

South Australian Tourism Commission
INDIA STRATEGY - 2020



Table of CONTENTS

Message from the Premier, Jay Weatherill	3
Message from the Minister, Leon Bignell	4
Executive Summary	5

THE INDIAN TRAVELLER

1. The Emergence of India	6
2. The Current Indian Traveller	11
3. The Indian Target Market for South Australia	21
4. South Australian Consumer Positioning	23
5. Summary of Strategic Insight	26

THE SIX STRATEGIC FOCUS AREAS

1. Communicate to the Most Profitable Consumer for South Australia	28
2. Enable Distribution - Make it easy to book a trip to South Australia	29
3. Access - Make it easy to get to South Australia	30
4. Deliver Quality South Australian Experiences and Infrastructure	31
5. Leverage Partnership Opportunities	32
6. ICC Cricket World Cup 2015	34

Indian Tourism in South Australia Forward to 2020	35
---	----

Message from the PREMIER, Jay Weatherill



You are welcome in South Australia. Your ideas. Your business. Your students and visitors. We believe that there is great potential to further develop tourism between India and South Australia.

India has experienced considerable economic growth since it initiated a series of economic reforms from 1991. Over the next 20 years India is expected to become the world's third largest economy. Its annual growth is averaging 8% with its population projected to exceed that of China by 2030.

The South Australia-India Engagement Strategy was released in 2012. It was a ten-year strategy that is unmatched by other jurisdictions in Australia.

The Strategy encapsulated our long-term approach and outlined areas of opportunity. The South Australian Government is working to enhance our relationships in India by building a broad based economic, institutional and cultural engagement.

It is important that South Australia continues to increase trade and investment links, as well as political and cultural links, with India. The South Australian Government is actively supporting key industries in our quest to develop Indian markets.

The rapid growth in India will see outbound tourism reach 50 million by 2020. This represents a significant opportunity to increase the number of Indian visitors to South Australia.

From the Barossa to the iconic Kangaroo Island, our stunning beaches and award winning wine, events and festivals, South Australia truly offers a diverse Australian travel experience for Indian visitors.

The India strategy – 2020 outlines the tourism response required from South Australia to boost the economic contribution from this inbound market.

The South Australian Tourism Commission has undertaken an extensive examination of the market and identified six strategic focus areas outlined in this document that will guide business development and marketing initiatives forward to 2020. We will work with our partners to ensure that South Australia secures substantial market share and harness the potential of the Indian market.

We have set an ambitious target for India and we are confident with the support of the State Government, the industry and their commercial partners, we will achieve great success.

Jay Weatherill

Jay Weatherill MP
Premier of South Australia

Message from the **MINISTER, Leon Bignell**



South Australia has a long history of welcoming Indian people from the cameleers operating the camel trains of the outback in the 1860's through to the students of today who choose Adelaide to further their education in a safe, friendly environment.

India's growing economy and expanding prosperity is driving one of the world's fastest growing outbound travel markets.

Australia is an increasingly popular option for these travellers and South Australia is keen to realise our potential as a destination for this rapidly emerging market.

South Australia welcomes almost 10,000 Indian visitors each year, generating approximately \$20 million in tourism expenditure in the State. Our aim is to increase this to 18,000 visitors and \$41 million in expenditure by 2020.

Indians are increasing their outbound travel to rates never seen before and we want to ensure as many as possible have South Australia on their itinerary.

We must grow the awareness, consideration and intention for visiting South Australia through traditional and digital media, make it easier for Indians to travel to South Australia and provide the right experiences and infrastructure when they are here.

A key part of the attraction of South Australia is our pristine natural environment, our world class premium food and wine and a safe, welcoming atmosphere.

We must capitalise on a shared passion for cricket and the State Government's \$500 million investment in the world renowned Adelaide Oval.

During my visits to India I have realised cricket is the reason many Indians immediately recognise the name Adelaide. Historic events have taken place at the Adelaide Oval and we will work to leverage this through opportunities such as test matches and the 2015 Cricket World Cup when the eyes of a billion people will be focused on Adelaide.

This is an exciting time for South Australia as we work to significantly grow our tourism industry and this India Strategy will guide government and industry to work together to achieve these goals.

A handwritten signature in black ink that reads "Leon Bignell". The signature is fluid and cursive, with the first name "Leon" and last name "Bignell" clearly distinguishable.

Leon Bignell MP
Minister for Tourism

Executive SUMMARY

India is one of the world's fastest growing outbound travel markets, with the United Nations World Tourism Organisation predicting 50 million outbound travellers by 2020. While these numbers are staggering, the bulk of this travel is to neighbouring countries. Realising this potential growth South Australia needs to become more active with the Australian market now holding four per cent share of the Indian medium to long haul travel market. The release of these findings comes as the latest international visitor arrival and spending figures confirm India's status as one of Australia's fastest growing international tourism markets, with 154,000 visitors (up eight per cent on the year ending June 2012) contributing \$533 million to the Australian economy in overnight spending.

"We've significantly upped our efforts in India over the past three years and the results are evident. Whilst overall arrivals are up a solid 7.8 per cent, leisure visitors have nearly doubled. By getting in on the action early, we hope to reap the benefits as long haul leisure travel becomes more common amongst India's rapidly emerging middle classes,"

Andrew McEvoy - CEO Tourism Australia 2009 - 2013

Australia has a 'wow' factor and is considered a 'highly aspirational' destination for Indian travellers. Australia's strongest appeal to this market is its natural landscapes and wildlife, with a wide range of experiences appealing to families as well as the more adventurous independent traveller.

India is now among the top 10 sources of Australian arrivals with Indian visitors to Australia having risen by eight per cent and their overnight expenditure by four per cent for the year ending June 2013. 11,000 of these Indian visitors included South Australia in their itinerary, spending \$20 million. This inbound visitation by 2020 is expected to rise by 65 per cent to 254,000 inbound visitors and if South Australia maintains its share Indian inbound visitors will rise to 18,000.

To ensure that the India opportunity is fully realised, South Australia must concentrate on the six identified Key Focus Areas. We must:

1. **Communicate to the most profitable consumer for South Australia** by growing awareness, consideration and intention for South Australia through traditional and digital media in India.
2. **Make it easy to research and book South Australia** by working with Indian travel agents, Inbound Tour Operators (ITOs) and online sources to ensure the best of South Australia is sold in India.
3. **Make it easy to get to South Australia** by working with existing airlines.
4. **Ensure delivery of suitable South Australian experiences and infrastructure.**
5. **Leverage partnership opportunities**, especially South Australian heritage (Adelaide Oval/Bradman), Commonwealth connection with Tourism Australia, expats and relevant South Australian government agencies.
6. **Leverage India's cricket tour** to Australia in December 2014, and the ICC Cricket World Cup 2015.

1. The Emergence OF INDIA

The Indian economy is the world's tenth largest by nominal GDP and third largest by purchasing power parity. In the wake of market based economic reforms in 1991, India became one of the fastest growing major economies; it is considered a newly industrialised country. However, it continues to face the challenges of poverty, corruption, malnutrition and inadequate public healthcare. India is the seventh largest country by area, the second-most populous country with over 1.2 billion people, and the most populous democracy in the world.

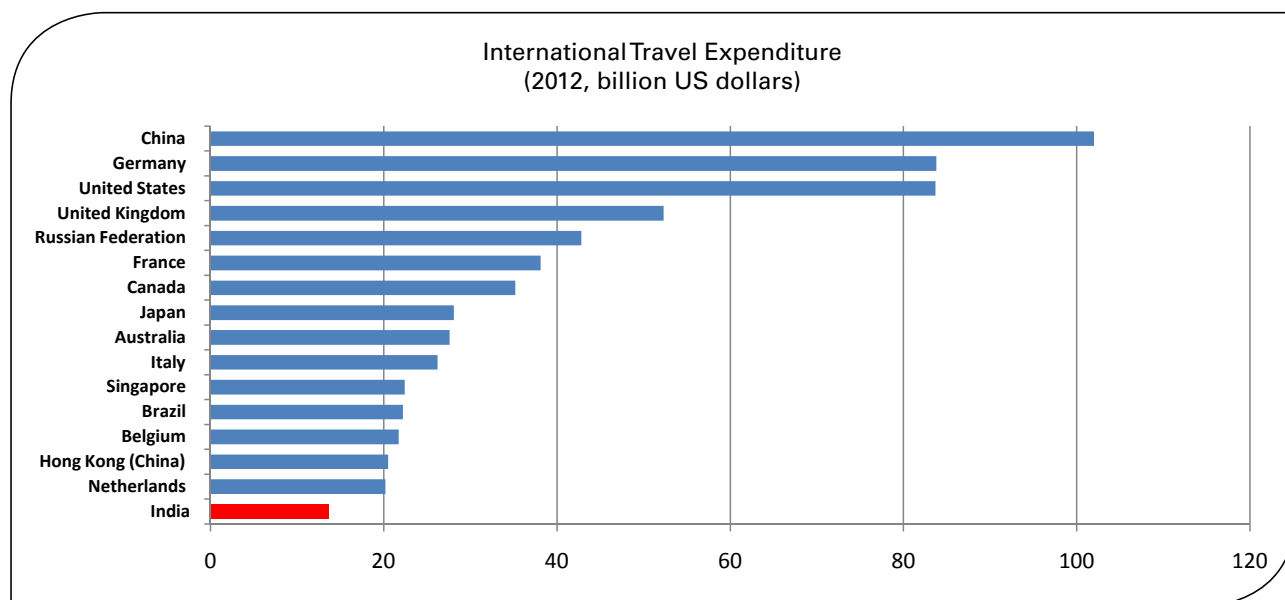
Over the next 20 years India is expected to become the world's third largest economy. Its annual growth today is averaging eight per cent. Its population, now 1.2 billion is projected to exceed that of China's by 2030.

Forty five per cent of its people are under 25, which will result in another 270 million people entering its workforce over the next 20 years.

With this, India's middle class is expected to grow from the present five per cent to 50 per cent by 2030. Similarly, High Net Worth Individuals are expected to grow sixfold by 2030 — from around 0.2 million in 2011 to over 1.2 million by 2030. This segment is expected to fuel growth at the luxury end of the market and will be a target for Australia.

This substantial economic growth has led to India emerging as one of the world's fastest-growing outbound markets and in absolute numbers travelling worldwide it is second only to China.

Even though India is second to China in absolute numbers their international tourism expenditure ranks 23rd at US\$13.7 billion compared to China's US\$102 billion. Germany and the US round out the top 3, with both spending over US\$80 billion. The disparity for India between outbound numbers and expenditure partly result from the newly mobile middle class traveling to neighbouring countries simply not having the means to spend large amounts on a holiday.



Source: World Bank

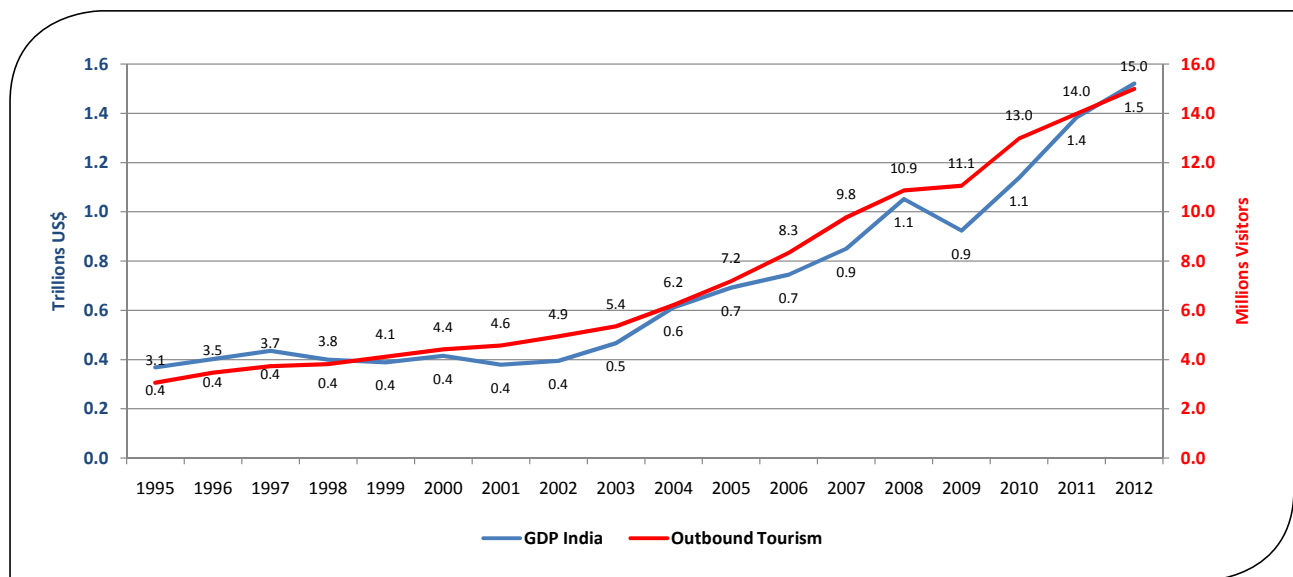
1. The Emergence OF INDIA

Indians travelling overseas are set to rise from around 15 million today to 50 million by 2020 including long and short haul journeys.

Currently, 43 per cent of leisure travellers from India say Visiting Friends and Relatives (VFR) was the main reason behind their overseas travel to Australia, a substantially higher proportion compared to other inbound markets. These VFR travellers behave differently than other travellers; they travel for longer periods and typically do not book hotels but stay with friends and relatives. As illustrated on the previous page, their expenditure is therefore less per person when compared to China and other markets.

Given these quite extraordinary forecasts, it is not surprising that most Australian states are increasingly looking to develop their tourism from India. It is not just India's strong and sustained growth profile that holds attraction, but also the advantages to Australia of doing business with a country that has highly developed and compatible legal and education systems, and where English is commonly used.

These economic and cultural links provide a strong foundation for our future but to maximise the opportunities ahead, it is important to decide now, what relationship South Australia wishes to have with India when its Gross Domestic Product has reached five times that of today.



Source: World Bank

INSIGHTS:

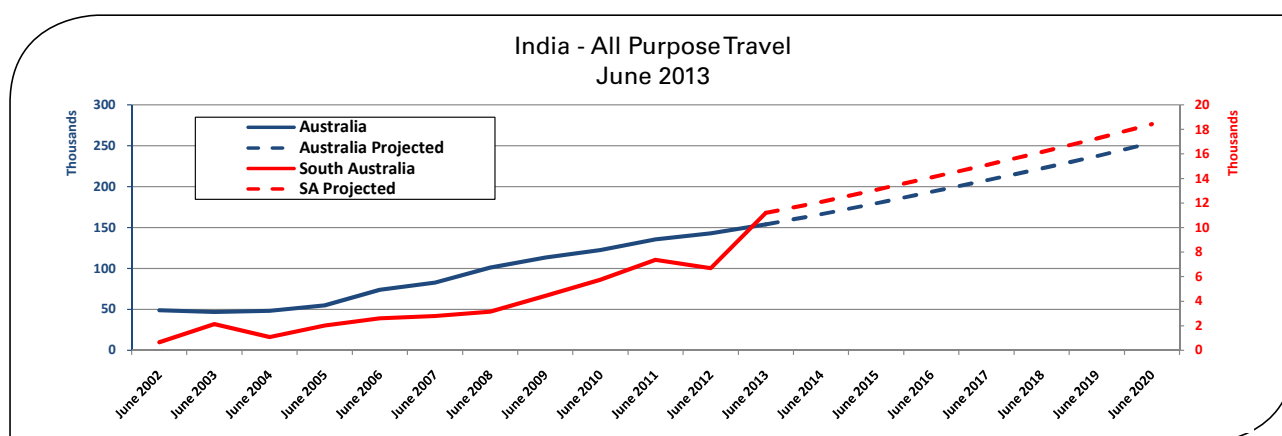
- One of the fastest growing outbound markets, and in absolute numbers travelling worldwide second only to China.
- Huge growth in our target market of the affluent middle class and High Net Worth Individuals.

1. The Emergence OF INDIA

AUSTRALIA AND SOUTH AUSTRALIA

In 1999, Australia's inbound visitation from India was less than 40,000 and has now grown to 154,000 as at June 2013. India is now Australia's 11th most valuable inbound market, worth an estimated \$533 million, and the tenth largest by visitor numbers, currently well behind Australia's top three markets of New Zealand (1.1 million), China (647,000) and the UK (570,000).

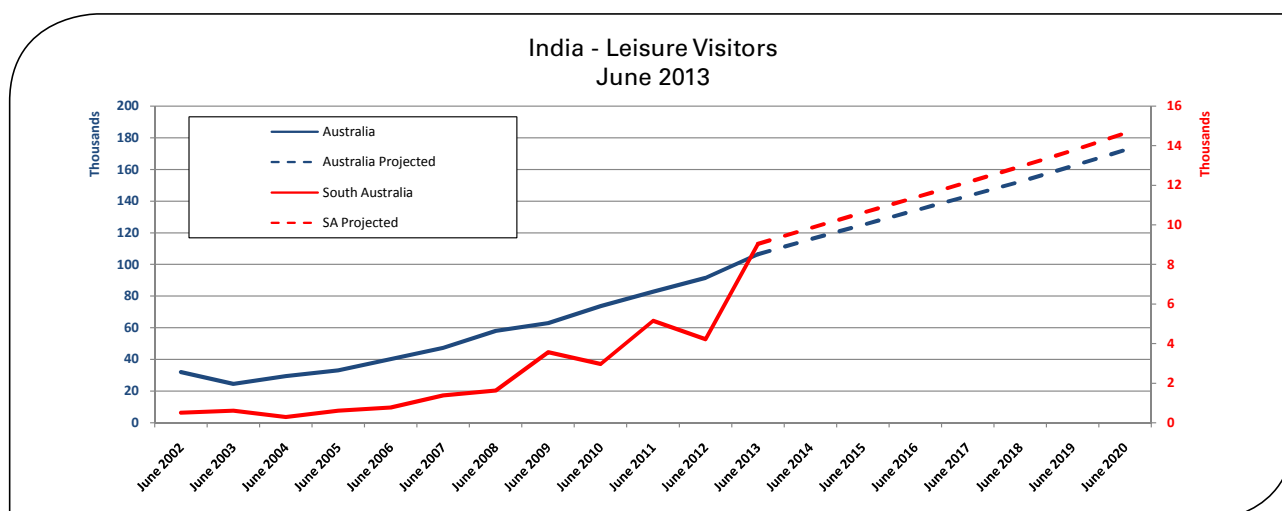
Strong growth is projected through to 2020, with visitation approaching 250,000 and expenditure of \$1.1 to \$1.5 billion. South Australia, from a considerably lower base, has seen similar growth, up from less than 1000 arrivals in 1999 to 11,000 arrivals in the 12 months to June 2013. This represents seven per cent of total Indian arrivals to Australia. Indian visitation to South Australia has the potential to grow to 18,000 visitors by 2020, in line with the rate of growth to Australia overall.



Source: International Visitor Survey (TRA) and Tourism Forecasting Committee (TFC) projections

The Indian born population now represents the fourth largest country of birth for South Australia and is growing strongly, supplying the highest number of permanent migrants per year overtaking the United Kingdom as the number one source. The growth within this market has been driven largely through the skilled migration intake.

Education purpose visitation is on the decline even though contributing a large percentage to the overall visitor numbers and expenditure. Leisure purpose travel is the primary concern of this strategy and this sector is projected to grow from 9,000 arrivals today to 15,000 by 2020.



Source: International Visitor Survey (TRA) and Tourism Forecasting Committee (TFC) projections

1. *The Emergence* OF INDIA

THE UPSIDE OPPORTUNITY FOR SOUTH AUSTRALIA

The projection for South Australia, as shown previously, is a conservative estimate that assumes we hold steady in market share of inbound arrivals to Australia. Indian visitors currently spend \$20 million while in South Australia, 3.8 per cent of the \$533 million spent nationwide. Projecting this to 2020 can be done using Tourism Australia's forecast. Currently they forecast expenditure for India to be \$1.1 billion of which South Australia based on the 3.8 per cent above will result in potential expenditure of \$41 million.

As previously stated, leisure purpose travel is projected to grow from 9,000 arrivals today to 15,000 by 2020.

Achieving Indian visitation to South Australia at the current projected figures requires action across all aspects of the tourism experience, from marketing and distribution systems in India, air access to South Australia, the development of quality infrastructure and experiences and the development of meaningful partnerships to enable these actions.

INSIGHT:

The Indian Leisure Tourist market is still only small but growing quickly. Both South Australia and Australia are experiencing strong growth, and are projected to grow robustly for the foreseeable future.

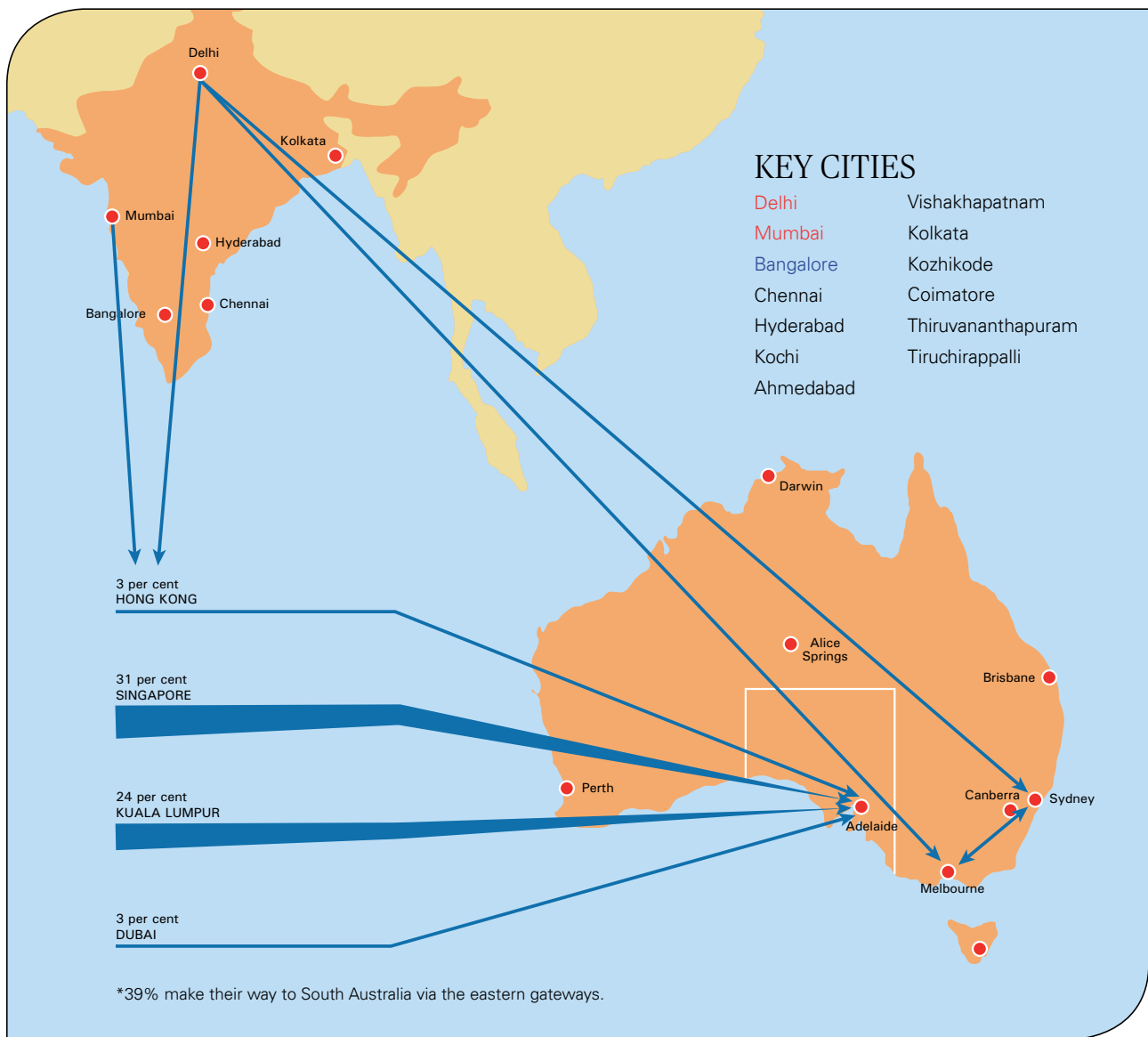
AIR CONNECTIONS BETWEEN AUSTRALIA AND INDIA

The Indian aviation market continues to evolve with Air India launching new direct flights from Delhi to Australia on 30 August 2013. The triangulated service between Delhi-Sydney-Melbourne-Delhi four times per week and Delhi-Melbourne-Sydney-Delhi three times per week provides the only direct service from India to Australia.

However, the Indian market primarily comes to South Australia and Australia via Singapore, Kuala Lumpur, Dubai, and Hong Kong. For this market to grow, South Australia needs to ensure these connecting flights are as smooth as possible. Indirect access also comes via interstate Australian ports with additional domestic legs. This adds time and cost to travel and decreases South Australia's competitiveness in India.

Singapore Airlines currently operates almost 100 flights per week to India and currently carry one third of Indian visitors to Australia, making it the largest Indian carrier. Singapore Airlines has realised the potential of the Indian market and is arranging flight schedules and pricing to maximise this potential.

1. The Emergence OF INDIA



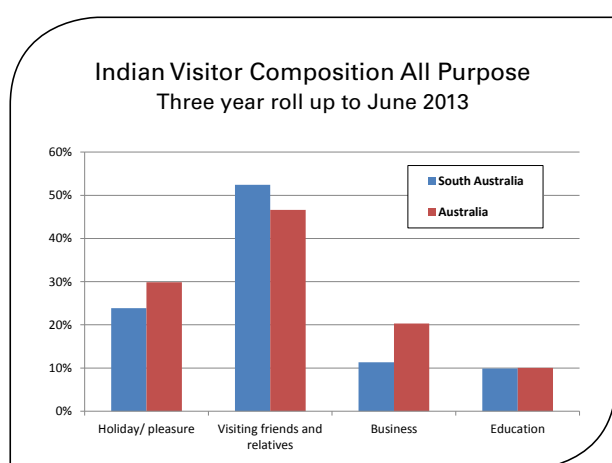
INSIGHT:

- South Australia currently has no direct air access to India.
- Melbourne and Sydney have direct access three and four times per week respectively.
- Indians currently come to South Australia via Singapore, Kuala Lumpur, Dubai and Hong Kong.
- Singapore Airlines currently carries one third of all Indian visitors to Australia.

2. The Current INDIAN TRAVELLER

INDIAN VISITATION

There are four key types of visitors from India; Holiday, Visiting Friends and Relatives, Business and Education. These groups account for 97 per cent of the 11,000 visitors to South Australia for the year ended June 2013.



Source: International Visitor Survey (TRA)

Holiday Purpose Visits			
% of inbound to SA	SA Market Share	Avg Length of Stay in Aus	Avg Stopovers in Aus
24%	4.7%	16 nights	5.0

The proportion of Indian Holiday purpose visits to South Australia is below average compared to the overall visitation to South Australia. Thirty per cent per cent of Indian visits to Australia are for Holiday purpose, compared to only 24 per cent in South Australia, meaning the holiday market share to South Australia is only 4.7 per cent. Attracting a larger share of this market is essential to the success of South Australia's India Tourism Strategy.

Visiting Friends and Relatives Purpose Visits

% of inbound to SA	SA Market Share	Avg Length of Stay in Aus	Avg Stopovers in Aus
52%	6.6%	55 nights	3.0

Almost half of all Indian visitors to South Australia are here on a Visiting Friends and Relatives purpose trip, making it the most dominant purpose of visitation, in contrast to holiday dominant European travellers and the broad mix of purposes from Chinese visitors. Long stays with few stopovers characterise an average Indian Visiting Friends and Relatives trip to Australia. South Australia performs better with this group, with 6.6 per cent market share. This is higher than the South Australian average share of 5.8 per cent.

Recently released Australian census data shows that out of the 295,000 Indian born Australians, 19,000 (6.3 per cent) reside in South Australia, double the 9,000 recorded in 2006. Victoria and New South Wales have substantially larger populations, with 111,000 and 95,000 India born residents respectively. This represents a large pool of influencers whose impact on itinerary planning should not be underestimated.

2. The Current INDIAN TRAVELLER

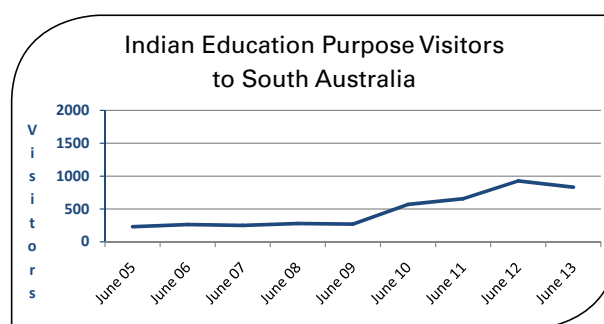
Business Purpose Visits			
% of inbound to SA	SA Market Share	Avg Length of Stay in Aus	Avg Stopovers in Aus
11%	3.3%	28 nights	2.0

South Australia receives a relatively small number of government and business travellers which, although higher yield, are not the core focus for South Australia. However, it should be noted that Indian business travellers display a stronger propensity toward leisure activities than business travellers from Europe, North America, or even Hong Kong.

Although the top three activities for a business traveller from most markets are eating out, shopping and sightseeing, Indian business travellers show a stronger likelihood to participate in most leisure activities while on a business trip, especially shopping for pleasure, going to the beach and visiting markets. This market has a potential to engage in leisure travel activities and should be encouraged.

Education Purpose Visits			
% of inbound to SA	SA Market Share	Avg Length of Stay in Aus	Avg Stopovers in Aus
10%	5.7%	159 nights	2.0

Adelaide had experienced a slow decline as a destination for Indian students reaching its peak in 2012, as shown by the chart below. The decline has been the result of changes to the Australian migration program that weakened the connection between studying in Australia and gaining permanent residency. Other factors include the strengthening of the Australian dollar together with the negative impact on Australian education as a result of violence against international students that gained widespread media attention. There is also growing competition for international students from traditional competitors such as the US, UK, Canada and New Zealand as well as from developing nations. This market still represents a great opportunity for South Australia. A strong education market will support the growth of leisure travel by increasing awareness and word-of-mouth promotion of South Australia, as well as providing a spur to Visiting Friends and Relatives visitation.



Source: International Visitor Survey – June 2013

INSIGHT:

Indian visitation to South Australia is strong for Visiting Friends and Relatives purpose visitors and Education, however below the state average for Holiday purpose visitors. There is growth opportunity.

Education purpose visits are substantially longer than all other types and along with Visiting Friends and Relatives contribute to the majority of expenditure and visitor nights to South Australia and Australia. However for Education the nights and expenditure are not generally spent in the traditional tourism areas of transport, accommodation and activities.

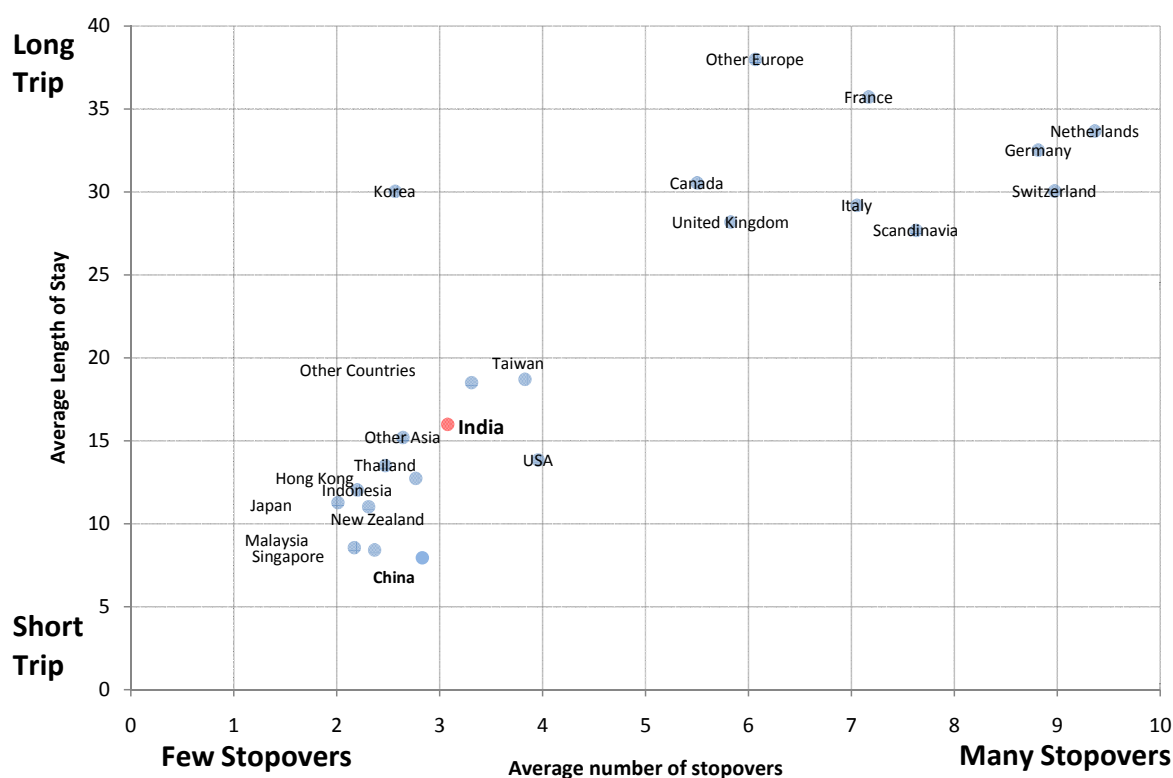
2. The Current INDIAN TRAVELLER

TRIP LENGTH AND STOPOVERS

Indian holiday purpose visitation to Australia is currently characterised by longer trips due to distance and time taken to arrive in Australia. The average duration of a trip is 16 nights with five places visited, with three nights available per stop.

By comparison, the Chinese have short, fast-paced trips of eight nights with 2.8 places visited; travellers from the Eastern markets generally visit up to three places over 12 nights, while Europeans tend to visit eight places over 30 or more nights.

Holiday Trip Style in Australia by Country of Origin



N.B. Holiday only has been examined here, as VFR trips are of very long duration with few stopovers

Source: International Visitor Survey

2. The Current INDIAN TRAVELLER

PLACES VISITED

For a developing market, Indian dispersal away from the East Coast is currently high where South Australia receives 7.7 per cent of the Indian Leisure market compared to the national average for all Leisure travel to South Australia of 6.4 per cent.

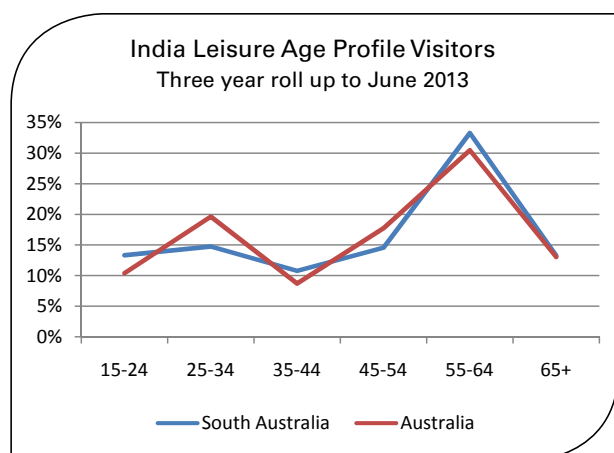
The most appealing places for Indians in South Australia are Adelaide city and surrounds and Kangaroo Island.

For the Leisure category, the non package tour market dominates, with 89 per cent of Indian leisure visitors to Australia arriving on non packaged tours in contrast to the Chinese market where 63 per cent of leisure visitors arrive on a packaged tour, due to it being a requirement of receiving an ADS (Approved Destination Status) Visa.

CURRENT LEISURE VISITOR DEMOGRAPHIC PROFILE

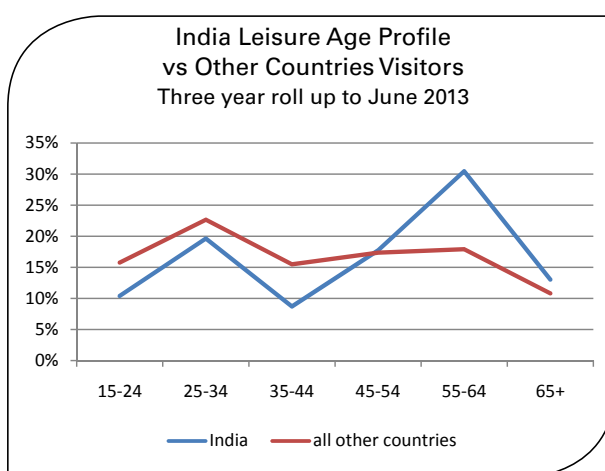
Age

The age profile of Indian visitors to Australia and South Australia is very similar, with over 35 per cent between the ages of 45 and 64, peaking at 55-64. Indian visitors to South Australia are slightly older, due to the strong Visiting Friends and Relatives group.



Source: International Visitor Survey – June 2013

The spike in the 25-34 age group for India is similar to the average international traveller, where visitation peaks at 25-34. Conversely, the average inbound visitor profile shows a minor peak in the 55-64 age group, which is not as substantial as the Indian market.



Source: International Visitor Survey – June 2013

South Australian Target

South Australia should look to work on the back of Tourism Australia's strategy and target Mumbai and Delhi in the 35-54 age bracket. Mumbai sits more comfortably with South Australia's aspirational product as Delhites are slightly more 'brand and brag' factor driven. Within these cities the core group would consist of the rising affluent middle class who have cash reserves, and sometimes spend \$15,000 - \$20,000 on a holiday (although they represent less than one per cent of the population). This however is not the case for every Indian traveller.

Origin in India

Of the Leisure visitors coming to South Australia, 47 per cent come from Chandigarh, Mumbai, Delhi or Chennai. From these four key areas, one quarter travel for holiday and three quarters for Visiting Friends and Relatives. South Australia will adopt Tourism Australia's Strategy of targeting Mumbai and Delhi.

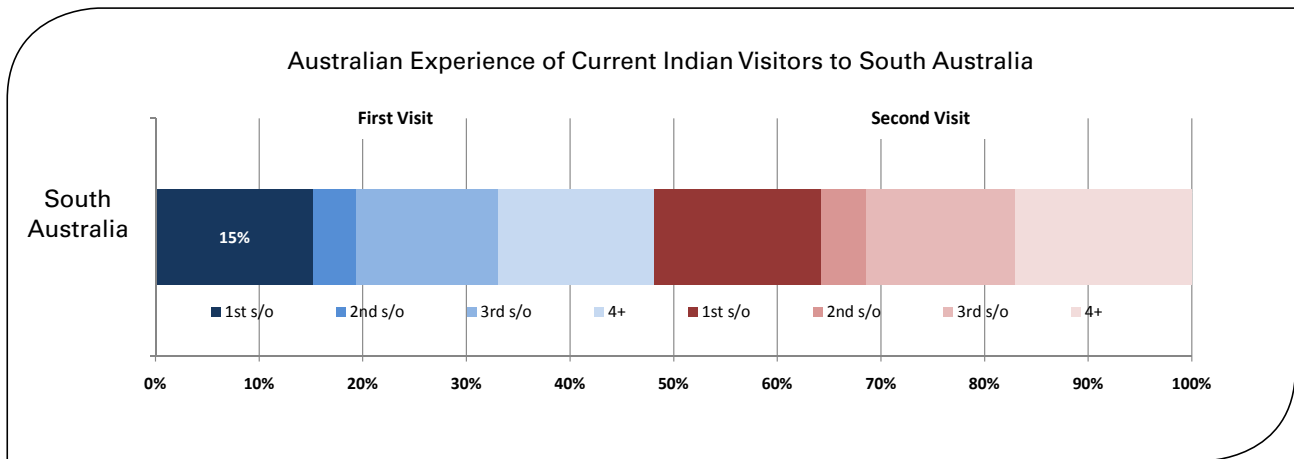
2. The Current INDIAN TRAVELLER

Prior Australian Travel Experience

Currently, 85 per cent of Indian visitors to South Australia have already experienced some part of Australia prior to arriving in Adelaide, either on a second visit to Australia (red coloured bars below) or during the earlier stages of their first visit to Australia (pale blue colours below).

This is not the case for the eastern states, for which the majority of their visitors are on their first visit to Australia.

There is a high instance of repeat visitation, which is driven by Education and Visiting Friends and Relatives.



Source: International Visitor Survey June 2013

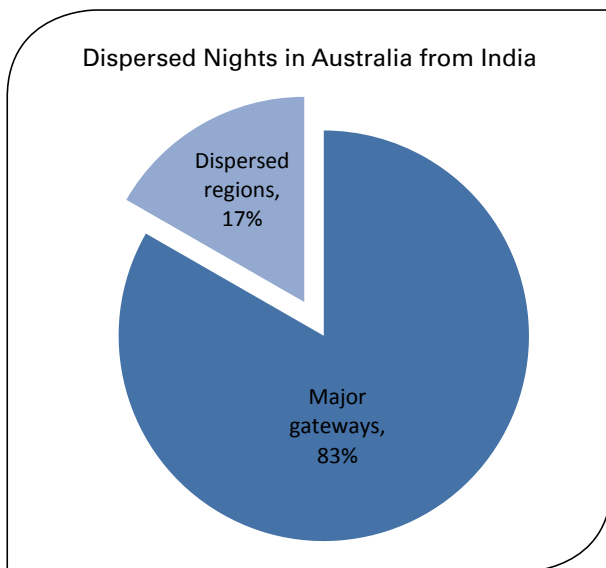
INSIGHT:

The current Indian inbound Leisure Market

- Is in the age group 35-54.
- Is from Chandigarh, Mumbai, Delhi or Chennai. South Australia will target Mumbai and Delhi.
- Have experienced Australia prior to travelling to South Australia.
- Are Visiting Friends and Relatives on a holiday.

2. The Current INDIAN TRAVELLER

INDIAN DISPERSAL INTO A REGIONAL AREA



Source: International Visitor Survey – June 2013

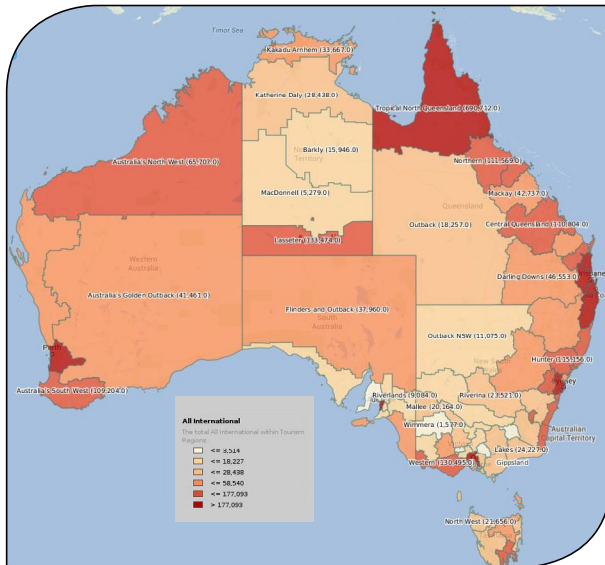
The Indian market overwhelmingly concentrates their overnight visitation to capital cities, as well as the Gold Coast and Cairns with only 17 per cent of Indian leisure visitors spending a night outside these regions. This is in contrast to the average international visitor who disperses far more into regions, with 33 per cent spending a night outside the core regions mentioned above.

Although India shows a weak dispersal pattern, it is stronger than China, especially in South Australia. Nevertheless, focus must reflect the essential role of Adelaide as the hub for Indian visitation.

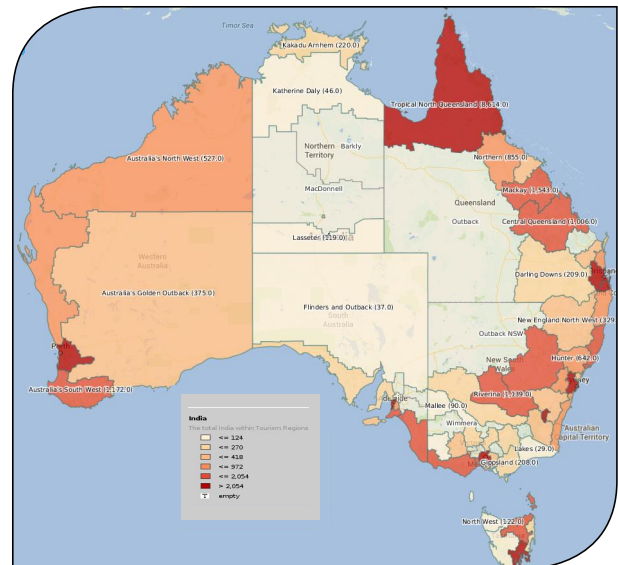
From in-market feedback, a pure holiday visit to South Australia is likely to be for three days and include two nights in Adelaide, a day trip to Barossa and an overnight to Kangaroo Island. Indian's stay within the gateway areas throughout Australia with rising interest in self-drive tours for example Melbourne to Adelaide.

2. The Current INDIAN TRAVELLER

International Dispersal



Indian Dispersal



Source: International Visitor Survey, imaged via Map Intelligence

Overall international dispersal into regional areas by all nationalities of visitors is strong, driven by European visitors strong propensity to visit Australian regions.

However Indian visitors, like all emerging markets, are much less likely to disperse into regions, hugging the east coast and strongly favouring Tropical North Queensland. Even in the more developed inbound destinations in the eastern states, Indian visitors overwhelmingly confine their overnight stays to capital cities with day trips to nearby regions.

INSIGHT:

Currently Indians confine their stay to capital cities.

2. The Current

INDIAN TRAVELLER

CONSUMER AWARENESS AND APPEAL

Indians consider overseas travel high in status and importance with Australia certainly having a 'wow' factor for this market, with its natural environment being among the strongest attractions. There are now opportunities to further build on these positive perceptions by raising awareness of specific destinations and activities on offer to visitors to Australia.

Awareness of Adelaide in India is comparatively high, behind only the UK and New Zealand. This is unusual for a developing market and is reflective of the level of shared cultural heritage and cricket.

This high share is reinforced by the higher relative appeal of South Australia to Indian travellers, particularly the appeal of Adelaide. India shows a preference for Adelaide at roughly three times the rate of the Chinese.

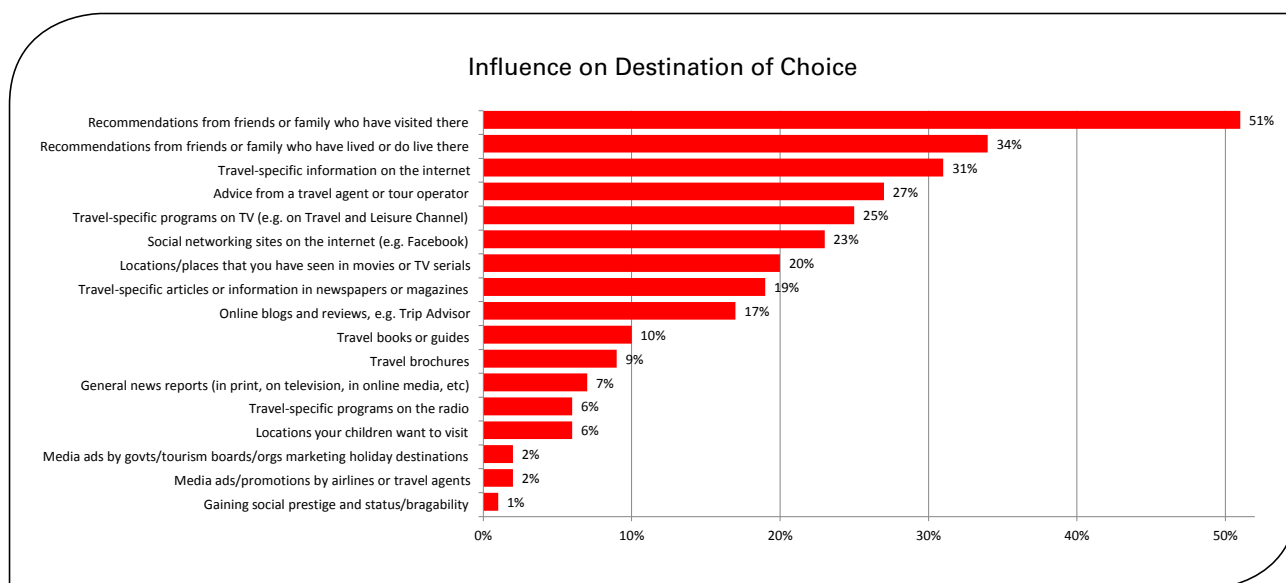
Indians are motivated to travel to Australia by the experiences of nature and journeys. They find Australia an easy place to visit particularly since most affluent travellers speak English.

Indian travellers enjoy a culture in their home country where shopping and dining are available into the late hours, and this can be a challenge for Australia to provide. Consumer education of Indian visitors, so their expectations are appropriate, will also be needed.

INSIGHT:

Indians have high awareness to Adelaide reflective of the level of shared cultural heritage and cricket.

2. The Current INDIAN TRAVELLER



Source: Tourism Australia 'Knowing the customer in India – July 2013

TRADITIONAL MEDIA EXPOSURE AND ADVOCACY

Word of mouth from family and friends who have visited or who live in Australia plays the most influential role when influencing the travel decision making of the Indian consumer.

Destinations featured on television and in films play a role in destination choice. Destination selection by Indians is influenced by travel specific programs on television (eg on the Travel and Leisure Channel), as well as locations/places that have appeared in movies or television serials.

Growing links in the film and audio-visual sector will also lead to increased interest by Indians about Australia. For example, there is growing interest from Bollywood in shooting movies in Australia.

ONLINE DISTRIBUTION

As the Indian outbound market grows, more consumers are using the internet to research and purchase their holidays.

Online travel agencies 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. Whilst the online purchase of holiday products is on the rise, most of the online travel agencies have now established agencies or call centres as an alternate distribution channel. This being said most bookings to Australia are done via the travel agent.

2. *The Current*

INDIAN TRAVELLER

Traditional and online distribution systems will therefore continue to co-exist over the next few years as the Indian outbound market grows and matures.

As the market becomes more capable of conducting additional bookings by themselves using online travel agencies, South Australia must also ensure that it is actively ensuring content and booking capability of relevant products.

TRADITIONAL DISTRIBUTION

Hundreds of small independent retail agencies dominate the travel industry in India, 80 per cent of agents account for 90 per cent of business.

Reaching all these agencies is a challenge for Tourism Australia and state tourism offices. Not all agencies producing business for Australia are necessarily Aussie specialists and thus product knowledge can be limited.

Due to this lack of consolidation in the retail travel space, the traditional wholesaler has not generally developed in the Indian travel industry; although a few larger travel agents are pursuing the development of their own distribution network through smaller independent agents.

INSIGHTS:

- Online distribution is growing with the developing Indian traveller.
- South Australia needs to be ready with product and booking capability.

3. *The Indian Target Market for* **SOUTH AUSTRALIA**

GEOGRAPHICAL TARGET MARKET

The South Australian Tourism Commission's geographic focus in India is aligned with Tourism Australia's and has been derived after extensive research into economic factors, travel propensity, visa risk profile, aviation access and travel maturity.

While there are over 23 cities in India with populations greater than one million, the South Australia Tourism Commission is mainly active in the primary cities of Delhi and Mumbai due to their higher travel maturity and travel propensity. That being said, the South Australia Tourism Commission also supports Bangalore as a secondary market with Chennai, Ahmedabad and Kolkata as the ones to watch with future potential.

TARGET MARKET DEFINITION

Using this geographic definition, the primary target market for South Australia can be expressed as:

"Midlife travellers or Families aged between 35 and 54 with a household income greater than 2.7m Rupee (\$50,000), in the affluent middle class, from Delhi or Mumbai, who have prior experience of Australia, travelling as a couple or with their family."

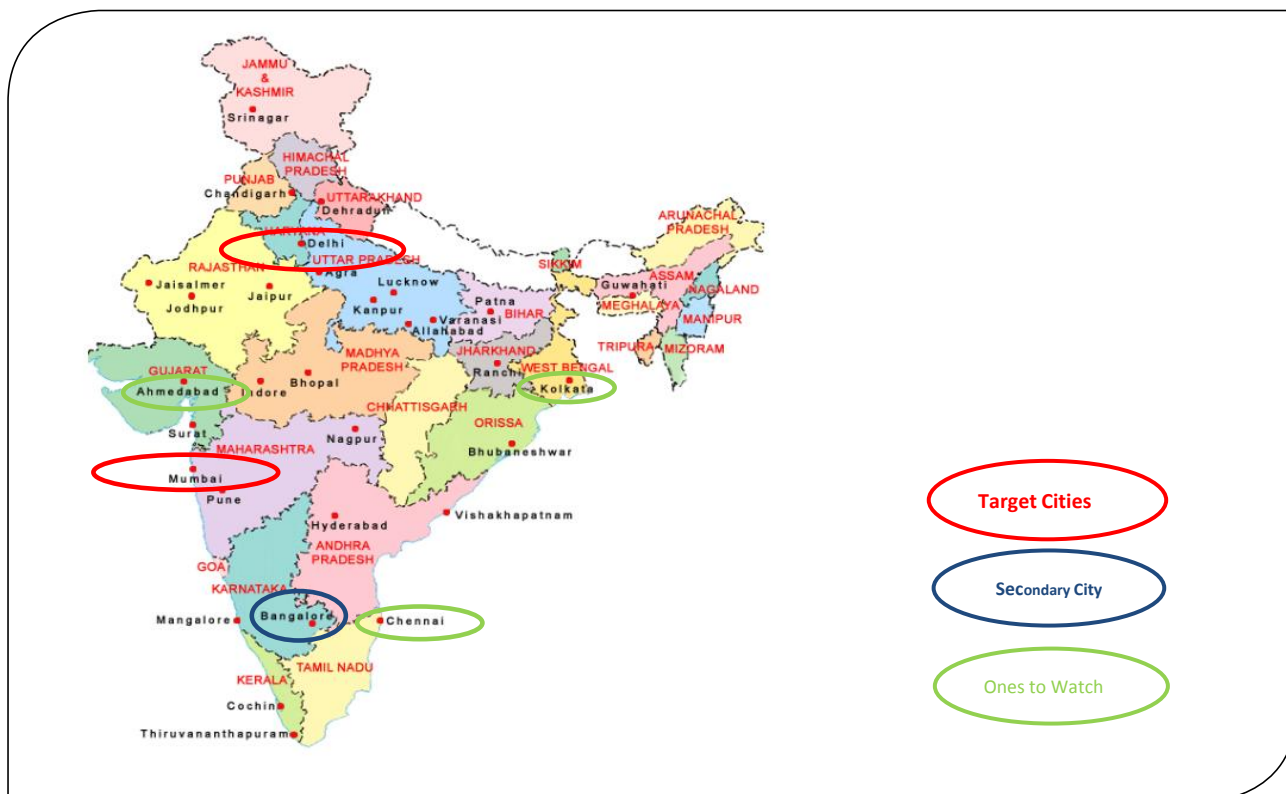
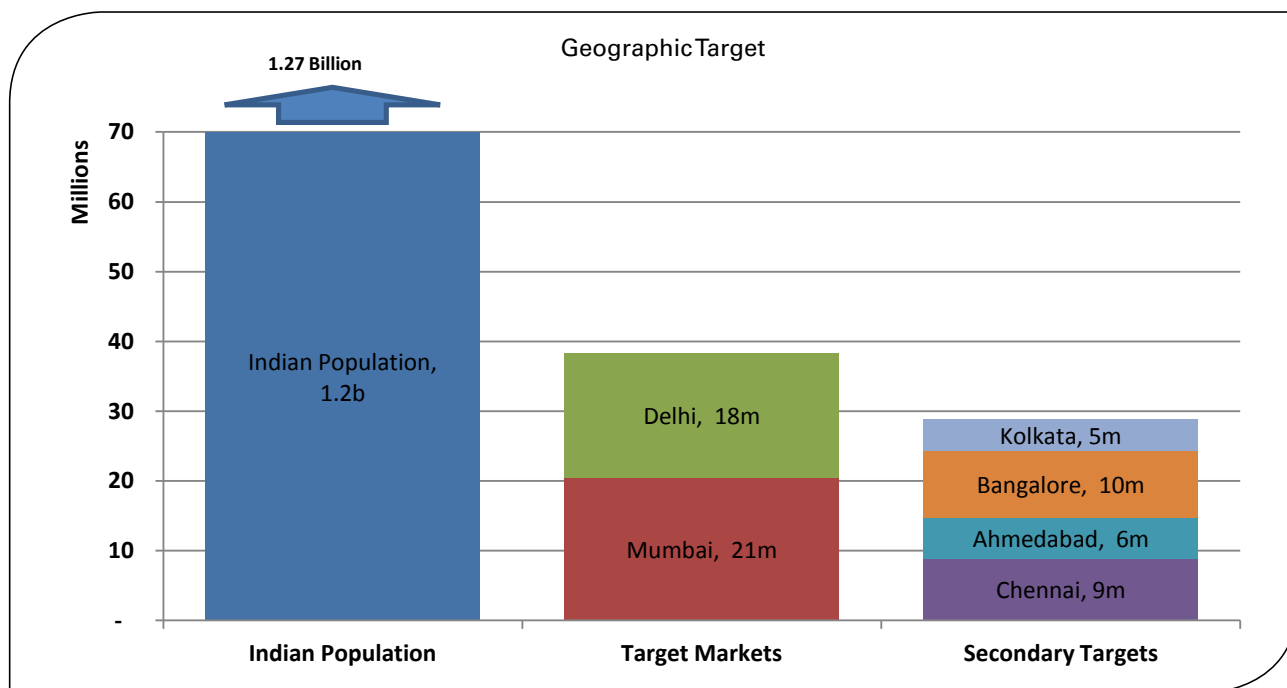
Each component of this definition should be considered:

- **Couples aged between 35 and 54:** As previously shown this is the key age demographic for Indian Leisure visitors to South Australia, representing 59 per cent of all inbound visitors. Although South Australia currently receives a large number of visitors in their 20s, these are predominantly driven by education purpose.
- **...with a household income of greater than 2.7m Rupee (\$50,000) in the affluent middle class:** This is a bare minimum household income to allow for a sufficient budget for a South Australian holiday. In reality, most Indian visitors to South Australia will have a substantially higher household income.
- **...in core cities:** Our target market has its highest instance in two cities, being the Indian hub cities of Mumbai and Delhi, the South Australian Tourism Industry should initially focus on these cities which represent the strongest opportunities. Four further cities adjacent to these hubs of Bangalore, Ahmedabad, Chennai and Kolkata will potentially be considered as well.
- **...who have prior experience of Australia:** As previously shown, Indians who have visited Australia before have a much higher preference of South Australian product, and are therefore more likely to visit South Australia.

Although the Indian Holiday market is the primary focus, the sizeable Visiting Friends and Relatives market is also an important secondary consideration.

3. The Indian Target Market for

SOUTH AUSTRALIA



4. South Australian Consumer POSITIONING

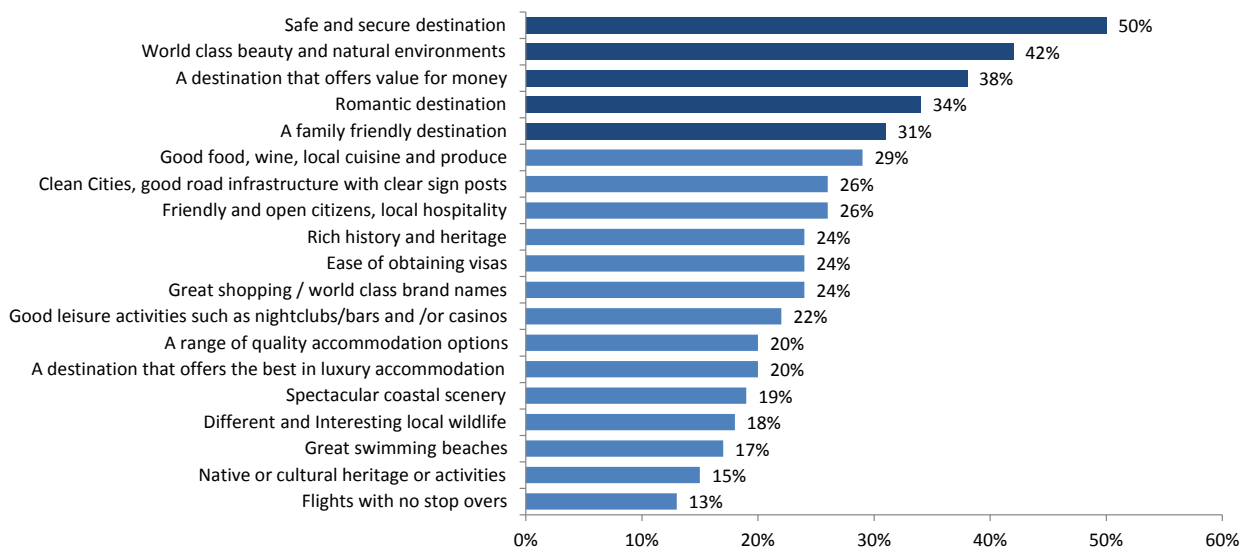
Australia has strong consumer appeal as a 'must visit' long haul holiday destination for Indians. Despite a high level of awareness, consumer knowledge of Australia is mainly limited to the icons of Sydney Opera House, Kangaroos and Koalas, followed by Sydney, The Great Barrier Reef and beaches.

Australia is seen to offer nature experiences, is easy going, and has unique wildlife in a developed country. Recent research by the South Australian Tourism Commission shows that natural scenery, including blue skies and beaches, is desired by 76 per cent of Indians, while food and wine are gaining traction.

Most Indian tourists enjoy dining out, sightseeing and visiting the beach when they are in Australia.

As established in the previous sections the Indian consumer to South Australia has the potential to grow strongly in coming years if the marketing, product, distribution and aviation access is right. South Australia like Australia has the natural landscapes and wildlife that the Indian consumer finds appealing. It is also understood that recommendations from family and friends who have visited or who live in Australia play a very influential role in destination choice.

Indian Market - Most Important factors when selecting a holiday destination



Source: Understanding the Indian Consumer 2013

4. South Australian Consumer POSITIONING

THEMES THAT DRIVE VISITATION:

The essential products to promote in India will generally be within the tourism regions of Adelaide, Kangaroo Island, Barossa, McLaren Vale and Adelaide Hills. This is due to their accessibility and the experiences available.

NATURE AND WILDLIFE

The Indian consumer seeks world-class beauty and natural environments. Regionally Kangaroo Island and the Eyre Peninsula have the highest appeal. However both destinations have barriers around cost and time.

As the Indian market matures there will be an increase in the volume of Indians travelling to these areas, with the exception of a day trip to Kangaroo Island. With the maturity of the Indian traveller there is definitely an opportunity here.

In the immediate term the focus should be on Adelaide and the surrounds, the options that are within a day trip.

FOOD AND WINE

South Australia needs to build on its reputation around food. Quality food based experiences are needed that showcase South Australia's fresh produce, particularly its fresh seafood.

In combination with this is a need to understand and accommodate the Indian traveller's dining habits, service expectations and dietary requirements (high proportion of vegetarians and their affinity with spices).

Along with food, wine is a strong driver for the Indian tourist and can be delivered through a day trip from Adelaide to its surrounds. The target Indian traveller sees wine as a sign of status and this should be a strong focus while the Indian traveller remains centred on capital cities. Penfolds, Hardys and Jacob's Creek are well known brands in India with the potential to provide Indian-based experiences.

EXPERIENCE

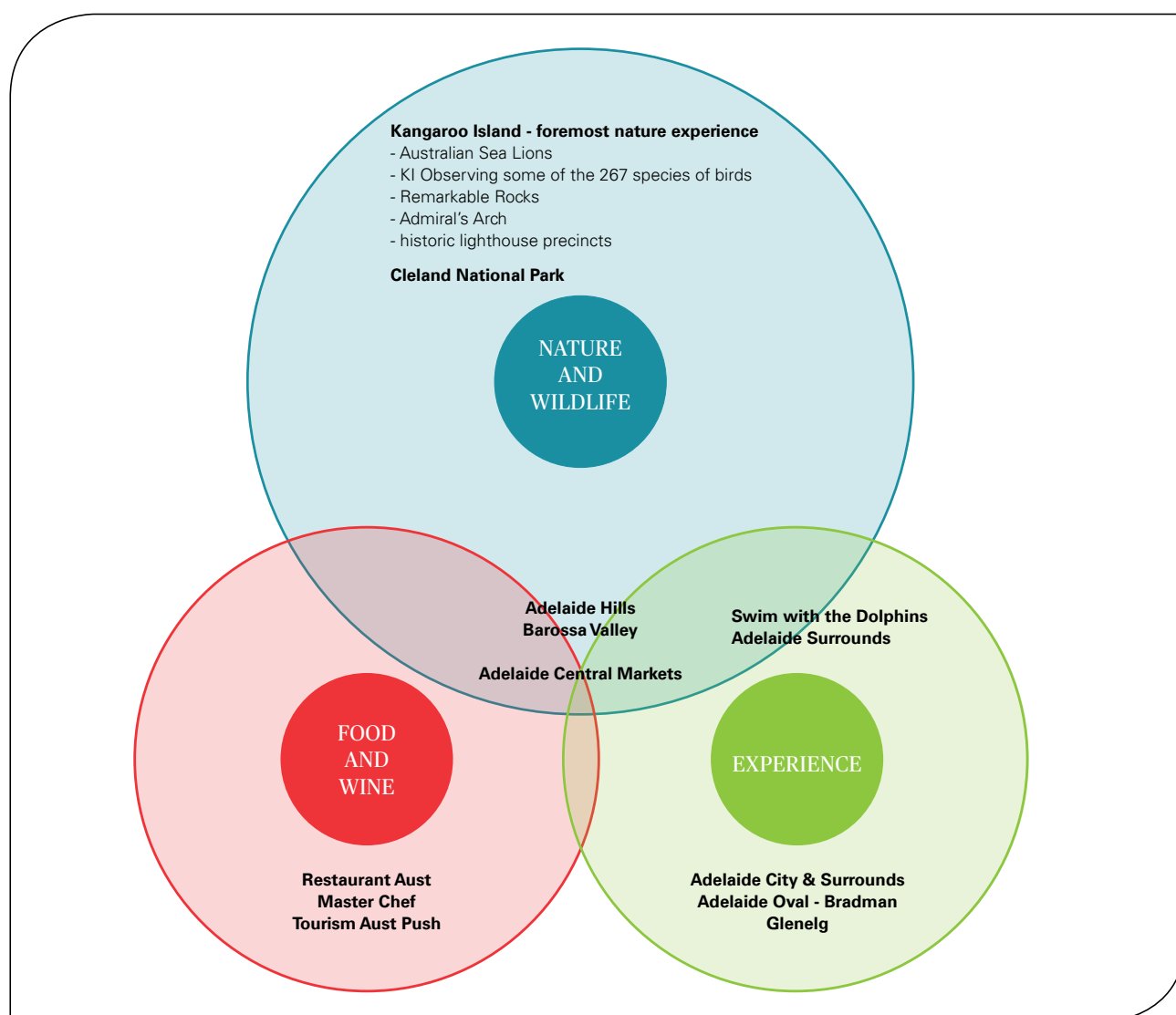
Within the two above themes experiences need to be incorporated that will build into the future. Experiences should match food and wine whilst incorporating the natural assets South Australia has. There could be the potential to tailor tours of Adelaide Central Market offering a culinary experience that showcases South Australian produce.

With the Indian traveller sticking to the capital cities the focus as shown on the following page, needs to be an experience within close proximity to Adelaide and its surrounds.

4. SA Consumer POSITIONING

PUTTING IT ALL TOGETHER

Each experience offered in South Australia should endeavour to include as many of these themes as possible as part of the tourism offering to the Indian audience.



5. Summary of STRATEGIC INSIGHTS

Indian Visitation to Australia						
Visitors from India	Australia			South Australia		
	2005	2013	2020	2005	2013	2020
Visitation	55,000	154,000	254,000	2,000	11,000	18,000
Expenditure	\$195m	\$533m	\$1,103m	\$9m	\$20m	\$41m
Leisure Visitation	33,000	106,000	172,000	1,000	9,000	15,000

Source: IVS_REX_SA_Exp by Country and Purpose 2013q2

- One of the fastest growing outbound markets, and in absolute numbers travelling worldwide secondly only to China.
- Huge growth in our target market of the affluent middle class and High Net Worth Individuals.
- The Indian Leisure Tourist market is still only small but growing quickly. Both South Australia and Australia are experiencing strong growth, and are projected to grow robustly for the foreseeable future.
- South Australia currently has no direct air access to India.
- Melbourne and Sydney have direct access three and four times per week respectively.
- Indians currently come to South Australia via Singapore, Kuala Lumpur, Dubai and Hong Kong.
- Singapore Airlines currently carries one third of all Indian visitors to Australia.
- Indian visitation to South Australia is strong for Visiting Friends and Relatives purpose visitors and Education, however below the state average for Holiday purpose visitors. There is growth opportunity.
- Currently Indians confine their stay to capital cities.
- Indians have high awareness to Adelaide reflective of the level of shared cultural heritage and cricket.
- Online distribution is growing with the developing Indian traveller.
- South Australia needs to be ready with product and booking capability.
- South Australian Target Market: Families aged 35-54 with a household income greater than 2.7 million Rupee (A\$50,000), in the affluent middle class, in core cities who have prior experience of Australia, travelling as a couple or with their family.

SOUTH AUSTRALIAN TARGET MARKETS

- Is in the age group 35-54.
- Is from Mumbai or Delhi.
- Have experienced Australia prior to travelling to South Australia.
- Are Visiting Friends and Relatives or on a holiday.

SOUTH AUSTRALIAN CONSUMER POSITIONING

- Nature and Wildlife.
- Food and Wine.
- Experience.

The Six Strategic FOCUS AREAS

1. Communicate to the Most Profitable
CONSUMER FOR SOUTH AUSTRALIA

2. Enable Distribution - Make it Easy to
BOOK A TRIP TO SOUTH AUSTRALIA

3. Access - Make it Easy to
GET TO SOUTH AUSTRALIA

4. Deliver Quality South Australian
EXPERIENCES AND INFRASTRUCTURE

5. Leverage Partnership
OPPORTUNITIES

6. ICC Cricket
WORLD CUP 2015

1. Communicate to the Most Profitable Consumer for SOUTH AUSTRALIA

STRATEGIC FOCUS AREAS

Grow awareness, consideration and intention for South Australia from travellers in our Indian target market, with a focus on core cities of Mumbai, and to a lesser extent Delhi and Bangalore through:

- Traditional media exposure and airline/travel agent partnerships.
- Digital platforms.
- Familiarisation for print media and travel agents, radio promotions and advocacy.
- The Cricket World Cup.
- Engagement of the domestic Indian population to leverage the high level of Visiting Friends and Relatives traffic.

KEY EXPERIENCES AND REGIONS THAT MOTIVATE CONSUMERS

Raising consumer awareness is the most critical factor for success and wherever possible South Australia should continue to cooperate closely with Tourism Australia, and airlines under the 'One Voice' concept to strengthen the position of Australia in the market and position South Australia within an Australian experience. This has been outlined in section one.

As already established the core positioning and strongest products for South Australia in the market are:

- Kangaroo Island's wildlife experience.
- Adelaide and its surrounds - Adelaide Oval and Sir Donald Bradman Museum.
- Food and Wine – Barossa Valley through Tourism Australia's Restaurant Australia's Promotion.
- The ICC World Cup Cricket.

TRADITIONAL MEDIA EXPOSURE AND ADVOCACY

Media is highly influential in India but generally expensive to buy. In the traditional media space, the South Australian Tourism Commission needs to continue its focus on familiarisations for print media and travel agents, radio promotions and airline/travel agent partnerships.

The South Australian Tourism Commission needs to work with Tourism Australia in supporting media visits to South Australia to ensure journalists can produce positive articles for South Australia.

The majority of journalists in India work as freelance, making it advantageous to use the Tourism Australia vetting process to ensure a good return on investment.

DIGITAL MARKETING

Digital marketing is the key critical element in the successful promotion of South Australia as many other forms of advertising, such as print media, are too expensive. Most Indians heavily research their holidays online so it is critical to increase information available about South Australia in the digital space.

The South Australian Tourism Commission has had its own Facebook page in India since mid-2011 and has gathered 45,000 followers to January 2014. Facebook is the most widely used social media platform in India, with over 60 million users and Facebook advertising allows for very specific targeting of our target demographic across multiple Indian cities at once, which is difficult to do using traditional media. It is therefore particularly important to gain advocacy for the state in social media and deliver content directly to consumers.

India now has 164 million internet users, a figure that is growing steadily in volume and influence. Seven out of eight are accessing the internet from their mobile phone, with universal usage among South Australia's target market which again is an opportunity that needs to be exploited.

Online travel agencies such as MakeMyTrip.com, Yatra Online and Expedia 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.

This strategy of digital engagement shall continue to be a priority for the South Australian Tourism Commission to raise awareness of, considerations for, and intention to visit South Australia.

2. *Enable Distribution – Make it easy to* RESEARCH and BOOK SA

STRATEGIC FOCUS AREAS

- Continue to collaborate with Indian travel agents in key cities.
- Collaborate with Tourism Australia on trade events.
- Work with Australian based Inbound Tour Operators to ensure the best of South Australia is available in the distribution system.

TRADITIONAL DISTRIBUTION

Indian consumers are researching and booking their trips using a combination of traditional distribution partners and online options, however retail agencies still handle the majority of outbound travel.

As previously discussed, the Indian travel distribution system is fragmented and varied across the country. Whilst there are a few national retail agencies, most agents are small, independent businesses and it is a considerable challenge to reach out to the hundreds of small travel agents around India, many of whom have very limited knowledge on Australia.

Trade familiarisations form an important tool to educate and excite Indian travel trade to be able to sell South Australia. The South Australian Tourism Commission needs to continue their focus on familiarisation for the key agents in order to continue the promotion of South Australia in India.

Most leisure purpose bookings to Australia still come through the traditional trade system, therefore South Australia needs to engage large national companies, online travel agencies, niche specialists as well as the wider cross-section of agents at larger trade events.

Solid inroads have been made and with high awareness of Kangaroo Island among most agents particularly from Mumbai, Delhi and Bangalore.

The South Australian Tourism Commission continues to leverage its partnership with Mercury Travels and Singapore Airlines and their key agents in India for joint promotional activities. This joint funding will benefit South Australia with these brands being highly respected in the Indian market.

INBOUND TOUR OPERATORS

Inbound Tour Operators are a very important link in the distribution chain, coordinating the accommodation, tours, transport and meals which make up the itineraries that are promoted and sold by their partners in India. Engaging these Inbound Tour Operators is the best first step into the market.

The South Australian Tourism Commission and South Australian operators need to work closely with the Indian Inbound Tour Operators in Australia and India in order to develop relationships and promote the growth of itineraries that include South Australia.

3. Access – *Make it Easy to get to*

SOUTH AUSTRALIA

STRATEGIC FOCUS AREAS

- Building capacity through existing South East Asian carriers and their respective hubs.
- Undertake partnership marketing initiatives with aviation partners.

Indian visitors can fly from a number of cities such as Mumbai, Delhi, Chennai, Bangalore, Kolkata, Ahmedabad, Hyderabad, Calicut, Kochi and Thiruvanthapuram, to hubs including Singapore, Kuala Lumpur, Hong Kong and Dubai. From these hubs they can directly connect to Adelaide.

In 2013, overall airline capacity from India to Australia increased, primarily driven by Southeast Asian carriers (Singapore Airlines group, Malaysia Airlines) adding capacity on existing routes. Singapore Airlines carried one third of these Indian visitors into Australia.

South Australia needs to work closely with the key existing carriers on the routes between India and Australia (including Singapore Airlines/SilkAir, Virgin Australia, Malaysia Airlines and Qantas). The increase in partnership marketing and participation in Tourism Australia events by airline partners has provided greater alignment and benefits for Australian tourism.

4. *Deliver Quality South Australian Experiences*

AND INFRASTRUCTURE

STRATEGIC FOCUS AREAS

- Develop products and experiences that leverage the state's competitive advantage for the market.
- Fulfil product and experience demand for Indian visitors to South Australia to better compete against our competitor destinations interstate and overseas.
- Cultural training to understand the Indian traveller.

There is potential for existing tours and attractions to be adapted to the Indian traveller, particularly around the identified themes of nature, wine and food. As the market matures the potential for these experiences will also increase. The South Australian tourism industry must prioritise projects for development based on the research and findings presented in this document.

- As Adelaide Oval and Sir Donald Bradman are the two most well-known South Australian icons to the Indian community, focus should be on the Oval and The Don Bradman Collection as an opportunity to develop an Indian relevant tour/ experience at the museum.
- Key experiences need to be tailored to the Indian audience, as discussed above, there is the option of tours through the Central Market or Adelaide Oval.

- Cultural training is needed to better understand the attitudes, habits, needs and expectations of the Indian traveller. Consideration of their needs around customer service, attention to detail, staffing levels, portage and particularly dietary requirements need to be taken into account to deliver quality experiences. However, as discussed previously, we also need to educate the Indian traveller to find a balance between adapting Indian expectations as well as cultural training. This is something that needs to be considered in the future as currently the demand doesn't match the investment.

5. Leverage Partnership

OPPORTUNITIES

STRATEGIC FOCUS AREAS

Ensure maximum possible leverage of South Australian activities with:

- Tourism Australia.
- Airlines (Particularly Singapore Airlines).
- South Australian tourism operators.
- Relevant government agencies, including DMITRE, DPC, Education Adelaide, the Adelaide Convention Bureau.

TOURISM AUSTRALIA

We need to continue strengthening our partnerships with Tourism Australia as they progress towards achieving their Tourism 2020 India expenditure goal of doubling India's expenditure. The greater the collaboration we have with Tourism Australia the greater the benefits we will receive. There will be opportunities to work off the back of Tourism Australia initiatives as well as pooling resources with other states to achieve greater impact in India.

AIRLINES

As discussed previously Singapore Airlines bring one third of Indians to South Australia. South Australia needs to continue this relationship to take advantage of opportunities for consumer direct marketing. Currently Singapore Airlines are working with a limited number of their key agents across India to offer a deal which will see a free internal sector with Virgin Australia to or from Adelaide reducing the cost barrier of getting to Adelaide.

SOUTH AUSTRALIAN TOURISM OPERATORS

Evaluate opportunities and assist operators to engage with the market by attending International tourism missions or inbound events.

THE SOUTH AUSTRALIAN TOURISM COMMISSION

The South Australian Tourism Commission is having a critical role in the development of the market, however the Indian market currently doesn't justify any substantial shift in staffing or skills requirements due to:

- The common English language environment in the market.
- The existing representation of the South Australian Tourism Commission in the Indian market by an Indian national.
- The existing high investment in the Indian market relative to current inbound expenditure.
- Lower source market regulatory barriers than other markets.

5. Leverage Partnership

OPPORTUNITIES

The key agencies and organisations that the South Australian Tourism Commission liaises with include:

I. Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE)

DMITRE have recently placed a South Australia Government representative in Mumbai. They have also included tourism in their Economic Development papers suggesting it as one of the six sectors for growth in the next five years. DMITRE are also looking at the development of Premium Food, Wine, Arts and Culture and Tourism Sector Strategies for India where the South Australian Tourism Commission will sit on the steering committee. This relationship and work needs to continue to achieve the best possible outcome for Indian tourism.

II. Department of Premier and Cabinet

The South Australian Tourism Commission has close links with the DPC and sits on their Office of International Coordination Steering Group. By maintaining this close relationship, the South Australian Tourism Commission can stay abreast of and communicate avenues of potential cross-leverage and provide feedback on specific tourism messages and strategies.

III. Education Adelaide

The South Australian Tourism Commission has, and will continue to, consider opportunities for collaboration with Education Adelaide on in-market activities such as road-shows profiling Adelaide and South Australia as both an education and tourism destination.

IV. Adelaide Convention Bureau

With the upgraded Adelaide Convention Centre the South Australian Tourism Commission is looking to Asia as a core region for business events and incentives. Through SAHMRI an alliance has been set up with the potential for international science-based conferences in Adelaide.

V. Other

All members of the distribution system working in or with India are crucial and have been referenced throughout this strategy. These include international airlines, India based agents and Inbound Tour Operators based in Australia. As well, media partners who offer powerful reach to the consumer are key partners to South Australia.

6. ICC Cricket

WORLD CUP 2015

STRATEGIC FOCUS AREAS

- Use this event to market the state as a tourism destination by leveraging the strong brand association and awareness about Adelaide.
- Establish familiarisation opportunities for the Indian team based in Adelaide the week prior to their first match.

The Australian Tourism industry is set for an economic boost arising from India's cricket tour to Australia during December 2014, and the ICC Cricket World Cup 2015. Both these events will provide a strong brand association and awareness about Adelaide, if leveraged appropriately. We want to reveal Adelaide and South Australia to the broad Indian market and what better way than through cricket, which is a shared cultural language. The South Australian Tourism Commission needs to use this event to market the State as a tourism destination. Cricket isn't necessarily a driver to travel for the 'affluent market' that we are targeting, however the broad viewership and promotional hook alone, is worth pursuing.

- **India v Australia Test Series 2014/2015**
- **India v Pakistan on Sunday 15th February, 2015**

This will complement the strategy that South Australian Tourism Commission is setting up -

- India will play a test match in Adelaide in December 2014.
- India will play their first match on the opening weekend of the tournament in Adelaide; they will be based here for a week prior to that game playing warm-up matches, including one against Australia.

- This will give South Australia an outstanding opportunity to gain significant media coverage into India.
- The television audience is predicted to be over a billion, with thousands more journeying to South Australia to witness one of the greatest rivalries in world sport.
- In supporting our relationship with India, the South Australian Tourism Commission are looking to bring a squad of young Indian cricketers to Adelaide during that summer to train and play matches in our international class facilities. This would be a great opportunity to set this up as a future program as significant legacy from Adelaide hosting the event.

Key – is to reveal Adelaide and South Australia to India through cricket, which is a shared cultural language.

Other tactical opportunities to consider:

- Flying the Indian cricket team to Kangaroo Island.
- Advertising South Australia highlights on the broadcast between innings, including snippets of the trip to Kangaroo Island.

Indian Tourism in South Australia

FORWARD to 2020

India is an opportunity for South Australia and will only increase in importance through to 2020. In the year to June 2013, there were 11,000 Indian visitors to South Australia who spent \$20 million in the state. With a suitably optimised tourism offering in South Australia, as outlined in the strategy, this market has the potential to grow to 18,000 visitors, spending a predicted \$41 million by 2020.

The target market is the 35-54 age group in the affluent middle class with a household income greater than \$50,000, from Mumbai or Delhi who have visited Australia before.

South Australia offers distinctive experiences centred on our identified strengths of Nature and Wildlife, Food and Wine and Experience.

To achieve this strategy South Australia must make substantial improvements in the six strategic focus areas identified in this document. In the immediate term, the most critical of these is to ensure South Australia makes full use of the Cricket World Cup that is a great opportunity to engage the Indian market.

The Six Strategic Focus Areas

Communicate to the Most Profitable Consumer for SA	<p>Grow awareness, consideration and intention for South Australia from travellers in our Indian target market, with a focus on core cities of Mumbai, and to a lesser extent Delhi and Bangalore through:</p> <ul style="list-style-type: none"> • Traditional media exposure and airline/travel agent partnerships. • Digital platforms. • Familiarisation for print media and travel agents, radio promotions and advocacy. • The Cricket World Cup. • Engagement of the domestic Indian population to leverage the high level of Visiting Friends and Relatives traffic.
Enable Distribution - Make it Easy to Research and Book a trip to SA	<ul style="list-style-type: none"> • Continue to collaborate with Indian travel agents in key cities. • Collaborate with Tourism Australia on trade events. • Work with Australian based Inbound Tour Operators to ensure the best of South Australia is available in the distribution system.
Access - Make it Easy to Get to SA	<ul style="list-style-type: none"> • Maintain and grow current air services. • Building capacity through South East Asian carriers and their respective hubs. • Undertake partnership marketing initiatives with aviation partners.
Deliver Quality SA Experiences and Infrastructure	<ul style="list-style-type: none"> • Develop products and experiences that leverage the state's competitive advantage for the market. • Fulfil product and experience demand for Indian visitors to South Australia to better compete against our competitor destinations interstate and overseas. • Cultural training to understand the Indian traveller.
Leverage Partnership Opportunities	<p>Ensure maximum possible leverage of South Australian activities with:</p> <ul style="list-style-type: none"> • Tourism Australia. • Airlines - Singapore. • South Australian Tourism Operators. • Relevant government agencies, including DMITRE, DPC, Education Adelaide, the Adelaide convention Bureau.
ICC Cricket World Cup 2015	<ul style="list-style-type: none"> • Use this event to market the state as a tourism destination by leveraging the strong brand association and awareness about Adelaide. • Establish familiarisation opportunities for the Indian team based in Adelaide the week prior to their first match.

South Australian Tourism Commission

Level 3 121-125 King William Street

Adelaide South Australia 5000

GPO Box 1972 Adelaide SA 5001

T 08 8463 4500

An online version of this report can be found at

www.tourism.sa.gov.au/research-and-reports/specialised-research.aspx

Publication Date: August 2014

