



India

TOURISM MARKET PROFILE

JUNE 2014

Overview

- India was British Columbia's (BC) tenth largest international market in terms of direct customs entries in 2013; this ranking was unchanged from 2012. India was Canada's ninth largest market in 2013, down one position from 2012.
- India was the sixth largest Asia/Pacific market for BC, remaining unchanged from 2012, and remained Canada's fourth largest Asia/Pacific market in 2012 and 2013.
- In 2012 and 2013, India accounted for 6% of BC's Asia/Pacific entries and 9% of Canada's entries.

Top countries to BC (2013)

USA overnight	1	South Korea	7
China	2	Hong Kong	8
United Kingdom	3	Mexico	9
Australia	4	India	10
Japan	5	Philippines	11
Germany	6	Taiwan	12

Source: Statistics Canada

The market at a glance

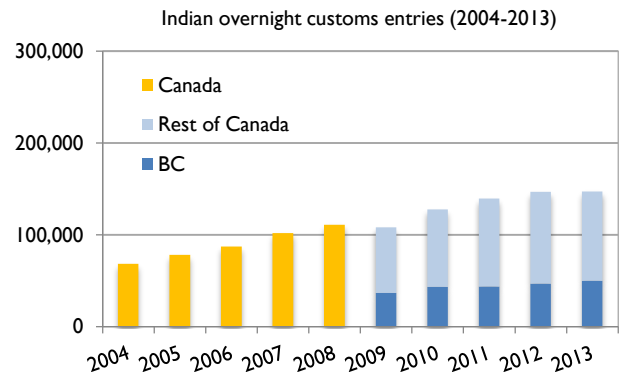
Outbound departures from India (2012)	14.9 million	Population (2012)	1.3 billion
Direct customs entries to BC (2013)	49,807	Unemployment rate (2012)	8.5%
BC's share of Canada's Indian custom entries (2013)	34%	Estimated GDP per capita (2012)	\$3,900 USD
India as a share of BC's total international customs entries (2013)	1%	GDP growth (2011)	7.7%
Asia/Pacific as a share of BC's total international customs entries (2013)	20%	GDP growth (2012)	3.8%
India as a share of BC's Asia/Pacific customs entries (2013)	6%	Forecasted GDP growth (2013)	3.0%

Sources: CIA World Factbook, India Ministry of Tourism, OECD, Statistics Canada

Indian overseas travellers

- Almost 15 million Indian nationals departed India in 2012, up 7% from 2011.
- In 2013, over 145,000 Indians travelled to Canada; 34% entered directly through BC. The number of Indian entries to BC and Canada each increased 36% since 2009. Between 2004 and 2013, overall Indian entries to Canada have increased 115%.
- Currently there is no direct air access into BC from India; therefore overseas travellers must first arrive in other parts of Canada or through other countries before proceeding to BC.

Sources: Bureau of Immigration (India), India Ministry of Tourism, Statistics Canada



The Indian traveller in Canada¹

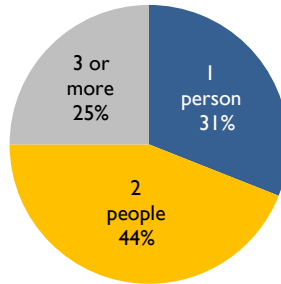
Visitor characteristics

In 2012, 60% of Indian visitors to Canada were male. The proportion of male Indian visitors was the highest among Canada's major overseas markets.

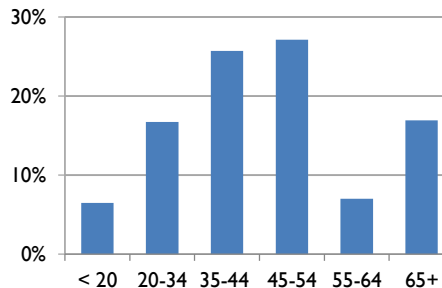
The average party size for Indian visitors was 2.4 in 2012. Over 40% of Indian visitors travelled in groups of two and nearly one-third travelled alone.

In 2012, middle aged adults (35 to 54 years of age) accounted for 53% of visitors. Over 20% of Indian travellers were young children and adults (under 34 years of age) and the same proportion were older adults (over 55 years of age). Travellers 65 to 74 years of age accounted for 16% in this category.

Travel party size (2012)



Visitors by age group (2012)



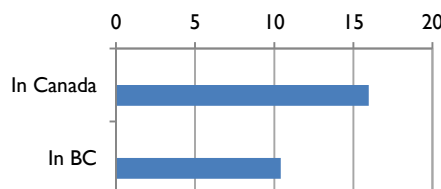
Trip characteristics

For Indian travellers to Canada (who also visited BC), the BC portion of the trip accounted for nearly two-thirds of time spent in Canada (16 nights in Canada and 10 nights in BC). Leisure travellers spent on average six nights in Canada and three nights in BC.

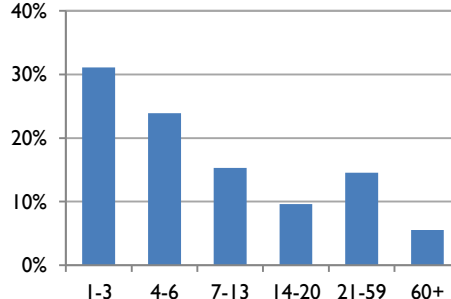
While the average stay in Canada was two weeks, shorter trips were popular as 55% of Indian travellers stayed less than a week (1 to 6 nights). About 15% of visitors had longer stays in Canada (21 to 59 nights); almost nine-in-ten visitors stayed between four and eight weeks (including educational stays).

In 2012, more than half of Indian travellers to Canada visited between June and July. There was a smaller spike of visitors around October which could be attributed to Diwali, a celebration of the "Festival of Lights".

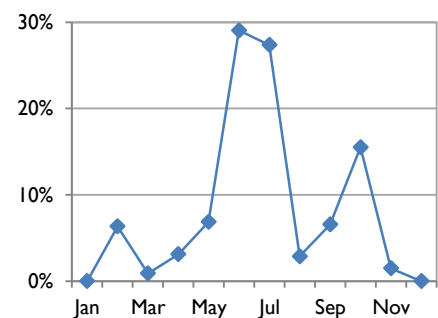
Average trip length (nights, 2012)



Visitors by trip length in nights (2012)



Visitors to Canada by month (2012)



Data sources for Indian travellers in Canada

The International Travel Survey (ITS) is an ongoing survey conducted by Statistics Canada in partnership with the Canadian Tourism Commission and some provinces, including BC.

The survey contains questions designed to collect data on the characteristics of travellers.

The ITS provides statistics on the volume and demographics of international travellers and on characteristics of their trips such as activities, expenditures, places visited, accommodations and length of stay.

The data in this section is based on pooled 2010-2012 ITS results and on those who entered Canada from India and who spent at least one night in BC.

For more information, please visit www.statscan.gc.ca

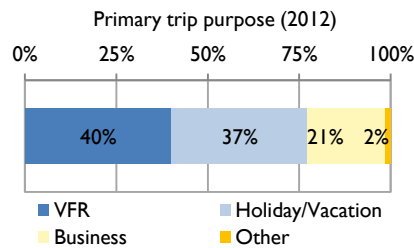
¹ Some totals may not sum to 100% due to rounding.

The Indian traveller in Canada

Activities and transportation

Roughly 40% percent of Indian travellers to Canada visited friends or relatives (VFR) and 37% for leisure (holiday/vacation) purposes. Two-in-ten were travelling for business.

In 2012, sightseeing (71%) and shopping (58%) were the most popular activities for Indian travellers. However, Indians' participation in shopping was about 15 percentage points lower than the average for overseas travellers in Canada. Over 40% visited parks while nearly one-third visited historic sites.



In 2012, 45% of Indian visitors used metros, subways or taxis while travelling in Canada. Another 40% used planes and buses to move within Canada, one of the highest proportions among overseas visitors to Canada. Just over one-quarter used private automobiles and boats as transportation.

Other activities while in Canada

Trip activities*	2012
Friends or relatives	44%
National or provincial park	44%
Historic site	30%
Museum or art gallery	16%
Bar or night club	16%
Theme or amusement park	11%
Zoo, aquarium or garden	11%
Sports or outdoor activity	10%
Ski or snowboarding	6%

*Other than sightseeing or shopping

Transportation while in Canada

Transport method	2012
Metro, subway, taxi	45%
Bus	43%
Plane	42%
Private car	27%
*Boat	26%
Train	15%
Rented automobile	15%
Private plane	0%
Private boat	0%

*Includes cruise, ferries, etc.

Spending and perceived value

On average, Indian travellers spent about \$1,500 per party during their visit to Canada in 2012. Travel parties spent \$94 per night on average.

In 2012, over 70% of travel spending was directed to food, lodging and transport. On average, Indian visitors spent less on transportation, recreation and entertainment and "other" expenditures than other overseas travellers to Canada.

Expenditures by travel party

Expenditure type	2012
Accommodation	39%
Transportation	11%
Food and beverage	22%
Recreation/entertainment	10%
Other costs	18%
Total spend by party	\$1,500
Party spend by night	\$94

Overall, Indian visitors to Canada were satisfied with the building blocks of travel – transportation, local hospitality, accommodation and the variety of activities available during their trip. In 2012, at least four-fifths of visitors rated these aspects as "good". Although transportation accounted for a small proportion of travel spending, it received the highest rating (rated "good" by 95% of visitors).

Indian travellers were less satisfied with their trip to Canada in terms of value for money. Satisfaction ratings were evenly split within the rankings of "good", "average" and "poor".

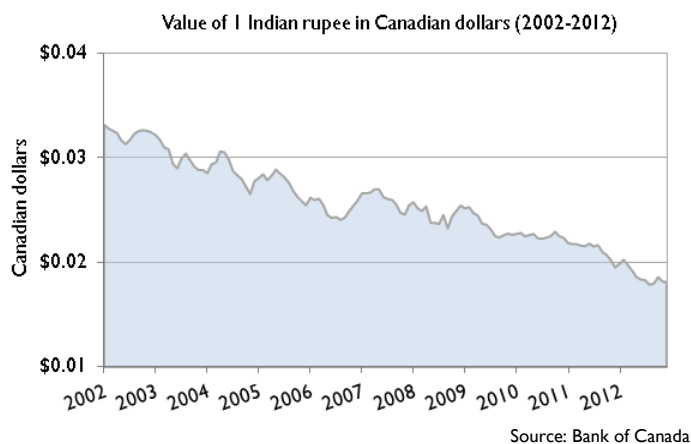
Trip experiences in Canada

Satisfaction with...	2012
Transportation services	
Good	95%
Average	5%
Poor	0%
Accommodation services	
Good	81%
Average	15%
Poor	4%
Hospitality of local people	
Good	89%
Average	8%
Poor	4%
Value for your money	
Good	34%
Average	36%
Poor	30%
Variety of things to see and do	
Good	88%
Average	12%
Poor	0%

India's economic profile

India is working towards an increasingly diversified and open-market economy and at the end of 2012 was the world's third largest in terms of purchasing power parity (PPP), following the US and China. Slightly less than half of the workforce still works in agriculture, but services are the major source of economic growth. India has mobilized its large educated English-speaking population to become a major exporter of information technology services, business outsourcing services and software workers.

The country's economic growth began to slow in 2011 due to a decline in investment, as a result of high interest rates, rising inflation and investor pessimism towards the government.



In late 2012, the Indian government introduced reforms to reduce the deficit and allow higher levels of foreign investment in the economy, yet growth in 2013 fell to a decade low. India's economic leaders are struggling to improve the country's wide fiscal and current account deficits. Improving conditions in western countries have also led investors to shift investment away from India and prompted a severe depreciation in the rupee. In early spring 2014, India's Finance minister said "The economy today is far more stable and far stronger than it was 20 months ago". The International Monetary Fund (IMF) estimates India will grow at 4.4% in 2013-2014 instead of the 3.8% estimated earlier. India's economic outlook for 2014-2015 looks even better due to anticipated resurgence in exports, global economic revival and more restrained inflation.

Overall, India's future growth is moderately positive (i.e., slow and steady, due to a young population and corresponding low dependency ratio, healthy savings and investment rates and increasing integration into the global economy). However, as a nation, India has many other challenges to address including poverty and social inequality.

Sources: CIA World Factbook, International Monetary Fund, McKinsey, US State Department

Competition for Canada and BC

The Canadian Tourism Commission (CTC) defines Canada's competitive set for the long-haul India travel market as the United States (US), Switzerland, the United Kingdom (UK), Australia, France and Italy.

Although India weathered the 2008 economic crisis and experienced phenomenal growth during the first half of the decade, the economy has faltered in the last few years. High inflation, disappointing growth forecasts, depreciation of the rupee, corruption and inefficiency has taken a toll on consumer confidence.

Despite these challenges, the Indian middle class grew rapidly (300 million) as the economy expanded, yet most fall into the lowest income bracket; 50 to 60 million fall into upper-middle class. The group of 'High Net Worth Indians' has increased 20% since 2009 and is expected to grow further.

The international travel market has doubled in India and this market potential led many destinations, Australia and Poland in particular, to find creative ways to boost awareness of travel opportunities (i.e., TV, online, print).

Top long-haul destinations for Indian travellers in 2012 were the US, France, the UK and Hong Kong, with Canada sitting in 10th spot. Ontario is the likely destination of choice when visiting

Based on 2013 survey results, Indian travellers appear optimistic about future travel, with 66% believing they will travel more in the coming years.

Aided destination awareness is universally lower in 2013 for all but two countries in the competitive set (France and Italy). Switzerland and the US account for the top two spots, while Canada currently sits in sixth spot.

Over one-third of Indian travellers have visited the US at least once, the UK and Thailand are tied for second spot. The US continues to lead the pack by a wide margin as the country that travellers would consider for future trips, with European destinations gaining traction. However, Indian travellers voice strong interest in all destinations in the competitive set, with Switzerland taking top spot.

Beautiful scenery, urban and city activities close to nature and historical and cultural attractions are the top experiences sought after. Interest in nature-based activities has noticeably dropped in the rankings.

Of the elements of importance to Indian travellers, Canada's greatest strength is beautiful scenery (ranking fourth against the competitive set). Although not as important, other strengths include visiting national parks, observing wildlife and winter activities. Many top experiences travellers are seeking are not associated with Canada. Switzerland has the most top-rated products for the Indian traveller. The US scores high on entertainment, urban experiences and city activities, while Italy and France hold top ratings for historical and cultural attractions.

Sources: Amadeus, Canadian Tourism Commission, New York Times, Oxford Economics, Tourism Australia, World Bank

Emerging trends in travel

Growth in the Indian economy has created rising disposable incomes and greater availability of credit, leading to a more westernized lifestyle that includes travel and shopping. In fact, India is the source of the fastest growing market for travel to many destinations worldwide. Indian travellers are also among the biggest spenders, staying for long periods of time, travelling in large groups and shopping for luxury products. When it comes to long-haul travel, there is a fairly large segment of highly affluent travellers in India who have few concerns about a poor economy, unfavourable exchange rates and/or high travel costs.

Factors that potentially influence future long-haul travel behavior of Indian travellers include the importance of visiting friends or relatives, which North America, Australia and the UK are the primary destinations. International travel to Europe and the US are seen as prestigious destinations in which travel there, is a status symbol. Also important is the growing affluence among younger Indians, the 'Bollywood' influence sparking travel interests and liberalized visa processes.

Indian National (Gazetted) Holidays	2013
Milad-Un-Nabi or Id-E-Milad	January 25
Republic Day	January 26
Holi	March 27
Good Friday	March 29
Birthday of Dr. B.R Ambedkar	April 14
Ram Navami	April 19
Mahavir Jayanti	April 24
Buddha Purnima	May 25
Id-ul-Fitr	August 9
Independence Day	August 15
Janamashtami	August 28
Mahatma Gandhi Jayanti	October 2
Dashami	October 13
Id-ul-Zuha	October 16
Diwali	November 3
Muharram	November 15
Guru Nanak Jayanti	November 17
Christmas	December 25

Source: National Portal of India

For more information, please contact:
Destination British Columbia
 Research, Planning & Evaluation
 Email: tourismresearch@destinationbc.ca
 Website: www.destinationbc.ca/research.aspx

(c) 2014 – Destination BC Corp. – All rights reserved.
 “DESTINATION BRITISH COLUMBIA” is an Official Mark of Destination BC Corp.

However, it is possible that the Indian travel market has the perception that Canada is primarily a VFR (visiting friends or relatives) destination for older travellers and lacks many of the tourism experiences that the broader market seeks. All things considered, research suggests that Indian travellers have an inherent interest and curiosity, but are vague on the specifics about future travel interest and intentions towards Canada.

The Indian travel distribution system is highly fragmented and varied across the country. Although there are a few national retail agencies, most agents are small, independent businesses. Indian consumers are researching and booking their trips using a combination of traditional travel agencies and online options, however, retail agencies are still responsible for most outbound travel.

Online travel agencies such as MakeMyTrip.com, Yatra Online, Expedia and EzeeGo I have been increasing market share in the online marketplace in India. They are expanding quickly, and an emerging trend is their move into traditional retail stores, as well as expanding products and services online. There has also been growth in online sales of tour packages; however, this has largely been for short-haul destinations. ‘Self-drive’ holidays and luxury holiday experiences are new products being developed for the Indian travel market by destinations around the world.

According to the Canadian Tourism Commission (CTC), there is a heavy reliance on travel agents in the Indian market, with 82% of travellers consulting a travel agent and more than half of trips being booked by an agent. Travel agents were less influential for recent visitors to Canada as 65% of trips were booked without consulting a travel agent.

When planning an overseas trip, Indian travellers use online sources including: general internet search, travel booking, review and advice websites and government tourism websites. Following online sources, Indians utilize information from travel TV and entertainment shows, print sources and advice of family and friends who have travelled.

Use of the internet and social media are very high amongst Indian travellers. A 2012 report (PhoCusWright Consumer Travel) estimates that 55% of Indian travellers carry mobile phones with internet capability and as many as 83% are active on at least one social network. According to 2011 Census results, 6% of Indian households owned a computer without internet access and 3% of households had a computer with internet access. The majority of Indian travellers are comfortable using their mobile devices for travel-related activities. Roughly 90% report sharing activity while in the destination (particularly among recent travellers to Canada). Nearly as many used a computer to determine what to do while in Canada. This group was also more likely to use mobile applications for in-destination research and social networking and to review, post or blog about their trip.

Sources: Credit Suisse, Canadian Tourism Commission, Government of India (Ministry of Home Affairs), PhoCusWright, Tourism Australia