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SHAHEEN AIRLINE: THE RISE AND DEMISE (Descend)

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Shaheen: Shine- Change is within the air

"Pakistan's most desired airline, targeting to offer greater service and worthy value for currency to our valued consumers, responding to their essentials with highest standards to security & ease"

One excellent morning, one of the senior manager was in the thought process while sitting alone on his residence lawn and having a cup of tea, the thinking was a process that how Pakistan's Second-largest carrier faced downfall and claimed bank corrupt.

Shaheen air is an icon and got fame as the second-largest airline. It was sincerely an icon for Pakistan's private Airline enterprise. Which become initially founded by means of, The Shaheen Foundation for the benefit of Pakistan Air force and their contributor. Shaheen Airlines persevered under the footing till the overdue 90s. Shaheen Air is a tag that has a stretched associated record more than two Decades of aviation enterprise in the Pakistan Aviation business. After that, airline took over by Sehbai family (Canadian Base Pakistani Family), Khalid Sehbai. He positioned distant places investments in Shaheen Air and wanted to take Shaheen air to its top ranges again along with his tough-running and efforts.

Marketing Mix

In market services, a combination of six different variables of marketing mix has to be planned rather than a normal marketing mix with four variables. Hereafter, Shaheen airline used a combination of following reliant but reasonably easily consistently controlled factors. Price, place, product and process.

1. Product

Main product of Shaheen airline is passenger transportation. Other related products of the countrywide flag carrier are:

1. Cargo

2. Courier
3. Charters

2. Price

To encounter the demand and to facilitate diverse segments, the airline has decided two fare classes and infrequently introduces low fare package bundles also.

Business Class

Economy Plus Class

3. Promotion

With very small existence on the TV, the main medium of airline advertisement was the printing. By Ads, the airline has underlined more to promote by doing following techniques.

4. Place

As the national flag carrier, the airline planned to position itself to be the best service provider. But, it's a painful fact that the airline was not capable to place itself in a way that might have got the favorite position. This was due to some managerial and structural limitations. What managerial strategies did they need to improve?

5. Process

Opening from the principal enquiry around the flight timings and the fare package for the assortment of the luggage from destination is the whole Airway Travel Procedure. Unfortunately, the airline struggled all-out in this characteristic of the mix and the same aspect has donated most in deteriorating the Putting.

6. People

In services, the people are the greatest significant part of the marketing mix. Peoples are noticeable and their existence makes it approve that the service is there. Their cooperative stuff makes them the influence that may purely associate the customer's perception.

Same as the Process, Shaheen has also struggled in this part also.

Rise of Shaheen Air

It was the flag carrier of Pakistan after PIA that holds the record to carry maximum passengers to Pakistan from all over the world. It was officially opened in 1993 and operates nationwide and global routes. It was the initial Pakistani private airline that operates thru flights between Guangzhou, China, and Lahore, Pakistan. It was the winning Pakistani private airline to operate thru flights to Pakistan and Malaysia and also the first Pakistani private airline that operated Airbus A330¹ wide-body aircraft.

It operated nationwide and globally in more than eleven countries, through several fleets through its operation beside with Boeing 737. Airline also operates some chartered aircraft and Airbus fleet. Old planes grounded and changed by other fleet in 2010 when airline started to different aircraft operators.

SEAMS

If we dig out the era of 2004, company took a selection and started out a renovation restore business organization as MRO by the call of Shaheen Engineering and Aircraft Maintenance Services; SEAMS objectives to offer renovation offerings to Shaheen Air and also different nearby and worldwide airlines.

Market Share

In 2010, Shaheen Air accepted more than one million travelers over one year .it took 25% market segment in Pakistan. Air carrier also announced A-330, aircraft from Airbus family in 2013, and course for the aircraft for something like 6 years. In 2017, Company changed its old big fleet with A332. Related to 2011-12, Airline carryover 44% extra global passengers in 2012-13 while there was just an insignificant increment of 3% of the complete number of clients voyaging abroad when contrasted with 2006-2008, Airline took only 281,000 approximately travelers on global destinations, which was a remarkable success. Overall, global traveling from Pakistan was more than nine million in 2011-13 against 9.1 million a year earlier printed in Express Tribune, December 13th, 2013.

Approximately fifteen million global passengers flew from and to Pakistan in the financial year 20017. This number is around a one-fourth of the 59 million global travelers who travelled in and out from Indian same time, as per the data took from aviation relevant companies of the Asian

¹ Airbus

nations. India's people is more than six times greater than Pakistan's. Pakistan's government's airline PIA² more than three million global travelers showing just 23% of the market of global international aviation market. Further key global airlines flying to and from Pakistan are Emirates more than two million, Air blue one and half million, Saudia and Qatar one million mentioned in Annex-1

Domestic Market

Shaheen Air International (SAI)³ started as the significant gainer after it recorded a portion of the overall industry of 25%, an outrageous improvement from the 10% it believed in the previous year. Close by 1.70 million explorers travelled on SAI, which has expanded its operations to 19 planes.

Operations Fleet

Following were the fleet used by Shaheen Air for national and international flights stated in Annex-2. According to the static of 2010, Shaheen was operated by a fleet of 12- 737-200s Airline was swapping the delivery of a more 4-739 Earlier era, SAI had wet rented large aircraft and entered its fleet, furthermore, SAI planned to start operation towards Europe and Canada. But this is observed as two years left. In the meantime, there was the probability to lease Boeing 757 aircraft to attend long haul destinations in Europe and the Outlying East.

Discuss how enhance route and exchange the feet was the key success of market growth?

Network

With the reference of Shaheen airline data, it was operated so many sectors from 12 airports on domestic routes. SAI was motivated by the KSA, UAE, globally destinations were serving that are mentioned in Annex-3.

SAI drove the leading amount of flights from hub through 45 weekly flights.

Lahore and Islamabad were the top destinations, with 22 to 20 per week flights similarly.

Dubai was also a major airport with 15 weekly flights serving Dubai from Karachi, Lahore and Peshawar. The highest progress was its stay to produce KSA presence, moreover, powerfully

² Pakistan International Airlines

³ Shaheen International Airline

development to increase and interested in the Faraway East and Europe, serving both the VFR⁴, roaming and holiday markets with serving to Malaysia, Indonesia, Thailand, Sri Lanka and China

Management issues of Shaheen Airline

The carrier was possessed by two siblings of the Sehbai Family, Kashif and Ehsan Sehbai, having Canadian Nationality. Shaheen Air was developing dramatically, and it was very centered on quick development until 2017. SAI worked with the absolute number of nineteen airplanes when it was the times of dramatic development. The excellent explorers depended on the homegrown traveler and work class voyagers to Middle Eastern nations.

Demise

As carriers experience rivalry and high passage, SAI has chosen to diminish its aircraft numbers, setting up six of its airplane on sub rent to the Royal Jordanian Airline. The advancement feature issues looked by Pakistan's neighborhood transporters that are battling to coordinate resources with abroad carriers in an open-skies plan. Shaheen Air was the symbol for the private aircraft industry as it prevailed throughout the long term.

Was decreasing of fleet helpful?

Late Owner, Khalid Sehbai father of Ehsan Sehbai and Kashif Sehbai was dual national and took over this Carrier in 2006. He changed AOC⁵ license proprietorship to his name and ran operations very easily till he died in 2013. After the passing of the late chairman, the Sehbai brothers took all operations and then they faced new challenges. Sehbai brothers were Canadian nationals and they were not carrying any Pakistani nationality, PCAA⁶ did not renew airline operating License to their names, meanwhile license renewed and validated by PCAA numerous times for six months. PCAA outstretched issue that foreign nationals could not be owners of Pakistan registered firm.

The fall of Shaheen Air continuous after the aircraft handled asserted cash outpouring from a portion of its unfamiliar stations. Ultimately, in October 2018, the carrier completely halted

⁴ Visual flight rule

⁵ Air Operator Certificate

⁶ Pakistan Civil Aviation authority

activities leaving in excess of 5000 individuals jobless. An approved at SAI affirmed that the carrier has put its whole fleet of Airbus A319 on sub rent, with unconfirmed reports additionally coursing that downsizings could in the off.

As indicated by insights printed by PCAA, travelers from Pakistan has not gotten up speed to global travel. Explorers leaning toward unfamiliar aircrafts for worldwide travel, homegrown transporters have endured seriously. In such a situation, extra airplane is ending up trouble, since airplane costs around \$310,000 to \$450,000 under the head of lease consistently, a gigantic weight particularly when the carrier is under-book. Carriers work on thin edges. Already SAI's choice to diminish its fleet additionally comes closely following an assessment contention where it neglected to pay the taxes (FBR) on schedule. The assessment body fixed the carrier's administrative center before the contribution it were paid to add up to Rs915 million.

This all occurred considering the way that, In October 2017, CEO SAI Kashif Sehbai, appeared in a gathering on a local TV Channel and upbraided PCAA's higher organization referred to in Annex-4 Chairman Shaheen Air faulted PCAA for illegitimately holding their as of late enrolled plane. He was similarly faulted for cheating of adjustments asked by PCAA. During his gathering, that is the very thing he displayed if the PCAA doesn't work with their unlawful approvals on Shaheen Air, they will close the airplane in the accompanying two years. History was made, definitively one year after this gathering, Shaheen Air halted exercises in October 2018. SAI announced its decision and said it will immediately look for monetary security. FIA has selected a contention against SAI for thought tax avoidance following a protesting by the PCAA that the obsolete carrier purportedly caused a lack of over PKR1.5 billion rupees (USD8.39 million) transparently saves.

The lapse of SAI was helpful for the abundance three airplanes. PIA, being the best Pakistani airplane, was the major payee after the exit of SAI from Pakistan's transporter market. Before the decay of SAI, they were having 15 planes. These planes were in an all-economy arrangement. Contemplating the local business, the exit of 15 planes from the market, and the exit of outright compensation arranges, the overabundance airplanes progressed from this open door. The piece of the general business was apportioned on the getting through plane of Airblue, Serene Air, and PIA. The fall of a transporter that worked for more than 20 years was actually a trouble for the close by flight industry

Need to know

How did Pakistan’s second largest international airline go bankrupt? Foreign investments are a good sign to raise country capital and growth. What are the steps does the government take to attract a foreign investor? New Management with good investment plans, do you think government gives some relaxation in pending payments to start airline operation again in Pakistan?

Annex-1



Pakistan International Aviation Market in 2016-17. Data Source: CAAP

Pakistan Domestic Aviation Market in 2016-17. Data Source: CAAP

Annex-2

• Boeing 737-200	• Airbus A319-100	• Airbus A330-200
• Boeing 737-400	• Airbus A320-200	• Airbus A330-300

Annex-3

Leeds/Bradford,	Guangzhou, China	Kuala Lumpur,	Jeddah, KSA
United Kingdom		Malaysia	
Medina, KSA	Riyadh, KSA	Dammam, KSA	Kuwait, Kuwait
Doha, Qatar	Dubai, UAE	Sharjah, UAE	Abu Dhabi, UAE
Alain UAE	Muscat, Oman	Manchester, United Kingdom	Mashhad, Iran

Annex-4 •

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