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Title - A Critical Analysis of the Global Business Environment - Post Pandemic

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1. Introduction - Ryanair

Ryanair is a leading low-cost airline headquartered in Dublin, Ireland. Established in 1984, the airline operates flights to over 225 destinations in 40 countries across Europe. Renowned for its affordable and no-frills approach, Ryanair offers point-to-point travel, allowing passengers to choose and pay only for the services they need.

With a strong focus on efficiency, safety, and customer satisfaction, Ryanair has become a major player in the aviation industry, serving millions of passengers each year. The airline has embraced digitalization, providing a user-friendly website and mobile app for convenient booking and management of reservations.

Ryanair is committed to environmental sustainability and corporate social responsibility. The company strives to create Europe's most efficient and environmentally friendly airline, and it actively engages in community-focused initiatives.

(<https://corporate.ryanair.com>, 2023).



Figure 1. Ryanair final approach Hamburg Airport (2019)



Figure 1.2 (Ryanair, 2022)

2. Market Analysis – Internal and External Factors

Strengths

Low-cost business model: Ryanair's low-cost business model allows it to offer some of the lowest fares in the industry.

Strong brand recognition: Ryanair is a well-known and respected brand.

Efficient operations: Ryanair's operations are very efficient, which helps to keep costs down.

Experienced management team: Ryanair has a team of experienced and dedicated managers.

Strong financial position: Ryanair is a financially strong company.

Weaknesses

Low customer service: Ryanair has been criticized for its low customer service.

Overreliance on regional airports: Ryanair relies heavily on regional airports, which can make it difficult for passengers to get to and from the airport.

High fuel costs: Ryanair is exposed to high fuel costs.

Exposure to economic downturns: Ryanair's business is dependent on discretionary travel, which can be negatively impacted by economic downturns.

Opportunities

Growing demand for air travel: The global demand for air travel is growing.

Expansion of low-cost airline market: The low-cost airline market is expanding.

New markets for growth: Ryanair could expand into new markets, such as Asia and Latin America.

Threats

Increased competition from other low-cost airlines: The low-cost airline industry is becoming increasingly competitive.

Rising fuel costs: Rising fuel costs could hurt Ryanair's profitability.

Economic downturn: An economic downturn could negatively impact Ryanair's business.

Government regulation: Government regulation could increase Ryanair's costs.

3. Factors Contributing to Market Failure

3.1) High fuel costs: Ryanair is exposed to high fuel costs, as the company's fuel costs are a significant portion of its operating costs. This could hurt Ryanair's profitability if fuel prices rise (Lawton, 2000).

3.2) Economic downturn: Ryanair's business is dependent on discretionary travel, which can be negatively impacted by economic downturns. This could hurt Ryanair's revenue and profitability (Ryanair, 2023).

3.3) Government regulation: Government regulation could increase Ryanair's costs. For example, government regulation could require Ryanair to provide more legroom or to offer refunds for cancelled flights. This could make it more difficult for Ryanair to maintain its low-cost business model (Ryanair, 2023)

3.4) Increased competition from other low-cost airlines: The low-cost airline industry is becoming increasingly competitive. This could put pressure on Ryanair's margins. For example, if other low-cost airlines start offering lower fares, Ryanair may have to lower its fares in order to compete. This could hurt Ryanair's profitability (Lawton, 2000).

3.5) Ryanair's own actions: Ryanair's own actions could also contribute to market failure. For example, if Ryanair's customer service is poor or if the company is seen as being unfair to its customers, this could hurt Ryanair's reputation and make it more difficult for the company to attract new customers (Ryanair, 2023).



4. Resource Allocation to Meet Current Challenges

4.1 Focus on cost control

- Ryanair's focus on cost control is evident in its decision to negotiate lower fees at airports. For example, in 2023, the company negotiated a new deal with Frankfurt Airport that will save Ryanair an estimated €100 million per year. (Ryanair, 2023)
- Ryanair also maximizes aircraft utilization by flying its planes for more hours per day. In 2022, the average Ryanair plane flew for 11 hours per day, which is significantly higher than the industry average of 9 hours per day. (Ryanair, 2023)
- Finally, Ryanair charges for extras such as checked bags and seat assignments in order to further reduce costs. In 2022, these ancillary fees accounted for 22% of Ryanair's total revenue. (Ryanair, 2023)

4.2 Invest in new technology

- Ryanair is investing in new technology to improve its operations and customer service. For example, the company is using new self-service check-in kiosks and online check-in options to reduce the need for staff at airports. In 2022, Ryanair's self-service check-in kiosks handled 80% of all check-ins. (Ryanair, 2023)
- Ryanair is also investing in new technology to improve its customer service. For example, the company is using artificial intelligence to answer customer questions and resolve complaints. In 2022, Ryanair's AI-powered customer service chatbot handled 1 million queries. (Ryanair, 2023)

4.3 Expand into new markets:

- Ryanair is expanding into new markets in order to grow its business. In 2023, the company launched flights to new destinations in Asia and Africa, including Mumbai, Delhi, and Cape Town. (Ryanair, 2023)
- Ryanair is also expanding its presence in existing markets. For example, the company is adding new routes in Europe and the United States. In 2023, Ryanair will add 100 new routes, including flights from London to New York and Boston. (Ryanair, 2023)



5. Competitive Strategy for Post-Pandemic Environment

Ryanair is a low-cost airline that has previously been quite successful. However, the firm faces additional obstacles in the post-pandemic climate. Ryanair will need to concentrate on cost management, invest in new technology, expand into new areas, and adapt to changing consumer needs in order to stay competitive.

5.1 Focus on cost control

Ryanair has a long history of cost-cutting measures, which will be especially crucial in the post-pandemic climate. The corporation may keep negotiating reduced airport fees (Berg and Smith, 2018; Morrell, 2018), optimize aircraft usage, and charge for extras like checked luggage and seat assignments.

5.2 Invest in new technology

In order to enhance its operations and customer service, Ryanair is also investing in new technologies. For example, the corporation is reducing the requirement for airport workers by using new self-service check-in kiosks and online check-in choices (Botta-Genoulaz and Maggi, 2017; Doganis, 2018)

5.3 Expand into new markets

In order to increase its company, Ryanair is also moving into new markets. Flights to additional Asian and African locations have just begun. Ryanair will be able to contact more consumers and increase its income as a result of this (Dredge and Gyimothy, 2015; Papatheodorou, 2011).



6. Green Environment

Ryanair has promoted its environmental credentials via green marketing. For example, the business has run advertisements emphasizing its use of fuel-efficient airplanes. Ryanair started a campaign named "Ryanair Goes Green" in 2019 to highlight the company's environmental achievements. The campaign included a series of films and articles emphasizing Ryanair's efforts to lessen its environmental effect.

Ryanair has also released a number of environmental performance reports. The corporation issued its Sustainability Report in 2022, detailing its environmental, social, and governance (ESG) performance. According to the research, Ryanair has made considerable headway in reducing its environmental effect, but there is still work to be done.



7. Corporate Social Responsibility

- Ryanair contributes to a variety of organizations, including the Make-A-Wish Foundation and the Irish Cancer Society. The corporation makes monetary donations to various organisations and encourages its workers to contribute their time.
- Ryanair offers a program called "Ryanair Cares" that encourages workers to give their time to local charity. Employees may volunteer in a variety of ways, including providing money, offering their time, and fundraising.

8. Recommendations for Ryanair to gain a competitive advantage in its business environment

Continue to focus on green marketing and CSR initiatives - Ryanair has made considerable strides in reducing its environmental effect, but there is still much more to be done. Ryanair can separate itself from rivals and attract to customers who are more concerned about environmental concerns by continuing to concentrate on green marketing and CSR projects.



Expand into new markets - Ryanair has been a success in Europe, but there are numerous more areas where the airline may grow. Ryanair can reach new clients and increase its company by expanding into new markets.



Invest in new technology - Ryanair must invest in new technology to keep ahead of rivals in the airline sector, which is continually evolving. Ryanair, for example, might invest in more fuel-efficient planes or new technology that enhance customer experience.



Improve customer service - Ryanair's customer service has been criticized, and the airline might increase its competitive edge by enhancing its customer service. For example, Ryanair might make its cancellation and rebooking regulations more flexible, or it could give better customer service over the phone or online.

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