



AIR INDIA- GROWTH STRATEGY

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1. privatization will improve the company's position.
2. Air India served 101 destinations, including 57 domestic destinations. Travel to 33 countries around the world on four continents. Air India has a lot of new Airbus and Boeing planes.
3. Its merger with Vistara and Singapore Airlines will increase its standards.

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1. Employee issues.
2. Public criticism faced till now due to lack of quality required for any premium airline.
3. Air India is in a weak financial position. Air India threatens financial losses. During the last decade, the total losses amounted to around \$ 69,575.64 billion

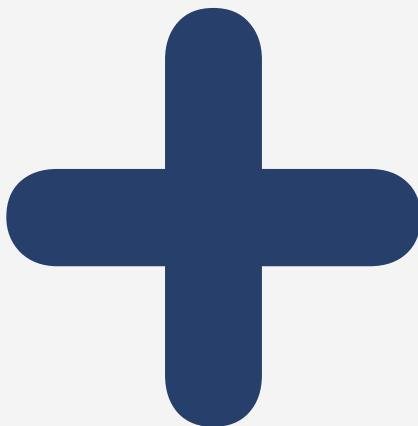
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1. Air India should focus to serve more local domestic markets and provide air travel services all over India.
2. Deregulation of the airline industry also makes the global skies more accessible to airlines than ever before

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1. Air India has lots of competitors and this airline business is very risky.
2. Setting high targets like beating INDIGO might rush it to taking bad and highly risky decisions for the business

AVIATION INDUSTRY HISTORY



**Passenger Traffic
Growth**

11%

**Foreign Tourist
Arrival growth**

15.9%



competitor analysis

INDIGO

55.7% market share

IndiGo has a total destination count of 101 with 75 domestic destinations and 26 international.

6,967,074- total passengers in 2022

potential competitor of air india due to its large market share.and constant profits

All age groups recorded an increase in airline spending, with those between the ages of 25 to 34 recording the smallest increase, up 87% on the previous month.

Target Customers

Age: 16-25

including students travelling
from collges,Employees

Age: 26-30

Families travelling for
tourism,business trips.

Age: 31-40

mostly people like
businessmessmen

Age: 41-55

mostly people like business
men

Decline of Air india

Competition from private airlines: Air India has faced intense competition from private airlines in India, which have often offered more attractive fares and better services. This has made it difficult for Air India to compete and attract customers. As the airline was under the govt. control it had not had much intentions of making profit leading to poor facilities and no agenda to compete or improve itself.

High debt: Air India has accumulated significant debt over the years, which has made it difficult for the airline to invest in new planes, technology, and infrastructure. This has led to a decline in the quality of its services.

Mismanagement: There have been allegations of mismanagement and corruption within the company, which have damaged its reputation and made it difficult for the airline to attract customers.

Limited routes: Air India has a limited network of routes compared to other major international airlines, which has limited its ability to attract international travelers.

Poor customer service: Air India has often been criticized for its poor customer service, including lost luggage, flight delays, and rude staff. This has contributed to a decline in customer satisfaction and loyalty.

- extending the airline's business to include cargo operations can be a viable way to diversify the airline's revenue streams and potentially increase profits
- using the fuel hedging concept to cut the cost increase due to market rise. By closely observing movements of fuels in upcoming years the company can sign contracts of hedging the fuel prices.
southwest airlines used this strategy to and saved 3.5 billions dollars as per reports.

GO-TO-MARKET STRATEGY



Invest in new technology and infrastructure: Air India could invest in new planes, airports, and other infrastructure in order to improve the quality of its services and make them more attractive to customers.

Expand its route network: Air India could consider expanding its route network to include more destinations, both domestically and internationally. This could help to attract more travelers and increase revenue.

Improve customer service: Air India could focus on improving its customer service by investing in training for its staff, improving its baggage handling processes, and making it easier for customers to book and change flights.

Introduce new products and services: Air India could consider introducing new products and services, such as in-flight entertainment, loyalty programs, and premium classes, in order to attract more customers and increase revenue.

Restructure and streamline operations: Air India could look for ways to streamline its operations and reduce costs in order to become more efficient and competitive. This could involve restructuring the company, outsourcing certain functions, and cutting unnecessary expenses.

ACTION PLAN

Sale and lease back model.

There are several benefits to a sale and leaseback arrangement.

For the company that is selling the asset, it can provide a source of liquidity and allow the company to access capital that it may not have been able to access through other means.

It can also allow the company to focus on its core business activities, rather than managing the asset.

thereby reducing the cost of ticket.





THE TARGETED CUSTOMERS

16-25 age group

airlines already has more customers in the age group of 25-34 so our main group to target for bringing out more new customers is the age group of 16-25

As already mentioned discounting can be good way, and a through marketing for this has to be done.



GO-TO-MARKET STRATEGY

1. Offer flexible ticketing options: Many young people may be more likely to travel on short notice or be more open to last-minute travel plans, so offering flexible ticketing options such as the ability to change or cancel flights without penalty can be attractive to this age group.

2. Partner with brands or organizations that are popular with young people: By partnering with brands or organizations that are popular with young people, an airline can tap into existing customer bases and reach a wider audience.

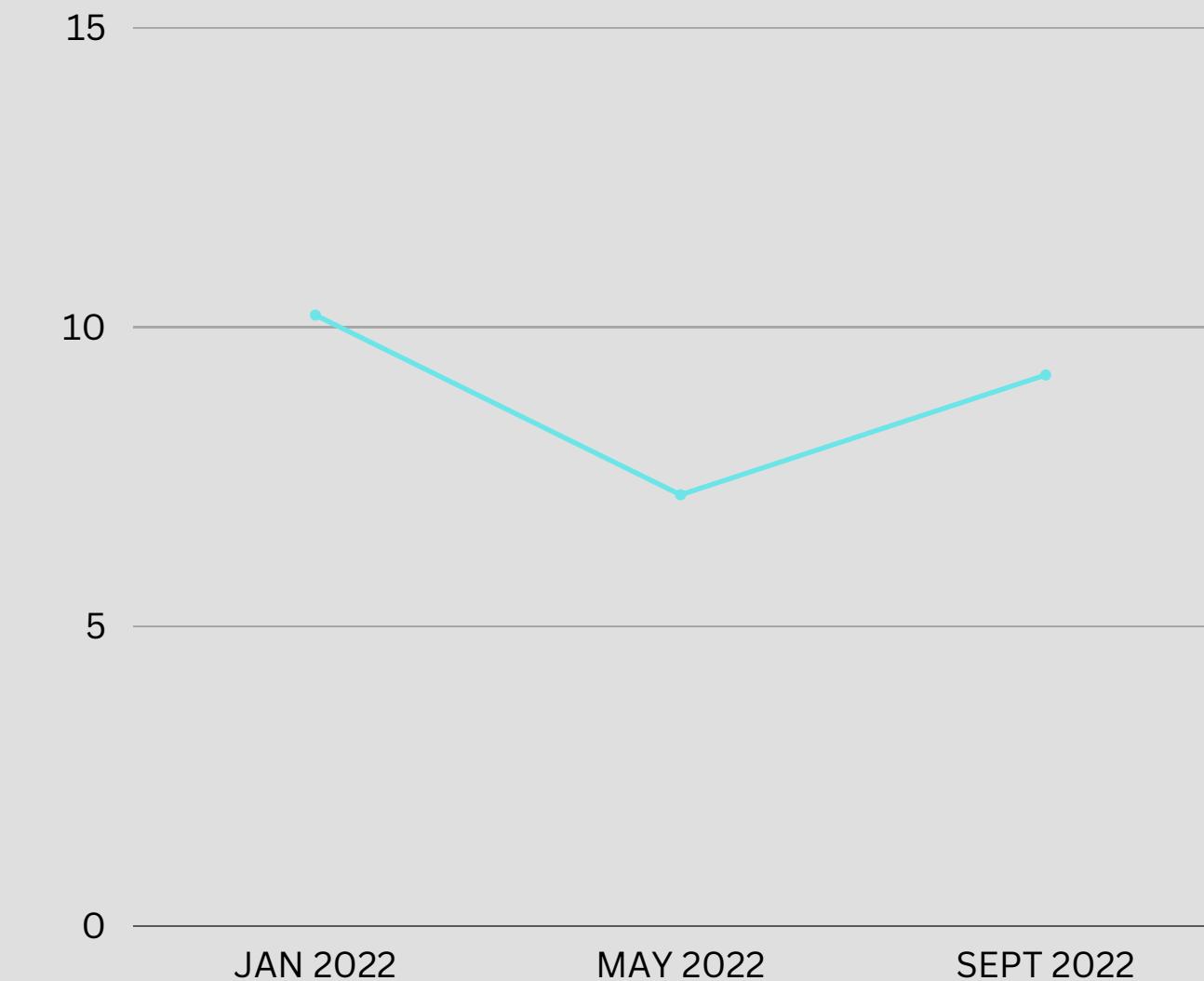
3. Offer a variety of destinations and travel experiences: Young people may be more open to exploring new destinations and trying new experiences, so offering a diverse range of destinations and travel options can help to attract this age group.



ONE YEAR IN: HOW IS AIR INDIA'S TURNAROUND GOING?

As expected, Tata has been reducing the total staff at Air India with voluntary retirement schemes. This has been successful, with 4,500 staffers parting from the airline, from a total of over 13,000. Another round could be around the corner, according to reports, helping streamline costs.

In terms of numbers, Air India's domestic market share has slipped from 10.2% in January to 7.2% in May, but went back up to 9.2% in September. However, its on-time performance has become the best in the country, an impressive feat that highlights a shift in strategy. With a lofty goal of 30% domestic market share in five years, expect to see more competition soon.

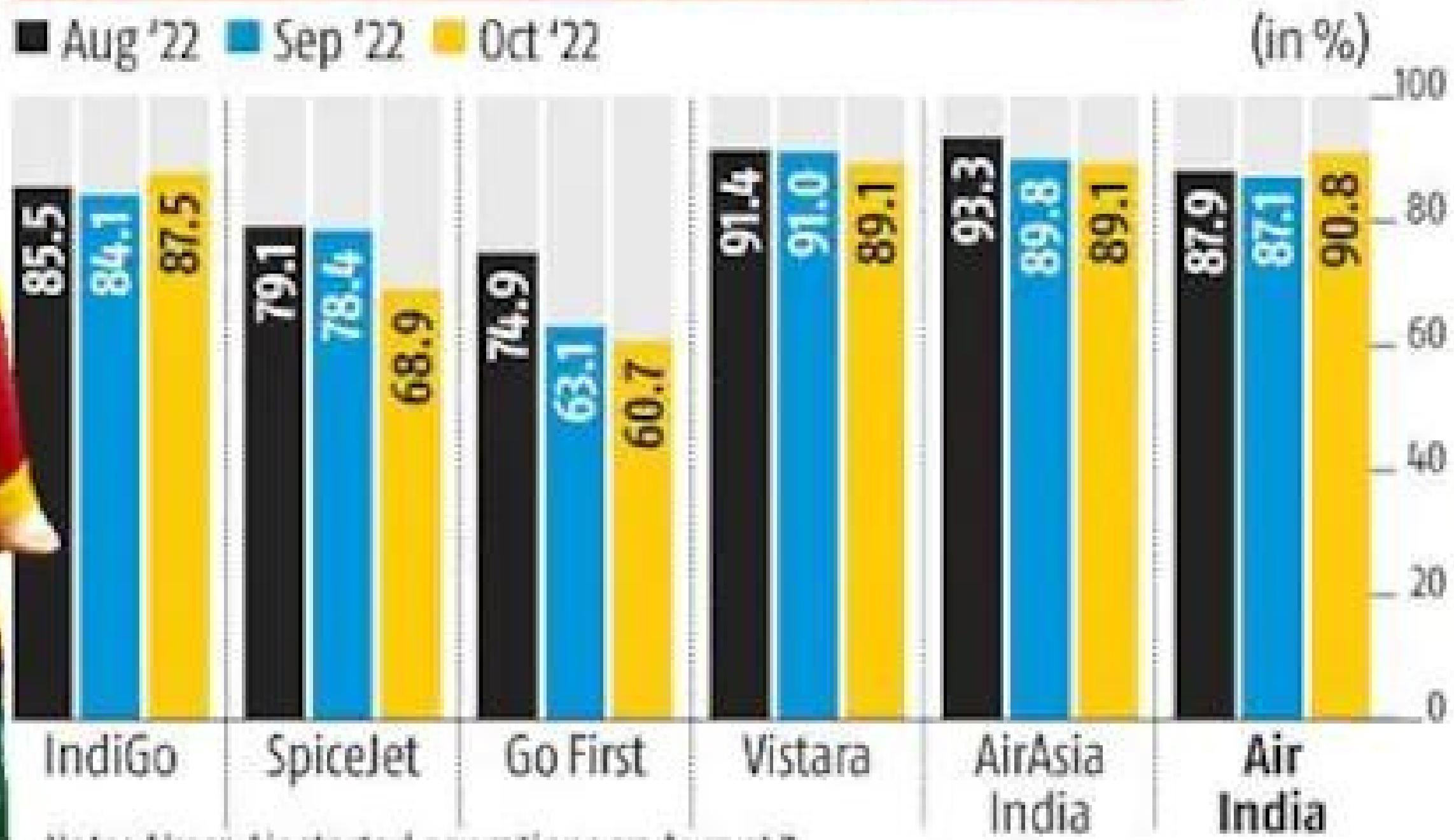


THE MAHARAJA IS BACK

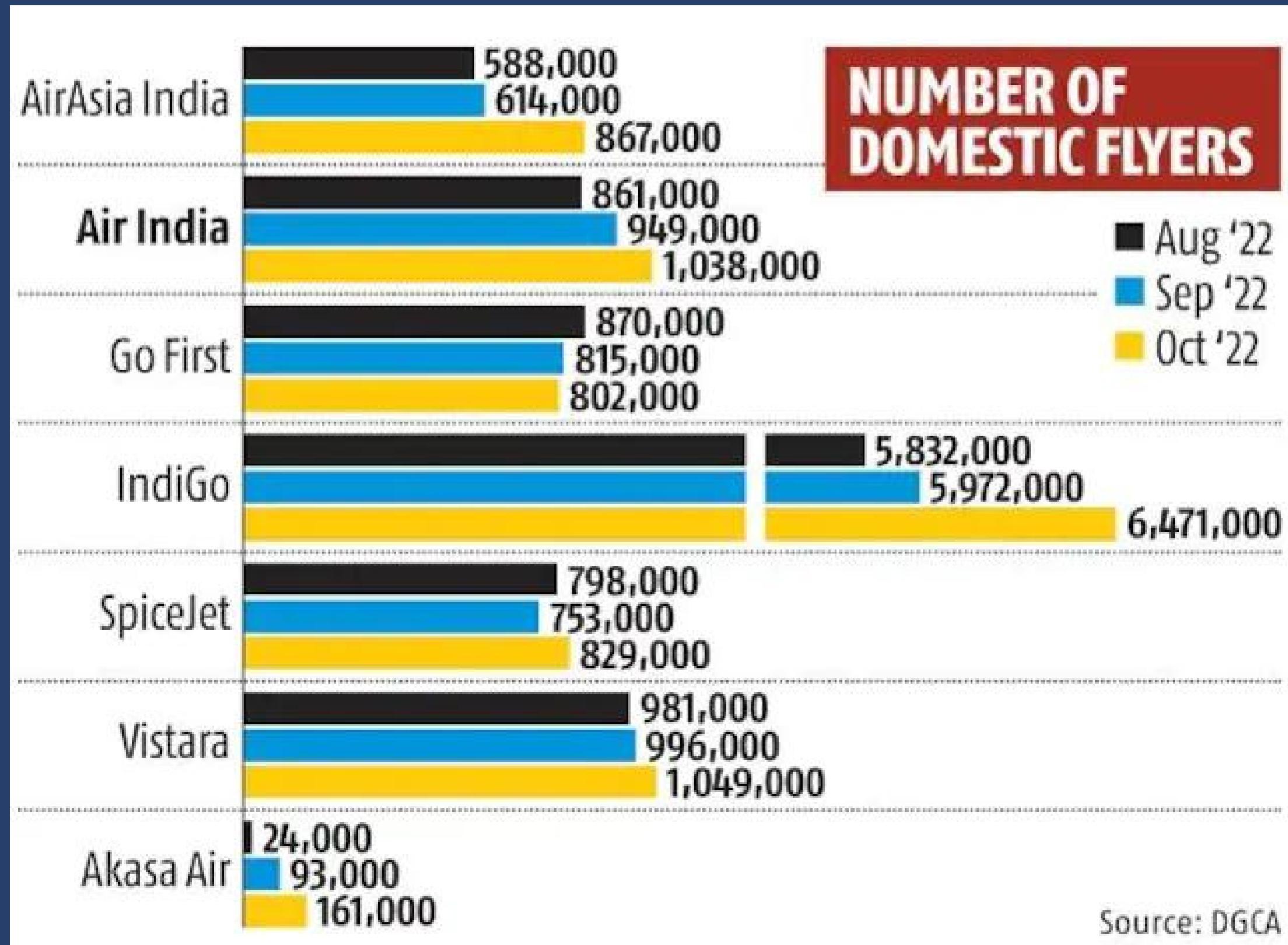


ON-TIME PERFORMANCE IN NEW DELHI, MUMBAI, HYDERABAD AND BENGALURU

■ Aug '22 ■ Sep '22 ■ Oct '22



Note: Akasa Air started operations on August 7



source:
https://www.business-standard.com/article/companies/air-india-posts-best-monthly-on-time-performance-among-carriers-after-years-122112200969_1.htmlt

Guesstimate

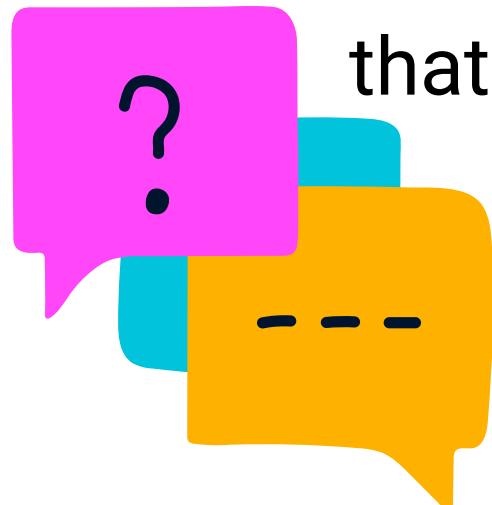
number of passengers travelling per day on Air India's within india

Lets assume it has 50 destinations that it operates in domestically.

Lets say we calculate the number of planes in one major city like mumbai.

- There are 2 runways at Mumbai airport (ask interviewer for the data)
 - Time between consecutive takeoff/landing is 2 mins Hence, total number of flights landing in an hour = $60/2 = 30$ mins
 - Average daily operating time of the runway is 20 hours Hence, flights handled per day = $20 \times 30 = 600$ flights
- so if out of these 600 airplanes we assume the market share of air india is rough 10% so out of 600 we conclude our number of AIR INDIA planes be 60.

If out of 50 destinations let the traffic of air india in 60% percent of them is so high - 60 flights and for the rest other destinations it be 30 flights.



that gives us the further breakdown - $30 \times 60 + 20 \times 30 = 2400$ airplanes of air asia



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THANK YOU

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