

## **Private jet charter expansions and additions around the world**

The growth of private jet charter boomed following the close of World War 2. Where superiority was determined through dominance on land and in sea during World War 1, it was now sought through air during the Second World War. Higher stakes and ambitious objectives gave birth to fighter planes. What took the infantry and the cavalry an hour to accomplish was achieved by the air force within one tick of an air bomb. By the year 1944, mass production of jet fighters had started with planes like Messerschmitt Me 262, the world's first jet-powered fighter, entering operations. Luckily, the war did not lead only to death and destruction. It instigated great amounts of research and development. As the war came to end, this research was put into effect in order to built new aircrafts which, now, had an entirely different purpose: transportation. Accordingly, air charter companies entered the business of charter flights for executives, high end travelers, special missions (such as organ donor flights, critical auto parts freight, etc.), sports teams, entertainers, etc. As the size of the planes grew to facilitate a larger and a common class of audience, the trend of demand for private jets did not diminish. There were always Hollywood celebrities and Sports teams to fly, new and inaccessible places to discover and surely, at times, tight schedules to meet. Accordingly, there were always private jets charters to cater to these needs. The industry has thus, since the early times, seen continuous expansions and additions around the world.

The 1960s saw the arrival of the first small jets, such as the Learjet. The Learjet was adopted by some of the first jet air charter operators, such as Hop-A-Jet and Clay Lacy. Although private jet charter has always existed, it has remained in the background compared to commercial air travel. Jet Charter finally saw recognition as it benefited from the growth factors starting in the late 1990's. Internet communication was the key factor that led to a dynamic growth of the industry. With the advent of the internet, distribution of information regarding the availability of aircraft, placement, pricing etc., became more available to the increased broker and buyer community.

Perhaps the biggest reason for the expansion of private jet charter today is the majority of problems that are prevalent in commercial travel. Traditional airlines are facing financial difficulties. Most airlines are eliminating meals, personal services, and entertainment aboard flights to keep ticket prices static. Simultaneously, these airlines are adding more and more a la carte fees. Some of the many airline fees that the air travelers have to deal with include seat preference fee: \$5 to \$35, reward redemption fee: 75\$ -100\$, curb-side check-ins 2\$-3\$+ fee,

changing a reservation fee: \$30-\$200, paper ticket fee: \$50- \$70, airport improvement fee: \$4.5 - \$20+, and the list goes on. With the current trend, it doesn't seem long before we see the introduction of pay toilets at airports. Jet Charter travel frees the customer of any such hassle or confusion. The most important benefit of aircraft chartering over traditional airline flights is the immediacy of travel. The millions of travelers boarding commercial jets worldwide are forced to accept rigid flight schedules that lead to wasted hours in massive airports. While for some of us, the unpredictable nature of commercial flights might, just might, be ok, the same does not apply to the corporate and the business world. Executives need to be at their desired locations wherever or whenever it may be. Airlines can hardly replicate such stringent corporate schedules. Recently, the U.S. Bureau of Transportation Statistics reported that only 72.5% of airline flights are on time. Such percentages do not impress executives at the least. This is where Jet Charter companies like "Paramount Business Jets" step in. These companies not only work to fill in the holes, but add so much more to the regular service every customer hopes to receive. Paramount provides on-demand jet charter in which executives are guaranteed availability with only 10 hours of notice and can book flights with a minimum of 2 hours of notice. The customers have access to a large selection of jets available for charter worldwide. They can arrive at the airport as late as 15 minutes before take-off and can land in airports worldwide which may otherwise be inaccessible through commercial airlines. Paramount ensures comfort, convenience, efficiency, reliability and most importantly, safety and security to its customer. Whatever a customer's preference in jets or his'/her's hour of need may be, paramount has a large pool of jets to select from and an executive jet service team on call 24 hours a day, 365 days a year, to ensure availability (Paramount 1).

What is amusing is that all these services, although appear extravagant, are basic services that come along with every jet charter flight. Most charter companies take a step ahead and introduce a touch of luxury and convenience for the passenger which is negligible in commercial flights. Paramount Business Jets, for instance, provides arrangement for on-ground transportation on vehicles ranging from a Ferrari F430 Spider to a Motor coach (Paramount 2). The Jet Charter Company also offers one the finest dining experiences in the skies through its Gourmet In-Flight Dining Services. Last year, in 2008, JETS.com, the leading online private jet charter auction, formed strategic brand partnerships to offer luxury items on board select private jets. "By forming strategic alliances with high-end brands, we can offer fantastic luxury items on board select chartered flights," says Kathryn Shehade, VP of Brand Development at JETS.com.

"This is a mutually beneficial arrangement; brands get their product in front of a very desirable market and our clients can enjoy these items when they travel"(Millar).

All these extraordinary additions in the Jet Charter Industry represent how dynamically the industry is expanding, and how this expansion is directly proportional to the success of Jet charter today.

It is important to note that this expansion is not limited to the United States only. It is a growth which has taken pace internationally. A clear and comprehensive picture of the Jet Charter industry can be drawn by delving into how some known Charter companies have evolved over the last couple of years.

### **Sunset Air Charter**

Sunset Aviation Inc. is an aircraft charter, management, sales and Acquisition Company which has been serving the private sector of aviation for more than 16 years. November of 2008, the company decided to expand beyond the North San Francisco Bay Area.

Dan Drohan, who founded Sunset when he was 20 years old, said that "the company plans to expand its fleet to anywhere from 40 to 60 planes in the next 18 months" (Loceff).

This expansion is a direct result of how the jet charter industry is thriving today, in spite of the prevailing economic recession. Dan Drohan gives light on the matter by stating: "This is a luxury business. But regardless of what is happening in the economy, people will own airplanes. There is more of an acceptance of private aviation. People are always surprised to find out that about 50 percent of our business is personal, not business. People take them on family vacations"(Loceff).

It demonstrates how private jet charter has attracted the general public rather than only the executive and business sector. It is not a luxury enjoyed only by businessmen who get there travel expenses paid for, but one which is also benefiting the families who prefer traveling with convenience and comfort.

## **OneSky Jets**

OneSky Jets is another Jet charter company which is known for its highly personalized service and widely regarded as a pioneer in harnessing the power of sophisticated information technology.

In response to the significant membership base in Manhattan, OneSky Jets opened its newest office in New York last year in August. Following the market trend, OneSky had also expanded in Denver, CO and Minneapolis, MN within eight months before the opening of their New York office. Greg Johnson, OneSky Jets Founder and CEO, explains this vigorous development in the company's network in these words: "Private jet flyers look to us for our unmatched safety due diligence and for our fanatical approach to excellence in every flight experience" (Briand).

Undoubtedly, the Jet Charter Industry holds safety at its utmost priority. For instance, Paramount Business Jets chooses only those operators as providers who exceed private aircraft regulatory protocol offered by the Federal Aviation Administration (FAA) Part 135 Commuter on Demand Operations for safety, maintenance, and training. This is followed by stringent pre-flight procedures and checks, and safety monitoring by WYVERN and ARG/US to maintain the company's safety audit standards and operate aircraft with flawless safety records (Paramount 3).

## **Elite Jets and Royal Jet**

Elite Jets is one of the leading luxury private jet operators in the Middle East region. It has continued to grow its fleet on the basis that its number of charter flight bookings doubled in 2006, compared to 2005. According to Elite Jets' Executive Flight Services, there was also a five percent increase in the number of private jet movements at Dubai International Airport in 2006, compared to 2005. Paras Dhamecha, managing Director of Elite Jets comments: "The demand for private air travel continues to grow in the region and this is reflected in the demand for our charter, as well as aircraft management, services"( Private Jet).

Last year, Royal Jet, the Abu Dhabi-based executive aircraft charter, also took a step towards expansion based on Dubai's luxury aviation boom.

"We plan to have between 18 and 20 jets by 2012 and up to 50 by 2020," said Shane O'Hare Royal, Jet's president and chief executive.

Royal Jet is 50% government-owned and 50% owned by Abu Dhabi-listed Abu Dhabi Aviation Co. It currently holds around 16% of the regional private jet market. The majority of the company's revenue comes from Saudi-Arabia. This market share is closely followed by U.A.E (Bianchi).

It is clearly visible that the Jet Charter Industry is equally prospering internationally. Companies like Elite Jets and Royal Jets, unlike companies in the US, Europe or Asia, benefit geography as well, through low fuel prices. Royal Jet says that high oil prices have not impacted its growth so far and the company plans to increase its \$500 million market share to \$1 billion in the next few years. The high economic wealth of the region also aids in boosting up the revenue as explained by O'Hare who says: "Demand for private aviation is less price sensitive because our clients are willing to pay a premium to meet their needs. (Bianchi)"

The positive trend of growth and expansion of Private Jet Charter is not one which is prevalent among the Jet Charter Companies only. It is a trend which is followed closely by the business jet manufactures as well. Gulfstream which has one of the most "promising" private jet models in the industry continues to pursue plans to expand its corporate jet line amidst an economic crisis. Such a decision is backed by the optimism that is provided by the Private Jet Charter industry. Aerospace consultant Richard Aboulafia says: "If you accept that wealth generation will return, the need for transport will return, globalization will return," followed by Gulfstream spokesperson Robert Baugniet who says, "The reasons for people buying business jets have not changed and that is safe, reliable, efficient transportation to get from A to B to do your work. (Staff)"

Gulfstream is more confident about the market than ever before. The company has shown its high level of confidence in the new, state of the art aircrafts that it is coming up with, namely the G250, the mid-sized business jet and the G650, the wide-cabin business jet.

Private Jet Charter Industry is one which has continued to grow since the day of its inception. It is an industry which will always be in demand as long as there are those who prefer travelling with comfort and convenience. It is an industry which has competitors who can only slow it down to a point where it follows a constant trend. As a college student, who cannot afford a private jet himself, yet, but one who can observe the general pattern of things, I can say with assurance that the Jet Charter Industry cannot see a negative trend. It can only continue to expand or, at the least, stay exactly where it is today. The industry is run not just by the price of oil, but by the

nature of the human mind which strives to have the best of the best or in simpler words: Private Jet Charter. As long as such human attitude prevails, so will the private Jet Charter Industry.

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