

# The Indian Outbound Travel Market

with Special Insight into the Image  
of Europe as a Destination

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**The Indian Outbound Travel Market with Special Insight into the Image of Europe as a Destination**

ISBN: 978-92-844-1309-6 (UNWTO)

ISBN: 978-92-990050-5-7 (ETC)

Published by the World Tourism Organization and the European Travel Commission

Printed by the World Tourism Organization, Madrid, Spain

First printing 2009

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## Acknowledgements

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This report was prepared by Market Vision Research & Consulting Services with the support of STB Asia in the area of desk research, on commission to the European Travel Commission (ETC) and the World Tourism Organization (UNWTO).

The report, which forms part of ETC's ongoing Market Intelligence Programme, was carried out under the supervision of Ms Carla Aguirre (VisitSweden) and Ms Lisa Davies (ETC) on behalf of ETC's Market Intelligence Group (MIG) in collaboration with Ms Sandra Carvão from UNWTO's Market Trends, Competitiveness and Trade in Tourism Services Section.

The members of the ETC Market Intelligence Committee (MIC) who contributed to this exercise were: Mr Leslie Vella (Chairman MIG and Malta Tourism Authority), Ms Lisa Davies (ETC Executive Unit), Mr John Kester and Ms Sandra Carvão (UNWTO), Ms Anna Siemianowska (Polish Tourist Organisation), Ms Bettina Kuprian (Austrian National Tourist Office), Mr Brian Maher (Fáilte Ireland), Ms Carla Aguirre (VisitSweden), Mr David Edwards (VisitBritain), Mr Joachim Scholz (German National Tourist Board), Ms Judit Sulyok (Hungarian National Tourist Office), Ms Karine Gourgue (Atout France – Agence de Développement Touristique de la France) and Mr Tom Ylkänen (Finnish Tourist Board).

## About this Report

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India is one of the fastest-growing outbound travel markets in the world. With more than 1.1 billion inhabitants and GDP increasing by more than 8% every year, the country offers enormous potential for future growth in outbound travel.

Recognizing the importance of this market, the European Travel Commission (ETC) and the World Tourism Organization (UNWTO) decided to make it the subject of their annual market study for the 2007 work programme and contracted Market Vision Research and Consulting Services (MV) to undertake a survey on the Indian outbound travel market with particular reference to the position and image of Europe as a tourism destination in the Indian travel market.

The aim of the study was to add significantly to the current body of knowledge on the Indian market, providing valuable support and intelligence for future marketing activities of ETC and UNWTO members and not the least to ETC. The information obtained would help ETC to ensure that its web portal, [visiteurope.com](http://visiteurope.com), meets the needs and interests of Indian travellers.

The study, completed in August 2008, was a combination of desk research, interviews with the travel trade and interviews and focus groups with consumers. It looked not just at Indians' travel behaviour, trends and propensity to travel, but also delved more deeply into Europe's image as a holiday destination in India, the awareness and perceptions of individual European countries, possible barriers to travel and reactions to both the ETC Europe brand and the layout of the [visiteurope.com](http://visiteurope.com) portal's homepage.

This report, intended for distribution to all ETC countries and members of the UNWTO, documents the findings of the study and provides comprehensive analysis and recommendations for the future marketing and promotional strategies for promoting destinations and in particular, Europe in India.

The report is divided into three parts, as follows:

- Part 1 – Indian Outbound Travel Market (Secondary Research);
- Part 2 – Image of Europe as a Holiday Destination in India (Primary Research);
- Part 3 – Conclusions and Recommendations.



## Executive Summary

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- The Indian outbound travel market has grown from 3.7 million in 1997 to 9.8 million international departures in 2007; the pace of growth has accelerated since 2004 at an average annual growth rate of over 16%. International tourism expenditure by Indians has grown from US\$ 1.3 billion in 1997 to US\$ 8.2 billion in 2007.
- The UNWTO predicts that India will account for 50 million outbound tourists by 2020; the 'Kuoni Travel Report India 2007' predicts that total outbound spending will cross the US\$ 28 billion mark in 2020.
- With over 28 million passport holders in the country who are potential travellers, the source market for outbound travel is wide and complex because of its size and variety. According to the primary research among the travel trade, the main source regions are west and north (including central India) together accounting for about 65% of all outbound travel, followed by south (25%) and east (10%).
- According to Pacific Asia Travel Association (PATA), 40% of all outbound trips by Indians are for business purposes, while leisure, visiting friends and relatives (VFR) and other reasons each account for 20% of outbound trips from India.
- Europe commands an estimated market share of about 20% of all Indian outbound departures. The Indian travel trade estimates that the market for Europe is growing at a steady pace of 5-7% per annum and that the pace of growth for Europe can be accelerated with greater focus by European tourism boards on the Indian market.
- 40% of travel to Europe is estimated to be for holiday purposes. Five European destinations account for a majority of the share of travel from India to Europe – United Kingdom, France, Italy, Germany and Switzerland.
- According to the travel trade, international leisure travellers belong to the 25-65 years age group, a larger proportion being males (65%) than females (35%). They are well educated and belong to the upper socio-economic strata of society. Majority are married (75%) and have children living in the household. Two-thirds of leisure travellers tend to holiday abroad with family.
- In the short-term, a large proportion of potential visitors to Europe are likely to be first-time visitors, although the majority will have travelled abroad at least once. Families and couples are likely to be the key customer segments travelling to Europe on holiday. Some travel from groups of friends and affinity group travellers can also be anticipated.
- The key travel motivation of potential first-time visitors to Europe is a culture/sightseeing holiday. The key travel motivations among repeat visitors are culture/sightseeing holiday, touring/driving holiday, snow/ski holiday and holiday in the mountains. Majority of the potential visitors are likely to undertake a multi-country vacation in Europe.
- In terms of travel destination selection, the top five factors that influence destination selection for Indians are safety and security; variety of things to see and do; overall image of holiday destination; good tourist facilities; and infrastructure; and the ease of obtaining visas. The travel trade confirms that travellers will often change their mind about a travel destination if obtaining visas is a complex or time-consuming process.