

# Edition-24

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Welcome to the Marketing Bonanza, character of the MBA Marketing Club. We would like to have insights about this. **You can share your perspectives, realities, suggestions, information, any interesting stuff in regards to advertising which could be published in our further releases on the mail id's made reference to beneath.**

~ Ayushi Solanki

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## Congratulations

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# Marketing Bonanza

(Marketing E-News)

## *RIL recast may help Jio rein in AGR-linked payments to government*

**Reliance's decision to split its digital and telecom businesses might save them a lot of money.**

KOLKATA: Reliance Industries NSE 2.70 % Ltd's decision to separate the digital business from the telco may help its telecom arm save on future payments to the government that are based on its adjusted gross revenue and prompt rivals to consider adopting a similar arrangement, analysts said.

The telco, Reliance Jio Infocomm, could be listed in a year, the analysts added. The reorganisation would help the new digital entity, christened Jio Platforms Ltd, command a valuation of \$60-65 billion and make it more attractive for strategic investors.

The Supreme Court upheld the definition of adjusted gross revenue for telcos to include their non-core income streams. This increases the amount payable as licence fees and spectrum usage charges, which are calculated as a percentage of adjusted gross revenue.

Analysts said Jio's rivals Bharti AirtelNSE -3.38 % and Vodafone Idea could be tempted to explore similar restructuring moves to transfer their non-core businesses to separate units and limit AGR-linked payments, although they may find it more challenging because of their different business and ownership structures.

"The restructuring exercise is a well thought-out, smart move from RIL," Sanjiv Bhasin, executive vice president (markets & corporate affairs) at IIFL Securities, told ET. "Moving Jio's noncore digital businesses to a new unit would contain the telco's AGR-linked licence fee/SUC payouts in future and in turn insulate the company from potential financial shocks, ahead of a potential listing in about a year."

RIL announced the rejig on Friday, a day after the court ruled on AGR. A Jio official said "the restructuring move has been in the works for some time now." Bhasin said Airtel and Vodafone Idea "don't seem to have geared up for the AGR shock and appear to be lagging even in terms of creating such a parallel corporate structure to insulate risks."

## *Trending in Marketing*

### **1) *Google Ads Brings New Sets of Data to Shopping Campaigns***

Google Ads can now report on cart data for shopping campaigns, tracking all information related to purchases.

### **2) *Google BERT Update – What it Means***

Google announced what they called the most important update in five years. The [BERT](#) update impacts 10% of search queries. What is BERT and how will it impact SEO?

Airtel and Vodafone Idea may attempt to replicate RIL's moves, but it won't be easy, given the different business and ownership structures, SBICap Securities research head Rajiv Sharma said.

Last week, RIL said it would invest Rs 1.08 lakh crore through a rights issue in a newly formed wholly owned arm. This, in turn, would use the cash to invest in Jio, which is the licenced entity that houses the connectivity business, to make it almost net debtfree by March 2020, with the exception of spectrum-related liabilities. It said all other digital businesses of the group such as JioCinema, JioTV, JioSaavn and platforms such as education, healthcare and gaming would be housed in the new subsidiary.

Brokerage JP Morgan said the new Jio digital entity "is debtlight, making it more attractive to induct strategic partners, and also establishes a valuation for a future strategic sale as EV (enterprise value) for the new wholly owned subsidiary is in \$60-65 billion range, \$15 billion higher than our current EV of Jio."

Citi Research said RIL's management expects the simplified structure to better leverage Jio's 355 million 4G users and facilitate a strategic investment, "indicating the company could be looking at not-so-distant timelines for unlocking value in Jio."

Source of Article - ET Bureau

## ***Bulls are back! Key factors that gave Sensex a 582-point lift***

***Improving risk-taking ability among key reasons behind rally in the market, says Vinod Nair.***

The bulls strengthened their hold on Dalal Street on Tuesday on positive global cues and better-than-expected September quarter earnings. Hopes that the government may announce a slew of market-friendly sops in coming days added to the sentiment.

Sensex surged 582 points ahead of F&O expiry, while Nifty closed just shy of 11,800 level. Select Tata group stocks rallied up to 16 per cent.

Among Sensex constituents, 27 of 30 traded with gains. Tata MotorsNSE -1.16 % gained 16 per cent to Rs 171 and Tata Steel rallied 5 per cent to Rs 383.50 while YES Bank leaped 8 per cent to Rs 59. Bharti Airtel was the biggest loser, down nearly 5 per cent

## *Trending in Marketing*

### *3) Google Ads Rolls Out 2 New Tools for Responsive Search Ads*

Google is introducing two new tools for responsive search ads, which are now available to all advertisers in all languages.

### *4) Google Ads Introduces 2 New Ways to Target Users in Google Search*

Google Ads is rolling out two new ways to reach your target audiences in Google Search.

to Rs 355.

Improving risk-taking ability is among key reasons behind the rally in the market, said Vinod Nair of Geojit Financial. "Liquidity is improving and Q2 results, while a mixed bag, has been positive for select sectors, especially for banks. In some largecap pockets, valuations are a bit high, but mid and smallcaps are fairly attractive," he said.

The broader market moved in tandem with the headline index. Nifty Midcap index rose 1.44 per cent to 16,507 and Nifty Smallcap 0.7 per cent to 5,703. Auto was among the biggest sectoral gainer. Nifty Auto index rose over 3 per cent, with Motherson Sumi surging 10 per cent to Rs 124. All index constituents traded in the green.

Metals also surged as Nifty Metal index was up 4 per cent thanks to gains in Jindal twins and Tata Steel. "They have been discounted a lot during the year. Prices are now very attractive for investors. So we are seeing a strong reaction is auto and metals," Nair said.

Going by the buzz on Dalal Street, here are key factors influencing market behaviour on Tuesday:

#### **US-China trade deal imminent**

Traders reacted to the positive news on the US-China trade war front. US President Donald Trump on Monday said he expected to sign a significant part of the trade deal with China ahead of schedule. However, he did not elaborate on the timing. The US and China, in a recent meeting between their officials, agreed to a partial trade deal. The US has also agreed to delay another set of tariffs on Chinese goods if Beijing delivers on its promise to buy US agricultural products worth \$50 billion.

#### **Improved quarterly earnings**

Better-than-expected Q2 earnings improved market sentiments. Tata Motors shares have rallied on improved numbers from Jaguar and Land Rover, which help the automaker beat Street estimates and showed promise of improved earnings going ahead. Tata Sons, promoters of the company, is going to infuse Rs 6,500 crore worth of equity. The stock has jumped over 32 per cent since the announcement. Some other major companies have also delivered better results. SBI tripled September quarter earnings. Most brokerages maintained their bullish stance on the stock.

## *Trending in Marketing*

### *5) Facebook is Changing How it Calculates Organic Impressions*

Facebook pages are likely to see organic impressions go down as a result of changes being made to how impressions are calculated.

### *6) Google Ads is Testing New Lead Form Extensions*

Google Ads is testing a new way for businesses to capture customer information with lead form extensions.

### **Another tax overhaul coming?**

A media report claiming another major tax tweak from the government for the equity segment enthused Dalal Street. Reports said existing structures of long-term capital gains (LTCG) tax, the securities transaction tax (STT) and dividend distribution tax (DTT) are being reviewed by the Prime Minister's Office in consultation with the Finance Ministry's Revenue Department and NITI Aayog. The steps are likely to be announced before or in the February Union Budget.

### **Technical factors**

Sentiment on Dalal Street appears to be upbeat on the Diwali new year as Nifty registered a breakout above its previous swing high of 11,714 hinting that it has resumed its uptrend, said Mazhar Mohammad, Chief Strategist – Technical Research & Trading Advisory, Chartviewindia.in. Hence, sustaining above 11,714 on closing basis, its initial target shall be at the bearish gap zone of 11,771-11,798 registered on July 8. Mohammad advised short-term traders to consider booking profits around 11,790.

But, once Nifty manages a sustainable close above 11,800 then a bigger target of 11980 can't be ruled out going forward. Contrary to this, positive momentum shall fade away once Nifty closes below 11,627, he added. Till then one can retain a positive stance on the market and look to buy on dips.

### **Analyst View**

"Festive season has suggested consumer buying has returned. The pent up demand in the system is present. FII's have stopped selling and started putting in new money, earnings season so far has produced better-than-expected results. Valuations have been compelling for investors to buy," says Deven R Choksey, MD, KR Choksey Investment Managers.