

RGC Ref. No.: UGC/FDS14/H17/17 <p>(please insert ref. above)</p>

**RESEARCH GRANTS COUNCIL
COMPETITIVE RESEARCH FUNDING SCHEMES FOR
THE LOCAL SELF-FINANCING DEGREE SECTOR**

FACULTY DEVELOPMENT SCHEME (FDS)

Completion Report
(for completed projects only)

<p><u>Submission Deadlines:</u></p> <ol style="list-style-type: none"> 1. Auditor's report with unspent balance, if any: within six months of the approved project completion date. 2. Completion report: within 12 months of the approved project completion date.
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Part A: The Project and Investigator(s)

1. Project Title

Agenda-building in IPOs - Exploring the Relationship between Public Relations Efforts and
Financial News Coverage

2. Investigator(s) and Academic Department(s) / Unit(s) Involved

Research Team	Name / Post	Unit / Department / Institution
Principal Investigator	CHEUNG Mei-Fung Meily, Associate Professor	School of Communication, The Hang Seng University of Hong Kong
Co-Investigator(s)	SO Ming Hang Brian, Senior Lecturer	School of Communication, The Hang Seng University of Hong Kong
Co-Investigator(s)	LAM Shu-Yan Benson, Assistant Professor	Department of Mathematics, Statistics and Insurance, The Hang Seng University of Hong Kong

3. Project Duration

	Original	Revised	Date of RGC / Institution Approval <i>(must be quoted)</i>
Project Start Date	1 Jan 2018		
Project Completion Date	31 Dec 2019	30 June 2020	10 June 2019

Duration (<i>in month</i>)	24	30	10 June 2019
Deadline for Submission of Completion Report	31 Dec 2020	30 June 2021	10 June 2019

Part B: The Final Report

5. Project Objectives

5.1 Objectives as per original application

1. To investigate how the financial information dissimilated by financial PR agencies shapes the news coverage on IPOs, and to do so by integrating agenda-building theory with analyses of news routines and information subsidies.
2. To examine the transfer of object and attribute salience between information subsidies in PR campaigns and the news coverage of IPOs.
3. To explore the current messaging and communication strategies adopted by financial PR practitioners in IPO campaigns, and to show how such strategies may shape IPO news agendas and source-journalist interactions.
4. To gain a better understanding of how journalistic ideas, practices and routines may contribute to an asymmetrical relationship between news workers and financial information sources, especially in a context which high level of information transparency is assumed.
5. To give recommendations for improved education in financial public relations and journalism in relation to IPO campaigns by identifying the insights, practices and challenges of industry practitioners.

5.2 Revised objectives

Date of approval from the RGC: _____

Reasons for the change: _____

- 1.
- 2.
3.

5.3 Realisation of the objectives

(Maximum 1 page; please state how and to what extent the project objectives have been achieved; give reasons for under-achievements and outline attempts to overcome problems, if any)

Four of the objectives of the projects have been fulfilled. One objective was partially fulfilled

The first objective has been achieved. The project team has gathered all the press releases for IPOs listed on the main board of the Hong Kong Stock Exchange in 2018, and of the subsequent news reports to form the database of our analysis. By using agenda-building theory and the concept of information subsidies, we have investigated how the financial information disseminated by financial PR agencies shapes the news coverage on IPOs. The results confirmed the agenda-building effect in the context of IPO news.

The second objective has been fulfilled. A list of IPO objects has been identified through literature review for examining the transfer of object and attribute salience between information subsidies in PR campaigns and the news coverage of IPOs. A project dictionary for content analysis is usually devised manually by identifying terms and phrases to represent the topics or issues. A thesaurus was used to expand the keyword lists. The lists were further refined after a preliminary analysis of the press releases and news articles for five randomly selected IPO cases. A dictionary with the keyword groupings of the 11 issues was then established. The text-mining process using Python programming then automatically counted the number of occurrences of the keywords in the press releases, newspaper coverage and online news coverage. The data indicated the transfer of object and attribute salience between information subsidies in PR campaigns and the news coverage of IPOs.

The third objective has been achieved. Thirty financial PR consultants and journalists have been interviewed to identify the current messaging and communication strategies adopted IPO campaigns. The content analysis on object and attribute salience has revealed to what extent these strategies have shaped IPO news agendas.

The fourth objective has also been achieved. The content analysis and in-depth interviews have shed lights on how journalistic ideas, practices and routines have contributed to an asymmetrical relationship between news workers and financial information sources, especially in a context which high level of information transparency is assumed. Intermedia agenda setting theory has been adopted to examine how journalistic practice may contribute to the asymmetrical relationship.

The fifth objective was partially achieved. Based on the above findings, the research teams have given recommendations for improving the practices and education in financial public relations and journalism in relation to IPO campaigns at international conferences and in a journal paper. The research teams have also applied the findings in our teachings related to public relations and journalism. Yet, a seminar to share these recommendations with other academics could not be held within the funded period due to the COVID-19 pandemic.

5.4 Summary of objectives addressed to date

Objectives <i>(as per 5.1/5.2 above)</i>	Addressed <i>(please tick)</i>	Percentage Achieved <i>(please estimate)</i>
1. To investigate how the financial information disseminated by financial PR agencies shapes the news coverage on IPOs, and to do so by integrating agenda-building theory with analyses of news routines and information subsidies.	✓	100%
2. To examine the transfer of object and attribute salience between information subsidies in PR campaigns and the news coverage of IPOs.	✓	100%
3. To explore the current messaging and communication strategies adopted by financial PR practitioners in IPO campaigns, and to show how such strategies may shape IPO news agendas and source-journalist interactions.	✓	100%
4. To gain a better understanding of how journalistic ideas, practices and routines may contribute to an asymmetrical relationship between news workers and financial information sources, especially in a context which high level of information transparency is assumed.	✓	100%
5. To give recommendations for improved education in financial public relations and journalism in relation to IPO campaigns by identifying the insights, practices and challenges of industry practitioners.	✓	60% [#]

[#] Please refer to elaboration in the last paragraph of section 5.3.

6. Research Outcome

6.1 Major findings and research outcome

(Maximum 1 page; please make reference to Part C where necessary)

First, the project included a study that analysed intermedia agenda-setting in the context of IPOs, a news setting that is considered highly routinised and standardised to shed light on both direct and indirect influence of financial information subsidies on news. Automatic content analysis was used to record the salience of different IPO issues (topics) in the press releases for IPOs listed on the main board of the Hong Kong Stock Exchange, and of the subsequent news reports. 9151 news articles for the 125 IPOs were examined. The relationships among the frequency counts of IPO issues were analyzed using Poisson regression and zero-inflated Poisson regression to provide a more accurate understanding of the intermedia agenda-setting effects of press releases on financial news in two pathways, from source to media and among news media at different stages of the IPO marketing period. Consistent with prior research on the influence of information subsidies on agenda building and intermedia agenda-setting, the study provides further information on the influence of press releases on the coverage of IPO news. The statistical results indicate that the main effects of issue salience in press releases on the issue salience in both newspaper and online media are significant. Our statistical tests provide further results on the agenda-setting effects of press releases on various issues of IPO coverage. PR releases had positive, negative or no effects on the salience of news coverage of different issues. The results of the study were shared at the 70th Annual Conference of the International Communication Association in 2020. The study was also reported in “Who leads the IPO news: Agenda-building and intermedia agenda setting in a routinised and standardised news context” published by *Journalism Studies* in 2020 (please refer to Part C). All the hypotheses in the study were supported and the research question was addressed by our analysis on the salience transfer of IPO attributes. The importance and implications of the study were also discussed in the paper.

Second, by adopting the gatekeeping theory, concepts of information subsidies and news routines, we examined how the professionalism of financial news workers are threatened by government regulations, news routines and the spinning of news sources. The results suggested that questions asked by journalists at IPOs’ press conferences were quite standardized and repetitive. They still rely heavily on information subsidies from financial PR professionals even the new listing rule implemented by the regulatory body requires a higher level of information disclosure from companies. Reasons for such a heavy reliance include time constraint, availability of alternative sources, journalists' experience, changing news ecology and routines. The government regulation which confines information disclosure has become a reason or an excuse for pre-listing companies for not giving extra information to news enquiries, thus restricted the scope of financial news reports. The results of the study were presented at The annual conference of the International Association for Media and Communication Research (IAMCR) in 2019.

Third, we also investigated the professional role of financial public relations practitioners in the IPO context in Hong Kong. The results suggest that most PR practitioners recognised themselves as strategic communicators who help clients with branding, media relations and crisis management. How clients perceive their role may confine their function to organise events only. Practitioners believed that their efforts lead to more media exposure even though their contribution to IPO performance may not be dramatic. Time of engagement and the perceived role of PR are key factors affecting their professional scope. A typology of professional scope was proposed. The results of the study were presented at The 18th International Conference on Research in Advertising 2019.

6.2 Potential for further development of the research and the proposed course of action (Maximum half a page)

The current project has contributed to a more accurate understanding of the intermedia agenda-setting effects of press releases on financial news in two pathways, from source to media and among news media at different stages of the IPO marketing period. It also identified 11 issues and a keyword dictionary related to the IPO context. The text-mining process using Python programming was developed to automatically counted the number of occurrences of the keywords in the database. The theoretical framework, the text-mining process and the data analysis strategies could be further developed to analyse the information subsidies and financial news to gain a more comprehensive understanding information flow between financial PR and journalists in the stock market.

7. Layman's Summary

(Describe in layman's language the nature, significance and value of the research project, in no more than 200 words)

Financial communication can influence markets in a powerful way. By adopting agenda-building and intermedia agenda setting theories, this project has examined the influence of PR efforts and materials on the construction of financial news agendas. The contribution of this study is fourfold. First, it contributes to our theoretical understanding of how perspectives are shaped by the agenda-building of PR efforts, particularly in the context of routine IPO news. While most studies on intermedia agenda-setting have focused on political and public affairs topics, this study sheds light on the agenda-setting effects within financial journalism. Second, we examine the intermedia agenda-setting effect among the news media and explore whether IPO news coverage in the latter stage of the IPO period follows the news agenda of the first stage in a highly standardised news context with uniform information. Third, we apply machine-learning algorithms to analyse large amounts of textual data to understand the issue differences in term of salience transfer, in addition to the overall effect. Forth, the project has contributed our understanding about the source-journalist 'tug of war' between financial PR practitioners and journalists in the context of IPOs in Hong Kong.

Part C: Research Output**8. Peer-Reviewed Journal Publication(s) Arising Directly From This Research Project**

(Please attach a copy of the publication and/or the letter of acceptance if not yet submitted in the previous progress report(s). All listed publications must acknowledge RGC's funding support by quoting the specific grant reference.)

The Latest Status of Publications				Author(s) (denote the corresponding author with an asterisk*)	Title and Journal / Book (with the volume, pages and other necessary publishing details specified)	Submitted to RGC (indicate the year ending of the relevant progress report)	Attached to this Report (Yes or No)	Acknowledged the Support of RGC (Yes or No)	Accessible from the Institutional Repository (Yes or No)
Year of Publication	Year of Acceptance (For paper accepted but not yet published)	Under Review	Under Preparation (optional)						
2020				Meily CHEUNG*, Benson LAM, Brian SO	Who leads the IPO news: Agenda-building and intermedia agenda setting in a routinised and standardised news context, <i>Journalism Studies</i> 21:12, 1681-1704		Yes (Annex I)	Yes	Yes

9. Recognized International Conference(s) In Which Paper(s) Related To This Research Project Was / Were Delivered

(Please attach a copy of each conference abstract)

Month / Year / Place	Title	Conference Name	Submitted to RGC (indicate the year ending of the relevant progress report)	Attached to this Report (Yes or No)	Acknowledged the Support of RGC (Yes or No)	Accessible from the Institutional Repository (Yes or No)
June/ 2019/ Krems	Strategic communicator or event organiser? The scope of the financial public relations profession in the IPO context	The 18th International Conference on Research in Advertising 2019		Yes (Annex II)	Yes	Yes

July/ 2019/ Madrid	Regulation, routinization and standardization: Challenges to the professionalism of financial journalism in the context of IPO news	The annual conference of the International Association for Media and Communication Research (IAMCR)		Yes (Annex III)	Yes	Yes
May/ 2020/ Virtual* <i>*Original held at Gold Coast</i>	Who leads the IPOs news: intermedia agenda-setting in a routinized and standardized news context	70th Annual International Communication Association (ICA) Conference		Yes (Annex IV)	Yes	Yes

10. Whether Research Experience And New Knowledge Has Been Transferred / Has Contributed To Teaching And Learning
(Please elaborate)

Yes, Dr. Meily Cheung (PI) has shared the insights and strategies of composing press releases in her PR writing modules.

11. Student(s) Trained
(Please attach a copy of the title page of the thesis)

Name	Degree Registered for	Date of Registration	Date of Thesis Submission / Graduation
N/A			

12. Other Impact
(e.g. award of patents or prizes, collaboration with other research institutions, technology transfer, teaching enhancement, etc.)

N/A

13. Statistics on Research Outputs

	Peer-reviewed Journal Publications	Conference Papers	Scholarly Books, Monographs and Chapters	Patents Awarded	Other Research Outputs (please specify)	
No. of outputs arising directly from this research project	1	3			Type	No.

14. Public Access Of Completion Report

(Please specify the information, if any, that cannot be provided for public access and give the reasons.)

Information that Cannot Be Provided for Public Access	Reasons
Nil	