

# **CHAPTER - I**

## **INTRODUCTION**

In a competitive marketing environment. The organizations objectives is to take more and more market share and maximize net profit. In service industry, customer satisfaction plays an important role. Higher customer satisfaction leads more product and brand loyalty.

Aviation organizations have different marketing strategies to attract more and more air traveler. In spite of branding a product, corporate branding is one of the marketing strategies to create a specific impact in the mind of customer or consumer.

Kingfisher Air Line was one of the leading domestic aviation Bangalore based company started operation on May 9, 2005. Providing world class facilities to its customer. The company owned by Dr. Vijay Malliya of United Beverages Group. In earlier days Kingfisher has carved a niche for itself in civil aviation industry.

The researches try to find that “Corporate Branding as Business Strategy in Domestic Aviation services: An Empirical Study of Kingfisher Airlines with Futuristic Approach”.

### **1.1.a History of Branding**

The word branding is very popular for business organization as well as the consumer. The word brand derives from old Horse “brandr” meaning to “burn”.

The oldest generic brand, in continuous use in India since the Vedic Period (ca.1100BC to 500 BCE). Chyawan prash- which is oldest herbal paste, consumed for it's health benefit and developed by “Rishi” Name “Chyawan”. The product was developed at Dosti,till, an extinct volcano in northern India.

The Italian used brand in the form of water mark on the paper in 13<sup>th</sup> century. Blind stamps, hall marks and silver marks are all types of brands.

The earlier example of brands- as “proto brands” -marketing puns of the “Vesuvium” wine jar found at Pompeii.

The brand was popular in 19<sup>th</sup> century in the field of mass marketing. During industrialization the production of house hold item such as soap from local communities

to centralized factories. While shipping their product, the factories started using the name brand their Logo or insignia on the barrel used for shipment.

- (A) Bass & Company, the British may claims their real triangle as Brewery, claims their red triangle Brand as first world first trademark.
- (B) Tate & Lyles' Golden Syrup makes a similar claim, have been recognized by Guinness book of world record as oldest brand, with its gleam and gold packaging (1885).
- (C) Fornic Giorgi- In Italy stamped its bricks with a prototype logo since 1731.
- (D) Cattle were branded long before this. The term "maverick" originally means unbranded calf.

The factories established during industrial revolution with mass production and to sell their products in wider market. The customer were only familiar with local goods. The package-goods manufacturer needed to convene to the market that people (consumer) trust their product as much as their local product pear soap, coca-cola, fruit gem were among the first products to be "branded" in effort to increase consumer acceptability and familiarity with their merits.

Around 1900, James Walter Thomson published a house advertising explaining trade mark advertising. Company's soon adopted slogans, mascots and jingles that began to appear in Radio and television. The manufacturer understands the importance of brand and learned to built their brand's identity and personality such as youthfulness, fun or luxury.

Consumer started buying brand instead of product. This trend continuous to 1980 and is now qualified in concept such as brand value and brand equity.

### **1.2.1 What is a Brand**

Brand is the "name, term, design, symbol or any other feature that identifies one seller product from those of other seller". Brands are used in all types of business, marketing and advertising. A brand is defined as intangible asset is often most valuable asset as corporation balance sheet. All brand owners manages their brand very carefully to create stakeholders or customer value. The brand valuation is an important management technique that describes a money value to the brand.

The word “brand” is often used as metonymy referring

The the company that is strongly identified with brand. A modern example of brand is coca-cola which belongs to coca-cola company.

### **1.2.2 Branding Concept**

Proper branding can result in higher sales of not only one product, but on other products associated with that brand. Brand is a personality that identifies a product, service or company (name, term, sign, symbol or design or combination of them) and how it relates to key constituencies: customer, staff, partners and investors etc.) Some people (customers) attach the psychological aspects brand associations like thoughts, feeling, perception, images, experience beliefs, attitude linked with a brand as known as brand experience.

A brand is one of the most valuable elements in an advertising theme as it is demonstrated by marketer or brand owner to a market place. The art of creating and managing brand is known as Brand-Management and orientation of whole organization towards its brand is called brand orientation.

### **1.2.3 Brand Awareness**

Brand awareness refers to customer’s ability to recall and recognizes the brand under different condition to link to brand name, logo, jingle and so on to certain association in memory. It consists of brand recognition and brand recall. It helps customer to understand product or service category the particular brand belongs and what product and services are sold under the brand name. There are various levels of brand awareness require different levels and combinations of brand recognition and recall.

### **1.2.4 Brand Elements**

Brands are typically made up of various elements such as-

- (A) **Name-** The word or words used to identity company, product, service or concept.
- (B) **Logo-** The visual trade mark that identifies the brand.
- (C) **Tagline or catchphrase-** Words, or sentences which increases customer recall for brand.

- (D) **Graphics-** Diagram, pictures which represent a brand.
- (E) **Shape-** Specific shape of product gives specific brand recall.
- (F) **Color-** Different one product from other and one brand from other.
- (G) **Sound-** A unique tune or sound denotes a particular brand.
- (H) **Sentence-** Rose, Jasmine, Musk of Chanel No. 5 is trademarks.
- (I) **Movements-** A movement of particular product design is better brand recall.
- (J) **Taste- Special taste** – A trade mark of Dominos Pizza or K.F.C.
- (K) **Customer relationship Management-** All efforts to attract customer for better brand recall.

### 1.2.5 Branding Strategies

A brand strategy helps to establish a product within a market to build a brand that will grow and mature in saturated market place. The following are commonly used branding strategies.

1. **Company Name-** In this case a strong brand name (or company name) is made to the vehicle for range of products (Mercedes Benz or Black & Cocker) or range of subsidiary brands (Cadbury Dairy Milk).
2. **Individual Branding-** Each brand has separate name, putting into a de facts competition against other brands from same company. Individual brand name naturally allow greater flexibility by permitting a variety of different products of different quality, to be sold without confusing custom or perception.
3. **Attitude Branding and Iconic Brands-** This is the choice to reprint a larger feeling, which is not necessarily connected with product or consumption of the product at all. Companies that use attitude branding include Nike, The Body Shop, Apple. Where iconic brands are defined as having aspects that constitute to the consumer's self experiences and personal identity. Brands whose value to consumer comes from having identity value are said to be identity brand. Some brands have a strong identity that they become "Iconic Brands" such as Apple, Nike and Harley Davidson.

4. **Non-Branding-** Recently a number of companies have successfully pursued “Non-Branding” strategies by creating packaging that imitates generic brand simplicity.
5. **Derived Brand Strategy-** Some suppliers of key components may wish to guarantee its own position by promoting that component as brand in its own right: Intel positions itself in PC market with Slogan (Sticker) “Intel Inside”.
6. **Multi-Brands Strategy-** In a Saturated market- when supplier launch total a new brand in appears competition with own brand (with identical product characteristics) to soak up some share of market. Procter & Gamble is a leading exponent of this philosophy running 10 or 15 detergent brand in market.
7. **Private Label Branding-** Called as own brand or store brand, where retailer has strongly identified this “Own Brand” may able to compete against even strongest brand leader other brand strategies-
8. **Individual and Organization Brand-** These are types of branding that treats individual and organization as a product to be branded, personal branding treats persons and their careers as brand.
9. **Crowd Sourcing Branding-** These are brand created by the people for the business.

Thus, we can conclude that Brand is very important for organization. Brand makes better acceptance of a product or services. Higher the brand acceptance, higher the Brand-Equity. Brand equity helps enhancing corporate identity of organization.

## 1.2 Corporate Branding

Corporate branding is a precise of using companies name as a product brand name. it is an attempt to use corporate brand equity to create product brand recognition.

The trend of presenting the organization, corporation branding company as a brand is best illustrated by a ‘Telebrand Survey’ which showed that 19 out of 20 world largest valuable brand shared a product and brand name. Corporate branding is something that companies believe is important in creating product or brand image in public. Further, corporate branding is a process of creating, nurturing, sustaining and mutually rewarding relationship between company and its internal and external stake holder including

customer, employees, managers, investors, supplier and corporate partners and other members of local community and others.

A strong corporate brand creates, manages and full fills the expectation among its customer and public at large.

Corporate branding is much more useful in promoting the products and services.

Organizations, company has recognized the corporate branding as a marketing strategy there by a strong business strategy.

Corporate branding score well on economics in single brand rather than trying to build a numbers of brands.

It also helps and facilitates new product/brand acceptance because new potential buyer are already familiar with the name.

Corporate branding is not limited to specific mark or name. Branding can touch multiple touch-points.

### **1.3 Role of Corporate Branding in Market Driving Strategy**

Market oriented organization are committed to understand and develop new solutions to identify customers needs and wants through the process of acquiring and evaluating market information in systematic and anticipatory way.

The goal of corporate branding is to conceive, manage and communicate corporate brand values in order to guide managerial decisions and since corporate brand value originate from organizational heritage and culture as well as guide employee behavior.

However, the nature of brand values and the way they are transformed and translated in to staff behavior and convey to customer and other stake holders.

A marketing driving strategy applied in national and local market is more likely to succeed if supported by a clear and consistent global brand vision, and a value laden resources base than can be mobilized and implemented at local level or market.

Therefore, corporate branding is thus more complex and multidimensional construct of a mainly rational nature.

It ultimately creates customer value through various relationship between company and its multiple stake holders. Thus, strong corporate brand makes a firm more inclined to adopt practice market driven approach.

Hence, concept of corporate brand embodies the notion of- “Communicating the value of organization to a net work of share holder both internal and external to the organization, through corporate communication rather than marketing communication vehicle.”

Therefore, the convening the corporate value it is important to develop a frame work for consistent communication that ensures the continually of brand. Thus, corporate branding is market driven strategy for organization offer product and service to public.

## **1.4 History of Indian Civil Aviation**

Aviation industry in India is one of the latest growing aviation industries in the world. With the linearization of Indian aviation sector, aviation industry in India has undergone a rapid transformation. From being primarily a government owed industry Indian aviation industry is now demarcated by privately owned full service airlines and low cost carriers. Air transportation is under the purview of the department of civil aviation, a part of India’s ministry of civil aviation and tourism in 1995 the Indian government owned two airlines and one helicopter service, and the private companies owned six airlines.

In 1994, the air corporation act of 1953 was replaced with view to remove monopoly of Air Corporation on scheduled services, enable private airlines to operate scheduled services. Convert Indian airlines and air India to limited company and enable private participation in national carries.

The airlines industry of India has seen tremendous growth in past few years. The sudden booms resulted in the coming of many players in the industry. Earliest the airlines industry was basically confined elite classes. The reason being high cost of air tickets. But with the passage of time several cheap airlines carries has caught the market in India.

Since 2000 Indian industry has been recording steady growth the role of private airline has become more significant with the increase in domestic air traffic and the increases purchasing power of growing middle class.

### **A. Governing Bodies**

Air transportation is India under the purview of the department of civil aviation, a division of India’s ministry. The arrival of lack’s (low cost carriers) revolutions. Indian aviation industry and air travel hit an all time light. As more and more players arrived in

aviation industry the cooption brew. Have price-cuts and discount offers against back ground of losing operational wets proved detrimental with almost every airline reporting loge losses. The aviation industry taking cue from global developments, moved towards requisitions and merger took place which may result in significant synergy in the industry. The strategy adopted was rather to tie-up with competitions rather than bearing Losses is seen an exemplary move towards healthy competition.

Of civil aviation and tourism, although a number of sectors were opened up on 1991, the aerospace sector is still under the control of Govt. under the ministry of civil aviation (MICA).

The ministry is responsible for formulation of national policies and programs for development and regulation of civil aviation and for designing and implementation of scheme for growth and expansions of civil air transport. It also over sees the provisions of air port facilities, air traffic services and the carriage of passengers and freight. Both air India and Indian airlines carries under the wing of mica. Two important organizations with MICA are: The air ports authority of India (APAI) and director general of civil aviation (DGCA). The away which owns the manages approximately 70 operational air port of Indian including air traffic control.

The dace which is sensible for regulation of air services to/from or within India and formulation of air safety and airworthiness standards.

In order to meet increased demand in domestic. Traveling got has turned towards private sectors to invest and develop domestic aviation sectors:

Confirm planes are in hand to lease out the four main metro air ports to private investors and operators for a period of 30 years. The gout has offered 26% of share of Indian air lines for sale in its partial privatization process and there are two bids from domestic grouping on table foreign airlines were barred from the bidding process. The government offering 26% of air India share for bid by foreign airline as part of a 40% strategic shareholding and further 20% to airlines employees and domestic investors-govt. has already received two bids, one from hindgut group and another from a partnership between signature air lines and tat group. The union cabinet liked to FDI (foreign direct investment) in domestic airlines from the existing 40% to 49% the planned partial privatization of govt. owned airlines is expected to provide greater inputs in future growth.

Air ports- There were 449 airports/airstrips in country among these AAI (air port authority of India) owns and manages 5 international, 87 domestic airports and 28 civil enclaves at defense air fields.

## **1.5 Major Domestic air lines in India**

### **1.5.1 (a) AIR INDIA**

With a worldwide network of passenger and cargo services, Air India continues to be India's national Airline. The history of the airline can be traced back to October 15, 1932. Air India was earlier known as Tata Airlines. At the time of its inception, Tata Airlines consisted of one Puss Moth, one Leopard Moth, one palm-thatched shed, one whole time pilot, one part-time engineer and two apprentice-mechanics. Business tycoon J.R.D. Tata, the father of Civil Aviation in India and founder of Air India, took off from Drigh Road Airport, Karachi, in a tiny, light single-engine de Havilland Puss Moth, on his flight to Mumbai via Ahmadabad. On 29 July 1946, Tata Airlines was converted into a Public Company, under the name of Air India.

On March 8, 1948, Air India International Limited was formed to start Air India's international operations. On June 8, 1948, Air India started its international services, with a weekly flight from Mumbai to London via Cairo and Geneva with a Lockheed Constellation aircraft. In early 1950s, due to deteriorating financial condition of various airlines, the Government decided to nationalize air transport. On August 1, 1953, two autonomous corporations were created. Indian Airlines was formed with a merger of eight domestic airlines to operate domestic services, while Air India International was established to operate the overseas services. The word 'International' was dropped in 1962. With effect from March 1, 1994, the airline has been functioning as Air India Limited.

Air India's worldwide network today covers 44 destinations by operating services with its own aircraft and through code-shared flights. Important destinations covered by Air India are Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Osaka, Singapore, Tokyo, Seoul, Dar-re-Salam, Nairobi, Frankfurt, London, Paris, Birmingham, Abu Dhabi, Al Ain, Bahrain, Dammam, Doha, Dubai, Jeddah, Muscat, Riyadh, Kuwait, Los Angeles, Chicago, Newark, New York, and Toronto. Air India's fleet consists of 38 aircrafts.

These include Airbus A310-300, Airbus A330-200, Boeing 747-400, Boeing 777-200, Boeing 777-200ER, Boeing 777-200LR, Boeing 777-300ER and Boeing 787-8

Air India is government owned national air carrier for international destination. Domestic traveler can travel international destination by air India. The airline which was a loss making in mid 90 become major player with minimum 25% market share. As March 2014: 31<sup>st</sup> the carrier operated 34 air craft fleet out of which 20 owned by air Indian. Further air India management has approved fleet acquisition plan which envisages increasing fleet size up to 74 an addition of 35 more air craft. The air craft being considered for inductions are (A. 340-500 B. 777-200 or (A. 340-600 B. 777-300) and (A. 330-200 B. 7 E. 7-8).

Further air India's proposal for acquisition of ten long range and 18 short range air craft during period up to 2009/2010, which is under the consideration of government of India and was established in 1953.

### **1.5.1 (b) INDIAN AIRLINES**

A government owned oldest airline operation which flies to all operational, air port of country. Indian air lines offer promotional four selected routes and a limited number of seats per craft through on line auction. Business class is offered on the most of the flights. Indian Airlines also cover few of international destinations in Gulf, Singapore Malaysia, etc. Helicopter services are also available. Indian airlines, with fully owned alliance air is one of the largest regional airlines system in Asia with fleet size of 62 air craft and an new far over with alien air is around 4000 corer and carries 7.5 million passenger annually.

The air line was set up under the Air Corporation Act, 1953 with an initial capital of Rs. 32 million and started operations on 1<sup>st</sup> August 1953. it was established after legislation came into force to nationalize the entire airline industry in India. Two new national airlines were to be formed along the same lines as happened in the United Kingdom with British Overseas Airways Corporation (BOAC) and British European Airways (B.E.A.). Air India took over international routes and Indian Airlines Corporation (I.A.C.) took over the domestic and regional routes. Eight pre-Independence domestic airlines, Deccan Airways, Airway India, Bharat Airways, Himalayan Aviation,

Kalinga Airlines, Indian National Airways and Air Services of India and the Domestic wing of Air India were merged to form the new domestic national carrier Indian Airlines Corporation. International operations of Air India Ltd. was taken over by the newly formed Air India International/ Indian Airlines Corporation inherited a fleet of 99 aircraft including 74 Douglas DC-3 Dakotas, 12 Vickers Viking, 3 Douglas DC-4s and various smaller types from the seven airlines that made it up.

Vickers Viscounts were introduced in 1957 with Fokker F27 Friendship being delivered from 1961. The 1960s also saw Hawker Siddeley HS 748s, manufactured in India by Hindustan Aeronautics Limited, join the fleet. The jet age began for IAC with the introduction of the pure-jet Sud Aviation Caravelle airline in 1964, followed by Boeing 737-200s in the early 1970s. April 1976 saw the first three Airbus A300 wide-body being introduced. The regional airline, Vayudoot, which had been established liberation process initiated by the government of India in the early 1990s ended Indian Airlines dominance of India's domestic air transport industry. Indian Airlines faced tough competition from Jet Airways, Air Sahara (now Jet Lite), East-West Airlines, Skyline NEPC, and Modi Luft. As of 2005, Indian Airlines was the second largest airline in India after Jet Airways while Air Sahara Controlled 17% of the Indian aviation industry.

### **1.5.2 Kingfisher Airlines History**

Kingfisher Airlines is a private airline based in Bangalore, India. Currently, it holds the status of India's largest domestic airline, providing world-class facilities to its customers. Owned by Dr. Vijay Maliya of United Beverages Group. Kingfisher Airlines started its operations on May 9, 2005 with a fleet of 4 brand new Airbus- A320, a flight from Mumbai to Delhi to start with. The airline currently operates on domestic as well as international routes, covering a number of major cities, both in and outside India. In a short span of time, Kingfisher Airlines has carved a niche for itself in the civil aviation industry.

Kingfisher Airlines proved to be a stiff competition for other domestic airlines of India, with its brand new aircraft, stylish red interiors, stylishly dressed cabin crew and ground staff. The airline introduced in-flight entertainment (IFE) systems, for the first

time to Indian consumers. The IFE systems were provided on every seat, even on the domestic flights. The airline offers attractive services to its on board passengers. Years following its inception proved to be beneficial for the airlines, in terms of its booming business, with a good track record of customer satisfaction. However, it faced a worsening economic scenario in 2008.

### **Recession**

In 2008, due to the prevalent economic downturn, the civil aviation industry faced the worst period in its history. It was the time, when air passenger traffic started dripping, and the aircraft fuel prices went sky rocketing. As a result, Kingfisher Chairman Vijay Mallya and his Jet Airways counterpart Naresh Goyal announced an alliance, after a meeting. According to the alliance, both the airlines companies decided to implement code-sharing on both domestic and international flights. It was a step to reduce the expenses. Subsequently, frequent flier programs were announced by both the airlines, namely King Club and Jet Privilege.

### **Unique**

Kingfisher Airlines offers several unique services to its customers. These include personal valet at the airport to assist in baggage handling and boarding, exclusive lounges with private space, accompanied with refreshments and music at the airport, audio and video on-demand, with extra-wide personalized screens in the aircraft, sleeperette seats with extendable footrests, and three-course gourmet cuisine.

### **Fleet**

Kingfisher Airlines was the first airlines in India to operate with all new aircrafts. It was also the first airline in the country to order the Airbus A380. Kingfisher Airlines currently operates ATR 42, ATR 72 and Airbus A320 aircraft for domestic and Airbus A330s for international services. In the present time, the airline operates with a fleet of 74 aircrafts, which include 25 Airbus A320-200 aircraft, 6 ATR 42-500, 27 ATR 72-500, 3 Airbus A321-200 and 5 Airbus A330-200. Delivery of A380s is due in 2010 and A350s in 2012.

## **Destinations**

Kingfisher Airlines plies regular flights from the major cities of India, including Delhi, Mumbai, Bangalore and Kolkata. The airline also covers regional destinations from the four zones of India, including Chennai, Hyderabad, Pune, Port Blair, Rajamundry, Tirupati, Vijayawada, Visakhapatnam, Agartala, Dibrugarh, Guwahati, Jorhat, North Lakhimpur, Silchar, Patna, Chandigarh, Raipur, Goa, Ahmedabad, Bhavnagar, Bhuj, Kandla, Dharamshala, Kullu, Shimla, Jammu, Leh, Srinagar, Jamshedpur, Ranchi, Hubli, Mangalore, Calicut, Cochin, Trivandrum, Agatti, Indore, Jabalpur, Aurangabad, Kolhapur, Latur, Nagpur, Nanded, Nasik, Solapur, Imphal, Aizawl, Dimapur, Bhubneswar, Amritsar, Jaipur, Jodhpur, Udaipur, Coimbatore, Madurai, Trichi, Tuticorin, Dehradun, Lucknow, Varanasi and Siliguri are the other regional destinations covered by Kingfisher Airlines. The airline also plies flights to Dhaka and Colombo. The airline is soon going to ply flights from Kolkata to Bangkok. It will also provide its passengers to take a flight from Mumbai to international destinations including Singapore, Hong Kong, Bangkok, Colombo and Dubai. It is also going to start flights from Delhi to London, Dubai and Bangkok. The airline is planning to increase its international presence by plying flights to Kuala Lumpur, Male, Lahore and Karachi.

## **Kingfisher Red**

Kingfisher Red is a low-cost domestic airline in India, operated by one of the leading names in the civil aviation industry of the country Kingfisher Airlines. Headquartered in Bangalore, India, Kingfisher Red was named as Simplify Deccan and prior to that, as Air Deccan. The airline plies scheduled flights to a number of destinations within India, as well as flies to major cities abroad. It is a popular choice of passengers traveling via air in India, because of the complimentary onboard facilities provided by it as well as its services at ground. The passengers are benefited by the frequent flyer miles, for tickets booked through the King Club loyalty program, run by its parent company – Kingfisher Airlines.

East-West Airlines, Skyline NEPC and ModiLuft discontinued flight operations but the entry of several low-cost airlines in India, such as Spice Jet, Indigo, Go Air and others like Kingfisher Airlines along with its low cost arm Kingfisher Red continued to give competition in its market, forcing Indian to cut down air-fares. However, as of 2006,

Indian Airlines was still a profit making airline. In fact during 2004-2005 it made a record profit of Rs. 6561.1 million. Indian Airlines Limited was partly owned by the Government of India (51% of share capital) through a holding company and has 19,300 employees as of March 2007. Its annual turn-over, together with that of its subsidiary Alliance Air, was well over Rs. 40 billions (around US\$ 1 billion). Together with its subsidiary, Alliance Air, Indian Airlines carried a total of over 7.5 million passengers annually.

### **Destinations- kingfisher Red.**

Kingfisher Red flies to as many as 65 destinations with India, including Srinagar, Leh, Jammu, Pathankot, Dharmshala, Kullu, Shimla, Amritsar, Chandigarh, Dehradun, Delhi, Jaipur, Jodhpur, Udiapur, Ahmedabad, Kandla, Jamnagar, Rajkot, Bhavnagar, Indore, Vadodara, Bhopal, Gwalior, Jabalpur, Lucknow, Patna, Ranchi, Jamshedpur, Raipur, Nagpur, Aurangabad, Bhubneswar, Kolkata, Bagdongra, Agartala, Aizwol, Silchar, Imphal, Dimapur, Guwahati, Jorhat, Lilabari, Dibrugarh, Mumbai, Pune, Kolhapur, Belgaum, Goa, Hubli, Hyderabad, Tirupati, Vidyanagar, Vijaywada, Rajmundary, Vizag, Mangalroe, Bangalore, Chennai, Calicut, Coimbatore, Trichy, Cochin, Madurai, Trivandrum, Port Blair and Tuticorin, Apart from this included few more destinations.

Kingfisher Airlines commenced operation with four flights a day on a fleet of four Airbus A320 airplanes on 9<sup>th</sup> May 2005. Within almost no time, the organization had engraved a forte for itself. With the style and panache of a happy warrior the airline began offering unique services including personal valets at airports for baggage handling and boarding, exclusive lounges with private space, refreshments and music, audio and video on demand with extra-wide personalized screens in the aircraft, sleeperette seats with extendable footrests and three-course gourmet cuisine. Highly praised as India's premium operator, it was the first airline in India to offer passengers the comfort of a fleet of all-new aircraft. Kingfisher is also the first Indian airline to order the stunningly impressive Airbus A380. In fact, in a coup of sorts, Kingfisher Airlines placed orders for five A380s, five A350-800s and five A330-200s in a deal valued at over US\$ 3 billion (Rs. 14,400 crore) on 15<sup>th</sup> June 2005. The A350s will be inducted into service in 2012.

The present fleet offers more than 400 flights each day connecting 69 key Indian and international destinations.

## **Product**

Kingfisher Airlines offers its guests an incomparable flying experience. Built on the strong core values of lifestyle, trendy-ness and the boundless energies of youth, Kingfisher Airlines aims to leverage the equity of the Kingfisher mother brand; indeed, the airlines has retained the logo used by its parent and with it, borrowed the same zest for life and living. Kingfisher Airlines dislikes the idea of being called a company in the business of transporting people- even if the travel is by air. In keeping with its equity, it prefers to believe that the more accurate descriptor is 'aviation hospitality'. Everything it does pushes the envelope forward in this direction. That's why travelers are not called passengers on Kingfisher Airlines; they are called 'guests'.

This fine detailing of what comprises a different flying experience is manifest in several other things: in-flight entertainment, where each guests has a personalized video screen with a choice of ten channels of chartbusting Kingfisher Radio, five channels of the trendy Fun TV and sixteen channels of Live TV.

The gourmet meals features six different vegetarian and non-vegetarian menu options for breakfast, lunch and dinner with rotation of meals through every day of the week. Jain meals are also offered. Immaculate service is an integral part of the brand obsession. Business class is a whole new flying experience with Kingfisher Airlines. On offer are the plushest sleeperette seats in the Indian skies with a 48-inch pitch, 125-degree recline, adjustable headrests and fully extendable footrests. International travel is even more splendidous. On Kingfisher class, passengers flying economy have a seat pitch of 34 inches, a business class style meal service, a wide selection of in-flight entertainment options including Live TV, USB connectors and in-seat plug chargers.

Kingfisher First in truly special. A social area comprising a state-of-the-art lounge and a bar on board greet guest. Large luxurious flat beds with privacy screens and full size duvets and pillows, seats with lumbar support and a full body massage system with touch screen controls, mood lighting with the unique starry sky effect and a traditional Indian silver Thali.(Plate).

Amongst other offerings is standard fare. Kingfisher First fliers can savor culinary works of art in a three-course menu, complete with a Kingfisher sparkling welcome drink, signature desserts and freshly brewed coffee served by a superbly trained and hand-picked cabin crew.

Other inimitable services available on-board are steam ironing of jackets, spectacle cleaning services and laptop and mobile phone chargers. On the other scale of the spectrum, Kingfisher Red has redefined low fare flying in India. Not only does Red serve complimentary food it also allows passengers to earn King Miles for future redemption. No other low cost service makes this offer. In short, flying Kingfisher Airlines is an experience that's bound to leave the discerning traveler-irrespective of the class of travel- charmed and wanting to come back for more. Kingfisher Airlines also features an advanced Airborne Communications Addressing and Reporting System- (ACARS) the first with any private, domestic carrier in India, continuously monitors and keeps watch over every aircraft, even while it is in flight. This system, combined with a centralized flight dispatch, enables better management all round.

Kingfisher Airlines also enjoys a technical edge on account of its unique fleet specifications and along with new-plane reliability, presents an unparalleled on-time performance.

### **1.5.3 Jet Airways**

#### **History**

Jet Airways was established on April 1, 1992, as an air taxi operator. The commercial airline operations of Jet Airways were started on May 5, 1993. The first fleet consisted of four leased Boeing 737-300 aircraft. In January 1994, the airline applied for scheduled airline status. In January 1995, after the Air Corporations Act (1953) was repealed, Jet Airways received its scheduled airline status. With a flight to Sri Lanka, in March, 2004, Jet Airways started its international operations as well. Over the years, the airline has marked its presence both in domestic and international civil aviation industry.

#### **JetLite and Jet Airways Konnect**

In April 2007, Jet Airways took over Air Sahara, which was later on renamed as JetLite. Currently, Jet Lite is a subsidiary of Jet Airways. Two years after the inception of

JetLite, Jet Airways introduced another low-cost airline to its Indian customers – Jet Airways Konnect. Started in May 2009, Jet Airways Konnect makes use of spare aircraft from Jet Airways’ routes, which were continued by the parent company, due to the low passenger load factors. The airline also makes use of the same operator code as Jet Airways. However, Jet Airways and JetLite have different operator codes.

### **Fleet**

Initially, Jet Airways had a fleet of 4 Boeing 737-300 aircrafts, providing 24 daily flights and serving 12 destinations. Over the years, the airline increased its number of daily flights as well as the number of aircraft in its fleet. Currently, Jet Airways presently operates 55 aircrafts and is now a public limited company. Its fleet of 85 aircrafts includes 14 ATR 72-500, 12 Airbus A330-200, 13 Boeing 737-700, 34 Boeing 737-800, 2 Boeing 737-900 and 10 Boeing 777-300 ER.

### **Destinations**

Jet Airways operates over 400 flights daily, to as many as 44 destinations in India. These include Hyderabad, Rajamundry, Tirupati, Gowahati, Patna, Chandigarh, Raipur, Diu, Delhi, Goa, Ahmedabad, Bhavnagar, Bhuj, Porbander, Rajkot, Vadodra, Jammu, Leh, Sirnagar, Bangalore, Mangalore, Cochin, Thiruvananthpuram, Bhopal, Indore, Khajuraho, Aurangabad, Mumbai, Nagpur, Pune, Imphal, Amritsar, Jaipur, Jodhpur, Udaipur, Chennai, Coimbatore, Madurai, Agartala, Lucknow, Varanasi, Kolkata and Siliguri.

Jet Airways was the first private airline of India to fly to international destinations – it operates daily international flights to 20 international destinations, including Hong Kong, Dhaka, Kathmandu, Colombo, Kuala Lumpur, Singapore, Bangkok, Bahrain, Kuwait, Muscat, Doha, Jeddah, Abu Dhabi, Dubai, Brussels, London, Toronto, New York.

### **Jet Airways says high tax on ATC continue to hurt airlines**

Jet Airways, India’s premier international airline, and Etihad Airways, the nation the United Arab Emirates, have outlined plans to reinforce their long-term the growth of India’s economy and aviation industry, including a major strategy for Jet Airways to return to profitability in three years.

The two airlines have been code share partners since 2008 and their strengthened in November 2013, after Etihad Airways received approvals to percent stake in Jet Airways, marking it the first investment by a foreign airline industry.

The wide-ranging partnership has numerous advantages for travelers, including connections across the world through an expanded code share agreement, ‘earn and burn’ rights and tier level recognition on the Jet Privilege and frequent flyer programs.

Business plan to reshape that airline and secure its long-term future. The plan a series of critical measures that lay the foundations for a return to profita long-term network, fleet and product developments to optimize the airline’s international operations.

Focus areas for international operations will include network developments, services to markets such as Europe, China, Australia and Southeast Asia frequencies to existing routes and additional code shares. Jet Airways two aircraft product will also be enhanced and the seat count optimized on wide 777 and Airbus A330 aircraft.

In addition, the domestic business model will improve connectivity acre... worldwide, while removing completely in product and fleet, including the structuring and reconfiguration on the Boeing 737 fleet.

To initiate the three-year turnaround plan, the Airways Board and management have already worked with auditors to clean up its balance sheet and overvalued non-cash assets.

Jet Airways has announced a new team at the helm with Cramer Ball as Executive Officer and Subodh Karnik as the Chief Operating Officer approval. Mr. Ball 46, an Australian national, is a certified accountant and airline executive with extensive experiences in the aviation industry. Mr. Karhim rich experience in the aviation sector leading and assisting airlines in fleet planning, global alliances, joint ventures and improving overall efficiencies of airlines.

Naresh Goyal, Chairman of Jet Airways, said: “The coming together of Jet Etihad Airways has already proved a success for the two airlines and, “Jet Airways is renowned for introducing quality to India’s airline industry re-energize and re-establish ourselves as the country’s leading full-service international operations are already profitable and contribute 45 per cent revenue. We will continue to build on this strong foundation as

part of turnaround plan and increase the contribution to 63 per cent by 2015. at this we will address challenges in the domestic market with a model that removes out fleet, product and brand. This is not a short-term strategy, but we are of the future and confident about achieving the intended results.”

James Hogan, President and Chief Executive Officer of Etihad Airway represents a considerable opportunity for airlines worldwide, with more the international travelers reported last year and impressive future growth rates IATA. The challenge is ensuring that our industry is efficiently catering to not only in India’s major destinations, but also smaller cities that unconnected and underserved.

“The Etihad Airways and Jet Airways partnership has significantly improved between Indian and the UAE, and through our combined network are partnerships with other airlines, the Indian public has convenient access to across the Gulf region, Middle East, Africa, Europe and North America, bringing more travelers from these destinations to India, supporting the country, industry and economy.”

Etihad Airways, which celebrates the 10<sup>th</sup> anniversary of its inaugural flight September, currently operates 112 flights per week to 10 Indian destination first half of 2014, more than 621,000 people traveled on the airlines .... Representation an impressive growth rate of 51 per cent in comparison to the under the development. Etihad Airways placed its ‘EY’ code on domestic scene for the first time, with the codeshare agreement now including 31 Jet Airways hubs in Mumbai, Delhi, Chennai and Bangalore to regional centers in Amritsar, Goa, Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Mangalore, Thiruvanthapuram and Vadodara.

Also included are Jet Airways flights between Abu Dhabi and Bangalore, Chennai, Delhi, Mumbai and Hyderabad, and Etihad Airways flights between Abu Dhabi, Ahmadabad, Bangalore, Chennai, Hyderabad, Kochi, Kozhikode, Mumbai, Nagpur, and Trivandrum.

The two airlines will commence a new marketing campaign tomorrow, with ‘Flying Indian Forward’, which highlights their collaborative offering for India together, Jet Airways and Etihad Airways operate more international flights for any other airline, and provide unrestricted opportunities to earn and redeem integrated frequent flyer program. The campaign will feature in newspaper radio, online, and also airport displays in India.

### **1.5.4 Go Air**

Established in June 2004, Go Air Airlines is a low-cost budget airline, based in Mumbai. It has been showcased as “The People’s Airline”. It is promoted by Wadia Group, which has been at the forefront of industry in India, for the past 116 years. Go Air Airlines is the brainchild of Jeh Wadia, who is the Managing Director of Go Air. With the tagline “Experience the Difference”, the airline aims to offer its passengers a quality assured and time efficient air travel, at affordable fares. Go Air’s business model has been created on the ‘punctuality, affordability and convenience’ model. On June 9, 2005, Go Air announced its plan to launch operations in October, 2005, with a fleet of 20 leased Airbus A320 aircraft. As per the plan, it was decided that the operations would start with flights plying in the southern and western parts of India, with the first nine A320s. The remaining 11 aircraft were added in the following year. During the time, Go Air arranged discussions with Airbus and Boeing, to purchase 20 to 40 brand new aircraft. The contract was done in the later half of 2005 and the deliveries were started in 2007.

The operations with the new aircraft were started on November 4, 2005. In July 2006, an order for 10 more aircraft from the Airbus A320 family was announced by Go Air. In mid-January 2007, the airline revealed that it would sell a large minority ownership position to assist it with finance, for its expansions. Moreover, the airline aimed to improve its chances for the sale and leaseback of additional A320 aircraft. On January 24, 2007, Go Air and airline reservations system provider Radixx International of Orlando, Florida, jointly announced the takeover of the airline’s reservations and passenger functions by Radixx.

Over the years, Go Air has managed to mark its presence in the civil aviation industry of India. Go Air’s route network spans prominent business and leisure destinations, across India. Currently, it covers as many as 13 destinations. These are Ahmedabad, Bangalore, Chennai, Cochin, Coimbatore, Delhi, Goa, Hyderanad, Jaipur, Jammu, Mumbai, Pune and Srinagar. Go Air operates with state-of-the-art Airbus A320-200 aircraft fleet. The airlines of Go Air come in four vibrant colors, like green, orange, blue and pink.

## **Latest Developments**

In order to strengthen its service in South India, Go Air announced the addition of new flights – from Bangalore to Delhi and return, and from Bangalore to Mumbai and return, in June 2009. The airline has already introduced a couple of new aircrafts in March and April 2009 as well as announced the induction of one brand new A320 aircraft in June 2009. With a view to increase passengers' convenience and keeping in mind their travel time, Go Air has introduced new flight timings for destinations including Ahmedabad, Delhi, Mumbai and Bangalore.

## **Achievements**

It is nothing short of remarkable that the airline has achieved a prominent position- a market share of 26% with just four years of operation. Kingfisher Airlines has bagged the Best Airlines while Kingfisher Red the Best Low Fare Service Airline in Central Asia at the World Airline Awards 2009. Flyers have rated Kingfisher Airlines India's number one in customer satisfaction under the Customer Satisfaction Management and Measurement (CSMM) survey conducted by the Indian Market Research Bureau (IMRB) for Business World. In addition, consumers voted Kingfisher Airlines India's Second Most Buzziest Brand of 2007 in a survey conducted by agencyfaqs.com. It also won the prestigious Avaya Award for Excellence in Customer Responsiveness in January 2007. Another prized feather in its cap is the recognition of the fleet as a 5-Star Airline- the most coveted title that an airline can achieve for the excellence of its product and service quality. Instituted by Skytrax, the world's leading, independent travel forum and information organization, this rating has been given to only six airlines in the world.

### **1.5.5 Spice Jet**

Spice Jet is a low-cost airline of India, headquartered in New Delhi. The airline started its operations in May 2005, with an aim to become India's most preferred low cost airline, by providing the lowest air fares and the highest consumer value to the price sensitive consumers of the country. The mission of the airline is to ensure that flying is no longer confined to CEOs and business travelers, but affordable to everyone. Spice Jet

is promoted by Ajay Singh, the Kansangra family and Sanjay Malhotra. Go through the article and check out information on the history and profile of Spice Jet airline.

Spice Jet was earlier known as '**Royal Airways**', a reincarnation of ModiLuft, which was a small airline company, launched in India, by a partnership deal with German carrier – Lufthansa. Initially, Spice Jet chose a single aircraft type fleet – Boeing 737-800, which allowed for greater efficiency in maintenance and supported the low-cost structure. With the success in the venture, the airline chose one more aircraft – Boeing 737-900ER. Currently, Spice Jet has 16 Boeing 737-800 aircrafts in single class (economy class) configuration with 189 seats, and 5 Boeing 737-900ER aircrafts, with a seating capacity of 212 passengers.

### **Destinations**

Spice Jet new generation fleet of aircraft is backed by cutting-edge technology and infrastructure to ensure the highest standards in operating efficiency. It has maintenance support and state of the art technology from world leaders like KLM, Star Navigation, Russel Adams and Tech Log. Spice Jet currently flies to 18 destinations. These include Hyderabad, Vishakhapatnam, Guwahati, Delhi, Goa, Ahmedabad, Jammu, Srinagar, Bangalore, Cochin, Mumbai, Pune, Jaipur, Chennai, Coimbatore, Varanasi, Kolkata and Siliguri.

Jet Airways is India's premier private airline. Naresh Goyal is currently the Chairperson of Jet Airways, who is also the founder of the airline. It holds the distinction of being the second largest airline in India, next to Kingfisher. Jet airways has won a number of awards in recognition for its in-flight services. Headquartered in Mumbai, Jet Airways also operates two low-cost airlines including Jet Lite (formerly known as Air Sahara) and Jet Airways Konnect.

### **1.5.6 Indigo Airline**

Indigo is the latest entrant to the domestic civil aviation space in India. Based in Gurgaon, Haryana, India, the low cost carrier took off its inaugural flight from Delhi to Imphal (via Guwahti), on August 4, 2006. Inter Globe Enterprises, a renowned travel corporation, is the owner of Indigo. The airline is targeting those people, who are looking for affordability, punctuality, hassle-free processing and course, comfortable journey by

air. Go through the following lines and check out more information on the profile of domestic airline Indigo.

The first Airbus of IndiGo-A320 – was delivered to the airline, on July 28, 2006. The airline received six aircrafts in 2006. It increased the number of aircrafts to 15, when it was delivered nine more, in 2007. As many as three parking lots were assigned to the airline, in Indira Gandhi International Airport (Delhi) and Chhatrapati Shivaji International Airport (Mumbai), recently. Currently, Indi Go has fleet of only one type of aircraft, the A320-200, which has a capacity of 180 passengers. The airline would be delivered 30 Airbus A321-200, with a seating capacity of 220 passengers.

### **Destinations**

Currently, IndiGo covers as many as 19 destinations in India, which include Hyderabad, Guwahati, Patna, Delhi, Goa, Ahmedabad, Vadodra, Bangalore, Cochin, Mumbai, Nagpur, Pune, Imphal, Bhubneswar, Jaipur, Chennai, Agartala, Lucknow and Kolkata.

## **1.5.7 Air Deccan & Others**

### **Inception**

Air Deccan (the old name of Kingfisher Red) was incepted by Captain G.R. Gopinath, in August 2003. Its first flight took off from Hyderabad, with destination to Vijaywada, on August 23, 2003. The airline gained popularly as the common man's airline, because of its reasonable air fare. Air Deccan's aircrafts carried an attractive logo of two palms joined to signify a bird flying. The airlines carried the tagline- 'Simplifly', which signed that now it was possible for the common man to travel via air. The airline held the distinction of being the first airline in India, to fly to 'second tier' cities including Hubbli, Mangalore, Madurai and Visaskhapatnam.

### **Downfall**

Air Deccan planned to offload 25 percent of its stake in the Initial Public Offering (IPO), which was opened on May 18, 2006. Since stock market was severely affected at that time, the IPO released by Air Deccan didn't manage to scrape through, even though it extended the issue closing date and reduced its price band. However, even when it was

finally listed on the stock market, its share price reduced drastically and became a meager 50 percent. Due to the prevalent competition in the Indian civil aviation sectors and the addition of more and more airlines to the country, almost all the domestic carriers, including Air Deccan, ran into heavy losses.

## **Merger**

Pressurized by the heavy losses, Air Deccan founder Captain Gopinath announced the merger of Air Deccan with Kingfisher Airlines, on December 19, 2007. Following the merger, Air Deccan was renamed to Simplify Deccan and later on to Kingfisher Red. The airline became the first domestic low-cost carrier to ply its flights to international destinations as well. The merger was made official on April 2008. at that time, liquor industry giant Vijay Mallya, who was also the CMD of Kingfisher Airlines, became CEO of the newly formed airline company.

## **1.6 Contribution of Aviation in Indian Economy**

The Role of Aviation Industry in India GDP in the past few years has been phenomenal in all respects. The Aviation Industry in India is the most rapidly growing aviation sector of the world. With the rise in the economy of the country and followed by the liberalization in the aviation sector, the Aviation Industry in India went through a complete transformation in the recent period.

### **1.6.a Role of Aviation Industry in GDP-Growth Factors**

The growth in the Indian economy has increased the Gross Domestic Product above 8% and this high growth rate will be sustained for a good number of years.

Air traffic has grown enormously and expected to have a growth which would be above 25% in the travel segment.

In the present scenarios around 12 domestic airlines and above 60 international airlines are operating in India.

With the growth in the economy and stability of the country India has become one of the preferred locations for the trade and commerce activities.

The growth of airlines traffic in Aviation Industry in India is almost four times above international average.

Aviation industry in India has placed the biggest order for aircrafts globally.

Aviation industry in India holds around 60% of the total share of the airlines traffic in the region of South Asia.

### **1.6.b. Role of Aviation Industry in India GDP-Future Challenges**

#### **Initializing Privatization in the Airport Activities**

Modernization of the airlines fleet to handle the pressure of competition in the aviation industry.

Rapid expansion plans for the major airports for the increased flow of air traffic. Immense development for the growing regional airports

### **1.6.c.Role of Aviation Industry in India GDP-FDI Policy**

The Reserve Bank of India (RBI) announced Role of Aviation Industry in India GDP.

The role of Aviation Industry in India GDP in the past few years has been phenomenal in all respects. The Aviation Industry in India is the most rapidly growing aviation sector of the world. With the rise in the economy of the country and followed by the liberalization in the aviation sector, the Aviation Industry in India went through a complete transformation in the recent period.

With the entry of the private operators in this sector and the huge cut in air prices, air travel in Indian were popularized.

On February 19, 1911, the first commercial flight was made from Allahabad to Naini by a French pilot named Monseigneur Piguët.

Foreign equity up to 100% is allowed by the means of automatic approvals pertaining to establishment of Greenfield airports.

Foreign equity 74% is allowed by the means of automatic approvals pertaining to the existing airports.

Foreign equity up to 100% is allowed by the means of special permission from Foreign Investment Promotion Board, Ministry of Finance, pertaining to the existing airports.

#### **Air Transport Services**

Up to 49% of foreign equity is allowed by the means of automatic approvals pertaining to the domestic air transport services.

Up to 100% of NRI investment is allowed by the means of automatic approvals pertaining to the domestic air transport services.

### **A aviation sector contributing 0.5% of GDP**

Terming the aviation sector as the ‘real World Wide Web’, a study has said it is currently contributing Rs. 33,000 crore or 0.5 per cent of India’s GDP and supporting 1.7 million jobs in the country, besides creating much-needed critical assets.

The study, conducted by Oxford Economics for the International Air Transport Association (I.A.T.A.). Recently, says aviation not only provided significant economic benefits to the Indian economy and the citizens, but also critical assets on which modern globalized business depend.

Nothing that aviation contributed Rs. 87,500 crore as taxes and social security, it said, “This contribution is likely to increase further, as the sector recovers following a

The study to measure the sector’s economic footprint in India estimated that a further Rs. 16,900 crore worth of government revenue was raised via taxation through indirect and induced channels. But this does not include the domestic aviation fuel taxes which are estimated to be in the range of Rs. 1500-2000 crore, it said.

The sector also contributed Rs. 14700 crore through its direct output and Rs. 10700 crore indirectly through the supply chain. In addition, it contributed another Rs. 58200 crore in “catalytic” benefits through tourism, which raised its overall contribution to Rs. 91,200 crore or 1.5 per cent of GDP, the leading economic forecasting consultancy, floated as a joint venture, by Oxford University, said.

The study was jointly released by Civil Aviation Secretary Nasim Zaidi and IATA DG and CEO Tony Tyler recently.

## **1.7 Aviation Sector Scales Newer Heights**

There is one vertical growth which is taking off horizontally alongside. And big time. Catch the speed: The aviation sector is flying to newer heights- with passenger traffic bursting as its steam, infrastructural projects at airports getting a leg-up and modern facilities being added to streamline operations.

And why not? There’s been enough action in the air, and on the ground, so far this year to establish the growth story. In fact, experts are already describing this year as the

best growth period for the civil aviation sector. A look at the states confirms their optimism: Passengers carried by domestic airlines increased by 36.47% to 317.29 lakh passengers in the first three quarters of 2007 against 232.49 lakh during same period last year.

The overall aircraft movements, too, increased by 27.2% in April 2006 – August 2007 as compared to the same period in 2005-06 with international movement up by 12.9% and domestic up by 31%. The overall passenger traffic increased by 28.5% while the freight traffic was up by 11.9% in the same period.

Interview of Raja Awasthi and Dheeraj Tiwari, TNN Nov. 4, 2007, 06.40 pm ISI.

And now with the busy season approaching, both airlines and airport authorities are bracing up to capture more load and share of the passenger wallet. In fact, they are busy getting newer equipment and effecting changes in ground handling facilities to smoothen the operations. Already, with the arrival of winter, the airports in north India are gearing up to tackle fog-related problems and delays. Many airlines are taking measures to ensure that passengers don't face any inconvenience on account of fog at Delhi and other airports.

Air India has taken a series of measures such as having adequate number of pilots trained for category three landing, rescheduling flights so as to skip fog hours and re-routing some of the flights to ensure that passengers are not inconvenienced on account of fog. Says Samyoth Sridharan, COO, Spice Jet: "We already have an agreement with Go Air and Indigo that if due to any foreseen reason our flight is halted or delayed, subject to availability, we can transfer our passengers on their airline and the same stands true for them." Jeh Wadia, MD, Go Air, too, says that "in line with our commitment towards passenger convenience, we have installed a special fog helpline to reply to all customer queries and issues relating to the fog situation."

### **Clearing the Fog**

Delhi airport, which faces major problems due to fog, now has several modern equipment to guide aircraft in low visibility conditions. In fact, Delhi Airport is India's only airport with CAT HIB instrument landings system which allows aircraft to land in visibility as low as 50 meter. DIAI has also upgraded several new aircraft parking stands

to CAT III standards. The IGI Airport joined the select club of Asian airports to have conducted a special study known as the PAC study to improve runway lighting systems to global standards.

What's more, the government seems to be in no mood to slacken the pace of activity. It has already dispensed with the Centre's mandatory approval for Greenfield airports and the draft guidelines seek to empower state governments to allow entry of private developers into developing Greenfield airports. The government has envisioned an investment of close to \$9 billion (Rs. 36,000 crore) to develop about 100 green field airports in the country during the 11<sup>th</sup> Plan period (2007-2012). The government expects the private sector to contribute about Rs. 24000 crore and the Airports Authority of India (AAI) to pitch in with Rs. 12000 crore.

According to ministry sources, many state governments, including Karnataka, Maharashtra, Rajasthan, Gujarat, Bihar and the North Eastern States, have shown keen interest in the project. The Karnataka government has already invited bids for development of airports in Bijaour, Shimoga, Hasan and Gulbarga and international airport developers have shown interest in these. The airports that will be developed during the 11<sup>th</sup> Plan period include Asansol, Durgapur, Bhagalpur, Navi Mumbai, Shirdi, Tawang, Itanagar and Kohima.

The draft policy, if approved, will force AAI to form joint ventures for several of its existing airports in the wake of competition from private developers. The policy, analysts say, count result in a new breed of developers setting up green field airports and seeking to develop a full-fledged township in the periphery.

In fact, the country's first green field airport, spread over 5000 acres, is being built at Samshadabad near Hyderabad, by the GMR Group. The Centre and the Andhra Pradesh government hold 13% stake each in the airport. And the list is growing. This week itself, India's largest engineering and construction firm Larsen and Toubro (L&T) won a Rs. 5500 crore contract to build a brand new integrated terminal for international and domestic passengers at Mumbai airport.

The airlines have contributed in a significant way to India's economic growth in the last few years:

1. Airlines have enhanced the efficiency and reduce the costs for productive business activities. The speed with small and large business is able to interest and conclude business transactions and deals have increased.
2. Airlines have significantly eased the transport bottlenecks for tourists, business and trade travelers as well as other travelers including doctors, patients, engineers, doctors, patients, etc. between and among far flung smaller cities and towns and the metropolitan cities as well as foreign cities of business and tourist importance, thereby reducing unnecessary delays and prompt response. This has enabled the efficiency and productivity of the Indian economy to grow.
3. The competitive airlines industry has reduced the airfares considerably to enable the middle income families and students to save on time by traveling on air. This has also eased the pressure of passenger traffic load on the overworked railway system and forced the railways to improve its efficiency and control fare hikes. The monopoly exploitation of the passengers by public sector Indian airlines and Air India has been largely stopped by competition from private airlines.
4. The private airlines have attracted lot of investments in the country with consequential positive impact on income generation.
5. The there has been a very sharp and large increase in employment in the airlines sector, besides associates activities like ticketing agencies, air traffic control, airlines food supply agencies, airlines staff training/pilot training, airport coach and taxi service agencies, etc.
6. The airlines industry growth has also an expansionary positive impact on the growth of both domestic tourism and foreign tourism in India.
7. The courteous behavior imparted to airlines staff has improved the quality of behavior among the people in general.

With the dismantling of government's oppressive control and entry of private sector airlines have made a considerable positive impact on the development of aviation industry in India. The full fare air ticket costs have stopped rising the way it had been in the public sector monopoly days. Many low cost airlines with substantially low fares have been introduced. The punctuality of arrival and departure of planes have improved dramatically, except in the last one year because of government delays in privatization of

airports and continued public sector monopoly of the Airport Authority of India, resulting in inordinate delays in construction of new terminations, expansion of airports infrastructure and modernization of airports, resulting in traffic congestion, delays in arrival and landing, unnecessary burning of costly aviation fuel as aircrafts queue up in the air for landing and in the bay for takeoff. The number of flights between metro cities has increased 5 to 10 folds in the last 10-15 years and further expansion is getting constrained by slow modernization of airports by public sector Airports Authority of India. The number of flights between small cities and their connections to metro cities has expanded like anything. The number of passengers has increased dramatically because of more flights, lower cost fares, discounts, higher economic activity and convenient flight timings throughout the day. More and more people are visiting abroad on business, pleasure and holidays. The number of foreign destinations now connected by regular/daily flights from different cities in India has increased manifold. Customer services by the airlines have dramatically improved due to competition. The private airlines are deploying smart and agile young men and women to serve customers at ticket reservation centers, baggage screening, checking in counters as also in the flights. There is a discernible attitude to please customers and look after their comfort unlike the shabby treatment provided by public sector airlines during their monopoly days. But for the shortage of proper infrastructure at airports, thanks to the delay in investment in airport modernization and expansion by the government of India and the public sector monopoly Airport Authorities of India, the airlines staff would have provided much better customers service and customer care at airport lounges. The most modern aircrafts have been deployed to carry passengers. The growth of aviation industry has been very rapid and qualitatively a great jump. The future potential of growth of this industry and its impact on creation of new employment opportunities is huge, but for some time will be constrained by the slow pace of airport facilities expansion and modernization.

Revolutionized by liberalization, the aviation sector in India has been marked by fast-paced change in the past few years. From being a service that few could afford, the sector has now graduated to being a fiercely competitive industry with the presence of a number of private and public airlines and several consumer oriented offerings.

India is the second largest aviation industry of the world. India is in third place in the top 10 list of countries with the highest number of additional flights in May this year, behind only China and the US.

The history of civil aviation in India began in December 1912. This was with the opening of the first domestic air route between Karachi and Delhi by the Indian State Air Services in collaboration with the Imperial Airways, UK, though it was a mere extension of London-Karachi flight of the latter airline. Three years later, the first Indian airline, Tata Sons Ltd., started a regular airmail service between Karachi and Madras without any patronage from the government.

At the time of independence, the number of air transport companies, which were operating within the beyond the frontiers of the company, carrying both air cargo and passengers, was nine. It was reduced to eight, with Orient Airways shifting to Pakistan. These airlines were: Tata Airlines, Indian National Airways, Air Service of India, and Deccan Airways. In early 1948, a joint sector company, Air India International Ltd., was established by the Government of India and Air India (earlier Tata Airline) with a capital of Rs. 2 crore and a fleet of three Lockheed Constellation aircraft. Its first flight took off on June 8, 1948 on the Mumbai (Bombay-London) air route. At the time of its nationalization in 1953, it was operating four weekly services between Mumbai-London and two weekly services between Mumbai and Nairobi. The joint venture was headed by J.R.D. Tata, a visionary who had founded the first Indian airline in 1932 and had himself piloted its inaugural flight.

The years 2004-05, 2005-06 and 2006-07 have been years of record growth in air traffic in India. During the period April-September, 2006, international and domestic passengers recorded growth of 15.8 per cent and 44.6 per cent, respectively, leading to an overall growth of 35.5 per cent. During the same period, international and domestic cargo recorded growth of 13.8 per cent and 8.7 per cent, respectively, resulting in an overall growth of 12.0 per cent.

The Indian fleet, which comprised 170 aircraft in May 2005, is now almost twice that now, with 312 units. With the scheduled 2007 additions of 54-55, this number will rise to just under 370 by the end of the year. And growth is expected to continue apace:

the Centre estimates that India's fleet will reach approximately 500-550 aircraft by the end of 2010.

In the same period, the domestic market size will cross 60 million and international traffic 20 million. Aircraft manufacturer Airbus pegs India's demand at 1100 aircraft, worth US\$ 105 billion, over the next 20 years. According to Civil Aviation Minister Praful Patel, the country will need 1500 to 2000 passenger planes in 10 years, up from 260 now.

India continues to show steady year on year growth, with 7 per cent increase in the number of flights into and out of India (an additional 835 flights and more than 200000 seats a month). The number of flights has virtually doubled from 6800 in May 2001 to 13200 in May 2007.

In fact, India is in third place in the Top 10 list of countries with the highest number of additional flights in May this year, behind only China and the US.

India's civil aviation passenger growth, at 20 per cent, is among the highest in the world. The sector is slated to cruise far ahead of other Asian giants like China or even strong economies like France and Australia. The number of passengers who will be airborne by 2020 is a whopping 400 million. Between April and September 2006, however, amid a flurry of new entrants to the sector, domestic traffic growth accelerated to more than 45 per cent. The Centre for Asia Pacific Aviation (CAPA) predicts that domestic traffic will grow at 25 per cent to 30 per cent a year until 2010 and international traffic growth by 15 per cent, taking the overall market to more than 100 million passengers by the end of the decade. Indian carriers have 480 aircraft on order for delivery by 2012, which compares with a fleet size of 310 aircraft operating in the country today.

As pointed out by Ex. Ministry of Civil Aviation, Praful Patel, presently, the number of air travelers is about 0.8 per cent of the population. By the time even 10 per cent of the population begins to fly, India will need about 5000 air craft.

More diverse business in non-metropolitan regions are creating new demand for air services. Airlines are bulking up on capacity 10 Indian carriers placed order for 4000 aircraft worth US\$ 15 billion.

## **Upgrading Airport Infrastructure**

By 2020, Indian airports are estimated to handle:

100 million passengers Including 60 million domestic passengers Cargo in the range of 3.4 million tones per annum Several improvements are envisaged to sustain this tremendous growth in the civil aviation sector. The Government's airport modernization plan proposes investments of US\$ 9 billion by 2010. In January 2006, joint venture companies with 74 per cent private sector participation won contracts to upgrade New Delhi and Mumbai airports. The Airports Authority of India has got the contract to upgrade Kolkata airport and the Government is also planning to upgrade the Chennai air airport.

The Government plans to develop around 300 unused airstrips across India. A move that has raised projections for jets required for regional connectivity. Boeing and Airbus, along with Embraer (Brazil), Bombardier (Canada), Sukhoi (Russia), ATR (France) and BAE System (UK) are keen to tap the emerging regional jet market in the country.

International no-frills budget carriers, especially Asian low-cost carriers (LCCs) are also making a beeline for India. Already, Iran's Jazeera Airways and Shrajah-based Al Arabia have registered their presence here. Other airlines planning to enter the market are: Tiger Air (a joint venture between Temasek Holdings and Singapore Airlines), Thailand-based private carrier Not Air, Indonesia's Lion Air, United Arab Emirates' Ras Al Khaima (RAK) Airlines, Malaysia's Air Asia and Arabia's Sama Airway.

Increased activity in the maintenance and repair operations (MRO) sector has attracted many foreign companies. Lufthansa had tied up with GMR Hyderabad International Airport Limited (GHIAL) to open an MRO facility for which it intends to invest US\$ 23 million. Similarly, Boeing intends to invest US\$ 100 million in a facility in Nagpur.

With airport infrastructure being upgraded, non-aeronautical revenues (from malls, bookshops and entertainment centers) are expected to contribute almost 50 per cent to revenue of airports. Of late, the domestic market is witnessing a trend towards consolidation. In a bid to augment capacity and grab market share, the sector is

witnessing a consolidation as well as rationalization of resources. Accordingly, Jet Airways has acquired Air Sahara, Air India and Indian are to merge, Kingfisher Airlines has entered into a strategic relationship with Air Deccan, and Paramount Airways is talking to two airlines for a possible takeover.

With the sector expanding at a fast pace, the number of aircraft being used is on the rise and so is the need for pilots. Not surprisingly, aviation school is the latest buzzword among students as India would require 7500-8000 pilots and an equal number or more air cabins crew by 2010. Heavy pay packets/packages are awaiting pilots with a commercial pilot license (CPL). To take advantage of this situation, several pilot shops are being set up across the country:

\* Airbus has decided to set up an aviation school in Bangalore to train 1000 pilots a year \* Rajeev Chandrasekhar's Jupiter Aviations looking to set up a similar venture in Bangalore or Hyderabad \* Aviation consultant Praveen Paul has set up his own aviation school \* Many more are in the offing including Deccan Aviation's venture with ATR, and Jet Airways and budget carrier UB Group planning to set up training centers.

### **Airlines on a Buying Spree**

With such rapidly growth in the sector, manufactures like Boeing and Airbus are filling their order books fast.

Boeing has received a US\$ 1.5 billion order for 10 aircraft from Jet Airways, India's largest private airline. Airbus plans to invest more than US\$ 1 billion in the Indian aviation industry in the next 10 years. Bombardier Aerospace, a Canada-based company that manufactures regional aircraft and business jets, is looking to tap the growing regional Market in India for flight services. Spice Jet has ordered 10 next-generation Boeing 737-800 aircraft valued at a list price of more than US\$ 700 million.

One of the great beneficiaries of the development of competitive airlines industry has been the class of MPs and MLAs: they are now becoming now increasingly becoming addicted to business and first class.

## 1.8 Performance of Domestic Aviation Organizations and Market Share-

	Market Share (%)	
Company Name	December 2007	December 2008
Indian	14.90%	16.80%
Jet Airways	22.30%	16.70%
JetLite	07.20%	07.70%
Kingfisher Red Combined	15.40%	27.10%
Kingfisher	14.40%	NA
Spice Jet	10.10%	11.20%
Go Air	04.30%	02.30%
Indigo	10.20%	15.40%
Market Share in July 2009		
Airlines	Market Share (%)	Seat Factor
Air India	17.60%	59.9
Jet Airways	16.70%	65.0
JetLite	7.40%	68.7
Kingfisher	26.00%	64.2
Spice Jet	11.70%	88.0
Paramount	2.30%	88.5
Go Air	4.40%	72.0
Indigo	13.70%	72.1
MDLR	0.35%	--

## Existence of Domestic Aviation Organization-

The one that died	Those that survived	The present players	Year of launch
East –West Airline	Jet Airways	Indian Airline	1953
		Jet Airways	1993
		Kingfisher	2005
		Go Air	2005
		Spice Jet	2005
		Paramount	2005
		Indigo	2006

### 1.9 Objectives of Research -

The ultimate objective of this study to find the existing branding strategies of domestic aviation companies (customer, stake holders & public at-large)

1. To study present corporate strategies of domestic aviation organization of India.
2. To study the satisfaction level of traveler of Kingfisher airlines and (one to one compare) with satisfaction levels of travelers of other airlines.
3. To develop new corporate branding model for Indian domestic aviation organizations.

### 1.10 Rationale of the Research -

Aviation industry in India is one of the largest growing industries in world with globalization and liberalization aviation industry has undergone a rapid change and transformation. Earlier Indian government owned two air lines and one helicopter service in year 1995.

Under corporation act 1953, was replaced with view to remove monopoly of Air Corporation. The airlines industry in India has seen tremendous growth in past few years. Corporate branding strategies were adopted by domestic airline player to attract more and more number of domestic travelers & flyers.

Corporate branding is developed to influence domestic flyers across the country. The outcome of study will be useful for other domestic aviation organizations to attract more and more customers, travelers & frequent flyers.

The study focuses on-

1. Corporate branding as business strategy in domestic aviation.
2. Existing customer preference on selecting domestic aviation services.
3. Development of new corporate branding model.

### **1.11 Area of Research -**

The area of research is in the field of marketing Management. The research is in an exploratory nature. The objectives are being finalized on the basis of literature review and on the basis of number of research papers published in national and international journals. Some newspapers were also referred to understand customer satisfaction of domestic travelers. On that basis three research objectives were finalized and open-ended questionnaires were developed. The questionnaires were then tested and validated. The main area of research was focused on the study of customer satisfaction; thus, quantitative techniques were applied. To study customer satisfaction, The Parsuram Model –Servqual Model was referred along with The American Customer Satisfaction Index-1996, which was also referred. The next objective was to develop a new corporate branding model for domestic travelers. The two earlier developed models were referred to-1. Chun and Anne (1996) - **Familiarity Favorability Matrix Model.**

Acid Test of Corporate Identity Management Model developed by Johan Balmer and Sonen (1999). On the basis of these two models, the area of research for the third objective was to develop a new corporate branding model for domestic aviation organizations of India. The third research objective was based on qualitative research. The primary data was collected through audio/ video interviews of senior executives of domestic aviation companies. And, thus, to meet all research objectives, the full and final research road map was developed and constructed.

## **1.12 Plan of Thesis/ Research Design**

The research design is one, which states the conceptual structure within the research would be carried out and conducted. The preparation of such design facilitates research or to be efficient as yielding maximum information. The study is an exploratory research & a qualitative research.

The main purpose of such study was to formulate a problem for more specific and precise investigation from an operational point of view.