



**Universitat Ramon Lull**

## **DOCTORAL THESIS**

Title	ALLIANCE PORTFOLIOS AND VALUE CREATION: THEORY AND EMPIRICAL EVIDENCE FROM THE GLOBAL AIRLINE INDUSTRY
Presented by	ULRICH WASSMER
Centre	ESADE – ESCUELA SUPERIOR DE ADMINISTRACIÓN Y DIRECCIÓN DE EMPRESAS.
Department	BUSINESS POLICY, HUMAN RESOURCES AND INFORMATION SYSTEM
Directed by	DR. PIERRE DUSSAUGE DR. MARCEL PLANELLAS

## **DEDICATION**

Für Cristina und Fabio.

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# **ABSTRACT**

## **Alliance Portfolios and Value Creation: Theory and Empirical Evidence from the Global Airline Industry**

Ulrich Wassmer

Do alliance portfolios matter? How do resources accessed from multiple simultaneous strategic alliances with different partners affect value creation and value appropriation? Do alliance portfolios explain heterogeneity across firms with respect to the value that they derive from entering into new strategic alliances? This dissertation builds on insights from the resource-based view of the firm and the strategic behavior and competitive dynamics literature and advances a theoretical model that addresses value creation and appropriation in firms that access resources through multiple simultaneous interfirm alliances with different partners. The model illustrates that value creation on the alliance portfolio level is a function of the value created from synergistic resource combinations involving resources accessed from different partners as well the value destroyed by incompatibilities between a focal firm's resource combinations and those deployed by its partners. Based on this theoretical model, empirically testable hypotheses are developed in a marginal setting, in which a multilaterally connected firm adds one new strategic alliance to its alliance portfolio. The hypotheses are tested using an event study method approach and data from the global airline industry on codeshare agreements formed between 1994 and 1998. The results show that the market on one side rewards firms entering into strategic alliances with partners that possess complementary resources and that contribute resources that cannot only be combined with firms' own but also existing relational resources and that are compatible with the

firms' alliance portfolios. On the other side, results show that the market penalizes firms entering into alliances that contribute resources that are alliance portfolio incompatible in the sense that they create a competitive conflict with some of the existing alliance partners. The findings of the empirical part of this dissertation support the view that alliance portfolios affect the performance of firms entering into strategic alliances. This study concludes that resources accessed through interfirm alliances should not only be evaluated on their standalone and dyadic attributes but also in the context of alliance portfolios.

## **KEYWORDS**

Strategic alliances, alliance portfolios, interconnected firm, resource-based view of the firm, strategic behavior, value creation, value appropriation, resource complementarity, resource incompatibility, firm performance, event study method, airline industry