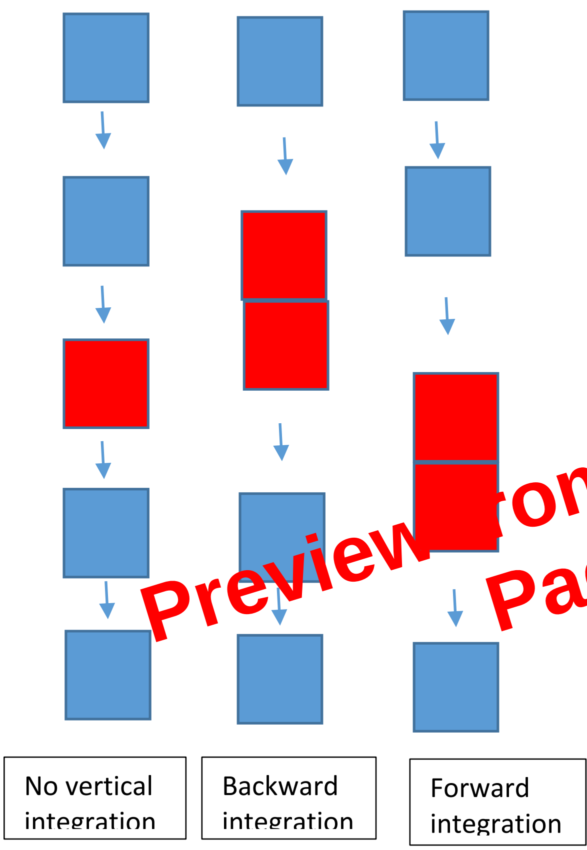
Vertical integration- the combination in one company of two or more stages of production normally operated by separate companies

Horizontal integration- strategy where a company creates or acquires production units for outputs which are alike-either complementary or competitive. One example would be when a company acquires competitors in the same industry doing the same stage of production for the creation of a monopoly.

Vertical integration



Horizontal integration