# Booking Commission Potential Based on Himachal Pradesh Hotel Revenue

## 1. Overview

This section explores the potential revenue your website can generate by charging a commission on hotel bookings in Himachal Pradesh. The analysis uses historical data on hotel revenue, tourist influx, and industry trends to estimate earnings, even with a modest 1% commission rate.

## 2. Himachal Pradesh Hotel Revenue Overview

* **Annual Tourism Economy Contribution**: ₹11,000 crore, contributing 7.3% of Himachal Pradesh’s GDP.
* **Estimated Annual Hotel Revenue**: ₹14,000 crore.
* **Tourist Influx**:
  + In 2023, Himachal Pradesh welcomed **1.6 crore tourists**, including 62,806 foreign visitors.
  + The state has approximately **4,011 hotels** and **2,934 homestays** catering to this influx.

## 3. Potential Revenue from Booking Commissions

If your website charges a **1% commission** on hotel bookings, the potential revenue is calculated as follows:

### Formula:

### Calculation:

Thus, your website could generate approximately **₹140 crore annually** through a 1% commission model.

## 4. Breakdown by Hotel Categories

Assuming revenue distribution across different hotel categories:

| **Hotel Category** | **Estimated Number of Hotels** | **Avg. Annual Revenue Per Hotel (₹)** | **Total Revenue (₹)** | **1% Commission Potential (₹)** |
| --- | --- | --- | --- | --- |
| Budget Hotels | ~2,500 | ₹25 lakh | ₹625 crore | ₹6.25 crore |
| Mid-range Hotels | ~1,200 | ₹45 lakh | ₹540 crore | ₹5.4 crore |
| Luxury Hotels | ~300 | ₹75 lakh | ₹225 crore | ₹2.25 crore |
| HPTDC Properties | 56 | ₹1.8 crore | ₹100 crore | ₹1 crore |

## 5. Monthly Revenue Projection

Tourism in Himachal Pradesh experiences seasonal variations:

* **Peak Season (April-June, October-December)**:
  + Tourist numbers are significantly higher during these months.
  + Estimated monthly commission revenue: ~₹18 crore.
* **Off-Peak Season (January-March, July-September)**:
  + Tourist numbers decline during these months.
  + Estimated monthly commission revenue: ~₹5 crore.

## 6. Supporting Data and References

The following data sources were used to estimate the potential revenue:

1. Number of hotels in Himachal Pradesh increased from 75 in 2019 to 83 in 2020.
2. Tourist arrivals in Himachal Pradesh grew from 1.51 crore in 2022 to 1.6 crore in 2023 despite disruptions caused by floods and landslides.
3. Room revenue share from leisure markets like Himachal Pradesh nearly doubled from 8.5% in 2019 to 16.9% in 2023.
4. Average Daily Rate (ADR) for midscale hotels in Himachal Pradesh was ₹7,200 with an occupancy rate of only 38%, highlighting room for growth.
5. Himachal Pradesh Tourism Development Corporation (HPTDC) operates approximately 56 properties and earned over ₹71 crore by November 2023 alone.

## 7. Key Insights

* Even with a conservative commission rate of just **1%**, the website could generate substantial revenue.
* Capturing just **10% of the total market share** would yield approximately ₹14 crore annually in comparison to the total Input cost which won’t even exceed ₹50,000 monthly.
* Seasonal peaks offer opportunities for higher earnings through targeted promotions and premium services.

This data highlights the immense potential for revenue generation through a booking commission model in Himachal Pradesh’s thriving tourism and hospitality industry.