

Curran & Seaton: worksheet

Key concept one: **vertical and horizontal integration**

Horizontal Integration

Horizontal integration is an expansion strategy used by media production companies. Companies expand by buying products or services that make or distribute **similar** products. Use the table below to define the benefits of horizontal integration.



News Corporation's ownership of multiple news titles in the UK creates significant cost efficiencies.

Benefit of HI	Definition
Reduced production costs	
Sharing resources	
Market control	

Media Theory for A Level

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Vertical Integration

Vertically integrated companies expand by acquiring subsidiaries that **produce, promote or distribute** the media output of the parent organisation. Use the table below to define the benefits of vertical integration.

production



distribution



promotion & subsidiary services



Benefits of VI	Definition
Upstream/downstream cost savings	
Production chain control	
Restricting competitor access	
Cross-media synergies	