INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

as well as in Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)]

Registered & Listed at: Index Copernicus Publishers Panel, Poland & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 1667 Cities in 145 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

www.ijrcm.org.in

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: **infoijrcm@gmail.com**.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '_____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:
Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:
a) The whole manuscript is required to be in ***ONE MS WORD FILE*** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/ Engineering/Mathematics/other, please specify)
c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d) The total size of the file containing the manuscript is required to be below **500 KB**.
e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9. **MAIN TEXT:** The main text should follow the following sequence:

   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

A CASE APPROACH TOWARDS VERTICAL INTEGRATION: DEVELOPING BUYER-SELLER RELATIONSHIPS

SWATI GOYAL
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
CONTINENTAL GROUP OF INSTITUTES
JALVERA

SONU DUA
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
LOVELY SCHOOL OF MANAGEMENT
LOVELY PROFESSIONAL UNIVERSITY
PHAGWARA

GURPREET KAUR
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
LOVELY HONOUR SCHOOL OF BUSINESS
LOVELY PROFESSIONAL UNIVERSITY
PHAGWARA

ABSTRACT

Vertical integration is a key strategic management decision which requires research support. Existing literature is extensive but is preoccupied with measures of the extent of vertical integration rather than the fundamental effectiveness of the strategy. This paper identifies the key issues relating to vertical integration and the extent to which these are addressed by existing methodologies. The purpose of this paper is to provide examples of how vertical integration can be used to a firm's advantage. Most prior research has focused on vertical integration or strategic outsourcing in isolation to examine their effects on important performance outcomes. In contrast, we focus on the simultaneous pursuit of vertical integration and strategic outsourcing. Using a case study approach, this paper examines four separate business entities that currently use vertical integration as part of their business strategy.

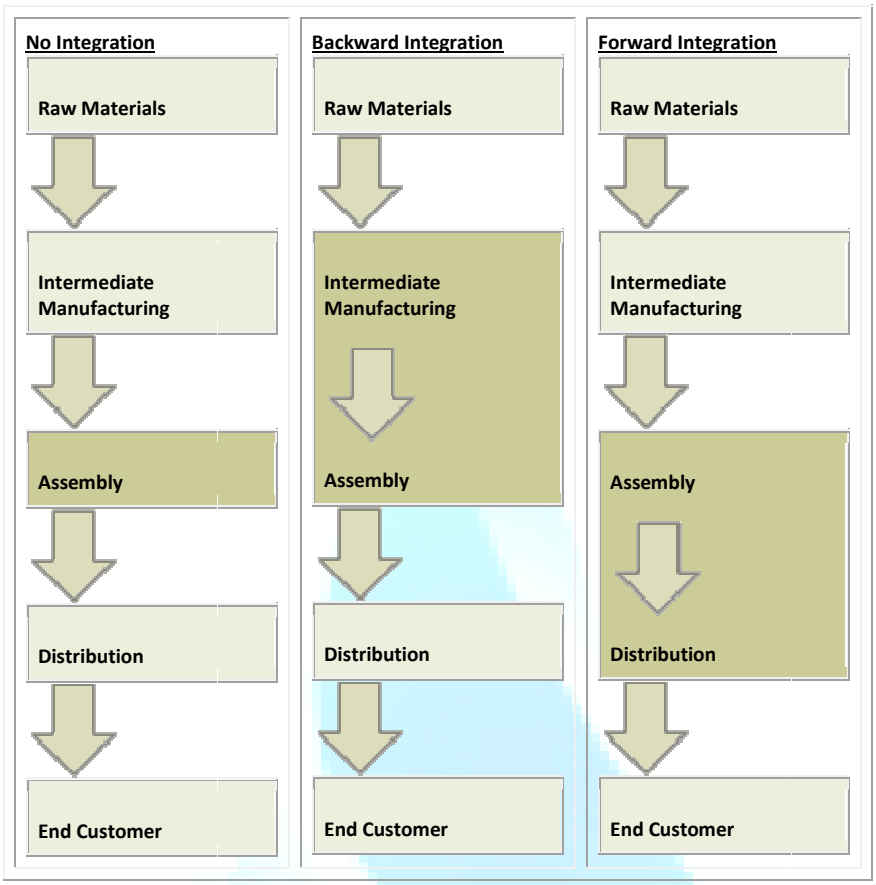
KEYWORDS

Vertical integration, strategic management, buyer-seller relationships, Outsourcing.

INTRODUCTION

Integration is a common term in the enterprise systems literature. Seldom does a meeting occur when the word is not used multiple times and often within quite technical contexts. Unfortunately, our experience is that individuals often have a different understanding of the meaning of the word. Freely speaking, there is a general consensus that integration concerns making applications work together that were never intended to work together by passing information through some form of interface. This is certainly part of the context, but this paper argues that there is more to be said. Since the earliest days of computing, the term "integration" has been used in both the trade and academic literature to describe a process, a condition, a system, and an end-state. Given that these competing labels have very different meanings, their indiscriminate usage is often obscure and invites confusion.

Vertical integration is a process by which an organization owns its upstream supplier or its downstream buyer. When organization goes with vertical integration strategy for expansion in the market, it may impact on industry with respect to cost, differentiation, long term profits, and sustainable competitive advantage. Vertical integration refers to a firm's ownership of vertically related activities. The greater the firm's ownership and control over successive stages of the value chain for its product, the greater its degree of vertical integration. The extent of vertical integration is indicated by the ratio of a firm's value added to its sales revenue. In short term, may be this expansion lead to increase the organization cost, but in long term it will definitely help the organization to earn better profits. Because we assume that the business will work on long term entity principle. According to this concept, the upstream activities is known as backward vertical integration and downstream activities is known as vertical forward integration. It could be better seen with the help of following diagram:-



(Source: Greaver, Maurice F., Strategic Outsourcing: A Structured Approach to Outsourcing Decisions and Initiatives)

THEORITICAL BACKGROUND

A number of papers have examined the competitive effects of co-operation with either suppliers or buyers, but simultaneous research into both types of co-operation is less frequent. Although many papers recommend supply chain integration, very few empirical studies examine more than one link in the chain. Similarly, recent research suggests that co-operation can be affected by contextual variables, but this line of research has hardly been tested. We believe it is important to

fill this gap by jointly researching the effect of co-operation with suppliers and buyers on company performance in specific contexts, and controlling.

Williamson and Ouchi (1981) have asserted that transaction cost minimizing outcomes result from the working out of competitive forces over an extended period. Thus, it is necessary to weigh the evidence in favor of both arguments, since where market power exists it is not obvious what forces firms to an efficiency outcome. This comparative approach takes a cue from **Joskow (1988),** who has suggested that at least one observationally distinct theory should be set up as a rival to the transaction account.

Most of the research into co-operative relationships between buyers and suppliers examines a single link in the value chain, and many focus on the buyer's point of view and supply management. This perspective originated several terms and concepts with co-operative relationships as a principal component: partnership sourcing **(Ellram, 1990),** comakership **(Bevan, 1987)** and lean supply **(Lamming, 1993). Ellram (1990, p. 8)** defines strategic partnership between a buying and a supplying firm as "a mutual, ongoing relationship involving a commitment over an extended time period, and a sharing of information and the risks and rewards of the relationship". Commitment and shared risks and benefits originate the development of other practices such as supplier development, supplier commitment to design, or the implementation of advanced logistics systems **(Gonza´lez-Benito et al., 2000).** A smaller body of research studies co-operative supply relationships between firms from a supplier perspective, and originated the concepts of reverse marketing **(Leenders and Blenkhorn, 1988),** relationship marketing **(Evans and Laskin, 1994) a**nd customer relationship **(Zablah et al., 2004).** These concepts reflect the increase in numbers of active buyers, who are not willing to wait for suppliers to offer them products **(Blenkhorn and Banting, 1991),** and the increase of companies' interest in establishing lasting co-operative relationships with active buyers **(Dwyer et al., 1987; Heide and John, 1990).** These relationships tend to generate value for the supplier **(Walter et al., 2001)** or offer greater value to customers compared to competitors (**Anderson, 1995; Ravald and Gro¨nroos, 1996; Grand and Schlesinger, 1995; Campbell, 2003).**

A number of scholars point out the advantages of interorganisational co-operation **(Dyer, 1997; Powell et al., 1996; Ireland et al., 2002).** In the specific area of buyer-seller relationships, co-operation can generate benefits for both parties in four different ways **(Dyer and Singh, 1998; Ha¨kansson and Ford, 2002; Wilkinson and Young, 2002; Gadde et al., 2003; Williamson, 1999; Madhok, 2002; Cousins, 2002).**

METHODOLOGY

As vertical integration is vast concept, theoretically it could be explained in many ways. But it could be better explained with the practical example of various organization which have been successfully adopted this strategy to enhance a better relationship among buyer and seller. Here are few examples which will highlight some of the dominating factor which the organization gained after successfully implementing this strategy. The purpose of this paper is to provide examples of how vertical integration can be used to a firm's advantage. Most prior research has focused on vertical integration or strategic outsourcing in isolation to examine their effects on important performance outcomes. In contrast, we focus on the simultaneous pursuit of vertical integration and strategic outsourcing. Using a case study approach, this paper examines four separate business entities that currently use vertical integration as part of their business strategy. The four companies are: Bagrrys India, Videocon, Amul, KPR mills. Each company operates in different field, yet they have successfully implemented this strategy.

This paper is based upon secondary data and this data has been collected through various sources such as: Organization web sites, articles, review papers. The figures that are used in different small case lits, taken from various news that were published in the form of articles in different newspaper. Factors such as

(synergy, market domination, competitive edge, competitive strategy, strong raw material source) which have been used for identifying strength of four companies in this paper are taken on the basis of conclusion of all four small cases as well as previous studies

BAGRRYS INDIA

Baggrry's is one of the leading brands of health food in India. They generally manufacture wide range of high fibre break-fast cereals and food items. Bagrry's comes from the lineage of food processing group having experience of 50 years in the food industry. Bagrrys India Limited today boasts of pan India presence. Their high fibre health foods include oat bran, porridge, muesli and oat wheat cereals under the Bagrrys brand name.

The main activity of the group is flour milling. Baggrry's is having three flour mills i.e. Rajdhani Roller Flour Mills Ltd in Delhi, Raibareilly Flour Mills in Uttar Pradesh, and Bagrrys India Ltd. Each of the three group companies supply flour to nestle specially for Maggi, Cadbury especially for Perk and Gems, Glaxo SmithKline especially for Horlicks, Parle and Britannia especially for biscuits.

Then they added two new factories in Himachal Pradesh as part of their vertical backward integration. The units had already been set up to manufacture cornflakes and instant oats, the two new health food categories. It was in addition to its existing production unit in Delhi dedicated to high fibre health foods. The company extended its product mix to include other health food segments such as cornflakes and instant oats. Despite having a heavy health food portfolio, Bagrry's absence in the cornflakes segment was conspicuous. The company had been reluctant to enter the cornflakes segment because of its high taxation structure.

VIDEOCON VERTICAL ACQUISITION

Videocon is an Indian multinational with interest in consumer electronics, home appliances, oil and gas. Videocon was founded in 1987 by Nandlal Madhavlal Dhoot. At that time, it used to manufacture T.V and washing machine. In 1989-90, Videocon started manufacturing home entertainment systems, electronic motors and AC's. Videocon entered into refrigerator and coolers segment in 1991. In 2004, Videocon acquired the Color picture tube (CPT) business form Thomson SA having manufacturing facilities in Poland, Italy, Mexico and China. In 2004, Thomson SA was facing drastic fall in demand of television with CPT in developed countries and Videocon realized that there is an opportunity of selling CPT's in developing countries. The basic reason of Thomson to exit consumer and electronic business was to enter into high growth digital media and technology business. And second reason was heavy losses incurred by Thomson SA. At least 5 companies i.e. LG, Philips, Samsung, Daewoo and Matsushita were running to acquire Thomson SA, but finally Videocon acquired it and this deal stood Videocon into third slot in the global pecking order for CPT's.

Correspondingly Videocon acquired Thomson for Two reasons

- At that time Videocon was having sufficient fund to shift the activities to low cost location and also integrate the operation with glass panel facility in India with CPT manufacturing facility acquired from Thomson SA
- This acquisition helped Videocon in vertically integrating its existing glass shell business, where they were enjoying high profits. This acquisition gave Videocon readymade market for its glass business and it was a part of Videocon long term strategy to have global integrated manufacturing facility.

AMUL DIVERSIFICATION STRATEGY

Gujarat cooperative milk marketing federation (GCMMF) is well renowned name in dairy sector. And they are running their business with the brand name of Amul. Till 2001, they had already established their strong distribution network in Indian market. Then they decided to explore the market opportunities in the form of retailing sector. In 2001, GCMMF entered into fast food market in India with the launch of vegetable pizza under the brand name of snowcap in Ahmadabad and Gujarat as a part of their integration strategy. For this GCMMF planned to open 3,000 pizza retail franchise outlets all over the country

They decided to launch this pizza in four flavors plain tomato-onion-capsicum, fruit pizza, mushroom and Jain pizzas. And they decided to launch this pizza in the range of 20-25 rs. But at the same point of time, domino's or some another competitor was selling their pizzas at rs 39. For this they negotiated with bulk suppliers of vegetables to get these at wholesale rates and gave this benefit to the retailers. The main cost component of the pizza was the mozzarella cheese. GCMMF decided to offer the cheese at a bulk rate of Rs.140 per kg, compared to the market price of Rs 146 per kg, thus saving the retailers Rs.6 per kg.

Now the competitor were worried about the move of Amul towards the new market strategy and GCMMF set the punch line for their product is " A Pizza for Rs.20". Similarly the same strategy they adopted for their other products also such as ice-cream with the same motto of creating an ice-cream for mass consumption item. So that they could enhance their market share and competitor could also reduce their prices.

KPR MILLS

KPR's Journey into textiles began in the year 1984. In 1989, the group ventured into garment exports. Today KPR is a leading garment exporter as well as a largest vertically integrated apparel company, engaged in manufacturing and marketing readymade knitted garments, knitted fabrics and cotton yarn. K.P.R Cotton Mills Private Limited, now known as K.P.R Mill Limited, was originally incorporated on March 19, 2003.

Coimbatore-based 800-crore KPR Mills, which opted for backward integration and started four spinning mills alongside its knitwear units, is today comfortable in its raw material position as it produces nearly three times more than its cotton yarn requirement. For industry like textile, there is always advantageous to have vertically integrated operations as the supply chain is complete. They only need to buy cotton and it goes out as a value-added product. Whereas in separate businesses of spinning, dyeing and garmenting, there will always be ups and downs and sometimes they may face difficulties during certain periods.

Backward integration and consolidation have become crucial to the growth of textile industry as uncertainty in raw material availability and cost has been increasing. While assured quality, timely delivery and savings on transportation costs are clearly the top three advantages in having a vertically integrated operation, today the availability of raw material has turned out to be a crucial benefit for such companies.

FUNCTIONAL INTEGRATION OF ALL CASE LITS

The term vertical integration implies to both sides i.e. Upward and Downward. Sometimes organization enjoys strong position in the market due to strong supply of raw material and some time enjoys higher market share in the form of strong distribution. All the above case lits discuss the long term benefits of the organization. But this strategy gives the different competitive advantage to the different organization, which may be treated as core competency in long run

THE COSTS AND BENEFITS OF VERTICAL INTEGRATION

Changing ideas about the efficiency of large corporations as organizers of economic activity have exerted a strong influence on firms' vertical integration strategies. The prevailing wisdom today is that any benefits of vertical integration tend to be outweighed by the greater advantages of specializing in a narrow range of vertical activities. In particular, vertical specialization is conducive to flexibility and the development of core competencies, while most of the benefits of vertical coordination can be achieved through inter-firm collaboration. Strategies towards vertical integration have been subject to shifting fashions. During the past 20 years there has been a profound change of opinion and the emphasis has shifted to the benefits of outsourcing in terms of flexibility and the ability to develop specialized capabilities in particular activities. Moreover, it has been noted that most of the coordination benefits associated with vertical integration can be achieved through inter-firm collaboration.

Growth can be achieved via vertical integration by taking over a function previously provided by supplier (backward integration) or by distributor (forward integration). This is a logical strategy for a corporation or business unit with a strong competitive position in a highly attractive industry. To keep and even improve its competitive position through backward integration, the company may act to minimize resource acquisition costs and inefficient operations, as well as to gain more control over quality and product distribution through forward integration. The firm, in effect, builds on its distinctive competence to gain greater competitive advantage. The amount of vertical integration can range from full integration, in which a firm makes 100% of key supplies and distributors, to taper

integration, in which the firm internally produces less than half of its key supplies, to no integration, in which the firm uses long term contracts with other firms to provide key supplies and distribution. Outsourcing, the use of long-term contracts to reduce internal administrative costs, has become more popular as large corporations have worked to reduce costs and become more competitive by becoming less vertically integrated.

DISCUSSION AND CONCLUSIONS

No doubt that outsourcing can be treated as safeguard as well as cost saving policy for the organization, but for a short period of time. In contrast to this strategy, Vertical integration is most often justifiable where it leads to either operational efficiencies or some other source of strategic advantage. It also provides so many benefit or edge to the organization in the form of synergy, competitive advantage, attacking strategy, market domination. Firm can integrate with low willingness to pay customer, charging the competitive price, while still charging a high price to the external, high willingness to pay customer Integrated firm would make a single calculation of profit maximizing price and quantity based on true costs, not on costs inflated by above-competitive prices from upstream firms.

With the help of following table, it could be easily understand the actual position of the organization after adopting the vertical integration strategy. The table depicts that the increased strength of the organization on certain parameters:

Factors	Videocon	Amul	Baggrys	KPR Mills
Synergy	Yes	No	No	Yes
Market Domination	Yes	Yes	No	No
Competitive edge	Yes	Yes	NO	Yes
Competitive Strategy	No	Yes	No	No
Strong raw material Source	No	Yes	No	Yes

REFERENCES

1. Anderson, J.C. (1995), "Exchange episodes, value creation, and their empirical assessment", Journal of the Academy of Marketing Science, Vol. 23, pp. 346-50.
2. Bevan, J. (1987), "What is co-makership?", International Journal of Quality & Reliability Management, Vol. 4 No. 3, pp. 47-56.
3. Blenkhorn, D.L. and Banting, P. (1991), "How reverse marketing changes buyer-seller roles", Industrial Marketing Management, Vol. 20 No. 3, pp. 185-91.
4. Campbell, A.J. (2003), "Creating customer knowledge competence: managing customer relationship management programs strategically", Industrial Marketing Management, Vol. 32, pp. 375-83.
5. Cousins, P.D. and Lawson, B.L. (2007), "Sourcing strategy, supplier relationships and firm performance: an empirical investigation of UK organizations", British Journal of Management, Vol. 18, pp. 123-37.
6. Dwyer, R.F., Schurr, P.H. and Oh, S. (1987), "Developing buyer-seller relationships", Journal of Marketing, Vol. 51 No. 2, pp. 11-27.
7. Dyer, J.H. (1997), "Effective interfirm collaboration: how firms minimize transaction costs and maximize transaction value", Strategic Management Journal, Vol. 18 No. 7, pp. 535-56.
8. Dyer, J.H. and Singh, H. (1998), "The relational view: cooperative strategy and sources of inter organizational competitive advantage", Academy of Management Review, Vol. 23 No. 4, pp. 660-79.
9. Ellram, L.M. (1990), "The supplier selection decision in strategic partnerships", International Journal of Purchasing and Materials Management, Vol. 26 No. 4, pp. 8-14.
10. Ellram, L.M. and Cooper, M.C. (1990), "Supply chain management, partnerships and the shipper-third party relationship", International Journal of Logistics Management, Vol. 1 No. 2, pp. 1-10.
11. Gadde, L.-E. and Snehota, I. (2000), "Making the most of supplier relationships", Industrial Marketing Management, Vol. 29, pp. 305-16.
12. Gonza´lez-Benito, J. and Spring, M. (2000), "JIT purchasing in the Spanish auto components industry: implementation patterns and perceived benefits", International Journal of Operations & Production Management, Vol. 20 No. 9,pp. 1038-61.
13. Gonza´lez-Benito, J., Sua´rez-Gonza´lez, I. and Spring, M. (2000), "Complementarities between JIT purchasing practices: an economic analysis based on transaction costs", International Journal of Production Economics,Vol. 67 No. 3, pp. 279-93.
14. Grand, A.W.H. and Schlesinger, L.A. (1995), "Realize your customers' full profit potential", Harvard Business Review, September/October, pp. 58-72.
15. Greaver, Maurice F., "Strategic Outsourcing : A Structured Approach to Outsourcing Decisions and Initiatives"
16. Ha¨kansson, H. and Snehota, I. (1995), "Relationships in business", in Ha¨kansson, H. and Snehota, I. (Eds), Developing Relationships in Business Networks, Routledge, London.
17. Heide, J.B. and John, G. (1990), "Alliances in industrial purchasing: the determinants of joint action in buyer supplier relationships", Journal of Marketing Research, Vol. 27 No. 1, pp. 24-37.
18. Ireland, R.D., Hitt, M.A. and Vaidyanath, D. (2002), "Alliance management as a source of competitive advantage", Journal of Management, Vol. 28 No. 3, pp. 413-46.
19. Joskow, P.L. (1988), "Asset specificity and the structure of vertical relationships: empirical evidence", *Journal of Law Economics and Organization*, Vol. 4, pp. 95-117.
20. Lamming, R. (1993), Beyond Partnership: Strategies for Innovation and Lean Supply, Prentice-Hall, London.
21. Leenders, M.R. and Blenkhorn, D.L. (1988), Reverse Marketing: The New Buyer-Supplier Relationship, The Free Press, New York, NY. Evans, J.R. and Laskin, R.L. (1 994), "The relationship marketing process: a conceptualization and application", Industrial Marketing Management, Vol. 23 No. 5, pp. 439-52.
22. Madhok, A. (2002), "Reassessing the fundamentals and beyond: Ronald Coase, the transaction cost and resourcebased theories of the firm and the institutional structure of production", Strategic Management Journal, Vol. 23, pp. 535-50.
23. Powell, W.W., Koput, K.W. and Smith-Doerr, L. (1996), "Inter organizational collaboration and the locus of innovation: networks of learning in biotechnology", Administrative Science Quarterly, Vol. 41 No. 1, pp. 116-45.
24. Ravald, A. and Gro¨nroos, C. (1996), "The value concept and relationships marketing", European Journal of Marketing, Vol. 30, pp. 19-30.
25. Walter, A., Ritter, T. and Gemu¨nden, H.G. (2001), "Value creation in buyer-seller relationships. Theoretical considerations and empirical results from a supplier's perspective", Industrial Marketing Management, Vol. 30,pp. 365-77.
26. Wilkinson, I. and Young, L. (2002), "On cooperating. Firms, relations and networks", Journal Business Research, Vol. 55, pp. 123-32.
27. Williamson, O.E. (1999), "Strategy research: governance and competence perspectives", Strategic Management Journal, Vol. 20, pp. 1087-108.
28. Williamson, O.E. and Ouchi, W.G. (1981), "The markets and hierarchies program of research: origins, implications, prospects", in Van de Ven, A.H. and Joyce, W.F. (Eds), *Perspectives on Organization Design and Behaviour,* John Wiley, New York, NY
29. Zablah, A.R., Bellenger, D.N. and Johnston, W.J. (2004), "An evaluation of divergent perspectives on customer relationship management: towards a common understanding of an emerging phenomenon", Industrial Marketing Management, Vol. 33 No. 6, pp. 475-89.

ANNEXURE

Question For discussion

1. As a strategist manager of baggrry's, you have to explore the opportunities of different food items in which they can enter (backward as well as forward) as a part of their expansion strategy.
2. In this case lit, Videocon has strengthened its manufacturing by acquiring Thomson group, now you are required to identify the market opportunity for Videocon which would strengthen its forward expansion.
3. You are required to identify that product of Amul, where the organization can adopt vertical as well as forward integration strategy and also identify the situations where they can beat the customers in terms of pricing and distribution
4. As a manager of garment industry, how would you help the KPR mills in forward integration, so that they can easily explore the market opportunity in case of retail sector.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail i.e. **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals