

Flying above the clouds

- Good morning. Today, I am with Michael O'Leary, managing director of Ryanair, the (Irish) low-cost airline. Michael, while the rest of the airline industry is in trouble, Ryanair is doing fantastically. what's behind your success ?
- Price-cutting is the principal factor. But we are also the N°1 customer-service airline in Europe. We're N°1 for on-time flights, N°1 for fewest cancellations, N°1 for fewest lost bags, and N°1 for fewest customers complaints. You see, it's about lowest prices and about delivering what people want, which is something safe, on time, reliable....
- By selling tickets through your web site, you've cut out the middleman.
- Four years ago, we sold 60% of our sales through travel agents who charged us about 9% of the ticket price. The computerised reservations added about another 6%. So we were paying about 15% for distribution. Today 96% of our sales are sold through Ryanair.com, at the cost of about a cent a ticket.
- So, for you, cutting costs IS the solution.
- There is always something you can do about costs. If you take most of our competitors, they've reduced flights, reduced the number of passengers they're carrying and tried to charge those passengers higher fares. Is it any wonder they're losing money and going out of business ?
- Do you expect to cut your fares even more this year ?
- We don't expect them to be cut, we WILL cut them.
- And you're not concerned with the competition ?
- Nope. The only thing that worries us is laser travel, you know, like in Star Trek. Then, we'll really be in trouble ! (laughs)
- Thank you, Michael.