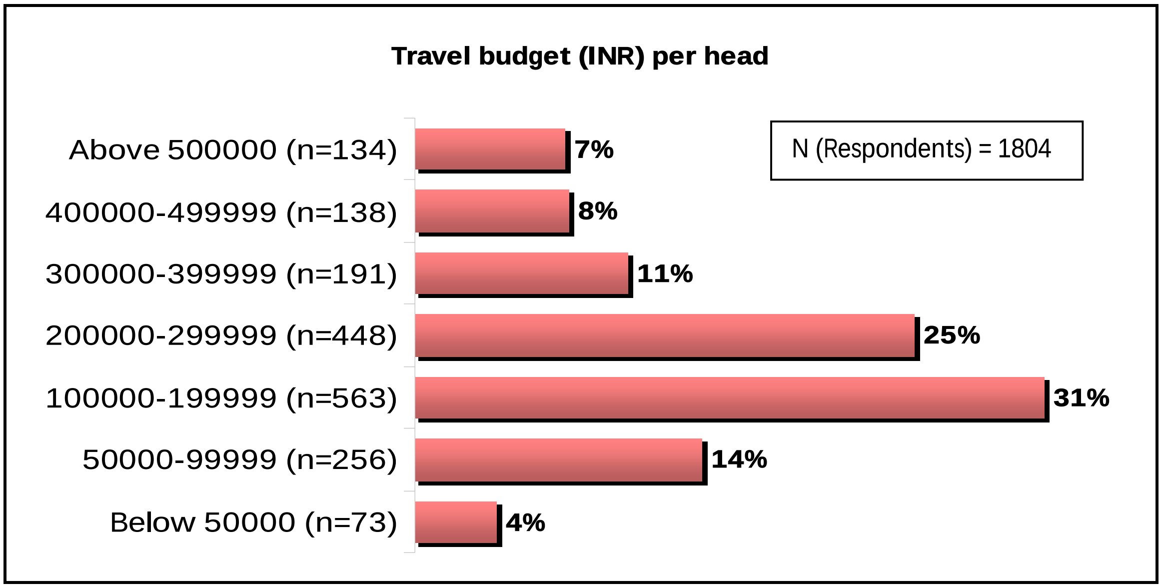
Type of trip	No of respondents	Percentage
Non-package trip	1355	75%
Package trip	449	25%
Total	1804	100%

4.2.3 Average expenditure on trips

31% of the1804 respondents had budgeted for INR (Indian Rupee) 1 Lakh to INR 2 Lakh per head for their travel. Another 25% had budgeted INR 2 Lakh to 3 Lakh per head.

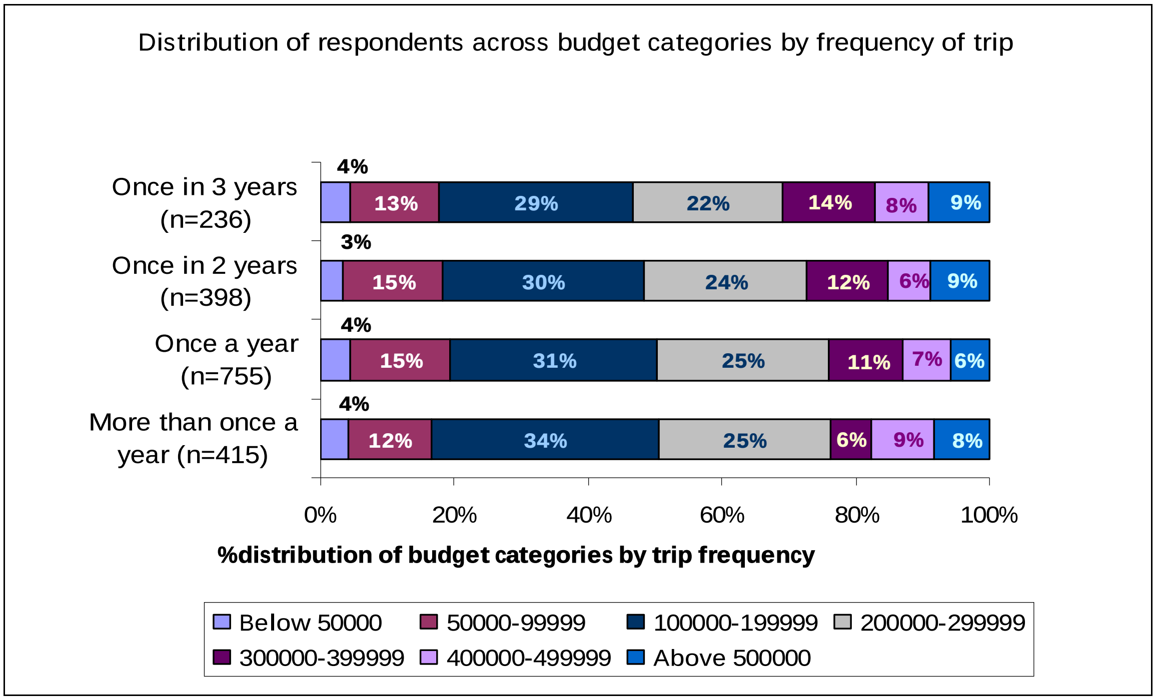
Overall, 67 per cent travellers had budgeted INR 1 Lakh to 4 Lakh per head. About 14 per cent of the respondents were low spenders who had budgeted INR 50,000 to a Lakh per head.

Figure 29 Distribution of respondents by travel budget per head (INR)



The distribution of respondents across budget categories remained more or less uniform irrespective of frequency of travel. Clearly, budgets per trip per head are not rising with longer trip duration.

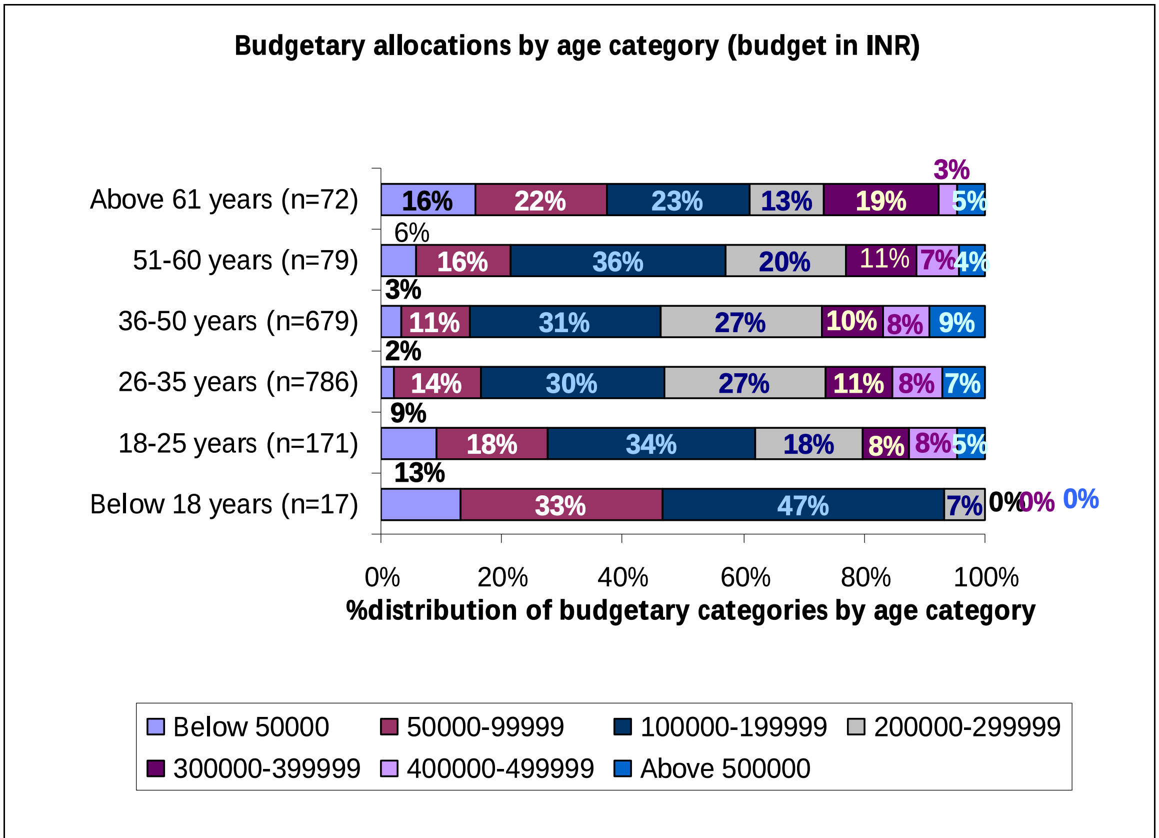
Figure 30 Budgetary allocations by frequency of trip (budget in INR).



- N (Respondents) = 1804
- n represents respondents within that particular trip frequency.
- Percentages are calculated on n, that is, respondents for each trip frequency.

However, budgets are seen to rise in higher age categories with higher allocations in the 26 to 50 years age bracket when individuals are in the highest earning capacities.

Figure 31 Budgetary allocations by age category (budget in INR)

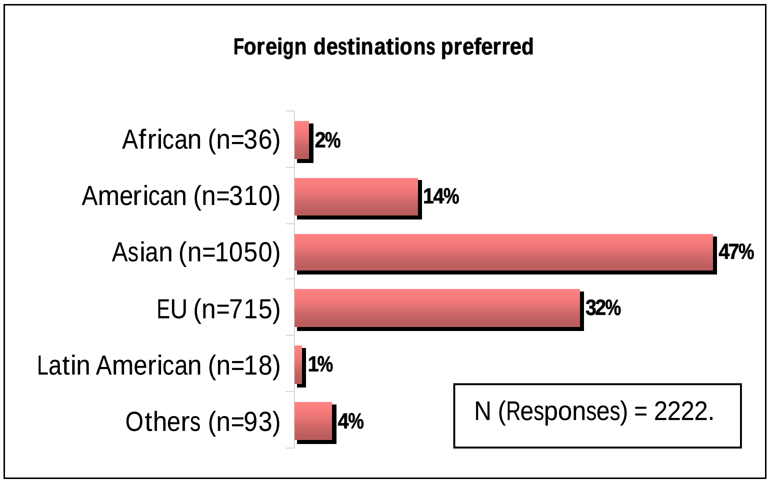


- N (Respondents) = 1804
- n represents respondents within that particular age category
- Percentages are calculated on n, that is, respondents for each age category.

4.2.4 Preferred destinations

Respondents were asked to indicate their preferred foreign destinations for trips and they were given the freedom to select multiple options. In this analysis it was found that 47% of the responses were in favour of Asian destinations while another 32 per cent responses showed in the inclination for EU. Of the 2222 responses received, 310 were in favour of countries in the North American continent. Not more than 2% responses showed preference for African countries.

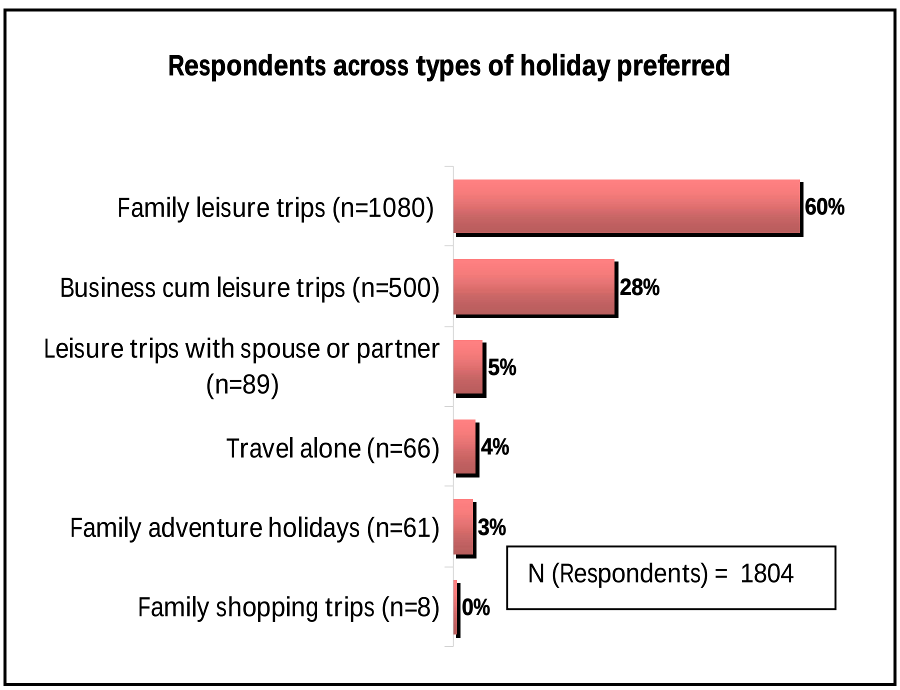
Figure 32 Revealed preferences for foreign destinations



4.2.5 Types of trip

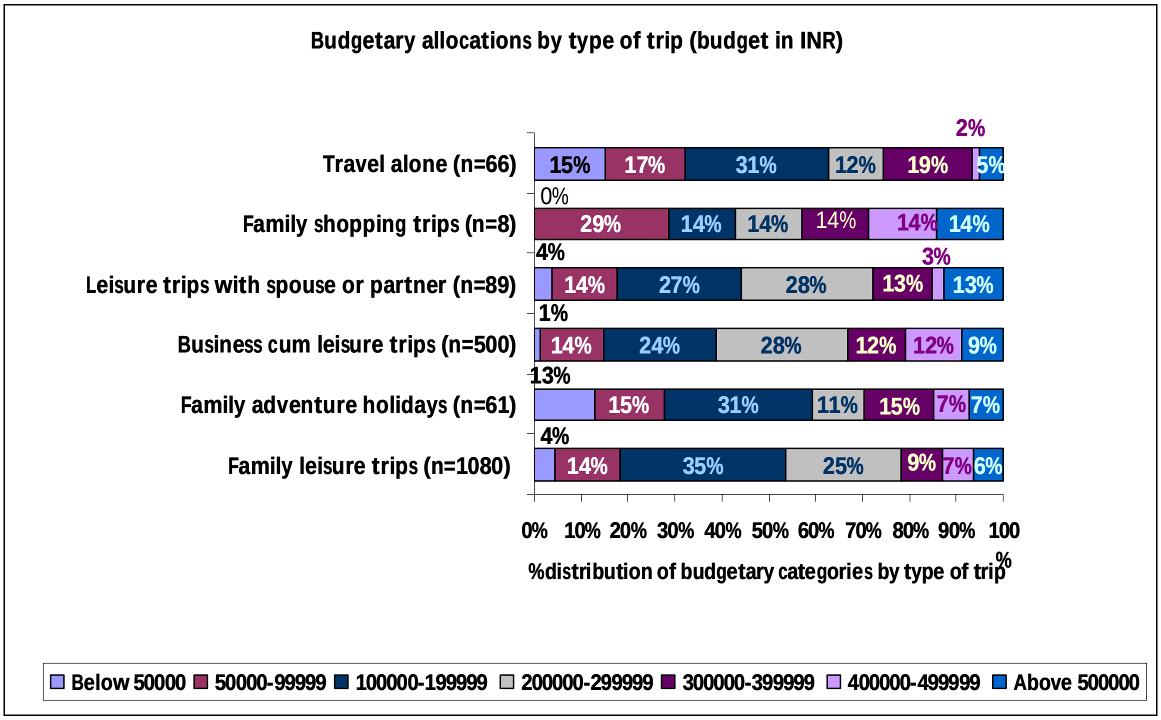
As many as 60% of all respondents described their overseas trips in the last three years as family leisure trips. Around 28% claimed that they had travelled on business cum leisure trips. 89 respondents comprising 5% had been on leisure trips with spouse or partner.

Figure 33 Respondents categorized by type of holiday enjoyed



The majority respondents travelling abroad for family pleasure trips and also business cum pleasure trips had their travel budgets between INR 1 Lakh and INR 3 Lakh per head. Comparatively high budgets are set aside for adventure holidays, shopping trips, leisure trips with spouse etc but the number of travellers in these categories are low as has been already established.

Figure 34 Budgetary allocation by type of trip (budget in INR)

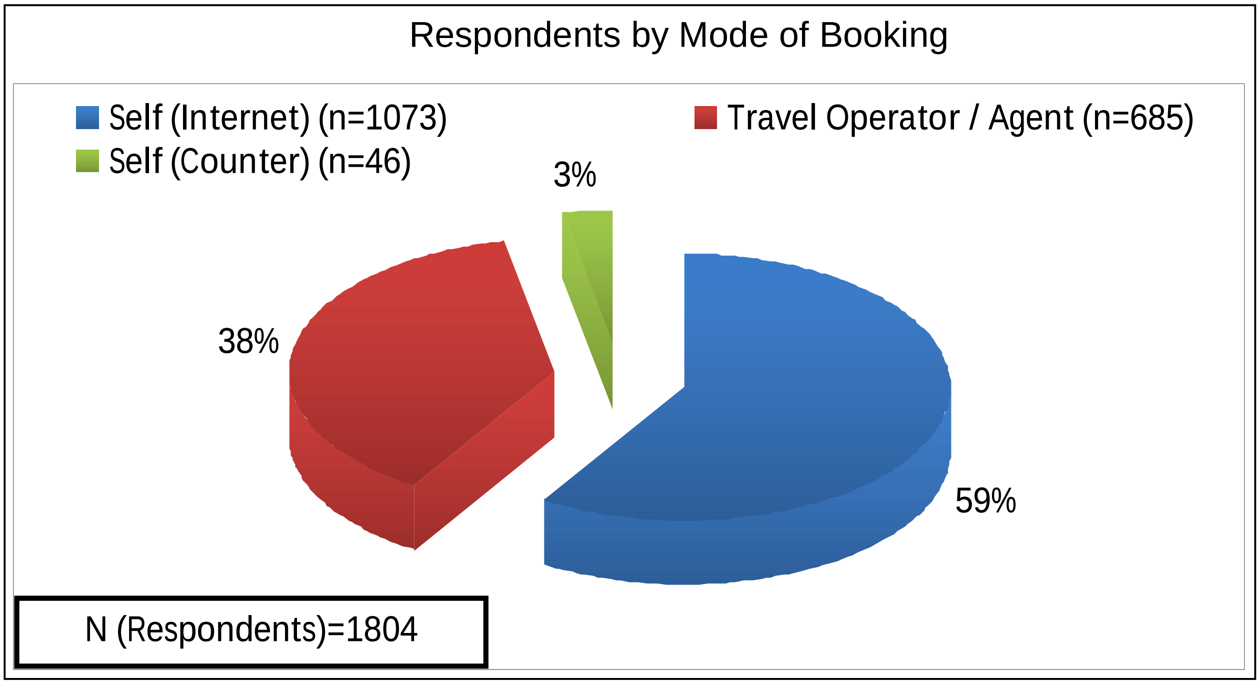


- N (Respondents) = 1804
- n represents respondents within that particular trip type.
- Percentages are calculated on n, that is, respondents for each trip type.

4.2.6 Mode of booking

Around 59% of the respondents booked their tickets over the internet. Another 38% used travel agents

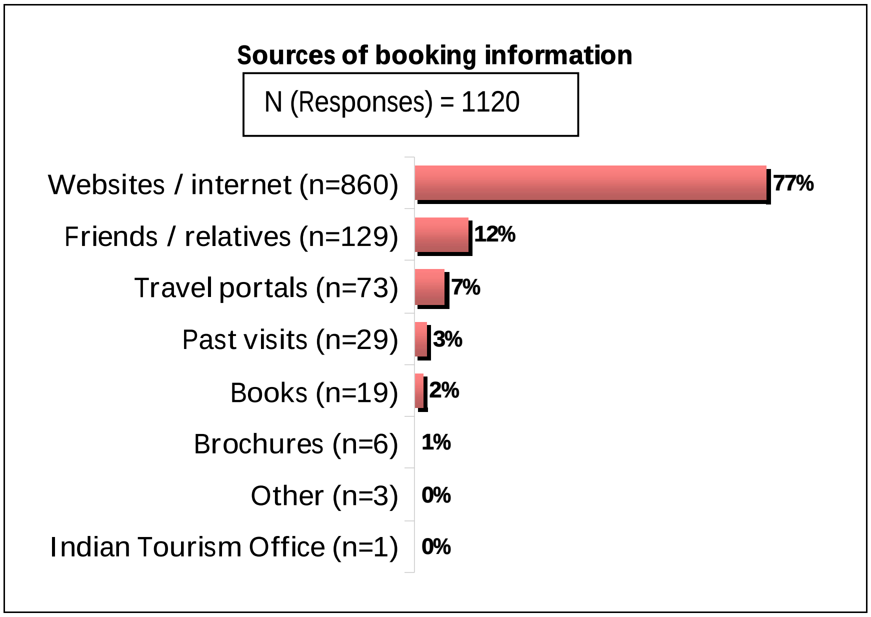
Figure 35 Mode of Booking



4.2.7 Sources of booking information

The 1119 respondents who did not consult tour operators were asked to indicate sources of assistance they approached in order to book their tickets for the overseas trip. 77% of the responses received revealed that the internet was a very important source of information for travellers as well as a powerful tool for sorting out travel modalities. 12% responses showed that on occasion friends and relatives were also consulted.

Figure 36 Sources of booking information



4.2.8 Type of tour operator used

Of the 1804 respondents, 685 consulted tour operators. These persons were asked to reveal information about the type of tour operator consulted. It was found that in 60% of the cases these are operators from the ANZ. In 33% cases multi-country tour operators are also consulted. But consultation with Indian tour operators is as low as 1%.

Table 21 Type of tour operator consulted

Type of tour operator	No. of respondents	Percentage
Multi country tour operator	225	33%
Tour operator that operates in ANZ	411	60%
Tour operator in India	9	1%
Freelance travel agents	40	6%
Respondents who consulted tour operators (out of 685 total respondents)	685	100%

4.2.9 Tour operators selection criteria

In the choice of the tour operator, for these 685 respondents, the package options and its merits in terms of suitability to client's needs as well as the overall deal and costs entailed were important deciding factors. Travel insurance and presence of the tour operator followed next.

Table 22 Criteria for choosing tour operators

Criteria for choosing a tour operator (for 685 respondents of 1804)	Rank
Package options	1
Catering to client needs	2
Cost of package	3
Better package deal	4
Availability of travel insurance	5
Presence of the tour operator	6
Brand name	7

4.2.10 Mode of payment preferred

Most preferred mode of payment during a foreign trip across 1804 respondents was revealed to be cheque (travellers' cheques). The cheque was followed by online payment, credit card, cash and debit card, in that order.

Table 23 Preferred mode of payment across respondents

Preferred mode of payment across 2000 respondents	Weighted average	Rank
Cheque	2.32	1
Online	2.28	2
Credit	2.19	3
Cash	2.15	4
Debit	1.57	5

4.3 Travel Behaviour of Past Visitors to India

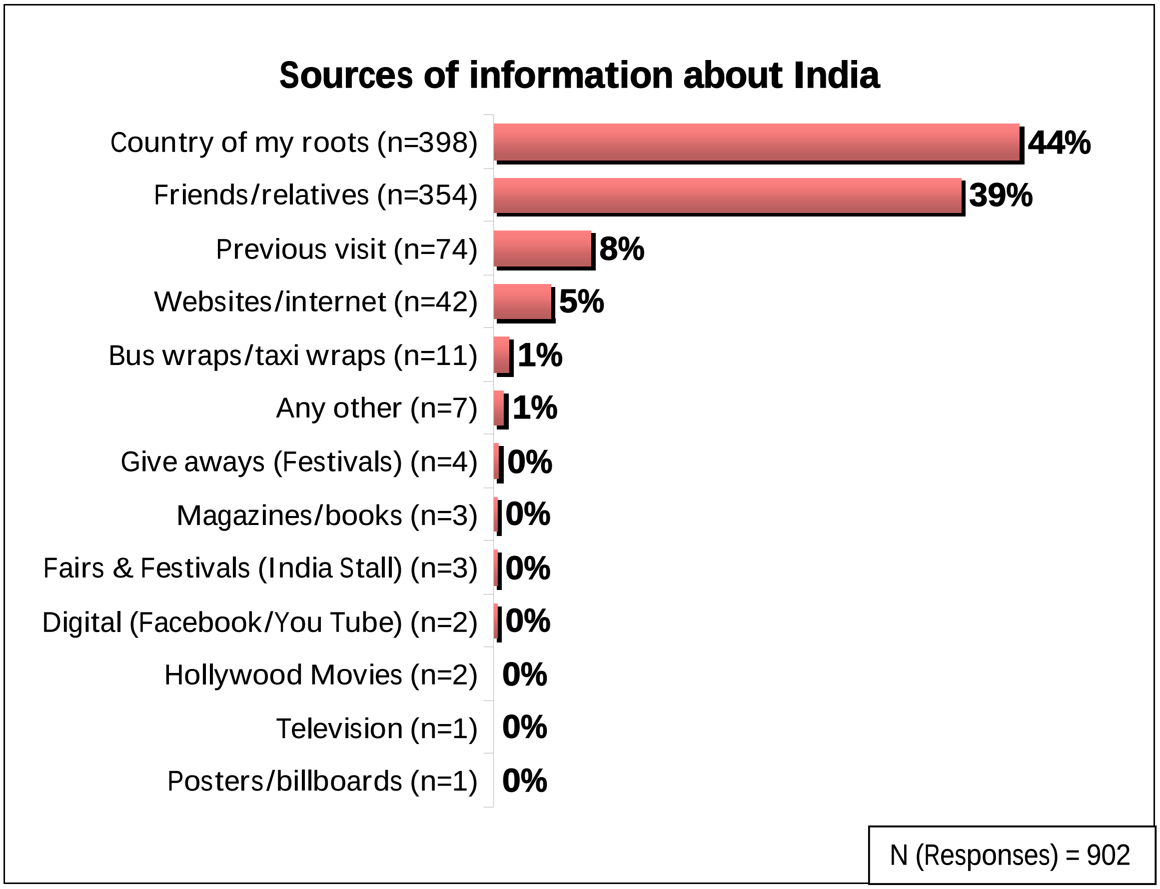
Of the 1804 respondents canvassed during the primary survey, 902 were those who had visited India in the last three years.

4.3.1 Source of information regarding India

Respondents were asked to indicate their source of information about India and they were given the freedom to select multiple options. Travellers who have visited India is the past 3 years, have largely known about India because this was the country of their roots, about 44% of responses received indicated this. Hence friends and relatives are also an important source of information as was revealed by 39% of the responses received. Many of them had visited India before.

It is pertinent to note that none of the travellers had heard about India from the Incredible India Road Shows.

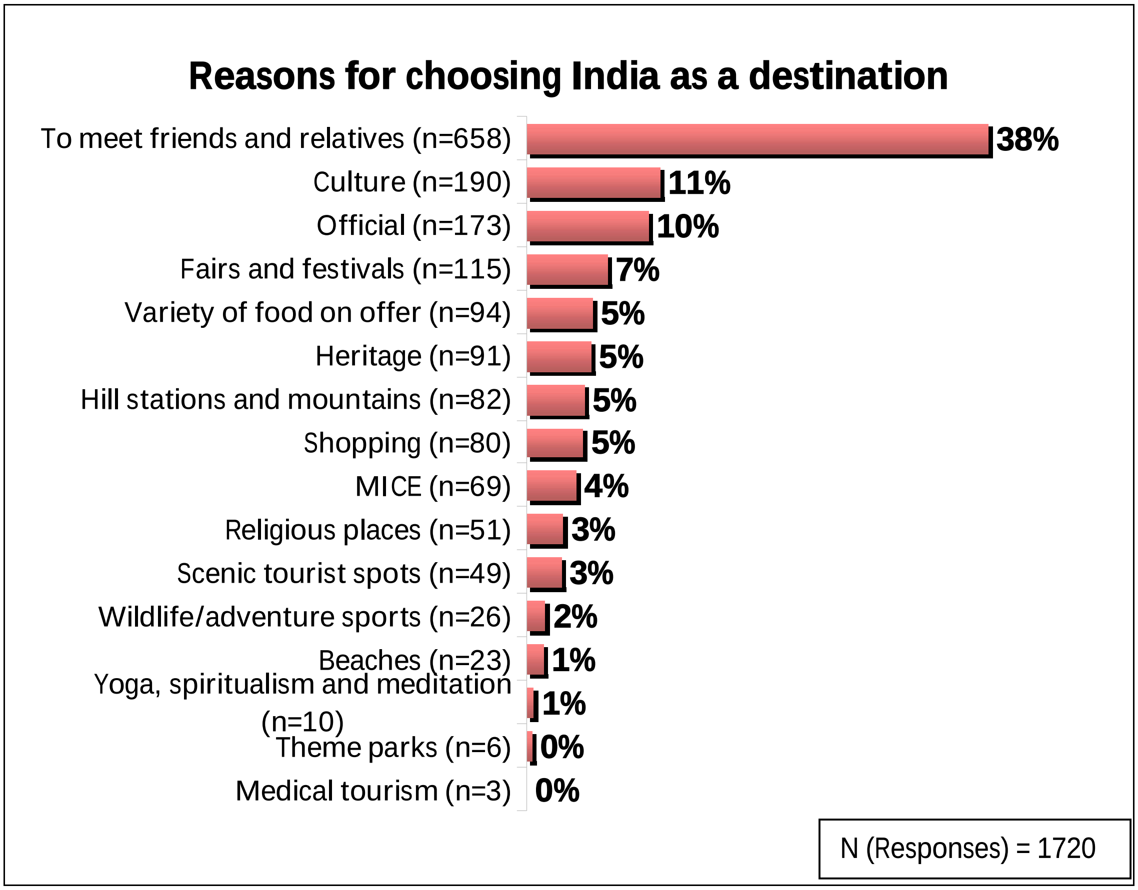
Figure 37 Source of Information about India



4.3.2 Reason for choosing India as a travel destination

Respondents were asked to indicate their reason for choosing India as a travel destination and they were given the freedom to select multiple options. The maximum traction for India among these travellers from ANZ exists because their friends and relatives are here. 38% of all responses indicated this. Another 14% responses were received in favour of official and MICExxvii related purposes. Other important determinants are Indian culture (11%) and heritage including fairs, festivals, Indian cuisine, places of religious significance, yoga and spiritualism (21% of all responses). India's hill stations, beaches, wildlife, and scenic tourist spots attracted another 11% of all responses.

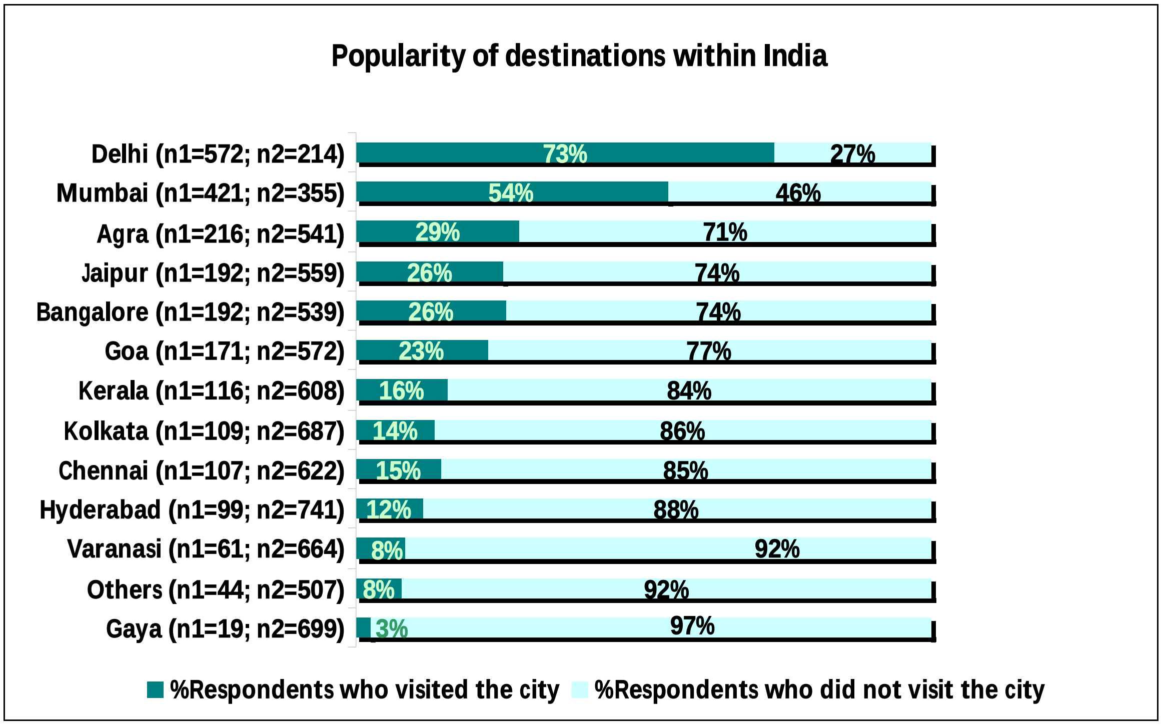
Figure 38 Reasons for choosing India as a destination



4.3.3 Destinations visited in India and source of information on them

Among those who have travelled to India in the past three years, many have visited Delhi and Mumbai. 73% of all 786 responses showed that Delhi had been visited. Similarly, 54% of 776 responses indicated that Mumbai has been visited. However, cities such as Agra (29% of 757 responses), Bangalore (26% of 731 responses), Jaipur (26% of 751 responses) and Goa (23% of 743 responses) were less commonly visited. Kerala attracted about 15% of the 724 responses in the affirmative. Gaya, Varanasi, Hyderabad, Chennai and Kolkata were not visited often.

Figure 39 Popular destinations in India



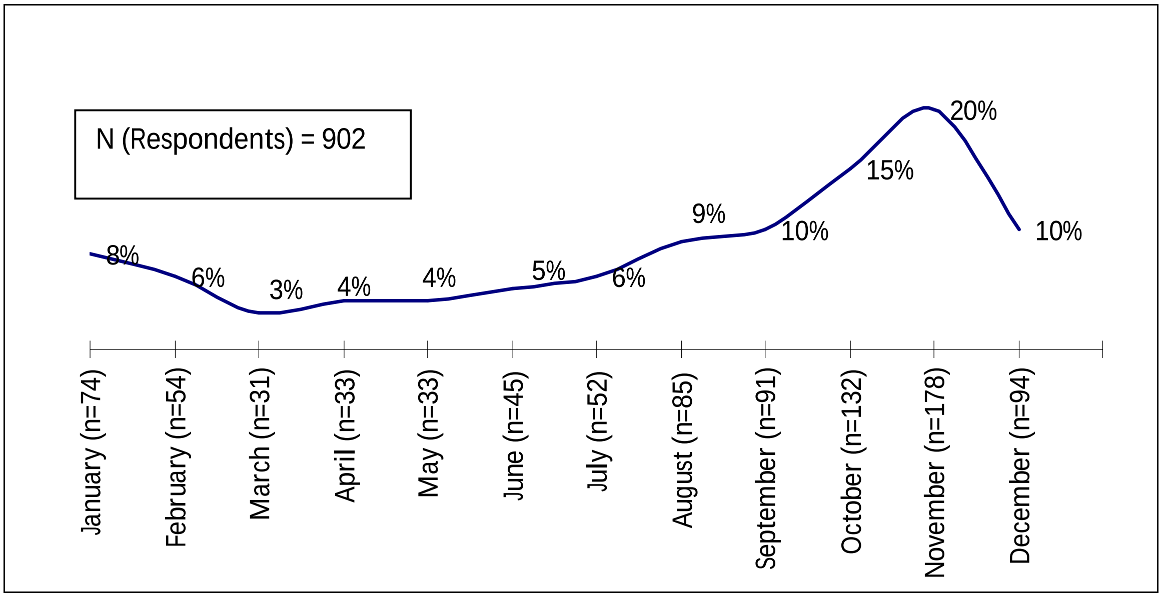
- N (Respondents) = 902
- n1 indicates number of respondents who visited the city and n2 indicates those who did not.
- Cities have been ranked by n1.
- n1+n2 on which the percentages are drawn up varies from 551 to 840 depending on the

The survey reveals that information about these destinations has clearly not been first received from the usual sources such as websites, tour operators, travel publications or the India Tourism Office. Hardly anyone has opted for these and almost everyone has opted for 'Other sources'.

4.3.4 Travel month to India, duration of stay

The most favoured month for a visit to India is November when the weather is clement. 55% of India travellers canvassed in the survey reportedly visited India during the period of September to December.

Figure 40Peak months to visit India



48% of the respondents visited India for a period of two weeks to a month. Another 21% stayed for a period between a week and a fortnight. One-fifth of the visitors stayed for longer than a month.

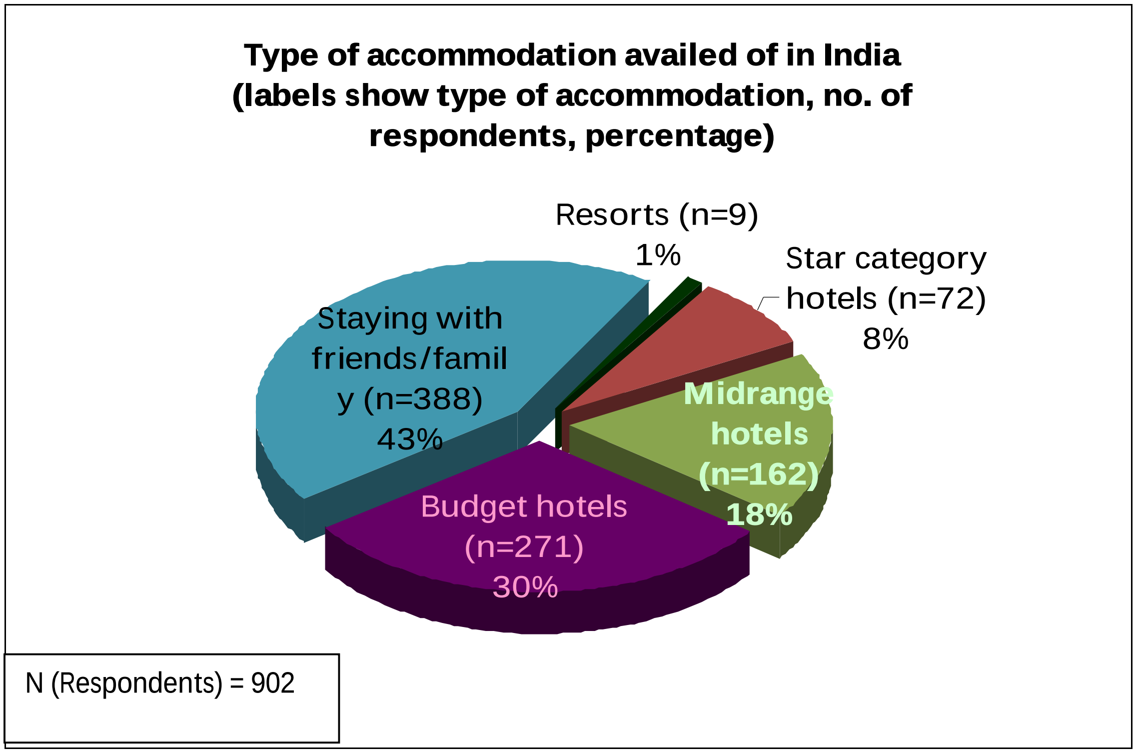
Table 24 Duration of stay in India

Duration of stay	No. of respondents	Percentage
Up to 1 week	91	10%
1 to 2 weeks	191	21%
2 weeks to a month	437	48%
More than one month	183	20%
Total respondents	902	100%

4.3.5 Type of accommodation availed of in India

43% of travellers to India stayed with family and friends. Consequently it may be surmised that they did not spend on luxury resorts and holiday packages. About 48% stayed in budget or midrange hotels. Another 8% stayed in star category hotels. Merely 1% availed of the luxuries offered by resorts in India.

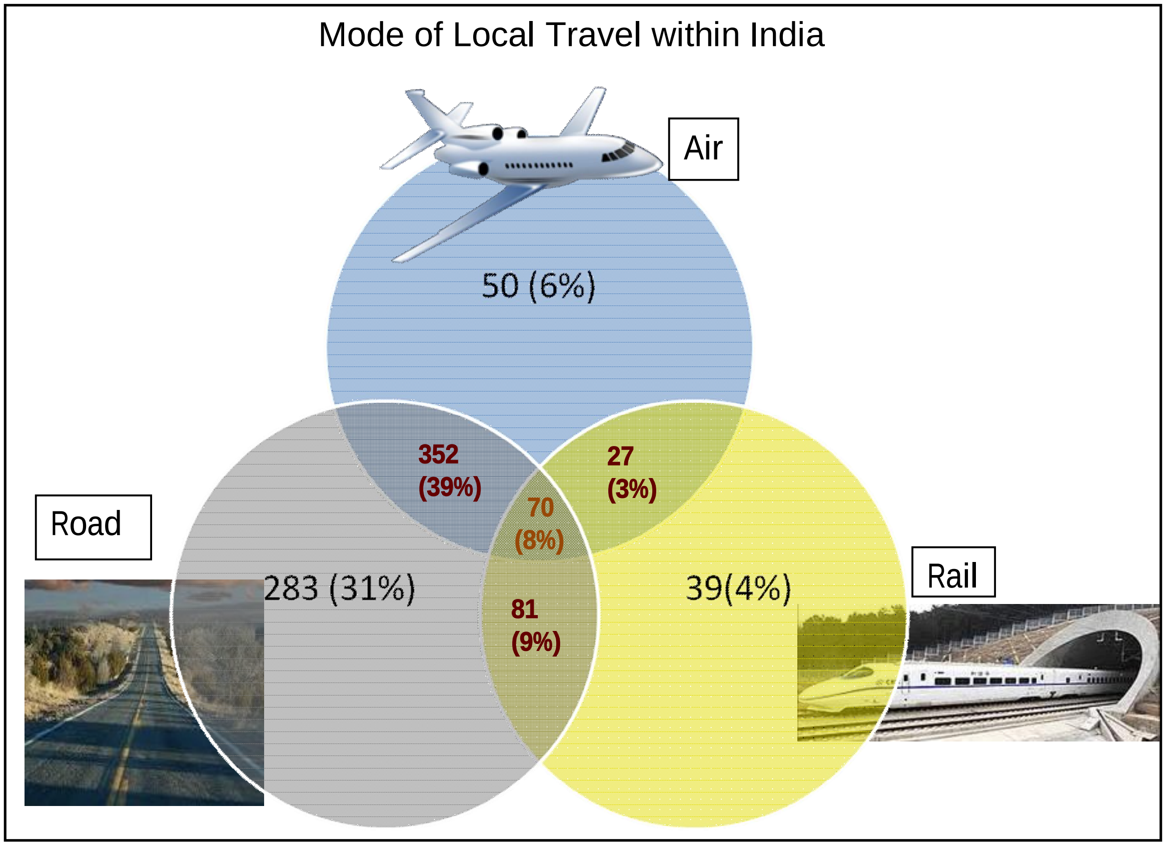
Figure 41 Type of accommodation availed of in India



4.3.6 Mode of local travel within India

Respondents who visited India were asked to indicate their choice of transport within India and they were given the freedom to select multiple options. It was found that within India, 31% people travelled by road alone, 4% by rail alone and 6% by air alone. 39% people travelled by road and air both, 9% by road and rail both and 3% by air and rail both. 8% people made use of all three types of travel options i.e air, road and rail. The maximum percentage of people made use of air as well as road for the purpose of travel within India.

Figure 42 Mode of local travel within India



Luxury trains such as Palace on Wheels, Golden Chariot, Deccan Odyssey or Indian Maharaja had not been indulged in by any traveller. Most respondents who responded to the query on luxury trains, claimed to have availed of Rajdhani or Shatabdi.

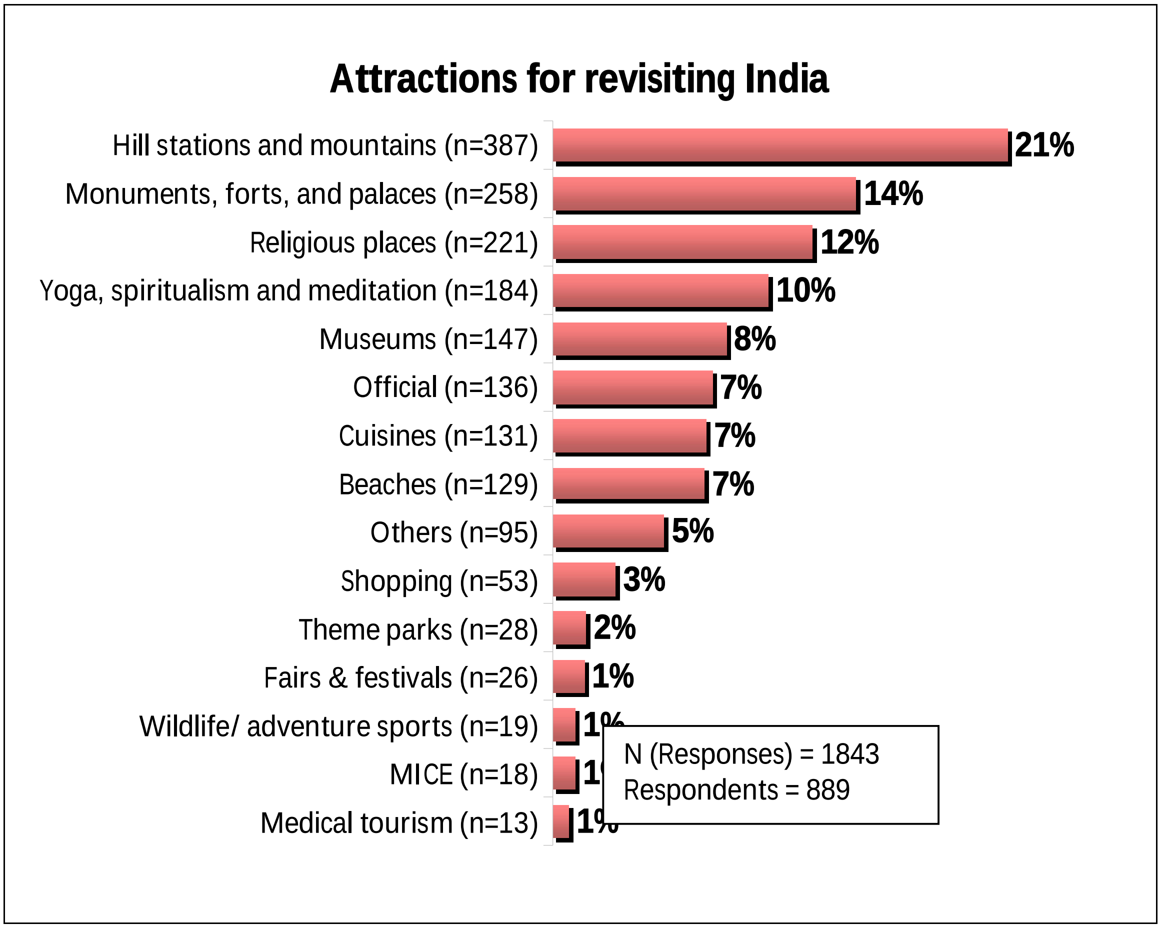
4.3.7 Intention of revisiting India

889 of the 902 respondents who had been to India in the last three years were certain that they would be revisiting.

4.3.8 Attractions for re-visiting India

Respondents who visited India were asked to indicate attractions that would draw them to India again and they were given the freedom to select multiple options. 387 of the 1843 responses show that these respondents had expressed their interest in revisiting India to enjoy its hill stations and mountains. Of interest to India visitors are also its monuments, forts and palaces, yoga and spiritual heritage, and religious places as well as its museums. There are a considerable number (136 of 1843 responses) who plan to visit India on official purposes.

Figure 43 Attractions for revisiting India



4.3.9 Reason for not revisiting India

The 13 persons of 902 who did express that they would not be revisiting India, cited problems related to signage, cleanliness, safety and security as the primary concern. Acquiring a visa and expenses were also important concerns cited.

4.3.10 Best and worst experiences in India

Tourists from the ANZ who have visited India are particularly happy with the hospitality warmth and kind-heartedness of the people in India. Those fond of food liked India because of the vast cuisine it offers.

Respondents who visited India were asked to indicate their best and most enjoyable aspects about coming here and they were given the freedom to select multiple options. The best part of coming to India is cited as opportunity to taste Indian food, chance to meet the family, and exposure to Indian culture and its people.

Table 25 'Good about India visit' – Top 10 entries

Pleasant	No. of responses
Indian cuisine	335
Meeting family	259
Exposure to Indian culture	247
Warm and friendly people	138
Opportunity to shop	117
Meeting friends	96
Enjoying city of Delhi	45
Scenic beauty	44
Business purposes	43
Monuments	36

Table 26 'Good about India visit' – Top 10 entries

Unpleasant	No. of responses
Traffic	484
Pollution	241
Roads	76
Corruption	71
Poverty (beggars)	57
Airport	34
Hygiene	34
Poor Infrastructure	22
Transport	11
Tariff	8

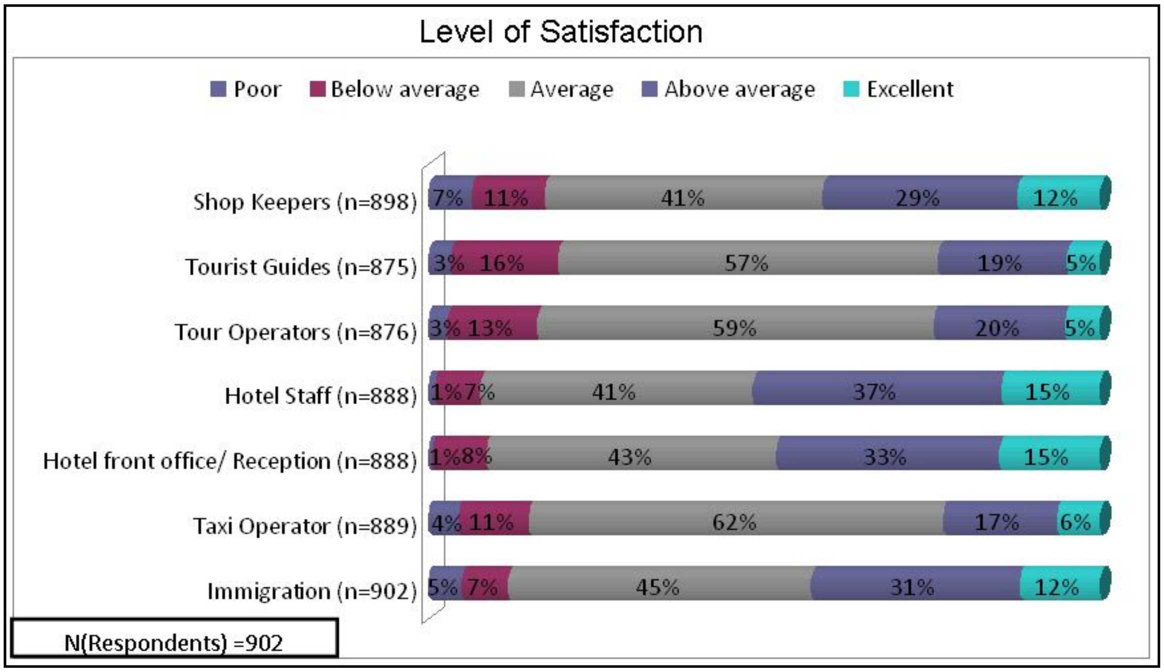
Sources of discomfort or unpleasantness were cited as pollution and traffic and road conditions. Many respondents felt that the tariffs in India in terms of accommodation in particular were too high compared to other destinations. The manifestation of poverty in India in the form of beggars who often badger tourists was cited as another source of unease during India visits. They also complained of lack of cleanliness, poor maintenance of railways, corruption, mushrooming of touts and repeated requests for tips everywhere they went. Many felt that tour guides were not professional and up-to-the-mark. The fact that IRCTC does not accept foreign credit cards was raised as a matter of inconvenience. Also, many respondents cited hassles related to acquiring visas smoothly.

4.3.11 Level of satisfaction from service providers in India

- Only about 12% of the 902 respondents felt that their experience at immigration was poor or below average. Everyone else was satisfied.
- Dissatisfaction with taxi services was again expressed by around 15% of the 902 respondents. Most felt it was average to satisfactory.
- Over 90% of the 902 respondents felt that Indian hotel receptions and staff were satisfactory.
- 84% of the respondents were satisfied with their tour operator and 81% were satisfied with their tour guide.

- About 18% of the respondents expressed their dissatisfaction over Indian shopkeepers.

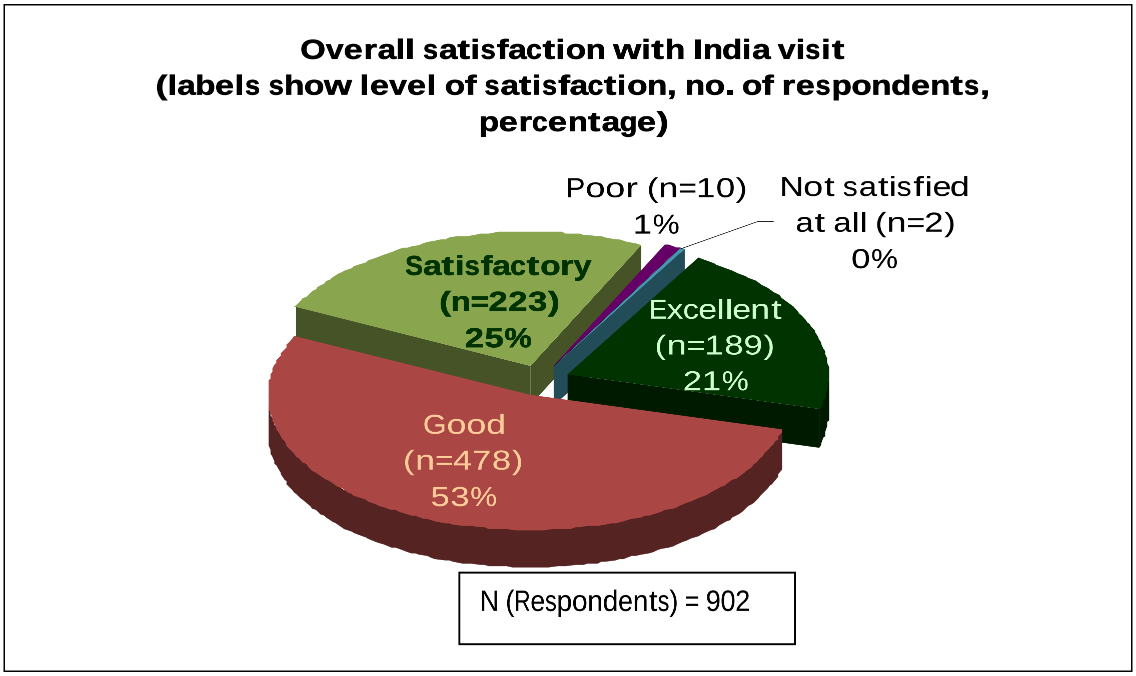
Figure 44 Level of satisfaction with service providers in India



4.3.12 Overall satisfaction from visiting India

Overall, 99% of the 902 visitors interviewed in the survey were satisfied with their experience in visiting India. As many as 21% respondents rated their holiday experience as ‘Excellent’.

Figure 45 Overall satisfaction with India visit


Overall satisfaction with India visit
(labels show level of satisfaction, no. of respondents, percentage)
Poor (n=10) 1%
Not satisfied at all (n=2) 0%
Satisfactory (n=223) 25%
Excellent (n=189) 21%
Good (n=478) 53%
N (Respondents) = 902

4.4 Travel Behaviour of Other Country Visitors

4.4.1 Countries visited in past

Among the 902 respondents who had travelled out of ANZ in the past three years but not to India, the maximum visits have been made to US and UK followed by Australia (for New Zealanders), Fiji, France, and Italy. Thailand and Malaysia were considered interesting destinations. Singapore was attractive to those who wish to explore and see new things. China has also seen an influx of tourists from ANZ in the last three years. These top ten destinations constitute 66% of the outflow of tourists from ANZ, as per the survey.

Figure 46 Top ten destinations visited in the last three years

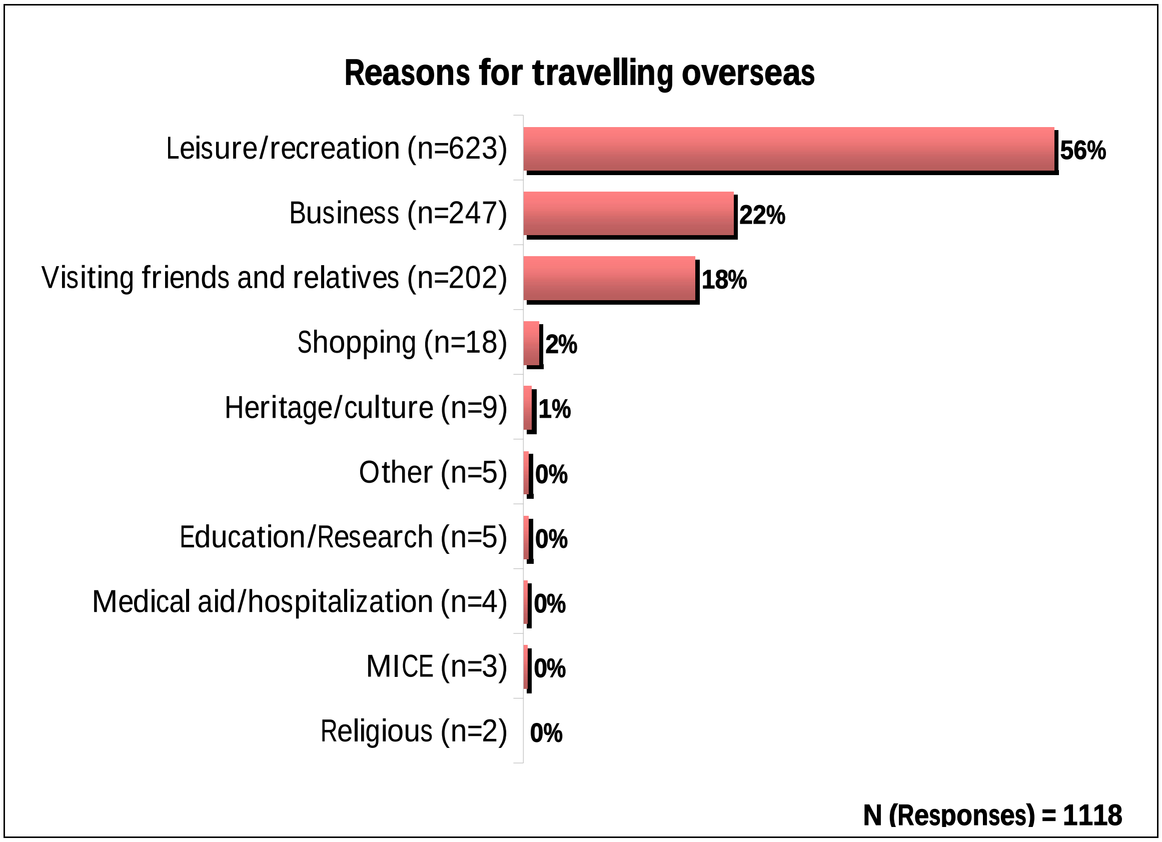
4.4.2 Drivers for visiting other foreign destinations

Respondents who visited countries other than India were asked to indicate the main driving factors for their decision to travel overseas and they were given the freedom to select multiple options. The most commonly cited reason for travelling abroad was

N (Responses) = 965

leisure or recreation (56% of all responses), while some other factors were business purposes (22% of all responses) or to visit friends and relatives (18% of all responses). Other factors such as shopping, education or research, religious pursuits etc were also cited as reasons but were not significant.

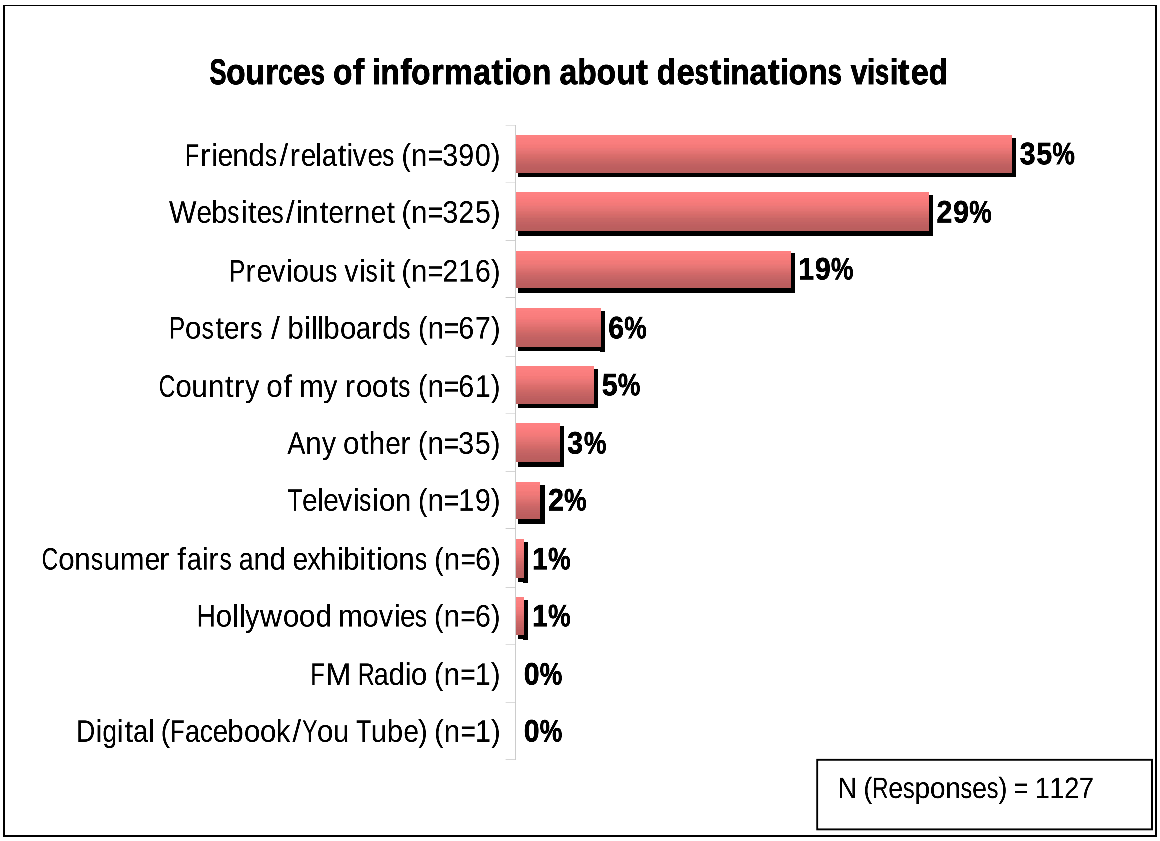
Figure 47 Reasons for travelling overseas



4.4.3 Sources of information on the destinations visited in past

Respondents who visited countries other than India were asked to indicate the main sources of information regarding the destinations they had travelled to and they were given the freedom to select multiple options. 902 respondents yielded 1127 responses. A large number of travellers have found out about the destination countries in most cases from relatives and friends (35% of all responses). In many cases they have also heard from the internet or websites as also because they have been to the country earlier (48% of all responses). Posters and billboards were also cited as sources of information but not as often (6% of all responses).

Figure 48 Sources of information about destination



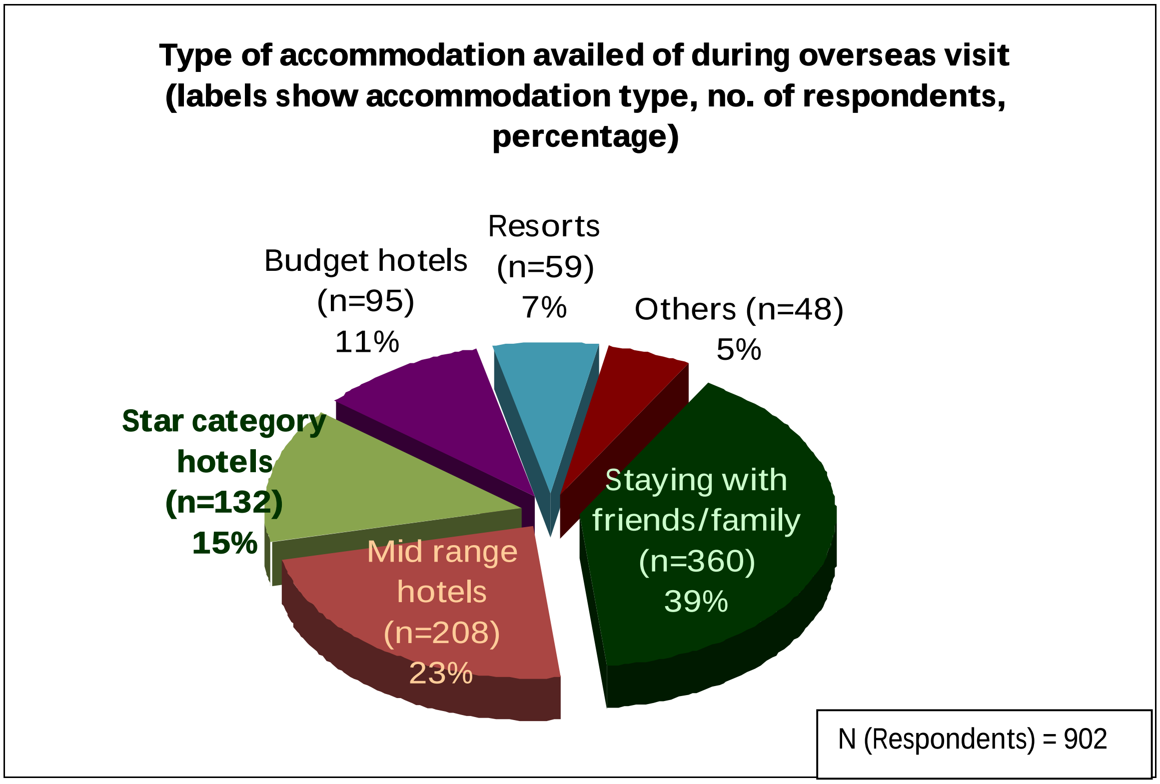
4.4.4 Value for money destinations visited

An overwhelming 98% of the respondents believed that their experience had been worth the money they spent.

4.4.5 Type of accommodation used

Respondents who visited countries other than India were asked to indicate the types of accommodation they had availed of at the destinations they had travelled to. 39% of the respondents indicated that they stayed with family and friends. 38% stayed in star category or mid-range hotels during their visit. 11% stayed in budget hotels while only 59 of 902 respondents had been guests at luxury resorts.

Figure 49 Type of accommodation availed

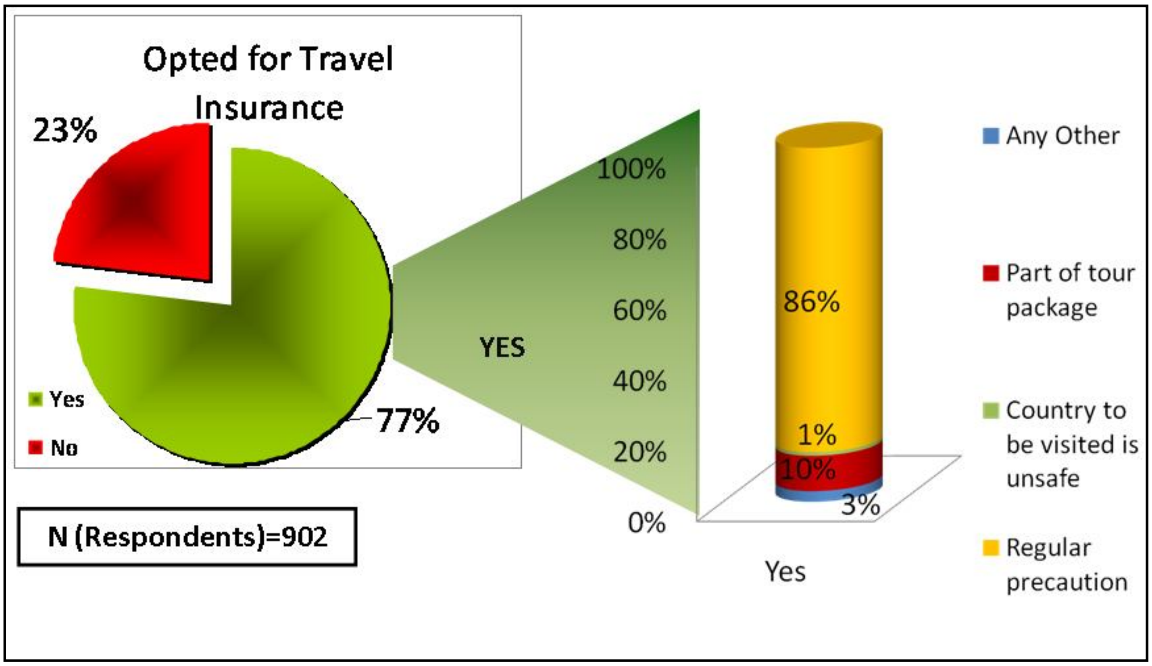


Star Category Hotels: Hotels in which have 4star, 5 star, 5 star deluxe and 7 star rating.
Mid Ranged Hotels: Hotels with 3star rating.

4.4.6 Reason for opting for travel insurance if any

Around 77 percent of the 902 travellers opted for travel insurance. For 86% of these 698 respondents, this was part of regular precaution rather than the belief that the country they were visiting was unsafe. About 10% responded that the package had been part of their package deal.

Figure 50 Reasons for opting for travel insurance



4.4.7 Awareness of India as a tourist destination

About 82% of all 902 respondents who had visited other countries in the last three years were aware of India as a tourist destination.

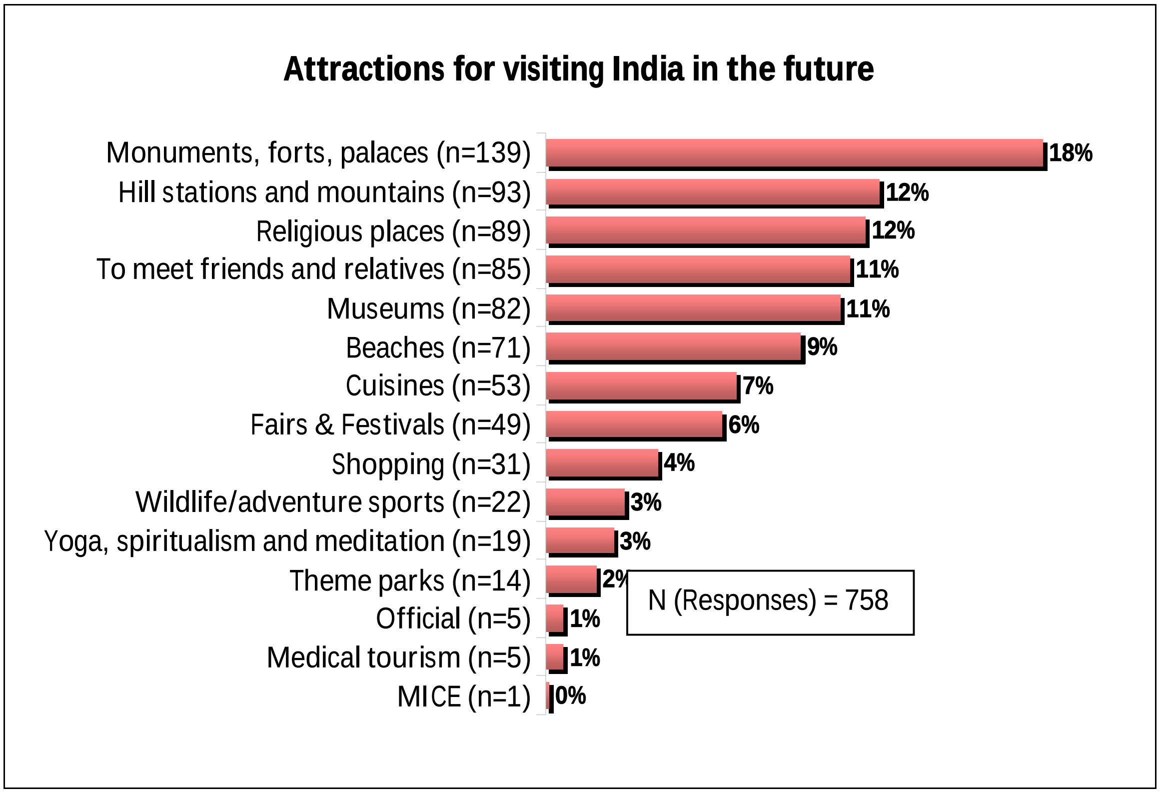
4.4.8 Intention of visiting India

Though 82% of the respondents were aware of India as a tourist destination, only about 36% expressed interest in visiting India during their next trip.

4.4.9 Primary attractions of India / motivation for visiting India

The 321 respondents who indicated that they would like to visit India on their next trip were asked what their primary attractions in India were (multiple options could be chosen). 758 responses were received from 321 respondents in response to this question. Most respondents admitted that they found India attractive for its monuments, forts and palaces (18% of 758 responses). Other important attractions were Indian culture and heritage including fairs, festivals, Indian cuisine, places of religious significance, yoga and spiritualism (28% of all responses). India's hill stations, beaches, and wildlife attracted another 25% of all responses.

Figure 51 Primary attractions in India

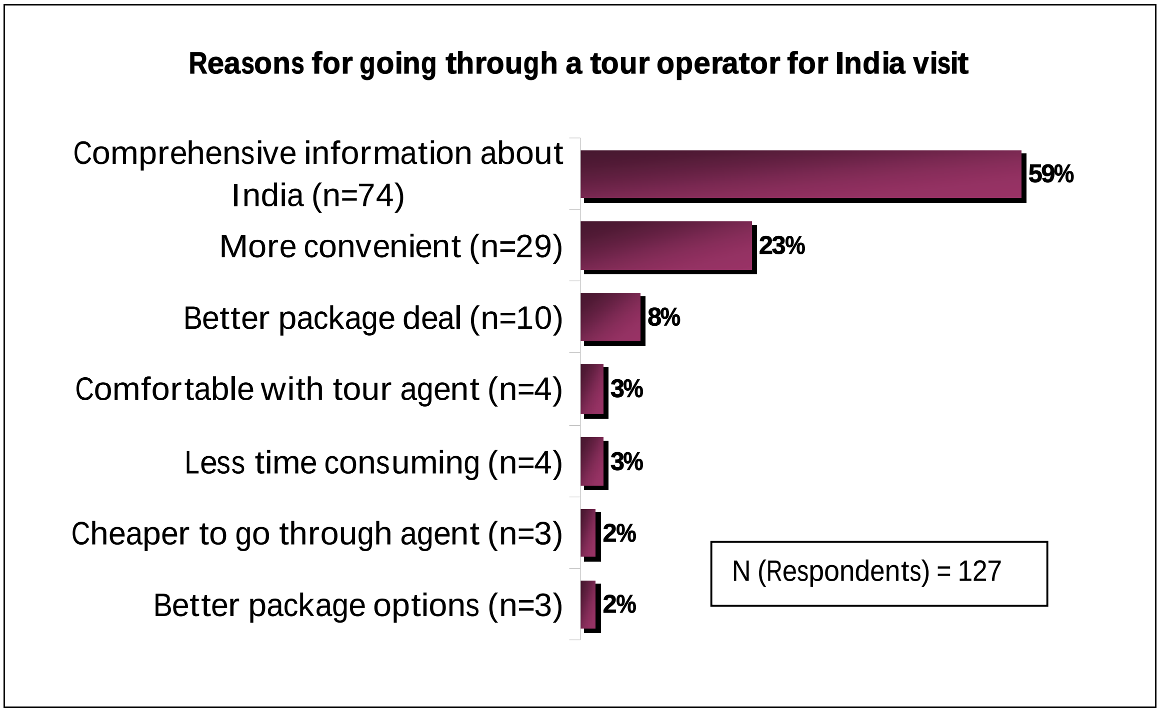


4.4.10 Intention and reason for choosing an intermediary for India travel

Says a traveller, "For an India holiday I prefer to go through travel agents because they give a personal touch". They have more information available to them. Tour operators seem to have been to these places, extra information is available with them. Also there is no insurance available on a non-package deal, so I prefer going through a tour operator."

Among those who expressed the intention of visiting India next, about 39% of 321 respondents showed any inclination to consult a tour operator and 61% said that they would plan their own trips. Most common reason cited for hiring a tour agent was to ensure access to comprehensive information about India. Travellers found it more convenient and less time consuming. They also felt that this way they could avail of better package deals.

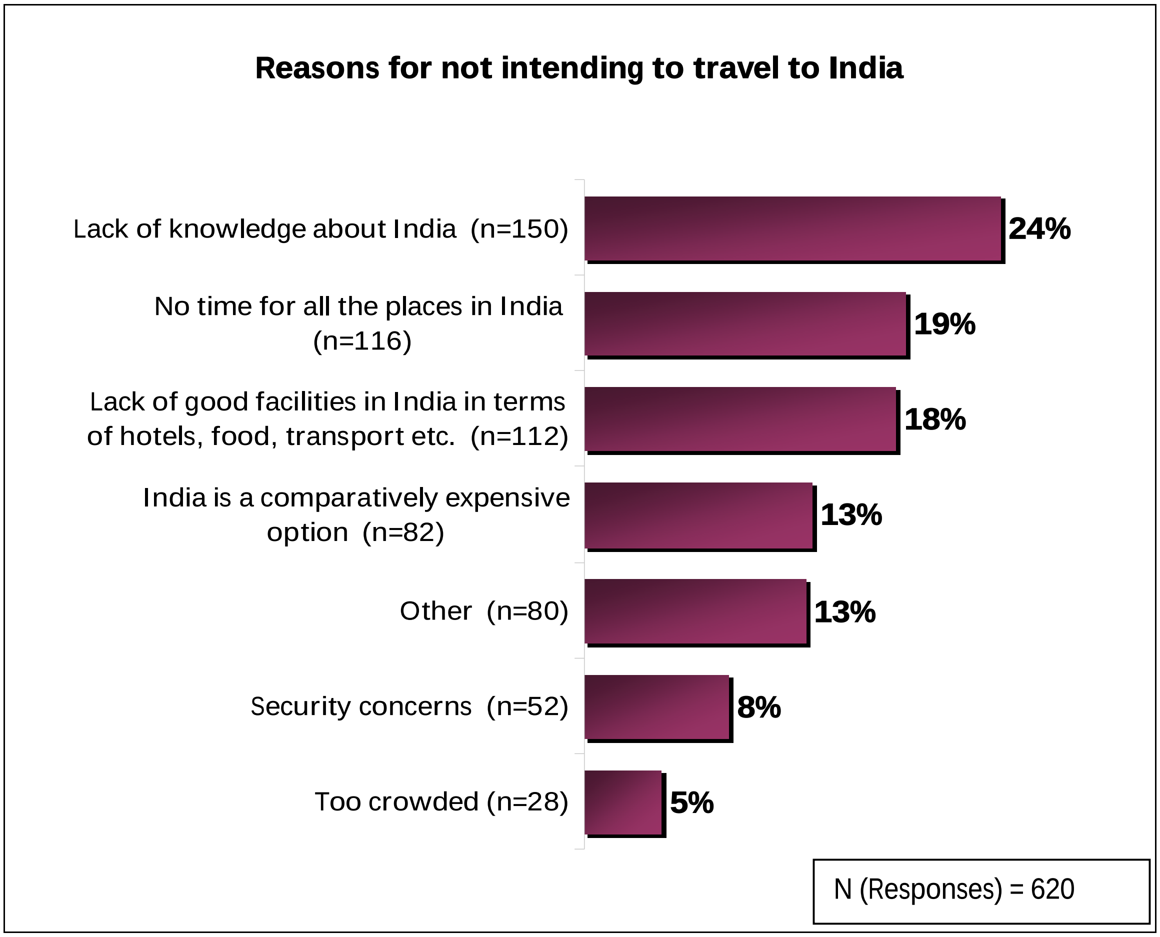
Figure 52 Reasons for going through a tour operator for India visit



4.4.11 Reasons for rejecting India as a tourist destination and intention of India visit in far future

Among those who were not interested in visiting India (581 of 902 respondents), the primary concern was lack of information about India (150 of 620 responses). Another dampener was that there was insufficient time to travel to all places in India (116 of the 620 responses received in this context). Many also felt that India did not have good enough facilities in terms of hotels, food, transport etc (18% of 620 responses). 13% of the responses indicated that India was perceived to be a more expensive travel destination compared to other countries. 80 of the 620 responses cited other concerns. Some felt that India was not a convenient destination to travel to with young children, the weather was too hot, or that alternate plans had already been made. Those with no friends and relatives in India were not interested in visiting either.

Figure 53 Reasons for not intending to travel to India in the near future



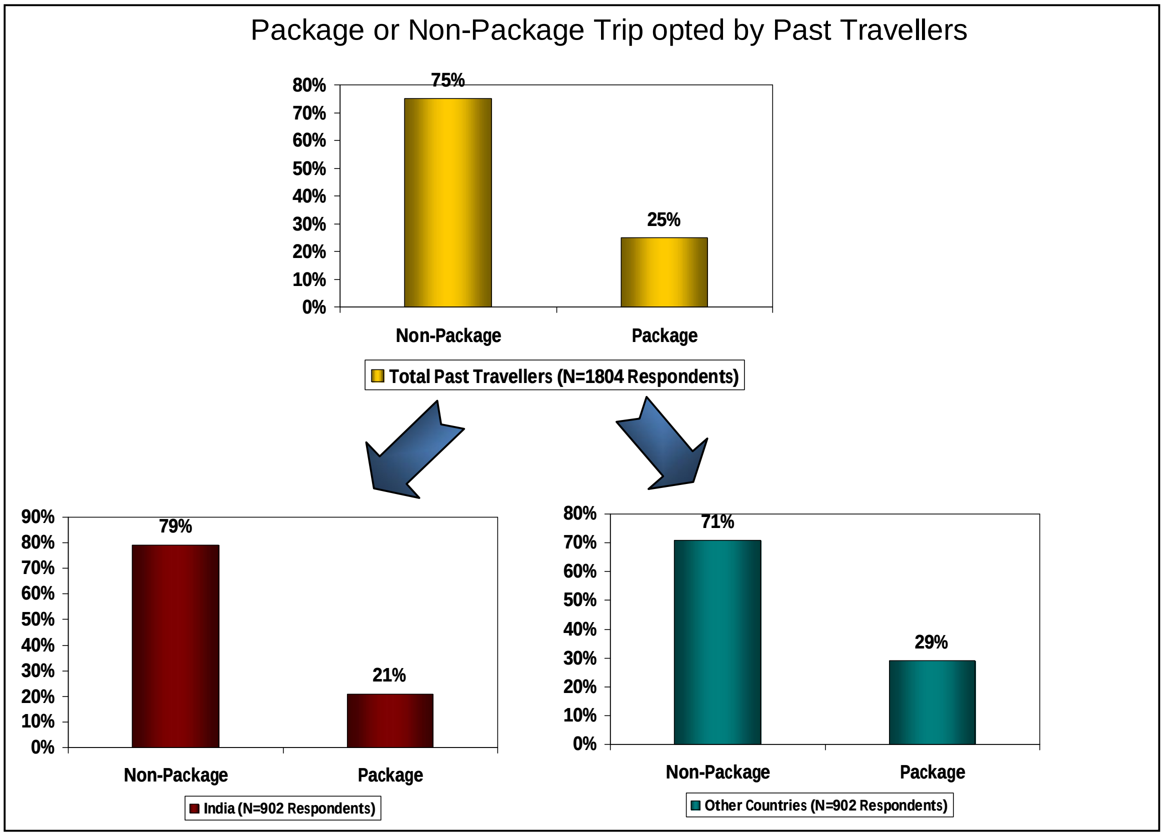
But 79% respondents, at the end of the interview mentioned that they would indeed like to visit India at some point in the future, if not immediately.

4.5 India vis-à-vis other countries – Past outbound travel behaviour.

4.5.1 Type of trip (Package / Non-Package) opted for by past travellers

Overall, two-third of all travellers opted out of package tours and planned their tours themselves. For India travellers, the proportion of non-package travellers was higher at 79%. Among travellers to other countries, 29% chose package tours.

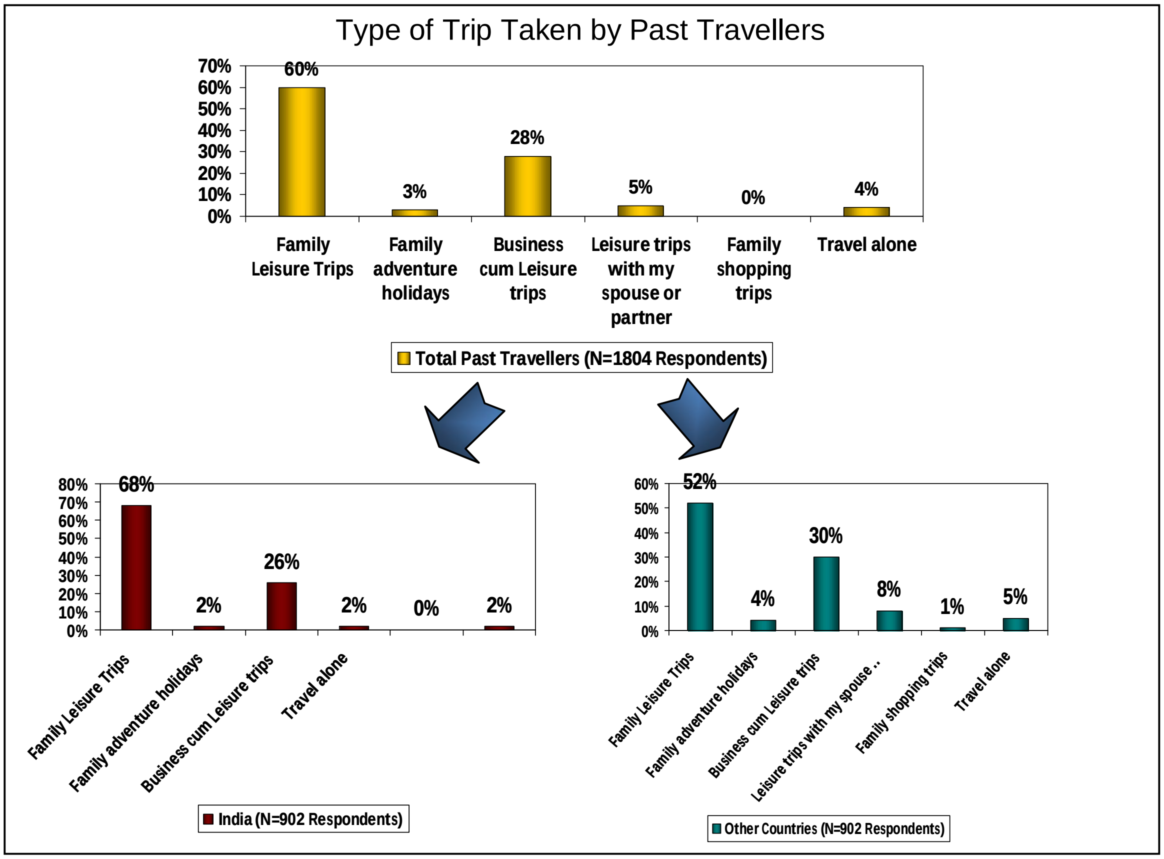
Figure 54 Type of trip by destination of traveller



4.5.2 Type of trip opted for by past travellers

The most important type of trip opted for is the family leisure trip opted for by 68% India travellers and 52% other country travellers. The next most significant category is that of business sum leisure trips opted for by 26% India travellers and 30% of those travelling to other countries. An important category of travellers to other countries, though not so much for India is the leisure trippers with spouse or partner. India is not viewed by and large as a romantic getaway.

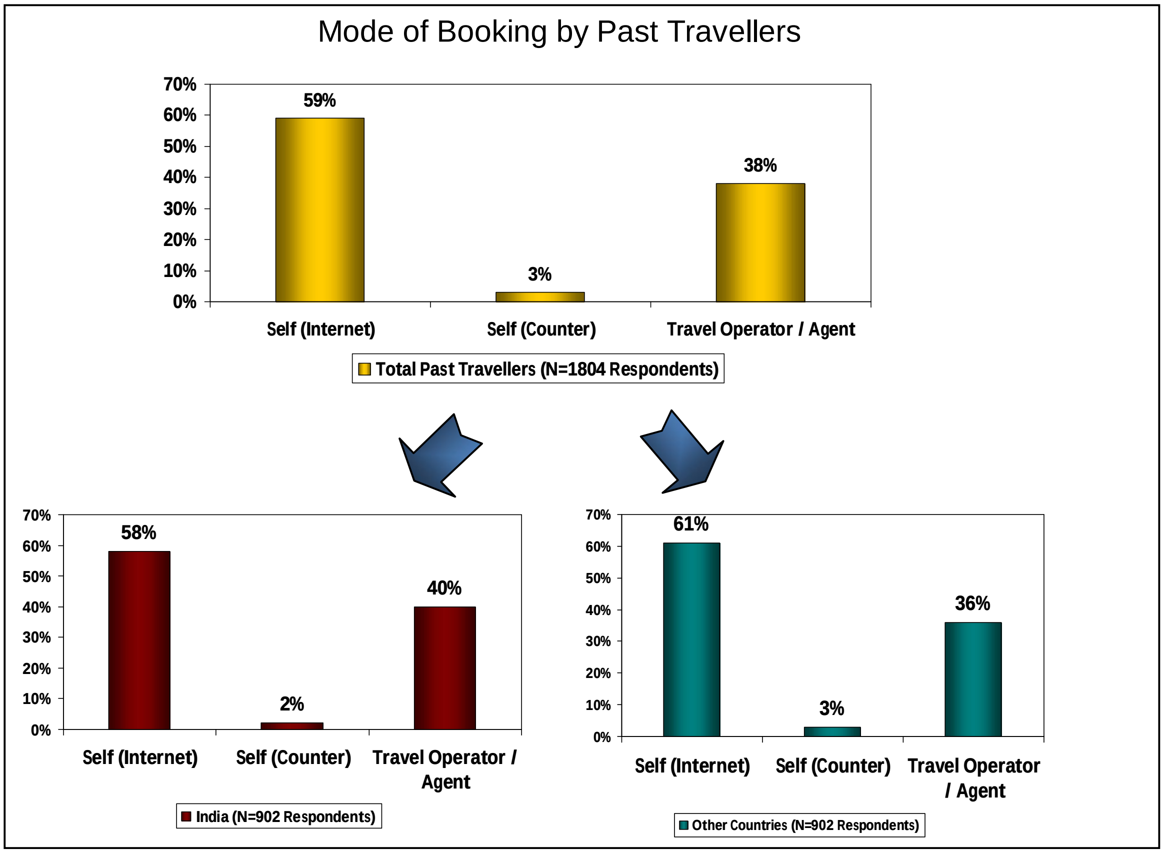
Figure 55 Type of trip opted for by past travellers



4.5.3 Mode of Booking by Past Travellers

Over 60% of all travellers prefer to book their travel on their own rather than hiring a tour agent. Preference for tour agents is only slightly higher for India travellers (40%) as opposed to those going to other countries (36%).

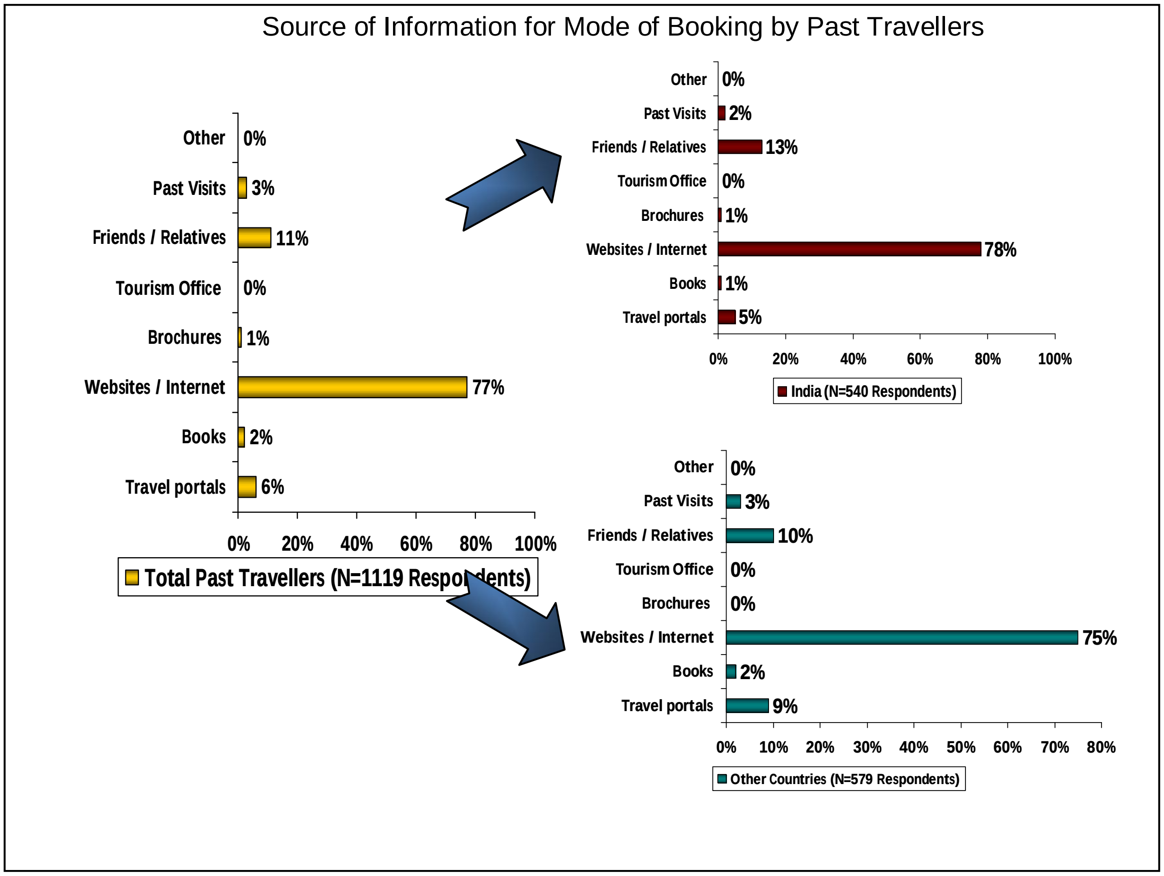
Figure 56 Mode of booking for past travellers by destination


Mode of Booking by Past Travellers
70%
60%
50%
40%
30%
20%
10%
0%
59%
3%
38%
Self (Internet)
Self (Counter)
Travel Operator / Agent
Total Past Travellers (N=1804 Respondents)
58%
2%
40%
Self (Internet)
Self (Counter)
Travel Operator / Agent
India (N=902 Respondents)
61%
3%
36%
Self (Internet)
Self (Counter)
Travel Operator / Agent
Other Countries (N=902 Respondents)

4.5.4 Source of Booking Information for Past Travellers

Data clearly reveals that the internet is an extremely relevant source of information for all travellers. Over 75% of all responses received from both sets of travellers indicated this though family and friends are also consulted occasionally.

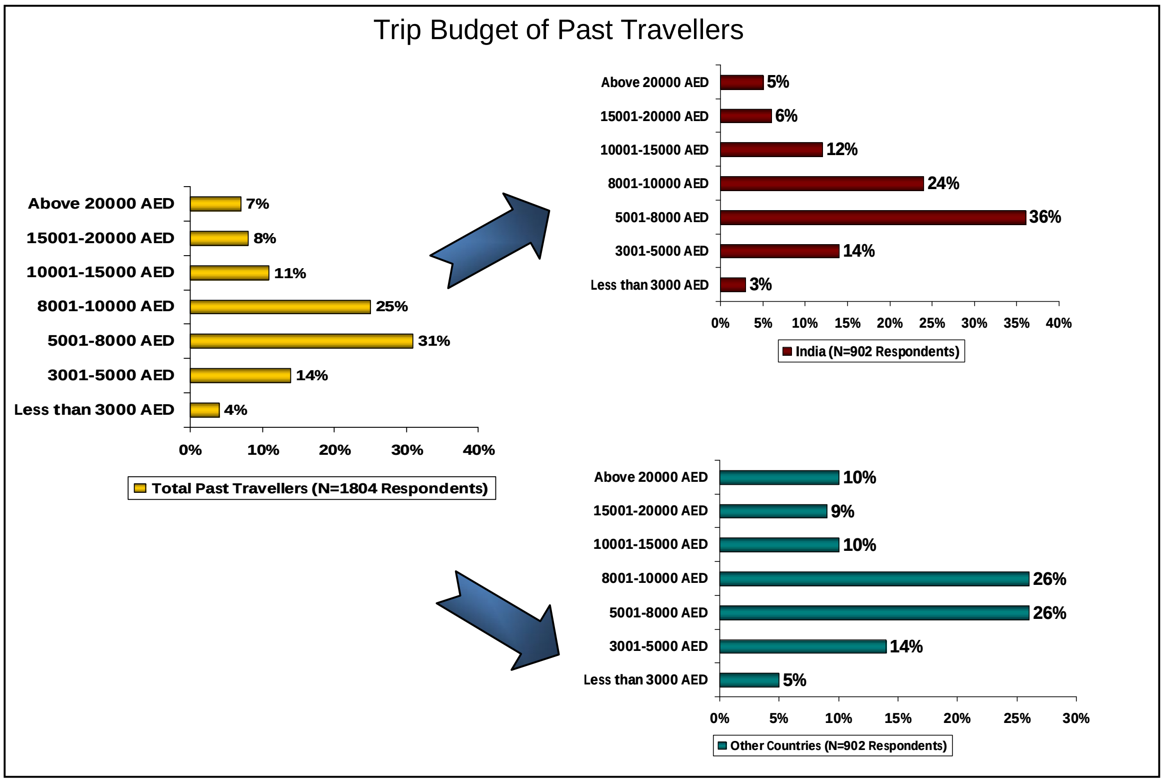
Figure 57 Source of booking information for past travellers



4.5.5 Trip Budget of Past Travellers

Among travellers coming to India, maximum respondents had trip budgets of AED 5000 to AED 10,000 per head (60% of all respondents). Around 17% respondents had budgets lower than AED 5000. The travellers to other countries present a slightly different picture. The percentage of respondents in the AED 5000 to 8000 is somewhat lower at 26% and high spenders with more than AED 20,000 per capita budgeted for comprise 10% of the respondents as opposed to 5% of India travellers. In fact respondents with travel budgets greater than AED 10,000 per head comprise 29% of the other country respondents as compared to 23% among India travellers.

Figure 58Trip budget of past travellers by destination



4.5.6 Trip Budget vs. Trip Duration of Past Travellers to India

Among visitors to India, the largest category of travellers (50%) is one that stays for a duration of a week to a month. A substantial 46% also stays beyond four weeks. In comparison, short duration visitors staying less than a week is only about 4% of the respondents.

Further, the budget category of INR 1lakh-2lakh and INR 2lakh-3lakh constitute 36% and 24% of the respondents respectively. In essence 60% of the respondents are in the INR 1lakh-3lakh category. Another 12% are those willing to spend between 3 and 4lakh.

Now, the purpose of this analysis is to see how budget per head per trip varies with duration of trip. If one were to proceed with the assumption that budgets are higher for long duration trips one would be surprised by the outcomes. The above mentioned pattern of budgets remains more or less similar across the duration of trips. This is a singular observation in the sense that these budgets are per capita per trip rather than per capita per day. Hence the fact that the proportion of big spenders or high value customers does not increase with longer trip duration shows that those coming in for short trips though smaller in number are the jet setters who come for specific official or MICE purposes, stay in starred hotels and avail of air travel. Hence their cost baskets are big if not numerous.

Table 27 Trip budget versus trip duration for past travellers to India

Trip Budget in INR		Trip Duration			Total
		Less than one week	1-4 weeks	More than 4 weeks	
Below 50000	No. of Responses	2	11	10	23
	% of Total	0%	1%	1%	3%
50000-99999	No. of Responses	6	68	56	130
	% of Total	1%	7%	6%	14%
100000-199999	No. of Responses	12	176	137	325
	% of Total	1%	19%	15%	36%
200000-299999	No. of Responses	10	104	104	218
	% of Total	1%	11%	11%	24%
300000-399999	No. of Responses	5	42	57	104
	% of Total	0%	5%	6%	11%
400000-499999	No. of Responses	1	27	30	58
	% of Total	0%	3%	3%	6%
Above 500000	No. of Responses	3	23	18	44
	% of Total	0%	2%	2%	5%
Total	No. of Responses	39	451	412	902
	% of Total	4%	50%	46%	100%

4.5.7 Trip Budget vs. Type of Trip of Past Travellers to India

Most respondents reported to have embarked upon family leisure trips (68%). The next most pertinent reason for travelling to India lay in business purposes, though often these trips are of a mixed nature where a degree of local sightseeing is thrown in with the primary business objective.

Table 28 Trip budget versus type of trip for past travellers to India

Trip Budget in INR		Type of Trip						Total
		Family Leisure Trips	Family adventure holidays	Business cum Leisure trips	Leisure trips with my spouse or partner	Family shopping trips	Travel alone	
Below 50000	No. of Responses	16	2	3	0	0	2	23
	% of Total	2%	0%	0%	0%	0%	0%	3%
50000-99999	No. of Responses	83	4	38	3	0	2	130
	% of Total	9%	0%	4%	0%	0%	0%	14%
100000-199999	No. of Responses	237	6	67	9	0	8	327
	% of Total	26%	1%	7%	1%	0%	1%	36%
200000-299999	No. of Responses	143	2	62	6	1	4	218
	% of Total	16%	0%	7%	1%	0%	0%	24%
300000-399999	No. of Responses	63	3	29	3	2	3	103
	% of Total	7%	0%	3%	0%	0%	0%	11%
400000-499999	No. of Responses	45	1	12	0	0	0	58
	% of Total	5%	0%	1%	0%	0%	0%	6%
Above 500000	No. of Responses	28	2	13	0	0	0	43
	% of Total	3%	0%	1%	0%	0%	0%	5%
Total	No. of Responses	615	20	224	21	3	19	902
	% of Total	68%	2%	25%	2%	0%	2%	100%

The spending patterns of the two types of trippers are also rather similar with the bulk of the spenders in the INR 1lalkh to 4lakh category (75%) with a few outliers. Variations exists across other trip types with some higher budgeting for family adventure trips but the sample numbers are too small for us to draw any concrete conclusions for other categories.

Chapter Five
Prospective Outbound Travel Behaviour

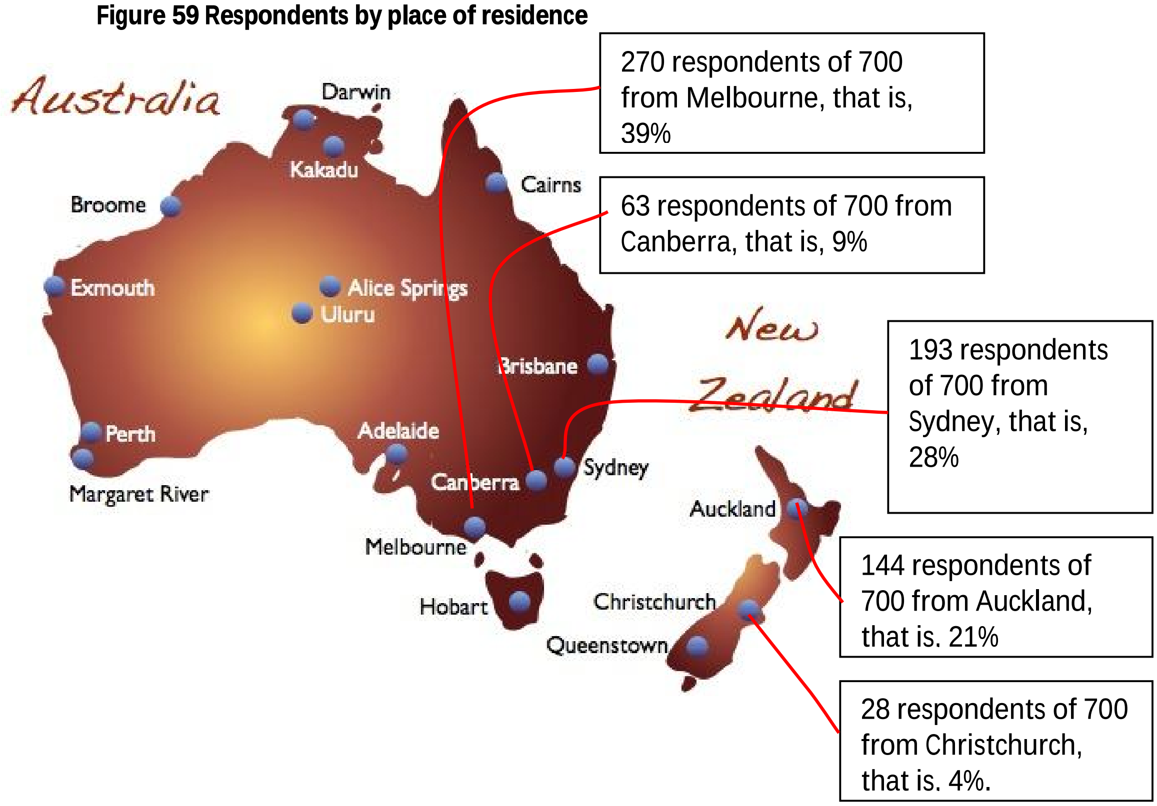
5.1 Profiling Information

5.1.1 By place of residence, age group, employment status, gender, origin, and educational qualifications

5.1.1.1 Place of residence

The survey investigated 700 respondents (persons who intended to travel abroad in the next one year) from the ANZ of which 526 or 75% were from Australia and 174 or 25% were from New Zealand. 39% of the potential travellers were from Melbourne, 28% from Sydney and about 9% from Canberra in Australia. 21% or 144 respondents hailed from Auckland and 4% from Christchurch in New Zealand.

Figure 59 Respondents by place of residence



5.1.1.2 Age categories

40% of the respondents, that is, 281 respondents were between 26 to 35 years of age. 31% of the respondents that is 219 were in the age group of 36 to 50 years. Overall, 71% of the respondents were in their peak productive years between 26 and 50 years of age. 17% constituted younger people in the age group of 18 to 25 years.

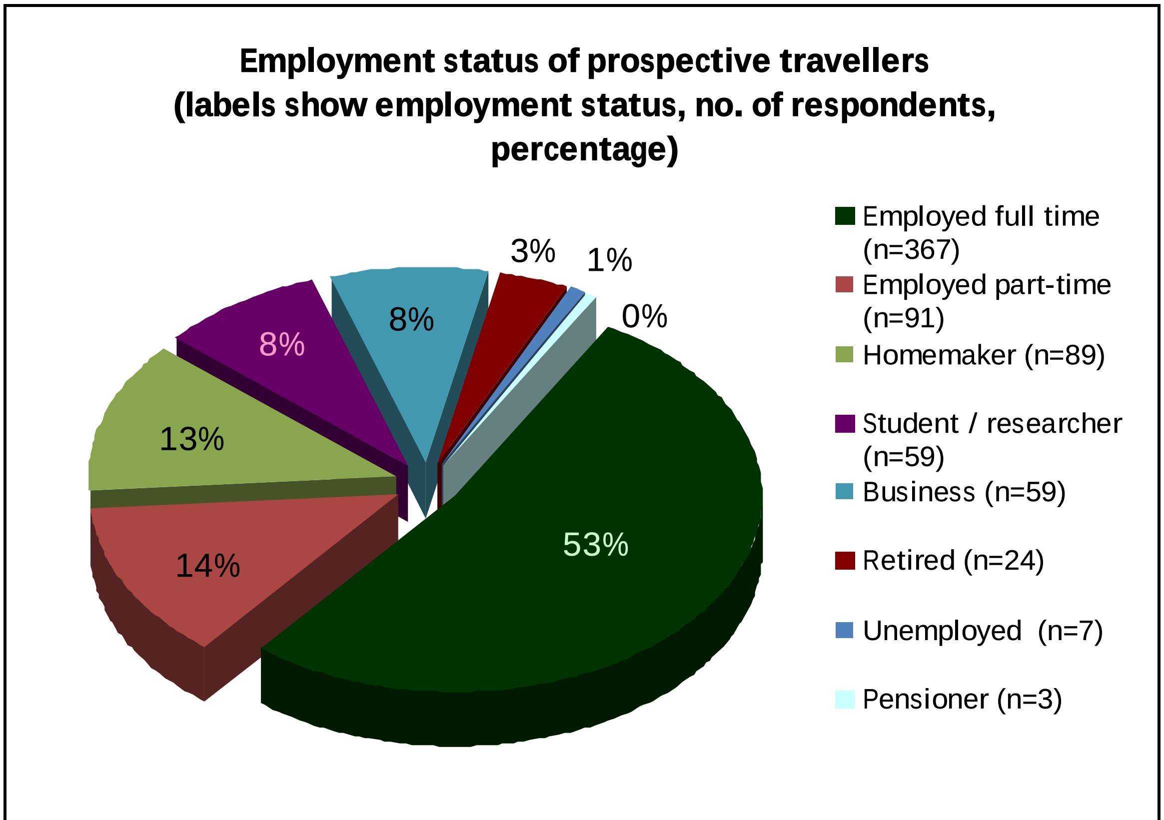
Table 29 Respondents across age categories

Age categories	No. of respondents	Percentage
Below 18 years	12	2%
18-25 years	121	17%
26-35 years	281	40%
36-50 years	219	31%
51-60 years	49	7%
Above 61 years	18	3%
Total	700	100%

5.1.1.3 *Employment status*

53% respondents were employed full time (367 of 700 respondents). Other important segments were part time employees and homemakers constituting 14% and 13% respectively. As many as 91 respondents each were students/researchers and business-persons constituting 16% of the respondents.

Figure 60Employment status of respondents



N (Respondents) = 700.

5.1.1.4 *Gender*

Women constituted about 50% of the survey participants (prospective travellers). Overall, 353 prospective female travellers were interviewed during the primary survey across the five cities.

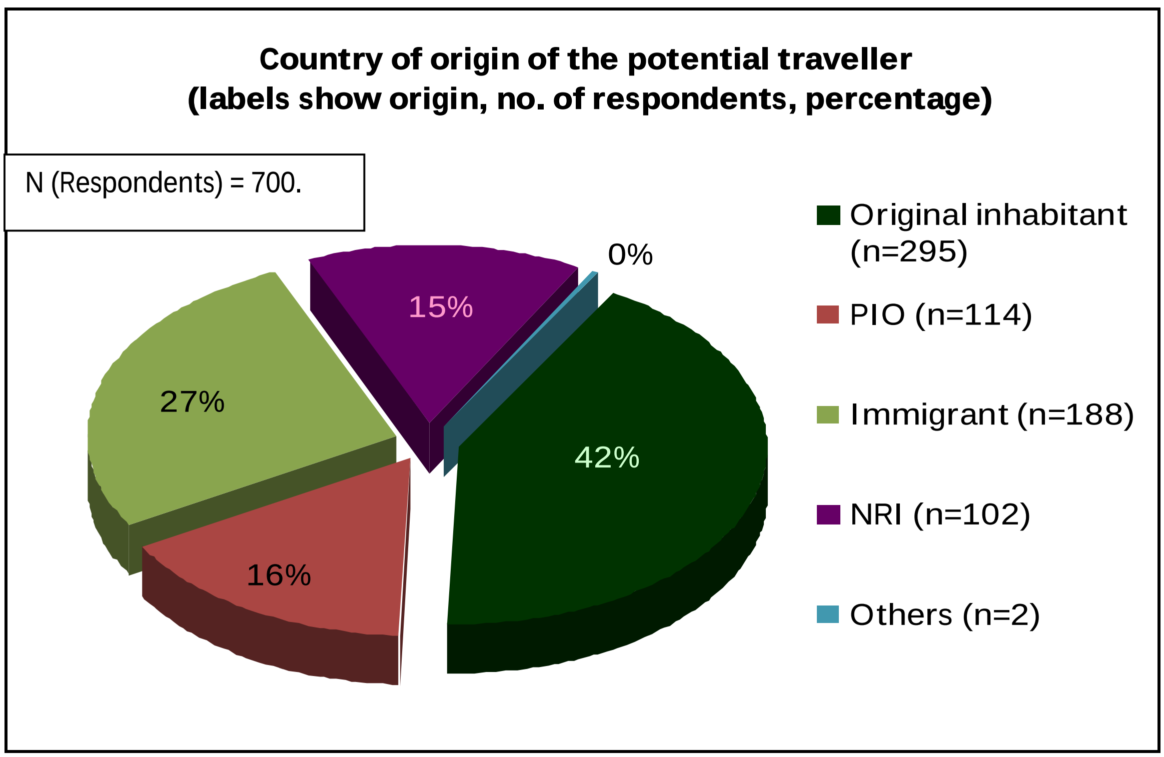
Table 30 Respondents by gender

Gender	No. of respondents	Percentage
Male	347	50%
Female	353	50%
Total	700	100%

5.1.1.5 *Country of origin*

42% of the 700 respondents were original inhabitants of the ANZ. 27% were immigrants from other countries settled in the ANZ. The rest were PIOs (persons of Indian origin) or NRIs (non-resident Indians). Since 69% of the travellers have no cultural or familial connections with India, the outcomes of the survey strongly reflect the intentions of ANZ travellers without much bias towards India as home.

Figure 61 Country of origin of the potential traveller



5.1.1.6 Educational Qualifications

About 78% of the 7000 respondents were at least graduates or had some technical or professional qualification. Only 22% of the respondents had not completed at least Higher Secondary schooling. So overall, the respondent universe was well-educated and aware.

Table 31 Educational qualifications of prospective travellers

Educational Qualification	No. of respondents	Percentage
No formal education	7	1%
Primary	5	1%
Secondary	23	3%
Higher secondary	119	17%
Graduate and above	461	66%
Technical / Professional	82	12%
Other	2	0%
Total	700	100%

5.1.2 By expenditure per month

For Australia 31% of the respondents were spending AUD 1000 to AUD 1999 per month on household expenses. For 41% of the respondents (216 respondents of 700), monthly household expenditure ranged between AUD 2000 and AUD 2999. Another 19% respondents spent more than AUD 3000 per month on household expenses. About 10% of the respondents were in the lower spending categories of less than AUD 1000 per month.

Table 32 Prospective travellers by monthly household expenditure (Australia)

Monthly household expenditure (in AUD)	No. of respondents	Percentage
Less than 1000	51	10%
1000 - 1999	161	31%
2000 - 2999	216	41%
3000 - 5000	79	15%
More than 5000	19	4%
Total	**526**	**100%**

For New Zealand 30% of the respondents were spending NZD 1000 to NZD 1999 per month on household expenses. For 20% of the respondents (35 respondents of 174, monthly household expenditure ranged between NZD 2000 and NZD 2999. Another 26% respondents spent more than NZD 3000 per month on household expenses. About 23% of the respondents were in the lower spending categories of less than NZD 1000 per month.

Table 33 Prospective travellers by monthly household expenditure (New Zealand)

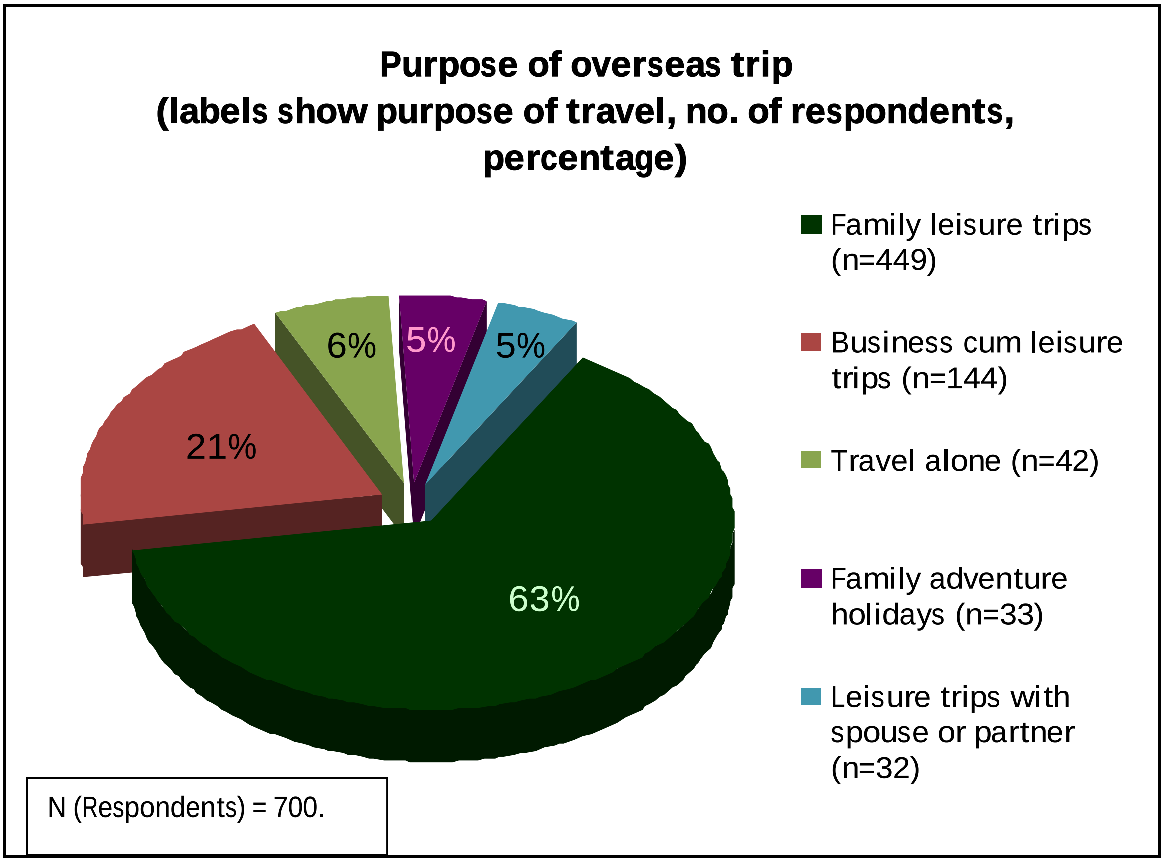
Monthly household expenditure (in NZD)	No. of respondents	Percentage
Less than 1000	40	23%
1000 - 1999	53	30%
2000 - 2999	35	20%
3000 - 5000	30	17%
More than 5000	16	9%
Total	**174**	**100%**

5.2 General Travel Behaviour

5.2.1 Types of trip

63% the respondents (449 of 700 respondents) wish to primarily go on family leisure trip. A considerable section also intends to go for business cum leisure trips (21%, that is, 144 of 700 respondents). 42 of the 700 respondents intend to travel alone. An equal proportion (5%) of respondents wished to take family adventure holidays or go on leisure trip with spouse or partner.

Figure 62Respondents by purpose of travel



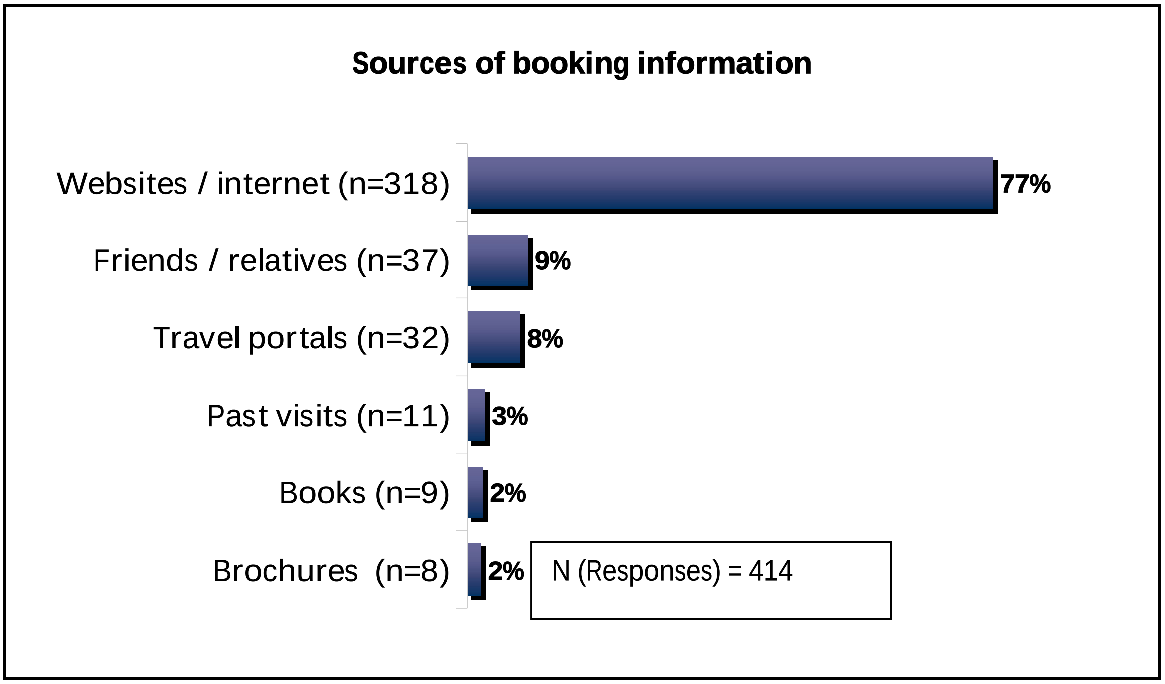
5.2.2 Mode of booking

56% (395 of 700) respondents mentioned that they would book their tickets over the internet while 41% (286 of 700) expressed the intention of approaching travel agents. 19 of the 700 respondents said that they would book their tickets themselves at the counter.

5.2.3 Sources of help for booking information

The 395 respondents who did not intend to consult tour operators were asked to indicate sources of assistance they would approach in order to book their tickets for the overseas trip (they were given the freedom to choose multiple options). 77% of the 414 responses received revealed that the internet was a very important source of information for travellers as well as a powerful tool for sorting out travel modalities. 9% responses showed that on occasion friends and relatives could also be consulted. No one mentioned the India Tourism Office as a potential source of information.

Figure 63Sources of booking information



5.2.4 Type of tour operator used

Among those intending to approach tour operators for ticketing assistance, (286 of 700 respondents) 50% said that they would approach operators from the ANZ. Another 35% were willing to approach multi-country operators. Only 4% mentioned that they would approach tour operators from India.

Table 34 Type of tour operator to be consulted

Type of Tour Operators	No. of respondents	Percentage
Tour operator in India	12	4%
Freelance travel agents	18	6%
Multi country tour operator	101	35%
Tour operator that operates in ANZ	141	50%
Other	14	5%
Total	286	100%

5.2.5 Tour operators selection criteria

In the choice of the tour operator, for these 286 respondents, the package options and its merits in terms of suitability to client's needs as well as the overall deal and costs entailed were important deciding factors. Travel insurance and presence of the tour operator followed next.

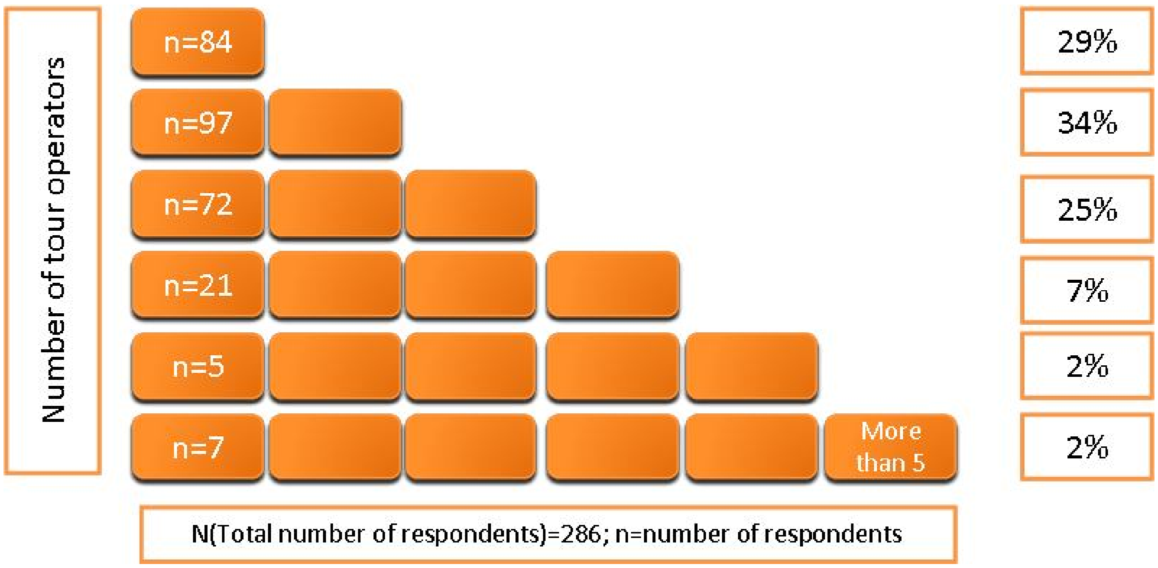
Table 35 Criteria for choosing tour operators

Criteria for choosing a tour operator (for 286 respondents of 700)	Rank
Package options	1
Catering to client needs	2
Cost of package	3
Better package deal	4
Availability of travel insurance	5
Presence of the tour operator	6
Brand name	7

5.2.6 Number of tour operators contacted and number of months in advance contacted

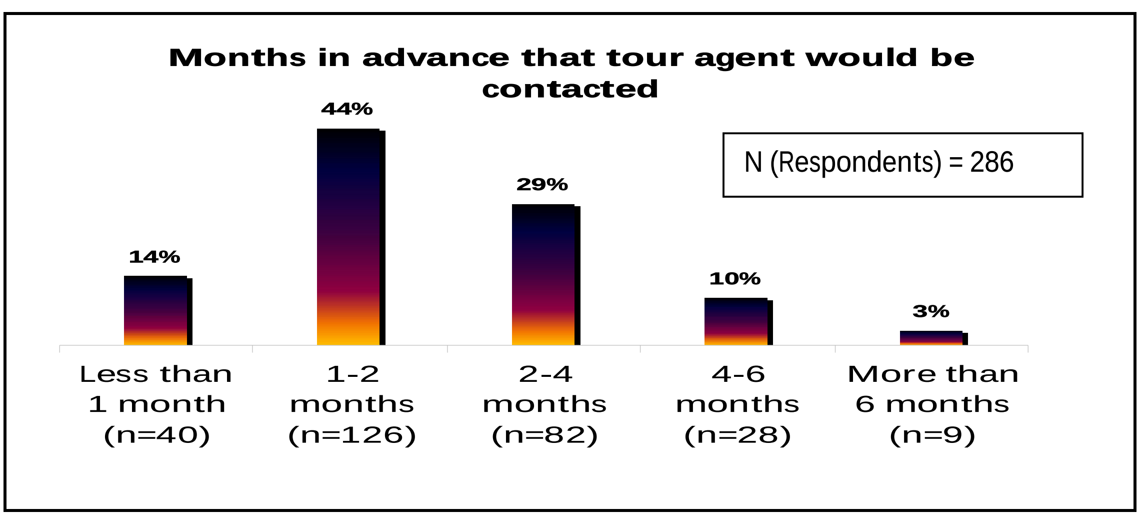
Of the 286 respondents who mentioned that they would approach tour operators, 34% said that they would contact at least 2 operators before reaching a decision. 36% expressed the intention of approaching 3 or more operators before they took a decision.

Figure 64No. of tour operators the respondents intended to contact before coming to a decision



44% respondents mentioned that they would contact the travel operator at least a month or two before they intended to travel. Another 29% mentioned that they might do so even 2 to 4 months in advance.

Figure 65Months in advance that tour operator would be contacted



5.2.7 Mode of payment preferred

Most preferred mode of payment for travelling abroad is through credit card. This is followed by payment through cheque and then cash.

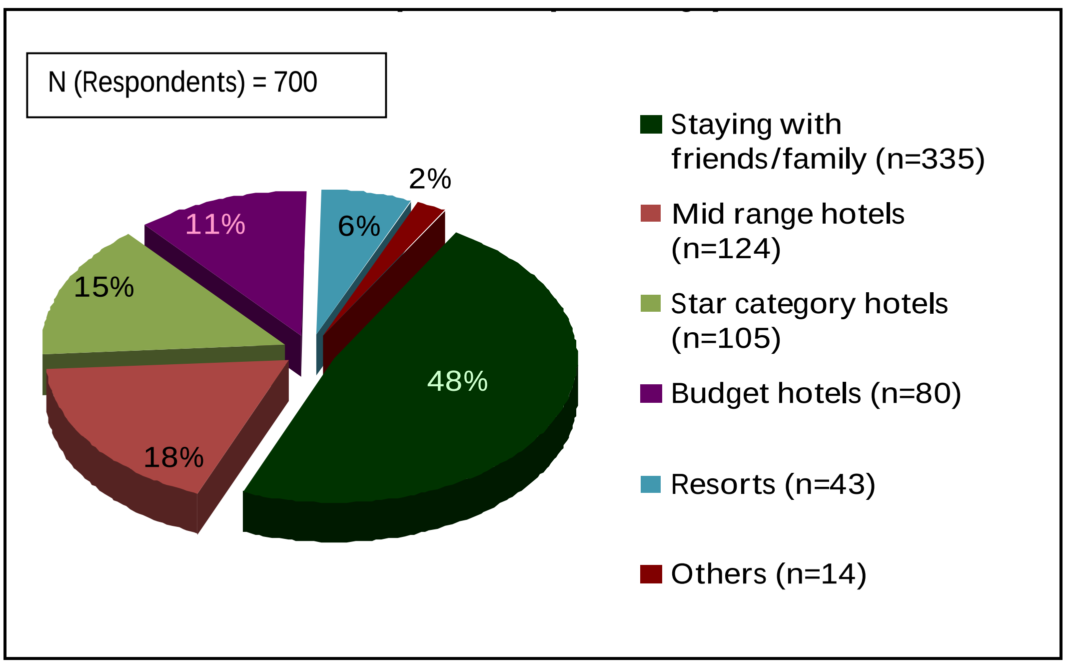
Table 36 Preferred mode of payment during overseas travel

Mode of payment	Weighted average	Rank
Credit card	2.26	1
Cheque	2.15	2
Cash	2.06	3
Online	1.91	4
Debit	1.73	5

5.2.8 Type of accommodation to be availed

The 700 prospective travellers were questioned about the type of accommodation that they would prefer during their trip. 48% of the respondent clearly intended to stay with friends or family. About 29 % of intending travellers were willing to look at mid-range or budget hotels rather than star category hotels (105 of 700 respondents, that is, 15% chose starred hotels).

Figure 66Respondents by preferred of accommodation type



5.2.9 Estimated expenditure

When the estimated allocation of travel budget across cost baskets is analysed, it is found that accommodation and ticket and associated expenses constitute a major proportion of the expenses—51% of spends for non-package travellers and 45% for package travellers. About one-fifth of expenditure allocation is on food and alcoholic beverages for package travellers. For non-package travellers this is about 16%.

Table 37 Estimated expenditure across cost baskets

Cost basket	Package (Average amt in INR per trip of about 2 weeks with 2-3 members per group)	Non-package (Average amt in INR per trip of about 2 weeks with 2-3 members per group)	Package	Non-package
Accommodation	41900	75262	19%	28%
International Travel	58704	62461	26%	23%
Local Travel	28718	37665	13%	14%
Food including Alcohol	44658	44704	20%	16%
Others	52311	53267	23%	19%
Total	226291	273359	100%	100%

5.2.10 Reason for availing travel insurance if any

70% of prospective travellers (488 respondents) wished to opt for travel insurance. Majority (86%) said that this was part of regular precaution they took while travelling.

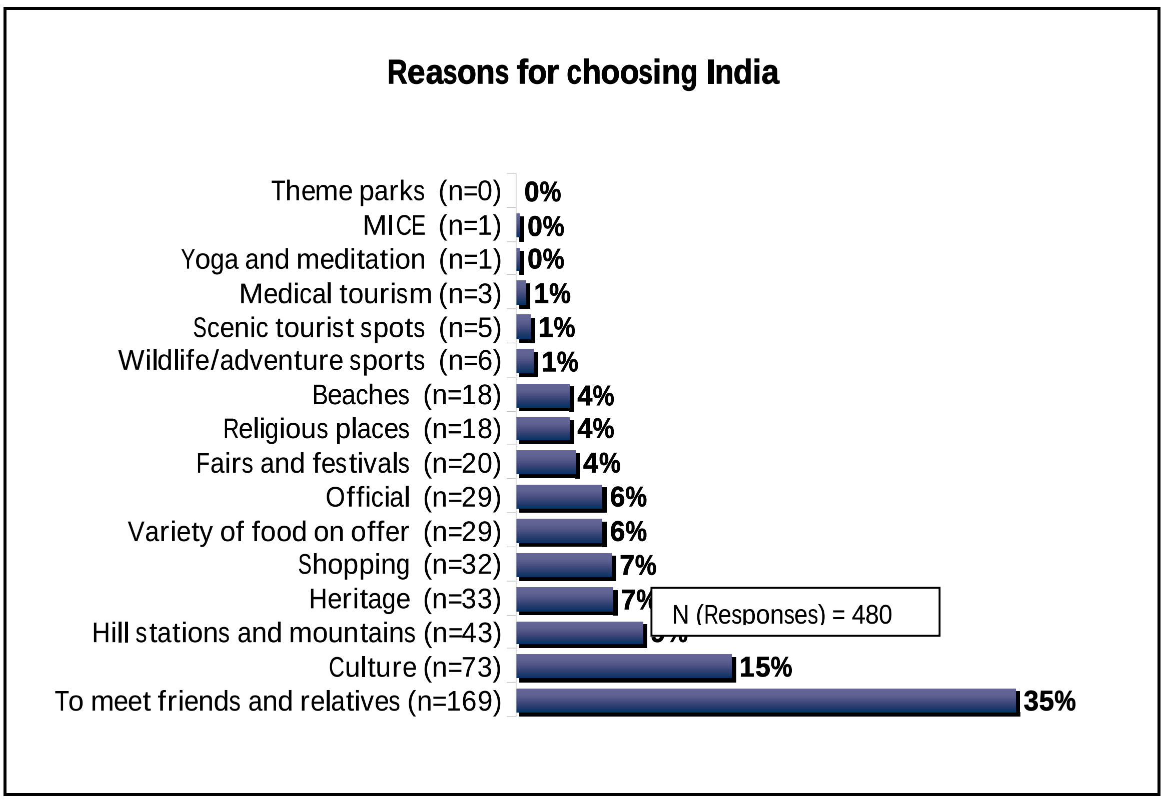
5.3 *Travel Behaviour of Prospective Visitors to India*

Of the 700 prospective travellers interviewed, 200 expressed the intention of visiting India in the near future.

5.3.1 Reason for choosing India as a travel destination

Respondents were asked to share their reasons for choosing India as a travel destination and they were given the freedom to choose multiple options. A total of 480 responses were received from the 200 respondents of which 169 responses indicated the desire to meet family and friends as the driving reason. It may be surmised that these responses have been elicited largely from persons of Indian origin and non-resident Indians among the respondents (216 persons). If one were to set aside this particular reason then the next most important reason for people intending to visit India in the near future is to experience its culture, heritage, cuisines, fairs and festivals (30% of 480 responses). India's hill stations, beaches, wildlife, and scenic tourist spots offer other attractions.

Figure 67Reasons for choosing India for next trip



5.3.2 Intention of visiting only India or a sub-regional trip

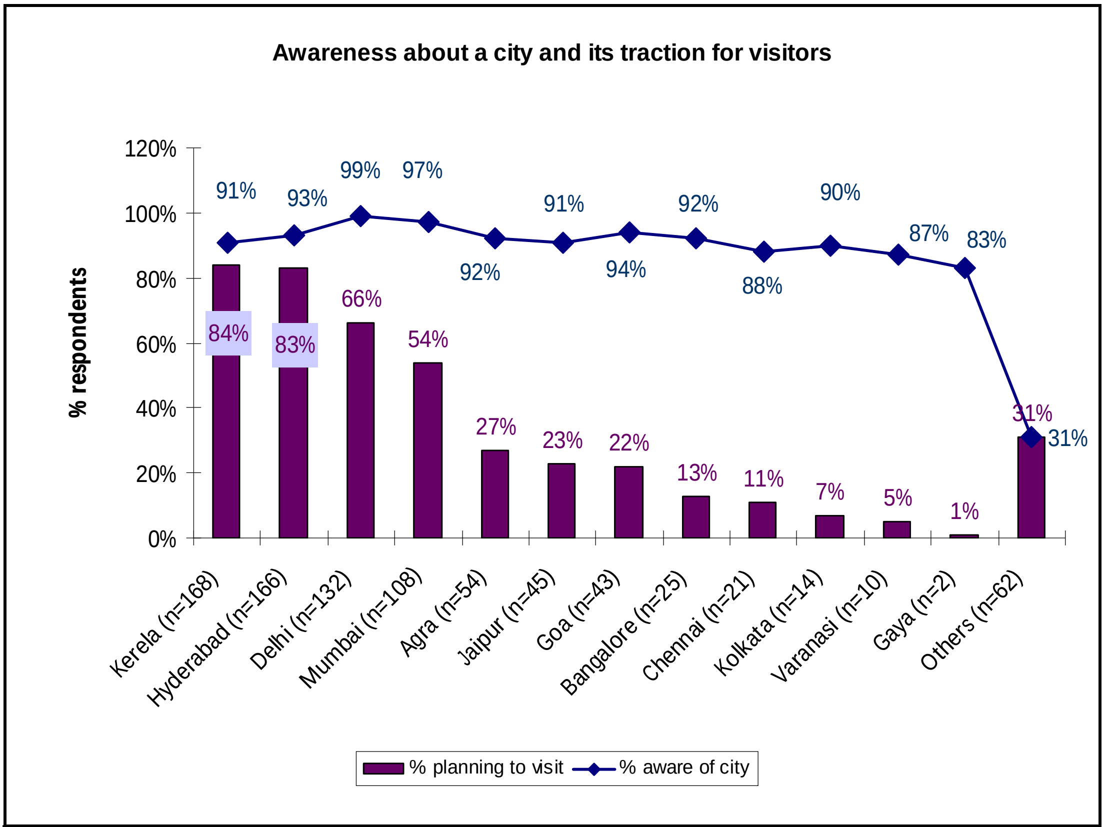
97% of these 200 respondents intended to visit India only and not as part of a regional tour to South Asia.

5.3.3 Awareness of destinations in India and intention of visiting them

The 200 respondents were queried about the cities they were aware of and planning to visit during their next trip. The most preferred destinations were revealed to be Kerala, Hyderabad, Delhi, Mumbai, Agra, Jaipur, and Goa.

Examination of the responses shows that the while a large number of respondents were aware of Gaya, Varanasi, Chennai, Bangalore, and Kolkata, very few of these persons intended to visit these cities. For instance, of the 166 respondents who knew about Gaya, only 2 intended to actually visit the place. At one end of the spectrum where 92% of the persons who were aware of Kerala were planning to be here; the same for Gaya was a mere 1%.

Figure 68Preferred destinations in India

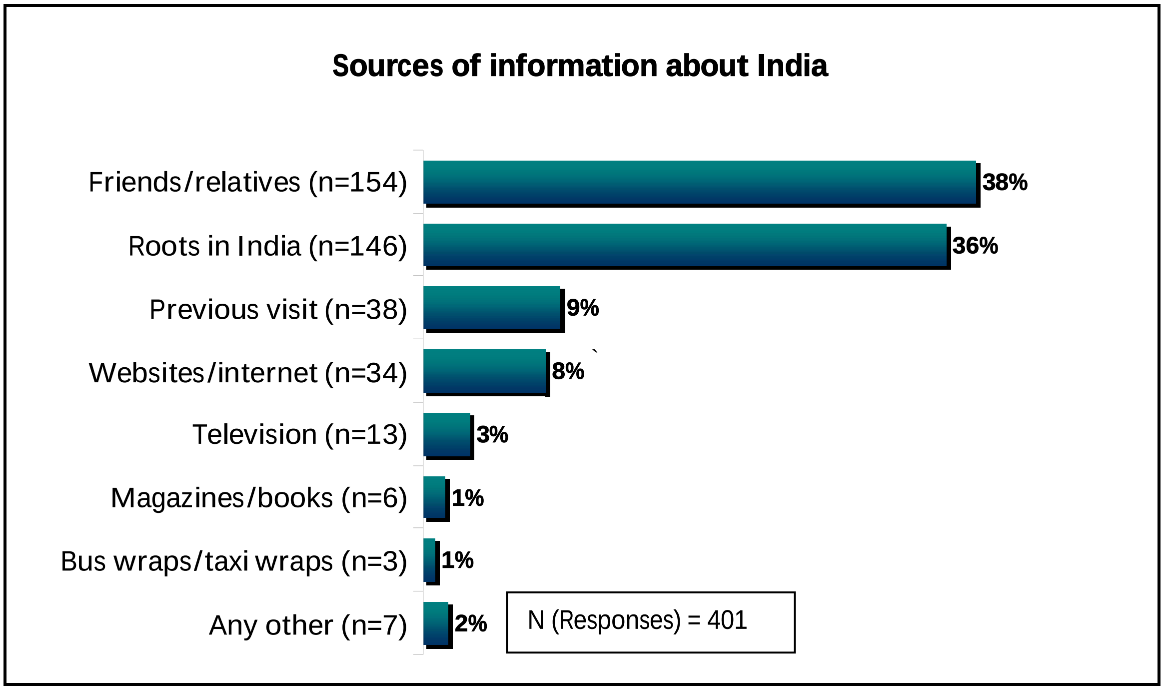


N (Respondents) = 200
'n' represents number of respondents who intend to visit the city

5.3.4 Source of information regarding India

Respondents were asked to indicate their source of information about India and they were given the freedom to select multiple options. Travellers, who planned to visit India in the near future, have largely known about India because this was the country of their roots; about 36% of responses received indicated this (146 of 401 responses). Hence friends and relatives are revealed as a very important source of information (38% or 154 of 401 responses). Many of them had visited India before (9% of responses). 8% or 34 of 401 responses reveal website/internet as information source. It is pertinent to note that merely 1 of the 460 responses received indicated that traveller had heard about India from the Incredible India Road Shows.

Figure 69Sources of information about India



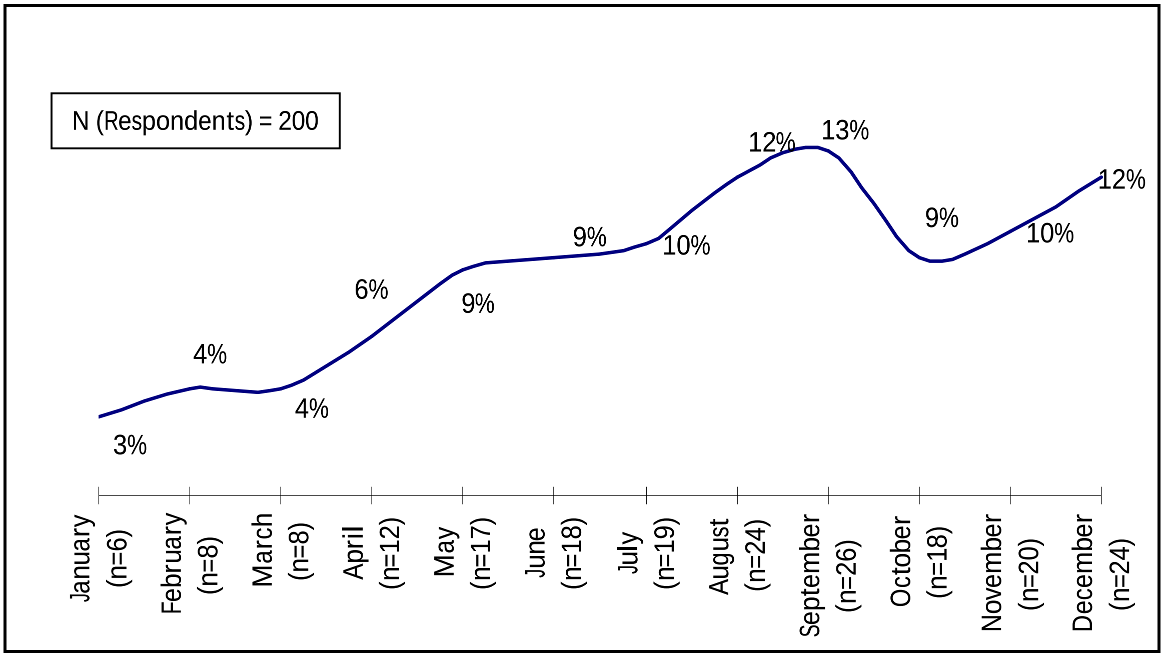
Decomposing "Any other"

Source of information	No. of respondents	Percentage of 401 responses
FM Radio	0	0.00%
Posters/billboards	1	0.25%
Incredible India Road shows	1	0.25%
Digital (Face book/You Tube)	1	0.25%
Fairs & Festivals (India Stall)	1	0.25%
Give aways (Festivals)	1	0.25%
Others	2	0.50%

5.3.5 Time of visit to India

The preferred months of intended visit are seen to peak in the third quarter of the year that is July to September, with another peak in December.

Figure 70Preferred month for potential visit to India



5.3.6 Duration of stay

71% of the 200 respondents intend to stay for a period of two weeks to a month. 19% intended to stay for periods longer than a month.

Table 38 Duration of stay in India

Duration of stay	No. of respondents	Percentage
Up to 1 week	3	2%
1 to 2 weeks	18	9%
2 weeks to a month	142	71%
More than one month	37	19%
Total respondents	200	100%

5.3.7 Reason for booking through a tour operator while visiting India

From the 200 respondents who planned to come to India in their next visit, 191 expressed the intention of approaching a tour operator. They felt the need for an intermediary primarily due to paucity of time (46% of 191 respondents) or because they were more comfortable seeking the tour operator's advice rather than doing the finding out themselves (48%).

Table 39 Reason for approaching tour operator

Reason for approaching tour operator	No. of respondents	Percentage
Less information available about India	9	5%
No credible source of information	4	2%
Don't have time	87	46%
More comfortable with tour operator	91	48%
Total	191	100%

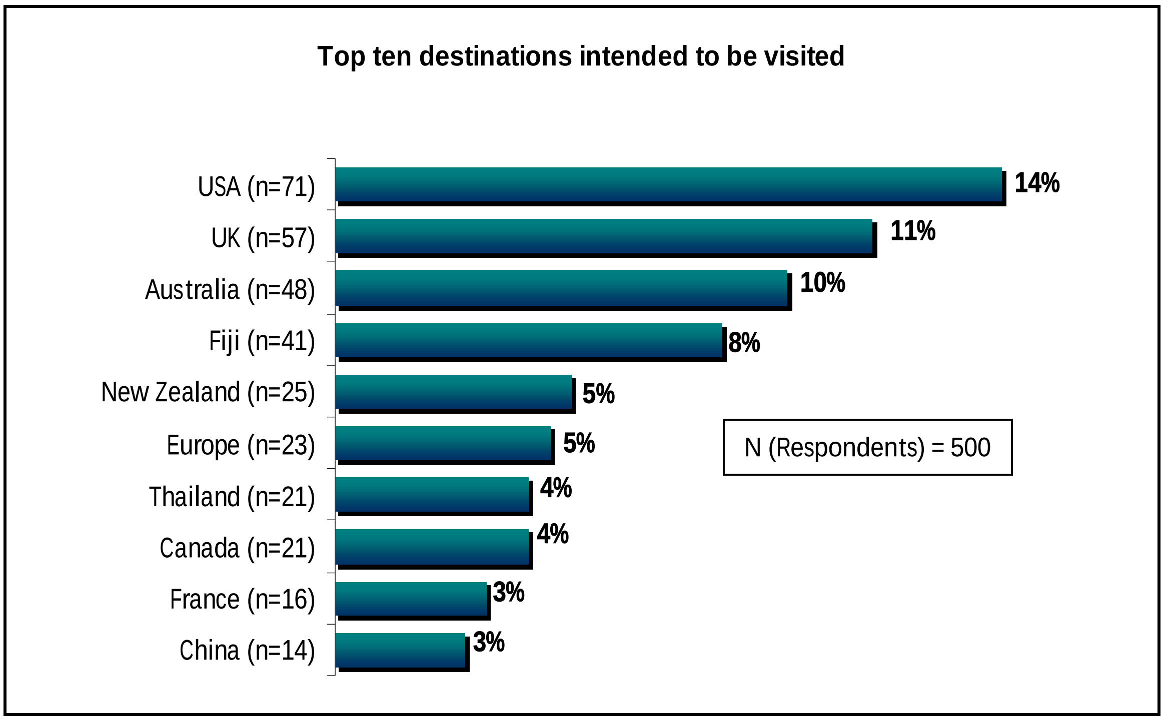
5.4 Travel Behaviour of Prospective Visitors to Other Countries

Of the 700 respondents in the 'prospective travellers' segment, 500 respondents who intended to travel to countries other than India in the next one year were interviewed.

5.4.1 Countries to visit

Among the 500 respondents who intend to travel out of ANZ in the next year (except India), the maximum visits are planned for US and UK followed by Australia (for New Zealanders), and Fiji. New Zealand is an attractive destination for Australians. Within Europe, France is cited as an attractive destination. Visits are also planned for Thailand and Canada. China finds place among the top ten destinations both among those who have travelled before as well as prospective travellers. These top ten destinations constitute 67% of the potential outflow of tourists from ANZ, as per the survey.

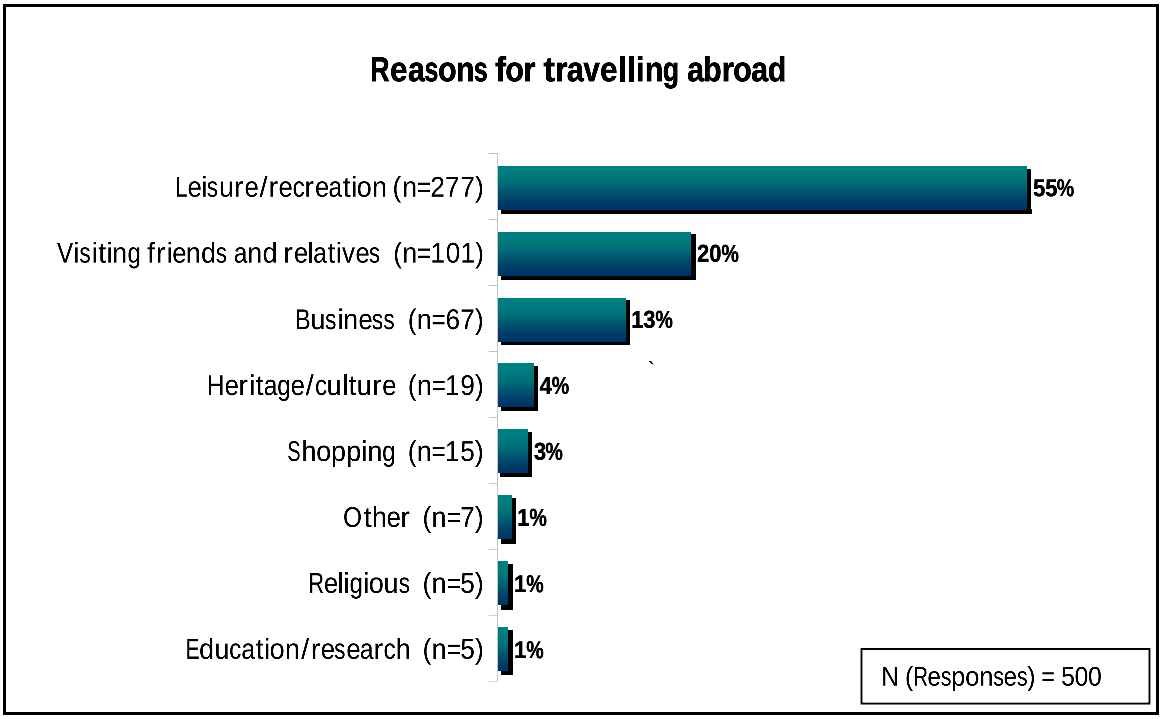
Figure 71Favoured destinations for those intending to travel to countries other than India



5.4.2 Drivers / reasons for visiting foreign locales

Respondents were asked the main reasons why they intended to travel overseas in the near future and they were given the freedom to select multiple options. 500 responses were received from 500 respondents. The top most reason for travel was cited as leisure/recreation (55% responses of 500). The other important driver was visiting friends and relatives (20% of 500 responses). Business purposes were also a driver at 13% of 500 responses.

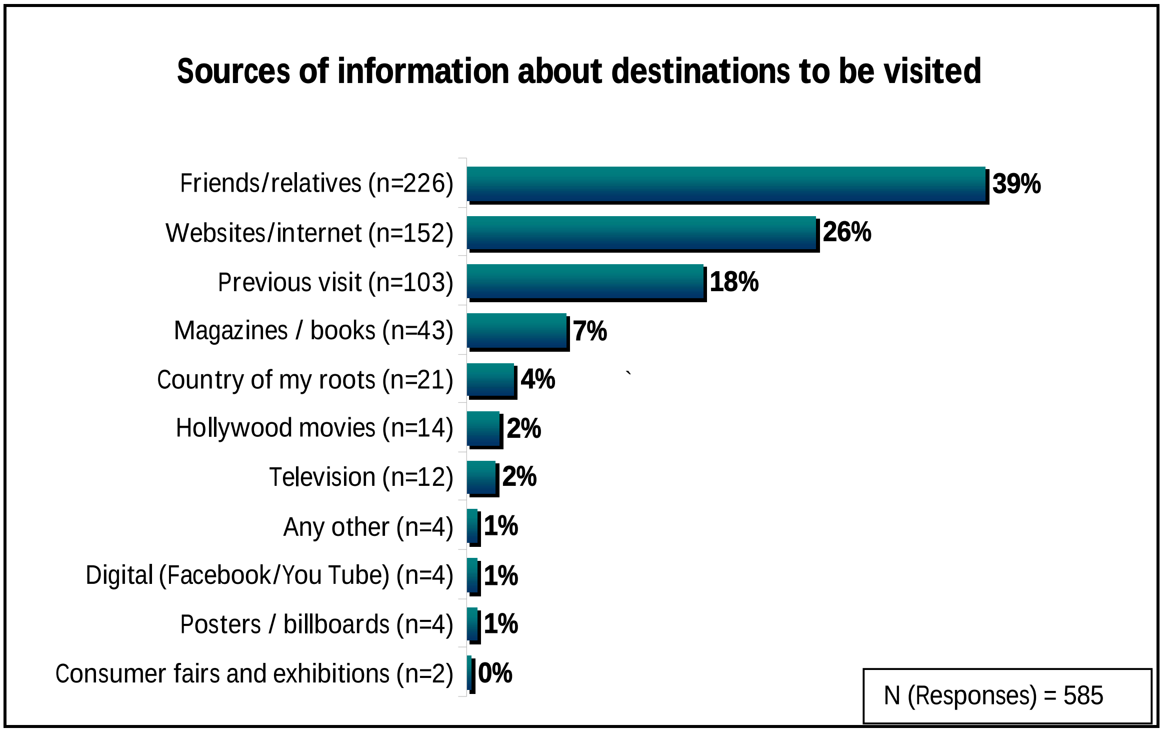
Figure 72Reason for travelling overseas



5.4.3 Sources of information on the destinations to visit

Respondents were asked to list the sources of information they intended to tap to know about their destination countries. They had the freedom to select multiple options. 585 responses were yielded by 500 respondents. Important sources of information regarding destination countries are friends and relatives (39% of all responses) and the internet, 26% if all responses. A substantial percentage had made previous trips to the country (18% of all responses).

Figure 73 Sources of information about destination countries



5.4.4 Awareness of India as a tourist destination

87% of 500 respondents were aware of India as a potential destination before they took their decision to head elsewhere.

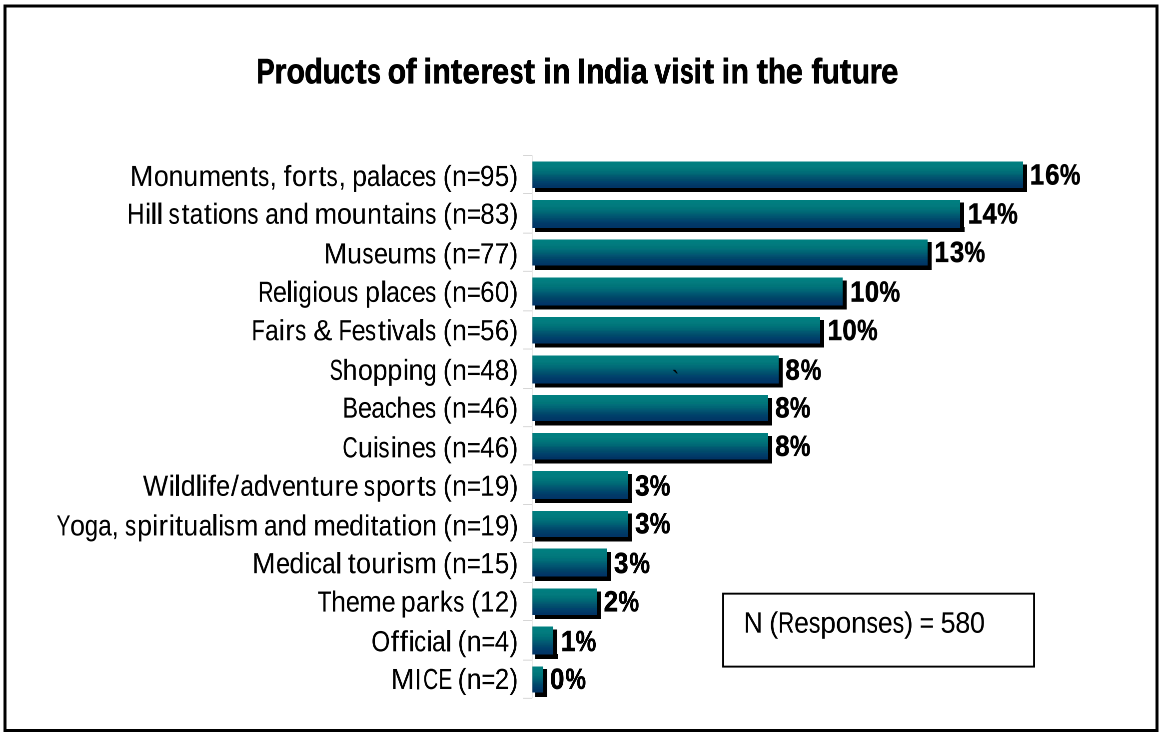
5.4.5 Intention of visiting India

46% of the 500 respondents expressed their intention to visit India next time. 271 respondents were clear that they would not be visiting India is any subsequent visit.

5.4.6 Primary attractions of India / motivation for visiting India

Those 229 respondents, who expressed interest in visiting India in subsequent trips, were asked about the primary attractions that they perceived to be offered in India. The query elicited 580 responses as multiple options were permitted. They evinced interest in India's monuments, forts, palaces (16% of the responses), hill stations and mountains (14% of responses), museums (13% of responses), religious places and fairs & festivals (10% each).

Figure 74 Products of interest in future India visit



5.4.7 Intention and reason for choosing an intermediary for India travel

71% of these 229 respondents felt that if they were to visit to India, they would plan it themselves rather than go through a tour operator. Of the 66 persons who did express the intention of hiring a tour operator, 30 felt that the intermediary would provide relevant information about India. Another 23 felt that going through a tour operator would improve convenience and ease of travelling.

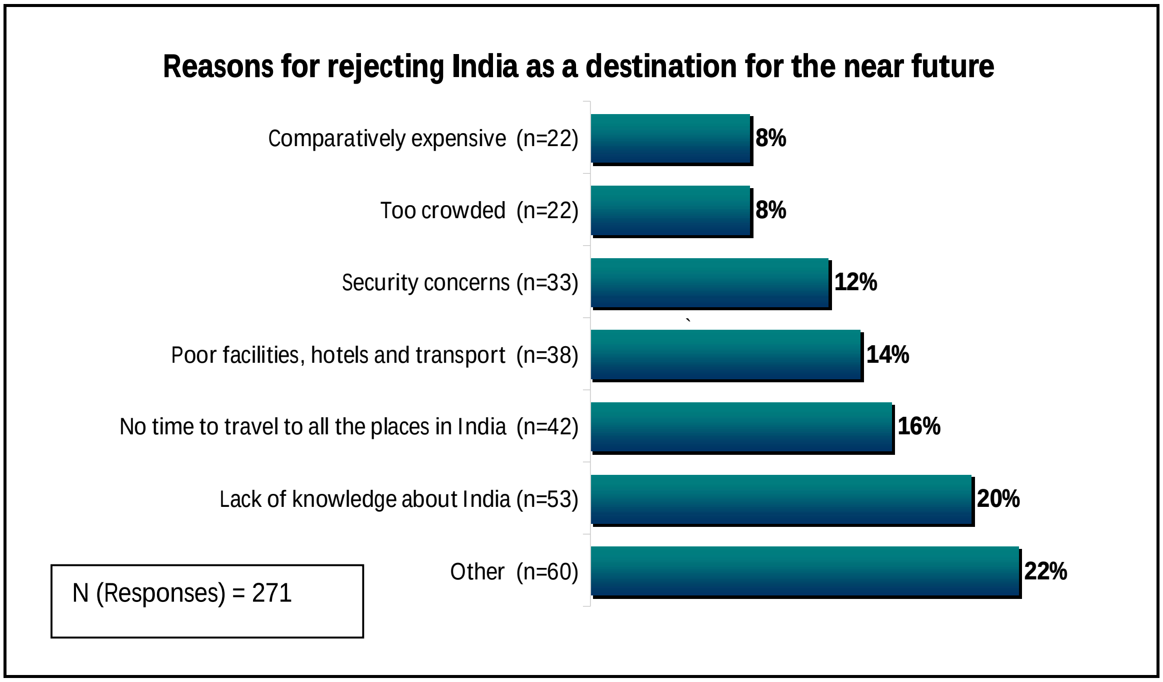
Table 40 Reasons for going through a tour operator

Reason for hiring a tour operator	No. of respondents	Percentage
Convenience and ease of travelling	23	35%
Greater time efficiency	11	16%
Better deals	2	3%
Comprehensive information about India	30	45%
Total respondents	66	100%

5.4.8 Reasons for rejecting India as a tourist destination and intention of India visit in far future

The 271 respondents who were clearly disinclined to visit India in the future were asked to present the reasons for such a decision. They were encouraged to provide multiple reasons. These 271 respondents provided 271 responses to this query. The driving reasons for not planning a visit to India lay in lack of knowledge about India (20% of 271 responses). Other deterrents were the notion that there would not be enough time to visit all the tourist attractions that India had to offer (16% of 271 responses). Some respondents cited concerns about lack of good facilities (14%) and also that India was comparatively expensive and crowded (8% each). 'Other' reasons offered was that India was too far, climate was not suitable, or that it was not convenient to travel with children to India. These miscellaneous reasons contributed 22% of all responses.

Figure 75 Reasons for not intending to travel to India



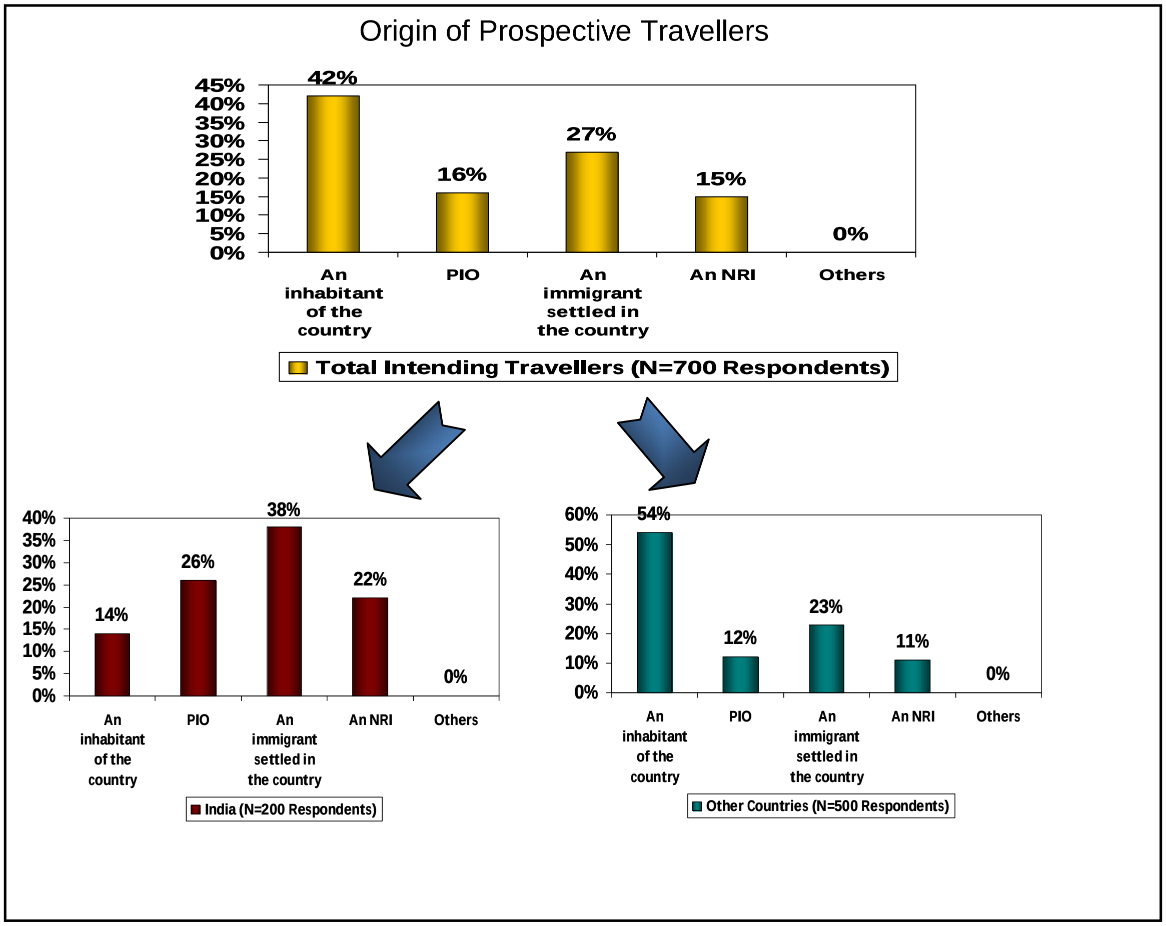
But 80% respondents, at the end of the interview mentioned that they would indeed like to visit India at some point in the future, if not immediately.

5.5 India vis-à-vis other countries – intending outbound travel behaviour

5.5.1 Origin of Prospective travellers

Respondents among prospective travellers headed for India were largely comprised of immigrant population to ANZ (38%). PIOs and NRIs constituted another 48%. Only 14% of these respondents were original Australian or New Zealanders. On the contrary among prospective travellers to other countries, 54% were original Australians or New Zealanders. Immigrants constituted only 23% and PIOs and NRIs another 23%.

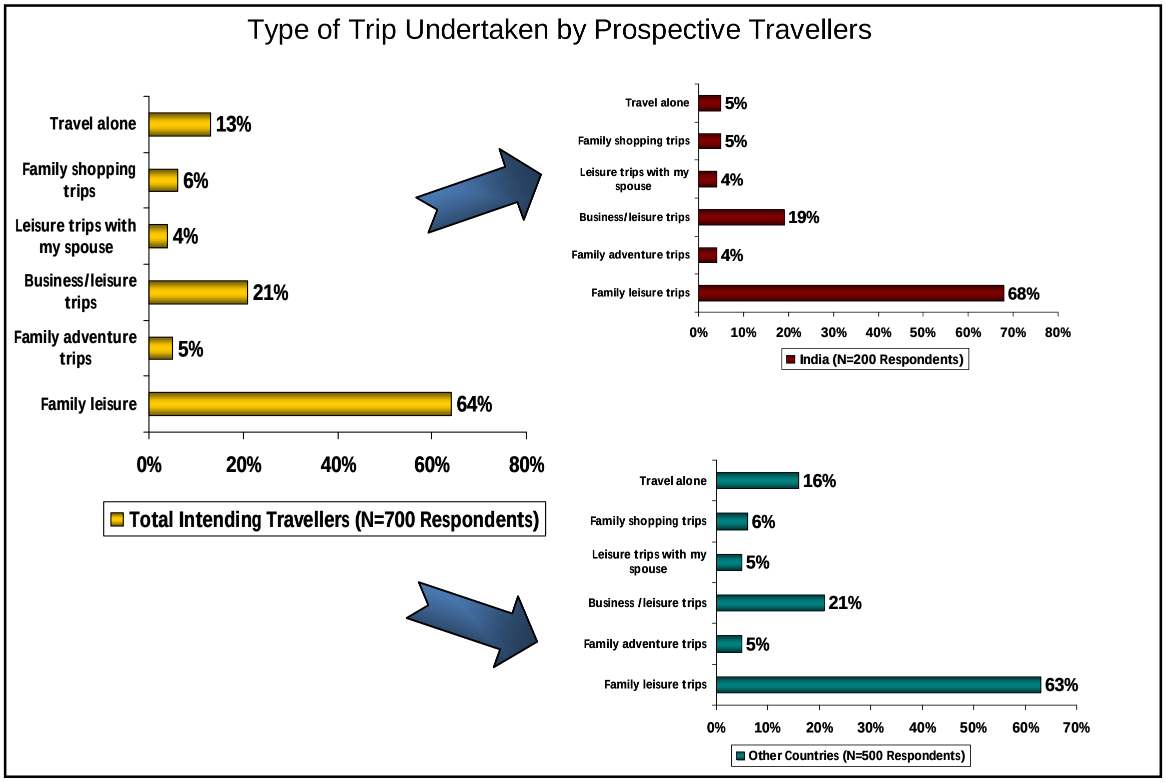
Figure 76 Country of origin of prospective travellers by destination



5.5.2 Type of Trip Undertaken by Prospective travellers

The most important type of trip opted for is the family leisure trip opted for by 68% India travellers and 63% other country travellers. The next most significant category is that of business sum leisure trips opted for by 19% India travellers and 21% of those travelling to other countries. An important category of travellers to other countries, though not so much for India are those travelling alone (16%). Lone prospective travellers to India comprised only 5% of the respondents.

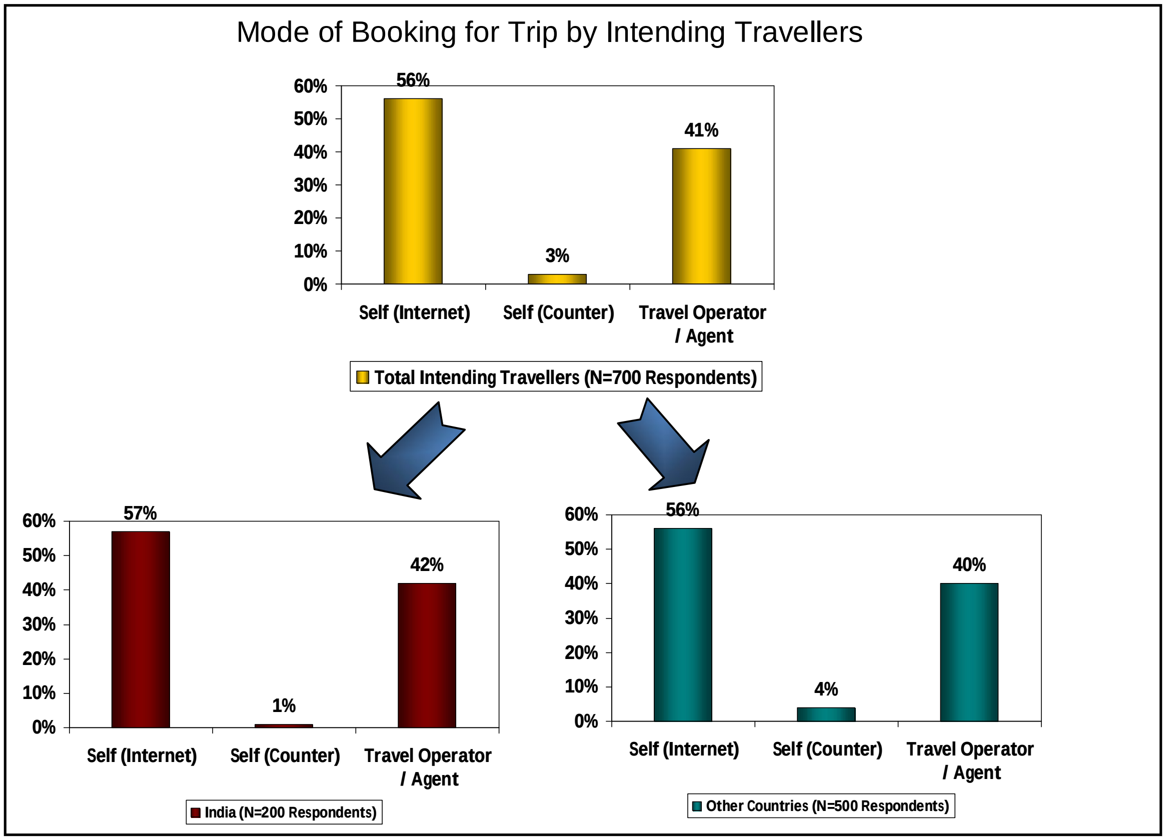
Figure 77 Type of trip undertaken by prospective travellers



5.5.3 Mode of Booking for Trip by Prospective travellers

Around 60% of all travellers showed preference to book their travel on their own rather than hiring a tour agent. Preference for tour agents is only slightly higher for India travellers (42%) as opposed to those going to other countries (40%).

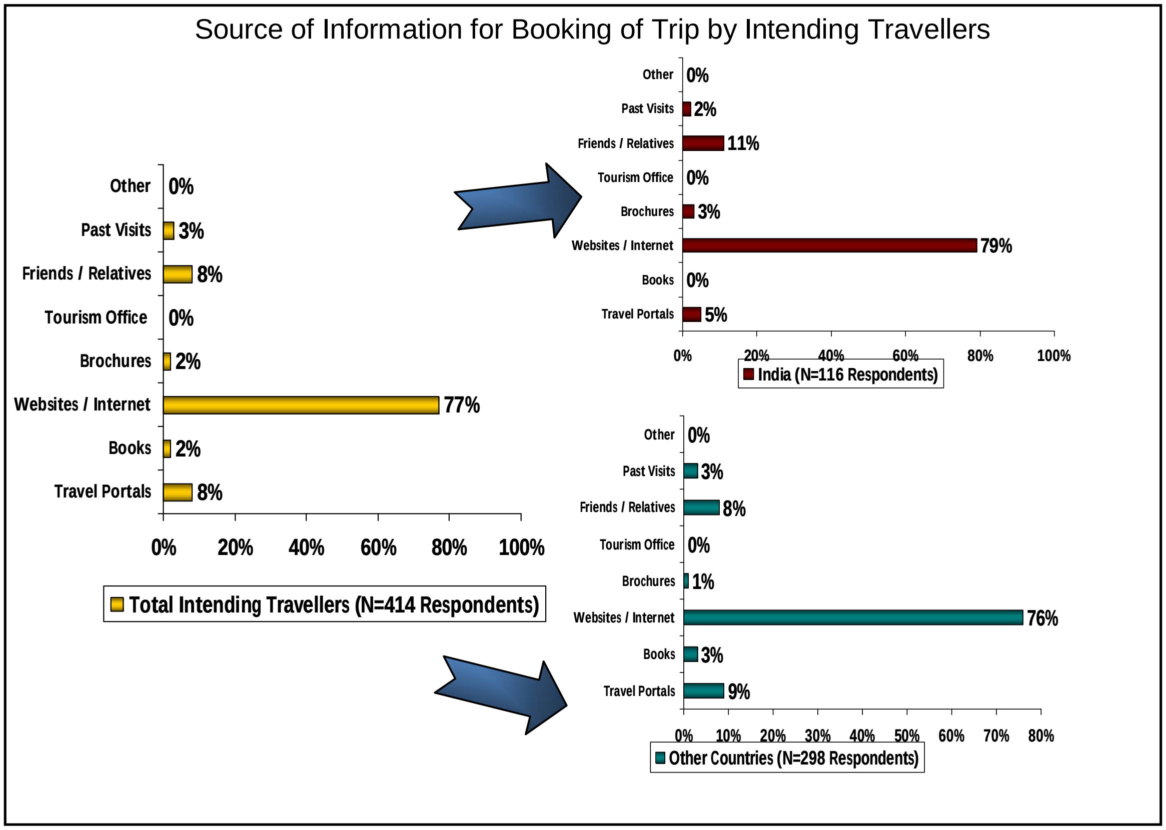
Figure 78 Mode of booking for prospective travellers by destination



5.5.4 Source of Booking Information for Prospective Travellers

Data clearly reveals that the internet is an extremely relevant source of information for all travellers. Over 75% of all responses received from both sets of prospective travellers indicated this, though family and friends could also be consulted occasionally.

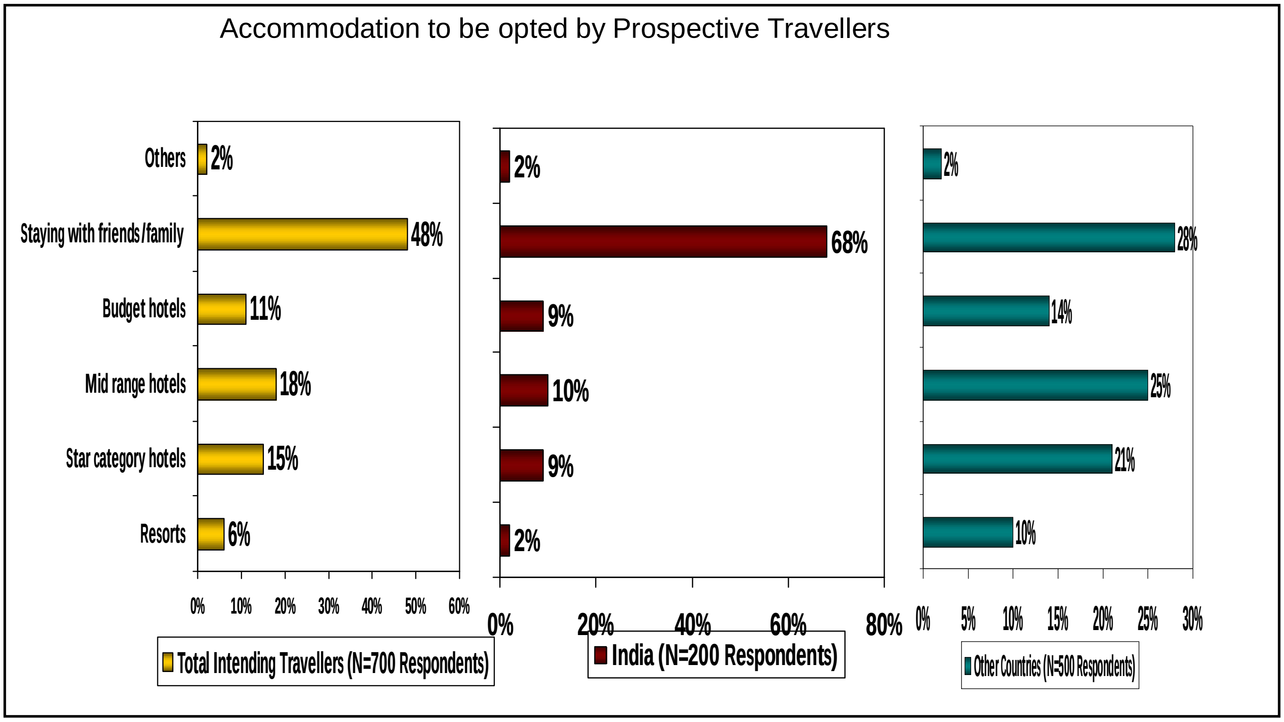
Figure 79 Source of booking information for prospective travellers



5.5.5 Accommodation to be opted by prospective travellers

Among those headed for India 68% of them were certain that they would be staying with friends or family in their homes. This is expected given the large percentage of PIOs and NRIs among the respondents. On the contrary, only 28% of those hoping to visit other countries were planning to stay with friends or family. 25% were planning to stay in mid-range hotels, 21% in star category and 14% in budget hotels. 10% mentioned that they would stay in luxury resorts.

Figure 80 Accommodation preferences of prospective travellers by destination



5.5.6 Distributing expenses across cost baskets: package and non-package trips opted for by prospective travellers

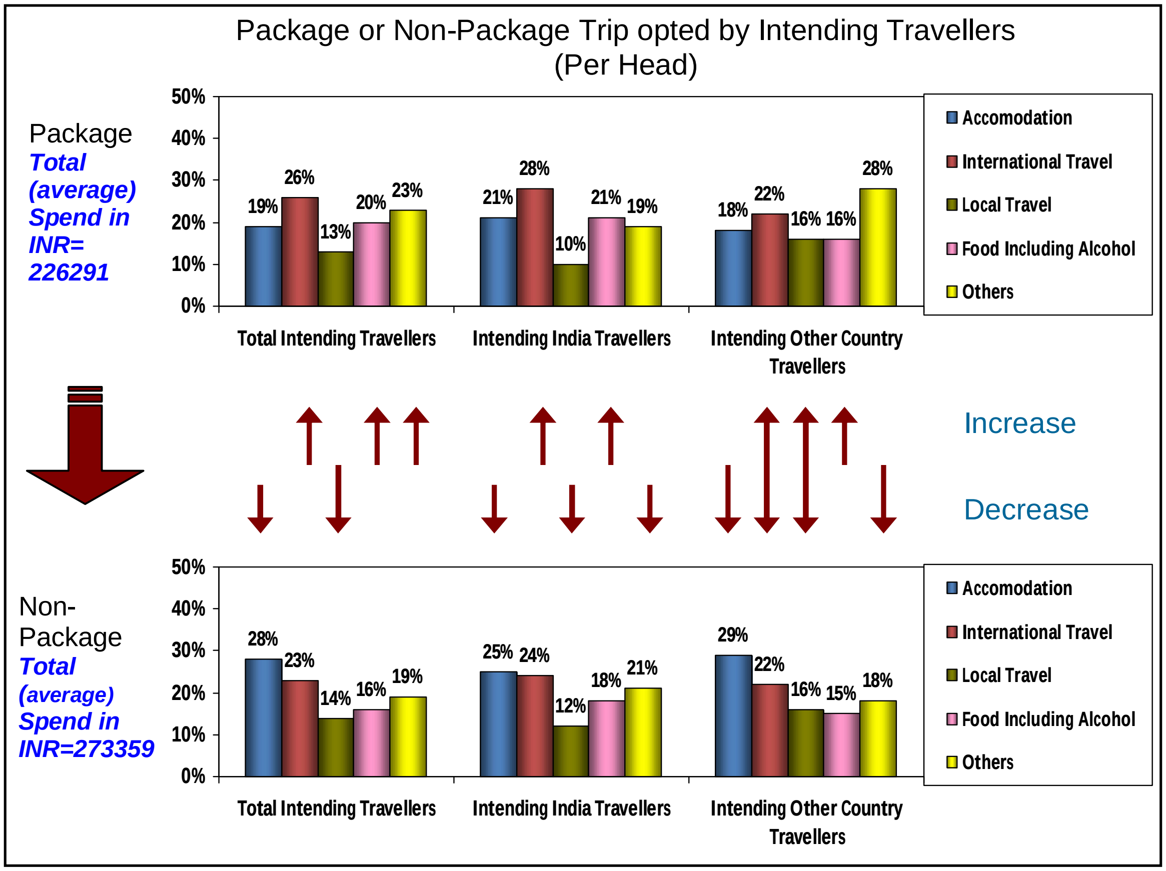
Anticipated average costs per head per trip were found to be higher among non-package travellers as opposed to those expecting to avail of package deals. Package travellers expect to spend less on accommodation but more on international travel as well as consumables as compared to non-package travellers.

Prospective travellers who wish to opt for package tours to India expect to spend 21% on accommodation and 28% on international travel. They expect to spend only 10% on local travel, 21% and 19% each on consumables and sundry costs.

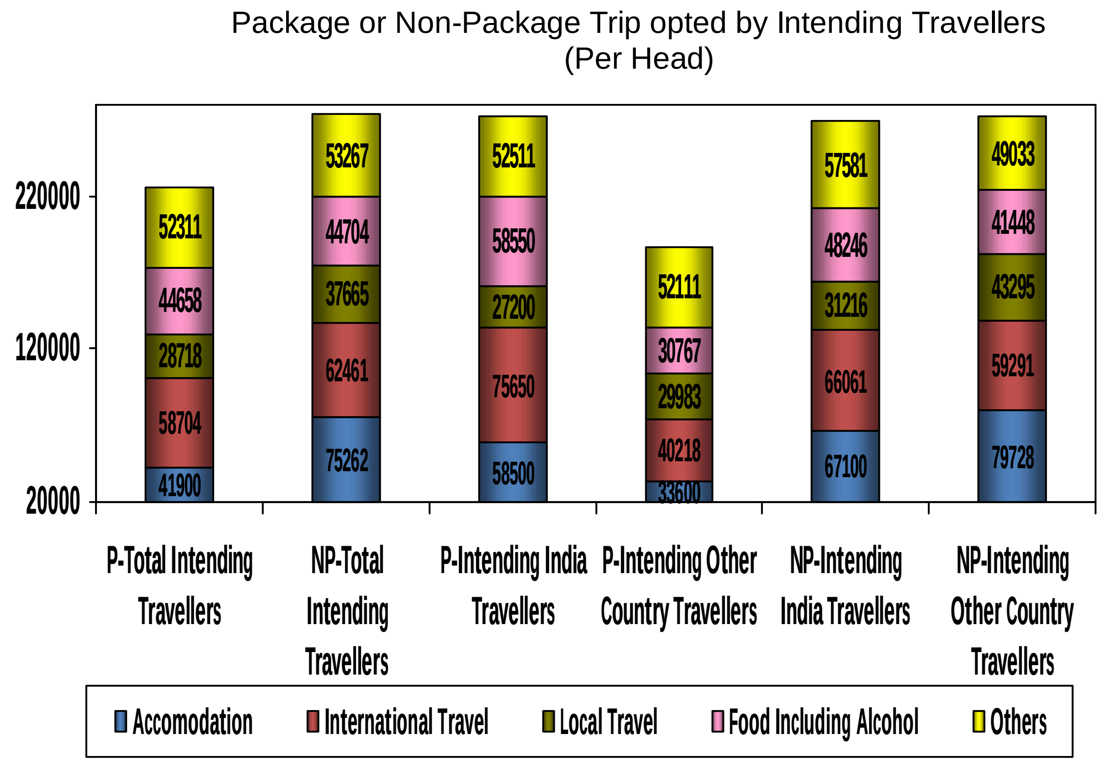
The pattern is the quite different for those who wish to opt for package tours to other parts of the world. They expect to spend 18% on accommodation and 22% on international travel. They expect to spend only 16% each on local travel and consumable costs. However, they expect to incur sundry and incidental costs of 28%.

Among those prospective travellers who wish to opt out of package deals, the pattern of intended spends is slightly different for India travellers vis a vis others. India travellers intend to spend comparatively less on accommodation (25% vis a vis 29% for other travellers) and local travel but they feel the need to spend more on international travel (24% vis a vis 22% for other travellers). They also expect to spend more on food in India than in other countries (18% vis a vis 15% for other travellers). Compared to package travellers, non-package travellers to India have a higher component of sundry and miscellaneous expenses owed to the unstructured nature of the trip. However this is not true for travellers to other countries.

Figure 81Comparing costs across cost baskets for package and non-package prospective travellers by destination



5.5.7 Package or Non-Package Trip opted by Prospective Travellers (Per Head)



The above chart shows average expenditure that the intending travellers hope to incure in their intended trip abroad. The first two stacked bars shows the difference of intended cost of accomodation, international travel, local travel, food and other expenditure between package and non package trips. The middle two stack bars shows the difference of intended cost of accomodation, international travel, local travel, food and other expenditure between packaged India trip and packaged non India trip. Similarly the last two stacked bars shows the difference of intended cost of accomodation, international travel, local travel, food and other expenditure between non packaged India trip and non packaged non India trip.

From this chart it can be observed, that in terms of accomodation, international travel, local travel, a package India trip in the near future costs an intending traveller more than a package trip to other countries in the near future. Similar characteristic can be observed when a non package India trip is compared to a non package non India trip, in terms of accomodation, international travel, food and other expenditures.

5.6 Projections for Future Outbound Travel – Australia

5.6.1 Factors Considered

For the purpose of forecasting the future trends of Foreign Tourist Arrivals (FTA's) to India from Australia, various factors were considered. The first factor is "Gross Domestic Product of a country" which is an indicator of the standard of living of the people of a country. Any change in the standard of living of the people will directly affect the number of outbound trips taken by them and also the amount that they are willing to pay for that trip. The second factor considered is the "Exchange Rate" (Australian Dollar to Indian Rupee). A low exchange rate lowers the price of a country's goods for consumers in other countries. The third factor considered is "Inflation Rate" which is the percentage rate of change in price level over a period of time. Price is one of the most important factors for any consumer to make a demand decision. The final factor considered is "GDP Per Capita". This is the amount of money that each individual gets in that particular country and in turn gives an idea of the willingness to spend on foreign trips.

5.6.2 Implication of Factors

The financial downturn in 2009 affected the entire world and also the economy of Australia. Tourism was also one of the sectors that got affected by the financial crisis leading to a decline in the inbound and outbound travellers.

Post this crisis the economy is much more resilient to any other such change and has scope to grow further and so does the tourism industry of Australia like all other industries, tourism industry, though still burdened with effects of the economic downturn, showed the proof of recovery as more tourists decided to visit India in 2010 than in 2009. This should lead to an increase in the total Australia outbound travellers and in turn an increase in the Australia outbound travellers to India.

5.6.3 Method of forecasting

To arrive at the future trends of FTA's we have considered three possible approaches i.e. "Optimistic Approach" which is the approach based on the current growth trends we have considered a compounded average growth rate (CAGR) of 13.9% for the period 2001 to 2009. "Most Likely Approach" assuming that all factors considered for the forecast grow at a constant rate- we have taken the rate as 8.1% which is the growth of the total foreign tourist arrivals to in India in 2010 as compared to 2009. “Pessimistic Approach” assuming the possibility that any future calamity can affect the factors considered- we have taken the rate as 7%.

5.6.4 Forecast of outbound tourists from Australia

Figure 82 Forecast of outbound tourists from Australia

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*
Optimistic	52691	50743	58730	81608	96258	109867	135925	146209	149074	169795	193397	220279	250898	285773	325495
Most Likely	52691	50743	58730	81608	96258	109867	135925	146209	149074	161149	174202	188312	203566	220055	237879
Pessimistic	52691	50743	58730	81608	96258	109867	135925	146209	149074	159509	170675	182622	195406	209084	223720

**predicted values*

Note: To arrive at these figures, the base years considered are 2001 to 2009 (both inclusive).

Please note that these figures were arrived assuming that economic, social and political conditions of both India and Australia will remain as it was during the time period based on which these figures have been projected. Occurrence of any contingency or event might affect the figures as given above.

5.7 Projections for Future Outbound Travel – New Zealand

5.7.1 Factors Considered

For the purpose of forecasting the future trends of Foreign Tourist Arrivals (FTA's) to India from New Zealand, various factors were considered. The first factor is "Gross Domestic Product of a country" which is an indicator of the standard of living of the people of a country. Any change in the standard of living of the people will directly affect the number of outbound trips taken by them and also the amount that they are willing to pay for that trip. The second factor considered is the "Exchange Rate" (New Zealand Dollar to Indian Rupee). A low exchange rate lowers the price of a country's goods for consumers in other countries. The third factor considered is "Inflation Rate" which is the percentage rate of change in price level over a period of time. Price is one of the most important factors for any consumer to make a demand decision. The final factor considered is "GDP Per Capita". This is the amount of money that each individual gets in that particular country and in turn gives an idea of the willingness to spend on foreign trips.

5.7.2 Implication of Factors

The financial downturn in 2009 affected the entire world and also the economy of New Zealand. Tourism was also one of the sectors that got affected by the financial crisis leading to a decline in the inbound and outbound travellers.

Post this crisis the economy is much more resilient to any other such change and has scope to grow further and so does the tourism industry of New Zealand like all other industries, tourism industry, though still burdened with effects of the economic downturn, showed the proof of recovery as more tourists decided to visit India in 2010 than in 2009. This should lead to an increase in the total New Zealand outbound travellers and in turn an increase in the New Zealand outbound travellers to India.

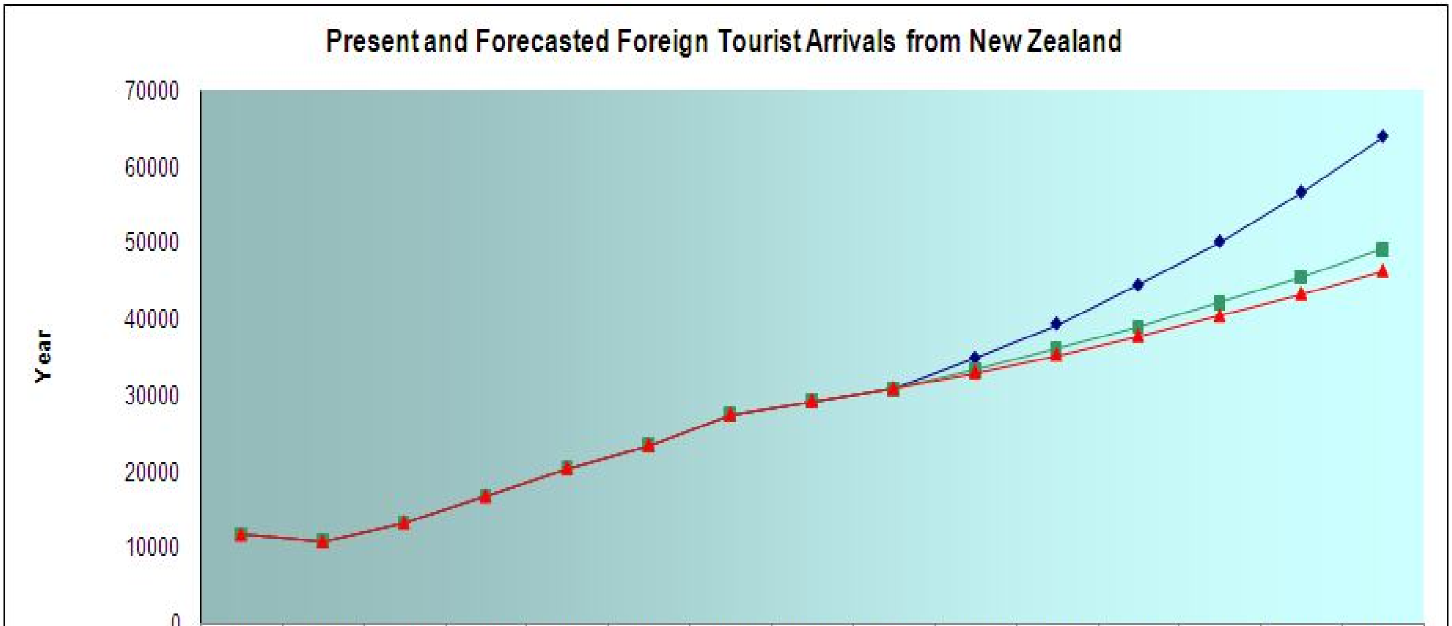
5.7.3 Method of forecasting

To arrive at the future trends of FTA's we have considered three possible approaches i.e. "Optimistic Approach" which is the approach based on the current growth trends we have considered a compounded average growth rate (CAGR) of 12.9% for the period

2001 to 2009. “Most Likely Approach” assuming that all factors considered for the forecast grow at a constant rate- we have taken the rate as 8.1% which is the growth of the total foreign tourist arrivals to in India in 2010 as compared to 2009. “Pessimistic Approach” assuming the possibility that any future calamity can affect the factors considered- we have taken the rate as 7%.

5.7.4 Forecast of outbound tourists from New Zealand

Figure 83 Forecast of outbound tourists from New Zealand



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*
Optimistic	11700	10811	13283	16762	20463	23493	27498	29261	30876	34859	39356	44433	50165	56636	63942
Most Likely	11700	10811	13283	16762	20463	23493	27498	29261	30876	33377	36080	39003	42162	45577	49269
Pessimistic	11700	10811	13283	16762	20463	23493	27498	29261	30876	33037	35350	37824	40472	43305	46337

**predicted values*

Note: To arrive at these figures, the base years considered are 2001 to 2009 (both inclusive).

Please note that these figures were arrived assuming that economic, social and political conditions of both India and New Zealand will remain as it was during the time period based on which these figures have been projected. Occurrence of any contingency or event might affect the figures as given above.

Chapter Six
India Tourism Office

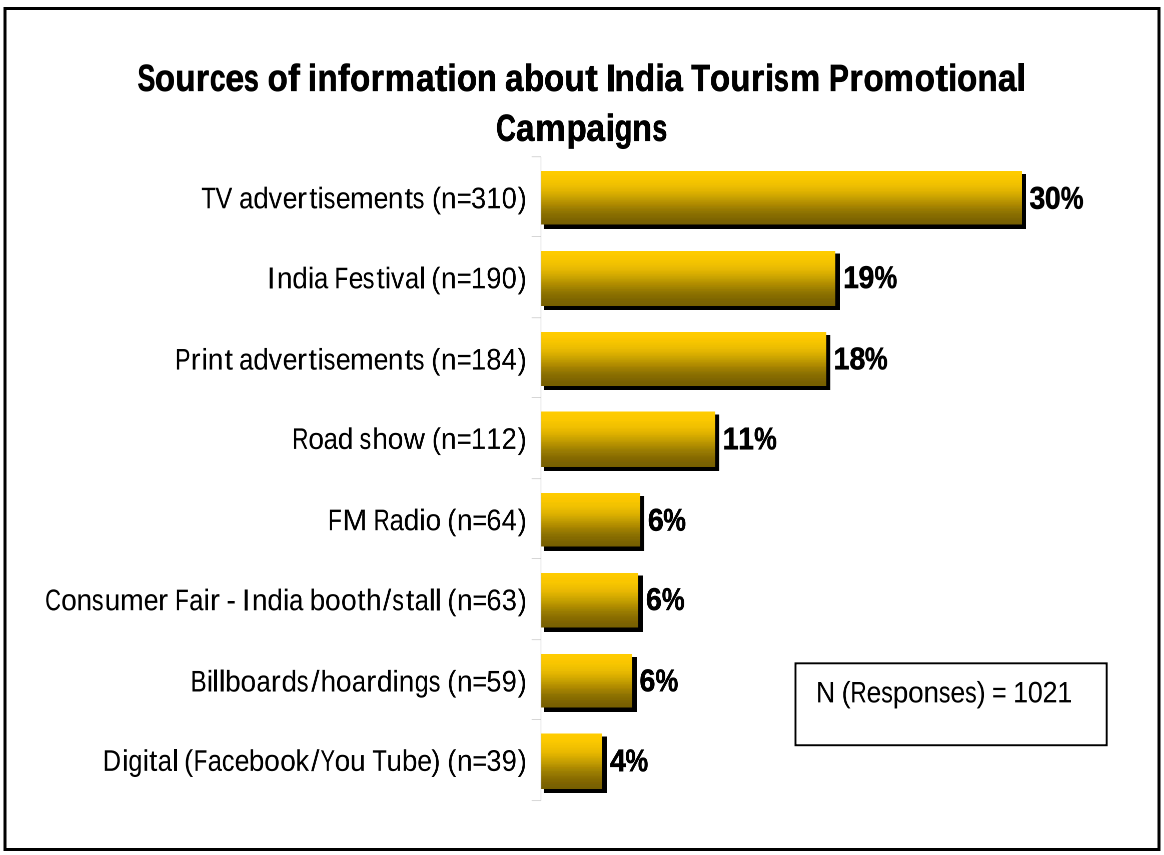
6.1 India Tourism Activity Response of Past Travellers

The survey had specific focus on the impact of the promotional activities of India Tourism Offices in the ANZ. Past travellers to India were asked to share their opinions on various aspects of the India Tourism Office.

6.1.1 Awareness of India tourism office promotions and advertisements

42% or 379 of the 902 travellers who had been to India in the last three years were aware of the existence of an India Tourism Office in their country. 59% were aware of India Tourism promotional activity. They had learnt of India Tourism Offices from promotional campaigns disseminated through TV advertisements, print media, and India Festivals (67% of 1021 responses received).

Figure 84 Source of information about India Tourism Office in the ANZ



6.1.2 Effectiveness of promotions and activities

35% of 379 respondents felt that these promotional campaigns were impressive and communicative.

Table 41 Effectiveness of promotions and activities

Effectiveness of Promotional Campaigns	No. of respondents	Percentage
Impressive and well communicative	94	71%
Duration of campaign is less	12	9%
Content lacking in clarity	17	13%
Visibility of campaign is less	9	7%
Total	133	100%

6.1.3 Influencing ability of promotional campaigns by India tourism office

35% of 379 respondents admitted that this did have some influence on their decision to visit India.

6.1.4 India tourism office as information source for all destinations in India

Only 41% of 379 respondents felt that the information provided by the India Tourism Office was adequate, which is a matter of concern.

6.2 India Tourism Activity Response of Intending Travellers

6.2.1 Awareness of India tourism office presence

Of the 200 prospective travellers who intended to visit India in the next visit, 56% were aware of an India Tourism Office in the ANZ.

6.2.2 India tourism office approached or not

56% of those who were aware (that is, 58 respondents) had not approached the office for assistance in planning the India trip.

6.2.3 Role of India tourism office in helping tourists plan a trip to India

Of the 46 persons who approached the India Tourism Office, 81 percent, that is 37 of them received adequate support and guidance.

6.2.4 Evaluation of role of India tourism office in promoting India as a tourist destination

44% felt that the Indian Tourism Office was playing a positive role in promoting tourism to India.

6.3 India Tourism Office activity qualitative evaluation

India Tourism Office is trying to promote India through its tour operators and travel agents. While all the officials are decorous and polite, they lack marketing skills which may be due to inherent limitations.

The expectations from India Tourism Office are very high among tour operators which it is often unable to match up to. India tourism office should participate more often in consumer fairs, buyer/ seller meets. It should make greater endeavour to improve brand visibility.

In Sydney, while one of the sky trains is carrying an ad campaign for Incredible India, this is not sufficient to generate awareness amongst Australians. This is true both for the youngsters as well as the middle-aged populations. It is very rare for a traveller to approach the India Tourism office for information.

It is interesting to observe that that tour operators of multiple countries are investing heavily in printing brochure, flyers and handouts where they are developing the product/package where in destinations are integrating two or more countries together. Within these package designs, India is used as stop-over destination for a couple of days say in transit between Australia and England.

India tourism office should take a more pragmatic approach such that ideas to promote new India are nurtured in addition to traditional products and circuits. A lot more effort needs to be targeted at grabbing greater attention of Australian eyeballs keeping in mind their psyche and attitude.

Chapter 7
Segmentation, Conclusion, Suggestions and Recommendations

7.1 Introduction

A segmentation model is a tool that can be developed within a spreadsheet or database that provides calculations and rankings for identified critical elements that are necessary to meet business objectives within a particular segment. A segmentation model consists of those critical elements most important to the continued success of meeting business objectives. The more specific these elements are, more meaningful is the tool.

On the basis of the data collected during the research survey an attempt has been made to meaningfully segment the outbound tourists from the Australia and New Zealand (ANZ).

7.2 Segmentation process followed

With live and current data, instead of using existing segmentation models, it was decided that a more relevant primary tourism consumer segmentation model would be developed on the basis of the markets studied. To segment the outbound tourists, underlying consumption habits were studied for emerging patterns from the collected data. From the outcomes, cross-tabulation and patterns, key variables that may be used in segmentation were identified. Their correlation was understood to avoid any statistical oversight.

The two fundamentally robust variables that were found to stand scrutiny on all the above counts are discretionary spending per head per vacation and travel time allocated per holiday. The cross-tabulation revealed a normal distribution about the centrally located nests. The qualitative inputs were broadly checked against the nests thus derived.

However, the emerging cross-tabulation threw up many fragmented nests across various holiday spending groups and holiday duration groups. Hence, on the basis of qualitative and secondary inputs from personal interaction these various fragments were consolidated into cohesive groups with similar behaviour. Holiday spending groups were consolidated on the basis of monthly household expenditure patterns. Finally, with respect to tourism behaviour 10 tourism consumer segments were arrived at. The same are presented below.

7.3 Outbound Tourist Segments from the ANZ

<table>
<tr><th colspan="2" rowspan="2">Outbound Tourist Segments from ANZ</th><th colspan="3">Travel Time Allocated (per holiday)</th></tr>
<tr><th>Short
(< 1 week)</th><th>Medium
(1-4 weeks)</th><th>Long
(> 4 weeks)</th></tr>
<tr><td rowspan="4">Discretionary Spending on Vacation (per head per holiday)</td><td>Low
(< 100,000 INR)</td><td>Sight Seers
(70, 3.4%)</td><td>Backpackers
(192, 9.2%)</td><td>Hitch Hikers
(98, 4.7%)</td></tr>
<tr><td>Low Middle
(100,000 – 300,000 INR)</td><td rowspan="2">Event Attendees
(213, 10.3%)</td><td>Family-Leisure Classical Budget Travellers
(655, 31.5%)</td><td>Globe Trotters
(335, 16.1%)</td></tr>
<tr><td>High Middle
(300,000 – 500,000 INR)</td><td>Family-Leisure Classical Comfort Travellers
(207, 10.0%)</td><td rowspan="2">Rich & Creamy Travellers
(194, 9.3%)</td></tr>
<tr><td>High
(> 500,000 INR)</td><td>Jet Setters
(23, 1.1%)</td><td>Work-Pleasure Mixers
(90, 4.3%)</td></tr>
</table>

Note 1: Past 3-year data was found to be robust and hence used in the segmentation. It is assumed that similar behaviour will continue in the future and hence past data which is on actual behaviour instead of proposed/intended behaviour serves the purpose of segmentation.

Note 2: Rows indicate different spending (money) categories per holiday.

Note 3: Columns indicate different time durations spent per holiday.

Note 4: Money and time are two fundamental parameters which any holidaymaker would decide upon while choosing between trip options. Money spent versus time spent has been selected as the key parameters for segmentation as these two have the maximum significance on anyone's travel behaviour when holidaying in a distant land where they may or may not visit again. Visitors are likely to be optimising their world-view of comfort and experience by manipulating these two variables.

Note 5: The various segments have been given different names on the basis of broad behaviour (qualitative response) of those falling within that cell and these names are only representative. It is possible that one segment overlaps another or certain attributes of a segment are not applicable to a significant number of respondents from within the same segment. It may also be possible that certain attributes of a certain segment are visible in other segments. However, the segmentation derived from the two parameters is fundamentally useful in categorizing which segment to target.

Note 6: For the purpose of segmentation each holiday has been counted as an independent response even if multiple holiday descriptions have been included from the same individual. Hence, the results may be marginally skewed. However, the assumption is that since this skew was random enough, its impact would also be randomly distributed across all segments thus nullifying any serious impact.

Note 7: The numbers in parenthesis across the various segments are the sum total of all responses while the percentages are the share amongst all responses.

Note 8: ANZ has a lot of intra-territorial holidaymakers within the geographies of Australia and New Zealand. This skews the segments more towards shorter trips and lower expenses.

7.4 Description of Segments

7.4.1 Broad Classification

1. Short duration holidays: Short duration holidays are largely taken by people,
    a. Who are short on time
    b. Who are short on money
    c. Who are close to the location
    d. Who are attending a specific event
2. Long duration holidays: Long duration holidays are largely taken by people,
    a. Who are living away from the country of their roots and go home periodically
    b. Who are passionate about experiencing places
    c. Who travel beyond the well known sight-seeing locations
    d. Who have an academic interest in places like archaeologist, historian, etc.
    e. Who spend disproportionately on holidays compared to their household expenditure
3. The peak towards the middle between very long holidays and short holidays is the classical traveller who likes to take family holidays with a mix of activities that suit different needs of different members of the family. However, this segment may be divided in to two clear categories,
    a. An affluent traveller who stays in starred accommodation and spends substantially on comfort and experience
    b. A more economical traveller who stays in mid-range hotels and spends mostly on experience and cuts down on comfort to extend experience
4. At the extreme high end of both variables of time and money are those luxury travellers who travel in style and belong to the exclusive club.

7.4.2 Segments

1. Sight Seers
    a. This class of travellers are likely to visit well known tourist spots in a country.
    b. They would be taking short vacations due to paucity of time or limitation of resources.
    c. This segment is likely to limit his or her holiday to near-shore destinations.

   d. Going to Europe from the UK, while categorised as “going abroad”, in terms of time and resources are more of short trips. Similarly, going to Australia from New Zealand or vice-versa, while technically qualifies as “going abroad” is quite different in many ways, including pre-planning, budget and duration for the trip.

2. Backpackers
   a. Tourists with limited resources largely consist of back-packers.
   b. This segment typically consists of single travellers or a couple (travellers with their spouse or partner or friend).
   c. These may also include researchers who are on short visits on a shoe-string grant for their academic pursuit.
   d. Air travel to a distant land is the biggest cost that these explorers incur.
   e. They almost always stay in budget hotels, motels, lodges (like Pahar Gunj and Karol Bagh in Delhi) or even hire out small rooms in suburbs.
   f. Within the country they will mostly travel by train, at times in non-AC coaches.
   g. This segment of tourists may also visit other Asian destinations like Nepal or Thailand in the same trip.
3. Hitch Hikers
   a. Tourists with limited resources also include this segment which travels with even lesser means than Back Packers.
   b. As the name suggests, they hitch and hike a lot during their holiday.
   c. This segment typically consists of single travellers who are young and are willing to experiment and experience.
   d. Air travel to a distant land (if at all) is the biggest cost that these explorers incur.
   e. They always stay in small seedy non-descript places.
   f. Within the country they will mostly travel by train or road.
   g. Occasionally, one or more of their friends or known individual belongs to the country visited, thus their visit is partially VFR.
   h. This segment of tourists may also visit other Asian destinations like Nepal or Thailand in the same trip.

4. Event Attendees
    a. MICE travellers and business travellers who come for a pre-defined purpose for a pre-defined period. They may club their main visit with some local sightseeing. (see category Work Pleasure Mixers below)
    b. Else these could be persons of different origin than country of residence who return to visit their relatives, families and friends.
    c. This segment may also include close friends of Indian citizens and PIOs.
    d. The occasions may vary from,
        i. Annual or biennial home visits,
        ii. Marriage in the family,
        iii. Other celebrations,
        iv. Instances of bereavement,
        v. Family settlements, etc.
    e. These visitors are likely to stay with family and friends during most of their stays.
    f. They may undertake short vacations. However, since they are mostly PIOs, these vacations internally are mixed with domestic travellers.
    g. These visitors are unlikely to use travel agents or tour operators as they know India very well.
    h. They may not even be travelling with foreign currency to spend in India as they have funds parked through remittances with relatives in India.
5. Family-Leisure Classical Budget Travellers
    a. These mainly include those who are well versed with India or have done enough research about India or the nature of their visit is such that they require staying for long duration but their budgets are not extraordinarily high.
    b. This segment may include PIOs, medical tourists or even those outbound travellers of foreign origin who would like to visit multiple destinations on a limited budget.
    c. They may be travelling with their families but many costs are shared or on the economical side and hence look for mid-range hotels.
    d. They usually would not stay in starred hotels, heritage or resorts nor would they be taking luxury trains or tours.
    e. They tend to visit not just major tourist attractions but also add a few quaint or unusual experiences.

   f. This segment also subsumes VFRs as they usually visit for a duration of 2-3 weeks or more in each of their home visits with once in a year or lower frequency.

6. Globe Trotters
   a. This segment takes long holidays.
   b. Their resources may or may not support a very luxurious trip.
   c. They plan and educate themselves about their trip and the country they are planning to visit well in advance.
7. Family-Leisure Classical Comfort Travellers
   a. These mainly include those who are well versed with India or have done enough research about India or the nature of their visit is such that they require staying for long duration but their budgets are on the higher side.
   b. This segment may include PIOs, medical tourists or even those outbound travellers of foreign origin who would like to visit multiple destinations.
   c. They may be travelling with their families and stay in starred hotels, heritage resorts and resorts.
   d. They tend to visit not just major tourist attractions but also add a few quaint or unusual experiences.
   e. This segment also subsumes VFRs as they usually visit for duration of 2-3 weeks or more in each of their home visits with once in a year or lower frequency.
8. Rich & Creamy Travellers
   a. This is the segment of upper class tourist.
   b. They prefer everything exclusive and therefore either stay in starred accommodation or in heritage or luxury resorts.
   c. They take super-luxury heritage trains to travel within the country or fly business and first class or even take a private jet.
   d. They do take a lot of time off for their vacation often with the help of travel agents plans and books for them.
   e. They have a love for doing the most exquisite experiences like spending time in a luxury spa or swimming with sharks or eating Fugu.
   f. They are likely to be retired high net-worth individuals or business persons on private visit.
   g. They prefer balmy season to visit any country or locale.

h. This segment is quite a rare breed though.

9. Jet Setters
    a. These travellers are usually well to do out on short family trips twice or more in a year.
    b. They have money but not more than one week at a time to spare on holidaying.
    c. Their vacation plans are also made not too far ahead of the travel date.
    d. Their trips may include the core family unit, instead of the joint or extended family.
    e. They rarely visit one country more than once in a lifetime, unless it is their country of origin, citizenship or place of work.
    f. They are used to staying in starred accommodation.
    g. Occasionally, they also stay in exclusive resorts or heritage accommodations.
    h. They are most likely to take a flight, wherever available or convenient.
    i. Convenience and comfort are key characteristics of their travel itinerary.
    j. In India such tourists are likely to visit the Golden Triangle for certain.
    k. Some of them may even visit Mumbai, Goa and/or Kerala backwaters.
10. Work-Pleasure Mixers
    a. These are typical business plus pleasure visitors.
    b. They could be in a country for business or meetings or short assignments on behalf of their organization and have invited their family to join them in the country.
    c. During their stay, they do take a break or two to go out to some of the well known places in the country.
    d. MICE visits may also be clubbed under this, even though such visits bring together a mixed bunch of people whose socio-cultural backgrounds may be diverse.

7.5 Conclusion

For the Government of India to target the tourist segments, the segment should be large and economically beneficial. Hence the smaller segments or segments with small budgets may not be meaningfully attractive. Keeping this in view the following segments from Australia and New Zealand (ANZ) should be focused upon,

1. **Family-Leisure Classical Travellers (41.5%):** With an overwhelming 31.54% in the budget category and another 9.97% in the comfort category, this combined total amongst the past travellers forms the largest single group that travels from the ANZ to foreign destinations. This traveller is typically looking for rich cultural heritage, scenic beauty, adventure and amusement during the holiday. The younger generation is looking for excitement with new circuits, adventure, cuisines and a dash of night life, because of which they prefer culturally similar destinations like Europe, America and South-East Asia. ANZ travellers are predominantly budget travellers. They are likely to travel economy class and stay in budget and mid-range hotels. The other relatively smaller sub-segment looks for higher levels of comfort and stays in starred accommodation and travels by air or luxury coaches.
2. **Event Attendees (10.3%):** At 10.3%, this is one of the most lucrative segments of tourists as they spend a lot within a short span of time and constitute a reasonable share of all outbound tourists from ANZ. They could be busy executives or travellers who are attending any family, religious, cultural, social or corporate event and hence their agenda for the visit is largely driven by the event and thus remains short. The event may be a business meeting or a MICE visit or even a friend or family visit. These travellers are likely to shop from tour operators to get greater options.
3. **Rich & Creamy Travellers (9.3%):** With 9.3% belonging to the highest end of holidaymakers, it is an attractive segment to target. They would like to travel in style and need amenities and all comfort during their stay. They would not only sight-see the top tourist spots but also spend their time across multiple locations with a mix of experiences. They are likely to travel by air and by road in luxury.
4. **Backpackers (9.2%):** The backpackers segment from ANZ may not be very attractive for India. They mostly travel within Pacific-rim or culturally similar regions.

7.6 Comparison of Preferred Destinations- India Vis-à-Vis Other Competing Countries

India has for long been known for its rich culture and heritage ,beautiful and artistic historical monuments, cuisine with traditional Indian spices and herbs, pocket friendly rates, breathtaking natural beauty and a wide range of tropical beaches.

Given the fact that Australia , New Zealand and India were a part of the British Empire, and both are a part of the Commonwealth of Nations, all three nations have a similar history and share common interest in a lot of areas like sports, politics and culture.

Australia and New Zealand being extremely close to each other, make excellent holiday destinations for residents from respective countries. The flight connectivity between Australia and New Zealand is also very good, which makes travelling for residents of both countries very convenient. These travellers are willing to spend for the purpose of exploring new destinations and for a good experience. India, USA, UK, Fiji and Thailand though might be distant from Australia and New Zealand, have a lot of good destinations and experiences to offer for the Australian and New Zealand travellers.

The following table sites the prefered destinations of Australian and New Zealand travellers and the top reasons to visit these destinations:

Australia	New Zealand	Fiji	USA	UK	Thailand	India
						
Top Reasons to Visit						
•Nature •Unique Animals •Beaches •Food •Adventure Tourism	•Adventure •Natural Beauty •Weather •Marine Life	•Climate •No Crime •Water Sports •Beaches •Cheap	•Architecture •Nature •Sports •Amusement Parks •History	•Historical Sites •Culture •Food •Shopping •Nature	•Affordable •Beaches •Food •Shopping •Nightlife	•*Culture* •*Historical Monuments* •*Food* •*Affordable* •*Nature* •*Beaches*

A brief explanation of the above figure can be seen as follows.

Australia (Destination for New Zealander's):

Alike New Zealand, Australia too is adorned with diverse natural beauty and a tremendous array of geographical wonders, which makes it a great getaway destination for the New Zealander's who want to enjoy a relaxing vacation.

New Zealander's flock to Australia to see the unique animals that Australia has like the Koala Bear, Kangaroo, Emu etc.

Australia too has "Adventure Tourism" and is renowned for its range of adventure activities, including bungy jumping, rafting, surfing and other water sports. New Zealander's Hence like to get away to Australia for water sports.

With mild temperatures and moderate rainfall, Australia as well as New Zealand are both illuminated with abundant sunshine which is the attraction for many a travellers. Australia and New Zealand's marine ecosystems and species are highly diverse and both the countries have one of the most beautiful beaches in the world. Hence the similar weather and geographical conditions attract more and more New Zealand travellers to Australia.

New Zealand (Destination for Australian's):

Adventure is a core aspect of New Zealand Tourism. New Zealand is renowned for its enormous range of adventure activities, including bungy jumping, jetboat riding, rafting and skiing. Australian's Hence like to get away to New Zealand for a good thrill and for an adventurous experience.

New Zealand is adorned with diverse natural beauty and a tremendous array of geographical wonders, which makes it a great getaway destination for the Australian's who want to enjoy a relaxing vacation.

With mild temperatures and moderate rainfall, Australia as well as New Zealand are both illuminated with abundant sunshine which is the attraction for many a traveller. Australia and New Zealand's marine ecosystems and species are highly diverse and both the countries have one of the most beautiful beaches in the world. Hence the similar weather and geographical conditions attract more and more Australian travellers to New Zealand.

Fiji:

Fiji being very close to Australia and New Zealand makes it a great destination for these travellers. Fiji's warm and tropical climate makes it one of the most sought after destinations for the Australian's and New Zealander's.

A low crime rate makes Fiji a hot spot for people from various countries. The top most concern of travellers, "safety" exists in Fiji which has helped Fiji gain the trust of all the travellers. Fiji also is a very cheap travel destination that has beckoned many a travellers.

Water Sports like snorkelling, sailing, scuba diving etc. draws the attention of adventure travellers from Australia and New Zealand.

Travellers are enthralled by the warm and clear waters of Fiji beaches. Fiji offers white sand, golden sand and black sand (volcanic erosion) beaches attracting travellers from New Zealand and Australia.

USA:

From the skyscrapers of New York to the ancient pueblos of New Mexico, the United States is a nation of architectural diversity. The citizens of Australia and New Zealand are enthralled by the uniqueness of the modern and traditional architecture that USA has to offer.

USA has ample of natural spots for which they have made enormous efforts to preserve and keep the beauty intact. These spots are great attractions for people who appreciate natural beauty and who want to relax and get some peace.

'Sports' is a very important part of the American culture. The most popular sports followed by people from different countries being baseball, American football, basketball and ice hockey. The Australian's and New Zealander's also being sport lovers often travel to USA to watch these sports.

USA is famous for the variety of amusement parks that it has to offer, "Disneyland" being a favourite amongst a lot of tourists. These parks predominantly attract crowd from the younger generation and also attracts people who travel for fun and entertainment.

The historical sites of USA are well appreciated by tourists. These sites having an influence of the European culture attract the Australian and New Zealand tourists.

UK:

As a result of the British Rule in Australia and New Zealand, the British cultural influence can be observed in these countries, attracting travellers for experiencing the British Culture. The food of UK is also famous and due to cultural similarities and attracts travellers from Australia and New Zealand.

UK is blessed with an exceptional range of historical sites, the best known of which is the World Heritage site of Stonehenge and Avebury which becomes a huge attraction for residents of Australia and New Zealand. UK with its diverse flora and fauna, is blessed with natural beauty making it a good relaxation destination for these travellers.

UK has a wide array of shops to offer to the travellers, form the boutiques, independent shops to shopping malls, attracting travellers from Australia and New Zealand for the purpose of shopping.

Thailand:

Like India, Thailand is relatively cheap and affordable for all type of travellers. Hence Australian and New Zealand travellers of all different income levels are attracted to the cheap rates. Australian and New Zealand travellers hence like to plan budget and leisure trips to these countries. They can hence get luxurious experiences at relatively affordable rates.

Thailand has a wide variety of beaches, “Phuket” being the largest and most popular island of Thailand. Apart from the regular sun and sand which is an attraction for the travellers, these beaches are famous for the nightlife offered and make a hotspot for travellers from Australia and New Zealand.

Thai food is famous for its balance of spicy, sour, sweet, salty, and bitter. This different food attracts a lot of Australian and New Zealand foodies.

Thailand has long been known as a bargain hunter's paradise. Australian’s and New Zealander’s are attracted to the cheap rates of Thailand markets. These type of travellers make shopping trips to Thailand for availing the benefits of the affordable rates that the country has to offer.

India:

The culture of India is an amalgamation of diverse sub-cultures, which appeals to people worldwide. Indian as well as Australian and New Zealand culture has traces of British culture due to the British rule which makes India a favourable destination for the Australian's and New Zealander's .

Australian's and New Zealander's come to India for the purpose of Indian food, as they find the Indian spices very pallatable.

India has a collection of one of the finest historical monuments. India also has monuments that were constructed during the British Rule. The Australian's and New Zealander's are hence enamoured by the beauty of these monuments. India is rich with natural beauty which includes waterfalls, Western Ghats, hill stations, wildlife reserves and desserts. India also has a large number of tropical beaches (Goa, the konkan coast etc.) which can be great to attract travellers from these countries who intend to explore the different beaches the world has to offer. Tourists also find great interest in the coral beaches of Lakshadweep which are one of its kinds.

7.7 Promotional activities by Other Tourism Boards in ANZ

Vietnam:

Vietnam Tourism Board gets BBC to complete a 30 second commercial showing the best features of Vietnam to the 'Asia Pacific' audience. A commercial on BBC which is a well reputed news channel has created a huge impact on the travellers from ANZ.

Vietnam also organizes trips for media and travel agencies from France, Thailand, China, South Korea, USA, Western Europe, Japan and Australia. Media and travel agencies play a pivotal role in influencing people travelling to foreign destinations. Vietnam have also slashed the tour prices to attract tourists from ANZ.

Cambodia:

Combodia has hosted the 30th ASEAN Tourist Forum (ATF 2011) at its newly constructed 'Diamond Island Convention and Exhibition Centre' which has played a pivotal role for attracting travellers from Australia and New Zealand.

ASEAN TOURISM FORUM
15 - 21 January 2011
Phnom Penh • Cambodia

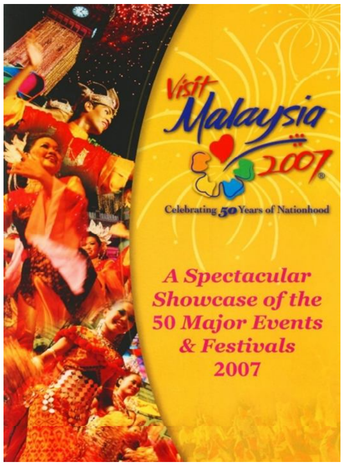
7.8 *Advertisements by other Tourism Boards to attract foreign tourists*

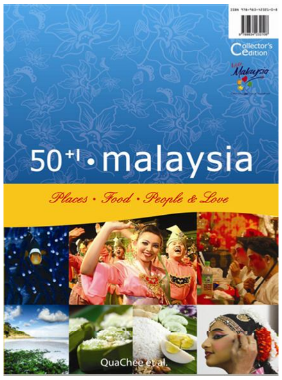
The Tourism Boards of various countries have taken the help of print, web and media advertisements for promoting their country as a tourist destination. These advertisements are unique, informative and have helped in attracting many a travellers.

A glimpse of some of the innovative and attractive advertisements can be seen as follows.

Malaysia

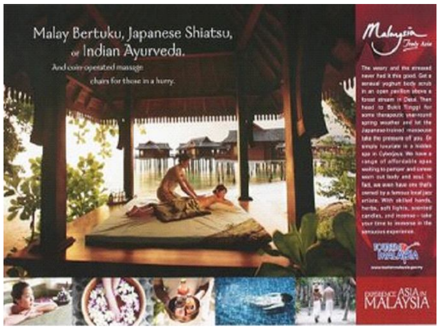
In this print advertisement, Malaysia is promoting its 50 major events and festivals. The theme here is 'Visit Malaysia'. Malaysia like India has a very diverse culture. The Malaysian tourism board hence has used this diversity in culture and numerous festivals as a medium to connect with the rest of the world. Through this advertisement they are trying to attract the various travellers who are interested in the traditions, festivals and events of Malaysia. This is also a very nice way to promote the various activities that people can expect to see when they visit malaysia.





Malaysia tourism promoting the various products offered by them i.e various places to visit, the different cuisines offered and the diverse people and culture present. This advertisement is very informative and helps people know what they should expect when they visit Malaysia.

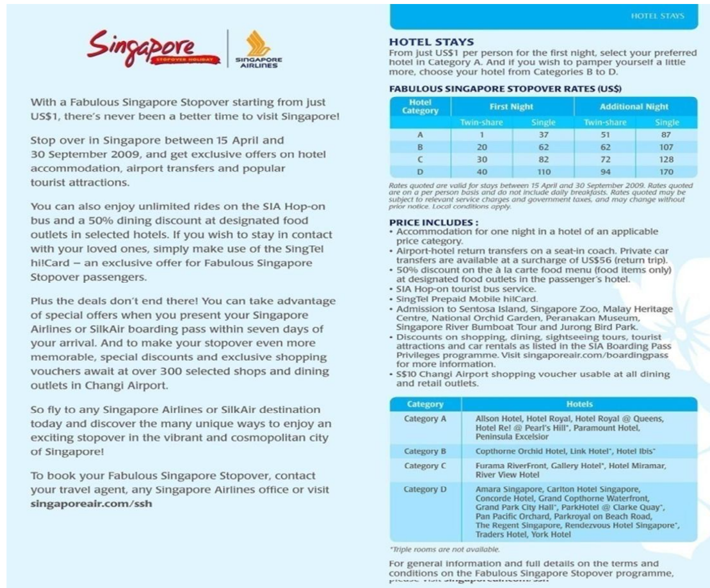
The advertisement is clear and discrete. Indian advertisements are innovative but can be more clear and discrete for the travelers to understand what they can expect from India.



Malaysia in a very innovative way using this advertisement promotes itself as "Truly Asia". It portrays itself as possessing the specialty of Asian countries like "Malay Bertuku, Japanese Shiatsu and Indian Ayurveda". This is a very innovative and effective advertisement for travellers in search of a variety of products.

Singapore

Singapore Airlines, helps in promoting Singapore. The airlines provides information on the different category of hotels present and and price range offered by each category of hotel. It also provides exclusive offers on hotel accomodation, airport transfers and popular tourist attractions.



Singapore STOPOVER HOLIDAY | SINGAPORE AIRLINES

With a Fabulous Singapore Stopover starting from just US$1, there's never been a better time to visit Singapore!

Stop over in Singapore between 15 April and 30 September 2009, and get exclusive offers on hotel accommodation, airport transfers and popular tourist attractions.

You can also enjoy unlimited rides on the SIA Hop-on bus and a 50% dining discount at designated food outlets in selected hotels. If you wish to stay in contact with your loved ones, simply make use of the SingTel hi!Card – an exclusive offer for Fabulous Singapore Stopover passengers.

Plus the deals don't end there! You can take advantage of special offers when you present your Singapore Airlines or SilkAir boarding pass within seven days of your arrival. And to make your stopover even more memorable, special discounts and exclusive shopping vouchers await at over 300 selected shops and dining outlets in Changi Airport.

So fly to any Singapore Airlines or SilkAir destination today and discover the many unique ways to enjoy an exciting stopover in the vibrant and cosmopolitan city of Singapore!

To book your Fabulous Singapore Stopover, contact your travel agent, any Singapore Airlines office or visit **singaporeair.com/ssh**

HOTEL STAYS

HOTEL STAYS

From just US$1 per person for the first night, select your preferred hotel in Category A. And if you wish to pamper yourself a little more, choose your hotel from Categories B to D.

FABULOUS SINGAPORE STOPOVER RATES (US$)

Hotel Category	First Night		Additional Night	
	Twin-share	Single	Twin-share	Single
A	1	37	51	87
B	20	62	62	107
C	30	82	72	128
D	40	110	94	170

Rates quoted are valid for stays between 15 April and 30 September 2009. Rates quoted are on a per person basis and do not include daily breakfasts. Rates quoted may be subject to relevant service charges and government taxes, and may change without prior notice. Local conditions apply.

PRICE INCLUDES :

- Accommodation for one night in a hotel of an applicable price category.
- Airport-hotel return transfers on a seat-in coach. Private car transfers are available at a surcharge of US$56 (return trip).
- 50% discount on the à la carte food menu (food items only) at designated food outlets in the passenger's hotel.
- SIA Hop-on tourist bus service.
- SingTel Prepaid Mobile hi!Card.
- Admission to Sentosa Island, Singapore Zoo, Malay Heritage Centre, National Orchid Garden, Peranakan Museum, Singapore River Bumboat Tour and Jurong Bird Park.
- Discounts on shopping, dining, sightseeing tours, tourist attractions and car rentals as listed in the SIA Boarding Pass Privileges programme. Visit singaporeair.com/boardingpass for more information.
- S$10 Changi Airport shopping voucher usable at all dining and retail outlets.

Category	Hotels
Category A	Allson Hotel, Hotel Royal, Hotel Royal @ Queens, Hotel Re! @ Pearl's Hill*, Paramount Hotel, Peninsula Excelsior
Category B	Copthorne Orchid Hotel, Link Hotel*, Hotel Ibis*
Category C	Furama RiverFront, Gallery Hotel*, Hotel Miramar, River View Hotel
Category D	Amara Singapore, Carlton Hotel Singapore, Concorde Hotel, Grand Copthorne Waterfront, Grand Park City Hall*, ParkHotel @ Clarke Quay*, Pan Pacific Orchard, Parkroyal on Beach Road, The Regent Singapore, Rendezvous Hotel Singapore*, Traders Hotel, York Hotel

*Triple rooms are not available.

For general information and full details on the terms and conditions on the Fabulous Singapore Stopover programme,

A promotion in this manner can be very useful for the tourists as it helps save their time of searching for hotels and travel options. It also reaches to travellers with different budgets.

The Government promoting its uniqueness through this advertisement. As seen in the advertisement the website address is clearly visible and the tourists can easily know where to get their information about singapore. Indian website similarly is very extensive and has a lot of information available for the travellers. The website needs to be promoted more upfront so that the travellers are aware about where they should go to, to search for more information about India.

England

Northeast England in its advertisement promotes 'passionate places for passionate people'. They also provide proper contact details so that the tourist know where to go to for obtaining information to plan their holiday.

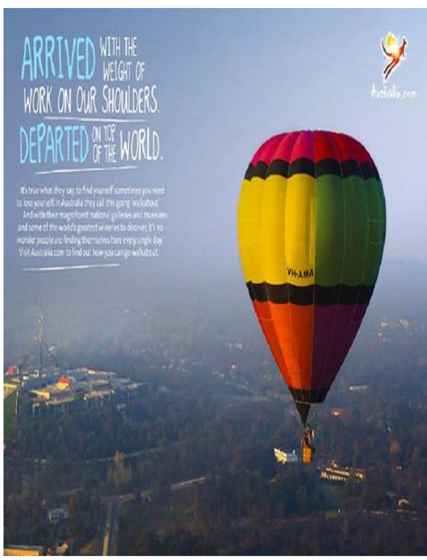
Turkey

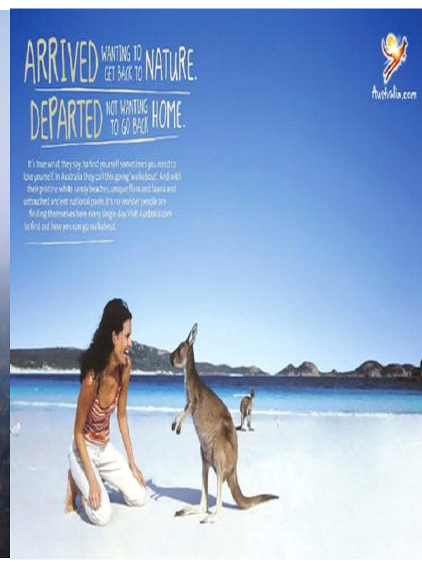
Turkey through this advertisement is promoting its rich culture.

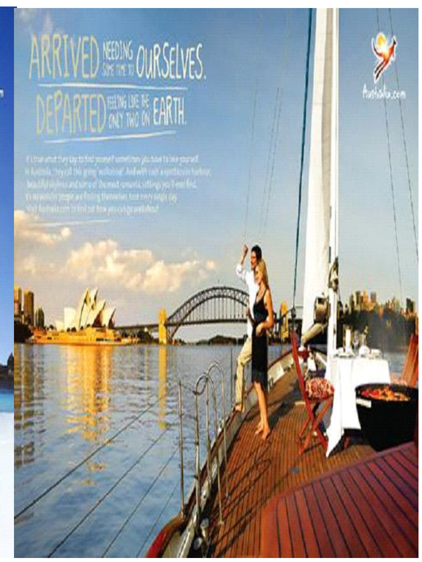
The culture of Turkey is largely diverse and alike India combines clear efforts to be "Modern" and “Western”, with a desire to maintain traditional religious and historical values.

This is a great way to attract the different culture that the country has and also to attract many a abroad travellers who like to visit different countries to get a taste of their culture.

Australia







Australia Showcasing the different products offered in the advertisements. Every advertisement has a new and unique product to offer. These advertisements give tourists a clear idea of the different products that they should expect from Australia and how can they plan their trip to Australia.

New Zealand

This Film was awarded First Place in the Travel Category by the US International Film and Video Festival. This DVD explores New Zealand like never before. This film on New Zealand proves to be a very informative and entertaining way to promote the country and to make the people worldwide aware about New Zealand and what are the various places that they can go to and products that they can expect when they visit the country.

New Zealand promoting itself by a book on 1001 things that can be done ni New Zealand. This book like the movie above is very informative and provided in brief a description of what can be done in New Zealand. The book gives 1001 experices for people to chose from. The people with different likes and dislikes can easily caategorise what they would like to do in New Zealand with the help of this book.

New Zealand promoting 100% pure New Zealand through its website.

This advertisement was also shown on television potraying New Zealand pure and a country full of natural beauty.

The website of New Zealand is clearly mentioned and visible in this advertisement.

7.9 Road Map to Improve Promotional Activities in India

Looking minutely into the promotional activities of different countries, the following points call for attention for the purpose of making India more forthcoming and prominent in its promotional campaigns and advertisements.

❖ Travellers are aware about India and also about the promotional /publicity material available at various forums but, these are not helping the travellers to plan their travel. The information provided needs to be more comprehensive and clear. Travellers feel the need of a travel ternary.

❖ All the required information is available on the website of Incredible India, but the website needs to be more focussed, product driven and clear so that travellers can decide their destination and can compare India vis-à-vis other competitive countries. The Campaign should be focused more to lure the intending travellers to "Visit India "rather than simply describing India.

❖ Travellers only aware of Golden Triangle, Kerala & Goa. So, more destination specific visuals/ campaigns defining the products and its unique features need to be devised and promoted. Rather than marketing India or just one state to the trade, focus should be on marketing a product /activity/ event. Under the umbrella of brand India new tourist circuits need to be created to attract different type of travellers. Segment specific products i.e different products and packages for adventure tourists, family travellers, business travellers, medical tourist's etc. need to be offered. Thus there is need to focus separately for the 3 different stakeholders;

- <u>Trade/ Tour Operator:</u>

  Tour Operators help travellers in planning foreign trips to countries that they are not aware of. Focussing on trade and making them fully aware of the products that India has to offer will create a gateway for foreign tourists to India. It is also suggested to improve the number of tour operators and motivate them to work for 'India Tourism Office'. There is a need for an integrated approach by India Tourism Office and tour operators. India Tourism Office must participate in important fairs and festivals where they can sponsor any event which will finally send a message to "*Visit India*" and not just educate travellers about India.

- Media:

  Media is a medium that can be used to make people aware about India. Media reaches the masses and hence is a very important tool of promotion. The media advertisements need to focus on the various products that India has to offer assuring that India is a safe and secure country to visit and can also showcase the unique blend of modern and traditional experiences that India has to offer. Media can help remove the myth of people that India is not a safe country and that India is still backward in its approach. The fact being that India is safe and has a huge variety of modern products to offer and that India is developing at a very fast pace as far as technology and modern amenities are concerned, which needs to be highlighted. Media can also take the help of Australian and New Zealand celebrities and famous personalities to promote the pleasant experiences that they had encountered during their stay in India.

- Traveller

  More efforts need to be put in creating promotional campaigns which will increase footfalls of travellers to India. In order to attract intending travellers as well as past travellers (for repeat visit) - a comprehensive travel guide or plan with lots of stimulus is essential. Thus it is imperative to categorise the travellers from any particular country on the basis of their travel pattern and habit/ behaviour. After a thorough analysis of available qualitative and quantitative data, it is proposed to follow the following segmentation / categorisation of travellers to enhance the traffic flow from ANZ to India.

Travelers Segment	Purpose	Budget (INR)	Duration	Accommodation	Attraction
Immigrants 	•Visiting Friends and Relatives •Religious Purpose •Leisure and Recreation	100000 – 300000	1-4 weeks	•Friends and Relatives •Mid Ranged Hotels	•Places of historic importance •Ancestral Property (people of Indian Origin) •Culture and Festivals •Natural Beauty •Cuisine
Adventure Tourists 	•Adventure Sports •Trekking •Camping	300000 – 500000	More than 4 weeks	•Mid Ranged Hotels •Star Category Hotels •Resorts	•White water Rafting Camps •Trekking Groups •Adventure Sports • Outdoor Camps •Jungle safaris
Family Travellers 	•Visiting Friends and Relatives •Leisure and Recreation	300000 – 500000	1-4 weeks	•Friends and Relatives •Star Category Hotels •Resorts	•Scenic Beauty • Amusement •Culture and Heritage •Cuisine •Night Life •Tourist attractions

- *Immigrants* travel abroad to meet their Friends & Relatives, for religious purpose and for leisure and recreation. These travellers can be attracted by showcasing India's historical monuments, culture, festivals and places with natural beauty.
- *Adventure* Tourists come to India for adventure sports, trekkeing and camping. These travellers can be attracted by showcasing White water Rafting Camps, Trekking, Adventure Sports, Outdoor Camps and Jungle safaris.
- *Family Travellers* travel abroad to meet their Friends & Relatives, and for leisure and recreation. These travellers can be attracted by showcasing the scenic beauty that India has, various amusement activities for travellers of all age groups, India's culture and heritage, the different type of cuisine that India has to offer, night life and various tourist spots.

❖ ***Last but not the least,***

- The *"Incredible India"* website needs to be upgraded regularly.
- The content of the website also needs to be reviewed periodically and new destinations/ products/ circuits need to be brought to the knowledge of the travellers.
- Promotional campaigns need to highlight the Incredible India web-address more prominently,

- There is also a need to increase the visibility of the website.

7.10 Suggestions for specific measures to promote Indian Tourism

For holidaymakers from ANZ, India is a long haul destination. The travel season is mostly during summer (ANZ is in southern hemisphere and thus has summers when it is winter in northern hemisphere) with a peak in November. The largest travel is within the Pacific rim islands including Fiji. Amongst long haul destinations, Asia is preferred by a large segment of ANZ holidaymakers with Thailand, Malaysia, Singapore and China being the top destinations. However, India does not seem to be amongst the top Asian destinations for travellers from ANZ.

One may attempt to change this using some of the simple steps enumerated below.

1. **Target Population:** To target the ANZ residents they may be sub-divided into 3 different categories with specific pointers for each one,
   a. **ANZ Residents:** They are the more affluent segment and outside the ANZ and Pacific Rim geography they seem to prefer travelling to Europe, Asia and the US in that order. They are curious about India and would like to make a more informed decision. However, due to scant information about various destinations within India or holiday experiences, India does not seem to be a preferred country to visit. India also does not seem to offer a seamless holiday experience from choosing a destination, making a travel plan and the bookings. They also seemed to associate India with the clichéd view of too many beggars on the street and the country being too dirty and polluted with city roads and traffic one of the biggest concerns. There is also health and security concern. Travel advisory for Australians visiting India is perhaps one of the biggest dampeners while planning a holiday in India. On the other hand ANZ has a lot of repeat visitors to India. It may be surmised that those who experience India find it much more positive than those who only read about the India and do not visit it. Positives that ANZ holidaymakers find here included cuisines, culture, heritage and India’s diverse ethnicity. India needs to completely reposition itself in the minds of travellers from ANZ such that it compares well with the best of places the rest of the world has to offer. A 360-degree positive campaign would perhaps be the biggest need for building the “new India” image that is different from the clichéd negatives. Since those who visit India do come back, if word-of-mouth can be spread

through this group, it can create greater impact. Endorsements by famous Australian(s) or New Zealander(s) might also be useful.

b. **Expatriates other than PIOs:** This is a rather small group and may not be a significantly different in its behaviour compared to the residents of ANZ geography. The only other factor is that they may also be travelling to their home geography and therefore this diverse group might get influenced from their perception about India in their home country. Global executives based out of Australia however could be positively influenced to create greater traction for MICE travellers into India. On the whole no clear objective can be planned out for this segment.

c. **Persons of Indian Origin:** Since these people are well aware of India, selling to them will be of little value. Instead, they could be targeted with a repositioning communication about India which should help them see India as comparable to other destinations in the world. As Indians are bargain hunters by nature, inform them about special schemes that the ministry, ITDC and state tourism development corporations are running and leverage their holiday season when they are planning to return home.

2. **Marketing Activities:** Tourism industry as a whole needs to have a cohesive, systematic and planned year-round presence with promotional activities that may build up in time for the November peak for ANZ residents. The following pointers may be useful,

   a. **Media:** Building a presence to reposition India through magazines, newspapers, television channels and website is a primary need in building traction for tourism in India. Positioning of new India, which is different from the clichéd picture of India needs to be undertaken seriously. One must also attempt to project the diversity of products and experiences that a holiday in India has to offer. It might be useful to organize familiarization tours for the travelogue writers in a systematic manner on a regular basis to capture reader fancy.

   b. **Blogs and social media:** Media coverage also needs to modernize substantially with substantial presence on the web with linkages to decision making and trip booking for travel to India. Since most of the holidaymakers seem to be using online and web for prospecting, gathering information and booking purposes, this cannot be overlooked for ANZ either. Separately, blog-writers and social media presence will build a different image of India than the one prevailing in the minds of ANZ residents.

c. **Trade Channel:** The objective with the trade channel should be to upgrade their knowledge and information about India. Those operators who have India in their portfolio should be supported and incentivised while those who do not have Indian holidays as part of their offers should be encouraged to do so.
d. **Publicity:** Provide advertisement support on online travel search. Develop and send fortnightly e-newsletters to trade covering different themes, products, new activities in India such as launch of a new five star hotel, information about new flight and local connectivity, promoting specific regions in partnership with state tourism offices, promoting festivals, promoting cuisines, etc.

3. **Focus Upon:** In summary, focus should be on,
    a. Projecting a new India with world-class experience and better-than-anywhere-else destination options.
    b. Challenge the clichéd view that India is a dirty, polluted, beggar-infested country that is only known for the Taj Mahal.
    c. Build trust about India as a holiday destination with greater information about India being a safe and secure destination.

7.11 Way Forward – Long Term and Short Term Measures to promote Indian Tourism

Short Term Measures:

- Organize focused Familiarization tours for media persons and tour operators.
- Impart training to front office executives who are in direct contact with prospective travelers so as they can handle all types of queries.
- Though enough publicity material is there, but it is all out-dated, there is no mention about New India – new destinations, new products, new packages, new circuits and new luxury properties need to be promoted alongside well known destinations, so as to offer a large choice in front of prospective travellers.
- New methods of promotion need to be introduced, for example, promotion on search engines and social networking sites which have immense reach irrespective of the geography.
- Frequent interaction with tour operators – to remain connected.
- To position India as an STOP OVER DESTINATION for ANZ travellers to UK.

Long Term Measures:

- More focus on product /destination campaigns required for different set of travelers. Products for specific countries should be designed based on the needs and requirements of travelers from that specific geography.
- Rather than sending brochures etc, fortnight updates on what is happening NEW in India –event, launch, festival etc.
- Design advertisements with celebrities of the target country to lend trust and credibility to the promotional advertisement.

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