



FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

UP IN THE AIR: HOW INDIA'S DOMESTIC AIR PASSENGERS TAKE TO THE SKIES

A CLOSE LOOK AT THE BEHAVIOUR AND PREFERENCES OF THE INDIAN FLYER

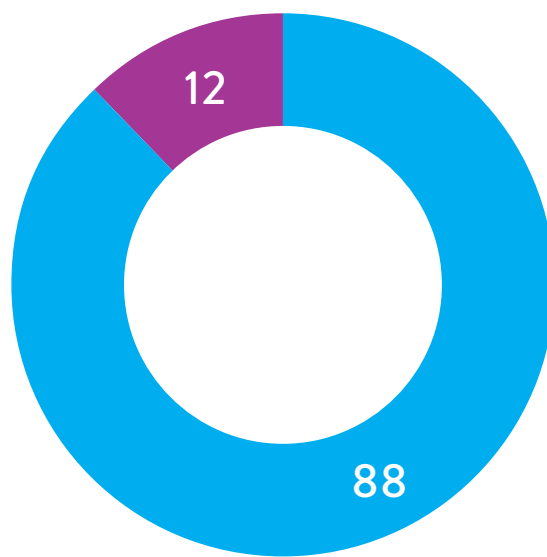
BY: SURJYA ROY, DIRECTOR, NIELSEN INDIA

- **NEARLY HALF OF THOSE TRAVELLING WITH FAMILY ARE YOUNG - AGED BETWEEN 25 AND 35 YEARS**
- **ORGANIZED AND PLANNED TOURS ARE A PREVALENT CHOICE FOR VACATIONS IN INDIA**
- **DISCOUNTED AND CASH-BACK OFFERS MORE ATTRACTIVE TO RESPONDENTS THAN LOYALTY POINTS AND OTHER SPECIAL SERVICES**

India's airline industry is currently witnessing robust growth fuelled to a large extent by vast infrastructure improvements across the country. Old airports are getting facelifts, and the advent of low-cost carriers are prompting more people to fly to their destinations. Encouraged by an increasing flyer count, several greenfield airports have cropped up across India, making many regions more easily accessible. The number of operational airports has increased to 82 in 2010 from 50 in 2000. As a result of these efforts, the compound annual growth rate of the aviation industry has been estimated at a high 18 percent by industry sources.

Currently the 9th largest aviation market, India is predicted to become the 3rd largest by 2020 with 336 million domestic and 85 million international travellers. The opportunities therefore, for airlines, hoteliers, tour operators and other travel and tourism-related companies are immense.

To better understand this growing market, Nielsen recently conducted a survey shedding light on the behaviour and preferences of the country's domestic air travellers. The survey showed that tour operators play a big role in the planning of vacations. It also found that around 12 percent of all business travel in the country is for MICE (meetings, incentives, conferences and events).



● GENERAL BUSINESS TRAVEL ● MICE (MEETINGS, INCENTIVES, CONFERENCES, EVENTS)

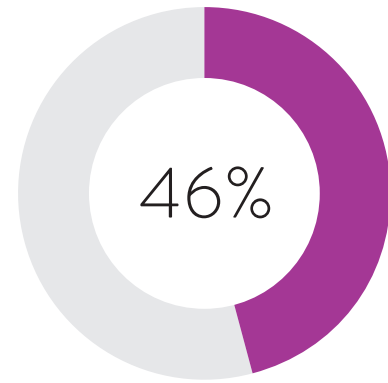
Figs. in %
Source: Nielsen

Almost half (46%) of those travelling with their families are young, aged between 25 and 35 years. Frequency of leisure trips is also significantly higher amongst those aged between 26 to 30 years – 95 percent of this age group claim to travel once in six months or more for personal reasons.

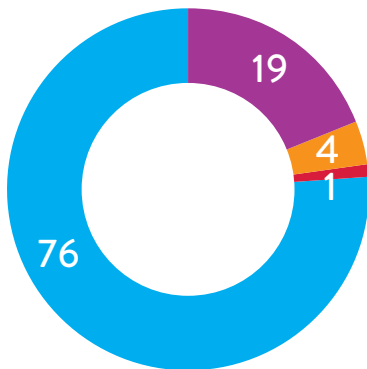
Since they also claim to play a major role (or are sole decision-makers) for their family's travel plans, they are a critical target group for marketers in the family holiday space.

DESTINATION WEDDINGS: AN EMERGING TREND?

Travelling by air to attend family functions, weddings or for pilgrimage is the second most popular reason for leisure trips in India, with a fourth of all respondents listing them as the reasons for travel. Around 56 percent of such respondents say they've attended "destination weddings or functions," indicating that this may be an emerging fad.



● 25 YRS - 35 YRS



56% OF THOSE TRAVELLING FOR A FAMILY FUNCTION, WEDDING, FRIEND'S WEDDING, OR ANNIVERSARY SAY THAT THEY ATTENDED A DESTINATION WEDDING OR FUNCTION.

● VACATION ● FAMILY FUNCTION/WEDDING/FRIEND'S WEDDING/ANNIVERSARY

Figs. in %
Source: Nielsen

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DESTINATIONS WEDDINGS TURN OUT TO BE MORE CONVENIENT, FUN AND SOMETIMES EVEN CHEAPER THAN HOSTING A WEDDING IN YOUR HOME TOWN. NOWADAYS SOME FAMILIES PREFER DOING A DESTINATION WEDDING ABROAD, AS IT COSTS THE SAME (OR EVEN LESS IN SOME CASES).

- ABHINAV BHAGAT, AB EVENTS

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FLIGHT PLAN: TOUR OPERATORS SCORE BIG

Despite the rise in self-booking, the survey revealed that tour operators still plan almost half of the vacations respondents take. Around 42 percent of those who went on leisure travel, excluding family functions and weddings say they've opted for tours planned and organised by a holiday company or tour operator. Organised tours continue to score highly among decision-makers because many consumers believe they give good value for money and promote their products effectively. They also make travelling convenient.



Figs. in %
Source: Nielsen

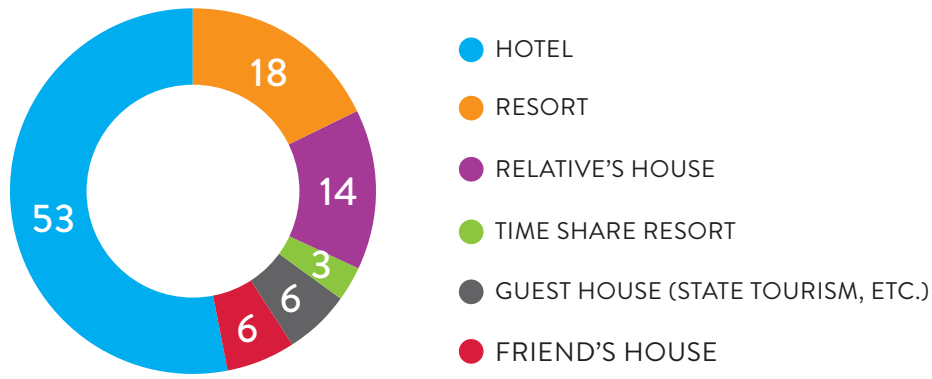
HOTELS VERSUS RESORTS

Decision-makers prefer to stay in hotels over resorts while travelling. While 53 percent said they stayed at hotels in their most recent trip, only 18 percent chose resorts.

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DECISION-MAKERS FAVOUR HOTELS OVER RESORTS FOR ACCOMMODATION WHILE TRAVELLING.

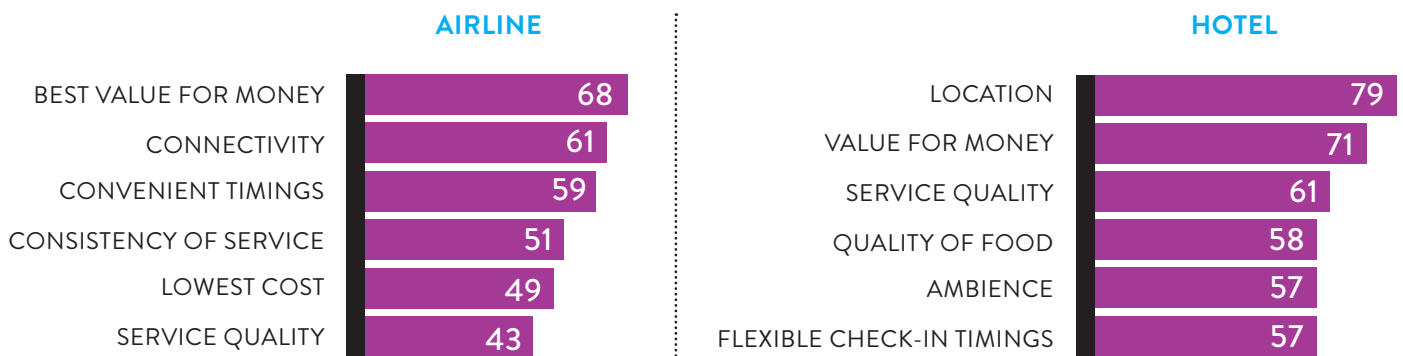
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Figs. in %
Source: Nielsen

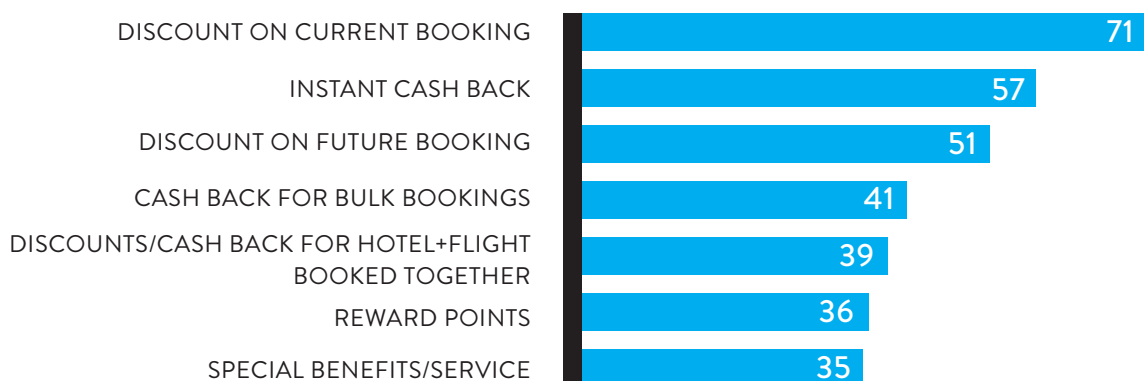
SOARING DEALS

Our study also found that for most travellers, the key parameter for choosing an airline and hotel was value for money and promotions instead of the lowest cost.



Figs. in %
Source: Nielsen

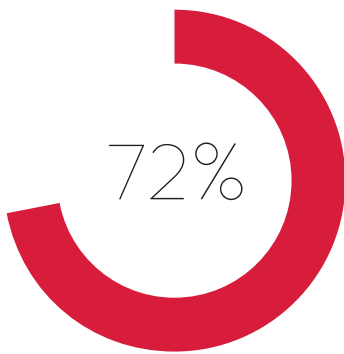
When it comes to promotions, travellers seem to favour instant gratification. Respondents preferred discounts on current booking and instant cashback offers over loyalty points and special services.



Figs. in %
Source: Nielsen

A PACKAGE DEAL

Not many people opt for combined flight and holiday packages, but Nielsen's findings showed that they have the potential of becoming extremely popular. Of those who travelled for leisure trips, (excluding those who opted for an organized/planned tour), only 11 percent opted for a flight + hotel package on their previous trip. 71 percent say they didn't go for such packages only because there was a paucity of good options. However, almost all (96%) the respondents say they are willing to consider such packages.



ONLY 11% OPTED FOR A HOTEL+FLIGHT PACKAGE

71% PEOPLE CLAIMED THE LACK OF GOOD OPTIONS/CHOICES WAS THE KEY REASON FOR NOT SELECTING SUCH PACKAGES

BUT MOST ARE WILLING TO CONSIDER

| | |
|--------------------------------------|-----|
| Yes, certainly | 50% |
| Only if there is a promotional offer | 22% |
| Only if there is good discount | 24% |

- STAYED/WILL STAY IN A HOTEL/RESORT

SPREADING THE WORD

Our survey also revealed that most Indian flyers comment on their travel on social media websites. Around 69 percent of the decision-makers said they posted details of their travel on social networks using status updates, photographs or videos. More than half of such travellers talked about their destinations, while a slightly smaller number mentioned their airlines. Only 36 percent of such travellers mentioned their hotels or resorts in their updates, and only a fourth made any reference to their tour operators or holiday companies. This level of online activity displayed by Indian travellers offer a great opportunity for hotels and airlines to engage with consumers in these spaces.

Our recent survey highlights the importance choice-conscious domestic air travellers attach to getting good value for their money. Well-promoted programmes that are easy to sign-up for appeal to large sections of flyers. While discounts and cash-back offers do help to grab the attention of most decision-makers, what matters most to them is convenience and value for money.

ABOUT THE AUTHOR



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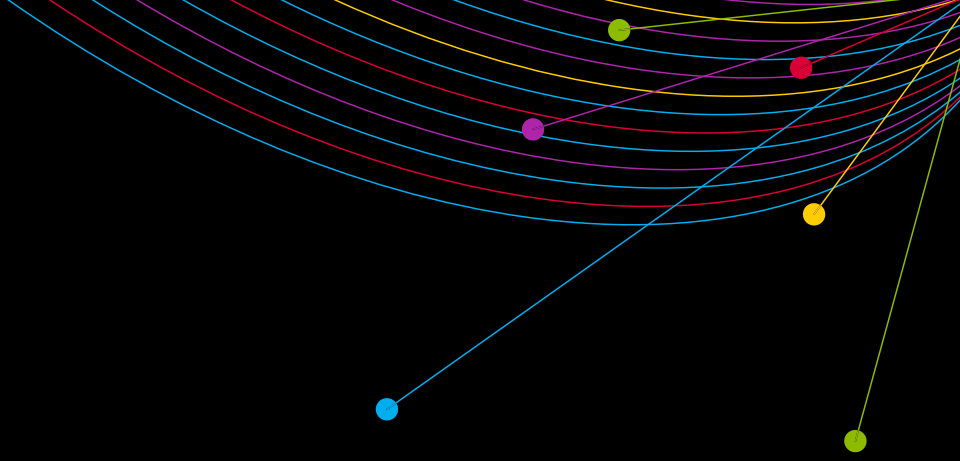
Pallavi Mishra from the Nielsen Travel & Tourism team contributed to this issue of Featured Insights.

ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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