

PROFITABILITY ANALYSIS OF TOURISM COMPANIES

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Abstract

The profitability analysis of tourism businesses is the focus of this study, which also looks at important financial measures and industry-specific factors that affect profitability. The study looks into the factors that affect tourism companies' profitability using a mix of qualitative evaluations, regression models, and financial ratio analysis. The impact of several factors on profitability is investigated, including but not limited to tourism demand, seasonality, operating costs, competition, and external economic conditions. The research also looks at how marketing plans, technical developments, and strategic management techniques might improve tourist industry profitability. The results deepen our understanding of the factors influencing tourism companies' profitability and provide industry stakeholders and management with information they can use to maximize financial performance in the fiercely competitive travel and tourism sector. This study conducts a comparative profitability analysis of two prominent players in the tourism industry, Booking.com and MakeMyTrip. Utilizing publicly available financial data and industry insights, the research investigates the key determinants of profitability and assesses the financial performance of these companies over a specified period. Through a comprehensive analysis of financial ratios, trend analysis, and qualitative factors, the study aims to elucidate the factors driving profitability within the highly competitive landscape of the tourism sector. The findings contribute to a deeper understanding of the profitability dynamics in the tourism industry and provide valuable insights for stakeholders, including investors, policymakers, and industry practitioners, seeking to optimize financial performance and strategic decision-making in the rapidly evolving tourism market.

Companies looking to stay ahead of the competition in today's fast-paced tourism market must grasp the nuances of profitability. Using a mixed-methods approach, this study thoroughly analyzes the profitability of two of the top travel companies, Booking.com and MakeMyTrip. Utilizing financial information, industry publications, and qualitative evaluations, the study investigates the variables affecting profitability in the context of these businesses' activities. The financial performance of Booking.com and MakeMyTrip is examined using financial ratio analysis, trend analysis, and comparative evaluations over a given time frame. In order to give a comprehensive picture of the factors that drive profitability, qualitative elements like market share dynamics, customer satisfaction measurements, and strategic objectives are also taken into consideration.

Keywords: Profitability Analysis, Tourism Companies, Financial Performance, Industry Dynamics, Comparative Analysis, Consumer Behavior, Travel Apps, Financial Ratios

INTRODUCTION

Within the field of business analysis, the profitability analysis of tourism enterprises is a crucial undertaking, especially in an industry as dynamic and varied as tourism. The tourism industry is a huge and dynamic field that includes a wide range of firms, from travel agencies and hotel providers to internet booking platforms and destination management corporations. Tourism is a vital contributor to worldwide economic growth and cultural interchange. Understanding the dynamics and determinants of profitability is crucial for stakeholders hoping to prosper in the cutthroat travel industry in the midst of this diversified terrain.

The tourism sector poses distinct challenges and opportunities for businesses aiming to attain sustainable profitability due to its vulnerability to a range of internal and external influences. Many elements, such as variations in tourism demand, the effects of seasonality, operating expenses, competitive dynamics, macroeconomic conditions, strategic management practices, and technological improvements, all have an

impact on the profitability of tourism enterprises. As such, a thorough examination of profitability in the tourism industry requires a multimodal approach that takes into account both qualitative and quantitative financial metrics that influence the competitive environment.

With an emphasis on comprehending the financial performance and viability of organizations functioning within this industry, this study sets out to explore the profitability analysis of tourism companies. Through the use of a mixed-methods research methodology that combines qualitative evaluations, quantitative financial analysis, and industry insights, this study aims to disentangle the intricate relationships between variables that affect tourism profitability.

Comparative profitability analysis of two major firms in the travel business, Booking.com and MakeMyTrip, is the main goal of this study. These businesses represent different sectors of the tourism industry. Booking.com specializes in online reservations for lodging, while MakeMyTrip provides a wide range of travel services, such as vacation packages, hotel and flight bookings, and more. This study attempts to clarify the primary determinants of profitability and identify the tactics used by these businesses to prosper in the cutthroat travel industry through a comparative analysis of their financial performance.

This study looks into the profitability dynamics of Booking.com and MakeMyTrip in an effort to offer insightful analysis to a variety of stakeholders, including customers, industry practitioners, legislators, and investors. Knowing the elements that drive tourism companies' profitability helps them make more informed decisions and helps them develop strategies to improve their financial performance and maintain a competitive edge in a market that is becoming more and more dynamic.

Essentially, this study adds to the body of knowledge already available on profitability analysis in tourist businesses and is a useful tool for stakeholders who want to confidently and clearly traverse the complex landscape of the travel industry. This study attempts to provide light on the profitability dynamics within the tourism sector and practical insights for promoting sustainable growth and profitability in the constantly changing tourism landscape through a thorough analysis of financial metrics, qualitative factors, and industry trends.

The examination of tourist companies' profitability analysis provides a crucial perspective for assessing the financial performance and sustainability of enterprises in the industry. Globally, tourism is a sizable and quickly expanding business that promotes job development, economic expansion, and cross-cultural interaction. Therefore, it is crucial for all parties involved—from investors and legislators to managers and business professionals—to comprehend the variables that affect the profitability of tourism enterprises.

LITERATURE REVIEW

Gupta and Sharma (2018). A significant focus of the research on profitability analysis in Indian tourism enterprises is the analysis of financial performance metrics and their consequences for the sustainability and expansion of businesses. Financial ratio analysis has been used in studies by scholars like Gupta and Sharma (2018) to assess the profitability, liquidity, and solvency of Indian tourist enterprises. Their findings highlight the significance of effective cost control, revenue creation, and resource utilization techniques in raising profitability in the Indian tourism industry. A central theme in the large body of research on profitability analysis in Indian tourist enterprises is the examination of financial performance measures and the implications of these for maintaining the viability of the business and promoting expansion. Scholars, including Gupta and Sharma (2018), have used financial ratio analysis a lot to examine the profitability, liquidity, and solvency of Indian tourism businesses. It is clear from their research that effective resource management, cost containment, and revenue creation techniques are critical to enhancing profitability in the Indian tourism industry. These results underline the necessity for tourism businesses to match their operational strategies with overarching business objectives in order to achieve sustained profitability and promote long-term growth in the face of a dynamic and competitive market. They also highlight the critical importance of prudent financial management practices.

Singh and Verma's (2019) additionally, studies have looked into how industry-specific variables and macroeconomic factors affect the profitability of Indian tourism businesses. For example, Singh and Verma's (2019) research has examined how changes in government regulations, exchange rate volatility, and tourism demand affect the financial success of Indian tourism companies. Their analysis emphasizes the necessity for adaptable tactics to reduce risks and take advantage of opportunities by highlighting the interdependence between macroeconomic conditions and profitability dynamics within the Indian tourism industry. Moreover, academic studies have explored the complex interactions between industry-specific elements and macroeconomic variables that influence the profitability landscape of Indian tourist enterprises. For example, Singh and Verma's (2019) study carefully examines how changes in exchange rates, changes in government restrictions, and changes in travel demand affect the bottom line of Indian tourist businesses. Their thorough study emphasizes how important it is to implement flexible tactics meant to reduce risks and take advantage of new opportunities in the Indian tourist industry. Their findings illuminate the complex strategies needed to navigate the constantly changing Indian tourism industry by demonstrating the relationship between

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profitability dynamics and macroeconomic conditions. They also highlight the critical role that resilience and strategic agility play in sustaining competitive advantage and sustained profitability.

Dutta and Chatterjee (2020) additionally, academics have looked at how marketing plans and strategic management techniques help Indian travel agencies gain a competitive edge and increase profitability. The effectiveness of destination branding, CRM tactics and digital marketing initiatives in improving the profitability and market placement of Indian tourist enterprises has been studied by Dutta and Chatterjee (2020). Their results highlight the significance of implementing creative and customer-focused strategies to maintain an advantage in a fiercely competitive and ever-changing market. Beyond the previously mentioned studies, Dutta and Chatterjee (2020) have expanded the corpus of knowledge by investigating how marketing plans and strategic management approaches help Indian travel firms gain a competitive advantage and boost earnings. In order to improve the profitability and market placement of Indian tourist businesses, they examine the efficacy of destination branding, customer relationship management (CRM) strategies, and digital marketing activities. The research conducted by Dutta and Chatterjee (2020) highlights the vital significance of implementing inventive and customer-focused tactics to maintain a competitive edge in the intensely competitive and constantly changing market environment of the Indian tourist sector.

Kumar and Jain (2021) Furthermore, research on the profitability analysis of Indian tourism firms has begun to examine how disruptive innovations and technology improvements affect company performance. Researchers like Kumar and Jain (2021) have studied how Indian tourist organizations can improve consumer experiences, operational efficiency, and income creation by implementing technology like virtual reality (VR), artificial intelligence (AI), and big data analytics. According to their analysis, technology has the ability to completely change business models and open up new revenue streams for the Indian travel and tourist industry.

Bhaktarya and Mukherjee, 2019 since the tourism sector is vulnerable to a wide range of risks and uncertainties, risk management and resilience building strategies have been the subject of research. Research has looked at how crises like natural disasters, pandemics, and geopolitical tensions affect the bottom line of Indian tourism businesses (Bhaktarya and Mukherjee, 2019). Maintaining profitability and guaranteeing business continuity in the face of unforeseen obstacles requires a thorough understanding of the risk landscape and the implementation of effective risk mitigation methods.

RESEARCH METHODOLOGY

Introduction

In this study on digitally driven travel, we aim to analysis consumer travel purchase choices via travel apps, focusing on understanding the factors influencing these decisions and their implications for the travel industry. To achieve this goal, a rigorous research methodology is essential, encompassing both qualitative and quantitative approaches to capture the complexity of consumer behavior in the digital travel landscape. The research methodology outlined below is designed to provide a comprehensive understanding of consumer travel purchase choices via travel apps, ensuring robustness in data collection, analysis, and interpretation.

"Digitally Driven Travel Analyzing Consumer Travel Purchase Choices via Travel Apps and Profitability Analysis of Tourism Companies focuses on describing the methodology used to look at customer behavior and evaluate the financial health of travel agencies in the context of digital travel. The purpose of this part is to provide light on the procedures used to gather, analysis, and interpret data in order to guarantee the accuracy and consistency of the study's conclusions. This study uses both quantitative and qualitative methods, such as surveys, interviews, and financial analysis, to look for patterns, trends, and linkages that are important for comprehending the dynamics of digital travel consumption and how it affects travel agencies. In order to create a solid foundation for carrying out the investigation and deriving significant findings, this section addresses potential limits and provides an explanation for the approaches that were used.

Research Objective:

- Determine the Financial Health and Performance of tourist organizations: Determine the financial health and performance of tourist organizations by evaluating various profitability indicators, such as PBT Margin (%), Net Profit Margin (%), Return on Capital Employed (%), and Return on Assets (%).
- Determine the Factors Affecting Profitability: Examine both internal and external factors, such as operational effectiveness, cost structure, revenue sources, market dynamics, and economic and regulatory conditions, that affect profitability in the travel and tourism sector.

Signification of study

Digitally Driven Travel: This indicates that the research will concentrate on the ways in which digital technologies are shaping the travel sector. This might cover anything from mobile apps for travel and lodging to websites for online reservations.

Analyzing Consumer Travel Purchase Choice using Travel Apps: This suggests that the study will look into how customers choose what to buy when they travel, with a focus on their experiences using travel apps. It might

consider elements that affect judgment, including user preferences, reviews, cost, convenience, and other elements.

Profitability Analysis of Tourism Companies: In this section of the project, the financial standing and profitability of businesses engaged in the tourism sector are assessed. analyzing income sources, cost structures, market trends, competitive positioning, and other elements influencing the financial stability of tourism-related enterprises may be part of this.

Nature of the Data

Structured questionnaires will be used to collect information for this study. It is a collection of questions used to collect data from people with closed-ended issues. Researchers can cover a significant population at a small price and represent its inhabitants by using questionnaires. This study utilized a questionnaire that was self-administered as it decreased bias mistakes.

Research Design

Based on my goals, select a suitable research design. Given that your study examines consumer behavior and profitability, a mixed-methods approach would be appropriate. Both qualitative and quantitative methodologies may be used in this. Use a mixed-method strategy that blends qualitative and quantitative analysis methods in the Travel Purchase Choices via Travel Apps.

In the research design are data collected by Quantitative Surveys/questionnaires distributed among travel app users and utilize statistical methods for quantitative data analysis and thematic analysis for qualitative data.

Data collection

The data collection for this research paper is completely based on the secondary data. in data collection by Create survey/questionnaire tools with an emphasis on the variables influencing decisions to buy travel and the satisfaction level with travel apps and Thorough examination of financial accounts, industry reports, and scholarly works to obtain pertinent information on consumer travel purchasing decisions, digital developments in the travel sector, and profitability measures of travel agencies.

Data collected by A discussion of the survey or questionnaire format.

Data collecting information from travel apps and travel agencies.

Data sources

The data sources for this research paper is completely based on the secondary data and all the data are given in Secondary data from market research reports, industry publications, and databases are utilized to gather information on market trends, competitive landscape, and technological advancements in the travel app market. This data contextualizes the findings of the study within the broader industry landscape and provides valuable insights into market dynamics.

Reports on the travel and tourism sector are available from Statist, the Travel Association of Country, and the World Tourism Organization. Tourism-related financial reports and annual statements can be found on corporate websites and in databases such as Capital IQ and Bloomberg

Reports on market trends and consumer behavior from market research companies such as Nielsen, Euro monitor, and Deloitte.

Scholarly journals and papers about consumer behavior analysis, the profitability of tourist companies, and the digital transformation of the travel industry.

Data analysis

Data collection: Begin by collecting important secondary data from trusted sources, including government publications, businesses, research papers, industry reports, and resources like Statist, Google Scholar, or niche travel resources. Compile information about the travel habits, interests, app usage, and financial performance indicators of travel agencies.

Data Cleaning: For complete reliability and consistency, clean the data that has been gathered. This includes finding and fixing mistakes, removing duplicate entries, and preparing the data for analysis.

Descriptive Analysis: To comprehend the properties of the data, start with descriptive analysis. Determine summary statistics for consumer travel behavior. Example like that (e.g., regularity of travel, chosen locations, spending patterns).

Consumer Travel Purchase Choice Analysis: Study the connections between consumer travel purchases and factors including app usage, trip reviews, price sensitivity, and brand loyalty using suitable statistical approaches (e.g., regression analysis, correlation analysis). Determine the important variables affecting customer choice when it comes to using travel apps.

Analysis of Tourism Companies' Profitability: Examine important financial metrics including gross profit margin, net profit margin, return on investment (ROI), and earnings per share (EPS) to do a profitability

analysis of tourism-related businesses. Examine the financial results of several tourism-related businesses and track patterns over time.

Data Visualization: Using tables, charts, and graphs, create visual representations of the data to highlight correlations, trends, and patterns found during analysis. Visualizations can improve the way results are presented and make it easier for readers to understand.

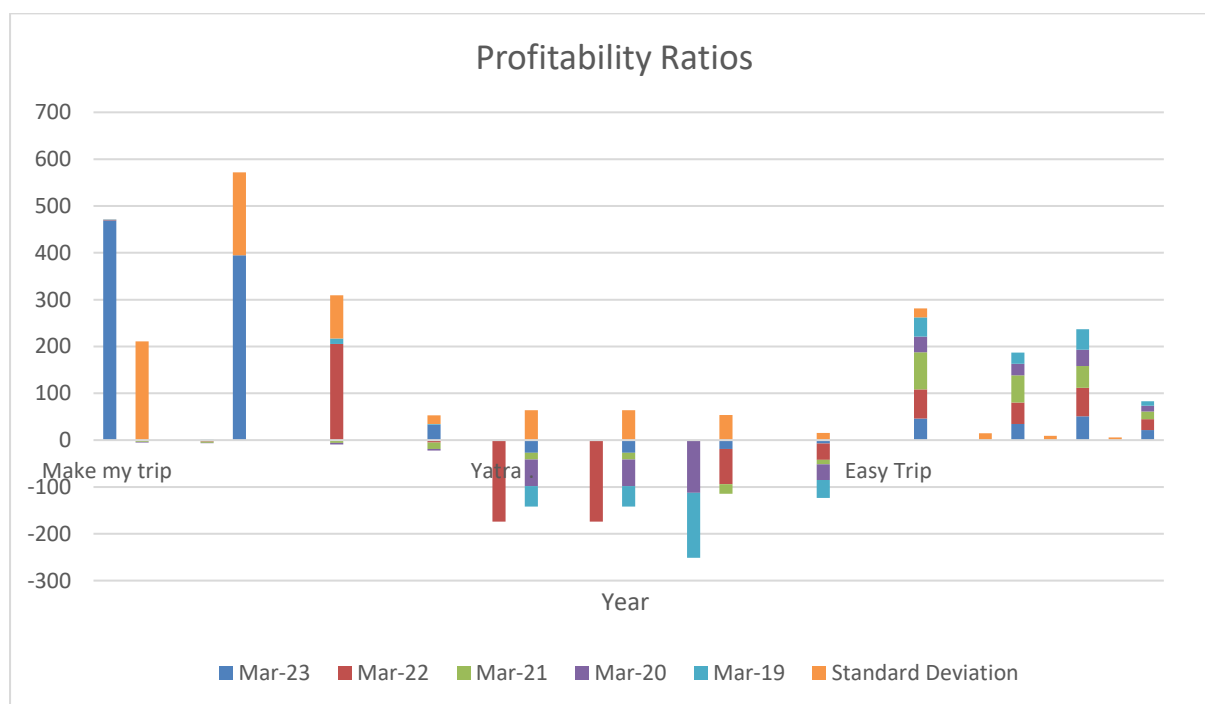
Interpretation and Discussion: Discuss how the data analysis findings relate to the goals and ideas of the research. Talk a

Bout the analysis's weaknesses as well as their implications for theory and practice. Describe how tourism businesses can improve their profitability and competitiveness by utilizing digital technologies and consumer data.

DATA ANALYSIS AND INTERPRETATION

Profitability Ratio: Profitability ratios are financial metrics used to assess a company's ability to generate profit in relation to its revenue, assets, equity, or investments.

Profitability Ratio							
Company Name	Ratios	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Standard Deviation
Make my trip	PBT Margin (%)	469.33	1.43	-4.14	-0.94	0.4	211
	Net Profit Margin (%)	394.81	-2.88	-2.91	-0.94	0.28	177
	Return on Capital Employed (%)	-2.04	205.64	-3.95	-3.13	11.54	92
	Return on Assets (%)	32.87	-5.07	-13.97	-3.45	1.82	18
Yatra .	PBT Margin (%)	-27.02	-174.15	-14.71	-56.28	-44.22	64.02
	Net Profit Margin (%)	-27.02	-174.15	-14.71	-56.28	-44.22	64.02
	Return on Capital Employed (%)	-18.93	-74.94	-21	-112.86	-138.79	53.73
	Return on Assets (%)	-7.2	-34.63	-9.67	-33.63	-38.41	15
Easy Trip	PBT Margin (%)	45.89	62.29	79.31	33.7	40.72	19
	Net Profit Margin (%)	34.15	46.03	58.39	24.57	23.73	14.80
	Return on Capital Employed (%)	51.11	60.44	46.52	35.31	43.2	9.33
	Return on Assets (%)	21.79	22.72	16.35	12.27	9.87	5.66



Interpretation

Make my trip

MakeMyTrip's financial measures show a notable improvement in profitability between the fiscal year that ended in March 2022 and March 2023, as shown by the notable rise in PBT Margin and the decline in Net Profit Margin losses. With a notable peak in FY22, the Return on Capital Employed (ROCE) likewise demonstrates significant variability over time. In a similar vein, Return on Assets (ROA) exhibits swings but positive returns in FY23, indicating efficient asset use. Though considerable fluctuation in ROCE and ROA calls for attention, these ratios generally point to a positive trajectory for MakeMyTrip's financial performance, especially in terms of profitability and capital efficiency.

Yatra

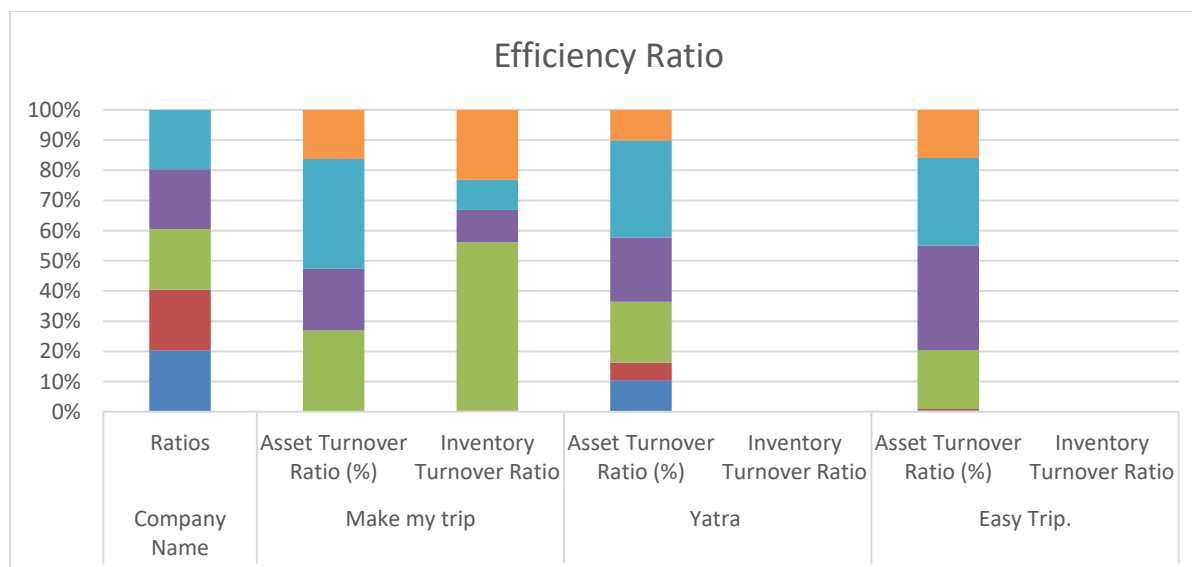
Yatra's financial measures reflect a persistently downward trend in profitability, with significant losses shown in both PBT Margin and Net Profit Margin throughout the course of the fiscal years. This suggests that it will have substantial obstacles in turning a profit on its operations. Furthermore, as demonstrated by repeatedly negative or low returns, the Return on Capital Employed (ROCE) and Return on Assets (ROA) ratios highlight inefficiencies in the efficient use of capital and assets. All things considered, these ratios point to Yatra's continuous operational and financial challenges, emphasizing the necessity of taking calculated steps to increase profitability and operational effectiveness.

Easy Trip

Easy Trip's financial measures show a usually upward trend in profitability over the course of the fiscal years. The company's PBT Margin and Net Profit Margin both continuously improve, demonstrating efficient cost control and revenue growth. In addition, the Return on Assets (ROA) and Return on Capital Employed (ROCE) ratios show positive returns over time and an efficient use of capital and assets. Together, these statistics imply that Easy Trip has been profitable and has maximized its operational efficiency, indicating a sound financial performance and possibly promising future growth and sustainability in the travel sector.

Efficiency Ratio

Efficiency Ratio							Standard Deviation
Company Name	Ratios	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	
Make my trip	Asset Turnover Ratio (%)	0.07	1.63	479.07	366.78	650.52	291
	Inventory Turnover Ratio	0.89	2.85	578.04	110.84	103.57	240
Yatra	Asset Turnover Ratio (%)	0.29	0.16	0.56	0.59	0.89	0.28
	Inventory Turnover Ratio	0	0	0	0	0	0
Easy Trip.	Asset Turnover Ratio (%)	0.75	0.55	28	49.93	41.59	22.84
	Inventory Turnover Ratio	0	0	0	0	0	0

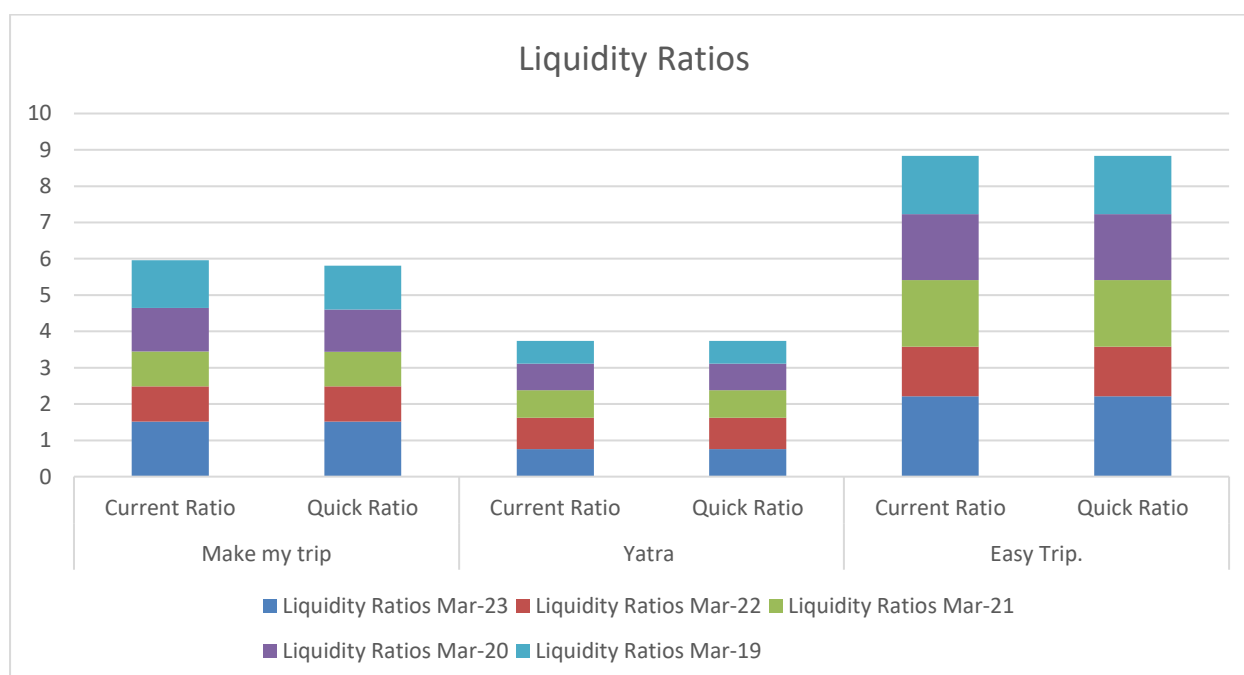


The asset turnover and inventory turnover efficiency ratios reveal how well businesses are using their resources and controlling their inventories. Both ratios show considerable variation in the case of MakeMyTrip over time, pointing to variations in asset use and inventory control. The asset turnover component has the biggest standard deviation, showing instability in this area. Yatra, on the other hand, continuously displays low asset turnover ratios, which highlights difficulties in effectively bringing in money from its assets. Interestingly, Yatra reports negligible inventory turnover, indicating that there may be problems with inventory management or very little product held. Easy Trip exhibits somewhat consistent Asset Turnover Ratios, although being at lower levels than MakeMyTrip, which suggests a decent level of asset usage efficiency. Like Yatra, Easy Trip also reports zero inventory turnover, which may indicate inadequate inventory control or very small inventory holdings. These figures, taken as a whole, show variations in the companies' inventory management strategies and operational effectiveness, which investors ought to take into account when assessing their prospects and performance.

Liquidity Ratio

Liquidity ratios assess a company's ability to meet its short-term financial obligations using its liquid assets, providing insight into its financial health and ability to cover immediate expenses.

Liquidity Ratios							Standard Deviation
Company Name	Ratios	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	
Make my trip	Current Ratio	1.52	0.97	0.96	1.2	1.31	0.2370
	Quick Ratio	1.52	0.97	0.95	1.16	1.21	0.2303
Yatra	Current Ratio	0.76	0.86	0.76	0.73	0.63	0.082
	Quick Ratio	0.76	0.86	0.76	0.73	0.63	0.082
Easy Trip.	Current Ratio	2.21	1.37	1.83	1.82	1.6	0.311
	Quick Ratio	2.21	1.37	1.83	1.82	1.6	0.311

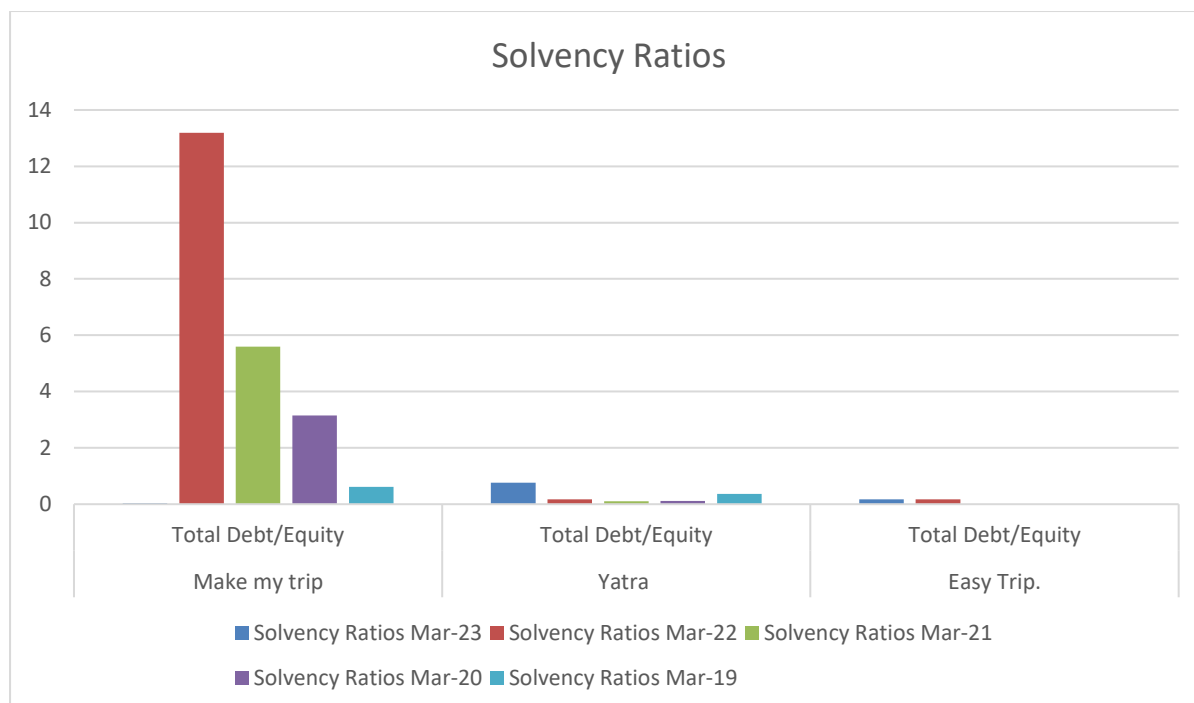


MakeMyTrip, Yatra, and Easy Trip's liquidity ratios shed light on their capacity to fulfill short-term financial obligations. MakeMyTrip has had a constant Current Ratio and Quick Ratio throughout the course of the years, suggesting stable liquidity levels and the capacity to meet short-term obligations with ease. In contrast to MakeMyTrip, Yatra exhibits lower liquidity levels, as seen by its constantly lower Current and Quick Ratios, which may provide difficulties in paying short-term financial obligations. Easy Trip, on the other hand, has good liquidity positions. Its current and quick ratios have constantly increased, suggesting that company has enough cash on hand to meet its short-term obligations. When compared to MakeMyTrip and Yatra, these ratios combined imply that Easy Trip has a higher liquidity position, which may give it more flexibility in handling its immediate financial demands and overcoming unforeseen obstacles.

Solvency Ratio

Solvency ratios measure a company's ability to meet its long-term financial obligations and remain financially stable over the long term by comparing its debt to its equity or assets.

Solvency Ratios							Standard Deviation
Company Name	Ratios	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	
Make my trip	Total Debt/Equity	0.03	13.19	5.6	3.15	0.62	5.32
Yatra	Total Debt/Equity	0.76	0.17	0.1	0.12	0.36	0.2758
Easy Trip.	Total Debt/Equity	0.17	0.17	0	0	0	0.093

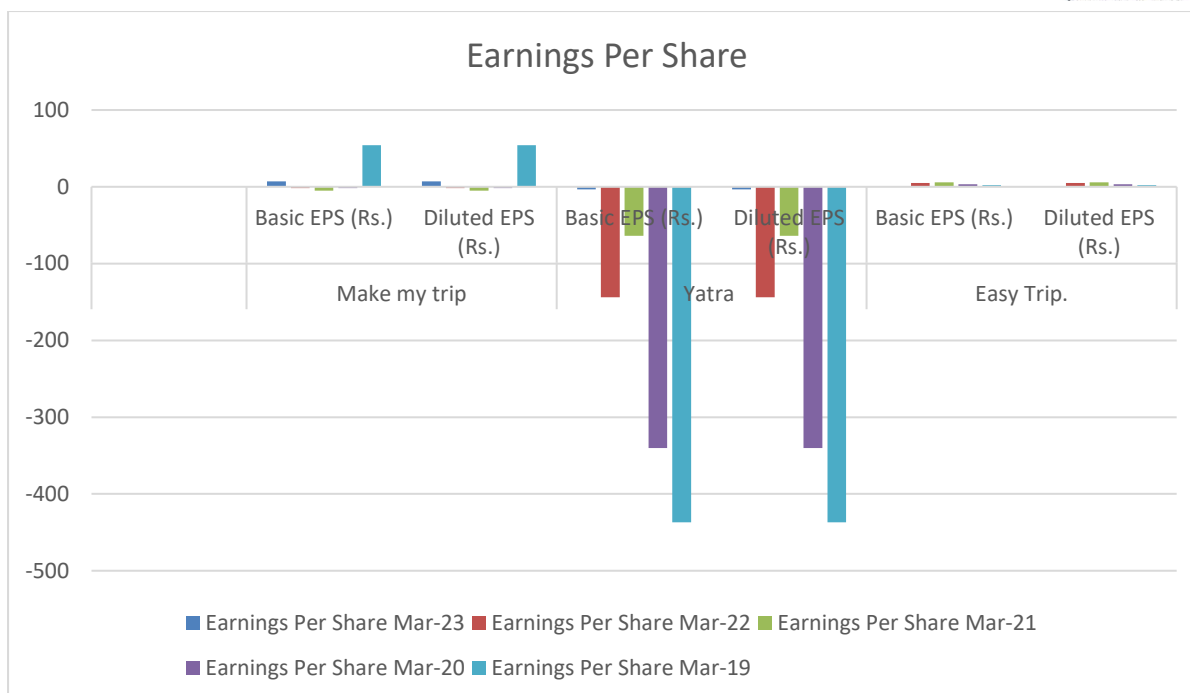


The solvency ratios of MakeMyTrip, Yatra, and Easy Trip provide information about their financial leverage and risk management practices, especially the Total Debt/Equity ratio. MakeMyTrip's Total Debt/Equity ratio shows significant variation over time, indicating changes in its capital structure and possible shifts in risk exposure. Even so, the percentage is still somewhat low in FY23, suggesting a cautious approach to debt financing. Yatra has a low total debt to equity ratio that has been constant over time, suggesting a cautious capital structure and less reliance on debt to fund operations. Easy Trip's Total Debt/Equity ratio has remained consistent over the years, hovering around zero. This indicates that the company has little to no debt financing, pointing to a cautious financial strategy and maybe lower financial risk. Compared to MakeMyTrip and Yatra, Easy Trip appears to have a more conservative and stable capital structure overall, which may provide more financial stability and resilience in the face of economic uncertainty.

Earnings Per Share (EPS)

Earnings Per Share (EPS) is a financial metric that indicates the portion of a company's profit allocated to each outstanding share of common stock, serving as an indicator of a company's profitability on a per-share basis.

Earnings Per Share							Standard Deviation.
Company Name	Ratios	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	
Make my trip	Basic EPS (Rs.)	7.17	-1.61	-5.13	-1.51	054	4.55
	Diluted EPS (Rs.)	7.17	-1.61	-5.13	-1.51	054	4.55
Yatra	Basic EPS (Rs.)	-3.39	-144	-64	-340	-437	184.41
	Diluted EPS (Rs.)	-3.39	-144	-64	-340	-437	184.41
Easy Trip.	Basic EPS (Rs.)	0.84	4.93	5.73	3.19	2.21	1.98
	Diluted EPS (Rs.)	0.84	4.93	5.73	3.19	2.21	1.98



The Earnings Per Share (EPS) numbers shed light on MakeMyTrip, Yatra, and Easy Trip's profitability per share. MakeMyTrip's earnings per share (EPS) shows variations over time, showing positive EPS in FY23 following negative values in the years prior. The substantial standard deviation, however, suggests that wages are significantly variable. Throughout all fiscal years, Yatra has continuously reported negative EPS, a sign of ongoing losses and difficulties with finances. The high standard deviation points to volatility in the performance of earnings. Easy Trip's EPS, on the other hand, has exhibited a consistently positive trend throughout the years, with the standard deviation indicating relatively little fluctuation. This implies a more consistent and lucrative performance in contrast to Yatra and MakeMyTrip. The three companies' varying financial achievements and levels of stability are generally reflected in the EPS figures, with Easy Trip exhibiting more steady profitability, MakeMyTrip exhibiting volatility, and Yatra enduring persistent losses.

5: CONCLUSION

To sum up, the examination of tourist enterprises' profitability indicates a multifaceted environment influenced by a range of internal and external influences. During this analysis, a number of important realisations have surfaced.

First off, the effects of world events like natural catastrophes, pandemics, and geopolitical tensions show that the tourism sector is still quite vulnerable to outside shocks. These unanticipated events have the potential to seriously impair operations, resulting in drops in earnings. As a result, in order to survive difficult times, tourism businesses must implement strong risk management plans and retain their flexibility.

Second, it is impossible to overestimate the contribution that innovation and technology provide to the increased profitability of travel agencies. Using artificial intelligence, data analytics, and digitization can reduce costs, enhance customer satisfaction, and streamline processes. Businesses who take advantage of these technical developments will be in a better position to adjust to shifting customer tastes and obtain a competitive advantage in the marketplace.

Thirdly, it has become clear that sustainability has a significant impact on how profitable travel agencies are. Travellers are favouring eco-friendly and socially conscious enterprises more and more as they become more conscious of environmental and social issues. Prioritising sustainable practices helps tourism businesses attract a devoted clientele, increase long-term profitability, and support community development and environmental conservation.

Furthermore, the implementation of efficient marketing and branding tactics is crucial in propelling tourist enterprises' revenue expansion and profitability. Businesses can stand out from the competition and charge more by developing strong brand identities, focusing on niche markets, and providing individualised experiences. Moreover, strategic alliances and cooperative efforts with other industry players can generate new sources of income and synergies.

Additionally, maintaining profitability in the tourism industry requires careful money management techniques. This entails controlling expenses, maximising pricing tactics, and preserving appropriate amounts of cash flow. Moreover, risks related to seasonality and economic swings can be reduced by broadening your revenue sources and investigating new market niches.

In summary, a variety of factors, from internal strategy choices to external market conditions, affect the profitability of tourism businesses. In a constantly changing business, tourism organisations can become more competitive and achieve sustained profitability by adopting innovation, sustainability, efficient marketing, and good financial management techniques. However, long-term success in the fast-paced tourist industry will depend heavily on an ability to continuously analyse market trends and adjust quickly to changing conditions.

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