Study on Tourism in the Overseas Market of United Kingdom (UK)

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) & United Kingdom (UK) is the second largest contributor after United States of America, to the entire Foreign Tourist Arrival (FTA) in India. Though the share of FTAs from UK to India is high owing to the historical relationship between the two countries, a vast opportunity lies untapped in the form of outbound travellers in the UK market. 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 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 London.

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 India is one of the commonwealth nations and UK being the head, awareness among UK nationals about India and it tourist destinations is very high.

For holidaymakers from UK, India is a long haul destination. On virtue of having friends and relatives in India, they have visited India in past and have seen the destinations that are promoted frequently. India is not just an already visited destination but is also perceived as an expensive destination by them (especially after the financial downturn). UK past travellers has spent average INR 2 lakh per person with a total bed night spent 24 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. 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, 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. 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 UAE 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 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.

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 three overseas market of UK.
- 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

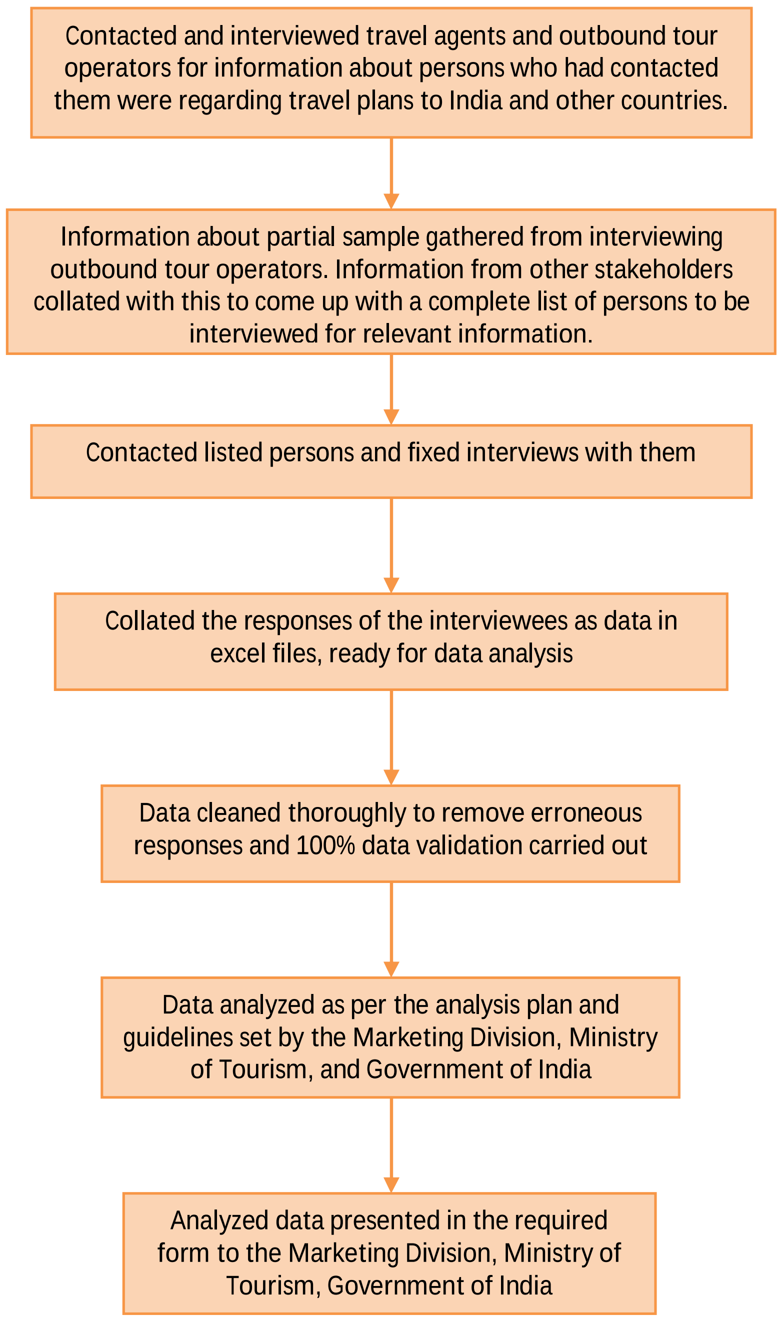
1.4.1 Research approach and methodology

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 UK 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	
U.K.	**1000**	**1000**	**250**	**750**	**3000**

1.5.1 Coverage

Segments

The following segments were covered by the study in UK:

- 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 London

United Kingdom comprises of England, Scotland, Wales, and Northern Ireland. The country is rich in cultural heritage, and hence, has numerous tourist attractions and destinations. The following major tourist locations in United Kingdom were shortlisted in order to interview tourists with the desired profile for the study.

The United Kingdom

Country	Location	No. of Respondents	Sources Of Respondents	Hit Rate
U.K. 	Edinburgh & Glasgow	405	1. Our Local office in London 2. Local directory (1270) 3. Local tour operators (460)	Nielsen contacted 5200 respondents to achieve 3000 interviews
	Leicester & Birmingham	558		
	London	1466		
	Manchester	570		
	Total	**3000**		

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 inhabitants of UK/ 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

A constitutional monarchy effectively run by a Parliament, United Kingdom is spread over an area of 242,514 sq km. The United Kingdom is known for its weather – overcast and grey for the most part – as much as for its beautiful countryside. It is also famous for places of historical interest, such as the Stonehenge and the many still-standing castles that dot the landscape.

Present monarch Elizabeth II has been ruling since 1952, following her father George VI's death. She is also the head of state of 16 other countries including Canada and Australia, as well as the head of the Commonwealth of Nations – a global grouping of countries, once part of the former British Empire.

The population of the United Kingdom at mid-2003 was 59.6 million (Table 2.1). Official projections, based on 2002 population estimates, suggest that the population will reach 64.8 million by 2031. Longer term projections suggest that the population will peak around 2050 at over 65 million and then begin to fall.[i]

Figure 1 United Kingdom – Population and Area

	England	Wales	Scotland	Northern Ireland	**United Kingdom**
Population (thousands)	49,856	2,938	5,057	1,703	**59,554**
% population aged:					
under 5	*5.7*	*5.4*	*5.2*	*6.5*	***5.7***
5–15	*14.0*	*14.2*	*13.4*	*16.3*	***14.0***
16 to pension age[1]	*61.9*	*60.1*	*62.4*	*61.3*	***61.8***
above pension age[1]	*18.4*	*20.3*	*18.9*	*15.9*	***18.5***
Area (sq km)	130,281	20,732	77,925	13,576	**242,514**
Population density (people per sq km)	383	142	65	125	**246**
% population change 1991–2003	6.5	4.4	–2.4	10.3	**5.7**
Live births per 1,000 population	11.8	10.7	10.4	12.7	**11.7**
Deaths per 1,000 population	10.1	11.5	11.6	8.5	**10.3**

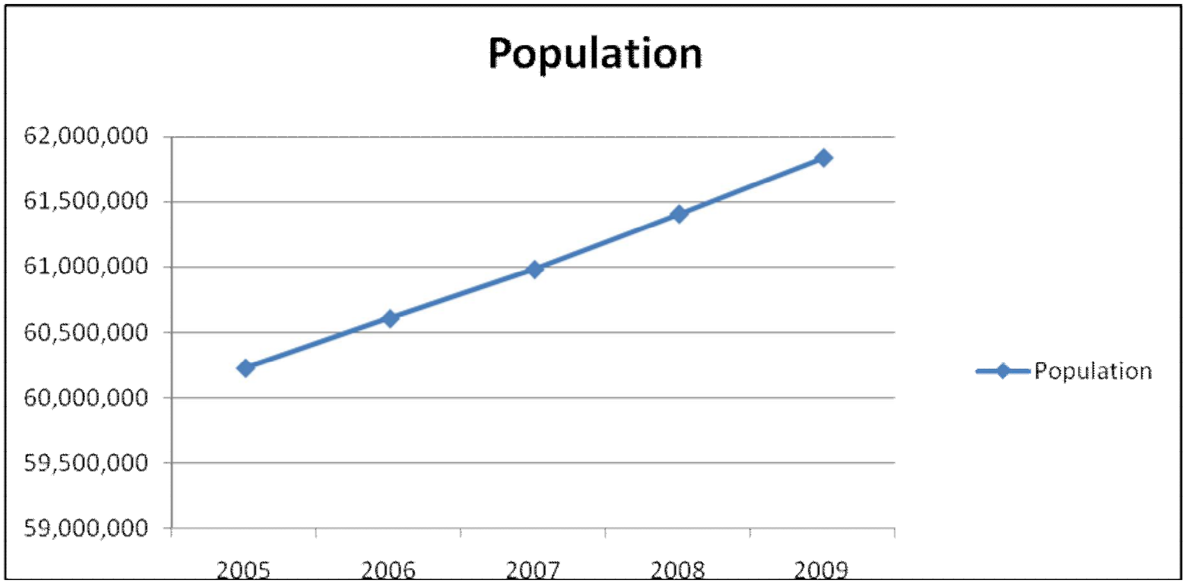
1 Pension age is currrently 65 for males and 60 for females.
Source: Office for National Statistics; National Assembly for Wales; General Register Office for Scotland; Northern Ireland Statistics and Research Agency

As seen from the latest data available from is Office for National Statistics, UK is one of the most crowded nations in the European continent with England at a population density of 383 persons per square kilometre as of 2003. More recently, figures obtained in a parliamentary answer from the Office for National Statistics revealed that in 2008 the average number of people per square kilometer in Britain was 253, rising to 395 in England.ii This has meant that the number of people living in England has overtaken the population density of Holland, which has traditionally been the most densely-populated major nation on the continent.

2.2 Social profile

According to CIA estimates for July 2011, the population of the United Kingdom will be 62,698,362iii. The rate of population growth in the United Kingdom is not high and World Bank figures for 2009 (see Figure 2.1 below) estimate it at 0.56%. Globally, the United Kingdom ranked twenty-second in terms of population growth, in 2009.

Figure 2 World Bank estimates (2005-2009) of population growth in the United Kingdom



Source:http://data.worldbank.org/indicator/SP.POP.TOTL?cid=GPD_1

Although the United Kingdom experienced a net loss of people due to migration during the 1970s and early 1980s, the position has reversed and since the late 1990s net migration into the United Kingdom has increasingly been a factor in population growth.iv It is estimated that 153,400 more people migrated to, rather than from, the United Kingdom in 2002, a decrease of 11 per cent on the 2001 level. The number of in-migrants to the United Kingdom increased from 479,600 in 2001 to 512,800 in 2002. There were 359,400 out-migrants in 2002, 51,700 more than in 2001.v More recently it has been learnt that net migration increased to 198,000 in 2009 compared with 163,000 in 2008.vi

The ethnic break-up as Table 2.2 shows, comprises a little over 92% whites, followed by British of Indian, Pakistani and Bangladeshi origin who make up the next largest ethnic group at 3.9%.

Table 1 Prominent ethnic groups		
Ethnic group	Population	% of total*
White British	50,366,497	85.67%
White (other)	3,096,169	5.27%
Indian	1,053,411	1.8%
Pakistani	977,285	1.6%
White Irish	691,232	1.2%
Mixed race	677,117	1.2%
Black Caribbean	565,876	1.0%
Black African	485,277	0.8%
Bangladeshi	283,063	0.5%
Other Asian (non-Chinese)	247,644	0.4%
Chinese	247,403	0.4%
Other	230,615	0.4%
Black (others)	97,585	0.2%
* Percentage of total UK population Source: United Kingdom Census 2001		

The United Kingdom today thus has a multi-cultural and multi-ethnic society, having drawn people from across the globe, especially its former colonies.

While English remains the main language, official forms are being made available in a host of immigrant languages, including Punjabi, Bengali, Tamil and Urdu to cater to the needs of the non-English speaking population.

Despite modern Britain's racial, cultural and ethnic mix, the monarchy and aristocracy continue to occupy a significant social space within UK itself, notwithstanding the small but vocal minority that has been demanding that Britain become a republic. The present Queen is seen as dedicated and hardworking, though she is well into her eighties.

2.2.1 Urban/rural population

World Bank 2009 statistics reveal that much of the population of the United Kingdom lives in its cities and towns. Agriculture and fisheries today occupy just 1.4% of the workforce (discussed later in the study); Table 2.3 shows that in 2009 the majority (a little over 90%) of British citizens lived in urban centers.

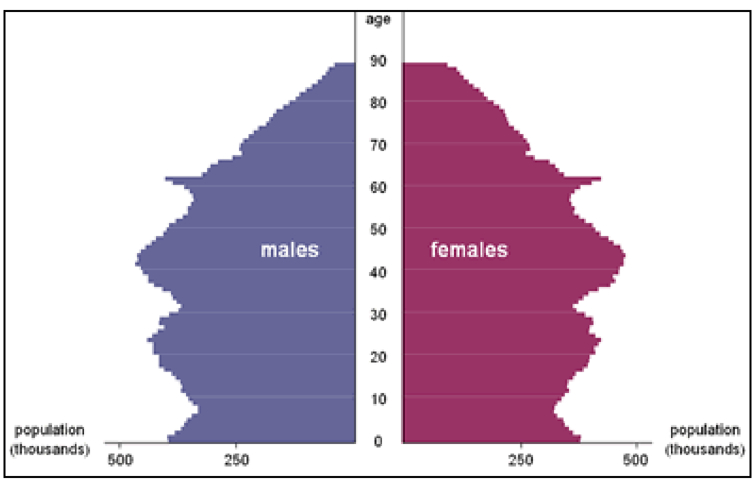
Table 2 Rural-urban distribution of population

Indicator Name	2001	2009
Population, total	59108687	61838154
Rural population (% of total population)	10.54	9.98
Rural population growth (annual %)	-0.2012542	-0.13029229
Urban population (% of total)	89.46	90.02
Urban population	52878631.39	55655542.31
Source: *World Bank Statistics*		

2.2.2 Gender statistics

Figure 2.2 is a representation of the age and sex structure of the population, known as a population pyramid. Each bar represents a particular single year of age and the length shows the population of that age. The structure of the pyramid is determined by births, deaths and international migration.

Figure 2.2 UK Population by gender and age (mid-2009)



Sources: Office for National Statistics, General Register Office for Scotland, Northern Ireland Statistics & Research Agency.

Up to the age of around 70, the number of males and females are fairly equal. At older ages, towards the top of the pyramid, females outnumber males. This is shown by longer bars on the female side of the pyramid. The ratio of females to males increases progressively from 1.1 at age 70, to 2.1 by the age of 89. This reflects the higher life expectancy of women at older ages and higher male mortality during the Second World War. The population pyramid stops at age 89, causing the top of the pyramid to be flat.

Further down the pyramid, people of working age (aged 16 to 64 for males and 16 to 59 for females) represent 62 per cent of the total mid-2009 population. Between ages 37 and 50 there is a 'bulge' due to the 'baby boom' years of the 1960s and early 1970s.

A sharp narrowing of the pyramid for people aged 30 to 34 reflects the low fertility in the late 1970s. A further narrowing of the pyramid appears between the ages of 5 and 10 reflecting the low fertility rates in the early 2000s. The broadening of the base of the pyramid is due to increasing numbers of births from mid-2002 onwards, reaching just under 790,000 in the year to mid-2009.vii

Table 2.4 summarizes more recent estimated of the age-wise gender distribution from the CIA World Factbook.

Table 3 Age-wise gender statistics – 2010 estimates

AGE GROUP	SEX RATIO
At birth	1.052 male(s)/female
Under 15 years	1.05 male(s)/female
15-64 years	1.03 male(s)/female
65 years and over	0.76 male(s)/female
Total population	0.98 male(s)/female (2010 est.)

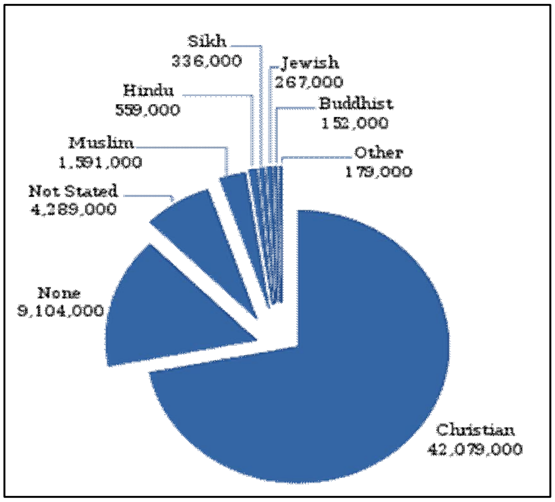
Source: *CIA World Fact Book*

2.2.3 Prominent religious groups

Anglican Christianity is the official religion and there is complete freedom to opt for any religion of choice, build churches of any denomination, or mosques, gurudwaras, temples and synagogues, or simply stay atheist.

As can be seen in Figure 2.3, the majority (71.6%) of the population is Christian (comprising people of Anglican, Roman Catholic, Presbyterian, Methodist denominations), Muslims come next (2.7%), followed by Hindus (1.0%). Those who do not follow any religion also make up a sizeable chunk at 15.5%.[viii]

Figure 2.3 Population break-up by religion in numbers and percentage



Religion	Number	%
Christian	42,079,000	71.6%
Muslim	1,591,000	2.7%
Hindu	559,000	1.0%
Sikh	336,000	0.6%
Jewish	267,000	0.5%
Buddhist	152,000	0.3%
Other religion	179,000	0.3%
Not stated	4,289,000	7.3%
No religion	9,104,000	15.5%
Total religions	45,163,000	76.8%
Source: Survey by the United Kingdom Office for National Statistics, 2010		

2.2.4 Age distribution

As per the Office for National Statistics, the estimated resident population of the UK was 61,792,000 in mid-2009, up by 394,000 on the previous year. Children aged under 16 represented approximately one in five of the total population, around the same proportion as those of retirement age. In mid-2009 the average age of the population was 39.5 years, up from 37.3 in 1999.[ix]

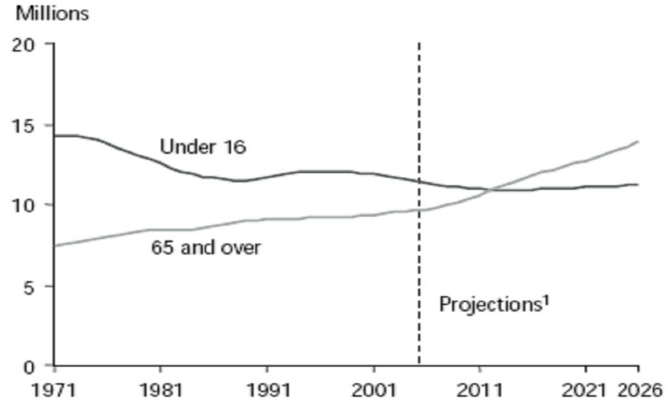
The largest majority (66%) of people in the United Kingdom falls within the working age group of 15-65 years (see Table 2.5). Thanks to the favourable rate of exchange, this group is increasingly showing interest in travelling abroad – more specifically, backpacking, seeking budget accommodation and travel options.[x]

Table 4 Age distribution of population of the United Kingdom

Age Distribution	2001	2009
Population ages 0-14 (% of total)	18.79	17.44
Population ages 15-64 (% of total)	65.31	66.13
Population ages 65 and above (% of total)	15.89	16.42
Source: Office for National Statistics		

Official projections from the UK Office for National Statistics suggest that this ageing trend will continue and that the number of people aged 65 and over will exceed those aged under 16 by 2013 (Figure 2.4). Even allowing for the increase in state pension age for women from 60 to 65 between 2010 and 2020, there could be fewer than 2.2 people of working age for every person of pensionable age in the 2050s, compared with 3.35 in 2002. The mean age of the population is projected to rise from 39.3 years in 2002 to 43.6 years in 2031. Longer-term projections suggest it will reach 45 years by about 2050, but will only rise slightly thereafter.[xi]

Figure 3 Population under 16 and over 65 in the UK



1 2002-based projections.
Source: Office for National Statistics; Government Actuary's Department; General Register Office for Scotland; Northern Ireland Statistics and Research Agency

2.2.5 Literacy

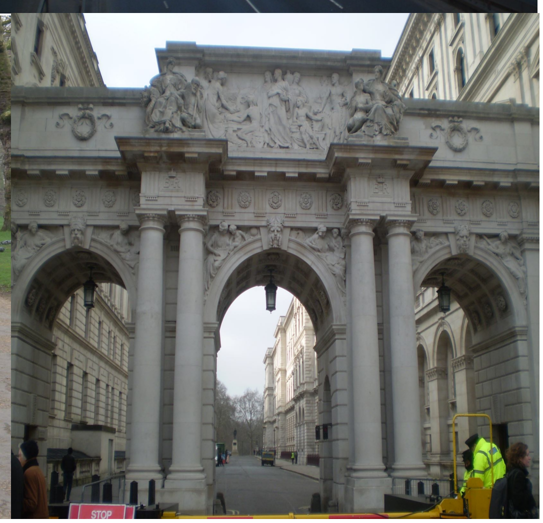
Almost the entire (99%) population of the UK is literatexii. The population shows equivalent rates of literacy for males and females (99% each). The United Kingdom's high literacy rate (99%) is attributable to universal public education introduced for the primary level in 1870 and secondary level in 1900. Education is mandatory from ages five through 16.

According to the 2010 Legatum Prosperity Indexxiii: “Net primary enrolment in the UK is relatively high, as is gross secondary enrolment and gross tertiary enrolment – the country places 27th, 30th, and 30th on each variable, respectively. A high 84% of the population are satisfied with the quality of education and an above average of 86% believes that children have the opportunity to learn and grow every day in British society. The UK’s ratio of primary school students to teachers is 17-to-one, which is below the global average, but there is near gender equality in primary and secondary education.

The UK ranks 31st in the Index for the average years of secondary education completed by the workforce – over two and a half years – and 24th for the average years of tertiary education completed".

According to the CIA World Factbook almost all citizens aged 15 and above have completed five or more years of schooling. However, the nation is facing issues on the quality of literacy and numeracy skills acquired. There are special government programmes that target young readers etc.



Economic profile

United Kingdom is the sixth largest economy in the world and one of the most prominent and influential European economies.

2.2.6 Gross domestic product (GDP)

As per the World Bankxiv, the nation's per capita gross national income or GNI stood at US $41,370 in 2009. The gross domestic product (GDP) in the same year was US $2175 trillion. Table 2.6 shows estimated per capita GDP as per CIA World Factbook. The same source also states that the United Kingdom ranked 163 globally, in this regard in 2010.

Table 5 Estimated per capita GDP (purchasing power parity)

Year (est.)	USD
2010	35,100
2009	34,800
2008	36,800
Source: https://www.cia.gov	

The main driver of the British economy is a strong tertiary sector that includes transport and communication, banking and finance, hotels and restaurants, etc. It is the largest employer, accounting for more than 76 per cent of the labour force and about 73 per cent of the GDP. The UK's tourism and hospitality industries are together its third-highest export earners, generating approximately 90 billion euro and providing direct employment to 1.3 million people.

The secondary sector in the UK comprises construction, mining and quarrying, manufacturing etc., and employed 22 per cent of the work force in 2008. It has also seen the fastest growth since recession the same year, but nevertheless remains well behind the tertiary sector which is the largest employer of the labour force with more than 76% of the population engaged in the service sector. It contributes about 73% of the GDP. The primary sector, with agriculture and fisheries as its main employment generators, employs a miniscule 1.4 per cent of the workforce. Of this, agriculture contributes only 0.6% of British value added.

The United Kingdom continues to use the pound sterling, and has not merged its currency with the euro. The pound commands a good rate of exchange against most international currencies. The nation's approach to keeping its currency distinct from the

Euro has not really changed since the first efforts to jointly rebuild a unified Europe began soon after World War II. Successive governments have felt merging the pound with the Euro would compromise Britain's independence with regard to monetary policy making, especially in times of crisis. Secondly it would link Britain's economic fortunes very strongly to the overall EU economy, its vagaries and the correctional responses the EU might choosexv. In retrospect, this seems to have been the right choice since the British government was able to take strong action independently when a fairly large stock market and banking scam brought recession in its wake to UK in 2008. The economy, which had grown from 2.1%in 2005 to 2.8 per cent in 2006, started to decline in 2007 touching a low in 2008. The recession also precipitated the collapse of the real estate market.

The UK government took a number of measures to stabilize the economy: buying controlling shares of some UK banks, reducing central bank lending rates etc. As a result the economy showed GDP growth of approximately 1.4 per cent in 2010, as compared to negative growth of 4.9 per cent in 2009. The UK's tourism and hospitality industry is expected to contribute largely to recovery, since it has proven itself in the past as an efficient and rapid driver of economic growth and regeneration in all parts of the country. As mentioned above, these industries are its third-highest export earners, generating approximately 90 billion euro and providing direct employment to 1.3 million people.

2.2.7 Per capita income/spending power

The United Kingdom ranksxvi ninth in the world with regard to purchasing power parity. Table 2.7 shows the estimated annual rates in USD trillion, as well as per capita. The estimated rate of inflation for 2010 stood at a low of 3.3% (with regard to consumer prices), globally rankingxvii the United Kingdom at 98.

Table 6 United Kingdom GDP (purchasing power parity)

Year (est.)	USD (trillion)	USD GDP Per capita (PPP)
2010	2.189	35,100
2009	2.154	34,800
2008	2.268	36,800

Source: https://www.cia.gov

2.3 Tourism overview

2.3.1 General statistics

United Kingdom is a popular travel destination, on the must-see lists of most tourists. It is also visited by family and friends of those who have chosen to emigrate there. People travel to the UK on work and students to study at its world-famous universities, colleges and schools. It is one of the most visited nations in the world. The British government offers a series of visas that cater to the varying needs of these visitors.

2.3.2 Inbound Travel

United Kingdom continues to be very popular globally, with London being a key destination for inbound visitors.

In 2009, 14.2 million visitors spent time in the British capital, spending over £8 billion. This represents 50 per cent of all inbound visitor spending[xviii].

Table 7 Trends in inbound tourism to the UK

Year	Number of visits (m)	Value (£bn)	Spend per visit (£s)	Days per visit	International Balance of Payments £bn
1998	25.745	12.671	487	9.0	-6.818
1999	25.394	12.498	487	8.3	-9.522
2000	25.209	12.805	503	8.1	-11.446
2001	22.835	11.306	489	8.3	-14.026
2002	24.180	11.737	481	8.2	-15.225
2003	24.715	11.855	475	8.2	-16.695
2004	27.755	13.047	466	8.2	-17.238
2005	29.971	14.248	471	8.3	-17.906
2006	32.713	16.002	486	8.4	-18.409
2007	32.778	15.960	487	7.7	-19.053
2008	31.888	16.323	511	7.7	-20.515
2009	**29.889**	**16.592**	**554**	**7.7**	**-15.102**

Source: http://www.visitbritain.org/insightsandstatistics/inboundtourismfacts/index.aspx

The rest of England attracted nearly 13 million inbound visitors who spent an estimated £6.2 billion, representing 37 per cent of all inbound visitor spend. Scotland attracted 2.5 million visitors and eight per cent of all visitor-spending, with the equivalent figures for Wales being a million visits and two per cent of visitor spends. Some 1.7 million visitors from overseas made 'day trips' to the UK in 2009, with these visits generating £147 million in spending. As the table below shows, following the recession there was a marginal dip in inbound travel. The best year in the decade was undoubtedly 2007.

In all, 22.1 million of the total 29.9 million visits to the UK in 2009 were made by air, 4.5 million visits by sea and 3.3 million by the undersea tunnel between UK and France. Both sea and tunnel displayed a fall of less than one per cent from 2008 to 2009 whereas air visits fell by 8.1 per cent. Spending on visits made by air is much higher than those made by sea. It is noted in 2009, however, that spending on visits by sea and via the tunnel both increased.

In 2009, 3.6 million of the total 29.9 million visits to the UK were made by residents of North America, 22.1 million by European residents and 4.2 million by residents of other countries. The number of visits from each of these regions was lower than in 2008, down 6.4 per cent, 6.7 per cent and 3.9 per cent respectively[xix].

Table 8 Top ten markets by volume and value

Market	Visits (000s)	% total
France	3,784	12.7%
Irish Republic	2,948	9.9%
USA	2,877	9.6%
Germany	2,780	9.3%
Spain	2,164	7.2%
Netherlands	1,715	5.7%
Italy	1,221	4.1%
Poland	1,041	3.5%
Australia	912	3.1%
Belgium	903	3.0%

Market	Spend (£m)	% total
USA	2,173	13.1%
Germany	1,167	7.0%
France	1,151	6.9%
Irish Republic	1,038	6.3%
Spain	1,001	6.0%
Australia	856	5.2%
Netherlands	599	3.6%
Italy	591	3.6%
Canada	408	2.5%
Switzerland	382	2.3%

Source: http://www.visitbritain.org/insightsandstatistics/inboundtourismfacts/index.aspx

In 2009 nearly two-in-five inbound visits to the UK was for a holiday, while just over one-in-five was for business. Looking at the share of visitor nights by journey purpose it is clear that trips to visit friends or relatives (VFR) account for the largest share, thanks to the fact that these trips have a higher than average length of stay. By contrast VFR trips account for a lower share of inbound visitor spend than of visits, while the amount spent by those on holiday and business is in line with their respective share of visits.

Most recent UK tourism trends are presented in Table 2.10 and Figure 2.5

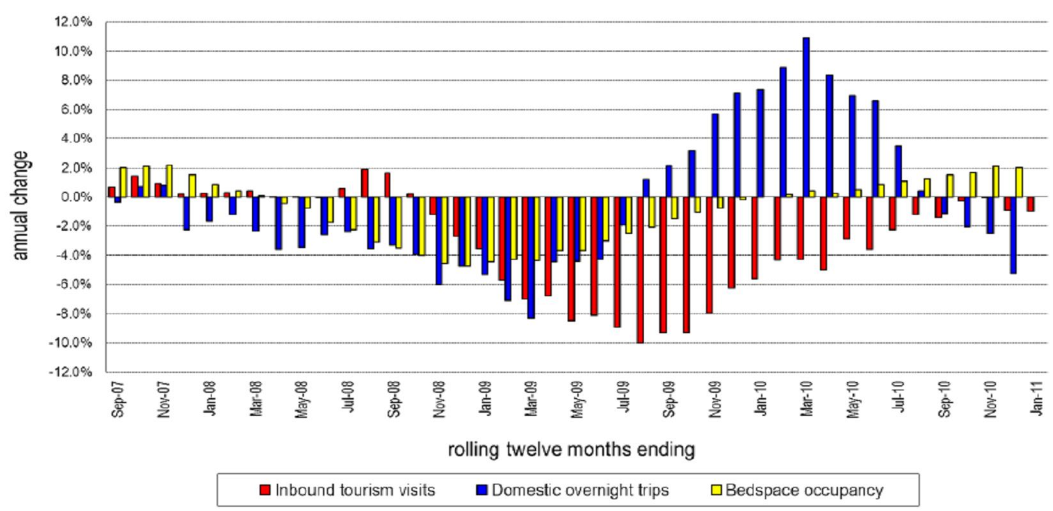
Table 9 Latest UK Tourism Trends

		annual change[1]	
Inbound visits (m)	29.6	-1.0%	in the 12 months to January 2011
Inbound visitor spending (£bn)	16.6	0.9%	in the 12 months to January 2011
Domestic overnight trips (m)	119.3	-5.2%	in the 12 months to December 2010
Domestic overnight trip spending (£bn)	20.8	-4.9%	in the 12 months to December 2010
Bedspace occupancy in serviced accommodation	45%	2.0%	in the 12 months to December 2010

[1] = change in spending before allowing for inflation

Source:
www.visitbritain.org/Images/HEADLINE%20UK%20TOURISM%20TRENDS%206%20Apr%2011_tcm29-14562.pdf

Figure 4 Latest trends in inbound tourism in UK



Source:
www.visitbritain.org/Images/HEADLINE%20UK%20TOURISM%20TRENDS%206%20Apr%2011_tcm29-14562.pdf

Like most other growth stories around the world, UK travel and tourism industry is also likely to its biggest incremental contributions coming from the BRIC economies. The fastest growth of inbound travellers to the UK is expected to be from the BRIC nations. The number of travellers from China may rise by 89% (~100,000 additional visitors) by the year 2014—the fastest growth in inbound tourism in the UK from any country. Similarly, the number of Indian visitors is likely to grow by 29% (~100,000 extra visitors), those from Russia may grow by 24% (~50,000 more visitors), while travellers from Brazil will grow by 18% (~35,000 more persons). [xx]

2.3.3 Seasonality of Tourism in the UK

Looking at seasonal trends, the period between July to September each year seems to be most popular and accounts for one-in-three of all inbound holiday visits, while less than one-in-five such trips take place between January to March. By contrast, business visits show a very even seasonal spread, while VFR trips are slightly more likely to take place in the July to September than January to March period.xxi

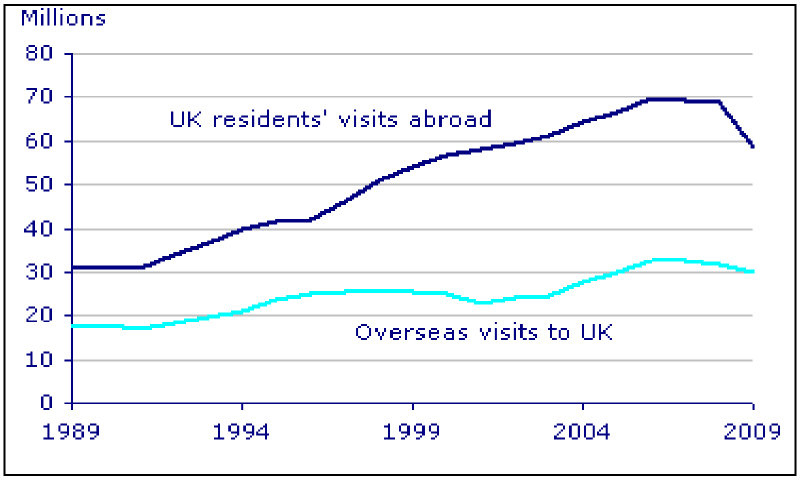
Bulk of the outbound travel from UK takes place during the summer sun with the season lasting from April to September with the peak months of July and August during school holidays. There is another peak during the post Christmas period between January and March.[xxii]

2.3.4 Outbound UK Travellers

Says the Expedia Travels Booking Report 2010, "When it comes to holidays, British are a scrupulous nation of Organized Explorers - booking at least three months before departure and often purchasing flight and hotel packages. " The Expedia Travel Bookings Report is based on search and booking data across 19 Expedia sites worldwide. It provides an insight into the way that different nationalities book and manage their travel. Mikael Andersson, vice president, Expedia EMEA, says, 'The British have proved themselves as a nation of planners, with more than half meticulously securing their holidays well in advance with one in ten even going so far as to pre-book a space in the airport car park!'"[xxiii]

The number of visits abroad by UK residents increased every year from 1992 to 2006, before a small decline of less than 1.0% each, in 2007 and 2008. According to the latest Travel Trends 2009 report of UK's Office for National Statistics, residents had made 58.6 million visits abroad in 2009, 15% less than the 2008 figure of 69 million. The number of nights spent abroad also fell by 13%. These falls, in the face of challenging economic conditions, represent a reversal in the generally upward trend seen over a number of years.

Figure 5 Top ten overseas countries visited by UK residents in 2009 (visits in millions)



Source: *Travel Trends 2009* report of UK's Office for National Statistics

British citizens undertook 58.1 million visits abroad between January 2009 and January 2010. However the next period – between January 2010 to January 2011 – saw a 6.0% drop (down by 3.2 million) to 54.9 million, as per UK government statisticsxxiv. Region-wise:

short-haul visits to Europe fell by 6.0% , from 45.5 million to 42.7 million;

long-haul visits to North America fell by 4.0%, from 3.6 million to 3.5 million;

long-haul visits to other parts of the world fell by 3.0%, from 9.0 million to 8.7 million; and visits for holidays and VFR also dropped by 6.0% each.

The number of visits abroad in 2009 was the lowest since 2001. The rate of decline is quite striking given that, in the last 25 years, the previous biggest fall was less than half a million (2.1%), in 1985. Unlike visits to the UK, visits abroad by UK residents during that period have not fallen particularly strongly in times of terrorism or war. However, 2009 was a year of economic challenges with the UK economy in recession and British currency (pound sterling) down compared to recent years. Visits had fallen quite substantially in the fourth quarter of 2008, but the rate of decline increased to double digit percentages in each quarter of 2009.

Of the total visits abroad by UK residents approximately two-thirds are for a holiday. This has been the pattern since as far back as 1984. The length of the average holiday has been quite stable in recent years, standing at 9.8 nights in 2005 and 9.9 nights in 2009. Package holidays accounted for 38% of holiday visits abroad in 2009, down from 39% in 2008 and 41% in 2007 as per the Travel Trends 2009 report of the UK's Office for National Statistics.

Business accounts for 12% of all visits abroad. In terms of purpose of visits, business trips fell most in percentage terms in 2009 almost by 23%, to their lowest ebb since 1996. However, the length of the average business trip showed a jump in 2009, up from an average of 5.2 nights in 2008 to 5.8 nights.

Media reports on outbound travel trends expected for 2011 paint a livelier picture. As Frank Barrett, Travel Editor of The Mail puts it, "'Expect cheap and cheerful to be the order of the day…Good value holidays will predominate - non-Eurozone spots such as Turkey and Red Sea Egypt will flourish again.'xxv Also mentioned in the same report, "While cheap and cheerful is what many travellers will be looking for in 2011, they will not want to sacrifice quality. The rallying cry, according to ABTA The Travel Association, is for 'value for money'. This trend is also noted by TUI Travel - owners of Thomson and First Choice - who have already seen an increase in all-inclusive trip bookings, which enable families to assess what they are paying up-front, and budget accordingly…Winter sunshine breaks are also proving popular, with 11 per cent more Britons than last year shaking off the snow and thawing out in the Canaries, Egypt, Cyprus and Tunisia, or venturing further afield to Mexico, Jamaica and Goa."

Media reports guess that Turkey, Egypt, Spain Greece and Cyprus will be popular destinations for UK outbound tourists in 2011.

2.3.5 Preferred destinations and outbound frequency

In 2010, New York emerged as the most popular destination for UK travellers. Paris, Dublin, Amsterdam, Rome, Barcelona and Berlin followed the US business capital. The survey conducted by Hotels.com has revealed that four more cities of the US figure in the 20 most preferred destinations for them.xxvi

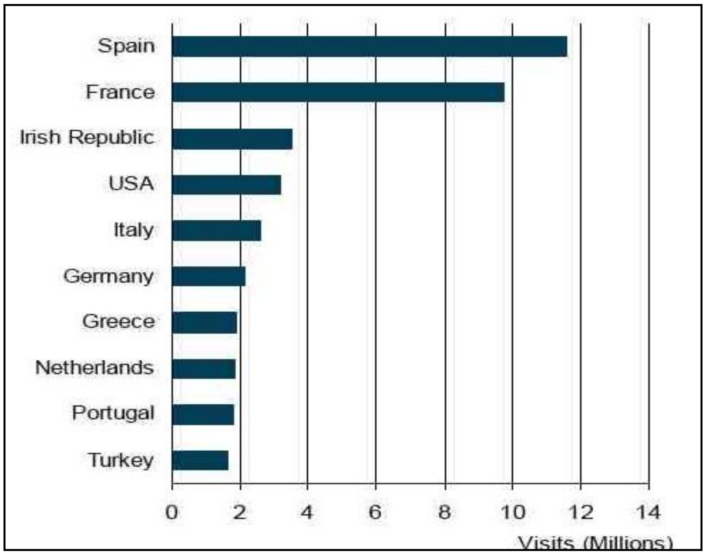
Despite a 12% hike in average room-night rates to £166, UK residents preferred The Big Apple. Those travelling to New York also were prepared to spend 10-15% more on luxury properties than on lower-star properties. It is likely that most of these travellers were business travellers, who started spending more with the gradually improving business sentiments ever since the global financial crisis in 2008.

The motivations behind outbound travel to various countries vary significantly, and often determine what are referred to as 'preferred destinations'. For example, nearly two-thirds of visits to Poland are to visit friends and relatives (VFR), 37% visits to Germany are for business and visits to a number of countries outside of Europe and North America are almost exclusively for holiday. The average annual growth for each type of visit over the past 25 years have been 3.8% for holidays, 3.2% for business and 6.0% for visiting friends and relatives, hence VFRs have grown in relative importance. Conversely, it may be said that growth of VFRs has contributed disproportionately to the travel trade.

Tour operators interviewed in the United Kingdom for the purposes of this study reveal that India is a fairly popular destination for British travellers who are attracted to it for its diversity of cultural and religious heritage as well as facilities in terms of new airports, boutique hotels etc. Other attractive destinations are Thailand, Maldives, and Barbados for their beaches and sea fronts. Singapore and the United States of America attract travellers interested in seeing and exploring new things. Also popular are Spain, Cyprus, Turkey, Dubai, Sri Lanka, and the Caribbean.

The interviewed tour operators also believe that Thailand, Spain, Brazil, China, and Barbados will be popular destinations of the future because these countries are marketing themselves aggressively and are quite affordable. South Africa may gain circulation due to the wildlife experience that it offers. With comparable experiences, Thailand, Spain, Maldives, Singapore, Malaysia, Barbados and Sri Lanka offer strong competition to India for the attention and footfall of foreign tourists.

Figure 6 Visits (in millions) to the top 10 countries visited in 2009



Source: http://www.statistics.gov.uk/downloads/theme_transport/travel-trends09.pdf

As per the Travel Trends 2009 report of the UK's Office for National Statistics in the period since 2005, although visits to Europe have grown more slowly than those to other countries, the individual countries of the world to which visits have increased most in percentage terms are all within Europe, namely Poland (up by an annual average of 25%), Lithuania up 16%, Romania up 12% and Slovakia up 11%. The countries outside of Europe to which visits have grown most in percentage terms are Jamaica, up an average of 9.2% per year, United Arab Emirates (UAE), where it grew at an average annual rate of 7.5% – despite a decline in 2009. The former may be attributed to an increase in immigrant population from these countries working in the UK, while the latter is perhaps contributed in part due to the increasing business exchanges with the UAE.

Despite the overall trend in favour of countries outside of Europe, nine of the ten countries most visited by British citizens in 2009 were in Europe. Spain and France dominated the list, together accounting for 21.3 million visitors from the United Kingdom in 2009. Nearly half the population of UK resized their holiday plans to balance the negative impact of recession.xxvii Another two-third decided to take more environment friendly holidays. A 2009 research surveyxxviii of over 1,000 adults from the UK, confirmed that the recession forced consumers to change their holiday plans. In all, 46% consumers said they had scaled back their holiday plans as a result of the current economic climate.

The financial crisis led slowdown is however only one of the drivers behind a changed behaviour of holiday makers. Social and environmental impact concerns are also changing the way people plan their holidays. In UK, a majority of 61% consumers intended to understand the social and environmental impact of their holiday before going for one. More than half (55%) decided to choose destinations that can be reached by a train or a boat rather than flying.

Spending Abroadxxix

In 2009, spending by UK residents during foreign travel dropped from £36.8 billion to £31.7 billion which is 14%. This is comparable fall of 15% in visits abroad. Exchange rates for the pound sterling against major currencies in 2009 were also poorer than in recent years, resulting in reduced buying power of UK residents travelling abroad. This pattern was noted for all types of visits.

While spending on holidays abroad was lower by 15% in 2009 as compared to 2008, it was lower by 18% on business trips and 7.3% on VFRs.

Similarly, spending on visits to other regions of the world fell too. Compared to 21% fall in visits to North America spending during the visits fell by 19%. In Europe spending on visits came down by 15% (fall in visits of 16%) and in other countries by 9.4% (fall in visits of 9.4%).

Chapter Three
Travel Trade

3.1 Introduction

Tourism contributes £96.7bn to the economy in England (8.6% of GDP), £11.1bn in Scotland (10.4%), £6.2bn in Wales (13.3%) and £1.5bn in Northern Ireland (4.9%)xxx. The number of jobs that tourism supports is forecast to increase by 250,000 between 2010 and 2020, from 2.645 million to 2.899 million.xxxi One in twelve jobs in the UK is currently either directly or indirectly supported by tourism.

According to www.visitbritain.org, tourism is UK's third highest export earner behind Chemicals and Financial Services, with inbound visitors spending more than £16bn annually and contributing over £3bn to the Exchequer. The 'direct' effect of spending by tourists is estimated at £90bn in 2009 can be seen below. In the 2010 Anholt GfK Nations Brand Index the UK retained its rank of 4th as a 'nation brand' behind the USA, Germany and France. The UK ranked 5th out of 50 in terms of a 'Tourism' brand. Strongest 'Tourism' dimensions relate to being 'rich in historic buildings and monuments' and 'vibrant city life and urban attractions', in each case ranked 4th in the world.

In 2009, average room occupancy for all serviced accommodation throughout the UK was 58% (down 2 percentage points from 2008) according to the UK Occupancy Survey. Average bedspace occupancy was 43% (a decrease of 1 percentage point on 2008)xxxii.

However, 2011-12 are expected to be relatively good for the inbound travel trade within the United Kingdom, given Prince William's nuptials in 2011 and the London Olympics and Paralympics in 2012.

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

In early March 2011, the British government announced their aim to revive the tourism industry, as a key component in the official plan to recover from the economic crisis. In the process, the government is also trying to break away from the long-held view that Britain is a wet, cloudy country that is highly overrated.

With the tourism and travel trade industry at number five in the pecking order of industry sectors, the governmental focus is on leveraging brand Britain catalyzed by international interest for the upcoming events. In the run up to 2012 Olympics and starting from the April 2011 royal nuptials, an extensive plan is afoot to boost tourism. The government intends to make travel to UK easier by reducing the visa processing time and paperwork involved as well as cutting time at passport controls and improving airport check-in rates.

In UK the travel and trade industry is driven by all three sectors—private, government and voluntary. However, the primary driver is the private sector. Therefore, normally the aim of the travel and tourism industry players across the board is to generate profits and increase market share. Their customer focus with regard to products and services is comparable to the best in the world. Many of the players like Virgin Airways and P&O Ferries are household names in travel trade. It is estimated that large companies hold 50% of the travel and trade market in the UK, while a majority of the businesses in the industry comprises of small and medium sized players.

This year’s edition of Best of Britain & Ireland (BoBI) Travel Trade Forum, the official travel trade event, was organized in March 2011 at NEC Birmingham. The event highlighted the size, value and importance of Britain’s £115 billion visitor economy to over 2,500 buyers from across the globe. Riding on this opportunity a programme to increase tourists from Europe to cities other than London was envisaged. Britain’s industrial cities, including Birmingham, have become increasingly popular with international tourists in recent years. Over 737,000 international visitors come to Birmingham each year. The total number of visitors to the city touches 32.6 million. Officials are attempting to target 37.7 million visitors by 2014, at the back of the Olympics and Paralympics.

With healthy competition over the years tourism within and outside the UK has become affordable for the residents of the UK. However, of late some negative impacts of mass tourism on environment, local culture and smaller businesses are visible.

The downturn of 2008 however has put a lot of pressure on the UK travel and trade industry. Within the industry hotels suffered the most as they had to resort to heavy discounts. With reduction in corporate travel and the overall atmosphere of caution hotel sales fell 7% in 2009, with luxury hotels suffering the most. The trend would have continued well into 2010 with an estimated additional decline of 0.1%. Some estimates indicate that the sector will not recover to pre-2008 crisis levels until 2014.xxxiii Hospitality industry is also faced with the daunting task of raising tariffs to more sustainable levels as the economy recovers.

Such a volatile business environment has also precipitated a churn in the hotels sector. Companies from the Middle East are increasingly interested in UK hotel brands including luxury hotel chains like Savoy and Claridges. Travel retailers and private jet operators from Britain are also being targeted by companies from the Middle East, thus infusing the much needed cash funds for the expansion of luxury brand portfolios in the UK. London is actively positioning the city as the new luxury hotspot with increased focus on customization and lifestyle.

3.3 *Flight connectivity (major airlines, flights from all major airports to India)*

At present India has 12 international airports. These are Amritsar, New Delhi, Guwahati, Ahmedabad, Kolkata, Mumbai, Hyderabad, Goa, Chennai, Bengaluru, Cochin and Thiruvananthapuram. With the exception of Delhi and Amritsar which get severely fog-bound from mid-December to February, causing endless flight delays and cancellations; the remainder stay operational through the year. The age-old fog problem can be resolved with the use of a category III C instrument landing system (ILS), but Delhi as of now has only a Category II ILS, and Amritsar is to be upgraded to a Category II ILS.

All leading international airlines including KLM, Lufthansa, British Airways, Emirates, Cathay Pacific etc. operate into and out of India. Many of these airlines have hired Indian nationals to serve on board as cabin crew, to cater to passengers who may not even know any other language other than their own. Most long-haul international flights leave India in the early hours of the morning, so as to reach the destination airports during the daylight hours in those countries. The United Kingdom, by contrast, has 29 international airports, as on date.

Figure 7 Connectivity between London and Indian Metros

3.4 *Flight prices (relative prices of travelling to India and other countries)*

Since airlines are global, flight costs to India are highly competitive, particularly, the lower end tickets. Barring cities such as Hyderabad and Kolkata which are visiting less often and do not have too many flights coming in during the day, even the high end flights are cheap compared to the rest of the world barring Canada.

Table 10Fare in Indian rupees for travel to top international destinations from London, as on March 10, 2011

	London		
Country	Min.	Max.	Flights
Thailand (Bangkok)	27161	202093	89
South Africa (Cape Town)	31950	101519	52
Canada (Ottawa)	37736	73933	116
USA (New York City)	21264	211483	132
Mexico (Mexico City)	43018	76517	82
Source: http://www.skyscanner.in			

Table 11Fare in Indian rupees for travel to top India destinations from London, as on March 10, 2011

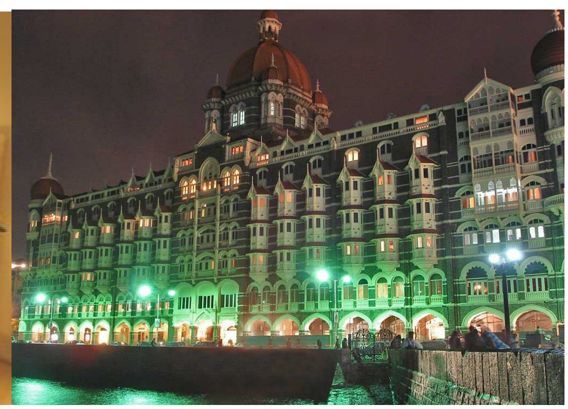
	London		
(Indian Rupees)	Min	Max	Flights
Goa	16654	162577	41
Mumbai	19348	170650	81
Bangalore	24173	170468	92
Delhi	25689	162227	92
Hyderabad	23809	294607	80
Chennai	24173	184230	93
Kolkata	24173	223708	57
Chandigarh	27431	180686	40
Ahmedabad	23809	186028	57
Jaipur	28772	168668	38
Source: http://www.skyscanner.in			

3.5 *Hotel prices*

Table 12 Relative prices of hotels in India and other countries

Country	Price Range (for a night)
India (Delhi)	Rs. 545 to Rs. 25,110
Thailand (Bangkok)	Rs. 465 to Rs. 13,679
South Africa (Praetoria)	Rs. 797 to 10,943
Canada (Ottawa)	Rs. 2727 to 7,029
USA (New York City)	Rs. 814 to Rs. 39,572
Mexico (Mexico City)	Rs. 972 to 12,735
Source: http://www.skyscanner.in	

As Table 3.3 above shows, New Delhi ranks just below New York in terms of cost with regard to high-end accommodation. However, it has long been a matter of national 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 than those 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.

3.6 India vis-à-vis other destinations from the tour agents' perspective[xxxiv]

Tour operators interviewed in United Kingdom highlighted many aspects of their experience with holiday-makers travelling from there to India and other countries.

Many tour operators felt that India had the potential to be in spotlight in the outbound tourism market. Say a tour operator, "We offer tailor-made holidays. We have most number of clients for India. It's our most selling destination."

The tour operators were well versed with information about India in terms of the most preferred destinations, types of accommodation available and cost issues. They also offered a lot of suggestions to the Indian Tourism board to improve their prospects in the tourism market. Thus, with adequate support from the India Tourism Board, the tour operators can play a key role in influencing the decisions of outbound travellers in UK.

3.6.1 Who travels to India and why

In the experience of travel and tour operators in the United Kingdom, travellers to India usually belong to the 31-50 years age-group, and hail from the middle and higher income categories. Most are married though they may not have children. Among families travelling with children, the children are usually below 16 years of age. Since vacationing in India is perceived to be more expensive than other destinations, it is chosen mostly by people from the higher income brackets.

India travellers are attracted to its fairs and festivals, traditions, warm and friendly people, cultural diversity, wildlife, heritage of yoga, meditation and spiritualism. Sought after sights and experiences include the Taj at Agra, the erstwhile royal palace of Jaipur, the backwaters of Kerala and the verdant hills of Kullu–Manali.

3.6.2 Trade experience with India as a tourism destination

India is a well known destination in the trade particularly among those tour agents who have spent long years in the industry. In their experience, enquiries for India are common between October and March, when the weather across India is clement.

Rajasthan is the most popular destination among British tourists who are drawn by its colourful costumes, culture, and palaces. The backwaters of Kerala are also attractive, especially considering that most people there are able to understand and communicate in English. Goa, famous for its beaches and Himachal Pradesh for its imposing mountains and beautiful landscape, are also sought after. The most popular packages for tourist to India range between £2000 and £5000 per head for a duration of two weeks.

Other destinations around India for which holiday packages are also offered include Nepal, Bhutan, Maldives, Sri Lanka, and Bangladesh. In recent years there has been a 2-5% increase in the number of travellers travelling to India and the trade expects that about 10 to 20 % of its future growth might come from India travellers. Over all the interest in India among potential travellers had remained stable.

3.6.3 Rating India against other prime Asian destinations

When facilities available in India were rated against other prime destinations in Asia, tour operators felt that while airport infrastructure was good, people were friendly, and India offered a wealth of options in handicrafts and artifacts, issues such as poor road infrastructure, accessibility to tourist locations and quality of guides did not compare well with other destinations in Asia.

3.6.4 Recommendations for the Ministry of Tourism in India

Due to lack of promotion of tourist destinations, travellers form perceptions about India which discourage them from choosing it as a vacation spot. Travellers are known to have said, “I haven't thought of India as a destination as it is too complex to get there and it is just a cultural and religious place.”

The trade finds it difficult to dispel some commonly held notions among travellers like India has no great adventure, no parks, no beaches and no resorts. It’s too far away with problems of hygiene, transport, communication and taxation (luxury tax, does not exist anywhere else). Specifically highlighting issues related to the visa process, a tour operator said, "The website is not user friendly and the form too lengthy. The passport photo dimensions are uncalled for. The 2 month re-entry rule is not pleasantly welcome by travellers."

Security is also a major concern for the UK travellers. Says a tour operator, "After Mumbai attacks, aggressive marketing was needed. People are reluctant to visit India." Thus the tourism department needs to disseminate correct information in this regard and the travellers have to be convinced of their security.

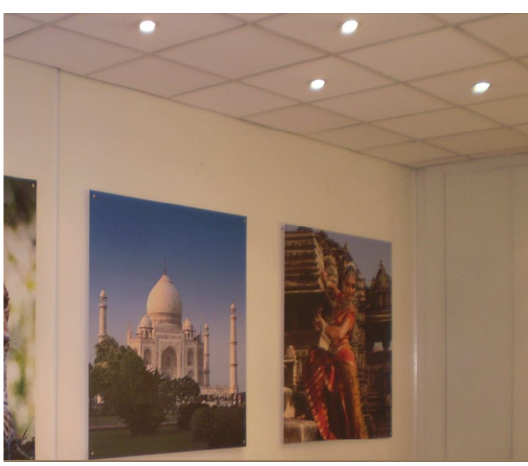
In view of the inputs received from the travel and tour operators of the United Kingdom, the Ministry of Tourism, Government of India may push on the following fronts:

1. Advertise more extensively on the main TV channels in the United Kingdom.
2. Promote greater engagement of the India Tourism Board in meetings.
3. Engage in more aggressive marketing
4. Organize more live shows.
5. Run long-term campaigns.
6. Get celebrity endorsements.
7. Remove irregularities in visa processes.

3.6.5 Issues related to marketing India as a tourism destination

Tour operators admit that once clients visit India they always return well satisfied, wherein their experience in sightseeing, nature tourism, cultural diversity, monuments and artefacts, palaces and royal retreats, wildlife, spiritualism, temples and cuisines all exceed their expectations.

However, there is lack of awareness about India which prevents it from realizing its full potential as a tourist destination. It has low visibility and is often viewed as an expensive destination that is difficult to get to because visas are tough to organize. There is not enough information about India available in the United Kingdom. There is a need for more information on products and places, rules, regulations and laws, visa application process, prices, travel costs and what and where to go in 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 2000 respondents (persons who have travelled abroad in the last three years) from UK of which 54% of the travellers were from London, 21% from Manchester and about 19% from Leicester and Birmingham and the remaining from Edinburgh and Glasgow.

Figure 8 Respondents by place of residence

4.1.1.2 Age categories

52% of the respondents were in the age group of 36 to 50 years. 32% of the respondents, that is, 635 respondents were between 26 to 35 years of age. Overall, 84% of the respondents were in their peak productive years between 26 and 50 years of age.

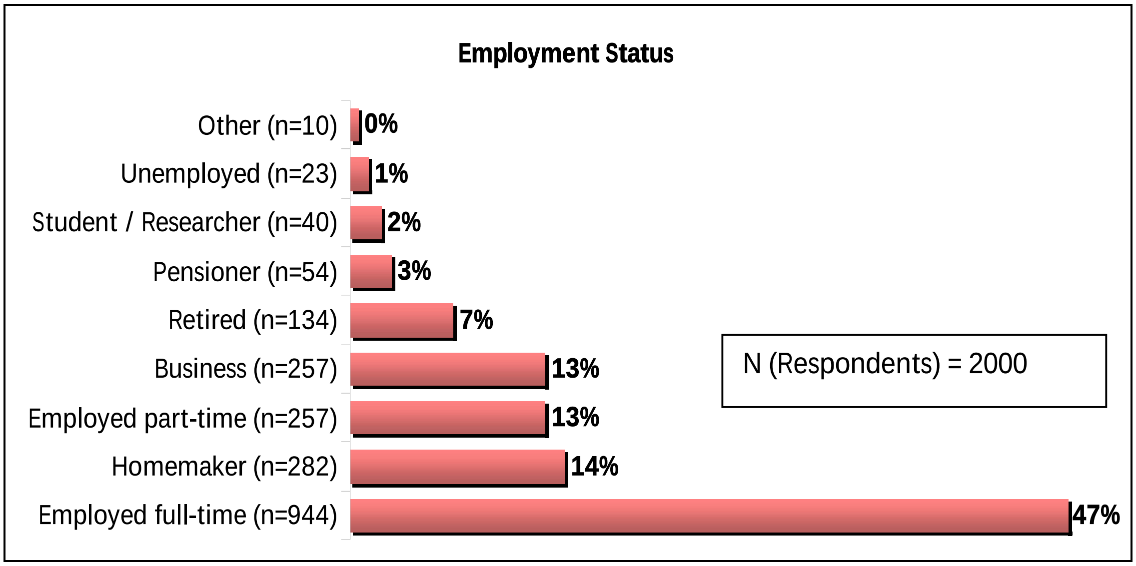
Table 13 Respondents across age categories

Age categories	No. of respondents	Percentage
36-50 years	1030	52%
26-35 years	635	32%
Above 61 years	117	6%
51-60 years	107	5%
18-25 years	103	5%
Below 18 years	8	0%
Total	2000	100%

4.1.1.3 Employment status

47% respondents were employed full time. As many as 282 homemakers constituted 14% of the respondents. Other important segments were part time employees and business persons constituting 13% each. Retired persons and pensioners constitute another 10% of the respondents

Figure 9 Employment 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

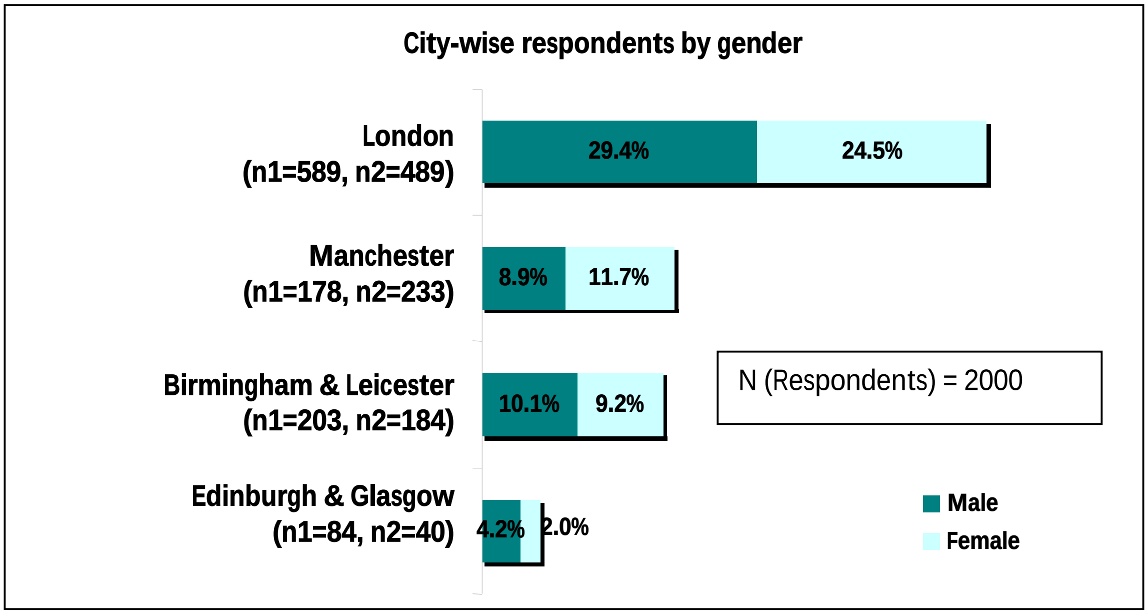
Women constituted about 47% of the survey participants. Overall, 946 women (past travellers) were interviewed during the primary survey across the six cities.

Table 14 Respondents by gender

Gender	No. of respondents	Percentage
Male	1054	53%
Female	946	47%
Total	2000	100%

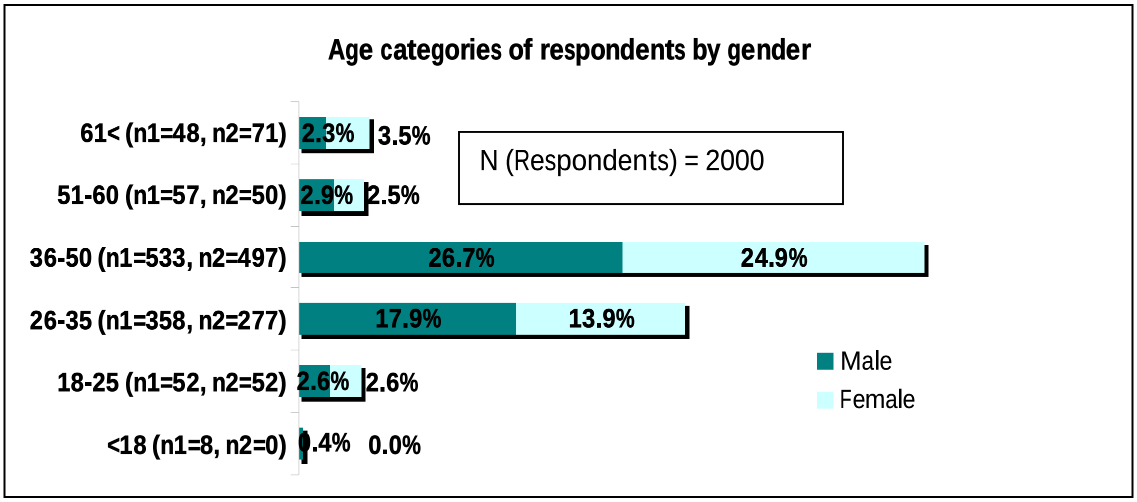
While the female to male ratio remained more or less similar across Leicester & Birmingham and London, the percentage of male respondents ranged was around 40% in Manchester and 60% for Edinburgh & Glasgow.

Figure 10 City-wise respondents by gender



The percentage of women respondent remained largely stable across age categories in the range of 18–60 years. All respondents below the age of 18 were male and majority respondents above 60 years were women.

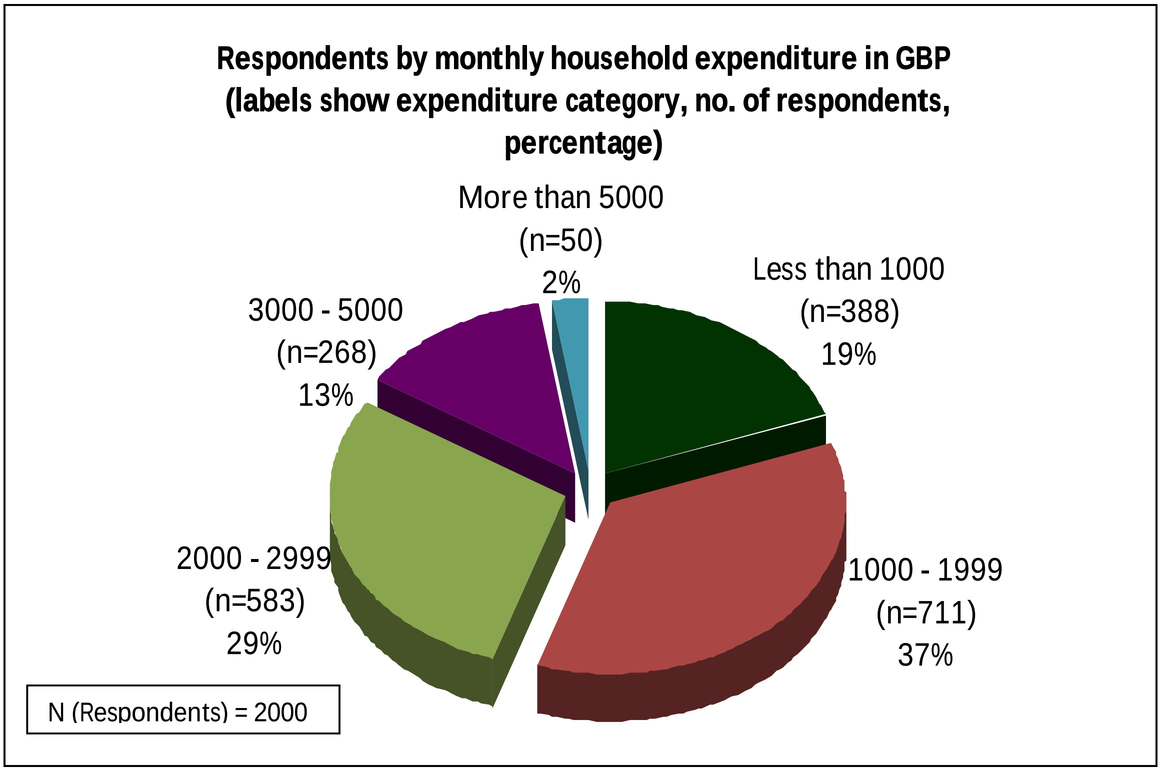
Figure 11 Age categories of respondents by gender



4.1.2 By expenditure per month

66% of the respondents were in the monthly household expenditure category of GBP 1000 – GBP 2999. Those in higher monthly expenditure categories of GBP 3000 – GBP 5000 and >GBP 5000 were 13% and 2% respectively.

Figure 12 Categorizing respondents by monthly household expenditure in GBP

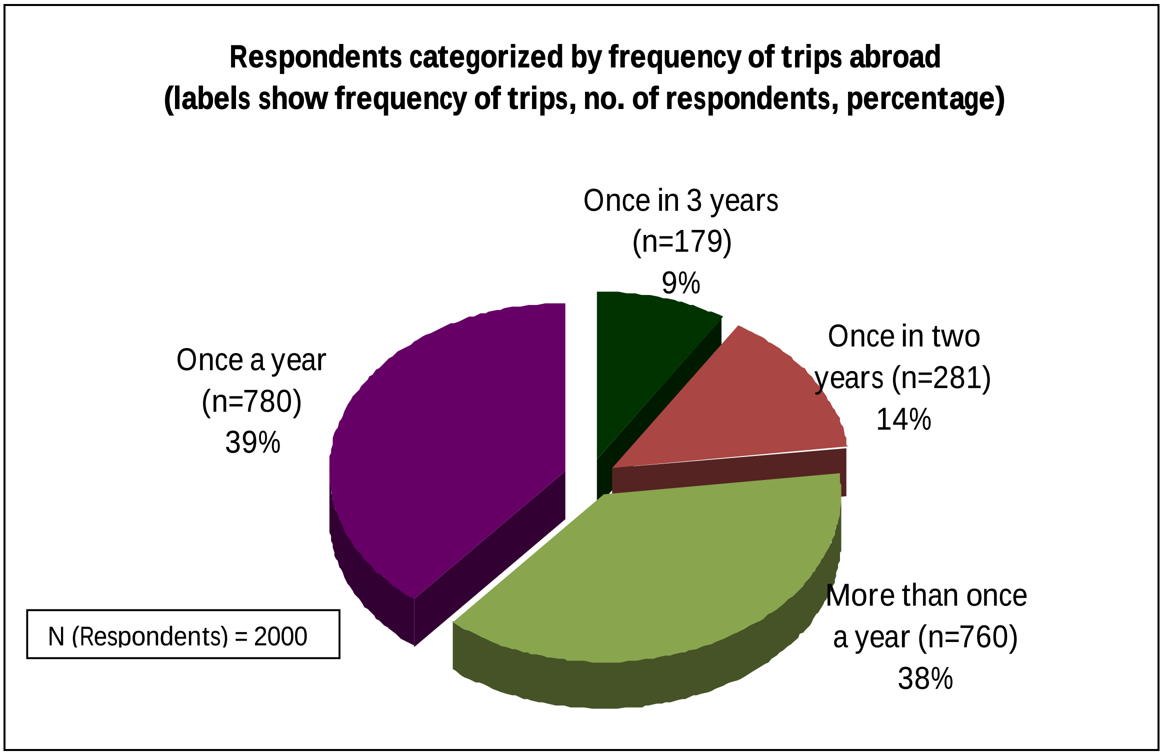


4.2 General Travel Behaviour

4.2.1 Frequency of trips abroad

Of the 2000 persons surveyed, 39 per cent travel once a year. A substantive 38 per cent travel several times in a year. 281 respondents travelled once in two years.

Figure 13 Respondents categorized by frequency of trips abroad



4.2.2 Choice of Trips (Package / non-package)

Among those interviewed during the primary survey, 78% had not opted for package trips.

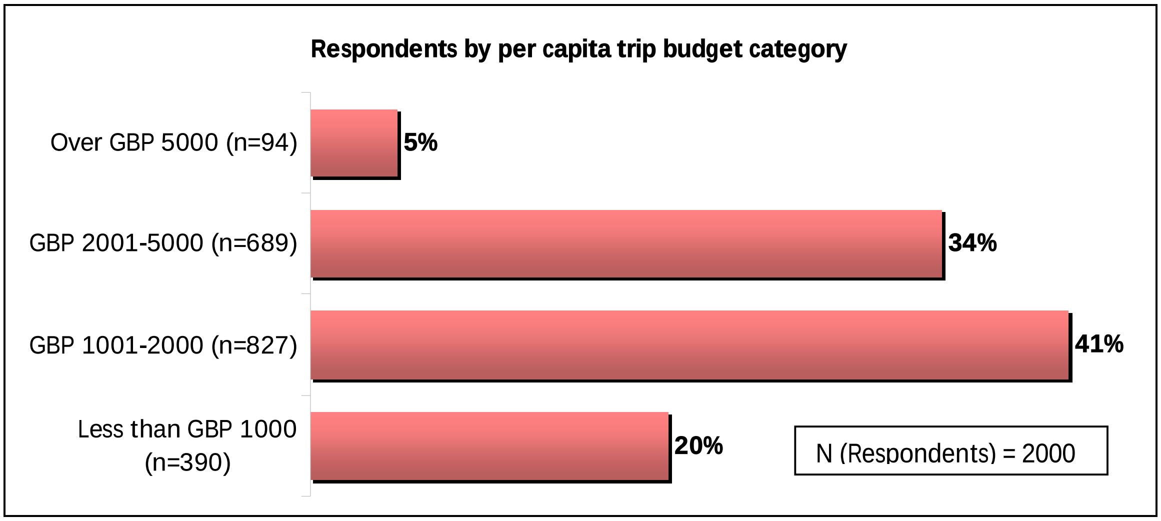
Table 15 Choice of trips (package/non-package)

Type of trip	No of respondents	Percentage
Non-package trip	1564	78%
Package trip	436	22%
Total	2000	100%

4.2.3 Average expenditure on trips

61% of the travellers budget for up to GBP 2000 per head for a foreign trip. Another 34% budgeted in the range of GBP 2001–GBP 5000 per traveller. 5% of the respondents had an average budget of over GBP 5000 per head for an overseas trip.

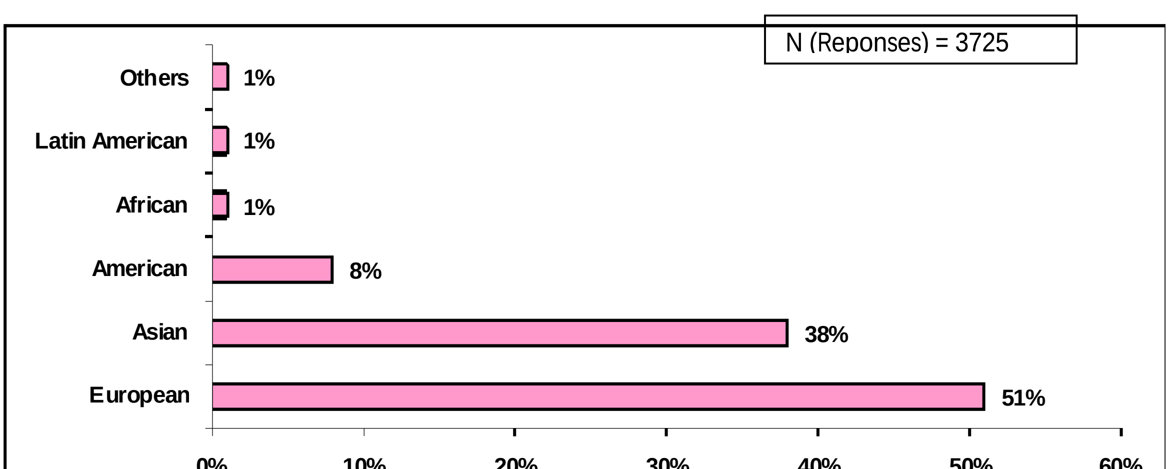
Figure 14 Respondents by per capita trip budget category



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 51% of the responses were in favour of Asian destinations while another 33 per cent responses showed in the inclination for EU. Of the 3725 responses received, 408 were in favour of countries in the North American continent. Not more than 3% responses showed preference for African countries.

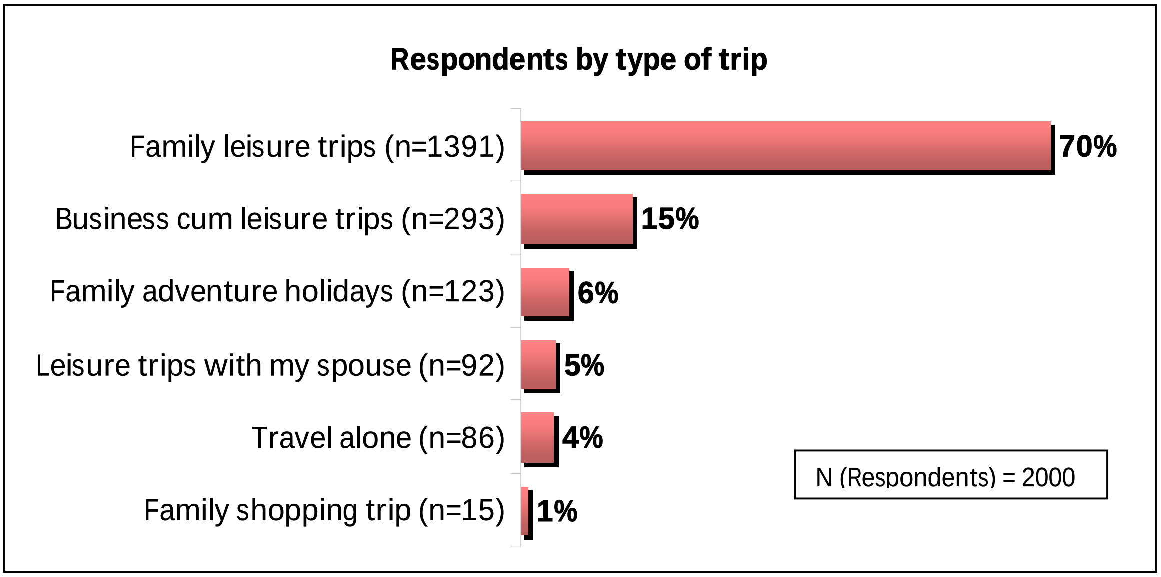
Figure 15 Revealed preferences for foreign destinations



4.2.5 Types of trip

As many as 70% of all respondents described their overseas trips in the last three years as family leisure trips. Around 15% claimed that they had travelled on business cum leisure trips. 6% also enjoyed adventure holidays with their families.

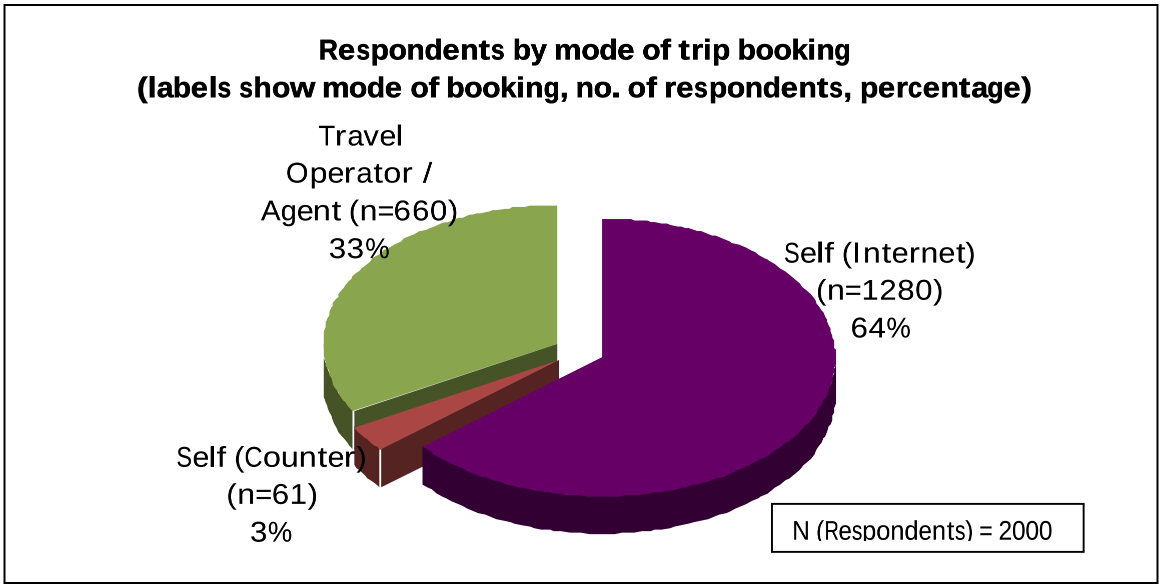
Figure 16 Respondents categorized by type of holiday enjoyed



4.2.6 Mode of booking

Around 64% of the respondents booked their tickets online. Another 33% use travel agents.

Figure 17 Respondents by mode of trip booking

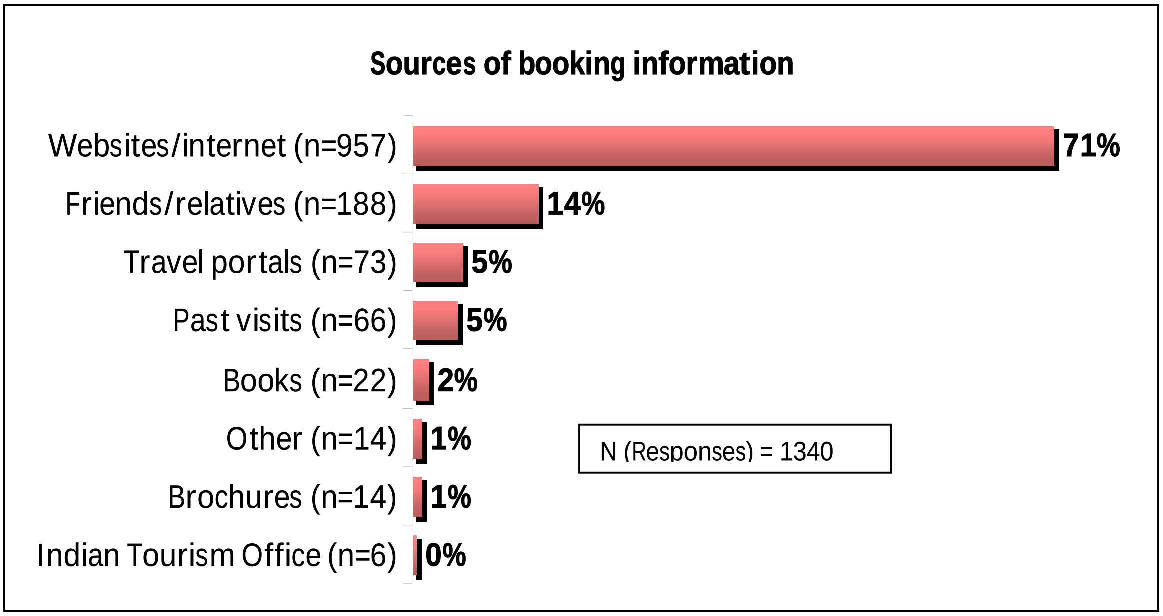


The travel agents were largely used for long haul trips and more specifically if the travel destination is India.

4.2.7 Sources of booking information

The 1341 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. 71% 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. 14% responses showed that on occasion friends and relatives were also consulted.

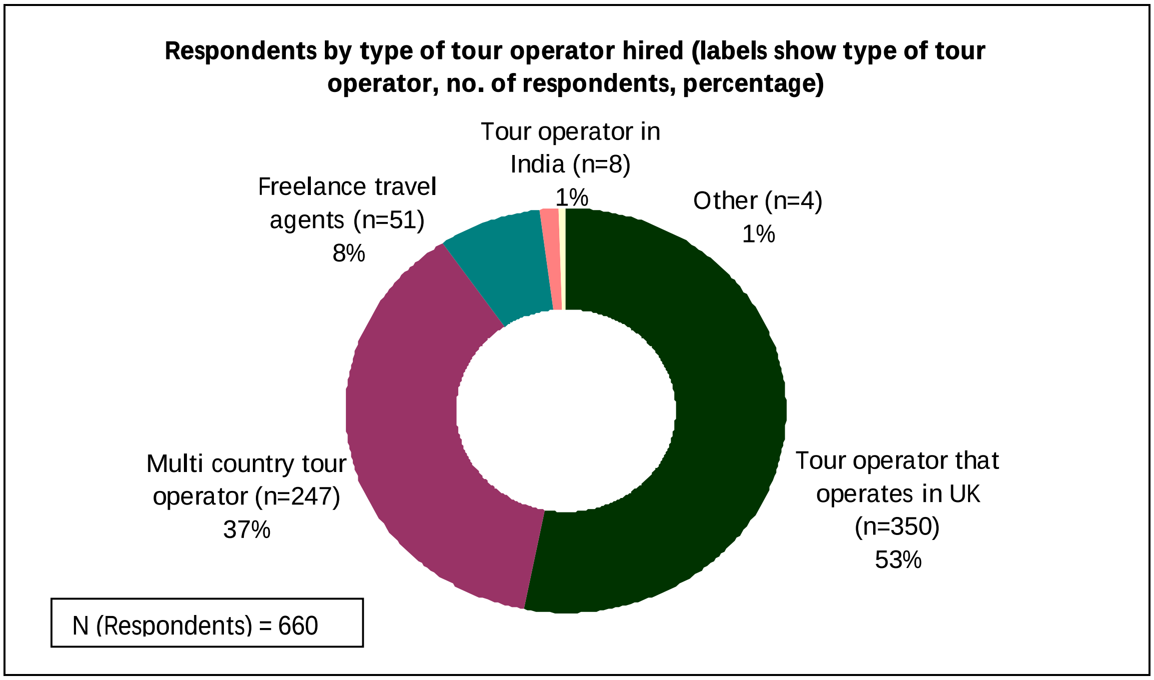
Figure 18 Sources of booking information



4.2.8 Type of tour operator used

Of the 2000 respondents, 660 consulted tour operators. These persons were asked to reveal information about the type of tour operator consulted and multiple responses were received. It was found that in 53% of the cases these are operators from the UK. In 37% cases multi-country tour operators are also consulted. But consultation with Indian tour operators is as low as 1%.

Figure 19 Type of tour operator used



4.2.9 Tour operators selection criteria

In the choice of the tour operator, for these 660 respondents, the merits of the package offered were the key deciding factor followed by brand name and presence of the tour operator. The cost of package was not a very significant factor and came fourth in the list of priorities when it came to deciding on a tour operator to go with.

Table 16 Criteria for choosing tour operators

Criteria for choosing a tour operator (for 660 respondents of 2000)	Weighted average	Rank
Package	2.27	1
Brand Name	2.15	2
Presence of tour operator	2.14	3
Cost of package	2.13	4
Catering to my needs	2.10	5
Travel Insurance	1.76	6
Better package deal	1.72	7

4.2.10 Mode of payment preferred

Most preferred mode of payment during a foreign trip across 2000 respondents was revealed to be the travellers' cheque. The cheque was followed by debit card, credit card, online payment and cash in that order.

Table 17 Preferred mode of payment across respondents

Preferred mode of payment across 2000 respondents	Weighted average	Rank
Cheque	2.21	1
Debit card	2.16	2
Credit card	2.11	3
Online payment	2.00	4
Cash	1.76	5

4.3 Travel Behaviour of Past Visitors to India

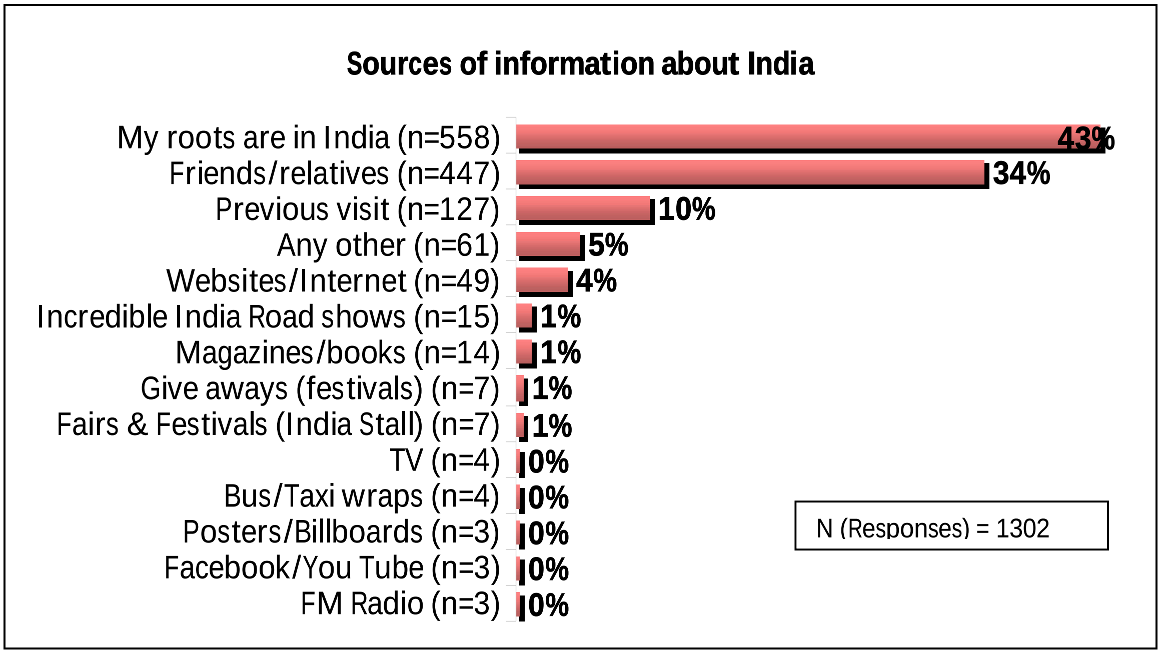
Of the 2000 respondents canvassed during the primary survey, 1000 were those who had visited India in the last three years.

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 43% of responses received indicated this. Hence friends and relatives are also an important source of information as was revealed by 34% of the responses received. Many of them had visited India before.

It is pertinent to note that a mere 15 of the 1302 responses received, that is 1.2% of all responses, indicated that travellers had heard about India from the Incredible India Road Shows.

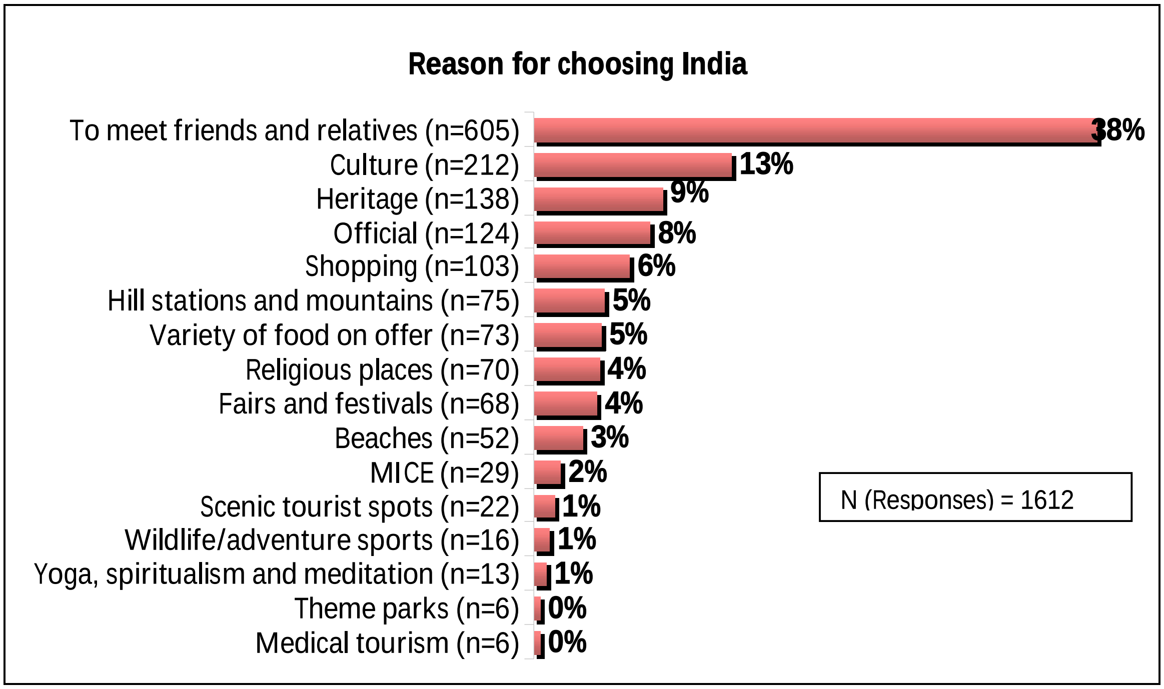
Figure 20 Sources of information about India



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 UK exists because their friends and relatives are here. 38% of all responses indicated this. Other important determinants are Indian culture and heritage including fairs, festivals, Indian cuisine, places of religious significance, yoga and spiritualism (36% of all responses). India's hill stations, beaches, wildlife, and scenic tourist spots attracted another 10% of all responses. Another 10% responses were received in favour of official and MICE1 related purposes.

Figure 21 Reasons for choosing India

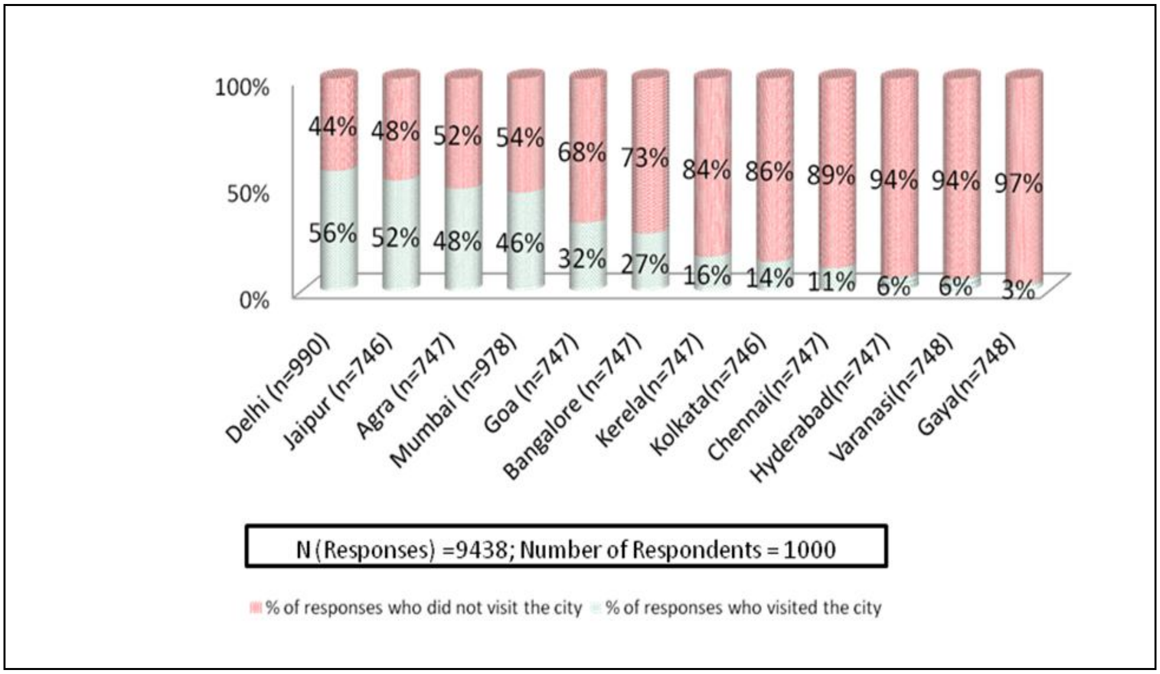


4.3.3 Destinations visited in India and source of information on them

Among those who have travelled to India in the past three years, many have visited Delhi and Jaipur. 56% of 990 responses showed that Delhi had been visited. Similarly, 52% of 746 responses indicated that Jaipur has been visited. Cities such as Agra (48% of 747 responses) and Mumbai (46% of 978 responses) have been visited often. Goa (32% of 747) and Bangalore (27% of 747) were less commonly visited. Gaya, Varanasi, Hyderabad, Chennai and Kolkata were not visited often.

[1] MICE: Meetings, Incentives, Conventions and Exhibitions.

Figure 22 Popular destinations in India

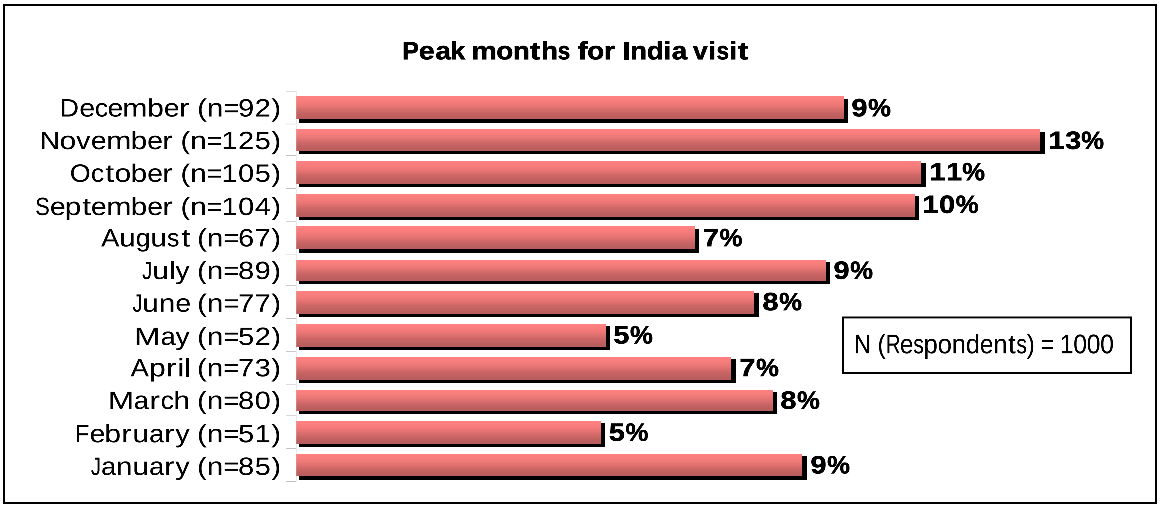


The survey reveals that information about these destinations has clearly not been first received from the usual sources such as websites, tour operators, travel publications or the India Tourism Office. Since we have already seen that a large number of people travelling to India are either persons of Indian origin and/or are coming to meet friends and relatives, this may be expected.

4.3.4 Travel time to India, duration of stay

The most favoured month for a visit to India is November when the weather is clement. 42% of India travellers canvassed in the survey reportedly visited India during the period of September to December. Another peak is seen in the month of July which is vacation month for school children in the UK.

Figure 23 Peak months to visit India



57% of the respondents visited India for a period of two weeks to a month. Another 19% stayed for a period between a week and a fortnight.

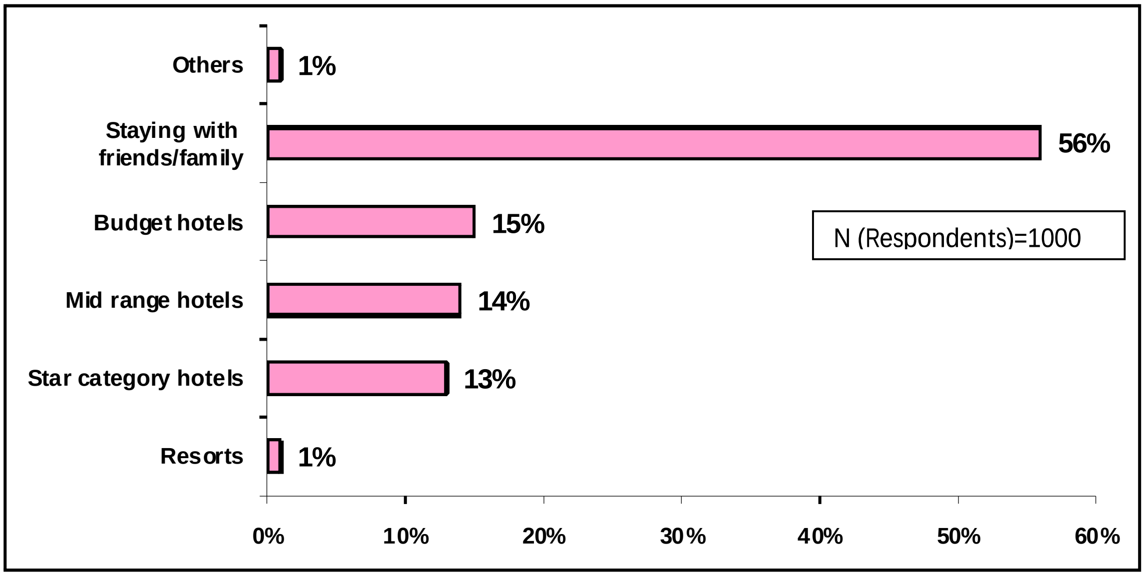
Table 18 Duration of stay in India

Duration of stay	No. of respondents	Percentage
Up to 1 week	112	11%
1 to 2 weeks	191	19%
2 weeks to a month	574	57%
More than one month	123	12%
Total respondents	1000	100%

4.3.5 Type of accommodation availed in India

56% 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 29% stayed in budget or midrange hotels. Another 13% stayed in star category hotels. Merely 1% availed of the luxuries offered by resorts in India.

Figure 24 Type of accommodation availed of in India

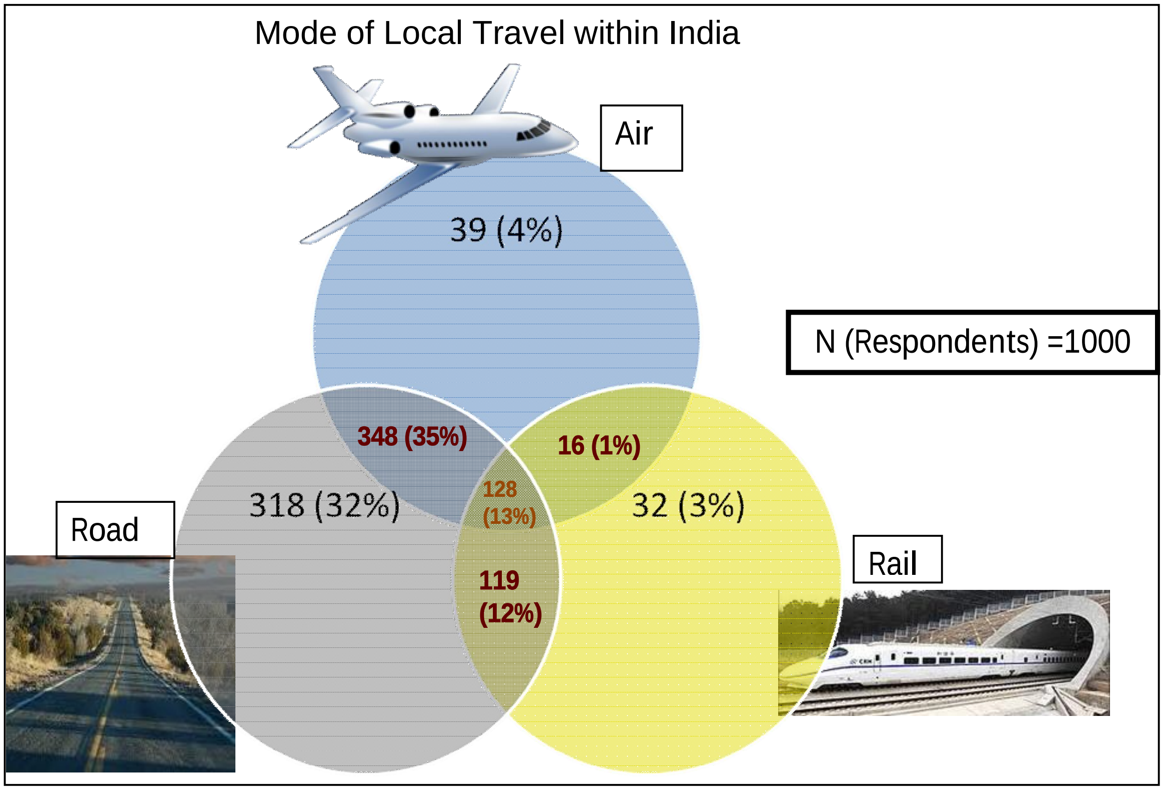


Note: Star category hotels: Hotels with more than 4 stars; Mid-ranged hotels: Hotels of 3 stars rating; Budget hotels: Hotels with 1-2 stars rating

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, 32% people travelled by road alone, 3% by rail alone and 4% by air alone. 35% people travelled by road and air both, 12% by road and rail both and 1% by air and rail both. 13% 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 25 Mode of Local Travel within India



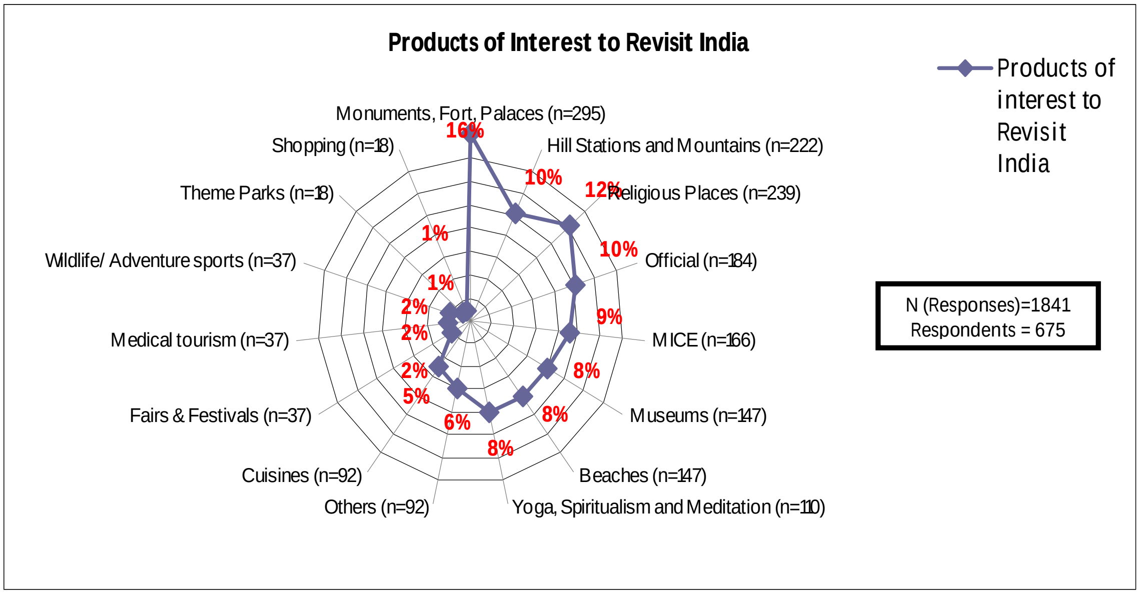
Of the 95 respondents who responded to the query on trains availed of, as many as 76 claimed to have availed of the Rajdhani or the Shatabdi. Luxury trains such as Palace on Wheels, Golden Chariot, Deccan Odyssey or Indian Maharaja had not been indulged in by many travellers. Only 7 of the 95 had been on these super luxury trains. 12 of the 95 respondent had used other trains. Intention of revisiting India

975 of the 1000 respondents who visited India in the last three years were certain that they would be revisiting.

4.3.7 Attractions for re-visiting India

People visit India to learn more about its culture, to experience its rich heritage and visit the religious and historical places. 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. Of interest to India visitors are its monuments and forts, hill stations, mountains, and religious places. There are a considerable number (184 of 1841 responses) who plan to visit India on official purposes and another 166 responses indicating pursuits related to MICE to attract visitors to India.

Figure 26 Attractions for revisiting India



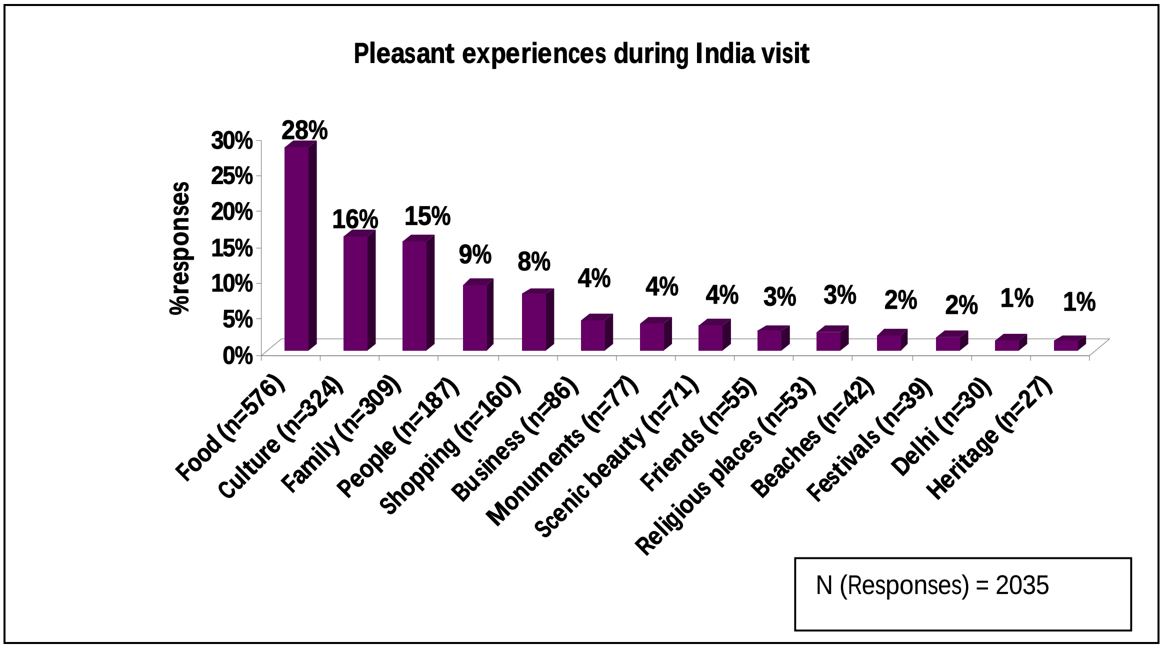
4.3.8 Reason for not revisiting India

The 325 persons of 975 who did express that they would not be revisiting India, cited problems related to safety and security as the primary concern. Acquiring a visa and expenses were also important concerns cited.

4.3.9 Best and worst experiences in India

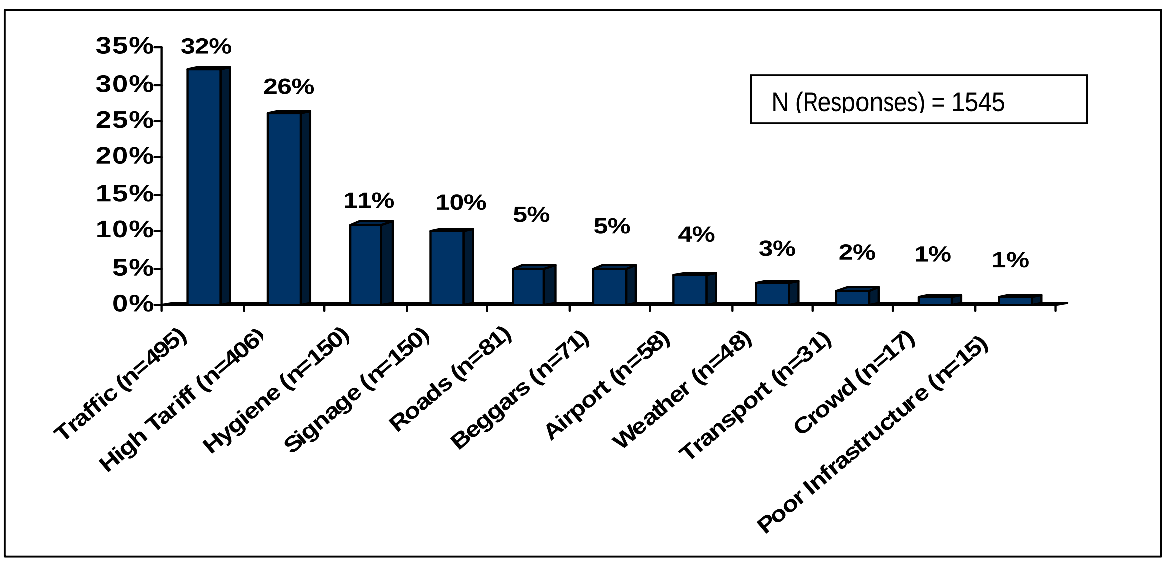
Tourists from the UK who have visited India are particularly happy with the hospitality warmth and kind-heartedness of the people in India. Those fond of food like India because of the vast cuisine it offers. Respondents who visited India were asked to indicate their best and most enjoyable aspects about 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 (28% of the responses), chance to meet the family (15% of the responses), and exposure to Indian culture and its people (25% of the responses).

Figure 27 Pleasant experiences in India



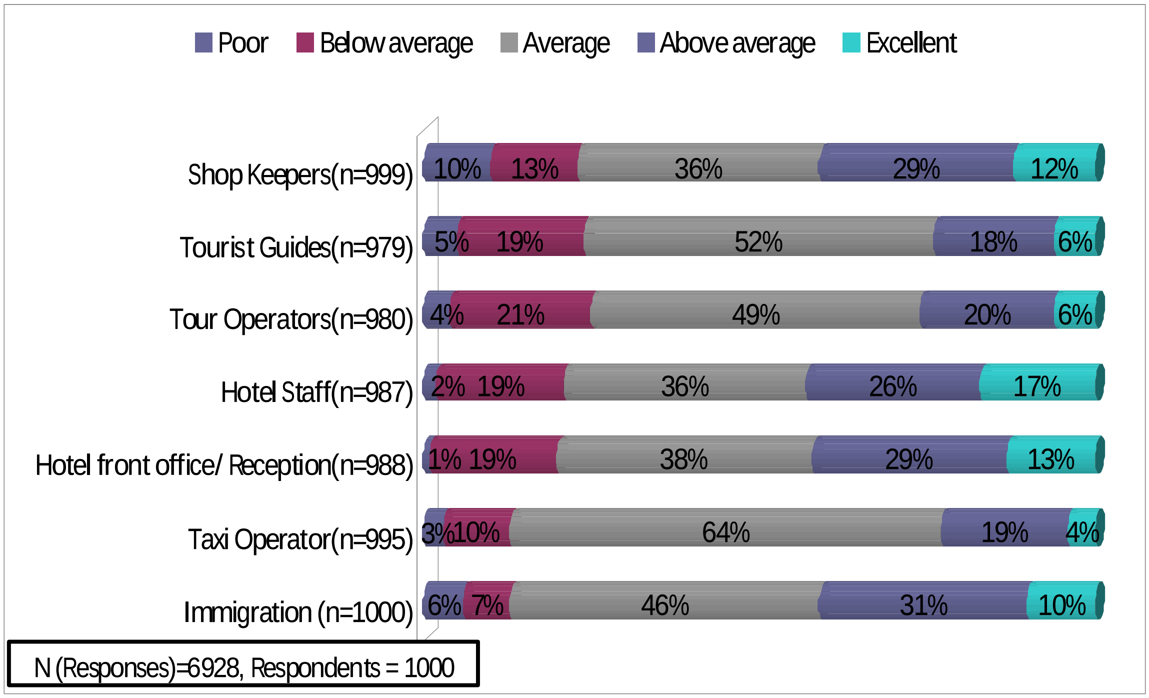
Sources of discomfort or unpleasantness were cited as traffic and road conditions. Many respondents felt that the tariffs in India in terms of accommodation in particular were too high compared to other destinations. Hygiene standards and signage standards were also cited as sources of unease.

Figure 28 Unpleasant experiences in India



4.3.10 Level of satisfaction from service providers in India

Figure 29 Level of satisfaction with service providers

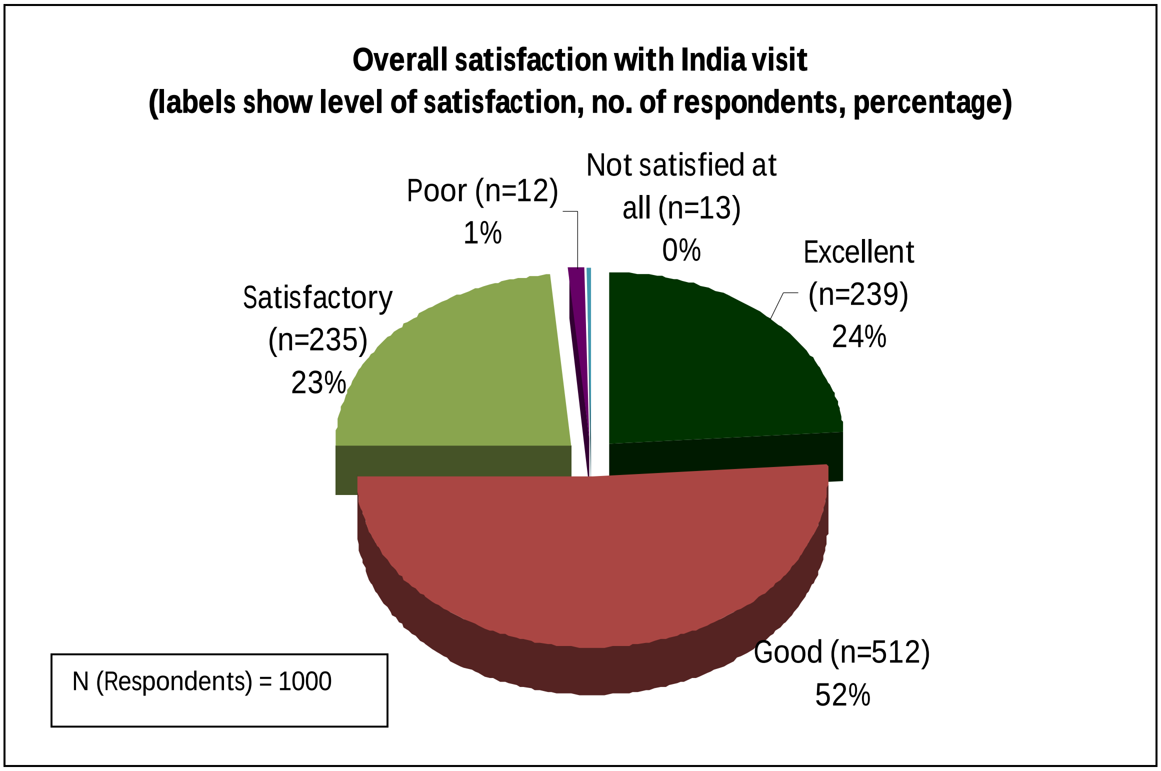


- Only about 13% of the 1000 respondents felt that their experience at immigration was poor or below average. Everyone else was satisfied.
- Dissatisfaction with taxi services was again expressed by around 13% of the 1000 respondents. Most felt it was average to satisfactory.
- 70% to 80% of the 1000 respondents felt that Indian hotel receptions and staff were good.
- The same was true of their satisfaction levels with Indian tour operators and tourist guides. While they are not exceptional but more than 70% respondents felt that they were average or better.
- About 23% of the respondents expressed their dissatisfaction over Indian shopkeepers.

4.3.11 Overall satisfaction from visiting India

Overall, 98% of the 1000 visitors interviewed in the survey were satisfied with their experience in visiting India. As many as 24% in fact rated their holiday experience as ‘Excellent’.

Figure 30 Overall satisfaction with Visit to India

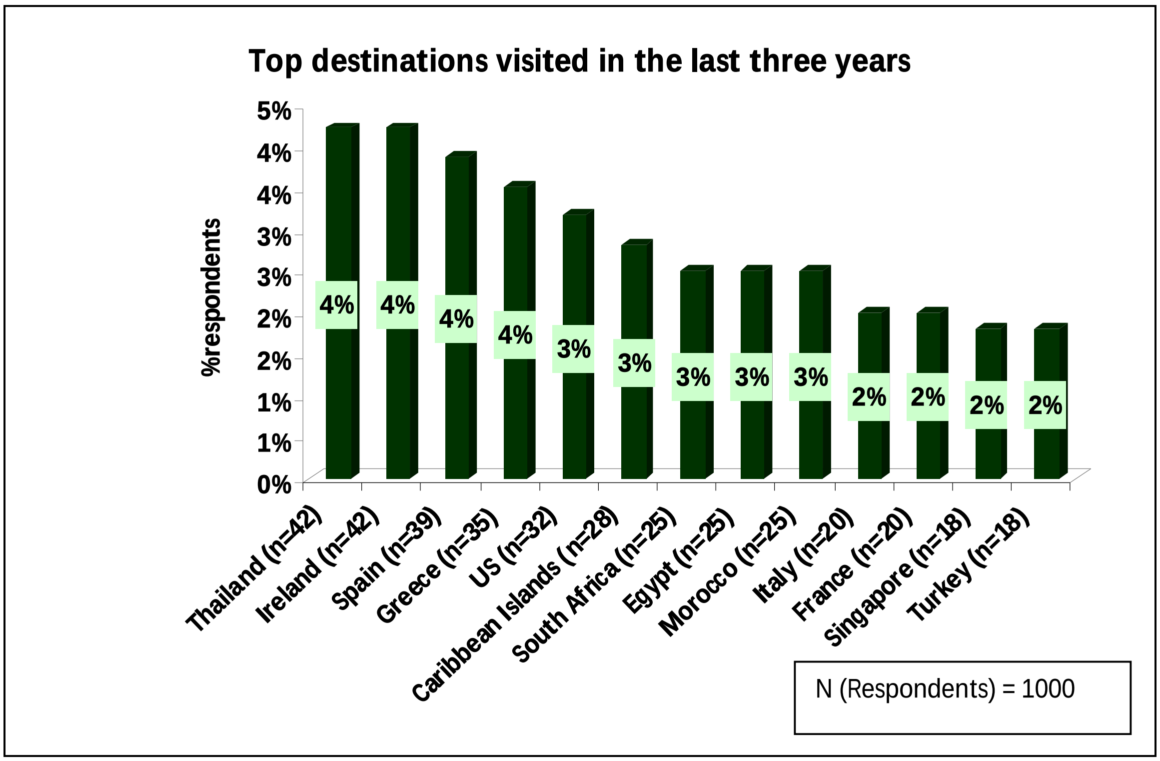


4.4 *Travel Behaviour of Other Country Visitors*

4.4.1 Countries visited in past

Among the 1000 respondents who had travelled out of UK in the past three years but not to India, the maximum visits have been made to Thailand and Ireland followed by Spain, Greece, US, the Caribbean Islands, as also Turkey. Within Europe, Italy and France are both equally popular destinations though less so when compared to Spain or Greece for British tourists. South Africa has gained wildlife and soft adventure tourism footfall in recent years. Singapore and US are attractive to those who wish to explore and see new things. Spain, Egypt, Jordan, Turkey, Morocco are all year round destinations, whereas India and Sri Lanka are seasonal in nature. These top countries constituted 37% of all respondents.

Figure 31 Top destinations visited in the last three years

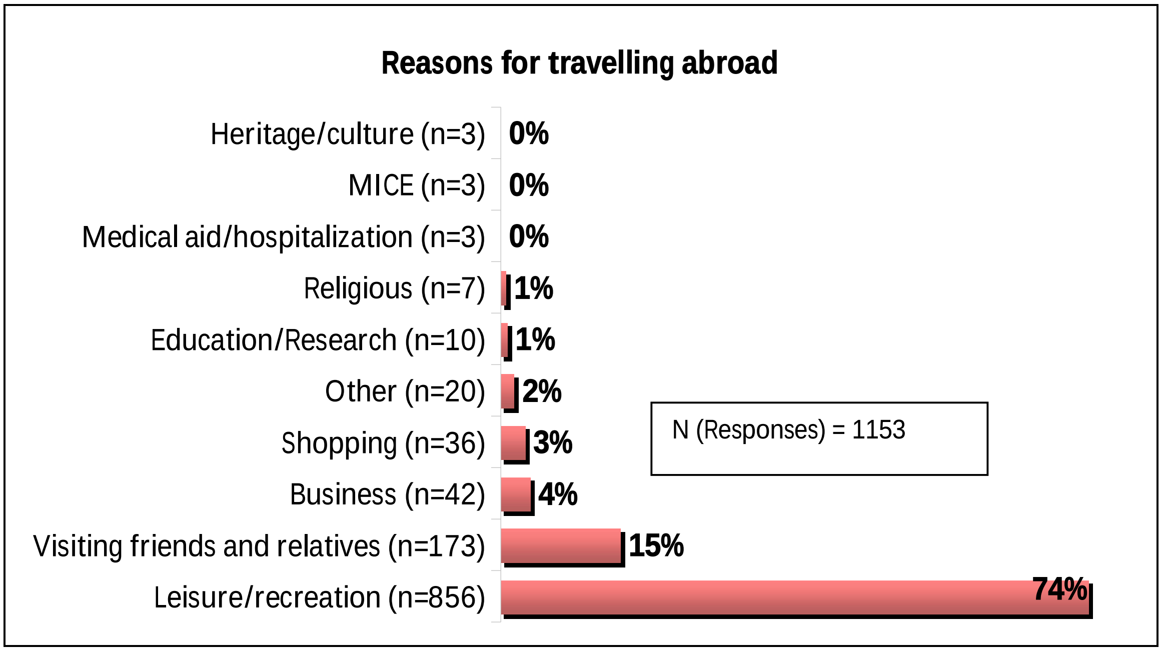


4.4.2 Drivers for visiting foreign locales

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 leisure or recreation (74% of all responses), while some other factors were to visit friends and relatives (15% of all responses) or business purposes (4% of all responses).

Other factors such as shopping, education or research, religious pursuits etc were also cited as reasons but were less significant.

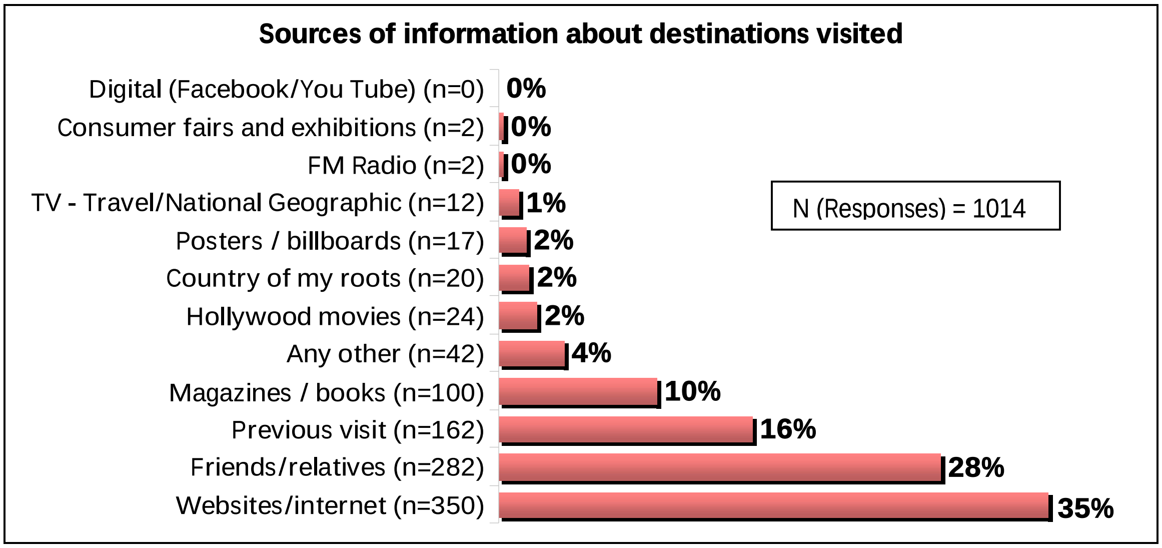
Figure 32 Reason for travelling overseas



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. 1000 respondents yielded 1014 responses. A large number of travellers have found out about the destination countries in most cases from the internet or websites (35% of all responses). In many cases they have also heard from relatives and friends as also because they have been to the country earlier (44% of all responses). Magazines and books were also cited as sources of information but not as often (4% of all responses)

Figure 33 Sources of information about destinations visited



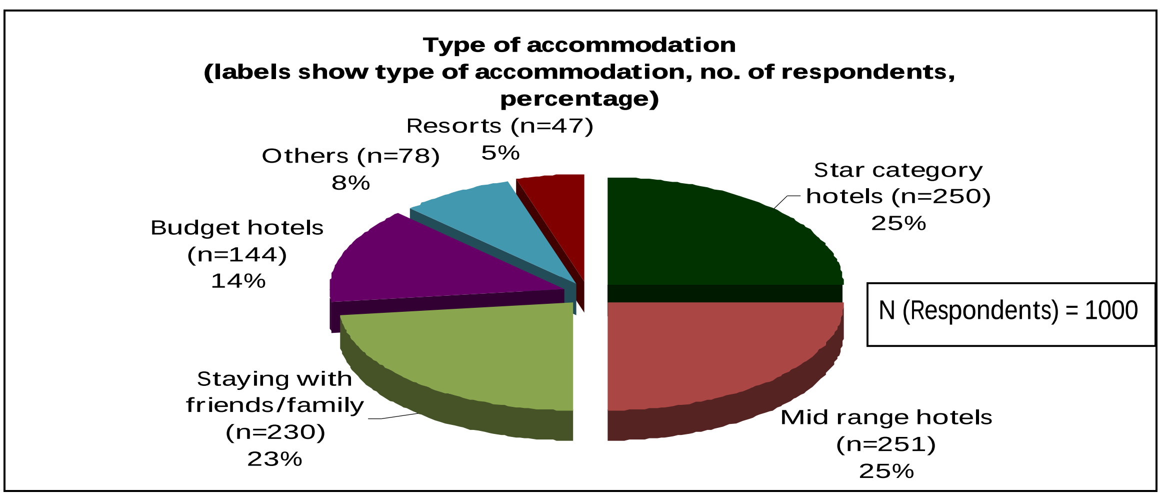
4.4.4 Value for money destinations visited

An overwhelming 97% of the respondents believed that their experience had been worth the money they spent.

4.4.5 Type of accommodation used

About 50% of all respondents who travelled to countries other than India stayed in star category or mid-range hotels during their visit. 14% stayed in budget hotels while about 23% stayed with friends and relatives. Only 47 of the 1000 respondents spent on luxury resorts.

Figure 34 Type of accommodation availed

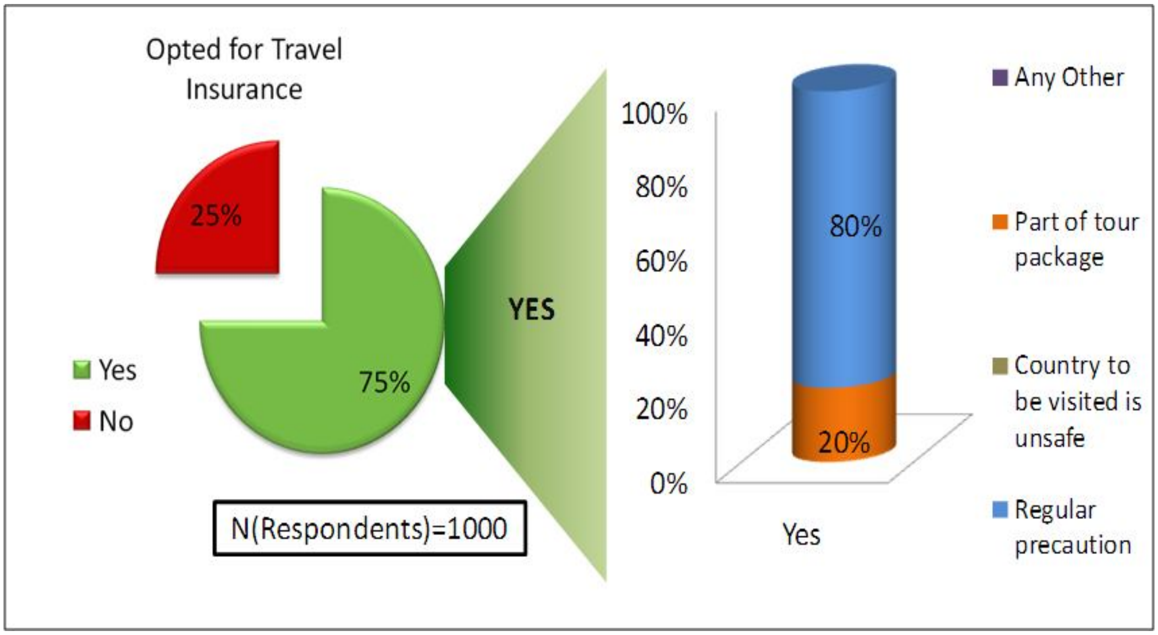


Note: Star category hotels: Hotels with more than 5 stars; Mid-ranged hotels: Hotels lying in the bracket of 3-4 stars; Budget hotels: Hotels lying in the bracket of 1-2 stars

4.4.6 Reason for opting for travel insurance if any

Around 75 percent of the 1000 travellers opted for travel insurance. For 80% of these 750 respondents, this was part of regular precaution rather than the belief that the country they were visiting was unsafe. For the rest of the 20% respondents, travel insurance was part of the tour package

Figure 35 Reasons for Opting for Travel Insurance



4.4.7 Awareness of India as a tourist destination

About 74% of all 1000 respondents who had visited other countries in the last three years were aware of India as a tourist destination.

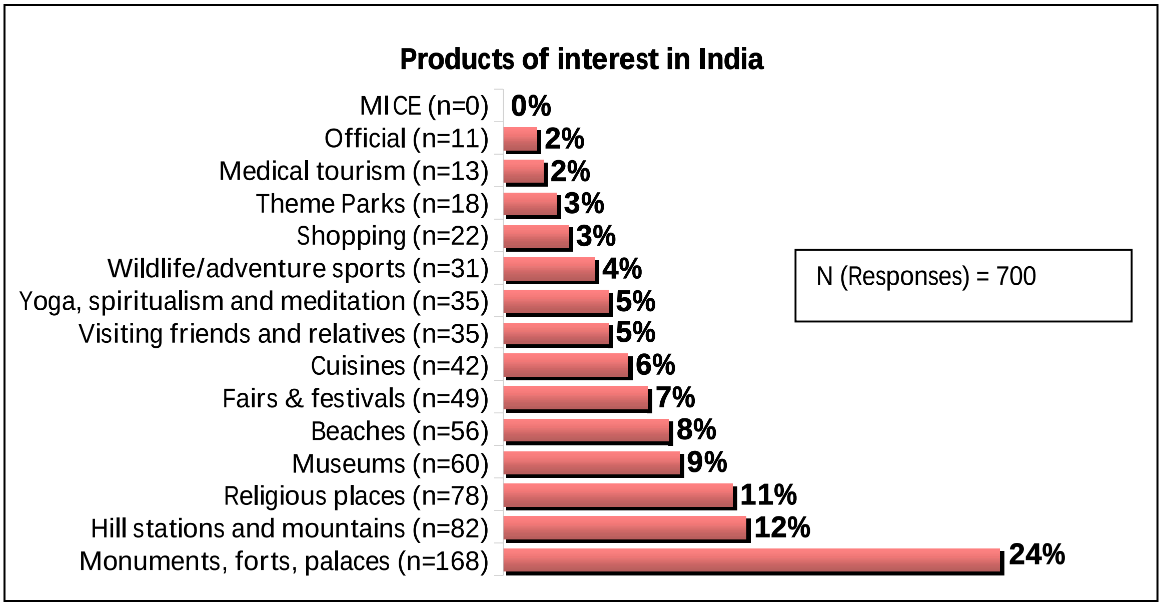
4.4.8 Intention of visiting India

Though 74% of the respondents were aware of India as a tourist destination, only about 34% expressed interest in visiting India during their next trip.

4.4.9 Primary attractions of India / motivation for visiting India

The 345 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). 700 responses were received from 345 respondents on in response to this question. Most respondents admitted that they found India attractive for its monuments, forts and palaces (24% of 700 responses), hill stations and mountains (12% of 700 responses). Some would also like to visit religious places (11% of 700 responses).

Figure 36 Products of interest in India



4.4.10 Intention and reason for choosing an intermediary for India travel

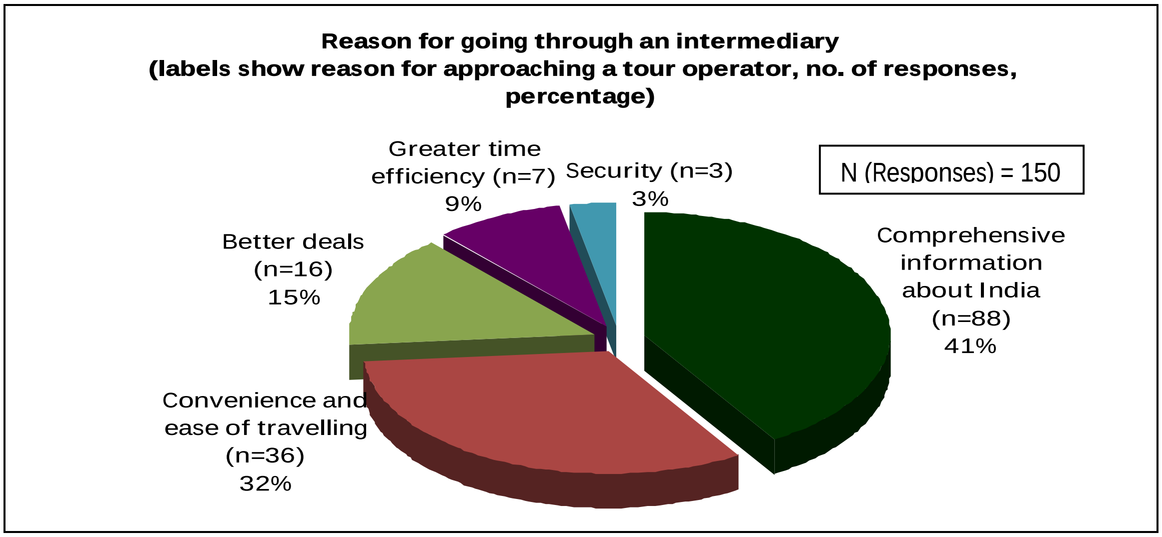
Says a traveller, “For an India holiday I prefer to go through travel agents because they give a personal touch. They have more information available that provides more confidence. Tour operators seem to have been to these places, extra information is available with them. Also there is no insurance available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

Among those who expressed the intention of visiting India next, about 57% of 345 respondents showed inclination to consult a tour operator and 43% said that they would plan their own trips.

Among those willing to consult tour operators, some also offered insights into why they felt the need to avail of the services of an intermediary. 150 responses were received in this regard 59% of which showed that the travellers would like to approach tour operators in order to gain more information about India. About 28% of the responses were in favour of convenience and time efficiency of hiring an intermediary. 11%

responses showed that a tour operator would be favoured in the expectation of a better deal.

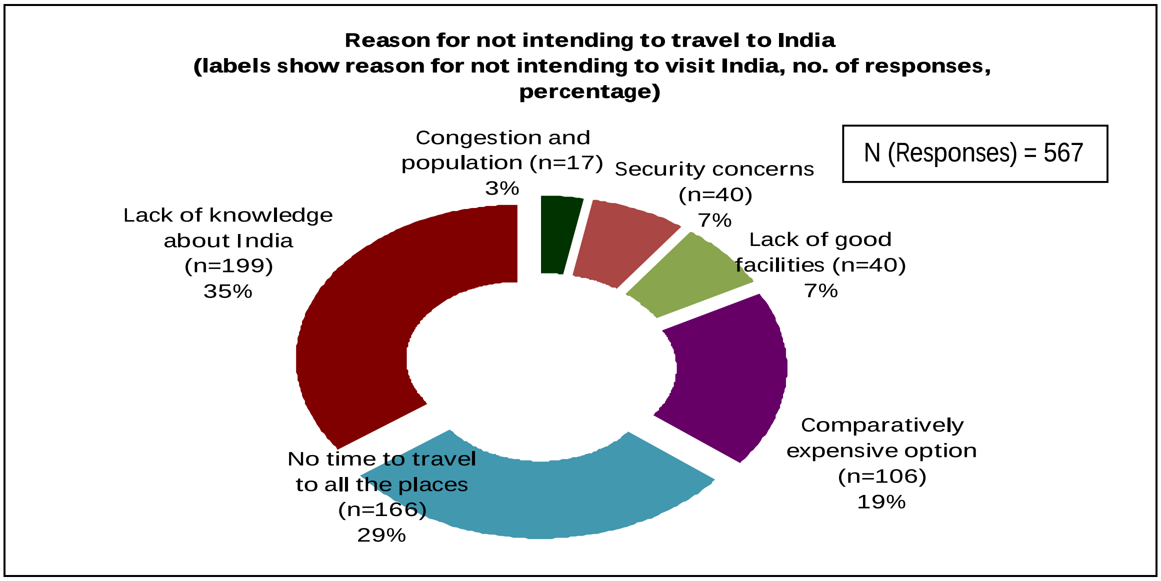
Figure 37 Reason for approaching a tour operator



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

Among those who were not interested in visiting India (655 of 1000 respondents), the primary concern that proved a dampener was lack of information about India (199 of the 567 responses received in this context). Many also felt that there was insufficient time to travel to all places in India (166 of 567 responses). 19% of the responses indicated that India was perceived to be a more expensive travel destination compared to other countries.

Figure 38 Reasons for not intending to travel to India in the near future

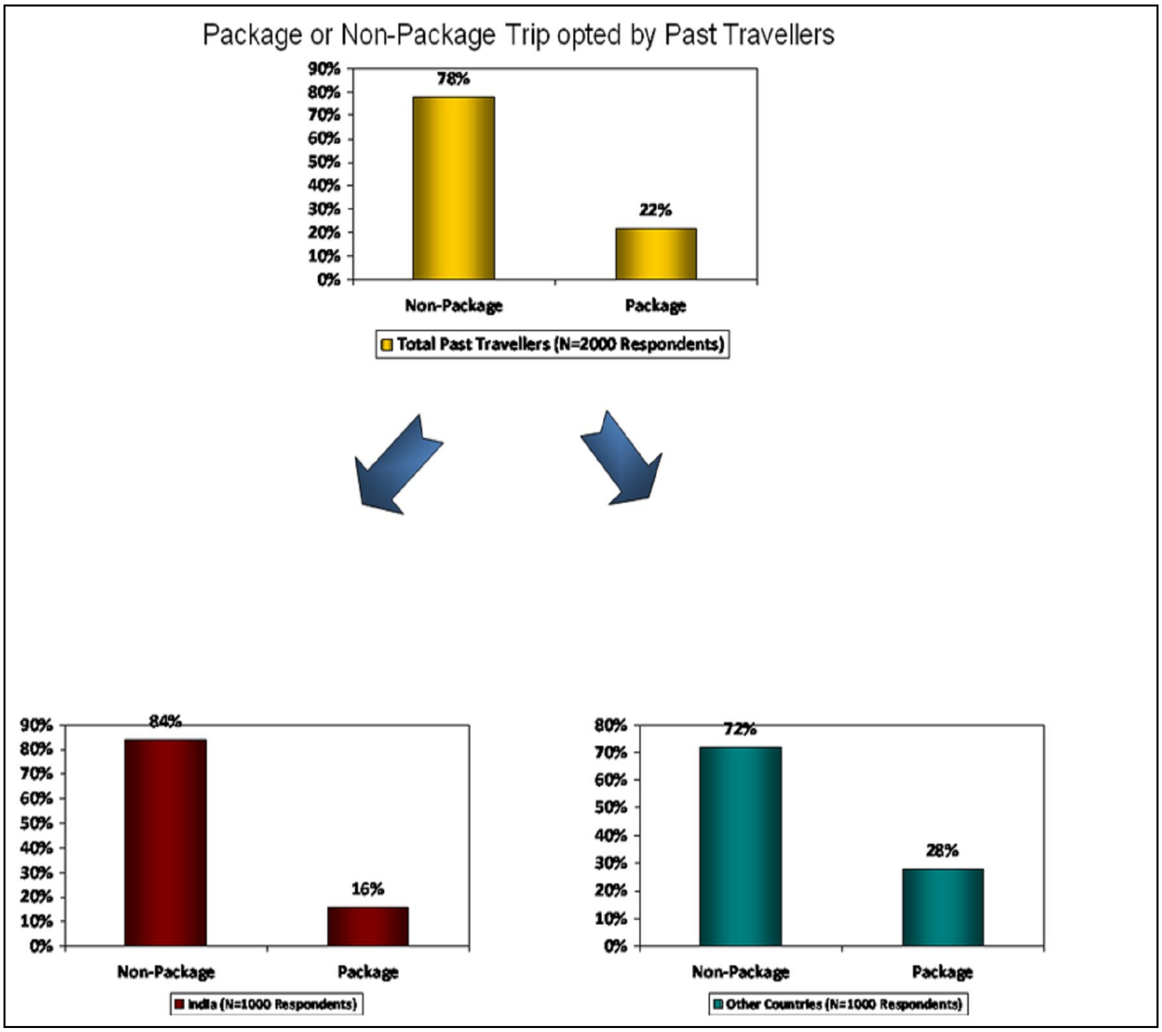

Reason for not intending to travel to India
(labels show reason for not intending to visit India, no. of responses, percentage)
N (Responses) = 567
Congestion and population (n=17) 3%
Security concerns (n=40) 7%
Lack of good facilities (n=40) 7%
Comparatively expensive option (n=106) 19%
No time to travel to all the places (n=166) 29%
Lack of knowledge about India (n=199) 35%

4.5 India vis-à-vis other Countries - Past Outbound Travel Behaviour

4.5.1 Type of Trips (Package/ Non Package)

Overall, 78% of the 2000 respondents did not opt for package trips. This percentage was higher at 84% for those travelling to India. However, those travelling to other countries seemed a little more inclined towards package trips because 28% of them opted for package trips.

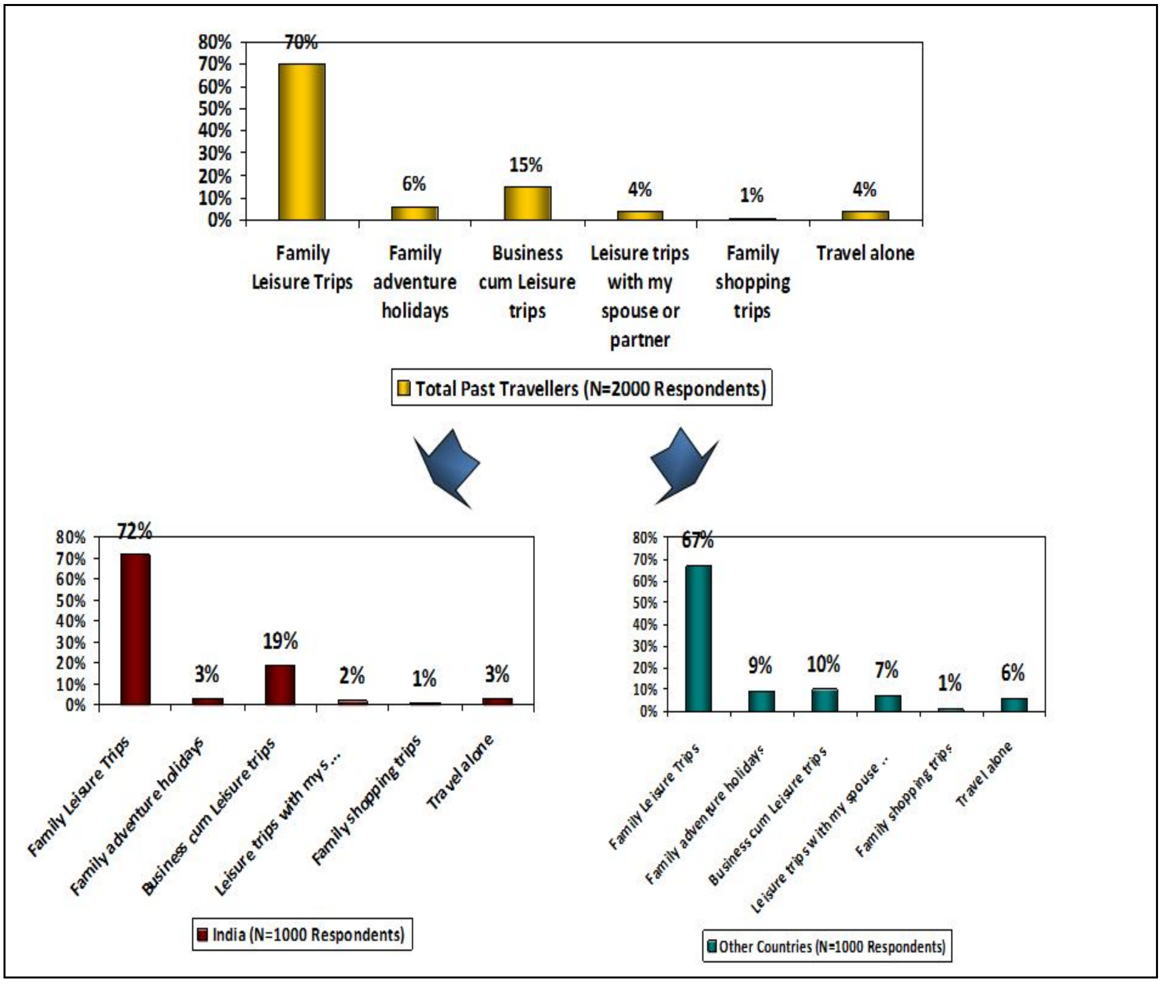
Figure 39 Package or non-package trip opted for by past travellers



4.5.2 Type of Trip Taken by Past Travellers

Comparing the trip types of past travellers to India and to other countries it is found that while the maximum trips are family leisure trips for both categories, there are some variations in the pattern. First, the share of family adventure holidays is higher among those visiting other countries rather than India visitors. Clearly, India is not an attractive destination for adventure holidays as yet. Second, India visitors show a higher percentage of business-cum-leisure trips at 19% as opposed to 10% for other country visitors. Third, India seems less attractive than the rest of the world when it comes to leisure trips with spouse or partner (share is 2% as opposed to 7% for other country visitors).

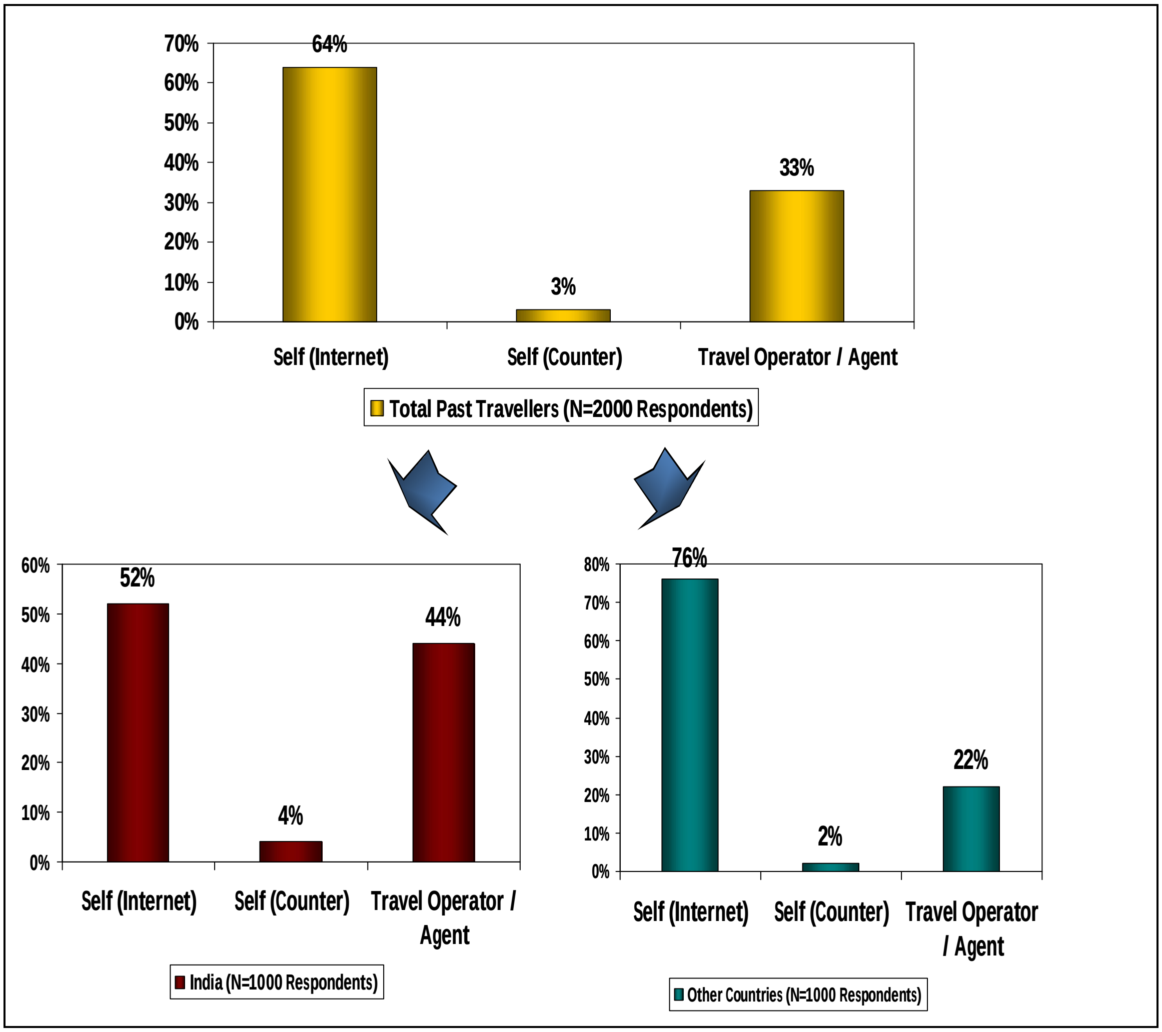
Figure 40 Type of trip taken by past travellers



4.5.3 Mode of Booking by Past Travellers

Overall, 67% of all travellers have booked their trips over the internet or personally at the ticket counter. However among travellers headed for India, a large percentage (44%) books through tour operators. This is a low 22% for those headed for other countries.

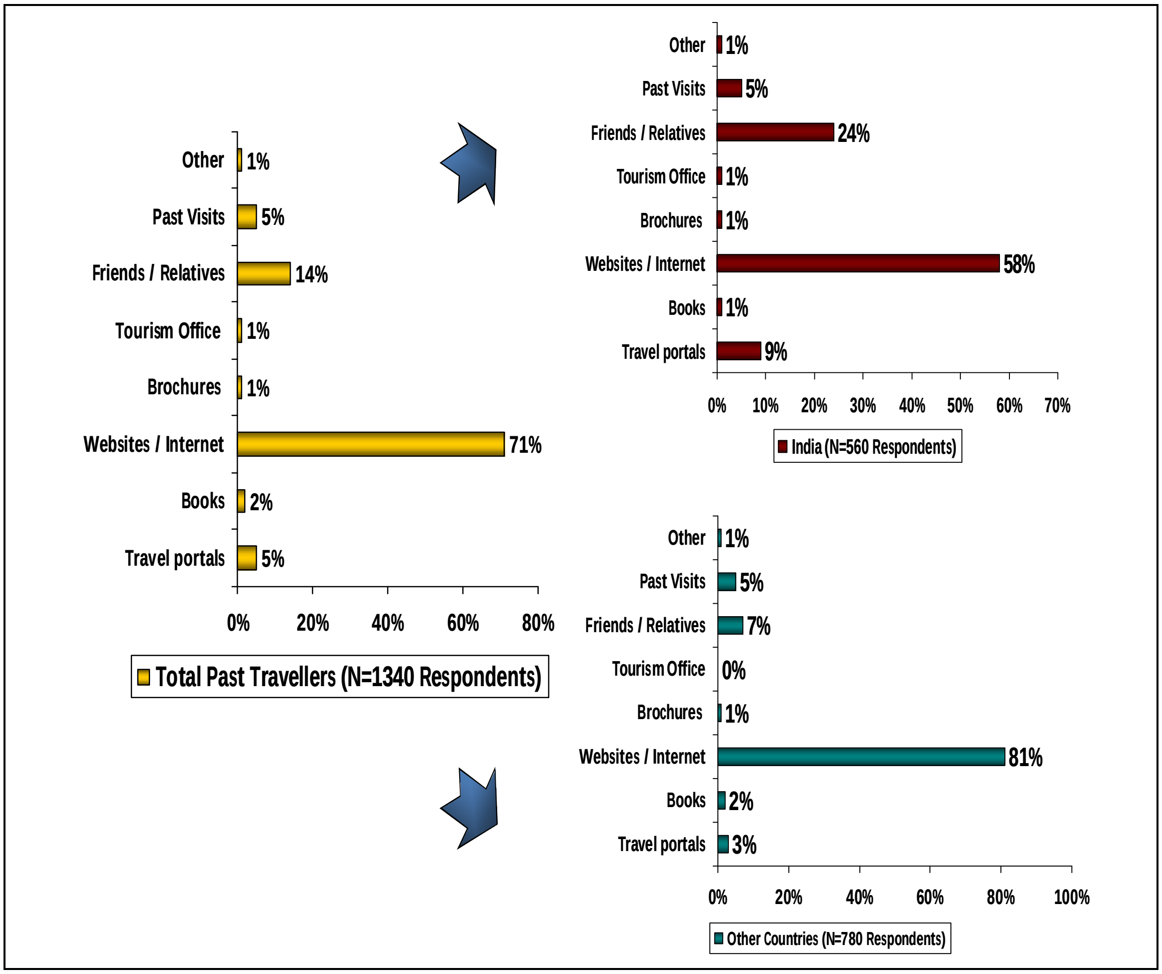
Figure 41 Mode of booking by past travellers



4.5.4 Source of Booking Information for Past Travellers

The internet is the most common source of information resorted to by all travellers. However, for those travelling to India, friends and relatives are also an important source of information. This does not appear to be as important a source for those who visit destinations elsewhere in the world. Qualitative inputs from respondents have shown that while a recommendation from a friend or a relative regarding a holiday destination can have a strong influence on decision making, when it comes to actually seeking information, it is usually the internet.

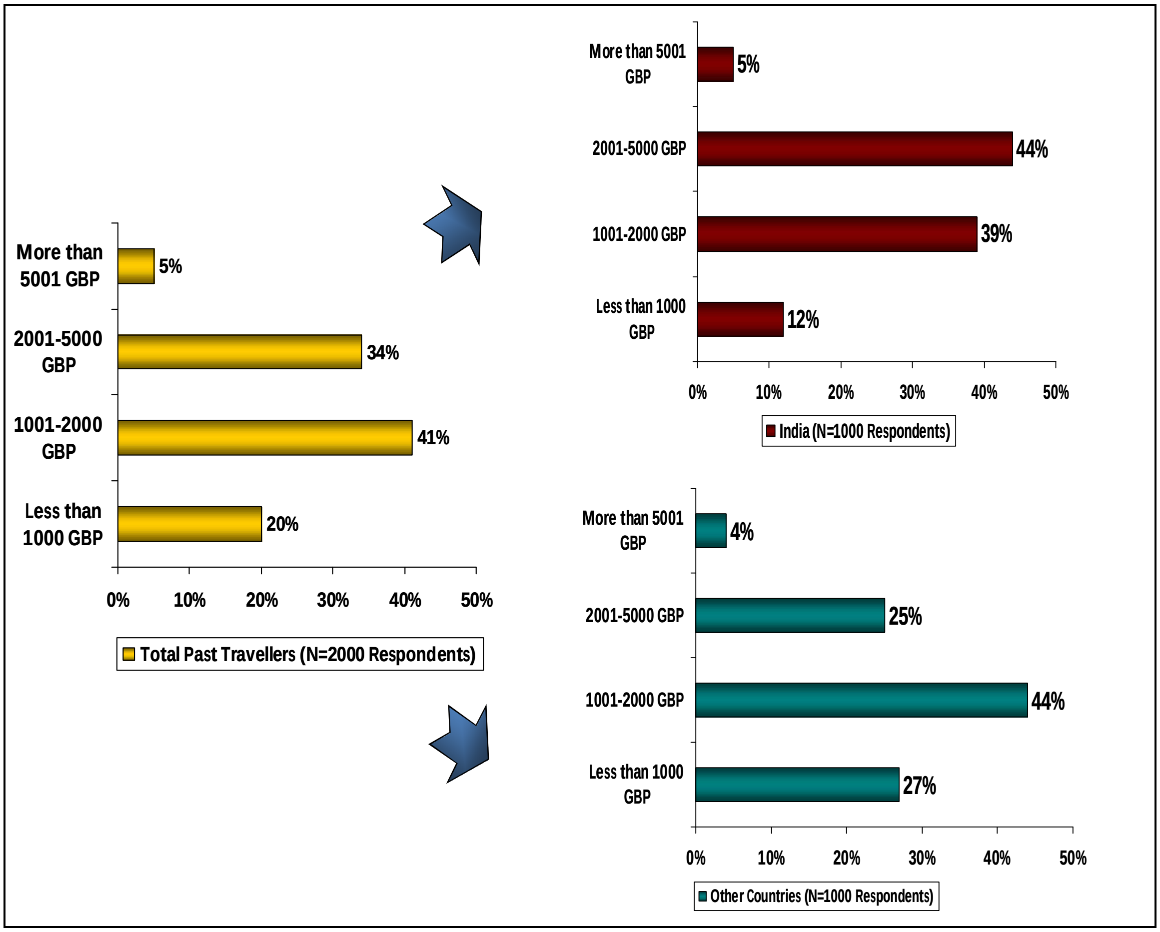
Figure 42 Source of booking information for past travellers not using tour operators



4.5.5 Trip Budget of Past Travellers

Travellers to India have a higher average per capita budget than those travelling to other countries. Those budgeting more than GBP 2000 per head constitute 49% of the respondents among India travellers while this is only 29% for other travellers. Also, only 12% of India travellers set aside budgets of less than GBP 1000 per head but the same for travels to other countries is 27%.

Figure 43 Trip budget of past travellers



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

Table 19 Trip budget vs trip duration of past travellers to India

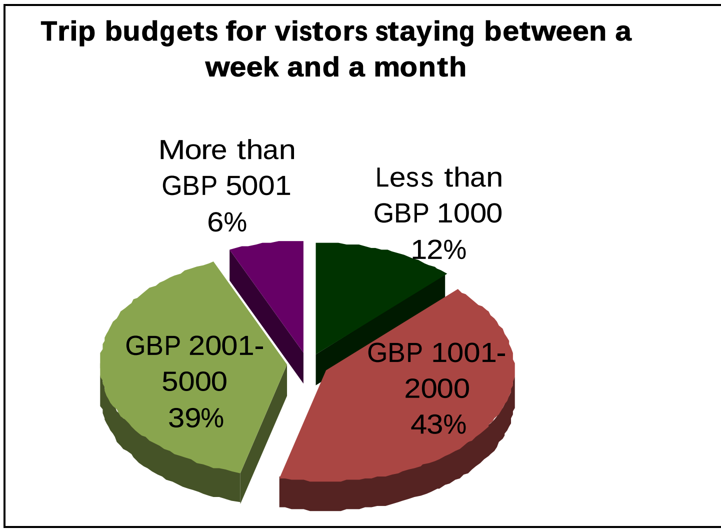
Trip Budget		Trip Duration			Total
		Less than one week	1-4 weeks	More than 4 weeks	
Less than 1000 GBP	No. of respondents	7	70	43	120
	% of Total	1%	7%	4%	12%
1001-2000 GBP	No. of respondents	27	244	116	387
	% of Total	3%	24%	12%	39%
2001-5000 GBP	No. of respondents	76	228	135	439
	% of Total	8%	22%	14%	44%
More than 5001 GBP	No. of respondents	3	37	14	54
	% of Total	0%	4%	1%	5%
Total	No. of respondents	113	579	308	1000
	% of Total	11%	58%	31%	100%

Among visitors to India, the largest category of travellers (58%) is one that stays for duration of a week to a month. A substantial 31% also stays beyond four weeks. In comparison, short duration visitors staying less than a week is only about 11% of the respondents.

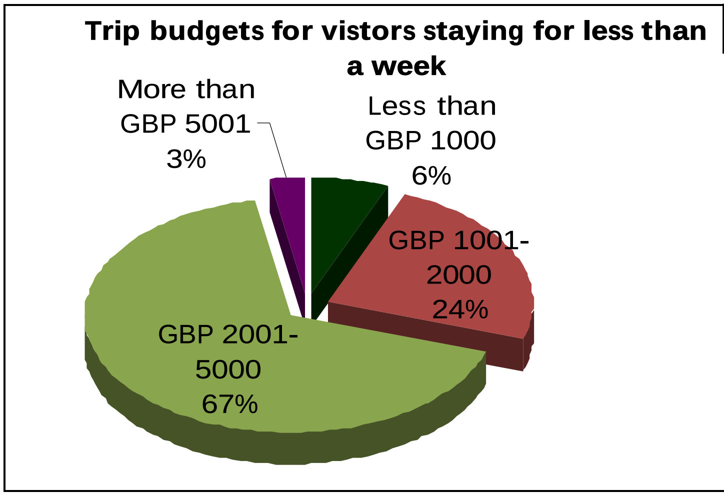
Further, the bulk of the spenders are in the GBP 1000 to GBP 5000 per head per trip category constituting 83% of all respondents (1000).

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. It is seen that those who come of short duration trips display spending patterns that are substantially different from the other two categories. The largest proportion of short duration visitors (70%) have per head trip budgets of more than GBP 2000. The same for the longer duration visitor is in the range of 39% to 43%. One may surmise that the short duration visitors 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.

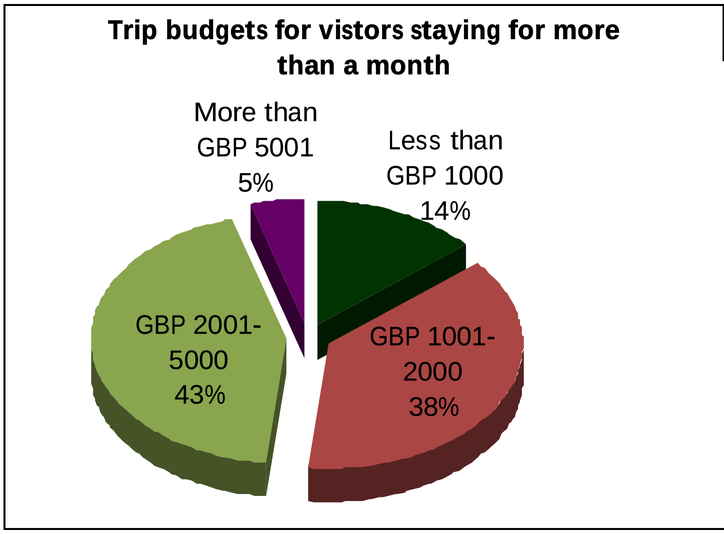
Figure 44 Trip spends vis a vis trip duration



N (Respondents) = 113



N (Respondents) = 308



N (Respondents) = 579

4.5.7 Trip Budget v/s Type of Trip of Past Travellers to India

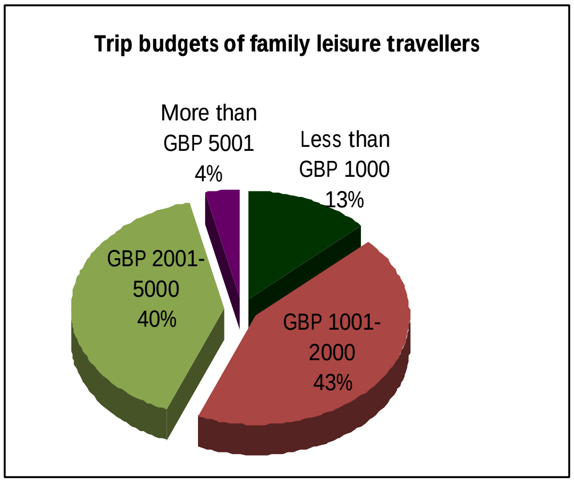
Most respondents reported to have embarked upon family leisure trips (70%). The next most pertinent reason for travelling to India lay in business purposes, though often these trips are of a mixed nature where a degree of local sightseeing is thrown in with the primary business objective.

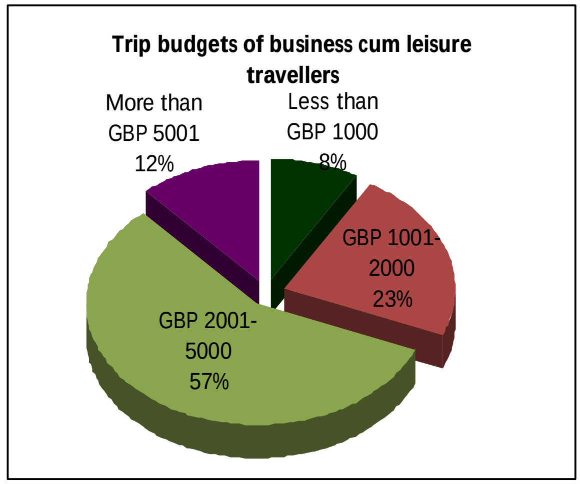
Table 20 Trip budget by type of trip for past travellers to India

Trip Budget		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	
Less than 1000 GBP	No. of respondents	92	4	16	4	0	4	120
	% of Total	10%	0%	2%	0%	0%	0%	12%
1001-2000 GBP	No. of respondents	300	13	43	11	4	16	387
	% of Total	30%	1%	5%	1%	0%	2%	39%
2001-5000 GBP	No. of respondents	282	16	109	14	3	15	439
	% of Total	28%	2%	11%	1%	0%	2%	44%
More than 5001 GBP	No. of respondents	25	1	22	4	1	1	54
	% of Total	3%	0%	2%	0%	0%	0%	5%
Total	No. of respondents	700	34	190	33	7	36	1000
	% of Total	70%	3%	19%	3%	1%	4%	100%

However, the spending patterns of these two categories differ greatly. 57% of business cum leisure travellers is in the GBP 2000 to GBP 5000 bracket and a substantial 12% are in the highest spending bracket of over GBP 5000 as opposed to a mere 4% of family leisure travellers. In fact about 56% of the family leisure travellers are spending up to GBP 2000 per head per trip, which is not more than 31% for business cum leisure travellers. Variations exists across other trip types as well with some low budget crowding among family shoppers but the sample numbers are too small for us to draw any concrete conclusions for those categories.

Figure 45 Budget categories by type of trip for India visitors





N (Respondents) = 700

N (Respondents) = 190

Chapter Five
Prospective Outbound Travel Behaviour

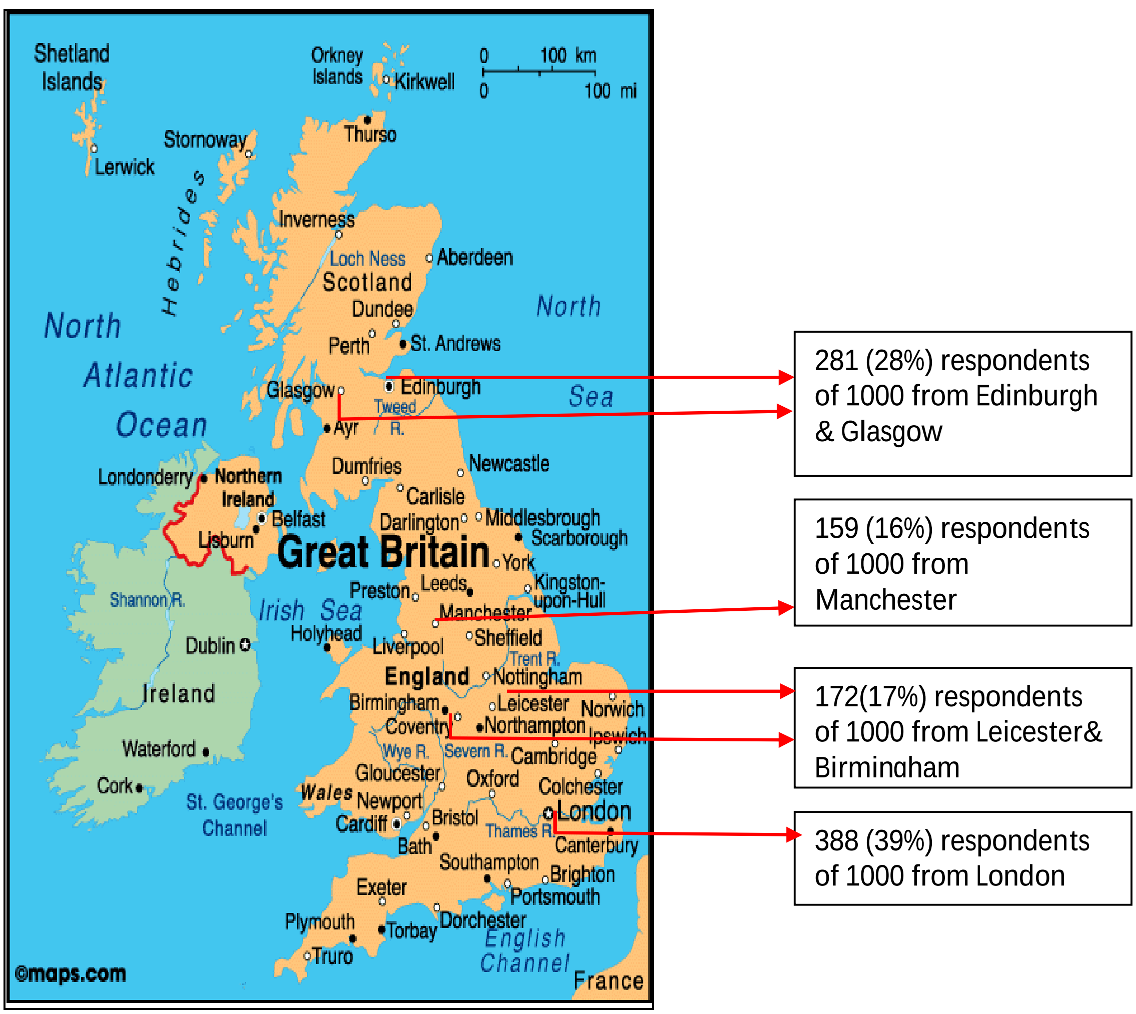
5.1 Profiling Information

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 1000 respondents (persons who intended to travel abroad in the next one year) from the UK of which 39% of the potential travellers were from London, 16% from Manchester and about 17% from Leicester and Birmingham and the remaining 281 of 1000 from Edinburgh and Glasgow.

Figure 46 Respondents by place of residence



5.1.1.2 Age categories

50% of the respondents, that is, 499 respondents were between 26 to 35 years of age. 40% of the respondents were in the age group of 36 to 50 years. Overall, 90% of the respondents were in their peak productive years between 26 and 50 years of age.

Table 21 Respondents across age categories

Age categories	No. of respondents	[illegible]
Below 18 years	7	[illegible]
18-25 years	62	6%
26-35 years	499	50%
36-50 years	405	[illegible]
51-60 years	21	[illegible]
Above 61 years	6	1%
Total	1000	[illegible]

281 (28%) respondents of 1000 from Edinburgh & Glasgow

159 (16%) respondents of 1000 from Manchester

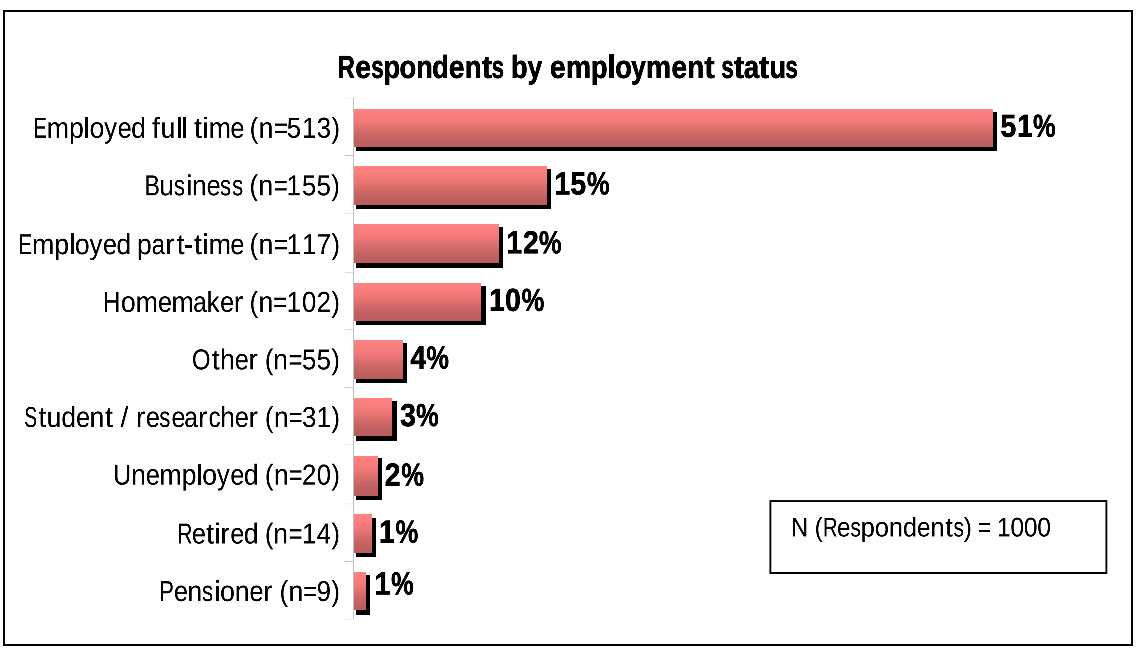
172(17%) respondents of 1000 from Leicester& Birmingham

388 (39%) respondents of 1000 from London

5.1.1.3 Employment status

52% respondents were employed full time (513 of 1000 resp[illegible] business persons constituted 15% of the respondents. Other important segments were part time employees and homemakers constituting 12% and 10% respectively.

Figure 47 Employment status of respondents



5.1.1.4 Gender

Women constituted about 51% of the survey participants. Overall, 494 prospective female travellers were interviewed during the primary survey across the Six cities.

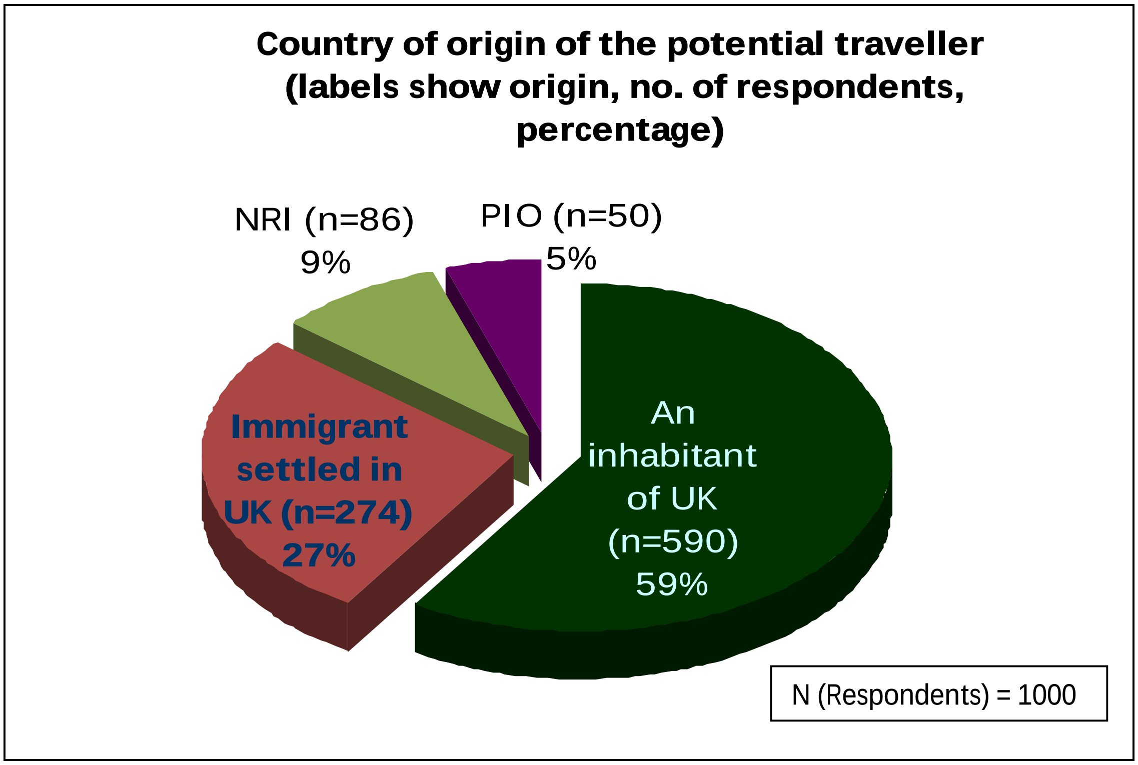
Table 22Respondents by gender

Gender	No. of respondents	Percentage
Male	506	51%
Female	494	49%
Total	1000	100%

5.1.1.5 Country of origin

59% of the 1000 respondents were original inhabitants of the UK. 27% were immigrants from other countries settled in the UK. The rest were PIOs (persons of India origin) or NRIs (non-resident Indians). Since only 13% of the travellers were persons with any cultural or familial connection with India, the outcomes of the survey strongly reflect the intentions of British travellers without any bias towards India as home.

Figure 48 Country of origin of the potential traveller



5.1.1.6 Educational Qualifications

About 65% of the 1000 respondents were at least graduates or had some technical or professional qualification. Less than 15% of the respondents had not completed at least Higher Secondary schooling. So overall, the respondent universe was well-educated and aware.

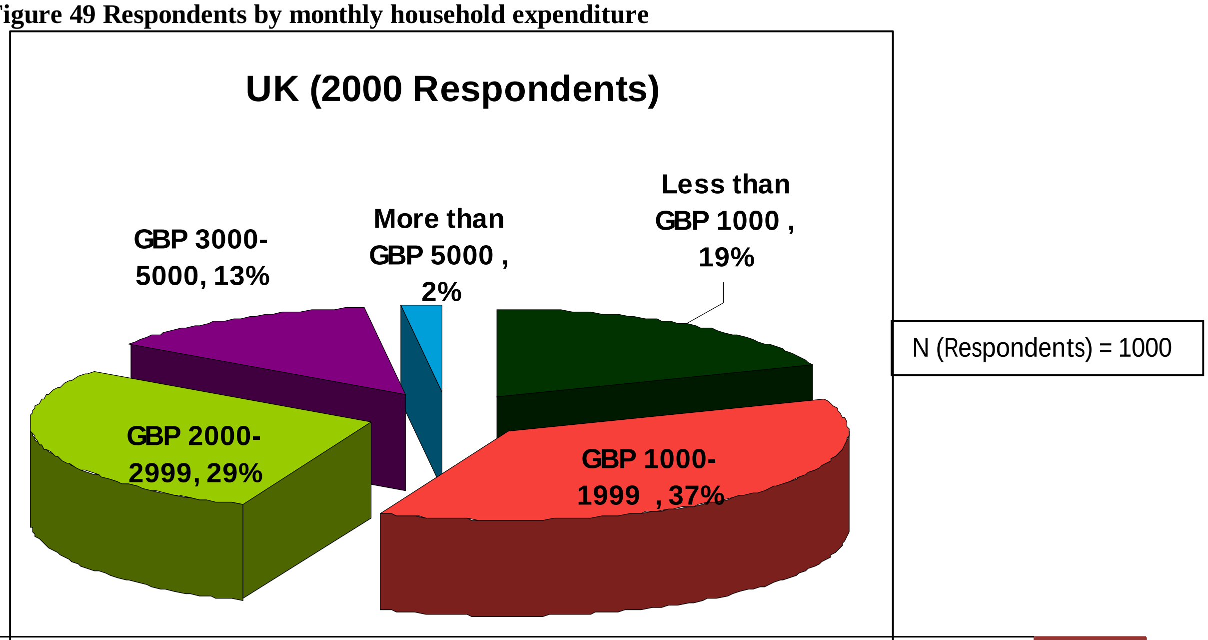
Table 23 Educational qualifications of prospective travellers

Educational Qualification	No. of respondents	Percentage
Graduate and above	545	54%
Higher secondary	190	19%
Technical / Professional	110	11%
Secondary	85	8%
Primary	39	4%
No formal education	18	2%
Other	14	1%
Total	1000	100%

5.1.2 By expenditure per month

37% of the respondents were spending GBP 1000 to GBP 1999 per month on household expenses. For 44% of the respondents (420 respondents of 1000), monthly household expenditure exceeded GBP 2000. About 2% were in the highest expenditure bracket of greater than GBP 5000 monthly household expenditure.

Figure 49 Respondents by monthly household expenditure

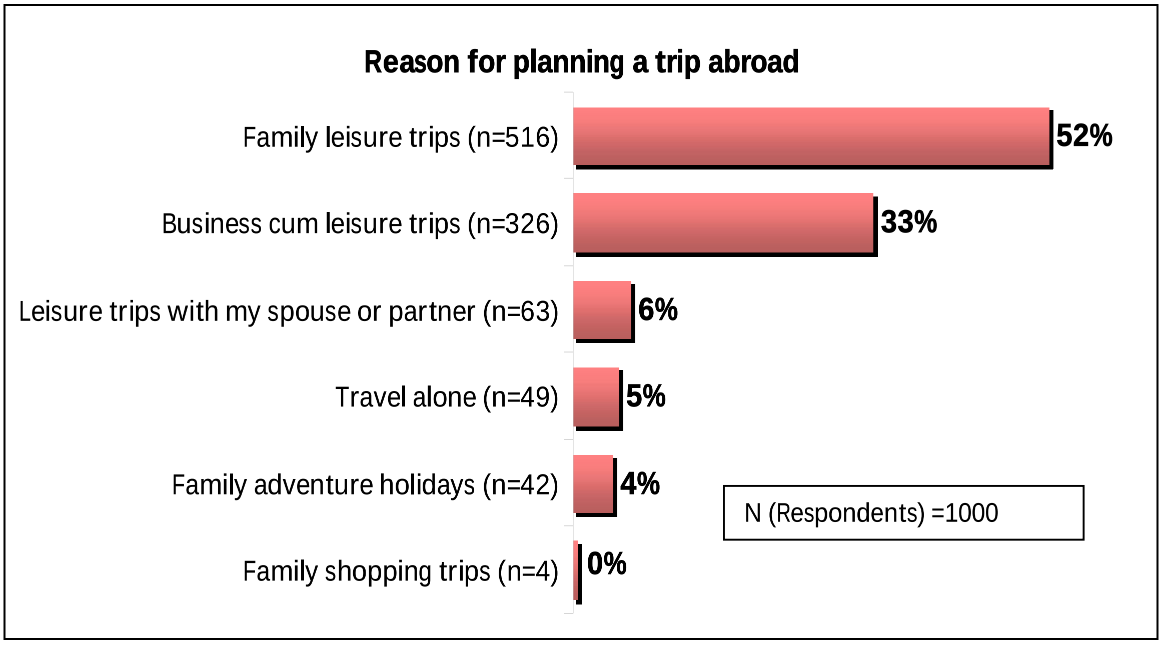


5.2 General Travel Behaviour

5.2.1 Types of trip

More than half the respondents wish to primarily go on family leisure trip. A considerable section also intends to go for business cum leisure trips (33%, that is, 326 of 1000 respondents) and leisure trip with spouse or partner (63 of 1000 respondents).

Figure 50 Respondents by purpose of travel



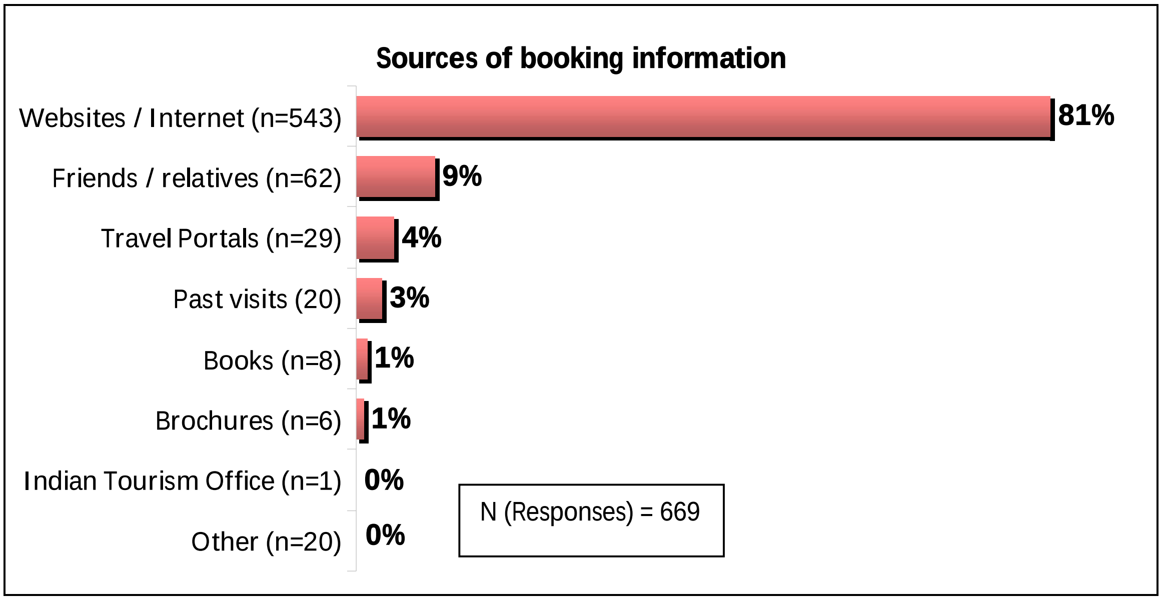
5.2.2 Mode of booking

63% (628 of 1000) respondents mentioned that they would book their tickets over the internet while 36% (355 of 1000) expressed the intention of approaching travel agents. 17 of the 1000 respondents said that they would book their tickets themselves at the counter.

5.2.3 Sources of help for booking information

The 645 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). 81% of the 669 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.

Figure 51 Sources of booking information



5.2.4 Type of tour operator used

Among those intending to approach tour operators for ticketing assistance, (355 of 1000 respondents) 56% said that they would approach operators from the UK. Another 36% were willing to approach multi-country operators. Only 1% mentioned that they would approach tour operators from India.

Table 24Type of tour operator to be consulted

Type of tour operator	No. of respondents	Percentage
Tour operator that operates in UK	198	56%
Multi country tour operator	127	36%
Freelance travel agents	23	7%
Tour operator in India	5	1%
Other (such as Travel Finder)	1	0%
Total	355	100%

5.2.5 Tour operators selection criteria

For these 355 respondents, the brand name of the operator was an important decision point in selecting the tour operator. This was followed by the cost of the package, and its merits in terms of maximizing value for money and catering to the client's needs.

Attractions offered by the package was a key deciding factor followed by the presence of the tour operator. Travel insurance was the last priority in the decision making process.

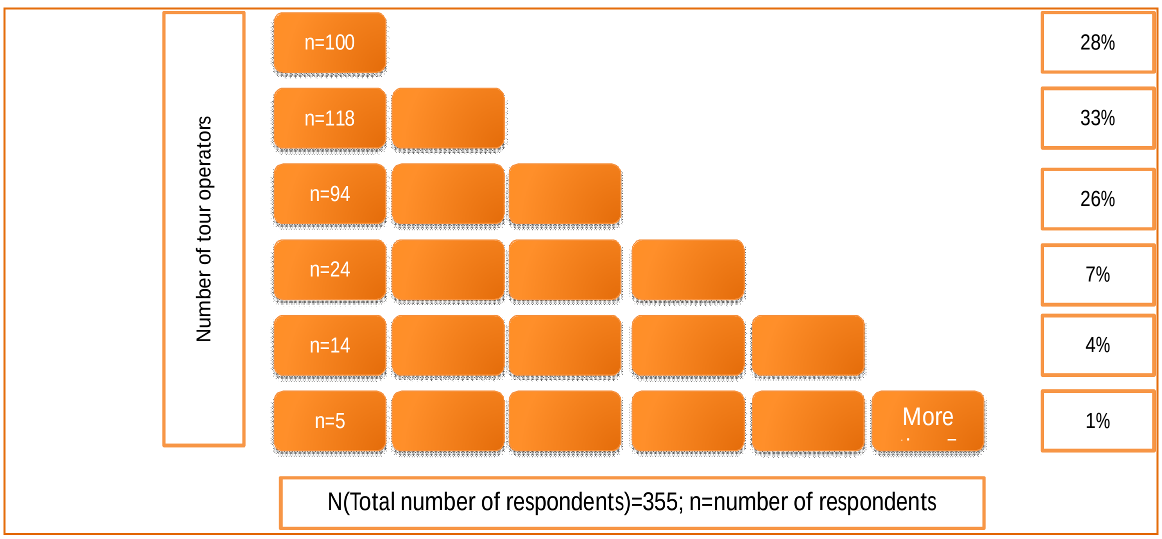
Table 25 Criteria for choosing tour operators

Criteria for choosing a tour operator (for 355 respondents of 1000)	Rank
Brand name	1
Cost of package	2
Catering to my needs	3
Better package deal	4
Presence of tour operator	5
Travel Insurance	6

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

Of the 355 respondents who mentioned that they would approach tour operators, 33% said that they would contact at least 2 operators before reaching a decision. 38% expressed the intention of approaching 3 or more operators before they took a decision.

Figure 52 No. of tour operators the respondents intended to contact before coming to a decision



38% respondents mentioned that they would contact the travel operator at least a month or two before they intended to travel. Another 33% mentioned that they might do so even 2 to 4 months in advance. 15% respondents displayed intention of connecting with the tour operator 4 to 6 months in advance.

Table 26 Months in advance that tour operator would be contacted		
Months in advance contacted	No. of respondents	Percentage
Less than 1 month	51	14%
1-2 months	137	38%
2-4 months	117	33%
4-6 months	38	11%
More than 6 months	13	4%
Total	355	100%

5.2.7 Mode of payment preferred

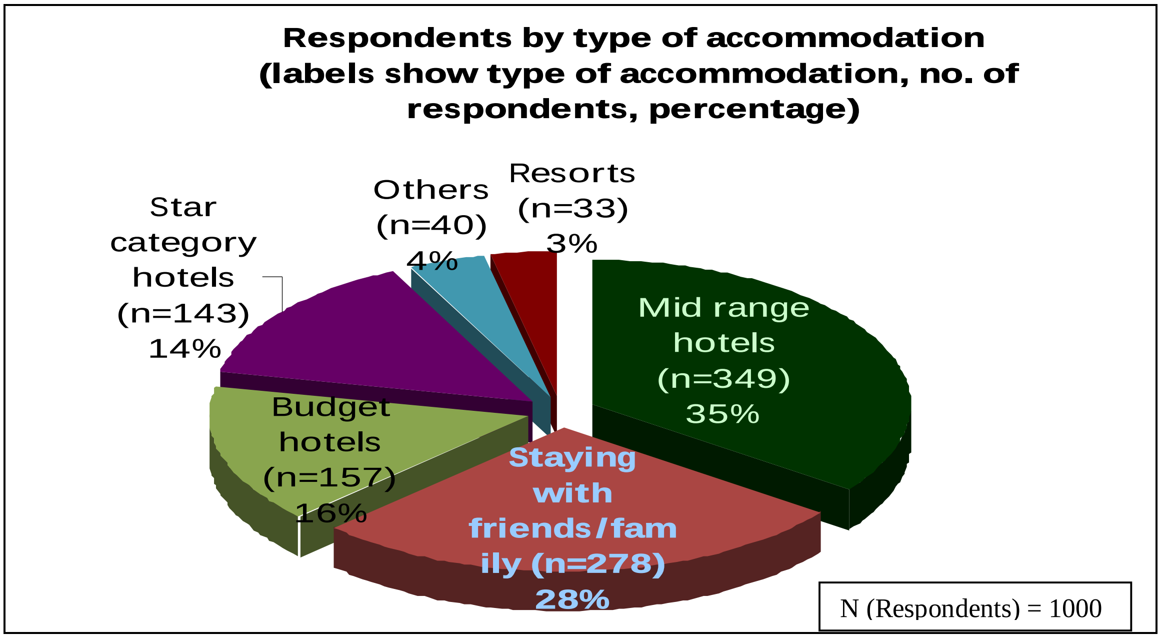
Most preferred mode of payment for travelling abroad is through the online route. This is followed by payment through credit card or cheque.

Table 27 Preferred mode of payment during overseas travel	
Mode of payment	Rank
Online	1
Credit card	2
Cheque	3
Cash	4
Debit card	5

5.2.8 Type of accommodation to be availed

The 1000 prospective travellers were questioned about they type of accommodation that they would prefer during their trip. Over 50% prospective travellers were willing to look at mid-range or budget hotels rather than star category hotels (143 of 1000 respondents chose starred hotels) while another 28% stated that homes of family and friends were preferred accommodation.

Figure 53 Respondents by type of accommodation



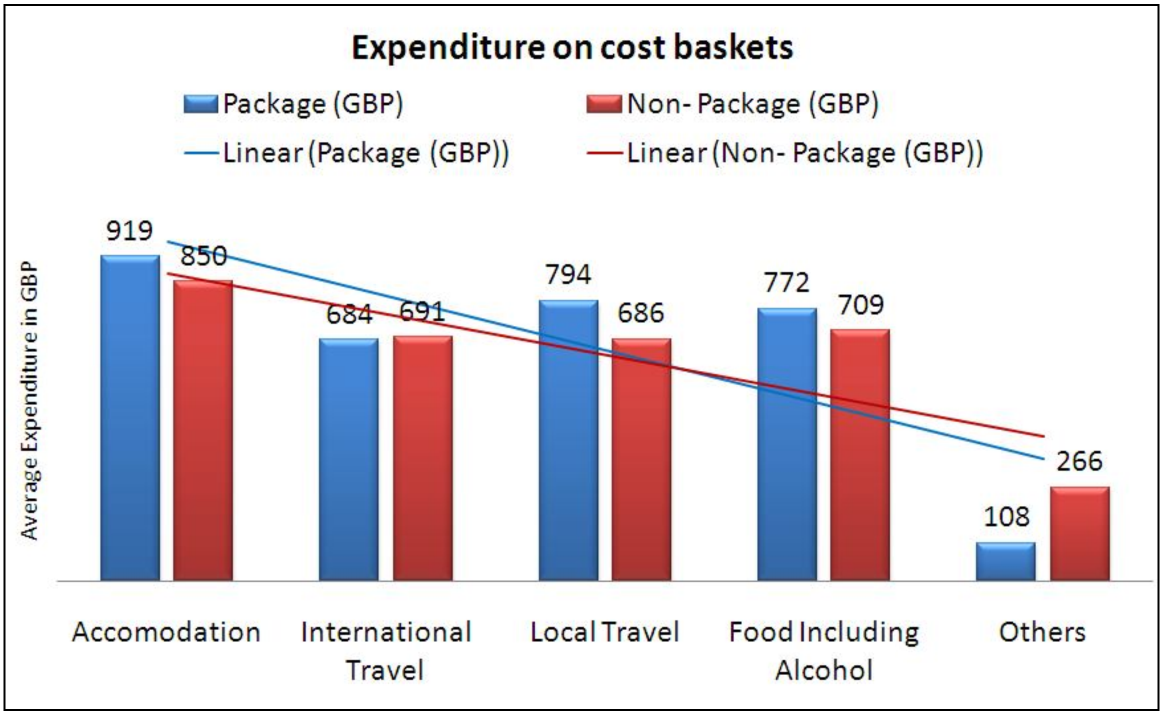
Note: Star category hotels: Hotels with more than 4 stars; Mid-ranged hotels: Hotels of 3 stars rating; Budget hotels: Hotels with 1-2 stars rating

5.2.9 Estimated expenditure

When the estimated allocation of travel budget across cost baskets is analysed, it is found that estimated expenses were more or less evenly spread across the four cost baskets of accommodation, international ticket, local travel and consumables for potential package travellers with a somewhat higher expenditure of 28% on accommodation as opposed to expenses of tickets (21%). For non-package travellers, the intended expenditure estimates are even more evenly spread with accommodation draining about 25% of total expenses. Non-package travellers anticipate a higher component of sundry and incidental expenses at 8% which is only 1% for those who plan to travel within a structured tour plan of a package.

Table 28 Estimated expenditure across cost baskets				
Expenditure on cost baskets	Package (GBP)	Non- Package (GBP)	Package % of total spends	Non- Package % of total spends
Accommodation	919	850	28%	25%
International travel	684	691	21%	21%
Local Travel	794	686	24%	24%
Food including alcohol	772	709	24%	22%
Others	108	266	3%	8%
Total	**3276**	**3202**	100%	100%

Figure 54 Expenditure across cost baskets



5.2.10 Reason for availing travel insurance if any

75% of prospective travellers (1000 respondents) wished to opt for travel insurance. Majority (86%) said that this was part of regular precaution they took while travelling.

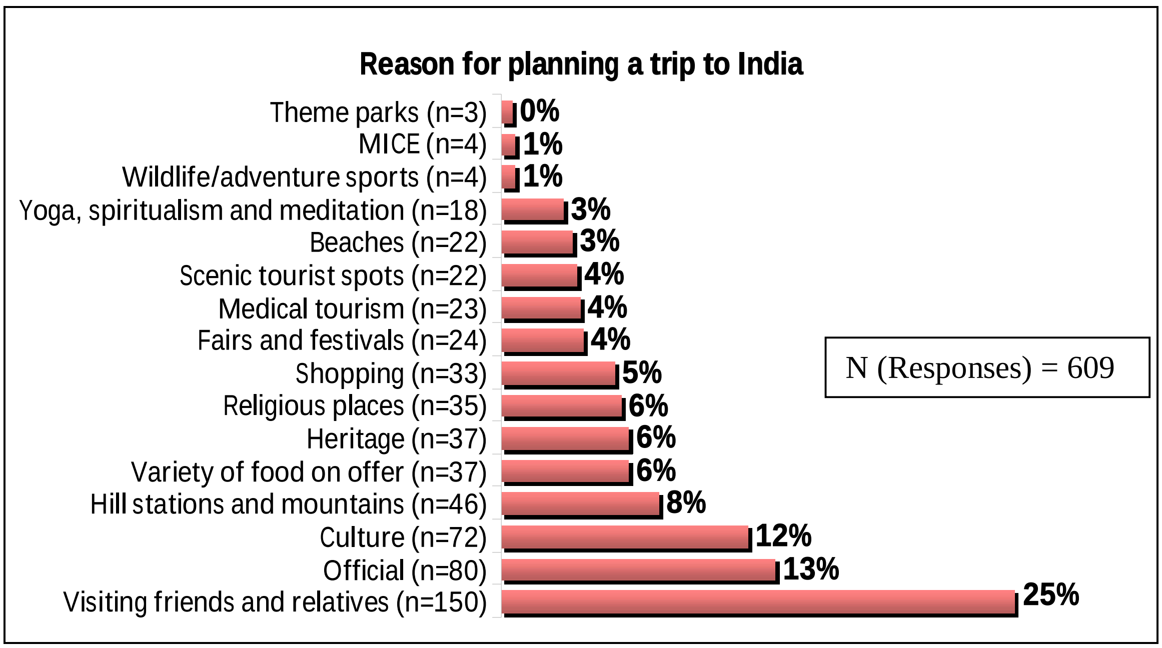
5.3 Travel Behaviour of Prospective Visitors to India

Of the 1000 prospective travellers interviewed, 250 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 609 responses were received from the 250 respondents of which 150 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 (136 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 for official purposes (80 of 609 responses constituting 13%). India’s culture, hill stations, heritage and cuisine offer other attractions.

Figure 55 Reason for choosing India for next trip



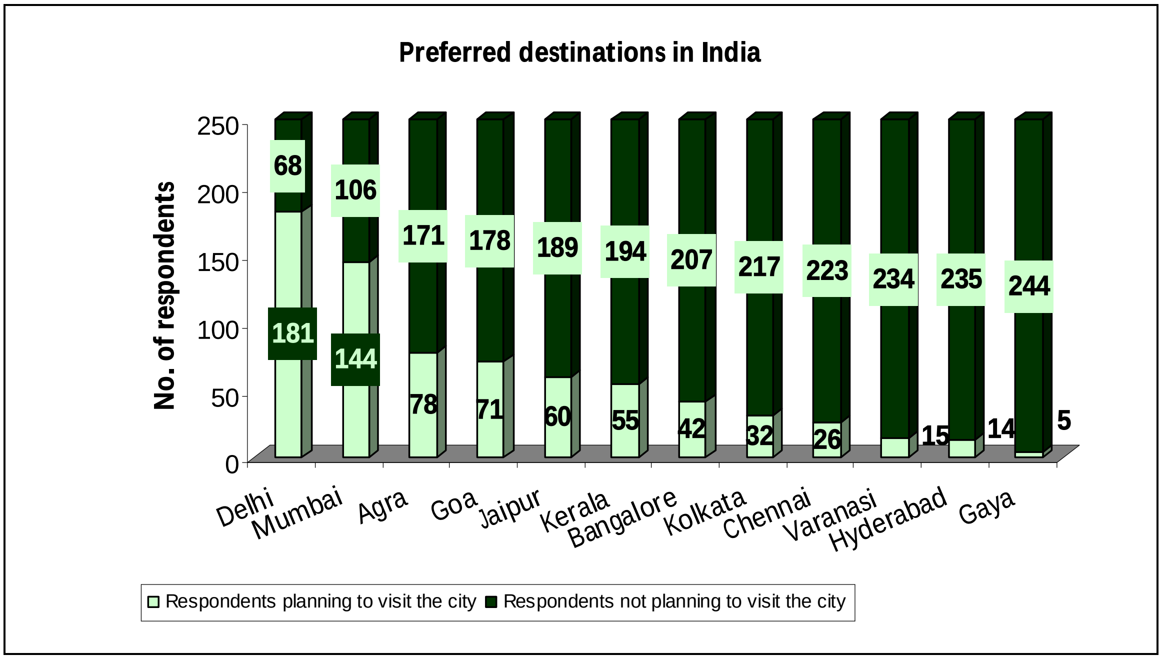
5.3.2 Intention of visiting only India or as part of a sub-regional trip

98% of these 250 respondents intended to visit India only and not as part of a regional tour to South Asia.

5.3.3 Awareness and intention of visiting destinations in India

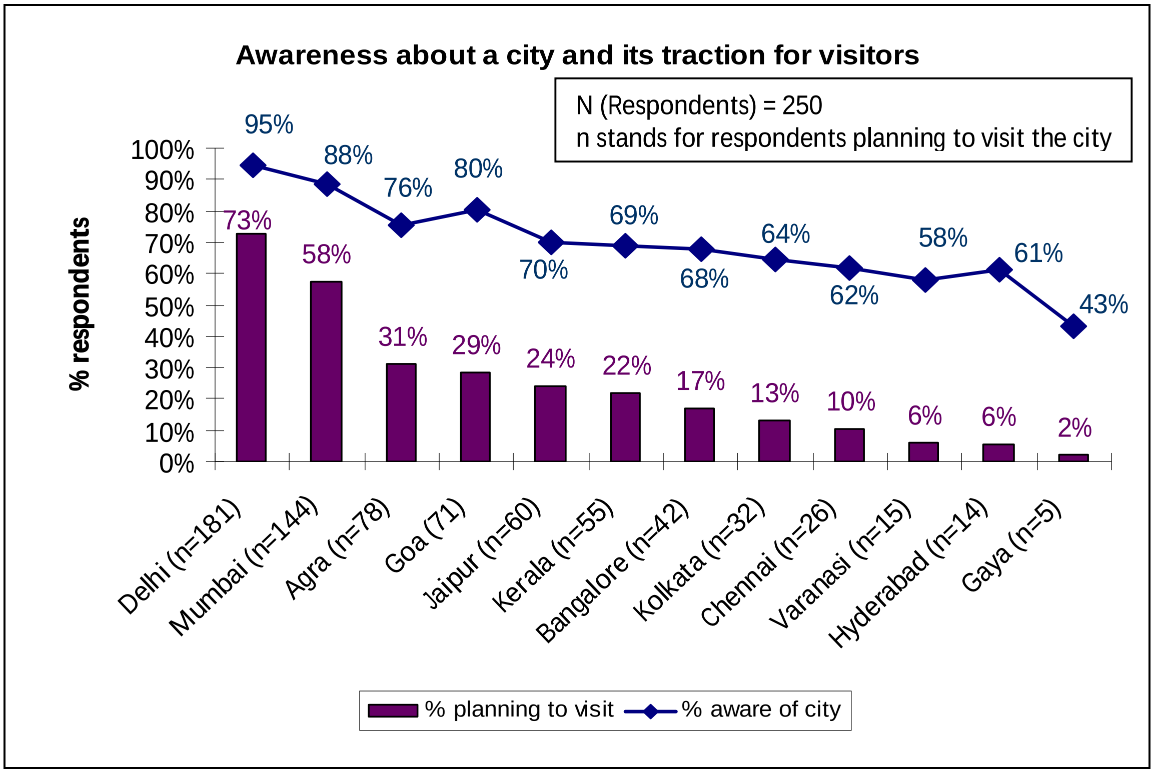
The 250 respondents were queried about the cities they were aware of and planning to visit during their next trip. The most preferred destinations were revealed to be Delhi. Mumbai, Agra, Goa and Jaipur.

Figure 56 Preferred destinations in India



Examination of the responses shows that the while a large number of respondents were aware of Gaya, Hyderabad, Varanasi, Chennai, and Kolkata, very few of these persons intended to visit these cities. For instance, of the 108 respondents who knew about Gaya, only 5 intended to actually visit the place. At one end of the spectrum where 76% of the persons who were aware of Delhi were planning to be here; the same for Gaya was a mere 5%.

Figure 57 Awareness about a destination and its traction for the visitor

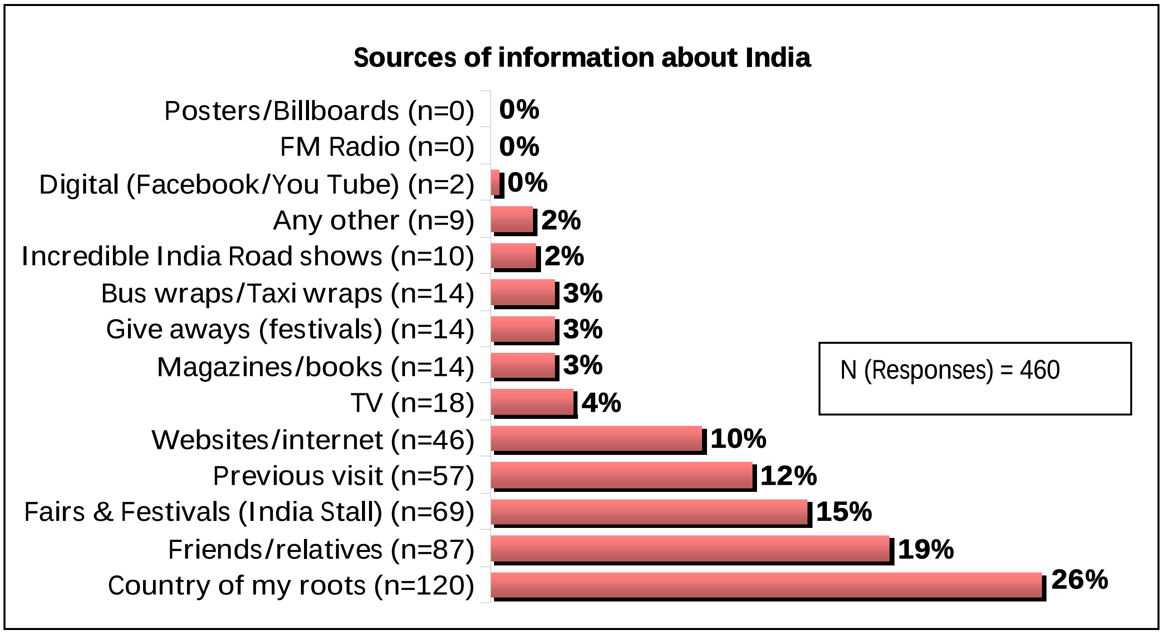


5.3.4 Source of information regarding India

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 26% of responses received indicated this (120 of 460 responses). Hence friends and relatives are revealed as a very important source of information (19% or 87 of 460 responses). 15% of all responses indicated that India Stalls in fairs and festivals were an important source of information. Many of them had visited India before (12% of responses).

It is pertinent to note that a mere 10 of the 460 responses received, that is 2% of all responses indicated that travellers had heard about India from the Incredible India Road Shows.

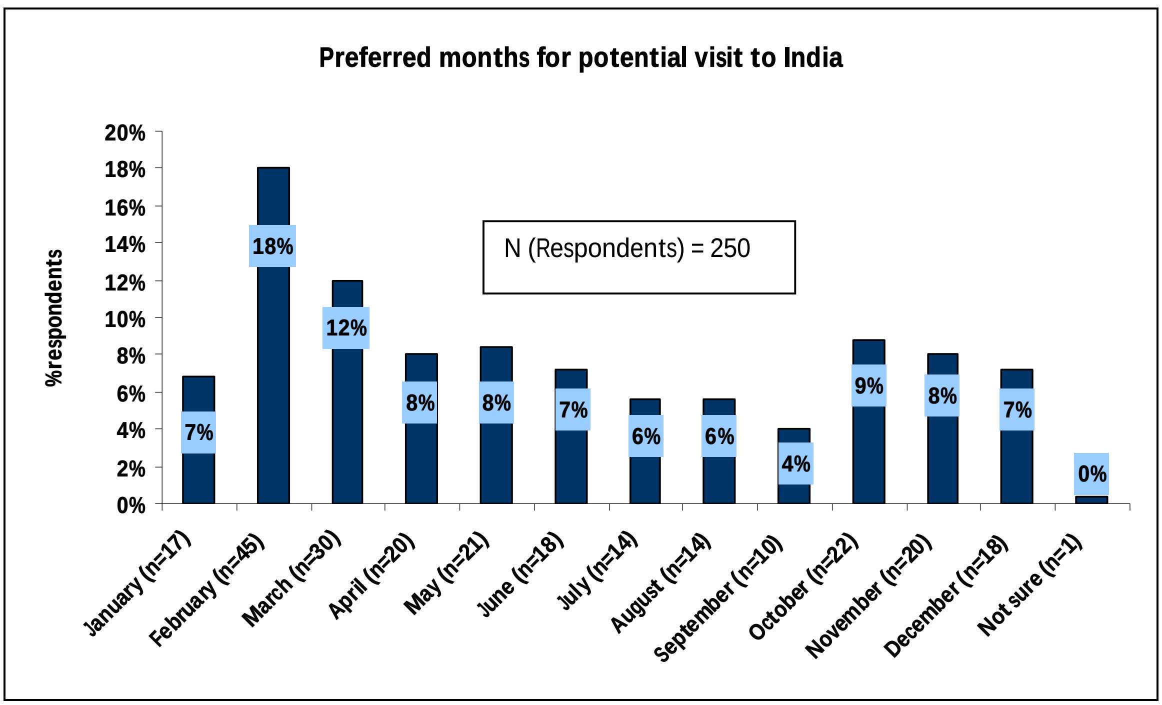
Figure 58 Sources of information about India



5.3.5 Time of visit to India

The most popular month for travel is February, followed by March. Visits may be expected to dip during the next few months as India get warmer. Respondents showed revived interest in India visits again in October and November.

Figure 59 Preferred month for potential visit to India



5.3.6 Duration of stay

62% of the 250 respondents intend to stay for a period of two weeks to a month. One-fourth intended to stay for one to two weeks.

Table 29 Duration of stay in India

Duration of stay	No. of respondents	Percentage
Up to 1 week	11	4%
1 to 2 weeks	62	25%
2 weeks to a month	156	62%
More than one month	21	8%
Total respondents	250	100%

5.3.7 Reason for booking through a tour operator while visiting India

From the 250 respondents who planned to come to India in their next visit, all those who were coming here to meet their relative and hence could be categorized as persons with prior cultural and familial ties with India (150 persons of 250) were first excluded from the analysis. Of the remaining 100 respondents, 92 expressed the intention of approaching a tour operator for organizing their trip. They felt the need for an intermediary primarily due to paucity of credible information on India (53% of 92 respondents) or because they were more comfortable seeking the tour operator's advice rather than doing the finding out themselves (38%). The major criterion was trust which they felt was missing and had to be assured by the operator. If something goes wrong, they can call up the operator in their country and sort it out.

Table 30Reason for approaching tour operator

Reason for approaching tour operator	No. of respondents	Percentage
Credible information	49	53%
Lack of time	5	5%
More comfortable with tour operator	35	38%
Others	3	3%
Total	92	100%

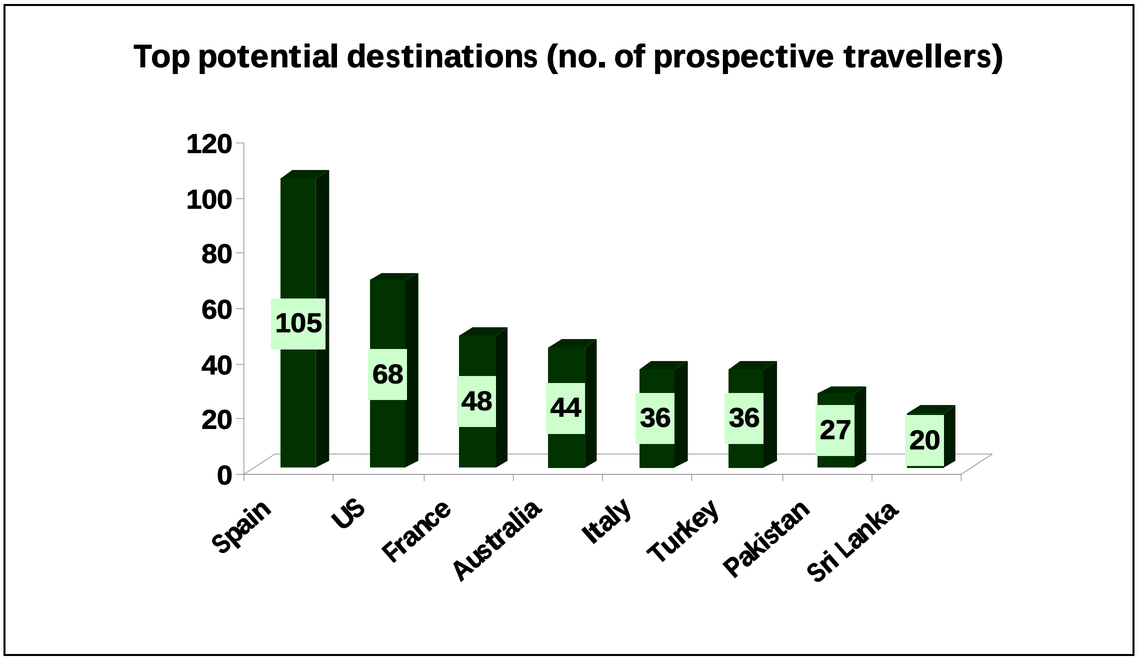
5.4 Travel Behaviour of Prospective Visitors to Other Countries

Of the 1000 respondents in the ‘prospective travellers’ segment, 750 respondents who intended to travel to countries other than India in the next one year were interviewed.

5.4.1 Countries to visit

Among these 750 respondent top favoured destinations were Spain, USA, France, Australia, Italy, and Turkey.

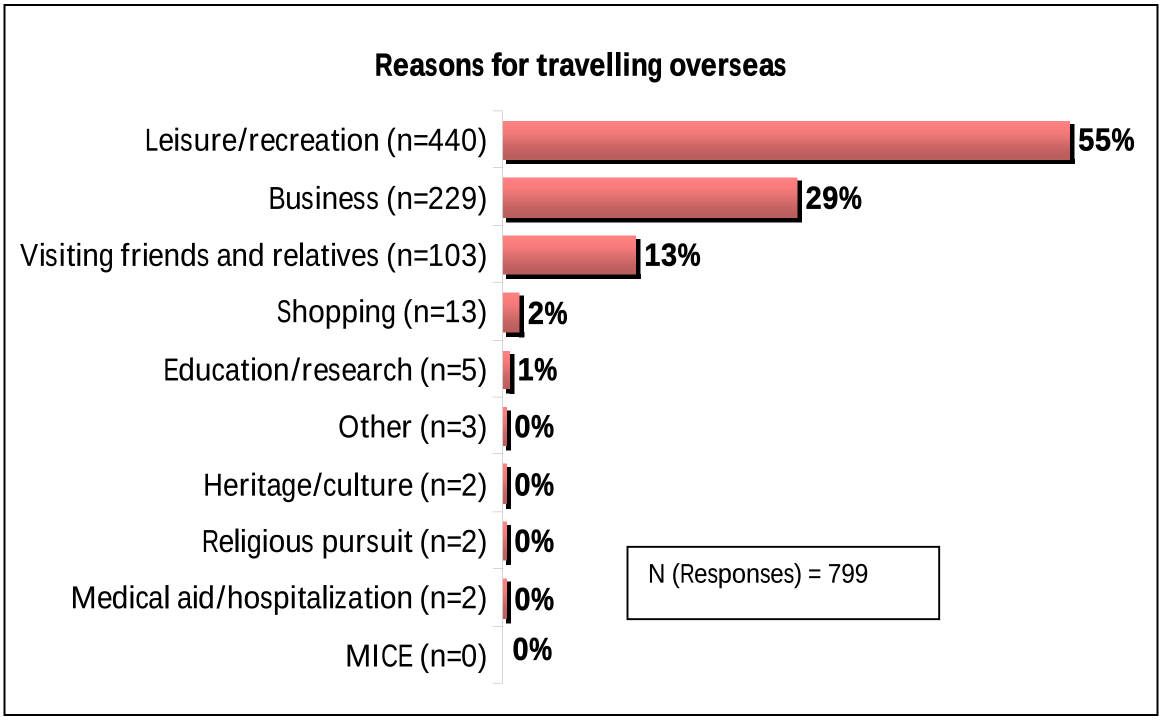
Figure 60 Favoured destinations for those intending to travel to countries other than India



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. 799 responses were received from 750 respondents. The top most reason for travel was cited as leisure/recreation (55% responses of 799). The other important driver was business purposes (29% of 799 responses). Visiting friends and relatives was also a driver at 13% of 799 responses.

Figure 61 Reason for travelling overseas



5.4.3 Time and duration of visit to foreign destinations and prime season for visiting

Of these 750 respondents, those headed for Spain, US, or France planned to spend a week or two at these locations. Australia and Sri Lanka were countries where the travellers intended to stay on an average for about 19 days. Those headed for Pakistan planned to stay for about a month. 80% to 90% respondents were planning to go during the peak travelling season.

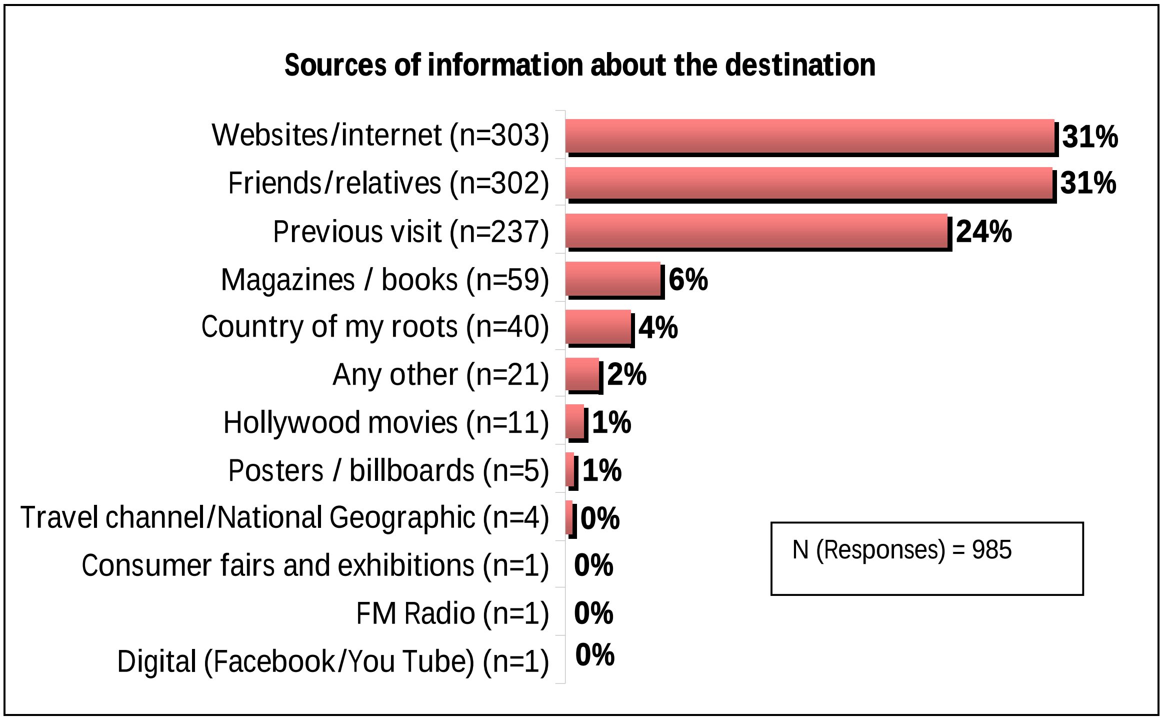
Table 31 Average duration of stay in prospective destinations

Top destinations	Average length of intended visit in days
Spain	13
US	15
France	8
Australia	19
Italy	12
Turkey	16
Pakistan	27
Sri Lanka	19

5.4.4 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. 985 responses were yielded by 750 respondents. Important sources of information regarding destination countries are friends and relatives and equally, the internet—in both cases, 31% if all responses. A substantial percentage had made previous trips to the country (24% of all responses).

Figure 62 Sources of information about destination countries



5.4.5 Awareness of India as a tourist destination

80% of 750 respondents were aware of India as a potential destination before they took their decision to head elsewhere.

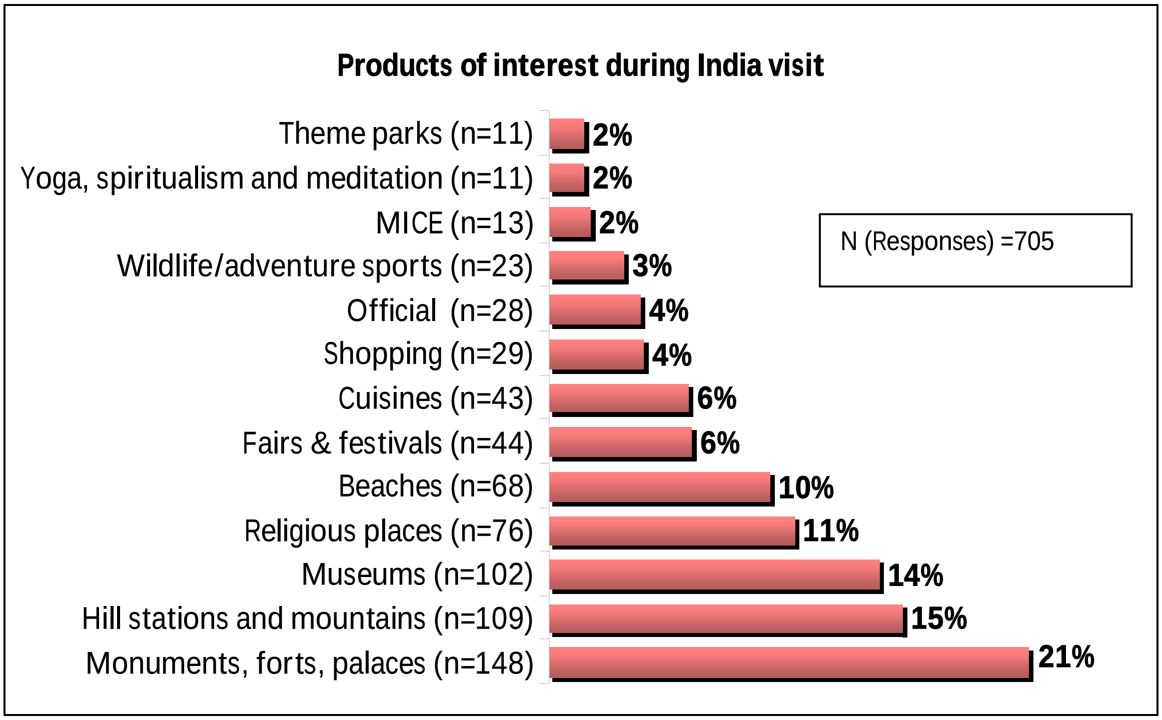
5.4.6 Intention of visiting India

Only about 34% of the 750 respondents expressed their intention to visit India next time. 496 respondents were clear that they would not be visiting India is any subsequent visit.

5.4.7 Primary attractions of India / motivation for visiting India

Those 254 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 705 responses as multiple options were permitted. They evinced interest in India's monuments, forts, palaces (21% of the responses, hill stations and mountains (15% of responses), religious places and museums (10% each).

Figure 63 Primary attractions in India



5.4.8 Intention and reason for choosing an intermediary for India travel

Almost 58% of these 254 respondents felt that if they were to visit to India, they would plan it themselves rather than go through a tour operator. Of the 107 persons who did express the intention of hiring a tour operator, 64 felt that the intermediary would provide relevant information about India. Another 28 felt that going through a tour operator would improve convenience and ease of travelling.

Table 32 Reasons for going through a tour operator

Reason for hiring a tour operator	No. of respondents
Convenience and ease of travelling	28
Greater time efficiency	9
Better deals	5
Comprehensive information about India	64

Total respondents	107

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

The 496 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 496 respondents provided 551 responses to this query. The driving reasons for not planning a visit to India lay in lack of knowledge about India (26% of 551 responses). Other deterrents were the notion that there would not be enough time to visit all the tourist attractions that India had to offer (17% of 551 responses) as it was to vast a country and they did not know where to start. Some respondents also expressed security concerns and they don't like to be surrounded by too many people. '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 19% of all responses.

Figure 64 Reasons for not intending to travel to India

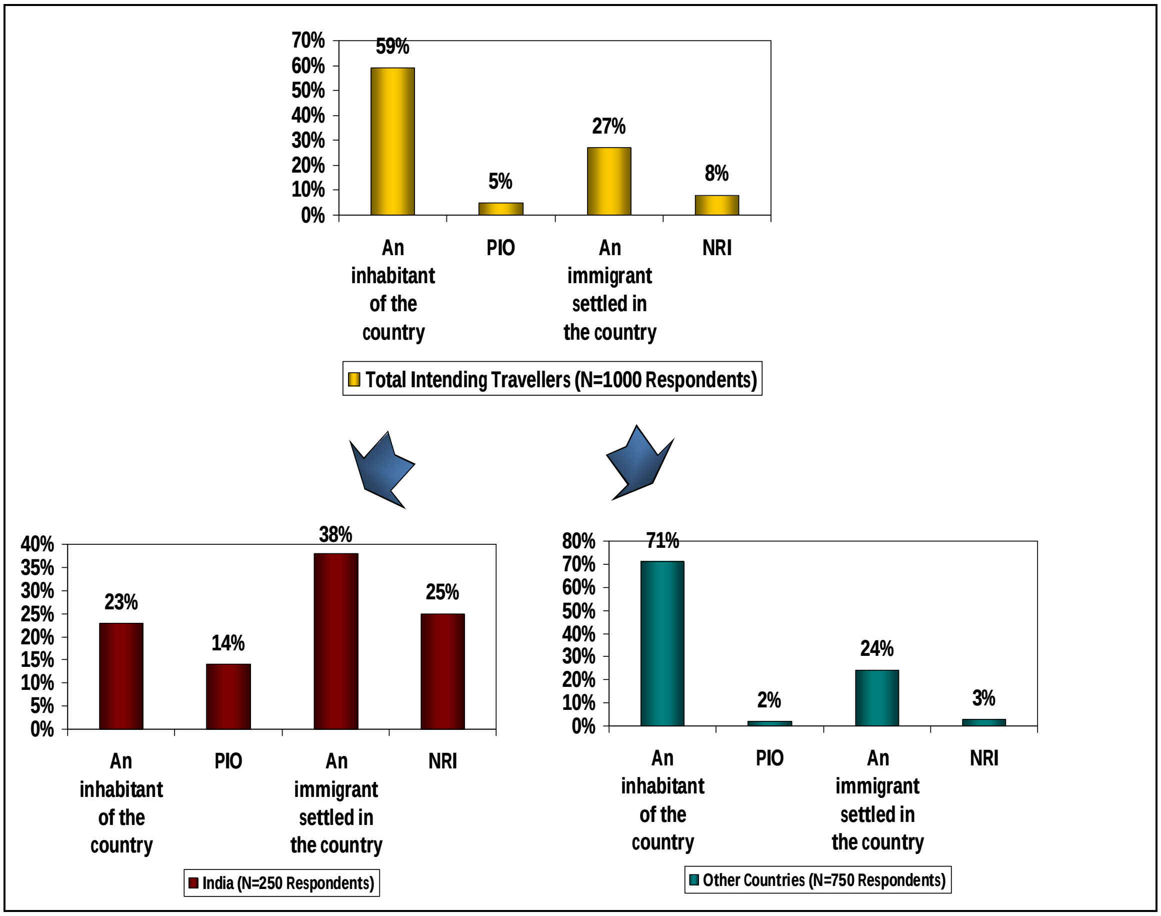
But 74% respondents, at the end of the interview mentioned that they would indeed like to visit India at some point in the future, if not immediately.

5.5 India vis-à-vis other Countries - Prospective Outbound Travel Behaviour

5.5.1 Origin of Prospective travellers

Prospective travellers expecting to travel to India are largely from the immigrant population of UK (38%). These exclude PIOs and NRIs which form another 39% of the respondents. Persons of British origin form only 23% of the potential India travellers. In the case of other country travellers however, 71% of the respondents are persons of British origin. Only 24% are immigrants and PIOs and NRIs constitute only 5% of the respondents.

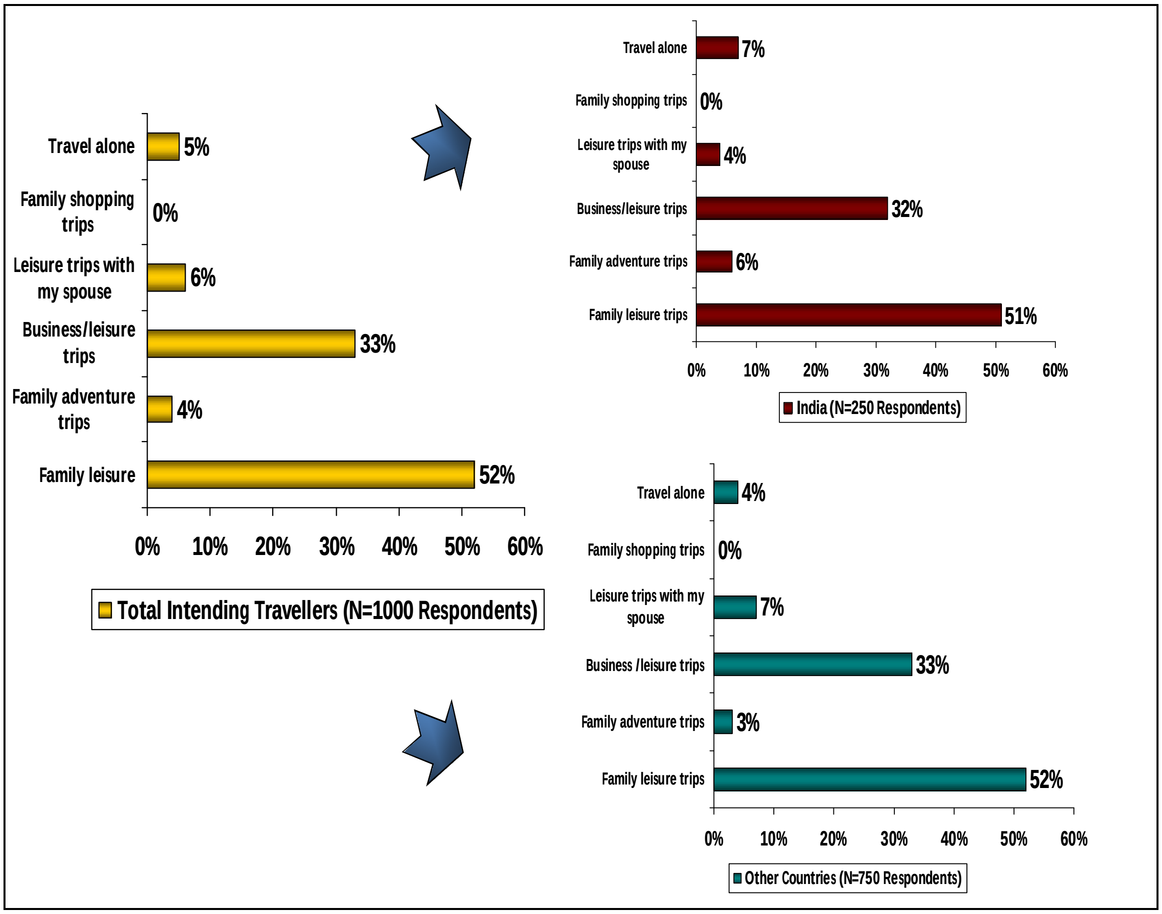
Figure 65 Origin of prospective travellers by destination



5.5.2 Type of Trip Undertaken by Prospective travellers

There is no variation in the type of trip intended to be undertaken by prospective travellers to India and to the rest of the world. More than 50% aim for family leisure trips while over 30% may take business trips with some local sightseeing and leisure pursuits thrown in.

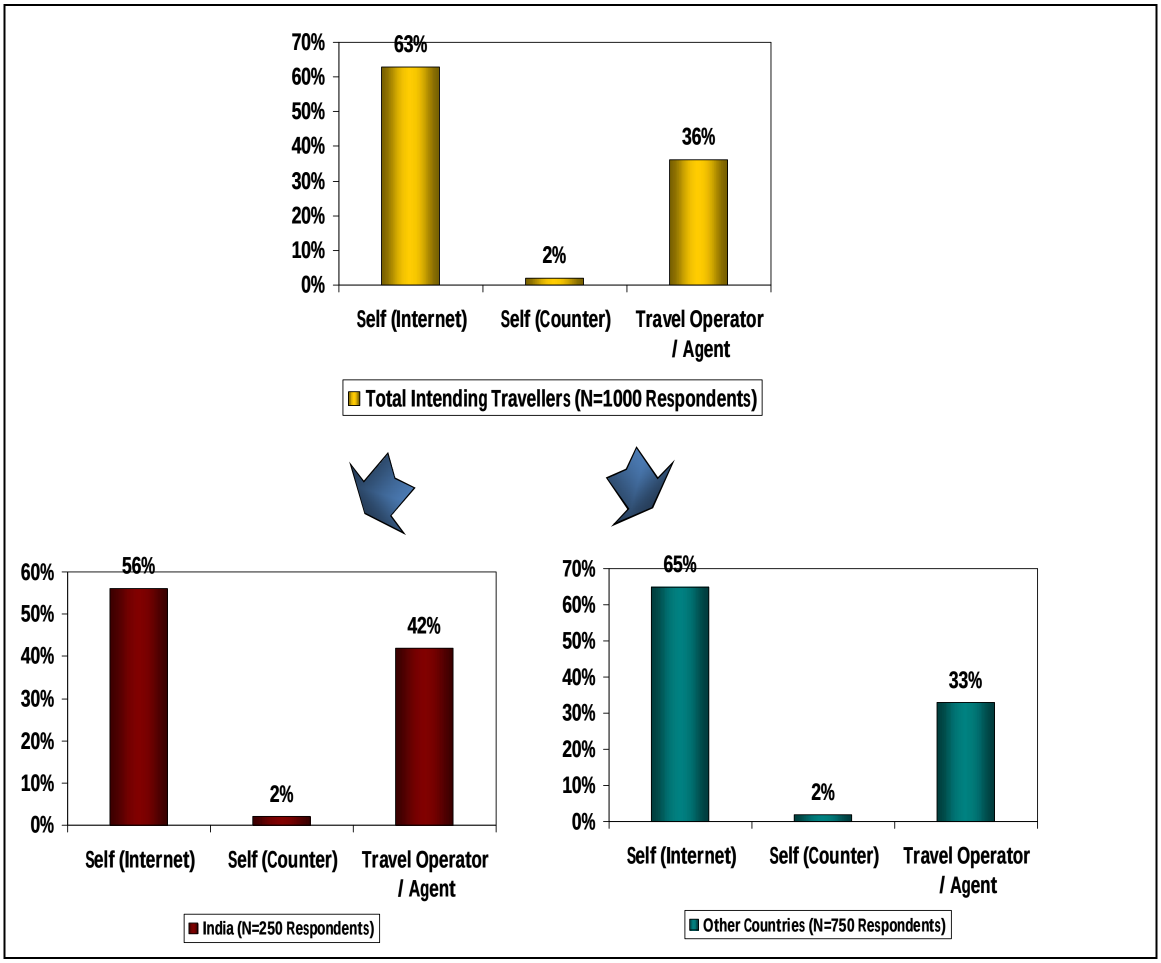
Figure 66 Type of trip undertaken by prospective travellers by destination



5.5.3 Mode of Booking for Trip by Prospective travellers

Overall more than 60% of the respondents intended to book on their own with about 36% opting for tour agents. The percentage of respondents indicating a preference for tour agents is higher for those travelling to India at 42%. This is 33% for those travelling to other countries.

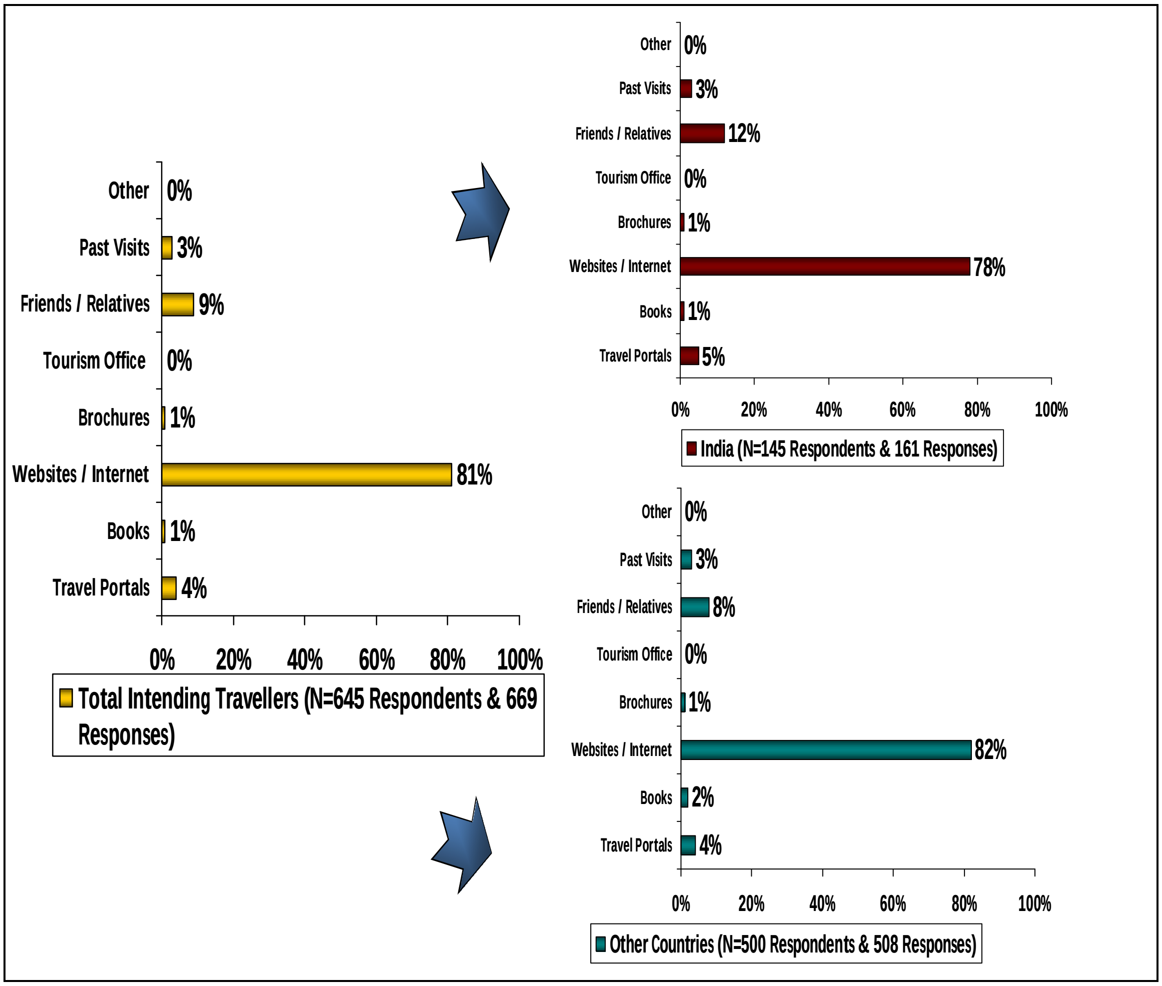
Figure 67 Mode of booking for prospective travellers by destination



5.5.4 Source of Information for Booking of Trip by Prospective travellers

The internet is the overwhelmingly important source of information for all travellers irrespective of whether they are headed for India or elsewhere. For India travellers, friends and relatives are a comparatively more significant source of information than those travelling to other countries.

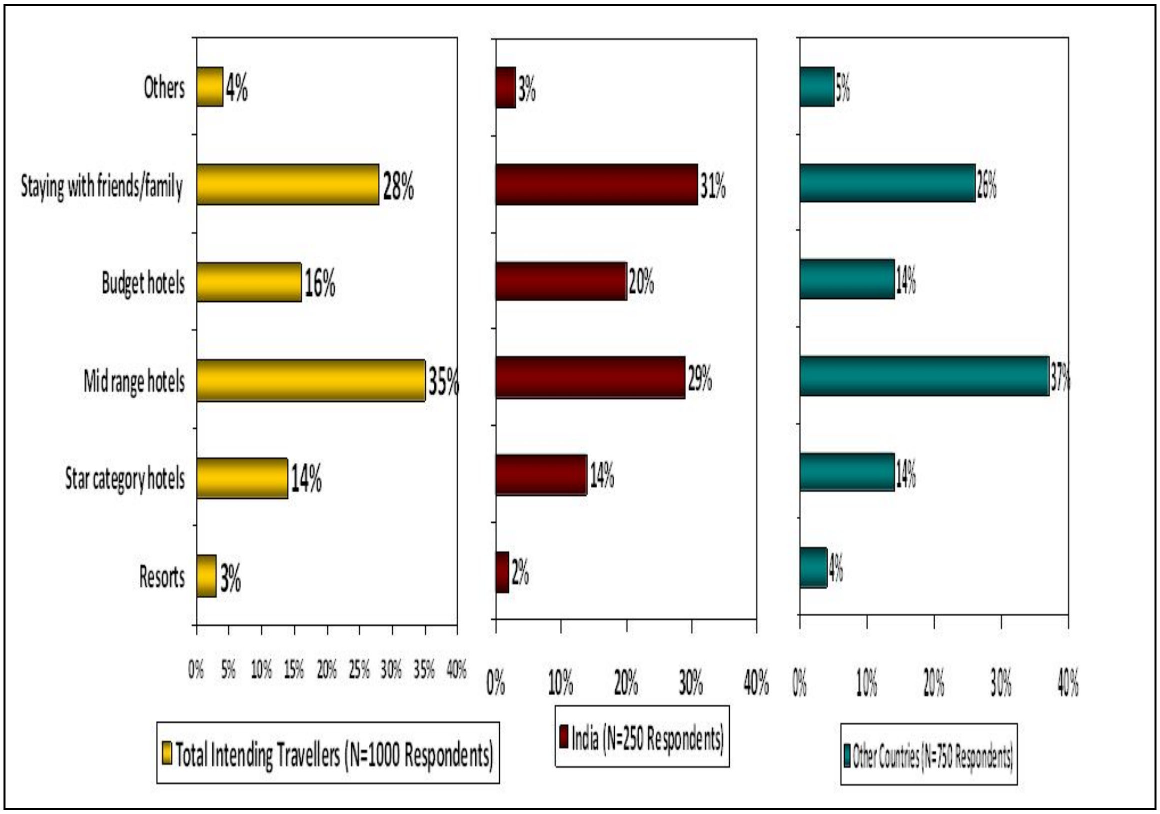
Figure 68 Source of booking information for prospective travellers by destination



5.5.5 Accommodation to be opted by Prospective travellers

In terms of accommodation that prospective travellers intend to avail of during their trip, the percentage of respondents who intend to stay with friends and relatives is higher at 31% for India travellers as compared to 26% for those headed elsewhere. Among travellers to other countries 37% intended to stay in midrange hotels (29% for India travellers). Among India travellers percentage intending to stay at budget hotels is higher at 20% (4% for other country travellers).

Figure 69 Type of accommodation for prospective travellers by destination

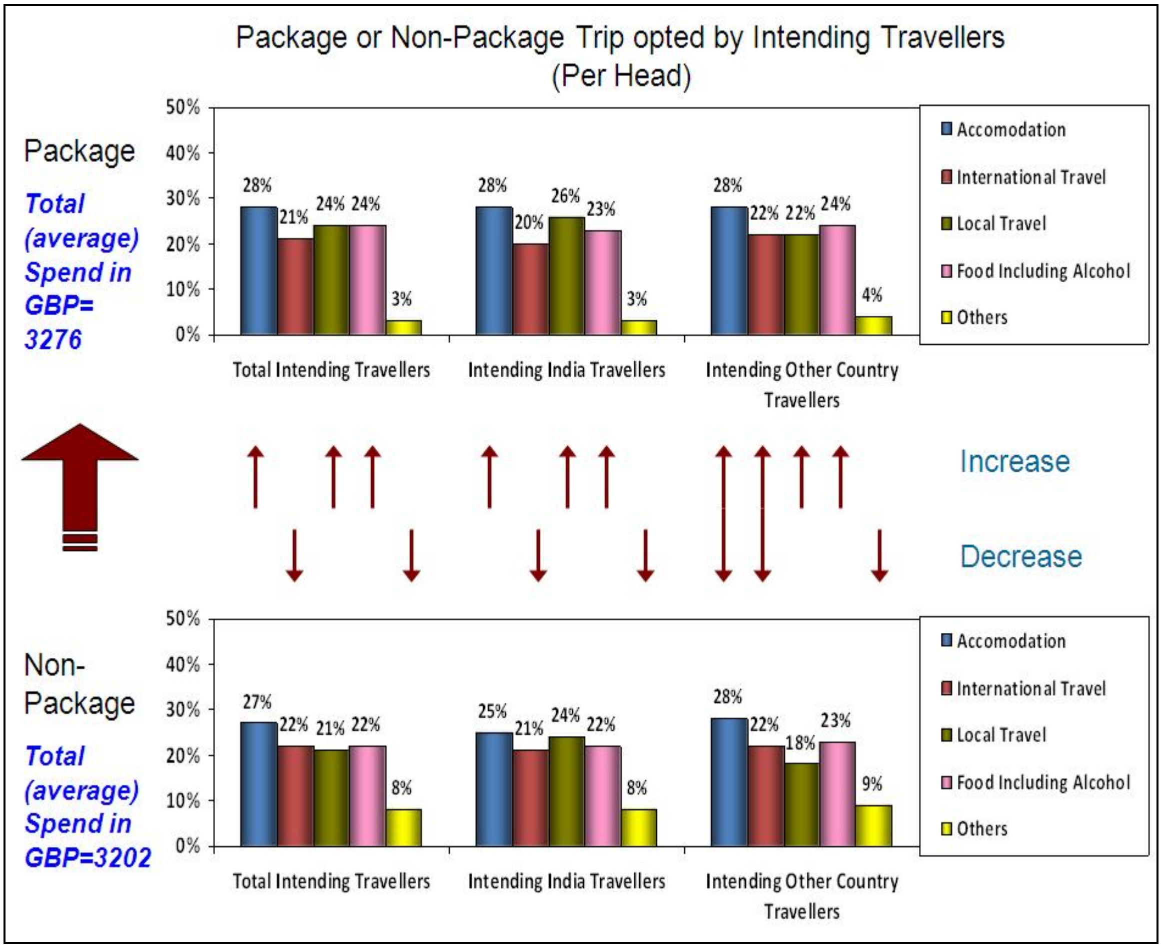


5.5.6 Package or Non-Package Trip opted by Prospective travellers

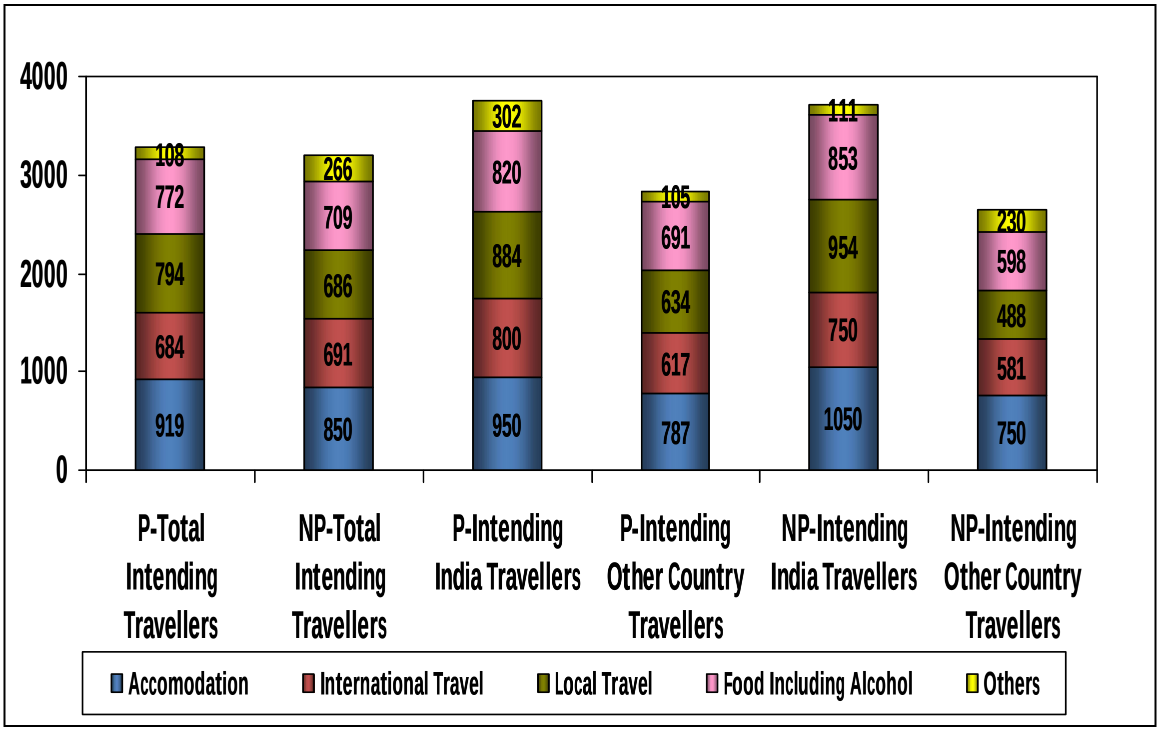
Among those prospective travellers who wish to opt for package deals, they intend to spend around 28% of their budget on accommodation, another 20% to 22% on international travel expenses and equally 22% to 26% each on local travel and consumable costs. The pattern is the same for travellers headed for India and those headed elsewhere.

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 28% for other travellers) but they feel the need to spend more on local travel. This may be attributed to the fact that India is a vast country and there are many places to see. Compared to package travellers, non-package travellers have a higher component of sundry and miscellaneous expenses owed to the unstructured nature of the trip.

Figure 70 Comparing cost baskets across package and non-package trip makers


Package or Non-Package Trip opted by Intending Travellers
(Per Head)
Package
Total (average) Spend in GBP= 3276
50%
40%
30%
20%
10%
0%
28%
21%
24%
24%
3%
28%
20%
26%
23%
3%
28%
22%
22%
24%
4%
Total Intending Travellers
Intending India Travellers
Intending Other Country Travellers
Accomodation
International Travel
Local Travel
Food Including Alcohol
Others
Increase
Decrease
Non-Package
Total (average) Spend in GBP=3202
27%
22%
21%
22%
8%
25%
21%
24%
22%
8%
28%
22%
18%
23%
9%

5.5.7 Package or Non-Package Trip opted by Prospective travellers and average intended expenditure in GBP (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 accommodation, 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 accommodation, 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 accommodation, 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 accommodation, 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 charecteristic can be observed when a non package India trip is compared to a non package non India trip, in terms of accommodation , international travel , food and other expenditures.

5.6 Projections for Future Outbound Travel

5.6.1 Factors Considered

For the purpose of forecasting the future trends of Foreign Tourist Arrivals (FTA's) to India from United Kingdom (U.K), 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" (Great Britain Pound 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. Fourth factor considered is the "Total Outbound Spend by U.K citizens" which gives an idea of volume of money the people are willing to spend on trips abroad. 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 U.K. 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 U.K. 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 U.K. outbound travelers and in turn an increase in the U.K outbound travelers to India.

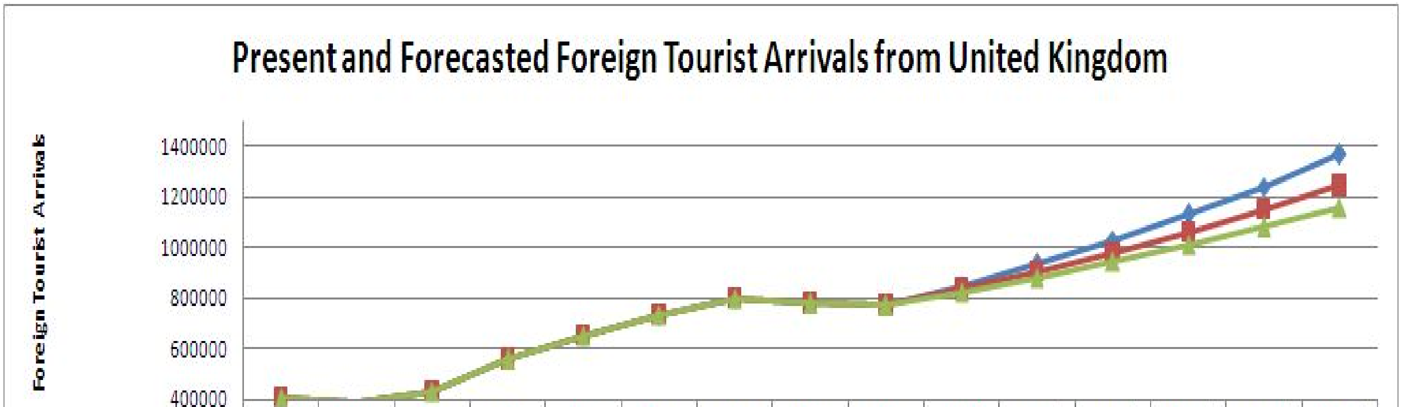
5.6.3 Method of forecasting

To arrive at the future trends of FTA's we have considered three possible approaches i.e. "***Most Likely Approach***" which is the approach based on the current growth trends- we have considered a compounded average growth rate (CAGR) of 8.3% for the period 2001 to 2009. "***Optimistic Approach***" assuming that all factors considered for the forecast grow at a constant rate- we have taken the rate at 10%. "***Pessimistic Approach***", assuming the possibility that any future calamity can affect the factors considered- we have taken the rate as 7%.

These approaches are captured in the forecast illustration below.

5.6.4 Forecast of outbound tourists from the UK

Figure 71 Forecast of outbound tourists from UK



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*	2015*
Optimistic Approach	405472	387846	430917	555907	651803	734240	796191	776530	769251	846176	930794	1023873	1126260	1238886	1362775
Most Likely Approach	405472	387846	430917	555907	651803	734240	796191	776530	769251	833099	902246	977132	1058234	1146068	1241192
Pessimistic Approach	405472	387846	430917	555907	651803	734240	796191	776530	769251	823099	880715	942366	1008331	1078914	1154438

**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 United Kingdom 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

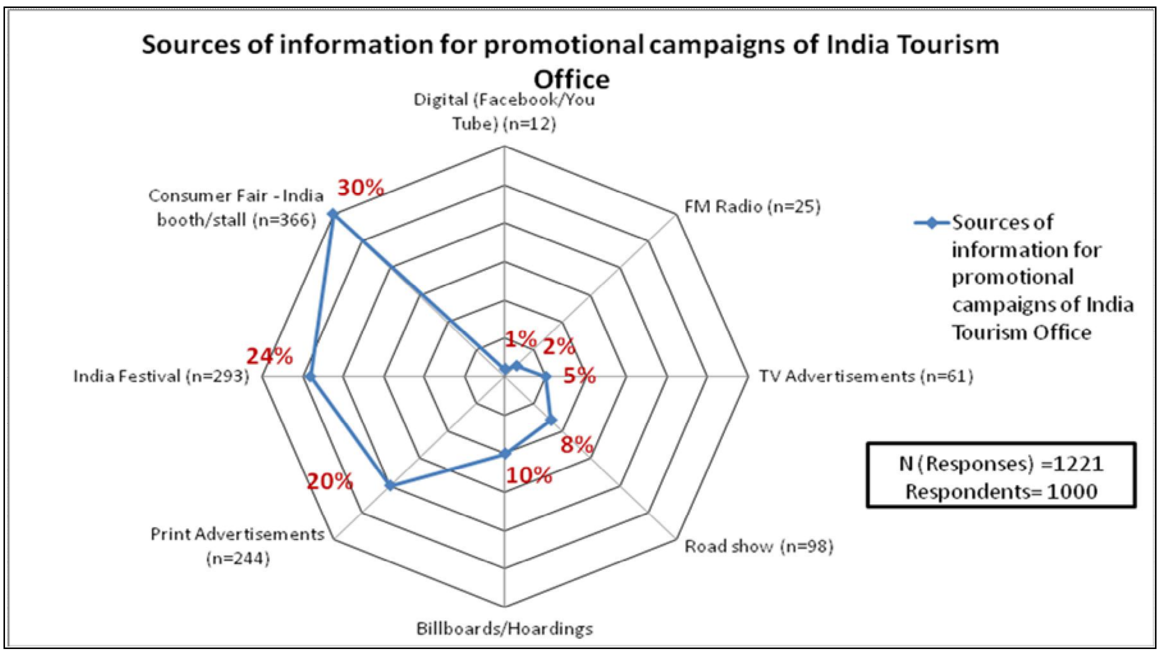
6.1 India Tourism Activity Response of Past Travellers

The survey had specific focus on the impact of the promotional activities of India Tourism Offices in the UK. 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

32% of the 1000 travellers who had been to India in the last three years were aware of the existence of an India Tourism Office in their country as also about its promotional campaigns. They had learnt of India Tourism Offices from promotional campaigns disseminated through Consumer/Trade Fair India Stalls (20% of 1221 responses), India Festivals (26% of responses), TV advertisements, print media, billboard and hoardings (15%) and roadshows (4% of 1221 responses received).

Figure 72 Source of information about India tourism office in the UK



6.1.2 Effectiveness of promotions and activities

As many as 39% of the 1000 respondents felt that these promotional campaigns were impressive but there was no clear message which it was trying to give to the prospective traveller. The promotional activities need to be more focussed to a product or a theme or a state rather than projecting India as a whole. Though there was no dearth of brochures available about Indian Tourism but it was not connecting with the trade, secondly it had to be promoted on search engines & the most effective media would be sending e mails every fortnight to the trade and media highlighting some new activity, clear cut message about India.

6.1.3 Influencing ability of promotional campaigns by India tourism office

37% of 1000 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 28% of 1000 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 Prospective travellers

6.2.1 Awareness of India tourism office presence

Of the 250 prospective travellers who intended to visit India in the next visit, 78% were aware of an India Tourism Office in the UK.

6.2.2 India tourism office approached or not

48% of those who were aware (that is, 101 of 195 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 94 persons who approached the India Tourism Office, 91 percent, that is 86 of them received adequate support and guidance.

6.2.4 Evaluation of role of India Tourism Office in promoting India as a tourist destination

61% of the 250 respondents felt that the Indian Tourism Office was playing a positive role in promoting India as a tourist destination. 34% of the 250 respondents had no opinion to offer on the subject.

6.3 India Tourism Office activity qualitative evaluation

6.3.1 Experience of tour operators with the India Tourism Office

Most tour operators felt that once they interacted with the India Tourism Office, the staff was helpful and their experience was satisfactory. At the same time, it was felt that these offices were not engaging in as much marketing and information dissemination as was desirable.

They felt that while the India Tourism Offices were participating in trade fairs and road shows and generating publicity material in the form of brochures etc, there was a dearth of focused marketing communication collateral that engages with and sends out clear messages to the travel agents and tour operators who are critical intermediaries in the trade. Said one tour operator, “Countries like Egypt, Tunisia, Malaysia, Malaga, Greece advertise well via posters, ads on buses, taxis and television. But staff at India Tourist Office needs to be more professional. The staff needs to interact more with tour operators. Spain, Brazil, China Tourism boards are active and interact with retail agents/tour operators."

Certain recommendations came in from the trade on thrust areas for the future. These included:

1. Offering more support in terms of promotional material and campaigns, more enrolment with trade;
2. Increased marketing support, provide training to the front desk/ office of the trade;
3. Help in visa- and passport-related issues;
4. search engine, advertisement support for trade;
5. Attending press conferences and seminars and interacting with tour operators and retail agents on a regular basis;
6. Educate agents/ trade about our products i.e write ups, latest trends in India, change the theme every time
7. Provide small ads but be more focussed on one product;
8. Placing more ads in travel magazines and newspapers; / joint advertisement and support

9. Sorting out visa issues, for instance the photo dimensions required are not standard dimensions available in the United Kingdom.
10. Some tour operators also expressed the need for financial support or incentivization to encourage India as a destination to enquiring customers.
11. Target retail agents / Tour operators who sell India & who have never sold India separately

A tour operator mentioned, “People are looking for icons like the Taj Mahal and the Tiger. More icons are needed in a new and refreshing way. Market a site or theme (wildlife, palaces, forts, etc.) and not a state. This will attract tourists who have never been to India.”

Chapter Seven
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 UK.

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 UK

Table 33 Outbound Tourist Segments from the UK

<table>
<tr><th colspan="2" rowspan="2">Outbound Tourist Segments from the UK</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
(< 1000 GBP)</td><td>Sight Seers
(226, 8.9%)</td><td>Backpackers
(364, 14.3%)</td><td>Hitch Hikers
(91, 3.6%)</td></tr>
<tr><td>Low Middle
(1000 – 2000 GBP)</td><td rowspan="2">Event Attendees
(404, 15.9%)</td><td>Family-Leisure Classical Budget Travellers
(619, 24.3%)</td><td>Globe Trotters
(140, 5%)</td></tr>
<tr><td>High Middle
(2000 – 5000 GBP)</td><td>Family-Leisure Classical Comfort Travellers
(423, 16.6%)</td><td rowspan="2">Rich & Creamy Travellers
(179, 7.0%)</td></tr>
<tr><td>High
(> 5000 GBP)</td><td>Jet Setters
(13, 0.5%)</td><td>Work-Pleasure Mixers
(85, 3.4%)</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.

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 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 the UK should be focused upon.

1. **Family-Leisure Classical Travellers (41.0%):** With 24.35% in the budget category and another 16.62% in the comfort category, this combined total amongst the past travellers forms the largest single group that travels from the UK to foreign destinations. This traveller is typically looking for a family holiday. One sub-segment within this group stays in budget to mid-range hotels and looks for clean and convenient stay and sight-seeing and also travels economy class. The other sub-segment looks for higher levels of comfort and stays in starred accommodation and travels by air or luxury coaches. Such travellers from the UK usually travel as nuclear families.
2. **Event Attendees (15.9%):** At 15.9%, this is one of the most lucrative segments of tourists as they spend a lot within a short span of time and constitute a healthy share of all outbound tourists from the UK. 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 (7.0%):** With 7.0% 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 (14.3%):** Backpackers from the UK are a mix of short distance and long-haul travellers. Many travel through Europe on tight budgets and may not consider long-haul travel as a holiday option due to habit or expense involved. While this large segment is not very attractive the backpackers from the UK are an important group that may be influencing other travellers through blogs, websites and reviews.

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 , the 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 India was a part of the British Empire, the British are well aware of India. Traces of British culture are evident in parts of India, making India a favourable destination for the British travellers.

The Britishers also fancy going to destinations like Spain, Turkey, USA and Thailand. Spain and Turkey being European and Eurasian Countries respectively are very easily accessible to the Britishers and makes very convenient get away destinations for the British travellers. These travellers are willing to spend for the purpose of exploring new destinations and for a good experience. India, USA and Thailand though might be distant from UK, have a lot of good destinations and experiences to offer for the British travellers and hence attract many British Holiday travellers.

The following table sites the preferred destinations of British travellers and the top reasons to visit these destinations.

Spain	Turkey	USA	Thailand	India
				
		Top Reasons to Visit		
•Culture • Beaches • Climate • Food •Bull Fights	•Beaches •Culture • Food • Affordable •Hospitality	• Architecture •Nature •Sports •Amusement Parks •History	•Affordable •Beaches •Food •Nightlife •Shopping	•*Culture* •*Historical Monuments* •*Food* •*Affordable* •*Nature* •*Beaches*

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

Spain:

Alike India, Spain has a very diverse and rich culture for which they are proud of. Abroad travellers generally like to travel to places that are culturally strong. Both being European economies, UK and Sapin share a very similar culture, which makes Spain a welcome destination for the Britishers.

Spain's extensive history with many cultural influences has led to an array of unique cuisines which is also renowned for its health benefits and fresh ingredients. Spain's food attracts a lot of Britishers.

The elegant and beautiful beaches of Spain which are abundant with sunshine throughout the year appeal to tourists from UK. These beaches make a great holiday get away for tourists who are in search of a pleasant weather. India too has tropical beaches which can be great to attract these travellers.

Spain has the second highest number of UNESCO World Heritage Sites in the world, with a total of 42 sites.These sites attract the inquisitive tourists from UK who are interested in visiting places that have made an impact on the world. India too has 28 UNESCO World Heritage Sites to attract such travellers.

Due to an unsual world position, Spain has a mosaic of climates which is the most varried in Europe. The climate in spain is predominantly plesant and sunny. The relatively cool summers and mild winters makes it a geart holiday destination for the European travellers. India too is very diverse in its climatic conditions. Different regions in India have different type of climatic conditions. There are hill stations for people who want to get away from the summer heat and India also has beaches for people wanting to get away from sever winters.

Bullfighting is a unique sport which has . Tourists flock from all over to see this spectacle which is not evident in other countries.

Turkey:

Turkey has over 300 blue flag beaches. These beaches are eco friendly beaches which meet the stringent requirement of clean water, adequate safety and environment managemet. The Britishers alike most of the people in the world are attracted to the clean, safe and environmet friendly beaches.

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 unique blend of culture attracts the travellers as they find a similar western culture as their home place and at the same time get a taste of traditional culture and values.

Turkish cuisine can be described as a fusion and refinement of Central Asian, Middle Eastern and Balkan cuisines. This is a great attraction for the British foodies.

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

Majority of people of Turkey are friendly and courteous to strangers. This makes the travellers feel welcome and at home and hence motivates them to revisit the country.

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 UK being appreciators of arcitechture 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 natual 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 British 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 British tourists.

Thailand:

Like India, Thailand is relatively cheap and affordable for all type of travellers. Hence British travellers of all different income levels are attracted to the cheap rates. British 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 UK.

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

Thailand has long been known as a bargain hunter's paradise. Britishers who are also fond of shopping get attracted by the cheap rates the markets in Thailand have to offer. 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 culture has traces of British culture due to the British rule which makes India a favourable destination for the Britishers.

English businessmen first came to India in pursuit of the spice trade and hence the Britishers have since been fond of Indian spices. Indian spices and food is a good medium to attract these Britishers.

India has a collection of one of the finest historical monuments. India also has monuments that were constructed during the British Rule. These monuments draws the attention of many Britishers who are inquisitive to know about their ancestors and about the history.

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 in search of a pleasant and sunny weather. Tourists also find great interest in the coral beaches of Lakshadweep which are one of its kind.

7.7 Promotional activities by Other Tourism Boards in UK

The Tourism Boards of Turkey, Spain, Brazil, China, Romania and Spain have been actively and effectively promoting their country in UK. These boards have undertaken different techniques and innovative methods to promote their country as a tourist destination. India also is promoting itself, and it can be promoted in a more visible and innovative way.

A few of the major promotional activities undertaken by various tourism boards can be seen as follows.

Turkey, Spain, Brazil, China:

These countries have been interacting more with retail agents, travel agents and tour operators who play a mojor role in attracting abroad travellers. India too has been interacting with these people, however an increase in interaction with these people will help boost the tourism business of India.

Turkey

Turkey has been offering packages for 'Medical Tourism' and advertising heavily in UK. India also specialising in medical tourism can offer similar packages where for example people coming to Kerala for medical tourism can also visit place near by like Mysore palace, the Western Ghats, Indira Gandhi National Park, Kerala Backwaters etc.

Romania

There is a growth in the popularity of social networking sites in the recent days, "Facebook" being one of the most popular sites in countries worldwide. Being very popular among the youth, facebook has also started gainig popularity amongst the older generations. Romania has taken advantage of the popularity of this site and has been promoting itself through 'Face book'. This helps them to reach to a

large number of people. Facebook and similar social networking sites can prove to be a great medium to promote tourism and attract tourists.

Spain

Autonomous Communities of Spain devote a large part of their yearly budgets to promotion and advertising in UK.

Trade fairs from trips and product promotion set the pace to draw more and more people to visit Spain.

Regent Street Festival in UK which is generally showcased on UK, in 2006 was dedicated to Spain. This was the first time that it was dedicated to another country. This shows the popularity of Spain amongst the UK citizens.

Spain hosted ‘Association of British Travel Agents’ (ABTA) for its Annual Convention . Spain Also hosted Annual Conventions of Association of ‘Independent Tour Operators’ (AITO) and ‘Institute of Travel & Tourism’. They play a major role in the tourism industry and hence influencing them has a very high importance to promote tourim.

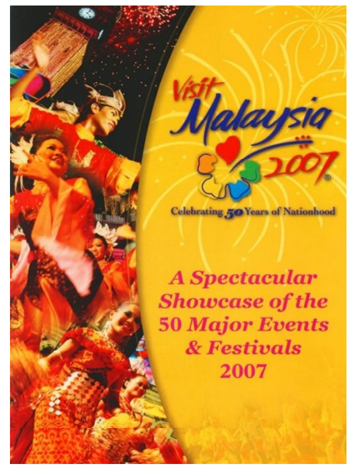
7.8 Advertisements by other Tourism Boards to attract foreign tourists

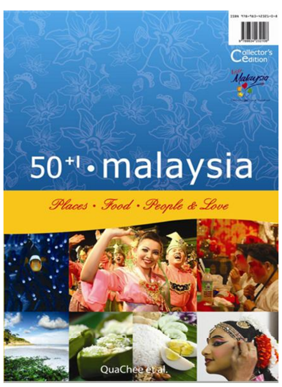
The Tourism Boards of various countries have taken the help of print, web and media advertisements for promoting their country as a tourist destination. These advertisements are unique, informative and have helped in attracting many a travellers.

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

Malaysia

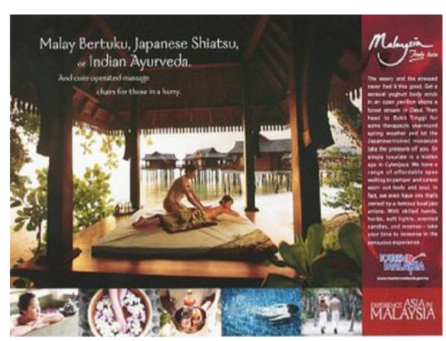
In this print advertisement, Malaysia is promoting its 50 major events and festivals. The theme here is 'Visit Malaysia'. Malaysia like India has a very diverse culture. The Malaysian tourism board hence has used this diversity in culture and numerous festivals as a medium to connect with the rest of 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.

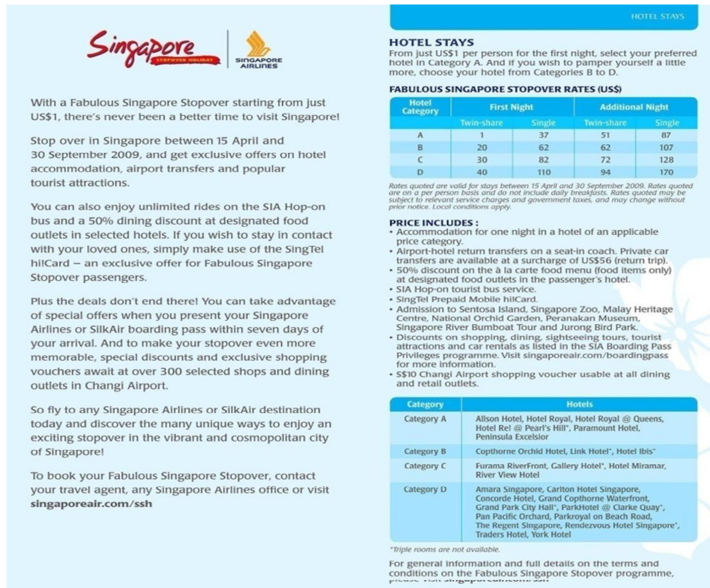
The advertisement is clear and discrete. Indian advertisements are innovative but can be more clear and discrete for the travelers to understand what they can expect from India.



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 provide information on the different category of hotels present and price range offered by each category of hotel. It also provides exclusive offers on hotel accommodation, 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 in 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 expiries for people to choose from. The people with different likes and dislikes can easily categorise 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 portraying 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 itenary.

- ❖ 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>

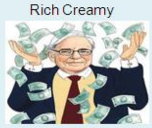
  Tour Operators help travellers in planning foreign trips to countries that they are not aware of. Focussing on trade and making them fully aware of the products that India has to offer will create a gateway for foreign tourists to India. It is also suggested to improve the number of tour operators and 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 British 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 UK to India.

Travelers Segment	Purpose	Budget (INR)	Duration	Accommodation	Attraction
Immigrants/ Non British origin 	•Visiting Friends & Relatives •Religious Purpose •Leisure and Recreation	74,000-1,48,000	1-4 weeks	•Friends and Relatives •Mid Ranged Hotels	•Places of historic importance •Ancestral Property (people of Indian Origin) •Culture and Festivals •Natural Beauty
Business Travellers 	•Business •Sightseeing	1,48,000-3,70,000	1-4 weeks	•Star Category Hotels •Mid Ranged Hotels	•Local Sightseeing •World class luxurious hotels •Attractive MICE options •Entertainment options
Rich Creamy 	•Leisure and Recreation •Relaxation	More than 2,22,000	More than 4 weeks	•Resorts •Star Category Hotels	•Exotic Destinations •Relaxation Activities (Spas) •World class luxurious hotels & resorts

- *Immigrants/ Non British* origin 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.
- *Business Travellers* come to India for work purpose. These travellers have limited time and can only afford to visit places that are close by. These travellers need to be provided information regarding the spots of local sightseeing in the place of their visit, information about World class luxurious hotels as they tend to spend well on accommodation, attractive MICE options and other local entertainment options.
- *Rich Creamy* are the high spenders who travel for luxury and are willing to pay huge amounts for the same. They need to be provided information about India's Exotic Destinations, the various relaxation Activities (Spas) available in India and the different type of world class luxurious hotels & resorts available in India.

❖ ***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 travellers from the UK, India is a long haul destination. Outbound travel from the UK is also seasonal in nature with 2 clear peaks around vacation times. Largely, UK residents are aware about India and many may have India linkage too. Some have heard about India from their ancestors who have been to India in the service of the British Empire, while India was still a British colony. Others may have their origin in South Asia or other parts of Asia. In addition, there is also a non-negligible PIO presence in the UK. UK residents are also exposed to the Indian experience through the many Indian eateries and artefacts at the museums in the UK. People in the UK may also have seen a lot of promotional and publicity material on various occasions. However, India still does not figure as destination of choice for the UK residents. One may attempt to change this using some of the simple steps enumerated below.

1. **Target Population:** To target the UK residents they may be sub-divided into 3 different categories with specific pointers for each one,
    a. **British Citizens:** The nationals of UK are reasonably aware about India. India's various leisure tourism options like hills, valleys, beaches, deserts, forests, backwaters, palaces, forts, museums, festivals and even spiritual experience will cater to a very large section of the UK holidaymakers. However, they face multiple challenges in linking India to their holiday trip plans. Two of the key reasons being, not knowing where to start and where to go as it is a vast country and a trip to India will require substantial time, money and planning. The British citizen however is an explorer, by nature and with focused effort in communicating various vacation choices, options of booking India vacations and giving them simple single-stop solutions for trip booking can go a long way in building traction for Indian tourism amongst British citizens. Building modern communication routes like blogs would be relevant. In this context, leveraging British backpackers may be a good idea, especially to cater to the explorer in the British. There is also the aristocracy and HNIs (high net-worth individuals) who would be interested in resorts and palace-hotels and travel in the luxury trains like the Palace-on-wheels. They

need to be reached out to differently by showcasing the luxury vacation options in India.

b. **Expatriates other than PIOs:** UK residents who have their origin in other parts of the world are a smaller target population, though not insignificant. They need to be reached out to with value propositions that compare holiday experiences in India well with other global destinations at a comparable and economical value. They also need to be reassured about health and safety issues including spicy food. The travel agent could play a vital role in helping with such a positioning. Visa related issues are another area of protraction and worry, especially for those who take a vacation decision just-in-time to travel. Citizens of other Asian countries who are UK residents may also be targeted with a 'stop-over in India on your way back home' message.

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, Indian Tourist Development Corporation (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 seasonal promotional activities in the UK, which offers a clear potential for expansion of outbound travellers' footprint into India. The following pointers may be useful,

   a. **Media:** Building a media presence before the holiday season in British magazines, newspapers, television channels and website is an important step in building traction for tourism in India. It might be useful to organize familiarization tours for the travelogue writers in a systematic manner on a regular basis to capture reader fancy through leading dailies, magazines, travel magazines and television media including news media. Result of such steps would be articles about Indian Tourism options in the media. Positioning of new India, which is different from the clichéd picture of India i.e. Taj Mahal and places in Jaipur, that is there in the mind of people from other countries is the most important task. One must also attempt to project the diversity of tourism products and experiences that a holiday in India has to offer.

b. **Blogs and social media:** Media coverage also needs to modernize substantially with substantial presence on the web with links and popup advertisements in popular search engines and travel websites for the purpose of trip booking for travel to India. Separately, blog-writers and social media presence will build a very informed and aware audience that is receiving information much less obtrusively than happens in traditional media.

c. **Trade Channel:** There are more than 3000 tour & travel operators in UK. They are mainly spread across Birmingham, Manchester, Glasgow, Edinburgh and London. One may consider a programme to target Britain with an objective to connect to 10% in the first year while informing another 20% and progressively raising both targets in the successive years to grow India Tourism presence among the trade channels. Indian tourism officials also need to connect with the trade in a big way with personal as well as institutional business relationships, as trade channel is a major influencer in holiday decision-making. Those operators who have India in their portfolio should be supported and incentivised in a different manner as compared to those who do not have Indian holidays as part of what they offer and promote amongst their clients. It may also be useful to organise training sessions for the front office staff to build greater and more recent awareness about India, holiday experiences on offer, products and options to create greater influence on travel decision.

d. **Small-Effective-Many Contact Programmes:** Organize small and effective contact programmes through evening gatherings where trade, media and potential travellers could interact and India-themes could be brought out through speakers, book readings and small entertainment programmes. These need not be large scale events, instead smaller but many gatherings may create more intense interactivity with greater end result. This may also be organized in partnership with the trade channel.

e. **Publicity:** Road-shows do not tend to drive sales objectives as much as more focused communication does. Hence, provide advertisement support on search engines. 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 with a variety of options, that suits all types of travel budgets.
   b. Serious and focused working with the travel trade channel to build greater traction with those holidaymakers who seek information from the trade channel in the region before deciding upon their holiday trip. Awareness among the travel trade about India with special training to the staff / front office who are selling the packages.

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.

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.

Source

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[iv] A migrant is defined as someone who changes his or her country of usual residence for at least a year, so that the country of destination becomes the country of usual residence.

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[x]November 10, 2008, Backpackers in the UK are poised to tramp around a whole new world "http://www.forimmediaterelease.net/pm/1965.html"

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[xxxiii] Euromonitor International's Forecast Update - "Recovery in Sight?" report

[xxxiv] Qualitative analysis of interviews with tour operators