MARKET ENTRY STRATEGY FOR A EUROPEAN AIRLINE IN INDIA

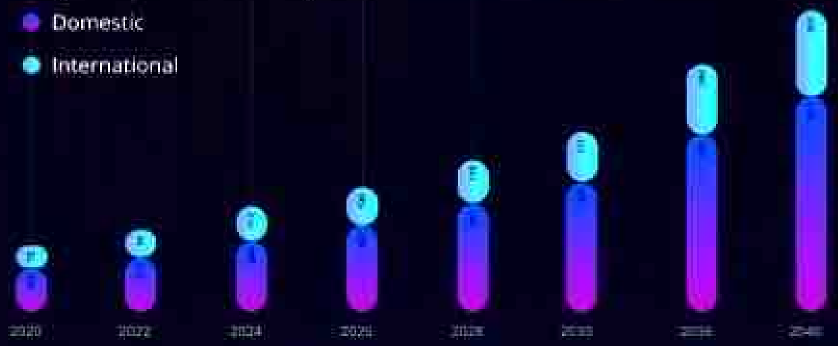
Market Attractiveness

Overview Of The Indian Aviation Market

India's aviation market is growing rapidly and presents significant opportunities for new entrants, including European airlines. The sector is expected to become the world's third-largest air passenger market by 2030, surpassing China and the United States. As of FY23, domestic passenger traffic surged to 270.34 million, a 62.1% year-on-year increase, and international passenger traffic reached 56.9 million, marking a 157% year-on-year increase.

Increase in the Number of Domestic Passengers

Domestic air travel in India is expected to continue its upward trajectory, with passenger traffic anticipated to reach 400 million by 2030.



Passenger traffic during April to January 2024 compared to same period last year.

Domestic
passenger traffic

254.44 M

International
passenger traffic

57.57 M

Indian Aviation Market Size

CAGR : 11.08%
Largest Share : Commercial Aviation

Dominated by foreign carriers

Increase In Shipping And Cargo Aviation

India's air cargo market has shown substantial growth, reaching 2.2 million tones in recent years. market is attractive but dominated by foreign carriers. Foreign carriers hold around 94-95% of the market share, while Indian carriers control only 5-6%. Domestic cargo is growing as well, driven by the rise of e-commerce and increasing industrial activity.

Market Attractiveness

UDAN-RCS Scheme

- **Focus on Underserved Areas:** The scheme prioritizes connecting unserved and underserved airports, including smaller towns and cities.
- **Viability Gap Funding (VGF):** To make regional routes profitable for airlines, UDAN offers VGF to cover potential losses. This allows airlines to offer capped fares for a certain percentage of seats.
- **Increased Connectivity:** UDAN has been successful in its goals. The number of operational airports in India has significantly grown, and hundreds of new routes have been established.

Foreign Direct Investment (FDI) Policies

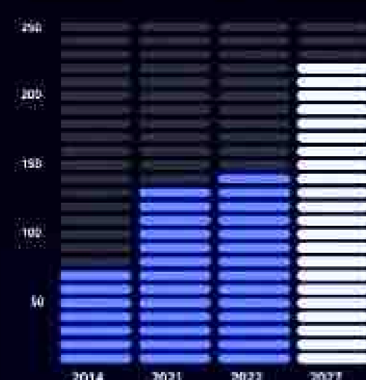
The Indian government has implemented favorable FDI policies to attract foreign investment in the aviation sector:

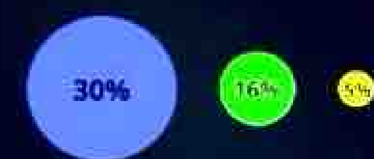
- **FDI Limit:** Up to 49% FDI is allowed under the automatic route for scheduled air transport services, regional air transport services, and domestic scheduled passenger airlines.
- **100% FDI:** Allowed with government approval in scheduled air transport services .

India's rapid airport expansion:

- The increasing fleet size in India underscores the attractiveness of the Indian aviation market. This growth reflects robust demand and opportunities within the sector.
- India's operational airports will increase from approximately 146 to around 220 by 2025-2027, enhancing domestic connectivity .

Operational airports in India





Market Attractiveness

Affordability and Accessibility

- **Economic Growth and Travel Surge :** India's GDP grew by 8.7% in FY 2022 after a 6.6% contraction the previous year. The expanding middle class with higher disposable incomes fuels leisure travel demand, both domestically and internationally. Low-cost carriers (LCCs) are driving significant growth in budget travel, making air travel more accessible to a broader population.
- **Government's Vision :** The Ministry of Civil Aviation's "Vision 2040" report, released on 15 January 2019, outlines India's future civil aviation roadmap. It projects air passenger traffic will increase sixfold to 1.1 billion by 2040, with 821 million domestic and 303 million international passengers. The report estimates 2,359 aircraft will be needed by March 2040 and anticipates air cargo movement to quadruple to 17 million tons.

2020 household by income, USD
Households : 260 M

●	>35k	2	1%
●	10k - 35k	35	14%
●	5k - 10k	105	40%
●	0k - 5k	118	45%

2030 household by income, USD
Households : 295 M

●	>35k	13	4%
●	10k - 35k	164	56%
●	5k - 10k	106	36%
●	0k - 5k	12	4%

India's travel expenditure surged to 150 billion in 2019 and is projected to soar to 410 billion by 2030, solidifying its position as the world's fourth-largest global spender.

In 2019, Indians undertook approximately 2.3 billion trips, a figure projected to surge beyond 5 billion by 2030. This exponential growth signifies a burgeoning market attractiveness, driven by escalating demand for air travel within the country.

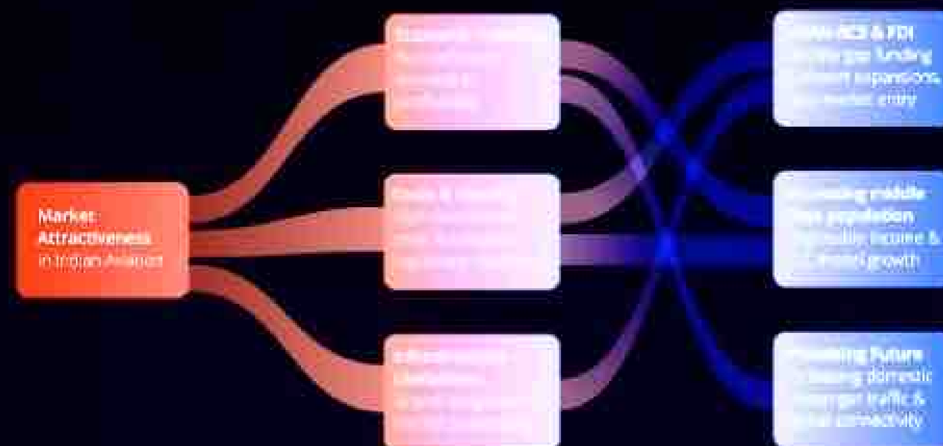
For Foreign Tourist Arrivals (FTA), air travel is the most chosen mode of transportation. In 2021, out of 1.52 million FTAs in India, 87.5% of individuals entered via air routes, 11.8% via land routes, and 0.7% via sea routes.

Market Attractiveness

Growing Global Connectivity

- India's aviation market is highly attractive, with 126 million passengers arriving from Asia-Pacific (85% of the total), 13.1 million from the Middle East (8.9%), and 4.5 million from Europe (3%).
- India's connectivity to key cities, especially in the Asia-Pacific region, has rapidly evolved over the past five years, enhancing its global aviation market position.

Comparison with Global Markets: India's aviation market shows significant growth potential, with 0.13 seats per head of population compared to China's 0.5 and the USA's 3 seats per head, highlighting room for expansion in both domestic and international markets.



Strategy / Proposition Of Joint Venture

The European airlines should form a Joint Venture with Jet Airways.

- Jet Airways is a well known Indian airliner, which boasted the largest fleet at its peak.
- Mismanagement and lack of adaptivity to new market lead to Jet shutting down in 2019 due to lack of funds
- Finally, in 2023 JKC (Jalan & Kalrock Consortium) were successful in getting the greenlight for ownership and air operator certificate; and paid the bank guarantes.
- JKC has given a public statement of getting Jet Airways back on the runways by 2024 end.

JET AIRWAYS

Needs of Jet Airways:

- JKC group has been on search for lessors and manufacturers for aircrafts.
- Investors interested to gain equity of the company.
- Pilots and there training & testing facilities at a lower cost.

Strategy / Reasons For Opting Joint Venture

Aligning strengths and opportunity.

Many European companies are looking to replace old models of planes. These models are still in use in India.

Due to stagnant growth in European aviation market, many airliners are eager to invest in Indian aviation due to its attractiveness.

Due to stagnancy in aviation in Europe, employment rate of pilots is at a low 15%.

Why JV over merger or aquisition?

1. Joint ventures are easiest to form and take less time & money.
2. Agreements are flexible and negotiations are easily made between the partners.
3. Inidan market is growing rapidly; thus it would be best for European company to enter ASAP.
4. Most importnantly, joint ventures have lower risk of loss.

Strategy / Checking Profitability Of Strategy

Ensuring best returns from the JV

Forming agreements with JKC which will give maximum profit at minimum risk for the European airline

For that we need to check profitability of strategy using financial tools/metrics like-
1. ROI
2. Annual EBIDTA
3. Annual EAT
4. Profit Margin

Obtaining value of these key metrics using-

Financial Model

1. Values taken as per available in internet.
2. Indigo's price model for tickets used, specified in later pages (cheapest in Indian market).
3. Average of % seats occupied over a year taken.
4. Maximum expenditure considered.

Profitability / Methodology For Profitability Analysis

Key Financial Metrics

To assess the profitability , we utilize key financial metrics as follows :

Profit Margin: Calculated as the difference between Revenue and Cost of Goods Sold (COGS).

$$\text{Profit Margin} = \text{Revenue} - \text{COGS}$$

Profit Margin Ratio: Represents the profitability of the company in relation to its revenue.

$$\text{Profit Margin} = \frac{\text{Revenue} - \text{COGS}}{\text{Revenue}}$$

ROI (Return on Investment): Estimated the ROI based on the profit margins over a projected period

$$\text{ROI} = \frac{\text{Net Profit}}{\text{Investment}}$$

Revenue Calculation

Revenue Refers To The Total Money Generated By The Airline

Aircraft and Route Analysis

Identified the number of seats for each aircraft model (Airbus A320, Airbus A330, Boeing 737-400) and the distance between the top 15 busiest routes in India.

ASK (Available Seat Kilometer):

Seats × Distance (in km)

RASK (Revenue per Available Seat Kilometer):

(Total Revenue)/ASK

Total Revenue

Daily ASK value for each route determined.
Product of this ASK value with yield & loading factor to give total revenue of each route.
Summed revenue of each route; we get total daily revenue.
Multiply by operational days in year to get annual total revenue.

Profitability / Revenue Model Of Joint Vneture (1st Year)

Assumptions:
Yield i.e price charged to passenger per km **= 4.7**
Average number of seats assumed to fill filled per day (Loading Factor) **= 70**

Total number of seats per model	Airbus A320	Airbus A330	Boeing 737-400
	180	250	188

Top 15 busiest routes (in India)	Distance (in km)	Total number of flights	ASK value of all flights per day A320	ASK A330	ASK 737-400	Revenue generated by each flight A320	Revenue A330	Revenue 737-400
DEL - MUM	1148	3	619920	861000	647472	2039536	2832690	2130182
MUM - BAN	845	3	456300	633750	476580	1501227	2085037	1567948
DEL - BAN	1740	2	626400	870000	654240	2060856	2862300	2152449
DEL - HYD	1253	2	451080	626500	471128	1484053	2061185	1550011
DEL - PUN	1173	1	211140	293250	220524	694650	964792	725523
MUM - CHE	1028	1	185040	257000	193264	608781	845530	635838
DEL - KOL	1300	1	234000	325000	244400	769860	1069250	804076
MUM - HYD	617	1	111060	154250	115996	365387	507482	381626
DEL - AHM	775	1	139500	193750	145700	458955	637437	479353
MUM - AHM	441	1	79380	110250	82908	261160	362722	272761
DEL - CHE	1761	1	316980	440250	331068	1042864	1448422	1089213
DEL - SRI	645	2	232200	322500	242520	763938	1061025	797890
BAN - KOL	1560	2	561600	780000	586560	1847664	2566200	1929782
BAN - HYD	503	1	90540	125750	94564	297876	413717	311115
BAN - PUN	734	1	132120	138500	137992	434674	603715	453993
MUM - KOL	1652	3	892080	1239000	931728	2934943	4076310	3065385
		Total Flights : 26			Total Revenue :	1,75,66,428	2,43,97,817	1,83,47,158

*all figures are in indian rupees

Comparison of revenue generated per day by each model.

Annual Revenue Generated by 26 flights every day using only Airbus a330-

INR 780.73 cr

Profitability / Projection Of Revenue

Assumptions for potential growth:

- Loading factor to increase by 8% annually (till it crosses 90%).
- Yield value increasing annually by 0.5 (minimum increase rate in domestic Indian aviation).
- Number of aircrafts in use increasing by 3 each year .

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Growth in Loading factor every year	70	78	86	92	92
Yield value	4.7	5.2	5.7	6.2	6.8
Increase in the fleet size	10	13	16	19	22
ANNUAL REVENUE	780,00,00,000	962,50,00,000	11,63,26,00,000	13,53,00,00,000	14,85,00,00,000

Profitability / Investment & Expenditure

CapEx

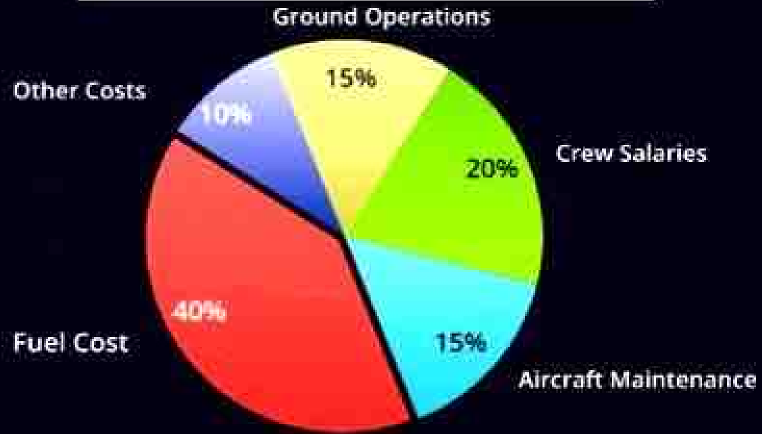
1200 cr (includes a wide range of initial setup costs)

- The entire CapEx for the project is financed through equity.
- Assumed to be a zero debt model (to avoid interest calculations
- These include costs of lease securities, office space, machinery, land for hangars (Cost of each taken at the highest rate in India).

OpEx

- These include the day-to-day expenses of operating and maintaining the airlines.
- Components like - Fuel costs, Aircraft maintenance, Crew salaries, Ground Operations and other costs.

Opex Distribution of Indian Aviation Market 2024



Profitability / Distribution Of Expenditure- Fuel

Assumptions:

- We can assume that all models in use are the airbus A330 (for now)
- Consumption of fuel by a330 as per statement released by Airbus = **525 ltr / 100km.**
- Assumed that in total each unit will be out of work for 35 days due to maintenance (A checks, B checks C checks , D checks all included).
- Cost of ATF (for 1st year) taken as average of cost in different cities.

- Cost of ATF per liter taken at average cost over India for 2024 **= 100**

Top 15 busiest routes (in India)	Distance (in km)	ASK	Cost of Fuel
DEL - MUM	1148	861000	1663452
MUM - BAN	845	633750	1224405
DEL - BAN	1740	870000	1680840
DEL - HYD	1253	626500	1210398
DEL - PUN	1173	293250	566559
MUM - CHE	1028	257000	496524
DEL - KOL	1300	325000	627900
MUM - HYD	617	154250	298011
DEL - AHM	775	193750	374325
MUM - AHM	441	110250	213003
DEL - CHE	1761	440250	850563
DEL - SRI	645	322500	623070
BAN - KOL	1560	780000	1506960
BAN - HYD	503	125750	242949
BAN - PUN	734	138500	354522
MUM - KOL	1652	1239000	2393748

*all figures are in indian rupees
*figures related to airbus a330 model only

Total (Daily) : ≈ 1.25 crores
Total (Annual) : ≈ 400 crores

Profitability / Distribution Of Expenditure- Maintenance And Logistics

Cost of C-checks of an Airbus A330	3,33,92,260	Needed after every 2 - 6 years	3,33,92,260
Engine Component	4,17,40,325	After duties	4,38,27,341
Avionics Replacement	3,33,92,260	After duties	3,50,61,873
Airframe Component Replacement	2,08,70,162	After duties	2,19,13,670
Engine Overhaul	16,69,61,300	Needed after every 5000 flights / 7 years	16,69,61,300
Interior Component Replacement	8,34,800	After duties	8,76,547
Freight charges for urgent parts	8,34,800	After duties	8,76,547
Warehousing Costs	83,48,065	-	83,48,065
Inventory Management Systems (RPAs)	83,48,065	-	83,48,065
Cabin Crew salaries	3,50,000	Total number of cabin crew = 200	7,00,00,000
Ground Staff salaries	3,00,000	Total number of ground staff = 210	6,30,00,000
Ground operations fees (per flight)	41,782	For all the flights	34,76,32,729

*all figures are in indian rupees
*all figures are taken into account annually

Total = 80,02,38,398

- Total Expenditure due to Repairs, Logistic and Maintenance **= 80 crores**

Profitability / Distribution Of Expenditure- Others

- Expenditure on salary of pilots and training and testing purposes

Salaries of Pilots :	
Average annual salary of pilot	30,00,000
Number of pilot required for the fleet	50
Total salaries of Pilots	15,00,00,000

Cost of training simulator rentals :	
Initial type rating training (per pilot)	16,71,311
Recurrent training (per session)	8,35,655
Total cost of training	8,35,65,550

Cost of testing simulator rentals :	
Wide-body aircraft (per hour)	2,92,480
3 hours of registered testing	8,77,440

*all figures are in indian rupees

- Total estimated expenditure on Marketing Services and Advertisement ≈ 30 crores

- Cost of operating lease for 1 Airbus A330 = 20 crores
- Cost of operating lease for 10 Airbus A330 planes = 200 crores

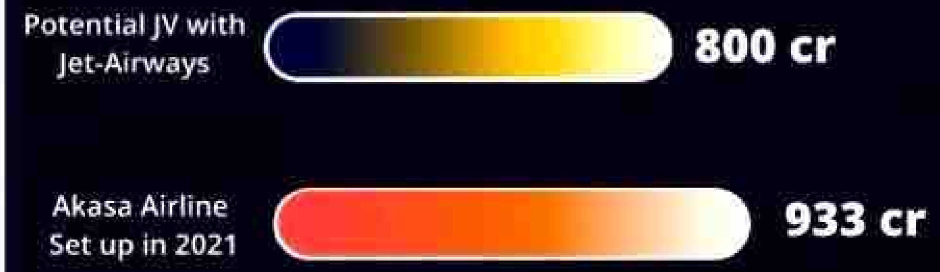
Profitability / Expenditure Distribution- Summary

Expenditure distribution

Cost of operating lease of aircrafts	30%
Fuel	50-55%
Repair and Logistics	10-12%
Salary of pilots	2%
Other Costs	5-8%

- Cost of training
- Cost of regularized testing
- Marketing costs

Comparission of Operating Expenditure in first year between proposed model and real new airliner established in India



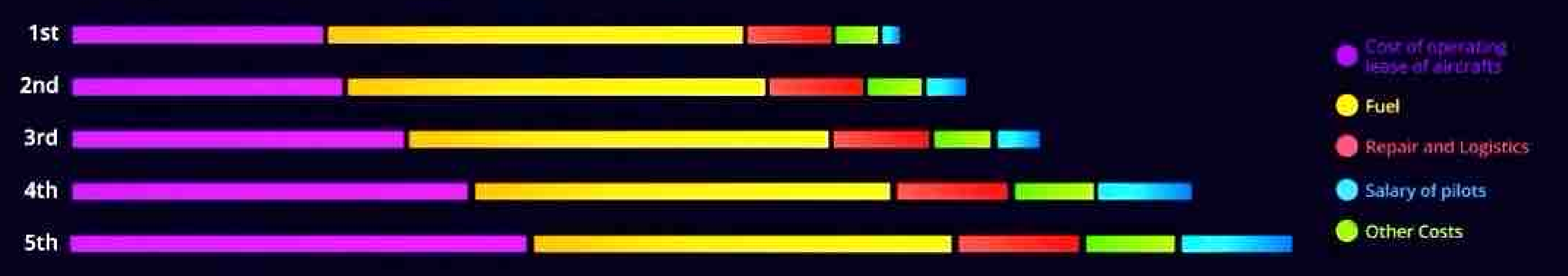
Reasons behind reduced operational costs-

1. Inclusion of automation in every stage of service example: Baggage rollers to reduce ground staff, RPA for data handling.
2. Targetted marketing instead of mass marketing.
3. Choosing routes via cities with low ATF costs to cut down on fuel cost.

Profitability / 5 Years Expenditure Projection

	1st Year	2nd Year	3rd Year	4th Year	5th Year
Average annual salary of pilots	30,00,000	35,00,000	40,00,000	45,00,000	50,00,000
Number of pilots required for the fleet	50	55	60	250	300
Total Salary of pilots	15,00,00,000	19,25,00,000	24,00,00,000	112,50,00,000	150,00,00,000
Cost of training	8,35,65,550	8,77,43,000	9,21,30,000	9,67,37,000	10,15,70,000
Cost of regularized testing	8,77,440	9,21,300	9,67,300	10,15,700	10,66,500
Marketing costs	30,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000	30,00,00,000
Cost of operating lease of aircrafts	2,00,00,00,000	2,60,00,00,000	3,20,00,00,000	3,80,00,00,000	4,40,00,00,000
Expenditure on fuel	4,58,00,00,000	4,58,00,00,000	4,58,00,00,000	4,58,00,00,000	4,58,00,00,000
Expenditure on Repair and Logistics	80,00,00,000	84,00,00,000	88,20,00,000	92,60,00,000	97,26,00,000
Total Expenditure	**800,00,00,000**	**860,00,00,000**	**929,00,00,000**	**10,83,00,00,000**	**11,85,00,00,000**

*all figures are in indian rupees



Profitability / Revenue Projection For The Joint Venture

Summary

	1st Year		2nd Year		3rd Year		4th Year		5th Year	
Growth in Loading factor every year	70		78		86		92		92	
Yield value	4.7		5.2		5.7		6.2		6.8	
Increase in the fleet size	10		13		16		19		22	
Revenue each year	780,00,00,000		962,50,00,000		11,63,26,00,000		13,53,00,00,000		14,85,00,00,000	
Expenditure each year	800,00,00,000		860,00,00,000		929,00,00,000		10,83,00,00,000		11,85,00,00,000	
Profit margin	-20,00,00,000	-2.56%	102,00,00,000	10.59%	2,34,26,00,000	20.13%	2,70,00,00,000	19.95%	3,00,00,00,000	20.2%
SGA	39,00,00,000		48,00,00,000		58,00,00,000		67,00,00,000		74,00,00,000	
EBITDA	-1,24,87,00,000		-35,83,00,000		80,50,00,000		1,02,92,00,000		1,20,00,00,000	
Interest (assumed to be 0 debt model)	0		0		0		0		0	
EBTDA	-1,24,87,00,000		-35,83,00,000		80,50,00,000		1,02,92,00,000		1,20,00,00,000	
Depreciation / Amortization	69,32,55,000		76,01,67,000		81,96,83,000		94,63,85,000		1,03,24,81,000	
EBT	-1,94,20,00,000		-1,11,84,00,000		-1,47,00,000		8,28,00,000		16,50,00,000	
Tax @27%	0		0		0		2,23,64,000		4,45,36,000	
EAT/PAT	-1,94,20,00,000		-1,11,84,00,000		-1,47,00,000		6,00,00,000		12,04,00,000	

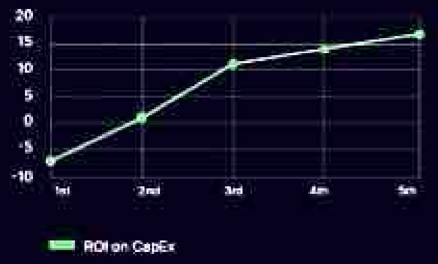
*all figures are in indian rupees

Profitability / Revenue Projection For The Joint Venture

ROI on CapEx

16%

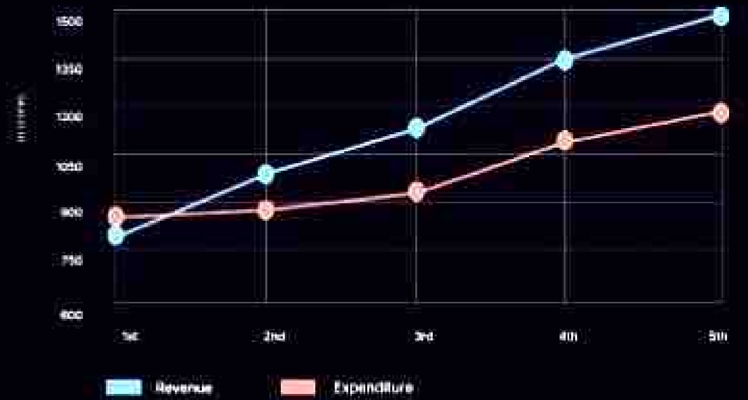
By the end of 5th year



Profit Margin

300 crores

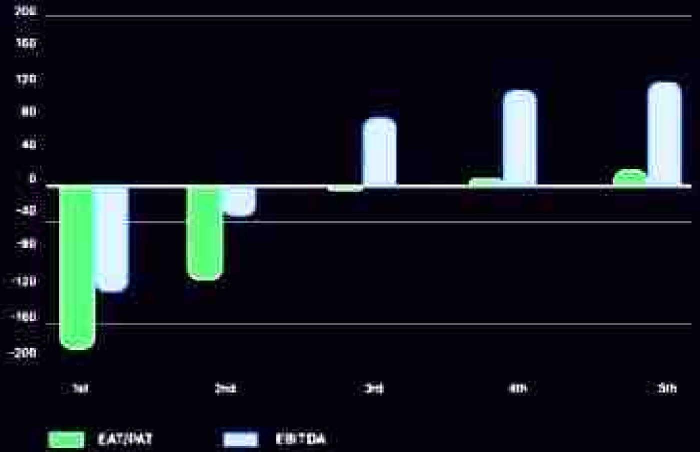
by the end of 5th year



EAT/PAT

12 crores

by the end of 5th year



Profit Margin

20%

By the end of 5th year

Overview of Profitability for the Joint Venture

The joint venture is set to achieve profitability with revenue increasing from ₹780.73 crores in the first year to ₹1,484.57 crores by the fifth year. Key drivers include a rise in the loading factor to 92%, an improved yield value of 6.8, and fleet expansion to 22 aircraft. Despite an initial loss, profit margins are expected to reach 20% by the fifth year.

Profitability / Revenue Projection For The European Airline

Strategy

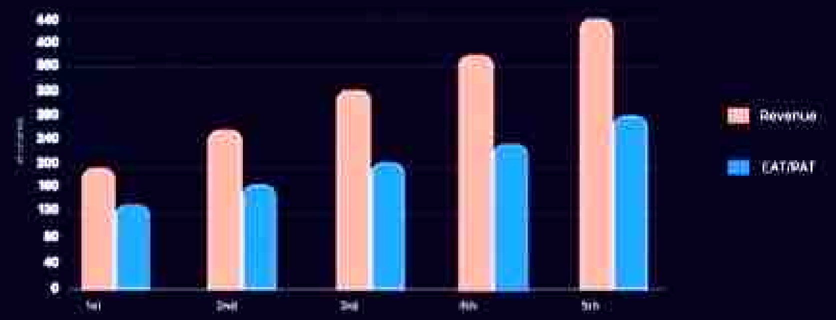
Strategic Agreements of JV for European Airlines

1. **Capital Expenditure (Capex) Investment**
   - The company will invest 10% of the Capex amounting to ₹120 crore.
2. **Operational Expenditure (Opex) Discounts**
   - The company will provide a 10% discount on the lease and pilot crew salary components of Opex.
3. **Equity Holding**
   - In return for these investments, the European airline company will hold a 15% equity stake in the venture.
4. **Bonus Shares**
   - The company will receive bonus shares at a ratio of 20:1 for the first five years.
5. **Right to Issue Shares**
   - After the first five years of operation, the company will have the option to issue 1 share for every 5 shares held at a 20% discounted rate.

EAT/PAT

280 crores

By the end of 5th year



	1st Year	2nd Year	3rd Year	4th Year	5th Year
Dividend payout	0	0	0	1,10,00,000	2,30,00,000
Lease rent recieved	2,00,00,00,000	2,60,00,00,000	3,20,00,00,000	3,80,00,00,000	4,40,00,00,000
Total Revenue	2,00,00,00,000	2,60,00,00,000	3,20,00,00,000	3,81,10,00,000	4,42,30,00,000
Operating cost	30,00,00,000	36,00,00,000	44,00,00,000	58,00,00,000	68,00,00,000
Operating profit / EBITDA	1,70,00,00,000	2,24,00,00,000	2,76,00,00,000	3,23,10,00,000	3,74,30,00,000
(Tax @25%) EAT/PAT	1,27,00,00,000	1,67,00,00,000	2,07,00,00,000	2,41,00,00,000	2,80,00,00,000

*all figures are in indian rupees

Marketing & Positioning / Segmentation & Targetting

Consumers

94%

Leisure Travelers

Enhancing Travel Experiences With Custom Campaigns And Offers

1. **Destination-Themed Campaigns:**
   - Highlight popular and hidden destinations in tier-2 and tier-3 cities.
   - Collaborate with local influencers and travel bloggers.
2. **Seasonal Promotions:**
   - Offer discounts and packages during peak seasons, holidays, and festivals.
   - Provide special deals for families, couples, and solo travelers.
3. **Loyalty Programs:**
   - Implement a frequent flyer program with rewards like free tickets, upgrades, and lounge access.
   - Partner with hotels, restaurants, and tourist attractions for bundled discounts.
4. **Experiential Marketing:**
   - Organize on-ground events and pop-up experiences showcasing local cultures.
   - Offer virtual reality experiences of destinations on Jet Airways flights.
5. **User-Generated Content:**
   - Run social media contests encouraging travelers to share their experiences.
   - Feature winning entries in marketing materials to foster community and authenticity.

5%

Business Travelers

Optimized Solutions For Seamless Business Travel

1. **Corporate Travel Solutions:**
   - Develop customized corporate travel packages with flexible booking, priority boarding, and extra baggage allowances.
   - Offer corporate loyalty programs with perks like discounted fares, upgrades, and lounge access.
2. **Partnerships with Corporations:**
   - Partner with large corporations and SMEs for exclusive employee deals and discounts.
   - Provide tailored travel solutions for frequent business routes.
3. **In-Flight Connectivity and Services:**
   - Offer high-speed Wi-Fi and charging ports on all flights.
   - Provide business magazines, newspapers, and productivity tools on board.
4. **Premium Services:**
   - Introduce a premium class with larger seats, gourmet meals, and dedicated check-in counters.
   - Offer personalized services like pre-ordered meals and travel assistance.
5. **Networking Opportunities:**
   - Organize in-flight networking events on selected routes.
   - Create a business traveler community platform for industry insights and networking.

Marketing & Positioning / Segmentation & Targetting

Indian Income Pyramid

2018

2030 Forecast

Leisure Travelers

Low - Income Segment

1. Affordable Pricing Strategies:
   - Introduce budget-friendly fares and flexible payment plans.
   - Offer discounts for advance bookings and special fares for essential workers, students, and seniors.
2. Community Outreach Programs:
   - Partner with NGOs for discounted travel for education, medical, and social needs.
   - Organize workshops to educate communities about air travel.
3. Simple and Transparent Policies:
   - Ensure transparent pricing with no hidden fees.
   - Provide clear information on booking, cancellations, and refunds.

Middle - Income Segment

1. Value-Driven Promotions:
   - Offer competitive pricing, high-quality services, and special family packages with seasonal discounts.
2. Loyalty Rewards:
   - Provide benefits like free upgrades and priority check-in.
   - Partner with credit card companies for points and discounts.
3. Convenience & Connectivity:
   - Highlight the convenience of flight schedules, connectivity to tier-2 and tier-3 cities, and easy transfer options to international flights.
   - Use testimonials and case studies of satisfied middle-income travelers to build trust and credibility.

Marketing & Positioning / Brand Positioning

Sustainability Initiatives

- **Eco-Friendly Practices:** Positioning Jet Airways as an eco-conscious airline involves implementing sustainable practices such as:
  - Reducing single-use plastics onboard flights.
  - Offering carbon offset programs for passengers to mitigate their carbon footprint.
  - Investing in more fuel-efficient aircraft to reduce overall emissions.
- **Green Partnerships:** Collaborating with environmental organizations to:
  - Promote green initiatives both internally and externally.
  - Create a strong brand association with sustainability through joint campaigns and initiatives.

JET AIRWAYS

Community Engagement Strategies

- **Local Community Programs:** Engaging in community outreach to:
  - Conduct educational workshops on aviation and environmental stewardship.
  - Provide scholarships for aviation studies to nurture talent in the aviation sector.
  - Support local events that align with community interests and values.
- **Passenger Stories: Sharing inspiring stories of:**
  - Passengers from diverse backgrounds and regions, highlighting Jet Airways' role in connecting communities.
  - Emphasizing the airline's commitment to fostering inclusivity and diversity through its services and operations.

Competitor Analysis

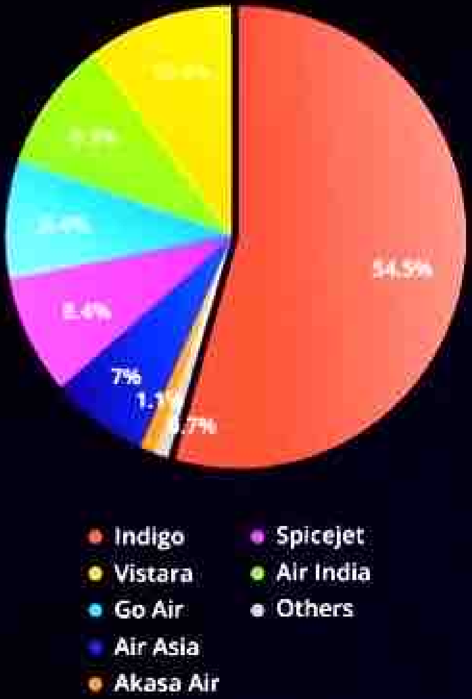
Number of destinations covered by the existing airlines in India

- Indigo 102
- Air India 85
- Spicejet 64
- Vistara 47
- Akasa Air 16

Fleet Size of the existing airlines in India

- Indigo 280+
- Air India 120+
- Spicejet 95+
- Vistara 50+
- Akasa Air 20+

Market share of different airlines in domestic aviation in India



Indigo

Pros:

- Affordability: Reasonable fares and effective low-cost strategy.
- Punctuality: Strong on-time performance and frequent flights.
- Market Leadership: Largest market share in India, expanding services.

Cons:

- Customer Service: Needs improvement, with staff behavior issues.
- Limited Routes: Fewer international routes compared to competitors.

SpiceJet

Pros:

- Affordability: Reasonable fares and many destinations across India .
- Market Presence: Significant domestic market player despite financial struggles.

Cons:

- Safety and Service: Safety concerns and frequent customer service issues.
- Financial Instability: Posted losses and challenges in securing expansion funding .

Air India

Pros:

- Comfort and Service: Known for legroom, quality catering, and strong frequent flyer program.
- International Reach: Expanding premium products for long-haul segments.

Cons:

- Cleanliness: Issues, especially on international flights.
- Financial Struggles: Ongoing restructuring to improve market position.

Vistara

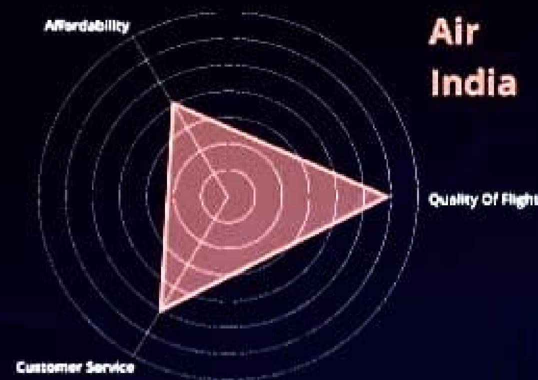
Pros:

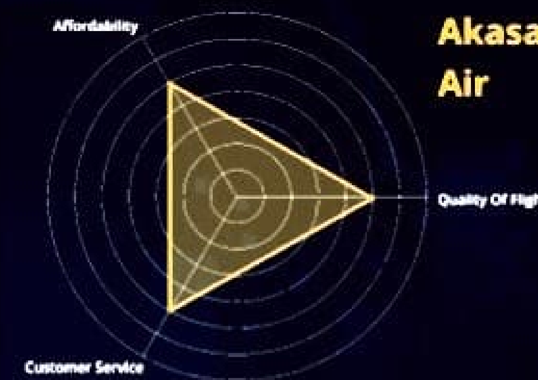
- Premium Experience: High-quality in-flight experience with premium seating and service.
- Joint Venture: Benefits from Tata Sons and Singapore Airlines' expertise.

Cons:

- Market Share: Smaller compared to Indigo and Air India, with evolving expansion strategy .

Competitor Analysis





Affordability/Prices:

- **Definition:** Cost-effectiveness of airline tickets and additional services.
- **Sources:** Average ticket prices, pricing strategies, and fees for services.
- **Example:** Indigo and SpiceJet are known for low costs.

Quality of Flight/Comfort:

- **Definition:** Overall in-flight comfort, including seat comfort, legroom, and amenities.
- **Sources:** Customer reviews and service ratings.
- **Example:** Air India and Vistara offer superior comfort and amenities.

Customer Service:

- **Definition:** Quality of service from airline staff, issue resolution, and responsiveness.
- **Sources: Customer satisfaction surveys and reviews.**
- **Example:** Vistara and Air India score high on customer service, while Indigo and SpiceJet face criticism.

Conclusion

Conclusion of our market entry strategy-

Achieving revenue growth via Indian market

European company should enter a Joint Venture.
This reduces risk of incurring huge loss in case of failure.

Over time client will become major shareholder of Jet Airways, solidifying themselves as a prominent part of Indian aviation market.

Estimating revenue growth for client

Using our financial model- we gave our projection of revenue over first five years of joint venture.

Taking feasible potential growth factors, we conclude that revenue growth is steady and overall profitable.

Customer preferences (Consumer Persona)

Over 90% (leisure travellers) Indian customers prioritise price over quality in air travel.

Therefore, JV should meet price expectations of customers and at the same time maintaining a standard quality.

Competitive landscape & Positioning

Analysing strengths & weaknesses of competitors, we conclude that Indian aviation market demands low cost flights.

Hence, our aim should be to target leisure travellers and provide customer bonuses to attract more & build loyal customers.

THANK YOU