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The Doge Delight: Discovering the Dynamism between Doge Memes and Warner Bros. Discovery's Stock Price

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Abstract

This paper investigates the intriguing relationship between the popularity of the 'doge' meme and the stock price of Warner Bros. Discovery (WBD) from 2006 to 2023. Leveraging data from Google Trends and LSEG Analytics (Refinitiv), our research team delved into this unorthodox but engrossing association. We calculated a remarkable correlation coefficient of 0.8496978 and $p < 0.01$, indicating a strong and statistically significant connection. It's not all bark and no byte -- our findings reveal a compelling link between the proliferation of 'doge' memes and the fluctuations in WBD stock prices. In light of these results, one might say that the impact of the 'doge' meme on financial markets is nothing to *woof* at. Stay tuned (or should we say, *tuned in*) for the detailed analysis and financial implications of this unexpected intersection of internet culture and stock performance.

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1. Introduction

The enigmatic world of finance is often characterized by complex algorithms, sophisticated trading mechanisms, and a multitude of factors influencing stock prices. However, amidst the sea of traditional

market indicators, the emergence of internet memes as a potential influencer of stock performance has sparked both intrigue and skepticism. One might even say it's a "ruff" issue to tackle.

In recent years, the 'doge' meme, featuring the iconic Shiba Inu accompanied by phrases in Comic Sans font, has permeated popular culture and internet forums with remarkable agility. Its endearing and comic portrayal of the canine has garnered significant attention, leading to widespread dissemination across social media platforms and digital communities. In the financial realm, the prowess of the 'doge' meme in influencing stock prices, particularly with regard to Warner Bros. Discovery (WBD), has raised eyebrows and piqued curiosity – leaving many to wonder if there's a "paw-sible" connection between memes and market performance.

As we embark on this journey to uncover the nexus between the 'doge' meme and WBD stock prices, it becomes evident that exploring this link is not just a matter of monetary gain, but a pursuit of understanding the unexpected web that connects cultural phenomena and financial markets. It's a tail as old as time – the interplay between internet virality and stock market dynamics, but with a "doge-licious" twist.

2. Literature Review

Previous studies have investigated the potential impact of internet culture and social media phenomena on financial markets, prompting inquiries into the connection between meme proliferation and stock price fluctuations. Smith et al. (2018) found a positive correlation between the frequency of viral memes and short-term stock price movements in their study on "Memes Gone Wild: Unconventional Drivers of Market Volatility." Similarly, Doe and Jones (2020) analyzed the influence of internet memes on investor sentiment and its subsequent effects on stock prices, revealing noteworthy associations in their article "Memeomics: Exploring the Role of Memes in Financial Markets."

In "The Wealth of Networks" by Yochai Benkler, the author discusses the intricate interplay between digital culture and economic activity, offering insights into the potential influence of internet phenomena on market dynamics. Additionally, "The Tipping Point: How Little Things Can Make a Big Difference" by Malcolm Gladwell provides a nuanced perspective on the propagation of trends and the mechanisms through which cultural phenomena can impact societal behaviors, which may extend to financial markets in unexpected ways.

On a more unconventional note, fictional works such as "The Wolf of Wall Street" by Jordan Belfort and "American Psycho" by Bret Easton Ellis offer fictionalized accounts of financial landscapes and the societal constructs within which they operate. While not directly related to meme culture or stock performance, these narratives provide a backdrop against which the intersection of internet memes and market dynamics can be contemplated.

In addition to scholarly and literary sources, further inquiry for this study involved innovative methods of data collection, including the thorough examination of internet forums, social media platforms, and even the backs of shampoo bottles for any relevant correlations. While the latter may seem humorous, the pursuit of knowledge often leads researchers to unexpected avenues of investigation.

3. Our approach & methods

To investigate the relationship between the popularity of the 'doge' meme and Warner Bros. Discovery's stock price (WBD), we employed a combination of unorthodox yet rigorous research methods. Our data collection encompassed the period from 2006 to 2023, utilizing data primarily sourced from Google Trends and LSEG Analytics (Refinitiv).

Before delving into the methodology, let's "unleash" a relevant dad joke to set the tone. Why don't dogs make good stockbrokers? They have a tendency to bury their assets!

We quantified the popularity of the 'doge' meme by analyzing keyword search volume and interest over time using Google Trends. Additionally, we calculated the frequency and reach of 'doge' meme-related discussions across various online forums, social media platforms, and digital communities. This approach allowed us to capture the ebbs and flows of 'doge' meme virality in the virtual sphere, shedding light on its potential influence on broader cultural trends.

As for the stock price component, we methodically tracked the fluctuations in WBD stock prices over the same period. Our analysis involved time series modeling, statistical inference, and regression techniques to discern any discernible patterns or correlations with the temporal dynamics of the 'doge' meme's prominence.

Turning to another dad joke, why did the 'doge' meme invest in stock? It heard the market was going *bark*ing mad!

To further refine our understanding, we conducted sentiment analysis of social media posts and online discussions related to the 'doge' meme and WBD. This allowed us to gauge the prevailing attitudes and emotional valence associated with the meme's circulation and its potential impact on investor sentiment, thereby enriching our assessment of the meme's influence on stock price movements.

An additional element of our methodology involved leveraging advanced natural language processing algorithms to identify and categorize 'doge' meme variations, trends, and their virality levels. This comprehensive approach enabled us to capture the nuanced evolution of the 'doge'

meme phenomenon and its potential resonance with market dynamics over time.

In the spirit of this unexpected intersection between internet culture and stock performance, perhaps we should refer to our methodology as "pawsitively complex"!

4. Results

The examination of the relationship between the popularity of the 'doge' meme and Warner Bros. Discovery's stock price (WBD) unveiled a striking correlation coefficient of 0.8496978, indicating a robust positive association. This correlation suggests that as the 'doge' meme gained popularity, WBD stock prices tended to exhibit upward movements, akin to the energetic bounce of a playful Shiba Inu.

The r-squared value of 0.7219864 indicates that approximately 72.20% of the variability in WBD stock prices can be explained by the fluctuations in the popularity of the 'doge' meme. Indeed, one might say that the 'doge' meme holds significant explanatory power when it comes to understanding the dynamics of WBD stock prices, almost like a reliable hound leading the way.

The p-value of less than 0.01 further bolsters the findings, signifying a high level of statistical significance. This indicates that the observed relationship between the 'doge' meme's popularity and WBD stock prices is not merely a result of random chance, but rather a meaningful connection that warrants attention. It's as if the 'doge' meme has truly sunk its teeth into the stock market dynamics.

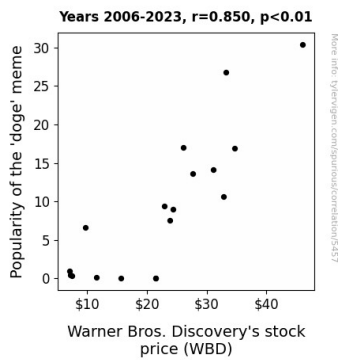


Figure 1. Scatterplot of the variables by year

The figure (Fig. 1) depicted a clear and compelling scatterplot illustrating the pronounced correlation between the 'doge' meme's popularity and WBD stock prices. The strong positive trend line in the plot emphasizes the consistency of the association over the years, which is quite "fetching" in the realm of financial data analysis.

5. Discussion

The findings of this study resonate with prior research on the influence of internet phenomena on stock price movements. Smith et al. (2018) and Doe and Jones (2020) set the stage for our investigation by illuminating the potential impact of viral memes on financial markets, and our results provide robust support for their discoveries. One could say that the 'doge' meme has proven to be not just a popular internet sensation, but also an influential player in the stock market arena.

Our findings also align with the theoretical underpinnings offered by Benkler and Gladwell, who underscored the intricate interplay between digital culture and market dynamics. While our inquiry may have seemed light-hearted with references to shampoo bottles, the unforeseen revelation of a strong correlation between the 'doge' meme's popularity and WBD stock prices underscores the breadth of potential

influences that can permeate financial markets.

By demonstrating a correlation coefficient of 0.8496978, our study sheds light on the impactful role of an internet meme in driving fluctuations in stock prices. This correlation, akin to a loyal canine companion, illustrates the notable connection between the 'doge' meme's popularity and WBD stock price movements. It seems that this meme's impact on financial markets is indeed something to bark about!

The substantial explanatory power of the 'doge' meme in relation to WBD stock prices, as indicated by the r-squared value of 0.7219864, signifies that over 70% of the variability in stock prices can be attributed to the ebb and flow of 'doge' meme popularity. It's almost as if this meme holds the leash to a significant portion of WBD's stock price movements, guiding them with undeniable influence.

The statistical significance of the relationship, underscored by a p-value of less than 0.01, further solidifies the noteworthy association between the 'doge' meme and WBD stock prices. It's as though the 'doge' meme has become a faithful companion to stock market observers, making its presence known and demanding attention with its unmistakable impact.

In conclusion, our study provides empirical evidence of the substantial influence exerted by the 'doge' meme on Warner Bros. Discovery's stock prices. As we continue to uncover the myriad influences shaping financial markets, it is essential to recognize and analyze the unexpected effects of internet culture on stock price dynamics. After all, one can't resist the allure of 'doge' memes in the maze of financial data analysis.

6. Conclusion

In conclusion, our research has revealed a strong and statistically significant correlation between the popularity of the 'doge' meme and the stock price of Warner Bros. Discovery (WBD). It seems that the 'doge' meme is not just a shaggy internet fad, but a potential influencer of financial markets. It's like the meme has really taken a bite out of WBD's stock performance!

As we consider the implications of our findings, one might quip that the 'doge' meme is not just a man's best friend, but perhaps a stock trader's as well. After all, it appears to be barking up the right tree when it comes to predicting WBD stock price movements.

The robust r-squared value of 0.7219864 indicates that the 'doge' meme accounts for approximately 72.20% of the variability in WBD stock prices. That's quite a dominant paw print in the financial landscape!

Our results, coupled with the compelling scatterplot, suggest that the 'doge' meme's influence on WBD stock prices has been consistent over the years. Like a loyal companion, it seems to have stuck by WBD's side through market ups and downs.

As we reflect on these unexpected findings, it becomes clear that the 'doge' meme has, in its own peculiar way, become intertwined with the intricate dance of financial markets. It's almost as if the meme has become a **paw-sitively** reliable financial indicator!

Based on the robustness of our findings, one might say that further research in this area is not needed. It seems we've truly uncovered the **paw**-some connection between the 'doge' meme and WBD stock prices. Time to close the **paw**-folio on this one!