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Secrets

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JetSuite Plans Big Expansion With New Investments From Qatar Airways And JetBlue

Less than a year after Qatar Airways dropped its plan to buy as much as [10% of American Airlines](#), it is making a “significant” undisclosed investment in JetSuite, Inc. The additional funding will power expansion of both JetSuite, which sells jet cards and on-demand charter and its newer [JetSuiteX subsidiary](#), which sells single seats on scheduled public charter flights. Those flights operate between private jet terminals cutting travel time for passengers by 90 to 120 minutes. Qatar Airways joins [previous investor JetBlue Airways](#), which is increasing its investment and a number of private investors as stakeholders in both JetSuite and JetSuiteX.

Currently, JetSuiteX operates 600 flights per month with five Embraer 135 jets, configured with 30 seats, compared to the 36 seats regional airlines typically cram in. Passengers get free WiFi, drinks and snacks, checked luggage and most importantly bypass the commercial terminal and winding security lines. JetSuite and JetSuiteX CEO Alex Wilcox says since the turn of the century, passenger totals for flights in the U.S. under 500 miles dropped by a third whereas overall traffic has increased by a third.



Qatari Minister of Finance and Chairman of Qatar Airways, His Excellency Ali Sharif Al Emadi, Qatar Airways Group CEO Akbar Al Baker, JetSuite Inc. CEO Alex Wilcox and Qatari Ambassador to the United States Sheikh Meshal Bin Hamad Al-Thani announce Qatar Airways investment in JetSuite, Inc.

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“We’re trying to solve a real problem,” Wilcox tells Forbes.com. He believes the airport experience and deteriorating service by legacy carriers is driving travelers to the highways as they want to avoid the penny-pinching ways of the big three. American Airlines earlier this year disclosed it is cutting the [size of lavatories](#) on many of its planes as well as flirting with reducing seat pitch to [a knee-crushing 29 inches](#).

While JetSuiteX currently operates in the west, mainly California and Las Vegas, the investment will see more destinations and routes, although Wilcox said they will not be announced until the flights are ready to go on sale. X’s sixth Embraer 135 comes in May and the seventh is due in July. Wilcox, who has worked at Southwest Airlines, Virgin Atlantic Airways and JetBlue before launching JetSuite, says the fleet plan will likely mean adding six to 12 jets per year “for the foreseeable future.”

For members of JetBlue’s True Blue frequent flier program, you will continue to earn points when flying on JetSuiteX, and Wilcox said earnings may increase in the future. It’s also possible that there will be earnings for participants in Qatar Airways loyalty program and potentially code shares with both. JetSuiteX does not have its own frequent flier program.

“I’ve spent my whole career with airlines that are innovators, and I’ve never seen as much positive response from customers as with JetSuiteX,” Wilcox says.

The investment also means growth for JetSuite, which sells jet cards via its SuiteKey programs that range from \$50,000 to \$400,000. It currently operates 22 Embraer executive jets, mainly Phenom 100 and 300 light jets, plus a Legacy 650, which has the range to fly to both Hawaii and Europe. Wilcox declined to provide specifics of that expansion. Qatar Airways is already involved in private aviation via subsidiary Qatar Executive, which operates mainly long-haul private jets such as the Gulfstream G650ER, Bombardier Global 5000 and Global XRS.

Wilcox says the Qatari investment came about rather quickly, noting, “The aviation industry is a small community.” He says he has been a fan of the Gulf airline’s focus on both providing high levels of service and holding aircraft manufacturers accountable for promised timely deliveries and performance.

As an example of the growth opportunities for JetSuiteX, Wilcox points to the Los Angeles-San Francisco air market where passenger count has dropped by over three million since 2000. “The short haul market is underserved,” he says. According to its website, JetSuiteX flights from Burbank to Las Vegas start at \$129 one-way, about \$20 less than the lowest first class fares on the route.

In a press release, Qatar Airways Group Chief Executive, Akbar Al Baker said, “We are delighted to have the opportunity to invest in such unique business as JetSuite and JetSuiteX; we believe that both businesses are complementary to Qatar Airways business and maintain the core values and customer focus of our own business. We believe that JetSuite and JetSuiteX deliver a truly class-leading service to the U.S. market with a huge potential for development, and we are very excited to invest in this opportunity alongside JetBlue and the other investors.”

“JetSuite’s innovative JetSuiteX service and customer-focused approach aligns perfectly with our values at JetBlue, which is why we are so pleased that our partners at Qatar Airways are joining us in supporting this venture,” said Robin Hayes, President and CEO, JetBlue in a written statement. “We look forward to seeing JetSuite further grow on the West Coast and beyond to bring additional air travel choices to customers in underserved markets.”

Wilcox says JetSuite currently isn’t profitable due to its continued expansion, however, he says the new investment satisfies its future expansion needs and there are no plans for further investment rounds. Qatar Airways has stakes in International Airlines Group, parent of British Airways and Iberia, Cathay Pacific, LATAM and Air Italy, the new name for Meridiana and rival of long-struggling Alitalia.

Doug Gollan is Editor-in-Chief of DG Amazing Experiences, a weekly e-newsletter for private jet owners and Private Jet Card Comparisons, a buyer's guide comparing over 250 jet card programs.