

## INTERCULTURAL ASPECTS OF THE FREQUENT FLYER PROGRAMS

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Nowadays the circumstances make especially difficult to manage a returning consumer basis. The academic sphere argues that cultural background correlates with loyalty intention. According to the further literature, covering intercultural differences in the overall marketing strategy is strongly advised. If the cultural value system is considered as the basis of consumer behavior, then it can be assumed, that these cultural features should be considered in the frame of the frequent flyer programs development process. Taking airline industry as an example, which visibly operates in a cross-cultural environment, loyalty programs are applied to keep their passengers engaged, however, mostly on a rational basis with the help of miles' programs. The idea of the research is to look for culture-specific details in the airline marketing worldwide. This articles purpose is to show whether airlines view frequent flyers as a globally bound community that requires a standard business approach, or as a culturally diverse group. In order to find it out a primary research was conducted, which revealed a contradiction to the literature: the airlines do not really count on cross-cultural differences. The vast majority of frequent flyer programs have been developed among a homogenous dimension, so the intercultural differences do not significantly appear.

**Keywords:** Services marketing, Loyalty programs, Consumer behavior.

### Introduction

International expansion is a common development path for many enterprises nowadays. Therefore, cultural differences between markets become an issue. It seems there is a reversed belief in this regard between literature and practice. According to the various literature considering intercultural differences in the marketing strategy is strongly advised. Taking airline industry as an example, which is visible that it operates in a cross-cultural environment, they apply loyalty programs to keep their passengers engaged, however, mostly on a rational basis (see: miles programs). In the sense of direct marketing they collect information about their customers through FFPs as well, but instead of using it for adaptation and targeting and optimizing their loyalty programs, carriers apply standard marketing approach to all the members of an FFP. The idea of the research is to look for culture-specific details in the airline marketing worldwide. The airline industry combines not only separate national airline companies, but also large international airline alliances, so it is possible to make a complete analysis from both perspectives. While referring to the common global standardization culture predicted for the future by Park (2010), the authors of this article maintain that cultural variety is still going to have a dimension to exist and culture is still going to influence the consumer behavior and decision-making process of individuals.

### **Problem Statement**

Nowadays the circumstances make especially difficult to manage a returning consumer basis. The information flow is more than needed, the individuals focus mostly on themselves and on their needs, the brands became substitutable with one another. One key to loyalty is a quality relationship – from both sides. One crucial technique to build a connection is to maintain the relation to background communication. The communication manner is strongly influenced by culture. At the same time, culture affects consumer behavior. Cultural influence on consumer behavior is also presented in academia. Desmond (2007), so as Bennett and Bove (2001) argue that cultural background correlates with loyalty intention. Some academics draw attention to the existing problems in the frame of the general worldwide marketing theory. They argue that consumer behavior theories are developed mostly in the U.S. and that some of these theories fail when applied in other countries. This happens because people are generally motivated to buy and use a product according to a way determined by their own culture. So there is an urgent need to conduct cross-cultural researches for a better understanding. A good example or loyalty can be the frequent flyer programs since some of them were based on American or European programs.

It is commonplace to use special marketing programs in the services industry in order to encourage the frequency of purchasing. The main goal is to build a good relationship with clients, which ends in winning their loyalty (Long, McMellon, Clark, & Schiffman, 2006). These kinds of programs in the airline industry are known as frequent flyer programs (hereafter referred to as FFPs). Airlines with FFPs collect more information from different customer segments that are helpful in formulating effective strategies and communications (Long et al. 2006). According to the literature review, it becomes clear that almost all researchers conclude that better customer segmentation of frequent flyer programs should take place (Voorhees and his research group, 2015). An FFP should address each customer segment with a special promotional approach that suits the consumption values (Long and Schiffman 2000). According to Meyer-Waarden (2013), different benefits should be promoted to diverse targets groups in order to make FFPs efficient. Furinto, Pawitra, & Balqiah (2009) give a theoretical basis for the formulation of competitive loyalty programs, dividing them into two types: one based on monetary rewards and another on special-treatment rewards. Also, there is an empirical confirmation that the role of FFPs depends on – might be unique – factors inherent to different markets where an airline company operates (Lubbe, Douglas, Wieme, & Fabris-Rotelli, 2013). FFPs are significant for the airline business.

Approximately 120 million people are the members of one of 200 airline FFPs worldwide (Behrens and McCaughey, 2015). The benefits created within the frameworks of loyalty programs have made FFPs one of the most successful marketing tools in a service market (Arnesen, Fleenor, and Toh, 1997). Recently partnerships in the form of shared FFPs have become a part of such international alliances (Lederman, 2007). Currently, airline alliance members are obligated to cooperate with partner carriers only and the limitations on possible ways of cooperation with other alliances are strict (Kleymann, 2005). So in this century we can not think about separate cultures, with strict boards. The FFPs should mirror the “unity in diversity” principle via synchronizing general and specific needs also.

### **Literature Review**

When operating at the international level, the industries face intercultural diversity almost from all sides. It is more manageable to keep a same cultural structure within the company, the offered services are purchased from all over the world. Within this context, two different marketing strategy concepts emerge, standardization and adaptation. Competition grows along with globalization as many companies extend their businesses by entering foreign markets. Especially, the airline industry provides services worldwide and is greatly affected by a megatrend like globalization. Which option would be more fruitful under these external conditions?

In order to choose the right marketing strategy is vital to understand that services are not the same as physical products, so the adaptation or standardization shall fit these unique features. In this regard, it also

must be admitted that their services characteristic defines a special strategy for expansion and branding as well. Unlike physical goods, services cannot be seen, tasted, heard, felt, or smelled before purchase, so the influence of the intangibility factor on the example of flight operations is obvious since passengers cannot experience a flight before conducting it. Heterogeneity is a feature that is very difficult to control. It deals with employees' behaviour and their performance, which may vary depending on the day and the customers. The well-developed service process works well under common and daily circumstances, but as soon as something happens beyond its framework the solution paths become hard to find. In such cases the context can be actively formed by the – might be angry or unsatisfied – passenger, which dramatically influences the service quality in each and every case. As flying is a shared service, one incident can influence or define other passengers' perception of the service as well. Moreover, flight operation is a complex process involving a large range of different components. Thus, not only employees' behaviour, but other factors such as weather conditions, airport facilities, and others can influence the quality of a flight. An involvement of customers in the production process and merging of providing services and their consumption appears as an inseparability factor. This process can easily be observed in the airline industry when air travelers personally experience services delivery on-board. It includes customer-to-employee and customer-to-customer interactions. Flight operation has only one opportunity to perform well, as services can not be stored nor returned. The correction and the compensations are always problematic and costly. These factors mentioned above make service-marketing performance very challenging. Service characteristics plus multicultural consumers, who share the service consumption, bringing their own diverse preferences mean great challenges for the airlines. The marketing strategy should be designed to include and fit all these information.

According to Theodosiou and Leonidou's summary (2003), the discussion of whether marketing strategies should be standardized or adapted to achieve superior business performance in current conditions has been in academia and the business world engaged in for fifty years. In the 80s, it was thought that globalization would lead to merging and similarities of customers' needs worldwide. The belief was that standard brands, universal marketing, and advertising programs would succeed. Beginning in the 90s, opposite opinions began to appear among researchers. Concerning the buying and consumption habits found in prosperous countries, it became clear that there are as many differences as there are similarities. In these countries, cultural influences affected the choice between available products and services (Hofstede, 2001).

Defenders of a standardization approach consider national markets converging in one global market with global consumers who have similar needs, tastes, and preferences. They argue that the development of international communication channels and the internet boost this process (Theodosiou & Leonidou 2003, p. 142). One of the barriers to marketing strategies standardization is cultural differences, which manifest as a variety of national cultures and business practices and procedures (Dimitrova & Rosenbloom, 2010). Symbols, heroes, rituals, and values demonstrate cultural differences. While the first three features mentioned above are visible features, values remain invisible for the most part. As mentioned, supporters of the globalization process usually point out that cultures merge and converge in the frame of this process. According to Hofstede (2001), these assumptions are wrong because what they see are only the symbols of cultures. Which option would fit better under these internal characteristics?

Supporters of an adaptation approach argue that regardless of globalization tendencies parameters such as consumer needs, tastes, behaviour, use conditions as well as laws, and technological development are still very different between countries. They argue that marketing strategies should be adapted when entering a foreign market. They criticize the cost reduction objective through standardization as a short-term way of thinking. Long-term profitability can be achieved only through better exploration of the consumers' needs in different markets and the adaptation of strategies to meet these needs. De Mooij (2004) explains that international markets can be segmented at macro and micro-levels. Macro-level covers objectively based variables such as religion, language, economic development, and geography. Micro-level includes subjectively based variables such as attitudes, lifestyle, and behaviour. It is assumed that consumer behaviour worldwide has converged, but these assumptions are all made at the macro-level data. The consumption of TV sets, for example, has definitely increased globally in this century.

However, this fact does not support the idea of a global consumer with identical needs. At the micro-level, we see distinct differences between types of purchased TV sets, viewing time, and so on. With car consumption, we can also observe a convergence at the macro-level. However, the distribution across a population, type of cars, number of cars owned per family will diverge (de Mooij, 2004). Globalization can be observed in converging of technologies, financial systems, and media. Consumer desire and behaviour do not follow this trend. It can be a global product consumed worldwide, even though there is no global consumer (Paramita, 2014). Based on that statement the effect of standardized global marketing communications is different in diverse markets (de Mooij, 2004).

Theodosiou & Leonidou (2003) illustrate a third group of researchers who see the approaches mentioned above as one unit that should not be divided. They state that standardization/adaptation should not be isolated from each other. Standardization and adaption should both be options a firm could use depending on a situation. The decision of what strategy is the most suitable should be made through analyses and assessments of a particular situation in a specific market. Decisions regarding the degree of an adaptation should regard the impact on company performance in foreign markets. Mühlbacher, Dahringer, & Leihls (1999) maintain this statement and claim that the standardization level of marketing programmes and policies may vary. Either particular marketing activities may be standardized or the whole bundle of marketing techniques such as pricing, communication or distribution. Standardization may arise at the product level only. That means that a product is the same in all represented markets, but promotion activities, prices, and distribution vary according to the market. Mühlbacher and his research group (1999) state that marketing activities in a country depend on its culture. It is vital to remember that what works in one country may not be as effective in another. Theodosiou and Leonidou (2003.) consider the question of whether a marketing strategy should be adapted or not very much depends on circumstances, the external environment of a particular foreign market, and the specific period of time. Thus, the marketing mix should be adapted accordingly (Dimitrova & Rosenbloom 2010). De Mooij (2004) provides McDonald's as a supporting example of a company that has a strong brand and identical standard of services throughout the world. At the same time, the company always localizes its advertising and proposes a special product that has features of the local cuisine. Returning to the service industry, we can also find a confirmation of the selective approach. Edvardsson, Gustafsson, & Roos (2005) concluded in their study, that services characteristics should not be a fixed combination. It is important to select only those characteristics for services that are useful and relevant in each particular case. Applied to the airline industry, we can see that even though the consideration of all four-service characteristics is important, it is critical to set priorities for an effective performance. Factors such as variability and inseparability should be the focus of marketing strategies during implementation. These two features may result in decreasing quality. In return, it might negatively affect passenger loyalty. However, intangibility is not so relevant within frequent flyers that are well acquainted with services, which they receive when they conduct their next flight. They usually fly the same routes with the same airline company and have certain expectations based on their experiences. A negative effect from the perishability factor may be reduced through special marketing oriented programs aimed at clients after receiving services.

### **Research Questions**

The main question is if airlines apply standardization or adaptation strategies regarding customer retention? The literature strongly suggests to differentiate between the consumers from different segments. The global consumption megatrends also rush to a tailored approach regarding products and service as well. Eventually, there would be enough opportunities at different points in the flight ticket purchase and operation for the airline industries to offer the personalization for the consumer. The required information sources for differentiated a marketing plan would also be available. Despite these arguments, it seems that the airlines use a modest level of adaptation. To get to know the exact answer we can examine the FFPs, as most developed and analyzable parts of the service.

The central research question refers to a view, whether airlines see frequent flyers as a bound, globalized international community that requires a standard business approach, or as a culturally diverse

group that requires marketing strategy adaptations that address cultural differences. This focus comes up with several other questions related to the topic: do FFPs from a similar cultural group have common features? An analysis of the programs that belong to different cultural groups helps to answer the following research question: do FFPs from different cultural groups have significant differences? Due to the world-wide character of the airline industry, the question can be interpreted on the global scale as well, which would show the answer in the macro field. A large part of the airline industry is covered by international airline alliances. Therefore, the next research question is whether there are differences in types of granted privileges for elite-status members of participating airlines among airline alliances.

This article provides answers to the two main research questions as followings:

- Do airlines view frequent flyers as a bound, globalized international community that requires a standard business approach, or as culturally diverse group that requires marketing strategy adaptations that address cultural differences?
- Do alliances offer different types of granted privileges for the elite-members, which could be interpreted as cross-cultural differences as part of adaptation strategy?

**Research Methodology**

A qualitative research approach was chosen in order to investigate the content of different types of FFPs worldwide. The first step covered the selection of countries for the analysis, based on the countries' GDPs. It is showed in Figure 1. Since it is crucial that selected FFPs appear to be representative ones, the choice of the selection criteria was made in favor of GDP. Data from The World Bank (2016) GDP ranking with 2015 coverage was used (Countries selected for the content analysis are marked with red).

	Ranking	Economy	(millions of US dollars)
USA	1	United States	18 036 648
CHN	2	China	11 007 721
JPN	3	Japan	4 123 258
DEU	4	Germany	3 363 447
GBR	5	United Kingdom	2 858 003
FRA	6	France	2 418 836
IND	7	India	2 095 398
ITA	8	Italy	1 821 497
BRA	9	Brazil	1 774 725
CAN	10	Canada	1 550 537
KOR	11	Korea, Rep.	1 377 873
AUS	12	Australia	1 339 141
RUS	13	Russian Federation	1 331 208
ESP	14	Spain	1 199 057
MEX	15	Mexico	1 143 793
IDN	16	Indonesia	881 934
NLD	17	Netherlands	750 284
TUR	18	Turkey	717 880
CHE	19	Switzerland	670 790
SAU	20	Saudi Arabia	646 002
ARG	21	Argentina	583 169
SWE	22	Sweden	495 624
NGA	23	Nigeria	481 086
POL	24	Poland	477 086
BEL	25	Belgium	455 086
IRN	26	Iran, Islamic Rep.	425 326
THA	27	Thailand	395 168
NOR	28	Norway	388 578
AUT	29	Austria	376 950
ARE	30	United Arab Emirates	370 296
EGY	31	Egypt, Arab Rep.	330 779
ZAF	32	South Africa	314 572
HKG	33	Hong Kong SAR, China	309 235
ISR	34	Israel	299 416
MYS	35	Malaysia	296 283
DNK	36	Denmark	295 091
SGP	37	Singapore	292 739
PHL	38	Philippines	292 451
COL	39	Colombia	292 080
IRL	40	Ireland	283 703
PAK	41	Pakistan	271 050
CHL	42	Chile	240 796
FIN	43	Finland	231 950
PRT	44	Portugal	198 923
BGD	45	Bangladesh	195 079
GRC	46	Greece	194 851

**Figure 1.** GDP Ranking (2015)

Source: edition of The World Bank's table (2016, <http://data.worldbank.org/data-catalog/GDP-ranking-table>)

The second stage concerns the selection of participating airlines. The selection criterion is traffic statistics and Revenue Passenger Miles (RPMs) / Revenue Passenger Kilometres (RPKs) per airline in particular. As a result, eighteen frequent flyer programs of airlines are defined for the conducting of a qualitative content analysis. The selection of participating airline alliances is the last stage. The same criterion used for airlines is applied. Three largest airline alliances, such as Star Alliance, SkyTeam, and oneworld, are selected. The basic data for the research is collected in open sources: official websites of the selected airlines and airline alliances. Terms and conditions of the programs are taken as a basic information source. Countries were mapped into six groups. Three frequent flyer programs of the largest airlines from each group are selected, so the three largest international airline alliances are compared. The qualitative research method forms the bases of the empirical part with the application of the Mayrings's qualitative content analysis method (2015). The next step included the selection of FFPs for the analysis. The first stage of the selection process consisted of the determination of participating countries. It was decided to take three countries from each cluster based on a country's gross domestic product indexes. This decision was made according to Hofstede. He argues that in the field of aviation safety, a country's economic development dimension prevails. He concludes that poorer countries have fewer resources for the maintenance and restoration of an aircraft fleet and other airport-related fields. This explains the high level of accidents in less developed countries (Hofstede 2001, p. 115). It was assumed this logic is appropriate in the field of marketing as well and that wealthier countries would be more invested in marketing-related activities. The constructed input is summarized in table 1 below.

**Table 1.** Input in the analysis

Part 1.  
(own edition, 2017)

<i>Country</i>	<i>Airline</i>	<i>FFP</i>	<i>Alliance</i>
Cluster 1			
United States	American Airlines	AAdvantage	oneworld
Great Britain	British Airways	Executive Club	oneworld
Australia	Qantas	Qantas Frequent Flyer	oneworld
Cluster 2			
Japan	ANA	ANA Mileage Club	Star Alliance
Germany	Lufthansa Passenger Airlines	Miles & More	Star Alliance
Czech Republic	Czech Airlines	OK Plus	SkyTeam
Cluster 3			
Brazil	LATAM Airlines	LATAM Pass	oneworld
Korea (South)	Korean Air	SKYPASS	SkyTeam
Russia	Aeroflot	Aeroflot Bonus	SkyTeam
Cluster 4			
France	Air France	Flying Blue	SkyTeam
Sweden	SAS - Scandinavian Airlines	EuroBonus	Star Alliance
Finland	Finnair	Finnair Plus	oneworld
Cluster 5			
Mexico	Mexico	Mexico	Mexico
Colombia	Colombia	Colombia	Colombia
Pakistan	Pakistan International Airlines	Awards +Plus	n/a
Cluster 6			
China	China Southern Airlines	Sky Pearl Club	SkyTeam
India	Jet Airways	JetPrivilege	other
Indonesia	Garuda Indonesia	GarudaMiles	SkyTeam

Low-cost airlines were excluded since most of them do not have loyalty programs and are not focused on business travellers. In most cases, chosen airlines are national or flag carriers. A comparison of benefits awarded to members with elite status levels of participating airlines has been conducted in order to answer the last research question. Though each alliance has a different number of member airlines, they all have one common feature – all tend to cover the whole world through partnerships with local airlines on each continent. The largest one in this regard is Star Alliance, which consolidates airlines from six continents worldwide. SkyTeam and oneworld, the two other alliances, cover five continents. In the case of SkyTeam, the single representative airline from the African continent is Kenya Airways, which provides a loyalty program of Air France-KLM to its frequent flyers. This means that SkyTeam does not include a FFP designed specifically for the frequent flyers of the African continent. For the comparison analysis, one member airline FFP was taken from each alliance representing a single continent. In the case of FFPs, which are shared between several airlines, only the original one was considered, meaning the one belonging to the founder airline. Using an Excel function member airline, FFPs were selected randomly. The selected FFPs are shown in Table 2 below.

**Table 2.** Input in the analysis  
Part 2.  
(own edition, 2017)

Alliances	Continents and FFPs					
	Europe	Asia	N. America	S. America	Oceania	Africa
Star Alliance	Miles & More	Flying Returns	MileagePlus	Lifemiles	Airpoints	ShebaMiles
SkyTeam	Flying Blue	Egret Club	SkyMiles	Aerolíneas Plus	-	-
oneworld	topbonus	Royal Plus	AAdvantage	LATAM Pass	Qantas Frequent Flyer	-

**Results**

Six cultural groups were created. The largest cluster is the third one, named as “Hierarchical and merciful society”. The smallest group “Hierarchical and conventional society” includes six countries. The first “Liberal and just society” and the fourth “Innovators’ society” clusters are similar and consist of seven countries. The second cluster called “Conservatives’ society” maps twelve culturally identical countries. The sixth group “Hierarchical and ambiguity tolerant society” has eleven countries.

The current mapping makes no claims to become a universal clustering method of countries. It is designed for this particular article for the sole purpose of mapping the countries in mostly homogeneous groups in order to answer the research questions.

The first cluster called “Liberal and just society” composes seven countries. It is defined by highly individualistic cultures, which have high score on the Masculinity dimension. It is combined with low scores on UAI and PDI dimensions. This cluster groups countries such as USA, Australia, Canada, New Zealand, Great Britain, and Ireland. The second cluster (“Conservatives’ society”) consists of twelve countries that differ from the first cluster’s countries by the high score on Uncertainty Avoidance. These are individualist, masculine societies with strong intention of avoiding unknown situations by creating rules and institutions. Germany, Austria, Luxembourg are among these countries. People accept a hierarchical order and inequality in these societies. Hierarchy is seen in centralization and strong subordination. The third cluster called “Hierarchical and merciful society” is the largest group and is represented by twenty-three countries. The fundamental difference from the first two clusters is that these are collectivist societies with feminine values. Here are the countries from different continents such as

Portugal, Bulgaria, Croatia, Russia, Brazil, Chile, Peru, South Korea, Turkey, and others. This cluster represents societies that are geographically distant, but have similarities in their national cultures. It also illustrates the tendency of collectivist societies to have high scores on the Power Distance dimension. These are hierarchical societies where people are integrated into close-knit groups since birth. The fourth cluster (“Innovators’ society”) represents the North European countries such as Denmark, Finland, Netherlands, Norway, and Sweden. These are individualist and feminine societies. These countries have low scores on Power Distance and Uncertainty Avoidance dimensions. The fifth and the sixth clusters represent collectivist and masculine societies – success oriented “we” culture. The fifth and the sixth clusters have high Power Distance indexes. At the same time, the scores on Uncertainty Avoidance dimension distinguish countries from these two clusters. The fifth cluster “Hierarchical and conventional society” combines countries, like Greece, Mexico, and Colombia, that are uncomfortable in dubious situations. Most Asian countries, in contrast, are comfortable with ambiguity and have a low preference for avoiding uncertainty. These countries compose the cluster named “Hierarchical and ambiguity tolerant society”. At the same time, they abide by the rules not because of a need for structure, but because of high Power Distance indexes. In the sixth cluster we have countries such as China, Hong Kong, Philippines, etc.

The clustering results are particularly interesting in terms of the wide wealth-spectrum within each group. Right the first cluster is an exception, as these countries are approximately on the same development level, furthermore, they are in their language also common. In the second group, the Czech Republic’s GDP per capita results from 2016 are below Japan’s and Germany’s. The Czech Republic has the 41st rank on the World Bank’s nominal GDP per capita lists (2016) with 18.326, Japan came 25th by 37.304; and Germany even more: 42. 326, from the 18th place. The third group’s less productive member is South Korea, however, none of this group members are mentioned among those 50 countries, who has the most GDP per capita. There is no odd-one-out in cluster 4, neither in cluster 5. Regarding cluster 6 must be admitted that despite the high level of GDP values, the GDP per capita values are pretty low: China has a modest 8,123.2, Indonesia has even less: 3,570.3; while this value in India is only 1,709.6!

### **Interpretations**

Based on the analysis we can answer the research question as follows.

The first one was if airlines view frequent flyers as a bound, globalized international community that requires a standard business approach, or as culturally diverse group that requires marketing strategy adaptations that address cultural differences?

The results reveal the airline industry applies a combined business approach, which indicates that frequent flyer programs contain certain similarities within each cultural cluster. There is a research gap between the cross-cultural context influence on business travelers and the design of frequent flyer programs. Nonetheless, certain observable differences between clusters also exist. Distinctions within cultural groups also occurred. In terms of their benefits policies in the continents covered, the compared airline alliances strive for sameness regardless of member airlines’ countries of origin. Hence, the tendency to apply a standardized approach is obvious here. An answer for the main research question is as follows: the studied frequent flyer programs reflect cultural features of the societies within which they have been designed, whereas airline alliances definitely employ a standard business approach toward frequent flyers by viewing them as a bound, globalized international community.

Along with local frequent flyer programs that have cultural peculiarities, airlines share their programs through partnership agreements and consolidate in the frame of alliances. It is concluded that all three compared airline alliances strive after sameness in their benefits policies in the covered continents regardless the country origin of the member airlines. The general conclusion is that investigated frequent flyer programs reflect cultural features of the societies within which they have been designed. Similarities within separate cultural groups are observed. Moreover, differences between programs of airlines belonging to different cultural groups are presented. At the same time, it can be assumed, that these



cultural features have not been considered in the frame of the frequent flyer programs development process. Programs can reflect some cultural aspects since local managers design them. Personal knowledge, experience, and perception influence the development of the loyalty program construction. These, in turn, are formed in a specific cultural environment. Such an assumption may explain demonstration of cultural differences among the investigated programs. On the other hand, airlines respond to the globalization process with the execution of partnership agreements and by joining airline alliances. Through joining an airline alliance, carriers provide their flyers with the possibility to enjoy standard benefits while flying with a large number of airlines worldwide. The airline alliances, however, definitely view frequent flyers as a bound, globalized international community that requires a standard business approach.

The authors suggest these general recommendations can be used as a basic roadmap for designing an effective frequent flyer program. General cultural attributes should be considered as they compile a basis of a customer's behaviour and needs. Each airline should design a unique program that differs from its competitors operating in the same market. The author assumes that however, the FFPs perform well, both the efficiency and the satisfaction could be enhanced. A more successful relationship marketing strategies must be targeted. This why cultural diversity should be recognized and adopted in FFPs strategies to make them effective.

The second research question was whether alliances offer different types of granted privileges for the elite-members, which could be interpreted as cross-cultural differences as part of adaptation strategy.

Oneworld airline alliance includes three-tier status levels. There are Ruby, Sapphire, and Emerald. Status levels of participated FFPs equate to that three levels of the alliance. Four similar benefits are provided for members with a Ruby tier status within four selected FFPs. In other words, frequent flyers with a Ruby tier status of the four continents get the same type and number of alliance benefits. Frequent flyers with the Ruby level of South America are provided with two types of benefits only. Preferred and pre-reserved seating and priority standby and waiting list are not possible for the members of the South American FFP. This limitation concerns members with the Sapphire tier status also. Frequent flyers of the Sapphire level are granted with the same number of the benefits in four out of five continents. The South American program differs again. Its Sapphire tier status holders are not granted with one type of benefits that are provided for the same tier status holders in the other continents. Emerald status holders are equal within all five covered continents. They are provided with the same types and number of oneworld alliance benefits.

SkyTeam airline alliance has two-tier status levels – Elite and Elite plus. This alliance covers four continents. The alliance is not consistent in its benefits policy and has differences between the regions. European frequent flyers of the Elite status level get five types of benefits. North American flyers are provided with four identical benefits except the lounge access. At the same time, they get three additional benefits that are not accessible to European flyers. The same seven types of benefits are provided by the SkyTeam alliance to Elite status holders in Asia. Frequent flyers in South America are granted four benefits only. These do not include lounge access possibility. European Elite Plus status holders get all alliance benefits. North American flyers, by contrast, can enjoy eleven benefits only. Priority service at ticket office and transfer desks and priority baggage drop-off are not provided to them. Ten benefits are granted to the frequent flyers of the Asian and the South American continents. Seven of them are the same, but three types of benefits are different.

Star Alliance is more consistent in awarding frequent flyers within the covered six continents. Two-tier statuses similar to SkyTeam are provided – Silver and Gold. Silver status holders are granted two types of the alliance benefits within the five continents. African frequent flyers get only one type of benefits. Gold status holders receive all eight benefits in four continents. In Asia and Oceania, one type of benefits is not available. This is a Priority Security and Immigration benefit that might be unavailable due to limitations of airports in which participating airlines operate.

It can be concluded that all three compared alliances strain after sameness of the benefits policy in the covered continents regardless of the country origin of the member airlines. Nevertheless, some differences exist. Star Alliance is the most successful alliance in this respect. There is only one distinction

between benefits provided to Silver status holders. Another deviation of benefits for Gold members of the two continents might be due to airport-related limitations only.

### **Limitations and Suggestions for Further Research Directions**

The limitations of this study offer new directions for the future research. The first limitation concerns the sample size of the analysis (18 countries were analysed from different parts of the world). The next limitation concerns the concept that was used to map FFPs in groups with similar cultural features, which are both hard to select and identify. The grouping is based on countries of airlines origin. This approach is supported in academia as well. Usually, the cultural grouping is defined by national or political boundaries. Perhaps, in the future, the core of this study would bring deeper results if the financial situation, based on the GDP per capita values, would be considered as differentiating factors. We can await fresh results from the comparison of two or three clusters, from the same culture with high – middle – or low wealth nivou. Maybe the appearance of the cultural elements is business had a different proportion among the different welth status of countries with a same cultural background.

The implementation of a special promotional approach that would suit the consumption values of each customer segment seems prudent. A cultural value system is considered as the basis of consumer behaviour. For that reason, marketers who want to be successful in the global market must be aware of cultural differences. The segmentation should be based on the cultural background among other aspects. This, in turn, influences consumers' loyalty intentions. The findings of the research can be used as a basis for future descriptive and causal research. To analyze the relation between culturally-related changes of FFPs and frequent flyer loyalty a descriptive longitudinal study can be conducted. Cause-and-effect relationships can be determent via experiments. It is recommended to use the results and recommendations of the thesis for composing questionnaires or designing experiments. Finally, future research of cross-cultural context influence on loyalty programs of other industries might be conducted.

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