

THE IMPORTANCE OF ENVIRONMENTAL IMPACTS IN THE MARKETING POLICY OF EMIRATES, ETIHAD AND QATAR AIRWAYS

Kucsera Emil

*PhD student, UP FS Earth Sciences Doctoral School, Geopolitical Doctoral Program,
uhh@unh.hu*

DOI:10.15170/TVT.2021.06.02.07

Abstract

The world's airlines are fulfilling their missions in the context of significantly differing geographical, economic, social and political relationships. There are huge differences between abilities; harmonisation, which would create fair and equal operational conditions and competition, has faced many obstacles from the beginning.

There has been a harsh rivalry across the eras of air transport, so it is understandable that airlines are searching for well-defined and distinctive features. Presenting a strong and well-established 'brand' surrounded by a marketing strategy has become unavoidable for the acquisition of passengers and to maintain customer loyalty. This only can be achieved with the help of accurate knowledge of complex environmental conditions and the intelligent use of this.

Emirates, Etihad and Qatar Airways have become world leaders in the last fifteen years. At the heart of their operations is a deliberate brand-building and marketing philosophy, the elements of which have become models for civil aviation practices.

This study reviews the range of environmental conditions; the focus of the analysis is the southern part of the Persian Gulf.

The study seeks to present the geographic and demographic capacities and 'Gulf-specific' characteristics which have created a situational advantage for these airlines and have significantly influenced the economic operation of air transport.

Key words: Emirates, Etihad, Qatar Airways, 'Gulf-specific' characteristics, brand-building

Absztrakt

A világ légitársaságai különböző földrajzi, gazdasági, társadalmi és politikai kapcsolatok mentén töltik be küldetésüket. A képességeik között jelentős különbségek figyelhetők meg, a harmonizáció mely célja, hogy igazságos és egyenlő üzemeltetési körülményeket, valamint versenyhelyzetet teremtesen, jelentős akadályokba ütközött már bevezetésétől.

Kíméletlen versengés figyelhető meg a légiközlekedés korszakai során, ezért érthető, hogy a légitársaságok jól azonosítható és megkülönböztető, ismertető jegyeket keresnek. Az utaslétszám növelésének, valamint az ügyfelek lojalitása megtartásának elkerülhetetlen módja lett egy erős márka és az azt körülvevő reklámtevékenység kiépítése. Ez csak a komplex környezeti feltételek pontos ismeretével és ezen ismeretek megfelelő alkalmazásával érhető el.

Az elmúlt tizenöt évben az Emirates, Etihad és Qatar Airways légitársaságok világszintű vezető szerepet értek el. Működésük középpontjában átgondolt márka építés és marketing filozófia figyelhető meg, melynek elemei például szolgáltak a polgári légiközlekedés más szereplői számára is.

E tanulmány ismerteti az üzemeltetés környezeti feltételeit: az elemzés középpontjába a Perzsa öböl déli része került.

A tanulmány megkísérli bemutatni azokat a földrajzi és demográfiai kapacitásokat és „Öböl-specifikus” jellemzőket, amelyek helyzeti előnyhöz juttatták e légitársaságokat és jelentősen befolyásolták a légiközlekedés gazdaságos üzemeltetését.

Kulcsszavak: Emirates, Etihad, Qatar Airways, „Öböl-specifikus”, ismeretőjegyek, márka építés

1. Introduction and relevance of the topic

This study analyses the characteristics of brand-building and related marketing policy in connection with the business environment in which Emirates, Etihad and Qatar Airways operate, with a focus on presenting the environmental conditions and revealing related synergies, which have played a vital role in the rapid and successful development of these airlines.

The relevance of the topic is demonstrated by the fact that the previous two decades were a distinct chapter for the global air transport, which resulted in the excessive levels of service. In this fierce competition, building on the opportunities of exceptional environmental conditions, new dimensions of brand-building and marketing appeared and came to the foreground in the business policy of the three analysed airlines.

Discussion of the issue might also be interesting because, in this period, Hungarian market research analysing air transport marketing has rarely been published, despite this market sector having become one of the most dynamic and marketing sensitive of the world economy.

On the other hand, surveys of the importance of marketing in air transport are very popular in the international literature. The work of Stephen Shaw in 'Airline Marketing and Management', already in a seventh edition, can be regarded as a comprehensive reference book and was a useful framework for this study. In the book, Shaw catalogues the principles of marketing and describes how these can be applied by thriving airlines. He draws attention to the necessity of adjusting the product/service to actual demand, which airlines must pursue systematically to be able to adapt to changes in the marketing environment (SHAW 2007).

Studies from this period present, from many perspectives, the definitions of brand building, marketing and associated interdisciplines, their embedding into air transport, and their image, extent and importance. However, it is important to note one of the disagreements among prominent representatives of the profession, which relates to the lack of acceptance of a unified definition of brand. Every expert presents their own definition or some nuance of the definition but, so far, no consensus has been reached. The issue becomes more serious for the measuring of brand strength. The question arises of which (and how many) indexes are appropriate to use to determine the value of a brand. There are significant differences between the two existing paradigms. One paradigm is based on customers and relates only to what kind of relationship customers have with the brand (from total indifference, through attachment, to loyalty). The aim of other paradigm is to create indexes in dollars, yens, or euros (KAPFERER 2008).

Aaker developed the theoretical framework for the construction of brand personality by defining the number and nature of the dimensions of brand personality (sincerity, excitement, competence, sophistication, ruggedness) (AAKER 1997).

De Chernatony draws attention to the fact that the classic models of brand management do not take due account of staff as brand builders, instead putting greater emphasis on external issues, such as image. De Chernatony refers to the importance of the personality, character and behaviour of employees, clarifies the significance of culture in brand-building, and discusses how brand performance is associated with adaptive, strategically appropriate culture (DE CHERNATONY 1999).

Garcia assumes that airlines as a lifestyle brand may be the future of air travel, as a new method of adaptation has to be found due to the growth of competition. New uniforms, the modernisation of internal aircraft space, the expansion of air services and impressive technologies—following the expected tendencies—will be integrated into the brand, but in the future the establishment of a lifestyle brand strategy might be particularly advantageous (GARCIA 2014).

D. Liddell believes that the market is mature enough for the airlines to be represented as lifestyle brands. Passengers expect more and more from airline brands. New solutions and distinctive features are needed. There is too much sameness among airlines. (LIDDELL 2014).

The theoretical aspects of the construction of brand personality, as well as staff activity, cultural issues and the interpretation of lifestyle brand strategies are all unavoidable issues for debate, given that all of them are on the agenda in the case of the Gulf airlines, and play vital, strategic roles. Nevertheless, it is as important to highlight and explore the type of business environment (supportive or inhibiting) in which each one was established and developed. As this requires a complex approach, it is worth highlighting the following facts affecting marketing strategy issues:

- The main product of airlines is transportation from point A to B, and it is a very short term, ‘perishable product’ (IGNOU 2017), as a specific seat on a flight is linked to a specific date.
- The airline market is composed of segments which vary significantly, and which requires different service criteria, different pricing, and the use of different locations in view of the various motivations to travel.
- Market dynamics. Competition between airlines is characterised by exceptionally dynamic changes, one of the incentives for which is marketing. In the marketing field, the marketing mix model (7Ps Marketing Mix) is creating room for manoeuvre.
- Vulnerability, uncertainties. The product (service) produced by the airlines is highly dependent on external (indirect, or less influenceable) environmental factors (airport service units, regulations, safety standards, customs and border control, fluctuation of oil price, natural factors, etc.). Even though in most cases the airlines do not have an influence on these, customers often hold them to account (NIGAM 2016, IGNOU-UNIT 2017).

Emirates, Etihad and Qatar Airways have developed in roughly equivalent business environments during the last 20 years. Despite the airlines’ similar circumstances, there are several differing elements in their brand building strategies and marketing policies. This study aims to explore not only the differences but also the similarities.

It is important to highlight that this study does not aim to further reflect on or substantively supplement the concepts and methods of brand-building and marketing, but only undertakes to demonstrate the integration of opportunities in the business environments of the analysed airlines into their brand values and present the main features of their related marketing philosophies. The study reviews both general environmental characteristics and those which are specific to the Gulf Region, and indicates the similarities, differences and achievements of the three airlines.

2. Method and data

Despite the subject of the study being the role of environmental impacts, the analysis required a complex approach. So, on the one hand, it was felt necessary to systemize and, in several cases, numerically support the natural, economic, geopolitical, social and cultural factors related to air transport and, on the other hand to thoroughly review the literature and controversial issues in this field (AAKER D. 1996, AAKER J. 1997, ERDŐSI 1998, PAPP-VÁRY 1998, DE CHERNATONY 1999, CHEVERTON 2005, TÖRŐCSIK 2007, SHAW 2007, KAPFERER 2008, WU 2013, AKBAL 2016,).

Air transport is a complex industry, and so brand building in the sector also requires a different approach, with the issue of services being key because the target customer does not own but (only) makes use of the product. Therefore, taking this into account, the compatibility of information coming from different specialist fields has to be ensured.

The items in a broad database of environmental impacts were compared to the content elements built into their brand values and marketing strategies by Emirates, Etihad and Qatar Airways, and causal links were sought between capabilities and their intelligent employment. The effectiveness of this activity was confirmed for the perspective of the past ten years based on the register of SkyTrax.

This study is based primarily on the available databases, annual reports and sustainability reports of the airlines and aircraft manufacturers (AIRBUS, BOEING, EMIRATES GROUP 2009-2018, ETIHAD AIRWAYS 2009-2019, QATAR AIRWAYS 2009-2019), and the statistical data of international organisations and rating agencies (TRAVEL ASSOCIATION 2012, ICAO, IATA 2013-2018, BRAND FINANCE 2015, INTERBRAND 2018, INTERNATIONAL AIR KANTAR MILLWARD BROWN 2019, SKYTRAX 2019). In addition, experiences gained from scientific publications (see Bibliography) in this subject area and information from some significant economic and economic policy journals (AL Jazeera, Washington Post, BBC) were also worth reviewing.

Figures were created from the data of the above-mentioned sources, and then edited with the help of the Corel Draw X7 programme.

For several citations in this study the experiences of an on-site questionnaire were used as part of the ongoing research¹. The completed research may provide feedback in the near future on the underpinnings of service and sales systems, and on the effectiveness and acceptance of the established brand values from the customer perspective.

3. Results

Studies on the brand-building processes and marketing policies of Gulf airlines provide detailed analysis on brand-building strategies, explore the feasibility of each concept or model established for a given mechanism, measure the qualities of the associated services, etc. (ZEITHAML 1988, MUSTAFA 2005, NATARAJA, AL-AALI 2011, CAMPBELL 2016, BOSE 2018). There are only a few studies which present all of this in relation to the business environment or refer to the geopolitical aspects.

Hereinafter, the assessment of the three airlines and their comparison will be carried out in relation to their responses to the challenges of environmental conditions. This issue is also interesting in that the neighbouring Emirates, Etihad and Qatar Airways were established as premium category companies in very similar geopotential environments, under similar natural conditions and with similar cultural heritages; nevertheless, besides their similar interpretations of the possibilities, they display considerable differences.

3.1 Environmental impacts and the range of their significance

The advantages resulting from the geographical location of the Middle East have become more important for air transport as a result of the socio-economic changes of the past half century. In particular, the air transport industries established by the wealthy oil sheikhdoms on the Southern part of the Persian Gulf that are small in terms of land and population, have contributed to expanding the world's tripolar pattern of air transport into a quadrupole. In order to analyse the roots of this development, analysis of the environmental conditions cannot be neglected, as some of them have substantially supported the successful development path of the airlines.

It is well-known that companies operate embedded in their environment, and—in order to become successful—they have to precisely know the conditions directed at them from outside, and which influence their operations and strategic goals. In order to analyse the environment in a wider sense, the PESTEL factors are taken into consideration, and to analyse the competitive environment in a narrower sense the industrial sector (current and potential rivals, customers/passengers, airports/suppliers...) is accounted for (ROBERTS 2005). In this chapter—having forgone the algorithmic PESTEL analysis—we highlighted only the relevant factors which had a defining impact on the business models, growth plans and marketing strategies of Emirates, Etihad and Qatar Airways.

¹ The on-site questionnaire was conducted at several locations—in the airports of Dublin, London, München, Berlin, Wien, Budapest, Nurnberg, and Bangkok—between 20.01.2020 and 14.03.2020.

In order to delimit the environmental conditions, it is worth separately considering their local and global extent. The former is connected to the location which is the base for the airlines (e.g. country, smaller region), while the latter relates to the whole world, but is based on the operations of the analysed airlines, for the interpretation of demographic, economic, political, legal, etc. issues. In the case presented here it is divided into the following:

1. Local factors (Southern region of the Persian Gulf):

- consequences of the geographical location,
- richness of natural resources,
- characteristics of traditions and cultural heritage (social, political, religious, aviation history).

2. Global factors:

- demographic processes,
- economic impacts,
- consequences of the political and legal environment.

In this approach, *the geographical location, the richness of resources of the given location and the inherited social and cultural factors* are the three *main, local, source groups*, which, directly or indirectly, have profoundly influenced the room for manoeuvre of the three airlines from their establishment to this day. The environmental factors include general options that are accessible to and that can be carried out by a wide range of market participants, and '*Gulf-specific characteristics*', which are linked exclusively to this location and can only be realised there, which means that they do not occur together in this form in another place. In practice these represent the operational framework through which Emirates, Etihad and Qatar Airways were able to create and strengthen their brand values. These opportunities gave them exceptional business and marketing advantages against their competitors over the last two decades.

The timely recognition of the advantages of their geographical location—which is the 'halfway' position between the developed West the faster developing Asian region and the unexploited resources of Africa—and its integration into the content of their brand identity soon helped them become global airlines.

The dynamics of the whole process was generated by the wealth of hydrocarbons that represents an unparalleled resource. Emirates, Etihad and Qatar Airways—practically without antecedents—were able to define themselves as companies with premium quality but moderate prices, and as sponsors of sport, arts and culture, who are at the forefront not only in passenger transport but also in cargo transport, and in addition are innovators in safety and environmental protection.

Some of the environmental impacts represent further cost advantages and support for brand-building: locally available fuel without significant transport costs, economic system and operational conditions (aeronautical capabilities, the possibility to operate airports 24/7) and the benefits of the region's historical heritage. These latter include the social structure and customs, the characteristics of the wage, insurance and trade union systems, competitive and integrated administration, and the culture of aviation history tradition (GRIMME 2015).

The operations of the three airlines over the last two decades may be assessed only in relation to and in the context of global demographic and economic processes, as a significant realignment has occurred in the field of air transport. While at the turn of the millennium, traffic was mainly taking place in the USA, in the EU and in the Transatlantic Region, which has the greatest economic output, the centre of gravity has increasingly drifted eastwards (QUAH 2011). The group of countries with the greatest population is in Asia, and economic development and, in this context, urbanisation and the widening of the middle class are most powerful there (KHARAS-GERTZ 2013). As the main driving force for air transport is economic growth and prosperity, Asia and the Middle East have become the centre of international aviation flows.

The fastest regional traffic growth is forecast in the Middle East, and the region's airlines may account for 11 % of world air traffic in 2030, compared to 7 % in 2010 (AIRBUS 2017-36). The projection of business policy built on this advantageous position can be seen in the unique brand elements and in the processes and techniques applied in marketing: the selection of aircraft types and their configuration, the 'personalising' of service requirements, the internationalisation of staff, and the policies for selecting destinations, but also in relation to style and communication.

The emergence of the Gulf airlines has also brought many legal issues to the surface. Towards the end of the 20th century, the legal background of air transport—although to a diminishing degree—favoured the operation of traditional airlines and aided their global acquisitions (ERDŐSI 1998). Afterwards, the main goal was to create an operation independent of the state and of state aid, but the newly arrived, 'upstart' airlines followed a totally different path. This was mainly demonstrated by the fact that they were state-owned companies with unlimited capital, and in the process of diversification—with strong political determination—the strengthening of national air transport was seen as the opportunity to develop and progress technologically. Accordingly, robust revenues from their natural resources were deployed into the development of this industrial sector (new planes, aerotropolises, aggressive marketing, brand-building). This represented a complete reversal in the direction of business policy, which determined the dialogue between the influential participants in air transport (USA, EU, Gulf airlines) for a decade and a half.

The political and geopolitical attack was not only a global one directed at the three airlines from the outside, as the participants did not avoid local competition with each other. In 2017, the diplomatic blockade against Qatar exposed the tensions within the industry.

Initially, the three airlines began under almost identical conditions (KUCSERA 2019), although Dubai lacks the natural resources of Abu Dhabi and Qatar (SORKHABI 2010, INTERNATIONAL ENERGY AGENCY 2015, MISHRIF, KAPETANOVIC 2018, CEIC 2020a, 2020b, CIA 2020, UAE, MINISTRY OF ECONOMY 2020,). Recognizing this, Dubai was the first to emphasize the need for diversification, which was the main direction for development of air transport and the transformation of Dubai into an influential destination.² The rulers of Qatar felt that the successful example of Emirates had to be followed, and in 1997 they put the state's existing, stagnant airline into a new gear. The (almost) unlimited opportunities resulting from Qatar's natural gas assets gave it economic freedom. As a result of ambitious plans and ongoing innovation, Qatar Airlines became the second strongest airline in the region, although Doha—for the time being—cannot match the attraction of Dubai, which would be of key importance in catching up. The founding of Etihad seemed to be more comfortable due to Abu Dhabi's oil economy (in practice, Etihad was able to start from the best position among the three airlines), but the company made some mistakes in its business strategy, brand-building and marketing policy. This required economy measures, a complete purge of senior management and the rethinking of its business philosophy.

3.2. Brand-building and marketing policy characteristics in the system of environmental conditions

The almost identical environmental conditions and supportive government engagement for all three companies meant the possibility of creating a stable brand value and implement such a costly marketing policy was barely affordable for the competition.³

² Dubai is among the 8 most influential cities of the world according to several indexes since 2015, and it is on the 6-7. place tied with Paris on the list of the most visited cities (Most important cities to UHNWIs in 2015: 8. (DORAN 2016), The World's Most Talked About Cities: 6. (ING MEDIA 2020), The World's Best Cities: 6. (RESONANCE 2021), The World's Most Influential Cities-Forbes 7. (KOTKIN 2014)).

³ The Gulf airlines spent the 3-3.5 % of their income on advertisement, sponsorship and marketing costs in years of strong developments, which is nearly 1 milliard USD in case of Emirates. (EMIRATES 24/7 2008, EMIRATES GROUP 2017, ETIHAD 2017)

Despite this, and beside many substantial equivalences, the current positions in the rankings are represent both similarities and differences. The reasons for these could be explained by:

- the years spent on brand-building and differences in experiences,
- the ability to realise the airlines' potential and the lobbying power of the management, and
- the selection of marketing elements applied in brand-building and, possibly, the number and seriousness of erroneous choices.

With regard to the business goals of the three airlines, it can be stated that, by global standards, their capabilities were extremely successfully exploited and professionally built into their brands (KNORR– EISENKOPF 2007, ASHRAF 2014).

According to Kapferer, any brand can be recognised through its characteristics (KAPFERER 1986). The hexagonal prism that he created defines the six characteristics of a brand. If we fill this indices with the content represented by the analysed airlines and compare them, then the results show many similarities. The most important characteristics can be summarized as follows:

- Emirates, Etihad and Qatar Airways similarly envisioned a global brand serving a global audience with an ever-growing number of destinations in six continents.
- The exceptional visibility for customers is represented by calligraphic logos, tangible colours, slogans believed to be of great importance ('Hello Tomorrow', 'Bringing Abu Dhabi to the Skies', 'No Borders, only Horizons') and convincing flawlessness, albeit with barely perceivable psychological differences.
- The character of their brands transmit that 'they' are Gulf Aviation, and they can always be expected to offer the highest level of service standards as result of innovation and revolutionary solutions.
- They attempt to introduce principles and values on all platforms such as community thinking with customers, reliability, environmental protection, and safety without compromise.
- In terms of communication with the target audience, air transport offers a unique opportunity, given that an extremely direct and permanent relationship with the customers is possible. World-class customer service, extreme catering, luxurious lounges, and the feeling of offering 'more than just an air travel' predominate at all three of the airlines. Emirates and Qatar Airways, especially, are world leaders in the industry in presenting this on social media channels (Facebook, Twitter, Instagram and YouTube) (STORYCLASH 2018).
- All three airlines would like to be seen by the passengers as affordable, but especially as value-for-money companies offering luxury services and slowly becoming lifestyle brands. Demand for this is (as yet) only emerging to a lesser degree. An earlier survey of these airlines showed (MANTUR 2015) that passengers are not ready in large numbers to tie themselves permanently and loyally to a specific airline. Airlines are expected to deliver transport rather than ancillary services, and many passengers do not even know where to start with the excessive onboard pampering. In our concurrent survey⁴, 87 percent of the respondents—in addition to acknowledging the high standards—characterise the three airlines as expensive, and many of them regard the unrealistic supply of services as superfluous.

Different responses have been given by Emirates, Etihad and Qatar Airways to many significant questions about the details of their brand-building processes. It is worth highlighting some of them: the composition of their fleets, the issue of participation in alliances, or the global acquisitions policy. All of these have far reaching consequences. Emirates is the biggest operator of the two jumbo jets currently on the market⁵, this not only demonstrates the company's economic and financial strength, but also provides exceptional efficiency on long-haul flights.

⁴ See Footnote 1.

⁵ Emirates operates the biggest fleet of Airbus A380 (117) and Boeing B777 (153) fleets.

The fleets of Qatar Airways and Etihad consist of various sizes of aircraft and so they are able to serve both the long-haul and short-haul markets and different sizes of airports. Since 2013, Qatar Airways has been a member of the OneWorld alliance, which has a global presence of more than 1,000 destinations in 150 countries, although Emirates and Etihad are not part of any alliance. There is a huge difference between the airlines in terms of expansion. Etihad and Qatar Airways are using acquisitions to broaden their presence among the global airlines⁶. Nevertheless, there are differences between them; while the latter has made beneficial investments, Etihad's several failures have caused it significant material loss and loss of prestige⁷, and this has resulted in a worsening annual balance sheet, battered the reputation of its brand, and has also required changes in its market policy.

Emirates has the marketing strategy with the longest pedigree, which is also the most comprehensive and complex. Qatar Airways and Etihad joined the competitive air transport market 12 and 18 years later respectively, but they have become market participants with similar levels of power due to the similarities of the factors involved in their founding, including the experiences gained from the 'neighbouring source'.

All of these airlines recognised that professional acknowledgement at a global level is only achievable through offering a high level of service, quality content that is renewed from time to time, and the presenting of a unique image. Today, marketing in the air transport sector is at the stage of specialised companies developing complex aviation concepts and trying to optimise their entire supply chains.

In line with the theory of the service-centred marketing strategy, all three airlines follow the steps of 7Ps Marketing Mix strategy, illustrating that they want to make use of the entire range of marketing opportunities without compromise (BHASIN 2017). This study does not aim to present the layers of the above-mentioned marketing structure in full, but to highlight some substantial aspects of a few categories and the more noteworthy company-specific elements and differences.

PRICE. Price is a very sensitive area; it is the hardest to track. Emirates, Etihad and Qatar Airways all emphasise that the price of the ticket is proportionate to the added value. This statement seemed contradictory until recently, as their brands were built at great cost to serve luxury demands. This would presuppose a higher price category, although for many years their flight tickets were substantially cheaper than those of their rivals. Since 2017-18 this tendency has changed; instead of their previous penetration price policy, dynamic price policies adjusting to the supply of the product came to the fore.

Emirates continues to be the guide in price formation, while Qatar Airways currently pursues a price follower strategy⁸, with slightly lower fares. The reason for this could be that the pressure of the blockade since 2017 has shaped its business policy, interrupting its market dynamism, and for now it does not want (or cannot) compete at the same level as Emirates.

⁶ Etihad		Qatar Airways	
Air Berlin	29,20	IAG	21,42
Air Serbia	49,00	Air Italy	49,00
Alitalia	49,00	LATAM Airlines	10,03
Darwin Airlines	33,00	Cathay Pacific	09,99
Niki	49,00	China Southern Airlines	05,00
Air Seychelles	40,00		
Jet Airways	24,00		
Virgin Australia	19,90		

⁷ Losses of Etihad reached 4.7 milliard between 2016 and 2018, which were caused mainly by the unsuccessful minority shareholding acquisitions (REUTERS 2019).

⁸ Going-Rate pricing strategy

PRODUCT. The current product and service offering of the Gulf airlines is the result of the trends and overlapping developments of the last 20 years. *This period represents—in our view—a new era in the history of air transport* and has been influenced by the joint impact of several events. During this period, the three analysed airlines competed against each other in the area of ‘prestige developments’. They were responsible for extending the life of a whole family of aircraft and played a significant role in launching another⁹, have become the dominant operators of wide body jumbo jets, developed the luxury airport as an alternative model¹⁰, provided the direction for aviation safety and environmental protection, and were pioneers in every kind of ground and air handling services. They believe that, with all of this, they have advanced the development of global air transport and benefited the customers at the same time. They were the first to offer the following service offerings: onboard lounge with bar service; private suite with minibar and bath; NASA-inspired zero-gravity seat technology; fully lie-flat and 180-degree rotatable seats (to face each other), dedicated screen for each passenger in every class; individually selectable, high-performance in-flight entertainment system; USB; Wi-Fi connection; menu with special and regional selections. They introduced these trends and set such a high standard of quality that few of their competitors can match it.

PLACE. All three airlines maintain a global network, flying to every continent. As part of its business policy, Emirates introduced (and Qatar Airways and Etihad also later adopted this approach) the targeting of secondary airports in addition to the priority HUBs. Aside from economic considerations, this was a good opportunity to integrate non-connected or lesser-connected areas into their networks. It is well-known that marketing strategies revolve around two factors: to attract and acquire new clients, and to secure the loyalty of existing customers.

When assessing the locations of their operations, it is worth highlighting the Doha HUB of Qatar Airways is one of the highest-ranking airports in the world. Thanks to the level of its services, technology and security, and transit-transfer capabilities, Doha outperforms the airports of Dubai and Abu Dhabi. All three airlines maintain luxury lounges for first class and business class passengers in several cities. These lounges play an important role in marketing by offering sophisticated services (restaurants, wine and cigar bars, wellness spas, relaxation rooms) and the opportunity to mix with influencers.

PROMOTION. There are more similarities than differences among the airlines analysed in terms of their concepts on promoting their market presence. They have similar finances, they have accurately know and profit from the advantages of promotional channels, and they are think in global terms. The focus of their marketing strategies go beyond traditional methods into the area of sponsorship activities. This includes popular sports teams, cultural/musical venues and organisations, alliances, events, and festivals with a global following, and the associated investments¹¹.

PEOPLE. All three airlines are proud of their internationalism, and in particular to the fact that they have staff recruited from all over the world. Their teams¹² come from more than 100 countries, are highly qualified, continuously trained and perform activities at a global level.

⁹ Emirates has become the largest customer of A380, and Qatar Airways initiated the creation of A350-1000.

¹⁰ Emirates is currently building the largest airport in the world; the launch of Etihad’s new airport is under way; the airport of Qatar Airways inaugurated in 2016 was rated with five stars and is currently among one of the three airports of highest quality.

¹¹The most important ones:

for Emirates: Football - AC Milan, Arsenal FC, Real Madrid, S.L Benfica; Rugby; Horse racing; Golf; Baseball; Cricket; Tennis – US, Australian and French Open; Motorsport.

for Etihad: Football - Manchester City; Formula 1 Abu Dhabi Grand Prix, FA Cup; Art and culture – Louvre Abu Dhabi, Sydney Opera house,

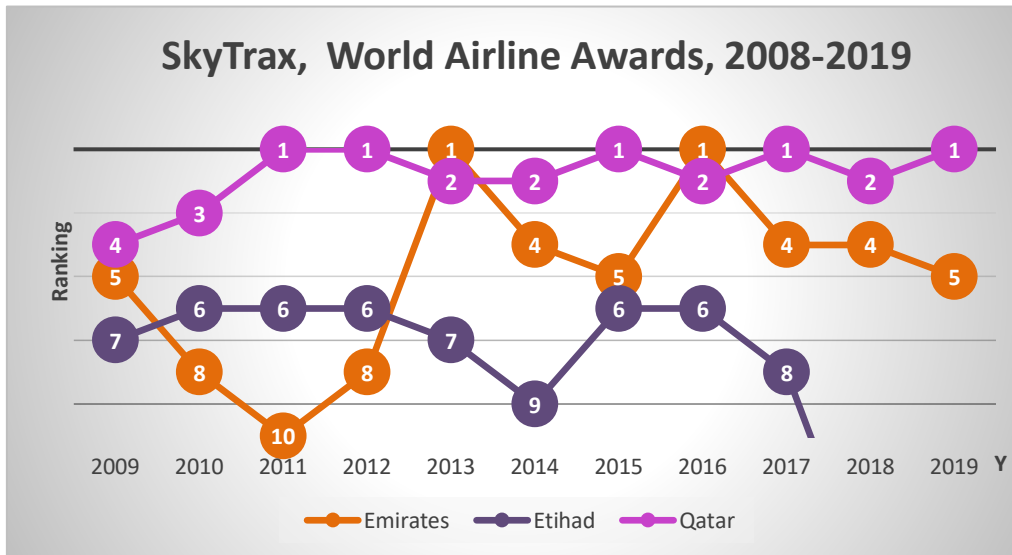
for Qatar Airways: FIFA, Qatar Museums, 2022 FIFA World Cup, 2006 Asian Games Doha, World Tourism Day conference, World Economic Forum, Sky news weather service, Barcelona.

¹² Emirates has 60,000, Qatar Airways 44,000, Etihad 21,000 employees (EMIRATES 2019, QATAR AIRWAYS 2019, ETIHAD 2019).

3.3 Awards and acknowledgements

Their outstanding performance since the beginning of the century has formed the basis for the trio have joining the ranks of the most valuable airlines in the world (Figure 1). (EMIRATES 2009-2019, QATAR 2009-2019, ETIHAD 2009-2019).

Figure 1. The positions of Emirates, Etihad and Qatar A. in the World Airlines Awards between 2008-2019



Source: the author based on the data of SkyTrax, 2008-2019










SkyTrax, an international air transport consultancy, produces objective ratings of airlines, based on global standards, which are accepted as benchmarks among participants in the air transport sector. In the case of airlines and airports, the quality of products and level of service are assessed, and so this acknowledgement can be considered as an internal professional award. The effectiveness of their brand building is confirmed by the report of Brand Finance, which is published in every year. This tracks the 500 most valuable brands through an absolute ranking list and lists by sector. Emirates has been present on the Global500 list since 2009, and in 2015 it was among the 200 top-ranked companies¹³. At this time—when it was the world’s most valuable airline—its brand value was estimated at USD 6.6 billion. From 2012 to 2016 it was the first on the airlines list (Table 1). In the last three years there has been a significant shift with four American airlines (Delta, AA, United, and Southwest) moving to the top of the rankings, and with Chinese airlines (China Southern, China Eastern, Air China) also closing the gap. In the report published in 2020 this tendency continues. Among the 15 most valuable brands, there are 5 North American, 5 Asian, 2 European, 2 Gulf and 1 Australian airline, illustrating the current global balance of power. Emirates still holds its place among the strongest brands in the world, and the 10.3 % increase in brand value of Qatar Airways in a year is also convincing.

It is striking that the assessment of brand value (Brand Finance), on the one hand, and the SkyTrax Airline ratings and World Airlines Awards, on the other hand, differ remarkably. American airlines, which are considered to be the most valuable brands, do not exceed a mediocre placing in the Skytrax ratings or based on the satisfaction rates of passengers, while the premium Asian airlines that represent high service quality and general satisfaction underperform on the list of brands (Singapore Airlines, Thai Airways, Cathay Pacific, EVA Airways, Air New Zealand). European airlines attain only modest places on both lists (with the exception of British Airways, which has a relatively high brand value, and Lufthansa with a traditionally demanding quality of service).

¹³ In 2020, only 6 airlines entered the list of the 500 most valuable brands, and no airline could make it into the 200 most valuable ones.

The Gulf airlines belong to the elite on both lists, even if the temporary difficulties of Etihad spoil the overall picture.

Table 1: Ranking of the main European, Gulf States and US airlines by brand value, 2012-2020.

AIRLINES	2012	2013	2014	2015	2016	2017	2018	2019	2020
 Emirates	1	1	1	1	1	4	4	5	4
 QATAR AIRWAYS	23	21	17	11	9	12	16	17	14
 ETIHAD AIRWAYS	29	26	26	19	18	22	25	28	35
 BRITISH AIRWAYS	11	11	10	6	4	6	8	8	9
 Lufthansa	2	2	3	4	14	11	10	10	11
 AIRFRANCE	9	8	11	12	19	23	18	16	19
 DELTA	4	3	2	2	2	2	2	1	1
 American Airlines	13	17	9	5	3	1	1	2	2
 UNITED	6	5	4	3	5	3	3	3	3

Source: the author based on the data of Brand Finance, Airlines 50, 2012-2020

4. Summary and conclusions

As part of their diversification policy, the Gulf airlines set the objective of developing their air transport sectors. The realisation of this vision was based on their advantageous environmental conditions, strengthened by favourable global processes. The commitment of the corporate leadership and the use of up-to-date technological solutions has resulted in an unprecedented and rapid rise. In parallel with this, they initiated sophisticated brand-building. The three airlines arrived at the forefront of the global air transport sector within a short period.

These airlines recognised that, in the tailwind of the economic boom, they could make a breakthrough by filling a gap in the market, building strong brands on the basis of services, and wholeheartedly applying a new and financially strengthened marketing strategy. Many other players in the market followed, whether through conviction or external pressure, their innovations, strategy solutions and brand-building methods, particularly in the field of services, as these became more and more dominant from in terms of market acquisition.

Despite the results, there have been many contradictions.

The fundamental pursuit of Emirates of the acceptance and broadening of the 'lifestyle-brand' image has remained illusive, as outstanding performance was achieved only at the level of the premium classes reserved for the narrow elite. As this is not sufficient to fill their twin-aisle jumbo jets, a slow shift has been detectable in their business policy.

Despite the 5-star Etihad Airways having seen an unprecedented growth rate, the airline has had to face serious challenges due to mistakes it has made in the last five years.

The business and marketing philosophy of Qatar Airways has confirmed the potential of its unlimited capitalisation. The state-owned and managed company has been able to build up its brand image without compromises. Although the blockade that has been imposed against them since 2017 has caused serious losses, the company has shown strong resilience. Thanks to their favourably fleet size, capital background and successful diplomatic skills, they have the best chances of moving forward among the three Gulf airlines.

In conclusion, it can be established that the last two decades of air transport have been characterised by a higher level of competition than ever before with the expansion of the Middle Eastern and Asian airlines. The brands introduced by Emirates, Etihad and Qatar Airways have become well known and accepted. Their exploitation of favourable environmental impacts has contributed to their successful operations.

The (near) future will answer the questions of the extent to which the tangible and service assets introduced by expensive elements, which are currently still a sensation in the market place, can be utilised profitably tomorrow; whether there was justifiable and real consumer demand for them; and which of these brought forward the development of air transport. Besides the many technological, safety and environmental-protection developments by the airlines which are now widely accepted, their concept of using exclusively wide-body aircraft, their argument for unlimited luxury, the plethora of premium food, drink and toiletry products providing temptation (plus additional charges), and their promotional investments are questionable. As a consequence of the current crisis, the answers will come sooner than expected.

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