

# Low Cost Airlines: Burgeoning Segment of Indian Aviation Industry



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## Low Cost Airlines: Burgeoning Segment of Indian Aviation Industry

Date:	March 1, 2008
Pages:	37
Price:	US\$ 900.00
ID:	L861A6171BAEN

The low cost airline industry has changed the definition of airlines that air travel is a luxury and it is only for the upper segment of the population. The key objective of low cost carriers is to increase their reach and provide the services to a large segment. In India, low cost carriers came into existence in 2003 when Air Deccan launched its first low cost airline and that was the first move to open the doors of the airlines industry for middle class.

Rising GDP and increasing per capita income is positively impacting the airlines industry. Another major driver is the booming tourism industry in India. However, the low cost airline segment is facing challenges of increasing competition, rising fuel prices and inadequate infrastructure.

Air Deccan is the market leader, holding the maximum share in LCC market, followed by Jetlite, Air India Express, GoAir, and Indigo, who are making the competition stiffer. Air Deccan enjoys the first mover advantage in terms of access to a large number of overnight parking spaces and landing & take-off slots during the peak period.

This report analyzes the low cost airlines market in India. It discusses the market share of leading carriers, growth drivers and challenges being faced by the industry. The report also profiles the major low cost carriers, with a discussion of their key business strategies.

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