

## India's thriving domestic mid-scale hotel brands

Redefining the industry with **Consolidation and Collaboration, International Expansion, and Technology Adoption**



## The story so far...

India's home-grown mid-scale hotel brands are no longer mere players in the hospitality space; they are redefining the very fabric of the industry. In our first whitepaper released in 2024 **The rise and rise of India's home-grown mid-segment hotel brands**, we analysed the several opportunities and challenges that hotels in this segment have been facing. And this year, in this whitepaper, we will take one more step ahead to delve into their next phase growth fuelled by **consolidation and collaboration with large international and domestic hotel brands, international expansion, and technology adoption**.

**Aditya Sanghi**  
CEO, Hotelogix



## Listen to insights from leaders who are **driving the growth of this industry segment**



**Aryavir Kumar**  
Managing Director of The  
Clarks Hotels & Resorts



**Anant Apurv Kumar**  
Founder of Brij Hotels



**Kahraman Yigit**  
Co-Founder & CEO of  
Olive Living



**Vikram Lalvani**  
CEO of Sterling Holiday  
Resorts Limited



**Deepika Arora**  
Founder of Rosastays



**Akanksha Garg**  
Founder Director of Waxpol  
Hotels & Resorts



**Ritwik Khare**  
Founder of Elivaas



**Jaideep Ahuja**  
Managing Director & CEO of  
Ahuja Residency



**Vikramjit Singh**  
Founder & CMD of Alivaa  
Hotels and Resorts



**Ruchi Uberai**  
Director of Amitara Hotels  
and Resorts



# CONSOLIDATION AND COLLABORATION

# Consolidation and Collaboration

Large hospitality entities, both global and national, are aggressively acquiring or partnering with India's domestic mid-segment hotel brands, typically comprising 3-star and budget-plus properties.

## Key drivers

- Growing domestic travel, especially leisure and pilgrimage tourism
- Tier-2 and tier-3 city penetration, where mid-market hotels dominate
- Brand standardisation and tech integration to meet evolving guest expectations
- Asset-light expansion models - management contracts, franchising - enabling rapid growth



**“Consolidation will gather pace. More Indian mid-segment brands will sign up with large domestic and global chains. It will help both stakeholders stay relevant in this competitive industry.”**

**Aryavir Kumar**  
Managing Director of The Clarks  
Hotels & Resorts

**Riding high on the consolidation tide, the mid-scale hotel market is projected to reach USD \$6.3 billion by 2029–2030**

# Consolidation and Collaboration

## Benefits for bigger international and local brands

- **Rapid expansion:** Allows bigger brands to expand their footprints and capture a larger market share quickly
- **Scalable growth:** Partnering with homegrown brands allows for expansion without upfront investment in new properties
- **Diverse portfolio:** Enables major players to tailor their brand mix, matching hotels to price points across diverse markets
- **Reduced operational risk:** Helps hotel groups cut risks and tap into proven expertise

## Benefits for homegrown mid-scale brands

- **Enhanced reputation:** Boosts a property's value and credibility, helping attract global travellers
- **More bookings:** Leveraging the distribution, sales, and marketing network of bigger hotels boosts visibility, sales, occupancy, and revenue.
- **Improved operational efficiency:** Access to a larger brand's modern tech stack and the implementation of quality standards lead to a visible boost in operational efficiency

# Consolidation and Collaboration

## Implications for the industry

- Reduced fragmentation and improved service consistency
- Accelerated technology adoption
- Improved investor confidence in mid-market brands, thanks to scalable returns
- Enhanced employment opportunities for the hospitality workforce

## Some of the brands that are already in the game

- Indian Hotels Company Limited (IHCL) acquired a 51% stake in ANK Hotels and Pride Hospitality, which runs Clarks Hotels & Resorts
- Marriott International invested in India-based Concept Hospitality that manages and operates Fern Hotels and Resorts, to launch Series by Marriott
- British multinational hospitality entity, InterContinental Hotels Group (IHG), collaborated with Rosastays to launch the Garner brand in India
- In 2024, Hilton signed a licensing agreement with Olive By Embassy to launch 150 Spark By Hilton properties in India
- French hospitality major Accor and InterGlobe invested in Treebo Hotels to rapidly expand in India

**By 2030, large hotel brands (both Indian and international) are expected to control more than 75% to 80% of branded mid-segment rooms through continuous investment and acquisition**



# INTERNATIONAL EXPANSION

# International Expansion

India's domestic mid-market hotel brands are now setting their sights beyond national borders to establish a global footprint. Around 15-20 brands have expanded abroad since 2020, and many of them are all set to follow suit.

## Key drivers

- Saturation and intense competition in tier 1 cities
- Desire to serve an increased outbound Indian travellers preferring culturally familiar brands abroad
- Access to emerging markets with similar demographics where branded mid-scale hotels are underserved
- Strategic partnerships and management contracts providing asset-light entry into foreign markets
- Increased confidence due to technology-enabled strong operational efficiencies and high operating margins domestically



**"By 2030, a significant percentage, about 30% of India's mid-segment hotel brands will cross borders, transforming themselves into global ambassadors of authentic Indian hospitality, fueling growth and cultural connection across continents."**

**Anant Apurv Kumar**  
Founder, Brij Hotels

**Rising outbound Indian travel**  
**Over 30 million**  
**Indians are expected**  
**to travel overseas**  
**annually by 2030**

## International Expansion

### Preferred destinations

- Middle East (UAE, Saudi Arabia) - High Indian diaspora, tourism growth, ease of entry
- South Asia (Nepal, Bhutan, Sri Lanka) - Cultural proximity, tourism synergy
- East Africa (Kenya, Tanzania) - Underserved markets, growing leisure travel
- UK & Europe (select countries) - Indian business and leisure travellers, diaspora

# International Expansion

## Some of the brands that have gone global

- Lemon Tree - Dubai, Nepal, Bhutan
- Royal Orchid Hotels (Regenta) - Sri Lanka, Nepal, Tanzania (by acquiring Multi Hotels Limited), Kenya
- Sarovar Hotels (Portico and Tulip Brand) - Nepal, Zambia, Kenya
- The Clarks Hotels & Resorts - Sri Lanka | Plans to enter the Netherlands
- Oyo (Townhouse) - UAE, UK, and Southeast Asia
- Suba Group Hotels (Click brand) - UAE | Looking at the African market
- Grand Continent Hotels & Resorts - UEA | Planning to expand rapidly

## Other brands that are considering international expansion

- LaRiSa - Sri Lanka, Thailand, Dubai
- Elivaas - To make its international debut in the next two years

**Expansion models  
Management contracts, franchise agreements, or strategic partnerships**

**The mid-scale sector is experiencing a remarkable growth at 13% CAGR, surpassing all other segments. This surge is fueled by robust domestic demand, which offers them the financial strength to expand abroad**

## International Expansion

### Benefits for domestic mid-scale brands

- Diversify revenue and tap higher-spending global guests
- Build global brand recognition and attract international investors
- Scale rapidly with asset-light models and lower capital risk
- Access new technology and hospitality best practices
- Win the loyalty of outbound Indian travellers abroad
- Escape domestic market saturation by entering emerging international markets

### Implications for the industry

- "Brand India" gets a solid boost, elevates perception of Indian hospitality
- Global rotations bring better SOPs and productivity
- Accelerates the adoption of modern tech stacks, leading to improved operational efficiency



# TECHNOLOGY ADOPTION

# Technology Adoption

India's homegrown hotel brands enjoy the flexibility leveraging the power of made-in-India, modern cloud solutions and artificial intelligence to gain advantage over the international heavyweights who generally need to stick to their headquartered-approved solutions.

## Key drivers

- Products better tailored for local compliance and integration with Indian tax and payment systems
- Operational fit with Indian hospitality norms and guest expectations
- Affordable, scalable pricing supports tier II/III hotels
- Faster, responsive and 24/7 local support and customisation
- Seamless integration with domestic platforms like OTAs and digital wallets



**"Affordable, modern solutions made in India now enable small brands like ours to digitize operations, making technology adoption much more accessible than before."**

**Jaideep Ahuja**  
Managing Director & CEO of Ahuja Residency

**About 25% - 30% of mid-scale brands with multiple properties are now running on cloud-based multi-property management systems. By 2030, cloud adoption could exceed 60% - 70% among hotels in this segment**

**Every single new property is embracing the cloud from day one!**

## Technology Adoption

### Benefits for homegrown brands

- Access to cost-effective yet equally sophisticated and highly mature cloud solutions
- Cost savings with affordable subscription-based pricing and reduced IT overhead
- Improved centralised operational efficiency and scalability across multiple properties
- Integration with third-party solutions of choice to streamline operations across departments
- Improved guest service capabilities
- Enterprise-grade data security measures

# Technology Adoption

## Implications for the industry

- Accelerated digital transformation boosts operational efficiency and guest experience standards
- Enhanced competitiveness enables mid-scale brands to scale rapidly and rival global chains
- Lowered IT and infrastructure costs supports asset-light growth and faster multi-property expansion
- Improved personalisation and faster service fosters guest loyalty
- Minimised reliance on the shortage of skilled hospitality professionals
- Strengthened data security and compliance, building trust across markets

## Top tech solutions mid-scale chains look for

- **Cloud PMS with multi-property management capabilities**
- **Strong distribution and revenue management**
- **Reputation management**
- **Customer Relationship Management (CRM) tool**



**"We analyze every conversation with our guests at the reception using an AI-enabled audio and video analytics tool. Service requests and tickets are raised automatically, allowing us to shift mid-level management responsibilities to AI and other technologies."**

**Kahraman Yigit**  
Co-Founder & CEO of  
Olive Living

# Technology Adoption

## The role of Artificial Intelligence (AI)

Groups/chains in the mid-scale segment are increasingly adopting AI to:

- Boost efficiency with operational automation across housekeeping, marketing, etc
- Optimise rates in real-time, drive occupancy and revenue with dynamic pricing
- Enhance guest experience chat bot-enabled guest service
- Leverage predictive analytics in demand forecasting and workforce planning

# Technology Adoption

## The role of Artificial Intelligence (AI)

### The impact

- Guest query handling | **70%-80%** reduction in response time
- Predictive analytics | **20%-25%** boost in RevPAR
- Smart room systems | **15%-20%** reduction in utility costs
- Automated upselling | **20%-30%** more ancillary revenue
- Personalisation | **20% - 22%** increased bookings



**“We are enhancing guest experience by analyzing their feedback with an AI-powered review analysis tool. This tool helps us provide the right input to the operations team to improve their service capabilities.”**

**Ritwik Khare**  
Founder of Elivaas



# Noteworthy mention **GOING THE IPO WAY**

## Some of the leading mid-scale brands with an active IPO plan

- **LaRiSa Hotels & Resorts**
- **Oyo**
- **Lords Hotels & Resorts**
- **Hotel Polo Towers**
- **Pride Hotels**

## Going the IPO way

About 5% of Indian domestic mid-scale hotel brands are listed on public stock exchanges as of late 2025. And, about 6%–8% of Indian domestic mid-scale hotel brands are planning an IPO/public listing in the next two years.

Only a handful of prominent fast-growing brands, such as Royal Orchid Hotels Ltd, Suba Group of Hotels, Grand Continent Hotels Ltd, Lemon Tree Hotels, etc., are currently listed.

The sector is highly fragmented, dominated by a large number of unlisted, small chains and family-owned businesses.

# Going the IPO way

## Key drivers

- Capital needed for rapid expansion via asset-light models
- Use IPO funds to reduce debt and strengthen balance sheets
- Investor preference for resilient, stable mid-scale segment
- India public markets giving better multipliers

## Benefits for domestic mid-scale brands

- Easy access to large amounts of capital from public investors to invest in expansion and technology upgrades
- To enhance brand visibility and valuation
- To avail government policies and GST benefits to support growth

## Implications for the industry

- Fuels rapid expansion, especially in smaller cities
- Improves transparency and governance
- Strong investor confidence attracts more capital
- More mid-scale hotels boost domestic tourism
- Accelerates hotel pipeline growth, closing room supply gaps
- Boosts demand for hospitality services and infrastructure



**"Hospitality sector is buoyant across segments, and it will continue to see investment across asset classes. Growth-focused brands with asset-light models will continue to attract capital."**

**Arjun Baljee**  
President of Royal Orchid  
Hotels Ltds

# The future looks bright...

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We have to use AI very carefully and intelligently. It must be implemented as part of your brand's planned and established processes to give you desired results, but can't replace it wholly."

**Vikram Lalvani**

CEO of Sterling Holiday Resorts Limited



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"AI obviously can't replace the human touch in the hotel industry. However, there are other areas where hotels are seeing some benefits with AI. We are still weighing every aspect of it – both positive and negative aspects of this technology to see where we want to be."

**Ruchi Uberai**

Director of Amritara Hotels and Resorts

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"The ability to offer what guests want is one of the prominent differentiators. We can showcase a lovely heritage bungalow with services matching a world-class five-star hotel. It is about retaining the culture while offering contemporary guest services."

**Deepika Arora**

Founder of Rosastays



# Thank You



Headquartered in Singapore, Hotelogix is a globally leading provider of cloud-based Hotel PMS, Multi-property Management System, Channel Manager, Revenue Management System, Rate Shopper, Booking Engine, Contactless Solutions, etc. It powers the operations of 12,000+ hotels, including 250+ growing hotel groups in 100+ countries. It serves a variety of properties, including independent properties, groups, resorts, boutique hotels, and others. Today, it enjoys the trust of hotels in South Asia, Southeast Asia, the Middle East, LATAM, Europe, and North America.



[www.hotelogix.com](http://www.hotelogix.com)



+91 80 4749 7666



[sales@hotelogix.com](mailto:sales@hotelogix.com)