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EXPLORING EVENT STUDY RESEARCH ON DIVIDENDS: A VISUAL ANALYSIS

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Abstract
This research delves deeply into the academic literature on the topic of dividend announcements by employing bibliometric analysis and an event study approach. Utilizing VOSviewer for sophisticated network visualization and mapping and the Scopus database as the major source of bibliographic data, it offers a comprehensive picture of the intellectual, thematic, and collaborative structures within this niche academic field. This study documents the development of knowledge across time by revealing trends in publishing geography, co-authorship, citation networks, and keyword co-occurrences. The results show that the number of publications has been going up, which means that there is more and more academic interest in studying the effects of dividend announcements on the stock market. Stock price responses, signaling theory, market efficiency, and anomalous returns are the main areas of discussion, and the article identifies prominent writers, journals, and research organizations that contribute to these areas. Expanded regional participation, multidisciplinary methods, and the incorporation of new issues such as algorithmic trading and Environmental, Social, and Government (ESG) aspects are all called for in this study's major gaps and future directions analysis. The article adds to our knowledge of how research at the crossroads of dividend announcements and event study methodology has evolved by providing a systematic bibliometric viewpoint.

Keywords: Dividend Announcement, Event Study Methodology, Bibliometric Analysis, Stock Price Reactions, Market Efficiency, Citation Network.

Introduction

Dividend announcements are pivotal corporate events that transmit essential information to the market, often influencing investor sentiment and causing measurable movements in stock prices. The informational content embedded in such announcements reflects management’s assessment of the firm’s future prospects, profitability, and cash flow stability (Dr.Lakshmi Rawat, 2024). As such, dividends serve not only as a mechanism for wealth distribution but also as a potential signal of firm performance, making them a subject of sustained interest in financial research. The literature encompasses empirical investigation from both developed and emerging markets, reflecting the universal relevance of dividend signaling theory (Bhattacharya, 1979; Miller & Rock, 1985). Despite its growth, the body of research remains fragmented in terms of thematic convergence, geographic scope, and collaborative synergy. Previous studies have often focused on firm-level determinants or market-specific behaviors without systematically examined. Consequently, there is a pressing need for a comprehensive bibliometric assessment to synthesize existing knowledge, identify influential scholars and publications, map collaborative networks, and pinpoint underexplored areas for future investigation (Donthu et al., 2021). scholarly research focused on dividend announcements using the event study methodology. While individual empirical studies have enriched our understanding of stock market reaction to dividend events, there has been shareholder protections such countries react more positively to dividend changes. Similarly, Gugler and Yurtoglu (2003) explored dividend policies in emerging market and note a weaker alignment between dividends and firm performance, largely due to limited enforcement of corporate governance norms.

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Thematic Evolution and Gap in the Literature

Over the decades, the literature on dividend announcements and event studies has expanded into diverse themes. These include behavioral perspectives (Shefrin & Statman,1984), the role of dividends during financial crises (Abeyratna & Power, 2002), and the interaction between dividends and environmental, social, and governance (ESG) factors (Gillan et al., 2021). Recent studies have also incorporated machine-learning algorithms to forecast market reactions to dividend events (Gupta & Du, 2022). However, a critical gap remains in the form of synthesized bibliometric overviews. Most existing literature reviews are narrative or meta-analytical in nature, lacking a quantitative mapping of intellectual structures, author networks, or keyword co-occurrence patterns. Donthu et. al. (2021) emphasize the importance of bibliometric methods in revealing research trends, influential works, and collaboration patterns-insights that traditional review often overlook. Only a limited number of bibliometric studies, such as Kumar et.al. (2020), have touched upon corporate finance, and none have comprehensively focused on event study applications in dividend research. As this field becomes increasingly global and multidisciplinary, it is essential to assess its evolution systematically.

Need for a Bibliometric Approach

Given the fragmented and evolving nature of the literature on dividend announcements analyzed through event study methodology, a bibliometric analysis serves multiple purposes. It not only helps identify dominant research clusters and underexplored areas but also maps empirical evidence supporting this hypothesis, especially in markets where investors rely heavily on dividends a credible signals. On the other hand, agency theory views dividends as a mechanism to reduce agency conflicts between shareholders and mangers by limiting the free cash flow under managerial control (Jensen, 1986). Firm with excess cash may pay dividends to prevent suboptimal investments, aligning interests with shareholders (Easterbrook, 1984). These theoretical developments highlight the multifaceted nature of dividend policy and provide the basis for empirical testing through event study methodology.

Literature Review

Dividend Announcements and Market Efficiency

Dividend announcements are pivotal financial decisions that can significantly influence investor behavior and market valuation. Classical finance theory posits that in prefect markets, dividend policy is irrelevant to firm value (Miller & Modigliani, 1961). However the existence has led to the development of alternative theories emphasizing the informational content of dividends. Dividend signaling theory argues that mangers use dividend changes to convey private information about a firm’s future prospects (Bhattacharya, 1979; Miller & Rock, 1985). In this framework, an increase in dividend signals may signal financial distress. Studies such as Amihud and Murgia (1997) provide the knowledge structure, tracks author and institutional collaborations, and highlights emerging research themes (Zupic & cater, 2015). Bibliometric tools such as VOS viewer and Bibliometrix (Aria & Cuccurullo, 2017) enable the visualization of scientific landscapes using co-authorship, co-citation and keyword co-occurrence analyses. These techniques are particularly valuable in maturing fields, where research is growing both in volume and complexity. This study addresses a key scholarly void by offering a quantitative and visual overview of the research landscape surrounding dividend announcements using event study methodology.

Methodology

Source of Data

Scopus, one of the largest besides most reliable abstract and citation databases for peer-reviewed literature. The search terms were screened for articles in English and in the format of a journal

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article, conference paper, review, or book chapter to guarantee the inclusion of both conceptual and empirical articles.

Co-occurrence of Keywords

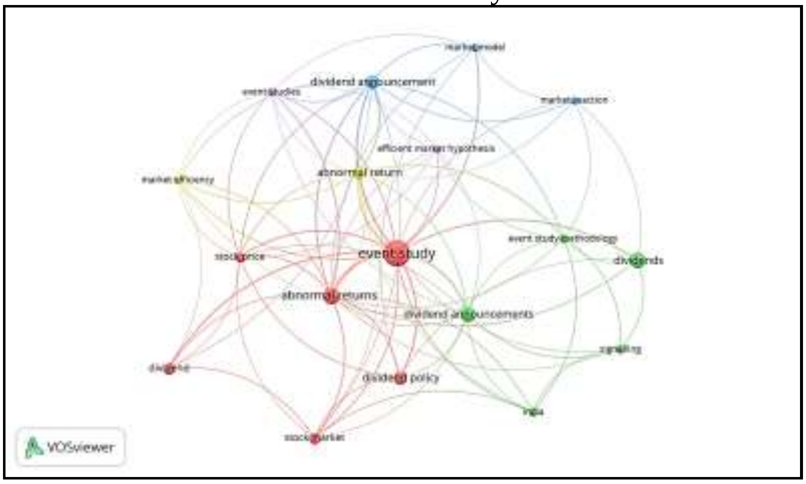

Figure 1, Co-occurrence of Keywords, Source: VosViewer Analysis

Co-occurrence of Keywords for Analysis

Main Keyword	Co-occurring Keyword 1	Co-occurring Keyword 2	Co-occurring Keyword 3	Co-occurring Keyword 4
Event Study	Abnormal returns	Dividends	Dividend announcement	Market efficiency
Abnormal Returns	Event study	Stock market	Market efficiency	
Dividends	Dividend announcement	Stock market	Dividend policy	Abnormal returns
Dividend Announcement	Dividends	Stock market	Abnormal returns	
Market Efficiency	Event study	Abnormal returns	Efficient market hypothesis	
Efficient Market Hypothesis	Market efficiency	Abnormal returns		
Stock Market	Event study	Abnormal returns	Dividends	Dividend policy
Dividend Policy	Dividends	Stock market		
Market Model	Event study	Efficient market hypothesis	Stock market	
Stock Price	Stock market	Dividend policy		
Event Study	Event study			

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Main Keyword	Co-occurring Keyword 1	Co-occurring Keyword 2	Co-occurring Keyword 3	Co-occurring Keyword 4
Methodology				
Market Behavior	Stock market	Abnormal returns	Dividends	Dividend announcements
Dividends and Dividend Policy	Dividend policy	Dividends	Event study	

They are so close together and have such strong visual ties that it seems like much of the research in this field is about utilizing event study techniques to examine how efficient the market is in reaction to corporate dividend announcements. The conventional analytical paradigm of event studies (Fama et.al., 1969) is congruent with the existence of "abnormal returns" and "cumulative abnormal returns (CARs)". The constant mean return model and the market model are two econometric tools that have been widely used to separate the impact of dividend occurrences from the noise of regular market movements. Furthermore, there is a consistent interest in studying how markets incorporate dividend-related information, as the terms "stock price reaction" and "market efficiency" crop up frequently and are often associated with important financial theories like the efficient market hypothesis (EMH) (Malkiel, 2003) . Words like "emerging markets," "India," ,"Greece," and "Asia" also seem to cluster together, suggesting an increasing amount of writing that draws on international comparisons or regional case studies. To better understand dividend signaling corporate governance in various institutional settings, these research usually look at how investor behavior and information asymmetry vary in less efficient markets (Dasilas & Leventis, 2011; Ahmed & Javid, 2009). Accounting, economics, and corporate strategy are some of the fields that share common ground with "information asymmetry," "dividend policy," "financial performance," and "corporate governance," among others. They are there to show that academics are starting to look at dividend announcements as strategic business choices impacted by management incentives, ownership structures, and company characteristics, rather than only as market occurrences (Jensen, 1986; La Porta et. al., 2000). Curiously, the term "COVID-19" has also shown up in subsequent articles, suggesting that researchers have started to look at the ways in which global financial shocks influenced dividend behavior and investor reactions. The dynamic character of the sector and its ability to adapt to changes in the economy are shown by this. Taken together, the co-occurrence map shows three distinct groups of studies: Cluster on Market Reaction and Efficiency—such as "event study," "stock market," "abnormal returns," and "EMH."

Analysis of Co-citations

This is shown by the frequent co-citation of Fama et. al. (1961). In a similar vein, event study design was pioneered by Ball and Brown (1968), who offered an early empirical confirmation of market response to information releases. By standardizing methodologies for evaluating abnormal returns and overcoming econometric problems, Brown and Warner (1985) solidified event study methodology and laid the groundwork for empirical finance research.

Co-citation Analysis Table

Author 1	Author 2	Co-cited Works
Brown S.J.	Warner J.B.	Using
Warner J.B.	Brown S.J.	Using
Miller M.H.	Rock K.	Dividend Policy
Rock K.	Miller M.H.	Dividend Policy

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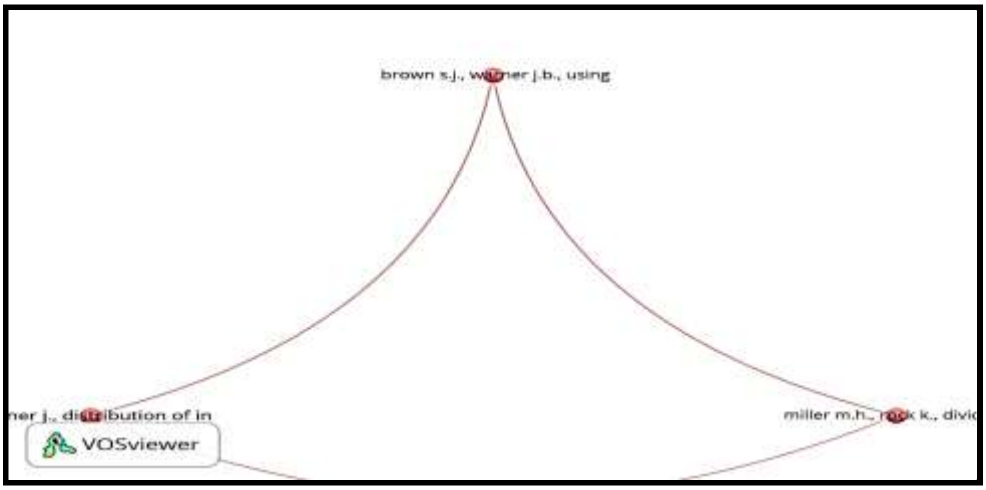
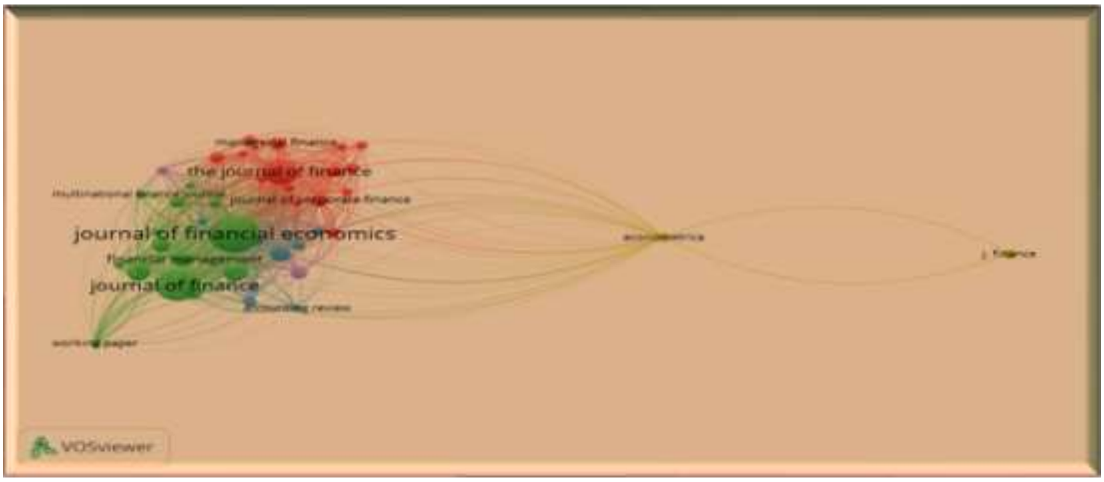


Figure 2, Co-citation analysis, Source: Vosviewer analysis

The field's continued reliance on classical finance theory, especially frameworks dealing with market efficiency and informational asymmetry, is supported by the co-citation networks of these prominent



scientists. Given the complexity of modern markets, including behavioral finance, algorithmic trading, and cross-border capital flows, this persistent dependence suggests the strength of underlying models while also suggesting the possibility of a need for methodological innovation (Fama, 1991; Loughran & Ritter, 1995)". Effects of the Source Prominent financial journals that have contributed to the theoretical and empirical underpinnings of the area of dividend announcement studies employing event study methodology include long-standing, high-impact journals. Notably, prominent publications in the fields of finance, financial economics, and review of financial studies have extensively examined frameworks for abnormal return measurement, dividend signaling, and market efficiency (Fama et al., 1969; Brown & Warner, 1985; Michaely, Thaler & Womack, 1995). As major hubs in the bibilometric citation network, these publications are considered to be the go-to places for groundbreaking research and methodology.

Source Impact Table

Source 1	Source 2	Co-cited Connections
Journal of Financial Economics	Journal of Finance	Managerial Finance
Journal of Financial Economics	Financial Management	Journal of Corporate Finance
Journal of Financial Economics	Journal of Finance	Multinational Finance Journal

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Source 1	Source 2	Co-cited Connections
Journal of Finance	Journal of Corporate Finance	Financial Management
Journal of Finance	Accounting Review	Financial Management
Journal of Corporate Finance	Managerial Finance	Journal of Finance
Journal of Corporate Finance	Financial Management	Journal of Financial Economics
Econometrica	J. Finance	Source Impact

Notable pioneering publications on event study design, such as those addressing sample selection, benchmarking concerns, and the accuracy of market models, may be found in the Journal of Financial Economics. At the same time, the area has been progressed by the Review of Financial Studies via multidisciplinary viewpoints, which have included ideas from corporate governance and behavioral finance (Brav et. al., 2005).

Journal of International Financial Markets, Institutions and Money, International Review of Economics & Finance, and Finance Research Letters are a few of the recently prominent rising publications. Contributing to the democratization and globalization of dividend event research, these publications allow quick distribution of new results and frequently feature research from varied geographies and developing economies (A1-Yahyaee et al., 2010 Uddin & Chowdhury, 2005). Their rising prominence in citation studies is indicative of the field's movement away from focusing just on Western markets and toward investigating how other regions' capital markets function. This change indicates that while traditional finance journals still have a lot of sway when it comes to their historical impact, younger publications are influencing the current conversation by including novel models, data from developing markets, and empirical investigations that are relevant to certain contexts.

Geographic Distribution

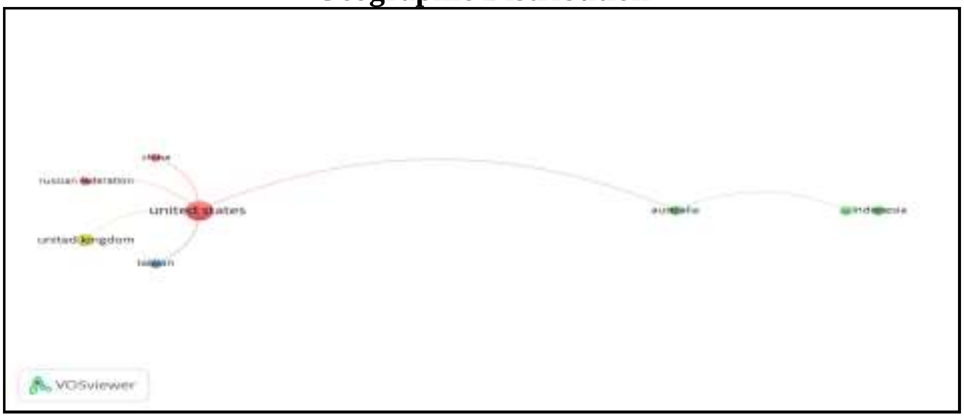

Figure 5, Geographic distribution, Source: VosViewer

The geographical distribution of research output in the domain of dividend announcements using event study methodology reveals a concentration of scholarly activity in India, the United States, and the United Kingdom. However India's notable presence among the top contributors signifies an important shift in the global research landscape. This trend reflects the growing academic interest in emerging markets and the increasing maturity and integration of the Indian capital markets into global financial systems (Bhaumik & Selarka, 2012). The liberalization of financial markets, rising participation of institutional investors, and an active regulatory environment under the Securities and Exchange Board of India (SEBI have spurred empirical inquiries into corporate events such as dividend announcement (Narayan & Sharma, 2011). Moreover, Indian scholars have increasingly embraced rigorous quantitative techniques, such as event study methodology, to assess investor reactions and test market efficiency in a developing economy context. This rising output also illustrates a decentralization of financial research, with emerging economies contributing both

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context-specific findings and comparative insights that challenge or complement Western- centric models (Pant & Pattanayak, 2021). While these developments are promising, the bibilometric network also indicates limited cross-border collaboration, particularly between developed and emerging economies, which could otherwise enhance the robustness and generalizability of finding (Donthu et al., 2021). Promoting international co-authorship could strengthen comparative research on how dividend announcement are perceived across differing institutional, regulatory, and investor environments.

Bibliographic Coupling

Bibliographic coupling, a bibliometric technique that measures the similarity between documents based on shared references, and thematic coherence within a research field (Kessler, 1963; Zupic & Cater, 2015). In the context of dividend announcements analyzed through event study methodology, bibliographic coupling reveals a clear thematic alignment among scholarly works, grouping them into coherent sub-domains that reflect evolving research priorities and theoretical orientations.

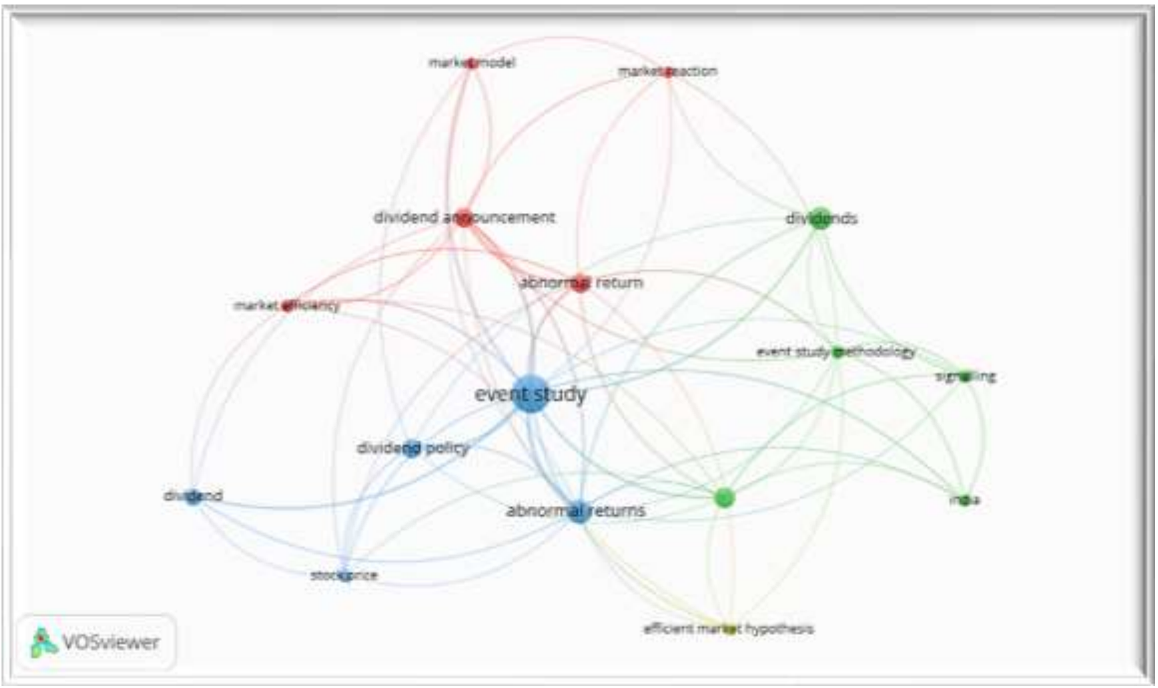

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Figure: 6, Bibliographic Coupling

There are now many noticeable groups of publications, according to the VOSviewer-generated visual mapping. Each of these clusters represents an interrelated avenue of research that draws from the same body of literature. The impact of investor psychology, market sentiment, and the overreaction/underreaction phenomenon on stock price changes in the aftermath of dividend announcements is the subject of one major cluster in behavioral finance (Shefrin, 2002; Braberis et al., 1998). This is supported by another significant cluster of research. Research belonging to this category use event studies to examine, in various market settings, whether dividends serve as useful information or not. Market interpretative processes and the veracity of management signals are often emphasized in these studies. This cluster delves into the distinctive institutional, regulatory, and investor behavior traits that distinguish emerging markets from established nations. The effectiveness of dividend signaling and the market's reaction in developing countries are affected by factors including information asymmetry, inadequate governance structures, and investor protection, which are often brought to light in this thread. There are still large gaps in the literature, even with these improvements. This is particularly concerning considering the growing importance of sustainable investment and stakeholder capitalism, as pointed out by Friede, Busch, and Bassen (2015). Because automated trading systems have the potential to change the rate and efficiency with which markets absorb dividend information, studying the dynamic nature of algorithmic and high-frequency trading is also warranted (Hendershott, Jones, & Menkveld, 2011). To better understand the diversity of investor reactions and market dynamics around dividend announcements, it may be helpful to include these characteristics. Moreover, current research is still biased in terms of geography, concentrating too much on developed markets in Europe and North America and too little on some developing economies in Asia. According to recent studies (Donthu et al., 2021; Kumar et al., 2022), empirical event research literature from regions like Latin America and Africa is severely lacking. There are real issues about the generalizability and external validity of current results due to the lack of geographic variety. Theoretically stronger models connecting dividend announcement to market success and deeper cross-country comparisons might be the result of increasing research efforts into underexplored locations.

Conclusion

This bibliometric review provides a bird's-eye perspective of the development and present status of event study research on dividend announcements. This study finds important people, ideas, trends, and where the research has been done by looking at 152 papers pulled from the Scopus database and making patterns visible using VOSviewer. Nevertheless, the field is ever-changing. There has been a progressive movement away from strictly rationalist paradigms and toward more comprehensive models of investor behavior, as seen by the diversification of study topics in recent years to include behavioral finance, dynamics of developing markets, and governance-related issues. An essential structural shift in global financial research is being mirrored by the increasing engagement of developing nations, particularly Indonesia and India, which provides new perspectives based on varied institutional settings. However, a few enduring shortcomings are brought to light by the research. There is more research than ever before, yet international cooperation is lacking, and author networks are still very fragmented. The discordance might block the development of unified, widely applicable models or frameworks. To better grapple with the complex reality of global capital markets more international and multidisciplinary collaboration in research is required (Donthu et al., 2021; Kumar, et al., 2022). In this respect, sustainable financing and ai-driven trading and real-time information dissemination are all modern market attributes that have been underexplored by dividend event Hot Topic Research 55 literature. Future research should update event study models to consider ESG investment and algorithmic market making, as both appear to have become more prevalent (Friede et. al., 2015; Hendershott et. al., 2011). The performance of dividend-centric market indicators in terms of predictability may be substantially enhanced with this merging. This helps both for future submissions, as well as strategic dissemination of the research. Policymakers and educators could perhaps do better for the field in shaping curriculums, educating students about investing and watching regulations if they had a deeper appreciation for what the research has already shown. Related to the above, this bibliometric study is valuable in looking back at the past, as well as looking forward. It combines heterogeneous data sets, identifies important agents, and makes new research possible that is in tune with the constantly changing nature of modern finance. For the preservation of this important area of study of finance, future research should be conducted using multi-disciplinary techniques and collaboration between countries.

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