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0521022584 - Purposive Diversification and Economic Performance
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This book examines product-line diversification of large manufacturing firms. It introduces and applies methodology about complementarities in production, marketing, distribution, and research and development (R&D) activities. Manufacturing firms intentionally vary production to exploit these complementarities, and Professor Scott uses evidence from U.S. manufacturing and ensuing economic performance, including product diversification's effects on both static efficiency and the optimality of R&D investment.

The study of hypotheses about purposive diversification and ensuing multimarket contact of manufacturing firms yields new perspectives on the policy debate about cooperation versus competition among firms: Will industrial performance be better if leading firms cooperate on research, production, and marketing? Professor Scott shows that the answers depend on circumstances that vary with different industrial environments. His analysis offers insights about business strategy and public policy toward business combinations in conglomerate, vertical, and horizontal mergers, and in cooperative R&D ventures. The author concludes by using the findings about purposive diversification and rivalry among U.S. companies to provide an explanation of the relative success of Japanese firms in international competition.

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Purposive diversification and economic performance

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Frontmatter
More information

CONTENTS

List of tables and figures *page* ix
Acknowledgments xiii

Introduction: An overview 1

Part I Static efficiency and the diversified firm
1 The multimarket firm 11
2 Theories linking multimarket contact and market power 19
3 Diversifying mergers and strategic congruence 32
4 Multimarket contact and resource allocation 42
5 The market power of diversified oligopolists 56

Part II Firm and industry effects versus traditional models
6 Profitability effects 71
7 R&D intensity effects 84

Part III Dynamic efficiency and the diversified firm
8 Theories linking diversification and R&D investment 93
9 Diversification of R&D and productivity 119
10 Multimarket rivalry and R&D intensity 133
11 Research diversity induced by rivalry 148

Part IV Industrial policy
12 Diversification versus cooperation in R&D 169
13 From cooperative research to cooperative production 187
14 Damoclean taxation and innovation 203

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0521022584 - Purposive Diversification and Economic Performance
John T. Scott
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More information

Afterword: Perspectives through time and across countries 215

Notes 227
References 241
Index 253

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John T. Scott
Frontmatter
More information

LIST OF TABLES AND FIGURES

Tables

1.1 Frequency distribution showing the number of companies with a given number of manufacturing lines of business (LBs) *page* 12
1.2 The significance of grouping of manufacturing LBs into wholesaling categories for companies with $x = 6$ sampled LBs 15
3.1 Manufacturing areas of the producers of new cars for passenger trains, before and after Pullman's 1951 acquisition of Trailmobile 35
3.2 The extent of congruence: $C = 3$; $Z = 3$ 36
3.3 Manufacturing areas of the producers of bottled liquors, before and after National Distillers Products Corporation's 1951 acquisition of United States Industrial Chemicals, Inc. 37
3.4 The extent of congruence: $C = 9$; $Z = 6$ 37
3.5 Probability $p(f)$ that f of the 95 pairs coincide with pairs among the 935 39
4.1 Probability $p(f)$ of multimarket contact, $n = 259$ 46
4.2 Number of random pairs for which the probability of ICMSR $\geq$ observed ICMSR, given the null hypothesis, is p 47
4.3 Significance of differences between observed advertising and R&D intensities for firms having significant multi-market contacts and those intensities for "conglomerates" 48
4.4 Number of significant contact pairs for which the observed value of advertising (traceable) intensity or company-financed R&D (traceable) intensity is significantly different from its predicted value 49

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Cambridge University Press
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John T. Scott
Frontmatter
More information

4.5	Expected value of a company's profits in a line of business, in 1974	51
4.6	Regression of company profits in a line of business, in 1974, on multimarket contact and other structural variables	52
6.1	Traditional model with p as the dependent variable	77
6.2	Firm and industry effects with p as the dependent variable	80
6.3	Structure-performance within two-digit industries, with and without additional interactions, with p as the dependent variable	82
8.1	Noncooperative Nash equilibria	110
8.2	Expected social profits	110
8.3	Expected time elapsed before introduction	111
9.1	Diversification of the sampled firms' manufacturing R&D efforts across four-digit FTC industry categories	120
9.2	Some of the 127 groups	123
9.3	Percentage distribution of t-statistics on 653 differences of means of R&D intensity (RS) for firms within a group and a matched set of firms	125
9.4	Industry categories with significant differences in means between group and nongroup firms' R&D intensity	127
9.5	Impact of R&D intensity (RS) on the average annual rate of growth in total factor productivity ($\dot{TFP}$/TFP) in U.S. manufacturing	129
10.1	Some of the 165 groups: Examples from those combining research in chemicals with research in other areas	140
10.2	Significance of R&D differences between group and nongroup firms	141
10.3	Industry R&D concentration and LB R&D intensity	144
10.4	Group R&D concentration and LB R&D intensity	145
11.1	The extent of component gestalt: $C = 5$; $Z = 840$	151
11.2	Proportion of the sample space for which there is no component gestalt	153
11.3	Observations for 352 sample firms reporting R&D throughout the sample period	161
12.1	Probability of f identical sets of "close" industry categories	182

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Cambridge University Press
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John T. Scott
Frontmatter
More information

Figures

6.1	Capital intensity and the effect of seller concentration on profits	*page* 78
7.1	The inverted-∪ relation	88
8.1	The cumulative probability of introduction	95
8.2	The probability density of introduction	96
8.3	The expected time of introduction	97
8.4	$h(x)$ for different values of a	99
8.5	$h(x)$ for different values of b	100
8.6	$h(x)$ for different values of c	100
8.7	A firm's up-front R&D investment cost	101
8.8	Society's expected profits	102
8.9	A monopoly's expected profits	103
8.10	Expected profits for the ith firm, given $n = 2$	108
8.11	Expected profits for the ith firm, given $n = 3$	109
8.12	Expected profits for the ith firm, given $n = 4$	112
8.13	Expected profits for the ith firm, given $n = 5$	113
8.14	Expected profits for the ith firm, given $n = 6$	114
8.15	Expected profits for the ith firm, given $n = 7$	115
14.1	A monopoly's expected profits, given the tax credit	205
14.2	Expected profits for the monopolist facing a Damoclean tax	209
14.3	Expected profits for the monopolist facing a preinnovation periodic tax	211

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0521022584 - Purposive Diversification and Economic Performance
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Frontmatter
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