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Gulfstream's name game

Company's decision to ditch the GIV and GV brands signals an intent to compete across the business jet spectrum

Gulfstream president Bill Boisture dismisses concerns about eliminating the envied GIV and GV brands from the company's revamped and expanded product line. "Gulfstream is the brand," he says. So out go the GIV-SP and GV-SP and in come the G400 and G550 in a seven-aircraft line-up crafted to capture a larger share of the business jet market.

Branding was a major theme at this month's National Business Aviation Association (NBAA) show in Orlando, Florida, with Bombardier streamlining its business-jet line-up under the Learjet, Challenger and Global names, and Raytheon reviving Beechcraft and establishing Hawker as separate divisions. Cessna extended its popular Citation family down into the personal jet market and Dassault revealed it was again looking at a smaller Falcon.

Brands have become important as operators look to trade up or down, fractional operators look for families of aircraft, and manufacturers look to fill market niches quickly and cheaply with derivatives of existing platforms. Cessna is the master of family planning, building its Citation brand into a nine-aircraft range stretching from the \$19 million high-speed Citation X down to the \$2.3 million entry-level Citation Mustang launched at NBAA.

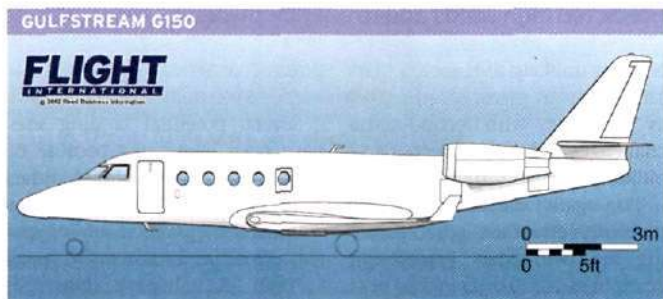
Attracting and retaining customers has become the name of

the game, and brands are the weapons of choice. Gulfstream's decision to ditch the GIV and GV names surprised many at NBAA, but it reflects the company's determination to bring new customers into the fold at the lower end and move them up through a "seamless" product range.

"A customer decides to do business with a company," says Boisture. "We have decided to compete the company against the competition." It is no longer just the GIV-SP versus the Falcon 900EX, or GV-SP versus Global Express: "It's Gulfstream versus Dassault versus Bombardier," he says. "We have decided to compete in every market segment above \$10 million and be first in emerging markets, at the same time minimising risk and providing an expanded product line quickly, efficiently and reliably."

Five years ago, Gulfstream was a one-product company, each new generation of Gulfstream replacing its predecessor in production. Since 1997, the company has produced the GIV and GV side-by-side, and last year it acquired the Israel Aircraft Industries-built Astra SPX and Galaxy, renaming them the G100 and G200. These four platforms are the basis of the expanded line-up that will be in place by 2004.

Each product in the range has been designed to a price/performance point - with "product" in



Gulfstream's eyes meaning not just the aircraft, but also option and support packages. "We have done a lot of analysis and think we are offering the right choice of size and performance," says Boisture. "We have used our experience to decide how to package the options." Customisation, a Gulfstream trademark, is standard only on the G400 and G550.

Packaging has allowed the company to secure launch assistance and preferential pricing from its vendors, and will reduce production costs and completion times. It would also appear to limit the buyer's choice, but "customisation comes at a price", says Boisture. "The aircraft becomes a one-off for product support. Customers are looking to Gulfstream to sift the options and make integrated packages. That allows us to support known configurations."

A broader product range allows Gulfstream to compete for a share of a wider market worth \$8-10 billion a year, Boisture says. The mid-

size G150, mating the G100 wing with a wider fuselage, should be more competitive with the Citation Sovereign and Hawker 800XP. The G300, a reduced-specification GIV-SP, is a direct competitor with the Challenger 604 and Falcon 2000EX; while the G500, a reduced-specification GV-SP, goes head-to-head with the Global 5000 - and is available sooner. The next-generation GIV, when it appears, will be the G450.

Bombardier is not resting on its laurels and has several recently certificated platforms from which to derive new models. This year it has launched the Learjet 40 light jet and enhanced-performance Learjet 45XR, both derived from the super-light Learjet 45, as well as the super-large Global 5000 based on the long-range Global Express.

The company's new branding philosophy centres on three families, says Bombardier business aircraft president Peter Edwards: "Learjet for speed and value; Challenger for reliability and value; and Global for speed, range and comfort." Accordingly, the super mid-size Continental has been renamed the Challenger 300.

Bombardier is now looking at new derivatives in all three families, including a stretch of the Learjet 45 and an aircraft beyond the Global Express, which could become the Global 7000 or 8000.

Dassault, meanwhile, is developing the long-range, high-speed Falcon 7X and could yet venture below its traditional \$20-40 million price range and return to the mid-size sector once occupied by the Falcon 10.

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