

# Ryanair pestel

[Business](#), [Company](#)



Complete a PEST(EL) analysis as preparation for a scenario planning exercise next week.

**POLITICAL:**

- Due to severe security measures, they had to cancel 279 flights and refunded 2.7m€. A loss of 1.9m€ in reduced bookings
- Aer Lingus was fundamentally opposed to a merger with Ryanair, even if it raises its price
- 12.6% of the shareholding controlled by Aer Lingus, whose members rejected the offer by a 97% majority vote
- Opposed to the BAA airport monopoly plans to build a 4bn gold plated Taj Mahal at Stansted

**SOCIAL:**

- Europe's leading budget airline August 2006, Air Transport World magazine- most profitable airline in the world
- 72% negative response from a poll of readers of the Financial Times for one of its initiatives
- In 2006, its employees count by more than 700, to 3,500 people, comprising over 25 different nationalities
- In 2006, it was voted the world's least favourite airline because of the unfriendly staff, delays and poor legroom
- The airline formerly refused to provide accommodation or meal vouchers when flights were cancelled or delayed, until it became illegal to do so in 2005

**ENVIRONMENTAL:**

- Deploying more efficient aircraft that use less fuel and produce less pollution
- Concerns about greenhouse gases from carbon emissions
- Replace its fleet of old aircraft with new, more environmentally-friendly aircraft, reducing the average age of its fleet to 2.4 years
- New aircraft produced 50% less emissions, 45% less fuel burn and 45% lower noise emissions per sea

**ECONOMIC:** Its average paid was 49612€, a higher figure than any other major European airline

- August 2006, Air Transport World magazine- most profitable airline in the world
- Cost-cutting/yield-enhancing measures for passenger check-in and luggage handling could save more than 1€ per passenger
- Web based check-in and priority

boarding, save costs on check-in staff and airport facilities, as well as time

- By tailoring rosters, they maximised productivity and time off for crew members

TECHNOLOGICAL: •Web based check-in and priority boarding •Fleet of over 100 new Boeing 737-800 aircraft and firm orders for a further 138 new aircraft to be delivered over the next six years •Stronger passenger safety: body searched, banned from carrying liquids and gels in their carry-on luggage

LEGAL: •Complying with EU regulations which impose a ceiling on pilot flying hours to prevent dangerous fatigue •In litigation with various airport over landing charges Accused it of misleading passengers on its website by exaggerating the prices of its competitors in making comparisons

- Following flight cancellations due to increase in security measures, they decided to file two legal cases against UK government
- In 2005, new legislation that offered compensation cost to passengers affected by delays, cancellations or denied boarding