




## The effect of product market advertising on the risk of falling stock prices in companies listed on the Tehran Stock Exchange


Mostafa. Khosroabadi<sup>1</sup>, Azadeh. Ashrafi<sup>2\*</sup>, Faranak. Khodayari<sup>2</sup>

<sup>1</sup> MSc Student, Department of Management and Economics, North Tehran Branch, Islamic Azad University, Tehran, Iran



<sup>2</sup> Assistant Professor, Department of Management and Economics, North Tehran Branch, Islamic Azad University, Tehran, Iran

\* Corresponding author email address: srdtdt@yahoo.com

### Editor

Mehdi Rostami  
Department of Psychology and  
Counseling, KMAN Research  
Institute, Richmond Hill, Ontario,  
Canada  
mehdirostami@kmanresce.ca

### Reviewers

**Reviewer 1:** Ali Sargolzaie  
Assistant Professor, Department of Management, Zahedan Branch, Islamic Azad  
University, Zahedan, Iran.  
Email: a.sargolzaie@iauzah.ac.ir  
**Reviewer 2:** Lourdes Atiaja Atiaja  
Universidad de las Fuerzas Armadas ESPE, Ecuador.  
Email: natiaja@espe.edu.ec

## 1. Round 1

### 1.1. Reviewer 1

Reviewer: It is an original research piece that aims to contribute to the understanding of how advertising efforts influence investor perception and stock market stability.

**Methodology and Data Analysis:** The descriptive-post-event research method is applied with a focus on systematic elimination for sample selection. The research utilizes library data collection methods and employs Rahavard Novin software for data collection from published reports. The use of descriptive and inferential statistics with EXCEL, SPSS, and EViews software is noted. For a more robust analysis, the study could benefit from a more detailed explanation of the sampling method and criteria for inclusion, as well as the rationale behind the specific statistical tools used.

**Results and Conclusion:** The findings suggest that various aspects of advertising, including costs, intensity, and compression, significantly affect the risk of stock price falls. The study concludes that investors and market players should consider advertising as a critical factor influencing stock price risk. To enhance the practical implications of the study, it would be valuable to see a broader discussion on how these findings can be implemented in market strategy and risk assessment, perhaps through case studies or scenario analysis.

Authors revised the manuscript.

## 1.2. Reviewer 2

Reviewer: This study presents an important exploration of the relationship between advertising and stock market volatility, focusing on listed companies in the Tehran Stock Exchange. The objective to understand and quantify the impact of advertising on stock price risk is well-defined and of significant relevance given the volatility of modern stock markets and the importance of advertising in corporate strategy.

The research employs a descriptive and post-event methodology, analyzing data from a sample of companies over a five-year period. While the descriptive and inferential statistical methods provide a foundation for the research, the report would benefit from a more comprehensive detailing of the sample selection process and the specific criteria used for including companies in the study.

The results indicating that product market advertising significantly influences the risk of falling stock prices provide valuable insights for investors, managers, and policymakers. However, the paper could further discuss the broader implications of these findings, considering different types of companies and market environments. Additionally, expanding on how these findings could influence advertising strategies and risk management practices would provide readers with more actionable insights.

While the study makes a notable contribution to the field, future research directions could include a comparative analysis with different markets or industries to validate the findings' generalizability. Also, exploring the role of digital and social media advertising in this context could provide a more contemporary understanding of the advertising-stock price relationship. Further, discussing any limitations of the current study and potential mitigating strategies would enhance its academic rigor.

Authors revised the manuscript.

## 2. Revised

Editor's decision after revisions: Accepted.

Editor in Chief's decision: Accepted.