



MARKET ENTRY STRATEGY FOR EUROPEAN AIRLINE IN INDIA

- Team Intelliverse



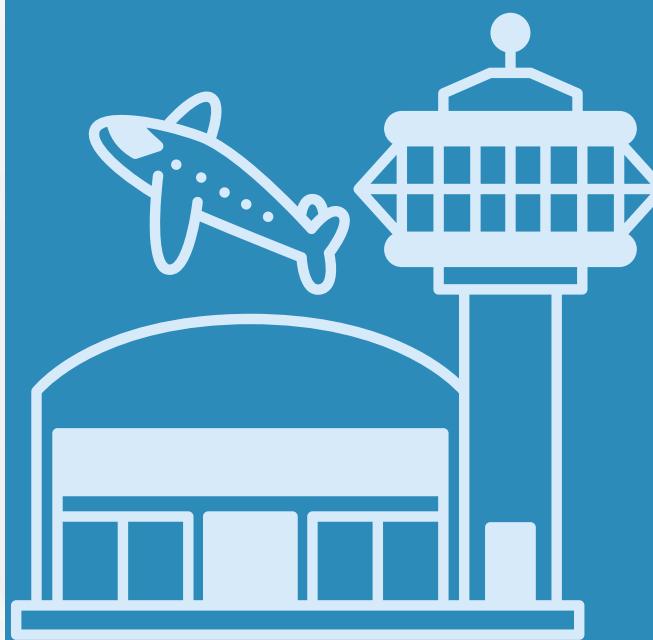
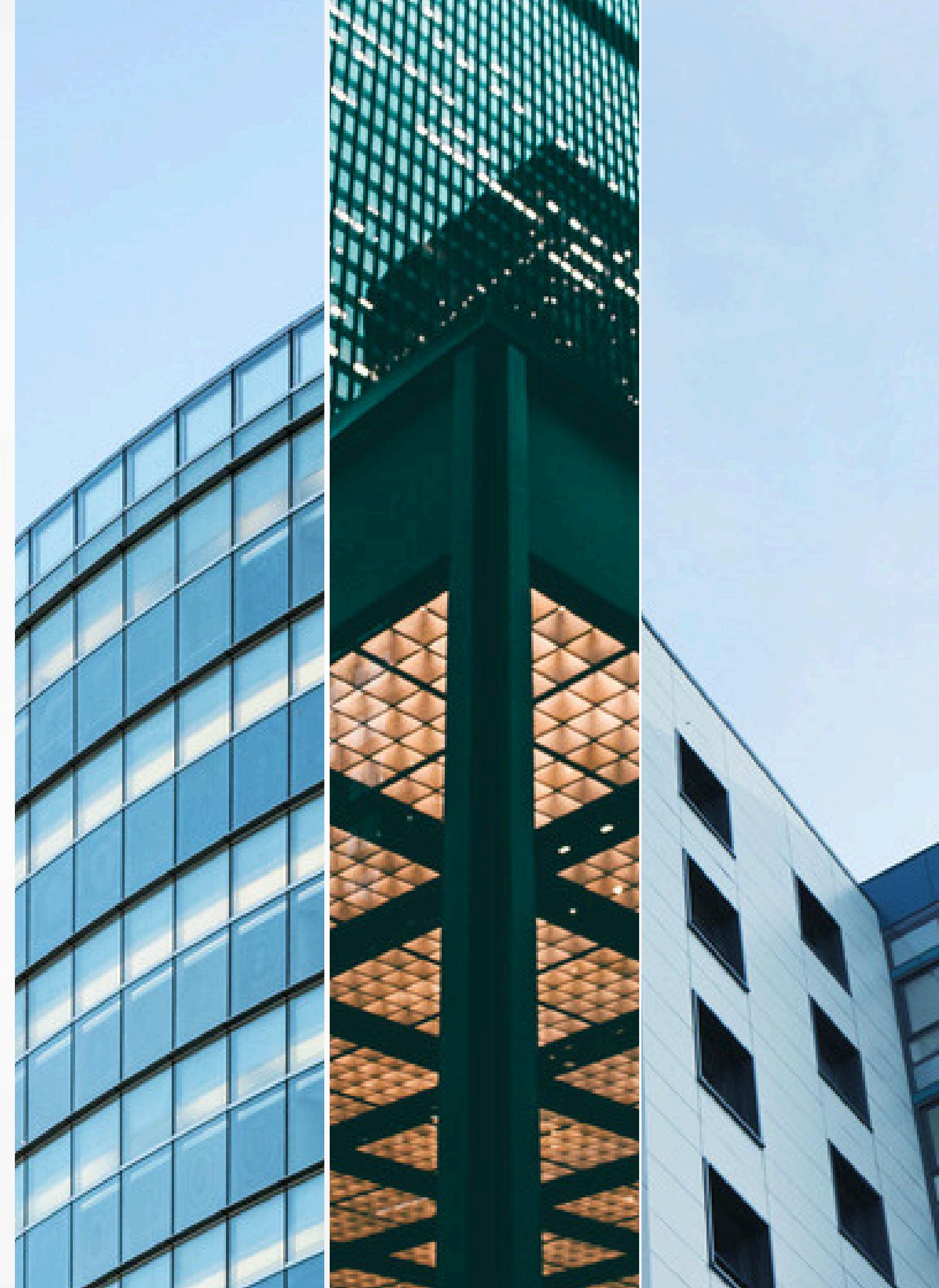


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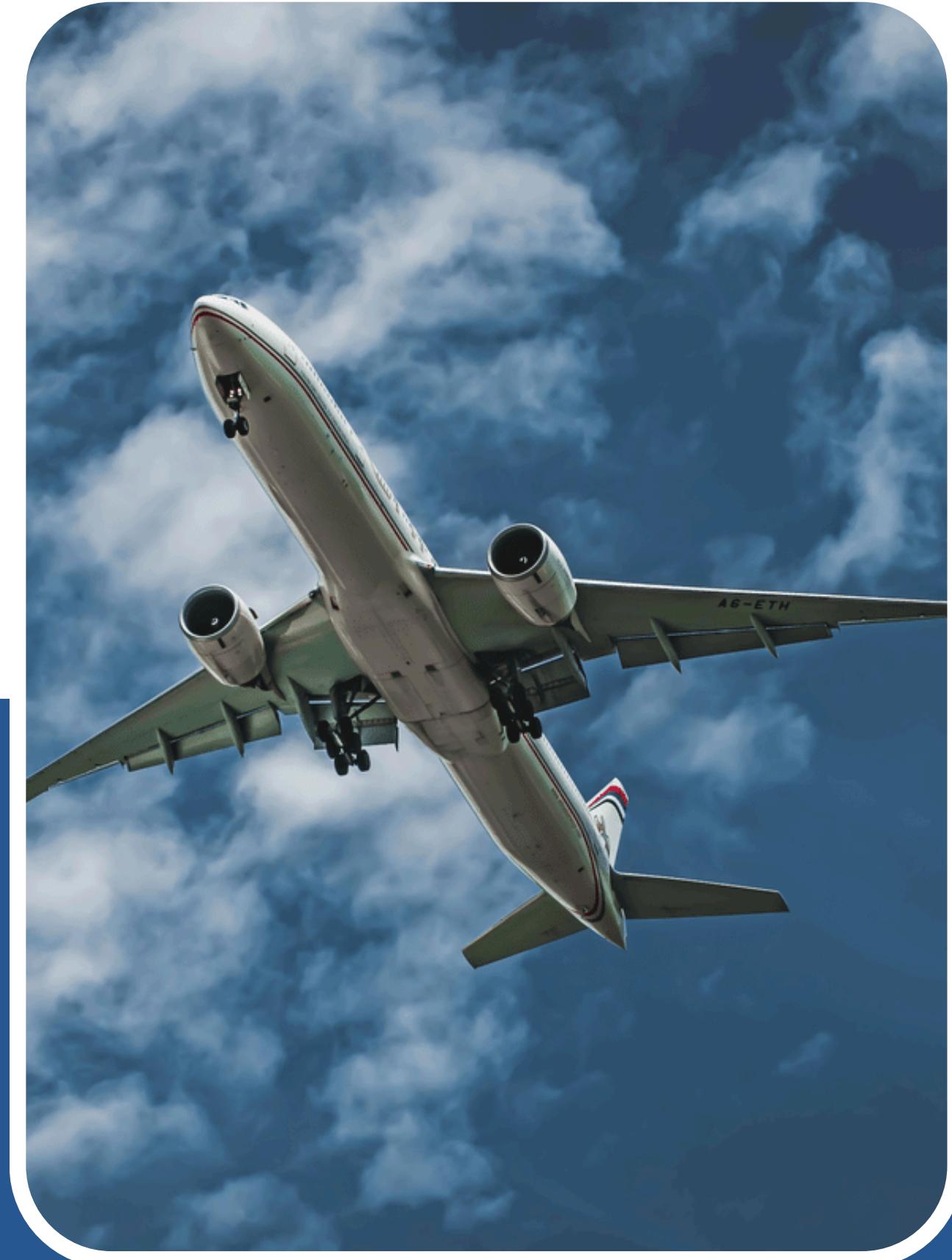
MARKET ANALYSIS

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years and can be broadly classified into scheduled air transport service ,which includes domestic and international airlines; non-scheduled air transport service which consists of charter operators and air taxi operators; and air cargo service, which includes air transportation of cargo and mail. Domestic traffic contributes around 69% of the total airline traffic in South Asia and India's airport capacity is expected to handle 1 billion trips annually by 2023. The Indian aviation industry has recovered fully from the covid-19 pandemic shock as indicated by the air traffic movement which stood at 327.28 million in FY23 compared to 188.89 million in FY22.



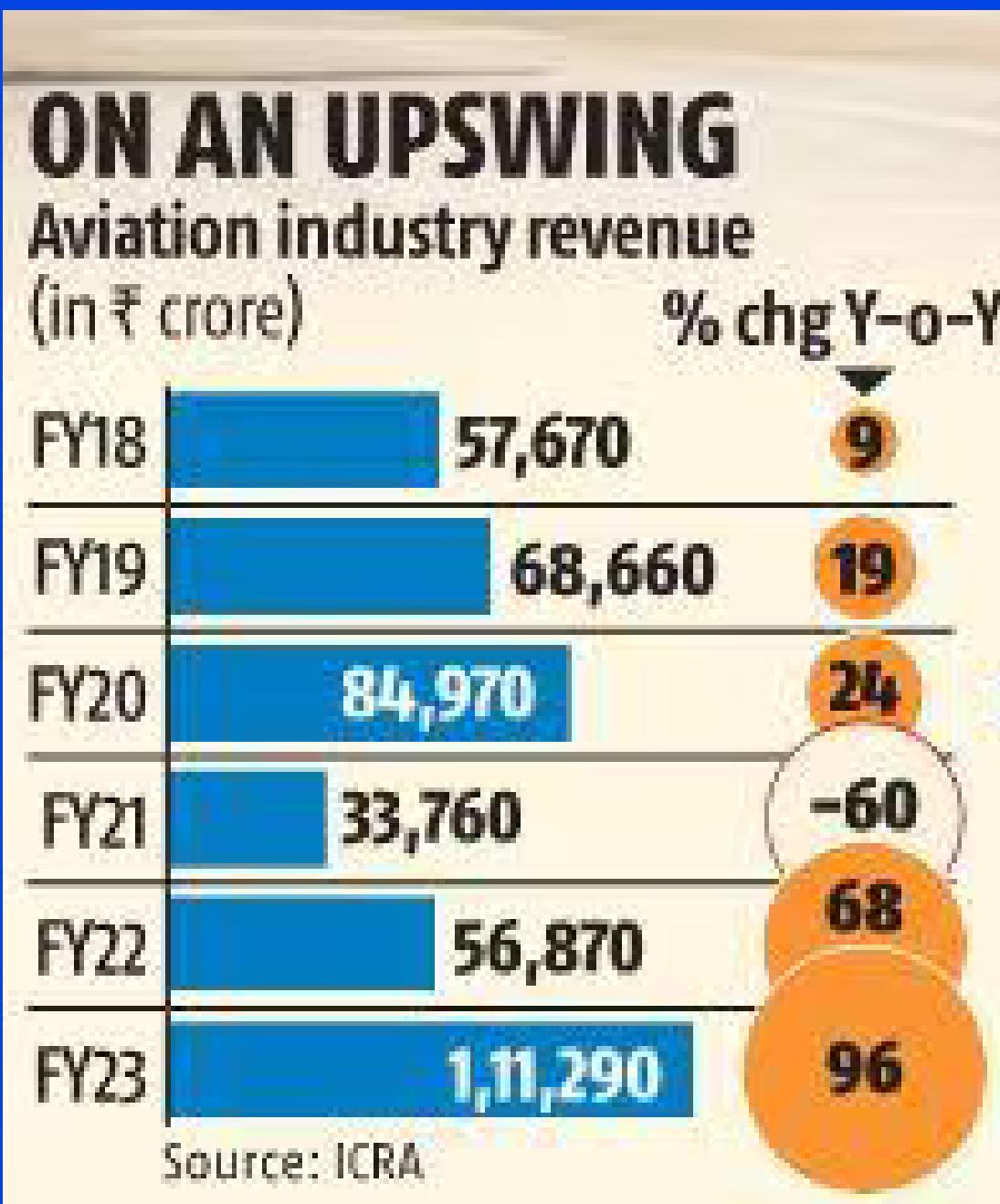
MARKET SIZE:

- During April-January 2024, the domestic passenger traffic stood at 254.44 million, registering a 15.3% increase, and international passenger traffic stood at 57.57 million, a 23.5% increase, as compared to the same period the previous year.
- In FY23, airports in India pegged the domestic passenger traffic to reach 270.34 million, a 62.1% YoY increase, and international passenger traffic to reach 56.9 million, a 157% YoY increase, as compared to FY22.
- Between FY16 and FY23, freight traffic increased at a CAGR of 2.20% from 2.70 MMT to 3.15 MMT.
- Freight traffic stood at 3.15 million metric tonnes in FY23. Freight traffic in airports in India has the potential to reach 17 MT by FY40. In FY22, the number of aircraft movements stood at 1,757,112, and aircraft movements reached 2.5 million in FY23. To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. As of 2023, India has 148 operational airports. India has envisaged increasing the number of operational airports to 220 by 2025.
- The Indian aviation industry is expecting to show a year-on-year (Y-o-Y) revenue growth of 15-20 per cent and 10-15 per cent, respectively, in financial years 24 (FY24) and 25 (FY25), credit rating agency ICRA said on Tuesday.
- The net loss of the Indian aviation industry is expected to reduce to Rs 3,000-5,000 crore in FY25 from Rs 17,000 crore in FY23 as airlines continue to witness healthy passenger traffic growth and maintain pricing discipline after the ongoing consolidation in the industry, ICRA stated in its presentation.
- With increasing demand for leisure as well as business travel, leading to a fast-paced recovery in domestic air traffic, ICRA expects the industry revenues to report a Y-o-Y growth of 15-20 per cent and 10-15 per cent in FY24 and FY25, respectively, it stated.
- However, the pace of recovery in the industry earnings will be gradual owing to the high fixed cost nature of the business, it added.



KEY INVESTMENTS AND DEVELOPMENTS:

- As per the present FDI Policy, 100% FDI is permitted in scheduled Air Transport Service/Domestic Scheduled Passenger Airline (Automatic up to 49% and Government route beyond 49%). However, for NRIs 100% FDI is permitted under automatic route in Scheduled Air Transport Service/Domestic Scheduled Passenger Airline.
- Union Civil Aviation Minister Mr. Jyotiraditya Scindia inaugurates Asia's largest aviation expo, Wings India 2024, unveiling the theme "Connecting India to the World in Amrit Kaal: Setting the Stage for India Civil Aviation @2047" and launches UDAN 5.3. The event highlights India's aviation prowess, emphasizing accessibility, availability, and affordability, with significant announcements fostering industry growth and collaboration.
- AAI and other Airport Developers have targeted a capital outlay of approximately Rs. 98,000 crore (US\$ 12 billion) in the airport sector in the next five years.
- The number of PPP airports is likely to increase from five in 2014 to 24 in 2024.
- India's aviation industry is expected to witness Rs. 35,000 crore (US\$ 4.99 billion) investment in the next four years. The Indian Government is planning to invest US\$ 1.83 billion for the development of airport infrastructure along with aviation navigation services by 2026

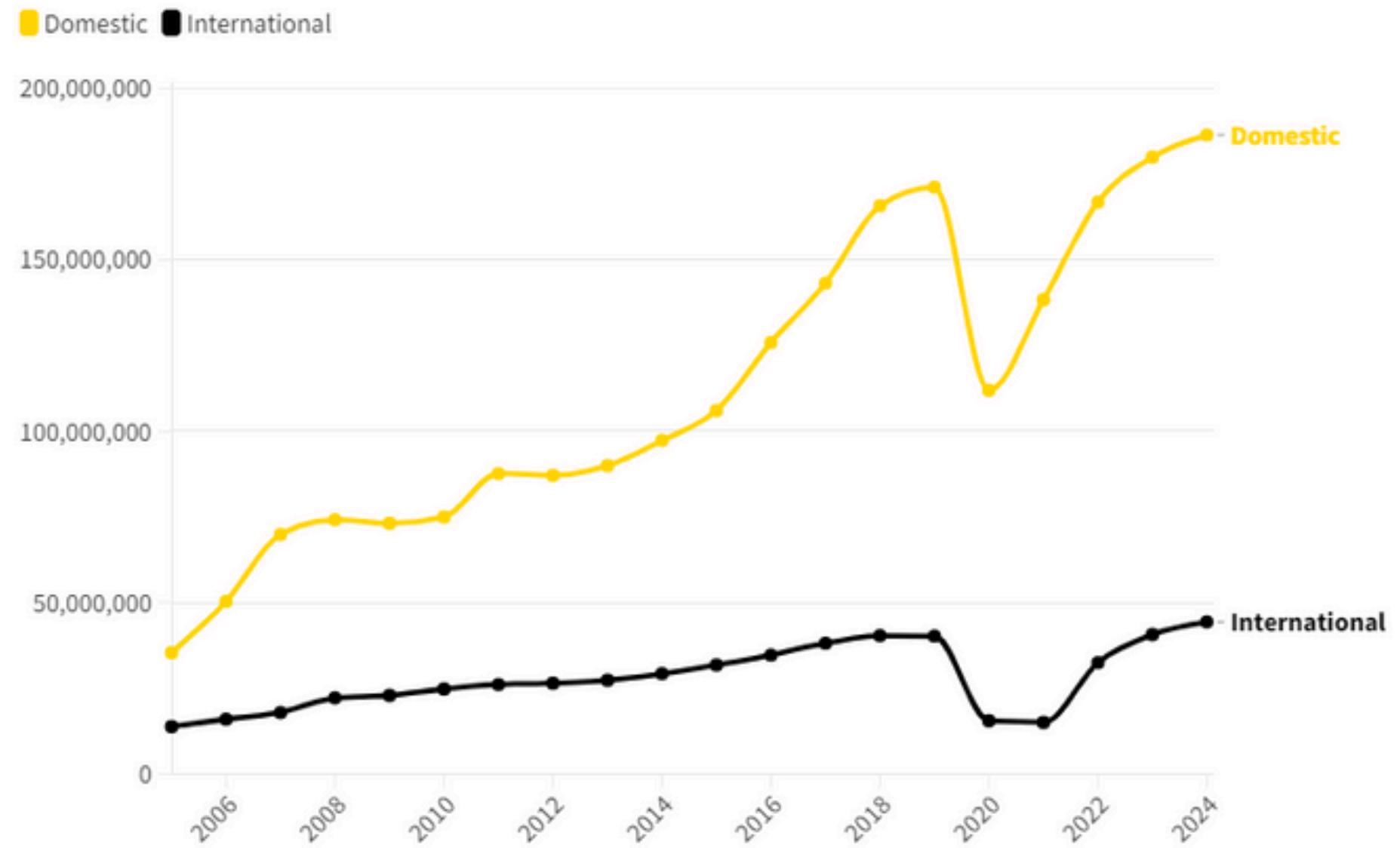


STATISTICS



India's Airline Capacity

Domestic and International | 2005 - 2024



Source: [OAG Analyser](#)

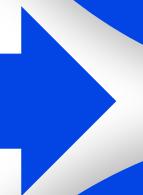
OAG

Indian aviation | Geographic advantage but under-penetrated



Source: [IndiGo Investor Relations](#)

BARRIERS TO ENTRY



- Regulatory and Legal Barriers:**
 - Compliance with DGCA regulations.
 - FDI restrictions (up to 49% foreign ownership automatically, up to 100% under government route).
 - Adherence to local environmental and safety standards.

- Market Competition:**
 - Dominance of established players (Indigo, SpiceJet, Air India, etc.).
 - Engaging in price wars with existing low-cost carriers.

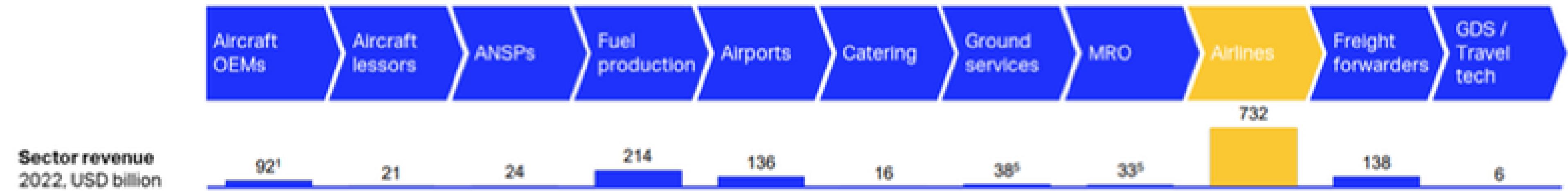
- Market Dynamics:**
 - Understanding Indian consumer preferences.
 - Establishing distribution channels for ticket sales.

- Cultural and Language Barriers:**
 - Adapting to cultural differences.
 - Addressing language barriers in communication and customer service.
- Political and Economic Stability:**
 - Navigating political instability or policy changes.
 - Managing economic fluctuations affecting air travel demand.

- Technological Adaptation:**
 - Integrating with local booking platforms.
 - Providing a seamless online and mobile booking experience.
- Human Resources:**
 - Recruiting and training local staff.
 - Adhering to local labor laws.

- Infrastructure Constraints:**
 - Limited airport slots and congestion.
 - Availability and cost of ground handling and maintenance facilities.
- Economic Factors:**
 - High operational costs (fuel, airport fees, maintenance).
 - Price sensitivity of the customer base.

VALUE CHAIN: AVIATION:



1. Value of commercial aircraft deliveries
2. Estimated outsourced market size

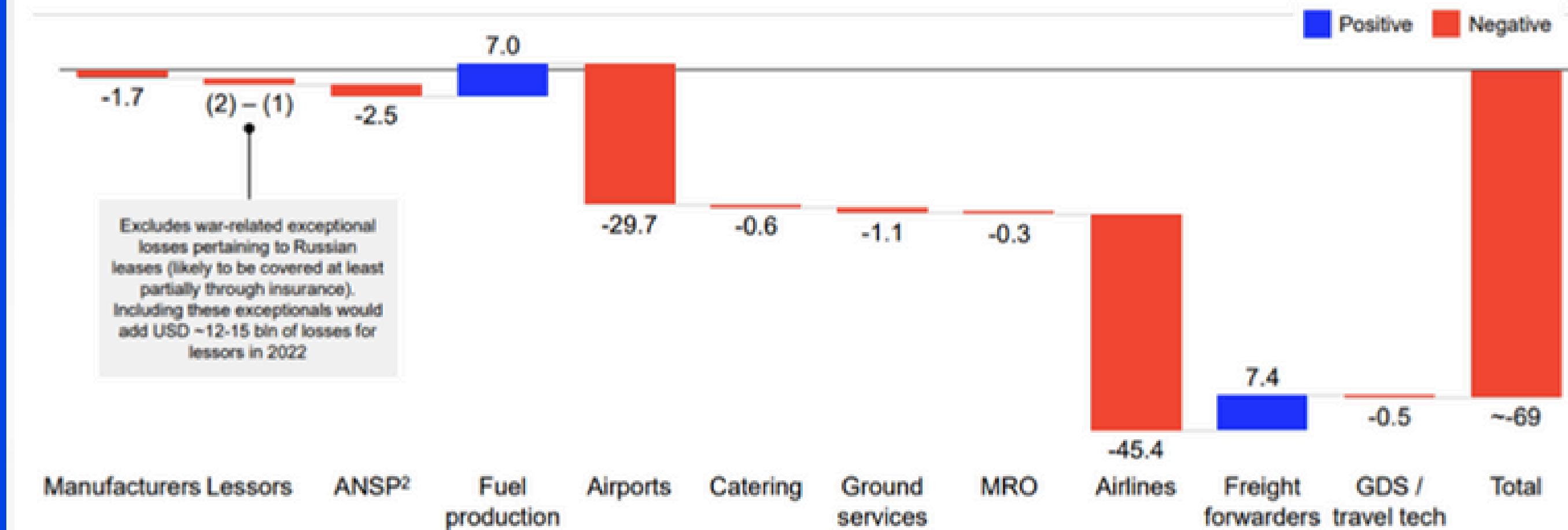
Source: IATA-McKinsey aviation value chain analysis, GCSI, The Airline Analyst, CapitalIQ

The airline industry is the largest building block of the aviation value chain but historically, it has been the worst performer.

In 2022, airline companies generated a net economic loss of USD 45.6 billion.

The airline industry remains highly challenging, where shareholders are not rewarded with the return they should expect based on the risk profile of the investment. This has its roots in several factors: low entry and high exit barriers, a high share of fixed costs, high sensitivity to external demand shocks, a fragmented industry, and a more concentrated supplier landscape, to name a few.

Economic profit/loss (including goodwill) by subsector¹, 2022, USD billion

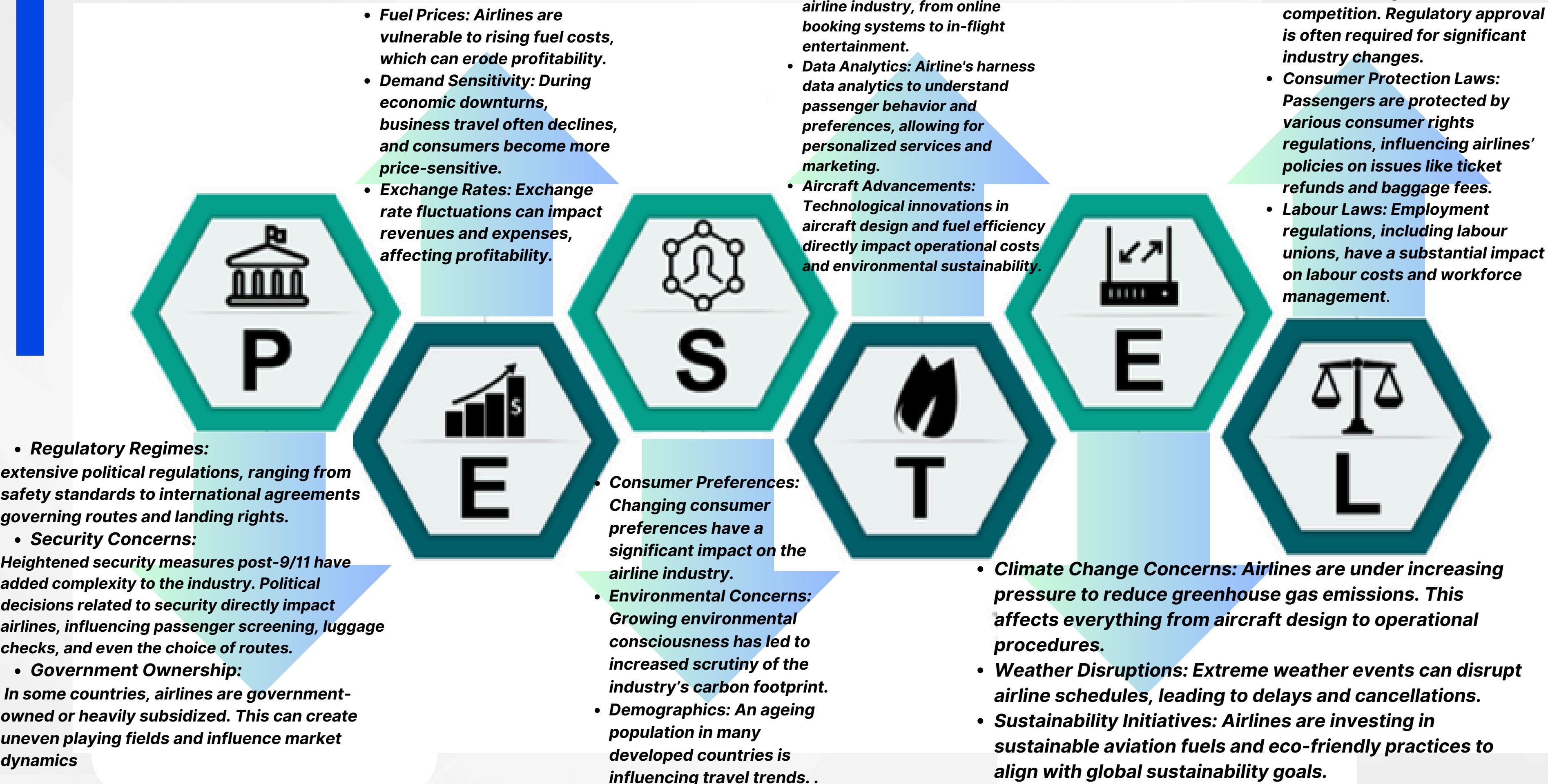


1. Based on invested capital including goodwill, extrapolated to total industry. Not a zero-sum setup, possible for all subsectors and the value chain as total to be positive

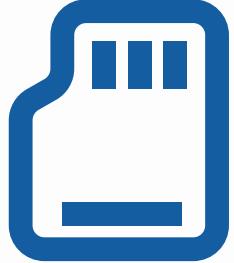
2. Air Navigation Service Providers

Source: IATA-McKinsey aviation value chain analysis, The Airline Analyst, CapitalIQ, Company reports

PESTEL ANALYSIS:

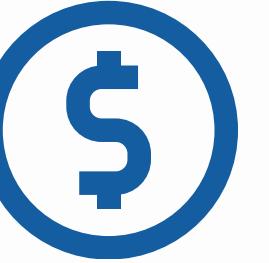


Porter's 5 Forces:



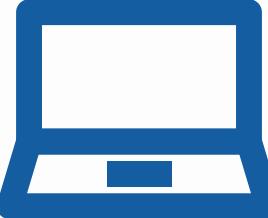
Threat of New Entrants

- High Capital Requirements: Purchasing or leasing aircraft, setting up maintenance facilities, securing airport slots, and meeting stringent safety and regulatory standards demand substantial financial resources. This high capital threshold deters many potential entrants.
- Regulatory Hurdles: The airline industry is subject to extensive regulations and safety standards imposed by aviation authorities. New entrants must navigate complex regulatory processes, which can be time-consuming and costly.
- Established Brand Loyalty: Established airlines often have loyal customer bases built over years of operation. These airlines offer frequent flyer programs, partnerships, and a reputation for reliability, making it challenging for new entrants to compete on equal footing.



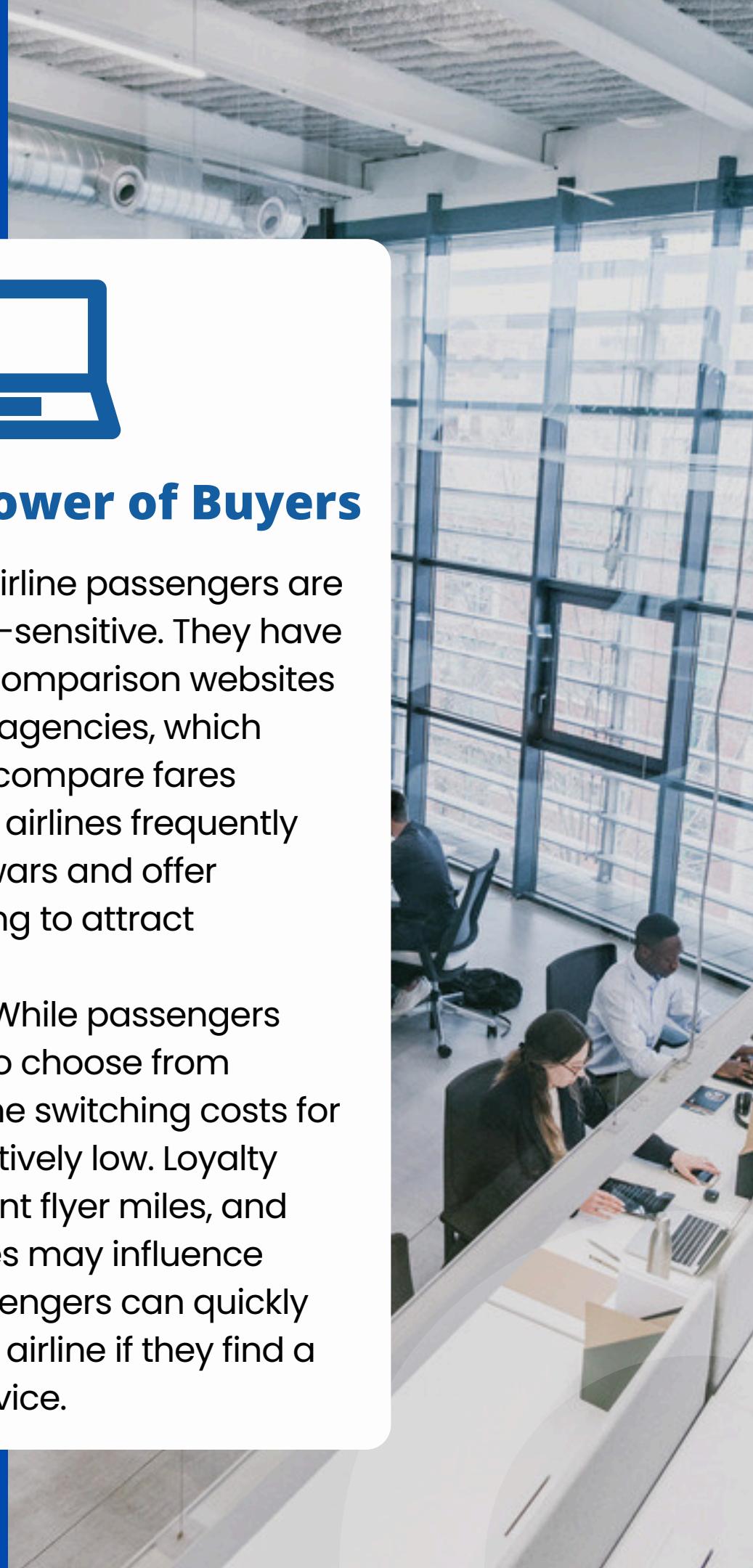
Bargaining Power of Suppliers

- Aircraft Manufacturers: Boeing and Airbus dominate the market for commercial aircraft. Airlines heavily rely on these suppliers for their fleets. While competition exists, switching suppliers involves significant costs and operational disruptions, giving aircraft manufacturers substantial bargaining power.
- Fuel Suppliers: Airlines are highly dependent on aviation fuel, and fluctuations in fuel prices can significantly impact operating costs. Though there are multiple fuel suppliers, the limited number of suppliers with the capacity to provide jet fuel at airports can constrain options, increasing supplier power.

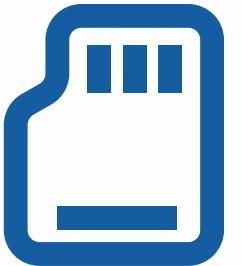


Bargaining Power of Buyers

- Price Sensitivity: Airline passengers are often highly price-sensitive. They have access to price-comparison websites and online travel agencies, which enables them to compare fares easily. As a result, airlines frequently engage in price wars and offer competitive pricing to attract travellers.
- Switching Costs: While passengers have the option to choose from various airlines, the switching costs for travellers are relatively low. Loyalty programs, frequent flyer miles, and brand preferences may influence choices, but passengers can quickly switch to another airline if they find a better deal or service.



Porter's 5 Forces(contd..)



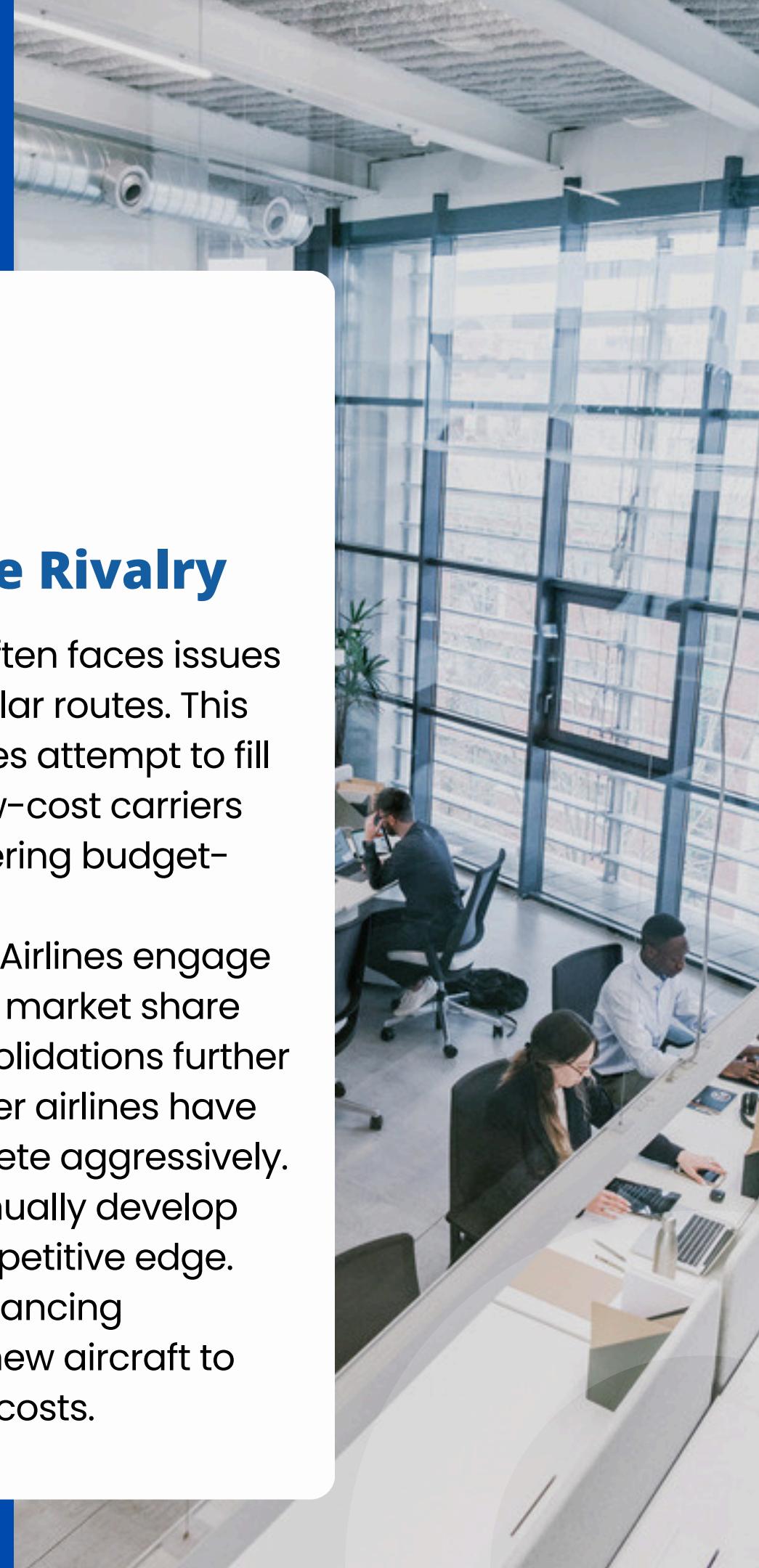
Threat of Substitute Products or Services

- Alternative Transportation: The threat of substitutes for air travel includes other modes of transportation, such as trains, buses, and cars. For shorter distances or specific routes, travellers may opt for alternatives, particularly when considering cost and convenience.
- Teleconferencing and Virtual Meetings: Advancements in technology have facilitated virtual meetings and teleconferencing, reducing the need for business travel. While not a direct substitute for leisure travel, this trend affects the airline industry's corporate travel segment.



Intensity of Competitive Rivalry

- Overcapacity: The airline industry often faces issues of overcapacity, especially on popular routes. This leads to price competition, as airlines attempt to fill seats and maintain profitability. Low-cost carriers have intensified competition by offering budget-friendly options.
- Frequent Mergers and Acquisitions: Airlines engage in mergers and acquisitions to gain market share and improve efficiency. These consolidations further intensify competitive rivalry, as larger airlines have the resources to expand and compete aggressively.
- Innovative Strategies: Airlines continually develop innovative strategies to gain a competitive edge. This includes expanding routes, enhancing customer service, and investing in new aircraft to improve fuel efficiency and reduce costs.

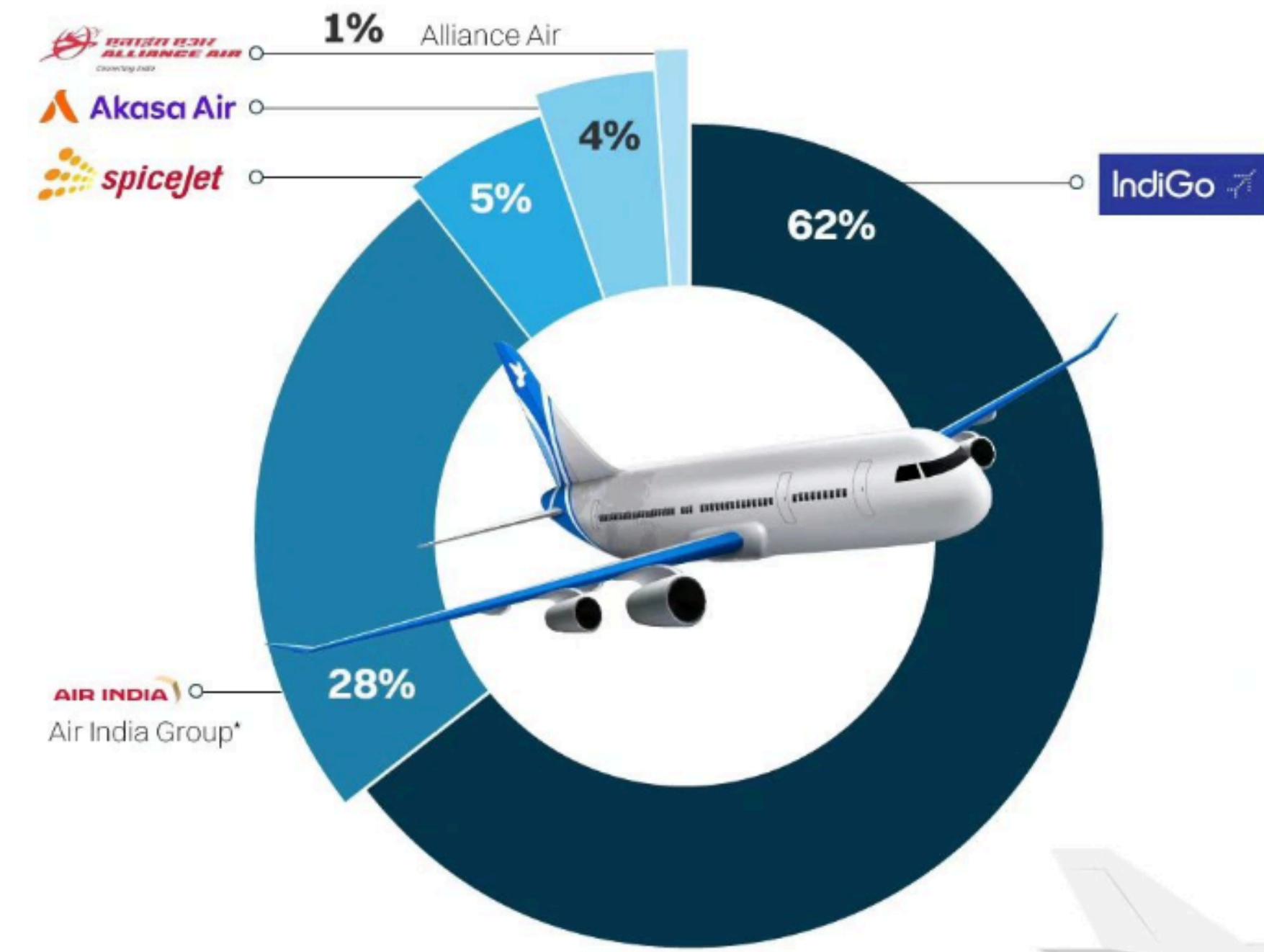


COMPETITOR ANALYSIS:

Major Indian Airlines-

1. IndiGo (InterGlobe Aviation Ltd.)
2. Air India (Including Air India Express)
3. SpiceJet
4. Vistara (Tata SIA Airlines Ltd.)
5. Go First (formerly GoAir)
6. AirAsia India

Domestic Airline Market Share 2024



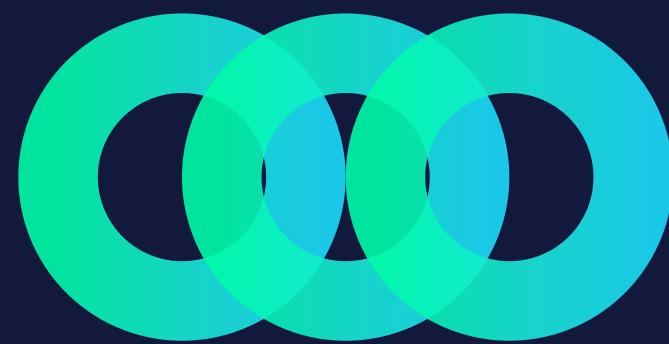
Competitor Analysis

	Indigo	Air India	SpiceJet	Vistara	Air-Asia India
Market Share	Over 50% of domestic market share	Major share in International Routes	Substantial share around 10-15%	Increasing its market share, major focus on premium service	Smaller share but focuses on low-cost domestic travel
Routes and Networks	Extensive domestic and expanding international routes	Strong international presence	Wide domestic and selected international destinations	Majorly domestic and expanding international presence	Focus on major domestic cities with plans for international expansion
Financial Performances	Generally Profitable with strong revenue growth	Historically loss making, recently privatised to Tata group	Mixed financial performance with profitability challenges	Not yet profitable, focusing on premium market segment	Struggling with profitability, recently sold majority stake to Tata group
Brand Perception	Known for punctuality and operational efficiency	Mixed reputation but criticized for service quality	Positive reviews for competitive pricing and service but delay issues	High customer satisfaction, premium service quality	Budget-friendly, but mixed reviews on customer service
Competitive Strategies	Focus on cost leadership, extensive network, and fleet commonality to reduce costs	Leveraging international network and full-service model, restructuring post-privitization	Competitive pricing, ancillary revenues, and innovative services	Premium positioning, high service standards, and expanding international footprint	Low cost model with a focus on affordable travel

TAM (Total Addressable/Available Market)

- **Growth Rate:** The Indian domestic airline market is growing at 20% annually, leading to significant compounding over time.
- **Target Market Segments:** Business travelers, leisure travelers, and budget travelers.
- **Market Size Projection:**
 - 2024: Starting at \$13.89 billion USD, expected to grow to \$16.668 billion USD.
 - 2025: Projected to reach \$20 billion USD.
 - 2028: Estimated market size of approximately \$34.56 billion USD using the CAGR formula.
- **Additional Considerations :**
 - Segmenting by passenger type and route length for detailed forecasts.
 - Consulting industry reports and expert opinions for accuracy.
- **TAM for Indian Entry (5 years): \$34.56 billion USD.**
- **Market Share Goals:**
 - 5-Year Revenue Potential: \$1.728 billion USD.
 - Adjust market share targets based on competitive strategy and unique selling points.
- **Operational Feasibility:**
 - Consider entry methods such as own operations, joint ventures, or mergers & acquisitions.
 - Evaluate based on cost, control, and time-to-market factors.
- **Consumer Preferences & Positioning:**
 - Position as a reliable, cost-effective alternative.
 - Develop competitive pricing models to attract price-sensitive customers in India.





Serviceable Available Market (SAM)

The size of the TAM
you can reasonably
target as you build
your audience



Target Cities: Delhi , Mumbai ,Bangalore , Hyderabad , Chennai, Kolkata ,
Pune , Ahmedabad , Kochi , Jaipur.

Estimated Market size:

- We assume these 10 target cities represent 70% of the total domestic air travel market in India.
- This estimation is based on the concentration of air traffic and economic activity in major urban centers.

CALCULATING SAM:

Present Time (2023):

- TAM (2023) \times 70% = SAM (2023)
- 13.89 billion USD \times 0.70 = 9.723 billion USD

Annual Estimates based on 20% yearly growth:

- 2024 SAM: 9.723 billion USD \times 1.20 = 11.67 billion USD
- 2025 SAM: 11.67 billion USD \times 1.20 = 14 billion USD
- 2026 SAM: 14 billion USD \times 1.20 = 16.8 billion USD
- 2027 SAM: 16.8 billion USD \times 1.20 = 20.16 billion USD
- 2028 SAM: 20.16 billion USD \times 1.20 = 24.192 billion USD



SOM (Serviceable Obtainable Market)



Capturing a Realistic Share: Serviceable Obtainable Market (SOM) for the European Low-Cost Airline in India

Building on the SAM:

SAM is established at USD 972.3 million annually, targeting 10% of the passenger volume in major Indian cities.

Facing Reality: Market Challenges

The market is dominated by established players like Indigo, SpiceJet, Air India, GoAir, and Vistara.

As a new entrant, the airline will face competition, brand awareness hurdles, and initial market penetration challenges.

Setting Achievable Goals: Serviceable Obtainable Market (SOM).

Market Penetration Strategy: Aim for a conservative but achievable 2-3% market share within the first 2-3 years.

Growth Trajectory:

Aggressive marketing campaigns to build brand awareness.
Competitive pricing strategies to attract budget-conscious travelers.
Superior service quality to differentiate from competitors.
Expansion of routes beyond the initial target cities.

Calculating the SOM:

Target Market Share (Initial Years): Set a target of 2.5% (average of 2-3%) market share within the first 2-3 years.

Passenger Volume for SOM: Total Passenger Volume in Major Cities (from SAM) is 229 million passengers per year.

Passengers Targeted by SOM: $229 \text{ million} * 2.5\% = 5.73 \text{ million passengers per year}$

Revenue Potential: Estimated Revenue per Passenger is USD 50 (combination of base fare and ancillary services). Annual Revenue Target (SOM) is $5.73 \text{ million} * \text{USD } 50 = \text{USD } 286.5 \text{ million per year}$.



Market Entry Strategy

By Scratch

Joint Venture

Merger and Acquisition



Given the complexity and regulatory environment of the Indian aviation market, a Joint Venture (JV) would be the preferred method for foreign companies. Here's why:

- **Regulatory Environment:** India has strict regulations on foreign ownership in the aviation sector. Partnering with a local entity can help navigate these requirements more effectively.
- **Market Knowledge:** A local partner brings valuable insights into customer preferences, market dynamics, and regulatory landscapes, which are crucial for success.
- **Risk Mitigation:** Sharing financial and operational risks with a local partner can make market entry less daunting and more sustainable.

Entering the Indian aviation market as a European airline company involves strategic decision-making, depending on factors like market conditions, regulatory environment, company resources, and long-term goals.



By Scratch (Starting from scratch):

Advantages:

- Full Control: Complete control over operations and decision-making.
- Brand Establishment: Building the brand from scratch can ensure brand consistency and values are maintained.

Disadvantages:

- High Initial Investment: Requires significant capital investment and resources to establish operations.
- Longer Time to Market: Setting up from scratch can be time-consuming, delaying market entry.
- Higher Risk: Greater exposure to market risks and uncertainties.



Joint Venture (JV):

Advantages:

- Local Partner Expertise: A local partner can provide valuable market knowledge and regulatory insights.
- Risk Sharing: The financial burden and risks are shared with the local partner.
- Faster Market Entry: Leveraging the local partner's existing infrastructure and customer base can expedite market entry.

Disadvantages:

- Shared Control: Decision-making power is shared, which can lead to conflicts.
- Profit Sharing: Profits must be shared with the local partner.



Merger and Acquisition (M&A):

Advantages:

- Established Presence: Acquiring an existing company provides an immediate market presence and customer base.
- Synergies: Potential cost savings and efficiencies through synergies.
- Competitive Advantage: Reduces competition by acquiring a competitor.

Disadvantages:

- High Cost: M&A can be expensive, requiring significant capital.
- Integration Challenges: Integrating different corporate cultures and systems can be complex.
- Regulatory Hurdles: May face regulatory scrutiny and approval processes.

Customer Journey Mapping



Awareness Stage

- Customer Touch Points:**
Digital: Ads (social media, Google), website, travel blogs.
Traditional: Billboards, newspapers, TV/radio, airport ads.
Word-of-mouth: Recommendations.
- Customer Actions:**
View ads/promotions.
Hear about the airline through word of mouth.
Explore online presence.
- Customer Thoughts/Feelings:**
Curiosity about the airline.
Evaluate reputation/trustworthiness.
Compare with other airlines.
- Improvement Opportunities:**
Create engaging, informative ads highlighting unique selling points.
Build a strong online presence with social media engagement.
Leverage testimonials/reviews to build trust.

Consideration Stage

- Touchpoints:**
 - Airline Website & App: Easy navigation, clear booking info.
 - Online Travel Agencies (OTAs): Listings & reviews, Product comparison guides and charts.
 - Travel Blogs & Review Sites: Articles & reviews on services, Customer success stories or case studies.
- Customer Actions:**
 - Browse flights, prices, routes.
 - Read reviews, seek recommendations.
 - Compare with competitor offerings.
- Customer Focus:**
 - Value for money.
 - Reliability & service quality concerns.
 - Interest in promotions & discounts.
- Improvement Opportunities:**
 - Streamline website & app for easy use.
 - Encourage positive reviews on OTAs/sites.
 - Offer attractive promotions & loyalty programs.

Booking Stage

- Touchpoints:** Travelers seamlessly book through the airline website/app, use alternative booking platforms (OTAs), or seek support via phone, chat, or email.
- Actions:** Selecting flights, entering details, choosing add-ons (luggage, seats, meals), and completing secure payments lead to confirmation.
- Focus:** Hassle-free booking, secure transactions, and immediate confirmation with a detailed itinerary are key for customer satisfaction.
- Improve Booking:** Simplify interface, offer secure payments, confirm instantly with detailed summary .

Customer Mapping Journey (Continued...)



Pre-travel stage

Travelers rely on informative channels like email/SMS for booking confirmations, reminders, and check-in alerts. They use websites/apps for online check-in and seat selection, and customer service for pre-travel inquiries. Key activities include receiving updates, checking in online, selecting seats, and preparing for travel.

Travelers prioritize timely and helpful information to manage pre-travel anxiety, with a smooth check-in process being crucial. Improvements include sending clear and timely notifications, offering easy online check-in, and providing responsive customer support to ease pre-travel concerns.

Travel Stage

From check-in to takeoff, travelers navigate key points like airport check-in counters, security, and boarding gates, with streamlined and efficient processes minimizing stress. In-flight services, including comfortable seating and attentive staff, enhance the journey. Key actions include arriving at the airport, checking in luggage, passing through security, boarding, and enjoying in-flight services. Travelers prioritize on-time departures, efficient check-in/boarding, and baggage handling. Improvements such as prioritizing punctuality, streamlining processes, and providing high-quality service and amenities elevate the travel experience.

Post-travel Stage

After landing, travelers receive email/SMS requests for feedback and reviews, while the website/app provides post-travel support and future booking options. Responsive customer service addresses any complaints or inquiries. Travelers reflect on their experience, potentially providing feedback, contacting customer service if needed, and considering future bookings with the airline.

Airlines aim to understand customer satisfaction through feedback, handle issues efficiently, and offer a user-friendly platform for future bookings. Improvements include sending timely and personalized feedback requests, addressing concerns promptly, and enticing repeat business through loyalty programs to elevate the overall customer journey.

Pricing-Strategy

→ Identifying customer segments:

The market should be segmented based on key demographics and travel behavior:

- **Budget Travelers:** Highly price-sensitive, looking for the cheapest options.
- **Business Travelers:** Value convenience and flexibility, willing to pay a premium for better service.
- **Leisure Travelers:** Interested in discounts, package deals, additional services like in-flight entertainment.

→ Understanding Customer Needs and Preferences:

Market research needed to understand the specific needs and preferences of each segment:

- **Budget Travelers:** Low prices, basic services, additional charges for extras.
- **Business Travelers:** Punctuality, connectivity, frequent flyer benefits.
- **Leisure Travelers:** Discounts, package deals, in-flight entertainment.

→ Evaluating the Perceived Value:

- Price and Affordability
- Service Quality
- Flight Schedules and Punctuality
- In-flight Services and Amenities
- Customer Service

Pricing Models

Low Cost Carrier(LCC) Model

For price sensitive consumers offering basic services at low prices. Appeals to a broad customer base. To implement, set competitive base fares with additional charges for optional services. Commonly used by airlines like Ryan Air and EasyJet in Europe.

Dynamic Pricing Model

Adjust fares based on demand, time to departure, competitor pricing, booking patterns. It maximizes revenue by optimizing fares. Need to utilize data analytics and algorithms to set prices dynamically, offering lower fares during off-peak times and higher fares during peak demand.

Bundled Pricing Model

Offer bundled packages that include base fare plus additional services at a discounted rate compared to purchasing individually. It encourages customers to purchase additional services increasing overall revenue. For implementation create different bundle options catering to different customer segments.

several pricing models can be considered based on market dynamics, consumer behavior, and competitive positioning.



CONTINUED..

Pricing Models



Value-based Pricing Model

Price based on the perceived value of the service to the customer rather than just cost. Allows differentiation based on service quality, brand reputation, and customer experience. To implement, set prices relative to competitors but emphasize the unique value propositions your client offers, such as reliability, or unique route offerings.



Freemium Pricing Model

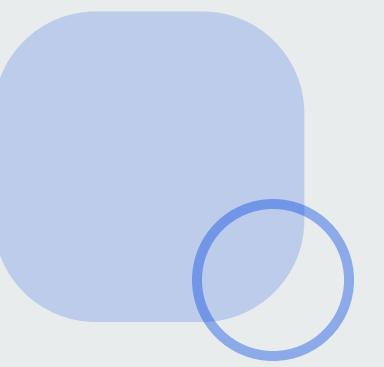
Offer basic services for free or at a low cost, while charging for premium services or upgrades. Attracts cost-conscious travelers with low base fares while generating additional revenue from optional upgrades. We need to provide essential services at competitive prices while offering enhanced services for an additional fee. This is a less common model for airlines.





PRICING MODEL SELECTION:

- **Business Travelers:** Implement a value-based pricing model focusing on convenience, flexibility, and premium services such as priority boarding, extra legroom, and lounge access.
- **Budget Travelers:** A LCC based model along with a competitive & dynamic pricing approach will work best for this sector.
- **Leisure Travelers:** Opt for a low-cost carrier (LCC) model with competitive base fares and optional add-ons like checked baggage, seat selection, and onboard meals at additional costs.



Using different pricing models for different sectors of customers is a common and effective strategy, especially in dynamic markets like the airline industry.

Here's how you can implement multiple pricing models across different customer sectors:

BENEFITS OF USING A HYBRID PRICING MODEL

Maximized Revenue

Targeting different segments with appropriate pricing models can help maximize revenue by catering to varying willingness-to-pay and value perceptions.

Customer Satisfaction

Meeting specific needs and preferences enhances customer satisfaction, leading to increased loyalty and repeat business.

Competitive Advantage

Differentiated pricing strategies can differentiate your client from competitors, positioning them uniquely in the market.

Considerations for Implementation



- **Data Analytics:** Use data analytics to understand customer behaviors, segment preferences, and profitability of different pricing strategies.
- **Operational Flexibility:** Ensure operational readiness to support varied pricing models, including IT systems, customer service training, and fulfillment capabilities.
- **Regulatory Compliance:** Adhere to regulatory guidelines and ensure transparent pricing practices to build trust and comply with consumer protection laws.

USP (UNIQUE SELLING PROPOSITION)

To differentiate a company's product from competitors, the concept of unique selling propositions (USPs) was first proposed in the early 1940s. For the European low-cost airline to succeed in the competitive Indian market, the client should emphasize USPs that set the airline apart and appeal to target customer segments.



1. EUROPEAN QUALITY, INDIAN PRICES:

- **Tagline:** "Fly European Quality at Indian Prices"
- **Description:** Experience the high service standards, reliability, and customer satisfaction associated with European airlines, all at competitive prices. This value proposition caters to Indian travelers seeking a balance between affordability and quality.

2. CONNECTING INDIA TO THE WORLD:

- **Tagline:** "Connecting India to Europe and Beyond"
- **Description:** Leverage the airline's extensive European network. Enjoy both domestic flights within India and international flights to a wide range of European destinations. This USP is ideal for business travelers and frequent flyers seeking international travel options.

4. COMFORT AND CONNECTIVITY TAKE FLIGHT:

- **Tagline:** "Comfort and Connectivity in Every Flight"
- **Description:** Enjoy a pleasant travel experience with comfortable seating, free Wi-Fi, and state-of-the-art in-flight entertainment. This USP caters to both business and leisure travelers who prioritize comfort and staying connected during their journey.

5. ECO-FRIENDLY TRAVEL FOR A SUSTAINABLE FUTURE:

- **Tagline:** "Eco-Friendly Flights for a Greener Future"
- **Description:** The airline demonstrates its commitment to sustainability through eco-friendly practices, fuel-efficient aircraft, and carbon offset programs. This USP resonates with environmentally conscious consumers who prefer to travel with airlines dedicated to a greener future.

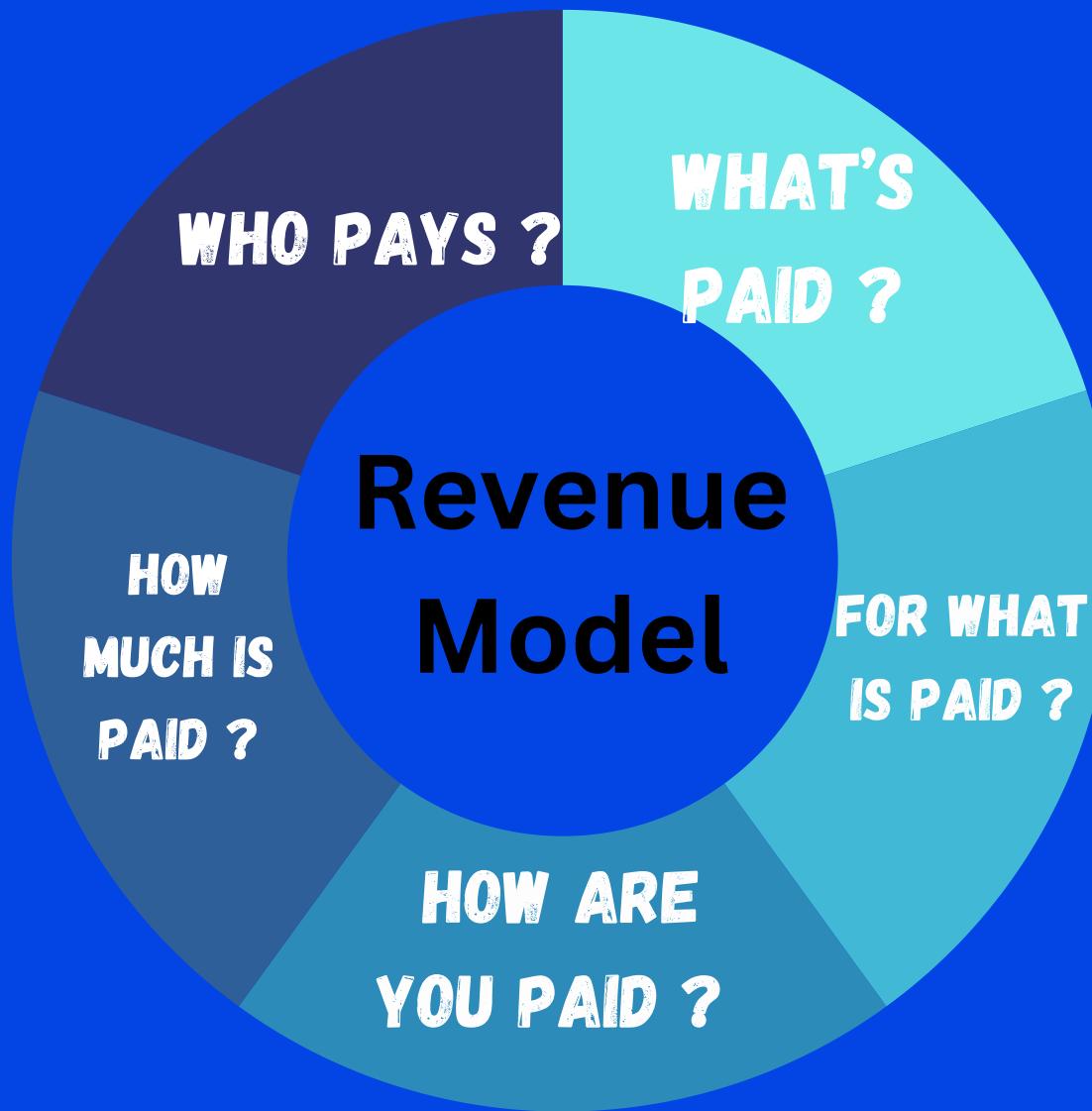
3. SIMPLE FARES, NO SURPRISES:

- **Tagline:** "No Hidden Fees, Just Honest Fares"
- **Description:** You only pay for the services you choose, with no hidden fees to inflate the final cost. This transparent approach builds trust and attracts budget-conscious travelers who value clear and honest pricing.

6. YOUR JOURNEY, YOUR WAY:

- **Tagline:** "Tailored Service for Every Traveler"
- **Description:** Take control of your travel experience with customizable service packages. Enjoy access to loyalty programs and exceptional customer service, ensuring your individual needs are met. This personalized approach enhances overall satisfaction and encourages repeat business.

REVENUE MODEL :-



WHAT ARE THE ADVANTAGES TO THE REVENUE MODEL FRAMEWORK?

- It's a simple and easy to use system
- It can help boost a company revenue and profit
- It helps broaden the discussion beyond price point
- It covers all areas of price discussion



To achieve long-term success in the Indian market, the European low-cost airline needs a well-defined revenue model focused on capturing market share in major cities.



Here's a
breakdown of the
key components of
our Revenue
Model:

1. IDENTIFYING CUSTOMERS:

- **Primary Customers:** The airline caters to various segments:
- **Individual Travelers:** Budget-conscious travelers, business professionals, and leisure flyers.
- **Corporate Clients:** Businesses requiring frequent travel solutions for their employees.
- **Travel Agencies:** Partners offering bulk bookings and package deals.

2. REVENUE STREAMS:

The airline will generate revenue through a combination of:

Airfare:

- Base Ticket Price: This is the core flight cost.
- Budget Travelers: Low-cost fares with minimal included services.
- Business Travelers: Premium fares with added benefits like priority boarding and seat selection.
- Leisure Travelers: Standard fares with options for bundled deals (e.g., seat selection + meal).
- Ancillary Services: Passengers have the option to pay extra for:
 - Baggage Fees: Charges for checked bags and exceeding carry-on limits.
 - Seat Selection: Preferred seating options like window, aisle, or extra legroom.
 - In-Flight Services: Pre-purchased meals/beverages, access to in-flight entertainment (movies, Wi-Fi).
 - Travel Insurance: Optional coverage for trip cancellations or delays.
 - Priority Boarding: Faster boarding process for a fee.

Corporate Contracts:

Agreements with businesses for frequent travel needs:

- **Frequent Traveler Programs:** Discounted rates and additional benefits for corporate clients' employees.
- **Custom Travel Packages:** Tailored solutions with specific travel requirements of businesses.

REVENUE MODEL (CONTINUED...)



3. PAYMENT CHANNELS :

The airline will offer flexible payment options to cater to different customer preferences:

Direct Payments:

- Online Booking: Secure transactions through the airline's website or mobile app.
- Travel Agencies: Payments processed through partner travel agencies and booking platforms.
- Onboard Purchases: Cashless transactions preferred for in-flight services.

Corporate Billing:

- Monthly Billing: Corporate clients receive invoices based on their monthly travel activity.
- Prepaid Travel Credits: Businesses can pre-purchase travel credits for future employee travel needs.

4. SAMPLE PRICING STRATEGY (INDIAN RUPEES - INR) :

This is a basic example, and actual pricing will be based on market research and competitor analysis:

Base Airfare (one-way):

- Budget: INR 3,000 (USD 40)
- Business: INR 5,500 (USD 70)
- Leisure: INR 3,800 (USD 50) with bundled deals

Ancillary Services:

- Baggage Fees: INR 500 (USD 7) per additional bag
- Seat Selection: INR 200-800 (USD 3-10) based on seat type
- In-Flight Meals: INR 300-800 (USD 4-10) based on meal type
- In-Flight Entertainment: INR 200 (USD 3) for full access
- Travel Insurance: INR 500 (USD 7) per trip
- Priority Boarding: INR 300 (USD 4) per passenger

Corporate Contracts (indicative):

- Frequent Traveler Programs: Discounts of 10-20% on bulk purchases
- Custom Travel Packages: Negotiable based on corporate needs



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Statistics:

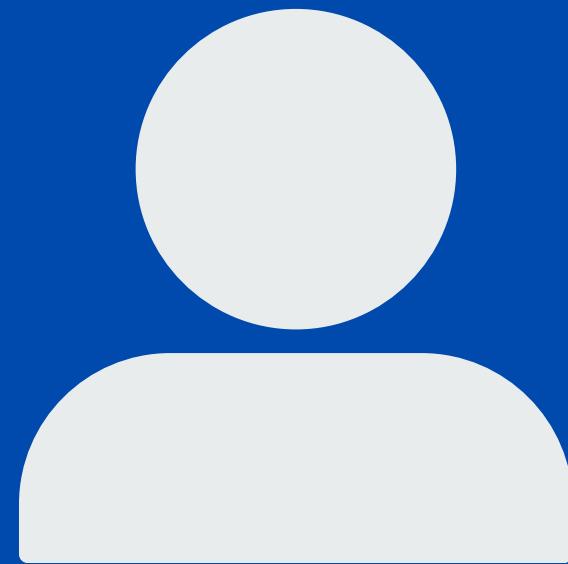
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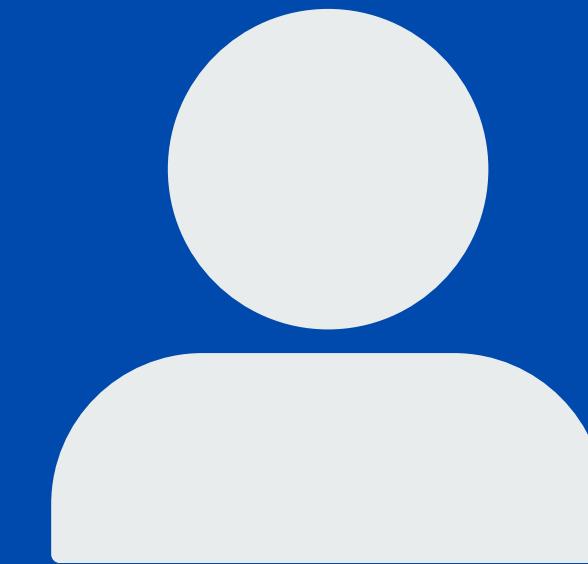
OUR TEAM



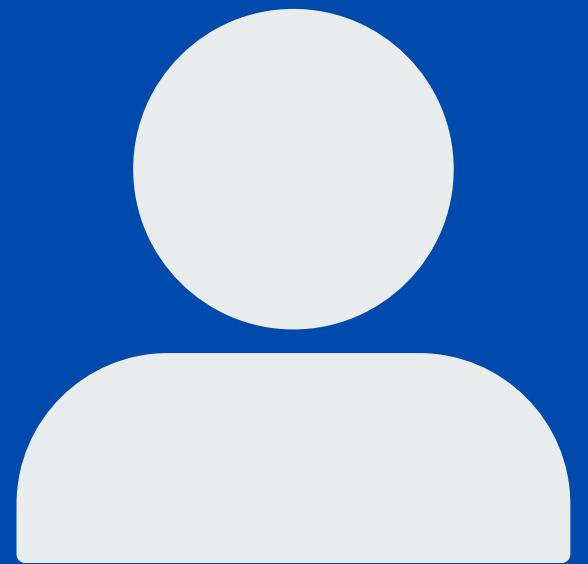
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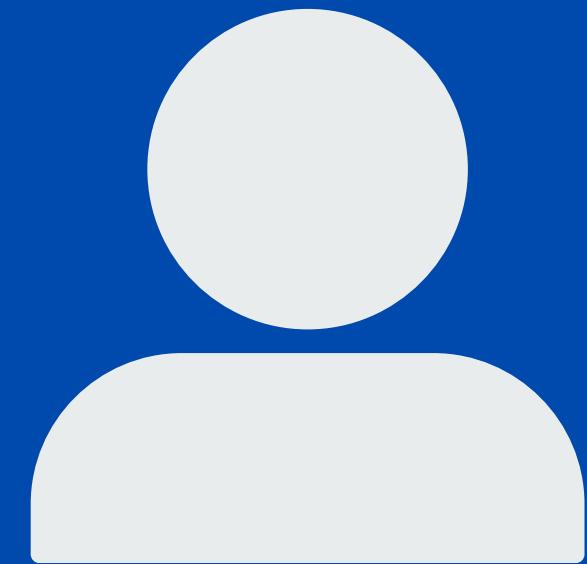
Member 2



Member 3



Member 4



Anisha Majumder

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Aditya Jain

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THANK YOU

