
HOW DO AIRLINES PERCEIVE THAT STRATEGIC ALLIANCES AFFECT THEIR INDIVIDUAL BRANDING?

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ABSTRACT

Much research has been carried out to evaluate the impact of strategic alliance membership on the performance of airlines. However it would be of interest to identify how airlines perceive this impact in terms of branding by each of the three global alliance groupings. It is the purpose of this paper to gather the opinion of airlines, belonging to the three strategic alliance groups, on the impact that the strategic alliance brands have had on their individual brands and how do they perceive that this impact will change in the future. To achieve this, a comprehensive survey of the alliance management and marketing departments of airlines participating in the three global strategic alliances was required. The results from this survey give an indication whether the strategic airline alliances, which are often referred to as marketing agreements, enhance, damage or have no impact on the individual airline brands.

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INTRODUCTION

Alliances are generally a strategy that companies use when the acquisition of another company or internal development as means of growing is not possible. Sometimes even if internal development is possible, alliances are preferable as they provide quicker access to new markets. Alliances vary in degree of commitment from simple marketing cooperation to more advanced co-operations that could eventually lead to complete mergers or acquisitions (although that at this point they could hardly be classified as alliances anymore).

According to Kleymann and Seristo (2004), the strategic global alliances that have been formed in the last decade in the airline industry are primarily marketing alliances, involving common branding strategies to promote them. Branding is a crucial element of marketing and makes a product or service distinctive by its positioning relative to the competition and by its personality (Hankinson & Cowking, 1993).

Co-marketing alliances are contractual relationships entered into by firms that are at the same level in the value-added chain and that have complementary products (Bucklin & Sengupta, 1992). According to this definition, the same level of value-added is required by all airline brands when entering an alliance and a complementary service offering is required by them. Since not all airlines that participate in a specific alliance have the same value to add and their services are not complementary in all routes since in many cases they is competition among them, some issues that could damage these alliances may exist. Moreover, coherence and consistence are

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presumed as a necessity for a strong corporate brand identity (Balmer & Greyser, 2002; Morsing & Kristensen, 2001).

Each airline alliance has its own brand which is used in each airline's member marketing promotion together with the airline's individual brand. A recent research has revealed that the individual airlines viewed the alliance brand as little more than a sub-brand (He and Palmer, 2004). A question that could be raised at this point is how each alliance brand affects its members' brands. This paper identifies how this effect is perceived by the airlines participating in the three major alliances.

Among the first major airline alliances that were formed historically was *Wings* in 1989, but it no longer exists since it did not progress further and its main players have now joined one of the remaining alliances. The three major airline alliances that currently exist are *Star Alliance*, which was formed in 1997; *oneworld*, which was formed in 1999; and *SkyTeam*, which was formed in 2000. Star Alliance is by far the biggest alliance in terms of members consisting of 16 airlines, whereas oneworld and SkyTeam have fewer members, 8 and 9 airlines, respectively.

This paper will attempt to address followings questions:

1. How do airlines perceive the impact of alliance branding on their individual brand?
2. Whether airlines believe that it is possible to have both a strong airline and an alliance brand or whether you have to focus on one brand at the expense of the other?
3. Whether airlines consider that their brand value categories are similar to their alliance brand value categories?
4. Whether there are differences in the above perceptions according to the specific alliance that an airline belongs to, the size of the airline, its region, and the timeframe of joining an alliance.

To address the above question, a comprehensive survey of airlines participating in the three global strategic alliances was carried out between March and May 2005.

APPROACH

The heads of the alliance and marketing departments of all airlines—that is 33 carriers at the time of the survey—belonging to the alliance groupings of Star Alliance, oneworld and SkyTeam were contacted to participate in a questionnaire survey. Although marketing managers are a single target group, they are the most appropriate to comment on the branding issues created with the use of both an alliance and an airline brand at the same time. The questionnaire focused on the impact of the alliances on airlines' branding as this impact is perceived by the heads of the relevant

departments. It should be noted that 27 carriers participated in the research giving the survey an 82% response rate. The airlines that did not want to participate in the survey are the followings: Aer Lingus, Aeromexico, British Airways, LAN, Qantas and Singapore Airlines.

In assessing the impact of alliances on airlines' individual branding the following criteria were taken into account:

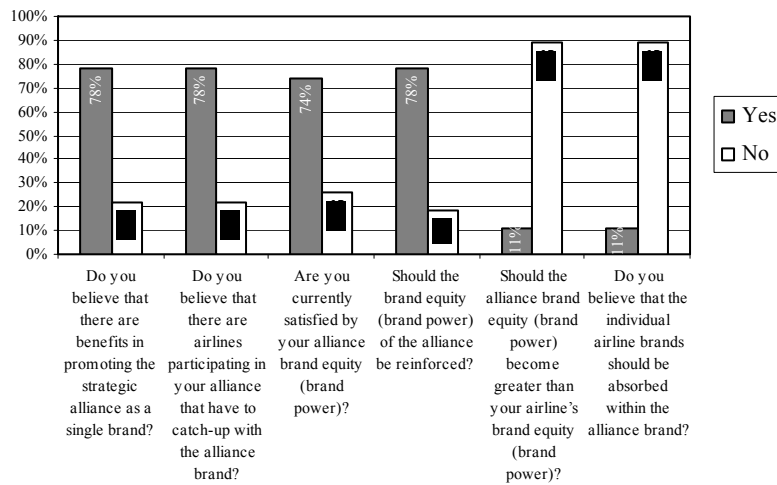
1. The global alliance groupings (Star Alliance, oneworld and SkyTeam);
2. The size of carriers measured by their annual input [Revenue Passenger Kilometres (RPK)];
3. The region where the carriers come from (America, Europe, Asia/Oceania);
4. The duration that an airline is an alliance member [how many years after the alliance formation (t), the airline had joined].

RESULTS

In this section, the overall findings of the survey will be presented, highlighting the alliance branding effect on their airline members' brands without examining potential differences between the alliances, the airlines' size, their region or their timeframe in joining these alliances that will be presented in the next section.

Figure 1 summarises all findings related to the alliance brand equities.

Figure 1. Airline strategic alliances brand equities



A crucial finding of the survey is that the great majority of the airlines (89%) perceive that, in general, their alliance branding affects their individual brands either positively or very positively. This contradicts a previous survey finding from the business travellers' point of view, who do not perceive any benefits from the airline alliances (Goh & Uncles, 2002). Only (11%) of the respondents expressed some reservations and preferred to take a neutral stance and no carrier considered this effect as being negative. This finding is of extreme significance since the reservations expressed in the industry of potential damage of the powerful brand airlines from their alliance brand is not shared by the airlines themselves.

This is also supported by the fact that the great majority of the respondents (78%) agreed that there are benefits in promoting the alliance as a single brand. This result also demonstrates the importance of the alliance branding and that the participating airlines do not fear branding cooperation.

The major benefit that the airlines perceive to gain from their alliance membership in terms of branding is the brand power in markets that would normally experience little or no brand equity, taking advantage of the alliance brand values and global recognition.

Other non branding-related benefits that were often quoted from the airlines include larger network, an increase in their frequent flyers' programmes validity around the globe, and an increase in their purchasing power. These demonstrate that the alliances are not just a marketing cooperation but a strategic cooperation. Despite the importance that these non-marketing benefits have for the airlines, they are outside the scope of this paper and will not be examined.

The disadvantages most often mentioned include passengers' confusion over expectations of a more harmonised service from all airlines participating in the same alliances; that the alliance brands are strongly influenced by the dominant airlines' brands; that the airlines lose a part of their individuality; and that their image could be damaged.

The findings of the survey demonstrate that the respondent airlines are currently satisfied by their respective alliance brand equity (74%) but also believe that it should be reinforced further (81%). Most airlines agreed that this brand reinforcement will be achieved mainly by increasing their alliance promotion, since nine respondents mentioned it as the most appropriate tool for achieving greater alliance brand equity. The establishment of a more standardised quality of service between all alliance members was also mentioned as assisting in the achievement of this objective. The addition of new partner members was also identified as being capable of reinforcing an alliance brand.

Although respondent airlines want their alliance brand to be reinforced further, most of them (89%) do not want that their alliance brand equity to overtake their individual brand equity. This demonstrates that no airline is

willing to be sacrificed for the benefit of the alliance. Another finding validates this statement since nearly all airlines (89%) do not want their individual brands to get absorbed by their alliance brand, signalling that the strategic alliances are the final destination of these co-operations and not an intermediate step for their merger (Iatrou, 2004).

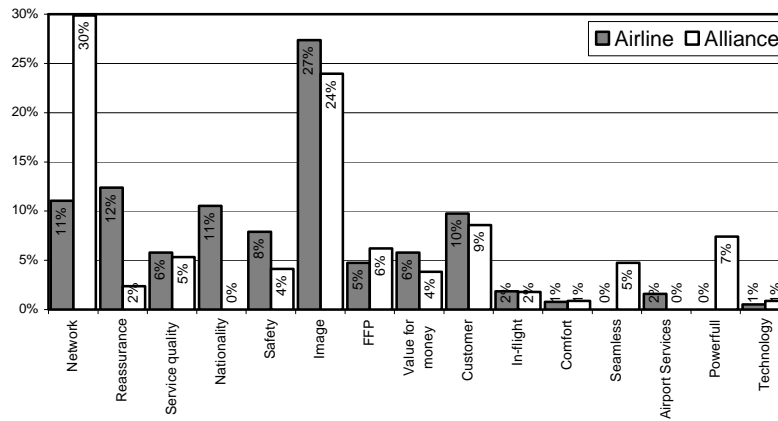
Another crucial finding from this survey is that most airlines (79%) believe that there are other airline members in their alliance that have to catch up with their alliance brand's standards. Therefore, although they consider that being promoted under the alliance brand is beneficial to them, they still believe that the harmonisation of all members under the same quality standards and brand values will segment their alliance. A potential explanation for this finding is that an airline's branding is not a determinant factor when deciding upon its admission in one alliance and that other factors may be more important, such as its route network. Taking into consideration the number of airlines participating in the three alliances, Star Alliance (16), SkyTeam (9), and oneworld (8), it seems as unrealistic for all of them to have a same brand acceptance.

An additional important finding is that all respondent airlines (except one) believe that it is possible to maximise at the same time both their individual and alliance brands without having to maximise one at the expense of the other. The only airline which supported that it is not possible to achieve the simultaneous enhancement of both but it is necessary to maximise the one at the expense of the other has currently been undergoing a re-branding process and suffered from financial constraints. For these reasons, their distinctive answer could be understood.

Figure 2 presents the brand values that the airlines have defined as important in promoting their airline and alliance brands. Since it was an open-ended question many similar values were grouped together, given fifteen different categories. The brand values were recorded in order of importance and therefore a weighted score was then calculated. Since five brand values were asked to be stated, the most important values were given a five-point score, reducing by one point in each subordinate category of importance. Then a percentage was calculated for each category.

The greatest difference between the airline and the alliance brand values are related with the importance that they place on their network size, which is far more crucial (30%) for the alliances than it is for the airlines individually (11%). This makes sense, since one of the most important reasons why these strategic alliances were formed was to offer a global network with many destinations to their customers. The importance of a seamless travel for the alliance as a brand value (5%) in comparison with its importance for the airline as a brand value (0%) reinforces this conclusion.

Figure 2. Airline and alliance brand values categories



The importance of a carrier's nationality is also an important value (11%) for them but has no value at all for the multinational alliances. Erickson, Johansson and Chao (1984) have suggested that the effect of the country of origin variable appears to have direct effects on customers' beliefs. Customers may have a bias against a foreign country, which has effective implications for products and services from that country. Hong and Wyer (1989) argued that a service's nationality influence is dependent on the recency with which it is presented. On the one hand, many airlines participating in the alliances are strongly associated with their country of origin, many of whom are known as their country's flag carriers and have their nation's name as part of their brand, for example, Air France, British Airways, Alitalia, etc. On the other hand, the alliances have a global character and therefore have no association with any particular country or nation, although the oneworld alliance has most of its members (five out of eight) coming from English speaking countries.

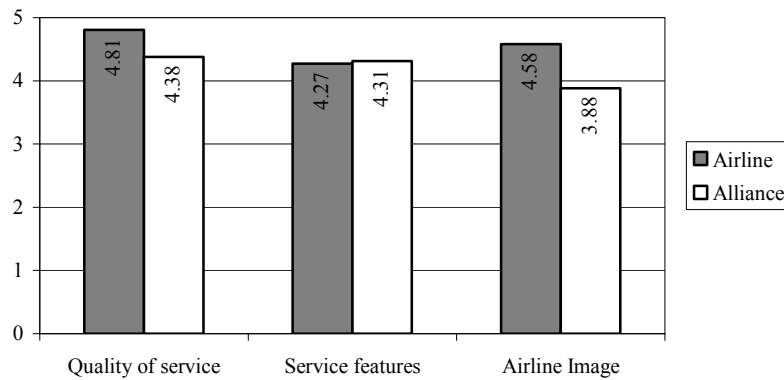
The reassurance related feature, has almost identical results with the nationality results, implying that the airlines want to maintain a closer relationship with their own customers and are not willing to give it away. This effect possibly was influenced by the events of 11 September 2001, since all carriers focused on their own survival and therefore had their alliance advancement as a secondary priority, which is also supported by the fact that after 11 September 2001 it took nearly two years for the next entry in an alliance. Another possible explanation why the alliance brand is perceived to be associated only with a marginal reassurance value (2%) is that it has not yet developed the brand equity required for it. The role of reassurance has been identified as crucial for the effectiveness of a

marketing alliance (Smith & Barclay, 1995) and therefore should be reinforced as an alliance brand value. The results for the safety-related brand values which are double in importance for the airline (8%), as compared to the alliance (4%), reinforce the conclusion above.

This result contradicts to some extent the finding for the power feature as a brand value since the airlines perceive it as important for their alliance brand (7%) but not for their own brand (0%). All other brand value categories are quite closely rated for both the airlines and the alliances and therefore will not be commented upon. It should be noted that the most important brand value category for the airlines is image-related (27%) and although that this category is secondary for the alliances it still has a very high score (24%) which is very close to the one of the airlines.

Figure 3 presents the survey results regarding the importance that the airlines place on three important elements.

Figure 3. Important brand promoter elements



Scale 0 to 5, 0 = not important and 5 = very important

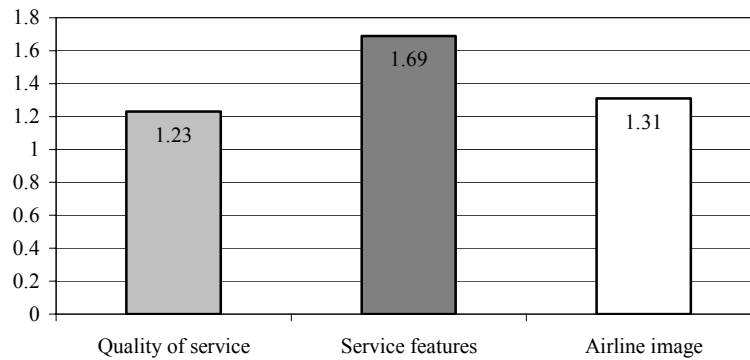
Respondents were asked to rate each of the following three elements (quality of service, service features and brand image) according to their importance in promoting their airline and their alliance brand values. Quality of service was the highest rated for both airlines (4.81) and alliances (4.38). The slightly higher importance of this element for the airlines in comparison with the alliances can be explained by the fact that the airlines understand that although consistency in the service quality offered from an alliance is very important, they understand that it is extremely difficult for this to be achieved and are willing to accept potential small variations.

Airline-specific image is the second most important element among the three for the airlines with a high score (4.58), but are the least important for the alliances with the lowest score (3.88). This result reinforces the conclusion that the airlines' images are not so important for promoting the alliance brand values and therefore their diversity and distinctiveness is acceptable under the single alliance brands. Nevertheless, research has highlighted the importance of forming alliances with suitable partners for their success (Spekman and Sawhney, 1990) and therefore particular attention should be paid when accepting a new member.

Although service features are the third most important element in promoting an airline's brand values, their score is also very high (4.27) signalling their importance for the airlines. Their score is marginally higher for the alliances (4.31) and is placed second in terms of importance for promoting the alliance brand values. This marginal difference may be explained by the fact that there are noticeable differences between the service features between airlines belonging in the same alliance and some measures to reduce them or at least to control them would add to an alliance's coherence.

The survey participants were also asked to rate the extent to which they perceive that a brand conflict exists between the airlines and their alliances in the same three elements. A five-point scale was used for this purpose. No perception of significant brand conflict in any of these categories has been identified. The results are presented in Figure 4.

Figure 4. Potential brand conflicts



Scale of 0 to 5, 0 = no conflict and 5 = very significant conflict

Although the highest brand conflict between the airline and the alliance brands was identified in the service features (1.69), it is still quite a low score and therefore insignificant. This does not necessarily mean that the airlines see it as a damaging conflict, since it may be intentional in order to have a certain degree of differentiation between them. All alliances have established a minimum standard of service (seat pitch, lounge, meals, in-flight entertainment, etc.) so as to ensure product conformity. Beyond that minimum standard, the airlines have the possibility to differentiate and to improve further the service already provided based on the culture and policy of each airline (Iatrou, 2004).

The second highest conflict score was recorded for the airline image (1.31), which is even smaller and more trivial. Although each alliance consists of many airlines with diverse images, no conflict is perceived by the airlines reinforcing the previous conclusion that all alliance members are willing to maintain and are encouraging their diversity.

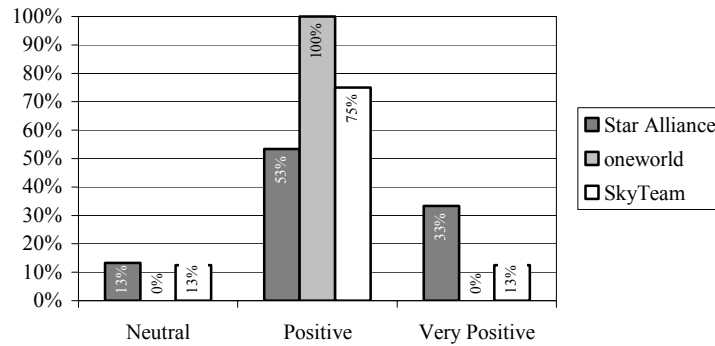
A smaller conflict was recorded in the quality of service element (1.23), highlighting that the airlines do not perceive that there is a significant difference between the level of service quality offered by the same alliance carriers.

THE IMPACT OF ALLIANCE BRANDING BY GROUPING

In this section, the survey findings are examined by looking at different groupings (alliance group, airline size, region, and date of entry) in order to identify potential differences between them that will assist further to understand the alliance branding impact.

The Star Alliance members seemed to be the most satisfied from their alliance branding since five members identified this impact as very positive in comparison to only one member from the SkyTeam and none from oneworld. Figure 5 presents the analytical results for this question.

Almost all members of oneworld (3 out of the 4 respondents) stated that they do not believe that there are airlines in their alliance that have to catch up with their alliance brand. This could be potentially explained by three facts. First, oneworld is the smallest alliance in terms of members and therefore it is easier to establish and maintain similar standards; second, they seem to be less diverse than the other airlines at least in terms of common communications since five out of the eight members come from English speaking countries; and third, their alliance has not yet progressed as far as the other two.

Figure 5. Alliance brand effect by alliance groupings

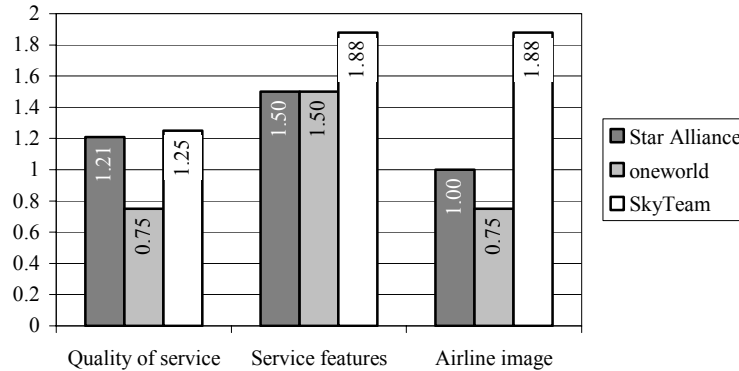
In terms of airlines' satisfaction from their alliance brand equity, there are different trends for each of them. The Star Alliance members seemed to be the most satisfied with their alliance brand equity, which can be understood by the fact that it is this alliance that until now has placed a greater emphasis in promoting their alliance brand. A typical example of their dedication to promoting the alliance brand is that it is the only alliance which each member is obliged to paint at least one of its aircraft with the Star Alliance logo.

The majority of the SkyTeam members are also satisfied but to a much smaller extent than the Star Alliance members by their alliance brand equity, possibly explained by the fact that it is the youngest alliance and has not yet established a central management function. In contrast, half of the oneworld members are satisfied and half are not satisfied by their alliance brand equity resulting in a neutral position. This could explain the reason why in this survey oneworld had by far the smallest response rate (50%). oneworld has been historically developed and currently still is highly dominated by its two core and largest members, British Airways and American Airlines, without establishing a powerful and more independent brand. The fact that this alliance has not been granted approval by the authorities to progress to the extent that the other alliances have, is understood to have created reluctance for the oneworld members to invest in increasing their alliance brand equity. This is confirmed by another finding, which identifies that the majority of the oneworld respondents (75%) believe that there are no benefits in promoting the alliance as a single brand.

When looking at potential brand conflict differences among the three alliances, it can be identified that oneworld members feel that their alliance suffers the least from potential brand conflicts between the individual airline

and the alliance brands. Since the oneworld brand has limited brand equity, it makes sense that the possibilities of conflicts are insignificant.

Figure 6. Brand conflict elements by alliance groupings



The highest scores of brand conflicts for all three elements were recorded for the SkyTeam Alliance. When this finding is combined with the importance that these alliance members place at these elements in promoting both their airline and the alliance brand values, it can be concluded that more effort should be placed in them to reduce the perceived conflicts in these areas.

When looking for potential significant differences between the importance of different brand value categories that alliance members associate with themselves, both as an independent airline and as an alliance, some important findings are identified.

Star Alliance members consider their network as having greater importance (31%) in promoting their alliance brand values in comparison to the SkyTeam members (29%) and the oneworld members (25%). This makes sense since this order of importance is the same with the relevant size order of the alliances' networks in terms of number of destinations.

Oneworld members are more eager in promoting their quality of service as a brand value both as airlines individually (14%) and as an alliance (9%), in comparison to the Star Alliance members (5% and 7%, respectively), and the SkyTeam members (3% and 0%, respectively). This is in accordance with the previous results concerning oneworld members and the importance that they place on service quality in promoting their airline and alliance brands.

Star Alliance members place higher importance in their nationalities as airline brand values (13%) compared with the SkyTeam members (9%) and the oneworld members (5%) and have no importance at all (0%) as brand values for any of the alliances which makes total sense since they are multinational co-operations.

Oneworld members feel stronger in promoting safety as an airline brand value (17%) than the SkyTeam members (14%) and the Star Alliance members (2%), whereas this category is not considered so important to their alliance brands.

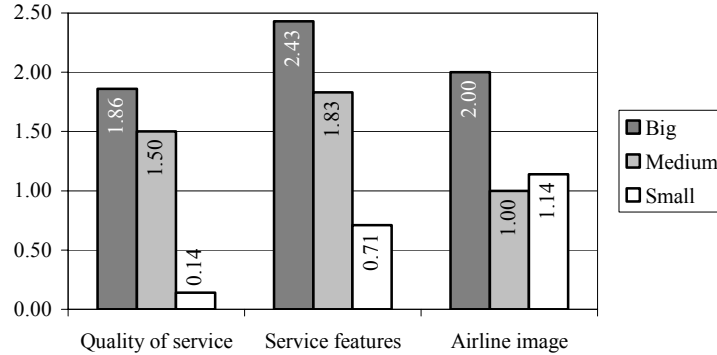
The image-specific airline brand values are rated higher by the Star Alliance members (33%) than they are rated by the SkyTeam members (23%) and the oneworld members (16%). Again membership number may be an important factor in explaining this result. Another important finding is that when looking at the image-specific alliance brand values, the Star Alliance members place again the highest importance (30%), but here the oneworld members have the second highest score (26%) and the SkyTeam members the lowest score (10%). This might be explained by the fact that the SkyTeam Alliance has recently grown significantly with the addition of three large airline members and therefore their alliance brand image has been modified recently.

The impact of alliance branding by airline size

Large carriers seem to have a more neutral opinion about the alliance brands' effects than the medium and small carriers. This can be explained by the fact that it is mainly the large airlines in each alliance which influence the alliance brands and therefore regard themselves more as the alliance brand shapers than as being influenced by them. Moreover, their airline brand equity is much stronger than their alliance brand equity and therefore the alliance brand has not yet enough power to be able to influence the large airlines' brands. The neutral opinion could be explained by the fact that large airlines believe more strongly than the medium and small airlines that brand conflicts have an effect and therefore are the least satisfied by their brand alliance effect. This conclusion is reinforced by the fact that large airlines are the least satisfied by their alliance brand equity.

Figure 7 shows that the larger the carrier is then the larger the brand conflict is perceived to be no matter which category we look at, except in the image category where medium carriers have recorded a smaller conflict than small carriers. This can be explained by assuming that the larger the carrier the more it has developed its brand equity and the less willing it is to have it unprotected by many small carriers.

Figure 7. Brand conflicts by airline size



Only two small and one medium airline are willing to have their alliance brand equity grow greater than their own airline brand equity and finally become absorbed by them.

When investigating for potential differences among the airline and alliance brand value categories according to the airline sizes, new findings emerged. As is expected, small airlines place a much smaller emphasis on their network in promoting their airline brands (3%) in compared to the medium (16%) and large carriers (11%) and for this reason they place a much higher importance on this feature (32%) in promoting their alliance brand. It is interesting that large and medium carriers also place significant importance on their alliance network in promoting their alliance brands, which is by far the most important element from all categories mentioned by the respondents, emphasizing the main reason behind the formation of the alliances.

Small carriers place a much smaller importance on service quality (2%) when promoting their own brand when compared to the medium (7%) and large carriers (7%), but when looking at service quality in promoting their alliance brand, small carriers place higher importance (7%) than both medium (4%) and large carriers (5%). According to this result small airlines believe that they gain a quality of service value from their alliance brand.

The country of origin effect as an airline brand value has been identified in this survey as diminishing as airline size increases, since it has a very important value for the small carriers (24%), a much smaller but still important value for the medium carriers (8%) and has a trivial value for the large carriers (1%).

Small carriers are also significantly affected by their alliance brand gaining a frequent flyer reward value attached to their brand, since they consider this feature as having no value for their airline brand but having an important value for their alliance brand (6%).

Finally, small airlines perceive that their alliance brand conveys a brand value related to power and dominance (24%) which they do not consider as having any value at all for their own airline brand (0%).

The impact of alliance branding by region

When examining differences between the brand value categories according to the airlines' regions, some important conclusions can be drawn.

American airlines place a much higher importance on their network (24%) in promoting their airline brands in compared to Asian (7%) and European (5%) airlines, which can be assumed is related to the fact that the American domestic air market is much greater in size than all other domestic air markets. Nevertheless, network size is extremely important in promoting their alliance brand for all carriers no matter which region they come from. When looking at the magnitude of this benefit, European carriers gain more since they place (31%) a much higher importance in their alliance network as an alliance brand value, followed by the Asian carriers (25%). Although the American carriers place the highest importance (32%) on network as their alliance brand value, based on the importance that they place on this feature of their airline brand the increase from a network is the smallest of all regions investigated.

Asian airlines place by far the highest importance on service quality as a brand value for both their own airline (16%) and their alliance (13%) than their European and American counterparts (2% and 3%; and 4% and 3%; respectively).

Another important finding from this survey is that the European airlines place by far the most importance on their nationality in promoting their airline brands in comparison to their American counterparts (4%), whereas Asian carriers do not place any value in their nationality when promoting their brand. Therefore a potential brand conflict may exist between the multinational and global alliance brands and the national European brands.

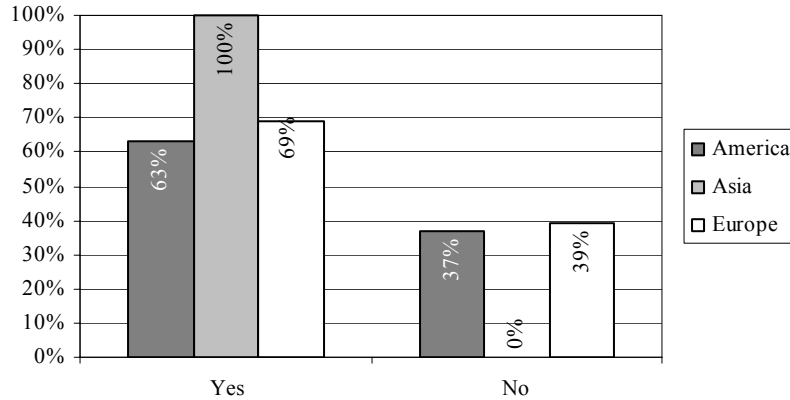
Asian airlines consider their image specific brand values far more important (39%) than the American (27%) and European (21%) airlines. A typical example of this image-specific brand values for the Asian carriers is the Singaporean girl of Singapore Airlines, whose importance was recognised by the Madame Tussauds Museum in London which had the figure exhibited there, as the first commercial statue in the exhibition.

A significant proportion of the European airlines are not currently satisfied by their alliance brand equity. This explains why the same airlines

consider that there are no benefits in promoting their alliance as a single brand.

Although the great majority of the American airlines believe that there are benefits in promoting their alliance as a single brand, a significant proportion of them (38%) are not currently satisfied by their alliance brand equity. This highlights the American airlines' willingness to enhance their alliance brand equities.

Figure 8. Satisfaction in promoting the alliance brand by region



All Asian airlines are satisfied with their alliance brand equity and 38% of them do not want their alliance brand equity to be reinforced. The entire sample of Asian carriers rated as very important (highest score of 5) their airline image. Consequently, they may reckon that this image will be diluted if the alliance brand grows stronger than the airline brand.

The impact of alliance branding by date of entry

When looking at the results according to the duration of airlines' alliance participation, it is apparent that the alliance inauguration airlines placed a much higher importance (31%) on their alliance image-specific brand values than did the airlines that joined subsequently (16%) and the ones that joined at the latest stage (14%), highlighting a continuous reduction on the image-specific attributes of the alliance brands. It is reasonable that the more airlines with different images joined each alliance and the more diverse that these images are, the alliance brands will lose their capabilities of being associated with some specific images.

The latest group of alliance entrants considers the highest conflicts among the three groups. This can be explained by the fact that it is them that most recently had to adapt their service specifications to be able to conform to the alliance standards.

A significant proportion of the founder alliance members (31%) are not currently satisfied with their alliance brand equity. Their expectations at the formation may not have been realised. As opposed to airlines that joined an existing alliance that have a clearer picture of what the alliance brand is.

CONCLUSION

To conclude, this survey investigated potential brand conflict between alliance brands and their airline members' brands according to the airlines' perceptions. The survey's findings highlighted that airlines do not perceive that any major brand conflict exists.

Marketing managers were selected for this research as the most appropriate persons from the airlines participating in the airline alliances to comment on the issue. The very high response rate of the questionnaire survey 82% increases the research findings' validity.

The majority of the respondent airlines believe that there are many benefits in promoting the alliance as a single brand. Most airlines also believe that there are other alliance members that have to catch up with the remaining carriers' brands. The great majority of airlines are currently satisfied by their alliance brand equity but still believe that it should be reinforced further but without exceeding their own brand equity since they are against being absorbed in the future by their alliance brands.

An alliance's network has been identified as being by far the most important brand value in promoting the alliance brand.

The Star Alliance seems to be the most successful alliance in terms of branding followed by SkyTeam and oneworld.

Further research is required to investigate for potential brand conflicts between the alliance brands and their members' brands according to passengers' perceptions. This research will be more valuable since the success of branding is measured by customers' acceptance and not airlines' own perceptions. However this research was the first investigating for potential brand conflicts within the alliances and could lead the way to further research on the topic.

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APPENDIX

Description of airline alliances

Star Alliance

The Star Alliance was launched in May 1997, by Air Canada, Lufthansa, SAS, Thai and United airlines to create a global airline network. Varig, the sixth member, joined the alliance in October 1997, with Ansett Australia and Air New Zealand in March 1999. Ansett subsequently left as it ceased operations in March 2002. All Nippon Airways joined the Star Alliance on 31 October 1999, Austrian Airlines Group including Lauda Air and Tyrolean Airways joined in March 2000 and Singapore Airlines on 7 April 2000. British Midland and Mexicana joined on 1 July 2000. In October 2000 the European Commission indicated it would not allow full codesharing between Lufthansa and Austrian Airlines in order to safeguard market competition on the routes. Asiana Airlines formally joined on 1 March 2003 and became the fifth member in the Asia-Pacific region. On 1 April 2003, SAS Group carrier Spanair officially joined its parent in the Star Alliance.

The Star Alliance has a total of almost 2,000 aircraft, serves around 800 destinations in 130 countries worldwide and transports more than a quarter of a billion passengers annually, through extensive codeshare agreements, with "round the world" fares for global travellers. The alliance allows access to over 500 Star Alliance lounges around the world, reciprocal frequent flier programs (FFPs), through check-in, streamlined airport operations, cargo co-operation, joint purchasing, advertising and promotions.

oneworld

A global marketing alliance announced in September 1998. American Airlines, British Airways, Canadian, Cathay Pacific, Finnair, Iberia and Qantas offer closer linking of FFPs, reciprocal access to airport lounges, smoother transfers between carriers and a range of global products including "oneworld Explorer" fares. After the takeover by Air Canada, Canadian Airlines left oneworld on June 1, 2000, while Lan Chile and Aer Lingus joined on the same date.

SkyTeam

Strategic alliance between Aeromexico, Air France, Delta Air Lines and Korean Air, offering codesharing, joint marketing and reciprocal frequent flyer programs. Cargo cooperation is also part of the alliance. CSA joined in March 2001, and Alitalia in July 2001. Continental Airlines, KLM Royal Dutch Airlines, and Northwest Airlines joined the SkyTeam alliance on 13 September 2004.