

Association for Information Systems

AIS Electronic Library (AISeL)

NEAIS 2022 Proceedings

New England Chapter of Association for
Information Systems

10-29-2022

Market Value with CEO Interview Videos on YouTube

Cuibing Wu

University of Massachusetts, Cuibing_Wu@uml.edu

Juheng Zhang

University of Massachusetts, juheng_zhang@uml.edu

Follow this and additional works at: <https://aisel.aisnet.org/neais2022>

Recommended Citation

Wu, Cuibing and Zhang, Juheng, "Market Value with CEO Interview Videos on YouTube" (2022). *NEAIS 2022 Proceedings*. 4.

<https://aisel.aisnet.org/neais2022/4>

This material is brought to you by the New England Chapter of Association for Information Systems at AIS Electronic Library (AISeL). It has been accepted for inclusion in NEAIS 2022 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

Market Value with CEO Interview Videos on YouTube

Cuibing Wu

Department of Operations and Information Systems
University of Massachusetts
Cuibing_Wu@uml.edu

Juheng Zhang

Department of Operations and Information Systems
University of Massachusetts
Juheng_Zhang@uml.edu

ABSTRACT

Firms and chief executive officers (CEOs) are increasingly using social media to disclose information and communicate with investors (Kelton and Pennington, 2020). Social media are now deemed as the ideal relations management platform for investors and firms. Social media may promote more timely or extended information for the investors based on its advantages (Zhou, Lei, Wang, Fan and Wang, 2015). The various kinds of information that firms and CEOs disclose through social media can materially affect the capital market. CEO interview videos usually focus on the policymaker answering questions, usually on a specific theme. The unscripted and authentic videos are an excellent way to know the CEO and provide a personal perspective. Generally, uncertainty is seen as a key factor that harms investment decisions (Chen and Chiang, 2020). Investor uncertainty about firm value drives investors' information collection and trading activities (Nagar, Schoenfeld and Wellman, 2019). Disclosure of information reduces uncertainty, thereby reducing information asymmetry and increasing investor confidence in the firm's operation (Chen and Chiang, 2020). Information disclosure as a mechanism is introduced in agency theory to ensure management and support for shareholders by managers and possibly reduce opportunistic behavior in the firm and information asymmetry (Ameri et al., 2021). Previous research has provided evidence that firm information disclosure has a positive impact on the firm market value and social media increases information disclosure and dissemination (Gordon, Loeb and Sohail, 2010; Xie, Wang and Schochet, 2022). CEO as the policy and strategy maker represents the leader and planer for a firm. Their interview videos provide important information for stakeholders. However, there is no research regarding the effect of the CEO interview video disclosure on firm market value. We conducted an exploratory empirical study to test the argument: Disclosure of the CEO's interview videos on social media will be associated positively with increases in the firm market value. Our basic research design is the value relevance methodology, for investigating various factors associated with firm value. Thus, the focus of this type of research is on exploring the association between disclosed items and the firm's value. Our data include observations of S&P 500 firms over the period of 2015-2020. We collect the CEO interview videos and related information from YouTube. After combining interview data and the firm's financial data, a balanced panel dataset is built, consisting of 1770 firm-year observations including 1369 non-video disclosing and 401 video disclosing. Based on panel data analysis, this study provides empirical support for the argument that CEO interview video disclosures are positively and significantly related to market value using a price regression model. We conduct a returns model and build a two-stage treatment effects model to provide additional evidence. The results are consistent with the primary model. These findings provide generic evidence of the agency theory, which states that firm information disclosure is consistent with increasing firm value. This research is crucial to the extant literature on information disclosure and firm market value. We believe this research will play an essential role in filling the gap in information disclosure and social media analytics.

Keywords

Market value, disclosure, CEO interview videos, social media.

REFERENCES

1. Ameri, H., Kamyabi, Y. and Malekian K. E. (2021) Investigating the impact of information voluntary disclosure on the relationship between tax aggressiveness and information asymmetry, *Journal of Accounting Knowledge*, 12, 2, 49-65.
2. Chen, X. and Chiang, T. C. (2020) Empirical investigation of changes in policy uncertainty on stock returns--Evidence from China's market, *Research in International Business and Finance*, 53, 101-183.
3. Gordon, L. A., Loeb, M. P. and Sohail, T. (2010) Market value of voluntary disclosures concerning information security. *MIS Quarterly*, 34, 3, 567-594.
4. Kelton, A. S. and Pennington, R. R. (2020) If you tweet, they will follow: CEO tweets, social capital, and investor say-on-pay judgments, *Journal of Information Systems*, 34, 1, 105-122.
5. Nagar, V., Schoenfeld, J. and Wellman, L. (2019) The effect of economic policy uncertainty on investor information asymmetry and management disclosures, *Journal of Accounting and Economics*, 67, 1, 36-57.
6. Xie, F., Wang, T. and Schochet, S. (2022) Does the market value M&A risk factor disclosures? Evidence from the involvement of investment bank advisors, *Journal of Corporate Accounting & Finance*, 33, 1, 100-110.
7. Zhou, M., Lei, L., Wang, J., Fan, W. and Wang, A.G. (2015) Social media adoption and corporate disclosure, *Journal of Information Systems*, 29, 2, 23-50.