

# 'The European PhD on Social Representations and Communication Research Centre and Multimedia Lab:

*an incubator for new generations of young researchers”*

**18<sup>th</sup> International Summer School on  
Social Representations and  
Communication– Rome, Italy  
8-19 July 2012**



European PhD on  
Social Representations & Communication

**“Social representations of the stock market  
in financial advisors, investors and media”**



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## *General introduction*

This symposium presents a part of a large research project, inspired by the **THEORY OF SOCIAL REPRESENTATIONS**, entitled:

### **“Mass Psychology and Stock Market: Heterogeneous Agents, Media, Traders and Investors”**

launched by prof. Annamaria de Rosa in 2008, involving a **cross-continental perspective**: Europe (Italy, UK, France) and Asia (China), **integrating qualitative and quantitative methods** and carried out on **special target groups**, like **professional financial advisors and investors, lay investors and different media** (generalist and specialised journals and social networks).



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## *an incubator for new generations of young researchers*

### **“Social representations of the stock market in financial advisors, investors and media”**

- **GENERAL INTRODUCTION:***multiple interrelated research lines*  
**by Annamaria Silvana de Rosa**
- **MEDIA ANALYSIS on European Journals**  
**presented by Elena Bocci**
- **MEDIA ANALYSIS on Chinese Journals**  
**A COMPARISON BETWEEN EUROPEAN AND CHINESE JOURNALS**  
**presented by Haoxing Wang**
- **FIELD STUDY IN TWO CULTURAL CONTEXTS: EUROPE AND CHINA**  
**presented by Siyu Sun**



## *General introduction: multiple interrelated research lines*

### ***Cultural Context Background Analysis***

This research line **anchors the research program in the different geo-economic contexts (Europe and China)** and gives an understanding of how different institutions in different countries interact with the dynamics of financial markets and with massive self-fulfilling events.

### ***Media Analysis***

This research line investigates the role of the **traditional media** (generalized and specialized press) and **new media** (social networks) in elaborating, diffusion and transforming the social representations of the stock market.

### ***Field study***

This research line is aimed to model the social psychology of the stock market in **special target groups** (financial advisors, investors through financial advisors and autonomous online investors), investigating the relations between individual **socio-demographic profiles**, the **financial profile** of each target group, **a set of psychological dimensions** (**time perspective, risk propensity and tolerance, trust, perceived influence of critical events in the media during this worldwide financial crisis in 2008**) assumed as **mediational variables**, and the **social representations of the stock market** (with their implicit **metaphors**). The latter ones are supposed to be shaped by and lead to the **financial practices**, also regarding the financial crisis in **the double temporal perspective (before and after the financial crisis)**.



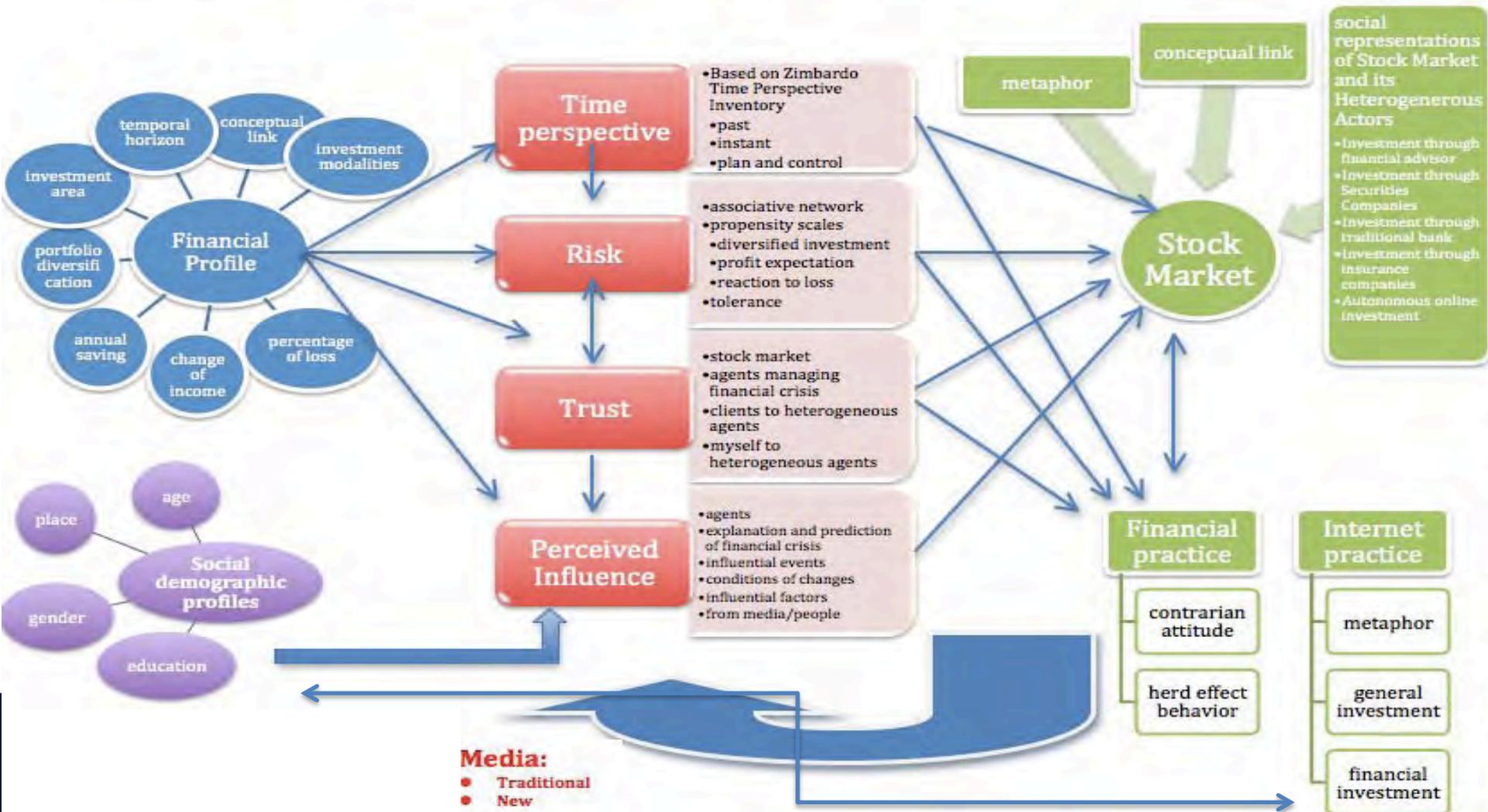
# Research Design: A Modeling Approach



ILLUSTRATIVE VARIABLE

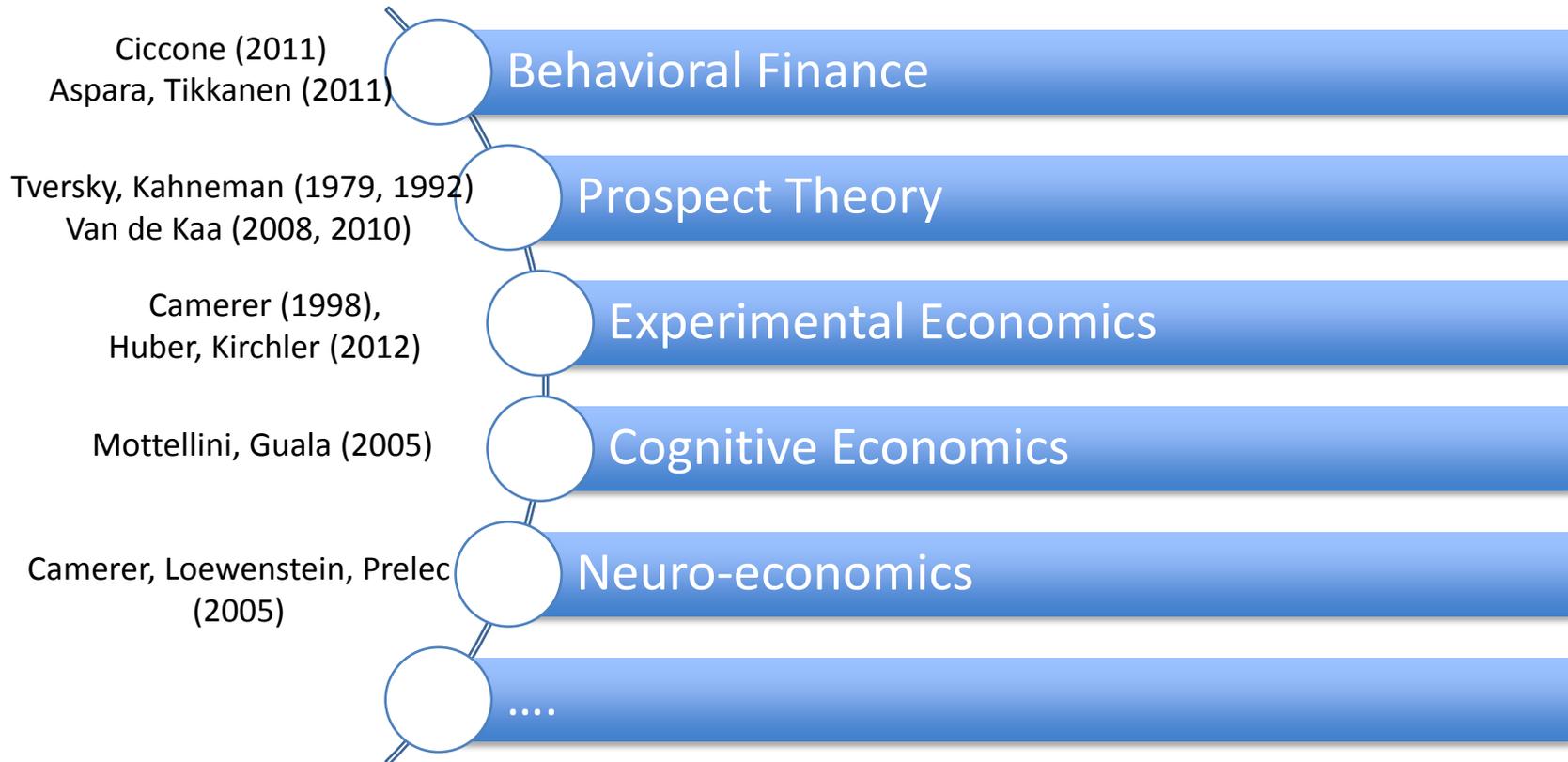
MEDIATIONAL VARIABLE

ACTIVE VARIABLE





## *The main theoretical orientations in the psychology of stock market*

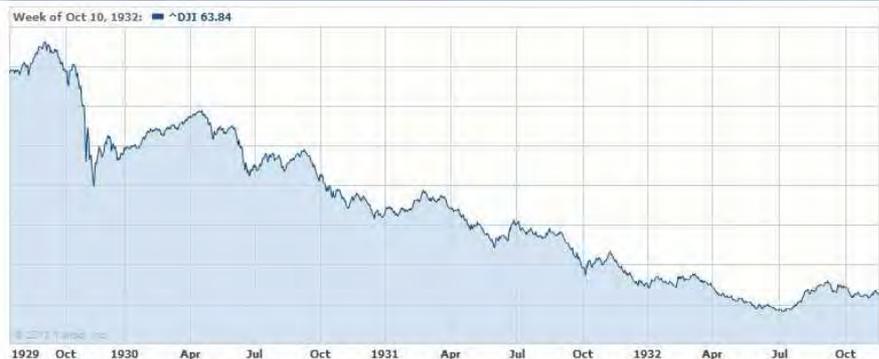




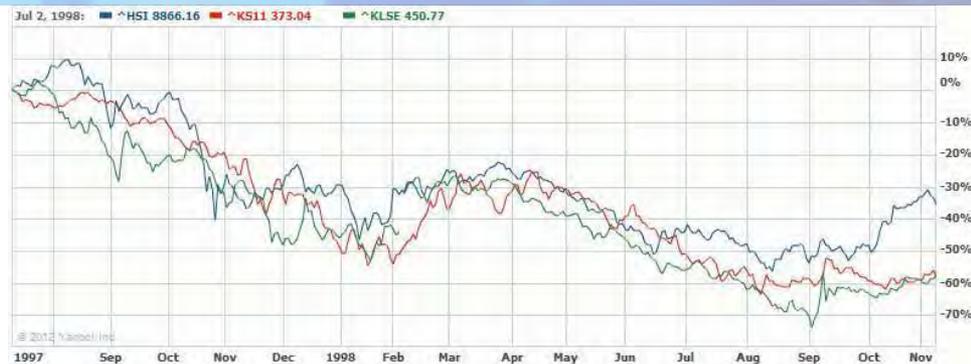
## *Theoretical framework*

- Some **rare socio-psychological studies in the financial field refer to the theory of social representations** -see inter-alia: Smith (1999, 2007), Penz (2004), Leiser (2005), Kirchler (2003, 2009), Oberlechner (2004), Roland-Lévy (2010), following the pionnering studies of Verges on S.R. of the economy.
- We firmly believe that the **Theory of Social Representations** (Moscovici, 1961/1976, 2000) provides a conceptual framework for investigating phenomena in the economic, financial, social and political arena, through an **integrated vision of the social sciences** based on a dialogical approach to the lay knowledge construction and communication system in the articulation of individual, social and collective dimensions.

# THE WORLDWIDE FINANCIAL CRISIS EXPLODED IN THE HISTORY AND NOW...



**1929 The Great Depression**



**1997 The Asian Financial Crisis**



**2007-2012 The Global Financial Crisis**



# WHAT HAPPENED TO THE WORLD MARKETS IN THE PAST 20 YEARS, 5 YEARS OR EVEN ONE WEEK??

- Dow Jones Industrial Average
- NASDAQ Composite
- ^FTSEMIB (Index of Milan)
- ^FTSE (Index of London)
- ^FCHI (Index of Paris)
- 000001.SS (Index of Shanghai)



Who enjoys this roller coaster??

# METAPHORICAL APPROACH



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Bazaar



Running Race



Machine



Ocean



Game



Living Being



War



Gambling



Sport



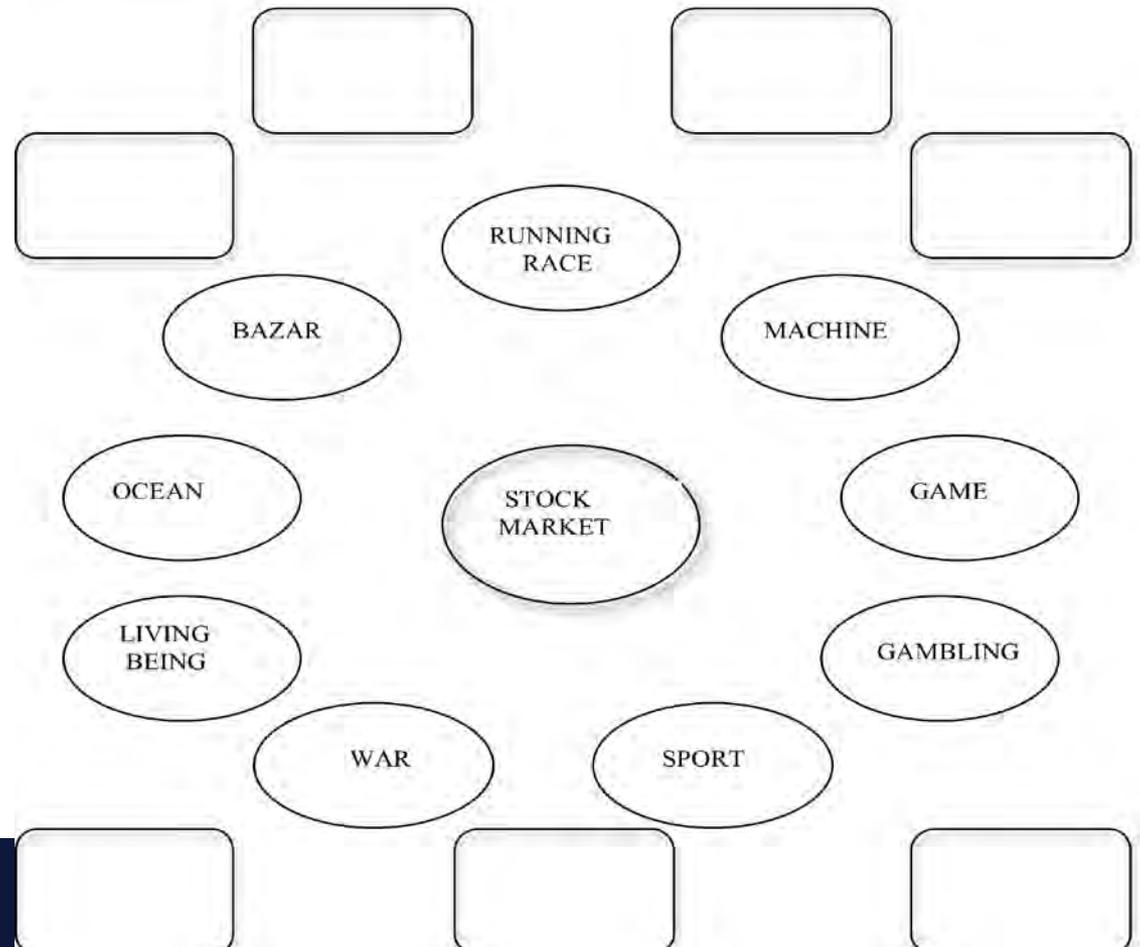
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**Quest. 2 Choice of significant links (positive or negative) between STOCK MARKET and the metaphors indicated or other metaphors you indicate in the empty rectangles.**

1. Indicate in the empty rectangles the metaphors that in your opinion best represent the STOCK MARKET.
2. Trace a line to link the central word STOCK MARKET with each word you think it is **significantly linked to**, by choosing between those already given and those you indicated in the empty rectangles. Do not trace more than **7 links**.
3. Please indicate with a number between 1 and 5 the **intensity of the link** (1 is minimum, 5 is maximum intensity). The words that will have no links express, in your opinion, a lack of relationship between STOCK MARKET and the specific word.
4. Furthermore, please indicate on each of the traced lines the **positive or negative polarity** of the link with a + or -.

## CONCEPTUAL IDENTIFICATION NETWORK

## BASED ON METAPHORS RELATED TO STOCK MARKET





# A Multi-method approach

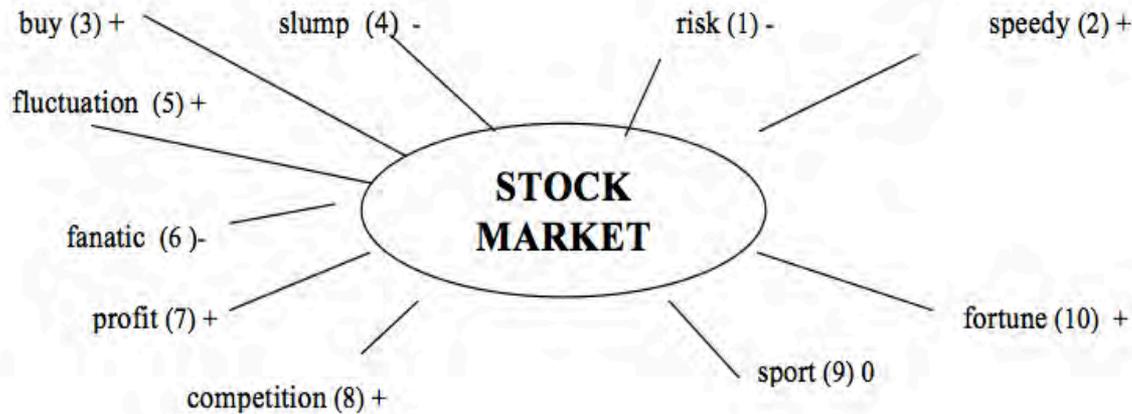


## Associative Network

(de Rosa, 2003)

stimulus word: **STOCK MARKET**

- **Aim:** to explore the **contents, structure** and **polarity** of social representations of stock market in different target groups and countries.



# Cultural Context Background Analysis:



## historical analysis



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### Word Genesis

#### in EUROPE

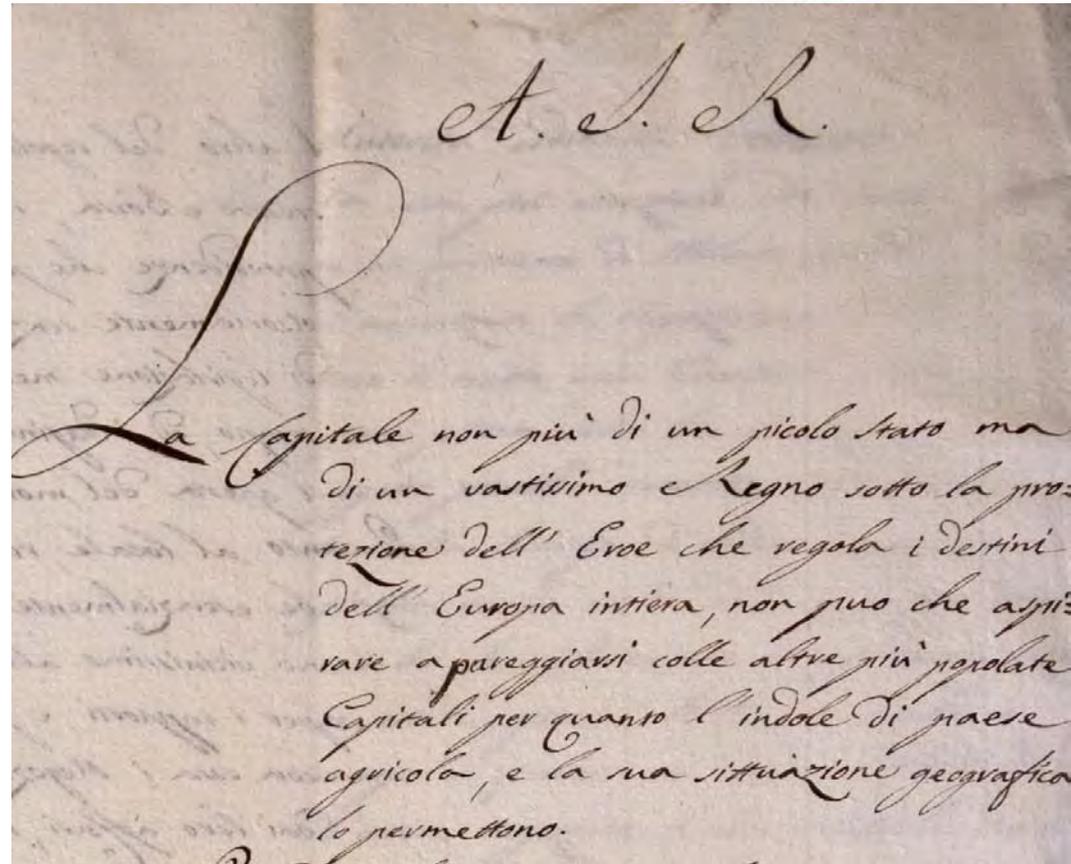
The term **borsa** is traced back to the original name (Della Borsa) of a family of Venetian merchants, Van der Burse, who moved to Holland in the fifteenth century, at the house that the meetings were held to determine the value of the goods.

The first stock appeared in Belgium and Holland in 1531, and France in Lyon in 1548. The most important stock market in the world, the New York Stock Exchange (the NYSE), was built in 1792, while the establishments of the English and Italian Stock Exchange were in 1800s, 1801 and 1808.

#### in CHINA

The Chinese word stock market “股市” appeared in 1872 when the first Chinese domestic joint-stock company—The Chinese Merchants’ Steam Navigation Company (CMC) was founded.

The Shanghai and the Shenzhen Stock Exchange established in 1990 and 1991, marking the milestones of the official formation of China's securities market.



**The viceregal decree on January 16 1808 of Eugene Napoleon marks the birth of the Stock Exchange of Commerce of Milan.**

(Source: [www.borsaitaliana.it](http://www.borsaitaliana.it))



## Cultural Context Background Analysis: historical analysis



Evolution of stock market during the time in different countries		XVIII century	XIX century	XX century	XXI century
EUROPE	<b>ITALY</b> LA BORSA ITALIANA <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a> <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>	-----	<b>The Foundation of Italian Stock Market</b> was in Milan on January 16 1808, in Monte di Pietà.	The process of <b>privatization</b> culminated with the foundation of Borsa Italiana S.p.a.	<b>Internationalization in 2007</b> The integration of Borsa Italiana and London Stock Exchange
	<b>U.K.</b> THE LONDON STOCK EXCHANGE <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>	-----	<b>Foundation:</b> the London Stock Exchange was founded on March 3 1801 in the City of London	<b>Deregulation of the Market</b> “Big Bang”	<b>“The Merger”</b> In 2007 the London Stock Exchange merges with Borsa Italiana creating London Stock Exchange Group
	<b>FRANCE</b> LA BOURSE DE PARIS <a href="http://www.euronext.fr">www.euronext.fr</a> <a href="http://www.nyse.com">www.nyse.com</a> <a href="http://www.minefi.gouv.fr">www.minefi.gouv.fr</a>	<b>The foundation of Paris Stock Market</b> was on September 24 1724, in Hotel de Nevers	<b>Quotation of the first foreign company</b> was before the foundations of the Italian and English Stock Exchanges.	<b>Modernization:</b> The modernization of international transactions improved the competition among the different markets.	<b>Euronext:</b> In 2006 the integration of European Stock Exchanges with New York Exchange
ASIA	<b>CHINA</b> 中国股市 <a href="http://www.sse.com.cn/sseportal/en/home/home.shtml">http://www.sse.com.cn/sseportal/en/home/home.shtml</a> <a href="http://www.szse.cn/main/en/">http://www.szse.cn/main/en/</a>	-----	In 1872, the first joint-stock enterprise in China <b>emerged</b> , and the Chinese issued <b>the first stock</b> themselves.	<b>FOUNDATION</b> On December 19, 1990, Shanghai Stock Exchange was officially set up; On July 3, 1991, Shenzhen Stock Exchange was founded.	On October 30 2009, China started its own NASDAQ-style market, <b>ChiNext Board</b> .