# **DIGITAL TRANSFORMATION: AIR INDIA**

**GROUP PROJECT- A**

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**ABSTRACT**

Air India holds a special place in the history of Indian aviation. It was India's first airline, making its maiden flight from Bombay (now Mumbai) to Ahmedabad in 1932. It was initially a division of Tata Sons before becoming a government-owned entity. After India began allowing private airlines in 1994, Air India struggled to remain competitive. After years of little success, the airline was finally sold to the Tata Group in January 2022. This report shows the digital challenges experienced by Air India and the opportunities that focus on customer engagement and operations management. The Turnaround plan for the Air India is going to be a costly one, but the key attraction of this plan is its Phased Implementation in Five Years Span. The Ambitious project of Air India with the Tata Group is an exciting project because of the scale of its investments, Competition with the existing and new entrants in Aviation Industry, Rebranding themselves.

**WHEN , WHO, WHY, WHAT, WHERE AND HOW OF AIR INDIA**

**WHEN:**  Air India was founded in 1932. It was initially named as “TATA Airlines” when founded. It’s first flight was on October 15th,1932 from Karachi to Bombay. Its hub is at Indira Gandhi International Airport, New Delhi, India.

**WHO:** Air India Limited, the national airline of India. It was founded by J.R.D. Tata, a pioneer in Indian aviation. It is a government-owned airline that operates both domestic and international flights. Air India is a well-known airline brand with a rich history.

**WHY:** Rooted in connecting India's vast and diverse regions, the airline has tirelessly promoted aviation for economic development. By facilitating rapid travel and enhancing accessibility, Air India has supported business activities, boosted tourism, and fostered interpersonal connectivity. Over the decades, it has evolved while staying committed to its founding ideals. Today, as a symbol of national pride, Air India remains dedicated to serving the nation's needs, both domestically and globally, embodying the enduring vision of connecting India and promoting aviation for sustainable development.

**WHAT:** Air India, India's flagship airline, is a multifaceted entity that engages in a range of activities and services. At its core, the airline primarily focuses on passenger transportation, both domestically and internationally. It connects major cities within India and links the country with destinations around the world, serving as a crucial conduit for travelers.

Beyond passenger services, Air India operates a thriving cargo division, facilitating the efficient movement of goods and products within India and beyond its borders. This plays a vital role in supporting trade, logistics, and the movement of essential goods. Air India also actively promotes tourism by providing flights to popular tourist destinations, collaborating with tourism boards and agencies to boost travel to India. It often serves as the carrier of choice for government officials, diplomats, and dignitaries traveling for official purposes, contributing to diplomatic missions and state visits.

**WHERE:** Air India doesn't just fly within India; it also goes to many places in Asia, the Middle East, Europe, Africa, Australia, the United States, and Canada. Back in 1939, they added more places like Trivandrum, Delhi, Colombo, Lahore, and some other stops to their routes. Then, in 1946, Tata Airlines became a public company and changed its name to Air-India Limited. Two years later, they started flying to international cities like Cairo, Geneva, and London. They created a separate company called Air-India International Limited for this.

Over the years, as India's national airline, Air India expanded its flights to many countries around the world, except South America. They also started carrying more cargo on their planes.

**HOW:**  Air India's success is because of many things they've done over the years. It all began with Tata Airlines in 1932, which laid the foundation for the airline industry in India. Having a strong start helped a lot. They've also had great leaders and hardworking staff. People like J.R.D. Tata, who started Tata Airlines, made a big difference in how the airline grew.

Air India has focused on giving passengers a good experience. They've worked on making their flights comfortable and enjoyable, with good food and service. They've also started carrying more things in their planes, like cargo, which has helped them make more money and stay financially stable. So, it's a combination of history, good leadership, excellent service, and smart business decisions that have made Air India successful.

**THE DIGITAL CHALLENGE**

**Digital Challenges Faced by Air India:**

*Customer Engagement Challenges:*

1. **Outdated Website and Mobile App:** Air India's digital landscape suffered from outdated website and mobile applications, leading to a poor user experience for customers.
2. **Lack of User-Friendly Notifications:** The absence of an effective customer notifications system resulted in customers not receiving timely updates and information.
3. **Limited Customer Support:** Air India lacked a real-time customer support system, which hindered effective problem resolution and customer satisfaction.
4. **Inefficient In-Flight Entertainment:** The in-flight entertainment system needed modernization to align with contemporary passenger expectations.
5. **Inadequate Digital Marketing:** The airline struggled with digital marketing efforts, impacting its ability to reach and engage with customers effectively.
6. **Contact Centre Challenges:** Outdated contact centre systems affected the quality of customer interactions and support.
7. **Disruption Management and Re-accommodation:** The airline faced challenges in managing disruptions and providing self-service re-accommodation options for affected passengers.
8. **Customer Feedback Analysis:** Limited capabilities for gathering and analysing customer feedback hindered the airline's ability to improve its services.

*Employee Empowerment Challenges:*

1. **Lack of Secure Digital Workplace Tools:** The absence of modern, secure digital workplace tools hampered employee productivity and collaboration.
2. **Employee Engagement:** Air India needed to enhance employee engagement through digital platforms.
3. **Paper-Driven Processes:** Many aspects of employee operations still relied on paper-based processes, which were inefficient and error-prone.
4. **Crew Management Challenges:** Crew pairing, rostering, and disruption management required automation and improvement.
5. **Mobile Device Access:** Pilots, cabin crew, and airport operations crew lacked access to essential mobile devices for efficient communication and data access.
6. **Learning and Development Tools:** The airline needed better digital tools for employee training and development.
7. **Contract Digitization:** The reliance on paper contracts needed to be replaced with electronic contracts for efficiency and accuracy.

*Operational Improvement Challenges:*

1. **Outdated Passenger Service Systems:** The passenger service system and departure control system needed modernization to streamline operations.
2. **Sales System Issues:** Sales systems required updates to enhance efficiency and customer service.
3. **Aircraft Movement Management:** The management of aircraft movements needed improvement for better scheduling and tracking.
4. **Disruption Management:** Inadequate disruption management systems affected the airline's ability to handle unexpected events efficiently.
5. **Fuel Management and Sustainability:** Effective fuel management and sustainability efforts needed digitization and enhancement.
6. **Safety Management:** Digital tools for safety management were insufficient, potentially affecting passenger safety.
7. **Reporting Challenges:** Reporting systems needed improvement for better data-driven decision-making.
8. **Turnaround Management:** Efficient management of aircraft turnaround times was a challenge that required digital solutions.

*Enterprise Systems Transformation Challenges:*

1. **Outdated Core ERP System:** The core ERP system required modernization to optimize business processes.
2. **Human Resource Management:** Digital tools for human resource management needed enhancement.
3. **Procurement and Materials Management:** Streamlining procurement and materials management through digital systems was necessary.
4. **Digital Infrastructure and Cloud Migration:** Infrastructure and cloud adoption needed attention to support the airline's digital transformation.

**Transforming into a Business Model**

**Customer Engagement:**

To gain best customer engagement the following aspects bring new futures:

There is a huge scope to offer personalized recommendations and offers since there is nothing much is done to make use of customer data and with this, we can make individual recommendations and offer them exclusive deals. which are available via the website, social media, mobile app, and email alerts based on a customer's browsing and purchasing data.

To enhance customer service, we can introduce AI chat bots to provide real time updates on their flight itinerary and route them to different channels of escalations for all kinds of issues. There should be one central tool to track all customer experiences and with the help of machine learning we can focus on preventing the recurring issues.

Air India doesn’t have any rewards program as of now, we can take advantage to bring more customers by offering more rewards for the initial signups so that most frequent flyers try at least once to get free perks.

Introducing new cloud-based web design can help customers in making changes to their bookings like seat reservations, deals, flight details, prices, timing, layover, booking date change, food, wi-fi, medical emergency and informational requests about products.

Finally, we can introduce best in class inflight entertainment with access to ample amount digital content and provide high speed wireless internet through satellite even if it is limited. Air hostess can well be trained to assist the customers in all their needs throughout the journey.

**Operations Management:**

Air India lacks advanced and modern departure control system (DCS) and passenger service system (PSS). For a seamless and frictionless passenger experience, we can use smartphone apps for digital check-ins and biometric verification before boarding the customers into the flight. Through mobile alerts and live internet calls we can provide passengers with real-time updates on gate changes, delays, and boarding information. Also, during sales, we can utilize cutting-edge data analytics, which helps to comprehend client preferences and customize offers and promotions accordingly. By using pricing strategies that are dynamic and dependent on consumer profiles we can have more bookings in a short time. We can develop real-time reporting dashboards for staff so that they can track key performance indicators (KPIs) and make data-driven choices. Enhancing Employee Training and rule awareness by using digital training modules that are available to employees everywhere, at any time and hiring experienced and high-end knowledge employees.

Simulated Training: Create immersive, useful training experiences with VR and flying simulators.

We can boost up the maintenance work by implementingAI Demand Forecasting to estimate inventory demand accurately, minimizing excess or insufficient stock. Strengthen relationships with suppliers to ensure prompt and dependable inventory replenishment.

*We have recognized these challenges, collaborating with the leading technology firms to modernize its digital systems landscape to enhance customer experiences, empower employees, improve operations, and transform the airline's enterprise systems for a more efficient and competitive future.*