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Content

Analysis of Technical Efficiency of India's State Power Distribution Utilities and Its Influence on Profitability

– Amritpal Singh Dhillon and Hardik Vachharajani

ABSTRACT

In this article, the non-parametric Data Envelopment Analysis method (DEA) is employed to evaluate the productivity of 54 state power distribution utilities in India. Input-oriented DEA model is used for the period 2011–2012. In the analysed period, the average technical efficiency, pure technical efficiency (PTE) and scale efficiency are 82.4%, 84.4% and 97.4%, respectively. A result reveals that nearly 48% utilities are scale efficient and remaining 52% utilities are inefficient. Further, it is noticed that there is a monotonic dependence between PTE and profit after tax. Nevertheless, this piece of paper observed that the power utilities operating in Gujarat region have edged over the other utilities. Results of this empirical study will provide useful information to the energy planners and concerned authorities in formulating better policies at macro levels.

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Hedonic and Utilitarian Shopping Motivation: A Scale Validation Study in the Indian Retail Context

- Sneha Sharma and Suresh K. Chadha

ABSTRACT

The purpose of this study was to identify the main factors that affected the shopping motivation of consumers in Indian retail context and to validate the shopping motivation scale in Indian context. A quantitative analysis approach was adopted for this study using mall intercept technique. Exploratory factor analysis using principal axis factoring followed by (Confirmatory Factor Analysis) CFA was carried out to validate the shopping motivation scale. The paper identified seven shopping dimensions: adventure shopping, gratification shopping, idea shopping, role shopping, value shopping and utilitarian/functional shopping. A shopping motivation scale with seven dimensions is valid in Indian context and demonstrates strong model fit indices. The results were in line with the results obtained in USA by Arnold and Reynolds and Kim, Cardoso and Pinto in Portugal. The findings and recommendations will help the retailers to gather insights to improve the retail services for customers in Indian context.

Keywords: Shopping motivations, Scale validation, Hedonic motivation, Utilitarian motivation, Confirmatory factor analysis

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Testing Random Walk Hypothesis and Volatilities of SRI and Traditional Indices

-Subrata Roy

ABSTRACT

This study deals with the various asymmetric effects and market efficiency of the traditional and sustainable indices based on daily returns during the period from December 1998 to March 2015. Here, Dow Jones Sustainability Index US [socially responsible investment (SRI) index] and Dow Jones World US (conventional index) indices are considered. The well-known volatility forecasting measures like autoregressive conditional heteroskedasticity (ARCH), Generalised Autoregressive Conditional Heteroskedasticity, Exponential Generalised Autoregressive Conditional Heteroskedasticity and threshold ARCH (TARCH) are applied to attain the objectives. ARCH measure confirms about volatility clustering in the indices. Significant asymmetric shocks and persistence of conditional volatilities are present in the daily returns of the indices. According to the EGARCH measure, the return of the DJSI US is free from the leverage effect, whereas in TARCH measure, leverage effect exists in both the indices. Here, TARCH measure is the best forecasting measure for the DJSI US index because it provides lowest root mean squared error, mean absolute error and mean absolute percent error. But in case of DJ World, EGARCH measure is superior. Finally, the returns of the SRI and conventional indices follow the characteristics of random walk hypothesis that means the indices are informationally efficient at their weak forms, and no one can predict the stock price movements and cannot earn abnormal profits by applying technical analysis.

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Anomalies in Indian Stock Market: Day-of-the-Week Effect

- Nikhil Kaushik

ABSTRACT

The efficient market hypothesis demands that stock prices must efficiently reflect all available information about their intrinsic value. Existing studies on day-of-the-week effects focus majorly on the developed nations with a little focus towards emerging market. To deal with this gap in the literature, an empirical investigation of day-of-the-week effect was conducted using large-cap, mid-cap and small-cap indices of Indian stock market from the period 2012–2015. Generalised Autoregressive Conditional Heteroscedasticity model was applied to study the day-of-the-week effect on stock returns and volatility. The empirical results from the study showed Monday effects in small-cap indices and absence of day-of-the-week effect in mid-cap and large-cap indices. The average return on Monday of small-cap indices is statistically significant and higher than average return on Monday of mid-cap indices and average return on Friday of large-cap indices. The results of this paper predict profitable propositions for traders on future prices of small-cap indices. However, the situation was concluded to be not very lucrative for mid-cap and large-cap indices.

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Studying the Financial Impact of Marketing Strategies: Should We Differentiate between B2B and B2C Companies?

- Mandeep Kaur Ghuman and Bikram Jit Singh Mann

ABSTRACT

Previous research asserts that branding is important for both the business-to-business (B2B) and business-to consumer (B2C) companies. However, literature is silent about the appropriateness of different types of branding strategies for the two types of companies. B2B and B2C companies are inherently different owing to their widely different operations and consumer bases. Therefore, we propose that different marketing strategies may not be equally valuable for the two types of companies. The present research examines the impact of two types of marketing strategies – advertising and branding strategy – on the shareholder value of companies. In particular, we focus on how these impacts vary across B2B and B2C companies, using a sample of 73 B2B and 78 B2C companies in India. The results reveal that B2B firms are uniformly following corporate branding strategy. In contrast, a significant variation is found in the branding strategies of B2C companies. However, branding strategy of a B2C firm is not associated with its shareholder value. Further, the findings suggest that **advertisingexpenditure– shareholder-value** relationship holds only for B2C companies, but not for B2B firms. Our results are robust after controlling for relevant control variables. The findings suggest that the marketing managers at B2B companies should not base their marketing decisions solely on the models developed for B2C companies. Further, academic researchers are advised to differentiate between B2B and B2C companies while studying the financial impact of marketing variables.

Keywords: Advertising expenditure, Branding strategy, Shareholder value, B2B, B2C

JEL Classification Code: M31

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Demographics Variables and Its Impact on the Factors Affecting the Women Consumers' Online Repeat Purchase Intention in India: An Empirical Study

- Prashant Raman

ABSTRACT

With the growing importance of the e-commerce industry in India, it is critical for the online vendors and marketers to recognise the factors affecting the online female consumers' repeat purchase intention and identify the effects of female demographic characteristics on online shopping. This paper is an attempt to determine the determinants of online repeat purchase intention in the Indian situation. The study has identified factors like product, risk, convenience, trust, social influence, satisfaction, price, customer services, promotions and enjoyment that affect the online female consumers' repeat purchase intention. It has also identified the demographic factors like age, education and income; they are equally affected. Campaigns or strategies related to retaining customers and enticing repurchase behaviour should be aimed at a very micro level rather than only on the factors affecting online shopping. The study has amalgamated the factors affecting female online shoppers and the female demographics to evaluate the repurchase intention. A total of 10 factors affecting the online shopping have been considered along with the three demographic variables.

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