



Who Is Right... Michael O'Leary or Elon Musk?

How Pricing Assumptions Can Suppress
Nine-Figure Opportunities

March 2026

When Michael O’Leary brushed aside the prospect of a Starlink rollout across Ryanair’s fleet, arguing that only 5% of passengers would pay for onboard WiFi, the conclusion appeared disciplined. Firm. Financially prudent.

Then Elon Musk publicly disagreed.

Two high-profile leaders. Two very different views of demand. And a very public disagreement.

The only view that really matters: that of Ryanair passengers. What did they have to say? We decided to find out.

We asked a group of over 1,000 UK travelers who stated they had flown with Ryanair in the last 12 months a simple question.

On Ryanair flights, assuming a reasonable price, would you typically be willing to pay extra for WiFi?

38% of the group answered YES

That result alone materially exceeds the 5% assumption.

But **a single survey question does not build a business case.** The phrase “reasonable price” carries little strategic value unless it is defined within real trade-offs.

So we went further.

Using rigorous conjoint analysis, we quantified true willingness to pay – modelling how passengers evaluate WiFi packages across capability, duration and price within realistic choice scenarios. This allowed us to identify not just stated interest, but the price ranges consumers would genuinely accept when faced with competing options.

The Willingness to Pay Research

Who We Surveyed

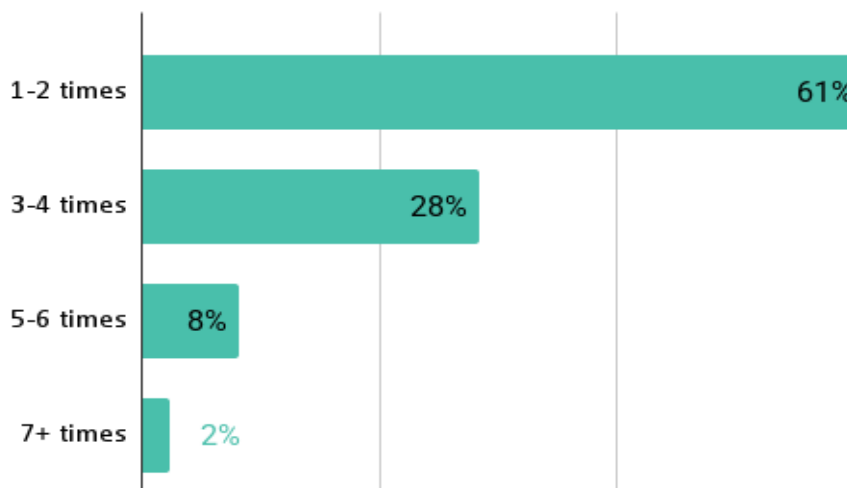
We surveyed 380 UK respondents for the conjoint willingness to pay test across a nationally representative age, gender, and income profile. A statistically significant sample size based on the number of features and levels tested across 10 conjoint choice card options.

All of them had:

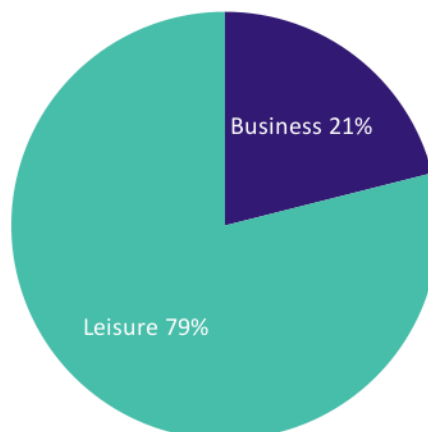
- Taken a return Ryanair flight in the last 12 months
- Indicated they would be willing to pay for WiFi onboard at a reasonable price

Flight frequency – return trips in the past year

How many times have you flown with Ryanair (return) in the past year?



Primary travel purpose for flying with Ryanair



Methodology: How We Tested Real Trade-Offs & Willingness to pay

To understand how passengers value inflight connectivity and their willingness to pay, we conducted a structured choice experiment in which respondents evaluated a series of potential WiFi packages for a Ryanair flight. Each option varied in key elements such as **connectivity capability, access duration, price, and flight length.**

By asking respondents to choose the option they would most likely purchase, or to opt out entirely, we were able to observe how travellers trade off these elements when making a realistic purchase decision.

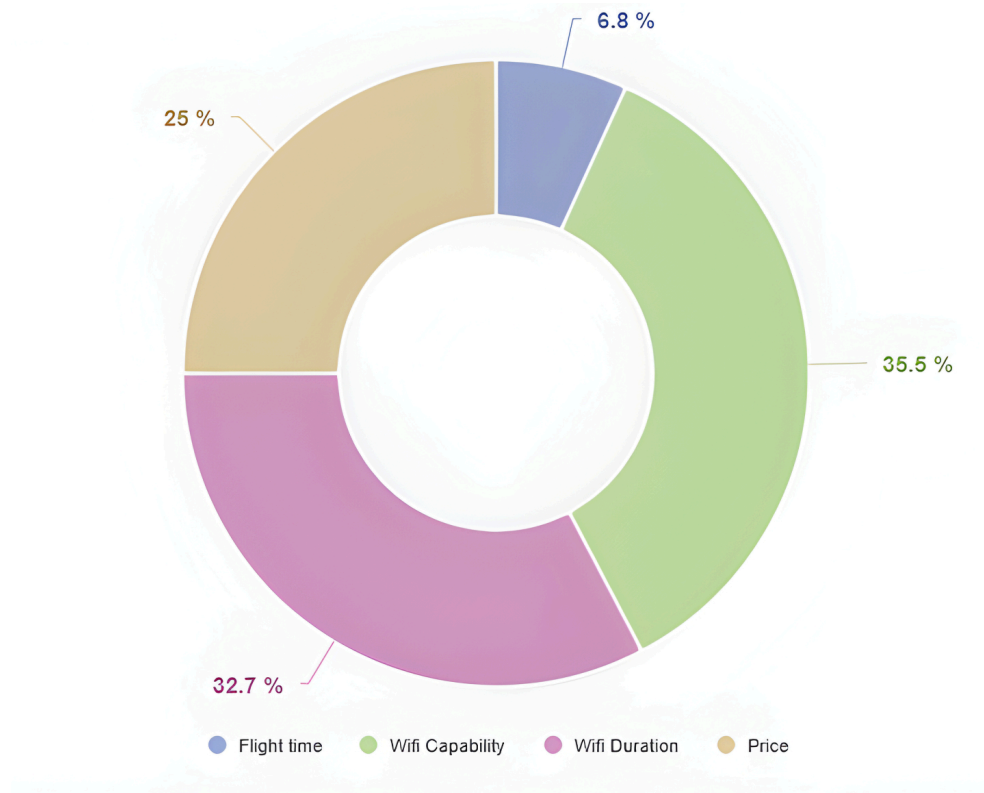
This approach allows us to move beyond simple “would you buy it?” questions. Instead, it reveals how different features interact to shape willingness to pay, helping us understand which combinations of capability, duration and price create the strongest value proposition for passengers.

What We Found

When we modelled trade-offs across capability, duration, price and flight length, one structural insight emerged clearly: **WiFi Capability Is the Primary Driver of Choice!**

Across both Business and Leisure travellers, the most important attribute was WiFi capability, and specifically, **access to full internet browsing and streaming.**

This was followed by WiFi duration (2nd) and Price (3rd). As participants were instructed to treat flight time as context only, it makes sense that this feature was found to have minimal impact on driving package choice.



This is important. It tells us that passengers evaluate WiFi primarily through a utility lens - what they can do online - rather than purely through cost minimisation.

Relative Feature Level Preference

When we move beyond feature importance and examine the preferred feature levels, the optimal proposition becomes unmistakable:

- **Full internet (browsing & streaming)**
- **For the full duration of the flight**
- **At the right price point**

Crucially, this holds true **regardless of flight length**. At an aggregate level, then, demand skews strongly toward full-flight, full-internet access when priced appropriately.

But that does not mean all passengers value it equally. This is where the analysis becomes commercially interesting.

Relative Feature Level Preference



The data indicates a value-led, capability-first proposition is most preferred by this group of respondents.

Moving Beyond Averages: From Optimal Proposition to Revenue Architecture

The overall results make commercial sense but they hide something critical, because when 38% say “yes” to WiFi, that 38% is not one homogenous group. Some passengers will pay almost anything for full access. Others only want messaging at the lowest possible price. Some sit in the middle.

Designing one proposition for all of them would leave revenue on the table.

So we moved beyond averages.

Using latent class analysis, we identified three similarly sized customer segments – each with distinct purchasing behaviour and fundamentally different price elasticity curves.

That segmentation is what turns insight into strategy.

Segmenting the Demand: Where Strategy Emerges

The latent class MNL analysis revealed three similarly-sized behavioural clusters, each defined not by demographics, but by how passengers trade off capability, duration and price.

Messaging-Focused Value-Seeking Flyers (35.5%)

This segment is decisively price sensitive. Cost minimisation dominates decision-making and, as a result, messaging packages are most attractive. While lower in per-unit revenue potential, this group expands participation and protects volume.

Full-Flight Value-Conscious Flyers (29.7%)

This group prioritises full-flight connectivity but with greater price discipline. While full internet remains the preferred option, their purchase probability is more responsive to price adjustments. They exhibit conditional openness to messaging-only tiers, particularly when price differentials widen. This segment requires careful optimisation rather than pure premium extraction.

Full-Access Price-Resilient Flyers (34.7%)

This group represents the highest-value demand. They show a strong preference for full internet access for the entire flight and demonstrate low price sensitivity within the tested range. Even at the upper end of pricing (£15.50), purchase likelihood remains robust. This segment underpins premium monetisation.

The addressable market comprises three fundamentally different needs with three distinct price sensitivities.

Effective monetisation requires a structured portfolio: a premium anchor, a calibrated mid-tier, and a volume-protecting entry tier each designed to capture a distinct customer profile.

Cluster Name	Description
Messaging-focused Value-Seeking Flyers (35.5%)	Very cost-conscious and are most willing to consider text-only plans at durations shorter than full flight.
Full-Flight Value-Conscious Flyers (29.7%)	Moderately price sensitive with a very strong preference for full-flight connectivity but relatively higher openness to messaging-only compared to full-access price-resilient users.
Full-Access Price-Resilient Flyers (34.7%)	Low price sensitivity and a strong preference for full internet access for the full flight.

Translating Segments into Revenue-Capturing Packages

Identifying segments is only useful if it informs pricing architecture.

To ensure the final WiFi lineup monetises each behavioural group effectively, we first optimised packages at the segment level. Each cluster was modelled independently, using its specific elasticity curve to determine price points that balance volume participation with revenue yield.

For the **Messaging-Focused Value-Seeking segment**, a one-hour messaging package at £3 captures 90.4% of buyers within that group.

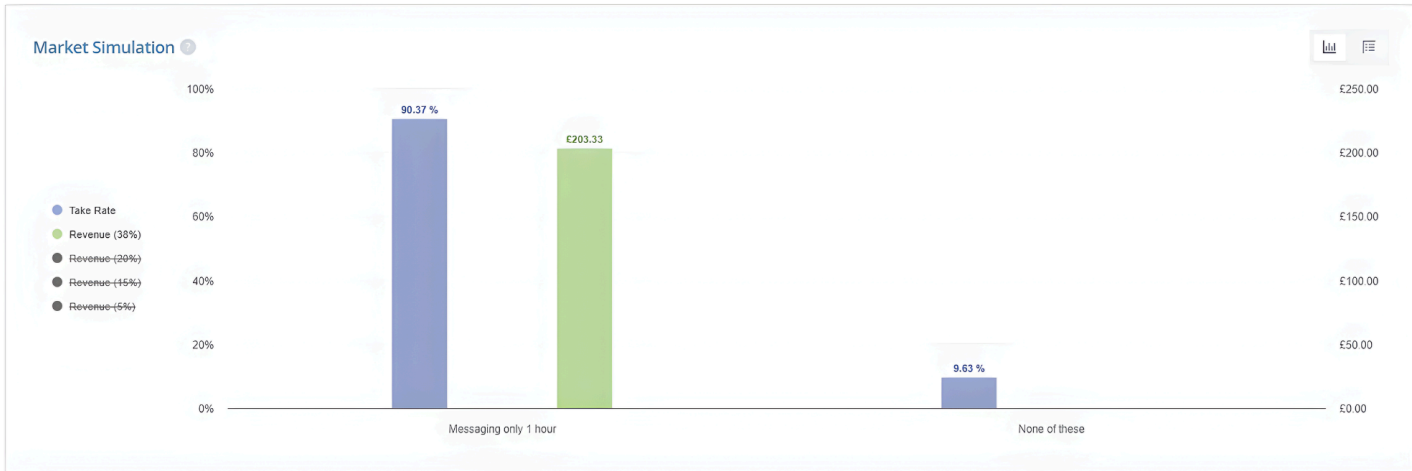
The **Full-Flight Value-Conscious segment** required a more calibrated approach. In isolation, a full-flight full-internet tier priced at £7.50 maximises revenue capture within this group, while a £4 full-flight messaging option secures a smaller but meaningful subset of buyers. Together, these configurations satisfy just over 81% of this segment under standalone conditions.

For the **Full-Access Price-Resilient segment**, a full-flight full-internet package priced at £15.50 satisfies the entire segment within the tested range. This represents clear pricing power – and forms the premium anchor of the architecture.

Cluster Name	WiFi Capability	WiFi Duration	Price	Total % of Segment Willing to Purchase
Messaging-focused Value-Seeking Flyers	Messaging Only	1 hour	£3.00	90.4%
Full-Flight Value-Conscious Flyers	Messaging Only	Full Flight	£4.00	8.6%
Full-Flight Value-Conscious Flyers	Full Internet	Full Flight	£7.50	72.6%
Full-Access Price-Resilient Flyers	Full Internet	Full Flight	£15.50	100%

Reach Generated Among Messaging-Focused Value-Conscious Flyers by Package Targeted at Them

Features	↑↓	Messaging only 1 hour
T Flight time		3-4 hours
T Wifi Capability		Messaging only
T Wifi Duration		1 hour
\$ Price		£3.00



Price Elasticity Curve for Messaging-Focused Value-Seeking Flyers. £3 was selected as a price point which balances both revenue and volume share.



From Segment Optimisation to Portfolio Performance

Segment-level optimization, however, is not the final step.

Real-world pricing does not occur in isolation. Tiers compete with one another. Premium anchoring affects mid-tier conversion. **Elasticity shifts when alternatives are visible.**

We therefore constructed a unified lineup and simulated performance across the full respondent base.

The two messaging tiers were kept identical from the segment-level simulations. The full-flight full-internet tier was tested at £12, a midpoint price acceptable to both the Full-Flight Value-Conscious and Full-Access Price-Resilient segments. This allowed us to observe **how demand redistributed when a single premium tier served both groups.**

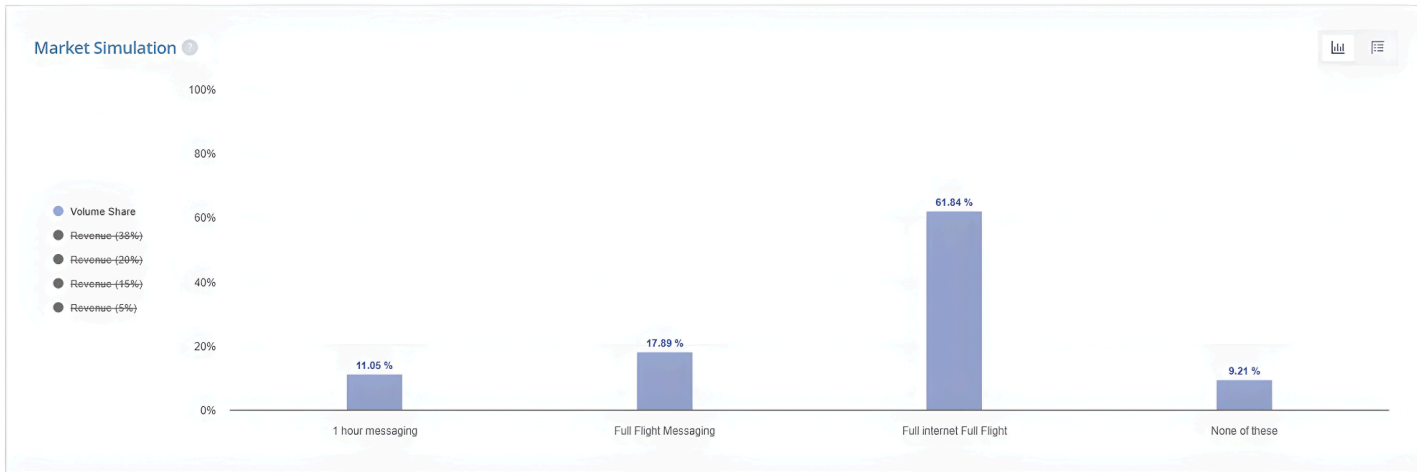
The results were encouraging.

Over 90% of WiFi-interested passengers would purchase one of the available packages within the lineup. Participation remained high, and revenue concentration skewed strongly toward the premium full-flight full-internet tier.

Notably, a one-hour full-internet option was also tested. While intuitively appealing, it primarily diverted share from the full-flight premium tier without expanding total participation. In other words, it diluted revenue without growing the market. **More choice did not mean more value.**

Reach generated in overall market with a three-package lineup

Features	1 hour messaging	Full Flight Messaging	Full internet Full Flight
Flight time	3-4 hours	3-4 hours	3-4 hours
Wifi Capability	Messaging only	Messaging only	Full internet (brows...)
Wifi Duration	1 hour	Full flight	Full flight
Price	£3.00	£4.00	£12.00



Optimising for Revenue Rather Than Reach

The initial lineup struck a strong balance between revenue and participation. But airlines do not optimise for participation alone – they optimise for yield.

We therefore stress-tested each package using its price elasticity curve, adjusting price points upward to the threshold at which elasticity approached – 1 (the point beyond which further increases would erode total revenue).

For example, the one-hour messaging package exhibits a clear price cliff around £4. Beyond this point, demand drops disproportionately. **Staying just below that threshold protects both conversion and revenue.**

Applying elasticity-based optimisation across tiers produced a materially different revenue profile.

Assuming 197 passengers per flight and 38% WiFi participation (~75 buyers), the base lineup generated approximately £635 per flight at 90.8% reach.

Under the revenue-optimised configuration, total revenue increased to approximately £799 per flight, while reach declined marginally to 90%.

That represents **more than a 25% uplift in WiFi revenue**, achieved with less than a one percentage point reduction in participation.

This is the power of portfolio optimisation made possible by conjoint analysis.

Price elasticity curve showing a price cliff at £4 for the 1-hour-messaging-only package

1 hour messaging ?



Portfolio optimization drove a 25% revenue uplift.

By managing tier interaction and strengthening premium pricing power, revenue increased materially with negligible participation loss.

	Revenue per flight
Base Lineup Total Revenue (90.8% reach)	£635.09
1 hour messaging only	£24.86
Full flight messaging	£53.67
Full flight, full internet	£556.56
Revenue-optimised lineup Total Revenue (90% reach)	£799.08
1 hour messaging only	£32.37
Full flight messaging	£63.05
Full flight, full internet	£703.66

Debunking Two Common Assumptions

Does Flight Length Drive Willingness to Pay?

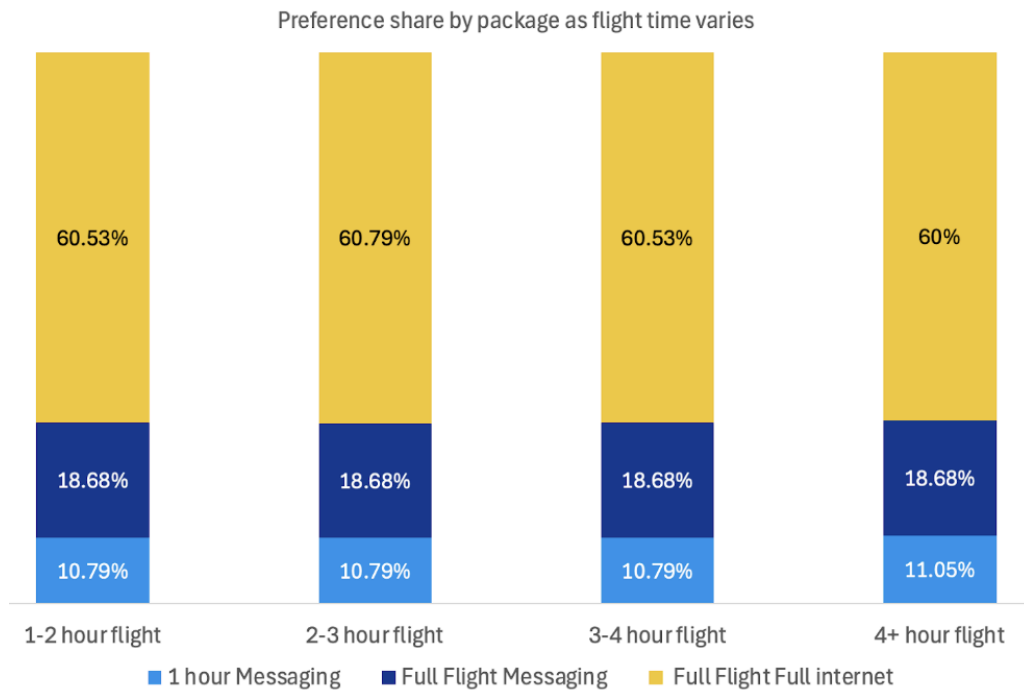
We tested all feature combinations across four flight durations:

- 1–2 hours
- 2–3 hours
- 3–4 hours
- 4+ hours

The expectation is that willingness to pay should rise with flight length. A four-hour passenger should value connectivity more than someone flying for ninety minutes.

Our data, however, does not support that assumption.

Across all duration bands, package preference remains virtually unchanged. This suggests passengers are not benchmarking WiFi against total flight time. Instead, they appear to evaluate the package in isolation. One hour is one hour. Full flight is full flight. The decision is about access and capability, not incremental minutes in the air.



Capability drives choice. Flight time plays a minimal role.

Pricing architecture does not need to flex materially across short- and medium-haul routes to preserve demand. Standardisation is unlikely to erode revenue performance.

Leisure vs Business

A common assumption may be that business travellers have a higher willingness to pay for wifi while leisure travellers are more price-sensitive.

The data tells a more nuanced story.

Business travellers are significantly more likely to purchase WiFi overall. They are 7.8 percentage points less likely to opt out entirely and materially over-index on messaging tiers, particularly full-flight messaging (+7.6 pp vs overall). Business drives participation.

But participation is not the same as premium selection.

When we look at tier choice, business travellers skew toward functional, lower-tier options. Full internet for the full flight is slightly below the overall average among business flyers.

Leisure travellers show the opposite pattern. While more likely to opt out, they over-index on the highest-tier package, full internet for the full flight (+1.3 pp vs overall).

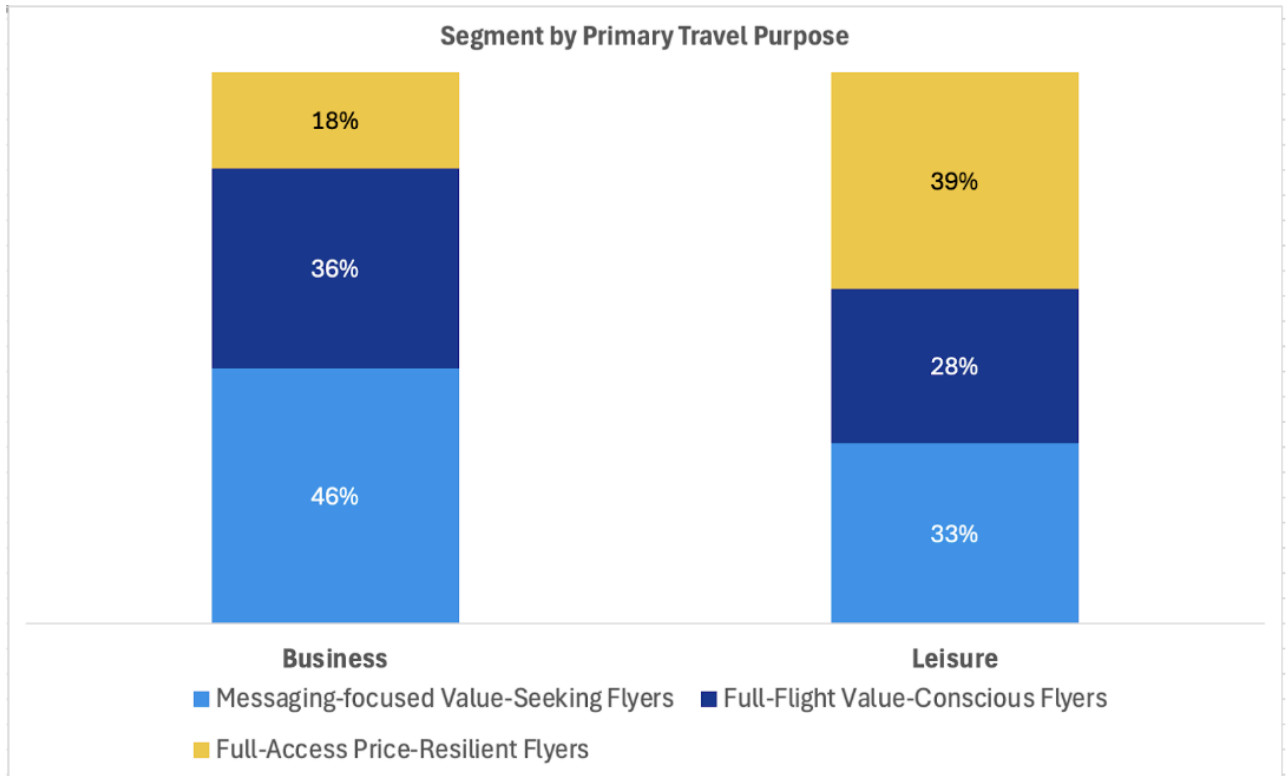
The latent segments reinforce this structural difference. **Nearly half of business travellers sit in the most price-sensitive messaging-only segment**, and only 18 percent fall into the price-resilient full-access group. Among leisure travellers, almost 40 percent belong to that price-resilient segment, more than double the business share.

The pattern is consistent.

Business travellers expand the addressable market through higher participation, particularly via messaging tiers. Leisure travellers, when they do engage, are disproportionately represented in the most revenue-rich segment.

Package name	Overall Sample	Business Flyers (Δ vs Overall)	Leisure Flyers (Δ vs Overall)
1 hour messaging	11.05%	13.75% (+2.7pp)	10% (-1.1pp)
Full Flight Messaging	18.68%	26.25% (+7.6pp)	16.67% (-2.0pp)
Full Internet, Full Flight	60%	57.5% (-2.5pp)	61.33% (+1.3pp)
None of these	10.26%	2.5% (-7.8pp)	12% (+1.7pp)

Segment membership by primary travel purpose (Business vs Leisure Travelers)

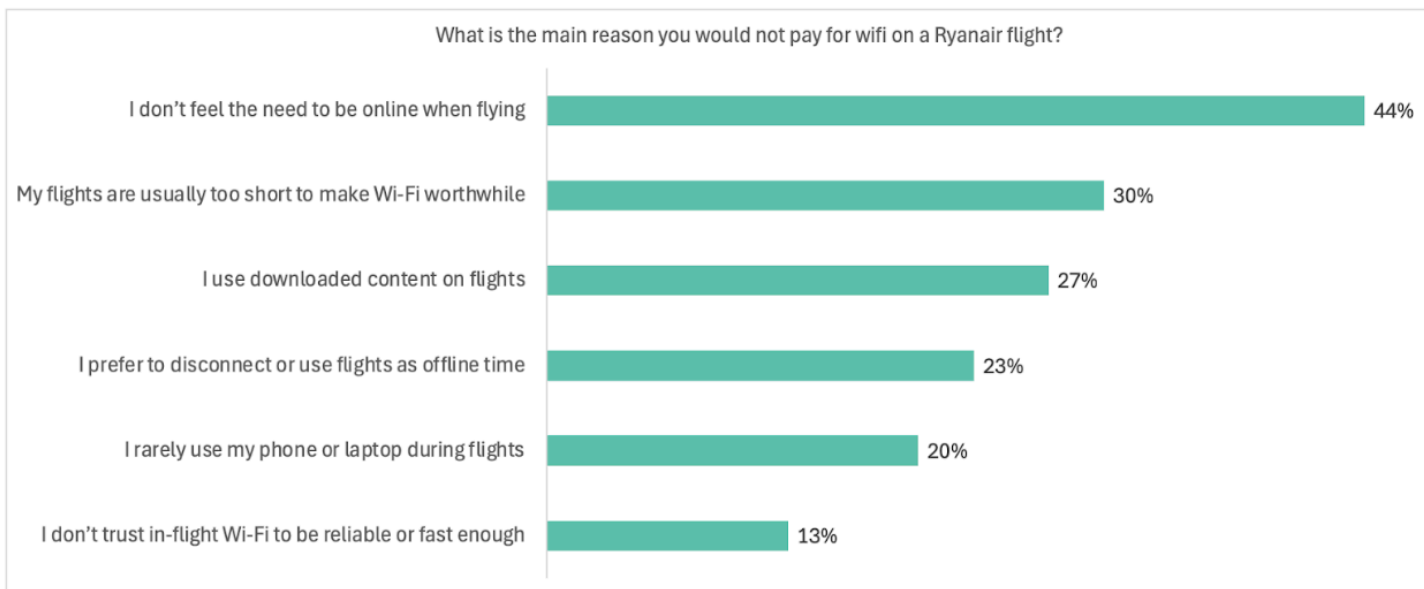


For Ryanair, the implication of this data is clear. Frame messaging tiers around speed and responsiveness to capture business participation, but position full internet around streaming, browsing and complete access to resonate with leisure demand. Critically, if email access sits exclusively within the premium tier, that distinction must be explicit. Clear capability signalling can shift some business travellers upward—particularly those who genuinely require full functionality.

The Broader Adoption Opportunity

While the conjoint exercise focused on passengers already open to paying for WiFi at a reasonable price, it is instructive to examine why others disengage earlier in the funnel.

Among the 650 respondents who indicated no initial interest in paying for WiFi, the dominant reasons were not purely price-based:



These findings suggest **that expanding adoption beyond the currently addressable segment will depend less on discounting and more on perceived utility, reliability and communication clarity.**

Pricing architecture unlocks monetisation within the interested base.

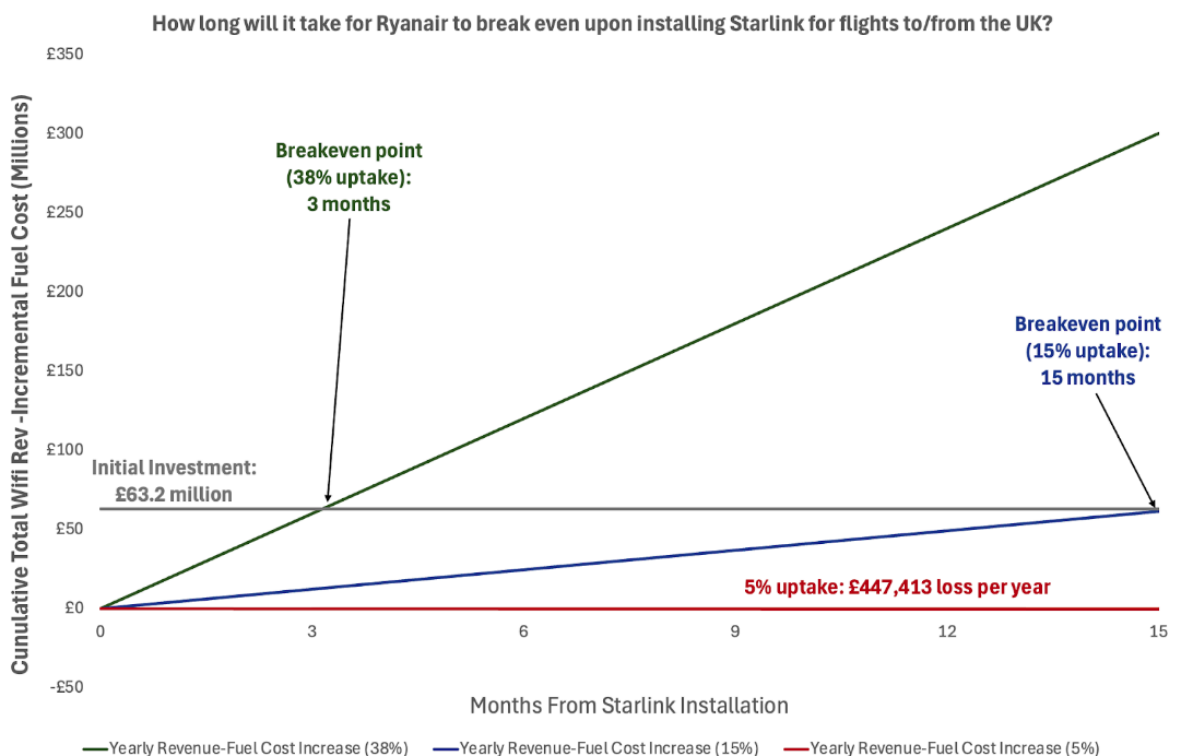
Product positioning and experience design determine how large that base can become.

The Business Case

Behavioural insight only becomes strategic when translated into cash flow.

To translate preference data into commercial reality, we modelled what a UK-only Starlink rollout would look like in cash terms. Using Ryanair's publicly cited installation cost and incremental fuel impact, pro-rated to UK-touching flights, the initial investment is approximately **£63.2 million**, with an ongoing **£25.2 million annual incremental fuel cost**. On the revenue side, we applied the revenue-optimised WiFi lineup from the conjoint simulation and scaled it across three demand scenarios: **38% uptake** (our UK stated interest level), **15% uptake** (a conservative adoption case), and **5% uptake** (O'Leary's estimate).

Breakeven Analysis for Starlink Installation (5% vs 15% vs 38% uptake)



At **38% uptake**, a UK rollout reaches breakeven in approximately **3 months**. Reducing adoption to **15%** extends breakeven to roughly **15 months**. At **5% uptake**, the model indicates an **annual loss** of approximately £0.5 million. The difference between these scenarios is not marginal. It fundamentally determines whether the investment is commercially compelling or financially detrimental.

Under the 38% scenario, projected annual net contribution from WiFi on UK routes alone is approximately **£240 million**, after incremental fuel costs.

Assuming similar willingness to pay and package performance across the wider European network, the implied annual net contribution at full scale approaches **£830 million**.

For Ryanair, this is not about winning a public argument. It is about **unlocking a potentially nine-figure annual margin opportunity** with clarity and confidence. The difference between a 5% assumption and a behaviourally validated 38% adoption rate is the difference between a rejected idea and a high-return strategic lever.

Crucially, it was conjoint analysis that translated stated interest into monetisable demand by modelling real trade-offs across capability, duration, and price.

When investment decisions of this scale hinge on demand assumptions, those assumptions should be tested rigorously under realistic choice conditions. The real question is not whether passengers would pay for WiFi. The question is whether Ryanair can afford not to measure it properly.

This is not a WiFi debate. It is a capital allocation decision.

The difference between 5% and 38% adoption determines whether £63m is a risk or a high-return investment.

Conjoint analysis provides the evidence required to decide.

*Cost assumptions are based on Michael O'Leary's [public statements](#) indicating approximately £218m installation cost and £87m annual fuel impact for the full Ryanair fleet. Figures were pro-rated to UK-touching flights using publicly available data on [total passenger volume](#) for 2025 (206.5m) and [UK passenger volume](#) for 2025 (60m or just **under 30% of the total**).*

The Bigger Strategic Lesson

When Demand Assumptions Decide Capital Allocation

As previously stated, the question is not simply whether WiFi should be introduced – it is whether demand has been measured with the rigour required to support capital allocation.

Conjoint analysis allows Ryanair to **move beyond stated interest in onboard WiFi and rigorously test whether true, monetisable demand exists** across its key European markets by embedding WiFi into realistic booking and ancillary trade-off scenarios. By simulating real-world choices rather than asking hypothetical questions, EPIC's tools can:

- Quantify demand and willingness-to-pay at different price points, across segment types
- Model take-up rates under alternative propositions (free basic, paid tiers, bundled ancillaries)
- Estimate elasticity and identify where pricing power genuinely exists
- Forecast incremental revenue & build a robust margin and payback model that incorporates installation and operating costs

The result is a board-ready business case grounded in predictive demand evidence – clearly answering whether consumer uptake at defined price thresholds can sustainably drive incremental margin growth after accounting for the required upfront investment.

Conjoint analysis does something fundamentally different:

It allows customers to make realistic choices across multiple attributes and price levels.

It doesn't ask for opinions. It models behaviour.

Why Senior Pricing & Revenue Growth Leaders Should Pay Attention

This isn't about Ryanair.

It's about every RGM lead, every Brand Director, every Commercial VP who has ever said:

- "Our consumers won't pay for that."
- "It's not worth launching."
- "They'd never trade up."

The reality?

Stated beliefs – even from experienced teams – can be wrong.

The only reliable way to know willingness to pay is to simulate real-world trade-offs. That's exactly what conjoint analysis was built to do.

Whether you are launching a new pack size, introducing a premium tier, debating price increases, adjusting service levels, or responding to cost pressure, **the risk is the same: You may be underpricing opportunity. or worse: Not launching it at all.**

In today's margin environment, that's a strategic error you can't afford.



Predicting Value. Powering Decisions.

Should Ryanair or any other airline like to conduct the same willingness to pay and segmentation analysis to determine the ROI for WiFi on their flights, feel free to get in contact with EPIC.

EPIC Insights specializes in providing cost effective, expert-led product and pricing conjoint software that delivers actionable retail, wholesale and food service insights in just **7 business days**. By combining a cutting edge

research platform with deep domain expertise, EPIC empowers global leaders like **Coca-Cola, L'Oréal, Kraft Heinz, and PepsiCo** to make precise, data-driven commercial decisions at scale.

To meet with one of our experts visit

[EPICINSIGHTS.IO](https://www.epicinsights.io)