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**Resource combining and governance mechanisms in brand alliances:
A path to analyze value creation**

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Abstract

In this paper we study the value creation process in brand alliances by analyzing the combination of resources both inside and outside the firm with the use of different governance mechanisms. Referring to the study on strategic alliances, we build a conceptual model to show three types of value that can be created in brand alliances: consumer value, financial value and competitive value. These values depend on strategic objectives of actors who mixed their resources by using different types of governance mechanisms (such as contracts, informal devices). We use a qualitative methodology to apply this model to two brand alliances on the fair trade and the nutritional health markets. We show that the value created for consumer and organizations results from the combination of the resources of the owners' brands and of their partners as well as from the owners' ability to mobilize appropriate governance mechanisms to reach their strategic objectives.

Keywords: alliance, brand, governance mechanisms, resource combining.

Resource combining and governance mechanisms in brand alliances: A path to analyze value creation

Introduction

Defined as “a combination of two or more existing brands into a joint product or marketed together” (Keller, 2003), brand alliances are considered as a strategic trend particularly significant for small and medium enterprises. Indeed the difficult conditions of differentiation strategies, such as the high levels of entry barriers for advertisement and of the research and development budget, put these small and medium firms in the search for new strategic marketing opportunities: the brand alliance is one of them.

Most of the researches that have been focused so far on brand alliances have mainly pointed out the importance of phenomena such as attributes complementarities, spill over effects, consumer behaviors, and market conditions. In consequence, these researches have tried to understand the conditions of success in considering the value creation that will stem from the brand alliance as a given fact (Ghosh and John, 1999; Abratt and Motlana, 2002). The question of value creation, which underlies any strategic decisions to bring together two brands, has been frequently neglected. As in any differentiation strategy, partners who decide to join their efforts in a marketing strategy will have to cope with the question of value creation, i.e. the specific resources of any kind that the companies involved in the alliance will have to create, sustain and, more important, combine in the long run in their new offerings.

The main objective of this research is to show how resources, both inside and outside the firm, are combined together in the context of brand alliances in using specific governance

mechanisms. Indeed, as shown by the strategic alliances literature (Das and Teng, 1998; 2000) strategic assets in alliances are mobilized by actors in complex forms of organization in order to reach certain strategic objectives. Brand alliances, seen as specific strategic alliances, are not different from that point of view. Internal and external governance mechanisms, such as contracts, informal devices and joint committees are commonly found on the field of brand alliances. So the research question of the paper is to understand, in specific processes of the value creation, the way to combine resources together and the underlying logic of this combination in brand alliances.

Brand alliances are not outside market conditions, but are on the contrary highly related to market conditions (for instance a fierce competition), to managerial and scientific interests (specific needs for differentiation, importance of knowledge transfer from research to private companies), and to legal aspects. This is why the contingency dimensions of the phenomenon are of particular interest.

We will focus our study on food markets, and more specifically on health and fair trade food markets. Indeed these markets have been characterized by significant trends such as price competition lowering the importance of brands, and at the same time by increasing legal constraints (mainly due to several severe food crises). Last but not least, societal aspects such as nutrition problems (the rise of obesity) and international trade (poverty in developing countries) issues have also tremendously impacted the image of brands.

The paper is organized as follows. In the first part (2), we define the analytical grid necessary to study brand alliances from the perspective of resources, resource combining and governance mechanisms. In this part, we put forward the question of value creation in general and also related to the question of its origins (i.e. the value creation process). We show that this origin can be related to the consumer side as well as the producer side. In focusing on the

producer side, we propose to develop, in line of reasoning with researchers of the IMP (Industrial Marketing Purchasing Group) tradition, the idea of a matching between resources and governance mechanisms. Then we propose a complete analytical grid of value analysis in brand alliances based upon a limited number of components: behaviors and objectives, resources and governance, and value-based outputs of the alliance.

In the following part (3) we apply this framework to two case studies in the food market, and more especially the fair trade market for bananas, and the nutritional market for dairy products, through a qualitative methodology in the spirit of Yin (2003) and Eisenhardt and Graebner (2007). These two cases that have been mobilizing in previous works (XY) combine a private brand with a private certification brand for the first case, and with a collective brand for the second case. The new analyze in this research is the match between resource combining and governance mechanisms in the value creation process in brand alliance. We followed an abductive approach through interviews, secondary data as well as indirect sources. We apply our analytical grid to these two cases with the objective of investigating the interplay between the specific combinations of resources, governance mechanisms and value positioning strategies. In part 4 discussions of the results and concluding comments are drawn from the case studies, illustrating the relevance of a contingent approach, of analytical views of differentiation strategies based upon the basic concepts of the IMP (Industrial Marketing Purchasing) research tradition, where the proper design of a few relevant organizational components is at the core of the firm's success.

1. Conceptual model

In a global view, brand alliances represent a specific type of strategic alliance. So we will consider first that its value is best explained as a value for the strategic alliance (or for the

interorganizational relationship broadly speaking). We thus identified several types of value that are created and we will focus on the value created from the partners' side, mainly through interaction processes (2-1). Nevertheless it is necessary to go deeper into this question of interaction: how is value created and through which logic?

Consequently we propose an approach of this question with the help of the concept of resources combination. Partners in the alliance seek to combine their strategic resources in a specific institutional matrix (governance structures and mechanisms) (2-2). Then we propose a complete grid linking the three components of our analysis: objectives and behaviors of partners, resource combination and governance mechanisms, types of value created (2-3).

1.1 What is the origin of value in brand alliances?

1.1.1. Origin of value in inter organizational relationships

According to Ulaga and Eggert (2009), we can encounter value in different disciplines (mathematics, philosophy, and economics). They establish different sources of value creation and value dimensions. In their study focused on the interaction between value creation and value claiming in business relationship, these authors adopt a longitudinal perspective on relationship value. They show that value creation is positively correlated with project satisfaction.

The idea of value is also related to priorities, possibly reflecting a specific time and situation context (Snehota and Carsaro, 2009). They demonstrate that the value judgment shapes actors' behaviours in interaction and gives rise to economic consequences for parties.

Previous research on strategic alliances links value to financial and strategic aspects of the organizations. Referring to Walter et al., Ritter and Gemünden (2003: 694) present two steps to create value: direct functions and indirect functions. According to these authors,

direct functions such as profit and volume permit the creation of value for the supplier within a given relationship. Indirect functions such as innovation, market access, and scout functions allow value creation for the supplier either in the future of the relationship or in other (connected) relationships. These authors explain value creation in a dyadic relationship between the two companies.

Hinterhuber (2002: 616) notes the importance of coordination and integration of activities to create value in an alliance. Firms are perceived by this author as a bundle of relatively static and transferable resources (Hinterhuber, 2002: 618). He claims that value is created by improving the quality of products or services or by reducing costs potentially at each step of the extended value chain (Hinterhuber, 2002: 617). So organizations that will reduce their costs and will make benefits in an alliance can create value for consumers, for example through quality improvement of the delivered product. He demonstrates that at the beginning of the relationship, an organization (Monsanto company in his article) combines these strategic, cultural and technical criteria to select potential partners. For this author, “strategic criteria ensure that the long-term vision of Monsanto of global sustainability is being translated into a set of competence and opportunity-based indicators. Financial criteria ensure that the relationship with partner companies allows specific payback criteria to be met (...). Free Cash Flow, and Economic Value Added-projections were frequently adopted. Cultural criteria ensure that core values, operating mechanisms, and decision processes are compatible between the companies” (Hinterhuber, 2002: 623).

De Chernatony and Cottam (2009: 302) insist on the fact that previous research focused on the success of a brand combines an organizational view and a marketing view to study and understand the success of a brand. These authors explain: “The marketing function contributes to the brand primarily through brand communications, the strategic management

and development of the brand and the integration of the brand throughout the organization. Managers should receive encouragement to think more strategically about their brand...”.

So we clearly identify that the value creation process in brand alliance, as well as any type of strategic alliance, can be sketched as an interactive perspective between two sides: value for consumers and value for organizations.

1.1.2. Types of value created in brand alliances: consumer value, financial value and competitive value

We refer to previous works on value creation in alliances (Doz and Hamel, 2000) to identify the different types of value in a brand alliance. Doz and Hamel (2000: 44) argue that a firm can create value through an intensification of its competitiveness, through a co-specialization of its resources, and through an appropriation of the acquired know-how.

Similarly, in brand alliances, firms which associate their brands could be potentially competitive or complementary. For Abratt and Motlana (2002) a brand alliance will allow an organization which has an unknown (or less known) brand to acquire a reputation and credibility when it combines its brand with another organization with a know brand. Through reputation and credibility firms search legitimacy. To legitimate their actions to consumers, they can use two main dimensions: trustworthiness and expertise by applying corporate social responsibility principles (Alcaniz et al. (2010: 169). That consists for example: i) to create a competitive differentiation focused on brand symbolic value for the consumer (Ruiz, 2007) by producing products of quality at a lower price (Brammer and Millington, 2006); ii) to respect ethical norms by producing and commercializing products. Corporate Social Responsibility (CSR) allows them to have a competitive differentiation opportunity.

So, in brand alliances, an organization can have a competitive advantage linked to the property and the image of brands. It will acquire a brand image as well as known-how from the better known organization. We can summarize this advantage by the “competitive value” (a value for the organizations).

On the other hand, organizations in brand alliances combine their specific resources and their skills such as product, service, information, knowledge related to the brand (Kapferer, 2008). Using these resources and skills, organizations can increase their sales and at the same time they can reduce their production costs in working together. In this context, they generate a “financial value” (a value for the organizations).

In delivering to consumers a differentiated product with a better quality and in bringing this innovation to the consumers, organizations create a “consumer value” (the value for consumers). Nevertheless, consumers take attention to firm’s behaviors according to the innovative product when they analyze the value created. For consumers, it is important that firms respect really CSR principles around social, environmental and economic rules. “They do not want to feel cheated or manipulated by companies, nor do they want companies to exploit and use their ties with social causes in their own interest” (Alcaniz et al. 2010: 170). For these authors, consumers attempt to acquire guarantees about the company’s goodwill when the brand associates with a social cause.

Also value creation is linked to consumer’s perceptions about firm’s structure when they buy a product. Indeed when firms follow the market orientation by respecting hierarchical structure, information systems process, and by using governance mechanisms in the best way, consumers make a differentiation with others firms. That is a way to create value for consumers (Homburg et al. 2010: 467).

Thus we consider that, in brand alliances, three types of value are created: consumer value, financial value and competitive value. The last two values represent the value created for the organizations which combine their brands and for their partners. We symbolize these three types or ‘families’ of value in Figure 1.

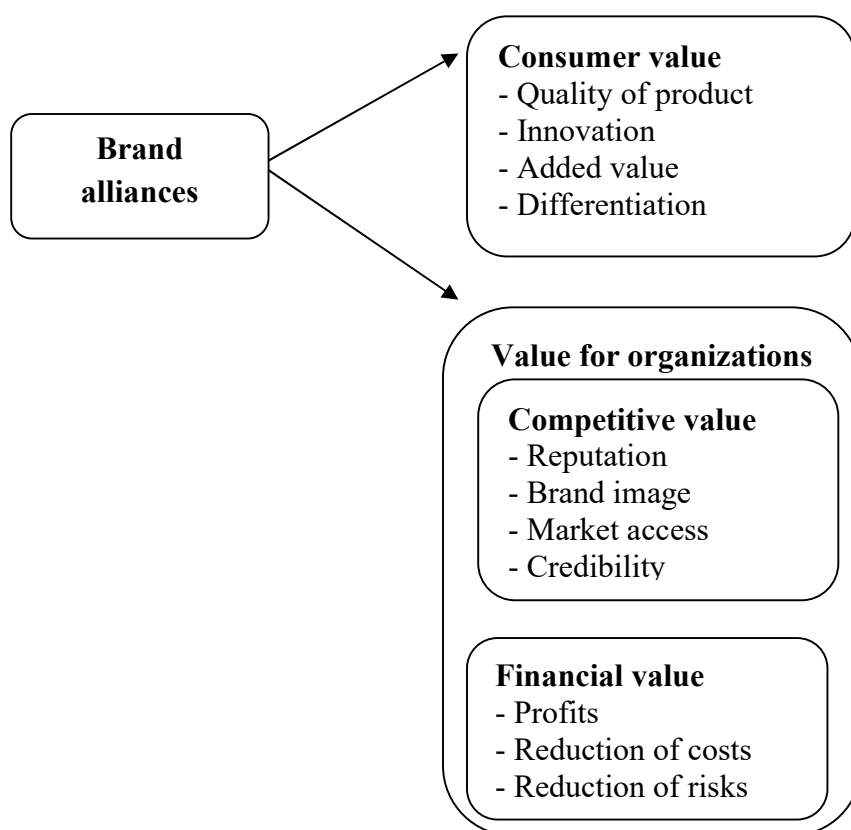


Fig. A.1. The three types of value in brand alliances.

We have identified different types of value created in brand alliances. Now, we will explain how the organizations involved in the brand alliance will proceed to create and maximize these values.

1.1.3. Interaction between actors

According to Schurr, Hedaa and Geersbro (2008: 878) interpersonal interactions generate the resource ties and activity structuring associated with networks. Referring to the IMP group researches (Håkansson and Johanson, 1992; Håkansson and Snehota, 1995), these authors note that each actor represents a node that connects with other nodes in structures comprised of resource ties, activity links, and actor bonds between companies. In addition, they show that the interpersonal trust and commitment will reduce uncertainty in relationships. They demonstrate also that shared norms, cooperative adaptation in a relationship are necessary to sustain the relationships (Schurr, Hedaa and Geersbro, 2008: 879).

Schurr, Hedaa and Geersbro (2008) confirm Medlin's (2004: 185) conclusions in considering interaction processes as an essential analytical concept at the heart of the relationship and network perspective of business markets, as developed mainly by the IMP group: Ford, 1990, 2002; Gemünden, Ritter, & Walter, 1997; Håkansson, 1982; Håkansson and Snehota, 1995; Sheena, Naudé and Turnbull, 2003).

Previous works concerning interaction between actors show us the importance of resources and governance mechanisms in a relationship. So we retain these two elements to explain value creation in brand alliances. This idea of interaction as a dimension of resource combining is well summarized by Gadde and Håkansson (2008: 34) "the benefits from a relationship are in this way strongly dependent on how the two organizations manage to

combine their resources. A relationship can function in two ways in relation to other resources on the two sides of the dyad (...). A business relationship is a flexible and multidimensional resource involving design and redesign of resources and combinations of resources.”

1.2. The creation of value in brand alliances: resources and governance mechanisms

1.2.1. Resources in brand alliances: definition and types of resources

Williamson (1990) defines resources as a set of assets including production capacities, sales possibilities, relational assets (Purchase and Phungphol, 2006). Nevertheless Gadde and Håkansson (2008) consider that there is no “common understanding concerning resource classification” (Gadde and Håkansson, 2008:35). While some authors make a distinction between tangible and intangible assets, others distinguish between physical capital, human capital and organizational resources. Finally all these authors adopt a classification of resources in two main types: physical resources and organizational resources.

In her study concerning the growing commercial activities in the Uppsala region (focused on the restructuring of a pharmaceutical company), Waluszewski (2004: 134) illustrates a way to relate, confront and remodel resources in a relationship. She distinguishes four types of resources: two types of resources are mainly social; organizational units, developed in co-operation process and organizational relationships and in networking processes; two mainly physical: products, developed in buying selling processes and production facilities developed in producing using processes.

In their work, Gadde and Håkansson (2008) give a view of the links between business relationships and resource. For them “the processes of building inter-organizational relationships can be regarded as a flow of resources between organizations”. They consider that the value of a resource is determined through its interplay with other resources. The

underlying processes of companies efforts in this respect are identified as ‘systemic combining’ of resources across firms’ boundaries.

Besides, Håkansson and Snehota (1989: 193) explain the central role of the invisible or intangible assets in organizational effectiveness. They argue that these assets which are knowledge and abilities, fame and reputation, are created in external relationships. In another research, Håkansson and Snehota (2006: 273) defend the idea that it is the flow of resources that defines the boundaries of the firm. They demonstrate that resources are both managed across boundaries and through moving and developing interfaces that at the same time constitute legal boundaries.

How is it possible to relate these general considerations on resources and resource combining in brand alliances? We note that in a brand alliance, similarly, organizations exchange physical (material) and non physical resources (non material, intangible assets) to create value in a relationship.

For Merz et al. (2009: 328), marketing managers might benefit from investing resources in building strong brand relationships with all of their stakeholders and a service-dominant firm philosophy built around brand value co-creation.

In brand alliances the resources are mainly represented by the multidimensionality of brand knowledge, in the sense of Keller (2003). For instance resources are represented by brand notoriety, reputation, technology, cash flow, raw material, clinical studies, schedule conditions (Abratt and Motlana, 2002, Kapferer, 2008). We have in these resources material and non material capital.

The particularity of brand alliances resides in the existence of two types of actors in the relationship. We have brands owners and their partners. So we distinguish among resources in brand alliances the resources embedded which represent resources of brand

owners (in house) and resources outside the brand owners. Resources embedded are specific to each owner of a brand; they represent notoriety and reputation; we can call them the core resources of the alliance. Resources outside the property of brand owners represent resources called secondary resources, embedded in the network of suppliers and customers of each of the brand owners.

1.2.2. Governance mechanisms set up by partners: the role of formal and informal mechanisms

Williamson (1990) shows that, in a relationship, existing contracts between partners are necessary to manage and control the relationship. But the control is assumed to be also necessary in order to adapt and relate effectively hazards to the environment (Pfeffer and Salancik, 1978: 32, in Håkansson and Snehota, 1989: 192).

Other authors explain the importance of institutional norms that are means to solve conflicts (Mohr and Spekman, 1994) and to create cooperation between partners in an alliance (Zajac and Olsen, 1993; Das and Teng, 2000). These mechanisms can be integrated in formal mechanisms.

Other authors elucidate about informal norms focused on trust and informal agreements (Barney and Hansen, 1994; Das and Teng, 1998; Hummels and Rosendaal, 2001).

Following Heide (1994), in brand alliances, Ghosh and John (1999; 2005), Dahlstrom and Dato-on (2004) note that governance mechanisms are developed by partners. They argue that the types of governance mechanisms mobilized may range from simple contracts, to formal joint committee for strategic decisions, or even to informal mechanisms such as trust. These structures may be a direct relationship between the two companies. But the alliance may also involve several firms or even non-business organizations.

The question of the links between governance mechanisms and the use of resources is to be found in the configuration of resources that are mobilized by partners.

1.3. Understanding the diversity of value creation processes in brand alliances: proposal for a grid

In a brand alliance, organizations combine their different resources in line with the objectives assigned to them in the alliance. The individual objectives may converge with the common objectives, but some discrepancies between individual and collective objectives are likely, especially in the long run.

According to Pfeffer and Salancik (1978), Williamson (1990) and Doz (1996) a combination of different resources in an alliance can create dependencies between organizations and will induce possible opportunistic behaviors. Moreover, for Håkansson and Snehota (1989: 189), to accumulate resources in the best way, it is necessary for organizations to match the characteristics of the environment with their capabilities. These authors suggest: “To manage the behavior of the organization will require a shift in focus away from the way the organization allocates and structures its internal resources and towards the way it relates its own activities and resources to those of the other parties that constitute its context” (Håkansson and Snehota, 1989: 198). Consequently the vision of alliances as a constellation of resources brings a perspective on governance mechanisms and structures set up by the partners.

In the vein of Ghosh and John (1999, 2005) works, other studies present governance mechanisms as a solution to solve problems which appear in an alliance (Ulrich and Barney, 1984). Das and Teng (1998, 2000) have also built on this idea of contingency between strategic alliances and forms of organizing exchanges and relationships.

From these previous works on strategic alliances and governance we propose an analytical grid in the form of a three-step chart. Each step symbolizes, in a heuristic manner, the consecutive decisions that will be taken by firms, even if in real life situations these decisions are overlapping.

Firstly, in a competitive context where brand alliances are developed, we think that organizations must adapt their individual objectives and behaviors in a common way, without underestimating possible divergences on objectives. Then secondly the partners in the brand alliances combine adequate resources and governance mechanisms to create the different types of value: consumer value, competitive value and financial value. Referring to previous research on strategic alliances adapted from the literature concerning brand alliances, we identify key elements which allow us to conceptualize this process (Figure 2).

We note that in order to maximize value creation in brand alliances, it is necessary to consider a specific and given combination of resources. Organizations must also consider behavioral consequences when they combine their resources. So the diversity of the value creation is linked at the same time to the individual/global aims of the partners, as well as the behaviors of partners to reach optimization.

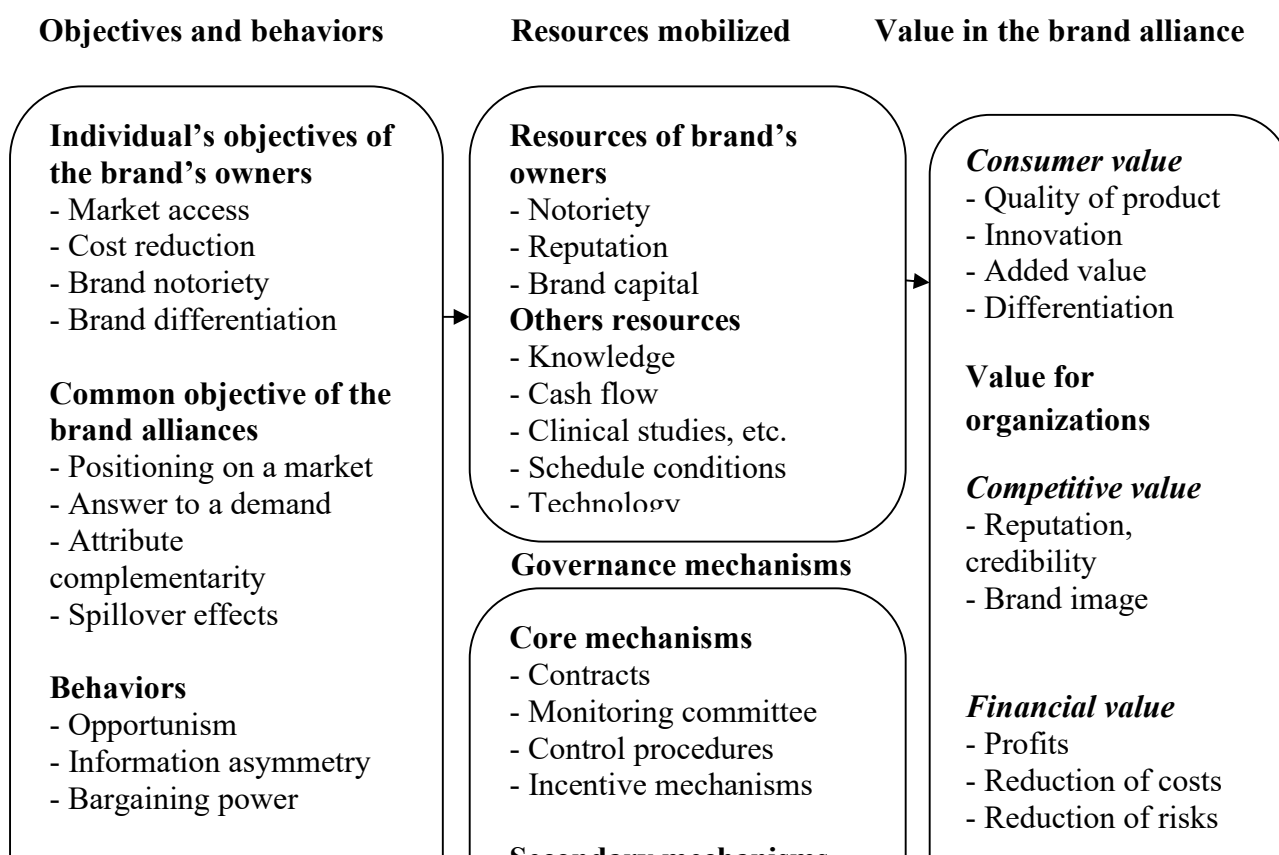




Fig. A.2. The origin of value in brand alliances.

2. Methodology

The analytical grid presented in figure 2 is then applied to two case studies. We first present our methodology (3-1) then the grid is successively applied to a brand alliance on the fair trade market (3-2) and on the health food market (3-3).

2.1. Qualitative approach

Following Yin (2003) in the definition of the research protocol, the selection of the two case studies is done with the objective of an ‘analytic generalization’. As suggest by Yin (2003: 32-33), an analytic generalization is relevant when “a previously developed theory is used as a template with which to compare the empirical results of the study (...). Thus “the use of theory, in doing case studies, is not only an immense aid in defining the appropriate research design and data collection but also becomes the main vehicle for generalizing the results of the case study”.

To collect data we have privileged interviews, which is according to Eisenhardt and Graebner (2007), a very rich source of information well adapted when the phenomena are

either complex or occasional. We conducted twenty seven semi-centered face to face interviews (fifteen in the fair trade market and twelve in the nutritional health market) with executive managers, sales directors of the organizations which joined their brand and with their partners. The duration of the interviews was around 1 hour and 1hour 30 minutes. The questions focused on the main components of our conceptual model: the different parts of the value creation process, governance mechanisms, etc. For example we demand information about the beginning of the brand alliance (objectives of the partners, resources mobilized), the evolution of the relation with the partners and consumers (interaction, contracts and standards applied, the control), the value created (competitive advantage, financial aspect, consumer perception, etc.). We completed these data sending questionnaires (six) to the persons interviewed. Then we collected secondary data in the different companies concerned by the alliance (annual reports, press information, websites etc.). We use the “content analysis” method to identify these main components in the interviews. We completed our analysis using software “QSR Nvivo 8.0”.

2.2. Results of the case studies 1: alliance between a certification brand and private brand of banana

2.2.1. Presentation of organizations

The first case study on a fair trade market relies on an alliance between a private certification brand “Fair Trade” owned by a fair trade association Max Havelaar and a private brand of banana “Oké” belonging to a private company “AgroFair” (Figure 3). The owners of the brands are AgroFair which is an importer of bananas and Max Havelaar which is a fair trade association. The two organizations facilitate a production and distribution of fair trade bananas in developing countries and promotion and marketing of these bananas in developed countries. They work with direct partners like producers, ripening stores, distributors,

certification organization (FLO cert: Fairtrade Labelling Organization), consumers and indirect partners such as voluntary workers, government.

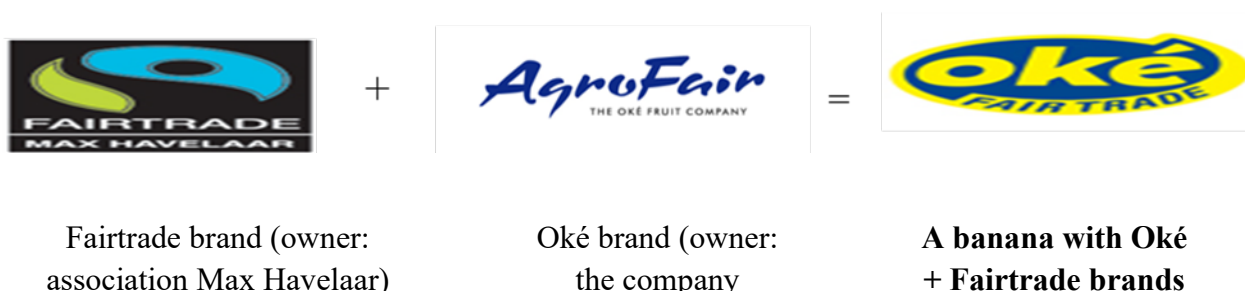


Fig. A.3. Representation of the case study 1.

2.2.2. The value creation process on the fair trade market: case study 1

On the fair trade market we explain how objectives and behaviors of organizations in brand alliances allow one to mobilize resources and governance mechanisms and finally to create value. Indeed, alliances are a reaction to changes in the environment and depend on resources (Spekman, 2009).

In our case study, owners of “Fairtrade” brand and banana brand “Oké” would like to reach the fair trade market and to satisfy consumers who are demanding for product attributes respecting environmental rules and fair trade issues. So organizations will adapt their behaviors, sometimes exchanging information about bananas. They negotiate decision to combine their key resources: brand, communication strategy, financial resources and schedule conditions, etc. Organizations also set up core mechanisms such as contracts between owners of the brands and their partners, social and environmental norms. In addition they mobilize secondary mechanisms concerning cooperation and negotiation to execute the core mechanisms.

Consequently, the alliance allows one to create value and enhance competitive advantage by leveraging and building economics of scale and scope, gaining access to

markets and technology, improving product development, increasing the general level of knowledge (Spekman, 2009). In this case study the value created concerns on the one hand consumer value, for example when organizations deliver bananas which respect conditions of the fair trade concept: environmental norms, equal relation between all the partners applying decisions or sharing benefits. In addition the relationships allow value creation on the other hand for the parties (Snehota and Corsaro, 2009). In this alliance we explain value created for organizations by the competitive value and the financial value. Competitive value represents for example brand image of the “Fairtrade” brand which allows to the owners of the banana brand to reach the market conditions for this type of products and to acquire reputation in this market. Financial value concerns the cost savings and the increase of the benefits which allow investments in social projects in developing countries. We summarize the analysis in figure 4.

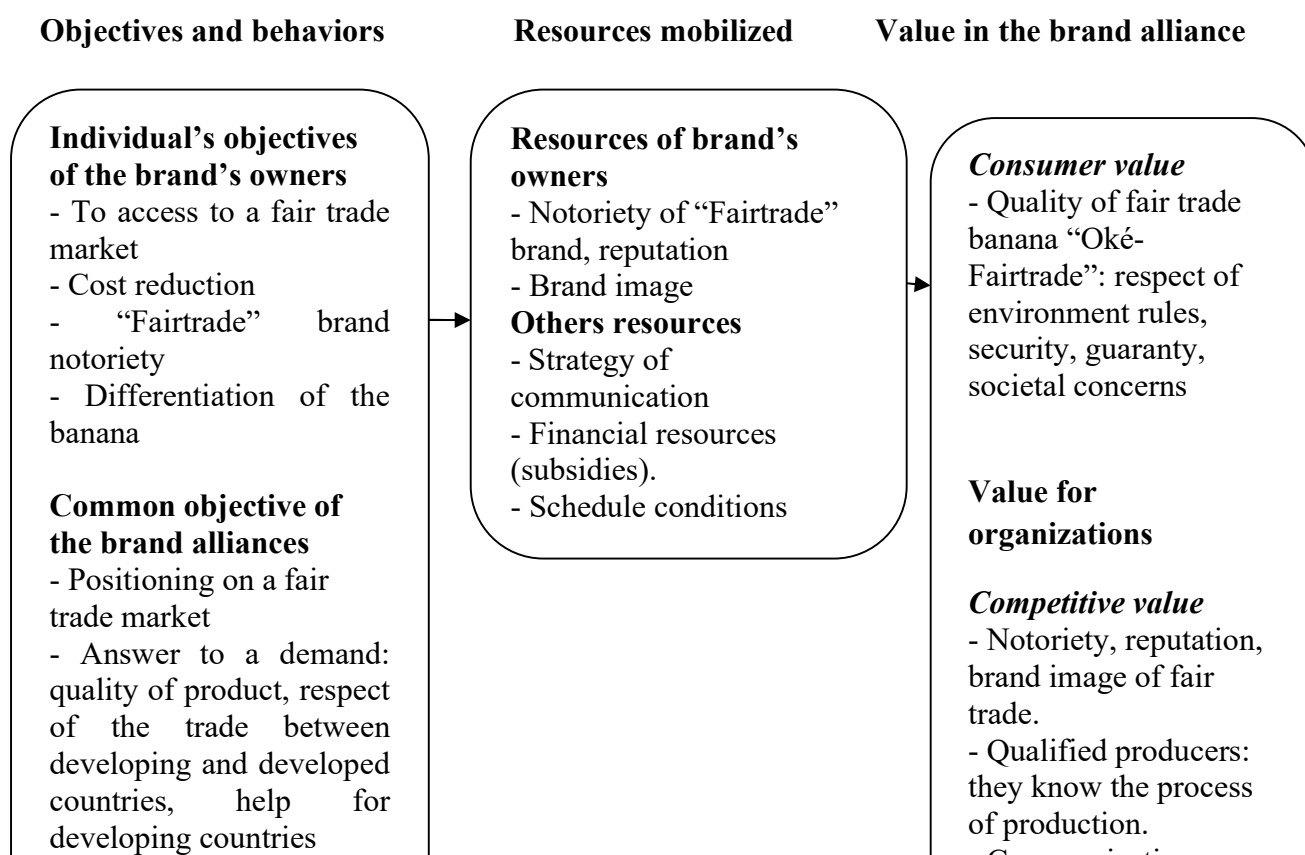




Fig. A.4. The origin of value in brand alliances in case study 1.

2.3. Results of the case study 2: alliance between a private license brand and a milk brand

2.3.1. Presentation of organizations

The second case study on the nutritional health market concerns an alliance between a private license brand “Oméga 3 naturels” belonging to the nutritional health association “Bleu-Blanc-Coeur” and milk brand “Agrilait” owned by the private company Coralis (Figure 5). The owners of the brands are Agrilait and Bleu-Blanc-Coeur association which promote the marketing of a nutritional milk Agrilait-Oméga 3 naturels. The two organizations exchange with direct partners which are flax producers, feed manufacturers, independent

farmers, breeders, food processing companies (dairy companies), distributors and consumers. They also work with indirect partners such as research centers, regional and European institutions.



Fig. A.5. Representation of the case study 2.

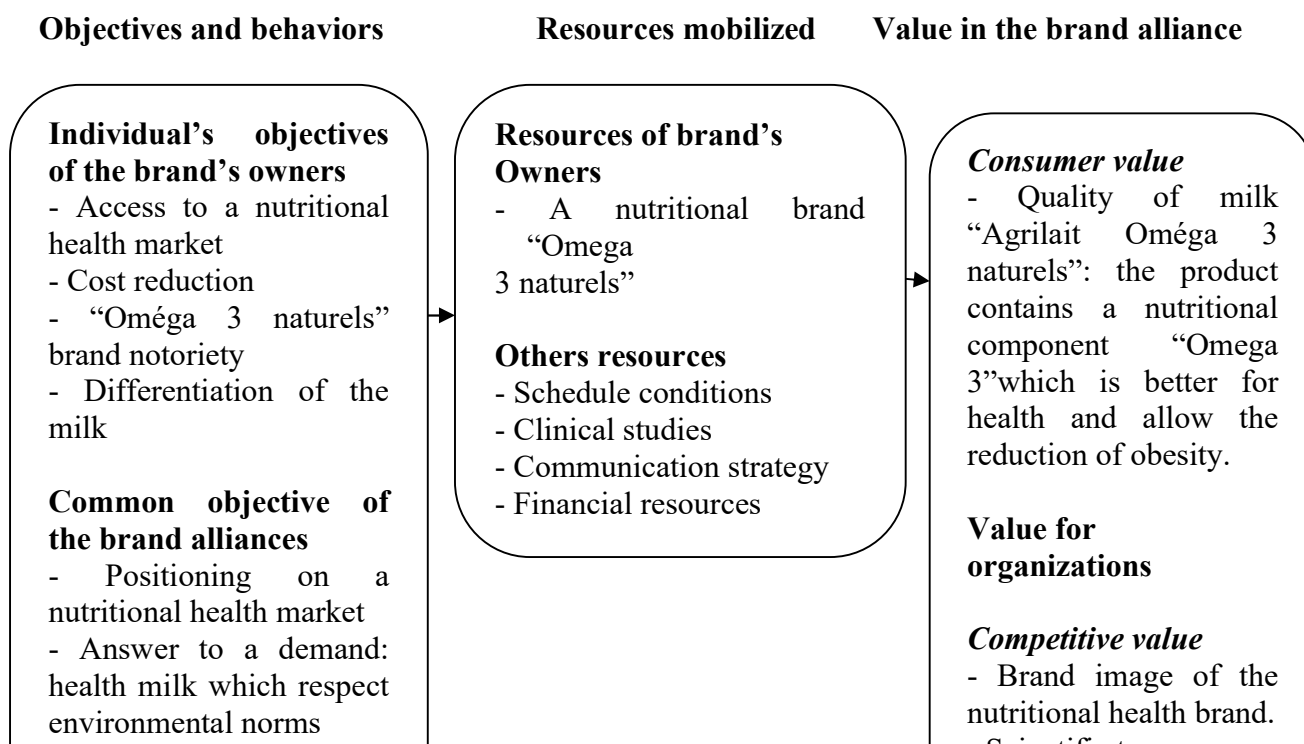
2.3.2. The value creation process on the nutritional health market: case study 2

As in the first case study, we show that on the nutritional health market, objectives and behaviors of organizations are linked to resources and governance mechanisms used and consequently allow value creation in brand alliances. Firstly to answer consumer demand and access to a nutritional health market, owners of “Omega 3 naturels” brand and of the milk brand “Agrilait” combine their individual objectives concerning reduction of costs and differentiation of the milk. So organizations must adapt their behaviors to assemble resources such as brands, schedule conditions, clinical studies which create credibility for the final product, communication strategy and financial resources.

To best apply these resources owners of brands and their partners use core mechanisms (contracts, socials and environmental norms, etc.) completed by secondary mechanisms (exchange of information). These actions in brand alliances allow the creation of value for consumers and for organizations (competitive value and financial value). Consumer

value is expressed by milk containing “Oméga 3” good for health and which respects environmental norms.

As a competitive value we have for example brand image of “Oméga 3 naturels”. When a dairy company combines its brand with “Oméga 3 naturels” brand, it gives to this company a good reputation and notoriety on the nutritional market. Financial value is expressed by the increase of brand owners benefit. We recapitulate this analysis in figure 6.



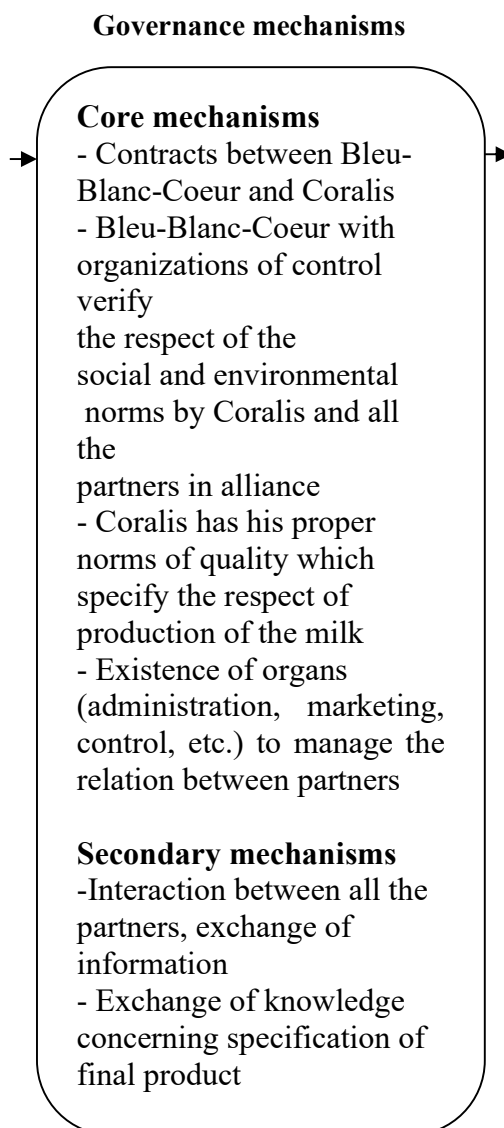


Fig. A.6. The origin of value in brand alliances in case study 2.

Discussion of the results and concluding comments

The two types of brand alliances show us that the individual objectives of the organizations converge on common objectives, combined with elements of opportunistic behavior. Indeed, in a fair trade market the common objective is to ensure quality between organizations which exchange in a fair trade market to sell bananas labeling “Fair trade”, to help producers of bananas and to protect the environment. In a nutritional health market, the common objective is to improve health using a nutritional health component “Oméga 3” in

milk. But at the same time the brands' owners may try to avoid the main constraints such as controls and rules.

We show that to realize the objectives, organizations mobilize their resources and set up governance mechanisms to create value in alliance. Value is created not only for the organizations (competitive value and financial value) but also for the consumers (consumer value). Nevertheless certain organizations can privilege their strategic objectives and try not to scatter information in the relationship when they use resources. Sometimes, an organization can take a strategic decision or/and have a bargaining power because of its control on specific resources. Moreover, organizations must support negotiation costs of contracts, constraints to respect social and environment rules when they mobilize governance mechanisms.

So we note that to maximize the value creation process in brand alliances it is necessary to combine resources in the best way in considering objectives of all the partners to manage their behaviors and to mobilize in consequence the appropriate governance mechanisms.

In this research, we obtain two key results. For the first time, we show that value creation in brand alliances is defined by interactions between resources in organizations, and this resource combining is largely done across firm and/or organization boundaries. The rationale to analyze this process of combining different resources is to be found in the strategic positioning of brands. According to an overall efficiency principle in a competitive context, the best combination of resources, for the partners involved in the alliance, requires the proper use of governance mechanisms to create and sustain value for both consumers and organizations.

A second result of the research is to show that organizations which combine differently their resources could reach a certain level of optimality in their process of value

creation. So we also demonstrate that the diversity of value creation processes depends, among other factors, on the possibilities of exploiting different in house and/or external strategic resources controlled by a large array of governance mechanisms. In the first analysis, it seems that the degree of exclusivity of the brand alliance and the degree of complexity of inter-organizational coordination are two key dimensions to understand this diversity.

Finally, we conclude that the combination of resources is not permanent. Considering the evolution of external conditions (competitive pressure, consumers' behavior) and internal factors (partner's objectives), the partners in the brand alliances will have to optimize the combination of resources and to adapt governance mechanisms.

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