

NEW ITINERARY

# All set for take-off

Thanks to summer holidays and increased demand from small towns, online travel aggregators inch their way towards pre-Covid levels

AKANKSHA NAGAR

WITH INTERNATIONAL BORDERS re-opening and travel rebounding, online travel aggregators (OTAs) are seeing a surge in business, particularly from tier-II and tier-III cities. Providing customised value packages for groups, families and corporates for the summer holidays, some platforms such as MakeMyTrip are also putting more emphasis on vernacular content in order to reach cities beyond the metros.

According to Rajat Mahajan, partner, Deloitte India, the Indian OTA industry’s gross booking revenue stood at ₹97,800 crore in FY20, and is expected to reach ₹1.78 trillion in FY24. OTAs tend to fare well on air and bus bookings the most, followed by hospitality.

While the share of online players has increased in the overall travel and tourism pie, the industry holistically is yet to recover fully, with business numbers still lower than pre-Covid times.

## Uptick in demand from Bharat

In the last six months, Cleartrip has witnessed 15% growth month-on-month (m-o-m), and expects this to continue at over 10% m-o-m for the rest of the fiscal. In MakeMyTrip’s case, with the exception of outbound travel, bookings are higher than pre-Covid levels, too, especially for homestays. Its newly launched feature ‘Flight Price Lock’ guarantees airfare hike protection, in order to reassure flyers.

Cleartrip has plans to launch a travel event for the summer season, while also betting big on the hotel category for growth. On that front, it has onboarded a team to specifically focus on hotels in tier-II and tier-III cities. “The intent is to be physically present and assist our hotel partners in the onboarding process, as the adoption of technology might be a challenge in these cities,” says Prahlad Krishnamurthy, chief business officer, Cleartrip.

Yatra.com has also witnessed an uptake in demand for leisure staycation packages, particularly in smaller

cities such as Rishikesh and Shimla. The platform is working on expanding its operations into smaller cities and towns.

## Domestic matters

Ahead of the summer travel season, Booking.com has shared Getaway Deals for travellers and its discount offers are valid for stays from April to September. Ritu Mehrotra, commercial director, APAC, Booking.com, notes that many people now want to explore lesser-known domestic destinations.

Vipul Prakash, chief operating officer, MakeMyTrip, further shares that the company has seen a 70% increase in homestay listings from tier-II cities and unexplored destinations, compared to pre-pandemic times. It has now opened its platform for quick and easy listing of homestays and other independent rentals and is also



focussing on the vernacular front for these geographies.

Interestingly, the platform has noticed a drop in traction for workcations, largely due to schools and offices re-opening.

Analysts say that the overall OTA space still has a long way to go when it comes to curating experiences, especially for international travellers. Several OTAs are trying to up their game by modernising apps and websites.

However, Mahajan of Deloitte says the biggest bone of contention in the OTA space is the high commission charged, which can vary from 8% to a whopping 40%. He adds that “democratisation of this industry is needed”, and that will only be possible if there are reasonable commissions, which will mean more money in the hands of inventory owners, and reduced fares for customers.

“Eventually, alliances — whether B2B or B2B2C — will prevail, which will deliver more to the value-conscious Indian customer,” he remarks.