

Faculty of Management and Economic Sciences - Current and Future Research (July 2024)

Research at the Faculty of Management and Economic Sciences is centered on two megatrends, through which it distills the overarching research strategy of the university: Digital Transformation and Sustainability. Research objectives include advancing knowledge in these critical areas, improving decision-making for all market participants, and optimizing the design of markets, products, and services. The interdisciplinary approach of the faculty integrates the latest developments in fields such as IT and communications technology, ensuring current and future research projects remain at the forefront of innovation (Figure 1. Research Strategy and Prospects at the Faculty of Management and Economic Sciences).

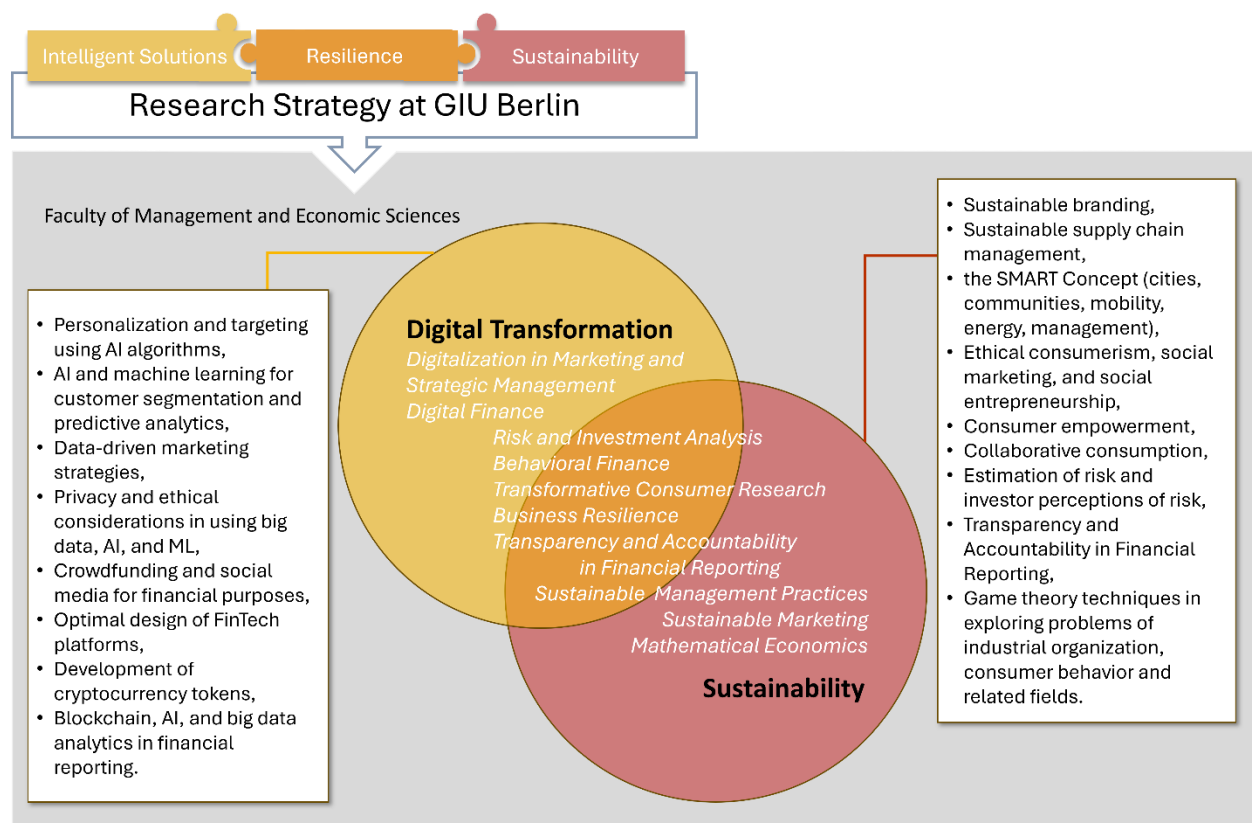


Figure 1. Research Strategy and Prospects at the Faculty of Management and Economic Sciences

Digital transformation, as a cornerstone of the faculty’s research agenda, is prominently featured in Marketing, Strategic Management, Finance, and Accounting. In Marketing, the focus on digitalization

involves leveraging emerging technologies to revolutionize marketing strategies and enhance customer experiences. Future prospects emphasize data-driven marketing strategies and addressing privacy and ethical considerations attributable to digital transformation in a strategic management framework. In the Finance domain, Digital Finance research focuses on financial innovation and technologies, exploring new opportunities and challenges brought by digital advancements. This interdisciplinary area capitalizes on recent IT developments to understand and optimize the design of digital financial systems. Research on Behavioral Finance, in parallel with the faculty's mission to contribute to digital transformation research stream, applies theories like prospect theory to aggregated data from social media and stock returns to validate these theories and guide practical decision-making in financial environments. Moreover, research in accounting and financial analysis complements this by delving into how technologies like blockchain, AI, and big data analytics can enhance the transparency and accountability of financial reporting processes.

Faculty's commitment to sustainability is reflected in multiple research domains, including Marketing, Strategic Management, Finance, Economics, and Accounting. In the Marketing & Strategic Management area, the focus is on developing innovative strategies that promote environmentally friendly practices and socially responsible products and services. Key research projects explore sustainable branding techniques, enhancing sustainable supply chain management, and implementing the SMART Concept in a vast array of applied fields. Transformative Consumer Research complements these efforts by focusing on consumer well-being, empowerment, activism, cultural diversity, inclusivity, representation, and resilience.

In the Finance domain, research is directed towards understanding risk and investment analysis, specifically how risk is perceived and the drivers of investment decisions in sustainable projects. This includes exploring equity crowdfunding for sustainable ventures and analyzing social media's role in shaping investment strategies towards environmentally friendly practices. Additionally, Mathematical Economics contributes to sustainability by developing theoretical models and applying game theory to analyze problems in industrial organization and consumer behavior, promoting more sustainable economic interactions and outcomes.

Research agenda in Accounting and Financial Analysis is similarly driven to contribute to the overarching objectives of University's research strategies, in which it covers areas for enhancing financial decision-making, promoting transparency and accountability in financial markets, and developing sound financial policies.

The integration of Digital Transformation and Sustainability in research, thus contributes to resilience in business and economics. By developing and implementing innovative, adaptive, and sustainable practices, the research agenda of the Faculty enhances robust decision-making and strategy development, improves risk management strategies, and supports long-term economic stability and growth under evolving market conditions.

The research methodologies encompass quantitative, qualitative, and mixed-method approaches, which enables faculty to deliver robust and insightful results that benefit society at large, not just corporations. Research therefore also considers the perspectives of households, consumers, and retail investors, ensuring that findings are relevant and practical for a wide range of stakeholders.

CURRENT AND FUTURE RESEARCH IN MARKETING AND STRATEGIC MANAGEMENT

The current and future research agenda in the Marketing & Strategic Management area focuses on three main topics: Sustainable Management and Marketing, Digitalization in Marketing, Transformative Consumer Research.

The Sustainable Management and Marketing research focuses on developing innovative strategies that promote environmentally friendly practices and socially responsible products and services. Current and future research prospects include exploring advanced sustainable branding techniques, enhancing sustainable supply chain management, and the SMART Concept (for cities, communities, mobility, energy, management). Examples of recent and/or ongoing research include:

- Robison, R., Skjølsvold, T. M., Hargreaves, T., Renström, S., Wolsink, M., Judson, E., Pechancová, V., Demirbag-Kaplan, M., March, H. ... & Wyckmans, A. (2023). Shifts in the smart research agenda? 100 priority questions to accelerate sustainable energy futures. *Journal of Cleaner Production*, 419, 137946.
- Biresselioglu, M. E., Demir, M. H., Demirbag Kaplan, M., & Solak, B. (2020). Individuals, collectives, and energy transition: Analysing the motivators and barriers of European decarbonisation. *Energy Research & Social Science*, 66, 101493.
- Biresselioglu, M.E., Demirbag-Kaplan, M., Yilmaz, B. K. (2018) Electric Mobility in Europe: Identification of Motivators and Barriers in Decision Making Processes, *Transportation Research Part A: Policy and Practice*, 109, 1-13.

Research on Digitalization in Marketing leverages emerging digital technologies to revolutionize marketing strategies and enhance customer experiences. The focus includes personalization and targeting using AI algorithms, AI and machine learning for customer segmentation and predictive analytics, chatbots and virtual assistants, and social media marketing automation. Future research prospects involve deepening the understanding of data-driven marketing strategies and addressing privacy and ethical considerations in using big data, AI, and ML for specifically in marketing, and broadly in strategy building. Examples of recent and/or ongoing research include:

- Gabr, M., El-Bassiouny, N., Demirbag-Kaplan, M. & ElAlfy, A. (Under Review) Scoping Corporate Digital Responsibility (CDR): A Citation-based Systematic Literature Review.
- Cavusoglu, L., Demirbag-Kaplan, M. (2017) Health Commodified, Health Communified: Navigating Digital Consumptionscapes of Well-Being, *European Journal of Marketing*, 51 (11/12), 2054-2079.

Transformative Consumer Research (TCR) area focuses on consumer well-being, empowerment, activism, cultural diversity, inclusivity, representation, and resilience. Future research prospects include exploring consumer behavior in sharing economies and collaborative consumption, and enhancing consumer empowerment strategies. Examples of recent and/or ongoing research include:

- Cavusoglu, L. Demirbag-Kaplan, M. (2023). "Unveiling the Interplay Between Marketplace DEI and Anti-consumption Practices", Presented at the International Center for Anti-Consumption Research 2023 Conference, University of Sydney on December 11-12, 2023.
- Cavusoglu, L. & Demirbag-Kaplan, M. (Under Review) Marketplace Diversity in a Fashion Context.

CURRENT AND FUTURE RESEARCH IN FINANCE AND ECONOMICS

The current and future research agenda in the Finance & Economics area focuses on four critical topics: Behavioral Finance, Digital Finance, Risk and Investment Analysis, and Mathematical Finance.

Regarding Behavioral Finance, the department's research aims at bridging the gap between research results from the laboratory and practical decision making. Specifically, theories such as prospect theory are applied to aggregated data on stock returns, or social media posts in financial communities to test the validity of these theories outside the lab, and to provide guidance on how to apply these concepts in practice. Examples of recent research include:

- Reichenbach, F., & Walther, M. (2024). Attention Allocation of Investors on Social Media: The Role of Prospect Theory. *Journal of Behavioral Finance*, 1-18.
- Reichenbach, F., & Walther, M. (2023). Financial recommendations on Reddit, stock returns and cumulative prospect theory. *Digital Finance*, 5(2), 421-448.
- Walther, M., & Münster, M. (2021). Conditional risk premiums and the value function of prospect theory. *Journal of Behavioral Finance*, 22(1), 74-83.

Regarding Digital Finance, research focuses on financial innovation and technologies, the new opportunities and challenges they create and their optimal design. This focus area is particularly interdisciplinary as it regularly capitalizes on recent developments in IT research. Besides the studies on social media mentioned in the Behavioral Finance area, recent studies include:

- Münster, M., Reichenbach, F., & Walther, M. (2024). Robinhood, Reddit and the News: The Impact of (Social) Media on Retail Investor Trading. *Journal of Financial Markets*. Conditionally Accepted (subject to formatting and style requirements).
- Zhitomirskiy, E., Schmid, S., & Walther, M. (2023). Tokenizing assets with dividend payouts—a legally compliant and flexible design. *Digital Finance*, 5(3), 563-580.
- Reichenbach, F., & Walther, M. (2021). Signals in equity-based crowdfunding and risk of failure. *Financial Innovation*, 7, 1-30.

Regarding Risk and Investment Analysis, the department focuses on the estimation of risk, how risk is perceived, and the drivers of investment decisions. Besides the studies on investment decisions in equity crowdfunding, and how social media posts can be used to improve trading strategies, recent research includes:

- Tilmann, L., & Walther, M. (2023). The informativeness of risk factor disclosures: estimating the covariance matrix of stock returns using similarity measures. *Journal of Risk*, 25(6).
- Münster, M., & Walther, M. (2021). Pairwise correlations of stock returns and ownership structure. *Finance Research Letters*, 43, 102017.

Regarding Mathematical Economics, research focuses on theoretical models and their applications in addressing and analyzing various economic problems emerging from the interactions of economic agents. In particular, we aim at exploring and applying game theory techniques to problems of industrial organization, consumer behavior and related areas. Recent studies include:

- Bërdëllima, A. (2021). Duopoly price competition with limited capacity. *Economic Theory Bulletin*, 9(1), 143-154.
- Hirth, H., & Walther, M. (2018). Strategic Effects between Price-takers and Non-price-takers. *The Be Journal of Theoretical Economics*, 18(2), 20160119.

RESEARCH PROFILE IN ACCOUNTING AND FINANCIAL ANALYSIS

The Accounting and Financial Analysis (AFA) program at GIU Berlin is dedicated to conducting cutting-edge research that addresses critical issues in the fields of accounting, finance, and financial reporting. The research agenda in this domain is driven by the overarching goal of enhancing financial decision-making, promoting transparency and accountability in financial markets, and contributing to the development of sound financial policies.

Details of the research agenda in this field and its implementation are pending due to the ongoing appointment of professor(s).