

Indian outbound tourism to Europe/ Germany – current trends and perspectives

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Keywords: Outbound tourism, Germany, India

This research note focuses on current trends and perspectives regarding Indian outbound tourism to Europe/Germany. Based on a qualitative research including expert interviews and questionnaires it reveals travel patterns of Indian guests. Furthermore the potential of certain kinds of tourism are formulated. With an increasing tourism from abroad the Image of Germany as a mere business destination is shifting towards a destination where also holiday is possible. This means marketing channels and instruments in German tourism have to adapt to new customers and markets. Another challenge is the handling of the Indian guest who require specific needs, that are often unknown to the German tourism industry.

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While in recent times quite a lot has been published on Chinese outbound tourism to Europe and Germany (Weyhreter/Yang 2006 and Arlt/Freyer 2008), relatively little academic material is available on Indian tourism to Europe and Germany. Chronologically following China, India was likewise marked by strong economic growth, which also manifested itself in two-digit growth rates of Indian tourism. In principle, more Indians travel abroad (2007: 9.78 million) than foreigners to India (2007: 5.08 million); outbound tourism shows greater growth at 17.3% in 2007 than inbound tourism at 14.3% in the same year (Ministry of Tourism, Government of India 2008, p. 1). The goal of this exploratory study accordingly was the identification of current trends and perspectives of Indian tourism to Europe/Germany. The high growth of Indian outbound tourism in the past cannot hide the fact that comparable figures for China (2007: 40.9 million outbound tourists, CNTA 2009) are altogether in a different range. As a tourism player in the world-market, India is ranked only number 42, with a share of 0.56% of international tourist arrivals (Ministry of Tourism, Government of India 2008, page 1).

Against this background, it seems worthwhile to take a closer look at the following issues: Relevance of Germany in Indian outbound tourism; Trends of Indian tourism to Germany; Relevance of the kind of travel (e.g. MICE, cultural tourism, city trips) for Indian tourists; Future business fields (travel types) for the target-group of Indian tourists in Germany (2013); and, Aspects of marketing the destination Germany in India

Research approach

In cooperation with the Indian Institute for Tourism and Travel Management in Gwalior, an organisation of the Indian

Tourism Ministry, a standardised questionnaire was formulated in English, which was further improved in discussions with decision-makers in the following tour operators:

- InOrbit Tours & Travels, Mr. Om Prakash, Mumbai
- Mercury Travels Ltd., Mr. Ashwini Kakkar, Mumbai
- Thomas Cook India, Ms. Nalini Gupta, Mumbai

In October 2008 the questionnaire was sent out by email to members of the Indian Association of Tour Operators (IATO), New Delhi, to the Travel Agents Association of India (TAAI), New Delhi, as well as to the tourist contacts of the Indo-German Chamber of Commerce, Mumbai (IGCC). The IGCC in addition undertook a telephonic follow-up of the tour-operators listed under point 3. Simultaneously, German incoming agencies were sent a questionnaire on trends in Indian tourism in Germany. The relevant addresses for email dispatch were made available by the representation office of the German National Tourist Board (DZT) in New Delhi and by the Chamber of Industry and Commerce of the Upper Rhine-Lake Constance region. The telephonic follow-up was undertaken by a student assistant. The central point of both questionnaires was the request for an assessment of the significance of types of travel currently and in 2013. For Indian outbound tourism this yielded eight (n = 8) and on the part of the German incoming agencies four (n = 4) usable questionnaires. In addition, qualitative interviews were conducted with the following experts:

- Romit Theophilus, Director, DZT, New Delhi
- Bernhard Steinruecke, Director General,

Thimm

Indian outbound tourism to Europe/Germany – current trends and perspectives

IGCC, Mumbai

- Hector D'Souza, Representative, Stuttgart Marketing, Mumbai
- G. Kanjilal, Executive Director, IATO
- Cheryl D'Mello, IGCC, Mumbai
- Satish K. Vaghela, TAAI, Mumbai
- Poonam Makhija, Representative of the Munich Tourist Office, Delhi

The Indian outbound business in the direction of Europe is handled to the extent of about 70% by the following Indian tour operators, who have their respective head offices mainly in Mumbai :

Raj Travels
Thomas Cook
SOTC Kuoni
Orbit
In Orbit Tours
Cox and Kings
TCI
Amadeus
Travelmart India
Riya Travels
Akbar Travels
BTISita
BCD Travels
Mercury Travels
Gold Chip
Kesari
Le passage to India

In addition, there is a fragmented wide range of small and very small operators in the Indian market, who are engaged in the business of tourism and travel-agency. Representatives of German tourism organisations have discovered the Indian market relatively late as compared, for example, to France and Switzerland. Yet, at 15.5% of all trips to Europe by Indians, Germany as a tourist destination occupies the second rank after Great Britain/Ireland (31.9%) and ahead of Switzerland (11.3%). With 177,000 trips in the year 2008, Germany was in a position to register a

growth of 28% as compared to the previous year. During the same period, the number of overnight stays of Indian tourists in Germany rose to 421,514, which signifies an increase of 11.8% in comparison to the previous year. Among the overnight stays, 25% were in Baden-Wurttemberg, 22.8% in Hesse, 18.1% in Bavaria, and 17% in North Rhine-Westphalia. As before, Germany continues to be a "business destination": 52% of all the Indian tourists stated this as the purpose of their trip in 2008; all the same 46% stated it was a holiday trip. In comparison, the figures given for Europe are: 52% on holiday, 37% business trip, and 10% friends/relatives/miscellaneous. The Indian business tourism to Germany began in the 1970s as trade-fair tourism of Indian exhibitors, in particular to Duesseldorf and Hanover . On average, the Indian guest stays seven nights in Germany (five for a business trip and ten for a vacation) and spends € 1,473 per trip, that is 210 € per day. On average, the guest is a male, belongs to the higher level of education and income and is 36 years of age (DZT 2009, pp. 1-2). As compared to Great Britain, France and Switzerland, for example, Germany is considered a reasonably priced tour destination in Europe . The first rank of Great Britain/Ireland in European tourism is explained by the historical relations of both the countries and Switzerland's third rank is thanks to its clever marketing as a tourist destination, among others, through Bollywood films which often show the snow-covered mountains of Switzerland in the background, and to its uncomplicated visa procedure. In addition to DZT in Delhi, Germany is represented by the following agencies in the Indian market: Stuttgart Marketing in Mumbai, Munich in New Delhi, and Saxony in Gurgaon.

Trends

Indian tour operators, who are engaged in outbound tourism to Europe/Germany, judge the business trip as the present and future dominant form of travel. Since this corresponds to the abovementioned quantitative figures, German incoming

agencies which attend to Indian tourists in Germany were not asked for their opinion regarding this aspect. Indian outbound tour operators and German incoming agencies

consider city-trips and round-trips as highly relevant for the future. On the part of outbound tour operators, much potential is seen in offers for Bollywood film teams, winter holidays, family-offers, offers for

senior citizens and cruises. Incoming agencies see much potential in winter holidays and in a combination of business and personal trips, offers for senior citizens as well as in sustainable tourism.

Figure 1: Assessment of travel types for Indian tourists by Indian tour operators in outbound business, n = 8, 2008

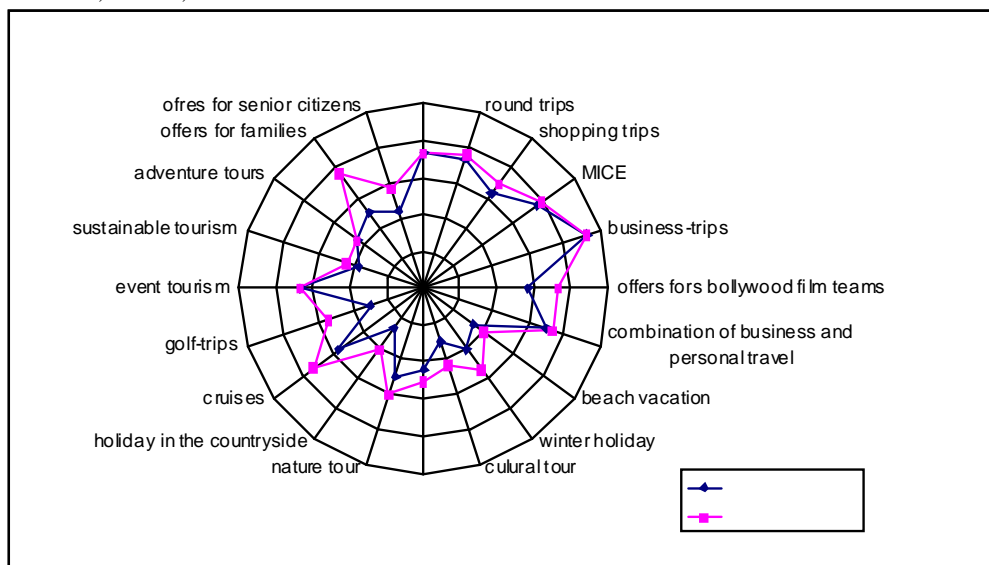
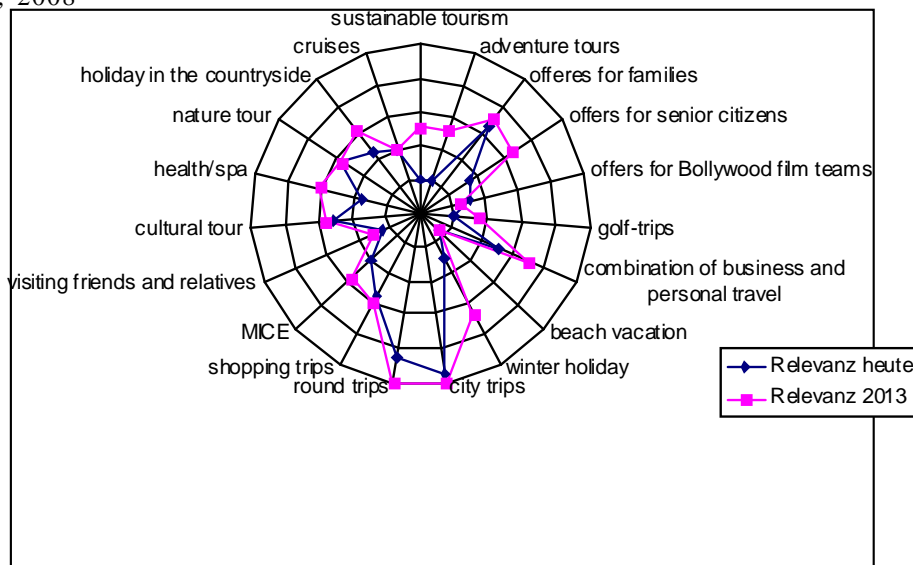


Figure 2: Assessment of travel types for Indian tourists by German incoming agencies, n = 4, 2008



Generally both the groups questioned expect a continued vigorous growth of Indian

outbound tourism. Germany as a "stand alone destination" still ranks behind the classic European tour, especially for first-timers. Here, however, much potential is seen in combination with more vigorous

Thimm

Indian outbound tourism to Europe/Germany – current trends and perspectives

marketing of Germany as a holiday destination. When asked about the measures which would make Germany more interesting to Indian tourists, the German incoming agencies mentioned the following: VISA facilitation, adjustment to Indian eating habits, in particular for breakfast, more flight connections as well as stronger publicity for 'destination Germany' in the Indian media. An image of Germany exclusively as an industrial country and trade-fair venue, language and food difficulties in the countryside and the overpricing of favourite city destinations were cited as problems along the way. In this regard, Indian outbound tour operators additionally mention the absence of the possibility to take the family along on business tours.

Conclusion

In conclusion, from the results presented above one may deduce the need for a general strengthening of marketing activities in respect of Germany as a holiday destination as well as a better adjustment to the needs of Indian tourists. The eating preferences of Indian tourists are by and large based on religious beliefs and are therefore of much importance to them. Basically there is still need for further research in the field of Indian outbound tourism to Europe/Germany. The exploratory trends ascertained

and shown here should be reviewed in a representative study. From this, specific future needs could then be determined on the basis of the demand potential and be converted into suitable products. Even more interesting would be the preparation of a precise profile of the Indian tourist in Europe/Germany. A closer study of the travel patterns of Indian tourists, who have increasing travel experience, also seems worthwhile.

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