



# IndiGo™

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# Introduction



- **Market Leader:** IndiGo Airlines, operated by InterGlobe Aviation Ltd, holds a 63.6% market share in India as of 2025.
- **Extensive Operations:** Founded in 2006, IndiGo operates a fleet of over 300 aircraft and serves 100+ destinations, including international routes.
- **Low-Cost Excellence:** Known for its on-time performance, affordable pricing, and wide domestic network as a leading LCC.
- **Strategic Advantage:** Cost-efficient, high-frequency flights with a strong brand, focusing on growth and sustainability.

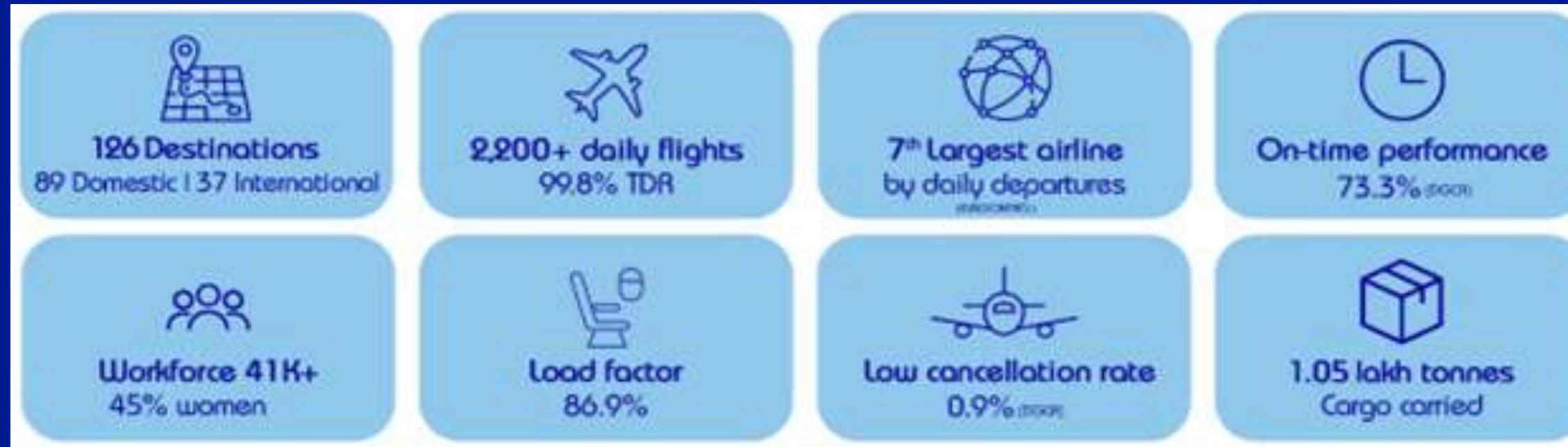




# Introduction



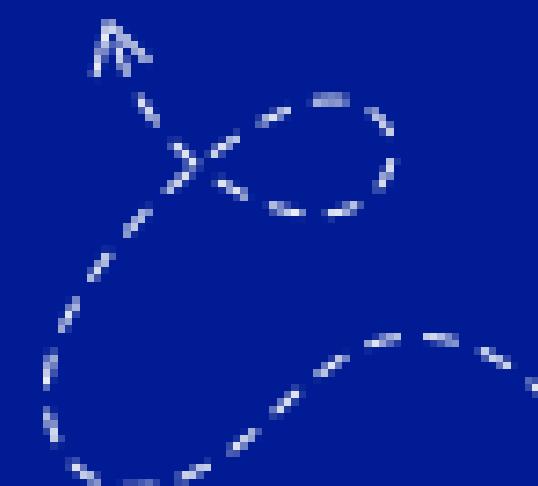
IndiGo is India's largest and most preferred passenger airline and amongst the fastest growing airlines in the world.





# Industry Analysis

- India : 3rd Largest Domestic Aviation Market
- 15% YoY Growth in total air passengers (37.6 Cr in FY 2024)
- Domestic Traffic : 30.6 Cr (+13 % YoY)
- International Traffic : 7Cr (+22% YoY)
- Under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik)
  - 583 RCS routes connect 86 airports, including 13 helicopters & 2 water aerodromes
  - 2.8 Lakh Flights are operated
- Operational Airports - Doubled from 74 (2014)-->157(2024)
- India's domestic airline capacity 7.9 M (2014)-->15.6M(2024)





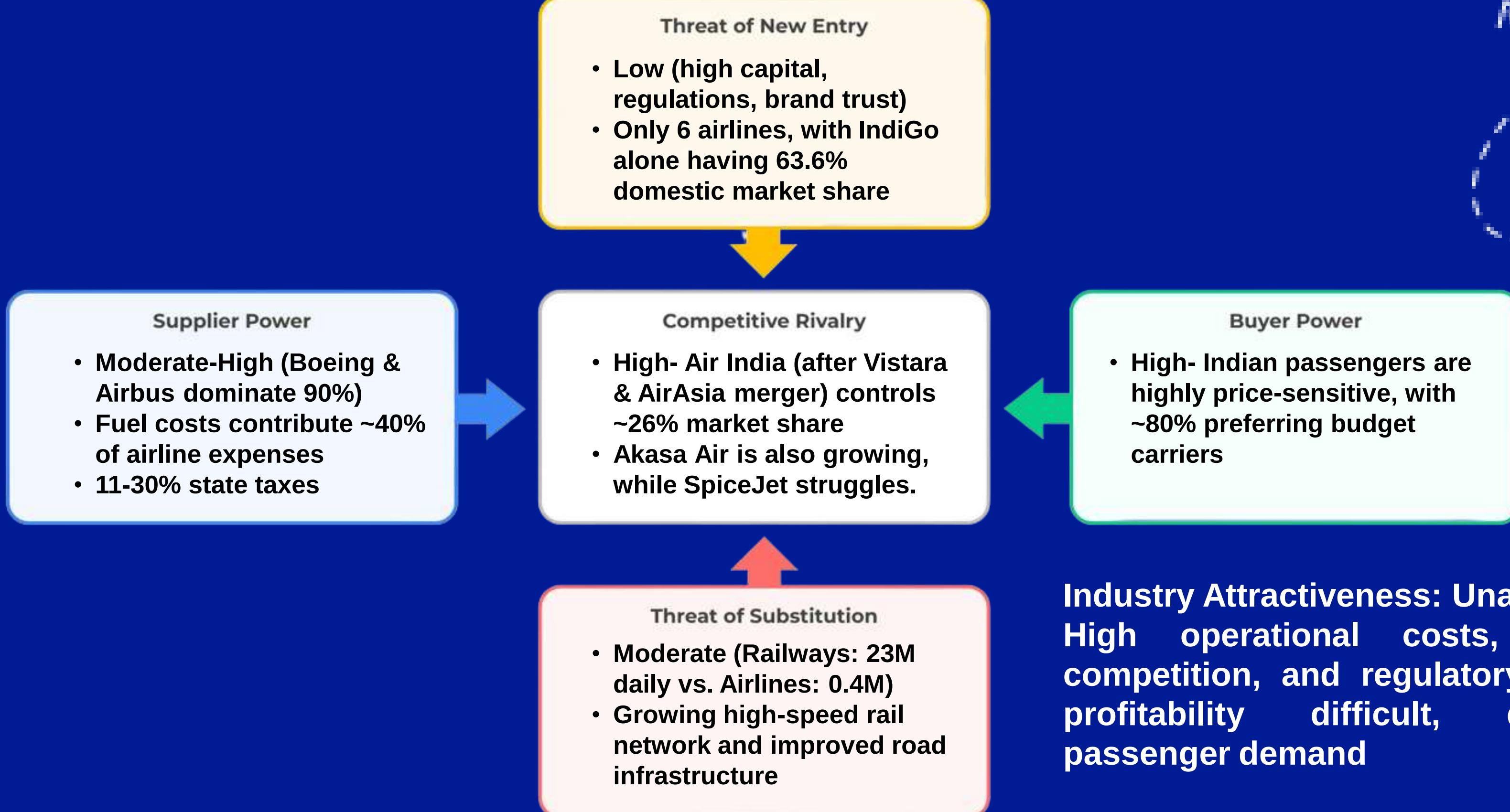
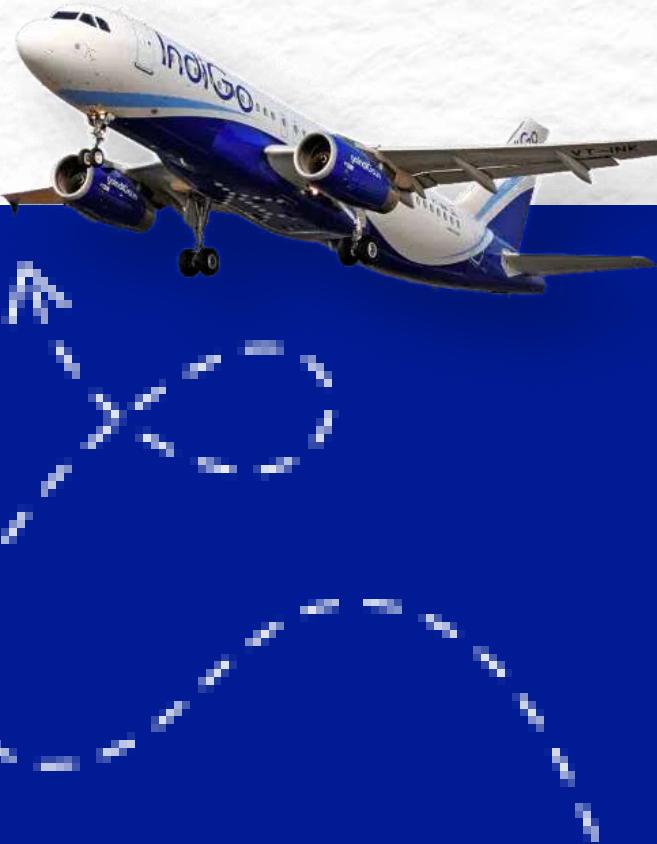
# PESTEL Analysis



P	Political	<ul style="list-style-type: none"><li>NCAP 2016- UDAN subsidies up to 50% on airport charges, 100% FDI</li><li>India-Middle East tensions may impact routes (12%+ of international revenue)</li><li>100% FDI in civil aviation (49% through automatic route for foreign carriers)</li></ul>	CONCLUSION  Indigo Airlines in a dynamic environment influenced by economic growth, fluctuating fuel costs, regulatory scrutiny and technological advancements, while also adapting to sustainability goals and geopolitical risks.
E	Economic	<ul style="list-style-type: none"><li>India's GDP is projected to grow at 6.4% in FY 2024-25, boosting air travel</li><li>Aviation Turbine Fuel accounts 40-45% operating costs, with prices fluctuating</li><li>INR devaluation increases aircraft lease payments &amp; fuel costs</li></ul>	
S	Social	<ul style="list-style-type: none"><li>350M middle class population with growing disposable income</li><li>70% prefer Low cost Carriers</li><li>12.03% CAGR post-COVID</li></ul>	
T	Technological	<ul style="list-style-type: none"><li>Fuel-efficient planes with 20% lower fuel consumption</li><li>Predictive analytics for demand forecasting, pricing optimization</li><li>70% bookings via app</li></ul>	
L	Legal	<ul style="list-style-type: none"><li>IndiGo must comply with DGCA safety &amp; operational standards</li><li>Rules on refunds, baggage loss claims, and passenger rights</li><li>Scrutiny under Competition Commission of India (CCI)</li></ul>	
E	Environmental	<ul style="list-style-type: none"><li>Aviation contributes 1.5% of global CO<sub>2</sub> emissions; India's growing at 7% YoY</li><li>India aims for carbon neutrality by 2070, pushing airlines toward fuel-efficient aircraft &amp; SAF adoption</li></ul>	



# Porter's 5 forces



**Industry Attractiveness: Unattractive**  
High operational costs, intense price competition, and regulatory burdens make profitability difficult, despite rising passenger demand



# SWOT Analysis

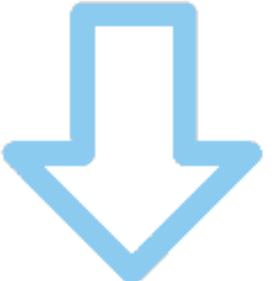


## STRENGTHS

- 63.6% Market Share, 400+ aircraft, lowest CASK ₹4.62
- 2200+ daily flights, 80+ domestic & 30 international destinations

## WEAKNESSES

- 100% Airbus fleet (limits diversification)
- International revenue only 17.6% (vs. global avg 40%)
- Poor customer service ranking: 103rd out of 109



## SWOT ANALYSIS

- Target: 30% international revenue by FY26
- Codeshare with Turkish, Qantas, Japan Airlines, British Airways
- IndiGo CarGo: 13.5% YoY growth



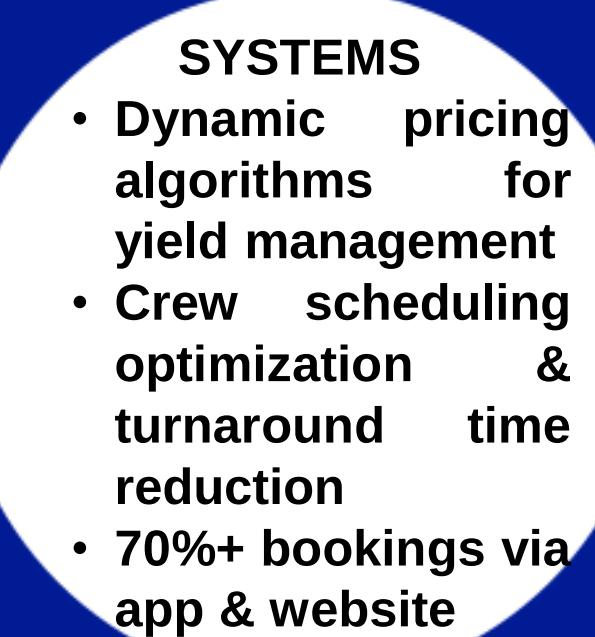
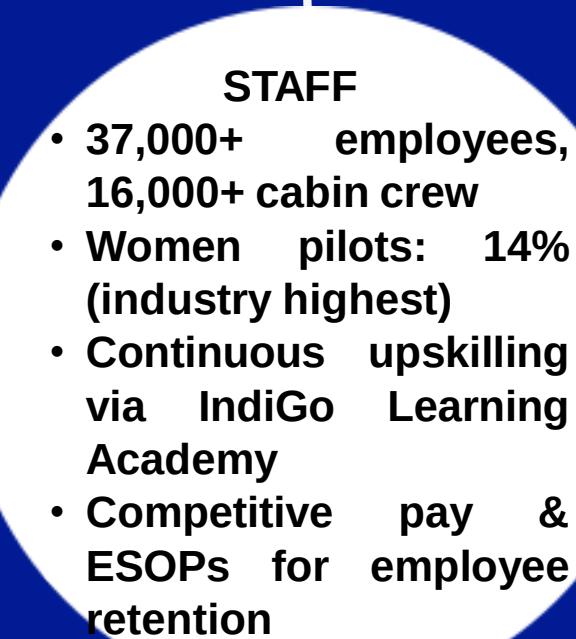
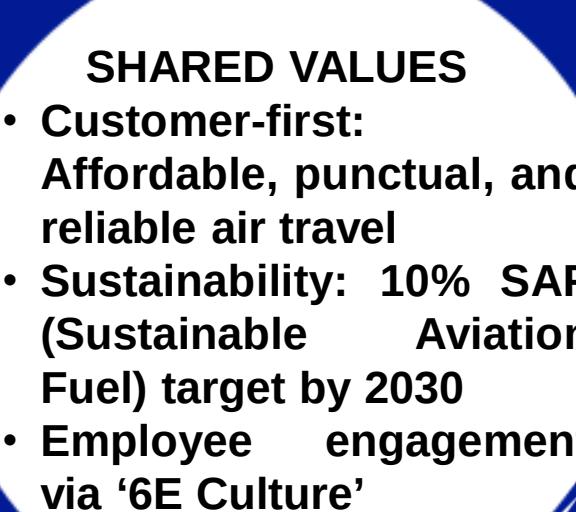
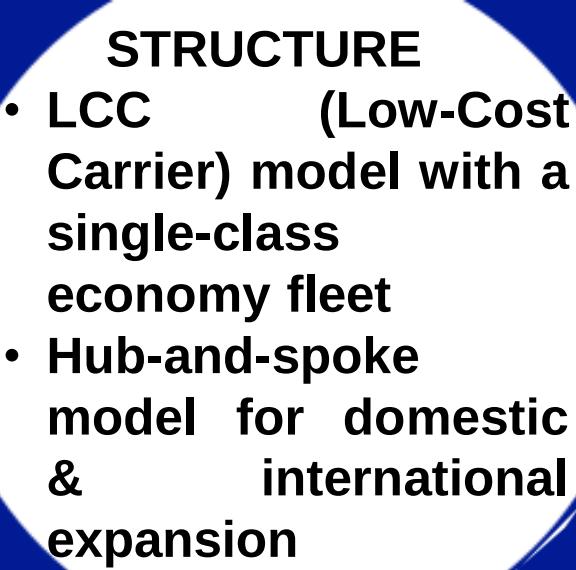
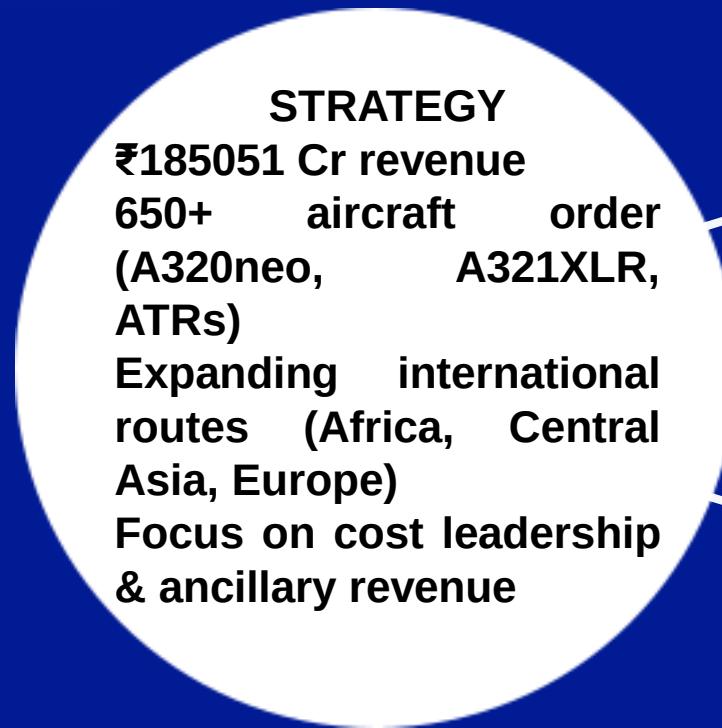
## OPPORTUNITIES

- ATF costs 40% of expenses, surged by 1.45% (₹1,318.12/KL)
- Vistara-Air India merger = stronger competition
- 5000+ additional pilots needed by 2035

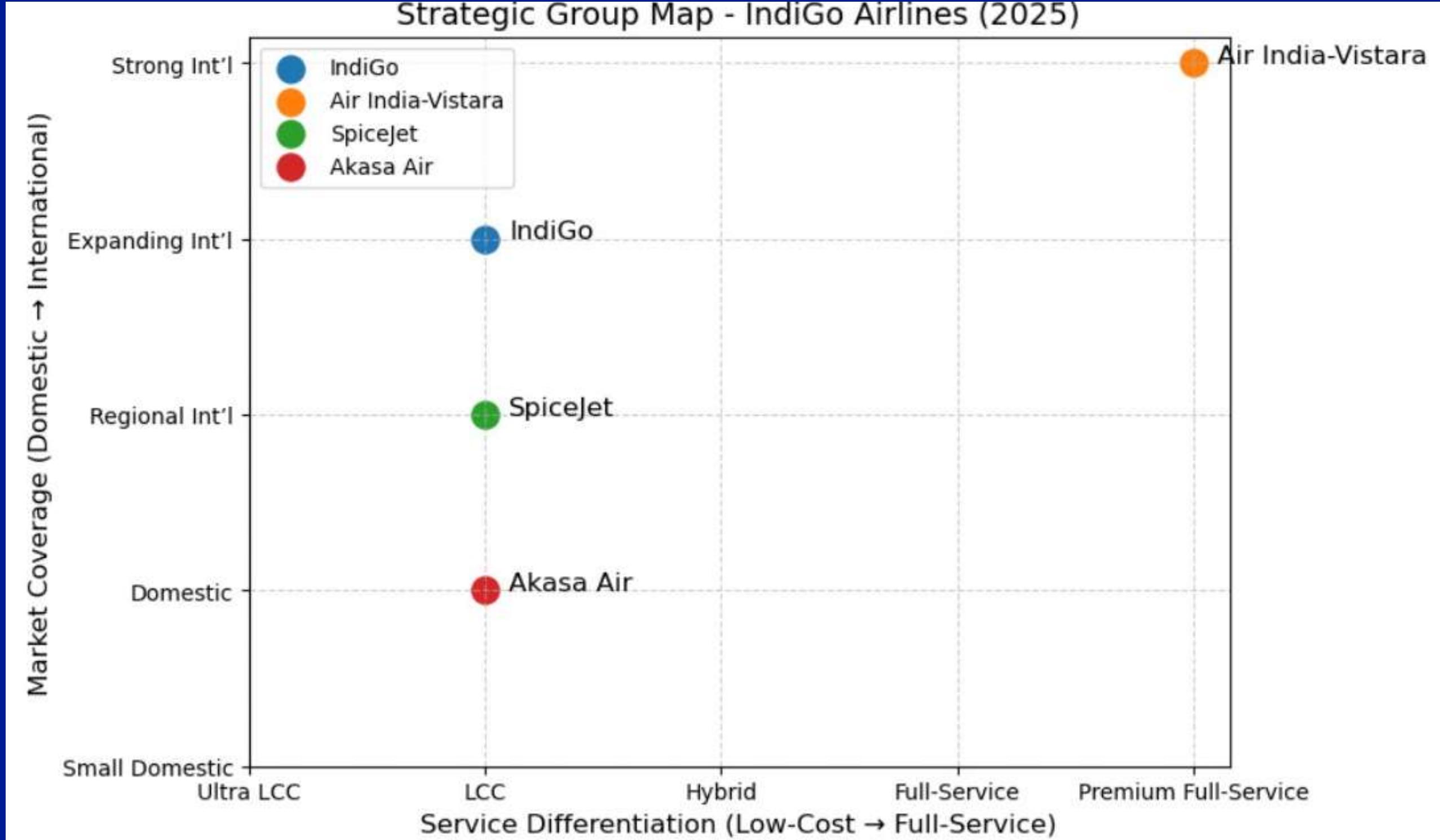


## THREATS

# Mckinsey 7s



# Strategic Group Map



**IndiGo(63.6%):** Strong international expansion, but faces rising competition from Air India-Vistara on global routes.

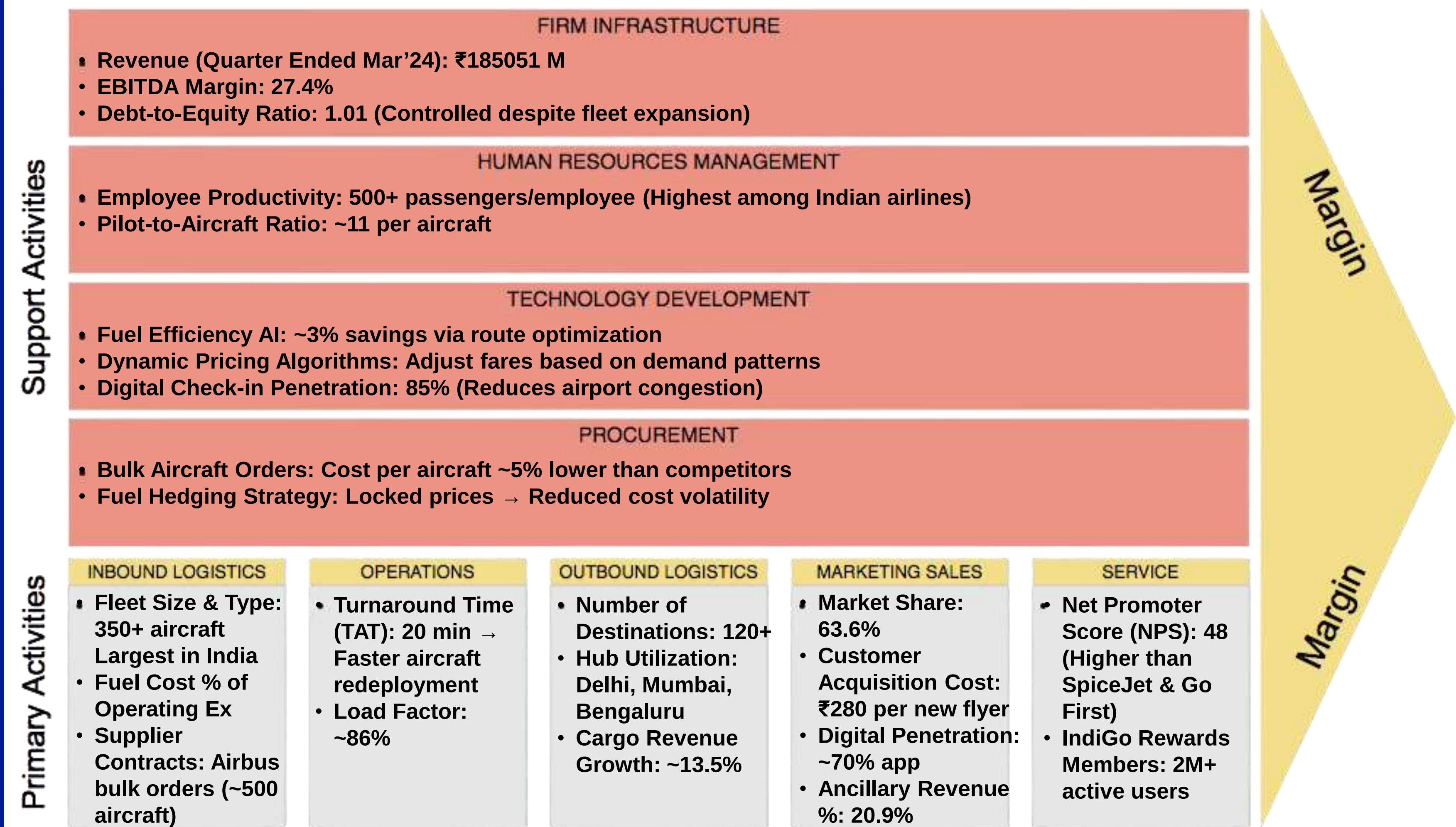
**Air India-Vistara(27%):** Premium positioning, but high operating costs could impact profitability.

**SpiceJet(2.3%):** Regional presence, but financial instability limits growth potential.

**Akasa Air(4.7%):** Promising domestic growth, but lacks international reach and market differentiation.



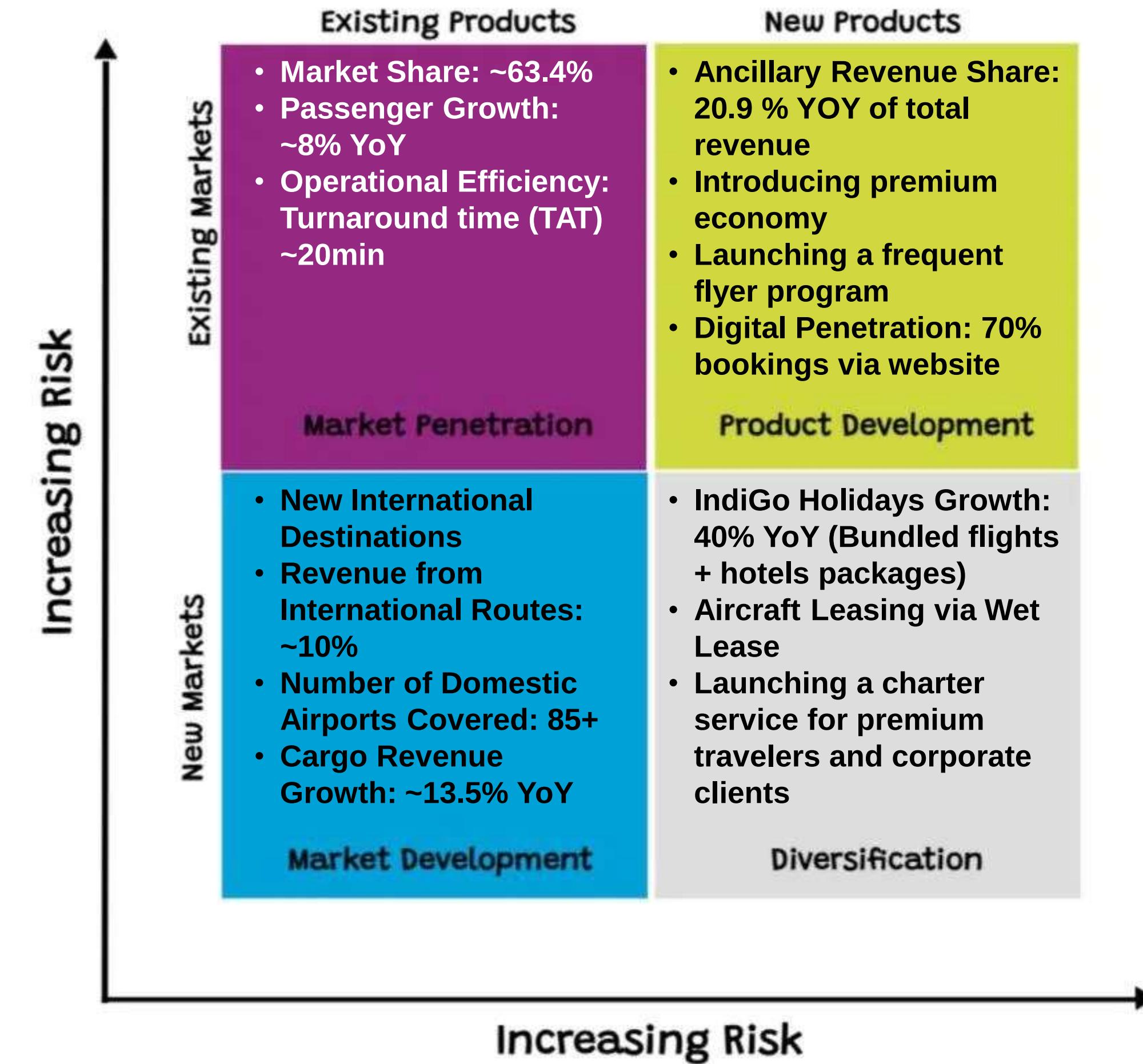
# Value chain analysis



# ANSOFF MATRIX



## Ansoff Matrix



# Business Model Canvas

## IndiGo Business Model Canvas



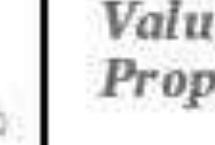
### Key Partners

- Aircraft Suppliers: Airbus (500+ aircraft orders)
- Fuel & Logistics:
  - 1. ATF Suppliers: IndiGo hedges fuel to manage ~40% of operating costs
  - 2. GMR Group & AAI → Airport operations & infrastructure
- Technology & Payment Partners: Google Flights, Skyscanner, Banks & FinTech Firms (Co-branded IndiGo HDFC Credit Card)
- Government & Regulations: UDAN Scheme (Expanding to Tier-2/3 cities)



### Key Activities

- Fleet Management & Operations: 350+ aircraft → Largest in India
- Dynamic Pricing AI, On-time Performance
- Customer Experience & Loyalty Programs
- Ancillary Revenue Share (20.9% of total revenue)



### Value Proposition

- Low-Cost, High-Efficiency Carrier (CASK ₹4.62)
- Widest Network → 126 domestic & international destinations
- Low Turnaround Time (TAT) (around 20 min)
- Affordable Premium Add-ons → IndiGo Flexi, 6E Prime, Extra Baggage



### Customer Relationships

- Indigo App & Website
- Social Media Engagement
- Loyalty & Retention
- Personalized Digital Experience: AI-driven recommendations on app & digital boarding



### Customer Segments

- Budget Travelers → 60%+ of total passengers (low-cost, no-frills)
- Business Travelers → ~25% (corporate tie-ups, premium economy)
- International Flyers → 15% & growing (expanding to Gulf, ASEAN, Central Asia)

### Key Resources



- Fleet → 350+ aircraft, with 500+ orders
- Human Capital → 37200 employees
- Technology → AI-based dynamic pricing, fuel efficiency monitoring

### Channels



- Direct Sales → website & mobile app (~70% bookings)
- Online Travel Aggregators (OTAs) → MakeMyTrip,
- Corporate & Travel Agents → Business & group bookings

### Cost Structure

- Fuel Cost → ₹59791M for quarter ended Mar'24
- Other cost excluding fuel → ₹392,773M (Aircraft leasing and maintenance, employee salaries, technology and marketing)



### Revenue Streams

- Ticket Revenue → ₹165,019 M
- Ancillary Revenue → ₹18750 M (baggage fees, in-flight sales, subscriptions)
- Cargo & Logistics (IndiGo CarGo) (~13.5% YoY growth)
- Partnerships & Leasing → Aircraft leasing, travel packages, & co-branded credit cards





# Balanced Scorecard



If my vision succeeds, how will I differ?	To my shareholders (Financial Perspective)	To my customers (Customer Perspective)	With my internal management processes (Internal Perspective)	With my ability to innovate and grow (Innovation & Learning)
What are the critical success factors?	- Revenue Growth & Cost Leadership - High Load Factor - Sustainable Profitability	- Customer Satisfaction & Loyalty - On-Time Performance - Digital Service Enhancement	- Operational Efficiency - Predictive Maintenance - Crew & Fleet Optimization	- Employee Upskilling & Retention - AI-Driven Decision Making - ESG & Sustainability Initiatives
What are the critical measurements?	- Revenue per Available Seat Kilometer (RASK) - Cost per Available Seat Kilometer (CASK) - Profit per Route	- Net Promoter Score (NPS) - On-Time Performance (%) - Personalized Offers Uptake (%)	- Turnaround Time per Aircraft (TAT) - Fleet Utilization Rate (%) - Flight Delay & Cancellation Rate (%)	- Training Hours per Employee Digital Transformation Index - ESG Compliance Score
How will these be connected to feedback and reward?	- Investor Confidence & Market Valuation - Dividend Payouts & Stock Performance	- Loyalty Program Benefits - Customer Experience Innovations	- Real-time Operations Dashboards - AI-Powered Crew & Flight Adjustments	- Employee Performance Incentives - AI & Automation Adoption Recognition



# IFE Matrix for IndiGo Airlines



Key Internal Factors	Weight	Rating (1=Major Weakness, 2=Minor Weakness, 3=Minor Strength, 4=Major Strength)	Weighted Score
<b>Strengths</b>			
Market Leadership (63% market share)	0.15	4	0.6
Fleet Size & Modernization (437 aircraft)	0.12	4	0.48
Operational Efficiency (30-min turnaround)	0.12	4	0.48
Cost Structure (Single aircraft type - A320)	0.1	4	0.4
Financial Strength (₹80.5 billion profit in FY24)	0.1	4	0.4
Expanding International Presence (40 destinations by 2025)	0.08	3	0.24
Strong Domestic Connectivity (85+ domestic cities)	0.08	3	0.24
<b>Weaknesses</b>			
No Premium Services (No business class, lounges)	0.12	1	0.12
Weaker Loyalty Program (6E Rewards lacks strong benefits)	0.08	2	0.16
Limited International Reach vs Air India (40+ destinations)	0.08	2	0.16
Dependence on Domestic Market (High reliance on India's aviation demand)	0.07	2	0.14
<b>Total</b>	1	—	3.42

- 1-POOR
- 2-AVERAGE
- 3-GOOD
- 4-EXCELLENT

**Total Score:3.42**

**Strengths-** Market Leadership ,fleet size, and strong domestic connectivity.

**Weakness-Slower International Expansion and weaker loyalty program.**

**Conclusion-Indigo has a strong internal position indicating strengths outweigh its weaknesses supporting continued growth and expansion.**



# Competitive Profile Matrix (CPM) for IndiGo Airlines



Critical Success Factors	Weight	IndiGo Rating	IndiGo Score	Air India Rating	Air India Score	SpiceJet Rating	SpiceJet Score
Market Share	0.2	5 (63%)	1	3 (14%)	0.6	1 (2.3%)	0.2
Fleet Size & Modernization	0.15	5 (437 aircraft)	0.75	3 (100 new aircraft)	0.45	2 (declining fleet)	0.3
Financial Strength	0.15	4 (₹24.42 billion profit)	0.6	3 (₹44 billion loss reduction)	0.45	1 (financial struggles)	0.15
Customer Satisfaction	0.1	4 (0.2% complaints)	0.4	3 (1.5% complaints)	0.3	1 (16.1% complaints)	0.1
Operational Efficiency	0.15	5 (30-min turnaround)	0.75	3 (45-min turnaround)	0.45	2 (50-min turnaround)	0.3
Pricing Strategy	0.1	4 (₹4,598 - ₹5,871)	0.4	3 (₹5,739 - ₹5,871)	0.3	2 (₹4,102 - ₹10,621)	0.2
Technology & Digital Services	0.1	4 (in-flight entertainment)	0.4	3 (modernization efforts)	0.3	2 (lagging)	0.2
Loyalty Programs	0.05	3 (basic program)	0.15	4 (revamped program)	0.2	2 (limited program)	0.1
International Expansion	0.1	4 (40 destinations)	0.4	4 (42 destinations)	0.4	2 (13 destinations)	0.2

Total Score: IndiGo: 4.85, Air India: 3.45, SpiceJet: 1.75

• Flight prices are for a delhi to Mumbai flight.



# VRIO Matrix for IndiGo Airlines



Resource/Capability	Valuable? (V)	Rare? (R)	Inimitable? (I)	Organized to Exploit? (O)	Competitive Implication	Data/Statistics
Market Leadership	<input checked="" type="checkbox"/> Yes	Sustained Competitive Advantage	63% market share (Dec 2024)			
Fleet Size & Modernization	<input checked="" type="checkbox"/> Yes	Sustained Competitive Advantage	437 aircraft (largest in India)			
Operational Efficiency	<input checked="" type="checkbox"/> Yes	Sustained Competitive Advantage	30-min turnaround time (better than Air India - 45 min, SpiceJet - 50 min)			
Financial Strength	<input checked="" type="checkbox"/> Yes	Sustained Competitive Advantage	₹80.5 billion profit (FY24)			
International Expansion	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	Temporary Competitive Advantage	40 international destinations (2025 target) but still behind Air India (50+ destinations)
Cost Structure	<input checked="" type="checkbox"/> Yes	Sustained Competitive Advantage	Single aircraft type (A320 family) reduces costs			
Premium Services (Business Class)	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No	Competitive Disadvantage	No business class or premium lounge access, unlike Vistara & Air India
Loyalty Program (6E Rewards)	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	Competitive Parity	6E Rewards exists but is not as strong as Air India's Flying Returns or Vistara's Club Vistara

- Indigo has sustained competitive advantages in market leadership and operational efficiency.
- International expansion is growing but not yet a major differentiator.
- Weakness include premium services and loyalty programs where competitors like Air India performs better



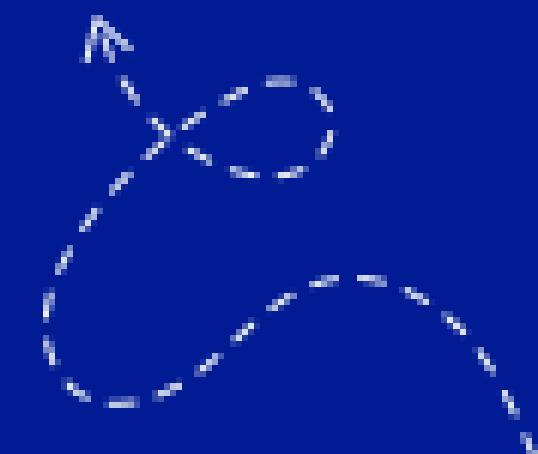
# KPI Matrix for IndiGo Airlines



Category	Key Performance Indicator (KPI)	Current Value (2024-25)	Benchmark/Target
Operational Efficiency	Average Turnaround Time (TAT)	30 mins	<35 mins
	On-Time Performance (OTP)	87%	>85%
	Fleet Utilization (Hours/Day)	12-14 hours	12+ hours
Financial Performance	Annual Revenue (₹)	₹600 billion	₹500B+
	Net Profit Margin	13.40%	10-15%
	Cost per Available Seat Kilometer (CASK)	₹3.12/km	Industry Avg: ₹3.5/km
Customer Satisfaction	Net Promoter Score (NPS)	62	>60
	Customer Complaint Rate (/10,000 pax)	4.2	<5
	Baggage Handling Complaints (/1,000 pax)	1.8	<2
Market Performance	Domestic Market Share	63%	Maintain >60%
	International Destinations Served	40	50+ by 2025
Technology & Innovation	Mobile App Active Users	12 million/month	Increase 10% YoY
	Digital Check-in Adoption Rate	82%	>80%
Loyalty & Ancillary Revenue	6E Rewards Program Members	5 million	Expand to 6M+
	Ancillary Revenue % of Total Revenue	22%	>20%

## Conclusion:

Indigo Airlines demonstrates strong operational efficiency, financial stability and market dominance with room for improvement in customer satisfaction and digital adoption.





# Conclusion



IndiGo is well-positioned in the market with strong internal and external alignment.

**1. Strengths to Leverage:** Its extensive route network, operational efficiency, and market share are core pillars for sustained growth.

**2. Areas to Improve:** The airline must address comfort/luxury, international expansion, and employee satisfaction to enhance customer experience and operational resilience.

**3. Strategic Outlook:** Focusing on regional and international route growth, sustainable practices, and diversification beyond a single aircraft type can ensure long-term competitive advantage. Monitoring external risks like fuel price volatility and regulatory challenges will also be crucial for sustained profitability.



**Thank You**