THE AIR ASIA-TATA SONS - TELESTRA TRADE PLACE TRIPARTITE JOINT VENTURE

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ABSTRACT
On 6th March, 2013, Air Asia Berhad (AAB), Tata Sons Limited (TSL) and Telestra Trade place Private Limited (TPL) announced their plans to enter into a joint venture (JV). The JV would help AAB to expand its operations in India by widening its portfolio and TSL to re enter the aviation industry after a spell of 60 years to place it in the Indian skies. Air Asia planned a very calculative market penetration strategy to position itself in the vastly competitive Indian market by targeting middle class customers in Tier II and Tier III cities in India. However, analysts felt that the JV could face competition from existing Indian majors like Indigo Airlines, Jet Airways, Spice Jet and other global players like Etihad, Tiger Airways, who are trying to gain a foothold in the country's aviation sector.

ISSUES:
» Mode of entry & expansion
» Competition.

KEY WORDS: Joint Venture, aviation, Foreign Investment Promotion Board, FIPB , Tata Sons Limited, Air Asia Berhad, Telestra Tradeplace, Tata Group, CAPA, strategy, budget carrier, airlines industry, business model, business ethics, competition, international business, market penetration, pricing, expansion plans, IndiGo, Spice Jet, Jet Airways.

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