

Ryanair Business Model	
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Ryanair low airline cost is 31 years old company, but probably you know it very recently when you decided to travel low cost.

The “low cost class traveler” is a customer segment developed by Ryanair giving the opportunity to millions of people to travel cheaply. In order to reduce costs they have to reinvent the way we travel, cutting many of the costs mentally associated with the traditional way of flying. So in short, they changed the way we fly.

Some of the changes they are introduced:

1.No frill cost: A no-*frills* or no *frills* service or product is one for which the non-essential features have been removed to keep the *price* low.

Do you want to drink or eat during the flight, you have to pay for it.

Do you want to carry 20k luggage you have to pay for it.

The strict control imposed created a lot of tensión among travelers, forcing them to have a very active campaign on how they interact with the clients.

2.One airplane model to reduce cost on maintenance and training

3.Second class airports located outside main cities to reduce airport costs

4.No reclining seats.

5.Arrive and depart in less than 20' so the more flights the airplane does, the better

6.Creating tourist destinations so cities pay to Ryanair to fly so part of the cost is assumed by public governments as a way to attract new tourists to their cities.

7.They generate income via fidelity services (booking.com, car rental, insurance)

In this video even if it is not in English you can understand perfectly the evolution of the Ryanair business model.

Their value proposition is clear fly cheaper to more than 190 destinations, they not only changed the way we fly, they expanded the market by enabling people to afford to fly.

<https://vimeo.com/86706877>