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# HOW INDIA TRAVELS USING HOLIDAY LOANS

A Consumer Insights Report by Paisabazaar



# TABLE OF CONTENTS



-  **From the CEO's Desk**
-  **Research details**
-  **Who are Holiday Loan borrowers?**
-  **Over 20% Personal Loans taken for Vacation**
-  **Loans for Foreign Vacations see a sharp growth**
-  **Non-metros driving demand for Holiday Loans**
-  **Holiday Loans more popular among the salaried class**
-  **The most popular months for Holiday Loans**
-  **The most popular destinations for Holiday Loans**

## FROM THE CEO'S DESK



**Naveen Kukreja**  
**Co-Founder & CEO, Paisabazaar**

Since Paisabazaar's inception, we have seen significant shifts in consumer behaviour while accessing credit. A key one is the increasing confidence and comfort of young Indians to take and handle credit, not just for needs and life goals but also for their rising aspirations. From CD loans and personal loans for holidays and weddings, to home loans and auto loans for fulfilling life goals, young India is borrowing with great confidence today.

This augurs well for a credit under-penetrated country like India, where large sections of the population remain credit-starved.

The rapid and continuous spread of smartphone-led internet penetration along with a robust digital ecosystem, and the increasingly growing digital capabilities of Banks, NBFCs and Fintech lenders, would continue to propel India towards becoming more credit inclusive.

However, the onus lies with the lending industry at large, as it continues to focus on strengthening its digital capabilities and innovating through technology and data, which should help solve distribution challenges and ease access to serve the growing yet diverse needs of India's varied consumer segments.

One of the primary consumer needs for availing a personal loan, which has emerged in the last few years is holiday-related travel. In this study by Paisabazaar, we have tried to cover some insights with respect to consumers accessing credit for their vacationing needs. We hope you find this report useful.

Warm regards,  
**Naveen**



## RESEARCH DETAILS

Over the years, Paisabazaar has seen a significant rise in the demand for personal loans that are being used for vacation-related expenses. While personal loans are traditionally availed for need-based expenses such as medical emergencies, higher education, home renovation and more, conversations with consumers clearly indicated a rising trend of accessing credit to fulfil travel aspirations among young Indians

Our research team surveyed and spoke to over 4000 respondents from 105 cities & towns, who took a personal loan from the Paisabazaar platform in the last 6 months (January 2023 to June 2023) to understand the needs and aspirations of those who used credit to fund their holiday needs.

### CITIES COVERED

#### Metros

- 1) Delhi NCR
- 2) Mumbai
- 3) Bengaluru
- 4) Chennai
- 5) Kolkata
- 6) Hyderabad
- 7) Ahmedabad
- 8) Pune

#### Non-metros

- 1) Lucknow
  - 2) Agra
  - 3) Jaipur
  - 4) Patna
  - 5) Kozhikode
  - 6) Guwahati
  - 7) Surat
  - 8) Vizag
  - 9) Indore
  - 10) Jodhpur
- & 87 others**





## WHO ARE THE HOLIDAY LOAN BORROWERS?

Our research and conversations with consumers who have taken a personal loan for vacation in the past helped us come up with 3 unique consumer segments that typically take a holiday loan.

### CITY HIGH-FLYER



- ▶ 28-35 years
- ▶ Resident of Metros
- ▶ Post-Graduate, Salaried
- ▶ Preferred destinations: US, UK/ Europe, Australia
- ▶ Loan Amount: Rs 5-10 lakhs
- ▶ Travels with friends/family

### FAMILY HOLIDAYMAKER



- ▶ 35-40 years
- ▶ Resident of Non-metros
- ▶ College-educated, Salaried/self-employed
- ▶ Preferred destinations: Goa, Thailand, Vietnam, Singapore
- ▶ Loan Amount: Rs 3-5 lakhs
- ▶ Travels with family

### YOUNG ASPIRER



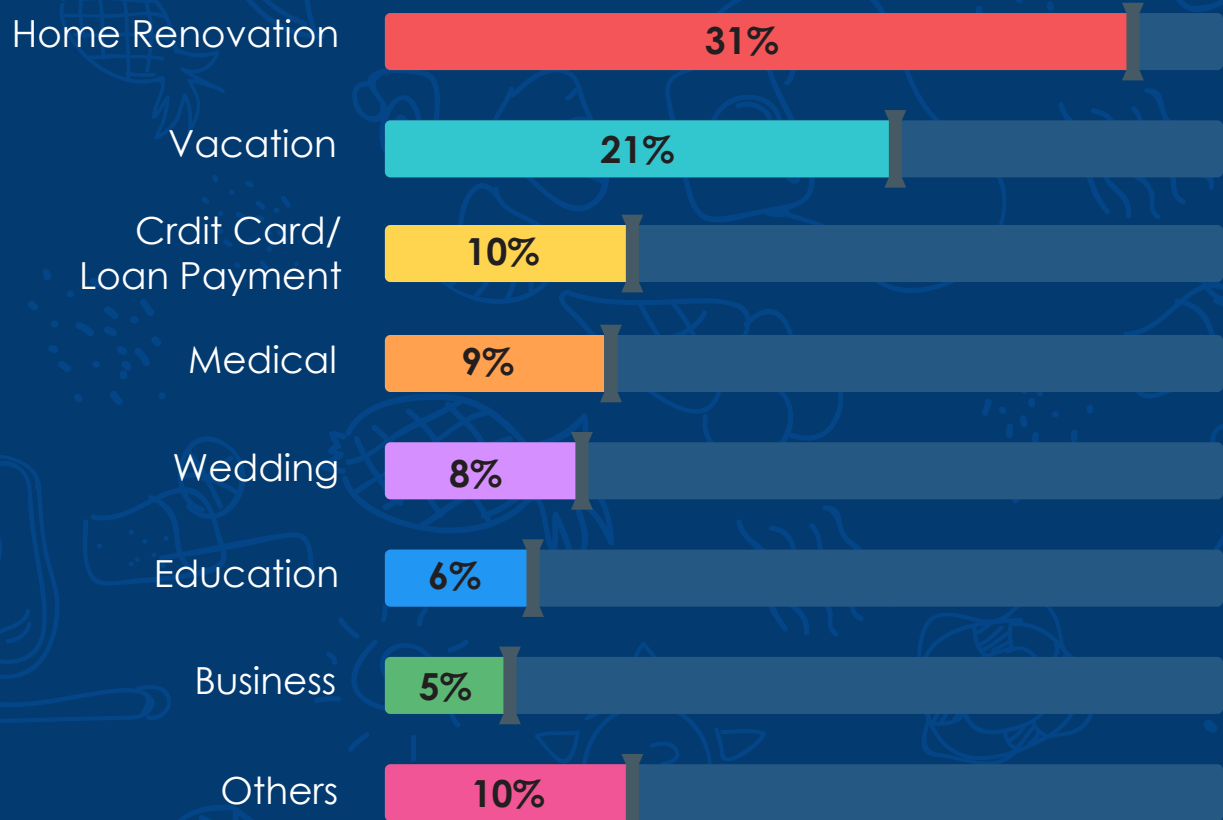
- ▶ 25-30 years
- ▶ Resident of Tier 2,3 towns
- ▶ College-educated, salaried/ Self-employed
- ▶ Preferred destinations: Goa, Uttarakhand
- ▶ Loan Amount: Less than Rs 50,000
- ▶ Travels with friends

# 1 OVER 20% OF PERSONAL LOANS TAKEN ARE FOR VACATION

21% respondents, who availed a personal loan through the Paisabazaar platform between January 1, 2023, and June 30, 2023, used it for holiday expenses. Conversations with these consumers indicated that these holiday loans were largely used for plane tickets, hotel bookings and some discretionary spends like vacation shopping.

Along with vacation, other top reasons for taking a personal loan by respondents were home renovation, medical bills, higher education and others.

## Purpose of availing Personal Loan



## Sharp rise in vacation loans in April-June

Of the respondents who took a personal loan in the Jan-March period, 16% took it for vacation purposes. However, in the April-June quarter, a considerably higher number of consumers availed a personal loan through Paisabazaar for vacation.

27% of the respondents who took a personal loan between April and June, said the loan was used for vacation-related expenses.



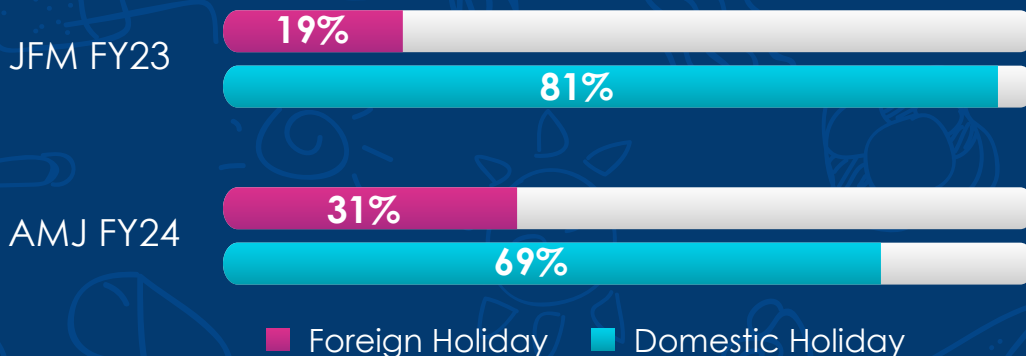


## 2 LOANS FOR FOREIGN VACATION SEES SHARP GROWTH IN THE APRIL-JUNE QUARTER

Our research also led to a key insight on loans for foreign travels. We saw a significant rise in loans for foreign vacations between April and June, as compared to the previous JFM quarter. In the last 6 months, of all respondents who had taken a personal loan for holiday, 73% said they took the loan for domestic vacations, while 27% used the loan for travelling abroad.

While between January and March, 81% of the loans taken for vacation were used for domestic holidays and only 19% were taken for travelling abroad, the next quarter saw 31% of the vacation loans being used for foreign vacations.

### Domestic & Foreign Holiday Loans



“This summer break, we had planned to travel to Australia and New Zealand with our 2 kids. After booking the plane tickets and hotels, we felt we might fall short of funds to meet our daily expenses while vacationing. That's when we decided to take a loan so that we can have a stress-free holiday and not worry about running out of cash.”

- Baljeet Kaur, 35, Patiala, Punjab



### 3 NON-METROS DRIVING DEMAND FOR HOLIDAY LOANS

One of the key insights our study revealed was that the large proportion of demand for holiday loans came from outside the top metros. 68% of respondents who took a holiday loan through Paisabazaar between January 1, 2023 and June 30, 2023, were from non-metro cities. These 68% of respondents came from 97 non-metro cities.

72% Holiday loan takers from non-metro cities said that they took a vacation loan for domestic travel, while 28% indicated that the reason for availing a travel loan was a foreign vacation.

The maximum number of respondents residing in non-metro cities who took a personal loan for vacation travel came from Jodhpur, Patna, Kanpur, Agra, Surat, Patiala etc.

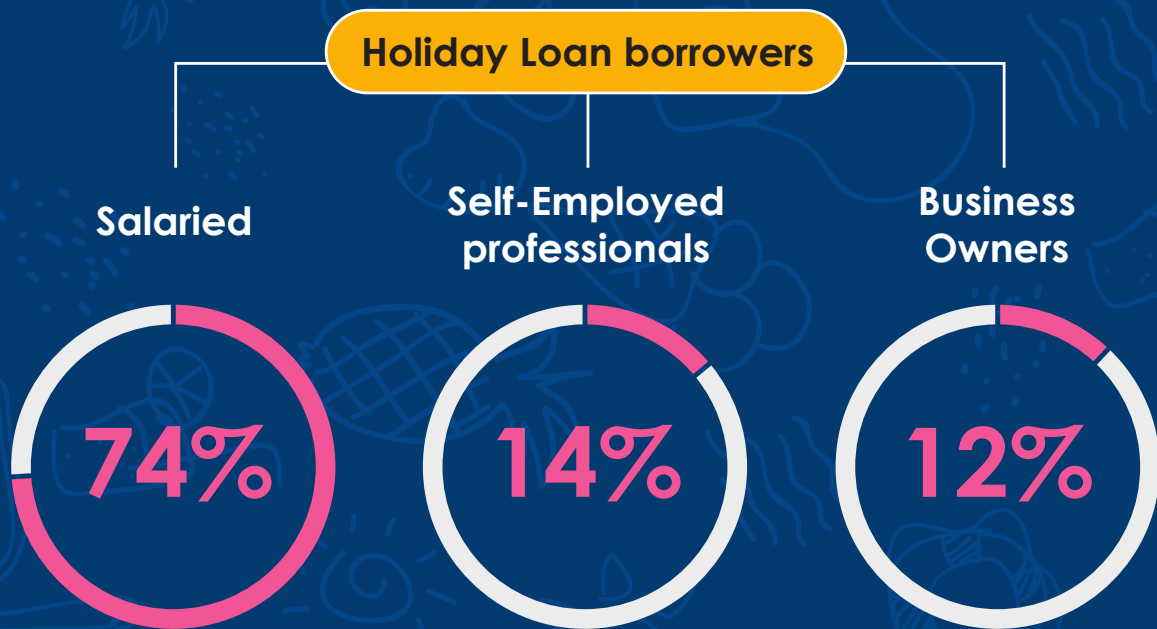
Among the metro residents who took a holiday loan, 77% used it for a domestic vacation while 23% availed it for foreign travel. Maximum number of holiday loan takers from metro cities came from Mumbai (25%), followed by Bengaluru (22%) and Delhi NCR (20%).



## 4 HOLIDAY LOANS MORE POPULAR AMONG THE SALARIED

Our research clearly indicated that holiday loans are largely being driven by salaried consumers. 74% of the respondents who took a holiday loan between January and June 2023 were salaried, while only 26% were self-employed professionals (Doctors, Lawyers, CAs) or business owners.

Within the salaried consumers who took a holiday loan, over 60% were from outside the top metros of Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Kolkata, Chennai, Ahmedabad and Pune.



“Every year, I use the annual bonus I receive from my company in March for travelling with friends or family. This time, I planned a vacation in Vietnam with my parents. While the annual bonus and the money I had saved seemed enough, I took a personal loan just for some cushion.”

- Manas Das, 29, IT Professional Kolkata



## 5 JANUARY & JUNE WERE THE MOST POPULAR MONTHS FOR HOLIDAY LOANS

The months of January and June, when schools and colleges in most parts of the country are on a break, saw maximum demand for holiday loans during the first 6 months of calendar year 2023.

Around 50% of the holiday loans in the last 6 months were taken by respondents during these two months. Of those who took a holiday loan in the last 6 months, the maximum percentage came in June (26%), followed by January (23%).

March had the smallest proportion with only 9% of the holiday loans coming in the last month of FY 23.

During January, around 75% of the holiday loans were for domestic vacation and 25% for a foreign holiday. In June, the holiday loans for foreign travels were at 36%, registering a considerable rise, primarily due to the long summer break in schools and colleges.

### Holiday loans taken month-wise

Month	% of holiday loan takers
January	23%
February	17%
March	9%
April	15%
May	10%
June	26%







## 6 DUBAI & GOA WERE THE MOST POPULAR DESTINATIONS FOR HOLIDAY LOAN TAKERS

Our study also revealed that Dubai and Goa were the most popular destinations among the respondents who said they financed their vacation through a personal loan.

Dubai was the most popular destination among respondents who took a personal loan through Paisabazaar for foreign vacations in the last 6 months. 28% of the respondents who took a personal loan for a vacation abroad said they travelled to Dubai, this was followed by Thailand (15%) and Europe (10%).

Among the respondents who took holiday loans for domestic travel, 23% chose Goa as their preferred holiday destination. After Goa, the most popular destination was Himachal Pradesh (10%), followed by Uttarakhand (9%) and Kashmir (9%).

**Most popular Foreign Destinations among holiday loan takers**

Dubai	28%
Thailand	15%
Europe	10%

**Most popular foreign destinations among holiday loan takers**

Goa	23%
Himachal Pradesh	10%
Uttarakhand	9%





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