

# DOMESTIC AIRLINES IN INDIA – LEVERAGING PRICE



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## Short Description

# DOMESTIC AIRLINES IN INDIA – LEVERAGING PRICE

case study

## Description

The caselet examines the pricing wars resorted to by Indian airline companies to counter the competition and sustain in the marketplace. It discusses the APEX fare schemes launched by various domestic airlines. The caselet talks about some of the innovative promotional schemes that were launched by these companies.

Issues:

- » Pricing strategies in Indian airlines industry
- » Sales promotion in airlines
- » Competition as a key consideration for designing marketing strategy

## Introduction

Till the year 2002, the Indian traveler rarely traveled by air as the fares were much higher than those for road and rail travel. But in 2002, the companies offering air travel changed the market dynamics completely. For the first time in the history of the industry, efforts were made to make air travel affordable to a larger section of the population, leading to an unprecedented development in the commercial aviation industry in the country. The reason for this change in strategy is not very difficult to understand. Though there were

only three major players in the Indian aviation market, namely Jet Airways (JA), Air Sahara (Sahara) and the state-owned Indian Airlines (IA), competition was getting fiercer by the day...

### **Questions for Discussion:**

**Examine the innovative schemes initiated by the three airlines in 2002. Do you think that the promotional programs undertaken by the airlines are likely to increase the customer base and contribute to corporate viability? Is the intense rivalry exhibited through price-cutting (by industry participants) undermining their viability in the long run?**

**What strategies would you suggest for an airline company in the Indian aviation industry to enhance market share and increase user base?**

**What are the various environmental factors that influence the pricing decisions in the airline industry?**

### **Details**

**1. Case study solved answers**

**2. pdf/word**

**3. Fully Solved with answers**