

# VOYAGERS WORLD TRAVEL & TOURISM MONTHLY

Indian sky opens up to private jets

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Private aviation in India is taking off gradually, combating rising fuel costs and competition the same way as its commercial counterpart. Niche markets including High Net Worth Individuals (HNWI) and Ultra HNWI, business travellers as well as emerging markets from Tier 1 and 2 cities, provide ample runway for the sector.

## Trends and demands in India

Shailendra Seth, Director-India, Chapman Freeborn Airchartering Pvt Ltd observes that after the 2009-'10 slump, the private jet market had made a gradual recovery as the HNWI and big corporates start considering their travel plans that were put on hold due to the global recession. "The demand for private jets has increased from unconventional Tier 1 and 2 cities which are not dominated by lifestyle needs and these cities are expanding in terms of wealth. The demand for private jet is largely driven by the economic growth of the region; and one of the main reasons is the property boom in India. It is definitely beneficial to Indian tourism as it boosts the connectivity to remote locations and can be taken at odd hours also. Also many tourists demand privacy, which only a private jet can offer."

With India undertaking so many infrastructure projects and looking at becoming a manufacturing base, Shailendra expects a lucrative future for the sector. This, along with the rate of growth of the Indian middle class and the entrepreneurial nature of Indian business, would make it difficult to argue with the industry prediction.

### **Rising fuel costs and competition**

While business analysts envisage a good prospect for private aviation, this sector is not spared either from the challenges of rising fuel costs and competition. Rajeev Wadhwa, Founder, Chairman & CEO of Baron Aviation (Division of Baron Luxury and Lifestyles Pvt. Ltd) says: "Rising fuel cost is not just the only factor but there are other challengers as well in the general aviation space and those are more of business issues. In the last 18 months, the cost of flying and operations have gone up by 14% but the hourly charter price has hardly been increased due to poor customer demand. Competition in charter space is in largely from un-organised sector."

Shailendra tells us that while on the one hand, Indian aviation is marred by overcapacity with many corporates buying jets, other factors like high airport charges and foreign carriers, too, add to its woes. He advocates that the government needs to be proactive in promoting aviation, especially private jet aviation." There is a strong need for government to pitch in and protect/promote especially private aviation and promoting the number of airports especially in regards to private aviation that are under-utilized."

Baron is working hard to organise this market in India by consolidating the aircraft inventory, aggregating customers and making the approach professional for the quality of services to match with the global standards.

### **Frequented destinations**

Chapman Freeborn reveals that the USA, intra-Europe and Africa are its most requested sectors. It also serves flights within India for select clientele.

Baron Aviation flies to many Virgin Islands and says that most of the business travel destinations are in the outskirts of the city.

### **Services for leisure segments**

"The experience of an exclusive flight extends to the cuisine offered onboard. All the catering options can be discussed and selected in advance with the clients before the departure dates. Menus can be tailor made to suit the individual taste of the group. This includes champagne in the case of international flights. We can also provide onboard flight managers. Also the aircrafts can be used for special events like corporate promotions, product launches, joy rides as incentives, etc," said Shailendra.

Baron Aviation designs leisure packages with short haul as well as long haul destinations based on the customer's requirement. Most of its leisure segment offerings are with private jet and helicopters and cater only to the Ultra HNWI segments. Of late South Africa has seen rising demand and so have resorts in Philippines for short haul holidays and the Caribbean islands. However, Rajeev says that this does not take away the focused luxury professional shopping in Italy, Paris and lazy stay away in Switzerland.

### **Promotional efforts in India**

Baron has invested significantly into marketing and sales of charter market in India and has been promoting its business aggressively with online and offline tools and applications to reach out to its customers. "We do cover the market with significant amount of investments in our customer's interactions and create innovative travel products that involve private flying like ultimate anniversary short haul or women related programmes like kitty party in air."

In the same way, Chapman Freeborn is currently trying to capture more of the passenger side. It is trying to build awareness in the market and do lot of media coverage in travel magazines, besides being active online and engaging in social media. Partnerships are another medium from which it is trying to penetrate in untouched market. Presently based in Delhi, Chapman

Freeborn is looking at expanding its operations in Hyderabad, Chennai and Mumbai by next year, in the wake of competition. This apart, it recently tied up with Drukair Royal Bhutan Airlines so as to make Bhutan more accessible to international private jet travellers.

- See more at: <http://www.voyagersworld.in/article/indian-sky-opens-private-jets#sthash.OcWgx7Gb.dpuf>