



Non-numerical investor communication

– Does the depth of non-numerical communication in the financial outlook of an equity story impact investment decision?

Janette Murto

Master's thesis in International Business

Supervisor: Irene Kujala

Faculty of Social Sciences, Business and Economics

Åbo Akademi

2021

Subject: Non-numerical investor communication – Does the depth of non-numerical communication in the financial outlook of an equity story impact investment decision?

Author: Janette Murto

Title: Non-numerical investor communication: Does the depth of non-numerical communication in the financial outlook of an equity story impact investment decision?

Supervisor: Irene Kujala

Abstract

Today's investors not only want fact sheets; they want a deeper understanding of the company, its business model, and opportunities to create added value. (Laskin & Laskin, 2017) This is why most of the review produced by a company about its past and future performance is communicated non-numerically, utilizing language (Hales, Kuang, and Venkataraman, 2010).

The objective of this thesis is to determine whether and how the use of in-depth non-numerical investor communication in the financial section of an equity story impact investors' investment decisions on the Finnish stock market.

A qualitative in-depth semi-structured interviews were chosen as the method of this research, and the research results have been chosen to be analysed thematically. The research group is based on the demographics of Finnish investors, and disproportioned stratified sampling has been utilized in the selection of the study group. In its brevity, the study will examine the importance of non-numerical communication in investment decisions by presenting to the research group the equity stories of two different companies, one using in-depth non-numerical communication to support the financial information, while the other presenting mostly financial information in numbers and only superficial information non-numerically.

The research revealed that the use of in-depth non-numerical communication to support the financial situation and future goals of a company in its equity story increases the investability of the company and this way impacts positively on investors' investment decisions. The study results also highlighted the importance of non-numerical investor communication in listing communications, as it provides an opportunity to provide facts to investors they need when making investment decisions that numbers alone cannot tell. In addition to telling facts, non-numerical communication can also directly affect an investor's image of a company, which can be an essential factor in competing with rival companies on the stock market to stand out. Furthermore, the findings also provide theoretical contribution and practical implications.

Keywords: listed company, non-numerical communication, equity story, investing, listing, investor communication

Date: 22.10.2021.

Number of pages: 119.

CONTENTS

1 Introduction	6
1.1 Background	6
1.2 Problem definition	8
1.4 Research objective and Research questions	9
1.5 Research limitations and delimitations	10
1.6 Definitions	11
1.7 Thesis Structure	13
2 Contextual background	14
2.1 Investing on the Finnish stock market	15
2.2 Communication regulations of listed companies in Finland	19
2.4 Summary	22
3 Theoretical framework	23
3.1 Investment decisions	23
3.1.1 Factors relevant in investment decisions	24
3.1.2 Investment strategies and styles	25
3.1.3 Factors impacting investment decisions	27
3.2 Investor communication	30
3.2.1 The history behind investor communication	31
3.2.2 The purpose and importance of investor communication	32
3.2.3 The different types of investor communication	33
3.2.4 Investor communication platforms	36
3.3 Equity story	38
3.3.1 The role and importance of equity story	38
3.3.2 Content of an equity story	39
3.3.3 The role of non-numerical and financial communication in equity story	41
3.4 Summary	43
4 Methodology	44
4.1 Research method	44
4.1.1 Qualitative research	45
4.1.2 Semi-structured interviews	47
4.2 Data collection	48
4.2.1 Sources	48
4.2.2 Sampling	48
4.2.3 Method	51

4.3 Data analysis	53
4.4 Validity and reliability.....	56
4.5 Summary	59
5 Presentation of empirical data	59
5.1 Presentation of the interview objects.....	60
5.2 Investor’s decision-making	62
5.2.1 Subjective perspective’s impact on investment decisions	62
5.2.2 The role of investor communication in investment decisions.....	64
5.3 Depth of non-numerical information and investor investment decisions	66
5.3.1 Financial situation	66
5.3.2 Future growth estimation.....	68
5.3.3 Investors’ willingness to invest in the companies	70
5.4 Summary of the results.....	73
6 Analysis of the results	74
6.1 How in-depth non-numerical investor communication is perceived among investors?	74
6.2 The impact of in-depth non-numerical communication in equity stories’ financial outlook on investment decisions	76
7 Conclusions	78
7.1 Summary of findings.....	78
7.2 Theoretical contribution	79
7.3 Practical implications	81
7.4 Limitations of the study.....	81
7.5 Suggestions for future research	82
8 Summary in Swedish – Svensk sammanfattning	84
8.1 Inledning	84
8.2 Avhandlingens syfte och forskningsfrågor.....	87
8.3 Kontextuell bakgrund.....	88
8.4 Teori.....	88
8.5 Metodval	90
8.6 Resultatbeskrivning och analys	92
8.7 Slutsats och rekommendationer.....	93
References	95
Appendices.....	107
Appendix 1: Equity Story of Company X	107
Appendix 2: Equity Story of Company Y	110
Appendix 3: Interview template in Finnish	114
Appendix 3: Interview template in English.....	118

FIGURES

Figure 1. Thesis structure	14
Figure 2. Development of the market value of publicly traded share issuers on the NasdaqOMX Helsinki Stock Exchange, (Euroclear, 2021e)	16
Figure 3. Development of the number of Finnish shareholders (Euroclear, 2021b)	17
Figure 4. Age and gender distribution of Finnish share savings accounts from March 2021. (Euroclear, 2021a)	17
Figure 5. Market value distribution of Finnish share savings accounts from March 2021. (Euroclear, 2021a)	18
Figure 6. The different types of investor communication.	35
Figure 7. Six phases of marketing and communication in listing process. (Suomen pörssisäätiö, 2016)	38
Figure 8. The conceptual framework of how investment decisions are made.	56
Figure 9. Answers to question “Which company would you prefer to invest in, Company X or Company Y if one were to be chosen?”	73

TABLES

Table 1. Information of the interview objects.	50
---	----

1 Introduction

The following chapter will present the background, problem definition, research aim and research questions, research limitations and delimitations, structure, context, and definitions of this thesis.

1.1 Background

Investor communication is a broad concept that includes all the information content that a listed company provides to its target group, i.e., investors. The goal of the information provided to investors is to enable them to form a view of the company in question. Investor communication can be divided into non-numerical and numerical information, and its contents can be divided into non-financial and financial information (Westbrook, 2014). Investor communication is essential especially for companies, as its primary purpose is to achieve a fair valuation of the company's securities (Niri, 2020) and increase investors' interest in the company. (Suomen Pörssiäitiö, 2016) However, a listed company's communication and transparency obligations differ significantly from private companies (Minilex, 2020), as existing laws, regulations, and recommendations significantly restrict listed companies' communication. (Brysted et al., 2016) These obligations exist and are essential for investors, as they ensure that investors have accurate and up-to-date information about the company's operations and the situation on which investment decisions are based (European Union. European Commission, 2020).

When discussing statutory disclosure obligations, we often reflect that financial reporting is primarily numerical communication. However, today's investors not only want fact sheets; they want a deeper understanding of the company, its business model, and opportunities to create added value. (Laskin & Laskin, 2017) This is why most of the review produced by a company about its past and future performance is communicated non-numerically, utilizing language (Hales, Kuang, and Venkataraman, 2010). Listed companies release in addition to their financial statements, such as equity stories, investor letters, and annual reports (Amer & Maris, 2003), which contain much numerical communication, but most companies also benefit non-numerical communication to support the numerical communication in them. (Baginski, Hassell & Kimbrough, 2003) The purpose of the releases and marketing materials published by listed companies is primarily to inform investors under the disclosure obligations. These publications also have another purpose: to sell and market the company with a positive image to its potential investors (Koskela, 2015).

Even though disclosure obligations aim to enable investors to make rational decisions based on accurate and reliable information (European Union. European Commission, 2020), a fact is that one person is by no means able to assess all possible uncertainties and risk factors fully and not all people are rational decision makers (Baker & Ricciardi, 2014). Research in psychology shows that directional preferences affect people's ability to process received information and make decisions. (Kunda, 2004) In other words, people's emotions and cognitive impairments influence investment decisions. (Teall, 2018) Because of this, numerous studies have emerged during the past years focusing on non-numerical investor communication. (Baginski, Hassell & Kimbrough, 2003) Especially in financial investor communication, the attention has shifted from numerical to linguistic and textual elements used in financial communication. (Whitehouse, Palmieri & Perrin, 2018) In addition to researching non-numerical investor communication usage, the focus has increasingly emphasized how investors react to non-numerical communication. (Hutton, Miller & Skinner, 2003)

As research has increased in this field, it has been proven that a company can positively impact investor behavior with non-numerical investor communication. This argument is supported by various research which have shown that a company can positively impact both sophisticated and less sophisticated investors with non-numerical qualitative expressions of magnitude such as "minimal," "moderate", "remarkable", "substantial increases" or "sizable". (Amer & Maris, 2003) It has also been proven that a company can benefit from using non-numerical communication to support the numerical communication when communicating about a company's return expectations (Baginski et al., 2003) and positively affect stock prices with IR and investor communication. (Yongshin & Eyun-Jung, 2007) This is why investor communication, in a broad sense, is an essential part of listed companies' daily processes as it provides possibilities to impact a company's stock market performance. However, the use of non-numerical communication does not always end up with a positive impact on investors if the communication is not done correctly. Factor such as word choice, content, and tone in investor communication has an impact on investors, which is important for companies to acknowledge. (Amer & Maris, 2003)

Non-numerical communication can be utilized in multiple ways when communicating about a company's results both positive and negative. Research made by Hales et al. (2010) shows that even if a company is communicating negative longer-term information, the reception of such information can be influenced by the right word choices. The study found that if non-numerical communication utilizes vivid language instead of pallid, the information is received and judged more positively (Hales et al., 2010). In addition to word choices, how information is presented also affects investors. Investors' weakness in the rational interpretation of information is also

supported by Moreno and Zhang's (2020) study, which found that if a company highlights higher sales growth in a smaller sector instead of lower sales growth in a larger sector with percentages, the willingness of investors to invest grows. While it is clear here that the percentage increase does not reflect the company's actual monetary profit, the investor is nevertheless prone to the image created for him or her (Moreno & Zhang, 2020). In conclusion, companies can impact investors and their decision-making with non-numerical communication in various ways if done correctly.

1.2 Problem definition

Based on my literature review the use of non-numerical communication in investor communication has been extensively researched e.g. by Baginski et al. In 2003, Amer & Maris in 2003, Yongshin & Eyun-Jung in 2007, Hales et al. in 2010, Elliot, Rennekamp & White in 2015, Teall in 2018, and Moreno & Zhang in 2020 and has been shown to impact investors' decisions-making in several ways. It has been researched how the use of non-numerical investor communication impact investors in annual reports (Amer & Maris, 2003), in news flashes (Hales et al., 2010), and in earnings warnings. (Chen & Chang, 2017) However, a research gap still exists in relation to whether and how the use of in-depth non-numerical communication in equity stories' financial and future outlook impact Finnish investors' investment decisions.

An equity story is a story about a company as an investment case (Ditlevsen, 2012) and its purpose is to engage investors (Suomen pörssisäätiö, 2016), and provide the information investors need for secured investment decisions (Salo, Marika & Jukka Oksaharju, 2019, pp. 418 – 446). Equity Story can be said to be an important part of a soon-to-be listed companies' investor communication, as it is one of the first marketing materials a company publishes to its potential investors in the listing process. (Suomen pörssisäätiö, 2016)

We can argue based on the previous research that the use of non-numerical communication in investor communication is very relevant for listed companies. This topic is an interesting subject of research, as we can assume that non-numerical communication has positive impacts when used in equity stories. However, based on my literature review there is no evidence or deeper insights on whether the depth of the non-numerical communication used in equity stories' financial outlook has an impact on investors' investment decisions. As previous studies have shown, the use of non-numerical communication must be done correctly as many different factors, such as the tone, matter and are important in achieving successful investor

communication. (Amer & Maris, 2003) Therefore, it is important to gain solid knowledge of the impact of the use of in-depth non-numerical communication in equity stories so that companies can benefit from it the best way possible.

In addition to this, no studies have been conducted in the context of the Finnish stock market. When discussing non-numerical communication, the tool used is language. (Nogueira, 2020) The Finnish Stock Market consists of Finnish companies, which are obligated by the Securities Markets Act to use one of the official Finnish mother languages, Finnish or Swedish, as the primary communication and reporting language. (Koskela & Heino, 2016) The language used in non-numerical communication and the context may influence the impact on investors. Therefore, this thesis's topic has been chosen to focus on the use of in-depth non-numerical investor communication in the equity story's financial outlook and specifically on the Finnish stock market.

1.4 Research objective and Research questions

The objective of this thesis is to determine whether and how the use of in-depth non-numerical investor communication in the financial section of an equity story impact investors' investment decisions on the Finnish stock market.

The following research questions will be examined to answer the research objective:

Q1: What factors impact investors' investment decisions?

The objective with this research question is to review the theoretical concepts of how investment decisions are made, which factors impact investors' decision-making, what do we mean with investor communication, its different forms, purpose and importance for both investors and listed companies, and the relation between investment decisions and investor communication.

Q2: What is the role of non-numerical communication in equity stories?

The objective with this research question is to review the theoretical concept of why and how non-numerical communication is utilized and can be utilized in equity stories.

Q3: Does in-depth non-numerical communication in the financial statement section of an equity story impact investor's investment decision on the Finnish stock market?

The objective of this empirical research question is to determine how in-depth non-numerical investor communication is perceived among investors, whether a listed company can impact an investor's investment decision through in-depth non-numerical communication and whether it gives added value to the investor.

Q4: What are the theoretical and managerial implications for investors and companies in using non-numerical information to support the numerical information in the financial section of its equity story?

This normative research question aims to develop recommendations for Finnish soon-to-be listed companies about the use of non-numerical communication in its equity story.

1.5 Research limitations and delimitations

Empirical delimitation

The research will be limited to the context of the Finnish stock market, i.e., the research will be carried out more precisely for Finnish investors. Therefore, the sections of the equity story used as research material and the research questions will be in Finnish.

Although the different investor communication methods will be dealt with in this thesis theory section, this research's primary focus will be on the equity story. More specifically, on the financial section of an equity story. Therefore, all the other sections of an equity story will be omitted in the research materials and questions.

Theory delimitation

This thesis' theoretical chapter focuses on listed and to-be-listed companies' investor communication and how investors process this information and what is the relation between investor communication and investments decisions. As mentioned earlier, investor communication is a very broad concept consisting of numerical and non-numerical communication methods, as well as financial and non-financial information content. (Westbrook, 2014) Non-financial factors, such as environmental policies, in investor communication have been proven to affect firms' market performance (Hoffmann, Fieseler, 2012) and are therefore a crucial part of investor communication. However, this thesis main focus will be on the use of

non-numerical communication in support of financial information. More specifically, how non-numerical communication can be utilized in describing financial information. Although non-numerical communication can be in addition to written text, videos, and photos (Nogueira, 2020), the focus will be on written text and so the other non-numerical communication methods, such as photos and videos, will be excluded from the theoretical chapter. Also, the visual side of investor communication, such as the use of visual elements, colors, and fonts, will be excluded from the thesis.

Methods' delimitation

The objective of this thesis is to determine whether and how the use of non-numerical communication in the financial section of equity story impacts investment decisions on the Finnish stock market. The purpose of qualitative research is to understand the significance of a phenomena. Quantitative research is, of course, able to provide an answer whether the use of non-numerical communication in the financial section of equity story impacts investment decisions but is not able to answer the question of how nor give a broader understanding of its impact. As qualitative research is said to provide a more accurate way to assess cause-and-effect relationships (Ghauri et. al, 2020), a qualitative semi-structured interview has been chosen as research method for this study. A qualitative research will enable the study to provide a broader understanding of how the use of non-numerical communication in the financial section of an equity story impacts investment decisions. For this reason, quantitative research methods are excluded from this research.

1.6 Definitions

Listed company: A listed company is a public limited company whose shares are publicly traded on a stock exchange. All limited companies listed on the Helsinki Stock Exchange are public limited companies in Finland (Minilex, 2020).

Investing: Investing is a process in which we put our desired and available resources to work while hoping that their value will increase. (Williams, 2011)

Investor communication: Investor communication includes all the communication a company produces to its audience i.e., investors. According to the National Investor Relation Institute's Board of Directors (2020), the most effective investor communication is a strategically managed two-way communication that combines finance, communication, marketing and securities law compliance.

Equity story: An equity story is a close look at a listed company's business, its operating environment, growth and development opportunities, competitive position, financial situation, future earnings development, and the listing's motives and purpose, which is published by the listing company in the early state of the listing. Equity story's purpose is to present the company to prospect investors and to engage them (Suomen pörssisäätiö, 2016).

Non-numerical communication: Non-numerical information can be texts, videos, and qualitative information. (Nogueira, 2020) By qualitative information, we mean descriptive text that can provide more detailed information about something than numbers. (Slone, 2009) Non-numerical communication occurs in the communication of listed companies, for example, in their letter to shareholders, in various analyses, in discussions of the management team, and in all reports that discuss the company's operation (Amer & Maris, 2003). In other words, non-numerical investor communication is a qualitative written expression of a company's situation. In addition to these communication platforms and non-financial information, non-numerical communication is also used, for example, in financial statements. (Hales et al., 2011) In the context of this thesis, non-numerical communication refers to a qualitative investor communication, in which written words are used as a means of financial communication.

Financial statement: Companies' financial statements are high-quality and detailed reports that should provide a comprehensive and truthful picture of its economic development and position, and cash flow operations. The financial statements should always include: The company's income statement, Balance sheet, Cash flow statement, and Statement of equity changes (Aifuwa & Embele, 2019). When a financial statement is executed in a high-quality manner, it provides its reviewer with helpful information about the company's situation and thus serves as an essential and effective tool in financial decision-making (Aifuwa & Embele, 2019).

1. 7 Thesis Structure

The thesis is divided into eight chapters, starting with an introduction chapter where the background information including previous research, problem definition, research objective and research questions, research limitations, and delimitations, and definitions of this thesis are presented. This will be followed by a chapter presenting the contextual background of the thesis. After the contextual background chapter, the related theory will be presented in more detail. The theoretical chapter consists of three main sections, the first of which deals with investment decisions i.e., what are the relevant factors for investors when making investment decisions, what are the different investment strategies and styles, and what factors impact investors' investment decisions. The second section deals with investor communication – its history, purpose and importance for both investors and companies, the different types of investor communication, and the most common communication platforms used in investor communication. The final section of the theoretical chapter focuses more deeply into equity stories. This section will present what is an equity story, what is the role and importance of it in listing process, what does an equity story usually contain, and what is the role of financial and non-numerical communication in it. Chapter four will present the research methodology chosen for the thesis i.e., how the topic is researched, how the research is carried out, how the research results are analysed, and how valid the research made is. The research results are presented in chapter five which is then followed by chapter six where the research results are analysed more in-depth. In the seventh chapter, the conclusions, theoretical and practical implications, limitations, and future research possibilities are presented. The last chapter contains a summary of the thesis in Swedish.

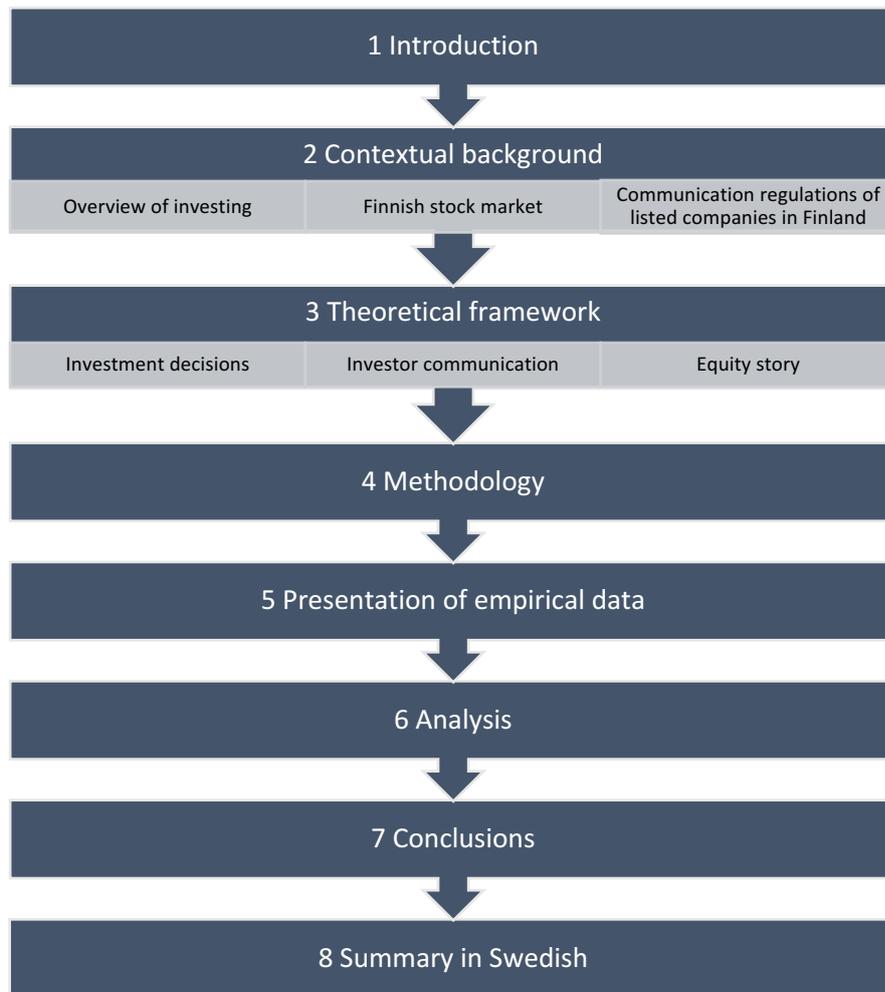


Figure 1. Thesis structure

2 Contextual background

This chapter reviews the contextual background of this thesis. This chapter is essential as it provides the basic information needed to understand the theoretical chapter and the research made and gives the reader a possibility to reflect all the information to the context of the Finnish stock market. This chapter consists of two sections; overview investing on the Finnish stock market, and communication regulations of listed companies in Finland, which of the first section introduces the fundamentals of investing, such as what it means, what different investment methods and targets exist, why people invest, and an overview of the Finnish stock market - its historical development, current situation, and significance. The second section reviews the regulations of listed companies' investor communication. More specifically, which different parties regulate listed companies' communication, and what these regulations are, which gives a

good basis for the theory of investor communication, the research made, and helps the reader to understand the limitations there is regarding investor communication.

2.1 Investing on the Finnish stock market

In short, investing is often a long-term process in which we put our desired and available resources to work while hoping that their value will increase. (Williams, 2011). Investment options can be divided into direct and indirect investments. Direct investment means that a person independently decides on an investment, which is usually a security. (Kontkanen, 2009, pp. 109 as cited in Kallunki, Martikainen & Niemelä, 2002). Security is a tradable claim, for example, the assets of a company, institution, or individual. Many different types of securities exist, such as debt securities, equity securities, derivative securities, commodities, and currencies. In this thesis, when we discuss securities, we refer to equity securities, as these are the securities that are bought and sold on the stock exchange. Equity security is, in other words, a holding in a company or corporation (Teall, 2018).

The word stock market refers to a system in which shares, options and other similar instruments of companies are issued, bought and sold. (Hoechlin, 2017) It is usually natural for Finnish companies whose operations are located in Finland to list on the Helsinki Stock Exchange, as it is beneficial for a company to list in a country where it is already familiar to prospective investors. (Suomen pörssisäätiö, 2016) That is why we can claim that the Helsinki Stock Exchange is very much at the center of the Finnish stock market.

The Helsinki Stock Exchange was founded in 1912. Over the years, many stock exchange mergers have reached the current situation where the Finnish stock trading centralizes today mainly on the NASDAQ OMX Helsinki Stock Exchange, which was born in 2008 due to the merger of OMX and NASDAQ (Pörssisäätiö, 2009). The Helsinki Stock Exchange can be seen as very relevant to the Finnish stock market, both because the Finnish stock market is strongly concentrated here, but also because of its size, as in December 2020, over 170 companies (Nasdaq Nordic, 2020) with a total market value of EUR 289.4 billion were listed on the NASDAQ OMX Helsinki. During 2020, 131,840 stock exchange transactions took place per day (Nasdaq Nordic, 2021). The chart below shows the development of the market value of publicly traded share issuers on the NasdaqOMX Helsinki Stock Exchange during 2020 and 2021. As the chart shows, the NasdaqOMX Helsinki Stock Exchange's market value had fluctuated somewhat in 2020, but there has been apparent growth in recent months. In conclusion, however, we can

say that the NasdaqOMX Helsinki Stock Exchange moves much money, so it is an integral part of the Finnish economy.

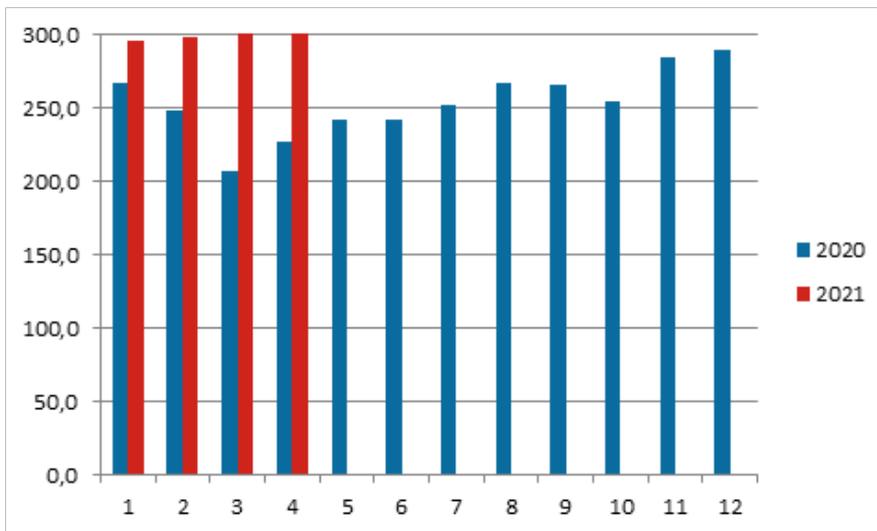


Figure 2. Development of the market value of publicly traded share issuers on the NasdaqOMX Helsinki Stock Exchange, (Euroclear, 2021e)

Finnish private investors and their investment behavior

The Finnish stock market is essential not only for Finnish companies but also for individuals investing there. The Finnish stock market is a significant part of the daily lives and finances of many Finns, as according to Euroclear Finland (2021), the Finnish National Central Securities Depository, and the official Administrator of the digital share register, in March 2021, a total of 190,772 active share savings account were registered in Finland for Finnish individuals. From these active share savings accounts, investments have been allocated to both Finnish and foreign listed shares. However, the total market value of all accounts for Finnish listed shares was EUR 966,416,753. In other words, EUR 966,416,753 of the assets of Finnish individuals were invested in Finnish listed companies. At the end of March, 906,499 shares in companies in the book-entry system were owned by Finnish private individuals. (Euroclear, 2021a) Finnish households own 21% of all Finnish shares. In comparison, companies own only 13%, while financial and insurance institutions own 9%. The most significant holding percentage is in the Nominee Register, which owns 39% of all Finnish shares. (Euroclear, 2021d)

The investment trend in Finland can be described as growing, as the number of Finnish investors has been only growing in the past year and four months. (Euroclear, 2021b) The chart below shows how the number of Finnish investors has developed in 2020, as well as during January-April 2021.

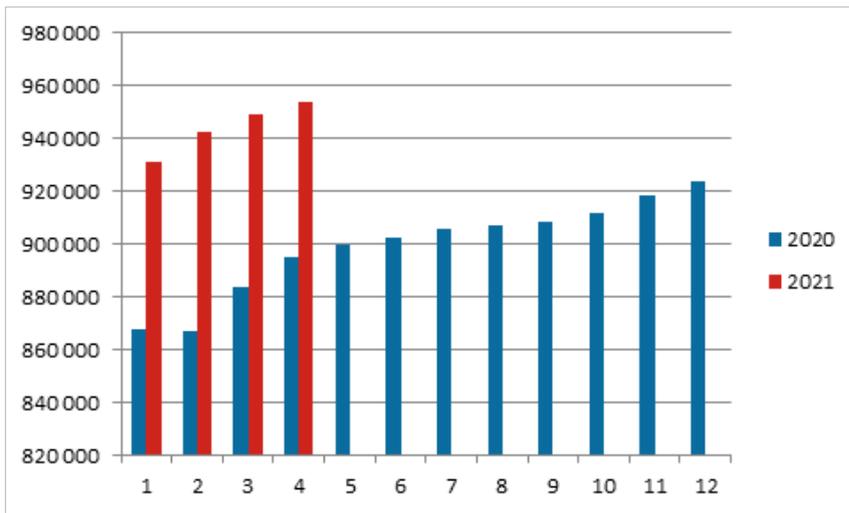


Figure 3. Development of the number of Finnish shareholders (Euroclear, 2021b)

Finnish investors can be found in every age group, both women and men. However, at least still in 2021, men dominate the investing by owning 67% in listed companies, while the number of Women's investments is clearly at a lower level of 33% (Euroclear, 2021c). The largest age group of Finnish investors is 18-29-year-olds in both men and women. The second-largest investor age group is 30-39-year-olds, and the third-largest investor age group is 40-49-year-olds. In contrast, the minor investor age groups are under 17 and over 60-year-olds (Euroclear, 2021a). More detailed information can be found on the gender and age distribution among Finnish investors in the tables below.

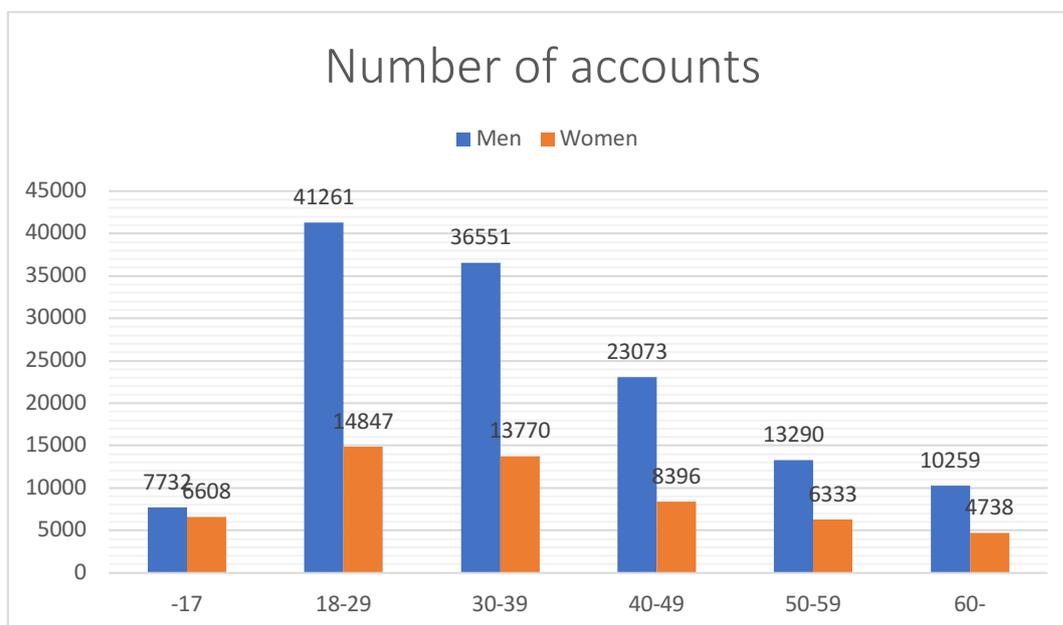


Figure 4. Age and gender distribution of Finnish share savings accounts from March 2021. (Euroclear, 2021a)

Although the figure above shows that the most significant investor groups are Finns aged 18-49, the amounts invested still differ considerably from these amounts. The figure below shows how

Finnish share savings accounts' market value varies according to different age groups and genders. The graph shows that although more male investors are women in every age group, there is an even more significant difference in the sums invested. There is also a clear difference between different age groups. For example, investors over the age of 60, whose share savings accounts' number is smaller than, those belonging to the age of 50-59. The market value of investments over the age of 60 and over is higher than in the age group of 50-59 (Euroclear, 2021a). In other words, share savings accounts alone do not tell which age groups' investors are more critical to listed companies, but the sum of these should be taken into account too.

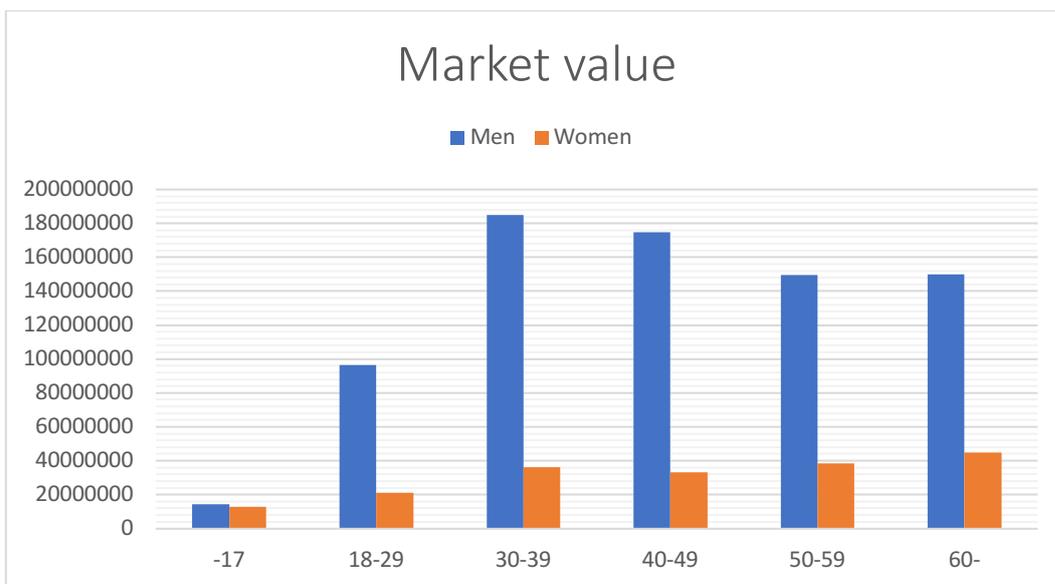


Figure 5. Market value distribution of Finnish share savings accounts from March 2021. (Euroclear, 2021a)

Investment behavior of Finnish investors

The Finnish Stock Savers Association carried out a study for 1920 Finnish investors, which examined the investment behavior of Finnish investors in more detail. According to this study, Finnish investors have the most experience in listed shares and mutual funds. 50% of these respondents' direct equity investments were geographically located in Finland. Finnish investors also described their investment style, of which the most considerable investment style was Buy and Hold investments, and the second largest was dividend investment (Suomen osakessäästäjäry, 2020). In summary, we can state that the most familiar and central investment style for Finnish investors is long-term buy and hold-style listed equity investments.

2.2 Communication regulations of listed companies in Finland

As it turned out in the previous section, investing has gained tremendous popularity among Finns and is a significant issue in Finnish finances. Therefore, we can state that the safety of investments and the safeguarding of investment decisions are also important, which can be influenced by regulated investor communications. Therefore, the communication of Finnish listed companies is significantly restricted by existing laws, regulations, and recommendations. The purpose of which is to enable investors and market participants to receive correct, up-to-date, and sufficient information about the company's real and accurate situation (Suomen pörssisäätiö, 2016). The European Union has been for over the last thirty years one of the significant forces regarding financial reporting of Finnish listed companies. The EU has set many different regulations regarding financial reporting in member states, including Finland, with the goal of achieving more consistent reporting between these states (Flower & Ebbers, 2018, pp. 198-201). In addition to the EU, five other parties regulate the reporting of Finnish listed companies. The five parties that regulate the reporting in Finland are:

1. the EU Market Abuse Regulation MAR and Commission regulations issued pursuant to Regulation 20 and other EU-level regulations supplementing the MAR Regulation

According to MAR, the market can generally be abused in three ways:

1. with insider trading
2. by releasing information without correct permissions
3. by manipulating markets.

The purpose of the Market Abuse Regulation MAR is to protect investors by increasing the transparency of financial markets and thereby prevent these three abuses that weaken investors' investment decisions (European Parliament, Council of the European Union, 2014).

2. the Securities Market Act, 746/2012 and the Financial Supervision Authority Act, 878/2008

The Securities Markets Act is a Finnish law regulating public offering, disclosure obligations in the securities market, public takeover bids, prevention, and control of securities market abuse. (Securities Markets Act 2012/746 § 1) The Financial Supervision Authority Act, 878/2008 is also a Finnish law. Its purpose is the stable operation of credit, insurance, pension institutions, and other institutions subject to supervision required by

the stability of the financial markets, the protection of the insured's interests, and the general confidence in the financial markets' functioning (Financial Supervision Authority Act 2008/878 § 1).

3. Ministry of Finance's Regulation on regular disclosure obligations for securities issuers 1020/2012

Regular disclosures include, for example, semi-annual reports, financial statements and annual reports published by listed companies. This regulation issued by the Ministry of Finance defines the content of these publications as well as the manner in which the information should be presented (Ministry of Finance's Regulation on regular disclosure obligations for securities issuers 1020/2012).

**4. Guidance from ESMA (the European Securities and Markets Authority),
Financial supervision and stock exchange**

ESMA, the European Securities and Markets Authority, is a supernational securities regulatory body that regulates EU securities markets. (Teall, 2018) ESMA aims to improve investor protection and financial market stability, as well as their proper functioning. (European Union, 2021). ESMA has the right to develop technical standards and guidelines for both authorities and market participants. It has the right to obtain information from competent authorities or market participants, as appropriate, whether or not they comply with guidelines and standards set by ESMA (European Securities and Markets Authority, 2021). In addition to investors, ESMA's activities also benefit the economy, citizens, securities regulators, the financial services industry as a whole, financial service providers, and users of financial markets. (European Union, 2021)

5. The Corporate Governance Code published by the Securities Market Association

As mentioned earlier, the disclosure of listed companies is governed by a number of different laws and regulations. However, not all of these laws are complete, which is why they are supplemented by the recommendations contained in the Securities Market Association's Corporate Governance Code (Avopaperimarkkinayhdistys, n.d.).

Disclosure obligations

In Finland, companies are required to disclose information from the day they apply to the stock exchange for permission to issue securities intended for trading. In other words, all the laws, regulations, and recommendations of the regulators mentioned above apply not only to

companies that have already been listed in the Finnish stock exchange but also to companies that will soon be listed (Pörssisäätiö, 2016).

Companies' disclosure obligations can be divided into two main sections; Regular disclosure obligations, and Ongoing disclosure obligations (Pörssisäätiö, 2016). Regular disclosure refers to the company's regular financial reporting. (Pörssisäätiö, 2016) Finnish listed companies' financial reporting is mainly defined by the Finnish Securities Market Act, which is based on EU regulations. According to that law, all companies domiciled in Finland are subject to a regular disclosure obligation (Securities Markets Act 2019/511 Chapter 7 §1). The regular disclosure obligation specifies that the company is required to publish the financial statements and the Board of Directors' report no later than four months after the end of the financial year. The Securities Markets Act also stipulates that the published financial statements and the Board of Directors' report must be accurate and give a true and fair view of its results of operations and financial position (Securities Markets Act 2015/1278 Chapter 7 §5). In addition to the financial statements and the board of directors' report, a listed company that issues shares, equity securities, or similar securities must also publish a semi-annual report for the first six months of the financial year no later than three months after the end of the reporting period (Securities Markets Act 2015/1278 Chapter 7 §10)

The ongoing disclosure obligations, on the other hand, determines the disclosure of inside information. Inside information generally means information that has a direct effect on the instruments traded by the company. Insider information can, for example, be issues of securities, significant acquisitions, financial difficulties or credit losses of the company, changes in the board or management of the company, research findings relevant to the business, or relevant changes in expected results, financial position or future outlook. In addition to these, many general recommendations exist which are not as binding as the law. However, listed companies should also follow these recommendations the same way as the law in its investor communications (Pörssisäätiö, 2016).

In addition to disclosure obligations, soon-to-be-listed and listed companies should also be aware in their investor communication and marketing materials published that they should not disclose information that is contrary to good practice, inappropriate, untrue or misleading. Such information may include the publication of purely false information, the veracity of which can be verified, the creation of misconceptions and perceptions about a particular matter, or the emphasis on irrelevant matters (HE 157/1988).

However, Finnish listed companies' investor communication is not limited to the disclosure obligations, as companies are entitled to decide whether they want to share more information with their target group than is required by these laws, recommendations, and regulations. Companies are also free to decide how the information is presented. For example, if a company wants to present visual graphs, images, and written text in addition to numbers, this is allowed. However, the regulations, laws, and recommendations need to be followed also in the marketing and other materials published by the company (Suomen pörssisäätiö, 2016).

2.4 Summary

This chapter presented the Finnish stock exchange market in more depth - where investing takes place physically, the size of the Finnish stock exchange market, how much of Finns belong to investors, and what kind of investor behavior can be found among Finns. In addition to this, this chapter also dealt with the laws, regulations, and recommendations in use in Finland to define the investor communications of listed companies while ensuring safe and truthful investment decisions.

In summary, we can conclude that the NASDAQ OMX Helsinki Stock Exchange, where Finns mainly invest, is very significant and continues to grow all the time. The Finnish stock exchange market is essential for Finnish companies listed there, enabling them to raise funding and for Finnish individuals investing in these listed companies. This argument is supported by the fact that in March 2021, EUR 966,416,753 of the assets of Finnish individuals were invested in Finnish listed companies (Euroclear, 2021a).

Finnish investors' most familiar and central investment style is long-term buy and hold-style listed equity investments, which are mostly targeted at Finnish companies. Therefore, we can state that the safety of investments and the safeguarding of investment decisions are critical, influenced by regulated investor communications. In Finland, five parties regulate the reporting of Finnish listed companies, which are the EU Market Abuse Regulation MAR and Commission regulations issued pursuant to Regulation 20 and other EU-level regulations supplementing the MAR Regulation, the Securities Market Act, 746/2012 and the Financial Supervision Authority Act, 878/2008, Ministry of Finance's Regulation on regular disclosure obligations for securities issuers 1020/2012, Guidance from ESMA (the European Securities and Markets Authority), Financial supervision and stock exchange, and The Corporate Governance Code published by the Securities Market Association. In conclusion, all of the laws and guidelines specify that listed

companies must disclose all relevant matters that have any bearing on the company, its business, and the market environment.

The information provided in this chapter helps us better understand what restrictions Finnish companies have in their investor communications and what Finnish investors are like. When this information is available to us, we will be better able to reflect on the theories of the following chapter on the Finnish market and the Finnish investors and their investment behavior. The information in this section also facilitates the conduct of the research, as we have precise information on what kind of investor communications shall be published in the equity stories of Finnish companies and what kind of target group should be selected for the research.

3 Theoretical framework

In this chapter, relevant theories and theoretical frameworks for this thesis will be presented. The first section deals with investment decisions, i.e., the relevant factors for investors when making investment decisions, the different investment strategies and styles, and what factors impact investors' investment decisions. After this, the concept of investor communication will be presented. This section presents the history, the different types of investor communication, the most common communication platforms used in investor communication, and the role and importance of investor communication for companies. The final section of the theoretical chapter focuses more deeply on equity stories. This section will present an equity story, the role, and importance of it in the listing process, what an equity story usually contains, and the role of financial and non-numerical communication in equity stories.

3.1 Investment decisions

The term investment decision, in this study, means an investor's decision to either invest or not invest in a particular item, such as stocks. Investment decisions depend on many different actors, such as the expected return on the investment, the price of the investment to be purchased, and the investor's ability to finance the investment. Central to investment decisions is also the assessment of the risk associated with the investment i.e., how the investor sees the investment risk, and how much risk the investor can take (Virlics, 2013).

While investment decisions should be made rationally, investors' decision-making is a complex matter also influenced by psychological matters that result in differences and irrationality in investor behavior. (Pompian, 2012) Even if an investor would receive all the necessary information about a company and its economic situation, the decision-making would still not be a straightforward, simple, and rational process as the investment decisions are subjective and therefore made from the investor's own point of view. Thus, the investor's decision-making process consists both of an analysis of objective matters, such as the expected return on the investment, and of the investor's subjective perspective, that is, how the investor thinks (Pompian, 2012).

To understand how investment decisions are made is an integral part of this thesis as it provides tools for a more in-depth understanding of future sections and their importance. Suppose it is not understood how investment decisions are made, there is no good basis for understanding investor communication's significance and impact on the investment decisions.

3.1.1 Factors relevant in investment decisions

Investment decisions depend largely on the expected return on investment. To analyse this, an objective analysis of the company's real situation is needed (Virlics, 2013) Company analysis is a complex matter that seeks to determine the future value of a company. A valuable company can be defined as being capable of generating high cash flows which is enabled by the ability to grow the company's business and generating a healthy return on invested capital (ROIC) (Koller, Goedhart & Wessels, 2010, pp. 103).

When predicting a company's future value, it is essential to understand a company's past. Therefore, when investors aim to predict companies' future, an accurate analysis of companies' historical success is usually used for this purpose. The main factors investors usually focus on are ROIC and revenue growth. In addition to this, the analysis should also focus on company trends that should be compared to competitors to have a reasonable forecast of future cash flow developments. These factors mentioned above are purely financial factors. However, non-financial factors also play a crucial part on a company's future. Therefore, many investors analyse also the non-financial factors, which can give important insights about a company's situation and differences in relation to its competitors (Koller et al., 2010, pp. 165-171).

Once the value of the company has been analysed, the next step is commonly to determine the value of the equity, i.e. to determine whether the equity is underpriced, proportionate or

overpriced. (Koller et al., 2010, pp. 117). Due to the uncertainty and volatility of stock prices, there is always some level of risk in investing. Therefore, risk assessment is also an integral part of companies' analysis and investment decisions. (Lettau & Ludvigson, 2010). Many different analyses have been used over time to measure risks, such as: Gap Analysis, Duration Analysis, Scenario Analysis, Portfolio Theory, and the VaR (value at risk), of which VaR is one of the most widely used methods of measuring risk. The VaR is used to measure and describe potential losses. What makes VaR particularly effective is its ability to measure the correlation between different risks, which allows it to provide more comprehensive and accurate information on potential risks (Dowd, 2007, pp. 5-14). Once the magnitude of the risk has been determined, the next step is to analyse one's own risk tolerance. In other words, how great probability of loss the investor can endure (Kontkanen, 2009, p. 107 as cited in Kallunki et al., 2002).

3.1.2 Investment strategies and styles

As mentioned earlier, investors' decision-making is based on both objective, and subjective matters, which is why there occur differences in investor behavior, which leads to different investment strategies and styles. (Pompian, 2012) To understand the basis of how investment decisions are made, it is vital to understand the different investment strategies and styles in which the analysis of a company differs a bit from each other. Teall (2018) divided investment styles and strategies into four main categories, which are: Instrument selection, Portfolio-oriented investing (Modern Portfolio Theory), Behavioral finance, and Quantitative investing.

Instrument selection

Instrument selection refers to the methods used by investors to select their investment targets. These instruments can be divided into many different subcategories, but according to Teall, the four most important of these are value investing, technical investing, momentum investing, and matching assets and liabilities (Teall, 2018). The fundamental idea of value investing is that all securities have a 'true value' or a value. In value investing, an investor analyses the value of securities on the basis of income, assets, and leverage. The basis for an investment decision in this model is that a security should be invested if its value is higher than the market price, while it should be sold if its value is lower than the market price. Technical investing, on the other hand, is based on securities prices and market history. In this model, it is believed that history repeats itself, which is why historical events are given much weight. Technical investing looks

for models that are analysed to predict future events. Momentum investing believes in the herd behavior mentioned earlier. Herd behavior can significantly increase or decrease the price of a security. Momentum investing usually monitors either the price fluctuations of a security or the company's performance. On a momentum investing basis, an investor seeks to monitor these herd behaviors and invest in securities on this basis at the right time. Whereas, matching assets and liabilities refer to the investor's way of managing assets and cash flows to reduce or hedge the risk of failing to meet liability obligations. (Teall, 2018).

As societal challenges, such as climate change, international migration flows, and economic disparities and private investors' awareness of them has increased, the responsibility of fixing these societal problems is no longer seen as only companies' duty, but also individuals' impact on these matters has been understood. As a result, investors' interest in socially responsible companies has grown as this has been seen as an excellent opportunity for individual investors to impact these societal problems. The interest in socially responsible listed companies has created a significant new subcategory called impact investing. The main idea of impact investing is that a private investor chooses socially responsible companies for his/her investment portfolio. By investing in socially responsible companies, a private investor can support its operations and thus make its own contribution to solving social problems (Spiess-Knafl & Scheck, 2017, P. 2-10).

Portfolio-oriented investing (Modern Portfolio Theory)

Modern Portfolio Strategy is a degree-wide investment strategy that combines many different investment theories. Modern Portfolio Strategy believes that the component instrument and risk are strongly interlinked to the investment result (Teall, 2018). With portfolio, we mean a list of an investor's investments. In other words, if an investor has several different investments, these are collectively referred to as the investment portfolio (Francis & Kim, 2013, p. 1). In the Modern Portfolio Strategy, much emphasis is placed on diversification, the basic idea of which is that the investor's investment portfolio consists of several different securities that have been purchased from highly different companies. This will ensure that although some securities perform weaker, other better-performing securities will balance the performance (Teall, 2018). While a diversified portfolio is a fairly simple idea, it still requires skill to manage it to reap its benefits in the desired way. (Francis & Kim, 2013, p. 1)

Behavioral finance

As mentioned earlier, many investors act rationally, but this is not the case for nearly all investors. According to different research, investors' investment decisions are influenced by, for example, how the information is received, investor's feelings, herd behavior, and the investor's perspectives (Teall, 2018). In behavioral finance, the focus is on the application of psychology to finance. In other words, how individual-level cognitive biases affect investor behavior. (Hirshleifer, 2015)

Quantitative investing

Quantitative investing differs from the investment styles mentioned above as it deals more with the investment approach. At the heart of this approach is the use of computers in making investment decisions (Teall, 2018). Computers can take advantage of various mathematical models and algorithms to find the best risk-return trade-off available in the market. (Fabozzi, Focardi & Kolm, 2010, p. xi) In other words, in quantitative investment approach investors utilize computers to find information about the worst- and best-performing securities, which will be then used as a basis for the investment decisions. (Teall, 2018)

3.1.3 Factors impacting investment decisions

When discussing investment decisions, one often focuses only on the traditional financial concepts. However, investment decisions are a more complex process, influenced by many factors (Nofsunger, 2017). As mentioned earlier, investors' investment decisions are impacted not only by the objective matters but also by the investor's subjective perspective. (Pompian, 2012) The subjective perspective of an investor is a sum of various different psychological factors (Pompian, 2012), and how investor process the information received. (Widger, et al., 2014) In other words, we are prone to our cognitive errors, heuristics, prejudices, and emotions that have a significant impact on the investment-decisions we make (Nofsunger, 2017). We want to think we are rational decision-makers when it comes to investing. However, the fact is that not all investors are rational (Baker & Ricciardi, 2014) and thus are prone to psychological factors that unfortunately often harm investment decisions. (Nofsunger, 2017)

To begin with, even if an investor would receive all the necessary information about a company and its economic situation to form an accurate view of the company's future value, a decision-

making is still not a straightforward, simple, and rational process (Pompian, 2012). Today, computers and various investment algorithms can be used as investment aids. However, the final investment decision is usually made by a person. No matter how much relevant data an investor has at their disposal, our minds' search functions are nowhere near perfection. Impairment of human search functions is referred to among psychologists as "availability heuristic". Availability heuristic refers to situations where the human mind cannot always decide or predict something flawlessly like a computer, as our mind retrieves the one that comes to mind most easily (Widger, Crosby & Widger, 2014).

In addition to "availability heuristic", framing, i.e., the simplification of information, affects the decision-making and response to the information received. In other words, the way the information is presented to us - whether one and the same information is presented in a positive or negative light - dramatically influences the human mind and the response to knowledge. Although common sense says that the result of a company or the financial profit achieved is the same, a person reacts to it differently depending on how this information is presented to him or her (Widger, et al., 2014). Why this is essential information for companies is that the same information can be presented to an investor in multiple ways. However, the outcome of how the information received can be reacted in multiple ways.

When we have a lot of information at our disposal, whether received correctly or incorrectly, making investment decisions is still a complex process. How investors react to the information received is affected by two psychological issues; cognitions, i.e., how investors think, and emotions, i.e., how people feel. (Pompian, 2012) According to Classical decision theory, rational investors can assess various risk factors and uncertainty and make the best possible investment decision based on these informations. However, the fact is that one person is by no means able to assess all possible uncertainties and risk factors fully, and not all people are rational, which is why the theory is not entirely seamless (Baker & Ricciardi, 2014).

Investors' emotions and cognitive impairments influence investment decisions. This issue is also recognized among economists, which they have been benefited for more than two hundred years. Although academic models suggest that prudent investors produce most of the market prices, many irrational investors cannot be ignored, as the extent to which these academic models reflect the truth cannot be shown (Teall, 2018). In Minow's (editor and co-founder of Corporate Library) words, "Markets do not run on the money; they run on trust." (cited in Laskin 2009)

A number of studies have been carried out on this subject, the results of which show, for example, that investors often react too strongly to the information they receive. Studies have shown that

strong responses arise, especially in the short-term changes, and that decisions are based too strongly on the latest information. This serves a good example of how a person does not always act rationally when investing but gives his or her emotions the power to influence the investment decision (Teall, 2018).

The effect of emotions on investment behavior has been studied extensively, and the results of the studies have verified that people's emotions influence investment decisions. (Kamstra, et. Al, (2003) One emotional factor that is also known to influence an investment decision strongly is overconfidence. In practice, over-reliance means that the investor overestimates his or her knowledge and potential success rate. While it is often said that making an investment decision requires extensive knowledge of facts, concepts, and relationships, it also requires an understanding of one's way of thinking. Even if a person has at his/her disposal all the facts related to the company, he/she should also be able to understand his/her own behavior, i.e., how he/she receives all this information (Teall, 2018). In addition to this, fear also affects a person's mind and decision-making, so we do not necessarily run things realistically enough when we are scared (Widger, Crosby & Widger, 2014).

In addition to emotions, people's behavior and decision making are also influenced by herd behavior. Although herd behavior often works to our advantage in basic everyday decisions, its results may not be as favorable in investment decisions (Widger, et al., 2014). Herd behavior can be described in investing as an event in which investors' behavior correlates with each other. In other words, investors begin to imitate other investors, leading to similar behavior by a large mass (Khan, Hassairi & Viviani, 2011). Herd behavior often occurs in uncertain times when changes in the stock markets occur in a rapid phase. Fear and uncertainty also play a significant role in decision-making, so decisions are not always made realistically enough in uncertain times. (Widger et al., 2014) Critical events such as the Covid-19 negatively affect the global economy through declining consumer demand and freezing supply chains. This is an example of when investors have a fear of the future because of its uncertainty (Ramelli & Wagner, 2020), and may react strongly to short-term changes (Teall, 2018), which has can lead to herd behavior. This statement is also supported by a study published by Espinosa-Méndez and Arias in 2021, which showed strong evidence that COVID-19 had a positive effect on the increase in herd behavior in European capital markets. (Espinosa-Méndez & Arias, 2021)

This to be said, it is vital for listed or to-be-listed companies to understand the importance of investors' subjective decision-making. Many investors are unaware of how their cognitive impairments affect their ability to think, so they cannot control them when making investment

decisions. The unawareness of one's behavior gives listed companies the possibility to impact investors' behavior and decision-making by the information presented to them. That is why this subject is a crucial matter for listed companies to understand (Pompian, 2012).

3.2 Investor communication

Investor communication is a broad concept that includes all the information content that a listed or soon-to-be listed company provides to its target group i.e., prospective and present investors, analysts and stakeholders. Investor communications usually consists of the disclosure of financial and non-financial, historical, current and future information about a company through various media, with the purpose of maintaining and establishing relationships with its target audience (Dolphin, 2004). As investor communication has clear goals it can be described as strategic communication (Laskin & Laskin, 2017) designed to achieve a desired goal. (Hallahan, Holtzhausen & Ruler, 2007) The goal of strategic communications can generally be, for example, a larger market share or a more positive reputation. When communication is strategic, it is usually very carefully planned, proactive, and focused on the company's goals (Holtzhausen, 2014).

When discussing investor communication it is impossible not to mention investor relations (IR), as investor communication is often referred to as investor relations. (Dolphin, 2004) Whereas, investor relations is referred to as financial public relations (Grunig & Hunt, 1984). According to the National Investor Relations Institute (NIRI), investor relations is "Enhancing corporate value through effective communication". (NIRI (as cited in Laskin, 2009)) Whereas, IR and financial communication together are strategic management responsibilities that combine finance, communication, marketing, and securities law compliance, which both aim to achieve fair valuation to company's securities (Niri, 2020). While some financial communication professionals clarify the matter more shortly and concisely: Investor relations and financial communication is "a strategic communication process that builds mutually beneficial relationships between organizations and their investors" (Laskin & Laskin, 2017). In other words, investor communication is a tool for creating and taking care of the company's current and prospect relations with investors. (Laskin & Laskin, 2017)

3.2.1 The history behind investor communication

Investor communication has changed significantly over time. (Laskin & Laskin, 2017) The Dutch East India Company is said to be the world's first publicly traded company. With the first public limited company, the need for a stock exchange arose, and thus, the Amsterdam bourse was founded in September 1602. (Petram, 2014, pp.2-14) With the public sale of shares, the opportunity for anyone to own shares in companies arose. This also led to the sale and marketing of the company's ownership. In that time, companies' shares were sold with 'get rich' sales arguments. However, the problem during this period was that the buyers had a low level of knowledge of the companies' real situations, which made it almost impossible for them to verify the marketing information released by the companies about its shares. As a result, many people lost their money to scams, and public confidence in listed companies was not strong. This was when the legislation on listed companies and their communication was first created (Laskin & Laskin, 2017). The Legislation purpose was purely to protect the people from scams, defining what listed companies can say and what they should at least inform about their activities. The law then specified that a listed company must publicly disclose at least periodic reports on the company's financial conditions and provide a business plan and a copy of the securities offered for sale. This can be described as the period when investor relations and investor communication began to develop (Laskin & Laskin, 2017).

Investor communication can historically be divided into three significant periods the Communication era, the Financial Era, and the Synergy Era. The first period is called the Communication era, which ran from 1945-1975. In this first era, "new" professions and professional titles, such as the Investor Relations Officer, began to emerge from investor communication. This has been a giant leap for investor communication, but still, the purpose of investor communication was very different from the current one. At the time, investor communication focused primarily on promotion and disclosure, and the communication was very one-way. The second period is called the Financial Era, which runs from 1975 to 2005. During this period, Investor communication emerged as two-way, and the purpose of communication was to create a high valuation for the company. The third and current period is called the Synergy Era, which has begun in 2005 and is still ongoing. During this period, communication direction is still two-way and can be described as a dialogue between the company and the investors (Laskin & Laskin, 2017).

Today, investor relations and maintaining them are no longer seen as a necessary evil but as an act that can significantly improve a company's competitiveness. The purpose of investor

communication has changed from high valuation to fair valuation and the goal is no longer to benefit only the company but also investors by decreasing the investment risks. (Laskin & Laskin, 2017). Today the focus of investor communication is more on building and maintaining relationships with the investors than just releasing obligatory financial reports (Laskin, 2009) as today's investors do not just want fact sheets; they want a deeper understanding of the company, its business model, and opportunities to create added value. (Laskin & Laskin, 2017)

3.2.2 The purpose and importance of investor communication

Investor communication is a highly important and central matter for soon-to-be and already listed companies for various reasons. To begin with, listed companies are legally obligated to disclose certain information to the market. (Westbrook, 2014, p. 167) Because of this, the main purpose of investor communication is to inform investors under the legal disclosure obligations (Koskela, 2015) enabling investors to form an accurate view of the company in question (Westbrook, 2014), and this way to achieve a fair valuation of the company's securities. (Niri, 2020) In addition to the legal purpose, investor communication also aims to sell and market the company with a positive image to its potential investors (Koskela, 2015) with the goal of increasing investors' interest in the company. (Suomen Pörssisäätiö, 2016)

Listed companies have the full right to determine how and to what extent the information is presented while respecting the minimum legal requirements. The reason why companies do not usually limit their investor communication to the legal minimum, is that these minimum disclosures are usually not enough to answer the "why" question, but merely to inform what kind of the situation the company has been in the past. In other words, the legally required minimum amount of information is not able to give investors a broad understanding of the company's operations and cause-and-effect relationships (Westbrook, 2014, p. 167-168), which has been proven to be an important matter for investors. (Laskin & Laskin, 2017)

In addition to this, investor communication is also important for companies as it enables them to impact investors' investment decisions. Even though the most central factor in investment decisions is the expected return on investment which is analysed by objective analysis of the company's real value (Virlics, 2013), many studies have proven that a company can impact investors' investment decisions through investor communication (Yongshin & Eyun-Jung, 2007) as investors are not always rational (Pompian, 2012) and are prone to psychological factors that unfortunately often harm investors' rational decision-making. (Nofsunger, 2017) In other words,

if investor communication is produced strategically and successfully, it is an essential tool that can contribute to a company's success in the stock market, which makes the importance of investor communication even greater (Yongshin & Eyun-Jung, 2007).

Although investor communication and its possibilities have gotten more attention in the past years, many companies still have room for improvement in implementing it. (Laskin, 2009) If investor communication is confined to the limits set by law, the company will not be able to exploit the full potential. (Westbrook, 2014, p. 167-168) According to Laskin's study in 2009, the focus of investor communication is still on the wrong place in too many listed companies as they do not know how to combine financial reporting and investor marketing.

3.2.3 The different types of investor communication

Investor communication can be divided into non-numerical and numerical information, and the contents of it can be divided into non-financial and financial information (Westbrook, 2014). Financial disclosures has its roots in far back to 1600 which ultimate purpose of has been from the very beginning to monitor the performance of corporate executives (Macve, 2020). Gibbins, Richardson & Waterhouse (1992), defined the term financial disclosure as follows:

“Financial disclosure is the release outside the organization of information concerning the economic performance, position or prospects of the organization, particularly as measured in financial terms.” (Gibbins et al. 1992)

Financial information is most commonly presented in the company's financial statement (Aifuwa & Embele, 2019) and the Board of Directors' report (Minilex, n.a.). Companies' financial statements are high-quality and detailed reports that should provide a comprehensive and truthful picture of their economic development and position, and cash flow operations. Financial statements should always include the company's income statement, balance sheet, cash flow statement, and statement of changes in equity (Aifuwa & Embele, 2019). When a financial statement is executed in a high-quality manner, it provides its reviewer with helpful information about the company's situation and thus serves as an essential and effective tool in financial decision-making (Aifuwa & Embele, 2019). Whereas, companies' board of director's reports are documents prepared in connection with the financial statements, which contains much non-numerical information, while the financial statements generally consist of purely numerical information. The annual report is a legally required document, the content requirements of which are defined by law. The annual report must include events relevant to the company's operations

(Minilex, n.a.). According to the Companies Act, the report of the board of directors must at least include a description, if the company has become a parent company, it has merged or split, possible increase in share capital and its details, and a presentation of the company's actions regarding the company's profit or loss. (Companies Act 2006/624, Chapter 8 §5 - §8) In summary, financial information presents a company's financial condition, such as the company's return, losses (Aifuwa & Embele, 2019), and the factors that affect these. (Companies Act 2006/624, Chapter 8 §5 - §8)

We often reflect that financial disclosure is primarily numerical communication. With numerical communication we mean information presented with numbers. However, today's investors do not just want fact sheets; they want a deeper understanding of the company, its business model, and opportunities to create added value. (Laskin & Laskin, 2017) This is why most of the review produced by a company about its past and future performance is communicated non-numerically, utilizing language (Hales, Kuang, and Venkataraman, 2010).

At this point, it is good to make a small distinction between two similar words non-numerical and non-financial, which can easily be confused with each other. Non-numerical information is a way of communication (Nogueira, 2020), while non-financial refers more to the content of the information, i.e., what topic the text deals with. Non-numerical communication occurs in the communication of listed companies, for example, in their letter to shareholders, in various analyses, in discussions of the management team, and in all reports that discuss the company's operation (Amer & Maris, 2003). In addition to these communication platforms non-numerical communication is also used in the financial statements published by the listed companies. (Hales et al., 2011) Although the law obliges companies to disclose several different information, such as the financial statements, the investor never has the same information about the company as the managers of the company being invested have (McKinsey & Company Inc. et al., 2015, pp. 23-24). The financial statements do not give a complete picture of the economic situation of the company (Huang, Teoh & Zhang, 2014). This is why non-numerical communication is a crucial addition to numerical communication, as numbers cannot tell everything. (McKinsey & Company Inc. et al., 2015, pp. 23-24) In other words, non-numerical investor communication is in many cases a qualitative written expression of a company's situation. (Hales et al., 2011)

In addition to financial information, also non-financial factors play a crucial part in investor communication. Non-financial information is clearly a newer familiarity with investor communication, which has only become more common among listed companies in recent years. Non-financial information is generally information external to financial statements and may deal

with, for example, corporate environmental, social, and governance (ESG) policies and performance, which are published in voluntary corporate social responsibility and sustainability reports (Eccles, Serafeim & Krzus, 2011). In other words, non-financial information focuses more on the company's policies instead of the company's financial factors.

In summary, we can state that the types of communication can be divided purely into two: communication methods and communication content. The two methods of communication are numerical and non-numerical, while the communication content can be financial or non-financial. Both methods of communication can be utilized to communicate both financial and non-financial content. In other words, a company's financial statement, which is financial information, can be informed both numerically and non-numerically in the form of text, images, and videos. The figure below visualizes the different types of communication and clarifies their differences, making it easier to understand them.

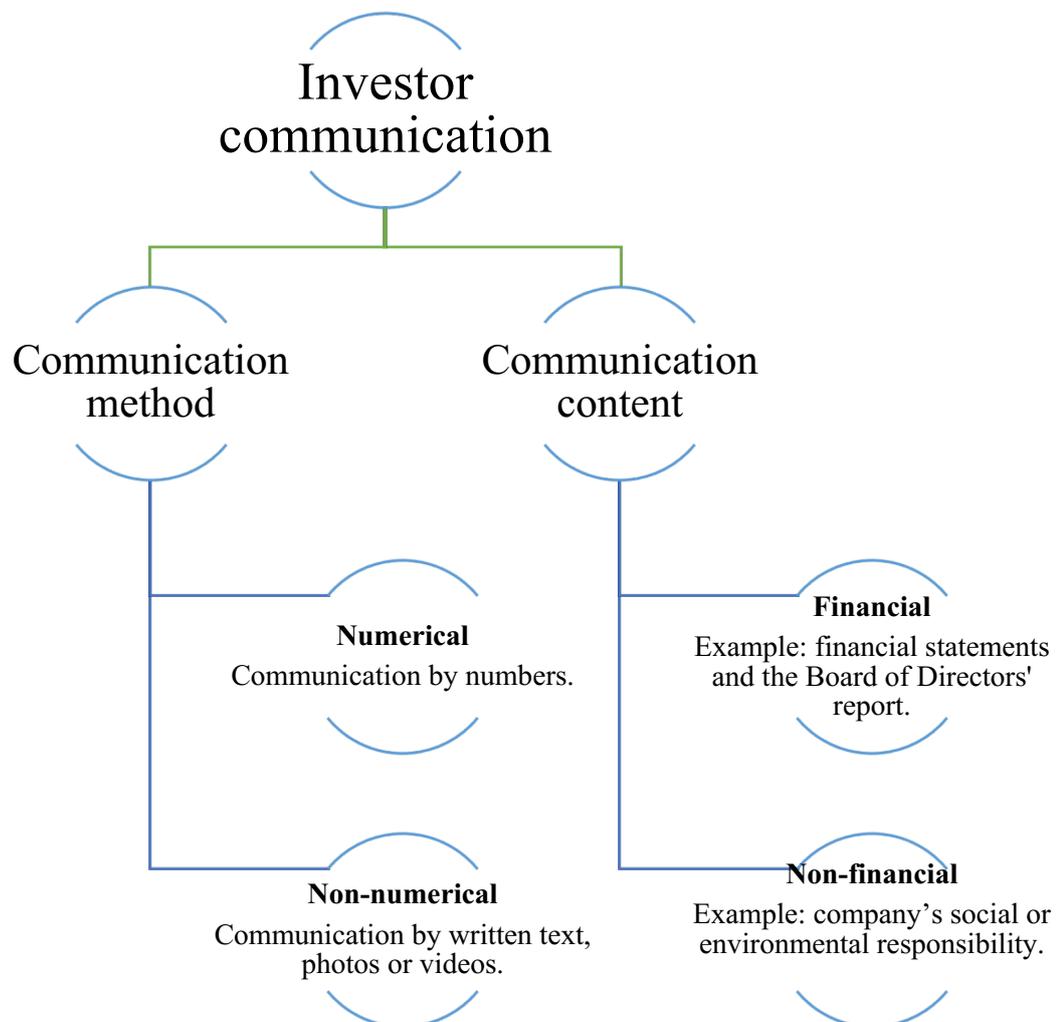


Figure 6. The different types of investor communication.

3.2.4 Investor communication platforms

Listed companies publish many different communication materials and use several different communication platforms to publish them. Over the years, investor communication has shifted strongly to web-based communication platforms, which is why paper publications are nowadays quite rare (Guggenmos & Bennett, 2021). Investor communications publications include, for example, annual reports, Letter to investors, Press Releases, and equity stories, all of which contain extensive information about the company's operations, both numerically and non-numerically, and including both financial and non-financial information. In this section, the most common investor communication publications and platforms are presented in more detail.

Annual report is a report about a company's previous 12 months published in printed and/or electronic form. Annual reports are part of the communication under the disclosure obligation of public limited companies, which is why they originally included mere informative and difficult-to-understand data. (Stittle, 2003, pp.xiii-3) Over time, annual reports have evolved into visual communication platforms that (Havemo, 2018) are understandable, in addition to the experts of the field, also for the general public. Today, annual reports continue to publish statutory accounting statements, but in addition to these, they also contain extensive amount of non-numerical information on the company's operations and its situation. Annual reports are an important part of public limited companies' daily lives, not only because these are obligated by the laws to be published but also as they enable companies to create a wider and positive image of the company through numbers, text, and images (Stittle, 2003, pp.xiii-3).

Annual reports always include a statutory financial statement consisting of the following sections: The profit and loss account, The balance sheet, The cash flow statement, and The statement of total recognized gains and losses. (Stittle, 2003, pp. 3-4). However, the financial statement is only a small part of companies' annual reports, as in addition to this, it serves as a communication platform for what is behind these numbers. (Stittle, 2003, p. 4) The financial statement is usually followed by a section explaining the accounting treatment of accounting policies, turnover, fixed assets, depreciation, stock, foreign currency, financial instruments, taxation, leases, pension costs etc. (Stittle, 2003, pp. 41-42). In other words, annual report opens to enlighten the public about the company's operating information, which can be used to more broadly describe how the company operates, why the numbers are the way they are and in what direction the company is heading (Stittle, 2003, p. 4).

In addition to the financial statement and their descriptions, annual reports can also report on corporate responsibility (Stittle, 2003, p. 4), which is non-financial (Tarquinio, Posadas, 2020)

and optional non-required information. (Stittle, 2003, p. 181) Although reporting on responsibility, such as political, social, and environmental responsibility, in annual reports is not required by law, it is nevertheless important and central information about the company, especially as public awareness grows all the time. When climate change issues threaten our environment, it is important for the company to inform about its own responsibility, as responsible operations have direct and indirect effects on the company's quality and community life, both corporate and national economic development (Stittle, 2003, p. 181-182).

Investor letters and press releases are also at the heart of investor communication. Investor letters are purely addressed to investors and usually contains additional information about the company. (Kiattikulwattana, 2019) Whereas, press releases are one of the core communication platforms for corporate earnings releases. (Davis, Davis, Piger & Sedor (as cited in Souza & Silva, 2020)) In addition to these, as corporate financial reporting and IR have evolved, the traditional communication platforms have been accompanied by more modern alternatives, thanks to the increased use of the Internet (Ramassa, Fabio, 2016). Today, in addition to the traditional platforms such as investor letters and annual reports, communication also takes place on various social media platforms, the utilization of which in investor communication has increased over the last couple of decades. (Alexander & Gentryb, 2014) The use of the internet and social media has increased the number of communication platforms on which a company can communicate with its target audience (Ramassa, Fabio, 2016) and it has become an important source of information for individuals, companies and markets. Aral, Dellarocas & Godes, 2013) Social media has made it possible to use visual elements such as images and videos on a completely different scale than before. In addition to visual elements, social media has also changed the form of communication, enabling more interactive interaction (Ramassa, Fabio, 2016). A company can use social media to publish both voluntary disclosures and financial statements. In other words, the possibilities are endless, but at the same time it should taken care of what and how things are expressed. Even though social media platforms are optimal for creating and managing relationships and reputation, it also brings its challenges (Ramassa & Fabio, 2016). Interactivity on social media increases the vulnerability of a company's reputation as it becomes easier for people to express their own opinions about the company that are almost impossible for the company to control (Aula, 2010).

In addition to these communication platforms, several other communication platforms exist, of which, for example, an equity story is very significant. (Ditlevsen, 2012) In its brevity, an equity story is a story about a company as an investment case that is released in the first marketing phases of a listing process. (Finnish Stock Exchange Foundation, 2016) However, this

communication platform will not be discussed further in this section, as it will be discussed in more detail in the next section.

3.3 Equity story

An equity story, also known as an investment story, informs investors about a company as an investment case. (Ditlevsen, 2012) An equity story presents company's business, its operating environment, growth and development opportunities, competitive position, financial situation, future earnings development, and the listing's motives and purpose that is published in one of the first marketing phases of a listing. (Suomen pörssisäätiö, 2016) An equity story has a highly central part in investor communication and investor relations as its purpose is to engage and convince investors that the company is worth investing. (Suomen pörssisäätiö, 2016) In addition to this, an equity story also provides important information about the company in question for investors' for securing their investment decisions. (Salo, Marika & Jukka Oksaharju, 2019, pp. 418 – 446)

3.3.1 The role and importance of equity story

Investor marketing and communications are a major part of a company's listing process which is aimed at attracting potential investors and testing the demand for the company being listed. Listing communications and marketing can be divided into six different phases, which are preliminary investor meetings, analyst presentations, pilot fishing meetings, pre-marketing, roadshow, and public marketing (Suomen pörssisäätiö, 2016). The figure below visualizes the six stages of marketing and communication in listing process.



Figure 7. Six phases of marketing and communication in listing process. (Suomen pörssisäätiö, 2016)

In the first phase, the company's management meets with the core investors to introduce the company and its investment story to engage these core investors. In the second phase, the company seeks to educate stock analysts about the company and its situation. The third phase is

very similar to the first phase. This is where the company meets selected investors again and seeks to strengthen its relationship with them, receive feedback from them, and strengthens its investment story presented in the first phase. In the fourth phase, the company's listing intent is announced. Stock analysts publish their analyses of the company made in the second phase to investors. The listed company collects feedback from investors to strengthen the company's image and valuation. Secondly, in the last stage, the roadshow, the listed company's management will start meeting with potential investors and collecting equity issuance. In the final stage, the public marketing of the listed company will be published and started. In practice, this means publishing the marketing that is visible to each potential investor, for example, the investor section of the company's website, and all available marketing material is made available to the public. The last stage aims to maximize the interest of the listing company in front of a larger audience (Suomen pörssisäätiö, 2016).

An equity story can be said to be an important part of a soon-to-be listed companies' investor communication, as it is one of the first marketing materials a company publishes to its potential investors in the listing process. (Suomen pörssisäätiö, 2016) As mentioned above, an equity story has a highly central part in investor communication and investor relations as its purpose is to engage and convince investors that the company is worth investing. (Suomen pörssisäätiö, 2016) In other words, an equity story serves as a platform through which a company can create the desired image of itself for investors. (Virtanen, 2010) In addition to companies, equity stories are very important for investors too, because when a company is listed on the stock exchange, investors may not yet have comparable information about the listed company. Therefore, an equity story aims to provide the information investors need and to secure the investment itself (Salo et. al, 2019, pp. 418 – 446).

3.3.2 Content of an equity story

An equity story presents a company as an investment case (Ditlevsen, 2012) which provides important information about the company in question for investment decisions. (Salo et. al, 2019, pp. 418 – 446) According to Ditlevsen (2012), the content of a well-functioning and properly implemented equity story is reliable, compelling, and credible and manages to create a positive image of the company for the reader of the equity story. According to Etzold and Ramke (2014), the four value propositions of good equity storytelling can be stated to be: 1. it makes the company one that stakeholders can easily grasp, 2. it stimulates the imagination of potential investors, 3. it increases the valuation of the company, and 4. people simply love stories.

The content of an investment story is not defined by law, so every company is free to create its own look and content for its equity story. In other words, every company is allowed to include the information they want in their equity story in the way they want. However, although the law does not prescribe the content of equity stories, it must still comply with the disclosure obligations and the principles of the Securities Markets Act so that the content of the equity story is not misleading or untrue (Evli Pankki, Kangasniemi, 2017).

Equity stories are often created around a particular message or topic, depending on how the company wants the investor to perceive them and what kind of investment the company sees itself. Because of this, an equity story can be of the type, for example, a risk management story, a growth story, or a cash-flow story (Virtanen, 2010). Even though companies are free to determine what kind of equity story they create and publish, the contents of different companies' equity stories often have many similarities. (Pörssisäätiö, 2016) Pörssisäätiö (2016) presented the commonly used sections of an equity story, which are:

1. Operating environment and market drivers
2. The company's growth and development opportunities
3. The company's competitive position & The company's competitive advantages
4. Financial position, historical and future earnings development
5. Other strengths and elements of the investment story
6. The purpose of the listing arrangement and the use of the funds to be raised
(Suomen pörssisäätiö, 2016).

Usually, the equity story begins with an introduction to the operating environment and market drivers. This section describes the company's industry, its historical growth, and the trends affecting its development. In addition to this, the section describes the company's views on the industry's future, i.e., in which direction the development is going. And lastly, the entry barriers to describe how easily new competitors can emerge. The next section of equity story usually focuses on the company's growth and development, the firm's strategy and goals, opportunities to strengthen its position, and potential growth pathways. Next, the equity story reviews the company's competitive position, presenting its current competitors and market shares. This is naturally followed by a section dealing with the company's competitive advantages

over its major competitors. This section can present how a company's products or services meet customer needs, the reasons why the company is chosen over competitors, how the company's resources support the company's growth, and how the company can respond to potential changes (Suomen pörssisäätiö, 2016). The competitive position and competitive advantages are essential parts of an equity story. Investors are generally very interested in these facts, as investors often seek to invest in companies with a substantial competitive advantage over other companies in the industry. (Evli Bank, Kangasniemi, 2017)

The most important section of an equity story, in the context of this thesis's, is the financial position, historical and future earnings development. The financial section is an overview of the company's historical and current earnings, as well as future financial goals. In the financial section, a company can present its key indicators and how these goals have been achieved so far. If desired, the company's financial development can also be compared with its competitors, providing the reader with a benchmark against how the company has succeeded. In addition to this, the financial section usually presents the company's cash flow and balance sheet position and its ability to pay dividends, and the dividend payment policy. In addition to the sections mentioned above, an equity story can also present the strengths specific to the company in question, strengthening the message of the equity story as a whole. Lastly, the equity story usually also presents its motive for the listing, i.e., where the money from the listing is planned to be used and how it will be implemented (Suomen pörssisäätiö, 2016).

3.3.3 The role of non-numerical and financial communication in equity story

When a company strives to attract new investors, its accountability and trustworthiness are an essential part of an investment decision that can be improved through transparent and comprehensive communication. Indeed, transparent and comprehensive communication means that certain information about the company, especially financial information, is widely and transparently disclosed to potential investors (Mazzola, Ravasi & Gabbioneta, 2006).

As mentioned above, an equity story is an extensive presentation of a company's operations designed to attract potential investors. The whole equity story is generally based on the company's strategic goals and its financial situation. Thus, it can be said that financial information is a vital part of creating an equity story. (Mazzola et al., 2006). However, companies generally do not publish all financial information, which is why every company has its own disclosure strategy that defines what is published and when. (Gibbins, Richardson & Waterhouse, 1990) This publishing strategy is also at the heart of equity story creation, as it also broadly defines the content of the equity story. In conclusion, financial information plays an essential role in creating the equity story and the generation of investment decisions, which is why we can argue that financial communication plays a significant role in equity stories.

Although equity stories inform investors facts about a company, its operations, and financial situation, the focus should be on how these facts are presented. According to Ditlevsen (2012), the purpose of an equity story is to present the company in as positive a light as possible, which is why the equity story, as the name implies, utilizes qualitative information in the form of non-numerical communication and on many occasions story telling. When discussing financial disclosures, we often reflect that companies' financial reporting is primarily numerical communication. However, as investor communications have evolved over the years, many companies have begun to produce increasingly strategic and broader investor communications. The results of which have increased the amount of usage of non-numerical communication. Nowadays, most of the review produced by a company about its past and future performance is communicated non-numerically, utilizing language (Hales, Kuang, and Venkataraman, 2010) as many different studies have proved its positive effects. Equity story is no exception to the rule, as their contents largely consist of non-numerical communication.

Non-numerical communication enables companies to describe their situation in more detail to the investors so that they can make safer investment decisions. However, non-numerical communication is also utilized from the company's perspective. The reason for this is that a company's financial situation can be influenced to a certain point but there is no leeway when releasing the financial statement of a company. The current numbers are how they are and cannot be changed. The only factor that one can impact the investors with is then the non-numerical information released.

3.4 Summary

This theoretical chapter discussed how investors' investment decisions are made - what factors are relevant to investment decisions, what investment strategies and styles investors use, and what factors impact investors' investment decisions. In addition to this, this chapter also discussed investor communication - what it means, what it is like, and why it is such an essential part of the daily lives of listed companies. The final section of this chapter delved deeper into one platform of investor communication, equity stories – what kind of content they contain, its role in investment decisions, and the role of financial and non-numerical communication used in equity stories.

In summary, we can conclude that investors' investment decisions are a complex process influenced by many different factors. When making an investment decision, investors pay attention to various issues, such as the future value of the company and the risks of the investment. However, investors invest with different strategies and styles. Some investors take advantage of computers in making investment decisions, while others emphasize the diversification of investments into different investment targets. On the other hand, others are rational, while others are more prone to their cognitive errors that influence the formation of investment decisions.

Investor communication generally seek to secure investment decisions, but in addition to this, it also seeks to influence investors and their investment decisions. In other words, investor communication serves as a tool to inform investors about the company as an investment target to create the most realistic but at the same time optimistic and selling image. Equity story is one of the platforms for investor communication utilized in the first marketing stages of a listing process. An equity story is a story about a company as an investment case, which presents its business, operating environment, growth and development opportunities, competitive position, financial situation, future earnings development, and the listing's motives and purpose. Central to the equity story is the presentation of financial information, based on which the structure of the equity story is usually created. In addition to this, non-numerical communication also plays a central role in the equity stories, as it enables companies to describe their situation in more detail to the investors. As Investor communications have Evolved

over the years, many companies have begun to produce increasingly strategic and broader investor communications. The results of which have increased the amount of usage of non-numerical communication. Nowadays, most of the review produced by a company about its past and future performance is communicated non-numerically, utilizing language (Hales, Kuang, and Venkataraman, 2010) as many different studies have proved its positive effects. Equity story is no exception to the rule, as their contents primarily consist of non-numerical communication.

The information provided in this chapter helps us to understand investors, their investment decisions, and how the right kind of investment communication can impact them. This information has been utilized in the design and implementation of the research, which has enabled us to focus on the right factors, creating the right kind of content for the research materials.

4 Methodology

This chapter gives an overall view of different research methods as well as a more in-depth presentation of the research method chosen for the study of this thesis. In addition to this, the motivation of the research method selection and its benefits will be presented. After this, this the chapter introduces the data collection method of the study and how the obtained data are analysed. The final section of this chapter contains a discussion of the validity and reliability of the research.

4.1 Research method

The research is a qualitative study that utilizes semi-structured in-depth interviews, as the aim of this thesis is to determine whether and how the use of in-depth non-numerical communication in the financial section of equity story impact investors' investment decisions on the Finnish stock market.

The study group consisted of eight participants, all of whom were united by the fact that each of them had previously invested in direct shares, which could ensure a basic understanding and an interest in investing. Each study participant had been sent in

advance a short presentation of two fictional companies' businesses and the financial sections of the two companies' equity stories. One of the equity stories used non-numerical information to describe the numerical financial information on a deeper level. In contrast, the second equity story only used non-numerical information to tell the same facts as the numerical data did but provided no more profound insights into why the numbers are as they are. The research was conducted through semi-structured in-depth interviews, aiming to determine the study groups' thoughts and opinions about these two companies. In other words, the study aimed to determine whether the widespread use of non-numerical communication had some effect on the willingness to invest in the company. With the information provided by the study, it is possible to define and make recommendations as to whether the use of non-numerical communication is profitable in equity stories or not and to explain in more detail what is the impact of non-numerical investor communication in equity stories on investors and their investment decisions.

4.1.1 Qualitative research

Business economic research methods can be divided into qualitative and quantitative methods (Bell & Bryman, 2017). The choice of research method should depend on the research problems and the purpose of the research. (Ghauri, Grønhaug & Strange, 2020) The main difference between qualitative and quantitative research is that quantitative research utilizes measurement, i.e., the research relies heavily on statistics collected, for example, through a questionnaire, in which case the research responses are also statistical. (Bell & Bryman, 2017) The focus of quantitative research is usually on testing and verification of facts and causes. (Ghauri et.al., 2020) In comparison, qualitative research seeks to understand through an interview, how people understand and experience a particular phenomenon (Bell & Bryman, 2017).

Qualitative research focuses on understanding something from the perspective of the research respondent, whereby the generalization of research results takes place by comparison of properties and contexts of the individual organism. The approach to qualitative research is interpretation, and the methods of measuring research focus on observations and measurements in the natural environment (Ghauri et.al., 2020). According to Bryman & Bell (2018), the key to qualitative research is that it most often

focuses more on words and thoughts than numbers. Indeed, qualitative research generally focuses more on creating new theories than on testing old ones, however, there are exceptions to this. What is central to qualitative research is that its purpose is to elucidate a fundamental understanding of something that is usually examined from the perspective of the participant, which is why the research results are broader and provide more information about how the subject is thinking, which is an advantage of qualitative research.

Quantitative research is, of course, able to provide an answer whether the use of in-depth non-numerical communication in the financial section of equity story impacts investment decisions but is not able to answer the question of how or give a broader understanding of its impact. As qualitative research is said to provide a more accurate way to assess cause-and-effect relationships (Ghauri et. al, 2020), a qualitative research method has been chosen for this study as it will enable the study to provide a broader understanding of how the use of non-numerical communication in the financial section of an equity story impacts investment decisions.

Qualitative research can be carried out by many different methods such as observations, in-depth interviews, and focus group discussions. Of these methods, I have chosen to use in-depth interviews as the method for this study. An in-depth interview is usually a one-to-one method of data collection, which aims to gather accurate insights from the perspective of the research issues from the participants. In-depth interviews are used to explore people's emotions, how people make decisions, what kinds of people's perceptions and beliefs are, and what motivates human behavior (Hennink, Hutter & Bailey, 2020). As this thesis seeks to elucidate what is the impact of non-numerical communication on investor decision-making, the in-depth interview is a very well-suited method to be used. Semi-structured interviews are often used in in-depth interviews (Hennink et al., 2020), which is why this interview technique has been chosen as the research method of this thesis. The following section will detail what is meant by semi-structured interviews and how this applies to this study.

4.1.2 Semi-structured interviews

Interviews are one of Social Science's most widely used data collection techniques. The interviews can be divided into unstructured interviews, semi-structured interviews, and structured interviews. In each of these techniques, the purpose is to interview a person, but the conduct of the interviews and the results differ slightly from each other. In unstructured interviews, the interviewee is interviewed more with a conversational style, which does not have to be very pre-formulated. In other words, the interviewee is allowed to answer the questions very freely, using his or her own experiences, in which case the interviewer's part is naturally much more passive than the interviewee's. Although the interview is unstructured and the implementation remarkably free-form, it still needs good planning. In contrast, semi-structured interviews are clearly more formulated than unstructured interviews. Semi-structured interviews utilize a pre-designed interview template that allows for a better comparison of interview responses with those of other respondents. Semi-structured interviews often contain more specific questions, such as "Would you invest in this item?" which could be followed by a question, "why?". In other words, a semi-structured interview provides results that combine quantitative and qualitative data. Structured interviews, on the other hand, utilize very formal pre-designed standardized questionnaires. Structured interviews naturally also include open-ended questions, which are, however, answered very briefly (Guthrie, 2010). In conclusion, unstructured interviews are not able to produce as much comparable information, while structured interviews produce very comparable information, but not as in-depth as semi-structured interviews.

In order to gather information and views on the research question from the research group selected for this study, a qualitative semi-structured interview has been chosen as the research method for this thesis. Semi-structured interviews allow for relatively open communication, as the interview has room for maneuver, so additional questions can also be asked during the interview if clarification is needed for some of the answers. These additional questions can potentially play a crucial part in the research results, as without them, certain answers may be incomplete, which may lead to a misunderstanding of the cause-and-effect relationship (Bryman & Bell, 2017).

4.2 Data collection

As mentioned earlier, this is a qualitative study that makes its data collecting different from the data collecting of a quantitative study. The following section presents the data collection method of this research, i.e., the sources of the data collected, how the study group was sampled, and how the research data was collected.

4.2.1 Sources

Data can be collected from both primary and secondary sources. Primary source refers to data collected for some particular research problem, while secondary source is data collected by another person for some previous research. In other words, secondary data may not be fully capable of answering new research questions but is able to provide important additional information that can be utilized in a new research (Hox & Boeije, 2005).

In this thesis, both primary and secondary data were utilized, giving a broader perspective on this thesis research topic. Primary data was collected from semi-structured interviews, which provided new information to be gathered on the research questions of this particular study. In addition to primary sources, data was also collected from secondary sources, which enabled to increase background information and understanding of central topics of the Finnish stock market, investor behavior, and investor communication.

4.2.2 Sampling

In a qualitative study, the number of respondents is not as central to the validity of the result as in a quantitative study, where the number of respondents must be a specific size in order for the results to be generalized and that the results can be considered valid. Instead of the number of respondents, qualitative research is made relevant by selecting respondents who are most relevant to the purpose of the research. In other words, in qualitative research, the main focus should be on selecting the right research group (Bell & Bryman, 2017). Often in research, the researcher's resources are restricted, so it is impossible to include every respondent belonging to the target group in the research. Therefore, the research group will have to be limited to a smaller group

representing all the respondents in the group. This selection of a research group is also called sampling. Sampling can be divided into three main types; haphazard sampling, simple random sampling, and systematic sampling (Guthrie, 2010).

The aim of this research is to determine how in-depth non-numerical communication impacts investors' investment decisions, which is why the target group can be limited purely to investors. In Finland, however, investors consist of both men and women and almost all different age groups, which is why the target group is highly wide. As I have limited resources, I have chosen to use systematic sampling and, more precisely, disproportioned stratified sampling to select the research group.

Systematic sampling can be divided into three main parts; list sampling, proportioned stratified sampling, and disproportionate stratified sampling. In list sampling, the target group is selected so that there is a list of people to select every third, second etc., person to participate in the study. Whereas in the proportioned stratified sample, the researcher selects one representative from each subgroup. For example, if a survey is done in a workplace, 10 % of each different department would be chosen to participate in the study. Disproportionated stratified sampling works in a relatively same way as proportioned sampling. However, the difference between these is that in disproportioned stratified sampling each representative group is not sampled simultaneously as a percentage of participants, but only one representative is chosen from every subgroup. In addition to these three types of systematic sampling, two alternative techniques can also be utilized: area sampling and cluster sampling. In area sampling, people are randomly selected within different residential areas, while in cluster sampling, the researcher aims to interview every person in the entire smaller group. Central to all of these systematic sampling types is that the target group is selected using random selection as much as possible, and if the target group has not been selected at random, this should be stated (Guthrie, 2010).

The research group was gathered through a Facebook group called Sijoituskerho (Investment club) with about 90,000 investors as members. The target group, i.e., Finnish investors, was divided according to age and gender. According to age, the target group was divided into four different sections: 20-29-year-olds, 30-39-year-olds, 40-49-year-olds, and 50-59-year-olds; from each age group, two participants were selected randomly, one male, and one female.

A participation link was published to the group, through which those interested in the study could register to the interview. The only restriction on participation in the study was that the person had to have been investing in direct shares at some point. This way, it was ensured that the research participants had some level of understanding of investing in direct shares and investing in general. Therefore, we can claim that participation in the study group is not yet limited so that it would have created any significant biases that would have any effect on the research results.

Once enough registrations had been done, one person from each subgroup was randomly selected by lottery. There were quite a few registrations, which meant that no persons had to be selected by lottery from each subgroup, but only the one person who had registered for the study was selected. A few subgroups received more than one registration, from which the study group members were selected by a lottery.

In conclusion, there are a total of eight subgroups, as well as study participants. In this way, it was ensured that information was received on each of the different subgroups so that the research results are not biased to a particular subgroup.

The mother tongue of each person participated in the study was Finnish, which is why the research materials and the interviews were conducted in Finnish. In the table below one will find information about the people who participated in the study.

Informant	Sex	Age group	Age	Investment experience	Interview date & duration
Informant A	Female	20-29	28	<1 year	28.05.2021, 36 minutes
Informant B	Male	20-29	29	1,5 years	02.06.2021, 32 minutes
Informant C	Female	30-39	36	1,5 years	23.05.2021, 38 minutes
Informant D	Male	30-39	39	2 years	27.05.2021, 50 minutes
Informant E	Female	40-49	45	5 years	01.06.2021, 30 minutes
Informant F	Male	40-49	40	21 years	28.06.2021, 38 minutes
Informant G	Female	50-59	56	5 years	30.05.2021, 40 minutes
Informant H	Male	50-59	56	40 years	09.06.2021, 37 minutes

Table 1. Information of the interview objects.

4.2.3 Method

In order to gather information and views on the research question from the research group selected for this study, qualitative interviews were chosen as the primary data collection method for this thesis and were conducted through semi-structured interviews as semi-structured interviews produce comparable in-depth information (Guthrie, 2010).

Each participant in the interview had been sent in advance a short presentation of the company and its operations and the financial sections, past and future performance, of two fictional companies' Equity stories. The entire equity stories were not sent to the interviewees, as it would have been too long to read as a whole, and it would have been much more challenging to focus on a particular section, as a much larger number of factors influencing the investment decision would have accumulated.

The companies presented to the interviewees were named Company X and Company Y so that the name would not create any biases in the interviewee. The financial information and the company's operations of both companies were very similar, as a result of which the return expectations and the investors' willingness to invest in both of the companies based on the numbers should match. However, the financial section of Company X's equity story took advantage of non-numerical communication to describe the company's numbers in a deeper level, explaining why the numbers are as they are, and motivate the growth expectations. Whereas, the financial sections of Company Y's equity story presented only company numbers, both numerically and non-numerically, but did not provide a more in-depth non-numerical explanation or motivation as to why the numbers are as they are or why the company's growth expectations are as they are or how they motivate to be able to achieve these goals.

The equity stories can be found in Appendices 1 and 2.

As mentioned earlier, semi-structured interviews were used in this study. In other words, a pre-planned interview template had been created in beforehand and utilized in each interview. In this way the responses had a clearer structure and themes, which made the answers easier to be compared to each other in the analysis phase.

Pilot interview

Prior to the first interview, a pilot interview was conducted to test the functionality of the research method, materials, and questions. According to Bryman and Bell (2011), conducting a pilot interview is important because it can ensure the suitability and functionality of both the research method and the research questions to the study. The pilot interview was conducted with a researcher acquaintance who belonged to the target group according to her investment experience. The person in question was interviewed, where a few shortcomings were noted, on the basis of which the research questions were modified before the actual interviews began. In this way, it was possible to ensure that the questions of the research interviews were well-formulated and provided answers to all the necessary questions.

Interview structure

In the beginning of the interviews, the basic information of the study was introduced to the interviewees, after which the basic information of the interviewee was collected. After the start, the focus turned to questions regarding the interviewees' investment behavior. The third part of the interview consisted of different questions regarding the equity stories sent in advance to the interviewees. The interview questions consisted of such straightforward yes or no answers and follow-up questions where the aim was to gather more insights to understand the interviewees' answers and way of thinking. In this way, qualitative information was gathered that makes cause-and-effect relationships easier to understand. The interviewee answered the questions in words, which the interviewer recorded. Because the answers were answered in words, the interviewees' answers could be longer and more describing than if the interviewee should have written these answers him/herself.

Each participant in the study had access to the equity stories sent in advance during the interview, which allowed them to view this information while answering the interview questions. In this way, it was possible to ensure that the interviewee replied regarding the correct material and that the equity stories of the two companies were not confused with each other. The research questions clarified how the respondent perceives the company's financial situation and whether, based on this information, he/she believes in the future outlook presented in the equity story, such as whether he/she would invest in these companies and which one he/she would prefer to invest

in. In addition to this, motivations were asked for these responses to gain a deeper understanding of how the investor thinks and to understand the cause-effect relationships. In the end, the respondents were asked whether he/she paid any attention to a particular matter, as this made it possible to determine whether the respondent consciously paid attention to the non-numerical communication used in Company X's equity story or to the fact that Company Y's equity story did not include such a part.

In addition to these interview question mentioned above, also a few general questions were asked at the end of the interview regarding non-numerical investor communication in general. These questions aimed to determine what the respondent thinks about non-numerical investor communication, its importance, and impact to the respondent's investment decisions. In addition to this, respondents were also able to share their thoughts on where the boundary of credible non-numerical investor communication goes. In other words, what is their opinion about selling and over-positive investor communication.

The length of interviews were pre-assigned not to exceed 60 minutes longer to ensure focus on the respondent. All of the interviews were conducted in May 2021. Each interview was conducted remotely via Microsoft Teams due to the current Covid-19 pandemic. However, in each interview, we had a video on both sides, which made the interview more personal. It is good to mention that an interview conducted remotely is never the same as if it had been conducted physically, which may have left certain observations out.

Interview questions and guides can be found in Appendices 3 and 4.

4.3 Data analysis

What is essential for qualitative research is that it produces a considerable amount of data, which is an advantage, as it enables the researcher to achieve a broader understanding of the researched matter. On the other hand, this large amount of data can also be seen as a challenge for analyzing the research results as it makes it difficult to process all the data collected (Flick, 2007). To find construct, patterns, variables, and cause-and-effect relationships from the data gathered for this research, a conceptual framework has been conducted.

A conceptual framework is a graphical or written description that presents the main concepts of a study. In other words, in a conceptual framework the key factors, constructs, and variables of a research, and the relationship between them are presented (Miles & Huberman, 1994). Central to conceptual framework is that it links previous theory to the research carried out, which enables the implementation of the research to be based on previous theories and the research results to become more generalizable and linked to the real world. (Leshem & Trafford, 2007) This is why it has been chosen to create a conceptual framework, as this will allow to better link this study to the theoretical data collected and presented in the theoretical chapter of this thesis. This conceptual framework has also helped in the construction of the analysis chapter, as its structure is based entirely on the key factors, constructs, variables, and the relationship between them found from this thesis with the help of the conceptual framework.

The conceptual framework of how investment decisions are made

Conceptual framework consists of a network of different concepts and is based entirely on empirical data. (Jabareen, 2009) According to Jabareen (2009), concepts are again groups of similar theoretical data composed of several different components. Conceptual framework creation can be divided into eight different stages, which are:

1. *Mapping the selected data sources*
2. *Extensive reading and categorizing of the selected data*
3. *Identifying and naming concepts*
4. *Deconstructing and categorizing the concepts*
5. *Integrating concepts*
6. *Synthesis, resynthesis, and making it all make sense*
7. *Validating the conceptual framework*
8. *Rethinking the conceptual framework (Jabareen, 2009).*

The creation of a conceptual framework should start with mapping. In other words, data are collected at the beginning, from which different categories are created in the next step. (Jabareen, 2009) In this thesis, this mapping has been carried out on the basis of various scientific articles and books, which have sought information and previous research on investor communication, especially the use of non-numerical investor

communications, their impact on investors' decision making. Since then, this data has been examined on several occasions at an in-depth level, which has led to efforts to find key categories of data in order of importance.

The main categories found in the Theoretical chapter of this thesis are investor communication and investors' investment decision making. According to (Jabareen, 2009), the researcher should next define at a deeper level the internal concepts of these categories. Analyzing the theoretical part of this thesis, the following concepts were found under the category of investors' investment decisions: Company analysis, including expected return on investment, future value of a company, historical analysis, measuring the investment risk and investor's own risk tolerance, investment strategies including instrument selection, factors impacting investment decisions including, financial theory thinking and psychological factors, in other words, investor's subjective perspective. Whereas objective matter such as the company's strategy, financial situation, and investor's ability to finance the investment also plays a part in investors' investment decisions. Concepts found under the investor communication category were non-numerical and numerical investor communication, financial and non-financial investor communication, and investor communication's strategy and goal.

According to (Jabareen, 2009), after this fourth stage, the researcher should strive to find similarities between these different concepts, which allows certain concepts to be combined while reducing the number of different concepts. After this work phase, the concepts of this thesis were chosen to be: *Concept 1*. Non-numerical & Numerical Investor communication, *Concept 2*. Financial & Non-financial Investor communication, *Concept 3*. Investor communication's strategy and goal, *Concept 4*. Investor's subjective perspective, and *Concept 5*. Objective matters.

Next, the researcher should create a conceptual framework based on these categories and concepts mentioned above. (Jabareen, 2009) In creating this conceptual Framework, care has been taken to ensure that it has become a sensible whole, strongly based on previous theories, and to support the research itself. In creating this conceptual framework, opinions have also been sought from outside parties with the aim of ensuring its clarity and rationality. In the figure below, one will find the conceptual framework of how investment decisions are made.



Figure 8. The conceptual framework of how investment decisions are made.

Once all the qualitative data had been collected, it was first studied thoroughly, after which the differences and similarities of the answers were looked for. When enough similarities and differences were found, the answers were divided into the main categories found when doing the conceptual framework. The data analysis has also paid close attention to the fact that the answers have not been generalized too much, as this is very relevant for the validity of the research results. (Flick, 2007)

4.4 Validity and reliability

If the information obtained from the research is to be used in practice, the evaluation of the validity and reliability of the research is highly important, as this is the only way to ensure the accuracy of the research. (Noble & Smith, 2015) Reliability refers to the

trustworthiness and structure of research results. If the study is reliable, the same study result can be replicated by another researcher under similar conditions (Bryman & Bell, 2018). While validity refers to the trustworthiness, rigor, appropriateness, (Hayashi, Abib & Hoppen, 2020) quality and relevance of research. (Bryman & Bell, 2018)

A wide variety of methods are used to assess the validity and reliability of quantitative and qualitative research. Statistical methods are usually used for quantitative research, while methodological strategies are used for qualitative research (Noble & Smith, 2015). As the research of this thesis is qualitative, methodological strategies has been used to analyse the validity and reliability of this research. According to Healy & Perry (2000), validity and reliability types can be divided into; ontological appropriateness, contingent validity, multiple perceptions of participants and of peer researchers, methodological trustworthiness, analytic generalization, and construct validity. Ontological appropriateness and contingent validity are among the ontological elements. Ontology refers to the “reality” that a researcher studies. While multiple perceptions of participants and of peer researchers fall under epistemology, which refers to the relationship between the researcher and ontological reality. Methodological trustworthiness, analytic generalization, and construct validity, on the other hand, fall under methodology, which refers to the research technique used by the researcher. (Healy & Perry, 2000)

This study has sought to achieve the highest possible validity and reliability precisely through these methodological strategies mentioned above. First, this thesis examines does the depth of non-numerical communication in the financial outlook of an equity story impact investors’ investment decisions, that has been found to address a complex social phenomenon outside of people’s minds. This is why this study meets the first part of six methodological strategies, ontological appropriateness, mentioned by Healy & Perry (2000).

Because this research examines a social phenomenon in which outcomes are influenced by volatile factors (Healy & Perry, 2000), contingent validity has been chosen as the second qualitative criterion. Central to, contingent validity is that its aim is to seek the different attributes of a good or service that people value and what effect circumstances have on decision making. (Bishop & Romano, 1998) Efforts have been

made to meet this criterion in such a way that all possible influencing factors have been taken into account. In other words, the analysis has focused not only on the responses but also on the reasons why certain responses are of a certain type and what factors may have influenced them. The information of the interviewees, such as age, gender, investment experience and education, has also been gathered and described in detail, so that these issues can also be taken into account when analyzing the answers gotten from the interviews.

The last methodological strategies are concerning the methodology of this thesis' research, and the chosen criteria are; methodological trustworthiness, and construct validity. (Healy & Perry, 2000) Methodological trustworthiness of a research includes credibility, transferability, dependability, plausibility, and confirmability of a research, which can be ensured with triangulation, external audits, member checking, negative case analysis, peer debriefing and review, prolonged engagement/persistent observation, and reflexivity. In order for research trustworthiness to be achieved, the researcher must utilize more than one of these trustworthiness methods mentioned above (Jolley, 2013). In this research, attention has been paid to several different trustworthiness methods such as member checking, peer debriefing and review, and reflexivity.

To begin with, the member check was conducted in this thesis so that once the responses to the interviews were written clean, the interviewees were given these to read for themselves so that they could check that the responses were correct and ensure that they did not contain incorrect information. This also gave the interviewees the opportunity to complete their answers if something was missing. Peer debriefing and review, on the other hand, was conducted at several different seminars held during the writing of this thesis. These seminars provided feedback and possible suggestions for improvement, which were strongly taken into account in the writing process. Reflexivity was implemented as the latest method of trustworthiness. According to Noble & Smith (2015), it is important that the researcher is aware of the effects of his or her own biases on the research, takes into account any biases that may have influenced, for example, the research group's sampling, and critically and in-depth analyses these issues that the researcher collects, records, and interprets information participants' responses, in which case the study do not give a wrong kind of picture of the answers. In writing this thesis, possible biases have been taken into account and

care has been taken that these biases do not affect the results of the studies at any level. The researcher has always kept in mind the possible biases of the researcher. In every step of the research an extensive and critical analysis has been made to avoid any factors that could harm the validity and reliability of the research.

Construct validity refers to the relationship between previous theory and research, i.e., how well the previous theory has been utilized in research and its structure. (Carmines & Zeller, 1979) In this study, construct validity has been realized in such a way that the structure of the whole study has been defined based on the previous theory. In other words, in this thesis a conceptual framework has been created based on the previous theory, on the basis of which the research and its analysis structure has been created.

4.5 Summary

This chapter presented the methods of this thesis research, i.e., what kind of methods are used in the research and why, what the research will focus and aim for, and what kind and on what basis the research target group has been selected. At the end of the chapter, the validity and reliability of this research were presented and how these were ensured.

In summary, qualitative in-depth semi-structured interviews have been chosen as the method of this research, and the research results have been chosen to be analysed thematically. The research group is based on the demographics of Finnish investors, and disproportioned stratified sampling has been utilized in the selection of the study group. In its brevity, the study will examine the importance of non-numerical communication in investment decisions by presenting to the research group the equity stories of two different companies, one using in-depth non-numerical communication to support the financial information, while the other presenting mostly financial information in numbers and only superficial information non-numerically.

5 Presentation of empirical data

In this chapter, the empirical data collected from the semi-structured interviews will be presented. The purpose of this chapter is to explore respondents' investment

behavior and the impact of non-numerical investor communication on investors' investment decisions. The focus will be on finding out the role of non-numerical communication, in investment decisions, does investors' subjective perspective's impact on how non-numerical investor communication is perceived and how does it impact their investment decisions, and lastly does and how the use of in-depth non-numerical communication in equity story's financial outlook impact investors' investment decisions. In the first section of this chapter, the basic information of the interview objects is presented, followed by a section focusing on investor's decision-making. This section includes an exploration of respondents' subjective perspectives and views on investor communication and their relation. The final section of this chapter will present respondents' analysis of the two companies' equity stories created for this research. The focus will be on finding out whether in-depth non-numerical communication positively impacts investors' investment decisions.

5.1 Presentation of the interview objects

In order to maintain the anonymity of the interviewees, the names of the respondents will not be revealed. However, we will present the respondents' gender, age, education, profession, investment experience, and investment style. Based on this information, we are able to point out that very different respondents have participated in the interview, as a result of which the answers and opinions are not dependent on these issues. With this information, we will also be able to analyse at a later stage if significant differences are found between different investors in how non-numerical investor communication is received and how different investment decisions are made. At the beginning of the interview, basic information about each respondent was gathered, which will be presented in this section.

A total of eight people, four men, and four women, each with a different level of investment experience, participated in the interview. Respondents were collected from four different, previously defined age groups, 20–29 years, 30–39 years, 40–49 years, and 50–59 years. Two respondents, one male and one female, were selected from each age group. Interviewees are named for their anonymity in letters A, B, C, D, E, F, G, and H.

In the first age group of 20-29-year-olds, belonged a 28-year-old woman (Informant A), a nurse by training, and an anesthetist by profession, and a 29-year-old man

(Informant B) with a bachelor's degree in economics who currently works as an account manager. Informant A's first touch to investing was in 2019 when she invested in a fund. Experience in stock equity investing is much shorter as she bought her first stock only a few months ago. Whereas, informant B has investment experience of about a year and a half. Informant B has invested in various equities, such as Finnish, German, Norwegian, Swedish, and American companies.

In the second age group of 30-39-year-olds, belonged a 36-year-old woman (Informant C) with a degree in civil engineering who currently works as a project manager, and is a 39-year-old man (Informant D) who studied at the Tampere University of Technology and currently works as a software engineer. Informant C has invested in several different Finnish direct equities and has investment experience for about a year and a half. Whereas, Informant D has more than ten years of investment experience and has invested in various direct equity shares, which have included both Finnish and foreign companies.

In the third age group of 40-49-year-olds, belonged a 45-year-old woman (Informant E) with a degree in economics and currently works as a secretary, and a 40-year-old man (Informant F), a chef by training, but has been an entrepreneur for most of his life. Informant E has five years of investment experience and has invested only in Finnish listed companies. Whereas, Informant F has more than 20 years of investment experience during which he has actively invested in a wide variety of direct shares, which include both Finnish and foreign companies.

In the fourth age group of 50-59-year-olds, belonged a 56-year-old woman (Informant G) who has completed both an entrepreneurial degree and a degree in logistics who has been an entrepreneur for several years, but today she works as a taxi driver, and a 56-year-old man (Informant H) with a master's degree in economics and "works" as a full-time investor. Informant G invested in direct equity shares for the first time five years ago. Although she has several investment targets, she does not perceive herself as an active investor. Whereas, Informant H has invested in direct equity shares for the first time since school age, so he has about forty years of investment experience nowadays. Over the years, Informant H's investment targets have been spread over Finnish, European, and American targets.

5.2 Investor's decision-making

In the following section, the results on how objective matters, investor communication, and respondents' subjective perspective affect their investment decisions are presented.

5.2.1 Subjective perspective's impact on investment decisions

During the interview, some of the questions focused on finding out how respondents make their investment decisions and how their subjective perspective impacts their investment decisions and whether this has a link to how the respondents react to investor communication.

When discussing what kind of an investors respondents are there were apparent differences among the respondents with what level of confidence and risk tolerance they make their decisions, what factors they base their decisions on, their subjective perspective's impact on how they understand and react to information, and how rational decision-makers they are. Some of the respondents were more cautious, more uncertain investors than other, while some of the respondents were more confident, which often went in line with investment experience.

When discussing about where respondents seek for information and how they make their investment decisions, the responses revealed that some investors rely heavily on the tips and opinions of others.

“My investment decisions are based a lot on the views of others. For example, my spouse is a more experienced investor from whom I receive good tips.” - Informant C

Whereas more experienced and confident investors told that they rely mostly on their own views and analyses when making investment decisions. However, although more experienced investors said they usually analyse listed companies themselves much more than the more inexperienced ones, they also mentioned that in addition to their own analyses they also rely on the opinions and views of other people to map a company's situation more broadly.

“When making investment decisions, I carefully analyse the situation of the company independently. Of course, I also often ask other investors for their opinions to gain more information and different views. However, the stock market is such that it is not

always based on fundamentals and reality, so that the share price can be guided by something else than the situation of the company, which is why it is important to receive comprehensive information before making an investment decision.” – Informant F

For other respondents, on the other hand, facts are not always at the center of investment decisions, but decisions are made due to herd behavior, where investment decisions are not always made rationally but by following other investors. A few respondents also described themselves as 'feeling investors', which means that investment decisions are not made rationally but rather based on emotions.

“My investment decisions often go by mood, meaning that if I get a good feeling of a company, my investment decision can be based on it, and no comprehensive analysis is needed to make a decision.”- Informant C

When discussing from which locations the shares had been bought by the respondents, it became clear that for more uncertain and less experienced investors, a sense of security was a significant part of making an investment decision. For this reason, the Finnish market was perceived as the easiest investment option, as the companies on the Helsinki Stock Exchange were already familiar and credit to domestic companies and their communication was stronger than foreigners.

"It has somehow been safe for me to invest mainly in Finnish equities because it is easier to understand those companies when their operations are familiar to me." - Informant B

"I believe and trust more on Finnish than foreign companies and what they inform in their investor communication." - Informant A

Among more experienced investors, on the other hand, it emerged that investments were found all over the world, and there was not as much fear of such unfamiliar markets, but a firm belief in one's own ability to search for information, understand and predict other types of markets as well. The fact that more experienced investors are not as 'scared' and cautious of foreign markets was also undoubtedly influenced by the fact that, according to themselves, they had a higher risk tolerance when investing and the ability and required skill to diversify their investments which reduces the overall risk of their investments.

In summary, we can conclude that more experienced investors base their investment decisions more on facts which makes the investment decisions more rational. In other words, they focus and understand better numerical information, which is why numerical information have a more significant impact on their investment decisions than on more unexperienced investors. On the contrary, more unexperienced investors base their investment decisions mainly on intuition and are more prone to their cognitive errors, which impacts how they understand and react to non-numerical information.

5.2.2 The role of investor communication in investment decisions

As investor communication is an important source of information for investors when making investment decisions (Niri, 2020), the interviews sought to gain a deeper understanding of respondents' views on investor communication, especially non-numerical investor communication. The aim of this was to increase knowledge of what kind of information investors consciously want and need, as well as what kind of non-numerical communication should be in order for it to have a positive impact on investors' investment decisions.

When discussing the importance of investor communication in investment decisions, respondents' responses varied. Others were more focused on seeking more general information that would enable them to understand the company's operations better, while others were researching more investor communication materials based on company numbers. In other words, some respondents said they focused more on financial-based information, both in numbers and in written text, while others said they read more about what a company's operations consist of.

“When making investment decisions, I want information about the company's business plan, i.e., how it is going to be implemented and what the company's value is compared to the market of the future and what is the company's business potential.” - Informant H

Many of the respondents also mentioned that they look for information from several different sources and the weight of investment communication in investment decisions thus also varied among respondents. Some said they read company marketing

materials from time to time, while others always read particular companies' investor communication materials. However, what was common among many respondents was that the information they wanted most from investor communication material was the information that would enable them to understand the company's business direction and assess its future development.

“What interests me most about investment communications is getting information on why and how future growth should happen.” - Informant B

“I usually read financial statement analyses, income statements, balance sheets, and CEO reviews. I often also want information about the future, especially about the companies I have invested in.”- Informant F

When discussing the positive and selling sound of non-numerical communication and what kind of non-numerical communication is credible, many respondents stated that selling and positive text is by no means a bad thing or make the content uncredible. *“I think a positive, selling and vivid tone in investor communication is a good thing because at least I would not be able to read any mere number after a number or too so-called boring text.”* - Informant C

However, this credibility is certainly helped by the fact that in connection with the discussions, the respondents' strong confidence in Finnish companies and their investment communications emerged. In other words, the respondents trust that Finnish listed companies obey the law and therefore do not spread false information. *“When a company is listed on a stock exchange, it is subject to the Companies Act, which means that they must not give false information, i.e., based on it, the text that sells can be trusted. Of course, with a critical eye.”*- Informant F

However, excess positivity and selling tone in investor communication also have their limits. Many respondents pointed out that if a text is too selling, its credibility suffers. *“I will at least stop reading to the point if the text is overly positive and too sellable. In my opinion, short and clear is the best.”*- Informant H

As the weight of the conversation shifts more to the importance of non-numerical communication as part of investment communication, respondents strongly pointed out that without non-numerical communication, it is difficult to understand the overall picture.

“Non-numerical communication adds value and makes it easier to understand things. Non-numerical communication can provide justification at a deeper level, which is very important too.” - Informant A

“Non-numerical communication adds value when promises and intentions are based on concreteness and the question of 'why' is answered.” - Informant G

5.3 Depth of non-numerical information and investor investment decisions

As part of the interviews, the equity stories of the two fictional companies, Company X and Company Y, were presented to the interviewees. Company X's equity story utilized in-depth non-numerical investor communication to support both the numerical financial information and the future growth expectations provided in its equity story. Whereas, the non-numerical communication used in Company Y's equity story was more superficial and did not provide as much in-depth information as Company X's did. Company X motivated with non-numerical communication how it seeks to achieve the future goals it presented in its equity story, while Company Y only listed its future goal using non-numerical communication.

This section will present the study respondents' analyses of these two different companies and thus determine which company was more attractive as an investment target for respondents and whether the in-depth non-numerical investor communication utilized in Company X's equity story had some impact on the investors' investment decisions.

5.3.1 Financial situation

Investment decisions depend largely on the expected return on an investment, the assessment of which strongly includes an analysis of the company's financial situation. (Virlics, 2013) Therefore, this study sought to determine the respondents' opinions on the financial situation of Company X and Company Y, as this view is at the heart of investment decisions. In this way, this research has also been able to understand better

what the relationship and significance of non-numerical investor communication have to investors' investment decisions.

Each of the respondents felt that Company X's financial situation was good and drew attention to the company's growing turnover, as well as good operating income. *“Company X has had, in my opinion, a pretty good financial situation. The company has managed to make an operating profit and grow quite well over the last couple of years.”* – Informant A The size of the turnover seen for the listed company varied among the respondents. Some saw the turnover as very high, while some still saw it as relatively small for a listing company. However, this also did not change the view as to whether the company's financial situation was seen as positive or not. The growth of the company was more important than its size. *“The company’s turnover is still quite small, meaning operations are relatively small, but in a way, all the figures were still growing. The company apparently does not have a gearing ratio, the equity ratio is high, and in a way, everything seems to be improving or has already improved, at least from 2019 to 2020.”* – Informant C

Company Y's financial situation was also seen as good among the respondents. At this point, it is worth mentioning that Company Y's turnover was about 5% lower than Company X's. However, profitability and other essential figures affecting profitability were precisely in line with Company Y's, which is why the two companies have been quite successful in the same way, and the results are in line, although the turnover of one is slightly lower than that of the other.

Many of the respondents did not see much difference between the financial situation of the companies; the only attention was paid to Company Y's slightly lower turnover, but this did not affect the respondents' perception of the company negatively, and the company was perceived as successful.

“Company Y's growth has been almost as rapid as that of Company X's. However, one has made a little more turnover than the other, but still, all the numbers of the company look good.” - Informant G

“The figures, I think, were pretty similar in both, meaning there was no major difference between them. Looks pretty good, I must say.” - Informant F

"I am quite excited about both of these companies. Both seem to be doing really well."

- Informant D

5.3.2 Future growth estimation

In the next phase of the interview, respondents analysed the future growth estimation of Company X and Company Y and how likely it is that these two companies could achieve the goals they reported in their equity stories. According to Kollet et al. (2010), the analysis of a company's future is an integral part of investment decisions to be able to assess how good an investment target a company is, which is why this section was included in the study. Both Company X and Company Y reported in their equity stories that the companies are aiming for about 30% growth over the next few years. Respondents were therefore asked whether they believed these goals are achievable and why.

There were slightly different answers among the respondents regarding the future growth goals of the companies. However, even the most skeptical respondents did not argue that these goals were utterly impossible. Company X's growth target of 30% over the next few years was seen as possible, based on past growth, for example. *"After all, Company X has made similar growth in previous years. If things are going well in the company, this 30% growth is certainly not an impossibility, although it is probably not an easy thing to do."* - Informant A

One of the respondents said he believed this growth to be possible because he felt the company was still so young that he saw there still would be room for growth in the market. *"Company X is still so small that it probably has a chance to rise to those growth figures. Predictability is quite easy for a company of this size, which is why that 30% growth could be very accurate. Of course, even when looking at the growth of the company in previous years, it has been great, which also supports the argument company made in their equity story about their growth expectations."* - Informant F

More skeptical respondents said that it is difficult to predict a company's future because growth is affected by so many different factors, such as the market and competitors, about which no further information was provided at this point. *"The future growth of this company is not in the hands of this company alone. It depends on*

current and potential future competitors and how they are doing, and how much market share they are gaining. I think that a 30% growth target is difficult, which is why I have a little hesitation about whether they will get there, even if things were done well. Of course, the history of the company and what can be read now must be taken into account, which looks good, which in turn supports these growth goals. So it is hard to say, but I do believe that they will keep on growing.” - Informant G

On the other hand, one of the respondents had a solid trust in what the company was saying in its equity story and believed in the predictability of the company's future. *“I could not very analytically think about whether these growth targets were realistic or not. However, if the growth is going to be like that, then it sounds terrific. I do not think a company can lie to me in its investor communication, so I do believe in what they say.” Informant D*

Company X was seen as meeting its future financial goals mainly based on its historical figures, i.e., the growth of previous years, and arguments provided through non-numerical communication, such as the Company's recurring monthly billing and continuous and efficient software development.

“Company X justified factors affecting growth, such as the company’s earnings logic, invoicing and cash flow, which feel stable to me.” - Informant F

”Automation and coding are modern and will undoubtedly grow even more in the future. On that basis, this 30% increase could be possible as I believe that there will be an increasing demand for this kind of services.” - Informant A

“As I work in the software industry, I understand how the companies operate. That is why things such as recurring monthly invoicing mentioned by Company X, sounds good to me as it is the thing today and gives me a contemporary picture of the company’s operations.” - Informant D

"In software industry, product development is undoubtedly playing an insanely significant role in becoming a successful player in the markets. Company X mentioned that product development is something they have a strong focus on, which will certainly mean a lot in terms of whether or not the company will achieve its future growth goals.” - Informant G

The future growth of Company Y was also seen in a positive light among respondents. However, when discussing about which of the two companies would more likely achieve its future growth goals, based on the information presented in the equity stories alone, Company X was seen as a more likely option. This was justified by the fact that Company X provided in-depth information as to why and how these goals would be achieved.

"Company X explained and justified things more concretely than Company Y, which is why I believe it is more likely that Company X will achieve these goals rather than Company Y." - Informant C

"It is easier for me to believe Company X in these set goals, as they justified them, in addition to previous years' growth, with some facts about their current business plan, and what are the factors that will guarantee the growth in the next upcoming years. They mentioned, for example, the monthly billing strategy which ensures better and more stable cash flow.

Overall, I am interested to know why companies believe that they will achieve their goals. It is not enough for me to know what are company's goals. I need justifications."- Informant B

During the discussion, the respondents also highlighted how similar the two companies are, which made them feel that the numbers alone made it difficult if not impossible to assess and compare which company would be more successful in the future than the other. *"Based on the numbers alone, I see no reason why one company would achieve the future growth goals better than the other. What I understand behind the numbers is that I believe Company X is more likely to achieve its goals based on the facts they shortly provided in their equity story."- Informant H*

5.3.3 Investors' willingness to invest in the companies

In the next phase of the interview, the respondents were asked if they would invest in Company X and/or Company Y, and which of the two companies would the respondents prefer to invest in and why? The purpose of these questions was to determine which company the respondents saw as a better investment target. At this point, it is worth recalling that the investability of both companies is roughly in the

same range, as the industry, service, and financial situation are almost identical. The most significant difference presented to the respondents between the two companies was how the equity story presented the companies' future goals. Company X explained in more depth why and how they will achieve their goals, while Company Y merely listed their future growth goals but did not motivate how.

While discussing about the investability of the two companies, six out of eight respondents said they could invest in Company X. Whereas two out of eight were hesitating and answered maybe. However, even many of the respondents who said they could invest in Company X highlighted that before investing in the company they would want to know more about the product, overall market, and competitors before any investment decisions. *"Company X has investment potential, but if I had to put money into this company, I would like to know more about its product and how the product will remain competitive in the future. Of course, I would also like more information on the overall market, as it certainly has an impact as well."* - Informant H
 Deeper information about the company's customer base was also of interest. *"What was missing from the equity story, if I had really wanted to put money in, then I would have liked to know who the most significant customers of the company are. In other words, I would like to find out more about the company's customer segment, i.e., who actually uses these services."* - Informant F

When discussing the respondent's opinion on the investability of Company Y, four out of eight said they could invest in Company Y, and four out of eight were a bit hesitant but answered maybe. The motivations for these answers were almost identical to Company X, and the reasons given were, for example, that more information was needed. However, both companies were seen as potential investment targets based on the information that equity stories offered. However, many felt that it would be difficult to make the right investment decision based on this information alone, i.e., a brief company presentation, financial outlook, and future growth expectations. Most of the respondents craved an answer to what is behind the numbers. They wanted to know the justification for how the company could beat its competitors and continue to grow at the same pace as in previous years.

After this, we further discussed which of these companies, Company X or Company Y, the respondents would prefer to invest in if one of them were to be chosen as the

investment target. This question sought to answer whether Company X's in-depth non-numerical communication impacted respondents' investment decisions. Five of the respondents said they preferred Company X and justified this choice because the company in question, Company X, better justifies, for example, the expected growth, which makes it seem a better option. All five responses referred to the non-numerical communication used by Company X as a positive factor while mentioning that it is the most significant factor that distinguishes the two companies and the only reasonable justification for choosing Company X over the other. *‘Both companies are very similar and have succeeded in the same way. If an investment decision were to be made on the basis of this information, I would choose Company X simply because it provides more information and justification as to how they will achieve their goals, i.e., continue to grow at a rapid pace.’* - Informant E

One of the respondents chose Company Y, but was unable to justify her decision in more detail. Interestingly, although the respondent chose Company Y, she still mentioned Company X's use of non-numerical communication and perceived it as a positive factor, but still did not base her investment decision on this. *"It came out strongly from both companies at first that I would not invest just because I do not know or understand the industries they operate in. If I had to choose one of the companies as an investment target, I would choose Company Y instead. I cannot justify this decision in any way, but it is made on a purely emotional basis. Of course, Company X explains in more detail how it intends to achieve its goals, which Company Y did not do, but I would still choose Y."*- Informant A

Two respondents out of eight again said they would not be able to make a rational choice between the two companies because the information is too narrow and the numbers are so similar. Indeed, both respondents said they needed more information about the company in order to be able to answer this question. *‘I see so little difference between the two companies. All the financial figures and growth are almost identical, so based on this information, I cannot properly tell which one I would prefer to invest in or which would ultimately be a more rational option. In order to be able to choose one of these companies, I would need more information about the product itself.’*- Informant D

In the figure below, a summary of the result to the question ‘‘Which company would you prefer to invest in, Company X or Company Y if one were to be chosen?’’ are presented.

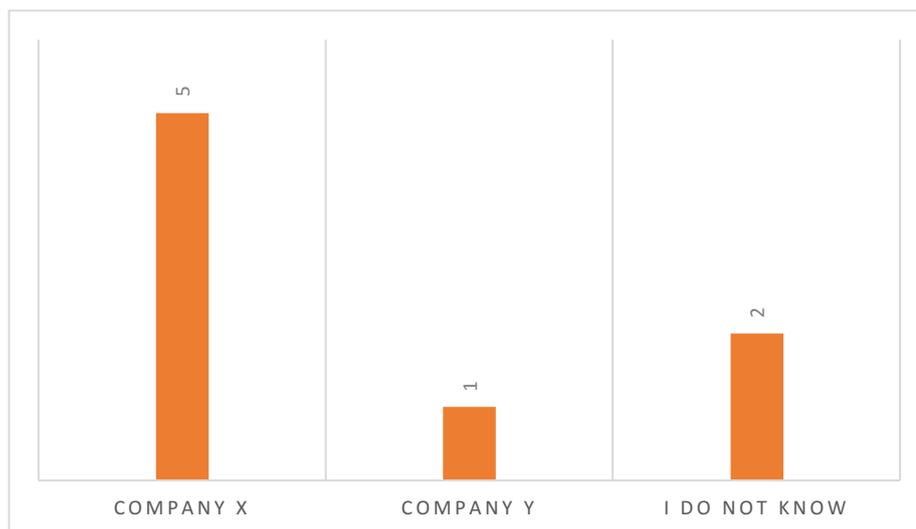


Figure 9. Answers to question ‘‘Which company would you prefer to invest in, Company X or Company Y if one were to be chosen?’’

5.4 Summary of the results

Based on the research results, we can conclude that investors' investment decisions are made in multiple ways. The decisions of more inexperienced investors are more influenced by their cognitive errors, feelings, intuition, and the opinions of others, while the decisions of more experienced investors are more focused on their own analyses.

When discussing the importance of non-numerical communication in general, all respondents agreed that it is an essential part of investment communication, as it provides information about a company's operations, situation, and future that numbers alone cannot tell. When analyzing Company X and Company Y, 6/7 of the respondents chose Company X as the hypothetical investment target, utilizing in-depth non-numerical communication in its equity story. On this basis, we can conclude that in-depth non-numerical investment communication in equity stories' financial outlook and future goal sections impacted their investment decisions positively.

Several respondents also perceived reading non-numerical communication as more pleasant and more effortless than reading mere numbers. Of course, this was also clearly influenced by the respondents' investment experience and understanding of key financial figures. In addition, respondents pointed out that without non-numerical communication, it is impossible to give justifications for things that numbers cannot tell, which is why some respondents said they give even more weight to non-numerical communication than to realized numbers and goals. Of course, a few of the respondents also said they emphasized more the importance of numerical communication, but neither of these respondents underestimated the importance of non-numerical communication.

6 Analysis of the results

In this chapter of the thesis, the empirical data presented in the previous chapter will be analysed in a deeper level, while linking it to the literature presented in this thesis' theoretical framework chapter. The purpose of this chapter is to answer the following research question:

1. How in-depth non-numerical investor communication is perceived among investors?
2. Does in-depth non-numerical communication in the financial statement section of an equity story impact investor's investment decision on the Finnish stock market?

6.1 How in-depth non-numerical investor communication is perceived among investors?

In this Subchapter, the first empirical research question of '*How in-depth non-numerical Investor communication is perceived among investors?*' is being answered. The Theoretical chapter of this thesis stated that the use of non-numerical investor communication among listed companies has become much more common, as today's investors crave more in-depth information about the company, its business model, and

opportunities. (Laskin & Laskin, 2017) However, investors think differently, which means that one investor can react differently to one type of investor communication while another one can react again differently as investors are prone to cognitive errors, heuristics, prejudices, and emotions. (Nofsunger, 2017) As non-numerical investor communication can be produced differently and therefore perceived in different ways, it is essential to understand on a deeper level how Finnish investors perceive and what are their attitudes towards non-numerical investor communication. Only by understanding which kind of an impact a certain type of non-numerical investor communication has on investors, a company can succeed when producing non-numerical investor communication.

The study revealed that Finnish investors consider non-numerical communication as an essential source of information that gives deeper insights and an understanding of a company's situation now and in the future. Many respondents firmly pointed out that non-numerical communication can inform things that numbers alone cannot tell, so non-numerical communication is given much weight and is considered as an important source of information. More inexperienced investors also find non-numerical communication easier to read and understand than just numbers, and when used in support of numbers, it helps to understand the bigger picture better. In this way, we can state that non-numerical communication can provide important additional information about what is behind the numbers and make it easier for both more experienced and less experienced investors to understand the company's situation.

Because one of the purposes of investor communications is to create a selling image of a company to investors, the tone of non-numerical investor communications is often positive. (Koskela, 2015) The research revealed that investors do not consider selling and positive non-numerical communication to be negative in any way, as long as it is based on factual information. Many respondents believed that the tone of non-numerical communication should be positive rather than too neutral, as it makes reading more interesting and certainly increases the interest towards the company in their eyes. The research interviews also highlighted the fact that Finnish investors have very strong trust in the investor communication of Finnish companies, which is why non-numerical communication is also quite strongly trusted. Many of the respondents were aware that Finnish companies are subject to laws that prevent them from disseminating false information. Therefore, the information and facts reported in

investor communication were taken mainly as facts, even if they were future goals for which no one is able to provide clear factual information.

However, excess positivity and selling tone in investor communication also have their limits. Many respondents pointed out that if a text is too selling, its credibility suffers. Even if non-numerical communication is to be positive in tone, it must not be excess positive. Among the respondents, especially more experienced investors, emphasized that if the text is overly positive, interest in the text and the company may end there. However, it is also important to point out that opinions also varied in terms of excess positivity, even among inexperienced investors. In other words, how positively toned the text the investor wants to read was not directly related to the investor's experience but rather to the person's subjective perspective.

In conclusion, we can state that Finnish investors perceive non-numerical communication as an essential part of investor communication, which adds value to numerical communication and investment decisions. The positive and selling tone in non-numerical communication is perceived as a positive thing, as it makes reading more meaningful. However, excess positivity and selling tone in non-numerical communication is perceived negatively. In other words, there is a subtle limit to how positive and selling non-numerical communication is perceived among Finnish investors.

6.2 The impact of in-depth non-numerical communication in equity stories' financial outlook on investment decisions

This subchapter answers the empirical research question '*Does and how in-depth non-numerical communication in the financial statement section of an equity story impact investor's investment decision on the Finnish stock market?*'. Many different theoretical sources and studies have highlighted the importance of non-numerical investor communication in investment decisions. Previous research has highlighted, for example, that numbers alone are no longer enough to base an investment decision (Laskin & Laskin, 2017) and that content, word choices, and how information is presented to investors can influence investors' decision-making. (Moreno & Zhang, 2020) When discussing non-numerical investor communication in the context of

equity stories, its importance becomes even bigger, as equity stories are one of the first marketing materials a company publishes to its potential investors in the listing process, when investors do not have that much information of the company as they cannot seek for information about how the company has succeeded in the stock exchange. (Suomen pörssisäätiö, 2016)

The research revealed that the use of in-depth non-numerical communication to support the financial situation and future goals of a company in its equity story increases the investability of the company and this way impacts positively on investors' investment decisions. For many Finnish investors, numerical information alone is not enough to provide enough information about the company's situation to be able to make investment decisions based on it. The main reason for this is that numbers alone do not provide an answer to the questions 'why' or 'how', which makes it almost impossible for investors to predict the company's future. The question asked in the study, "*Which company would you prefer to invest in, Company X or Company Y?*", The majority of respondents chose Company X, which had more broadly justified its business through non-numerical communication and how it will achieve a successful future. If an investor does not understand how the company's historical growth has been achieved so far or how growth will happen in the future, investors also cannot fully trust that the development will continue as it has been. Investors are aware that business situations can change and the change can be affected by many different factors, which is why investors need motivations from the company's non-numerical communication to the question how the company's growth will be ensured in the coming years. When investors receive this information through non-numerical communication, they find the investment decision safer, than if the future prospects were only speculative and based merely on historical numbers, not motivations.

Inexperienced investors base their investment decisions mainly on intuition and are more prone to cognitive errors, which impact how they understand and react to non-numerical information. The study also revealed that non-numerical communication could evoke various positive emotions that can drive, in particular, feeling investors making irrational investment-decisions. On the other hand, the investment decisions of more rational investors are more strongly influenced by the information content, i.e., what information non-numerical communication can provide about the current and future situation of the company. In other words, non-numerical communication

positively affects the investment decisions of both experienced and inexperienced investors if its content is produced correctly.

Based on the research results, we can state that in-depth non-numerical communication is a significant part of companies' investment communication as the use of in-depth non-numerical communication can impact an investor's understanding of the numerical material produced by a firm and build trust, motivate, and 'sell' a firm as an investment target to investors in entirely different ways than numbers alone could.

7 Conclusions

In this chapter conclusions of the research are presented. The chapter will begin with a summary of findings, leading to theoretical implications, practical and managerial implications, after which the limitations of the study and suggestions for future research are presented.

7.1 Summary of findings

This thesis studied non-numerical investor communication and further examined the impact of in-depth non-numerical investor communication in equity story's financial outlook on Finnish investors' investment decisions.

The research revealed that the use of in-depth non-numerical communication to support the financial information and future goals of a company in its equity story increases the investability of the company and this way positively impacts on investors' investment decisions. By in-depth non-numerical information, we mean written text that opens up company information deeper than what mere numbers are capable of. For example, if a company names its future goal to be 30% growth, in-depth non-numerical information can clarify the details of the goal and motivate the statement by informing how and why the goal is achievable.

The research revealed that it is not enough for investors to only hear statements from a company, even though Finnish investors' have a strong trust on Finnish listed companies and what they inform about their operations. It came clear that motivations

and explanations are needed. Most of the respondents named that the most important information content they want when evaluating a company is the kind of information that would enable them to understand the company's business direction and assess its future development. In other words, answers to questions how and why. The study respondents strongly pointed out that without in-depth non-numerical communication, it is difficult to understand the overall picture and that non-numerical communication adds value when promises and intentions are based on concreteness. In other words, in-depth non-numerical information makes it easier for the reader to understand what is behind the short statements. This makes it easier for the investor to understand cause-and-effect relationships when analysing and evaluating a company. In-depth non-numerical information also gives the informing company a possibility to persuade the reader believe the goals and statements that the company has stated, which can be an essential factor in competing with rival companies on the stock market to stand out. Based on the research results, we can state that in-depth non-numerical communication is a significant part of companies' investment communication as the use of in-depth non-numerical communication can impact an investor's understanding of the numerical material produced by a firm and build trust, motivate, and 'sell' the firm as an investment target to investors in entirely different ways than numbers or short superficial non-numerical statements alone could.

7.2 Theoretical contribution

Prior research has shown non-numerical investor communications positive impact on investment decisions in many ways. It has been researched how the use of non-numerical investor communication impacts investors in annual reports (Amer & Maris, 2003), in news flashes (Hales et. al., 2010), and in earnings warnings. (Chen & Chang, 2017) However, a research gap still existed in relation to whether and how the use of in-depth non-numerical communication in equity stories' financial outlook impacts Finnish investors' investment decisions.

This study confirmed that non-numerical communication is also an essential part of equity story's financial and future growth section, positively influencing investors' investment decisions. Thus, this study complemented the theory by confirming and verifying that non-numerical communication also works in listing communications

and equity stories. As the positive impact of non-numerical communication on another investment communication platform has been verified through this study, it further reinforces the argument that non-numerical communication has an overall positive impact on investment decisions.

This research also produced new information for the research field of non-numerical communication, examining the depth of non-numerical communication. Many previous studies have focused, for example, on individual word choices, thus providing information on what tone and words the non-numerical text should use. On the other hand, this study looked at the utilization of non-numerical communication from a very different perspective, focusing on what information and what kind of images can be created with the textual content itself. The results of the research showed that, as previous studies have shown, the tone of the text can be selling and still credible, but more importantly, the research answered the question of what kind of investors want and believe, i.e., what questions should be answered and why so that investors would have more faith and confidence in the investor communications produced by companies and the facts and goals told there.

This study also provided new information on the Finnish stock exchange market and Finnish investors, investment behavior, and investment decision-making, which is of great value, especially for Finnish listed companies. The study revealed, for example, that Finnish investors have a highly strong trust on Finnish companies' reporting as they trust that Finnish listed companies obey the law and therefore do not spread false information. The study also revealed that Finnish investors, especially more unexperienced ones, feel safer when investing in Finnish companies as there is more trust towards the company and the business is easier to understand. As cultures, languages, and trust-levels towards the government and listed companies are different in different countries, it is essential to gain more specific information about specific markets, as not everything can be generalized. This study proved that in-depth non-numerical communication impacts positively on Finnish investors' investment decisions in the Finnish stock exchange market and that in Finland in-depth non-numerical information is seen as trustworthy information among investors.

7.3 Practical implications

The findings of this research provide a variety of managerial actions that can be used to improve the use of non-numerical communication in investor communication and especially in equity stories' financial and future outlook. One of the most central finding is that much emphasis should be placed on non-numerical communication, as this is the only way to improve the company's image to the investors that has a direct impact on investors' investment decisions.

In order for non-numerical communication to positively impact investors' investment decisions, the party producing it must understand what kind of non-numerical communication the company must produce in terms of content, word choice, and tone of voice. Because the target groups of listed and soon-to-be listed companies are broad, including both more experienced and unexperienced investors, investor communication should appeal to both. According to the study, the information that investors need when reading the financial and future growth expectations part of an equity story that provides non-numerical communication should be informative, provide additional in-depth information, and motivate the facts and goals presented so that the investor reading the material would get justifications for the things a company informs. It is important that the non-numerical information is written shortly and vividly so that it is interesting to read for both unexperienced and more experienced investors. The tone of the non-numerical information can be positive and selling, however excess positivity should be avoided as it could have a negative impact on the investors' attitudes towards the company and make the information seem unreliable.

7.4 Limitations of the study

There were certain limitations in this study that could have an impact on the study results. Due to the transparency of the study, these limitations are presented in this section. The research materials of the empirical study utilized the equity stories of two nearly identical companies. The materials were sent to the respondents in advance, as answering the questions required familiarization with these materials. Although the importance of reading the materials with thought was emphasized to the respondents, we still cannot be sure how accurately and deeply the materials had actually been

accessed, which has made it possible that respondents could have familiarized themselves with the pre-materials at very different levels. The respondents' answers and familiarity with the preliminary material may also have been influenced because the research interview was not an actual investment situation. In other words, when real money was not invested, motivation may not have been at the same level when analyzing the information as it would have been in an actual investment situation.

There were also certain limitations in the research materials themselves. Although the companies were very identical, a few differences still existed. For example, Company X's turnover was slightly higher than Company Y's, although the growth figures were relative with percentage. This may have had some effect on the formation of investment decisions. If the respondents paid much attention to the slightly higher turnover of another firm, it might have consciously or unconsciously influenced the comparative responses. Also, as both of the companies were told to be operating in the same industry, it has been possible that the respondents have reflected these companies to the market size and thus comparing each other as competitors.

7.5 Suggestions for future research

The study of non-numerical communication will indeed not cease to slow down, as knowledge is still limited. Also, with new target groups, generations, and increasingly electronic investor communication, communication platforms and content are likely to change. Thus, future research could focus, for example, on other communication platforms and how non-numerical communication works there. How non-numerical communication can be utilized on different social media platforms and their impact and credibility on investors and their investment decisions will undoubtedly be an essential and integral part of the future non-numerical investor communications research field.

There are many different types of investor communication platforms and target groups; as the number of communication platforms and target groups grows, it could be beneficial to study how they could be utilized for different target groups. In other words, future research could focus on answering the question 'How could investor communication be optimized for different target groups in different platforms?'. It could be researched from which different platforms different investor groups seek the

most information, which platforms are perceived as the most credible, and which platforms could have the most significant and most positive impact on investment decisions and a company's stock market success.

8 Summary in Swedish – Svensk sammanfattning

Icke-numerisk investerarkommunikation

- Påverkar djupet av icke-numerisk kommunikation i den finansiella utsikterna av en aktieberättelse investeringsbeslut?

8.1 Inledning

Investerarkommunikation är ett brett begrepp som innehåller allt informationsinnehåll som ett börsbolag tillhandahåller sin målgrupp, det vill säga investerare. Målet med informationen till investerare är att göra det möjligt för investerare att skapa sig en uppfattning av företaget i fråga. Investerarkommunikation kan delas in i icke-numerisk och numerisk kommunikation, och innehållet i den kan delas upp i icke-finansiell och finansiell information (Westbrook, 2014). Investerarkommunikation är särskilt viktigt för företag, eftersom dess främsta syfte är att uppnå en rättvis värdering av företagets värdepapper (Niri, 2020) och öka investerarnas intresse för företaget. (Suomen Pörssisäätiö, 2016)

Ett börsbolags kommunikations- och transparensförpliktelser skiljer sig dock väsentligt från privata företag (Minilex, 2020), eftersom befintliga lagar, förordningar och rekommendationer avsevärt begränsar börsnoterade företags kommunikation. (Brysted et al., 2016) Dessa skyldigheter finns och är väsentliga för investerare, eftersom de säkerställer att investerare har korrekt och aktuell information om företagets verksamhet och den situation som investeringsbeslut bygger på (Europeiska unionen. Europeiska kommissionen, 2020).

När vi talar om lagstadgade upplysningsskyldigheter återspeglar vi ofta att finansiell rapportering främst är numerisk kommunikation. Dagens investerare vill dock inte bara ha faktablad; de vill ha en djupare förståelse av företaget, dess affärsmodell och förmåga att skapa mervärde. (Laskin & Laskin, 2017) Det är därför som det mesta av materialet som ett företag producerat om dess tidigare och framtida resultat gynnar icke-numerisk kommunikation (Hales, Kuang och Venkataraman, 2010).

Även om upplysningsskyldigheter syftar till att göra det möjligt för investerare att fatta rationella beslut baserade på korrekt och tillförlitlig information (Europeiska unionen. Europeiska kommissionen, 2020), är det ett faktum att en person inte alls kan bedöma

alla möjliga osäkerheter och riskfaktorer fullt ut och inte alla människor är rationella beslutsfattare (Baker & Ricciardi, 2014). Forskning inom psykologi visar att riktade preferenser påverkar människors förmåga att bearbeta mottagen information och fatta beslut. (Kunda, 2004) Med andra ord påverkar människors känslor och kognitiva funktionsnedsättningar investeringsbeslut. (Teall, 2018) På grund av detta har många studier dykt upp under de senaste åren med fokus på icke-numerisk investerarkommunikation. (Baginski, Hassell & Kimbrough, 2003) Speciellt inom finansiell investerarkommunikation har uppmärksamheten skiftat från numeriska till språkliga och textuella element som används i finansiell kommunikation. (Whitehouse, Palmieri & Perrin, 2018) Förutom att undersöka icke-numerisk kommunikation mellan investerare har fokus alltmer betonat hur investerare reagerar på icke-numerisk kommunikation. (Hutton, Miller & Skinner, 2003)

Eftersom forskningen har ökat inom detta område har det bevisats att ett företag kan påverka investerarnas beteende positivt med icke-numerisk investerarkommunikation. Detta argument stöds av olika undersökningar som har visat att ett företag till exempel positivt kan påverka både sofistikerade och mindre sofistikerade investerare med icke-numeriska kvalitativa uttryck. (Amer & Maris, 2003) Det har också bevisats att ett företag kan dra nytta av att använda icke-numerisk kommunikation för att stödja den numeriska kommunikationen när man kommunicerar om ett företags avkastningsförväntningar (Baginski et al., 2003) och positivt påverka aktiekurserna med IR och investerarkommunikation. (Yongshin & Eyun-Jung, 2007) Det är därför investerarkommunikation i vid bemärkelse är en väsentlig del av börsbolagens dagliga processer eftersom det ger möjligheter att påverka ett företags börsutveckling. Användningen av icke-numerisk kommunikation slutar dock inte alltid med en positiv inverkan på investerare om kommunikationen inte görs korrekt. Det är viktigt att erkänna att kommunikationens orden, innehåll och ton spelar roll för investerarna. (Amer & Maris, 2003)

Problemdefinition

Baserat på min litteraturoversikt har användningen av icke-numerisk kommunikation i investerarkommunikation undersökts omfattande t.ex. av Baginski et al. 2003, Amer och Maris 2003, Yongshin och Eyun-Jung 2007, Hales et al. 2010, Elliot, Rennekamp

och White 2015, Teall 2018 och Moreno och Zhang 2020 och har visat sig påverka investerarnas beslutsfattande på flera olika sätt. Det har till exempel undersökts hur användningen av icke-numerisk investerarkommunikation påverkar investerare i årsrapporter (Amer & Maris, 2003), i notiser (Hales et al., 2010) och i resultatvarningar. (Chen & Chang, 2017) Det finns dock fortfarande ett forskningsgap i förhållande till huruvida och hur användningen av fördjupad icke-numerisk kommunikation i aktieberättelsers finansiella utsikter påverkar investerare och deras investeringsbeslut.

En aktieberättelse är en berättelse om ett företag som ett investeringsfall (Ditlevsen, 2012) och syftet är att engagera investerare (Suomen pörssisäätio, 2016) och ge den information investerare behöver för säkra investeringsbeslut (Salo, Marika & Jukka Oksaharju, 2019, s.418-446). Aktieberättelse kan sägas vara en viktig del i ett börsbolags investerarkommunikation, eftersom det är ett av de första marknadsföringsmaterial som ett företag publicerar för sina potentiella investerare i noteringsprocessen. (Suomen pörssisäätio, 2016)

Detta ämne är ett intressant forskningsämne, eftersom man kan anta att icke-numerisk kommunikation har positiva effekter när det används i aktieberättelser. Baserat på min litteraturöversikt finns det dock inga bevis eller djupare insikter om huruvida djupet av den icke-numeriska kommunikation som används i aktieberättelsers finansiella utsikter påverkar investerarnas investeringsbeslut. Därför är det viktigt att få gedigen kunskap om effekten av användningen av fördjupad icke-numerisk kommunikation i aktieberättelser så att företag kan dra nytta av det på bästa sätt. Utöver detta har inga studier gjorts i samband med den finska börsen. När man talar om icke-numerisk kommunikation är verktyget språk. (Nogueira, 2020) Den finska börsen består av finska företag, som enligt lagen är skyldiga att använda nationella språken, finska eller svenska, som det primära kommunikations- och rapporteringsspråket. (Koskela & Heino, 2016) Kontexten samt språket som används i icke-numerisk kommunikation kan påverka effekten på investerare. Därför har jag valt att fokusera på användningen av djupgående icke-numerisk investerarkommunikation i aktieberättelsers finansiella utsikter och specifikt på den finska börsen.

8.2 Avhandlingens syfte och forskningsfrågor

Syftet med denna avhandling är att avgöra om och hur användningen av fördjupad icke-numerisk investerarkommunikation i den finansiella delen av en aktieberättelse påverkar investerarens investeringsbeslut på den finska aktiemarknaden.

Följande forskningsfrågor kommer att undersökas för att svara på frågorna:

F1: Vilka faktorer påverkar investerarens investeringsbeslut?

Målet med denna forskningsfråga är att granska de teoretiska begreppen om hur investeringsbeslut fattas, vilka faktorer som påverkar investerarnas beslutsfattande, vad vi menar med investerarkommunikation, dess olika former, syfte och betydelse för både investerare och börsbolag, och förhållandet mellan investeringsbeslut och investerarkommunikation.

F2: Vilken roll spelar icke-numerisk kommunikation i aktieberättelser?

Målet med denna forskningsfråga är att granska det teoretiska begreppet varför och hur icke-numerisk kommunikation används och kan användas i aktie-berättelser.

F3: Påverkar fördjupad icke-numerisk kommunikation i den finansiella sektionen av en aktieberättelse investerarens investeringsbeslut på den finska aktiemarknaden?

Målet med denna empiriska forskningsfråga är att ta reda på hur investerare uppfattar icke-numerisk investerarkommunikation, hur viktig del av sina investeringsbeslut investerare anser icke-numerisk kommunikation är, om ett börsbolag kan påverka investerarens investeringsbeslut genom fördjupad icke-numerisk kommunikation och om det ger mervärde för investeraren.

F4: Vilka är de teoretiska och ledningsmässiga konsekvenserna för investerare och företag när de använder icke-numerisk information för att stödja den numeriska informationen i den finansiella delen av dess aktieberättelse?

Denna normativa forskningsfråga syftar till att utveckla rekommendationer för finska inom kort noterade företag om användningen av icke-numerisk kommunikation i sin aktieberättelse.

8.3 Kontextuell bakgrund

Helsingforsbörsen, där finländarna främst investerar, är mycket betydande och fortsätter att växa hela tiden. Den finska börsen är avgörande för de finländska företagen som är noterade där, vilket gör att de kan samla in finansiering och för finska privatpersoner som investerar i dessa börsnoterade företag. Detta argument stöds av det faktum att i mars 2021 investerades 966 416 753 euro av finländarnas tillgångar i finska börsnoterade företag (Euroclear, 2021a).

Finländska investerares mest kända och centrala investeringsstil är långsiktiga köp- och innehavsinvesterade aktieinvesteringar, som mestadels riktar sig till finska företag. Därför kan vi konstatera att säkerheten för investeringar och skyddet av investeringsbeslut är kritiska, påverkade av reglerad investerarkommunikation. I Finland reglerar fem parter rapporteringen av finska börsbolag:

1. EU: s marknadsmissbruksförordning MAR och kommissionens föreskrifter utfärdade i enlighet med förordning 20 och andra föreskrifter på EU-nivå som kompletterar MAR-förordningen
2. lagen om värdepappersmarknaden, 746/2012 och lagen om finansinspektion, 878/2008
3. Finansdepartementets förordning om regelbundna upplysningsskyldigheter för värdepappersemitter 1020/2012
4. Vägledning från ESMA (European Securities and Markets Authority), Finansiell tillsyn och börs
5. Koden för bolagsstyrning publicerad av Securities Market Association.

8.4 Teori

Investeringsbeslut

Även om investeringsbeslut bör fattas rationellt, är investerares beslutsfattande en komplex fråga som också påverkas av psykologiska frågor som resulterar i skillnader och irrationellt i investerares beteende. (Pompian, 2012) Även om en investerare skulle få all nödvändig information om ett företag och dess ekonomiska situation, skulle beslutsfattandet dock inte vara en enkel och rationell process eftersom investeringsbesluten är subjektiva och därför tas från investerarens egen synvinkel. Således består investerarens beslutsprocess både av en analys av objektiva frågor,

såsom förväntad avkastning på investeringen, och av investerarens subjektiva perspektiv, det vill säga hur investeraren tänker (Pompian, 2012).

Investeringsbeslut beror till stor del på den förväntade avkastningen på investeringen. För att analysera detta behövs en objektiv analys av företagets verkliga situation (Virlics, 2013). Företagsanalys är en komplex helhet som försöker ta reda på ett företags framtida värde. Ett värdefullt företag kan definieras som att det kan generera höga kassaflöden vilket möjliggörs av skicklighet att växa företagets verksamhet och generera en god avkastning på investerat kapital (ROIC) (Koller, Goedhart & Wessels, 2010, s.103). När man analyserar värdet på ett företag bör man också förstå företagets senaste år. Det är därför ofta när en investerare syftar till att förutsäga företags framtid, används vanligtvis en exakt analys av företagets historiska framgångar för detta ändamål. (Koller et al., 2010, s.165-171).

Investerarkommunikation

Investerarkommunikation är ett brett koncept som innehåller allt informationsinnehåll som ett börsnoterat eller snart börsnoterat företag tillhandahåller sin målgrupp, dvs. potentiella och nuvarande investerare, analytiker och intressenter. Investerarkommunikation består vanligtvis av att avslöja finansiell och icke-finansiell, historisk, aktuell och framtida information om ett företag genom olika medier, i syfte att upprätthålla och skapa relationer med sin målgrupp (Dolphin, 2004). I takt med att investerarkommunikation har utvecklats under åren har många företag börjat producera alltmer strategisk och bredare investerarkommunikation. Resultaten har ökat användningen av icke-numerisk kommunikation. Numera kommuniceras det mesta av ett företags granskning om dess tidigare och framtida resultat icke-numeriskt, med hjälp av språk. (Hales, Kuang och Venkataraman, 2010)

Investerarkommunikation kan delas in i icke-numerisk och numerisk information, och innehållet i den kan delas upp i icke-finansiell och finansiell information (Westbrook, 2014). Noterade företag publicerar många olika kommunikationsmaterial och använder flera olika kommunikationsplattformar för att publicera dem. Under årens lopp har investerarkommunikation skiftat kraftigt till webbaserade kommunikationsplattformar, varför papperspublikationer numera är ganska sällsynta (Guggenmos & Bennett, 2021). Investerarkommunikationspublikationer inkluderar

till exempel årsrapporter, brev till investerare, pressmeddelanden och aktieberättelser, som alla innehåller omfattande information om företagets verksamhet, både numeriskt och icke-numeriskt, och som inkluderar både finansiell och icke-finansiell information.

Aktieberättelse

En aktieberättelse informerar investerare om ett företag som ett investeringsfall. (Ditlevsen, 2012) En aktieberättelse presenterar företagets verksamhet, dess verksamhetsmiljö, tillväxt- och utvecklingsmöjligheter, konkurrensposition, finansiell situation, framtida resultatutveckling och noteringens motiv och syfte som publiceras i en av de första marknadsföringsfaserna i en notering. (Suomen pörssisäätiö, 2016) Aktieberättelse har en mycket central del i investerarkommunikation och investerarrelationer eftersom dess syfte är att engagera och övertyga investerare att företaget är ett bra investeringsmål. (Suomen pörssisäätiö, 2016) Utöver detta ger en egenkapitalhistoria också viktig information om företaget för investerare för att säkra sina investeringsbeslut. (Salo, Marika & Jukka Oksaharju, 2019, s.418 - 446)

8.5 Metodval

Denna undersökning är en kvalitativ studie som använder semistrukturerade djupintervjuer, eftersom syftet med denna avhandling är att avgöra om och hur användningen av fördjupad icke-numerisk kommunikation i den finansiella delen av aktieberättelsen påverkar investerares investeringsbeslut på den finska börsen.

I denna avhandling användes både primär- och sekundärdata, vilket gav ett bredare perspektiv på detta avhandlingsforskningsämne. För att samla information och synpunkter på forskningsfrågan från forskningsgruppen valdes kvalitativa semistrukturerade intervjuer som den primära datainsamlingsmetoden. Halvstrukturerade intervjuer använder en fördesignd intervjumall som möjliggör en bättre jämförelse av intervjusvar med andra respondenter. Halvstrukturerade intervjuer innehåller ofta specifika frågor som kan följas av en fråga, "varför?". Med andra ord ger en semistrukturerad intervju resultat som kombinerar kvantitativa och kvalitativa data (Guthrie, 2010). Halvstrukturerade intervjuer möjliggör också relativt öppna

kommunikation, eftersom intervjun har handlingsutrymme, så ytterligare frågor kan också ställas under intervjun om förtydliganden behövs för några av svaren. Dessa ytterligare frågor kan potentiellt spela en avgörande roll i forskningsresultaten, eftersom utan dem kan vissa svar vara ofullständiga, vilket kan leda till ett missförstånd om orsak-verkan-förhållandet (Bryman & Bell, 2017).

Forskningsgruppen valdes ut genom att använda systematisk provtagning och, mer exakt, oproportionerligt stratifierad provtagning. Forskningsgruppen samlades genom en Facebookgrupp som heter Sijoituskerho (Investment Club) med cirka 90 000 investerare som medlemmar. En deltagarlänk publicerades på Facebookgruppen, genom vilken intresserade av studien kunde registrera sig för intervjun. Den enda begränsningen för deltagande i studien var att personen måste ha investerat i direktaktier. På så sätt säkerställdes att forskningsdeltagarna hade en viss förståelse för att investera i direktaktier och att investera i allmänhet.

Totalt åtta personer, fyra män och fyra kvinnor, var och en med olika investeringserfarenhet, deltog i intervjun. Respondenterna samlades in från fyra olika, tidigare definierade åldersgrupper, 20–29 år, 30–39 år, 40–49 år och 50–59 år. Två respondenter, en man och en kvinna, valdes ut från varje åldersgrupp. Intervjuerna är uppkallade efter sin anonymitet i bokstäverna A, B, C, D, E, F, G och H.

För att ta reda på svaren på forskningsfrågorna användes två imaginära företag, Företag X och Företag Y, i intervjuerna. Varje deltagare i intervjun hade skickats i förväg korta presentationer av de två företagen och deras verksamhet. Utöver detta fick deltagarna också aktieberättelser om de två företagen, inklusive endast finansiella, tidigare och framtida resultatavsnitt. Den finansiella informationen och företagets verksamhet i båda företagen var mycket lika, vilket resulterade i att avkastningsförväntningarna och investerarnas vilja att investera i båda företagen baserat på siffrorna borde matcha. Den finansiella delen av Företagets Xs aktieberättelse utnyttjade dock icke-numerisk kommunikation för att beskriva företagets siffror på en djupare nivå, förklara varför siffrorna är som de är och motivera deras tillväxtförväntningarna. Medan de finansiella delarna av Företagets Ys aktieberättelse endast presenterade företagsnummer, både numeriskt och icke-numeriskt, men gav inte en mer ingående förklaring eller motivation till varför siffrorna är som de är eller varför företagets tillväxtförväntningar är som de är.

Begränsningar

Det finns vissa begränsningar i denna studie som kan påverka resultaten. Forskningsmaterialet i den empiriska studien använder aktieberättelser i två nästan identiska företag. Materialet skickas till informanterna i förväg, för att svara på frågorna kräver bekantskap med dessa material. Även om vikten av att läsa material med tanke betonas för respondenterna, kan vi fortfarande inte vara säkra på hur exakt och djupt materialet faktiskt läsas.

Det finns också vissa begränsningar i själva undersökningssmaterialet. Även om företagen är nästan identiska, finns det fortfarande några skillnader. Till exempel Företag X: s omsättning är lite högre än Företag Ys, även om tillväxttalen är relativt med procent. Detta kan ha någon effekt på investeringsbesluten. Eftersom båda företagen verkar i samma bransch kan det också vara möjligt att informanterna kommer att reflektera dessa företag som konkurrenter. I detta fall analyseras inte företag som 'individer', men investeringsbeslutet påverkas också av andra saker än icke-numerisk kommunikation.

8.6 Resultatbeskrivning och analys

Baserat på forskningsresultaten kan man dra slutsatsen att investerarens investeringsbeslut fattas på mycket flera sätt. Mer oerfarna investerarens beslut påverkas mer av deras kognitiva fel, känslor, intuition och andras åsikter, medan mer erfarna investerarens beslut är mer fokuserade på deras egna analyser.

När informanterna diskuterade vikten av icke-numerisk kommunikation i allmänhet var alla respondenter överens om att det är en väsentlig del av investeringskommunikation, eftersom det ger information om ett företags verksamhet, situation och framtid som siffror inte kan berätta. Vid analys av Företag X och Företag Y valde 6/7 av de tillfrågade Företaget X som det hypotetiska investeringsmålet. På grund av detta kan vi dra slutsatsen att en fördjupad icke-numerisk investeringskommunikation i aktieberättelsers finansiella utsikter och framtida målsektioner hade en positiv effekt på informanternas investeringsbeslut.

Flera informanter upplevde också att det var trevligare och mer enkelt att läsa icke-numerisk kommunikation än bara siffror. Investeringsfarenhet och förståelse för nyckeltal hade också en effekt på hur lätt man tänkte att det var att läsa bara siffror.

Dessutom påpekade informanterna att utan icke-numerisk kommunikation är det omöjligt att ge motiveringar för saker som siffror inte kan berätta, varför vissa respondenter sa att de lägger ännu större vikt till icke-numerisk kommunikation än till realiserade siffror och mål. Naturligtvis sa några av de tillfrågade också att de mer betonade vikten av numerisk kommunikation, men ingen av dessa svarande underskattade vikten av icke-numerisk kommunikation.

Baserat på forskningsresultaten kan man konstatera att fördjupad icke-numerisk kommunikation är en betydande del av företagens investeringskommunikation eftersom användningen av fördjupad icke-numerisk kommunikation kan påverka en investerares förståelse av det numeriska material som produceras av ett företag, bygg förtroende, motivera och 'sälja' ett företag som ett investeringsmål till investerare på helt andra sätt än siffror.

8.7 Slutsats och rekommendationer

Denna studie bekräftade att icke-numerisk kommunikation också är en väsentlig del av en aktieberättelsers finansiella och framtida tillväxtavsnitt, vilket påverkar investerarnas investeringsbeslut positivt. Således kompletterade denna studie teorin genom att bekräfta och verifiera att icke-numerisk kommunikation också fungerar i notering av kommunikation och aktier. Eftersom den positiva effekten av icke-numerisk kommunikation på en annan investeringskommunikationsplattform har verifierats genom denna studie, förstärker den ytterligare argumentet att icke-numerisk kommunikation har en övergripande positiv inverkan på investeringsbeslut.

Denna studie gav också ny information om den finska börsen och finska investerare, investeringsbeteende och investeringsbeslut, vilket är av stort värde, särskilt för finska börsnoterade företag. Eftersom kulturer och språk är olika i olika länder är det också viktigt att ha mer specifik information om specifika marknader, eftersom allt inte kan generaliseras med säkerhet. Denna studie ökade också medvetenheten om att icke-numerisk kommunikation också fungerar positivt på den finska börsen för finska investerare.

Resultaten av denna undersökning ger en mängd olika förvaltningsåtgärder som kan användas för att förbättra användningen av icke-numerisk kommunikation i investerarkommunikation och särskilt i aktieberättelsers finansiella och

framtidsutsikter sektioner. Ett av de mest centrala resultaten är att stor vikt bör läggas vid icke-numerisk kommunikation, eftersom detta är det enda sättet att förbättra företagets image för de investerare.

För att icke-numerisk kommunikation kunde påverka investerarnas investeringsbeslut positivt måste den som producerar den förstå vilken typ av icke-numerisk kommunikation företaget måste producera. Eftersom målgrupperna för noterade och snart börsnoterade företag är breda, inklusive både mer erfarna och oerfarna investerare, bör investerarkommunikation tilltala båda. Enligt studien ska den information som investerare behöver när de läser de finansiella och framtida tillväxtförväntningarna i en aktie berättelse som ger icke-numerisk kommunikation vara informativ, ge ytterligare och fördjupad information, motivera och vara intressant att läsa. Överdriven positivitet bör dock undvikas eftersom det kan ha en negativ inverkan på investerarnas inställning till företaget och få informationen att verka opålitlig.

Förslag till fortsatt forskning

Studiet av icke-numerisk kommunikation kommer verkligen inte att sluta eftersom kunskapen på ämnet fortfarande är begränsad. Med nya generationer och alltmer elektronisk investerarkommunikation kommer kommunikationsplattformar och innehåll sannolikt att förändras. Således kan framtida forskning till exempel fokusera på andra kommunikationsplattformar och hur icke-numerisk kommunikation fungerar där. Hur icke-numerisk kommunikation kan användas på olika sociala medieplattformar och deras inverkan och trovärdighet på investerare och deras investeringsbeslut kommer utan tvekan att vara en väsentlig och integrerad del av det framtida icke-numeriska investerarkommunikationsforskningsområdet.

Det finns många olika typer av investerarkommunikationsplattformar och målgrupper. Det kan vara fördelaktigt att studera hur de olika investerarkommunikationsplattformar kan användas för olika målgrupper. Med andra ord kan framtida forskning fokusera på att svara på frågan "Hur kan investerarkommunikation optimeras för olika målgrupper på olika plattformar?".

References

Articles

Aifuwa, H. O. & Embele, K. (2019) *Board Characteristics and Financial Reporting*. *Journal of Accounting and Financial Management*, 5,1, 30-44

<https://ssrn.com/abstract=3394421>

Aral, S., Dellarocas, C., & Godes, D. 2013. Introduction to the special issue-social media and business transformation: A framework for research. *Information Systems Research*, 24,1: 3-13.

Aula, P. (2010). "Social media, reputation risk and ambient publicity management", *Strategy & Leadership*, 38, 6: 43-49. <https://doi.org/10.1108/10878571011088069>

Alexander, R. M. & Gentryb, J. K. (2014) Using social media to report financial results. *Business Horizons*. 57, 2, 161-16.

<https://doi.org/10.1016/j.bushor.2013.10.009>

Amer, T.S. & Maris J-M. B. (2003). The Effect of Qualitative Expressions of Magnitude in the Letter to Shareholders on Investors' Perceptions of Earnings Performance. *College of Business Administration Northern Arizona University*.

<http://openknowledge.nau.edu/id/eprint/1585>

Baginski, S. P., Hassell, J. M. & Kimbrough, M. D. (2003). Why do managers explain their earnings forecasts? *Journal of Accounting Research*, 42, 1.

<https://doi.org/10.1111/j.1475-679X.2004.00127.x>

Chen, M. & Chang, A. C-C. (2017). *Effects of Language Vividness and Explanation plausibility on Nonprofessional Investor's Reactions to Earnings Warnings*. *Journal of Accounting and Finance*, 17, 9, 46-59.

Ditlevsen, M. G. (2012). "Revealing Corporate Identities in Annual Reports." *Corporate Communications: An International Journal* 17(3): 379-403.

Dolphin, R. R. (2004). The strategic role of investor relations. *Corporate communications: An international journal*: 9, 1, pp. 25-42.

<https://doi.org/10.1108/13563280410516474>

Eccles, R. G., Serafeim, G., & Krzus, M. P. (2011). Market interest in nonfinancial information. *Journal of Applied Corporate Finance*, 23(4), 113-127.

Elliott, W.B., Rennekamp, K.M. & White, B.J. (2015). Does concrete language in disclosures increase willingness to invest?. *Rev Account Stud* **20**, 839–865. <https://doi.org/10.1007/s11142-014-9315-6>

Espinosa-Méndez, C., & Arias, J. (2021). COVID-19 effect on herding behaviour in European capital markets. *Finance research letters*, 38, 101787.

Gibbins, M., Richardson, A., & Waterhouse, J. (1990). The management of corporate financial disclosure: opportunism, ritualism, policies, and processes. *Journal of accounting research*, 28(1), 121-143.

Gibbins, M., Richardson, A. & Waterhouse, J. (1992). *The Management of Financial Disclosure: Theory and Perspectives*. The Canadian Certified General Accountants' Research Foundation. Monograph Nr. 20.

Guggenmos, R., & Bennett, G. B. (2021). The effects of company image and communication platform alignment on investor information processing. Available at SSRN 2650169.

Hales, J., Kuang, X. & Venkataraman, S. (2010). Who believes the hype? An experimental examination of how language affects investor judgments. *Journal of Accounting Research*, 49, 1. <https://doi.org/10.1111/j.1475-679X.2010.00394.x>

Hallahan, K., Holtzhausen, D., van Ruler, B., Verčič, D., & Sriramesh, K. (2007). Defining Strategic Communication. *International Journal of Strategic Communication*, 1(1), 335. doi:10.1080/15531180701285244

Hayashi Jr, P., Abib, G., & Hoppen, N. (2019). Validity in qualitative research: A processual approach. *The Qualitative Report*, 24(1), 98-112.

Havemo, E. (2018). Visual trends in the annual report: the case of Ericsson 1947-2016. *Corporate Communications: An International Journal*, 22,3, 312-325. <https://doi.org/10.1108/CCIJ-03-2017-0015>

Healy, M., & Perry, C. (2000). Comprehensive criteria to judge validity and reliability of qualitative research within the realism paradigm. *Qualitative market research: An international journal*.

Hirshleifer, D. (2015). Behavioral finance. *Annual Review of Financial Economics*, 7, 133-159.

Hoffmann, C. H, Fieseler, C. H (2012). Investor relations beyond financials. non-financial factors and capital market image building. *Corporate Communications: An International Journal*, 17, 138–155.

Holtzhausen, D. (2014). Strategic Communication. *The International Encyclopedia of Communication*. doi:10.1002/9781405186407.wbiecs106.pub2

Hox, J. J., & Boeije, H. R. (2005). Data collection, primary versus secondary.

Huang, X., Teoh, S. H., & Zhang, Y. (2014). Tone management. *The Accounting Review*, 89(3), 1083-1113. <https://doi.org/10.2308/accr-50684>

Hutton, A. P., Miller, G. S. & Skinner, D.J. (2003). “The Role of Supplementary Statements with Management Earnings Forecasts.” *Journal of Accounting Research*, 41, 867–90.

Jabareen, Y. (2009). Building a conceptual framework: philosophy, definitions, and procedure. *International journal of qualitative methods*, 8(4), 49-62.

Khan, H., Hassairi, S. A. & Viviani, J-L. (2011). Herd Behavior and Market Stress: The Case of Four European Countries. *International Business Research*, 4, 3. <https://doi:10.5539/ibr.v4n3p53>

Kiattikulwattana, P. (2019). "Do letters to shareholders have information content?", *Asian Review of Accounting*, 271, 137-159. <https://doi.org/10.1108/ARA-01-2018-0002>

Kietzmann, J H., Hermkens, K., McCarthy, I. P. & Silvester, B. S. (2011). “Social media? Get serious! Understanding the functional building blocks of social media”, *Business Horizons*, 54, 3: 241-251. <https://doi.org/10.1016/j.bushor.2011.01.005>

Koskela, M., & Heino, O. (2016). Raha puhuu englantia? Kielipolitiikka suomalaisten pörssiyhtiöiden sijoittajasivuilla. Hirvonen, P., D. Rellstab & N. Siponkoski (toim.), *Teksti ja tekstuaalisuus, Text och textualitet, Text and Textuality, Text und Textualität*, 251-262.

Kunda, Z. (2004). "The Case for Motivated Reasoning." *Psychological Bulletin* 108 (1990): 480–98. LAMONT, O. A., AND J. C. STEIN. "Aggregate Short Interest and Market Valuations." *American Economic Review*, 94, 29–32.

Laskin, A. V. (2009). A Descriptive Account of the Investor Relations Profession: A National Study. *Journal of Business Communication*, 46.
DOI:10.1177/0021943608328078

Leshem, S., & Trafford, V. (2007). Overlooking the conceptual framework. *Innovations in education and Teaching International*, 44(1), 93-105.

Lettau, M., & Ludvigson, S. C. (2010). Measuring and modeling variation in the risk-return trade-off. *Handbook of financial econometrics: Tools and techniques*, 617-690.

Macve, R. (2020). *A history of corporate financial reporting in Britain*. Business History. <https://doi.org/10.1080/00076791.2020.1838043>

Mazzola, P., Ravasi, D., & Gabbioneta, C. (2006). How to build reputation in financial markets. *Long Range Planning*, 39(4), 385-407.

Moreno, K. K. & Zhang, Y. A. (2020). The Impact of the Big Fish Effect on Investor Reactions to Financial and Nonfinancial Disclosure. *Journal of Behavioral Finance*, 21. <https://doi.org/10.1080/15427560.2020.1771716>

Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-based nursing*, 18(2), 34-35.

Nogueira, S. (2020). THE IMPORTANCE OF A GREEN MARKETING STRATEGY IN BRAND COMMUNICATION - M. COUTINHO MULTI-BRAND CAR DEALER CASE IN NORTHERN PORTUGAL . *Economics Business and Organization Research* , Proceedings of The Third Economics, Business And Organization Research (EBOR) Conference , 351-373 . Retrieved from <https://dergipark.org.tr/en/pub/ebor/issue/58610/848975>

Ramassa, P. & Di Fabio, C. (2016). Social media for investor relations: a literature review and future directions. *The International Journal of Digital Accounting Research*, 16, 117-135. DOI: 10.4192/1577-8517-v16_5

Slone, D. J. (2009). Visualizing qualitative information. *The Qualitative Report*, 14(3), 489.

Souza, P. V. S., & Silva, P. B. (2020). Tone management of voluntary disclosures in Brazilian public companies' press releases. *Contextus – Contemporary Journal of Economics and Management*, 18(4), 39-51.
<https://doi.org/10.19094/contextus.2020.43366>

Tarquinio, L. and Posadas, S.C. (2020), "Exploring the term “non-financial information”: an academics' view", *Meditari Accountancy Research*, Vol. 28 No. 5, pp. 727-749. <https://doi.org/10.1108/MEDAR-11-2019-0602>

Virlics, A. (2013). Investment decision making and risk. *Procedia Economics and Finance*, 6, 169-177.

Youngshin, H., Eyun-Jung, K., (2007). How do public relations practitioners perceive investor relations? An exploratory study. *Corporate communications: An international journal*, 12, 199–213.

Whitehouse, M. Palmieri, R. & Perrin, D. (2018). The Pragmatics of Financial Communication. Part 2: From Public Sphere to Investors. *International Journal of Business Communicatio*, 55, 3, 267-274. doi:10.1177/2329488418779206

Book and E-Books

Baker, H. K., & Ricciardi, V. (2014). *Investor behavior : The psychology of financial planning and investing*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Bishop, R. C., & Romano, D. (Eds.). (1998). *Environmental resource valuation: applications of the contingent valuation method in Italy (Vol. 11)*. Springer Science & Business Media.

Bryman, A. & Bell, E. (2017). *Företagsekonomiska forskningsmetoder*. (3 uppl.). Liber AB Stockholm.

Bryman, A. & Bell, E. (2011). *Business Research Methods* (3rd Edition). Oxford University Press.

Carmines, E. G., & Zeller, R. A. (1979). *Reliability and validity assessment*. SAGE Publications, Inc. <https://www-doi-org.ezproxy.vasa.abo.fi/10.4135/9781412985642>

Dowd, K. (2007). *Measuring market risk*. John Wiley & Sons.

Etzold V., & Ramge T. (2014). *Equity Storytelling: Think - Tell - Sell: Boost Your Firm's Value with the Right Story*. Springer Gabler Publishing.

Eliasson, A., 2013. *Kvantitativ metod från början*. 3 red. Lund: Studentlitteratur AB.

Fabozzi, F. J., Focardi, S. M., & Kolm, P. N. (2010). *Quantitative equity investing: Techniques and strategies*. John Wiley & Sons.

Flower, J. & Ebbers, G. (2018). *Global Financial Reporting*. Macmillan International Higher Education.

https://books.google.fi/books?hl=fi&lr=&id=D1JdDwAAQBAJ&oi=fnd&pg=PR1&dq=history+of+Financial+reporting+in+finland&ots=xKCF4tzHOf&sig=34Ax_Q4o98EFN6FMyKJyJoRumOE&redir_esc=y#v=onepage&q&f=false

Francis, J. C., & Kim, D. (2013). *Modern portfolio theory: Foundations, analysis, and new developments* (Vol. 795). John Wiley & Sons.

Ghuri, P., Grønhaug, K., & Strange, R. (2020). *Research Methods in Business Studies* (5th ed.). Cambridge: Cambridge University Press.
doi:10.1017/9781108762427

Grunig, J. E. (2013). *Excellence in Public Relations and Communication Management*. Routledge.

https://books.google.fi/books?hl=fi&lr=&id=RZKMAQAAQBAJ&oi=fnd&pg=PA31&dq=public+relations+term&ots=sfe9wrJmQY&sig=xvXvwZj48VuYc4AcO7bYoDinB74&redir_esc=y#v=onepage&q=public%20relations%20term&f=false

Grunig, J. E. & Hunt, T. 1984. *Managing Public Relations*. Thomson Wadsworth. Belmont, CA.

Guthrie, G. (2010). Interviews. In *Basic research methods: An entry to social science research* (pp. 118-128). SAGE Publications India Pvt Ltd, <https://www-doi-org.ezproxy.vasa.abo.fi/10.4135/9788132105961.n11>

Hennink, M., Hutter, I., & Bailey, A. (2020). *Qualitative research methods*. Sage.

Hoechlin, N. (2017). *Investing In Stock Market For Beginners: Understanding the basics of how to make money with stocks*. JNR via PublishDrive.

Kallunki, J., Martikainen, M. & Niemelä, J. 2002. *Ammattimainen sijoittaminen*. Helsinki: Gummerus.

Koller, T., Goedhart, M., & Wessels, D. (2010). *Valuation: measuring and managing the value of companies* (Vol. 499). John Wiley and sons.

Laskin, A. V. (Ed.). (2017). *The handbook of financial communication and investor relations*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Flick, U. (2007). *Qualitative Research kit – Designing qualitative research*. London, SAGE Publications, Ltd doi: 10.4135/97818492088026.

Machin, D. (Ed.). (2014). *Visual communication*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Mackay, C. (2012). *Extraordinary Popular Delusions and the Madness of Crowds*. Simon and Schuster. https://books.google.fi/books?id=Kz-XDAAAQBAJ&lpg=PT4&ots=MHMbNmh_9_&dq=Extraordinary%20Popular%20Delusions%20and%20the%20Madness%20of%20Crowds%20k%C3%A4sitteli%20Crowd%20psychology%2C%20panics%2C%20and%20financial%20schemes&lr&hl=fi&pg=PT10#v=onepage&q&f=false

McKinsey & Company Inc., Koller, T., Goedhart, M. & Wessels, D. (2015). *Valuation: Measuring and Managing the Value of Companies, University Edition*. John Wiley & Sons, Incorporated.

Miles, M.B. & Huberman, A.M. (1994), *Qualitative Data Analysis*, 2nd ed., Sage Publications, Thousand Oaks, CA.

Nofsinger, J.R. (2017). *The Psychology of Investing* (6th ed.). Routledge. <https://doi-org.ezproxy.vasa.abo.fi/10.4324/9781315230856>

Petram, L. (2014). *The Worlds First Stock Exchange*. Columbia University Press. <https://books.google.fi/books?id=V8fbAgAAQBAJ&lpg=PR5&ots=XaIQ5m4OtU&dq=the%20first%20stock%20exchange&lr&hl=fi&pg=PR5#v=onepage&q=the%20first%20stock%20exchange&f=false>

Pompian, M. M. (2012). *Behavioral finance and investor types: managing behavior to make better investment decisions*. John Wiley & Sons.

Spiess-Knafl, W., & Scheck, B. (2017). *Impact investing: Instruments, mechanisms and actors*. Springer.

Stittle, J. (2003). *Annual reports: Delivering your corporate message to stakeholders: delivering your corporate message to stakeholders*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Taylor, P. A. (1996). *Consolidated financial reporting*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Teall, J. L. (2018). *Financial trading and investing*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Thrane, C. (2019). *Kvantitativ metod - En praktisk introduktion*. 1 red. Lund: Studentlitteratur AB.

Virtanen, M. (2010). *Sijoittajasuhteet johdon vastuuna*. WSOYpro, Helsinki.

Westbrook, I. (2014). *Strategic financial and investor communication: The stock price story*. Routledge.

Widger, C., Crosby, D., & Widger, C. (2014). *Personal benchmark : Integrating behavioral finance and investment management*. ProQuest Ebook Central <https://ebookcentral-proquest-com.ezproxy.vasa.abo.fi>

Williams, R. T. (2011). An Introduction to Trading in the Financial Markets. Academic Press. <https://www.sciencedirect.com/book/9780123748393/an-introduction-to-trading-in-the-financial-markets>

Additional sources

Arvopaperimarkkinayhdistys. (n.d.). Hallinnointikoodit. Found 11.04.2021 from <https://cgfinland.fi/hallinnointikoodit/>

Companies Act 2006/624. Entered into force on 01.09.2006. Found 17-03-2021 from <https://www.finlex.fi/fi/laki/ajantasa/2006/20060624#O2L8P5>

Evli Pankki, Olli Kangasniemi, Corporate Finance (9.3.2017). Millainen on kiinnostava listautuvan yhtiön sijoitustarina? Found 05.05.2021 from <https://www.evli.com/blog/millainen-on-kiinnostavalistautuvan-yhtiön-sijoitustarina>

Euroclear. (2021a, April 9). Suomessa on yli 190 000 aktiivista osakesäästötiliä, joilla on jo lähes miljardin euron arvoiset sijoitukset suomalaisiin osakkeisiin. Euroclear Finland. <https://www.euroclear.com/finland/fi/news-and-insights/news/Osakesaastotileilla-lahes-miljardin-euron-arvoiset-sijoitukset-suomalaisiin-osakkeisiin.html>

Euroclear. (2021b). Tilastot. Euroclear Finland. <https://www.euroclear.com/finland/fi/statistics.html>

Euroclear. (2021c, March 31). Tilastot - Mies- ja naispuoliset sijoittajat. Euroclear Finland. <https://www.euroclear.com/finland/fi/statistics/male-and-female-investors.html>

Euroclear. (2021d, March 31). Tilastot – Omistusrakenne. Euroclear Finland. <https://www.euroclear.com/finland/fi/statistics/owner-structure.html>

Euroclear. (2021e). Tilastot - Listattujen yhtiöiden markkina-arvon kehitys. <https://www.euroclear.com/finland/fi/statistics/market-value-of-listed-companies.html>

European Parliament, Council of the European Union. (2014). Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European

Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32014R0596>

European Securities and Markets Authority. (2021). *Guidelines and technical standards*. Found 27-01-2021 from <https://www.esma.europa.eu/convergence/guidelines-and-technical-standards>

European Union. European Commission. (2020). *Transparency requirements for listed companies*. Found 29-11-2020 from https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/transparency-requirements-listed-companies_en

European Union. (2021). *The European Securities and Markets Authority (ESMA)*. Found 29-11-2020 from https://europa.eu/european-union/about-eu/agencies/esma_en

Financial Supervision Authority Act 2008/878. Passed in Helsinki on 19 December 2008. Available electronically at <https://www.finlex.fi/fi/laki/ajantasa/2008/20080878#L1P1>

HE157/1988 vp, Hallituksen esitys Eduskunnalle arvopaperimarkkinalaiksi sekä siihen liittyväksi lainsäädännöksi. Found 11.04.2021 from https://www.eduskunta.fi/FI/vaski/HallituksenEsitys/Documents/he_157+1988.pdf

Jolley, J. (2013). *Research Skills* (1st ed.). Routledge. <https://doi-org.ezproxy.vasa.abo.fi/10.4324/9781315847962>

Komission esiteasetus (EY) N:o 809/2004. EUVL 215 (16.6.2004). Euroopan parlamentin ja neuvoston direktiivin 2003/71/EY t.yt.nt.npanosta, esitteiden sisältämien tietojen, esitteiden muodon, viittauksina esitettyjen tietojen, julkistamisen ja mainonnan osalta. Found 13-03-2021 from <https://eur-lex.europa.eu/legal-content/FI/TXT/HTML/?uri=CELEX:02004R0809-20160324&from=DE>

Koskela, M. (2015). Tiedonantopolitiikkatekstien vaihtelevat tehtävät. Informointia, suostuttelua vai vakuuttamista. VAKKI Publications, 4, 137–146. Found 03-03-2021 from http://www.vakki.net/publications/2015/VAKKI2015_Koskela.pdf

Market Security Act 2018/1228. Entered into force on 10.06.2019. Found 14-03-2021 from <https://www.finlex.fi/fi/laki/ajantasa/2012/20120746#O2L3P1>

Minilex. (n.a.). *Mikä on pörssi-yhtiö?* Found 22-10-2020 from <https://www.minilex.fi/a/mik%C3%A4-on-p%C3%B6rssi-yhti%C3%B6>

Minilex. (n.a.). *Toimintakertomus osakeyhtiön tilinpäätöksessä.* Found 17-03-2021 from <https://www.minilex.fi/a/toimintakertomus-osakeyhti%C3%B6n-tilinp%C3%A4%C3%A4t%C3%B6ksess%C3%A4>

Ministry of Finance's Regulation on regular disclosure obligations for securities issuers 1020/2012. Entered into force on 01.01.2013. Found 11-04-2021 from <https://www.finlex.fi/fi/laki/alkup/2012/20121020>

Nasdaq Nordic. (2020) Osakkeet. <http://www.nasdaqomxnordic.com/osakkeet>.

Nasdaq Nordic. (2021) Kaupankäyntitilasto 2020. <https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=999443&lang=fi>

National Investor Relations Institute (NIRI). (2020). *About NIRI.* Found 22-10-2020 from <https://www.niri.org/about-niri>

Nordnet. (2021). *This is Nordnet.* Found 03-02-2021 from <http://nordnetab.com/about/nordnet-overview/>

Pörssisäätiö. (2009, April 21). Suomen arvopaperimarkkinoiden puitteet. <https://www.porssisaatio.fi/blog/2009/04/21/suomen-arvopaperimarkkinoiden-puitteet/>

Ramelli, S., & Wagner, A. (2020). What the stock market tells us about the consequences of COVID-19. Mitigating the COVID Economic Crisis: Act Fast and Do Whatever, 63.

Salo, Marika & Jukka Oksaharju (2019). *Järkevän sijoittajan monet kasvot.* Lakimies 3-4/2019. Lakimiesyhdistys pp. 418 – 446.

Securities Markets Act 2012/746. Passed in Helsinki on 14 December 2012.
Available electronically at
<https://www.finlex.fi/fi/laki/alkup/2012/20120746#Pidp447866848>

Suomen pörssisäätiö. (2016). *Pörssilistautujan käsikirja*. Suomen Pörssisäätiö.
https://www.porssisaatio.fi/wp-content/uploads/2016/05/porssilistautujan_kasikirja_2016_final_web.pdf

Suomen osakessätäjät ry. (2020). Sijoittajabarometri: jäsenkysely.

Appendices

Appendix 1: Equity Story of Company X (Includes non-numerical communication)



MEISTÄ

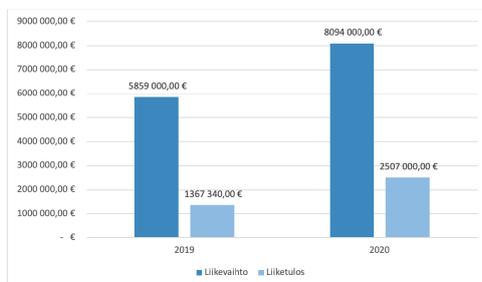
Olemme vuonna 2010 perustettu 100% kotimainen ohjelmistotalo. Pilvipalveluna toimiva SaaS-pohjainen toiminnanohjausjärjestelmämme auttaa pieniä ja keskisuuria yrityksiä parantamaan kilpailukykyään automatisoimalla työmaan ja toimiston rutiineja.

Visionamme on toimia markkinoiden edelläkävijänä pienten ja keskisuurten yritysten toiminnanohjauksen kehittämisessä talotekniikka- ja rakennusalalla.





TÄRKEÄT TUNNUSLUVUT



2019

Vuonna 2019 liikevaihtomme oli 5,859 milj. € ja liiketulos 1,367 milj. €.

2020

Vuonna 2020 liikevaihtomme hyppäsi huimaan 8,094 milj. euroon ja liiketulos kasvoi 2,507 milj. euroon. Kasvun mahdollisti tuloksellinen liiketoimintamalli, jossa toistuva kuukausilaskutus takaa jatkuvan rahavirran.

TÄRKEÄT TUNNUSLUVUT

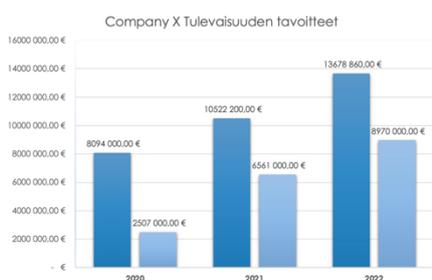
Tärkeät tunnusluvut	2020	2019
Liikevaihto, 1 000 €	8 094	5 859
EBITDA, % liikevaihdosta	36	32
Liikevoitto, % liikevaihdosta	31	26
Oman pääoman tuotto, %	57	41
Sijoitetun pääoman tuotto, %	74	50
Omavaraisuusaste	73	73
Nettovelkaantumisaste, %	-	-
Osakekohtainen tulos, € *	0,45	0,27
Osakekohtainen oma pääoma, € *	0,72	0,82
Osakekohtainen osinko, € *	0,3	0,23
Osakekohtainen pääoman palautus, € *	0,3	0,23
Osakekohtainen voitonjako yhteensä, € *	0,3	0,23



TALOUDELLISET TAVOITTEET

Osakekohtainen osinko >50 % tuloksesta

Liikevaihdon kasvu 30%



> Tavoitteenamme on kasvaa keskimäärin yli 30 % ainakin seuraavat kolme vuotta säilyttäen yhtiön kannattavuus 30-40 % välillä.

> Vuodelle 2021 tavoitteenamme on saavuttaa yli 10,5 miljoonan euron liikevaihto yli 30 %:n käyttökatteella.

> Pyrimme jakamaan yli puolet tuloksestamme osinkoina omistajille, kuitenkin vaarantamatta strategiassa määriteltyä kasvutavoitetta tai muita taloudellisia tavoitteita.

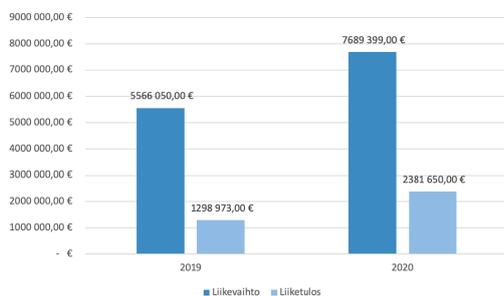
Miten saavutamme taloudelliset tavoitteemme?

Tavoitteitamme tukee kasvavat markkinat, sekä tuloksellinen liiketoimintamalli, jossa toistuva kuukausilaskutus takaa jatkuvan rahavirran. Pysähtymättömällä ohjelmistokehityksellä ja käyttössämme olevalla uusimmalla teknologialla pysymme markkinoiden edelläkävijänä tarjoten asiakkaillemme aina nykyaikaisinta ja toimivinta ratkaisua.

Appendix 2: Equity Story of Company Y (Only numerical communication)



TÄRKEÄT TUNNUSLUVUT



2019

Vuonna 2019 liikevaihtomme oli 5,566 milj. € ja liiketulos 1,298 milj. €.

2020

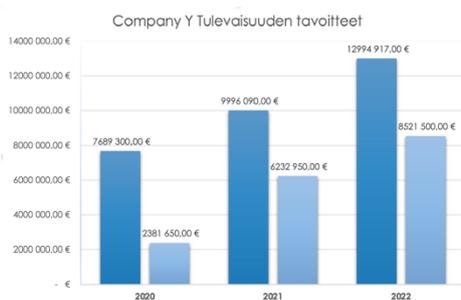
Vuonna 2020 liikevaihtomme kasvoi 7,689 milj. euroon ja liiketulos 2,381 milj. euroon.

TÄRKEÄT TUNNUSLUVUT

Tärkeät tunnusluvut	2020	2019
Liikevaihto, 1 000 €	7 689	5 566
EBITDA, % liikevaihdosta	36	32
Liikevoitto, % liikevaihdosta	31	26
Oman pääoman tuotto, %	57	41
Sijoitetun pääoman tuotto, %	74	50
Omavaraisuusaste	73	73
Nettovelkaantumisaste, %	-	-
Osakekohtainen tulos, € *	0,45	0,27
Osakekohtainen oma pääoma, € *	0,72	0,82
Osakekohtainen osinko, € *	0,3	0,23
Osakekohtainen pääoman palautus, € *	0,3	0,23
Osakekohtainen voitonjako yhteensä, € *	0,3	0,23



TALOUDELLISET TAVOITTEET



> Tavoitteena on kasvaa keskimäärin yli 30 % ainakin seuraavat kolme vuotta siten, että yhtiön kannattavuus (EBITDA) säilyy 30-40 % välillä.

> Vuodelle 2021 yhtiön tavoitteena on saavuttaa yli 9 miljoonan euron liikevaihto yli 30 %:n käyttökatteella.

> Yhtiö pyrkii jakamaan yli puolet tuloksestaan osinkoina omistajilleen, kuitenkin vaarantamatta strategiassa määriteltyä kasvutavoitetta tai muita taloudellisia tavoitteita.

Appendix 3: Interview template in Finnish

Interview questions to the study group.

Nimi:

Ikä:

Sukupuoli:

Paikka ja Aika:

Esittely: Haastattelu aloitetaan lyhyellä tutkimuksen esittelyllä.

1. Kerro lyhyesti itsestäni (mikä on nimesi, ikäsi, koulutus, ammattisi, koulutus jne.) Taustatietoa, joka auttaa minua analysoimaan vastauksia.
2. Oletko sijoittanut suoriin pörssiosakkeisiin? Jos olet, mihin osakkeisiin, onko siellä ollut esimerkiksi suomalaisia pörssiyhtiöitä?
3. Kuinka monen vuoden sijoittamiskokemus sinulta löytyy?
4. Mikä on näkemyksesi suomen osakemarkkinoista?
5. Miten kuvailisit itseäsi sijoittajana? Oletko mielestäsi esimerkiksi:
 - **Osta ja pidä -sijoittaja**
 - Eli et käy aktiivisesti kauppaa, vaan sijoitat pitkällä sijoitushorisontilla, jolloin sijoituksia voit pitää sijoitussalkussasi useita vuosia keskittyen maksimaaliseen tulokseen, osinkoon ja korkoa korolle -ilmiöön.
 - **Osinkosijoittaja**
 - Eli sijoitat yritykseen, joka maksaa tai jonka odotat maksavan korkeaa osinkoa, josta johtuen sijoituksen tuotto perustuu osinkotuottoon
 - **Arvosijoittaja**
 - Eli etsit osakkeita, joiden todellinen arvo ylittää niiden markkina-arvon, eli arvosijoittaminen perustuu oivallukseen, jonka mukaan osakkeen tai yhtiön hinta ja arvo ovat kaksi eri asiaa.
 - **Kasvusijoittaja**
 - Arvosijoittajat etsivät jo historiallisesti ansaintamallinsa toimivuuden ja suorituskykynsä

osoittaneita yhtiöitä, kasvusijoittajat sen sijaan liiketoimintoja joiden tulostaso kohenee nopeasti juuri nyt ja odotusten mukaan myös tulevaisuudessa.

▪ **Laatusijoittaja**

- Laatusijoittaja ostaa salkkuunsa ainoastaan erinomaisia yhtiöitä ja pyrkii ostamaan niitä alennuksella osakkeen todelliseen arvoon nähden. Laatusijoittajan tuotot syntyvät yhtiöiden liiketoiminnan suotuisan kehityksen myötä syntyvästä arvonnoususta.

▪ **Momentum-sijoittaja**

- Momentum-sijoittaja uskoo, etteivät markkinat ole tehokkaat – historiatiedolla voi saavuttaa ylituottoja. Tarkemmin momentum tarkoittaa arvopaperien hinnoilla havaittua taipumusta jatkaa seuraavien kuukausien aikana nousuaan (laskuaan), mikäli arvopaperin hinta on noussut (laskenut) edeltävän 3-12 kuukauden aikana.

▪ **Vastuullinen sijoittaja**

- Vastuullisella sijoittamisella tarkoitetaan ympäristöasioiden, sosiaaliseen vastuuseen liittyvien tekijöiden sekä hallintotapa-asioiden eli ns. ESG-asioiden (Environment, Social and Governance) huomioon ottamista sijoitustoiminnassa siten, että salkun tuotto- ja riskiprofiili paranevat.

▪ **Päivätreidaaja**

- On osakkeiden ja valuuttojen päiväkauppaa, jossa yleensä myydään lyhyeksi.

▪ **Jokin muu, mikä?**

6. Miten kuvailisit sijoittamisen riskinsietokykyäsi, onko se?

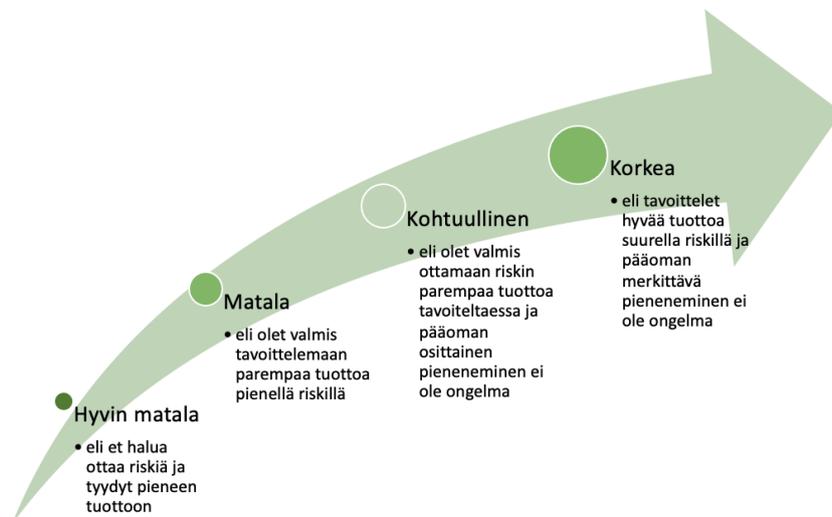
Hyvin matala eli et halua ottaa riskiä ja tyydyt pieneen tuottoon

Matala eli olet valmis tavoittelemaan parempaa tuottoa pienellä riskillä

Kohtuullinen eli olet valmis ottamaan riskin parempaa tuottoa tavoiteltaessa ja pääoman osittainen pieneneminen ei ole ongelma

Korkea eli tavoittelet hyvää tuottoa suurella riskillä ja pääoman merkittävä pieneneminen ei ole ongelma

(riskinsietokykyasteet määritelty: (Kallunki, Martikainen & Niemelä 2002, 33.)



7. Mitkä tekijät vaikuttavat sijoituspäätösesi syntyyn?
8. Oletko aiemmin tutustunut jonkin yrityksen sijoitustarinaa tai oliko tämä sinulle entuudestaan tuttu sijoitusviestintämetodi?

Kysymykset koskien Company X

9. Minkä on näkemyksesi Company X:n taloudellisesta tilanteesta pohjautuen sijoitustarinan esittelemään informaatioon ja minkä takia?
10. Company X ilmoitti, että heidän kasvuodotuksensa ovat noin. 30% ainakin seuraavat kolme vuotta, kuinka todennäköisenä pidät tätä kasvua pohjautuen sijoitustarinan esittelemään informaatioon ja minkä takia?
11. Sijoittaisitko tähän yritykseen pohjautuen sijoitustarinan esittelemään informaatioon ja miten perustelisit tämän päätöksen?
12. Kiinnititkö sijoitustarinassa erityisesti johonkin huomiota, jos minkä takia?

Kysymykset koskien Company Y

13. Minkä on näkemyksesi Company Y:n taloudellisesta tilanteesta pohjautuen sijoitustarinan esittelemään informaatioon ja minkä takia?
14. Company Y ilmoitti, että heidän kasvuodotuksensa ovat noin 30% ainakin seuraavat kolme vuotta, kuinka todennäköisenä pidät tätä kasvua pohjautuen sijoitustarinan esittelemään informaatioon ja minkä takia?
15. Sijoittaisitko tähän yritykseen pohjautuen sijoitustarinan esittelemään informaatioon ja miten perustelisit tämän päätöksen?
16. Kiinnititkö sijoitustarinassa erityisesti johonkin huomiota, jos minkä takia?

Vertaavat ja muut kysymykset:

17. Kumpaan yritykseen sijoittaisit mieluummin pohjautuen sijoitustarinoiden esittelemien informaatioihin ja mikä sai sinut päättämään tähän lopputulokseen?
18. Mitä markkinointimateriaaleja olet tutkinut yrityksistä, joihin olet sijoittanut/halunnut sijoittaa?
19. Vaikuttaako ei-numeraalinen viestintä sijoituspäätöksiisi, jos miksi ja miten, jos ei miksi?
20. Antoiko sijoitustarinan ei-numeraalinen viestintä mielestäsi lisäarvoa sijoituspäätöksesi synnylle?

Appendix 3: Interview template in English

Interview questions to the study group.

Name:

Age:

Sex:

Place and time:

Introduction: I will start by briefly describing the research.

1. Tell us briefly about yourself (what is your name, position, etc.)
Background information to help me analyse the answers).
2. Have you ever invested in direct stocks? If yes, in which stocks?
3. How many years of investing experience do you have?
4. What are your insights regarding the Finnish stock market?
5. How would you describe the origin of your investment decisions? Are you:-
 - Buy and hold investor
 - Dividend investor
 - Value investor
 - Growth investor
 - Quality investor
 - Momentum investor
 - Responsibility investor
 - Day trader
 - Something else, what?
6. How would you describe your risk tolerance for investing, is it?
 - Very low, meaning you don't want to take a risk and settle for a small return
 - Low, meaning you are willing to seek a better return with little risk
 - Reasonable, i.e. you are willing to take a risk in pursuit of a better return and a partial reduction in capital is not a problem
 - High, i.e. you are aiming for a good return with high risk and a significant reduction in capital is not a problem (Risk tolerance levels defined: (Kallunki, Martikainen & Niemelä 2002, 33.)
7. Which factors impact your investment decisions?

8. Have you previously read an equity story of some company or is it a familiar investpr communication method to you?

Questions about Company X (includes non-numerical information)

9. What is your perspective on Company X's financial situation based on its equity story?
10. Company X reported that their growth expectations are around 30%, how likely do you consider this estimated growth to be and why?
11. Would you invest in this company based on its equity story and how would you justify this decision?
12. Did you pay particular attention to something in this equity story? If yes, what and why?

Questions about Company Y

13. What is your perspective on Company X's financial situation based on its equity story?
14. Company X reported that their growth expectations are around 30%, how likely do you consider this estimated growth to be and why?
15. Would you invest in this company based on its equity story and how would you justify this decision?
16. Did you pay particular attention to something in this equity story? If yes, what and why?

Comparative & other questions:

17. Which company would you prefer to invest in based on their equity stories and why?
18. What marketing materials have you researched about the companies you have invested / wanted to invest in?
19. Does non-numerical communication influence your investment decisions, if why and how, if not why?
20. Do you think that the non-numerical communication of the investment story added value to the generation of your investment decision?