

India Travel & Expense Study 2025-26



September 2025

India, The fourth largest economy of the world is rapidly cementing its position as a global hub for technology, innovation, and economic expansion. As Indian enterprises extend their global reach, several indicators highlight this momentum

- One of the fastest-growing economies, with rapid Gross Domestic Product (GDP) expansion
- The rise of Indian businesses on the global stage
- Indian aviation growth & increasing number of Indian travelers
- A growing consumer mindset focused on increased spending

A key reflection of this evolution is the transformation within the business travel ecosystem. India's aviation industry is on course to become the world's third-largest market, driven by rising business and leisure travel. As enterprises scale, Travel & Entertainment (T&E) expenses have become one of the most significant—yet controllable—components of business spend.

This evolution not only reflects India's economic ascent but also signals a broader shift toward smarter, more strategic business travel practices across the corporate landscape.

The “India Travel & Expense Management Study 2025-26” conducted by TravelSpend during February–April 2025, aimed to establish India-centric benchmarks, uncover purchasing behavior trends, and provide insights into how enterprises manage key components of their Travel & Expense (T&E) costs.

The survey included enterprises across India, with tailored questionnaires for large and MNC enterprises as well as MSMEs. This design accounted for differences in business structures, travel and expense patterns, and organizational nuances between large

and smaller enterprises. Responses were collected digitally through links distributed via social and professional channels.

Alongside the primary research, relevant secondary data was integrated into the analysis. This included airline fare movements on major domestic routes and hotel rate trends across prominent domestic and international destinations, covering various star categories. These additional insights offer visibility into airfare trends shaped by enterprise customers’ advance purchasing behaviors, as well as broader hotel pricing dynamics.



Travel Policy:

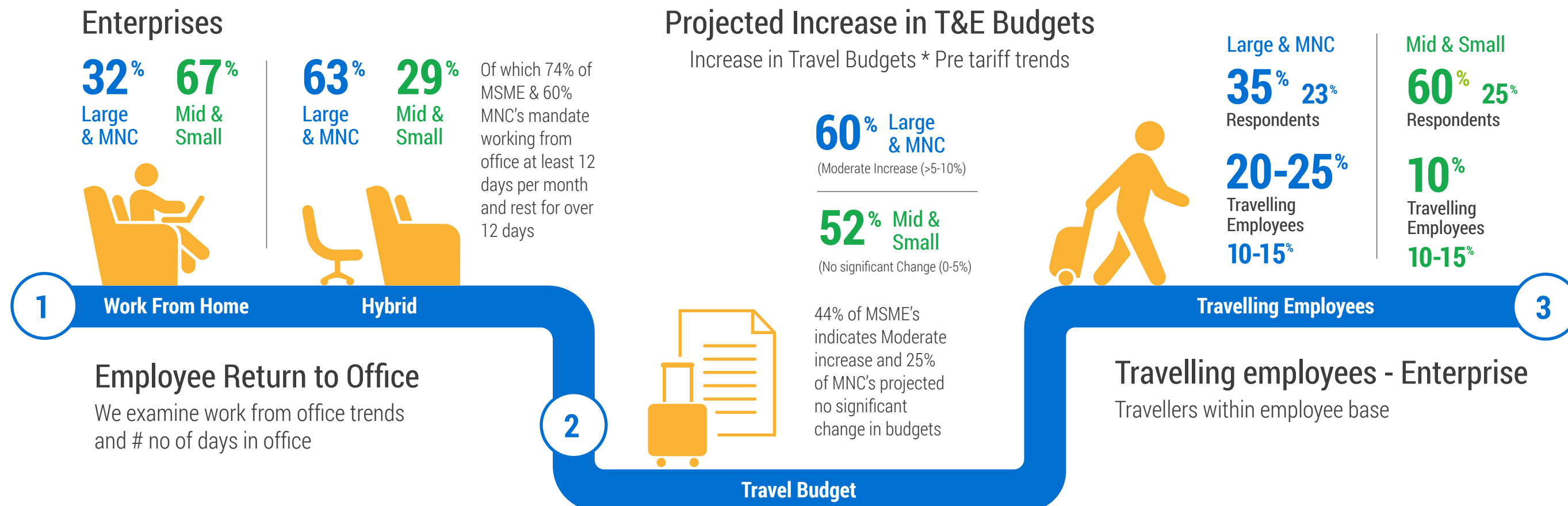
Driver of Travel & Expense

Business travel is experiencing a strong rebound post-pandemic, fueled by the return of in-person interactions, hybrid work models, and a renewed focus on client engagement. Events like trade shows and expos further drive travel demand, while the rise of "revenge travel" has blurred the lines between business and leisure.

The pandemic significantly reshaped workplace dynamics, with remote work becoming mainstream. This shift altered how companies and employees view travel—reducing unnecessary trips while recognizing the continued need for face-to-face meetings in certain scenarios. As a result, business travel has become more intentional and purpose-driven.

Flexibility is now a cornerstone of workplace strategy. Employees expect more autonomy, and organizations are responding by fostering trust-based cultures that prioritize well-being and efficiency. This evolution signals a move away from rigid travel expectations toward smarter, more strategic travel planning.

Overall, today's workplace emphasizes balance—maintaining the benefits of remote work while enabling in-person collaboration when it truly adds value. Business travel is no longer about quantity but about meaningful, impactful engagements that align with broader organizational goals and employee needs.



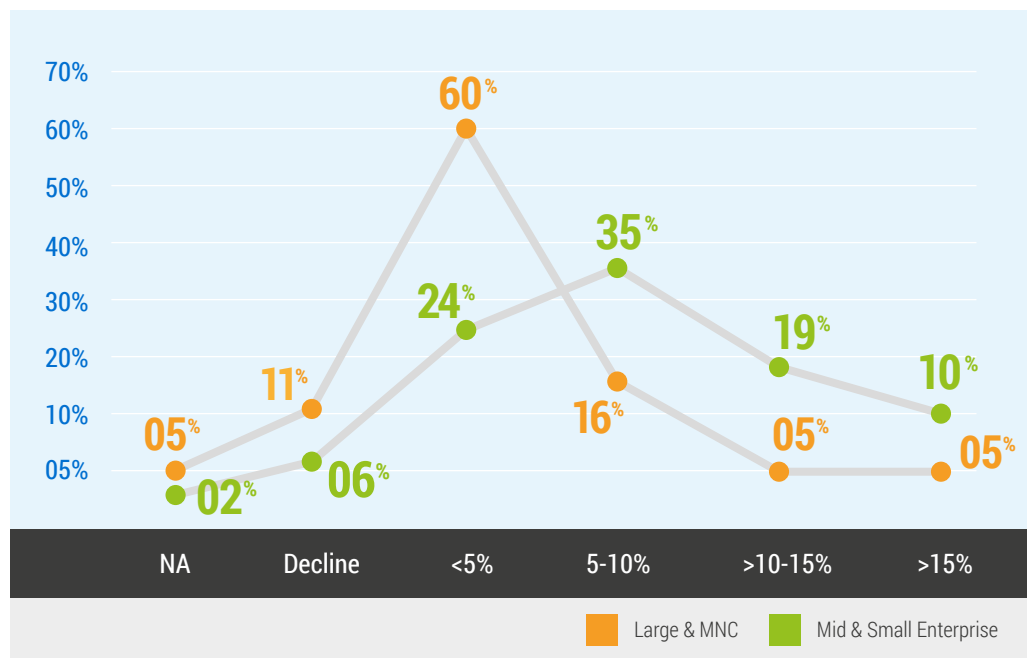
The India Travel & Expense Study 2025-26 reveals that hybrid work models prevail among large enterprises (63%), whereas smaller enterprises primarily prefer office-based work (67%). Remote work adoption remains limited across large companies, MNCs, and MSMEs. Within the MSME sector, 74% of organizations require employees to be in the office up to 12 days per month, while 60% of large

enterprises and MNCs have similar requirements. Additionally, over 40% of organizations mandate more than 12 office days monthly. Additionally, Travel patterns also vary significantly, with 60% of MSMEs reporting up to 10% of employees traveling annually, compared to 35% of large enterprises where 20–25% of employees travel for work.

Projected increase in Travel Costs

Travel Cost Increase

There are notable differences in business travel patterns between large enterprises and MSMEs. Smaller firms, constrained by limited resources and tighter budgets, are more cost-sensitive and conservative with travel.

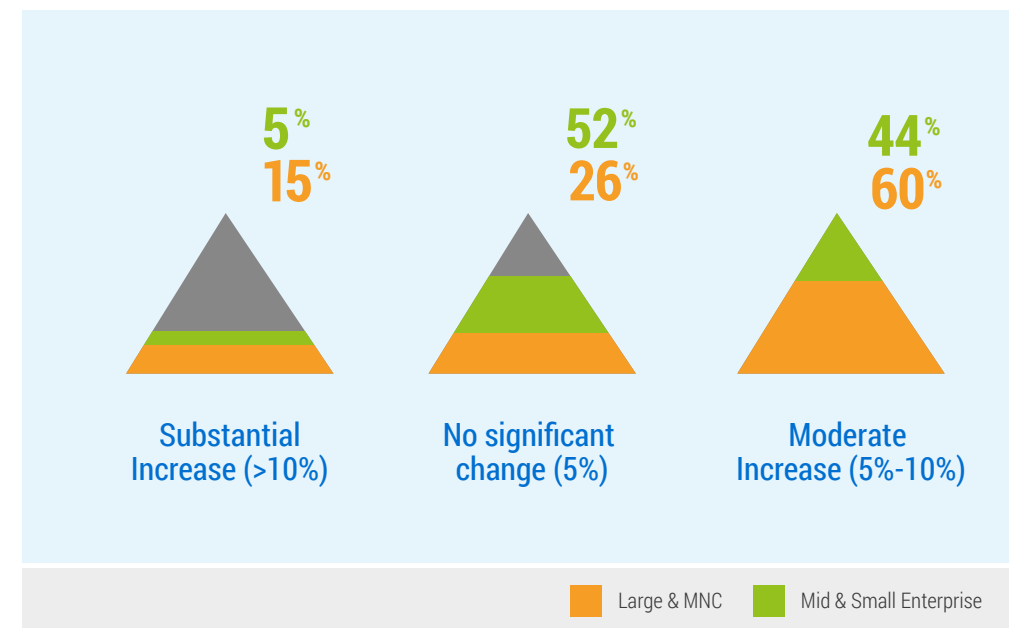


On rising travel costs, among MSME(60%) indicated less than 5% increase, while 16% indicated 5-10% increase. Large enterprises and MNC's 35%. of the respondents indicated a rise between 5-10% whereas 24% forecasted an increase lower than 5%.

Projected Increase in T&E Cost

T&E Cost Increase

Travel & Expense (T&E) spending is projected to rise steadily in the coming years as businesses resume in-person engagements and expand hybrid work models.. However the recent development in the context of trade wars and tariff barriers have cast a shadow on these projections as global trade slips into uncertainty.



A visible trend is that of large enterprises and MNC(60%) projecting an increase in T&E budgets between 5%-10%, while MSME(52%) are more guarded in expanding budgets indicating a spend increase of lower than 5%.



Driving T&E Efficiency

Payment Platforms

Global travel payment practices are rapidly moving toward card-based platforms—corporate, virtual, and prepaid—that offer real-time approvals, enhanced security, and streamlined expense tracking. This shift reflects a growing preference for seamless, cashless, omnichannel experiences across both business and leisure travel. Digital payments simplify the journey from booking to boarding, eliminating the need for currency exchange and physical cash handling.

Compared to traditional direct invoicing—where vendors bill companies for travel services—card solutions provide greater transparency, control, and operational efficiency. Enterprises are increasingly adopting corporate credit cards, centralized cards like BTA (Business Travel Account) and CTA (Central Travel Account), virtual cards, prepaid cards, and lodge cards. Each serves specific needs, from managing spend limits and securing transactions to consolidating payments and simplifying reconciliation.

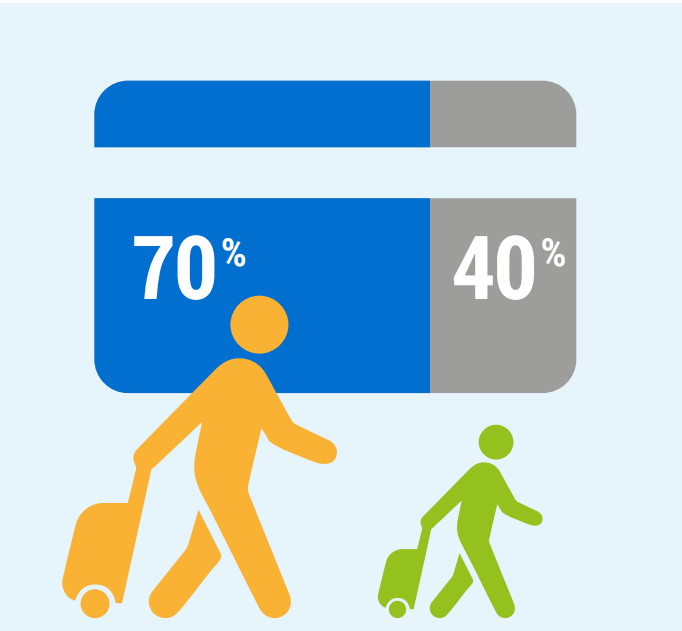
Best practices for modern travel payments include linking card usage to corporate travel policies, integrating with ERP systems, enabling real-time expense monitoring, and centralizing reporting for greater oversight. Adoption of these not only improve compliance and budgeting but also enhance traveler experience and financial governance.

As business travel rebounds, organizations are embracing digital payment ecosystems to optimize efficiency, control costs, and support a smarter, more connected travel management approach.

Large enterprises prioritize global scalability and loyalty rewards, while MSMEs seek simplicity, control, and affordability in payment solutions.

Bank Settlement Vs Card Payments

Invoicing v/s Payment platforms



Amongst large Mncs cards are the preferred mode of payment as indicated by 70 percent whereas 40 percent adoption is seen in MSMEs, for fulfillment of travel and ancillary services. Better control, easier reconciliations, and structured data visibility are factors for the popularity of the card platform.

Use of Cards for T&E Settlement

Adoption of Card and Digital Payment

Digital payment adoption is gaining momentum in business travel, secure financial processing, speed, transparency, and control.

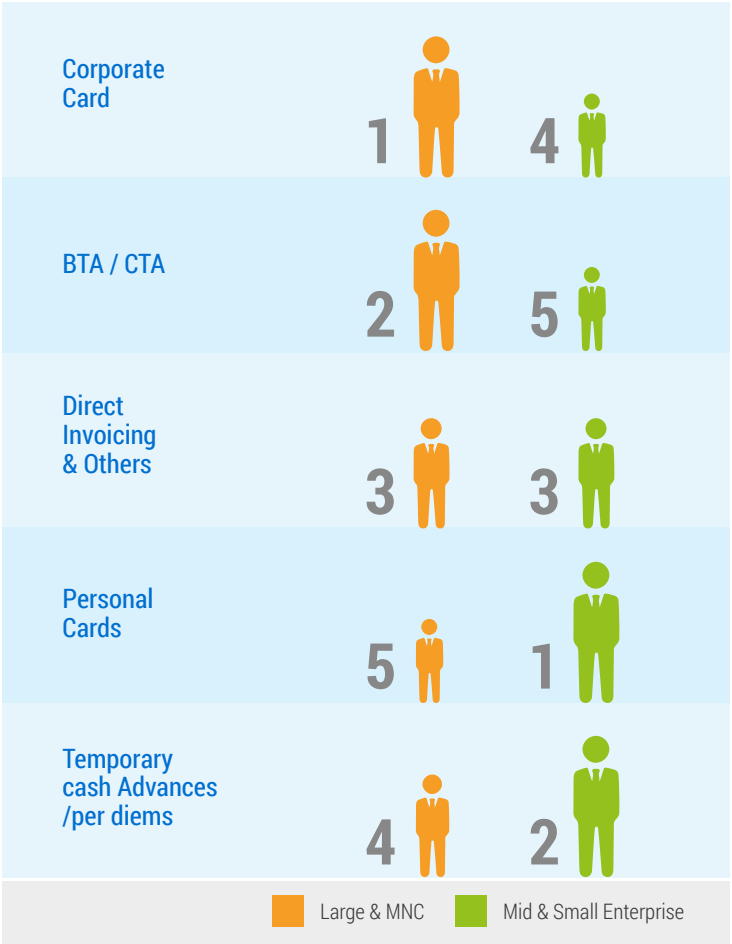
The India T&E study 25-26, responses highlight a clear gap between Mid & small Enterprises and Large MNC's, as digital platforms become the standard for efficient, compliant, and real-time expense management.



Form of Payment - Product

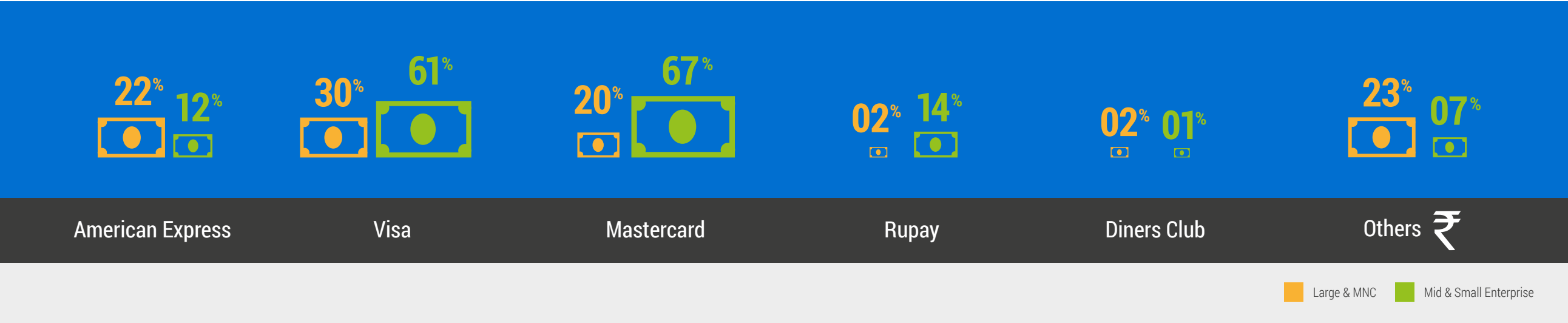
Preferences for payment products by Enterprises

In T&E expenses, corporate cards are the preferred payment method, including individual and centrally managed accounts for travel bookings.



Payment Network Preferences

Enterprises Preference for Card Providers

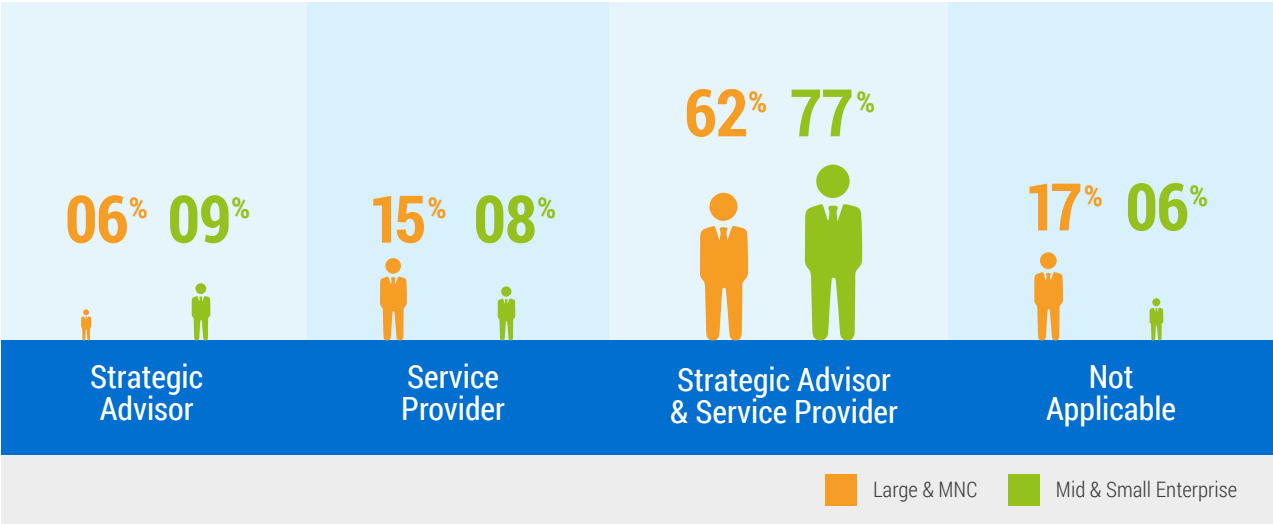


Role of Payment Networks in Managing T&E Program

Perceived Enterprise value from Payment platforms

Card Payment Providers are increasingly viewed as strategic partners in T&E management, with priorities diverging sharply between large enterprises and MSMEs

A majority of MSMEs(77%) and Large enterprises and MNCs(62%) view them as both strategic and operational part.



The travel industry is shifting toward seamless, omnichannel, cashless payments, simplifying journeys from booking to boarding. Travelers increasingly prefer digital transactions to avoid currency exchange and handling cash.

Card-based payments are gaining popularity in business travel due to added rewards, extended credit terms, supplier payment ease, and enhanced data visibility. Both MSMEs and large

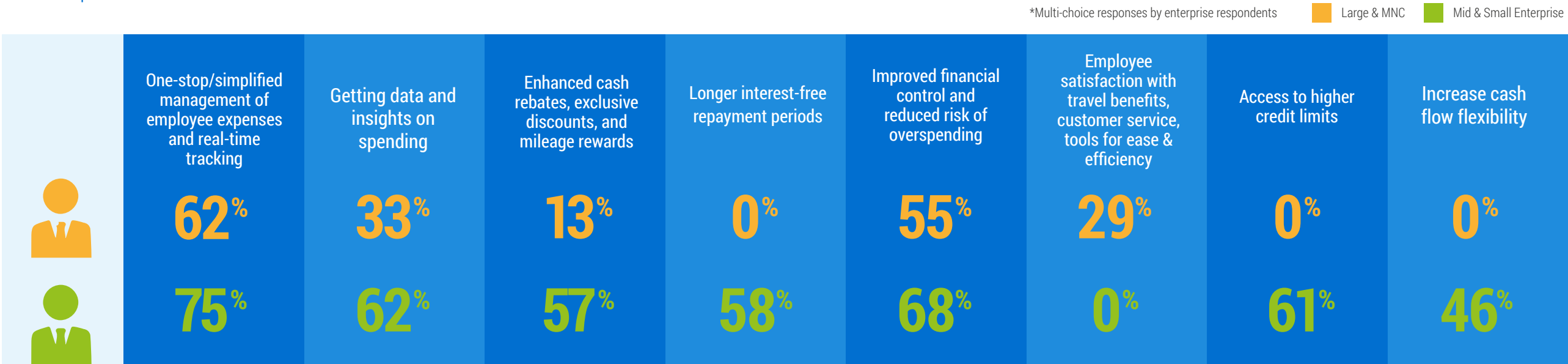
enterprises/MNCs share similar priorities in adopting these benefits, making cards a smart, efficient choice for modern travel management.

MSMEs have low adoption of corporate cards and digital payments, with only 37% using them, while 63% rely on traditional methods. In contrast, 75% of large enterprises and MNCs use digital payment solutions, with only 25% not adopting them.

A clear trend that emerged is that large organizations are more likely to embrace enterprise grade payment solutions for business and travel expenses, while MSMEs continue to rely on conventional methods or personal cards for business travel payments.

Card Introduction - Key Decision Factors

Card Adoption Reasons in choice of Providers



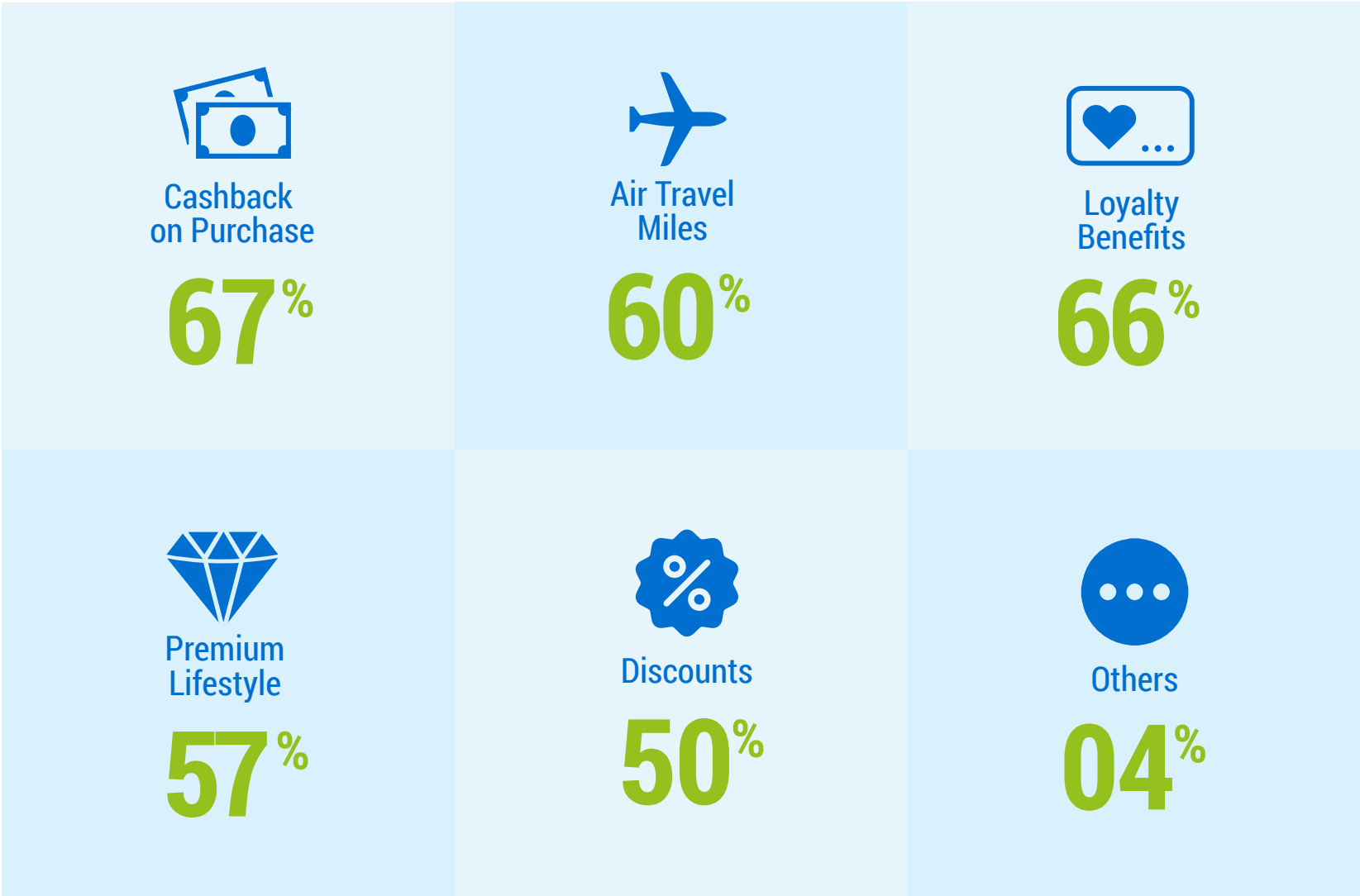
For micro, small, and medium enterprises (MSMEs), payment providers are no longer just transactional facilitators—they are expected to deliver added value through meaningful rewards and benefits. As businesses increasingly seek cost efficiencies and lifestyle enhancements for their employees, the type of incentives offered plays a critical role in shaping user preferences and loyalty. The survey findings highlight which rewards resonate most strongly with MSME users, shedding light on the benefits that drive adoption and satisfaction.

Rewards and benefits have become a critical factor in how MSMEs perceive the value of their payment cards. The data shows that MSMEs place strong emphasis on tangible and loyalty-driven incentives. Cashback on purchases (67%) and loyalty benefits (66%) emerge as the most valued features, closely followed by air travel miles (60%) and access to premium lifestyle privileges (57%). Discounts (50%) also remain significant, while only a small fraction (4%) of respondents cite “Other” benefits. Overall, the findings highlight that MSMEs prioritize practical savings, travel-related perks, and long-term loyalty rewards when engaging with card providers.

Benefits – Delivered by Card Providers

Perceived value benefits from cards

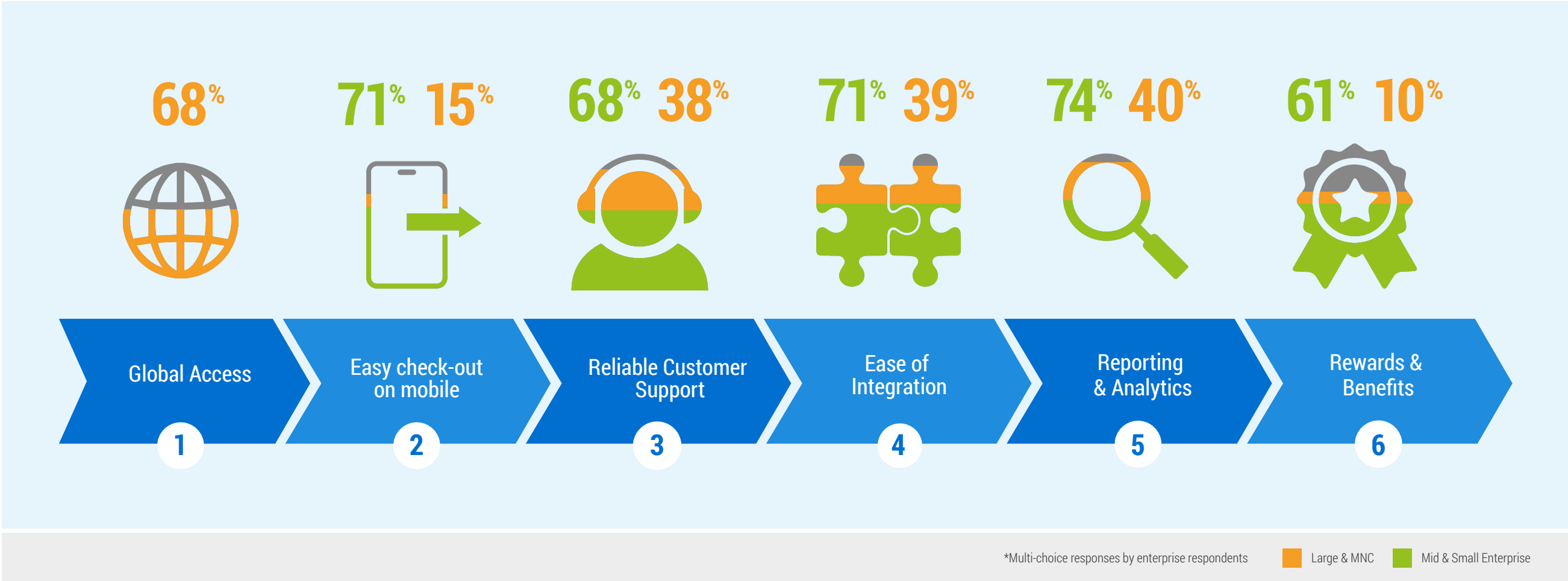
Mid & Small Enterprise



Decision Drivers in Choice of Payment Platforms

Key decision factors in choosing payment providers

Choosing the right payment provider is a strategic decision that significantly impacts operational efficiency, security, and user experience. MSMEs value integration ease and usability, while large enterprises prioritize global access and analytics—reflecting differing needs based on scale and complexity.





T&E Management: Digitization & Key Drivers

Businesses increasingly rely on T&E platforms for automation, integration, and real-time insights. These modern tools streamline reporting, enforce policies, and simplify expense tracking. While large enterprises adopt advanced, customizable platforms to enhance control and compliance, MSMEs often prioritize affordability and ease of use.

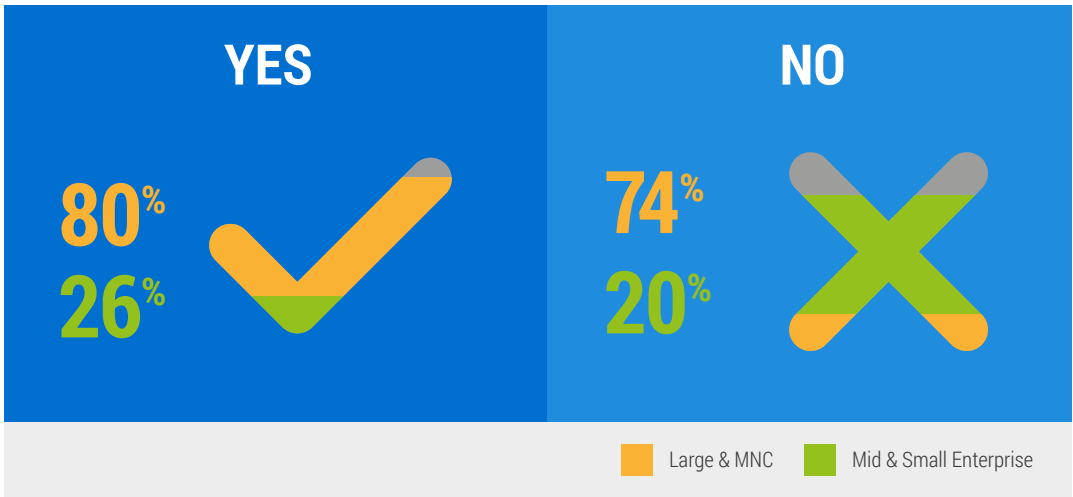
Technology adoption for T&E management shows a stark divide—MSMEs significantly lag behind large enterprises in digitization.

This gap presents a key opportunity: digital solutions can help MSMEs overcome inefficiencies, while large enterprises focus on optimizing their hybrid T&E models for greater agility and control.

Adoption of Technology platforms - Managing T&E

Technology solutions in managing T&E

Technology solutions have revolutionized travel and expense (T&E) management by automating processes, improving accuracy, and providing real-time insights. Replacing manual methods, modern tools streamline expense reporting, enforce policy compliance, and reduce costs - making T&E more efficient and employee friendly.

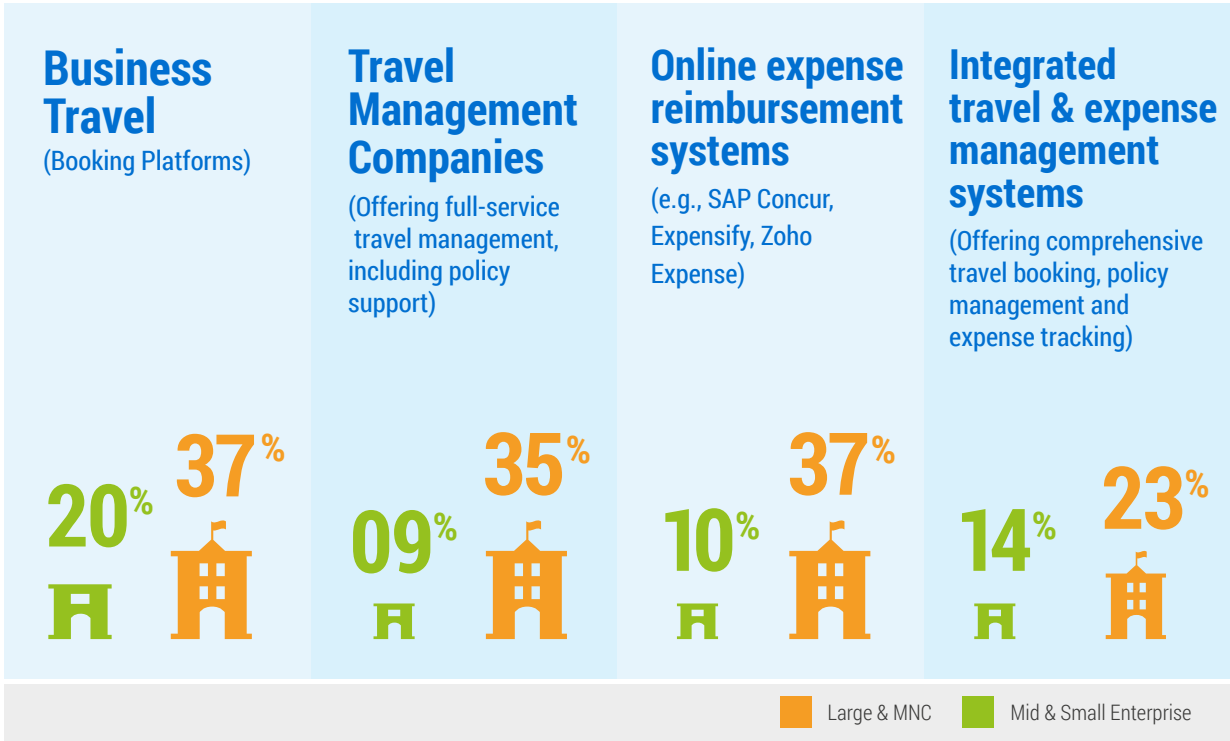


Technology adoption is significantly higher among Large enterprises and MNC(80%) compared to MSME(26%), highlighting that most MSME(74%) still rely on manual processes. Larger organizations(80%) have embraced digital solutions, likely for better efficiency, compliance, and cost control.

Product Features of T&E Platforms

Technology solutions deployed for T&E Management

Respondents have indicated multiple preferences in their choice of selection of T&E Management with a wide variance between MSME and Large Enterprises and MNC's. MSME(1/5) respondents favor Travel booking platforms and 1/7th for Integrated T&E systems. Large enterprises and MNC(1/3) prefer Online Expense Reimbursement & Booking platforms(1/3) and Travel Management company usage.



Key Challenges in Managing T&E

Problems in managing in T&E Efficiently



Despite technological advancements, managing travel and expense (T&E) remains a challenge for many organizations. T&E challenges differ by company size - MSMEs struggle due to non-adoption of integrated solutions for managing T&E.

MSME primarily struggle with inefficient processes(67%), unclear policies(65%), limited visibility(65%), and overlooked expense trends(64%), largely due to manual systems and unstructured workflows.

Large enterprises and MNCs face more complex challenges such as slow approval cycles (35%), compliance pressures (23%), and fraud or security risks (20%), reflecting the intricacies of their advanced operational set-ups. Tailored solutions are essential for addressing these distinct needs.



Large & MNC Mid & Small Enterprise

Key Priorities in Managing T&E spends

Important drivers in managing in T&E Efficiently

Cost savings dominate as the top priority(69% ranked at #1), followed by Compliance and Data insights. In contrast, while Large enterprises and MNCs also value Cost savings(46% ranked at #1), they place Traveler experience(29%) and Policy enforcement(28%), reflecting a broader focus on employee well-being and operational process.



Large & MNC Mid & Small Enterprise



A blue-tinted background image showing a group of business professionals in a meeting. One person is pointing at a tablet screen while others look on. The image has a semi-transparent blue overlay.

Program & Process Efficiency

Fulfilment | Optimization

An effective Travel & Expense (T&E) program hinges on compliance and strategic management. Enforcing the use of preferred suppliers ensures travelers align with policy, allowing companies to leverage volume-based discounts on flights, hotels, and services. This not only reduces costs but also strengthens supplier relationships, often leading to better rates and enhanced service offerings.

Strict adherence to contracted suppliers and service providers minimizes out-of-policy spending, optimizing organizational spend and driving efficiency. Additionally, analyzing travel patterns helps uncover demand-supply gaps and identify new opportunities. Enterprises can explore alternative airline and hotel strategies to find savings in specific markets or destinations.

T&E programs must also evolve continuously. Leveraging data insights enables organizations to fine-tune policies, shift to more cost-effective suppliers, or adopt emerging technologies that better serve changing business needs. Ongoing optimization ensures the program remains agile, cost-effective, and aligned with organizational goals.

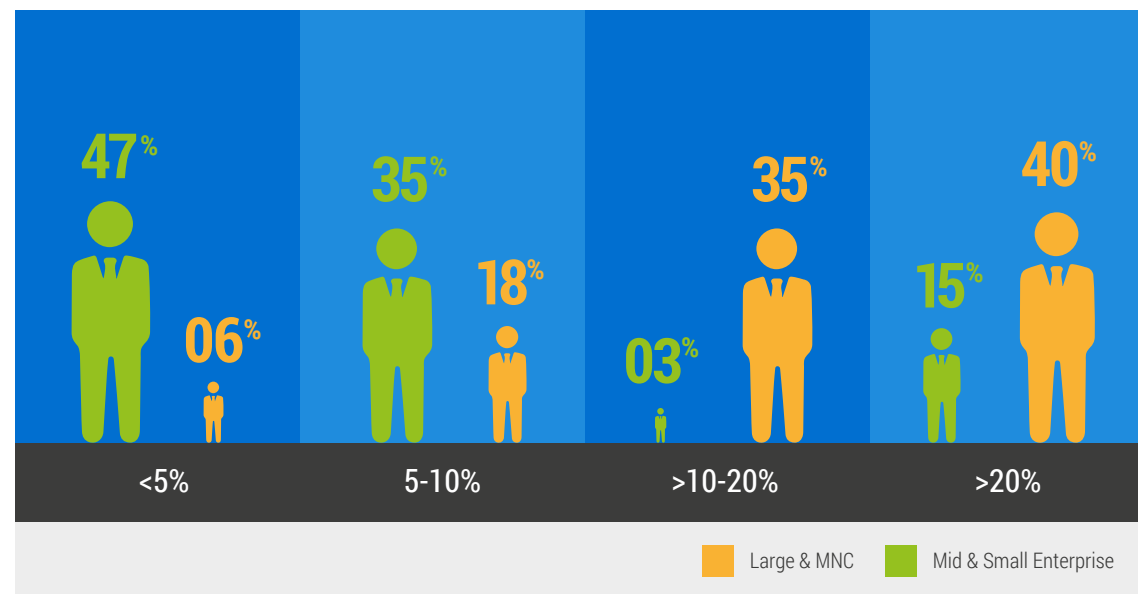
By combining compliance, strategic sourcing, data-driven insights, and continuous improvement, organizations can build a high-performance T&E program that delivers sustained value and efficiency.

T&E Share in Enterprise Spends

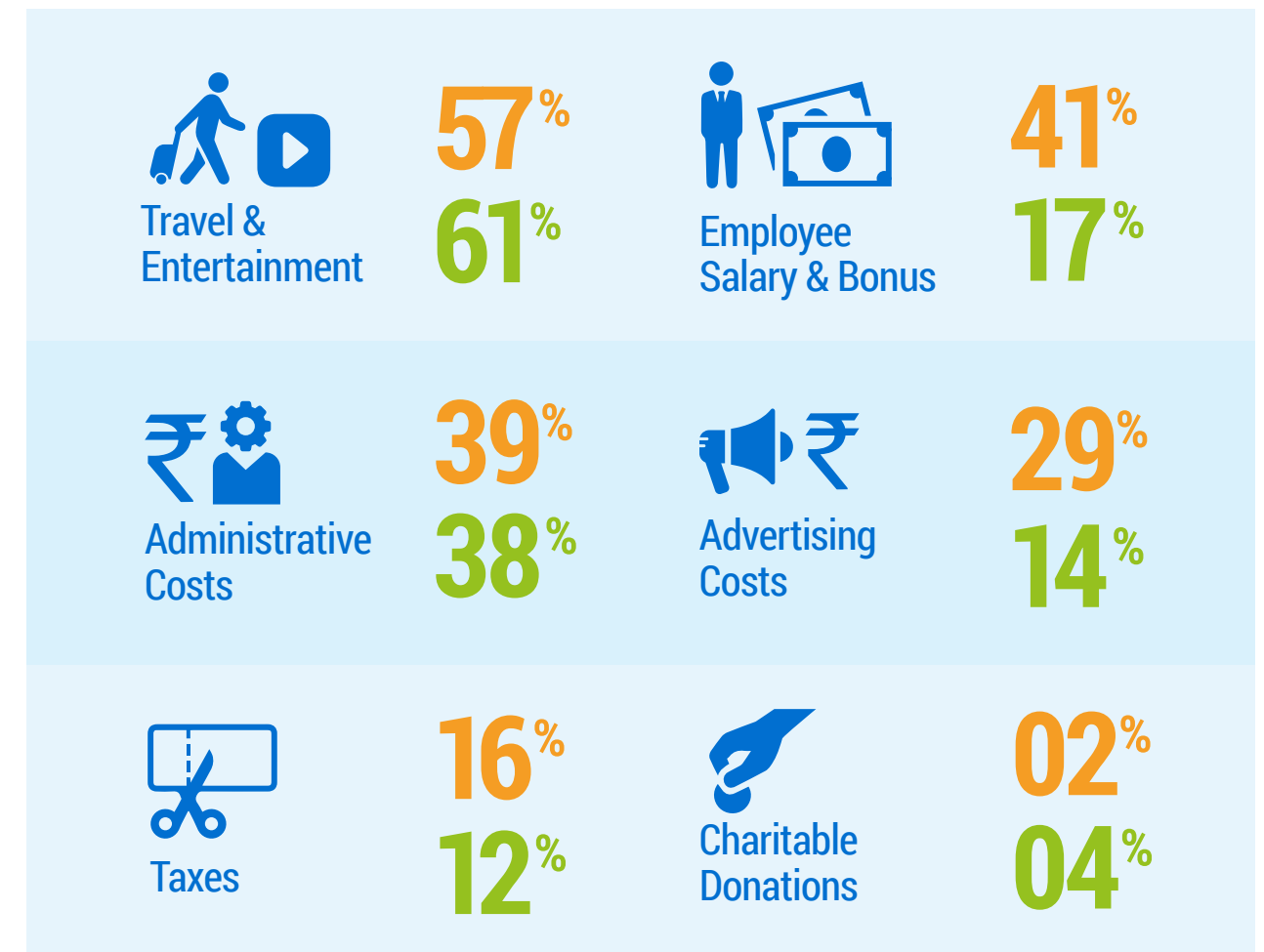
T&E as a share of overall expenses

Larger enterprises spend more on air travel due to global operations, while MSME focus on non-air expenses and tighter travel budgets, highlighting the need for size-specific T&E cost strategies.

40% of large organizations dedicate over 20% of their T&E budget to travel, while only 15% of MSMEs do so. This reflects a more conservative travel approach by MSMEs, whereas larger firms invest more heavily in travel to support global operations and collaboration.



*Multi-choice responses by enterprise respondents



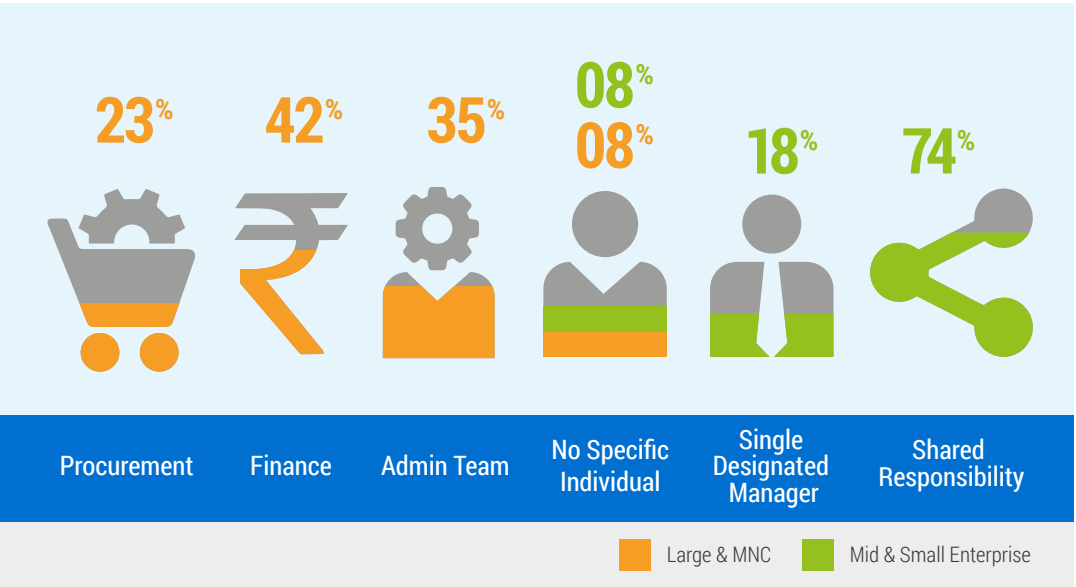
Study reveals differing priorities based on independent ranking of key drivers with MSME focus more on T&E(61%), Admin Costs(38%), Employee Salaries(17%). On the other hand large enterprises and MNC's allocate more to importance to controlling T&E (57%), Employee Salaries(41%), Admin costs(39%).

Enterprise function Responsible for driving T&E

T&E Management Ownership

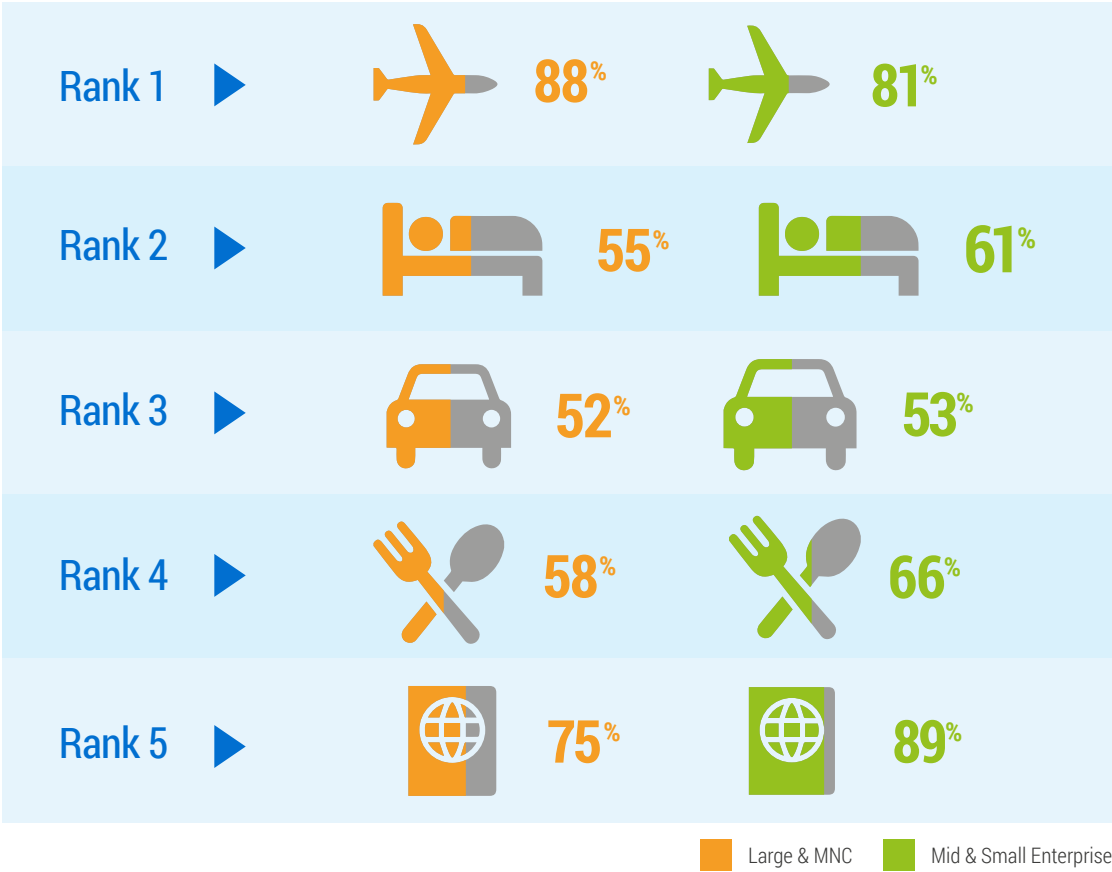
Managing and optimizing T&E spending requires clear ownership, which varies by company size. T&E ownership is largely decentralized in MSMEs, with most relying on shared responsibilities, while larger organizations take a more structured approach led by finance, administration, and procurement driving the same.

In MSMEs, T&E responsibilities are mostly shared across departments (74%), with only 18% having a dedicated manager. In contrast, large organizations and MNCs follow a more structured approach, with Finance (42%), Administration (35%), and Procurement (15%) roles which are well defined.



Key Priorities in Managing T&E spends

Important drivers in managing in T&E Efficiently

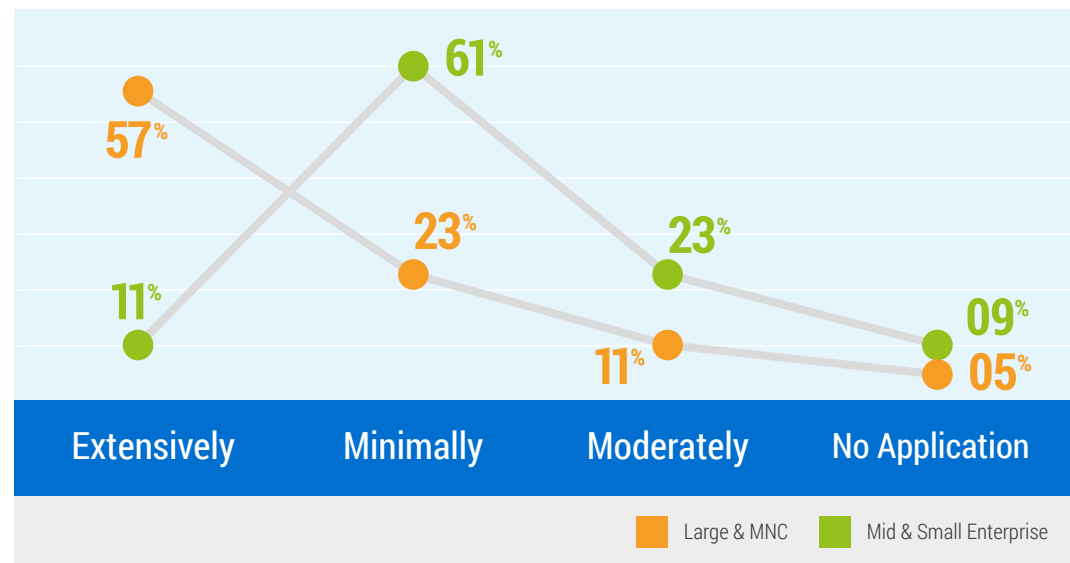


Air Travel MSME(81%); Large and MNC(88%) followed by Lodging are the largest T&E cost drivers, followed by lodging as the second-highest expense. Ground transport ranks third, while meals and entertainment consistently rank lower. Lower-ranked categories like meals and entertainment offer limited savings potential.

Use of Data in Benchmarking & Cost Management

Data Driven Decisions

Data Visibility is key to getting insights on Costs. Larger enterprises are far more likely to leverage data for vendor negotiations, giving them a strategic cost advantage, while most MSME under-utilize such insight; which demonstrates a clear opportunity for optimization through data-driven decision-making.

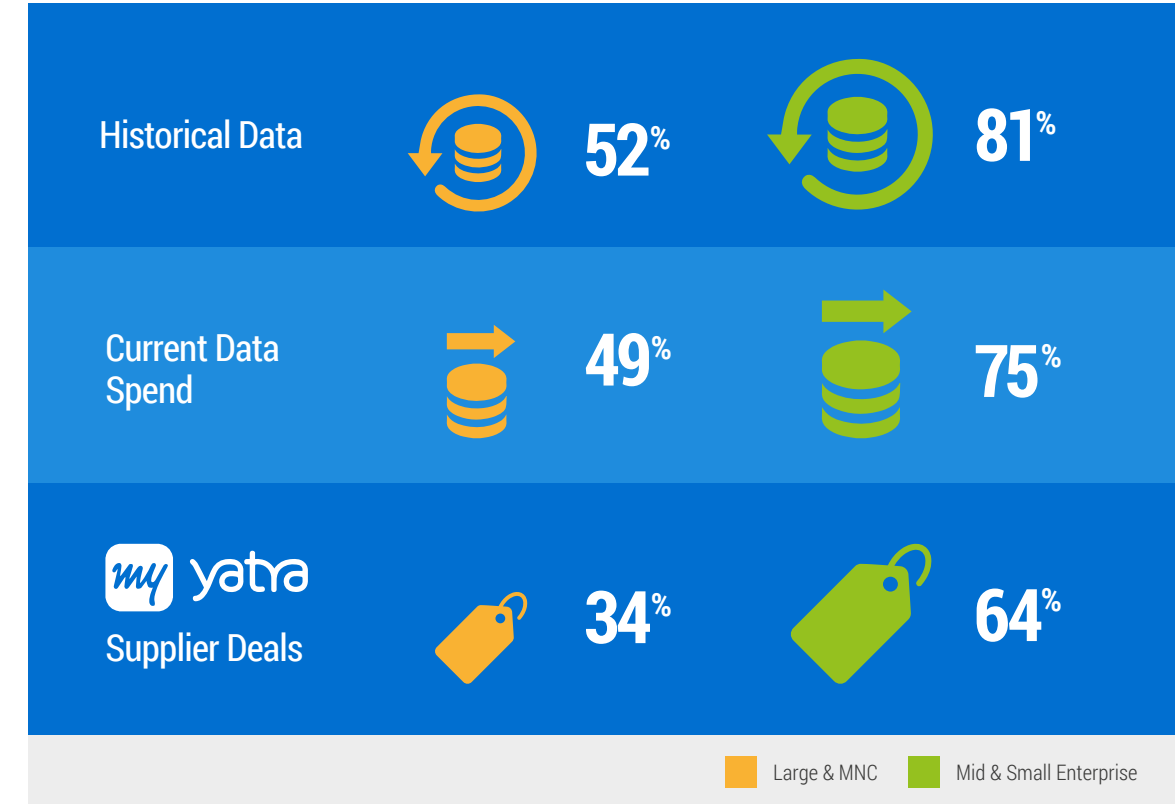


Larger enterprises and MNCs(57%) use a data-driven approach extensively, whilst MSME (61%) use data minimally, even as the number of enterprises who do not rely on data application falls to a single digit for both category of respondents.

Data Driven Cost Efficiency

Data Insights – Supplier Rate Benchmarks for Optimization

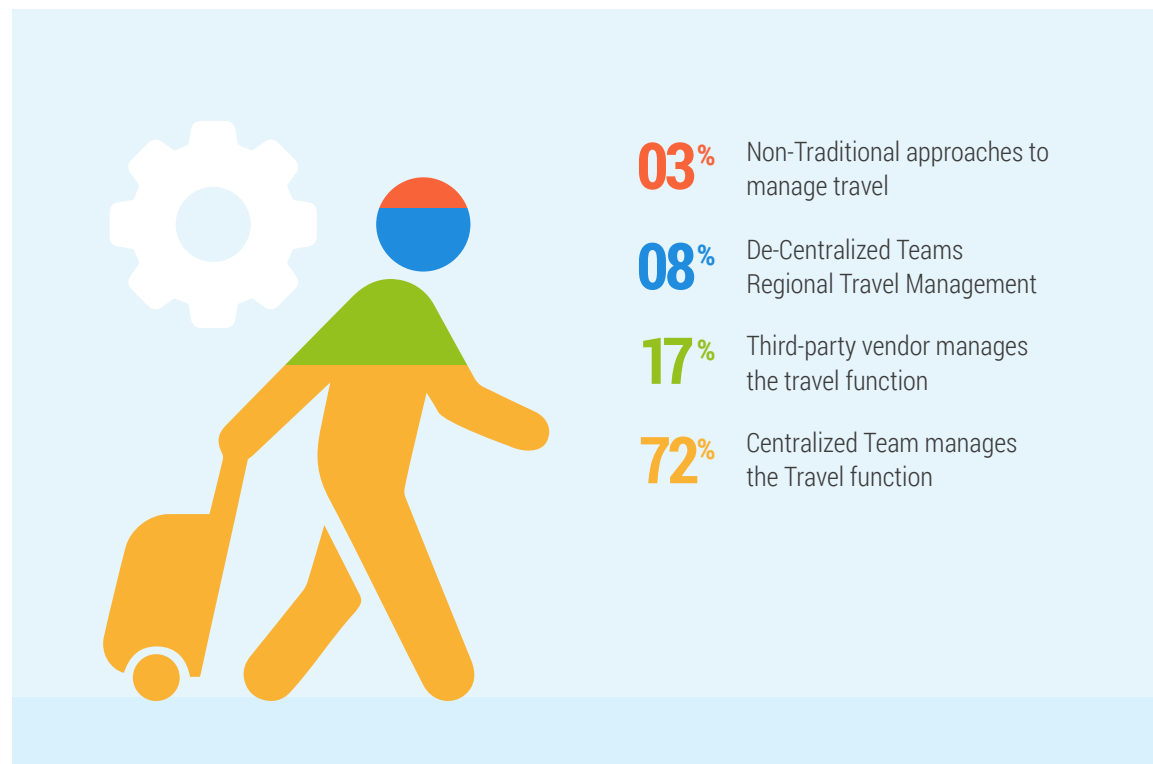
Historical spend data leveraged by MSME (81%) and large enterprise and MNC (52%) favoring this approach over current spend data – large and MNC (49%) and MSME (75%) highlighting use of data to drive negotiations and supplier benchmarks for optimization.



Approach to Managing Business Travel

Managing Corporate Travel

Travel is personal and an organization's travel management approach impacts cost control, compliance, and employee experience. Large enterprises and MNC(72%) prefer centralized management for streamlined oversight, while 17% outsource to third-party vendors. Only 8% of respondents use de-centralized models, and just 3% follow alternative methods highlighting a strong preference for centralized control.

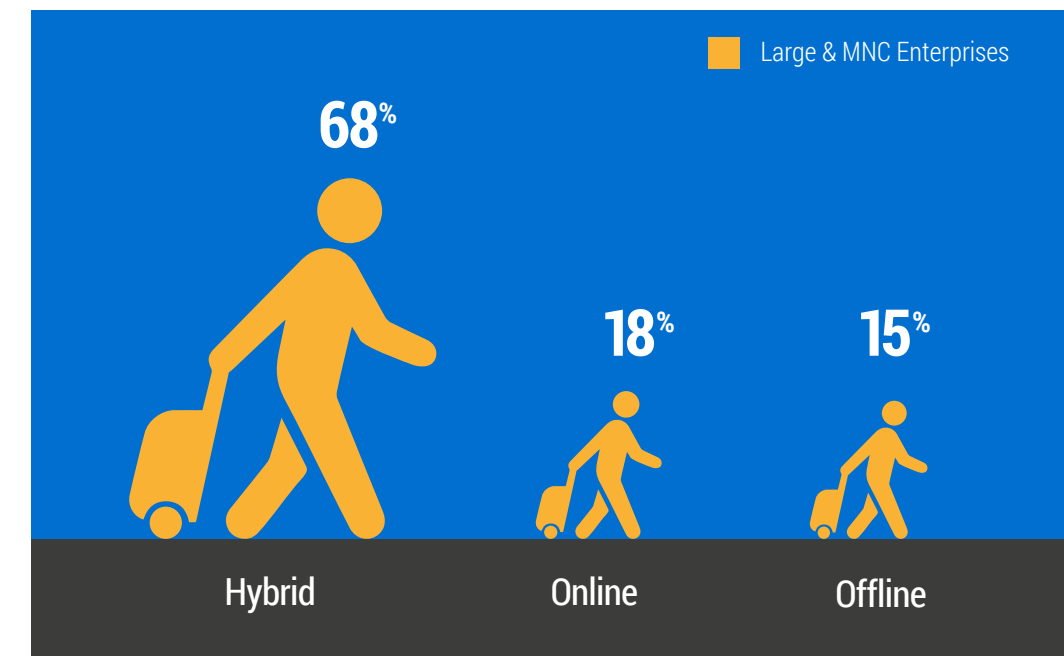


Choice of Travel Fulfilment Model

Corporate Travel Agency Setup

Large enterprises are adopting hybrid travel agency set-up, blending online and offline services to gain flexibility, improve compliance, optimize travel management and offer seamless traveler experience.

Amongst Larger enterprises and MNC's, a clear dominance towards integrated travel fulfilment is visible with only a smaller share relying solely on online(18%) or offline (15%) solutioning from their travel partners.



Travel Vendor Management

Key challenges in managing travel vendors

Organizations face multiple challenges in managing travel vendors across regions. Inconsistent services, pricing disparities, and reporting challenges are the top barriers to effective travel vendor management across regions.

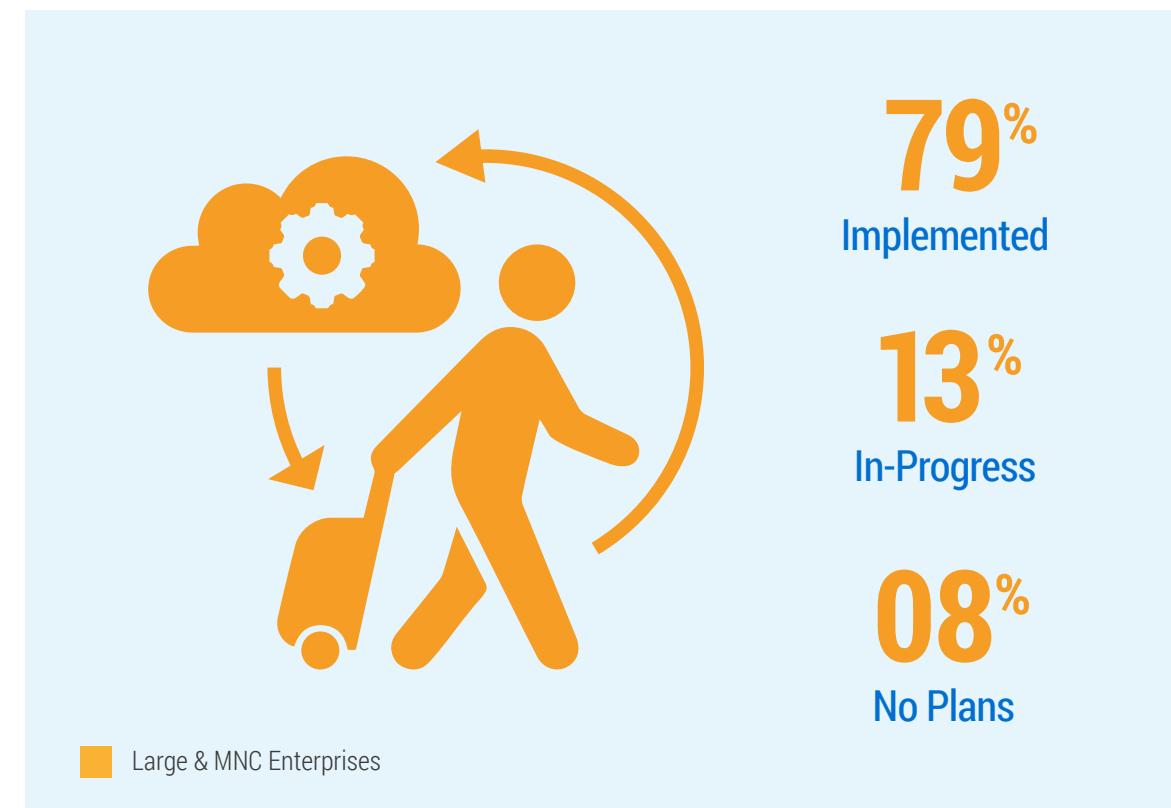
These challenges underscore the importance of centralized vendor management to ensure a unified traveler experience & efficient program management.



Enterprise Outlook for Online Adoption

Collaborating with a Digital Ticketing Provider

Online travel fulfilment is rapidly becoming standard in enterprises, offering improved efficiency, cost control, and policy compliance through integrated digital booking platforms. Only 8% of enterprises remain resistant, highlighting broad industry alignment around digital travel management.



Methodology:

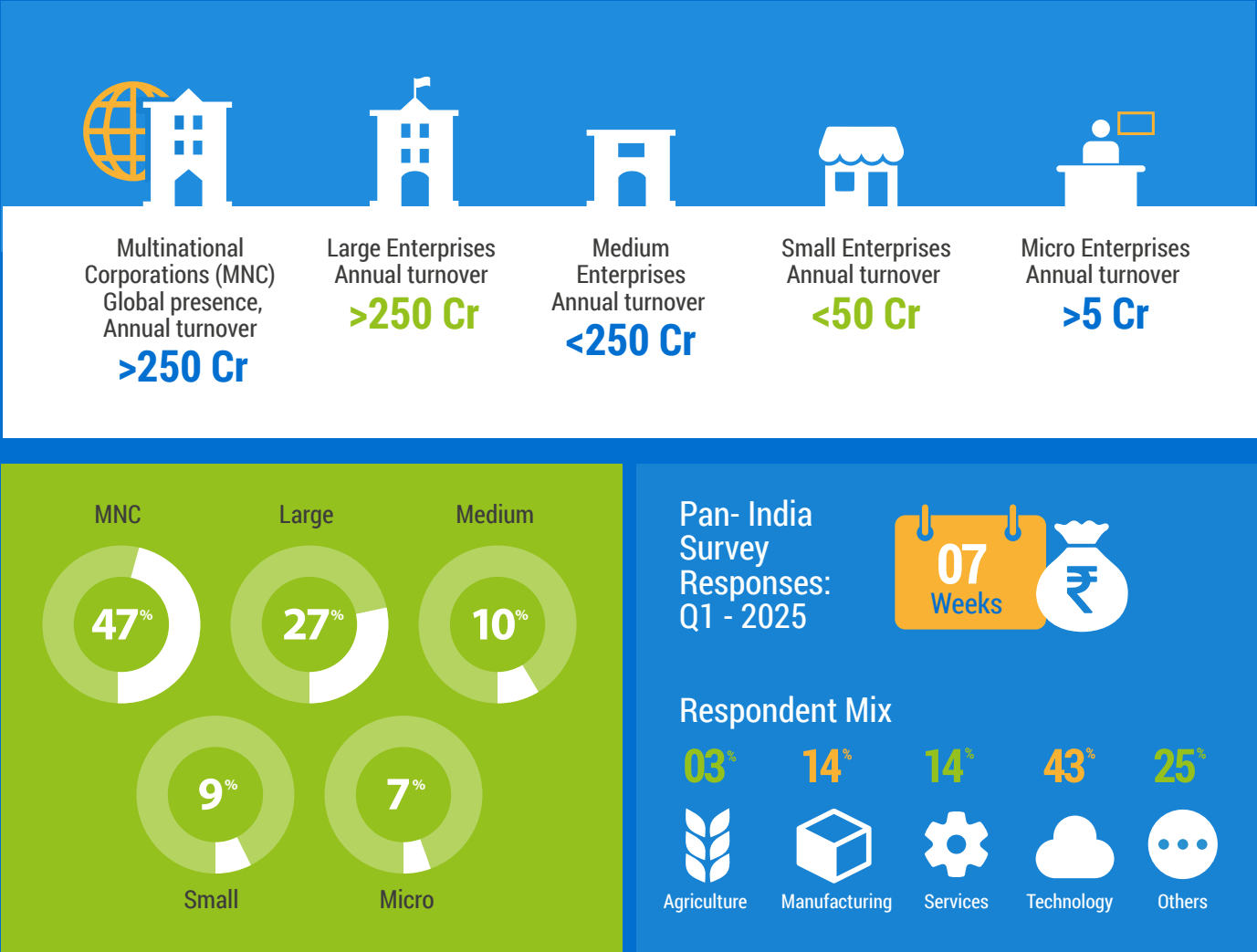
The primary research was carried out across India with enterprises across various segments as illustrated above. The respondent base was classified based on industry segments and size of the enterprise. Further for all analytics the representations are done in percentage terms. The insights presented are based on segmentation and consider large enterprises and MNC as one segment and MSME's as the other. For multi-choice responses the number of favorable responses were considered on the overall base of enterprises within that segment.

Respondent base:

This study elicited responses from over 170 participants. After a careful review of the responses 151 were considered on account of completeness of the information and other details furnished by the respondents.



The survey respondent base in the MSME category, technology and related services enterprises dominate with 43%, followed by Manufacturing, Retail & Logistics, and Services—each contributing 14%. The 'Others' category accounts for 25%, while Agriculture comprises 3% of the respondents.



Disclaimer:
Survey responses within a specific industry or segment provide valuable insights; however, expanding the respondent base can introduce variance and potentially reveal broader or more nuanced trends that a smaller or more homogenous sample might overlook



TravelSpend

Analytics | Technology | Consulting

TravelSpend (<https://travelspend.com>) Travel Analytics, Consulting & Technology company with a focus on bringing the **Business Travel cost under control for enterprises**; through precisely analysed decisions. Our compelling offerings are an invaluable aid for optimizing Business Travel expenses – one of the largest controllable expense for an enterprise in this highly competitive business environment.

