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MARC Insights

India's Online Travel Agencies (OTAs)

April 2024



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Travel & Tourism Market - India

The India Travel and Tourism Market size is estimated at USD 78 billion in 2023. During the forecast period between 2024 and 2030, Market size is estimated to expand at a CAGR of 7.77% reaching a value of USD 131.7 billion by 2030.

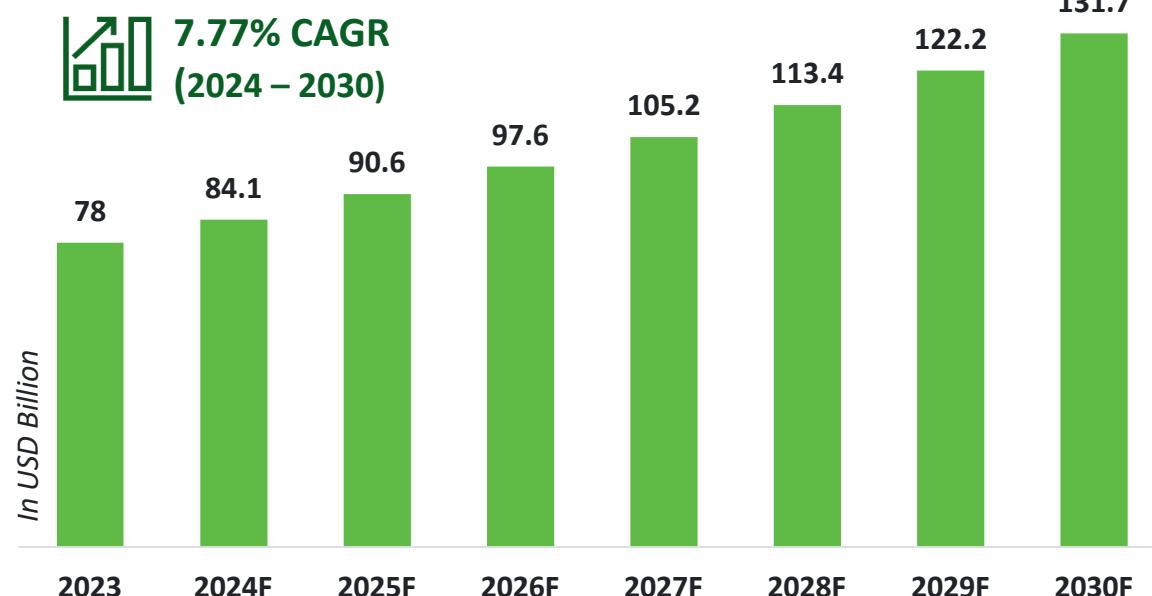
6.43 Mn

Annual Foreign Tourist Arrival in India – till September 2023

243 Mn

Annual Domestic Passenger Traffic at top 30 airports in India - 2023

India Travel & Tourism Market size



Source: [Blueweave](#), [Skift](#), [Invest India](#) & [CRISIL Market Intelligence](#)

Major Travel Trends 2024



Global collaboration in the travel industry



Expansion of India's Middle class



A shift towards experiential travel, eco-tourism, and offbeat destinations



Digital revolution in travel planning and experiences



Flexible payment options, such as 'travel now, pay later' schemes

India's Online travel Market

India Online Travel market is expected to reach USD 28.40 billion in 2029 at a **CAGR of 10.5%**.

12.4 Bn

India Online Travel Agency
Gross Booking value (GBV)
- 2023

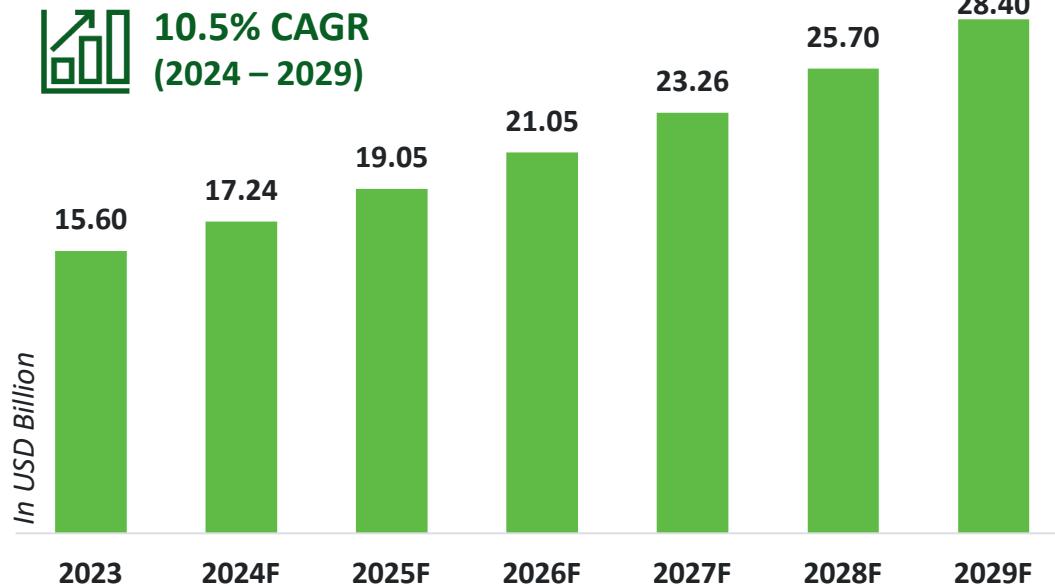
65%

OTA GBV as a
share of Online
GBV - 2023

25%

OTA GBV as a
share of Total
Travel GBV - 2023

India Online Travel Market



Growth Drivers



Growth of Tourism Industry

Rising Disposable Income

Growing Internet Adoption

Expanded International Trips

Desire for International Education

Increasing Trend of YOLO

Source: [Mordor Intelligence](#) & [Videc](#)

Leading Online Travel Agencies in India

Leading Online Travel Agencies in India – FY23

					
Operating Revenue (In USD million)	583.56	60.12	53.88	45.60	5.92
Profit/Loss (USD in million)	(10.99)	2.81	16.08	0.92	(82.8)
Growth in Scale FY23	95%	32%	91%	92%	(10%)
Gross Booking Value (In USD billion)	7.22	0.93	1.00	0.81	1.05
Business Tenure	23 Years	16 Years	15 Years	17 Years	18 Years

Source: [Entrackr](#) & [Videc](#)

Leading Online Travel Agencies by Category – FY23



Air Travel Gross Booking Value USD 7.26 billion

Make My Trip **56.9%**

Ease My Trip **13.4%**

Clear Trip **13.7%**

Yatra **9.4%**



Rail Gross Booking Value USD 1.25 billion

Make My Trip **10.2%**

Ease My Trip **<1%**

Ixigo **47.7%**

Yatra **<1%**



Hotel Gross Booking Value USD 2.76 billion

Make My Trip **56.6%**

Ease My Trip **<1%**

Clear Trip **1.9%**

Yatra **3.6%**



Intercity Bus Gross Booking Value USD 1.13 billion

Make My Trip **75.2%**

Ease My Trip **<1%**

Ixigo **11.4%**

Yatra **<1%**

Source: [Videc](#)

FDI in India's Online Travel Agencies

Yatra - 2023

Yatra Online Ltd had raised **USD 41.85 million** from anchor investors. Foreign Investors who participated in the round are Morgan Stanley Asia (Singapore) Pte, Goldman Sachs (Singapore) Pte, and Domestic Institutions.

Ixigo - 2021

Online travel app Ixigo has raised **USD 53 million** from investors led by Singapore sovereign wealth fund GIC, ahead of its proposed initial public offering.

Ease My Trip - 2022

Nomura Singapore Ltd. has picked up a stake in Easy Trip Planners Ltd, investing **USD 5.51 million** as per bulk deal, NSE: EASEMYTRIP, by purchasing 11,50,000 shares of Easy Trip Planners Ltd.

Make My Trip - 2019

China's Ctrip will boost its ownership of MakeMyTrip, to 49% through an exchange deal that sees Naspers, swap its shares for 5.6 percent of Ctrip. On paper, the stake is worth around **USD 1.3 billion**.

Source: [Freepress](#), [Business Standard](#), [The Economic Times](#) & [Techcrunch](#)

Government led Initiatives

Initiatives to Propel Growth in India's Tourism Sector – Budget FY 2023-2024



In the Budget for FY 2023-24, the Government of India allocated **USD 288 million** for the Ministry of Tourism to support various government initiatives.



It aims to develop at least **50 destinations** as a complete package of tourism, which can then be promoted globally.



A **mobile app** is also proposed in the Budget which will host information about tourist destinations across India, such as connectivity, tourist guides, security, etc.

Indian Government Schemes

Global Tourism Investors Summit (GTIS)

Showcases opportunities for investment and trade while fostering tourism and development nationwide.



PRASHAD Scheme

Enhancing religious tourism by developing pilgrimage sites with an outlay of **USD 30 million** for FY 2023-24.

Swadesh Darshan 2.0

Aims for development of tourist destinations with an outlay of **USD 169.44 million** for FY 2023-24.

Vibrant Villages Programme

Tourism infrastructure and amenities will be developed to promote tourism in border villages.

Source: [Invest India](#)

Conclusion



Market Leader

- **MakeMyTrip** (MMT), online travel agency (OTA), commands a substantial **53.8%** share of the Indian online travel market in 2023.
- This places MMT in a position of significant dominance, solidifying its status as a catalyst for growth within the Indian travel industry.



Gross Booking Value

- Online Travel Agency (OTA) Gross Booking Value (GBV) Stood at USD 12.4 billion in 2023, where Air travel category occupies a significant share with USD 7.26 billion in 2023.
- OTA GBV is expected to reach **USD 21.16 billion** by 2026.



Growth Potential

- The rise of independent travelers & tech-savvy urban millennials, fuels OTA market growth, as they seek personalized experiences and cost optimization through these platforms.
- Enhanced user experience will drive adoption in both B2C and B2B segments.



Major Challenges

- Hotel players are increasingly focusing on direct bookings through their own websites to avoid OTA commissions.
- OTAs have a limited presence in the holiday packages segment, dominated by traditional tour operators, requiring investment in operational expertise.

Source: [Businessline](#), [Videc](#) & [CRISIL Market Intelligence](#)



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