



## **2007 Staff Scholarship**

**“Business Events Opportunities for Australia  
from the Indian Corporate Sector”**

**Presented by – Siddharth Ketkar**

## **1.1 Background on India**

The Demographics of India are overall remarkably diverse. India's population of approximately 1.13 billion people (estimate for March 10, 2008) comprises approximately one-sixth of the world's population. India is expected to overtake China by 2030 and will then be the most populated country in the world. India has more than two thousand ethnic groups, and every major religion is represented, as are four major families of languages (Indo-European, Dravidian, Austro-Asiatic and Tibeto-Burman languages). Further complexity is lent by the great variation that occurs across this population on social parameters such as income and education. Only the continent of Africa exceeds the linguistic, cultural and genetic diversity of the nation of India. Although India occupies only 2.4% of the world's land area, it supports over 17.5% of the world's population. 31.8% of Indians are younger than 15 years of age. As per the 2001 census, 72.22% of the people live in more than 550,000 villages, and the remainder in more than 2000 towns and cities. (Statistics have been taken from Australia India Business Council, Austrade, and the Indian Government websites).

Although 80.5% of the people are Hindus, India, with 13.4% of its population Muslim, is also home to the third-largest Muslim population in the world after Indonesia and Pakistan. Diversity not only lies in religion, but is represented by a wealth of cultural backgrounds and a unique socio-economic class system. India ranks 4<sup>th</sup> in the world with GDP (PPP) total of USD \$1.089 trillion. This statistic emphasizes the overall high standard of living and strong economic growth of the country. More than 70% of Indians speak English, making it the official business language of the country.

The Indian film industry is the largest in the world. Bollywood, based in Mumbai, makes commercial Hindi films and is the most prolific film industry in the world. Established traditions also exist in Bengali, Kannada, Malayalam, Marathi, Tamil, and Telugu language cinemas. India's national sport is field hockey although cricket is the most popular sport in India. In some states, particularly those in the northeast and the states of West Bengal, Goa, and Kerala, football (soccer) is also a popular sport.

Indians consider Australia as one of the 'must visit' countries. A common link that attracts Indians to Australia is the love of cricket and attraction to its unique natural wonders. Indians are similar to visitors from other South Asian countries in their travel habits; they enjoy shopping, sight-seeing, natural wonders but prefer to be in their comfort zone and are not very open to extreme sports. Dietary factors such as preference towards vegetarian meals and Indian food also influence the decision making process. For the past ten years Australian universities have actively promoted Australia as an educational hub. As a result, the number of students arriving into Australia has doubled in the last few years, which has in turn boosted tourism activity. Currently India is Australia's fourteenth largest inbound market, but a study by Tourism Australia has forecasted an annual growth of 18% in Indian Visitors by 2016.

## 1.2 Project

This project was undertaken to analyse the Indian Market and its potential for Business Events to come to Australia.

This project will become my thesis for Masters of Marketing with University of South Australia where a detailed report will be published in 2010. The first step of this project was completion of a course in Market Analysis with the University of South Australia. This was followed by a visit to India for preliminary interviews and data collection.

Thorough research was carried out by conducting interviews in five major cities of India; Pune, Mumbai, Hyderabad, Chennai and Bengaluru. In each city, I interviewed key travel agents, corporate bodies and incentive houses. A series of questions were posed in order to gain an understanding of the marketplace and of views on Australia as a convention/incentive destination. Topical areas addressed included travel preferences and patterns; perception of Australia; VISA requirements; travel time; dietary requirements and various other factors influencing the decision making process. Following are the **key** clients I met with in India and the travel itinerary for the trip.

- Kesari Travels
- Strawberry Net
- Prudential
- American Express
- ICICI Lombard
- Asian Paints
- BPL
- South Australian Tourism Commission
- Gold Coast Tourism Board
- Hyderabad International Convention Centre

Travel Itinerary	Date	Destination
Qantas – FOC airfares	Nov-07	Adelaide – Sydney - Mumbai
Internal Air fares -	Dec-07	Pune - Mumbai
	Dec-07	Mumbai - Delhi
	Dec-07	Delhi - Pune
	Dec-07	Hydrabad -Bangalore
	Dec-07	Bangalore - Pune
Qantas – FOC airfares	Jan-08	Mumbai – Sydney - Adelaide

Based upon data analysis and further research, a more detailed questionnaire will be devised and emailed to travel agents and incentive houses to sample 200 responses on which the final thesis will be based.

Following are the key points that were highlighted from the interviews carried out in India –

*Shopping and Night Life* – The two main factors that affect the decision process is shopping and nightlife.

*Dietary Requirements* – Indians prefer to have at least one Indian meal per day plus vegetarian options. Some groups will prefer hotels/restaurants that only cook vegetarian/organic meals.

*Travel Time* – Indians tend to travel to destinations that are no more than 5 to 8 hours by air from India.

*Flight Connectivity and Costs* – Indians tend towards group bookings arranged directly by travel agents. Smaller groups will normally favour specialised tours, with greater flexibility towards flight connectivity and general expenditure.

*Australian VISA Requirements* – The current VISA arrangement for Indian visitors to Australia is a key area of importance. To acquire a travel visa, Indians need to show a personal savings balance of AUD \$5000, even if the company is sponsoring the trip.

*Costs* – Average spend per delegate varies from AUD \$2000 to \$3000. This includes the flights, accommodation and extra costs for a 4 to 5 day trip.

*Convention Centres* – By the end of 2009, India will have five international convention centres. For the convenience of the delegates each centre will have 2 to 3 five star hotels in the same complex. These centres will affect the convention business coming in and going out of India.

*Awareness* – Australia is slowly becoming more popular as a tourist destination. One of the major factors is the number of students coming to Australia each year.

*Cricket* – India identifies a strong link to Australia via cricket.

### 1.3 SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"><li>1. Australia is a safe country to travel</li><li>2. Unique aboriginal and wildlife culture</li><li>3. Food and Wine</li></ol>	<ol style="list-style-type: none"><li>1. Cost of living (i.e. accommodation, shopping and food)</li><li>2. Flight Connectivity</li><li>3. Travel time to Australia</li></ol>
<b>Opportunities</b>	<b>Threats</b>
<ol style="list-style-type: none"><li>1. Qantas flies directly to Mumbai from Sydney</li><li>2. Air India – Commencing soon</li><li>3. Food and Wine</li><li>4. Tapping into the Bollywood market. It is one of the most effective marketing mediums in India</li><li>5. Cricket</li></ol>	<ol style="list-style-type: none"><li>1. South East Asia, Middle East and Europe – these countries are close to India and their tourism boards are heavily promoting in the region with cheap airfares and deals, making them exciting destinations</li><li>2. Increase in fuel costs will affect the airfares</li><li>3. Convention Centres and theme parks opening up in India</li></ol>

#### ***1.4 Recommendations based on interviews and the exploratory missions:***

- The most effective way to bring business to Australia is building relations with the key travel agents and conference/incentive houses based either in India or in Australia who specialise in the market.
- Australian national bureaus need to work in close cooperation to promote Australia as a destination rather than an individual city or regional experience.
- Austrade and Australia India Business Council have strong links with Indian corporate bodies across a range of industries. Working closely with these associations will be lucrative in establishing business partnerships.
- Industries with significant potential are multinationals in IT, pharmaceutical and automobiles.
- Bollywood is an outstanding marketing medium that can be explored further for the promotion of Australia and its regions.
- Preliminary findings would suggest that there is a strong potential to attract Indian business events to Australia.

## ***Acknowledgement***

I am extremely grateful towards AACB, Qantas and Tourism Australia - the award provided me with an opportunity to expand within the events industry, boost my professional career and assist in building my confidence and to continue to achieve my own personal goals. I lived in India for 21 years but never realised the potential it has. The scholarship gave me the opportunity to explore my own country and understand it from the business prospective. There has been a constant professional and personal support from Adelaide Convention Tourism Authority and it has been in development of this project. The thesis is an initiation to understand the Indian Market and I am delighted to be of any help to the sponsors and members of AACB with further information. Please do not hesitate to contact me on 08 8303 2339 or by email [sidd@acta.com.au](mailto:sidd@acta.com.au) if you wish to know more about the project and the potential I believe India has.