



# OPPORTUNITIES IN TRAVEL RETAIL IN INDIA

Saloni Nangia  
Vice President  
Technopak Advisors (India)

ASIA PACIFIC BREAKFAST WORKSHOP  
TFWA, CANNES, OCTOBER 2008

# CONTENTS



- Technopak
- The Indian Economy and Consumer
- Organised Retail in India
- Air Travel Industry
- The Air Travel Consumer Profile
- Opportunities in Travel Retail

# TECHNOPAK



- A Management Consulting organisation, based in India, focused on Retail, Textiles & Clothing, Healthcare, Hospitality and Food Processing
- Offer a complete gamut of services – from consumer insights and business strategy to implementation and project management
- Set up in 1991, we have had the privilege of working with International and Indian companies, who are leaders in our sectors
- A team of 250 consulting staff , based out of 3 offices (Gurgaon (National Capital Territory), Mumbai and Bangalore) in India.

[www.technopak.com](http://www.technopak.com)

technopak

# INDIA : ECONOMY & CONSUMER



## GDP Growth & Macroeconomics

- Indian GDP growing at ~8% per annum and expected to catch up with UK & France in ~15 years

## Favourable Demographics

- Young country (median age 25 years)

## Rising Affluence

- Per Capita Growth of 8% per annum

## Increasing Affordability

## Increasing Awareness

- Influx of international lifestyle & fashion through media and travel

## Rising Aspirations

- Increasing Consumerism: from 'Saving' to 'Spending'

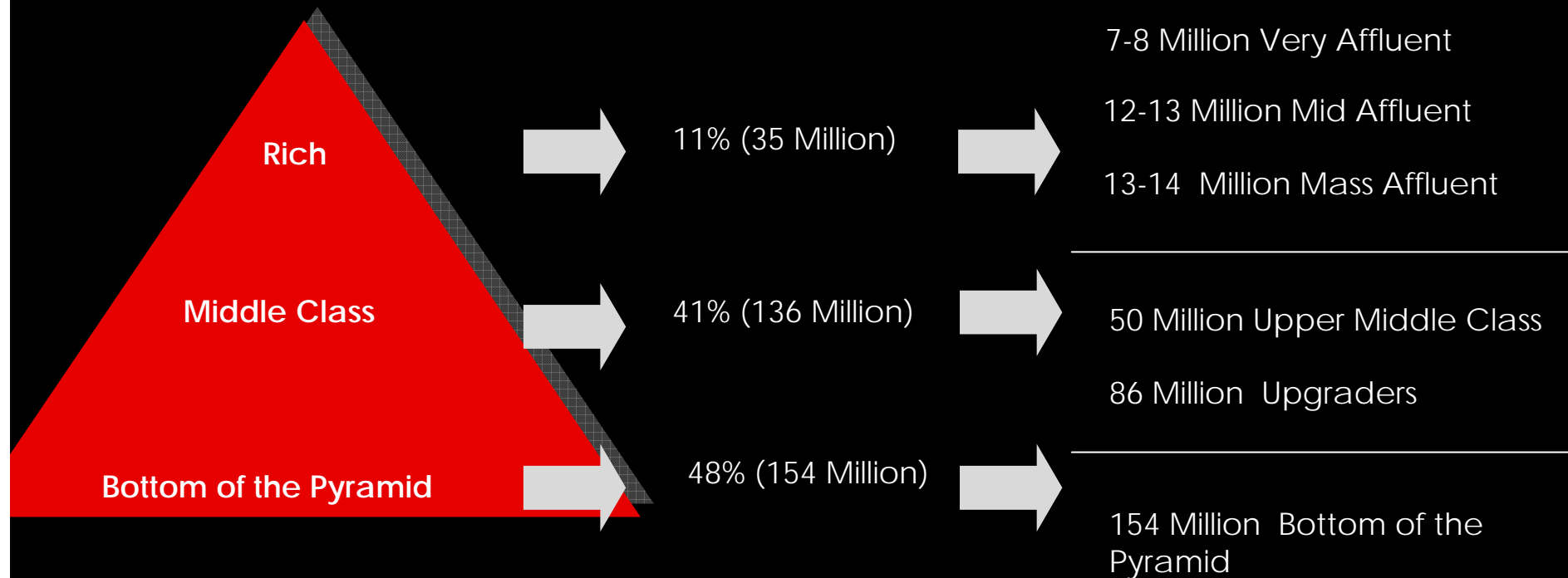
## Changing Lifestyle

- Shift in consumer basket from 'Basics' to 'Lifestyle'

# INDIA : CONSUMERS

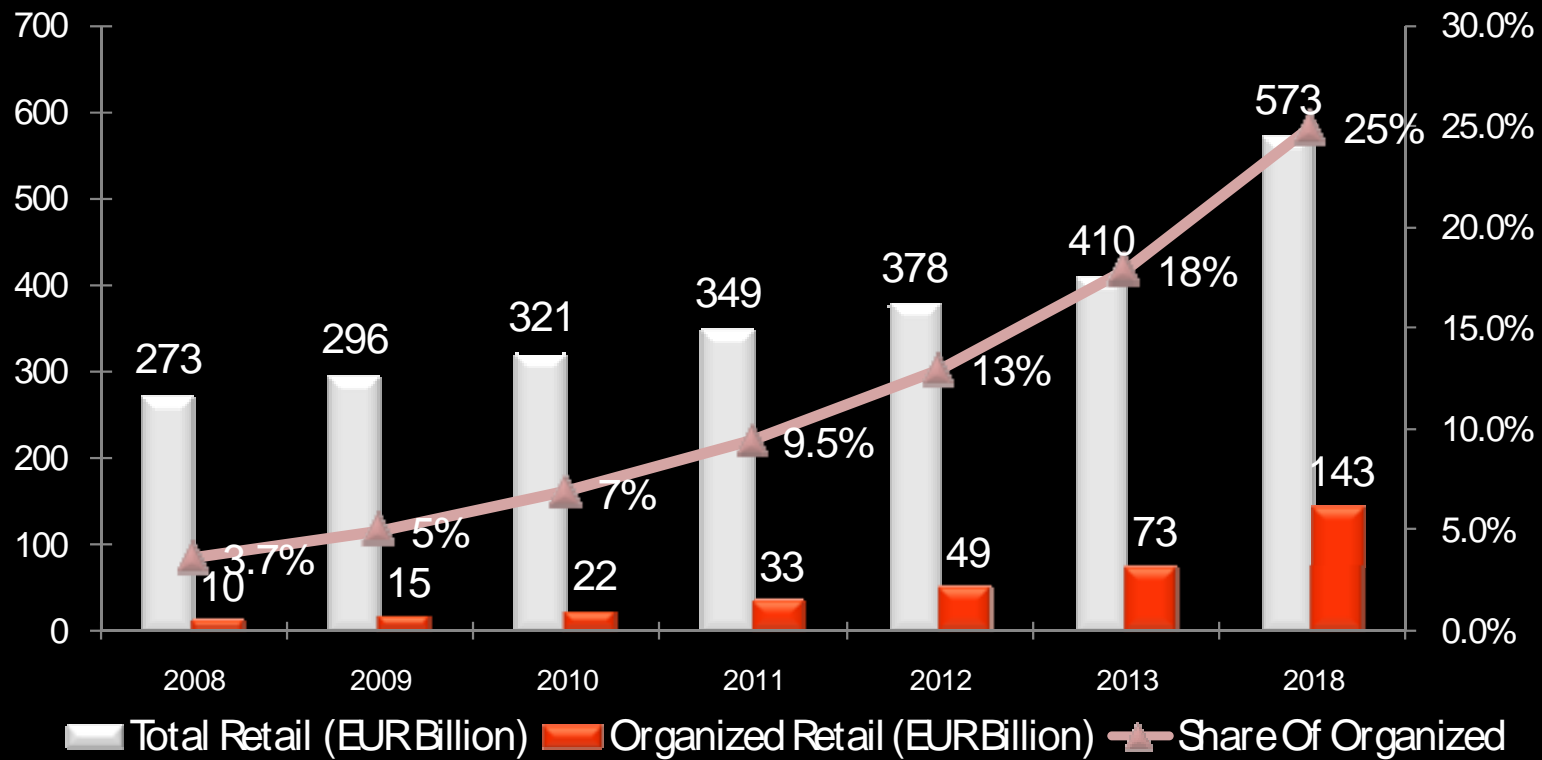


330 Million, Urban



# ORGANISED RETAIL IN INDIA

With more than € 24 bn committed by various global and Indian Retailers, organized retail will account for almost 18-20% of the Total Retail in the next 5 years



Source : Technopak Projections

# A SNAPSHOT OF INTERNATIONAL RETAILERS / BRANDS IN INDIA



swatch<sup>®</sup>

GUCCI

TOMMY  
HILFINGER

Hard Rock  
CAFE

Argos

adidas<sup>®</sup>

MAC

GUCCI

ABSOLUT  
Country of Sweden  
VODKA

MANGO

LOUIS VUITTON

SPAR

BURBERRY

METRO  
Cash & Carry

next

WAL\*MART

PUMA

McDonald's

HUGO  
HUGO BOSS

UNITED COLORS  
OF BENETTON.

DFS

THE  
BODY  
SHOP

Pizza  
Hut

T.G.I.  
FRIDAYS

alpha

m

TKG  
HEUER

CLINIQUE

MARKS &  
SPENCER

L'ORÉAL

Calvin Klein

Salvatore  
Ferragamo

KFC

MOËT & CHANDON  
CHAMPAGNE

Levi's

the **Nuance** group

GIORGIO ARMANI

Reebok

DEBENHAMS

AMONGST MANY OTHERS....

# AIR TRAVEL INDUSTRY IN INDIA



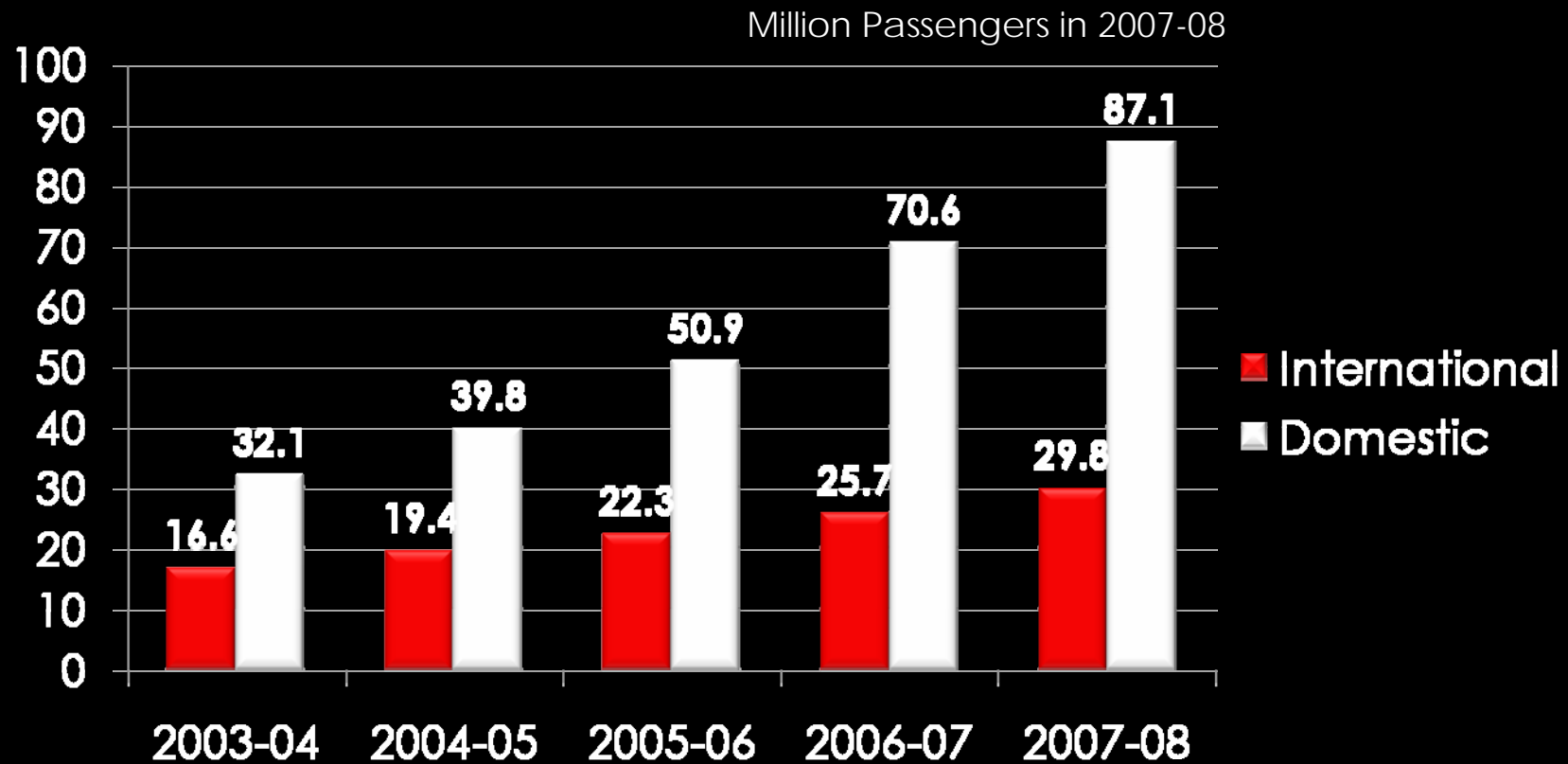
A total of 140 Airports in India:

- International / Customs : 25
  - Public Private Partnership : 5 (Mumbai, Delhi, Hyderabad, Bengaluru and Kochi)
  - International : 12
  - Customs Airports : 8
- Domestic : 89
- Civil Enclaves: 26

# AIR TRAVEL INDUSTRY IN INDIA



- In 2007-08, India was the 9<sup>TH</sup> largest market for passenger traffic, with 116.8 million passengers



# AIR TRAVEL INDUSTRY IN INDIA



- The leading airports, in terms of traffic are :

Million Passengers in 2007-08

| Airport   | International | Domestic      | Total         |
|-----------|---------------|---------------|---------------|
| Mumbai    | 7.9<br>(27%)  | 17.8<br>(20%) | 25.7<br>(22%) |
| Delhi     | 7.3<br>(24%)  | 16.6<br>(19%) | 23.9<br>(21%) |
| Chennai   | 3.4<br>(11%)  | 7.2<br>(8%)   | 10.6<br>(9%)  |
| Bengaluru | 1.5<br>(5%)   | 8.5<br>(10%)  | 10.0<br>(9%)  |
| Kolkata   | 1.0<br>(3%)   | 6.4<br>(7%)   | 7.4<br>(6%)   |
| Cochin    | 1.7<br>(6%)   | 1.5<br>(2%)   | 3.2<br>(3%)   |
| Hyderabad | 1.4<br>(5%)   | 5.5<br>(6%)   | 6.9<br>(6%)   |
|           | 24.2 (81%)    | 63.5 (73%)    | 87.7 (76%)    |

# AIR TRAVEL INDUSTRY IN INDIA



- The leading airports, in terms of traffic are :

Million Passengers in 2007-08

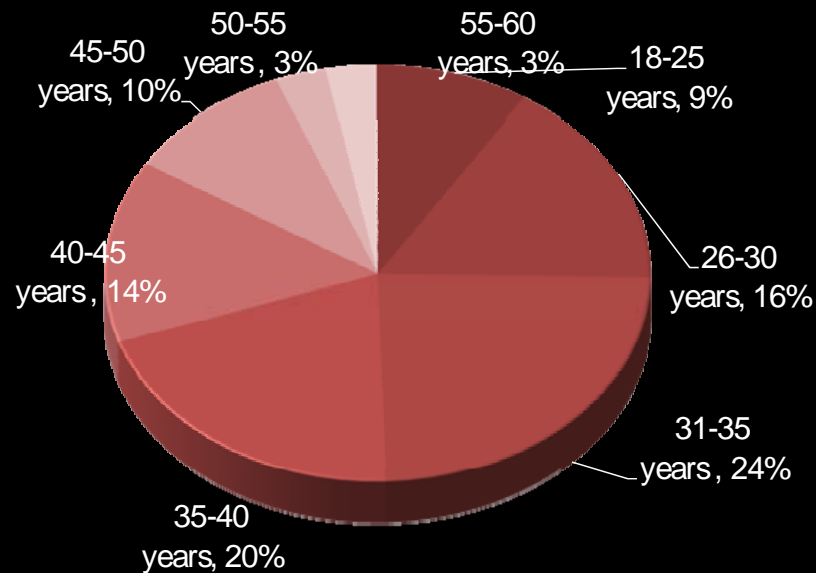
| Airport   | International | Domestic      | Total         |
|-----------|---------------|---------------|---------------|
| Mumbai    | 7.9<br>(27%)  | 17.8<br>(20%) | 25.7<br>(22%) |
| Delhi     | 7.3<br>(24%)  | 16.6<br>(19%) | 23.9<br>(21%) |
| Chennai   | 3.4<br>(11%)  | 7.2<br>(8%)   | 10.6<br>(9%)  |
| Bengaluru | 1.5<br>(5%)   | 8.5<br>(10%)  | 10.0<br>(9%)  |
| Kolkata   | 1.0<br>(3%)   | 6.4<br>(7%)   | 7.4<br>(6%)   |
| Cochin    | 1.7<br>(6%)   | 1.5<br>(2%)   | 3.2<br>(3%)   |
| Hyderabad | 1.4<br>(5%)   | 5.5<br>(6%)   | 6.9<br>(6%)   |
|           | 24.2 (81%)    | 63.5 (73%)    | 87.7 (76%)    |



In ACI's list of 25 fastest growing Airports in the world

technopak

# SNAPSHOT OF THE AIR TRAVEL CONSUMER\*



**60% passengers in the age group of 26-40 years**

- Men 77% : Women 23%
- Indian 79% : International 21%
- A young, very well educated travel profile (>80% Graduates and above)
- Working Professionals and Businessmen more than 65%
- Business 45% : Leisure 40%
- 80% passengers traveling more than 2 times a year; 25% more than 6 times a year

# RETAIL AT INDIAN AIRPORTS



- Airport Retail a nascent retail channel in India
- Greenfield Airports (Hyderabad and Bengaluru) first examples of Airport Retail concepts
- Brownfield Airports – Mumbai and Delhi – planning for a complete retail experience
- International partnerships in Public Private Partnerships



Rajiv Gandhi International Airport, Hyderabad



Rajiv Gandhi International Airport, Hyderabad



Rajiv Gandhi International Airport, Hyderabad



Bengaluru International Airport, Bengaluru



Bengaluru International Airport, Bengaluru



Bengaluru International Airport, Bengaluru

# RETAIL AT INDIAN AIRPORTS



- Plans underway for 2 new Metro and 35 Non Metro Airports across the country
- An investment of Euro 6.5 Billion for upgradation and new Airports in the next 5 years
- Retail to have a 14% share of revenue for Airport Authority of India (AAI) by 2015\*

# OPPORTUNITIES IN OTHER TRAVEL AVENUES



## Indian Railways:

- Annual passenger traffic of 5 billion across 6,856 stations
- Upgradation fund for enhancing passenger facilities and experience for key Railway stations

# OPPORTUNITIES IN OTHER TRAVEL AVENUES



## Rapid Transport Network

- Present in two cities : Delhi and Kolkata
- Plans underway for networks in 9 cities

# OPPORTUNITIES IN INDIA



- A Government initiative to upgrade and build new travel infrastructure, through PPP
- Restrictions on increasing Aeronautical / Fare revenue – therefore a strong emphasis on Non-Aeronautical / fare revenues
- Young, educated, well heeled traveler profile; Rapid increase in their numbers
- Organised Retail growing; Indian and International brands and retail formats increasing presence

# CHALLENGES



- Economic market volatility
  - Short term economic downturn, projected to be stable by mid 2009
  - Indian economy largely unaffected by world market turbulence
- Long gestation period for projects to be operational
- Organised Retail and Travel Retail nascent industries in India - need an insight into consumer behaviour
- Finding the right partner for International retailers for operating in the Indian market; setting operations



## Contact Details :

Saloni Nangia  
Vice President  
Technopak Advisors (India)

T : +91 124 4541111

E : [saloni.nangia@technopak.com](mailto:saloni.nangia@technopak.com)

W : [www.technopak.com](http://www.technopak.com)