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Airline loyalty of frequent flyers: a survey of members and non-members of loyalty programmes

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Abstract

Airlines employ frequent flyer programmes (FFPs) to enhance their competitiveness and retain loyal and profitable customers. There has been some debate on the continued effectiveness of FFPs and industry and academia have questioned the extent to which FFPs are still capable of enhancing loyalty among their members. This study looks at Business Class travellers, both members and non-members of a FFP who travel frequently on the same airline, and aims to measure their level of loyalty, while at the same time ascertaining whether a difference exists between members and non-members. An online questionnaire is used to measure the level of loyalty of 2 050 frequent business class travellers. Results show no significant difference between members and non-members of the FFP in terms of their level of compound loyalty displayed towards the airline. It also found that a higher tier of membership does not necessarily display a higher level of loyalty. These results indicate that equating specific tier membership of a loyalty programme to a high level of loyalty towards an airline cannot be generally accepted. Recommendations flowing from the research would include that the tier-structure of FFPs may need to be reconsidered to achieve the actual benefits for which they were created.The findings also imply that members of the FFP are not necessarily more loyal than non-members and calls for an in-depth analysis to establish which mediating factors within the loyalty programme will have an inducing effect on the level of loyalty towards the airline.

Keywords: Airlines, frequent business class travellers, Frequent Flyer Programmes, loyalty, South Africa.

Introduction

In a commercial aviation industry that is characterised by intense rivalry (ATAG, 2012) airlines use a variety of strategies to retain their competitiveness, one of which relates to customer relationship management. Frequent flyer programmes (FFP) have become a standard customer relationship strategy to promote loyalty towards a specific airline (Binggelli, Gupta & de Pommes, 2002) through cultivating long-term relationships with their customers (Bolton, Kannan & Bramlett, 2000). Loyal customers are imperative for solid revenue streams (Martín, Román &Espino; 2011). It also costs far less for airlines to retain existing customers than to acquire new ones (Palmer, McMahon-Beattie & Beggs, 2000; McMullan & Gilmore, 2008; Oliver, 1999) and loyal customers are more likely to make positive recommendations about an airline to others (Shoemaker & Lewis, 1999). Despite their assumed value to airlines and members alike, according to Capizzi and Ferguson (2005) there is a general feeling of indifference among members of FFPs worldwide, with many FFPs seemingly not able to deliver rewards nor provide benefits that are seen as

attractive by their members, with members continuously seeking more from FFPs, including rewards easily obtained and tailored to their individual needs (Bashford, 2010). With their original intent to promote loyalty towards a specific airline, this paper sets out to question whether there is a difference between members and non-members of a specific FFP and the level of loyalty that they display towards an airline.

Research on FFPs has been conducted since the 1980's (Kearney, 1989; Stephenson & Fox, 1987; Toh & Huh, 1988) and topics such as the impact and effect of FFPs on passengers, the perspectives and attitudes of passengers towards FFPs and even the mechanisms through which FFPs create loyalty, have been considered. More recently, Wang, Chen and Chen (2014) investigated the role of tactics such as customer relationship bonding and involvement in enhancing behavioural loyalty, while Park (2010) stressed the importance of understanding member perceptions to develop loyalty programmes that are deemed attractive and useful. Meyer-Waarden (2013) found that FFPs are only deemed attractive and useful if they consider individual member characteristics that impact loyalty and develop diverse rewards based on these characteristics. Although Whyte (2003) attempted to measure loyalty among corporate flyers in an Australian context, the study focused more on perceptions of loyalty. Tanford (2013) explains that loyalty is a multi-dimensional construct that includes both behavioural loyalty (a repeat purchase) and attitudinal loyalty (an emotional feeling of loyalty). Several previous studies made use of only behavioural loyalty to measure loyalty (Clemes, Gan & Ren, 2011; Gracia, Bakker & Grau, 2011; Lee & Back, 2010; Skogland & Sigauw, 2004). However, as loyalty is also considered an attitude, the focus of this study is the measurement of both attitudinal loyalty and behavioural loyalty, called compound or total loyalty (Bowen & Chen, 2001; Dick & Basu, 1994; Jacoby & Chestnut, 1978; Oliver, 1999). In this paper the focus is on levels of loyalty and not the effectiveness of loyalty programmes *per se.* The main question raised in this study is whether there is a difference in the level of loyalty displayed towards the airline, amongst frequent travellers who are members of a FFP and frequent travellers who are not members of a FFP.

Two objectives were set to answer this research question: The first objective is to determine whether members of an airline's associated FFP show a higher level of loyalty towards the airline than non-members. This is done by focusing on frequent travellers of the airline and comparing the levels of loyalty of both members and non-members of the loyalty programme, who have purchased a minimum of three business class tickets in the past 12 months. The second objective focuses on members only, determining whether there is a difference in the level of loyalty among members of the FFP according to their tier of membership. The concept of loyalty which has been studied for a number of decades and researched in various industries such as hospitality and passenger air transport frames the empirical phase of this study.

The concept of loyalty

Loyalty as a concept first appeared in the 1940's (Rundle-Thiele, 2005) and academics have since spent decades in an attempt to discover the mechanisms that affect consumers' loyalty (McCall & Voorhees, 2010). In the mid 1900's, Guest (1944) already implied that loyalty is an attitude or a feeling towards a brand. Loyalty was originally proposed as a uni-dimensional concept from which two separate concepts developed, namely "brand preference" (attitudinal loyalty) as proposed by Guest (1944, 1955) and "share of market" (behavioural loyalty), proposed by Cunningham in 1965 (Rundle-Thiele, 2005:494). Several researchers (Bowen & Chen, 2001; Dick & Basu, 1994; Jacoby & Chestnut, 1978; Oliver, 1999) have since combined these two concepts of attitudinal loyalty and behavioural loyalty and referred to it as composite or total loyalty (Rundle-Thiele, 1995). This compound perspective of loyalty is

furthermore supported by many authors such as Jacoby and Kyner (1973), Bloemer and Kasper (1995), Bowen and Chen (2001) and Zins (2001) and is widely used within academic research. Tanford (2013) says that loyalty is a multi-dimensional construct that includes both behavioural loyalty (a repeat purchase) and attitudinal loyalty (an emotional feeling of loyalty). Authors such as Jacoby and Chestnut (1978) and Oliver (1999) later suggested that loyalty is a series of stages that are performed in sequence and that loyalty towards a product or service evolves over time (Rundle-Thiele, 2005), in this study regarded as the levels of loyalty. Oliver's (1999) approach to compound loyalty is also relevant to the present research.

Oliver (1999:34) defines loyalty as "a deeply held commitment to re-buy or re-patronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour". He goes further by stating that loyalty ultimately develops over a period of time (Oliver, 1999), and that compound loyalty can be divided into attitudinal loyalty and behavioural loyalty. According to Oliver (1997) the concept of attitudinal loyalty comprises of cognitive, affective and conative loyalty as depicted in table 1.

Table 1: Phases/elements of loyalty according to Oliver (1999)

Element	Identifying Marker	Vulnerabilities
Cognitive	Loyalty to information such as price, features etc.	Actual or imagined better competitive features or price through communication (e.g. advertising) and vicarious or personal experience. Deterioration in brand features or price. Variety seeking and voluntary trial.
Affective	Loyalty to a liking: "I buy it because I like it."	Cognitively induced dissatisfaction. Enhanced liking for competitive brands perhaps conveyed through imagery and association. Variety seeking and voluntary trial. Deteriorating performance.
Conative	Loyalty to an intention: "I'm committed to buying it."	Persuasive counter-argumentative competitive messages. Induced trial (e.g., coupons, sampling, point-of-purchase promotions). Deteriorating performance.
Action	Loyalty to action inertia, coupled with the overcoming of obstacles.	Induced unavailability (e.g. stock lifts – purchasing the entire inventory of a competitor's product from a merchant). Increased obstacles generally. Deteriorating performance.

Source: Oliver (1999:36).

Action loyalty, which relates to behavioural loyalty is believed to be the last phase of loyalty, where the conative intention to purchase is converted into action even with the presence of obstacles that might prevent the act of purchase (Oliver, 1999). This concept of the four sequential stages or four phases of loyalty by Oliver (1999) is further supported by Bigné and Andreu (in Velázquez, Saura and Molina, 2011) and has been used in a service context by Harris and Goode (2004), Back and Parks (2003), McMullan and Gilmore (2008) and Yuksel *et al.* (2010). As Oliver's theory (1999) is a compound perspective of loyalty containing the properties of true brand loyalty (Beerli, Martín & Quintana, 2002) it can be used as a system of measurement for true loyalty. The next section explains the function of FFPs in creating and increasing loyalty and their importance to both airlines and travellers.

Frequent Flyer Programmes

Through the implementation of a frequent flyer programme, airlines identify and retain their most profitable passengers, provide rewards for these passengers, and promote loyalty towards the airline (Binggelli *et al.*, 2002; Pandit, 2009). FFPs support long-term revenue growth for airlines as they aim to lengthen the entire lifecycle of the passenger and to strengthen an airline's competitive position (Oracle, 2008; Dolnicar *et al.,* 2011), by

promoting loyalty towards the airline (Binggelli *et al.*, 2002; Pandit, 2009). Although many previous studies have addressed the issue of loyalty in loyalty programmes and FFPs (Lederman, 2007; Martín *et al.*, 2011; McCaughey & Behrens, 2013; Meyer-Waarden, 2013; Park, 2010; Reinartz, 2010; Stephenson & Fox, 1987; Wang *et al.*, 2014), fewer studies have addressed the actual measurement of loyalty within FFPs in order to establish whether they still achieve their objective of creating or increasing loyalty among members. In measuring loyalty several previous studies have made use of only behavioural loyalty (Clemes, Gan & Ren, 2011; Gracia, Bakker & Grau, 2011; Lee & Back, 2010; Skogland & Sigauw, 2004). In this study the focus is on measuring compound or total loyalty which is both an attitude, described by Oliver (1999) as comprising the cognitive, affective and conative phases and an action seen as behavioural loyalty. Thus, in reference to the first stated objective, to compare the levels of loyalty of members and non-members the following hypotheses were tested:

$H_{1:}$ There is no difference in the level of cognitive loyalty between members and non-members of the FFP.
$H_{2:}$ There is no difference in the level of affective loyalty between members and non-members of the FFP.
$H_{3:}$ There is no difference in the level of conative loyalty between members and non-members of the FFP.
$H_{4:}$ There is no difference in the level of action loyalty between members and non-members of the FFP.
$H_{5:}$ There is no difference in the level of compound loyalty between members and non-members of the FFP.

Modern FFPs typically award passengers with two types of "*miles*" or "*points*". The first type of miles allows for the redemption of awards with the airline and non-airline partners (such as discounted flights, upgrades to higher classes and discounted car-rental) and the second type of miles (also referred to as points) separates members into distinct levels or tiers within the FFP according to their direct expenditure with the airline. Members of different tiers receive different types of benefits (such as lounge access, excess baggage and chauffeur service) according to their tier status. The effects of FFPs on members are thus twofold: members receive awards and benefits for their expenditure with the airline and reaching the distinct levels or tiers gives members a sense of elevated status (Henderson *et al*., 2011; Tanford, 2013). By providing awards according to tier and increasing the emotional benefit of belonging to a higher tier, FFPs can increase a member's sense of prestige, belonging, elevated status and also gratitude, which in return induces attitudinal loyalty (Dholokia, 2006; Evanschitzky & Wunderlich, 2006; Henderson *et al.*, 2011; Palmatier *et al.*, 2009). It is therefore expected that members of a higher tier will display a higher level of loyalty towards the airline which leads us to hypothesise that:

H_6: There is no difference in the level of compound loyalty among members of the FFP according to their tier of membership.

Methodology

The strategy of inquiry employed for this study was a quantitative approach that allowed for the collection of empirical, numerical data. The target population was all frequent business class travellers who had travelled (at least three return flights)on a full service South African airline during the preceding 12 months, and who were registered as frequent flyers by the airline itself according to the database. Business class travellers were selected as target population since they have a significant impact on the revenue and profitability of major full-

service airlines worldwide which is associated with their higher expenditure when making use of premium travel. Since business class travellers are one of the most profitable segments, commercial airlines leverage this profitability by engaging in strategies to ensure the loyalty of these travellers. Due to its lucrative nature, airlines compete fiercely for this market and employ a number of strategies to attract it, one of which is airline loyalty programmes.

A self-administered online questionnaire was developed based on the research objectives, using relevant constructs from a comprehensive literature review and consulting similar measurement instruments used in previous studies. These studies included those of Back and Parks (2003) who measured the impact of customer satisfaction in the lodging industry on each of the phases of compound loyalty, namely cognitive, affective, conative and action. They employed a questionnaire using Likert-type scales for each of the phases based on previous studies by Oliver (1999) and Loken and John (1993). Yüksel, Yüksel and Bilim (2010) employed a similar instrument for the measurement of loyalty towards destinations based on the scales used by Back and Parks (2003). This study had to adapt the measurement instruments used by Back and Parks (2003) as well as Yüksel *et al*. (2010), since these studies were conducted in hotels and destinations respectively and the element of action loyalty as introduced by Harris and Goode was incorporated (2004) as indicated in table 2 below.To pre-test, the link to the online questionnaire was sent to 16 individuals, who completed it and made comments regarding the readability and flow of the questionnaire.

Table 2: Items used in the questionnaire

Cognitive Loyalty
Airline X provides value for money
Generally, Airline X is superior to other available airlines
Airline X is an attractive airline to fly with
I believe Airline X provides more benefits than other full service carriers
I prefer to fly with Airline X since it is the national carrier
Affective loyalty
It is pleasant to fly with Airline X
I have a favourable attitude towards Airline X
I am generally satisfied when I fly with Airline X
I like Airline X more than other airlines
I like the general performance and services of Airline X
I love flying with Airline X
Conative loyalty
I intend to continue flying with Airline X
I will recommend Airline X to others
Airline X repeatedly delivers superior performance
I consider Airline X to generally be my first choice
Even if another airline is offering a lower airfare, I will still fly with Airline X
Action loyalty
I will always continue to choose the features (e.g. aircraft, entertainment) of Airline X over other airlines
I would always continue to favour the offerings (e.g. prices, schedule, service) of Airline X over other airlines

I will always choose to use Airline X in preference to other airlines.

Respondents were asked to rate their level of loyalty (on a 5 point Likert scale, where 1=strongly disagree and 5=strongly agree) towards a South African full-service airline. The internal consistency reliability of the adapted scale is summarised in table 3 and displays the calculation of Cronbach's Alpha for three previous studies as well as the calculation of Cronbach's Alpha for this study. All of the calculated Cronbach's Alpha's were far greater than the acceptable value of 0.70 for internal consistency reliability. According to Gliem and Gliem (2003:87) a Cronbach's Alpha of greater than 0.8 indicates "good" internal consistency reliability and a Cronbach's Alpha of greater than 0.9 indicates "excellent" internal consistency reliability.

Table 3: Cronbach's alpha test results of phases of loyalty according to Oliver (1999) as used in previous studies and the current study

	Study 1 Back & Parks, 2003	**Study 2 Harris & Goode, 2004**	**Study 3 Yüksel *et al*., 2010**	**This study**
Cognitive loyalty	0.850	0.830	0.860	0.856
Affective loyalty	0.870	0.750	0.790	0.939
Conative loyalty	0.860	0.720	0.790	0.895
Action loyalty	N/A	0.740	N/A	0.887

The target population was sampled by using random stratified sampling, where respondents were randomly selected within strata that distinguished them within the target population. The chosen strata for this sampling method were membership and non-membership of the airline's FFP. The airline was requested to draw the member sample (33 869) from a database of their FFP business class members (as at the time of data collection). Similarly, the airline also complied with the request to randomly select the non-member sample (6 883) from a database of their business class non-members (as at the time of data collection). The questionnaire was distributed by the airline via email to the population of frequent business class travellers. Although the original email did not state any deadlines, about 7 weeks were given to respondents to complete the questionnaire. A follow-up email, including the hyperlink, was sent one week after emailing the questionnaire to respondents to thank those who had already responded and to remind non-respondents to complete the questionnaire. The number of member respondents was randomly narrowed down in order to ensure proportionate stratified sampling with the non-member sample. The results are based on 2 050 self-completed online questionnaires with 1 832 member responses and 218 non-member responses. In order to satisfactorily meet the objectives of this study, different data analysis techniques were employed. To test the hypotheses independent t-tests and analysis of variance (ANOVA) were employed to test for significant differences in the levels of loyalty between members and non-members and members of different tiers.

5. Results

First, a general demographic profile of all frequent business class travellers on a leading South African full-service airline was established in order to display the characteristics of the population and to provide a foundation for segmentation and further statistical analyses, after which a general member profile of the airline's FFP is established which includes tier of membership. Last, the levels of loyalty for all frequent business class travellers are reported, both members and non-members. The first question separated the respondents into the two different subsets (strata) (members and non-members) of the population, with 89.4% being members of the airline's FFP, as opposed to the 10.6% of non-members.

A general demographic profile of the frequent business class travellers on the airline (members and non-members) was established. The demographic profiling included purpose of trip, geographical area of trip, age, gender, gross monthly income and nationality. The majority (74.9%) of respondents were male, with more than a third of respondents (33.6%) being between the ages of 46 and 55 followed by 30% of respondents older than 55. The largest proportion of respondents (71.8%) travelled primarily for business purposes. About 59.9% of the respondents earned a monthly gross income of more than R75 000 (approximately US$6000). Almost 80% of respondents were South African.

Most flights in business class (41.5%) by frequent business class travellers are undertaken internationally (outside of Africa). Domestic trips accounted for 34.5% of all business class trips, followed by continental trips (within Africa, excluding SADC countries), making up 14.1% of business class trips and 9.9% undertaken regionally (within Southern Africa, including SADC countries).
In viewing each stratum (as per table 4 below), about 56.7% of non-members indicated that they were not members of any other FFP and of the remaining 43.3% (those that were members of other FFPs), about 40% belonged to only one other FFP, while 15.8% were members of four or more other FFPs. In the context of the study it was important to understand why frequent business class travellers did not belong to the specific airline's FFP. Approximately one third of non-members (30.3%) indicated that they preferred membership of another FFP and 14.7% said it was too difficult to redeem awards, this result proved significant for passengers travelling for non-business purposes. The remainder had various reasons, from corporate travel management policies on FFPs (a significant result for passengers travelling on business) to being uninformed on the programme. Results on the members showed that about 68.1% also held membership of other FFPs and of these members about 85.3% belonged to two or three FFPs in total. Only 1.2% of all members were members of only the specific FFP in question, which leads us to believe that members are not loyal to their card – it is one of many, for 98,8% of them.

Table 4: Multiple FFP membership: Non-members

	Frequency (*f*)	**Percentage (%)**
Membership to other FFP		
Yes	94	43.3
No	123	56.7
	217	100.0
Total number of FFP memberships		
1	38	40.0
2	25	26.3
3	17	17.9
4 and more	15	15.8
	95	100.0

In order to establish a detailed member profile of the airline's FFP, and to respond to $H_{6,}$ a question was included on the tier of membership. More members (60.4%) belonged to tier 4 and 5 of membership and fewer members (39.6%) belonged to tier 1, 2 and 3 of membership (where 1 is the highest level of membership and 5 the lowest level).

Since the main aim of the study was to measure the level of loyalty displayed by frequent business class travellers (both members and non-members) towards the airline, the composite scores for each of the phases of loyalty are portrayed in table 5. Due to the many ties, the arithmetic means were calculated and used to rank the items. The means suggest that non-members display a higher level of cognitive loyalty (*M*=3.18) as well as affective loyalty (*M*=3.47) as opposed to the members' scores which were cognitive loyalty (*M*=2.99) and affective loyalty (*M*=3.36). The results show that members display a higher level of

conative loyalty (*M*=3.16) as well as action loyalty (*M*=2.76) as opposed to non-members' conative loyalty (*M*=3.15) and action loyalty (*M*=2.74).

The hypotheses focusing on the difference in loyalty between members and non-members of the airline's FFP were tested.

$H_{1\text{-}5:}$ There is no difference in the level of (cognitive H_1; affective H_2; conative H_3; action H_4; compound H_5) loyalty between members and non-members of the FFP.

The results in table 5 display the mean scores and standard deviation for each of the phases of loyalty for both members and non-members of the airline's FFP.

Table 5: Loyalty measurement: total scale

Construct	Mean		Standard Deviation	
	Members (*n*=1832)	Non-members (*n*=218)	Members (*n*=1832)	Non-members (*n*=218)
Cognitive loyalty	2.991	3.180	0.866	0.913
Affective loyalty	3.360	3.470	0.881	0.909
Conative loyalty	3.156	3.146	0.857	0.946
Action loyalty	2.761	2.742	0.973	1.005
Compound loyalty	3.116	3.195	0.827	0.877

Note: Scale values range from 1 ("Strongly disagree") to 5 ("Strongly agree"); the higher the mean score, the stronger the level of loyalty associated with the construct.

An independent t-test was conducted to test whether these two groups (members and non-members) display a significant difference in terms of their loyalty towards the airline, with the results presented in table 6.

The only significant t-values (t = -3.028) obtained, with a p-value of 0.002, was obtained for cognitive loyalty, displayed by members and non-members of the airline's FFP. From table 5 it can be read that mean score for non-members (*M*=3.180) were higher in terms of their level of cognitive loyalty than that of members (*M*=2.991). It thus appears that non-members display a higher preference for the brand (airline), relative to its alternatives (other airlines), based on information or previous experience, than do members. The two-tailed p-values for the constructs of affective (0.082), conative (0.865) and action loyalty (0.786) are larger than the significance level of 0.05 and H_0 can therefore not be rejected in favour of $H_{2;}$ H_3 and H_4.

Table 6: Independent t-test: loyalty between members and non-members

Levene's Test for Equality of Variances		t-test for Equality of Means		
F	Sig.	t	Sig. (2-tailed)	Mean Diff.
Cognitive loyalty				
1.183	0.277	-3.028	0.002	-0.189
Affective loyalty				
0.076	0.783	-1.742	0.082	-0.110
Conative loyalty				
2.371	0.124	0.170	0.865	0.106
Action loyalty				
0.082	0.775	0.271	0.786	0.019
Compound loyalty				
0.515	0.473	-1.321	0.187	-0.079

Note: Levene's Test for Equality of Variances was performed and equal variance could be assumed in the case of all the measured variables.

The sixth hypothesis focused on the difference in compound loyalty between members of different membership tiers within the airline's FFP. To recap, the concept of compound loyalty relates to loyalty that develops over a period of time (Oliver, 1999), and can be divided into attitudinal loyalty and behavioural loyalty, where according to Oliver (1997) attitudinal loyalty comprises of cognitive, affective and conative loyalty.

H_6: There is no difference in the level of compound loyalty among members of the FFP according to their tier of membership.

Table 7 displays the mean score for each of the tiers of membership which suggests a difference in the level of compound loyalty towards the airline between the members.

Table 7: Descriptive statistics: loyalty and membership tier

	n	Mean	Standard Deviation
Tier 5	501	3.065	0.897
Tier 4	606	3.099	0.814
Tier 3	494	3.131	0.801
Tier 1 and Tier 2	231	3.237	0.747
	1832	3.116	0.827

Note: The members of "Tier 1" and "Tier2" were grouped together for the purpose of inferential analysis.

An ANOVA test was conducted to test whether these four groups are significantly different in terms of their compound loyalty towards the airline, the results of which are presented in table 8.

Table 8: ANOVA test results: loyalty and membership tier

Compound loyalty	Sum of Squares	Df	Mean Squares	F	Sig.
Between groups	4.959	3	1.653	2.422	0.064
Within Groups	1247.764	1828	0.683		
Total	1252.723	1831			

The p-value of the ANOVA test was determined to be 0.064, which is larger than the significance level of 0.05 and H_0 can therefore not be rejected in favour of H_6 at the 5% level.

Discussion and conclusions

The mechanisms of FFPs have been a topic that has received extensive attention from industry and academia alike. FFPs operate on a significant scale and due to their presence worldwide it has become a necessity for any commercial airline to operate a successful FFP if it wants to remain competitive. However, with intense criticism from the industry, referring to FFPs as "shams" (Shugan, 2005), a "necessary evil to do business" (Vinod, 2011) and an industry experiencing a "mid-life crisis" (Capizzi & Ferguson, 2005; Cubitt, 2006), it has become imperative for FFP managers to understand the impact of FFPs on loyalty. Academic studies mention that loyalty programmes and FFPs may have drifted away from their purpose of promoting and enhancing loyalty and that FFPs need to reconsider the psychological value of membership to their members (Lederman, 2007; Martín *et al.*, 2011; McCaughey & Behrens, 2013; Meyer-Waarden, 2013; Park, 2010; Reinartz, 2010; Stephenson & Fox, 1987; Wang *et al.*, 2014).In this paper, the measurement of loyalty among frequent business class travellers on a leading South African full-service airline was

measured based on Oliver's (1999) phases of loyalty. An online questionnaire was used to collect data from 2050 respondents. The results were separated into the two subgroups within the population, namely members and non-members of the airline's FFP. These two groups (members and non-members) display a significant difference in terms of their cognitive loyalty towards the airline with non-members of the airline's FFP, but frequent flyers in business class nonetheless, displaying a higher level of cognitive loyalty than do members. To recap, according to Oliver (1999), cognitive loyalty depicts a higher preference for the brand (airline), relative to its alternatives (other airlines), based on information or previous experience. Cognitive loyalty, in this study, was determined by statements that characterised the airline as a value for money proposition; being superior to other airlines; attractive; providing more benefits and being the national carrier. While the study could not clearly isolate specific reasons, in terms of the definition of cognitive loyalty non-members may be driven to repeat purchase because they have had good prior experiences with the airline, whereas members of the FFP may be repeating their purchase simply because they are "locked into" the programme and do not wish to lose the momentum of earning miles/points. The airline may be achieving its goal at one level with repeat purchasing by members, but on the other hand, the level of desired attitudinal loyalty is not necessarily displayed which may have longer term consequences in so far as recommending the airline to others or supporting "new" members to join the FFP.

The measurement of loyalty was also compared between members belonging to different membership tiers within the FFP. The results, not surprisingly, show that members of the combined Tier 1 and Tier 2 tiers display the highest level of loyalty towards the airline, followed by Tier 3, Tier 4 and lastly Tier 5. The ranking of the levels of loyalty according to tier is in accordance with findings in the current literature. Reinartz (2010), Henderson *et al.* (2011), Palmatier *et al.* (2009) and Evanschitzky and Wunderlich (2006) all suggested that the higher the tier of membership, the higher a member's sense of prestige, belonging, elevated status and gratitude will be, which will enhance their loyalty in return. These findings did not translate into significant differences between members of the various tiers. In this study no significant differences were found between Tier 5, Tier 4 and Tier 3 in terms of their level of loyalty. Literature from loyalty programmes in the hotel sector suggests that member satisfaction could be maximised with a three-tier system (Tanford, 2013). There are no known studies that explore this suggestion within commercial aviation.

Like all studies, this paper is not without limitations. As the study only focused on frequent business class travellers of a single South African airline and its associated FFP in the South African commercial aviation industry, the findings cannot be generalised to include all classes of travellers, all airlines within South Africa and subsequently all FFPs worldwide. However, due to the scope of the study and presence of FFPs worldwide, it was deemed adequate to focus on only one FFP. Further, the study did not consider the implication of the airline being a member of an alliance and the subsequent effect this might have on miles accrual, membership benefits and membership to the airline's specific FFP.The respondents for the non-member subset within the population of frequent business class travellers are restrained to the consent these travellers have given to the airline in order to contact them for marketing and communication purposes. Subsequently, due to the sampling method of stratified sampling that has been followed, this subset might be under-represented in terms of its proportion of the population. Most studies, particularly those done online as a survey, including this one, experience a low response rate. While almost twice as many members responded as opposed to non-members, this does not necessarily imply greater loyalty by members towards the airline in question.

A unique opportunity presents itself for future research. The research found that FFPs are not necessarily as effective as could be expected and specific reasons for this should be

sought. Future research could aim to explore the underlying reasons for the ineffectiveness of the FFP and causal studies could be designed to fulfil this objective. A qualitative research design could be used to explore why travellers become members of the FFP, their experiences with the programme, and the effect that these experiences have on their loyalty towards the airline. The finding that non-members' cognitive loyalty was higher than members' is surprising. Future research could focus on finding possible explanations for this occurrence.The recommendation to the airline, based on previous studies, is to focus on proven loyalty-enhancing mediating variables such as a proper focus on psychological benefits like status and personalised attention instead of tangible benefits such as award seats (Melnyk & van Osselaer, 2012), a higher sense of intimacy (e.g. emotional relationship) with profitable members and specifically females (Melnyk & van Osselaer, 2012), a tiered structure that will enhance feelings of status, prestige and superiority (Tanford, 2013; Melnyk & van Osselaer, 2012), emotional relationship building that will enhance emotional commitment (Shoemaker & Lewis, 1999; Bowen and Shoemaker, 2003; Tanford, Raab & Kim, 2011) and the role of trust (Harris & Goode, 2004) on enhancing loyalty.

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