



DOI: <https://doi.org/10.38035/dijefa.v4i6>

Received: 12 January 2024, Revised: 19 January 2024, Publish: 29 January 2024

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The Relationship between Share Prices and Company Image on Decisions to Selection of Share Issuers Listed on the Indonesian Stock Exchange

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Abstract: This research aims to build hypotheses regarding the relationship between variables, which can later be used for further research within the scope of financial management. The writing method in this research is qualitative (library research), where the data comes from previous research. Online media, such as Google Scholar, Publish or Perish, and other academic media, are also used to obtain previous research data. The results of this research are: 1) Share prices are related to the decision to select share issuers listed on the Indonesia Stock Exchange, where share prices not only represent the market value of the company's performance and future but also play an important role in investor decision making; and 2) Company image is related to the decision to select share issuers listed on the Indonesia Stock Exchange, where companies with a good image and reputation are believed to have lower risks so that they can increase investor confidence in their sustainability and long-term success.

Keyword: Decision on Selection of Stock Issuers, Share Prices, Company Image

INTRODUCTION

This article attempts to determine the possible relationship between a company's share price and its image in relation to the decision to select share issuers listed on the Indonesia Stock Exchange (BEI). This phenomenon is important because investors often examine more than just the financial success of a company when making investment decisions. In this context, share price is considered the main measure of share performance, while corporate image includes the perception and reputation obtained by the public, investors and other stakeholders.

To better understand the complex dynamics between stock prices and corporate image, this essay will discuss several elements that may influence stock issuer selection decisions. Fundamental analysis will be the foundation, with a thorough review of the company's financial statements, ratios and growth. Non-financial issues, such as business social responsibility initiatives, sustainability, and branding activities that may impact a company's image will also be given special emphasis.

In addition, this article will look at how external variables such as market conditions and industry developments can influence investors' impressions of a stock issuer. Understanding market sentiment and current news will also be an important component of this research, considering that a company's image may change over time in reaction to events and changes in the business landscape. This article, which provides in-depth knowledge about the relationship between stock prices and company image, is expected to provide significant insights for investors, financial analysts and other stakeholders in making smart decisions. The findings of this research can help develop a more comprehensive investment plan by considering factors that may be overlooked in the assessment standards for share issuers on the Indonesia Stock Exchange.

Based on the background of the problem above, the problem formulation is determined as follows: 1) Is the share price related to the decision to select share issuers listed on the Indonesia Stock Exchange?; and 2) Is the company's image related to the decision to select stock issuers listed on the Indonesia Stock Exchange?.

METHOD

This research uses descriptive qualitative methods and library research. Where to review several previous studies that are relevant to this research. Researchers collected data from online media such as Google Scholar, Publish or Perish and other academic online media. Apart from that, researchers use Mendeley as a tool for making references in the bibliography. This qualitative article must use consistent methodological assumptions, so that it does not raise questions asked by readers. This qualitative research is also exploratory in nature (Ali, H., & Limakrisna, 2013).

RESULTS AND DISCUSSION

Share Issuer Selection Decision

The decision to select a stock issuer is a process where investors or shareholders choose which shares of a particular company to buy and hold in their investment portfolio (Angelia & Widjanarko, 2023). This selection is an important aspect of one's investment strategy and requires a thorough analysis of company characteristics and personal investment aspirations (Yulianingrum et al., 2021).

The decision to select a stock issuer is a difficult procedure that requires a thorough understanding of financial markets, company performance and investment objectives (Sulistiyowati et al., 2022). Before making this judgment, investors generally conduct extensive research and analysis, and many aspects must be examined in order to make an informed and informed decision based on the individual's risk profile and investment preferences (Reysa et al., 2023).

Dimensions of stock issuer selection decisions include: 1) Market sentiment: Represents investors' attitudes and sentiments towards a stock or the market as a whole. Sentiment may have an important influence in determining the direction of stock prices; 2) Industry sector trends: Share movements and performance in specific areas of the financial markets. Each industry sector has its own characteristics and dynamics, and stock movements within them may be influenced by industry-specific elements; 3) Competitive advantage:

Refers to certain traits or characteristics that differentiate a company from its competitors and provide an advantage to the company in achieving long-term growth and success; 4) Corporate reputation and ethics: Evaluate the extent to which the company complies with ethical standards and corporate social responsibility; and 5) Investment objectives: When an investor explains their objectives, such as long-term capital growth, consistent dividend income, or portfolio diversification, it influences the stock companies they buy (Nianwar et al., 2023).

The decision to select stock issuers has been studied by several researchers, including: (Wirawan & Kusuma, 2024), (Endra et al., 2022), (Dewi & Suayana, 2013).

Share Prices

The share price is the price set at a certain point in time for one share of a company. This price is determined by market procedures, which include buyers and sellers negotiating an agreed price (Saputra, 2022a). Stock price is a significant financial metric that shows the market's view and assessment of a company's value. Financial performance, growth predictions, the state of the industry, and economic and political considerations can all impact this pricing (Widjanarko, Hadita, et al., 2023). The share price is the price determined by the market for one share of a company at a certain time (Margaretta et al., 2022).

Share price dimensions include: 1) Dividend policy: Dividend payments made by a company can influence share prices. Dividend yield (the ratio of dividends to share price) is another factor to consider for investors seeking dividend income; 2) CSR: Refers to the company's efforts to make positive contributions to society and the surrounding environment; 3) Profitability: Refers to the extent to which a company's earnings and financial performance impact or are reflected in its share price on the capital market; 4) Total Assets: The total number of assets owned and used by a company at a certain time; and 5) Total Debt: Includes all financial commitments in a certain time period (Widjanarko, Hadita, et al., 2022).

Share prices have been studied by several researchers, including: (Istianingsih, 2016), (Tumandung et al., 2017), (Rahmadewi & Abundanti, 2018).

Company Image

Company image is the impression of an object on other objects that is produced by digesting information from time to time from various reliable sources (Meutia et al., 2021). Company image is an impression obtained in accordance with a person's knowledge and experience regarding a matter (Faeni et al., 2019). Corporate image is a perception of an item involving processing information from several sources over time (Sudiantini et al., 2023).

Dimensions of corporate image include: 1) Corporate reputation: Reflects the opinion of the public and stakeholders regarding integrity, ethics, product or service quality, and corporate social responsibility; 2) Company quality: Represents the company's ability to manage its operations, provide trust to stakeholders, and build long-term value; 3) Company credibility: Shows the amount of trust and confidence of stakeholders, especially investors, in the company's ability to keep promises and provide accurate information; 4) Company performance: Includes many variables that show how much a company can generate value for its owners; 5) Company management: Fundamental analysis, management interviews, and monitoring long-term business performance can help investors make the best judgment regarding possible stock investments (Widjanarko, Pramukty, et al., 2022).

Company image has been studied by several researchers, including: (Saputra & Sumantyo, 2022), (Tjahjadi & Limakrisna, 2022), (Widjanarko, Saputra, et al., 2023).

Previous Research

Table 1. Relevant Previous Research Results

No	Author (Years)	Research Title	Research Results	Difference With This Article
1	(Endra et al., 2022)	Implementation of the Weighted Product Method for Designing the Best Stock Selection Decision Support System	The Weighted Product method can be used as a consideration for making decisions in selecting the best shares	-Variable Stock Prices -Company Image Variables
2	(Wirawan & Kusuma, 2024)	The Influence of Fundamental and Technical Analysis on the Selection of Stock Investment Issuers at PT. Harum Energy, Tbk (HRUM)	With technical analysis, history diagram chart patterns also provide signals that the share price can increase	-Variable Stock Prices -Company Image Variables
3	(Saputra, 2022b)	Analysis of Total Debt, Revenue and Net Profit on Stock Prices of Foods and Beverages Companies on the Indonesia Stock Exchange (IDX) Period 2018-2021	1) Total Debt has no effect on Share Prices and has a significant effect on Share Prices; 2) Income has no effect and is not significant on share prices; 3) Net Profit has a positive and significant effect on Share Prices; 4) Total Debt, Income and Net Profit have a significant effect on share prices. Total Debt and Net Profit are more significant than Revenue	- Company Image Variable - Stock Issuer Selection Decision Variables
4	(Maharani & Saputra, 2021)	Relationship of Investment Motivation, Investment Knowledge and Minimum Capital to Investment Interest	1) Investment motivation is related to interest in investing; 2) Investment Knowledge related to Investment Interest; and 3) Minimum Capital related to Investment Interest	-Variable Stock Prices -Company Image Variables
5	(Anggraini & Mulyani, 2022)	The Influence of Accounting Information, Risk Perception and Company Image in Investment Decision Making during the Covid-19 Pandemic	1) Accounting information has a significant influence on investment decision making during the Covid 19 pandemic; 2) Risk perception has a significant influence on investment decisions during the Covid 19 pandemic; and 3) Company image has a significant influence on investment decisions during the Covid 19 pandemic	-Variable Stock Prices
6	(Yuwono & Erika, 2020)	Analysis of the Influence of Company Image, Accounting Information, Neutral Information, Advisor Recommendations and Financial Needs on Investment Decisions in the Capital Market	The variables company image, accounting information and advisor recommendations do not have a significant effect, while the variables neutral information and financial needs have a significant positive effect on investment decisions. These results are expected to provide recommendations to securities companies in increasing potential investors	-Variable Stock Prices

Conceptual Framework

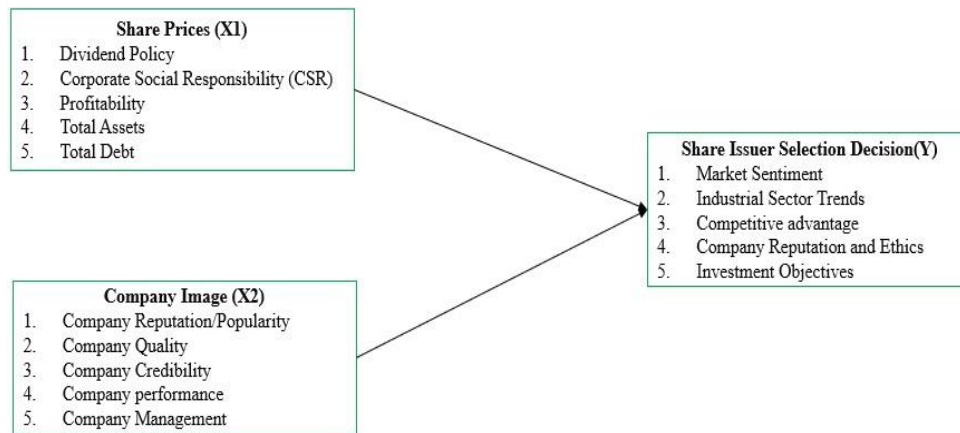


Figure 1. Conceptual Framework

Based on the background of the problem, problem formulation and previous research, the results and discussion of this research are as follows:

1. The Relationship between Share Prices and Decisions on Selection of Stock Issuers

Share prices have quite a big influence on the stock issuer selection process. A company's share price reflects the market's perception of its performance and prospects. Investors, both institutional and individual, often examine various criteria related to share prices when deciding which stock issuers to include in their portfolios.

First and foremost, share price is seen as a measure of the value of a company. Investors often look for shares that are priced at a reasonable percentage or below the company's fundamental valuation. If the share price looks cheap compared to the company's performance and development prospects, this may be a good investment opportunity. Additionally, changes in stock prices may provide an insight into the market mood. A rise in share price often reflects investors' confidence and excitement about the company, while a decline in share price may indicate anxiety or uncertainty. Market sentiment research and estimates of future stock prices often influence stock issuer selection decisions.

Additionally, stock prices play an important role in risk management. Investors often analyze risks and possible returns based on stock price variations. Stock price volatility can impact the level of risk investors face, and stock issuer selection often reflects an investor's tolerance for potential volatility. Investors' opinions regarding the stability and reliability of stock prices can also influence their judgments. Relatively constant share prices can instill confidence in investors, especially those who seek security and certainty in their investments. On the other hand, large stock price changes may attract investors who want quick rewards, but with higher risk.

Then, in a competitive market, share prices can differentiate between share issuers. Companies that effectively keep their share prices in a favorable trend may be more attractive to investors than companies whose share price performance is less encouraging. Thus, the relationship between stock prices and stock issuer selection decisions reflects complex financial market dynamics. To make educated and profitable investment decisions, investors must carefully analyze fundamental variables, market sentiment, and stock price movements.

Share prices are related to the decision to select the issuer, this is in line with research conducted by: (Semuel et al., 2017) & (Wirawan & Kusuma, 2024).

2. The Relationship between Company Image and Decisions on Selection of Stock Issuers

A company's image represents how society views a company's reputation, ethics and principles. In the context of assessments in selecting stock issuers, business image can play an

important influence in determining investor opinions regarding the company's potential and sustainability. First of all, a company's image can influence how investors perceive risk. A good image is often associated with honest, ethical and responsible management, which can reduce the amount of uncertainty or risk associated with investments. Investors prefer share issuers from companies that have a positive image, as a sign of trust in management and the values they adhere to.

In addition, a company's image can directly influence its share price. A good image can encourage the idea that a company has great value, which can result in higher market valuations and share prices. Conversely, a damaged or unprofitable business image can result in falling share prices because investors may be less prepared to explore investments in questionable or problematic situations. Another important consideration is long-term investor appeal. A good corporate image may attract investors seeking long-term growth and sustainability. Long-term investors often choose stock issuers based on their hope that the company will be able to overcome long-term problems and offer consistent profits.

In a world that is increasingly connected and information is easily available, company image is an important factor in building trust and convincing investors to choose stock issuers. Overall, a company's image is more than just its public image; This is also a strategic component that can influence stock issuer selection decisions and have a long-term impact on the company's financial success and growth.

The company's image is related to the decision to select stock issuers, this is in line with research conducted by: (Yuwono & Erika, 2020) & (Paujiah et al., 2021)

CONCLUSION

Based on the problem formulation, previous research, results and discussion, the conclusions of this research are: 1) Share prices are related to the decision to select share issuers listed on the Indonesia Stock Exchange, where share prices do not only represent the market value of the company's performance and future, but also plays an important role in investor decision making; and 2) Company image is related to the decision to select share issuers listed on the Indonesia Stock Exchange, where companies with a good image and reputation are believed to have lower risks, so that they can increase investor confidence in their sustainability and long-term success.

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