
Air France-KLM's new CEO ready to close "millennial" unit Joon

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Air France-KLM Group is ready to kill Joon, the airline it launched a year ago to woo young adults.

Air France signed an agreement with unions representing cabin crew to study the discontinuation of Joon, the company said in a statement Thursday.

The lower-cost airline, its 13 aircraft and 600 cabin crew will be integrated into Air France's fleet, according to union representatives at Joon.

Joon, which refers to "jeune," or "young" in French, aimed to win over millennials with lower fares, organic food offerings and video streaming. Instead, the brand "was difficult to understand from the outset for customers, for employees, for markets and for investors," Paris-based Air France said.

The decision marks one of the first major strategic moves by Air France-KLM Chief Executive Officer Ben Smith, the former Air Canada executive who took over in September.

After reaching a landmark deal with French unions by granting them a pay raise, he must also address tensions between the French unit and its more profitable Dutch counterpart, KLM, while figuring out how to better compete with lower-cost rivals EasyJet Plc and Ryanair Holdings Plc.

Le Figaro reported in November that Smith wanted to terminate Joon, the brain child of his predecessor Jean-Marc Janaillac, who resigned over a pay conflict with French unions. Joon was planning to expand its fleet to 28 aircraft by 2020, including new Airbus A350s.

Air France will "be able to ensure a smooth transition of the Airbus A350, currently on order, to the Air France fleet with a more economical cabin configuration," it said.

Joon gained criticism even before its launch for patronizing younger travelers. Perks on board included baobab juice and RedBullTV you had to pay for.

"What we care about are the same things that old people care about: cheap, reliable

flights that have got no hidden costs,” humorist Paul Taylor said on “What’s Up France,” his Canal Plus TV show. “Maybe instead of trying to create a new condescending airline, try to fix the ones you already got.”

(Bloomberg)