



LunaJets: A success story

# Flying private at a good price

With a simple idea, a simple offer, and a bit of luck, LunaJets the Geneva-based company has become in just a few years, a leading independent private jet broker in Switzerland, and a major player in Europe. Despite challenging market conditions, the company managed an impressive 40 percent growth last year.

**Spending a few hours at the LunaJets** headquarters near Geneva airport can be an experience. All is apparently calm and quiet until suddenly the serene atmosphere becomes hectic, as on the Wall Street trading floor. “Please do not pay attention to this red flashing light, it’s an urgent last minute flight request alert,” explains a smiling Eymeric Segard, 45, the laid back LunaJets CEO. In a matter of minutes, François Bo-

gillot, the LunaJets Sales Director, enters the meeting room to report the news, confirming a last minute flight from London to Malaga on a Hawker 900XP. Segard looks at the information sheet for a few seconds, “this is a new client, who requested the flight only 20 minutes ago and should take-off from Farnborough in about 90 minutes. He is paying 40 percent less than a 25-hour card program, for the same type

of aircraft. Dealing with this type of request is a great competitive advantage” comments Segard.

**DIFFICULT START**

LunaJets was founded in late 2007. The initial business plan was to resell available private jets seats, or excess capacity flights known in the industry as “empty legs”, at hugely discounted rates. This was before the economy went down

and the original concept did not work as planned. Aircraft operators were too busy, and clients were not willing to change their habits. One of the three early investors in the company decided to give-up quickly. “I could not have picked a worst time to launch a new private jets venture”, recalls Segard, “but in some way the crisis brought me luck!” Flush with overcapacity and struggling with free fall demand, the aviation and particularly the business jet industry, was badly impacted by the financial crisis. Segard, ever the entrepreneur, seized the opportunity with a new and aggressive approach: “Fly private at the best price”. Switching from a purely “empty seat and empty leg” product to a top-service low-commission “on-demand charter” model. Within weeks, with only 2 employees and a website, working from a small temporary office, clients started to call, looking for bargains. In April 2008 LunaJets sold its first flight. “You never forget your first client!” recalls the CEO. Five years on, his company is the largest independent private jet broker in Switzerland, the fastest growing in Europe - on track to operate 1,400 flights in 2013, and a 40 percent growth rate, with a team of 15 by year-end. This summer the company will move, for the third time in 5 years, to a brand new 200m<sup>2</sup> office space, still within walking distance of the Geneva private jet terminal. “Empty legs” are still the cheapest way to fly private with LunaJets, but it makes today no more than 15 percent of the volume, whilst the more flexible “on-demand charter” represents the other 85 percent.

#### **“PRICE SENSITIVE” CUSTOMERS**

Friends since childhood, Eymeric Segard and Laurent Détroyat, 43, LunaJets Chief Commercial Officer and a private pilot who joined the company in 2011, share the same passion for aviation. They both started their business careers far from Geneva and the aviation industry. Segard was born in a French- Colombian family, and speaks 5 languages fluently. He resigned from a top management position at advertising giant Ogilvy & Mather in Mexico to start up LunaJets. Similarly Détroyat



**The Geneva-based company operates charter flights worldwide, including to Port Moresby, Papua New Guinea or London City Airport**

brought his 15 years worldwide marketing experience from the perfume industry with positions in Switzerland, Asia, South Africa and the US. If neither of them at the time, had any experience in the private jet industry, today, both managers strongly believe in the single broker model. Whether customers fly 5 or 150 hours per year, they target the so-called “price sensitive” business jet users. “LunaJets has a very simple vision”, emphasizes Segard. “We want our clients to save money and time. Our offers guarantee the best price, flexibility and service.” More than 40 percent of LunaJets new clients come from former 25-hour card or fractional ownership programs. Ségard and Détroyat also point out that if prices and costs have long been a non-core priority in business aviation industry, today the market has changed to a more rational and pragmatic approach. They are determined to stay ahead of the competition and take advantage of the trend. LunaJets offers some of the lower costs on the market. For a single one-way charter, LunaJets targets to be at least 20 percent more economical than any ownership program on comparable aircraft, and up to 50 percent cheaper for same-day return business trip, and

week-end escapes. “It means our clients can fly 5 to 10 hours more for the same cost compared to the 25-hour cards,” notes Laurent Détroyat.

#### **VLJ**

The concept was also boosted by the recent emergence of “Very Light” jets. Whilst fragmenting even more the market, this new niche is a big opportunity for independent brokers like LunaJets to offer better prices to passengers. “LunaBusiness”, LunaJets same-day return offer, starts at 2,000 euro per hour, on Citation Mustang or Embraer Phenom 100 aircraft, for up to four passengers. On Large cabins and Long Haul flights, LunaJets claims to get even better deals! For clients willing to wait until the last minute to book such flights, LunaJets may find an empty leg... In this case, prices can be discounted by up to 60 percent, which means up to a US\$50,000 saving for a transatlantic flight, compared to market prices.

#### **VOLUME DISCOUNT**

To achieve such ambitious price targets, LunaJets benefits from ‘a volume advantage’. The company generates thousands of flight hours per year, which gives them real power of nego-



**The young company has elected to be the official sponsor of high visibility sport events**

tiation when dealing with their selected network of jet operators. This huge volume, guarantees an access to discounted prices and solutions, which a single customer would not obtain. Cost control is also clearly part of LunaJets' DNA. No contemporary art on the walls, or wool carpet in the offices - they operate worldwide, 24/7, from a single location in Geneva that regroups operations, marketing, client relations, and flight management. "We believe in a network of technologies, not a network of offices" jokes D troyat. Since 2007 LunaJets invested heavily in technology. Not only on the LunaJets.com website, but also on social networks, Youtube, mobile Apps and client management CRM systems.

**CLIENT FEEDBACK**

LunaJets has already a strong corporate culture. To find the best deal for their clients, the young sales force is highly motivated. All employees, including marketing and technology, are invited to attend the daily morning meeting. Each price and flight offer is reviewed and challenged by the team. Current and prospective flights, client feedback and future requests are then openly discussed, to share the experiences and learning at all levels of the company. "We pay enormous attention to our clients' feedback and experience

with us," insists Segard. He points out that operating in a luxury industry involving large sums of money, top service, safety, and quality issues, word-of-mouth can be either the best marketing tool, or inversely the worst should they fail to meet clients' expectations. Operating with no minimum time notice, the company's ability to deliver is often challenged. "Some customers have managed to fly in less than an hour from their initial phone call to the actual take-off!"

**LAST MINUTE CONTRACTS**

"Our clients come from varied and different backgrounds, large and small companies, corporate executives, wealthy families, sportsmen, entertainment stars, Statesmen, celebrities... and they always expect the best service" confirms D troyat. Thanks to their past business experiences inside large organization, Segard and D troyat are able to deal with complex demands. In 2011 LunaJets organized one of the single most complicated flight of its short history for 5 former heads of state, to a highly sensitive country under UN embargo. Last year they won an important contract for an international organization, which resulted in 56 flights over 2 weeks. This summer, they will fly 750 pilgrims on a Boeing 747 and an Airbus A330 to Rio

de Janeiro. Speaking of Brazil, they also already have reservations for the football world cup 2014.

If the company is based in Geneva, 40 percent of the flights start or land outside Europe, with projects every week in Russia, Asia, the Middle East and Africa. The most exotic achievement so far has been to organize, from the offices in Geneva, a flight to Port Moresby, Papua New Guinea. This past winter, a transatlantic flight was organized in dramatic conditions within less than 2 hours. Answering nearly impossible requests is what makes LunaJets very popular with concierges, travel agencies, and jet operators alike.

**NEUTRALITY**

LunaJets' capital is private and independent from jet operators. The company approaches the market as a neutral broker, placing jet operators in honest competition, and sourcing the option best suited to meet the client's need. From very light jets to airliners, LunaJets has direct access to around 1,500 aircraft around the globe. "When you receive a request from LunaJets, you know that they will be quite aggressive on the pricing" comments a UK-based operator of a 24-strong fleet. "But they are very reliable and fast," he adds. The quality of the relationship with their operators is key to LunaJets' success. Any jet operator who does not respond to their internal standards or does not serve the customer's best interest at all times is sure to be blacklisted. Consulting services to customers, advising them on an aircraft purchase on an individual basis does happen, but is not a core business, nor a sector for expansion. Not yet, anyway. LunaJets has been profitable since 2009 despite dire market conditions. Both managers are clearly ambitious and cautiously optimistic. When asked if they plan to open an office in Asia or the Middle East, Segard answers with another smile "We have already done it... it is a virtual one based in Geneva, and it works perfectly!" Nothing seems to be able to change them from their low profile approach, and more and more customers seem to appreciate the no-nonsense result. ■