



NETWORK STRATEGY

EASYJET



Hodges: leading position is key

"It's a very clear strategy and it's working. I think it's clear-cut"

PANEL JUDGE

Asked to boil down EasyJet's network strategy to a single sentence, the carrier's head of network and schedule development Andy Hodges responds that it's about having "the leading transport network across Europe".

"In terms of product, in terms of the positions we have at major cities and airports at Europe, we do believe that there is not a stronger transport network offered by a single operator in the world," he says.

By building network density, increasing frequencies and consolidating its operations at key primary airports, the carrier has established itself as a leading European point-to-point operator.

Hodges says the low-cost carrier seeks to strike a balance between consolidating its position in existing markets such as London's Luton and Gatwick airports, but also investing in new opportunities such as Amsterdam Schiphol, where the carrier went from opening a base in 2015 to becoming its second largest operator.

"What that means for us is

about taking a leading position in those markets. And so for us a leading position is a number one player in that market, or in the case where we are competing against an incumbent [legacy] carrier like Air France or KLM and being a very strong number two," he explains.

EasyJet has also built up large base presences at Milan Malpensa in Italy, Nice in France, Geneva and Basel in Switzerland and Germany's Berlin Schönefeld and Hamburg airports.

This allows the UK-based carrier to gain "maximum leverage" of scale and cost, Hodges says, while also "by definition" offering a strong product to leisure and business passengers.

EasyJet's focus on primary airports means the carrier often has to operate at a number of slot-constrained gateways, something Hodges describes as a "mixed blessing" for the carrier.

"On the one hand investing, growing into slot-constrained airports allows us to maintain a competitive advantage and gives us a defensible position against other

competitors who might look to come on to our markets as well.

"But on the other hand we are increasing the gauge of our aircraft so our new orders are either going to be for the [Airbus] A320s with 186 seats compared with 156 on the A319s, or into A321s which have 235 seats".

Flight Fleets Analyzer shows that EasyJet operates a fleet of more than 250 A319s and A320s at present and has orders another 149, 100 of which are for the new A320neo, the first of which has just entered service with the carrier.

Hodges says that because EasyJet is "very much city focused" there are more opportunities to develop its presence in markets such as Italy and Germany. The carrier is also experimenting with seasonal bases, the first of which in Palma de Mallorca opened this summer.

"Maintaining and defending and continuing to invest" in mature markets, will be balanced against "putting energy in those [markets] that are not yet at full scale", Hodges states.

Oliver Clark

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