

The High Net Worth and Sophisticated FIT Indian Traveller

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Contents

Introduction	03
Indian inbound tourism to New Zealand	04
Progressive and affluent Indians choose Destination New Zealand	06
Understanding the progressive and affluent Indian FIT	08
Meeting Indian FIT needs	10
Key growth opportunities for Indian FITs	12



Introduction

Our ordinary is their extraordinary

For Indian tourists, travelling to New Zealand is a significant undertaking. It's a long journey involving at least one stopover and considerable expense when compared with other destination choices.

Despite this, India is New Zealand's 10th largest source of international visitors with 53,424 arriving in the country in the year ending February 2017. Visitor arrivals from India have experienced significant growth over the last five years with every sign that this will continue at an increasing pace. As part of its objective to grow and develop profitable air services, Auckland Airport's network passenger flow analysis indicates that there is an opportunity to create a direct link between Auckland and either Mumbai or Delhi.

In light of this and to better understand the high value Indian traveller, Auckland Airport commissioned research to determine the key motivators that would attract greater numbers to New Zealand. At a high level it has shown that New Zealand is increasingly seen as a 'hot' destination, somewhere that offers a wide range of choices for the discerning traveller in a country that's welcoming and culturally accessible.

The New Zealand visitor experience for Indian travellers is almost the exact opposite of what they encounter in their day to day lives. They substitute congestion and overcrowding for wide open spaces, spectacular scenery and relaxed living. Their appetite for adventure is met by an industry that sets exemplary standards of safety and care and their desire for relaxation, serenity and companionship is catered for with a wide range of premium accommodation and fine cuisine.

Indian visitors remain in New Zealand, on average, significantly longer than visitors from other markets and their per capita contribution to the New Zealand economy is considerable. India is potentially one of our most valuable sources of foreign exchange earnings from tourism on a per-visitor basis.

What follows are the summarised findings of Auckland Airport's research into the Indian FIT market. We especially focused on progressive, educated, affluent professionals from Mumbai and Delhi who have done a lot of long-haul travel and are considering travelling to New Zealand for an Free Independent Traveller (FIT) holiday. The research was commissioned to further define the market and to complement other work being undertaken by New Zealand's tourism sector and to provide a better understanding of the needs and behaviours of this group of high value visitors.

We will continue to work with the industry to enhance New Zealand's attractiveness in India and expand channels to provide greater numbers of travellers an easier path to our country.

Adrian Littlewood
Chief Executive
Auckland International Airport

Indian inbound tourism to New Zealand - current status at a glance

India is the second most populous country in the world with a staggering 1.3 billion citizens. In the past year, its rate of economic growth has outpaced that of China making India the world's fastest growing economy and the seventh largest by GDP. This growth has driven India's middle class to swell to over 600 million people, with indications it will overtake the size of the middle classes of the United States, Europe and China by 2027.

For New Zealand, this means the potential for explosive growth in the number of Indian tourists. This growth will be crucial in the diversification of New Zealand's mix of tourism markets. To understand how to unlock the value of this growth, Auckland Airport has commissioned this research in a first step to begin developing a better understanding of first: how to attract these visitors to New Zealand over other destinations and second: how to develop a great tourism offering for them when they arrive.

Key features

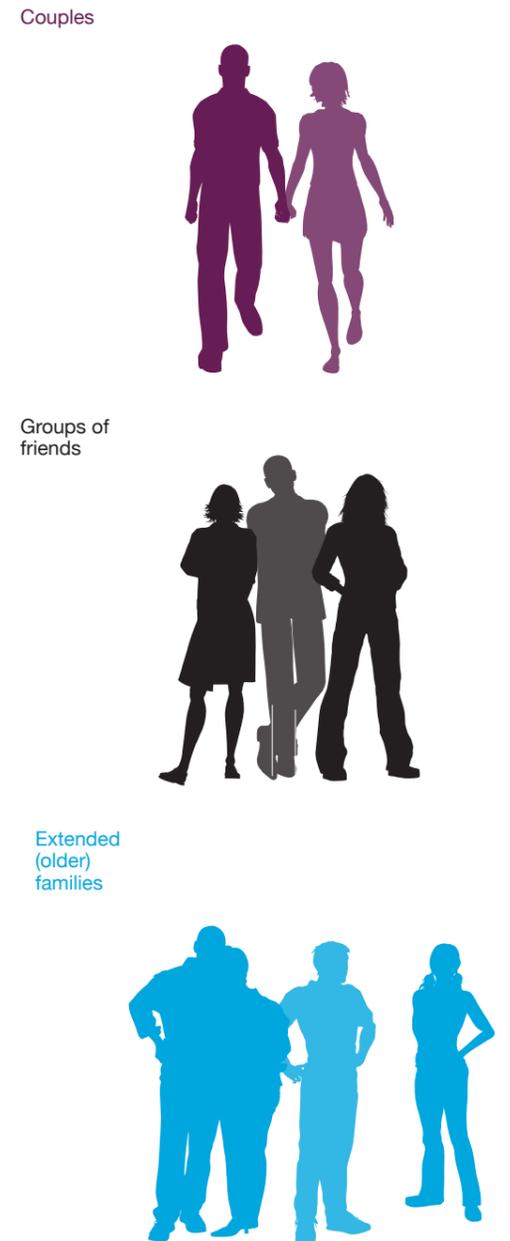
<p>New Zealand's 10th largest market for visitor arrivals²</p>	<p>Year ending Feb 2017 53,424 visitors¹</p>
<p>Peak visiting period December (17% of total visitors)²</p>	<p>79% Growth of arrivals from India to New Zealand over past 5 years</p>
<p>Average holiday stay 13 days²</p>	<p>92% first visit to New Zealand³</p>

Current visitor profile

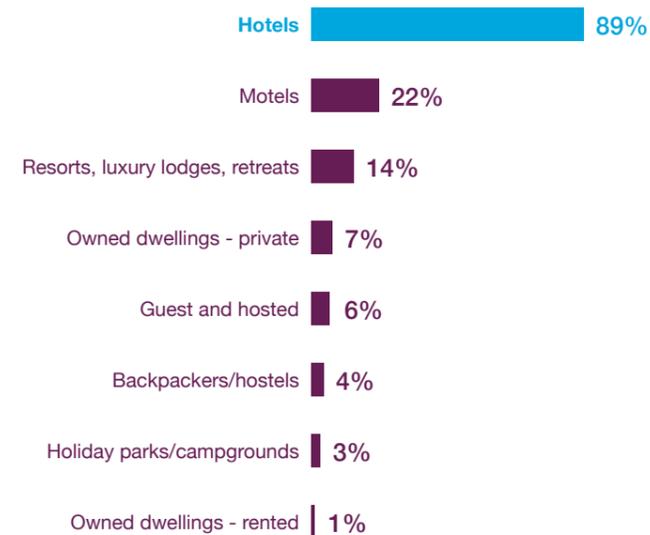
Travel style³



Most common FIT groupings⁴



Preferred accommodation types³



Sources:

1. Statistics New Zealand Tourism Satellite Account 2016/Feb 2017 visitor arrivals
2. International Travel and Migration Statistics, Holiday only, YE Feb 2014
3. International Travel and Migration Statistics, Holiday only, YE Feb 2011-2013
4. Auckland Airport India FIT Market Development: Forward HQ November 2016

Progressive and affluent Indians choose Destination New Zealand

New Zealand is the most searched travel destination in India according to figures released in November 2016 by Skyscanner. Auckland Airport's research shows that progressive and affluent Indian FIT's are attracted to New Zealand by the perception of its peaceful, spacious, and immersive beauty and its vibrant, challenging, and exciting adventure opportunities.

The combination of these creates a destination that in the minds of these Indian FIT both relaxes the soul and stimulates the senses.

New Zealand caters to many of the needs of these high value Indian travellers. A common language, the perception of being a safe destination, easy accessibility to everything that travellers want or need, and a wide range of choices with lots to do are key features of this attractiveness. Equally important is that New Zealanders are regarded as being welcoming to Indian visitors.

New Zealand is not an easy place for Indian travellers to reach however. There are no direct flights, and it is a long journey compared to other potential destinations. Some of these routes also involve long stopovers and flight departures at inconvenient times. Compared with other first choice destinations New Zealand can be an expensive, inconvenient option.

Despite these barriers New Zealand is becoming a hot destination for Indians. Word is spreading through social media and the growing number of Bollywood movies being shot on location in New Zealand is having a tangible impact on travel decisions.

In short, New Zealand is becoming an 'in the know' and premium destination that is different from the other travel choices the Indian FIT has.

New Zealand is becoming an 'in the know' and premium destination

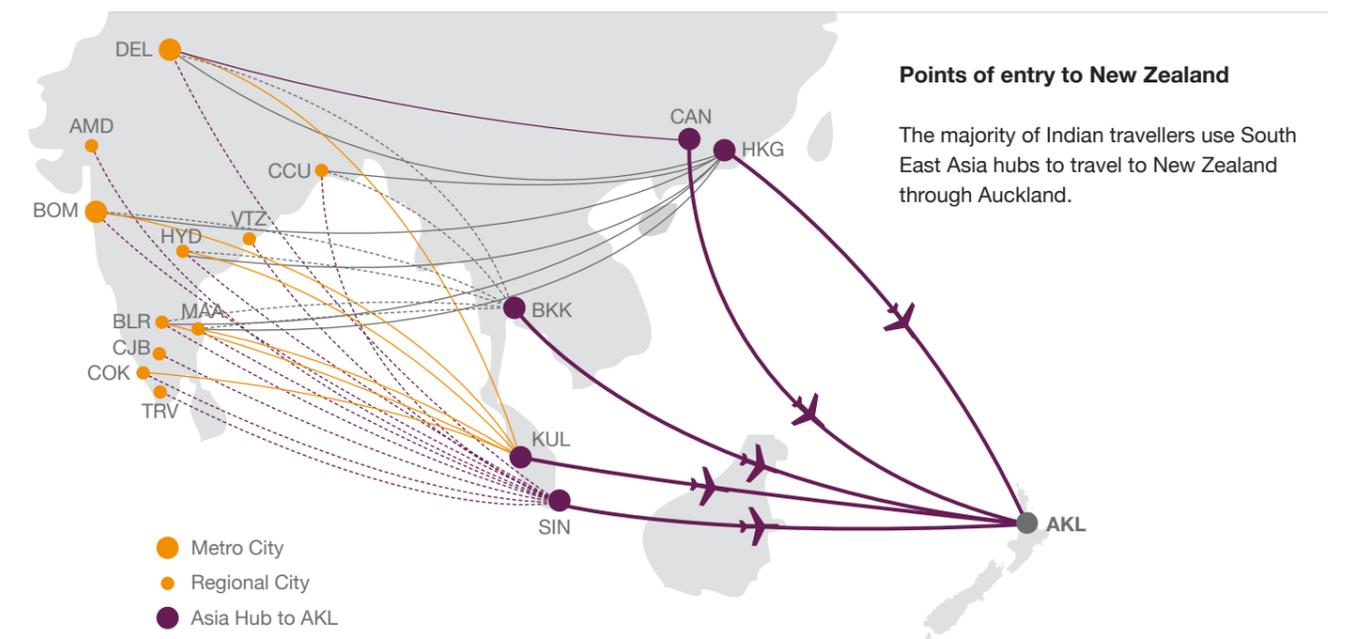
The opportunity

Lifting the profile of New Zealand in India is underway and has undoubtedly contributed to its growing attractiveness. Ongoing marketing programmes will continue to improve numbers and further insights into the market, including this research, will boost returns.

There is considerable potential to increase airline capacity between New Zealand and India and to initiate direct flights. Auckland Airport is actively supporting the tourism industry's efforts to expand and enhance these channels and substantially increase the number of high value travellers from India.

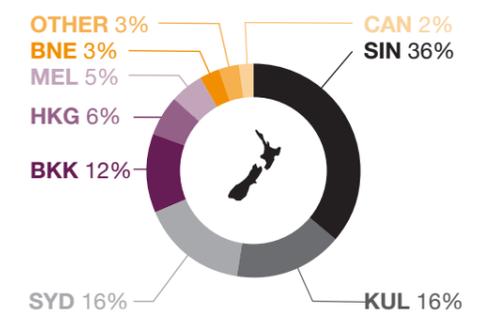
There are no direct flights, it is a long journey compared to other potential destinations

Top 10 Destinations for December Gateways (by search volume growth)



Key hubs for Indian travellers to NZ

South East Asia hubs are the most popular choice



Understanding the progressive and affluent Indian FIT

Auckland Airport's research focussed on a specific group of affluent and progressive Indian professionals living in major urban areas. The findings revealed many common traits that the tourism industry can use to fine tune their offerings to Indian travellers and enhance their business with this high value group.

Common features of these Indian FITs are:

	Bold risk takers
	Late starters
	Romantic at heart
	Seek beautiful food in beautiful environments
	Regard NZ as a trip of significance (once in a lifetime)
	Love lakes, rivers, caves, coves and thermal attractions
	Attracted to premium experiences
	Keen self-drivers

Bold risk takers

Indian FITs are adventurous and actively seek full immersion in new and challenging activities. Unlike some other nationalities, Progressive/affluent Indian FITs will often take part in multiple adventure activities in a day.

They are attracted by activities that are different, unique and memorable with an emphasis on thrills rather than physical exertion. Women are often more adventurous than men.

Late starters

By New Zealand standards Progressive/affluent Indian FITs do everything later in the day. From the time they get up in the morning to the end of the day with drinks and dinner. A late breakfast is followed by a leisurely start to activities, usually no earlier than 10am and often 11am. Relaxing 'sundowner' drinks are commonplace and usually start at 4pm with dinner commencing at 8pm or later.

Romantic at heart

New Zealand is regarded by Indian travellers as one of the world's most romantic destinations. They associate a New Zealand holiday with the heightening of senses and the space and time to connect with each other.

For holidaymakers, romance in this sense is more than simply the perception of New Zealand as a honeymoon destination. It's an opportunity to discover or rediscover romance in a setting that offers absolute beauty and the opportunity for both challenging and relaxing activities. Couples are the most common travel grouping, representing over half of all Progressive/affluent Indian FITs.

They are attracted by activities that are different, unique and memorable

Beautiful food in beautiful environments

Progressive/affluent Indian FITs will actively seek out new cuisines and are used to international foods and flavours. Most want to enjoy and immerse themselves in New Zealand food and enjoy local wines, whisky and other beverages – they do not necessarily want Indian-style food. Particularly if they can find great local options. Vineyard experiences both for the sundowner experience and as idyllic surroundings for dining are ideal examples of this type of experience.

A trip of significance

For Progressive/affluent Indian FITs a trip to New Zealand involves a considerable commitment and they want to make the most of their visit. Considered by many to be a 'once in a lifetime' trip they want to do and experience as much as possible during their stay.

Progressive/affluent Indian FITs tend to stay longer compared to visitors from other markets. They will take the time to travel to the regions if they understand the local story and are clear about what they can experience when they're there. Building compelling brand stories for destinations and experiences is an important aspect of marketing to Progressive/affluent Indian FITs.

Lakes, rivers, caves and coves

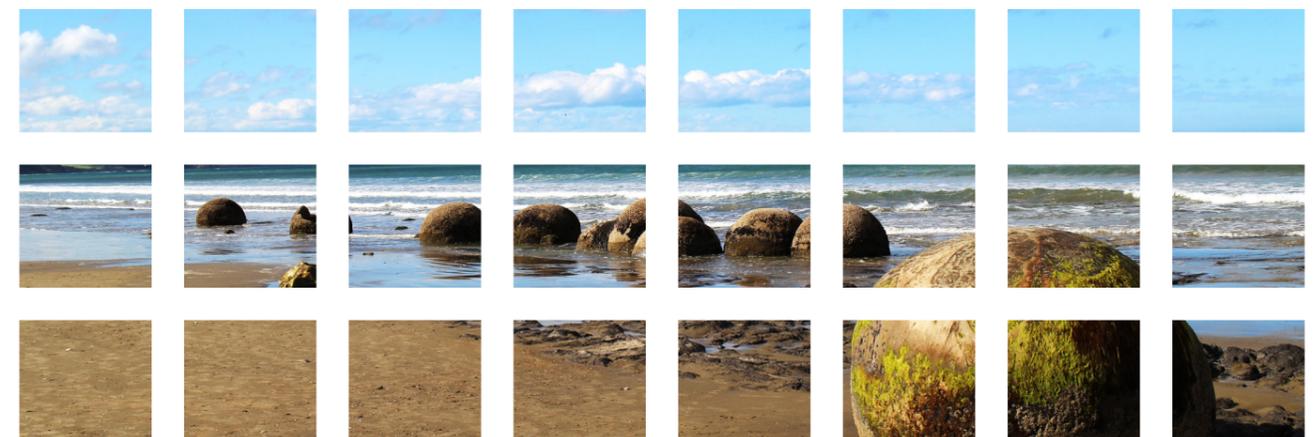
Geothermal activity, natural scenery related to lakes and rivers and water-related activities are rated highly as they are key points of difference from their home country. Mountains are less attractive as these can be experienced in India. Water-based activities, such as scenic diving, are also highly sought after.

Premium experiences

Indians generally prefer 4 & 5 star accommodation although there are some exceptions amongst younger visitors who are more willing to try motel accommodation or backpacking. Spa treatments and luxury 'add-ons' available in premium accommodation are highly valued by Indian travellers and actively sought after when researching and booking accommodation.

Keen self-drivers

Road trip adventures are highly attractive. They are perceived as offering the excitement of the open road in a beautiful environment combined with the intimacy and romance of being able to do the trip themselves.



Meeting Indian FIT needs

Progressive/affluent Indian FITs have high expectations of the service they will receive during their stay. While this is true of many different nationalities the standards expected and their accessibility tend to be greater for Indians than for other visitors. Responsiveness, even to small requests is expected.

Responsive service 24 hours a day, 7 days a week is a key requirement. To the average Indian, service means being assisted in a polite and friendly manner wherever they go. Even in instances where assistance is not provided there will be an expectation that something is available.

Progressive/affluent Indian FITs are likely to make frequent requests of their accommodation providers. Additional towels, toiletries, drinks, snack orders, and other similar enquiries are commonplace and an important part of their overall satisfaction with the visit.

Warmth and focused attention makes a huge difference to the Indian visitor's experience. Small details such as offering to carry bags, giving a warm welcome, providing plenty of tea and other beverages and offering assistance with information and booking services are simple ways to meet these expectations.

Progressive/affluent Indian FITs like information and want to talk to locals about what is great - getting recommendations and advice. The more product and local knowledge that can be provided in detail, the better. The concierge is key.

The Indian view of time can be markedly different from that of New Zealanders. Their approach to a typical day, with late starts and late finishes, can be a challenge for New Zealand tourism providers. Clarity about timetables and providing options, for example offering a private transport service that leaves later than a scheduled coach service, can greatly improve the Indian visitor experience.

Premium and unique experiences

New Zealand is considered a high value, premium experience for Progressive/affluent Indian FITs and while they are in the country they are willing to go to less well-known places and purchase unique experiences.

Premium, intimate small group experiences are highly valued together with a compelling story behind the location or event they are attending. Wine experiences, food and wine matching, boutique accommodation, spa treatments and similar activities have great appeal to the Indian FIT.

Premium, intimate small group experiences are highly valued

Taking time out from their busy lives to spend time together is also an important aspect of the visit. Travel is often seen as an opportunity to connect or re-connect with families, spouses and friends and occasions such as the end of day 'sundowner' drinks are commonly used to review the activities of the day and share experiences.

Adventure

New Zealand's safety standards and integrity are key factors in the willingness of Indian FITs to undertake adventure activities that wouldn't be trusted at home or elsewhere in the world. Thrills, rather than risk or exertion, are the motivation for undertaking these activities.

The opportunity to engage in challenging experiences is a key motivator for many Indian FIT and they will typically undertake one or more adventure activities on each day during their visit. While over-confidence can be an issue with activities not commonly undertaken at home, such as swimming, adventure tourism is undertaken with great enthusiasm by most ages and both genders.

While adventures and thrills are attractive, hard physical challenges are not. Passive experiences such as museums and zoos are less attractive.

Food

Indian FITs want to explore and enjoy local food and unique New Zealand cuisine. They will actively seek out premium local options and rely on hotel concierges, locals, Trip Advisor and other sources to find what they're looking for. Discovering a new cuisine each day of the visit is often a part of the experience and explanations of what they are being served, how it's prepared, where it came from and other details are important aspects of the experience.

Vegetarian options with a distinctive New Zealand flavour, traditional foods such as hangi, active engagement in the food preparation process (e.g. catching the fish that will be eaten at dinner) and regional specialities are all attractive options for Indian FIT.

In general, the main meal for Progressive/affluent Indian FITs is at lunchtime and so a substantial meal should be provided. There is a diverse range of dietary restrictions in Indian culture and these need to be acknowledged in the range of choices on offer. For example, Hindu Indians will not eat beef and most are vegetarian. Muslims will not eat pork and will only eat meat that is Halal-certified. Jains do not eat meat, honey or vegetables from the ground e.g. potatoes, carrots etc. Despite a range of dietary restrictions, a large proportion of Progressive/affluent Indian FITs are very keen to try meat dishes

across a range of New Zealand cuisines. They already often do so in their home country while looking for new experiences to try.

Snacking is also very common and accommodation providers should include spicy Indian-style snacks and sweets (being careful to avoid pork-derived gelatine products) as part of the mini bar or room service menu.

Day structure

Indians are late-risers, who like to do a vibrant activity mid-late morning, have a late full lunch, then do a more-relaxing activity in mid-late afternoon. This is followed by a 'sundowner' collective drink towards dusk, followed by a late dinner. This can create a clash with the 'earlier' timings most operators offer tourists now. Some adjustment to collection and start times will be required by operators to meet affluent Indian FIT's timing needs.

India at a glance

2nd Largest

Population in the world

1.3 billion

3rd Largest

Economy in the world
(Purchasing power parity)

6th Largest

Economy in nominal terms

\$2.4 trillion

(2017 est)

Over 62m



Passport holders

2nd Fastest

Growing outbound tourism market with up to **50m Travellers by 2020**

Key growth opportunities for Indian FITs

For New Zealand tourism industry operators targeting the Indian FIT there are many opportunities to increase the value and volume of business. The following are some of these arising from Auckland Airport's research:



Specifically target products and experiences for the Progressive/affluent Indian FITs

Develop linked experience options with a discount. Consider late start options or flexibility in start times. The sundowner between 4 and 8PM, relaxation product and romance options and experiences.



Build regional romance "Top 10 Must Do" attractions

The more the Progressive/affluent Indian FITs knows about what's available the more they will do. Provide information, and plan to have an in-depth conversation about what they can expect. They like to experience the best options and offerings.



Create stories and experiences

Progressive/affluent Indian FITs are 'information-hungry' and want to know a lot about the experience they're considering. Build on the uniquely New Zealand aspects of the attraction. They can be upsold if you'll invest the time to explain what they can expect.



Offer genuine New Zealand cuisine but be adaptable

The breadth and diversity of food restrictions in Indian culture requires a flexible approach with lots of options, particularly vegetarian, to be available. But don't forget that lots of Progressive/affluent Indian FITs are looking to try a range non-vegetarian New Zealand cuisine.



Emphasise safety standards and practices

Progressive/affluent Indian FITs love adventure but safety is a vital consideration.



Provide lots of information and offer personal advice

All staff, particularly concierges, receptionists and maîtres d' should be well informed about local choices. Information provided in person rather than through i-Sites or brochures is highly valued.



Expect a more demanding visitor

Pre-empt service needs across the board and be prepared to deliver them frequently. Be flexible and forthcoming with service.



Consider providing deals or bundles where appropriate to encourage greater activity

Deals can be important when making initial bookings and are expected for greater volumes of business. Indians are prepared to attend multiple activities in a day, providing the opportunity to make multi-attraction offers.



Adapt to their sense of time and pace of life

Progressive/affluent Indian FITs do everything later than most other visitors, and New Zealanders for that matter. Early starts and conventional meal times (by New Zealand standards) will present difficulties. Think about flexible timing options and activities that start later in the day. For activities that start early you will need to sell them on the experience to make it worth getting going earlier than usual.

