

How many Indians travel?

This article was published on 09 Dec 2016.



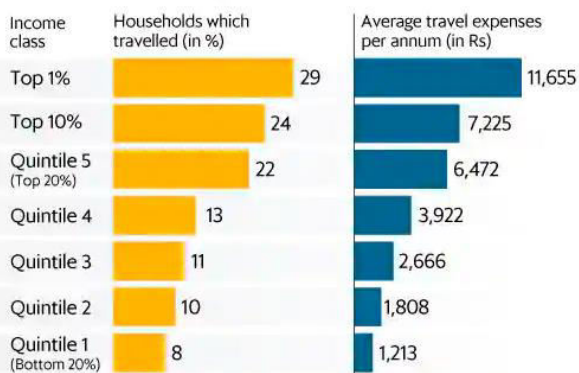
The average spending of the richest top 1% on travel is nearly 10 times that of the bottom quintile. Photo: Getty Images

86% of Indian households never take a trip, and 76% of households never eat out, shows an ICE 360 survey

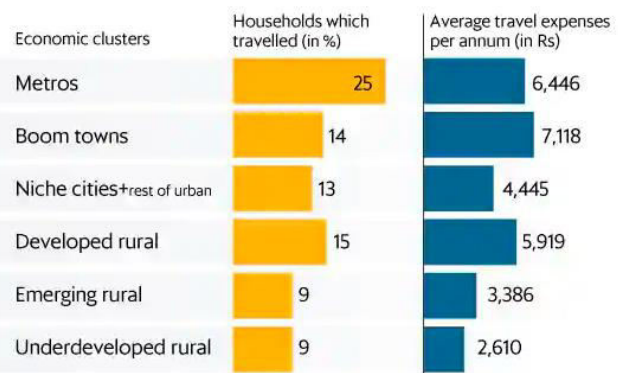
New Delhi: You may think that eating out and taking a holiday trip are some of the simpler pleasures of life, but fresh data on household spending across India shows that an overwhelming majority of families in India may find such pleasures beyond their reach. Eighty-six per cent of households never take a trip, and 76% of households never eat out, according to the 'Household Survey on India's Citizen Environment & Consumer Economy' (ICE 360° survey) conducted this year. The survey covering 61,000 households is among the largest consumer economy surveys in the country.

Wanderlust

The rich travel more and spend more on travel but there are some travellers even among the poorer classes



The proportion of households which travelled or went on a holiday in developed rural areas is similar to that of smaller urban centres



Apart from the top quintile (richest 20%) which has a greater share of travellers, the proportion of households which travelled over the past year is roughly the same across the other income classes. The share of households in metros which took a holiday trip is relatively higher compared to other regions, with a quarter of households reporting a holiday trip over the past year. The share of households in the top percentile (or top 1%) which took a trip is slightly higher at 29%.

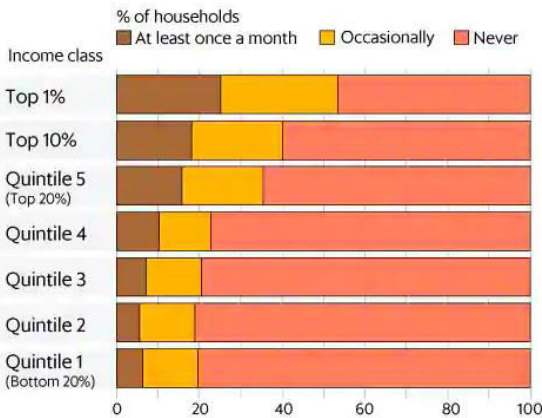
Nearly a quarter of the top 1% reported eating out at least once a month. Twenty-eight per cent of them eat out occasionally while 47% never eat out, as per the ICE 360° survey. In contrast, 81% of the bottom quintile (poorest 20%) never eat out. Among the top decile (or top 10%), 60% never eat out.

The average spending of the top percentile on travel is nearly 10 times that of the bottom quintile, and the average spending of the top percentile on eating out is roughly seven times that of the bottom quintile. These averages are based on self-reported data and have been calculated by considering all households (irrespective of whether they undertake a particular activity). The top percentile spends Rs11,655 per annum on average on travel, and roughly the same amount on eating out.

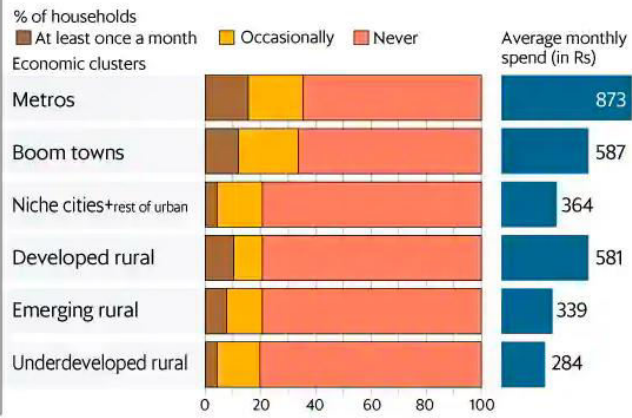
A notable feature of the ICE 360° survey is that it is representative at the level of economic clusters. Urban India has been divided into four clusters: metros (population more than 5 million), boom towns (2.5 to 5 million), niche cities (1 to 2.5 million) and other urban towns (less than 1 million). Based on a district development index, rural India has been sub-divided into three different clusters: 'developed rural', 'emerging rural', and 'underdeveloped rural'. The first category includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh). The second category includes districts such as Latur (Maharashtra) and Kamrup (Assam) while the last category includes districts such as Kalahandi (Odisha) and Bastar (Chhattisgarh).

Eating out

Eating out is largely a luxury of the richer classes: a majority of the top 1% reported eating out while 81% of the bottom quintile reported never eating out



Eating out is nearly as frequent in boom towns as in metros, but people in metros spend more on eating out



The survey shows that the proportion of people eating out in metros is roughly the same as in boom towns but people in metros spend more on eating out. The survey also shows that the proportion of households that take a holiday trip in developed rural areas is similar to that of smaller urban centres.

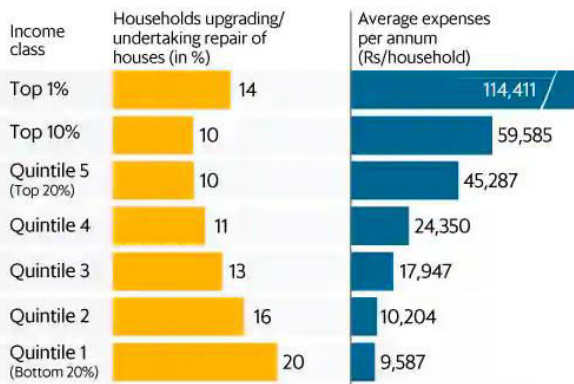
The average metro dweller spends Rs10,474 per annum on eating out and Rs6,446 on travel. The data on eating out does not include eating out at social or religious functions, and only includes family members eating out together at eateries or restaurants.

The ICE 360° survey also gathered information on upgrades or repairs to houses. It turns out that the greatest proportion of households which spends on such expenses belongs to the bottom quintile, with nearly a fifth of them undertaking such repairs. This may partly be because the houses they live in are largely kutcha houses of poor quality. Seventy-six per cent of the poorest quintile lives in either kutcha or semi-pucca houses, the survey shows. The comparative figure for the top quintile is 35%.

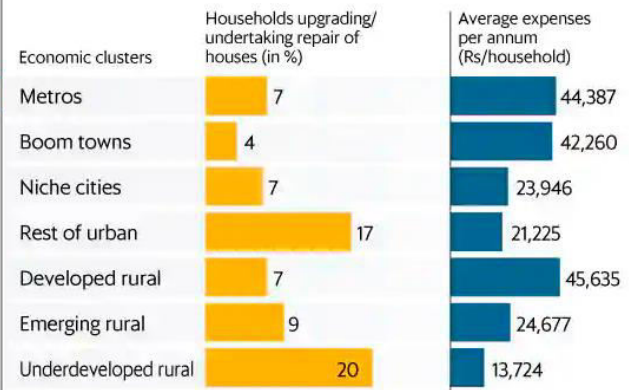
Fourteen per cent of the top percentile spend on house upgrades and repairs but the amount they spend is significantly higher than the average for the top quintile. While the top quintile spends Rs45,287 per annum on such upgrades and repairs, the top 1% spends Rs1.1 lakh on such expenses. The comparative figure for the bottom quintile is Rs9,587.

Jazzing up homes

The richest percentile spends lavishly on upgrading their houses while the poor make do with limited resources. But a greater proportion of the poorest class undertake repairs or upgrade their houses compared to the richer classes.



A greater proportion of people in smaller urban centres and in underdeveloped rural areas undertake repairs of (or upgrade) their houses compared to other regions



Source: ICE 360° Survey, 2016

The ICE 360° survey was conducted by the independent not-for-profit organization, People Research on India's Consumer Economy (PRICE), headed by two of India's best-known consumer economy experts, Rama Bijapurkar and Rajesh Shukla. The survey is among the largest consumer economy surveys in the country.

The urban sample of the survey is comparable to that of the National Sample Survey Office (NSSO) consumer expenditure survey conducted in 2011-12. While the NSSO surveyed 101,651 households of which 41,968 (41.3%) were urban households, the ICE 360° survey covered 61,000 households of which 36,000 (59%) are urban households. The rural sample of the ICE 360° survey is less than half of the NSSO sample. Nonetheless, all the estimates of each region have been derived by adjusting for the respective population of those regions.