JetBlue to Further Expand Its Popular Mint Experience to Position Itself as the Transcontinental Airline of Choice and Grow Its West Coast Presence

Jul 26, 2016

Incremental Airbus A321 deliveries facilitate expansion of Mint, an innovation success story that has delivered on all measures

JetBlue takes immediate opportunity to disrupt the valuable coast-to-coast market with lie-flat seats, curated food, and specially trained crewmembers

JetBlue leverages its strengths to increase frequencies on west coast

NEW YORK --(BUSINESS WIRE)-- JetBlue (NASDAQ:JBLU) today announced it intends to further expand its highly successful Mint experience by amending its purchase agreement with Airbus to bring additional A321 aircraft into its fleet. JetBlue believes the additional aircraft will allow it to capture an immediate opportunity to position itself as the transcontinental airline of choice and build west coast frequencies with a targeted approach that leverages its east coast strength.

This Smart News Release features multimedia. View the full release here:http://www.businesswire.com/news/home/20160726005561/en/



Under the amendment, JetBlue will take delivery of incremental aircraft over seven years. Specifically, Airbus is scheduled to deliver 15 incremental A321ceos (current engine option) starting in 2017, with five Mint deliveries expected in 2017 and the intention for most incremental deliveries in the following years to come in Mint. Further, JetBlue expects to take delivery of 15 incremental A321neos (new engine option) starting in 2020. The amendment provides flexibility to take deliveries in Mint or all-core configurations based on market opportunities. While it has not yet committed to this fleet type, JetBlue will have the option to configure the NEO aircraft in the long range version of the A321 – the A321LR – starting in 2019.

“Mint has surpassed our expectations on every customer and financial measure,” said Robin Hayes, president and CEO, JetBlue. “Mint won over customers in a big way and has transformed the performance of our transcontinental franchise. We have only scratched the surface on what Mint can do to disrupt the valuable coast-to-coast market.”

Since Mint launched in 2014, it has revitalized JetBlue’s transcontinental franchise and become a driver for long-term shareholder value. JetBlue’s daily Mint routes consistently perform as some of the airline’s most profitable routes. Revenue per available seat mile (RASM) on Mint routes has grown 20 percent since 2014, and Mint has helped attract new corporate clients and west coast point of sale.

The plan is consistent with JetBlue’s disciplined approach to capacity growth and commitment to expanding its west coast presence by focusing on a proven product that drives value. With the additional aircraft, JetBlue’s available seat miles (ASM) growth will largely remain in the high single digits, as previously stated.

Premium Transcontinental Market: Waiting for Disruption

Premium transcontinental travel continues to suffer from inferior service and high prices. With Mint, JetBlue introduced its alternative to outdated business class offerings, first from New York to Los Angeles and San Francisco . By re-imagining the domestic premium experience with lie-flat seating, curated food and amenities, and hospitality-trained inflight crewmembers – offered at an affordable price – JetBlue has made premium travel more accessible and opened a new market untapped by other carriers.

Transcontinental markets outside of New York and Los Angeles are prime for similar disruption. For example, only 5 percent of transcontinental flights over 1,800 miles consistently offer regularly scheduled lie-flat seats.

JetBlue currently flies only 12 percent share of the transcontinental market. Mint opens a significant opportunity for the airline to capture additional share and strengthen the financial performance of its existing routes where JetBlue is outperforming competitors.

Customers in the “coach” cabins of other carriers are often underserved on long transcon routes. Unlike those carriers, JetBlue has invested in its A321 core cabin to ensure everyone flying has an award-winning experience. JetBlue’s A321 core experience includes 10-inch television screens offering free entertainment, free Fly-Fi high speed wireless internet, comfortable seats with the most legroom in coach (a), power outlets accessible to all customers, and JetBlue's popular marketplace – a self-serve station full of free snacks, sodas and water for customers to enjoy at their convenience.

West Coast Expansion: Targeted Approach Leveraging Airline’s Strengths

As west coast travelers face reduced options and less competition, JetBlue is quickly moving to organically strengthen its presence on a national scale with a leading transcontinental franchise between the west and east coasts.

JetBlue’s targeted approach will give the airline increased frequencies in high-value west coast markets, including the Bay Area and Los Angeles , while leveraging the strength of its east coast point of sale. By adding even more Mint service in the airline’s focus cities – where JetBlue is positioned as the No. 1 or No. 2 airline – JetBlue can continue to grow its customer base and solidify its leadership in those markets, as well as consider expansion to new markets.

In addition to JetBlue’s intention to expand Mint to grow its west coast presence, JetBlue is strengthening its Long Beach (LGB) focus city with new all-core service. JetBlue will add nine new daily frequencies from Long Beach , phasing in beginning in the fourth quarter.

Earlier this year, JetBlue announced a Mint expansion that will bring new transcontinental competition to Fort Lauderdale , Las Vegas , San Diego and Seattle for the first time – while also increasing options from New York (JFK), Boston , Los Angeles (LAX) and San Francisco . Once the previously announced tranche of new Mint routes has launched, JetBlue will offer up to 70-plus daily Mint flights to 13 destinations across the east coast, west coast and Caribbean .

JetBlue plans to announce further expansion of Mint routes at a later date. JetBlue will continue to review strategic opportunities to expand Mint on existing and new routes where it believes it can replicate Mint’s success.

By year end 2016, JetBlue expects to have a total of 37 A321 aircraft, including 17 in the Mint configuration. By year 2017, JetBlue expects to have a total of 52 A321 aircraft, including 31 in the Mint configuration. By year end 2018, JetBlue expects to have a total of 63 A321 aircraft, 6 of which will be A321neo.

About JetBlue

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 35 million customers a year to 96 cities in the U.S., Caribbean, and Latin America with an average of 925 daily flights. For more information please visit jetblue.com.

(a) Based on avg. length of lie-flat beds on domestic flights operated by U.S. airlines.
(b) JetBlue offers the most legroom in coach, based on average fleet-wide seat pitch for U.S. airlines.

View source version on businesswire.com: http://www.businesswire.com/news/home/20160726005561/en/

JetBlue Corporate Communications
Tel: +1-718-709-3089
corpcomm@jetblue.com

Source: JetBlue

Powered by SITECORE