

# Industrial Revolution and the Market's Perspective towards the Business Industry: A Macro Analysis

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## ABSTRACT

Industrial Revolution directly affects the Business Industry through its demands of innovation, changes, and adaptation, this research however focused on how the market gets affected by it. The results show clear effects of Industrial Revolution towards the perspective of the business industry market in terms of their needs and wants, product delivery system, and branding. This also justifies that Industrial Revolution aside from its positive contributions to the growth of the economy also brings negative impacts particularly on employment opportunities, environment, and the operations of small and medium sized businesses. This research is a good basis for a sustainable and responsible Industrial development initiative and a guide to the business industry in making sure sustainable operations.

**KEYWORDS:** Industrial Revolution; Business; Consumer Behavior; Marketing

**How to cite this paper:** Mark Gabriel Wagan Aguilar "Industrial Revolution and the Market's Perspective towards the Business Industry: A Macro Analysis"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-4 | Issue-3, April 2020, pp.720-724,

URL: [www.ijtsrd.com/papers/ijtsrd30695.pdf](http://www.ijtsrd.com/papers/ijtsrd30695.pdf)



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## INTRODUCTION

The Philippines as we all know is a country where economic growth has been going up and down year after year from one President to another, except for the last 3 years when it has been coined as one of the Tiger Cub Economies together with Indonesia, Malaysia, Vietnam, and Thailand. It is also currently one of Asia's fastest growing countries in terms of economic growth [1]. The Philippine economy is projected to be the 5th largest in Asia and 16th biggest in the world by 2050, according to the article written by Wil Martin on 2020 [2] in Business Insider, while according to PricewaterhouseCoopers, a multinational professional services network of firms; it will be the 12th to 14th richest economy in the world by 2060.

With these data, one can already say that the Philippines is one of the best places to invest in. However, amidst of these recognitions, major problems remain, mainly having to do with alleviating the wide income and growth disparities between the country's different regions and socioeconomic classes, reducing corruption, and investing in the infrastructure necessary to ensure future growth, which should be put into considerations by businessmen who is thinking to invest in the Philippines.

Aside from these social problems, the world as we all know is constantly changing. Based on the article written by Bernard Marr on 2018 [3] entitled: "The 4th Industrial Revolution Is Here - Are You Ready?", the world is on the cusp of the Fourth Industrial Revolution, or Industry 4.0. He even stated that this I.R. 4.0. is quite different than the

three Industrial Revolutions that preceded it; steam and waterpower, electricity and assembly lines, and computerization, because it will challenge our ideas about what it means to be human.

People have experienced already how things has changed over the years because of the technological advances associated with Industrial Revolutions, as a matter of fact, it is considered as one of the most significant events in human history and had a profound effect on many nations throughout the world. While the Industrial Revolution first began in Britain in the 18th century, and took place throughout the centuries that followed, its impacts can still be seen in our lives today. As an event, the Industrial Revolution had both positive and negative impacts for society. Although there are several positives to the Industrial Revolution there were also many negative elements, including: poor working conditions, poor living conditions, low wages, child labor, and pollution. One of the primary causes of the Industrial Revolution was the emergence of laissez-faire capitalism as an economic system. Laissez-faire capitalism is a highly individualistic ideology in which the government plays as little a role as possible in the economic decisions of a country [4].

According to the study of World Economic Forum [5] entitled: Impact of the Fourth Industrial Revolution on Supply Chains, IRs has positive and negative implications to the environment, employment, and the operations of small and medium sized enterprises. It is said that IR 4.0.

will introduce efficient ways to use materials, production mechanisms, and transportation means. Technological advances brought by it will also transform the world of work which will be a challenge to humans due to skills shortage, automation changes in regulations and legal framework conditions, thus, personnel development is highly needed. Small and medium sized enterprises on the other hand is said to get support from the large corporations since such will focus on research and development while SMEs will focus on job creation. SMEs would also benefit from IR 4.0. if the government will help them in acquiring technological advancements.

Industrial Revolutions also has direct impacts towards marketing in particular; Products has become accessible to the market online with the help of the internet, and businesses started to use barcodes and QR codes so that consumers can access product information by just scanning; Prices of products has also become lower since selling on the web reduces the use of resources than in the physical environment; Place as part of the marketing mix is also affected since Industrial Revolutions with the innovations it has brought allowed business to work with less intermediaries and employees [6]; and Promotion has become faster particularly marketing activities which has changed from traditional media that uses a push type strategy to internet and mobile technologies that use pull type strategies, [7].

Now that the 4th Industrial Revolution is coming, amidst studies associated with it, the business industry should still be ready; no one knows what changes and up to what extent in reality this transition would bring to the world.

## METHODS

This study was done through data gathering from published research papers, books, online articles, newspapers, and an online survey participated by 385 respondents from Quezon City, the Philippines largest city in terms of population, which were selected randomly. The sample size was computed through raosoft sample size calculator with 5% margin of error, 95% confidence level, and 50% response distribution. The data gathering lasted for 3 weeks from the 10th day of February and ended on the 1st day of the following month; year 2020. The survey was consisted a total of 20 questions that had 100% response rate from respondents.

## RESULTS

The results of this study were calculated through a quantitative research approach focusing on frequency and percentage method. Thematic Analysis was used in Table 1 aside from the frequency and percentage method.

**Table 1: Terms chosen by the market to formally define Industrial Revolutions**

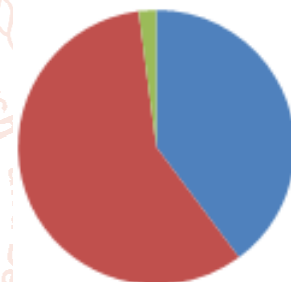
Responses	Frequency	Percentage
Innovation	65	17%
Changes	83	22%
Technology	34	9%
Threat	46	12%
Machines	80	21%
Others ( <i>Manufacturing, Economy, Useful, Marketing, Business, Buildings, etc</i> )	78	20%

Table 1 shows that the market believes that Industrial Revolution brings changes more than anything with a score of 22%, while some thinks of Machines (21%), Innovation (17%), Threat (12%), Technology (9%), and other terms such as Manufacturing, Economy, Marketing, Business, and Buildings among other in defining Industrial Revolution with a score of (20%).



**Figure 1: On what degree do Industrial Revolutions affect the market's perspective towards general needs and wants?**

Figure 1 shows that the market's perspective towards their needs and wants is extremely affected by Industrial Revolutions with score of 49% among 385 respondents. 44% of them said that it only affects them a little, while 7% believe that it don't affect their needs and wants.



**Figure 2: How do Industrial Revolutions affect the market's perspective towards their needs and wants?**

Figure 2 shows that the market's needs and wants change based on the trend and what is efficient and useful in the current time but with consideration on branding and the reputation of the company with a score of 58% out of the total number respondents. 40% of the respondents however said that their needs and wants change because on the same but without considering the brand and the company's reputation, while the needs and wants of the remaining 2% were not affected by Industrial Revolutions.



**Figure 3: On what degree do Industrial Revolutions affect the market's perspective towards product delivery?**

Figure 3 shows that the market's perspective towards product delivery is extremely affected with a score of

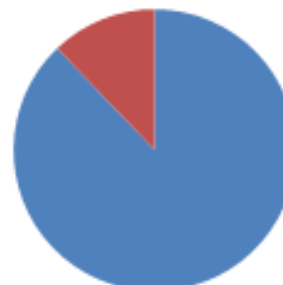
45% out of the total number of respondents. 44% however said that their preference towards product delivery is affected only a little, while the preference of the 11% of the market is not affected.



**Figure 4: How do Industrial Revolutions affect the market's perspective towards product delivery?**

Figure 4 shows that the market's perspective towards product delivery changes based on trends and efficiency, however, the market occasionally prefers traditional ways with a score of 26% on both. 25% of the market on the other hand said that their preference towards product delivery does not change easily amidst Industrial Revolutions, and that they prefer traditional ways more than modern ways, 21% said the other way around, while the preference of the remaining 2% totally is not affected by IRs.

forgotten old school branding approach. 22% of the market said that their preference does not change easily, and that they prefer authentic image of the company but occasionally gets attracted through modern branding techniques, while 14% of the market has a preference similar to the 22% but totally does not consider modern branding techniques. The remaining 1% said that their preference towards branding is not affected by Industrial Revolutions.



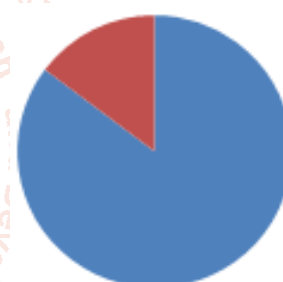
**Figure 7: Does the market see Industrial Revolutions a threat to them in terms of employment opportunities?**

Figure 7 shows that the market sees Industrial Revolutions as threat to them in terms of employment opportunities with a score of 88% out of the 385 respondents, while 12% said that it isn't.



**Figure 5: On what degree do Industrial Revolutions affect the market's perspective towards branding?**

Figure 5 shows that the market's perspective towards branding is extremely affected by Industrial Revolutions with a score of 48% out of the 385 respondents. 45% said that their perspective is affected a little only, while 8% said that their perception stayed the same despite of Industrial Revolutions.



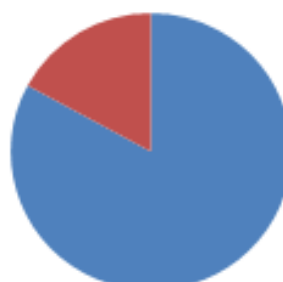
**Figure 8: The market's perspective towards how do Industrial Revolutions threaten humans in terms of employment opportunities.**

Figure 8 shows that with a score of 85%, Industrial revolutions is a threat to humans in terms of employment opportunities because it create modern- technologically aligned environments that reduce business firms need of manpower, while 15% said that IRs is not a threat to them.



**Figure 6: How do Industrial Revolutions affect the market's perspective towards branding?**

Figure 6 shows that with a score of 32% the market's perspective towards branding changes based on trend, attractiveness, and creativity based on the Industrial changes, but occasionally into old school branding. 30% of the market on the other hand experiences changes on their preference based on the same, but has totally



**Figure 9: Does the market see Industrial Revolutions a threat to environmental conservation efforts?**

Figure 9 shows that Industrial Revolutions is a threat to environmental conservation efforts in the eyes of the industry's market with a score of 83%, while the remaining said that it is not a threat to such.



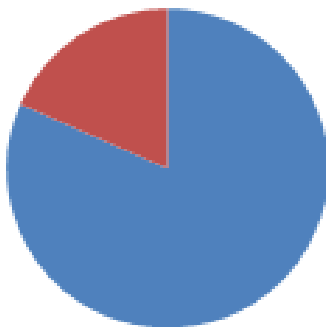
**Figure 10: The market's perspective towards how do Industrial Revolutions threaten environmental conservation efforts.**

Figure 10 shows that with a score of 86%, the market believes that Industrial Revolutions threatens environmental conservation efforts because it creates modern- technologically aligned environments that negatively affect nature through excessive resource consumption and pollution, while 14% of the market believes that IRs don't.



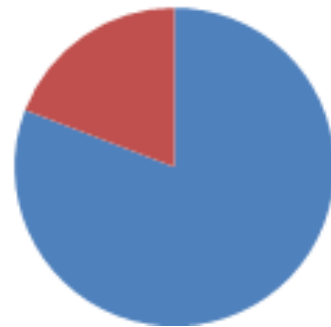
**Figure 11: Does the market see Industrial Revolutions a threat to small and medium enterprises / business firms?**

Figure 11 shows that the Industry's market believes that Industrial Revolutions is a threat to small and medium enterprises / business firms with a score of 88% out of the total number of respondents, while 12% believes that it is not a threat to such.



**Figure 12: The market's perspective on how do Industrial Revolutions threaten small and medium enterprises/ business firms.**

Figure 12 shows that the market believes IRs is a threat to small and medium enterprises because it create modern-technologically aligned environments that makes competition difficult to businesses that does not have the enough resources with a score of 82%, while the remaining 18% believes that it is not.



**Figure 13: Awareness of the market towards Industrial Revolutions prior to answering the survey.**

Figure 13 shows that majority or 81% of the total respondents of this study is aware of the term Industrial Revolution prior to answering the survey, while 19% was not.

### DISCUSSION AND FINDINGS

It was found out that the Business Industry Market is fully aware of what Industrial Revolution is, making this study reliable; it is clearly reflected on the result in Table 1 and Figure 13 where the market believes that Industrial Revolution brings changes, has introduced machines, a threat to the environment, industry's human resource, and smaller type of businesses, and the reason for technological advances.

The introduction of technology and/or ways to develop and present a product has indeed affected the perspective of the market towards their needs and wants, how the product is served to them, and the credibility and reliability of the product manufacturer and promotional technique used. Amidst the transition from one Industrial Revolution to another, the needs and wants of the market changes based on the trends and what is useful in the current time but with consideration of the reputation of the manufacturer and/or marketing company, while when it comes to how the products is served, the market's perspective changes based on the trend which for example during IR 3.0, is online and through electronical means such as a key card instead of steel key to open a hotel room door, and the efficiency but still occasionally prefers traditional ways such as over the counter payment and written mail. While in terms of branding, the market gets attracted to a brand based on its ability of catch up to the trend with a unique and creative approach in marketing, but in some cases, still gets hooked to old school branding or the classic way to do things.

Results in figures 7, 9, and 11 clearly explains why 12% of the market used the term "Threat" to define Industrial Revolution; despite its contributions to the Industry, IRs bring problems toward employment opportunities, environmental conservation efforts, and the operations of small and medium sized businesses. The Industrial Revolution 4.0 for example is believed to introduce Artificial Intelligence or in layman's term is Robots, which will take the place of humans in doing procedural jobs. Machines in addition used by factories to make product production faster release chemicals that damage the environment, and that the establishment of corporations that have the resources to support the changes happening in the Industry will little by little force the closure of the



smaller ones which cannot afford to quickly cope up with the innovation demanded by the economy.

## CONCLUSION

Industrial Revolution though it has brought a lot of good things to the economy, is undoubtedly also a contributor to the problems people are facing today; pollution, unemployment, and monopoly and oligopoly among others. It also has an extreme effect towards the business industry particularly towards the perspective of the market; the needs and wants of customers amidst Industrial Revolutions changes based on trend and if the products are necessary in the current time based on its usefulness, however, businesses should still work on the branding of each product for it is still considered; the traditional way of providing services and presenting products is still preferred amidst innovative approaches done by businesses but the market focuses more on what is more efficient in the current time, thus, businesses should adopt innovative methods towards product delivery but with a touch of traditional ways; and branding similar to what the market prefers in terms of product delivery should focus more on the trend with emphasis on the attractiveness and a unique approach to the market, but still with consideration of the way the company has introduced itself before, thus, not completely leaving its authentic image behind. This research hereby concludes that businesses should not innovate or change completely amidst transition from one Industrial Revolution to another.

The researcher highly recommends the execution of a research that micro-analyzes the results of this study; identify market segments, determine reasons or motivational factors that affect the perspective of the market, and suggest systematic practices that will minimize the negative effects of Industrial Revolution.

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