

항공사 제휴의 법적 규제

Legal Constraint of Airline Alliance

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I. Introduction

II. Strategic Alliance and FFP

III. Alliance Network and Legal Constraint

IV. Study Hypothesis

V. Empirical Study

VI. Conclusions

I. Introduction

Owing to the globalization trend and competition, most air transport companies are re-organized into numerous strategic alliance groups. In the airline strategic alliances, the FFP became an active issue to maintain independence in business operation among group members by minimizing capital participation. Further, the range of alliance is extended to the adjacent industries such as hotel, rent car, credit card and communication companies as vertical and external alliances.

Thus far, studies that have been intermittently published related to the airline FFP were limited to the domestic and overseas marketing perspective (Deane, 1988; Toh & Hu, 1988; Stephenson & Fox, 1992; Nako, 1992; Kim, 1996; Chin, 2001, et. al.). Moreover, in the 1990's, the studies on strategic alliance of airlines (Choi, 1996; Park, 1997; Alvarado 1999; Kim, 2000; Chen & Chen, 2001) were mainly composed of horizontal alliances among the airlines. In this study, however, 41 Airlines from 5 global alliance groups were chosen as its subjects. Further, we will examine FFP based on the strategic alliance through empirical study of the characteristics of each alliance group. Additionally, it seeks to analyze the types of the airline alliance forming global networks. It will not only analyze the horizontal alliance, but also the vertical alliance and even extend to the external alliance as well as the interdependent relationships among these alliance types. Furthermore, this study will review the effect of the resource structure of the airlines in the alliance groups and the environmental factor on types of strategic alliances. By doing so, it seeks to present the direction of the management strategy in FFP operation management for international competitive power of Korea's national flag carriers.

II. Strategic Alliance and FFP

In the 1990's, the change in the world economic environment was the backdrop for the strategic alliance to be seriously considered not only as one of the management techniques, but also as a survival strategy among the companies. The strategic alliance is a management strategy that seeks to secure a competitive advantage from other companies by forming mutually secure and continually cooperative relationships between two or more companies based on the unique competitive position of each company (LG Economy Research Center, 1995). Recent strategic alliances are unfolding their joint efforts in all stages such as resource acquisition, research development, production and sales that form a ring of additional values. The subject of the cooperation is expanding from the domestic market to the world in the regional range. Moreover, it has a special characteristic since it has a more flexible and non-equitable alliance relationship. Hence, it is a more effective proposal in executing the global strategy. (Jung, 1993).

Today, group versus group, is a new form of competition through numerous alliances not limited by traditional alliances between two companies. This is necessary to better adapt to the change in worldwide trends since alliances are spreading within industrial activities. This is so called, "formation of the alliance network", is especially prevalent in the field of multimedia (Gomes-Cassres, 1994). We use each member of global alliance groups as the subjects of this study. Perlmutter & Heenan (1986) described these aspects in the structure of the Global Strategic Portfolio. In recent years, the world air transport industry is comprised of five global alliance groups with four mega-carriers from the United States of America, a Swiss air and a non-alliance group. The FFP is becoming the key part (Airline Business, 2000) and the members of the global alliance group jointly hold the mutual FFP to grant the privilege of accumulating and spending mileage and points. After deregulation by the US government, the FFP was introduced for the first time by American Airlines in May 1981 as a part of its Airline fare strategy. In the

initial enforcement period, it was a marketing tool for securing customer loyalty. However, the FFP today occupies a very significant position in the airline operations according to the structuring of strategic alliances among the airlines and other industries (Airline Business, 1997).

Mega-carriers with more diverse route networks have relatively more market dominance using this system. Particularly, it is an extremely effective strategic measure for building market entry barriers to new entrants and it gives an effective competitive advantage among the competitors. Therefore, many airlines are building a global network with their own routes through strategic alliances for competitive advantage. At the same time, the utilization of the FFP from other industry alliances is also increasing.

In this manner, the FFP has influenced other industries such as credit card, long distance communication, gas stations, hotel, and car rental that these industries are adopting similar programs. Moreover, it is estimated that there are over ninety-two worldwide FFP related to airline mileage spending (WebFlyer, 2001). Furthermore, as the world airline customers who use the Internet for flight information and flight reservations have increased (Airline Business, 2000), the airlines are facing a new operational environment where online management of FFP members is required (Chang & Suh, 2000).

III. Alliance Network and Legal Constraint

Global airline service networks are likely to be built by alliance groups of airlines residing in different continents. The current alliances race will likely continue unless foreign ownership laws and nationality clauses in bilateral agreements change. The basic rationale behind this prediction is as follows. A mega carrier will continue to face severe difficulty establishing an independent global network or one through mergers and acquisitions. First, tremendous

financial resources, which may be beyond a carrier's ability, would be required to establish a truly global network. Second, it is expected that regulatory constraints in international aviation markets will remain in the future. Although international air transport markets are being liberalized, it is unlikely that international markets will ever be deregulated to the same extent as intra-continental or domestic markets. Third, it is expected that legal, political, and institutional constraints on mergers and acquisitions between airlines of different nations will continue to exist. Many countries are proud of having an independent "national flag" carrier. Mergers or acquisitions of such airlines by foreign carriers would be politically unacceptable to many governments in the foreseeable future (Oum, Park & Zhang 2000).

IV. Study Hypothesis

1. Resource Structure and FFP-based Strategic Alliance

Hypothesis 1 : There are differences in the types of strategy adopted by the airlines depending on the structure of resources.

Hypothesis 1 was selected according to the analogical inference that the types of strategy selected by the airlines will be different depending on the structure of resources acquired by the five global alliance groups and the airline from each alliance group.

Porter & Fuller(1986) supports the theory of formation of alliance group by building the collaboration guided by the activities related to product sales such as marketing, sales, and service collaboration from the six categories of collaboration as the alliance category. Additionally, Kogut, Shan & Walker (1992) discovered that although the unique nature of the companies such as their size, age, and product diversity restricts the formation and types of

alliances, the network structure is the key element in the cooperation selection process. Thus, it provided the theoretical foundation for network construction using the theoretical background and alliance of the airline resource structure. Accordingly, it is predicted that there may be some differences in the types of strategic alliances depending on the alliance group. Furthermore, the longer the alliance participation period of the airlines, the more horizontal, vertical, and external alliances may be formed. Finally, if an airline has more FFP experience, there will be more horizontal, vertical, and external alliances. Also, the larger the scale of the airlines, it is predicted that there will be the more horizontal, vertical, and external alliances.

2. Information Technology Standard and FFP-based Strategic Alliance

Hypothesis 2 : The higher information technology standards of the nation where the airline belongs, there will be much more horizontal, vertical, and external alliances.

Hypothesis 2 is designed to understand the effect of the environmental factor on the types of strategic alliance. As we enter the 21st Century Information era, due to the development of computer and information communication technology, the trend is that the standard of FFP competitive power in the airline market is changing in a rapid pace. Today, usage information can be easily reviewed amongst the boarding airline and the corresponding airlines' alliances by using the Internet and then, it is possible to select the airlines that coincide with the customer's own preferences. The customer can benefit by using airlines and products to maximize their FFP points and mileage. The registration as a member of FFP can be decided. Therefore, it is ascertainable that an airline from a nation with high level of Information Technology will not only make alliances with other airlines, but also with related industries such as hotel, rental car, and so forth and other industries such as credit card companies. Information Technology standard refers to the each airline's

national Internet use percentage and the theoretical background of environmental factor is based on Root(1988). According to Root, there are nine different categories of standards in the classification of the international cooperation contracts. They are national citizenship, value chain, main operation, geographical range, danger of credit use, environmental experience, relative cooperative power, and regulation.

3. Reciprocal Relationship of Strategic Alliance Types

Hypothesis 3 : The horizontal, vertical, and external alliances will have reciprocal effects.

Today, FFP of the world's major airlines has been transformed into a strategic action that enhances competitive power through alliances with various industries. Therefore, these alliances are horizontal, vertical and external alliance types in general. We assume that those airlines that have more horizontal alliances will also conduct more vertical and external alliances. Likewise, airlines with more vertical alliances will also have more external alliances. In this regard, since there will be some differences in the alliance types, the relationships of these alliance types shall be analyzed.

The vertical alliance is when an alliance is related to a product as downstream and upstream integration format. And horizontal alliance is between the same industries and alliances among companies in other industries are diversified alliances(Kim, 1995). Gremawat, Poter & Rawlinson(1986) divided all strategic alliances into vertical and horizontal federations according to the standards of the activities within the value chain. Furthermore, Nakamura Kenichi(translated by Park, 1994) classified alliance in three categories depending on their industrial characteristics. In the 3rd category where the survival in the world market is its objective, the global alliance refers to the airlines expanding a global network through FFP alliances in order to achieve the economic advantages of its size and range.

V. Empirical Study

1. Data and Study Methodology

To collect the data for the study, all collectable data were inspected using the related literatures. Particularly, starting with alliances groups such as Star, Oneworld, Wings, Qualiflyer, and the website of SkyTeam, the statistical data from each airline and the cyberatlas website were collected. Further, various statistical data from not only international organizations, such as, Airline Business and IATA, but also the foreign embassies in Korea. Additionally, data and information were collected by conducting interviews with the operation manager in charge of the FFP alliance of domestic and foreign airlines. Therefore, the number of horizontal, vertical, and external alliances of the FFP for each airline that participated in the alliance group were arranged for 11 years from 1989 to 2000.

For analyses, I used several statistical methods including correlations, regressions, and one-way ANOVA through the use of SAS 8.1. First, I performed the one-way ANOVA method to check the difference in types of strategic alliances between global alliance groups through variance. Secondly, I used regression analysis to check the types of strategic alliances according to the resource structure and environmental factors of airlines. Finally, I executed the correlation analysis of Pearson checking the strength of the linear relation and their relation status in order to examine the relations between strategic alliance types.

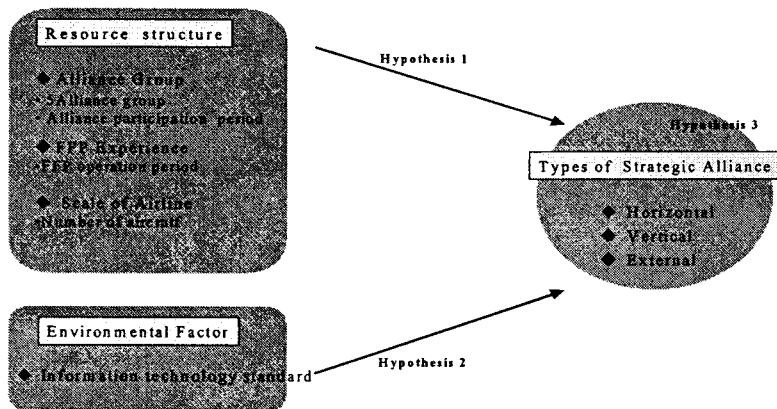
Table 1. Airlines of Alliance Group

Group 1	Group 2	Group 3	Group 4	Group 5
Star	Oneworld	Wings	Qualifyer	SkyTeam
Air Canada Air Newzealand ANA Ansett Australia Austrian Airlines British Midland Lauda Air Lufthansa Mexicana SAS Singapore Airlines Thai Tyrolean Airways United Airlines Varig	American Airlines Aer Lingus British Airways Cathay Pacific Finnair Iberia LanChile Qantas Airways	KLM Northwest Airlines	Air Europe Air Liberte Air Littoral AOM Crossair LOT PGA Sabena Swiss Air TAP Volare Airlines	Aero Mexico Air France Czech Airlines Delta Korean Air

Table 2. Operational Definition of Explanation Variables

Variables	Operational Definition	
Resource Structure	Alliance Group	Alliance groups, Alliance participation period
	FFP Experience	FFP operation period
	Scale of airline	Number of aircraft
Environmental Factor	Information Technology Standard	National internet use percentage
Types of Strategic Alliance	Horizontal	Overall numbers, Members, Non-members
	Vertical	Overall numbers, Hotel, Rent-car, Except hotel, Number of the Alliance Sort
	External	Overall numbers, Credit card, Communication company, Except credit card, Number of the Alliance sort

Study Model



2. Result

1) Test of hypothesis concerning alliance group and strategic alliance types

Hypothesis 1: The difference in the number of the overall horizontal alliances among alliance groups is shown at $p < 0.01$ standards. According to the Duncan test, the results showed that in the differences among the group, the Star, Wings, Qualifyer group makes relatively greater number of horizontal alliances than the Oneworld and SkyTeam group. Moreover, there were differences among the alliance non-membership companies in the $p < 0.01$ standards and Wings had a greater number of alliances with non-member companies than others.

Table 3 reveals that there is no difference in the overall number of vertical alliances (including hotel and rental car companies, etc) across alliance groups. But, Oneworld group shows a much greater number of the alliance sort than other groups.

According to Table 3, the overall number of alliance with different industries (e.g., communication companies) is significantly different across alliance groups. However, it does not show any difference in the number of alliances with credit card companies and the alliance sort.

The test of hypothesis results are analyzed as follows:

First, Wings group has the highest value in the horizontal alliance among alliance groups. Wings has the least number of members among the groups, however, since it acquired numerous strategic alliances with non-member companies, it is effectively expanding the network to the routes outside of their own routes. Moreover, it appears that it is striving to improve their own airline tickets. This is done through expanding its mileage accumulation and bonus usage range to the customers who uses other airlines in the alliance.

Second, Oneworld is showing a greater difference than other groups only in the number of vertical alliance type. Since hotel, rental car, travel agency, etc, have extremely close relationships with airlines, they can form a global network, which is key to airline travel in the international tourism era. In this regard, there is a trend that the airlines are expanding their strategic alliance with these related industries.

Third, Qualiflyer has the most external alliances with different industries. The group member companies of Qualiflyer are comprised of small to medium size airlines from Europe including Swiss Air. Hence, Qualifier maximized the range of competitive marketing effect through alliances with unrelated industries in order to overcome the operational size and the geographical limitations of the vertical alliance. At the same time, it seeks to induce the synergy effect through the strategic alliance.

Table 3. One-Way ANOVA Result : the Relationship between the Alliance Group and Alliance Types

Dependent variable		Source	Df	Sum of Squares	Mean Square	F Value	Pr > F	
Horizontal	Overall Number	Alliance group	4	724.2393939	181.0598	4.87***	0.0031	
		Error	36	1339.760606	37.21557			
		Total	40	2064				
	Star(1) 22.53 Oneworld(2) 16.5 Wings(3) 24.5 Duncan test : 3,1,4 > 2,5 Qualiflyer(4) 22.46 SkyTeam(5) 10.8							
	Non-members	Alliance group	4	566.345824	141.5865	4.06***	0.0081	
		Error	36	1255.215152	34.86708			
		Total	40	1821.560976				
	Star(1) 8.53 Oneworld(2) 9.5 Wings(3) 23.50 Duncan test : 3 > 4,2,1,5 Qualiflyer(4) 12.73 SkyTeam(5) 5.80							
	Vertical	Number of the Alliance sort	Alliance group	4	17.00060976	4.250152	4.03***	0.0084
			Error	36	37.975	1.054861		
Total			40	54.97560976				
Star(1) 3.40, Oneworld(2) 3.63 Wings(3) 2.5 Duncan test : 2 > 1,5,3,4 Qualiflyer(4) 2 SkyTeam(5) 3								
External	Overall Number	Alliance group	4	1158.442498	289.6106	7.54***	0.0002	
		Error	36	1383.069697	38.4186			
		Total	40	2541.512195				
	Star(1) 9.53, Oneworld(2) 6.5 Wings(3) 6.5 Duncan test : 4 > 1,5,2,3 Qualiflyer(4) 20.18 SkyTeam(5) 9.4							
	Communication Companies	Alliance group	4	277.9600333	69.49001	34.35***	<.0001	
		Error	36	72.8204545	2.02279			
		Total	40	350.7804878				
	Star(1) 1.40, Oneworld(2) 1.38							

		Wings(3) 2.00 Duncan test : 4 > 3,5,1,2 Qualiflyer(4) 7.37 SkyTeam(5) 1.8					
		Alliance group	4	755.385458	188.8464	6.88***	0.0003
	Except Credit card	Error	36	987.590152	27.43306		
		Total	40	1742.97561			
		Star(1) 6.87, Oneworld(2) 3.13 Wings(3) 4.00 Duncan test : 4 > 1,5,3,2 Qualiflyer(4) 14.73 SkyTeam(5) 6.20					

*** : p< 0.01

2) Test of Hypothesis on Alliance Participation Period and Strategic Alliance Type

It was shown that the alliance participation period of the airlines had significant effect on the total number of horizontal alliances at the p<0.1 standard. Moreover, in the alliance with the non-membership companies group, it showed a notable effect also at the p<0.01 standard of deviation. Additionally, for vertical alliance, only in the rental car alliance, there was a noteworthy effect at the p<0.05 standard. However, in so far as the external alliances, there were no significant effects statistically since they were all rejected.

Table 4. Regression Analysis Result : the Relationship between the Alliance Group Participation Period and Type of Strategic Alliance

Dependent variable		Independent variable	Intercept	Regression Coefficient	Significance Probability	R ²
Horizontal	Overall Number	Alliance Participation Period	17.76057	0.82718*	0.0816	0.0757
	Non-members		6.42944	1.40895***	0.0009	0.249
Vertical	Rental car		3.37126	0.1962**	0.0386	0.1052

* : p<0.1, ** : p<0.05, *** : p< 0.01

The analysis is done as follows:

First of all, the longer the alliance participation period, there are strategically more horizontal alliances among the airlines. A long period of alliance group participation provides less potential to secede from the alliance and gives more security as the alliance member. Furthermore, since most are mega-carriers from the advanced countries that are building their competitive power and securing extensive routes, the relatively smaller airlines prefer alliances with those companies with long alliance participation period to promote expansion of their network.

Secondly, only the rental car in the vertical alliance is shown to be relative. The alliance between the airlines and the rental car companies began with the introduction of American Airlines' FFP. In the case of rental car companies, the alliance with the airlines is affecting the market dominance rate of them. From the airlines perspective, they can widen the network and range for their service to the customer through the strategic alliance with rental car companies. Therefore, airlines with a longer alliance participation period show more active participation in the alliances with the rental car companies:

3) Test of Hypothesis on Experience and Strategic Alliance Types

The FFP execution period was rejected from the study since it did not have any significant effect on the horizontal or external alliances. However, in the rental car alliances of the vertical alliance type, it had a notable effect at the $p < 0.05$ standard. Moreover, in the alliances with similar industries such as rental car excluding hotels, it showed a statistically significant effect at the standard of deviation of $p < 0.1$.

The results of the test of hypothesis as above are as follows:

First, since it was shown that there is no relationship between the execution

period of FFP and the horizontal alliance, it appears that far reaching airline routes and other characteristics of the alliance members are more important than the FFP execution period.

Secondly, on the contrary, there was a relationship in the strategic alliances with rental car, duty free shops, and travel agencies, excluding hotels in the vertical alliances. Therefore, the airlines with prolonged FFP period will experience extensive membership and competitive power. This can be done since these airlines are able to provide the customers with a mileage accumulation program along with the convenience and benefits through forming alliances with rental car, duty free shops, and travel agencies. Accordingly, the strategic alliances with these related industries are actively sought after by the airlines.

Table 5. Regression Analysis Result : the relationship between FFP Experience Characteristics and Type of Strategic Alliance

Dependent variable		Independent variable	Intercept	Regression Coefficient	Significance Probability	R ²
Vertical	Rental car	FFP	3.16497	0.0934**	0.0786	0.139
	Except Hotel	Operation Period	3.22163	0.16254*	0.0597	0.1528

* : p<0.1, ** : p<0.05

4) Test of Hypothesis concerning the Scale and Strategic Alliance Types

As shown in Table 6, only vertical alliance is significantly related to the scale of airlines (i.e., number of aircraft). Specifically, the scale of airlines is significantly related to the vertical alliance with rental car industry and all vertical alliance except hotel industry.

This can be summarized as follows:

There is no relationship between the horizontal or external alliances and the number of aircrafts. On the contrary, in case of vertical alliances, there are more alliances with the related industries such as rental car, travel agencies, and duty free shops, except for hotels if the airlines have a greater number of aircrafts. This can be seen since the mega-carriers retain a greater number of destinations and FFP members, the related industries prefer to make alliances with these mega-carriers.

Table 6. Regression Analysis Result : the Relationship between the Scale Characteristics and Type of Strategic Alliance

Dependent variable		Independent variable	Intercept	Regression Coefficient	Significance Probability	R ²
Vertical	Rental car	Number of Aircraft	3.1429	0.00826*	<.0001	0.5089
	Except Hotel		3.96536	0.01225*	<.0001	0.4311

* : $p < 0.1$

5) Test of Hypothesis between the Environmental Factor and Strategic Alliance Types

Hypothesis 2 : Although the standard of information technology of the airlines do not affect the total number of horizontal alliances, it does have a significant effect on the alliance with the non-member companies group at the $p < 0.1$ standard. Moreover, rental car alliances in the vertical alliance type, $p < 0.01$ standard and in the number of alliance sort, $p < 0.1$ standard of deviation are shown. However, there was no effect on the external alliances.

Through these results, it can be ascertained that there is a rapid change in the standard of FFP's competitive power of the airlines. This can be attributed to the extensive worldwide distribution of the Internet as the first underlying cause.

Airlines today can directly conduct a bi-directional conversations with their customers in real time on the virtual world of the Internet. Thus, they can

shape the promotion, marketing, and company membership management of the FFP. In this regard, it seems that they are creating new demands in the market by maintaining their existing customers by providing useful information and more benefits. These benefits are available to their customers through active alliances not only with the alliance group, but also the non-member companies. In addition, it is interpreted that this is a strategy to create more profit by utilizing the database of their alliance companies through the network of the non-member companies. Particularly, this is the same method used to devise the service distinctions of their FFP through more alliances with the related industries such as rental car companies.

Table 7. Regression Analysis Result : the Relationship between the Environmental Factor and Type of Strategic Alliance

Dependent variable		Independent variable	Intercept	Regression Coefficient	Significance Probability	R ²
Horizontal	Non-members	Information Technology Standard	7.20518	0.10481*	0.0969	0.0708
Vertical	Rental car		2.81592	0.03585***	0.0067	0.1777
	Number of the Alliance sort		2.40404	0.01888*	0.0874	0.075

* : p<0.1, *** : p< 0.01

6) Test of Hypothesis on Correlations among Strategic Alliance Types

Hypothesis 3 : Horizontal and vertical alliances are highly correlated ($r = 0.55$; $p < 0.01$). This indicates that as the number of horizontal alliances increases, the vertical alliance cases will also increase. Horizontal alliance is also highly correlated with external alliance ($r = 0.32$; $p < 0.05$) saying that an airline with a great number of horizontal alliance equates more alliance externally. Finally, vertical and external alliances are also highly correlated ($r = 0.53$; $p < 0.01$) (refer to Table 8).

The results can be summarized as follows:

It is shown that the airlines make more vertical and external alliances if they have more horizontal alliances. Moreover, the more vertical alliances indicate that the airlines will make more external alliances.

This can be interpreted as the hotel, rental car, and other related industries with extensive relationships with the airlines seek to make strategic alliances with the airlines that have a greater number of horizontal alliances with other airlines. Furthermore, those airlines with more horizontal alliances also actively seek alliances with credit card companies and communications companies, which have a major liking pin to the airline industry.

Since 1991, the cooperation and co-existence among airlines within the global alliance group threatened the other airlines with complete market dominance. In this way, it displayed itself as the global alliance at a new and complex standard of operations. In addition, the FFP promoted alliances with related industries such as hotel, rental car, and unrelated industries such as credit card companies and communications companies. Thus, it becomes a key part of the airline alliances in the current market trends. In view of this, FFP as a method of strategic alliance provides competitive power to other related industries as well as airline companies. As a result, whether the airline is a large, or small to medium sized company, if it has more horizontal alliances then it will have an advantageous position in the alliances with other industries. Moreover, it is also shown that the airlines that participate in the alliance group with a global network and organizational power have more economic competitive power than those that participate in the non-alliance group.

Table 8. Correlation Analysis Result of Strategic Alliance Types

Alliance Type	Horizontal	Vertical	External
Horizontal	1	0.54587***	0.32484**
Vertical	0.54587***	1	0.52538***
External	0.32484**	0.52538***	1

** : $P < 0.05$ *** : $P < 0.01$

VI. Conclusions

A few important points can be extracted from the empirical study results as follows:

First, the types of alliances that are mainly acquired among the global alliance groups are different according to the operational environment and the resource structure. This is the indication that each group has different strategic approaches that are unique to its characteristics in order to secure the world market dominance and competitive power.

Second, the airlines with a longer period of participation in the global group alliance conduct greater number of horizontal alliances with non-members than the airlines with a shorter participation period. Moreover, the same factor is closely linked to the other industry alliances. Therefore, it is recommended that those airlines not yet participating in the alliance group, including Korea's Asiana Airlines, should review the global alliance group participation in the near future.

Third, the study shows that those airlines with a longer execution period of FFP conduct more active vertical alliances. The underlying reason for this trend is that the airlines can secure a greater number of members and competitive power by expanding the privilege range including the mileage accumulation of their customers plus the convenience and benefits in using the alliance companies. Moreover, even in the alliance companies that are in the vertical alliances, those airlines with a longer execution period of the FFP do have more members than those with a shorter execution period of the program. Thus, these airlines are more proactive in their attitude towards alliances with the other airlines. Accordingly, it is necessary for the airlines with no FFP to review these factors.

Fourth, there is a steadily increasing Internet usage rate due to the worldwide development of information technology. Gradually, the most

competitive division of an airline shall be the relation marketing with their customers through the Internet. Therefore, in preparation for such advances, the airlines shall construct their own homepages to be competitive in the 21st Century information era, and they must secure the ability to manage their members. Along the same line, the airlines should acknowledge that the FFP competitive power standards are also shifting. They should think beyond securing the member loyalty and consider it from the perspective of utilization for profit increase.

Fifth, the airlines with more horizontal alliances may also have more advantages in vertical and horizontal alliances. This is because they have a more advantageous position in the vertical and external alliances that can contribute to distinguish their FFP management and services. This indicates that whether the airlines are mega-carriers or small to medium sized local carriers, if it participates in the global network and the alliance group with organizational power, then it has much stronger competitive power than those airlines that participate in the non-alliance group or without any alliances. Global airline service networks are likely to be built by alliance group of airlines residing different continents, even though regulatory and legal constraints in international aviation markets will remain in the future. Therefore, the national flag carriers should attempt horizontal alliances focused on the FFP more actively with foreign carriers. In this way, the carriers can improve their ticket value for greater profit production.

Likewise, although FFP is an important strategic tool in the airline alliance much attention has not given until now in the view of a management strategy perspective.

However, as it can be shown through the results of the verification analysis, that it is absolutely vital to secure competitive power through managing this system. Therefore, those in charge of the FFP alliance in each airline should actively review and utilize this system in order to obtain sufficient advantages of the strategic alliances.

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ABSTRACT

After introduced in 1980's, the Frequent Flyer Program(FFP) was one of the most successful marketing tools in the airline industry and it has become a major linkage pin of strategic alliances for airlines despite of legal constraint. Further, the world air transport market progresses rapidly from a one-to-one alliance to a global alliance among groups due to fierce competition of the markets.

In this study, I first examine the trends and the characteristics of global alliance groups. Further, I analyze the types of airline strategic alliances in the FFP, and present management strategy of the FFP for national flag carriers based on the collected data. It is suggested that airlines, including the two major Korean airline companies, consider the advantages of strategic alliances on the FFP in a rapidly changing management environment.

Key Word : Global alliance, Frequent Flyer Program, Types of strategic alliance, Resource structure, Environmental factor

초 록

1980년대 도입된 항공사 상용고객우대제도는 항공운송산업에서 가장 성공적인 마케팅 도구였으며, 법적인 규제에도 불구하고 오늘날 항공사들 간 전략적 제휴의 주요 수단이 되었다. 또한 세계항공운송시장의 극심한 경쟁으로 항공사들의 제휴 형태가 양자 간 제휴에서 그룹 간 범세계적 제휴로 변모해나가고 있다.

이에 본 연구는 범세계적 제휴 그룹들의 추세와 특성을 살펴보면서 항공사 상용고객우대제도의 제휴 유형을 분석하였다. 그리고 이를 통해 급변하는 경영환경에 처한 국내 양항공사들에게 상용고객우대제도 제휴의 이점과 함께 경영시사점을 제시하고자 한다.

주제어 : 범세계적 제휴, 상용고객우대제도, 법적 규제, 전략적 제휴의 유형, 자원구조, 환경적 요소