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# Should Cairn India Venture into Offshore Drilling?



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# *Introduction*

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- Started operations in 2006
- Rise to India's largest airlines
- The only profitable airline company in India
- Serves in 38 locations
  - Domestic - 33
  - International – 5 (Dubai, Bangkok, Singapore, Muscat, Kathmandu)
- Operates more than 600 flights daily
- USP- On time performance; Low prices
- The only airline to have a completely centralised
- Operation Control Centre

# Competitors



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# *Industry analysis*

## **Current Scenario**

- Size of Indian Aviation Industry- \$16 Billion
- GDP contribution- 0.5 %
- FDI Limit- 49% and NRI Investment limit- 100%
- Direct Import of ATF is allowed

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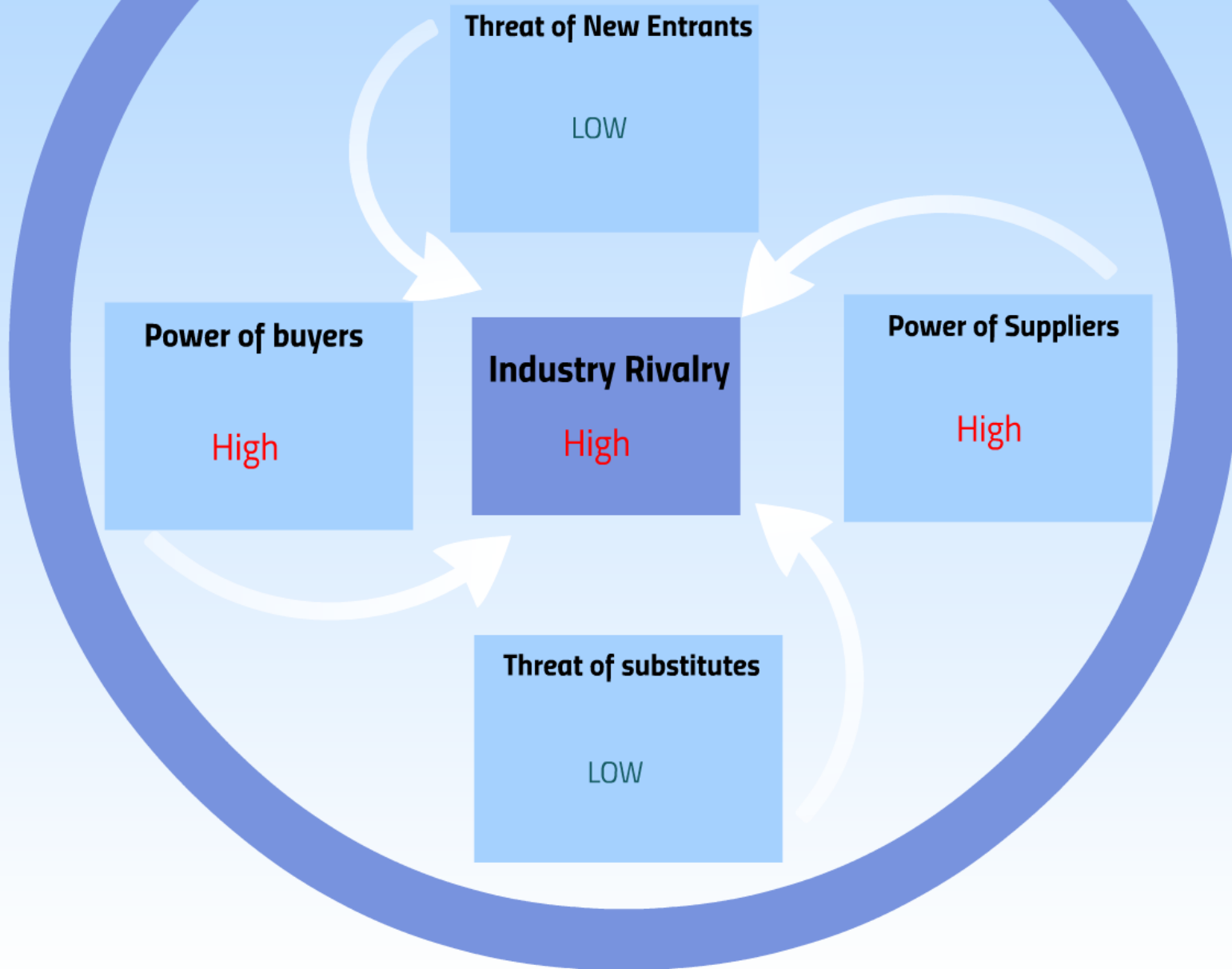
## **Problems**

- High oil prices and limited pricing power
- High debt burden and liquidity Constrains
- High central and state taxes on ATF, MRO and Service tax

*Porters*

*5 force analysis*

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### **Threat of New Entrants**

- High Cost of Entry
- Strong Existing Players
- High Fuel Cost
- High Cost of Leasing Aircraft's, Safety and security measures

### **Rivalry**

- Many players
- Intense price competition
- Excess capacity
- Homogeneous product

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### **Threat of Substitutes**

- No perfect substitute for international carriers
- Domestic carriers- Cars, Buses, Train
- Substitution of need- Video Conferencing, Tele-Presence

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## **Power of Suppliers**

- Aircraft supply is dominated by Boeing and Airbus
- Aviation fuel is a traded commodity
- Moderate size of aviation labor market

## **Power of buyers**

- Heavy intra industry competition for same set of customers
- Nominal switching cost for customers
- Minimal differentiation between other carriers



# *Making Brand*

## IndiGo

- 'India' and 'Go'- a smart shorthand for nation.
- Business + Branding = Buzz.
- A young fleet for a young India.
- How we do it.
- Future's looking bright.



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