

Ryanair case study essay sample

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Introduction

Ryanair has become a strong player within the European aviation through its constant focus on low cost in regard to other airline competitors. Ryanair has remained loyal towards its concept of providing low price flying tickets to its customers with a very basic service during the flight duration. Keeping to their values has made Ryanair as successful as it has become today after initiating aviation service in 1985 through the Ryan brothers, who had a very clear concept in which direction this airline will develop itself.

This research is designated to identify the key elements from its business model that will influence the long-term competitiveness of the company. By conducting a thorough evaluation of a set of possible cost-cutting proposals for Ryanair, the paper demonstrates analytical perceptions on Ryanair's sustainable outperformance on the European aviation market. During the research, various factors from strategic dimension have been taken into consideration, including impacts from environmental and industrial scenarios, competition of resources, and corporate mission fulfillment, with intention to provide consultative strategies for Ryanair for it to maintain the strong market position in the future.

Considering that the aviation market is constantly developing in different aspects, it is important for Ryanair to stay competitive on every level of its operations within the field of specialization, i. e. low cost air fares. Hence, criteria in correlation with competitive advantage have been applied to ensure that all possible actions, such as standing seat and outcomes of the most important courses of actions must be aligned with environment and the business scope. The important key issues will be closely addressed in order

to give a full and clear analysis as it is essential for Ryanair to have very clear strategies in order to remain in the position of a low cost budgeting airline as it currently is.

Case analysis, identification of key issues

Ryanair is widely reckoned as a top successful business model innovative pioneer. For years it has been dedicating in efficient delivery of a clear defined product & service proposition to the featured customers with highlighted value capture. At meantime, this business model enables its unique competitive advantage as “ transportation at lowest air fare”, and guarantees its sustainable strength as its inimitable “ turning cost into revenue” policy (Airscoop, 2011).[*Ryanair’s Business Model 2011, A peek into the airline’s recipe for success]. According to the definition of successful strategy from Johnson & Scholes(Johnson &Scholes, 1984, Exploring Corporate Strategy), a corporation is dealing with resources and changing environment to achieve its long term competitiveness within pre-determined scope. As for Ryanair, the company initiates airline business model innovation from the following aspects, including shareholder prioritization, alignment with environment and resources, competitive advantage reinforcement, direction, scope, resources and organization.

Shareholder Prioritization

Once referred to a successful case of business management, the added value created for stakeholders would be naturally addressed, due to the fact that in recent years, the concept of enhancing stakeholder’s satisfaction has become the priority over the traditional shareholders oriented act in every

business model. However, Ryanair keep pursuing for and maximizing the core value from the shareholders' perspective. In other words, shareholder's interest in terms of profit driven within the company takes the majority weight of the total stakeholders' value. All strategic measures taken by the firms' approach to fulfill a single request from its customers as “ low air fare”, but to realize all means of cost saving and additional margin for the company owner.

According to Casadesus- Mansanell and Recart (2007, Competing through Business Model), “ a business model consist of the set of ‘ choices’ and the set of ‘ consequences’ derived from those choices”. At the meantime, these “ choices” and “ consequences” presented within a company's business operation represent complicated loops, which ensure all consequences lead to the company's strategic goal. With regards to Ryanair, the shareholders' value is prioritized by a set of selected choice to drive down costs. For instance, Ryanair used to choose low fares by flying to secondary airports, all passengers treated equally, nothing is free, no meals, short haul flights, standardized fleets as Boeing 737s, low commissions to travel agencies, non-unionized, high-powered incentives and Spartan headquarters. The above choices generated direct consequences including bargaining power with suppliers, low operating costs of flights and ancillary revenue. Indirect results include lower cost of product and services, higher revenue from air fare and side revenues, which in the end create the core value in the financial perspective for shareholders as enlarged profit.

According to statistics, Ryanair's core business income includes ticket fares and aircraft leasing, which generates only 58% of the total revenue.

Meanwhile the ancillary income, such as passengers' expenses during the flight, check-in luggage, hotel booking, sales display ads, car rental and subsidy systems generate the rest.

In comparison, the other stakeholders, such as employees, crews and airports are not well positioned or communicated by the company itself. Ryanair's motto could be "as long as it is an expense, decrease it". The same maxim is true for communication. Consistent with its marketing position, communication costs are reduced to a minimum and no efforts are made to make things customer friendly. When it comes to cabin crews at Ryanair, one must keep in mind that the average turn-over rate is much higher with the Irish low-cost airline than with most other airlines. Crews are responsible for sales on board and while they may earn commissions on their sales volume, those commissions have an upward limit and they may be judged depending on their performances. Flight attendants are also supposed to take care of commercial announcements over the Public announcement system while in flight and must clean the cabin between each deplaning and each boarding, plus an hour basis salary system.

Alignment with environment and Resources

Airline business is featured with fierce competition among players, limited resources and various environmental constrictions. Ryanair explored its unique way of growth optimal to the most of resources. Just as its company motto states, "anything that has a cost, we decrease the cost." Practically,

Ryanair indeed precedes all means of actions to align with environment. On one hand, the company makes an effort to fit resources with the changing environment; meanwhile on the other hand, it creates the environment by resources-led stretch.

Ryanair created a new page for the airline industry by changing the most expensive commodity into a profit bargain. Back in the year 1985, Ryanair started its operation between Waterford and London-Gawick with its 15 seats Embraer Bandeirante aircraft. After 25 years, the company has comprehensive business activities related to buying, using, leasing and reselling airplanes with its tight costs management, consistently striving for profit and capacity maximization (the large fleet of 189 seaters). Ryanair gains its reputation by driving a hard bargainer with its supplier, Boeing. The possession of bargaining power over aircraft suppliers ensures a rapid growth of its business volume. In 2002, the company got the possibility to announce 25% annual passenger growth ratio.

Along with the company's successful adaption towards competitive environment, Ryanair gained further position in influencing the market, behind which, more profit in cash flowed back to Ryanair itself. Large purchase volume of aircrafts from Boeing rewarded Ryanair with 37% rebate over price, with customized fleets that offered more seats and economic scale. More importantly, Ryanair launched series of new operations such as aircraft leasing, reselling and aircraft fitting. Ryanair has entirely streamlined the internal outfitting of its aircrafts, choosing to adopt a set design for its entire fleet, deplaning and boarding passengers through both doors of the

plane, loading and unloading cargo in only one bay and imposing strict fuel consumptions limits on its pilots to avoid repetitive refueling. There are many advantages for Ryanair in limiting turnaround time. As of now its strategy fills both objectives of cost-minimization and profit-maximization. Crews cleaning the cabins, fuel limits and a single type of aircraft which all contribute to diminishing the costs incurred.

Competitive Advantage Reinforcement

Ryanair launched its unique strategy to remain outperformer among airline within market for years. More so, its profit-oriented business model effectively arranges its choices concerning policies, assets and governance (Casadesus, 2007), into a sound network, so that the company keeps reinforcing its competitive advantages during the environmental changes. In other words, Ryanair's choices are complementary because every choice is geared towards lowering costs; therefore, practical measures are well coupled with their business goal. In contrast, if Ryanair would change one of its choices (e. g. to offer a higher level of comfort) this would ultimately conflict with (i. e. not reinforce) the other choices of Ryanair such as low prices.

In fact, there is a presence of virtuous cycles (positive feedback loops) that help the business models gain strength over time. Virtuousness is a dynamic version of reinforcement, as reinforcement takes place as time goes by. As illustrated below, choice and consequence chart (Casadesus, 2007), starting from lowest fares, which attract large volume of moderate travelers, who don't requests additional services but basic air-transport; combined with

cooperative choices such as standard fleet and specialized flight routes a low-end fix cost structure is formulated. With time passing by, reputed "fair" fares system has prevailed among travelers thanks to accumulated cost saving. Any other players or new entrants in the industry could hardly imitate this relatively complex loop. Ryanair would sustain its effectiveness over time.

Direction

Ryanair is setting out different courses of action into the future in order to sustain its position within the market of the airline industry and successfully defend its position from competition. The direction which Ryanair is currently setting lies between a clear path and crafting for different reasons. Ryanair is currently constructing different strategies which can determine its direction into the future. Ryanair has to respond to threats from different airline companies who can possibly imitate them and be more efficient, which could result in a diminishing market share of Ryanair.

Ryanair currently has a mission in which direction they want to develop themselves which ultimately will have the goal of declining costs and increases market share focusing them on the low budget section of the airline industry. Ryanair has different paths of innovation which can assist them to reach the goal of decreased costs at increased revenue through different causes of actions in the future, sustaining their position in the airline industry. The direction which Ryanair is currently striving to move towards is clear as they are in need of change and innovation for the low budget section of the airline industry. Their mission is set reviewing possible

changes in order to reach their goal in the shortest possible time thereby overcoming the loss of market share.

Scope

Ryanair focuses itself on the low end customers who have to pay the lowest prices for flight tickets. Their scope is to bring together the specific needs of the customer groups and satisfying their needs in a specific way by being a leader in low air fares. Ryanair maintains a small scope unlike large airline companies such as Lufthansa or KLM to focus only on the customer segment who are willing to accept cheap flight tickets when traveling by air. Therefore Ryanair is very dependent on this specific customer group and does not have any alternatives towards this specific low end customer group. Therefore the scope of Ryanair is to improve their business model keeping the focus on this specific customers segment and improving their strategies to define their business in this specific direction.

In order to achieve this goal, Ryanair has obviously invested diligently and effectively in training and recruitment. In order to expand their distinctive business competences, they offered different types of accommodation, Villas, Hotels, Hostels and Camping. It illustrates Ryanair's target group and also shows how each groups specific needs are catered for.

Resources

Ryanair has different kinds of resources available to them which define this company as a low cost airline. Ryanair has a number of resources which are very important to the company, which are valuable, rare as well as inimitable. The valuable resources category over which Ryanair currently has

control over come together through different factors. The physical resources which Ryanair has, “ consist of the resources that are needed to operate such as aircraft fleet, headquarters and secondary airports” between which Ryanair operate. The human resources whom Ryanair can count as their current employees exceed 8500 people. These are the valuable resources of Ryanair which they can use in order to strengthen their company position.

Other important resources over which Ryanair has control are the financial resources which come together through different parties to support the company in its growth in order to increase market share. The main financial resources of Ryanair come together through the Ryan Family, the shareholders and investors who invested into the company. The rare and inimitable resources which Ryanair has control over are crucial for the company’s survival towards their competitors who try to take the market share of Ryanair. These resources are the knowhow, skills and knowledge which the employees within Ryanair possess which differ from their competitors and are crucial and valuable for the success Ryanair currently has in the low cost airline sector. These are important resources which Ryanair currently possesses which are of most importance when taking the company forward in growth and innovation over the next years.

Organization

Over the last 15 years, Ryanair next to its low cost strategy has also been striving and able to accomplish using the generic strategies designed by Porter’s model in order to successfully integrate and position themselves in the airline industry. The organization of Ryanair has used these strategies to

drive their company's success and outperform their competition in the specific market segment over the years.

Ryanair has two very clear strategies which it focused itself on. These are cost leader for low fare airlines as well as focusing themselves on differentiation from other airlines. These strategies supported the organization of Ryanair as they have been focusing more and more on their strengths within the industry by strengthening their specific strategies without losing resources or knowledge investing into high risk strategies which could have harmed the company over a short or long run. Ryanair differentiates itself from other airlines by only focusing themselves on the low end customer and having a clear direction of maintaining this strategy by strengthening it. Another strategy which supports the organization of Ryanair is the expansion strategy which they have implemented very successfully as they continuously expanded since their operation have started into new regions and new airports. This enabled them to grow as a low cost airline all over Europe and increase their flights and operations without losing focus on the initial goals as an organization. Ryanair's organization has been very careful which strategies to implement into the company operations over the last 10 years, not to compromise their position within the industry.

Problem statement

Ryanair is currently in a strong position regarding their market position in which they have been successful to defend so far. It is essential for Ryanair to improve and adjust their strategies in order to be successful over the next

years without losing market share to other airlines. Ryanair is focusing itself on low budget price flights and provides their customers with cheap tickets with reduced services during flights. In order to define what Ryanair will need to do in the future different courses of actions will be necessary which can support Ryanair to keep their position on the market, considering that there are more competitors on the market which are trying to capture market shares from Ryanair.

The problem should be emphasized, what are the key factors that can help Ryanair to reduce the costs in the future?

There are different possible courses of actions which can be undertaken on the side of Ryanair in order to stay competitive in the future which they have to take into considerations and analyze them. The aviation industry is currently developing very fast and therefore the airline companies have to be able to develop themselves with it. Considering that Ryanair is focusing on the low cost budget flights, it will be important to clearly implement the needed courses of action and use these in order to be cost efficient meanwhile being able to give customers tickets for a lower price than the competition. Taking this into consideration Ryanair will have to clearly define their strategic objectives for their future courses of action and be able to clearly define which strategy will help them to enhance company performance to the right degree in contrast with their competition

Set of possible courses of actions

Standing seats

Ryanair has announced that it wants to implement standing seats into their

aircraft in order to improve their cost saving abilities in the future by being able to increase the amount of passengers who can travel with Ryanair.

The management team of Ryanair indicated that passengers who will fly in normal seats can pay up to £25 per ticket, meanwhile passengers with standing seats would be charged between £1 and £5 for their fares which would bring the average capacity of an average flight from 189 passengers to 230. If the strategy of standing seats can be implemented, it will create space for up to 50 more passengers per flight. Along with this strategy, Ryanair will have a cost cutting opportunity even though passengers will pay very little for the flight tickets. Thus strategy does not come without risk and is still under review especially in regard with the safety issues that Ryanair could encounter.

Only one toilet in every aircraft

“ The high fuel prices are making it difficult for even Ryanair to keep air fares low, anything which helps reduce costs is essential”. The CEO of Ryanair Michael O’Leary said if they can remove extra toilets on the aircraft, it would ultimately benefit passengers and the total air fares will be reduced by 5 per cent. It is the possible course of action that can be implemented by Ryanair in the future. The high fuel costs will not only reduce the profits of the Ryanair, it becomes a serious problem for the future development of aviation industry.

According to the current regulation of European Aviation Safety Agency (EASA), the maximum allowed passengers on the Boeing 737-800 is 189. Ryanair’s fleet only has one aircraft type, the Boeing 737-800; this aircraft

has 189 seats, and three toilets. If Ryanair could remove two extra toilets, it will help them to fit in extra 12 seats. As Ryanair believes that they are rarely using all three toilets on the aircraft, it is not necessary to keep three toilets on the aircraft.

Extra 12 seats will fundamentally lower air fares by 5 per cent for all passengers. This new strategy will cut €2 from a normal €40 ticket. Remove these two toilets will not only provide benefit for the passengers, it will also provide 3-5% extra profits for Ryanair. However, the consequence would be leaving 200 passengers to share just one toilet on the aircraft. Currently, the airline's longest route is from UK to Rhodes in Greece which takes four and a half hours. Ryanair needs to find out the best way to take this action.

Slim staff, smaller magazines, and less ice cubes

The weight of the aircraft affects the fuel consumption of each flight. As rising oil prices are eating into their profits, saving fuel on flights is a weighty issue for airlines. The Ryanair spokesperson Stephen McNamara claimed that their company is planning a new way to reduce the fuel bills—smaller magazine, less ice cubes and slim staff. This is also a possible course of action that will be implemented in Ryanair. Ryanair will cut costs wherever possible, they will encourage their staff to watch their weight. They are going to change the format of in-flight magazine from A4 to A5. This process will help them to save thousands of pounds in fuel and also reduce the amount of paper used. The Ryanair estimates that this process will save more than €320, 000 in printing costs every year. Another process will be implemented

including cutting the amount of ice taken on board a flight, to reduce the total weight of the aircraft.

It is not feasible to measure the benefit of this action with detailed data. However, if the weight of the aircraft can be dramatically reduced, it is always a good sign for the airline on reducing the fuel costs.

New technology for gutter oil to reduce fuel costs

According to the recent financial report of Ryanair airline, its net profit dropped by 29%(down to 99 million euro) in the 2nd quarter this year due to the “ significantly higher fuel costs” although the company managed to achieve 11% revenue (to 1. 28billion Euro) by increasing the average fares and flights. The company is designated to resolve the operating cost increase from fuel consumption by proposing investigation of gutter oil substitutes.

Gutter oil is a type of fuel product recycled from wasted oil, which come from various sources such as restaurant fryers, drains, and grease traps.

Reprocessed biofuel served in aviation is not brand new topic, since Dutch royal airline KLM made the world’s first bio-diesel fueled flight in June 2011 and has announced an undergoing purchase of 2000 tons of gutter oil from Shanghai China. The consumption of aviation biofuels takes 50% of the total in KLM. At the mean time, the quality of the mixed material is approved for long haul flight, yet the cost is 30% less than petroleum in China.

From an industrial perspective, an important undertaking has been announced by CAAC (The Commercial Aircraft Corporation of China) and US

aerospace giant Boeing for their collaboration in R&D and production of aviation biofuel. Therefore, a renewable aviation fuel campaign could be predicted in the short future as the cost structure of airline industry would be affected significantly; while Ryanair, known as an economical airline, would not be an exception.

New routes flights and additional daily return flights

In order to attract more passengers in the future, there are two strategic decisions made by Ryanair, the first one is add new routes flights, the other is to add more daily return flights. Ryanair has announced plans to expand its service into Germany. Beginning in March 2013, Ryanair plans to add six new routes from Dortmund to Alghero, Barcelona, Faro, Malaga, Palma and Porto. With 14 flights per week, the Dublin-based airline expects to carry an additional 200, 000 passengers a year.

There are also some other new routes which will be open, based on analysis of the available data the airports with the most new routes this year compared to last year are Budapest (30), Palma de Mallorca (24), Manchester (21), Girona (20), Barcelona and Paphos (15 each), Milan Bergamo (14), Chania and Oslo Rygge (13 each), Rome Ciampino (12) and London Stansted (11)

According to the analysis, data shows that Ryanair launches a total of 269 new routes between August 2011 and August 2012, Ryanair has also dropped 130, leaving a net gain of 139. In this way, resulting in the average weekly frequency across all routes increasing 4% from 3. 7 to 4. 5

departures per week. Therefore some leisure destination country markets, such as Spain, Italy and Hungary are benefiting most from this growth.

On the other hand, Ryanair is adding a daily return flight between Brussels Charleroi and Dublin from 7 November. This way, as this is a short way flight, the one way cost will be from €19, with a morning and evening flight departing Brussels Charleroi daily, and a morning and evening flight departing Dublin daily.

It can save passengers' thousands of Euros by daily return without wasting money on booking hotels, autos or other expenses.

Decision criteria

The purpose of the decision criteria is to encourage a more objective decision making process in the company. It demonstrates the details of each possible action, and helps individuals or organizations to make a choice among a set of alternatives.

The chart below shows the decision criteria of possible actions in Ryanair. There are five possible actions; they are ranked by 5 different levels. '5' means this action has higher risk, high cash invested, low feasibility, highly against environmental issues and company strategies. '1' means the action has lower risk, low cash investment, high feasibility, environmental friendly and in line with formulated strategy in the company. The lowest total score is the best possible action for Ryanair.

According to the result of decision criteria chart, the action standing seats got the highest score, so it means that this action is the most difficult one to

be selected. To the point of comparison with the other four actions, this action is the most difficult one to be realized. First of all, safety issue, Ryanair is cooperating with Boeing Company, if some safety issues happened with standing seats, Boeing will take the responsible for it, and on the other hand, the standing seat is also against the EASA law (European Aviation Safety Agency).

The third and fourth actions have the lowest score; the outcomes for both of these actions are consistent with the corporate strategy. However, compared with the third action, the new technology on gutter oil will provide more profits and less cost for Ryanair, as the outcome of third action will not significantly reduce the cost. This action will dramatically reduce the operation cost of Ryanair.

Assessment of outcomes of courses of actions

Possible courses of actions| Implications| Issues and Challenges|
 (Dis)advantages | Standing seats| The standing seat means the airline could carry more passengers in one aircraft. It is a revolution for the airline industry| The safety issue is the big problem in this case, the seat must restrain a passenger during take-off, landing and turbulenceThe standing seats should be well-designed; it must pass strict safety requirements, as the passenger's centre of gravity is higher. Boeing needs to redesign its aircraft; they will invest a lot of money on it. | Advantages: * Carry more passengers * Low operation cost * Cheap ticketsDisadvantages: * High risk * Against the law * Not safe| One toilet in every aircraft| Each Boeing 737-800 aircraft will carry extra 12 passengers. | If there is only one toilet on the aircraft, they

will carry more than 200 passengers on Boeing 737-800. However, Boeing 737-800 is licensed for only 189 people. The customer is not satisfied, because 200 people need to share one toilet. Ryanair needs to negotiate with Boeing, request Boeing to redesign the interior structure. It is really difficult for Ryanair to reach this objective, as Boeing is not interested in this change.]

Advantages: * Carry more passengers * 3-5% extra profit * Cheap tickets
 Disadvantages: * Negative effect on customer satisfaction * Safety issue, more people will stand in line for toilet on the aircraft| Slim staff, smaller magazines, and less ice cubes| Reduce the weight of the aircraft; saving fuel on each flight; saving the operation cost| Some people will claim that the Ryanair has discriminatory behavior on obese people. Maybe, it is not good for the company's image| Advantage: * Reducing the fuel cost
 Disadvantages: * Negative effect on customer satisfaction| New technology for gutter oil to reduce fuel costs| Redesign all the exist engines to fit the new energy. Reduce CO2 emissions. It also helps to mitigate climate change. It will be the first budget airline company use new energy instead of fuel. This technology will give Ryanair a huge cost advantage over competitors.

One country's gutter oil is another country's aviation fuel. This technology is helping rid the mainland of one health issue| Limited technology to redesign engine on small aircraft. Small aircrafts do not need large amount of gutter oil. Issues about gutter oil to met quality control standards.| Advantage: * Fit the new rules limit emissions of carbon dioxide. * Long-term investment *

Cooking oil costs about 30% less than petroleum
 Disadvantages: * Additional cost to redesign engine * Long delivery for gutter oil, as it produced in China
 New routes flights and additional daily return flights | Increase market share
 Strength competitive over competitors. Additional flights and passengers. Lower price for daily return flights, it also save extra expense for passengers. Such as booking hotels, renting autos. | High risk, such as cost increases may affect the new routes flights. Euro crisis leads to less tourists, which decrease the number of passengers. | Advantage: * Increase passengers and offer more jobs * Increase foreign tourists for local tourism * Market expand
 Disadvantages: * High cost * Competition from other budget airline companies |

Selection of one specific course of action

Consider all the possible courses of actions that Ryanair could implement in the future; using biofuel is the best option for Ryanair to reduce its cost, as some of the actions would probably challenge law and regulations in the aviation industry. Nevertheless, biofuel in aviation application is currently a cross-continent hot topic, and it even arouses hard debate on global arena of science and technology.

Risks with Biofuel

Several potential risks are concerning biofuels itself, which would possibly pose negative influence on the Ryanair strategy. Firstly, European government has draft proposals to limit the usage of Biofuels that are primarily produced by crop and maize. It is predicted that all biofuels related subsidies would be eliminated by 2012; therefore, Ryanair, who lives with up

to 20% of its revenue from subsidy system, would lose its interests in continuing the investment. Besides this, from the technical point of view, the machinery reproducing process of biofuels out of wasted food oil requests double consumption of energy, since the later one uses fossil oil. At the end, there would be a legislation of a new emerging biofuel industry, which poses additional cost of the biofuel users, Ryanair in this case. Last but not least, environmentalists claim that burning biofuels doubles the amount of pollution towards the aviation fuel transmits of CO₂ which are currently used; on top of that, they run a process that requires chemicals and energy to generate the sulfur-contaminated coal would be burnt in China.

Cash Invested for Biofuel

To invest in launching biofuel flight, Ryanair doesn't need to afford much in the technological area, but to take advantage of the leading company (KLM) who has already concrete actions in the same path. One initiate investment would only involve in technical licensing, redesigned aircraft, and regular purchase of the materials. Based on this, Ryanair would be comfortable with return on investment ratio from its financial platform. Taking KLM as a reference, its biofuel campaign with cutting edge technology yields a huge cost advantage over competitors as used cooking oil costs about 30% less than petroleum in China. Ryanair will never lose this chance to maximize its profit.

Environment

Due to the global economic down turn, airline industries are facing huge difficulties of growth and the general environment is filled with fierce

competition. Ryanair has been striving for increasing its fares step by step, in the meantime, struggled to maintain its competitive position in low-freight airline services. The environment requests Ryanair to take further measures to leverage its cost saving force. Biofuels, though carrying uncertainties and potential risks from political aspects, it has to be reckoned as a strong driving force for the business model development of the company.

Alignment with formulated strategy

For years, Ryanair has deeply modified the traditional model of airlines. Passenger transportation is no more the main source of income. Value comes from derived income sources such as airport subsidies or website traffic monetization; Optimum profit capture system relies on nothing else but cost saving. The new concept of aviation biofuel calls for recycling of wasted oil; in its sense of extra value reproduction, it definitely fits the company mission of Ryanair, and aligns with its overall strategy.

Conclusion

In conclusion, Ryanair currently manifests a strong market position within the airline industry having kept to its successful strategy of a low cost airline. Nevertheless, the aviation industry is rapidly developing and the airline companies who operate within it have to develop themselves accordingly in order to stay competitive in the future. So far, Ryanair has been able to hold its competitive position within the market being a low cost airline and differentiating themselves from other airlines focusing on one specific market segment.

Throughout the case study different possible courses of actions have been addressed which can assist Ryanair to stay competitive in the aviation market in the future. These different strategic options have been carefully analyzed and a decision criterion established to conclude which strategy can have the largest positive impact to ensure Ryanairs' success in the future. Innovation is a strong driver within the aviation industry, therefore the specific strategy of using new technology for gutter oil to reduce fuel costs has been chosen as the most appropriate and success promising course of action for Ryanair.

By investing into this new technology, the long term benefits outweigh the risks in engaging this new strategy for the company and can help Ryanair align with its overall strategy of cost saving. This specific course of action has outweighed the other possible strategies, promising the highest success for Ryanair to maintain its current market position in the future.

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