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**IMPACT OF ORGANISATIONAL CLIMATE ON JOB STRESS OF EMPLOYEES AT  
SPICE JET**

Monika Gullia

**NEW INDIA @75: POWERFUL BRANDING THROUGH EXPERIENTIAL MARKETING**

Anu Nagpal Chopra, Nilima Thakur and Priya Diwan

**THE REPUTATION OF THE AEROSPACE COMPANY BOEING AND ITS  
REPERCUSSIONS IN THE MEXICAN MARKET. EFFECT OF THE CRISIS DUE TO  
ACCIDENTS IN 2019**

José G. Vargas-Hernández, María Guadalupe Hernández Martínez

**SUSTAINABLE DEVELOPMENT GOAL 9: BUILDING RESILIENT INFRASTRUCTURE,  
SUSTAINABLE INDUSTRIALIZATION AND FOSTERING INNOVATION**

Swati Saxena

**EQUITY RESEARCH OF LARGE CAP COMPANIES OF INFRASTRUCTURE SECTOR  
LISTED ON NSE**

Bushra, Tamanna Madan

**ESCAPE THROUGH CONSUMPTION**

Renu Sharma, Veenu Arora

**NEXT-GEN TECHNOLOGIES: REDEFINING MARKETING & SALES EXCELLENCE**  
Chetna PN

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Address for Correspondence:  
Asian Business School,

**ABS International Journal of Management**  
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INDIA  
Tel.:0120-4594200

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# ABS International Journal of Management

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## Message from President's Desk



ABS International Journal of Management provides a perfect opportunity to immerse oneself in the advancements of the fast-growing field of management research and get published in a journal that has excellent reach and expectations of a significant impact. It is no secret that the landscape of scholarly publishing is quickly changing. Across disciplines, new demands and expectations from both authors and readers have encouraged shifting perspectives among editors and publishers.

Our aim is to provide a platform for discussion and insights related to the rapidly shifting management research landscape. We strive for maintaining and intensifying the high standards of academic excellence through publication of this journal and hope to contribute to the existing body of knowledge on management research. The journal is served by a very competent editorial board along with a network of scholars helping to secure high-quality contributions.

I appreciate and congratulate the Research & Development Cell at Asian Business School, the contributors of research papers and all others involved directly or indirectly in this excellent intellectual exercise and wish that ABS International Journal of Management manifests itself as the best medium for scholarly work in the field of management education and research.

**Dr. Sandeep Marwah**

President

Asian Education Group

## Message from Director's Desk



ABS International Journal of Management has accumulated a commendable heritage over 6 years of its existence. The objective of the journal is to publish up-to-date, high-quality and original research papers alongside relevant and insightful reviews. Under the thoughtful guidance of the highly competitive advisory board, the journal has evolved rapidly and meaningfully. The journal aspires to be vibrant, engaging and accessible, and at the same time integrative and challenging.

Today, it attracts a much wider spectrum of contributors across all the management streams and has gained a substantial wide readership by publishing thought provoking papers on recent and contemporary issues. I eagerly look forward to strengthening the reach of ABS International Journal of Management in the near future with valuable guidance and support from the partners and stakeholders.

As we move ahead, I would like to wholeheartedly thank all the members of the Editorial board, for their continued thought leadership and support to the journal. I would also like to congratulate the members of Research & Development Cell, Asian Business School for their exemplary mentorship of the journal. Our aim since the very inception of this journal has been to publish quality research upholding the standards of ethical publication. We have been consistently working towards enhancing the visibility, impact and the overall quality of our journal.

Best wishes to the Research & Development Cell at Asian Business School for its unstinted efforts to further strengthen the quality and readership of the journal and thanks to all the authors for their contribution to this issue of ABS International Journal of Management.

**Dr. Lalitya Vir Srivastava**

Director

Asian Education Group

## From the Desk of Editor-in-Chief



Research is a continuous process of discovering, analysing and deliberating upon new horizons in various fields of study with an objective of developing more efficient and effective processes and products contributing towards progress of the civilization. Management research has an all-pervasive impact on the way decisions are taken in not only the business world but also in governments and societies. Fostering a conducive research environment and providing a platform for dissemination of quality research in management has been a constant endeavour of the Research & Development Cell at Asian Business School. In continuation of our efforts in this direction, we are pleased to present this issue of our peer reviewed bi-annual journal – ABS International Journal of Management which focusses on New India@75: Strategies for Transformation and Growth that will pave the way for constructive associations and deliberations to contribute in the making of a new and transformed India.

We are also pleased to share with you that ABS International Journal of Management has been indexed in Mendeley, J-Gate and Google scholar which will give the research published in the journal a wider base of readers and better citation opportunities. We extend our gratitude to all the authors for their contribution in enriching the journal quality through their intellectual insights.

The editorial team of ABS International Journal of Management sincerely hopes that this issue will help in bringing to fore the best management research and practices for dealing with the volatility, uncertainty, complexity and ambiguousness of the dynamic business environment which business organizations and nations face today and will be instrumental in enhancing competitiveness of both for sustainable growth and development.

**Dr. Anubhuti Dwivedi**

Dean Academics & Chairperson R&D Cell  
Asian Business School

## TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
IMPACT OF ORGANISATIONAL CLIMATE ON JOB STRESS OF EMPLOYEES AT SPICE JET Monika Gullia	1
NEW INDIA @75: POWERFUL BRANDING THROUGH EXPERIENTIAL MARKETING Anu Nagpal Chopra, Nilima Thakur and Priya Diwan	6
THE REPUTATION OF THE AEROSPACE COMPANY BOEING AND ITS REPERCUSSIONS IN THE MEXICAN MARKET. EFFECT OF THE CRISIS DUE TO ACCIDENTS IN 2019 José G. Vargas-Hernández, María Guadalupe Hernández Martínez	14
SUSTAINABLE DEVELOPMENT GOAL 9: BUILDING RESILIENT INFRASTRUCTURE, SUSTAINABLE INDUSTRIALIZATION AND FOSTERING INNOVATION Swati Saxena	21
EQUITY RESEARCH OF LARGE CAP COMPANIES OF INFRASTRUCTURE SECTOR LISTED ON NSE Bushra, Tamanna Madan	25
ESCAPE THROUGH CONSUMPTION Renu Sharma, Veenu Arora	33
NEXT-GEN TECHNOLOGIES: REDEFINING MARKETING & SALES EXCELLENCE Chetna PN	42





# IMPACT OF ORGANISATIONAL CLIMATE ON JOB STRESS OF EMPLOYEES AT SPICE JET

\*Monika Gullia

## ABSTRACT:

Organisational climate is understood as the overall manifestation of an organisation. It considers the precipitate discernment what stakeholders own about the organisation. It transports the parodies of the people for the working of organisational internal environment. It is usual to have churns in the working system they work which is termed as job stress. It is detrimental physical and emotional retorts that arise when the expectations of the job do not match the capabilities, resources, or needs of the worker. This paper investigates the relationship between organizational climate & job stress of employees working in Spice Jet. Sample consists of 100 employees working at various levels in spice jet. Data was collected with the help of standardized questionnaire. Correlation & regression techniques were used to analyses the data with the help of SPSS. Result showed that there is negative significant correlation between the research variables.

**Keywords:** Job stress, Organizational Climate, Spice jet

## INTRODUCTION

Today's life is changing at fast speed day by day and everybody wants to adapt these evolving changes in the life due to which his/her life is becoming very stressful. As a worker spends most of his/her day time at the workplace that's why it is the responsibility of the work organizations to make his work life smooth and stress free. They should focus on providing more and more satisfaction to the employees by improving their working environment. Working environment plays a vital role in exploring the potential of employees and provides great opportunities for their growth and development. It is said the only engaged and satisfied employees can contribute to the organizational productivity to the maximum extent. Hence it is the responsibility of the organization to make its employees satisfied with their jobs by reducing their stress at work. Thus it also enhances the role of managers as motivators and team builders. It is their responsibility to create a positive work environment for the employees and utilize the resources properly. Because If the working environment is not good and someone is not able to adjust with the work

environment then it creates a stress for him and then further psychological problems which can lead to reduction in productivity and high rate of employee turnover.

## MEANING OF STRESS

The word "Stress" indicates the situation of distress. When someone deviates from his normal state of mind due to some tension of work or results then this situation is called "Mental Stress". Hence it can be said that Stress is defined as "a state of psychological and physiological imbalance resulting from the disparity between situational demand and the individual's ability and motivation to meet those needs."

Stress can be positive or negative. Stress is good when the situation offers an opportunity to a person to gain something. It acts as a motivator for peak performance. Stress is negative when a person faces social, physical, organizational and emotional problems.

## ORGANIZATIONAL CLIMATE

Some people use organizational culture and organizational climate interchangeably. But there are few basic differences between these two

terms. According to Bowditch and Buono, "Organizational culture is connected with the nature of beliefs and expectations about organizational life, while climate is an indicator of whether these beliefs and expectations are being fulfilled." The organizational climate reflects a person's perception of the organization to which he belongs. It is a set of unique characteristics and features that are perceived by the employees about their organizations which serves as a major force in influencing their behavior. Thus, organizational climate in a broad sense can be understood as the social setting of the organization.

## REVIEW OF LITERATURE

Satish P Deshpande and Weihui Fu (2013) depicted that this research uses structural equation modelling (SEM) to look at the direct and indirect relationships among caring climate, job satisfaction, organizational commitment, and job overall performance of 476 employees working in a Chinese insurance company. The SEM result showed that caring climate had a tremendous direct impact on job satisfaction, organizational command, and job performance. Caring climate

additionally had a huge indirect impact on organizational commitment via the mediating role of job satisfaction, and on job performance through the mediating function of job pride and organizational commitment. In addition, job pleasure had significant direct impact on organizational commitment, through which it additionally had a great oblique impact on job performance. Finally, organizational dedication had a significant direct impact on job performance.

Ajay Solkhe and DR. Nirmala Chaudhary (2011) depicted that HRD climate helps the personnel to acquire required competencies that would enable them to execute their present or future predicted roles and aids in developing their abilities for better Organizational Performance. Though the measures of Organizational Performance are many ranging from economic to behavioural ones', but researcher has centred only on single measure i.e. Job Satisfaction due to the fact of dearth in quantity of research exploring this relationship. The existing paper attempts to analyses and decide the relationship, further the impact of HRD Climate, octapace Culture on Job Satisfaction as an Organizational Performance measure in the selected public zone enterprise. The find out about is based on the responses sought from 71 executives from various departments and distinctive hierarchical stages of a public region undertaking located in North India. The questionnaires concerning to the HRD Climate (Rao & Abraham, 1985) and Job Satisfaction (Daftuar, C.N, 1997) was once administered to the sample populace and the findings point out that HRD Climate has a definite impact on Job Satisfaction which in turn leads to the increased organizational performance.

Ellen L. Usher and Mimi Bong (2010) depicted that this learn about examines how teachers' collective efficacy (TCE),

job stress, and the cultural dimension of collectivism are associated with job pleasure for 500 teachers from Canada, Korea (South Korea or Republic of Korea), and the United States. Multi group direction evaluation revealed that TCE predicted job pleasure across settings. Job stress was once negatively related to job pleasure for North American instructors (i.e., teachers from Canada and the United States), whereas the cultural dimension of collectivism was significantly related to job pride for the Korean, however not for North American teachers. For motivation theorists, the outcomes from this learn about supply evidence that cultural context influences how motivation beliefs are understood and expressed in various settings. For educators, this study underlines the significance of collective motivation as a source of man or woman job satisfaction.

Syed Shah Alam and Nilufar Ahsan (2009) depicted that this article investigates the relationship between job stress and job satisfaction. The determinants of job stress that have been examined under this find out about include, management role, relationship with others, workload pressure, homework interface, position ambiguity, and performance pressure. The sample consists of a public university academician from Klang Valley place in Malaysia. The consequences show there is a great relationship between 4 of the constructs tested. The outcomes also exhibit that there is enormous negative relationship between job stress and job satisfaction.

Cong Liu and Paul E. Spector (2008) depicted that using both quantitative and qualitative methods, this study contrasted employees' job stress perceptions and their relationships to strains in China and the United States. Significant job stressor-strain correlations were determined in

each country. However, hierarchical regression analyses revealed huge interactions of U. S. A. by using job stressors in predicting job strains, indicating the unique patterns of stressor-strain relationships in China and the United States. In the qualitative analyses, American personnel suggested appreciably extra incidents of lack of job control, direct interpersonal conflict and lack of crew coordination, anger, frustration, feeling overwhelmed, and stomach issues than the Chinese. Chinese personnel said significantly more incidents of job evaluations, work mistakes, oblique conflict, employment conditions, lack of training, anxiety, helplessness, sleep problems, and feeling hot than the Americans. The qualitative approach contributed above and beyond the quantitative effects in that it published culture-specific job stressors of job evaluations, work mistakes, and indirect conflict that had been neglected in western-based stress research.

Eugene A. Paoline and Eric G. Lambert (2008) depicted that as body of workers performance is indispensable to the survival of correctional institutions, a whole lot empirical attention has been paid to analysing the motives and consequences of their attitudes and behaviours. The modern finds out about adds to this body of understanding by means of examining the factors that provide an explanation for three central occupational attitudes—job stress, job satisfaction, and organizational commitment. More specifically, using survey statistics collected from a giant county correctional machine in Orlando, Florida, this lookup assesses the have an impact on of key demographic, job, and organizational characteristics within and throughout reformatory body of workers attitudes toward job stress, job satisfaction, and organizational commitment. This article finds that the extra powerful predictors of each of these attitudes are job and organizational characteristics.

Among the based variables, job stress has an inverse relationship with job satisfaction, and job delight had a powerful positive association with organizational commitment.

Kevin Knight, Bryan R. Garner and D. Dwayne Simpson (2007) depicted that as a result of restrained budgets, many remedy packages are compelled to operate for extended periods at or past their capacity. The resulting pressure and stress on treatment personnel can be taxing and lead to serious problems, along with job burnout. Although the concept of burnout within other social carrier professions has been broadly researched, less attention has been given to burnout amongst drug abuse remedy staff, especially among corrections based drug cure staff. The aim of this article is to extend this region of research by exploring the have an effect on of person elements and organizational factors on burnout. Findings revealed that although a number of factors have been associated to staff burnout, higher counsellor age, decrease adaptability, poorer readability of corporation mission, and greater stress have been most significant. Ways in which cure applications might tackle these issues affecting staff burnout are discussed.

Stan Maes and Marloes Janssen (2006) depicted that this learn about examines the have an effect on of changes in work prerequisites on stress outcomes as well as have an impact on of changes in stress consequences on work conditions. As such, it answers questions still open in literature related to causality of work environmental traits and the health of nurses. A complete, two wave panel plan used to be used with a time interval of three years. The sample consisted of 381 medical institution nurses in exclusive functions, working at special wards. Changes in work stipulations are predictive of the outcomes, especially of job satisfaction and emotional exhaustion. The strongest predictors

of job satisfaction were social support from supervisor, reward, and control over work. The strongest predictors of emotional exhaustion have been work and time stress and physical demands. Reversed relationships have been additionally observed for these outcomes. The results of this find out about are constant with transactional models of stress that indicate that stressors and stress results at the same time have an effect on every other. To prevent nurses from a negative spiral, it seems of importance to intervene early in the process.

James G Maxham and Richard G. Netemeyer (2005) depicted that because purchaser service employees frequently signify the sole contact a purchaser has with a firm, it is important to take a look at job-related factors that have an effect on patron carrier employee overall performance and customer evaluations. In two various consumer settings, the authors seize matched responses from provider employees, supervisors, and customers. The authors use the records to have a look at the practicable chain of effects from client carrier employee work–family warfare and family–work conflict, to job stress and job performance, to customer purchase intent (CPI). The results show direct (and indirect) effects of work–family hostilities and family–work battle on service employee customer-directed extra-role overall performance (CDERP). The results also show direct effects of job stress on service employee in-role performance (IRP) and CDERP and on CPI. Furthermore, the findings show that job stress has a more mentioned effect on IRP than on CDERP and that CDERP has a increased impact on CPI than does IRP. The authors conclude with a discussion of managerial and theoretical implications.

#### OBJECTIVES OF THE STUDY:

- To study the relationship between organizational climate and job stress.

- To study the impact of organizational climate on job stress of employees in Spicejet.

#### SCOPE OF THE STUDY

The study has attempted to understand the sources of organizational stress experienced by private sector employees arising due to organizational climate. The type of factors that lead to stress, level of stress they are bearing and to know the ways used by them to cope with the stress. The employees from middle level and top level have been taken for the research work.

#### RESEARCH METHODOLOGY

- Sample: Spicejet employees
- Sampling Unit: Gurgaon, Haryana
- Size of Sample: 155
- Tools of the Study: SPSS
- Techniques: correlation & regression technique were used to analyses the data
- Data Instrument: Primary data was collected with the help of Standardized questionnaire in which 14 questions are related to organizational climate and 10 questions are related to job stress.

#### HYPOTHESIS OF THE STUDY:

- H1 There is significant relationship between organisational climate & job stress.
- H2 There is significant impact of organisational climate on job stress.

#### RELIABILITY STATISTICS

Reliability analysis is conducted to check the internal consistency of the questionnaire. As shown in below tables, the reliability scores of all the constructs of organisational climate is 0.891 & job stress is 0.904 which shows there is internal consistency in the questionnaire. The construct reliability (Cronbach's  $\alpha$ ) of the questionnaire is above the recommended value of 0.7 (Hair et al., 2010). Tables below show the value of Cronbach's  $\alpha$  for each construct.

## Reliability of organizational climate

**Table No.1: Reliability**

VARIABLE	CRONBACH'S ALPHA	CRONBACH'S ALPHA BASED ON STANDARDIZED ITEMS	N OF ITEMS
ORGANISATIONAL CLIMATE	.891	.892	14
JOB STRESS	.904	.903	10

**HYPOTHESIS TESTING**

Hypothesis 1: Correlation coefficients among the variables under investigation are analyzed. Table No 2 showed that p

value is 0.035 which is less than 0.05, and Pearson coefficient is -0.177 which forced us to accept alternate hypothesis which means that there is significant

weak negative correlation exist between organisational climate & job stress

**Table No:2 –Correlation Between Organisational Climate & Job Stress**

		JOB STRESS
ORGANISATIONAL CLIMATE	Pearson Correlation	-.177*
	Sig. (2-tailed)	.035
	N	142

Hypothesis 2: Table 3 depicts model summary in which value of adjusted R square showing 3.1% variation in job stress due to organisational climate. This show organisational has low impact on job stress.

Table 4 depicts the model fit as p value is less than 0.05. Table no 5 depicts the linear equation which is as follows:

$Y = 33.680 - 0.174X$   
Job stress = 33.680 - 1.74 Organisational Climate

$Y = a + bx$ , Where  $a$ =Constant,  $Y$ =Job stress,  $x$ =Organisational climate

**TABLE NO:3 – MODEL SUMMARY**

Model	R	R Square	Adjusted R Square
1	.177a	.031	.024

**TABLE NO:4- ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	267.677	1	267.677	4.510	.035
Residual	8309.400	140	59.353		
Total	8577.077	141			

**TABLE NO:5 – COEFFICIENT TABLE**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.680	4.509		7.470	.000
	OC	-.174	.082	-.177	-2.124	.035

**DISCUSSION**

The previous literature suggests that organizational climate and job stress are always related to each other directly or indirectly. Organizational climate influences job satisfaction of employees in the organization. Better organizational climate leads to more job satisfaction and helps them in

overcoming their job stress. In this research employees from various age, gender and economic group gave their opinion on how organizational climate influences their job stress on the basis of which various conclusions can be drawn.

**CONCLUSION**

In conclusion it can be said that organizational climate has a significant impact on job stress. Although there is another various factors which also affect job stress in the organizations. Better organizational climate helps the personnel to acquire required competencies that would enable them

to execute their present or future predicted roles and aids in developing their abilities for better Organizational Performance.

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# NEW INDIA @75: POWERFUL BRANDING THROUGH EXPERIENTIAL MARKETING

\*\*\*AnuNagpal Chopra \*Ms.Nilima Thakur \*Ms.Priya Diwan

## ABSTRACT:

We have been across the famous saying every time n again “What you see is what you Get”, and at the same time, Experience Matters off course, which say Marketing as the soul of any business. Niti Aayog’s attempt to bring change in policy formulation is a step towards the milestone of US D4.0 Trillion by 2022. Mission of Economic Movement and development should be an accompanied vision of companies’ mass movement. Experiential marketing can be a move towards establishing oneself as a brand in all the sectors either public or private. This paper is a modest attempt to investigate the challenges of branding in experiential marketing on the vision and mission of New India.

What’s the difference between watching a match in a stadium then in TV, it’s just a matter of Real Time Experience, in a word Power of Experience. Business Companies need to accept the fact that branded real time touch-points are the need of the hour to manifest sensory and emotional connection in their consumers. It’s clear why brands have to fall in love with experiential marketing. Getting consumers’ attention in high technological era of 2019 onwards it’s really hard and tough. Subjective to Consumer preference and satisfaction experiential marketing will be strategic move towards economic growth for the New India to rank on the global economy. Leveraging influencers and shareable experiential marketing can contribute to India the next Super power.

**Keywords:** Experiential Marketing, Strategies for New India, Powerful Branding, Niti Aayog.

## INTRODUCTION

In today’s hyper competitive scenario, Companies are spending more than three quarters of their money and time on customer acquisition and retention. In such a challenging environment, the need for strategic thinking and innovative marketing practices takes the fore front. Though there are many strategic options available with the marketers, one recent concept that has attracted the attention is Experiential marketing which deals with connecting customers with your brand through one or more meaningful and relevant experiences while appealing to both rational and emotional behavior.

Precisely, experiential marketing is a methodology - not atactic! In other words, “Experiential marketing helps brand marketers gain valuable insight by interacting directly with consumers outside mass-media landscape”. It provides experience of the brand and not just the product.

Today the job of marketing becomes very challenging due to the interaction of various factors. Organizations are fighting with changing consumer behavior, economic stagnations, environmental decline, and high pace of technological advancement, political instability and other social problems. Competitors have become more aggressive than ever before. Each of them gets interested in developing a winning formula, which could win the confidence of customers. Companies are shifting their focus from a product driven marketing to consumer driven marketing activities. As a direct consequence, powerful branding has emerged as a significant feature of contemporary marketing strategies and is now considered a key organizational asset. Powerful Branding is one of the popular tools employed for successful marketing of products and services. From the customer’s point of view, it simplifies shopping, aid in the processing of information about products and makes them feel

confident of their purchase decision. Powerful branding through experiential marketing is turning out to be the most valuable strategy in the modern business scenario due to its tangible and intangible nature. It creates the basis for customer relationship. Hence it connects the corporate with customers and generates wealth also.

India is on the cusp of a major transformation. Change has been in the making over the last four years. The economy is finally moving out of the negative legacies of the past, specially the reckless credit expansion. India has regained its position as the fastest growing large economy in the world. However, to meet the rising aspirations of our young population, India needs to achieve and sustain a high rate of GDP growth for the next three decades. The NITI Aayog on December 19, 2018 released ‘Strategy for New India @75’, its comprehensive national Strategy for New India, which defines, clears objectives for 2022-23. It is a detailed

\*\*\*Associate Professor Asian School of Business (AEG)

\*\*Research Scholar Mewar University, Rajasthan \*Research Scholar Lingaya’s University, Faridabad

account across 41 crucial areas that recognise the progress already made, identifies binding constraints, and suggests the way forward for achieving the objectives.

There will be several milestones in this long journey. The first of these milestones will be in 2022 when India celebrates the 75th anniversary of its independence. The government's goal is for India to be a USD 4.0 trillion economy when we celebrate the platinum jubilee of our independence. The 'Strategy for New India @ 75' captures three key messages from the Prime Minister. First, development must become a mass movement, in which every Indian recognizes her role and also experiences the tangible benefits accruing to her in the form of better ease of living. Second, development strategy should help achieve broad-based economic growth to ensure balanced development across all regions and states and across sectors. Third, the strategy when implemented, will bridge the gap between public and private sector performance. Various innovations are being done in all fields of HR, Finance, and Marketing & IT for achievement of the NITI Aayog strategy. Powerful branding through Experiential Marketing will also help in taking a big leap for GDP growth. A powerful brand will allow customers to have a better perception of the product and services. Also it will lessen customer's perceived monetary safety and social risk in purchasing products and services, which are hard to ascertain before purchase. Strong brands offer a lot of advantages such as reduced competition, larger brand loyalty and increased response to price adjustment by customers, larger profit than brands that are not strong.

This strategy of New India is not a single person philosophy but the process started with a series of consultations with all possible stakeholders. Each area vertical in NITI Aayog had in depth

consultations with all three groups of stakeholders, viz., businesspersons, academics including scientists, and government officials. This was followed by consultations held by NITI Aayog with seven sets of stakeholders that included scientists and innovators, farmers, civil society organizations, think tanks, labor representatives and trade unions, as well as industry representatives. Each chapter draft was sent to the respective line ministry for their inputs, suggestions and comments. The completed draft document was circulated to all the States and Union Territories.

With the involvement of all departments mentioned above and the many more, it won't be long before every industry catches up experiential marketing as its goal is to create lasting impressions on customers. Just as NITI Analog is not advertising a strategy — it is letting citizens see and feel what their lives would be like with it. It is creating an association between the country and those positive vibes.

## LITERATURE REVIEW

Experiential marketing is the process of identifying and satisfying customer needs and aspirations profitably, engaging them through authentic two-way communications that bring brand personalities to life and added value to the target audience (ShiraSmilansky). In this technological age only authentic, relevant and socially conscious brands will survive. The added value of brand experience is the only form to achieve cut through in our dynamic consumer culture. Growing interest of such marketing among practitioners, consultants and researchers means that all five senses are receiving attention ever than before (Bertil Hultén, Niklas Broweus, Marcus van Dijk).

Holbrook and Hirschman (1982) were the first pioneers in introducing the notion of experience in the field of consumption and marketing. Twenty

years later, this notion has gained solid recognition and is considered essential for what it can contribute to marketing knowledge (Grundey, 2008). As a result, the notion of experience is considered to be a pillar of the so-called experience economy and experiential marketing.

Experiential marketing allows consumers to interact with your brand in a dynamic, memorable way which often leads to stronger connections with consumers and helps articulate brand stories more efficiently than any other platform. By tying your product to a fun, live event you can cut through digital noise, better engage customers and ensure they receive your message.

Furthermore, Schmitt Bernd (1999) is considered a great initiator of experiential marketing. Specifically, Schmitt considers that traditional marketing is only concerned with the features and benefits. In the traditional marketing model, consumers are thought to go through a considered decision-making process, where each of the features or characteristics of a particular product or service are seen to convey certain benefits, and these are all assessed by the potential purchaser.

"A decade ago, a lot of the campaigns and conferences were very structured and familiar," says Rick Cosgrove executive creative director at Agency EA. "Now, there's a lot more choice and customization. Companies have moved away from the one-size-fits-all format and begun to focus on creating shareable moments within the context of a larger campaign."

In marketing, powerful branding can result in higher sales of not only one product, but on other products associated with that brand. Hence, a brand is the person personality that identifies a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to customers. Experience

with a Brand has more impact than product features and benefits. It can produce a deeper meaning and be more memorable, which can yield greater customer trust in the brand. Where once success was measured by event attendance or campaign clicks, now brands are finding that the best project can live on long after their execution date.

The American Marketing Association (AMA) first published a brand definition in the 1960s which considered a brand as —a name, term, sign, symbol, or design, or a Combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Porter (1985) suggested a simple equation which defines a brand.  $S = P \times D \times AV$ , Where S=Successful brand, P= Effective product, D= Distinctive Identity & AV=Added Value.

Kunde (2000) noted that brands are not static but evolve over time. According to him, branding moves from —being something the brand owner does to the consumer to something the consumer does with the brand (Lannon, 1992; Senior, 2008).

The brand as an Evolving Entity has been classified under the evolutionary perspective of branding which portrays the evolving nature of the brand. As and when years pass by more and more values may get attached to the brand. Hence defining the brand under these three perspectives through nine different dimensions have been a major mile stone in the branding literature.

## OBJECTIVES

The present research paper has the following objectives to address:

1. To identify the Role of Experiential Marketing in achieving the strategies of New India@75.
2. To better understand the Inter

Relationship between Powerful Branding, Experiential Marketing and strategies for transformation and growth.

3. To highlight the Marketing trends that Niti Aayog is expecting and the techniques that companies are adopting
4. To illustrate the need for Experiential Marketing which acts as a major driver in Growth oriented strategies for New India
5. To show the relationship between Women empowerment, Experiential Marketing and New India strategies

## CONCEPTUAL FRAMEWORK

The conceptual framework of the study focuses on how powerful branding via experiential marketing can help achieve the target of Niti Aayog in building a strong Indian economy. Therefore, an imperative study was conducted to identify how to bridge the gap between current Indian strategies and New India@75.

## RESEARCH HYPOTHESIS

In accordance with the laid down objectives, following null hypothesis were drawn for the present research paper-

1. Experiential Marketing has no significant role to play in achieving the strategies of New India.
2. Powerful branding, Experiential Marketing and strategies for transformation and growth have no significant relationship among them.
3. Experiential Marketing does not act as a significant driver in growth-oriented strategies for New India.
4. There are no significant differences between the marketing trends that Niti Aayog is expecting and techniques that corporate are adopting.
5. There is no significant relationship between Women

empowerment, Experiential Marketing and New India strategies.

## RESEARCH METHODOLOGY

The first and second authors with the above-mentioned objectives carried out the present investigation. Research used primary data collected with the help of a questionnaire and secondary data to identify the impact powerful branding has on the Indian Economy. This research will allow a deeper mining into the participants mind and will provide a more accurate representation of consumer's subjectivity. Data was analyzed using SPSS, Freidman Chi Square Test and descriptive statistics. Freidman Chi Square test was conducted to find whether there is relationship between experiential marketing and Strategies for growth and transformation.

### Sampling

In this research paper, focus groups comprising Delhi based upper middle class, elite class customers and companies adopting recent trends in marketing. Sample respondents comprised 30 elite, 70 upper middle class customers and 10 companies that have started using experiential marketing as a branding tool.

### Data Collection

The data has been collected with the help of below mentioned sources.

### Primary Source

The researcher collected the primary data through self-administered research questionnaire.

### Secondary Source

The researcher collected the secondary data through published and printed sources such as articles, newspapers, journals, magazines, websites etc....

### Measurement of Instrument

A research questionnaire was drafted to identify the modes of experiential



marketing based on five identified variables i.e. Kiosks, What Sapp Marketing, Conferences, Trade Shows, and Digital Media Marketing (Facebook, twitter, Blogs). A five-point Likert scale was used to capture the sample responses to measure these variables. The Experiential marketing variables i.e. Cost, Segment were used to identify the effectiveness of

modes. The reliability of the research instrument was established (Cronbach's Alpha .996).

#### Sample Description/Sampling Technique

Sample of consumers comprised 34% male and 66% female students. As regards specialization category of respondents, there were consumers

from elite class (30%) and upper middle class (70%).

Lists of companies were obtained from various websites that ranked well in the adoption of recent marketing trends. Research used stratified random sampling technique and the population was categorized on the basis of class segment, gender and category of buyers, age groups.

## ANALYSIS AND FINDINGS

### Hypothesis1: List of Modes for experiential Marketing

Table 1: Modes for experiential Marketing

S. No.	Variables	Number	Mean	Std. Deviation
(1)	(2)	(3)	(4)	(5)
1.	Kiosks	50	4.0952	3.91142
2.	Events	50	4.0595	3.80064
3.	Trade Shows	50	4.0714	3.86858
4.	Conferences	50	4.1429	3.91781
5.	Digital Media Marketing Tools	50	4.1518	3.84198

The Table 1 reveals that the highest mean score of 4.1518 for digital media marketing tools and conferences is the highest. A conference which has a mean score of 4.1429 is very close to digital media marketing tools. This implies that these tools of marketing are most effective in terms of Cost differentiation

and Market Segmentation. Reasons for the same could be that digital marketing has taken up in the hyper dynamic environment because of vast coverage and flexibility. Further, conferences have helped the educated clients come closer on a single platform.

### Hypothesis 2: Testing for Cost Differentiation & modes of experiential marketing.

H0: There is no significant relationship between Cost Differentiation & Modes of Experiential marketing.

H1: There is a significant relationship between Cost Differentiation & Modes of Experiential marketing.

Table2: Analysis of Cost Differentiation on modes of Experiential Marketing

Independent Samples Test					
Levene's Test for Equality of Variances				T-test for Equality of Means	
Variables		F	Sig.	T	Def.
(1)		(2)	(3)	(4)	(5)
1. Kiosks	a. Equal variances assumed	0.076	0.783	-0.323	110 Null Hypothesis Accepted
	b. Equal variances not assumed	—	—	-0.326	76.959
2. Events	a. Equal variances assumed	1.77	0.186	-1.197	110 Null Hypothesis Accepted
	b. Equal variances not assumed	-	-	-1.251	84.334

3. Trade Shows	a. Equal variances assumed	2.356	0.128	-0.575	110 Null Hypothesis Accepted
	b. Equal variances not assumed	-	-	-0.632	96.003
4. Conferences	a. Equal variances assumed	0.04	0.842	-0.263	110 Null Hypothesis Accepted
	b. Equal variances not assumed	-	-	-0.262	74.211
5. Digital media marketing tools	a. Equal variances assumed	0.656	0.42	-1.258	110 Null Hypothesis Accepted
	b. Equal variances not assumed	-	-	-1.324	85.909

Source: Calculations are based on primary data

The Table 2 reveals that there is no significant relationship between the cost and modes of experiential marketing. The value of  $t$  is  $-0.323$  and the Sig  $t$  value is  $.783$ . As the  $t$  value is less than sig value, null hypothesis is accepted and therefore there is no relationship between the kiosks and the cost effectiveness. The value of  $t$  is  $-1.197$  and the Sig value is  $.186$ ; as  $t$  value is less than sig value, null hypothesis is accepted. It is therefore safe to

conclude that there is no relationship between the marketing events and their cost, i.e. there is any variation between high cost and low cost events. On similar basis, other variables like trade shows, digital media marketing and conferences are also scoring on the similar pattern, hence there are no significant relationship between all of them and cost. Reasons for the same could be that the consumers are smart enough to judge the product not only

by the budget cost spent on marketing but many other aspects also.

Hypothesis 3: Testing for Market segmentation and Experiential marketing modes.

H0a: There is no significant relationship between Market segment and experiential marketing modes.  
H1a: There is a significant relationship between Market segment and experiential marketing modes.

Table 3: Anova (Analysis of Market segment

Variables		Sum of Squares	Do	Mean Square	F	Sig.
(1)		(2)	(3)	(4)	(5)	(6)
1. Kiosks	a. Between Groups	1.738	4	0.434	1.403	0.238
	b. Within Groups	33.142	107	0.31	-	Null Hypothesis Rejected
	Total	34.88	111			
2. Events	a. Between Groups	1.025	4	0.256	0.84	0.503
	b. Within Groups	32.654	107			Null Hypothesis Accepted
	Total	33.679	111			

3. Trade Shows		a. Between Groups	1.526	4	0.382	0.994	0.414
		b. Within groups	41.092	107	0.384		Null Hypothesis Accepted
		Total	42.618	111			
4. Conferences		a. Between Groups	2.758	4	0.689	1.974	0.104
		b. Within Groups	37.365	107	0.349		Null Hypothesis Accepted
		Total	40.123	111			
5.	Digital media marketing	a. Between Groups	1.795	4	0.449	0.495	0.739
		b. Within Groups	96.919	107	0.906		Null Hypothesis Accepted
		Total	98.714	111			

*Source: calculations based on primary data*

The above Table 3. States that  $f$  value 1.403 is more than the significant  $f$  value i.e. .238, we reject the null hypothesis and accept the alternative hypothesis i.e. there is a significant relationship between Segment and Kiosks. The above table states that  $f$  value is more than the significant  $f$  value for the variables Events, Trade Shows, Digital media tools and conferences we reject the null hypothesis and accept the alternative hypothesis i.e. there is a significant relationship between Segment and experiential marketing modes. The above table states that  $f$  value is .495 is more than the significant  $f$  value i.e. .739, we accept the null hypothesis and reject the alternative hypothesis i.e. there is a significant relationship between Segment and digital media marketing tools.

Hypothesis 4: Testing Importance of Marketing Techniques that companies are adopting with respect to the Strategies for growth of Indian Economy by Niti Aayog.

A Friedman Chi Square Test conducted on marketing techniques that companies adopt attach through

research or project driven curriculum to the factors influencing growth and transformation strategies of Niti Aayog revealed that the most important modes of Experiential Marketing are Digital media marketing tools, Conferences and Kiosks, and relatively less important are Trade shows, Events. And vice versa same importance Niti Aayog expects from organizations undergoing recent marketing trends.

### RESEARCH FINDINGS

The following findings have been revealed from the study:

- During the study and the statistical analysis of primary data collected by the corporate and the Niti Aayog establish the gap between the trends adopted by companies and rated by the government.
- According to corporate assessment, digital media marketing tools along with conferences scores maximum and states that Experiential marketing along with Knowledge is the need of the hour to solve real time problems for the offerings and this is what

companies to carve a niche and make an impact in Indian economy.

- It is evident that segment has a significant impact on the modes of experiential marketing like kiosks, conferences, digital media tools. For e.g. an educated elite class consumer will be comparatively high on conferences and digital media when compared to other consumers where as an Upper middle class would be high on kiosks, events, trade shows.
- Study also indicates that Cost has no significant relationship on the identified modes of experiential marketing. Purchasing of a product by consumer is not based on the budget or cost of the advertisement campaign and hence it is safe to nullify the significance of cost in this scenario.

### RESEARCH CONCLUSIONS

Experiential marketing is one of the approaches that give a great framework to combine experience and entertainment elements into a product

or service. Based on the data analysis conducted above it is clearly visible that experiential marketing is creating buzz in the economy and will give a push for the achievement of New India Strategies. Be it any industry ranging from education to service customer satisfaction could be realized due to experiential marketing. In the education sector conferences, workshop has brought people together and is helping in experiential learning.

Secondly, it is proved that it is not necessary that if the budget is high on an event then it will be an assurance for a positive experience. There are other factors also that make customers satisfied from the experiential marketing activity.

Thirdly, there are various modes for experiential marketing which are applicable for different segments. Depending on the feel perception, think perception and service quality these modes are adopted for separate segments. However, the overall outcome suggests that experiential marketing should induce customer satisfaction through emotional and functional values.

Lastly, some modes are more efficient for the achievement of strategies for New India in short run than others. Government Of India is expecting from the organizations to implement experiential marketing and other emerging trends so that growth is achieved at a larger pace.

Hence, this shows that experiential marketing has the ability to transform

and elevate the connections that brands build with their consumers and that's becoming increasingly important as consumers demand more personalization. It can be clearly concluded that in the era of technological development Experiential Marketing is playing a significant role in making strategies for the transformation and growth of the country.

### RECOMMENDATIONS

The following recommendations have been made to bridge the corporates and Niti Aayog strategies Gap:

- Innovative Strategies for experiential marketing, its impacts and target audience -To be credible, the companies must first acquaint itself with all aspects of experiential marketing modes and understand what's hidden behind the semantics used in "Powerful Branding," "experiential marketing," "transformational strategies of Niti aayog" and other terms that define the scope — which is hazy, to say the least — of responsibility beyond the traditional marketing trends,
- Enlightened self-interest: Creating a synergy of employers and future employees' ethics (new knowledge), a transformational society (Dynamic System) and a growth oriented economy where market research and communities are able to function well together.
- Marketing investment: Contributing to recent trends

and customer experience is a necessary part of doing experiential marketing.

- Increased public expectations from corporate business: globally companies are expected to do more than merely use traditional marketing tools and contribute to the growth of GDP via competing in a healthy manner."
- Producer-Consumer Interaction: Explore beyond the realms of old ways of marketing boundaries and explore innovative approaches like use of technology, workshops, and seminars.
- Collaboration in continuing marketing techniques: Bring in more participation of the government in our marketing methods so as to be able to synch our strategies as per the New India@75 need.
- Collaboration in Research: Today in the world driven by Intellectual Property, there is an increased interest in collaboration in the area of research. For the purposes of our discussion, research can be considered as the activity of creating new knowledge. Collaboration in this area is possible only if the government has a need for research. A company whose business depends on marketing advances needs to focus on experiential marketing so that it can then use to bring out newer products better than the competitors in the market place.

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# THE REPUTATION OF THE AEROSPACE COMPANY BOEING AND ITS REPERCUSSIONS IN THE MEXICAN MARKET. EFFECT OF THE CRISIS DUE TO ACCIDENTS IN 2019

José G. Vargas-Hernández\* María Guadalupe Hernández Martínez\*\*

## ABSTRACT:

The air accidents of the months of October 2018 and March 2019 have caused the suspension of operations of the Boeing 737 MAX 8 model, one of the most sold in the world. The economic impact for this aerospace leader and its supply chain is a function of the actions taken to solve its customers and interested parties. Moreover, its reputation is at stake, one of the most valuable intangible assets for the company. This article analyzes the impact of the crisis that this company faces on its current and future reputation, as well as the consequences in the Mexican aerospace industry.

**Keywords:** Intangible assets, Boeing, Aerospace industry, Reputation, JEL. M210

## INTRODUCTION

The aerospace industry is considered a strategic sector for the economic growth of Mexico, which has a competitive advantage derived from its geographical position, commercial activity, experience in high technology sectors and skilled labor (SE, 2012). This has been to attract foreign direct investment from companies with a global presence in the sector.

Our country has had an active participation in the aerospace industry since 1962, with the creation of organizations and support areas that contributed to the development of the appropriate technological activities, however, its performance was interrupted by the frequent economic crises in the country. This situation improved in the last 10 years, with the entry of high profile companies in aeronautics. Its economic impact at present is explained by the generation of good remuneration jobs, the trade surplus, its effect on GDP, its permanence in national territory and its relationship with other industries, as well as the generation of support sectors (SE, 2012).

The rapid acceptance of air transport in the world, due to its speed, efficiency and safety, has led to an exponential increase in the demand for aircraft for

commercial use. However, with few companies that manufacture aircraft. Approximately 90% of the production is in the hands of American company Boeing and the European Airbus.

This document focuses on the Boeing company, analyzing its context and strategic performance, from the perspective of the theory of resources and capabilities. As well as the repercussion of its decision-making in the face of the current crisis for the national market.

## BACKGROUND

### A. Historical background of the industry in Mexico and the world

The aerospace industry originated and propelled after the Second World War, characterized by a rapid advance of aeronautics, jet engines and the replacement of radial engines by turbines. The threat of a nuclear war originated the "space race" between the nations, where the Soviet Union had the leadership in the launching of ballistic rockets (Nava, 2016). The most ambitious program of space activities for the international community took place in 1957-1958, with the placing in orbit of the first artificial satellite and

other objects for study purposes. While 1969, man reaches the moon (Nava, 2016).

Mexico joined the space race in 1962, during the government of Adolfo López Mateos, with the creation of the National Commission for Outer Space, which aimed to take control and encourage the research, exploitation and use of air space for peaceful purposes. One of the main projects was the development of probe rockets. The same year, the UNAM created the Department of Outer Space today called Department of Space Sciences. In 1968, for the worldwide transmission of the Olympic Games, the first satellite station was built in Hidalgo, renting the ATS-3 satellite to NASA (Nava, 2016).

Unfortunately, this progress was interrupted in 1977 with the closure of the CNEE, by the Lopez Portillo government, derived from a strong economic crisis in the country. Until 1982, they acquired the first package of their own satellites called Sistema Morelos, which were put in orbit in 1985 and with that Telecomm



was created. In 1993, the second satellite package was acquired or Sistema Solidaridad (Nava, 2016).

Given the technological dependency with the foreigner, in 1991 the UNAM created the University Program of Space Research and Development (PUIDE), which begins the design and construction of the first Mexican satellite UNAMSAT-1. Later, in 1994, several Mexican institutions sponsored by the Mexican Telecommunications Institute joined the SATEX-1 project, but again it was truncated due to lack of resources, when it was 80% complete. In addition, the satellite system was sold to an American company in 1997. The government did not re-acquire a satellite system, but until 2010, for national security, the company Boeing (Nava, 2016).

Despite this series of setbacks, in the last decade Mexico has positioned itself as a leader in aerospace manufacturing, which has generated new related national companies and clusters, which has led to the need to create new specialized careers (Nava, 2016).

## **B. News of the industry in Mexico and the world**

The growth of air traffic in recent years has increased aerospace production, reaching the amount of 582.6 billion dollars in 2015. The region with the largest share in this process is North America, with 51.1%, in second place this Europe with 31.02% and Asia Pacific with 13.93%. Being Mexico the fourteenth producer worldwide (SE, 2017). With respect to the attraction of aerospace projects,

between 2009 and 2017, the first place is occupied by the United States with 186 projects, the United Kingdom in second place with 103 and Mexico in third place with 92 (SE, 2017).

The global value chain is made up of companies categorized by their specialization spread around the world: OEMs (Original Equipment Manufacture) which are the manufacturing companies of the final product, TIER 1 manufacturers of components that go to the assembly line final, the TIER 2 the suppliers of parts of the TIER 1 components (SE, 2017). The TERESA project (TEchnology Roadmap for Environmentally Sustainable Aviation), launched by IATA, marks the technological trend of the sector for the reduction of fuel consumption and its emissions, pointing to a road map that identifies the technologies in the areas of fuselage and engines (SE, 2017).

The world fleet forecasts to 2036 reported by FEMIA, is of a demand of 41,030 aircraft of different sizes. Annual deliveries of between 1,500 and 2,000 single aisle aircraft are expected (such as the B737 MAX and A320 models), where the Boeing and Airbus companies practically produce about 90% of the aircraft in equal parts (FEMIA, 2019).

In the case of Mexico, the industry has shown growth in recent years, which is demonstrated in the number of exports, number of jobs, investment and domestic product, which exceeds the average of the manufacturing industry. The industry came to an end with the arrival of OEM manufacturing

companies and their leading suppliers worldwide, who found the ideal investment and quality conditions. Advantages such as the geographical position with respect to the United States, the free trade agreements that it has, the experience in the automotive sector and the qualified workforce, made Mexico the optimal country for aerospace production (SE, 2017). Among the global companies in Mexico are the following:

- a) Aernnova de España
- b) Airbus Group de Europa
- c) Bombardier Aerospace de Canadá
- d) Daher Aerospace de Francia
- e) Eaton Aerospace de UK
- f) Fokker de Holanda
- g) General Electric de USA
- h) GKN de UK
- i) Gulfstream Aerospace de USA
- j) Honeywell Aerospace de USA
- k) ITP Group de España
- l) Groupe Latecoere de Francia
- m) MD Helicopters de USA
- n) Meggit de UK
- o) Safran Group de Francia
- p) Sargent Aerospace de USA
- q) Textron – Cessna, Bell Helicopter, Beechcraft de USA
- r) United Technologies Aerospace Systems de USA
- s) Zodiac Aerospace de Francia (FEMIA, 2019).

The Ministry of Economy, with the support of other agencies, recognized 330 economic units and support entities of the aerospace sector that generate approximately 50 thousand jobs and are distributed in 18 states of the Mexican Republic as follows:

- a) Baja California- 86
- b) Sonora- 53
- c) Chihuahua-39
- d) Jalisco- 13
- e) Aguascalientes-1

- f) Durango-1
- g) Zacatecas- 1
- h) San Luis Potosí- 5
- i) Querétaro- 44
- j) Ciudad de México- 13
- k) Estado de México- 13
- l) Puebla- 2
- m) Guanajuato-4
- n) Hidalgo-1
- o) Nuevo León- 34
- p) Tamaulipas-12
- q) Coahuila- 6
- r) Yucatan-2(SE, 2017).

Of the aerospace equipment manufacturing companies, 51.1% are small, generate 22.5% of the jobs in the sector and 6.9% of gross production; the medians are 17%, with 22.4% of the employed personnel and 12.3% of gross production, while the large companies with 15.9%, with 54.9% of employed personnel and 80.7 of gross production (INEGI, 2018). The establishment of world-class companies has allowed the generation of different conglomerates, excelling 5 clusters in different States: Baja California, Chihuahua, Nuevo Leon, Querétaro and Sonora. Each of these has its specialty, given the experience, capacity and regional characteristics:

- a) Cluster in Baja California: electric and electronic, parts for motor, assembly of interiors and seats, instruments of control and navigation, engineering and design
- b) Cluster in Chihuahua: Aerostructures, fuselage, precision machining for turbines.
- c) Cluster in Querétaro: fuselage parts, landing gear, cables, harnesses, precision machining, MRO
- d) Sonoran Cluster: Aluminum

- manufacturing, high precision machining of turbine components, harnesses and cables
- e) Cluster in Nuevo León: Helicopter fuselage, harnesses and rings made of special materials. (SE, 2017).

The distribution of aerospace operations is mainly concentrated in the manufacture of parts and components with 72.3%, engineering and design with 13.2% and maintenance and repair with 11.1%. Therefore, most of the companies in the sector have TIER 2, with 29%, and TIER 1, with 27% (SE, 2017).

The demand for qualified personnel for this highly specialized industry has fostered the creation of undergraduate and Advanced University Technician degree programs, such as Aeronautical Engineering, which have produced 4,523 graduates in the last 7 school cycles, between 2010 and 2017 (INEGI, 2018). This effort is paying off, given that aerospace companies generate high-paying jobs. According to INEGI data, the average salary of an employee in the manufacture of space equipment was \$ 20, 772 pesos per month against \$ 14, 737 pesos per month of the manufacturing industry average in 2017 (INEGI, 2018). The Gross Domestic Product of the aerospace equipment manufacturing keeps in constant growth since 2010 as shown in table 1:

**Table 1: GDP of manufacturing of aerospace equipment in thousands of pesos at constant prices**

Year	GDP of manufacturing of aerospace equipment
2010	8.6
2011	10.1
2012	13.8
2013	15.1
2014	17.0
2015	19.8
2016	21.7
2017	21.9

*Source: Own preparation based on INEGI (2018).*

Production that represented 0.78% of the total manufacturing in 2016, reaching a value of 2.7 million pesos (SE, 2017). On the other hand, foreign trade activities have maintained constant decrease rates in the last 12 years. In 2016, a trade surplus of 1.3 million was generated, given that exports reached the amount of 7.2 billion dollars and imports were 5.9 million (INEGI, 2018). The main commercial partner is the United States, which receives 80.7% of exports of aeronautical products in 2016, followed by Canada, with 4.7% (SE, 2017).

Among the strategies of the aerospace agenda for Mexico, are the following:

- a) Promotion and development of internal and external markets.
- b) Strengthening and development of capacities.
- c) Development of human capital.
- d) Technological development, science and innovation.
- e) Development of transversal factors (SE, 2017).

While within the goals that are planned to be achieved by 2015, the following are included:



- a) Locate the country within the first 10 places internationally, in terms of exports.
- b) Export more than 12,000 million dollars of aerospace goods.
- c) Have a solid index of the employment base of the industry and encourage its growth.
- d) Maintain an added value of the sector above 20%. (SE, 2017).

In the territory of our main trading partner is one of the leading producers in the aerospace industry: Boeing. It was founded in 1916 in Washington with the mission and vision of “connecting, protecting, exploring and inspiring the world through aerospace innovation”. Currently, it has reported revenues of \$ 94.6 million dollars in 2016, presence in 150 countries (including Mexico), contracts with more than 20,000 suppliers and a workforce of 145,000 employees (Boeing, 2017)

## DELIMITATION OF THE PROBLEM

Despite being a leading company in its branch, Boeing is at a time of crisis, product of the accidents that occurred in the months of October 2018 and March 2019, with balances of 189 and 157 dead respectively, where two aircraft model of Boeing 737 MAX 8 collapsed (Young, 2019). This led to the suspension of the commercial operation of this model in various parts of the world (Expansión, 2019). The 737 model is the bestselling airplane model in the world, in this recent version MAX 8 was included a more advanced and high engine with respect to the location of the wing, a sensor and connected software of different functionality, so it was requested the airlines will update the flight information manuals. But despite

the efforts, the aerospace company has not given a final answer on the causes of the mentioned accidents (Young, 2019).

For the Mexican market this has an impact since Boeing is a client and supplier of companies related to aviation and the aerospace industry. Both the airlines and the manufacturers of parts and components depend to a large extent on the performance and management of the aerospace leader, not only in the short term, but in the long term, as their reputation is affected.

### Research question:

Derived from the analysis, the following research question is generated. How would the crisis caused by air accidents affect the reputation of Boeing and, with it, the Mexican aerospace market?

## THEORETICAL-CONCEPTUAL BACKGROUND

In this section, it is analyzed the theory of resources and capabilities, which is what explains the reputation as a sustainable intangible asset of the company that develops over time and is difficult to imitate.

The theory of resources and capabilities proposes that the extraordinary profits of the company are obtained from the valuable resources that they have under control (Fong, 2005). In other words, the performance of a company is a function of its resources and capabilities, which they are characterized by certain aspects of value categorized in the VRIO framework (value, rarity, imitation and organization), which can direct the company towards constant competitive advantage and consistent performance (Peng, 2010). The main postulates are summarized, including the contributions of some of the key authors such as Barney, Dierickx & Cool, as well as the recent discussions about it.

## REVIEW OF THEORETICAL LITERATURE

The vision based on resources is the perspective basically proposes that the performance of a company is based on its resources and capabilities. Which are the assets that companies use to choose and implement strategies (Peng, 2010). At the time, thinking about the competitive strategy focused on the ways in which companies could create markets for imperfectly competitive products in order to obtain a higher normal economic return, but with the knowledge that the economic performance of the companies depends on the cost of implementing those strategies; It is necessary to calculate this cost so that companies really obtain a higher economic performance (Barney, 1986).

To help analyze the cost of implementing product market strategies, Barney (1986) introduces the concept of “strategic factor market”, defined as “a market in which the necessary resources to implement a strategy are acquired”. For companies seeking greater economic performance, strategic options should flow primarily from the study of their unique abilities and capabilities, rather than from the analysis of their competitive environment. Therefore, management skills are a necessary resource for the successful implementation of strategies (Barney, 1986).

The resources and capabilities are tangible and intangible assets. The resources tangible capacities, are practically those that can be seen and quantified more easily, are divided into four categories: resources and financial, physical, technological and organizational capabilities. Some examples could be the ability to generate internal financing or collect external capital, access to raw materials and distribution channels, use of patents, trademarks or copyrights, and systems of control, direction and

planning in form (Peng, 2010). With regard to intangible resources and capacities, it can be specified that they are resources and capacities that are difficult to see and quantify, and that also include a classification: human resources, capacities, innovation and reputation (Peng, 2010).

Virtually the vast majority of goods are produced through a value chain. It consists of two areas: primary activities and support activities. However, each activity requires a number of resources and capabilities and since no company possesses enough assets to be good in all primary and support activities, it is prudent to examine to see if they have the necessary elements to perform a particular activity superior to its competitors (Peng, 2010). Another of the dilemmas that companies face is in the use of labor or external elements or if they continue carrying out all the activities internally. This decision will depend on whether the capacity of the company allows or does not perform each task (Peng, 2010).

In sum, an analysis of the value chain commits managers to perform a SWOT analysis to determine the strengths and weaknesses of their company based on an activity, in relation to their competitors (Peng, 2010). Likewise, to sustain itself as a competitive advantage, resources and capabilities must comply with the VRIO Framework, which is based on aspects of value (V), rarity (R), imitation (I), and organization (O):

- 1) Value: the resources that add value can direct a company towards competitive advantage. So, if companies are not able to get rid of the resources and capabilities that do not add it, they are at risk of diminishing their performance.
- 2) Rarity: It is not enough to have good resources and capabilities, it is convenient that these are valuable and rare, since only these assets have the potential

to provide some temporary competitive advantage.

- 3) Imitation: in addition to taking care of possessing valuable and rare resources and capacities, it will also be necessary to take care
- 4) Organization: only the valuable, rare and difficult to imitate capabilities that are impregnated with the organization and are exploited can generate a constant competitive advantage and consistent performance (Peng, 2010).

This is relevant given that the sustainability of a company's asset position depends on the ease with which assets can be substituted or imitated. Imitability is linked to the characteristics of the process of accumulation of intangible assets: the diseconomies of time compression, the efficiency of assets, interconnection, the erosion of assets and the causal ambiguity (Dierickx & Cool, 1989).

As previously mentioned, Barney stated that the factor market provides the inputs required for the implementation of a strategy. Many of these necessary inputs can be bought and sold in this market. The concept proposed by Barney is undoubtedly useful for evaluating the opportunity cost of implementing these assets. However, the deployment of such assets does not represent a sustainable competitive advantage, precisely because they are freely negotiable. On the other hand, some factors are simply not negotiated in open markets. Therefore, a complementary framework is required to measure the sustainability of the flow of benefits generated through the implementation of non-tradable assets. Examples of this type of assets are loyalty and trust (reputation) which are not commercialized, cultivated and obtained over time (Dierickx & Cool, 1989).

It is a priority for companies to have

this type of intangible assets, which are usually built as a result of adhering to a constant set of policies over a period of time. Therefore, a key dimension of the formulation of the strategy can be identified as the task of making appropriate decisions about strategic expenditures, in order to accumulate resources and skills required. Critical or strategic stocks are those assets that are not tradable, imitable or substitutable (Dierickx & Cool, 1989).

Likewise, the sustainability of a company's privileged creditor position depends on the ease with which it can be replicated. If the imitation of a particular stock of assets could be slow or costly, this depends on the relative ease with which rival companies are able to accumulate a similar stock. This is a function of the characteristics of the process by which it can be accumulated. These factors are:

- a. Diseconomies of understanding of time: its concept is based on the law of diminishing returns, when time remains constant.
- b. Efficiency in the mass of assets: sustainability will be reinforced to the extent that it increases the ease of massive accumulation of assets.
- c. The interconnection of asset populations: the accumulation of increases may not depend only on the level of a stock, but also on the level of others. The difficulty of building an action is related to the low initial level of its complement.
- d. Asset Erosion: In general, the increase in decomposition rates weakens the inherent asymmetry between companies that have stocks of important assets and those that have the stock levels of the lower assets. However, it is important to keep in mind that the dominant position of a company can be sustainable, although its underlying asset base is subject to rapid decomposition, as long

as it faces lower “maintenance” costs. This may be the case when a company enjoys greater efficiency in the accumulation of asset mass efficiency and / or asset interconnection. On the other hand, the presence of time compression deconomics, in addition to the rapid erosion of assets, makes it very difficult to maintain asymmetric stock levels.

- e. Causal ambiguity: this exists over the process of asset stock accumulation and is captured by the notion of “uncertain imitability”, which suggests that it is sustained by differences in performance can be found even in the perfect competition industry environments (Dierickx & Cool, 1989).

Finally, the vision based on resources and capabilities is subject to four leading debates that are detailed below:

- 1) Firma versus industry-specific performance determinants: At the heart of this vision is the proposal that the performance of the firm is primarily determined by its capabilities and resources, while in the industry-based view the argument is that the performance of a firm is based on the specific attributes of the industry.
- 2) Static resources versus dynamic capacities: It is considered that tacit knowledge could be the most valuable resource, unique, difficult to imitate and of greater organizational complexity, which represents the maximum dynamic capacity that a company can have in its search for the competitive advantage. These types of assets range from knowledge about customers through years of interaction, to knowledge about the product development process and

political connections. With this it is given cavity to the subject of hyper competition that is a way of competing focused on dynamic maneuvers designed to unleash a series of small, unpredictable but powerful actions to undermine the competitive advantage.

- 3) Internationalization versus non-internationalization: Really how favorable internationalization can be depending on the ethical behavior of the companies, since it could have consequences such as affecting the employment rate in the countries of origin, lack of responsibility and even, lead to problems of national security.
- 4) Domestic versus international capabilities: the philosophy of thinking globally, acting locally, emphasizes the importance of thinking about big designs on global strategy, without neglecting the details that make a local market gain (Peng, 2010).

To conclude, to develop an intelligent strategist it must be built strengths based on the VRIO framework; the persistent imitation or standardization, although important, does not seem to be a successful strategy, since the following firms tend to mimic the most visible, more obvious and consequently less important practices of the winning firms; Finally, a competitive advantage that is constant does not imply that it will last forever, so it is necessary to develop resources and capacities for future competition (Peng, 2010).

## METHODOLOGY

We used a qualitative methodology that facilitated the description and explanation of the object of study. This included an investigation of secondary data to delve into the characteristics of the aerospace industry, its importance and historical development in the world and national market, as well as

the problems raised by recent events, together with the theoretical review of literature related to the theory of resources and capabilities.

## ANALYSIS OF RESULTS

As analyzed in the literature, reputation is an intangible asset that is built over time. Boeing is a company with more than 100 years in the market that has achieved a higher participation in the manufacture of aircraft, whose reputation is difficult to tear down. However, the facts suggest an inefficiency in crisis management, given that a final response and solution to the clients has not been obtained, as one would expect from a global company of its level and importance. An example of this is the suspension of 6 aircraft of the mentioned model of the Mexican airline Aeromexico, which has been economically affected and could continue to be so if the problem is not resolved with the appropriate promptness.

The loyalty and confidence of the customers is a key element of Boeing's competitiveness, however, the current situation could affect the long-term perception of the market and, in turn, the economic performance of the company and its chain of supply.

## CONCLUSIONS

The aerospace industry has seen accelerated progress in recent years due to the growth of air traffic. It has a wide value chain that expands across the globe, facing a huge demand for aircraft, whose main manufacturers are two internationally recognized companies: Boeing and Airbus. Boeing is a leading brand that, although it does not have operations in Mexico (Boeing, 2019), has Mexican suppliers and customers that depend on its optimal compliance.

The performance of a company is based on its resources and capabilities, which are both tangible and intangible

assets. Within these last ones the reputation enters.

Reputation is a sustainable asset given the difficulty of imitation, which implies a competitive advantage over outgoing. This privileged position is achieved by factors such as the diseconomy of understanding time, efficiency in the accumulation of assets in a massive way, the interconnection of the accumulation of asset populations, the erosion of these and the uncertain inimitability.

Boeing faces an unfavorable situation caused by accidents of the last 8 months, which is affecting its operations with the suspension of model 737 MAX 8 aircraft. The impact could be greater by affecting its reputation, both in the short and long term, since it would lose one of its important competitive advantages. Of course, the decisions and actions taken by Boeing will have an impact on the economy of its entire supply chain, where Mexico plays a relevant role. Even, it could be taken advantage of by its main competence and displace it in the leadership that it occupies today.

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# SUSTAINABLE DEVELOPMENT GOAL 9: BUILDING RESILIENT INFRASTRUCTURE, SUSTAINABLE INDUSTRIALIZATION AND FOSTERING INNOVATION

Swati Saxena\*

## ABSTRACT:

India is aspiring to become a global power which will critically depend upon its ability to double the manufacturing industry's share of GDP by 2030 and invest in scientific research and innovation. With over half the world's population now living in cities, mass transportation and renewable energy are becoming more important along with the growth of new industries and information and communication technology. Promoting sustainable industries and investing in scientific research and innovation are very crucial ways to facilitate sustainable development. Investments in Infrastructure like in transportation, irrigation, energy and information and communication technology are very important for achieving sustainable development and it has been recognized that improvements in health and education requires investment in infrastructure. Therefore technological progress is the foundation to achieve environmental objectives and it is synonyms to say that industrialization will require technology and innovation and similarly, development requires industrialization. The paper will describe the targets set under SDG9, the global as well as domestic initiatives taken in order to achieve the commitments, it will critically analyze the impediments to successful implementation of the goal and lastly, it will access India's position and the way forward.

**Keywords:** Industrialization, Scientific research, Innovation, Sustainable development, Infrastructure

## INTRODUCTION

In 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable development. These were 17 goals associated with 169 targets, committed by 193 member countries including India. These goals require efforts to end all forms of poverty, fight inequalities, tackle climate change, foster innovation and sustainable industrialization etc, while ensuring that it benefits everyone and no one is left behind in ensuring sustainable growth.

The Sustainable Development Goals (SDG's) officially known as Transforming our world: The 2030 Agenda for Sustainable Development, are successor and expansion of Millennium Development Goals (MDG's) (2000-2015). The MDG's were eight International development goals agreed by all the world's countries and leading development institutions. The objective of SDG's was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing the world. The interesting fact about the 17 goals

is that they are interconnected and inter related, success in one goal motivates for the success of others. These goals are sustainable in the sense that they focus on meeting the needs of the present without compromising the ability of future generations to meet their own needs. These goals are to be achieved by 2030.

Sustainable Industrialization (Pradhan, 2017) is a long term process of transforming towards a desired vision of an industrialized economy that contributes to wealth creation, social development and environmental sustainability.

A degraded and non resilient infrastructure makes conducting good business challenging. Business relies on resource, labor and services from all corners of the world. And the ability to access them efficiently will only help in establishing new markets. Information and communication technology is of significant value to most business today as consumers live in every continent. However the things on which

business relies i.e. good infrastructure, supporting technologies, transportation etc is not universally accessible leading to stagnant economies and societal progress. By committing to sustainable industrialization and promoting innovation across business can contribute to development of the regions in which they operate. It is therefore, by upgrading local infrastructure, investing in information and communication technology and by making these technologies accessible to all the people including the marginalized groups, the targets set under Sustainable Development Goal 9 can be met.

## SUSTAINABLE DEVELOPMENT GOAL 9- AN OVERVIEW

### 1. Targets set under Sustainable Development Goal 9

The Sustainable Development Goal 9 consists of eight targets in order to create action to built resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. These goals are as

\* Assistant Professor, Asian Law College

follows-

Goal 9.1: Developing Sustainable, Resilient and Inclusive Infrastructure- It includes developing regional as well as trans-border infrastructure in order to support economic development and human well being. Its larger focus is on affordable and equitable access to all.

Goal 9.2: Promote Inclusive and Sustainable Industrialization- The goal focuses on significantly raising the manufacturing industries share of employment in the Gross Domestic Product of the country.

Goal 9.3: Increase access to financial services and markets specially increasing the access to small scale industrial and other enterprises particularly in developing countries. Access to financial services and affordable credit is very vital for any economy.

Goal 9.4: Upgrade all industries and infrastructure for sustainability- The goal focuses on up gradation of infrastructure and industries in order to make them sustainable, efficient and environmentally sound.

Goal 9.5: Enhance research and upgrade industrial technologies- It focuses on encouraging scientific research and innovation which will further lead in up gradation of industrial technologies in order to work together for sustainable industrialization.

Goal 9.A: Facilitate sustainable infrastructure development for developing countries. Its particular focus is to enhance financial, technological and technical support to African countries, Least Developed Countries, Landlocked countries and Small Island Countries.

Goal 9.B: Support Domestic

Technology Development and Industrial Diversification- This goal requires a conducive policy environment for inter-alia industrial diversification and value addition.

Goal 9.6: Universal Access to Information and Communication Technology- Universal and affordable access to internet is very important in order to aim for sustainable industrialization and innovation. Investments in mobile cellular services are very crucial to increase connections between people.

## 2. **Global Initiatives towards Resilient Infrastructure, Sustainable Industrialization and Innovation**

The governments around the world, including in emerging markets have stated focusing on sustainable industrialization and it is driven not only by scientific research and innovation and considerations for diversification but it is primarily based on environmental considerations and global commitments. About 193 countries in 2015 committed towards the Sustainable Development Goals and they are making continuous efforts towards promoting sustainable industrialization, fostering innovation and making technology accessible to all. Some of the global initiatives towards sustainable industrialization and innovation are-

- In 2015, Sweden has come up with an ambitious goal to eliminate fossil fuel usage within its borders and ramp up its investment in solar, wind and clean transport.
- European Union has evolved an EU Civil Protection Mechanism where the member states pool resources that can be deployed where a

disaster strikes.

- Canada is investing \$20.1 billion in Public Transit which is an effective means to lessen traffic congestion in order to reduce fuel consumption and air pollution.
- In 2016-17, Canada introduced the workplace 2.0 format for workstations, to make better use of its office place and to modernize the physical aspects of workplace.
- The Australian Building Codes Board has developed a set of specific standards for ensuring structural resilience in commercial and residential buildings.
- In Samoa, the SDG fund is supporting construction of an Organic food processing facility, young people including vulnerable youth, are being trained to find job opportunities in organic production and processing within the key economic sectors of agriculture and tourism.
- In Nigeria, SDG fund is working to strengthen agro- food value chains and promoting access to market. The program will establish a food processing facility, capable of covering its own cost with a hybrid public-private ownership.
- Asian Development Bank is working with Green Climate Fund to support resilient infrastructure investment projects. It has also invested in Green and Gray infrastructure.
- Latin America is also using Grey and Green Infrastructure method to benefit from integrating green or natural infrastructure to build water supply systems.
- China is leading in innovations

through various projects and policies. Over the past decade, Chinese Research and Development infrastructure increased by 21% a year, while Research and Development intensity increased 1795 from 1999 to 2008.

- EU Commission has proposed 'Horizon Europe' an ambitious 100 billion pound research and innovation program.
- UK has invested up to 30 million pound to set up flagship centers supporting the manufacturing supply chain in latest power electronics, machines and drives.
- The African Union, Department of Political Affairs is organizing 'Humanitarian Innovation Challenge' to identify five promising digital technology based ideas to tackle forced displacement and other humanitarian challenges in Africa.

### 3. India's Efforts to towards Resilient Infrastructure, Sustainable Industrialization and Innovation

The Indian Government has launched various flagship interventions like Make in India, Start up India, as well as Pandit Deendayal Upadhyay Shramey Layate Karaykaram for fuelling innovation and sustainable industrial and economic development.

- 111 million people in India are employed in micro, small and medium enterprises produce 33% of the manufacturing output.
- India has 566 million internet subscribers.
- Mangalyaan is the world's least expensive interplanetary mission to mars.

- In 2019, the Government of India proposed the setting up of a National Research Foundation in the country to fund, coordinate and promote research.
- Make in India is a campaign under Government of India to attract foreign investment and build brand India. Its primary goal is to make India a global manufacturing hub.
- Smart Cities Mission was launched for urban modification and renewal programme to make 98 short listed cities across the country for citizen friendly, sustainable and resilient infrastructure.
- Start up India program was launched in 2016 by Government of India to promote entrepreneurship and more employment opportunities in India.
- Government of India launched Pradhan Mantri Mudra Yojna, the MUDRA Bank, for development and refinancing activities relating to micro units.

### ASSESSMENT

The countries all over the world have made efforts in order to build resilient infrastructure, sustainable industries and foster innovation. Infrastructure is the foundation of modern day civilization as it provides us with access to the resources needed to exist at this scale. There is presently 1 trillion dollar global shortfall on basic infrastructure and investment worldwide and SDG 9 can help to overcome it. Infrastructure traditionally has been seen as the domain of public sector but there is increasing intervention from corporate. To address the funding gap, we need alternative means of financing and collaborative public-private governance to provide innovative infrastructure solutions.

As the world begins the implementation of the SDG, 13% of the world's population still lives in poverty and around 80 million people suffer from hunger and 2.4 billion living without better sanitation and health facilities. It is therefore important to ensure that no one is left behind in overarching principles of 2030 agenda. Therefore achieving Sustainable Development goals in a holistic manner requires the partnership of government, private sector, civil society and citizens to make sure that we leave a better planet for future generations.

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# EQUITY RESEARCH OF LARGE CAP COMPANIES OF INFRASTRUCTURE SECTOR LISTED ON NSE

Bushra\* Tamanna Madan\*\*

## ABSTRACT:

The main aim of this paper is to carry out Fundamental analysis in infrastructure sector of large-cap companies and also to find out the opportunities of investment in this sector where returns can be maximized. Indian Economy being one of the fastest developing economies in the world, companies in India are growing at faster rate as compared to their growth rate a decade back. In India people are realizing that equity has potential to give highest return as compared to other investment avenues however people are not aware how to perform equity valuation, they just invest in shares based on tips given by brokers, friends or family members. Equity valuation begins with analysis of the sector in which you want to make investment. If the sector looks positive then analysis of various companies in the sector can be done. Fundamental analysis of company can be performed to check its performance and financial strength. This starts from the fundamental analysis where EIC (economy, industry, company) analysis of infrastructure sector is done. Economy of India and infrastructure are analyzed on the basis of various factors and indicators. Companies were analyzed based on the various qualitative and quantitative factors. After analyzing these, stock price is estimated using relative valuation method. The market price and P/E ratios have been taken to calculate the EPS. After the target price was calculated with the help of sector P/E and EPS and finally the difference was taken between the target price and market price to arrive at the best performing company. All the above specified process is done by maintaining an Index for two months i.e January and February 2019. Finally the conclusion is derived.

**Keywords:** Fundamental analysis, Stock price, Equity, P/E ratio, Index.

## INTRODUCTION

### Equity Research:

It refers to analyzing a company's fundamentals, analyzing its financial statements & scenario building for equity recommendations. It analyses the market trends & their effects on companies and stocks.

### Index:

An index is an indicator or measure of something, and in finance, it typically refers to a statistical measure of change in a securities market. In the case of financial markets, stock and bond market indices consist of a hypothetical portfolio of securities representing a particular market or a segment of it.

### Fundamental analysis:

It is a method used to determine a company's value by looking at its income statement, balance sheet, and cash flow statement. In financial terms, the analyst tries to measure a company's

intrinsic value by discounting the value of future projected cash flows to a net present value. A stock price that trades below a company's intrinsic value is considered a good investment opportunity & vice-versa.

### Infrastructure Sector:

"The term infrastructure was first used in the English language in the late 1880s. In 1987, a panel of the U.S. National Research Council adopted the term "public works infrastructure" to refer to functional modes including highways, airports, water supply and resources, telecommunications, as well as the combined systems that these elements comprise."

Infrastructure can be put into several different types including:

- Soft infrastructure: These types of infrastructure make up institutions that help maintain the economy. These usually

require human capital and help deliver certain services to the population. Examples include the healthcare system, financial institutions, governmental systems, law enforcement and education systems.

- Hard Infrastructure: These make up the physical systems that make it necessary to run a modern, industrialized nation. Examples include roads, highways, bridges, as well as the capital/assets needed to make them operational (transit buses, vehicles, oil rigs/refineries).
- Critical Infrastructure: These are assets defined by a government as being essential to the functioning of a society and economy, such as facilities for shelter and heating, telecommunication, public health, agriculture, etc. In the United States, there are agencies responsible for these

critical infrastructures, such as Homeland Security (for the government and emergency services), the Department of Energy and the Department of Transportation.

### Key Players of the Industry

1. Larsen & Toubro Ltd.
2. Adani Ports & Special Economic zone Ltd.
3. Siemens Ltd.
4. ABB India Ltd.
5. Bharat Heavy Electricals Ltd.
6. Thermax Ltd.
7. NBCC (India) Ltd.
8. GMR Infrastructure Ltd.
9. Engineers India Ltd.
10. IRB Infrastructure Developers Ltd.

### Literature Review

A number of studies both empirically and theoretically have been made realizing a strong relationship between a country's infrastructure and economic development.

- Bernard & Vanduffel (2014) infer ideal portfolio with state subordinate limitations by thinking about the reliance between the portfolio and the benchmark. The paper likewise infers more tightly limits on the Sharpe Ratio (SR) which is valuable for misrepresentation location.
- Cumming et. al. (2013) propose a modified appraisal value-based private equity (PE) benchmark. It shows that this method has statistically lower levels of risk than when listed PE indices are used as proxy. The listed PE indices are considered insufficient for portfolio optimization as they do not include the entire PE universe and their expected valuations often do not match the actually PE valuation, especially during crisis. Richard
- Richard C. Grimm (2012) explains that fundamental analysis is to determine its application as an Austrian approach to common stock selection. The Fundamental analysis supports the conclusion that fundamental security analysis can be practiced in a manner consistent with traditional Austrian views and is suitable as a common stock selection method by those who wish to select the stocks.
- Rajiv Kumar Bhatt (2011) has analysed the impact of recent global financial crisis on Indian Economy. The paper is divided into three sections. In this paper each and every concept has been explained in a in-depth manner in the form of section for economy, industry and company analysis.
- Bettman et al (2009) stated that Fundamental analysis and technical analysis were used independently by most stock market analyst. However, there are very few literature which integrates both measures into a single powerful model.
- Ghang, Yang, and Chang in 2009, tested different risk measures in substitution of the mean-variance, one of them is the variance with skewness, developed based on the theory that portfolio return may not be a symmetrical distribution, this means that the distribution of return of individual assets tend to exhibit a higher probability of extreme values.
- Jenni L., Bettman, Stephen. J. Sault, Emma. JSchultz (2008), proposes an equity valuation model integrating Fundamental and Technical analysis, they tend to recognize their potential as complements rather than as substitutes. Testing confirms the complementary nature of Fundamental and Technical analysis by showing that in spite of each performing in isolation models integrating both have superior explanatory power.
- Sanjay Seghal and Meenkashi gupta (2005) examines the survey which aims at providing insights about the way technical traders operate in the financial market and the trading strategies that they adopt. The survey covered institutional and individual technical traders with a long and active trading record for the Indian market. In this study also it is observed that the sample respondents tend to use Technical analysis along with Fundamental analysis for security selection.
- Schyns and Crama in 2003 describe the application of SA for solution of the classic Markowitz model with more realistic constraints, the quantity constraint, cardinality constraint, turnover constraints, and trading constraints. The advantage of using SA over other heuristic methods is the ability to avoid getting trapped in optimal local points, its flexibility and ability to approach global optimality. The important conclusions of this paper are the introduction of trading constraints that are difficult to handle, and there is a trade-off between the quality of the solutions and the time of the simulations to find them.
- Nobert. M. Fliess, Ronald Macdonald (2002) assigns a special importance to the open, high, low and closed prices in forecasting the mean and volatility of exchange rates using Technical analysis. In this paper the authors propose to investigate the time series properties and the informational content of these different prices, using range and Co integration methods. In sum, in this article it is argued that a Technical

analysis of high low and close prices is useful way of learning about latent granger causality in high frequency exchange rate.

- Thomas Oberlechner (2001) presents the findings of a questionnaire and an interview survey on the perceived importance of Technical and Fundamental analysis among foreign exchange traders and financial journalists in Frankfurt, London, Vienna and Zurich. Foreign Exchange traders confirm that, out of both the forecasting approaches, technical analysis is more prominent than the other.
- Doron Nissim and Stephen H. Penman (2001), this research work envisages on Financial Statement analysis and identifies that this analysis has traditionally been seen as part of the Fundamental analysis required for equity valuation. This paper outlines a financial statement analysis for use in equity valuation.
- Parameswaran (2000) performed variance ratio tests corrected for bid-ask spread and non-synchronous trading on the weekly returns derived from CRSP daily returns file for a period of 23 years. His results show that eight out of ten size sorted portfolios do not follow a random walk. He observed that non-trading is not a source of serial correlation in the large sized firms.
- Ming, Nor & Guru (2000) showed that variance ratio and multiple variance ratio tests reject random walk for Kuala-Lumpur stock exchange. They further show that trading rules like variable length moving average (VMA) and fixed length moving average (FMA) have predictive ability of earning profits over and above the transaction costs.
- Darrat & Zhong (2000) examined random walk hypothesis for the two newly created stock exchanges in China. They followed two different approaches-the variance ratio test and comparison of NAÏVE model (based on assumption of random walk) with other models like ARIMA and GARCH. They rejected the random walk in newly created Chinese stock exchanges using both the methodologies. They further suggested artificial neural network (ANN) based models as strong tools for predicting prices in the stock exchanges of developing countries.
- Levy (1966) in his research, reports the results of tests of the profitability of some 68 variations of various trading rules of which very few that were based only on past information yielded returns higher than that given by a buy and hold policy.
- Graham and Dodd (1934), which focuses the analysis on the value investing using PE, book value, and EPS ratios. The relationship of stock price and fundamental factors is also strengthened on the dividend discount model by Gordon and Shapiro (1956), which values the stock price through the dividend paid by the company.

## OBJECTIVES OF THE STUDY

The main purpose of this study is to know the fluctuations in the share price of selected large cap companies of infrastructure sector and also to analyze the risk and return on the securities. After selecting the stocks fund is allocated on these stocks so that we are able to calculate NAV on daily basis.

1. To fundamentally analyze the large cap companies in terms of their share price and market capitalization.

2. To determine stock valuation and growth drivers from the available options.
3. To predict the change in the index of selected companies.

## Scope of the Study

The scope covers all the information related to the equity fund & infrastructure sector, it also covers the investors risk in the investment in various securities.

- Identification of the investor's objectives, constraints, and preferences.
- Strategies are to be developed and implemented in tune with investment policy formulated.
- To reduce the future risk in advance.
- To acquire maximum profit in the securities.

## RESEARCH METHODOLOGY

### Method of Data Collection:

The data is collected from secondary data. Various data are collected from internet and various other sources. Secondary research is used to collect information and the news available about the sector by various modes. The research is completely based on the Fundamental analysis of the companies in infrastructure sector. Secondary data was collected from various sources such as Economic times, Money Control, companies' website through internet. The stocks were individually analyzed and then measured whether it would give best returns if the funds were invested in those particular stocks.

### Research Design

The sample of the stocks for the purpose of collecting secondary data has been selected on the basis of random sampling. The stocks are chosen in an unbiased manner and each stock is chosen in an independent manner of the stock chosen. The stocks are chosen from Infrastructure sector.

**DATA ANALYSIS****Fundamental Analysis for stocks in Infrastructure sector**

For conducting fundamental analysis for the stocks in infra Sector, only Large Cap organizations are mulled over i.e. stocks with market capitalization

over 5000 crore rupees. Underneath table demonstrates the loads of 10 organizations having market capitalization over 5000 crore rupees and are additionally recorded under the NSE Index.

**Test of Stationarity**

Ho: Test is non-stationary

H1: Test is stationary

Table 1: ADF Test			
Null Hypothesis: D(ABSOLUTE_CHANGE) has a unit root			
Exogenous: Constant			
Lag Length: 0 (Automatic - based on SIC, maxlag=4)			
		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-6.373450	0.0000
Test critical values:	1% level	-3.808546	
	5% level	-3.020686	
	10% level	-2.650413	

**Interpretation:**

First assumption is to check the stationarity by using ADF test statistic i.e. Augmented Dickey-Fuller test statistic. The above analysis is tested in E-views software. Test of stationarity refers to a unit root test or tests whether a time series variable

is non-stationary and possesses a unit root. The null hypothesis is generally defined as the presence of a unit root and the alternative hypothesis is either stationarity, trend stationarity or explosive root depending on the test used. The value of P has been depicted in the above analysis & if the value is

less than 5%, hypothesis is rejected.

Ho: Series is non stationary- rejected.  
Hence, the test is stationary in nature.

**ARIMA**

Auto Regressive Integrated Moving Average

Table 2: Auto Regressive Integrated Moving Average				
Dependent Variable: ABSOLUTE_CHANGE				
Method: Least Squares				
Sample (adjusted): 2 44				
Included observations: 42 after adjustments				
Failure to improve SSR after 12 iterations				
MA Backcast: 1				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2982.574	7866.439	-0.379152	0.7090
AR(1)	0.981244	0.059538	16.48106	0.0000
MA(1)	-0.999585	0.170438	-5.864804	0.0000
R-squared	0.485277	Mean dependent var	-405.1581	
Adjusted R-squared	0.428086	S.D. dependent var	416.1375	
S.E. of regression	314.7040	Akaike info criterion	14.47271	
Sum squared resid	1782695.	Schwarz criterion	14.62192	
Log likelihood	-148.9634	Hannan-Quinn criter.	14.50509	
F-statistic	8.485149	Durbin-Watson stat	1.683772	
Prob(F-statistic)	0.002536			
Inverted AR Roots	.98			
Inverted MA Roots	1.00			

**Interpretation:** Forecasting model is based on ARIMA model. Here,  $\text{change} = A + B(\text{AR}(1)) + C(\text{MA}(1))$ , where, AR is auto regression and MA is moving average & AR depends on PAC i.e partial auto correlation and AC= auto correlation. In this model price is calculated on the basis of the price of previous day, where, A, B, C remains constant.

**Determination of Sectoral P/E ratio**  
Sectoral P/E proportion is dictated by finding the normal of P/E proportions of the distinctive expansive top loads of the infrastructure area and disregarding the ones who have P/E proportion more than 100.

#### Valuation of stocks

The P/E proportion of each stock is then contrasted and the Sectoral

P/E proportion to decide if the stock is Undervalued or Overvalued. For example, if P/E proportion of a stock is lesser than the Sectoral P/E proportion then that stock is considered as an Undervalued stock. Then again, if the P/E proportion of a stock is more prominent than the Sectoral P/E proportion then that stock is considered as an Overvalued stock.

Table 3: Valuation of stocks

COMPANY NAME	P/E Ratio	Avg. P	Under/Over valued
Larsen & Toubro Ltd.	29.03	32.36	Under
Adani Ports & Special Economic zone Ltd.	28.55	32.36	Under
Siemens Ltd.	39.61	32.36	Over
ABB India Ltd.	54.08	32.36	Over
Bharat Heavy Electricals Ltd.	23.87	32.36	Under
Thermax Ltd.	49.18	32.36	Over
NBCC (India) Ltd.	31.76	32.36	Under
GMR Infrastructure Ltd.	-	-	-
Engineers India Ltd.	20.92	32.36	Under
IRB Infrastructure Developers Ltd.	14.21	32.36	Under

#### Selection of Value Picks

Valuation process is completed then, the growth in the “Undervalued” stocks is sought for by looking for changes in Revenue (Top line) and Profit (Bottom

line) per year on year basis. If both the values of Revenue and Profit are increasing in the year on year basis, then the company is accepted. If both the values of Revenue and Profit are

decreasing in the current year, then the companies are rejected. The accepted companies are selected for “Value Pick”  
Table 4: Criteria of Valuation of Stock

Value Pick			
Under valued Co.s	Revenue	Profit	Selected or not
Larsen & Toubro Ltd.	Increasing	Increasing	Yes
Adani Ports & Special Economic zone Ltd.	Increasing	Increasing	Yes
Bharat Heavy Electricals Ltd.	Increasing	Increasing	Yes
NBCC (India) Ltd.	Increasing	Increasing	Yes
Engineers India Ltd.	Decreasing	Decreasing	No
IRB Infrastructure Developers Ltd.	Increasing	Increasing	Yes

#### Selection of Growth Picks

After the determination of Value Picks, the following stage is to break down the Overvalued stocks and infer decide the Growth Picks. For deciding the Growth Picks, P/E Growth esteem

(PEG esteem) is ascertained for each Overvalued stock by partitioning P/E proportion of every one of these stocks by the rate change in profit per share Year On Year and the stocks with positive PEG esteems and not exactly or equivalent to 1 are chosen as Growth

Picks. The Overvalued stocks with negative PEG esteems or with PEG esteems more noteworthy than 1 are rejected. What's more, we can see that Aditya Birla Capital has been chosen as it satisfies the criteria.



Table 5: Valuation of companies

Growth Pick		
Over valued Co.s	PEG Ratio	Selected or not
Siemens Ltd.	More than1	No
ABB India Ltd.	More than1	No
Thermax Ltd.	More than1	No
PEG Ratio=PE/EPS growth		

Formula:

- $\text{PEG Ratio} = \frac{\text{P/E Ratio}}{\text{EPS growth}}$
- $\text{EPS growth} = \frac{(\text{Current EPS} - \text{Last Year's EPS}) * 100}{\text{Last Year's EPS}}$

Ranking procedure for selected a) stocks

Different monetary proportions which are critical for INFRASTRUCTURE area have been considered for positioning the chose stocks. These ratios include:

Liquidity Ratio

• Current Ratio

• Quick Ratio

b) Return on Assets

c) Debt to Equity

Table 6: Ranking Processes of Selected Stocks

Co.s	Current Ratio	Quick Ratio	Return on assets	Debt on Equity
Larsen & Toubro Ltd.	1.32	1.37	1.30	0.20
Adani Ports & Special Economic zone Ltd.	5.58	6.41	0.18	1.09
Bharat Heavy Electricals Ltd.	1.92	1.60	0.89	-
NBCC (India) Ltd.	1.29	0.99	3.38	-
IRB Infrastructure Developers Ltd.	0.61	1.47	-	1.89

**Final Ranking**

Table 7: List of Final Rankings to Selected Stocks

Rankings on the basis of-	Current ratio	Quick ratio	Return on assets	Debt on Equity
1.	Adani Ports & Special Economic zone Ltd.	Adani Ports & Special Economic zone Ltd.	NBCC (India) Ltd.	Larsen & Toubro Ltd.
2.	Bharat Heavy Electricals Ltd.	Bharat Heavy Electricals Ltd.	Larsen & Toubro Ltd.	Adani Ports & Special Economic zone Ltd.
3.	Larsen & Toubro Ltd.	IRB Infrastructure Developers Ltd.	Bharat Heavy Electricals Ltd.	IRB Infrastructure Developers Ltd.

Table 8: Overall Ranking

Overall Ranking
1. Bharat Heavy Electricals Ltd.
2. Larsen & Toubro Ltd.& IRB Infrastructure Developers Ltd.
3. Adani Ports & Special Economic zone Ltd.

**Calculation of Net Asset value for the portfolio of Infrastructure stocks**

Aggregate sum of Rs. 10 crores has been allocated to Infrastructure segment

which suggests that AUM (Asset under Management) for infrastructure division is Rs. 10 crores. Weightage and Amounts have been doled out to the stocks dependent on their positions.

At that point the quantities of offers are computed by partitioning the sum designated to the stocks by individual piece of the overall industry costs of those stocks as on date 31st July 2018.

Table 9: Data Used in NAV Calculation

Rank	Co. name	Price	Allocation of Funds	No. of shares
1	Bharat Heavy Electricals Ltd.	108.95	40,00,000	36,714
2	Larsen & Toubro Ltd	178.39	25,00,000	14,014
2	IRB Infrastructure Developers Ltd.	711.24	25,00,000	3,515
3	Adani Ports & Special Economic zone Ltd.	48.28	10,00,000	20,710
	TOTAL		1,00,00,000	

Benchmark= 728.24 (as on 28.02.2019)

NAV= AUM/No. of units

NAV=Net Asset Value  
Under Management

AUM=10 Cr

1 unit= Rs. 10

NAV= 10Cr / 1Cr = Rs. 10

Net Asset Value (NAV) for the portfolio of infrastructure sector is

determined by dividing the Assets under Management (AUM) for the infrastructure sector by the number of units under consideration. We have taken the number of units as 1,00,00,000.

Hence NAV for the portfolio of Infrastructure sector is = 10,00,00,000 / 1,00,00,000 = 10.

Therefore NAV for the portfolio of infrastructure sector is 10.

The calculation of NAV has been shown on the basis of each day share price of the stocks. NAV changes based upon the market.

Table 10: Comparison between Index and NAV of Selected Stocks

Rank	Co. name	Price	Allocation of Funds	No. of shares	Value of Fund
1	Bharat Heavy Electricals Ltd.	67.8	40,00,000	36,714	24,89,209.2
2	Larsen & Toubro Ltd	1,396.5	25,00,000	14,014	1,95,70,551
2	IRB Infrastructure Developers Ltd.	150.90	25,00,000	3,515	5,30,413.5
3	Adani Ports & Special Economic zone Ltd.	367.1	10,00,000	20,710	76,02,641
	TOTAL		1,00,00,000		3,01,92,814.7

Index value as on 28.02.2019= 728.24

NAV= 13.01

% Change in NAV= 3.01%

Interpretation: From the above analysis we can see that the comparison between change in NAV and the change in infrastructure Index, the index is not beating the benchmark which may or may not result in high returns according to the index. The reason for not beating the index could be some bad news or sector not performing well or any of the other reasons.

#### LIMITATIONS OF THE STUDY

The limitations are as follows:

- This study has been conducted

purely to understand fundamental analysis for investors.

- The study is restricted to large cap companies based on Fundamental analysis.
- The study is limited to the companies having equities.
- Detailed study of the topic was not possible due to limited size of the paper.
- The research period is limited to the period of 2 months.

#### CONCLUSION

“Fundamental analysis plays a crucial role in order to make wise investment decisions. After having accessed risk capacity and tolerance followed by time horizon and intension of investment, the individual portfolio can fetch the investor systemic returns.

The market research in the infrastructure sector brought upon different analyzing methods of stocks purchased and sold by different companies.

It is always better and important to analyze the funds before investing, and also to do continuous updation of funds invested because it may happen that some of the stocks which were not there in the above mentioned portfolio have started performing well and can give better returns as time goes on whereas some stocks may start falling due to market condition. Sector performance or company's news is an important factor which could make necessary to pull out the investment and invest somewhere else.

It has also been observed that according to the ranks assigned, Bharat Heavy Electricals Ltd. is at first position. The second position is bagged by Larsen & Toubro Ltd. & IRB Infrastructure Developers Ltd. So, it is better to invest in these securities”.

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## ESCAPE THROUGH CONSUMPTION

Renu Sharma\* Venu Arora\*\*

### ABSTRACT:

**Purpose:** This study delves into human behaviour as to why people seek escape and what do they seek escape from. It further investigates whether consumption and shopping experience can provide them an escape.

**Design/Methodology/Approach:** Established theories and constructs are studied to understand the basis of escape. This study is based on existing literature related to consumer behaviour and human psychology.

**Research papers and books** are retrieved from databases including Proquest, Ebsco, Elsevier, Emerald, Science Direct, Google Scholar and Research Gate.

**Findings:** Psychological needs of consumers should be looked after by marketers besides functional needs. Experiences created at shopping centres, retail stores, product choice & display and ambiance can provide sensory stimulation and distraction to consumers. It may provide them distractions from their painful emotions, negative self awareness and guilt. These distractions can be a source of much needed relief even though they may be temporary in nature.

**Research Limitations:** This research is purely based on study of earlier researches. The findings should be corroborated by conducting empirical research.

**Practical Implications:** Marketers should understand consumers' need for escape and should design experiences to provide sensory distractions to consumers. The insight can also add more meaning to jobs of marketers. They may not merely sell products or increase footfalls, rather they may change consumer lives

**Originality/ Value:** The study establishes a strong linkage between need to escape, experiential marketing and consumption

**Keywords:** Escapism, Consumer Emotions, Consumption, Experience Design

### INTRODUCTION

People experience discomfort as incompatible belief about themselves makes them emotionally vulnerable and can result in depression and anxiety (Higgins, 1987). To remove this discomfort they may opt for disengaged coping strategies including problem avoidance, wishful thinking, self criticism and social withdrawal, all of these are positively correlated with escapism (Bowditch, Chapman, & Naweed, 2018). One way to reduce these emotional problems is to modify behaviour or environment and lessen exposure to situations/ interactions which are related to a problem (Higgins, 1987). All these factors may not be controllable and manageable and therefore, one looks for escape elsewhere.

Human beings are not born with an ability to accept reality as it is, like any other animal. They have an ability to

'see' what is not there (Tuan, 2000) and an inherent tendency to explore, go beyond limitations, try out novel things and to learn but they don't wish to lose autonomy (Ryan & Deci, 2000). Another challenge is that our self view keep changing and is prone not only to serious threats but also to minor ones leading to continuous changes in self (Gao & Wheeler, 2009).

Earlier ethical systems promised paradise but only if one controls selfish interests and practices compassion, tolerance, overcome anger and cravings, all these conditions are not easy to practice (Harari, 2011). Activities which are of intrinsic interest and include challenge, aesthetic value motivate people (Ryan & Deci, 2000). Consumption can be one such activity as it is a pillar of modern identity (Nesse, 1999) and hedonic shopping experiences can provide enjoyment, excitement and escape (Babin, Darden,

& Griffin, 1994; Chebat & Michon, 2003).

Retail can exert a therapeutic effect by compensating for psychosocial deficiencies (compensatory consumption) and by repairing and reducing negative emotions (Kang & Johnson, 2011). It can trigger excitement which is marked by curiosity and fascination (Izard C. E., 1991) and can propel one to look forward to future outcomes (Lawler & Yoon, 1996) generating further positive emotions like hope. A short term intervention like shopping trip, entertainment can provide immediate relief/distraction giving customer some time to strengthen his emotions and look for long term solution (Baumeister, 1990).

Shopping and higher consumption reduces sadness, loss and helplessness (Garg & Lerner, 2013) by giving people a sense of more personal control as it

\* Research Scholar, Amity University \*\*Assistant Professor, Asian Business School

always involves choices (Rick, Pereira, & Burson, 2014). People may consume hedonic produce to regulate negative emotions like fear/anxiety or sadness and people with positive emotions like amusement and contentment may engage in consumption to maintain this emotional balance (Kemp & Kopp, 2011).

Interestingly consumerism has become the first religion in history whose followers actually do whatever they are asked to do as various promotions make you believe that you will get paradise in return (Harari, 2011).

Moreover situational influences can create emotions through events created by other people or oneself and also impersonally created events (Roseman, 1984). Perception of mall environment including scents and odours can provoke and induce shoppers' arousal (Chebat & Michon, 2003).

This study delves into consumer emotions, what makes them seek escape and exploring potential of consumption as an escape from boredom, emotional pain. The paper is divided into three main parts – first one talks about research methodology, second one looks into consumer emotions, need to escape, consumption as an escape route, third one involves managerial implications, fourth one talks about conclusion and research limitations.

## RESEARCH OBJECTIVES

This study investigates the following issues:

- i. To study factors which propel people to seek escape
- ii. To study impact of consumption on consumer escapism

## RESEARCH METHODOLOGY

This research is based on review of existing literature including books, full text, peer reviewed research papers and newspaper articles.

First keywords were shortlisted and these were evaluated by two academic professionals and two industry experts. Shortlisted keywords were Escape, Escapism, Escapist, Fantasy, Distraction, Dreaming, Daydreaming, Imagination, Illusion and Consumption.

Using these keywords, research papers were extracted from Proquest, Ebsco, Google Scholar, Science Direct, Researchgate, Emerald, Elsevier.

## LITERATURE REVIEW

### Consumer Emotions

Emotions begin with a biological response in body called affect, when we become aware about it, then it becomes feeling and when we remember same type of earlier feelings, it becomes an emotion (Tomkins, 1962). According to Differential Emotions theory each emotion is a distinct system acting as a primary motivation system within the personality (Izard, Ackerman, Schoff, & Fine). These emotions and cognitions interact and help in building personality and creating affective-cognitive structures (Izard, Ackerman, Schoff, & Fine).

There are five constituents of an emotion – Phenomenological like thoughts, images and subjective, physiological comprising of bodily responses, gestural including facial expressions, voice, postures etc. and behavioural including actions associated with particular emotion (Roseman, 1984). Emotivational are goals created by emotions such as avoiding some people or situation etc (Roseman, 1984).

Discrete emotions are classified into basic emotions and emotion schema or emotions in everyday life after infancy, which may involve simple appraisal process or complex processes including concepts, thoughts, memories (Izard, Woodburn, Finlon, Krauthmer-Ewing, Grossman, & Seidenfeld, 2011). These emotions can be differentiated based

on the type of motives that are at stake, consistency of an event with these motives and features of situation that may determine or predict the relative effectiveness of alternative emotional responses (Roseman, 1984). Basic emotions don't have marked boundaries, they overlap to adapt according to the challenges in a given situation.

During person environment interaction, emotion feeling becomes a motivational state creating an interconnected web of images, appraisals, thoughts, feelings and goals (Izard C. E., Human Emotions, 1977). An interpretation of events rather than event itself decides which emotion will be felt (Roseman, 1984). Feelings like excitement can vary depending on affect intensity and it can propel to seek novel experience or exploration (Tomkins, 1962).

Consumption emotions are a result of cognitive evaluation of goal relevance, goal compatibility and coping potential (Nyer, 1997). Attempts to regulate emotions impact consumption behaviour. A term coined for the same is ERC (Emotion Regulation Consumption) which denotes purchase and consumption of a good or service for improving, repairing or managing an emotion in short term (Kemp & Kopp, 2011).

ERC may depend on a person's innate ability to manage various emotions (Kemp & Kopp, 2011). People having less control over their emotions are more likely to indulge in hedonic consumption to manage their emotions (Kemp & Kopp, 2011). A hyperactive social media and averse comments can also shake self view pushing young people to restore their identity by buying symbolic products which bestow status (Gao & Wheeler, 2009).

Consumer can experience both positive and negative emotions depending upon the type of merchandise and buying

experience. Consumption Emotion set (CES) include anger, discontent, worry, sadness, fear, shame, envy, loneliness, romantic love, love, peacefulness, contentment and optimism (Richins, 1997).

### Antecedents of Escapism

Escapism is defined as habitual diversion of the mind to purely imaginative activity or entertainment as an escape from reality or routine according to Merriam Webster Dictionary (Merriam Webster). It is something that helps you to forget about your normal life and think of more pleasant things (Longman Dictionary of Contemporary English, 2000).

Escapism may be of two types – 1) escapism from boredom due to lack of stimulating activity and 2) escaping from negative emotional situations or avoidance coping (Panova & Lleras, 2016). It includes a range of motivations which include managing unpleasant moods, unwanted impulses and also a mechanism to overcome stress, aggression and anxiety (Bowditch, Chapman, & Naweed, 2018).

Need to escape can become strong if one experiences self discrepancy. Self discrepancy is the gap between how one currently perceives himself (current perception) and how one would desire to view oneself (Ideal or aspired perception of self) (Mendel, Rucker, Levav, & Galinsky, 2017). According to Self Discrepancy theory we wish to reach a state where our self concept matches our relevant self guide (Higgins, 1987). People may experience self discrepancy which triggers coping strategies and this in turn impact consumption (Mendel, Rucker, Levav, & Galinsky, 2017). There may not be a fundamental difference between coping and other motivated action. Only difference seems to be that coping reflects greater urgency.

Another strategy to reduce these

negative emotions is to avoid thinking about self discrepancy or distract oneself by turning attention elsewhere (Mendel, Rucker, Levav, & Galinsky, 2017). However, if a person lacks resources to face routine psychosocial problems then there is a higher risk of negative outcomes of escapism (Bowditch, Chapman, & Naweed, 2018).

Another situation where one seeks escape is when self view is at stake. A threat to self view can result in a) losing confidence in self view for the moment and b) triggering behaviours to regain this confidence (Gao & Wheeler, 2009). These threats can be as subtle as doing any work in an unfamiliar way or as serious as recalling immoral behaviour etc (Gao & Wheeler, 2009). A focus on self rather than goals may generate negativity and this can be diverting attention on a need which will require a goal (Csikszentmihaly, 2000). Shopping is one such goal directed activity, irrespective of what the person shopping for, the aim is to shop for anything to fill this experiential vacuum (Csikszentmihaly, 2000).

People may seek escape from pain when they face unexpected and unfavourable situations and attribute reason of failure to themselves (Baumeister, 1990). One way to escape this pain is to take attention away from self awareness through cognitive deconstruction (Baumeister, 1990). This deconstruction can take a serious turn when people start considering suicides as an escape from self.

Escape theory postulates six steps which may lead to Suicide – a) Events/ experiences falling far below expectations b) self blame or internal attribution c) negative self awareness making one feel inadequate/guilty d) unfavorable comparison with established standards leading to further negative thoughts e) Efforts to escape from painful thoughts through

cognitive destruction f) Increased willingness to commit suicide if these efforts are unsuccessful (Baechler, 1980).

These steps are linear and intervention at any of the steps will block progression to further steps. These steps can be considered as choice points where final step can be prevented by stopping any of the earlier steps (Baumeister, 1990). A short term intervention can make a difference in this state as many suicides resemble a form of escape.

Escapism can also be sought for reducing pain caused by self awareness of problem. According to escape theory (Heatherton & Baumeister, 1991) self awareness of a problem can cause so much pain that consumers may indulge in self destructive, specific and immediate activity like binge eating or compulsive buying as an escape. Consumer focuses his attention purely on buying task employing cognitive narrowing and temporarily not thinking about anxieties (Heatherton & Baumeister, 1991).

Recent and serious disappointments are more harmful as time helps in coping with old emotional crisis (Baumeister, 1990). Pleasant shopping experiences and consumption can support efforts to escape from painful thoughts or it may at least reduce the intensity of negative emotions. If setbacks can be handled with external intervention like consumption of products/services, which enhance self esteem, then the process towards suicide can be interrupted.

For coping up with stress people use following strategies: problem focused coping, emotion focused coping, focus on and venting of emotions, behavioural disengagement and mental disengagement (Carver, Scheier, & Weintraub, 1989). A specific kind of problem focused coping is suppression of competing activities which means

putting aside other projects, seeking to avoid or escape by becoming distracted by other events or even letting other things slide to face the stressor (Carver, Scheier, & Weintraub, 1989).

Coping requires urgent action and If situations are controllable, active coping strategies prevail but if people can't do anything about a situation, they tend to cope up with strategies like denial and disengagement (Carver, Scheier, & Weintraub, 1989). Consumers can also block these negative emotions by imagining alternative outcomes and 'escaping' stress, losing touch with reality for the time being which may lead to compulsive buying (Heatherton & Baumeister, 1991).

In response to mortality resilience (awareness about inevitability of death) low self esteem consumers tend to consume more to escape self awareness (Mandel, 2008). If people feel that they can not meet ideal standards they try to turn attention away from themselves (Mandel, 2008).

Consumer can be both emotional as well as intellectual (Babin, Darden, & Griffin, 1994). Even when there is a temporary threat to a confident self view people tend to choose products to support their self view (Gao & Wheeler, 2009). Buying may appear as a chance to change circumstances by acquiring new goods (Han, Lerner, & Keltner, 2007). Consumer may experience pure enjoyment, excitement, escapism, captivation and spontaneity through hedonic shopping values (Babin, Darden, & Griffin, 1994). Specific emotions may influence evaluation of monetary value associated with consumption as per Appraisal Tendency Framework (Han, Lerner, & Keltner, 2007).

Shopping choices increase feelings of personal control over one's environment and choosing is more helpful than browsing in reducing

sadness and the underlying reason is restoration of personal control (Rick, Pereira, & Burson, 2014).

To restore belief in self view individuals tend to collect objective information to restore their confidence (Gao & Wheeler, 2009). As it's difficult to collect such objective information, people tend to consume symbolic products which can restore confidence in one's self view and also signal to others 'Who one is' (Gao & Wheeler, 2009). An indirect way to regain self view is to affirm strength in an unrelated self value (Gao & Wheeler, 2009). An important point to note here is that self view is fragile and can be shaken by seemingly minor events. And this view can also be restored by inconsequential actions like reflecting on another self value (Gao & Wheeler, 2009).

### Escape through consumption

Consumption can be considered a regular flow of fantasies, feeling and fun manifesting in experiential view (Holbrook & Hirschman, 1982). This view is in contrast to information processing models which stipulates consumer as a logical thinker who makes purchase decisions to solve his problems (Holbrook & Hirschman, 1982). Addictive consumption can also help people overcome suicidal tendencies (Elliott, 1994). For women shopping is a socially approved tool for mood repair (Elliott, 1994).

Consumer choices are a function of different consumption values- functional, conditional, emotional, epistemic, social values (Sheth, Newmann, & Gross, 1991), aesthetics, escape, flow, exploration, role enactment, social & convenience (Ahmed, Ghingold, & Dahari, 2007). Each of these values contribute in different proportion in different choice situations and these values are independent of each other (Sheth, Newmann, & Gross, 1991).

Emotional value depends on the kind of emotions or affective state that a product can trigger and epistemic value is rooted in a product's capacity to generate curiosity, novelty and by providing knowledge (Sheth, Newmann, & Gross, 1991).

According to Compensatory Consumer Behaviour Model (Mendel, Rucker, Levav, & Galinsky, 2017), any use, purchase or consumption of products or services triggered by a desire to ameliorate self discrepancy is termed as compensatory consumer behaviour. There are five strategies that a consumer can use to cope up with self discrepancies: 1) Direct Resolution- When people purchase products / services that directly resolve their shortcomings. Buying gym membership or going through plastic surgery are examples of this coping strategy. 2) Symbolic Self Completion- Consumers buy products that show their value to others. Purchase of goods to highlight status like cars, handbags, premium clothes etc are examples of this coping strategy. 3) Dissociation- Under this strategy consumers avoid buying or consuming products which are related to their undesired identities. 4) Escapism- Another strategy to reduce these negative emotions is to avoid thinking about self discrepancy or distract oneself. This requires turning attention away from self discrepancy to elsewhere. This can result in consumers giving more attention to eating or shopping. 5) Fluid Compensation - this strategy is based on self affirmation theory which suggests that reinforcing positive aspects of self can reduce the significance of any activated negative emotion. This strategy is also supported by MMM (meaning Maintenance Model) which posits that a discrepancy of one aspect of self can be reduced by finding meaning in another dimension of self. This strategy is distinct from escapism as the individual tends to find meaning in another dimension related to self whereas individual shifts



attention elsewhere which is not related to self in case of escapism.

Compensatory consumption signifies consumption provoked by self threats and people may try to restore their self-worth through consumption (Mendel, Rucker, Levav, & Galinsky, 2017). Retail therapy can help shoppers opt for compensatory consumption to overcome psychosocial deficiencies and also to repair and alleviate negative emotions (Kang & Johnson, 2011).

### Consumption environment

Behavioural approaches tend to find linkages between emotional responses and external environmental stimuli (Roseman, 1984). Whenever it is possible to change the environment which is compliant with one's motive, emotional response syndromes are generated to increase the probability that required action will be taken (Roseman, 1984).

Individuals can alleviate pain if they a) stop feeling emotions b) stop blaming themselves c) overcome self awareness (Baumeister, 1990). Body sensations and movements can take away attention from meaningful awareness (Baumeister, 1990). Ambience in shopping centres, touch and feel of merchandise, product trials, attractive displays can provide such sensory pleasure. Scents/ Odors in shopping environment can induce arousal (Chebat & Michon, 2003) which may lead to unplanned shopping (Nesco & Warnaby, 2014). There are shoppers who simply enjoy exploring the retail space i.e., movement, sensation and browsing experience and they are known as explorers (Cox, Cox, & Anderson, 2005).

Besides shopping people may visit malls for relaxing (Rajagopal, 2009), browsing (Blotch, Ridgway, & Nelson, 1991), catching up with friends (Underhill, 2010), seeking escape and

retail therapy to repair their bad moods (Atalay & Meloy, 2011).

Avoiding negative feelings like regret appears to be a more significant antecedent of airport shopping behaviour compared to pursuing positive feelings (Chung, 2015). People may browse merchandise just for information and entertainment purpose without any intent to buy (Bloch & Richins, 1983).

Servicescape or a physical setting in which a marketplace exchange is performed, delivered and consumed within a service organisation (Bitner, 1992) exerts a strong influence on customer satisfaction and repatronage especially in case of leisure services (Wakefield & Blodgett, 1994). Servicescapes include: ambient Conditions including temperature, air quality, noise, music etc., spatial layout & functionality including layout, equipments, furnishings etc. (Reimers & Clulow, 2010) & elements related to aesthetic appeal including signage, symbols and artifacts, style of décor etc (Bitner, 1992; Wakefield & Blodgett, 1994). The impact can be cognitive, emotional and physiological resulting in either approach behaviour or avoidance behaviour.

Layout and familiarity have an impact on comfort which in turn impacts utilitarian and hedonic values. (Foster & Ainsworth, 2016). Besides clear directions and simple layout speed up completion of transaction for customers. (Bitner, 1992). Restorative potential of a place can drive consumption. A bad layout will make shoppers walk more resulting in tiredness and diminished desire to stay at shopping centre (Reimers & Clulow, 2010).

Customers who are on the lookout for a psychological escape from their everyday lives can be influenced by natural dimensions of servicescapes.

(Rosenbaum & Massiah, An expanded Servicescape Perspective, 2011) High level of stress is related to lower preference for built environments and higher preference for natural environments. (Van Den Berg, Koole, & Wulp, 2003) Design elements can enhance mental restoration by promoting feelings of escapism, fascination and compatibility. (Rosenbaum & Wong, 2015)

Malls can help people escape from negative aspects of city life including weather, traffic and poor people (Blotch, Ridgway, & Nelson, 1991). Malls offer a way to escape boredom by providing entertainment. (NG, 2003) Adolescents face boredom not because of non availability of options but due to their participation in adult structured activities. (Shaw, Caldwell, & Kleiber, 1996). Individuals who are less capable of controlling their negative emotions are most likely to indulge in "Emotion regulation Consumption (ERC)" "to manage their emotions. (Kemp & Kopp, 2011)

### Improved Social Relationships

Desire to escape may be fueled by disruption in family life and relationships (Baumeister, 1990). Moreover people seek out relationships that can alleviate the magnitude or accessibility of their self discrepancies (Higgins, 1987).

Translated in consumption scenario, a customer may keep coming back if transaction/ exchange evoke positive emotions in him. As per theory of relational cohesion people want to replicate the positive feeling arising out of an exchange and therefore, this relation itself becomes a force to influence future commitments (Lawler & Yoon, 1996). This commitment can make people part with gifts, stay in a relationship or contribute to a joint cause (Lawler & Yoon, 1996).

Shopping has socially symbolic and



restorative dimensions which can be subjective, immeasurable and managerially controllable (Rosenbaum & Massiah, An expanded Servicescape Perspective, 2011). Shopping experience in a mall provides such opportunity as customers can socialize with retail personnel, other shoppers, entertainment besides purchasing goods and services (Hedhli, Chebat, & Sirgy, 2011). People also seek out relationships that can alleviate the magnitude or accessibility of their self discrepancies (Higgins, 1987).

Social Influence situations in consumption also include non interactive situations besides interactive situations (Argo, Dahl, & Manchanda). According to Social Impact Theory (Latane, 1981) – people are influenced by real, implied or imagined presence or action of a social presence based on three social forces: a) Social Size- Number of people b. Immediacy – proximity of people c. Social Source Strength – importance of these people. Social Influence in the retail context was studied using two field experiments in North America (Argo, Dahl, & Manchanda). From no social presence to one person negative emotions decreased and positive emotions increased but they inverted when social presence increased from one to three (Argo, Dahl, & Manchanda).

High density of customers may induce positive response in some situations and in many others the same may be considered as crowding and can negatively affect customers (Rosenbaum & Massiah, 2011). Displayed emotions of others can also influence the customer experience especially for consumers engaged in group consumption (Rosenbaum & Massiah, An expanded Servicescape Perspective, 2011).

Humans have inherent tendency to explore, go beyond limitations, try out novel things and to learn (Ryan

& Deci, 2000) but they don't wish to compromise on their autonomy to gain competence or to relate to others according to CET (Cognitive Evolution Theory) (Ryan & Deci, 2000). Accessibility to negative thoughts is reduced during 'Flow' experience as self consciousness disappears and an intense concentration ensure that you are so absorbed in the activity that you can not worry about your problems or pay any attention to irrelevant things (Csikzentmihalyi, 2002). A person capable of finding flow can enjoy even despairing situations (Csikzentmihalyi, 2002).

When consumers gain information through browsing, it adds to his shopping pleasure (Bloch & Richins, 1983). Activities which are of intrinsic interest and include challenge, aesthetic value will motivate people (Ryan & Deci, 2000).

Some brands and experiences score high on utilitarian or functional aspect and some may score high on hedonic or sensory component (Voss, Spangenberg, & Grohmann, 2003). A pleasant shopping experience is connected to overall contentment of consumer (Wagner, 2007) and can induce "Flow". Theme park activities are now available in shopping malls and theme parks are also becoming places to shop (Crawford, 2004).

### Managerial Implications

The study can be used by retailers, Mall Managers and marketers to design store experiences and to craft suitable shopping environment to help customers escape their negative emotions.

#### *Following actions are suggested:*

Fill experiential vacuum: Make it easy for customers to access malls/markets so that he can exercise his option to shop. Creating a "path of least resistance" will make customers consider shopping as their first option

to distract themselves. E-commerce scores over offline retail in this aspect as the customer can simply pick mobile and start browsing to shop.

CTC Mall offered customers free pick up and drop facility for promoting their bridal wear collection. Mall of India provides shuttle services to shoppers coming through metro.

Sensory Experiential Design: Focus on body sensations can make distract people from pain. Entire shopping experience should be multi sensory and designed such that it engages more and more senses of consumers. In Bologna, Italy a café is stocking wool and offer customers an opportunity to knit to wind down from a stressful day.

Global audio branding company, Muzak, provide branded tunes everyday on elevators, malls and stores. Victoria's Secret plays classical music in their store creating a pleasant atmosphere and making its merchandise more prestigious.

Many supermarkets in India offer rice and pulses in big, open packs allowing customer to touch, feel and smell.

Create "Positive" Virtual reality: Retailers can use AI (Artificial Intelligence) and VR (Virtual Reality) to provide engaging experiences. "Rent it Bae" installed smart screens inside their store where customers can place merchandise in front of screen and get all necessary details about product's price, fabrics, rent charges, sizes, availability etc. They can also try different attires and get their 360 degree video recorded.

Provide symbolic products to enhance self esteem: Luxury retailers can market sense of pride and recognition that a customer will feel after buying their merchandise. Tanishq installed VR enabled kiosks, "MirrAR" at selected airports in India where customers

can try out jeweller as many times as they wish to. With its subtle marketing campaigns, Apple provides a sense of achievement to its buyers boosting their self esteem.

**Help Customers find meaning in their lives:** Promotional campaigns can highlight how consumption adds meaning to the society so that shoppers feel that they are helping other when they consume. When customers patronise or shops products crafted by rural artisans, they feel that they are doing an act of kindness. Buying organic products or opting for eco tourism gives customers a feeling of satisfaction as they feel that their action is helping environment. Emotions of kindness or charity contributes to sense of well being.

**Behavioural Training to Staff:** Staff should be made aware about emotional needs of the customer. Making eye contact, greeting, conversing, consulting, listening should be a part of regular staff training so that staff makes the customer feel valued and respected.

Many retail outlets/ mall managements train their security staff to greet customers at entry/exit points but they must focus on genuine smiles and warm greeting rather than a forced routine.

**Personalized Branding:** Marketers can use data and technology to create personalised brands for customer which can give a boost to their self esteem. Toblerone has introduced machines which can add name, picture and personal messages on package.

Experiences can be personalized by recalling customer names and preferences using earlier data.

**Provide Human Interaction:** Design customer experience in a manner that encourages positive human interaction.

Starbucks regularly carry out coffee conversations with the customer wherein an employee brings different type of coffee in a beautifully arranged tray, makes customers sample them and get their feedback. This turns out to be an informative, engaging and sensual experience for the customer.

**Reduce Pain Points:** When people come to seek escape from boredom, pain, stress and negative emotions, entire shopping experience including accessibility, parking, layout, merchandise placement should be targeted towards providing them a positive experience.

Any hassle in finding a parking spot, locating a particular retail store, finding out a product on shelf, non responsive staff can add to their negative emotions. Marketeres should ensure a seamless, smooth and pleasant customer experience.

**Staff Training:** Sales people are crucial element in entire consumption experience. They can provide much needed boost to customers' self esteem by giving them attention, appreciating their product choices and ensuring smooth check outs.

Salesforce should be given behavioural training in empathy, self control and handling customer emotions.

## CONCLUSION

As it is inherent in human nature to seek change and novel experiences, they regularly look for escape from routine. Factors like low self esteem, self discrepancy, stress, high self awareness and boredom can propel people to seek distraction.

Consumption can provide an accessible escape route to overcome negative emotions. It can provide temporary relief and time to look for solution to problems or situations.

## LIMITATIONS & FURTHER RESEARCH

This study is based on review of existing literature. Current data can be collected to verify existing theories and concepts. Impact of age, gender and income on consumer emotions and tendency to escape can be explored

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## NEXT-GEN TECHNOLOGIES: REDEFINING MARKETING & SALES EXCELLENCE

Chetna PN\*

### ABSTRACT:

Buying journey has changed; buyers are savvier, more empowered and expect personal experiences at every touchpoint. It's getting harder and harder to target them at the right time and to engage across multiple decision-making units. Marketing & sales practice is leveraging digital ecosystem starting from identification of right buyer/consumer to consumer retention by using technologies like behavior-based platforms, Data analytics, CRM, Automation, AI and the list goes on as consumers/buyers are continuously evolving and their consumption patterns are highly dynamic.

Gone are the days of executing a "one size fits all" approach; business is now leveraging social media, IoT, AI, artificial intelligence AI, analytics, etc to target and engage profitable customers and help brands accelerate sales growth by using data-rich customer insights and intent-to-buy signals. The Next-gen technologies are being leveraged by organizations to create deeper connections with consumers/buyers and have conversational engagement with them through personalized offerings, CRM 360 approach is driving salespeople to have account-based strategies rather than adopting mass-selling opportunity and to get a holistic view of customer journey

My primary objective of writing this paper is to bring together the thoughts & innovations that are currently underway to create excellence in marketing & sales and how these functions are sought after to innovate and create efficiency in sales cycle & Marketing ROI by leveraging New Gen Technologies

**Keywords:** Customer experience, Marketing & sales excellence, NextGen technologies, Innovation, Buyer engagement

### INTRODUCTION

We stand in an era where humans & machines intersect more often and have started to shift from screen to voice. One size fit is no more a norm in an increasingly personalized era. To remain relevant in the era of personalized proposition, next-gen marketers are adopting technologies like AI, cognitive marketing, Data analytics, NPS, CRM Analytics, etc. to put the customer at the center. Industry 4.0 is not only about how products, solutions or services are designed and created but also about how they are marketed and delivered to the end customer.

In this paper, I am trying to pen down few innovations which are currently in use and which might further refine marketing & sales excellence in the years to come. Sales & marketing functions, leveraging advanced technologies for enabling their efforts to create an exponential boost in the marketing & sales ecosystem. As technology and channel adoption grow across the

enterprise and consumers so is the fragmentation and aggregation of data. With the ever-growing touch points across the customer journey measuring the effectiveness of communications & campaigns across the channels has become inevitable. There is continuous pressure on marketers to integrate sales & marketing efforts and measure its effectiveness across the channels & technology platforms.

The buyers and seller's ecosystem is continuously getting disrupted by the digital landscape as a result of which there is exponential growth of outreach channels and availability of huge amounts of data throughout the consumer journey. Talking about marketing and sales, machine learning is one of those technology which has transformed traditionally marketing and sales function to its existing status quo. The predictability, accuracy & personalization benefits of new age technologies has enabled marketers and sales folks to have targeted approach

in reaching out to their customers. Martech helps the sales people to identify potential opportunities. Marketing & sales function are deploying technologies starting from personalized product suggestion to live chats / bots at various phases of conversing with buyers.

The premier consulting & research firms opine that multi-surface screens will redefine engagement with consumers in the years to come. The multi-faceted engagement is possible only when marketers and sales folks will leverage latest technologies to offer value driven services to customers by co-creating experiential marketing & sales journey

### OBJECTIVE

The objective of this paper is to understand the impact of technology on marketing & sales function. The MarTech stack is driving consumer engagement at various multi-touch points and delivering personalized

*\* Client Solutions Lead, Infosys Limited*



offerings by understanding the buying behavior & creating experiential marketing for the target audience

## RESEARCH METHODOLOGY

The study adopted secondary research & data inputs from marketing & sales stakeholders to come up with Point of View (PoV). Periodicals, CMO & CxO interviews, marketing podcasts were reviewed and examined to frame the PoV.

## LITERATURE REVIEW

While reviewing the literature it was understood how technology is changing the traditional marketing & sales. The emergence of various social media platforms, mobile devices & smartphones has changed the way of marketer's communication with its audience.

According to Greg Paull Co-founder & Principal, R3 (August 2019), the year 2022 will be driven by creativity and technology in determining where and how they engage with their customers; technology may take over creativity.

Jill Cress, chief marketing and communications officer at National Geographic Partners (January 2019); agreed that technology has had a massive impact on marketing, particularly around talent, data, and metrics

Stacy Martinet of Adobe (March 2019) reasons out that Understanding emotion will be key in delivering personalized and relevant content and experiences in the years to come. She also opines that biometrics will take personalization to the next level especially like smart billboards etc.

Casey Carey (2019) feels that AI will unlock the potential in marketing by rule based segmentation and smart lists which will eventually help the marketer and sales people to create individual track for each buyer

### 1. The First Shift in Marketing Landscape

During the era of 1999-2015 marketing was perceived as a revenue engine and started to be known as the driver of accelerating pipeline & revenue. The marketing gradually started to own Top-of-the-Funnel (TOFU) & used automation tools to run campaigns, email marketing, capture leads, and pass on the Marketing qualified lead (MQL) to Sales to turn it to Sales Qualified Lead (SQL). Marketing was considered to be a torchbearer in the organization as it opened gateways to communicate with customers. Today traditional marketing & Sales funnel is gradually dying a natural death as it is being intervened by MarTech stack in each stage of buying & selling journey right from identification to closure of the lead

### 2. When Marketing converges with Technology It becomes Science & Art

Before we dive deeper in MarTech and its Impact we need to understand what is Marketing Technology stack – “Combination / multiple technologies leveraged by marketers to improvise their marketing efforts by measuring the impact of their marketing spends and create an effective and targeted approach to impact right customer at right time”

More than 7,000 technology companies are empowering the marketing & sales organization by offering advanced technologies like Artificial Intelligence, programmatic advertising, Machine learning, cognitive marketing, etc. The growing importance of these technologies is enforcing the marketing & sales organization to realize the value of these capabilities and

unleash their potential to create greater ROI on marketing & sales efforts. As the MarTech landscape is evolving rapidly the CMO's might turn out to be one of the key influencers in charting out IT budget.

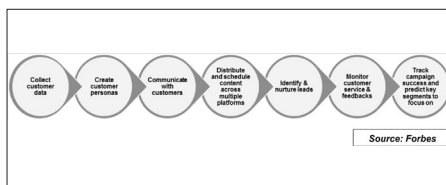
Intuition does not work in marketing or sales anymore as marketing strategy is derived from data scientists, SEO gurus, and statisticians doing A/B testing in the background – it's no more a gut feel playground for marketer. The truest pulse of marketing is slowly evaporating because marketing is turning into a glorified techno function. Digital transformation has radically changed the marketing playground by letting technology play a pivotal role in product discovery & sales enablement effort. The internet is rich with information related to market, consumer insights. Availability of paid & free internet based Martech tools are driving marketers to adopt Martech as mainstream tools and recreate marketing & sales excellence. The web-based technologies are orchestrating efficient & effective methods of customer identification, segmentation, targeting, and personalized offerings by bringing buyers & sellers much closer than ever.

Digital platforms, channels and emergence of the new level of interactivity have created new marketing opportunities. Digital tools can bring in some impactful & profitable changes to the marketers with vision. Traditionally marketers used 5 stage funnel (AIDA) to map out the customer journey, but now with the advent, digital transformation marketing is bestowed with data Analytics & multi-layer interactivity at every stage of the customer journey.

The continuous evolvement in the field of NLP, conversation platforms, ML, AI, Automation, chatbots are continuously looping in customers to build better brand positioning & to improve customer service.

### 3. Why Do Marketers Need a MarTech Stack?

There are seven categories of MarTech Stack which are spread across the diverse use case like content marketing tools, Rich Media tools, Social media tools, Marketing automation platform and tools, advertising platform tools, Sales Enablement tools, and Data and Analytics platform



#### 3.1 How Martech Is Impacting the Traditional Marketing Funnel (AIDA)

- Awareness: Data management platform allows us to capture all consumer data, reach customers everywhere and segment the audience. Artificial Intelligence allows to segment intelligently at scale, time the customer journey and gain insights that drive results and improved ROI.
- Interest: When customers move down the funnel after expressing the interest in the product & services marketers can leverage google analytics to understand what they click the most which keywords are they using the most to search allowing to create more accurate customer profiles and personas
- Desire: At this stage marketer uses Machine learning or predictive analytics to correlate the actions

of existing customers to influence future efforts as a marketer. Predictive analytics enables to influence strategy long before a prospect even converts to a lead in the funnel. Automation tools also help marketers in leveraging cookies installed in a website visitor's web browser by tracking their visitors through the website pages, build lead scores and create trigger for the prospect based on their web actions

- Action: AI technology is leveraged by marketers to create hyper-personalized messages for their consumers by enabling marketers to garner more insights about their audience by offering recommendation engines, predictive search, Chatbots, etc. Using an IoT-connected order history can improve the customer journey

#### 3.2 How Marketing & Sales are Harnessing the Power of technology

The Technologies which are changing the marketing world are

- Virtual Reality: Big brands like Audi are using VR technology to give their users a better experience. In Norway, they're offering their users to drive a new Audi Q5 in a giant virtual sandbox that gives them a real-time experience of driving the car paving the way for innovative marketing. Tata Motors took India on its first-ever virtual drive for Tiago through a newspaper ad on the front page of a leading daily newspaper
- Artificial Intelligence: Netflix uses AI to provide personalized recommendations to its users based on what they like rather

than what they watch. Netflix uses AI to review each frame of video as a starting point for thumbnail generation and then ranks each of these images to understand which image will have the highest probability of resulting in a click

- Cloud computing: The digital marketing team uses cloud services like G Drive to share information with their clients overseas. Graphic designer, a blogger and a developer spread across in different parts of the world can easily communicate with each other to deliver the best to the clients/customers
- Internet of Things (IoT): The more connected device the user has the better it will be for marketers to target their customers. Marketers are looking at IoT as a great opportunity to get deeper insights into consumer psychology and their buying journey
- Chatbots: Marketers are integrating chatbots with the website, their application and probably with social media platform – the data collected through chatbots are used to refine the marketing strategies. In the coming years, more of business communication is expected to take place through BOT messengers. To promote National Geographic's TV show Genius detailing the lives of people like Albert Einstein, they created a Facebook page showcasing messenger bot which conversed with users from the voice of the featured Genius as a result of which it could create an engagement of 6-8 minutes of conversation.
- Video Marketing: Live video is playing an important role

in marketing because it directly connects consumers to products and services. Platforms like Facebook Live have allowed marketers to engage “On the Go” with their customers

### 3.3 Rippling Effects of Technology in Sales

Due to rampant use of technological stack in Selling journey, sales personnel are no more required to generate demand through cold calling rather they can depend on data extraction tools & database management platforms, ML technology and stitch the details together to knit the story around deciding the probable next customer more efficiently & effectively

Data management platforms also empowers you to structure & aggregate data to retrieve prospect information and underrating the customer journey in real-time. Predictive analytics may help in developing targeted value propositions and in allocating resources on leads/buyers who are most likely to get converted into opportunities. To optimize any selling opportunity CRM tool is one of the important elements of the technology stack.

Automation has become the norm in sales enablement because sales representatives devote too much of time in qualifying leads whereas automated lead scoring helps the salespeople to focus on productive areas of sales conversation by identifying the leads which are most likely to get buy your product or service

The social selling index is the new age selling methodology followed by salespeople by adopting social listening & sentiment analysis tools to

identify the conversations and keywords which would help to list the intent buyers. Sentiment analysis tools will help in aggregating all conversations which are laid out in social platforms to understand the pain points, and happy moment 's of the customers leading to better customer services or improved features of product & service

### 4. Case studies on Using Innovative Technology in Marketing

1. Virtual Reality: Marriott created a teleportation experience using virtual reality. They created an experiential campaign by using sensors and triggers inside a telephone booth-like structure and they changed the perception of travel among the guests. Their primary toolkit included Oculus Rifts, heaters, and wind jets. Using these they simulated a realistic experience of traveling to Hawaii and London. The tour involved a choice between 8 US cities and each session extended to 100 seconds. The uniqueness of this campaign as it was beyond a basic 360 video by creating a wholesome experience

2. Data Analytics: One of the nightclubs in the US was interested in integrated real-time solutions to manage the table reservations and plan other activities starting from bottle service, guest list, WiFi registration, etc. to ensure that reservation requests are processed with immediate effect. The usual practice was leaving a voicemail, or send emails for reservations and it could not help in managing the reservations effectively. Implementation of VenueLytics an AI & deep learning platform was installed

on owner's and managers device leading to the tracking of reservation requests in real-time from multi touchpoints like social media, websites, etc. which helped in reducing the operational cost and improving the ROI

3. Personalization: Nike launched a system that allowed customers to design their sneakers in-store. This helped not only in driving sales but also collects a huge amount of useful data that machine learning algorithms can leverage to design future products and deliver personalized recommendations and marketing messages

### 5. Techno agility Is the Way Forward in Sales & Marketing

- Individualization is the way forward in selling as the customized value proposition will improve the perception of the seller and which in turn will lead to better sales pipeline
- IoT is here to stay in upcoming years as consumers are getting connected across the devices and interconnectivity will be playing predominant factor in segmentation strategy which in turn may help in charting out marketing strategies across social media, mobile, and in email marketing
- Pre-cognitive Marketing: Pre-cognitive marketing will become a mainstream marketing strategy in the years to come. IoT platforms will help in linking news, feeds, alerts to prospect customer base Via digital outreach channels and campaign builders. It will help in building customized campaigns as per the needs of the buyers

- Virtual Reality: This technology will be used extensively in the years to come for distribution as much as content possible through digital channels and also will play a pivotal role in creating a better customer experience
- Digital facial coding and VR integration for Marketing: Most of the companies interact and engage with existing customers & prospects at various events and usually recall the product/service when they have limited conversation. In the future, such kinds of conversations are expected to be aided by bots & robots which will analyze the needs of potential customers by studying facial recognition. Adoption of intelligent bots are expected to increase by 2022
- User-generated content: Facial coding coupled with user-generated content can be adopted by marketers in the years to come by turning the webcam on as soon as potential logs into the website and then can curate content according to the needs of the buyer

## RECOMMENDATIONS

- Creation of multi-touch points for customers will through web, mobile, tablet will ensure enhanced personalization & recommendations in the buyer's journey
- Personalized messaging & identification of buyer's need in each stage of the sales funnel will create better ROI for marketing operations
- Real-time engagement with the customers should be the priority for marketers & sales enablers
- Customer success measurement should be redefined by tracking

engagements across the touchpoints by using social & mobile analytics

## CONCLUSION

The 4P's of MarTech can be categorized as Platforms, plans, processes, and people. The graph of MarTech has grown exponentially over the last few years whereas organizational change has been slow. The explosion of MarTech is nothing but a creation of digital touchpoints by customers. Customer engagement is more about marketing analytics & attribution. By leveraging MarTech marketers can aim at improving productivity and can account for every dollar spent on marketing & sales resources. Contextualization of messaging is the way forward as the consumers are delighted by the personalized experience created by big brands like Nike, Amazon, Alibaba, etc. Though MarTech might empower the marketing & salespeople to get closer to their audience; but above all, it helps in driving ROI Based marketing initiatives

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