

ADOPTION OF VERTICAL INTEGRATION TOWARDS BUSINESS PERFORMANCE EXCELLENCE: MULTIPLE CASE STUDY

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1. Introduction

Vertical Integration is a strategy that uses corporations to manage their production and distribution. This study investigates how implementation and institutionalization of vertical integration contribute to business performance excellence during economic crises, often regarded as an outdated strategy by recent scholars by using a multiple case study. This study aims to explore why did the case study organizations move to vertical integration as a key strategic initiative and how vertical integration drives the performance excellence of the case study organizations and provides key insights into how vertical integration contributes to a firm's operations.

2. Research Methodology

This study employs a qualitative methodology with realism philosophy and an inductive approach. Data collection involved 16 semi-structured interviews and three focus groups of executive and above level employees. Purposive sampling ensured a representative sample of employee's relevant knowledge and experience. The data were analyzed using thematic analysis, which involved transcribing interviews and focus groups, coding for themes, and systematically identifying patterns to provide accurate and credible insights.

3. Findings and Discussion

This study examines why and how vertical integration enhances business performance excellence in the Sri Lankan retail sector through two multiple case studies. Findings reveal that organizations adopted vertical integration to mitigate supply chain disruptions and reduce costs during economic crises. Vertical integration significantly improved operational efficiency, cost control, and customer satisfaction, aligning with strategic goals.

4. Conclusion and Implications

This study concludes that when referring to the past scholars mentioned that vertical integration is used as a successful tool. However, the present scholars have mentioned that vertical integration is an outdated strategy. By applying institutional theory, this research shows how modern organizations use vertical integration successfully.

Keywords: Business excellence, Retail industry, Vertical integration