

MARKETING

JETBLUE AIRWAYS



“People would go to parties and be told they’ve got to fly this new product”

Jamie Perry
Vice-president of marketing, JetBlue

When JetBlue Airways introduced a US transcontinental premium product – dubbed Mint – in mid-2014, the airline industry looked askance at the carrier. What were lie-flat seats doing on the aircraft of an airline that calls itself low-cost?

“We were certainly nervous,” JetBlue’s vice-president of marketing Jamie Perry tells *Flight Airline Business*. Having a premium product on board was a “big philosophical shift” for the carrier, he says.

Corporate customers in Boston – which is one of JetBlue’s focus cities – didn’t warm up to Mint when the idea was first floated to them. “They said that wasn’t something they were looking for,” says Perry.

But JetBlue pushed on, justifying Mint as necessary to lift revenue performance on its US transcontinental routes, which was lagging behind US mainline carriers that offer premium lie-flat seats to the strong corporate traffic that flew across the country.

Right off the bat, Mint turned out to be a runaway success for JetBlue. Chief executive Robin Hayes said during the airline’s first quar-

ter earnings call on 26 April that Mint has continued to exceed all of the airline’s expectations.

“In the last 12 months, both New York to Los Angeles and San Francisco produced double-digit unit revenue growth every single month,” says Hayes.

The airline itself had underestimated how successful Mint would be. “We created something that had a disruptive effect,” says Perry. “You don’t want to be overconfident but we underestimated the significant impact.”

Given the results produced by Mint, it might surprise the industry to hear that the airline had not devoted a lot of time to what Perry calls “traditional” marketing besides a small amount of print advertising.

“Truth be told, we didn’t do an awful lot of marketing in the traditional sense,” he says. Instead, the carrier chose to produce a series of videos – called MINtroducing – to showcase what customers can expect on board in Mint, may it be the wine selection or post-meal ice-cream.

Perry believes that the biggest driver of Mint’s success is the way JetBlue priced the fares – at about 25% to 30% lower than fares in premium cabins on transcontinental flights operated by the US legacy carriers.

“The low prices encouraged trial and when people tried the product, they are so enamoured with it, they come back and tell their friends and family about it,” he says. “People would go to parties and they were being told, ‘You’ve got to fly this new product’.”

This word-of-mouth promotion

for Mint was especially crucial on the US west coast, where JetBlue is not as well known as some of its peers. JetBlue’s average Mint customer flies once every four to six weeks. Strong consistent sales in Mint have helped to keep fares low, says Perry.

“Not only did they do Mint, they branded their fares, which means they took product away from customers but it still went positively,” said a panel judge.

Despite billing Mint as a premium product, the airline says Mint is never intended to replicate the premium cabins on its rivals that are usually flown by business travellers who work for major corporations. No curtain separates Mint and JetBlue’s regular core cabin, Perry points out.

“We deliberately did not design the product to appeal to the George Clooney, ‘Up In The Air’ road-warrior type,” says Perry. Rather, the airline was focused on two groups of people: those who were willing to spend a bit more of their own money for a better product, and business travellers who are self-employed or working for small and medium-sized enterprises who had more control over their

Ghim-Lay Yeo



Perry: The price has to be right

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