VERTICAL MARKETING FOR CONGLOMERATE PRODUCTS: EMPIRICAL EVIDENCE OF TRIADIC RELATION

NEETU ANDOTRA*; DR. POOJA**

*HOD Commerce, University of Jammu, J&K, India.
**Assistant Professor, Department of Commerce, Govt. Degree College, Udhampur, J&K, India.

ABSTRACT

Triadic perspective in vertical marketing provides logic for synchronizing the nodes, levels, links and activities with rapid response, minimum variance, minimum inventory, movement consolidation, quality, life cycle support, customer value and overall profitability. Based on a survey of 201 manufacturers, dealers & customers, exploratory factor analysis and correlation analysis was performed to identify the relationship among scale items. Purified items were finally subjected to Structural Equation Modeling (SEM) technique to determine the relationship and impact of manufacturer-dealer-customer triads on firm’s growth embodying profitability & efficiency across supply chain and customer value. Based on the findings of this paper, strategically managed manufacturer-dealer-customer ties can have a positive impact on the firm’s growth as evident from results of four hypotheses supported by their Likelihood-ratio (Chi-square $\chi^2$), the goodness-of-fit index (GFI) and the root mean square residual (RMSR). The underlying theory beneath the synthesized model provides a clue to policy makers for designing a revival and stimulating growth package in micro and small businesses in the State with weak industrial base, scanty trained labour, limited market base and lack of entrepreneurial intent. However, paper requires further validation of results for obtaining a better model-fit with improved and higher values of goodness, incremental and parsimonious fit measures.

KEYWORDS: Supply chain management, Vertical marketing system, Structural Equation Modeling.