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Essays on the social dimensions of investor behavior

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Document Version

Publisher's PDF, also known as Version of record

Publication date:

2007

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Hoffmann, A. O. I. (2007). *Essays on the social dimensions of investor behavior*. [Thesis fully internal (DIV), University of Groningen]. s.n.

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Preface

Colleagues have often told me that the preface is amongst the few parts of one's PhD thesis that some (or perhaps most) people will ever actually read. In my view, this rather sad reality makes these first few pages the most important pages of one's thesis. Therefore, notwithstanding the importance of acknowledging those who helped me on my way, from an academic perspective I consider these pages to be too valuable to only use for this matter. Rather, I would like to take this opportunity to also introduce the research on which this thesis reports. Then, in case these are actually the only pages some people will ever read, they will not only know the names of those who have helped me, but they will also know with what topics these people have helped me.

As the title already promises, this thesis deals with the social dimensions of investor behavior. More specifically, this thesis makes an important contribution to the recent behavioral finance literature. The before-mentioned literature has argued that for many investors, investing is much more than simply weighting the risks and expected returns of all possible investments opportunities. Rather, besides financially oriented needs, some (or most) investors may also have more socially oriented needs, or they may simply consider investing to be a nice free time activity. This thesis empirically proved this to be the case and used an online investment survey to do so. The next question this thesis aimed to answer was what implications more socially oriented investor behavior may have on overall stock market dynamics. This question was investigated using a multi-agent social simulation model. Using this model, it was for example discovered that stock markets with a higher proportion of socially oriented investors display a greater volatility as measured by the standard deviation of returns. Another important contribution of this thesis is that it uses an interdisciplinary research approach. More specifically, this thesis combines theoretical insights from the (behavioral) finance, marketing, and social-psychology literature. Moreover, the methodology that is used in this thesis is a combination of a literature study, a self-administered survey in the form of an online questionnaire, several descriptive and inferential statistical analyses, and a multi-agent social simulation (computer) model.

Now that I can rest assure that most people will have some idea about the topics this thesis deals with, I allow myself to become more personal. It is important for me to become more personal, as it is actually due to the many persons I have met

over the last four years that my time as a PhD student at the University of Groningen was both an unforgettable as well as a very enjoyable experience. The next part of this preface therefore serves to express my gratitude for the big-hearted support of all of these people.

In this respect, I would like to thank most of all my two thesis supervisors Wander Jager and Henk von Eije for being my reliable tour operators through all of these years. I am thankful for the great opportunity that you have given to me and I realize that without your enthusiasm and trust I might have never left the ground. Moreover, on this occasion I would like to express my sincere gratitude to my promoter Robert Lensink. Your refreshing perspective on my PhD research and critical - but always insightful - comments helped me to define the main contributions of my research in a defensible way. Although our cooperation only started near the end of my time as a PhD student, I still believe it had a substantial impact on both the clarity and quality of my thesis. Furthermore, I would like to thank all the members of my doctoral dissertation committee, Werner De Bondt, Nigel Gilbert, and Robert van der Meer, for benevolently investing their time and effort in reviewing the academic quality of this thesis.

As mentioned previously, this thesis is the result of almost four years of academic (team)work. Yet, during these years, there has not been a single moment in which I actually thought that every morning I was (just) going to my 'work'. Rather, I perceived these years at the university as a great opportunity to increase my knowledge about a topic that I was (and still am) truly interested in. It is my firm belief that both my supervisors and my colleagues have greatly contributed to this feeling. Therefore, I would like to thank again my supervisors, but also all of my colleagues at the University of Groningen for contributing to this inspiring working environment. More specifically, I would like to thank Jasper Hotho, Thijs Broekhuizen, Alessio Delre, Adriana Krawczyk, and Truusje Cordes for both their professional and their moral support.

Although an inspiring working environment clearly is a necessary precondition for a satisfying and successful working life, it is not a sufficient precondition. Rather, it is my opinion that refueling at home after work and discussing what is on your mind is what really matters and contributes most to long-term creativity. In this respect, I would like to thank my family and my friends for giving me this opportunity. More specifically, it has been due to my parents Robert and Cornelia and the involvement and perseverance they have shown me while dealing with our past, that today I have the mentality to successfully complete this thesis.

Finally, I wholeheartedly thank Mae for all her love, care and empathy. Thanks to you my home has become our castle.