

JET, SET, SOAR

The Indian tourist is becoming a familiar sight. And his wanderlust presents a fast growing business lode, which is being tapped by global airlines, cruise majors and hotel chains.

Indira Khanna reports on tourism's newest big spender.



Indian tourists are a familiar sight all over the globe today. They are seen admiring the crown jewels in the Tower of London. Shopping in the gold souks of Dubai. Awed by the subterranean wonders of the Great Barrier Reef in Australia. Strolling through the Kremlin in Moscow. Bowing reverently at the golden Buddha temples in Bangkok. Walking down the Great Wall of China. Enjoying the delights of Disneyland. Scuba diving in Mauritius. And it goes on

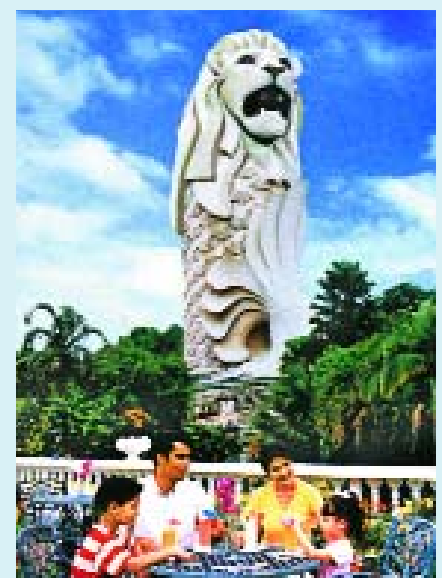
No destination is too far, too expensive or too adventurous for the savvy Indian vacationers. And their numbers are growing at an unprecedented rate in the new millennium. According to industry estimates, 7.5 million Indians are expected to

travel abroad in 2005. This is a 21 per cent hike over the 6.2 million mark in 2004 and a substantial increase of 42 per cent over the 5.3 million milestone in 2003. Says Lalit Sheth, chairman and managing director, Raj Travels & Tours Ltd., one of the major travel agencies in India, "There is no denying that it is big boom time for the outbound travel industry in India. Trips abroad are great stress busters and ego boosters."

The reasons for the boom are not hard to find. Higher disposable incomes and changing mindsets are encouraging more Indians to globe-trot. And prices are sliding down in every segment of the business. Airfares are being slashed constantly as India's open skies policy has led to a dra-

matic increase in the number of outbound flights and seat capacities. Price wars are also being fuelled with new international airlines entering the Indian air space and low cost national airlines gaining ground. As Ashwin Merchant, deputy director, Swiss Business Hub, observes, "The international airfares offered by some airlines have now become 10 to 15 per cent lower than airfares on many domestic routes. Consequently, Indians are now finding it cheaper to travel abroad than within India itself."

In addition, hotels too are offering big discounts and travel loans are available on easy instalments. And there is another very significant development. The Indian tourist can now splurge more freely abroad



as the annual foreign exchange allowance is a generous \$10,000 per person. This is a five-fold jump over the \$2,000 available in the 1990s and the measly \$500 given every three years in the 1970s and 1980s. Corporate travellers enjoy an even higher allowance — \$25,000 per trip. Another advantage is that all the credit cards issued in India are now valid internationally. According to the provisional statistics for the financial year 2004-2005 released by the central banking authority, the Reserve Bank of India, Indians spent a whopping \$5.52 billion in hard currency while travelling abroad, which was 57 per cent higher than the \$3.51 billion outgo in the previous year.

The top temptations among package tours are holidays in Europe, UK, US, the Far East, Dubai, Mauritius and Australia. China, with its two marvels of modernisation, Shanghai and Beijing, is beckoning too. There are packages to suit every pocket and preference. They offer that blend of comfort, leisure and value for money sought by the travellers. On an average, three to seven day packages to Singapore, Malaysia, Thailand, Sri Lanka, Dubai, Hongkong or Mauritius could cost between \$450 to \$1,100 per person. The cost would normally include airfare, accommodation, visas, sightseeing and meals. Meanwhile, seven to 21 day packages to Europe, UK, USA, Australia or China could range between \$1,650 to \$4,450.

Europe, tops the list for people with a bigger budget. The rich cultural heritage and historical grandeur of its cities, whether it is Paris, Rome, London or Amsterdam, never fails to fascinate Indian travellers. Frequent flyers, meanwhile, now look forward to spending seven to 10 days in one country or even a single city. They want to soak in the ambience of the place and are even willing to rent apartments and cars.

Neeru Nanda, journalist and writer, together with her husband, Arun Nanda, executive director, Mahindra & Mahindra Ltd., both seasoned travellers, recently visited Norway, to see the mid-night sun. "We sailed from Tromso to Bergen, and as we progressed further north, the sun was still visible above the horizon at two am in the night. It was an incredible sight. Another highlight was

Higher disposable incomes and changing mindsets are encouraging more Indians to globe-trot.

crossing the Arctic Circle line, which was marked by a globe anchored on a small hill. We also went on a ferry-ride through some spectacular fjords lined with deep gorges, gushing waterfalls, ice-bound streams and picturesque villages," recalls Nanda vividly.

Demand is also surging for off beat, far flung destinations, adventure tourism, theme holidays and spa and wellness get-aways. The call of the wild is heard from Africa, where the game sanctuaries and safaris are awesome. A trip on the Orient

HARDESELLING SWISS BLISS

THE SWISS need not have made any effort to market the pristine splendour of their snow-clad Alps. Visiting Switzerland was anyway a dream come true for any Indian. Nevertheless, the Switzerland Tourism office was set up in 1996, and now, its marketing initiatives are paying rich dividends.

The number of overnight stays by Indian visitors in Switzerland has shot up from 179,647 in 2000 to 240,000 in 2004. The January-June figures in 2005 are already 18 per cent higher than the comparable period last year. And an average annual growth of 10 per cent is expected in the coming years.

Just as significantly, Indians are ranked among the highest spenders and since 2004, they have emerged as the second largest users of the Swiss Travel System after the Americans. In addition, frequent Indian travellers now account for 50 per cent of the Indian tourist traffic.

The Indian film industry, popularly known as Bollywood, has also played a powerful role in reinforcing the Swiss magic on the Indian psyche. Superhit films like *Dilwale Dulhania le Jayenge* and *Hero No.1*, as well as popular song-and-dance numbers in innumerable other films, have been shot all over Switzerland, particularly in the pictur-



THE BOLLYWOOD BAIT: Shahrugh Khan and Aishwarya Rai on location in the Swiss Alps

esque Bernese highlands. A restaurant on the Jungfrau is even called Bollywood, and exclusively serves Indian buffets.

"The Bollywood connection has made a really big difference in selling Switzerland," says Ashwin Merchant, deputy director, Swiss Business Hub. "It has proved an ideal promotional platform not just for attracting tourists from India, but its footprint has had a multiplier effect on the entire moneyed Indian diaspora, stretching from the Far East and Middle East to UK and USA."

Inspired by the Swiss example, and realising its value as an effective publicity opportunity, other countries like Britain, Australia, New Zealand, Canada, Singapore and Malaysia have begun offering special incentives to Indian film-makers. Parts of many movies and TV serials have also been filmed there.

LAVISH SPENDERS, WOODED THE WORLD OVER



Indian tourists are in such big demand globally as they now have a well-established reputation for being generous, even lavish spenders.

- ◆ According to the Singapore Tourism Board, Indians were the highest daily spenders in 2004 with an average of S\$300 per day.
- ◆ The Spanish Tourism Board estimates that the Indian tourist spends upto Euro 568 on a visit, second only to Japan for the Asian countries.

- ◆ According to Switzerland Tourism, Indians are ranked among the highest spenders (SFr 450 per day), after the Americans (SFr 600) and the Japanese (SFr 500).
- ◆ Tourism Australia states that Indians spend around A\$3,000 per trip, with the average stay ranging between 10-14 days.
- ◆ According to Malaysia Tourism, the average daily spend of Indians is \$150, which is higher than tourists from the US and Japan.

Express, or to Alaska, Bali, Morocco, Greece, the pyramids at Egypt, Istanbul, Japan and the outbacks of New Zealand, are all casting their spell on Indian travellers. As is cruising on luxury liners.

In the premium and super premium segment, a fleet of international brandnames in the cruise industry are now represented in India. These include Seven Seas, Seabourn and Cunard in the super premium segment, and others like Princess Cruises, Festival Cruises, Royal Olympics, Costa, P&O Cruises, Ocean Village and Swan Hellenic. They are now offering a breathtaking range of vacations – especially in the Caribbean, Mediterranean and Scandinavian waters. These could cost an average \$1,000 per person for a seven-day trip. But cheaper options on Star cruises at \$100 per night are available in the Far East. The estimat-

ed \$15 million Indian market for cruises is slated to be growing at an annual rate of 20-25 per cent.

The sheer size of the outbound leisure travel market has also compelled a host of international tourism boards to establish full-fledged offices in India, and their numbers are growing. According to Ritu Sharma, marketing manager-India, Switzerland Tourism, "Realising India's huge potential as a large, rapidly growing and strategically important market, the Switzerland Tourism office was estab-

Top Five Favourite Destinations

Europe • UK • US • Australia • China

Top Five Emerging Destinations

Greece • Egypt • Morocco • Turkey • Spain

Top Five Cruise Destinations

South-East Asia • Carribean Islands

Mediterranean coast • Hawaii • Panama Canal

Source: Industry estimates

lished as far back as 1996 in Mumbai." Other veterans have been: the British Tourism Authority, Singapore Tourism Board, Sri Lanka Tourism, Hong Kong Tourism Board, Tourism Australia, Dubai Tourism, Tourism Malaysia, South Africa Tourism and the New Zealand Tourism Board. Last year, nine new tourism boards were slated to begin operating in India - from Ireland, Turkey, Austria, Russia, Brazil, Italy, Spain, France and China.

According to Ashwini Kakkar, CEO and managing director of Thomas Cook (India) Ltd., "Many of these countries and their tourism boards have commercially invested in India with sustained promotional brand building campaigns, in both the peak and lean seasons. Consequently, now they are benefiting from it. For example, the Fly-Buy-Dubai campaign has resulted in tourist traffic from India to Dubai shooting up from zero, so to speak, to 500,000 in the last six years. With Malaysia, Truly Asia, it has been zero to 350,000 in the last five years. And with Uniquely Singapore, it has been zero to 500,000 in the last six years."

With so many international tourism boards and cruise companies entering India, can the global giants in the travel business be far behind? The Zurich-based Kuoni Travels has acquired Sita World Travel. Carlson Wagonlit Travel is already here in a joint venture with Indtravel. TUI UK Ltd., which is among the largest tourism and services group in the world, has also acquired a 50 per cent stake in Le Passage here.

Undeniably, the entire dynamics of India's outbound travel sector is changing. Industry analysts predict an annual growth rate of 20 per cent for sure in it. But at the rate corporate and leisure travel is booming, advertising and promotional budgets are rising, marketing strategies are becoming aggressive and global players and tourism boards are entering the market, the target of 15 million outbound Indian travellers by 2010 could be reached even earlier.

Clearly, whether they fly east or head west, the new jet-setting, globetrotting, 21st century Indian travellers just cannot be ignored and will continue to be wooed in style, whether it is Swiss, Spanish or Singaporean!