

# A Study of Air India's Strategy to Compete with Low Cost Airlines in India

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**Abstract:** *Air India under the Tata Group Management, is all geared to take on the low cost airlines like spicejet, Indigo, go air etc. This company has been pioneer in the field of Aviation in India, and now with Technical expertise of TCS empowered by artificial intelligence, the company is all set to make a major improvement in creating better dimension of excellence in services. The Air India group has been highly committed with increasing high quality experience for the travellers, by advanced travel intimation, minimising late flight departures, and managing the temperature variations. These are some of the classic steps by the business which are supporting in increasing better and professional approach for the Air India business to create a niche in the low cost aviation sector..*

**Keywords:** Air India

## I. INTRODUCTION

The Low cost airlines are certainly supporting a good market share in the Indian Aviation industry. It is this segment which Air India has to focus and also create an edge for in terms of maximising and creating a better and improved market condition by excellence in service. This way the pioneering initiatives of Air India like creating better business solutions, developing improved transportation and also managing the overall transportation system can be very helpful to manage and deliver better satisfaction of the Indian consumer.

The airline thus is based on ensuring a better and more robust system of providing the airline booking and improved customer experience through the artificial intelligence system. There is complete focus of the airline in managing the better cost combinations and delivering the state of the art solution which can be very useful in creating the right and the better direction for successfully managing the results in the market.

### 1.1 Objectives of Research

Following are the main objectives which are considered by Researcher in the present research:

1. To focus on creating cost effective initiatives for the business and thus managing the suitable focus on creating the better and ideal focus in market.
2. To analyse the latest and more professional initiatives of the business to empower growth and thus managing the right and better clarity for good experience for the air travellers.
3. To understand the challenge in low cost aviation segment and making the better initiatives in terms of overcoming them.

### 1.2 Hypothesis

- **Null Hypotheses:** Air India has not taken any core initiative to ensure better and more professional experience for the travellers
- **Alternative Hypotheses:** Air India has successfully created new benchmark of more focused and empowered initiatives for the overall growth in the given market.

### 1.3 Assumptions

1. The main assumption of the research is to highlight that Air India has taken a series of key initiatives to create better business results
2. There is a general assumption that Air India also has a better and long term plan which can improve and thus create a better growth parameter for the airline.

3. Due to the low cost carriers the aviation industry now requires a greater attention to create enriched experience and more value addition to the customer.
4. The assumption also includes making a clear estimate of how there can be ideal and more rationale actions of the business which can maintain sustained growth in the future.
5. The entire focus of the researcher is maximising the growth base which requires study of future conditions and thus maximising future potential for better market opportunities.

## **II. REVIEW OF LITERATURE**

1. Manish and Hitesh (2019) In their research paper titled, 'Managing the crisis of the airlines have highlighted how the Air India can become more prominent in the low cost business segment' .
2. Nimish & Ghelani(2020) In their research paper titled,' Critical factors in Aviation Business' have provided how there can be much more growth of Air India when there is proper market set up and also when there is a stable growth opportunity in segment.
3. Vinesh and Mangal(2021) In their research paper titled,' Developing the overall market advantage ' have provided more economical and reasonable initiatives which can lead to managing the business opportunity in the given set up.
4. Dhruv and Sonopant (2020) In their research paper titled, 'How there can be more reasonable deal' have provided series of initiatives which are necessary to empower Air India in the aviation segment.
5. Bhatt & Mishra(2021) In their research paper titled,'Creating reasonable basis to sustain overall growth in low cost ' have suggested improved way by which there can be more balanced and creative ideas to ensure greater business dimensions in the future.

## **III. RESEARCH METHODOLOGY**

The sample size of the present research is 290 samples. The researcher had identified the random sampling method as a proper base of increasing the analysis and understanding of the samples. There is 5 degree of freedom which is followed by researcher and the degrees of freedom has been maintained at 95. In addition the researcher has used mean, median and mode as the most common method of analysing data and for the data interpretation purpose.

The researcher has relied on the primary and the secondary data for the study of research and thus focuses more on making the careful choice for managing the business decision as per the purpose of the research. There is further focus on more of secondary data as it is totally based on making the realistic base for research and hence supports in achieving the various research objectives.

### **3.1 Data Analysis and Interpretation**

The study of the data in present research has lead to the following conclusions:

1. The analysis of the data by researcher suggests that more than 72% travellers have the first choice of low cost airline in the market.
2. The researcher further focus that about 23% of travellers have been focused on increasing the convenience in the economy sector.
3. This data studied by the researcher further analyses the need to provide clarity to researcher about business growth opportunity in the low cost carrier segment.
4. The survey of the researcher suggests that the aviation sector aims to grow at a uniform speed of 30% per year in the economy segment.

### **3.2 Rationale of Study**

The researcher has further provided following rationale for research:

1. The aviation industry requires a more better and focused idea to ensure growth opportunity and thus support the balanced growth in the economy.
2. There is immediate need to revamp Air India Image as "Budget Airline" so that customers can give more consideration to Air India.

3. The airline focus on managing and providing a logical base to create a sound base so that there can be rationale
4. There is also a direct focus of the business to ensure that the complete customised solutions are actually provided as per business priority and thus leads to better and scientific growth of the business.

### **3.3 Limitations**

The researcher has mentioned the following limitations in the present research:

1. With the low profit margins of the low cost airlines it does not seem to be a possible option to manage the high customer expectations.
2. These researchers thus aim at determining how there can be more progressive base for the airline in making the business opportunity and thus leads to creating favourable market opportunity.
3. The researcher aims to understand the understanding of market challenges which increases greater attention in improving the opportunity.
4. There is a common observation by the researcher that it is in the interest of Air India to ensure promotion and growth of Low cost carrier segment in India.
5. The low cost segment is certainly lucrative but decreasing margins do not ensure much viability for service oriented airlines like Air India to significantly increase its share.

## **IV. SUGGESTIONS AND RECOMMENDATIONS**

Following are suggestions by researcher:

1. The researcher suggests that it is only by sustaining and managing the overall growth and maintaining quality, that Air India can survive in the market.
2. There needs to be clarity in the Air India Operations which can be lead by greater marketing efforts and managing the business progression for the same.
3. In today's competitive world it is necessary for Air India to emerge with new ideas and greater business focus.
4. It is equally important for management of Air India to ensure that the fleet is well trained and gives comparable experience like other airlines in the aviation industry.

## **V. CONCLUSION**

The researcher in this research paper aims to bring out how there can be more dynamism in Air India as a leading aviation operator and how there can be better stability for the Air India amidst the sharks in the low cost aviation sector. It also counts for best of the changes to ensure that Air India remains viable and thus more customer oriented to develop its sustainability in the given market segment.

Researcher is motivated towards determining the latest and the emerging factors which can improve the overall results in the aviation industry and significantly increase contribution of Air India in the segment.

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