

Market situation: India.

[MySwitzerland.com/meetings](https://myswitzerland.com/meetings)

Created by: Aishvarya Guhagarkar
Created on: September 2019

1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

In May 2019, the Bhartiya Janata Party (BJP) led by current Prime Minister Narendra Modi, won the world's largest democratic election by a landslide. Interestingly, the electoral mandate this time was even bigger than in year 2014. The results were a resounding endorsement of Modi's popularity, his government's achievements in the past five years, and his campaign that centred on national security, nationalism, and development. Prime Minister Modi's government once again enjoys an absolute majority in the lower house of Parliament. The single-party majority mandate has set the foundation for a stable central government for another five years.

Since the beginning of 2019, the Indian economy has been slowing down. The GDP growth from January to March 2019 slowed down to 5.8%, compared to 7.2 % a year over, in FY 2018. For the first quarter of FY 2019 - 20 (April to June '19), the GDP further slowed to a six-year low of 5%, as per Reserve Bank of India. Several core sectors have witnessed a slowdown due to domestic risks. Such as weak consumer demand, high unemployment rate, slump in automobile industry, poor health of the banking sector and decrease in demand for exports together with external risks (from uncertainties around global trade). This will likely impact business investments and credit growth, and thereby, overall growth. Indian policymakers are taking measures to mitigate the current slowdown.

A critical driver of economic growth, is the foreign direct investment (FDI). Foreign companies are investing in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generating employment. The data for 2018-19 indicates that the services sector attracted the highest FDI equity inflow of US\$ 9.16 billion. Followed by computer software and hardware (US\$ 6.42 billion), trading (US\$ 4.46 billion) and telecommunications (US\$ 2.67 billion.) The total FDI equity inflows for the month of March 2019 touched US\$ 3.60 billion.

Indian companies in certain industrial sectors such as information technology, telecommunications, pharmaceuticals, textiles, and engineering are globally recognized for their innovation and competitiveness. Some of the core industries that are growing very steadily, include:

The Insurance industry that consists of 57 insurance companies of which 24 are in life insurance business and 33 are non-life insurers. The overall insurance industry is expected to reach US\$ 280 billion by 2020. Life insurance industry in the country is expected to grow by 12-15% annually for the next three to five years, driven by increasing awareness, innovative products and more distribution channels.

The Pharmaceutical industry is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in UK. India also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 19.14 billion in FY19. India's 'Pharma Vision 2020' aims to make India a global leader in end-to-end drug manufacturing.

The Indian telecommunications industry with a market size of 604.21 million internet subscribers, as of December 2018, ranks as the world's second largest market in terms of total internet users. Further, India is also the world's second largest telecommunications market, with total subscriber base of 1,183.51 million at the end of March 2019. India ranks second in number of telecommunication subscriptions, internet subscribers and app downloads globally. The Government of India also unveiled the National Digital Communications Policy in September 2018, which aims to attract US\$ 100 billion worth of investments and generate 4 million jobs in the sector by 2022.

The Indian Renewable Energy industry is the fourth most attractive renewable energy market in the world. As of October 2018, India ranked 5th in installed renewable energy capacity. The Government of India is committed to increase use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily. In addition, renewable energy has the potential to create many employment opportunities at all levels, especially in rural areas.

The Indian Engineering industry has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. India exports its engineering goods mostly to the US and Europe, which accounts for over 60% of the total exports. Engineering exports for the period of FY19 were US\$ 81.02 billion as against US\$ 76.20 million in the same period previous year. The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI.

1.2 Situation of the Meeting Industry & Trends.

India is now one of the fastest growing outbound tourism markets in the world, second only to China. The United Nations World Tourism Organization (UNWTO) estimates that India will account for 50 million outbound tourists by 2020. Despite the slowdown due to rupee fluctuations, the Indian outbound numbers have been growing at an average annual growth rate of 10-12% over the last seven years. The market for travel and tourism in India is expected to grow at a Compound Annual Growth Rate (CAGR) of around 7.23% during 2016-2021.

India is one of the most digitally-advanced traveller nations in terms of digital tools being used for planning, booking and experiencing a journey. Increased smartphone and internet penetration has also contributed to an increased number of online bookings and research on destinations.

India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

India has 129 airports in the country, which includes 23 international Airports. Air connectivity to foreign destinations has improved significantly over a period of time. The Indian aviation infrastructure has witnessed many developments with revamped international airports and Indian airlines are expanding their footprint to key countries across the globe, thus benefiting Indian MICE travellers to explore new destinations.

First-time Indian visitors generally prefer to visit Asian countries due to their proximity to India and being less expensive compared to western destinations. In the case of long-haul travel Indians prefer going to United States (US), Australia, Europe, New Zealand etc.

Middle Eastern countries and SEA countries, consider India the largest source markets for MICE tourism. Germany has been the most popular destination for trade shows and exhibitions. Thailand, Indonesia (Bali), and few Middle East countries are popular for destination weddings.

MICE (Meetings, Incentives, Conferences and Exhibitions), including small intimate corporate groups, is one of the fastest growing segments of Indian outbound travel. Companies in India are realizing the benefits reaped by their businesses from organizing MICE trips, which involve large or small groups of employees from their companies or industry meeting at desirable foreign destinations. In addition, with Indian corporates expanding their global footprint, business executives traveling overseas are combining work with pleasure by taking their families with them on business trips. Industries that are organizing Incentive travel are FMCG's (Fast Moving Consumer Goods), telecommunications, insurance, bank, pharmaceuticals, healthcare and energy.

Trends.

Choosing venues that are interesting - we are seeing a clear shift, away from the traditional theatre-style seating or round table set up in meeting rooms. There is high demand for interesting venues, which can be dressed specially for the meeting or events. Interesting means impactful; impactful means memorable. Clients increasingly want **experiential events**. Taking attendees to unexpected places, where they might not otherwise be able to go, is proving very successful. Even the most traditional companies are requesting for unique venues into their events. In demand are castles, museums, caves, farms — that are fully equipped for an event.

Food is an integral part of an Indian Incentive program. Indian food is no longer considered just a facility to be provided at an event, but rather it is a tool to impress and amaze the guests. It's been observed that even if everything is right and perfect, but if the food is not good, then the clients are likely to feel highly disappointed. On the other hand, if some things go wrong, but the food is excellent, the visitors will still remember the event favourably.

Indians love destination weddings to experience the biggest day of their life at a beautiful location which also extends into a family holiday offering exciting activities. In addition, when traditional ceremonies are done differently in exotic locales, it only adds to the joy. Countries that offer easy availability of Indian food, fast visa process, great hospitality and multiple luxury resort options have attracted Indians towards destination weddings. Cruise weddings as a concept is gaining popularity with couples tying the knot on luxury cruises, sailing away to exotic locations with a guest list of 400-500 people. Pre-wedding photo shoots at exotic locations is also a trend that is picking up. Amongst European countries, destinations like Italy (Tuscany, Lake Como), Turkey, Austria (Vienna), Switzerland, etc. are gaining in popularity.

1.3 RFP situation in India

SCIB India has seen a slow and steady growth to Switzerland in 2019, but the overall MICE market has been slower compared to year 2018. The requests are there, but getting the request confirmed seem to be challenging as getting room inventory is difficult. We will continue to keep pushing the winter season from November to February. Month of March is financial closing month and April is the start of the financial year, therefore corporate clients don't travel in this period.

Geneva and the Lake Geneva Region continue to get more popular in the Indian market. Clients who have visited these regions have shared a very positive feedback. Another positive situation is that the clients have increased their overnights from 4 nights to 5 nights, with more varied experiences in their programs. Many corporate clients are splitting their 4/5 night's stay, in this region and balance overnights in Lucerne or Zurich region.

For bigger groups of 200 plus, Zurich city continues to be extremely popular in the Indian market, mainly due to large inventory of rooms, good pricing, flexibility, allowing Indian catering at their venue, plenty of options for Indian restaurants.

Total buyout of hotels for bigger groups is in demand too. To expand the season and to make Switzerland attractive during the Winter months, which is actually our low season, we are planning on some additional activities in the market.

2 TARGETS.

- Tap MICE agencies in Tier II and Tier III cities and build network with them.
- Enhance the existing partnerships with the MICE agencies, pan India.
- Connect with new MICE agencies, Event planners and wedding planners.
- Develop new itineraries and provide local support to the MICE agencies.
- Regular product updates & Sales call to MICE agencies.
- Establish contacts with Corporate Clients through various channels and build a good working relationship with them.
- Aim & tap new opportunities to increase MICE business to Switzerland.

3 DETAILED MARKETING ACTIVITIES.

Further details of past, present and future marketing activities can be found on www.stnet, which can be accessed by using your personal username and password.

INDIA

01/01/2020 – 31/12/2020	SCIB: Webinar for agencies from all over India	Comments	Cost CHF 500
	SCIB organises & coordinates the invite of the clients to attend the webinars. Follow-up email to all registered clients is sent and includes partners' contact details and promotional material. Participating partners to receive full contact details of the planners.		Cash participation, time and presentation about product news.
01/01/2020 – 31/12/2020	SCIB: Educational trip with a MICE agency or Airline	Comments	Cost CHF 0
	<ul style="list-style-type: none"> - SCIB India will work jointly with a reputed MICE agency or SWISS to bring an educational trip of qualified Corporate Travel Managers (CTM) to Switzerland. A very good medium to showcase the destination to managers who plan Incentive trips for their organisations. - Between 8 to 10 pax to be part of the educational trip 		Land arrangements
01/04/2020 – 30/11/2020	SCIB: Individual Sales activity plan for partners	Comments	Cost CHF 4'000
	<ul style="list-style-type: none"> - SCIB will plan 5 day sales activity (workshop/sales call/ presentation) for Swiss partners - The focus will depend on the partner request (Corporate clients and MICE agencies) - Mumbai & Delhi along with tier II city. <p>Possibility to combine with the activity "cooperation with Vogue for destination wedding promotion" or other Activities in the market.</p>	<ul style="list-style-type: none"> - Three cities will part of the sales activity (Option 1 - Two metro cities like Mumbai & Delhi plus one, tier II city, like Ahmedabad, Pune, Bangalore etc. Option 2 - SCIB India can tailor make a plan according to the preference of the partner) - Overseas flights, intercity flights and hotel overnights are on your own budget. Transfers within city included in the cost. 	
01/07/2020 – 31/07/2020	SCIB: 7th Annual MICE India & Luxury Travel Congress (MILT) in Mumbai and in Bangalore	Comments	Cost CHF 6'000
	<p>By invitation only Congress, committed in bringing together corporate buyers, agencies, incentive houses, destination wedding planners and bollywood location managers from across India who are actively sourcing new destinations to host their upcoming events. The agenda, will offer good insights on the Indian MICE and travel market through various keynotes, panel discussions and round table sessions.</p> <ul style="list-style-type: none"> - In each city, 8 fixed pre scheduled 1:1 appointments matching for service providers are arranged with the most influential buyers in India. The appointments can go upto 15 too. - The event will gather top level executives who have been handpicked on the basis of their budgets and decision making abilities. 		<ul style="list-style-type: none"> - Sharing the table with a partner (no individual branding and the meetings /appointments will be shared): CHF 3'500 per city per partner - Single table with individual branding, and individual meetings/ appointments: CHF 6'000 per city. If the Swiss partner wishes an additional person (extra representative) on his/her table the cost is CHF 995 - Clubbed special offer: Sharing the table in 2 cities plus Sales call package in 3 cities (pre & post MILT) CHF 10'000
			IMP: Overseas flights, intercity flights and hotel overnights are on your own budget. Transfers within city included in the cost.

MarketingActivities SCIB – Budget SCIB – INDIA

15/07/2020 – 31/08/2020	SCIB: cooperation with Vogue for destination wedding promotion	Comments	Cost CHF 6'200
	Participation to the “8th Vogue Wedding Show 2020” which is the must-visit wedding shopping exhibition, for all brides and grooms, curated by Vogue India. Presence in Vogue Magazine India for wedding planners and couples.	Switzerland Tourism will create a booth at the wedding show Vogue India. The event will be combined with MICE activities in the market.	Open to subpartner Cost for 3 days Vogue wedding show and presence in the magazine Price for 3 partners with SCIB
01/11/2020 – 15/12/2020	SCIB: IBTM World Barcelona incl. Pre or PostTour in Switzerland	Comments	Cost CHF 0
	International trade show with participation of meeting planners worldwide. Active participation at the Swiss booth.		
	SCIB India will try to organize a pre IBTM study trip to Switzerland in cooperation with an existing Hosted Buyer Group with at least 5 Indian meeting / incentive planners. If the study trip is not possible then SCIB India will have a presence at the fair to meet up with Indian buyers		Land arrangements