

Market Pulse: A Snapshot of Key Trends

Changing Travel Preferences & Behavioral Trends

- A new EY–Times of India Group report highlights a shift in Indian travelers' motivations, with rising interest in experiential travel including:
 - Sports events
 - Cruises
 - Entertainment
 - Wellness retreats
 - Adventure tourism
- Despite these trends, religious tourism remains a top priority for a large segment of Indian travelers.
 - Travel is no longer seen as a luxury but as a source of well-being and personal enrichment, encompassing activities like shopping, culinary experiences, and immersive local activities

- **Demographic & Behavioral Insights (2024)**
 - Travelers from Tier-1 and Tier-2 cities show a stronger preference for international travel, based on visa trends.
 - Tier-3 city travelers remain more focused on domestic destinations.
 - Average trip durations have increased since 2022:
 - +1 day for domestic travel
 - +2 days for international travel
- Nearly 60% of travel service providers have reported a rise in bookings over 2022 levels.
- Travel budgets are increasing:
- 25% noted a budget increase of over 20%.
- The biggest budget jumps are in international travel, followed by niche segments

Market Growth Outlook

The Indian travel industry is expected to grow at 12–15% CAGR over the next five years:

- Domestic travel projected to grow at 12–13%
- International travel, especially to short-haul destinations, at 18–20%

Key growth drivers include:

- A projected addition of 20 million middle-income individuals
- An increase of 2 million high-income earners
- India's strong GDP growth, stable politics, and a bullish stock market

Visa Trends & Outbound Surge

- Visa application volumes in India rose 11% YoY in 2024, according to VFS Global.
- 2024 visa volumes surpassed pre-pandemic levels by 4%, signaling a full recovery.
- Popular international destinations among Indian travelers include:
 - Canada, China, France, Germany, Italy, Japan, Netherlands, Switzerland, Saudi Arabia, the U.S., and the UK
 - VFS Global's "Visa at Your Doorstep (VAYD)" service saw a 21% YoY growth, showing a growing preference for convenient and premium services.

Outbound Market Forecast

- India's outbound tourism market is projected to reach USD 55 billion by 2034, growing at a CAGR of 11.4% over the next decade.
- Growth is millennial-driven, with demand for diverse, offbeat, and high-value experiences.
- According to STR, India has become one of the most targeted source markets globally, with multiple countries launching marketing efforts tailored to attract Indian tourists.