

**Iryna Heiets**

PhD of Economic Sciences, Associated professor

**Viktoriia Tanchyk**

Master

*National Aviation University, Ukraine*

## **EVALUATION OF THE COOPETITION LEVEL OF ONEWORLD ALLIANCE**

*Coopetition strategies combine two contradictory forces: competition and collaboration. These strategies generate strong tensions between coopetitors [1, p. 671]. This article studies the activity of international aviation alliances and Codeshare agreements signed between them. While airlines are competitors in the global aviation market, they still manage to collaborate. Formation of an airline's coopetition strategy in the air transportation market is a strategic course of development that forms a direction for further research.*

**Keywords:** *competition, collaboration, coopetitors, coopetition strategies, airlines, Oneworld Alliance, Codeshare agreements*

Airlines resort to coopetitive strategy when they do not want to give up their positions, but also understand that coopetition is necessary. That is why they sign Codeshare agreements, Interline agreements, pull agreements and, eventually, unite into strategic alliances. In such alliances, airlines cooperate with each other and though the competition between them is limited, it does exist. It is another thing when competing airlines are in different alliances - there is tough competition between them for the market distribution of aviation services, passengers etc. It would seem that airlines that belong to different aviation alliances should not have anything in common, because they are rivals, but it is not true. There is coopetition among these airlines. It appears when airlines - members of different alliances - sign various agreements with its competitors [3, p. 586–608].

Oneworld Alliance consists of 15 members from different countries (tab. 1). Besides all these airlines being the members of one alliance, they also sign agreements within it between each other [4].

Table 1

Member airlines of Oneworld Alliance

№	Airline	Country
1.	airberlin	Germany
2.	American Airlines	USA
3.	British Airways	Great Britain
4.	Cathay Pacific Airways	Hong Kong, China
5.	Finnair	Finland
6.	Iberia	Spain
7.	Japan Airlines	Japan
8.	LAN Airlines	Chile
9.	TAM Airlines	Brazil
10.	Malaysia Airlines	Malaysia
11.	Qantas	Australia
12.	Qatar Airways	Qatar
13.	Royal Jordanian	Jordan
14.	S7 Airlines	Russia
15.	SriLankan Airlines	Sri Lanka

For two different airlines to be able to operate the same flight Codeshare agreements are signed. All member airlines of Oneworld have signed Codeshare agreements between them (tab. 2) [5].

Table 2

Codeshare agreements within Oneworld Alliance

Oneworld	airberlin (Germany)	American Airlines (USA)	British Airways (Great Britain)	Cathay Pacific Airways (Hong Kong, China)	Finnair (Finland)	Iberia (Spain)	Japan Airlines (Japan)	LAN Airlines (Chile)	TAM Airlines (Brazil)	Malaysia Airlines (Malaysia)	Qantas (Australia)	Qatar Airways (Qatar)	Royal Jordanian (Jordan)	S7 Airlines (Russia)	SriLankan Airlines (Sri Lanka)
airberlin (Germany)	-			-				-	-	-	-	-			-
American Airlines (USA)		-													-
British Airways (Great Britain)			-												-
Cathay Pacific Airways (Hong Kong, China)	-			-		-			-		-		-		-
Finnair (Finland)					-			-	-			-	-		
Iberia (Spain)				-		-			-	-		-			-
Japan Airlines (Japan)							-						-		
LAN Airlines (Chile)	-				-			-		-		-	-	-	-
TAM Airlines (Brazil)	-		-	-	-	-	-		-	-	-	-	-	-	

Malaysia Airlines (Malaysia)	-					-		-	-	-	-			-	
Qantas (Australia)	-			-					-	-	-	-	-	-	
Qatar Airways (Qatar)	-				-	-		-	-		-	-	-		-
Royal Jordanian (Jordan)				-	-		-	-	-		-		-		
S7 Airlines (Russia)		-						-		-	-			-	
SriLankan Airlines (Sri Lanka)	-		-	-		-		-	-			-			-

For example, airberlin has signed Codeshare agreements with American Airlines, British Airways, Finnair, Iberia, Japan Airlines, Royal Jordanian and S7 Airlines. This suggests that close cooperation exists between airlines within the alliance. However, the airline also has Codeshare agreements outside the alliance - with airbaltic, Air Serbia, Air Seychelles, Bangkok Airways, Etihad Airways and others. In other words, airberlin airline receives benefits from participation in Oneworld and at the same time works with other companies, which are not members of the alliance, for additional benefits. It is the basis of cooperative strategy. The fact is that all airlines use cooperative strategies in its activity like airberlin (fig. 1). They operate on different fronts, gaining opportunities to carry out their own flights and those flights that are stipulated by agreements between airlines.

Hong Kong air carrier Cathay Pacific Airways signed Codeshare agreements with the alliance's member airlines - American Airlines, British Airways, Finnair, Japan Airlines, LAN, Malaysia Airlines, Qatar Airways and S7 Airlines. The airline also has Codeshare agreement with Air China, which is a member of StarAlliance, and covers flights between Beijing and Jiamusi and Qiqihar; or strategic cooperation agreement with Air New Zealand airline, for which Cathay Pacific Airways operates flights between Hong Kong and Auckland. In addition, Cathay Pacific Airways has signed many agreements with those companies that do not belong to any global airline alliance, such as Alaska Airlines, Bangkok Airways, Dragonair, Fiji Airways, Philippine Airlines, WestJet etc.

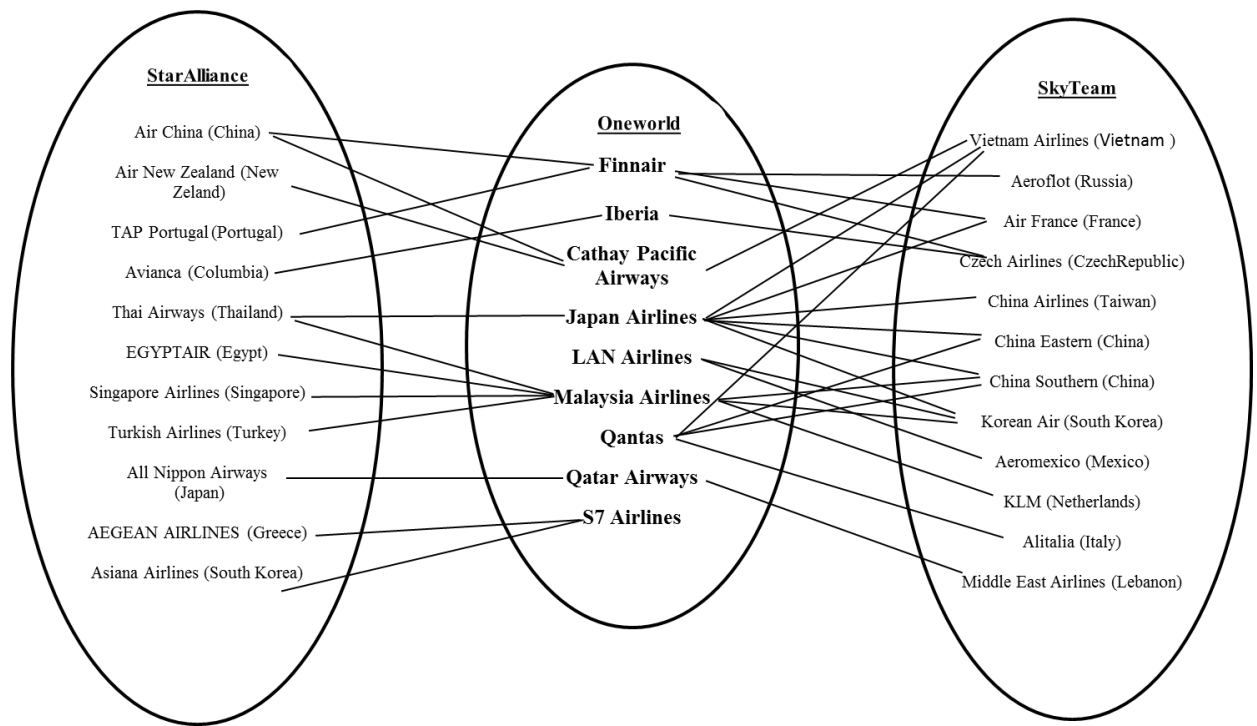


Figure 1. Codeshare agreements between the member airlines of Oneworld with SkyTeam and StarAlliance [4, 6, 7]

From fig. 1 we can see that airlines sign Codeshare agreements with those ones from other alliances using regional approach. Malaysia Airlines (Malaysia) cooperates with China Southern (China), Singapore Airlines (Singapore), Thai Airways (Thailand), Korean Air (South Korea) outside of its alliance. All these airlines serve the Asian market, but belong to different aviation alliances of the world. On the other hand, for example, Japan Airlines (Japan) has signed cooperation agreements with China Airlines (Taiwan), China Eastern (China), China Southern (China), Korean Air (South Korea), Thai Airways (Thailand), and Vietnam Airlines (Vietnam). Despite belonging to a completely different and, most importantly, competing unions airlines still retain their cultural and regional relations for further integration into the global aviation space and to get access to the global airline market.

The competitive strategy requires from airlines that are “on different sides of the trenches” to work together. The impetus for this is the expansion of services, increasing the number of passengers and flights, and maximizing profits. Every airline pursues its own goals, even if it imposes certain cooperation agreements.

Table 3 shows Oneworld's airlines and the number of Codeshare agreements concluded by them in 2015, in particular within the alliance.

Table 3

Codeshare agreements concluded by Oneworld's airlines

<b>№</b>	<b>Oneworld</b>	<b>Codeshare agreements</b>	<b>Share, %</b>	<b>Codeshare agreements within the alliance</b>
1.	airberlin (Germany)	8	3	4
2.	American Airlines (USA)	23	8	9
3.	British Airways (Great Britain)	25	9	13
4.	Cathay Pacific Airways (Hong Kong, China)	20	7	8
5.	Finnair (Finland)	21	7	10
6.	Iberia (Spain)	20	7	8
7.	Japan Airlines (Japan)	29	10	13
8.	LAN Airlines (Chile)	10	3	7
9.	TAM Airlines (Brazil)	4	1	2
10.	Malaysia Airlines (Malaysia)	31	11	8
11.	Qantas (Australia)	25	9	7
12.	Qatar Airways (Qatar)	18	6	6
13.	Royal Jordanian (Jordan)	15	5	8
14.	S7 Airlines (Russia)	23	8	10
15.	SriLankan Airlines (Sri Lankan)	17	6	7
	<b>Total</b>	<b>289</b>	<b>100</b>	<b>-</b>

Malaysia Airlines (Malaysia), Japan Airlines (Japan), British Airways (UK), Qantas (Australia), American Airlines (USA), S7 Airlines (Russia) have the largest number of Codeshare agreements (fig. 2).

Picture regarding signing Codeshare agreements within the alliance does not change. Here the leaders are Japan Airlines (Japan), British Airways (UK), S7 Airlines (Russia), Finnair (Finland), American Airlines (USA) (fig. 3). In other words, some pattern can be seen that alliance's members that are leaders therein and potential leaders have the largest number of signed Codeshare agreements both within and outside Oneworld's borders – with member airlines of other aviation alliances and with individual flight carriers that do not belong to any alliances.

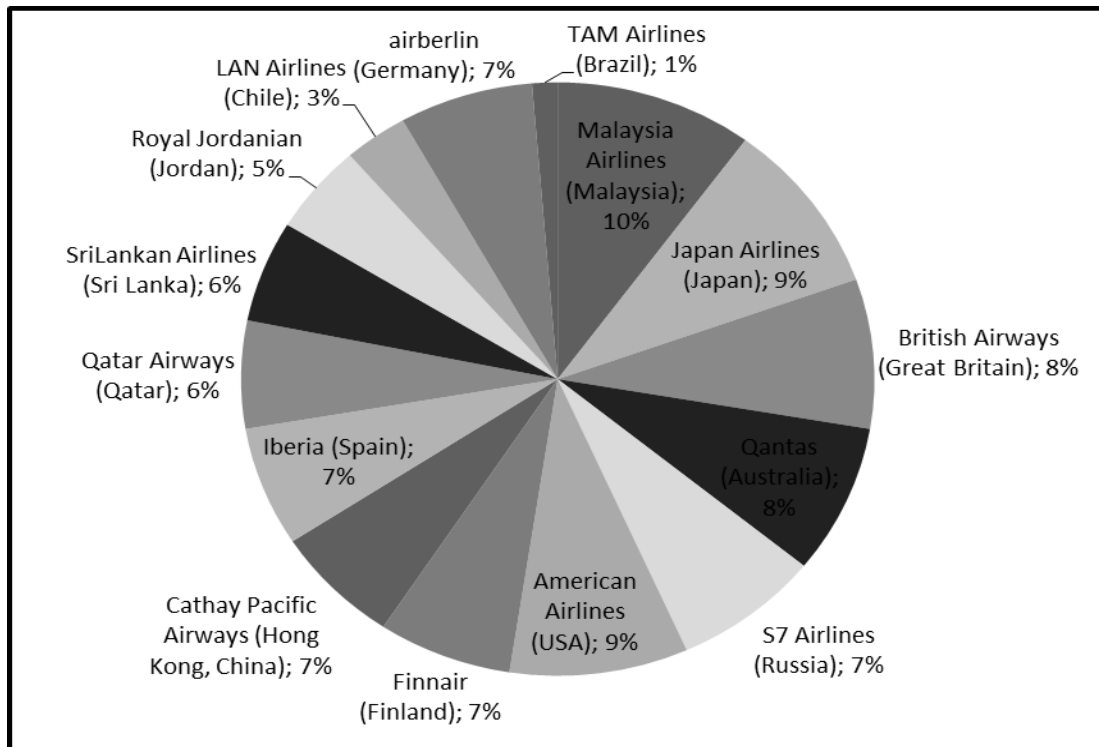


Figure 2. The share of Codeshare agreements of Oneworld's airlines

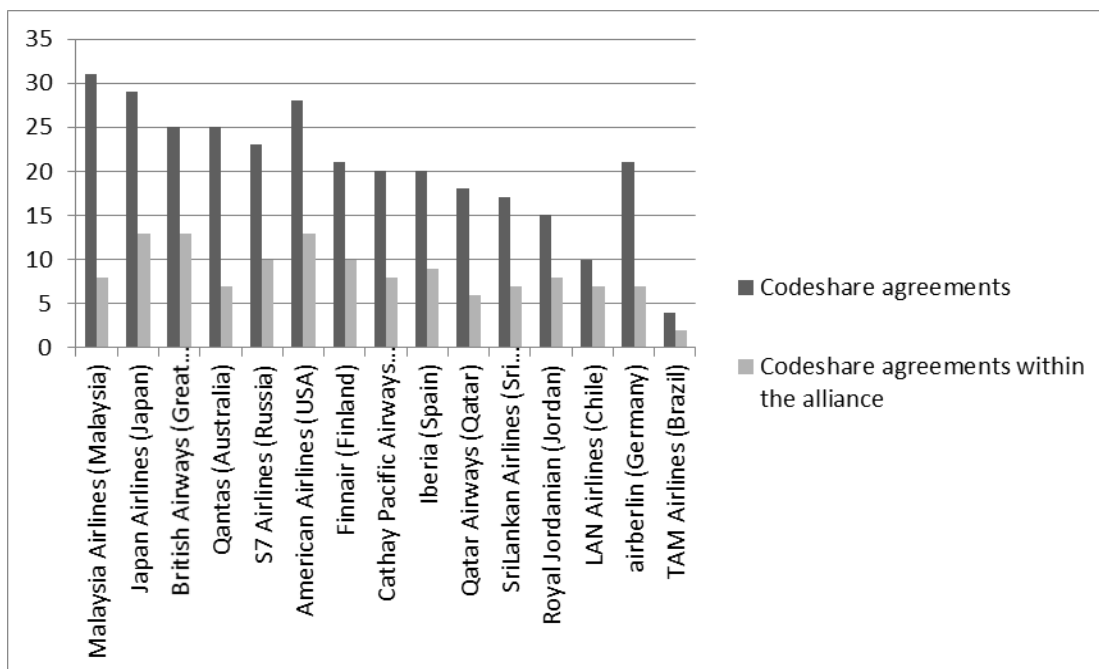


Figure 3. The number of Codeshare agreements of Oneworld's airlines

Number of Codeshare agreements depends on how extensive air route network is and what is its workload. The agreement on "common code" also known as code-sharing, enables airlines to increase its route network in several times.

Interline agreements use the same pattern (agreement between air carriers on the mutual recognition of transport documents). In general, all Oneworld's member airlines have signed Interline agreements among themselves, but they also have such agreements outside their alliance. For example, the Russian S7 Airlines has Interline agreements with almost all members of the alliance, but it also signed them with other world's airlines outside Oneworld that are essentially competitors.

**Conclusion.** Thus, despite the fact that airlines are competitors on many levels, they still cooperate with each other for market expansion of services and route networks, obtaining benefits and additional features.

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