

# Challenges in the Business Model of Low-Cost Airlines: Ryanair Case Study

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## ABSTRACT

In recent decades, low-cost airlines have proliferated in the European market offering cheap tickets and increasing popularity. This business model, characterised by cost leadership, has been studied on numerous occasions. The case of the Irish airline Ryanair has presented different challenges over the last few years in relation to its stakeholders, who are shaping the sustainability of the current era of air travel. This business model should be adapted to the current demands of the market, such as corporate social responsibility or care for the environment. The functioning of low-cost airlines regarding the use they make of ERP management systems is also analysed. They aim to balance their cost strategy with the development of internal resources and capabilities for the company's long-term strategy. A major current challenge for low-cost airlines is the implementation of ERP management systems to make strategies oriented to the customer, sustainability, and corporate social responsibility.

## KEYWORDS

Airline, Business Model, Case Study, ERP Management System

## INTRODUCTION

As a consequence of the 2008 economic and financial crisis which seriously impacted the financial sector and the loss of purchasing power of the population, companies based on a low-cost business model proliferated in the airline industry, thus offering a service, which had always been designed for the upper-middle class, to a wider public (Dobruszkes, 2006). With the rest of the economy having difficulties, this low-cost model, led by the Irish airline Ryanair, flew their planes at full capacity and offered new routes. It rapidly became a model admired by both passengers and competitors (Malighetti et al., 2010).

However, the sustainability of its competitive advantage achieved in costs entailed precarious working conditions for its workers as well as having an impact on its customer service and after-sales service (Barrett, 2016). In other words, it is a model that focuses its attention on generating short-term economic-financial benefits, forgetting about the creation of value in both social and environmental dimensions in the long term (Valle et al., 2019). We are therefore talking about a short-term business

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model in which managers lack a bifocal vision and suffer from various syndromes such as strategic inertia and the strategic shortcut. In spite of this, its financial data shows that it is the leading airline in Spain, notably above its competitors such as Vueling and Iberia, and that its profit margin is unbeatable.

The discussed model therefore presents advantages and disadvantages; therefore, its strategic and organizational adjustment is worth studying. Over the years, strikes carried out by its employees along with the unions, unresolved complaints and changes of baggage policies among others, have led to an increase in transaction costs that the service generates on the customer (Martín, 2018). Therefore, Ryanair faces two major challenges: on the one hand, to achieve the sustainability of its competitive advantage in the long term, and on the other hand, to continue generating superior value for the consumer, or at least trying to diminish it as little as possible.

The business model of low-cost airlines appeared at the end of the 1990s, more specifically from 1997, when the deregulation of the intra-European air transport market took place and led to a significant increase in competition between airlines and airports (Lieshout et al., 2016). The liberalisation of the market ultimately led to the emergence of low-cost business models. In addition, Lieshout et al. (2016) also argue that changes in airline competition have been more pronounced in areas that were previously not well served, such as more remote regions of the UK, Spain and Italy. This is due to the fact that these types of airlines, and more specifically Ryanair, generally operate in secondary airports, and away from large populations (Gillen & Morrison, 2003; Dzedzic & Warnock-Smith, 2016). This issue will be discussed in detail during the case study of Ryanair.

Furthermore, taking advantage of the economic and financial crisis of 2008, and following the loss of purchasing power of the population, this new business model resurfaces with great force to offer solutions to their economic problems, as it allows them to obtain high value products and services (Servera-Francés & Piqueras-Tomás, 2019). Thus, the impact on their private economies would be less affected. In addition, they were able to take advantage of the opportunities of the technological revolution (Guo-Fitoussi, 2019) and managed to create a website and booking system that was clear, simple and attractive to the consumer.

So, these companies are created to focus entirely on the client and able to adjust their production costs to the minimum in order to respond to market demands. In this sense, this type of business model can be defined as an efficient system, which has managed to eliminate unnecessary costs for the company and reach a higher level of agility in the organization's processes (Sanchis-Palacios, 2018). In addition, they have managed to bring products traditionally focused on a middle and upper class to all types of public. The fact that Ryanair's prices are very low implies a high level of competitiveness in the sector and forces competitors to strengthen their competitive position and find alternative strategies to face the cost leadership led by Ryanair. Initially, this situation of high competitiveness in this sector may have benefited the consumer.

However, it is necessary to analyze the sustainability of this type of competitive advantage and, moreover, of the business model. Some authors, such as Sanchis-Palacios (2018), argue that this is a model which does not focus its strategy on the consumer, but is totally focused on reducing internal costs at the expense of other variables in order to maximize net economic profit. Here, we are referring to the reduction of costs in the area of personnel, maintenance, or provisions (such as fuel). The result of these measures has been the general dissatisfaction of the workforce expressed in numerous strikes carried out by the company's workers, especially in recent months, or the increase in problems related to the lack of fuel to successfully complete a journey. On the other hand, the analysis of this business model from the point of view of the consumer also deserves special attention. It is interesting to analyze if low-cost airlines really bring more value to the consumer and aim to put the customer at the centre of all their centre of thinking.

These research questions derive in further unknowns regarding the use of a reliable Enterprise Resource Planning system that makes it possible to integrate systems in companies that follow a purely cost-leadership strategy (Arasanmi & Ojo, 2019; Sandvik et al., 2019).

The following report seeks to answer these questions through the strategic analysis of the company, which are so crucial to predict the future that awaits Ryanair.

## **THEORETICAL FRAMEWORK: CHALLENGES IN LOW-COST FLIGHT COMPANIES**

The main objective of this section is to provide a review of the literature regarding the challenges that low-cost airlines are facing today, which have been mentioned throughout the introduction. Firstly, an overview about the main highlights of strategic analysis will be conducted. Then an explanation of competitive advantages and sustainability over time will be developed, focusing in the business models of low-cost airlines. Finally, the implementation of ERP (Enterprise Resource Planning) management systems in low-cost airlines must be studied to see what challenges these companies still have and how these systems can help.

For the internal analysis, different tools from the business strategy field will be used, such as VRIO analysis, the study of the existence of strategic and organizational adjustment through mission, vision and values, and finally the analysis of the value chain.

### **VRIO Analysis**

VRIO analysis was developed by Barney (1991) and helps to assess which internal resources provide the company with a competitive advantage, which should be considered as vital and which are most expendable. An enterprise's resources should be: valued, rare, and inimitable and the organization must be able to exploit them sustainably over time. Organizations need to be aware that their competitive advantage is based on the resources they have and the correct use they make of them. Internal resources can be financial, human, material and non-material (knowledge, information, culture, etc.) (Cardeal & Antonio, 2012).

The origin of competitive advantage arises from the possession and adequate use of internal resources and capacities, and from the anticipation or effective and rapid response to changes in the environment (Guerras & Navas, 2007). Therefore, with regard to external factors that affect the creation of competitive advantage, the ability to detect changes, give a quick and flexible response and take advantage of opportunities with the aim of achieving greater profitability can be highlighted (Ribau et al., 2019).

However, despite the importance of the environment, success or failure is ultimately due more to internal factors than to external causes. To do this, it is necessary to possess resources and capabilities which have a specific value in the market in which the company operates, which are rare, in the sense that not all companies in the sector possess them, which are difficult to imitate, and finally which are internalised in the organization (Camisón-Haba et al., 2019).

Low-cost airlines are generally companies who simplify all their processes as much as possible, with all the positive and negative points that this fact implies (Diaconu, 2012). This is because, for example, the purchase process, access to the service and access to the plane (given the low traffic at the airports where they operate) is very simple and effective, providing a positive experience for the consumer. However, on the other side, resolution of complaints as well as customer service is equally simple, thus being of a very low quality (Graham & Shaw, 2008).

### **Mission, Vision and Values**

Organizational mission, vision and values have been widely defined in the literature throughout the last decade. Vision reflects an organization's desired future state projection; mission explains the purpose and the reason for the organization's existence. Both vision and mission are connected and interrelated with each other (Martos-Calpena, 2009).

Corporate reputation is considered an intangible asset of great significance which is built through the fulfilment of the commitments acquired by the company with its stakeholders.

Moreover, reputation is not a static asset, but rather it is generated over time and is reaffirmed and adapted to the new circumstances of the environment (Berg et al., 2018). In fact, certain variations in the environment can generate reputational crises that diminish or even destroy the company's reputation (Wenzel & Will, 2019), which can lead, in extreme cases, to the company going into liquidation (Helm et al., 2011). On the other hand, a sustainable corporate reputation leads to long-lasting customer loyalty (Moisescu, 2018).

For this reason, low-cost airlines business models which only focus on covering costs in the most profitable way possible may constantly encounter reputation problems and conflicts between their mission, vision and values with the strategy followed. It is important to have a good strategy to monitor this situation so that the bad reputation that the airline may have among consumers does not damage its brand image. According Rauter et al. (2018), the effect of open innovation is also interesting in shaping long-term sustainable strategies, when considering value co-creation with customers (Lee & Park, 2019).

### **Value Chain Analysis**

Another useful tool for internal analysis is the value chain, which specifies the different activities carried out by the company (Kaplinsky, 2000). According to Porter (1985), the value chain is defined as the basic tool for analysing the sources of a company's competitive advantage, since it is a systematic means that examines all the activities carried out by the company and its way of interacting. This tool allows the company to be divided according to its activities, in order to understand the behaviour of costs, as well as the sources of action and differentiation potentials. The competitive advantage arises from each of the activities the company performs in designing, manufacturing, co-marketing, delivering and supporting its product (Vega, 2010).

According to Kaplan and Norton (2011), in any value chain there are three fundamental processes that are of great relevance: the innovation process, the operations process and the after-sales service. For a low-cost airline, in the innovation process, the needs of customers are investigated and the products or services necessary to satisfy them are created (Wang & Hsieh, 2018). The operational process is where service is provided, and the after-sales service is where possible problems which may have arisen during the operational process are solved by means of the possibility of lodging complaints or claims. Each type of organization will put more effort into the process that gives you more profitability depending on the strategy chosen. In the case of low-cost airlines, which involve cost leadership strategies, after-sales services and promotions imply a significant level of costs in absolute terms. The main costs are fuel, maintenance, ground operations, airport costs (including costs for airport services, navigation charges and handling costs), personnel costs, insurance, aircraft costs, training costs, administration and sales costs and exceptional expenses (Jurado & Fuentes, 2011). In addition, the company's strategic and support activities should be defined, and not just focused on the short term.

From this insight, the low-cost airline presents a business model based on simplicity, thus orienting itself towards a model of leadership in costs, optimizing its resources and processes to the maximum (Devece et al., 2019). Porter (2008) also stated that the fit of business model and value chain analysis is a key element not only for competitive advantage due to the fact that the different activities affect each other, but also for sustainability.

Generally, companies which show worse performance in the market are highly affected by external variables and changes in the environment, since their resources and capacities are low and do not allow them to successfully face the changes mentioned above.

However, those companies whose level of resources and capacities is very high and highly qualified are less influenced by changes in the environment because they have the tools to face and emerge successfully these variable effects (Caseiro & Coelho, 2019).

Therefore, low-cost airline business models work successfully when the situation is favourable. But when conditions are adverse, its resources and capabilities are insufficient to address the problems successfully.

On the other hand, the savings in costs and low prices that the company advocates therefore translates into high costs, especially long-term social costs, which both the government and consumers ultimately have to face. It is therefore a model that lacks bifocal vision, as it focuses all its attention on generating short-term economic benefit, forgetting to create value for the consumer in the long run. In this way it can be concluded that it is a short-term model, which in the long term has become obsolete. Therefore, this low-cost business model presents several disadvantages.

## **Enterprise Resource Planning and Low-Cost Airlines**

Any enterprises regardless of size, scope or activity aims to increase profitability and the maximization of production while maintaining low cost, high level of service, safety and quality (Nikolopoulos et al., 2003). Most low-cost airlines have recently incorporated Enterprise Resource Planning (ERP) management systems, which usually include a selection of control software that facilitates and automates, as far as technology allows, all the departments of these companies (Han et al., 2014).

An ERP system is integrated software comprised of several complementary modules (customer management, sales, human resources, finance, etc.) which can be adapted to the specific needs of each customer (Klaus et al., 2000). Its main objective is to integrate all the departments and functions across an enterprise into a unique computer system that clusters all processes inside an organization. It provides the management of a constant controlling analysis and state-of-the-art of enterprises, including service companies (Botta-Genoulaz & Millet, 2006).

ERP aims to integrate business processes and information systems across functional silos. It involves business process reengineering and strategic reconfigurations. It also implies a change in mindset and a challenge of the status quo. A culture which tolerates and resolves conflicts is critical for ERP implementation success (Raman & Goyal, 2014; Kandjani et al., 2014).

Boosting general productivity, competitive advantage, business integration and customer demand are the most important business drivers when selecting a suitable ERP. Hence ERP implementation success is related to strategic analysis and reorientation of the business model (Ke & Wei, 2008).

However, low-cost airlines try to balance their cost strategy with the development of internal resources and capabilities for the company's long-term strategy. That is why the use they give to ERP is mainly controlling and price algorithms. Therefore, a major challenge that today's low-cost airlines still have ahead of them is the implementation of these management systems to make strategies oriented to the customer, sustainability and corporate social responsibility (Botta-Genoulaz & Millet, 2006; Gouvea et al., 2018).

## **RYANAIR CASE STUDY**

Firstly, it is necessary to study the status quo of the company, in reference to its internal capabilities and its competitive advantage and compare them with the competition, in order to understand the challenges that it mainly addresses. For the internal analysis, different tools from the business strategy field will be used, such as VRIO analysis and value chain analysis. Both of them have been explained during the previous section.

For the particular case of Ryanair, Michael O'Leary (La Provincia, 2019), CEO of the Irish airline, stated that "Sometimes there are strikes that have to happen. We defend our model of low cost and high productivity". In this way, they are not willing to tolerate demands which, from their point of view, are completely unreasonable (Martín, 2018), which jeopardize their low rates and their model highly efficient business to date. As soon as O'Leary announced these lines, he threatened to reduce fleet, routes and jobs in the event that the strikes continued. 48 hours later he fulfilled his threat and announced 300 layoffs in Ireland.

The problem of Ryanair's management is not so much in how to face the future, but in abandoning the past and perhaps also the present and being aware that perhaps their business model needs to

undergo different revisions so that it can be sustainable in the long term (Youssef et al., 2018), without their reputation being damaged any further (Wang et al., 2019).

On the other hand, they suffer in the same way from strategic shortcut syndrome, in which they are not able to recognize the reality and the current context that affects them, so they try to evade responsibilities and justify themselves with the positioning of their business model in the centre of all their actions. In this way, they avoid looking for solutions by offering the simplest alternative, thus blocking the path towards adaptation to the new demands of the market (Alshanty & Emeagwali, 2019).

Table 1. Ryanair VRIO analysis

Resources and capabilities	Valuable (V)	Rare (R)	Inimitable (I)	Embedded in the organization (O)
Online bookings	✓	✗		
Minimization of time on land (high rotation)	✓	✓	✓	✓
Secondary airports (low rates)	✓	✓	✗	
A single airplane model (cost savings)	✓	✓	✓	✓
Single class of seats	✓	✓	✗	
Very low basic rates	✓	✓	✓	✓
Punctuality	✓	✓	✓	✓
Simplicity in the purchase process	✓	✓	✗	
Strong alliances with other companies in the tourism sector (hotels, car rental)	✓	✓	✗	

Source: Own elaboration

From the previous analysis, it can be seen that the sources of the competitive advantage of Ryanair are mainly the minimization of the time that the plane is on the ground, made possible with a high rotation, the possession of a single model of aircraft, very low basic fares, and punctuality on flights (when there have been no delays). If a resource or capacity is valuable and rare, a competitive advantage is obtained (Barney, 1991). While only if it is also difficult to imitate and is exploited by the organization, it is a long-term sustainable competitive advantage. It is also necessary to highlight that the concept of long-term sustainability is currently a relative concept, given the vertiginous nature of changes in the environment, which no longer follow a clear trend, but are rather disruptive (Grant, 1996; Gianiodis et al., 2019).

Regarding the possession of a single airplane model, the fact that Ryanair focuses its routes on destinations that are a maximum flight time of three and a half hours is based on strengthening cost leadership, since it only needs one airplane model. On the contrary, the rest of the competitors have more extensive routes and therefore need to provide larger and better equipped aircraft (Box & Byus, 2007).

On the other hand, Ryanair has strong alliances with hotel companies at destinations, as well as car rental companies, offering the customer a very low price if you hire the complete package with them. Lately, they have also included many promotional offers in this type of service, in addition to flights, their core service. There is also an incentive point programme in which, through hiring the

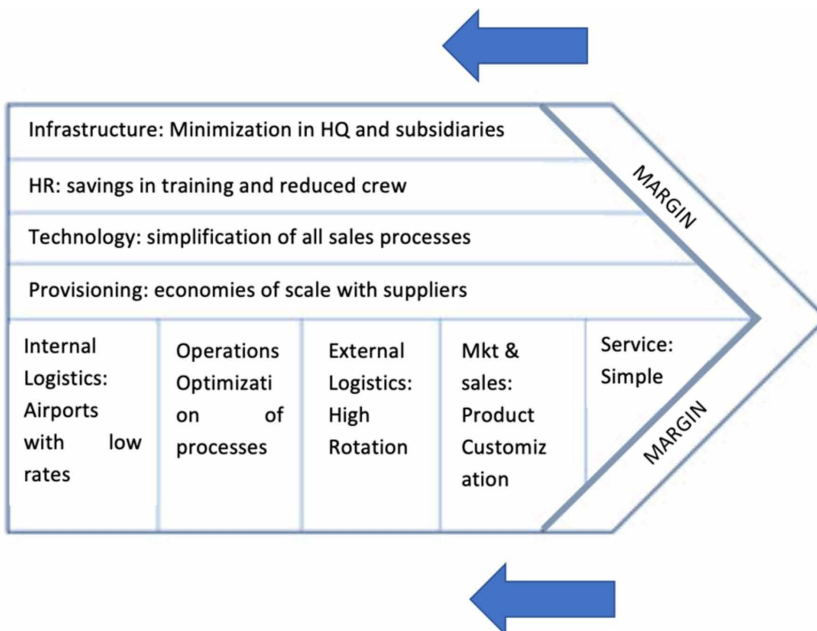
accommodation with them, they give you points for the next flight. Nevertheless, the most outstanding and exclusive alliance is with the ESN Erasmus student organization. Those students who travel with Ryanair during their Erasmus experience have the opportunity to check in a 20kg suitcase for free, as well as the guarantee of obtaining 15% discount on eight flights throughout the year. However, although these alliances are a source of competitive advantage for Ryanair, they are not difficult to imitate, since except for the alliance with ESN, the rest of the airlines also offer to their clients complete packs where the accommodation and car rental are included.

Very low basic rates are achieved through the elimination of all superfluous costs innate to the organization, as well as the optimization of resources and processes (O’Connell & Williams, 2005). Therefore, Ryanair refuses to offer a higher class of seats, and requires payment for any service that is extra to the single plane ticket. Ryanair calculates the necessary fuel for its routes with a high level of accuracy and buys a specific product from the same supplier and in large quantities, thus achieving economies of scale. This implies high barriers to entry into the sector and therefore, a determining factor when it comes to protecting competitive advantages (Dobruszkes, 2006).

As a result, Ryanair simplifies all its processes to the fullest, with all the negative points that this fact implies. This is because, for example, the purchase process, access to the service and access to the plane (given the low traffic of the airports where they operate) is very simple and effective, providing a positive experience for the consumer. However, we find that the resolution of claims as well as customer service is equally simple, thus being of a very low quality (Julius & Jatmika, 2019).

Another useful tool for an internal analysis for Ryanair is the value chain, in which the different activities carried out by the company are specified. The following graph succinctly summarizes which are the primary activities (vertically), and those supporting them, referred to as secondary (horizontally). Once again, we appreciate that it is a business model based on simplicity, thus oriented towards a leadership model in costs, optimizing its resources and processes to the maximum (Amit, 1986; Dutse & Aliyu, 2018)

Figure 1. Ryanair value chain. Source: Own elaboration.



The difference between the cost that Ryanair has to incur in carrying out these activities, and the price that consumers pay to use their services, corresponds to the margin. It is very important to highlight that, since it is a company that places the decrease in costs at the centre of its strategy, the value chain tends to move the inner line corresponding to the margin to the left, as indicated by the blue arrows. This means that costs are reduced in all activities at the highest level, with the aim of achieving the desired margin and offering low prices (Coello-Santos, 2011). This means that Ryanair reduces as much as possible the costs assigned to the implementation of enterprise information systems. According to several authors (Raman & Goyal, 2014; Kandjani et al., 2014), the correct functioning and integration of enterprise information systems is one of the most determinant aspects of a company nowadays.

On the contrary, if we analyse the strategy followed by some of its competitors, such as Iberia, we would distinguish a strategy based on differentiation. In this case, the line showing the margin would be shifted to the right, since the value contributed by each activity is much higher, and the price is also higher (Scridon et al., 2019).

It is necessary to understand that there has been a change in the rules in the tourism sector, especially in the airline industry (Rotondo et al., 2019), and that managers take into account changes in the environment and use their resources and capabilities to cope with external turbulence. Therefore, it is necessary to carry out a strategic adjustment taking into account the new demands of the sector, to subsequently make an organizational adjustment, through the distinctive capabilities necessary to implement the strategy efficiently (Cao & Chen, 2019).

Ryanair's strategy can be distinguished in the mission, vision and values that they defend on their website in the "About Us" section. They announce: "Our rates are not the only thing that sets us apart. We can claim to be the European company with the most punctual trips, to be leaders in the sector for travelling safely for 32 years, an exquisite punctuality, an almost perfect luggage transport and an innovative environmental policy. But, after all, the only number that matters is the price, and Ryanair always offers the lowest".

Like everything else, as explained, the values that Ryanair presents on its website are simple, concise, and worthy of a thorough review. Firstly, they mention twice the punctuality of their flights, which reflects a certain laziness in the wording. On the other hand, they assure that the fact that they offer flights "in a safe way" has allowed them to be leaders in the sector. Undoubtedly, many passengers will read this statement and disagree. In recent years, there have been numerous occasions in the media where Ryanair was denounced in the media for practices which threatened passenger safety, including especially forced landings due to lack of fuel. It is true that after these scandals worldwide, Ryanair had to change its fuel policy (Controladores Aéreos, 2017). Recently, in November of 2019 the Irish company had to undergo more than 600 safety inspections and claims in Spain (Europapress, 2018).

Currently, although the company has successfully passed all the inspections to which it has been subjected, the Spanish Labour Inspection sanctioned Ryanair for eliminating the right of its crew to strike (Martín, 2018). Regarding the innovative environmental policy, the company offers its customers the option of offsetting their CO<sub>2</sub> emissions at the end of the purchase, which means that these funds will go to projects to mitigate climate change carried out by an external company (Barrett, 2016).

To analyse if Ryanair's organization is consistent with the strategy, it is necessary to study whether there is organizational adjustment in its business model. According to Porter (2008), the reserve requirement is a key element not only for the competitive advantage due to the fact that the different activities affect each other, but also for its sustainability. Thus, it can be distinguished that in each and every one of the different areas of the company – structure, processes, reward and human capital – the search for cost savings and elimination of superfluous expenses is intrinsic. Therefore, when we observe if Ryanair's organization responds to its strategy in terms of its pricing policy, we distinguish that the adjustment is made in full, and therefore the image they offer to the consumer of being the airline that offers the lowest prices corresponds to reality (Hill, 1988).



However, the fact of being leaders in the sector for offering safe flights is a maxim that is not 100% identified with the way Ryanair has to organize and operate. This is due to the innumerable and continued strikes taking place, as a result of not being subject to the labour standards of the European territory. Therefore, it is not a very stable structure at the moment; neither are the work contracts raised. This feeling of instability is transmitted to all areas of the company, and mainly to the consumer. In this sense, it is therefore an organization that is not entirely adjusted with the image they want to convey and the values they defend (Powell, 1992).

Discontent due to their new luggage policies is widespread among customers (Independent, 2019). Similarly, customer service is reduced and only reachable through the website. Moreover, there were claims with luggage, the resolution is slow and of poor quality, according to its business model to simplify all processes. Therefore, this statement is not aligned with the internal way that the company has to organize.

Ryanair has been subjected in recent years to the circumstances of the European continent, where the crisis affected all sectors. This company was presented to solve a low purchasing power, and to offer an opportunity to youngsters to travel at low prices all around Europe (Monaco, 2018). It is a company which, while all other companies were doing badly, they grew in an excessive way, increasing passengers on each flight, as well as the fleet and opening new routes. It is a business model that therefore works very well in adverse economic circumstances, when the consumer cannot afford to fly with another company that offers a higher value, because the price is also higher (Hunter, 2006). Other Spanish companies in other sectors, such as Mercadona or Inditex, were also strengthened in times of crisis due to their same low-price policy and cost leadership.

## CONCLUSION

This study investigates the relationship between the sustainability of low-cost airlines' business models and the use of integrated ERP systems to track their strategic performance. It aims to highlight the importance of considering value creation for stakeholders and not only economic performance and cost leadership, in order to guarantee their future existence. The research gap of this study focuses on identifying whether Ryanair's business model of cost leadership and such a high gross margin is sustainable in the long term. Furthermore, we express the idea of taking into consideration the adaptation of their strategy to the demands of the market, and of their workers.

Ryanair, as a leading airline in Europe has focused all its attention on creating value around the economic-financial sphere, leaving in a second dimension the creation of value in the social and environmental spheres. Although they have recently included environmental policies, in which they say they fight for climate change, it is necessary to distinguish to what extent they are policies that are born from Corporate Social Responsibility, as an isolated department within the organization, or as a strategy defined due to their core values. Managers continue to act and make decisions based on the strategy that has worked so far, without taking into account that the environment is changing, and especially the trend in the tourism sector is being modified.

Ryanair should therefore anticipate and act in advance before these changes occur, instead of reacting to them. They need to recognize the need to establish new routes in destinations that are increasingly attractive to European tourists, such as the countries of Eastern Europe and the Balkans, as a result of their economic recovery and political stability. It will not lead them to success to continue investing in mature lines, if the trend of the sector is taking another course.

Ryanair therefore needs to quickly reinvent itself to achieve the sustainability of the long-term competitive advantage. However, competing on costs leaves little room for innovation and improvement (Kashani & Roshani, 2019). As it is clarified in the article, the costs in all processes, operations and departments are reduced to the maximum to guarantee cost leadership with a high profit margin.

This research is subject to different limitations that must be pointed out. Firstly, it is a theoretical case study in which the business model of low-cost airlines has been analysed, as well as their use

of ERP government systems, specifically Ryanair. However, a comparison of the different low-cost airlines and the impact of using complex ERP systems to monitor all aspects of their business model could be considered for the future. In this way, the advantages of its use and the evolution of their business models with respect to the creation of value in the long term, the management of the reputation and values that each company transmits and the satisfaction of all its stakeholders could be empirically proven.

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