

# Ryanair value chain analysis

[Environment](#), [Air](#)



Ryanair value chain analysis Ryanair strongly manages and forms relationships with various suppliers e. g. Boeing and food/beverages etc, to ensure goods are received of requirement standards and on time in-order to add value through out its value chain.

In addition to this by forming strong relationships with Boeing, they are able to obtain spares and maintenance on favorable terms reducing costs, thus offering lower prices to passengers and safer flights (adding value). In-order to add substantial value for its service by providing low-fares, they closely monitors relationships with airports around Europe, so they provide subsidies to the airliner in order for them to provide low-fares and seen as adding grater value for customers. Furthermore they have agreed with these airports to provide storage hubs as to when a plane enters these sites it's automatically refueled and beverage/duty free products are reloaded at negotiable prices reducing costs and quicker turnaround timing is achieved, thus seen as adding value. For the airliner to provide low-fares to consumers it contracts staff for aircraft handling, ticketing and baggage handling to third parties at competitive rates as well as engine repairs and heavy maintenances of its aircrafts.

Thus reduces direct exposure to employee relationships and disputes reducing costs all through value chain. Additionally, to add greater value for customer, the aircraft staff e. g. pilot, cabin-crew, they holds close relationships, giving the right training making them competent enough to feel confident to answer on flight questions. The airliner has a commission placed for its aircraft crew linked with the sales of duty-paid goods (rewarding mechanisms).

Thus close management with aircraft crew ensures good labor turnover reducing the threat of staff being absent for flights, thus seen as adding value for customers. In order to reduce further costs in value chain activities they advertise mainly through its website, newspapers and radio/television. They mainly depend on its website for marketing and making sales as this reduces huge amounts of costs. Their website accounted for 95% of the sales during 2003 and recognised as one of the most user-friendly sites to use. Thus this has resulted in the travel agents being used less by them and helped in offering further lower prices to consumers (adding value).

Additional to adding value for customers by reducing value activities within its value chain, they claim to be number one for customer service, for lowest fares, for on-time flights, for least cancellations and also for fewest lost bags. These claims have added significant value for customers on top of low-fares as customers are receiving additional value services making them become brand loyal to the airliner.