The following section outlines the Indian tourism industry’s relationship with the Indian market including trends and Indian outbound tourism in general.
INDIAN INBOUND TOURISM TO AUSTRALIA

In 2012, India was Australia’s 10th largest inbound market for visitor arrivals and total expenditure, and seventh largest for the number of visitor nights. Tourism Australia identified the following characteristics from the year 2012 in its most recent profile of Indian visitors in 2013:

- 50% Repeat visitors
- 56% Total arrivals for leisure*
- 29 - 35 Years Largest demographic
- $5,263 Average spend
- 65 Nights Average stay
- Peak Travel Periods
  Peak Travel periods are during May and December
- Peak Booking Period
  Peak booking periods are February - April and September - November

*Leisure includes travel for holiday and Visiting Friends and Relatives (VFR).
### Visitor Profiles for Spend and Nights

#### Average Visitor
- **Spend per trip**: $5,263
- **Nights per trip**: 64.5
- **Spend per night**: $82

#### Purpose of Visit
- **Holiday**
  - **Spend per trip**: $4,707
  - **Nights per trip**: 27.9
  - **Spend per night**: $169
- **Visiting Friends & Relatives**
  - **Spend per trip**: $5,035
  - **Nights per trip**: 28.1
  - **Spend per night**: $179
- **Business**
  - **Spend per trip**: $2,052
  - **Nights per trip**: 67.1
  - **Spend per night**: $31
- **Other (Including education and employment)**
  - **Spend per trip**: $10,796
  - **Nights per trip**: 117.3
  - **Spend per night**: $92

#### Age Groups
- **15 - 29**
  - **Spend per trip**: $8,369
  - **Nights per trip**: 94.2
  - **Spend per night**: $89
- **30 - 44**
  - **Spend per trip**: $6,738
  - **Nights per trip**: 51.9
  - **Spend per night**: $130
- **45 - 59**
  - **Spend per trip**: $2,654
  - **Nights per trip**: 44.3
  - **Spend per night**: $60
- **60 & Over**
  - **Spend per trip**: $2,536
  - **Nights per trip**: 64.1
  - **Spend per night**: $40

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Source: International Visitor Survey (Tourism Research Australia), year ending December 2012.
From 2002, there has been steady growth in the 45 to 59 year old demographic, with a 16 per cent annual compound growth rate. In 2012, this age group represented the largest segment of holiday arrivals. There was a nine percent decline in the 15 to 29 year old segment, compared to 2011.

**India: Visitor Arrivals by Age for 2002-2012**

The Tourism 2020 Strategy estimates that India has the potential to grow to between $1.9 billion and $2.3 billion in total expenditure by 2020.

**VISITOR ARRIVALS**

In 2012 there were 149,000 visitors from India (a 7 per cent increase on 2011) with a total spend of $786 million.

The decrease in Indian visitors to Australia in 2010 can be attributed to factors including negative media coverage of incidents in 2009 impacting Indian students studying in Australia. The Tourism Australia 2009-10 Annual Report explains that trade and consumer feedback indicated safety concerns in the key consumer target segment of higher socio-economic level leisure travellers and planned 2009-10 marketing activities could not proceed due to the negative publicity. In recent years, the Indian market has grown consistently and outbound travel demand has been fueled by the country’s economic growth.

Arrivals from India to Australia have reached a 14 per cent annual compound growth rate between 2002 and 2012. The largest purpose of visit segment is Visiting Friends and Relatives (VFR), and a key contributing factor is the fact that Indian-born Australian residents have doubled over five years (from 2006 to 2011). Although holiday and VFR visitor segments from India have been steadily growing, education arrivals have been on the decline since 2009.

Source: Australian Bureau of Statistics, Overseas Arrivals and Departures
Overall, the growth in the number of Indian visitors to Australia in 2012 was driven by a 15 per cent increase in the leisure segments (Holiday and Visiting Friends and Relatives), which account for 55 per cent of arrivals. Despite this strong result, overall expenditure from Indian visitors decreased 19 per cent, affected most strongly by the decline in education spend (down by 44 per cent) and employment spend (down by 23 per cent). A number of contributing factors such as a slow-down in the Indian economy, a decline in consumer confidence, and the continued depreciation of the Indian rupee have also had an impact.
AVIATION

The establishment of alliances continues to develop and shape the market, with Sydney and Delhi Airports signing a strategic partnership in April 2012 in an effort to grow capacity between the two locations. Singapore Airlines and Virgin Australia expanded their codeshare agreement in August 2012, to consist of 64 destinations in Asia including the following Indian cities: Delhi, Mumbai, Bangalore, Chennai, Coimbatore, Hyderabad, Kochi, Kolkata and Thiruvananthapuram. From 30 October 2012 Tiger Airways and Scoot expanded their partnership to include 13 new destinations including Bangalore, Kochi, Hyderabad, Chennai and Thiruvananthapuram and Etihad is seeking to acquire a minority share in Jet Airways.

Key Airlines and Share of Passengers in 2012

The key airlines and that service Australia and India and their share of passengers in 2012 are shown below.

The graph on the next page shows Australia’s capacity in relation to its competitors. For the latest information on aviation, visit the following links:

Market regions - India


Information on aviation can be found in the Tourism Australia India Market Profile 2013 and also via the link to the latest Aviation Newsletter.

Aviation Newsletters

tourism.australia.com/statistics/aviation-newsletters.aspx

Every month Tourism Australia produces an Aviation Newsletter which summarises latest relevant news, largely sourced from CAPA Centre for Aviation. This link provides past newsletters which also include insights into Tourism Australia’s marketing activity with airlines.

Quarterly Market Updates

tourism.australia.com/statistics/8696.aspx

Each quarter Tourism Australia produces a detailed report on the performance of its key markets and international campaign activity, including aviation updates.
TOURISM FORECASTS

Tourism Research Australia’s Forecast (October 2013), estimates that visitor arrivals from India will rise 9.3 per cent to 179,000 in 2013-14 and 6.4 per cent to 190,000 in 2014-15, with a 7.3 per cent annual compound growth rate expected between 2012-13 and 2022-23.

For the latest forecast information, visit www.tra.gov.au/publications/forecasts
Overview of Indian Outbound Tourism

In 2012, outbound travel from India increased to 16.1 million trips, up from 15.5 million trips in 2011. According to Tourism Australia’s latest India Market Profile, the top five outbound destinations from India in 2012 were:

1. Bahrain
2. Thailand
3. Singapore
4. Saudi Arabia
5. UAE

The growth in Indian visitation to these destinations compared to visitation to Australia can be seen in the graph below.

In 2012, Australia ranked 21st among all outbound destinations from India, dropping three positions compared to 2011. In addition, Australia’s share of total outbound travel from India was 0.8 per cent. Australia’s competitor destinations outside of South and South East Asia and the Middle East were the USA, France, the UK, Hong Kong, and Switzerland. Australia is ranked 11th among out of region destinations in 2012, slipping two positions from 2011.
UNDERSTANDING THE INDIAN CONSUMER

INDIAN CULTURE

There are some key things that you should keep in mind when dealing with the Indian market according to Kwintessential.

When it comes to hierarchy:

- The influences of Hinduism and the tradition of the caste system have created a culture that emphasises established hierarchical relationships.
- Indians are always conscious of social order and their status relative to other people, be they family, friends, or strangers.
- All relationships involve hierarchies. In schools, teachers are viewed as the source of all knowledge. The patriarch, usually the father, is considered the leader of the family. The boss is seen as the source of ultimate responsibility in business. Every relationship has a clear-cut hierarchy that must be observed for the social order to be maintained.
THE ROLE OF THE FAMILY

People typically define themselves by the groups to which they belong rather than by their status as individuals. Someone is deemed to be affiliated to a specific state, region, city, family, career path, religion, etc.

- This group orientation stems from the close personal ties Indians maintain with their family, including the extended family.
- The extended family creates a myriad of interrelationships, rules, and structures. Along with these mutual obligations comes a deep-rooted trust among relatives.
CULTURAL CONSIDERATIONS FOR THE INDIAN MARKET

Welcoming Indian visitors to your business means that you will need to give consideration to the following areas, according to the Tourism Industry Association New Zealand’s India Profile.

View of time

Indians view time differently to Westerners. They appreciate punctuality but they themselves may not be punctual. As customers, they may be late for meal time or transportation transfer. This can prove problematic when you have other non-Indian guests who are on time.

- Prevention is best – inform your Indian guests that if they’re late they will miss the bus/boat etc as it can’t wait for them due to other guests
- Always give options – if they want flexibility, they can pay more for a personalised service, or if they miss the bus, they must wait for the next one or pay for a taxi

Communication

Indians need lots of information to make a decision. They require many options and ask many questions. Don’t get frustrated at what can seem like “a waste of time”. This can lead to missed business and sales.

- Be patient
- Understand that Indians view time differently so allocate more time than you would usually allow
- Be prepared with as much product knowledge as possible
- Be prepared for the Indian’s attention to detail
- Realise that for some people, when listening they will shake their head
- Juniors need to consult with the head of the family or organisation before making a final decision
- Leaders on the other hand have ultimate power and autonomy so will make impulsive buying decisions without the need to consult others
- Remember that not all Indians speak English, and those who do will have cultural background and influences very different to you

Service

Indians are used to very high levels of service. Recognition of their status is the key customer service expectation and hierarchy and observation of rank in life (society, family, organisation etc) is paramount.

Here are some ways to give status to your Indian customer:
- Appeal in your merchandising and selling to the status aspirations of the Indian customer
- Acknowledge and welcome the Indian customer the moment you see them – as they approach your operation’s reception or counter, at the entrance of your restaurant or attraction
- Use their title, i.e. Mr, Mrs, Professor, Doctor
- Show respect to the elders – serve them first
- Seniors do the speaking – juniors are silent unless asked directly
- Try to avoid saying ‘no’, instead imply no in another way, e.g. ‘I will try my best’, ‘It is difficult’
- Pay them attention and provide personalised service – Indians who can afford to travel overseas usually have servants back home who look after their every need
- When selling to them, offer the top or best product or service first rather than the cheapest
- In situations of complaint or conflict, it is expected that it will be handled by a senior manager – Indian males often prefer that complaints are handled by males

Accommodation

Accommodation operators should provide:
- A porter service and a warm greeting
- Seamless travel – tourism information should be readily available and there should be a connection person between their accommodation
Suggestions to cater for your Indian guests:

- Look to incorporate spicy Indian snacks in your mini bar or vending machine.
- Keep in mind that Indians generally have a later cycle of meals compared with the average Westerner.
- Indians generally have their main meal at lunchtime so make sure a generous meal is available at this time.
- Indians love chai tea and sweets.

Food and beverage taboos are mostly related to religious beliefs and should be catered for:

- Hindu Indians don’t eat beef as the cow is sacred in their religion.
- Most Hindus are vegetarian so make sure there are plenty of vegetarian options.
- Seafood, chicken and lamb are safe options for non-vegetarian Hindus.
- Muslims will not eat pork and will only eat meat that is halal-certified.
- Beware of offering any sweets made from gelatin as this is derived from pork by-products which is forbidden food for Muslims.
- Jains do not eat meat, honey or vegetables from the ground, e.g. onion, potato.
- If providing a buffet, ensure that your vegetarian and meat dishes are completely separate to avoid cross-contamination and that dishes are clearly labelled.

Indians are happiest eating an Indian meal, of which spice is an essential component. However, they also appreciate food from other countries — but they need to have what they are eating explained to them.
Activities and shopping

Indians love shopping and love to bargain. Cater to both in your offerings:

- Ensure flexibility in your pricing, allowing for group discounts and added value
- Indians love shopping after dinner
- They enjoy markets with local offerings and a chance to bargain

Popular items when shopping and travelling include:

- Duty free alcohol
- Chocolates
- Well-known brands
- Jewellery – both real gold and diamonds as well as costume jewellery – bling is key
- Local souvenirs

Tourism Australia commissioned research in 2010 on members of the socio-economic classes A and A+ in Delhi and Mumbai to gain insights into their travel needs. Tourism Queensland reported that this segment is viewed as more motivated to travel to Australia due to having a higher disposable income and a higher probability of visa approval. Essential findings for this segment were as follows:

The holiday destination needs to be:

- Exotic
- Highly recommended
- The Indian tourist wants to experience as much as possible for their time and money
- Holiday prerequisites include emotional considerations such as having ‘everything taken care of’ and no worries, and also the bragging factor - famous sights, nature, adventure (novel activities that cannot be done in India)

The research also found that Indians interested in visiting Australia imagine the following:

- They would stay one to two weeks
- They would pre-arrange their flights and meals as well some accommodation, entertainment and activities (including guided sightseeing tours)
- They would visit the beach (but not necessarily swim at the beach), view scenic beauty, spend time in capital cities, visit icons, relax, visit zoos/aquariums, shop at outdoor markets, visit theme parks, visit museums/galleries and experience nature/nature tours
- They would visit Sydney and perhaps Melbourne and/or the Gold Coast
- Their accommodation would be clean and comfortable (not necessarily luxurious and exotic)
- Their hotel would be ‘just for sleeping’, however; would be spacious, clean, air conditioned and offer comfortable beds, swimming pools and airport transfers
Here are some tips from Kwintessential on what to do when you have been invited out with Indians, which may be useful if you visit India or plan to host and dine with Indian business associates or guests.

There are diverse dietary restrictions in India, and these may affect the foods that are served to Indian people:

- Hindus do not eat beef and many are vegetarians
- Muslims do not eat pork or drink alcohol
- Sikhs do not eat beef
- Lamb, chicken, and fish are the most commonly served main courses for non-vegetarian meals as they avoid the meat restrictions of the religious groups
- Table manners are somewhat formal, but this formality is tempered by the religious beliefs of the various groups
- Much Indian food is eaten with the fingers
- Wait to be told where to sit
- If utensils are used, they are generally a tablespoon and a fork
- Guests are often served in a particular order - the guest of honour is served first, followed by the men, and the children are served last. Women typically serve the men and eat later
- You may be asked to wash your hands before and after sitting down to a meal
- Always use your right hand to eat, whether you are using utensils or your fingers
- In some situations food may be put on your plate for you, while in other situations you may be allowed to serve yourself from a communal bowl
- Leaving a small amount of food on your plate indicates that you are satisfied. Finishing all your food means that you are still hungry

If visiting India, please note the following:

- Indians entertain in restaurants, private clubs, or other public venues, depending upon the occasion and circumstances
- Although Indians are not always punctual themselves, they expect foreigners to arrive close to the appointed time
- If invited to an Indian home, take off your shoes before entering the house
- Dress modestly and conservatively
- Politely turn down the first offer of tea, coffee, or snacks. You will be asked again and again. Saying no to the first invitation is part of the protocol
Findings from Tourism Australia’s recent international tourism research project indicate that when selecting a holiday destination Indian visitors are wanting (in order of importance): a safe and secure destination, world class beauty and natural environments, value for money, and a romantic and family friendly destination.
India: Top 5 Importance Factors

The figure below shows the factors that Indians value when choosing a holiday destination.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>A safe and secure destination</td>
<td>50</td>
</tr>
<tr>
<td>World class beauty and natural environments</td>
<td>42</td>
</tr>
<tr>
<td>A destination that offers value for money</td>
<td>38</td>
</tr>
<tr>
<td>Romantic destination</td>
<td>34</td>
</tr>
<tr>
<td>A family friendly destination</td>
<td>31</td>
</tr>
<tr>
<td>Good food, wine, local cuisine and produce</td>
<td>29</td>
</tr>
<tr>
<td>Friendly and open citizens, local hospitality</td>
<td>26</td>
</tr>
<tr>
<td>Clean cities, good road infrastructure and clear signposts</td>
<td>26</td>
</tr>
<tr>
<td>Great shopping/ world class brand names</td>
<td>24</td>
</tr>
<tr>
<td>Ease of obtaining a visa</td>
<td>24</td>
</tr>
<tr>
<td>Rich history and heritage</td>
<td>24</td>
</tr>
<tr>
<td>Good leisure activities e.g. nightclubs/bars and/or casinos</td>
<td>22</td>
</tr>
<tr>
<td>Luxury accommodation and facilities</td>
<td>20</td>
</tr>
<tr>
<td>A range of quality accommodation options</td>
<td>20</td>
</tr>
<tr>
<td>Spectacular coastal scenery</td>
<td>19</td>
</tr>
<tr>
<td>Different and interesting wildlife</td>
<td>18</td>
</tr>
<tr>
<td>Great swimming beaches</td>
<td>17</td>
</tr>
<tr>
<td>Native or cultural heritage or activities</td>
<td>15</td>
</tr>
<tr>
<td>Flights with no stopovers</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Tourism Australia, India Market Profile 2013
INDIAN PERCEPTIONS OF AUSTRALIA

Compared to other out of region destinations, Australia ranks very highly for having beautiful natural environments, good food and wine, and clean cities with good infrastructure. The Consumer Demand Research shows that Australia delivers a positive holiday experience that exceeds the expectations of Indian visitors. This was particularly clear for their perception of Australia’s food and wine, safety and security as well as the family friendliness of the destination.

Food and wine rankings were very high amongst those who have visited Australia and sampled Australia’s offering, presenting future marketing opportunities. In terms of the perception of safety and security and family friendliness, Indian respondents who have visited Australia ranked the country much higher than those respondents who had not been. Given the importance placed on these considerations by Indian respondents, this presents future opportunities to improve upon their perception of Australia.

It was also found that Indian respondents prefer experiences in Australia which include wildlife (both aquatic and non-aquatic), cities and/or coastal or harbour settings.

KEY TRAVEL PERIODS

For Indian travellers coming to Australia, the peak booking periods are September to November, and February to April. The months of May (Indian school vacation) and December (Indian winter holiday, Christmas and New Year season) tend to be the peak travel periods. Indian consumers have a short lead time for booking holidays, ranging from 3 to 6 weeks on average. The graph below shows the seasonality of visitors from India to Australia.
Seasonality of Visitors from India

Source: Tourism Australia, India Market Profile 2013
According to the Tourism Australia India Market Profile 2013, the Indian travel distribution system is highly fragmented and varied across the country. Whilst there are a few national retail agencies, most agencies are small, independent businesses and contribute a varying percentage of business to Australia. Anecdotally, 10 per cent of agents contribute 20 per cent of the business to Australia, and 90 per cent of agents contribute 80 per cent of business.

Indian consumers are researching and booking their trips using a combination of traditional travel agencies and online options, however retail agencies still handle the majority of outbound travel. Most consumers will book through a retail travel agent rather than directly with product. Indians are seasoned travellers and prefer to plan itineraries prior to travel.

While there has been some growth in online sales of tour packages, sales volume is still low to date and it is primarily for short haul destinations. Self drive holidays and luxury holiday experiences are new products being developed in the market, with support from Aussie Specialist agents. Consumers are booking trips using a combination of traditional distribution operators and online options. Listed below are some traditional distribution channels.

**DISTRIBUTION CHANNELS**

- **Wholesalers/ Large Agents**
  - Commission Level: up to 20%
    - The traditional wholesaler model has not generally developed in the Indian travel industry. There are a few larger travel agents which have developed their own distribution network through smaller independent agents such as Thomas Cook, Kuoni, Cox & Kings, MakeMyTrip, Yatra, etc. These are often referred to as franchisees or preferred sales agents.
    - The major operators having a pan-India presence are Thomas Cook, SOTC/ Kuoni Travel, Cox & Kings, Kesari/ Strawbery, Club 7, MakeMyTrip, Yatra, JTB Travels, Vacations Exotica, TUI and Mercury Travel. Most Indian travel companies operate across all segments of travel, including group tours, Free Independent Travel (FIT), business events and luxury.
    - There are a few traditional wholesalers that are gaining support from the smaller retail agents, these include: Saltours, Travel Optionz, Flight Shop, FCM and Nijhawan Group

- **Retail Agents**
  - Commission Level: up to 20%
    - The distribution of travel products in India is fragmented with only a few national operators. Most agencies are small, independent, family-owned businesses.
    - Competition between the larger travel agencies is fierce, with aggressive marketing and tactical promotions in print media. Promotions include cash discounts, early bird discounts, hotel upgrades, free holidays to other countries/cities such as visits to Canada free on a USA holiday, ‘holiday now, pay later’ schemes, cash back schemes and offers for a companion or child to travel for free.
    - Most large retail agents brochure and market their own programs working closely with the Inbound Tour Operators (ITOs).
    - Large travel agencies take reservations from consumers through their own retail networks as well as from smaller agencies.
    - Travel agents use GDS systems such as Galileo and Amadeus to reduce response time and provide instant confirmations to clients.
    - Despite the increase in the online travel segment, traditional retail agencies have not yet moved to this platform for bookings.

- **Aussie Specialists**
  - The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop retail agents to sell Australia.
  - As at March 2013, there were 790 qualified Aussie Specialists in India and a further 1,864 agents in training. 75 percent of these ASPs are based in the cities of Delhi, Mumbai, Chennai, Bangalore, Hyderabad, and Kolkata.
  - New potential Aussie Specialist agents are identified in conjunction with airlines and ITOs.
  - The Department of Immigration and Border Protection (the Department) introduced a Preferred Agency Scheme (PAS) program for selected Aussie Specialist agencies, whereby approved ASP retail agencies are able to process visa applications according to the Department’s requirements. As at December 2012, there were 108 agencies under this scheme.
  - The electronic lodgement service for visas is also available to nominated agents in India. Currently there are around 25 agents in this scheme.
Inbound Tour Operators

Commission Level: up to 10%

- Several ITOs are active in India
- Key ITOs for India are Wel Travel, Travel Maestro, Holiday Pacific, Australian Outback Travel (AOT), Australian Tours Management (ATM), GTA, and Tour East (Qantas Holidays)

Business Events

- Business Events travel programs are generally restricted to the East coast of Australia and city-centric experiences. A typical Australian Business Events program currently includes three nights in Gold Coast and/or three nights in Sydney or Melbourne
- Business Events is a price sensitive segment, which can result in agents promoting simpler itineraries without any value-adds
- Time, price, distance and air access are traditional barriers for Australia as a preferred Business Events destination
- Incentives programs are often pan-India, therefore airline connectivity, capacity and network reach across different cities of India are key considerations when choosing any incentive destination
- Travel agents are the preferred booking method for incentive and corporate groups and have significant influence in marketing and selling destinations
- Key industries for the business events sector in India include pharmaceutical, healthcare, fast moving consumer goods, insurance, banking, telecommunications, automobiles and more

Brochures and Rates

<table>
<thead>
<tr>
<th>Brochure Validity</th>
<th>For Indian summer travel brochures: 1 April to 30 September (contracting starts November/December)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For Indian winter travel brochures: 1 October to 31 March (contracting starts in July)</td>
</tr>
<tr>
<td>Brochure Space Policy</td>
<td>Medium to large scale Indian agents will request contributions (cash/in-kind) to feature individual products in their itineraries or brochures</td>
</tr>
<tr>
<td>Setting Rates</td>
<td>Rates are set between July to September for winter brochures and from November to January for summer brochures</td>
</tr>
<tr>
<td>Standard Rate Validity Periods</td>
<td>For Indian summer brochures: 1 April to 30 September</td>
</tr>
<tr>
<td></td>
<td>For Indian winter brochures: 1 October to 31 March</td>
</tr>
</tbody>
</table>

Source: Tourism Australia, India Market Profile 2013
ONLINE MARKETING AND SOCIAL MEDIA

According to findings from Tourism Australia’s Consumer Demand Research project, when planning a trip to Australia, Indian respondents would predominantly use online sources such as a general internet search, travel booking and advice websites and the government tourism website. After online sources, respondents would talk to family and friends who have been to Australia. The use of social media for research was slightly higher than the average across all markets, which suggests it would leverage well amongst Indian consumers.

Online travel agencies such as MakeMyTrip.com, Yatra Online, Expedia and Ezeego1 have been increasing market share in the online space. They are expanding rapidly, and an emerging trend is their move into traditional retail stores in addition to expanding products and services online.

Online Distribution

Commission Level: up to 15 to 20%

- As the Indian outbound market grows, more consumers are using the internet to research and purchase their holidays
- Online travel agencies (OTAs) now receive almost 50 per cent of all visits to travel sites, with the top five being Makemytrip.com, Yatra, Expedia, Cleartrip and Travelocity
- There has been an increase in online bookings for air tickets for international flights with the improved reach and use of the internet, convenience of booking from home and the removal of credit card fees when booking directly with an OTA or the airline’s website
- Whilst the online purchase of holiday products is on the rise, most of the OTAs have now established agencies or call centres as an alternate distribution channel
- Traditional and online distribution systems will therefore continue to co-exist over the next few years as the Indian outbound market grows and matures

The number of social media users in urban India reached 62 million by December 2012 and it is estimated to reach 66 million by June 2013, according to a report on social media in India by the Internet and Mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB).

About 74 per cent of all active internet users in urban India use social media. Of the 80 million active internet users in urban India, 72 per cent (58 million individuals) have accessed some form of social networking, and social media usage ranks only after email (80 per cent) in terms of usage. The findings showed that Facebook is the most accessed website with 97 per cent of all individuals using it followed by Google+ and LinkedIn, with LinkedIn having the second highest average time spent after Facebook.
LOCAL COMMUNITY IN AUSTRALIA

Engaging with the local community in Australia can be an effective way to begin targeting international markets, especially with the Visiting Friends and Relatives segment related to international students. The following statistics are from the Department of Immigration and Border Protection profile on India.

At the end of June 2011, 343,070 Indian-born people were living in Australia, 90 per cent more than 30 June 2006. This makes the Indian-born population the fourth largest migrant community in Australia, equivalent to 5.7 per cent of Australia’s overseas born population and 1.5 per cent of Australia’s total population.

In 2011–12, total student visa grants increased for the first time since 2008–09, with a 1.0 per cent increase. However, at 30 June 2012 there were 307,040 international students in Australia, 7.7 per cent lower than 30 June 2011. The result of less visas granted meant that between 30 June 2011 and 30 June 2012, the number of Indian students in Australia fell by 26 per cent (from 51,200 to 38,030 students). This was the third decrease in stock in a row. As a consequence, India’s share of the international student market fell from 15 per cent to 12 per cent, half of that of China, the largest provider of international students to Australia.
ENGAGING WITH THE INDIAN MARKET

The following section contains information about how to work with the Indian market from a business perspective, including business etiquette.
Below is some useful information about how to engage with the Indian market from Kwintessential and the UK India Business Council.

**INTRODUCTIONS AND BUSINESS CULTURE**

Here are some top tips from the UK India Business Council:

- There are many Indias within India: be aware of the cultural diversity and be cautious about generalisations. The great Cambridge economist Joan Robinson once observed: ‘Whatever you can rightly say about India, the opposite is also true’

- Research each contact thoroughly: traditional Indian businesses may be family-run and hierarchical, but India’s openness has introduced Western management practices into some emerging industries

- Hierarchy plays a key role: decisions are made at the highest level and roles are well defined

- Indians place great value on relationships: take the time to develop contacts and relationships

- Time is fluid, so flexibility is essential

**Relationships and hierarchy**

Relationships are of utmost importance. Indians will base their decisions on trust and intuition as much as on statistics and data, so be mindful of the importance of a good working relationship. Take the time to engage in small talk and get to know your prospective partner. Rushing straight into the business issue could be perceived as rudeness.

Indian businesses are often very hierarchically structured. In negotiations, decisions are generally made at the highest levels. Therefore, unless the company director, owner or a very senior manager is present at a meeting, a decision is not likely to occur at that stage. Roles are well defined and tasks such as manual labour will only be carried out by a specific person. An Indian manager is typically not expected to carry out tasks that could otherwise be undertaken by someone at a lower level in the organisation.

**Meeting people**

English is widely spoken in business and is one of India's official languages. Many Indians and business managers speak it fluently, though of course meaning can vary across cultures and countries.

Small talk at the beginning of a business meeting is common and could include questions about your family. Establishing trust is essential. When entering a meeting, always greet the most senior person first.

Etiquette requires a handshake, although some Indians may use the namaste, a common greeting involving pressing your palms together with fingers pointing upwards, and accompanied by a slight bow. A flexible approach is important and it is often best to be guided by the person with whom you are meeting.

Kwintessential suggests that religion, education and social class all influence greetings in India.

- When leaving a group, each person must be bid farewell individually

- Shaking hands is common, especially in the large cities among the more educated who are accustomed to dealing with westerners

- Men may shake hands with other men and women may shake hands with other women; however there are seldom handshakes between men and women because of religious beliefs. If you are uncertain, wait for them to extend their hand

**Business cards**

- When exchanging business cards, make sure to receive the card with your right hand and put it away respectfully

- Business cards are exchanged after the initial handshake and greeting

- If you have a university degree or any honour, put it on your business card

- Use the right hand to give and receive business cards

- Business cards need not be translated into Hindi

- Always present your business card so the recipient may read the card as it is handed to them
Business meetings

Give as much warning as possible of your intended dates of travel and try to schedule your meetings well in advance. Keep in mind that the arrangements may change several times and may not be confirmed until the day of the meeting itself, as in Indian culture time is flexible. Although punctuality is expected, meetings may start a few minutes late and be subject to frequent interruptions, such as phone calls or staff members walking in to have documents signed.

Do not be fazed by individuals taking phone calls during meetings. Taking calls immediately is seen as a priority, since it can be seen as rude not to, and those making phone calls regard it as impolite if their call is not answered immediately since the recipient will know who is calling. This can be frustrating but it is accepted practice. In any case, it is important to keep an eye on texts and emails in case the next meeting is rearranged.

Negotiations can be slow by Western standards. Be patient and demonstrate good character; forcefulness will likely drive your contact away.

- If you will be travelling to India from abroad, it is advisable to make appointments by letter, at least one month and preferably two months in advance.
- It is a good idea to confirm your appointment as they do get cancelled at short notice.
- The best time for a meeting is late morning or early afternoon. Reconfirm your meeting the week before and call again that morning, since it is common for meetings to be cancelled at the last minute.
- Keep your schedule flexible so that it can be adjusted for last minute rescheduling of meetings.
- You should arrive at meetings on time since Indians are impressed with punctuality.
- Meetings will start with a great deal of getting-to-know-you talk. In fact, it is quite possible that no business will be discussed at the first meeting.
- Always send a detailed agenda in advance. Send back-up materials and charts and other data as well. This allows everyone to review and become comfortable with the material prior to the meeting.
- Follow up a meeting with an overview of what was discussed and the next steps.

Titles

- Indians revere titles such as Professor, Doctor and Engineer.
- Status is determined by age, university degree, caste and profession.
- If someone does not have a professional title, use the honorific title ‘Sir’ or ‘Madam’.
- Titles are used with the person’s name or the surname, depending upon the person’s name.
- Wait to be invited before using someone’s first name without the title.

Naming conventions

Indian names vary based upon religion, social class, and region of the country. The following are some basic guidelines from Kwintessential to understanding the naming conventions, although you will always find exceptions to rules:

Hindus

- In the north, many people have both a given name and a surname.
- In the south, surnames are less common and a person generally uses the initial of their father’s name in front of their own name.
- The man’s formal name is their name “s/o” (son of) and the father’s name. Women use “d/o” to refer to themselves as the daughter of their father.
- At marriage, women drop their father’s name and use their first name with their husband’s first name as a sort of surname.

Muslims

- Many Muslims do not have surnames. Instead, men add the father’s name to their own name with the connector ‘bin’. So, Abdullah bin Ahmed is Abdullah the son of Ahmad.
- Women use the connector ‘binti’.
- The title Hajji (m) or Hajjah (f) before the name indicates the person has made their pilgrimage to Mecca.
Sikhs

- Sikhs all use the name Singh. It is either adopted as a surname or as a connector name to the surname

Avoidance of saying ‘no’

- Indians do not like to express ‘no,’ be it verbally or non-verbally
- Rather than disappoint you, for example, by saying something isn’t available, Indians will offer you the response that they think you want to hear
- Since they do not like to give negative answers, Indians may give an affirmative answer but be deliberately vague about any specific details. This will require you to look for non-verbal cues, such as a reluctance to commit to an actual time for a meeting or an enthusiastic response
- According to the UK Indian Business Council, Indians may have a particular difficulty saying ‘no’, as it can convey an offensive message. Instead, they will prefer making statements such as ‘we’ll see’, ‘yes, but it may be difficult’, or ‘I will try’ when they likely mean ‘no’
- Listen carefully and be aware of the meaning behind these answers. Do not attempt to compel your contact to be more direct, as this can be very difficult to do
- A way to seek a more positive answer is to rephrase the question, for instance if you are trying to secure a meeting and there is some evasion, one approach is to ask what day and time would be convenient to meet. Similarly, if there is resistance in providing a purchase order, the question could be asked when it is likely that a purchase order will be raised. This type of questioning may provide a more meaningful response

Negotiations

- Indians are non-confrontational. It is rare for them to overtly disagree, although this is beginning to change in the managerial ranks
- Decisions are reached by the person with the most authority
- Decision making is a slow process
- If you lose your temper you lose face and prove you are unworthy of respect and trust
- Delays are to be expected, especially when dealing with the government
- Most Indians expect concessions in both price and terms. It is acceptable to expect concessions in return for those you grant
- Never appear overly legalistic during negotiations. In general, Indians do not trust the legal system and someone’s word is sufficient to reach an agreement
- Do not disagree publicly with members of your negotiating team
- Successful negotiations are often celebrated by a meal
Attire

- Business attire is conservative
- Men should wear dark coloured conservative business suits
- Women should dress conservatively in suits or dresses
- The weather often determines clothing. In the hotter parts of the country, dress is less formal, although dressing as suggested above for the first meeting will indicate respect.

Dress code mostly consists of smart, comfortable clothing. A lightweight suit is appropriate and ties are not compulsory, except in traditional sectors such as banking or law. Women are advised to wear a trouser suit rather than a skirt. The weather in India is not always hot. Delhi and other parts of north India can be extremely cold in winter. Hotels and offices can also have very cold air conditioning, so it is well worth packing a sweater or pashmina.

Gift giving

- Indians believe that giving gifts eases the transition into the next life
- Gifts of cash are given to friends and members of the extended family to celebrate life events such as birth, death and marriage
- It is not the value of the gift, but the sincerity with which it is given, that is important to the recipient
- If invited to an Indian’s home for a meal, it is not necessary to bring a gift, although one will not be turned down
- Do not give frangipani or white flowers as they are used at funerals
- Yellow, green and red are lucky colours, so try to use them to wrap gifts
- A gift from a man should be said to come from both he and his wife/mother/sister or some other female relative
- Hindus should not be given gifts made of leather
- Muslims should not be given gifts made of pigskin or alcoholic products
- Gifts are not opened when received
TIPS FOR WORKING WITH THE INDIAN MARKET

The following section contains some guidelines on business etiquette when working with the Indian market, as suggested by Austrade. The list below covers the public holidays as per The Government of India. There are additional location and state specific holidays that are not covered above. As a multicultural and multi-religious society, India celebrates numerous religious and secular holidays. In certain parts of the country, some of the religious occasions are celebrated many days, such as Durga Puja in West Bengal and neighbouring states, and Ganesh Chaturthi in Maharashtra. Dussehra and Diwali are also widely celebrated. It is advisable to avoid scheduling a meeting around major holidays.

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
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<tr>
<td>March 27</td>
<td>Holi</td>
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<td>March 29</td>
<td>Good Friday</td>
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<td>April 13</td>
<td>Ram Navami</td>
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<td>April 24</td>
<td>Mahavir Jayanti</td>
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<td>May 25</td>
<td>Buddha Purnima</td>
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<td>August 9</td>
<td>Id-ul-Fitr</td>
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<td>August 15</td>
<td>Independence Day</td>
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<td>August 28</td>
<td>Janamashtami</td>
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<td>October 2</td>
<td>Mahatma Gandhi Jayanti</td>
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<td>October 13</td>
<td>Dussehra</td>
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<td>October 16</td>
<td>Bakrid</td>
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<td>November 3</td>
<td>Diwali</td>
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<td>November 14</td>
<td>Muharram</td>
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<td>November 17</td>
<td>Guru Nanak Jayanti</td>
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<td>December 25</td>
<td>Christmas</td>
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Business etiquette

- Though a traditional society at heart, when it comes to business dealings most internationally accepted practices are widely followed in the country. Indians, for the most part, possess all the required skills such as language (English is widely used in written and oral communication), managerial and technical, and are able to negotiate competently.

- Any entertaining of business partners or clients is mostly done outside of the home.

- In a business meeting using a formal manner of addressing a person eg. ‘Mr. Smith’, is safer than using their first name.

- Business cards are expected to be exchanged at most business meeting.

- Punctuality is not a strong point of most Indians, but that is more a cultural thing than a professional shortcoming.

Making sales calls

Tourism Australia has provided the following top tips for sales calls to India:

- Sales calls should focus on agents in the key cities of Mumbai and New Delhi at least twice a year, and in the secondary cities of Kolkata, Chennai, Hyderabad and Bangalore at least once a year.

- The best time for sales calls is January to February and July to September.
USEFUL CONTACTS

For more information about the Indian market, you may wish to view the following resources:

**Austrade**


**Department of Foreign Affairs and Trade**


**Department of Immigration and Border Protection**


**Tourism Australia**


**Additional Resources**

International Visitors in Australia, Tourism Research Australia

The IVS samples 40,000 short-term international visitors (aged 15 years and over) annually. Face-to-face interviews are held with departing visitors at the major international airports around Australia, and include questions on: country of residence, expenditure, demographics, purpose of visit, transport, accommodation, activities, repeat visitation, group tours, travel party, information sources, and places visited.

Tourism Forecasts, Tourism Research Australia

TRA publishes a forecast publication twice a year, which contains international, domestic and outbound forecasts for the next 10 years.

Overseas Arrivals and Departures, Australian Bureau of Statistics

A summary of monthly data for visitors arriving and residents departing short term, the intended length of stay, main purpose of journey, principal destination (departures) or country of usual residence (arrivals) and state and territory in which most time was spent.

Quarterly Market Update, Tourism Australia

Tourism Australia’s Quarterly Market Update provides an update to industry on the current state of international tourism for Australia.
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www.kwintessential.co.uk/resources/global-etiquette/india-country-profile.html

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