MKT LEADER NOW AT 67.4%; SPICEJET HITS MULTI-YEAR LOW AT 1.6%

IndiGo gains market share despite fall in July air traffic

NITIN KUMAR
New Delhi, August 20

THE DOMESTIC AVIATION market witnessed another month of contraction in July, with passenger traffic falling 4.8% sequentially as airlines continued to rationalise capacity. Market leader IndiGo, though, further strengthened its dominance taking its market share beyond 67% for the first time.

On the other hand, SpiceJet hit a multi-year low across key operational metrics during the month, with its domestic market share plunging to just 1.6% down from 3.9% in January 2026.

According to data released by the Directorate General of Civil Aviation (DGCA) on Thursday, domestic airlines carried 12 million passengers in July compared to 12.6 million passengers in July 2025. Traffic was also lower than the 13.46 million passengers in June 2026.

The decline comes after the sharp summer travel peak in May with airlines continuing to calibrate capacity and network deployment amid changing demand conditions.

Despite the contraction in monthly traffic, passenger numbers during the first seven months of the year remained marginally higher than last year.

Domestic airlines carried 98.4 million passengers during January-July 2026, up 0.64% from 97.78 million passengers in the corresponding period last year.

IndiGo emerged as the biggest beneficiary of the capacity realignment, with its domestic market share rising to a record 67.4% in July, up from 66.3% in June. The airline carried 8.08 million passengers during the month, accounting for more than two-thirds of all domestic air traffic.

The increase further consolidates IndiGo's position in the domestic market at a time when overall traffic is contracting. The airline's market share has risen steadily through the year, from 63.6% in January to 67.4% in July.

The Air India Group, meanwhile, retained a 24% share of the domestic market in July, broadly unchanged from 23.9% in June. The group carried 2.88 million passengers during the month, compared with 3.22 million in June.

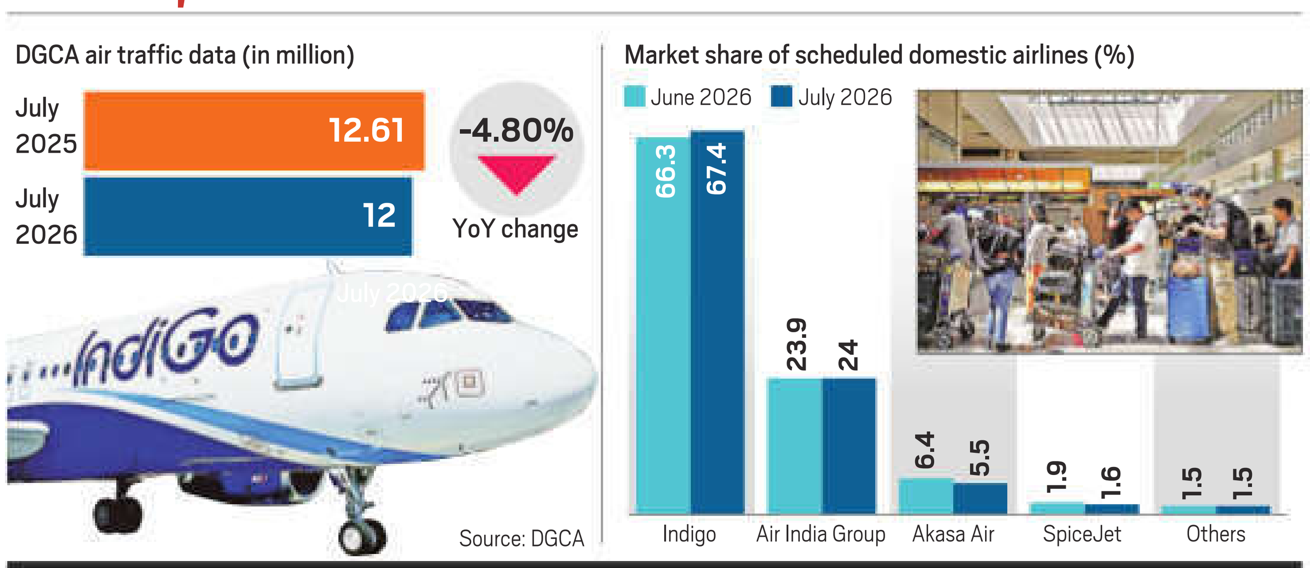
Together, IndiGo and the Air India Group accounted for 91.4% of domestic passenger traffic in July, highlighting the increasing concentration of the Indian aviation market around the two major airline groups.

Akasa Air's market share declined to 5.5% in July from 6.4% in June, while SpiceJet's share fell further to 1.6% from 1.9%. Akasa carried 0.67 million passengers during the month, while SpiceJet carried 0.19 million.

Regional carriers Alliance Air, Star Air, Fly91 and IndiaOne Air continued to account for a relatively small portion of the market.

Passenger load factors remained healthy despite the decline in traffic, suggesting that airlines have been able to align capacity with demand. Akasa Air recorded the highest load factor among the major carriers at 91.9%, followed by Air India Group at 83.2% and IndiGo at 82.4%.

INDIGO, TATA GROUP CORNER OVER 90% MARKET



Swiggy bets on inventory model for Instamart ops

ABINAYA V & PRAVEEN PARAMASIVAM
August 20

SHAREHOLDER APPROVAL FOR Swiggy's foreign ownership cap will let its quick-commerce unit Instamart switch to a potentially more profitable inventory model as the delivery platform plays catch-up with market leader Blinkit in a highly competitive sector.

Instamart has operated under a marketplace model since launching in August 2020, earning commissions on products sold in India's $11.5 billion quick-commerce market. The approval gives Prosus-backed Swiggy the status of an Indian-owned and controlled company (IOCC), required under the country's foreign investment rules to hold inventory.

"The first benefit is bulk-buying advantage. Second, they can share data analytics with their brand partners and third, wastage will be less," Anand Rathi analyst Shobit Singhal said.

An inventory-led model could improve Instamart's margins, particularly in higher-value categories, while giving it greater control over pricing, assortment and supply chains, analysts said.

Swiggy has said the transition could add about 80 basis points to Instamart's contribution margin, which measures revenue after variable costs. "That's about ₹4-5 an order — about a sixth of the ₹30 an order it needs to break even," said Samarth Patel, associate vice president, Equirus Securities.

Instamart's first-quarter contribution margin was negative 0.2%, against negative 1.8% in the previous quarter.

Eternal's Blinkit, which moved to an inventory-led model last year, has logged overall margin improvement for five straight quarters, turning positive in the March 2026 quarter.

The company attributed this to inventory ownership, supply-chain efficiencies and a move into higher-margin categories including electronics, home decor and gourmet foods.

Swiggy, which went public in 2024, is yet to turn profitable. Earlier this month, it set a fiscal 2031 target to turn earnings per share positive.

The shift, however, would result in higher working capital to fund purchases and manage stock, brokerage Jefferies said in a note. Eternal said last month that working capital at Blinkit was "largely driven by inventory ownership".

Swiggy and Eternal have been investing heavily in quick commerce to expand beyond groceries into higher-margin categories, jostling for consumer attention alongside deep-pocketed rivals such as Amazon India, Walmart's Flipkart and Reliance. **—REUTERS**

MARGIN PUSH

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- An inventory-led model could improve margins, particularly in higher-value categories
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Adfactors PR buys majority holding in Australian firm

FE BUREAU
New Delhi, August 20

ADFACTORS PR, THE country's largest reputation and critical issues advisory firm, has acquired a majority stake in Australia-based independent communications consultancy SenateSHJ, expanding its presence in the Asia Pacific region. SenateSHJ will retain its identity and continue to operate from Sydney and Melbourne under co-founder and Chair Angela Scaffidi AM and CEO Darren Behar. Adfactors CEO Nijay N Nair will join the SenateSHJ board.

Adfactors co-founder and Managing Director Madan Bahal said the two firms had strong alignment in how they viewed clients, people and the role of communications, adding that India and Australia were emerging as a strategic business corridor. "We hope to explore more opportunities in the region to create a strong Asia Pacific presence," he said.

Adfactors co-founder and Chairman Rajesh Chaturvedi said the partnership would expand the firm's relationship capital into Australia.

Scaffidi said the problems clients bring to the firms increasingly cross borders and the partnership would allow SenateSHJ to address more of them without changing what has made this firm what it is.

QUICKPICKS

VinFast inks pact with Federal Bank

VINFAST INDIA HAS signed a Memorandum of Understanding (MoU) with Federal Bank to provide tailored inventory financing solutions for its authorised dealer network. Under the deal, Federal Bank will offer customised inventory financing solutions. **— PTI**

Wyndham Hotels' brand in India

WORLD'S LARGEST HOTEL franchisor Wyndham Hotels and Resorts on Thursday announced plans to introduce its European lifestyle brand Vienna House to India with the signing of the 100-key Vienna House Easy Vrindavan, slated to open in 2029. **— PTI**

Ex-CITES staff in Vantara's team

VANTARA HAS APPOINTED former Secretary-General of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) John E Scanlon as the independent chair of its five-member Governing Council. **— PTI**