

The New York Times



E-COMMERCE REPORT

For Sale: One-Way Trip on a Private Jet. No Waiting.

By **BOB TEDESCHI**

Published: January 15, 2007

LOOKING for a bargain weekend flight from New York to Florida? **OneSky Jets** (www.onesky.com) may have just the ticket, assuming you have \$9,500 to spend, and you can find a return flight.

The \$9,500 doesn't sound much like a bargain until you compare it with the \$30,000 that a private jet flight might otherwise cost.

OneSky is one of a growing number of Web sites catering to this era's true jet set -- private jet aficionados willing to spend thousands of dollars on a one-way flight as long as it does not involve security lines, airport parking garages and competition for overhead baggage space.

Because private jet passengers typically remain at their destinations for a few days, their pilots often fly back to their home airports after the drop-off. As a result, the nation's 5,000 or so private jets that offer charter flights travel empty 40 percent of the time.

Aircraft owners are happy to fill those planes even at greatly reduced prices, to help defray the costs of maintenance and storage. The Internet at least gives private jet operators a place to market their so-called empty-leg flights, rather than forcing travelers or travel agents to canvass carriers to find who may have an available flight.

The online market for private jet bookings is rising, executives at OneSky, Jets.com and other flight brokers said, because of advances in booking technology on the part of private jet operators, and at Web sites that are serving them. The category itself is still comparatively small, with industry executives estimating that about 200,000 people in the United States fly privately each year, either on their own jets or through charter companies.

But with some studies indicating that the superrich are accumulating more wealth, and with commercial airline travel reaching new heights of inconvenience, that number could spike. And high-income travelers with at least some sense of financial austerity and a flexible schedule say that booking online beats owning all or part of a private jet, which can cost \$250,000 annually.

Take James Gay for one. Mr. Gay, a resident of Fredericksburg, Va., owns retail and real estate businesses and has used private jets twice in the last year when flying with Suzie, his 12-year-old mutt, so she can avoid the conditions imposed on pets who fly on commercial airlines.

Mr. Gay said that by booking online through OneSky, he typically spent about \$21,500 for each leg of a cross-country trip, which, he said, was considerably less expensive than the cost of a flight booked through a fractional ownership program. In such programs, through Blue Star Jets, Sentient Jet and others, members often pay \$100,000 or more for the right to book a last-minute flight on a private jet, and are debited hourly fees for each flight.

"Even though I was doing it for the dog, I tried to do it so the cost was reasonable in my head," Mr. Gay said. "This was a great value."

Such flights can be a lot less expensive than they appear, since prices from private jet operators include all of a plane's seats. Greg Johnson, OneSky's chief executive, said that on many flights between New York to Florida, for instance, buyers manage to fill the plane, putting the cost for each passenger at about \$1,500. That is still substantially more than a first-class ticket on a major airline, but the perks are considerable. "At an awful lot of airports you can actually pull your car up to the airplane," Mr. Johnson said. "There's none of this 'arrive an hour early and park in the remote lot' stuff. And once you're on the plane gourmet caterers can provide you with almost any meal."

Mr. Johnson would not disclose his site's revenue, since his company is privately held, but he said that sales doubled in the last six months despite an "extremely modest marketing spend."

OneSky, which started in 2004, represents the second wave of Internet sites in the category. The first wave came during the dot-com boom, when companies like FlightTime.com and CharterHub.com received tens of millions of dollars from venture capitalists who believed that the Web could help private jet owners find their customers more easily than in the pre-Internet era. (Many of the companies have since folded or changed hands.)

During that first wave, though, many private jet operators lacked the technology to help Web sites reliably track and predict the availability of their aircraft. Consumers, too, may not have been ready to trust a Web site with a \$25,000 booking.

Industry executives say that jet operators are more technologically savvy now, and Web sites are also refining their approaches. OneSky, for instance, has enlisted the help of Trey Urbahn, JetBlue's chief revenue officer, to help the company set prices that would maximize demand. Mr. Urbahn, who also serves as OneSky's chairman, helped the company develop technology that anticipates demand for particular routes and changes prices accordingly.

"Based on what Trey learned from his career in the airline pricing game, we'll buy a plane for \$13,000 going to West Palm from Teterboro," he said, referring to the small airport in northern New Jersey popular among corporate fliers commuting to and from New York City. "We might sell the first half of that trip for \$10,000, so all we'll need to do is get \$3,000 to get the plane back home to make it work, but odds are we could sell it for another \$10,000."

Mr. Johnson says that this pricing strategy is more scientific than that of many other private jet agents who may have extensive experience with certain clients, specific routes or peak periods of the year, but who may not know how to price a trip request properly that falls outside those parameters.

One of One Sky's competitors, Jets.com, based in Quincy, Mass., uses a different approach. The company's chief executive, Nathan McKelvey, says that the Web site takes a prospective customer's flight request and circulates it among roughly 200 private jet operators, who then bid for the right to carry the passenger. Jets.com charges an undisclosed but fixed commission on each sale.

Mr. McKelvey said that the average trip request received four bids, while more popular routes like New York to Florida usually yielded more than 10 bids. Jets.com's sales jumped by 50 percent, to \$25 million last year, he said, and the company was profitable. "I don't know if there are more affluent people now, but there are a lot of customers who are new to the private jet market," Mr. McKelvey said.

Marcia Lee Morrissey, a sales executive with Segrave Aviation, which manages a fleet of 20 private jets belonging to independent owners, said that Web sites had "certainly helped us fill the legs we need to fill." Mr. Morrissey said she accepted business from a

multitude of brokers like One Sky or Blue Star Jets, which book flights on a customer's behalf.

Blue Star, which is privately held, claims to be the biggest broker of private jet flights, in addition to operating jets that are fractionally owned. A Blue Star spokesman, Ryan Auer, said that the company's Web site (BlueStarJets.com) offered customers a way to see available flights for certain routes.

"It's always been an option, but it's very difficult to create software to manage," he said. "So we've been taking more advantage of it recently."

Mr. Gay, for one, is grateful for the trend. "There's no stress," he said of flying privately. "You don't have the lines, you're not in the plane with all the other people where you have all these diseases going around, you don't have to go and wait for a couple of hours. You end up having a wonderful day."