



# The Role Of Crisis Management In Image Engineering Of Corporates: A Case Study Of The Indian Aviation Industry

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**Abstract:** In this era 's interconnected world, a corporate's ability to handle a crisis can have a major impact on its reputation and subsequent standing in the market, especially for a service-based industry like the aviation sector. This study explores the complex interrelatedness of image engineering and crisis management techniques in the context of the Indian aviation sector. Using a case study approach, this research looks at significant crisis situations that top Indian airlines have encountered along with influence from landmark precedent crises in the world and evaluates how well their crisis management solutions have shaped public opinion and company reputation. The paper offers a theoretical framework that clarifies the relation between corporate communication and crisis management and examines how these two crucial aspects of corporate reputation management interact. It also explores the unique difficulties and weaknesses faced by airlines in the Indian aviation industry, such as safety worries, disruptions to operations, legal problems, and public scrutiny. This paper assesses the crisis management tactics used by major companies in the Indian aviation sector via a thorough examination of real-world case studies. It looks at the stakeholder engagement initiatives, communication strategies, organizational resilience, and transparency practices used by airlines to lessen the negative effects of crises on their reputation and brand image. This paper also investigates how crisis management affects stakeholder trust and company image restoration over the long run in the Indian aviation industry. It looks at how proactive reputation-building programs, CSR projects, and well-planned communication campaigns can help people become resilient and regain public trust after a disaster. Through the integration of incident reports, industry insights, and theoretical frameworks, this study advances our comprehension of the complex interplay between crisis management and image engineering within the Indian aviation sector.

## I. INTRODUCTION

Within the ever-changing space of business operations, image engineering is a critical approach for creating and preserving a favorable impression among stakeholders. In the age of hyperconnectivity sharing, businesses frequently must navigate crises that could damage their reputation. The aviation industry is one of the most susceptible to these kinds of crises, as operational obstacles, safety issues, and unstable economic conditions can quickly damage a company's reputation.

This study examines the crucial function of crisis management in maintaining and improving a company's reputation, with a particular emphasis on the Indian aviation sector. This study intends to offer insights into the tactics used by Indian aviation corporations to effectively manage crises by examining real-world data and case studies.

Among the aviation markets with the fastest growth rates in the world, the Indian aviation industry has experienced significant expansion in recent years. The recent reports on growing passenger traffic represents a tremendous rise in Indian aviation space. Due in large part to this growth trajectory, the industry is becoming increasingly important in the nation's economy, making reputation management even more important.

The Indian aviation sector is not immune to crises, though, which can have a significant negative influence on its reputation and sustainability. Events that range from financial mismanagement to safety violations have the capacity to undermine stakeholder confidence, making quick and efficient crisis management techniques imperative.

It is essential to study notable case studies that have occurred recently to understand how crises affect a company's reputation in the Indian aviation industry. One such instance is the demise of Jet Airways, a prominent player in the Indian aviation sector. Jet Airways suspended all flight operations in April 2019 due to a severe liquidity shortfall, which left thousands of customers stranded and caused significant disruptions to the aviation industry.

The fallout from Jet Airways' issue serves as an example of how a corporate disaster affects many stakeholders, such as staff members, clients, and investors. Industry estimates state that the abrupt closure of Jet Airways left creditors scrambling to pay billions of rupees in outstanding debts and caused the loss of over 20,000 jobs. Furthermore, the tragedy seriously damaged the aviation industry's reputation in India and raised questions about the sector's regulatory control and financial viability.

Companies in the Indian aviation sector have used a variety of crisis management techniques to minimize reputational harm and win back stakeholder trust. Proactive communication and transparency is one such tactic, in which businesses quickly respond to complaints and give stakeholders regular updates. For example, competitor airlines like IndiGo and SpiceJet acted quickly to provide for stranded passengers and guarantee that services would continue when Jet Airways was grounded.

Additionally, businesses are using social media and digital platforms more and more to control public perception and spread information during emergencies. Airlines may show their dedication to accountability and openness by interacting with customers and resolving complaints in real time, protecting their reputations in the face of difficulty.

Finally, it should be noted that crisis management plays a critical role in shaping company perceptions, especially in the Indian aviation sector. Statistics and real-world examples show that crises can seriously harm a company's reputation, therefore industry participants must act quickly and wisely to prevent further harm. Companies can effectively navigate through crises and emerge stronger by embracing transparency, implementing proactive communication methods, and utilizing digital platforms. This helps to reinforce stakeholder confidence and trust.

To better understand the effectiveness of crisis management techniques used by Indian aviation companies in reducing reputational risks and guaranteeing long-term sustainability in a competitive and dynamic market environment, a more thorough analysis of these strategies will be carried out as this research paper develops.

## II. OBJECTIVES OF THE STUDY

1. To examine past aviation industry crises in India and how they affected company perception by using secondary data sources.
2. To evaluate press releases, media stories, and other publicly accessible material to investigate the crisis management tactics used by significant industry participants.
3. Using secondary data analysis, determine how well crisis management preserves or improves a company's reputation.
4. To explore how crisis management practices contribute to the image engineering process within the industry using existing literature and publicly accessible data.

## III. REVIEW OF LITERATURE

The role of crisis management in image engineering of corporates has become increasingly important, especially considering recent global crises such as the COVID-19 pandemic. This literature review aims to integrate and synthesize various research findings related to the role of crisis management in the context of the Indian aviation industry. The review will also highlight knowledge gaps and suggest potential future research directions based on the existing literature.

Corporate Image can be said as the perception of a company/organization as it is in the consumer's memory as said by (Keller, 1993). (D. Doboni, 1990) defined corporate image as "the representation of a brand in the

consumer's mind that is linked to an offering". (Dowling, 2002) argues that corporate branding is an "intangible asset, that is hard to impersonate" which helps in gaining competitive advantage.

(IBEF, 2023) stated that Indian Aviation market is on its way to become the 3rd largest market by 2024, and air passenger traffic was 327.28 million in FY2023. Number of operational airports has gone up to 148 in 2023. Indigo has the highest market share in the Indian aviation industry with 60.2% , followed by Air India & Vistara at 9.5% and 9.0% respectively. The airports that handled the highest amount of traffic were Delhi with 65 million in FY23, and Mumbai with 44 million in FY23.

(IATA, 2023) says that the global aviation industry has sustainability as a main role in 2024 and it adopted the Long-Term Aspirational Goal at the 41st Assembly of the International Civil Aviation Organization (ICAO) and stated goals for aligning with the industry's commitment to achieve net zero carbon emissions by 2050. It mentioned how the fatality risk was 0.11 in 2022, less than the five-year average of 0.13. It also commented on the diversity and inclusion techniques applied worldwide, and how resilient the industry has turned out to be post the pandemic "s shakedown.

(Ali, Danish, and Asrar-ul-Haq, 2019) emphasize the importance of corporate social responsibility (CSR) in boosting firm financial performance, with corporate image and customer satisfaction playing a mediating role. Similarly, (Le, 2022) highlights the mediating role of corporate image, corporate reputation, and customer loyalty in the relationship between CSR and SMEs" performance. These findings underscore the significance of corporate image in shaping the overall performance and financial outcomes of companies, especially during times of crisis.

In the context of the Indian aviation industry, where the impact of crises such as the COVID-19 pandemic has been particularly profound, the role of corporate image in managing and mitigating the effects of such crises is crucial. This is further proven by the study conducted by (Chen et al., 2021), which emphasizes the mediating role of customer trust in the relationship between corporate social responsibility, corporate image, and crisis management. The findings suggest that a positive corporate image and strong customer trust can contribute to effective crisis management strategies.

(Das, 2017) discusses the importance of branding & brand equity for airlines. (Berry, 2000) gave a brand equity framework based on the service sector .

There are three key components viz. "presented brand", "external brand communications", and "customer's experience with company". According to (Berry, 2000), these three components contribute, directly or indirectly, to brand awareness and brand meaning, which combined constitute brand knowledge as per (Keller, 1993). The study analyses the cases of IndiGo Airlines and Go Air, their brand positioning and management and how brand communication affects customer engagement.

(Debnath, 2020) in their study talk about how Indian aviation industry become susceptible the causes of financial crises. It talks about the amount of debt that the industry is under and how major airlines have heavy net losses. (Ravi, 2016) talks about the recurrence of corporate governance failures and how the Kingfisher Airlines crisis show a mirror of the many questionable practices of Banking sector and corporate governance. (Chaudhuri, 2015) discuss in their paper about the various issues in the aviation industry focusing on the debts on SpiceJet, Jet Airways and Kingfisher Airlines.

(Marsen, 2019) discusses the role of communication in organizational crisis management, highlighting the importance of effective communication strategies in navigating and mitigating the impact of crises. Effective crisis communication not only shapes the external perception of the organization but also influences internal stakeholders and employees. In the context of the Indian aviation industry, effective crisis communication is essential for managing the public perception of airlines and related businesses during times of crisis.

The study by (Rim and Ferguson, 2020) further probes into the proactive versus reactive approaches to CSR in a crisis, emphasizing the impression management perspective. The findings suggest that proactive CSR initiatives can enhance the corporate image and mitigate the negative impact of crises, further emphasising the importance of strategic crisis management in shaping corporate image.

The Indian civil aviation industry has witnessed significant growth and challenges in recent years. Despite facing crises, it remains a promising sector with immense potential. (Jain, 2020) in their study of the crisis in 2019 of the Indian Aviation industry concluded that India's civil aviation market ranks seventh globally and is projected to become the third-largest passenger aviation market by 2025. Passenger traffic is expected to triple, reaching over 500 million by 2023. The government's focus on airport infrastructure development, including modernization and expansion, has led to increased capacity and improved facilities. Private players, through public-private partnerships (PPPs), have contributed significantly to this growth. LCCs like Indigo have revolutionized air travel in India. Their efficient services, competitive pricing, and on-time performance have made them the preferred choice for many passengers. Challenges include high operating costs, technical

issues, and labour shortages. The crisis faced by airlines like Jet Airways highlights the need for better management and strategic planning. Fluctuating oil prices impact airline profitability. Alternative fuels and technological advancements are crucial for sustainability.

(D'Souza, 2022) in their study of home communication affected customer engagement during the COVID 19 pandemic, state that respondents identify with the airline brand, considering its successes as their own. Most respondents are enthusiastic about airline news and brand-related information respondents pay attention to the brand, but not excessively. While interacting with the brand, respondents feel absorbed and happy. Respondents like to engage in brand community discussions. Majority of respondents receive messages from airlines via email and SMS. Social media platforms like Instagram and Facebook are less frequently used for communication. Respondents are satisfied with the airline's communication efforts. They are also satisfied with the customer engagement strategies. Most respondents would travel with the same airline brand in the future. Some statistics also include the fact that Air India is the preferred airline among respondents. SpiceJet is the least preferred. 70.3% are satisfied with communication efforts. 68.5% are satisfied with customer engagement strategies. 69.7% would travel with the same airline brand again.

(Sangeetha, 2020) in their study of consumers and their decision-making behaviour in the aviation industry state that over the years customer behaviour in the aviation industry has changed drastically. The mention the rise of low-cost airlines and how consumers of age 20-35 generally prefer travelling in economy class and don't care about business class perks until and unless the airlines keeps and on time performance. (Gautam V. , 2011) stated how corporate image plays a moderating role in recovery satisfaction. (A. Smith, 1998) addressed service recovery as a moment of truth for the company and their future image building.

(Aggarwal, 2020) in their study mentioned how airline's service quality has an impact on customer loyalty and satisfaction, a big concern for today's era of frequent mishaps in the said category. The 148 respondents in varying age criteria show that failure to provide on time performance and quality can service damages the airline's image and say that 60% of our population being highly internet active, a bad word of mouth doesn't take much time to spread across, damaging the airline image further. (Fialho, 2015) states in her dissertation that to the passengers, airport 's ambience and subsequent service matters more than the ambience of the flight itself. (HakJun Song, 2019) have proved that responsiveness and reliability of service equality significantly affect corporate image and customer trust whereas tangibles, and assurance of service equality are not that important in determining corporate image and customer trust.

While the existing literature provides valuable insights into the role of crisis management in image engineering of corporates, there are several knowledge gaps that warrant further exploration. First, there is a need for empirical research specifically focused on crisis management strategies within the Indian aviation industry, considering the unique challenges and dynamics of the sector. Additionally, future research could explore the impact of specific crisis communication strategies and digital transformation initiatives on the corporate image and reputation of airlines and related businesses in India.

#### IV. SCOPE OF THE STUDY

This study investigates how important crisis management is in determining how companies are perceived in the Indian aviation sector. It will examine how, in the wake of a crisis, efficient crisis communication measures can lessen damaging effects on a brand's reputation and possibly even promote favorable brand perception. It will be based on the method of Case Study analysis.

1. Focus Area: The research will concentrate on crisis management strategies within the Indian aviation industry, specifically analyzing how corporates handle crises to engineer their image.

2. Case Study Selection: The study will delve into real-life cases within the Indian aviation sector, examining how crisis management practices have influenced the corporate image of airlines like Jet Airways & Kingfisher Airlines.

3. Image Engineering: The paper will explore how crisis management impacts the perception of corporates in the aviation industry, emphasizing the importance of maintaining a positive image during and after a crisis.

4. Comparative Analysis: The research will compare crisis management approaches across different airlines to identify best practices and areas for improvement.

##### Anticipated Outcomes:

- Learn from existing crises and understanding why it happened, and how to avoid the same.
- Gain a deeper understanding of the role crisis management plays in shaping the public image of corporations in the Indian aviation industry.
- Identify key factors that contribute to successful (or unsuccessful) crisis communication strategies.

- Develop a framework for analyzing how crisis management impacts corporate image.
- Provide valuable insights for aviation companies on building crisis preparedness plans and mitigating reputational risks.

#### Proposed Outputs:

- A well-researched and documented case study analyzing the crises of Jet Airways and Kingfisher Airlines.
- A comparative analysis of their crisis management strategies and the impact on their respective public image.
- Recommendations for effective crisis communication strategies in the Indian aviation industry. Examples of other airlines successfully doing so on global level.
- Identification of key learnings and best practices for proactive image engineering within the aviation sector.
- A potential contribution to academic literature and industry knowledge

## V. RESEARCH METHODOLOGY

### 1. Case Study Selection:

Two Indian airlines would be selected that have faced a significant public crisis in recent years. The chosen case will be relevant and illustrative of the broader industry trends. Along with that the crisis of American aircraft manufacturer Boeing will also be taken into accordance, along with other related recent crises in the Indian aviation industry,

Data on the chosen airline's crisis will be gathered from credible sources such as news articles, regulatory reports, and official company statements.

### 2. Secondary Data Research:

A comprehensive review of existing academic literature on crisis management, corporate image engineering, and specific challenges faced by the Indian aviation industry will be conducted. This will involve searching academic databases, peer-reviewed journals, and industry publications.

Government reports, airline industry association publications, and relevant news articles will be analysed to understand the regulatory environment, consumer sentiment, and broader economic factors influencing the Indian aviation sector.

## VI. CASE STUDY

### 1. Crisis Management in Corporates

(Harvard Business School, 2004) states that "crisis is a change – either sudden or evolving- that results in an urgent problem that must be addressed immediately ." It can happen to anybody/any organization, ranging from a Fortune 500 company to an MSME. According to (Ravinuthala, 2008), managing a crisis will always remain to be to expect the unexpected. No crisis is similar to the other, so corporates should have a carefully chalked out crisis management plan or a contingency plan. (Ravinuthala, 2008) also says that a crisis can always be better handled if there is a collaborative effort of a team and each member of the organization. John F. Kennedy, the 35th US President once said that "When written in Chinese, the word "crisis" is composed of two characters – one represents danger, and the other one represents opportunity."

#### 1.1 Dealing with Crises

(Brundage, n.d.) has done studies that indicate a fair number of 75-85% of the CEOs realise that yes, a crisis can occur but only a small percentage, 8-10%, would actually identify the potential crisis areas and develop a plan to tackle them. This shows that contingency plans are not really being taken seriously by a lot of top management in companies. This is what make it harder for them to deal with the actual crises later. Surely, crisis management plans can cost a lot of capital and time, but that can be seen as future investment into the company's long successful future.

The Tylenol crisis in 1980s stand a testament to the fact that effective crisis communication and not running away from the situation does help protect the brand and create a successful image of the same. (Dept of Justice USA Case Studies, 2002) states how the company used the perfect blend of advertising and public relations to safeguard the trust of the consumers on the company and Tylenol. The continuous press conferences and top management replying to grievances through the hotline, along with continuous communication of the addition of tamper resistant packaging layers helped this planning become one of the benchmarked cases of efficient management of crisis. There have been many companies that have also completely mis-managed crises and led

their companies to shut down. So, precedents for all kinds exist, but ironically still no crisis is similar to another. (Wooten & James, 2008) talk about the neglect of the top corporate management in future of the company enough leading them to organizational crises as well. The management that can steer a company through crisis exhibits competencies in the phases of crisis that are detection, preparation & prevention, damage control & containment, business recovery, and reflection & learning.

## 1.2 Crisis Management Plan

A careful and meticulous analysis of risks and predictive analysis of the organization and its resources can help assess the response of a corporate in a crisis. An analysis of precedent companies that had successfully steered their management from crises also helps the management go a long way in leading their own potential crisis. (Patterson) specifies on the immediacy of the implementation of a crisis management plan. The stakes are high and go higher with every passing second leading the company's image in a marsh which can make it more and more difficult to come out of. The need of practice drills is also emphasised upon which can range from top management interviews to the men on the ground handling the situations. (Wilson) suggest the importance of "mitigation" while handling a crisis. The Crisis Management Team should particularly have the highest level of support that the corporate can provide. A Crisis Management Team should be incorporated in normal operations and should have a great knowledge and experience base along with members of the top management in the team, preferably the CHRO (Chief Human Resource Officer) or the COO (Chief Operating Officer), General Counsel of the Company and CFO (Chief Financial Officer). This team need to conduct studies on hazards and assign levels of acceptability to every level of hazard(s). The creation of an Emergency Operations Centre (EOC) is important to the crisis plan. This EOC becomes active as and when the corporate's crisis plan initiates. Practice Drills need to be mandated and scheduled either quarterly or bi-annually and number of phases should be dependent on the number of people working in the company/branches of the company. Communication is always a number one priority, regardless of the severity of the crisis. Constant communication with the external public of an organization shows that the corporate cares enough, and with the internal public to communicate so as to what is expected of them.

## 1.3 Crisis Communication

Communication, as said previously is one of the most important parts of managing a crisis. (Bernstein) in his article lists ten steps which are essential to a crisis management plan. These steps are as follows:

1. Identify your crisis communications team
2. Identify Spokespersons
3. Spokesperson Training
4. Establish Communication Protocol
5. Identify and Know Your Audiences
6. Anticipate Crises
7. Assess the Crisis Situation
8. Identify Key Methods
9. Decide on Communication Methods
10. Riding Out the Storm

Creating a Crisis Communication Plan can help the plan to be put into action as soon as the crisis hits and can minimize the impacts of the crisis significantly as time raises the stakes during a crisis. As (Cook) say that "miscommunication can often lead to a bigger crisis". (Cook) also focuses on the importance of internal corporate communication during the crisis, so as to keep the employees informed of the actions taken by the top management and disseminate critical information company-wide when required.

Professor William L Benoit of the University of Missouri, Columbia, developed a blueprint of image restoration strategies. According to him, the available strategies to a firm are:

1. Denial : Denying the allegations pressed upon the organization
2. Corrective Action : Solving the issue and not letting it happen again.
3. Mortification: Accepting the fault and issue
4. Reducing Offensiveness of the Event:
  - a. Bolstering : Good things
  - b. Minimization: Not so serious
  - c. Differentiation: Not so offensive

- d. Transcendence: Considerations
- e. Attack Accuser: Reduce credibility of the said accuser
- f. Compensation: reimburse
5. Evasion of Responsibility:
  - a. Provocation
  - b. Defeasibility
  - c. Accident
  - d. Good Intentions

(Flanagan) in his article talks about the word “Resilience”. According to the Cambridge Dictionary, resilience is the “ability to be happy, successful, etc again after something difficult or bad has happened”. He talks about building necessary coping skills that can help to leverage resilience. This can be achieved with sufficient and effective training and development of the internal public of a company, and resilience can be achieved by strategically forming a crisis management plan that can help the organization jump back on its feet.

## 2. Industry Analysis

### 2.1 Global Aviation Industry

With scheduled commercial traffic departures happening at a staggering rate of 400 per hour, the Global Aviation Industry estimated market size is close to around 841.4 billion USD by December 2023 (ICAO & IATA). Globally the biggest airline group by brand value is the Delta Airlines Group of the USA with a revenue of 29.9 billion USD in 2022 (IATA). (IATA, 2024) in their press release stated that the demand in air travel continued to grow and edged closer towards pre-pandemic numbers in December 2023. Total traffic rose 36.9% in comparison to 2022. Globally, the traffic for 2023 was around 94% of the pre-pandemic (2019) numbers. (International Civil Aviation Organization, 2022) in their annual report emphasized on the accountability of the aviation industry towards a sustainable future and climate friendly industry. The council participated in major climate change conferences and agreed to a set of 31 recommendations during the 12th meeting of the Committee on Aviation Environmental Protection regarding CO2 emissions and Reference Geometric Factors (REF).

The global aviation industry is growing rapidly and will continue to do so at an average rate of around 4.3% per annum over the next 20 years, according to (ICAO, 2023).

### 2.2 Indian aviation Industry

Named as the fastest growing aviation industry in the world and the third largest by reports (IBEF, 2023), India’s aviation market is on the rise. According to the 2023 report of (IBEF, 2023), India’s aviation market had a staggering 327.8 million passengers in FY23. The industry is expected to be under the umbrella of the travel & tourism industry which in turn is forecasted to contribute 512 billion USD to the Gross Domestic Product of the country. The already gone months of FY24 have garnered over 327.8 million passengers by now. The aviation industry is ruled mainly by LCCs (Low-Cost Carriers) like IndiGo which has a whopping 60% market share as of 2023, with Full-Service Airlines like recently privatised state carrier Air India and Vistara, with 9% each. Delhi’s Indira Gandhi International Airport remains to be the busiest airport of the nation, serving a 65 million passengers in FY23. (IBEF, 2023) also states that the demand, both domestic and international, known so as RPK or Revenue Passenger Kilometer is showing robust growth. Capacity, as in Available Seat Kilometer, and demand are going side by side now with capacity in domestic flights going to 158,349 million kilometers in FY23, and correspondingly demand for domestic services grew to 132,092 million kilometers in FY23. (Jaisinghani, 2024) for InvestIndia told the world that Indian Aviation is Flying High, with a major focus on technology and inclusivity. Be it the RCS-UDAN scheme (Regional Connectivity Scheme - Ude Desh ka Aam Nagrik) or the DigiYatra experience, and addition of new airports and terminals, everything points towards the unprecedented growth of the industry in the coming years.

### 2.3 Crisis Management in Aviation Industry

Crises are a part of the functioning of any organization. With aviation, an industry that has stakes that high, anything untoward can cause to be a crisis, be it minor or major. Some examples of such crises include

everything from a passenger overbooking & unsatisfactory customer experience to a major fatal crash of the plane. (Sheffield School of Aeronautics, n.d.) says that Air Travel is the safest mode of Transport for many years now. There are many factors that contribute to this staggering statistic of number of fatal accidents being 1 in every 2,000,000,000 person-miles flown since 1997. These factors include the security checks at the airport, right placement of protocol & checklists, training of pilots and cabin crew, advanced technology, learning from precedent and of course the many regulations of the industry both domestically and internationally.

(IATA) in their guidance document on crisis communication says that the digital era is the “always on” era of crisis communication. Handling a crisis was never easy in the aviation industry, but with social media evolving as a major form of communication, instant response and managing misinformation as quickly as possible has now become a number one priority. This “always on” era severely damages the reputation of the company and being in a service industry, bad reputation can majorly affect the operations and finances of the company, if not handled correctly. This is seen in the April 2017 incident in Chicago, where a passenger was forcefully deboarded by uniformed officers in front of all his fellow passengers. It was a United Airlines domestic flight but was operated by Republic Airlines and the guards were employees of the airport. With the hue and cry surrounding the incident, \$1 Billion got wiped out of the United Continental Holdings company’s value (parent company of United Airlines) in 24 hours. This shows how severely a company’s reputation can be affected by misinformation or not issuing a prompt answer on behalf of the airlines.

(IATA) recommends assigning an “always on” structure to tackle such fast spread of information or misinformation is one, for the Airline headquarters to have a dedicated crisis communication team which has the access to 24x7 social media alerts along with other facets of communication. Instant responses and statements from the airline would help a minor crisis from becoming a major reputation management issue. Maintaining consistency is also a major player in a crisis communication strategy plan with constant updates about how the company is handling the crisis so as to keep the interested public in loop. Crisis management team and the spokesperson for the company should be prepared in handling a fast-changing situation and a robust crisis communication plan should be in place. An organization chart suggested by IATA is Exhibit A.

### 3. Kingfisher Airlines

#### 3.1 Introduction

United Breweries Group’s Kingfisher Airlines was launched in 2003 and commenced operations on 9 May 2005 with a fleet of four Airbus A320-200s operating the sector of Mumbai-Delhi. The airline went international on 3 September 2008 with a Bengaluru-London flight. Kingfisher Airlines was a full-service airline. With the tagline of “Fly the Good Times”, Kingfisher Airlines was a customer favourite due to the glamorous customer experiences and became one of the first Indian Airline company to win several international awards.

#### 3.2 Growth

Kingfisher Airlines was one of the first Indian Airlines to provide IFE (In-Flight Entertainment) to passengers on flight. This is just one of the many new things and innovations that Kingfisher Airlines brought into the Indian Aviation Market. It believed in giving its passenger a “king-size” flying experience. By 2007, Kingfisher was carrying around 17.5 million passengers with a fleet on 41 different aircraft types and had a roster of 255 scheduled flights. It was growing exponentially and was on the track to garner the second highest market share of the Indian Aviation Industry.

#### 3.3 Mergers

Vijay Mallya, the flamboyant beer baron of the UB group once said that “ This is a world class experience, all at an affordable price. We are not a low-cost carrier, and we do not intend to be one”. And if they had stuck to it, they might have not attempted what they did. On December 19, 2007, it was announced that Kingfisher Airlines had acquired all the 46% that Deccan Aviation held in Air Deccan, 2003 founded India’s first low-cost model airline. (Times of India, 2007) The entity of Air Deccan was given a new identity, Kingfisher Red, a low-cost subsidiary of Kingfisher Airlines. This merger made Kingfisher Airlines one of the largest passenger airliners in the heavily populated India. Together with Kingfisher Red, the airline was now carrying 10.9 million passengers annually with a fleet of 77 aircrafts and had 412 scheduled domestic flights. The FY2008-



09 recorded an increased income for the company of INR 55 billion but also increased the losses to INR 16 billion. In 2009, the company had almost 22.9 % of market share in the Indian aviation market.

### 3.4 Mismanagement and Crises

The company though looked as if it was doing well but had been facing heavy losses and had a major mismanagement. The company did not have a CEO for at least 5 years of its operation and was being operated directly under Vijay Mallya's orders. And his relentless quench for expanding the airline as quickly as possible without conduction feasibility studies. The unnecessary addition of free perks and freebies to passengers added operating costs to the airlines, which resulted in losses (Ashok Panigrahi, 2019). The global financial crisis stuck in late 2008 and the world's economy crashed. And the fact that Kingfisher Airlines was operating a full-service airline, and a low-cost airline didn't help the company's management. The company was already 4 years old in 2009 and the investors still did not receive their first dividend. The airline faced increased losses, and yet Vijay Mallya showed no signs of compartmentalization. He kept taking major loans from banks, who agreed on the loans due to the image of the UB Group and kept expanding the airline. In 2010, Jet Airways crossed Kingfisher Airlines in view of market share. It kept increasing its international operations but still did not manage to capture customer base somehow. By 2011, the company was struggling to keep cash flows in place and blamed the global financial depression and high cost of fuel prices, but oil companies alleged that Kingfisher had not paid its dues for a long time now. They also faced a major shortage of pilots in 2011 as the crew started leaving Kingfisher Airlines for rival airlines. Major payment defaults started occurring, and the company started bleeding money. Vijay Mallya also tried to search for a foreign airline who could buy the crippled airline and maybe save the company, rules in the country at that time did not allow international players to invest in Indian airline companies.

This led to frequent cancellations, operations suffered majorly, and service quality went down. The company was also not able to manage their operating revenue during that time, so salaries were delayed leading to more turnover rates. The company also discontinued the Kingfisher Red line in 2011, citing operating issues and cash crunch.

Then came 2012, when right at the start of the year, Kingfisher Airlines' biggest lender the State Bank of India declared Kingfisher Airlines as a non-performing asset. Kingfisher Airlines had owed a whopping INR 14.5 billion to the SBI. This led to Kingfisher laying off employees and disrupting rosters, with employees having to work long hours and more sectors. Mallya had announced by February that the company was in dire need of funding to continue operations (India Today, 2011). By the first quarter of 2012, Kingfisher had cut its fleet down to 28 aircrafts only with 175 scheduled flights. Banks were not ready to lend any more money to Kingfisher unless it shows some form of funds. The Income Tax Department began freezing Kingfisher Airlines' bank accounts repeatedly. In March 2012, the IATA suspended ticket sales on account of unpayment of dues. On 12 October 2012, a non bailable warrant was issued by an income tax court in Hyderabad against Vijay Mallya on account of bouncing cheques being given to GMR Hyderabad International Airport Limited. On 20 October 2012, the Directorate General of Civil Aviation in India (DGCA) suspended the licence of Kingfisher Airlines and operations ceased.

### 3.5 Causes

#### i) Merger with Air Deccan

Kingfisher Airlines was a full-service airline and believed in the concept of giving facilities to Kingfisher passengers, while Air Deccan was a low-cost airline. The company did not really handle the merger well, and it showed in the net losses that it faced for years post merging. The airline also tried introducing meals and newspaper type features in Kingfisher Red, believing that more features can lead to higher profits. This made Kingfisher Airline neither a full-service airline nor a low-cost airline. And that led to it losing passengers on its flagship airline, as one both airlines looked similar and provided similar services, and India being a price sensitive market left passengers wondering why they should pay higher for the main airline when they can avail the same services on the Kingfisher Red. This led to heavy losses.

## ii) Flaws in Finances

Due to heavy focus on quick expansion of the airline without enough equity, and Mallya's model of guaranteeing his different businesses for another, the airline had a flawed financial model. Many misinformed decisions were taken that in the long term proved to be harmful to the company's existence itself.

## iii) External factors (Batra, 2014)

The rise in fuel prices, global financial crisis, policy issues and price sensitivity of the market, all contributed to the downfall as well. The absence of a regulatory mechanism in overseeing industry pricing gave rise to long standing price wars between market competitors. In India the ATF or the Aviation Turbine Fuel costs higher than the world average. Internationally the ATF might comprise 30-35% of operating cost of a flight, but in India it is at a staggering 45-50%. This leads to major cash crunch and losses in airlines, especially on domestic routes.

## 4. Jet Airways

### 4.1 Introduction

Jet Airways (India) Limited was one of India's most prized Airline companies and ruled the industry for almost 2 decades. It was founded by Naresh Goyal in 1992 and commenced its operations on 5 May 1993. Naresh Goyal had started Jet Airways as a travel agency firm and marketed for international airlines. The liberalization of the Indian economy in early 90s helped Jet Airways to start its own airline in 1993.

### 4.2 Growth

Jet Airways had carved a name in the country's newly opened aviation sector. The name was associated with its great service and on time performance. The company was a pioneer in the South Asian market for being one of the first airlines to order the Boeing NG 737-800s (Boeing Press Release, 1999). In FY1996-97, the airline had a traffic of almost 2.4 million passengers and had the highest market share of over 20% only after then state-owned Indian Airlines. By 2001, the fleet had over 30 aircrafts and was operating 195 scheduled domestic flights. FY2001-02 was also the first financial year when Jet Airways reported loss for the first time since 1993. After the Indian government allowed private airliners to operate limited international flights in 2003, Jet Airways launched its first international flight from Chennai to Colombo in Sri Lanka from March 2004. The company went public in December 2004 and was listed on the Bombay Stock Exchange (BSE). The company started its first international long-haul flight to London in May of 2005.

### 4.3 Mergers

Talks about Jet Airways merging with Air Sahara started going around in 2006. After many negotiations, Jet Airways finally managed to merge with Air Sahara in 2007 for INR 14.5 billion. Air Sahara was a low-cost airline and was renamed as JetLite under the wings of Jet Airways.

### 4.4 Mismanagement and Crises

Now, Air Sahara's deal with Jet Airways stemmed from the feeling of beating the competition that Kingfisher Airlines started posing to Jet Airways. Naresh Goyal, even after his closest well-wishers kept him from going forward, wanted to increase Jet Airways' market share and went ahead anyways with the deal. But this deal gave a major financial crunch to Jet Airways (Economic Times, 2023). It had the opportunity to spend the funds from IPO in different ways rather than getting a low-cost airline under its umbrella. This pushed the company towards debt.

Etihad acquired 24% of Jet Airways in 2013, and it came with serious management and organization structural changes. Jet Airways was almost forced to behave like a leasing company to different global airliners, as it had to lease almost 70% of its wide bodies since 2008, to facilitate cash flows.

Mismanagement came in when in 2013-14 the company had an opportunity to sell off its expensive A330-200s to different airlines but that deal never happened. Again, it had an opportunity to sell its entire ATR fleet

which was in heavy losses to an international carrier. Again, the deal did not happen due to excess negotiations. The lifeline thrown to the company was now taken back, and it continued to struggle for cash flows.

Full blown crisis knocked on the doors of Jet Airways when it reported a net of INR 1036 crore loss in Q4 of FY2018 (Ghosh K. , 2018). The company's auditor, KPMG affiliated BSR & Co refused to facilitate as auditors and raised concerns on the airline's ability to continue operations (Economic Times, 2023). Employee layoffs and delayed salary payments with pay cuts started taking place. The airline had to ground over 100 planes in the first quarter of 2019. Banks refused to give loans given the conditions of the crippled airliner. In April 2019, Indian Oil Corporation stopped supplying fuel to Jet Airways due to non-payment of dues. The airline's IATA membership was also taken away. The airline suspended operations on 17 April 2019 and declared bankruptcy.

Under a new ownership of entrepreneur Murari Lal Jalan and asset management firm Kalrock, Jet Airways is expected to resume operations as a full-service domestic airline in late 2024. It was sold in 2020 and received the air operator certificate in 2022. (Sinha, 2021)

#### 4.5 Causes

##### i) Merger with Air Sahara

The high cost of the merger pushed the company into debt to finance the merger. Air Sahara was a low-cost airline, and Jet Airways was a full-service airline, so the rebranded Air Sahara named JetLite dwelled between being a full service airline and low cost carrier.

##### ii) Mixed Fleet

Goyal decided to purchase a fleet of mixed type wide bodied jets that included the Airbus A330 and Boeing 777. Wide bodied aircrafts are expensive to maintain and a mixed type of fleet with only 10 planes raised operating and maintenance cost to a high amount. The planes were also configured to hold 308 passengers instead of the standard of 400, and that raised the operating cost even higher.

##### iii) Fear of relinquishing control (Dev Chatterjee, 2023)

Goyal had a high fear of losing control to the airline that he himself built and insisted on being the one to take decisions. That also steered away many potential investors that could have provided liquidity to the firm, but Goyal's almost hostile decisions led the airline to stand alone in way of impending disaster. This hostile nature also led to the company losing many chances to sell the costlier fleets of aircrafts to potential buyers and add some cash flows along with not facing losses in operating those aircrafts.

## 5. International Aviation

### 5.1 Global Airlines

The airline sector has its own set of difficulties. Even the best-laid travel plans can go awry due to unforeseen circumstances like weather delays or mechanical problems. Nonetheless, a few airlines continuously manage to climb above the mayhem and become known as the greatest in the world. Flight tracking data shows that in 2023, airlines such as Emirates and Qatar Airways often had on-time arrival rates over 85%. Passengers will experience a smoother journey because of fewer missed connections and delays. A closer look at these great achievers' lives and discover how they handle difficult situations to keep their passengers aloft will help us understand why they are at where they are.

According to (SkyTrax, 2023), one of top websites for airline rankings, the following airlines are constantly at the forefront:

- Qatar Airways: Known for its opulent cabins and faultless service, Qatar Airways has a 5-star Skytrax rating and routinely ranks highly in terms of passenger satisfaction.
- Singapore Airlines: This airline provides a first-rate travel experience and is well-known for its in-flight entertainment systems and attentive staff.
- Emirates: With roomy cabins and a wide range of entertainment options, this airline, situated in Dubai, excels in comfort and innovation.

- Etihad Airways: Another five-star Skytrax airline, Etihad attracts discriminating passengers with its state-of-the-art amenities and outstanding service.
- Qantas Airlines: Australia's primary airline, Qantas, is renowned for its wide route network, cozy cabins, and impeccable safety record.

Crises happen with these airlines as well, but the way they navigate through these is what sets them apart.

### 1. Emirates:

i) Emphasis on Transparency: Fast and transparent communication is a top priority for Emirates. They used their app, social media, and announcements at the airport to inform customers during a significant flight cancellation caused by inclement weather.

ii) Proactive Customer Care: Their services surpass mere rescheduling. In the aforementioned situation, Emirates provided stranded travellers with hotel accommodations, meal coupons, and entertainment alternatives.

iii) Using Technology: Passengers can easily rebook, follow the status of their flights, and contact customer service through their user-friendly app, which is especially useful during interruptions.

For instance, a power outage at Dubai International Airport in 2018 resulted in significant delays. Emirates made full use of social media to apologize for any inconvenience and to provide regular updates. This proactive stance contributed to preserving passenger confidence.

### 2. Qatar Airways:

i) Building Trust by Empathy: Qatar Airways places a high priority on the welfare of its customers. Their staff acted with the utmost care during a medical emergency on board, making sure the passenger received emergency medical attention upon landing.

ii) Cooperation with Authorities: To reduce passenger annoyance, they collaborate closely with local authorities and airport personnel. This may entail expediting the luggage claim or immigration clearance procedures in case of unforeseen circumstances.

iii) Putting Money Into Employee Training: Qatar Airlines makes significant investments in staff crisis management training. This guarantees that during situations, personnel can maintain composure, give accurate information, and put passengers' safety first.

Example: In 2010, Qatar Airways promptly redirected flights and provided alternate travel choices after a volcano eruption in Iceland caused disruptions to air travel. Effective anxiety management for passengers was facilitated by their well-trained staff.

### 3. American Airlines

i) Recovery: American Airlines places a high priority on transporting customers to their destinations as soon as possible. When there is a mechanical problem, they concentrate on figuring out the quickest path to get the passengers where they need to go.

ii) Making use of Strength of Network: They reduce delays by rebooking customers on different flights by utilizing their wide network. Particularly useful for travellers with tight connections is this.

iii) Data-Driven Decision Making: To foresee any delays, American Airlines use real-time data analytics. This enables them to anticipate in advance any inclement weather or other problems that can cause delays.

For instance, a computer failure in 2019 resulted in numerous airline cancellations all around the United States. Despite the difficult circumstances, American carriers made use of its extensive network to rebook travellers on other carriers, causing the least amount of disturbance to their travel arrangements.

### 4. Singapore Airlines

i) Reputation for Excellence: When it comes to exceptional service, Singapore Airlines is known to be very keen on its reputation. They concentrate on personalized attention as well as transparent communication even in times of crisis.

ii) Going the Extra Mile: Instead of just rebooking the flight for the customer, they go ahead and offer more. In case one loses or their bag gets damaged, they move quickly to return it or pay back fast hence reducing passenger inconvenience.

iii) Investing in Customer Service: This organization spends a lot of money in terms of training all its personnel with regard to how excellent customer service should be delivered especially during crises. Passengers will therefore feel that they are highly appreciated and well taken care of.

Example: After some passengers got injured when a plane became turbulent, Singapore Airlines took them for treatment since they were responsible. The company's vigilant employees stood by such victims offering them solace and updating them frequently.

#### 5. Etihad Airways:

i) Focus on Communication Channels: For instance, during crises Etihad Airways has not less than eight ways through which passengers can communicate with their families. These include through an SMS system, emails, social media platforms like Facebook Twitter etc., as well as having dedicated phone lines.

ii) Collaboration with Partners: Travel agencies and tour operators are relied upon by these companies so that passengers using connecting flights are made aware if there would be any delays expected. This prevents disruptions from occurring while making numerous stops along several trips.

iii) Offering Incentives: As a kind gesture of goodwill during trying times, Etihad Airways occasionally gives cash or vouchers for future travel.

Example: Etihad Airways alerted travellers in advance of a significant snowfall about possible delays. In order to make sure stranded travellers were comfortable until flights could restart, they collaborated with lodging facilities and transportation providers.

#### 5.2 Boeing Crisis

Boeing or The Boeing Company is one of the two major commercial airline manufacturers in the world, (along with Airbus). It was founded by William E Boeing in 1916 in Seattle, Washington, USA. For over a century Boeing has stayed firm in its position as an aircraft manufacturer in commercial aviation, among other things (P., 2023).

Over the years, Boeing has been an integral part of modern-day commercial aviation, it has been a pioneer for many new age jets and aerospace engineering. There was a popular saying that used to be around, "If it ain't Boeing, I ain't going." The engineering had always been the USP of the company. The robust and marvellous design of the aircrafts really shaped modern-day commercial aviation. The company was always focused on engineering and manufacturing the aircrafts, and mainly had engineers in its corporate roles as well.

Then came the infamous Boeing-McDonnell Douglas merger in 1997. This changed Boeing and its principles. (Frost, 2020) states that there was a clash of corporate cultures where "Boeing's engineers and McDonnell Douglas's bean counters went head-to-head.". This explains the merger in a whole. Basically, the company cultures were starkly different, and suddenly the company now face corporate minded people in charge instead of engineers and this showed when the company moved its corporate headquarters from Seattle to Chicago in 2001, (now in Virginia, Washington D.C.). The company wanted to go far from the main manufacturing and assembly plants of Boeing so as to take better decisions for the company and business. Now Boeing looked at a future that went from engineering based to profit based. This merger brings us to the recent era. New York Times had made an observation at the time of the merger stating that the effect of this merger on stakeholders will not be known for a long time. But 2018 was when it finally started showing true colours.

Boeing released the announcement of the fourth generation its legacy and most popular aircraft, the narrow body Boeing 737. The new plane was named the 737 MAX and was offered in 4 variants. The 737 MAX 7, MAX 8, MAX 9 and MAX 10 with a seating capacity range from 138 to 204 seats. The 737 Max was announced to counter Airbus's legacy A320 Neo (New Engine Option) announcement, made to make the planes more efficient. The Max series became very popular with lines of orders from airlines across the world. But then on October 29, 2018, Lion Air Flight 610, a 737 MAX 8 crashed with no survivors. Boeing maintained that it had nothing to do with the aircrafts and that the 737 MAX 8 is perfectly safe. Then around 5 months later, on March 10, 2019, another 737 MAX 8 operating as Ethiopian Airlines Flight 302 crashed with no survivors. Total both crashes led to the lives of 346 people being lost. Boeing still maintained that the aircraft was not the issue, but investigations found that both crashes happened under very similar circumstances. This led to the result that both planes crashed due a malfunctioning MCAS (Maneuvering Characteristics Augmentation System) that Boeing had installed on the planes to help stabilize the pitch of the aircraft but had given no trainings about to the pilots. All 387 of the MAX 8 planes in service around the globe were grounded by March 18, 2019, after airworthiness of the aircraft was revoked. The grounding by FAA was till November

of 2020. Boeing resisted taking blame till the very last minute before finally accepting it and rectifying the issue.

On 5 January 2024, a Boeing 737 MAX 9 operated by Alaska Airlines as Flight 1282 suffered an emergency mid-air, as a door plug blew out (Thomas Mackintosh, 2024). The pilots managed to safely land the plane, and everyone was unharmed, but this further led to the FAA grounding the 737 MAX 9 aircrafts around the world which had a door plug installed. This further put questions on Boeing's safety culture and delayed the certifications of 737 MAX 7 and 737 MAX 10, along with other Boeing aircraft types in the pipeline.

The investigation into the Alaska Airlines blowout revealed many quality control issue on behalf of Boeing and its subcontractor Spirit AeroSystems, which is the fuselage manufacturer. Different whistleblower accounts and these repeated incidents show truly how class of corporate cultures and one merger in 1997, has tainted the company's reputation now.

Boeing in their recent crisis management and communication are trying their best to be proactive. Many interviews were conducted with David Calhoun, Boeing CEO, where he is not shifting blame but trying to promote the message that Boeing's number one priority is, was and always will be safety. People when they visit Boeing's website, they can view Calhoun's address to Boeing employees where he accepts the mistake on Boeing's part and vows to solve these issues. They also keep updating the website with quality information on their aircrafts right on the front page so as to keep the people in loop, and also to tackle fake or misinformation (Boeing, 2024). Airbus, formed in 1960s, has now taken over Boeing's market share and Boeing's stock prices are at extreme lows. Effective management needs to come in place to now manage Boeing's reputation.

## 6. Indian Aviation in Recent Era

### 6.1 Turbulent Times for Aviation in India

The aviation industry of India is experiencing a post-pandemic boom in passenger traffic but is also facing turbulence in some major ways. While large players like IndiGo and the Tata Group are expanding, smaller airlines have wrestled with pilot shortages, financial issues, and insolvency. Let's look at these issues:

A significant issue plaguing the industry is the shortage of pilots and crew (Bhargava, 2024). This has impacted both full service and low-cost airlines.

i) *IndiGo*: India's largest market share holder in the industry, IndiGo, has faced significant issues due to pilot shortages. The airline faced many roadblocks during the later months of 2023 and early months of 2024. (Dutta, 2024) This was due to weather issues, leading to low visibility and RVR (Runway Visibility Rate), which held back many passengers from reaching their destination on time, and in instances had to be seated in the planes for 5-6 hours because of either no ATC clearance or crew change/shortage.

ii) *Akasa Air*: The youngest member of the Indian aviation industry, Akasa Air faced significant issues due to pilot shortages in mid-2023. (Joshi, 2023) also mentioned that the turbulence that Akasa Air faced was not only due to pilot shortage but also due the downtime spent by some of its planes in Hyderabad, undergoing reconfiguration. Downtime takes the planes out of business for that time and that causes schedule changes and less passengers flown in a day. (Exhibit B)

Another issue that has been affecting the Indian Aviation is financial woes. Two major airlines have been subjected to it:

i) *SpiceJet*: SpiceJet, one of India's popular low-cost carriers, has been battling financial issues for a while now.

- **Liquidity Issues**: The airline faced a cash crunch, leading to delays in payments to lessors and vendors. SpiceJet managed to secure a lifeline through a capital infusion of over Rs 2,250 crore, providing temporary relief (ET Online, 2024).

- **Engine Woes**: Adding to their worries, SpiceJet encountered technical problems with the Pratt & Whitney engines on some of their aircrafts. This grounded part of their fleet and disrupted scheduled operations.

ii) *GoFirst (GoAir)* : GoFirst was a low-cost carrier founded in 2005, declared bankruptcy and ceased operations in May 2023. Like SpiceJet, Go First encountered engine troubles with their Pratt & Whitney powered aircrafts. This led to supply chain issues and grounding a significant portion of their fleet, severely impacting operations. With a limited operational capacity and mounting financial pressure, Go First voluntarily

filed for insolvency resolution under the Insolvency and Bankruptcy Code (IBC). The airline is focused on gaining funds to resume operations. (Business Today, 2023)

Adding to the aviation industry's merger issues, is the merger of the two full-service airlines under Tata Group. Vistara, a joint venture of Singapore Airlines and Tata Group is merging with the recently privatized Air India under Air India's banner. This proposed merger with Air India, another Tata Group acquisition, has encountered some hurdles. (Chakraborty, 2024)

The merger is facing integration challenges as merging two major airlines requires careful integration of operations, staff, and branding. Another issue that is emerging in April 2024 is the Pilot crisis in Vistara. In April 2024, a big chunk of Vistara's scheduled flights were cancelled due to the pilots calling for sick leaves en masse. (Gautam A. , 2024) told that over 50 flights cancelled and 160 delayed really impacted operations of the airline.

The pilots called sick leaves en masse in protest to new remuneration patterns under the Air India merger and were given one day to sign, otherwise they will be left behind in the merger. The pilots said that the remuneration was not to their satisfaction and the less time provided just made the matters worse. In recent happenings, at least 15 senior pilots have resigned from Vistara, and the issue continues.

## 6.2 Crisis Management & Reputation Management

Some of the ways that the airlines are recouping from these crises are:

- **Digital Presence:** In today's day and age of social media and having a digital presence, airline companies are focusing more and more on having a strong digital presence and increasing their brand visibility. Like after privatisation of the national carrier, Air India has significantly increased its social media presence. Attractive posts and easily accessible UI of their website are some of the factors that increase their brand value.
- **Brand Development:** Each Airline company focuses on long term goals for the company, and this includes the continuous brand development of the airline. This helps gain brand visibility and retain brand loyalty. Air India recently did a whole brand redevelopment with new livery, logo and a reimagined frequent flyers program. This has helped create a new era image for Air India in the consumer's mind.
- **Training & Development:** Airlines are organizing pilot training programs like the Air India Fly High Cadet Pilot Program and are offering competitive salaries and benefits to attract and retain pilots.
- **Fleet Efficiency:** Orders for new fuel-efficient aircrafts are being placed to improve operational efficiency and reduce costs. Air India & IndiGo placed record-breaking orders in the past year of 2023. Air India also got India's first fleet of A350-900s, and it is optimizing its fleet by retiring older maintenance hungry aircrafts like the original maharajah aircraft – the Boeing 747.
- **Network Optimization:** Airlines are strategically adjusting their flight schedules to optimize operations and cater to passenger demand. IndiGo is the best example for this, glowing a hub and spoke model, the airline manages to cater to different area and penetrating deeper into the unexplored area of Indian aviation.
- **Financial Reorganization:** SpiceJet's capital infusion and Go First's insolvency process are attempts to stabilize finances and ensure long-term viability of aircrafts, and not repeating the mistakes of airlines like Kingfisher and Jet Airways, who couldn't recover from their financial crunch and had to go out of business.

## VII. CONCLUSION

The Indian aviation industry is a good example of how important crisis management is for a company's image and ability to bounce back from difficult situations. We can see the intricate interdependency of crisis management and image engineering along with reputation management. The case of the Indian aviation industry shows the close connection between crisis management and how a company is seen by the public. Through extensive secondary data research, many key insights have emerged.

Firstly, the aviation industry in general is very volatile in general. It is highly dependent on external elements for smooth functioning of its operations and service to its stakeholders. So, an affective and robust crisis communication plan is a must for every airline company. The companies need to adopt predictive analysis to

assess threats and create simulations to help them practice. Communication is a must during a crisis, and in today era of hyper connectivity, it is even more important, not only to safeguard the company but also to tackle misinformation. Being service based, companies in the aviation industry have shown that clear, strong, and caring communication can rebuild trust, manage what people expect, and protect the company's reputation.

The research also focused greatly on image engineering and reputation management and what factors affect the same. Stakeholder trust plays a pivotal role during a crisis. Strategic communication and effective planning can help these companies navigate through crises and mitigate reputational damage.

Despite facing numerous challenges such as natural disasters, geopolitical tensions, and economic fluctuations, the industry has demonstrated resilience through effective crisis management practices. However, there remains ample room for improvement, particularly in enhancing collaboration among stakeholders, investing in advanced technology for risk mitigation, and fostering a culture of transparency and accountability. By prioritizing these areas, the Indian Aviation Industry can fortify its ability to navigate crises, safeguarding both passenger safety and industry sustainability in an ever-evolving landscape.

The case study of the Indian aviation sector offers important insights into the real-world implementation of reputation and crisis management techniques, especially with regard to the safety concerns and operational issues. Industry giants like Air India, IndiGo, and SpiceJet have encountered many difficulties, from crew and labour disputes and financial difficulties to safety mishaps and regulatory infringements. However, the way they have responded to these crises has been very different, which emphasizes how crucial organizational culture, leadership ethos, and strategic foresight are in determining how a crisis plays out.

The role of crisis management in image engineering of corporates within the Indian aviation industry is not merely a matter of survival but a strategic necessity for long-term sustainability and growth. This research shows that crisis management can help create a company culture that is accountable, learns from its mistakes, and finds new ways to do things. By seeing challenges as opportunities to grow and focusing heavily of resilience, companies in the aviation industry have been able to not only solve immediate problems but also lay the groundwork for future success.

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