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# Glossary

| Abbreviation | Expansion  |
|--------------|--|
| ADR          | Average Daily Rate                                   |
| AI/ML        | Artificial Intelligence/Machine Language             |
| ARE          | Air Re-Shop Expert                                   |
| CAGR         | Compound Annual Growth Rate                          |
| CWT          | Carlson Wagonlit Travel                              |
| USD          | US Dollar  |
| DRHP         | Draft Red Herring Prospectus                         |
| FFP          | Frequent Flyer Programme                             |
| GBTA         | Global Business Travel Association                   |
| GDP          | Gross Domestic Product                               |
| GDS          | Global Distribution System                           |
| GHG          | Green House Gases                                    |
| HRE          | Hotel Re-Shop Expert                                 |
| IATA         | International Air Transport Association              |
| IMF          | International Monetary Fund                          |
| IOT          | Internet of Things                                   |
| MICE         | Meetings, Incentives, Conferences, and Exhibitions   |
| MMT          | Make My Trip   |
| MSME         | Micro, Small and Medium Enterprises                  |
| NDC          | New Distribution Capability                          |
| NIDHI        | National Integrated Database of Hospitality Industry |
| OBT          | Online Booking Tool                                  |
| OTA          | Online Travel Agencies                               |
| RevPAR       | Revenue Per Available Room                           |

| Abbreviation | Expansion  |
|--------------|--|
| RPK          | Revenue Passenger Kilometre                      |
| SABA         | Sustainable Aviation Buyers Alliance             |
| SAF          | Sustainable Aviation Fuel                        |
| SLAs         | Service Level Agreements                         |
| SME          | Small and Medium Scale Enterprises               |
| TMC          | Travel Management Companies                      |
| WTTC         | World Travel & Tourism Council                   |
| LATAM        | Latin America                                    |
| WFH          | Work from home                                   |
| GDS          | Global Distribution System                       |
| NDC          | New Distribution Capability                      |
| OBT          | Online Booking Tool                              |
| SBT          | Self-Booking Tool                                |
| IMF          | International Monetary Fund                      |
| DGCA         | Directorate General of Civil Aviation            |
| IRCTC        | Indian Railways Catering and Tourism Corporation |
| EDF          | Environmental Defence Fund                       |
| SABA         | Sustainable Aviation Buyers Alliance             |
| MNC          | Multinational Corporation                        |
| SoS          | Save Our Souls/Save Our Ship                     |
| HRMS         | Human Resources Management System                |
| ERP          | Enterprise Resource Planning                     |
| GPT          | Generative Pre-trained Transformer               |
| MSME         | Micro, Small and Medium Enterprises              |
| SME          | Small and Medium Scale Enterprises               |
| FTA          | Free Trade Agreements                            |

# Foreword



**Anand Ramanathan**  
Partner, Consumer  
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Deloitte India

The Indian travel industry has been integral to India's growth narrative. Fuelled by a burgeoning population, rising per capita incomes, and an inherent curiosity to explore the world, it has thrived amidst geopolitical shifts and technological advancements. The introduction of Online Travel Agencies (OTAs) and Travel Management Companies (TMCs) has ushered in an era of heightened transparency, triggering fierce competition to cater to the discerning needs of business travellers.

In this dynamic landscape, Indian business travellers use digital tools to enhance their travel experiences. However, deeply ingrained cultural values imbue their journeys with an expectation for personalised human servicing and attention. Today's Indian business traveller is not only younger and more empowered but also more sensitive, seeking support to maximise the productivity of their travel time.

This report delves into the evolution of business travel in India, shedding light on how companies

adapt to the evolving needs of travellers and foster cost-efficient, seamless travel experiences. While leisure travel currently dominates India's travel sector, the business travel segment is experiencing rapid growth, fuelled by factors favourable to the government reforms in creating manufacturing hubs, increased airport and rail connectivity, vibrant start-up ecosystem, increasing MICE (Meetings, Incentives, Conferences, and Exhibitions) travel and a robust economic sentiment.

In this context, our report aims to provide a comprehensive view of the business travel market in India. We delve into the opportunities, growth drivers, industry dynamics and evolving expectations of Indian corporate travellers. The report additionally explores the factors influencing corporate travel spending and identifies emerging innovations that have the potential to disrupt the market. We have also provided recommendations to help corporates optimise their travel management.



**Avinash Chandani**  
Partner, Deloitte India

# Executive summary

The corporate travel landscape in India is poised for a transformative ride in the next few years, with new ways of working and technology disruptions. Emphasis on the travel ecosystem will also enhance the overall responsibility of the travellers.

With organisations fully accepting the hybrid way of working, new trends are emerging in the business travel ecosystem. Bleisure, workcations, and laptop luggers are becoming the buzzwords of business travellers. Accommodation suppliers are starting to adapt to these trends and providing adequate amenities and services to tap into these new business opportunities after a complete washout in business travel due to COVID-19.

In 2023, the Indian travel market was valued at ~US\$53 billion. Airlines and hotels contributed more than 70 percent to

the overall market, and the remaining came from railways and other ground transportation segments<sup>1</sup>. The corporate travel market contributes about 20 percent to the overall Indian travel market, valued at ~US\$10.6 billion, with airlines and hotels contributing ~85 percent of the overall corporate travel market in India<sup>2</sup>. Managed travel shows an increased contribution of ~25 percent to this market, with a significant presence from domestic and international TMCs.<sup>3</sup>

The increasing business outlook in India is reflected in surging demand for domestic and international corporate travel. Corporate travel is now witnessing increasing participation from MSME/SMEs, contributing ~30 percent to the overall corporate travel market.<sup>4</sup> This has attracted TMCs to develop renewed strategic initiatives and product offerings to suit the growing needs of this segment.

<sup>1</sup>Deloitte analysis

<sup>2</sup>Deloitte analysis

<sup>3</sup>Deloitte analysis

<sup>4</sup>Deloitte analysis

<sup>5</sup>Deloitte analysis



With increasing demand for travel, a significant aircraft and accommodation shortage has resulted in massive airfares and ADRs in the last year<sup>5</sup>. However, this is expected to moderate a bit in the near future due to increased supply. While leading airlines companies in India have already ordered many aircraft, major hotel chains are collaborating with established local/regional players to cater to the increased demand for branded accommodations. In addition, travellers are looking for alternate accommodations and short-term rentals, even during their business travel.

Despite this optimistic outlook, potential challenges, such as looming recession and geopolitical tensions, prevail in various parts of the world. This situation may prompt decision-makers to carefully balance conservative budgeting with pursuing the strategic benefits that travel can offer in the next year. As corporates increasingly prioritise sustainability efforts, there's a growing emphasis on adopting practices that promote eco-friendly travel options. This involves a concerted effort to limit travel and use technologies among larger multinational corporations with a global footprint.

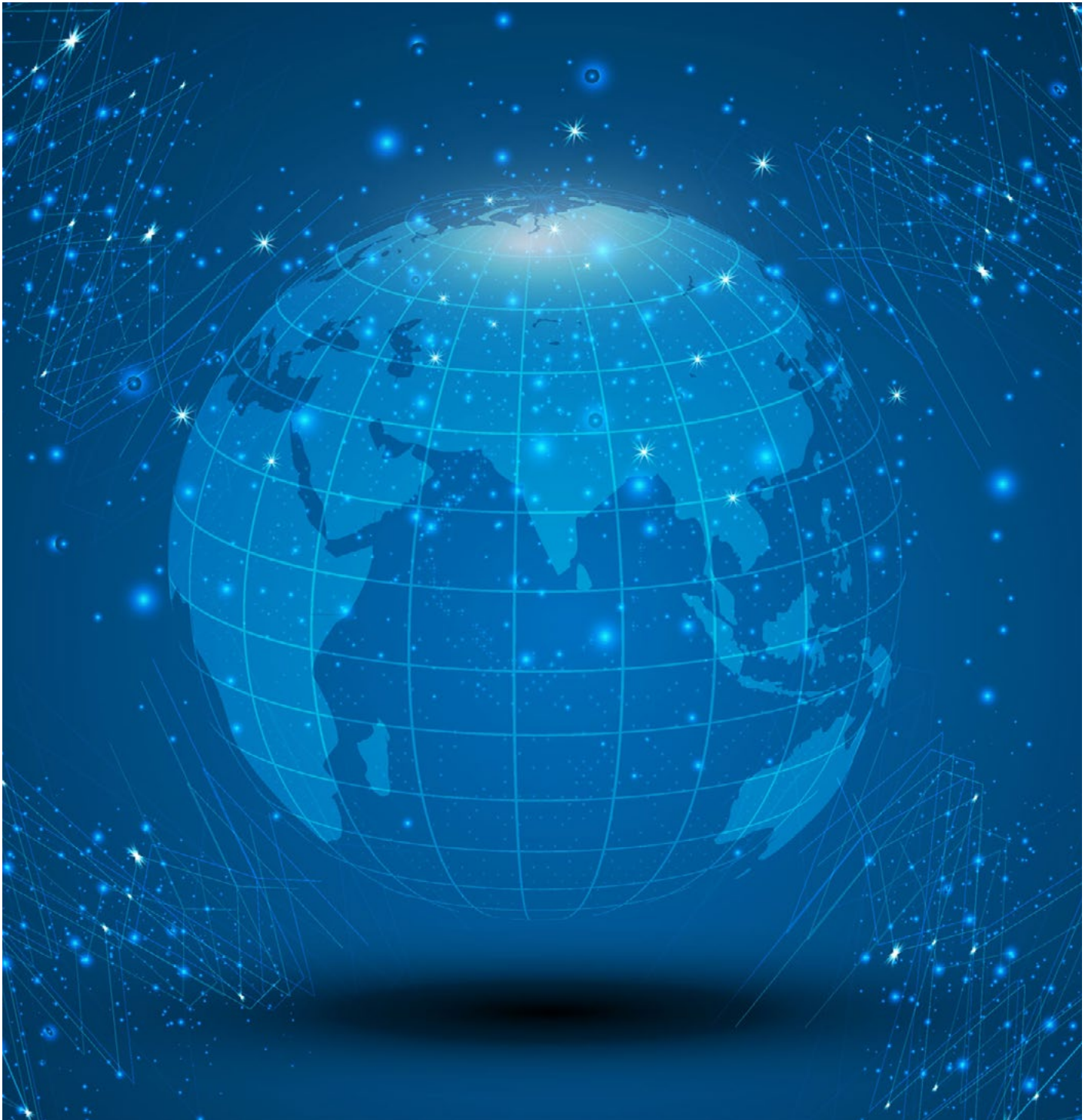
After the pandemic, travel managers have started emphasizing traveller safety, well-being and duty of care more. As a result, they are becoming reliant on managed travel service providers with access to technology platforms that provide a 360-degree view of the traveller's location and highly efficient and centralised support systems to aid during emergencies and crises.

Our study indicates that while onboarding managed travel service providers, travel managers are looking for competitive pricing, service quality and features such as GST reconciliation, advanced reporting capabilities and booking tools, which can generate additional cost savings. Sensing this demand, TMCs are coming up with a broad portfolio of features, including advanced features such as integrated expense management, emission calculators, AI chatbots and advanced reporting for duty of care and employee wellness.

As corporate travellers increasingly prioritise convenience, technology is set to play an ever more critical role in seamlessly integrating processes, enhancing efficiency, and prioritising customer-centric experiences.







# Global travel market: Insights into a borderless world



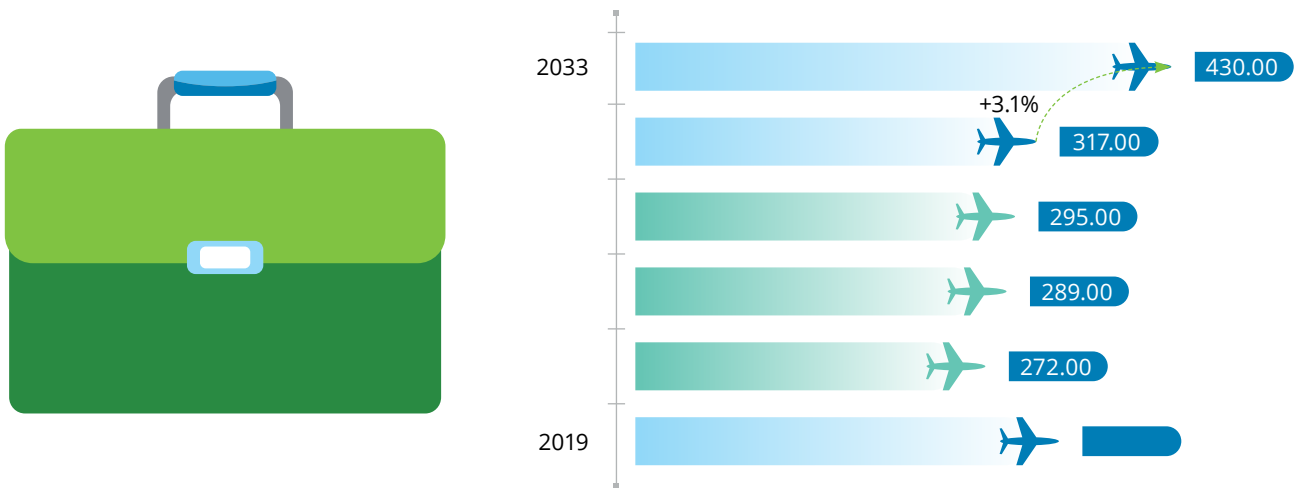
The COVID-19 pandemic brought unparalleled disruption to the global travel and tourism industry, ushering in unprecedented uncertainty and transformation. Borders closed, flights halted, and leisure activities came to a standstill, rendering the once bustling avenues of travel eerily quiet. This crisis tested the resilience of established players and spurred innovation, prompting the adoption of digital solutions and the reconfiguration of safety measures.

By 2023, the travel and tourism sector rebounded from its pandemic lows. Despite high inflation and economic challenges in many countries, the sector has thrived, driven by pent-up demand, the relaxation of travel restrictions, increased vaccination rates, and innovative marketing strategies.

The sector is now nearing its 2019 peak, recovering by over 95 percent to reach US\$9.5 trillion (from 2022 levels of US\$7.7 trillion), just 5 percent below the pre-pandemic 2019 levels (in terms of GDP contribution) when travel was at its zenith. The global tourism sector is projected to continue its growth trajectory, aiming for a GDP contribution of US\$15.5 trillion by 2033, representing 11.6 percent of the global economy.<sup>6</sup>

Furthermore, the sector's significance extends to its role as a major employment generator. In 2023, the sector created job opportunities for 320 million individuals worldwide, expecting this number to rise to 430 million by 2033. This indicates that almost 12 percent of the global working population is anticipated to be employed in this sector.<sup>7</sup>

Figure 1: Jobs in travel & tourism globally (in million)<sup>8</sup>



Jobs in Travel & Tourism globally (in million)

The air and accommodation industries are playing a major role in facilitating worldwide travel. Additionally, train services, cabs, buses, and ancillary services are other industries that contribute to the travel ecosystem. Examination of the growth

trends within the airline and accommodations markets can provide valuable insights into the overall global travel industry landscape.

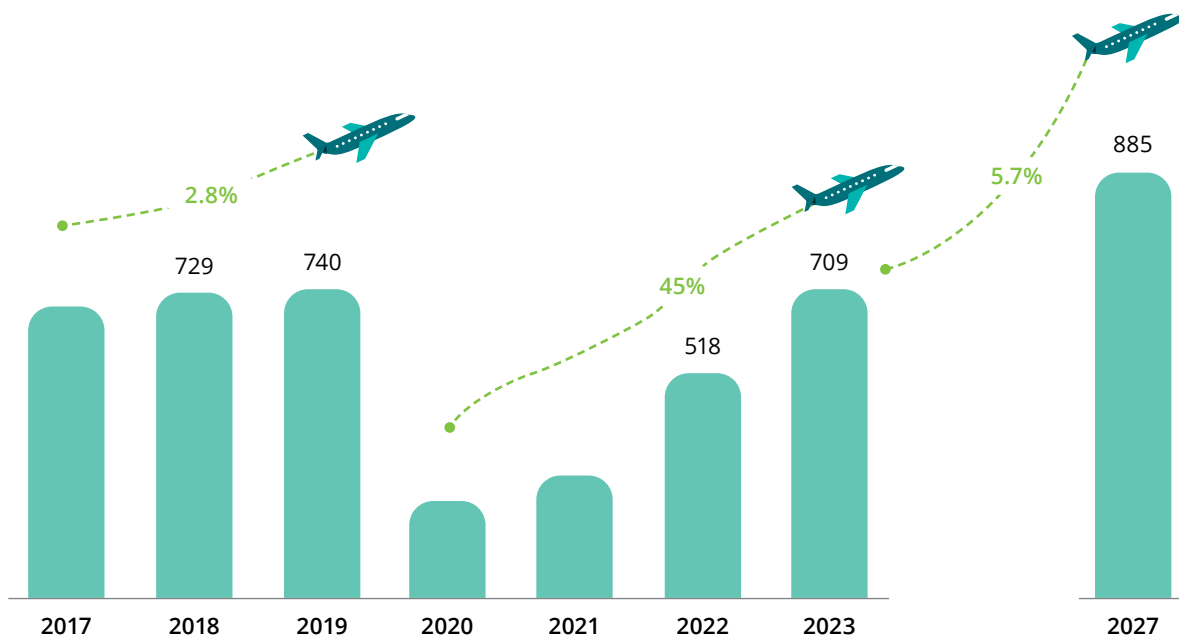
<sup>6</sup>World Travel & Tourism Council's (WTTC) 2023 Economic Impact Research (EIR)  
<sup>7</sup><https://wttc.org/news-article/global-travel-and-tourism-catapults-into-2023-says-wttc>  
<sup>8</sup><https://wttc.org/news-article/global-travel-and-tourism-catapults-into-2023-says-wttc>

## Global air travel market

The global air travel industry was US\$740 billion<sup>9</sup> in 2019 and after a significant fall of ~69 percent<sup>10</sup> during 2020, due to the pandemic, it has witnessed a quick recovery and is estimated at US\$709 billion<sup>11</sup> in 2023. The air travel industry is expected

to grow at 6 percent<sup>12</sup> CAGR between 2023 and 2027 to reach US\$885 billion by 2027.<sup>13</sup> This is driven by several factors, such as rising disposable income and an increasing desire to visit new places and cross-border trade and business.

Figure 2: Global air travel market size (in US\$ billion)<sup>14</sup>



## Regional split

Strong growth has been observed in the Asia-Pacific region, now holding the majority share worldwide in terms of Revenue Passenger Kilometres (RPK).<sup>15</sup> This surge is attributed to the reopening of China's markets in January 2023, shaping the industry's recovery trajectory as total domestic RPKs (flights within the same country as the starting point of the flight) consistently surpassed pre-pandemic levels throughout the year. Additionally, significant year-over-year growth of 36.4 percent<sup>16</sup> and 32.3 percent<sup>17</sup> was seen in the African and Middle Eastern markets, further bolstering the expansion of the airline passenger market.

<sup>9</sup>IATA Air passenger market analysis (Dec 2023)

<sup>10</sup>IATA Air passenger market analysis (Dec 2023)

<sup>11</sup>IATA Air passenger market analysis (Dec 2023), Deloitte analysis, DRHPs of Travel Companies

<sup>12</sup>IATA Air passenger market analysis (Dec 2023), Deloitte analysis, DRHPs of Travel Companies

<sup>13</sup>World Travel & Tourism Council's (WTTC) 2023 Economic Impact Research (EIR)

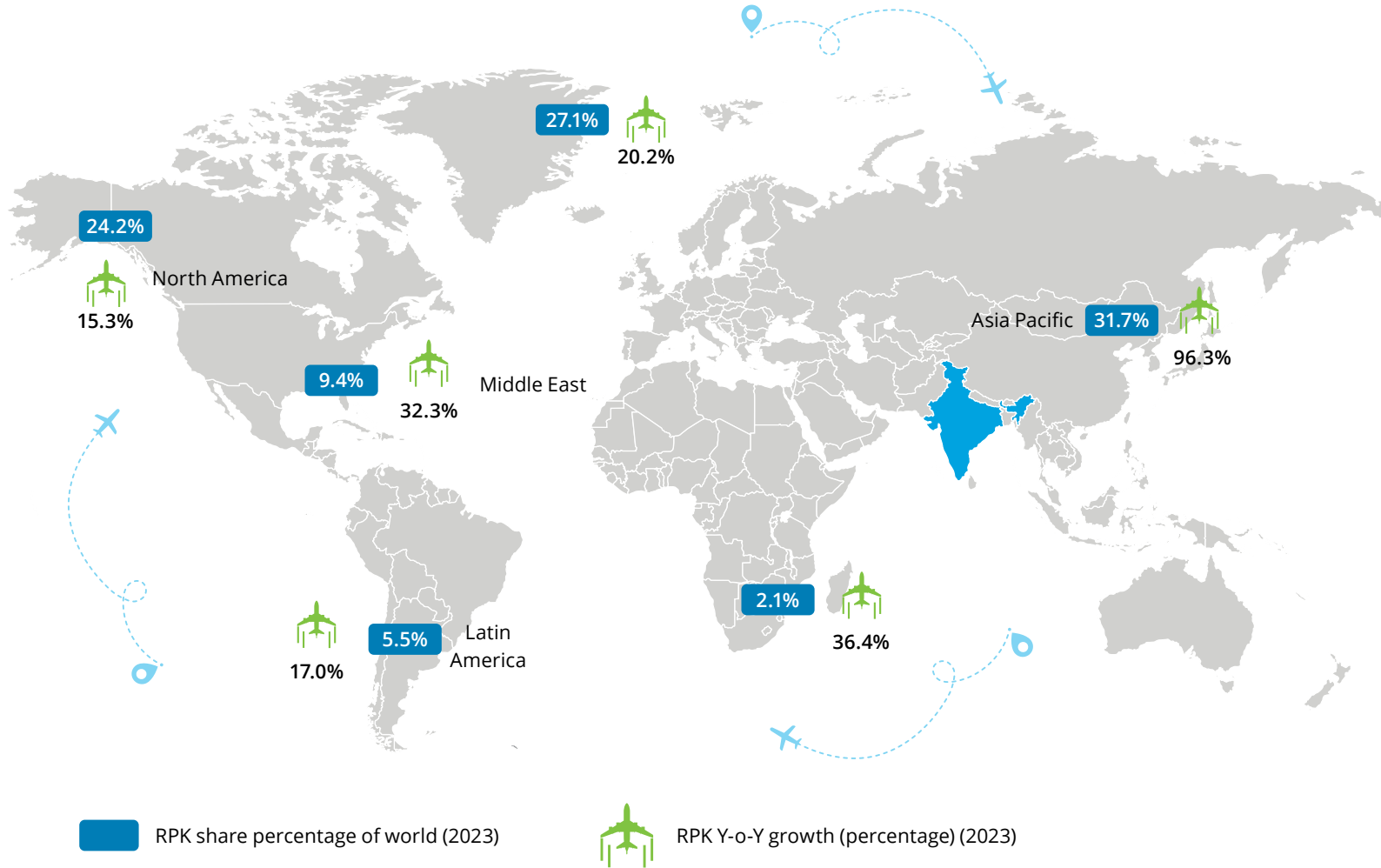
<sup>14</sup>IATA Air passenger market analysis (Dec 2023)

<sup>15</sup>IATA Air passenger market analysis (Dec 2023)

<sup>16</sup>IATA Air passenger market analysis (Dec 2023)

<sup>17</sup>IATA Air passenger market analysis (Dec 2023)

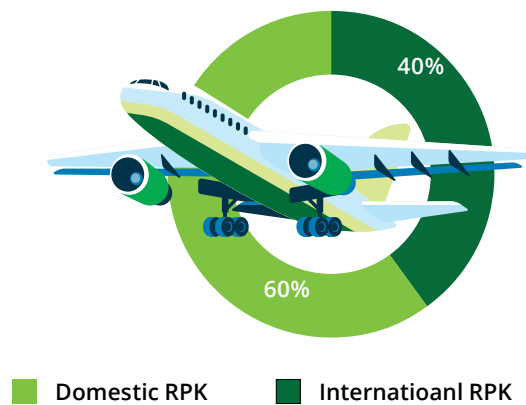
Figure 3: Share in global air market (in terms of RPK)



Domestic versus international air travel:<sup>18</sup> In terms of RPK, the international share accounted for 60 percent, while the domestic share stood at 40 percent. International traffic experienced a growth of 24.2 percent in 2023, reaching 88.6 percent of its pre-pandemic levels. This growth was primarily propelled by carriers from North America, Latin America, and Europe, with the Middle East and Africa nearly reaching pre-pandemic levels of international travellers. However, the Asia-Pacific region still lags at 82.5 percent of its pre-pandemic levels despite witnessing significant growth last year.

Meanwhile, total domestic airline traffic in 2023 exceeded 2019 numbers by 3.9 percent, driven by remarkable growth in China (doubled due to reopening), India (8.2 percent growth), Australia (6.6 percent growth), and Brazil (5.9 percent growth).

Figure 4: Split of share domestic versus international air market across the globe (in terms of RPK)



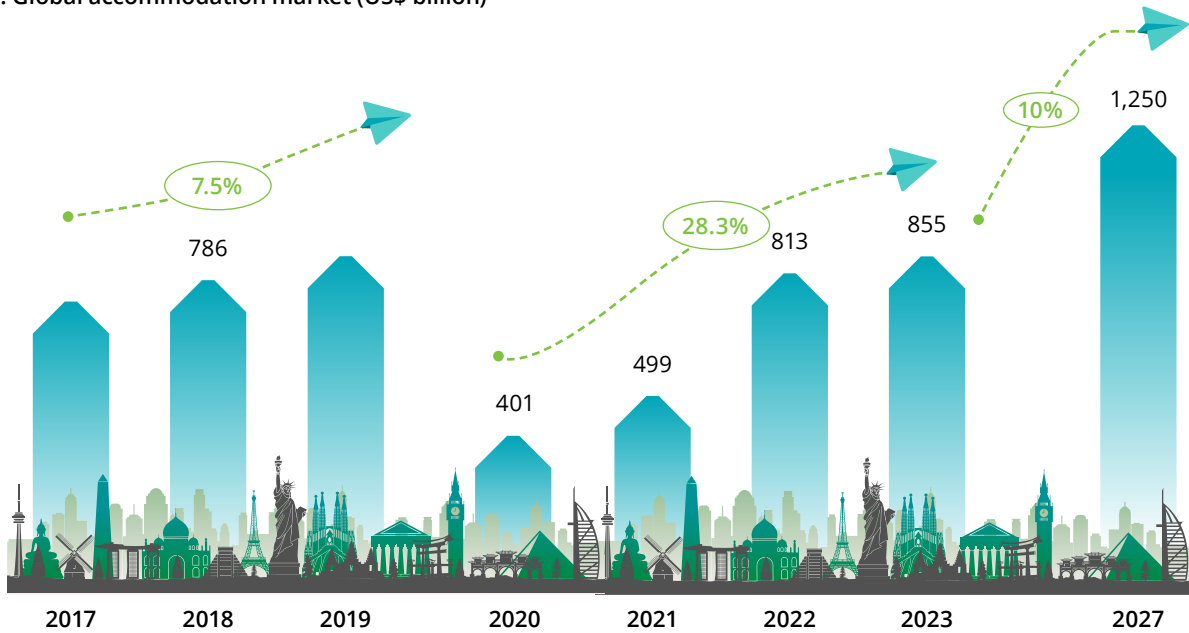
<sup>18</sup> IATA Air passenger market

## Global accommodation market

The hospitality industry faced significant disruptions during the COVID-19 pandemic, experiencing plummeting occupancy rates, revenue losses, and widespread job cuts. However, it

swiftly adapted by implementing rigorous health and safety measures, embracing contactless technologies, and navigating unprecedented challenges.

Figure 5: Global accommodation market (US\$ billion)



A surge in pent-up travel demand, combined with government support measures and innovative strategies, expedited the industry's recovery. From its 2020 lows of US\$401 billion, the

global accommodations market doubled over US\$855 billion in 2023 and is projected to grow at a 10 percent CAGR to reach US\$1,250 billion by 2027.<sup>19</sup>

## Emerging themes: The evolving global travel landscape

Following are the noticeable trends<sup>20</sup> shaping the industry's trajectory and consumer behaviour:



### Sustainable Travel

As sustainability becomes a focal point for both buyers and travel market suppliers, there could be a potential surge in accredited certification for sustainability efforts, encompassing emissions reduction, wastewater management, and energy sourcing. Sustainable Aviation Fuel (SAF), acknowledged as the most effective decarbonisation pathway for aviation, is also gaining traction.

<sup>19</sup>TBO DHRP, Deloitte analysis

<sup>20</sup>CBRE, ForwardKeys, Costar, Amex GBT Hotel Monitor, IATA, WTTC, Deloitte analysis



### Fading wave of revenge tourism

The surge of "revenge tourism" increased in 2022 and 2023. However, it seems to be waning largely due to demand having been met and rising prices.



### Rising business travel demand

While newer modes of working emerge, the significance of in-person meetings remains paramount for fostering professional relationships, exploring new markets, and gaining market insights. Business travellers priorities a seamless experience and seek to minimise time spent on travel bookings. Despite a drastic 53.8 percent decline in business travel spending during the pandemic in 2020, a notable rebound was witnessed in 2023, with projections from a GBTA report suggesting a return to pre-pandemic levels and an anticipated surge to US\$1.5 trillion in 2024.



### Emerging bleisure travel trend

As leisure and business travellers exhibit similar needs, bleisure travel is emerging as a significant trend post-COVID, bolstered by remote work arrangements, such as WFH, hybrid, and virtual meetings. The demand for high-speed internet and late departure requests is on the rise. Additionally, demand for travel on shoulder days, such as Thursdays is increasing, as travellers aim to arrive early at destinations and spend Fridays working remotely.



### Surging MICE and sports tourism

As businesses host more large-scale events, hotels are meeting the demand for event-friendly lodging, conference facilities, and unique venues. Concurrently, hotels are tapping into the sports tourism market, providing tailored packages and facilities for sports enthusiasts attending major events, thus boosting their appeal and revenue.



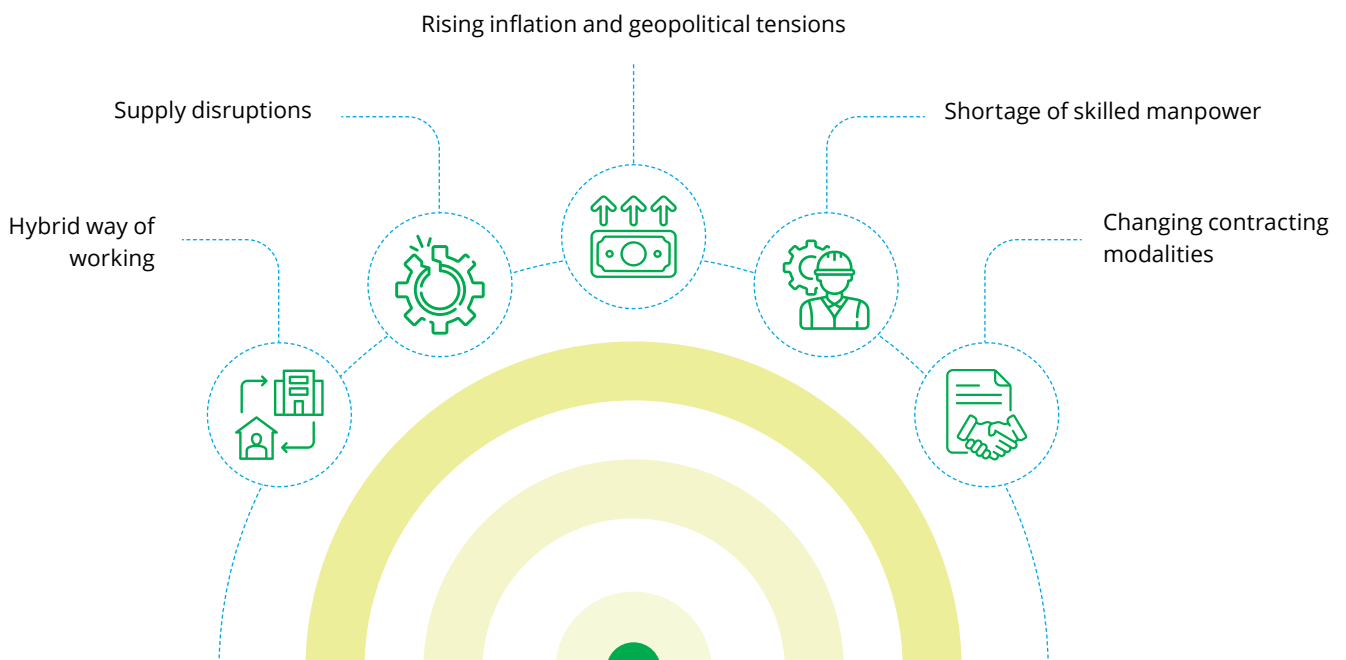
### Loyalty in travel

The rising trend of loyalty apps for travel bookings and loyalty programmes reflects travellers' pursuit for exclusive offers, such as complimentary hotel stays, discounted flights, and the ability to redeem rewards for future travel purposes. Additionally, priority services, such as early check-ins, late departures, airport drop-offs, and access to airport lounges have become sought-after amenities among travellers.

## Facing the frontier: Key challenges in global travel

As the market continues to evolve, it's essential to acknowledge the upcoming challenges in the global travel industry, offering insight into potential obstacles to growth and resilience amid its ongoing transformation.

Figure 6: Key challenges in global travel



- **Rising inflation and geopolitical risks:** Countries with currencies underperforming against the US dollar face heightened effects of rising fuel prices and escalating cost pressures. Moreover, inflationary pressures exacerbate this, with average annual jet fuel prices remaining at US\$2.25–2.75 per gallon,<sup>21</sup> higher than pre-Ukraine war levels. However, it is lower than the astronomical peak of more than US\$5 per gallon across multiple locations, such as the US East Coast, during the 2023s.<sup>22</sup> The price growth could be subdued as the global economy slows and economic uncertainties loom.
- **Shortage of skilled workforce:** Labour shortages in airlines and airports, exacerbated by prolonged onboarding procedures, have impeded the industry's return to full capacity since 2022. Pilot deficits have led to flight cancellations across regions.
- **Aircraft supply disruptions:** Supply chain challenges at leading aircraft manufacturers have slowed or delayed deliveries of new frames. These issues persisted until 2025,<sup>23</sup> hindering network expansion plans and potentially delaying the delivery of lower-emission modern aircraft.
- **Hybrid way of working in corporate travel:** Companies and employees have embraced distributed work models, including hybrid set-ups. As work patterns evolve, companies are reassessing the number and scale of their office locations. To foster collaboration and nurture culture, companies are ramping up internal travel as MICE could emerge as a rapidly growing category.
- **Changes in contracting modalities:** During contract renewals, airline carriers negotiate hard with their clients to extend discounted rates. For example, airlines are increasingly looking at clients' 2022 spends and volumes, rather than 2019, as the baseline in negotiations, resulting in lower discounts for corporates.<sup>24</sup> Additionally, several airlines have begun to include traveller engagement initiatives, such as Online Booking Tool (OBT) and Frequent Flyer Programme (FFP). This indicates that airlines are looking to strengthen their relationship with the traveller.

<sup>21</sup>IATA Jet Fuel Price Monitor

<sup>22</sup><https://www.opisnet.com/blog/jet-fuel-demand-continues-to-recover/>

<sup>23</sup><https://www.emsnow.com/aircraft-supply-chain-issues-to-persist-until-2025/>

<sup>24</sup>Amex GBT: Air Monitor





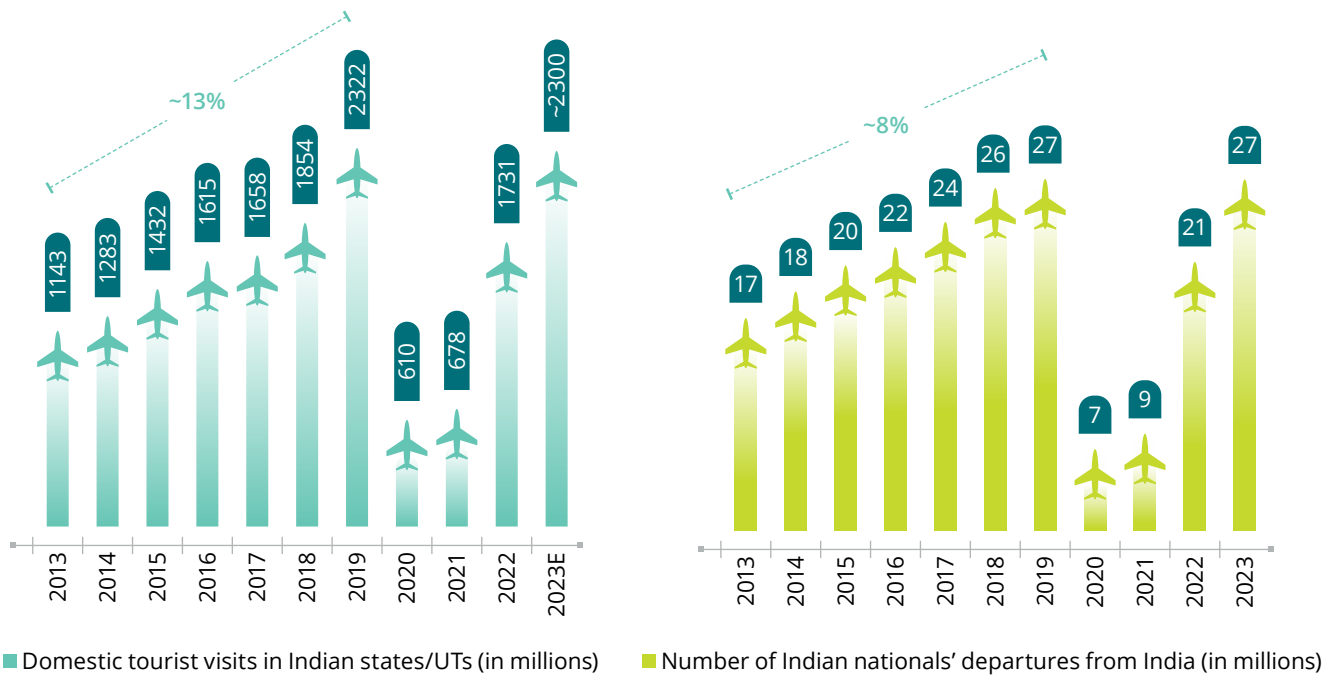


# India's travel tapestry: Unravelling the market landscape

The International Monetary Fund (IMF) projected that India would once again lead as the fastest-growing economy in 2024, with a robust growth rate of 6.5 percent.<sup>25</sup> Projections indicate that India is poised to ascend to the rank of the third-largest economy by 2027,<sup>26</sup> further augmenting its position as a bright spot amidst a global landscape grappling with inflation and faltering growth. With a burgeoning middle-class<sup>27</sup> constituting ~65 percent of the population within the crucial consumer cohort and working age group of 18–55 years,<sup>28</sup> there is significant potential for increased spending and consequent consumption growth within the economy, indicating a propensity for people to travel more as discretionary spending rises.

As restrictions eased in the post-pandemic world, Indians pursued travel fervently. In 2023, Indian nationals embarked on 27 million<sup>29</sup> international trips, while Indian states and Union Territories witnessed ~2300 million<sup>30</sup> visits from domestic tourists, reaching the pre-pandemic levels. From 2013 to 2019, international visits grew at a CAGR of 8 percent and domestic visits surged by 13 percent, highlighting the robust growth in domestic tourism.

Figure 6: Domestic visits and international trips taken by Indian travellers<sup>31</sup>



Given the substantial increase in travel activities, examining the specific destinations that individuals are gravitating towards reveals that the top five countries accounting for over 55 percent<sup>32</sup> of Indian national departures are the UAE, Saudi Arabia, the USA, Singapore, and Thailand. Meanwhile, recorded domestic tourist destinations witnessing 60 percent<sup>33</sup>

of domestic tourist visits comprise Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Karnataka, and Gujarat. These destinations stand out for their significant contributions to both outbound and domestic tourism from India, showcasing diverse attractions and experiences for travellers.

<sup>25</sup><https://www.deccanchronicle.com/business/economics/imf-projects-india-as-fastest-growing-economy-in-2024-880527>

<sup>26</sup><https://www.ft.com/content/489cc92c-c950-47de-ad5f-586b9da33b70>

<sup>27</sup>Ministry of Health and Family Welfare, GoI (2022)

<sup>28</sup>Ministry of Health and Family Welfare, GoI (2022)

<sup>29</sup>Ministry of Tourism data 2023

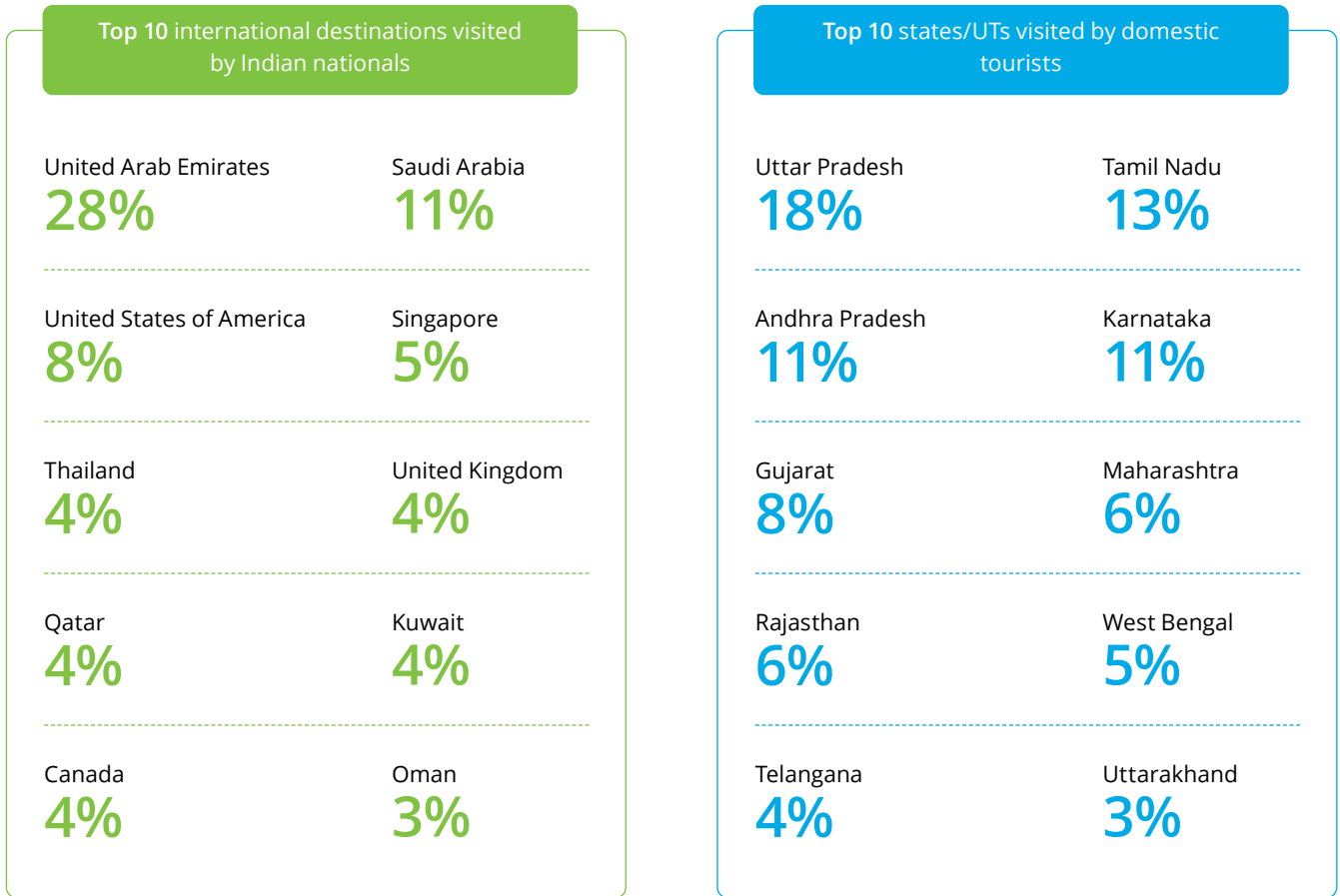
<sup>30</sup>Ministry of Tourism data 2023, Deloitte analysis

<sup>31</sup>Ministry of Tourism data 2023, Deloitte analysis

<sup>32</sup>Ministry of tourism data—India tourism statistics 2022

<sup>33</sup>Ministry of Tourism data 2023, Deloitte analysis

Figure 7: Top visited destinations of Indian travellers (2022) (as % of tourists visiting)



This substantial growth in domestic tourism reflects the changing preferences and habits of Indian travellers and the growing accessibility and affordability of travel within the

country. The following industries facilitate a significant portion of this travel activity:



Airlines



Hotels



Railways



Intercity buses

These four industries collectively form the backbone of the Indian travel market, catering to the diverse needs and preferences of travellers. Understanding the evolution of these industries over the years is crucial for gaining insights into the broader dynamics shaping the travel sector in India.

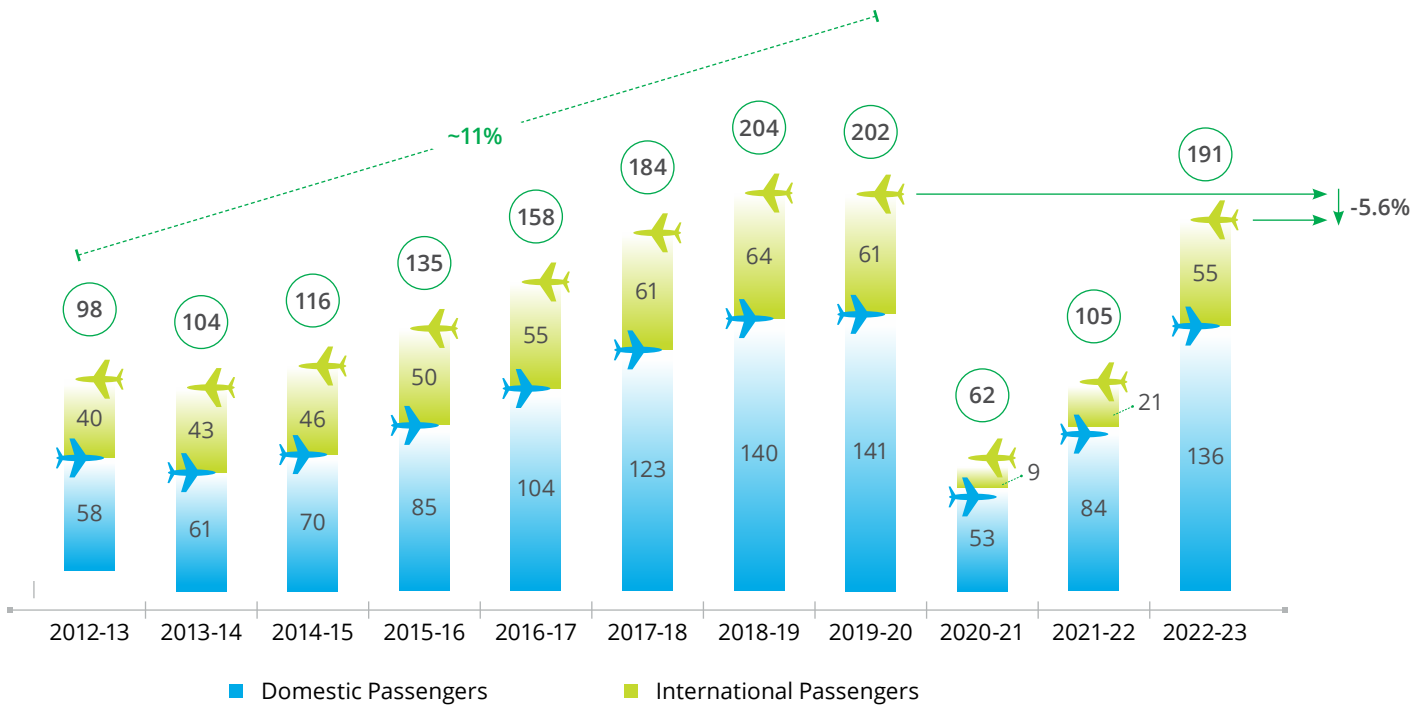


### Sky-high view: Exploring the Indian airline industry

In FY2023, 191 million passengers undertook air journeys,<sup>34</sup> representing just ~6 percent; this is less than the pre-pandemic number of 202 million passengers.<sup>35</sup> Of the 191 million passengers, 136 million were domestic passengers,<sup>36</sup> constituting about 71 percent of the total, while 55 million were international passengers,<sup>37</sup> making up the remaining 29 percent.

A decade ago, the split between domestic and international passengers was 60 percent and 40 percent, respectively. From 2013 to 2019, while overall passenger traffic grew at a CAGR of 11 percent, **domestic passenger traffic surged at 14 percent, outpacing international passenger traffic growth of 6 percent.**

Figure 8: Domestic and international traffic carried by scheduled carriers in and from India (in millions)<sup>38</sup>



In line with the growth of passenger traffic, the airline industry demonstrated a CAGR of 7.2 percent between FY18 and FY20. The airline industry achieved a substantial milestone with gross booking revenues of ~US\$23 billion,<sup>39</sup> **effectively returning to its pre-pandemic scale in 2023.** Over the years, domestic

passengers account for about 70 percent, and international passengers comprise approximately 30 percent of the total passenger traffic. These enduring patterns of travel highlight preferences and demand within the aviation sector.

<sup>34</sup>DGCA

<sup>35</sup>DGCA

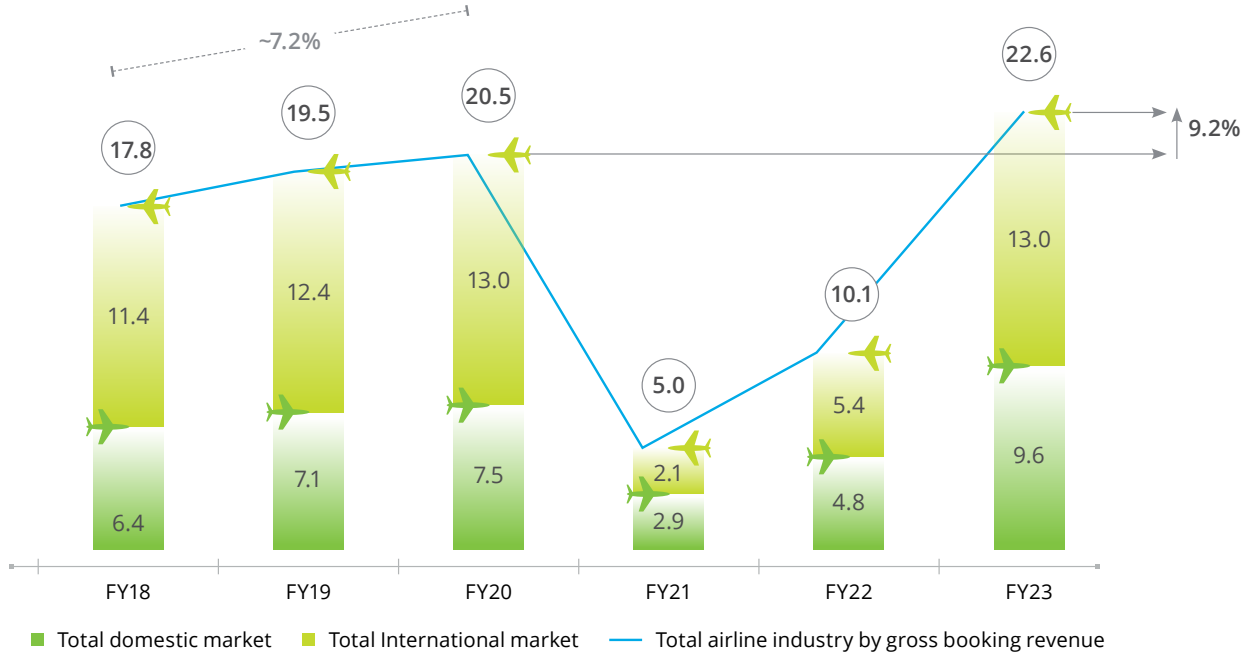
<sup>36</sup>DGCA

<sup>37</sup>DGCA

<sup>38</sup>DGCA

<sup>39</sup>DGCA data, Annual reports of airlines, Deloitte analysis

Figure 9: India airline market size by gross booking revenue (in US\$ billion)<sup>40</sup>

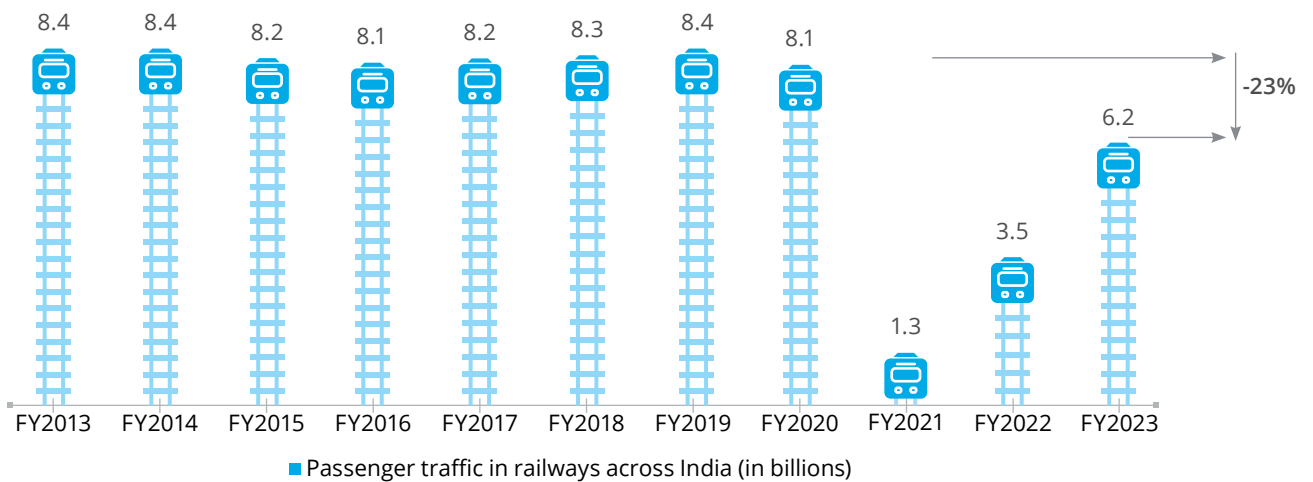


### Railway dynamics: Exploring India's rail transportation sector

While air passenger traffic has experienced consistent growth, **total railway passenger traffic is relatively at a steady level of 8 billion passengers<sup>41</sup>** over the past decade, though, it's essential to acknowledge its significantly larger base than airlines. In FY23, approximately 4.7 percent of passengers<sup>42</sup> travelled in air-conditioned coaches, totalling 292 million passengers, which

is nearly double the 136 million domestic air passengers,<sup>43</sup> underscoring the ongoing significance of railways in passenger transportation. It's noteworthy that while air passenger traffic has almost returned to pre-pandemic levels, the same cannot be said for railways, with passenger traffic currently 23 percent less<sup>44</sup> than pre-pandemic levels.

Figure 10: Passenger traffic carried by Indian railways <sup>45</sup>



<sup>40</sup>Deloitte analysis

<sup>41</sup>India Railways annual reports

<sup>42</sup>India Railways annual reports, Indian Railways Annual Statistical Statements

<sup>43</sup>DGCA

<sup>44</sup>Deloitte analysis

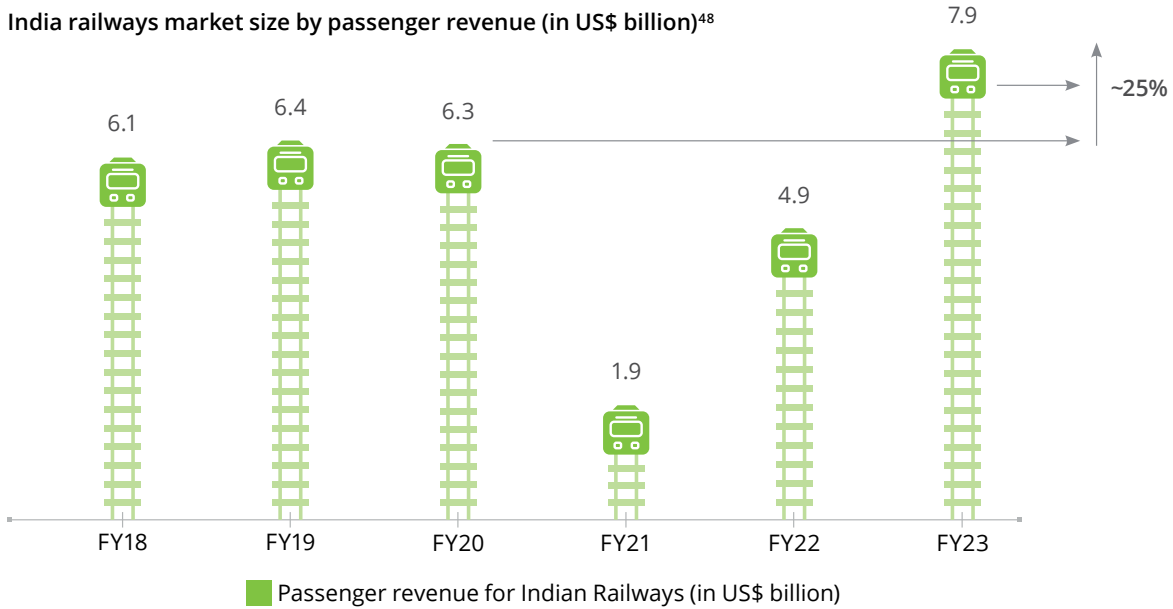
<sup>45</sup>India Railways annual report



Aligned with the growth in the number of passengers, Indian Railways' revenue from passenger services has remained

relatively stable, hovering ~US\$6–6 billion.<sup>46</sup> As of FY23, Indian Railways' passenger services make it a US\$7.9 billion industry.<sup>47</sup>

Figure 11: India railways market size by passenger revenue (in US\$ billion)<sup>48</sup>

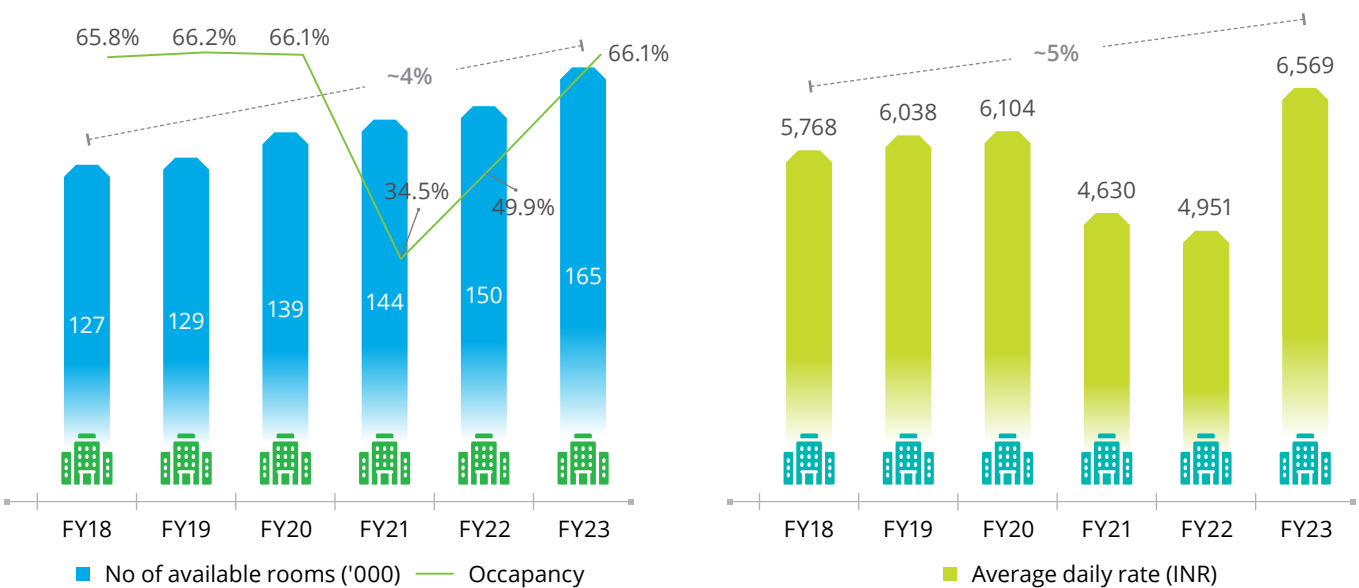


### Checking in: India's accommodation landscape

Branded hotels extend their reach across more than 268 cities<sup>49</sup> throughout India. Around 57 percent of this inventory is concentrated within the top 10 cities.<sup>50</sup> In FY23, the India branded and organised hotel industry in India reached a decade-high average daily rate (ADR) of INR 6869,<sup>51</sup> with an

occupancy rate of 66.1 percent,<sup>52</sup> the second highest in a decade after the FY20 level. From FY18 to FY23, the supply of branded rooms rose by 4 percent, while the ADR rate increased by 5 percent.

Figure 12: Supply (available rooms), demand (occupancy) and performance (price) of branded hotels in India<sup>53</sup>



<sup>46</sup>India Railways annual reports

<sup>47</sup>India Railways annual reports

<sup>48</sup>India Railways annual reports

<sup>49</sup>The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

<sup>50</sup>The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

<sup>51</sup>The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

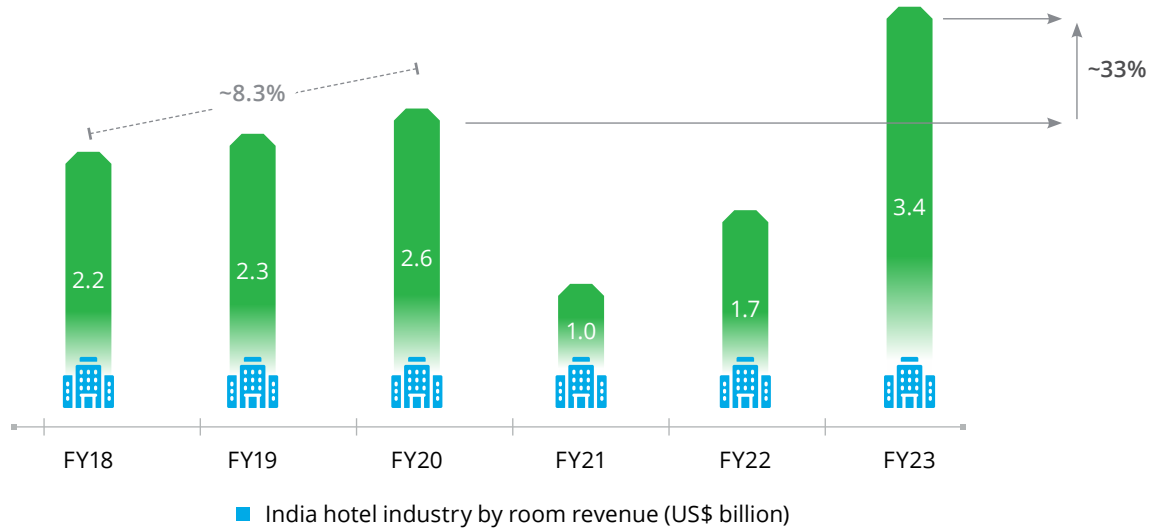
<sup>52</sup>The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

<sup>53</sup>The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

The hospitality industry, characterised by cyclical patterns, thrives on business and leisure travel currents, which are deeply intertwined with economic fluctuations. Following COVID-19, “revenge tourism” emerged, fuelling a significant surge in the tourism and hospitality sectors; this trend remains resilient. In FY23, India’s branded and organised hotel industry reached

a ₹3.4 billion in room revenue<sup>54</sup>, nearly doubling its size since 2021 due to heightened occupancy levels and a substantial increase in ADR. Before the pandemic, the hotel industry was experiencing a CAGR of 8.3 percent in room revenue between FY18 and FY20.

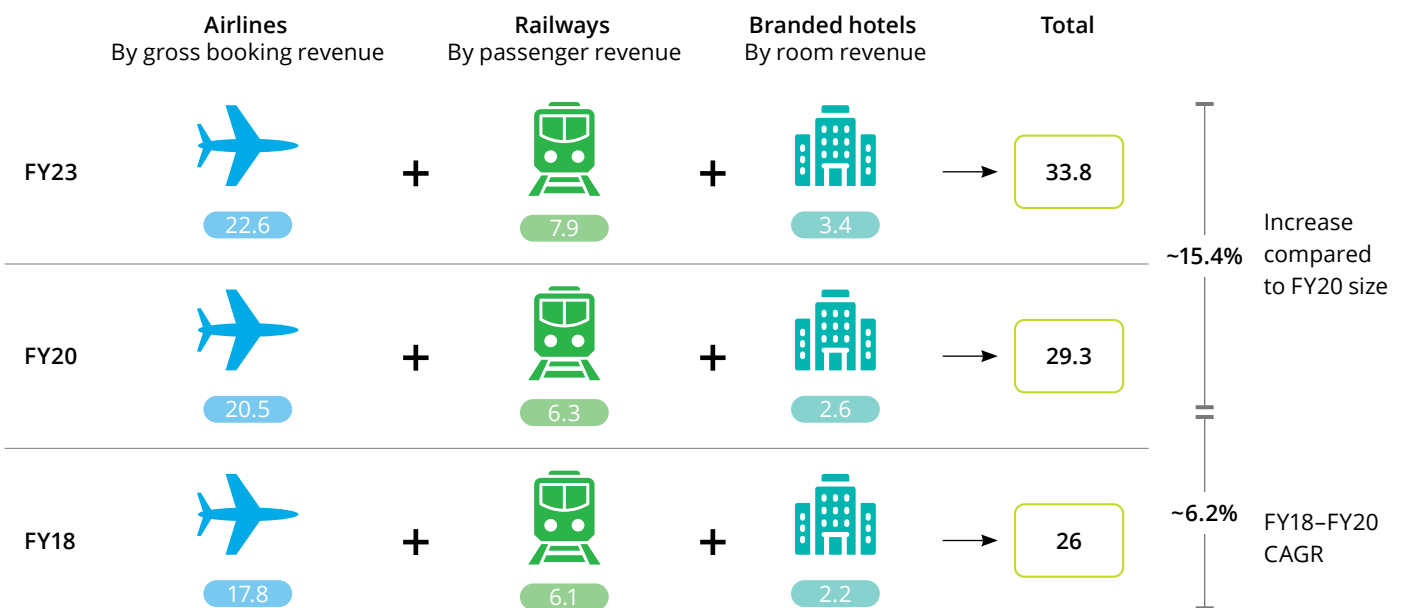
Figure 13: India hotel industry (branded and organised) size by room revenue (US\$ billion) <sup>55</sup>



### Total India travel market

The above three segments—airlines, railways and branded hotels, were growing at a 2-year CAGR of 6.2 percent<sup>56</sup> between FY18 and FY20 before the pandemic’s disruption. However, FY23 saw an increase of ~15 percent<sup>57</sup> over FY20 levels.

Figure 14: India travel market by gross booking value (airlines, railways and branded hotels) <sup>58</sup>



<sup>54</sup>Deloitte analysis, The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

<sup>55</sup> Deloitte analysis, The 2023 Indian Hospitality Trends & Opportunities Report by Hotelivate

<sup>56</sup>Deloitte analysis

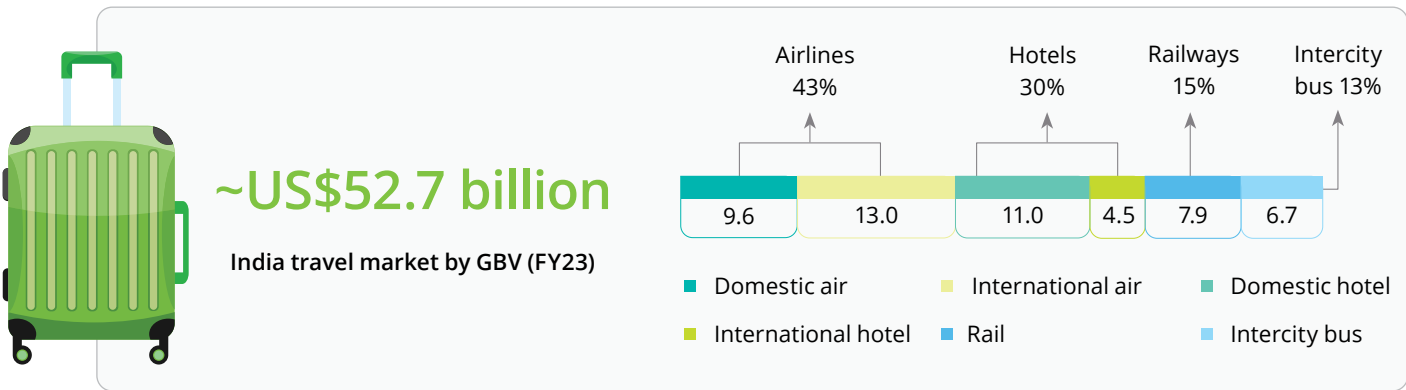
<sup>57</sup>Deloitte analysis

<sup>58</sup>Deloitte analysis

Besides the three segments mentioned above, India's hospitality industry also includes the independent (not branded) hotel industry valued at US\$7.6 billion<sup>59</sup> and accommodations booked by Indian outbound travellers, representing a market

valued at US\$4.5 billion<sup>60</sup>. Additionally, the intercity bus market, valued at about US\$6.7 billion<sup>61</sup> is another significant contributor to the market. Consequently, the overall size of India's travel market amounts to ~US\$53 billion.

Figure 15: India travel market size by gross booking value (FY23) (US\$ billion)<sup>62</sup>



Another facilitator of travel is the intercity cab market, estimated to be valued at US\$2.9 billion.<sup>63</sup> This market operates largely offline, with low internet penetration hindering precise valuation

assessments. However, this scenario allows OTAs to expand their reach as other segments saturate.

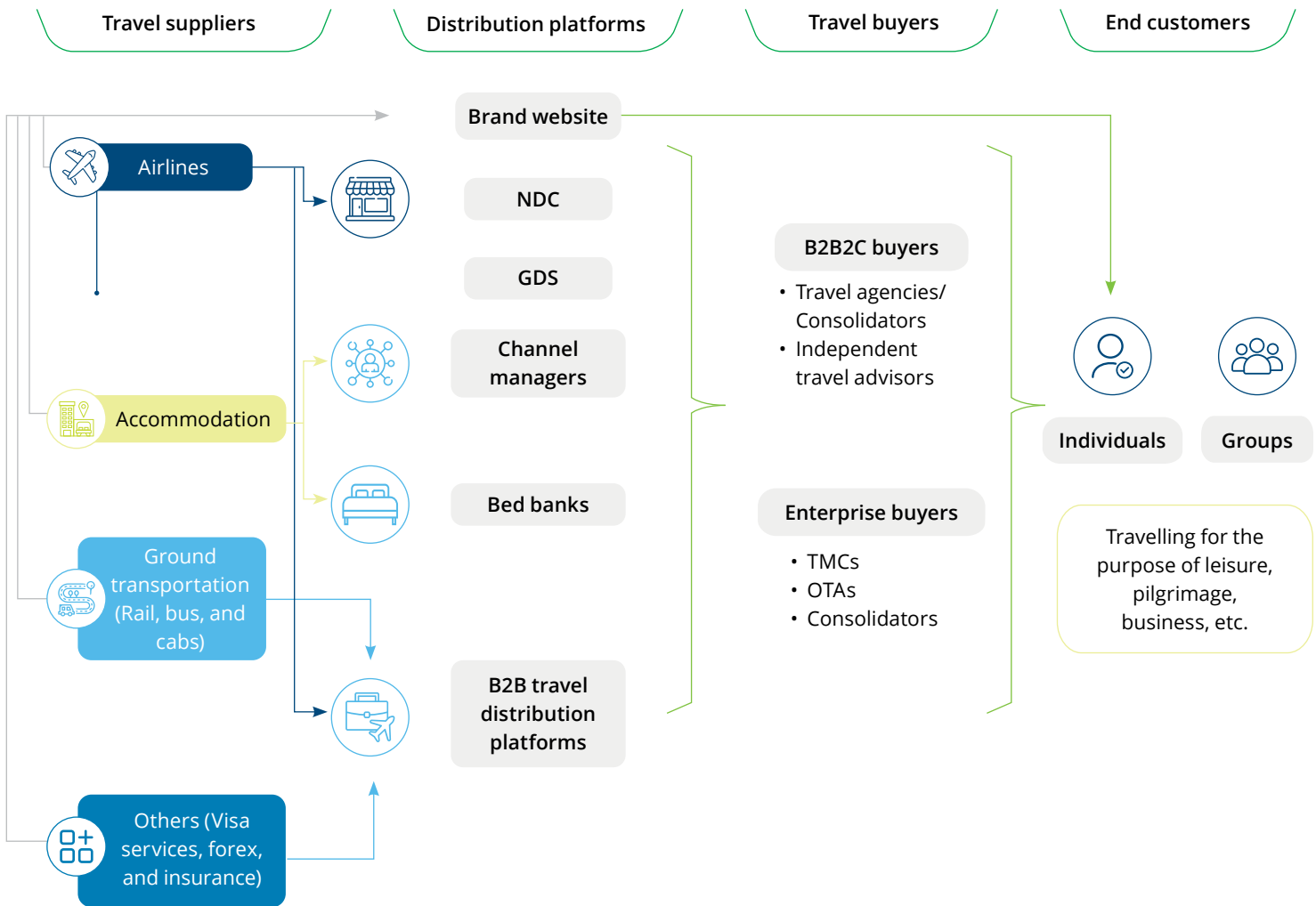
**Journey junction: Exploring India's travel ecosystem**

The travel market thrives through an intricate travel ecosystem seamlessly linking suppliers with buyers. The travel industry involves four key stakeholders:

- Travel suppliers: These include airlines, hotels, and ancillary services, such as transfers and sightseeing, providing the necessary services for travellers.
- Travel distribution platforms: These platforms act as intermediaries, connecting buyers with suppliers globally and facilitating access to a diverse inventory of travel services.
- Travel buyers: This category comprises travel agents (both retail and enterprise), online agents, and direct booking channels, offering various services, such as ticketing and reservations to meet travellers' needs.
- End customers: Whether individuals or groups, these customers seek specific travel experiences, from leisure activities to religious pilgrimages or business travel.

<sup>59</sup>Deloitte analysis  
<sup>60</sup>DGCA data, Primary interviews with experts, Deloitte analysis  
<sup>61</sup><https://www.webintravel.com/indias-ground-transportation-analyzing-market-dynamics-of-rail-and-intercity-bus-travel/#:-:text=The%20intercity%20bus%20market%20is,8.5%25%20during%20FY23%2DFY26>.  
<sup>62</sup>Deloitte analysis  
<sup>63</sup><https://inc42.com/buzz/makemytrip-acquires-majority-stake-in-savaari-to-enter-intercity-cab-market/#:-:text=This%20market%20is%20expected%20to,the%20end%20of%20this%20period>

Figure 16: Travel ecosystem



Suppliers and buyers in the travel market connect through both online and offline distribution channels. **The online channel can be divided into three main categories: direct online channels, OTAs, and meta-search platforms.** Direct online channels allow suppliers to interact directly with buyers, while OTAs aggregate services from multiple suppliers. Meta-search platforms enable buyers to compare options across different platforms. **In contrast, the offline channel, known as Assisted Travel, caters to customers seeking personalised assistance, especially for complex itineraries or international travel.** This segment includes travel agencies, tour operators, TMCs, and independent agents facilitating travel arrangements, particularly for high-value or multi-product bookings.

The combination of reliable internet connectivity, widespread smartphone adoption, and the convenience of digital payment methods, such as UPI, credit cards, debit cards, and net banking has revolutionised the travel industry, leading to an increased online penetration akin to the digitalisation trend observed across other industries and sectors. Railway ticketing achieved a notable online penetration rate of ~81 percent<sup>64</sup> as of FY23, followed by air ticketing (domestic) at ~70 percent.<sup>65</sup> However, online penetration in hotel bookings has remained relatively low. For branded hotels, it stands at about 40 percent,<sup>66</sup> while not-branded hotels experience even lower rates, contributing to an overall online penetration rate of ~25 percent.<sup>67</sup>

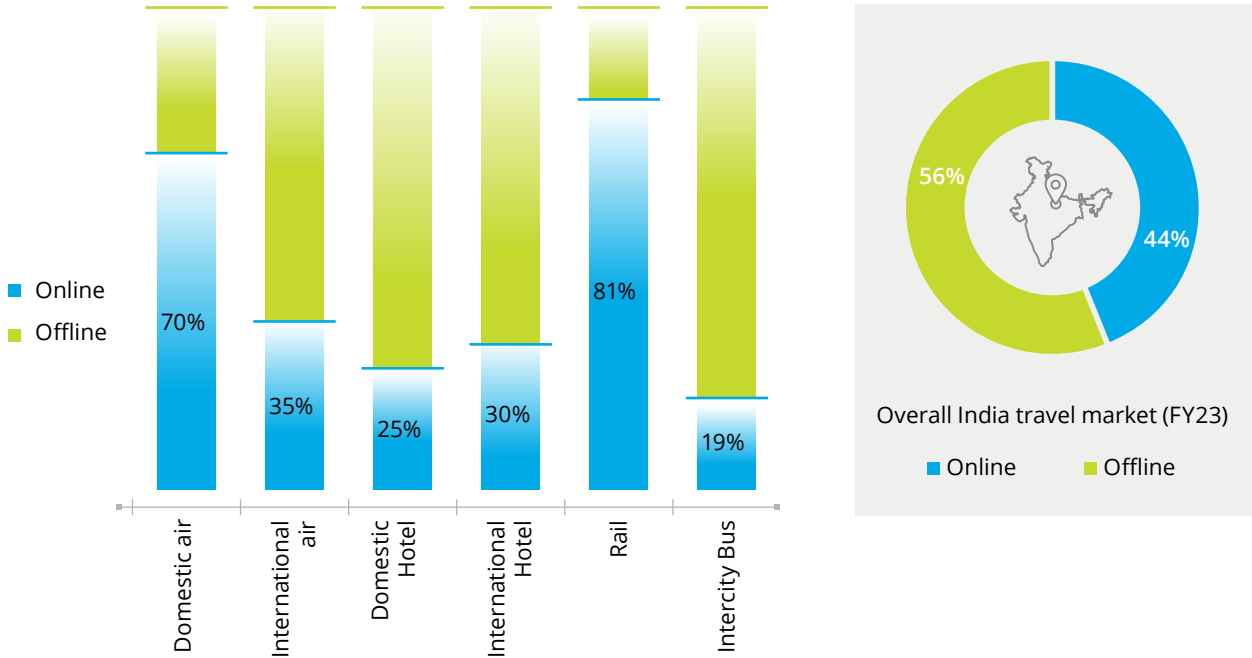
<sup>64</sup>Indian railways annual reports

<sup>65</sup>Basis interviews with experts

<sup>66</sup>FY23 investor presentations of listed hospitality players

<sup>67</sup>DRHPs of Travel Companies

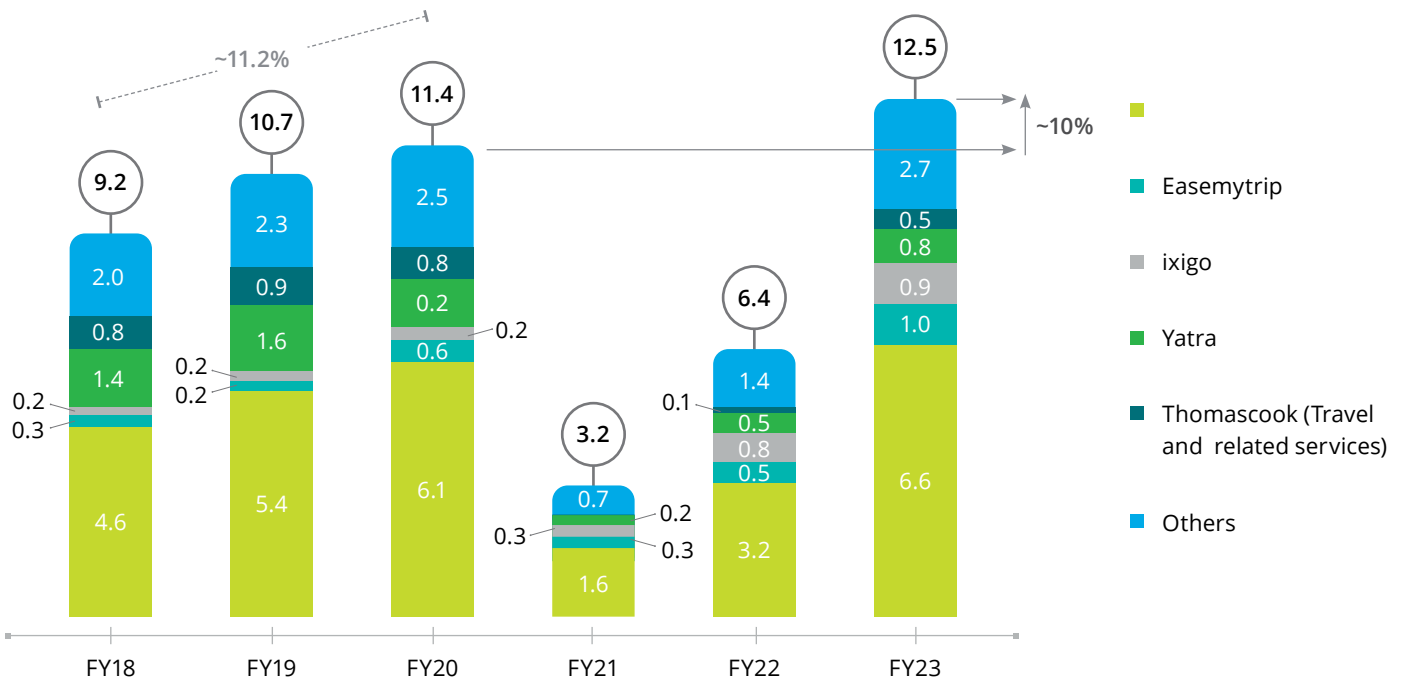
Figure 17: Online channels penetration in travel market segments <sup>68</sup>



Among the three online channels—direct online channels, OTAs, and meta-search platforms—OTAs dominate the online travel market. They serve as intermediaries, connecting service providers across the travel industry and facilitating seamless trip planning for travellers. Despite a temporary slowdown during

the pandemic, OTAs are surging again, with the market's gross booking value surpassing pre-pandemic levels by 10 percent<sup>69</sup>. Before the pandemic, OTAs were growing faster than the overall market growth at a CAGR of about 11.2 percent.<sup>70</sup>

Figure 18: India OTA market (US\$ billion) <sup>71</sup>



<sup>68</sup>Basis interviews with experts, Indian railways annual reports, DRHPs of Travel Companies

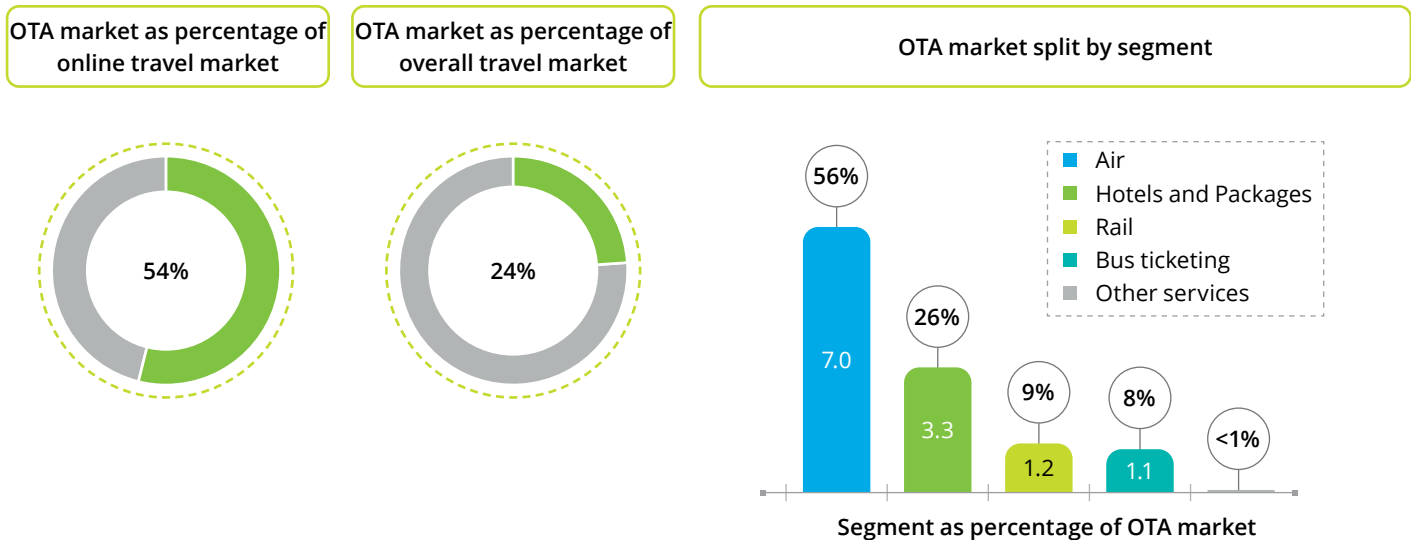
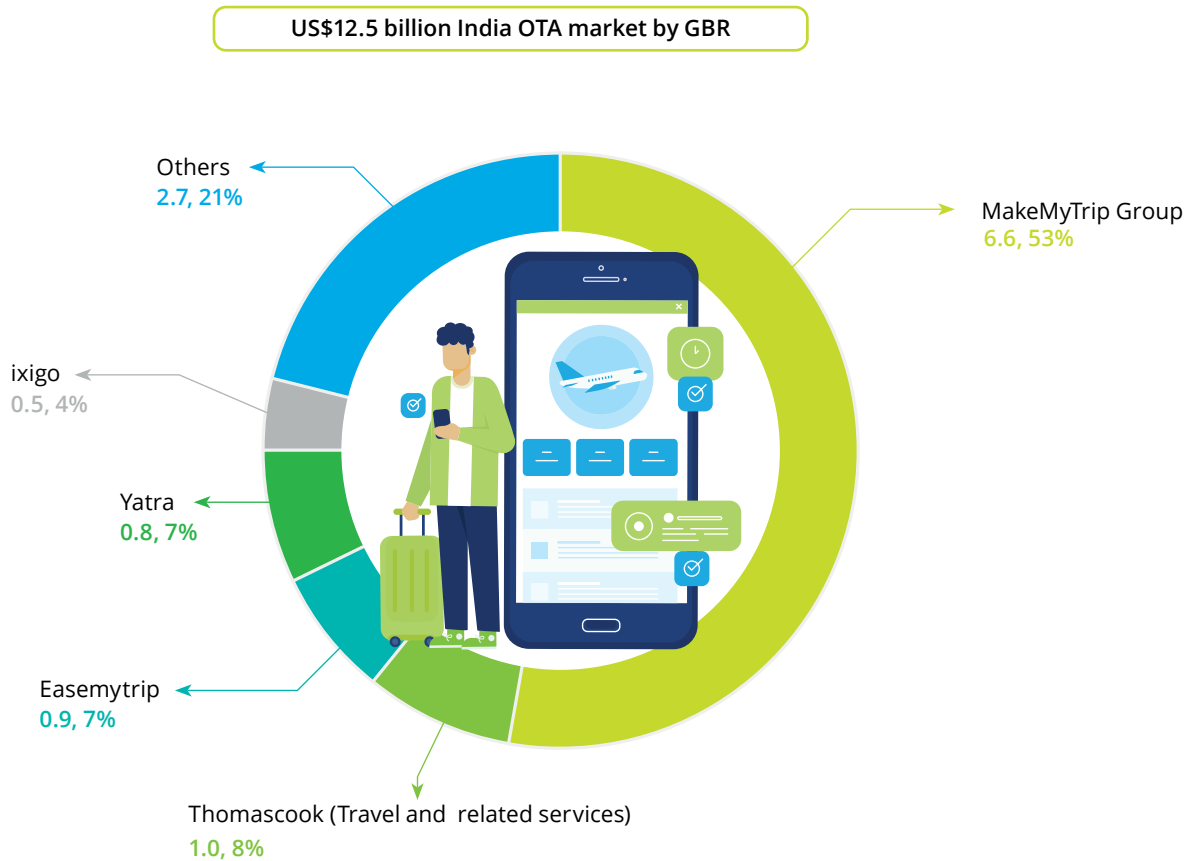
<sup>69</sup>Deloitte analysis

<sup>70</sup>Deloitte analysis

<sup>71</sup>Annual reports of listed OTAs, Deloitte analysis

As of FY23, India's OTA market is worth US\$12.5 billion, with MakeMyTrip (MMT), Easemytrip, Ixigo and Yatra as the top OTAs, together covering ~74 percent<sup>72</sup> of the market share by gross booking revenue.

Figure 19: India OTA market (FY23) (US\$ billion)<sup>73</sup>



<sup>72</sup>Annual reports of listed OTAs, Deloitte analysis

<sup>73</sup>Annual reports of listed OTAs, Deloitte analysis







# Corporate trek: India's business travel market

With the waning of pent-up demand that characterised post-pandemic travel, group and corporate travel are poised to step in and fill the gap. According to a Deloitte survey of travel managers worldwide in 2023, more than half of the respondents anticipate that industry events will be key drivers of travel growth. Other significant cited reasons include fostering connections with clients and prospects, and facilitating essential sales meetings. Furthermore, the survey, conducted among 45+ travel managers across various industries in India, revealed that travel expenses either returned or exceeded the pre-pandemic levels by the end of FY23. Remarkably, 95 percent of the surveyed travel managers anticipate further increases in travel spending.

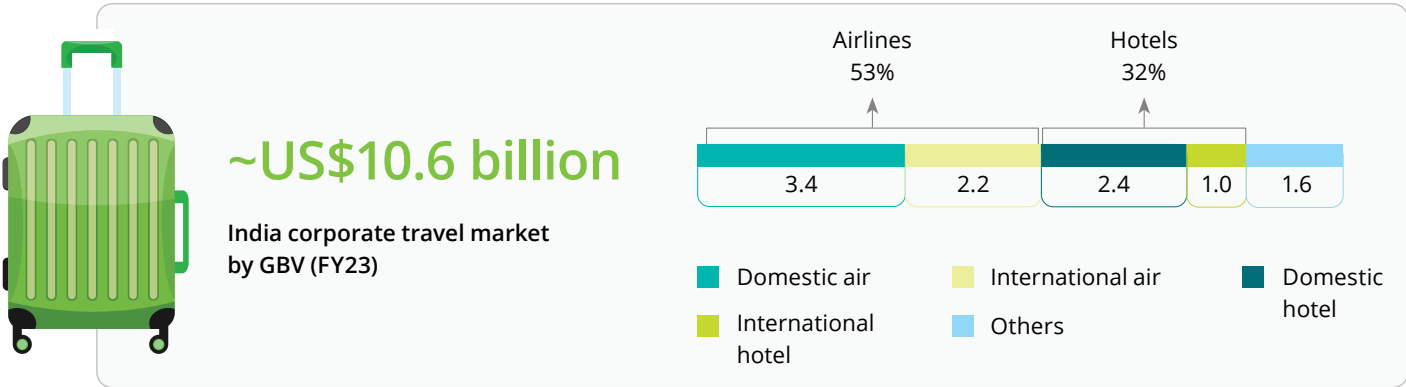
Similar to the overall travel market, the corporate travel market comprises three primary components: air travel, accommodation, and a third category encompassing trains, cabs, forex, visas, and other miscellaneous expenses.

About 40 percent of domestic airlines' business comprises coded fares, including corporate and SME fares. Nearly 25 percent of this business is conducted through direct corporate contacts, and the remaining 15 percent through

agents booking for corporate/non-corporate clients or OTAs managing corporate travel or SMEs with access to SME fares.<sup>74</sup> This establishes the domestic corporate air travel market as a US\$3.4 billion industry. About 17 percent of Indian departures are for business and professional purposes, making the international corporate air travel market a US\$2.2 billion industry.<sup>75</sup> Almost half of corporate travel expenditure is allocated to air travel.<sup>76</sup>

Hotels with an average ADR exceeding INR 8,000 witness about 10 percent of stays as corporate stays,<sup>77</sup> while those with an ADR of nearly INR 5,000 experience corporate stays at over 40 percent.<sup>78</sup> Corporate stay proportions vary by location; for instance, one of the top 10 branded hotel chains reports that 60 percent of city stays are corporate stays.<sup>79</sup> About 30–35 percent of total corporate travel spend is on accommodation,<sup>80</sup> amounting to a US\$2.4 billion market. The remaining 15–20 percent<sup>81</sup> covers other expenses, such as trains, cabs, visas, forex, and miscellaneous expenditures. Thus, India's corporate travel market is valued at US\$10.6 billion and constitutes approximately 20 percent of the total Indian travel market.

Figure 20: India corporate travel market (FY23) (US\$ billion)<sup>82</sup>



<sup>74</sup>Deloitte analysis

<sup>75</sup>Ministry of tourism data—India tourism statistics 2020-2023

<sup>76</sup>Basis interviews with travel managers

<sup>77</sup>FY23 annual reports & investor presentation of listed hospitality players

<sup>78</sup>FY23 annual reports & investor presentation of listed hospitality players

<sup>79</sup>Deloitte analysis

<sup>80</sup>Basis interviews with travel managers

<sup>81</sup>Basis interviews with travel managers

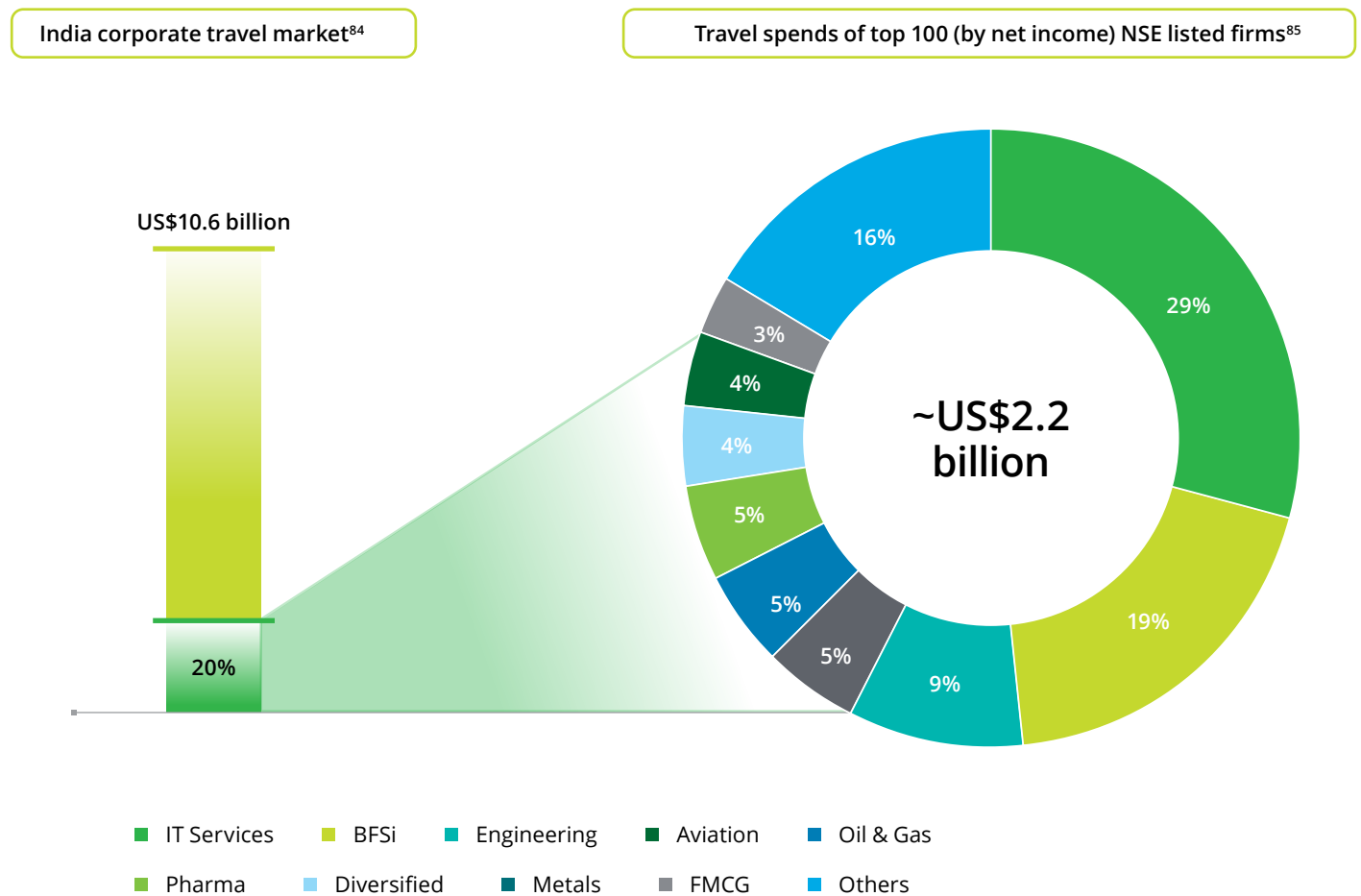
<sup>82</sup>Deloitte analysis

### Corporate travel anchors: Analysing industries driving travel demand

In our analysis of the top 100 listed firms by net income, industries such as IT services, BFSI (banking, financial services, and insurance), engineering, aviation, oil and gas, pharma, diversified, metals, and FMCG (Fast Moving Consumer Goods) and auto emerged as the top contributors to travel expenditure. These industries collectively represent 86 percent<sup>83</sup> of the total travel spend of the top 100 firms. Industries

allocating over 1 percent of their net income to corporate travel include IT services, pharma, aviation, and engineering. The IT services and pharma sectors allocate significant resources due to their reliance on international markets. The aviation sector allocates resources due to operational requirements, while the engineering sector does so because employees need to travel to work sites.

Figure 21: India corporate travel market (in US\$ billion)



Continuing from our analysis, interactions with the TMCs managing corporate travel for various firms revealed that the top industries forming their client base include the IT/

ITes, professional services, pharma, BFSI, and engineering/manufacturing sectors.

<sup>83</sup>FY23 annual reports of NSE top 100 companies (by total income)

<sup>84</sup>Deloitte analysis

<sup>85</sup>FY23 annual reports of NSE top 100 companies (by total income)

### Corporate travel hotspots

While metros continue to be the most frequented cities for corporate travel, Mumbai, Delhi NCR, and Bangalore dominate in the top three positions. Nevertheless, emerging hubs, such as

Ahmedabad, Vadodara, Bhubaneswar and Lucknow, are steadily gaining traction among corporate travellers.

Figure 22: Top domestic destinations for corporate travellers <sup>86</sup>



When considering international travel destinations, the US, the UK, and Europe emerge as the primary choices for corporate travellers.



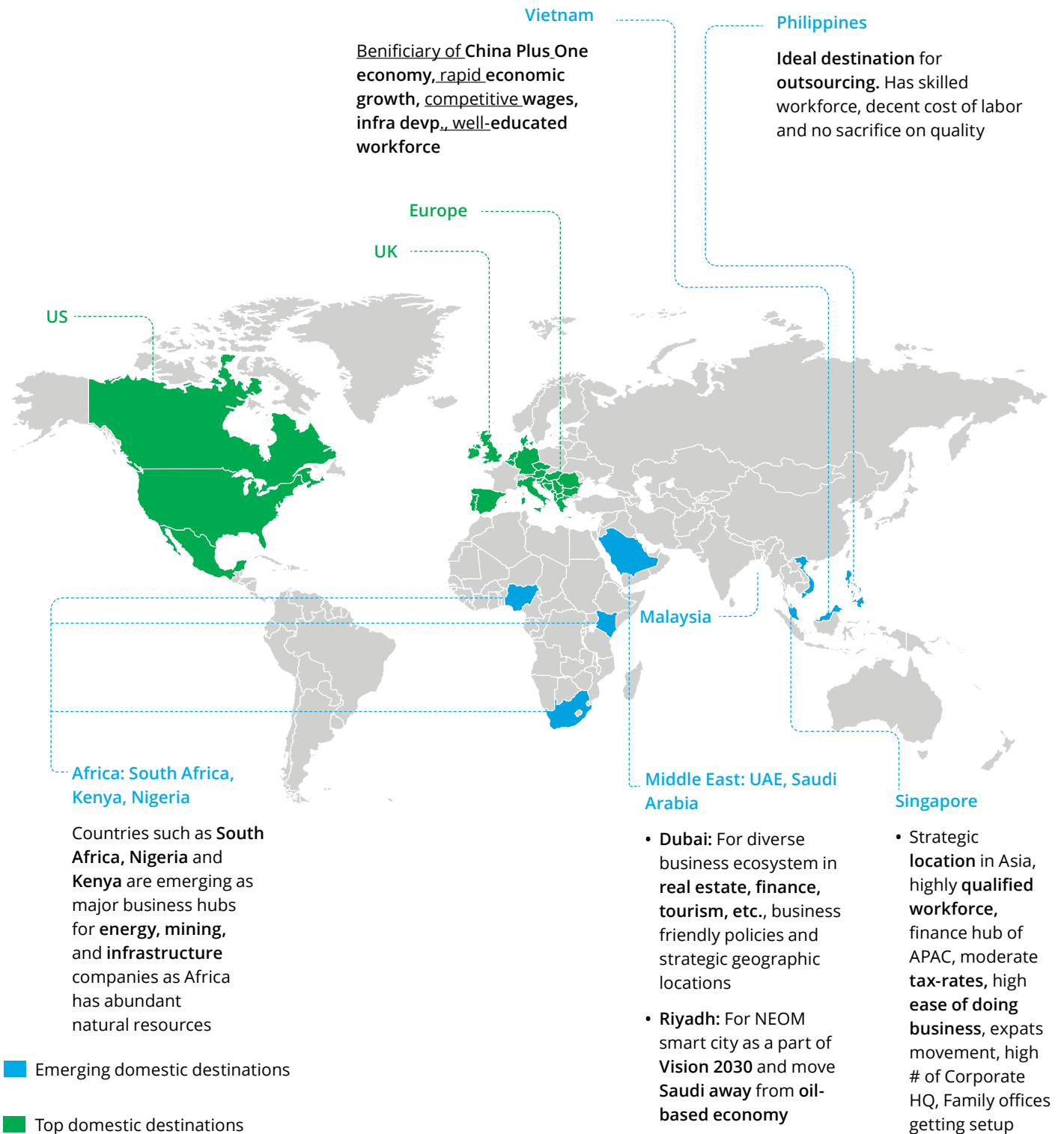
#### Key Insights

##### Emerging domestic destinations

- **Ahmedabad:** Rise of GIFT city, sustainable development, green initiatives, infrastructure and connectivity
- **Vadodara:** Lots of chemical companies based in this city
- **Lucknow:** Initiatives by the government to increase tourism business, such as the Global Investors Summit '23
- **Bhubaneswar:** Odisha is emerging as the silicon coast of India. Support from the government for IT investments (GCC setup), cost-effective operations, robust infrastructure, etc.
- **Kolkata:** Multiple bank headquarters (public and private) and MSMEs (Leather hub)
- **Vizag:** Monetary capital of Andhra Pradesh, development of IT parks, three industrial corridors in the state (Vizag-Chennai, Chennai-Bangalore, Hyderabad-Bangalore)

<sup>86</sup> Basis interviews with travel managers, Deloitte analysis

Figure 23: Top international destinations for corporate travellers <sup>87</sup>



Apart from the previously mentioned locations, Qatar, China, Kuwait, Oman and Bangladesh are among the top 10 destinations for Indian nationals for business and professional reasons. <sup>88</sup>

<sup>87</sup>Basis interviews with travel managers, Ministry of tourism data—Indian tourism statistics 2020-2023

<sup>88</sup>Basis interviews with travel managers, Ministry of tourism data—Indian tourism statistics 2020-2023



## Corporate travel management

Travel expenses represent a considerable portion of an organisation's operating budget. **On average, 35–40 percent<sup>89</sup> of employees travel at least once annually.** For small and mid-size organisations (with employee strength up to 250), travel expenditure can reach INR 1 crore per year. In contrast, large organisations (with employee strength between 250 and 5000) allocate approximately 10 crore annually towards travel expenses.<sup>90</sup> For large organisations (5000+ employees), travel expenses are directly proportional to employee count. An analysis of the top 100 listed firms reveals that the leading IT major, with the highest travel expenditure, incurred a staggering INR 2600+ crore travel expenses for FY23.<sup>91</sup>

Given the significant expense involved, organisations prioritise effective management of their travel budgets. This is where the expertise of TMCs and travel agents becomes crucial. These entities specialise in streamlining travel processes, negotiating favourable rates with airlines and hotels, and implementing cost-saving strategies, ultimately ensuring optimal use of resources and enhanced value for organisations.

### Travel management companies

Expanding their services by launching self-booking tools, TMCs are now reaching beyond large corporations to cater to the

needs of medium and small-sized enterprises. TMCs operate with a dual objective: delivering cost savings to clients while ensuring traveller safety. They achieve this:

- Providing a unified technology platform for real-time availability of flights, hotels, rail, and other bookings.
- Providing online self-booking tools that empower travellers to make reservations independently.
- Providing tailored travel policies to meet each client company's unique needs. Some TMCs enhance functionality with specially designed systems for secure storage and compliance with travel policies.
- Providing visibility into individual bookings, company-wide travel activities and comprehensive audit trails.

New-age TMCs have been introducing advanced features to support corporate travel managers, which includes

1. Emission calculators to help organisations track their travel-related carbon footprints and aid in ESG reporting
2. Voice-based booking to save booking time
3. Integrated expense management to reduce processing time for reimbursements and increase adherence to company policies



<sup>89</sup>Basis interviews with travel managers, Deloitte analysis

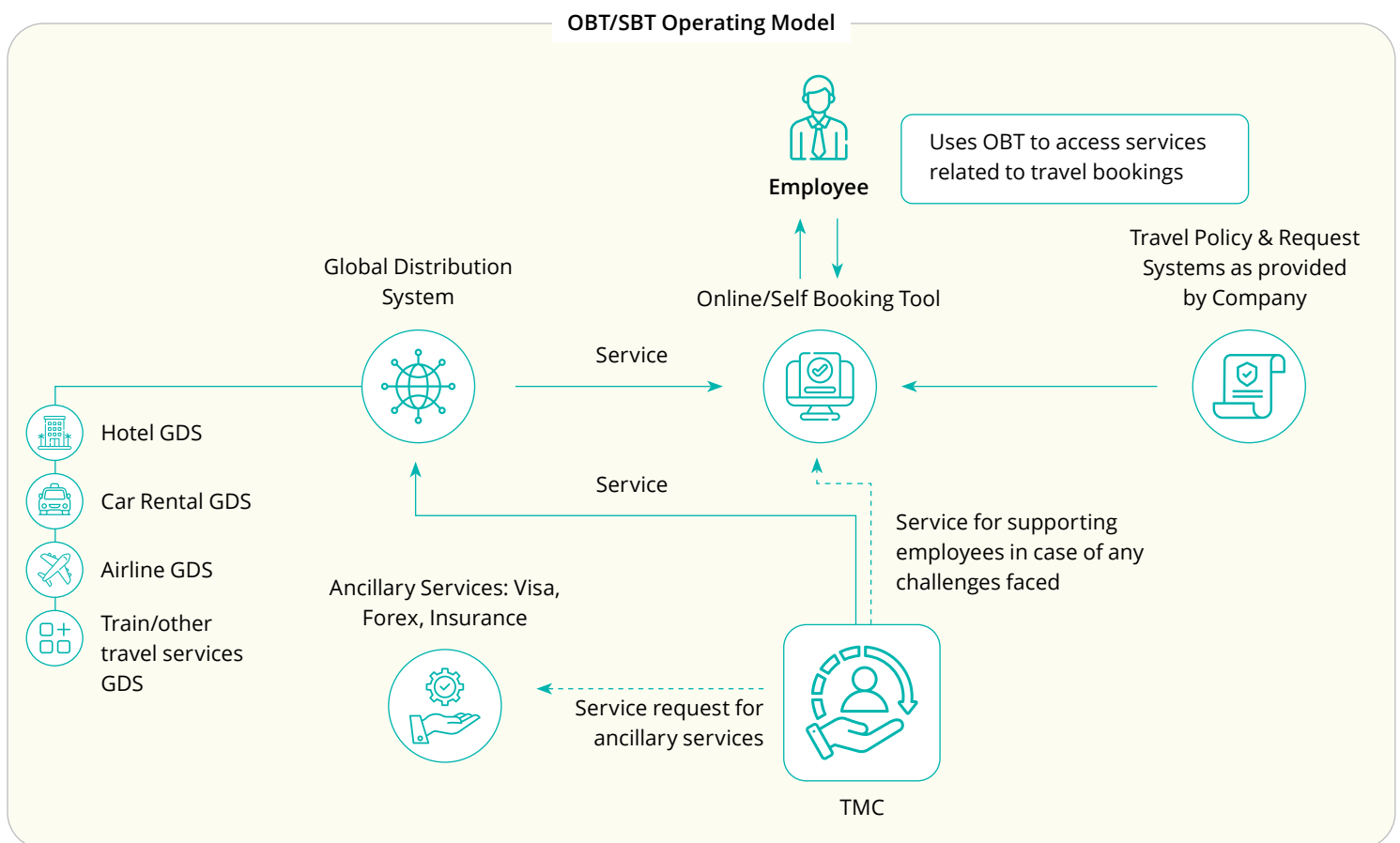
<sup>90</sup>Basis interviews with travel managers, Deloitte analysis

<sup>91</sup>FY23 annual reports of NSE top 100 companies (by total income)

## TMCs business models

TMCs have traditionally employed the "implant" model to serve high-spending clients with intricate travel needs. However, with the rise of online ticketing, TMCs introduced self-booking tools, allowing them to serve more clients efficiently and at lower costs. This shift enabled TMCs to cater to increased travel

demands from smaller corporations. Call center operators and travel advisors provided essential backend support, while chatbots managed queries from online ticketing tools or call centers.

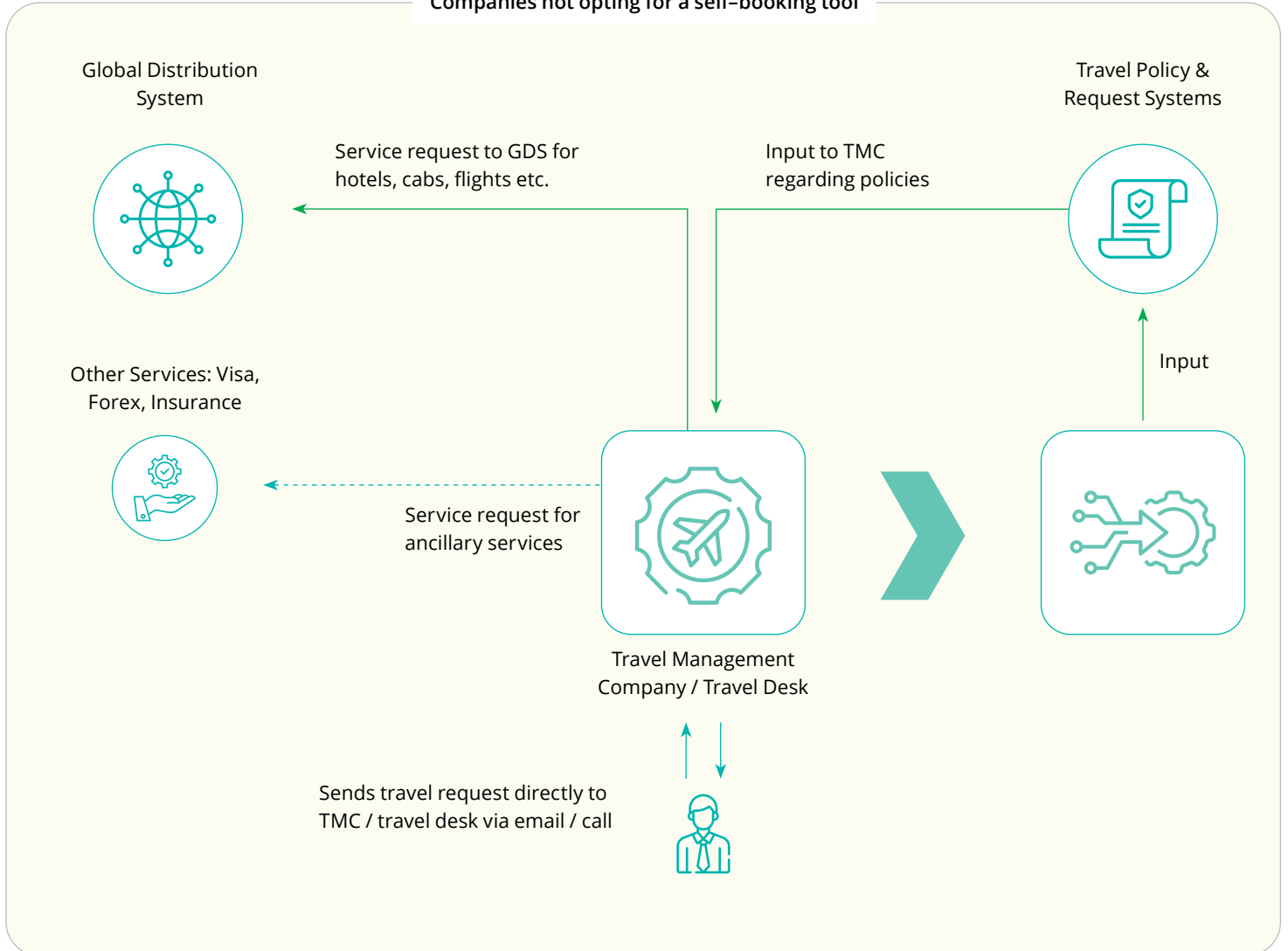


### SBT/ OBT model

- Company employees use Online/Self-Booking Tools (SBT) that are integrated with company policies
- SBT is generally provided by TMCs, procured from system suppliers, or developed in-house
- It is integrated with the TMC's GDS, which employees use to plan trips and bookings
- Additional services like visa and passport services, forex services, travel insurance, and others can be handled through a single TMC or multiple vendors
- Employees have more autonomy while staying within policy compliance
- Less time and fewer resources are needed to service a larger number of transactions, making it easy to scale



**Companies not opting for a self-booking tool**



**Implant/centralised booking model**

- The travel desk/TMC received email requests from employees to book travel
- The TMC performs trip planning through their GDS in compliance with company policy. The process goes through multiple e-mail exchanges before finalising the booking, making it time-consuming (processing time is in hours instead of minutes)
- A lower number of transactions are serviced, making scaling difficult as it depends on the size of the TMC/travel desk team
- There is low autonomy for employees and a higher time taken for services

After the pandemic, corporations re-evaluated their travel needs, which have become more complex and dynamic. This has led to a resurgence in the demand for human servicing, but in a modernised form. Virtual travel advisors (working remotely) are becoming more prominent nowadays, allowing TMCs to assign advisors based on client travel volumes/transaction values. Future trends suggest dedicated teams of advisors, some working from offices and others remotely, all equipped with the same technology to meet clients' dynamic travel needs.

In the SBT model, TMCs assign one travel advisor to manage a monthly travel transaction value of INR 0.5-0.7 million or about 300 transactions, which leads to 2-3 percent of cost savings for managed travel services. (Source: Deloitte, based on interactions with multiple TMCs)

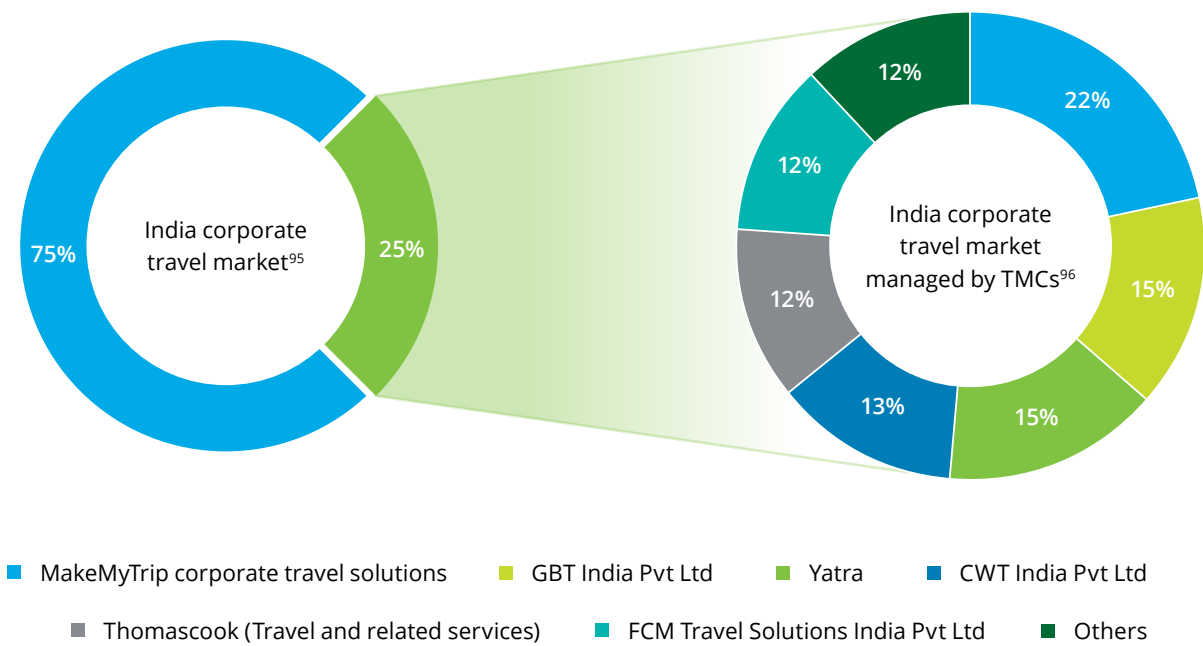
### India's managed travel market

As of FY23, TMCs commanded a significant presence in the corporate travel market, accounting for US\$2.6 billion, approximately 25 percent of the total market share.<sup>92</sup> MakeMyTrip corporate travel solutions, GBT India, Yatra, CWT India emerged as the leading players among TMCs, together capturing around 65 percent of the market share by value.<sup>93</sup> Strategies among TMCs vary; large enterprises headquartered outside India often engage global TMCs to meet their travel needs, with their India offices mandated to use the same TMCs. Meanwhile, other TMCs are concentrating on the SME segment, which has been underserved so far.

With 70 percent of corporate travel originating from large mid-level enterprises and 30 percent from SMEs<sup>94</sup>, expanding business opportunities in India make the SME segment a high-growth opportunity for TMCs

Additionally, certain TMCs specialise in the MICE segment of corporate travel, catering to the specific needs of events and group travel. Certain TMCs consider agent business as part of corporate travel. However, our report defines corporate travel as travel undertaken by business enterprises exclusively.

Figure 24: India managed corporate travel market<sup>95,96</sup>

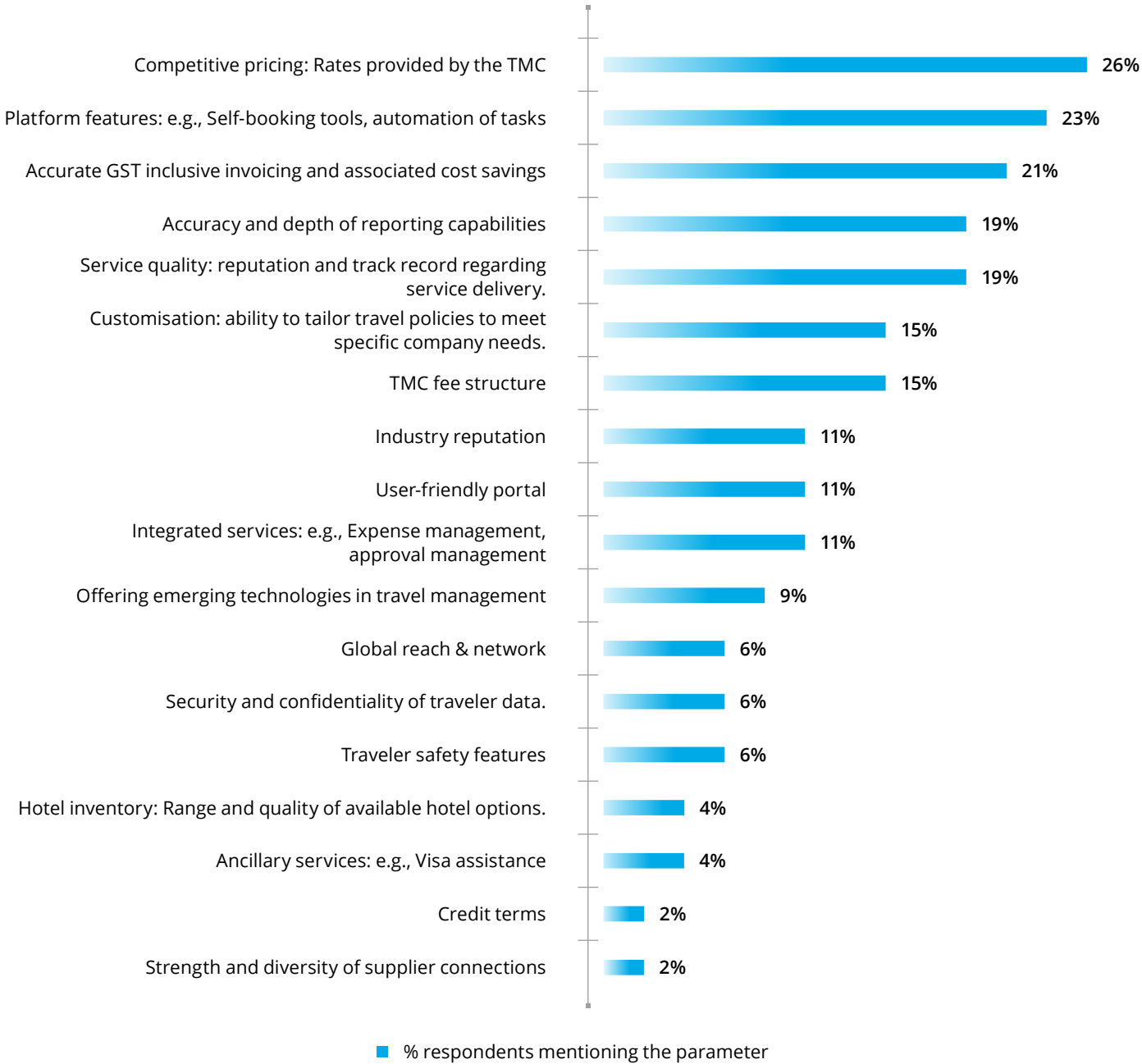


Among the top TMCs in the market, our analysis reveals a convergence of factors contributing to their prominence. From robust service offerings to innovative technology solutions, these TMCs have established themselves as industry leaders.

Our interviews with industry professionals shed light on the nuanced considerations, ranging from **cost-effectiveness and reliability to customised service and global reach.**

<sup>92</sup>Deloitte analysis  
<sup>93</sup>Deloitte analysis  
<sup>94</sup>Deloitte analysis  
<sup>95</sup>Deloitte analysis  
<sup>96</sup>Deloitte analysis

Figure 25: Travel managers’ response to the question—What are the top 5 factors that influence your decision while selecting a TMC



An example of TMCs' cost-effectiveness can be understood by unveiling how the intricacies of GST input credit can significantly impact overall expenses. For instance, with a corporate spend of 1 crore on hotels, if the organisation has GST registration in every state and maintains an average spend profile, they should be eligible for approximately 14 lakh as GST input credit on

hotels, considering a mix of 12 percent and 18 percent GST-rated accommodations. However, many corporations typically claim only what is available in the GST2B report, which often amounts to just 3 lakh<sup>97</sup>. Consequently, when a corporation claims it receives 100 percent input, it is usually based on this 3 lakh figure rather than the potential 14 lakh.

<sup>97</sup>Deloitte analysis

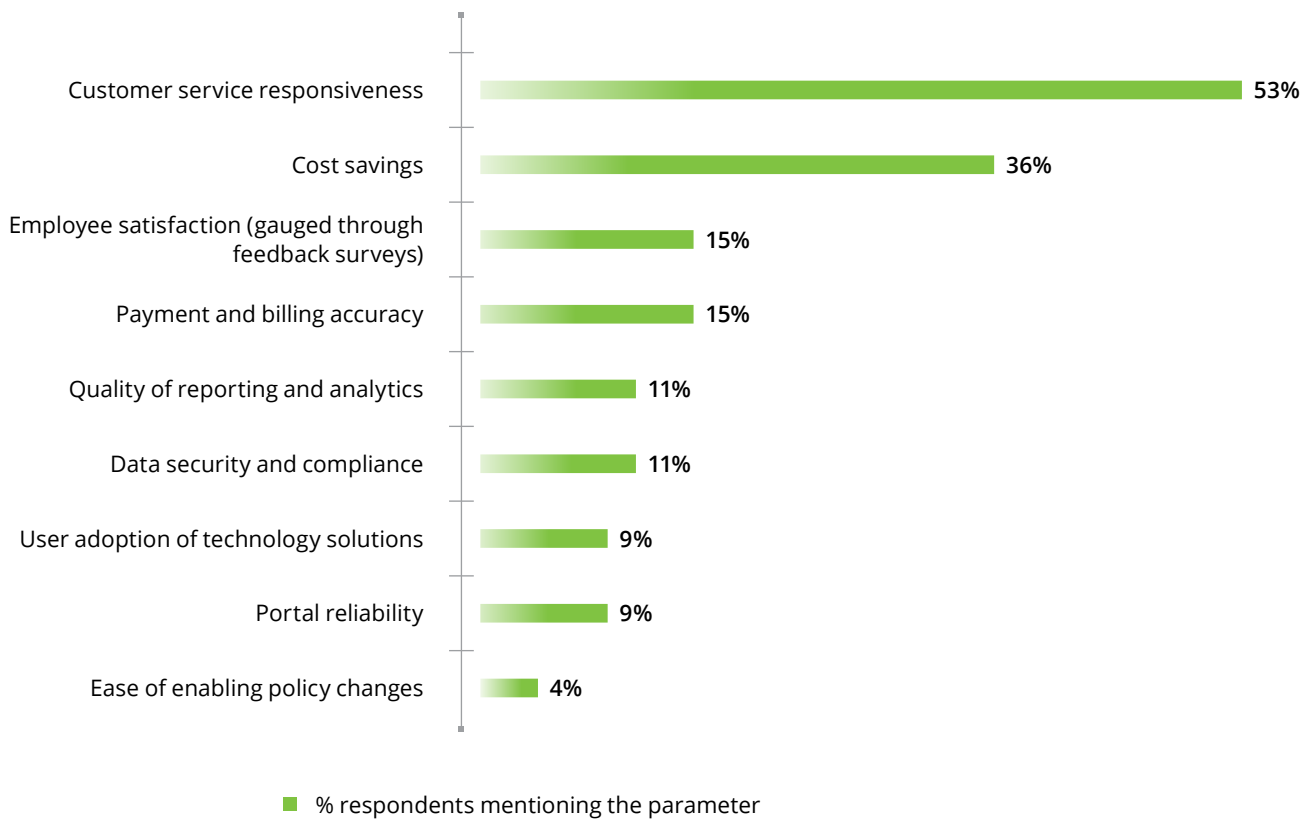
| Criteria                         | Without TMCs           | With TMCs                     |
|----------------------------------|------------------------|-------------------------------|
| Total Spend on Hotels            | ₹1 crore               | ₹1 crore                      |
| Eligible GST Input Credit        | ₹14 lakhs              | ₹14 lakhs                     |
| Claimed GST Input Credit         | ₹3 lakhs               | ₹14 lakhs                     |
| Basis for 100% Input Claim       | GST2B report (3 lakhs) | Ensured compliance (14 lakhs) |
| Invoicing Accuracy               | Limited                | High (correct GSTN provided)  |
| Hotel Compliance with GST Filing | Variable               | High                          |

TMCs help companies address such discrepancies, thereby optimising their travel expenditure.

While the factors above are pivotal during the onboarding phase with a TMC, customer service responsiveness (in terms of call pick-up ratio, turnaround time for queries, effectiveness

of emergency response) and facilitating cost savings (in terms of negotiated rates provided, benchmarking prices on other platforms and overall cost-effectiveness in terms of service fees versus benefits received) are the top determinants that foster long-term loyalty to the TMC. Other parameters include the following:

Figure 26: Travel managers' response to questions—What are the top 5 KPIs you track to evaluate TMC/travel agent's performance?









Charting trajectories:  
Navigating corporate traveller  
and manager preferences

Beyond the TMCs, the corporate travel ecosystem comprises two other pivotal stakeholders:



Travel managers



corporate travellers

Deloitte interviewed 45+ travel managers and surveyed 160+ corporate travellers from diverse industries and organisations of varying sizes. The objective was to delve into user behaviour, preferences and wish lists. The research uncovered profound

insights into the corporate travel market and the influential factors of upcoming trends. The analysis has been transformed into a question-and-answer format, with responses presented as the percentage of respondents selecting each option.

Figure 27: Organisation type, industry profile, age and seniority profile of corporate travellers surveyed

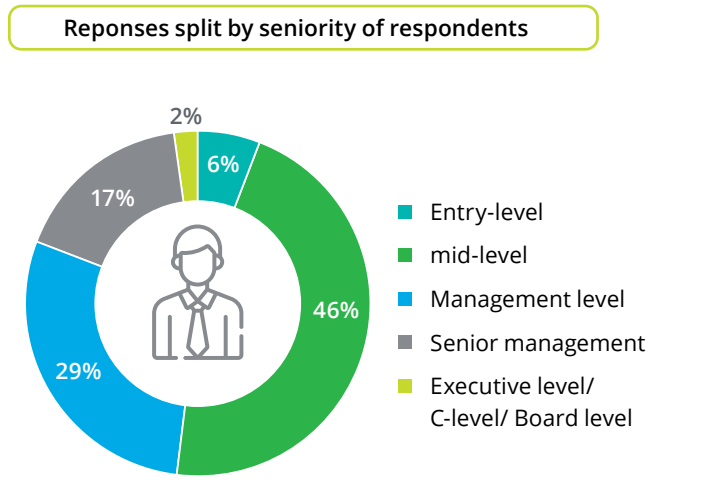
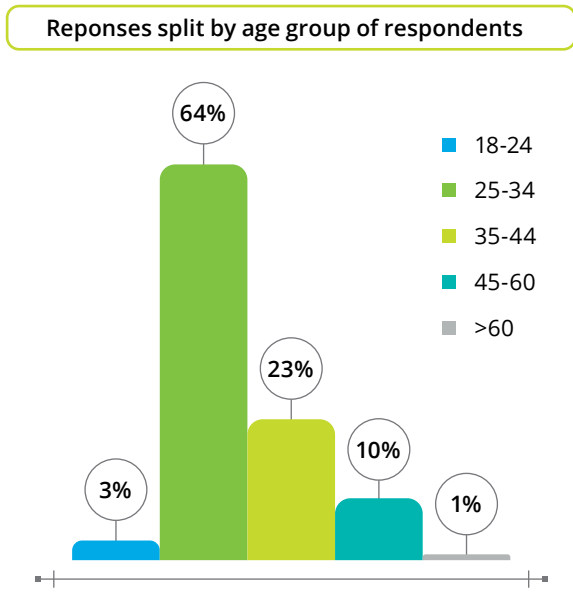
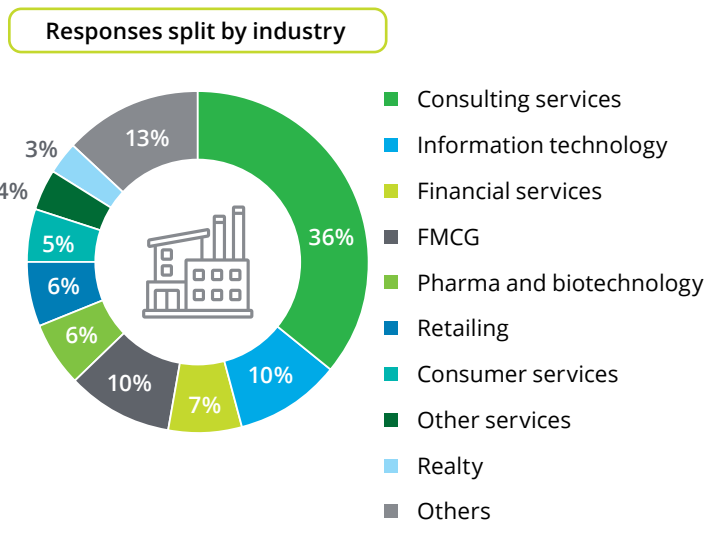
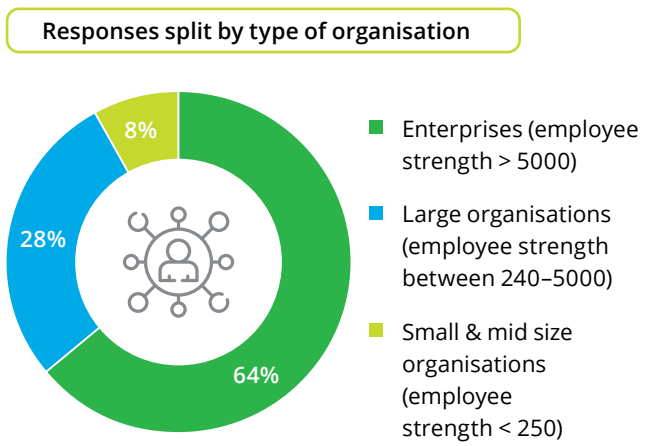
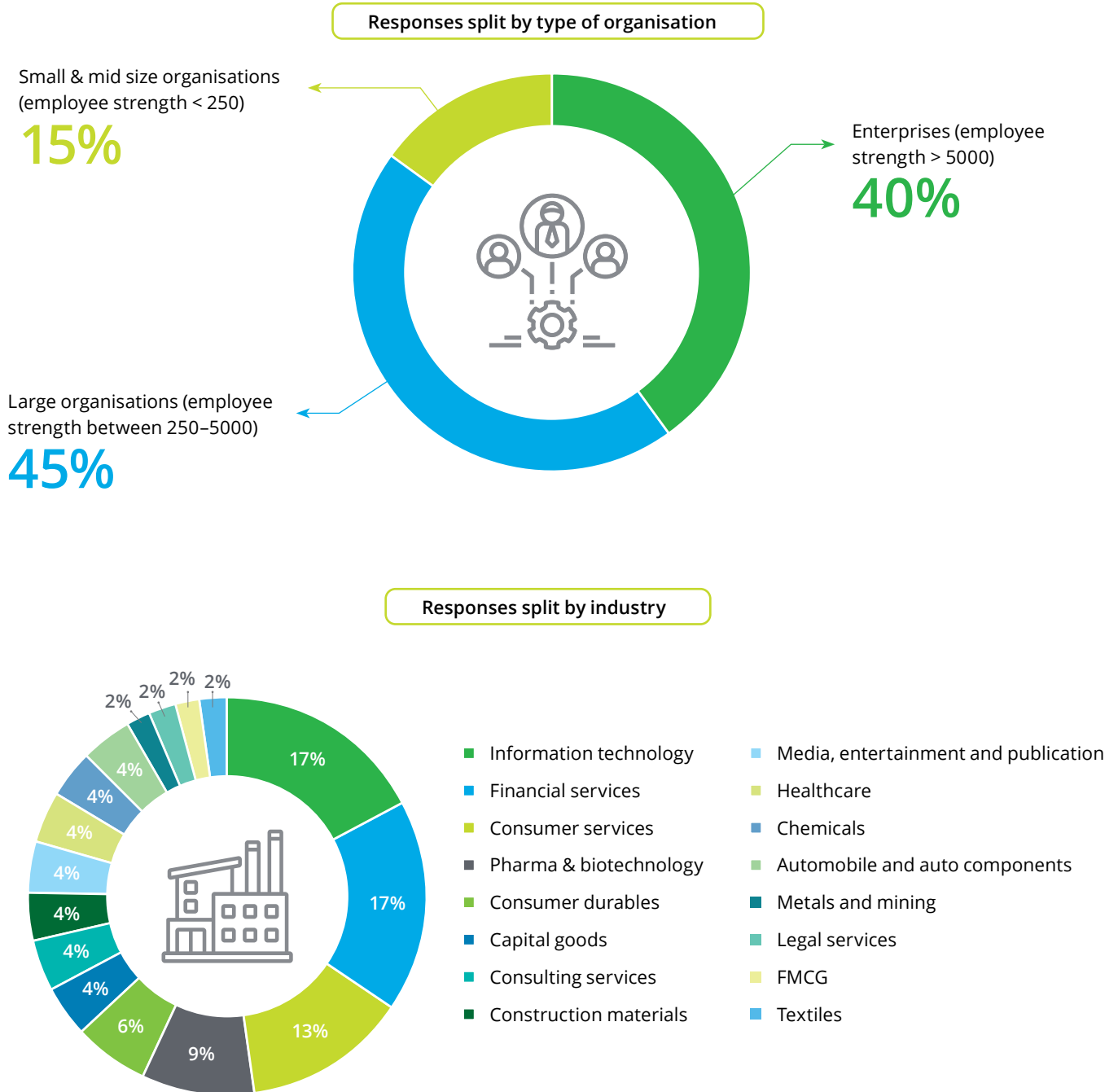




Figure 28: Organisation type and industry profile of travel managers interviewed

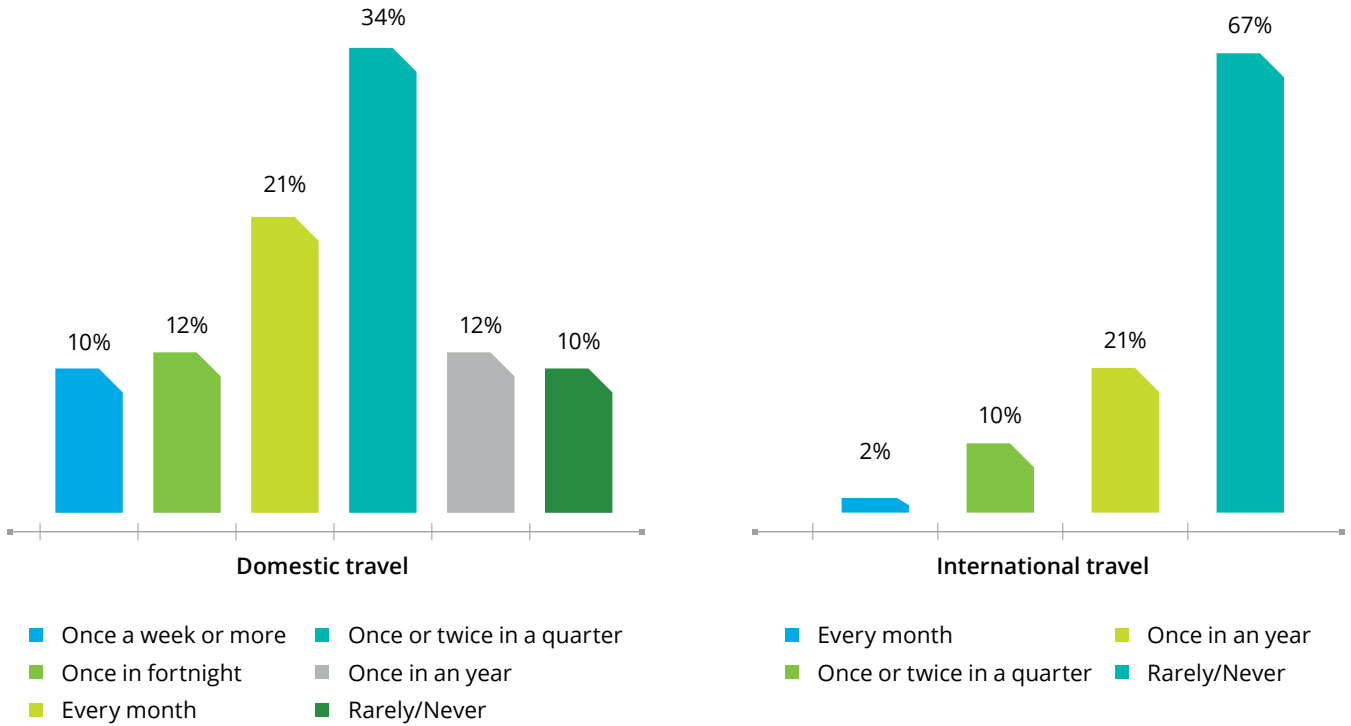


### Decoding corporate India's travel patterns

#### Frequency of travel

On an annual basis, 90 percent of the respondents had pursued at least one domestic travel and 33 percent had pursued at least one international travel.

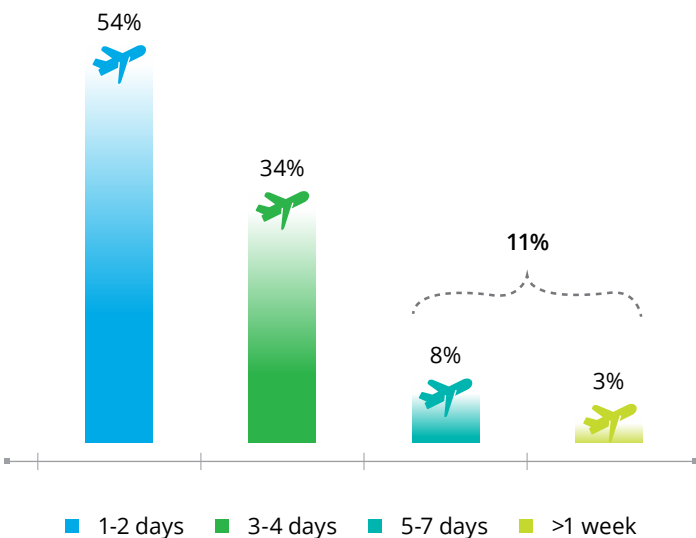
Figure 29: Survey response to the question on frequency of travel



Tenure of stay

Most corporate travellers typically stay for 2-3 days on domestic trips and ~10 days on international ones. However, these trips occasionally get extended, with the reasons varying based on employees' positions, industries and preferences.

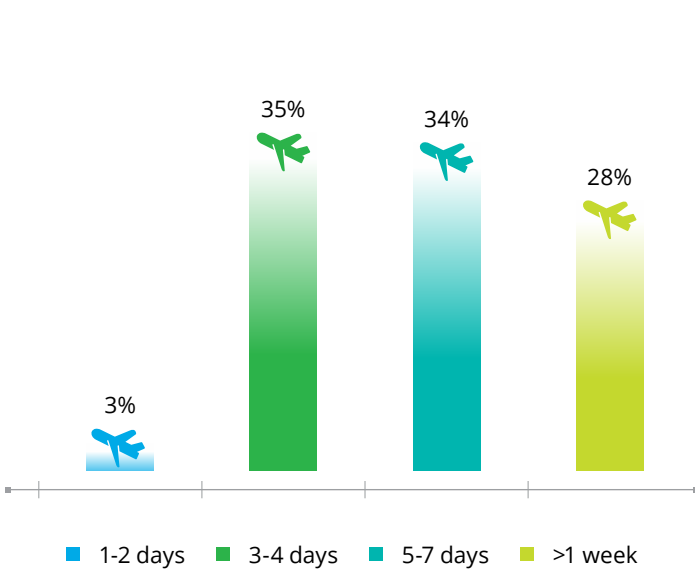
Figure 30: Survey response to the question about average length of stay (domestic)



Key takeaways

- 11 percent of the respondents extended their domestic stay beyond five days, primarily from consulting, information technology, financial, and consumer services sectors.
- Most of these extended stays were observed among entry-level employees, possibly due to service delivery at client sites, regular client interactions, or data collection activities.
- Employees in the industrial, metals and mining sectors predominantly extend their stays beyond five days for purposes such as manufacturing plant commissioning, training programs, and supervision.
- All respondents from small and medium-sized enterprises (SMEs) opted for a domestic visit length of 1 to 2 days, emphasizing the importance of face-to-face interactions in building credibility, trust, and confidence with clients/customers.

Figure 31: Survey response to a question about the average length of stay (international)



Key takeaways

- The duration of stays on international trips varies across regions. In the Middle East, stays typically last 3 to 4 days, while in Southeast Asia, they extend to 5 to 7 days. Conversely, distant destinations like the UK, Europe, and America necessitate longer stays, ranging from 10 to 15 days, resulting in an average trip length of approximately 10 days.
- Senior executives, particularly those at the Executive/C-Level, often choose to stay for over a week during international travel. This preference aligns with their strategy of extending stays to enhance credibility and cultivate stronger stakeholder relationships.

Accommodation trends

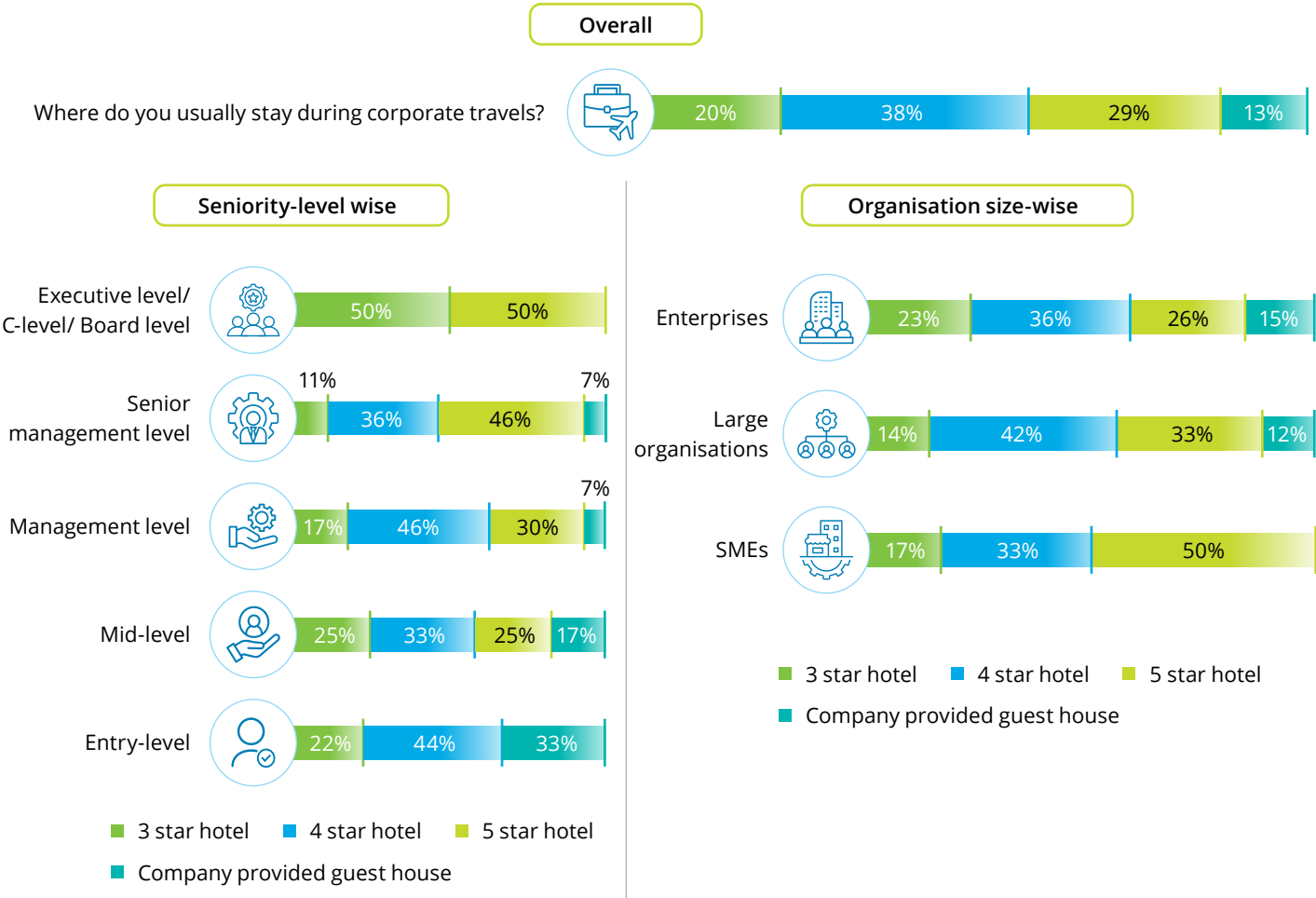
During travel, employees staying overnight require accommodations. These arrangements vary based on the collaborations established by the company and are influenced by travel policies tied to city tiers and employee designations.

As travel frequency and volume increase, new business models emerge in the industry. Alternate accommodations category offers potential cost savings for corporations. A

leading American company operating online marketplace for short- and long-term homestays displays "business traveller ready badge" against listings with essential amenities, such as Wi-Fi, workspace, and strict cancellation policies, streamlining the accommodation selection process for business travellers. A leading OTA player marks properties as "Assured" based on parameters like location and other amenities necessary for business travellers.



Figure 33: Survey response to question on usual accommodation type used for corporate travels



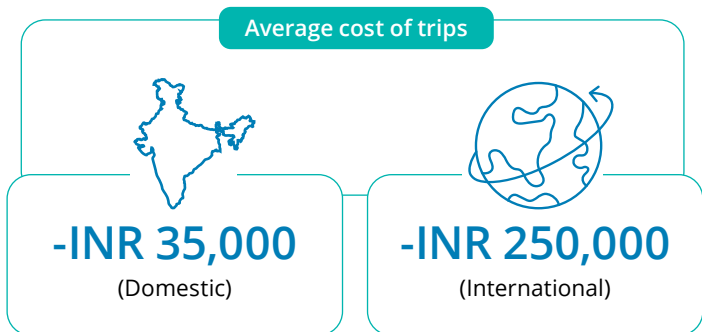
**Travel budgeting and expenses**

For most organisations, travel expenditures have rebounded to pre-pandemic levels, reflecting a resurgence in business activities and a return to more traditional modes of operation. **Even if the number of trips taken by employees hasn't reached pre-pandemic levels, higher airfares and stay costs have contributed to travel expenditures reaching or exceeding pre-pandemic levels.** This trend underscores the challenges posed by increased travel expenses and the importance of strategic cost management in corporate travel planning. **Additionally, despite their higher costs, last-minute bookings and the preference for sustainable flight and stay options further impact overall travel expenditure for organisations.**

For enterprises and large organisations, the distribution of travel expenses is notable, with 60 percent allocated to domestic travel and the remaining 40 percent to international travel. Conversely, for SMEs, 90 percent of the travel expenses, are directed towards domestic travel, while only 10 percent is allotted to international travel. These proportions reflect the differing travel priorities and

scales between large corporations and smaller enterprises.

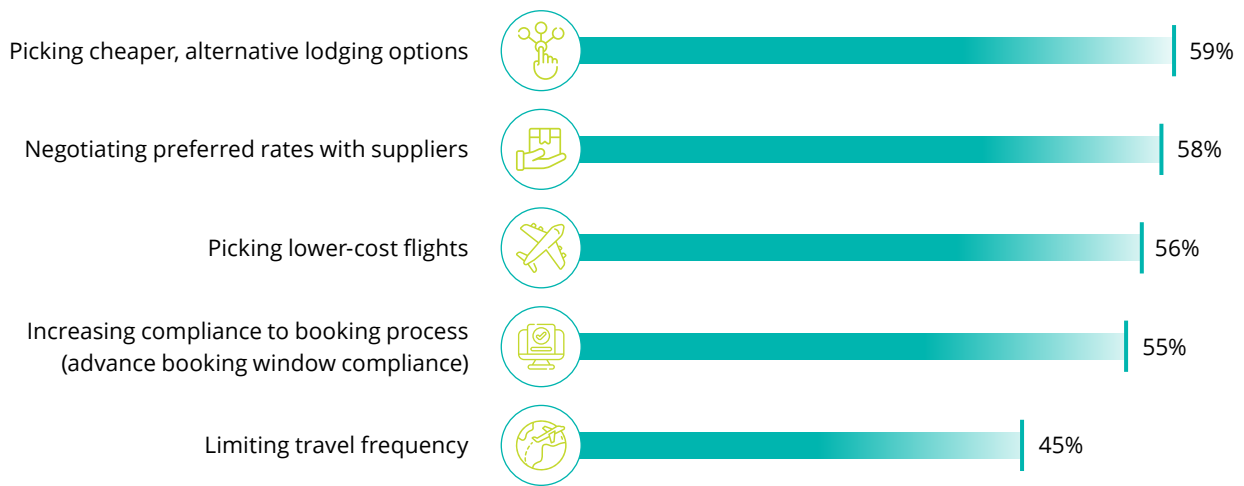
The costs associated with travel have been delineated through evaluations based on parameters, such as average airfare, average stay cost, and insights from interviews with travel managers, supplemented by survey responses. **On average, the cost of a domestic trip is estimated to be ~INR 35,000, while the cost of an international trip is ~INR 250,000.**



Most travel managers stated that travel expenses are reviewed by leadership at least annually. During these reviews, factors aimed at reducing expenses are thoroughly discussed and

analysed. This practice reflects the ongoing commitment of organisations to optimise their travel budgets and align them with overarching business objectives.

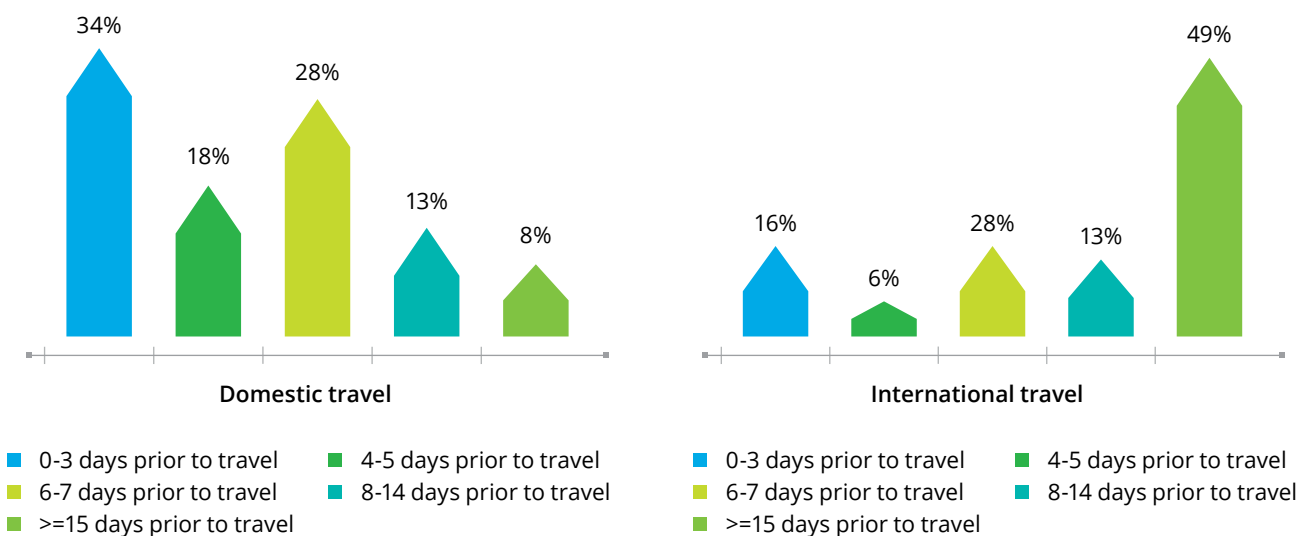
**Figure 33: Response to Deloitte global survey question—What are some of the measures that your organisation is taking to control travel costs as travel frequency rises <sup>98</sup>**



Our interviews and survey results revealed that, on average, organisations in India typically require a lead time of seven days for domestic and 15 days for international trip bookings. On

average, travel managers reported a 50–60 percent adherence to booking windows by employees.

**Figure 34: Survey response to the question—How early are you required to book flight and hotel?**



<sup>98</sup> [https://www2.deloitte.com/content/dam/insights/articles/us176336\\_corporate-travel/DI\\_Corporate-travel-2023.pdf](https://www2.deloitte.com/content/dam/insights/articles/us176336_corporate-travel/DI_Corporate-travel-2023.pdf)

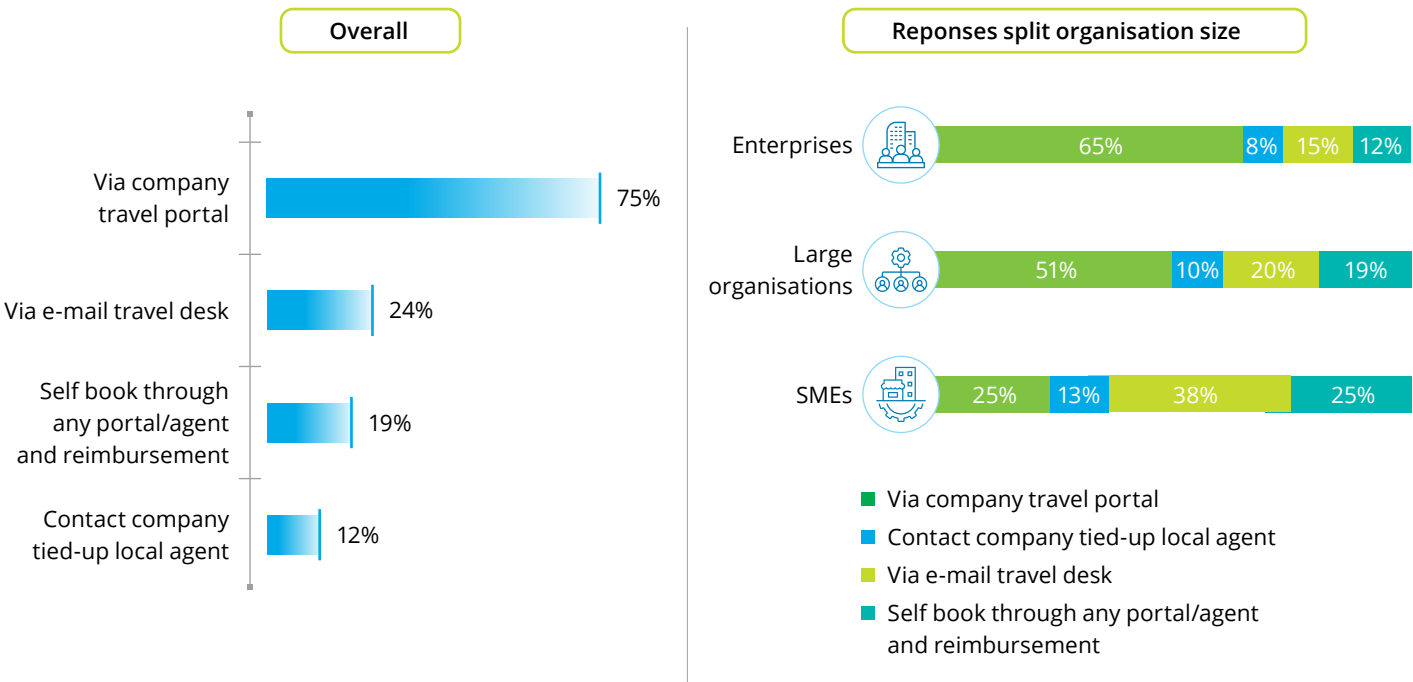
### Corporate travel booking procedures: Portals, approvals and reimbursements

#### Travel booking portal

In the corporate landscape, the predominant method for managing travel bookings within enterprises is using self-booking tools, often complemented by implant services or central booking teams. As the size of the organisation decreases, the prominence of central booking teams increases. Most small and medium-sized organisations follow a centralised booking model, wherein employees are required to submit travel requests to the travel desk for processing. Around **24 percent** of survey respondents preferred **multiple options**

when asked about their travel booking methods, suggesting that organisations may adopt diverse models for corporate travel management. These might include separate vendors/agencies for flights, hotels, intercity/intracity cab bookings, visas and Forex. In response, TMCs are also expanding to offer multiple services (either through collaborations, acquisitions or in-house development) to become one-stop solution providers for all such travel-related needs.

Figure 35: Survey response to the question—How do you book travel tickets and accommodation?



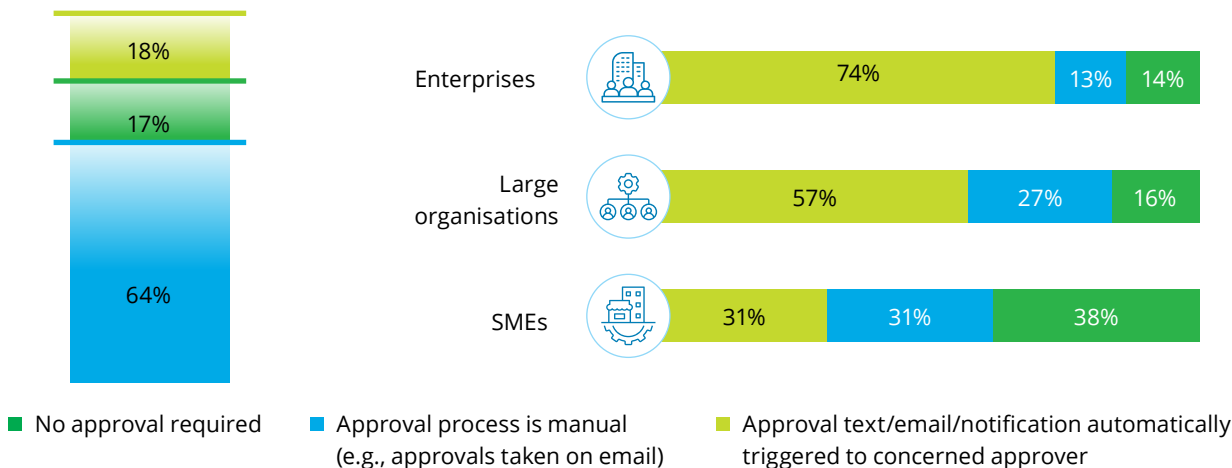
#### Travel approvals

Efficiency is paramount. Internal approvals are streamlined in many firms to expedite the booking process. In enterprises, approval workflows are automated, while SMEs commonly rely on manual, email-based approvals.

Typically, only one level of approval is needed, but if the travel budget is predefined and the booking window is exceeded, a second-level approval (L2) is required. Additionally, it's observed that as employees ascend within the organisation, the level

of approval for travel decreases. Approximately, two-thirds of executives at the C-level or board level indicate they don't require approval for their travel plans and expenses.

Figure 36: Survey response to the question—How do you obtain approvals for corporate travel?



**Payments and reimbursements**

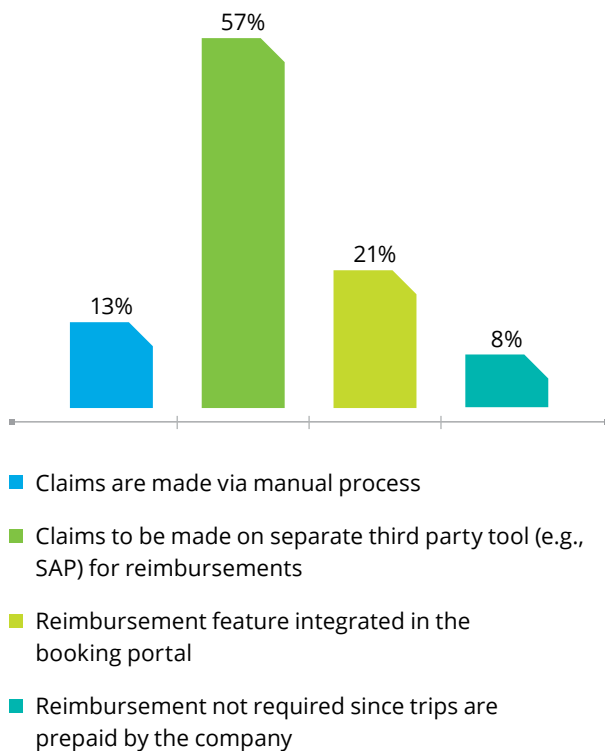
In SMEs, travel expenses are typically prepaid by the company, often through preloaded TMC wallets extended on credit. In larger organisations and enterprises, the approach varies. Some prefer prepaid arrangements, especially for frequent international travellers, while others offer corporate credit cards or permit the use of personal cards or wallets. Only 8 percent of surveyed corporate travellers mentioned direct payment management by the company.

For expenses that are not prepaid, reimbursement processes come into play once travel payments are made. Companies employ various methods for reimbursement processing, including separate portals, platforms integrated with booking systems, or manual processes.

Figure 38: travel managers response to question—is travel expense management integrated with booking portal?



Figure 38: Survey response to the question—How do you claim reimbursement after completing the trip?



**Key takeaways**

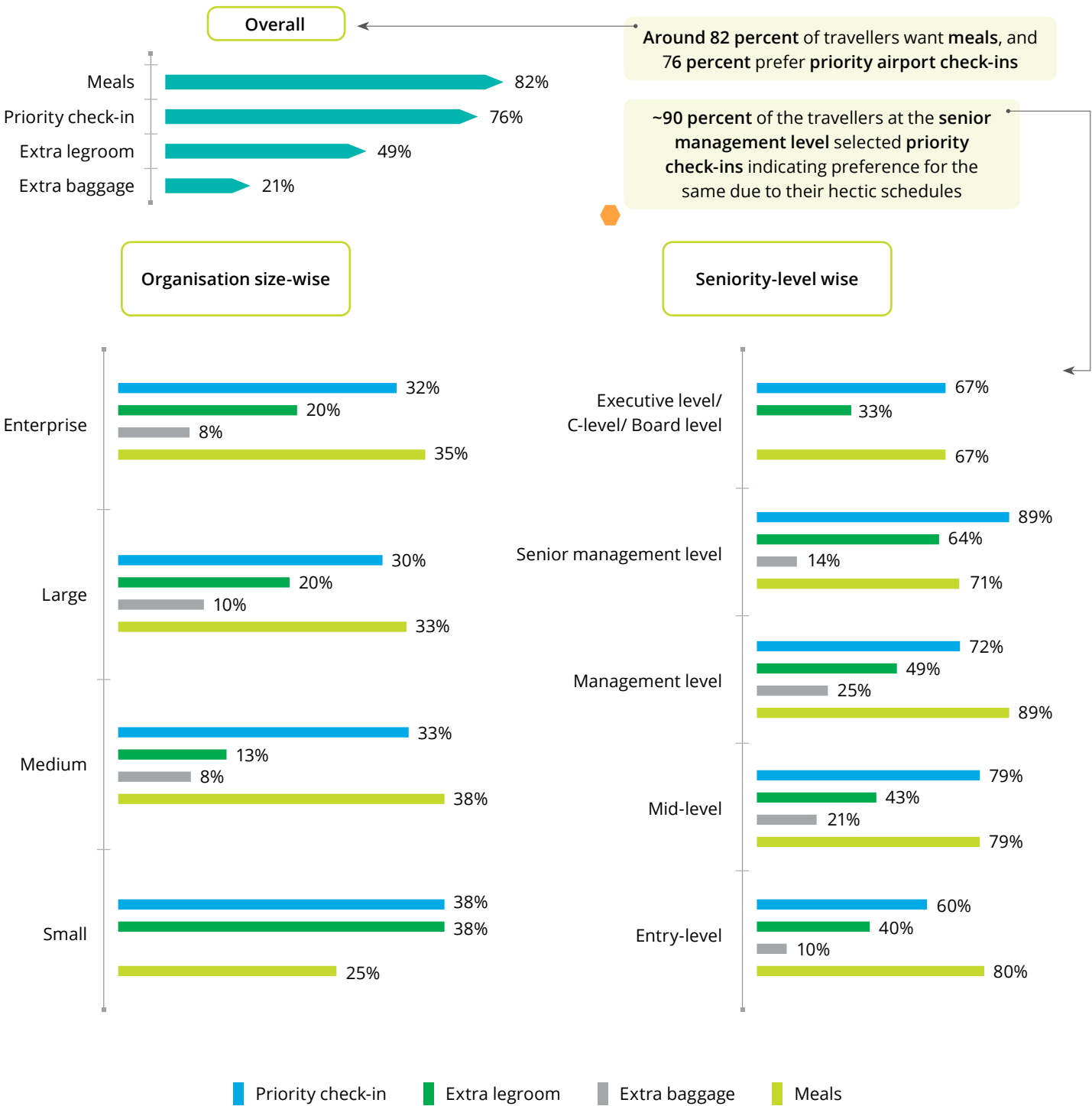
- Most of organisations have a third-party tool implemented in their system for expense management
- Most commonly mentioned tools : SAP Concur, Happay
- Other tools mentioned by organisations : Darwinbox, Peoplestrong, Zoho
- TMCs like MakeMyTrip, GBT, spotnana have come out with their own expense management tools which organisations have started exploring.



**Traveller preferences**

Per the traveller survey, air travel is the most prominent mode of transportation selected by participants. Respondents were also asked about add-on services and their preferred method of paying for travel expenses.

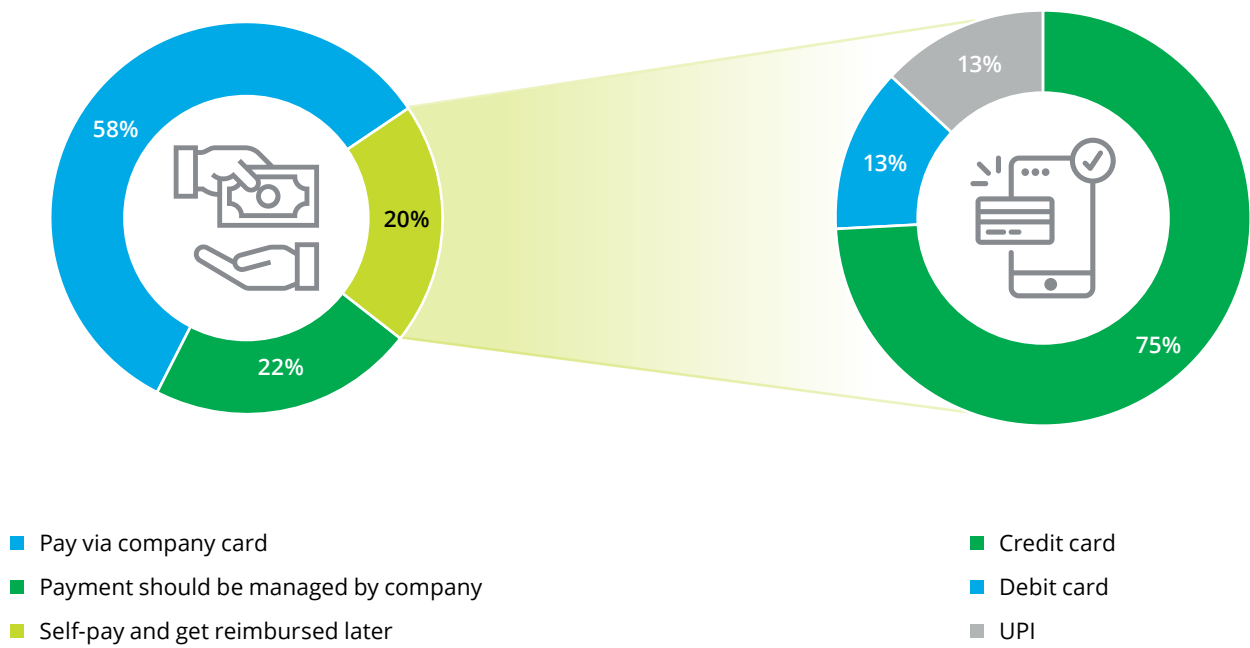
**Figure 39: Survey responses to the question—What add-on services do you prefer to have for the air travel model?**



Around 80 percent of travellers favour pre-paid travel or payment via a company-provided card, while the remaining 20 percent opt to pay themselves. Among this 20 percent, 75 percent prefer using a credit card for payment,

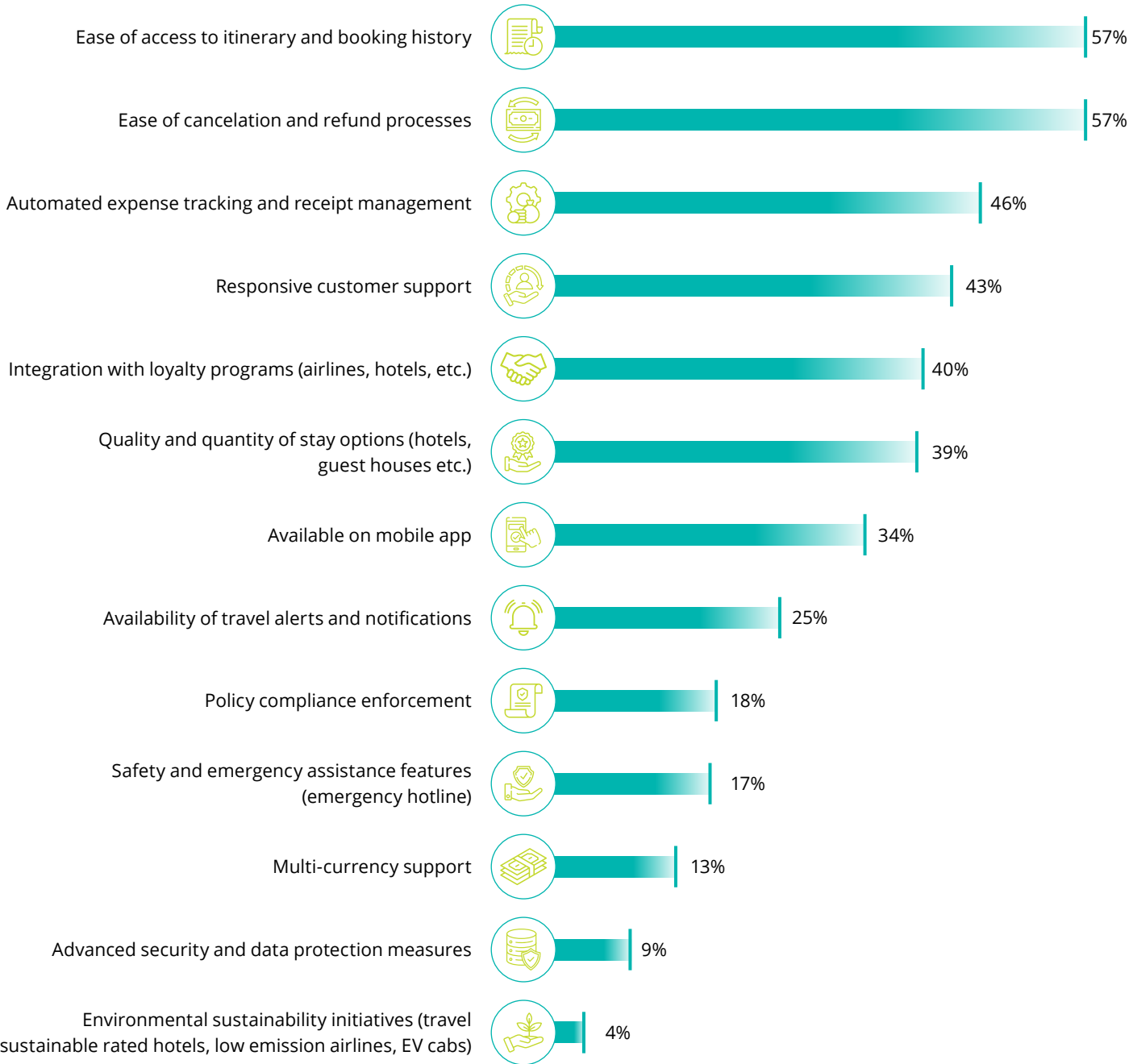
suggesting a desire among corporate travellers to accrue loyalty points offered by credit card firms. These rewards may include benefits, such as reward points and milestone bonuses.

Figure 40: Survey response to the question—How do you prefer to pay for corporate travel?



When queried about the most crucial factors regarding services provided by a travel service provider/portal, survey respondents identified the top five as:

**Figure 41: Survey response to the question - Please indicate the top 3-5 factors that are most important to you regarding services provided by a travel service provider/portal?**

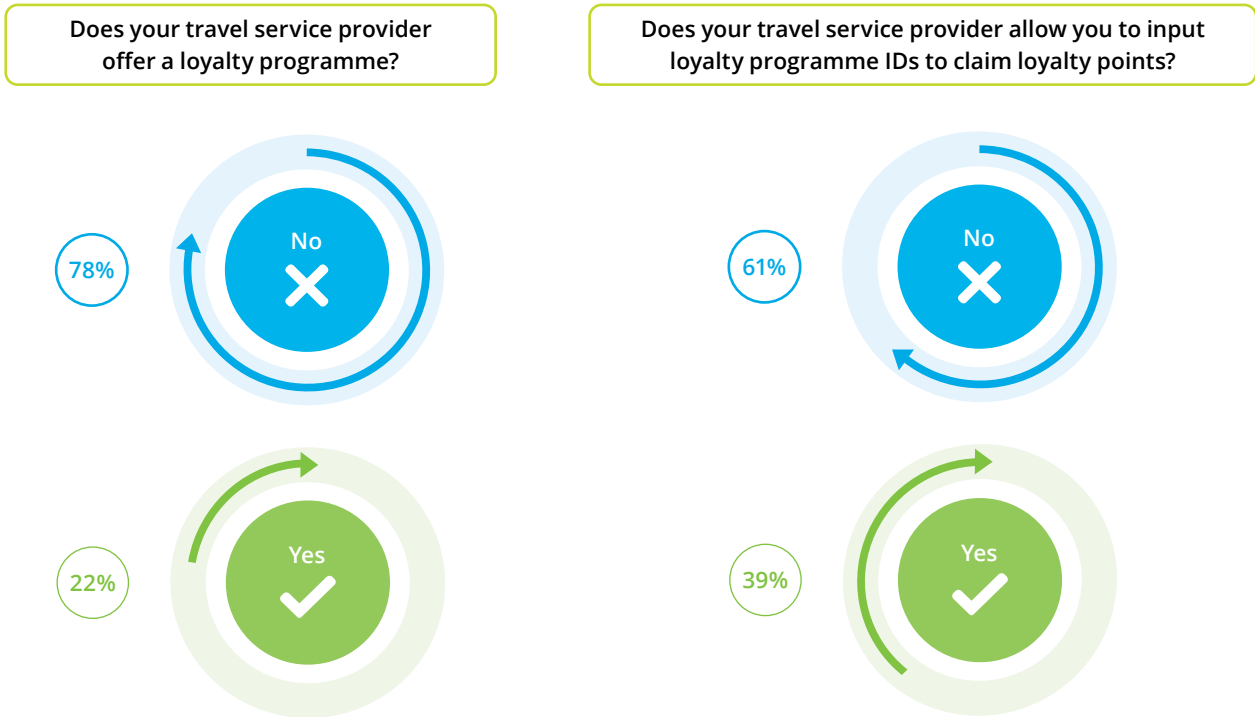


Other top factors mentioned by respondents include notifications for **prompt bookings once approvals are completed** and **offline personalised connectivity**.

While integration with loyalty programmes ranks as one of the top factors for survey respondents, only 22 percent reported

that their travel service providers offer a loyalty programme. Additionally, less than half stated that their travel service providers allow the input of external loyalty programme IDs.

Figure 42: Survey response to the questions on loyalty programmes

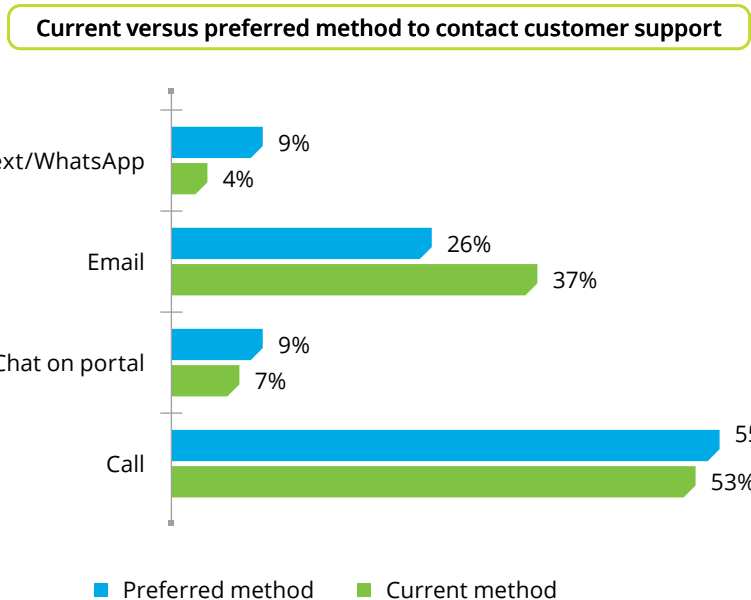
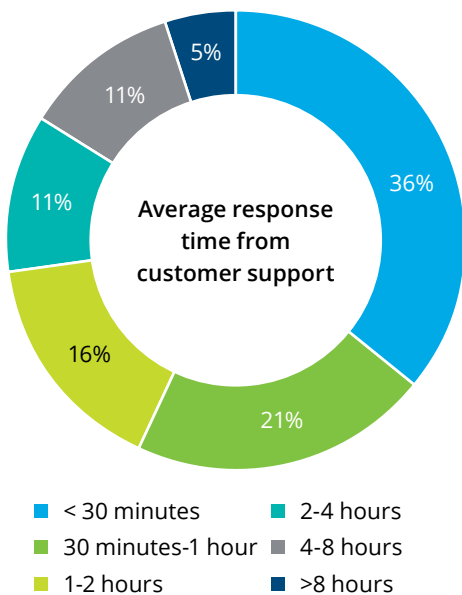


Customer support is critical for corporate travellers and serves as a primary metric for assessing travel management company performance. Responsive assistance is vital in various scenarios,

including booking adjustments, payment issues, transportation aid, itinerary changes, visa and documentation support, compliance with travel policies, and general inquiries.

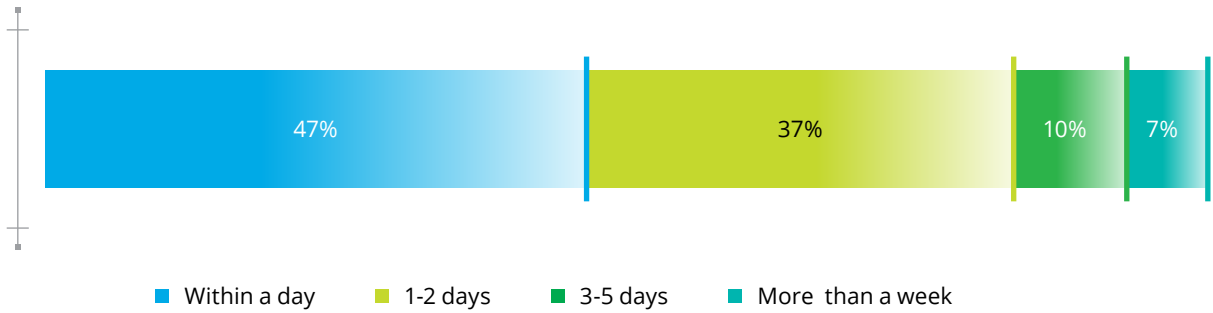
Human interaction remains paramount, as 55 percent of travellers prefer engaging with customer support teams via phone conversations to post their queries.

Figure 43: Survey responses to questions on:



According to survey responses, 83 percent of respondents mentioned that query resolutions occur within two days of the query being raised.

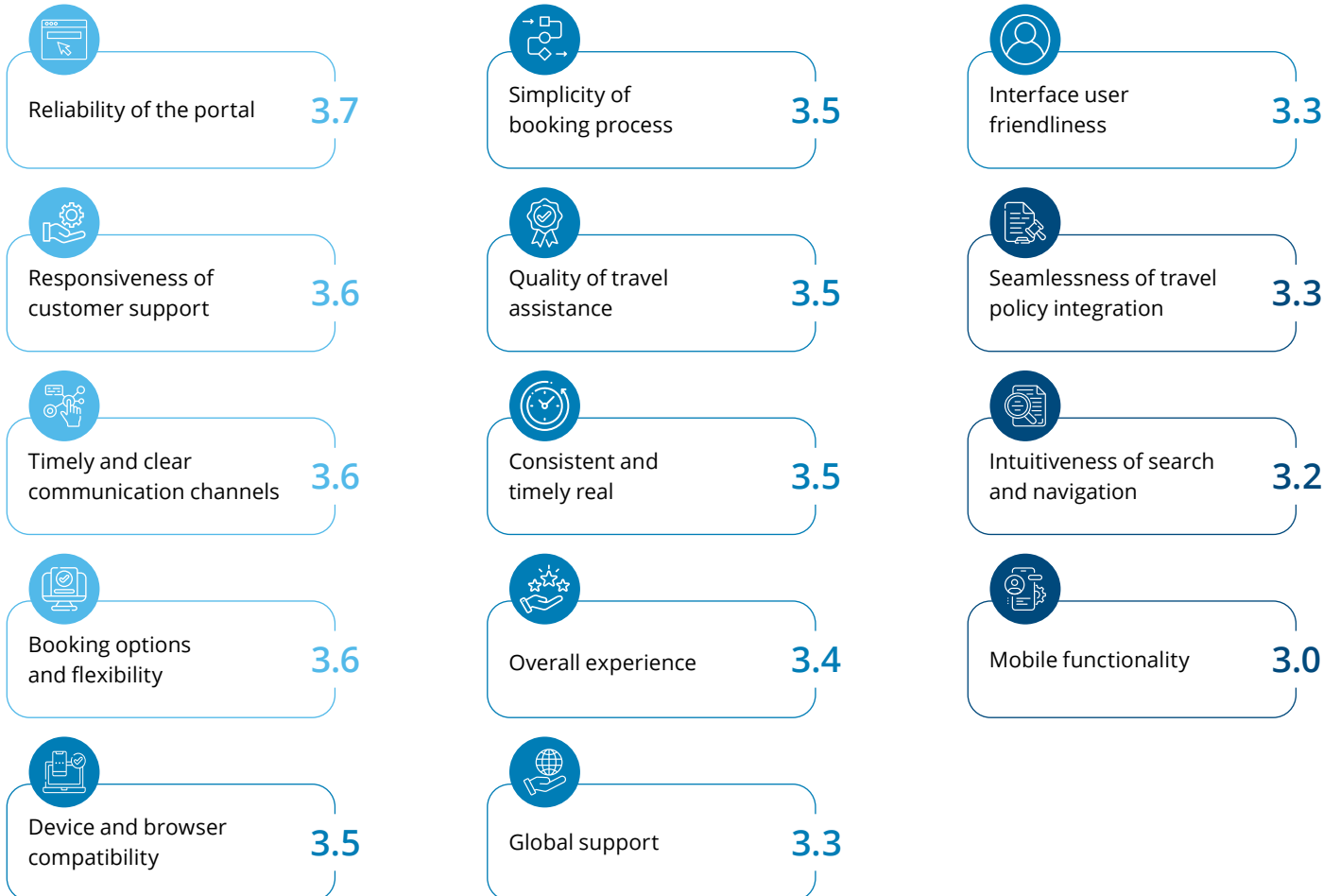
Figure 44: Survey responses on the question—On an average, how long does it take for the issue/query to be resolved?



**Travel portal experience**

Survey respondents were asked to rate the travel portals they use on various factors, ranging from 1 to 5, with 1 representing the worst rating and 5 indicating the best. While respondents expressed contentment with the portal's reliability, they indicated scope for improvement in responsiveness of

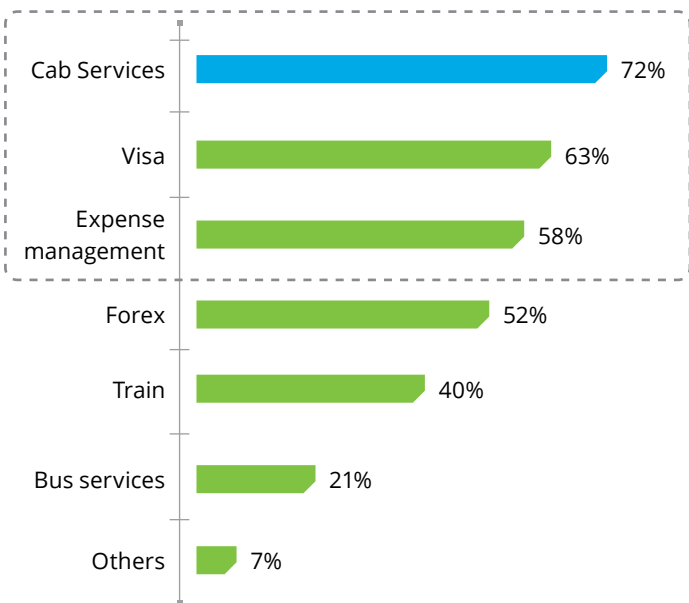
customer support, timely and clear communication channels, booking options, and flexibility. Specifically, TMCs need to enhance the seamlessness of travel policy integration, intuitiveness of search and navigation, and mobile functionality.



### Stakeholders wish lists—Desired travel enhancements

When asked about additional services they desire from their portal/service providers, respondents selected cab services, visa assistance, and expense management as the top three integrated features.

Figure 45: Survey responses to the question—What are the top 3 services (apart from airline and hotel booking) do wish your travel service provider/travel portal could provide?

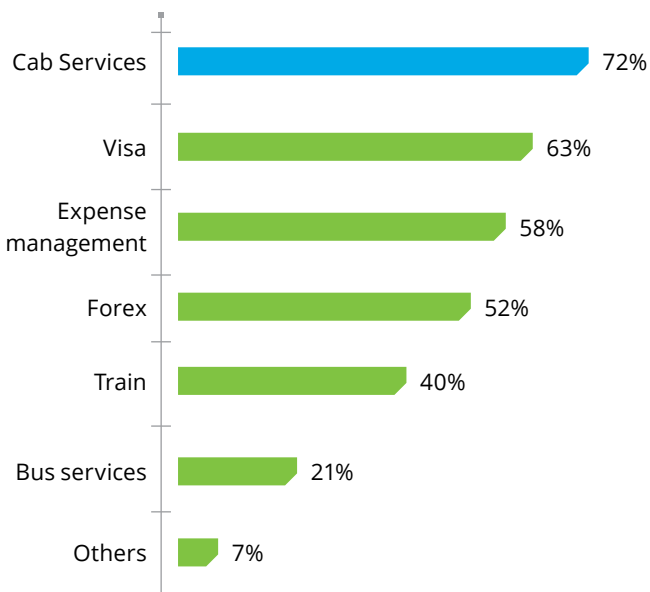


Key takeaways

**Cab Services**

- Most organisations have **tie-ups** with **external vendors (location-specific)** for cab services. For example: ecoTaxi, Ola, ORIX, KTC, Uber
- Some organisations are moving towards having **EVs** for cab services. They are either **replacing their own fleet** or **tying up** with such players. For example: BLU smart mobility, cab-e, HAIL electric cars
- TMCs are working towards the **safety** of travellers (**especially women**) by tracking their locations and drop-points while commuting via cabs, in collaboration with players such as: MoveinSync, Routematic
- Travellers across industries and hierarchies have **cab services** as their **first choice** when choosing services

Figure 46: survey responses to the question—what are the top 3 services (apart from airline and hotel booking) do wish your travel service provider/travel portal could provide?



Key takeaways

**Forex** - Organisations rarely use their TMCs for their forex services. They usually **prefer a local player, bank, or a player (local or PAN India) focused on Forex services**. Some players are: BookMyForext, Orient exchange, EBIX cash.

**Train**

- Chemical and industrial sectors** have significant train travel (**Corporate offices to manufacturing plants**)
- The Mumbai-Gujarat route** is the **most sought-after** for corporate travel, as most corporate offices are in Mumbai and chemical plants in Gujarat.
- Few organisations require manual train ticket booking (via IRCTC) or **offline** channels (ticket counters), making it challenging to get a rail ticket urgently.
- Some **TMCs allow** customers to make train bookings via their platforms, such as **MakeMyTrip, Ebix, and Ixigo EaseMyTrip**.

Source: Primary interviews, Deloitte analysis, Secondary research

When asked about their wish list features, travel managers mentioned the following:

### Wishlist of Corporate Travel Managers



Gen AI chatbot



Insights on travel patterns and travel spends



Escalation matrix mapping



Carbon tracking and carbon credit provision



Service apartment and guest house bookings for long-term stay



Train booking (General and Tatkal)



Safety feature for women travellers and safety rating for hotels



Integrated expense management tool



Rebooking feature, price drop alerts for booked tickets



Cloud based MIS tool for real-time analytics & reporting



Super admin view (track employee's travel plan in a single window)



Air ticket and hotel booking in one go



Duty of Care, better customer support in case of emergencies



Comprehensive itinerary for travelers





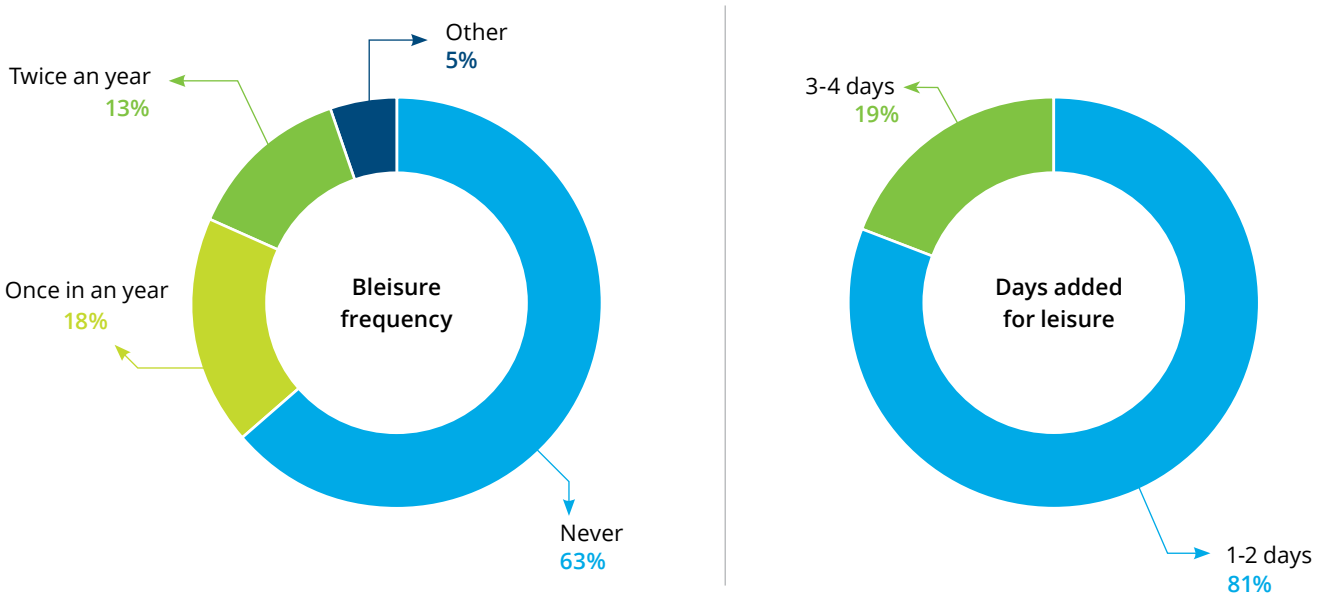
# Unveiling trends: The evolving landscape of corporate travel

### Blurring boundaries: The rise of B-leisure travel

Bleisure, the blend of business and leisure travel, is gaining popularity among corporate travellers in India. This trend mirrors evolving work cultures and personal preferences, with professionals seeking a balance between work and relaxation. Factors such as employee well-being and flexible work arrangements drive this shift. Technology and remote work capabilities allow seamless integration of leisure into business trips. Coworking spaces and flexible office setups in travel destinations support this trend, enhancing productivity and satisfaction.

Around 29 percent of respondents extend trips for leisure, with 81 percent adding 1–2 days and 20 percent adding 3–4 days. This impacts in-destination needs, with laptop luggers<sup>99</sup> seeking appealing workspaces, convenient amenities, and local activities. Around 40 percent of survey respondents who extend trips for leisure mentioned that they stay in the same accommodations booked for corporate travel. Balancing business and leisure stays poses a challenge for the hospitality industry, as short-term rental hosts are preferred for extended leisure stays. Providers can cater to laptop luggers needs by offering appealing workspaces, amenities, and in-destination activities.

Figure 47: Survey response to the questions—1. Do you blend business and personal travel (i.e., adding additional leisure days to business trips)? 2. On an average, how many days do you as leisure days to your business trip?



### Sustainability no longer a buzzword

Sustainability has evolved from a mere buzzword to a decisive factor in corporate travel, reflecting a global commitment to eco-friendly practices. Companies recognise the substantial impact of sustainable travel on brand reputation, talent attraction, and risk mitigation, prompting a strategic integration of sustainability into travel policies. Corporate travel significantly contributes to carbon emissions, necessitating a reassessment of travel policies to incorporate sustainability considerations. This transformation aligns with societal expectations and yields economic benefits, such as cost savings and enhanced reputation, driving the adoption of eco-friendly

accommodations, low-emission transportation, and virtual meetings.

Suppliers are undertaking efforts to decarbonise flight operations, such as the Sustainable Aviation Buyers' Alliance (SABA).<sup>100</sup> They also aim to accelerate the adoption of sustainable aviation fuel (SAF), offering a viable climate solution to reduce air transport emissions. International airlines and related businesses are forging alliances with clients to drive sustainable targets, offering resources and incentives to lower business travel emissions and meet sustainability goals.

<sup>99</sup>Laptop Luggers are a new segment of travellers who are travelling with their laptops in their luggage and enjoy the pleasures of travel while also working. (Source: <https://www.nerdwallet.com/article/travel/workcation-laptop-luggers>)

<sup>100</sup><https://flightsaba.org/how-we-work/>

Some airlines and related businesses are forming alliances with clients to advance their sustainability objectives. For instance, a low-cost airline in the USA offers a Sustainable Travel Partners programme which equips corporate customers with resources to reduce business travel emissions. Corporations can support airline's use of sustainable aviation fuel (SAF) by purchasing SAF certificates, aiding it in reaching its SAF usage target by 2030. Collaborations, such as Shell Aviation for SAF supply at Los Angeles Airport, exemplify the industry's commitment to sustainability. Similar programmes are emerging among other airlines, including Delta, Alaska Airlines, and EcoSkies.

TMCs too can significantly influence consumers to make more sustainable choices. They can achieve this by offering a range of sustainability-focused travel options and services during the booking process. TMCs can also present decarbonisation information, such as carbon footprints and emission savings, in compelling ways to resonate with travellers. Providing environmentally friendly options in search results can further encourage sustainable purchase decisions. Additionally, TMCs can provide tools for employees to track their annual carbon emissions and assist companies in tracking their overall carbon emissions.

Many international TMCs have already integrated their booking tools to highlight carbon emission savings in flight search options. Likewise, OTA players are categorising their inventory of hotels and accommodations based on sustainability rankings, enabling environmentally conscious travellers to make sustainable choices when selecting accommodation.

### **Elevating employee safety: Prioritising employee well-being**

In business travel, employee safety and well-being play a vital role, extending beyond high-risk industries to encompass various travel situations. As companies expand globally, "Duty of Care" becomes integral to corporate travel programmes, requiring appropriate policies and risk management strategies.

Tailoring safety measures to each organisation's unique needs is essential, often necessitating collaborations with specialised organisations, such as iSOS and iJet. This will ensure employee safety during travel through services, such as virtual assistance, employee tracking, and emergency medical services. Collaboration among stakeholders is crucial to address "Duty of Care" concerns and ensure employee well-being during travel.

#### **Corporate safety protocols**

Travel managers prioritise safety initiatives when collaborating with new hotels and fleet operators. They seek technological integrations and risk control policies from the latter. Corporates often allocate flexible budgets, facilitating daytime travel for female professionals and extended stays in female-friendly hotels. Additional policies encompass assisted travel, avoiding first or last pick-ups, and granting priority to company-owned guesthouses.

#### **Hotel safety innovations**

A leading hospitality player introduced rooms dedicated to solo female travellers, with restricted access and female-only staff. Other leading hotel chains offer similar safety features, including women-only bars, lady chauffeurs, and personalised amenities. Hotels also prioritise safety in architecture, with women's rooms strategically located in well-lit common areas.

#### **Enhanced safety measures for transportation**

Fleet operators offer "Safe Home Reach Alerts" to notify designated contacts upon safe arrival. Many also provide discreet Panic SOS buttons and improved tracking systems for unexpected route changes, monitored by a dedicated command centre.

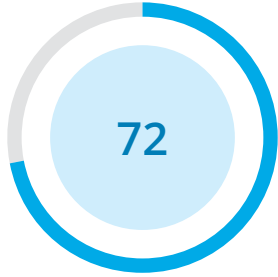
#### **Ensuring safety across travel management**

TMCs play a crucial role in ensuring the safety of accommodation and transportation partners. They meticulously screen partners and continuously update safety protocols through feedback collection and online reputation monitoring.

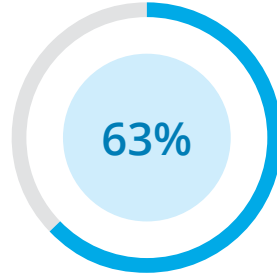
<sup>101</sup><https://www.jetblue.com/sustainability/sustainable-travel-partners>

### Growing demand for ancillary services

Travellers are increasingly requesting specific features or additional services to enhance their experience on travel portals.



72 percent of the survey respondents have selected cab services as one of the services that their TMCs are not providing but would like to have on their travel portal.



63 percent of the survey respondents want Visa services conveniently available on their travel portal.

Travellers often face the challenge of submitting business travel documents to centralised teams or uploading scanned copies to separate expense management software. To address this issue, most TMCs are integrating their platforms with these software packages for a seamless experience. Additionally, some TMCs

offer their own integrated expense management solutions covering multiple use cases. Some TMCs have also developed their own integrated expense management with coverage across multiple use cases.

**Expense Policy Adherence**  
Continuous monitoring of accrued expenses and checking for any budget overshoots or out-of-policy exceptions

**Real time spend visibility**  
Integrated dashboards and reporting for travel managers to forecast spends and take control measures

**Error Proofing**  
Automated reconciliation, AI powered error spotting technologies for detecting errors, and reduce need of extensive audits



**Multiple payment methods**  
Credit cards, virtual cards, advances, direct bill to company etc.

**Tax Reports**  
Reconciliation related to GST, input tax credit etc.

**Approval workflows**  
For different expense category, budget, policy, configurable approval workflows and seamless integration with organization systems like HRMS, ERP etc.

## Need for advanced reporting and a 360-degree view of travelling employees

Most corporate travel managers expressed a desire for a bird-level view that provides details of travelling employees and their locations.



**We often need to see which employees are placed in which country and when are they planning to reach particular destination or travel back from a particular country. Such integrated dashboards will help us a lot in planning for any changes, risk management and communication in times of crisis**

Corporate travel manager from a global MNC



While most organisations have travel policies, adherence levels typically range from 50–60 percent, with many bookings falling outside policy parameters, such as higher flight or rooms rates, or emergency bookings outside the prescribed windows. Although such bookings often go unchecked, travel managers are increasingly focused on adherence to ensure that travel

expenditures remain within the budget limits. Consequently, they seek advanced features from their TMC partners to address revenue losses due to out-of-policy bookings, provide transparency on actual rates offered, and demonstrate savings achieved for the company. This includes onboarding TMCs willing to conduct open book audits.

## Emerging technologies in travel booking

### Voice-based assisted travel booking

Voice-based assistants in travel booking are AI-enabled voice-activated systems that help users to make travel arrangements without physically interacting with a device. These are efficient for frequent business travels for multitasking and streamlining booking experience within their tight schedules. These assistants are efficient in **Natural Language Processing**, enabling users to book hotels, airlines, etc., through specific user commands.

Internationally, these systems have gained relevance, with a leading US-based online travel company pioneering similar features for its travellers back in 2019. A leading US based player in virtual payment processing systems<sup>102</sup> provided these solutions to allow users to make travel choices and complete transactions using only their voice.

### AI-enabled chatbots

AI-powered chatbots have emerged as valuable tools in recent years, driving conversational commerce by facilitating tasks, such as payment completion and booking arrangements. Acting as personal travel assistants, these chatbots assist customers in browsing flights and hotels, offering budget-based options, and introducing tailored packages and promotions based on consumer travel behaviour.

Compared to basic rule-based chatbots, AI-based chatbots boost advanced learning capabilities, delivering customised responses beyond simple yes/no interactions. Common use cases for these chatbots include 24/7 servicing, rapid responses, FAQ search functionality, multi-lingual support, tailored recommendations, cross-selling/up-selling opportunities, and user feedback collection.

A leading airline operator in India, has extended the reach of its innovative GenAI-powered virtual travel assistant, by integrating it with WhatsApp. This multilingual customer service portal handles over 1300 travel-related queries, such as flight status checks, baggage details, boarding pass downloads, and seat selections.<sup>103</sup>

<sup>102</sup><https://www.pymnts.com/voice-activation/2019/wex-ai-io-priceline-travel-chatbot/>

<sup>103</sup><https://cio.economicstimes.indiatimes.com/news/artificial-intelligence/air-india-enhances-guest-experience-with-genai-powered-virtual-assistant-on-whatsapp/106689576>









# Charting the future: Way forward in the Indian travel market



### Outlook ahead

The Indian travel industry is expected to continue its upsurge and grow at ~9 percent CAGR to US\$97 billion<sup>104</sup> (in constant currency terms) by FY2030, the corporate travel segment is

expected to contribute around US\$18–23 billion (in constant currency terms), with base case estimated to be around US\$20.8 billion, indicating a CAGR growth of ~10.1 percent.

Figure 49: India travel market (Expected growth)<sup>105</sup>

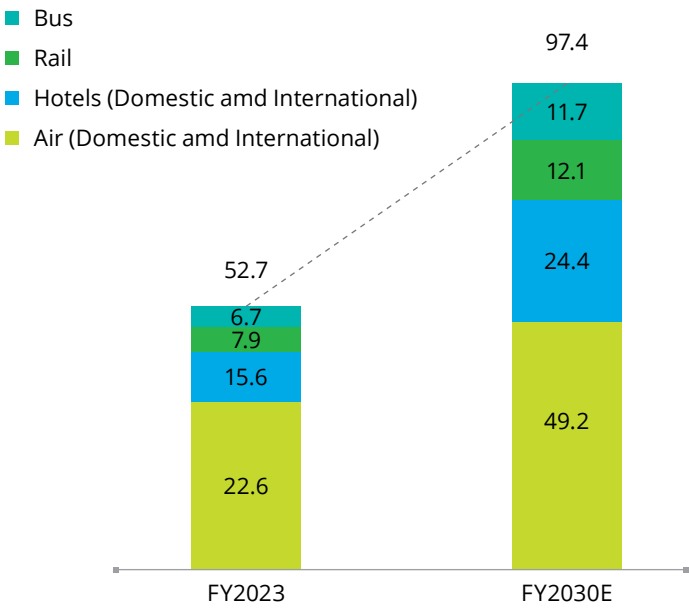
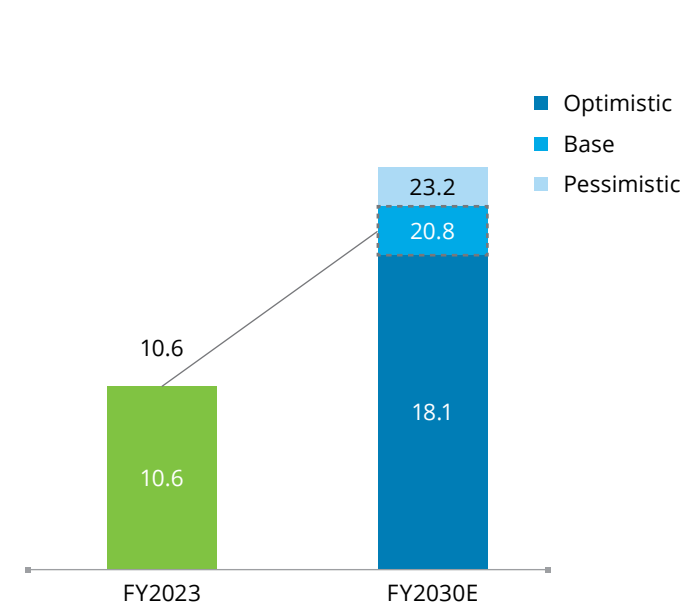


Figure 50: corporate travel market in india (Expected Growth)<sup>106</sup>



The growth in the key segments is likely to be driven by the following drivers.<sup>107</sup>



#### Airlines

- The aviation sector is expected to grow by 11.5–12 percent CAGR.
- Expanding middle income group with increasing disposable income is expected to accelerate the shift from surface (rail/ bus) to air mobility.
- New routes, improving air connectivity and aircrafts supporting domestic travel by air from tier 1–tier II, III, and IV cities.
- Air travel is still underpenetrated in India with low domestic seats per capita (0.13) versus China (0.49), Thailand (0.66), etc. With 1100+ aircrafts ordered in 2023, Indian aviation could become third largest passenger aircraft fleet by 2035.

<sup>104</sup>Deloitte analysis, Primary interviews with Travel ecosystem stakeholders, ixigo DRHP

<sup>105</sup>Deloitte analysis, Primary interviews with Travel ecosystem stakeholders, ixigo DRHP

<sup>106</sup>Deloitte analysis, Primary interviews with Travel ecosystem stakeholders, ixigo DRHP

<sup>107</sup>Source: OAG Aviation, DRHP of leading TMC, Indian Railways website, <https://pib.gov.in/PressReleasePage.aspx?PRID=193565>



### Hotels

- Young population and millennials are driving growth in the tourism sector by focusing on experiential travel, MICE events, sports events, etc. This could attract more FTAs and improve Bleisure related travel while Medical tourism is expected to continue being another driving factor.
- Alternate accommodation providers, such as Oyo, Treebo, and Fabhotel, could also drive growth.
- However, near term moderation of room rates and supply demand gap expected to keep the growth at ~6.6 percent CAGR.



### Railways

- Preferred mode of travel for medium and low-income group with most affordable options for medium haul travel.
- However increased investments, such as Semi high-speed corridors in congested routes, increased number of Vande Bharat trains (to 400 by 2025) and other high speed rail projects expected to attract passengers from high and upper middle-income groups as well.
- Increased WIFI connectivity and renovated stations can also go a long way in attracting corporate travellers.



### Buses

- The Government of India has focused on road connectivity development and has taken an ambitious target to reach 2 lakh kms of National highway construction by 2037.
- Increasing smart cities are coming up and connectivity between these will be majorly covered by bus transportation owing to relatively lesser infra spend required on airports or rail.
- Preferred mode of travel for sales team to meet teams at short notice and affordable prices, convenient options for working people to reach hometowns from nearby tier 1 cities.
- Increased digitisation in booking seats, mandated use of POS systems for transactions are some of the options which are expected to increase convenience and attract passengers.

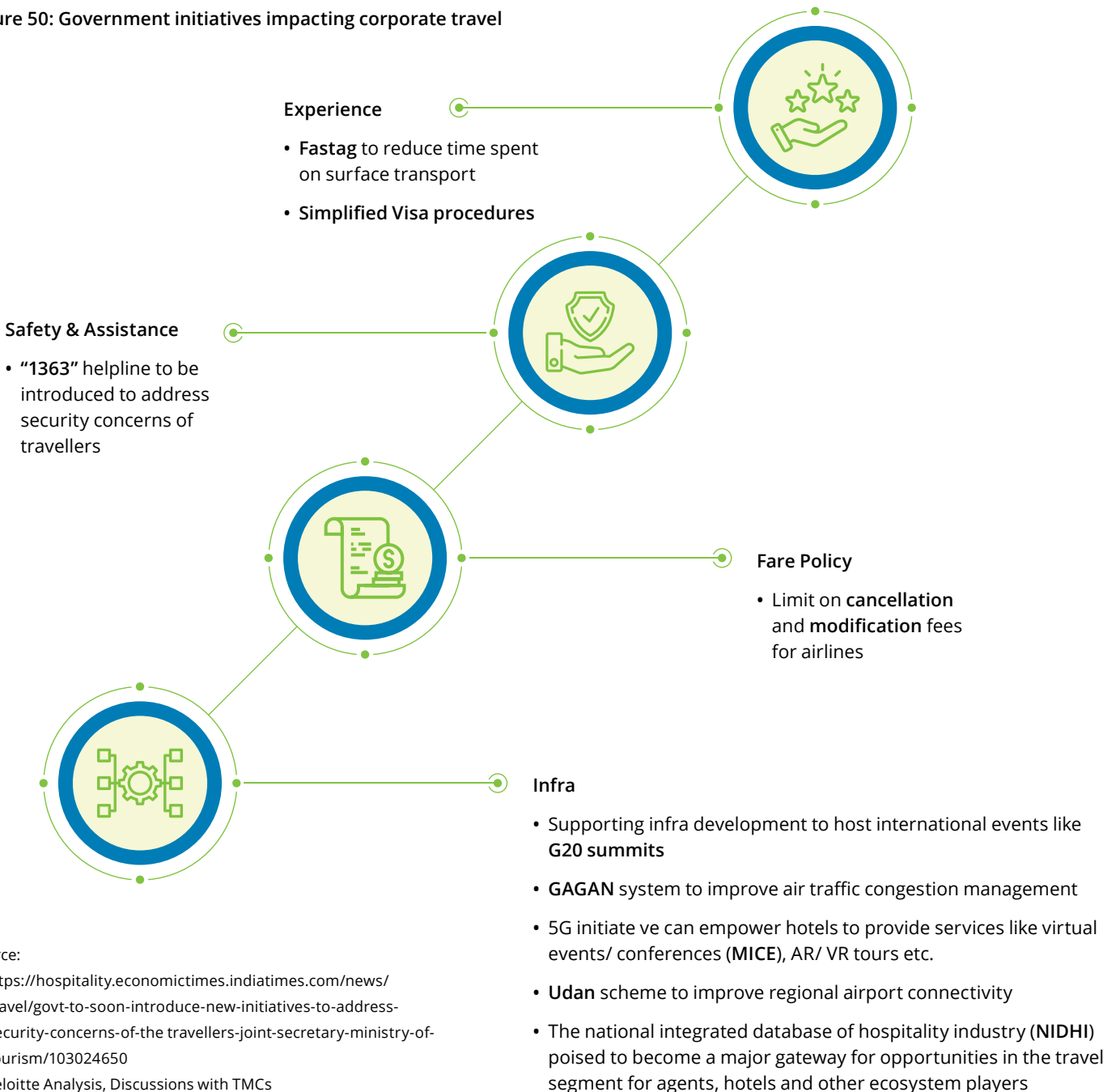
### Government initiatives and policies reshaping travel

The Indian business travel market has experienced substantial growth over the years, positioning India as one of the largest markets globally. Anticipated expansions of businesses in an ever-more interconnected world suggest that travel volumes are poised to increase even further.

Over [https://hospitality.economictimes.indiatimes.com/news/travel/govt-to-soon-introduce-new-initiatives-to-address-](https://hospitality.economictimes.indiatimes.com/news/travel/govt-to-soon-introduce-new-initiatives-to-address-security-concerns-of-the-travellers-joint-secretary-ministry-of-tourism/103024650)

[security-concerns-of-the-travellers-joint-secretary-ministry-of-tourism/103024650](https://hospitality.economictimes.indiatimes.com/news/travel/govt-to-soon-introduce-new-initiatives-to-address-security-concerns-of-the-travellers-joint-secretary-ministry-of-tourism/103024650) the years, the Government of India has taken proactive measures, focusing on building infrastructure, adopting new technologies, implementing regulatory policies, and introducing new safety and assistance programmes.<sup>108</sup> Following are some of the initiatives undertaken by the Government of India to provide a seamless experience to travellers within India:

Figure 50: Government initiatives impacting corporate travel



Source:

- <https://hospitality.economictimes.indiatimes.com/news/travel/govt-to-soon-introduce-new-initiatives-to-address-security-concerns-of-the-travellers-joint-secretary-ministry-of-tourism/103024650>
- Deloitte Analysis, Discussions with TMCs

<sup>108</sup><https://hospitality.economictimes.indiatimes.com/news/travel/govt-to-soon-introduce-new-initiatives-to-address-security-concerns-of-the-travellers-joint-secretary-ministry-of-tourism/103024650>

As the Government of India spearheads initiatives to enhance the travel experience within the country, TMCs must align with these efforts for seamless integration. By using government-backed digital platforms, TMCs can optimise processes by automating boarding pass transfers to elevate the convenience for corporate travellers navigating through airports. This synergy between government initiatives and TMC capabilities signifies a promising stride towards delivering enhanced customer experiences and reinforcing India's travel ecosystem.

The Digital Personal Data Protection Act 2023, enacted in August 2023, also reshapes how TMCs manage customer data. This legislation places stringent regulations on collecting, storing, and processing personal data, requiring companies to prioritise data privacy and security.

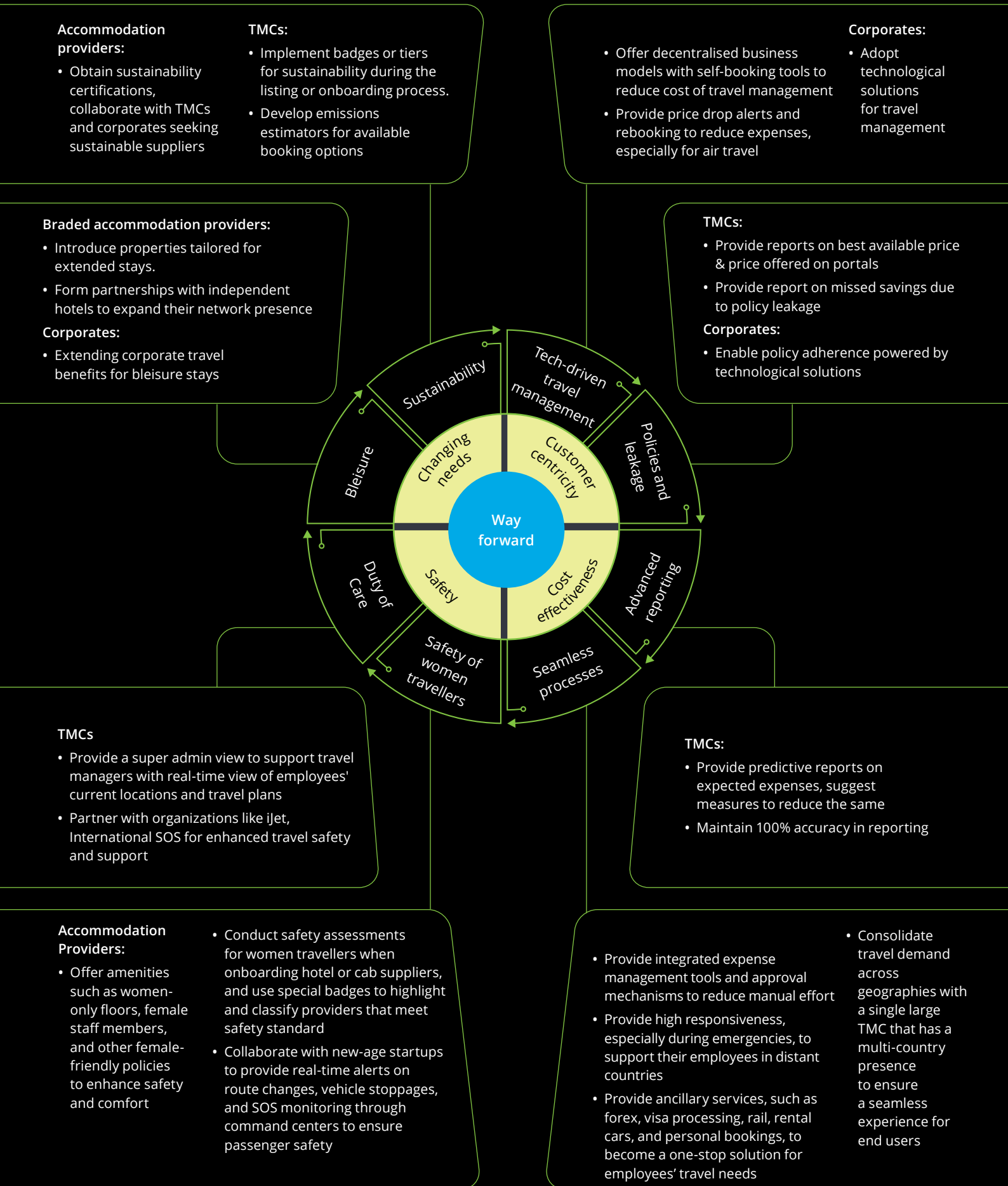
TMCs are now required to implement robust data protection measures, including encryption, access controls, and secure storage practices, to safeguard customer information from

unauthorised access or misuse. Additionally, they must obtain explicit consent from customers before collecting or processing their data and provide transparent disclosures about how the data will be used. Non-compliance with these regulations can result in severe penalties, including hefty fines and reputational damage.

Organisations and TMCs are collaborating to meet the evolving expectations of corporate travellers. With diverse needs and preferences, flexibility and agility have become crucial in delivering tailored services. Today's corporate travellers seek value-added offerings, including comfortable accommodations, seamless processes, priority check-ins, safety measures, and personalised end-to-end services. Meanwhile, employers prioritise sustainability, employee well-being, and safety in their travel ecosystem. Collaboration and innovation across travel stakeholders are essential to elevate the overall customer experience. Adapting to both traveller and company needs is imperative.



Leveraging technology and implementing the following key interventions can develop a thriving ecosystem for corporate travellers:







# Conclusion

The next few decades hold the promise of significant growth for India. If tapped properly, the travel sector in India can reach its potential by significantly contributing about US\$3 trillion to India's GDP by 2047<sup>109</sup>, as the country transcends through this Amrit Kaal journey and rightfully earns its status as a developed nation. Per a Ministry of Tourism study, the sector has the potential to create 100 million direct and indirect tourism-driven employment opportunities<sup>110</sup> and bring significant foreign currency through 100 million FTAs by 2047<sup>111</sup>. To achieve this vision, the government and industry must take steps to ensure that the sector is adopting the best practices across the entire value chain.

Government policies will play a pivotal role in fostering the growth of the sector, with a multifaceted approach aimed at propelling the industry forward. Initiatives to host global events regularly, spanning business summits, sports tournaments, and cultural festivals along with focus on building infrastructure around stadiums, convention centers to support such events not only elevates India's stature on the global stage but also serves as a catalyst for FTAs in India, attracting a diverse range of attendees and significantly building foreign exchange reserves.

These efforts are expected to boost the MICE and group travel segments, contributing to the industry's expansion and fostering collaboration and networking opportunities on a larger scale. Finally, the focus on facilitating infrastructure around manufacturing hubs connected through high-speed railway networks is expected to drive demand for domestic and

international travel, enabling the sector to reach its envisioned potential.

The industry, on the other hand, will have to play a significant role in adapting to the dynamic needs of business travel and adopt a technology-driven approach to support the growing needs of corporate travel managers and business travellers. With demand growth far outpacing the supply growth, the airlines and the accommodations industry need to develop a greater push to invest in expanding their supply base, suitably crafted for the modern traveller with the unique need to blend business and leisure travel.

Key players in alternate channels (OTAs, TMCs, etc.) will look to increase their customer base, trying to reach the underserved SME segment as well as provide value-added services to cater to the complex travel needs of large enterprises. This will have to be supported by skilled resources with the proper training to service clients with dynamic travel needs, creating further opportunities in an industry with an acute skill shortage post-pandemic.

Finally, the emerging start-up ecosystem will have to use emerging technologies, such as Generative AI, AI/ML and IOT 4.0, among others, to support the complex needs of travellers, suppliers, travel managers, and TMCs. This will enable the corporate travel segment to significantly contribute to the growth of the overall travel and tourism sector.

<sup>109</sup><https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/hospitality-sector-demands-change-in-infra-status-to-drive-growth-benefit-more-cities/articleshow/94535471.cms>

<sup>110</sup><https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/hospitality-sector-demands-change-in-infra-status-to-drive-growth-benefit-more-cities/articleshow/94535471.cms>

<sup>111</sup><https://hotelassociationofindia.com/Vision%202047%20-%20March%2030.pdf>



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