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Globality: Competing with Everyone from Everywhere for Everything

5. **Do the right thing.** The value equation is important – but the values equation is even more important. The “goodness” of a company is increasingly important.
6. **The slowdown is slowing down.** Now is not the time to go into hiding... position yourself for the eventual upturn.
7. **Remain positive.** Embrace the satisfaction affluent and wealthy consumers are finding through their new resourcefulness.
8. **Don't take your eyes off the “experience” factor.** Diminished participation in the marketplace ups the necessity to make every interaction count. Think small pleasures and celebration of special events.

FIND THE SILVER LINING: LESSONS FROM FLEXJET

*Established in 1995 and based in Dallas, Texas, Flexjet is a turnkey business aviation program offering whole aircraft management, fractional jet ownership and jet cards on Bombardier's world-renowned business jets. With the economic downturn, many analysts and industry insiders suspected that private jet use would be one of the first luxuries to be given up; and in some cases, they were right. Corporate jet travel slumped by more than 26 percent between February 2008 and February 2009, according to data published by the Aviation Research Group, yet Flexjet has continued to be a successful and growing program. Flexjet President **Fred Reid** here offers his perspective on maintaining customer loyalty and improving brand offerings in a difficult time.*



Flexjet's Fred Reid

While one part of your business may be tested, look for opportunities within your portfolio of goods and services that would be most responsive to the current marketplace. For example, despite some of the obstacles our fractional jet ownership program has faced in today's economic environment, sales of the Flexjet 25 Jet Card are strong. Much like debit cards for many products and services, jet cards provide travelers with a designated number of private jet flight hours on a specific class of aircraft. In these more challenging times, jet cards give travelers a way to sample the flexibility and convenience available through private aviation while offering an excellent alternative to all forms of private jet ownership.

The Flexjet 25 Jet Card program took on a leading role because it appropriately responded to the marketplace's need for greater flexibility and cash flow. Because of economic impact, our secondary product is now driving our business growth. As a result, the Flexjet 25 Jet Card program experienced **growth of nearly 30 percent in 2008 compared to 2007**, despite significant drops in the market. **In January 2009, the program had a record-breaking month**, with more jet cards sold during that month than any other in the company's history. What's more, at a time when many are laying off staff, the Flexjet 25 program has committed itself to **doubling** its jet card sales team to take advantage of this turn of events. This may seem surprising, but there are several key factors driving the program's growth.

- Travelers are seeking alternatives that cater to their reduced usage needs.
- Many are choosing to purchase jet cards until aircraft values stabilize.
- Whole aircraft owners are in need of supplemental service as fleet sizes are reduced.

Bottom line, it is in your company's best interest to focus on strategic opportunities to either create or improve on products that respond to the marketplace.

¹ The Flexjet 25 Jet Card program is operated by Jet Solutions, LLC under FAR Part 135.

The Mind Behind the Money

When marketing a high-end product in today's environment, it is critical to be mindful of not just the financial but also the psychological impact this economic event has had on wealthy consumers; because the values of their portfolios have decreased, customers want to be assured that they're making smart decisions. Therefore, it is necessary to create a sense of discernment among customers in the luxury market that makes them feel they are spending just as carefully as others are. Understanding this insight enabled us to create new products that provide added value and benefit to both our fractional jet owners and our jet card customers, while responding to their inherent need to be both sensible and resourceful with their money, including:

- *Round-Trip Pricing.* An industry first, this program offers fractional jet owners 15 percent off each hour of qualifying one- or two-day round trips. This program was developed as a response to owner feedback for more affordable short-haul travel and can save travelers thousands of dollars each trip.
- *Split-Payment Program.* Allows jet card owners to divide the purchase price of a 25-, 30- or 35-hour jet card into two equal payments. The first half of the payment is made at the time of purchase, and the second half is due after six months or upon scheduling more than half of the purchased flight hours.
- *Combination Card.* Offers jet card owners the benefit of purchasing 50 percent of their total hours in one aircraft type and 50 percent of the remaining hours in another aircraft type, chosen from the entire Flexjet 25 fleet. This provides cardholders the choice and freedom to experiment with different models and find the travel option that best suits their individual needs.

By understanding the psychology behind our customers' needs, we've been able to offer the right products at the right time, making it easier and more attractive for them to invest in our fractional and jet card programs.

Opening the Lines of Communication

One of the most successful ways Flexjet has adapted to the challenges presented by the current economy is by listening to our business jet owners' ideas and responding with modified offerings to better meet their changing needs. For example, a number of customers were exhibiting hesitancy about long-term investments in private aviation services due to current economic conditions. The result of these conversations led to changes in Flexjet's now extremely popular **Walk Away Lease program**.

The newly designed Walk Away Lease program is a traditional lease on a share with monthly payments and minimal cash deposit. It provides many of the benefits that come with fractional jet ownership, but with the option to exit the contract with just 90 days notice. The owner walks away at the end of the contract without any risk or obligation at the end of the term. Our fractional jet owners also benefit by being able to retain their capital for other purposes or deploy it differently as circumstances evolve and the economy recovers. The program has become extremely successful in just a few short months.

The Act of Exclusivity

Now, more than ever, it is essential to find creative ways to bring excitement and uniqueness to your brand. To stimulate sales of the Flexjet 25 Jet Card during the 2008 holiday season, for example, our team brainstormed ways to create a newsworthy, one-of-a-kind gift of a lifetime that would give the sales team an exciting new benefit to promote. The result was the *Flexjet 25 Expert Guide Edition Jet Card*.

Starting at \$107,900, gift givers who purchased a *Flexjet 25 Expert Guide Edition* jet card from November 1 through December 15, 2008 were able to combine an exceptional travel experience on the Flexjet 25 fleet of Bombardier high-performance jets with an opportunity to choose one of six *Expert Guide* packages. Each one of these limited edition holiday jet cards paired the original card's convenient and superior-quality private jet travel with an unparalleled opportunity for recipients to explore their passions through exclusive access to world-renowned experts for private,

one-on-one experiences. These opportunities ranged from an inside look into the art world with Barbara Guggenheim to learning Texas Hold ‘Em from World Poker Tour bracelet winner Antonio Esfandiari. The premier experiences were provided through the Flexjet 25 Jet Card’s partnership with Mint, an exclusive lifestyle management service representing a private network of prominent individuals and families worldwide.



The *Flexjet 25 Expert Guide Edition Jet Card* was reported on by *BusinessWeek.com*, *Business Traveler*, *Elite Traveler*, *Global Traveler*, *Halogen Jets*, *Indulge Magazine*, *Modern Luxury Dallas*, *RobbReport.com*, *Travel + Leisure Golf*, and *US News & World Report* online, among others. Even better, it got the phones to ring and led to deals being signed.

The upside of the current recession is that our company has welcomed the opportunity to reevaluate itself at all levels to ensure our performance, programs and business model are all operating to best serve our customers. Our driving commitment to offer the ultimate flexibility proves to be more relevant than ever. By listening closely to our customers’ changing needs and letting their voices guide our decisions, we are able to weather the immediate challenges and move forward to protect and ensure the enduring value of our brand.

BRAVE NEW WORLDS

By Joshua Cooper Ramo

*Joshua Cooper Ramo is the author of **The Age of the Unthinkable: Why the New World Disorder Constantly Surprises Us and What We Can Do About It** (Little, Brown). This is excerpted from the article of the same name, first published in *Departures*.*



To begin with, it’s worth noting that all the insanity around us notwithstanding, there *will* be a moment when this age will start to make sense. That brave new world will look very different than it does now. And—though this may be the hardest thing to imagine, what with the economy in shambles and creeping anxiety about ideas we hold dear—in some ways it will look better. But it is also true that there is no book of answers we can take off the shelf, peruse quickly as if looking up a forgotten recipe, and then snap shut with a nod and the acknowledgment, *Now I understand this age*. No, in an era in which the improbable has somehow become the inevitable—when the world’s most solid-looking financial system tumbles into chaos in less than a year, when countries we thought pleasant turn dangerous, when our own lives seem constantly assailed by fresh risks—the old rules are frankly of very little use. Optimism and an innovative spirit matter a great deal now. Yet there will be many dark days ahead when it will be hard to get too far from that old and unnerving aphorism of Mao Zedong’s: A revolution isn’t a dinner party.

But is this a revolution we’re in the middle of? Or is it just one of those small tectonic adjustments that occur from time to time? Is this 1987 or 1939? As we look around us, the evidence certainly suggests that something rather significant is going on. We have more players on the global stage than at any other time in history. They have more choices available to them, and they are more interconnected than ever before. It’s as if we’ve moved from playing an already complex game of chess to some sort of endlessly changing puzzle (think ten-dimensional Sudoku). Answers that our experts insist are the best choices, answers that seem to make sense one day—attack terrorists or bail out banks—not only fail, but appear to backfire on the next.

In a world of constant newness in science, technology, and media, there’s no reason to think politics and economics should be immune to change any more than the way we search for information is. If we truly want to develop a sense