

International Business

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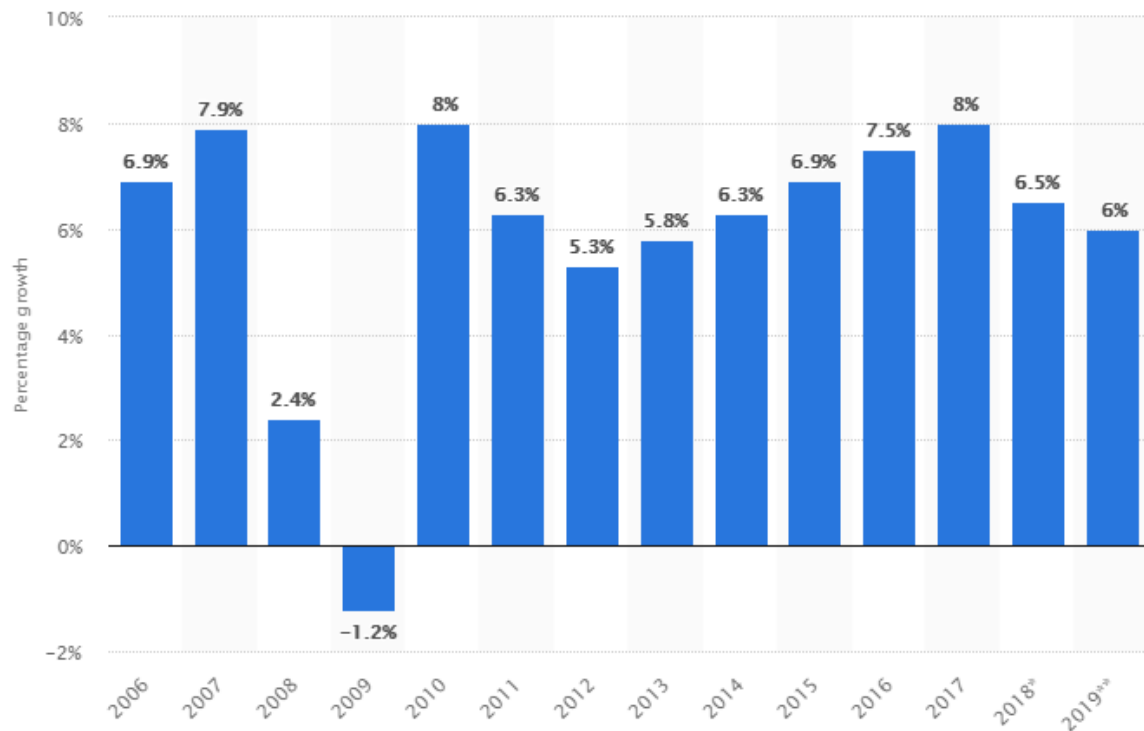
Table of Content

1. Industry Overview _____	3
2. Virgin Atlantic _____	4
3. Macro Environmental Variables _____	6
4. PESTLE Analysis _____	8
5. Foreign Entry Modes _____	12
6. Analysing the competitive forces of Virgin Atlantic _____	15
7. 4P's of Marketing _____	18
8. SWOT Analysis _____	20
9. Value Chain Analysis of Virgin Atlantic _____	22
10. Conclusion & Recommendation _____	24
11. Recommendations _____	24
12. Appendix _____	24
13. Reference _____	29

INDUSTRY OVERVIEW

Airline industry has experienced a fall after the 9/11 case and also went into the recession. In the past 3-4 years the airline industry is experiencing growth. In the year 2014 the airline industry got excellent results. Where the airline industry has experienced many air crashes. Such as MH 370, MH 17, due to which the airline industry has focused on the safety measurement and also ensuring passenger safety. These cases never affected the Indian market. Airline industry also started increasing revenue through new ideas like charging baggage charges, ticket charges, amenities, domestic segment continues to be leading segment after global airline industry. Nearly 60% of revenue comes from domestic segment. The countries like United States, Russia, China, UK, had added some of the largest fleets in the year 2014 and 13. Currently the emerging markets are considered as Latin America. The global airline industry has grown by its passenger count, industry profitability, segmentation development, market for fuels, air cargo etc. . It is expected that airline sector will become leading industry by 2033. In India preferably people are adopting air travelling rather than other modes of travelling. This is given added advantage to the airline industry in India.

Annual Growth In Global Air Traffic Passenger Demand From 2006 to 19



Virgin Atlantic British airline which head office is located in United Kingdom. Airway service was started in the year 1984 as a British Atlantic Airways. And it was actually planned by its co-founder Ronaldoph. It was initially planned to fly between London to falkland . Soon after changing the name to Virgin Atlantic Airways there was a disagreement between the partners in the management of the company was changed. Virgin Atlantic has a hole has mixed fleet of Boeing and airbus. Virgin Atlantic operations are in North America Africa middle East and Asia from the main base of Heathrow airport. It consists of three cabins such as economic premium and upper class that is business class. Virgin Atlantic carried 5.4 million passengers during the year 2012. This numbers made Virgin Atlantic a largest airline in UK in terms of passenger

volume. But in the year 2013 it has declared 51 million GBP losses. A paper in the year 2014 IT return to the track and declared 14.4 million GBP profit. In the year 2019 it has agreed that Air France KLM will acquire around 31% shares of Virgin Atlantic.

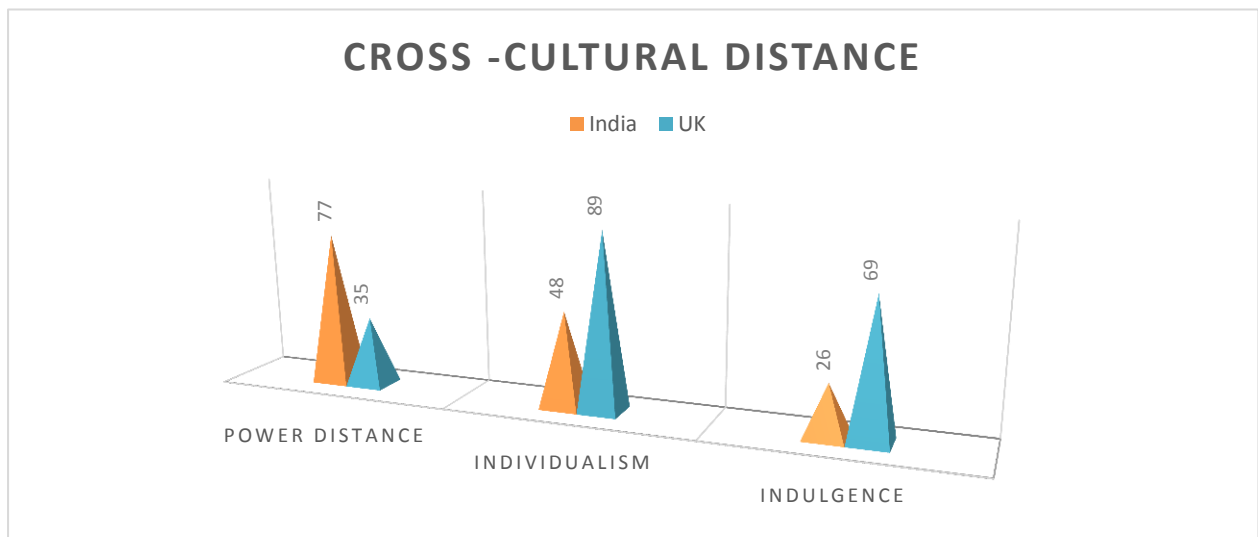
Virgin Atlantic Airways

Parent Company	Virgin Group
Category	International
Sector	<u>Airlines</u>
Tagline/ Slogan	Your Airline's Either Got It, Or It Hasn't
USP	Premium Airline, Upper Middle Class, Middle Class

Virgin Atlantic STP

Segment	Passengers Preferring Comfort / reliability
Target Group	Corporates / Upper Middle Class / Middle Class
Positioning	Virgin Atlantic is a premium airlines which concentrates on customer experience and hospitality

MACRO ENVIRONMENTAL VARIABLES



To make entry in Indian market is necessary to analyse that macro level environment variables, flowing are the major macro level environmental variables considered.

POWER DISTANCE

In the power distance dimension India has scored a higher rank of 77. This indicates that appreciation in the society and organisation hierarchy and top down structure. If you want to summarise and tell Indian attitude towards power distance we can say that India is mostly dependent on the boss or the power holders of the organisation for directions, people of India have got success of unequal rates between privilege of power and those who are based on in the hierarchy. In India immediate superior can be accessed but one level above cannot be. Indian organisations and hierarchy levels it's their employees to give reasons to the work life and also they provide reward for exchange of loyalty from employees..

Strategies to overcome Power Distance

Indian Score is 77 which is quiet high but also not sufficient hence to overcome power distance there shall be gap between hierarchies.

Emotional distance shall be created between employees to improve the power distance

INDIVIDUALISM

India is having collectivism as well as individualism. In this dimension, India has scored 48, which is a midway having individualism and collectivism. This is comparatively low with other countries. This is happening in India because of people's dream and their way of working. Indian people are more focused on their achievements and benefits that they obtained from the work. But at the same time, people of India also like to celebrate their achievements and also to celebrate the achievements of others and also take part in others' achievements. They enjoy their as well as others' achievements. Also here in India, there are many festivals which are celebrated together by the people of India, irrespective of their background and also irrespective of their status, which is leading somewhat the extent of collectivism in India.

Strategy to overcome Individualism

Virgin Atlantic shall consider the cultural emotions of the people working in the organisation

Considering the emotional aspects of the Indian people will eliminate the Individualism

INDULGENCE

In the dimension of intelligence, India has scored very less of just 26. The country like India, where the score of intelligence is less, is likely to have a tendency of doubts also. Normally, the society and the people do not put emphasis on the leisure time and control gratification of their dreams. Normally, Indian people have a perception that indulging themselves is somewhere wrong. People with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong.

Overcoming Indulgence factors

India as a country has low indulgence score . and to overcome indulgence Virgin Atlantic shall consider the personal and emotional background of its workforce.

Also the work environment shall also be changed according to the likings of Indian environment

More benefits to be transferred to employees

We have looked in to the industry and Virgin Atlantic's key factors and macro environmental factors, To Enter the Indian market analysing the Aviation sectors is important. External factors are analysed through PESTLE analysis and explained below.

PESTLE Analysis

Political Factor:

India being a largest democratic country in the world it has active participation of political party in the aviation sector. Political influence in the aviation sector is naturally affecting the Indian aviation sector. India had a very tight policy for aviation sector due to the crashes and other aspects .it has become difficult for aviation companies to make profit in India due to the political interference. At the positive side current government have made some policies and schemes to encourage aviation sector such as UDAN. This scheme is providing major subsidy and also support from government to enter aviation sector with the new investments. Currently Indian aviation sector is making losses hence government is taking steps towards aviation sector to provide profitable part.

Strategies to overcome political factors affecting virgin Atlantic

As per the current situation Indian government aided airline companies are making losses hence Indian government is looking for more liberty in

privatisation of airline industry. This will be a major advantage for the virgin Atlantic to make use of such opportunity

Also in the recent scenario the India airline company has closed its operation due to financial difficulties, this has created open market for the competitors also the project UDAN introduced by the government will help virgin Atlantic to enter the Indian market.

Economic Factors

currently it is believed that the airline sector is growing at economical rate of 9 to 10%. Also the airline sector is contributing to the economy. The increasing expenditure and disposable income in increasing investment is changing the economical contribution of aviation sector. Increase and liberalizing the trade policies can help Indian airline sector to grow and also to make profitability. India 2018 the inflation rate in the aviation sector has raised and it has adversely affected the airline sector. Reason for high inflation rate is competition. The skilled employees in the aviation sector creating a good leverage and also improving services in the global opportunity. Aviation sector is major contribution to Indian GDP .Hence scope for aviation sector is high in India.

Strategies to overcome economic factors affecting virgin Atlantic

Economic factors are not a major issue for the Virgin Atlantic, Indian economy is in a favourable condition to the airline sectors , and also the airline sector has grown tremendously over the years, Indian people are more interested towards using airlines and also the financial conditions of the general public is raising every year hence this factor will not affect much to the market entry of Virgin Atlantic.

Social Factors

In the last decade the world population is getting kind of access to the better services in this growth is resulting in increase in investment in public services. People of India concentrating towards the safety and health in the recent years. Due to the safety precautions the people are choosing the airline which providing more safety and healthy transportation services. The Indian people are growing to the next level which is considered as above the middle class family. Middle class families are changing into the rich and poor are converting into the middle class families. The standard of living of Indian citizens is growing and people are preferring aviation rather than road transportation.

Technological Factor

Virgin Atlantic which considered as the technology in IT services. Company strategies are based on technological aspects of company. technology has very much short and the life of a product whenever the product is required the product will be delivered at the earliest. This has created operational pressure in the airline industry in the supply department. Intellectual property rights are the major concern for technology in aviation sector most of the airlines are investing heavily in the intellectual property rights. New technology which is called as 5G repairing in the market. Virgin Atlantic should make use of these technologies to provide better services to the consumers. Major innovations are taking place in the aviation sector should be considered for entering the Indian aviation market.

Environmental Factors

The recent Paris climate agreement has put major pressure on the governments which had participated in the Paris agreement meet. India is one of the countries which were participated in the Paris agreement meet and this has created an application to Indian government to stick to the climate agreement and save the

environment. Due to which current is preparing the policies related to the environment and aviation sector which should be followed by aviation sectors. Aviation sector to protect the environment Indian government is initiating towards renewable sectors government is providing subsidies for investment in renewable sector. And also the regular respiratory by the environmental external agencies adding more cost to the aviation sector which is drastically reducing the profitability of the aviation sector. The government policies have become difficult to follow for the aviation sector. And also taking care of environment is our responsibility of industries in also to contribute to the environment is major responsibilities.

Strategies to overcome Environmental factors.

Virgin Atlantic shall create its internal policies to accomplish environmental goals. Company shall keep the corporate social responsibility intact to contribute to the nature and society.

Legal Factors

Indian government has introduced business laws for operating business in India. Not only the business law there are many laws which are implemented in India to regulate the business. One more important law of existing in India is environmental laws which airline industries sell meat to operate in Indian economy. Data protection law which was introduced by Indian government to protect the interest of passengers and also the intellectual property rights. Data of element shall be protected as per the government regulations. Employment laws are one of the major laws which shall be followed by the aviation sector such as , provident fund, employee State insurance, professional tax, labour laws, and bonus act .

Strategy to overcome the legal factors affecting Virgin Atlantic.

India which had a tight legal boundaries but in the recent years it has reduced the restriction on its legal boundaries . Hence it will be a great advantage for the Virgin Atlantic.

To comply with the local laws the company shall make Strategies with its local partners.

Foreign market entry modes

We have analysed the environmental factors to be considered in Indian market entry , it's also required to develop market entry strategy in the Indian market . Following are the strategies explained below.

Licensing

To enter the Indian market one of the favourable entry method is licensing. One of the favourable entry method is licensing the licensing agreement will provide Virgin Atlantic exclusively to operate its aviation business in India in the specific market. In this case of foreign entry model generally the country keeps a limited access to the licence holders in the host country the rights and resources will be limited if the licensing is taken by the foreign organisation. Corporate overseas for aviation industry sector licensing is a major issue to get approved from the local authorities. And also the payment based on the licensing charges is paid on the basis of sales which have taken place during the year. This will cost major expenses for the Virgin Atlantic to provide aviation services in India. But some of the advantages of taking licence in in India are as

follows

It will also enable the technical know-how services. Virgin Atlantic and access to the new technologies used in India and can quickly expand the services to the other part of the country. And quickly can invest in the market for further expansion. Virgin Atlantic can retain established market. And important advantage is that the company can stay out of political interference in the host country.

Joint venture

Virgin Atlantic can enter Indian market with help of joint venture. In the joint venture strategy Virgin Atlantic will get sharing of technology sharing of services and also government regulations and other benefits will be included with the joint ventures. Starting the operation will be easy with respect to joint venture strategy. Joint venture alliance will be more effective and profitable in also favourable when company can effectively handle the competitive goals. My joint venture the size market power and resources can lead to market leader in the industry. Partners can learn from one another. But also there will be some disadvantages with respect to the joint venture such as lack of parent firm support, cultural class's lack of knowledge.

Strategic alliance

One more entry method available for Virgin Atlantic is strategic alliance. Strategic alliance can be developed with the local players in India. Strategic alliance can be used for service providing such as transportation, distribution, supply alliance, strategic alliance will provide the advantage of sharing the technology sharing the distribution channel sharing the other services which are available with local player. This strategy will be easier to enter the Indian market and to operate without delay as the local player will take care of legal

and other local matters Virgin Atlantic can directly enter the market and start its operations. There are few disadvantages with respect to the strategic alliance such as the local player may not be efficient to face the international competition., company may not get complete assistance from the local player. Creating strategic alliance should be managed with the perfect local venture this will provide competitive advantage to Virgin Atlantic.

Franchising

Franchising provides complete access to the business. Franchising is much more time consuming than licensing. In this case it includes all business accessories which are required to run a business are provided under franchising. This involves allowing Ventures to use the brand and other facilities of the company and operating on behalf of origin Atlantic. To enter Indian market Virgin Atlantic can use franchising as an entry method only if it has sufficient time to execute all the procedures. Some of the advantages of franchising are Less political risk and involvement of cost is less. It provides simultaneous expansion of business in a different region with the different policies. Provides major investment as well as managerial capabilities to the venture.

Choosing the best method of market entry on the basis of variables

	Strategic Alliances	Joint Venture	Licencing	Franchising
Cost	7	5	5	6
Risk	8	7	5	4
Control	5	8	5	5
Rewards	8	5	4	5
Complexity	6	6	6	8
	34	31	24	28

By analysing methods of entering the market of Indian economy we can say that the strategic alliance will be the best method to adopt. As company already has alliance with one of the most reputed company TCS in India. It is easy for virgin Atlantic to enter the market by using services of its local partners.

Analysing the competitive forces of Virgin Atlantic

As we have already analysed entry methods and also selected the entry method, now we are going to analyse the competitive factors affecting the Virgin Atlantic. Competitive analysis has been done with the help of Porter's Five Forces

Porter's Five Forces

Entry and Exit Barriers

Aviation sector that too in the Indian economy it is very difficult to enter the Indian aviation sector and also to exit Indian aviation market. Due to the fact that if the new entry is required it should be along with the investments further if it wants to exit you should also align with many rules and regulations of Government and also with the financial sectors hence entry and exit in the aviation sector of Indian market is difficult. Currently the Indian government is supporting new entries and also helping with the subsidies and providing loans to operate in Indian sector. Some of the policies Udaan which are helping new entry start-ups to enter aviation sector effectively. But analysis says that as the entry and exit is quite difficult in Indian market most of the investors don't prefer to invest in the aviation sector hence the threat of entry is quite less to the Virgin Atlantic. Barrier of new entry is low in Indian industry

Industry Rivalry

It is known fact that in India the rivalry among the aviation companies are high as already the Indian aviation sector are filled with the computers and also with the new entries. Hence the managing the competition in the Indian market is difficult for Virgin Atlantic. Most of the aviation companies that come in search of profitability but struggling to make profits in the field of aviation. The due to the fact that companies are reducing the rates of tickets drastically due to the competitions and also due to the regulations that government has made. Every competitor is coming up with the innovative ideas you also with discounts the rates which will reduce the profitability of the company and sometime my lead to losses. Hence it is clearly we didn't that competitive rivalry in Indian market is high to enter the Indian market. Following are true few airline services which are operating in India. Competitors in India

1. Jet Airways
2. Air India
3. Spice Jet
4. Air India Express
5. Air Costa

Power of Suppliers

suppliers of the Virgin Atlantic will be the main cause of aircraft like Boeing and airbus in addition to the aviation sector makers and also considered as fuel supply and other part supply of the plains. Considerably the upper hand will be of Virgin Atlantic as the bargaining power of supplier will be less due to the fact that there are very less customers for this flight makers hence the power of

suppliers may not affect Virgin Atlantic to operate in Indian economic sector. Further the case of fuel which carries premium product. First advantage for the Virgin Atlantic that the fuel that is used by Virgin Atlantic is comparatively expensive and thus indirectly eliminates most of the supplier bargaining power. With this analysis we can say that bargaining power of suppliers will not majorly affect the operations of Virgin Atlantic in Indian economy.

Power of Buyers

In these five forces the majorly affected factor is bargaining power of buyers. This factor will majorly affect Virgin Atlantic. Because in India people need best quality service with lower cost. And most of the people prefer economical travelling mode. Virgin Atlantic itself lower cost carrier but in the recent year there are many competitions where competitors are offering discounts to attract the customers which will lead to the switching of customers from Virgin Atlantic to other flights. In the domestic services the people of India will prefer to go in economic class. Apart from this the distribution channel for booking tickets through intermediary need to be removed to reduce the cost. Direct online booking option can be provided to the buyer. Current scenario we can see that there are fare wars happening between the competitors it has creating maximum impact on Virgin Atlantic services and also on the profitability of operations.

Threat of Substitutes

People of India are now using air travel mode most regularly. Having said that there are many high level substitutes as available for air travel. Due to the recession in the country and in the world economy it is advised by the businesses to its fliers to avoid flying by air and also to give more importance

to the virtual meeting rather than physical meeting. Businesses for finding alternative like video calls, with other virtual connectivity which will reduce the customer's inflow to Virgin Atlantic. Another way of substitute is that places travel substituting with cheaper budget cruise and it is reducing the dependency on the air transportation. With this analysis we can see that there are many threats of substitute to Virgin Atlantic. Company shall take care of these factors while entering into the Indian market.

Analysis and view on the Competiveness

The former talk has featured the effect of every one of the five powers as point by point in the Porters system on Virgin Atlantic. The reasonable ramifications that one can draw from this is Virgin Atlantic faces an aggressive and a difficult outside condition that legitimately influences its activities in India as it needs to enhance and be lean and mean in its operational limits and capacities in the event that it needs to endure the attack of rivalry. Prior to finishing up this article, it is relevant to point that the worldwide aircraft industry is in a demise winding and subsequently, Virgin Atlantic must be on top of things on the off chance that it needs to stay productive.

Following are the marketing strategies adopted by Virgin Atlantic to promote its services, with the help of 4P's of marketing theory.

4P's of Marketing

Product:

Virgin Atlantic is considered as one of the best premium airline companies in the world. Company is best from UK it is generally serving European countries and also the international destinations. Atlantic currently having the fleets of 30 plus airplanes which are manufactured by Boeing and airbus. The classes of Virgin Atlantic are consistent economy class premium class and business class.

The Virgin Atlantic airline majorly considered on customer satisfaction rather than monetary satisfaction. The quality of the service in the cabin and leg space and also wide seats. It also have long Axis priority takes, food service, 180 degree seating, and also they have different quality food menu for kids, it also includes traveling entertainments like magazine ,music movie & games.,

Price:

The price of Virgin Atlantic flight seat will be charged as per the adaptability and affordability of Indian citizens. Normally the Indians people will not prefer high end airline they normally prefer economic class flights. there are many customers for economic class but also there are many customers for business class. Virgin Atlantic believes that the price of the seats in the plane should not be driven by the choices of money but it should be driven by the quality of airline. The people who are willing to pay more will get the higher and services the services also include upper middle and higher class people business professional influential professional and other categories you prefer higher services. Virgin Atlantic will follow competitive pricing model which the customers will prefer in the market according to the quality provided by the Virgin Atlantic.

Place:

It has limited flights of around 20 and serves only 10 destinations. It planning operates from three places in India namely Bangalore Airport, Mumbai Airport, and Delhi Airport. Virgin Atlantic services or products are sold on various distribution channels. One can book them on the internet through the official Virgin Atlantic Airlines website, various online travel websites, through local travel agents, and on phone through Virgin Atlantic customer support services.

Promotion:

Even though Virgin Atlantic will provide services in par with the competitors. The fare of the Virgin Atlantic will be quiet higher than the competitors. There are hike in the fuel cost which is affecting the profitability of Virgin Atlantic. Indian people generally prefer economic class with lower cost. For this reason the economic carrier prices are increasing rapidly day by day. In India to launch Virgin Atlantic the plan of marketing baby social media campaign and gaming contact with customers. Also the social medias TV radios newspapers and other effective promotional activities can be carried out to promote Virgin Atlantic in India. In promotion also will be done in Indian ethnic way which will touch the heart of Indian people. Indian people are more cultural and also attached to the local supporting. Hence the company will be promoting the products with the help of local. Virgin Atlantic also planning to run special offers based on the destination customers and the season. You'll also provide the flying club membership which will provide special discount on the membership. Television promotion will be effective but the same will be provided on board and on-board promotional activities will be carried out.

Above we have analysed the Marketing strategy to promote the service of Virgin Atlantic. It is also important to analyse internal factors of the company. With the help of SWOT analysis the internal factors are explained below.

SWOT ANALYSIS



Virgin Atlantic SWOT	
Strengths	Below is the Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis of Virgin Atlantic. Strengths are: 1. Virgin Atlantic has got a strong foundation and has efficient services 2. Virgin Atlantic has a satisfied customer base and preferred airline of affluent customers 3. Carried over 5 million passengers in a year 4. Virgin Atlantic is one of the largest British Airlines with over 35 destinations 5. Excellent advertising and innovative branding by Richard Branson 6. High brand recall as a leading premium airline 7. More than 8000 people are employed with the airline
Weaknesses	Here are the weaknesses of Virgin Atlantic : 1. Severe competition means limited market share growth for Virgin Atlantic 2. Limited global presence specially in the emerging economies like India
Opportunities	Following are the Opportunities of Virgin Atlantic : 1. India is a major hub across the world and it has a major presence here 2. Leverage its strong brand presence to penetrate globally 3. Virgin Atlantic can increase its international routes and destinations
Threats	The threats of Virgin Atlantic are as mentioned : 1. Rising fuel costs and changing aviation regulations 2. Rising labour costs can affect margins for Virgin Atlantic 3. Increasing competition in the Indian market

Strategies to handle the Weakness & Threats

Threats can be handled by being service oriented rather than just business oriented . More customer satisfaction will eliminate more risk. Providing economical rate for passengers. India is a country where people prefer the less cost flights hence providing less cost with great services will eliminate Weakness. To manage the cost of Fuel Company can look for better alternatives in the supplier of oil and also look for government oriented subsidies for oil.

To analyse service providing capabilities of Virgin Atlantic we have to take care of Value chain analysis of the company . Detailed explanation about value chain is provided below.

Value Chain Analysis of Virgin Atlantic

Primary

Inbound Logistic

Inbound logistic activities of Virgin Atlantic are associated with receiving storing and dismissing the input of products it includes the handling of products and also warehousing of the physical products. Suppliers of Virgin Atlantic will be taken from the particular country where it operates and the service of inbound logistic will be outsourced. Naturally the fuel will be the most regularly used input for its services. This value chain model is effectively controlled by Virgin Atlantic it is also using the premium fuel which is having good value chain model to preserve it

Operations

Operations of Virgin Atlantic will be providing passenger services by using air bus and Boeing flights. Operations will be taken place all over in India. Also international connectivity will be available from India it includes domestic services also. At the beginning Virgin Atlantic will be providing services to the

main cities of India later it will be spread to entire India and also international connectivity from India.

OUTBOUND LOGISTICS

Virgin Atlantic undertakes these activities to provide services through channel partners and final buyers. Outbound logistics activities include – distribution network, processing, scheduling, warehousing, and order fulfilment.

MARKETING AND SALES

The marketing and sales activities undertaken by Virgin Atlantic to create awareness about the product and services offered by the Virgin Atlantic these activities will include marketing and promoting the services such as economic flights business class flights and also premier flights. This marketing will include all other quality services provided by Virgin Atlantic marketing will be done through social Medias TV radio and by conducting social activities.

SERVICES

Virgin Atlantic me to give the social services to the customers who have used their services. After sale services includes taking the feedback from the customers and also providing gift vouchers . And also retaining the customers for the next visit. Also helping the customers on their problems also package delivery and others in which will be provided.

FIRM INFRASTRUCTURE

Virgin Atlantic has the great infrastructure all over the world. In India also Virgin Atlantic will required to install a structure with the help of joint ventures or strategic alliances. In this activity which includes planning, quality management, support services, legal services, account services, and also support

services which handle entire value chain. Companies . Infrastructure will support entire value chain which will be interlinked between all the departments.

HUMAN RESOURCES MANAGEMENT

In an organisation which is looking to enter the new market in India which mainly require is human resources the label forces. Key success of the organisation will be based on the human resources and HRM support activities. Such activities include training and development of human resource hiring of employees selection processes, people, recruiting, girls handling legal issues, human resource provides a competitive advantage to the firm in the industry. Virgin Atlantic main strength is human resource. Qualified pilots air hostess and other support staff will be the strength of value chain of Virgin Atlantic.

TECHNOLOGY DEVELOPMENT

In every field technology development has become the important factor in value chain. Virgin Atlantic is concerned with the development activities such as process engineering, field testing, technology selection ,component designing, feature design, these are the activities to be conducted in the value chain of technology development of Virgin Atlantic. It is very important to handle the technology and to use technology for quality service providing strategy.

PROCUREMENT ACTIVITIES AT VIRGIN ATLANTIC

Procurement activities are very well handled by Virgin Atlantic in the present condition. Procurement input which includes fuels parts of the aeroplane and also aeroplanes . Procurement of fuel is a major concern in the case of Virgin Atlantic which has been done effectively by the virgin Atlantic all over the world. This chain management includes vendor management information system coordinating with vendors procuring the fuel in warehouse and also

supply when it requires these are the on-going procedures to be performed by the Virgin Atlantic

Conclusion & Recommendation

Virgin Atlantic has provided successful airways services in the European and American nations. It also has the good reputation and known for providing quality services for the passengers. It includes local as well as international services. In our report we have analysed in detail about the strategies to be taken care of while entering the Indian market. In the report we have used many tedious to support the decision of entering Indian economy. Even through there are more competitors in the Indian market, Virgin Atlantic has got more potential to handle all the threats that may arise. Hence the decision of entering Indian market is favourable and profitable to the company.

Recommendations

Even though the company has got potential to enter the Indian economy , Virgin Atlantic shall not neglect the fact that there are many competitions in the Indian business

Also few Indian airlines are making losses due to harsh policy of government hence Virgin Atlantic shall take care of such issue effectively

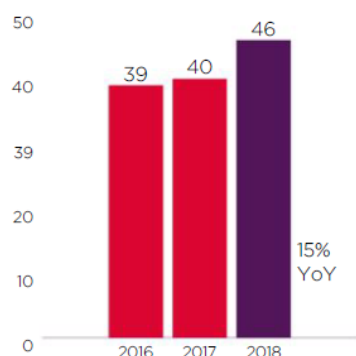
Recently few airways companies have closed in India it will be a great opportunity for Virgin Atlantic to enter the market in at this point.

Appendix

Rank	Economy	Score1			
1	United States	85.6	11	Finland	80.3
2	Singapore	83.5	12	Canada	79.9
3	Germany	82.8	13	Taiwan, China	79.3
4	Switzerland	82.6	14	Australia	78.9
5	Japan	82.5	15	Korea, Rep.	78.8
6	Netherlands	82.4	16	Norway	78.2
7	Hong Kong SAR	82.3	17	France	78.0
8	United Kingdom	82.0	18	New Zealand	77.5
9	Sweden	81.7	19	Luxembourg	76.6
10	Denmark	80.6	20	Israel	76.6

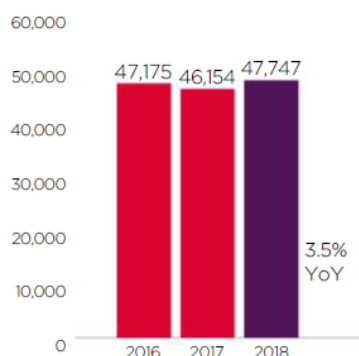


number of aircraft



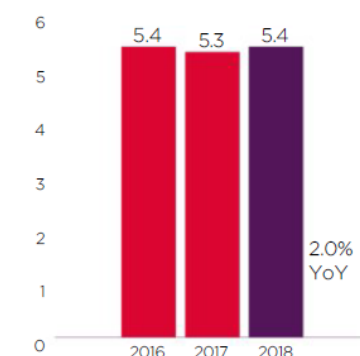
capacity

available seat kms (ASK) (m)



number of passengers

(m)



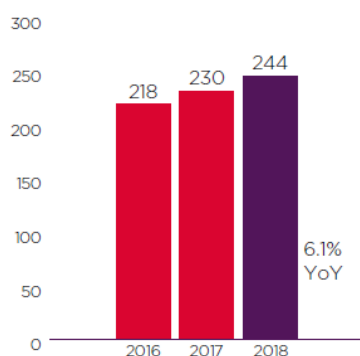
Consolidated statement of comprehensive income

for the year ended 31 December 2018

	Note	For the year ended 31 December 2018			For the year ended 31 December 2017 Restated*		
		Ordinary activities before exceptional items £m	Exceptional items and fair value movements (Note 8) £m	Total £m	Ordinary activities before exceptional items £m	Exceptional items and fair value movements (Note 8) £m	Total £m
Total revenue	6	2,780.6	-	2,780.6	2,629.3	-	2,629.3
Physical fuel		(697.9)	-	(697.9)	(548.6)	-	(548.6)
Fuel hedging		38.8	(38.8)	-	4.4	(4.4)	-
Airline traffic direct operating costs		(553.3)	-	(553.3)	(524.9)	-	(524.9)
Aircraft costs		(267.0)	-	(267.0)	(276.7)	(7.7)	(284.4)
Tour and other marketing costs		(543.6)	0.4	(543.2)	(516.5)	(6.6)	(523.1)
Employee remuneration	9	(397.3)	-	(397.3)	(378.1)	-	(378.1)
Other operating and overhead costs		(202.3)	5.1	(197.2)	(229.1)	(1.7)	(230.8)
Engineering and maintenance costs		(159.8)	-	(159.8)	(139.5)	-	(139.5)
Other depreciation and amortisation		(55.7)	(0.5)	(56.2)	(54.6)	-	(54.6)
Other income		46.0	-	46.0	1.6	-	1.6
Operating (loss) / profit		(11.5)	(33.8)	(45.3)	(32.7)	(20.4)	(53.1)

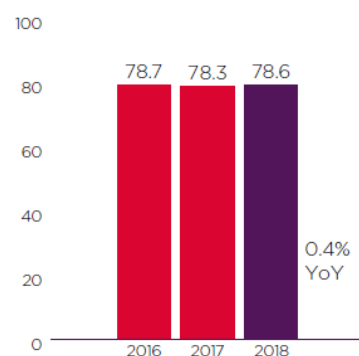
cargo

cargo tonnage (kg) (m)



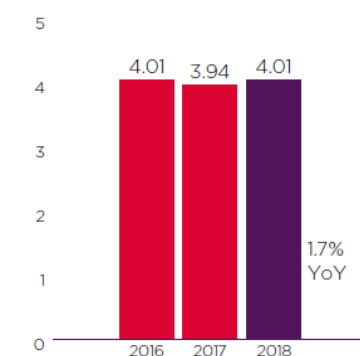
load factor

(%)

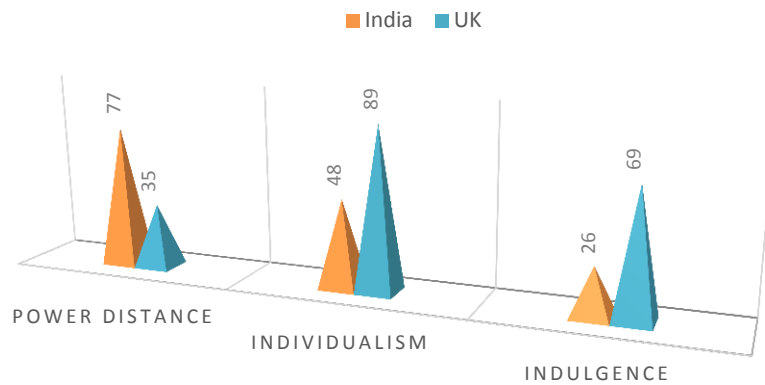


unit revenue

PRASK (p)



CROSS -CULTURAL DISTANCE

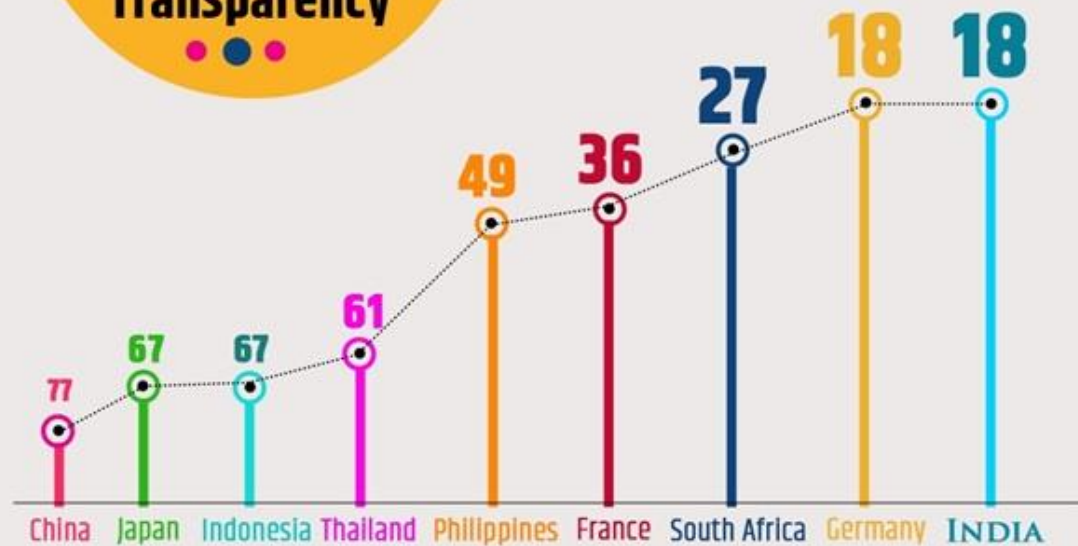


India Remains a Global Economic Driving Force

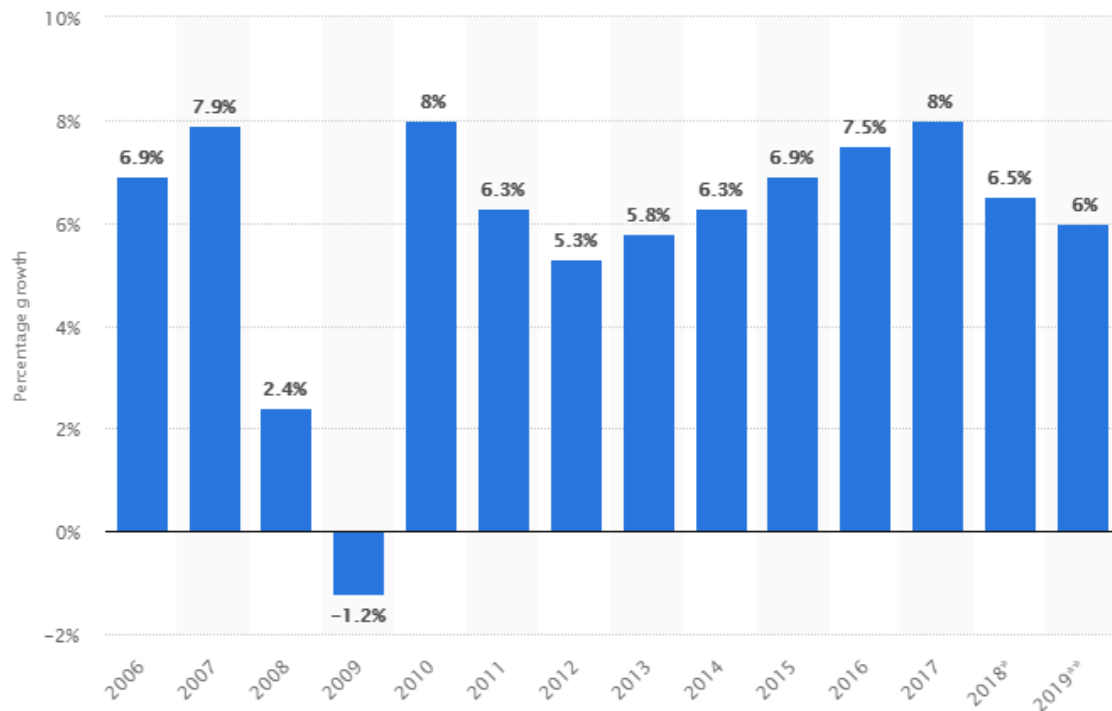
Budget Transparency Amongst the Best in the World

Global Competitiveness
Index 4.0 Rankings, 2018

**Budget
Transparency**



*Data as per New Methodology used by WEF



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