

Internship Report

# ROUTE-WISE PERFORMANCE ANALYSIS OF REGENT AIRWAYS



Submitted To  
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## Letter of Transmittal

30<sup>th</sup> April 2019

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Subject: Submission of the Internship Report

Dear Sir,

With due diligence. It is with great pleasure that I present to you this report. The internship report is a mandatory pre-requisite to complete my graduation from BRAC Business School, BRAC University. I feel very privileged to have completed my internship from Regent Airways, a unit of Habib Group of Aviation. Throughout the report I have tried to give my full effort in the preparation of the report during my internship period at Regent Airways. I have also tried to express my learning and experience throughout the report. As working on aviation company, I have showed the "Route-Wise Performance Analysis of Regent Airways".

Hence, I am submitting my "Internship Report" for your consideration and assessment. I hope I will live up to your expectations regarding this report.

Sincerely Yours

Sumaita Proma

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## Acknowledgement

This report has been made possible with the kind co operation from various employees of Regent Airways. I would like the opportunity to thank these people without whom this task would have been rather very difficult to accomplish. The heartiest gratitude of mine goes to my faculty for this internship Md. Shezanur Rahman, Lecturer, Brac Business School, Brac University, for allowing me full freedom on the ways that I have wanted to prepare this report and guiding me throughout the process starting from selecting the topic. I would like to place my thanking note to the HR division of Regent Airways to enable me to complete my internship report in their esteemed organization. Then my on-site advisor is responsible for the work that I have learned from in the passed three months that is Zonaid Hossen Talukder, AGM-Accounts, Costing & MIS, Regent Airways. I am also grateful a few other Regent Employees for helping me out with the report they are, Salauddin Chowdhury, Internal Auditor, Tifur Rahman, Assistant Manager, Internal Audit and Sushil Ray, Accountant. I want to convey my gratitude towards them for enabling me to be able to complete this report with their continuous support. Without all of their support this report would not be made possible.





## Executive Summary

Regent Airways is a prominent passenger carrying airlines in Bangladesh. It is a subsidiary of Habib Group that has been operating since 2010.

Working as an internal audit intern in Regent Airways gave me an intensive insight in the operational and financial activities of the organization. My primary concern with the organization was to ensure that all resources available to the organization are used in an efficient manner with any negligence from people using the resources.

Therefore, my internship report topic was to conduct the route-wise performance analysis of Regent Airways. The task was done through various primary and secondary level data collection and analysis. Regent Airways has two domestic routes and seven international routes. Each route has been individually analyses on the basis of number of passengers travelled, distance travelled and revenue earned by the particular route. Recommendations and suggestions are provided for each route separately as each route has different positives and negatives. Seasonality of each routes is also analyzed.

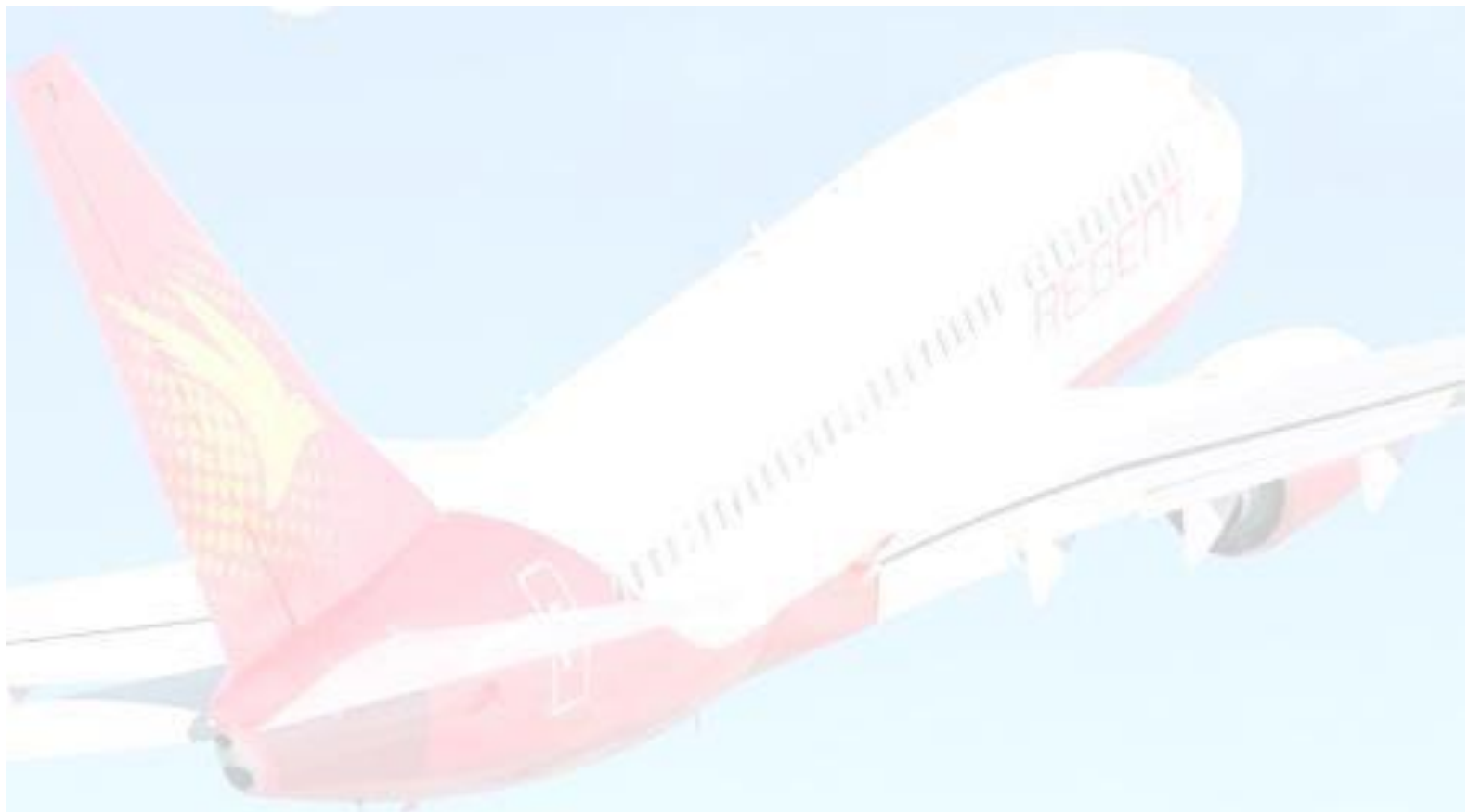


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## Chapter 1

### Organization Overview

#### 1.1.1 Corporate Profile of Regent Airways

Regent Airways is a wholly owned subsidiary of Habib Group. The Habib Group is a prestigious industrial conglomerate in Bangladesh with its wings diversified in various markets such as cement, steel, textiles, insurance, banking, fertilizers, paper, yarn, apparel and aviation. With headquarters of Habib Group situated in Chittagong it started the journey in 1947. It was in 2010 that Regent Airways started its journey in the aviation industry of Bangladesh. In Bangladesh Regent Airways is setting standards never seen before in the local aviation industry— starting from extensive infrastructural capabilities and modern fleet of aircraft to world-class training of its staff and inclusion of highest safety standards. It is also noteworthy that the Civil Aviation Authority of Bangladesh (CAAB) gave Regent Airways the first approval for its Safety Management System Manual this is an internationally acknowledged standard set forth by International Civil Aviation Organization (ICAO). Regent Airways never compromises with the safety of the passengers in every flight. In correspondence with International Air Transport Association (IATA) Regent Airways trains its staff in areas of safety, security and customer service, so that the passengers of the airline get the most from their experience with the company. The staff on ground and in the air are both give paramount priority to the passengers for a global standard of service. Regent Airways use Videocom Reservation System (VRS) provided by EmQuest (a division of Emirates) for uninterrupted reservation by instilling this state-of-the-art e-ticketing. Regent Airways has also launched their own app where all flight information is available. With its competitive pricing and world class customer service Regent Airways is becoming the most preferred airline of the country. There is continuous improvement going on the organization to improve the productivity and efficiency of the flights and new routes are to be added in the foreseeable future.

#### 1.1.2 Head Office

Level-7, Siaam Tower Plot # Mymensingh Road, # Uttara Model Town, 15 Road-2, Dhaka 1230

#### 2.1.3 Mission Statement

We strive to become the preferred air passenger carrier while serving by way of excellence and outstanding quality service in terms of comfort, safety and reliability.

#### 2.1.4 Vision

- To become the market leader through quality services
- To become an air carrier with well trained, well equipped and diverse staff who are continuously developing
- To strive for continuous improvement in all aspects of customer service
- To become the most preferred airline in Bangladesh



### 2.1.5 Legal Form of the Company

HG Aviation Limited was registered as a private limited company with the Registrar of Joint Stock Companies on dated February 02, 2010.

### 1.1.6 Departments in the Organization

1. Marketing and Branding Department
2. Central Reservation System Department
3. Revenue Department
4. Human Resource Department
5. Finance and Accounts Department
6. Engineering Department
7. Flight Operation Department
8. Internal Audit Department
9. Procurement Department

### 1.1.7 Ownership Pattern

Mr. Md Yasin Ali, Chairman of the company, along with other sponsors established HG Aviation Limited. A brief of the ownership pattern delineated below:

Name of the Shareholders	Designation	No. of shareholding	Holding
Md. Yasin Ali	Chairman	166667	8.33
Mashruf Habib	Managing Director	166667	8.33
Salman Habib	Deputy Managing Director	166667	8.33
Yakub Ali	Director	16667	8.33
Tanvir Habib	Shareholder	145833	7.29
Amina Mahbub	Shareholder	41666	2.08
Sarfinaz Mahbub	Shareholder	72917	3.65
Tamina Mahbub	Shareholder	72917	3.65
Legacy Fashion Limited	Shareholder	300000	15.00
Anowara Fashions Limited	Shareholder	700000	35.00

### 1.1.8 Business Management

Mr. Mashruf Habib, the Managing Director, directly supervises the different strategic and operational arena of the company. The business has a group of office personnel for the successfully conducting the day to day activities. As of Jan 31, 2019, the number of employees is:

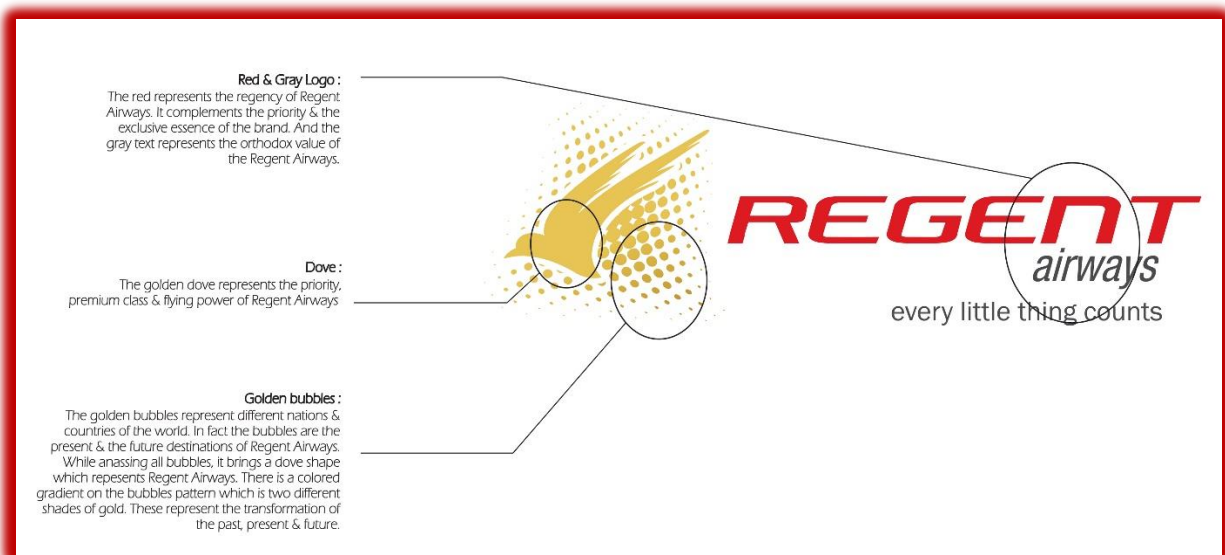
Category	Number
Pilots & Co-Pilots	62
Cabin Crew	94
Engineering Staffs	132
Security	44
Marketing and Sales	96
Ground Service	193





Others	123
Finance and Accounts	35
Human Resource and Administration	17
Total	796

### 1.1.9 The Logo



Source: Regent Airways Official Website

**Red & Gray Logo:** The red represents the regency of Regent Airways. It complements the priority & the exclusive essence of the brand. And the gray text represents the orthodox value of The Regent Airways.

**Two Doves:** The golden dove represents the priority, premium class & flying power of Regent Airways. There are two doves in two different shades of gold. The deeper golden dove represents the contemporary class & experienced part of Regent Airways while the lighter golden dove represents the younger & cheerful part of Regent Airways.

**Golden Bubbles:** The golden bubbles represent different nations & countries of the world. In fact, the bubbles are the present & the future destinations of Regent Airways. While amassing all the bubbles, it brings a dove shape which represents Regent Airways. There is a colored gradient on the bubbles pattern which is two different shades of gold. These represent the transformation of the past, present & the future.

### 1.1.10 The Fleet

Sl. No.	Aircraft Type	Registration No.	Configuration
1.	Dash-8Q 300	S2 - AHA	50
2.	Dash-8Q 300	S2 - AHB	50
3.	Boeing 737	S2 - AHC	126
4.	Boeing 737	S2 - AHD	126



5.	Boeing 738	S2 - AIH	183
6.	Boeing 738	S2 - AIJ	167
7.	Boeing 738	S2 - AIO	183
8.	Boeing 738	S2 - AIV	176

#### 1.1.11 Present Domestic Routes

Sl No.	Sector	Weekly Frequency
1.	Dhaka – Chattogram - Dhaka	37
2.	Dhaka – Cox’s Bazar - Dhaka	11

#### 1.1.12 Present International Routes

Sl. No.	Sector	Weekly Frequency
1.	Dhaka – Kolkata - Dhaka	14
2.	Chattogram – Kolkata - Chattogram	14
3.	Dhaka – Kuala Lumpur - Dhaka	7
4.	Dhaka – Doha - Dhaka	7
5.	Dhaka - Muscat - Dhaka	6
6.	Dhaka – Bangkok - Dhaka	4
7.	Dhaka – Singapore - Dhaka	3

#### 1.1.12 Competitors

The Aviation Industry of Bangladesh includes four major passenger carrier airlines, Regent Airways (RX), Biman Bangladesh Airline (BG), US-Bangla Airlines (BS) and Novo Air (VQ). There are some other cargo carrying airlines that operate in Bangladesh, Bismillah Airlines, Sky Air, Easy Fly Express and Hello Air. The passenger carriers also carry cargo therefore the cargo industry is more competitive in nature. There are also other international carriers that compete with the local carriers for the import and export of both local and foreign products.



## Chapter 2

### Job Description

The internal audit department is simply a value addition to the organization's operations. Objective assurance is applied in the company to have a better way of risk management, control, and governance processes. The department ensures that all other departments have done their work in the most efficient way possible to have a better productivity of the organization's resources.

The Internal Audit department of Regent Airways is where I have successfully completed my internship for a period of three months. During my time there I had a lot of responsibilities which are likely to be applicable in my future career. As an internal audit intern of the organization I had the following responsibilities:

- Review the organization's business processes
- Evaluate the risk management procedures existing in the organization
- Protect against fraud and theft of the organization's assets through thorough evaluation of paper trail of purchases and requisitions.
- Ensure that the organization abides by relevant laws
- Make recommendations on how to improve internal governance processes and risk management.
- Ensuring efficient management of fuel for all flights on a daily basis

Regent Airways is a local company with its corporate culture having the close connection with our society. Hence the problems faced in the society are very much evident in the corporate culture of the organization. It is a very male dominated workforce in the head office of Regent Airways. There are no female employees in the Finance and Accounts section of the company making it difficult for a single female employee to work in. Moreover, it is a very paper-oriented company most of the information and transaction has not been digitalized. The accounting software used by the company is Tally 9.1, which is a very old and outdated software. Thus, I would recommend for the company to have a more balanced workforce for better efficiency and diversification of the work environment and also to upgrade to better software, which would improve the efficient of accountancy of the company.



## Chapter 3

### Description of the Project

#### 3.1 Literature Review

Performance appraisals are one of the most important requirements for successful business and human resource policy (Kressler, 2003). The modern tourism today is possible because of air transport, airports infrastructure, and worldwide air transport networks. The development of air transport and tourism are dependent on each other and this relationship is considered either implicitly or explicitly in the business models both fields adopt (Bieger & Wittmer, 2006; Forsyth 2006, 2010; Duval 2013). Air transport is vital arena for tourism development. Tourism is highly influenced by international airline alliances through fare and total travel time reductions, better connectivity, convenient schedules and stronger tourism destination marketing initiatives (Morley, 2003). In today's fast paced world the air travel is the most convenient mode of travelling specially for people who work overseas. Bangladesh has a very high rate of air fare to the countries in the middle east due to the withdrawal of several airlines, Etihad Airways, Oman Air, Fly Dubai and Jet Airways (Daily Star, 2019). Fly Dubai and Etihad Airways backed out of its operations in Bangladesh in 2018. Prior to that Oman Air, British Airways, Korean Air, RAK Airways, Air Indian Express, Bangkok Airways, Mihin Lanka, Gulf Airways and KLM due to various reasons ceased their operations in Bangladesh, such frequent pull out is likely to have an adverse effect on the aviation industry of the country (Hasan, 2019). Regent airways has reduced its number of Boeing 737 airplane by 2 and returned the planes to the lessor which saves the airways company 2 million each month, this was done to cut down on operational costs (Nesa, 2019).

#### 3.2 Objectives of the Project

##### 3.2.1 General Objective

The internship is a prerequisite for the successful completion of the Bachelor of Business Administration (BBA) program of BRAC University. This report is prepared for the fulfillment of the requirement of completing my BBA program. I have worked as an intern at Regent Airways for 3 months for the preparation of this report and as a mandatory requirement of the program.

##### 3.2.2 Specific Objective

The report focuses on the performance of Regent Airways in respect to the different routes that it operates in. The airline company is operating in 2 domestic routes and 7 international routes at present. The report is summed up to:

- To find the seasonality in different routes
- To analyze the productivity of different routes
- Drawing recommendations based on the performance of different routes



### 3.3 Methodology

The study requires a systematic procedure from selection of the topic to final report preparation. To perform the data sources are to be identified and collected, they are to be classified, analyzed, interpreted and presented. The key points are to be identified. The overall process is further described below:

#### 3.3.1 Data Collection Method

Data was collected from both primary and secondary sources.

- **Primary Data:**  
Primary data was collected by personal interviews and discussion with the employees and management team of Regent Airways. Intricate details about the organizations day to day management was collected through these discussion periods.
- **Secondary Data:**  
Secondary data was collected through in the following ways:
  - Flight Reports of Regent Airways
  - Published brochures of Regent Airways
  - Official Website of Regent Airways
  - Different official records of the organization
  - Published Journal and report of Regent Airways

#### 3.3.2 Classification, Analysis, Interpretations and Presentation of Data

The following methods are used to interpret and analyze the route wise performance of Regent Airways

- Revenue Passenger Kilometer  
Sum of the products obtained by multiplying the number of revenue passengers carried on each flight stage by corresponding stage distance

$$\text{Passenger Carried on Flight * Distance of the flight}$$

- Available Seat Kilometer  
The sum of the products obtained by multiplying the number of seats available for sale on each flight stage by corresponding stage distance.

$$\text{Total Seats Available on Flight * Distance of the flight}$$

- Capacity Utilization Rate  
Airline capacity utilization is measured by load factor and indicates the percentage of total capacity that is utilized by an airline. Simply this shows at what capacity the airline is operates for the route.

$$\text{Revenue Passenger Kilometers / Available Seat Kilometer}$$

- Passenger Yield



Measure of average fare paid per mile, per passenger, calculated by dividing passenger revenue by revenue passenger miles (RPMs). Typically, the measure is presented in per revenue passenger mile and is useful measure in assessing and estimating changes in fares over time.

<b>Route Revenue/Revenue Passenger Kilometers</b>
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### **3.4 Limitations of the Report**

There have been quite a few limitations that were faced while writing this report, specially while collecting the data required for the report. The factors constraining the report were:

- Lack of flight report data on the routes operated by third party.
- No reports or data of any competitors, none are public limited companies.
- Comparison with competitors not possible.
- The organization being a private limited company some of the data even thou accessible were confidential and not included in the report.



## Chapter 4

### Performance Analysis

#### 4.1 Domestic Routes

In the domestic market there are only two routes that Regent Airways operates. The domestic port is Dhaka and the destinations are Chattogram and Cox's Bazar. At present both the DashQ 300 is grounded at the Hazrat Shahjalal International Airport due to this unfortunate event no other domestic routes can be operated at present. Other destinations were operated before like Jessore, Sylhet and Saidpur were operated before these airplanes became nonfunctional. Regent does have plans to so start other operations through leasing out more planes that are suitable for operating in the domestic routes as the available Boeing planes are not feasible for operations domestically.

##### 4.1.1 Dhaka - Chattogram – Dhaka Route:

The Dhaka – Chattogram – Dhaka is the route with the highest domestic frequency for the airline. Regent airways currently have around 42 weekly frequencies of the flight in this route. There are frequent fliers in the route. The route is operated by two Boeing 737 aircrafts both of which have individual capacity of carrying 126 passengers at a time.

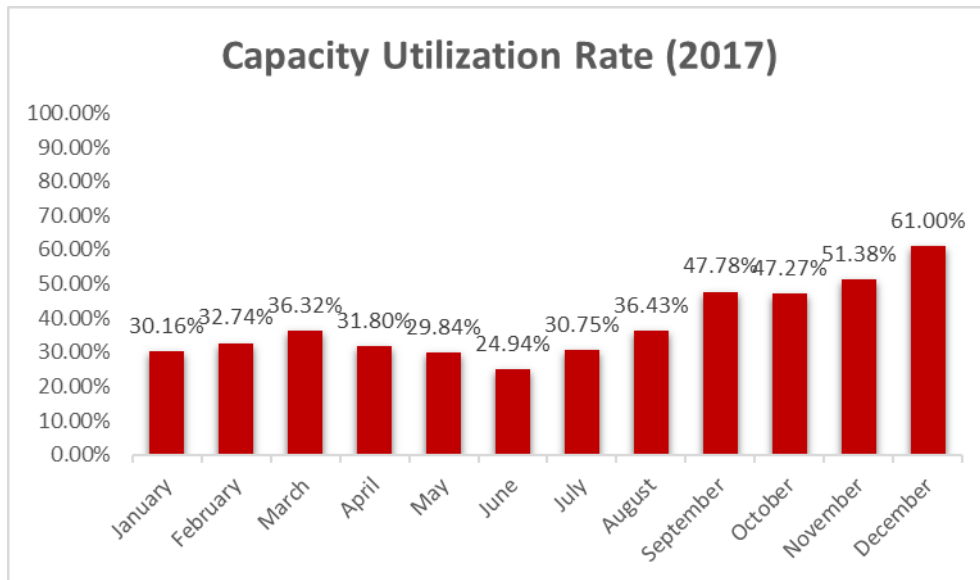
##### Productivity:

The year 2017 had a low start in number of passengers flown in this route but the last quarter had a very promising ending to with capacity utilization of 61% in December. The lowest utilization happened in June where only 25% of the capacity of all flights in the routes were used, but the following months picked up the pace and an upward trend is seen there onwards.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	155040102	513982324	0.30	2408106296	15.53
February	135858492	414985939	0.33	2137297658	15.73
March	155619727	428480539	0.36	2467643850	15.86
April	145049814	456117480	0.32	1929503495	13.30
May	148976956	499192243	0.30	1843598570	12.38
June	110301004	442191052	0.25	1309732432	11.87
July	155765383	506560294	0.30	2017341938	12.95
August	203853283	559648051	0.36	2890823164	14.18
September	224696656	470259820	0.47	3487344108	15.52
October	235962720	499182242	0.47	3678923100	15.59
November	256471084	499192243	0.51	4097021247	15.97
December	322700868	528988320	0.61	5213722178	16.16

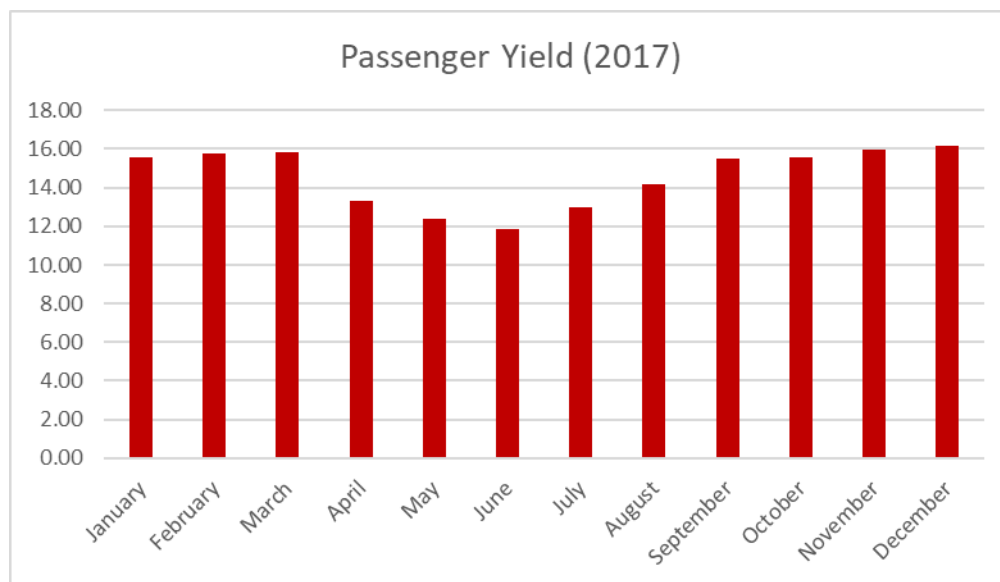
Source: Primary Data

Table: Productivity DHK-CGP-DHK,2017



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-CGP-DHK



Source: Primary Data

Figure: Revenue Passenger Kilometers 2017, DHK-CGP-DHK

#### Productivity:

In 2018 the start was more promising than the previous. The first two months had a very good response with the passenger but things did not look so good in the second quarter of the year. As per Revenue Passenger Kilometers and Passenger Yield the productivity was at its peak in the month of December. July shows the worse productivity among the others.

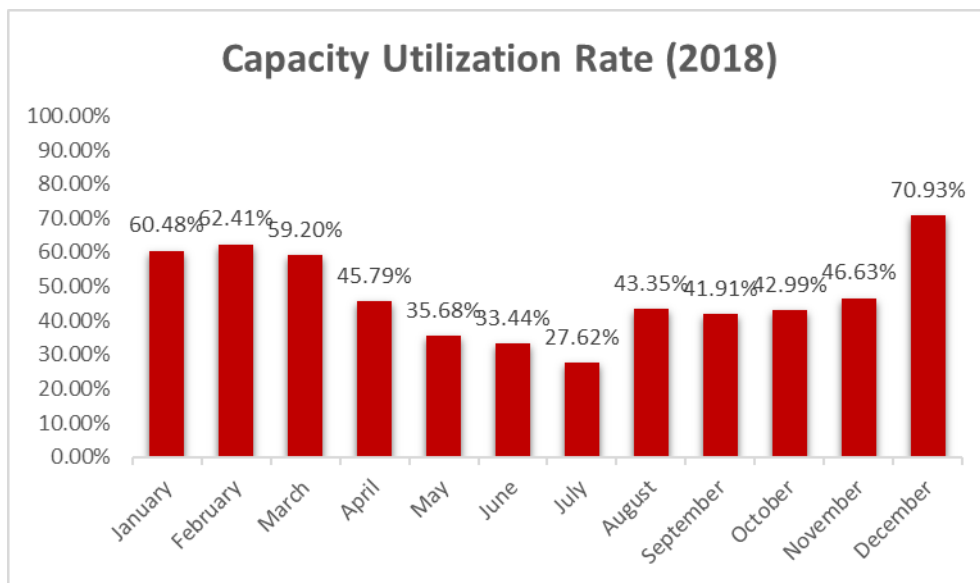




Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	309006455	510907732	0.60	4450839389	14.40
February	330167512	528989450	0.62	4572054741	13.85
March	270034128	456104582	0.59	3317108648	12.28
April	203387159	444188502	0.45	3052072655	15.01
May	153265430	429567846	0.35	2127143429	13.88
June	143278647	428480267	0.33	2030933124	14.17
July	118230546	428081749	0.27	1627143429	13.76
August	153114672	353192242	0.43	2635287633	17.21
September	163398173	389901754	0.42	2724375909	16.67
October	169894236	395188468	0.42	2857130422	16.82
November	185944021	398734248	0.46	3027943450	16.28
December	291076253	410392688	0.71	5329873082	18.31

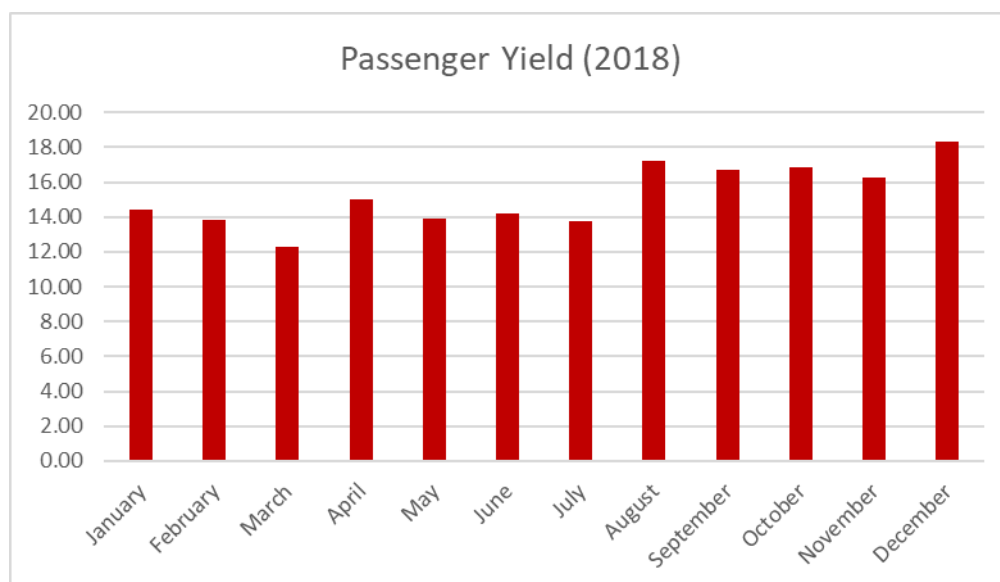
Source: Primary Data

Table: Productivity DHK-CGP-DHK,2018



Source: Primary Data

Figure: Capacity Utilization Rate 2018, DHK-CGP-DHK



Source: Primary Data

Figure: Passenger Yield 2018, DHK-CGP-DHK

#### Seasonality:

From the analysis of the two years it is evident that the demand increases in the last quarter of the year. Whereas June and July there is less passengers flying with the Airlines in these months. The upward trend starts from August and is likely to continue to the next year's first quarter

#### Recommendations:

The capacity utilization of this route is very low thus it would be recommended to decrease the number of frequencies in this route and redirect the flights in routes that have higher demand and higher passenger yield. That would mean that the flights would be used in better efficiency as the utilization is low in this route. There is immense pressure from other domestic competitors in this route which results in lower passengers carried by Regent Airways. The pricing is very competitive for this route. Moreover, as Boeing Aircrafts are used in the route whereas most competitors use cheaper and more cost-efficient planes like DashQ 300/400 or ATR, the pricing of this route for Regent is not the lowest among the carriers.

#### 4.1.2 Dhaka – Cox's Bazar – Dhaka Route

This is the most productive route of Regent Airways in the domestic arena. Cox's Bazar being the most attractive tourist spot of the country works in a positive manner in the favor of making this a profitable route for the organization. There are different packages with hotel accommodation and transportation included in them are offered to the passengers to have a better deal of their experience with Regent Airways. At present flights are operated in 11 weekly frequencies. It has two flights operating in the route, RX 741/742 that is operated by a Boeing 737 with 126 seats in them and also RX 1741/1742 that is operated by Boeing 738 with capacity of 183.



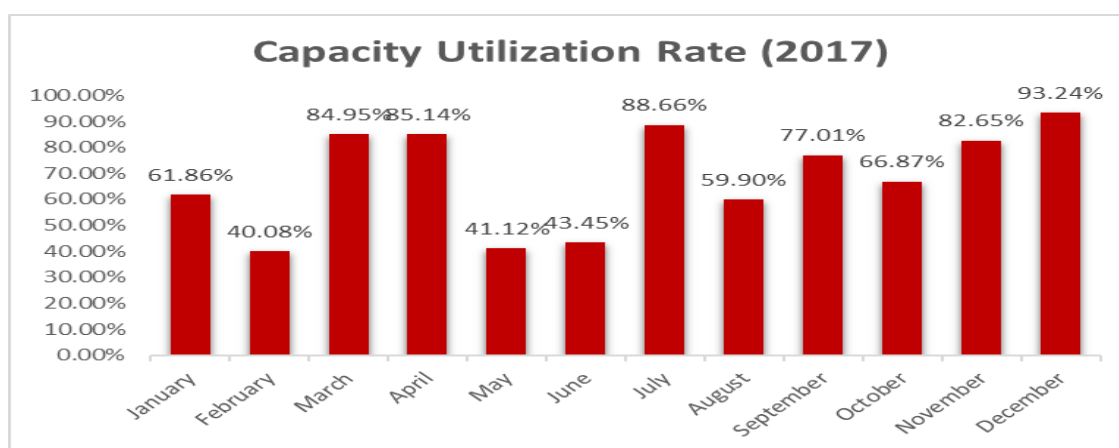
## Productivity:

This is the most productive domestic route of the airline company. The capacity Utilization goes up to 93% in December, which is a very positive sign for the company. Its resources are being used in an efficient manner in this route. The number of passengers is lower in the some times of the year as it is a tourist destination there are fluctuations in the passenger intake of the airline. 2017 had a overall capacity utilization rate of 68%.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	1818253	2939128	0.62	26140749	14.86
February	807961	2015932	0.40	15984694	14.57
March	2409750	2836784	0.85	11270690	13.40
April	2297504	2698344	0.85	8854154	12.70
May	795491	1934662	0.41	9162973	15.04
June	694008	1597214	0.43	37916902	16.11
July	2143753	2418062	0.89	29881670	13.89
August	1583591	2643788	0.59	40364750	14.61
September	1908522	2478320	0.77	9972600	14.71
October	1382759	2067789	0.67	13569255	14.64
November	2375690	2874524	0.83	38495932	14.65
December	3609325	3870948	0.93	48831475	16.02

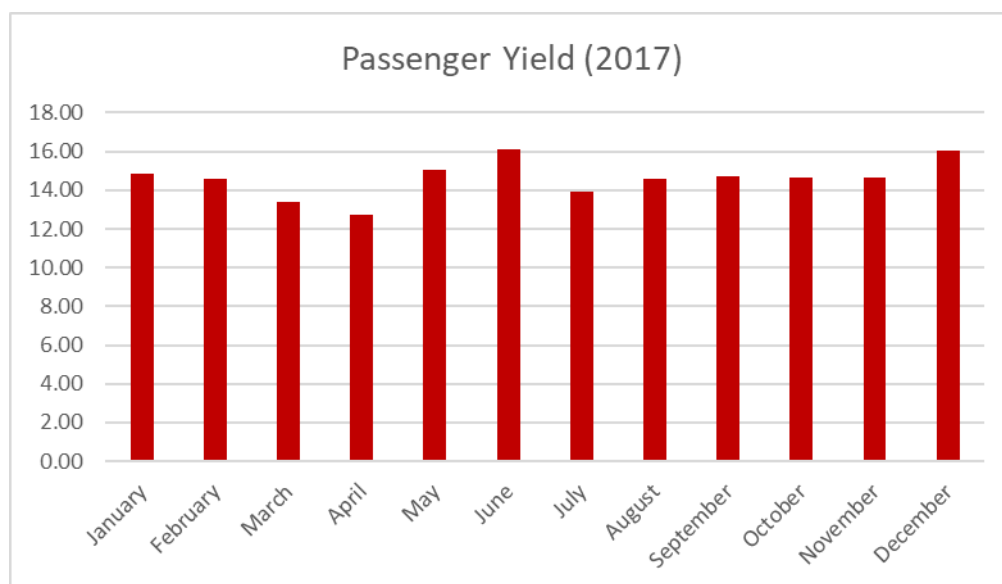
Source: Primary Data

Table: Productivity, DHK-CXB-DHK 2017



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-CXB-DHK



Source: Primary Data

Figure: Passenger Yield 2017, DHK-CXB-DHK

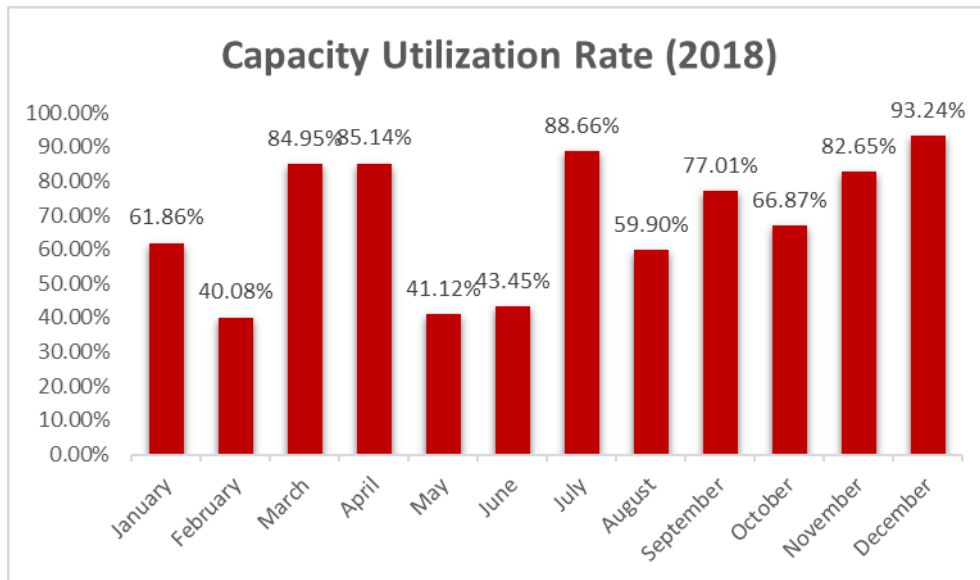
### Productivity:

The overall productivity of the route decreased in the year 2018 to 59% but it is still the most productive route of the company. The overall decline occurred due to the general elections held in the country in December which had an adverse effect on tourists visiting Cox's Bazar. December is the most peak season for tourists in Cox's Bazar.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	1758826	2689632	0.65	25954613	14.27
February	1096842	2418346	0.45	16189660	20.04
March	841173	2157232	0.40	33482975	13.89
April	697244	2076548	0.33	38402160	16.71
May	609237	1808722	0.34	11528159	14.49
June	2354321	3268436	0.72	9185400	13.24
July	2151486	2313360	0.93	32037365	14.94
August	2762262	3168324	0.87	23774314	15.01
September	678096	2004912	0.34	29507741	15.46
October	926788	2154938	0.43	19870424	14.37
November	2627341	3165212	0.83	35894413	15.11
December	3049028	3402788	0.89	59668017	16.53

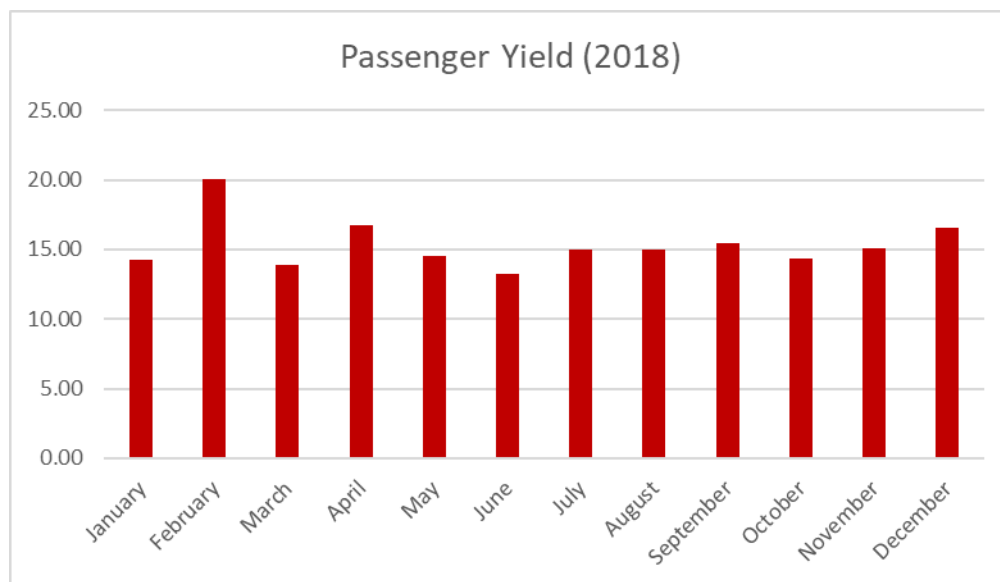
Source: Primary Data

Table: Productivity DHK-CXB-DHK.2018



Source: Primary Data

Figure: Capacity Utilization 2018, DHK-CXB-DHK



Source: Primary Data

Figure: Passenger Yield 2018, DHK-CXB-DHK

#### Seasonality:

The first quarter and last quarter are the ones with the higher demand. There is also less demand in this route during the month of Ramadan but the demand increases right after Ramadan during the Eid vacations. December is also a high in demand due to the weather of Cox's Bazar in this time.



## Recommendations:

This is a very productive route and adding more flights to this destination is like to have a better impact on the overall efficiency of operations of the airlines. The number of flights can be added when the demand is high and redirected elsewhere when demand is low.

## 4.2 International Routes

Regent Airways flies to 6 different destinations internationally. The international market and airspace have different rules and ways than the domestic market. There are plans on process to start another international route within the next couple of months to Guangzhou China.

### 4.2.1 Dhaka-Bangkok-Dhaka

The Dhaka Bangkok route is operated by two Boeing 738 aircrafts. The two aircrafts have capacity of 167 and 178 seats each. There are 4 weekly flights to the destination of Bangkok. The air distance from Bangkok to Dhaka is 1538 kilometers.

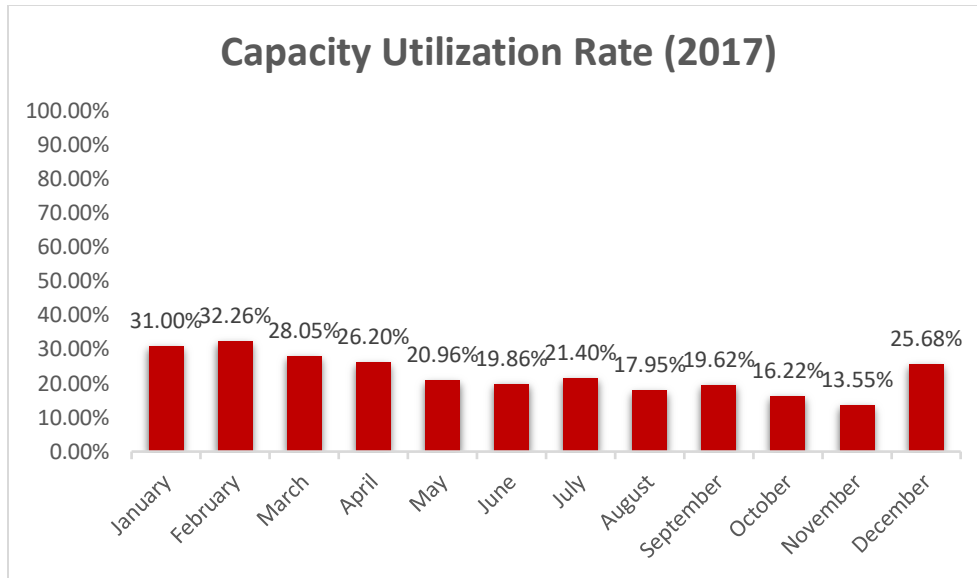
### Productivity:

The Passenger Yield is high in this route even though there are frequent fluctuations in price noticeable through the passenger yield. The capacity utilization of the route was very low in the year 2017 and the number of flights were decreased in the following year. The company failed to judge the demand for this route in the year 2017. As a result, the average capacity utilization was only 23%.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	27256392	87931008	0.31	369789653	13.57
February	24027612	74476352	0.32	452134987	18.82
March	23259528	82931008	0.28	451209786	19.40
April	20551776	78432288	0.26	437891264	21.31
May	16436178	78412900	0.21	309126758	18.81
June	15335190	77213785	0.20	289045812	18.85
July	16792380	78456093	0.21	229086125	13.64
August	15177906	84579012	0.18	216758909	14.28
September	15387615	78420955	0.20	265389031	17.25
October	12101616	74589612	0.16	169857638	14.04
November	9830250	72564907	0.14	135789086	13.81
December	21621924	84210964	0.26	458690723	21.21

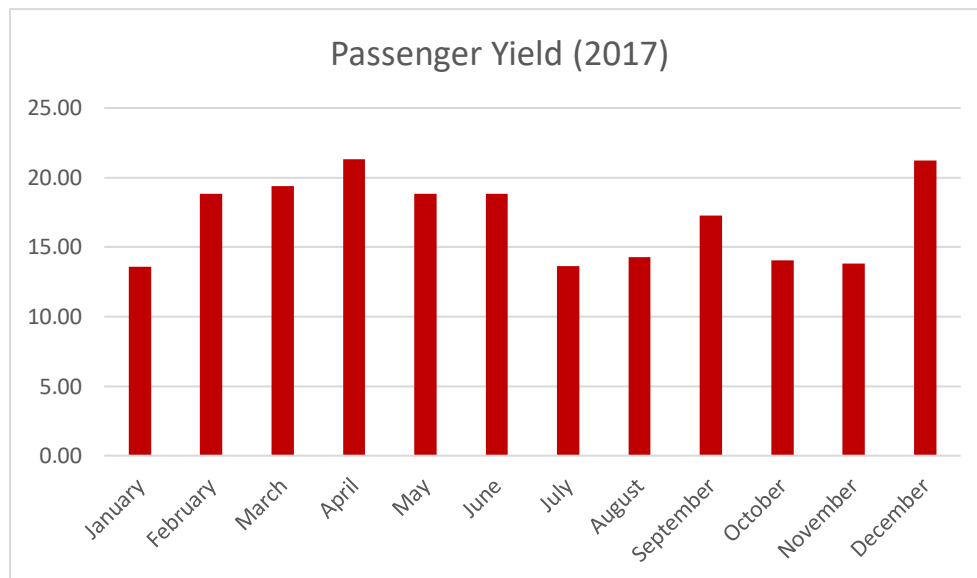
Source: Primary Data

Table: Productivity DHK-BKK-DHK,2017



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-BKK-DHK



Source: Primary Data

Figure: Passenger Yield 2017, DHK-BKK-DHK

#### Productivity:

In the year 2018 there was a slight spike in the capacity utilization of this route to 27%, which is still lower than the other routes of the organization. This route has a lot of cargo shipping the cargo is not considered in the route revenue of the analysis. Therefore, even with low number of passengers the

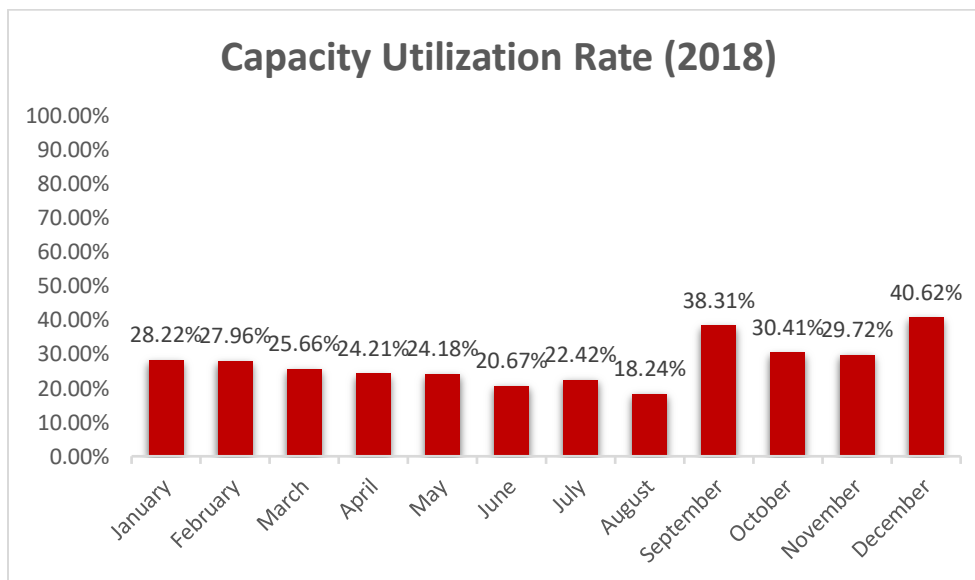


route does cover the overall expenses incurred for the flight. The Passenger yield is not as low as expected from such low capacity utilization.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	23895672	84673890	0.28	497237859	20.81
February	22678903	81123549	0.28	517680938	22.83
March	18907547	73679097	0.26	467923564	24.75
April	18475609	76309723	0.24	447863386	24.24
May	19074644	78895346	0.24	447869092	23.48
June	16507086	79863456	0.21	412332945	24.98
July	18085321	80654234	0.22	462714342	25.59
August	14567589	79850523	0.18	335287643	23.02
September	33908570	88512341	0.38	687852090	20.29
October	26375987	86723108	0.30	652311438	24.73
November	25790421	86790932	0.30	637124562	24.70
December	37865052	93217809	0.41	756762231	19.99

Source: Primary Data

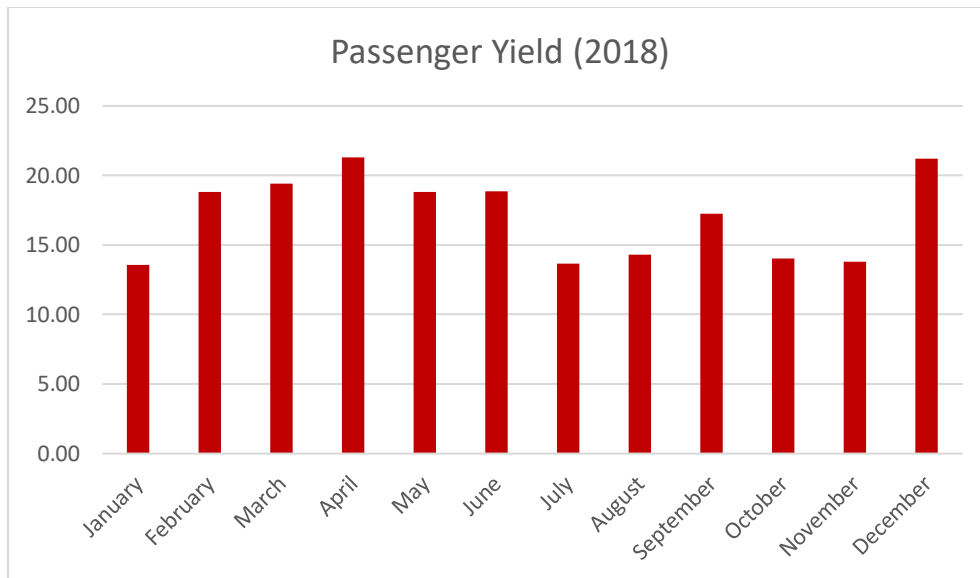
Table: Productivity DHK-BKK-DHK,2018



Source: Primary Data

Figure: Capacity Utilization 2018, DHK-BKK-DHK





Source: Primary Data

Figure: Passenger Yield 2018, DHK-BKK-DHK

#### **Seasonality:**

In the two years analyzed the data does not show much similarity mostly due to the low capacity utilization in this route. But in both the years December is the most productive route. This is mainly due to the recent culture amongst the passengers to spend New Year's Eve in Bangkok.

#### **Recommendations:**

This route needs to attract more passengers therefore more rigorous marketing strategy regarding this particular route needs to be adopted for better performance of the route. There is no alternative to increasing the number of passengers travelling through this route for better productivity of the route.

#### **4.2.2 Dhaka -Doha-Dhaka**

This middle eastern destination has 7 weekly flights, that means there is a daily flight in this route. This route had had increased flights in 2018 due to the fact that other airways pulled out of the Bangladesh's Aviation industry in the later part of 2018. This destination is run through third party. This route is 3920 km and the flight time is around 5 hours 15 minutes for the route.

#### **Productivity:**

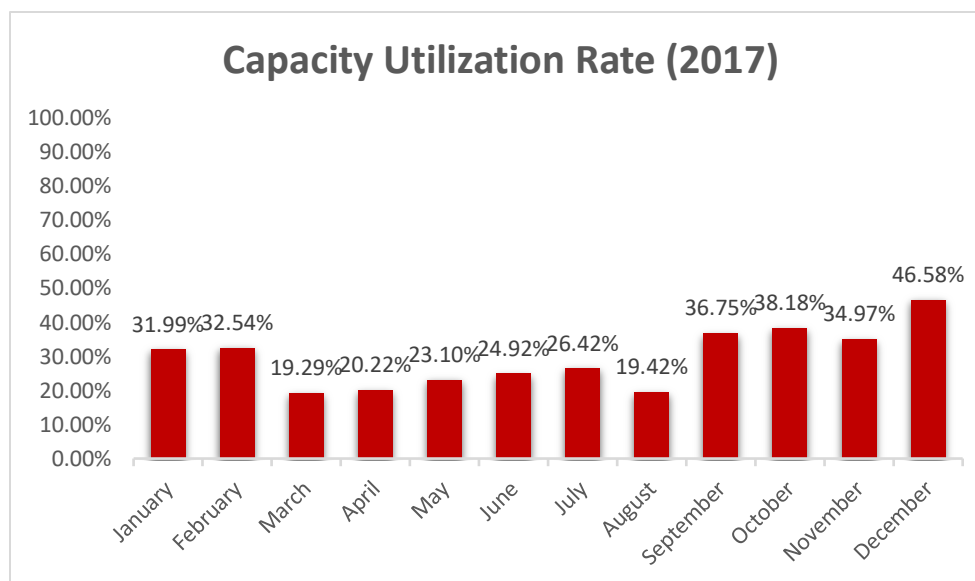
Like most other routes of Regent Airways even this has high demand in January and December. The first quarter and last quarter of the year is productive according to revenue passenger kilometers of the route. The lowest capacity utilization is in March and August.



Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	10419360	32569808	0.32	76789653	7.37
February	9847040	30265155	0.33	75234987	7.64
March	5327280	27614895	0.19	45109786	8.47
April	5793760	28654120	0.20	36891264	6.37
May	6848240	29641788	0.23	39126758	5.71
June	7596960	30486132	0.25	89045812	11.72
July	8098720	30657920	0.26	79086125	9.77
August	5578160	28730188	0.19	46758909	8.38
September	11097520	30194232	0.37	95389031	8.60
October	12010880	31456782	0.38	178958659	14.14
November	10917200	31216970	0.35	136514970	12.44
December	15178240	32587564	0.47	196121245	12.91

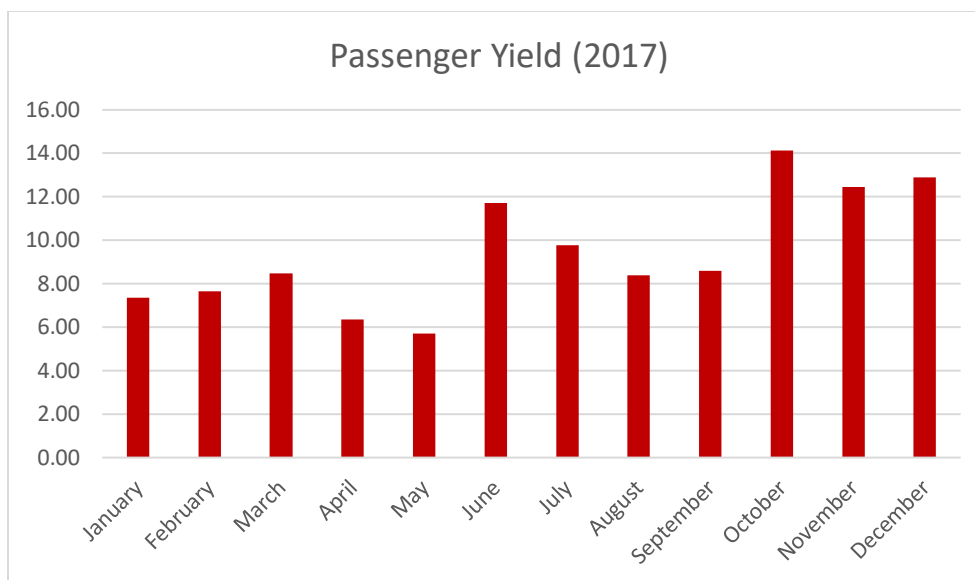
Source: Primary Data

Table: Productivity DHK-DOH-DHK, 2017



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-DOH-DHK



Source: Primary Data

Figure: Passenger Yield DHK-DOH-DHK, 2017

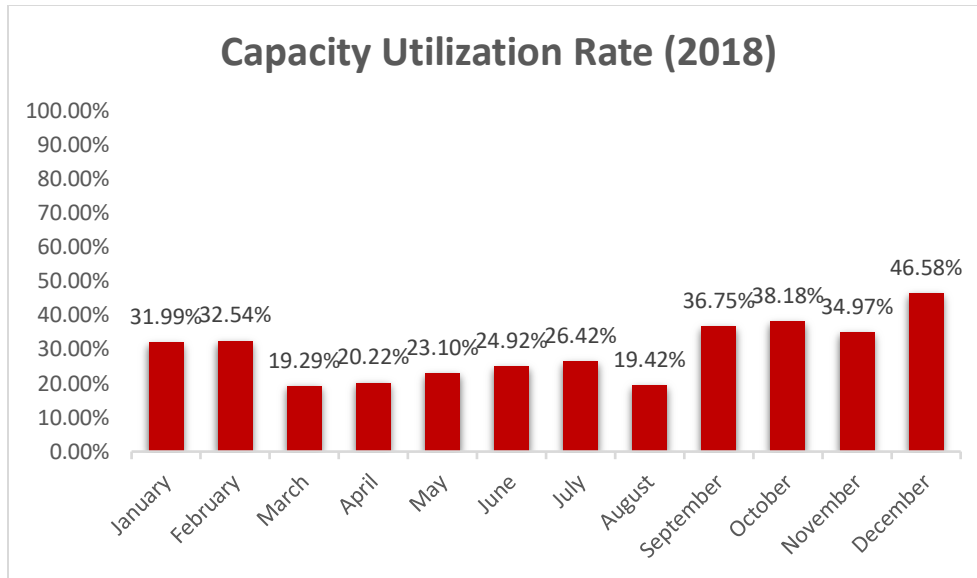
**Productivity:**

The overall productivity of the route did increase in 2018 but not by a significant amount. The lowest capacity utilization was in March of only 20%, the lowest revenue passenger kilometers as also in the same month. The productivity like the previous year increased in the month 2 months.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	12720400	35698245	0.36	81125890	6.38
February	13810160	33875364	0.41	93578756	6.78
March	6613040	28563212	0.23	49314795	7.46
April	5836880	28564368	0.20	46789084	8.02
May	7189280	29856320	0.24	64923190	9.03
June	8549520	30946532	0.28	72909564	8.53
July	6409200	24890466	0.26	67893248	10.59
August	10634960	35679508	0.30	97321654	9.15
September	18851280	38908453	0.48	266980953	14.16
October	16083760	36790980	0.44	182311438	11.34
November	14747040	32568308	0.45	135637162	9.20
December	21011200	38096853	0.55	249084605	11.85

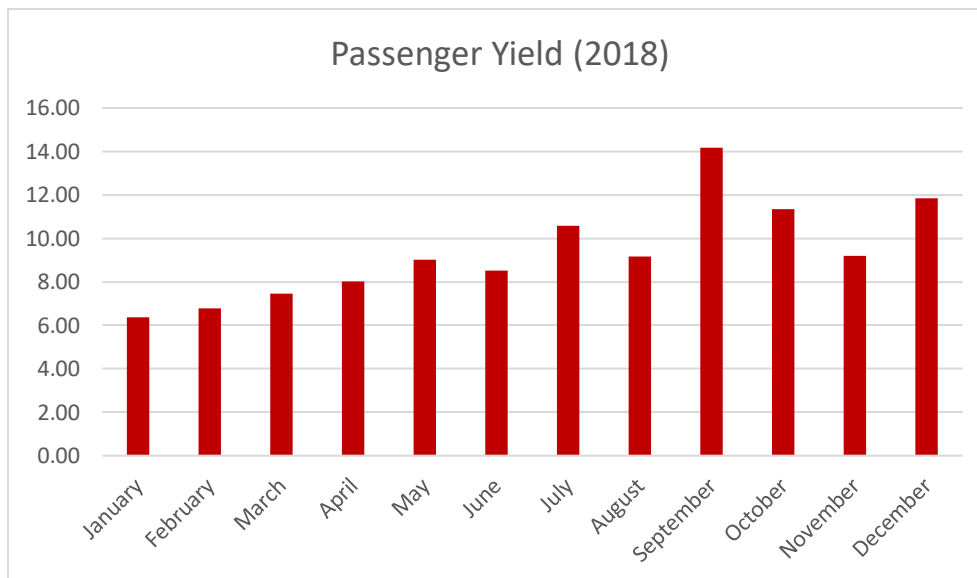
Source: Primary Data

Table: Productivity 2018, DHK-DOH-DHK



Source: Primary Data

Figure: Capacity Utilization 2018, DHK-DOH-DHK



Source: Primary Data

Figure: Passenger Yield 2018, DHK-DOH-DHK

#### Seasonality:

The seasonality occurs only the later months of the year. In both the years the airline company experiences rising demand for this route in the last two months of the year.



## Recommendations:

It is recommended for this route to have lower frequency of flights in order to have greater capacity utilization of the flights and be more productive in the route. The total number of passengers should be kept to the number it is now even if frequency of the flights are reduced to have a better productivity of the route.

### 4.2.3 Dhaka-Kolkata-Dhaka

This is the shortest international route with only 251km distance. Yet the productivity of this route is very impressive in comparison to other routes of the organization. The airline competes with local as well as international other airlines in this route. The pricing for this route is very competitive as there are a lot of competitors. 14 weekly frequency of flights operate in this route.

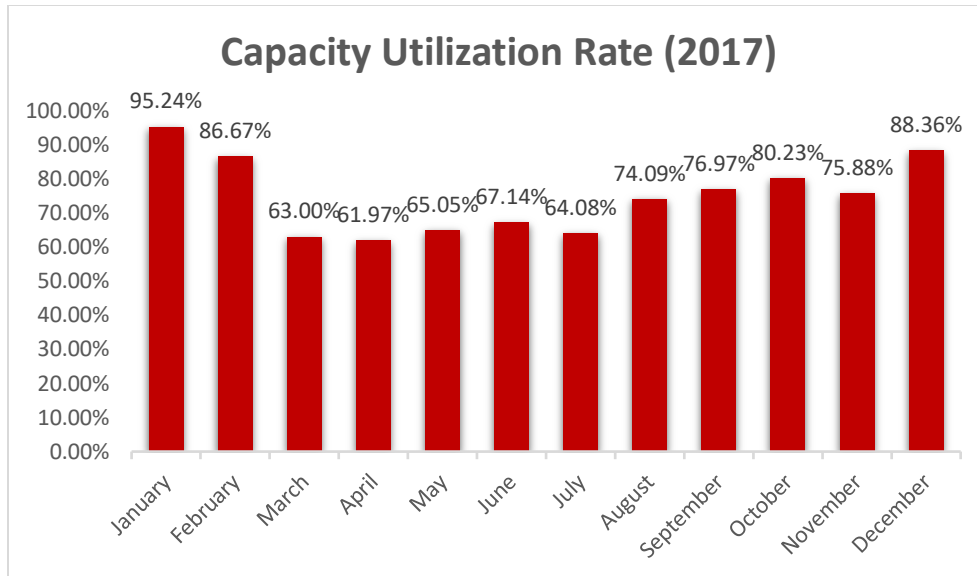
## Productivity:

The productive of the route is high throughout the year of 2017 and the highest number of passengers travel in January in the route. The first month of the year does seem to be the most in demand for this route. Even the least number of capacity utilization is only 62% that occurs in March. The passenger Yield is very impressive for the month of October which is 75.39 cents/mile.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	2847595	2989763	0.95	76789653	26.97
February	2515773	2902655	0.87	75234987	29.91
March	1739681	2761485	0.63	45109786	25.93
April	1651078	2664120	0.62	36891264	22.34
May	1928433	2964398	0.65	39126758	20.29
June	1912118	2848132	0.67	89045812	46.57
July	1773566	2767920	0.64	79086125	44.59
August	2066734	2789543	0.74	46758909	22.62
September	2216581	2879908	0.77	95389031	43.03
October	2252976	2808055	0.80	169857638	75.39
November	2217083	2921670	0.76	135789086	61.25
December	2613412	2957564	0.88	195890723	74.96

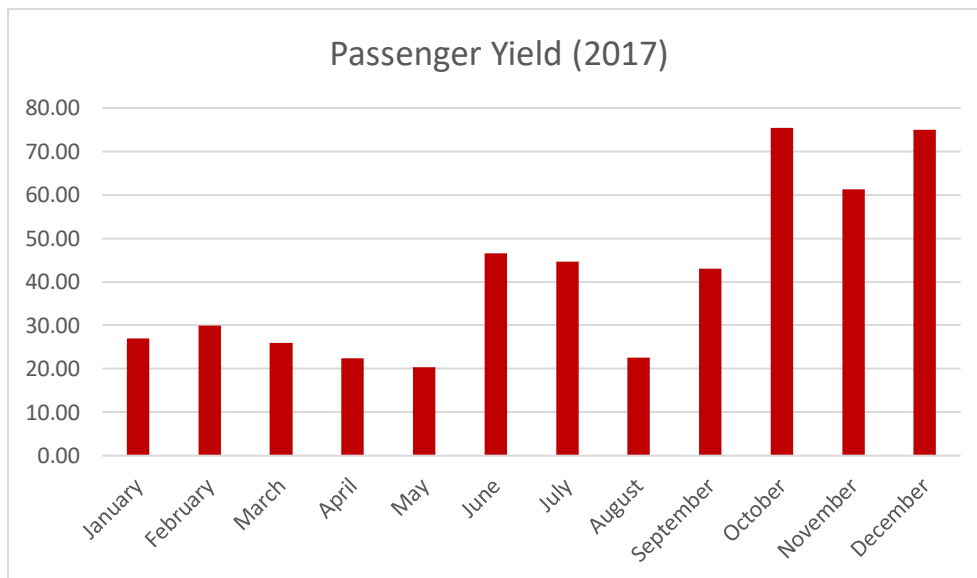
Source: Primary Data

Table: Productivity 2017, DHK-CCU-DHK



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-CCU-DHK



Source: Primary Data

Figure: Passenger Yield 2017, DHK-CCU-DHK

#### Productivity:

The overall productivity of the route increased in 2018 then the previous. Even though high capacity utilization is there in January of about 92% the highest was in December of 95%. Even though the capacity

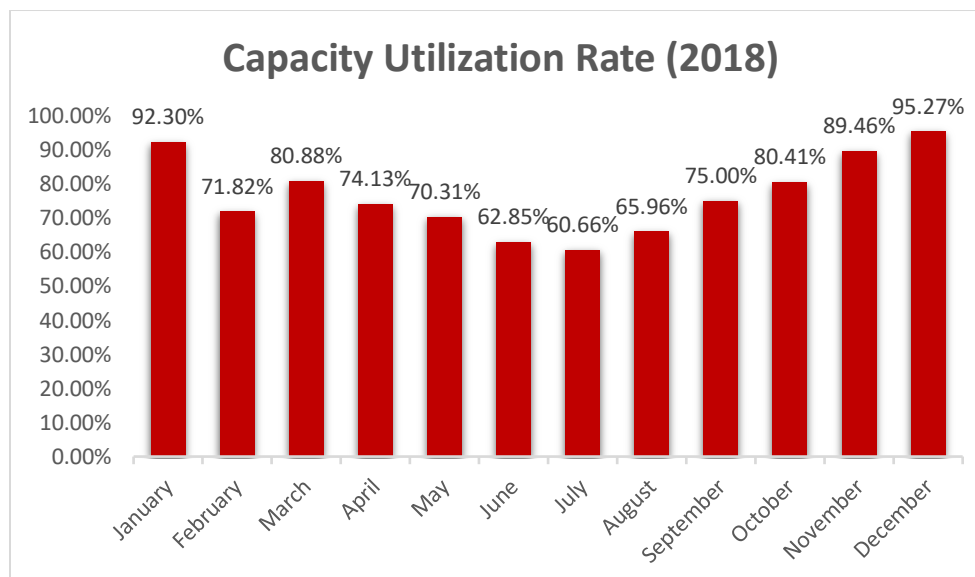


Utilization Rate increased in 2018 the Passenger Yield dropped. This might happen due to competitive pricing in the route and overall price of tickets decreasing.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	2702768	2928400	0.92	75684987	28.00
February	2065981	2876563	0.72	72348914	35.02
March	1996454	2468470	0.81	74589231	37.36
April	1918142	2587462	0.74	72348640	37.72
May	1810212	2574680	0.70	70431785	38.91
June	1614432	2568760	0.63	67742109	41.96
July	1556200	2565470	0.61	67563948	43.42
August	1702784	2581345	0.66	71321654	41.89
September	2007749	2676960	0.75	99980953	49.80
October	2150819	2674680	0.80	72311438	33.62
November	2395293	2677452	0.89	75639852	31.58
December	2756733	2893450	0.95	89124702	32.33

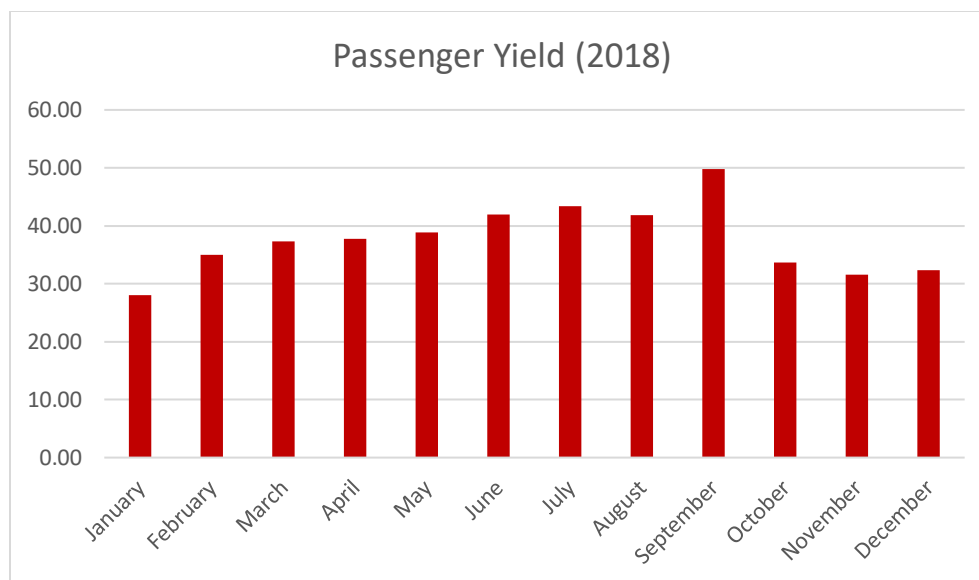
Source: Primary Data

Table: Productivity 2018, DHK-CCU-DHK



Source: Primary Data

Figure: Capacity Utilization 2018, DHK-CCU-DHK



Source: Primary Data

Figure: Passenger Yield 2018, DHK-CCU-DHK

#### **Seasonality:**

There is a slight drop in the demand in both the years in the months of June and July. There is no very low demand in this route, the overall demand is high throughout the year. The capacity utilization is maximized in the first and last quarters of the year.

#### **Recommendation:**

As the route is very productive there is little room for improvement in this route. But more flights can be introduced in this route as it is quite productive in comparison with the other routes of the organization.

#### **4.2.4 Chattogram-Kolkatta-Chattogram**

Kolkata is a very preferred destination for the people of Bangladesh as it is a neighboring country and only a short flight away. As Regent is owned by a Chattogram based conglomerate company it recognized the need of the people of Chattogram of having direct flights to Kolkata and operates it on a regular basis. Like the frequency of Dhaka-Kolkata-Dhaka flight this also has 14 frequencies in a week.

#### **Productivity:**

The route is very productive for all the months of 2017. Even the passenger yield is quite impressive for the route. The lowest number of passengers fly in the month April, which is operating at 63% capacity utilization rate. The highest capacity utilization occurs in January that is of 92%.

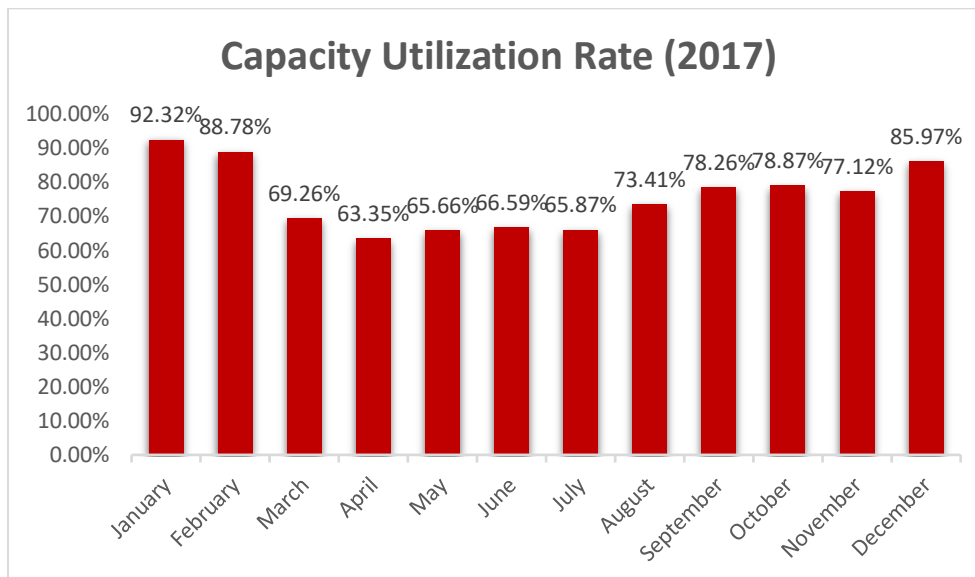




Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	3775632	4089763	0.92	76789398	20.34
February	3376149	3802655	0.89	78498767	23.25
March	2523633	3643832	0.69	65410786	25.92
April	2401896	3791563	0.63	66891249	27.85
May	2492931	3796598	0.66	67074125	26.91
June	2563260	3849102	0.67	69058122	26.94
July	2613597	3967920	0.66	67908100	25.98
August	3002013	4089543	0.73	68092318	22.68
September	3193008	4079908	0.78	69538903	21.78
October	3240132	4108055	0.79	70857685	21.87
November	3178728	4121670	0.77	70483136	22.17
December	3574284	4157564	0.86	76985890	21.54

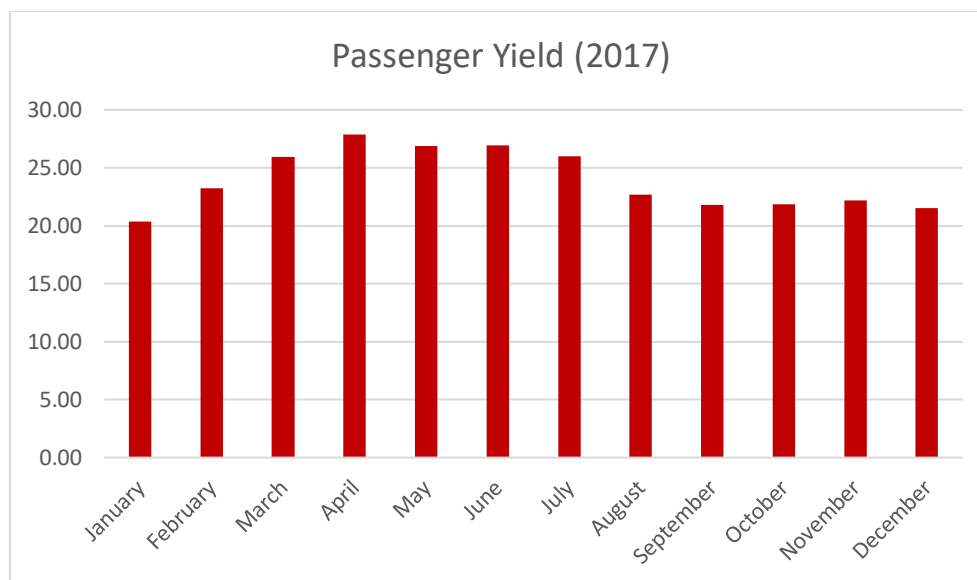
Source: Primary Data

Table: Productivity 2017, CGP-CCU-CGP



Source: Primary Data

Figure: Capacity Utilization 2017, CGP-CCU-CGP



Source: Primary Data

Figure: Passenger Yield 2018, CGP-CCU-CGP

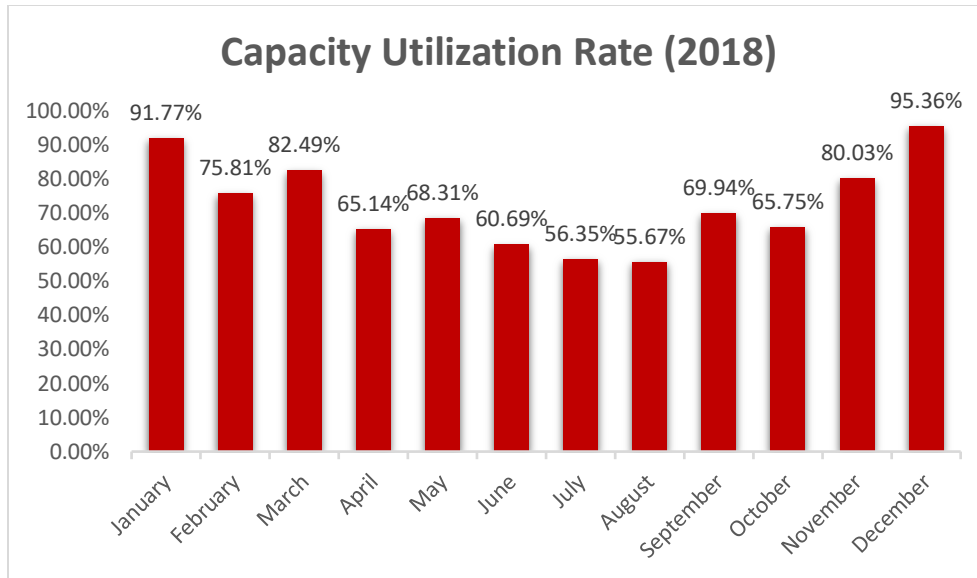
**Productivity:**

The productivity of this route further increased in 2018. The table shows all the capacity utilization value with the highest being 95% in December of the year.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	3924501	4276428	0.92	83968440	21.40
February	3022719	3987134	0.76	71344632	23.60
March	3204432	3884708	0.82	75892178	23.68
April	2578611	3958624	0.65	72344011	28.06
May	2598960	3804533	0.68	71478536	27.50
June	2337993	3852568	0.61	67074219	28.69
July	2189481	3885657	0.56	63094487	28.82
August	2174487	3905766	0.56	60216548	27.69
September	2788884	3987690	0.70	78805326	28.26
October	2606814	3964680	0.66	72311438	27.74
November	3244416	4054125	0.80	86939205	26.80
December	3998757	4193450	0.95	125247564	31.32

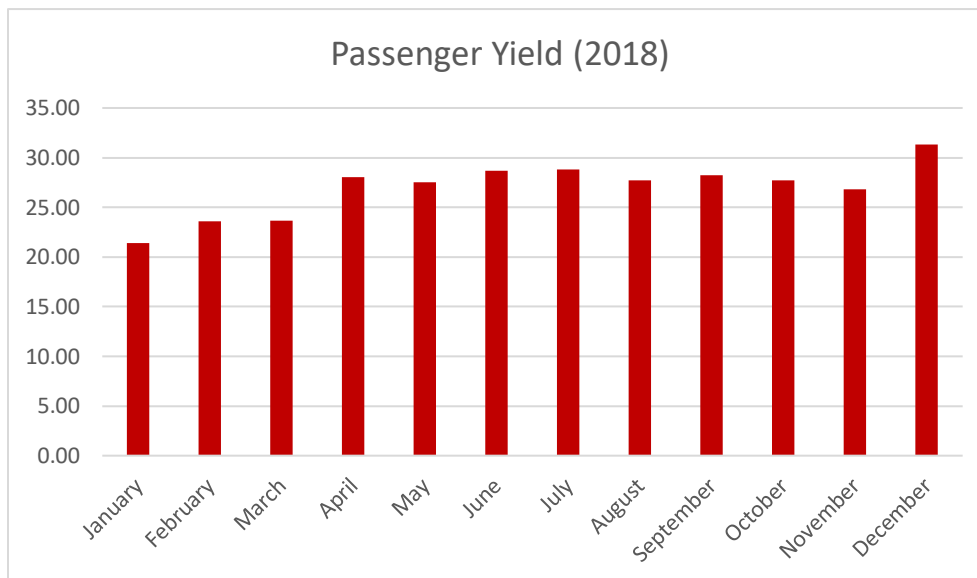
Source: Primary Data

Table: Productivity 2018, CGP-CCU-CGP



Source: Primary Data

Figure: Capacity Utilization 2018, CGP-CCU-CGP



Source: Primary Data

Figure: Passenger Yield 2018, CGP-CCU-CGP

#### Seasonality:

There is a slight drop in the demand in both the years in the months of June, July and August. There is less low monthly demand in this route, the overall demand is high throughout the year. The capacity utilization is maximized in the first and last quarters of the year.



#### Recommendation:

As the route is very productive there is little room for improvement in this route. But more flights can be introduced in this route as it is more productive in comparison with the other routes of the organization.

#### 4.2.5 Dhaka – Kuala Lumpur – Dhaka

This route is operated by two Boeing 738 aircrafts each with capacity of 167 and 176 respectively. This route is a tourist route with very few business-oriented passengers. The air distance from Dhaka to Kuala Lumpur is of 2580 km.

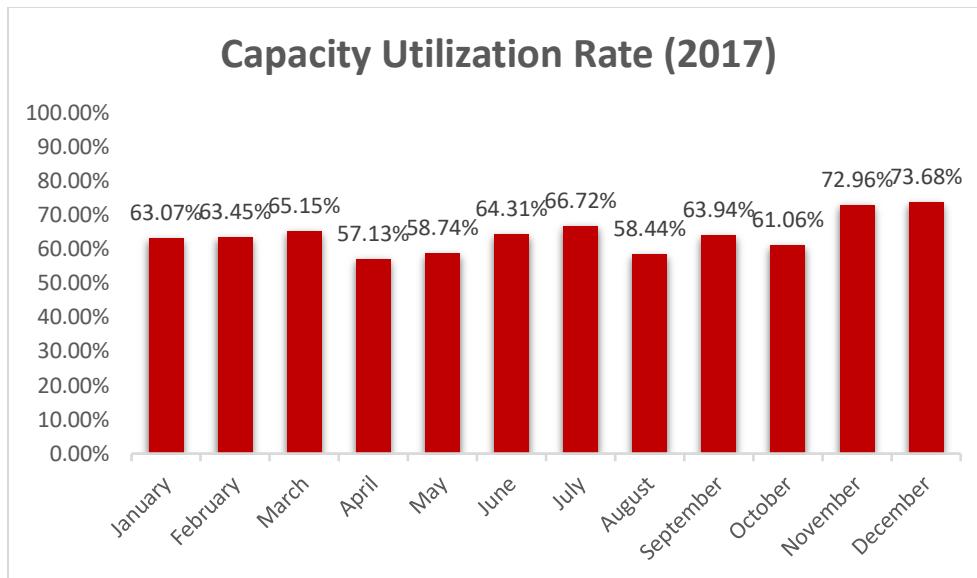
#### Productivity:

The productivity of this route is mediocre and there are much downward or upward slopes that are very noticeable. The highest capacity Utilization is of 74% and the lowest is of 57%.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	18142080	28763275	0.63	76789398	4.23
February	18084000	28502855	0.63	78498767	4.34
March	18662160	28643832	0.65	65410786	3.50
April	16177920	28318563	0.57	66891249	4.13
May	16587120	28236598	0.59	67074125	4.04
June	18553920	28849102	0.64	69058122	3.72
July	19327440	28967920	0.67	67908100	3.51
August	16919760	28954213	0.58	68092318	4.02
September	18411360	28795908	0.64	69538903	3.78
October	17360640	28432055	0.61	70857685	4.08
November	20866560	28601670	0.73	70483136	3.38
December	21151680	28706564	0.74	76985890	3.64

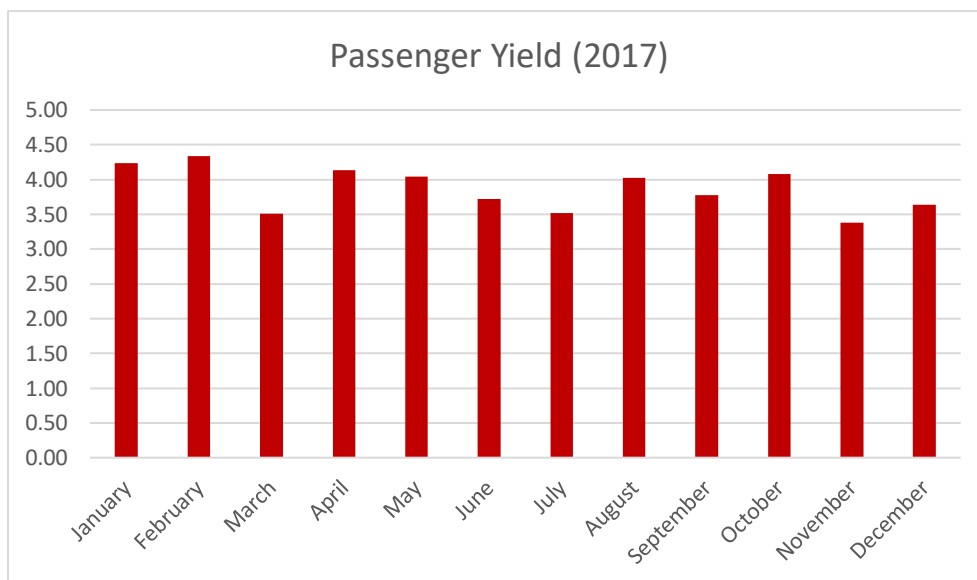
Source: Primary Data

Table: Productivity 2018, DHK-KUL-DHK



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-KUL-DHK



Source: Primary Data

Figure: Passenger Yield 2017, DHK-KUL-DHK

#### Productivity:

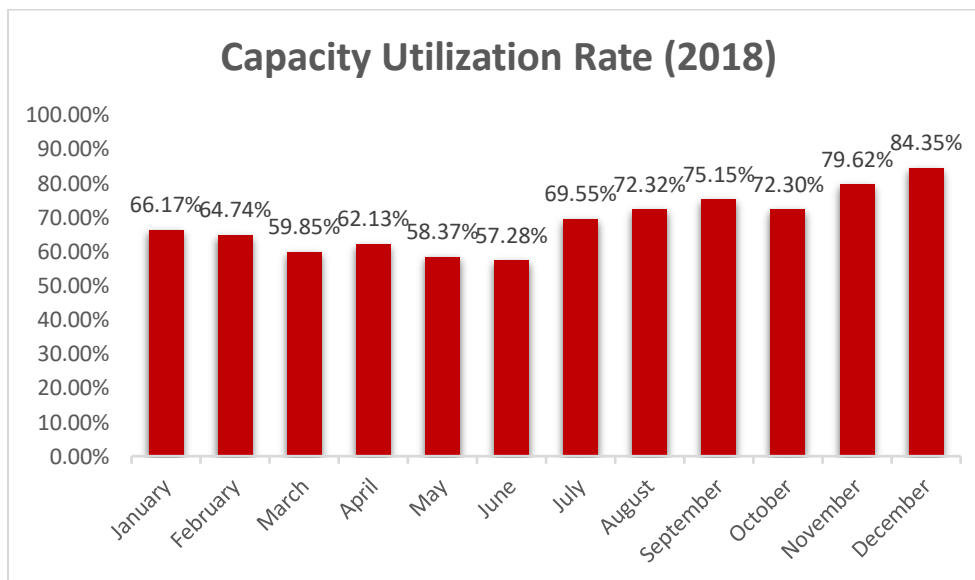
The overall productivity of the route changed in 2018 and had increased to 68%. The highest capacity utilization happened in the month of December with 84%. The passenger yield is not impressive for this route.



Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	19034400	28764830	0.66	110968440	5.83
February	18588240	28713340	0.65	103784632	5.58
March	16568640	27684708	0.60	89342578	5.39
April	17748720	28567524	0.62	97211685	5.48
May	16579200	28404533	0.58	87478536	5.28
June	16476240	28763028	0.57	87074219	5.28
July	19905600	28618565	0.70	108675967	5.46
August	19266720	26639766	0.72	106023441	5.50
September	19998000	26611200	0.75	101995907	5.10
October	19277280	26664680	0.72	114385679	5.93
November	21241440	26679360	0.80	109739205	5.17
December	22598400	26791905	0.84	128243264	5.67

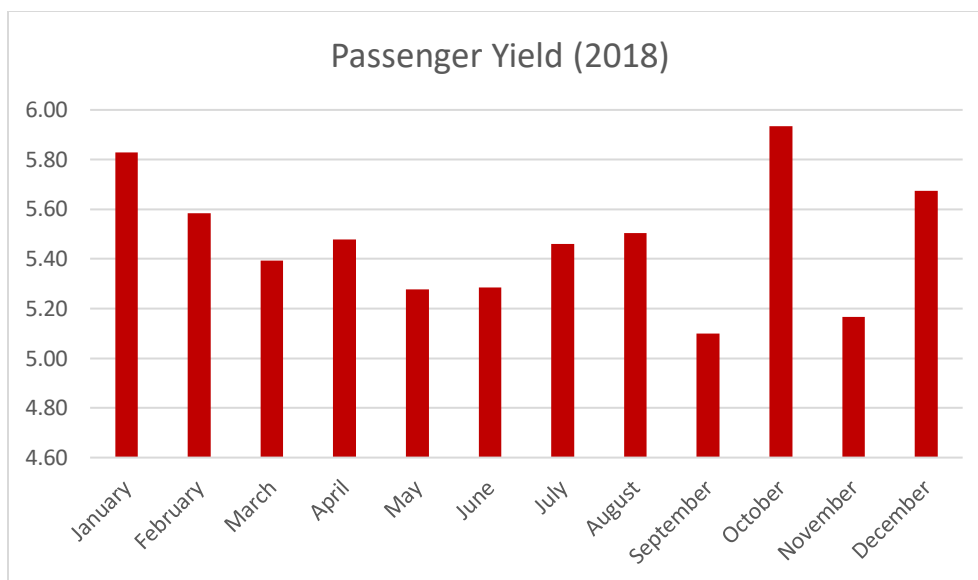
Source: Primary Data

Table: Productivity 2018, DHK-KUL-DHK



Source: Primary Data

Figure: Capacity Utilization 2018, DHK-KUL-DHK



Source: Primary Data

Figure: Passenger Yield 2018

**Seasonality:**

The overall there isn't much change throughout the year in this route. This is one of the more stable routes of the organization. Without much fluctuations in trend.

**Recommendations:**

There need to be more marketing activities that focused on this route to have more passengers attracted to travel in this route with Regent Airways.

**4.2.6 Dhaka-Muscat-Dhaka**

The middle eastern route with a high capacity utilization is this one. This route is very busy one for the organization. The air distance from Dhaka to Muscat is of 3260km.

**Productivity:**

The route is productive throughout the year.

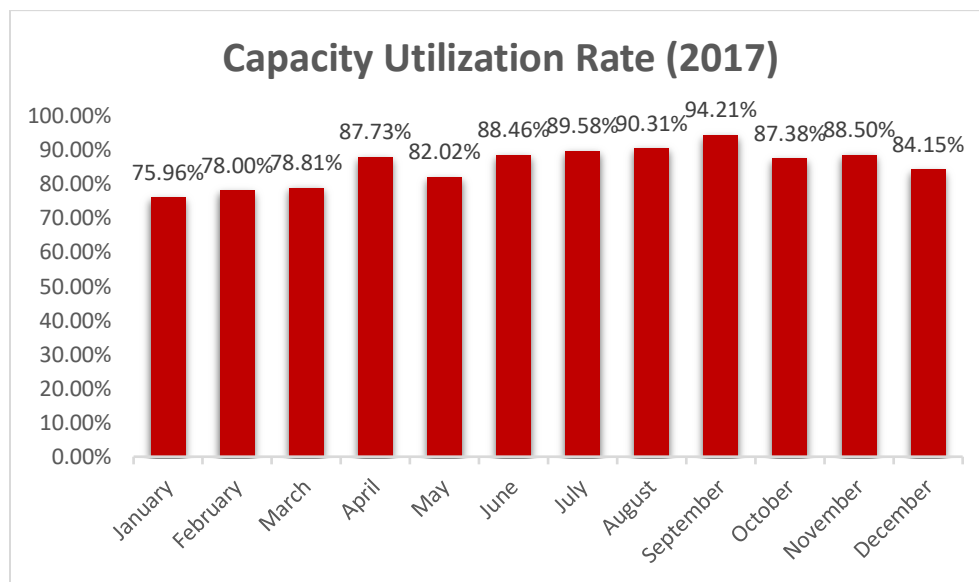
Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	21848520	28763254	0.76	156789381	7.18
February	22233200	28505855	0.78	140982637	6.34
March	22575500	28643832	0.79	151078746	6.69
April	24844460	28318563	0.88	166891562	6.72



May	23159040	28236598	0.82	167074125	7.21
June	25519280	28849102	0.88	209058122	8.19
July	25949600	28967920	0.90	210908100	8.13
August	26148460	28954213	0.90	220932318	8.45
September	27129720	28795908	0.94	209538903	7.72
October	24844460	28432055	0.87	170857685	6.88
November	25313900	28601670	0.89	170423137	6.73
December	24156600	28706564	0.84	176985890	7.33

Source: Primary Data

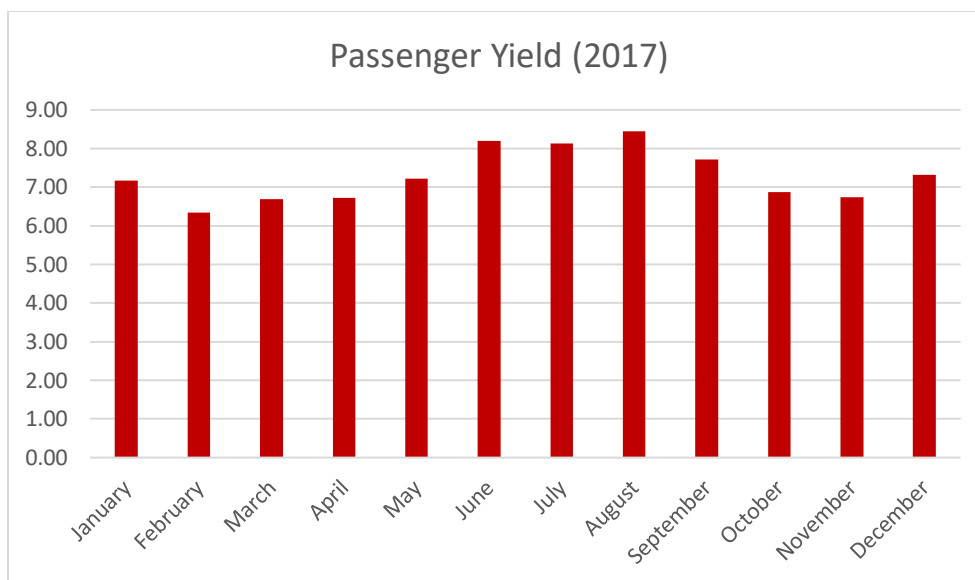
Table: Productivity 2018, DHK-MCT-DHK



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-MCT-DHK





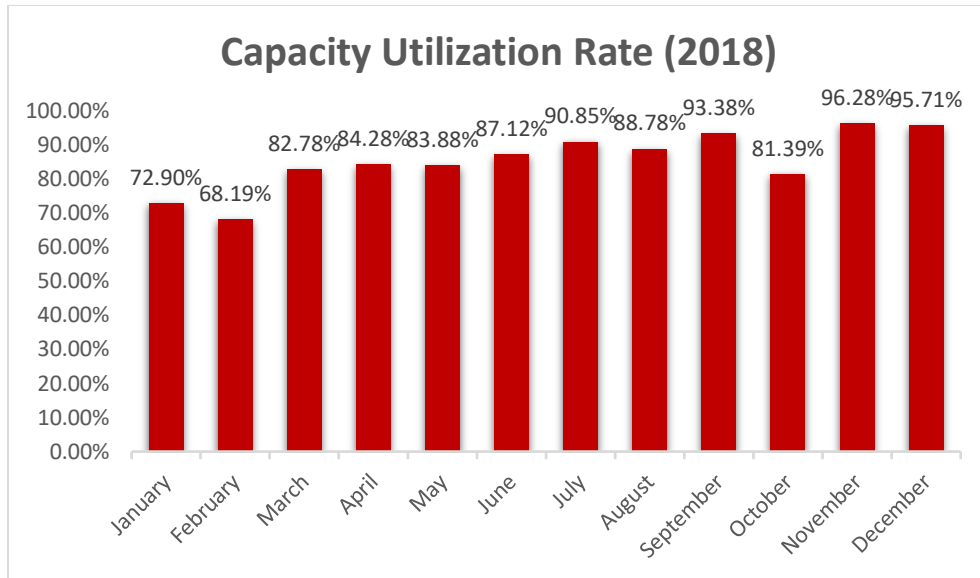
Source: Primary Data

Figure: Passenger Yield 2017, DHK-MCT-DHK

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	20968320	28764830	0.73	149658301	7.14
February	19579560	28713340	0.68	133784632	6.83
March	23719760	28654135	0.83	198925728	8.39
April	25176980	29874633	0.84	227211685	9.02
May	26226700	31265470	0.84	174785396	6.66
June	27426380	31479665	0.87	187742933	6.85
July	29225900	32169987	0.91	196759671	6.73
August	28815140	32456977	0.89	186564773	6.47
September	28260940	30265479	0.93	199596507	7.06
October	23576320	28965413	0.81	143856590	6.10
November	27589380	28654130	0.96	189739251	6.88
December	27413340	28643360	0.96	182432634	6.65

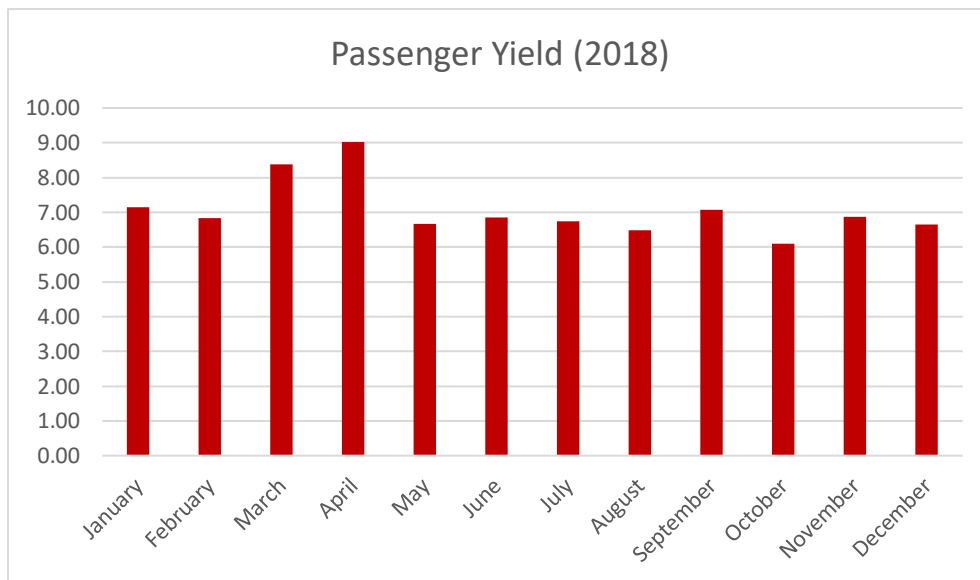
Source: Primary Data

Table: Productivity 2018, DHK-MCT-DHK



Source: Primary Data

Figure-Capacity Utilization 2018, DHK-MCT-DHK



Source: Primary Data

Table- Passenger Yield 2018, DHK-MCT-DHK

#### Seasonality:

There is less demand for tickets in the opening months of the years and a growing demand in the later months.



## Recommendations:

There should be more flights in this route as there is more opportunity to do well in this route. The company is almost operating at maximum capacity for this route

### 4.2.7 Dhaka-Singapore-Dhaka

The lowest number of frequencies per flight is there in this route of Regent Airways, there is only 3 flights per week. The air distance from Dhaka to Singapore is 2880 km.

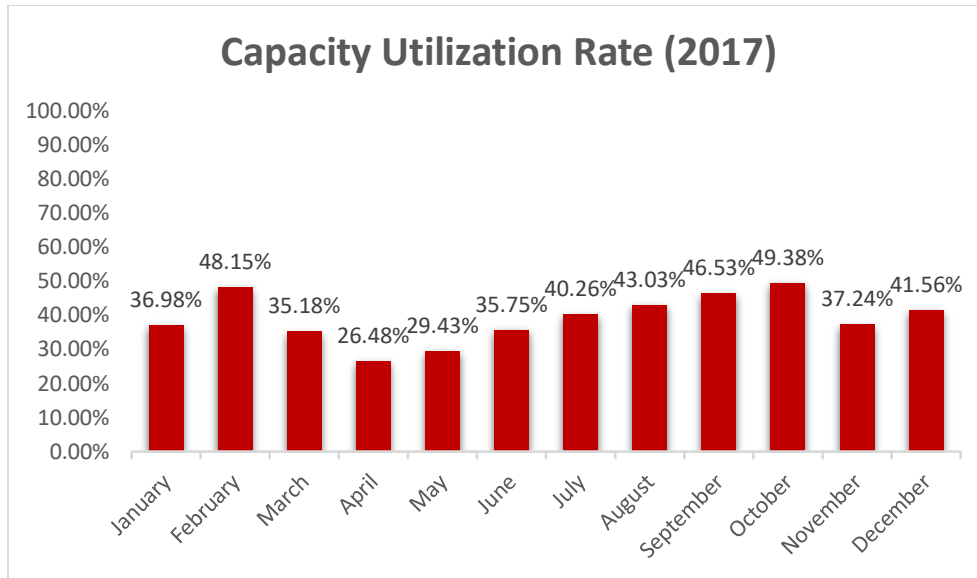
## Productivity:

The numbers for capacity utilization are not good for the respective route. The lowest being only 29% in the month of May.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	11895800	32164000	0.37	156789381	13.18
February	16016700	33265400	0.48	140982637	8.80
March	10611100	30164400	0.35	151078746	14.24
April	8514400	32156400	0.26	166891562	19.60
May	9465600	32165400	0.29	167074125	17.65
June	11672500	32647900	0.36	209058122	17.91
July	12948500	32165400	0.40	210908100	16.29
August	14314400	33265490	0.43	220932318	15.43
September	15430900	33165400	0.47	209538903	13.58
October	16126900	32657000	0.49	170857685	10.59
November	12284400	32987300	0.37	170423137	13.87
December	13487900	32456700	0.42	176985890	13.12

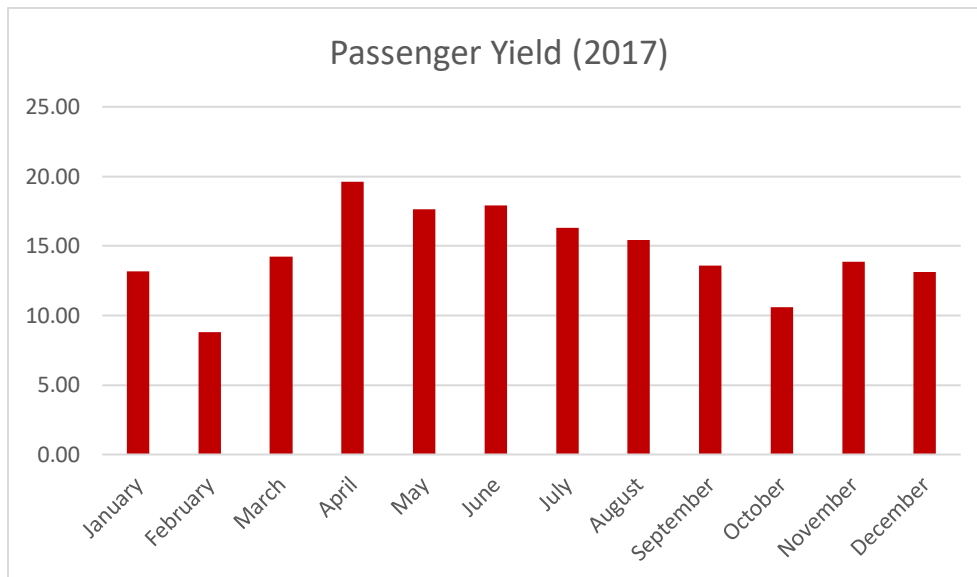
Source: Primary Data

Table: Productivity 2017, DHK-SIN-DHK



Source: Primary Data

Figure: Capacity Utilization 2017, DHK-SIN-DHK



Source: Primary Data

Figure: Passenger Yield 2017, DHK-SIN-DHK



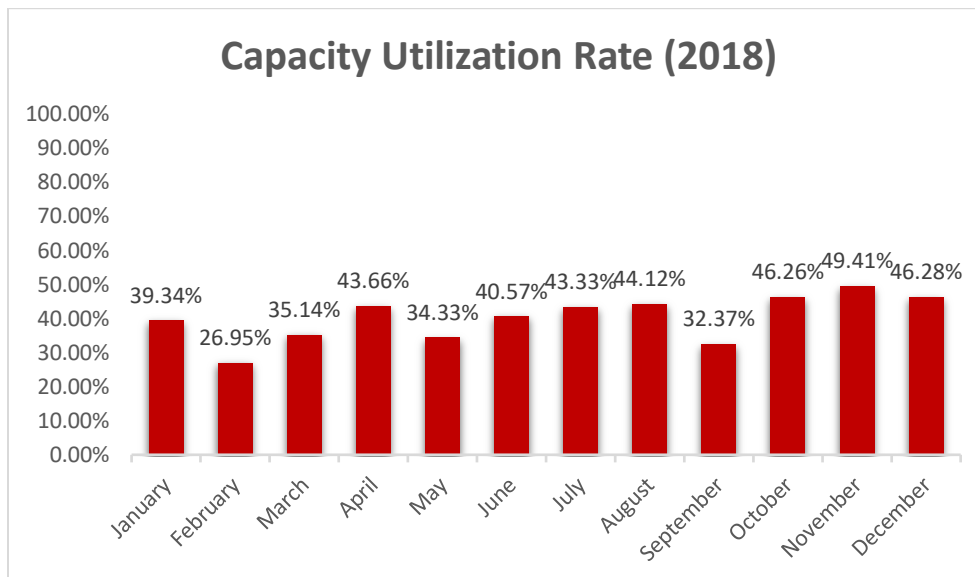
**Productivity:**

The numbers for capacity Utilization and Revenue Passenger Kilometers have both increased in 2019 in comparison to 2018 but there is still room for improvement.

Month	Revenue Passenger Kilometers	Available Seat Kilometers	Capacity Utilization Rate	Route Revenue	Passenger Yield
January	13226900	33622600	0.39	67983210	5.14
February	8775400	32564800	0.27	58746431	6.69
March	11472400	32645000	0.35	60236778	5.25
April	14560900	33354300	0.44	67641237	4.65
May	11208500	32654000	0.34	60793312	5.42
June	13244300	32646800	0.41	66231023	5.00
July	14543500	33564200	0.43	70635981	4.86
August	14810300	33569700	0.44	77186009	5.21
September	10506700	32457600	0.32	52242833	4.97
October	15169900	32793200	0.46	79653152	5.25
November	16135600	32654900	0.49	80236419	4.97
December	15109000	32645600	0.46	78561123	5.20

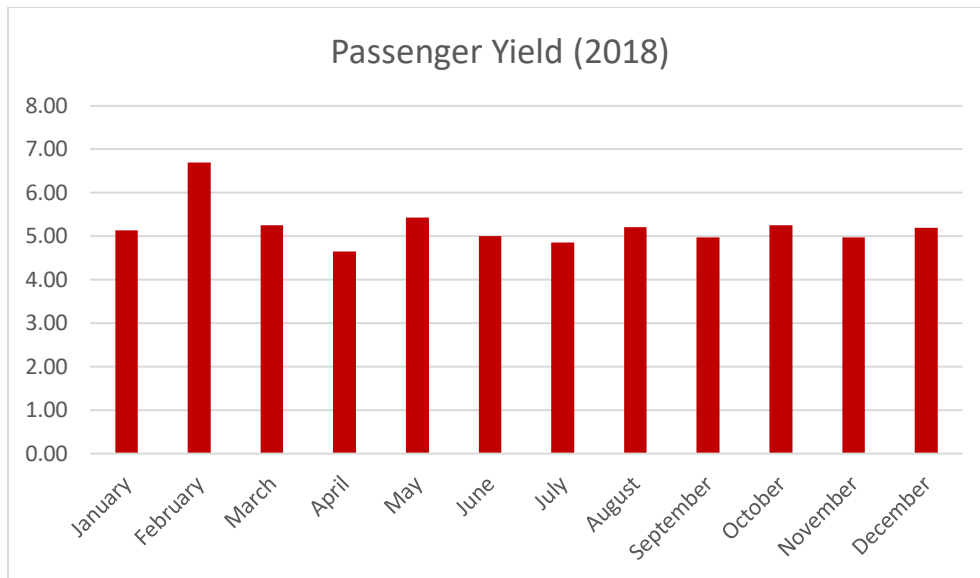
Source: Primary Data

Table: Productivity 2018, DHK-SIN-DHK



Source: Primary Data

Table: Capacity Utilization 2018, DHK-SIN-DHK



Source: Primary Data

Figure: Passenger Yield 2018, DHK-SIN-DHK

**Seasonality:**

There is an overall trend of low demand for this route. In no time do we see in 2018 that the passenger yield goes above 7 cents. There is low demand in May for both the years.

**Recommendation:**

This route needs a lot of improvements. This route has very few frequencies thus people maybe discouraged to travel with the airline company when planning for a round trip due to unavailability of flights in certain days. Therefore, the frequency of flights needs to be increased in order to have better productivity of the route.

**4.3 Conclusion**

Regent Airways is one of airline in Bangladesh which has gained popularity in a short span of time in both the domestic and international sector. The domestic aviation industry is expanding due to the fact that there are fewer international airlines operating in the country, this has opened a gate of opportunity for companies like Regent Airways. Domestically Regent Airways has got a good reputation. Furthermore, there is a increasing number of total passengers of the country leaving abroad for work and also travelling for tourism. In many international routes the company is showing a strong performance tough there are still improvements to be made. There are new international routes soon going to be added in the mixture of the routes currently offered by Regent Airways. The total number of passengers carried by Regent Airways is increasing every year.



#### 4.4 References:

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2. CO, S. &M (2015). *Financial Statement*
3. (2018) *Credit rating Report*, HG Aviation Limited.
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5. Limited, W.C. (2018). *Credit Rating Report*, HG Aviation Limited