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Strategic Analysis of Indigo Airlines

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ABSTRACT
This research paper reveals the internal and external factors, which contributed to the grand success of Indigo airlines. The purpose of our study was to conduct an analysis on the 'Success Story of Indigo Airlines.' and to study the factors, which are responsible for its success. The sample size selected was 200 respondents from Pune. Stratified Random Sampling was done to select the respondents from the upper middle class who prefer flying frequently in Low Cost Carriers. The primary data was collected by means of a questionnaire, which was mailed to respondents in Google doc format. The secondary data was collected from various research papers, journals, newspapers and the internet. The results of the study indicated that the services provided by Indigo airlines with its sale-and-leaseback transactions helped Indigo earn higher profits than its competitors. Apart from these, Indigo's Punctuality to be on time with quick turnarounds of less than 30 minutes between flights has aided Indigo for positioning itself with best connectivity between cities. The benefit of such a study is an endeavor to review the Success Story of Indigo Airlines and compare it with other competitors who failed to survive profits in the aviation industry.

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OBJECTIVE OF THE STUDY

- To understand the factors that contributed towards the grand success of the Indigo airlines.
- To compare the performance of Indigo airlines with its competitors and derive lessons to be learnt.

I. INTRODUCTION

Aviation has always been a thorny industry, one as is said only half in jest that makes millionaires out of billionaires, but Indian aviation has stood out as notoriously brutal owing to high taxes and costly airport charges. The year to March 2013 also happened to be the worst in recent years due to a steep increase in fuel prices and weakening rupee. Amidst all these turmoil's Indigo emerged as India's largest airline by passengers carried, reporting a profit of Rs 787 crore in the 2013 financial year. It stunned many in a manner unusual for an earnings broadcast. During the year, Kingfisher Airlines shut shop and IndiGo's competitors made losses of more than $1 billion. However, IndiGo emerged unaffected from the wreckage. The latest numbers, revealed by IndiGo burnished the airline's reputation as the lone Indian carrier to prosper in a troubled industry. IndiGo was set up in early 2006 by Rakesh Gangwal and Rahul Bhatia of InterGlobe Enterprises, with InterGlobe as the parent company holding 51.12 percent of the stake while Rakesh Gangwal's Caelum Investments, a Virginia, and US-based Company hold 48 per cent. Many reasons are trotted out for the success but there are some moves that IndiGo has played just right. One of the chief reasons for IndiGo's success is its sharp focus on time performance, clean, neat aircraft, and good service. IndiGostarted life as a low-cost carrier and has stayed there firmly, sticking to its business model even in the worst economic crises, a move that has paid off brilliantly. Paid-for on-board meals, a single flying class with no-frills service, high aircraft utilization, and optimal use of space (150 seats to the 190 that a full-fare airline carries) are just some of the cost control methods that IndiGo uses. IndiGo is a low-cost airline headquartered at Gurugram, Haryana, India.

It is the largest airline in India by passengers' carried and fleet size, with a 39.8% market share as of January 2017. It is also the largest individual Asian low-cost carrier in terms of jet fleet size and passengers carried, and the eighth largest carrier in Asia with over 41 million passengers carried in 2016. The airline operates to 46 destinations both domestic and international. It has its primary hub at Indira Gandhi International Airport, Delhi IndiGo became one of the fastest growing low cost carriers in the world and was the largest profitable airline in India. The success of IndiGo has been attributed to its unique business model which reduces costs.

The airline operates a single type of aircraft (Airbus A320) in similar seating configuration which simplifies crew training and maintenance. The airline strikes bulk deals with Airbus reducing unit costs. The airline targets a quick turn-around time of 20 minutes to get the aircraft ready for the next flight, ensuring planes fly about 12 hours every day. Since inception in August 2006, IndiGo has grown from a carrier with one plane to a fleet of 135 aircraft today.

A single aircraft type, high operational reliability and an award winning service make us one of the most reliable airlines in the world. We currently operate flights connecting to 46 destinations – 39 domestic and 7 international. IndiGo was founded in 2006 as a private company by Rahul Bhatia of InterGlobe Enterprises and Rakesh Gangwal, a United States-based NRI.InterGlobe had a 51.12% stake in IndiGo and 47.88% was held by Gangwal's Virginia-based company Caelum Investments.

IndiGo placed a firm order for 100 Airbus A320-200 aircraft in June 2005 with plans to begin operations in mid2006. IndiGo is not only the most efficient low fare operator domestically but is also comparable with global low cost airlines and constantly enhancing engagement with passengers to augment their travel experience. From multichannel direct sales (including online flight booking, call centers and airport counters), to online flight status checking, an exclusive IndiGo app for Android, IndiGo has transformed air travel in India. Today, they are India's most preferred airline.

At IndiGo, low fares come with high quality. For 10 years in a row, IndiGo continues to be amongst the best companies to work for in India and has been named Aon's Best Employer, 2017.

FACTS AND FIGURES

1. 9 consecutive years of profitable operations
2. Market share of 41.4% as of April, 2017
3. Fleet of 139 aircraft including 22 new generation A320neos.
4. "Great Place to Work in India" 10 years in a row.

VISION AND MISSION OF INDIGO AIRLINES

IndiGo airlines has the mission to provide quality and reliable air travel facilities to the young, price conscious & first time travelers. Adding to its mission to be the best in the industry the airline has a long term vision as well. They aim to be India's largest and fastest growing airline through Affordable prices, On Time Performance and Hassle free travel experience.

A vision statement must answer the basic questions, "What I want to achieve in future?" with the foundation being laid from now gaining insights from the past. The components of a good vision statement must include the way the company defines their customers (Either directly or indirectly), defines the need of the customers, defines the product or service offering & lastly has a perceived value that is covertly defined. IndiGo Airlines also has a well defined Vision Statement that addresses all the basic components of a good vision statement.

They know that their customers are the " Middle Class Consumers" , they know that they " Want to become India's largest airline" , they meet the demands through their well defined 3 Pillars of , "Affordable prices, On Time Performance and Hassle free travel experience".

A mission statement must answer the question, "How should I achieve the future?" with the research and scope well defined and established. The components of a mission statement vary from company to company and each organization has their own unique approach to carry their agenda forward to achieve and establish the vision.

A good mission statement must have (all or some) the below points:

a) Customers
b) Product or Service
c) Market
d) Technology
e) Concern for Survival
f) Philosophy
g) Self Concept
h) Concern for Public Image
i) Concern for Employees

In the case of IndiGo, they can improve the mission statement.

They have addressed all key aspects like their customer segment, market, service and concept. But what it fails to establish is the concern for their employees and embark on their philosophy. Though they are the market leaders today with close to 42% market share, they can think of reshaping the mission & strive to achieve more.But nevertheless, they have well crafted Mission & Vision that has made them India's best LCC (Low Cost Carrier) and they have been successful in keeping their airlines flying high since its inception a decade ago.

II. LITERATURE REVIEW

Suganthlakshmi in 2011 conducted a study on "Challenges and Strategies for Successful Airline Operation." The paper is an analysis of Airline operations in the domestic sector, which gives an overview on barrier, development, and the changes need to be done in operations and other related functions. According to her, the basic factors that can attract more people are effective operation, efficient service and the brand name. From the study, we understood that people select airlines based on the service and the trust created by brand name.

Diggines in August 2010 conducted a study on "Passenger Perceptions And Understanding Of The Low-Cost and Full-Service Airline Models and the Implications for Service Strategy ". The study found out that although low cost airline passengers have a highly favorable perception of low-cost airlines, they are highly price sensitive and would readily switch to a full-service carrier should the full-service carrier offer a lower fare. From his study, we understood that, Fare was an important issue for low-cost passengers, with full-service passengers indicating that quality and safety were more important than the fare.

Frost and Kumar (2000) explored the extent to which the construct of service quality plays in an internal marketing setting. A conceptual model known as the ―Internal Service Quality Model‖ was designed based on the original ―GAP Model‖ developed by Parasuraman. The model evaluated the dimensions, and their relationships, that determine service quality among internal customers (frontline staff) and internal suppliers (support staff) within a large service organization, namely, Singapore Airlines.

Nitin Seth and Deshmukh (2005) examined nineteen service quality models reported in the literature from the year 1984 to 2003. This paper clearly defined that service quality outcome and its measurement is dependent on some factors like type of service setting, situation, time, need and furthermore customer expectations towards particular services are also changing with respect to factors like time, increase in the number of encounters with a particular service and competitive environment.

Valarie A. Zeithaml and Malhotra (2005) conceptualized, constructed, refined, and tested a multiple-item scale (E-S-QUAL) for measuring the service quality delivered by Web sites on which customers shop online. Two stages of empirical data collection revealed that two different scales were necessary for capturing electronic service quality. The basic E-S-QUAL scale developed in the research is a 22-item scale of four dimensions: efficiency, fulfillment, system availability, and privacy. The second scale, E-RecS-QUAL is salient only to customers who had non routine encounters with the sites and contains 11 items in three dimensions: responsiveness, compensation and contact.

Girish and Kiran (2006) investigated passengers‟ expectations and perceptions of Air Mauritius by using the SERVQUAL model. The findings allowed the airline to emphasize the right service and dimensions in its marketing communications to different target markets. Service and branding strategies should reflect the cultural and social background of the traveler. Therefore, it is important to analyze the demographics characteristics of passengers of airlines expectations and their service.

Parasuraman et al. (1985) developed a conceptual model of service quality. It is a study conducted on four service categories such as retail banking, credit card, securities brokerage and product repair and maintenance. Moreover, the nature and results of the service act are more tangible for product repair and maintenance services to a greater extent than the other two types of services.

Dabholkar et al. (2000) discussed the application of the chronological framework in understanding and predicting service quality and its consequences. They found that factors relevant to service quality are better conceived as its antecedents rather than its components and that customer satisfaction strongly mediates the effect of service quality on behavioral intentions.

EXTERNAL ENVIRONMENT ANALYSIS - STAGE 1

a) Opportunities for IndiGo Airlines :

Innovation in keeping up pace with global airport standards Upgrade to faster and better services at airport and customer handling Faster Response from Internal Shared Services Strive for automation Expand towards better international connectivity Improvement in training of Cabin Crew Improvement in Quality Feedback of all Functional Domains.

b) Threats to IndiGo Airlines:
Rise of Cheaper Competitors in Airline Industry(Spice Jet and Go Air) Current economic Situation of GST and impact on ticket pricing Scarcity of Pilots Fluctuating ATF(Air Turbine Fuel)

c) External Factor Evaluation Matrix (EFE) :
It is a strategy tool used to examine a company's external environment and to identify the available opportunities and threats. The EFE Matrix helps us to identify the key external attributes that will help us to analyze the possible opportunities and threats that will affect the company. In case of IndiGo airlines we have analyzed the opportunity and threats and will now prepare the matrix to establish which factor impacts the airlines the most. The ratings in the external matrix refer to how effectively the company's current strategy responds to the opportunities and threats. The numbers range from 4 to 1, where 4 means a superior response, 3 – above average response, 2 – average response and 1 – poor response. Ratings, as well as weights, are assigned subjectively to each factor.

INTERPRETATION OF THE MATRIX PREPARED
d) Competitor Profile Matrix (CPM):
The key competition that IndiGo airlines have faced over a decade has been from SpiceJet, GO Air, Jet Airways, Air India and the very recently launched Vistara Airlines. This matrix identifies a firm's key competitors and compares them using industry's critical success factors (CSF- are the key areas, which must be performed at the highest possible level of excellence if organizations want to succeed in the particular industry.
They vary between different industries or even strategic groups and include both internal and external factors).
The analysis also helps reveal a company's relative strengths and weaknesses against its competitors, so that a company would know which areas it should improve and which areas to protect.
It is very much similar to the process of benchmarking.
The ratings in CPM refer to how well companies are doing in each area. They range from 4 to 1, where 4 means a major strength, 3 – minor strength, 2 – minor weakness and 1 – major weakness. Ratings, as well as weights, are to be assigned subjectively to each company.

INTERPRETATION OF THE CPM MATRIX
We can clearly elucidate from the metric prepared that IndiGo has a higher CPM score followed by Jet Airways and the least preferred happens to be Go Air. The results are subjective to individual perception and will vary if taken from a collective response pool.
Nevertheless based on the Critical Success factors or parameters considered and respective weights assigned we arrive at a conclusion that IndiGo has performed better in comparison to its peers.

Sno.	Airlines Name	CPM
1.	Indigo	3.66
2.	Spicejet	2.84
3.	Vistara	2.56
4.	GoAir	1.76

INTERNAL ENVIRONMENT ANALYSIS - STAGE 1
a) Strengths:
Customer Centric Business Model Hassle Free Service Low Fares- Best LCC Always on Time – Less delays in flying Ensure cost leadership strategy Operational Efficiency is high.
b) Weakness:
Lots of Competition like SpiceJet & Vistara Lack Product Depth Less exposure to International Market Untapped Domestic Cargo Market.

c) Internal Factor Evaluation Matrix (IFE):
It is a strategy tool used to evaluate a firm's internal environment and to reveal its strengths as well as weaknesses. The IFE Matrix helps us to identify the key internal attributes that will help us to analyze the possible strengths and weaknesses that will affect the company.

In the case of IndiGo airlines we have analyzed the strengths and weaknesses and will now prepare the matrix to establish which factor impacts the airlines the most. The ratings in the internal matrix refer to how effectively the company's current strategy responds to the Strengths and Weakness. The numbers range from 4 to 1, where 4 means a Major Strength, 3 – Minor Strength, 2 – Minor Weakness and 1 – Major Weakness. Ratings, as well as weights, are assigned subjectively to each factor.

INTERPRETATION OF THE MATRIX PREPARED

From the metric prepared it is easily understandable that the company has its main strength with the help of a Customer Centric Business Model that has helped them reduce delays, offer low prices and ensure satisfaction. The only weakness remains is from competitors and untapped international destinations. The total IFE score obtained post analysis of the Internal Parameters comes to be 3.18 which is very high and is indicative of the fact that IndiGo has a good strength in comparison to inevitable weakness which it hopes to tackle in the years to come.

STRATEGIES IDENTIFIED IN INDIGO AIRLINES

Marketing Strategy:

IndiGo has been able to establish a brand for itself and people associate the airline to be “always on time”, provide “hassle free experience at low cost”& provide “Customer Satisfaction”. Some of IndiGo’s prime marketing strategy includes a well researched STP (Segmentation, Targeting & Positioning), Brand Equity Pyramid & Distribution Strategy. Benefit segmentation strategy is used by Indigo Airlines to cater to the changing needs of developed & developing nations.

It mainly targets people by offering the benefits of low pricing as Air travel is perceived as an expensive traveling option. By targeting different markets, mainly Cost Conscious Customer Market judiciously considering Demand– supply constraints, Indigo within the span of 10 years since its inception has emerged as the best player in the industry by using differentiated targeting strategy. As far as brand image is concerned, it has positioned itself as a value based carrier providing hassle free experience of traveling. Indigo is the Number 1 brand in India in the airline industry. Since its inception Indigo has been successful in creating a positive brand image, even in its commercials it pitches itself as a low cost carrier and “every time on time” arrival. Their prime focus is always towards the key guiding principles of their Brand Equity Strategy/Pyramid. And the Distribution Strategy is Indigo is flying to 40 destinations and daily operating 680 flights has helped the company in emerging as a market leader. It outsources in-flight catering/eatables from an outside vendor. These are presented to customers on a payable basis.

Functional Level Strategies:

IndiGo Airlines has diversified operations across India but still lacks the international flavor. Nevertheless the prime success it enjoys on Indian Soil is because of supreme functional level deployment from all domains. These domains have included IFS (In-Flight Services), FlightOps (Pilots), Engineers, Cargo and AOCS (Airport Operations and Customer Services). Some of the Functional level strategies that the airline deploys include Operations Control (OCC), Pilot level Sim Training, Cabin Crew training at iFLY Learning Center, Cargo Operations Training and ad hoc support from Internal Shared Services (ISS). Corporate Level Strategies: At the corporate level IndiGo has always thrived upon success with its prime focus on diversifying its range (Distribution Strategy), Corporate Growth, Employee Engagement, Staff Welfare Programs, CSR Initiatives and Professional Airline Management.

Pricing Strategy:

A Cost Leadership strategy aimed at achieving Growth in the airlines sector is what IndiGo has always strived to achieve and embark upon in the domestic sector. Their prime focus has always been upon providing the customers with low fares but quality flying ensuring a hassle free experience; and thus help in achieving Customer Satisfaction and Brand Growth.

STRATEGY ANALYSIS STAGE 1 & 2

Stage 2 of the strategy analysis of the company includes techniques like TOWS or SWOT Analysis, BCG Matrix, SPACE Matrix and IE Matrix. To have a collective and unified strategy we enter into the 3rd Stage using the QSPM Tool and help arrive at the best possible strategy for the firm. In Stage 2 we will be analyzing the below techniques in detail w.r.t IndiGo Airlines and help arrive at the best possible strategy adaptation for the company.

a) SWOT or TOWS Matrix The concept of determining strengths, weaknesses, threats, and opportunities is the fundamental idea behind the SWOT model. To present the model in a more understandable way, scholars came up with the so-called SWOT matrix. The SWOT matrix is only a graphical representation of the SWOT framework. SWOT can be used in conjunction with other tools for strategic planning, such as the Porter's Five-Force analysis or the Balanced Scorecard framework. SWOT is a very popular tool in marketing because it is quick, easy, and intuitive. SWOT analysis can be very subjective. TOWS analysis is very similar to the SWOT method. TOWS looks at the negative factors first in order to turn them into positive factors. TOWS help in strategizing in below mentioned ways:

- Strengths and Opportunities (SO) – How can you use your strengths to take advantage of the opportunities?
- Strengths and Threats (ST) – How can you take advantage of your strengths to avoid real and potential threats?
- Weaknesses and Opportunities (WO) – How can you use your opportunities to overcome the weaknesses you are experiencing?
- Weaknesses and Threats (WT) – How can you minimize your weaknesses and avoid threats? The relationship between the relative internal strengths and weaknesses of the company have been prepared and noted in the matrix prepared.

b) BCG(Boston Consulting Group) Matrix:

- The BCG matrix or also called BCG model relates to marketing. The BCG model is a well known portfolio management tool used in product life cycle theory. BCG matrix is often used to prioritize which products within a company product mix get more funding and attention. The BCG model is based on classification of products (and implicitly also company business units) into four categories based on combinations of market growth and market share relative to the largest competitor.

- BCG STARS (high growth, high market share) Stars are defined by having high market share in a growing market. Stars are the leaders in the business but still need a lot of support for promotion and placement. If market share is kept, Stars are likely to grow into cash cows.

- BCG QUESTION MARKS (high growth, low market share) These products are in growing markets but have low market share. Question marks are essentially new products where buyers have yet to discover them.These products need to increase their market share quickly or they become dogs. The best way to handle Question marks is to either invest heavily in them to gain market share or to sell them.

- BCG CASH COWS (low growth, high market share) Cash cows are in a position of high market share in a mature market. If competitive advantage has been achieved, cash cows have high profit margins and generate a lot of cash flow. Investments into supporting infrastructure can improve efficiency and increase cash flow more. Cash cows are the products that businesses strive for.

- BCG DOGS (low growth, low market share) Dogs are in low growth markets and have low market share. Dogs should be avoided and minimized. Expensive turn-around plans usually do not help IndiGo Airlines currently has the largest market share (40%) in the Indian Aviation Sector and is also growing at a brisk pace. With reference to the characteristics each group possesses, IndiGo Airlines can be classified under the STAR Category.

c) IE Matrix The Internal-External (IE) matrix:

It is another strategic management tool used to analyze working conditions and strategic position of a business. The Internal External Matrix or short IE matrix is based on an analysis of internal and external business factors which are combined into one suggestive model.

The IE Matrix is categorically focused on 2 parameters viz. the IFE and EFE Score respectively. The analysis that is done w.r.t the external & internal environment is plotted on the Y and X Axis respectively to establish which strategy is best suited for the company. 3 Different Strategies equally broken down in 9 Squares form the IE Matrix. These have been explained below:

- Cells I, II, and III suggest: grow and build strategy meaning intensive and aggressive tactical strategies. The company’s strategies must focus on market penetration, market development, and product development.
- Cells IV, V, and VI suggest: hold and maintain strategy focused on market penetration and product development.

- Cells VII, VIII, and IX are characterized with the harvest or exit strategy i.e if costs for rejuvenating the business are low, then it should be attempted to revitalize the business.

In other cases, aggressive cost management is a way to play the end game. From the analysis done for IndiGo Airlines, it was established that the company is well suited for a Cell IV or Hold and Sustain Strategy. This also complements its aggressive Strategy as well as the STAR ranking from the previously established matrices.
The strategy cell obtained post analysis in indicative of the fact that the company should pursue strategies focused on increasing market penetration and product development.

d) SPACE Matrix:
The SPACE matrix is a management tool used to analyze a company. It is used to determine what type of a strategy a company should undertake.
The Strategic Position & Action Evaluation matrix or short a SPACE matrix is a strategic management tool that focuses on strategy formulation especially as related to the competitive position of an organization.
The SPACE matrix is broken down to four quadrants where each quadrant suggests a different type or a nature of a strategy;

1. Aggressive
2. Conservative
3. Defensive
4. Competitive

The SPACE matrix is based on four areas of analysis;

- Internal strategic dimensions: Financial strength (FS) Competitive advantage (CA).
- External strategic dimensions: Environmental stability (ES) Industry strength (IS) The SPACE matrix calculates the importance of each of these dimensions and places them on a Cartesian graph with X and Y coordinates.

The following are a few model technical assumptions:

- The CA and IS values in the SPACE matrix are plotted on the X axis. CA values can range from -1 to -6 IS values can take +1 to +6 2.
- The FS and ES dimensions of the model are plotted on the Y axis. ES values can be between -1 and -6 FS values range from +1 to +6.

For IndiGo Airlines the matrix has been prepared and interpreted. It is clearly evident that IndiGo Airlines has adopted a Aggressive Strategy .Thus the company is clearly willing to take the risks with rapid market growth and looking forward in utilizing its internal strengths to expand its market globally. Acquiring Air India's International operations is indicative that IndiGo is seeking to use the opportunity and enhance global reach subsequently tapping the domestic cargo market.

e) QSPM Matrix Quantitative Strategic Planning Matrix (QSPM):
It is a high-level strategic management approach for evaluating possible strategies. Quantitative Strategic Planning Matrix or a QSPM provides an analytical method for comparing feasible alternative actions. The QSPM method falls within so-called stage 3 of the strategy formulation analytical framework.
The approach attempts to objectively select the best strategy using input from other management techniques and some easy computations. In other words, the QSPM method uses inputs from stage 1 analyses, matches them with results from stage 2 analyses, and then decides objectively among alternative strategies. Currently the situation in the hands of IndiGo airlines is either to expand its reach within the domestic market or expedite the option of acquiring the international business of Air India. Both these options will have their own pros and cons; & QSPM will help company come to a conclusion. The steps involved in preparing the QSPM Matrix:
1. Identify the parameters or key factors of the SWOT related with the 2 options or strategy available at hand.
2. Prioritize the weights of each parameter/key factor clubbed under SWOT such that all the weights together (Internal and External Parameters separately) get normalized. Normalized means that the sum of all weights will be equal to 1.
3. To calculate the Attractiveness Score we need to assign the weights to each of the key factors of the process of Analytical Hierarchy Processing (AHP) & multiply with scores ranking between 0-4. 4.

The definition of the ranking is inferred as: Attractiveness Score: 1 = not acceptable; 2 = possibly acceptable; 3 = probably acceptable; 4 = most acceptable; 0 = not relevant 5. The Total Attractiveness Score must be calculated by adding the respective scores obtained from the Internal and external parameters and the final score must be compared for both the options at hand 6.
The Strategy with the better TAS or Total Attractiveness Score should be selected and the same must be followed for meeting organizational goals.

INTERPRETATION OF THE CPM MATRIX

From the matrix prepared by evaluating both the strategies at hand, we can state that Indigo must adopt the strategy of going ahead with its decision of acquiring the international Operations of Air India. The QSPM Score for this alternative is marginally higher in comparison to the other of expanding domestically. Thus the airline must be focused in globalizing its business and also incorporate necessary means to keep the domestic market afloat.

III. METHODOLOGY OF RESEARCH

Sample size of 40 customers was chosen who have traveled through Indigo Airlines and 10 employees working in Indigo Airlines. To test the feasibility of the research topic, two test questionnaires were prepared. These were administered to 10 respondents for the passenger survey and 1 respondent for the airline staff survey. From the results obtained, certain alterations and modifications were made and final questionnaires were prepared. Indigo employees were interviewed to find out the internal work environment and other factors leading to the success of Indigo airlines through the questionnaire mailed to them in the form of a Google document. Airline passengers were surveyed to analyze and assess their perception about Indigo airlines and other low cost carriers. Secondary data was collected from the Internet, articles from magazines and newspapers.

Hypothesis 1

H0 **-** All the low cost carriers have the same operating model and generate similar profits.
H1 **-** All low cost carriers have different operating models and generate different profits.

Hypothesis 2

H0 **-** The consumers are more quality conscious rather price conscious.
H1 **-** The consumers are more price conscious rather quality conscious

IV. RESULTS AND INTERPRETATION

Table-1: Most Important Factor for Choosing Indigo Airlines

S. No.	Response	n=40	Percentage
1	Price	12	30%
2	On board service provided	8	20%
3	Flight's punctuality	10	25%
4	Baggage handling	10	25%

Discussion: From Table-1 data shows that consumers choose Indigo mainly because of the Competitive prices (30%) followed by the Flight punctuality of the Indigo Airlines. The above results are in agreement with Diggines Colin who in 2010 also found that although low-cost airline passengers have a highly favorable perception of low-cost airlines, they are highly price sensitive and would readily switch to a full-service carrier as it offers a lower fare.

Table-2: Ranking given to LCC based on Select Factors (All figures are in Percentages)

Airline	Ranking	1	2	3	4	5
Indigo	Promotions Offered	0	15	20	40	20
Indigo	Speed Of Service Offered	0	0	15	50	35
Indigo	Flight Punctuality	0	0	20	30	50
Indigo	Flight Cancellation By The Airlines	0	15	15	30	40
Spice jet	Promotions Offered	0	10	45	35	10
Spice jet	Speed Of Service Offered	0	15	45	30	10
Spice jet	Flight Punctuality	0	40	40	10	15
Spice jet	Flight Cancellation By The Airlines	15	60	15	5	5
Jet lite	Promotions Offered	0	20	40	20	20
Jet lite	Speed Of Service Offered	15	0	30	20	35
Jet lite	Flight Punctuality	0	20	15	45	20
Jet lite	Flight Cancellation By The Airlines	0	20	15	30	35
Air Asia	Promotions Offered	0	20	20	20	40
Air Asia	Speed Of Service Offered	0	15	35	30	20
Air Asia	Flight Punctuality	20	15	25	20	20
Air Asia	Flight Cancellation By The Airlines	20	20	30	20	10

Discussion: The above data from Table-2fulfills the second objective of study, which was "To compare the performance of Indigo airlines with its competitors and derive lessons to be learnt."

Table-3: Rating Given by the Respondents to the Features of Indigo Airlines (All Figures Are In Percentages)

S. No.	Features	1	2	3	4	5
1	Connectivity of Indigo Airlines to various cities	0%	0%	20%	25%	55%
2	Online booking service of Indigo Airlines	0%	0%	20%	45%	35%
3	Frequency of flights in Indigo Airlines to a particular destination	0%	0%	20%	55%	25%
4	Customer care services in response to your queries	0%	0%	20%	50%	30%
5	Inflight cabin crew behaviour	0%	0%	15%	50%	35%
6	Inflight food service	0%	5%	20%	45%	30%

Discussion: From the data in Table 3, it is seen that 55 percent of the respondents favor the most Connectivity of Indigo Airlines to various cities and 25 percent of the respondents favor the least Frequency of flights in Indigo Airlines to a particular destination which fulfills the first objective which was "To understand the factors that contributed towards the grand success of the Indigo airlines."

Table-4: Different Operating Models Used by following LCC Affecting their Profit Margin

S. No.	Response	n=10	Percentage
1	Air Asia (Single type fleet i.e. Airbus A320)	1	10%
2	Jet lite (mixed owned- leased Boeing 737s)	2	20%
3	Indigo(sale-and- leaseback model)	4	40%
4	Spice jet(lean operating model)	3	30%

Discussion: From the data in Table 4 and Figure 4, the null hypothesis of hypothesis 1 which states that "All the low cost carriers have the same operating model and generate similar profits" is rejected. Hence, the alternate hypothesis, which states, "All low cost carriers have different operating models and generate different profits" is accepted.

V. CONCLUSION AND RECOMMENDATIONS

The objective of research was to determine the factors contributing towards Success of Indigo Airlines. It was found that most of the passengers are more price conscious than quality conscious. The combination of operational performance and financial engineering has amplified Indigo's valuation. Based on the parameters of cost, punctuality, baggage handling, queries handling, Speed of Service Offered and Less Cancellation by The Airlines, passengers perceive Indigo as the best Low cost Airline. However, throughout the research it was seen that Spice jet is in close competition with the leading carrier Indigo with other Airlines following. This is in agreement with Diggines Colin who also found that although low-cost airline passengers have a highly favorable perception of low-cost airlines, they are highly price sensitive and would readily switch to a full-service carrier as it offers a lower fare. In conjunction with above research finding, frequency of flights in Indigo Airlines to a particular destination were the least due to which passengers were not able to travel from Indigo. However, in terms of least waiting time to check in, passengers chose Indi Go as most effective as compared to other airlines and this finding is in agreement with Sugantha Lakshmi whose study reveals that the basic factors that can attract more people are effective operations, efficient service and the brand name. The second objective of the research was to compare the performance of Indigo airlines with its competitors and derive lessons to be learnt. It was found that Indigo uses six-year sale and leaseback agreements, so the airline is constantly replacing its aircraft. This prevents the need for overall checks and major repairs. Indigo's on time performance, with providing consistently low fares and Courteous and Hassle free travel are the reasons for its immense success. It focused on inorganic expansion by adding a plane every six weeks with turnaround time of less than 30 minutes. Hence, it can be concluded that Indigo has the leanest workforce with the staff trained in every aspect of customer experience at their fly learning and development Center. Employees are recognized as Individuals in Indigo Airlines with majority of implementation of suggestions given by them to Indigo Airlines. This is beneficial to both employees as well as Indigo.

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