INTRODUCTION

India is a country on the rise. According to the June 2017 OECD economic forecast, India is projected to remain the fastest-growing G20 economy, ahead of China, and is widely anticipated to become the world’s third largest economy (behind the USA and China) over the next 20 years.

Further, the outbound Indian travel market could account for 50 million tourists by 2020, according to the United Nations World Tourism Organization’s (UNWTO) 2015 forecasts. Growth of the middle class, higher disposable incomes, decreased costs of international airfares and greater availability of affordable travel packages are some of the key factors contributing to India being one of the world’s fastest growing outbound travel markets.

With this in mind, Tourism Research Australia, in partnership with Tourism Northern Territory, commissioned Colmar Brunton to investigate the opportunity that the Indian market represents for the Northern Territory (NT). The research was conducted between May and December 2017 and was undertaken with travel organisers (based in both India and Australia), Indian travellers to Australia and Indian considerers of travel to Australia (see ‘Research Approach’ for more details).

KEY FINDINGS

Over the last five years, Indian visitation to Australia has grown at an average annual rate of 13% – behind China at 16%. Increasing Indian immigration in Australia has led to a very strong and growing visiting friends and relatives (VFR) market. Indian visitors are mainly travelling to Victoria and New South Wales due to the high population of family and friends living in Melbourne and Sydney (Figure 1).

Between 2014 and 2017, Indian travellers to Australia made up approximately 3% of total international visitation, but less than 1% of total international visitation to the NT. There is an opportunity to influence Indian travellers going to eastern seaboard states, especially VFR travellers, to include a trip to the NT as part of their unique Australian experience, or even to arrive in Australia at a closer port.

FIGURE 1: LOCATION OF FRIENDS OR FAMILY IN AUSTRALIA
The NT’s product offering aligns well with a number of cultural and behavioural aspects of Indian travellers identified in the study, while other aspects will need to be considered as areas for improvement:

- The ‘bragability factor’

Experiencing something unique and/or being the first in one’s group to have had a certain noteworthy experience is highly sought after among Indian travellers, feeding into a ‘bragability factor’ or a ‘one-upmanship’ that is a strong part of Indian culture.

Furthermore, Indian travellers interviewed wanted to have unique and non-mainstream experiences, including visiting less known and regional areas in order to have more of an authentic Australian holiday.

- Love of nature

A love of nature and desire to break away from regular city life sees Indian travellers generally very keen on experiencing national parks (Figure 2).

![Image of national park](image-courtesy-of-tourism-australia)
Word of mouth

Perceptions of, and familiarity with, Australia and the NT are largely influenced by word of mouth from friends or family living in Australia either as temporary or permanent residents/citizens, or from Indians back home that have travelled to Australia. Indians value those who can speak about their experiences in Australia first hand, and it is one of the most common ways that Indians learn about Australia.

Importance of food

Food is a very important consideration for Indian travellers. Vegetarianism is common so it is important for hospitality providers in the NT to provide sufficient and appropriate food options, including that of a typical Indian diet. Hospitality providers will need to be mindful that Indians are orientated towards late night food and shopping. As Indian visitation increases, it will be even more important to ensure the hospitality industry is aligned with the needs and preferences of Indian travellers.

Price sensitivity and awareness of value

Indian travellers are very price sensitive and value conscious. Moderating the costs of travel to/from and within the NT would help to encourage visitation.

Safety

Safety is a very important consideration for Indian travellers, particularly those travelling with their families. As the NT would be largely unknown, there is a need to assure Indian travellers that it is a safe place to visit.

INDIAN VISITOR PROFILE

The following relates to Indians who have visited Australia within the last five years, and those who would consider a trip to Australia within the next five years:

- The India market is a late booking market (Figure 3), with more than half of all Indian visitors making travel decisions within four weeks prior to their departure (59% finalised the itinerary, 60% booked accommodation, 59% booked transfers, 56% booked flights and 53% booked group travel/tours).

### FIGURE 3: TIMING OF DECISIONS ABOUT THE TRIP – TOTAL VISITORS

<table>
<thead>
<tr>
<th>DESTINATION DECIDED</th>
<th>BEGIN PLANNING TRIP</th>
<th>FINALISE ITINERARY</th>
<th>BOOK FLIGHTS</th>
<th>BOOK ACCOMMODATION</th>
<th>BOOK TRANSFERS</th>
<th>BOOK GROUP TRAVEL / TOURISM</th>
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</table>

- UNSURE / NOT APPLICABLE
- MORE THAN 6 MONTHS
- 3–6 MONTHS
- 2 MONTHS
- 1 MONTH
- BETWEEN 3–4 WEEKS
- BETWEEN 1–2 WEEKS
- UP TO 1 WEEK
- AFTER ARRIVING IN AUSTRALIA
Overall, online sources were used far more than telephone or in-person sources (95% vs 41%) to book their most recent trip to Australia. Specifically, online travel agents or tour operators (50%) were the most common sources used to book travel to Australia, followed by online through the airline’s website (47%), online through a travel booking website (44%) and online through the accommodation provider’s website (36%).

- Among visitors who had used travel booking websites, Makemytrip.com was the most frequently used website (95%), followed by Yatra.com (74%) and Cleartrip (68%).

Two out of five visitors (40%) had travelled during Australia’s autumn period (March, April, May), while almost as many (36%) had travelled during Australia’s summer period (December, January, February). June was also a popular month for travel to Australia. The two most common reasons for visiting Australia at these times of year were that it was the only time they could visit and that the time of year coincided with a national or public holiday.

The majority of previous visitors to Australia indicated that they travelled with their partner (47%), children (26%) or with their friend/s (25%), while 22% had travelled independently.

Approximately three-quarters of all visitors surveyed had driven outside of capital cities or towns during their time in Australia. This was significantly higher among NT visitors (86%); almost one in four NT visitors indicated that they had undertaken the Nature’s Way road trip.

- Of those considering travelling to the NT in the future, 81% indicated they would be ‘very interested’ in hiring a car and driving it to destinations outside of a big city for road trips. On average, participants interested in self-driving would not want to be driving for more than 3-4 hours a day.

RECOMMENDATIONS

The study revealed that the most significant factors in attracting Indian visitors to the NT include:

- increasing visibility of the NT
- providing easy and affordable travel options.

By targeting Indian travellers through the right distribution channels, improving access and developing the right product, Tourism NT can provide a compelling experience that Indian travellers will want to include in their Australian trip. The following recommendations provide a possible approach to attracting Indian visitors:

RAISE AWARENESS OF THE NT (AMONG BOTH INDIAN TRADE AND CONSUMERS)

Indian travel organisers strongly agree that marketing the NT offer to trade as well as to the Indian consumer over at least 3-5 years will increase Indian visitation to the NT. Cultivating trade relationships and increasing key agents’ awareness of the NT offer will be an important first step. Promoting the NT to Indian consumers will likely have an exponential effect as word of mouth spreads deeply in India. When asked how they would increase Indian visitation to the NT if it were their job to do so, survey respondents had the following suggestions with regard to target audience, communication channels and campaign messages:

- Target audiences

The most suitable target audience for the NT was felt to be young Indian professionals in their 20s and 30s – the so called ‘up and coming youngsters’. This segment is constantly looking for new and unique experiences, and is highly interested in nature and adventure.

Tourism Research Australia’s survey data backs this up – those considering visiting Australia (and the NT) within the next five years tended to be aged between 18-34 years, and indicated they prefer holidays that include active outdoor activities (92%), adventure (91%), unique experiences (90%), and nature-based holidays (90%).

Repeat visitors to Australia (of all ages) and VFR travellers were also considered important target audiences, given that repeat visitors would be looking to fill their itineraries with new and different experiences, while the VFR segment is experiencing steady growth. When travelling to different destinations within Australia, 85% of all previous Indian VFR visitors had travelled with their friends or relatives living in Australia for either all or the majority of their travel.
Communication channels

Survey respondents felt that providing audio-visual material that captures the Indian imagination will have exponential effects in terms of the attention it generates.

Travel agents

Many Indians still rely on their travel agent when planning and booking a holiday. Working with the most prominent travel agencies dealing in outbound travel to Australia to increase awareness of the NT offer will be an important strategy, particularly as customisable travel packages are increasing in prominence.

Word of mouth

Word of mouth is very important to Indian travellers. Approximately one in four travellers will consult with friends or relatives who have either visited or are currently living in a certain destination, for early planning and information seeking. Many of the Indian travellers interviewed had found out about the NT from friends or family living in Australia.

Social media/online information sources

Approximately two-thirds of NT visitors surveyed had found out about the NT through social networking sites such as Facebook and Instagram (Figure 4). Social media is a prominent information source for Indians in terms of early planning and information seeking. Overall, it was felt that effective promotion will depend on Indians being able to visualise the NT travel offer. Instagram was seen to be important in this regard as it allows for attention grabbing visuals.

![FIGURE 4: INFORMATION SOURCES USED TO FIND OUT MORE ABOUT NT](image-url)
SHOWCASE VALUE FOR MONEY

Indians are extremely price sensitive so it is vitally important to moderate the costs of travel to/from and within the NT in order to reduce the financial barrier. Cost reductions in flights and accommodation would be particularly well received as this allows more discretionary spend on activities.

Airline schemes and partnerships were felt to be necessary to provide more cost effective airfares and limit the cost of travelling to the NT.

Package deals for flights and accommodation, particularly from Sydney, Melbourne and Cairns should be considered as there are direct flights from these locations to Uluru, Alice Springs and Darwin.

The types of promotions that had the largest impact on potential considerers of the NT included:

1. Discounted airfares direct from India to the NT (57%)
2. Free night accommodation (e.g. stay 3 nights pay 2 nights) (53%)
3. Discounted airfares from a major Australian city to the NT (52%)
4. Food included in overall cost (at no charge to the traveller) (52%).

HIGHLIGHT THE POINTS OF DIFFERENCE

The NT’s uniqueness in comparison to any other destination in Australia and overseas is felt to be an obvious selling point. Messaging should focus on the range of ‘once in a lifetime’ experiences that can be had, the raw and natural beauty – including world heritage national parks, and the opportunity to find peace and relaxation.

The top five attractions and experiences that scored the highest level of appeal among all NT considerers were:

- Sky-diving with a view of Uluru/Ayers Rock (60%)
- Hot-air ballooning at sunrise above the outback in Alice Springs (59%)
- Field of light by internationally acclaimed artist Bruce Munro lighting up the outback near Uluru/Ayers Rock (57%)
- West MacDonnell Ranges with beautiful gorges, waterholes and wildlife (55%)
- Watching the sun rise/set over Uluru/Ayers Rock (54%).

IMPROVE CONNECTIVITY

Travelling to the NT should be as seamless as possible, with direct flights from India to Darwin being a focus. This would make the NT a point of transit on the way to or from Australia rather than an entirely separate part of the holiday, and help address both the time and cost issues currently associated with the NT.

ADAPT TO INDIAN SERVICE PREFERENCES

The service industry in the NT will have to adapt to Indian travellers and their needs. Food, for example, is a very important consideration for Indian travellers, and they will require vegetarian options, as well as those of a typical Indian diet. Employing Indian nationals in the tourism and hospitality industries, particularly Indian chefs, would go some way to making the Indian traveller’s experience more seamless. Hospitality providers will also have to be mindful that Indians are largely orientated towards late night food and shopping.

COUNTER THE NEGATIVES

Safety and security is a very important consideration for Indian travellers, particularly those travelling with their families.

Indians are particularly sensitive to negative publicity of destinations, which should be countered with assurances that the NT is a safe place to visit. Given the remoteness of some destinations, reassurances should also be provided that basic amenities are catered for, including toilet and shower facilities (if camping), and ambulance/health/emergency services are available.

Australia’s visa processing system is generally viewed positively and seen to be efficient, particularly in comparison to other countries. However, some feel that more can be done to avoid delays in visa processing. India is a late booking market, so delays in visa processing can cause cancellations and considerable disturbances to itineraries.
RESEARCH APPROACH

The research involved:

- Initial qualitative research – a series of depth interviews (typically lasting for 45 minutes) with key stakeholders (n=8) and travel organisers (n=12) conducted between 24 May and 5 July 2017.
- Online quantitative research with Indians who have travelled to Australia in the past five years (visitors) or Indians who are considering travelling to Australia in the next five years (considerers) conducted from 13 to 28 September 2017.
- Follow up qualitative research using participants from the quantitative research. Sixteen depth interviews were conducted with Indian travellers who were recruited on the basis of their consideration of travelling to the NT within Australia (NT considerers/NT non-considerers). All Indian traveller interviews were conducted between 24 November and 8 December 2017.

The full research report is available on request from tourism.research@tra.gov.au.