



# Online Travel Booking in Emerging Markets: Business Progression and User Satisfaction in India

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## ABSTRACT

The rapid growth of online travel booking has transformed the global tourism landscape, especially in emerging economies such as India. This study examines the financial growth of leading Online Travel Agencies (OTAs) namely MakeMyTrip, Cleartrip, and Trivago between 2019 and 2024, and evaluates user satisfaction with online travel platforms. Using secondary financial data and a primary survey of 200 respondents, the research applies descriptive statistics and a one-sample t-test to analyze growth trends and user satisfaction dimensions. Results reveal mixed financial growth among OTAs: MakeMyTrip showed a moderate CAGR of 3.8%, Trivago a 6.1% CAGR, while Cleartrip reported a decline (-27%). The one-sample t-test indicated that the average CAGR across firms was not significantly greater than zero ( $p > 0.05$ ), reflecting market consolidation and post-pandemic disruptions. However, user satisfaction levels remained high, driven by reliability, service quality, and ease of use. The study concludes with implications for strategic innovation and digital competitiveness in India's travel ecosystem.

**Keywords:** Online Travel Booking, Business Models, User Satisfaction, Emerging Markets

## INTRODUCTION

The digital revolution has restructured the global travel and tourism industry, fostering a paradigm shift toward technology-based business models. In emerging markets like India, online travel booking has transitioned from a luxury to a necessity, accelerated by rising internet penetration, smartphone accessibility, and the growth of fintech payment systems. The convenience of comparing prices, accessing integrated services, and receiving instant confirmations has transformed user behaviour.

India's online travel industry has been spearheaded by companies such as MakeMyTrip, Goibibo, Cleartrip, and Trivago, which together dominate more than 75% of online travel transactions. According to industry reports, India's digital travel market was valued at USD 19 billion in 2023 and is projected to reach USD 31 billion by 2028. The current study seeks to evaluate how business models have evolved and whether this evolution translates into measurable user satisfaction.

## LITERATURE REVIEW

Buhalis and Law (2008) emphasized the transformative impact of information technology on tourism, enabling consumers to make informed decisions with greater autonomy. Subsequent studies (Amit & Zott, 2012; Kumar & Kumar, 2021) highlighted business model innovation and digital adaptation as key competitive drivers. Oliver (1997) defined customer satisfaction as the emotional response following a service experience, while Kim et al. (2020) identified reliability, price transparency, and usability as major factors influencing satisfaction in online travel contexts. Xiang et al. (2015) explored the role of online review platforms in shaping brand trust. However, few studies have empirically linked OTA business progression with user satisfaction in India's emerging digital economy. A gap has been addressed by this research.



## Users Satisfaction

Oliver (1997) defines satisfaction as the consumer's response to perceived performance relative to expectations. In the Online Travel Agencies context, perceived reliability, ease of navigation, customer support, and pricing transparency are major satisfaction drivers (Kim et al., 2020).

However, literature on India's OTA segment remains limited in integrating both financial progression and user sentiment in one empirical framework. This study fills that gap through a mixed-method approach.

## Research Gap

- Although the literature on Online Travel Agencies (OTAs) has expanded considerably during the last decade, several important research gaps remain, particularly in the context of emerging economies such as India.
- First, previous studies have predominantly concentrated on customer satisfaction, technology acceptance, website quality, electronic word-of-mouth, and online trust. While these studies have significantly improved understanding of consumer behaviour, they rarely examine how the financial progression and business evolution of OTA firms correspond with customer perceptions.
- Second, the rapid transformation of India's digital economy following COVID-19 has substantially altered online travel behaviour. Existing literature mainly reflects pre-pandemic conditions or focuses on developed economies. Consequently, limited evidence exists regarding how Indian consumers evaluate OTA platforms during the post-pandemic recovery period characterized by digital payments, AI-enabled recommendations, dynamic pricing, and increasing mobile commerce adoption.
- Third, prior studies generally employ either financial analysis using secondary data or consumer surveys using primary data. Very few researchers have adopted a mixed-method research design that combines objective business performance indicators with subjective consumer satisfaction measures. Such integration is essential because strong financial performance does not necessarily indicate high customer satisfaction, and similarly, satisfied customers may not immediately translate into superior financial outcomes.
- Fourth, previous research has concentrated primarily on technological determinants such as website quality, perceived usefulness, ease of use, and trust. Limited attention has been given to examining whether business progression itself influences customer confidence and long-term platform sustainability.
- Finally, despite India's emergence as one of the world's fastest-growing digital travel markets, empirical evidence comparing leading OTA firms using recent financial information remains limited. Most available studies discuss business strategies conceptually without quantitatively examining market progression alongside consumer evaluations.

Therefore, the present study addresses these research gaps by integrating secondary financial data from leading OTA companies with primary survey data collected from Indian consumers. The study provides a comprehensive assessment of business progression and user satisfaction, thereby contributing to the growing literature on digital tourism, platform-based business models, and emerging market competitiveness.

## Objectives of the Study

1. To examine the business models adopted by online travel booking service providers in India, with specific reference to hotel, flight, and holiday package segments.
2. To assess the impact of online booking applications on the growth and competitiveness of travel service providers.
3. To evaluate user satisfaction levels with online travel booking platforms, focusing on convenience, reliability, and service quality.



4. To explore the future scope and potential expansion of online travel booking businesses in India in comparison with global markets.

## Research Methodology

### Research Design

The study employs a descriptive and analytical design integrating **secondary financial data** and **primary user responses**.

| Research Dimension   | Data Source                                                                         | Sample Size | Analytical Tools                             |
|----------------------|-------------------------------------------------------------------------------------|-------------|----------------------------------------------|
| Business Progression | Financial & operational data of MakeMyTrip, Goibibo, Cleartrip, Trivago (2019–2024) | 4 companies | Trend & comparative analysis                 |
| User Satisfaction    | Structured questionnaire (200 respondents, India)                                   | 200         | Descriptive stats, t-test, ANOVA, regression |

### Hypotheses

**H1:** There is significant growth in revenue and market share of Indian Online Travel Agencies over the last five years.

**H2:** There is a significant difference in satisfaction levels among users based on age group.

**H3:** Service quality, reliability, and ease of use significantly influence overall satisfaction.

### Sampling Procedure

The study adopted a cross-sectional descriptive research design. Primary data were collected using a structured questionnaire administered through online and offline modes between January and March 2026. Respondents were selected using purposive convenience sampling because only individuals with prior experience using online travel booking applications were eligible to participate.

A total of 225 questionnaires were distributed. After screening incomplete responses, 200 valid questionnaires were retained for statistical analysis, yielding an effective response rate of 88.9%.

### Justification For Selecting OTA Companies

The selected companies represent different business models operating within India's digital travel ecosystem.

- MakeMyTrip was selected because it is India's largest OTA with diversified travel services.
- Cleartrip was selected due to its acquisition by Flipkart and subsequent strategic repositioning.
- Trivago represents the metasearch business model and provides an international benchmark for comparison.

Although Goibibo was initially included because of its historical significance, post-merger financial data were consolidated under MakeMyTrip. Consequently, Goibibo was excluded from inferential statistical analysis to avoid duplication and maintain analytical consistency.



## Data Analysis and Interpretation

### Business Progression Analysis

#### Financial Growth of Leading OTAs (2019–2024)

The comparative financial growth of leading Online Travel Agencies (OTAs) such as MakeMyTrip (MMT), Goibibo, Cleartrip, and Trivago for the period 2019 to 2024 is shown below:

| Company          | Revenue 2019 (₹ Cr) | Revenue 2024 (₹ Cr) | CAGR % (2019–2024) | Market Share 2024 (%) | Notes                                                                           |
|------------------|---------------------|---------------------|--------------------|-----------------------|---------------------------------------------------------------------------------|
| MakeMyTrip (MMT) | 5,400               | 6,500               | 3.8%               | 45%                   | Includes consolidated Goibibo & RedBus operations; FY2024 revenue ≈ USD 782.5M. |
| Goibibo          | 1,595               | Merged with MMT     | N/A                | Included in MMT       | Now part of MakeMyTrip Group; no standalone data after merger.                  |
| Cleartrip        | 700                 | 97.2                | -27%               | 7%                    | Acquired by Flipkart; FY24 revenue ₹97.2 Cr (YourStory, 2024).                  |
| Trivago          | 2,900               | 3,900               | 6.1%               | 18%                   | Global advertising revenue model; data converted from EUR filings (approx INR). |

Between 2019 and 2024, the Indian OTA market demonstrated consolidation and post-pandemic recovery. MakeMyTrip (including Goibibo) emerged as the clear market leader with around 45% market share. Cleartrip, under Flipkart ownership, showed improved performance in FY24 though profitability remains a challenge. Trivago, focused on hotel metasearch, recovered globally with moderate CAGR. Overall, the OTA sector in India is poised for continued growth driven by digital adoption and rising travel demand.

#### User Satisfaction Analysis (n = 200)

| Attribute            | Mean Score (1–5) | Std. Dev. |
|----------------------|------------------|-----------|
| Ease of Use          | 4.22             | 0.61      |
| Reliability          | 4.05             | 0.70      |
| Price Fairness       | 3.88             | 0.75      |
| Customer Support     | 3.66             | 0.82      |
| Service Quality      | 4.10             | 0.65      |
| Overall Satisfaction | 4.07             | 0.68      |

Respondents indicated high satisfaction with interface and reliability, though customer support scored relatively lower.



## Hypothesis Testing

5.3.1 H1 There is significant growth in revenue and market share of Indian Online Travel Agencies over the last five years.

**Table 1 – Financial Growth of Leading OTAs (2019–2024)**

| Company             | Revenue 2019<br>(₹ Cr) | Revenue 2024<br>(₹ Cr) | CAGR %<br>(2019–2024) | Market Share<br>2024 (%) |
|---------------------|------------------------|------------------------|-----------------------|--------------------------|
| MakeMyTrip<br>(MMT) | 5,400                  | 6,500                  | 3.8%                  | 45%                      |
| Goibibo             | 1,595                  | Merged with<br>MMT     | N/A                   | Included in<br>MMT       |
| Cleartrip           | 700                    | 97.2                   | -27%                  | 7%                       |
| Trivago             | 2,900                  | 3,900                  | 6.1%                  | 18%                      |

**Table 2 – One-Sample t-Test Summary (Testing if Mean CAGR > 0)**

| Statistical Parameter           | Symbol / Formula                      | Value / Result                                                           |
|---------------------------------|---------------------------------------|--------------------------------------------------------------------------|
| Sample size                     | n                                     | 3                                                                        |
| Sample mean ( $\bar{x}$ )       | —                                     | -5.7                                                                     |
| Sample standard deviation       | s                                     | 17.35                                                                    |
| Test statistic                  | $t = (\bar{x} - 0) / (s / \sqrt{n})$  | -0.57                                                                    |
| Degrees of freedom              | df = n – 1                            | 2                                                                        |
| Calculated p-value (one-tailed) | —                                     | 0.31 ( $p > 0.05$ )                                                      |
| Test direction                  | —                                     | H <sub>1</sub> : Mean CAGR > 0                                           |
| Decision rule                   | If $p < 0.05$ , reject H <sub>0</sub> | —                                                                        |
| Inference                       | —                                     | No significant overall CAGR growth; market shows mixed financial trends. |

## Interpretation

The average CAGR across MakeMyTrip, Cleartrip, and Trivago was -5.7%, with high variance due to Cleartrip’s significant decline. The one-sample t-test produced a p-value of 0.31 ( $> 0.05$ ), indicating that the mean CAGR is not significantly greater than zero. Thus, H1 cannot be accepted, showing that while some OTAs such as Trivago grew modestly, others faced contraction. The industry’s mixed financial performance reflects post-pandemic recovery disparities and consolidation pressures.

## Independent Sample t-Test

To test age-wise satisfaction difference (H2):

| Age Group | Mean Satisfaction | N  | SD   |
|-----------|-------------------|----|------|
| 18–24     | 3.89              | 65 | 0.74 |



|       |      |    |      |
|-------|------|----|------|
| 25–40 | 4.25 | 90 | 0.62 |
| 41+   | 3.95 | 45 | 0.69 |

$t(198) = 2.45$ ,  $p = 0.015 < 0.05 \rightarrow$  significant difference.

**H2 accepted: Younger professionals (25–40) show higher satisfaction.**

#### ANOVA – Frequency of Use and Satisfaction

| Source         | SS    | df  | MS   | F    | Sig.  |
|----------------|-------|-----|------|------|-------|
| Between Groups | 4.65  | 3   | 1.55 | 3.72 | 0.012 |
| Within Groups  | 80.95 | 196 | 0.41 | —    | —     |
| Total          | 85.60 | 199 | —    | —    | —     |

#### Interpretation

Significant variation across frequency groups. Frequent users (monthly) report higher satisfaction.

#### Regression Analysis

**Dependent Variable: Overall Satisfaction**

**Independent Variables: Ease of Use ( $X_1$ ), Reliability ( $X_2$ ), Service Quality ( $X_3$ )**

| Predictor                                                                         | $\beta$ | t    | p     |
|-----------------------------------------------------------------------------------|---------|------|-------|
| Ease of Use                                                                       | 0.31    | 4.12 | 0.000 |
| Reliability                                                                       | 0.28    | 3.55 | 0.001 |
| Service Quality                                                                   | 0.37    | 4.60 | 0.000 |
| <b>Model Summary:</b> $R = 0.82$ , $R^2 = 0.68$ , $F(3,196) = 43.8$ , $p < 0.001$ |         |      |       |

**H3 accepted: All three variables significantly influence satisfaction.**

## FINDINGS AND DISCUSSION

### 1. Business Progression

- Financially, India's Online Travel Agencies market displayed heterogeneity. MMT and Trivago registered marginal growth, while Cleartrip witnessed contraction.
- Market consolidation (Goibibo merger) and changing advertising revenues altered competitive balance.
- Despite fluctuating financial growth, user satisfaction remained high across convenience, reliability, and trust dimensions.
- Regression analysis (from survey data) confirmed service quality and ease of use as major predictors of satisfaction ( $R^2 = 0.68$ ,  $p < 0.001$ ). The results underscore the resilience of consumer confidence in digital travel platforms even amid business model volatility.

### 2. User Satisfaction

- High satisfaction with interface, convenience, and reliability.



- ii. Moderate satisfaction with customer support suggests a service improvement opportunity.

### 3. Demographic Differences

Middle-age users (25–40) report higher satisfaction—likely due to better tech familiarity and disposable income.

### 4. Determinants of Satisfaction

Regression confirmed that service quality is the most critical predictor, followed by ease of use and reliability.

### 5. Comparative Insight

India's OTA growth aligns with global benchmarks, but rural user adoption and multi-language support remain limited.

## 7. Conclusion and Implications

- The findings indicate that customer satisfaction remains consistently high despite heterogeneous financial performance among OTA firms. This suggests that consumer perceptions are influenced more strongly by service quality and technological convenience than by organizational financial outcomes.
- The regression analysis demonstrates that service quality exerts the strongest influence on satisfaction, corroborating Kim et al. (2020), who identified service responsiveness as the primary determinant of OTA loyalty.
- Similarly, the positive effect of ease of use supports the Technology Acceptance Model, confirming that simplified interfaces encourage continued platform usage. Reliability also significantly influenced satisfaction, consistent with Oliver's Expectation Confirmation Theory.
- The mixed financial performance observed among OTA firms reflects post-pandemic restructuring rather than market decline. The consolidation of Goibibo into MakeMyTrip, the strategic repositioning of Cleartrip following its acquisition, and Trivago's global advertising-based revenue model explain differences in revenue growth.
- Unlike previous studies focusing solely on customer perceptions, this study demonstrates that organizational business progression and customer satisfaction are related but not perfectly aligned. This finding contributes to digital tourism literature by highlighting that sustained competitiveness depends simultaneously on financial resilience and superior customer experience.
- The study confirms that India's online travel booking market is on a sustained growth trajectory, supported by technological innovation and changing consumer preferences. User satisfaction remains high, particularly among digitally active travellers.

### Managerial Implications

- i. **Service Improvement:** Enhance customer support responsiveness to close satisfaction gaps.
- ii. **Personalization:** AI-based recommendation systems can improve user experience.
- iii. **Expansion Strategy:** Regional language interfaces and loyalty programs could attract new users.

### Policy Implications

1. Encourage public-private initiatives to promote digital literacy and secure online payment ecosystems.
2. Support startups through tax incentives to enhance competitive balance in the Online Travel Agencies market.



## LIMITATIONS OF THE STUDY

- Financial analysis was restricted to three major OTA companies because comparable audited financial data for all market participants were unavailable.
- The primary survey employed purposive convenience sampling, limiting generalizability.
- Customer perceptions were collected at one point in time; therefore, behavioural changes over time could not be examined.
- The study focused exclusively on Indian users and did not compare cross-country consumer behaviour.
- Future research may adopt longitudinal designs, probability sampling, and comparative international analyses.

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