

**IBN HALDUN UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF AIR TRANSPORT MANAGEMENT**

MASTER THESIS

**THE EFFECTS OF FREQUENT FLYER PROGRAMS IN THE
AIRLINE INDUSTRY ON CUSTOMER LOYALTY:
A STUDY IN ISTANBUL**

HANDE ŞAHİN

THESIS SUPERVISOR: ASSOC. PROF. ALİ OSMAN KUŞAKCI

ISTANBUL, 2021

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A STUDY IN ISTANBUL**

**by
HANDE ŞAHİN**

**A thesis submitted to the School of Graduate Studies in partial
fulfillment of the requirements for the degree of Master of Science in
Air Transport Management**

THESIS SUPERVISOR: ASSOC. PROF. ALİ OSMAN KUŞAKCI

ISTANBUL, 2021

APPROVAL PAGE

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of science in Air Transport Management.

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I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

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ÖZ

HAVAYOLU SEKTÖRÜNDEKİ SIK UÇUŞ PROGRAMLARININ MÜŞTERİ BAĞLILIĞINA ETKİLERİ: İSTANBUL'DA BİR ARAŞTIRMA

Yazar: Şahin, Hande

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Ocak 2021, 87 sayfa

Şirketler için müşterileri ile bağlarının kuvvetli olması son derece kritik bir konudur. Çünkü bu bağlılık, şirketlerin piyasa içerisindeki rekabette nerede olacaklarını da belirlemektedir. Müşteri bağlılığı konusu, şirketlerin en ciddi hedefi olan konulardan biridir. Müşterilerin sahip oldukları bağlılık duygusu, şirketlerin yönetsel ve finansal anlamdaki başarı düzeylerini de belirlemektedir. Şirketlerin müşteri bağlılığı konusundaki önemli kozlarından biri de müşteri sadakat programları olmaktadır. Bu programlar, şirketler ile müşteriler arasındaki ilişkilerin gelişimi açısından yeni bir yol haritası olarak görülebilecektir. Sivil havacılık sektörü de müşteri sadakati programlarının yoğun bir şekilde kullanıldığı sektörlerden biri olarak dikkati çekmektedir. Bu sektörün önemli bir aracı olan sık uçan yolcu programları, havayolu şirketleri ile yolcuların arasındaki ticari ilişkinin sürdürülebilir olması adına bir araç olarak kullanılmaktadır.

Bu tez çalışmasının amacı, müşteri sadakati temelinde, müşteri sadakati programlarının önemine odaklanmaktır. Buna bir örnek olarak da sivil havacılık sektörü içerisindeki sık uçan yolcu programları seçilmiştir. Çalışmanın dördüncü bölümünde ise konunun detaylı olarak araştırılmasına çalışılmıştır. Araştırma içerisinde havayolu sektöründe faaliyet gösteren firma müşterileriyle, sık uçan yolcu programı kapsamında sunulan ödül/hizmetlerin önem derecesinin müşteri bağlılığı düzeyine etkisini ortaya koymak amacıyla bu çalışma gerçekleştirilmiştir.

Araştırma sonuçlarına göre sık uçan yolcu programlarının içerisindeki bilet ücreti-ödül dengesi, katılımcılar açısından önemli bir faktördür. Bu noktada da katılımcıların gelir düzeyinin, sık uçan yolcu programlarının müşteri sadakati üzerine olan etkisini yönlendirdiği görülmektedir. Aynı zamanda, katılımcıların uçuş sayısı da sürecin belirleyicisi olarak tespit edilmiştir. Katılımcılar, elde ettikleri gelir ve

kendilerinin uçuş sayıları ile birlikte müşteri sadakati-sık uçan yolcu programı arasında bir algı dengesi kurmaktadırlar.

Anahtar Kelimeler: İstanbul, Müşteri Sadakati, Sık Uçan Yolcu Programı, Sivil Havacılık



ABSTRACT

THE EFFECTS OF FREQUENT FLYER PROGRAMS IN THE AIRLINE INDUSTRY ON CUSTOMER LOYALTY: A STUDY IN ISTANBUL

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It is extremely critical for companies to have strong ties with their customers. Because this commitment also determines where the companies will be in the competition in the market. Customer loyalty is one of the most serious targets of companies. The sense of loyalty that customers have determines the managerial and financial success levels of companies. Customer loyalty programs are one of the most important leverage of companies in customer loyalty. These programs can be seen as a new roadmap for the development of relationships between companies and customers. The civil aviation sector also attracts attention as one of the sectors where customer loyalty programs are used extensively. Frequent flyer programs, which are an important tool in this industry, are used as a tool for the sustainable commercial relationship between airlines and passengers.

The purpose of this thesis is to focus on the importance of frequent flyer programs of airline companies on the basis of customer loyalty. As an example of this, frequent flyer programs in the civil aviation sector have been selected. In the fourth part of the study, the subject has been investigated in detail. In the research, this study was carried out with the airline passengers in order to reveal the effect of the importance level of the awards / services offered under the frequent flyer program on the level of customer loyalty.

According to the results of the research, the ticket fee-reward balance in the frequent flyer programs is an important factor for the participants. At this point, it is observed that the income level of the participants guides the effect of frequent flyer programs on customer loyalty. At the same time, the number of flights of the participants was determined as the determinant of the process. Participants establish a balance of

perception between customer loyalty and frequent flyer program, together with the income they earn and their number of flights.

Keywords: Civil Aviation, Customer Loyalty, Frequent Flyer Program, Istanbul



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CHAPTER I

INTRODUCTION

It is extremely critical for companies to have strong ties with their customers. Because this commitment also determines where the companies will be in the competition in the market. This is why many companies try to weave their customers' feelings of loyalty and try to persuade their customers to stay in close contact with them. This persuasion process contains many different elements. Most importantly, this persuasion process is based on very delicate balances. As a result of the process, there may be a commitment or separation. For this reason, many companies focus on a highly sensitive management process for customer loyalty.

Customer loyalty is one of the most serious targets of companies. The sense of loyalty that customers have determines the managerial and financial success levels of companies. For this reason, companies are looking for a strong way to ensure their customers' sense of loyalty. At this point, factors beyond product and service quality also make an important contribution to the process. This contribution also shows that the process of creating customer loyalty is a multi-dimensional process. Companies try to focus on customer expectations as much as possible regarding customer loyalty. However, this type of focus alone is no longer sufficient for customer loyalty.

Customer loyalty programs are one of the most important leverage of companies in customer loyalty. These programs can be seen as a new roadmap for the development of relationships between companies and customers. In customer loyalty programs, companies try to be closer to their customers with mutual moves. In other words, customers become a part of companies after their purchasing actions. Companies award various awards to their customers following their regular purchasing actions. These awards are considered as a reward for customer loyalty. If this purchase-reward relationship continues, customers' loyalty levels can increase rapidly. This situation will indirectly reflect on the profitability of companies. Customer loyalty

programs, which have become an important competitive tool in recent years, contribute to a significant increase in customers for some sectors.

The civil aviation sector draws attention as one of the sectors where customer loyalty programs are used extensively. Frequent flyer programs, which are an important tool in this industry, are used as a tool for the sustainable commercial relationship between airlines and passengers. These programs are extremely valuable for the competitive strength of many large and medium-sized airlines around the world. Frequent flyer programs are seen as a major prestige issue, especially for large-scale airlines. Therefore, the value of frequent flyer programs has increased even more within the civil aviation industry. The civil aviation sector has a stronger potential compared to other transport sectors. Over the years, interest in the transportation activities of the civil aviation sector has increased. This situation has also increased the customer potential. At this point, customer loyalty is important for airlines, and frequent flyer programs are an important tool in this process.

The aim of this thesis is to focus on the importance of customer loyalty programs on the basis of customer loyalty. As an example of this, frequent flyer programs in the civil aviation sector have been selected. In the second part of the study, the general framework of customer loyalty and customer loyalty programs is examined. In the third part of the study, the civil aviation sector is briefly discussed and there is an evaluation of frequent flyer programs in the civil aviation sector. In the fourth part of the study, the subject has been investigated in detail. In the research, this study was carried out with the customers of companies operating in the airline sector in order to reveal the effect of the importance level of the awards / services offered under the frequent flyer program on the level of customer loyalty. Accordingly, the research was applied to 405 people in Istanbul who prefer air transportation. The application was carried out according to the convenience sampling method. The variables used in the study are the scale of the importance of the rewards / services offered under the frequent flyer program and the customer loyalty level of the airline passengers.

CHAPTER II

CUSTOMER LOYALTY AND CUSTOMER LOYALTY PROGRAMS

2.1. Customer Loyalty

2.1.1. The Concept of Customer Loyalty

Customer loyalty means that the customer constantly purchases a particular product or brand, and does not search for another product or brand alternative when needed. (Aktepe, Baş & Tolon, 2009, p. 20). According to Oyman, customer loyalty is defined as a loyalty to a business or a brand. (Oyman, 2002, p. 170). Loyalty is the customer's desire to continue their relationship with a company or brand. In other words, loyalty is a customer commitment. Customer loyalty is an emotional and emotional loyalty and commitment that does not change against a company, product, brand or person. Commitment is a state of emotional orientation of human behavior. (Gödekmerdan & Deniz, 2010, p. 245).

Loyal customers are customers who are integrated with their company and have an emotional bond with them. Customer loyalty is returned to a company as increasing the satisfaction rates of customers and ensuring the continuity of customers. In addition, loyal customers provide positive advice to the people around them and ensure that the name of the company is heard and recognized. (Avcıkurt & Koroğlu, 2006, p. 6). Accordingly, the concept of customer loyalty can express loyalty to a company as well as express loyalty to the company's products or services. In other words, loyalty can be for the product or service, as well as for the company. (Bayuk & Küçük, 2007, p. 288).

Oliver (1999), on the other hand, defines the concept of customer loyalty as purchasing the goods and services that they prefer continuously, despite the situations that may cause a change in customers' preferences and marketing efforts, and the commitment of that company to being a customer of that service (Gümüşbuğa, 2016, p. 82). In addition to repeat purchasing behavior, customer

loyalty emerges as a concept that leads businesses to sell at lower costs, the willingness of customers to recommend products or services and to commitment to the business, thus indicating that businesses can gain competitive advantage against competitors (Selvi & Ercan, 2006, p.162).

According to Richar, customer loyalty is defined as the deep commitment to a product, service or brand, by constantly purchasing a preferred product and service, despite the effects that can change rival companies and the decision to purchase. According to Yang and Peterson, the customer loyal to the company will not look for a new company and will not waste time on information and evaluation. Accordingly, customer loyalty becomes an imperative for companies to exert competitive advantage in an intense competitive environment brought by today's world. Businesses should establish customer loyalty in order to achieve sustainable competitive advantage. (Koçer, 2017, p. 716-717).

The issue of customer loyalty has become increasingly important both in marketing efforts and in management practices, especially since 1990. This importance stems from customers' choice of products and services. Companies that can create customer loyalty gain an important advantage over their competitors. Because establishing customer loyalty is considered as an important way for companies to survive and make a profit. (Çatı, Koçoğlu & Gelibolu, 2010, p. 433).

Achieving customer loyalty depends on ensuring customer satisfaction. The likelihood of a customer buying a service again depends on the degree of satisfaction and satisfaction he had with the initial purchase. If he was very dissatisfied, dissatisfied or indifferent at the first purchase, the chances of this customer maintaining his relationship with the company will be reduced. In most cases, if the customer is satisfied with the initial purchase result, the customer is expected to purchase again. Beyond that, if the customer is very satisfied, that is, the company presentation has exceeded the expectations of the customers, the probability of repurchasing will increase. (Mutlubaş & Soybalı, 2017, p. 4).

It is noteworthy that there is no consensus on the concept of customer loyalty in the marketing literature. According to Lee and Cunningham, customer loyalty refers to the tendency of customers to become repeat customers based on their past

experiences and future expectations. According to Kim and Yoon, customer loyalty is the desire of a customer to constantly recommend their company to others, or to maintain their relationship. On the other hand, Yoo and Chang define customer loyalty as the consumers' positive attitude towards the company and repurchase behavior. (Selvi & Ercan, 2006, p. 161-162). Looking at these three definitions, it is seen that researchers focus on issues related to repurchase and past experiences. This focus can also help understand customers' behavior in the purchasing process.

2.1.2. The Importance of Customer Loyalty

2.1.2.1. The Importance of Customer Loyalty for Companies

Attitude loyalty is divided into components of cognitive, emotional and behavioral loyalty. The cognitive component constitutes one's thoughts, knowledge and beliefs about an object, regardless of whether it is true or not true. The consumer's product and brand characteristics, beliefs about the services offered by the store are evaluated in the light of the cognitive component. The emotional component is related to the person's evaluation of the object as positive or negative, while it includes the emotional reactions and emotions of an object. The behavioral component that reflects a behavioral trend reflects the tendency to act in accordance with the cognitive and emotional components. When evaluated in terms of consumer behavior, it is assumed that the cognitive component, then the emotional component, and finally the behavioral component come into play. (Odabaşı & Barış, 2006, p. 158-163).

There are four points where customer loyalty is critical for companies (Marangoz & Akyıldız, 2007, p.199; Demirel & Özçınar, 2009, p. 132; Öndoğan, 2010, p. 10; Eren & Eker, 2012, p. 455; Koçak, 2012, p.76):

- Increase in Sales: In the current process, customer loyalty is the most important determinant of long-term growth and profit margins for many companies. Loyalty refers to the customer's willingness to continue purchasing from the business.

- Low Cost: In a global economy where competition is increasingly fierce, it is possible to minimize the cost and remove all the elements that create unnecessary costs with customer loyalty.
- Participation of Customers in the Production and Marketing Process: Loyal customers give the bank the opportunity to correct mistakes by reporting the problems and expectations encountered in the production and marketing process of the product or service to the company management. Thus, the service quality will increase and the possibility of providing faulty service will decrease.
- Internal Customer Satisfaction: Thanks to loyal customers, the motivation of the bank's internal customer, namely its employees, increases. In such an environment, employees are satisfied with their institution, work more efficiently, and contribute positively to the bank's image.

As customers get to know the company better, as long as they are satisfied with the quality of the services compared to competitors, it is revealed by research that they tend to spend more and do more business each year compared to the previous year. A research conducted among airline companies in 1999 confirms this situation; has revealed that customer service, customer satisfaction and customer loyalty are considered as the most important strategies for the airlines to achieve their financial goals. (Atalık, 2003, p. 218).

According to Çoban (2005, p. 298), thanks to loyal customers, the motivation of the company's internal market, namely its employees, increases. Because a company that satisfies its customers provides stability in sales, ensures the participation of customers and social ties can be developed between employees and customers. In such an environment, employees are satisfied with the institution they work in, work more efficiently, make positive contributions to the corporate image, and the employee turnover rate decreases, plus the cost factors that new employees will impose on the company. Another important result of providing customer loyalty is to gain strategic partners. In other words, the loyal customer informs the company management about the problems and expectations encountered in the product production and marketing process, and gives an opportunity to a company to correct

its mistakes. Thus, service quality is improved and the probability of producing faulty products is reduced.

2.1.2.2. The Importance of Customer Loyalty for Consumers

Loyalty is, in a sense, a sign of customers' reluctance to change the product, service, brand, or store they depend on. In this way, customers will continue to choose the products or services they are loyal to in their subsequent purchases, which will shorten the purchasing process and help customers to save money and time. While customers' trust in a company makes them feel more secure, it has a shortening effect on the decision-making process. (Kılıç, 2010, p. 63-64).

Much research on the subject shows, generally, loyal customers value their relations with the company, are less sensitive to the price, facilitate the process of obtaining information through the feedback, make purchases in larger quantities, avoid opportunistic behavior and cooperate with the company. and they tend to play a more effective role in the service process. (Selvi, 2007, p. 11).

A solid customer loyalty is one of the most valuable assets the company can have. The strong loyalty and loyalty of customers to the company makes it difficult and costly for applications that competitors can do to attract such customers. (Erk, 2009, p. 66). At this point, it is seen that customers are extremely valuable for companies. This value also helps customers to become stronger in the process. Loyalty is a valuable concept for customers, but it is not simple and cheap.

2.1.3. Customer Loyalty Types and Approaches

Outstanding evaluation of the types of customer loyalty is Oliver's (1999) three types of loyalty. Oliver talks about three different types of loyalty: cognitive, emotional and intentional loyalty.

Prior to the cognitive loyalty phase, customers have no knowledge of the related good or service and have not developed any attitude accordingly. At this stage, the knowledge acquired about the characteristics of a brand makes it more preferable by customers than its alternatives. Cognitive loyalty increases or decreases depending on the perceptions of benefit, cost and quality of a good or service. (McMullan &

Gilmore, 2003, p. 232). Güler (2010, p. 111) has argued that commitment at this level is value-oriented and superficial.

Emotional loyalty corresponds to the second level of loyalty. At this level, customers develop an attitude based on cumulative satisfaction. Emotional loyalty is coded emotionally and cognitively in the minds of customers. While the level of loyalty can easily decrease with opposing views at the cognitive loyalty level, emotions are more difficult to influence. (Küçükergin & Uygur, 2013, p. 8).

Intentional loyalty is also called behavioral tendency. At this stage, loyalty is influenced by the recurrence of positive emotions. Intentional loyalty includes a deep commitment to buying, as in the definition of loyalty. The repurchase of the customer may remain an expected, desired but unrealized situation, similar to the effect of any positive trend. (Küçükergin & Uygur, 2013, p. 8).

Apart from the loyalty types listed above, there are various approaches for customer loyalty. These approaches emerge as opinions of different researchers. Again, these approaches are evaluated as behavioral loyalty approach, attitude loyalty approach and unified loyalty approach.

2.1.3.1. Behavioral Loyalty Approach

This level explains customer loyalty only with the frequency of purchase. However, some researchers draw attention to the attitudinal aspect of loyalty, arguing that the behavioral approach is insufficient to explain customer loyalty alone. (Srinivasan, Anderson & Ponnayolu, 2002, p. 42). Because a customer's constant preference for the same company cannot be explained only as a psychological commitment to the company. Maybe there is not another company that the customer can choose. In this case, the customer has to choose the same company. (Çatı, Koçoğlu & Gelibolu, 2010, s. 433).

2.1.3.2. Attitude Loyalty Approach

This behavior can be defined as the psychological commitment of the customer to the company's products and services. A customer with attitudinal loyalty can recommend it to others, even if they don't use the company's products and services regularly. Therefore, customers with attitudinal loyalty are very important for companies.

Because such customers are emotionally loyal to the company. (Çatı, Koçoğlu & Gelibolu, 2010, p. 433-434).

2.1.3.3. Unified Loyalty Approach

The mixed approach is a combination of the first two approaches, explaining loyalty based on customers' product preferences, brand change preferences, frequency of purchasing the product or service, and the total purchase amount. According to the mixed approach, customer loyalty can be defined as the customer purchasing the company's products and services over and over and recommending the company's products and services to others. (Çatı, Koçoğlu & Gelibolu, 2010, p. 434).

2.1.4. Customer Loyalty Levels

Customer loyalty levels create an important opportunity to understand customers' feelings of loyalty in more detail. For this reason, companies try to determine new strategies according to the loyalty levels of their customers. Because when it comes to loyalty, only the existence of loyalty or the absence of loyalty is not important. At the same time, the level of loyalty is of great importance.

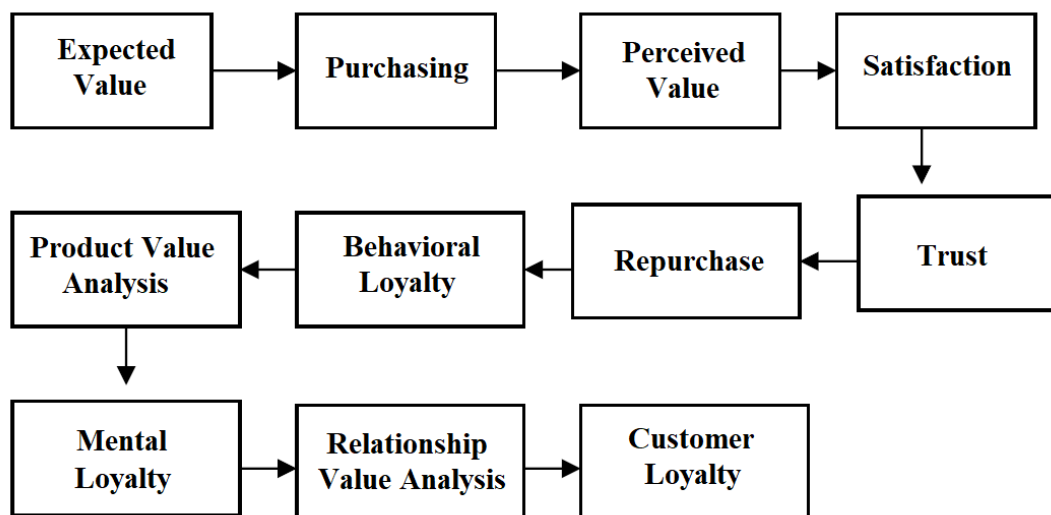


Figure 2.1 Levels and stages of customer loyalty according to Costabile (Yurdakul, 2007, p. 14).

In the model established by Costabile, different levels of customer loyalty and the stages between these levels are revealed. The model in question is shown in Figure 2.1. According to Costabile, there are three levels of customer loyalty, behavioral

loyalty, mental loyalty and customer loyalty. An individual who is satisfied as a result of his purchasing behavior from a business and starts to trust the company reaches a behavioral loyalty level if he engages in repetitive purchasing behavior. After this level, the individual reaches the level of mental loyalty as a result of comparing the product offered to him by the company with other products and deciding that the product he is purchasing is the best for him. After this stage, the individual analyzes the relations that the business from which he / she purchases his products and establishes himself / herself and determines what this relationship has brought to him or what he has lost. The decision to be made in a positive way after analyzing the customer-business relations enables the individual to reach the level of customer loyalty (Yurdakul, 2007, p. 13).

Apart from this approach, customer loyalty levels, which are frequently examined in the literature, are listed as true loyalty, spurious loyalty, latent loyalty and lack of loyalty.

2.1.4.1. True Loyalty

True loyalty represents customers with strong attitudinal commitment and high repeat customer behavior. So, they are true loyal customers. These customers are almost always a regular customer against a particular company or brand and are least affected by the presentations of competitors. The premise of true loyalty is directly related to whether the emotional and logical needs of the individual are met in environments where personal relationships are important. (Hançer, 2003, p. 40).

2.1.4.2. Spurious Loyalty

Counterfeit loyalty is a situation where the customer shows low loyalty despite high purchasing behavior. Although the customer makes repeated purchases, his attitude towards the brand or company is low. The indicator of lost loyalty, also known as false loyalty, is contrived behavior. Because the behavioral effects here are not strong. (Kurtuldu, 2009, p. 38). Conveniently designed loyalty programs can take customers to a higher level of loyalty. Because customers with fake loyalty are ideal people to move to the next level of loyalty in terms of purchase frequency. Customers in fake loyalty positions are preferred for reasons such as ease of purchase

and cheap products or services offered by another company at any time. (Aksu, 2004, p. 70–75).

2.1.4.3. Latent Loyalty

Although customers feel a strong emotional commitment to the product / service, if they buy these products / services irregularly, confidential loyalty occurs. People with secret loyalty show a low level of being a repeat customer, even if they have a high attitudinal commitment to the company. (Baloğlu, 2002: 47–59). There is a strong buying behavior towards a company, product or service for customers with secret loyalty. However, this is not evident in purchasing behavior. This may be due to various reasons. For example, the location of the company is remote, the desired product is out of stock, or other people affect the person's purchase decision. (Kurtuldu, 2009, p. 38-39).

2.1.4.4. Lack of Loyalty

Loyalty is the lowest level of loyalty combined with low commitment and low repurchase behavior. There is no particular difference between the customer's regular buying status and the attitude towards the brands. Low-fidelity consumers exhibit a low level of attitudinal bond and repeat customer behavior, and are therefore open to competitive presentations, and exchange costs are very low. (Baloğlu, 2002, p. 47–59).

2.1.5. Factors Affecting Customer Loyalty and Tactics of Creating Customer Loyalty Tactics

It is an important advantage for the company that customers are more loyal to a company and prefer that company despite other companies. Because the cost of acquiring new customers is higher than the cost of holding existing customers. As can be clearly understood from this situation, ensuring customer loyalty is extremely important for companies. In the literature, many researchers have examined the factors that affect customer loyalty. These factors can be listed as follows: (Geyik & Gökçen, 2014, p. 161):

- Corporate image: It is extremely important for both the institution that is the source of the image and the target audiences who are the perceiver of the

image. Corporate image is the beginning of the communication that the institution establishes with consumers.

- Customer expectations: It is a subjective concept that varies from person to person, as a result of the first experiences of people about the product or service they purchase.
- Replacement cost: Defined as the cost that a consumer will incur when replacing one service provider with another.
- Service quality: It is defined as an attitude consisting of the difference between the customer's expectations about a service and his / her perception of the real service experience.
- Confidence: Despite the possibility of an individual facing a risk, it can be defined as a desire to believe in another group.
- Customer satisfaction: In its most general definition, the general satisfaction degree arising from the ability of the customer to meet the desires, expectations and needs of the product or service is the sense of inner peace and comfort that the product or service preference can create compared to its competitors.
- Customer complaints management: These practices are one of the methods that companies use effectively to provide customer loyalty and customer satisfaction.
- Price: It is perceived as a measure of the quality or benefit of the product for consumers.

All of the factors listed above have different levels of significance by customers. The values of these factors vary from customer to customer and from period to period. But these factors certainly help shape customers' loyalty perceptions. Although the price element is always seen as a priority, other elements also gain value over time.

On the other hand, companies also need some tactics to create customer loyalty. The first of these is promotion to existing customers. By using a powerful customer-

centric data warehouse to their existing customers, companies will more effectively deliver the right presentation at the right time and through the right channels. On the other hand, companies will be able to find ways to sell new products or services that will complement the products or services they sell, and they will reach their goals (Yurtseven, 2011, p. 64).

The second tactic is to use customer complaint management to increase customer loyalty. Taking customer complaints into consideration, eliminating the complaint elements is an important factor in establishing long-term loyalty relationships with customers (Kılıç & Ok, 2012, p. 4191). For companies, the customer complaint caused by service failure will have a negative impact on customer loyalty if it is not resolved. The spread of the negative effect will be higher than the positive one (Derin & Demirel, 2011, p. 214).

The third tactic is to be in constant communication with the customer. According to the view of the effective use of customer relations in ensuring communication within and outside the company, companies should determine a road map. In this way, companies that have a customer relationship management with a customer at the center will have developed an effective method to create customer loyalty and present their products to customers (Cevher & Öztürk, 2012, p.77). For this reason, companies should provide important concrete tips through their employees in order to facilitate the sales of their intangible products. The availability of employees at all times will lead the customer to think positively at the point of evaluating the service and will affect the formation of loyalty feelings. This will help to establish loyalty easily when customers can easily reach the service and the employees who provide the service when they want and need it (Demir & Günaydın, 2013, p. 1045).

The last tactic is to train staff in support services. Companies can differentiate their support workers and the methods employed by their employees through training. Again, companies can raise customer loyalty to a higher level by engaging customers more than their competitors, giving them more assurance, appearing differently from competitors and becoming more innovative. (Karahana, 2006, p.117).

2.1.6. Customer Satisfaction-Customer Loyalty Relationship

The first thing a company needs to do to be in the mind of the consumer is to provide customer satisfaction. Satisfaction is seen to be a fundamental factor in all stages of customer loyalty and determines the repurchase of products and services (Selvi, 2007, p. 132). Some conditions must be met to ensure customer satisfaction. If there is a negative difference between the price paid for the purchased product and the benefit obtained, customer satisfaction does not occur. However, if the benefit is more than the fee paid, the customer is satisfied with the product. In order for the customer to benefit from the product, the product quality must be good. If the customer is satisfied with the factors such as quality and service every time, he / she comes to the business and purchases more affordable products from other businesses, customer satisfaction occurs. This situation can turn into loyalty over time (Değermen, 2006, p.104).

Jones and Sasser (1995) summarizes the relationship between satisfaction, loyalty follows (Note, 2019, p. 46)

- A customer who is satisfied and satisfied with the purchased product is generally the key points of customer loyalty and high financial performance.
- Even in non-competitive industries, the close relationship with the customer can be seen as a determining element of loyalty.
- Product quality may not always be the only cause of dissatisfaction. For this reason, the business should determine the target audience correctly and investigate why potential customers do not choose the business.
- Different satisfaction levels provide different conditions. For this reason, the business should create separate plans for each situation.
- Although satisfaction and loyalty surveys provide important data, operating in the market by looking only at these data can be very harmful for businesses.

Hallowell (1996) determined that customer satisfaction affects customer loyalty in the banking and retail sector, and loyalty has an effect on profitability, and stated that customers who are loyal to the bank for a long time buy different products and

services, and that they will recommend the bank to their friends by making word of mouth marketing. Bowen and Chen (2001), in their studies in the tourism sector, state that managers can save on marketing expenses if they keep customer satisfaction at the highest possible level. In addition, they say that there is a non-linear relationship between satisfaction and loyalty. Shankar et al. (2003) suggested that the relationship between customer satisfaction and loyalty is higher in the online environment and that online environments can help companies build a loyal customer base. Lee, Lee and Feick (2001), in their study on mobile line users in France, the time, cost, effort etc. that consumers will encounter in case of switching to another brand. showed that the increase in expenses increases customer loyalty and moderates the relationship between satisfaction and loyalty (Tassemedo, 2016, p.53-55).

However, some studies emphasize that the relationship between satisfaction and loyalty has some limitations. Bloemer et al. (1998) and Palacio et al. (2002) stated that the relationship between image, satisfaction and loyalty will not always be ensured, and the emotional, cognitive and values of the clients should be taken into account. Oliver (1997) states that customer loyalty has some limitations, such as the promotions given by competitors, and satisfaction does not lead to loyalty under all circumstances. Mittal and Kamakura (2001) and Yang and Peterson (2004) stated that the relationship between satisfaction and loyalty is affected by demographic factors such as age, gender, income level, and education level. Vazquez-Carrasco and Foxall (2006) showed that the benefit obtained by consumers derives from the relationship established with salespeople and other consumers (Terzi, 2017, p.19-23).

2.2. Customer Loyalty Programs

2.2.1. General Frame of Customer Loyalty Programs

In the business literature, loyalty programs are discussed in relation to their relationships with conceptual marketing strategies. In this respect, Shugan's (2005) study titled "Brand Loyalty Programs" gained importance as it separates loyalty programs according to their purposes. In this study, which changed the perspective of loyalty programs, it was emphasized that while the purposes of loyalty programs were questioned, real loyalty programs should be distinguished from imitations. With

this approach, while evaluating the aims of loyalty programs, the fact that long-term benefits should be distinguished from those applied with short-term interest motivation was revealed (Yenidoğan, 2009, p. 118).

Customer loyalty programs can be developed thanks to the existence of customer databases regarding the demographic characteristics and spending habits of customers. Today, customer loyalty programs are one of the most popular relational marketing approaches applied to create, develop and maintain customer relationships and are applied in many sectors such as retailing, banking, tourism, airlines, car rental and entertainment (Lacey & Sneath, 2006, p.459).

Customer loyalty programs are marketing activities that enable companies to establish closer relationships with these customers by using customized products offered to their predefined customers. According to Meyer-Waarden (2008, p. 89), customer loyalty programs include marketing activities that use the rewarding method to encourage repeat purchases. These awards can be intangible (e.g. convenience, innovation, social recognition, respect, etc.) or concrete (e.g. economic savings, points, discounts). As a result, customer loyalty programs are programs that include rewarding customers to encourage them to choose a brand and / or to ensure that loyal customers continue to prefer a brand. (Tietje, 2002, p. 365).

According to Dreze and Nunes (2008, p. 891), customer loyalty programs create a certain hierarchy among consumers, making the most valuable consumers feel special and increasing their perception of status. Special services, discounts, prizes, etc. provided to the most valuable customers. this means creating a special comfort zone for the customers.

Kutlu (2015, p.36) stated in his research on the subject that the most important benefit of customer loyalty programs to customers is the rewards earned as they use the business services or buy their products. Collecting points, earning discounts, earning free shopping, etc. Awards increase customer satisfaction. After all, customers show loyalty to a particular brand in order to win such awards.

2.3.2. Types of Customer Loyalty Programs

Berman (2006) tried to reveal the contents and goals of these programs by dividing loyalty programs into various types. In general, factors such as loyalty programs, customer types for Berman, purchasing patterns and advantages of loyalty programs guide companies in shaping their loyalty programs.

Table 2.1 Berman’s loyalty program types (Aydın, 2014, p. 46)

<u>Program Type</u>	<u>Program Characteristics</u>	<u>Sample</u>
Type 1: Members get additional discounts with their member cards	<ul style="list-style-type: none"> * Membership is open to all customers. * If the seller does not have the member card or forgot it, he passes the discount card through the reader. * Each member gets the same discount based on their purchasing history. * The company does not have information about the customer's name, demographic information and purchasing history. * There are no target communications managing members. 	Supermarket programs
Type 2: Members earn one unit for free when they buy units.	<ul style="list-style-type: none"> * Membership is open to all customers. * The company creates a customer database connected to the purchase for its private customers. 	Car wash companies
Type 3: Members earn discounts or points based on their total purchases.	Membership is conditional on sufficient expenditure to qualify for a discount.	Airlines, credit card programs, etc.
Type 4: Members earn targeted presentations and posted ones.	<ul style="list-style-type: none"> * Members are divided into segments based on purchase history. * Requires a comprehensive and database of customer demographics and purchase history 	Supermarkets

Berman has successfully classified the typologies of loyalty programs according to sectors and revealed the features of each type of loyalty program by analyzing the programs in that sector. According to Table 2.1, loyalty programs serving the widest audience are Type 1, which offers discounts with member cards. The large audience also makes these loyalty programs relatively less featured. Again, in Type 2 loyalty programs that appeal to a wide audience, the incentive has been developed to provide a financial benefit, and this type of loyalty practices can be easily imitated by competing businesses. Type 3 and Type 4 loyalty program implementations require more strategy, timing and professional support than the other two types. However, the mass of such loyalty programs is not as wide as the other two types, but they are more effective in long-term investments (Aydın, 2014, p.46).

2.3.3. Purposes of Customer Loyalty Programs

Loyalty programs only aim to make upfront investments that are expected to return in the future. The right loyalty programs invest now for the future, commit to customers today, and build trust rather than claim trust. So-called loyalty programs are imitation programs that bring an obligation rather than an asset. They generate short-term income while presenting future liabilities to customers. Instead of giving confidence to the customer by making a commitment, the company wants trust from the customer. According to the revenue obtained, the company will offer a reward to customer in the future (Yenidoğan, 2009, p. 118).

Loyalty programs, which were among the popular growing trends in the 1990s, were frequently used by large airline companies. Nowadays, almost every business is creating customer loyalty, creating and retaining a permanent customer base, increasing profit margins, etc. They use customer loyalty programs for such reasons. With the loyalty of existing customers to a business, they can acquire new customers by recommending the site or products of that business to their friends and acquaintances. These programs are aimed at rewarding customers and increasing the frequency of purchasing behavior (Sarı & Kulualp, 2019, p.508).

According to O'Malley (1997, p.51), who evaluated the subject in detail over different sectors, the loyalty programs applications of enterprises are developed with the following four goals:

- To reward the loyalty and commercial loyalty of its loyal customers.
- Providing customers with information about the product, service, brand and the company in general and getting information from customers.
- To recognize the purchasing behavior of customers and to direct these purchasing behaviors.
- Responding to the content and goals of customer loyalty programs of competitors in the market.

The goals listed above allow an important communication and interaction process for companies. In particular, obtaining information about customers is an important goal for companies. In line with this goal, customer loyalty programs become valuable applications.

Loyalty programs operate under competitive pressures in some cases. In other words, the practices of competitors in order to ensure customer loyalty force other businesses in the sector to take a counter-attack, and they also implement loyalty programs as a defensive step. At this point, the point that needs to be considered is this: Programs that are implemented with sudden decisions and incorrectly may cause more customer loss than providing customer loyalty to businesses (Oyman, 2002, p. 181).

On the other hand, customer loyalty programs aim to improve the commercial relations of different companies with each other. In some customer loyalty programs, there may be more than one business. In this case, the structure of the customer loyalty program becomes complex. Customers can redeem the gift points they earn for purchases from one company at another company. In such programs, the company that earns the points may be separated from the company that is obliged to convert the points into goods / services. For example, a loyalty program can be created in which the customer will use the points he earns for shopping at a store to

buy plane tickets from the contracted airline. If the store has no obligation to the customer to provide air tickets after the sale made within the scope of the customer loyalty program, the company that earns the points and the company that is obliged to convert the points into goods / services are separated (Vardar, 2013, p.97).

Butscher has prepared a five-legged scheme based on the fact that the most important goal of loyalty programs is to grow and develop in the long term rather than in the short term, increasing the profit rate, creating a brand image, gaining competitive advantage and dominating the market.

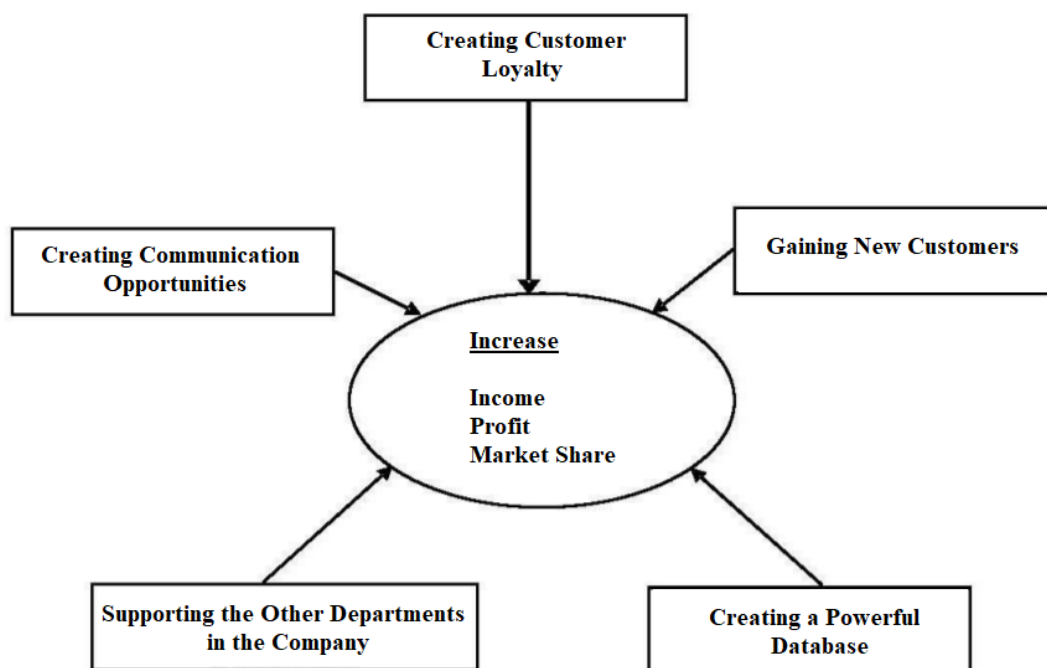


Figure 2.2 According to Butscher, the five main objectives of loyalty programs (Aydın, 2014, p.44)

Butscher's five-legged loyalty program aims to ensure the absolute loyalty of the customer by creating communication opportunities. The success of the loyalty program is determined by ensuring that loyalty programs are basically suitable for that sector, the designed program cannot be imitated or at least not equally effective for competitors, and the long-term impact of these programs on customers is used as a healthy recycling. Successful loyalty programs benefit both businesses and customers (Yenidoğan, 2009, p. 123).

2.3.3. Benefits of Customer Loyalty Programs for Companies

There is no doubt that developing an effective loyalty program will make significant contributions to businesses in the short and long term. The important thing is to be able to develop and implement a program that can provide customers with values that encourage loyalty. Loyalty programs are profitable practices because serving loyal customers is less costly, loyal customers are less price sensitive, and they spend more. In addition, loyal customers play an active role in gaining new customers by giving positive advice about their favorite brands or businesses (Dowling & Uncles, 1997, p. 77).

In fact, customer loyalty programs have been generating rapid and positive effects since their early years. It is known that companies increased their sales opportunities with extremely positive developments in the first years of brand loyalty programs. In the early years of brand loyalty programs, it has been observed that these operations reduce advertising costs, although they increase marketing costs overall. Frequent flyer programs implemented by airline companies operating in the US between 1982-1992 are the most important example of this. With these programs, the revenues of companies doubled and advertising costs decreased by %35 (Atalık, 2006, p. 224).

It is possible to explain the benefits of customer loyalty programs used by different companies for different purposes (Berman, 2006, p.129):

- As a result of the programs, it is possible for successful programs to offer increased customer loyalty opportunity.
- With loyalty programs, low price sensitivity arises for airline companies and their customers.
- The most important effect of the programs is the strong brand attitude as a result of the programs.
- With loyalty programs, access to important information about consumers and consumer trends emerges.
- Depending on the quality and content of the programs, it is possible to reach high average sales figures.

- Companies gain the opportunity to focus on special customer segments with the effect of loyalty programs.
- The level of success of companies in creating product associations is increasing.

Looking at the results above, it is seen that customer loyalty programs create extremely critical benefits for companies. In particular, the chance to obtain detailed information about customers is the most important advantage of loyalty programs for companies. With this advantage, companies have the opportunity to evaluate the general structure of the market and the financial opportunities that the market can offer from a different perspective.

One of the most important points to be taken into consideration in customer loyalty programs is the creation of a corporate culture and its contribution to the corporate image. The image of an institution is more related to the emotional relationship between the institution and the customer than the material relations. Therefore, the customer's opinion on the institution, quality perception, customer satisfaction and customer loyalty are directly affected by the corporate image (Zins, 2001, p. 270).

CHAPTER III

CIVIL AVIATION SECTOR AND FREQUENT FLYER PROGRAMS IN CIVIL AVIATION

3.1. Civil Aviation Sector

3.1.1. Scope of Civil Aviation Sector

People's efforts to create transportation options have lasted for centuries and the transportation processes carried out have brought certain difficulties. But these constraints encouraged people to create what could be considered reasonable transport facilities. During this period, as a result of the international transportation of people and products becoming a routine, it has been observed that there is much more focus on transportation. Finally, it has been observed that human beings have developed capacity to develop alternative means of transportation and transportation methods (Karaağaoğlu, 2015, p.3).

During the period when technological innovations in the modern world are taken into consideration, the most valued and preferred transportation airline has been the transportation airline with the time savings it provides. This transportation option, which provides easy access to long distances, has remained far from development for a very long time. In the past years, airline transportation, which was preferred only by the high-income society, has now become the primary transportation choice with the increase of competition, the development of technology and the decrease in prices. This transportation preference, which gained importance as a result of the use of large masses, began to be known as the civil aviation sector by separating from other aviation sectors. In recent years, civil aviation, which has become the primary transportation choice around the world, has an extremely important potential in terms of contributing to the country's economies, beyond being a sector (Demir, 2016, p.81).

The increase in the level of use of the services of the civil aviation sector is related to the increasing interest in the sector's transport activities worldwide. The frequency

and intensity of transport services, both nationally and internationally, puts this mode of transport ahead of others. While evaluating its contribution to the national economy, the civil aviation sector, whose cooperation with tourism should also be evaluated, also contributes to the development of the sectors other than itself but with which it is related and the development of their financial structures. (Arikan, 1998, p.46).

This security issue, which can be seen as the price of rapid growth, and the concerns developed on the issue have made the sector not only to take security measures, but also to employ educated employees who will give importance to the issue. With the binding force of international norms and the power of sanctions, the aviation sector has to design a serious training process for almost all of the employees it needs and employs, leading to security issues. In the civil aviation sector, where the certification system is considered to be extremely important as in many other areas, this perception of training is extremely important not only for safety but also for the reliability of the sector (Demir, 2016, p.80).

Although the civil aviation sector has become a giant in terms of transportation with its gradual growth over the years, the safety concerns and accidents that occur with large-scale damages, although not frequent over the years, lead to the increase of concerns and reservations about the sector. For this reason, it is seen that civil aviation falls behind its real reach potential. At the same time, the sector still does not address passengers in certain segments on the basis of price for certain flight destinations and the airline companies do not have sufficient sensitivity in this issue, causing the sector to remain in a limited framework in terms of competition (Karaağaoğlu, 2015, p.5).

3.1.2. Historical Development of the Civil Aviation Sector

Even though the efforts to make traveling long distances faster by flying started many years ago, it was possible for this dream to come true with the support of technology in the 20th century. At the beginning of the aforementioned century, the attempts that were unsuccessful in the previous period started to be successful and the use of aviation elements in a certain area became possible, especially in the

military field, with the increase in the production rate of warplanes (Cento, 2009, p.12).

When the structure of the civil aviation sector is examined in the current process, it is seen that the costs of the sector in the past years were higher than today. The motorized zeppelins, designed and put into use by the German Graf Zeppelin at the beginning of the 20th century, started to be used in the civil field as well as in the military field by the 1920s. In particular, the preference level of these vehicles by civilian passengers has continuously increased in those years. Expressing the first modern experiments in the name of civil aviation, the zeppelins have long been seen as the foundation of modern civil aviation. However, the fact that the zeppelin named Hindenburg, belonging to Germany, exploded in New Jersey/US and caused great damage in 1937, which ended the efforts to travel with zeppelins and led to a search for other methods of air travel (Arıkan, 1998, p. 47).

The Hindenburg disaster caused a change in the direction of the processes designed and future-oriented steps to be taken regarding civil aviation, and again caused aviation to be evaluated within the logistics and military fields. The security concern created by the zeppelins in the society has created an obstacle for the sector to gain a civilian identity. In the same period, during the beginning of the Second World War the focus of aviation was on military aviation and plans for civilian passenger travel were postponed (Cento, 2009, p. 14).

The event that can be seen as a turning point in terms of civil aviation was the decision taken in 1944 with the support of many countries regarding the establishment of ICAO. ICAO, which is the regulator of civil aviation activities in the international arena, that has been designed to meet a worldwide need in this field. The intention of civil aviation, as a transportation sector, to facilitate the travel of civilian passengers, as observed in civil passenger transport activities with zeppelins, is a plan that came true with the establishment of ICAO. With its establishment, ICAO gave legitimacy to civil aviation in accordance with the conditions of the period (Tutlamaz, 2013, p. 2).

In a period when the Second World War continues, the traces of the Hindenburg disaster were fresh and the world states had a plan and program for air transport only

for military purposes, the existence of ICAO and the system to be built on it was generally a concern about meeting expectations. The fact that no concrete steps had been taken, as well as the lack of any actual trials on civil aviation had become a concern for the establishment of the sector, especially for countries in war (Arıkan, 1998, p.48-49).

The Chicago Conference, which laid the foundations of ICAO, had a great influence on the elimination of these concerns. In 1944, in the meetings held in Chicago, US, with the representatives of the countries led by the US, England, Canada, Australia and New Zealand held various meetings on the establishment of the international air regime and the discussion and observation of the civil aviation dimensions of it. At the meeting, which had a total of 52 state representatives, various decisions were taken on issues related to the practice of air traffic rights, including capacity, flight frequency, control of airports, transport levels and freedom of flight (Cento, 2009, p.14).

ICAO has built on a legacy left by the Chicago Conference. With the establishment of an international legal system as the ground and the construction of a system to manage it general, the role of ICAO has become stronger. In this way, it is possible to list the topics that ICAO has undertaken as a task as follows (Karağaoğlu, 2015, p.16):

- Ensuring that civil aviation, the foundations of which has been laid, is organized in a more orderly and safer manner throughout the world
- Encouraging the production and use of aircrafts in line with peace-oriented goals,
- In terms of bringing civil aviation to an international dimension, providing the convenience of air transportation and airport usage worldwide,
- Ensuring that all citizens benefit from civil aviation services equally and effectively all over the world,
- Although creating a competitive environment, ensuring that competition in this extremely virgin sector is distributed equally,

- Although there are significant effects of the predecessor countries that make up the structure of the system and the institution, the interests of any party are not observed, especially in legal issues,
- Developing security practices within certain standards in international civil aviation activities,
- To contribute to the systematic development of civil aviation.

During the period when the conditions related to the civil aviation sector of the period were considered, it is seen that the founding text of the Chicago Convention and therefore the ICAO was created with a forward-looking vision. Especially in legal terms, determining which field will be evaluated within the scope of official and military purposes or in the field of civil aviation is perhaps the most important feature of the contracts in question (Karaağaoğlu, 2015, p.17).

Another issue that can be seen as important in terms of the historical development of the civil aviation sector is the state of liberalization that has arisen legally within the sector. While there is a liberalization of services and an increase in competition in land and sea transportation, the civil aviation sector has also been positively affected by this liberalization process. In fact, it is seen that the civil aviation sector has gained acceleration more rapidly with the said liberalization and the increase in the level of competition. The fact that the civil aviation sector, which gained the trust of a large number of passengers, came to the forefront especially in the preferences of individuals who will travel long distances, increased the interest in the sector and private sector investments. As of the 1980s, with the incentives of medium-sized economies to the civil aviation sector, a sectoral structure was built where competition on a national and international basis is extremely high. The construction of new airports and the works carried out in partnership with the tourism sector also have a great effect on this (Winston, 2010, p. 21).

3.1.3. Financial Potential of the Civil Aviation Sector

Although the period in which the civil aviation sector gained significant momentum in terms of growth coincided with the beginning of the 2000s, the increasing competition also contributed significantly to the growth of the sector in this period.

However, the problems experienced in the international economy and the reflections of these problems on the elements of the civil aviation sector caused the growth values of the sector to change continuously. Nevertheless, it is possible to see that the sector still maintains its vitality in the picture that emerged with the consideration of the potential, employment capacity and competition dimension of the civil aviation sector during the period when it is considered from a general perspective. It is possible to evaluate this situation together with the figures for 2019 as follows (ICAO, 2020, p.17-19):

- The economic capacity of the sector worldwide has reached the level of \$ 820 billion.
- American, European and Far Eastern airline companies dominate a large part of the market and this hegemony is evaluated as 62% of total civil aviation sector operations and revenues.
- Internationally, the growth rate of the sector according to annual calculations has a certain regularity and the figure within this order corresponds to the level of 4.3%.
- It has been determined that the investment capacity of the sector has increased by 7.6% worldwide.

When the figures evaluated above are taken into consideration, it is understood that the potential and annual values of the civil aviation sector are at a point of importance in financial terms, nationally and internationally. On the other hand, although the industry's continuous growth potential on an annual basis can be considered extremely positively, the dominance of American, European and Far Eastern airline companies in the general market can be addressed as a problem to a certain extent (ICAO, 2020, p.20).

3.1.4. Competitive Potential in Civil Aviation Sector

The existence of many different actors in the civil aviation sector, the increase in the number of competitors with each passing period and the qualification of the competition on this occasion constitute a very positive image for the development of

the sector. However, the persistence of this view, together with the existence of hegemony of certain airlines, is also a complex situation. Accordingly, states and companies that have more financial investment power in the sector can stand stronger within the system, while the same is not the case for others. This situation can be evaluated together with the 2019 reports as follows (IATA, 2020, p.23-25):

- Far Eastern airline companies and supply chain companies, which have not been in the sector for many years, are gradually becoming more dominant in the sector.
- Airline companies, which are medium-sized and operate only in national airspace, can make at least one international flight in the current process and take part in both national and international competition.
- Airline companies belonging to the Gulf countries, which are involved in the competition, have quickly and effectively become a determinant in the competition in the sector and these companies are getting stronger day by day with their sectoral investments.
- Although the level of competition and investment in the civil aviation sector is extremely high, there has been an increase in the number of mergers due to the presence of global financial risks, and this number corresponds to an increase of 20% a year.

Although competition is a certain situation, the civil aviation sector is shaped around the decisions and activities of companies and state administrations with high financial capacity. Especially the fast and effective entry of the airline companies of the Far Eastern and Gulf countries into the process is at a level to change the balances, given the potential of their investments. On the other hand, the increasing number of actors and airline companies in the sector is seen as an important opportunity for the sector to offer more qualified services. Most importantly, with the increase of competition, the number of companies that have difficulty in surviving the existing potential of the sector is increasing (IATA, 2020, p.26).

3.2. Frequent Flyer Programs

3.2.1. Concept of Frequent Flyer Programs

Frequent flyer programs aim to protect the loyalty of passengers by giving passengers various awards. In addition, it can be said that loyalty programs have two other main benefits. First of all, demographic information is obtained from the passengers who are members of the program and recorded in the database, and by matching this information with the flights, they have the opportunity to offer different product packages to different customer segments. Second, the awards offered to customers through frequent flyer programs make the airline differentiate from other airlines. With Frequent flyer programs, the aim is to turn the passengers into loyal passengers depending on the business. These programs also provide great advantages to businesses (İbiş, Batman & Sarıışık, 2014, p.999).

In general, air transport has been considered as an expensive transport system for many years. For this reason, there has been a visible distance between the actors of the sector and the passengers. In parallel with this, it is much more costly for airline companies to acquire new customers than airline companies to keep their customer base. Airline companies aim to gain brand loyalty to passengers with frequent flyer programs and to continue as their own customers on their next flights. Airline companies earn income both from the miles they sell to program partners and from their spending with the miles earned by their passengers. All these revenues obtained through Frequent flyer programs are calculated as additional service income (Akpınar, 2019, p.58-59).

Frequent flyer programs were implemented for the first time in the USA. The liberalization policy in the USA brought many airline companies to operate in the aviation sector and the removal of the limit on ticket prices, and the sector shares of large and small-scale airline companies showed a rapid change. Although many airline companies did not operate in the American aviation sector at that time, they had trouble reaching the sufficient number of passengers. Therefore, they have started to develop applications to attract passengers to their businesses. Although an application that offers rewards to business travelers by Southwest Airlines with 'Sweetheart Stamp' cards in the early 1970s laid the foundation of frequent flyer

programs, the first systematic frequent flyer program accepted in the literature was AAdvantage Program, which was launched by American Airlines in 1978. One of the main objectives of the program was to provide the most frequently traveled business passengers with free seats that were already empty, and to facilitate reuse of the airline business (Aydın, 2016, p.61).

Frequent flyer programs provide significant advantages to both members of the program and businesses implementing the program. Members of the program can benefit from various awards / services. Free tickets / flights, discounted car rental, special promotions, discounted hotel accommodation, excess baggage allowance, reservation priority are some of these rewards / services. Factors such as increase in sales, decrease in costs, free promotion and advertisement opportunities and increase in business profitability stand out as important advantages for businesses. Some viewed these programs as a marketing fraud or a bribe to impress the customer to repurchase them, or as a clever scheme that impacts business travelers by giving empty seats in the form of free tickets. However, today it is considered as one of the most important competitive tools among airline companies and it is considered to be the biggest, most successful and most important marketing tool for business travelers (Artuğer, 2011, p.55).

Major airlines within the civil aviation industry allow the regional airlines they cooperate with to participate in the frequent flyer programs they develop. In this way, passengers have the opportunity to spend their mileage points on a wider flight network and earn new mileage points. Apart from this, the frequent flyer program partner companies of large airline companies, whose number is expressed in millions, and the advantages they offer are a reason for airline companies to be preferred. For this reason, many airline companies around the world are trying to create their own frequent flyer programs or they are trying to become a partner of an existing frequent flyer program (Inceoğlu, 2017, p.35).

3.2.2. Features of Frequent Flyer Programs and Factors Affecting the Effectiveness of an Frequent Flyer Programs

Basically, frequent flyer programs can be considered as an alternative form of marketing for airlines. Airline companies reserve a special place for frequent flyer

programs among the already numerous marketing activities. Because these programs serve as a shortcut for passengers to get closer to airline companies. This shortcut makes it possible for passengers to think positively about airlines and for passengers to consider certain airlines as the first choice (Kristiani et al., 2014, p. 2).

A good frequent flyer program includes the following features (Robinson, 2011, p.3):

- Goods are frequently purchased.
- Customer has a choice between providers.
- Providers have equivalent offering.
- Customer membership has multiple tiers.
- Unused points should expire.
- Customer's experience is materially different in the top tiers.

In recent years, it has been observed that airlines have tried to make various classifications for frequent flyer programs. The main reason for this distinction is that the number of passengers who prefer airline companies is increasing day by day. This increase necessitates the design of a new frequent flyer program for airlines. Because frequent flyer programs are a factor that offers advantages for passengers and also directs their perception of prestige. In other words, frequent flyer programs for the passengers of airline companies are an element of prestige, and this factor drives their airline company preferences (LEK, 2015, p. 1-3).

On the other hand, in general, features of frequent flyer programs can be explained with the following elements (Storm, 1999, p.14-18):

- Frequent flyer programs are open to anyone traveling with airlines; however, the main target group of the program is business travelers.
- The awards offered within the scope of Frequent flyer programs are different from the award system applied in other sectors. The awards offered in frequent flyer programs have a versatile reward system.

- In frequent flyer programs, members of the program can earn points for each flight. Members earn points based on the length of the flight distance. As the flight distance increases, more points are earned.
- The purpose of frequent flyer programs is to keep customers loyal to the business and prevent customers from going to other rival airlines.
- Frequent flyer programs enliven many sectors such as hotels, car rentals, banks and fuel oil. Airline companies have collaborated with such sectors.
- Frequent flyer programs of airline companies set an example for all companies that are partners or not partners with them to create their own frequent flyer programs framework.

Considering the features listed above, it is possible to say that airlines are one of the qualified marketing tools for frequent flyer programs. Customers who becomes a loyal member frequent flyer programs, also establishes a strong link between the brand with their airline customers. In frequent flyer programs, the main thing is not the rewards. The most important issue is the sustainability of the program and its quality that appeals to all passengers.

When evaluated from another point of view, in frequent flyer programs, the performance of the companies that are partners of the program is also extremely important for the airline companies to create an effective program. Because frequent flyer programs have a system whose meaning is stronger with partner companies. Frequent flyer program partners help airlines build stronger customer loyalty systems. At the same time, frequent flyer program partners also enjoy the financial benefits of this program. For this reason, in frequent flyer programs, all actors of the program can create special opportunities for themselves. If these opportunities are sustainable, the number of airline companies' frequent flyer program partners is increasing day by day (Martin, Roman & Espino, 2008, p. 3-4).

On the other hand, the factors that direct the effectiveness of frequent flyer programs can be listed as follows (Chin, 2002, p. 56-57):

- Network coverage of air service provided: A business traveler will find it easier to accumulate frequent flyer program mileage if an airline covers most of his business destinations or has good coverage through alliances and partnerships with other airlines.
- Airline's market share: The effectiveness of a frequent flyer program is enhanced with the rise in the airline's presence in the city in which the participating members resides.
- Duration and distance of flights: The effectiveness of a frequent flyer program increases with total travel time since travel time is positively correlated with the amount of mileage credit that may be earned on a specific trip.
- Characteristics of an individual frequent flyer programs: The characteristics of the airline's services affect the effectiveness of its frequent flyer programs. However, frequent flyer programs are packaged differently. The success of a frequent flyer program grows in line with the number of members it can attract.

One rationale behind a frequent flyer program is to award free trips to the frequent flyers on seats that would not have otherwise been taken. This is to minimize revenue lost. This argument is weak because many frequent flyer program members do use the free tickets for trips they would have paid for. Other frequent flyer program members sell their free-ticket coupons to ticket brokers. In each case airlines lose revenue. The above revenue displacement phenomenon is prevalent in open-ended programs where the flyer does not have to use their mileage points by a certain date.

3.2.3. Frequent Flyer Programs as Successful Marketing Tool

The marketing moves of the companies vary according to their expectations from the market. At the same time, these marketing moves vary according to the customer target audience of the companies. The same is true for airline companies. These companies focus on customers who prefer airline transportation. But with this focusing behavior, they also use many different marketing moves. Nevertheless, frequent flyer programs are one of the most effective marketing moves of airlines.

The wide content of these programs allows airline companies to bring together many different marketing tools (Platz & Józsa, 2018, p. 74-76).

Frequent flyer programs are a powerful promotional tool for airline companies. Accordingly, airline companies can establish a sustainable customer-producer bond with their passengers with frequent flyer programs. Because with frequent flyer programs, customers become part of a program of their own. Frequent flyer programs include options and opportunities that suit customers' expectations. These options and opportunities help consumers feel special. In this way, customers can deploy themselves anywhere in their frequent flyer programs according to the opportunities offered by airlines. This helps customers to use the frequent flyer program as a tool to feel a sense of belonging to a particular airline (Lubbe, Douglas & Mclachlan, 2016, p.3-4).

In time, the frequent flyer program has become an important airline choice factor for air travelers. Empirical studies by Suzuki et al. (2003), and for example, have shown that frequent flyer programs significantly affect travelers choices of airlines. Becoming aware of this trend, airlines now use their frequent flyer programs as marketing tools to attract travelers (many airlines, for example, advertise superior benefits of joining their programs over others). Improving the relative attractiveness of a frequent flyer program is an important issue for many airlines. The relative attractiveness of an airlines frequent flyer program can be affected by its program scheme; i.e., how travelers accumulate and redeem their miles. The schemes affect the attractiveness because they determine the amount of benefits travelers can receive from frequent flyer programs (e.g., number of free trips). Most likely, airlines want to employ the scheme that provides the highest benefit to their customers, so that the attractiveness of their frequent flyer programs can be maximized (Atalık, 2005, p. 18-19).

On the other hand, frequent flyer programs are used regionally with different marketing techniques. This situation arises due to the different demands of the passengers in the regional sense. Usually, frequent flyer programs appear to be a common practice for airlines. However, airlines adopt a marketing method according to the profiles of the passengers in their regions. Go and Mak (1995) compared the frequent flyer programs of the Far Eastern airline companies with the frequent flyer

programs of the North American airline companies in their study. In this comparison, they found that the expectations of Far Eastern passengers from frequent flyer programs and the expectations of North American passengers from frequent flyer programs were noticeably different from each other. This causes airlines to set regionally different strategies for frequent flyer programs (Liu, Wall & Westlake, 2000, p.234).

From another perspective, frequent flyer programs increase the competition level of airlines. Price competition in particular comes to a different level with frequent flyer programs. For this reason, airlines are trying to develop a special marketing strategy for frequent flyer programs. In parallel with this, it is seen that airline companies try to reach a certain level in both ticket prices and frequent flyer program content. This level is the basis of airlines to compete strongly with competitors. Because different and attractive applications in frequent flyer programs can directly change the preferences of the passengers (Gao et al., 2018, p. 2-3).

3.2.4. Effects of Frequent Flyer Programs on Customers/Passengers

Passengers want to make the most of the opportunities that will be offered to them as customers. Over time, the level of these expectations has also increased. Faced with these expectations, frequent flyer programs are an important advantage for airlines. Accordingly, airlines use frequent flyer programs as a powerful, effective and attractive tool to meet the different expectations of their customers. The main issue for these programs is free tickets, gifts, etc. are not issues; The most important issue is the level of value given to customers and the continuity of this value (Burgos, Curtis & Zhao, 2010, p. 2-3).

Generally, customers' processes of choosing a product or service are complex. This complex situation becomes clearer or even more complicated according to the strategies of the companies. Frequent flyer programs are an extremely important help for the civil aviation industry and airline companies. Because these programs integrate customers with the services of airline companies according to the services they offer. For some passengers, the frequent flyer programs of an airline company are a tool to identify with that airline company. In other words, passengers want to be

a part of airline companies according to their services, and this helps them see themselves as their privileged customers (Pappachan, 2018, p.15).

Airline companies have operated with a small number of passengers in the past years. For this reason, strategies such as frequent flyer programs have not been seen as realistic strategies for airline companies. However, with the growth of the sector and the increase in the number of passengers, airlines have sought to establish close relationships with passengers in order to gain a more advantageous position. Frequent flyer programs can be viewed as a shortcut for airlines in this topic. Because this type of practice affects passengers' choice of airlines, but passengers must be satisfied for the sustainability of this effect. Frequent flyer programs provide this satisfaction to passengers. Tickets, gifts, discounts, privileges, benefits, etc. elements enhance passengers' sense of material and moral satisfaction (Knorr, 2019, p.39-40).

At the same time, frequent flyer programs create a sense of addiction for passengers. Passengers earn mileage points after purchasing a ticket, and these mileage points accumulate over time. The increase in the number of these mileage points and the advantages offered by these mileage points encourage passengers to travel with the same airline once again. Because passengers know that they will gain more advantage with more mileage points. In this way, frequent flyer programs strongly guide passengers' airline preferences. The amount of mileage points specifically helps passengers to focus their ticket purchase planning on a particular airline (Agostini, Inostroza & Willington, 2012, pp. 3-4).

Frequent flyer programs create an extremely critical impact, especially for passengers who travel frequently. Accordingly, the passengers who travel frequently can find hotels, accommodation, car rental, tour programs, extra menu, etc. together with frequent flyer programs. they have the chance to gain advantages. Such opportunities directly and strongly affect their choices. On the other hand, the holiday opportunities offered by frequent flyer programs indirectly affect the tourism strategies of countries and the strategies of tourism sector actors. The shape and content of holiday offers within the Frequent flyer programs help to increase the commercial potential of national and international tourism organizations. For this

reason, frequent flyer programs come to the fore as an intermediate factor for the travel planning of passengers (Yan & Cui, 2016, p. 1-2).

When viewed from another angle, frequent flyer programs also appear to represent a sensitive situation for customers. Accordingly, all services included in frequent flyer programs must be used for a long time. The duration factor at this point determines the sustainability level of the interaction between passengers and airline companies. If an airline terminates the frequent flyer program of its own accord, or if an airline violates passenger rights within a frequent flyer program, this will damage the prestige of the airline companies. Such a negative situation will cause the credibility level of airline companies to decline (Hoszman, Marciszewska & Zagrajek, 2019, p. 26-27).

3.2.5. Negative Features of Frequent Flyer Programs

In terms of customer-company interaction, frequent flyer programs serve as an extremely important bridge for the civil aviation industry. However, although these programs have advantages and positive aspects, it is seen that the issue has negative aspects. These downsides are a major obstacle to frequent flyer programs from making the expected impact. Especially for small airline companies, the downsides of frequent flyer programs have the potential to cause a serious loss of prestige.

The main problem for frequent flyer programs is about sustainability. Financial problems experienced by airline companies may make it necessary to reduce the level of various expenditures. There are various and advantageous campaigns organized for customers within this downsizing activity. Frequent flyer programs are one of them. The greater the capacity of a frequent flyer program, the higher its costs for airlines. Therefore, the process after frequent flyer programs are costly and multi-dimensionally designed is extremely challenging. Terminating this process or reducing the potential of the frequent flyer program may result in a loss of prestige for the airline company (PWC, 2015, p. 2-9).

On the other hand, frequent flyer programs for low cost carriers are extremely demanding. Accordingly, low cost carriers determine very low scale frequent flyer programs. This creates a certain cost burden for the company. If these programs are not implemented successfully, customers will not be able to participate in these

programs. Most importantly, failures in frequent flyer programs will cause image problems and make market competition more difficult for low cost carriers. Because many airline companies around the world are trying to make a difference in the competition with their frequent flyer programs. But for low cost carriers, competition is extremely fierce in the current process. Failure of frequent flyer programs of low cost carriers will also make the corporate reliability of companies controversial (Tomov & Ramajova, 2014, p. 787-788).

On the other hand, frequent flyer programs need to be designed extremely well. Basically, the main goal of frequent flyer programs is to create a customer loyalty effect. However, this effect occurs over a long period of time. Before this long period, an absolutely good program design is needed. A bad frequent flyer program will not be part of the passengers' preferences. This does not make any difference for small or large airline companies. However, this situation poses a greater risk for large-scale airlines. This risk is the failure of major promotion efforts and financial losses. The incompatibility of the promises of the Frequent flyer programs and their applications is the biggest problem at this point (Wever, 2017, p. 28-29).

Finally, passengers' perceptions are extremely important for frequent flyer programs. No matter how effective and how high-quality a frequent flyer program an airline creates, the decisive factor in the process is the passengers' perception of the content of a frequent flyer program. For this reason, the content of a frequent flyer program must be created in line with passengers' expectations. For this, the first step is to create a frequent flyer program that is compatible with market expectations. Such a step will help passengers perceive most of the services and benefits in the airline's frequent flyer program in a correct and positive way. Otherwise, airlines will have to spend both more time and more budget to create an acceptable frequent flyer program (Burgos, Curtis & Zhao, 2010, p. 1-3).

CHAPTER IV

A STUDY IN ISTANBUL ABOUT THE EFFECTS OF FREQUENT FLYER PROGRAMS IN THE AIRLINE INDUSTRY ON CUSTOMER LOYALTY

4.1. Model and Scope of Research

In the research, this study was carried out with the customers of companies operating in the airline industry in order to reveal the effect of the importance of the awards / services offered within the scope of the frequent flyer program on the level of customer loyalty. Accordingly, the research was applied to 405 people in Istanbul who prefer air transportation. The application was carried out according to the convenience sampling method. The variables used in the study are the scale of the importance of the rewards / services offered under the frequent flyer program and the customer loyalty level of the airline passengers. Accordingly, the model of the research is presented as follows:

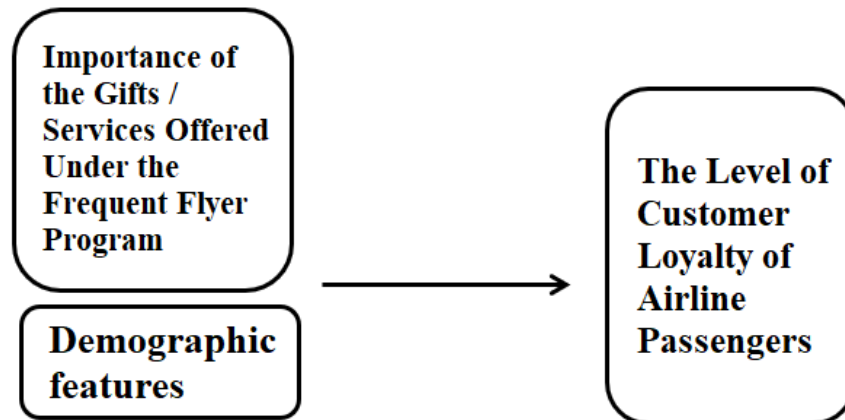


Figure 4.1 Model of research

4.2. Data Collection Method and Tools

Questionnaire interview method was used as data collection method in the study. In the first part of the questionnaire, the demographic information of the participants

(gender, age, marital status, education status, professional information, monthly income, purpose of travel by airline, travel basis, membership duration for passenger programs and membership card) are included. In the second part of the questionnaire, the expressions to determine the importance given to the awards / services offered within the scope of frequent flyer programs were obtained from the official websites of the airline companies and from Artuğer's (2011) doctorate thesis study. Participants' participation levels for each statement in this section are graded according to the 5-point likert scale as "not important at all", "less important", "moderately important", "very important" and "completely important". The third part of the questionnaire, the customer loyalty scale, used as the dependent variable of the study, Nadiri et al. (2008) and Zeithaml et al. (1996) by making use of the scales used.

4.3. Statistical Methods Used in the Study

The analysis of the research was carried out in the SPSS 25.0 package program. In the research, demographic statistics of the participants (gender, age, marital status, education status, professional information, monthly income, purpose of travel by airline, travel basis, membership duration for passenger programs and membership card) are included. Subsequently, factor analysis, reliability analysis, correlation analysis, regression analysis and t and ANOVA tests of variables were performed, respectively.

4.4. Demographic Data

In the study, some information about demographic information was needed. These are gender, age, marital status, educational status, professional knowledge, monthly income, purpose of travel by airline, travel basis, membership duration for passenger programs and membership card. It is possible to reach the numbers and rates of all demographic variables in the Table 4.1 below.

Table 4.1 Distribution of Participants by Demographic Characteristics

Demographic Data	Frequency	Rate (%)
Gender		
Women	266	65,7
Men	139	34,3
Age		
18-25	49	12,1
26-34	195	48,1
35-44	135	33,3
45-54	26	6,5
Educational Level		
High School	17	4,2
Undergraduate	30	7,4
University	229	56,5
Master	117	28,9
PhD	12	3,0
Marital Status		
Married	208	51,4
Single	197	48,6
Occupation		
Public Sector Employee	50	12,3
Private Sector Employee	256	63,2
Self-Employment/Freelance	33	8,1
Business man	29	7,2
Retired	4	1,0
Student	33	8,1
Monthly Income		
2500 TL and less	30	7,4
2501-5000 TL	75	18,5
5001-10.000 TL	152	37,5
10.0001-15.000 TL	83	20,5
15.000 TL and more	65	16,0
Airline Travel Purpose		
Business	163	40,2
Touristic	157	38,8
Educational	18	4,4
Visiting	54	13,3
Other	13	3,2
Number of Travels by Airline (Departure / Return)		
1-5	79	19,5
6-10	115	28,4
11-20	74	18,3
21-30	56	13,8
31 and more	81	20,0
Duration of Membership to Frequent Flyer Programs (Departure / Return)		
Less than 1	96	23,7
1-2 years	41	10,2
3-4 years	66	16,3

Table 4.1 Cont.

5-6 years	35	8,6
6 years and more	167	41,2
Membership Card Owned Under Frequent Flyer Programs		
Basic Card and equivalent (Miles & Smiles Classic)	251	62,0
Intermediate Card and equivalent (Miles And Smiles Elite)	74	18,2
High Level Card and equivalent (Miles And Smiles)	32	7,9
Other	48	11,9

4.5. Factor Analysis

In order to evaluate the suitability of the scales for factor analysis, the Kaiser-Mayer-Olkin (KMO) Suitability Test is used first. Valid value ranges of this criterion are as shown in Table x (Yurdugül, 2017, p. 1).

Table 4.2 Kaiser-Meyer-Olkin Validity Values

Criteria	Description
$1.00 \leq KMO \leq 0.90$	Perfect
$0.90 \leq KMO \leq 0.80$	Good
$0.80 \leq KMO \leq 0.70$	Mid
$0.70 \leq KMO \leq 0.60$	Weak
$0.60 \leq KMO \leq \dots$	Bad

According to the above values, the Barlett test should be significant and the Kaiser-Meyer-Olkin test should be greater than 0.50. Barlett Test and Kaiser-Meyer-Olkin test results are given in the Table 4.3 below. Accordingly, the KMO value of the scale of importance given to the rewards / services offered within the scope of frequent flyer programs was determined as 0.910, and this value led to the conclusion that the sample size was excellent for factor analysis. In addition, when the Barlett sphericity test results are examined, it is seen that the chi-square ($p < 0.01$) value is also significant.

Table 4.3 KMO and Bartlett's Test Statistics Regarding the Scale of Importance Given to Awards / Services Offered Under Frequent Flyer Programs

Kaiser-Meyer-Olkin (KMO) Sampling Fit Measure	,910
Bartlett's Test of Sphericity Approximate Chi-Square Value	3133,720
Degree of Freedom (sd)	91
Significance Level (Sig.)	,000

Prior to the factor analysis, the scale of importance given to the rewards / services offered within the scope of frequent flyer programs, consisting of one dimension and 14 statements, is divided into two different dimensions after the analysis. Based on the factor analysis, the final version of the scale is as follows.

Table 4.4 Factor Analysis of the Scale of Importance Given to Awards / Services Offered Under Frequent Flyer Programs

Statements	Other Gifts/Services	Services with Discount Content
Free ticket / Free Flight	,624	
Check-in without waiting	,692	
Opportunity to earn miles from program partners	,659	
Upgrade possibility (grade upgrade)	,792	
Opportunity to take advantage of special promotions	,649	
Food preference	,548	
Private lounge use (CIP)	,792	
Excess baggage allowance	,787	
Booking priority	,849	
Guaranteed space on reservation	,787	
Private consultation and reservation right	,681	
Discounted car rental		,844
Discounted hotel accommodation		,847
Discounts on supermarket shopping		,780

The KMO value of the customer loyalty scale was determined as 0.936, and this value led to the conclusion that the sample size was perfect for factor analysis. In addition, when the Bartlett sphericity test results are examined, it is seen that the chi-square ($p < 0.01$) value is also significant.

Table 4.5 KMO and Bartlett's Test Statistics for Customer Loyalty Scale

Kaiser-Meyer-Olkin (KMO) Sampling Fit Measure	,936
Bartlett's Test of Sphericity Approximate Chi-Square Value	6131,945
Degree of Freedom (sd)	171
Significance Level (Sig.)	,000

Before the factor analysis, the customer loyalty scale consists of two dimensions and 19 statements, and after the analysis, it consists of two dimensions and 19 statements. Based on the factor analysis, the final version of the scale is as follows.

Table 4.6 Factor Analysis of Customer Loyalty Scale

Statements	Behavioral Commitment	Attitudinal Commitment
I am a regular customer of the airline company I fly with now.	,839	
If I travel by airline again, I would consider the company I fly with as my first choice.	,759	
In the future, I plan to travel more with the company I am flying with.	,710	
I have made multiple flights with the company I am currently flying with.	,749	
I am doing almost all of my flights with the company I fly with.	,775	
It is important to feel privileged during my flight experience when choosing an airline.		,749
I encourage my friends, family and colleagues to fly with the company I am flying with.		,766
I try to persuade my friends, family and colleagues to fly with the company I am flying with.		,803
I would recommend the company I fly with other people.		,824
I say positive things to people about the company I'm flying with now.		,805
When people ask for advice, I recommend the company I'm flying with.		,808
I can recommend this company to other people, even if I do not fly with the company I am currently flying to.		,720
Although it is difficult to reach the new airport, I continue to fly with the airline I fly with.		,624
If the company I'm currently flying with had closed, I would have had a hard time finding an equivalent airline company.		,598
The increased waiting times to reach the plane did not change my airline preference.		,579
Even though I paid a little higher fee, I wouldn't change the airline I'm currently flying with.		,595
I like to share my privileges with the people around me during my flight experience.		,569
Frequent flyer programs are effective in being a regular customer of the company I fly with now.		,639
Frequent flyer programs are effective in telling other people about my positive experiences about the company I fly with now.		,767

4.6. Reliability Analysis

Reliability shows to what extent a scale accurately measures the property it wants to measure, and the productivity and continuity of the scale. For reliability, the test must be repeatable and transferable. Reliability is a concept that reveals the consistency of all questions in a measurement tool, their homogeneity and adequacy in measuring the formation under consideration. The value used to determine whether the items are consistent with each other in Likert-type additive scales is the Cronbach alpha (α) method (Çakmur, 2012, p. 340). A Cronbach alpha (α) coefficient greater than 0.700 means that the variables are reliable. This situation indicates that expressions contribute significantly to the measurement of the dimensions they are related to (Dinç & Abdioğlu, 2009, p. 172).

The alpha values of the scales in the study are seen as greater than 0.700. An alpha coefficient greater than 0.700 shows that the variables are reliable.

Table 4.7 Reliability Analysis of Scales

Variables	Number of Statements	Cronbach Alpha (α) Values
Importance Scale for Awards / Services Offered Under Frequent Flyer Programs		
Other Awards / Services	11	0,916
Services with Discount Content	3	0,803
Customer Loyalty Scale		
Behavioral Commitment	5	0,890
Attitudinal Commitment	14	0,940

4.7. Correlation Analysis

The correlation coefficient reveals the direction and magnitude of the relationship between all variables. This coefficient takes a value between (-1) and (+1); positive values indicate direct linear relationship, negative values indicate an opposite linear relationship. If the correlation coefficient is zero, it is possible to say that there is no linear relationship between these variables (Başar & Yılmaz 2011, p. 25).

Looking at the relationships between dependent and independent variables, the results are as follows:

All independent variables have high level ($p < 0.01$) relationships with both dimensions of organizational commitment dependent variable.

Table 4.8 Correlation Table

	1	2	3	4
Other Awards / Services	1			
Services with Discount Content	,429**	1		
Behavioral Commitment	,463**	,135**	1	
Attitudinal Commitment	,391**	,217**	,702**	1

One-to-one relationships between components marked with ** were considered statistically significant at $p < 0.01$, and those marked with * at $p < 0.05$.

4.8. Regression Analysis

Regression analysis means explaining the relationship between a dependent variable and the independent variable or variables assumed to have an effect on the dependent variable with a mathematical model. In short, it is an analysis technique that reveals how much of the change in the dependent variable is explained by the independent variables. The issues that should be taken into consideration here are as follows (Purtul, 2018, p. 81):

- Significance between variables should be less than 0.05.
- t value should be approximately -2000 or more than +2000.
- The β coefficient of should be approximately (-) or (+) 200 and above.

If these conditions are met, analysis is performed by looking at the R^2 value. The R^2 value is a value that is used to observe to what extent the independent variables in the model measure the dependent variables. Depending on these situations, it is possible to establish the hypotheses of the research as follows:

H1: The importance of the awards / services offered under the frequent flyer program affects the organizational commitment variable directly and positively.

H1a: Other rewards / services affect the behavioral commitment variable directly and positively.

H1b: Other rewards / services affect the attitudinal commitment variable directly and positively.

H1c: Services with discount content affect the behavioral commitment variable directly and positively.

H1d: Services with discount content affect the attitudinal commitment variable directly and positively.

When the Table 4.9 below is examined, it is seen that the other reward / services independent variable has a high positive effect on the behavioral commitment dependent variable ($p < 0.01$). In addition, it is seen that this dimension, which has a significant effect on the behavioral commitment variable, explains 21.9% of the dependent variable dimension ($R^2: 0.219$). On the other hand, the discounted services dependent variable has no effect on the behavioral commitment dependent variable ($p > 0.05$).

Based on these results, while the H1a hypothesis is supported, but the H1b hypothesis is not.

Table 4.9 Regression Analysis of Behavioral Commitment Variable

Factors	Significant (Sig.)	t	β
Other Awards / Services	0,000	10,178	0,497
Services with Discount Content	0,110	-1,600	-0,078

Likewise, it is seen that the other reward / services independent variable has a high positive effect on the attitudinal commitment dependent variable ($p < 0.01$). In addition, it is seen that this dimension, which has a significant effect on the attitudinal commitment variable, explains 15.6% of the dependent variable dimension ($R^2: 0.156$). On the other hand, the discounted services dependent variable has no effect on the attitudinal commitment dependent variable ($p > 0.05$).

Based on these results, while the H1c hypothesis is supported, the H1d hypothesis is not. In general, it is possible to say that the H1 main hypothesis is partially supported.

Table 4.10 Regression Analysis of the Attitude Commitment Variable

Factors	Significant (Sig.)	t	β
Other Awards / Services	0,000	7,190	0,365
Services with Discount Content	0,234	1,191	0,060

4.8.1. Independent-Samples T Test

When looking at the relationship between independent variables of demographic data and Likert scales, t Test analysis technique is used. This technique is a way of testing whether the difference between two different averages obtained as a result of psychometric measurement is significant, depending on the t distribution of the research. In this study, Independent Group t Test was conducted (Koç, 2016, p. 36). At this point, the hypotheses and results of the research based on the analysis are as follows:

H2: Participants' views on the importance of the awards / services offered within the frequent flyer program differ significantly according to gender.

H2a: Participants' views on other awards / services vary significantly according to gender.

H2b: Participants' views on discounted services differ significantly according to gender.

The relationships of the gender variable, which is one of the demographic features of the research, with other awards / services and discount services are as shown in Table 4.11. According to these results, there is no significant difference at the 0.05 significance level, since the participants' views on other awards and services according to gender is $p > 0.05$ ($p: 0.928$). On the other hand, it is seen that there is a significant difference since the opinions of the participants about the services with discount according to gender is $p < 0.01$ ($p: 0.009$). Accordingly, when the average

values of the participants are examined, it is possible to say that women (3.0326) have more positive opinions about services with discount than men (2.6882).

Based on these results, it is seen that the H2a hypothesis is not supported and the H2b hypothesis is supported. In the light of this information, it has been revealed that the H2 hypothesis is partially supported.

Table 4.11 Comparison of the Views Regarding the Importance of the Awards / Services Offered Under the Frequent Flyer Program by Gender

Other Awards / Services				
Gender	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Women	266	4,1416	0,9678	0,928
Men	139	4,1380	0,7886	
Services with Discount Content				
Gender	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Women	266	3,0326	1,2884	0,009
Men	139	2,6882	1,1624	

4.8.2. One-Factor Analysis of Variance (One-Way ANOVA) for Independent Samples

When looking at the relationship between the independent variables of demographic data and the organizational communication scale with Likert scale, independent demographic features of the study, which have more than two options, are analyzed by ANOVA test (Analysis Of Variance). The averages and relationships between these variables are measured by "one-factor analysis of variance (One-Way ANOVA) for independent samples". In addition, post-hoc analyzes were conducted in order to determine the source of differences between groups. (Aries, 2016, p. 36). At this point, the hypotheses and results of the research based on the analysis are as follows:

H3: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the professional situation.

H3a: Participants' views on other awards / services differ significantly according to professional status.

H3b: The opinions of the participants about discounted services differ significantly according to their professional status.

The relationships of the occupational status variable, which is one of the demographic features of the research, with other reward / services and discount services are as shown in Table 4.12. According to these results, it is seen that there is a significant difference as the opinions of the participants about other awards and services are $p < 0.01$ ($p: 0.002$) according to their professional status. Consequently, when the average values of the participants are examined, it is possible to say that retired people (4.2273) have more positive opinions about other awards / services than others. On the other hand, there is no significant difference since the opinions of the participants about discounted services according to their occupational status is $p > 0.05$ ($p: 0.755$).

Based on these results, it is possible to say that the H3a hypothesis is supported and the H3b hypothesis is not. In the light of this information, it is seen that the H3 hypothesis is partially supported.

Table 4.12 Comparison of the Views Regarding the Importance of the Awards / Services Offered Under the Frequent Flyer Program by Gender

Other Awards / Services				
Occupation	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Public Sector Employee	50	4,1836	0,6890	0,002
Private Sector Employee	256	4,2170	0,8316	
Self-Employment/Freelance	33	4,1488	1,1249	
Business man	29	4,1473	0,9894	
Retired	4	4,2273	0,7022	
Student	33	3,4959	1,2454	
Services with Discount Content				
Occupation	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Public Sector Employee	50	3,0733	1,1473	0,755
Private Sector Employee	256	2,9358	1,2300	
Self-Employment/Freelance	33	2,9697	1,4175	
Business man	29	2,7241	1,4255	
Retired	4	3,0000	0,7200	
Student	33	2,6869	1,3691	

When the Table 4.13 below is analyzed regarding the results of the multiple comparison test (post-hoc / tukey), which shows which pair of differences arise, there is a high level of significant difference between the public sector employee and the student ($p < 0.01$). In other words, public sector employees have more positive views on other awards / services than students. Similarly, private sector employees also have more positive views on other awards / services than students ($p < 0.01$). Similarly, it is seen that self-employed and businesspeople have more positive opinions about other rewards / services than students ($p < 0.05$). In the light of these results, it is possible to say that the participants who are in the position of students are the group with the most negative opinions about other awards / services.

Table 4.13 Multiple Comparison Regarding Occupational Status / Other Awards / Services - Tukey Test – Results

Occupation	Significance Value (p)	
Public Sector Employee	Private Sector Employee	1,000
	Self-Employment/Freelance	1,000
	Business man	1,000
	Retired	1,000
	Student	0,009
Private Sector Employee	Public Sector Employee	1,000
	Self-Employment/Freelance	0,998
	Business man	0,999
	Retired	1,000
	Student	0,000
Self-Employment/Freelance	Public Sector Employee	1,000
	Private Sector Employee	0,998
	Business man	1,000
	Retired	1,000
	Student	0,037
Business man	Public Sector Employee	1,000
	Private Sector Employee	0,999
	Self-Employment/Freelance	1,000
	Retired	1,000
	Student	0,050
Retired	Public Sector Employee	1,000
	Private Sector Employee	1,000
	Self-Employment/Freelance	1,000
	Business man	1,000
	Student	0,635
Student	Public Sector Employee	0,009
	Private Sector Employee	0,000
	Self-Employment/Freelance	0,037
	Business man	0,050
	Retired	0,635

H4: Participants' views on the importance of the awards / services offered within the frequent flyer program differ significantly according to their income level.

H4a: Participants' views on other awards / services differ significantly according to their income level.

H4b: Opinions of the participants about discounted services differ significantly according to their income level.

The relationship of the income status variable, which is one of the demographic features of the research, with other awards / services and discounted services is as shown in Table 4.14. According to these results, it is seen that there is a significant difference as the opinions of the participants about other awards and services are $p < 0.01$ ($p: 0.002$) according to their income. Accordingly, when the average values of the participants are examined, it is possible to say that individuals with an income of

10,001-15,000 TL (4,3308) have more positive opinions about other awards / services than others. In addition, there is a significant difference since the opinions of the participants about discounted services according to their income status is $p < 0.05$ ($p: 0.046$). Depending on this situation, it is possible to say that individuals with an income of 2501-5000 TL (3,1422) have more positive opinions about other discount services than other individuals.

Based on these results, it is possible to say that H4a and H4b hypotheses are supported. In the light of this information, it is seen that the H4 hypothesis is supported.

Table 4.14 Comparison of the Views Regarding the Importance Level of the Awards / Services Offered Under the Frequent Flyer Program According to Income Status

Other Awards / Services				
Monthly Income	Num. of persons	Averages	Standard Deviation	Significance Value (p)
2500 TL and less	30	3,7667	1,1017	0,002
2501-5000 TL	75	3,8752	1,1385	
5001-10.000 TL	152	4,2147	0,8370	
10.001-15.000 TL	83	4,3308	0,7524	
15.000 TL and more	65	4,2224	0,7594	
Services with Discount Content				
Monthly Income	Num. of persons	Averages	Standard Deviation	Significance Value (p)
2500 TL and less	30	3,0778	1,3353	0,046
2501-5000 TL	75	3,1422	1,3131	
5001-10.000 TL	152	2,9693	1,1987	
10.001-15.000 TL	83	2,8514	1,2277	
15.000 TL and more	65	2,5282	1,2636	

When the table below is examined regarding the results of the multiple comparison test (post-hoc / tukey), there is a significant difference between individuals with an income of 2500 TL and below and those with an income between 10.001-15.000 TL ($p < 0.05$). In other words, individuals with an income in the range of 10.001-15.000 TL have more positive views on other rewards / services than individuals with an income of 2500 TL or less. Likewise, there is a significant difference between

individuals with an income between 2501-5000 TL and those with an income between 10.001-15.000 TL ($p < 0.05$). In other words, individuals with an income in the range of 10,001-15,000 TL have more positive views on other rewards / services than individuals with income between 2501-5000 TL.

Table 4.15 Multiple Comparison Regarding Income Status / Other Awards / Services - Tukey Test – Results

Monthly Income		Significance Value (p)
2500 TL and less	2501-5000 TL	0,980
	5001-10.000 TL	0,091
	10.001-15.000 TL	0,027
	15.000 TL and more	0,145
2501-5000 TL	2500 TL and less	0,980
	5001-10.000 TL	0,057
	10.001-15.000 TL	0,013
	15.000 TL and more	0,150
5001-10.000 TL	2500 TL and less	0,091
	2501-5000 TL	0,057
	10.001-15.000 TL	0,877
	15.000 TL and more	1,000
10.001-15.000 TL	2500 TL and less	0,027
	2501-5000 TL	0,013
	5001-10.000 TL	0,877
	15.000 TL and more	0,949
15.000 TL and more	2500 TL and less	0,145
	2501-5000 TL	0,150
	5001-10.000 TL	1,000
	10.001-15.000 TL	0,949

When the Table 4.16 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), there is a significant difference between individuals with an income in the range of 2500-5000 TL and those with an income of 15,000 TL and above ($p < 0.05$). In other words, individuals with an income of 15,000 TL and above have more positive opinions about services with discount than individuals with income in the range of 2501-5000 TL.

**Table 4.16 Multiple Comparison of Income Status / Discounted Services -
Tukey Test – Results**

Monthly Income		Significance Value (p)
2500 TL and less	2501-5000 TL	0,999
	5001-10.000 TL	0,993
	10.001-15.000 TL	0,914
	15.000 TL and more	0,270
2501-5000 TL	2500 TL and less	0,999
	5001-10.000 TL	0,863
	10.001-15.000 TL	0,587
	15.000 TL and more	0,031
5001-10.000 TL	2500 TL and less	0,993
	2501-5000 TL	0,863
	10.001-15.000 TL	0,958
	15.000 TL and more	0,121
10.001-15.000 TL	2500 TL and less	0,914
	2501-5000 TL	0,587
	5001-10.000 TL	0,958
	15.000 TL and more	0,521
15.000 TL and more	2500 TL and less	0,270
	2501-5000 TL	0,031
	5001-10.000 TL	0,121
	10.001-15.000 TL	0,521

H5: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the travel purpose.

H5a: Participants' views on other awards / services differ significantly according to the purpose of travel.

H5b: Participants' views on discounted services differ significantly depending on the purpose of travel.

The relationship of the travel purpose variable, which is one of the demographic features of the research, with other reward / services and discounted services is as shown in Table 4.17. According to these results, there is no significant difference since the views of the participants about other awards and services according to the purpose of travel is $p > 0.05$ ($p: 0.116$). Likewise, there is no significant difference

since the opinions of the participants about discount services according to the travel purpose is $p > 0.05$ ($p: 0.381$).

Based on these results, it is possible to say that the H5a and H5b hypotheses are not supported. In the light of this information, it is seen that the H5 hypothesis is not supported.

Table 4.17 Comparison of the Views Regarding the Importance Level of the Awards / Services Offered Under the Frequent Flyer Program According to the Purpose of Travel

Other Awards / Services					
Airline Purpose	Travel	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Business		163	4,1974	0,8010	0,116
Touristic		157	4,2154	0,8980	
Educational		18	3,8434	0,9574	
Visiting		54	3,9192	1,0555	
Other		13	3,9510	1,3998	
Services with Discount Content					
Airline Purpose	Travel	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Business		163	2,8630	1,2650	0,381
Touristic		157	3,0170	1,2350	
Educational		18	2,7593	1,2721	
Visiting		54	2,9568	1,2590	
Other		13	2,3590	1,3503	

H6: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the number of travels.

H6a: Participants' views on other awards / services differ significantly according to the number of trips.

H6b: Participants' opinions about discounted services differ significantly according to the number of trips.

The relationship between the number of trips variable, which is one of the demographic features of the research, with other rewards / services and services with discount is as shown in Table 4.18. According to these results, it is seen that there is a significant difference as the opinions of the participants about other awards and services according to the number of trips are $p < 0.01$ ($p: 0.001$). Consequently, when the average values of the participants are examined, it is possible to say that those who travel in the range of 6-10 (4,1241) have more positive opinions about other awards / services than others. On the other hand, there is no significant difference since the opinions of the participants about discounted services according to the number of travels is $p > 0.05$ ($p: 0.090$).

Based on these results, it is possible to say that the H6a hypothesis is supported and the H6b hypothesis is not. In the light of this information, it is seen that the H6 hypothesis is partially supported.

Table 4.18 Comparison of the Views Regarding the Importance Level of the Awards / Services Offered Under the Frequent Flyer Program According to the Number of Travels

Other Awards / Services				
Number of Travels by Airline (Departure / Return)	Num. of persons	Averages	Standard Deviation	Significance Value (p)
1-5	79	4,1611	0,9026	0,007
6-10	115	4,1241	0,8816	
11-20	74	3,8354	1,0839	
21-30	56	3,3653	0,6368	
31 and more	81	3,2828	0,8828	
Services with Discount Content				
Number of Travels by Airline (Departure / Return)	Num. of persons	Averages	Standard Deviation	Significance Value (p)
1-5	79	2,7215	1,2613	0,090
6-10	115	2,9449	1,1739	
11-20	74	3,0315	1,3595	
21-30	56	2,6369	1,1411	
31 and more	81	3,1440	1,3080	

When the Table 4.19 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), there is a high level of significant difference between individuals traveling between 11-20 and 21-30 ($p < 0.01$). In other words, individuals traveling between 11-20 have more positive views on other rewards / services than individuals traveling between 21-30. Likewise, there is a significant difference between individuals who travel between 11-20 and those who travel 31 and above ($p < 0.05$). In other words, individuals traveling in the range of 11-20 have more positive views on other rewards / services than individuals traveling 31 and above.

Table 4.19 Multiple Comparison of Travels / Other Awards / Services - Tukey Test – Results

Number of Travels by Airline (Departure / Return)		Significance Value (p)
1-5	6-10	0,999
	11-20	0,167
	21-30	0,691
	31 and more	0,912
6-10	1-5	0,999
	11-20	0,198
	21-30	0,468
	31 and more	0,741
11-20	1-5	0,167
	6-10	0,198
	21-30	0,008
	31 and more	0,018
21-30	1-5	0,691
	6-10	0,468
	11-20	0,008
	31 and more	0,984
31 and more	1-5	0,912
	6-10	0,741
	11-20	0,018
	21-30	0,984

H7: The opinions of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the duration of their membership.

H7a: Participants' views on other awards / services differ significantly according to the duration of their membership.

H7b: Participants' views on discounted services differ significantly depending on the duration of their membership.

The relations of membership duration variable, which is one of the demographic features of the research, with other awards / services and discounted services are as shown in Table 4.20. According to these results, it is seen that there is a significant difference since the opinions of the participants about other awards and services are $p < 0.01$ ($p: 0.006$) according to the duration of their membership. Consequently, when the average values of the participants are examined, it is possible to say that individuals with a membership of 6 years or more (4,3027) have more positive opinions about other awards / services than others. In addition, there is a significant difference since the opinions of the participants about discount services according to the duration of their membership is $p < 0.05$ ($p: 0.016$). Depending on this situation, it is possible to say that individuals with a membership duration of less than 1 year (3,2639) have more positive opinions about other discounted services compared to other individuals.

Based on these results, it is possible to say that the H7a and H7b hypotheses are supported. In the light of this information, it is seen that the H7 hypothesis is supported.

Table 4.20 Comparison of the Views Regarding the Importance Level of the Awards / Services Offered Under the Frequent Flyer Program According to the Duration of Membership

Other Awards / Services					
Duration of Membership to Frequent Programs	Num. of persons	Averages	Standard Deviation	Significance Value (p)	
Less than 1	96	3,8712	1,1536	0,006	
1-2 years	41	4,0377	1,0092		
3-4 years	66	4,1804	0,6835		
5-6 years	35	4,1870	0,9610		
6 years and more	167	4,3027	0,7488		
Services with Discount Content					
Duration of Membership to Frequent Programs	Num. of persons	Averages	Standard Deviation	Significance Value (p)	
Less than 1	96	3,2639	1,3558	0,016	
1-2 years	41	3,0813	1,1779		
3-4 years	66	2,7323	1,1596		
5-6 years	35	2,7143	1,1858		
6 years and more	167	2,7864	1,2338		

Multiple comparison test (as post-hoc / Tukey) analyzing the Table 4.21 below regarding the result of high levels between individuals with more membership with 6 years individuals having membership less than 1 year shows a significant difference ($p < 0.01$). In other words, it is possible to say that individuals with a membership of 6 years or more have more positive views on other rewards / services than individuals with a membership of less than 1 year.

Table 4.21 Multiple Comparison Regarding Duration of Membership / Other Awards / Services - Tukey Test – Results

Duration of Membership to Frequent Flyer Programs (Departure / Return)		Significance Value (p)
Less than 1	1-2 years	0,858
	3-4 years	0,199
	5-6 years	0,385
	6 years and more	0,002
1-2 years	Less than 1	0,858
	3-4 years	0,930
	5-6 years	0,951
	6 years and more	0,439
3-4 years	Less than 1	0,199
	1-2 years	0,930
	5-6 years	1,000
	6 years and more	0,882
5-6 years	Less than 1	0,385
	1-2 years	0,951
	3-4 years	1,000
	6 years and more	0,958
6 years and more	Less than 1	0,002
	1-2 years	0,439
	3-4 years	0,882
	5-6 years	0,958

When the Table 4.22 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), a significant difference is seen between individuals with a membership of less than 1 year and those with a membership of 6 years or more ($p < 0.05$). In other words, it is possible to say that individuals with a membership of less than 1 year have more positive views on services with discount than those with a membership of 6 years or more.

Table 4.22 Since Membership / Discount Services Related Content Multiple Comparison - Tukey Test – Results

Duration of Membership to Frequent Flyer Programs (Departure / Return)		Significance Value (p)
Less than 1	1-2 years	0,934
	3-4 years	0,060
	5-6 years	0,167
	6 years and more	0,024
1-2 years	Less than 1	0,934
	3-4 years	0,620
	5-6 years	0,702
	6 years and more	0,653
3-4 years	Less than 1	0,060
	1-2 years	0,620
	5-6 years	1,000
	6 years and more	0,998
5-6 years	Less than 1	0,167
	1-2 years	0,702
	3-4 years	1,000
	6 years and more	0,998
6 years and more	Less than 1	0,024
	1-2 years	0,653
	3-4 years	0,998
	5-6 years	0,998

H8: Opinions of the participants on customer loyalty differ significantly according to their income level.

H8a: Participants' views on behavioral commitment differ significantly according to their income level.

H8b: The opinions of the participants about attitudinal commitment differ significantly according to their income level.

The relationships of the income status variable, which is one of the demographic features of the research, with behavioral and attitudinal commitment are as shown in Table 4.23. According to these results, it is seen that there is a significant difference as the opinions of the participants about behavioral commitment according to their income level is $p < 0.01$ ($p: 0.000$). Consequently, when the average values of the

participants are examined, it is possible to say that individuals with an income of 15,000 TL and above (4,5200) have more positive opinions about behavioral commitment compared to others. In addition, there is a significant difference as the opinions of the participants about attitudinal commitment according to their income level is $p < 0.05$ ($p: 0.019$). Depending on this situation, it is possible to say that individuals with an income of 15.000 TL and above (4.0142) have more positive opinions about attitudinal commitment compared to other individuals.

Based on these results, it is possible to say that the H8a and H8b hypotheses are supported. In the light of this information, it is seen that the H8 hypothesis is supported.

Table 4.23 Comparison of Views on Customer Loyalty According to Income Status

Behavioral Commitment				
Monthly Income	Num. of persons	Averages	Standard Deviation	Significance Value (p)
2500 TL and less	30	3,8800	1,0525	0,000
2501-5000 TL	75	3,9493	1,1048	
5001-10.000 TL	152	4,4013	0,7002	
10.001-15.000 TL	83	4,2892	0,6944	
15.000 TL and more	65	4,5200	0,6926	
Attitudinal Commitment				
Monthly Income	Num. of persons	Averages	Standard Deviation	Significance Value (p)
2500 TL and less	30	3,5692	1,2207	0,019
2501-5000 TL	75	3,5959	1,0483	
5001-10.000 TL	152	3,9089	0,8451	
10.001-15.000 TL	83	3,9175	0,8339	
15.000 TL and more	65	4,0142	0,7822	

When the Table 4.24 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), there is a significant difference between individuals with an income of 2500 TL or less and individuals with an income of 5001-10.000 TL ($p < 0.05$). In other words, individuals with an income of 5001-10,000 TL have more positive views on behavioral commitment than individuals with an income of 2500 TL or less. In addition, there is a high level of significant

difference between individuals with an income of 2500 and below and those with an income of 15,000 TL and above ($p < 0.01$). In other words, individuals with an income of 15,000 TL and above have more positive views on behavioral commitment than individuals with an income of 2500 TL and less. Likewise, there is a high level of significant difference between individuals with an income of 2501-5000 TL and those with an income of 15,000 TL and above ($p < 0.01$). In short, individuals with an income of 15,000 TL and above have more positive views on behavioral commitment than individuals with an income of 2501-5000 TL.

Table 4.24 Multiple Comparison Regarding Income Status / Behavioral Commitment - Tukey Test – Results

Monthly Income		Significance Value (p)
2500 TL and less	2501-5000 TL	0,995
	5001-10.000 TL	0,013
	10.001-15.000 TL	0,131
	15.000 TL and more	0,004
2501-5000 TL	2500 TL and less	0,995
	5001-10.000 TL	0,001
	10.001-15.000 TL	0,070
	15.000 TL and more	0,000
5001-10.000 TL	2500 TL and less	0,013
	2501-5000 TL	0,001
	10.001-15.000 TL	0,852
	15.000 TL and more	0,864
10.001-15.000 TL	2500 TL and less	0,131
	2501-5000 TL	0,070
	5001-10.000 TL	0,852
	15.000 TL and more	0,431
15.000 TL and more	2500 TL and less	0,004
	2501-5000 TL	0,000
	5001-10.000 TL	0,864
	10.001-15.000 TL	0,431

When the Table 4.25 below regarding the results of the multiple comparison test (post-hoc / tukey) is examined, it is seen that there is no difference between the variables ($p > 0.05$).

**Table 4.25 Multiple Comparison Regarding Income Status / Attitude
Commitment - Tukey Test – Results**

Monthly Income		Significance Value (p)
2500 TL and less	2501-5000 TL	1,000
	5001-10.000 TL	0,332
	10.001-15.000 TL	0,373
	15.000 TL and more	0,173
2501-5000 TL	2500 TL and less	1,000
	5001-10.000 TL	0,105
	10.001-15.000 TL	0,172
	15.000 TL and more	0,052
5001-10.000 TL	2500 TL and less	0,332
	2501-5000 TL	0,105
	10.001-15.000 TL	1,000
	15.000 TL and more	0,935
10.001-15.000 TL	2500 TL and less	0,373
	2501-5000 TL	0,172
	5001-10.000 TL	1,000
	15.000 TL and more	0,968
15.000 TL and more	2500 TL and less	0,173
	2501-5000 TL	0,052
	5001-10.000 TL	0,935
	10.001-15.000 TL	0,968

H9: The opinions of the participants on customer loyalty differ significantly according to the professional status.

H9a: Participants' views on behavioral commitment differ significantly according to professional status.

H9b: Participants' views on attitudinal commitment differ significantly according to professional status.

The relationships of the professional status variable, which is one of the demographic features of the research, with behavioral and attitudinal commitment are as shown in Table 4.26. According to these results, it is seen that there is a high level of significant difference since the opinions of the participants about behavioral commitment according to their professional status is $p < 0.01$ ($p: 0.001$). Consequently, when the average values of the participants are examined, it is

possible to say that individuals who are business people (4.4690) have more positive opinions about behavioral commitment compared to others. In addition, there is a significant difference as the opinions of the participants about attitudinal commitment according to their professional status is $p < 0.05$ ($p: 0.047$). Depending on this situation, it is possible to say that individuals who are business people (4,1830) have more positive opinions about attitudinal commitment than other individuals.

Based on these results, it is possible to say that the H9a and H9b hypotheses are supported. In the light of this information, it is seen that the H9 hypothesis is supported.

Table 4.26 Comparison of Views on Customer Loyalty According to Professional Status

Behavioral Commitment				
Occupation	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Public Sector Employee	50	4,3080	0,5886	0,001
Private Sector Employee	256	4,3539	0,7960	
Self-Employment/Freelance	33	3,8909	1,1662	
Business man	29	4,4690	0,6809	
Retired	4	4,1500	1,0878	
Student	33	3,8424	1,0195	
Attitudinal Commitment				
Occupation	Num. of persons	Averages	Standard Deviation	Significance Value (p)
Public Sector Employee	50	3,8652	0,8104	0,047
Private Sector Employee	256	3,8666	0,8886	
Self-Employment/Freelance	33	3,7203	1,0513	
Business man	29	4,1830	0,6697	
Retired	4	4,0192	0,4839	
Student	33	3,4452	1,2102	

When the Table 4.27 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), there is a significant difference between the private sector employees and the self-employed individuals ($p < 0.05$). In other words, private sector employees have more positive views on behavioral

commitment than self-employed individuals. In addition, there is a significant difference between private sector employees and students ($p < 0.05$). In other words, private sector employees have more positive views about behavioral commitment than student individuals. Likewise, there is a significant difference between individuals who are business people and students ($p < 0.05$). In short, individuals who are business people have more positive views on behavioral commitment than student individuals.

Table 4.27 Multiple Comparison - Tukey Test - Results Regarding Occupational Status / Behavioral Commitment

Occupation	Significance Value (p)	
Public Sector Employee	Private Sector Employee	0,999
	Self-Employment/Freelance	0,216
	Business man	0,961
	Retired	0,999
	Student	0,122
Private Sector Employee	Public Sector Employee	0,999
	Self-Employment/Freelance	0,031
	Business man	0,981
	Retired	0,997
	Student	0,011
Self-Employment/Freelance	Public Sector Employee	0,216
	Private Sector Employee	0,031
	Business man	0,068
	Retired	0,991
	Student	1,000
Business man	Public Sector Employee	0,961
	Private Sector Employee	0,981
	Self-Employment/Freelance	0,068
	Retired	0,979
	Student	0,036
Retired	Public Sector Employee	0,999
	Private Sector Employee	0,997
	Self-Employment/Freelance	0,991
	Business man	0,979
	Student	0,981
Student	Public Sector Employee	0,122
	Private Sector Employee	0,011
	Self-Employment/Freelance	1,000
	Business man	0,036
	Retired	0,981

When the Table 4.28 below is examined regarding the results of the multiple comparison test (post-hoc / tukey), a significant difference is observed between individuals who are business people and students ($p < 0.05$). In other words,

individuals who are business people have more positive views on attitudinal commitment than student individuals.

Table 4.28 Multiple Comparison Regarding Occupational Status / Attitudinal Commitment - Tukey Test – Results

Occupation		Significance Value (p)
Public Sector Employee	Private Sector Employee	1,000
	Self-Employment/Freelance	0,980
	Business man	0,668
	Retired	1,000
	Student	0,307
Private Sector Employee	Public Sector Employee	1,000
	Self-Employment/Freelance	0,953
	Business man	0,481
	Retired	0,999
	Student	0,124
Self-Employment/Freelance	Public Sector Employee	0,980
	Private Sector Employee	0,953
	Business man	0,343
	Retired	0,989
	Student	0,822
Business man	Public Sector Employee	0,668
	Private Sector Employee	0,481
	Self-Employment/Freelance	0,343
	Retired	0,999
	Student	0,019
Retired	Public Sector Employee	1,000
	Private Sector Employee	0,999
	Self-Employment/Freelance	0,989
	Business man	0,999
	Student	0,840
Student	Public Sector Employee	0,307
	Private Sector Employee	0,124
	Self-Employment/Freelance	0,822
	Business man	0,019
	Retired	0,840

As a result of all the analyses carried out, the results regarding the hypotheses of the study are shaped as in Table 4.29.

Table 4.29 Research Hypotheses and Results

HYPOTHESES	RESULT
H1: The importance of the awards / services offered under the frequent flyer program affects the organizational commitment variable directly and positively.	Partially Supported
H1a: Other rewards / services affect the behavioral commitment variable directly and positively.	Supported
H1b: Other rewards / services affect the attitudinal commitment variable directly and positively.	Not Supported
H1c: Services with discount content affect the behavioral commitment variable directly and positively.	Supported
H1d: Services with discount content affect the attitudinal commitment variable directly and positively.	Not Supported
H2: Participants' views on the importance of the awards / services offered within the frequent flyer program differ significantly according to gender.	Partially Supported
H2a: Participants' views on other awards / services vary significantly according to gender.	Not Supported
H2b: Participants' views on discounted services differ significantly according to gender.	Supported
H3: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the professional situation.	Partially Supported
H3a: Participants' views on other awards / services differ significantly according to professional status.	Supported
H3b: The opinions of the participants about discounted services differ significantly according to their professional status.	Not Supported
H4: Participants' views on the importance of the awards / services offered within the frequent flyer program differ significantly according to their income level.	Supported
H4a: Participants' views on other awards / services differ significantly according to their income level.	Supported
H4b: Opinions of the participants about discounted services differ significantly according to their income level.	Supported
H5: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the travel purpose.	Not Supported
H5a: Participants' views on other awards / services differ significantly according to the purpose of travel.	Not Supported
H5b: Participants' views on discounted services differ significantly depending on the purpose of travel.	Not Supported

Table 4.29 Cont.

H6: The views of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the number of travels.	Partially Supported
H6a: Participants' views on other awards / services differ significantly according to the number of trips.	Supported
H6b: Participants' opinions about discounted services differ significantly according to the number of trips.	Not Supported
H7: The opinions of the participants on the importance of the awards / services offered within the frequent flyer program differ significantly according to the duration of their membership.	Supported
H7a: Participants' views on other awards / services differ significantly according to the duration of their membership.	Supported
H7b: Participants' views on discounted services differ significantly depending on the duration of their membership.	Supported
H8: Opinions of the participants on customer loyalty differ significantly according to their income level.	Supported
H8a: Participants' views on behavioral commitment differ significantly according to their income level.	Supported
H8b: The opinions of the participants about attitudinal commitment differ significantly according to their income level.	Supported
H9: The opinions of the participants on customer loyalty differ significantly according to the professional status.	Supported
H9a: Participants' views on behavioral commitment differ significantly according to professional status.	Supported
H9b: Participants' views on attitudinal commitment differ significantly according to professional status.	Supported

CHAPTER V

CONCLUSION

Considering the conditions of commercial life, loyalty is the customer's desire to continue their relationship with a company or brand. In other words, loyalty is a customer commitment. Customer loyalty is an unchanging emotional loyalty and commitment to a business, product, brand or person. Commitment is the emotional orientation of human behavior. Achieving customer loyalty depends on ensuring customer satisfaction. A customer's likelihood of repurchasing a service depends on the degree of satisfaction and satisfaction they experience with the initial purchase. If he / she is very dissatisfied, dissatisfied or indifferent at the first purchase, this customer will be less likely to continue his relationship with the business. In most cases, if the customer is satisfied with the initial purchase result, the customer is expected to buy again.

Customer loyalty is, in a way, a sign of customers' reluctance to change the product, service, brand, or store they depend on. In this way, customers will continue to prefer the products or services they are loyal to in their subsequent purchases, which will shorten the purchasing process and help customers save money and time. Customers' trust in a business makes them feel safer and has a shortening effect on the decision-making process. Increasing the commitment of customers to a business and preferring that business despite other businesses is an important advantage for the business. Because the cost of acquiring new customers is higher than the cost of keeping existing customers. As can be clearly understood from this situation, ensuring customer loyalty is extremely important for companies.

The first thing a company should do to be in the mind of the consumer is to provide customer satisfaction. Satisfaction is seen to be a fundamental factor in all stages of customer loyalty and determines the repurchase of products and services. If there is a negative difference between the price paid for the purchased product and the benefit obtained, customer satisfaction does not occur. However, if the benefit is more than the fee paid, the customer is satisfied with the product. In order for the customer to

benefit from the product, the product quality must be good. If the customer is satisfied with the factors such as quality and service every time he / she comes to the business and purchases more affordable products from other businesses, customer satisfaction occurs. This situation can turn into loyalty over time.

Customer loyalty programs can be developed thanks to the existence of customer databases regarding the demographic characteristics and spending habits of customers. Today, customer loyalty programs are one of the most popular relational marketing approaches applied to create, develop and maintain customer relationships and are applied in many sectors such as retailing, banking, tourism, airlines, car rental and entertainment. Customer loyalty programs are marketing activities that enable companies to establish closer relationships with these customers by using customized products offered to their predefined customers.

Loyalty programs only aim to make upfront investments that are expected to return in the future. The right loyalty programs invest now for the future, commit to customers today, and build trust rather than claim trust. So-called loyalty programs are imitation programs that bring an obligation rather than an asset. They generate short-term income while presenting future liabilities to customers. Instead of giving confidence to the customer by making a commitment, the company wants trust from the customer. Based on the revenue generated, the firm will offer a customer reward in the future. At the same time, loyalty programs operate under competitive pressures in some cases. In other words, the practices of competitors in order to ensure customer loyalty force other businesses in the sector to take a counter attack, and they are implementing loyalty programs as a defensive step. At this point, the point to be considered is that: Programs implemented with sudden decisions and incorrectly may cause more customer loss than provide customer loyalty to businesses.

For the civil aviation industry, customer loyalty programs are shaped by frequent flyer programs. Frequent flyer programs aim to protect the loyalty of passengers by giving passengers various awards. In general, air transport has been considered as an expensive transport system for many years. For this reason, there has been a visible distance between the actors of the sector and the passengers. In parallel with this, it is much more costly for airline companies to acquire new customers than airline

companies to keep their customer base. Airline companies aim to gain brand loyalty to passengers with frequent flyer programs and to continue as their own customers on their next flights. Airline companies earn income both from the miles they sell to program partners and from the spending they make with the miles earned by their passengers. All these revenues obtained through frequent flyer programs are calculated as additional service income.

Frequent flyer programs provide significant advantages to both members of the program and businesses implementing the program. Members of the program can benefit from various awards / services. Free tickets / flights, discounted car rental, special promotions, discounted hotel accommodation, excess baggage allowance, reservation priority are some of these rewards / services. Factors such as increase in sales, decrease in costs, free promotion and advertisement opportunities and increase in business profitability stand out as important advantages for businesses. Some viewed these programs as a marketing fraud or a bribe to impress the customer to repurchase them, or as a clever scheme that impacts business travelers by giving the empty seats in the form of free tickets.

Basically, frequent flyer programs can be considered as an alternative form of marketing for airline companies. Airline companies reserve a special place for frequent flyer programs among the already numerous marketing activities. Because these programs serve as a shortcut for passengers to get closer to airline companies. This shortcut makes it possible for passengers to think positively about airlines and for passengers to consider certain airlines as their first choice.

In the research, this study was carried out with the customers of companies operating in the airline industry in order to reveal the effect of the importance of the awards / services offered within the scope of the frequent flyer program on the level of customer loyalty. Accordingly, the research was applied to 405 people in Istanbul who prefer air transportation. The application was carried out according to the convenience sampling method. The variables used in the study are the scale of the importance of the rewards / services offered under the frequent flyer program and the customer loyalty level of the airline passengers.

The main reason for factor analysis in the study is to reach the dimensions of the participants in the context of their responses to the scale items. These dimensions were created in line with the answers given by the participants and categorized the scale items. Afterwards, reliability analysis was applied to the research scales. The purpose of this analysis is to measure the consistency of the answers given by the participants. At this point, the scales have a very high reliability level according to the analysis results. Subsequent correlation analysis was carried out to measure the relationships between the dimensions of the scales. Accordingly, it has been determined that there are highly positive relations between the dimensions. Finally, the regression analysis was carried out to measure the effects of independent variables on dependent variables. According to the results of this analysis, meaningful findings were obtained in the study. T-Test and ANOVA analyzes were conducted to measure the relationships between the demographic data of the study and the dependent variable. In these analyzes, quite meaningful findings were obtained.

Based on these results, it is seen that the importance of the awards / services offered within the frequent flyer program positively triggers customer loyalty. In other words, passengers care about the awards and services of the company they prefer. This situation plays an important role in making them prefer the same company and gain continuity. In addition, it is observed that women have more positive opinions than men about discount services. Women are more sensitive to discounts than men. The professional status of the participants comes to the fore regarding other awards and services. At this point, especially retired passengers have more positive opinions about these awards and services. Retirees are able to follow these awards and services more closely and more closely due to their location.

On the other hand, students have the most negative thoughts on the subject. The main reason for this is that students do not fly as often as other professions and have not reached a position to be sensitive about this issue. The income levels of the participants also have an important place in the awards and services offered. Participants with an income range of 10,001-15,000 TL have more positive opinions about other awards and services. It is quite normal for individuals who fly frequently in this income range to have a certain sensitivity to rewards and services. It is

observed that people with an income range of 2501-5000 TL are interested in discounted services. This result is also quite normal considering the income range.

The number of trips also stands out for other awards and services. According to the results of this analysis, it is seen that individuals who travel between number of trips of 1 and 5 have more positive opinions about other awards and services. A small number of travelers are less likely to benefit from such discounts than others. For this reason, these people specially follow the discounts and services that can be realized. Another important point is the duration of membership. Individuals with a membership of 6 years or more care more about other awards and services. These individuals with higher income find awards and services other than discounts more valuable. On the other hand, people with a membership less than 1 year have more positive opinions about discounted services. Because these financial discounts are more important for these individuals.

Participants' views on customer loyalty also differ significantly according to their income level. Participants, especially those with an income of 15,000 TL or more, continue their loyalty to their companies. Because there are situations such as comfort and habit for these participants. Therefore, these individuals may not find it necessary to make changes to pay less if they are satisfied with their company. Finally, considering the occupational status of the participants, it is seen that those who are in business people position are more dependent on their companies. This situation is again directly proportional to their income.

Two issues can be brought to the fore as suggestions for future studies. The first of these concerns the frequent flyer program levels. Accordingly, in future studies on customer loyalty, it will be important for the quality of the study to evaluate customers separately according to the cards they use. At this point, choosing a specific airline company in future research will also make an extremely positive contribution to the quality of the study. A second suggestion is to evaluate items (rewards, discounts, gifts, etc.) within frequent flyer programs more specifically within the research. In this way, the name and reason for the frequent flyer program element that passengers care about in customer loyalty can also be learned.

On the other hand, all the analyzes made in this research were carried out with customers using different companies operating in the airline industry. This study has the nature and scope to guide many future studies on the subject. Depending on this research, future research can be carried out with more participants. In addition, not only Istanbul province like this study, but a general study can be put forward in different provinces or in several provinces. Finally, by changing the variables of the research, the relationships and effects between different variables and dimensions can be looked at. Accordingly, many studies on the subject can be added to the literature.



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