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BRAND ALLIANCES BENEFITS FROM CONSUMER PERCEPTION; ON EXAMPLE OF QATAR AIRWAYS IN ONEWORLD

Abstract. This article considers privileges from brand alliances for business class passengers, since these passengers are the main and regular customers of airlines, analyzes the importance of these privileges and in addition answers the question: “Is the membership of the airline in the alliance the main reason for choosing the airline?” The issues addressed are relevant due to the fact that passengers are the main sources of income and their relationship to certain issues relating to the airline are very significant.

Keywords: Brand Alliances, Qatar Airways, OneWorld, Air travel, consumer perception.

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Атаулы мақалада брендік альянстардың бизнес класс жолаушылары үшін артықшылықтары зерттелген, өйткені осы топ жолаушылар әуе компаниялардың басты және тұрақты клиенттері болып табылады. Сонымен қатар, артықшылықтардың жолаушылар үшін маңыздылығы анықталды және «әуе компаниясының одаққа мүше болуы жолаушылардың әуе компанияны таңдаудағы басты себебінің бірі ме?» сұрағы талқыланды. Атаулы тақырып өзекті болып табылады, өйткені бизнес класс жолаушылары - компанияның басты табыс көзі және олардың пікірлері өте маңызды.

Түйін сөздер: Брендік одақтар, QatarAirways, OneWorld, әуе транспорты, жолаушлыра артықшылықтары.

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Аннотация. Данная статья рассматривает привилегии от брендовых союзов для пассажиров бизнес класса, так как именно данные пассажиры являются основными и постоянными клиентами авиакомпаний, анализирует важность этих привилегии, также отвечает на вопрос: «является ли членство авиакомпании в альянсе основной причиной при выборе авиакомпании пассажирами?». Рассматриваемые вопросы являются актуальными, в связи с тем, что пассажиры –основные источники дохода и их отношения к тем или иным вопросам, касающейся авиакомпании очень важны.

Ключевые слова: брендовые союзы, QatarAirways, OneWorld, привилегии пассажиров, воздушный транспорт.

Introduction

A lot of research has been done on the benefits of brand alliances for companies. In this paper, the advantages of brand alliances on the part of clients will be focused. First of all, the advantages for business class passengers will be revealed, as they are regular customers of airlines. The results of studies in this paper show that Qatar Airways passengers receive many privileges from alliances in OneWorld. This topic is relevant, since Qatar Airways is considering withdrawal from the alliance in connection with the problem with its American partners.

Brand alliances are one of the popular and vital trends of the 21st century. In the competitive age of globalization, for greater profits and for the effective work of companies in different spheres: starting from manufacturing to services, they are united into one alliance [1]. Establishing strategic communications companies can get many benefits [2].

Literature review

This trend is also developed in the airline industry [3]. One example is OneWorld, which was founded on 1 February 1999 and has 13 airline company members, 3 447 fleet and carry 527.9 million passengers all over the world [4].

Research in the field of alliances was made mainly for companies and for their development strategies, types of alliances, problems in regulation for management, choosing the right partner and difficulties in integrating alliances [5]. Previous studies show the benefits of unions for companies from firm perspective [6]. Market difficulties and political, cultural differences, as well as financial advantages were investigated at a high level [7]. There is a lack of studies about benefits from consumer perceptions.

In this paper, the focus will be on the benefits of passengers according to the passengers themselves on example of Qatar Airways passengers. More specifically, the answers to the questions will be given: what advantages do passengers receive from alliances? Are these advantages so important? Is it allied to OneWorld as the main factor in choosing an airline?

Due to the fact that airline brand alliances have appeared recently, there is very little literature and scientific work on this. Below are a few privileges that were taken from official sites of OneWorld and Star Alliance.

Main body

The main advantages common to both alliances are: (a) increased access to the network; (b) transferred priority status;(c)seamless travel; (d) an expanded frequent flyer program (FFP) and (e) developed access to the living room benefits.

(a) Increased access to the network. Wider route networks should attract passengers because oftravelers' preference for extensive networks [8]. Offering a wide range of services companies can retain customers through relationship networks which together add value to the offer. Therefore, the airline must be able to give greater value to customers, expanding their network of

relationships with other airlines. Also, alliances can offer more routes than airlines that do not belong to any alliances [9].

*(b) Transferred priority status.*Airlines often have preferential treatment in the form of priority check-in, baggage handling, waiting list for reservation and waiting at the airport to save most valuable customers. For the consumer, priority status is achieved through one alliance, membership is now extended to all partner airlines, offering greater access to priority in many airlines.

*(c) Seamless travel.*One of the biggest privileges of alliances is that they offer smooth travel [10]. In the language of aviation, this is called as code sharing, when two or more airlines use and market flight under their flight number and designator. Code sharing is a key feature of airline alliances [11] and it is a consumer-based and consumer-oriented initiative [12]. One and the main benefit of code-sharing is connected flights, when customer can book flight from point A to C through point B by using one code, instead of a booking from point A to B then from B to C.

Moreover, passengers avoid to miss connections and loss a baggage [13]. It also increases the service level. In addition to that, if passenger decides to change the destination in the last minute, he can choose other destinations, which alliance can offer. This benefit is very important for passengers, who have long-haul and non-direct flights [14].

*(d) An expanded frequent flyer program (FFP).*Frequent-flyer program is a loyalty program; which airline or alliance offers. By using this program, passengers can earn points, which will be transferred as rewards. These points are counted depending on class of fare, amount paid and type of destination. Alliances offer greater variety of destinations with wider FFP programs [15].

*(e) Developed access to the lounge.*Passengers of one airline may use the lounges of airports of other airlines in the alliance. Such privileges are mainly given to priority passengers, usually they are business class passengers, who fly and use programs very often. Nowadays, OneWorld has more than 550 lounges all over the world.

The benefits for operators from alliances are also significant. Flights with the same route that both airlines have, can be operated by one of them, but by sharing the seats and revenues between two operators [9]. If one airline does not have a flight to a specific route, then it can use the aircraft of another airline, also indicating its flight number [10]. Additionally, by strengthening their connections, airlines can resist the emergence of new competitors in the market [16]. In this work, the focus will be on the advantages of alliances on the part of passengers, but nevertheless, the advantages of alliances for airlines are equally important.

Methods and analysis

In order to analyze whether the alliance in the OneWorld is important for passengers and what privileges they receive from this, in this paper it was decided to interview the business class passengers regarding following

features, since passengers of this class are permanent and aware of the privileges provided by the company:

1. to investigate perceptions of business class passengers of Qatar Airways in OneWorld.
2. To find out the answer to the question "Is membership in the OneWorld one of the main reasons of choosing Qatar Airways as operator?"

Materials from official sites of Skytrax, IATA, Qatar Airways and OneWorld were taken for analysis. Skytrax is influential British private consulting company specializing in studying the quality of services provided by various airlines and airports. Founded in 1989. Provides information on more than 210 airlines and 65 airports based on various types of passenger surveys. Passengers can also leave their comments on the services of airlines and airports on the company's website.

IATA acts as a coordinator and representative of the interests of the air transport industry in such areas as flight safety, flight operations, tariff policy, maintenance, aviation safety, development of international standards in cooperation with ICAO, etc. The most important activity of IATA is the organization of mutual settlements between the subjects of air transport, based on the transportation sales system on a neutral ticket form.

Qatar Airways has been recognized as the best airline in the business class according to the results of the vote in the Skytrax in 2018 (Figure 1). Passengers rate airline by following criteria: Seat Comfort, Cabin Staff Service, Food and Beverages, Inflight Entertainment, Ground Service, Wifi and Connectivity, Value for Money and Recommended or not. Results show that this airline offers the best services for business class passengers.

Figure 1. Results of Skytrax rating, 2018

As regards our analysis, namely the privileges that business class passengers receive from the Qatar Airways alliance in OneWorld, the following criteria were evaluated:

Qatar Airways Privilege Club members can use a number of exclusive privileges, including priority when confirming a place from a waiting list, access to lounges, additional baggage allowance and much more, which can be used in other airlines in alliance also.

Status miles, + 75% extra miles for flights on flights operated under the Qatar Airways code and falling under the criteria for earning Qmiles.

Priority check-in at Hamad airport and other airports of alliance. Check-in at the business class counter regardless of travel class.

Priority on the waiting list when standby. Priority in the waiting list in the absence of free seats on chosen Qatar Airways flight.

Priority boarding. Business class passengers get priority boarding regardless of airline type.

Priority baggage handling. Passengers get priority baggage handling at Hamad airport and at other airports of alliance.

Extra baggage allowance. Additional 15 kg of baggage (1 place, if the piece scheme is used) on Qatar Airways own flights.

Access to the lounge. Access to the lounges at Doha airport and business lounges at some other airports of alliance (regardless of class of travel).

Transferable fast track at security lane. Passengers of business class can get fast track when servicing at security lane.

*Quick transfers.*Qatar Airways passengers on transit flights can take advantage of fast service instead of waiting in line.

*Flexible flight schedules.*Together with other alliance airlines, Qatar Airways offers very convenient flight schedules.

*Greater network access.*Passengers of Qatar Airways can use the network of other airlines of the alliance during flight without interrupting their work.

In the Table 1from official cite OneWorld we can see that polls were conducted for each privilege in order to find out if they are really important for passengers. 200 people participated in the survey and passengers should rate from 0 to 90, where 0-30 means not very important, 31-60 means moderately important and 61-90 means very important. Each column shows the number of passengers who answered questions on the scales.

Table 1. Responses to ratings of global alliance benefits (OneWorld, 2017).

Global alliance benefits	**Rates**		
	0-30 (not very important)	**31-60 (mod-ly important)**	**61-90 (very important)**
Qatar Airways Privilege Club	3	147	50
Status miles	11	105	84
Priority check-in at Hamad airport and other airports of alliance	7	38	155

Priority on the waiting list when standby	19	123	58
Priority boarding	7	54	139
Priority baggage handling	0	53	147
Extra baggage allowance	19	98	83
Access to the lounge	1	31	168
Transferable fast track at security lane	2	41	157
Quick transfers	10	38	152
Flexible flight schedules	2	18	180
Greater network access	4	2	194
Average	**7**	**62**	**131**

All of these privileges operate as at the airport and on the board of Qatar Airways and on other airlines of the alliance. According to this table, it was revealed that business class passengers get great benefits from the alliance and rate them as 'moderately important' or 'very important'.

The results show that, on average, privileges are very important for many passengers. It is especially noticeable in the fields of Priority check-in, Priority Boarding, Priority Baggage handling, Access to the Lounge, Quick transfers, Transferable Fast Track at security lane, Flexible Flight schedules and Greater Network Access. All of this shows that business class passengers mainly travel due to work and it is important for them to save their time and have access to the Internet and lounges for relaxing.

Qatar Airways Privilege Club, Status miles, Priority on the waiting list when standby, Extra baggage allowance were rated as moderately important.

To find the answer to the second question, namely "*Is membership in the OneWorld one of the main reasons of choosing Qatar Airways as operator?",* 20 questions were asked to business class passengers about the factors in choosing an airline and among them were questions regarding the alliance in OneWorld (see Table 2, from cite Qatar Airways).

Table 2

Factors affecting airline choice, from cite Qatar Airways.

Factors	**Mean**	**Standard deviation**
Reputation for safety	4.4	0.79
Reliable baggage handling	4.1	0.82
Most direct routes and fewest stopovers	4.0	0.90
Staff friendliness and helpfulness	3.9	0.85

Modern aircraft fleet	3.9	0.96
Seamless travel as promised by global alliance	***3.8***	***0.95***
Unlimited lounge access on global alliance network	***3.7***	***0.95***
Convenient departure and arrival times	3.8	0.90
Attentive service	3.7	0.85
Flexible schedules	3.6	0.82
Quick check-in	3.6	0.95
Good in-flight food	3.5	0.91
Cheapest available fare	3.3	1.3
Large number of FFP points	3.3	0.98
Extensive network access on global alliance network	***2.9***	***1.1***
Good executive lounge facilities	2.9	1.11
Fully reclinable seats	2.9	1.1
Airline part of my preferred global alliance	***2.8***	***1.2***
Onboard fax/phone	2.0	1.1
Onboard e-mail	2.0	1.00
Average	*3.4*	*0.96*

**Factors in hold-italics relate directly to global alliances.*

Mean rating of 20 factors affecting airline choice (N=200) (1=not at all important, 5=extremely important).

These questions mainly concern service and privileges for passengers. As seen in the result, on average, passengers pay particular attention to *Reputation for safety, Reliable baggage handling, Most direct routes and fewest stopovers.* Questions concerning the alliance, namely *Seamless travel as promised by global alliance, Unlimited lounge access on global alliance network* and *Extensive network access on global alliance network* are not prioritized and are rated as moderately important when choosing an airline. The question *Airline part of my preferred global alliance was rated as not very important* and got 2.8 mean. Exceptions are those passengers for whom privileges from the alliance are extremely important, but most passengers rated safety as the most important factor.

Conclusion

Airlines get great benefits from membership in alliances, such as reducing costs, creating additional networks, improving infrastructure and so on. But all these privileges are more important for operators, not for passengers. For this reason, in this paper the privileges of passengers from alliances and the importance for them were considered. Increased access to the network; transferred priority status; seamless travel; an expanded frequent flyer program (FFP) and developed access to the living room are the common advantages for business class passengers from alliances.

It was decided to answer question that arise when considering privileges:" What privileges get business class passengers from the membership Qatar Airways in OneWorld?", "Is membership in the OneWorld one of the main reasons of choosing Qatar Airways as operator?".

The study revealed that business class passengers receive many privileges from this alliance,for example*: Status miles, priority check-in at Hamad airport and other airports of alliance, priority baggage handling, priority boarding and transferable fast track at security lane.* Most reporters answered that these privileges are of medium importance or very important for them.

To find the answer for the second question, questions were also asked in the form of a questionnaire. According to the results, it turned out that membership in the alliance is not the choice of an airline, since many passengers pay attention primarily to Reputation for safety and Reliable baggage handling.

At the moment due to the inadequacy of some airlines of America, Qatar Airways is considering a way out of the alliance. Based on this, this study is relevant, since the question of whether Qatar will lose its passengers due to withdrawal from the OneWorld is extremely significant.

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