



VIDEC's

India Travel Market Opportunity Study, FY22-FY27

Overview and analysis of Indian travel market opportunity— with a deep dive into online travel, corporate and lodging segments—covering air, hotel, alternate accommodations, rail, and intercity bus categories, along-with the India-based OTA landscape.

April 2025

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About VIDEC

VIDEC is a boutique research, consulting, and M&A advisory company with a singular domain focus on the global travel, tourism, and hospitality industry.

VIDEC actively helps companies looking to acquire and exit with its commercial due diligence, industry and consumer research, thought leadership, and buy and sell side advisory services. VIDEC has a strategic partnership with the leading global investment banking firm, Cambon Partners.

VIDEC's clients benefit from its founding partners' decades of travel industry experience in consumer and B2B research, business development, education, and media

About Cambon Partners

Cambon Partners has the largest team of travel bankers. It provides travel/tech companies with comprehensive advisory services for mergers & acquisitions and corporate finance, including:

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- Venture and growth capital funding
- Debt refinancing and raising of bank of bond financing
- Acquisitions

Cambon Partners intervenes at all stages of the company's lifecycle: Venture, Growth capital, LBO, M&A.



Sponsors

VIDEC undertook an independent, rigorous and unbiased, multi-client syndicated research on the India Travel Market, covering air, hotel, alternate accommodations, rail and intercity bus categories with an emphasis on the role of online travel intermediaries.

VIDEC is thankful to its sponsor partners who agreed for the need of such an overarching research and for their participation in this multi-client syndicated research study.





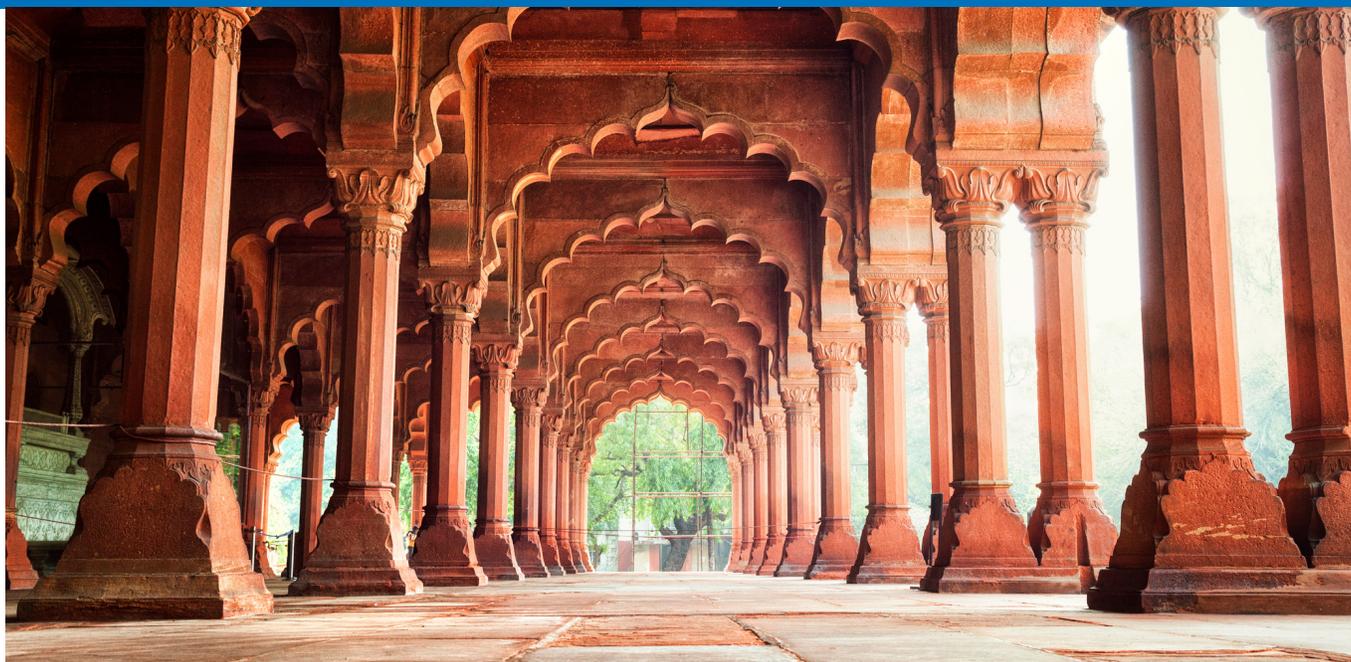
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» Key Findings

1. India's total travel market was estimated at US\$56.3 billion (₹464,954 Crores) in FY24. The total market opportunity is projected to reach \$78.4 billion (₹647,660 Crores) by FY27, growing at a CAGR of 11.7%.
2. In Rupee terms, the year-on-year growth for the total travel market was more pronounced at 18.1%. However, a depreciating Rupee against the US Dollar is masking the real growth.
3. India's online travel market reached \$22.8 billion (₹188,254 Crores) in FY24. Increased internet adoption, rising aspirations, and disposable incomes will help push the online market to \$36.3 billion (₹299,827 Crores) by FY27.
4. OTA GBV stood at \$14.5 billion (₹120,034 Crores) in FY24. The OTA channel accounted for a 64% share of the total online market, led by air and hotel categories, respectively.
5. The OTA channel is expected to account for almost 30% share of the total travel market in FY27, indicating strong user adoption yet a massive untapped runway for further growth.
6. With two full-service OTA brands, MakeMyTrip Group is the undisputed market leader. It accounted for a 55.3% share of all OTA GBV in FY24, at \$8 billion (₹66,358 Crores) in GBV, leading in three of the four travel categories—air, hotel, and intercity bus travel.
7. Flipkart-owned Cleartrip, the only privately held India-based OTA, held on to its last year's lead as the second largest OTA, with a GBV of \$1.3 billion (₹10,463 Crores) or 8.7% share of the total OTA GBV.
8. After a recent blockbuster listing on the Indian stock market, ixigo is now the fastest-growing India-based OTA and the second largest in terms of revenue since 2022.
9. ixigo accounted for 8.6% of the OTA GBV at \$1.2 billion (₹10,283 Crores) and led the third-party rail distribution. It is also the fastest-growing OTA in the online air category.



10. The total air market stood at \$27.5 billion (₹226,981 Crores) in FY24. The air category is expected to reach \$40.4 billion (₹333,899 Crores) by FY27, growing at a CAGR of 13.7%.
11. Domestic air segment remains highly penetrated, with online channels accounting for 70% of the total domestic air GBV in FY24. International air segment was dominated by offline distribution due to complexities involved, higher numbers of first-time flyers and corporate travelers.
12. Hotel market GBV was estimated at \$14.6 billion (₹120,162 Crores) in FY24. It is projected to reach \$19.6 billion (₹162,109 Crores) by FY27, growing at a CAGR of 10.5%.
13. The branded hotel segment is likely to drive hotel GBV growth due to increasing appetite for luxury and experiential travel.
14. In FY24, total room supply in India was estimated at 2.1 million, with independent hotels accounting for lion's share (82%) highlighting the massive fragmentation in hotel category.
15. VIDEC conducted the first-ever market sizing for the alternate accommodation category in India. The alternate accommodation market was pegged at \$1.8 billion (₹14,463 Crores) in FY24, and is expected to reach \$4.2 billion (₹34,905 Crores) in FY27, growing at 3x the pace of the total travel market.
16. Alternate accommodations is one of the most fragmented travel category. Ergo, OTAs play a crucial role in ensuring their online discoverability. With young, urban travelers forming the primary consumer cohort for this emerging lodging category, OTAs capture nearly the entire share of its online GBV.
17. India's rail GBV stood at \$8.5 billion (₹70,368 Crores) in FY24, growing due to vertical shift of passengers to reserved AC class coaches, despite muted growth in capacity.
18. Rail is one of the deeply penetrated travel categories online. It is also a supplier dominated channel, where Indian Railway Catering and Tourism Corporation (IRCTC) commands 80% of online rail distribution.
19. An unprecedented focus on road infrastructure is transforming the intercity bus market in India. The intercity bus GBV stood at \$5.7 billion (₹47,443 Crores) in FY24.
20. Despite challenges like financing issues, the intercity bus market GBV is expected to grow to \$7.2 billion (₹59,792 Crores) in FY27, at a CAGR of 8%, owing to a fresh supply of Hydrogen and EV buses, coupled with infrastructure augmentation like EV charging stations.
21. The two ground travel categories—rail and intercity bus—are the lifelines of mass transportation. However, there is a sharp contrast in online penetration between the two as rail remains highly penetrated (83%) while the intercity bus travel category remains highly under penetrated (24%).
22. Furthermore, the supplier-direct channel controls much of the online distribution of the rail category while OTAs have a near total play in the online distribution of intercity bus.

» Market Overview

India today stands on a unique pedestal as the world's fastest growing major economy, the world's largest democracy and the most populous country. Currently, the world's fifth largest economy valued at US\$3.9 trillion, it is likely to overtake Germany and Japan to become the third-largest economy by 2027¹.

Continued political stability, sustained capital expenditure on hard infrastructure, and the unleashing of the innovative spirits of the Indian entrepreneurial class are driving growth. A over 10x GDP growth since the 1990s has created a thriving consumer economy and a sizable addressable market of over 180 million customers, despite a low per capita income.

After the pandemic, the Indian stock market witnessed arguably the largest share of public listings globally. This showcases the potential of the Indian market among global and Indian investors, also underlining the resilience of the economy.

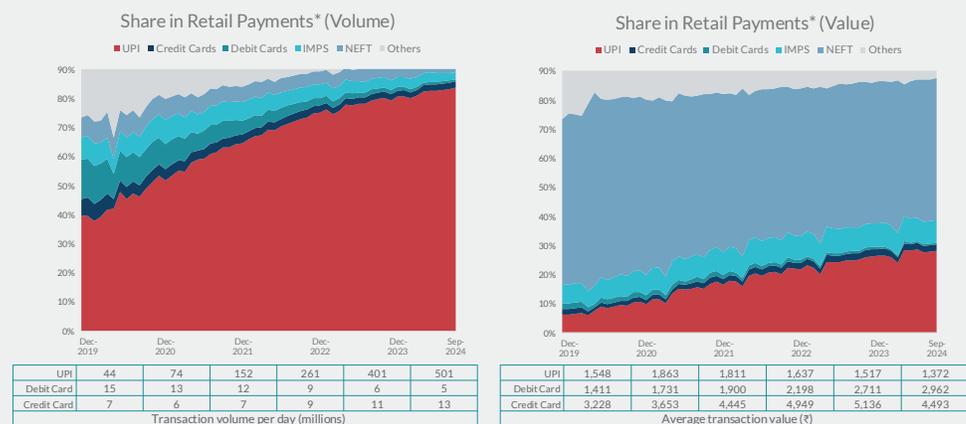
In the past few years, travel has witnessed a boom, driven by growing aspirations and rising disposable incomes. Inexpensive and fast internet connectivity too has helped. India's internet users have grown almost three-fold in the last 8 years—from 392 million users in 2016 to 970 million users in 2024. During this time, internet penetration has more than doubled to 69%.



1. India Will Grow To Become The World's Third-Largest Economy By 2027

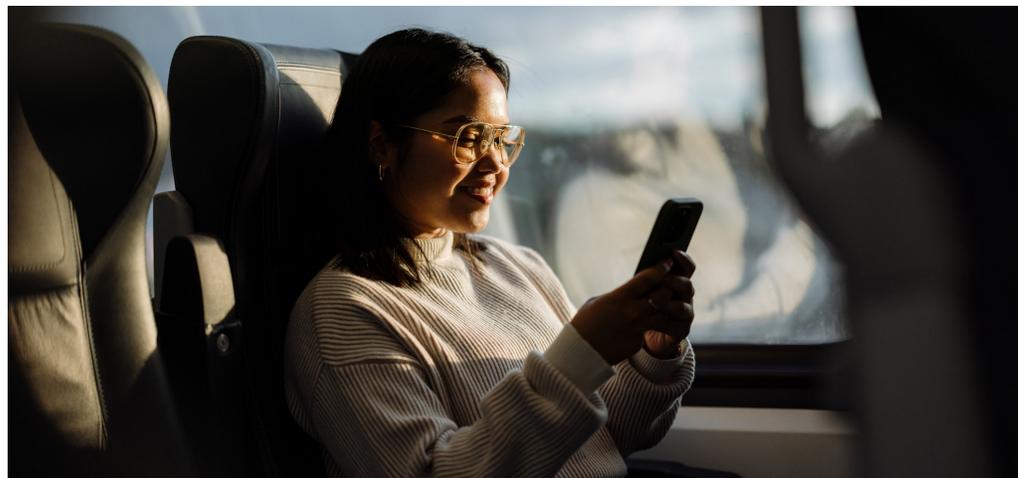
The Unified Payment Interface (UPI)-linked payments has become the go-to payment channel, offering aspirational Indian consumers the means to make digital payments seamlessly. Sample this: India recorded 540 million UPI transactions a day in December 2024. UPI is now also the most preferred payment means to book travel online. 61% customers prefer UPI over any other payment mode². Plus, government efforts to internationalize UPI have worked well, making it an accepted payment choice across key destinations frequented by Indian outbound travelers.

Figure 01: India: Payment Systems' Share in Total Retail Payments



NOTE *Retail payments refer to payment transactions typically made by individuals or small businesses for their day-to-day needs; includes transfer of funds and purchase of goods and services.
Source: Reserve Bank of India

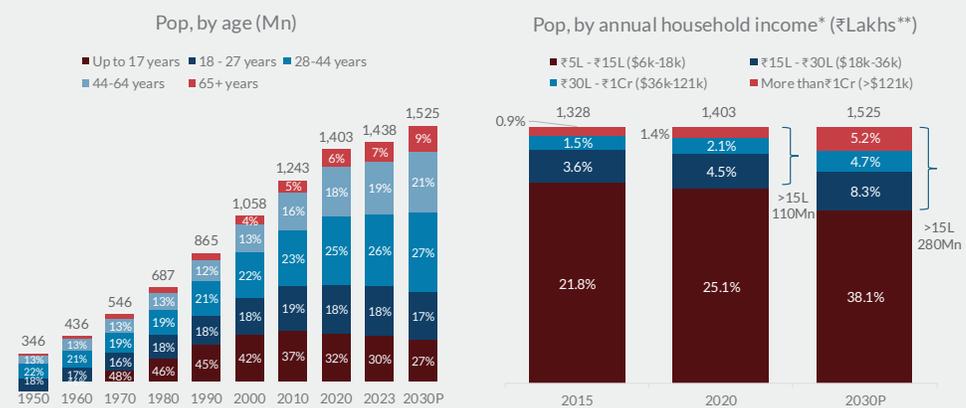
Rising disposable incomes, smartphone-enabled customers and UPI-backed instant real-time payment system is leapfrogging growth in the online travel market. OTA platforms are poised to benefit from hundreds of millions of first-time online users and potential buyers of travel online. B2C platforms are already cashing in on this phenomenon, converting low ticket-value e-commerce buyers into high ticket-value buyers of travel.



2. VIDEC's Indian Traveler Behavior & Insights Report, 2023

Tier-1 cities have obviously been in the spotlight for a sizable addressable population with the outlook for travel, exposure to digitization, and resources. As urbanization, online adoption and aspirations permeate tier-3 and tier-4 cities, India's affluent and young population, earning upwards of ₹3 million annually, is projected to grow from 56 million in FY21 to 169 million by FY31, pushing the addressable market population to around 280 million by 2030. Furthermore, Indian households with incomes upwards of ₹10 million is projected to grow from 1.4% in 2020 to 5.2% in 2030. This will present an unprecedented runway and the next big opportunity for online travel in India. This growing base will remain the growth engine for the travel market as a whole, and domestic and international air travel in particular. The confluence of rising buying power, aspirations and rapid online adoption has already led to a visible rise in first-time international outbound air travelers.

Figure 02: India: Demographics and Income Distribution



NOTE *Pop with annual household income up to 500k (\$6k) constitutes 72% in 2015, 67% in 2020 and 44% in 2030P; excluded for the ease of visualization.
 **Lakh = 100,000 and Crore = 10 million
 Source: UN Population Projections 2024; "The Rise of India's Middle Class" from ICE 360 Surveys, PRICE

Access to social media has educated Indian travelers on untapped destinations, while an unprecedented surge in airport infrastructure—India has 157 operational airports in 2024, compared to 74 a decade ago³—has improved accessibility to new destinations from tier-2 and tier-3 cities. UDAN (Ude Desh Ka Aam Naagrik)—the government scheme to improve regional air connectivity—has played a key role in boosting air travel, despite a slower-than-expected rollout.

Favourable policy measures and increased public-private partnership have helped India build the world's second largest road network. Since 2014, India's road network has grown by 59%! This breathless growth is solving the long-standing challenge of providing last-mile connectivity, and laying the foundations of the intercity bus travel market.

3. India's Soaring Skies with Inclusive and Booming Aviation

The rise of domestic tourism has been another phenomenal success story. The Indian travel market has shown exemplary resilience post the pandemic. Destinations like Kashmir and Ladakh have registered record tourist inflows. Religious tourism has gained further strength with destinations like Ayodhya, Ujjain, and Prayagraj gaining massive tourist inflows. The recently concluded Maha Kumbh 2025 is one example of the huge potential that religious tourism proffers⁴. This is also creating opportunities for the alternate accommodation category, which is why this emerging lodging category mandates a market sizing.

Factors like ease of visa and visa on arrival are driving the Indian outbound. Indians now enjoy visa-free entry in 25 countries and visa on arrival facility in 38 countries (as of March 2025). Countries like Vietnam, Malaysia and Azerbaijan have emerged as new hotspots for the Indian outbound, backed by their flag carriers that offer extremely competitive fares.

Domestic carriers too have played a part, adding over 49 international routes in short and medium-haul distances in FY24, lowering prices and improving affordability. Trips to destinations in Southeast Asia and the GCC are typically more affordable—or at least at par—compared to most sought-after domestic destinations. These factors are enabling India outbound, helping double the outbound departures between 2011 and 2023.

In 2024, 30.2 million Indians travelled abroad—mostly short- and medium-haul—to destinations like UAE, Saudi Arabia, Singapore and Thailand. Niches such as solo, women-only, activities and adventure, film tourism, beyond family and pilgrimage are on the uptick. Growing interest in relatively lesser-known destinations⁵ like Azerbaijan, Georgia and Kazakhstan also indicates the maturing of the Indian traveler.

Figure 03: India Outbound Departures & Inbound Arrivals (Mn), 2011-2024



Factors like pandemic-induced travel restrictions and supply constraints with reduced international airlift have slowed inbound arrivals. In 2024, India received 9.7 million inbound travelers, still shy of the pre-pandemic levels of 10.9 million.

4. Mahakumbh 2025 begins: Prayagraj set to see Rs 2 trillion in trade

5. Google Trends, 2024

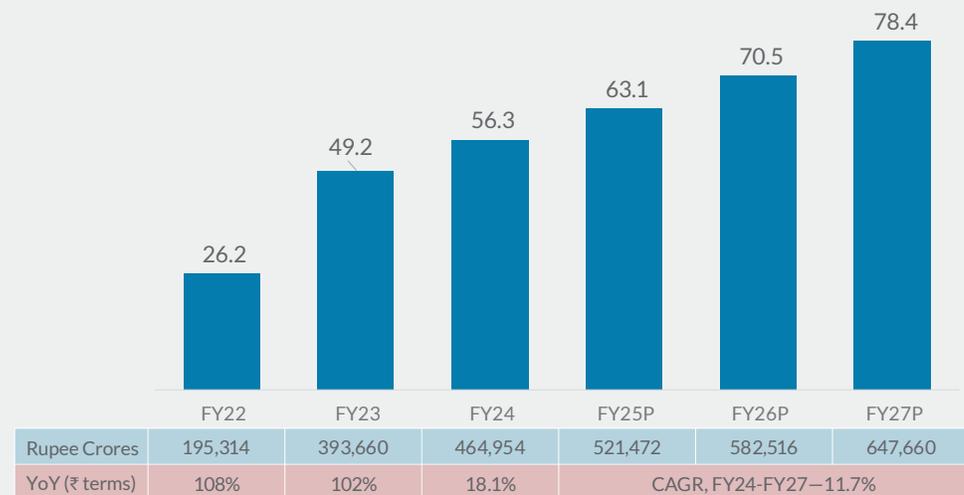
» India Travel Market Opportunity

This report utilizes a demand-based approach to estimate the gross booking value (GBV) across four key travel categories—air, hotel, rail, and intercity bus travel—capturing the overall travel market opportunity of India. Additionally, it provides the first-ever assessment of India's immensely fragmented alternate accommodation market. A key consideration is the market's valuation in US dollars; between FY22 and FY24, the Indian rupee depreciated by 11% against the dollar, which effectively understates the market size in dollar terms.

Total Travel Market

India's total travel market was estimated at US\$56.3 billion (₹464,954 Crores) in FY24. The total market GBV is projected to reach to \$78.4 billion (₹647,660 Crores) by FY27, growing at a CAGR of 11.7%.

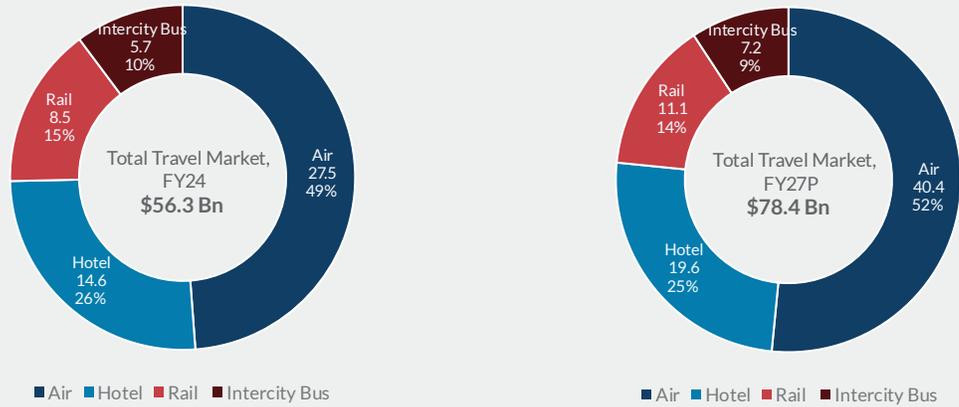
Figure 04: India Total Travel Market (US\$Bn) and Annual Change (%), FY22-FY27



NOTE Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY25-FY27 projected; with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

Air was the dominant category, accounting for nearly half of India's total travel market opportunity in FY24 at a GBV of \$27.5 billion (₹226,981 Crores). The hotel market claimed a quarter of the share and two ground categories, rail and intercity bus, accounted for the remaining quarter.

Figure 05: India Total Travel Market (\$Bn), Share by Category, FY24 & FY27



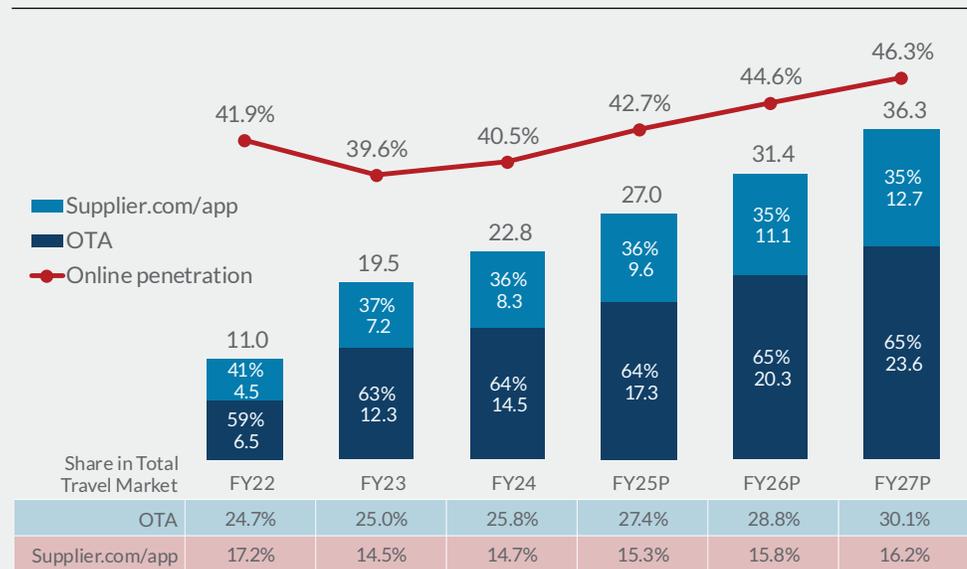
NOTE Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY27P projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



Online Travel Market

Online travel market reached \$22.8 billion (₹188,254 Crores) in FY24. It is forecasted to grow by 60% between FY24 and FY27 to \$36.3 billion (₹299,827 Crores). Meanwhile, online penetration is projected to grow from 40.5% in FY24 to 46.3% in FY27.

Figure 06: India Online Travel Market (\$Bn), Share by Channel (%), and Online as a Share of Total Travel Market (%), FY22-FY27



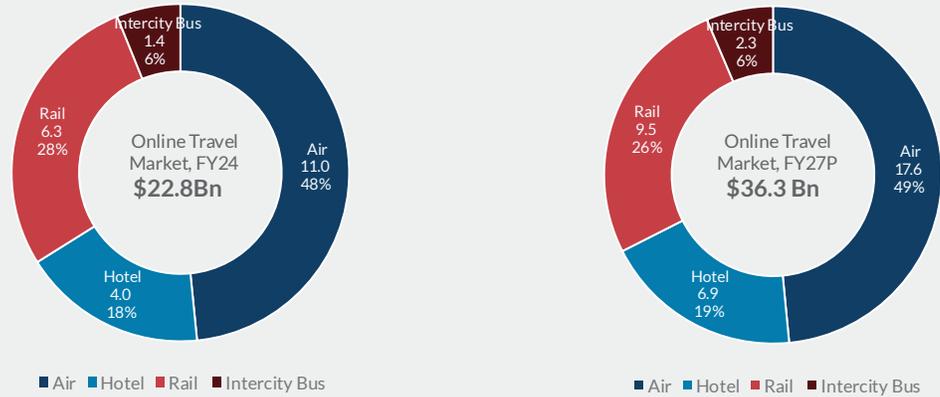
NOTE Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY25-FY27 projected; with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

In FY24, OTAs dominated the online travel market with a 64% share, serving as the primary platform for discovering and purchasing travel. The online supplier-direct channel accounted for the remaining 36% and is projected to expand at a healthy 15.5% CAGR between FY24 and FY27.

As the first entrant into the OTA distribution fray, the air category naturally maintained its pole position, accounting for a 48% share of the online travel market in FY24. The online air GBV is projected to grow from \$11 billion (₹91,150 Crores) in FY24 to \$17.6 billion (₹145,326 Crores) in FY27, maintaining its market share.

With a GBV of \$6.3 billion (₹52,291 Crores), rail category held 28% share of the total online market in FY24. Riding on higher revenue per passenger, the online rail GBV is projected to grow by \$3.2 billion (₹25,839 Crores) between FY24 and FY27.

Figure 07: India Online Travel Market (\$Bn), Share by Category, FY24 & FY27



NOTE Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY27P projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

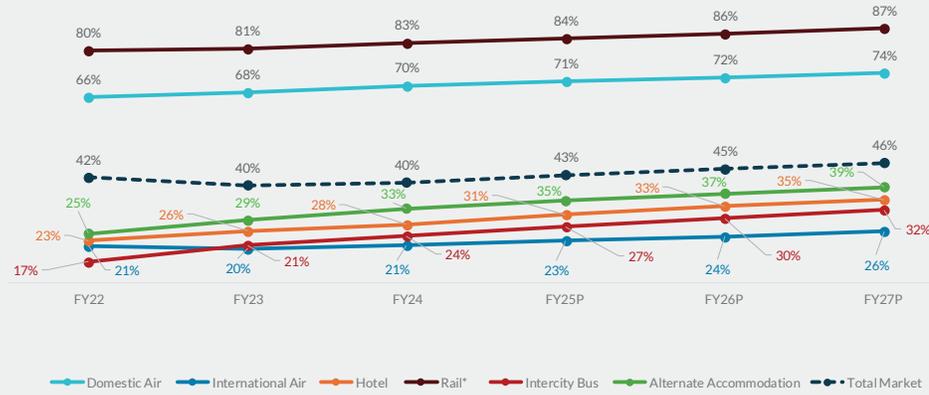
In FY24, the online hotel GBV stood at \$4 billion (₹33,290 Crores), representing 18% of the total online travel market. This relatively modest share stems from limited branded supply and a highly fragmented independent market, underscoring the role of aggregators like OYO, Treebo Hotels, and FabHotels. Driven primarily by growth in the branded hotel segment and rising RevPAR, online hotel GBV is projected to nearly double to \$6.9 billion (₹57,164 Crores) in FY27.

In FY24, intercity bus travel contributed a GBV of \$1.4 billion (₹11,523 Crores) to the online travel market. By FY27, this figure is expected to climb to \$2.3 billion (₹19,206 Crores), driven by improved road infrastructure, enhanced online discoverability of services and routes, and rising consumer adoption.

Online penetration vary widely across travel categories. In the air category, the domestic segment is deeply penetrated online at 70%. Meanwhile, the international segment is at the other extreme with 21% online penetration in FY24—largely due to greater product complexity and higher ticket fares.



Figure 08: India Online Market as a Share of Total Market by Category (%), FY22-FY27



NOTE *Rail online penetration is represented as share of IRCTC GBV from internet ticketing in reserved class GBV of Indian Railways. Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

Market fragmentation has impaired online penetration for both lodging categories—hotels as well as alternate accommodations. Online penetration remains relatively low, at 28% in hotels and 33% in alternate accommodations.

In the ground transport category, rail leads the charge with the highest penetration across categories at 83%, dominated by the online supplier-direct channel. Conversely, the phenomenally fragmented intercity bus travel category remains underpenetrated with an online penetration at a lowly 24%.

Despite the expansion of the online market, the offline channel continues to account for over half of the Indian travel market. The channel commands a significant share of international air and the widely fragmented intercity bus and lodging categories. The nuances with these categories will back the growth of the offline market from \$33.5 billion (₹276,700 Crores) in FY24 to \$42.1 billion (₹347,833 Crores) in FY27.

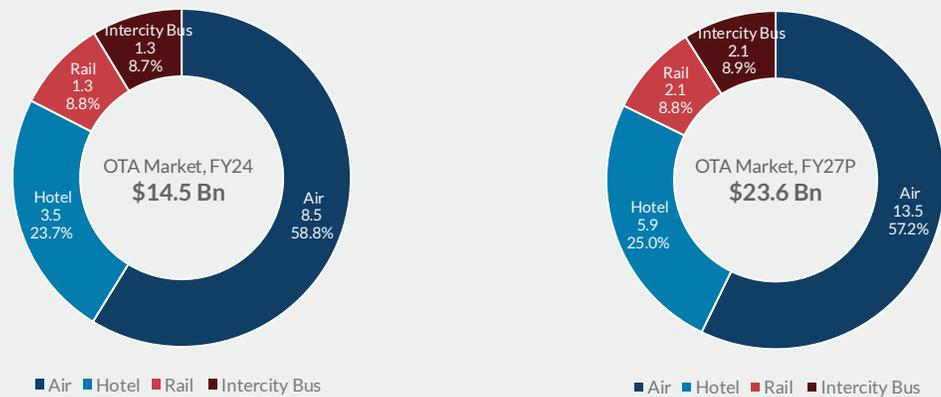


Online Travel Agency (OTA) Market

India OTA market was valued at \$14.5 billion (₹120,034 Crores) in FY24 and is forecasted to grow to \$23.6 billion (₹194,713 Crores) at a robust CAGR of 17.5% between FY24 and FY27.

India's OTA story started with the air, which has remained dominant ever since. In FY24, air travel accounted for 59% of the total OTA GBV a share projected to remain largely same through FY27. Consolidation in the air category and how the online supplier-direct channel fares will greatly determine how the distribution patterns evolve in the future. OTAs are driving online discoverability in the hotel and alternate accommodation categories. The OTA hotel GBV is projected to grow from \$3.5 billion (₹28,500 Crores) in FY24 to \$5.9 billion (₹48,773 Crores) in FY27.

Figure 09: India OTA Market (\$Bn), Share by Category, FY24 & FY27



NOTE Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

The OTA rail market's share is expected to remain steady at 8.8% from FY24 to FY27, while its GBV will increase from \$1.3 billion (₹10,560 Crores) to \$2.1 billion (₹17,184 Crores). The share of intercity bus OTA GBV is projected to edge up to 8.9% in FY27, supported by a \$845 million (₹6,975 Crores) rise in GBV compared to FY24. Growing demand for road travel—driven by ease of access and improved infrastructure—is expected to push the intercity bus category GBV past \$2.1 billion (₹17,373 Crores) in FY27.

Online Travel Agency (OTA) Benchmarking

India's flourishing OTA market began in the early 2000s with the launch of MakeMyTrip, originally focused on air travel before rapidly expanding into additional categories. The strategic merger of NASDAQ-listed MakeMyTrip with Goibibo in 2016 not only broadened its consumer base but also solidified its market leadership. Further reinforcing its dominance, the redBus brand established a robust intercity bus travel distribution platform.

Today, Indian OTAs are evolving from a purely B2C model into a hybrid approach that integrates core travel services with ancillary revenue streams such as fintech, visa solutions, advertising, and platform offerings. MakeMyTrip distinguishes itself with its two full-service OTA brands—MakeMyTrip and Goibibo—which together command dominant shares in the air, hotel, and intercity bus categories while extending their reach into the B2B and corporate travel segments. With global expansion in sight, MakeMyTrip is leveraging its domestic success by introducing localized offerings in the Middle East for both local consumers and the Indian diaspora, as well as by scaling redBus services across Southeast Asia and Latin America. MakeMyTrip has had a top notch GBV and revenue performance along-with a very well capitalised balance sheet, thereby allaying any pressing concerns, however the group has been eyeing a listing on the Indian bourses to better capitalise the investor fraternity and sentiment.

Flipkart's acquisition of Cleartrip in 2021 unlocked significant financial backing and gave it access to Flipkart's vast, engaged user network. Known for its superior product experience, Cleartrip is diversifying beyond air travel by expanding its hotel and bus offerings. Buoyed by a strong growth in the B2C segment, Cleartrip is further broadening its presence in the B2B space by targeting agency and corporate travel, positioning itself for further growth.

Founded in 2007, ixigo has strengthened its ground transportation portfolio through the acquisitions of ConfirmTkt and AbhiBus in 2021. The company has been on a strong growth trajectory, with rail and bus segments accounting for nearly two-thirds of its GBV. Notably, despite operating in high-volume, low-margin categories, ixigo Group ranks second among Indian OTAs in revenue performance—a testament to its customer-centric approach and product innovation.

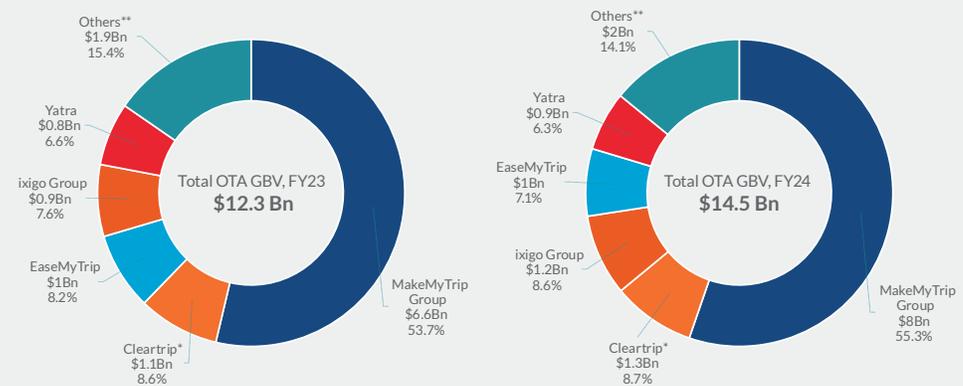
Yatra entered the OTA market in 2006, followed by EaseMyTrip—now both listed publicly. Among its many small ticket acquisitions including Big Charter Private Limited (2025), ETrav Tech (2024), Nutana Aviation (2022), YoloBus (2021) and Spree Hotels (2021), YoloBus seemed to be the one playing out well for EaseMyTrip, alongside the massive ground travel transformation in India. EaseMyTrip is also extending its international footprint—particularly in the Middle East through tourism board partnerships—while bolstering its domestic presence with 25 physical stores across India.



Meanwhile, Yatra is eyeing a billion dollars in GBV led by the corporate travel and is enhancing its corporate travel solutions, especially in the enterprise category. It is also expanding its hotel and MICE (Meetings, Incentives, Conferences, and Exhibitions) segments through both organic, and small ticket acquisitions, namely Globe Travels (2024), PL Worldways Limited (2019), and Air Travel Bureau (2017).

Amid these ongoing churns and changes, the MakeMyTrip Group enjoys a first-mover advantage, leading online travel distribution in three out of four main travel categories, commanding a 55.3% share of the India OTA GBV in FY24. Cleartrip continues to hold on to its second spot with a \$1.3 billion (₹10,463 Crores) GBV in FY24, gaining marginal share, thanks to Flipkart's massive user base, which it continues to tap into. ixigo Group's share has risen to 8.6% at \$1.2 billion (₹10,283 Crores), benefiting from a vertical shift in rail passengers and cross-sell from ground to air travel, driven by deeper pockets and growing consumer aspirations. EaseMyTrip's market share declined to 7.1% in FY24, with a GBV of \$1 billion (₹8,513 Crores), down from 8.2% in FY23.

Figure 10: India OTA Total Gross Bookings (GBV) (\$Bn), Share by Top India-based OTAs (%), FY23 & FY24



NOTE OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers. OTA air GBV includes passenger revenues of all local and international carriers operating to/from India. *VIDEC estimates. **Others include major local and global OTAs operating in India. Total may not add up due to rounding. Refer methodology for more details. Company earnings and VIDEC's India Travel Market Opportunity Study, FY22-FY27

The long-tail of indirect-online players includes leading B2C local and global OTA brands such as Agoda, Booking.com, Expedia.com, and udChalo, along with the online arms of traditional players like Akbar Travels, Riya Travels, Thomas Cook, and Via. Additionally, horizontal e-commerce platforms such as Paytm and Amazon contribute to this long-tail bucket. In FY24, the long-tail collectively held a 14.1% share of the OTA market, down from 15.4% in FY23, indicating that MakeMyTrip Group and ixigo Group have eaten into their market share.

Below is a snapshot of the total market opportunity:

Table 1: India Total Travel Market Snapshot, FY22-FY27

in US Dollar Billions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Travel Market (\$Bn)	26.2	49.2	56.3	63.1	70.5	78.4
Annual Change* (%)	106%	88%	14.4%	12.2%	11.7%	11.2%
Online Travel Market (\$Bn)	11.0	19.5	22.8	27.0	31.4	36.3
Annual Change* (%)	101%	77%	17.1%	18.3%	16.6%	15.5%
OTA (\$Bn)	6.5	12.3	14.5	17.4	20.4	23.6
OTA Share of Online Market (%)	59%	63%	64%	64%	65%	65%
Supplierdirect Online (\$Bn)	4.5	7.2	8.3	9.6	11.1	12.7
Supplierdirect Share of Online Market (%)	41%	37%	36%	36%	35%	35%
Online as a Share of Total Market (%)	41.9%	39.6%	40.5%	42.7%	44.6%	46.3%

in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Travel Market (₹Crores)	195,314	393,660	464,954	521,472	582,516	647,660
Online Travel Market (₹Crores)	81,900	155,749	188,254	222,644	259,637	299,827
OTA (₹Crores)	48,329	98,560	120,034	143,031	167,856	194,713
Supplier-direct Online (₹Crores)	33,572	57,189	68,221	79,613	91,781	105,114

NOTE *Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. Total travel market includes all domestic and international air, domestic, inbound and outbound hotel, rail and intercity bus. FY25-FY27 projected; with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



» Air Market Opportunity

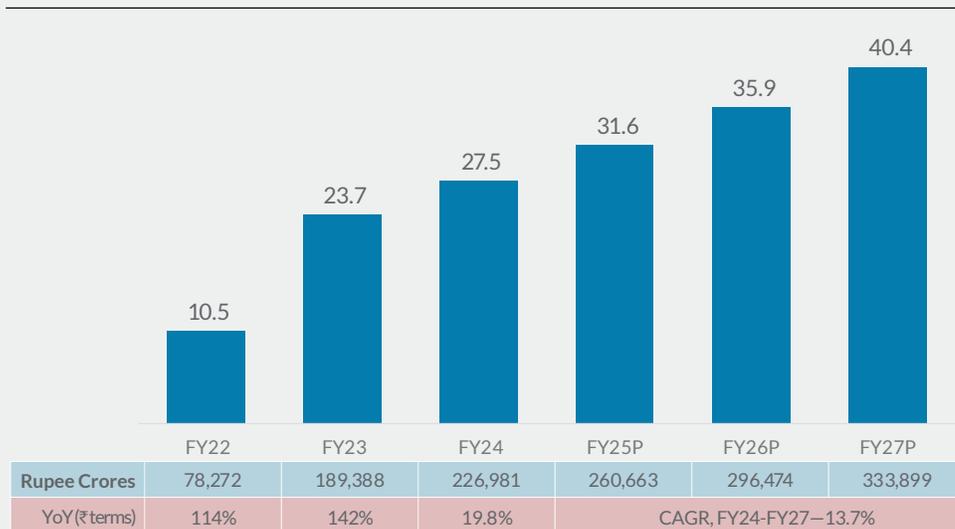
This market sizing takes in to account India's total airlift, including both local and foreign carriers operating in India. As of December 2024, 11 scheduled local airlines were operating with a fleet of over 825 aircraft. On international routes, nearly 80 foreign carriers provide connectivity to and from India.

India's commercial aviation market is set for robust growth, driven by rising demand and economic expansion. Air travel penetration remains low at 0.1 trips per capita, far below China's 0.5 trips per capita, signalling enormous growth potential. Historically, air travel growth has closely tracked per capita GDP trends—between 1990 and 2024, India's per capita GDP rose sevenfold, while air passenger traffic surged fifteenfold. With India's per capita GDP projected to double from around \$2,500 in FY23 to over \$5,000 by FY31, this economic upswing is expected to fuel discretionary spending and drive exponential air traffic growth.

Total Air Market

India's total air market stood at US\$27.5 billion (₹226,981 Crores) in FY24 and is projected to reach \$40.4 billion (₹333,899 Crores) in FY27, growing at a CAGR of 13.7%. As stated previously, solid demand-side growth in both the domestic and outbound segments will not only catapult its GBV but also help push the online penetration level—which is expected to climb from 40.2% in FY24 to 43.5% in FY27.

Figure 11: India Total Air Market (\$Bn) and Annual Change (%), FY22 & FY27



NOTE

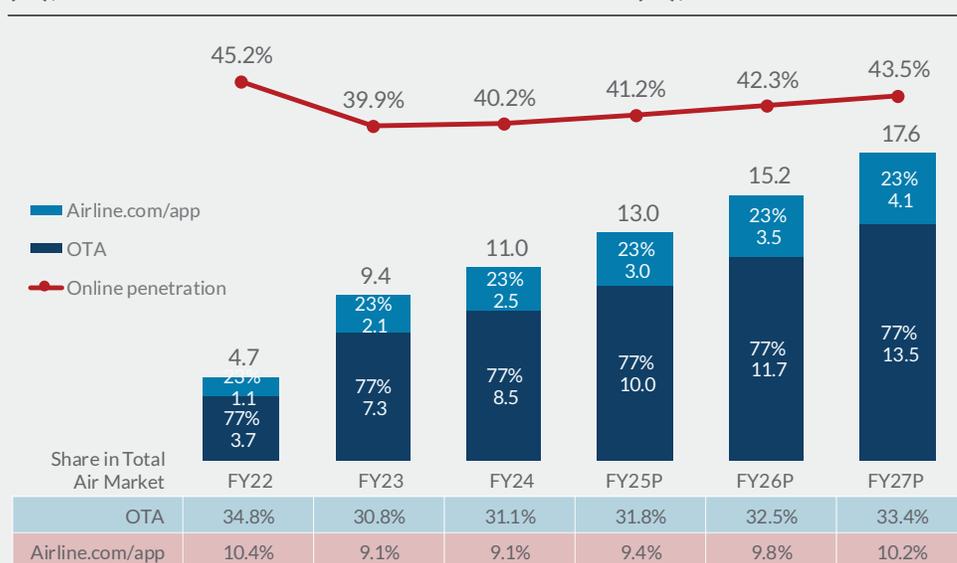
Total air market includes passenger revenues of all local and international carriers operating to/from India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.

Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

Online Air Market

The online air market GBV stood at \$11 billion (₹91,150 Crores) in FY24 and is expected to reach \$17.6 billion (₹145,326 Crores) by FY27. OTAs have been the first entrants and the leader in online air distribution. In FY24, OTAs accounted for 77% of the total online air market, showcasing their pole position as the channel of choice, at a GBV of \$8.5 billion (₹70,576 Crores). OTA GBV is projected to grow to \$13.5 billion (₹111,383 Crores) by FY27.

Figure 12: India Online Air Market (\$Bn), Share by Online Channel (%), and Online as a Share of Total Air Market (%), FY22-FY27



NOTE Total air market includes passenger revenues of all local and international carriers operating to/from India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details. Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

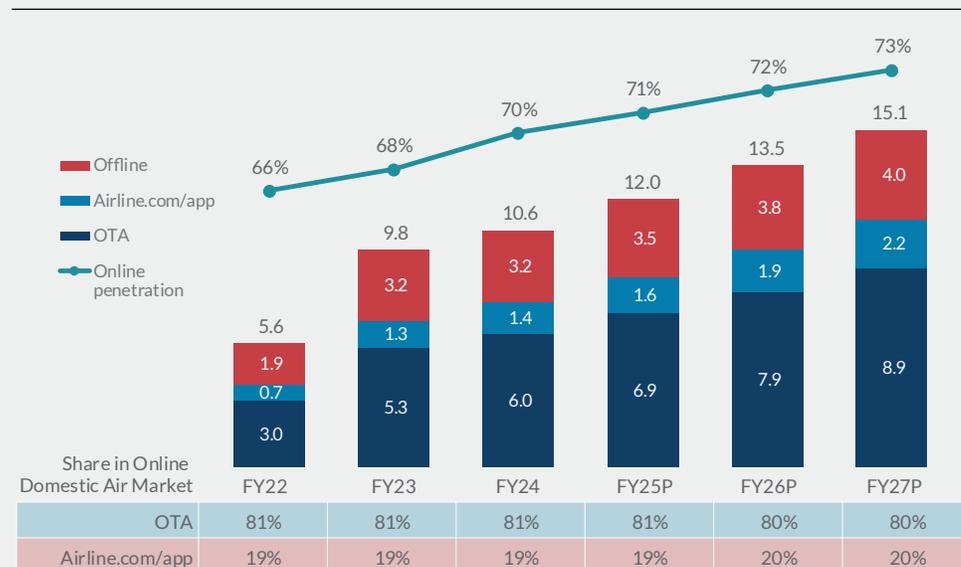


With a GBV of \$2.5 billion (₹20,574 Crores) in FY24, the share of airline.com/app channel stood at 23% of the online air market. The channel's GBV is expected to reach \$4.1 billion (₹33,944 Crores) in FY27 as airlines continue to ramp up their direct distribution through promotional fares, add-on services and loyalty programs.

Domestic Air Market

India's domestic air market stood at \$10.6 billion (₹87,833 Crores) in FY24 and is projected to grow to \$15.1 billion (₹125,057 Crores) in FY27, owing to capacity addition as well as a robust demand, which is expected to gather further momentum.

Figure 13: India Domestic Air Market (\$Bn), Share by Channel, FY22-FY27



NOTE Domestic air market includes passenger revenues of all local carriers operating in India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details. Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

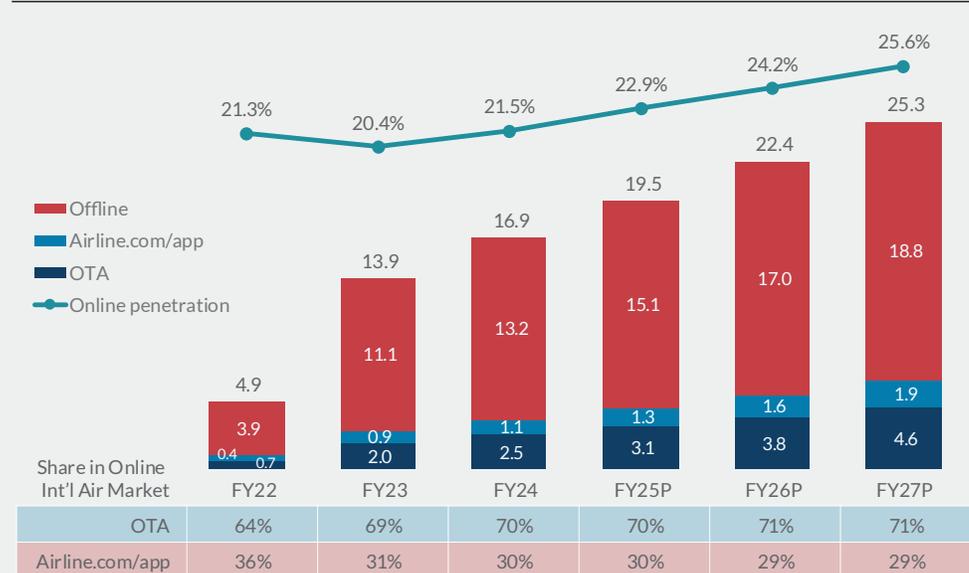
Early online adoption, coupled with a simpler product, have helped boost online penetration levels to 70% in FY24—one of the highest across all travel categories. This is expected to rise further to 73% by FY27, supported by growing demand and a steadily increasing supply.

In FY24, the OTA channel commanded 81% of the domestic online air market, a share expected to remain steady through FY27. Meanwhile, airline.com/app accounted for 19% of the market in FY24, with its share projected to edge up to 20% by FY27 as airlines offer competitive fares and loyalty programs to attract and retain customers.

International Air Market

The international air market was valued at \$16.9 billion (₹139,148 Crores) in FY24, accounting for 61% of the total air market, and is projected to grow to \$25.3 billion (₹208,843 Crores) by FY27.

Figure 14: India International Air Market (\$Bn), Share by Channel (%), FY20-FY27



NOTE International air market includes passenger revenues of all local and international carriers operating to/from India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

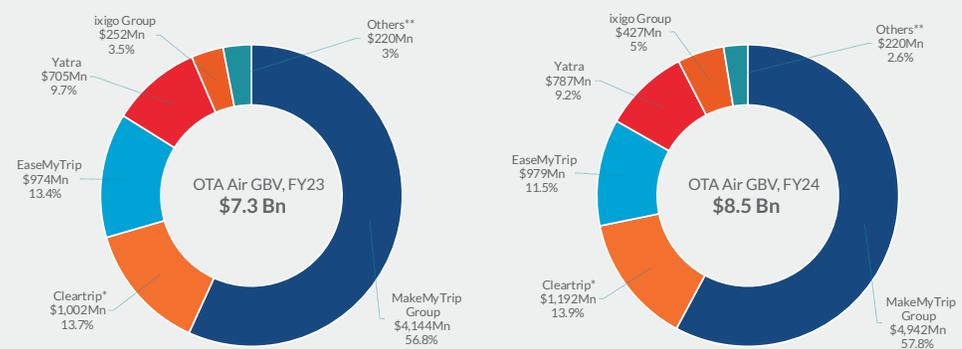
Despite a surge in outbound travel, online penetration—already the lowest among all travel categories at 21.5% in FY24—is expected to rise only modestly to 25.6% in FY27. This limited growth reflects ongoing complexities, such as visa requirements, ticket assistance, and a high volume of first-time flyers, which continue to make offline channels more appealing for customers needing additional support.

In the international segment, OTAs accounted for 70% of online air market in FY24 at a GBV of \$2.5 billion (₹20,978 Crores). OTA GBV is forecasted to almost double to \$4.6 billion (₹37,711 Crores) in FY27 as OTA continue to expand their customer base and product suite. Despite the commanding share in online international air GBV, OTAs made up for only 15% of the total international air GBV in FY24, indicating massive headroom for growth.

OTA Air Benchmarking

An early entry to the market, strategic partnerships, relentless focus on product innovation and user experience and being an all-in-one app have cemented MakeMyTrip Group's near monopoly in India's OTA air market. An array of referral & loyalty programs, deals have also enabled robust consumer acquisition and retention, despite a massive consumer base. As a result, the group led the OTA air category in FY24, commanding a 57.8% share of the total OTA air GBV, valued at \$4.9 billion (₹40,814 Crores).

Figure 15: India OTA Air Gross Bookings (GBV) (\$Mn), Share by Top India-based OTAs (%), FY23 & FY24



NOTE OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers. OTA air GBV includes passenger revenues of all local and international carriers operating to/from India. *VIDEC estimates. **Others include major local and global OTAs operating in India. Total may not add up due to rounding. Refer methodology for more details.
 Source: Company earnings and VIDEC's India Travel Market Opportunity Study, FY22-FY27

Flipkart-owned Cleartrip ranked second in the OTA air market with a 13.9% share, recording a GBV of \$1.2 billion (₹9,842 Crores) in FY24. EaseMyTrip.com followed with an 11.5% share at \$979 million (₹8,082 Crores). While Cleartrip gained marginal market share, EaseMyTrip.com lost ground compared to FY23.

Yatra accounted for 9.2% share of the OTA air GBV in FY24, driven by its focused approach on corporate travel, with a GBV of \$787 million (₹6,495 Crores). While its market share declined slightly, its GBV grew by over 15% (in Rupee terms) in FY24 compared to FY23.

With a year-over-year growth of 75% (in Rupee terms), ixigo was the fastest-growing OTA in the air category. In FY24, its air GBV reached \$427 million (₹3,527 Crores), expanding its market share to 5%.

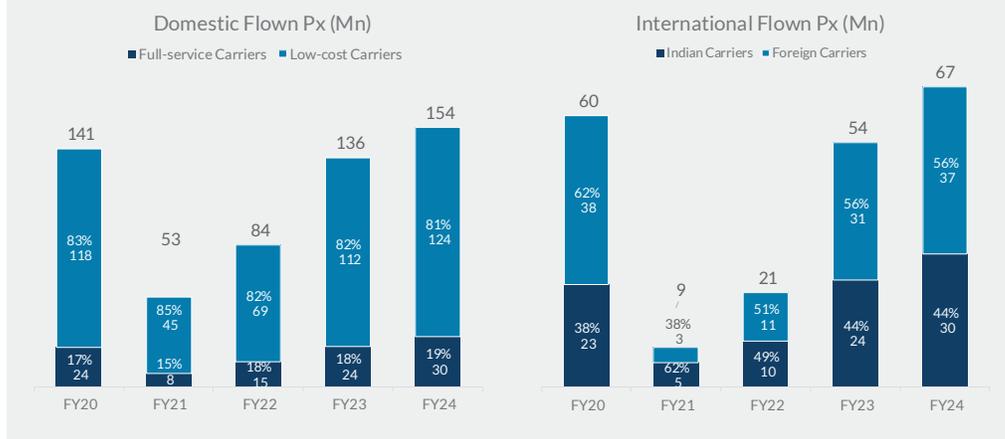
As travelers seek faster and more convenient transportation, OTAs like ixigo have experienced rapid growth. Its success as the fastest-growing OTA in the air category reflects this vertical shift, supported by a strong foundation in rail and intercity bus travel. Following its recent stock market listing, the cash-rich OTA aims to leverage its extensive rail and intercity bus user base to cross-sell air and hotel.

Flipkart's acquisition of Cleartrip, too, was based on the premise of leveraging its users base and to expand its product portfolio by offering high-value travel products and services. Corporate giants like the Adani and Reliance, too, are gearing towards the same business model, eyeing a 'super app,' selling all things hospitality and travel services. Tata Group has already rolled out Tata Neo, taking a lead in this race.

Total Flown Passengers

India's total flown passengers reached 220 million in FY24, up from 202 million in FY20. Domestic air travel accounted for 154 million passengers, averaging 422,000 per day in FY24—reflecting a 9% increase from 141 million in FY20. Meanwhile, international passenger volume rose to 67 million in FY24, compared to 60 million in FY20.

Figure 16: India Flown Passengers (Mn), FY20-FY24



Low-cost carriers (LCCs) dominated the domestic air market in FY24, carrying 124 million passengers—81% of total domestic traffic. IndiGo remained the undisputed market leader with a 61.5% share. Meanwhile, the Tata Group's airline portfolio originally comprised four brands—Air India, Vistara, Air India Express, and AIX Connect. Following consolidation, with Vistara merging into Air India and AIX Connect into Air India Express, these brands collectively held a 27.1% share of domestic traffic in FY24. Akasa Air, the newest entrant in Indian aviation, increased its market share to 4.4% in FY24 from 1.4% in FY23, carrying 6.8 million passengers in FY24. The embattled SpiceJet lost market share, flying 5.1% of the domestic traffic in FY24, as compared to 7.9% in FY23, impacted by fleet and engine-related challenges.



Table 2: India Domestic Flown Passengers by Airline (Mn), FY23 & FY24

Airline	Domestic Flown Px (millions)		Share in Domestic Flown Px (%)	
	FY23	FY24	FY23	FY24
IndiGo	76.7	94.6	56.4%	61.5%
Air India	11.7	15.4	8.6%	10.0%
Vistara	12.5	14.4	9.2%	9.4%
Air India Express & AIX Connect	9.0	11.8	6.6%	7.7%
SpiceJet	10.7	7.9	7.9%	5.1%
Akasa Air	1.9	6.8	1.4%	4.4%
Others*	13.5	2.8	9.9%	1.9%
Total Domestic Passengers	136.0	153.9		

*Others include GoFirst, which was grounded in May'24.

Source: Directorate General of Civil Aviation, India, VIDEC's India Travel Market Opportunity Study, FY22-FY27

Indian carriers have expanded their short- and medium-haul international connections while strengthening long-haul networks through codeshare agreements. Additional aircraft and new routes have steadily increased their share of international airlift to 44% (30 million passengers) in FY24, up from 38% (23 million passengers) in FY20.

Meanwhile, international carriers—led by Emirates, Singapore Airlines, Qatar Airways, Air Arabia, and Etihad—continue to dominate outbound airlift. However, their share dropped from 62% in FY20 to 56% in FY24, reflecting the growing presence of Indian airlines. Global factors have also contributed to Indian carriers capturing a larger share of outbound travel. Many global carriers, constrained by restricted access to Russian airspace and rising operational costs, have held back on adding capacity. Indian airlines have seized this opportunity, strengthening their international footprint. Despite this shift, international carriers remain the preferred choice for long-haul travel.

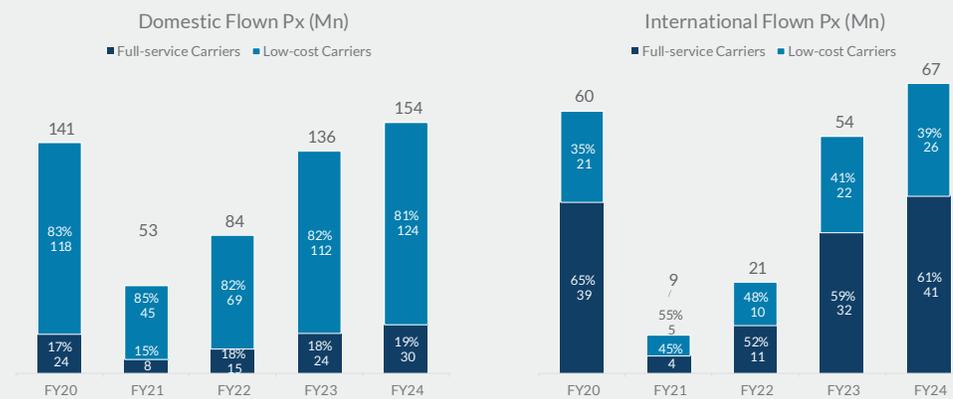
Table 3: India International Flown Passengers (Mn), FY20 & FY24

S#	Airline	International Flown Px (millions)		Share in Total International Flown Px (%)	
		FY20	FY24	FY20	FY24
1	IndiGo (LCC)	7.0	11.8	11.5%	17.7%
2	Air India (FSC)	7.0	8.5	11.6%	12.8%
3	Emirates (FSC)	5.5	5.5	9.0%	8.3%
4	Air India Express (LCC)	4.6	5.0	7.7%	7.5%
5	Air Arabia (LCC)	1.7	2.7	2.8%	4.1%
6	Vistara (FSC)	0.2	2.4	0.4%	3.6%
7	Singapore Airlines (FSC)	1.6	2.3	2.6%	3.5%
8	Qatar Airways (FSC)	2.0	2.1	3.4%	3.2%
9	Etihad Airways (FSC)	2.7	2.0	4.4%	3.1%
10	SpiceJet (LCC)	2.8	1.8	4.6%	2.7%
	All Other Airlines	25.3	22.5	41.9%	33.8%
	Total International Flown Px	60.4	66.6		

Source: Directorate General of Civil Aviation, India, VIDEC's India Travel Market Opportunity Study, FY22-FY27

More Indian leisure travelers bound for short- and medium-haul destinations—including the Middle East, Southeast Asia, and South Asia—are opting for homegrown LCCs, attracted by competitive fares, service, and seamless connectivity. As a result, LCCs' share of international traffic rose to 39%, reaching 26 million passengers in FY24. Consequently, FSCs' share has declined to 61%, with passenger numbers growing only marginally to 41 million in FY24 from 39 million in FY20.

Figure 17: India Flown Passengers (Mn), Share by Airline Type, FY20-FY24



Source: Directorate General of Civil Aviation, India, VIDEC's India Travel Market Opportunity Study, FY22-FY27

On the supply side, there is an ongoing policy emphasis on bolstering airport infrastructure; over ₹60,000 Crores⁶ worth of airport infrastructure investments are planned between FY25 and FY27. India's airport count has already doubled since 2013, reaching 148 in 2024, with 80 more expected over the next five years. However, soaring demand is outpacing the availability of aircraft and airports. Therefore, the air travel market's growth story will hinge on how quickly and effectively the industry and the government address supply-side challenges.

Indian carriers have placed sizable aircraft orders, with the orderbook swelling to over 1,700 aircraft set for delivery over the next decade. IndiGo alone will add 480 more A320NEO, A321NEO, and A321XLR aircraft by 2030, expanding its international capacity share to 40%. The carrier plans to deploy A350s and damp-leased widebodies on long-haul international routes, marking a first for an LCC with such global ambitions. Additionally, it intends to introduce A321XLRs for mid-to-long-haul international operations. IndiGo is also targeting traffic across CIS, Europe, Africa, the Middle East, and Southeast Asia, with widebodies entering service from FY25 and XLRs from FY26. Air India, too, has ordered 570 aircraft⁷, comprising a mix of wide-bodied Airbus A350-900 and single-aisle A320s. While this signals strong long-term supply-side growth, a few caveats remain.

Beyond supply-side challenges, around 120 grounded aircraft—affected by spare parts shortages and engine issues—are straining immediate capacity. Meanwhile, slower-than-expected aircraft deliveries are hampering both capacity expansion and operational performance. How aviation players address delivery delays, rising operational costs, and supply chain disruptions will ultimately define their growth trajectory.

6. Airport infrastructure investment to exceed Rs 60,000 crore during 2025-2027

7. Air India discloses 100 Airbus aircraft order and services contract

Below is a snapshot of the total air market opportunity:

Table 4: India Air Market Snapshot, FY22-FY27

in US Dollar Billions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Air Market (\$Bn)	10.5	23.7	27.5	31.6	35.9	40.4
Annual Change* (%)	114%	125%	16.1%	14.8%	13.7%	12.6%
Online Air Market (\$Bn)	4.7	9.4	11.0	13.0	15.2	17.6
Annual Change* (%)	96%	99%	16.9%	17.8%	16.7%	16.0%
OTA (\$Bn)	3.7	7.3	8.5	10.0	11.7	13.5
OTA Share of Online Market (%)	77%	77%	77%	77%	77%	77%
Airline.com/app (\$Bn)	1.1	2.1	2.5	3.0	3.5	4.1
Airline.com/app Share of Online Market (%)	23%	23%	23%	23%	23%	23%
Online as a Share of Total Air Market (%)	45.2%	39.9%	40.2%	41.2%	42.3%	43.5%
in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Air Market (₹Crores)	78,272	189,388	226,981	260,663	296,474	333,899
Online Air Market (₹Crores)	35,358	75,516	91,150	107,360	125,308	145,326
OTA (₹Crores)	27,211	58,372	70,576	82,814	96,392	111,383
Supplier-direct Online (₹Crores)	8,146	17,144	20,574	24,545	28,917	33,944

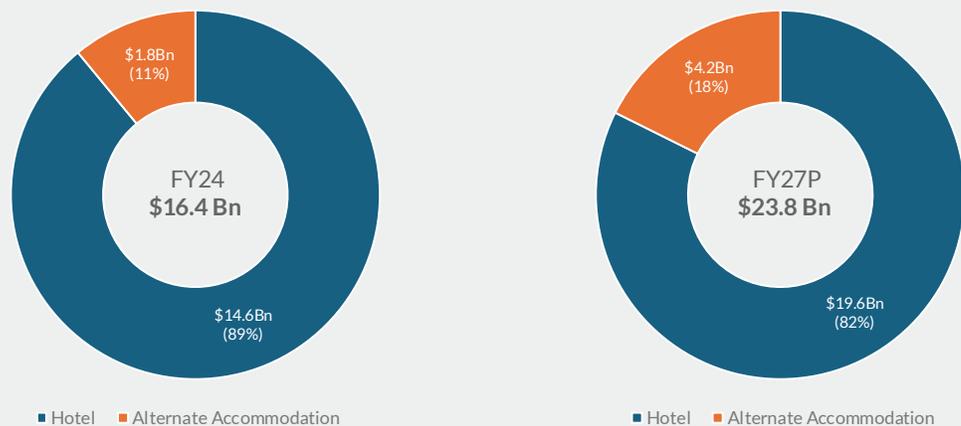
NOTE *Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. Total air market includes passenger revenues of all local and international carriers operating to/from India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details. Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



» Hotel Market Opportunity

The Indian lodging market encompasses chain hotels, aggregators, budget hotels, and alternate accommodations. In FY24, the market was valued at US\$16.4 billion (₹134,625 Crores)—with hotel category commanding an impressive 89% share.

Figure 18: India Lodging Market (\$Bn), FY24 & FY27



NOTE Total hotel market includes hotel bookings made by Indian domestic and outbound travelers as well inbound travelers visiting India. Total alternate accommodation market includes bookings made by rental travelers for alternate accommodations such as homes, villas, bungalow, apartments, shared spaces/rooms, et al. in India. FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

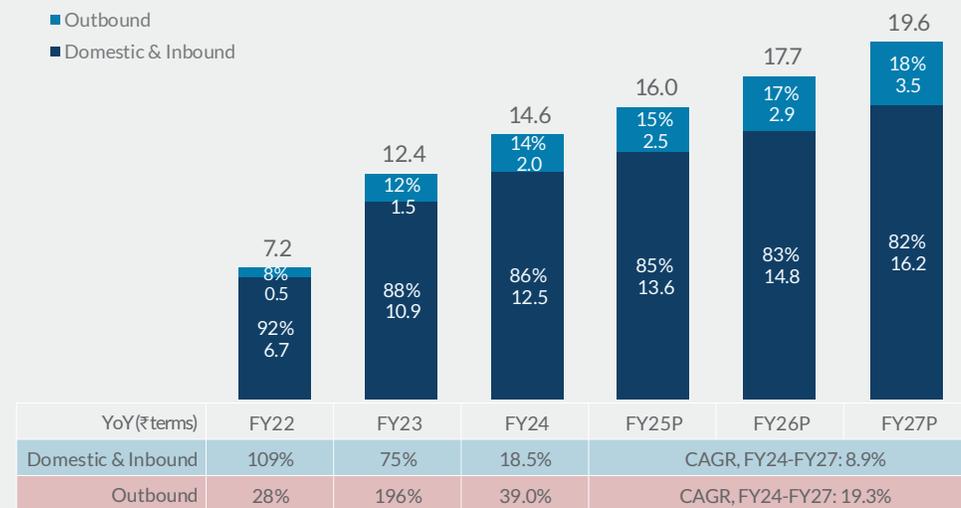


Looking ahead, as Indian consumers increasingly favor luxury and experiential travel, the overall market is projected to expand to \$23.8 billion (₹197,014 Crores) by FY27. A notable trend fueling this growth is the rising prominence of alternate accommodations. By FY27, this segment is expected to capture 18% of the total market, effectively addressing supply gaps in destinations where branded and independent hotel supply is constrained.

Total Hotel Market

India's total hotel market was estimated at \$14.6 billion (₹120,162 Crores) in FY24, up 17.2% from \$12.4 billion (₹99,314 Crores) in FY23. Branded properties have driven this growth, benefiting from an uptick in luxury and experiential travel, with hotels recording their highest nationwide occupancy and ADR rates in a decade in FY24. This positive trend is expected to persist—even as independent accommodations dominate the market—thereby enabling further expansion. Supported by stronger occupancy and ADRs, the hotel market is projected to grow to \$19.6 billion (₹162,109 Crores) by FY27, at a CAGR of 10.5%.

Figure 19: India Hotel Market (\$Bn), Share by Destination (%), FY22-FY27



NOTE Total hotel market includes hotel bookings made by Indian domestic and outbound travelers as well inbound travelers visiting India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

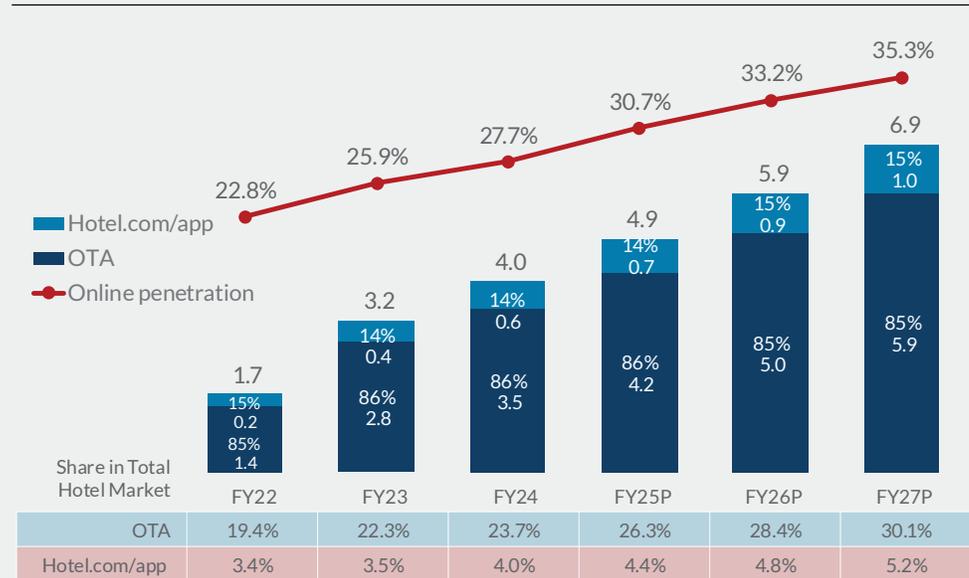
In a first-of-its-kind outbound sizing, this study examines the India outbound hotel opportunity. The rise in outbound travel, especially to short and mid-haul destinations can be attributed to overexposure to domestic destinations, rising cost of domestic trips—often at par with international trips—and growing aspirations of travelling internationally. Moreover, social media marketing has enhanced awareness around new destinations, and improved air connectivity across cities and towns has given travelers more choices.

In FY24, the India outbound hotel market was valued at \$2 billion (₹16,796 Crores) and is projected to grow at a healthy CAGR of 19.3% through FY27, reaching \$3.5 billion (₹28,524 Crores). Meanwhile, the domestic and inbound segment—which includes hotel supply located in India—accounted for 86% of the market in FY24, generating \$12.5 billion (₹103,366 Crores) in GBV. Although its market share is expected to decline slightly to 82% by FY27, its GBV is projected to grow at a CAGR of 8.9%.

Online Hotel Market

The online hotel GBV grew to \$4 billion (₹33,290 Crores) in FY24, and is forecasted to reach \$6.9 billion (₹57,164 Crores) in FY27. At the same time, online penetration is expected to increase from 27.7% to 35.3%.

Figure 20: India Online Hotel Market (\$Bn), Share by Channel (%), and Online as a Share of Total Hotel Market (%), FY22-FY27



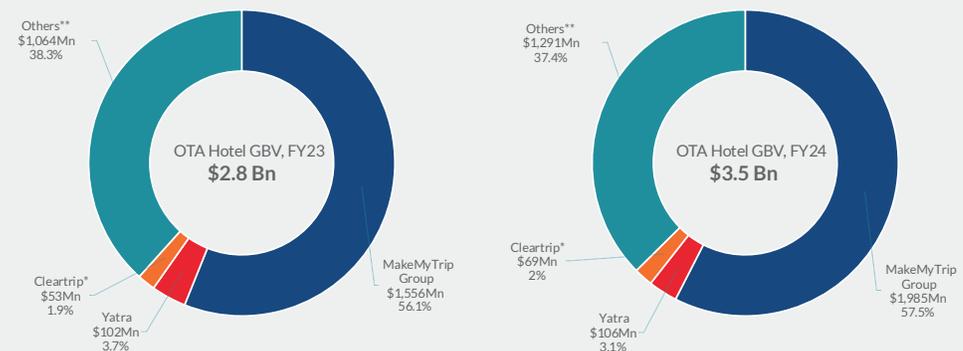
NOTE Total hotel market includes hotel bookings made by Indian domestic and outbound travelers as well inbound travelers visiting India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

OTAs led the online hotel distribution in FY24 with an 86% market share and a GBV of \$3.5 billion (₹28,500 Crores). The channel is expected to maintain its dominance, growing to a GBV of \$5.9 billion (₹48,773 Crores) by FY27. While premium hotels remain a major contributor to the OTA hotel GBV, independent hotels and alternate accommodations are set to drive overall supply-side growth, making them strategically significant. The hotel.com/app GBV was estimated at \$580 million (₹4,790 Crores) in FY24 and is projected to grow to \$1 billion (₹8,391 Crores) by FY27—accounting for 15% of the online hotel distribution.

OTA Hotel Benchmarking

MakeMyTrip Group commanded the OTA hotel market in FY24, capturing a dominant 57.5% market share and generating a GBV of \$2 billion (₹16,394 Crores). This strong performance highlights its deep penetration in non-air categories and reflects the positive impact of its focus on branded hotel room bookings on overall revenue.

Figure 21: India OTA Hotel Gross Bookings (GBV) (\$Mn), Share by Top OTAs (%), FY23 & FY24



NOTE TOTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers. *VIDEC estimates. **Others include major local and global OTAs operating in India such as Booking.com/Agoda, EaseMyTrip, Expedia/hotels.com etc. OTA hotel GBV includes hotel bookings made by Indian domestic and outbound travelers as well inbound travelers visiting India. Total may not add up due to rounding. Refer methodology for more details.
 Source: Company earnings and VIDEC's India Travel Market Opportunity Study, FY22-FY27

Global OTAs also play a significant role in India's online hotel market, holding a competitive edge in both outbound and inbound segments. Major players like Booking Holdings (encompassing Booking.com and Agoda) and Expedia Group (including Expedia and Hotels.com), along with various long-tail OTAs, collectively contribute \$1.3 billion (₹10,661 Crores)—about 37.4% of the Indian OTA hotel GBV. Meanwhile, other Indian OTAs, with Cleartrip and EaseMyTrip representing the remaining share, are actively striving to grow their hotel GBV.

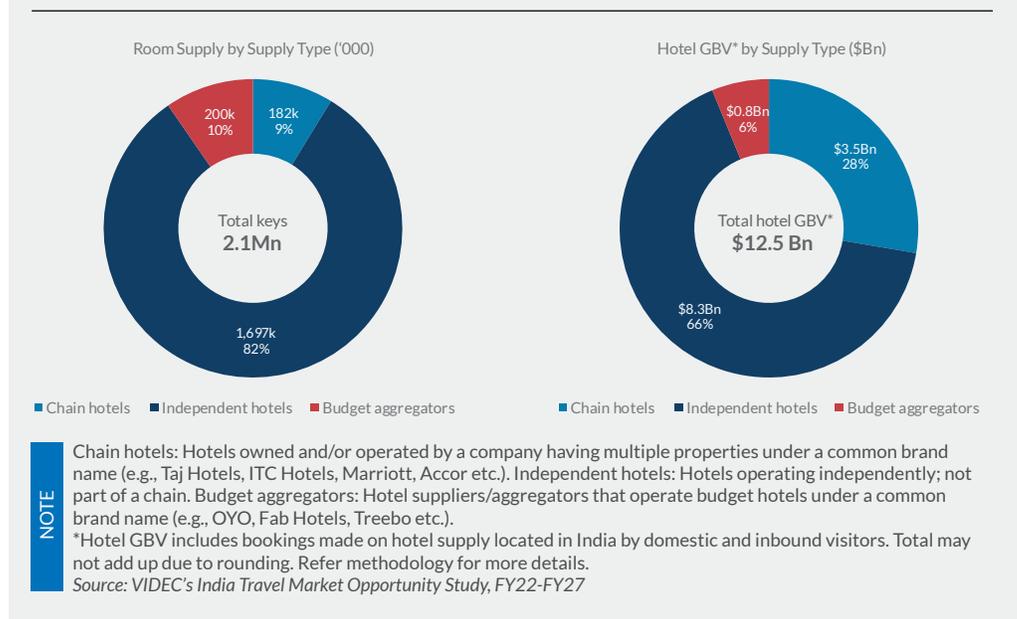
In the outbound hotel category, global OTAs dominate by contributing more than half of outbound OTA hotel GBV. However, traditional offline channels continue to lead overall hotel bookings, with OTAs following behind, underscoring a nuanced competitive landscape.

Room Supply and Segmentation

According to VIDEC estimates, India's hotel room supply in FY24 was estimated at 2.1 million rooms. Chain hotels accounted for 182,000 rooms (roughly 9%), while a dominant 82%—or 1.7 million rooms—were provided by independent hotels. This heavy reliance on independent properties points to a highly fragmented market, which means that while travelers enjoy a diverse set of choices, service quality and standardization can vary significantly. Budget aggregators also play a crucial role by contributing approximately 200,000 rooms (around 10% of the total). By standardizing room availability and pricing, these aggregators not only enhance the traveler experience but also create an avenue for future consolidation and technology enhancements in the hospitality industry.

This fragmented landscape presents both challenges and opportunities. On one hand, independent hotels may struggle with uniformity in service, operational efficiency, and brand recognition. On the other, it opens up possibilities for technology-driven platforms and aggregators to streamline operations, drive higher occupancy, and enable smaller players to tap into broader distribution channels.

Figure 22: India Hotel Room Supply (Mn) and Hotel GBV (\$Bn), Share by Supply Type (%), FY24



Despite accounting for only 9% of the total room inventory, chain hotels drove a significant 28% share of hotel GBV—totalling \$3.5 billion (₹28,589 Crores) in FY24—thanks to higher ADRs and occupancies that have established them as the market's growth engine. In contrast, independent hotels captured 66% of the market with a GBV of \$8.3 billion (₹68,365 Crores), while budget aggregators, impacted by low RevPARs, contributed just 6% of the total GBV at \$777 million (₹6,412 Crores).

Below is a snapshot of the Indian hotel market:

Table 5: India Hotel Market Snapshot, FY22-FY27

in US Dollar Billions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Hotel Market (\$Bn)	7.2	12.4	14.6	16.0	17.7	19.6
Annual Change* (%)	94%	72%	17.2%	10.3%	10.6%	10.6%
Online Hotel Market (\$Bn)	1.6	3.2	4.0	4.9	5.9	6.9
Annual Change* (%)	91%	95%	25.5%	22.4%	19.6%	17.4%
OTA (\$Bn)	1.4	2.8	3.5	4.2	5.0	5.9
OTA Share of Online Market (%)	85%	86%	86%	86%	85%	85%
Supplier.com/app (\$Bn)	0.2	0.4	0.6	0.7	0.9	1.0
Supplier.com/app Share of Online Market (%)	15%	14%	14%	14%	15%	15%
Online as a Share of Total Hotel Market (%)	22.8%	25.9%	27.7%	30.7%	33.2%	35.3%

in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Hotel Market (₹Crores)	53,931	99,314	120,162	132,525	146,531	162,109
Online Hotel Market (₹Crores)	12,293	25,683	33,290	40,741	48,709	57,164
OTA (₹Crores)	10,467	22,194	28,500	34,857	41,606	48,773
Supplier.com/app (₹Crores)	1,826	3,489	4,790	5,885	7,104	8,391

NOTE *Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. Total hotel market includes hotel bookings made by Indian domestic and outbound travelers as well inbound travelers visiting India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



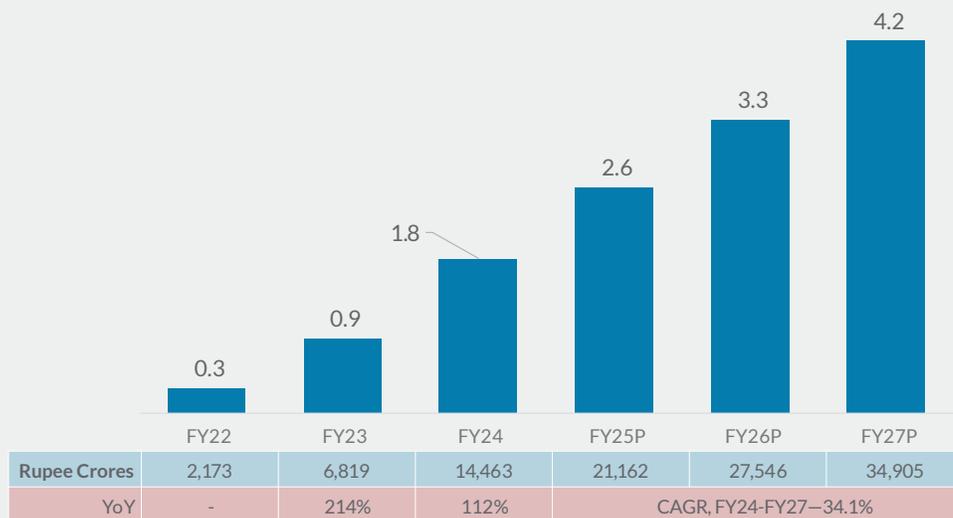
» Alternate Accommodation Market Opportunity

In a first, this report attempts to size the immensely complex and fragmented Indian alternate accommodation market. Historically a niche segment thriving in areas with limited hotel supply, alternate accommodations are now becoming mainstream. Their growing appeal among leisure and business travelers is reflected in a diverse array of accommodations—from entire homes, villas, apartments, and distinctive niche residences to individual rooms in homes and apartments. The market has also benefited from tapered supply-side growth in branded hotel inventory.

Total Alternate Accommodation Market

India's alternate accommodation market was valued at US\$1.8 billion (₹14,463 Crores) in FY24 and is projected to grow to \$4.2 billion (₹34,905 Crores) by FY27, registering a robust CAGR of 34.1%—the fastest among all travel categories.

Figure 23: India Alternate Accommodation Market (\$Bn) and Annual Change (%), FY22-FY27



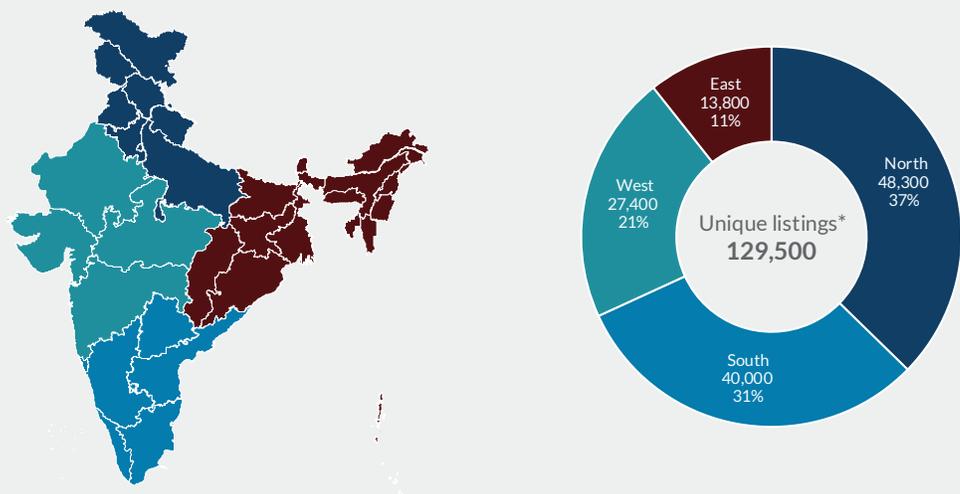
NOTE Total alternate accommodation market includes bookings made by rental travelers for alternate accommodations such as homes, villas, bungalow, apartments, shared spaces/rooms, et al. in India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

In FY24, VIDEC estimates that there were approximately 130,000 unique online alternate accommodation listings, across various online platforms. Entire homes and apartments—where homeowners do not reside—comprised about 63% of the inventory, translating to roughly 82,000 listings. These properties command an average daily rate (ADR) of \$84 (₹6,950), reflecting a premium positioning that appeals to leisure and family travelers seeking privacy, comfort, and exclusivity. In contrast, shared rooms—with the host residing in the property—accounted for the remaining 37%, or around 48,000 listings, with an ADR of \$39 (₹3,250). The lower ADR for shared rooms signifies their appeal among cost-sensitive travelers, such as solo adventurers, backpackers, religious travelers, who prioritize affordability over exclusivity.

This segmentation highlights the diverse nature of the alternate accommodation market. Providers of entire homes and apartments are catering to a segment willing to pay a premium for enhanced privacy and space, while the shared room segment attracts budget-minded travelers. The disparity in pricing also underscores the opportunity for online platforms to tailor their offerings, refined search capabilities, and pricing strategies to better match travelers varying preferences. As competition intensifies in both segments, further innovations in discovery and personalized recommendations are likely to play a crucial role in boosting occupancy and revenue.

The geographical distribution of India's alternate accommodation supply reveals notable regional differences. The North led with a 37% share, accounting for 48,300 listings, while the South followed closely with a 31% share and 40,000 listings. In contrast, Eastern India remained the most under-penetrated region with just 11% share and 13,800 online discoverable listings. The West contributed 27,400 listings, representing a 21% market share. Looking at property settings, listings in hills dominated with a 32% share, followed by urban properties at 14%, and both beach and metro/city centers listings at 13% each.

Figure 24: India Alternate Accommodation Market: Distribution of Listings by Region, Share (%), FY24



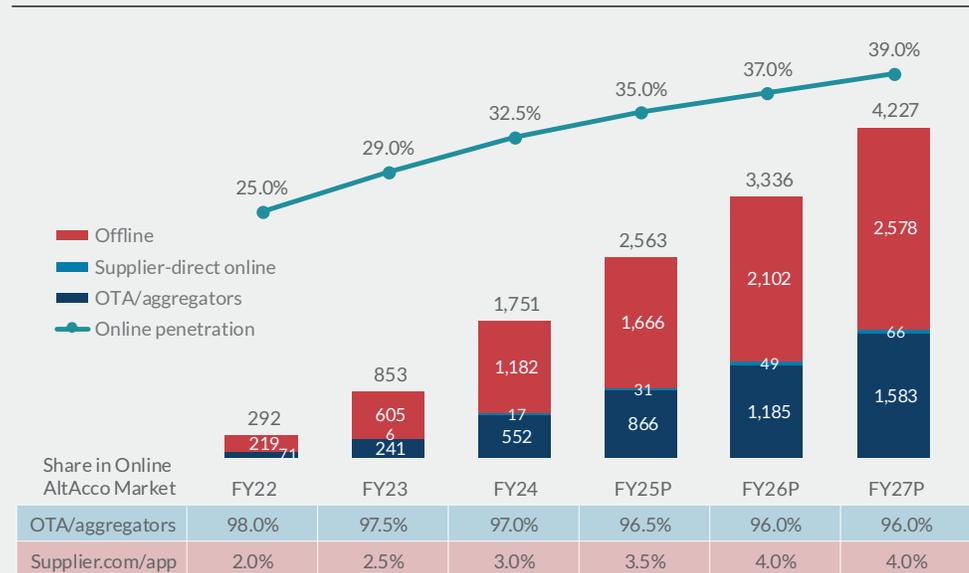
NOTE *Rounded to hundreds for ease of visualization. Total alternate accommodation market includes bookings made by rental travelers for alternate accommodations such as homes, villas, bungalow, apartments, shared spaces/rooms, et al. in India. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

Online Alternate Accommodations Market

Alternate accommodations are reshaping the lodging market as entrepreneurial homeowners introduce innovative supply types that blur the lines between hotels and home rentals. While this evolution intensifies competition and raises service standards, the market remains fragmented, complicating discovery and distribution through traditional channels.

In FY24, the online market accounted for 32.5% of total alternate accommodation GBV, amounting to \$569 million (₹4,701 Crores). Leveraging the young urban demographic, this channel is projected to reach \$1.6 billion (₹13,613 Crores) by FY27, growing at a robust CAGR of 42.5% between FY24 and FY27.

Figure 25: India Online Alternate Accommodation Market (\$Mn), and Online as a Share of Total Alternate Accommodation Market (%), FY22-FY27



NOTE Total alternate accommodation market includes bookings made by rental travelers for alternate accommodations such as homes, villas, bungalow, apartments, shared spaces/rooms, et al. in India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details. Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

In FY24, OTA/aggregators dominated the online alternate accommodations market with a 97% share. Their GBV is projected to reach \$1.6 billion (₹13,069 Crores) by FY27, capturing a 96% share of online bookings. The online supplier-direct channel remains in its early stages, hindered by the market's fragmentation and the technological and demand-generation hurdles that homeowners face in building direct online business.

Historically, word-of-mouth was the primary method for discovering alternate accommodations; today, online travel agencies (OTAs) are transforming this process. Airbnb, the category builder globally, continues to set the benchmark in alternate accommodations, leveraging a platform that appeals especially to younger, experience-driven travelers. Beyond offering an expansive range of unique lodgings—from entire homes and villas to treehouses and boutique stays—Airbnb enhances its proposition with features such as integrated local experiences and property insurance to protect homeowners against potential damage or theft.

MakeMyTrip Group is aggressively expanding its alternate accommodation portfolio to capture rising demand for homestays, guest houses, and serviced apartments, appealing to travelers, who are now preferring more frequent shorter trips than one or two long trips. Additionally, Booking.com leverages personalization and its global reach to build trust through transparent property details and guest reviews.

Meanwhile, niche aggregators such as StayVista, Saffron Stays, ELIVAAS, Staymaster, and Lohono are standardizing inventory and elevating guest services, streamlining booking processes, and ensuring consistent quality. While these aggregators are aggressively expanding their inventories, it is noteworthy that StayVista—the frontrunner—boasts a portfolio of around 1,000 listings. Moreover, the combined listings of the next five or six leading players closely match StayVista's count, highlighting the substantial growth potential that still awaits these new-age aggregators.

Below is a snapshot of the Indian alternate accommodation market:

Table 6: India Alternate Accommodation Market Snapshot, FY22-FY27

in US Dollar Millions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Alternate Accommodation Market (\$Mn)	292	853	1,751	2,563	3,336	4,227
Annual Change* (%)	-	192%	105%	46%	30%	27%
Online Alternate Accommodation Market (\$Mn)	73	247	569	897	1,234	1,648
Annual Change* (%)	-	239%	130%	58%	38%	34%
OTA/Aggregators (\$Mn)	71	241	552	866	1,185	1,583
OTA/Aggregators Share of Online Market (%)	98.0%	97.5%	97.0%	96.5%	96.0%	96.0%
Supplier.com/app (\$Mn)	1	6	17	31	49	66
Supplier.com/app Share of Online Market (%)	2.0%	2.5%	3.0%	3.5%	4.0%	4.0%
Online as a Share of Total Market (%)	25.0%	29.0%	32.5%	35.0%	37.0%	39.0%
in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Alternate Accommodation Market (₹Crores)	2,173	6,819	14,463	21,162	27,546	34,905
Online Alternate Accommodation Market (₹Crores)	543	1,977	4,701	7,407	10,192	13,613
OTA/Aggregators (₹Crores)	533	1,928	4,560	7,148	9,785	13,069
Supplier.com/app (₹Crores)	11	49	141	259	408	545

NOTE *Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. Total alternate accommodation market includes bookings made by rental travelers for alternate accommodations such as homes, villas, bungalow, apartments, shared spaces/rooms, et al. in India. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

» Rail Market Opportunity

India's state-run railways have long been the backbone of the nation's transportation system, connecting people across the country's vast expanse. Boasting the world's fourth-largest rail network at 106,493 km (66,172 mi), the Indian Railways operates a range of services—including passenger, high-speed, and mountain trains—designed to meet the needs of diverse traveler segments diverse price points.

Indian Railways is undergoing a massive transformation. Nearly 1,300 stations are being redeveloped to meet the standards of modern airports, and several greenfield projects are either underway or in the pipeline. Moreover, plans call for investing over \$125 billion in the next five years to modernize the rail network, enhance passenger comfort and safety, and improve the overall travel experience.

State-owned supplier, Indian Railway Catering and Tourism Corporation (IRCTC), is also mooting a super app to offer passengers all rail-related information, ticket booking and cancellation and on-board catering facilities on one platform⁸.

Total Rail Market

India rail GBV stood at US\$8.5 billion (₹70,368 Crores) in FY24 and is projected to reach \$11.1 billion (₹91,860 Crores) in FY27, growing at a CAGR of 9.3%.



8. Indian Railways set to modernize with ₹10-12 lakh crore investment over five years

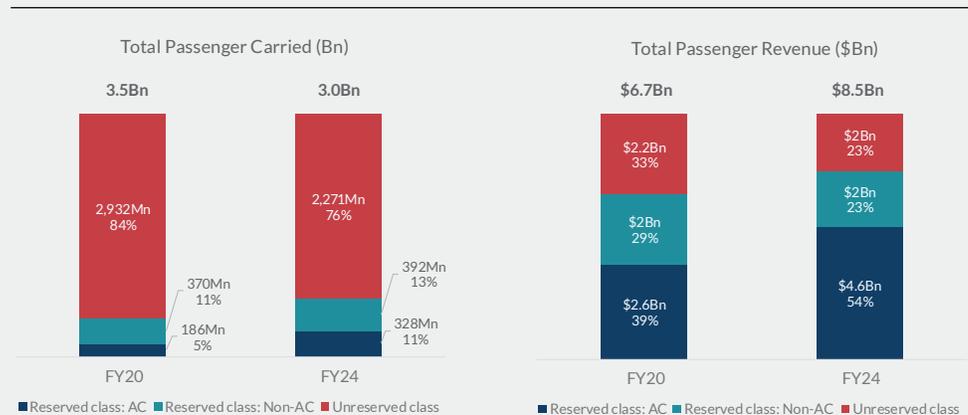
Figure 26: India Rail Market (\$Bn) and Annual Change (%), FY22-FY27



NOTE Total rail market includes all non-commuter passenger revenues of Indian Railways. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

A shift in passenger preference toward higher reserved classes is driving an increase in the reserved rail GBV's share of total rail GBV—from 77% in FY24 to 84% in FY27. In addition, reserved rail GBV is forecast to grow by 42%, rising from \$6.6 billion (₹54,113 Crores) in FY24 to \$9.3 billion (₹77,033 Crores) in FY27.

Figure 27: India Rail Passenger and Passenger Revenue, Share by Seat Class, FY20 vs. FY24

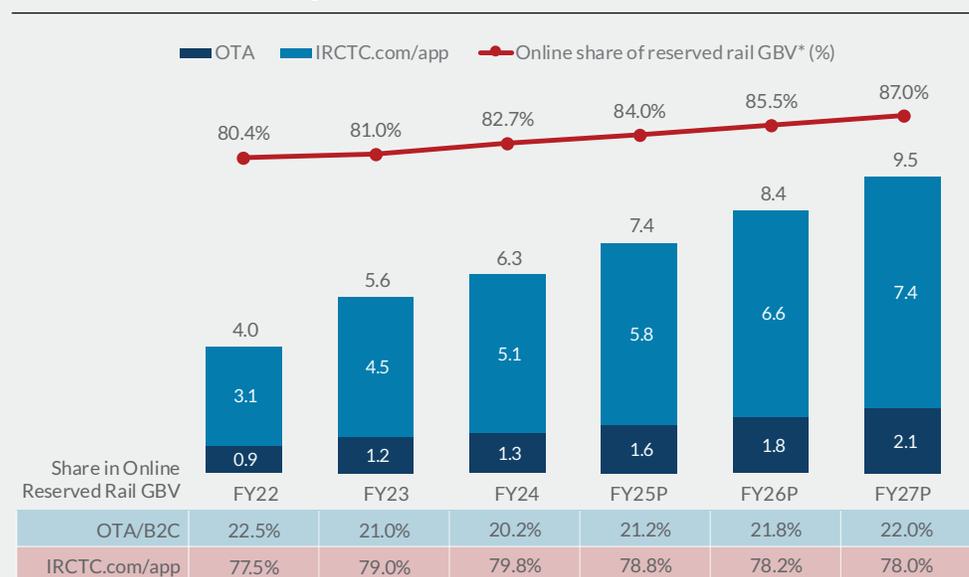


NOTE Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

Online Rail Market

Rail is the most penetrated online travel category—82.7% of all reserved rail GBV was booked through online channels in FY24, and this share is projected to climb to 87% by FY27. Notably, online rail was the only category to recover to pre-pandemic levels as early as FY22. It boasts robust digital platforms for both direct and indirect distribution, operating within a supplier-dominated ecosystem. IRCTC remains the undisputed leader, accounting for nearly 80% of total online rail distribution in FY24—thanks to its monopoly as the sole platform authorized by Indian Railways for booking reserved train tickets. The state-backed entity has consistently enhanced its app and website user experience, reducing glitches during peak hours. Moreover, a shift toward the reserved AC class is expected to further bolster IRCTC's growth prospects, expanding its already vast and loyal customer base.

Figure 28: India Online Rail Market* (\$Bn), and Online as a Share of Reserved Rail Bookings (%), FY22-FY27



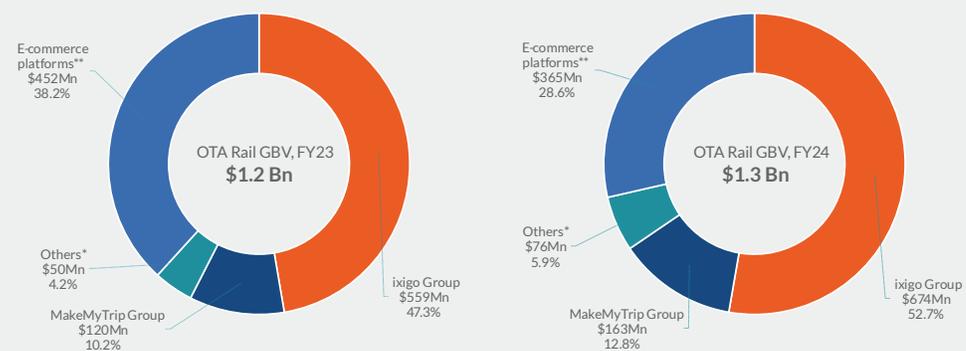
NOTE *Online rail sizing covers only reserved tickets sold via IRCTC, directly through its app/web or ticketing counters and IRCTC authorized distribution partners, including OTAs. It does not include online sales of unreserved tickets by Indian Railways. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

OTA Rail Benchmarking

Despite strong hold of online supplier-direct channel, the OTA/B2C channel has consistently gained share in online reserved rail GBV, growing to 20.2% in FY24. The indirect channel's share of the rail GBV is expected to grow to 22% in FY27 at \$2.1 billion (₹17,184 Crores).

OTA/B2C rail travel distribution is increasingly complex and competitive, with ixigo Group firmly leading the category. As a pioneer in indirect online rail distribution, ixigo currently holds a robust 52.7% share of OTA rail GBV—an increase of 5.4% from FY23. In FY24, ixigo's GBV surged to \$674 million (₹5,569 Crores), up 25% (in Rupee terms) from \$559 million (₹4,472 Crores) the previous year.

Figure 29: India OTA Rail Gross Bookings (GBV) (\$Mn), Share by India-based Intermediaries (%), FY23 & FY24



NOTE OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.
 *Others include leading B2C local and global OTA brands such as EaseMyTrip, Cleartrip, Yatra, RailYatri, and other points of sale classified as B2C by IRCTC (e.g., SBI YONO, HDFC SmartBuy et al). **E-commerce platforms include marketplaces such as Amazon and Paytm. Total may not add up due to rounding. Refer methodology for more details.
 Source: Company earnings and VIDEC's India Travel Market Opportunity Study, FY22-FY27

MakeMyTrip Group's share of OTA rail GBV rose to 12.8% in FY24, while e-commerce platforms—including marketplaces like Paytm and Amazon—lost market share. Their share dropped from 38.2% in FY23 to 28.6% in FY24, a GBV amounting to \$365 million (₹3,017 Crores) in FY24.

These dynamics indicate that OTAs have eroded e-commerce platforms' GBV. OTAs have excelled in delivering a superior customer experience by consolidating various travel services into a single, streamlined platform. Meanwhile, regulatory challenges faced by a key e-commerce player⁹, disrupted its distribution, likely prompting a customer shift toward OTAs and further reinforcing their market position.

The long-tail, which includes OTAs such as EaseMyTrip.com, RailYatri and Yatra, and other B2C channels like HDFC SmartBuy and SBI YONO, collectively accounts for 5.9% of the OTA rail GBV, amounting to \$76 million (₹626 Crores) in FY24.

9. Paytm:Rockstar Indian fintech start-up faces serious crisis

Below is a snapshot of the Indian rail market:

Table 7: India Rail Market Snapshot, FY22-FY27

in US Dollar Millions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Rail Market (\$Bn)	5.1	7.6	8.5	9.3	10.2	11.1
Annual Change* (%)	157%	50%	12.1%	9.6%	9.2%	9.0%
Online Rail Market** (\$Bn)	4.0	5.6	6.3	7.4	8.4	9.5
Annual Change* (%)	114%	40%	12.3%	16.2%	14.1%	12.8%
OTA (\$Bn)	0.9	1.2	1.3	1.6	1.8	2.1
OTA Share of Online Market (%)	22%	21%	20%	21%	22%	22%
IRCTC.com/app (\$Bn)	3.1	4.5	5.1	5.8	6.6	7.4
IRCTC.com/app Share of Online Market (%)	78%	79%	80%	79%	78%	78%
IRCTC's Share of Reserved Rail GBV (%)	80.4%	81.0%	82.7%	84.0%	85.5%	87.0%
in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Rail Market (₹Crores)	37,844	60,778	70,368	77,140	84,275	91,860
Online Rail Market (₹Crores)	30,080	45,080	52,291	60,738	69,280	78,131
OTA (₹Crores)	6,760	9,450	10,560	12,883	15,073	17,184
IRCTC.com/app (₹Crores)	23,320	35,630	41,731	47,855	54,207	60,947

NOTE

*Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. **Online rail market only covers reserved tickets sold via IRCTC, directly through its app/web or ticketing counters and IRCTC authorized distribution partners, including OTAs. It does not include online sales of unreserved tickets by Indian Railways. FY25-FY27 projected, with select projections for FY24. Total may not add up due to rounding. Refer methodology for more details.

Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



» Intercity Bus Market Opportunity

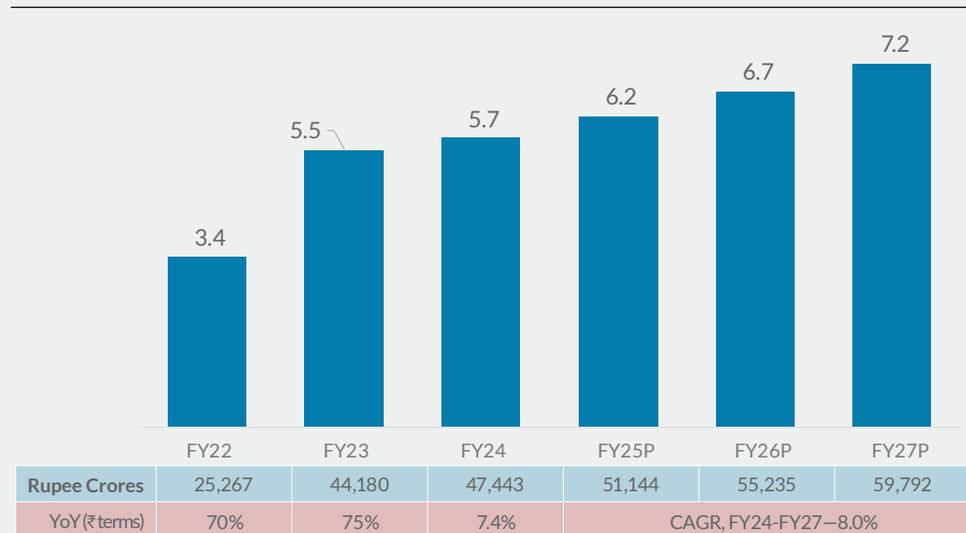
Buses stand out as one of the most widely utilized transportation modes by passenger volume. Their broad appeal stems from an expansive network, low ticket prices, flexible booking options, and efficient last-mile connectivity. In effect, buses form the backbone of the transport sector, linking even the most remote areas of the country. In 2024, India stands with the world's second-largest road network, extending to 6.7 million km—an impressive leap from 3.4 million km in 2001.

The intercity bus market sizing presented here covers services by private bus operators and state road transport corporations (SRTCs) that connect major cities or towns—typically over distances of 150 kilometers—and are discoverable online. This sizing excludes most commercial bus services that connect a cities/towns with nearby localities (usually within 150 kilometers) or serve as intra-city public transport.

Total Intercity Bus Market

The intercity bus market GBV stood at US\$5.7 billion (₹47,443 Crores) in FY24. The GBV is projected to reach \$7.2 billion (₹59,792 Crores) in FY27, growing at a CAGR of 8%.

Figure 30: India Intercity Bus Market (\$Bn) and Annual Change (%), FY22-FY27



NOTE Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTCs), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. FY25-FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27

In FY24, over 5,000 private operators and around 25 state road transport corporations (SRTCs) ran over 100,000 intercity bus services daily with a combined fleet of nearly 70,000 buses. Around 40% of the intercity bus fleet is configured as AC—featuring premium services—while the remaining 60% is non-AC. Excluding seasonal peaks, AC bus fares typically range from ₹900 to ₹1,100, while non-AC fares generally fall between ₹500 and ₹700. The fleet is almost evenly split between SRTCs and private operators, with a slight lean toward SRTCs. Even with a slightly smaller fleet, private operators account for nearly two-thirds of the intercity bus GBV. This clearly shows that customers are willing to pay more for enhanced comfort, convenience, and superior service quality.

The supply remains lopsided in terms of the regional spread, with South and West collectively commanding nearly 75% of the pan-India intercity bus market. Southern and Western states like Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Telangana contribute over half of the total SRTC GBV.

Online Intercity Bus Market

In FY24, the online intercity bus market was valued at \$1.4 billion (₹11,523 Crores) and is projected to climb to \$2.3 billion (₹19,206 Crores) by FY27. With a 24.3% online penetration, intercity bus remains one of the least digitized travel categories—comparable to the international air segment.

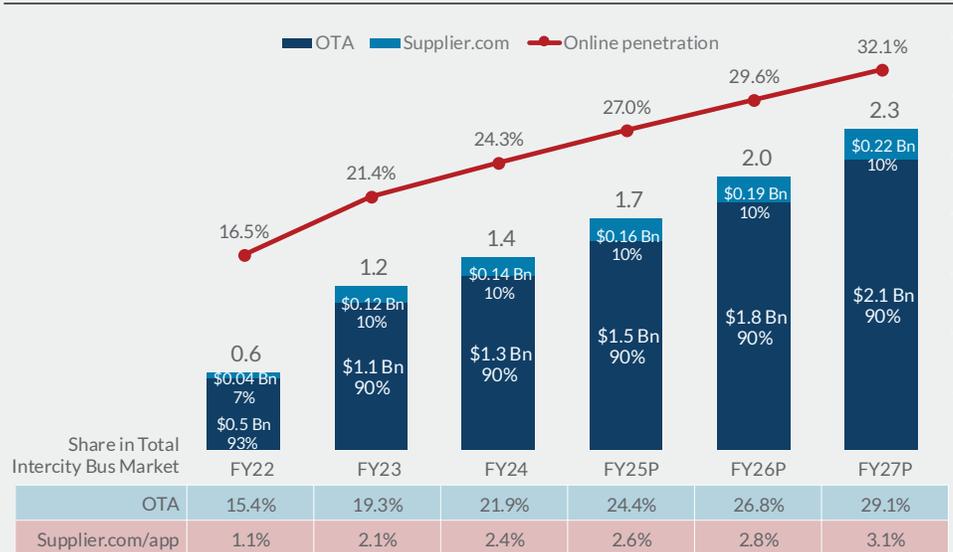
At the same time, the market is at a crucial inflection point, propelled by strong demand and favorable supply-side factors. Continuous improvements in road infrastructure, bus quality, service standards, and digital discoverability are prompting OTAs and service providers to capitalize on untapped markets. This momentum is extending the segment's footprint into tier-2 to tier-4 towns, unlocking new growth opportunities and expanding its influence. As a result, online penetration is expected to rise to 32.1% by FY27.

In FY24, OTAs captured nearly 90% of the online intercity bus market, the highest share across all travel categories. This dominance is set to continue, with their GBV projected to rise from \$1.3 billion (₹10,398 Crores) in FY24 to \$2.1 billion (₹17,373 Crores) by FY27.



The online supplier-direct channel grapples with high fragmentation in the operator base. Most operators run small fleets—often in the low single to mid-double digits—which reduces the incentive to invest in and drive traffic to direct online channels. Additionally, SRTC's frequently encounter operational hurdles and have been slow to adopt online distribution, making the transition a low priority for them. Consequently, the online supplier-direct channel's share will remain stagnant at 10% from FY24 through FY27.

Figure 31: India Online Intercity Bus Market (\$Bn), Share by Channel (%), FY22-FY27



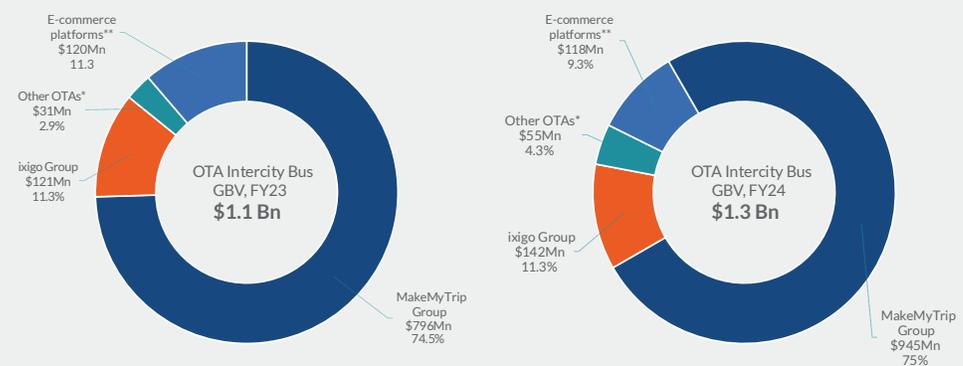
NOTE Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTC's), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. FY25-FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



OTA Intercity Bus Benchmarking

Among OTAs, the MakeMyTrip Group's dominion continued to extend past the air and hotel categories into the intercity bus market. Through its flagship brand, redBus—the pioneer in this category—the group further solidified its dominance by capturing 75% of the intercity bus OTA GBV in FY24, equivalent to \$945 million (₹7,801 Crores). These estimates represent only the performance of its India operations and excludes contribution from its international business in Southeast Asia and Latin America.

Figure 32: India OTA Intercity Bus Gross Bookings (GBV) (\$Mn), Share by India-based Intermediaries (%), FY23 & FY24



NOTE OTA GBV is arrived using a demand side top-down approach. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.
 *Others include leading B2C local and global OTA brands and online aggregators such as EaseMyTrip, Cleartrip, Yatra, intrcity, zingbus etc. **E-commerce platforms include marketplaces such as Amazon and Paytm. Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTCs), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. Total may not add up due to rounding. Refer methodology for more details.
 Source: Company earnings and VIDEC's India Travel Market Opportunity Study, FY22-FY27

In FY24, the ixigo Group, led by its group company AbhiBus, maintained an 11.3% share of the intercity bus OTA GBV, amounting to \$142 million (₹1,175 Crores). Meanwhile, Amazon and Paytm—the leading horizontal e-commerce platforms—carved out a significant share in the indirect online intercity bus market by capitalizing on a low-value, high-volume offering for their user base. However, their combined market share slipped from 11.3% in FY23 to 9.3% in FY24 as OTAs captured additional ground. This decline, in turn, boosted the long-tail bucket, which includes notable OTAs and aggregators such as Cleartrip, EaseMyTrip.com, intrcity, Yatra, and zingbus. Their combined share increased from 2.9% in FY23 to 4.3% in FY24, representing \$55 million (₹447 Crores) in GBV.

Below is a snapshot of the intercity bus market opportunity:

Table 8: India Intercity Bus Market Snapshot, FY22-FY27

in US Dollar Millions	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Intercity Bus Market (\$Bn)	3.4	5.5	5.7	6.2	6.7	7.2
Annual Change* (%)	69%	63%	4.0%	7.8%	8.0%	8.3%
Online Intercity Bus Market (\$Bn)	0.6	1.2	1.4	1.7	2.0	2.3
Annual Change* (%)	83%	112%	17.8%	19.8%	18.4%	17.5%
OTA (\$Bn)	0.52	1.07	1.26	1.51	1.79	2.10
OTA Share of Online Market (%)	93%	90%	90%	90%	90%	90%
Supplier.com/app (\$Bn)	0.04	0.12	0.14	0.16	0.19	0.22
Supplier.com/app Share of Online Market (%)	7%	10%	10%	10%	10%	10%
Online as a Share of Total Intercity Bus Market (%)	16.5%	21.4%	24.3%	27.0%	29.6%	32.1%

in Rupee Crores	FY22	FY23	FY24	FY25P	FY26P	FY27P
Total Intercity Bus Market (₹Crores)	25,267	44,180	47,443	51,144	55,235	59,792
Online Intercity Bus Market (₹Crores)	4,170	9,471	11,523	13,805	16,339	19,206
OTA (₹Crores)	3,890	8,544	10,398	12,477	14,785	17,373
Supplier.com/app (₹Crores)	280	927	1,125	1,328	1,553	1,833

NOTE *Annual change in US Dollar terms is muted due to depreciation of Indian Rupee. Intercity bus market sizing is based on services operated by both private bus operators and state road transport corporations (SRTCs), connecting major cities/towns that are typically 150+ kilometers apart, and are discoverable online. FY25-FY27 projected. Total may not add up due to rounding. Refer methodology for more details.
 Source: VIDEC's India Travel Market Opportunity Study, FY22-FY27



» Conclusion

India's travel market is at an inflection point. A vibrant young population, thriving startup ecosystem, robust domestic demand, and stable economic growth are all the right enablers to drive growth. India's online landscape is unique due to a mobile-first user base and high internet penetration that is steadily creating a massive market ripe for the taking. As India cements its position among the world's leading economies, travel will remain a direct beneficiary, driven by an expanding base of digitally savvy aspirational consumers and a burgeoning demand for seamless experiences.

As economic growth percolates to tier-2, tier-3 and tier-4 cities, they are expected to emerge as the next hotbeds for growth and provide the next billion opportunity. Despite such aligning stars, challenges like constrained capacity additions across travel categories—air, hotel, rail and intercity bus—are concerns that need to be addressed fast. That supply remains a challenge and demand abundant is a good problem to have—not many markets globally can claim to have such problems of plenty!

The pace at which these challenges are addressed will determine how fast the market grows. It is a question of how much and not whether.



» Methodology

This report sizes the Indian travel market by an immensely complex demand side, unlike the usual supply side methodology. Demand side market sizing allows us to factor in the contributions of the foreign international carriers that still provide more than half of the Indian airlift and air GBV, making it the only pertinent methodology. The sizing covers all domestic and outbound bookings made by Indian travelers, as well as inbound travelers visiting India.

The gross booking value (GBV) in four core travel categories—air, hotel, rail, and intercity bus travel—provides a microscopic view of the total travel market opportunity.

The following methodology was used to assess the GBV for each travel category:

1. **Air:** The air market sizing aims to assess the demand side potential of India's commercial aviation market, including all domestic, inbound and outbound traffic.
2. **Hotels:** Hotel gross bookings are based on room revenue generated by all hotel room supply located in India, including chain hotels, budget hotel aggregators as well as independent supply. Moreover, the hotel sizing also accounts for all accommodations booked by Indian outbound travelers.
3. **Rail:** Total rail market represents non-commuter passenger revenue of Indian Railways, including all reserved and unreserved passenger classes. Online rail bookings include all bookings made via IRCTC including their website/app, B2C channel (OTAs) and other indirect channels.
4. **Intercity Bus:** Estimates for Intercity bus market are based on routes/services operated by both private bus operators and SRTC's, connecting cities/towns that are typically 150+ kilometres apart. These services have a fixed schedule and/or stops and are discoverable online. All routes/services that ply on intra-city (within same city or suburbs) or connect cities/towns to adjoining towns/villages, usually have flexible schedules/stops, and are not discoverable online, are excluded from this sizing.
5. **Alternate accommodation:** VIDEC has conducted the first-ever alternate accommodation market sizing, which is also emerging as the fastest growing lodging market. The alternate accommodation market includes bookings made by rental travelers for accommodation, such as homes, villas, bungalow, apartments, shared spaces/rooms. VIDEC developed market sizing estimates for alternate accommodation category through analysis of various third-party data sources, including company earnings, industry interviews, various analyst reports, analytics firms tracking the private accommodation marketplace as well as its own proprietary research. Moreover, VIDEC conducted in depth interviews with home rental aggregators and online travel agencies to gather qualitative insights on the alternate accommodation marketplace.
6. **Corporate Travel:** VIDEC sized the India corporate travel market based on its own proprietary research "VIDEC India Travel Market Opportunity", exhaustive executive interviews with corporate travel buyers, suppliers, OBT and technology providers and leading OTAs. Moreover, VIDEC analysed the earnings of NSE 500 companies, around 5,000 publicly listed companies and select private limited companies for their travel spend. Additionally, VIDEC created a second layer of nearly 250k private enterprises (companies, LLPs and firms) with profit before tax (called gross total income as per ITR statistics) of over ₹2.5Mn (\$30k). VIDEC's corporate travel market sizing is conservative by design.

The total market is segmented into following distribution channels:

1. Online gross booking value (GBV) is generated via consumer-facing websites and apps that sell directly to consumers, including online supplier-direct (website and app) and online travel agencies (OTA).
2. OTA GBV is arrived using a demand side top-down approach for each supplier category. The OTA benchmarking numbers may have variance with the published IR/guidance by OTAs and/or suppliers.
3. Offline GBV includes those made by consumers directly with the suppliers via phone, walk-ins and/or supplier reservation systems and offline distribution channels including traditional travel agencies, authorized agents et al.

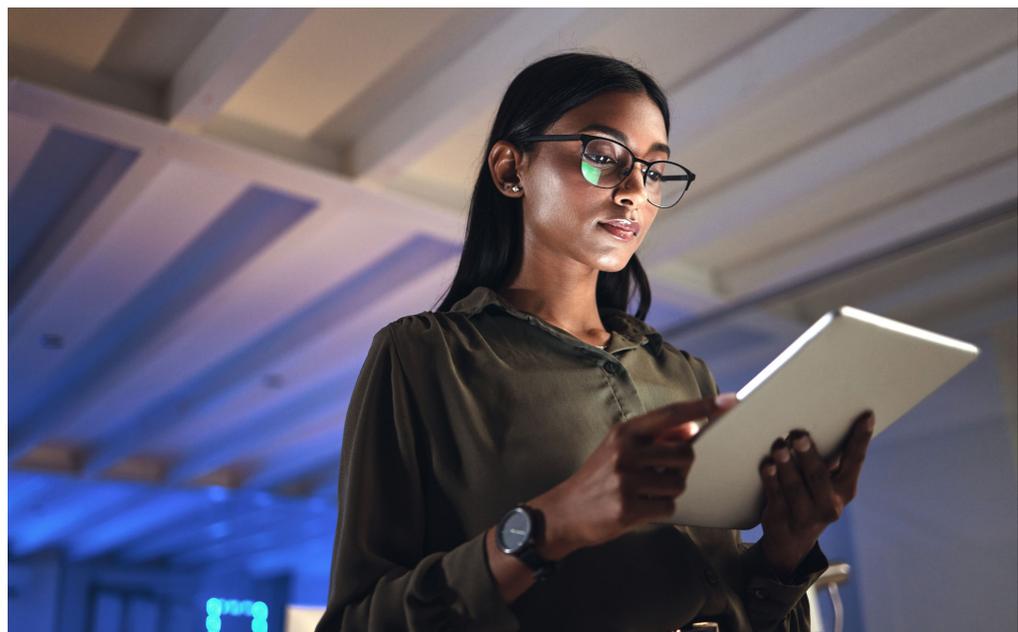
VIDEC conducted over 60 exhaustive interviews with suppliers, intermediaries, and travel technology providers. All the guidance and insights are anonymized and are used in aggregation. No attribution is being made at an individual or company level.

All financial information has been sourced from publicly available financial reports or company interviews. Estimates and projections are based on various third-party data sources, including tourism board visitor arrival/departure data, government statistics, MIDT data, executive interviews, economic indicators, market trends, and VIDEC analysis.

Data is actual for FY22-FY24 and projected for FY25-FY27. In selected cases for FY24, estimates are arrived at based on the first three-quarters of the reported gross bookings (April-December 2023), combined with projections for the final quarter (January-March 2024). Totals in charts and figures do not always equal 100% due to rounding.

Market sizing is presented in Indian rupee (₹) as well as US dollars (US\$), using applicable average currency exchange rates for respective years as noted below. None of the sizing data is adjusted for inflation.

	FY22	FY23	FY24	FY25-27
US\$1 = ₹	74.52	79.98	82.58	82.58





VIDEC's

India Travel Market

Opportunity Study, FY22-FY27

Overview and analysis of Indian travel market opportunity—with a deep dive into online travel, corporate and lodging segments—covering air, hotel, alternate accommodations, rail, and intercity bus categories, along-with the India-based OTA landscape.

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