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## **Bizjet Charter Tries To Find Its Holy Grail**

While the chartering of business jets has been around since the 1960's, it took a quarter-century for it to reach its first important evolutionary step through things like fractional ownership and jet cards. It's as if the industry had been stumbling, without quite realizing it, toward its next big idea -- the emergence of branded services on a national and worldwide basis. "Branding adds value by differentiating what's been regarded as a commodity service," notes aviation consultant Brian Foley. "It both reinforces margins and profitability for the operator and, for the end-use customer, streamlines the decision process and relieves some typical anxieties."

Charter has always been a highly fragmented sector with hundreds of operators offering thousands of jets for hire. Most are small businesses, regionally active but virtually unknown beyond their immediate areas. Foley says that customers who tend to worry about flying with an operator they haven't heard of have to lean on third-party auditors to vouch for service and safety standards. "The market's ripe for a well-positioned player, who has the right depth and fleet, to develop a national brand name, awareness and identity."

Recent attempts have been made to this end without measurable success. Start-ups emerged referring to themselves as "air taxis", a semantic twist on "charter". Thus far this has resulted in one high-profile collapse due to undercapitalization, with several other visible companies apparently on chronic life support. Some have tried consolidating several smaller charter companies into a larger venture but found the step unmanageable. "Other permutations and combinations exist," Foley added. "But have yet to prove themselves over the long haul."

While many fractional providers today have the necessary infrastructure, they often require more up-front capital than end users can afford. Their affiliated jet cards, the closest thing to a national charter brand presence, cost more than traditional charter. One problem is that fractional costs are driven up by fleets with too many different aircraft types.

To create a viable national or worldwide brand would be to find the Holy Grail of aircraft charter. "They'll need to link a strong brand identity with ruthless bottom-line efficiency and a truly differentiating value that actual end-use customers, not just industry observers, can see. Various people have danced lightly around such notions but they haven't been properly executed yet."

## **About Brian Foley Associates (BRiFO)**

Brian Foley Associates are recognized thought leaders and consultants to the general aviation industry. Primary practice areas include industry analysis and forecasting, market research, strategic planning, new product evaluation and transaction support. It was formed in 2006 by industry veteran Brian Foley, a former executive at a major business jet manufacturer for over 20 years. Mr. Foley is also a licensed securities representative who, through an affiliated company, helps find buyers and growth capital for business aviation companies. For more information visit [www.BRiFO.com](http://www.BRiFO.com) or follow them on Twitter [@BrianFoleyAssoc](https://twitter.com/BrianFoleyAssoc).