

## Impact of the Indian Market Specificities on Parisian Hotels' Business Conduct

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Acknowledging the increasing number of Indian visitors in Paris, with stays in mainly high-end or luxury hotels, SemioConsult® decided to explore the expectations and specific behaviours of these clients, to articulate the various impacts they may have on business conduct for the Parisian hospitality sector. Such exploration of the market is a prerequisite to CRM building, or custom-made offering to the prospects. We present hereafter a summary of our findings. Do not hesitate to get back to us, should you need a deeper analysis of the market or should you have any queries regarding this project.

Similarly as Brazil and other emerging countries, India displays a continuously increasing economy and size of population. Its power on the global scene is also more important, year over year. Its population does not only increase in size, but also in purchasing power.

It is expected that, as for all other emerging countries, more and more Indians will take a chance to travel abroad, be it for professional or personal reasons (holidays). Therefore, they stand for a potential target market that cannot be neglected. Market intelligence is needed to address correctly this market: hotels' managers need to understand clients' expectations, desires, requirements and so. It is only doing this that they will be able to not only satisfy them but to actually please them and eventually turn them into ambassadors.

The objective of our study was to understand what hotel managers and stakeholders know about this market, be they located in Paris, India or be they simple intermediaries. Qualitative research was conducted, through interviews conducted with pre-selected stakeholders, in various hospitality structures.

### ***Who Are These Indian Visitors?***

Indian visitors can be divided in three cohorts:

- *Very high society* standing for around 3% of Indian visitors;
- *Luxury tier* standing for around 10% of Indian visitors, with individuals willing to stay only in Parisian Palaces (min 5\*);
- *Upper-class mass* standing for the equivalent number of the French population.

Most travellers are therefore men aged 25-45 (80% of total Indian travellers). The rest is composed of wives and children, who would then belong to the segment of leisure-oriented travellers. This is coming from the fact that, based on the reason why the travel, we can distinguish again three groups of travellers: the leisure segment, the corporate segment, and the MICE segment. The two last ones do stand for the majority of travellers.

### **How Do They Behave?**

Indian travellers first consider discovering their own country. Afterwards, they aim at travelling abroad. Their two favourite destinations are London and Paris.

Indian travellers are **regular but non-loyal** consumers. They mainly travel in-between April and July and usually hold high budgets (esp. the MICE segment). It is estimated that they spend around 500 USD per day in Paris, with 20% for housing, 15% for eating, 20% for visits and activities, 20% for shopping, and 15% for extras and parties.

A few characteristics of their behaviour:

- Indian prospects are heavy **negotiators**, from the quotation to the leave out of the hotel.
- They can book for a group of clients (~ 300 people) one month before arrival.
- They can cancel a reservation for a group of client (~300 people) one month before arrival.

In terms of destination, Indians are highly influenced by Bollywood movies. For instance, Spain has seen its number of Indian tourists explode after the release of a movie that had been shot there!

### **What Do They Expect?**

Indian clients expect a high level of quality in hotels, especially in terms of service provided. This includes high flexibility for booking and length of the stay, specific practical details such as the display of at least two bottles of water in the room on a daily basis, an open-mindedness to their specific way of living. For instance, Ling Beds are to be available for family stays, as parents and children can be used to sharing the same bed.

However, it is not only a matter of offering such services: Indian travellers expect “full services” hotels. This means a complete re-engineering of ways of doing for some big hotels.

### **The Parisian Destination**

Paris is a very attractive destination for Indian travellers, but it faces some challenges:

- It is perceived as a very expensive place to go, due to a high price of the plane tickets;
- A Visa is required for Indian people to come to France. It is long and complicated to get, which drives Indian clients more to the UK.

Therefore, the cost of the hotel is not perceived as a main cost, but as an additional one. It needs to be aligned with the expected level of quality and should reflect the willingness of hotels to accommodate to the Indian market (flexibility in terms of booking/cancellation policies etc.).

## A summary of Five Things to Do and Five Things Not to Do



- Offer luggage delivery & include it in the price of the room
- Welcome each group member with a 'Welcoming Letter'
- Display complementary bottles of water in the room, every day
- Take high care of the person in charge of the group, to show how precious and special this group is to your eyes
- Display a welcome tray in the rooms with complementary tea and coffee
- Generalize on the fact that Indian clients will demand Indian food
- Speak of politic & religion
- Ever say 'NO' but reformulate the sentence in a more positive way
- Offer pork or beef spontaneously
- Speak about poverty in India or in developing countries

### Three Golden Keys for Success:

- ✓ Anticipate on the market's evolution => conduct mark studies and sociological trends studies.
- ✓ Include flexibility in your way of selling/managing relations etc.
- ✓ Capitalize on intermediaries to build strong relationships with them.

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