INDIA
MARKET PROFILE

TOURISM AUSTRALIA

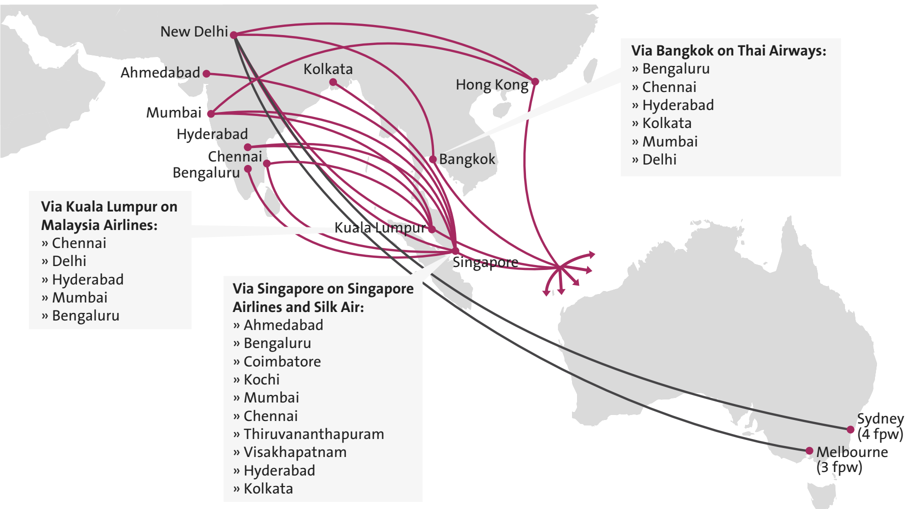
Market overview

In 2016, India was Australia's ninth largest inbound market for visitor arrivals, 10th largest market for total visitor spend and fifth for visitor nights.

Key importance factors for holiday destination choice[1]

- Safety and security **48%**
- World class nature **43%**
- Value for money **32%**
- Family friendly **29%**
- Aquatic and coastal **28%**

Aviation routes from India to Australia[2]



fpw: flights per week

Which airlines[3] do visitors from India use to travel to Australia?

Airline	2012	2013	2014	2015	2016
Singapore Airlines	31%	29%	29%	30%	26%
Malaysia Airlines	24%	25%	27%	21%	13%
Qantas Airways	12%	10%	12%	9%	13%
Air India	0%	6%	11%	12%	13%
Thai Airways	16%	13%	5%	10%	9%
Air Asia X	1%	2%	3%	4%	6%
Cathay Pacific Airways (HK)	4%	4%	4%	3%	5%
China Southern Airlines	1%	2%	1%	2%	3%
Others	10%	9%	8%	9%	12%

$1.9-2.3bn
Potential to be worth by 2020

259,900
Visitor arrivals[3]
(↑ 11 per cent)

Holiday ◊§
24%

Visiting friends & relatives ◊§
42%

Business ◊§
13%

Education ◊§
7%

$1.2bn
Total spend[4]
(↑ 9 per cent)

61 nights *4
Average nights stayed◊

29 nights **4
Median nights stayed◊

Sep-Nov and **Feb-Apr**
Booking peak period

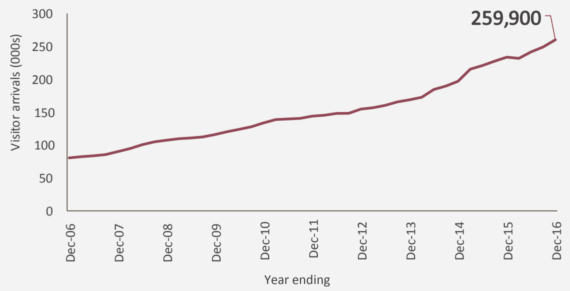
May and **Dec**
Travel peak period

*Notes: *Average nights: the sum of all nights divided by the sum of all visitors. **Median nights: the midpoint length of stay for which 50% of visitors stay less and 50% stay longer.◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose. ‡ Other includes education, employment and others. Sources: 1. Tourism Australia, Consumer Demand Project, 2016. 2. Department of Infrastructure and Regional Development, December 2016. 3. Department of Immigration and Border Protection, December 2016. 4. Tourism Research Australia, International Visitor Survey, December 2016.*

INDIA
MARKET PERFORMANCE

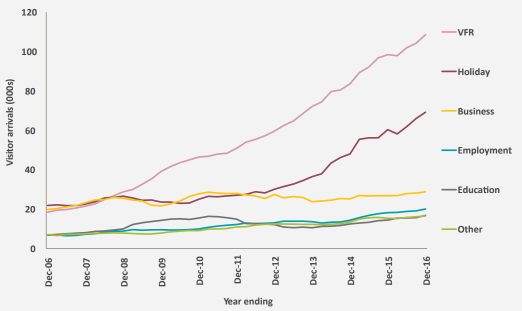
» The charts on this page provide a trend overview of visitor arrivals and spend over the last 10 years by main purpose of visit, by first and repeat leisure[Δ] visitors and also a snapshot of age demographic split of leisure visitors and spend.

Visitor arrivals[1]

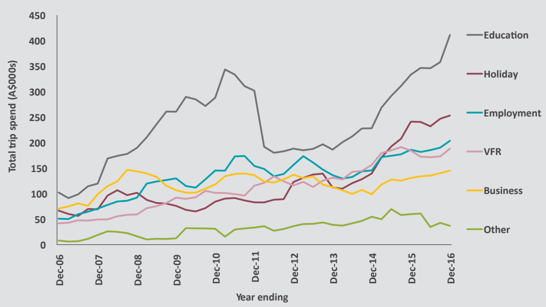


Visitor spend[2]

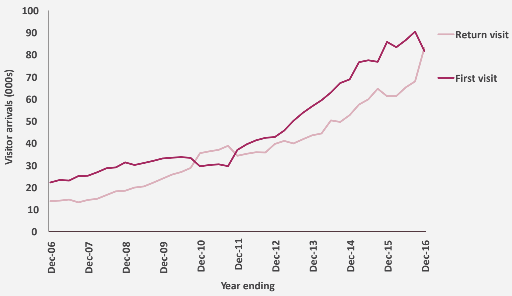
Visitor arrivals by main purpose of visit[1]



Visitor spend by main purpose of visit[2]

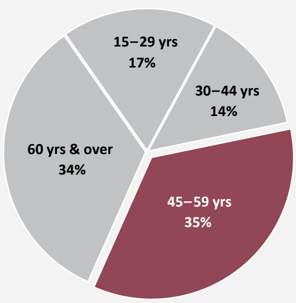


First and repeat leisure visitor arrivals[2]

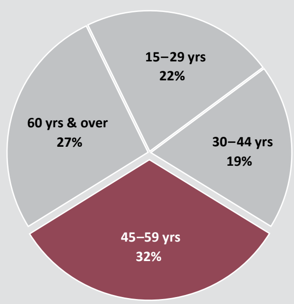


First and repeat leisure visitor spend[2]

Leisure arrivals by age[2†]



Leisure spend by age[2†]



Notes: Δ Leisure refers to main purpose of visit of holiday and visiting friends and relatives. † Age profile data refers to an average of 2012-2016.
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016.

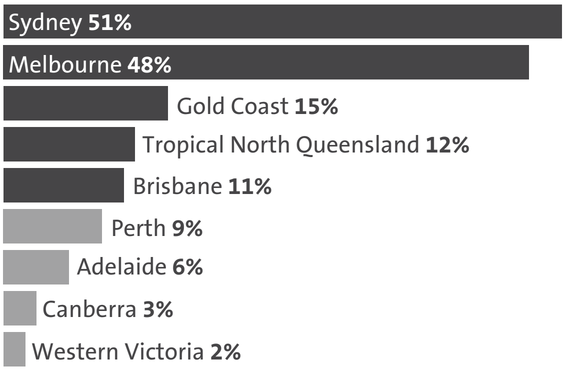
INDIA
MARKET PERFORMANCE

» The following◊ table provides a summary of arrivals, spend and the proportion of repeat visitors to Australia by main purpose of visit: holiday, visiting friends and relatives, business and education.

	HOLIDAY	VISITING FRIENDS AND RELATIVES	BUSINESS	EDUCATION
Arrivals[1]	48,800 (24%§)	84,500 (42%§)	26,400 (13%§)	13,300 (7%§)
Spend per trip[2]	$3,600	$1,800	$4,800	$20,300
Spend per night[2]	$176	$29	$187	$123
Repeat visitors[2]	25%	57%	45%	50%
Average nights stayed[2]	23	68	25	169
Median nights stayed[2]	11	49	13	160

» The following provides an overview of top 9 regions visited by leisure visitors and the number of stopovers made in Australia by leisure visitors and a snapshot of the main states and cities of residence of Indian visitors to Australia.

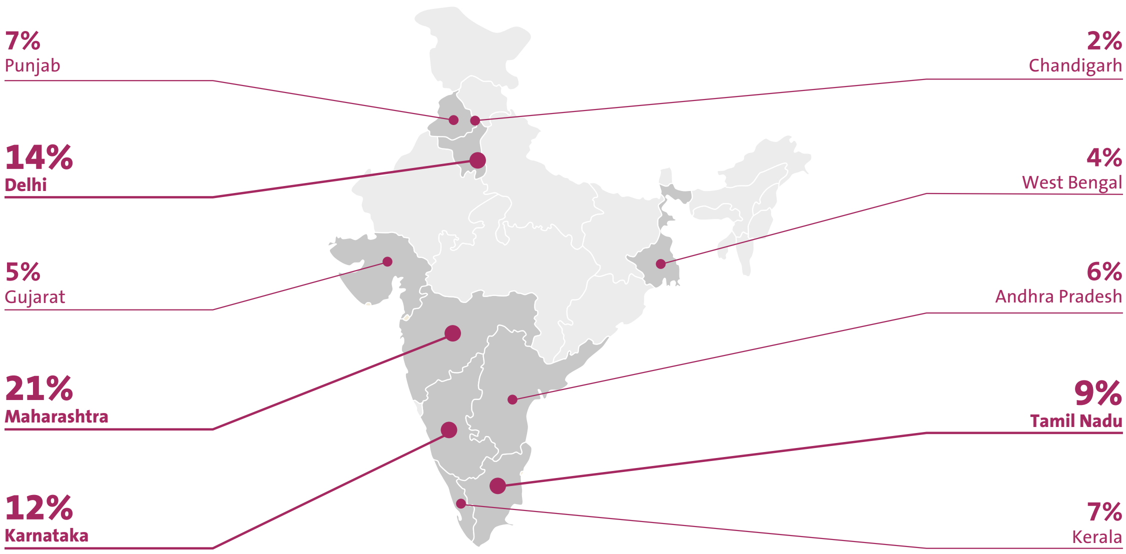
Top 9 regions visited by leisure visitors◊*^2



Overnight stopovers made in Australia by leisure visitors ◊*^2

Read as: 33% of leisure travellers from India visited 3-5 regions (and made at least one overnight stay).

Main states and cities of residence of Indian visitors to Australia∆2



*Notes: ◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose of visit. * Leisure refers to main purpose of visit of holiday and visiting friends and relatives. ^Percentages will not add to 100% as one person can visit multiple regions. The data refers to visitors that made at least one overnight stay. ∆ Data refers to an aggregate of 2012-2016. Results with samples sizes 40 and below have not been included.*
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016

INDIA
AVIATION LANDSCAPE

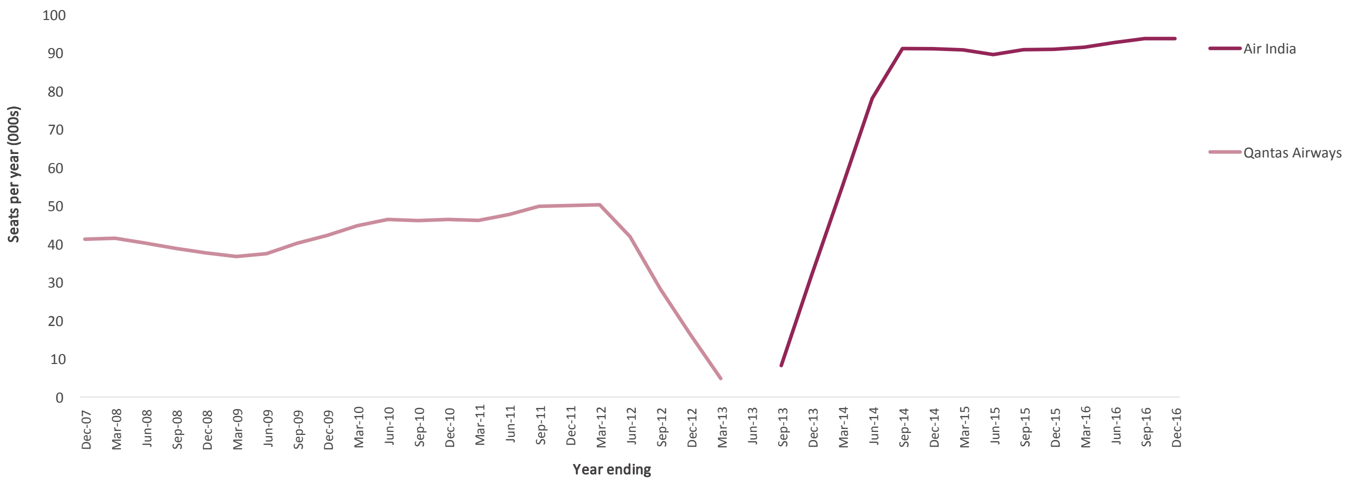
94,000 Inbound seats

3% year on year

7 Flights per week

- Indian visitors can fly from a number of cities such as Mumbai, Delhi, Bangalore, Chennai, Kolkata, Ahmedabad, and Hyderabad, to hubs including Singapore, Kuala Lumpur, Bangkok, Hong Kong and Dubai. From these hubs, connections to Australian cities are frequent. Air India is the only carrier operating a direct service from India to Australia (Sydney and Melbourne).
- In 2016, 26 per cent of Indian visitors to Australia travelled on Singapore Airlines and 13 per cent on Malaysia Airlines. Both carriers had lost share, primarily to Qantas which saw its share of passengers from India to Australia improving to 13 per cent (from 9 per cent in 2015).
- Average load factors on Air India remained high, growing marginally to 86 per cent in 2016, with peak months in December to February and July, where load factors were above 90 per cent. Other months of the year still recorded a relatively healthy average load factor of around 80 per cent. This positive performance strongly suggests the viability of capacity expansion.

Direct aviation capacity from India to Australia[1]



Weekly services to Australia[2]

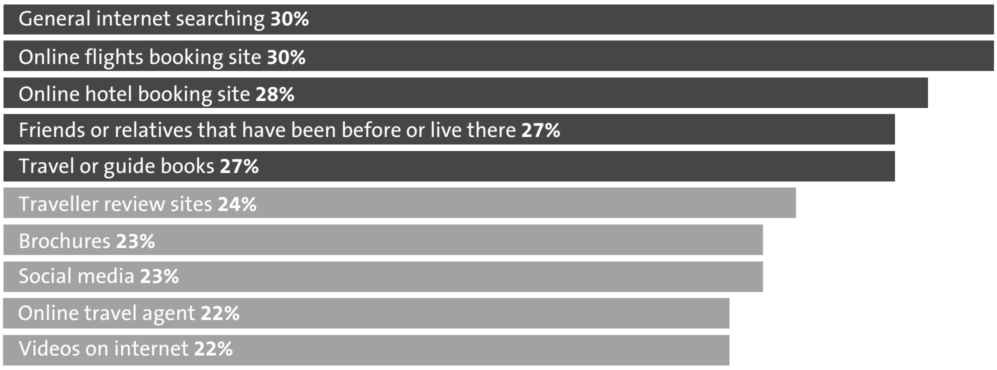
Operating Airlines	Flights per week	Route	Alliance/ code share partner (on route)
Air India	3	Delhi-Melbourne	
	4	Delhi-Sydney	

Sources: 1. Department of Infrastructure and Regional Development, Aviation Statistics. 2. Department of Infrastructure and Regional Development, International Airlines Timetable Summary (Northern Summer), 2017

INDIA
PLANNING AND BOOKING INFORMATION SOURCES

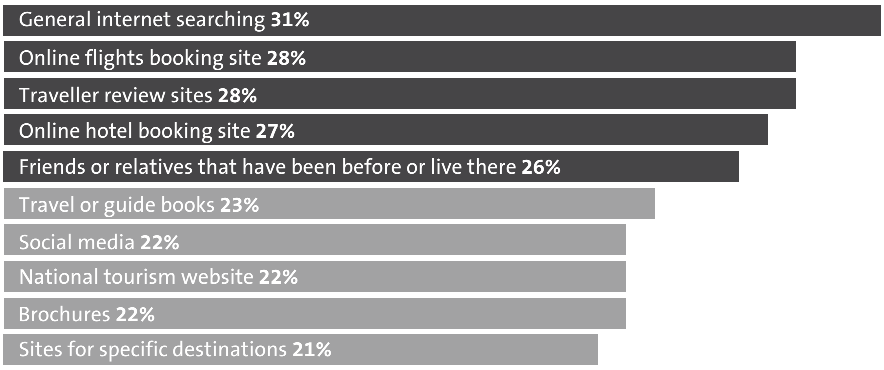
The following charts highlight the information sources that Indian consumers use to plan and book their holidays.

Preferred sources for early planning and inspiration



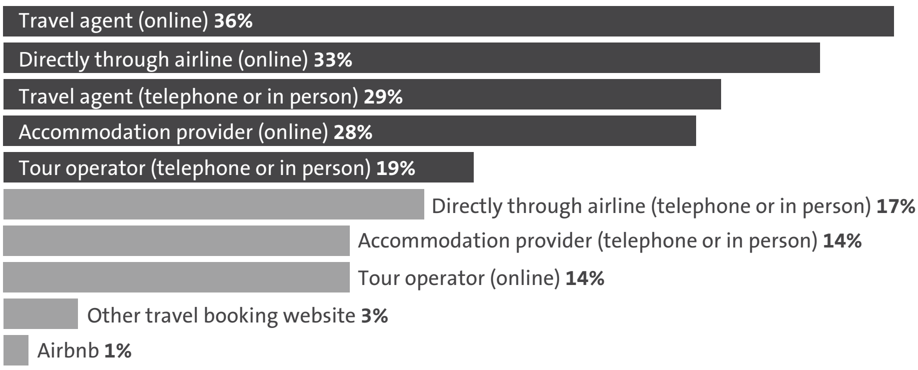
Read as: 30% of respondents indicate 'general internet searching' as a preferred source during the early stages of planning a holiday.

Preferred sources for seeking information



Read as: 31% of respondents indicate 'general internet searching' as a preferred source for seeking information about a holiday destination.

Preferred sources used to book a holiday



Read as: 36% of respondents indicate 'travel agent (online)' as a preferred source when booking a holiday.

Source: Tourism Australia, Consumer Demand Project, 2016

INDIA
DISTRIBUTION

The Indian travel distribution system is highly fragmented and varied across the country. Whilst there are a few national retail agencies, most agents are small, independent businesses, and contribute a varying percentage of business to Australia. Anecdotally, 10 per cent of agents contribute 20 per cent of the business to Australia, and 90 per cent of agents contribute 80 per cent of business. Indian consumers are researching and booking their trips using a combination of traditional travel agencies and online options, however retail agencies still handle the majority of outbound travel from India.

Distribution system

WHOLESALERS/ LARGE AGENCIES

Commission level: up to 20%

- The traditional wholesale model has not generally developed in the Indian travel industry. There are a few larger travel agents which have developed their own distribution network through smaller independent agents such as Thomas Cook, SOTC, Cox & Kings, MakeMyTrip, Yatra, TUI, FCM, etc. These are often referred to as franchisees or preferred sales agents. Some agents and Online Travel Agents (OTAs) have also adopted a model of homebased consultants that include housewives who prefer to work from home.
- The major operators having a pan-India presence are Thomas Cook, SOTC, Cox & Kings, Kesari, Veena World, Club 7, MakeMyTrip, Yatra, JTB Travels, Vacations Exotica, TUI, Flight Centre, Mercury Travel, etc. Most Indian travel companies operate across all segments of travel, including: group tours, Free Independent Travel (FIT), business events and luxury.
- There are a few traditional B2B wholesalers that are gaining support from the smaller retail agents. These include: Rez Live, Fore Travel Representations, GRN Connect and Amigo Travels. Legacy players in this space include Otilla International (formerly known as Saltours) and GTA.

RETAIL AGENTS

Commission level: up to 15%

- The distribution of travel products in India is fragmented with only a few national operators. Most agencies are small, independent, family-owned businesses.
- Competition between larger travel agencies are fierce, with aggressive marketing and tactical promotions in print media. Promotions include cash discounts, early bird discounts, hotel upgrades, free holidays to other countries/cities such as visits to Canada for free on a USA holiday, 'holiday now, pay later' schemes, cash back schemes and offers for a companion or child to travel for free.
- Most large retail agents brochure and market their own programs by working closely with inbound tour operators (ITOs).
- Large travel agencies take reservations from consumers through their own retail networks and from smaller agencies.
- Travel agents use Global Distribution Systems (GDS) such as Galileo, Amadeus, and GTA to reduce response time and provide instant confirmations to clients.
- Despite the increase in the online travel segment, traditional retail agencies have not yet moved to this platform for bookings.

AUSSIE SPECIALISTS

Over 3,300 qualified Aussie Specialists and 6,798 registered Aussie Specialists as at Mar-17

- The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop front line travel sellers to best sell Australia.
- As at March 2017, there were 3,300 qualified Aussie Specialists in India. 75 per cent of these ASPs are based in the following cities of; Delhi, Mumbai, Bangalore, Chennai, Hyderabad, and Kolkata.
- New potential Aussie Specialist agents are identified in conjunction with airlines, Inbound Tour Operators (ITOs) and State and Territory Tourism Organisations (STOs).
- The Department of Immigration and Border Protection (DIBP) introduced a Preferred Agency Scheme (PAS) program for selected Aussie Specialist agencies, whereby approved ASP retail agencies are able to process visa applications according to the Department's requirements. As at March 2017, 105 agencies were involved in the scheme.
- During 2015, DIBP introduced the e600 pilot program for agents on the Preferred Agency Scheme (PAS), which enables e-lodgement of visa applications under sub class 600.

INDIA
DISTRIBUTION

ONLINE	
Commission level: up to 15%	» As the Indian outbound market grows, more consumers are using the internet to research and purchase their holidays. » Online travel agencies (OTAs) now receive almost 50 per cent of all visits to travel sites, with the top four being Makemytrip.com, Yatra.com, Expedia and Cleartrip. Other international sites such as Tripadvisor, Holiday IQ, Wego, hotels.com, agoda.com and booking.com are also very popular. » There has been an increase in online bookings for air tickets for international flights due the improved reach and use of the internet, convenience of booking from home and the removal of credit card fees when booking directly with an OTA or the airline's website. » Whilst the online purchase of holiday products is on the rise, most of the OTAs have now established agencies or call centres as an alternate distribution channel. » Traditional and online distribution systems will therefore continue to co-exist over the next few years as the Indian outbound market grows and matures.

INBOUND TOUR OPERATOR	
Commission level: up to 10% -15%	» Several ITOs are active in India. The number of ITOs catering to the Indian market have doubled over the past three years. » Key ITOs for India are Wel Travel, Travel Maestro, Holiday Pacific, Australian Outback Travel (AOT), Australian Tours Management (ATM), GTA, Tour East (Qantas Holidays), JTB, Red Apple, Safir Tours, Time Travel, Great Aussie Travel & Tours, Pacific Vacations, among many others.

INDIA
DISTRIBUTION

Trends

Distribution

- Online travel agencies such as MakeMyTrip.com, Yatra.com, Expedia and Ezeego1 have been increasing market share in the online space. They are expanding rapidly, and an emerging trend is their move into traditional retail stores, in addition to expanding products and services online.
- While there has been some growth in online sales of tour packages, the sales volume is still low to date for complete packages sales compared to traditional players and it is primarily for short haul destinations. This is however restricted due to poor credit card penetration (less than 2% of the population) and low average credit limit per person (approx. A$ 1,000)
- Self-drive holidays, luxury holiday experiences and destinations such as South Australia (Adelaide and Kangaroo Island), Northern Territory (Ayers Rock), Western Australia (Perth and surrounds) and Tasmania are new products being developed in the market, with support from Aussie Specialist agents.

Planning and purchasing travel

- Consumers are booking trips using a combination of traditional distribution operators and online options. Most consumers will book through a retail travel agent rather than directly with product.
- India is traditionally a late booking market and consumers have a short lead time for booking holidays, ranging from three to six weeks on average, prior to the date of departure.
- Indians travellers prefer to plan itineraries and pre-book all activities prior to travel.
- The use of social media for researching travel is higher than some other markets suggesting it would leverage well amongst Indian consumers.

Planning a visit to market

Top tips for sales calls

- Sales calls should focus on agents in key cities such as Mumbai, New Delhi and Bengaluru at least twice a year and in secondary cities such as Kolkata, Chennai, Ahmedabad, Pune and Hyderabad at least once a year.
- The best time for sales calls is January to February and July to September.
- For more general information on sales calls and planning a visit to market, please see Tourism Australia's Planning for Inbound Success ebook at www.tourism.australia.com/ inboundsuccess

INDIA
FURTHER INFORMATION

Key trade and consumer events

Event	Location	Date
India Travel Mission	Pune, India	Aug 16-21 2017
Dreamtime	Brisbane, Australia	December 3 – 6' 2017

Where to find more information

Tourism Australia's activities in India are managed from its Mumbai office. For more information visit Tourism Australia's corporate website at www.tourism.australia.com.

- Australian State and Territory Tourism Organisations operating in India include: Destination NSW, the South Australian Tourism Commission, Tourism and Events Queensland, and Tourism Victoria.

Also see:

- India Country Brief published by the Department of Foreign Affairs and Trade at: www.dfat.gov.au/geo
- For the latest arrivals statistics, visit: http://www.tourism.australia.com/statistics/arrivals.aspx
- For additional statistical reports refer to the ABS and TRA websites, www.abs.gov.au and www.tra.gov.au
- For additional information on consumer research, visit: http://www.tourism.australia.com/statistics/consumer-demand-research.aspx

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