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Jetlines CEO envisions ‘different kind of airline’

By Jon Hemmerdinger

The new chief executive of Canadian company Jetlines is working to develop a tech-driven airline that takes inspiration from some of the world's leading technology companies.

Javier Suarez, who became CEO in September, is also reevaluating Jetlines' network plans amid a goal to get airborne next spring, he tells FlightGlobal.

Jetlines, which has yet to operate any flights, has previously set and pushed back timelines for beginning service as an ultra low-cost carrier. The company also continues seeking more money from investors, Suarez notes.

"We are building a different kind of airline. My vision is definitely far away from a traditional airline," says Suarez. "The foundation of Jetlines will be a very sophisticated e-commerce platform."

"We are building a tech company to start with," he adds. "I'm looking into companies like Amazon and Uber."

Jetlines will invest significantly in technology to personalise products and services, such as marketing child care to parents after they arrive at their destination, he says.

The company aims to use data scientists and machine learning technology to identify optimal prices for add-on services, says Suarez, noting Jetlines recently signed an agreement with reservation system provider and merchandising company Radixx.

In addition, Suarez has launched a review of Jetlines' route plan, including its earlier intention to begin flying from Hamilton, a city southwest of Toronto.

"Hamilton could still be the first airport, but we are also evaluating other alternatives," he says.

Suarez is putting his mark on a company that in recent years has gone through several CEOs and significant change.

In June 2017 Stan Gadek succeeded Jim Scott in the corner office, then this June Lukas Johnson succeeded Gadek.

Suarez joined Jetlines as chief commercial officer in July and became CEO after Johnson stepped down due to "personal" reasons, Jetlines said.

Suarez brings years of ULCC experience. He previously was vice-president of network planning, revenue management and e-commerce for Mexican ultra-discounter Viva Aerobus. Earlier, Suarez was director of network planning, scheduling, slots and corporate affairs at Spain's Vueling Airlines.

Suarez helped Vueling expand its fleet from 37 to more than 100 aircraft, and the company earned profits amid difficult economic times. He worked at Viva Aerobus as that company became one of Mexico's most profitable carriers.

Beside the CEO shuffle, Jetlines this year ditched long-held plans to launch operations with used Boeing 737s. It also cancelled orders with Boeing for five new 737 Max, Suarez confirms.

Instead, Jetlines intends to begin flying with two former Air New Zealand Airbus A320s leased from Dublin-based lessor AerCap.

Those aircraft will have 180 seats and will arrive between March and April 2019, Suarez says, adding that the shift reflects a tight secondary market for 737s.

But amid the changes, Canada's airline market has evolved, with two other ULCCs – Flair Airlines and WestJet-owned Swoop – starting operations.

Those carriers both operate 737s and expanded in recent months to each serve about one dozen destinations in Canada, the USA and Caribbean.

Suarez insists Jetlines' plan remains viable because room exists in Canada for more ultra-discount competition.

"We really are not worried about Flair and Swoop," he says, noting that millions of Canadians still cross into the USA annually to fly on US-based discounters.

"The market will be super stimulated as soon as low fares get into the market," he adds. "Things are going well for us to get the [air operator's certificate] by May 2019."

Jetlines has submitted to regulators 11 of 13 manuals needed to receive that certificate, says Suarez. Those manuals address flight operations, maintenance, training procedures and other topics.

The company will submit the remaining manuals after gaining access to the A320s.

Suarez expresses confidence in his leadership, saying he is accustomed to competition.

"I've been competing in much worse competitive environments and much worse macro environments than are in Canada," he says.