

# ABSTRACT

This research aims at investigating indirect effect of marketing capability on abnormal stock return. The annual data is collected from 113 listed companies of Pakistan Stock Exchange, from the period of 2009 to 2018. To check the company is efficient or not, Data Envelopment Analysis (DEA) method is used to estimate the marketing capability. First, Generalized Least Square test is applied to investigate the impact of marketing capability on stock return. In model 2, results show that there is positive relationship between marketing capability and stock liquidity. Second, study applied bootstrap bias corrected estimation; finding reveals that stock liquidity significantly mediates the association between marketing capability and abnormal stock returns. These finding suggested bias marketing capability have indirect impact on abnormal stock return. The finding suggested as increases/decrease in marketing capability increase/decrease abnormal stock return via stock liquidity and stock liquidity is play a role as a mediator between marketing capability and abnormal stock return.

**Key Words:** Generalized Least Square, marketing capability, Bootstrap, DEA, Stock return