

Consumer Perceived Value of International Networked Services: An Exploratory Study of the Case of an Airline Alliance

Vikrant Janawade

Correspondence: Vikrant Janawade, Aix Marseille Université, Faculté d'économie et de Gestion – Forbin, 15-19, Allée Claude FORBIN, 13627 Aix en Provence, France. E-mail: vikrant.janawade@univ-amu.fr

Received: May 25, 2012

Accepted: June 7, 2012

Online Published: December 31, 2012

doi:10.5539/ibr.v6n2p20

URL: <http://dx.doi.org/10.5539/ibr.v6n2p20>

Abstract

For the past few decades airline alliance has been a talk among the airline industry researchers and practitioners alike. Airline alliances have revolutionised airline industry and are largely seen as a group of cherry picked culturally diverse international airlines, with an aim to reduce their operating costs and increase their market shares in regions where they can't freely operate. The significance of multi-lateral airline alliances and the benefits derived by the members that forge an alliance have regularly featured in strategic alliance literature. Researchers have shed light on the strategic alliance's operations, their revenue management and human resource management. However, with respect to marketing strategies of an airline alliance, to date, researchers have not addressed consumer perceptions of value gained by using the services offered by a multi-lateral airline alliance. Therefore, this paper aims to understand the attributes of consumer perceived value of an airline alliance and the services which influence consumers to form attributes of consumer's perceived value of an airline alliance.

Keywords: consumer perceived value, strategic alliance, multi-lateral airline alliance

1. Introduction

The developments of multi-lateral airlines alliances have become a subject of discussion to the airline industry audiences and their successes have been regularly penned by research scholars and practitioners alike. As airline alliances are developing gradually, they have become a matured and advanced form of strategic alliance (Oum & Park, 1997). Over the past few decades, airline alliances are expanding and, more and more international airlines have flocked to form their flying clubs. Today, three large well established airline alliances, namely Oneworld, Skyteam and Star Alliance have become the most prominent airline alliances in the airline industry (Kleymann & Seristö, 2001; Iatrou & Oretti, 2007; Stern & Hutchinson, 2011). The rise of airline alliances is due to the fact that alliance carriers can co-operate amongst each other by using their skills, experience and resources to gain mutual benefits to reach large numbers of customers (Fan et al., 2001; Wargenau & Che, 2006). And the success of sustaining their growth have been characterised by their exclusive alliance membership policies and an airline alliance's joint marketing strategies with their members (Oum & Park, 1997; Park & Cho, 1997; Fan et al., 2001). Their exclusive alliance membership allows an airline to become a member of a particular airline alliance and its rights to have joint activities with the members of their respective airline alliance only, but not with any other airline alliances (Fan et al., 2001). And with respect to joint marketing activities, the alliance carriers co-operate amongst each other to sell and promote their respective airline alliance's services to their consumers (Oum & Park, 1997; Park & Cho, 1997; Fan et al., 2001; Weber, 2005; Morrish & Hamilton, 2002; Ito & Lee, 2007; Saglietto, 2009). It is interesting to note that, an alliance presenting just only one of the above two mentioned characteristics cannot help to develop the growth of an airline alliance. However, as soon as the exclusive membership and joint marketing characterise a multi-lateral alliance, the co-operation elates to become clearly a strategic one (Fan et al., 2001).

In the last two decades several researchers have worked on the issues concerning exclusive alliance membership of an airline alliance and the potential benefits drawn by the alliance carriers in entering an alliance (Hannegan & Mulvey, 1995; Park & Cho, 1997; Oum & Park, 1997; Li, 2000; Gudmundsson & Rhoades, 2001; Oum & Zhang, 2001; Fan et al., 2001; Gudmundsson et al., 2002; Kleymann, 2005; Iatrou & Alamdari, 2005; Czipura & Jolly, 2007). However, on reviewing strategic alliance literature, studies suggest that the consumer perceptions of the benefits offered by a global airline alliance remained uncertain (Evans, 2001) and often neglected (Weber, 2003). Therefore, following, these studies, few scholars highlighted some issues to address the consumers

perception of airline alliance's Benefits and loyalty programs (Uncles & Goh, 2001; Goh & Uncles, 2003); Weber (2005;2003) addressed the consumer perceptions of airline alliance's service performance and their service failure and recovery issues; Tsantoulis & Palmer, (2008) and Tiernan et al.(2008) addressed the airline alliance's quality convergence and performances levels ; and finally Kalligiannis, 2009 provided useful information about the airline alliance's issues in branding inconsistencies.

The importance of federated structure of a multi-lateral global airline alliance and the benefits offered by the airline alliances to their respective members are widely discussed in literature. But, despite, all the scholarly research carried for understanding the services provided by airline alliance to the consumers. Surprisingly, the consumer perceptions of value derived by using airline alliance's co-operative services remain unaddressed to date. Understanding the importance of value is significant, because the most important role of airline alliance is to provide value to their customers (Kleymann & Seristo, 2004). However, the subject of consumer's perception of value derived by the using an airline alliance remains an unexplored issue so far. Therefore, this lack of understanding in consumer's value perceptions of an airline alliance creates a research gap to be explored and addressed to the strategic airline alliance and marketing scholars alike.

Hence, this paper makes an attempt to present the issues concerning the consumer perceived value of the co-operative services offered by an airline alliance in four folds. The first part of the paper aims to briefly understand strategic alliances in general and consequently understand the typology and functions of strategic airline alliances in particular. In the second part of the paper, the discussions extend to understand any scholarly works developed by marketing researchers to understand the attributes and measurement issues of consumer perceived value of co-operative services provided by multiple-service providers like a strategic airline alliance. The main goal of this section is to develop an understanding of consumer perceived value concepts, definitions, their measurement constructs developed so far and to trace any research gap on consumer perceived value in strategic airline alliance marketing literature. In the third part of this paper, the paper draws a research methodology to investigate the consumer perceived value of an airline alliance as a research gap under scrutiny. The research methodology was drawn by arranging successive interviews with cherry picked air travellers to uncover how consumers draw their perceptions and attributes of consumer perceived value of an airline alliance's services. The fourth part of the paper analyses the interviews to find the attributes that determine the consumer perceived value of an airline alliance and finally to understand the services that influence the consumers to form attributes of the perceived value of an airline alliance.

2. The Research Context

Over the last few decades, many companies are facing high competition to keep up the pace of bringing new products and services to sustain their growth and expand in new markets. Whilst competitive forces act on several industries, some companies merged to give a new shape and dimension to their new association, whilst others either acquired or got acquired by other companies. In any case, competitive forces did play an important role in joining forces with other companies for maintaining the momentum their growth. Somewhere along these lines, were the formations of strategic alliances, which in comparison are very different transactions to mergers and acquisitions and are handled differently (Anslinger & Jenk, 2004). Though, strategic alliances are challenging to manage because of the complexities in matching the objectives of all the participating organisations which are headquartered in two or more countries (Nielsen, 2007). Yet, strategic alliances have become an interesting association of companies which are rapidly developing to attest the significance of doing business across international and organisational borders. Therefore, in this section of the paper, this part of the discussion describes the reasons for creating a strategic alliance, their objectives, and their functions. And consequently the discussion extends to understand strategic alliance in airline industry context and to understand on how a group of multi-lateral airline alliance that dove tail their services with their partners to provide services to the customers

2.1 Strategic Alliance

A business alliance is defined as "an ongoing, formal, business relationship between two or more independent organisations to achieve common goals" (Seth & Parvatiyar, 1992). The common goals are to develop or grow during a rather long period, and the resulting alliance formed can be termed as a strategic one. In the case of a strategic alliance, indeed, the aims of the cooperation are very close to the ones of each organisation and the means used have an obviously strategic dimension whether it is to gain competitive advantages or to get a technological advance (Das & Teng, 1998; Palmer & Bejou, 1995). This form of co-operation among organisations to form an alliance has become a strategic model of choice in several industries (Gudmundsson & Rhoades, 2001). In a highly competitive environment, several companies form alliances to move into new

markets, to circumvent strict governmental restrictions, to embrace or circulate latest technologies or to learn quickly from other companies within their industry circles (Elmuti & Kathwala, 2001). Therefore governmental regulations, information technology, competitive and economic conditions are the main drivers of alliance creation (Contractor & Lorange, 2002). The rise of alliances and other types of inter-firm co-operative arrangements have become a two decade phenomenon. Many observers predicted this trend would remain brief or gradually slow down. However, contrary to these predictions, formation of alliances has gradually increased in numbers over the decades. The increase in formation of an alliance has been largely based on ideas of different owners that favoured customised, elastic and disinternalised services. These ideas of different owners co-operated with each other forming a value chain and gradually contributing to the growth of alliances (Contractor & Lorange, 2002).

Alliances help their members to combine their resources and skills, to learn new aspects of the industry and to reduce rivalries (Doz & Hamel, 1998). Alliances usually have two different functions and have two different forms of relationships, according to the advantages sought when forging them: In vertical relationships, organisations forge alliances upstream or downstream their supply chain to cover large markets with better or diverse services to their customers. In a horizontal relationship, the organisations (may be even competitors), collaborate with one another to gain mutual benefits and at the same point in the distribution channel, thereby increasing their businesses to reach a large number of customers. For e.g. Airline alliance is a classic example of horizontal alliance (Wargenau & Che, 2006; Blackett & Boad, 1999).

Abundant literary works on strategic alliance have featured the formation of a strategic alliance, its governance structure, its evolution and the consequences of entering in an alliance agreement (Gulati, 1998). Other works have discussed numerous specific aspects, such as the longevity and effectiveness of an alliance (Parkhe, 1991), the capacity of self sustained learning (Hamel, 1991), the transaction cost (Parkhe, 1993), the value creation of an alliance (Doz & Hamel, 1998), the knowledge connections facilitating alliance learning (Inkpen, 1998), the strategic decision for entering an alliance (Koza & Lewin, 2000), the success factors of an alliance (Hoffmann & Schlosser, 2001), how to choose the right alliance partners in a supply chain (Lin & Che, 2004), the just-in-time relationship architecture of alliance partners on their supply chain performance (Narsimhan & Nair, 2005), the value created by an alliance with nonprofit organisations (Kumar & Malegeant, 2006), the multi decision making process for choosing an e-logistics alliance partner (Buyukozkan et al., 2008), the motivation and criteria of partner selection (Chen et al., 2010), the guidelines to choose a partner from transition economies (Young et al., 2011), the links between the antecedents of international alliances and performances and also the mechanisms that drive the alliance partnerships (Christoffersen, 2012). However, following the research work on strategic alliance, literature suggests that the consumer perceptions of airline alliance's value are not clearly addressed. And hence, this leaves an opportunity for discussing how matured alliances are valued and evaluated by their end user.

2.2 Airline Alliance

Following the deregulations of the American airline markets from the late 70's, the American aviation market witnessed phenomenal changes in the way airlines operated. The period led to restructuring of airline operations, wherein, some airlines created a new business model of operating with hub and spoke networks (Gillen & Morrison, 2005). This hub and spoke model attracted airlines to consolidate and eventually led to creation of large network of airlines (Pels, 2001), forming multi-lateral alliances (Gudmundsson et al., 2002). Therefore Morrish & Hamilton (2002) defined airline alliances as "*any collaborative arrangement between two or more carriers involving joint operations with the declared intention of improving competitiveness and thereby enhancing overall performance*".

The emergence of airline alliance was not an easy ascend for airlines. Several external and internal reasons fuelled these co-operations. Some of the drivers were due to external pressures felt by the airlines that included expanded liberalisation of aviation markets, anti-trust concerns, globalisation of trade, enlarged interactions at intra-regional level and economic advantages of consolidation for airlines (Fan et al., 2001). Furthermore, the international aviations markets have become heavily regulated. Therefore, airline carriers who wanted to expand their services in other countries and increase revenues (Wright et al., 2010; Topaloglu, 2012) saw airline alliance as the only way forward (Lazzarini, 2007). However, on the flip side of the coin, there were also internal pressures felt by the airlines to form alliances as well. Several airlines forged alliance to reduce cost of airline operations by sharing them with partner airlines through joint purchasing and marketing activities. At the same time, the alliances offered a market presence in specific regions where they can gain entry into a region's regulated domestic aviation markets (Gudmundsson & Rhoades, 2001). Moreover, alliance allowed to better

co-ordinate services in international markets (Brueckner, 2001) by increasing traffic in some routes whilst feeding partner airlines with passengers (Park & Zhang, 1998).

In an airline alliance context, all alliance carriers feed their traffic to other members of their respective alliance. However, certain alliance carriers, that have large passenger numbers, benefit from other smaller alliance carriers, when the small alliance carriers feed their traffic to the bigger alliance carriers. Therefore, the benefits of airline alliance memberships are mutual but high in alliances that involve large cumulative traffic. However, for the individual alliance carriers, that contribute a large portion of the alliance's capacity, the benefits are high (Lazzarini, 2007). Therefore, it is noticed that in many matured aviation markets such as North America and Europe, there is an engagement of inter-continental alliances. These inter-continental airline alliances have been emerging as the means to secure access to markets in each other's continents and, also to provide seamless services to the airline passengers on these continents. Studies reveal that the alliance carriers have been evolving with changing dynamics (Augusdinata & de Klein, 2002) and have become successful in three ways; firstly, the inter-continental airlines have increased their traffic volumes in both American and European markets by taking the market share from the other competing non-alliance airlines. Secondly, the inter-continental airline alliances have also increased and stimulated passenger demands by offering lower airfares and providing enhanced services (Oum & Park, 1997). Thirdly, airline alliances have increased their load factors, flights frequencies and productivity levels amongst the alliance carriers (Morrish & Hamilton, 2002).

However, reasons for successful rise of the airline alliance were due to the fact that alliance carriers operations become integrated in order to facilitate services to their passengers. Some of the characteristics of an airline alliance are:

- Joint use of ground facilities and ground handling activities: In this agreement the alliance carriers jointly make use of other alliance carriers ground handling facilities, check-in counters, baggage handling, airport lounges, terminals and their gates for improving the efficiency of the alliance carriers services (Oum et al., 1993; Park, 1997; Park & Cho, 1997; Oum & Park, 1997; Li, 2000; Dennis, 2000; Gudmundsson & Rhoades, 2001; Evans, 2001; Suen, 2002; Weber, 2005; Holtbrugge et al., 2006; Saglietto, 2009).

- Exclusive alliance membership: The notion of exclusive alliance membership is indeed designed to allow alliance carriers to have co-operative arrangement with other members of the same airline alliance. However, alliance carriers are not allowed to have simultaneous membership with other airline alliances, but alliance carriers are allowed to have code-sharing networks with other non-alliance airlines (Fan et al., 2001)

- Code-sharing operation: A flight is said to be code-shared when the operating airline is different to the marketed airline. The concept of code sharing is a form of in which two alliance carriers combines their routes as a single yet combined travel product to the passengers. An alliance carrier which can be marketing carrier, sets the price and sells the flight to the passengers, however, the other alliance carrier, which operates on behalf of the marketing carrier, takes the responsibility of entire or one leg of the combined flight journey sold to the passenger. However, in a multi-lateral alliance, the concept of code-sharing is extended to multi-lateral code-sharing with all the alliance carriers (Park, 1997; Rhoades & Lush, 1997; Oum & Park, 1997; Park & Cho, 1997; Park & Zhang, 1998; Li, 2000; Fan et al., 2001; Pels, 2001; Park et al., 2001; Gudmundsson & Rhoades, 2001; Bamberger et al., 2001; Suen, 2002; Ito & Lee, 2005; Iatrou & Alamdari, 2005; Weber, 2005; Ito & Lee, 2007; Lazzarini, 2007; Gayle, 2008; Saglietto, 2009; Albers, 2010; Brueckner et al., 2011).

- Block space agreement: This is an agreement formed in an airline alliance where in an alliance carrier operates a route and the other alliance carriers buy the seat from the operating airline. In other words an operating carrier sells a block of its seats on a particular flight to another airline (usually a code share partner). The airline that buys the block seats takes responsibility of marketing and selling its block seats under its marketing code. The airline that buys the block seats from the operating airline, keeps all the revenue associated with the air tickets it sells from its disposal (Park, 1997; Park & Cho, 1997; Oum & Park, 1997; Park & Zhang, 1998; Li, 2000; Fan et al., 2001; Park et al., 2001; Gudmundsson & Rhoades, 2001; Morrish & Hamilton, 2002; Suen, 2002; Ito & Lee, 2005; Weber, 2005; Ito & Lee, 2007; Saglietto, 2009; Wan et al., 2009; de Man et al., 2010; Albers, 2010)

- Co-ordination of flights scheduling: this system of an airline alliance allows two or more airlines to link their networks, the result of this co-ordinated schedules leads to form a new complementary network (Oum et al., 1993; Park, 1997; Oum & Park, 1997; Park & Cho, 1997; Li, 2000; Dennis, 2000; Park et al., 2001; Pels, 2001; Weber, 2005; Lazzarini, 2007; Saglietto, 2009).

- Joint development of Information technology: airline alliances involve joint information technology activities which help in general harmonisation and integration of the members' information systems (Oum & Park, 1997; Li, 2000; Gudmundsson & Rhoades, 2001; Morrish & Hamilton, 2002).

- Joint marketing, promotions and advertising: airline alliances have advanced and distinct characteristics, which is lead by joint and dedicated marketing entities that oversees the marketing co-operation of the entire airline alliance. This marketing co-operation of an airline alliance manages the alliance carrier's reciprocal FFP recognition and registration, reciprocal recognition of alliance carrier's priority status, extensive multi-lateral code-sharing, sharing of airport lounges, co-ordinated network schedule, and fare planning. However the objective of the alliance marketing is to provide seamless travel experience to the consumers across the alliance members (Oum & Park, 1997; Park & Cho, 1997; Fan et al., 2001; Weber, 2005; Morrish & Hamilton, 2002; Ito & Lee, 2007; Saglietto, 2009)

Having understood the characteristics of an airline alliance and also the functions of the joint marketing entity of an airline alliance. Studies suggest that joint marketing activities of airline alliances offer benefits to consumers by reducing airfares on city pairs (Bamberger et al., 2004), improve service quality by converging quality across the members of the airline alliance (Tsantoulis & Palmer, 2008) with negligible differences in alliance carriers quality performances (Tiernan et al., 2008). Furthermore, business travellers perceive the usefulness of the repertoire of alliance carriers to maximise their benefits (Goh & Uncles, 2003) and consumers broadly rate convenience as an important attribute than the extended airline network or the frequent flyer program (Weber, 2005).

However, it is surprising to note that, literature has not addressed the consumer perceived value derived the consumers by using an airline alliance. The concept of value is an important element of marketing for an airline alliance because the main aim of a multilateral airline alliance is to provide benefits to their consumer (Lutoff-Carroll & Pirnes, 2009) by enhancing their travel experience (Kleymann & Seristo, 2004). Yet, to date, no scholarly research addresses the consumer voices about the perceived value derived by using an airline alliance. Therefore, the following section of this paper makes an attempt to get to the bottom of value related issues in marketing and eventually follow the discussion to get a better understanding of the attributes of consumer perceived value of an airline alliance and the services that influences it.

3. Conceptual Framework

From previous discussion about airline alliance services, it is evident that, airline alliances are made of several multi-culturally diverse alliance carriers and co-operates with other airlines by dove-tailing there services to other alliance carriers provide symmetrical services to their globally travelling consumers. Though airline alliance have emerged to sustain their growth in rapidly evolving aviation market, however, with rise of a multi-lateral alliance, there is also rise in increased demand of service performance from the consumers as well. What makes demands of an airline alliance's service performances even more attention-grabbing is the multitude in its service activities. Each alliance carrier provides several services to an airline customer starting from check-in at departure, to baggage collection at the destination. The services complexities increase when airline passengers are using one or more leg of their travel with some members of an airline alliance. In that case, all the services of an alliance carrier have to be streamlined and dove tailed to other alliance carriers. Hence the quality of services that are provided as a federated structure of airlines constitutes the overall services offered by an airline alliance and values associated with it. To get to the bottom of the consumer's perceptions of determining the attributes of value, this section briefly explain the meaning of value, its terminological issues, followed by, concepts of customer value, customer perceived value, However, the main focus of this paper will prioritise on the concept of consumer perceived value and the studies related to it.

3.1 Value

The notion of value is widely used in academics and in industry alike in several contexts. A literature review shows that numerous scholars have penned about the concept of value, however it has not been more precisely delimited, becoming a polysemous word: its meaning is perceived anything between ethical principles to economic benefits, hence this wide conceptual differences extend from one side of the spectrum to the other, and therefore, sown a seed of confusion within the scholarly audience (Boztepe, 2007). The terminological confusion is also prevalent in services marketing as well. In services marketing, the concept of value is seen as a complex and multifaceted one, and there is an evident risk that it may be used with different meanings and contents. Ravald and Gronroos (1996) tried to understand what it means to provide value to consumer and how the consumer needs are related to added value provided by the supplier/s whilst gaining profits for the parties involved. The concept of value discussion has been evolving since four decades. Services marketing audience have been discussing the concept of value from its humble beginning to understand what is value? to who creates value? However, since the last decade discussion appears to have transcended the previous discussions of value creation to co-creation of value (Vargo & Lusch, 2004, 2006, 2008a, 2008b).

Literature suggests that several services marketing scholars have defined value in several ways. However, there is not one standard definition of value that stands out among the other definitions. Two well acknowledged value definitions have been heavily cited and discussed in recent services marketing literature. In services marketing the term is defined as “Value is always intangible, heterogeneously experienced, co-created and potentially perishable” (Vargo & Lusch, 2008a) and with respect to value for customers, the term value is defined as “Value for customers means that they, after having been assisted by provision of resources or interactive processes, are or feel better off than before” (Gronroos, 2008). As the term value is a multidisciplinary term, and different sorts of names and definitions are penned in services marketing literature. In some papers, authors were found to use different names for value within their respective paper. Therefore the term value was described as Customer value, Perceived value or value. Literature suggests that, the term customer value was again confused and literature portrayed customer value as what a customer derives from a supplier and also what a supplier derives from the customer (Woodall, 2003).

So much was the confusion about customer value that Woodall (2003) termed customer value as “value for customer” and therefore defined it as “Value for the customer (VC) is any demand-side, personal perception of advantage arising out of a customer’s association with an organisation’s offering, and can occur as reduction in sacrifice; presence of benefit (perceived as either attributes or outcomes); the resultant of any weighed combination of sacrifice and benefit (determined and expressed either rationally or intuitively); or an aggregation, overtime, of any or all of these”

After, all the terminological confusion, scholars have finally anchored the terminologies of customer value, consumer perceived value and customer lifetime value. Therefore literature suggests that, customer value takes the organisation’s perspective, by considering what the customers want and what they believe they would get by using a seller’s product (Woodruff, 1997). However, consumer perceived value is the value derived by the customer from a service offering, or, in other words, it is the value received by a customer using an organisation’s product or service. And the value provided by the customer for an organisation is referred as customer lifetime value. The value for the organisation in this context refers to the value of the customer (Smith & Colgate, 2007).

3.2 Customer Value

A lot of studies have been carried out in services marketing to better understand customer value. In general, customer value can be regarded as the perceived benefits of a particular goods or service compared to its perceived cost by an individual customer or by a bunch of customers. Customer value is hence a factor that affects the growth of demand. In airline industry, customer value is created by the airline’s services offered and also by the interaction between the passengers and airlines. Therefore airlines should consider customer value as an important factor for driving an airline’s growth and thus focus on the real needs of the consumers than the consumer preferences. Furthermore, it also suggested that, in some markets, customer value remains primarily on the services and only a niche customised service product could provide it. However, in other markets, airfare becomes the focus and hence customers often take advantage of low fares but compromise on quality of services and convenience during their travels. Therefore customer value is not only based on quality but also on airfares (Bieger et al., 2007).

In the case of airline alliance, the customer value offered by the airline is an interesting aspect as the value offered by the airline alliance is in a collaborative form. For instance, the vision of Oneworld is to “generate more value for customer, shareholders and employees than any airline can achieve by itself” (Morschett et al., 2009). Before joining the alliance, carriers were competing against one another. However, after forging the alliance, members co-operate with each others, with an objective to satisfy their customers travel needs in a better way. These arrangements lead to co-opetition to satisfy the customers wants and needs, and to deliver customer value (Barnes et al., 2009) through the joint actions of alliance carriers (Bjerke & Hultman, 2002). Studies also suggest that the value of an airline alliance for the passengers depends on the number of city pair it offers. If an airline enters an alliance, it might introduce its destination and flight networks that were not previously covered by other alliance members. So, by forming an airline alliance, the alliance carriers can introduce more city pairs, and thereby, provide better value for the passengers (de Man, 2004). Therefore, it can be inferred that more the members of an alliance, the greater will be the perceived value of an airline alliance (Lutolf-Carroll & Pines, 2009). Several scholars also suggested that some of the airline alliance propose value offering in many ways. For instance, in a bid to attract service oriented travellers, some airline alliance provide comfortable in-flight services creating higher customer value for business class passengers (Wittmer et al., 2011). While others, offer their passengers smoother, easier travels and hence create value for all passengers (Morschett et al., 2009).

Therefore, in general airline alliance aim to provide value to the passengers by creating a wide range of route network, convenient and better co-ordinated flight schedules, convenient single online prices, joint check-in facilities, provide standards in co-ordinated service and products, recognition of reciprocal frequent flyer programs of alliance carriers and the potential for service upgrade (Report by the European Commission and the United States Department of Transportation, 2010). Following the scholarly works on customer value proposition of airline alliances to the consumer, it is evident that the airline alliances aim to provide value to the consumers. However, the consumer perception of the value proposed by the airline alliances is not clear and unexplored, hence the objective of this paper.

3.3 Customer Perceived Value

The term consumer perceived value in services marketing literature refers to the consumer perception of the value derived by using an organisation's product or services (Smith & Colgate, 2007). The term consumer perceived value is a subjective construct and varies between cultures, individuals (Sanchez et al., 2006) at different times and also in different places of service offering (Heinonen, 2004). Furthermore, perceived value may be used by consumers to bundle various aspects of the service that are related to the competitive offerings of a service provider. Therefore, perceived value can be regarded as a relative measure of the costs and other economic aspects of the service with relation to competition (McDougall & Levesque, 2000).

To date there are several definitions which are penned by services marketing scholars, but there is not a standard definition or a measurement construct of consumer perceived value. This is because consumer perceived value has been analysed from very different perspectives, and hence, several typologies and dimensions are suggested for the construct of perceived value (Sanchez-Fernandez & Iniesta-Bonillo, 2009). However, one customer perceived value definition by Zeithaml (1998) emerges: it is popularly called the "Give-Get" or "Trade-off" definition of consumer perceived value. The definition is still popular to date and cited regularly by services marketing researchers. So, customer perceived value is defined as "a customer's overall assessment of the utility of a product, based on perceptions of what is received and what is given. Though what is received varies across consumers (i.e., some may want volume, other high quality, still others convenience) and what is given varies (i.e., some are concerned only with money expended, others with time and effort), value represents a trade-off of salient give/get components" (Zeithaml, 1998). The other consumer perceived value definition which was massively referred was the Means-end chain definition of Woodruff (1997). The author defined consumer perceived value as a "customer's perceived preference for and evaluation of that product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations" (Woodruff, 1997). This definition however was argued to have measurement and operational issues as it incorporates multiple contexts, and cognitive tasks. Furthermore, the consumer's assessment of value before purchase, which is referred as consumer desired value, and consumer's assessment after the purchase (customer perceived value) may not be comparable, if the criteria of pre-purchase and post-purchase are different (Parasuraman, 1997).

Consumer perceived value research have been conducted in several contexts and also in the field of airline industry. Studies suggest that many airline companies design activities that are implemented regularly in their operations to enhance the customer relationships. Airlines regularly maintain databases to develop their passenger profiles, which enables the airline company to offer value for the customers, by providing customised services and products. Therefore airlines, try hard to deliver quality services to enhance the perceived value of an airline company's services, which in return helps to satisfy their customers (Cheng et al., 2008). Consumer perceived value plays an important role in determining the customer satisfaction, loyalty, and behavioural intentions of the airline passengers (Forgas et al., 2010).

Following the previous studies on perceived value of an airline, literature suggest that, consumer perceived value of an airline is usually determined by consumer's trade-offs between the price paid for an air travel and the service delivered by the airline. Some researchers have found that consumer perceived value of an airline is determined by airfare charged by an airline company. Price sensitive passengers consider the determinants of perceived value of an airline by its airfare. Whereas, for service oriented passengers, perceived value of an airline is determined by the services offered by the airline. Therefore, for some price sensitive passengers, value for money acts as an important factor for choosing an airline (Park, 2007) and hence determines the image of an airline company (Zins, 2001), passenger's satisfaction and behavioural intentions (Chen, 2008).

However, on the flip side of the coin, it is also found that consumers' perceived value of an airline is also determined by the services offered by an airline company. So, if the airlines offer high service value to their passengers, then the passengers will be satisfied, and thereby the airline attains a good image and hence

consumers are more likely to buy airline tickets from the same airline company (Park et al., 2004). In some cases perceived value of an airline is also determined by both price, and services (convenience of flights, on-time performance, image of the airline, attitude and behaviour of the staff, safety, baggage services, flight safety, cabin cleanliness and convenience of the schedule) offered by the airline (Atalik & Arslan, 2009).

Following previous works on perceived value of an airline it is noted that most of the research is based on understanding the determinants of consumer perceived value and the influence of consumer perceived value of an airline over customer satisfaction and behavioural intentions. However, all the scholarly works have based their research on an individual airline company. Having said that, to date, literature does not address consumer perceived value of a federated structure of a group of networked airlines like an airline alliance and let alone, examining the determinants of consumer perceived value of airline alliance structure. Therefore, this article aims to understand the attributes of consumer perceived value of an airline alliance and also to understand the significance of the individual attributes that determine the consumer perceived value of an airline alliance.

4. Research Methodology

In this section, the paper attempts to get to the bottom of the issues concerning the services offered by the alliance carriers and to understand what and how do consumers determine attributes of value of an airline alliance services. Therefore the objective of paper is to draw a conceptual framework of consumer perceived value of a multiple service providers like a multi-lateral airline alliance. The objective is to understand the determinants of value to the consumers after using an airline alliance services and how do they determine the values associated to an airline alliance services. To achieve the objective of this paper a set of semi-structured interviews were conducted in France with North American, European, Asian and South American travellers. 18 interviewees participated in the interviews. Participants were ranging from 22 to 67 years old and were business professionals, students, academicians from both sexes. However, the interviews saw strong participation from women travelers. Irrespective of the interviewee's gender, majority of the participants had a good knowledge of an airline alliance and travelled frequently on international flights. Literature suggests that, the key objective is to provide value to the consumers through an airline alliance's service offering. Stern and Hutchinson (2011) remarked that an airline alliance like Oneworld, aims to offer services in several ways; firstly Oneworld aims to provide more rewarding, better values, smoother, and easier travel to their global consumer. Secondly, Oneworld aims to offer travel that could exceed the reach of an individual alliance carrier's network. Thirdly, Oneworld aims to support and encourage, common standards of quality, safety and services within the alliance. Fourthly, Oneworld aims to provide their alliance members with advantages and cost savings, which no alliance carriers could achieve by themselves. Therefore, following the literature and information posted on the airline alliance websites, semi-structured interviews were designed to ignite discussions about consumer's perceptions of value derived by using an airline alliance's co-operative service offerings. The main objective of the interviews were to understand consumer's perceptions of multi-lateral airline alliances co-operative services and consequently to comprehend what sort of attributes do consumers form to determine the consumer perceived value of an airline alliance. By the end of the interview, all the discussions were transcribed and some of the French speaking participant's discussions were translated from French to English.

As service quality of airline is based on consumer's perception of what services are to be offered and how the services should be delivered (Liou & Tzeng, 2007), the interviews were focused on understanding: firstly, consumer's perceptions of an airline alliances travel services, wherein alliance carriers sequentially dovetail their services from one airline to the other airline during a flight journey with several legs. Secondly, consumer's perceptions about alliance carriers co-operative service offerings at check-in, baggage handling, airport lounges, and boarding halls. Thirdly, participants were asked to discuss about their perceptions about the airline alliance's network of flights, destinations and new routes. Fourthly, participants were prompted to discuss about their perceptions about the airline alliance's network of frequent flyers programs. Finally, participants were asked to discuss about their perceptions of the benefits an airline alliance offers to alliance carriers and vice versa.

As a travel experience begins from the airport of departure (Rhoades & Waguespack, 2000), discussions commenced from airport of departure and eventually the discussion were orchestrated for facilitating participants to shed more light about consumer perceptions of an airline alliance's global service operations, their service encounters in-flight, service encounters at airports, the service cultures of airline alliance members, and their service deliveries. The objective element of the interview focused about the service performance and external service environment of the member airlines of an alliance network. This methodology provides better understanding of consumer perceptions of services marketed and offered by an airline alliance. The subjective element of the interview was about the consumer perceptions of the services experienced during a flight journey through airlines of an airline alliance network. This methodology gave better understanding of consumer

perceptions of service experience of an airline alliance. Therefore, the participants' discussion brought certain clues to understand how consumers make evaluative judgments of perceived value, when they are sequentially served by one airline alliance member to the other.

5. Results and Discussions

A global airline alliances offer multi-lateral code-sharing networks. This would mean that the airlines of an alliance are closely knit to transport passengers from one city to the other with good care and providing quality services. However, the service offerings by any operating airline, which carry passengers of other alliance members, could affect the consumer's quality perception of an airline alliance (Weber, 2004). Therefore, the alliance carriers are careful to provide all the claimed benefits to passengers. Not just air transport through seamless travel but other extended benefits and services that are within the alliance framework for e.g. frequent flyer benefits, priority boarding and access to airport lounges. Therefore, any failure to deliver the promised services might affect the evaluations of service offerings of the airline alliance (Weber, 2005). Consecutive interviews were conducted to understand the consumer perceptions of the co-operative services marketed by the airline alliance. The preliminary results of the discussions with the interviewees suggest few attributes that surfaced during the interviews and could influence the consumer perceived value of an airline alliance's co-operative services: cooperative quality services, loyalty programs, homogeneity of carriers' services, well coordinated services, better access to information and, lastly extended network of flights.

5.1 Multiparty Joint Services

From the successive interviews with participants, it appears that mutual services offered by the alliance members determine the value of the airline alliance. Participants think that the alliance members can provide value to an airline alliance by offering services in co-operation with other members of the airline alliance. Participants think that alliance members co-operate among themselves and improve the quality of services offered to the airline alliance passengers by proper flight scheduling and connecting all the alliance member's flights and destinations to other airline alliance carriers. This inter-connection of flights among the alliance carriers improves the airline alliance's network of destinations, flights, airport services and other services related to passengers travel experience. The co-operation of alliance carriers can be helpful for airline passengers to have increased number of flights to places, convenience in flight journey (direct or in- direct flight), choice of selecting a transit airport in case of in-direct flight, choice of routing to get to a destination (flying on Atlantic route or pacific route to get Japan from Brazil), extended network of global destinations, choice of flights to take at convenient times (early morning or late night flights).

Successive interviews with the participants have helped to trace some of the important characteristics of an airline alliance's services that are most favoured by the participants. Participant discussions revealed that alliance carriers provide value to a consumer by delivering quality services to the passengers by working together and by mutually developing an extended network of destinations and flights to the passengers. This co-operative practice helps passengers to have a choice while reserving a flight. Therefore, passengers have the liberty to choose an alliance carrier which departs at a time of their convenience, a flight that is convenient to travel (direct or in-direct), a flight that has less lay over time during transit, a transit airport that delivers efficient and quality services to board connecting flights, and finally alliance carriers that provide similar levels of quality services on board and at airports. Therefore participants reckon that the mutual services offered by the alliance carriers determine the value of an airline alliance. And the services offered mutually by alliance carriers depend on the airline alliance's ability to provide wide range of destinations, convenient schedules; frequency of flights, choice of routings, choice of selecting transits, choice of selecting flights in case the travel served by two or more alliance carriers. Therefore, participants believe airline alliance provide value to them by offering co-operative functional quality services by means of offering wide range of choice in flights, destinations, frequency of flights, transits and routings.

Informant 13, Female, European *"The benefits of an airline alliance are choice of many flights , several fares , perhaps other benefits of frequent flyer programs , I mean ... points, air miles and the possibility of having correspondence (flight connection) with another flight. Something like this type. For instance, if I take a flight departing to Spain from France or take some flights within Spain. If I miss a flight for some reason x, I certainly feel that I can take another flight from another company and I think effectively it's a benefit for me. I am not obliged to wait for the next flight from the same company (same alliance carrier) due to flight constraints, or time, so automatically it's an advantage."*

Informant 17, Male, European *"You know the alliance is made of several airline companies, European and other international and from here, there is an enormous choice on this subject. And it permits you to multiply the*

number of flights, the frequency of flight, combination of flights, multiplying the number of destination and to have a choice of number of destination too. For the choice of transit.....in fact, in fact a bit, with respect to the choice of transit, the duration, the time of the transit is more less not long time ... and in transit we have a quality which is present and they provide alternative solutions in case of issues or particular problems and its treated in a better way, as far as you are a customer of the alliance.”

Informant 4, Female, North American *“I guess the benefit is it’s just less expensive to do it with that way, rather one airline the whole way, I guess. The flights that I found were alliances connections like that; all had shorter times in between the flights (layover at transit). Yeah! I think you have a greater choice of exactly getting what you want in your flight, destinations, time, a lot of choice. Yeah”*

Informant 9, Female, South American *“The first thing I think as benefits of an airline alliance is the fare, an airfare which is right. And the second thing is the loyalty programs i.e. air miles, and the possibility of accumulating the points. And that’s good for me. And the other thing that is important benefits of an airline alliance is for me ... is the possibility of choosing an airline. An airline that I like to choose to fly and an Airport with an area where I can use my time for myself, like using internet before check in, a place where I can relax.”*

Informant 1, Male, North American *“Hmm, in general, more expensive flights are more comfortable. Tend to be, in comparison, you know, something like with Iberia, and in comparison with an Air France or a British Airways flight overseas that typically tends to be more expensive, I think, there seems to be more room, I mean maybe that’s really, hmmm that’s really the accommodation, there is in-flight ease and personalised TV’s”*

5.2 Fringe Benefits

Following the participants discussions it is evident that, many interviewees expressed their opinions about the loyalty benefits offered by an airline alliance. Participants reckon that airline alliance passengers can make use of the repertoire of airline alliance’s loyalty program to climb the ladders of frequent flyer programs that comes under airline alliance’s reciprocal loyalty program services framework. In accordance to the participant discussion, it is found that loyalty programs help consumers with some monetary benefits. Participants said that through loyalty programs of the airline alliance, passengers can redeem their air miles and get some monetary benefits like flying to some destinations for free and get non free access airport lounges, which would usually cost money otherwise. Findings from this discussion suggested that participants who fly regularly, attributed airline alliance’s extended frequent flyer program provides value of them. Participants feel that alliance carriers mutually recognise and register the frequent flyer programs of other alliance members. This reciprocal recognition and registration of other alliance member’s loyalty programs allows passengers to climb up their priority status on a given alliance carrier’s and hence reap some monetary benefits through the loyalty programs. Participants believe that through an airline alliance loyalty program a passenger can buy an airline ticket served by two different alliance members. And the passenger can have a choice to register his air miles either among the two alliance carriers that served the passenger. Therefore, passengers feel privileged to use the loyalty program of an alliance member and climb up their priority status quickly. This scheme helps passengers to redeem their air miles and reap the benefits of their priority status by making use of the broad range of services offered to frequent flyers with priority status. Therefore participants believe that passengers who have priority status can make use of airline alliance’s reciprocal loyalty services to get access to priority boarding, special consideration for immediate flight connection and access to airport lounges. Therefore, participants attributed airline alliance’s extended loyalty program services offered by alliance partners as a determinant of perceived value of an airline alliance’s services.

Informant 15, Male, European *“Finally, I can say, if you travel quite often , and use often, I mean, the alliance, its good to accumulate the loyalty points, of his loyalty card (frequent flyer program).And after certain time, we can say, the alliance will offer the service or offers a free travel. We can say, it’s not negligible (the loyalty program can’t be ignored), it is interesting, it is something , that permits to , I mean, to attract the customers. And so the customers use more than they use the formule (à la carte or menu) of the alliance. Travel more, travel freely or benefit the tariffs for the privileged.”*

Informant 2, Female, North American *“I think when they realise that when you travel with them a lot then they want to keep your business and they want to keep you receiving the same quality service that you have got. ”*

Informant 17, Male, European *“Airline alliance is like a menu (choosing dishes like in restaurants –Entré- Main Course and Desert) of simplicity, efficiency, and rapidity, and yeah airline can bring its usual network, I mean it can bring its usual customers, who use the company regularly, and benefit the loyalty services of the company in fact ... the loyalty card (frequent flyer program), and so, this form of loyalty, we can say, it doesn’t limit to just Air France, it will extend its limit of Air France and open the loyal customers of Air France, it will open the*

possibility of using the other airline companies that come under the alliance, the alliance which Air France is from, in fact. And, so, we can say that, later the customers, they know that they have choice, in fact.. I mean, if they don't choose Air France. But take another flight of the alliance and they know, they will benefit, all the travels they make, it will registered in their loyalty program. And this will encourage I mean Air France and other companies of the alliance."

Informant 1, Male, North American *"Obviously financial giving, discounted flights or awarding people certain amounts of miles is a great thing that I will surely take advantage of, as I continue flying."*

Informant 10, Male, European *"Like I told you, when we buy an airline ticket from one Airline Company A belonging to an alliance. Through the loyalty programs of the airline alliance, the scheme allows redeeming air miles and gets an air ticket through company B belonging to my block... my block (airline alliance). And so it is an advantageous"*

Informant 9, Female, South American *"Yes, a lot of destinations through an airline alliance. But for me, it is the air miles. It's the possibility of accumulating the air miles of the loyalty programs. The possibility of adding the air miles. For me, it's the best benefit of the alliance. Normally, I check if there is the possibility of adding the air miles through the alliance. And this is very important. This is easy and automatic to add air miles and no bureaucracy."*

5.3 Harmonisation of Services

From the previous studies, it is clear that airline alliances massively organise their network in co-ordination with other alliance carriers. But in effect to the co-ordination of flight schedules, it is found that the service quality performance (flight arriving on-time, reports on baggage, and cancellations of flight) levels of alliance carriers have improved (Tiernan et al., 2008) and there is also convergence of quality (delays in flight, mishandling of baggage, denial of boarding and complaints registered by passengers) within the alliance carriers (Tsantoulis & Palmer, 2008). Successive interviews suggest that participants usually find the services of the airline alliance carriers are almost similar. This is because participants feel that carriers of an airline alliance have full service approach on ground and in-flight. As all the alliance members provide full service on their flights, participants therefore feel that the alliance carriers have almost similar types of services offered at airports and on board. However, participants believe that, all the alliance carriers have standardized way of serving their customers on ground and in-flight. Passengers services are standardised in most alliance carriers starting from check-in services, boarding hall services, boarding, in-flight welcome by cabin crew, seating, safety demonstration, snacks, food and beverage services, cabin crew attendance to passenger requirement, *disembarkement*, baggage collection etc). Participants said if some alliance carriers were adopting low cost airline's no frills approach then there would be a massive difference in service quality among alliance carriers and that would not be acceptable to other alliance carriers and also not beneficial for the reputation of the airline alliance as an entity. However as the services offered by the alliance carriers are full service providers and participants feel that the alliance carriers may be co-operating amongst themselves to provide similar levels of services to maintain a coherency in service levels amongst the alliance carriers of an airline alliance Therefore, participants feel the services offered by most alliance carriers are similar in many cases, and therefore reflects the coherency of services levels among the alliance carriers of a particular airline alliance.

But having said that, participants also agree that they find few minor differences in services, but most of the differences in an airline's service culture are based on cultural influences of an airline's cultural origins. Therefore cabin services offered can be culturally different and is evident in terms of food and beverage service. Therefore any food and beverage services are based on the cultural aspects and regional influence of an airline's cultural origins. However, regardless to any cultural origins of alliance carriers, participants reckon that most alliance carriers do provide choice of food and beverages (continental or regional taste) to passengers on any given flight. Participants' therefore consider this as a standard practice among all the alliance carriers for balancing the services expectations of the cultural diverse passengers. Therefore, most of the participants believe that the alliance carriers are getting to understand the demands of the culturally diverse passenger, and hence participants believe that the services offered by alliance carrier's ground and cabin crew service are becoming almost similar and hence alliance carriers are making efforts to meet the passengers' requirements in whatever possible way they can to passengers.

Informant 4, Female, North American *"I think that the difference between the two was not a whole lot, I think I had a really whole good service all way through. I haven't really noticed a lot of difference between the American and the Spanish (airline), I have only flown American and Spanish (airlines), so they were close to the*

same. They were definitely very similar hmmm and it's hard to say which was more, yeah, but they both were really good yeah."

Informant 1, Male, North American *"When I flown British Airways or Air France, they had done well overseas. I mean they have comfortable seats and they have the flight attendants are nice and everything. And you have, you know, your personalised TV and list of options."*

Informant 7, Female, North American *"Yeah, there is a lot of similarity (among the airlines), but out of all my flights, that was like the best one I had, going to Brussels, that was....that was like the nicest, it was really very nice, The one going to Brussels was very nice, I felt like everyone was just like very kind and they came around so much, asking me if wanted anything, yeah."*

Informant 18, Female, European *"Reputation on top of everything, because it is a network, all the large companies are forged together, so you are tranquil. For you, in your head you say, if there is British Airways, Iberia it is large group, so it is reputation and security and also the same quality of flights, you know that very well that if you travel with. I don't know....British Airways, it has the same quality like Iberia, you know"*

Informant 17, Male, European *"Their goal is to have hmmm ... we can say ... a service which is "quasi similar". Even if, every company will keep their way of service culture of cabin crew, food and beverage service. We can say, there are exceptions, it is dual service (standard service format of all alliance carriers and of individual service culture of airline carriers). Primarily, it is a mixture of several companies, diverse and of several origins that are American, European and Asian. But, I find the airlines also keep one part of their identity (an airline's service culture), I can say, the company proposes a service something different. For the customers, the customer will have the impression that the service is formatted in a standard form. Nonetheless, we can also say, there is also, some kind of originality (airline's own service culture) as well."*

Informant 10, Male, European *"I can imagine there are certain discrepancies among different companies (airlines) which belong to the pool (airline alliance). All the airline companies in Europe are not having the same quality of services; there are some differences from one Airline Company to the other. Yes, but I can imagine if they are from the same alliance, there is some type of homogeneity in services. We cannot imagine an airline alliance to accept an airline company which does not provide any proper service and still be a part an airline alliance where Air France, KLM and Alitalia belong to. So there should be a certain level of homogeneity for airlines that belong to an airline alliance"*

Informant 9, Female, South American *"For me it's very important to have similar type of services and same level of security. I know TAM very well and I know very well TAP. If there are similar levels of services and even if they from other countries' airlines, and have similar levels of services its fine for me. I need a modern airline with good seats and In-flight entertainment. As you have a long haul flights like 8 hours or 9 hours it is good to have good services"*

5.4 Co-ordination of Services

With the rise in airline alliance membership, the alliances carriers had been feeding passengers in major multi-terminal hubs (Bissessur & Alamdari, 1998). However, some of these multi-terminal hub airports were designed to meet the airlines' airport services to limited levels and hence major hub airports had issues to accommodate the airport services required by many alliance members. Therefore, many airline alliances were found scattered in many terminals of the major hubs (Dennis, 2000). In response to this issue, the airline alliance members now pool all the alliance carriers in to one terminal for sharing gates and further improving services for passengers to board their respective connecting flights (Graue, 2012). Having said this, there is also a need of proper planning of schedules of alliance carriers has to be integrated across all the members of the airline alliance to provide seamless services to the passengers. Therefore, by doing so, an efficiently running alliance network with a properly co-ordinated airline schedules can help to realise the potential interests of a global airline alliance (Dennis, 2000). Findings from the discussions suggest that many participants believe that many large alliance carriers have co-ordinated their flight routing efficiently. Participants also expressed that in few large airports that handle massive amounts of passenger traffic in and out of their hubs, airport authorities have placed well trained staff to assist passengers for taking their connecting flights. Furthermore, some participants also said that alliance carriers belonging to a particular airline alliance are making efforts flock all the alliance carrier's flights in to one terminal of some airports to assist passengers to take their connecting flights from other alliance carriers during their transits. Participants' reckon that the introducing a dedicated terminal for carriers of a particular airline alliance will help reduce the time for taking the connecting flights and reduces the passengers' stress of moving from one part of the airport to the other part of the airport for taking connecting flights. Therefore, participants feel that some alliance carriers co-operating amongst themselves and creating dedicated

terminals at an alliance carrier's hub to accommodate flights of a particular airline alliance. Therefore participants believe that some airline alliance carriers are making efforts to provide seamless services by synchronizing an alliance carrier's services with other alliance carriers. And this practice is offered at some airport terminals of certain alliance carrier's hub. The hubs of alliance carriers work in conjunction with airports to provide airlines of particular airline alliance to operate from a single terminal. The terminals are assigned for a particular airline alliance, which helps passengers of a particular airline alliance to take flights and also connecting flights in an easy way. This system of assigning a particular airline alliance to use a particular terminal helps improve seamless travel experience for airline alliance passengers.

Informant 8, Female, North American *"I think I feel disoriented because there are many people and they are all rushing and they all seem like to know where they are going and I feel very lost (in an airport). So, yeah, in times like that, I remember that in London Heathrow that I had to stop several times and ask like, M'I at the right place? and where would I continue ? (I would ask) people at counters, at the desk, and they were always friendly and very helpful"*

Informant 1, Male, North American *"I have connected in several places, after all I have just, I have mainly connected in Paris, Amsterdam or London, and this is the first time I have been to Madrid. In general in the UK and in Paris things are well marked and well organized."*

Informant 6, Female, Asian *"I think it's the same in the all the airport, there are a lot of people from different countries; so you can get information about all the airlines (departure information)."*

Informant 7, Female, North American *"Actually there was a woman in Brussels, and I think she did escort some of us, I remember she saying like Hey, is there anyone here, need to like, need any help or anyone need to go anywhere like, she was waiting right there, we were all just like, I was like, yeah, yeah, can you show me, where I am supposed to go. And also happened, I think, when I landed in Newark, someone was asking, I was like, which gate do I go to"*

Informant 9, Female, South American *"Yes, this is in important thing. For example, passing a lot of time in a transit. I think it is tiring. I think it's better to pass a little time. I think fluidity is better, when you board a connecting flight quickly and not passing a lot of time waiting for the connecting flight."*

Informant 18, Female, European *"Reputation on top of this, especially when you travel with an alliance, you have security, in case of flight problems, you that the service staff will put you on another flight and make arrangements to fly with another company's flight by finding the solution. Yes, I am tranquil and also when you are travelling with the same alliance, you have impression that you have the same quality of service, not underrated, you know."*

Informant 17, Male, European *"airline alliance for me is like a menu (choosing dishes in a restaurant to order an Entré- Main Course and Desert) in fact I mean, choice of the company, any company of this alliance, Alitalia, Air France, Air Europa voila ... and you can choose a company and take another company of this alliance which will take this possibility. This facilitates the customer to give things fluid, rapid, and something that is practical because we can say, lastly because most people choose something simple, practical, rapid and more comfortable, because for the time, I mean not mediocre, but pass the quality of being good, right and take good responsibility and consider like a humane, like a customer, a passenger who comes out as not ordinary"*

5.5 Access to Information

Findings from the discussion suggest that many participants use internet as a way to access the information about flights, their new destinations, networks, loyalty benefits offered by an airline alliance. Findings suggest that participants regularly access airline alliance websites or alliance carrier's website to reserve their flight, check their air miles status, and also use the websites for selecting their travel itinerary. Participants discussed about the importance of the use of internet related services for reservation of flights, gathering information for booking multiple destination and finally accessing information about their air miles. Participants believe that most carriers belong to a particular airline alliance are improvising their online services by interactive services to passengers by collaborating with other alliance carriers to create a dedicated website, that will help provide alliance carriers flight information, reservation/cancellation of flights operated by several alliance carriers belonging to an airline alliance . Alliance carriers have created a website wherein passengers can book a round the world ticket or continental ticket. This scheme helps passengers to book multiple destination served by several alliance carriers and passengers can have choice of selecting their destination, their choice of alliance carrier, and choosing an alliance carrier for updating their air miles as they keep flying. Therefore participants believe that alliances carriers are making efforts to provide interactive services to passengers by collaborating

among other carriers belonging to an alliance to provide a common platform for passengers to access their flight information, reservation and frequent flyer program status online. Therefore participants consider the interactive services offered by both alliance carriers' websites in collaboration with airline alliance's website as a determinant of value of an airline alliance's services.

Informant 17, Male, European *"We look for efficiency, also, we look for some, or efficient and rapid and we are lastly, not having a major concern, and concerns are resolved immediately, so all that happens, is in a way serene, fluid, and no stress ... Yeah, we can say that, with respect to the alliance, its the system that is placed for facilitating the relations between ... the relation with customer; in fact, the passengers to facilitate the life of the passenger; you can say, facilitating the reservation, for checking the information on accounts of loyalty, and so there is an interaction more direct and more proximate relation and actually internet has become, you can saymore accessible ... you can say its like the menu (choosing dishes like in restaurants –Entrée- Main Course and Desert) ... the alliance has placed to improved services for the customer...for keeping the customers satisfied or happy or ... and have a desire to use this alliance."*

Informant 18, Female, European *"Its true that we can make a combination of flights, as there are many flights, possible destinations, transits, the frequent flyer program, the miles, the points, I don't know, I don't know why I say points, the points, the usage of website for personalised services."*

Informant 15, Male, European *"It (website) is well presented here, it's clear. Yes yes, I have seen the stuff for travelling round the world, it is well done, and for me it's good to have all the travel maps for choosing the destinations. For the loyalty program it is well described and the conditions are explained, and the website is easy to understand."*

Informant 10, Male, European *"Yes, I think this is excellent (web services offered by airline alliance). Because we have the perspective, to have at least, all the panorama, all the destinations, all the transits, all the durations of the flight journey of each of all legs of flight. This allows you to organise yourself the flight journeys, the itinerary and the loyalty programs also .Sure this is advantageous"*

Informant 9, Female, South American *"Yes, the information about flight numbers, choice of seats, transits and other travel information should be informed. Like what time to change the flights, what time you arrive, what time you fly and all these things .For me, the most important thing is that all the things (flight information) should be easy shared to comprehend, for instance the flight seat numbers"*

Informant 12, Female, European *"When you type Air France on Google, you then enter the site (website)and you find they propose different , I mean , what we call, the code-share in fact, and so, Air France can be with Alitalia, exactly, and with other company. And another alliance Oneworld, will be consisting of British Airways with American Airlines for example, so all this, from an alliance you can move from one to other; we can do what we want, where to go etc, and all the necessary information of the system of an alliance, which company, and eventually which (airline) works, with whom (other alliance carriers) for flights."*

5.6 Extended Service Network

From the discussion with the interviewees, it appears the many participants believe that an airline alliance provides value to passengers in the several ways. Participants reckon that they can derive some value from an airline alliance services. Participants think that members of an airline alliance provide value to the passengers by offering increased volume of flights, destinations, increase in frequency of flights to certain destinations, choice of selecting a transit airport, offering a seamless travel services, recognising and registering alliance carriers loyalty programs, and lastly rewarding certain frequent flyers to have access to several airport lounges belonging to an airline alliance. Participants also addressed another important issue of deriving value from an airline alliance. Participants reckon that an airline alliance can gain more value if an airline dedicated to provide quality service joins an airline alliance club. Participants think that an airline with good reputation can introduce their respective flights, destinations, airport lounges, loyalty programs whilst providing seamless travel experience to airline alliance passengers can be an added asset or value of a particular airline alliance. Therefore participants think that any airline that can provide seamless travel experience and the ability to increase its participation to create a wide network of flights and destinations is an asset for a passenger and adds value for an airline alliance's service. On the flip side of the coin, participants also believe that an airline alliance, with their members can create value for the alliance carriers. So, airline alliance can create value to all the alliance members or a customer's preferred airline by introducing new flights, new destinations, choice of transit airports, airport lounges and extended loyalty programs to consumer's choice from an airline alliance's à la carte.

Informant 17, Male, European *"We can say for Air France, it will bring, the customers of other airlines of the alliance, in fact that will bring, an alliance will present a new group, of worldwide importance and we can say that, all the network of the alliance will give, I mean will give the network partnership among the companies, this all will construct a status, a reputation, of being serious, of quality, and security, exceptional. Voila, we can say, that for any customer of any origin, it represents something, we can say, interesting."*

Informant 7, Female, North American *"I feel its reliable, like I said, I can trust all the people, I can trust it, really I have lot of trust in it, and the financial discounts my parents get, I know, that's why we use, because when we fly, we get the points added up and then you can fly elsewhere, yeah yeah, I think its reliability and trust, and I know that, it's like, it's reliable for me, because I have used it so much, and I know I can get the meal, I know I gonna get space to relax, I know what I am gonna get."*

Informant 12, Female, European *"Selecting any airline company of an alliance, choice of frequency of flight, a flexibility to use another flight from the alliance, incase, if I miss the flight. That's it. I think it's really the three priorities (benefits) are, frequent flyer stuff comes after all these (priorities). So, for me the choice of airline company, the departing time, staff services, other loyalty program are grouped together for me, but again, choosing the right airline company and convenience of departing time are more important for me."*

Informant 18, Female, European *"Already destinations, as I travel often, so I am a potential customer, so they will try to keep me loyal, it is good for them to keep me loyal in Skyteam for example from Air France than Air France alone. If, in case, tomorrow, I don't know, who is exactly in Skyteam, I am going to another country, perhaps I will say, here you have my loyalty card and I have points. I can check who are the members of the same alliance, I can travel within the same alliance, I remain loyal, its loyalty. You know what I mean."*

6. Proposed Conceptual Model

From the above mentioned discussions it is observed that the consecutive interviews provided an insight of consumer's perceptions of services offered by an airline alliance. It is evident from the discussion that participants perceived an airline alliance service in a holistic form. They form attributes of an airline alliance services based on the co-operative services offered by an airline alliance. This is because participants believe that, airlines flocked together to form a federated structure of an airlines alliance. This is particularly true and evident when a passenger is having one or more leg of his flight journey is served by several alliance carriers. Passengers feel that in a federated structure such as an airline alliance, the services are aligned in co-operation with other alliance members of an airline alliance, and this alignment of services within the alliance framework helps to provide all sorts of services (ground, in-flight and online/offline) to any passenger during their journey. From the preliminary results of the discussions with the interviewees suggests two main issues that surfaced the discussion. Firstly, this paper helps to understand what sort of services of an airline alliance influence the determination of consumer perceived value attributes of an airline alliance. And secondly, based on the services offered by airline alliance, this paper helps to understand how the services of an airline alliance become factors to help consumers determine the attributes of consumer perceived value of an airline alliance.

It is found from the participants' discussion that some services of an airline alliance influenced participants to determine the attributes of the consumer perceived value of an airline alliance. The services offered by an airline alliance that influenced the participants were co-operative services (frequency of flights, destinations and convenient schedules) offered by the alliance members, the service coherency (seamless travel) offered among the participating alliance members, collaborative services (issuing one airline ticket for multiple destinations and flights served in a collaborated effort by any alliance carrier of an alliance) offered by all the participating alliance carriers to provide one stop shopping solutions to the consumers, the reciprocal and mutual recognition (alliance carrier's frequent flyer program recognition and registration) of alliance members services to customers, and interactive services (web, call centre etc) offered by all the alliance members to the consumers passengers traveling with two or more airlines during their journey. All these services were influential factors for determining the value derived by using the services of an airline alliance. Secondly, consecutive interviews also reveal that the attributes of the consumer perceived value of an airline alliance formed by the participants were Multi-party joint services, Fringe benefits (Loyalty program), Harmonisation of alliance carriers' services, well co-ordinated services, better access to information and, lastly extended service network.

This section of paper introduces an understanding on how consumer's form attributes of value of an airline alliance based on the alliance member's efforts to provide co-operative, coherent, collaborative, reciprocal and interactive services offered by all the members of the airline alliance. And eventually this section suggests the attributes of consumer perceived value of an airline alliance. Therefore, the consumer perceived value of an airline alliance in accordance to the participant's discussion suggests that consumer perceived value of an airline

alliance is influenced on the co-operative, coherent, collaborative, reciprocal and interactive service attributes of a federated structure of an airline alliance. And the attributes of consumer perceived value of an airline alliance are airline alliance's Multi-party joint services, Fringe benefits (loyalty program), Harmonisation of alliance carriers' services, Co-ordination of services, Access to information and, lastly extended network benefits. Based on the participant's discussion, this paper proposes a conceptual model of the consumer's perceived value of an airline alliance which is illustrated in figure 1 below. The proposed conceptual model helps to shows the attributes of consumer perceived value of an airline alliance. The conceptual model is the first step to understand the attributes that determine the consumer perceived value of a federated structure of an airline alliance. However, this conceptual model can be used to draw an empirical study through a quantitative approach for better understanding of the influences of the attributes on consumer perceived value of an airline alliance. Therefore, a future empirical study involving a quantitative approach can be helpful to demonstrate how attributes influences the consumer perceived value of an airline alliance.

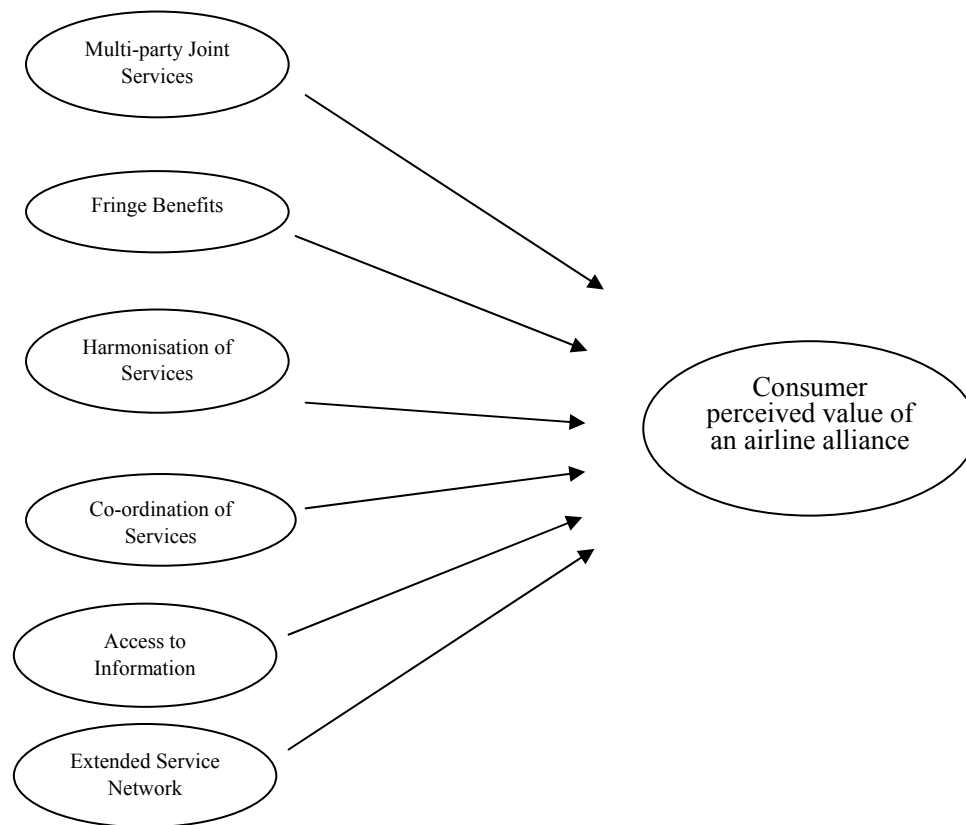


Figure 1. Conceptual model of Consumer perceived value of an airline alliance

7. Conclusion

As aviation market witnesses a rise in international and domestic travels in many parts of the world, airline alliance also have seen a sharp rise in their growth. Along with the rise in airline alliances, the market has also seen several challenges associated with its growth. Even with all the collaborative efforts by alliance carriers, yet, to date, questions are raised if strategic airline alliances remain strategic as a name. Though airline alliance co-operation is largely based on co-ordinating multi-lateral code-share agreements and frequent flier programs, but there is still of room left to integrate their networks fully (Iatrou & Alamdari, 2005). Therefore, the success of an airline alliance is questioned if the members of the airline network compromise service quality and eventually undermine the consumer value perceptions of an airline alliance. Hence, these issues raised questions whether airlines consider to join an airline alliance as an opportunity to circumvent regulated aviation markets to make profits or to improve their quality standards to perform better in international markets (Sultan & Simpson, 2000). Therefore, to win the applause of the alliance passengers, alliance carriers should not only focus on frequent flyer loyalty programs, enhanced network of flights and destinations but they should give more care and attention in providing convenience through quality services to the airline passengers (Weber, 2005).

Participants' discussions suggest that the airline alliance can concentrate on several quality issues which represent the heart of the international consumer's value perception of an airline alliance. Participants feel that, airline alliances can be better off by providing standardised services among all the alliance carriers within the alliance framework and still maintain a bit of their service culture of flag carriers. But, the most important issues for participants is to have an Airline alliance team that can constantly improve the value offerings to the consumers and constantly monitor their services offerings in real time measures. In doing so, airline alliance can have a track of a consumer's activities starting from reserving a flight till the consumers collect their baggage and receive a confirmation about their air miles are being accrued as they keep flying. Every new lesson learnt from an alliance carrier's service offerings, service failures and service recovery procedures should be well addressed to the rest of the members of the alliance. In doing so, the alliance carriers will learn from other alliance member's experiences in dealing with multiple consumer related service issues and this might help reduce any further mistakes in the future and eventually improve the quality services and value offerings by all the alliance members.

It is found from the participants' discussion that certain services of an airline alliance played an important role in influencing participants to determine the attributes of the consumer perceived value of an airline alliance. Certain services offered by an airline alliance that influenced the participants were based on the joint activities of the alliance carriers to provide co-operative services to passengers by increasing the frequency of flights, destinations and schedules offered by the alliance members. Alliance carriers also improved the levels of service offering the global airline alliance passengers by improving the service coherency (seamless travel) offered by the participating alliance members. Alliance carriers also influenced the passengers to create their own itinerary by offering passengers to choose any alliance carrier to travel round the world or travel across a continent. This collaborated scheme was developed by alliance carriers to allow passengers to fly multiple destinations around the world by creating their own itinerary and choosing one or many alliance carrier belonging to a particular airline alliance for the journey. This scheme was developed due to the collaboration amongst the alliance carrier to provide seamless travel solutions to the consumers. Furthermore, alliance carrier's collaborated amongst themselves to share all the flight information for reservation, and co-ordinating flight schedules for the passengers journey. This scheme also allowed alliance members to provide interactive services like websites and call centres to the passengers traveling on multiple destinations with two or more airlines during their journey. In addition to this development, alliance carriers also developed a function wherein the alliance carriers belonging to a particular airline alliance have a reciprocal and mutual recognition of an alliance carrier's frequent flyer program. All these services were influential factors for determining the value derived by using the services of an airline alliance. Therefore from the consecutive interviews it is found that the co-operative, collaborative, interactive, reciprocal and coherent services influence the consumers to draw attributes of the consumer perceived value of an airline alliance. The attributes hence formed by the participant discussion are alliance carrier's Multi-party joint services, Fringe benefits (loyalty program), Harmonisation of alliance carriers' services, Co-ordination of services, Access to information and, lastly extended service network.

Furthermore, findings from this research suggest that members of the airline alliance can create value to its alliance member by introducing their network of flights, destinations, airport lounges, transits, loyalty programs, joint airline operations, co-operative marketing strategies, and integrating their information technology systems to improve efficiency of airline operations to the airline passengers. On the other hand, an alliance carrier can also create value to an airline alliance, by introducing an alliance's carriers own flight networks, destinations, transits, airport lounges, loyalty programs, knowledge about their markets, and their experiences in handling customer grievances and giving customer experience. Therefore, the benefits offered by the airline alliance to the alliance carrier's passengers are reciprocal and mutual.

With respect to consumer perceived value issues, previous research findings of consumer perceived value suggest that, the benefits customer receives are based on attributes that are derived from emotional, social, functional and efficiency aspects of using an organisation service or product (Sheth et al., 1991; Sweeney & Soutar, 2001). However, in an airline alliance context, preliminary findings from this research suggest that the determinants of customer perceived value of an airline alliance are influenced in a holistic way through co-operative, collaborative, interactive, and reciprocal services of alliance carriers forming an airline alliance. Therefore this research finding suggests that consumers draw attributes of consumer perceived values that are different to previous approaches to understand consumer perceived value. The difference is due to the fact that previous studies focused on understand consumer perceived value of a sole service provider and this research paper confines its studies to understand consumer perceived value of an alliance network like airline alliance. All the services that passenger values by using an airline alliance are : a) the repertoire of using several alliance

member's flights to get to destinations; b) standardised levels of quality services that are provided on ground and in-flight by alliance carriers; c) customers access to accrue and redeem loyalty programs of all alliance carriers and; d) all the related services that serve within the context of airline alliance's co-operative services framework to provide seamless travel experience to the consumers. And based on these above mentioned services, participants form attributes of an airline alliance like alliance carrier's Multi-party joint services, Fringe benefits (loyalty program), Harmonisation of alliance carriers' services, Co-ordination of services, Access to information and, lastly extended service network.

All the attributes drawn from the participant's discussion are new to the literature. The attributes that have emerged in this study reflect the consumer perceived value of an airline alliance, and all the attributes are based on the services offered by a group of service providers, in this case the service providers are airlines. The study infers that consumer perceived value of a multi-lateral strategic alliance is based on the joint activities of alliance carriers that provide co-operative, collaborative, reciprocal and interactive services to the consumers. This study transcends from previous studies, wherein the consumer perceived value concepts were addressed specifically for understanding consumer perceived value of sole service providers. The previous studies addressed the attributes of consumer perceived value based on a sole service provider's services (Sheth et al., 1991; Sweeney et al., 1997, 1999; Sweeney & Soutar, 2001; Heinonen, 2004; Sanchez et al., 2006, Sanchez-Fernandez & Iniesta-Bonillo, 2009). However, in this study the consumer perceived value is based on joint services offered by multiple service providers and therefore is the first step and a way forward to understand how joint activities of a strategic alliance can influence the consumer perceived value of multiple service providers like airline alliance. Therefore this study differs from previous studies in two ways. Firstly this study helps to understand how joint activities of a strategic alliance like co-operative, collaborative, reciprocal and interactive services can help consumers to derive or maximise value through a multiple service provider context. Secondly, this study helps to address marketing managers of strategic alliance to develop an understanding of how joint marketing strategies can help strategic alliance to improve their service offerings through collective efforts and thereby increase the value offerings to the consumers. This study is in infant stage and the discussions from this study can be used in future studies, but through a quantitative approach to understand how each attributes influence the consumer perceived value of an airline alliance and strategic alliance in general. The present study is a qualitative approach and individual effects of attributes on consumer perceived value is not fully clear, let alone which of the attributes can be named as the highly influential determinant of the consumer perceived value of an airline alliance. Therefore, future studies through quantitative approach can help understand the hierarchy in attributes that influence the consumer perceived value of an airline alliance.

References

- Agusdinata, B., & De Klein, W. (2002). The dynamics of airline alliances. *Journal of Air Transport Management*, 8(4), 201-211. [http://dx.doi.org/10.1016/S0969-6997\(01\)00052-7](http://dx.doi.org/10.1016/S0969-6997(01)00052-7)
- Albers, S., Heuermann, C., & Koch, B. (2010). Internationalisation strategies of EU and Asia-Pacific low fare airlines. *Journal of Air Transport Management*, 16(5), 244-250. <http://dx.doi.org/10.1016/j.jairtraman.2009.12.001>
- Anslinger, P., & Jenk, J. (2004). Creating successful alliances. *Journal of Business Strategy*, 25(2), 18-22. <http://dx.doi.org/10.1108/02756660410525362>
- Atalik, O., & Arslan, M. (2009). Customer value analysis from a customer's perspective: Case of Turkish Airlines Domestic passengers. *International Business Research*, 2(3), 85-91.
- Bamberger, G. E., Carlton, D. W., & Neumann, L. R. (2004). An empirical investigation of the competitive effects of domestic airline alliances. *Journal of Law and Economics*, 47(1), 195-222. <http://dx.doi.org/10.1086/386274>
- Barnes, C., Blake, H., & Pinder, D. (2009). *Creating and delivering your value proposition: Managing customer experience for profit* (1st ed.). London, England: Kogan Page Limited.
- Bieger, T., Wittmer, A., & Laesser, C. (2007). What is driving the continued growth in demand for air travel? Customer value of air transport. *Journal of Air Transport Management*, 13(1), 31-36. <http://dx.doi.org/10.1016/j.jairtraman.2006.11.002>
- Bissesur, A., & Alamdari, F. (1998). Factors affecting the operational success of strategic alliances. *Transportation*, 25(4), 331-355. <http://dx.doi.org/10.1023/A:1005081621754>
- Bjerke, B., & Hultman, C. M. (2002). *Entrepreneurial Marketing: The growth of small firms in the new economic era*. Cheltenham, England: Edgar Elgar Publishing Ltd.

- Blackett, B., & Boad, B. (1999). *Co-branding: The science of alliance* (1st ed.). Basingstoke, England: Macmillan Press Ltd.
- Boztepe, S. (2007). User Value: Competing theories and models. *International Journal of Design*, 1(2), 55-63.
- Brueckner, J. K. (2001). The economics of international code-sharing: an analysis of airline alliances. *International Journal of Industrial Organisation*, 19(10), 1475-1498. [http://dx.doi.org/10.1016/S0167-7187\(00\)00068-0](http://dx.doi.org/10.1016/S0167-7187(00)00068-0)
- Brueckner, J., Lee, D. N., & Singer, E. S. (2008). Alliances, Codesharing, Antitrust Immunity and International Airfares: Do previous patterns persist? *Journal of Competition Law and Economics*, 7(3), 573-602. <http://dx.doi.org/10.1093/joclec/nhr005>
- Buyukozkan, G., Feyzioglu, O., & Nebol, E. (2008). Selection of the strategic alliance partner in logistics value chain. *International Journal of Production Economics*, 113(1), 148-158. <http://dx.doi.org/10.1016/j.ijpe.2007.01.016>
- Chen, C. F. (2008). Investigating structural relationships between service quality, perceived value, satisfaction and behavioural intentions for air passengers: Evidence from Taiwan. *Transportation Research, Part A: Policy and Practice*, 42(4), 709-717. <http://dx.doi.org/10.1016/j.tra.2008.01.007>
- Chen, S. H., Wang, P. W., Chen, C. M., & Lee, H. T. (2010). An analytic hierarchy process approach with linguistic variables for selection of an R&D strategic alliance partner. *Computers & Industrial Engineering*, 58(2), 278-287. <http://dx.doi.org/10.1016/j.cie.2009.10.006>
- Cheng, J. H., Chen, C. F., & Chang, Y. Y. (2008). Airline relationship quality: An examination of Taiwanese passengers. *Tourism Management*, 29(3), 487-499. <http://dx.doi.org/10.1016/j.tourman.2007.05.015>
- Christoffersen, J. (2012). A Review of Antecedents of International Strategic Alliance Performance: Synthesized Evidence and New Directions for Core Constructs. *International Journal of Management Reviews*. <http://dx.doi.org/10.1111/j.1468-2370.2012.00335.x>
- Contractor, F., & Lorange, P. (2002). The growth of alliances in knowledge based economy. *International Business Review*, 11(4), 485-502. [http://dx.doi.org/10.1016/S0969-5931\(02\)00021-5](http://dx.doi.org/10.1016/S0969-5931(02)00021-5)
- Czipura, C., & Jolly, D. R. (2007). Global airline alliances: sparking profitability for a troubled industry. *Journal of Business Strategy*, 28(2), 57-64. <http://dx.doi.org/10.1108/02756660710732666>
- Das, T. K., & Teng, B. S. (1998). Resource and Risk management in the strategic alliance making process. *Journal of Management*, 24(1), 21-42.
- De Man, A. P. (2004). *The network economy: Strategy, Structure and Management* (1st ed.). Cheltenham, England: Edgar Elgar Publishing Ltd.
- De Man, A. P., Roijakkers, N., & De Graauw, H. (2010). Managing dynamics through robust alliance governance structures: The case of KLM and Northwest Airlines. *European Management Journal*, 28(3), 171-181. <http://dx.doi.org/10.1016/j.emj.2009.11.001>
- Dennis, N. (2000). Scheduling issues and network strategies for international airline alliances. *The Journal of Air Transport Management*, 6(2), 75-85. [http://dx.doi.org/10.1016/S0969-6997\(99\)00027-7](http://dx.doi.org/10.1016/S0969-6997(99)00027-7)
- Doz, Y. L., & Hamel, G. (1998). *Alliance advantage: the Art of Creating Value through Partnering*. Boston, MA: Harvard Business school press.
- Elmuti, D., & Kathawala, Y. (2001). An overview of strategic alliances. *Management Decision*, 39(3), 205-218. <http://dx.doi.org/10.1108/EUM0000000005452>
- European Commission, & US Department of Transportation (2010). *Transatlantic airline alliances: Competitive issues and regulatory approaches*. Retrieved from http://ec.europa.eu/competition/sectors/transport/reports/joint_alliance_report.pdf
- Evans, N. (2001). Collaborative strategy: An analysis of the changing world of international airline alliances. *Tourism Management*, 22(3), 229-243. [http://dx.doi.org/10.1016/S0261-5177\(01\)00024-3](http://dx.doi.org/10.1016/S0261-5177(01)00024-3)
- Fan, T., Vigeant-Langlois, L., Geissler, C., Bosler, B., & Wilmking, J. (2001). Evolution of global airline strategic alliance and consolidation in the twenty-first century. *Journal of Air transport Management*, 7(6), 349-360. [http://dx.doi.org/10.1016/S0969-6997\(01\)00027-8](http://dx.doi.org/10.1016/S0969-6997(01)00027-8)

- Forgas, S., Moliner, M. A., Sanchez, J., & Palau, R. (2010). Antecedents of airline passengers' loyalty: Low cost versus traditional airlines. *Journal of Air Transport Management*, 16(4), 229-233. <http://dx.doi.org/10.1016/j.jairtraman.2010.01.001>
- Gayle, P. G. (2008). An Empirical Analysis of the Competitive Effects of the Delta/Continental/Northwest Code-Share Alliance. *Journal of Law and Economics*, 51(4), 743-766. <http://dx.doi.org/10.1086/595865>
- Gillen, D., & Morrison, W. G. (2005). Regulation, competition and network evolution in aviation. *Journal of Air Transport Management*, 11(3), 161-174. <http://dx.doi.org/10.1016/j.jairtraman.2005.03.002>
- Goh, K., & Uncles, M. (2003). The benefits of airline global alliances: an empirical assessment of the perceptions of business travellers. *Transportation Research Part A: Policy and Practice*, 37(6), 479-497. [http://dx.doi.org/10.1016/S0965-8564\(02\)00054-X](http://dx.doi.org/10.1016/S0965-8564(02)00054-X)
- Graue, O. (2012). Concentrated might in the sky-Airline alliance and travel management. *Trends and Issues in global tourism* (Part 5), 151-156. http://dx.doi.org/10.1007/978-3-642-27404-6_13
- Gronroos, C. (2008). Service logic revisited: who creates value? And who co-creates? *European Business Review*, 20(4), 298- 314. <http://dx.doi.org/10.1108/09555340810886585>
- Gudmundsson, S. V., & Rhoades, D. L. (2001). Airline alliance survival analysis: typology, strategy and duration. *Journal of Air Transport Management*, 8(3), 209-218.
- Gudmundsson, S. V., De Boer, E. R., & Lechner, C. (2002). Integrating frequent flyer programs in multilateral airline alliances. *Journal of Air Transport Management*, 8(6) 409-417. [http://dx.doi.org/10.1016/S0969-6997\(02\)00043-1](http://dx.doi.org/10.1016/S0969-6997(02)00043-1)
- Gulati, R. (1998). Alliances and Networks. *Strategic Management Journal*, 19, 293-317. [http://dx.doi.org/10.1002/\(SICI\)1097-0266\(199804\)19:4<293::AID-SMJ982>3.0.CO;2-M](http://dx.doi.org/10.1002/(SICI)1097-0266(199804)19:4<293::AID-SMJ982>3.0.CO;2-M)
- Hamel, G. (1991). Competition for competence and interpartner learning within international strategic alliances. *Strategic Management Journal*, 12(1), 83-103. <http://dx.doi.org/10.1002/smj.4250120908>
- Hannegan, T. F., & Mulvey, F. P. (1995). International airline alliances: An analysis of code-sharing's impact on airlines and consumers. *Journal of Air Transport Management*, 2(2), 131-137. [http://dx.doi.org/10.1016/0969-6997\(95\)00029-1](http://dx.doi.org/10.1016/0969-6997(95)00029-1)
- Heinonen, K. (2004). Reconceptualising customer perceived value: the value of time and place. *Managing Service Quality*, 14(2/3), 205-215. <http://dx.doi.org/10.1108/09604520410528626>
- Hoffmann, W. H., & Schlosser, R. (2001). Success Factors of Strategic Alliances in Small and Medium-sized Enterprises—An Empirical Survey. *Long Range Planning*, 34(3), 357-381. [http://dx.doi.org/10.1016/S0024-6301\(01\)00041-3](http://dx.doi.org/10.1016/S0024-6301(01)00041-3)
- Holtbrugge, D., Wilson, S., & Berg, N. (2006). Human resource management at Star Alliance: Pressures for standardisation and differentiation. *Journal of Air transport management*, 12(6), 306-312. <http://dx.doi.org/10.1016/j.jairtraman.2006.07.006>
- Iatrou, K., & Alamdari, F. (2005). The empirical analysis of the impact of alliances on airline operations. *Journal of Air Transport Management*, 11(3), 127-134. <http://dx.doi.org/10.1016/j.jairtraman.2004.07.005>
- Iatrou, K., & Oretti, M. (2007). *Airline choices of the future: From Alliances to Merger* (1st ed.). Aldershot, England: Ashgate Publishing Ltd.
- Inkpen, A. (1998). Learning Knowledge acquisition and strategic alliances. *European Management Journal*, 16(2), 223-229. [http://dx.doi.org/10.1016/S0263-2373\(97\)00090-X](http://dx.doi.org/10.1016/S0263-2373(97)00090-X)
- Ito, H., & Lee, D. (2005). Domestic code sharing practices in the US airline industry. *Journal of Air Transport Management*, 11(2), 89-97. <http://dx.doi.org/10.1016/j.jairtraman.2004.09.003>
- Ito, H., & Lee, D. (2007). Domestic Code Sharing, Alliances and Airfares in the U.S. Airline Industry. *Journal of Law and Economics*, 50(2), 355-380. <http://dx.doi.org/10.1086/511318>
- Kalligiannis, K. (2009). *An investigation of potential brand inconsistencies within airline strategic alliances*. (PhD Thesis). School of Engineering, Cranefield University, Bedfordshire, UK.
- Kleymann, B. (2005). The dynamics of multilateral allying: a process perspective on airline alliances. *Journal of Air Transport Management*, 11(3), 135-147. <http://dx.doi.org/10.1016/j.jairtraman.2004.08.002>

- Kleymann, B., & Seristö, H. (2001). Levels of airline alliance membership: balancing risks and benefits. *Journal of Air Transport Management*, 7(5), 303-310. [http://dx.doi.org/10.1016/S0969-6997\(01\)00025-4](http://dx.doi.org/10.1016/S0969-6997(01)00025-4)
- Kleymann, B., & Seristö, H. (2004). *Managing Strategic Alliance*. Aldershot, England: Ashgate Publishing Ltd.
- Koza, M., & Lewin, A. (2000). Managing partnerships and strategic alliances: raising the odds of success. *European Management Journal*, 18(2), 146-151. [http://dx.doi.org/10.1016/S0263-2373\(99\)00086-9](http://dx.doi.org/10.1016/S0263-2373(99)00086-9)
- Kumar, S., & Malegeant, P. (2006). Strategic alliance in a closed-loop supply chain, a case of manufacturer and eco-non-profit organisation. *Technovation*, 26(10), 1127-1135. <http://dx.doi.org/10.1016/j.technovation.2005.08.002>
- Lazzarini, S. G. (2007). The impact of membership in competing alliance constellations: Evidence on the operational performance of global airlines. *Strategic Management Journal*, 28(4), 345-367. <http://dx.doi.org/10.1002/smj.587>
- Li, M. Z. F. (2000). Distinct features of lasting and non-lasting airline alliances. *Journal of Air Transport Management*, 6(2), 65-73. [http://dx.doi.org/10.1016/S0969-6997\(99\)00024-1](http://dx.doi.org/10.1016/S0969-6997(99)00024-1)
- Lin, C. W. R., & Che, H. Y. S. (2004). A fuzzy strategic alliance selection framework for supply chain partnering under limited evaluation resources. *Computers in Industry*, 55(2), 159-179. <http://dx.doi.org/10.1016/j.compind.2004.02.003>
- Liou, J. J. H., & Tzeng, G. H. (2007). A non-additive model for evaluating airline service quality. *Journal of Air Transport Management*, 13(3), 131-138. <http://dx.doi.org/10.1016/j.jairtraman.2006.12.002>
- Lutolf-Carroll, C., & Pirnes, A. (2009). *From innovations to cash flows: Value creation by structuring high technology alliances* (1st ed.). Hoboken, NJ: John Wiley and Sons, Inc. <http://dx.doi.org/10.1002/9781118273166>
- McDougall, G. H. G., & Levesque, T. (2000). Customer satisfaction with services: putting perceived value into the equation. *Journal of Services Marketing*, 14(5), 392-410. <http://dx.doi.org/10.1108/08876040010340937>
- Morrish, S. C., & Hamilton, R. T. (2002). Airline alliances-Who benefits? *Journal of Air Transport Management*, 8(6), 401-407. [http://dx.doi.org/10.1016/S0969-6997\(02\)00041-8](http://dx.doi.org/10.1016/S0969-6997(02)00041-8)
- Morschett, D., Schramm-Klein, H., & Zentes, J. (2009). *Strategic alliance management: Text and cases* (1st ed.). Wiesbaden, Germany: Gabler/GWV Fachverlage GmbH.
- Narsimhan, R., & Nair, A. (2005). The antecedent role of quality, information sharing and supply chain proximity on strategic alliance formation and performance. *International Journal of Production Economics*, 96(3), 301-313. <http://dx.doi.org/10.1016/j.ijpe.2003.06.004>
- Nielsen, B. B. (2007). Determining international strategic alliance performance: A multidimensional approach. *International Business Review*, 16(3), 337-361. <http://dx.doi.org/10.1016/j.ibusrev.2007.02.004>
- Oum, T. H., & Park, J. H. (1997). Airline alliances: current status, policy issues, and future directions. *Journal of Air Transport Management*, 3(3), 133-144. [http://dx.doi.org/10.1016/S0969-6997\(97\)00021-5](http://dx.doi.org/10.1016/S0969-6997(97)00021-5)
- Oum, T. H., Taylor, A. J., & Zhang, A. (1993). Strategic Airline Policy in the Globalising airline networks. *Transportation Journal*, 32(3), 14-30.
- Oum, T. H., Yu, C., & Zhang, A. (2001). Global airline alliances: international regulatory issues. *Journal of Air Transport Management*, 7(1), 57-62. [http://dx.doi.org/10.1016/S0969-6997\(00\)00034-X](http://dx.doi.org/10.1016/S0969-6997(00)00034-X)
- Palmer, A., & Bejou, D. (1995). Tourism destination marketing alliances. *Annals of Tourism Research*, 22(3), 616-629. [http://dx.doi.org/10.1016/0160-7383\(95\)00010-4](http://dx.doi.org/10.1016/0160-7383(95)00010-4)
- Parasuraman, A. (1997). Reflections of gaining competitive advantage through customer value. *Journal of the Academy of Marketing Science*, 25(2), 154-161. <http://dx.doi.org/10.1007/BF02894351>
- Park, J. H. (1997). The effects of airline alliances on markets and economic welfare. *Transportation Research, Part E: Logistics and Transportation Review*, 33(3), 181-195. [http://dx.doi.org/10.1016/S1366-5545\(97\)00013-6](http://dx.doi.org/10.1016/S1366-5545(97)00013-6)
- Park, J. H., & Zhang, A. (1998). Airline alliances and partner firms' outputs. *Transportation Research, Part E: Logistics and Transportation Review*, 34(4), 245-255. [http://dx.doi.org/10.1016/S1366-5545\(98\)00018-0](http://dx.doi.org/10.1016/S1366-5545(98)00018-0)
- Park, J. W. (2007). Passenger perceptions of service quality: Korean and Australian case studies. *Journal of Air Transport Management*, 13(4), 238-242. <http://dx.doi.org/10.1016/j.jairtraman.2007.04.002>

- Park, J. W., Robertson, R., & Wu, C. L. (2004). The effect of airline service quality on passengers' behavioural intentions: A Korean case study. *Journal of Air Transport Management*, 10(6), 435-439. <http://dx.doi.org/10.1016/j.jairtraman.2004.06.001>
- Park, N. K., & Cho, D. S. (1997). The effect of strategic airlines on performance: A study of international airline industry. *Journal of Air Transport Management*, 3(3), 155-164. [http://dx.doi.org/10.1016/S0969-6997\(97\)00026-4](http://dx.doi.org/10.1016/S0969-6997(97)00026-4)
- Parkhe, A. (1991). Interfirm diversity, Organisational learning, and longevity in global strategic alliances. *Journal of International Business Studies*, 22, 579-601. <http://dx.doi.org/10.1057/palgrave.jibs.8490315>
- Parkhe, A. (1993). Strategic alliance structuring: A game theoretic and transaction cost examination of interfirm cooperation. *Academy of Management Journal*, 36(4), 794-829. <http://dx.doi.org/10.2307/256759>
- Pels, E. (2001). A note on airline alliances. *Journal of Air Transport Management*, 7(1), 3-7. [http://dx.doi.org/10.1016/S0969-6997\(00\)00027-2](http://dx.doi.org/10.1016/S0969-6997(00)00027-2)
- Ravald, A., & Gronroos, C. (1996). The value concept and relationship marketing. *European Journal of Marketing*, 30(2), 19-30. <http://dx.doi.org/10.1108/03090569610106626>
- Rhoades, D. L., & Lush, H. (1997). A typology of strategic alliances in the airline industry: Propositions for stability and duration. *Journal of Air Transport Management*, 3(3), 109-114. [http://dx.doi.org/10.1016/S0969-6997\(97\)00017-3](http://dx.doi.org/10.1016/S0969-6997(97)00017-3)
- Rhoades, D. L., & Waguespack, B. (2000). Judging a book by its cover: the relationship between service and safety quality in US national and regional airlines. *Journal of Air Transport Management*, 6(2), 87-94. [http://dx.doi.org/10.1016/S0969-6997\(99\)00025-3](http://dx.doi.org/10.1016/S0969-6997(99)00025-3)
- Saglietto, L. (2009). Airline alliances: When competitiveness can be approached with specific social networks. *Competitiveness Review: An International Business Journal incorporating Journal of Global Competitiveness*, 19(4), 304-322. <http://dx.doi.org/10.1108/10595420910977425>
- Sanchez, J., Callarisa, L., Rodríguez, R. M., & Moliner, M. A. (2006). Perceived value of the purchase of a tourism product. *Tourism Management*, 27(3), 394-409. <http://dx.doi.org/10.1016/j.tourman.2004.11.007>
- Sanchez-Fernandez, R., & Iniesta-Bonillo, M. A. (2009). Efficiency and Quality as economic dimensions of perceived value: Conceptualisation, measurement, and effect on satisfaction. *Journal of Retailing and Consumer Services*, 16(6), 425-433. <http://dx.doi.org/10.1016/j.tourman.2004.11.007>
- Sheth, J. N., & Parvatiyar, A. (1992). Towards a theory of business alliance formation. *Scandinavian International Business Review*, 1(3), 71-87. [http://dx.doi.org/10.1016/0962-9262\(92\)90012-U](http://dx.doi.org/10.1016/0962-9262(92)90012-U)
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research*, 22(2), 159-170. [http://dx.doi.org/10.1016/0148-2963\(91\)90050-8](http://dx.doi.org/10.1016/0148-2963(91)90050-8)
- Smith, J. B., & Colgate, M. (2007). Customer value creation: A practical framework. *The journal of marketing theory and practice*, 15(1), 7-23. <http://dx.doi.org/10.2753/MTP1069-6679150101>
- Stern, K., & Hutchinson, M. (2011). *The Value Mindset: Returning to the First Principles of Capitalist Enterprise* (1st ed.). Hoboken, NJ: John Wiley and Sons, Inc.
- Suen, W. W. (2002). Alliance strategy and fall of Swissair. *Journal of Air Transport Management*, 8(5), 355-363. [http://dx.doi.org/10.1016/S0969-6997\(02\)00017-0](http://dx.doi.org/10.1016/S0969-6997(02)00017-0)
- Sultan, F., & Simpson, M. C. Jr. (2000). International service variants: airline passenger expectations and perceptions of service quality. *Journal of Services Marketing*, 14(3), 188-216.
- Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77(2), 203-220. [http://dx.doi.org/10.1016/S0022-4359\(01\)00041-0](http://dx.doi.org/10.1016/S0022-4359(01)00041-0)
- Sweeney, J. C., Soutar, G. N., & Johnson, L. W. (1997). Retail service quality and perceived value: A comparison of two models. *Journal of Retailing and Consumer Services*, 4(1), 39-48. [http://dx.doi.org/10.1016/S0969-6989\(96\)00017-3](http://dx.doi.org/10.1016/S0969-6989(96)00017-3)
- Sweeney, J. C., Soutar, G. N., & Johnson, L. W. (1999). The role of perceived risk in the quality-value relationship: A study in a retail environment. *Journal of Retailing*, 75(1), 77-105. [http://dx.doi.org/10.1016/S0022-4359\(99\)80005-0](http://dx.doi.org/10.1016/S0022-4359(99)80005-0)

- Tiernan, S., Rhoades, D., & Waguespack, B. (2008). Airline alliance service quality performance-An analysis of US and EU member airlines. *Journal of Air Transport Management*, 14(2), 99-102. <http://dx.doi.org/10.1016/j.jairtraman.2008.02.003>
- Topaloglu, H. (2012). A duality based approach for network revenue management in airline alliances. *Journal of Revenue and pricing management*, 1-18. <http://dx.doi.org/10.1057/rpm.2012.8>
- Tsantoulis, M., & Palmer, A. (2008). Quality convergence in airline co-brand alliances. *Managing Service Quality*, 18(1), 34-64. <http://dx.doi.org/10.1108/09604520810842830>
- Uncles, M., & Goh, K. (2001). Airline global alliances: What is their impact of customer loyalty? School of marketing, University of New South Wales, Sydney, *working paper*, 01(6), 1-32, available online at: http://wwwdocs.fce.unsw.edu.au/marketing/Uncles_Goh01_6.pdf
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1-17. <http://dx.doi.org/10.1509/jmkg.68.1.1.24036>
- Vargo, S. L., & Lusch, R. F. (2006). Service-dominant logic: reactions, reflections and refinements. *Journal of Marketing Theory*, 6(3), 281-288. <http://dx.doi.org/10.1177/1470593106066781>
- Vargo, S. L., & Lusch, R. F. (2008a). Why 'Service'? *Journal of the Academy of Marketing Science*, 36(1), 25-38. <http://dx.doi.org/10.1007/s11747-007-0068-7>
- Vargo, S. L., & Lusch, R. F. (2008b). From Goods to service(s): Divergence and convergences of logics. *Industrial Marketing Management*, 37(3), 254-259. <http://dx.doi.org/10.1016/j.indmarman.2007.07.004>
- Wan, X., Zou, L., & Martin, D. (2009). Assessing the price effects of airline alliances on parallel routes. *Transportation Research, Part E: Logistics and Transportation Review*, 45(4), 627-641. <http://dx.doi.org/10.1016/j.tre.2009.01.003>
- Wargenau, A., & Che, D. (2006). Wine tourism development and marketing strategies in Southwest Michigan. *International Journal of Wine Marketing*, 18(1), 45-60. <http://dx.doi.org/10.1108/09547540610657678>
- Weber, K. (2003). Consumer perceptions and behavior: neglected dimensions in research on strategic airline alliances. *Journal of Travel and Tourism Marketing*, 13(4), 27-45. http://dx.doi.org/10.1300/J073v13n04_02
- Weber, K. (2005). Travellers' Perceptions of Airline Alliance Benefits and Performance. *Journal of Travel Research*, 43(3), 257-265. <http://dx.doi.org/10.1177/0047287504272029>
- Weber, K., & Sparks, B. (2004). Consumer attributions and behavioural responses to service failures in strategic airline alliance settings. *Journal of Air Transport Management*, 10(5), 361-367. <http://dx.doi.org/10.1016/j.jairtraman.2004.06.004>
- Wittmer, A., Bieger, T., & Muller, R. (2011). *Aviation systems: Management of the integrated aviation value chain* (1st ed.). Berlin-Heidelberg, Germany: Springer-Verlag.
- Woodall, T. (2003). Conceptualising 'Value for the Customer': An attributional, Structural and Dispositional Analysis. *Academy of Marketing Science Review*, 12. Retrieved from: http://irep.ntu.ac.uk/dtl_publish/38/184349.html or <http://www.amsreview.org/articles/woodall12-2003.pdf>
- Woodruff, R. B. (1997). Customer Value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*, 25(2), 139-153. <http://dx.doi.org/10.1007/BF02894350>
- Wright, C. P., Groenvelt, H., & Shumsky, R. A. (2010). Dynamic revenue management in Airline alliances. *Journal of Transportation Science*, 44(1), 15-37. <http://dx.doi.org/10.1287/trsc.1090.0300>
- Young, M. N., Ahlstrom, D., Bruton, G. D., & Rubanik, Y. (2011). What do firms from transition economies want from their strategic alliance partners? *Business Horizons*, 54(2), 163-174. <http://dx.doi.org/10.1016/j.bushor.2010.11.005>
- Zeithaml, V. A. (1998). Consumer perceptions of price, Quality and Value: A means-End model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22. <http://dx.doi.org/10.2307/1251446>
- Zins, A. H. (2001). Relative attitudes and commitment in customer loyalty models: Some experiences in the commercial airline industry. *International Journal of Service Industry Management*, 12(3), 269-294. <http://dx.doi.org/10.1108/EUM0000000005521>