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Outbound Travel and Tourism

An Opportunity Untapped



Gardens by the Bay
Singapore



Foreword

Indian Outbound tourism is going to surpass USD 42 Billion by 2024! We are soon going to be the most populous country in the world with the fastest growing economy. The Indian Outbound Travel Market is among the fastest growing markets globally with approximately 80 million passport holders, a growing population of youth and a rising level of purchasing power, especially among the middle class. These factors contribute to making this market potentially lucrative for travel aggregators, agencies as well as destinations globally.

Major players in the industry who hope to capture value from this burgeoning market must position their products and offerings in a manner that appeals to the Indian travellers who are increasingly looking to include international travel as once in a year ritual. In a world where information is available at everyone's fingertips, new advice and guidance through both online and offline personalisation techniques can finally enable travel operators to understand and better serve traveller needs. Ultimately, delivering a more rewarding travel experience for travellers is the key to capturing the market share of the Indian Outbound Travellers to promote referrals & repeat visitations, increasing the length of stays and average tourist spend in the upcoming future.

The outbound travel industry is looking forward to the government for some lucrative policies & benefits. The government needs to work closely with the stakeholders to help Indian firms capture the growing demand of Outbound Travellers from India and build upon this opportunity to establish deep ties with major countries and form bubble arrangements for travel purposes which will be beneficial for the economy of the country in the long run.

Through this report "The Indian Outbound Travel Market" we propose a framework for creating a more lucrative travel experience for Indian Travellers and an in-depth analysis of this up-and-coming market. We also propose various changes in the Policies and Regulatory landscape of the Indian Tourism Industry and how we can promote ease of doing business for the Travel Aggregators catering to Indian travellers visiting abroad. The Market Research Division of the Ministry of Tourism is responsible for the collection, compilation and dissemination of tourism statistics on various aspects of inbound, and outbound tourism in India, but we really don't have much data on outbound tourism and the revenue generated.

Before putting down my pen…I would like to quote-unquote Malaysia's Suleiman Suip who is quite positive about tourism from India " What economic slowdown! India's economy is too big for us to feel anything. We are seeing positive signs in the market. There is a surge in visitors from Tier II and Tier III cities and they will continue to lead the way in 2020,''

I am sure that the contents of this study will be of significant value to all stakeholders and will provide support to accelerate the growth of India's tourism sector and its stakeholders.

Thank You.

Sincerely,

Suraj Nangia
Head- Government and Public Sector Advisory
Nangia Andersen LLP



> As world emerges from the covid pandemic we expect more Indians to travel abroad. Increasing no of travellers from India are travelling to offbeat destinations outside India. We expect this trend to grow further because of changing lifestyles, increasing purchasing power, easy access to information & credit and willingness of younger generation to spend more on experiences.
>
> We expect India to be fastest growing source market for outbound travel. TBO as a platform is playing an important role in this ecosystem. Our tech platform will continue to solve key challenges faced by the various stake holders in the global Travel & Tourism industry.

Foreword

India had been an important market for the domestic as well as global travel & tourism industry. Outbound travel from India saw a consistent growth across years in the past. This growth had been consistent across various segments like leisure travel, business travel, religious travel, students etc. India was and continues to be an important source market for various countries across regions. Covid pandemic disrupted the trend for couple of years, but we expect revival to be much strong.

As world emerges from the covid pandemic we expect more Indians to travel abroad. Increasing no of travellers from India are travelling to offbeat destinations outside India. We expect this trend to grow further because of changing lifestyles, increasing purchasing power, easy access to information & credit and willingness of younger generation to spend more on experiences.

We expect India to be fastest growing source market for outbound travel. There is lot of growing interest in destination weddings, cruises, global sports events (FIFA World Cup & more) and overseas MICE events. All of this will further propel growth in the outbound travel from India.

In this report, you will understand various aspects related to outbound tourism from India – past, present & how the way forward looks like. Hope you will enjoy the journey as you read through the report.

Thank You.

Sincerely,

Ankush Nijhawan
Co founder - TBO
Chairman, FICCI Outbound Tourism Committee

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Special thanks for contributions to the preparation of this knowledge paper

Nangia Andersen LLP



Poonam Kaura
Partner
(Government & Public Sector Advisory)
poonam.kaura@nangia-andersen.com



Ahetesham Khan
Director
(Government & Public Sector Advisory)
ahetesham.khan@nangia-andersen.com

Tel: +91 0120 259 8000
Fax: +91 0120 259 8010
Email: gov.info@nangia.com
Website: www.nangia-andersen.com
Registered and Head Office:
A-109, Sector-136, Noida
(Delhi - NCR) – 201304, India

FICCI

Manish Ahuja
Senior Director & Head - Tourism - FICCI

Tel: +91-11-2331 1720
Fax: +91-11-2376 5333
Email: manish.ahuja@ficci.com
Website: www.ficci.in
Head Office: Federation House, Tansen Marg, New Delhi – 110 001

Pamukkale
City in Turkey

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Executive Summary

Executive Summary

"Almost six months into 2022, a sense of optimism has returned to the tourism sector, as travel demand finally shows signs of a significant uptick. According to the UNWTO's latest World Tourism Barometer, international tourism increased by 182 percent in the first three months of 2022 compared to the previous year. While that's still 60 percent below 2019 levels, the uptick in international arrivals gathered pace in March, pointing towards a strong second quarter leading into the summer holiday season."

'What, When, Where, Who and How' have been the strategic cornerstones of customer-centric organisations. **For companies in the travel industry, answering these questions has never been more important.** The traveller landscape has always been complex but as new technologies emerge, travellers are faced with a greater choice – and, at the same time, greater complexity. There are now such a variety of solutions and services available that travellers risk information overload. However, if technology is used correctly, it can help travellers navigate the maze of choice and select the right travel experience.

> "In 2021, 66% of worldwide sales in tourism and travel were made online, only 34% were offline sales.
>
> The average traveler, **especially the youth,** is looking for **cost-effective and personalized experiences.**
>
> The Indian Firms need to recalibrate their strategy to capture value from the Future Outbound Traveller who are looking at a more"

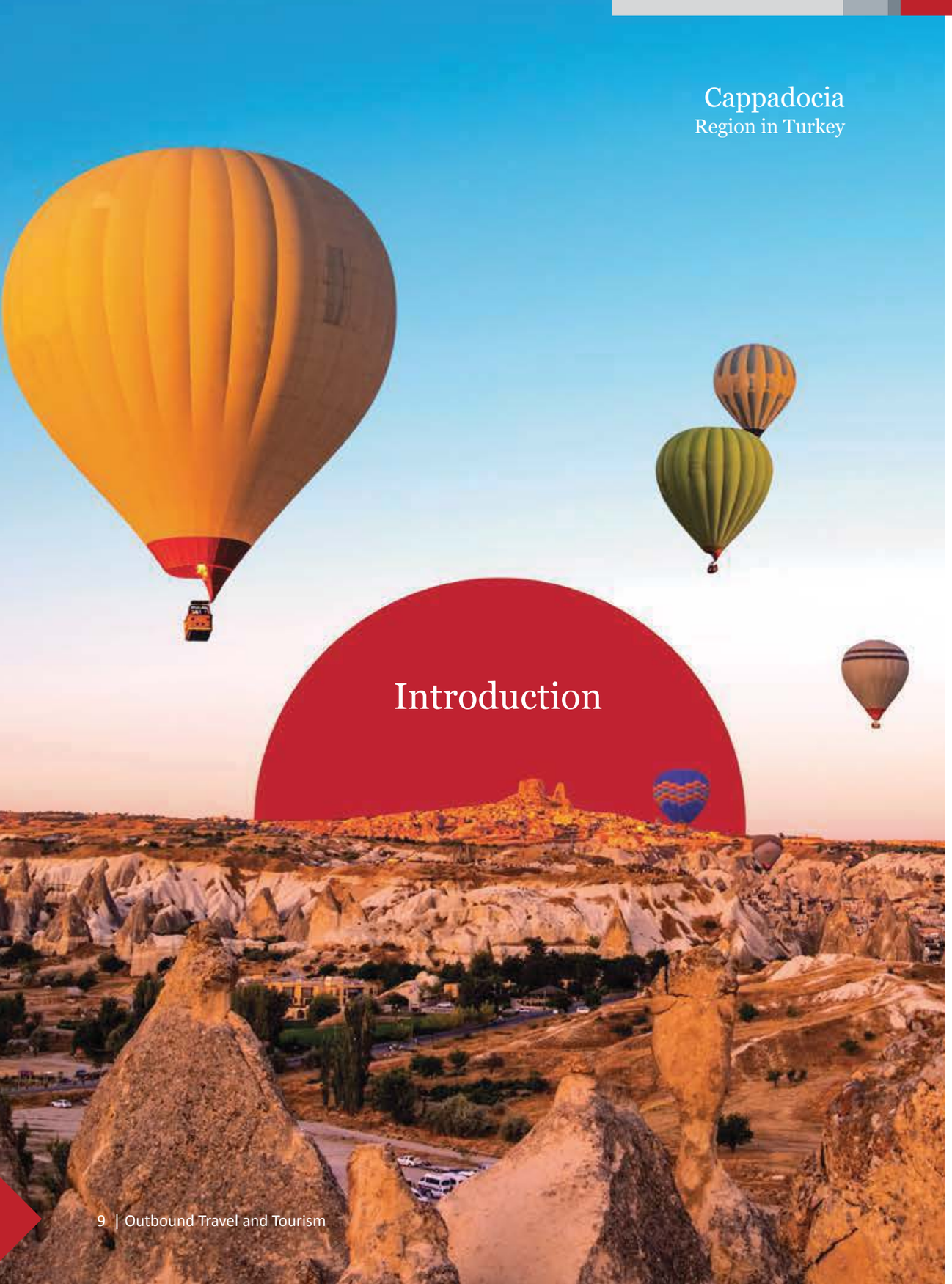
As travellers enjoy ever-increasing access to information, especially via social network sharing, their **purchasing behaviours are changing rapidly,** arguably faster than ever before. As a result, established segmentation techniques are no longer enough to travel providers are anticipating, responding to, and meeting traveller needs. **In fact, travellers' needs - and the options available to them - are becoming ever more polarised.**

In a world where information is available at everyone's fingertips, new advice and guidance through both online and offline personalisation techniques can finally enable travel operators to understand and better serve traveller needs. **Ultimately, this will deliver a more rewarding global travel ecosystem for both travellers and suppliers.**

Only when we understand how the travel experience will change, can we begin to understand how the needs of the different travellers can be met. **The framework in this paper aims to bring clarity to the complicated traveller experience, giving T&T aggregators the foundation upon which to offer products and services to delight customers for the Indian Outbound Tourism Market.** This will accelerate the shift from a more lucrative travel experience provider market, which translates into higher customer satisfaction, revenues, and profits.

In this report, we provide an in-depth analysis of this up-and-coming market. We look at how it has grown, by the number of travellers and their expenditures, along with key factors that are driving this growth. We then focus on consumer behaviour, from tech use to travel-specific preferences.

Further, this report explores the current challenges faced by Outbound Travel Operators in India and the policy changes and regulations required to capture the complete potential of Indian Outbound Travelers.



Introduction

Indians have always loved to travel. Even pre-pandemic, India's outbound travel market has been showing a consistent rise over the past ten years. The growth driver has been the rising middle-class segment that encompasses 350 Mn. of the population increase in disposable income and a young demographic composition with its heart set on travelling the world

Statistics from 2019 before Covid hit, indicate India's rise to being among the top sources of tourists for several countries: Thailand saw an influx of 1.9 Mn. Indian tourists contribute to its market growth by about 18%. Bhutan, Nepal and Sri Lanka already have India among their top 10 visitor arrivals every year.

The India Outbound Travel Market is projected to grow manifolds in the upcoming years as the spending power of the average Indian increases and is currently positioned as the second fastest growing outbound travel market in the world. Indian Tourists are among the world's highest spending globetrotters with a spending power estimated to be four times that of the Chinese and Japanese. The average Indian traveller spends $1200 per visit compared with Americans who spend about $700 and Europeans who spend $500 approximately. (Source: UNWTO)

According to a leading Travel Agency, an average Indian traveller spends Rs 3-4 lakh on a US trip, which usually lasts for 15-33 days. The travel giant says the corresponding figures for the UK are Rs 4-6 lakh for 10-20 days; Rs 2-3.5 lakh for 3-4 days visit to France and Italy which is part of an extended European trip; Rs 1-2 lakh for 4-5 days in Hong Kong or Singapore and Rs 2.5-3 Lakh for a trip of 10-12 days in Australia. This includes airfare, hotel stay, local travel and sightseeing. **India's outbound tourism market is set to surpass US$ 40 billion by 2026 with an impressive double-digit growth rate during the forecast period 2021 - 2026.** These figures showcase the immense potential of this sector.

> "UNWTO now expects international tourist arrivals to reach **55 to 70 percent of 2019** levels this year, which is equivalent to a 90 to 140 percent improvement over 2021."

With approximately **80 million passport holders** coupled with a rising level of purchasing power among the Indian Middle Class, travel aggregators, as well as destinations, must **pitch their products accordingly** to capture the maximum value from the **growing high-value Indian Outbound Travel Market.**

In 2020, **the highest number of INDs* from India was from 25- 34 years age group (34.3%)** followed by the age groups of 35-44 years (22.4%), 44-54 years (13.2%) and 15-24 years (11.9%). The lowest number of INDs from India during the same period occurred in the age group of 65 & above (3.6%).

*Indian National Departures



The major departures for Indian national came under the category, "Indian Diaspora (42.3%), which were followed by persons going for Leisure, Holiday & Recreation" (31.9%) Business & Professional (19.9%), Educational (3.6%), Pilgrimage (1.6%) and Other Purpose (0.7%).

Out of the category of "Leisure, Holiday & Recreation", 63.0% of the Indian Departures were to South Asia which were followed by South East Asia (56.2%), Africa (33.2%), East Europe (33.0%), Australasia (32.4%), West Asia (29.3%), North America (21.7%), Central & South America (17.9%) Western Europe (17.5%) respectively.

Despite the setback due to the pandemic, INDs in 2020 were 7.29 million and showed significant improvement in 2021 and 2022. INDs during the period January- May 2022 were 7,223,923 as compared to 2,840,983 in January- May, 2021 and 11,181,497 in Jan-May 2019 registering a growth of 154.3% and -35.4% with respect to 2021 and 2019 respectively.

Globally, destinations have opened up borders and are now set to welcome travellers from across the globe, with minimal protocols and 2022 will hopefully be a turnaround year for outbound tourism and NTOs across the globe who are banking on the burgeoning Indian outbound market.

Number of departures of Indian nationals from 2000 to 2022 (in millions)

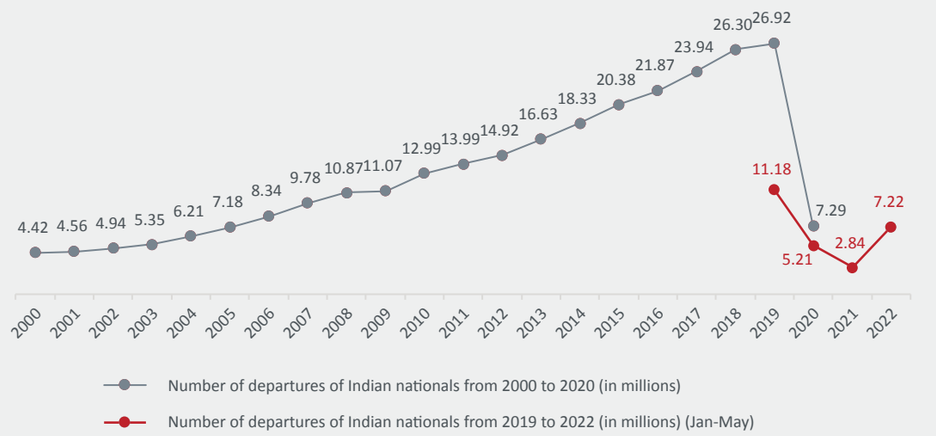
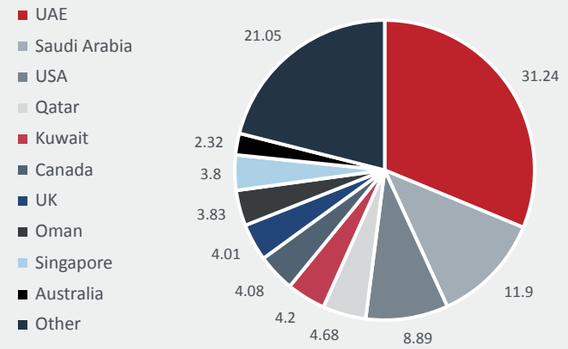


Figure-1: Number of departures of Indian nationals from 2000 to 2022 (in millions)
Source: Indian Tourism Statistics

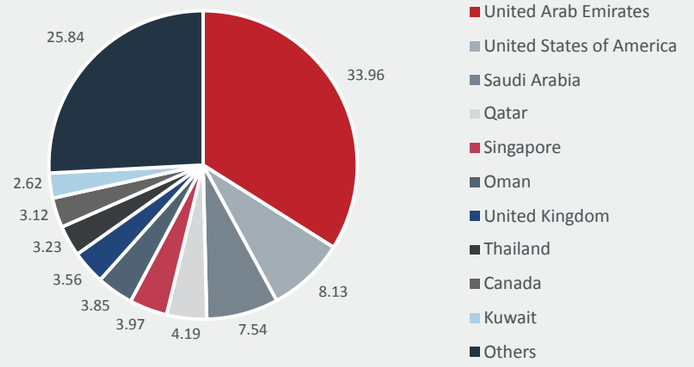


Top 10 destination countries for Indian Nationals' Departures (IND)

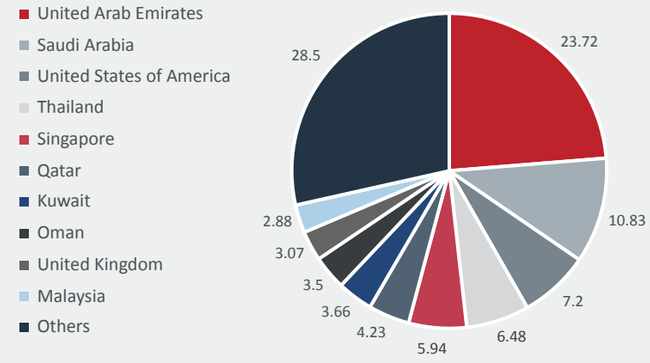
2022
(January-May)



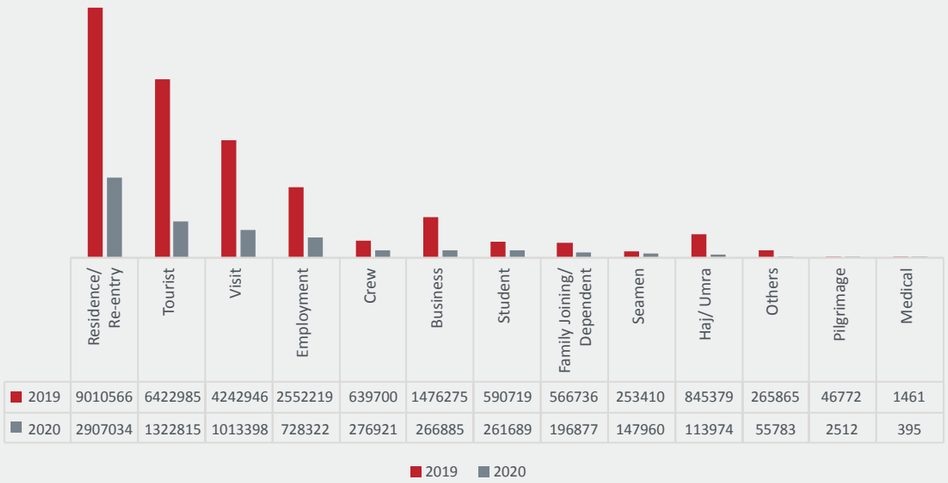
2020



2019



Purpose wise Indian Nationals Departures (INDs)



	Residence/ Re-entry	Tourist	Visit	Employment	Crew	Business	Student	Family Joining/ Dependent	Seamen	Haj/ Umra	Others	Pilgrimage	Medical
2019	9010566	6422985	4242946	2552219	639700	1476275	590719	566736	253410	845379	265865	46772	1461
2020	2907034	1322815	1013398	728322	276921	266885	261689	196877	147960	113974	55783	2512	395

Figure-3: Purpose wise Indian Nationals Departure

Source: Indian Tourism Statistics

International Tourism Expenditure Yearly (USD Billion) by Indian Outbound Travelers

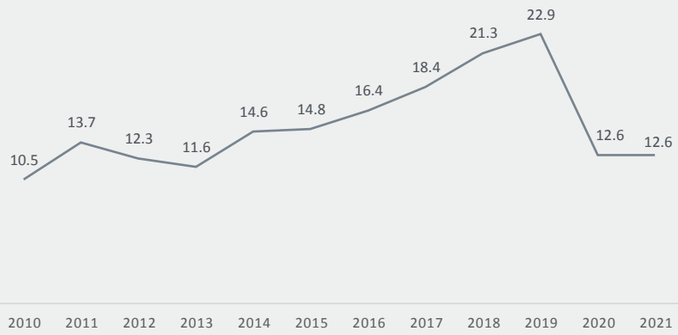
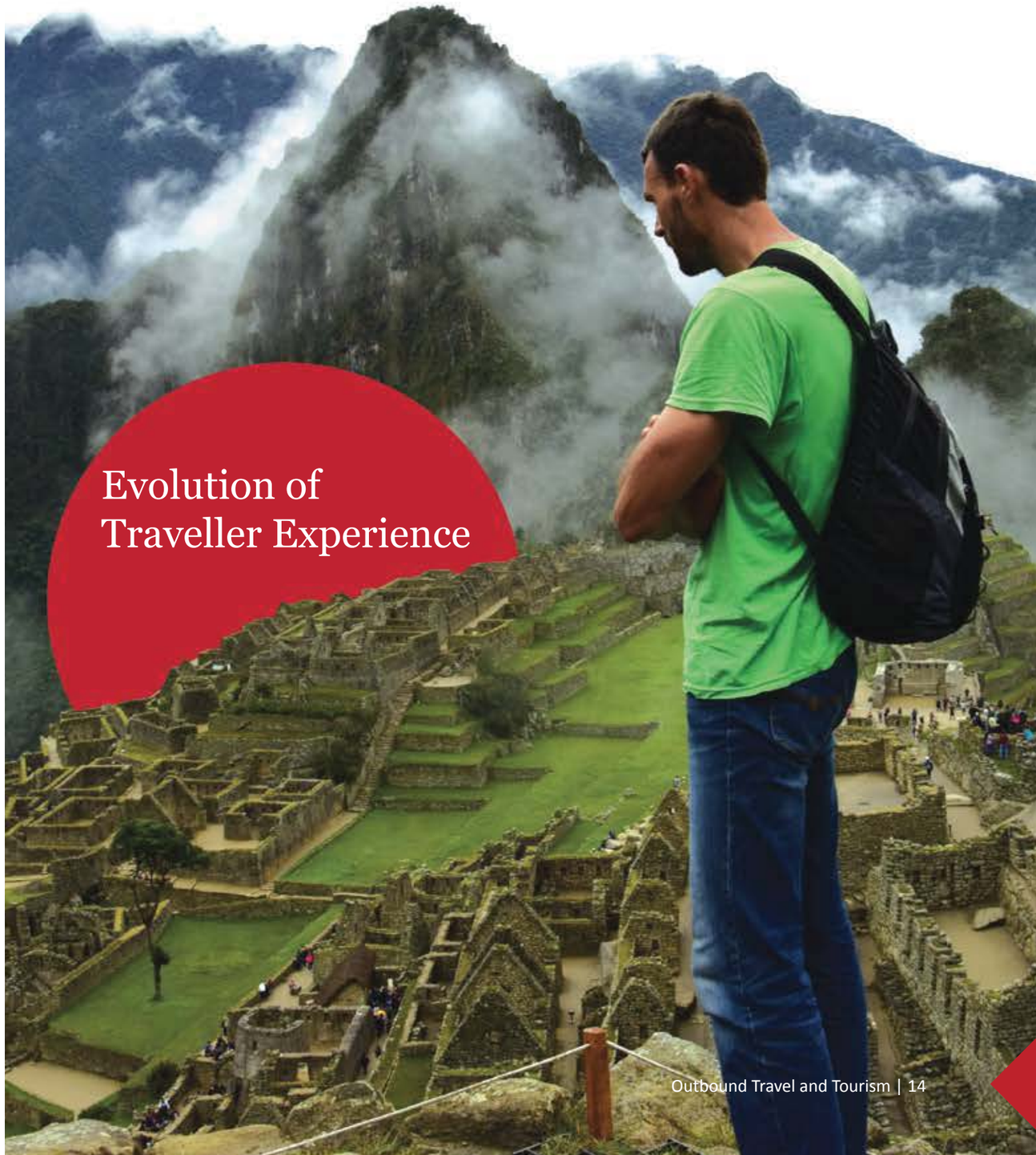


Figure-4: International Tourism Expenditure Yearly (USD Billion) by Indian Outbound Travelers

Source: UNWTO



Machu Picchu
Historical place in Peru



Evolution of Traveller Experience

Evolution of Traveller Experience

As consumer pattern changes, it becomes more important to discover New Sales Channels, leverage Data & Personalization, create a better Purchasing Experience and explore New Types of Travel Trends for the Indian Outbound Traveller to cater to the rising demand for Experiential Tourism.

India is now one of the fastest growing outbound tourism markets in the world, second only to China. A growing, consumption-driven economy, a large and increasingly affluent middle class, and the ongoing liberalization of air transportation have contributed significantly to this growth in international outbound travel. Additional interest in niche tourism sectors such as medical, wellness and adventure tourism has also contributed to this growth. Increased smartphone and internet penetration have also contributed to an increased number of online bookings from Indians Travelling Abroad.

In 2021, Indians spent approximately USD 12.6 Billion compared to USD 22.9 Billion in 2019. While the reason for decrease in spending could be prompted by the Pandemic, but these figures point out the huge value that can be captured from Indian Outbound Travelers.

The travel industry has been at the forefront of innovation and continues to be transformed at an exponential rate across the globe. With such steep demand for travel, further Digitalisation, Data, & Creating New Experiences and Exploring New Sales Channels along with Personalization will be vital if the expectations of tomorrow's consumers are to be met.

The pandemic and the rise of remote work seems to accelerate the growth of digital nomads and will likely further blur the lines between business and leisure travel



> India is among the fastest-growing outbound travel markets.
>
> The Young population loves to vacation abroad, resulting in 25% Y-o-Y growth in the leisure travel segment

Use of Big Data

Big Data is a buzzword that has been around for a long time and is already well understood. With so much data being created, T&T aggregators and their complementary service providers must collect and use this data to offer a better service. In theory it sounds simple, and many firms are already launching programmes to address their data needs. As the traveller journey, purchasing experiences and sales channels become ever more complex, data will be by far the most important resource available to the industry: giving a competitive advantage. Those that can effectively collect and use data will win, and those that are unable to adapt their businesses to do so will fail.

Australian airline Qantas, in partnership with unified customer data platform Umbel, has created a data hub centered on customer preferences and behaviour to improve customer experience and loyalty. In-flight entertainment and services, as well as real-time ticket booking and check-in processes, are personalized. A smartphone app acts as a full-service travel companion that anticipates customers' needs.

Personalization

One of the biggest trends that emerge from the digital revolution in the industry is that of personalization. Loyalty to a particular brand is increasingly being replaced by something that we could define as a traveller's loyalty to their own dreams. **The mechanism behind the unrivalled success of personalization is something very simple:** to dialogue with each customer as a single person based on their own characteristics, behaviours, preferences and their unique, individual needs. Studies reveal that close to 83% of the millennials, who are the largest segment of travellers today, are willing to share their personal data and allow brands to track their behaviours for a more personalized experience. 85% of travellers find that customized plans for travel are way more enticing than the general offers targeted to the masses.

The travel and tourism industry has a wealth of personal customer data that, when used productively, helps businesses create bespoke and unforgettable experiences. **A few Core elements of Strategic development include**

- Hyper-personalised re-targeting campaign
- Loyalty program focused on primary markets

- Personalized recommendations and traveller profiling. This can be done using AI chatbots to set some basic settings and collecting data from previously booked trips. You can create a travel profile for your customers and offer intelligent recommendations about the hotel, room size, or room that best fits their budget.

- Omnichannel approach and engagement. Improve ability to deliver a consistent experience by leveraging real-time information



New Sales Channel

With the revenue from global travel and tourism recovering since 2021, sales distribution continued to be dominated by online sales. In 2021, 66 percent of worldwide sales in tourism and travel were made online, only 34 percent were offline sales. It makes sense to form strategic partnerships with a mix of both offline and online distribution channels, and these partnerships can be rewarding for all parties.

Sales channels must be identified as a way to inspire as well as provide information to the customer.

Inspirational channels such as Smartphones & PC/Tablet with ability to access location and store data offline, such as payment details and travel information, will come to completely dominate travel purchases by 2030. Tablet experiences will be video-orientated, providing holographic experiences to help inspire customers.
Information Channels such as smartwatches, Augmented Reality (AR) Glasses, Advanced robots are also taking precedence in terms of potential avenues for generating customer lead, collecting data and facilitating personalization. A smartwatch, such as the Apple Watch or Samsung Gear, will become the remote control for the physical world. They will not replace smartphones, but will be used to complete quick, short tasks such as hailing a taxi, or scanning a boarding pass. Airlines are already exploring smartwatch-based boarding passes.

The Virtual reality space is another up & coming technology that will dominate the T&T market. VR storefronts or spaces will be as important as a website is today for Travel Aggregators & Destinations, giving potential customers a chance to experience trips before they buy. This **'try-before-you-buy'** business model will be standard in the travel industry. One of the most valuable services in VR will be for travellers to recreate their trips when they return: the **'re-experience' market will be one of the largest new travel markets**



New types of travel experiences

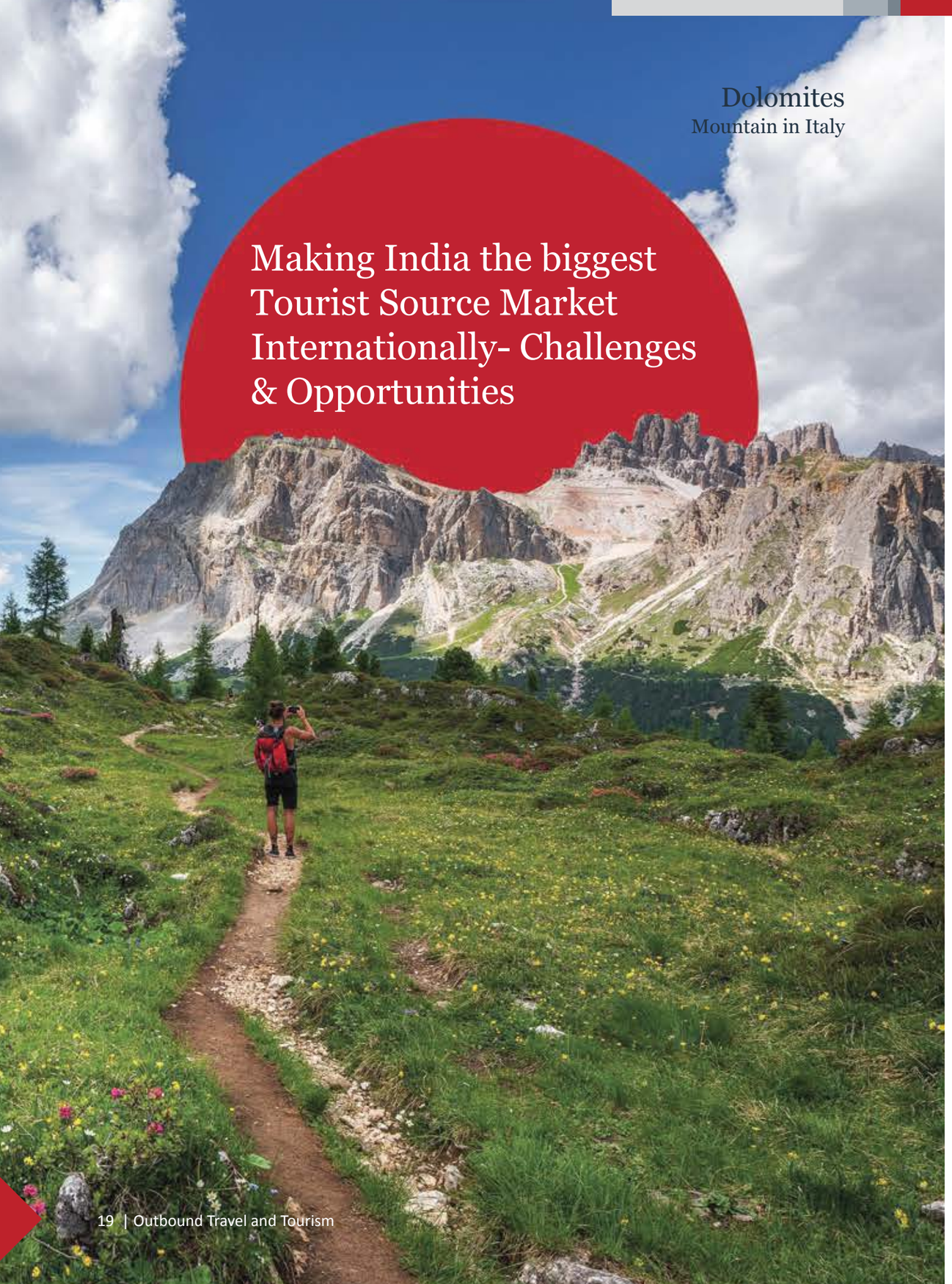
New types of travel experiences may not be products or experiences at all: there will be huge demand for a trusted travel advisory service. As the amount of information available on every hotel, destination and service grows, and as more travellers choose to build their own holidays, travellers will seek reliable advice. These advisors could be travel agents that have adapted to the digital world; an extension of airlines' concierge services in their frequent flyer programmes; or a trusted brand from another industry. The types of services that can be offered to travellers will be impacted by technological advancements in artificial intelligence, robotics, 3D printing and virtual reality. But ultimately, travellers will still have the same human needs as they have always had – it is their purchasing behaviour that will vary. The best way to approach new travel experiences is to understand customer needs and see how technological developments can address those needs, rather than how a technology can be used to fit existing products and business processes.

Purchasing experiences

Rather than focusing on how to sell more, a more effective approach would be creating a purchasing experience. This is a customer-centric approach that ensures incentives are focused on creating positive purchasing experiences before revenue maximisation. To appeal to future traveller, Destinations, Travel Aggregators, Travel Agencies, Airlines as well as Tour Operators have to create 'purchasing experiences' and move away from focusing on revenue maximisation. Building 'purchasing experiences' will be a core component of brand building, allowing successful players in the industry to avoid commoditisation.

As the traveller journey extends with mobile devices and global wireless connectivity, the number of potential touchpoints becomes virtually unlimited. The adoption of wearable devices and smart clothing on travellers, as well as service robots with the ability to converse in natural language, **opens up completely new ways to engage with customers. Today, these techniques include: user interface optimisation; promotions and third-party deals photo/ video integration in the booking flow; paying with miles; and peer recommendations.** Essentially, all of these techniques make it easier for customers to discover and purchase offers. For the travel industry, payment transparency and seamless revenue management processing between all providers and intermediaries will become ever more important. Options will need to be clarified in the event of change, refunds or cancellations.

Progress in big data analytics will also allow the travel industry to personalise bundles in real-time to the individual. As more data is captured from social media channels, location-based mobile services, and health data from wearables, bundling will become increasingly granular creating significant opportunity and first movers advantage to stakeholders in the travel industry.



Making India the biggest Tourist Source Market Internationally- Challenges & Opportunities

Making India the biggest Tourist Source Market Internationally - Challenges & Opportunities

India is one of the most important and sought-after tourism source markets globally. With a growing economy, young population and growing middle class, India is ideally positioned to become one of the most lucrative outbound tourism markets in the world.

Though India is not yet amongst the top 10 source markets for many countries across the world, it is already the largest market for many of its neighbours including Bhutan, Nepal, Maldives and Sri Lanka. **For many others including the UAE, Thailand, and Malaysia it is rapidly emerging as one of the top five source markets globally.**

> “With the increase in the number of passports being issued, the number of potential outbound travellers from India is rising.
>
> The major portion of these travellers are GenZ and Millenials who are looking for more offbeat location and cheaper alternatives.
>
> There is also a surge in visitors from Tier II and Tier III cities.”

Even for destinations further away such as Japan or South Korea or Australia as well as Europe, India is fast gaining traction as a strong market, even if with its own sets of expectations and complications.

The biggest part of Indian tourists go to Asia Pacific region, namely **Dubai, Singapore, Thailand, Malaysia and Indonesia.** Much of Indian tourists prefer South East Asian destinations for two main reasons - top most being the proximity therefore, less time wasted in travel. These destinations also don't take Indians too far from home in terms of culture and food, the familiarity factor gives a feeling of safety. This is more so for first time travellers outside India.

Countries
Indians love to visit most

Europe sees 20% of the travellers from India’s outbound traffic. 10% travel to Australia and New Zealand, South East Asia welcomes the rest



Further, as Indian Travellers look for more diversified products and offbeat location, Travel Aggregators and Destinations have the opportunity to cater niche travellers by offering personalised tours with customizations as per the emerging themes and trends that are currently in demand.

Themes such as Adventure Tourism, Nature Tourism, Roadtrips, Culinary Tourism, Rural & Tribal Tourism, and Solo Backpacking Trips are gaining pace as more and more people want to explore the world especially offbeat locations. Among the emerging countries, Sri Lanka, Nepal, New Zealand, Japan and South Africa are becoming the destination of choice for Indian tourists. Countries like Indonesia, Philippines, Mauritius and Egypt are also seeing an increase in influx of Indian tourists.

Popular Destinations

Reduced travel times, favorable seasons and affordable costs could make these destinations the most popular among Indian travellers.



Eastern Europe
Roadtrips and castles



Seychelles
Idyllic beach holidays



Australia
Food and wine



New Zealand
For the nature lovers



South Africa
For adventure seekers

With more than 1.1 billion inhabitants and GDP increasing by more than seven percent every year, India offers enormous potential for future growth in outbound travel. Whether it is to meet a relative settled abroad, a shopping trip, a global sport event or just for leisure, Indians are increasingly travelling abroad. **Personal and Official Travel for holiday/ leisure, business and MICE tourism are the most significant contributors for growing outbound travel.**

While there is an immense untapped opportunity for the Outbound Travel Market in India, yet making India one of the biggest tourist sources and tapping into the potential opportunities does come up with its own set of challenges:

Challenges

1. Lack of Specialised Services for Outbound Market
2. Limited Options for Personalized/ Customized tour packages
3. Visa Delays for Various Countries
4. Rupee Depreciation
5. Segmentation among Indian Travellers

Lack of Specialised Services for Outbound Market

In India, companies tend to specialize in either inbound or outbound, few do both successfully. The skill sets and experience needed for both segments are unique and not complementary. The average Indian travel agent deals with customers who are extremely price sensitive and are inherent shoppers. Bargaining is a cultural trait.

Limited Options for Personalized/Customized tour packages

There are limited options for customising travel packages. Millenials and GenZ travellers want to travel with greater flexibility and customised services at the cheapest rate. Agencies must reposition their offerings so that they can cater to the changing customer pattern and according to different target groups as trend for solo-travel, backpacking tours and road trips rise.

Visa Delays for Various Countries

A Canadian visa is taking almost six months to be processed, while the US is allowing travellers to only book visa appointment slots starting next year. UK visas are taking around six weeks. While applications pile up, lack of a full workforce is delaying the processing times significantly, causing many to miss their travel dates completely. There has been a massive spike in the Visa demand given the pent-up travel demand but delays in processing is a source of discouragement for potential travellers.

Rupee Depreciation

Most of the payments relating to fuel and maintenance are billed in US dollars , the loss of value of Indian rupee certainly leads to an increase in operating costs of airlines which will impact profitability and make overseas tickets more expensive. This is turn is impacting. With shopping, Flight Tickets and Hotel Tariffs becoming more expensive, outbound tourism gets impacted. Destinations such as United States, Canada, London, France, Italy and Switzerland have seen a dip in bookings due to rupee depreciation. Price-sensitive Indian holidaymakers may continue to seek alternative, more affordable destinations as rupee depreciates.

Segmentation among India Travellers

Indian travellers are far from a homogenous group. Significant regional differences exist in terms of religion, cultural practices, languages and food habits which inform people's travel choices and behaviour. Consider employing a region-specific marketing strategy; invest in understanding the Indian customer in key locations; target high potential customer segments based on sociodemographic, lifecycle stage and other relevant factors, such as visitors' psychographics including motivations, aspirations, behaviour, interests, preferences, etc.



While challenges in the industry limit the growth potential of the market, there are still a lot of untapped opportunities that can be captured by Indian Travel Agencies. Capitalizing on these opportunities would be a significant value addition for the players in the industry and would reduce the leakage of economic benefits in favour of Foreign Players. The below section highlights the niche tourism segments that offer high growth potential and would see an increase in demand in the upcoming years:

1.



MICE Tourism

One of the key travel segments that has caught on in a big manner in India over the past 15 years is MICE, as practically all companies – from hospitals and pharmaceuticals to automobile and cement makers have begun to hold conferences and host their distributors and dealers on fully sponsored business trips overseas. India is estimated to generate over two million outbound luxury and MICE tourists annually, reinforcing the country's influence as a key source market for MICE and luxury travel.

2.



Wedding Tourism

Destination weddings is yet another segment of outbound travel from India that will continue to grow strongly and many countries are already betting on presenting themselves as the ideal setting for the next Big Fat Indian wedding. With over 10 million weddings each year held in India, if even a small fraction of these are relocated to overseas, it could mean billions of dollars in revenues for the beneficiary destinations.

The Indian outbound traveller is more and more attuned to the idea of experiential travel. This trend continues to be the mainstay of travel patterns seen while planning an overseas holiday. There has an increase in thematic holidays that include self-drive escapades, winter breaks, travel around gastronomy and wine, shopping breaks etc.

3.



Sports Tourism

Across the world, one of the first segments of tourism that began to find its feet as soon as travel restrictions were eased has been sports tourism. Tour operators have begun including key sports events in their business plans and many actually build travel itineraries around major sports events or offer itineraries that include at least a sports match. India's large tour operator have been on to sports tourism for a while, targeting, besides cricket, major global events like the Olympics or football championships. But now as the demand emerges for other sports, the tourism industry must also cater to this segment. While most bookings for sports tourism from India come from the upper middle class/affluent HNI-UHNI leisure segments between the age group of 18 to 45, there has been demand from younger audiences who are keen to tick off their bucket list.

4.



Culinary Tourism

Indian Travellers are looking increasingly towards experiential tourism. Food & Wine tours are becoming extremely popular among travellers. Food walks, Vineyard Visits, BnB and Farm Stays are becoming extremely popular and Agencies should look into capturing travellers in this niche and introduce such gastro-tourism packages.

5.



Cruise Tourism

Cruise tourism is one of the fastest-growing tourism sub-sectors. According to Cruise Lines, India as a cruise source market has grown by double digits in the past couple of years, with steady growth in demand for experiential cruises. Singapore is, by far, the most popular cruise tourism destination for Indian travellers.

Pura Lempuyang Luhur
Temple in Bali, Indonesia

Way Forward

Way Forward

“It is estimated that outbound trips from India will touch 29 million by 2025 and cross the $24-billion mark by 2024”

One of the most important trends in the recent years in Indian travel industry is personalisation of travel. More and more travellers are seeking tailor-made and bespoke programmes and don’t mind shelling out a premium for a package made to order and suiting their demands and expectations. Indian Tour Operators and Travel Aggregators need to work aggressively to ensure that they are capturing the Outbound Travel Market for Indian Travellers. Especially for high-value segments such as MICE, Wedding, and Business Travel, that require high degree of specialisation & personalisation, the Industry needs to bring their expertise to cater to the demand of such groups.

As the rate of internet penetration grows and travellers enjoy ever-increasing access to information, especially via social network sharing, agencies must revamp their consumer targeting strategies as well as focus on creating strategic partnerships globally with Tourism Boards of upcoming destinations so that they do not lose out of the market share to foreign competitors.

To facilitate ease of doing business and promote the interests of Indian Firms dealing in outbound travel, the Government must bring about some changes in the policy as well as regulations to provide boost to this growing market. Coordinated and concerted efforts are required on multiple fronts to propel the outbound tourism market and make India one of the largest source market across world for destination:



Increase Direct Connections to Popular and Upcoming Destination

Better connectivity is certain to drive growth in leisure and business traffic. Government must encourage participation of more foreign carriers to cater to the market demand. This will also facilitate increase in Airport Revenue, increase visitor traffic for the destinations and improve overall relations with the destination.

Allowing Foreign Cruise Vessels to Operate on Indian Waters

Indian cruise market has the potential to grow 10 folds over the next decade, driven by rising demand and disposable incomes. The government of India should realize this potential to position India as a global cruise hub with state-of-art infrastructure for both ocean and river cruise. Allowing foreign cruise vessels to include Indian destinations as a stop would encourage both inbound and outbound tourism as well as increase revenue for Indian Ports.





Improving the Strength of the Indian Passport

Facilitate more Visas on-arrival for Indian Travellers. India now has visa-free access to 60 destinations worldwide with Oman and Armenia being the latest additions and ranks 83rd on the Henley Passport Index. Improving the strength of the Indian Passport will play a key role in the growth of the Outbound Market.

Increasing reach to GCC and CIS Countries

The countries forming part of the Gulf Cooperation Council and Commonwealth of Independent States hold great potential for the Indian Outbound Market. These countries are majorly short-haul destinations for Indian Travellers and offer similar culture and language. These countries With the expansion in air travel within the region, along with the introduction of low cost airlines, it has made cities, regions, and countries more accessible. Tourism has been gradually emerging as a key sector for these countries and India can position itself as major source market for them.





Improve visa processing capacity; streamline and harmonise documentary requirements; issue longer duration multiple entry visas (MEVs):

This step will be a positive boost for the Outbound Travel Market of India as this will promote more Indian Nationals to travel without hassle. This translates into increase in outbound tourist from India and facilitate expansion of the market.

Angkor Wat
Temple in Siem Reap, Cambodia



About FICCI

Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies.

FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

Federation of Indian Chambers of Commerce and Industry
Federation House, 1, Tansen Marg, New Delhi 110001, INDIA

www.ficci.in

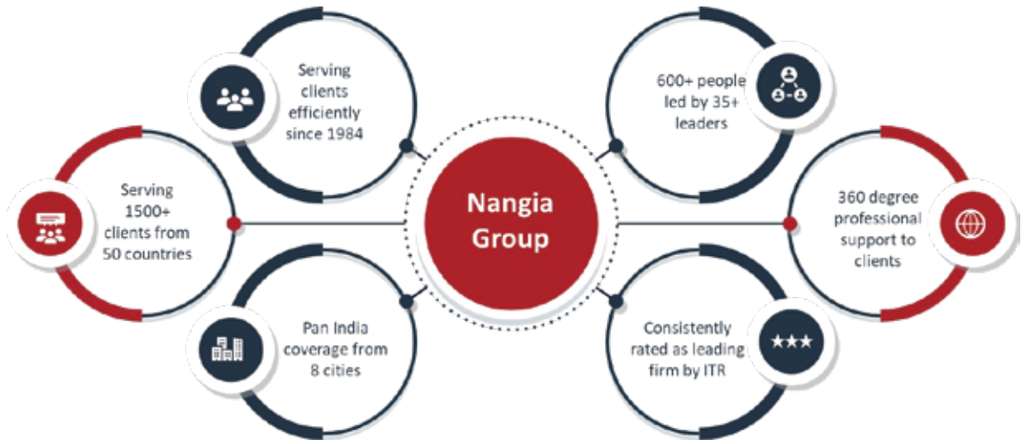
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www.nangia-andersen.com

Tel: + 91 120 259 8000
Fax: + 91 120 259 8010
Email: gov.info@nangia.com
Registered and Head Office: A-109, Sector-136, Noida (Delhi - NCR) – 201304, India

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Nangia Andersen LLP

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