jetBlue

JetBlue, The Ocean Foundation and A.T. Kearney Begin to Quantify the Value of Shoreline Conservation, Highlighting the Connection Between Healthy Ecosystems and Increased Revenue

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"EcoEarnings: A Shore Thing" Marks the First Study to Directly Correlate the Long-Term Health of the Caribbean Shorelines to JetBlue's Investment in the Region and Bottom-Line

NEW YORK, NY -- (Marketwired) -- 12/15/14 -- JetBlue Airways (NASDAQ: JBLU), along with The Ocean Foundation (TOF) and A.T. Kearney, a leading global management consulting firm, announced the results of their unique partnership and research focusing on the long-term health of the Caribbean's oceans and beaches, and a commitment to action developed with the Clinton Global Initiative (CGI). This collaboration marks the first time a commercial airline has started to quantify nature's wellbeing in the Caribbean and correlated it to specific product revenue. The result, "EcoEarnings: A Shore Thing," begins to quantify the value of conservation by Revenue per Available Seat Mile (RASM), the airline's base measurement. The full report on their work can be found here.

The study is premised on the fact that no one benefits from polluted seas and degrading shorelines, yet these problems persist in the Caribbean despite the region's strong dependence on tourism, which centers on those same beaches and shorelines. Clean beaches meeting with clear, turquoise water are critical factors in travelers' destination choices and are sought after by hotels to drive traffic to their properties. Without these natural treasures some, if not many, of the islands in the region could suffer economically. Airline, cruise, and hotel demand could drop if only rocky, gray and narrow beaches were available and their accompanying shallow waters were polluted and murky, devoid of coral or colorful fish. "EcoEarnings: A Shore Thing" set out to quantify the dollar value of the local systems which preserve the ideal Caribbean as we know it.

JetBlue, The Ocean Foundation and A.T. Kearney believe that eco-tourists represent more than those customers who dive along corals or surf on vacation. This traditional classification misses the majority of tourists who come for the landscape the environment provides, the classic tropical shoreline. Sophia Mendelsohn, JetBlue's head of sustainability, explained, "We can think of almost every leisure customer who flies JetBlue to the Caribbean and enjoys a pristine beach as an eco-tourist in some capacity. Think about it terms of Orlando's theme parks -- these popular attractions are inherent to flight demand and ticket pricing into Orlando International Airport. We believe clean, unspoiled beaches should be recognized as the main driver for Caribbean leisure travel. These valuable assets undoubtedly drive airline ticket and destination demand."

In order to make a compelling case for the inclusion of "eco-factors" into an established industry model, The Ocean Foundation participated in the EcoEarnings study. The Ocean Foundation President Mark J. Spalding, an ocean conservationist for more than 25 years, stated, "It is critical to include a thorough analysis of the major environmental factors that we have always believed influence a tourist's decision to travel to a Caribbean destination -- trash on the beach, water quality, healthy coral reefs and intact mangroves. Our hope is to statistically tie together what, at a glance, appears to be obviously related factors -- beautiful beaches and tourism demand -- and develop analytical evidence specific enough to matter to industry's bottom line."

Destinations in Latin America, South America and the Caribbean make up one-third of JetBlue's flying. As one of the largest carriers in the Caribbean, JetBlue flies approximately 1.8 million tourists annually to the Caribbean, and earns a 35% market share by seat capacity at Luis Munoz International Airport in San Juan, Puerto Rico. A large percentage of JetBlue customers are traveling for tourism to enjoy the sun, sand, and surf of the region. The existence of these ecosystems and shorelines in the Caribbean has a direct impact on demand for flights, and therefore their appearance and cleanliness should also be a major focus.

A.T. Kearney partner, and a contributor to the white paper, James Rushing, commented, "We were pleased that Jet Blue and The Ocean Foundation asked A.T. Kearney to participate in the study to provide a holistic approach and an unbiased analysis of the data. Although our analysis showed that there is a correlation between the 'eco factors' and RASM, we believe that in the future causation will be proved with more robust data."

Speaking to why JetBlue began considering these questions in the first place, James Hnat, JetBlue's Executive Vice President, General Counsel and Government Affairs, explained, "This analysis explores how the full value of pure and functioning natural environments are connected to the financial models that JetBlue and other service industries use to calculate revenue. No community or industry benefits when beaches and oceans are polluted. However, these problems persist because we are not adept at quantifying both the risk to communities and our business associated with them. This paper is the first attempt to change that."

For more details on the collaboration and analysis, please visit jetblue.com/green/nature or view the report directly here.

About JetBlue Airways

JetBlue is New York's Hometown Airline™, and a leading carrier in Boston, Fort Lauderdale/ Hollywood, Los Angeles (Long Beach), Orlando, and San Juan. JetBlue carries more than 30 million customers a year to 87 cities in the U.S., Caribbean, and Latin America with an average of 825 daily flights. Service to Cleveland will launch April 30, 2015. For more information please visit JetBlue.com.

About The Ocean Foundation

The Ocean Foundation is a unique community foundation with a mission to support, strengthen, and promote those organizations dedicated to reversing the trend of destruction of ocean environments around the world. We work with a community of donors who care about the coasts and ocean. In this manner, we grow the financial resources available to support marine conservation in order to promote healthy ocean ecosystems and benefit the human communities that depend on them. For more information, please visit www.oceanfdn.org and follow us on Twitter @OceanFdn and Facebook at facebook.com/OceanFdn.

About A.T. Kearney

A.T. Kearney is a leading global management consulting firm with offices in more than 40 countries. Since 1926, we have been trusted advisors to the world's foremost organizations. A.T. Kearney is a partner-owned firm, committed to helping clients achieve immediate impact and growing advantage on their most mission critical issues. For more information, visit www.atkearney.com.

About Clinton Global Initiative

Established in 2005 by President Bill Clinton, the Clinton Global Initiative (CGI), an initiative of the Clinton Foundation, convenes global leaders to create and implement innovative solutions to the world's most pressing challenges. CGI Annual Meetings have brought together more than 180 heads of state, 20 Nobel Prize laureates, and hundreds of leading CEOs, heads of foundations and NGOs, major philanthropists, and members of the media. To date, members of the CGI community have made more than 3,100 Commitments to Action, which have improved the lives of over 430 million people in more than 180 countries.

CGI also convenes CGI America, a meeting focused on collaborative solutions to economic recovery in the United States, and CGI University (CGI U), which brings together undergraduate and graduate students to address pressing challenges in their community or around the world. For more information, visit clintonglobalinitiative.org and follow us on Twitter @ClintonGlobal and Facebook at facebook.com/clintonglobalinitiative.


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