

## **Benefits of Strategic Alliances**

Below is a list of possible and actual strategic alliances. Your task in this activity is to first identify the benefits and risks associated with each of the ventures.

You also need to determine the extent to which customers will also benefit. On the basis of this assessment, you then need to decide whether the alliance, in your opinion, should be pursued.

### **List of Potential Strategic Alliances**

1. A large retailing chain of supermarkets partnering with a bank to provide financial services to customers of their loyalty card program
2. Various mobile phone companies sharing R&D and technical expertise to better compete in the smart phone market against the iPhone
3. McDonald's sponsoring a range of local sports groups and activities to try and associate their brand more strongly with health and fitness
4. Local restaurants offering a discount price in a joint meal/movie sales promotion, in conjunction with the local movie cinema complex
5. Nearby attractions in a popular tourist area undertaking joint promotions and offering joint tickets discount deals
6. Various airlines throughout the world partnering in order to provide their customers with the ability to always fly their airline (or their partners' airline) anywhere in the world
7. Major banks and insurance companies with joint programs, where insurance products are promoted via direct marketing methods to the bank's existing customer base
8. Amazon.com partnering with strongly branded retailers where Amazon handles the logistics (orders, delivery) for the products purchased online by consumers of the retailer
9. Localized colleges partnering with major international universities in order to be able to offer the university's degree programs to their local students
10. Small accounting firm partnering with other professional service providers (such as marketing consultants, home loan brokers, and insurance brokers) to jointly offer a broader range of related services

### **Student Discussion Questions**

1. What are the benefits to each of the potential partners (that is, why would they want to be involved in the strategic alliance)?
2. What are some of the potential risks of this proposed ventures?
3. Which ones in particular offer the most value to the particular firms involved and should be pursued? Why?
4. To what extent do each of these relations increase the value offering to the existing customers of these organizations?