UNIT 3 TOURISM MARKETS: INTERNATIONAL AND DOMESTIC

Structure

3.0 OBJECTIVES

After reading this Unit you will be able to:

- know about the major tourism markets of the world,
- learn about India's share in world tourism,
- know the major foreign tourist generating markets for India,
- appreciate the need for tapping new markets or increasing the market share, and
- understand the regional and domestic tourism markets.

3.1 INTRODUCTION

In Unit 2 an attempt was made to familiarise you with certain aspects of Market Segmentation. In this Unit we attempt to provide you information about foreign, regional and domestic tourists markets. In Units 1, 2 and 26 of TS-2 you have already read about profiling of tourists and the efforts being made by the **Department of Tourism (DOT) Government of India** for overseas marketing. Most of the information and data used in this Unit is based on the **Tourist Statistics** published annually by the **DOT**. Different segments of the tourism industry make use of this data for devising their own marketing plans and strategies along with segmenting the markets in relation to their own products or for designing products based on market segmentation. The Unit starts with identifying the international tourist generating markets for in bound tourism to India. It goes on to discuss the regional markets as well as the features of the domestic market in India.

3.2 FOREIGN TOURISM MARKETS

A knowledge of tourist generating markets is essential for the marketing of tourism products or services. This helps you not only in segmenting the market but also in targeting your customers. Take for example two countries. Country A has a sound economy, people love to travel and so on. Country B has a poor economy, people have no surplus to spend on travel. Naturally the marketeer of tourism products will target country A.

Before taking up certain issues let us understand some basic concepts.

According to the **Department of Tourism, Government of India** an **"international visitor is any person visiting the country on a foreign passport and the main purpose of the visit is other than the exercise of an activity remunerated from within the country or establishment of residence in the country."** In this definition two segments of visitors are covered:

i) **Foreign tourists** who stay atleast for 24 hours in India and the purpose of whose journey can be classified under any one of the following:

   a) Leisure, recreation, health, study, holiday, religion and sport.

   b) Business, family, mission or meeting.

   The following three categories are **not regarded** as tourists:

   a) Persons arriving with or without a contract, to take up an occupation or engage in activities remunerated from within the country.

   b) Persons coming to establish residence in the country.

   c) Persons who come as **Excursionists.**

   Similarly nationals of Nepal entering India through land routes along the Indo-Nepal border, foreigners entering India from Bhutan by land and children below 3 years are not included by the DOT in the data series on foreign tourists.

ii) **Excursionist** is a visitor who stays less than 24 hours in the country. Those visitors who arrive in the country by cruise ships and do not spend a night at an accommodation establishment in the country are mentioned as **cruise passengers**.

These definitions are useful while identifying the markets or tourism generating regions and also for data collection. The statistics regarding world tourism movements like arrivals, departures, tourism receipts and expenditure, etc. are collected from the various bulletins and publications of the **World Tourism Organisation** (WTO). The **Market Research Division** of the DOT also collects data and compiles it in the form of **Tourism Statistics** annually. For example:

i) The **Arrival Statistics** are compiled from **disembarkation cards** filled in by the foreign tourists at the time of their entry into India at either the airports/seaports or land check posts.

ii) The **Average Duration of Stay** is estimated on the basis of a sample drawn from the **embarkation cards** filled by the tourists at the time of their departure from India at the exit points.

iii) The data about nationality, age, sex, etc. is also obtained through similar means.

This kind of data is helpful in profiling the tourists but has its limitations for the purposes of marketing. For example, in 1994 India received 85,352 tourists from Germany. We also know how many out of these were women or men or to which age group they belonged. But in order to know their motivation, type of services expected by them, etc. one has to conduct special surveys. Generally such tasks are performed by the overseas Regional Offices of the DOT along with carrying out the promotional campaigns, advertising and image building exercises for India. Let us first look at the world tourism markets.

3.2.1 World Tourism Markets

A variety of factors determine the flow of tourists. Sound economy, surplus incomes, travel and holiday attitudes, search for leisure time, incentives for travel by employers, number of holidays and vacations, political conditions and travel advisories by government are some factors to be taken note of in this regard. An analysis of the data available shows that the major tourist generating markets in the world have been the developed countries. Today all destinations are in intense competition with each other to get a larger share in the market. **Table 1 gives you the 15 top tourism spenders** in the world for the year 1992.

"The most reliable and valid single indicator of total travel from any one origin country is tourist expenditure, while global tourist receipts are the best single indicator of total travel to any one destination."

The Economic Intelligence Unit, London, International Tourism Forecasts to 2005.

Table 1
Top Spender's (1992)

Rank	Country	Tourism Expenditure (US$ in Million)
1.	United States	39,872
2.	Germany	37,309
3.	Japan	26,837
4.	United Kingdom	19,831
5.	Italy	16,617
6.	France	13,910
7.	Canada	11,265
8.	Netherlands	9,330
9.	Taiwan	7,098
10.	Austria	6,895
11.	Sweeden	6,794
12.	Belgium	6,603
13.	Mexico	6,108
14.	Switzerland	6,068
15.	Spain	5,542

Source: W.T.O.

A good marketeer would ask where the tourists were heading for, from these **15 top tourist generating markets**. The answer is provided in **Table 2** which gives you the figures for **15 top countries** in terms of tourist arrivals in the year 1992.

Table 2
International Tourist Arrivals (1992)

Rank	Country	Tourism Arrivals (in thousand)
1.	France	59,590
2.	U.S.	44,647
3.	Spain	39,638
4.	Italy	26,113
5.	Hungary	20,118
6.	Austria	19,098
7.	U.K.	18,535
8.	Mexico	17,271
9.	China	16,512
10.	Germany	15,147
11.	Canada	14,741
12.	Switzerland	12,800
13.	Greece	9,331
14.	Portugal	8,921
15.	Czechoslovakia	8,000

Source: W.T.O.

In terms of regional distribution of international tourist arrivals, Europe continues to attract the maximum numbers getting 59.3% share out of the total world arrivals in 1993. However, there has been a decline in its share over the years as in 1980 it was 66% and 62.6% in 1990. The share of East Asia and the Pacific region in 1993 was 13.7% which is an increasing trend as in 1980 it was 7.3% and 11.4 in 1990. Africa and America have shown static figures where as the Middle East has shown a declining trend (from 2.1% in 1980 to 1.4 in 1993).

You may ask where India stands in this scenario. Well the figures are:

World Tourist Arrivals (1994)	=	528461000
Tourist Arrivals in India (1994)	=	1886433
Percentage share of India	=	0.36

However, in terms of foreign exchange receipts the percentage share of India is almost double than that of Arrivals:

World Tourism Receipts (1994)	=	321466 million US$
Estimated Foreign exchange Receipts in India (1994)	=	2265.21 million US$
Percentage share of India	=	0.70

This indicates that in spite of a lower share in arrivals the tourists spend more in India and the average length of stay is about 28.7 days. This is an encouraging trend because many of India's competitors like Singapore, Malaysia, Thailand, etc. receive a much bigger share in arrivals when compared to India but with a lesser length of stay.

While assessing the tourist flows the role of travel time becomes significant. In all the tourism markets long haul destinations face a major hurdle because of the time and costs involved. For example, 21 countries receive more than 50000 Japanese tourists per year. Out of these the tourists showed preference for 6 because they are very close (South Korea, Hong Kong, China, Taiwan, Marianas and Philippines), 4 because they were fairly close (Australia, Singapore, Thailand and New Zealand) and 4 because they were close (US, Indonesia, Canada and Malaysia). The rest U.K., France, Italy, Germany, Switzerland, Spain and India remained preferential for other reasons like culture, history or business. In fact 50 percent of the Japanese tourists travel to neighbouring destinations. Similarly 75 percent Canadians go to U.S., 75 percent French go to West European countries and so on. (See also **Unit 1, TS-2**).

There are certain new markets also opening up. For example, South Africa, Israel and the new states of Uzbekistan, Tazakistan, etc. have emerged as potential markets for India and many tour operators have already entered the field.

3.2.2 Markets for India

In terms of attractions India, as a destination, is a strong tourism product. Culture, history, architecture, beaches, mountains, religion and ethnicity etc. have traditionally been the pull factor for international tourists. Yet, infrastructure wise there are certain weaknesses which makes it less attractive. For example, accessibility, lack of international airports, big size of the country, lack of hotel rooms, etc. (we shall be discussing some of these in the subsequent Blocks). In spite of these weaknesses India crossed the 2 million mark of tourist arrivals in 1995 (Total 2123683). The DOT is keeping a target of 5 million in the next five years which, keeping in view the shortcomings, seems unrealistic. Yet the efforts will go on. The markets for India are determined by assessing the Tourist Arrivals from different countries. **Table 3** gives the figures of **10 top countries** (other than Bangladesh) which constituted 63.3 percent of the total arrivals. Arrivals from all the major tourist generating countries showed a positive growth during 1994. This trend continued in 1995 (see **Table-4**).

Table 3
Tourist Arrivals in India (1994)

Rank	Country of Nationality	Numbers	Percentage of the Total Arrivals
1.	U.K.	30,00,696 (9.7)*	19.2
2.	U.S.A.	1,76,582 (11.6)	11.3
3.	Sri Lanka	89,009 (15.7)	5.7
4.	Germany	85,352 (2.4)	5.5
5.	France	73,088 (3.4)	4.7
6.	Japan	63,398 (27.8)	4.1
7.	Canada	56,441 (18.1)	3.6
8.	C.I.S.	56,387 (15.9)	3.6
9.	Singapore	44,157 (9.8)	2.8
10.	Italy	43,510 (7.9)	2.8

Source: DOT, Govt. of India.

***Figures in brackets give growth rate over the last year in Tables 3 and 4.**

Table 4
Tourist Arrivals in India (1995)

Rank	Country of Nationality	Numbers	Percentage of the Total Arrivals
1.	U.K.	334827 (11.4)*	15.76
2.	U.S.A.	2,03,343 (15.2)	9.57
3.	Sri Lanka	1,14,157 (28.3)	5.32
4.	Germany	89,040 (4.3)	4.19
5.	France	82,349 (12.7)	3.87
6.	Japan	76,042 (19.9)	3.58
7.	Canada	63,821 (18.1)	3.00
8.	Italy	53,015 (21.8)	2.49
9.	Malaysia	50,039 (22.8)	2.35
10.	Singapore	48,632 (18.1)	2.28

Source: DOT, Govt. of India.

Let us examine the top ten markets for India.

1) U.K.

Arrivals from U.K.:

1993: 2,74,168
1994: 3,00,696
1995: 3,34,827

United Kingdom remained on the top of all the tourist generating countries for India with 3,00,696 tourist arrivals during 1994. As compared to 1,02,483 arrivals during 1980, the average compound rate of growth was 8 percent per annum from 1980 to 1994.

As in earlier years, about 59 percent of the British tourists were males and the rest 41 percent were females. The most predominant age group was 25-34 with 23 percent of the tourist followed by age groups of 35-44 and 45-54 with 22.9 percent and 17 percent tourists respectively.

The average duration of stay of U.K. nationals in India during 1994 was 29.5 days. The maximum arrivals were during the winter months of January-March (34 percent) and January- December (31.1 percent).Arrival figures of U.K. residents during 1994 indicate that approximately 99.4% of the arrivals were from England followed by Scotland (0.5 percent; and Wales (0.1 percent).

While 91.7 percent of the U.K. nationals visited India for holiday and sight seeing, about 7.3 percent came for business and another 0.3 percent arrived for visiting friends and relatives.

2) U.S.A.

United States of America is presently the second largest market for India though it occupied the top position till 1973. The tourists from this country have increased steadily over the years except during 1974, 1975, 1979, 1980 and 1984. Having registered positive growth during 1985, 1986, 1987 and 1989, arrivals from United States of America showed negative growth of about 6.7 percent and 6.4 percent during 1990 and 1991 respectively. However, the arrivals during 1992 and 1993 recorded a growth of 29.8 percent and 3.9 percent respectively over the corresponding years. The growth registered during 1994 was 11.6 percent over the year 1993. The arrivals grew from 78,608 in 1980 to 1,76,482 in 1994 at a compound growth rate of about 5.9 percent per annum. The Growth during 1995 was 15.2 percent over 1994.

Arrivals from U.S.A. :

1993:	1,58,159
1994:	1,76,482
1995:	2,03,343

While 59.3 percent of the American tourists were males, the dominant age-group among them was 35-44 (24.2%) followed by the age-groups 45-54 (20.3%) and 25-34 (18.7%).

On an average, an American tourist stayed for 28.7 days in India during 1994. The maximum number of tourist arrivals were during the winter months of October to December which accounted for 32.1 percent of total arrivals from this country.

Available data on the province of stay of U.S.A. resident indicate that approximately 29.1% of the arrivals are from the province of California. The other Provinces contributing substantially to the arrivals in India were New York (22.3%), Washington (15.6%), Illinois (11.2%), Texas (3.4%), Pennsylvania (3.0%), Florida (2.2%) and Neveda (1.5%).

While 94.2 percent of U.S.A. nationals visited India for holiday and sightseeing, about 3.8 percent came for business and another 2 percent came for visiting friends and relatives.

3) Sri Lanka

Sri Lanka occupied third position by relegating Germany to the 4th position and constituted about 5.7 percent of the foreign tourist arrivals in India during 1994 among the top ten tourist generating countries. Arrivals of Sri Lankan nationals which were 68,402 in 1980 went upto 89,009 in 1994 at a compound rate of about 1.9 percent per annum. The arrivals of this nationality have considerably declined in the recent years due to ethnic problems in that country. During 1984 and 1985, the traffic declined by 7.7% and 8.5% respectively. Though it registered an increase of 9.5% during 1986, again it declined by 1.7% in 1987, 5% in 1988 and 4.2% in 1989. The traffic increased during the year 1990, 1991, 1992 and 1993 registering a growth rate of 1.1 percent, 2.5 percent, 2.6 percent and 6.9 percent over the corresponding years. The arrivals from this country during 1994 registered an increase of 15.7 percent over 1993 and during 1995 the increase was 28.3 percent over 1994.

Arrivals from Sri Lanka:

1993:	76,898
1994:	89,009
1995:	1.14.157

The peak period of Sri Lankan tourists was the first quarter from January to March constituting 26.4% followed by the second quarter April to June with 24.8% during 1994. About 99.4 percent of the tourists travelled by air and 0.6 percent by land. About 61.3 percent of the Sri Lankan tourists were males. The dominant age-group of tourists was 25-34 years (26.6%) followed by the age-group 35-44 years (24.7%) and 45-54 years (15.4%).

Average duration of stay of Sri Lankan tourists in India during 1994 was 29.2 days.

4) Germany

Nationals of Germany contributed about 5.5 percent of the foreign tourist arrivals in India during 1994 and occupied the 4th position amongst the major tourist generating markets to India. The tourists from this country have been increasing steadily over the years except during some of the years in eighties. The arrivals grew from 55,855 in 1980 to 85,352 in 1994 at a compound rate of growth of 3.1 percent. A substantial growth of about 37.0 percent was registered during 1986 followed by about 1.5 percent, 6.2 percent and 6.2 percent growth during 1987, 1988 and 1989 respectively. The traffic during 1989 to 1991 continued to increase but the growth of increase was meagre. The growth during 1992 was 17.2 percent over the year 1991. The traffic from this country declined by 1.3% during 1993. However, the traffic from this country increased by 5.9% during 1994 and 4.3 percent in 1995.

Arrivals from Germany:

1993:	83,341
1994:	85,342
1995:	89,04C

About 61.3% of the German tourists were males. The age-groups of 25.34 years and 35-44 years dominated the arrivals from this country with 26.5 percent and 25.8 percent respectively. The age-group of 45-54 years came next with 20.7 percent.

Almost 99.9 percent of German tourists had their usual place of residence in Germany. The number of German residents who visited India during 1994 was 85,226 as against the arrivals of 85,352 German nationals.

German tourists stayed on an average about 28.2 days in India during 1994. The maximum German tourists accounting for 36.8 percent visited this country during January to March 1994.

5) **France**

Arrivals from France:

1993:	70,694
1994:	73,088
1995:	82,349

The arrivals for French nationals also showed a steady increase from 1980 onwards with an annual compound rate of growth of 1.6 percent per annum till 1994. The arrivals grew from 58,682 in 1980 to 73,088 in 1994. During seventies the growth achieved was in the range of 4 percent to 56 percent but during eighties especially from 1983 onwards, there was a negative trend. The arrivals during 1986, however registered an increase of about 49.6 percent. After having a negative growth of arrivals during 1987, arrivals from France showed a positive growth of 8.3 percent, 11.7 percent and 1.9 percent during 1988, 1989 and 1990 respectively. The arrivals from this country increased by 7.1 percent during 1992 with arrivals of 74,304 tourists. However, the traffic declined by 0.9% during 1993. The growth registered during 1994 was about 3.4% over 1993. The contribution of French nationals to the total tourist arrivals in India was about 4.7% during 1994. The growth during 1995 was 12.7% over 1994.

About 57.6 percent of the French tourists were males. The age group 35-44 years accounted for 27.9 percent followed by age group 25-34 with 59 percent.

The January-March period was the most popular for visits by the French tourists, constituting 29.7 percent followed by the months of July-September with a percentage of 29.6 percent. The average length of stay of French tourist was about 30.2 days during 1994.

6) **Japan**

Arrivals from Japan:

1993:	49,616
1994:	63,398
1995:	76,042

Japan is the most important tourist generating market of India in the East. Though the arrivals of Japan nationals were increasing steadily till 1980, it declined during 1981 and 1983. During 1985, 1986, 1987, 1988, 1989 and 1990, the arrivals from the country again went up by 3.4 percent, 19.4 percent, 27.0 percent, 6.5 percent, 19.2 percent and 0.7 percent respectively. However, it declined during 1991 with 22.1 percent over 1990. The arrivals from Japan during 1992 recorded a phenomenal growth of about 28.9 percent over 1991. However, the arrivals during 1993 declined by 17.5 percent over the year 1992. The arrivals during 1994 were 63,398 registering an increase of about 27.8 percent over 1993. The arrivals grew from 30,575 in 1980 to 63,398 in 1994. The compound growth rate during this period was 5.3 percent. The year 1995 witnessed a growth of 19.9 percent over 1994.

The contribution of Japanese tourists to the total arrivals in India was 4.1 percent during 1994.

In 1994 about 65.4 percent of the Japanese tourists were males. The dominant age-group of these tourists was 25-34 years years (27.3%) followed by the age-group of 35-44 years (24.8%). On an average, a Japanese tourist spent about 23.1 days in India during 1994.

The maximum number of Japanese tourists 20,556 (32.4%) arrived during the months of January to March followed by tourists 20,518 (32.8%) during the months of July to September (see Sec. 3.3).

7) **Canada**

The tourist traffic to India from Canada has grown since 1980 at a compound growth rate of 6.3 percent per annum. The arrivals from this country during 1994 were 56,441 as compared to 23,783 in 1980. The arrivals increased steadily from 1972 onwards except during 1984 when there was a decline of about 15.8 percent. It, however, registered an increase of 37.3 percent during 1986 and went down by 5.4 percent and 0.5 percent during 1987 and 1988 respectively. Traffic increased during 1989 and 1990 by 11.5 percent and 1.8 percent and decreased during 1991 by 11.9 percent over previous year. However, the traffic from Canada increased during 1992, 1993 and 1994 by 20%, 10.2% and 18.% respectively.

The share of Canada in the total tourist traffic to India was about 3.6 percent during 1994.

About 98.5 percent of the Canadians tourists visited India by air during 1994.

Arrivals from Canada:

1993:	47,800
1994:	56,441
1995:	62,821

About 58.2 percent of the Canadians were males and the age-group which was pre-dominant was 35-44 years sharing 25.9 percent of the total followed by the age-group of 25-34 years (21.2 percent).

As per the estimates available, the average duration of stay of Canadian tourists was 28.5 days during 1994.

The October-December period accounted for 38.8 percent of the arrivals followed by the period January to March with 28.3 percent.

The province in Canada which generated maximum traffic to India was Newfoundland (54.5 percent). The other important tourist generating provinces were Ontario (31.7 percent), British Colombia (11.7 percent), Alberta (0.9 percent) and Quebee (0.6 percent). In 1995 the growth registered over 1994 was 18.1 percent.

8) C.I.S.

During 1988 the erstwhile U.S.S.R. emerged as one of the major tourist generating markets for India registering a growth of about 20.6 percent over the previous year. The growth registered during 1989 and 1990 was about 9.5 percent and 2.0 percent respectively over previous years. After showing the decline of 10.7 percent during 1991, the traffic momentum picked up and recorded a 21.5 percent increase during 1992. The growth registered in tourist arrivals from this country during 1993 and 1994 was 23.4 percent and 15.9 percent over 1992 and 1993 respectively. The tourist traffic from C.I.S. during 1980 was merely 11,037 which increased to 56,387 in 1994 with a compound growth rate about 12.4% per annum.

Arrivals from C.I.S:

1993:	48,644
1994:	56,387
1995:	49,665

The contribution of C.I.S. to the total traffic to India was about 3.6 percent in 1994. The air was the predominant mode of transport to the C.I.S. tourist constituting 99.3 percent of the total arrivals. Remaining tourists came through sea and land routes.

The male tourists constituted about 66.3 percent in 1994. The dominated age-group was 35-44 years accounting for 33.8 percent of total arrivals followed by the age-group 25-34 years with 32.5 percent.

About 99.7 percent of C.I.S. tourists had their usual place of residence in C.I.S. and the number of such residents who visited India during 1994 was 56,244.

The maximum number of tourists from C.I.S. came to India during January to March and July to September constituting about 29.6 percent and 27.5 percent respectively.

The average length of stay of C.I.S. tourists was about 23.3 days during 1994.

The 1995 C.I.S. ranking went down to 11th with a decline of -27.9%.

9) Singapore

During 1993, Singapore emerged as one of the top ten tourist generating markets by relegating Malaysia at 11th position. During 1994, Singapore relegated Italy to 10th position and occupied the 9th position. The arrivals from this country during 1994 were 44,157 as compared to 40,223 in 1993 registering an increase of about 9.8 percent. The tourist traffic during 1980 was merely 16,637 which increased to 44,157 in 1994 with an annual compound growth rate of about 7.2 percent.

Arrivals from Singapore:

1993:	40,223
1994:	44,157
1995:	48,632

The contribution of Singapore tourists to the total traffic to India was about 2.8 percent during 1994.

The Male tourists constituted about 59.9 percent in 1994. The dominant age-group was 25-34 years accounting for 28.6 percent of total traffic followed by the age-group 35-44 years with 26.4 percent.

Maximum tourists from Singapore came to India during the fourth and second quarter of 1994 constituting about 26.4 percent and 26 percent respectively.

The average length of stay of Singapore tourists was about 30.5 days during 1994. While 62.8 percent of Singapore tourists visited India for 'Holiday and sight seeing,' 25.6 percent of tourists came for Business purposes. In 1995 Singapore went to the 10th position in spite of an 18.1 percent increase over 1994.

10) Italy

Arrivals from Italy:

1993:	**40,315**
1994:	**43,510**
1995:	**53,015**

As has been the case with many of the important West European nationalities, the Italian tourist arrivals were also on the increase from 1972 to 1989. However, the arrivals during 1990 and 1991 showed a decline of about 3.1 percent and 16.4 percent respectively. The arrivals from Italy during 1992 registered an increase of about 24.3 percent but the traffic declined during 1993 and it was about 21.3 percent over 1992. The traffic from this country increased by 7.9 percent during 1994 over 1993. While the arrivals from this country during 1980 were 29,002, it increased to 43,510 in 1994 registering a compound rate of growth of about 2.9 percent.

The contribution of Italy to the total tourist arrivals in India was 2.8 percent in 1994. The pre-dominant mode of transport was air constituting about 98.7 percent of the arrivals.

The percentage of male tourists was 5.8 percent in 1994. The age-groups dominant in the arrivals were the age-group of 35-44 years accounting for 29.1 percent of the arrivals followed by the age-group of 25-34 years with 28.4 percent.

The July-September quarter accounted for tne maximum number of arrivals constituting 37.6 percent followed by the quarter January-March with 28.7 percent.

The average duration of stay of an Italian tourist was 26.2 days during 1994.

Arrivals from Malaysia:

1993:	**35,334**
1994:	**40,762**
1995:	**50,039**

In 1995 Italy moved upto 8th position from 10th with 21.8% increase over 1994. Malaysia moved to 10th position in 1995 with an increase of 22.8 percent over 1994. The 1995 figures show that many countries showed an increase over the previous year and many tour operators are moving to these new markets. The countries which showed an increase of more than 15 percent in 1995 are mentioned in **Table-5**.

Table 5
Tourist Arrivals in India: Increase in Percentage 1995/1994

Rank	Country	Increase (percentage)	Rank	Country	Increase (percentage)
1.	Nigeria	67.0	18.	Sri Lanka	28.3
2.	Finland	65.6	19.	Indonesia	27.3
3.	South Africa	62.5	20.	South Korea	26.0
4.	Jordon	50.3	21.	Portugal	24.5
5.	Denmark	50.0	22.	Malaysia	22.8
6.	Ireland	21.8	23.	Israel	22.4
7.	Yemen	43.4	24.	Italy	21.8
8.	Sweeden	37.1	25.	Poland	21.8
9.	Belgium	34.5	26.	Kenya	20.7
10.	Norway	33.3	27.	Japan	19.9
11.	New Zealand	32.5	28.	Argentina	18.7
12.	Mexico	32.6	29.	Hong Kong	17.7
13.	Tanzania	32.4	30.	Fiji	17.6
14.	Brazil	31.5	31.	Oman	17.5
15.	China Town	31.2	32.	Czechoslovakia	16.9
16.	Turkey	30.2	33.	U.S.A.	15.2
17.	Philippines	29.9			

Source: DOT, Govt. of India

Table 6 gives the percentage of foreign tourist arrivals according seasonal division. It indicates that the maximum arrivals are during January-March followed by October-December. **Table 7** gives the lean and peak months.

Table 6
Time of Visit

Year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
1994	29.3%	19.7%	24.5%	26.5%
1993	25.7%	18.2%	23.2%	32.9%
1992	26.5%	19.2%	24.0%	30.3%
1991	23.8%	19.0%	24.1%	33.1%
1990	28.9%	19.1%	22.8$	29.2%

Source: DOT, Govt. of India.

Table 7
Peak and Lean Months of Arrivals During 1994

Nationality	Lean Month	Peak Month
U.K.	June	December
U.S.A.	September	December
Sri Lanka	October	December
Germany	October	March
France	May	July
Japan	October	August
Italy	October	August
Canada	September	December
C.I.S.	October	March
Singapore	October	December
U.A.E.	October	July
Australia	May	December
Malaysia	April	November
Switzerland	June	January
Netherlands	May	July

Source: DOT, Govt. of India.

Table 8 gives the percentage of Age-groups of foreign tourists. It shows that the maximum arrivals are in the age groups 25 to 34 and 35 to 44. **Table 9** gives the proprotion of tourists according to sex. It shows that the number of women foreign tourists is increasing every year.

Table 8
Proportion of Tourists According to Age-groups

Age-groups	1993	1994
Over 64 years	3.3%	3.0%
55 to 64	9.8%	7.7%
45 to 54	18.5%	17.6%
35 to 44	22.3%	17.6%
25 to 34	24.3%	25.6%
15 to 24	12.2%	11.8%
3 to 14	9.2%	8.9%

Source: DOT, Govt. of India.

Table 9
Proportion of Tourists according to sex

Year	Male	Female
1990	71.4%	28.6%
1991	72.4%	27.6%
1992	66.0%	34.0%
1993	62.6%	37.4%
1994	60.9%	39.1%

Source: DOT, Govt. of India.

3.3 CASE STUDY

In the previous Section we gave you an idea about the tourist generating markets for India. However, for marketing purposes this data only provides the basis as these markets have to be further segmented according to the variables mentioned in Unit 2. In this Section we provide you certain characteristics of the Japanese market as a case study.

Dr. P. Sastry, Regional Director, East Asian Region DOT made a presentation at the India Marketing Meeting organised by DOT in March, 1996. The information provided here is based on her presentation.

Table 10 gives the purpose of travel among men and women. Though 65.4 percent tourists are men the figures indicate that the number of pleasure travellers is larger among women.

Table 10
Japanese Tourists (Purposes of Travel)
Percentage

Purpose	Men	Women
Sight seeing	50.9	75.9
Business	27.2	3.0
Honeymoon	8.4	6.9
Other	13.2	14.1

Source: DOT, Govt. of India.

The amount of free time is increasing among the Japanese and a strong currency brings in added advantages. The domestic travel costs are high in Japan and people frequently travel overseas. **The destination brand is the most important factor in travel decision making followd by the price tag.** The image of the destination is governed by factors like:

- accessibility,
- good hotels,
- agreeable climate,
- good sight seeing,
- shopping facilities, and
- safety.

The Japanese are affluent tourists. They come under the category of high spenders, though they are cost conscious. On an average they spend five times more than U.K. tourists and three times more than the U.S. and French tourists. They prefer personalised services and carefully choose the destinations out of the many available. They make use of every possible source of information in their decision making. Among them family travel is on the increase and children groups are also travelling.

It is suggested that the Travel and Tourism Industry in India should:

- package special tours and services catering to their perceptions rather than selling general packages meant for all nationals. This means developing exclusive packages to suit their needs,
- market not just pilgrimage tours of Buddhism only but combine culture, adventure, health, leisure and sight seeing in the packages,
- target young people and women, and
- attempt to fill the "information gap" about India.

It should be noted that as per the **Japan Travel Survey** by **ab road** travel magazine:

- India ranked as number five in the list of new areas for visits,
- Delhi figured in the top 50 places they want to visit,
- India was rated as giving a very high travel satisfaction by those who have visited, and
- about 80% of potential visitors to India are aware that India is a good destination for cultural tours.

Similar exercises are carried out to understand various tourism markets the world over (See also Unit 26, TS-2).

Check Your Progress-1

1) What is the role of travel time in selecting destinations?

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2) List some features of the Japanese market.

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3.4 INTRA REGIONAL

We have seen earlier that intra regional tourist flows are on the higher side in Europe, East Asia and America (See Sub-sec. 3.2.1). In relation to India **Table 11** gives you the figures of arrivals from neighbouring countries.

Table 11
Tourism Arrivals in Inida

Nationality	1993	1994	1995	Growth Percentage	
				1994/93	1995/94
Nepal	28,048	34,732	34,562	23.8	−0.5
Pakistan	44,622	42,146	42,981	−5.5	2.0
Bangladesh	2,77,656	2,82,271	3,18,474	1.7	12.8
Sri Lanka	76,898	89,009	1,14,157	15.7	28.3
Bhutan	1,979	2,129	2,043	7.6	−4.0
Maldives	11,278	10,857	4,713	−3.7	−56.6
Afghanistan	9,540	4,223	10,942	−55.7	159.1

Source: DOT

When compared with the tourist flows in other parts of the world the number of intra regional tourists visiting India is not very encouraging. Political conditions and relations have been playing a major role in this regard. However, it is time that efforts should be made to increase the tourist flows. The SAARC nations have initiated measures in this regard and the tour operators, travel agents hoteliers and airlines from these countries are joining hands not only to encourage intra regional tourism but also to jointly sell South Asia destinations in other markets. A South Africa Travel and Tourism Exchange (SATTE) mart was held in New Delhi in April 1996 "to showcase as sellers of the combined tourism products." The Indian Tourism Industry is also targeting the markets in neighbouring countries to increase the market share. This exercise is to be based on the various approaches for Market Segmentation dealt with in Unit 2.

3.5 DOMESTIC MARKETS

In **TS-2, Unit-2** the profile and flows of domestic tourists were discussed at some length. In this Section we provide certain other information in this regard. The **Department of Tourism**, Government of India had conducted a pilot survey of domestic tourists at 22 centres spread all over the country in 1981-82. Besides the findings of this survey not much data is available except for the statistics of arrivals collected by some state tourism departments.

Based on this pilot survey Tables 12 to 21 provide you certain information about domestic tourists.

Table 12
Statewise Origin of Domestic Tourists (1981-82)

Total Male	67.2
Total Female	33.8

State	Percentage
Maharashtra	15.6
West Bengal	11.8
Uttar Pradesh	11.3
Tamil Nadu	10.0
Karnataka	6.8
Gujarat	5.8
Madhya Pradesh	5.4
Delhi	5.0
Other States	28.3

Table 13
Travel Habits

Alone	17.5%
With friends	18.70%
With Family	63.8%

Table 14
Average Length of Stay

Category	Number of Days
1. Metropolitan cities	7.6
2. Other Business Centres	4.3
3. Hill Stations and Beach Resorts	6.0
4. Historical Sites	2.8
5. Pilgrim Centres	2.4
6. All Centres	5.4

Table 15
Expenditure Pattern

1. Accommodation	34.4%
2. Food	23.8%
3. Inter City transport	10.4%
4. Shopping	26.7%
5. Entertainment	1.8%
6. Miscellaneous	2.9%

Table 16
Accommodation Used

1. Hotels	57.2%
2. Private Lodges	19.4%
3. Dharamshalas, etc.	16.2%
4. Tourist Bunglows, Youth hostels, etc.	6.2%
5. Others	1.0%

Table 17*
Modes of Transport Used

1) Rail	49.7%
2) Bus	38.6%
3) Taxi	6.4%
4) Air	4.7%
5) Sea	0.6%

*Does not include figures of cars and vans owned by tourists.

Table 18
Occupational Status

1) Business	42.9%
2) Profession	9.3%
3) Service	36.3%
4) Agriculture	5.6%
5) Students	4.0%

Table 19
Income Status (in Rupees)

Below 6,000	4.9%
6,000 to 10,000	20.4%
10,001 to 20,000	32.6%
20,001 to 30,000	21.5%
30,001 to 50,000	12.8%

Table 20
Purpose of Travel

1) Leisure	56.8%
2) Business	21.3%
3) Pilgrimage	13.5%
4) Others (health education, etc)	8.4%

Table 21
Age-wsie Breakup

1) Below 12 years	16.3%
2) 13 to 29 years	38%
3) 30 to 55 years	40.3%
4) Above 55 years	5.3%

The data provided in Tables 12 to 21 is slightly outdated as the year of survey is 1981-82,. However, certain trends which emerge through this data are relevant. For example:

- Age is an important factor with 30 to 55 years being the largest group followed by 13 to 29 years (Table 21).
- Table 13 indicates that majority of domestic tourists travel with family.
- Leisure, business and pilgrimage remain the dominant purpose of travel (Table-20).
- People from business, service and professionals form the bulk of the tourist market (Table 18),
- Majority of tourists come from middle class and upper middle class (Table 19),
- Domestic tourists don't go for long holidays (Average 5.4 days) as compared to foreign tourists whose average length of stay in India is 28.4 days (Table 14).
- Rail travel remains the dominant mode of travel (Table 17).

Most of these trends also get reflected from the data collected at destinations by the local authorities. For example, a survey conducted by the Tourist Office at Ranikhet (hill station in Kumaon hills of U.P.) in 1987 gave following results:

- Occupation wise 35.5% toursts were from government service, 24.7% from private sector, 19.4% from business and 4.3% professionals, followed by 12.3% others.
- 90.3% tourists were from the age group 21 to 50 years.
- Regionwise 41% tourists were from West Bengal, 29% from north and 19% from Maharashtra and Gujarat (Compare this trend with Table 12).

The results of the survey conducted by the Himachal Pradesh also gave similar indicators:

- Occupation-wise business had a share of 49.5%, professions 8.4% service 28.4%, agriculture 4.6% and students 4.6%.
- Tourists belonging to Northern states were 89.75% followed by Western states 5.5% and eastern states 3.1%.
- Again, income wise the upper middle class share was 33.5% followed by middle class 58.%, etc.

The tastes and trends among the domestic sector are alos changing fast. For example:

- Adventure and Eco-tourism is picking up,
- Week-end travel to nearby destinations is increasing,
- Group travel by School children and college students is on the increase,
- Tourists are demanding special packages and services, particularly among the higher income groups,
- Beside LTC travel by government employees, private sector employees are also getting travel incentives,
- The number of honeymooners is increasing,
- Expenditure on shopping is increasing with a demand for ethnic products and handicrafts,
- Pilgrimage is being mixed with leisure,
- Conventions tourism is picking up,
- Marriage groups have started using the services of domestic tour operators,
- The frequency of travel for leisure is going up with people taking more than one trip in a year, etc.

The importance of domestic tourism has been acknowledged by the government and efforts are being made to provide better facilities for domestic tourists. Destinations like Goa are targetting the domestic market during off season. Recently a **Domestic Tour Operators Association** has also been formed with the aim to highlight the problems in their area.

Domestic tourism markets are mainly concentrated in big and medium towns and the country side market which is yet to be explored.

Table 22
Estimated Domestic Tourist Arrivals

Name of the State	Year		
	1992	1993	1994
1. Andhra Pradesh	24582071	26531437	32846914
2. Arunachal Pradesh	2901	2115	2222
3. Assam	19029	19902	17649
4. Bihar	2413811	8410614	8454457
5. Goa	774568	798576	849404
6. Gujarat	61052	57379	55494
7. Haryana	296209	316358	306559
8. Himachal Pradesh	1521893	1455445	1720616
9. Jammu and Kashmir*	1175	0	500
10. Karnataka	10365087	5834418	5946542
11. Kerala	1175	4350566	4620350
12. Madhra Pradesh	10365087	3648731	7032125
13. Maharashtra	4032859	4996543	5496197
14. Manipur	3317029	60067	80122
15. Meghalaya	4542312	155667	154977
16. Mizoram	85246	19675	20356
17. Nagaland	138932	20045	16222
18. Orissa	13595	2538875	2594992
19. Punjab	34137	222701	322208
20. Rajasthan	2471346	5454321	3699886
21. Sikkim	201549	70365	92435
22. Tamil Nadu	5263121	13751842	16025594
23. Tripura	890620	164835	203746
24. Uttar Pradesh	1810802	18855446	2163442
25. West Bengal	3670063	3995824	4330172
26. Andaman & Nicobar	34353	32529	46125
27. Chandigarh	369329	398721	403226
28. Daman and Diu	N.A.	N.A.	51871
29. Delhi	1051724	1107022	1154868
30. Dadra and Nagar Haveli	N.A.	N.A.	N.A.
31. Lakshadweep	1569	1726	2885
32. Pondicherry	311570	342727	324105
TOTAL	81455861	86644472	100036261

* Figures related to Kashmir valley only.

Check Your Progress-2

1) What are the emerging trends in domestic tourism?

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2) What is the importance of intra-regional tourism?

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3.6 LET US SUM UP

The top fifteen tourist generating markets of the world are the developed countries and interestingly most of them are among the list of top arrivals also. This Unit familiarised you with India's share in the world tourism market; the perfomance of ten top markets for India and the characteristics of these markets. Similarly, the Unit gave you an idea about intra-regional travel which compared to America, Europe and South-East Asia is much less in the Indian Sub-continent. The Domestic travel is on the increase and more market research is required in this area.

3.7 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progrss-1

1) Travel time is crucial. Generally long haul destinations and big countries like India tend to lose in this regard. For example, an American wants to take a holiday. He has eight days vacation. He realises that India being a big country cannot be covered in five days as two days will go in travel and another in jetlag. Hence, the idea to visit India is kept for some future date which may or may not come.

2) Base your answer on Sec. 3.3.

Check Your Progress-2

1) Base your answer on Sec. 3.5.

2) Attempt the answer by using your own imagination.

SOME USEFUL BOOKS FOR THIS BLOCK

R.M. Chisnall,	:	**Marketing, A Behavioural Analysis,** London, 1985.
Cooper, et al	:	**Tourism: Principals and Practices,** London, 1993.
Philip Kotler	:	**Marketing Management: Analysis, Planning and Control,** London, 1984.
Philip Kotler	:	**Marketing for Non-Profit Organisations,** New Jersey, 1975.
Victor T.C. Middleton	:	**Marketing in Travel and Tourism,** Oxford, 1993.
IGNOU Management Courses	:	**MS-6, Marketing for Managers** and **MS-64, Marketing of Services.**
Stephen Morse	:	**Management Skills in Marketing,** Berkshi, 1982.

ACTIVITIES FOR THIS BLOCK

Activity-1

Take a sample population in your neighbourhood of 10 to 15 families. Segment them as per their.

- travel habits,
- motives of travel,
- expenditure on travel, and
- destinations they would like to visit.

You will have to prepare a small questionnaire for this.

Activity-2

Interview some domestic tourists visiting your area as to their expectations regarding services and facilities.

Activity-3

If possible visit 2 or 3 tour operators and find out which market segments do they cater to and why?

Activity-4

Select any one segment of the tourism industry you like and make a marketing plan for the same.

Activity-5

As a potential customer of tourism services, map out your own wants and needs, etc.

TOURIST ARRIVALS IN INDIA BY COUNTRY OF NATIONALITY DURING JANUARY TO DECEMBER 1996-1998 (INCLUDING NATIONALS OF PAKISTAN AND BANGLADESH)

NATIONALITY	1996	1997	1998	PERCENTAGE CHANGE 1997/96	1998/97
	(January - December)				
NORTH AMERICA					
Canada	74031	78570	80111	6.1	2.0
U.S.A.	228829	244239	244687	6.7	0.2
Others	34	55	122	61.8	121.8
Total	302894	322864	324920	6.6	0.6
CENTRAL AND SOUTH AMERICA					
Argentina	2839	3202	3776	12.8	17.9
Brazil	5194	4821	6498	-7.2	34.8
Mexico	2400	2364	3462	-1.5	46.4
Others	8913	6624	9965	-25.7	50.4
Total	19346	17011	23701	-12.1	39.3
WESTERN EUROPE					
Austria	17084	16369	18211	-4.2	11.3
Belgium	22160	21532	22658	-2.8	5.2
Denmark	13326	14203	16370	6.6	15.3
Finland	16057	12127	9844	-24.5	-18.8
France	93325	91423	97898	-2.0	7.1
Germany	99853	105979	93993	6.1	-11.3
Greece	5567	4182	5494	-24.9	31.4
Ireland	5835	5257	7062	-9.9	34.3
Italy	49910	53854	54058	7.9	0.4
Netherlands	40246	44843	54227	11.4	20.9
Norway	8205	8046	8769	-1.9	9.0
Portugal	7020	6855	8004	-2.4	16.8
Spain	24419	22903	25309	-6.2	10.5
Sweden	21192	19772	19563	-6.7	-1.1
Switzerland	34989	31717	33364	-9.4	5.2
U.K.	360686	370567	376513	2.7	1.6
Others	1348	1700	2074	26.1	22.0
Total	821222	831329	853411	1.2	2.7
EASTERN EUROPE					
Czechoslovakia	2800	2330	4244	-16.8	82.1
Poland	6241	5996	7873	-3.9	31.3
C.I.S.	41085	32190	29493	-21.7	-8.4
Others	5547	4581	6633	-17.4	44.8
Total	55673	45097	48243	-19.0	7.0

NATIONALITY	1996	1997	1998	PERCENTAGE CHANGE	
	(January - December)			1997/96	1998/97
AFRICA					
Egypt	3485	3451	4663	-1.0	35.1
Ethiopia	5138	5273	5784	2.6	9.7
Kenya	19248	18993	21537	-1.3	13.4
Mali	4525	14626	13774	223.2	-5.8
Mauritius	9684	11518	13632	18.9	18.4
Nigeria	3721	3972	3710	6.7	-6.6
South Africa	19328	22218	20397	15.0	-8.2
Sudan	2375	3071	2406	29.3	-21.7
Tanzania	11083	8794	8245	-20.7	-6.2
Zambia	1355	1480	1402	9.2	-5.3
Others	9206	8965	15158	-2.6	69.1
Total	89148	102361	110708	14.8	8.2
WEST ASIA					
Behrain	10835	11547	10251	6.6	-11.2
Israel	18387	20162	21103	9.7	4.7
Jordan	2306	2616	2334	13.4	-10.8
Kuwait	2604	2302	1974	-11.6	-14.2
Oman	17020	16185	13695	-4.9	-15.4
Qatar	2416	3718	4552	53.9	22.4
Saudi Arabia	17688	15390	12256	-13.0	-20.4
Syria	1200	1731	1467	44.3	-15.3
Turkey	2139	2135	1778	-0.2	-16.7
U.A.E.	21404	19828	14992	-7.4	-24.4
Yamen Arab Republic	15103	13909	8310	-7.9	-40.3
Others	3163	3084	2877	-2.5	-6.7
Total	114262	112607	95589	-1.4	-15.1
SOUTH ASIA					
Afghanistan	12943	3151	3605	-75.7	14.4
Iran	12171	11338	9828	-6.8	13.3
Maldives	1083	1217	2119	12.4	74.1
Nepal	43426	43155	38199	-0.6	-11.5
Pakistan	41810	45076	44057	7.8	-2.3
Bangladesh	322355	355371	339757	10.2	-4.4
Sri Lanka	107351	122080	118292	13.7	-3.1
Bhutan	2828	2318	2915	-18.0	25.8
Total	543967	583706	558772	7.3	-4.3

NATIONALITY	1996	1997	1998	PERCENTAGE CHANGE	
	(January - December)			1997/96	1998/97
SOUTH EAST ASIA					
Indonesia	7701	7756	5728	0.7	-26.1
Malaysia	53370	60401	47496	13.2	-21.4
Myanmar	2306	2681	3022	16.3	12.7
Philippines	5152	5756	5527	11.7	-4.0
Singapore	47136	52004	54328	10.3	4.5
Thailand	16188	16494	16368	1.9	-0.8
Others	955	1113	1055	16.5	-5.2
Total	132808	146205	133524	10.1	-8.7
EAST ASIA					
China (Main)	5613	7369	4312	31.3	-41.5
China (Taiwan)	8066	5721	6754	-29.1	18.1
Hong Kong	8560	10209	9562	19.3	-6.3
Japan	99018	99729	89565	0.7	- 10.2
Korea (South)	16173	15392	16321	-4.8	6.0
Korea (North)	6560	8259	2064	25.9	-75.0
Others	276	201	788	-27.2	292.0
Total	144266	146880	129366	1.8	-11.9
AUSTRALASIA					
Australia	48755	50647	57807	3.9	14.1
Newzealand	11289	11409	14720	1.1	29.0
Fiji	1584	1379	1917	-12.9	39.0
Others	1435	1952	5768	36.0	195.5
Total	63063	65387	80212	3.7	22.7
Stateless	1211	647	183	-46.6	-71.7
Grand Total	**2287860**	**2374094**	**2358629**	**3.8**	**-0.7**

Source : Department of Tourism, Government of India