

## India

### **Market Summary**

*Although the Rupee is stronger and the Indian economy is looking positive, consumers are still cautious.*

*The trade has reported increasing consumer concerns about safety in Australia, driven by recent negative media coverage and the subsequent travel advisory issued for students travelling to Australia. Support from trade however, for the destination and Tourism Australia's activities, remains strong.*

*Air capacity will increase significantly as airlines are either re-instating flights, increasing frequency of existing flights or adding new services. Air Asia X is adding new routes to Indian key cities like Mumbai, Delhi, Chennai, Bangalore and Hyderabad from May 2010.*

### **1. Market News**

- **Political Outlook:** A powerful Congress Party leadership has emerged with Rahul Gandhi joining Sonia Gandhi (head of Congress Party and the ruling coalition) and PM Manmohan Singh. Regional parties have also risen in prominence, i.e. parties with a political presence in fewer than four states. In Indian national politics, this has been one of the most significant political developments to occur and has resulted in over 30 political parties represented in Parliament. While this phenomenon will continue in India, thereby requiring coalitions of parties to form governments, the 2009 election results reflect the continued prominence of national parties, namely Congress, on the political scene.

*Source: EIU, EDC Economics, Dec 2009.*

- **Economic Outlook:** India's economic outlook remains positive and stable. Growth in the third quarter accelerated to 7.9 per cent year-on-year, from 5.8 per cent in the first quarter. Growth had slowed to 7.4 per cent for 2008. The main growth drivers were sustained high government stimulus spending and a resilient and improving private sector. Continued government reforms and rising business

investment is expected to boost this potential growth towards 8 per cent over 2010-15.

Source: EIU, EDC Economics, Dec 2009.

- **Media Coverage:** Media reports on the Indian student attacks in Australia declined towards the end of 2009 but intensified again in early January. The media appeared to heed the Indian Prime Minister's call for balanced media reporting by publishing the efforts made by the Australian Federal Government, the Victorian State Government and the Victorian police to ensure the safety of Indian students. Statements or comments made about the issue by the Australian government and prominent Australian individuals have also been highlighted. So too was the Sydney Festival 'peace concert' event held in Parramatta featuring Indian musician A.R. Rahman and cricketer Shane Warne's efforts to use his popularity to assist with country relations.

Source: As compiled from media reports by Corporate Voice / Weber Shandwick in December 09 and January 10. CVWS is Tourism Australia's appointed PR agency in India.

## 2. Consumer Insights

**Media trends:** The Indian Readership Survey, Round 2, 2009 (released in December 2009) shows that:

- In Mumbai and Delhi, the leading print titles are the English dailies: *The Times of India* and the *Hindustan Times*. The leading business titles are *Business Daily*, *Economic Times* and business magazine, *Business Today*.
- Nationwide, the Hindi dailies lead. *Dainik Jagran* retains its lead with more than 16 million readers, probably the largest readership in the world.
- *The Times of India* is the only English daily in the top ten list, in seventh position.

Source: *The Indian Readership Survey, Round 2 released in December 2009, Compiled by: Corporate Voice Weber Shandwick from [www.exchange4media.com](http://www.exchange4media.com)*

A Nielsen Global Consumer Confidence survey conducted in December 2009 shows that:

- Though consumer confidence has fallen marginally in India, it still ranks second with 117 index points behind Indonesia (119 points).
- Around 58 per cent of Indian consumers believe that the country will be fully out of economic recession in the next 12 months. India remains the most optimistic country over job prospects in 2010. Around 17 per cent Indians think that job prospects in the country will be 'excellent' and 66 per cent think that it will be 'good' in the next 12 months.
- Indian consumers are cautious over their discretionary spending. After meeting the necessary living expenses, Indians put their spare cash into savings (65 per cent).

Source: <http://www.business-standard.com/>, 8 January 2010

For the latest in visitor arrivals, please visit 'Research & Statistics' at [www.tourism.australia.com](http://www.tourism.australia.com)

### 3. Trade Update

- A small section of trade has reported rising concerns among Indian consumers towards their safety in Australia for the upcoming holiday season. This is a result of the adverse publicity on the destination.
- SOTC, Thomas Cook and Kesari launched an Australian campaign targeting honeymooners. MakeMyTrip.com and Mercury Travel will launch their campaign in early March.
- The first quarter of 2010 will see multiple national and regional fairs organised by travel agents and professional fair organisers, targeting consumers who are planning holidays for April and June.
- Upcoming trade activities by Tourism Australia include Preferred Aussie Specialist training sessions in Delhi, Kolkata, Ahmadabad, Mumbai and Chennai from 23 February to 5 March. Training will be offered for new enrolments, plus a refresher course for existing agents.
- As at December 2009 there were 1254 Aussie Specialist agents from 427 agencies in India, of which 521 were fully qualified.
- As at December 09 there were 234 Preferred Aussie Specialists agents from 121 agencies.

### 4. Airline News

- Air Asia X plans to increase its India network with 12 new routes in 2010, beginning with 6 in the first quarter. The new services to key metro cities include Chennai, Bangalore, Hyderabad, Mumbai and New Delhi from Kuala Lumpur and from Penang to Chennai. To mark the launch of these new routes, Air Asia offered all-inclusive low fare from as low as AUD66 to AUD100 for the booking period of 27 to 31 January for travel between May to October.
- Singapore Airlines has recently announced plans to increase capacity to India. The carrier plans to add an additional three nonstop services from Singapore to Mumbai per week from 30 March 2010. It also plans to add additional three weekly services to Delhi.

### 5. Competitor News

- Singapore Airlines and Tourism New Zealand have signed a three year MOU, committing NZD 2 million over three years to fund joint activities such as marketing campaigns and famil programs for media and travel agents from Singapore, China, India, UK, Germany and France.
- In March 2010 South African Tourism will launch "Learn South Africa", their travel agent training project, to increase product knowledge of trade through training sessions and presentations.

- Actor Shahrukh Khan has been appointed the honorary Ambassador of Korea by the Korean National Tourism Organisation.
- Dubai Tourism Board and the Dubai Shopping Festival management have conducted a road show to promote the upcoming Dubai Shopping Festival from 28 January to 28 February. They have also partnered with Jet Airways to promote “Unbeatable Jetescapes” holiday options for Dubai during this period.
- Tourism Authority of Thailand has launched its second office in India in Mumbai.
- New NTOs to enter the market are: Tourism Fiji, Uzbekistan, Italian city Rome and its region – Lazio.
- Various established NTOs continue their efforts via road shows, trade events and MICE supplier events.

## 6. Key Campaigns and Activities in Market

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
Feb 2009	March 2010	IMHP – media visits	Journalists	Qantas
23 Feb	5 Mar	Preferred Aussie Specialist agent training sessions in Delhi, Kolkata, Ahmadabad, Mumbai and Chennai	Trade	
15 Mar	19 Mar	TABEE, Beijing, China	Trade	TA, STOs, ITOs