

INDIA HOSPITALITY MARKET

Size, Trends & Forecast 2026-2032

Professional Market Report

Source: MarkNtel Advisors | April 2026

Executive Summary

India's hospitality market is projected to expand from USD 65.45 billion in 2026 to USD 101.38 billion by 2032, registering a CAGR of 7.57%. The source attributes this expansion to domestic and international tourism growth, regional destination development, digital transformation, contactless technologies, stronger organized hotel supply, food and beverage expansion, and government support for tourism infrastructure and sustainability.

Indicator	Source Report Figure
2025 market value	USD 60.83 billion
2026 market size	USD 65.45 billion
2032 forecast	USD 101.38 billion
CAGR, 2026-2032	7.57%
Largest industry type	Accommodation - about 40%
Largest end user	Individual Consumers - about 67%
Leading region	West India - about 32%

The market remains moderately fragmented. The source states that the top five players collectively account for nearly 20% of the market, leaving substantial room for regional and specialized operators.

1. Market Size and Outlook

The hospitality market was valued at USD 60.83 billion in 2025 and is estimated at USD 65.45 billion in 2026. By 2032, it is forecast to reach USD 101.38 billion. The source links this growth to sustained tourism demand, increasing hotel capacity, organized food-service expansion, digital adoption, and infrastructure improvements.

- Domestic tourist visits reached 3.04 billion by August 2025, according to the Press Information Bureau data cited in the source.
- Foreign tourist arrivals were cited at 5.6 million by August 2025.
- North India remains an important contributor, led by spiritual tourism and pilgrimage circuits.
- South India is gaining momentum in leisure and wellness tourism, while Western India remains a major tourism and hospitality hub.
- Food and beverage expansion is supporting hotel, mall and mixed-use hospitality footfall.

2. Key Market Indicators

- Jammu & Kashmir tourism growth is supported by investment under the Swadesh Darshan scheme, with the source citing over USD 62 million invested in tourism infrastructure and domestic visits rising from 2.5 million to more than 23.5 million in 2024.
- Under PRASHAD, 54 pilgrimage projects worth USD 207 million have been sanctioned, with 31 projects already complete according to the report.
- McDonald's expansion plans are cited as an indicator of organized hospitality and food-service growth, with planned annual outlet additions through 2027.
- India had approximately 192,000 chain-affiliated hotel rooms as of June 2024, indicating continued formalization and branded inventory expansion.
- The Indian Premier League August 2025 Final is cited as an example of major events generating hotel occupancy and short-term tourism inflows.

3. Market Scope

The source uses a broad definition of hospitality, covering accommodation, food and beverage, travel and tourism services, and entertainment and leisure.

Category	Segments Covered
Industry Type	Accommodation; Food & Beverage; Travel & Tourism Services; Entertainment & Leisure
Service Level	Economy; Mid-scale; Upper Mid-scale; Luxury; Ultra-Luxury
Ownership	Chain/Branded Hospitality; Independent Operators; Franchise Model; Management Contract Model; Asset-Light Model
Booking Channel	Online Travel Agencies; Direct Booking; Corporate Booking Platforms; Offline Travel Agents
Traveler Type	Domestic; International; Group; Solo
Purpose of Travel	Leisure; Business; Religious; Adventure & Eco-Tourism; Wellness; Education
End User	Individual Consumers; Corporate Clients; Government & Institutional Clients; Event Organizers

4. Growth Drivers

Expanding Domestic & International Tourism

Rising domestic and international tourism and the emergence of new regional destinations are identified as major growth drivers. The Ministry of Tourism figures cited by the source show 20.57 million international tourist arrivals in 2024 and 9.95 million foreign tourist arrivals, indicating continued recovery and strengthening demand for accommodation, resorts and related services.

East and Northeast India are also gaining attention in heritage, eco-tourism and offbeat travel. Mizoram recorded 0.52 million tourist arrivals in 2024-25, while Darjeeling recorded an increase in tourist footfall from 0.17 million in 2024 to 0.21 million in 2025 according to the report.

5. Recent Trends

Digital Transformation and Contactless Hospitality

Hotels are increasingly adopting mobile-based check-in and check-out, digital room keys, contactless payment systems and AI-driven customer-service tools. The source notes that leading operators are investing in integrated mobile apps, digital concierge services and AI-based guest engagement platforms to improve efficiency, personalization and customer satisfaction.

Data analytics and automation are also being used to understand customer preferences and provide tailored experiences. Contactless technologies support convenience and hygiene while improving resource management and front-office efficiency.

6. Opportunities and Challenges

Seasonal Demand Volatility

Seasonality remains a structural challenge. Tourist arrivals tend to peak between November and February, while the June-September monsoon period records weaker occupancy in several destinations. This creates pressure on staffing, inventory utilization and pricing stability.

The source also presents seasonality as an opportunity for diversification. MICE, weddings, conferences, wellness tourism and spiritual tourism can help spread demand across the year. Business hubs such as Hyderabad and Bengaluru also support steadier corporate travel demand, while work-from-anywhere and long-stay trends can reduce dependence on traditional peak seasons.

7. Segmentation Insights

Accommodation

Accommodation is the leading industry vertical, accounting for approximately 40% of the overall market. As of March 2024, India had approximately 3.4 million hotel rooms across accommodation types including hotels, guesthouses, homestays and aggregator-based models.

The organized/branded segment accounted for about 375,000 rooms, or nearly 11% of total supply, leaving significant headroom for formalization. The premium segment included around 230 luxury hotels with approximately 29,000 rooms. Vacation rentals, serviced apartments and homestays are also expanding the accommodation ecosystem.

Individual Consumers

Individual consumers are the largest end-user group, accounting for approximately 67% of the market in 2026. The source links this position to rising disposable incomes, urbanization, improved connectivity and growing leisure, religious and short-duration travel.

Weekend getaways, attractions, solo trips, mobile booking and social-media-driven travel decisions are broadening demand. Budget hotels, homestays and alternative accommodation have also made travel more accessible to a wider population.

8. Geographical Outlook

West India accounts for approximately 32% of hospitality demand, supported by tourism inflows, commercial activity, developed urban and leisure ecosystems, and strong connectivity. Maharashtra and Goa are highlighted as important contributors.

- Maharashtra recorded 189.37 million domestic tourist visits and 3.70 million foreign tourist visits in 2024 according to the PIB data cited by the report.
- Goa recorded more than 5.45 million tourists between January and June 2025 and exceeded 10 million total arrivals in 2025, driven largely by domestic demand.
- Mumbai and Pune support corporate and leisure hospitality demand, while Goa provides a strong leisure base.

The report attributes West India's lead to high tourism volumes, a strong economic base and a balanced mix of business and leisure travel.

9. Competitive Landscape

The market is moderately fragmented, with domestic and international operators competing across accommodation, food and beverage, travel services and leisure. The source states that the top five companies together account for approximately 20% of the total market share.

- The Indian Hotels Company Limited (IHCL)
- EIH Limited (Oberoi Group)
- ITC Hotels Limited
- Hyatt Hotels Corporation
- Marriott International, Inc.
- Accor S.A.
- Radisson Hotel Group
- InterContinental Hotels Group PLC (IHG)
- Hilton Worldwide Holdings Inc.
- OYO Hotels & Homes
- Lemon Tree Hotels Limited
- Mahindra Holidays & Resorts India Limited
- Chalet Hotels Limited
- Royal Orchid Hotels Limited
- Sarovar Hotels Private Limited

10. Industry News and Recent Developments

- April 2026: At the Kushinagar International Buddhist Conclave 2026, investors expressed interest in projects worth USD 360 million across hotels, resorts and tourism infrastructure. The source notes that Kushinagar is witnessing rapid tourism-driven infrastructure development.
- April 2026: Minor Hotels announced plans to develop a 170-key luxury hotel in Kolkata, its second project in West Bengal, as part of its broader India expansion strategy.
- October 2025: Chalet Hotels launched the premium lifestyle brand ATHIVA Hotels & Resorts, targeting modern travelers and expanding into experiential hospitality.

11. Government and Policy Support

The report identifies government action as an important enabler of tourism infrastructure, sustainability and digital formalization. It highlights the Swadesh Darshan 2.0 programme, PRASHAD pilgrimage-tourism projects and digital initiatives such as the National Integrated Database of Hospitality Industry (NIDHI) and the Incredible India Digital Portal.

- Swadesh Darshan 2.0: 53 projects worth USD 265 million had been sanctioned as of 2026 according to the source.
- PRASHAD: 54 pilgrimage projects worth USD 207 million had been sanctioned, with 31 projects completed.
- NIDHI and the Incredible India Digital Portal are intended to support hotel registration, classification and digital service delivery across the tourism ecosystem.

12. Source Note

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The source report is dated April 2026 and covers the 2026-2032 study period, with 2025 used as the base year. This reformatted document does not independently verify MarkNtel Advisors' proprietary estimates.