



Tourism Market Insights INDIA: 2022

WESGRO

cape town & western cape
research

an inspiring place to know

Contents

1. Overview of India
2. Overview of the Indian Travel Market
3. The Indian Consumer Profile
4. Leisure Habits of the Indian Traveller
5. The Indian Traveller to South Africa
6. The Indian traveller to the Western Cape
7. Key Findings
8. List of Sources

1. Overview of India

Where is India?	India is located in southern Asia, on and around the piece of the continent known as the Indian peninsula. It Borders Pakistan, China, Nepal, Bhutan and Bangladesh.
Population (millions)	1 357.8 (2021)
Time Difference	South Africa is 3.5 hours behind India
Language	Hindi mainly, and a little English
Economy	The Indian economy is in an upswing, and is set to become the third-largest economy in the world in 2030.
Formal Greeting	'Namaste' (naa-maas-tay)

Restaurants

Indians are very particular about the food they eat and prefer quality Indian restaurant options.

Meals are eaten with the hands and meal choices generally exclude beef and pork. Around 40% of Indians are vegetarian and require non-meat dishes.

Indians are amongst the world's lowest consumers of alcohol, so best to enquire before placing wine bottles on the dinner table.

Indian Etiquette

Attention to detail

Older Indian travellers prefer age-appropriate, fun and safe experiences. They appreciate small unexpected gestures like masala chai tea in the morning.

Cricket is very popular in India, so a visit to a cricket match is a great gesture.

Theme parks are popular amongst younger Indian travellers and scuba diving as well as hiking are fun family activities.

Dislikes

Pointing with your finger is considered rude and ill-mannered.

2. Overview of the Indian Travel Market

Largest Cities % of total population, number of people (2021 estimate)	<ol style="list-style-type: none">1. Mumbai: 12.7 million2. Delhi: 10.9 million3. Bengaluru: 5.1 million4. Kolkata: 4.6 million5. Chennai: 4.3 million
--	--

Disposable income (INR million)	177.6 (2021)
---------------------------------	--------------

Savings As % of disposable income	26.2% (2021)
--------------------------------------	--------------

Median Age	29.0 years (2021 estimate)
------------	----------------------------

Outbound Departures ('000 trips)	<ol style="list-style-type: none">1. 2017: 18,541.22. 2018: 19,725.53. 2019: 23,770.44. 2020: 5,634.95. 2021: 9,548.5
----------------------------------	---

Type of Outbound Trips (2021)	Leisure: 67.7% Business: 32.3%
-------------------------------	-----------------------------------

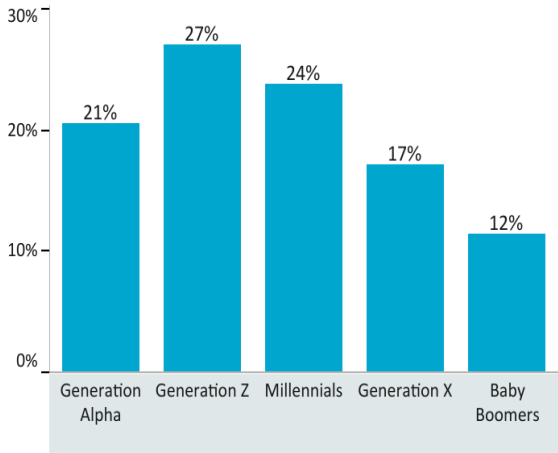
Top 10 Outbound Departures by Destination

'000 trips	2016	2017	2018	2019	2020	2021
Saudi Arabia	1,656.2	1,581.2	1,440.2	3,623.3	766.7	2,467.3
United Arab Emirates	2,262.6	2,605.7	2,554.2	2,536.4	1,092.9	1,160.0
United States	1,206.8	1,285.5	1,378.0	1,473.5	336.0	690.7
Thailand	1,077.0	1,281.7	1,562.9	1,962.2	261.8	400.5
United Kingdom	484.1	693.2	678.6	691.6	225.6	386.8
France	551.8	592.6	451.3	461.1	129.0	254.0
Qatar	340.1	333.7	400.7	400.4	183.6	219.7
Bahrain	442.4	511.8	533.3	481.6	96.1	199.2
China	682.6	753.4	702.9	859.4	94.2	176.0
Oman	299.6	319.0	358.8	413.9	105.6	174.6

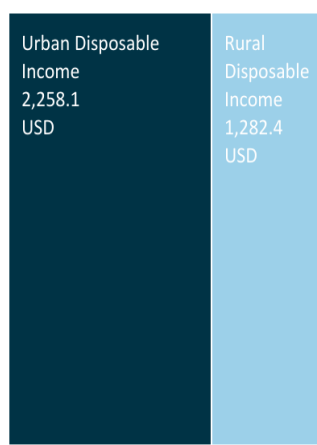
3. The Indian Consumer Profile

Snapshot of the Indian Consumer Landscape: 2021

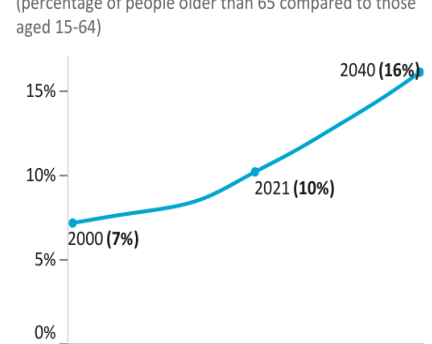
Population by generation (% of total)



Disposable income



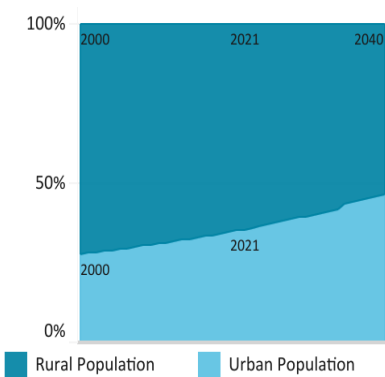
Old-age dependency ratio



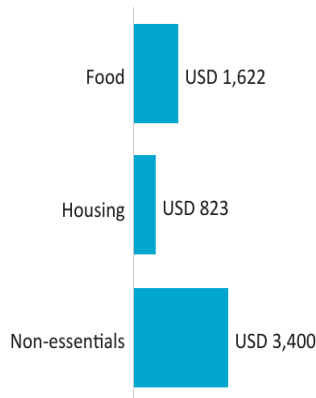
Fertility rate: 2.2 children born per female

Median age: 29 years

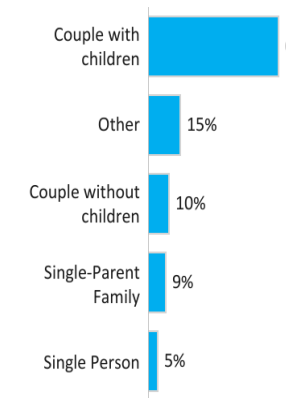
Urban vs rural population



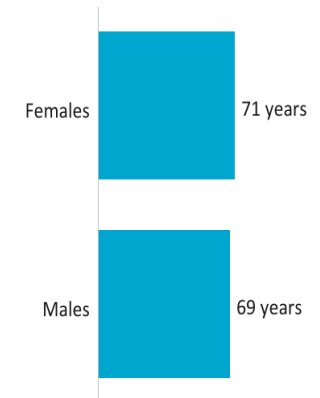
Household spending



Households by type



Life expectancy at birth



Source: Euromonitor Voice of the Consumer: Lifestyles Survey 2021

54%

feel under constant pressure to get things done

69%

like to be actively engaged with brands

68%

of Millennials are willing to spend money to save time

67%

prefer to spend money on experiences, rather than things

84%

use technology to improve their day-to-day life

62%

of Gen Z only buy from companies and brands they trust completely

Source: Euromonitor Voice of the Consumer: Lifestyles Survey 2021

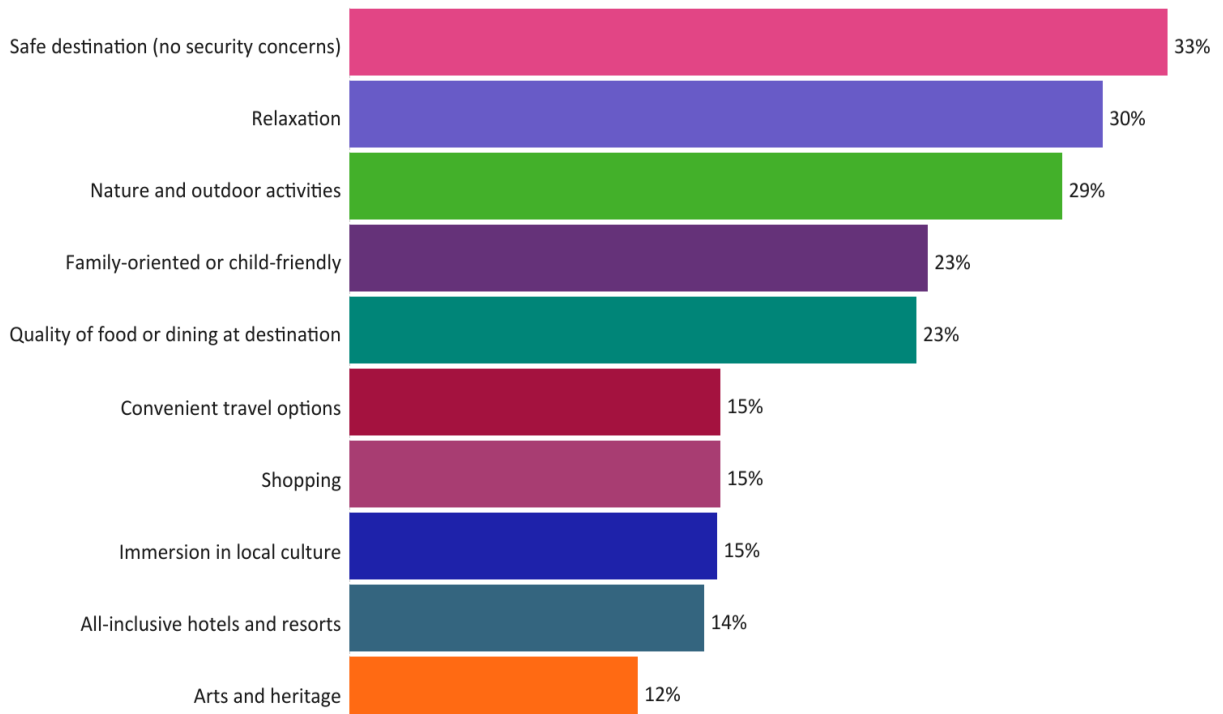
4. Leisure Habits of the Indian Traveller

- The latest Euromonitor “Voice of the Consumer” survey revealed that Indians’ priorities generally revolve around family and community. Indians have a strong preference for spending time with close family members instead of finding time for themselves, with only 42% of respondents (versus 52% globally) ranking “me time” as a priority. In addition, 73% of respondents conveyed that it is important to be active in the community, while 80% said it is important to give to those in need.
- Religion also emerged as an important element of the Indian identity and is vital among many as they set their life priorities. The survey found that 73% of respondents (versus 52% globally) said that spiritual beliefs are an important part of their lives. However, 44% (versus 31% globally) said that they make their purchasing decisions based on brands/companies’ social and political beliefs.
- Survey results further indicated that a “safe destination” (33%) is regarded as one of the most important travel features when Indians decide to go on holiday, followed by “relaxation” (30%), “nature and outdoor activities” (29%) and “family-orientated or child-friendly”.
- After the severe impact of lockdown, it is unsurprising that 34% of Gen Z and 27% of Millennials said that they will be looking for holidays that feature nature and outdoor activities.

Most important travel features

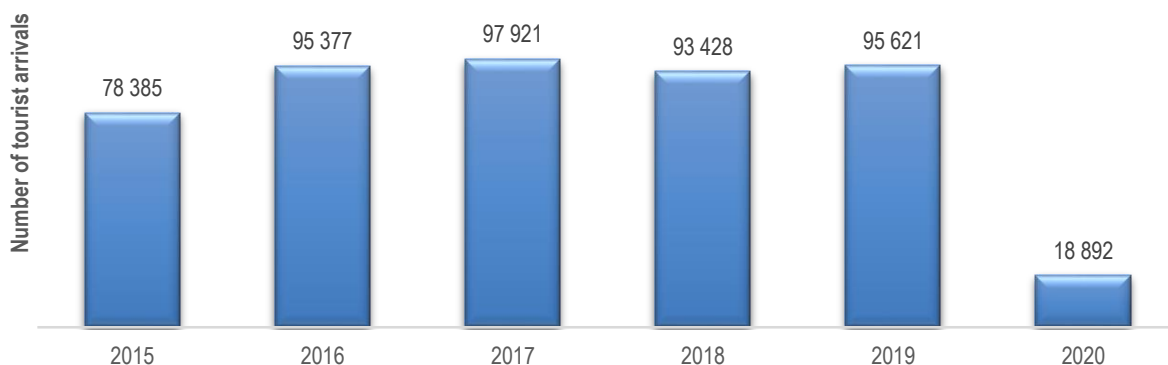
n= 1,001

% of respondents



5. The Indian Traveller to South Africa

INDIAN TOURIST ARRIVALS TO SOUTH AFRICA, 2015-2020



Purpose of visit to South Africa (2020)

- Holiday (26,8%)
- MICE (24,7%)
- Business Traveller (23,3%)
- VFR (17,1%)

Average length of stay in South Africa (Number of nights)

- 2018: 27,6
- 2019: 26,3
- 2020: 28,2

Age profile (2020)

- 18 – 24 yrs. (6,8%)
- 25 – 34 yrs. (42,8%)
- 35 – 44 yrs. (25,2%)
- 45 – 54 yrs. (15,7%)

Repeater Rate of Indian Travellers (2020)

- First Time: 54,4%
- 2 - 3 times: 22,3%
- 4 - 5 times: 11,3%
- 6 - 9 times: 6,7%
- 10 times or more: 5,3%

Accommodation Usage (2019)

- Hotels (651,696)
- Self Catering (474,213)
- Friends & Family (339,436)

Total Foreign Direct Spend in South Africa (R in millions)

- 2018: R 1 299
- 2019: R 1 465
- 2020: R 322

Average Spend in South Africa

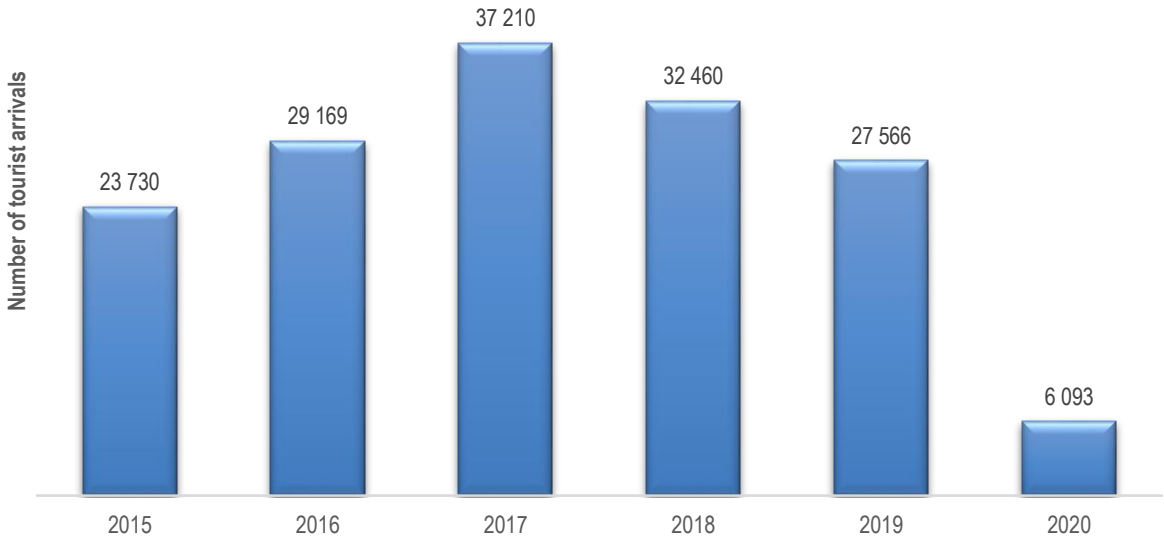
- 2018: R 15 700
- 2019: R 17 400
- 2020: R 20 200

Top 5 Activities undertaken in South Africa

- Business
- Theme Parks
- Visiting Natural Attractions
- Wildlife
- Adventure

6. Indian Traveller to the Western Cape

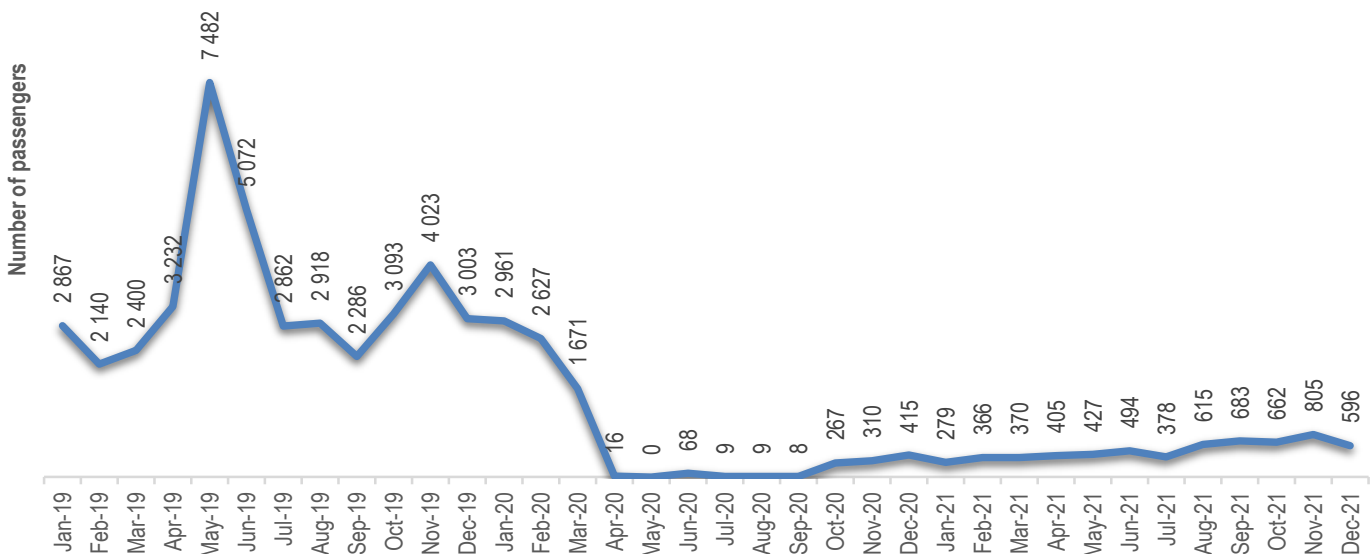
INDIAN TOURIST ARRIVALS INTO THE WESTERN CAPE, 2015-2020



Source: SA Tourism, 2022

Indian passenger movement through the Cape Town International Airport came to a complete standstill during May 2020 resulting in no passengers recorded for the month. The month of June 2020 reflected 68 Indian passengers which then again plummeted to a mere 9 passengers between July and August 2020. Indian passengers into 2021 are showing a promising recovery with the highest number recorded in November 2021 (805). However, recovery is still at a slow pace when compared to the passenger levels recorded in 2019.

INDIAN PASSENGER MOVEMENT THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN 2019-DECEMBER 2021



Source: OAG Traffic Analyser, 2022

7. Key Findings

- According to the latest Euromonitor Travel Flows report, India is anticipated to remain a domestic-focused travel market across the forecast period. Outbound leisure travel is expected to continue being the preserve of affluent members of the Indian society.
- Although more affluent consumers may return to international trips, weekend trips and staycations within India were projected to become progressively popular among millennials and working professionals, who often have limited leisure time and disposable incomes.
- Since India offers high diversity in terms of the environment, culture and attractions, the country provides considerable interest for would-be domestic tourists.
- Moreover, state tourism boards are expected to continue to work hard to generate domestic demand in the forecast period.
- The latest Euromonitor “Voice of the Consumer” survey revealed that Indians’ priorities generally revolve around family and community. Indians have a strong preference for spending time with close family members instead of finding time for themselves, with only 42% of respondents (versus 52% globally) ranking “me time” as a priority.
- Religion also emerged as an important element of the Indian identity and is vital among many as they set their life priorities. The survey found that 73% of respondents (versus 52% globally) said that spiritual beliefs are an important part of their lives.
- However, 44% (versus 31% globally) said that they make their purchasing decisions based on brands/companies’ social and political beliefs.
- Survey results further indicated that a “safe destination” (33%) is regarded as one of the most important travel features when Indians decide to go on holiday, followed by “relaxation” (30%), “nature and outdoor activities” (29%) and “family-orientated or child-friendly”.
- After the severe impact of lockdown, it is unsurprising that 34% of Gen Z and 27% of Millennials said that they will be looking for holidays that feature nature and outdoor activities.
- Indian visitors who travelled to South Africa in the year 2020 predominantly visited for the purpose of holiday (26,8%), MICE (24,7%) and business travel (23,3%). Their top 5 activities undertaken in the country included business (ranking in the top position), theme parks, visiting natural attractions, wildlife and adventure.
- Indian passenger movement through the Cape Town International Airport are showing a promising recovery with the highest number recorded in November 2021 (805). However, recovery is still at a slow pace when compared to the passenger levels recorded in 2019.

8. Sources

1. South African Tourism
2. Euromonitor International
3. OAG Airline Passenger Traffic Analyser

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or guarantee whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way.

© Wesgro, 2022.

WESGRO

cape town & western cape
research