

# Passenger Airline Services in Chennai Airport-An Overview

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## Abstract

*The paper highlighted the Air Passenger services in Chennai airport. The authors analyzed the 9 passenger Airlines and its services in Chennai Airport, over the period of 5 years, from 2006 -07 to 2010-11. They also studied the types of Air transport service, which is offered by the Chennai Airport for the benefits of stock holders. The scheduled service, non-scheduled services and Air Cargo service are also studied. International transport and Domestic transport services are focused, along with infrastructure facilities in Chennai Airport. Above all, the authors studied the origin and growth of air services in India in general and in Chennai in specific.*

**Key words:** Air-transport-service,- Cargo-Domestic-growth-general-infrastructure

## Introduction

The Indian air transport services were initially developed under private initiatives. However, in 1953, under the Air Corporation Act, the operation of scheduled air services was made a public monopoly. This monopoly lasted for almost 40 years until it was repealed by the Air Corporations (Transfer of Undertaking and Repeal) Act, 1994. At present, the air transport sector is fairly liberalized with Air India and Air lines – both Public sector undertakings – providing international air services together with a host of foreign carries. Apart from Indian Airlines some private airlines, such as jet Airways and Sahara, operate domestic air services.

Infrastructure facilities at airport terminals are provided by Airport Authority of India (AAI), a statutory body under the Ministry of Civil Aviation. The Ministry of Civil Aviation formulates national policies and programmers' for the growth, development and regulation of civil aviation. The Directorate General of Civil Aviation (DGCA) is the principal body under the Ministry for the regulation of air transport to or from within India in accordance with the provisions of the Aircraft Rules, 1937, bilateral and multilateral agreements with foreign

countries and the policy pronouncement of the Government. Security related issues are handled by the Bureau of Civil Aviation Security.

The air transport sector in India has undergone massive changes in the last decade. The Air Corporation Act 1953 led to nationalization of the airlines services. Consequently the assets of nine existing companies were transferred to two entities in the aviation sector controlled by the government of India – Indian Airlines and Air India. For many years, air travel in India was perceived as an elitist activity and there was restricted growth in the industry.

## Chennai Airport

The Chennai Airport is the major centre Airport in South India. On an average 17,000 passengers are handled in a day in domestic sectors to and from 42 percent from Southern Regional Airports, 26 percent from Western Regional Airports, 12 percent from Northern Regional Airports and 20 percent from Eastern Regional Airports. In the International sector, on an average 10,000 passengers are handled in a day to from 55 percent from South East Asian airports, 30 percent from Middle East Asian Airports and 15 percent from European Airports.

### Origin and Growth

Chennai Airport, previously called the Madras Airport has landed on 1932 - 1st Aircraft "Pushmoth". The usage was confined to Military Operations only during 2nd World War. In 1952 this airport has taken over by Civil Aviation Department, after that in 1972 International Airport Authority of India (IAAI) took over. In 1978 started Air Cargo Complex, in 1985 started New Domestic Terminal named as Kamaraj Domestic airport and in 1989 started New International Terminal named as Anna International Airport.

It has many firsts as furnished First International Airport to get ISO-9001-2000 Certification, aerobridges at Domestic Terminal, Domestic terminal for International flight on wheels. The President of India gave the award of 'Best Airport - Domestic Terminal' by Indian Guild of Professional Architects. It handles the air passenger traffic of Indian Airports and enjoys the third place consecutively after Mumbai (MIAL) and Delhi (DIAL) Airports. It has better connectivity to the rest of Indian regional Airports and to the major Airports in the world.

### Existing Facilities

Chennai Airport has all the free and paid facilities at par with world class standards. It has a unique facility of Domestic and International Terminals adjacent to each other connecting with common canopy. Moreover, the Suburban railway station is connected with under passage to the airport.

Chennai airport Physical Location was Lat. 12 59 37 N Long. 0801037 E and Distance & Direction from City Approx. 19 Kms South-West. Tambaram Air Force Station is the Neighborhood Airports around 15 Km from the Airport. Passenger Entry Gates & Airlines are Anna International Terminal and Kamaraj Domestic Terminal. Technical Information of Chennai Airport is Reference Point, Boarding Gates, Terminal Area, Number of Counters, Approach Lights, Bay Configuration, Runway Details, Landing Aids and Ground Handling Agencies available.

### Types of Air Transport Services in Chennai

**a. Scheduled Air Transport Service** - means an air transport service undertaken between the same two or more places and operated according to a published time table or with flights so regular or frequent that they constitute a recognizably systematic series, each flight being open to use by members of the public.

**b. Non-Scheduled (air-taxi) Service** - Air Taxi Operation means an air transport service other than scheduled air transport service and may be on charter basis and/or non-scheduled basis. The operator is not permitted to publish time schedule and issue tickets to passengers.

**c. Air Cargo Service** - An air cargo service means air transportation of cargo and mail. Passengers are not permitted to be on these operations. It may be on scheduled or non-scheduled basis. These operations are to destinations within India. For operation outside India, the operator has to take specific permission of DGCA demonstrating his capacity for conducting such operation.

### Services of Chennai Airport

The Air transport consists of two major divisions which are

- i. International Air Transport
- ii. Domestic Air Transport

### International Air Transport:

The world has turned into a global village, it has become easier for people, living in extreme corners of the world, and to connect to their loved ones as well as increase their business network, without much of a hassle. Thanks to the booming civil aviation industry – it has helped people travel in the nook and corners of the world, within just few hours. As a part of this global village, India is also witnessing a steep increase in the number of passenger traveling to and from the country, via air. The prominent international airlines have been carrying on their operations in India, mainly because of the fact that they attract people in India, largely the business and leisure travelers.

The increase in the air passenger traffic in India has resulted in an explosion in their number of international airlines, flying to the country. Some of the prominent names in the civil aviation industry, including Lufthansa, Fly Emirates, British Airways, etc., have increased their clientele in India, thereby making their presence felt in the Asian country.

1. Source: Various Air Transport Statistics published by Directorate General of Civil Aviation

Moreover, they provide world-class amenities on board, which automatically attract the passengers to use their serves time and again.

### Domestic Air Transport (National)

Indian civil aviation sector has grown manifold. Several new players have entered the industry and many more are about to enter the arena. Apart from the state-owned airline, a number of private companies have entered the arena, thereby providing more choices to the passenger. Today, air travel is no more the monopoly of the rich and the mighty. With the arrival of cheap airline carriers in India, Air traveling has become simpler and cheaper. Private players including Kingfisher Red, Spice Jet Jetlite, Indigo etc., are coming up with attractive rates for their passengers, thereby making civil aviation lucrative.

Now, airline has become a common man's vehicle and revolutionized the way a common India traveler used to travel. The airlines are adding more and more cities to their list of destination covered throughout the country. Therefore, it can be said that the domestic airlines of India have made traveling easier for the masses. More and more people are option for traveling by air, because they save a lot of time in traveling, as compared to other means of transportation.

### Private Airlines Services

The entrance of private airlines as well as low cost airlines in India, the aviation industry is no longer dominated by the government-owned airlines. In fact, one can observe the changing

trend now. The private scheduled airlines are dominating the market in terms of passengers carried the trend has changed over the last decade and a half. The market share of scheduled private airlines increased from 27.0 percent in 2006-07. Today Indian aviation industry is dominated by private airlines, including low cost carriers.<sup>2</sup>

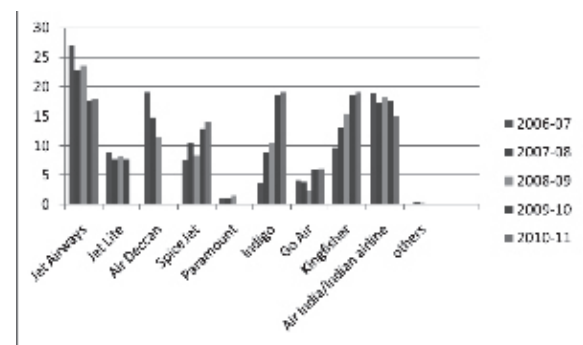
2. Source: www.airport.com and Last updated on - 18th November 2009

### Airlines and its Shares

Domestic Air services which are offering by the private and public airlines are taken into consideration for study over the periods of 5 years from 2006-07 to 2010-11. The following airlines are generally providing services frequently in Chennai Airport, and these are Air India, India Airlines, Air Deccan, and Air Sahara Go Air Airlines, Indigo Airline, Jet Airways, Jet Airways Konnect, Kingfisher Airline, Paramount Airways, Spice Jet Airlines, Jet Lite, Kingfisher Red, MDLR Airline. The market share of the airlines is discussed in the following table.

**Table-1**  
**MARKET SHARE OF DOMESTIC AIRLINES**

MARKET SHARE OF DOMESTIC AIRLINES						
S.No.	NAME OF THE AIRLINES	MARKET SHARE				
		2006-07	2007-08	2008-09	2009-10	2010-11
1	Jet Airways	27.0	22.8	23.5	17.7	18
2	Jet Lite	8.8	7.7	8.3	7.7	NA
3	Air Deccan	19.1	14.8	11.3	NA	NA
4	Spice Jet	7.5	10.4	8.4	12.9	14
5	Paramount	1.1	1.0	1.6	1.5	NA
6	Indigo	3.7	8.8	10.5	18.6	19
7	Go Air	4.1	3.9	2.5	5.9	6
8	Kingfisher	9.7	13	15.4	18.6	19
9	Air India/Indian airline	18.9	17.2	18.3	17.6	15
10	others	0.1	0.4	0.2	0.5	NA



If we look at the market share in the overall passenger traffic of various airlines in Chennai for the period October-December 2006, we find that Jet held 27% of the market share followed by Air Deccan which held 19%. Interestingly, Indian, the oldest player in the industry also held 19%. Kingfisher Airlines held only 9.7% of the market at that time while Jetlite held 8.8%. As already stated, in 2007 three mergers happened in the Indian Air Transport Sector. So if we look at the market shares post merger, Jet Airways after the merger with Air Sahara now controls around 31% of the market and Kingfisher and Deccan together hold around 28%. The above table explained the domestic Airlines services during the year 2006-07 registering a growth of 27%. The growth of domestic passenger carried by all scheduled Air lines operators. It can be observed that in the past liberation period, it a continuance positive growth in the passenger, which signifies that with the introduction of Low Cost airlines.

The growth of Spice Jet is appreciable during the study periods. The Indigo Airways initially has less per cent of market share but subsequently it attained moderate and good progress and reached maximum, along with King Fishers Airline. Go Air Airlines also in growing stage with appropriate services to the passengers. The Jet Airways and Air Decan has limited share and declined also. The Air India/Indian Airline faces crucial problems and led to loose it original share. In general, Chennai Air services are up to the mark, and international standard. The private and publics air lines should be adopted new strategies to attract new, as well existing customer for more earnings and retained its market shares.

### Conclusion

Looking further ahead and growth in the Indian market is expected to continue in coming years, driven by a number of factors. The nation's economy, the third largest economy in Asia, is growing at around 8%, resulting in higher discretionary incomes and greater business travel. The burgeoning middle class is increasingly

opting for air travel over rail travel, while growing demand is also being seen in smaller cities, driven by growing regional expansion.

The domestic India market continues to report strong traffic growth, and was the fastest growing domestic market in Jul-2011, according to IATA. While international growth levels more subdued, the launch of international services by the new crop of Indian carriers - led by Indigo and Spice Jet, two of the world's fastest growing LCCs - will see growth in this arena pickup in the months and years ahead.

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