

MASTER'S THESIS

Processing Chinese corporate performance information via the signaled stopping technique

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Date of Award:
1999

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Processing Chinese Corporate Performance Information
via the Signaled Stopping Technique

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A thesis submitted in partial fulfillment of the requirements

For the degree of

Master of Philosophy

October 1999

Hong Kong Baptist University

ABSTRACT

This study examines how high- and low-risk taking individual investors *process* the president's letter of a Chinese annual report. The letter either contained an analogy or not and was either delivered via written text or by video.

By employing Carter's *Signaled Stopping Technique*, the number and length of their chunks, the locations of their stopping (communication acts) and their reasons for stopping (communication content) were analyzed to better understand financial communication behavior.

Results show that the higher the number of chunks, the shorter the length of the message chunk would be. In terms of message chunking and signaled stopping acts, low-risk taking investors showed more communication activity with financial information than did high-risk taking investors. Furthermore, they had more stopping in written text than in videotaped format in all sections. There were no interactions between risk taking, the use of analogy and the choice of medium delivery in affecting signaled stopping acts.

For stopping reasons, individual investors mostly stopped to ask questions and to think. No differences were apparent between high- and low-risk taking investors in processing the president's letter with analogy or without an analogy. In general, respondents tend to think more with written text. Low-risk taking investors stopped to agree more via written text than did high-risk taking investors.

This study provides one major investor typology focusing on high- and low-risk takers. By actively using the Signaled Stopping Technique to build other, more specific, more company-relevant receiver profiles, investor relations professional can better tailor their financial messages.

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