INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
Indexed & Listed at:
Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,
Indian Citation Index (ICI), J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)],
Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.
Circulated all over the world & Google has verified that scholars of more than **6185 Cities** in **195 countries/territories** are visiting our journal on regular basis.
Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA
http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work**/**manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION**:

DATED: _____________

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF ____.**

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc**. ***The qualification of author is not acceptable for the purpose***.

NOTES:

a) The whole manuscript has to be in ***ONE MS WORD FILE*** only, which will start from the covering letter, inside the manuscript. ***pdf. version* is liable to be rejected without any consideration**.

b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:

New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.

d) The total size of the file containing the manuscript is expected to be below **1000 KB**.

e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.

f) ***The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours*** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.

g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters**, **centered** and **fully capitalised**.
3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name**, **designation**, **affiliation** (s), **address**, **mobile/landline number** (s), and **email/alternate email address** should be given underneath the title.
4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150** to **300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. ***Abbreviations must be mentioned in full***.
6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
8. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. *It should be free from any errors i.e.* ***grammatical, spelling*** *or* ***punctuation.*** *It must be thoroughly edited at your end*.
9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:

INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

12. **FIGURES & TABLES**: These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text*.

13. **EQUATIONS/FORMULAE**: These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.

14. **ACRONYMS**: These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.

15. **REFERENCES**: The list of all references should be alphabetically arranged. ***The author (s) should mention only the actually utilised references in the preparation of manuscript*** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parenthesis.
- ***Headers, footers, endnotes*** *and* ***footnotes*** *should* ***not be used*** *in the document****.*** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

PREDICAMENTS AND CHALLENGES: A STUDY OF INDIAN AIRLINE INDUSTRY

RAIS AHMAD KHAN
Ph.D. RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
ANNAMALAI UNIVERSITY
ANNAMALAI NAGAR

Dr. K.GOVINDARAJAN
PROFESSOR & HEAD
COMMERCE WING – DDE
ANNAMALAI UNIVERSITY
ANNAMALAI NAGAR

ABSTRACT
Due to the ever-increasing costs, airline industry is facing the difficulty. India's airline sector stands up to the crisis and races against its fastest growing global competitors. Enhancement in affordability and connectivity add to the expected improvement in both passengers and cargo traffic. Large public and private investments which are supported by government initiatives in air travel infrastructure are expected to pour in the airline industry. The restrictions on foreign ownership and labor laws have kept the industry away from innovating. So instead of protective measures like, survival fund, bailouts, airlines need to work with government to tackle longer-term problems. Missions like bringing low cost carrier for an average Indian who dreams to travel by air once in life and secondly building more runways, running airports more efficiently, and reining in labor costs. At present, India is the ninth largest civil airline market with a size of around US$ 16 billion. The growth of the airline industry is also expected to boost other sectors from manufacturers, ground handling services, tourism boards, shippers. Aircraft movement as of July 2016 at Indian airports was 168,400, which was a 14.3 percent increase over that observed during the same period last year. The global aircraft movement was also increased by 8.2 percent, compared to last year. The Centre for Asia Pacific Airline (CAPA) states that domestic air traffic is expected to cross 100 million passengers by financial year 2017, compared to 81 million passengers in 2015. The present Study will focus on Challenges and Predicaments of Indian Airline Industry.

KEYWORDS
enhancement, predicaments, challenges, modernizations and Indian airlines.

JEL CODE
L93

INTRODUCTION
Historically, the Indian airline sector has been a foot-dragger relative to its growth potential due to unnecessary, government ownership and regulations of airlines and resulting high cost of air travel. However, this has changed rapidly over the last decade with the sector showing explosive growth supported by structural reforms, airport modernizations, entry of private airlines, adoption of low fare - no frills models and improvement in service standards. Like elsewhere in the world, air travel is being transformed into a mode of mass transportation and is gradually shedding its elitist image. Indian Airline Industry promises huge growth potential due to large and growing middle class population, favourable demographics, rapid economic growth, higher disposable incomes, rising aspirations of the middle class, and overall low penetration levels. The Indian Airline Industry has been going through a chaotic phase over the past several years facing multiple headwinds – high oil prices and limited pricing power contributed by industry wide over capacity and periods of subdued demand growth. Over the near term the challenges facing the airline operators are related to high debt burden and liquidity constraints – most operators need significant equity infusion to effect a meaningful improvement in balance sheet. Improved financial profile would also allow these players to focus on steps to improve long term viability and brand building through differentiated customer service. Over the long term the operators need to focus on improving cost structure, through rationalization at all levels including mix of fleet and routes, aimed at cost efficiency. The first commercial flight in India took-off in, 1911, when a French pilot Monseigneur Piguet flew airmails from Allahabad to Naini, covering a distance of about 10 km in as many minutes. Tata Services became Tata Airlines and then Air-India and spread its wings as Air-India International. The domestic airline scene, however, was chaotic. When the American Tenth Air Force in India disposed of its planes at throwaway prices, 11 domestic airlines sprang up, scrambling for traffic that could sustain only two or three. In 1953, the government nationalized the airlines, merged them, and created Indian Airlines. For the next 25 years JRD Tata remained the chairman of Air-India and a director on the board of Indian Airlines. After JRD left, voracious unions mushroomed, spawned on the pork barrel jobs created by politicians. In 1999, A-I had 700 employees per plane; today it has 474 whereas other airlines have 350.

CONSEQUENCE OF ENVIRONMENTAL FACTORS ON AIRLINE INDUSTRY
There are various significant atmospheric factors that have serious air disasters as well as frequent flight schedule disruptions. The major atmospheric hazards are thunderstorms, lightning, hail, icing, wind shear, heavy precipitation, heavy rain, low cloud etc. The cause of large number of accident and incident is thunderstorm. Weather is one of the major cause and explicit factor of airline accidents and incidents. Airline is highly weather dependent. Weather factor contribute to accident to occur and enhance the probability and effects of other factors such as heavy weather and poor visibility may increase the possibility of pilot errors and collision with terrain or with other aircraft. Natural disasters have bad impact on aircraft flights and airport infrastructure. Volcanic eruptions and earthquake are natural calamities that affect the airplanes. Earthquakes are the most destructive disasters for airports, airline facilities. The aerodynamic performance is correlated with the altitude. The air density increases at lower altitude, decrease in altitude increases the aircraft performance and air density decreases at higher altitude, increase in altitude decrease the aircraft performance, hence density of air and altitude have profound effect on engine and aircraft performance. Aircraft require long runways to take off at higher elevation airports because the rate of climb of aircraft is lesser than its approach and true air speed is higher than the indicated air speed as a result landing roll will be longer. As aircraft move towards the higher altitude temperature as well as air density decreases. Atmospheric temperature also affects the aircraft performance. Aircraft will require long runway to take off, poor rate of climb and faster approach when temperature of atmosphere is very high as a result landing roll will be longer. When high temperature and high elevation combines a situation arises that aerodynamically reduces the performance of the airplane. Sometimes humidity also became a factor that deteriorates the performance of aircraft. Humidity refers to the maximum amount of water content in the atmosphere. When humidity is higher water content in atmosphere will more that will affect the engine power which leads to loss of aircraft performance.

ACHIEVEMENTS OF FARE SEGMENTATION FOR AIRLINE INDUSTRY

Fare segmentation is possible because each consumer has a different purpose and perceived value of an airline trip Deregulation and the resulting segmentation of fares have benefited consumers on both ends of the spectrum. Business and other 'service oriented' passengers are able to purchase tickets and travel at the last minute and leisure or 'price driven' passengers are able to find fares that allow them to bring their families, take multiple trips or stay at their destination longer afford higher-end accommodations. During the period immediately following deregulation airlines struggled to find ways to compete in an open market. In addition to competing with other airlines, airlines compete with a number of alternatives available to the travelling public, the family minivan, the corporate jet and the telephone to name a few. Although the utility for particular product features varies along a spectrum of possibilities, air passengers can roughly be categorized into those which are highly 'service oriented' and those which are "price driven". An airline's ability to tailor product features and fares to the desires of these different classifications allows the airline to increase the output of products available to both types of passengers and has made it possible to increase load factors dramatically since deregulation. The higher end of the fare segmentation graph also has benefits for the 'price driven' consumer. In addition to "saving seats" for the "service oriented" consumer, higher priced seats have made it possible for the airlines to offer deeply discounted fares to consumers who are more prices sensitive. In total, all full fare passengers purchased 10.7 per cent of the tickets sold in our example leaving 89.3 per cent of the tickets purchased at a discount. In terms of revenue generated discount fares accounted for 72 per cent of the revenue and full fare tickets accounted for 28 per cent. A move to re-regulation of the airline industry would allow the service oriented passenger to fly for less but unnecessarily penalize the "price driven" passenger through fare increases. Airlines would no longer be able to balance-out the deeply discounted fares with the higher fares paid by "service oriented" passengers. Rather than having 40-45 per cent of the passengers purchasing tickets at 25-49 per cent of the full fare, we would have more passengers paying closer to full price. To understand the roots of chaotic pricing in the airline industry, it is necessary to know the unique nature of competition that exists in the industry. In order to develop the most coherent model for airline pricing determination, the industry is modelled in terms of monopolistic competition. As a whole, the airline industry follows the monopolistic competition model quite well. The barriers to starting an airline are actually relatively small when compared to many industries. Initial start-up costs of an airline are expensive, but sufficient financing has always been readily available to fund these costs. Also, airlines often do not own their airplanes, favouring instead to take advantage of the lower initial costs of leasing aircraft for short periods.

HOW AIRLINE INDUSTRY DEVELOP THE PRICE STRUCTURE

Essentially finding alternatives to air travel will causes airlines to lose out on their most critical customers for producing revenue. As the information technology revolution continues, it may become more conceivable for business to be conducted through teleconferencing rather than in-person. As a result, the airlines will have to stop discriminating against business travellers in order to keep them flying. This will signify a major change in the strategy that airlines use to price. Other technological advances such as the growth of internet travel bookings signify that the airlines must upgrade their pricing methods into the 21st century. Nevertheless, market segmentation and price discrimination tactics have played a significant role in assuring the continued dominance of major airlines. Although airfares seem to change so chaotically, the system itself can be seen quite simply as evolving from the major airlines need to segment each customer based 29 on their willingness to pay for travel. Once this is determined from computer reservation systems, the airline simply follows through by discriminatorily pricing to steal consumer surplus. Airline pricing was drastically changed by the influx of low-cost airlines brought by deregulation and the creation of computer reservation systems. The revolutionary concept of varied pricing according to demand is one of the sole reasons that the major airlines were able to fend off the low-cost airlines and increase their dominance of the nation's air transportation needs. Deregulation has made air travel affordable for a much larger portion of the population.

CHALLENGES FACED BY AIRLINE INDUSTRY

Following an era of radical development, Indian Airlines are engrossed with the challenges that impact the industry across the globe, including High Airline Turbine Fuel, Huge Capacity, Huge Debt Burden, Rising Labour Costs, Lack of Technical Manpower and Safety and Security.

1. **High Airline Turbine Fuel (ATF) Prices:** The Total Operating Costs of Airline Industry for ATF price is around 80 per cent. ATF prices have almost doubled over the last year and across the world it continues to be plagued with high ATF prices which have demonstrated the inverse relationship between airline stock prices and fuel prices. All Indian carriers are feeling the heat and are desperately resorting to measures like cutting routes, increasing fuel surcharge, promoting the use of e-tickets and charging for food items to reduce their losses. Increasing air fares have worked against the logic of increasing profits, as it has resulted in decreased air traffic. Besides focusing on designing fuel efficient engines, aircraft manufacturers are developing sustainable bio-fuels which will give them some relief from the vulnerability of profits due to consistently rising fuel prices.
2. **Huge Capacity:** Driven by the drastically increasing passenger traffic over the last 3 years, almost all Indian airlines build their capacity assuming the growth would continue over the next few years. Several new aircrafts were bought within a short span of time which resulted in excess capacity of around 15 % to 20 %. According to industry experts, around 17 per cent of the current fleets are scheduled for delivery during the next 3 years. Even though the industry grew above 40 %, almost half of the growth was primarily stimulated due to low fares. Maintaining such low levels of fares will be difficult due to excess capacity, especially during the ongoing global slowdown. Consolidation therefore seems to be the next logical step to get rid of this excess capacity problem.
3. **Huge Debt Burden:** Efficient profits and increasing passenger traffic saw airlines raising significant amount of capital from Financial Institutions and Banks to fund their aggressive expansion plans. Banks also were liberal in lending airlines. Restructuring this huge amount of leverage will be a challenge as resorting to equity capital will also be equally difficult during economic slowdown.
4. **Rising Labour Costs:** As fuel prices have plunged, employee pay and benefits have been returned as airlines' biggest expense item. Because the industry – which not too long ago was mired in red ink – appears to be minting money now, its pilots, flight attendants and mechanics. Labour Costs are largely fixed in the short-term. Labour accounts for 35 per cent of the total of airlines' operating cost which accounts for 75 per cent of all non-fixed costs. During downturns, management looks to cut labour costs by laying off workers or reducing their pay or benefits.
5. **Lack of Technical Manpower:** The Civil Airline Sector is facing acute manpower shortage, especially in the technical cadre. As per estimates of the Sub-Group on Human Resource Development for the Civil Airline Sector, India would need 5,400 pilots by the end of the 2012.Similarly the demand for Aircraft Maintenance Engineers and Air Traffic Controllers would rise with the increasing number of flights and the new airports. Pilots and airline pilots in particular, need to be trained as older ones retire. However, for training the pilots, there is an acute shortage of qualified Flying Instructors.
6. **Safety and Security:** There is a need for surveillance, surprise checks, safety oversight audits, and enhanced accident prevention activity system. Given the high intensity serial bombings witnessed across several parts of the country in the past few years, there is a need to review and upgrade the nature of security and safety measures provided at the country's airports to mitigate against any drastic measures planned against Indian airline sector by any form of terrorism.

MARKET SIZE

It has been reported that the air traffic in India has increased over the last five years both in terms of aircraft movement and passenger traffic. The compound annual growth rate (CAGR) of total aircraft movements was 3.3% and of passengers 5.6% during FY11 to FY16. In the next five years too, in terms of the aircraft movements, passengers and freights, the airline sector is expected to grow, according to the Airports Authority of India (AAI). The job market in this sector is also expected to improve in 2017 with a number of new airlines coming up. Globally, it stands ninth in the civil airline market. It ranks fourth in domestic passenger volume. It has been reported that by 2020 the civil airline market in the country will become the world's third largest and is expected to be the largest by 2030 and this sounds really good.

WHAT LIES AHEAD?

The launching of the new airlines can be an airline boom in the country as it will lead to an increase in the number of flights, lower prices, more demand for ground staff and trained crew, including a rise in finance and leasing activities. However, the real challenge of the Indian airline industry is to manage the unprecedented growth of air traffic with safety. The increase in air traffic has raised the demand for aircrafts. But at the same time, it has also posed a problem of modernising the airport and air navigation infrastructure so that safe, efficient and orderly operations are ensured. There is an urgent need to study the causes of the issues and address them so as not to obstruct the growth path of the airline sector. And we should remember that even today, access to airline is still a distant dream for the poor and the lower middle class sections of its vast population. So there is a large untapped potential for growth in the industry as well. It is necessary for the stakeholders to engage and collaborate with the policy-makers to implement efficient and rational decisions that will shape the future of the airline industry.

TAKE AWAYS

India's airline market is still untapped with ample growth opportunities. Flying is still considered expensive for the majority of the population, out of which around 40 percent is in the upwardly mobile middle class. While the new civil airline policy is in the right direction, more can be done to further grow the sector. Airport charges, landing fees, and airline fuel in India remain some of the highest in the world. If, the government addresses these concerns with the right policies and focus on quality, cost, and passenger interest, India can easily become a larger and much more successful airline market. The airlines sector is one of the most challenging sectors of the economy. The government must take progressive stand, rationalize the tax structure, and play supportive role to strengthen the competitiveness of the private players. The monopoly of public sector oil companies should be curtailed and private players should be allowed to supply fuel to airlines. Attracting foreign investment and alternative ways to infuse equity should be explored. The management efficiency and talent is one of the most important aspects of the airline sector. Indigo has shown that financial discipline and a dedicated team can turn out profits in challenging operating environment. Airline Industry cannot always blame government for all the problems, the management should introspect and set its house in order.

CONCLUSION

While the Indian airline market is extremely competitive, airlines operating in the country are expected to record operating profits of US$ 1.29 billion in 2016. The air transport sector supports 8 million jobs and contributes around US$ 72 billion to the GDP. Foreign investment in the sector from April 2000 to March 2016 was valued at US$ 931.05 billion. India's airline market is still untapped with ample growth opportunities. Flying is still considered expensive for the majority of the population, out of which around 40 percent is in the upwardly mobile middle class. While the new civil airline policy is in the right direction, more can be done to further grow the sector. Airport charges, landing fees, and airline fuel in India remain some of the highest in the world. If the government addresses these concerns with the right policies, and focus on quality, cost, and passenger interest – India can easily become a larger and much more successful airline market. In airline industry's, the rise in the number of alliances will help in promote the growth of airline sector in India. Indian Airline Industry is looking forward to more consolidations. By 2025 passenger boarding expected to double and by the same time aircraft operations are expected to triple, the number of passengers travelling by air is on rise. Airfares are fully transparent to the public and travellers are choosing the lowest price option because of the Internet and round the clock search facility. Even business travellers, who have been less price sensitive, are resisting fare increases. Travellers are not giving preference to brand but the only premiums they are willing to pay for are time of –day and direct flights. Great threats are being posed by the low cost carriers to legacy carriers, as a result of which they are reshuffle, their pricing policies. Apart from this, they are also facing competition from overseas players. Airline Turbine Fuel prices have been increased by 3.5 per cent, in line with the rise in international oil prices. Because of this there is a marginal increase in airfares. Private airlines are famous to hire foreign pilots, get expatriates or retired personnel from the Air Force or PSU airlines, in senior management positions.

REFERENCES

1. Indian Aviation Industry. India Brand Equity Foundation (IBEF). 15 February, 2015.
2. Indian Aviation Industry: Through Turbulent Times, FDI relaxations alone not a game changer. ICRA. 4th January, 2015.
3. CAPA India Aviation Outlook FY14. 09 January, 2015.
4. Civil Aviation. India in Business. 28 February, 2015.

WEBSITES

5. www.concastinfratech
6. www.ehow.com
7. www.indiahousing.com
8. www.indianaviation.com
9. www.indiaserver.com
10. www.investopedia.com

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals