*Research Article*

# Travellers' Perception on Airline Alliances Perceived Value

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**Nor Hisyam Seliman**
**Norzuwana Sumarjan***
**Salleh Mohd Radzi**
Faculty of Hotel & Tourism Management, Universiti Teknologi Mara, Puncak Alam, Malaysia
*norzu161@uitm.edu.my**

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## Abstract

Air transportation significantly contributes to the movement of people between regions, covering vast distances and connecting service providers. Nevertheless, one airline cannot cater all the destinations that a traveller requires. Therefore, airline alliances have been formed to enlarge market and better fulfil travellers' requirements and demands. To ensure competitiveness, most of the alliances had enhance their strategy to enhance the value of their alliances. There are various dimensions of perceive value, however, which are the most agreeable dimension that can help to improve customer satisfaction and loyalty. This study voids the gap by examining the dimensions that could help the alliance airlines to better retain in the market. Self-administered questionnaires had been distributed using convenience sampling travellers above 20 years old with travel experience boarding at least one airline under the three airline alliances. Two hundred and sixty-two questionnaires were collected and analysed using descriptive analysis. Six dimensions of airline alliances perceived value has been tested, which include i) network extension, ii) frequent flyer program, iii) price competitiveness, iv) psycho-socio benefits, and v) general attitude towards alliances, and vi) safety and security. This study found that perceived network extension dimensions was the mostly agreed dimension followed by perceived safety and security and general attitude dimensions. It is hoped that this study could assist the airline alliance operators to investigate and better strategize their resources in satisfying their customer and widening their market share.

**Keywords:**
Airline Alliances, Perceived Values, Airline Perceived Values, Safety and Security

## 1 Introduction

The airline industry is the business of transporting passengers and cargo using commercial airplanes. It is an essential component of the global economy, facilitating the movement of people and goods worldwide (The Organisation for Economic Co-operation and Development, 2020). The airline industry is closely intertwined with transportation and tourism, as it relies on both sectors. Transportation promotes tourism globally by facilitating visits to various destinations, while the airline industry depends on the tourism industry to attract travellers to choose air travel (Rehman Khan et al., 2017). Furthermore, it plays a critical role in supporting the growth of the tourism industry, which generates substantial revenue and job opportunities in many countries (Papatheodorou, 2021).

Air transportation significantly contributes to the movement of people between regions, covering vast distances and connecting service providers. To stay competitive in the market, airlines often offer special discounts and incentives to attract travellers (European Commission, 2017). Given the aviation sector's critical role in the global economy, particularly in the tourism industry (Sang et al., 2007; Tiernan et al., 2008), airlines must develop policies and procedures to address the effects of external changes and enhance competitiveness and reliability (International Air Transport Association, 2018). One strategy employed by airlines to establish a foothold in the industry is forming global alliances with other carriers Airline alliances are strategic agreements between two or more airlines aimed at improving network connections, operational efficiency, and providing customers with seamless travel experiences (Tugores-García, 2012).

The concept of airline alliances originated in the 1990s as a response to airline deregulation and increased competition among carriers. There are three major airline alliances dominating the global airline industry, with many additional airlines forming partnerships and alliances to enhance their networks and market competitiveness. The three alliances are the Star Alliance, Sky Team and Oneworld (see Table 1). These alliances have had a significant impact on the aviation industry, providing numerous benefits to both airlines and passengers. Realizing the critical impact of the airline alliances, this study aims to examine the perceived value of airline alliances to identify the most agreeable dimensions that could assist the alliances to better focus and

Table 1: The brief information of the three major airline alliances

| Alliance | Members | Year of establish | Countries served | Destination |
|---|---|---|---|---|
| Star Alliance | 26 | 1997 | 195 | 1360 |
| SkyTeam | 19 | 2000 | 175 | 1062 |
| Oneworld | 14 | 1999 | 161 | 1016 |

## 2 Literature Review

Depending on the interests and travel requirements of certain travelers, the perceived value of airline alliances may change. A wider network of accessibility, seamless travel experiences, cost savings, and loyalty rewards are just a few of the key advantages and conveniences that airline alliances can provide to travelers. These factors may all help to improve the perceived value of airlines joining an airline alliance. According to Zeithaml (1988), perceived value refers to a consumer's overall evaluation of the utility of a product [or service] based on perceptions of what is given and received. In other words, according to Lai and Chen, (2011) and Cunningham et al., (2002), perceived value is the difference between perceived benefit and perceived cost. If the perceived benefit exceeds the perceived cost or vice versa (Lai & Chen, 2011). Janawade et al., (2015) proposed five criteria, including: i) network extension, ii) frequent flyer program, iii) price competitiveness, iv) psycho-socio benefits, and v) general attitude towards alliances, to determine the perceived value of an alliance. In this study, the author used perceived dimension proposed by Janawade et al., (2015) with an extension of safety and security by Beck et. al., (2017) as the dimensions of Global Airline Alliance Perceived Value.

### 2.1 Perceived Network Extension

Alliances between airlines give their members, or other airlines, distinctive possibilities. A member airline can share a large portion of the network made available by the alliance, states (Lazzarini, 2011). According to Janawade 2013), airline alliance members provided added value to customers by increasing the number and frequency of flights to destinations, rewarding frequent flyers with access to airport lounges, recognizing and participating in loyalty programs, offering simple-to-use travel services, and giving customers the option to select a specific transit airport. Namukasa (2013) emphasized that airlines with a good reputation or image might inform passengers about loyalty programs, airport lounges, trip destinations, and other services while they were enjoying the ones that were being provided. According to Zangmo et al., (2014), airline alliances may regard passengers as an extra asset or as providing value to the alliance.

## 2.2 Perceived Frequent Flyers Programme

The airline industry started to provide loyalty programs far earlier than other businesses, according to Brien and Jones (1995), but at the same time, these programs did not appear to increase the airlines' profitability or revenue as first anticipated. This was mostly because frequent flyer programs are usually confused with loyalty programs in most airlines (Takahashi, 1996). Loyalty programs have been designed to accomplish several objectives. The first goal is to raise revenue through higher purchase volumes (driven by customer demands), and the second is to maintain and grow the existing customer base by strengthening the relationship between the alliance's brand and the passengers (Takahashi, 1996). Airline industries frequently promote the benefits of frequent flyer programs, but their choice to implement one is frequently motivated by principles of aggressive equality (Mark et al., 2003). To determine the efficacy of the perceived value of frequent flyer programs, when are they seen as "loyalty programs," and when are consumers regarded as "brand loyal," the study depends on the possible approach to loyalty (Dowling & Uncles, 1997).

## 2.3 Perceived Price Competitiveness

The price of a product or service will inevitably be impacted in some way or otherwise by an alliance strategy. The effect of airline partnerships on parallel, hub-to-hub connections was studied by Zou et al. (2011). Here, the researchers discovered that while the impact of business class airfares among Oneworld hubs was much lower than that of other routes, the impact of SkyTeam and Star Alliance trans-Atlantic hub-to-hub flights was not significant. Oum and Park (1997), who showed that code-sharing agreements led to cheaper airfares and higher passenger loads for all alliance partners, also backed this. However, Brueckner et al. (2011) found that interline rates for alliance partners operating in the intercontinental sector were around 25% less expensive than those for non-alliance airlines. According to Brueckner (2003) conclusions, understanding code sharing would result in interline charges on international flights falling by 8 to 17%, interline admissions falling by 13% to 21%, and overall fares falling by between 17 and 30%. Airport services at destinations, in-flight services, reservation services, and ground services at airports are only a few of the services that are included in airline prices (Gillen & Morrison, 2003).

## 2.4 Psycho-socio Benefits

Psycho-socio benefits consist of a sense of belonging, recognition, the feeling of familiarity (Gillen & Morrison, 2003), friendship (Backer, 2019), and social support (Price & Arnould, 1999). These benefits have a connection to passengers' social standing, which is significant to their lifestyle and influences their choice of airline when traveling. Social benefits often focus on the customer-brand relationship (or consequence) of service-related experiences rather than being outcome-focused (or results-driven) (Hennig-Thurau et al., 2002).Reynolds and Beatty (1999) found that when consumers

believe they are obtaining both practical and social advantages from the transaction, they are more likely to be happy with salespeople.

## 2.5 Perceived General Attitude

In that it demonstrates care or sentiments for a customer's "personal matters; a real sincere attitude and attention to solving their problems," the general attitude is comparable to empathy. This dimension is made up of all the traits like comprehensive understanding, dedication, sincerity, sensitivity, and responsiveness to the needs and desires of the consumers (Parasuraman et al., 1988). By improving the quality and delivery of services to help consumers move forward in the future, empathy enables businesses to comprehend the customers they serve. By minimizing gaps in the relationship, showing displays of empathy helps promote tighter relationships.

In other words, airline alliances must develop their character and approach toward taking care of their customers. Additionally, the alliance offers considerably wider exposure by facilitating traveler transfers between member flights and offering superior amenities in comparison to non-alliance airline members. This contributes to the development of their brand image and offers "extra value." The treatment of customers in an airline alliance will unavoidably affect how they behave because of how the airline or alliance brand is represented. However, according to Park et al. (2004), the transportation industry frequently disregards company image. Alliances must work together to develop a fantastic corporate image in order to earn the trust of travelers. A study by Janawade (2013), Judith (2010),Suh and Youjae (2006) found that brand loyalty, consumer happiness, and intended behavior are all strongly influenced by corporate attitude.

## 2.6 Perceived Security and Safety

According to (Liou et al., 2007), there is a rising need for aviation safety programs, which is consistent with the industry's predicted five percent annual growth rate over the next 20 years. Users' perceptions of their security are measured by perceived safety (Rittichainuwat & Chakraborty, 2012). It also refers to the condition of being safe from harm and untouched by threats. Instead, according to other studies, perceived risk is the likelihood of losing something and subsequently feeling anxious, uneasy, or inconvenienced (Sweeney et al., 1999). Traveling and buying an airline ticket involves several dangers, including social, psychological, and physical. risks (Cunningham et al., 2002). Perceived risk is a significant factor to consider when investigating consumer behavior in air travel. Management, operations, maintenance, the environment, aircraft design, and air traffic control are just a few of the many variables that impact safety (Liou et al., 2007). Customer satisfaction is impacted by airline safety, according to several research (Atalik & Arslan, 2009; Climis, 2016; Johnson et al., 2006).

There is no clear definition for the extremely generic concept of safety. Accidents may come in many different shapes and levels of severity. An individual's impression of the likelihood of being in an accident may differ from the actuarial probability. No attempt is made to provide a precise definition of safety; instead, safety and security are addressed in generic terms. Everyone involved in aviation prioritizes safety above all else. Each of the 126,000 flights that take off and land each day must do so safely. According to the International Air Transport Association (2019), there were 0.28 fatal accidents for every 1 million flights or one fatal accident for every 4.2 million flights. The media will continue to draw close attention to incidents and catastrophes involving airplanes, but there is no denying that commercial air travel is now the safest mode of transportation. It is the industry's responsibility to maintain this standard and continuously improve its performance, particularly in regions where a safety culture is currently underdeveloped. Airline travel involves encountering risks. Purchasing an airline ticket entails several risk categories, including financial risk, social risk, and psychological risk, as is appropriate for other services (Cunningham et al., 2002; Roehl & Fesenmaier, 1992). Unlike most other services, flying puts people at risk for injury. Even though, according to the airline industry, "traveler safety" is its "number one priority" (International Air Transport Association, 2019).

As public transportation closely ties to human lives on a larger scale, many people concur that the activity's safety and security perspective is highly vital (Tri Basuki, 2006). Safety and security refer to the likelihood that travelers will be involved in an accident, whether it be involving a vehicle or something else, or that they will be the victim of crime. Travelers by air have the danger of becoming hurt in an accident involving an aircraft. However, while choosing a flight, most passengers do not consider the possibility of being in an accident (Fleischer et al., 2015).

# 3 Methodology

## 3.1 Research Design, Population and Sample

This study was descriptive in nature with self-administered questionnaires being used as the means of data gathering. Data was collected cross sectionally, and the unit of analysis was individual. The population was all travelers using airlines as the means of transportation, however travelers boarding for international flights were chosen as the sample or respondents. The sample criteria were above 20 years old with travel experience boarding at least one airline under the three airline alliances. Convenience sampling was used as the travelers are convenient to reach and voluntarily participate in the study.

According to a survey conducted by Malaysia Airport Holding Berhad (2019), the average number of international travelers using KL International Airport was 44,933,611 in the year 2019. The sample size was obtained through G* power calculator analysis. By considering the usage of the default setting or the pre-existing value within the

configurable statistical software ($\alpha = 0.05$, $\beta = 0.80$ and $f^2 = 0.15$) in G*Power version 3.1.9.2, a total of 98 responses were deemed as the minimum sample size for this research. With a response rate of 50%, the minimum sample size of 98 increases to 196.

### 3.2 Data Collection and Analysis

Data was collected by self-administered questionnaires as well as via an online platform. The online platform was used to increase the response rate as the data collection falls during the pandemic period. For online data collection, questionnaires were posted on Facebook that targeted at airlines operators and travel buddies' groups. In total, 448 questionnaires were collected via the self-administered survey (n=140) and online survey (n=308). Nevertheless, only 262 questionnaires (self-administered [n=127], online survey [135]) were considered as valid responses. One hundred and eighty-six questionnaires were discarded due to incomplete responses.

### 3.3 Instrumentation

The instrument was adapted from previous studies. The items were having their validity checked to enhance their relevance and focus. The questionnaire used English as it is an international language well known to respondents. The questionnaire was given in a booklet format as it was easy-to-read and presentable. As mentioned earlier, Janawade et al. (2015) proposed five dimensions of global airline alliances in the previous study, namely: (1) Perceived Extent of Network with six items, (2) Perceived Frequent Flyers Program with four items, (3) Perceived Price Competitiveness with four items, (4) Perceived Psycho-socio Benefits with four items and (5) Perceived General Attitude with five items. Beck et al. (2017) proposed perceived safety and security as part of their study on how safe airline travel is into the overall of airline safety and security from a traveller's perspective.

The questionnaire consists of two sections with the cover letter summarizing the researchers' intention, address, and affiliation. Section A covers all the questions regarding the six dimensions measured using five-point Likert scale, ranging from 1 – strongly disagree to 5 – strongly agree.

## 4 Findings

### *4.1 Profile of the respondents*

The respondents' profiles include gender, age, profession, and nationality. The majority of the respondence is male (170 with 64.9 per cent) of the 262 respondents were male, while 92 respondents or 35.1 per cent were female. The respondents' age ranges between 20 to 50 years old. The highest percentage of the age group falls between 31 to 40 years old with 54.6 per cent (n=143), while the lowest percentage age group was 51 years old and above with 5.0 per cent (n=13). In terms of profession, the higher percentage was from the Business Profession (48.1 per cent, n=126), followed by Academicians (19.2 per cent, n=47), civil servants (17.2 per cent, n=45), students (11.8

per cent, n=31), retirees (3.1 per cent, n= 80 and others (1.9 per cent, n=5). The highest percentage of travelers' nationality is Malaysian (56.1 per cent, n=147), followed by Australian (14.1 per cent, n=37), British (5.3 per cent, n=14), New Zealander (3.4 per cent, n=3.4.) and American (2.7 per cent, n=7). The minor nationalities who participated in this study are Czech Republic, German, Irish, Korean, Mexican, and Turkish, with a similar percentage (0.4 percent, n=1).

### *4.2 Discussion on Airline Alliance Perceived Value Dimension*

Based on the descriptive analysis, this study found that perceived network extension dimensions were the mostly agreed dimension followed by perceived safety and security and general attitude dimensions. The least agreeable dimension was perceived price competitiveness. Refer to Table 2. The next section presents the detail discussion of each dimensions.

Table 2: Airline Alliance Perceived Value Dimension

| Code | Measurement Items | Mean ($\mu$) | SD ($\sigma$) |
|---|---|---|---|
| PEN | Perceived Extended of Network | 3.4711 | 0.5649 |
| PFP | Perceived Frequent Flyers Program | 3.0000 | 0.8165 |
| PPC | Perceived Price Competitiveness | 2.6107 | 0.8847 |
| PSC | Perceived Psycho-socio | 2.9237 | 0.7693 |
| PGA | Perceived General Attitude | 3.0496 | 0.6734 |
| PSAF | Perceived Safety and Security | 3.3321 | 0.5875 |

*n=262*

*Five-point Likert Scale:*

*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*

*Mean ($\mu$) score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High*

### *4.3 Perceived Extent of Network*

Perceived extend of network measures the respondents on how they perceived the alliances and their network connection flight with partner airlines under the alliance. Airline alliances take passengers to every city on earth and reach over a thousand destinations scattered worldwide. Alliances offered an extended network through code-sharing agreements, where two or more airlines share the same flight, listing in the same reservation systems, making the booking easier and efficient connections.

Most of the responses leaned toward the mid-third point on the scale, indicating either 'neither agree nor disagree' level of magnitude. All the items have a moderate mean score ranges from 2.7824 to 3.4733. See table 3.

Table 3: Descriptive Analysis for Perceived Extended of Network

| Code | Measurement Items | Mean ($\mu$) | SD ($\sigma$) |
|---|---|---|---|
| PEN1 | Airline alliances facilitate travelling to most parts of the world. | 3.4733 | .56498 |
| PEN3 | Airline alliances provide easy access to large world cities. | 3.4084 | .60427 |
| PEN2 | Airline alliances provide convenient schedules with a wide variety of flights. | 3.3053 | .59233 |
| PEN4 | Airline alliances provide smooth continuous travel from one destination to other destinations. | 3.2176 | .69094 |
| PEN5 | Airline alliances provide transferable priority status from one airline to another airline. e.g., Connecting flights with a different airline. | 3.0878 | .73495 |
| PEN6 | Airline alliances provide access to an airline lounge at the airport. | 2.7824 | .87231 |

*n=262*

*Five-point Likert Scale:*

*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*

*Mean ($\mu$) score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High*

The highest most agreeable mean score is 'Airline alliances facilitate travelling to most parts of the world' (mean = 3.4733, SD = 0.56498), followed by 'Airline alliances provide easy access to large world cities' (mean = 3.4084, SD = 0.60427), 'Airline alliances provide convenient schedules with a wide variety of flights' (mean = 3.3053, SD = 0.59233), Airline alliances provide smooth continuous travel from one destination to other destination' (mean = 3.2176, SD = 0.69094). The item 'Airline alliances provide transferable priority status from one airline to another airline. E.g. - Connecting flights with different airlines with mean score (mean = 3.0878, SD = 0.73495). 'Airline alliances provide access to an airline lounge at the airport' (mean = 2.7824, SD 0.87231) is the lowest agreeable item. This can be related to the type of travel class in this study, where most respondents are from economy class. In general, only business class, first-class passengers, or passengers with high points of frequent flyer program are entitled to

utilize the lounge at the airport. Perhaps this is the plausible explanation for the item to have the least mean score. Meanwhile, the top highest agreeable items (PEN 1, PEN2, PEN 3) can be considered the main reasons passengers engaged themselves with Frequent Flyer Programs of the alliance because of the restriction of flying of one airline. Through alliances, passengers can use various airlines under the alliance to reach any destinations and better plan and have better options for their travel.

### *4.3 Perceived Frequent-Flyer Program (FFP)*

Perceived frequent-flyer program measures the respondents on how they perceived the frequent-flyer program under the alliance. The airline frequent flyer program is designed to ensure e passengers are loyal to the airline. As a return, they will be rewarded with the mileage point for exchange with benefits. Frequent flier rewards can accumulate across airlines within the same alliance, and it will reduce the time for passengers to reach the mileage point for rewards.

Table 4: Descriptive Analysis for Perceived Frequent-Flyer Program (FFP)

| Code | Measurement Items | Mean ($\mu$) | SD ($\sigma$) |
|---|---|---|---|
| PFP1 | I believe airline alliances passengers are well rewarded for their loyalty. | 3.0000 | .81650 |
| PFP3 | I believe this alliance accepts redemption of frequent flyer points obtained from other airlines under the same alliance. | 2.9885 | .78043 |
| PFP2 | I believe airline alliances frequent flyers get attractive bonuses. | 2.9504 | .78870 |
| PFP4 | I believe passengers receive the same benefits from other airlines under the same alliance. | 2.7710 | .91864 |

*n=262*

*Five-point Likert Scale:*
*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*
*Mean ($\mu$) score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High.*

Table 4 reveals that the total mean score for this section was 2.925, which is considered a moderate score. Item 'I believe airline alliances passengers are well rewarded for their loyalty,' has the highest mean score (mean = 3.0000, SD = 0.81650), followed by 'I believe this alliance accepts redemption of frequent flyer points obtained from other airlines under the same alliance,' with a mean score of (mean = 2.9885, SD = 0.78043). Next, 'I believe airline alliances frequent flyers get attractive bonuses' (mean

= 2.9504, SD = 0.78870). The final statement was 'I believe passengers receive the same benefits from other airlines under the same alliance' with the mean score (mean = 2.7710, SD = 0.91864). Most of the respondents were travelling in the economy class and domestic sector, as it can be assumed that respondents were not frequently travelling, and it is assumed that they were not interested in the frequent flyers program offered by the airlines.

### *4.4 Perceived Price Competitiveness*

Perceived price competitiveness measures the respondents on how they perceived the price under the alliance. Major airline alliances enjoy antitrust immunity, and the alliance partners can engage in cooperative pricing of interline trips. This will help the airline to streamline the ticket price and be competitive with others. Perceived Price Competitiveness dimension consists of four (4) items, and the descriptive analysis is presented in Table 5. In general, the total mean score for Perceive Price Competitiveness is moderate. All the items have a moderate mean score ranging from 2.3015 to 2.6107. The highest agreed mean score is 'I believe airlines under the same alliance provide attractive saving on ticket flight' (mean = 2.6107, SD = 0. 88471), followed by 'I believe airlines under the same alliance provide attractive savings when I book other services such as hotels, cars, under the alliance' (mean = 2.5382, SD = 0.86018), and 'I believe the airline ticket price under the same alliance makes my travelling more affordable' (mean = 2.5229, SD = 1.02715). Finally, 'I believe passengers receive the same discount or offer from other airlines under the same alliance' (mean = 2.3015, SD = 0.91639).

From the result, it can be summarized that majority of the respondent moderately disagreed with the statement that the price offered by the airline alliance is competitive in the market. Perhaps, this was possibly due to respondents having an option and compared with the low-cost carrier who offered cheaper price. However, the airline's price under the alliance includes airport and services tax, baggage allowance, travel insurances, inflight food and beverages, inflight entertainment, and inflight amenities such as comfort kits, pillows, and blankets for long-haul flights. Meanwhile, for low-cost carriers, the price they charge is not inclusive as the premium airlines and travelers need to add on with different prices charged.

Table 5: Descriptive Analysis for Perceived Price Competitiveness

| Code | Measurement Items | Mean ($\mu$) | SD ($\sigma$) |
|---|---|---|---|
| PPC1 | I believe airlines under the same alliance provide attractive savings on ticket flights. | 2.6107 | .88471 |
| PPC3 | I believe airlines under the same alliance provide attractive savings when booking other services such as hotels, cars, etc. | 2.5382 | .86018 |

| | | | |
|---|---|---|---|
| PPC2 | I believe the airline ticket price under the same alliance makes my travelling more affordable. | 2.5229 | 1.02715 |
| PPC4 | I believe passengers receive the same discount or offer from other airlines under the same alliance. | 2.3015 | .91639 |

*n=262*

*Five-point Likert Scale:1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree.*
*Mean* $(\mu)$ *score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High.*

### *4.5 Perceived Psycho-socio*

Perceived psycho-socio measures the respondents on how they perceived their relationship with the alliance. In Perceived Psycho-socio, Simonin and Ruth (1999) highlight the importance of customers in inter-organizational collaborations and note that for an alliance to be successful, customers "should be given respect and attention" when deciding to engage in a strategic alliance." Based on Table 6, the magnitude of mean scores for the four items in Perceived Psycho-socio is between 2.6794 and 2.9237. All items have moderate mean scores. The highest agreeable mean score is 'I believe airlines associated with an alliance are prestigious' (mean = 2.9237, SD = 0.76932). This is followed by 'I believe all airline alliances passengers are treated with equal respect' with (mean score of = 2.7939, SD = 0.81384) and 'I believe being associated with airline alliances improves the way others perceived me,' with (mean = 2.7557, SD = 0.88054). The least moderate mean score item is 'I believe being associated with airline alliances improves my image of myself and gives a good image to me' (mean = 2.6794, SD = 0.93274).

It can be concluded that most respondents somehow disagreed with the statement that airline alliances can improve travelers' images when they travel using the airline alliance. From this study, respondents found out that airlines that collaborate with airline alliances do not show the prestige of the airline itself.

Table 6: Descriptive Analysis for Perceived Psycho-socio

| Code | Measurement Items | Mean $(\mu)$ | SD $(\sigma)$ |
|---|---|---|---|
| PSC4 | I believe airlines associated with an alliance are prestigious. | 2.9237 | .76932 |
| PSC1 | I believe all airline alliance passengers are treated with equal respect. | 2.7939 | .81384 |
| PSC3 | I believe being associated with airline alliances improves the way others perceive me. | 2.7557 | .88054 |

| | | | |
|---|---|---|---|
| PSC2 | I believe being associated with airline alliances improves my image of myself and gives a good image to me. | 2.6794 | .93274 |

*n=262*
*Five-point Likert Scale:*
*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*
*Mean ($\mu$) score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High.*

### *4.6 Perceived General Attitude*

This dimension measures the respondent's response towards their perception of an airline alliance. Perceived General Attitude dimension consists of five (5) items, and the descriptive analysis is presented in Table 7. Most of the agreeable mean scores are moderate. There are two statements that are prone to neither agree nor disagree compared to three statements that disagree. The highest agreeable mean score is, "I feel that travelling with airline alliances for a long trip allows a better trip organization (booking, transfer and connecting)" with (mean = 3.0496, SD = 0.67340), followed by "I feel that the brand image of the alliances represents the airlines under them" (mean = 3.0458, SD = 0.73618). The mean score for "I feel that travelling with airlines under the alliance for a long trip is better than airlines not under any alliances" is (mean = 2.9122, SD = 0.85988). While "I feel that connecting flights within airlines under the alliance are always better than airline not under alliances" has the score of (mean = 2.8397, SD = 0.83337). Lastly, "I feel that travelling with airline alliances for a long trip is worth it, even if it costs more" (mean = 2.5954, SD = 0.97697).

It can be concluded that most of the respondents disagreed that travelers agreed to pay more for a long trip using an airline alliance. The traveler also disagreed that connecting flights with airline alliances is better than the others. This answer prone to the possibility that most travelers travel from one sector journey or direct flight to their destination (i.e., London to Kuala Lumpur), and they are not on transit at other airports before they connected with other flights to reach their destination (i.e., London – Hong Kong – Kuala Lumpur).

Table 7: Descriptive Analysis for Perceived General Attitude

| Code | Measurement Items | Mean ($\mu$) | SD ($\sigma$) |
|---|---|---|---|
| PGA4 | I feel that travelling with airline alliances for a long trip allows a better trip organisation (booking, transfer and connecting). | 3.0496 | .67340 |
| PGA5 | I feel that the brand image of the alliances represents the airlines under them. | 3.0458 | .73618 |
| PGA2 | I feel that travelling with airlines under the alliance for a long trip is better compared to airlines not under any alliances. | 2.9122 | .85988 |

| | | | |
|---|---|---|---|
| PGA1 | I feel that connecting flights within airlines under the alliance are always better than airline not under alliances. | 2.8397 | .83337 |
| PGA3 | I feel that travelling with airline alliances for a long trip is worth it, even if it costs more. | 2.5954 | .97697 |

*n=262*
*Five-point Likert Scale:*
*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*
*Mean* $(\mu)$ *score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High*

### *4.7 Perceived Safety and Security*

Safety and security are the attributes that potential customers and investors look at during decision-making. The airlines industry has different historical safety records in terms of accidents experienced, but it also relates to how they have been held negligent for accidents (Moses & Savage, 1990). Airlines also offer different frequencies and qualities of service with their fares. Potential passengers would make trade-offs with the carriers' various attributes when selecting the airline, they wish to fly in a perfect world. The perceived safety and security dimension consists of five (5) items, and the descriptive analysis is presented in Table 8. On the surface, respondents have similar opinions on the perceived safety and security. The magnitude of agreeable mean scores for the five items in perceived safety and security is between 3.0305 and 3.3321. All items have moderate mean scores. The highest agreeable mean score is "I feel that airlines authorities do their best to make air travel safe" (mean = 3.3321, SD = 0.58758), followed by "I feel that airlines authorities do their best to minimize threats from passengers" (mean = 3.2595, SD = 0.63231), "I feel that airlines authorities do their best to minimize mechanical threats, e.g., aircraft" (mean = 3.2328, SD = 0.80895) and, "I feel that the airline authorities do their best to minimize threats from staff (pilot/cabin crew/ground staff)" with (mean = 3.1450, SD = 0.72843). The least mean scores item is "Overall, I feel safe when on-board in any airlines from this alliance" (mean = 3.0305, SD = 0,75748).

Table 8: Descriptive Analysis for Perceived Safety and Security.

| Code | Measurement Items | Mean $(\mu)$ | SD $(\sigma)$ |
|---|---|---|---|
| PSAF2 | I feel that airlines authorities do their best to make air travel safe. | 3.3321 | .58758 |
| PSAF3 | I feel that airlines authorities do their best to minimise threats from passengers. | 3.2595 | .63231 |
| PSAF5 | I feel that airlines authorities do their best to minimize mechanical threats. (e.g., aircraft) | 3.2328 | .80895 |
| PSAF4 | I feel that the airline authorities do their best to minimize threats from staff (pilot/cabin crew/ground staff). | 3.1450 | .72843 |

| | | | |
|---|---|---|---|
| PSAF1 | Overall, I feel safe when on-board any airlines from this alliance. | 3.0305 | .75748 |

*n=262*
*Five-point Likert Scale:*
*1 – Strongly Disagree, 2 – Disagree, 3 – Neither disagree nor agree, 4 – Agree, 5 – Strongly Agree*
*Mean ($\mu$) score: <1.99 – Low, 2.00 to 3.99 – Moderate, >4.00 – High.*

This study found that most respondents neither disagree nor agree with the statement on perceived safety and security. This can be assumed that respondents still feeling sceptical about the effort shown by the airline's alliance towards safety in aviation. It is safe to assume that aviation incidents and accidents had given a bad remark for travellers. This is the most challenging for airlines, especially to ensure their safety records are clean.

## 5 Discussion and Conclusion

Air transport is an innovative and environmentally responsible industry that promotes economic and social progress. It is one of the main contributors to developing modern society and a chosen mode of travel for customers for international destinations. To ensure that air travel will be efficient and innovative, all airline alliance operators need to promote infrastructure improvement by new and shorter air routes, expanded airport capability and better land connectivity to airports without enforcing unnecessary conditions or limiting the sustainable growth of the industry. This study has outlined a global airline alliance perceived value as perceived by the travelers. This study found that Perceived Extended of Network dimensions received the highest mean with 3.4711. This is followed by Perceived Safety and Security (3.3321), Perceived General Attitude (3.0496), Perceived Frequent Flyers Program (3.0000), Perceived Psycho-socio (2.9237) and Perceived Price Competitiveness (2.6107).

The finding that Perceived Extend of Network received the highest mean value of 3.4711 indicates that travelers perceive the breadth and extent of the airline alliance's network as a significant factor contributing to their overall perceived value. This makes sense as a broader network provides travelers with more flight options, destinations, and connectivity, enhancing their convenience and flexibility in planning their travel itineraries.

Safety and security are crucial factors for travelers when choosing an airline and alliance. Higher perceived safety and security contribute to travelers' peace of mind, reducing their concerns about potential risks or incidents during their journey. Airline alliances that prioritize and communicate their commitment to safety measures and protocols can enhance travelers' confidence in their services, leading to a higher perceived value.

Perceived General Attitude dimension reflects travelers' perceptions of the overall attitude and behavior of the airline alliance and its members. A positive general attitude includes factors such as friendly and helpful staff, responsive customer service, and a customer-centric approach. When travelers feel valued and well-treated throughout their interactions with the alliance and its members, it contributes to their overall positive experience and perceived value.

Perceived Frequent Flyers Program, focuses on the benefits and rewards associated with loyalty programs offered by the airline alliance. Travelers who are frequent flyers and members of loyalty programs expect to receive special privileges, such as priority boarding, lounge access, upgrades, and bonus miles. When travelers perceive the frequent flyer program as valuable and rewarding, it enhances their overall experience and perceived value.

Perceived Psycho-socio refers to the emotional and social aspects of the traveler experience within the airline alliance. It encompasses factors such as personal satisfaction, emotional well-being, and social interactions with the airline alliance staff and fellow travelers. Positive psycho-socio experiences, such as feeling delighted, valued, or connected, contribute to travelers' overall satisfaction and enhance their perceived value.

Perceived Price Competitiveness reflects travelers' perceptions of the competitiveness of prices offered by the airline alliance compared to other options in the market. While price is an important factor for many travelers, it seems that other dimensions, such as network coverage, safety, and general attitude, have a stronger influence on travelers' perceived value in this study.

Overall, the analysis suggests that travelers place significant importance on the extent of the network, safety and security, general attitude, frequent flyer programs, psycho-socio experiences, and, to a lesser extent, price competitiveness when assessing the perceived value of airline alliances. These dimensions collectively contribute to shaping travelers' experiences and influencing their satisfaction and loyalty towards the alliance.

Each airline alliance has its own brand, which is used in conjunction with the airline's individual brand in marketing promotions among the partners. According Morsing and Kristensen (2002), individual airlines consider the alliance brand as nothing more than a sub-brand. However, Wang (2014) emphasizes the effects of entering an alliance partner in raising airline brand value. The study found that airline alliances have successfully impacted traveler purchasing intention, especially among frequent flyer traveler global airline alliances. The above study shows that global airline alliance brand could influence alliance brands that subsequently influence the travelers purchasing intention. Global airline alliances offer numerous benefits, including the ability to fly to new destinations, protection against competition's negative effects, effective and efficient work, financing opportunities, and marketing ease, and continues to develop with new services.

Gang Hoon and Munehiko (2020) found that frequent flyer membership was important for business travelers but not significantly for leisure traveler. Each airline alliance has their frequent program, such as Oneworld Alliance (Ruby, Sapphire and Emerald), Star Alliance (Star Alliance Silver and Star Alliance Gold) and SkyTeam alliance (SkyTeam Elite and SkyTeam Elite Plus). As a member of frequent flyers, travelers receive the benefits such as easy access for flight booking and priority to check-in. Their information was also kept in the airline and alliance database systems. The saved information would help to smooth travelers' check-in process and save their time. On top of that, frequent flyers program members can also redeem their miles points for flight amenities such as the airline lounge, extra baggage allowance, preference seat and upgrade to premium economy, business class or first class. Although every airline has different policies, members of the airline alliances must comply with the alliance regulation. The concept behind frequent flyer programs is to convert their passengers to lifetime customers. This strategy is a cost-saving strategy and a better way for airlines to retain their customers rather than find new customers. Takahashi (1996) showed that the perceived value of the frequent flyers program positively affects airline loyalty.

On the other hand, price competitiveness is also one of the dimensions in global airline alliances perceived value. Numerous factors influence the airfare price in the airline industry, such as airport, route, time, and flag carrier (Kiarashrad et al., 2021). As such, airfare is a vital factor that travelers consider when choosing an airline (Kiarashrad et al., 2021). According to Vlachos and Lin (2014), price perception can be referred to as the monetary price, i.e. the consumer-coded price of goods or services, and behavioral price, i.e. time and efforts used to look for or serve the community, evolution of convenience and values. Purchase decisions are focused on the interpretation of prices by travelers and what they perceive to be the current actual price (Kotler & Keller, 2009). It was also concluded that the monetary price is significantly correlated to revisit intention (Kotler & Keller, 2009). In the airline industry, the ticket prices consist of base fare, taxes and airport fees, fuel surcharge, service fee, food and beverages, seat selection and baggage. For airline alliances members, this airfare was agreed upon by the members' partners. The price can be more competitive when the airline operator does not need to spend on the ground labor cost and the facilities. Alliance members can share the facilities and staff with other members, such as check-in counter, ground handling facilities, aircraft engineer and maintenance service, aircraft cleaner, and airport lounge. Therefore, they can reduce the service fee in the airfare ticket price and offer better benefits to travelers. Retaining customer loyalty is vital in the airline industry.

Loyalty is one of the main factors in the airline industry that plays an important role in influencing competitive advantages, such as wallet share and market share (Liu & Lee, 2016). In addition, the much lower the price of the ticket, the higher the opportunity among travelers' to generate loyalty to the airline (Calisir et al., 2016). As global airline alliance offered competitive prices with high value, this offer would gain traveler airline alliance's trust and confidence for their value for their money during

purchasing and using airlines alliance. With the competitive price offered by the airline alliance, this will encourage the travelers to choose the airline under that alliance as their priority. The airline alliances could set the minimum air fare ticket among alliance partners to share the facilities, such as check-in counter, ground staff handling, and airport lounge. This strategy allows airlines to offer lower price airfare tickets, creating more competition among the alliances' partners. The price competitiveness would entice travelers to be loyal to the alliance brand when choosing airline and destinations. Another advantage of airline alliance is area coverage, as explained next.

The Oneworld alliance offered 1000 destinations for their travelers. For example, Malaysian Airlines only covered 55 destinations, however as a member of the Oneworld alliance, the codeshare and partnership with the other airlines under the Oneworld alliance, Malaysia Airlines now can offer up to one thousand destinations for their travelers. Code sharing allows one airline to sell seats on the flights of an alliance partner. Airlines benefit from code sharing because it provides an indirect way to enter a new market where costs and other regulatory frameworks cause expensive direct entry prohibitively. It also helps airlines expand their networks to provide outstanding customer service. Code-sharing benefits travelers by increasing flight frequencies, improving more effective connections, providing more frequent flyer miles, and various other benefits. Travelers also can benefit from re-ticketing across member airline alliances, point accumulation and airport lounge offerings. For example, if a travelers' flight with one carrier was delayed, they could find other airlines in the same alliance to help them reach the destination faster. The initial airline operator could replace the travelers booking with the alternate flight under the same alliance. Star Alliance had serviced 728 million travelers in 2020, with 26 of their alliance members (Shen & Yahya, 2021). Meanwhile, the Oneworld alliance had carried 527.9 million travelers per year under the thirteen airline members under this alliance (Star Alliance, 2021), and the SkyTeam alliance of nineteen members transported up to approximately 730 million people each year (Oneworld Alliance, 2021). The extension of the network by airline alliance partners can create a seamless journey for the traveler and create alliance brand awareness among the travelers worldwide, especially via alliance airport destinations. All airlines under the alliances will use the alliance logo on their website online and printed advertisement for their promotion. This step will create alliance partners visibility in the airline market. and enhance the travelers' trust to choose them as their choices of airline alliance for their travel. For example, Fiji Airways operates international services from its hubs in Fiji to 13 countries and 23 cities including Australia, New Zealand, Samoa, Tonga, Tuvalu, Kiribati, Vanuatu and Solomon Islands (Oceania), the United States, Hong Kong and Singapore. By joining the Oneworld alliance, Fiji Airways has extended their network to 108 international destinations through its codeshare partners even though Fiji Airways has a less destinations in the Oneworld alliance. This would give opportunities for traveler to travel seamlessly to and from Fiji. Another benefit of airline alliances is better safety and security during travelling.

Safety and security are vital requirements among travelers when choosing airlines (Oneworld Alliance, 2020). An airplane crash does not occur often, but it attracts a lot of media attention when it does, and travelers frequently question whether flying is a safe activity after an accident (U.S. Department of Transportation, 2019). The Germanwings A320 crash, the disappearance of MH370, the shooting down of MH17, the Air Algeria AH5017, and the TransAsia GE222 crashes all happened in quick succession in 2014 and early 2015. The circumstances of each of these incidents may have a different impact on different aspects of people's perceptions of air travel over different periods. They may impact the general perception of aviation safety and the perception of specific airlines within alliances or geographic regions (Gilbert & Wong, 2003). Commercial aviation is one of the safest modes of transportation, with statistics indicating that it has become even safer in recent decades. In 2019, more than 4.5 billion travelers flew safely on 46.8 million flights, and there were 53 aircraft accidents for scheduled commercial air transport operations in 2019, compared to 62 accidents in 2018 (Koo et al., 2018). All major safety performance indicators improved in 2019 compared to 2018.

All airlines followed the safety regulation by IATA Operational Safety Audit (IOSA). This audit examines an airline's safety across various areas, including flight operations, ground handling, security management, and maintenance, to ensure that it meets or exceeds international operational safety requirements (IATA, 2020b). Global airline alliances need to ensure the airline partner needs to follow the benchmark by the IOSA for global safety management in airlines. Airline alliances have launched an information portal to provide travelers with the most up-to-date information on the health and well-being measures they can expect while travelling, demonstrating the global alliance's member airlines' commitment to passenger safety and care. For airline alliances members, safety has always been a top priority. While flying is different during these challenging times, alliance members have taken extra precautions to ensure the health and safety of their passengers.

Academically, this study provides a platform for future researchers to explore more about perceived value regarding airline alliance. The current findings also add to the literature on the most agreeable dimension of perceived value of airline alliance. The findings also provide input on the dimensions that need to be focused by the airline alliance operator to better strategize their resources in serving their customer and enlarging their market share.

## 6 Limitations and Future Research

There are several limitations worth mentioning. This study applied a quantitative approach that used statistical, analytical, or mathematical methods to collect measurable data to address a research question. Quantitative research can be constrained in its pursuit of concrete, statistical relationships, leading researchers to miss out on wider themes and relationships. This limitation will put the researcher at the

risk of losing out on surprising or big-picture details on the variable and finding. Therefore, future studies are suggested to use other approaches such as qualitative or mixed method approach to get a more comprehensive perspective. Additionally, this study only investigated several dimensions which are perceived extent of network, perceived frequent-flyer program, perceived price competitiveness, perceived psycho-socio, perceived general attitude and perceived safety and security. Future research is also recommended to explore other dimensions that can enhance the description of the phenomena.

## 7 About the Author

Nor Hisyam Seliman holds a Diploma in Hotel Management, a BBA (Hons) in Human Resources Management, and has completed his master's degree in hospitality management from Universiti Teknologi MARA. Nor Hisyam Seliman is an experienced professional in the airline industry with 22 years of experience. He is currently responsible for managing the Leadership Executive Accelerated Programme (L.E.A.P) in Malaysia Aviation Group (MAG). Prior to his involvement in the airline industry, he gained significant experience in the room division of various established hotels in Malaysia. With his extensive background in both the airline and hospitality industries Nor Hisyam brings a unique perspective and expertise to his role in managing the Leadership Executive Accelerated Programme. His experience in different areas of the industry and his educational qualifications make him well-suited for guiding and nurturing future leaders within MAG.

Associate Professor Dr Norzuwana Sumarjan is a passionate hospitality educator with extensive expertise in the field of hospitality management. As a Certified Hospitality Educator, Norzuwana earned her Ph.D. in Hospitality Management from Iowa State University. With more than two decades of experience in the academia, and a wealth of experience in the industry, Norzuwana currently serve as the Dean of the Faculty of Hotel & Tourism Management, in UiTM - the largest university in Malaysia. Her research interests include Hospitality Management, Quality Management, Ageing Population and Organizational Behaviour.

Associate Professor Dr Salleh Mohd Radzi is an Associate Professor at the Faculty of Hotel and Tourism Management, UiTM. HE has lectured in strategy, research methodology, food cost control and managerial accounting for 30 years. He earned his PhD in Management from Universiti Putra Malaysia. His research interest covers several aspects across hospitality management, revenue management, and strategic management.

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