

# [Ryan air marketing strategy assignment](https://assignbuster.com/ryan-air-marketing-strategy-assignment/)

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Ryanair and?? Marketing Strategy: Segmentation Introduction Ryanair was established by the Ryan family with a capital share of just ? 1, and a staff of 25. The company launched its first route in July with daily?? flights?? on a 15-seater Bandeirante aircraft, which operate daily from Waterford in the southeast of Ireland to?? London?? Gatwick. In order to operate in the tiny cabin of the aircraft, the first cabin crew of Ryanairs is less than 5ft. 2 ins. tall (Ryanair, n. d. ). Ryanair is the world’s favorite?? airline?? and operates more than 1. 00?? flights?? daily from 44 bases and more than 1100?? low fare?? routes across 27 countries, which connect to over 160 destinations. It is operating a fleet of 250 new Boeing 737-800 aircraft with firm orders for a further 64 new aircraft, which will be delivered over the next 2 years. Ryanair currently has a team of more than 8, 000 people and expected to carry more or less 73. 5 million passengers in the current fiscal year (Ryanair, n. d. ). Marketing Strategy Marketing strategy is very important in order to maintain competitive advantage.

It is important in order to maintain good relationship with the customers. This is particularly important in the service industry, as well as the hospitality and tourism sector. This is because of the fact that the entire industry is characterized by intensive competition, because of the growing number of competitors in the?? global market. In addition, the services being offered as well as the products being produced are hard to differentiate, because the products and services to be offered towards the customers are almost the same.

As a result, it is vital for company in this industry or sector to focus on maintaining strong and high quality of services in order to maintain and improve competitive advantage, thus maintain satisfaction and loyalty of the customers. Marketing Strategy?? of Ryanair The charismatic boss of Ryanair, Michael O’Leary mainly focuses on establishing a business model which focuses on reducing cost. For the last 20 years, Ryanair had been able to evolve from single plane operation to the largest?? airline?? company in Europe.

The company focuses on offering lower fare and costs for the customers. With this, it shows that in the Porter’s Generic strategy theory, the company focuses on cost leadership strategy. This generic strategy focuses on being the low cost producer in the industry for a given quality of service. The company sells its products and services at average industry prices in order to earn higher profit than its rival, or they offer below the average industry prices in order to gain share in the market.

As a result, in the event of price war, the company can still maintain some profitability, while the competition will suffer losses (QuickMBA, n. d. ). In order to achieve this, the company offers low cost and no frills?? air travel?? to different European destinations. Meaning, there are no foods or drinks being offered onboard, but it had become income streams, therefore, the customers have to buy them onboard, or don’t take them if they like. As a result, the company can offer 70% of seats sold at the lowest two fares; 30% of seats are charge at higher fares, while the remaining 6% are sold at the highest fare.

Furthermore, the company does not use?? travel agents?? in marketing their products and services; therefore, by removing?? third parties, the company will no longer have to pay for commissions, thus, taking all of the revenues and sales by itself. As a result, majority of the tickets are being booked and transact online. As a result, it enables the customers to book and transact with the company in easier and faster manner. In terms of promotion, the company spends as little as possible in advertising.

Thus, the company focus on the most effective advertisement or?? marketing strategy, and that is the word-of-mouth. In addition, some of the few advertisements are being done in-house (Marketing Teacher. com, n. d. ). In terms of segmentation, the company prefers on the mass public, or the general public. This pertains on offering the?? lowest fare?? in the market. This enables the company to come up with the strategies in the current social and economic changes in the environment, particularly the current problems in financial crisis.

However, just like other?? airlines, the company also offers services and products targeting the premium customers, who are willing to pay higher price for better quality of services. References Marketing Teacher. com. Ryanair?? case study. Retrieved 10th?? November, 2010, from marketingteacher. com/case-study/ryanair-case-study. html Ryanair. History of Ryanair. Retrieved 10th?? November, 2010, from www. ryanair. com/en/about QuickMBA. Porter’s generic strategies. Retrieved 10th?? November, 2010, from www. quickmba. com/strategy/generic. shtml.