

**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF STOCK RETURNS FROM  
TELECOMMUNICATION AND MEDIA  
COMPANIES IN MALAYSIA**

**ASILAH HADHINAH AIMAN BINTI RAZMAN**

**2016631382**

Final Year Project Paper submitted in fulfilment  
of the requirements for the degree of

**Bachelor of Business Administration  
(Finance)**

**Faculty of Business and Management**

**JULY 2020**

## AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institutions or non-academic institutions for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Asilah Hadhinah Aiman Binti Razman

Student I.D. No. : 2016631382

Programme : Bachelor of Business Administration (Finance)

Faculty : Business Management

Thesis Title : Brand Determinants Towards Stock Returns: Evidence  
from Telecommunication And Media Sector In  
Malaysia

Signature of Student : .....

Date : July 2020

## **ABSTRACT**

Branding is one way of distinguishing products from each other, while making it easier for consumers to choose the appropriate product. However, maintaining and improving the position of the brand on the market is not a simple process. This study aims to study brand determinants towards stock return of telecommunication and media companies' period from 2015 until 2019. 18 companies are used as a sample of this study. The result shows that among all the independent variables, market capitalization have positive and significant effect on the stock return. While allocations for advertisement and price-book value turned out positive but insignificant to stock return. and average Google search intensity showed a negative and insignificant result to stock return.

# Table of Contents

<b>INTRODUCTION</b> .....	1
<b>1.1 Research Background</b> .....	1
<b>1.2 Problem Statement</b> .....	4
<b>1.3 Research Objectives</b> .....	9
<b>1.4 Research Questions</b> .....	9
<b>1.5 Significance of Study</b> .....	9
<b>1.6 Scope of Study</b> .....	11
<b>1.7 Limitation of Study</b> .....	12
<b>LITERATURE REVIEW</b> .....	14
<b>2.1 Introduction</b> .....	14
<b>2.2 Theory of Study</b> .....	17
<b>2.2.1 Investor Recognition Hypothesis</b> .....	17
<b>2.2.2 Price Pressure Hypothesis or Attention Price</b> .....	18
<b>2.3 Empirical Evidence</b> .....	19
<b>2.3.1 Relationship between Investor Attention and Stock Price. (Appearance in mass media)</b> ...	19
<b>2.3.2 Relationship between online search activity and stock-trading behavior (Trading Volume).</b> .....	21
<b>2.3.3 Relationship Market Capitalization and Stock Returns</b> .....	22
<b>2.3.4 Relationship Price Book – Value Ratio and Stock Returns</b> .....	22
<b>2.4 Conceptual Framework</b> .....	23
<b>RESEARCH METHODOLOGY</b> .....	24
<b>3.1 Introduction</b> .....	24
<b>3.2 Data Description</b> .....	24
<b>3.3 Research Design</b> .....	26
<b>3.4 Data Collection</b> .....	26
<b>3.5 Measurement of Variables</b> .....	27
<b>3.6 Data Analysis</b> .....	29
<b>3.7 Descriptive Statistics</b> .....	29
<b>3.8 Empirical Model</b> .....	30
<b>3.9 Hypothesis Development</b> .....	30
<b>3.10 Process of STATA</b> .....	32
<b>FINDING AND ANALYSIS</b> .....	33
<b>4.1 Introduction</b> .....	33
<b>4.2 Descriptive Statistics</b> .....	33
<b>4.3 Stationary Test</b> .....	34

## LIST OF TABLES.

<b>Figures</b>	<b>Title</b>	<b>Page</b>
Table 1.1	Brand Finance	14
Table 3.1	List of Telecommunication & Media Sector Companies	21
Table 3.2	List of Empirical Model	22
Table 4.1	Descriptive statistic of variables based on Panel Data Technique for Bursa Malaysia's Telecommunication & Media Companies.	22
Table 4.2	Result on Panel Unit Root Test based on Hadri Test for Bursa Malaysia Telecommunication & Media Companies.	23
Table 4.3	Result on Panel Unit Root Test based on LLC Test for Bursa Malaysia Telecommunication & Media Companies.	24
Table 4.4	Result for Breusch and Pagan LM Test and Hausman Test	24
Table 4.5	Result for Regression Test of Telecommunication & Media Sector Companies.	25
Table 4.6	The Result Regression Robust Test of Telecommunication & Media Sector Companies	26
Table 4.7	Result Robust Standard Error Telecommunication & Media Companies.	27
Table 4.8	Correlation Coefficient Result of Telecommunication & Media Sector.	30
Table 4.9	Result of Multicollinearity Test for Telecommunication & Media Companies	30
Table 4.10	Result of Heteroskedasticity Test for Telecommunications & Media sectors.	33
Table 4.11	Result based on Heteroskedasticity after treat using cluster (code) for Bursa Malaysia Telecommunication & Media Companies	
Table 4.12	Result of Serial Correlation Test for Telecommunication & Media Sector	
Table 4.13	Hypothesis Testing	