

Service Marketing Mix of Indigo Airlines

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Abstract: India is one of the fastest growing aviation industries in the world. Because of the introduction of liberalization policy in the Indian aviation sector, the industry has witnessed difference with the entry of the privately owned full service airlines and low cost carriers. In 2006, the private carriers accounted for around 75% share of the domestic aviation market. Besides, there was significant increase in the number of domestic air travel passengers. Some of the factors that have resulted in higher demand for air transport in Indian clued the growing purchasing power of middle class, low airfares offered by low cost carriers and the growth of the tourism industry in India. In addition to the liberalization policy, the deregulation policy has also played a major role to encourage private players in the aviation industry. On one hand, the booming opportunities incited players to expand capacity but on the other hand, rising fuel costs and taxation rates, increased the operational costs. Thus the low-cost players found it difficult to maintain their commitment. In their urge to survive, they were compelled to increase prices, add free refreshments and beverages on-board, etc.

Keywords : aviation, opportunities, liberalization

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I. Introduction

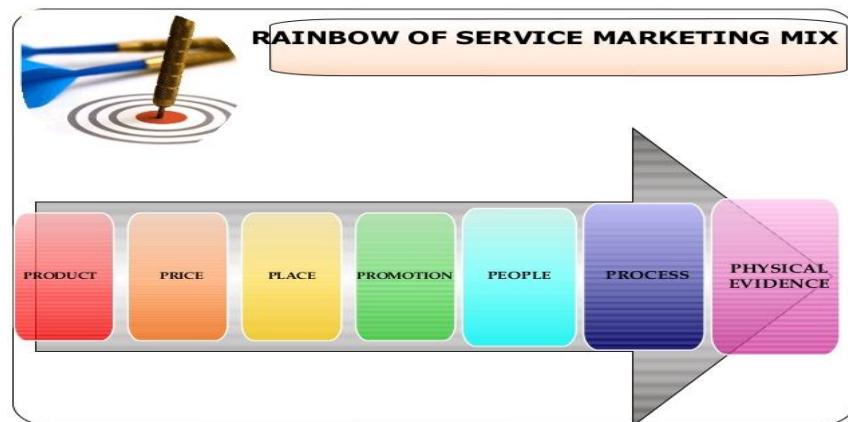
IndiGo is an Indian budget airline company headquartered at Gurgaon, India. It is the fastest growing and also the largest airline in India. Indigo airlines aims to become the number one leader in the low cost airline industry of India, offering the best service and ensuring highest standards of quality at low cost to the customer. To be India's largest and fastest growing airline through three things: affordable fares, on-time performance and hassle-free travel experience.

Some players sought refuge in mergers, whereas some survived by modifying their business model. However, amidst this aviation turmoil, IndiGo continued to fly high. In its endeavour to consistently maintain low costs, IndiGo resorted to measures like outsourcing and having homogeneous fleet. These efforts helped IndiGo to offer its passengers low air fares. Indigo is the latest entrant as a low cost carrier in the aviation industry of India. It started its operations on August 4, 2006. InterGlobe Enterprises, a renowned travel corporation, is the owner of IndiGo. The IndiGo team uses all of these resources to design processes and rules that are safe and simple, that make sense, and that cut waste and hassles, which in turn ensures a uniquely smooth, seamless, precise, gimmick-free customer experience at fares that are always affordable. It was awarded the title of 'Best Domestic Low Cost Carrier'

Service Marketing Mix

A selection of services developed to offer customers a choice within a particular range. The elements of a service marketing mix are called 7 P's: the 4 P's of marketing mix (product, price, place, promotion) plus 3 P's of services(people, process, physical evidence).

7 P's Of Indigo Airlines



1. Products

Indigo Airlines provides 2 types of product services they are

1. On ground services
2. In flight services

Core Product

The core product of indigo airlines is that they provide low cost passenger air transportation for middle class and lower middle class customers so that they can also experience flight journey.

Supplementary Product

Along with the core product they also offers supplementary product. They are like Check in , Food on board ,Connecting flight while traveling where the service is not available, Complementary gifts along with the travel, In-flight entertainment such as music, movies games and Frequent flier programs

Augmented Product

A commodity that has both the primary physical attributes and the non-physical attributes that are added to increase the product's value. They Augmented product are-

- Online booking
- Variety of meal options
- Pick up and drop service
- Mobile ticketing

Price

Price is one of the major marketing mix for any industry. To be simple Indigo airlines succeeded because of the cheap fares which opened the gates for the middle income group. In fact, that happens to be its competitive advantage when travellers are comparing prices. This makes it one of the most sought airline services in India because of its quality services as well. The control department plays a major role in maintaining the cost by the company. With decrease in prices and increase in the number of passengers every day, Indigo faces a tough competition from SpiceJet and Air India. There are also constant discounts that keep customers coming back.

3. Place and Time

Indigo airlines have round the clock online booking so that they can avoid the difficulty for customers in going to a booking counter and wait. They also have tie up with various travels and tours operators. Another interesting is that they have affiliation with many companies regarding their entire travel plans. As a matter of fact, there are about 29 current Indigo destinations but expansion is ongoing. While that is the case, the airline has ensured that its core strategies are maintained. The core strategies include keeping the airline the most affordable airline in India and keeping flying a pleasant experience. With its fleet of 78 aircrafts and as many as 508 flights daily, it operates 29 domestic and international destinations while its competitor SpiceJet as 56 of its aircraft operating 45 destinations. Thus, the strategy is to provide more capacity on fewer routes than thinly spread itself over many destinations.

4. Promotion

No airline has worked harder at capturing the local market better than IndiGo Airlines. The airline relies on its cost and availability to promote its brand across the market. This investments in advertisements are low because it affects the cost. However, Indigo did come out with a few TVC's of its own as well as does good advertising online. The airline has adopted a strategy of connecting flights to other destinations from one destination such that customers will not have to book another airline to arrive to their destination. For instance, it has connected four flights from Ranchi to Delhi, Mumbai, Patna and Bangalore and plans are underway for it to add Kolkata and Raipur. Although not a direct marketing strategy, this strategy has seen it gain more customer base because customers would want to cut costs by using just one aircraft to reach their destination. Other promotion methods used by Indigo aircraft include media vehicles like billboards, print media advertising and advertising on travel portals.

5. Process

The process is related to service delivery for the customers the best policy .The management policy should be transparent as possible to attain the loyalty of the customers. The process mix of indigo airlines

involve the reservation system, how effectively the flight information is provided to the customers, the facilities provided in the airport, Baggage handling facility , in flight service and check in process.

6. People

The people involved in the business directly and indirectly are very important for indigo airlines as they will be providing a lot of information. Travel agents will be providing direct business to the airlines so a proper channel should be made to identify the strength of travel agents in a particular area. Employees of a firm are its best resource as the human capital increases production and optimum utilization people with high customer services skills should be hired to impress the clientele as indigo is providing customer service. The customer should be given first hand information as to what is the schedule for their flights in case of any delays or complexities.

7. Physical Environment

Physical environment in airline can be divided into two-

1. Ground

The ground environment can be considered like the booking office, the baggage facility system, on ground handling system can be considered as the physical environment of the indigo airlines.

2. In-Flight

In-flight service is the most important functionality which may have the direct impact on the customers. The in-flight physical environment can be like the amenities provided in the flight, the cleanliness of the flight, ambience in the flight.

II. Conclusion

IndiGo airlines have a competitive advantage over other services in terms of customer loyalty, services offered and the important of all the pricing strategy adopted by Indigo. Because of its Pricing strategy it have adopted the name as low cost carriers. Indigo also have to look upon their future plans in order to stay alive in this non - stabilized market. The Pricing also should be varied in accordance with the operating cost in order to reduce the losses.