Sell-side Bus Tours

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Abstract

Our paper introduces bus tours, a corporate access event where investors and analysts visit company headquarters to tour operations, meet management and non-C suite employees. Contrary to other private meetings, bus tours emphasize firms with more tangible assets, where the benefits of observing a firm's operations are likely larger. Institutional trading volume and the frequency and accuracy of the hosting analysts' earnings forecast increase following the tour, and hosting analyst optimism is elevated preceding the tour. Our findings suggest that bus tours are a distinct disclosure medium that convey value-relevant information, but also induce analysts to issue strategically biased forecasts.

Keywords: Field trips, bus tours, corporate access, analyst recommendations

JEL classifications: G20, G23

Sell-side Bus Tours

1. Introduction

Analyst bus tours, also referred to as field trips, are events organized by sell-side analysts whereby a host analyst coordinates scheduled site visits to firm locations for their institutional clientele.[1] These visits usually take place over several days, are industry focused and geographically concentrated to maximize the number of firms that can be visited on a single tour. Like broker-hosted conferences and non-deal road shows, bus tours are an instrumental component of a brokerage house research department's corporate access program. For instance, as stated on William Blair's main corporate access page, "Our non-deal roadshows, conferences, and investor field trips facilitate the exchange of ideas and build relationships between senior corporate management and key decision makers with leading institutional investors."[2] Buy-side analysts also regularly emphasize the importance of bus-tours. For example, a recent *Institutional Investor* article cites a hedge fund manager: 'But where the sell side is perceived to provide the most value to hedge funds is through corporate access – the meetings with corporate executives, field trips to see firm operations, and non-deal roadshows organized by sell-side firms on behalf of buy-side investors."[3] Despite the importance of bus tours to both the sell-side and buy-side, to the best of our knowledge, they have not been examined in the academic literature.[4] We attempt to fill this void.

We collect a novel sample of 733 bus tours spanning 4,457 firm-days over the 2013 to 2019 period from TheFlyOnTheWall.com(FLY).[5] The average tour is 2.4 days, 6.1 firms are visited, and approximately 84% of the firms visited are covered by the hosting broker. We begin by examining the types of firms that are most likely to participate in bus tours, with a particular emphasis on contrasting bus tour participation with attendance at two other prominent corporate access events: broker-hosted conferences (Green et al. 2014b) and non-deal roadshows (Bradley, Jame, and Williams, 2022). We

[1] We use both terms interchangeably throughout the paper. They are also referred to as reverse non-deal roadshows.

[2] See: https://www.williamblair.com/Equities/Corporate-Access. Similarly, Oppenheimer states on their main corporate access page, "In addition to Oppenheimer's high profile conferences, our Corporate Access Team facilitates more than 3,000 company-investor connections annually. This includes several hundred deal and non-deal roadshows, flagship conferences, field trips, bus tours, site visits, and other bespoke events throughout the United States, Canada, Europe, and Asia." See: https://www.oppenheimer.com/corporations-institutions/equities/corporate-access.aspx.

[3] Source: https://www.institutionalinvestor.com/article/2bsxrhr8ya274h2oullvk/research/hedge-funds-disdain-most-sell-side-analysts-heres-who-they-actually-like?zephr_sso_ott=LHLFLQ

[4] Several papers have studied site visits in China including (e.g., Cheng, Du, Wang, and Wang (2016); Cheng, Du, Wang, and Wang, 2018; and Han, Kong, and Liu (2018)). In addition to the substantial differences between the US and China markets, the site visits studied in China are very different from bus tours studied in the US. We discuss these differences in greater detail in Section 2.

[5] Bus tour activity declined significantly in 2020 due to the global pandemic.

find that participation at all three types of corporate access events (bus tours, NDRs, and broker-hosted conferences) are positively related to firm size, the number of analysts covering the firm, and one-year stock performance, consistent with investor demand for information being greater for larger firms with stronger recent performance. However, in sharp contrast to NDRs and broker-hosted conferences, we find that bus tours are more common among firms with *lower* levels of intangible assets. This effect is mostly driven by within-industry variation in tangible assets rather than across industry. Economically, a one standard deviation increase in intangibles is associated with a 20.5% decrease in bus tour participation, compared to a 13.3% and 6.5% *increase* for NDRs and conferences, respectively. These results suggest that the demand to visit a firm is positively related to tangible assets, where the benefits of observing a firm's operations are likely to be larger. In contrast, there is presumably less reason for institutional investors to travel to visit firms with high levels of intangible assets that are harder to value and generally rely more on intellectual property. Thus, the information gleaned from bus tours is likely to be very different from other corporate access sources, which could complement analysts' and investors' information set.

We next examine trading volume in the period following the bus tour. We conjecture that if tours are valuable and generate trade ideas, investors will trade based on the information they acquire from them. Consistent with this view, we find a surge in trading after the tour: annualized turnover increases by 12 percentage points in the two weeks following the bus tour compared to the two weeks prior to the tour. This increase in turnover is economically and statistically greater than the increase for NDR's (3 percentage points), and slightly larger but statistically insignificantly different than the increase for conferences (10 percentage points). Additionally, using the Boehmer, Jones, Zhang, and Zhang (2021) method to partition volume into institutional and retail components, we verify that the increase in trading activity is driven by institutional investors.

Having established that bus tours are important information events for institutional investors, we next examine whether and how they affect analyst research. If analysts acquire value-relevant information during these visits, they may be more likely to revise their forecasts to reflect this knowledge, and their forecasts may be more accurate compared to other analysts. We find evidence of both. Specifically, relative to non-hosting analysts, hosting analysts are 25% more likely to update their forecasts in the two-weeks immediately after the bus tour. Similarly, hosting analysts' forecasts

are significantly more accurate in the two quarters after the event.[6] In contrast, we find no improvement in accuracy following NDRs, and statistically significant, but economically more modest, improvements following investor conferences. The collective evidence suggests that bus tours are a particularly useful information acquisition activity for sell-side analysts.

In our final series of tests, we examine whether bus tours impair analysts' objectivity. Host tour analyst research may be compromised because they fear upsetting management prior to the event they are organizing. Consistent with this notion, Bradley, Jame and Williams (2022) show that NDR host analysts issue biased research just before the NDR. We find very similar patterns for bus tour analysts. Specifically, we find that host analysts issue more optimistic recommendations coupled with more pessimistic earnings estimates. These results are consistent with sell-side analysts issuing strategically biased forecasts that cater to managements' preference for optimistic investment recommendations coupled with "beatable" short-term earnings forecasts (Malmendier and Shantikumar, 2014).

Our findings contribute to the literature on the determinants and consequences of corporate access events. Prior work has studied different sets of corporate invents including investor conferences (Bushee, Jung, and Miller, 2011, Green et al., 2014a, Green et al 2014b), analyst/investor days (Kirk and Markov, 2016) and non-deal roadshows (Bradley, Jame, and Williams, 2022).[7] We extend this literature by offering a first systematic analysis of bus tours, which are frequently acknowledged in surveys as one of the most important management access events that the sell-side organizes. Our analysis uncovers several important differences between bus tours and NDRs and investor conferences in terms of their determinants, and their impact on institutional trading volume, and analyst equity research. These differences highlight bus tours as an important disclosure medium for firms, institutional investors, and sell-side analysts, particularly among firms with higher levels of tangible assets.

Our paper also adds to the literature that explores the factors contributing to analysts' informational advantage. Most relatedly, a growing literature suggests that management access is associated with more informative research (see, e.g., Cohen, Frazzini, and Malloy, 2010, and Green et al., 2014a, Bradley, Gokkaya, and Liu, 2020), but this literature is largely silent on when management

[6] The magnitude of the accuracy advantage of the hosting analysts is larger over shorter horizons (e.g., two-weeks), but due to the relatively small number of observations, the estimates over horizons shorter than one-quarter are generally not statistically significant.

[7] In addition to the above studies, several studies rely on proprietary data to study a comprehensive set of investor relation activities for a single firm (e.g., Soltes, 2014, and Solomon and Soltes, 2016).

access is more informative. Our evidence of larger improvements in accuracy following bus tours relative to other corporate access events suggests that features unique to bus tours, such as plant tours and discussions with a broader set of management including non-C-suite level employees, are particularly valuable for sell-side analysts.

Finally, our paper adds to the literature on analyst bias. Prior research emphasizes conflicts of interests stemming from analysts' issuing biased research to win investment banking business (e.g., Lin and McNichols (1998), Michaely and Womack (1999), and Bradley, Jordan, and Ritter (2003)). Regulatory changes such as the 2003 Global Research Settlement were mandated to mitigate these conflicts and there is some evidence that such regulations were effective.[8] Investment banking credited to the research department is no longer permissible under the Settlement. Coincidently, corporate access events, which are not restricted under current regulations, have become more important to research departments as a revenue source. Similar to Bradley, Jame, and Williams (2022) who find evidence of analyst bias for non-deal roadshows, we document significant bias for hosting analysts prior to bus tours. Our findings further suggest that private meetings are a pervasive source of conflicts of interest for sell-side analysts.

The rest of the paper proceeds as follows. Section 2 provides institutional background information, describes the data used and provides an analysis on the determinants of bus tours. Section 3 focuses on trading activity around bus tours while section 4 examines the impact of bus tours on analysts' research. Section 5 concludes.

2. Institutional background, data sources, and determinants of bus tours

2.1 Institutional details of bus tours

Providing institutional investors with access to management is an important component of a sell-side analyst's job. Each year, *Institutional Investor* polls buy-side investors on what they find most valuable in sell-side analysts. Management access is consistently ranked one of the three most important qualities. In addition to organizing events such as broker-hosted conferences (Green et al., 2014b) and non-deal roadshows (Bradley, Jame, and Williams, 2022), bus tours are an important service that sell-side analysts offer their institutional investor clients. A bus tour is an event where an

[8] See https://www.sec.gov/litigation/litreleases/finaljudgadda.pdf for regulatory changes. Kadan et al. (2008) find that banks changed their rating systems from a 5-point scale to a 3-point scale and affiliated analysts no longer display overly optimistic ratings. Corwin, Larocque and Stegemoller (2017) find that the Global Settlement was effective in curbing analyst bias for the banks directly sanctioned but was largely ineffective for other banks.

analyst charters a bus (or several) for institutional investor clients and coordinates firm site visits. A typical bus tour has an industry theme largely based on the coverage portfolio of the analyst and the firms visited are geographically proximate. Despite their importance, very little is known about bus tours, presumably because unlike conferences, bus tours are private meetings that are generally not disclosed by firms.

There are at least three important institutional features of bus tours that make them distinct from broker-hosted conferences and non-deal road shows. First, bus tours almost always include a visit to a firm's plant and facilities. This differs considerably from non-deal road shows that occur in institutional investors' offices or broker-hosted conferences that are typically held in a major money center in a meeting space, often a hotel. Second, bus tours provide investors access to not only upper management, but also lower-level employees that do not attend broker-hosted conferences or non-deal road shows. Third, the hosting analyst is intimately involved in the site visits. For example, the hosting analysts will attend the plant tours and is typically active in asking questions. This differs considerably from non-deal roadshows where in many cases the analyst does not attend the meetings between investors and managers.

The bus tours we examine in our sample are also very different from site visits that have been explored in the Chinese market (e.g., Cheng, Du, Wang, and Wang, 2016; Cheng, Du, Wang, and Wang, 2018; Han, Kong, and Liu, 2018, and Yang, Lu, and Xiang (2020). Since 2009, firms listed on the Shenzhen Stock Exchange (SZSE) in China required disclosure of site visits, which provides unique data for researchers to examine various economic consequences of information flow resulting from detailed records of such visits.[9] In the US, no such regulatory disclosure requirements exist. Second, Cheng et al. (2015) report that top executives only participate in 15.2% of site visits in China. Our contact suggested that top management participates in virtually all bus tours. Third, bus tours include multiple firm visits and always include institutional investors. In China, Cheng et al. (2015) report that more than a third of site visits are solely by analysts and conditional on analyst-institutional investor, they are single firm visits.[10]

We had several conversations with a portfolio manager who views bus tours as at least as valuable as non-deal road shows and more valuable than broker-hosted conferences. He indicated that

[9] In July 2012, these disclosure requirements were bolstered to require disclosure within two trading days of the visit. Prior to this, disclosure was mandated in firms' annual reports. See Yang, Lu, and Xiang (2020) for more detailed information.
[10] The latter result is extrapolated from summary statistics in Cheng et al. (2015) Table 1. Their sample selection process begins with the total number of site visits (18,259 visits for 1,259 firms). In the next step, they combine adjacent site visits into one event reducing the sample to 16,913 visits for 1,269 firms implying that the typical site visit occurs for one firm.

the information he obtains on bus tours is different from other events. He noted that being able to physically see operations and compare similar firms' production processes was insightful. Moreover, bus tours provide access to non-C suite employees that are not available otherwise. This view parallels a report by the National Investor's Relations Institute, which cites an Investor Relation (IR) consulting firm suggesting that firms should use bus tours to "to display their company's tangible assets and the way their company is set apart from peers."[11] The IR consulting firm continues: "*Many investors only hear the financial orientation and never quite understand the fundamentals of the company… A [bus tour] lets the investor actually understand what the company does from a practical point of view, as opposed to the balance sheet and credit ratings... Show your investors what they are investing in… A real product gives a better picture than just telling investors about your assets or asking them to read the annual report.*"

The view of bus tours as a valuable information event is also supported by survey evidence and case studies. For example, Brown et al. (2015) survey a large sample of US analysts about the usefulness of different types of management interaction in generating their earnings forecasts and stock recommendations. Of the 8 types of activities (e.g., roadshows, conference calls, conferences, etc.) site visits rank very high. In fact, for stock recommendations, US analysts rate plant visits as the second most important activity behind private phone calls with management. Similarly, using detailed data on broker votes for a mid-sized investment bank, Maber, Groysberg, Healey (2014) find that across all concierge services (i.e., bus-tours, NDRs, investor conferences), bus tours are most strongly related to brokerage votes.

2.2 Data sources and descriptive statistics

Bus tour data is made available through *Theflyonthewall.com* (*FLY*), which is the same data source used by Bradley, Jame, and Williams (2022) for their sample of non-deal roadshows.[12] The sample runs from 2013 through 2019. As Bradley, Jame, and Williams (2022) describe, *FLY*'s propriety data come from several sources including points of contact within buy-side and sell-side firms. Appendix A provides a snapshot of an example from *FLY* illustrating the structure of our data.

Bus tours are typically organized along industry lines. For instance, on September 10, 2019, Jeffries hosted a two-day tour, 'Jeffries Casino Tour,' which made seven stops: Caesars (CZR),

[11] See page 14 of:
https://www.niri.org/NIRI/media/NIRI/IRUpdates/2015%20IR%20Update/1015_NIRI_IRU_FullBook_LRes.pdf
[12] A concern with *FLY*'s reporting is that it does not contain the universe of bus tour coverage, which brings up sample selection issues. Bradley, Jame, and Williams (2022) show that the subset of brokers and events that FLY covers is representative and does not contain any apparent biases.

Monarch (MCRI), Eldorado (ERI), Jackson Rancheria, Thunder Valley, Hard Rock, and the Economic Development Authority of Western Nevada. There are some interesting observations from this example. First, the Economic Development Authority of Western Nevada is a regulatory body.[13] Second, the tour stopped at three private companies. Third, not all of the publicly-traded companies are covered by the broker's analyst. For instance, in the example above, X are not covered by the host analyst. These observations suggest that these field trips are not only designed to capture firm-specific information, but also add value more broadly in terms of overall industry knowledge.

We match the bus tour participants to their analyst coverage universe using I/B/E/S. We then identify the bus tour broker sponsor and the within-broker analyst covering the bus tour firms. Table 1 provides descriptive statistics on the sample. The sample is limited to common stocks (sharecodes 10 and 11) that are contained in the intersection of the CRSP monthly returns file and the Compustat fundamental annual file. We also require that the hosting broker in FLY reports to the IBES brokerage dataset. Panel A shows the number of bus tour events in our sample and corresponding statistics for other corporate access events. Our sample of 733 bus tours spans 4,457 firm-days with visits to 1,395 firms. The average field trip visits just over 6 firms, and 59 unique IBES brokerage firm organize at least one bus tour. We find that 84% of the companies on the field trip are covered by the hosting brokerage firm. As a comparison, there are far more NDRs and broker-hosted conferences. For instance, over the same period, there are 28,013 NDRs and 2,675 broker conferences. NDRs just involve a single firm whereas the average number of firms participating at a broker-hosted conference is just over 20.

In Panel B, we examine the most common locations where these events occur. The majority of NDRs and broker conferences take place in the Northeast. For instance, 24% of NDRs and 40% of broker conferences are hosted in New York, New Jersey, or Connecticut. In contrast, only 6% of bus tours occur in the Northeast. This contrast is not surprising. Many institutional investors are headquartered in the Northeast. Thus, when firms travel (either for conferences or NDRs), they frequently visit locations that are convenient for institutional investors. On the other hand, bus tours

[13] Regulatory information can flow all the way to firms when investors visit regulators on bus tours. An example of this is highlighted in an IR update from the National Investor Relations Institute: 'This month, TECO Energy Inc. is participating in its first [bus tour] in quite a while, reports Mark Kane, director of investor relations. This regulatory road show will hit Atlanta, Miami, and Tampa and bring a group of 15 to 18 investors to multiple companies and regulators in the energy sector. "The focus will be on the current state of utility regulation in the southeast," Kane says. "We're a regulated utility, and they are meeting with a Florida regulatory body the day before they meet with us. Maybe we can gain some intelligence about the meetings with the commissions. We can't control those conversations, but we can get feedback from those conversations.' Source: page 14 of https://www.niri.org/NIRI/media/NIRI/IRUpdates/2015%20IR%20Update/1015_NIRI_IRU_FullBook_LRes.pdf.

involve firm site visits, which can only occur where firms have a presence. California is by far the most likely destination for a bus tour, which coincides with the state that has the largest economic impact from a production and market value standpoint.

2.3 Determinants of Bus-Tours

Prior work suggests that private meetings are particularly valuable for firms with high levels of intangible assets since such assets tend to be more difficult to value. For example, Green et al. (2014b) and Bradley, Jame, and Williams (2022) find a strong positive relation between intangible assets and attendance at investor conferences and non-deal roadshows, respectively. In contrast, we expect bus tours to be particularly prevalent for firms with more tangible assets where the value of observing operations in real time (e.g., observing assembly lines, gauging morale of workers on the floor, etc.) are likely to be more valuable. At the same time, we acknowledge that bus tours may still be useful for firms with high levels of intangible assets. For example, although plant tours may not be particularly informative for biotech companies that possess considerable IP through trade secrets, bus tours could still add value by allowing analysts and investors to talk to the scientists of engineers who are responsible for the IP generation, particularly since these types of employees are generally not present at other investor relation activities.

Asset tangibility varies considerably across industries. Accordingly, in Table 2, we examine the prevalence of bus tours, NDRs, and investor conferences at the industry level using the Fama-French 10 industry classification. In the first column, we report the number of firm-month observations for each industry. Across our 2013-2019 sample period, we have 294,049 firm-month observations and intangible assets represents 15.76% of total assets on average. In the second column, we report the average percentage of each industry's assets that are intangible. Telecom has the highest percentage of intangibles at 34.1 followed by nondurables and high-tech business equipment (24.2% and 21.2%, respectively). On the other end of the spectrum, utilities and energy have the lowest percentage of intangible assets at 6.2% and 3.5%, respectively.

Table 2

The next column (*Bus dummy*) reports the percentage of firm-months in which the firm participated in a bus tour in the given month. The columns *NDR dummy* and *Conf dummy* are defined analogously. Finally, the last column reports the average *Bus Ratio* defined as *Bus Dummy/ (Bus Dummy + NDR Dummy + Conf Dummy).* In the bottom rows, we compute the correlation between the percentage of intangible assets and the propensity to participate in the various types of private events.

Here, we see that bus tour participation is negatively correlated with asset intangibles (−.368) while NDRs and broker conferences are positively correlated (0.544 and 0.273, respectively). However, the relation between intangibles and bus tour participation is far from monotonic across industries. For example, in the case of bus tours, the energy industry is consistent with the negative correlation between intangibles and bus tours, as it has the lowest level of intangibles (3.5%) and the highest percentage of participating bus tour firms (3.0%). However, bus tours are also relatively common in the Hi-Tech industry despite the high levels of intangible assets. This finding is consistent with the view that client demand for bus tour, while positively related to tangible assets, is likely driven by many other considerations.

We next examine the determinants of bus tours at the firm level. We borrow from the literature to form our model. Specifically, we conjecture that the propensity to engage in private events is similar across the three types of events (bus tours, NDRs, and broker-hosted conferences). That is, firms with greater incentives to reduce information asymmetry coupled with stronger investor demand should be more likely to participate in bus tours and the other types of private events.

Green et al. (2014b) and Bradley, Jame and Williams (2022) show that the demand for private events increase with higher degrees of information asymmetry. Specifically, they find that participation in NDRs is positively related to higher levels of recognized intangibles, R&D expenses, growth opportunities, and idiosyncratic volatility. However, as we just showed in a univariate sense, site visits are more valuable for firms with higher degrees of tangible assets and thus likely represent an important difference between the various forms of corporate access events.

We also include the percentage of institutional investors that own the stock because we expect there to be more demand for management access when there is a larger institutional ownership base. We also consider the number of analysts covering the firm for two reasons. First, on the supply side, when there are more analysts covering a firm, there are more analysts who will likely choose to organize a bus tour. On the demand side, analysts typically cover firms that institutions want to know more about; such firms are likely an attractive destination for institutions to visit. In examining the determinants of non-deal roadshows, Bradley, Jame, and Williams (2022) also include firm age, market capitalization, recent stock market performance, share turnover and future investment banking business. We include these as well. All continuous variables are normalized to have zero mean and unit variance. Detailed variable definitions can be found in Appendix B.

We estimate a linear probability model at the firm-month level. The dependent variable, *Bus Dummy*, equals one if the firm participated in a bus tour in the given month and zero otherwise. We

also estimate a similar model for non-deal roadshows, *NDR Dummy*, and investor conferences, *Conf Dummy*, for comparison purposes. We include month fixed effects and cluster the standard errors by firm and month.

Table 3

Specification 1 of Table 3 provides the results for bus tours. We find that bus tours are more likely for firms with lower levels of intangible assets. The coefficient of −0.30% is highly statistically significant (*t*-stat =−5.25) and economically large, indicating that a one standard deviation increase in intangibles reduces the likelihood of engaging in a bus tour by 20.5% of its mean (= 0.30%/1.46%). This finding is consistent with Cheng et al. (2016) who document that site visits in China are also more common for firms with higher levels of asset tangibility. We note, however, that many of the other determinants are different. For example, we document that bus tours are strongly increasing in firm size and decreasing in firm age. In contrast, Cheng et al. (2016) document that site visits are unrelated to firm size and strongly increasing in firm age. These findings suggest that the factors driving participation in bus tours in United States versus site visits in China are very different.

In specifications 2 and 3, we provide the same estimation but replace the dependent variable with *NDR Dummy* and *Conf Dummy*. In stark contrast to bus tours, the coefficient on *Intangibles* is positive and highly statistically and economically significant in both specifications. For example, in column 2 we see that a one standard deviation increase in intangibles increases the likelihood the firm will engage in an NDR in a given month by 1.07 percentage points, which reflects a 13.3% increase relative to its mean value (=1.07%/8.06%), and the corresponding increase for investors conferences is 6.5% (1.12%/17.19%). Likewise, market-to-book, which likely reflects both intangible assets and growth opportunities, is an important determinant of NDR and conference participation but is unrelated to participation in bus tours. These findings are consistent with bus tours being a distinct disclosure medium that attract different types of firms.

While the results in the first three specifications provide evidence that participation in these events is related to asset tangibility, it is not clear if this result is driven primarily by across industry variation in asset tangibility or within industry variation. To explore this further, Specifications 4 through 6 add industry fixed effects. The coefficient on *Intangibles* for bus tours is virtually unchanged after controlling for industry, suggesting that bus tours tend to seek out firms with relatively high levels of tangible assets within a given Fama-French industry. There is some evidence that across industry variation is relatively more important for NDRs and conferences. For example, a comparison of Specifications 3 and 6 suggests that across industry variation accounts for roughly 30% of the tilt

towards firms with more intangible assets (0.80/1.12). This is perhaps not surprising since investor conferences tend to be much larger and presumably more representative of the entire industry.

3. Trading volume around bus tours

In this section, we examine trading volume around bus tours. Our empirical specifications examine whether there is an increase in trading in the weeks following the event. Intuitively, if institutional investors acquire valuable information during these events they should subsequently trade on this information.[14] We also compare and contrast the volume effects across bus tours to those of NDRs and investor conferences. We conjecture that bus tours and conferences will likely generate a greater volume reaction than NDRs because more institutions are exposed to these events and therefore provide a higher likelihood of trading activity. We limit the sample to firm-days that are not within 5 trading days of an earnings announcement and we require that the firm's share price is at least $5.

Insert Table 4

In all regressions, the dependent variable is the annualized daily trading turnover, defined as daily trading volume divided by the number of shares outstanding, and multiplied by 250. We winsorize large values of daily turnover at the 95th percentile. *Lag turnover* is the firm's average annualized daily turnover in the previous year. In columns 1-2, we pool all events together by defining *Event (pre and post)* as an indicator that takes the value 1 if the trading day is within ten trading days of a bus tour, NDR, or conference (i.e., days -10 through +10). *Post-event* is an indicator that takes the value 1 if the day is an event day or within 10 trading days after an event (i.e., days 0 through +10).

Table 4 reports the results. In column 1, we see that *Lag turnover* is positive and close to 1, indicating that a firm's trading volume is relatively stable. The coefficient on the indicator *Event (pre and post)* is 0.06 and highly significant (*t*-stat = 9.9) indicating that trading volume is elevated in the two-week pre-period surrounding a corporate access event. The *Post-event* indicator represents the incremental volume reaction following the event relative to the two-week period preceding the event. The coefficient of 0.09 (*t*-stat = 20.6) suggests that the increase in post-event volume relative to the baseline is more than double the increase that occurs in the pre-event time period. This suggests that

[14] Bradley, Jame, and Williams (2022) examine whether that institutions residing in NDR locations increase trading compared to institutions in non-NDR locations. Our setting is different in the sense that multiple institutions from various unknown locations participate. Accordingly, we focus on the ability of bus tours to generate increases in aggregate trading volume.

immediately following the event, trading volume surges, indicating these events generate trade ideas. In specification 2, we include day fixed effects to control for aggregate market conditions on the given day. Including day fixed effects reduces the economic magnitude of post-event volume relative to pre-event volume, but post-event volume remains economically and statistically significant (coefficient = 4.0%, *t*-stat = 9.2).

In specifications 3 through 8, we investigate each management access event separately. The variables in these columns are analogous to the pooled variables examined in columns 1-2, except we consider the three events separately. In these regressions, the sample is restricted to firm-dates that are not contaminated by the other event types. For example, when analyzing bus tours in columns 3-4, we restrict the sample to dates that do not fall within the event window (10 trading days before or after) an NDR or a conference.

There are some notable differences across events. Focusing on the specifications with day fixed effects (specifications 4, 6 and 8), the difference in volume between the pre-event period and the post-event period is economically largest for bus tours (coefficient = 0.06, *t*-stat = 2.6) followed by conferences (coefficient = 0.04, *t*-stat = 9.0). For NDRs (column 6), post-event volume is virtually unchanged between the pre-event and post-event period as the coefficient of the post-event indicator is 0.01 and insignificant (*t*-stat = 0.75). These results are broadly consistent with our expectations. NDRs are generally smaller than the other event types in that there are fewer institutional investors that participate in a given NDR. Thus, while trading volume may be elevated in the geographic region where the NDR occurs (Bradley, Jame, and Williams 2022), trading volume from these institutions is likely to be a small fraction of overall volume. On the other hand, conferences are attended by potentially thousands of institutional investor representatives, journalists, etc. resulting in a more pronounced impact on aggregate trading. Likewise, buy-side participation on a bus tour is significantly higher than a single NDR event, but smaller than conferences. Interestingly, despite less participation, bus tours generate at least as much trading as conferences suggesting that the information acquired on a tour relative to a conference may be more valuable.

3.2 Turnover and institutional turnover across events

The previous section suggests that trading volume is significantly amplified following bus tours and conferences. We take a closer look at this result focusing on whether these differences are significant and further examine if trading is driven by institutions. For the latter, we follow the method of Boehmer, Jones, Zhang, and Zhang (2021) (BJZZ) to disentangle retail from institutional trading.

Insert Table 5

Table 5 presents these results. The analysis in Table 5 is similar to Table 4, except we now include indicators for the various events in the same regression to examine whether the differences in trading volume across events are significant. Bus tours are the omitted category so that the *NDR* and *Conference* indicators capture the incremental effect of these events relative to a bus tour. To isolate the effects of one event type versus another, we restrict attention to firm-dates that are in at most one event period window.[15] Similar to Table 4, we provide two specifications – one without fixed effects and one with date fixed effects. Standard errors are clustered by firm.

The variable *Event (pre and post)* captures whether there is a significant run-up in the pre-event period for the omitted event category, bus tours. Consistent with the results in Table 4, we find no evidence of such a run-up in our baseline specification without date fixed effects, but some evidence of elevated trading activity in the pre-event window when we include date fixed effects. The variables *NDR (pre and post)* and *Conference (pre and post)* capture the difference in pre-event trading volume relative to the omitted category, bus tours. We find some evidence that the pre-event trading volume is greater for NDRs and conferences relative to bus tours, but the statistical significance of these results diminish with the inclusion of date fixed effects.

Our primary variables of interest are the *Post* variables which capture the incremental change in turnover from the pre- to post-event period. Recalling that the omitted category is bus tours, the coefficient of the *Post-event* variable confirms the findings from Table 4 that turnover rises around bus tours. Of greater interest are the *Post-NDR* and *Post-Conference* indicators, which measure the change in volume around NDRs and conferences relative to the change for bus tours. For instance, in column 2, *Post NDR* is negative and statistically significant (coefficient = -0.05, *t*-stat = -2.2), which suggests that the change in turnover immediately following NDRs is significantly smaller than the change that occurs around bus tours. In contrast, the coefficient of *Post-Conference* is statistically indistinguishable from zero, suggesting that the change in trading volume around bus tours and conferences are similar, although the estimate is slightly larger for bus tours.

In columns 3 and 4 we investigate institutional trading turnover, defined as total turnover less retail turnover, where retail trading is computed using the methodology of BJZZ (2021). Focusing on the specification with date fixed effects, we find that virtually all the abnormal turnover is driven by

[15] Note that this filter is slightly different than the one used in Table 4 because our focus differs here. Because of this, the samples are not identical, and the coefficients are not entirely comparable across the two tables due to the slight differences in filters.

institutional trading. The *Post* coefficients between specification 2 (total trading) and specification 4 (institutional trading) are nearly identical. Thus, institutional trading significantly increases following bus tours, and this change is significantly greater than it is for NDRs.

4. Bus Tours and Sell-Side Analyst Research

The previous section provided evidence that bus tours significantly increase trading volume consistent with the view that these events generate trade ideas that are implemented by participating institutions. If analysts also acquire useful information during bus tours, it follows that they may update their forecasts soon after the event, and these updated forecasts may also be more accurate.

4.1. Bus Tours and forecast revision frequency

During bus tours, analysts can acquire information from seeing the facilities and production processes, talking to managers and lower-level employees, and having discussions with institutional investors. Given all the information that an analyst can acquire on a bus tour, it seems likely that she will more likely update her forecasts for the company's earnings in the period following the bus tour relative to other sell-side analysts. We note that nearly all analysts covering the firm issue forecast revisions following major information events such as earnings announcements. To focus on more discretionary revisions that are more likely to be driven by private information acquisition, we focus on annual earnings forecast revisions that do not coincide with other major information events. Specifically following Loh and Stulz (2009) and Bradley et al. (2014), we eliminate forecast revisions that fall in the three-day window around quarterly earnings dates or earnings guidance, and we remove firm-days with multiple forecast revisions. Since analysts could acquire information that is value-relevant for both short-term and long-term profitability, we include all annual earnings forecasts for horizons ranging from one to three years.[16] As in other analyses, for comparison purposes we also include NDRs and broker conferences.

Figure 1

Figure 1 plots the average *Host Revision Percentage*, defined as the total number of revisions issued by the hosting broker over an event window for a given firm scaled by total number of revisions for the firm across all brokers over the same event window. Panels A, B, and C plot the results for bus tours, NDRs, and conferences, respectively for various windows relative to the event date. For

[16] In unreported analysis, we find that forecast revision results are qualitatively similar across the three forecast horizons.

instance, the [-180, -91]-window reports that, relative to all analysts covering the event-firm, host analysts revise their forecasts 4.9%, 8.4%, and 6.4% for bus tours, NDRs, and conferences, respectively in the 3-to-6-month period preceding the event. Focusing on bus tours, host analysts appear more likely to update their revisions immediately following the tour. For instance, host analysts' revision frequencies are approximately in the 5% range in most windows. However, host analyst revision frequency spikes to almost 8% in the two weeks immediately following the event. A similar pattern is shown for NDRs. In the week following the NDR, host analyst revisions more than double from 8% to 19%.[17] On the other hand, we find little evidence that the hosting analyst increase the forecast revision frequency after the conference.

Insert Table 6

We investigate forecast revision frequency further in Table 6. For each event, we estimate a linear probability model where the dependent variable, *Host Revision*, is an indicator equal to one if the revision was issued by the hosting analyst and zero otherwise. The sample is again limited to the [-180, +180] window around the event. The two independent variables are *Pre Event*, an indicator equal to one for the two weeks preceding the event, and *Post Event*, an indicator equal to one in the two weeks following the event. Thus, *Post Event* captures the increase in the probability of the hosting analyst issuing a forecast revision relative to the [-180, +180] event window, excluding the pre-event and post-event windows.

In model 1, we find that the coefficient *Post Event [1, 10]* is 2.4% and significant at conventional levels (*t*-stat = 5.2). In specification 2, we include analyst × firm fixed effects which absorbs time invariant unobserved firm-analyst heterogeneity. The magnitude of the coefficient is reduced to 1.3% but remains highly statistically significant (*t*-stat = 4.1). The estimate implies a 25% increase relative to the mean value of 5.06%. In contrast, we find no evidence of an increase in forecast revisions by the hosting analysts in the period immediately prior to the event.

The remaining columns show analogous results for NDRs and conferences. Consistent with Figure 1, the *Post Event [1, 10]* coefficient is economically large and highly statistically significant for NDRs (8.3%, *t*-stat = 26.0 in specification 4). Likewise, it is not significant for broker-hosted conferences. However, interestingly, *Pre Event [-1, -10]* is positive and significant in both specifications

[17] This result is surprising because in many cases the analyst is not invited to participate in the meetings with management. In the next section, we show that revisions by the sponsoring analyst following an NDR are not more accurate, suggesting that the increase in forecast revisions is likely driven by factors unrelated to increased information acquisition. One possible contributing factor is that sponsoring analysts begin to unwind their forecast bias following the event (see, e.g., Figure 4 of Bradley, Jame, and Williams, 2022).

(5 and 6) suggesting that analysts are more likely to update their forecasts in advance of the conference, perhaps to provide additional contextual information for their institutional clients that will attend the conference. Collectively, the results from this subsection suggest that analyst forecast activity is heightened around corporate access events, which is consistent with the view that host analysts gather information from these events and update their forecasts as a result. It also lends further evidence to the notion that these events differ considerably. While analysts are more likely to update their revisions following bus tours and NDRs, they are more likely to update them before conferences. We next examine the quality of these forecasts as measured by forecast accuracy.

4.2 Bus Tours and Analyst Accuracy

The previous section showed that host analysts are more likely to update their earnings forecasts following bus tours presumably to reflect information gathered during the event. We next examine the quality of these forecasts as measured by forecast accuracy.

We define the outcome variable as analyst forecast accuracy relative to all other analysts issuing forecasts for the firm in the same month as follows:

$$Rel\ Accuracy_{jith} = \frac{(AbsFE_{jith} - \overline{AbsFE}_{ith})}{MaxAbsFE_{ith} - MinAbsFE_{ith}} \times -1. \quad (1)$$

$AbsFE_{ijt}$ is the absolute value of the forecast error (i.e., estimated earnings minus realized earnings) of analyst *j* for firm *i* in month *t* for forecast horizon *h* and $\overline{AbsFE}_{itp}, MaxAbsFE_{itp}, MinAbsFE_{itp}$ are the firm-month-horizon mean, maximum, and minimum of *AbsFE*. We multiply by negative 1 so that higher values imply greater accuracy. We include annual earnings forecast for horizons of one through three years. By focusing on relative accuracy, we control for factors that explain variation in accuracy both across firms and within firms but across months (see Clement, 1999; Hong and Kubik, 2003; and Jame, Markov, and Wolfe, 2022 for a similar approach). We exclude firm-months with only one analyst forecast to ensure that our measure is meaningful.

We next estimate the following panel regression:

$$RelAccuracy_{jith} = \beta_1 RelBusHost_{jit} + \beta_2 RelBusHostPost_{jit} + \beta_3 RelBusHostPre_{jit} + \beta_4 RelNDRHost_{jit} + \beta_5 RelNDRHostPost_{jit} + \beta_6 RelNDRHostPre_{jit} + \beta_7 RelConfHost_{jit} + \beta_8 RelConfHostPost_{jit} + \beta_9 RelConfHostPre_{jit} + RelControls_{jit} + \varepsilon_{jith}. \quad (2)$$

Bus Host is an indicator equal to one if the forecast revision was issued by a brokerage firm that has ever hosted the firm on a bus tour, *Bus Host Post* is an indicator equal to one if the forecast was issued within *x* days following the broker attending a bus tour, and *Bus Host Pre* is an indicator

equal to one if the forecast was issued in the *x* days prior to the host attending the bus tour. We consider three different horizons for *x:* 10 days, 90 days, and 180 days. The advantage of the short (i.e., 10 day) horizon is that revisions made very shortly following the event are most likely to capture information directly acquired at the event. On the other hand, information acquired during events may provide valuable context that allows analysts to better interpret subsequent news releases over longer horizons. Further, expanding the window over longer horizons results in a much larger sample of forecast revisions which should increase the precision of the estimates.

We benchmark bus tours with NDRs (*NDRhost*) and broker-hosted conferences (*Confhost*), and we include analogous pre- and post-measures for both NDRs and conferences. Finally, the set of controls are taken from Clement (1999) and include the following variables: the number of years the analyst has covered the firm (*Firm Experience*), the number of years the analyst has covered any firm *(General Experience*), the total number of firms and industries covered by the analyst (*Firms Followed* and *Industries Followed),* the total number of employees working for the brokerage firm (*Broker Size*), and the difference in days between the date of the forecast and the date of the earnings announcement (*Forecast Age*). We convert all independent variables to relative measures by subtracting the firm-month-horizon mean, and for continuous variables, scaling by the difference between the firm-quarter-horizon maximum and minimum. Standard errors are clustered by firm and month.

Insert Table 7

Specifications 1 through 3 of Table 7 present the results where the pre- and post-event windows are set to 10 days, 90 days, and 180 days around the event. We find that the coefficients on *RelBusHost* is positive and significant. More interestingly, the coefficient on *RelBusHostPost* is positive in all three specifications ranging from 2.18% for the 10-day horizon to 0.90% for the 180-day horizon, with the latter estimate being reliably different from zero. In specifications 4, 5, and 6, we augment model 3 by including brokerage house fixed effects, analyst fixed effects, and analyst × firm fixed effects, respectively. The point estimates on *RelBusHostPost* remain similar and the estimates are always reliably different from zero at a 10% significance level. In contrast, across all six specifications the estimates on *RelBusHostPre* are always statistically insignificant and economically small with estimates ranging from (-0.35% to -0.31%). The sharp contrast between pre-event and post-event informativeness is consistent with analysts acquiring valuable information during the bus tours that allow them to subsequently issue more accurate research.

Our interview with a senior buy-side analyst revealed that sell-side analysts generally do not attend the private meetings between the buy-side and firm management during NDRs. Thus we expect

that sell-side analysts' ability to acquire value-relevant information during NDRs should be relatively limited. Consistent with this view, across all six specifications, we find that the coefficient on *RelNDRHostPost* is never significantly different from zero. Below the regression estimates, we also formally test for whether the coefficient on *RelBusHostPost* and *RelNDRHostPost* are different from each other. We find that the estimate on *RelBusHostPost* is significantly greater than the estimate on *RelNDRHostPost* at a 5% level in four of the six specifications and is significantly greater at a 10% level in all six specifications.

Consistent with Green et al. (2014a), we find that conference hosts tend to issue more accurate research following the conference. The point estimates on *RelConfHostPost* are, however, consistently smaller than the estimates on *RelBusHostPost.* On average, the point estimates suggest that the improvements in accuracy following bus tours are roughly three times as large as the improvements following conferences, although the difference in the coefficients is only reliably different from zero at a 10% significance level in two of the six specifications. Nevertheless, the differences in the magnitude of the estimates point to the possibility that bus tours are a particularly valuable source of information acquisition for the hosting analyst.

4.3 Bus Tours and Analyst Bias

A large literature documents that sell-side analysts issue biased research due to various conflicts of interest (see Mehran and Stulz (2007) for a review). For example, prior work finds that analysts issue overly optimistic in the hopes of winning investment banking business (Michael and Womack, 1999). In response to this conflict, regulators issued the Global Settlement which, among other things, prohibited analyst compensation from being explicitly tied to investment banking business.

Post-settlement, research departments placed more emphasis on concierge services that their clients found valuable. These corporate access events create a very similar source of conflicts of interest, but they are not regulated under the Global Settlement or other regulations.[18] In particular, organizing corporate access events are a strong driver of broker votes, which are a critical determinants of brokerage commissions and ultimately sell-side analyst compensation (Maber, Groysberg, and Healy 2014). Thus, the possibility of participating in corporate access event creates a strong incentive for analysts to issue overly optimistic research in order to curry favor with management.

[18] Effective October 2000, Regulation Fair Disclosure (Reg FD) prohibits material information from being shared with select investors or analysts without simultaneous public disclosure. Private meetings between management and investors are permissible as long as no private material information is disclosed. For evidence on Reg FD, see Gintschel and Markov (2004), Heflin, Subramanyam, and Zhang (2003), and Kross and Suk (2012).

Consistent with these incentives, Bradley, Jame, and Williams (2022) find that NDR host analysts' recommendations display bias. We examine if this bias is also pervasive for host bus tour analysts. Note that unlike NDRs that focus on a single firm, bus tours are more similar to conferences in that many firms are visited in a tour. Recall from Table 1, about 6 firms on average are visited of which the host analyst coverage is roughly 75%. If bias is detected, it is likely to be a smaller magnitude relative to NDRs because a typical tour would represent a significant proportion of an analysts' coverage universe. In other words, it is relatively easy for an analyst to issue a "Strong Buy" for the one NDR firm, it is much more difficult to issue "Strong Buys" for six firms that the broker will visit on a bus tour without losing credibility.

To test these predictions, we follow Bradley, Jame and Williams (2022) and estimate the following panel regression:

$$Optimism_{jit} = \beta_1 Bus3_{jit} + \beta_2 NDR3_{jit} + \beta_3 Conf3_{jit} + \beta_4 Affiliated3_{jit} + \beta_5 Controls + FE + \varepsilon_{jit,} \quad (3)$$

where $Optimism_{jit}$ is either *Rec Level* (Specifications 1), the analyst's current recommendation, converted to a numeric value using the following scale: 1=strong buy, 2=buy, 3=hold, 4=sell/underperform, and 5=strong sell, or *Target Return* (Specification 2), the 12-month expected return (excluding dividends) implied from broker *j*'s most recent 12-month price forecast of firm *i* as of month *t*, computed as (Forecast $Price_{jit}/Price_{it-1}$)−1. The main variable of interest is *Bus3,* an indicator equal to one if the brokerage firm will visit the firm on a bus tour in the subsequent 3 months. We include *NDR3* and *Conf3,* defined analogously, and *Affiliated3 is* an indicator variable equal to one if the firm will become an investment banking client of the firm in the next three months. The set of controls is also taken from Bradley, Jame, and Williams and include *Firm Experience, General Experience, Broker Size, Firms Followed,* and *All Star,* all defined in Appendix B. All specifications include firm-month fixed effects, and standard errors are clustered by firm and month. All continuous variables are standardized to have mean zero and unit variance.

Table 8 reports the results. Consistent with Bradley, Jame and Williams (2022) we find that NDRs are associated with significantly more optimistic research. The coefficients in model 1 implies that NDRs are associated with a 0.29 decline in the recommendation level (where lower values reflects more optimistic recommendation). The coefficients on *Conf* and *Bus* are both negative and statistically significant. However, the magnitude of the bias is smaller which is consistent with our conjecture that the number of firms attending the concierge event will attenuate the average bias for a given firm. In particular, the coefficient on *Bus* is roughly half of that on NDR (-0.13) and the coefficient on *Conf* is

roughly one-fourth (-0.06). We generally observe qualitatively similar patterns using target returns, although the magnitude of optimism preceding bus tours is more modest.

Insert Table 8

Although we document that host analysts issue significantly more optimistic recommendations, this does not necessarily imply that their research is biased. They may choose to include firms in corporate access events that they genuinely believe have the most favorable future prospects. Malmendier and Shanthikumar (2014) offer a potential solution to this self-selection problem. They argue that if analysts are genuine in their optimism, this optimism should also be present in their earnings forecasts. However, if they are strategically issuing biased research, they would be optimistic in their recommendations, but *pessimistic* in the short-term earnings forecasts. This strategy caters to management because pessimistic forecasts allow management a better opportunity to meet or beat EPS consensus benchmarks.

In Specifications 3 and 4, we examine analysts' earnings forecast pessimism. In specification 3 the dependent variable is *MBE*, an indicator for whether the firm beats an analysts' most recent quarterly earnings forecast, and in Specification 4 the dependent variable is *Relative Earnings Pessimism*, defined as [(Rank -1) / (Number of analysts – 1)], where Rank is a descending rank of each analysts' quarterly earnings forecast, which is scaled by the number of analysts issuing forecasts. Thus, higher values of both measures imply greater pessimism. Consistent with Bradley, Jame, and Williams (2022), NDR host analysts, and to a lesser extent conference hosting analysts, issue more pessimistic quarterly earnings forecasts. Interestingly, bus tour forecasts are also more pessimistic and the magnitudes are larger than the corresponding estimates for NDRs and conferences.

Collectively, the results from this section are consistent with the view that host analysts organizing NDRs and bus tour analysts issue overly optimistic recommendations and simultaneous pessimistic earnings forecasts. Note that while affiliated analysts display some weak evidence of optimistic recommendations, their earnings forecasts are not pessimistically biased. Thus, our evidence suggests that while the Global Settlement may have been effective in curbing investment banking analyst bias, analysts simply substituted from banking bias to corporate access bias. That is, sell-side analysts still issue biased research to curry favor with management with the hopes that this increases the likelihood that management will participate in one of their profitable concierge services.

5. Conclusion

Bus tours are a vital corporate access event that brokers' analysts coordinate for their institutional clients. Yet, despite their importance to the sell-side and buy-side, they have received very little attention from financial and accounting researchers. To the best of our knowledge, we provide the first empirical examination of these events. In doing so, we compare and contrast them to the two other most important and frequent management access events organized by analysts – non-deal road shows (NDRs) and broker-hosted conferences.

Consistent with the view that these events provide investors with different types of information, we find that bus tours are more common for firms with more tangible assets, which is in stark contrast to NDRs and conferences which are more common for firms with more intangible assets. This finding is consistent with the idea that bus tours are more valuable for firms with tangible assets where investors can presumably glean more information from plant tours. We also document a surge in trading volume immediately following the tour. This increase in trading volume is entirely driven by institutions and is significantly larger than the corresponding increase in trading volume for NDRs, which is consistent with bus tours reaching a larger base of institutional investors.

We find that bus tour host analysts significantly increase the frequency of their earnings forecast revisions in the period following the bus tour. Moreover, we find that host bus analysts' earnings forecast revisions are significantly more accurate post-tour. In contrast, we find no evidence of improved accuracy for the hosting analyst following NDRs, and more modest improvements following investor conferences. This finding suggests that bus tours are a particularly important information acquisition activity for sell-side analysts. Finally, we find that bus tour analysts (like NDR analysts) exhibit significant bias in their behavior, consistent with the view that analysts curry favor to management to increase the likelihood they will participate in these events.

Our paper highlights a new corporate access event that has important implications for capital markets and analyst research. From the brokers' perspective, as research continues to come under intense pressure to sustain profitability, corporate access events have become an increasingly important part of an analysts' job function as institutions find them highly valuable and are willing to pay for them. From a regulatory perspective, while private meetings with management are allowable under current regulations (assuming non-material private information is not divulged), institutions significantly trade after these events suggesting that they find the information valuable – information the retail investors likely do not have access to. Likewise, we find pervasive evidence of analyst bias. Current regulations prohibit analysts from biasing their opinions based on investment banking

business. These do not pertain to corporate access events. The results in our paper indicate that analysts have shifted this behavior to these events that provide the same incentives for them to do so.

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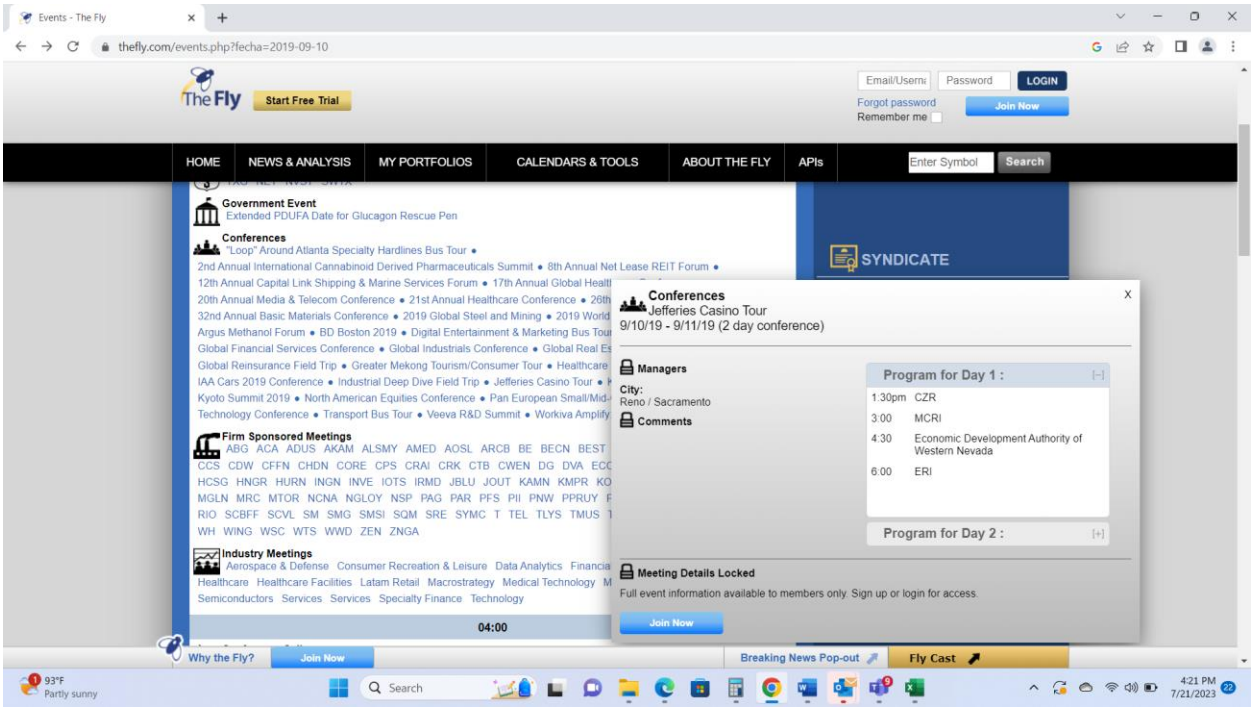
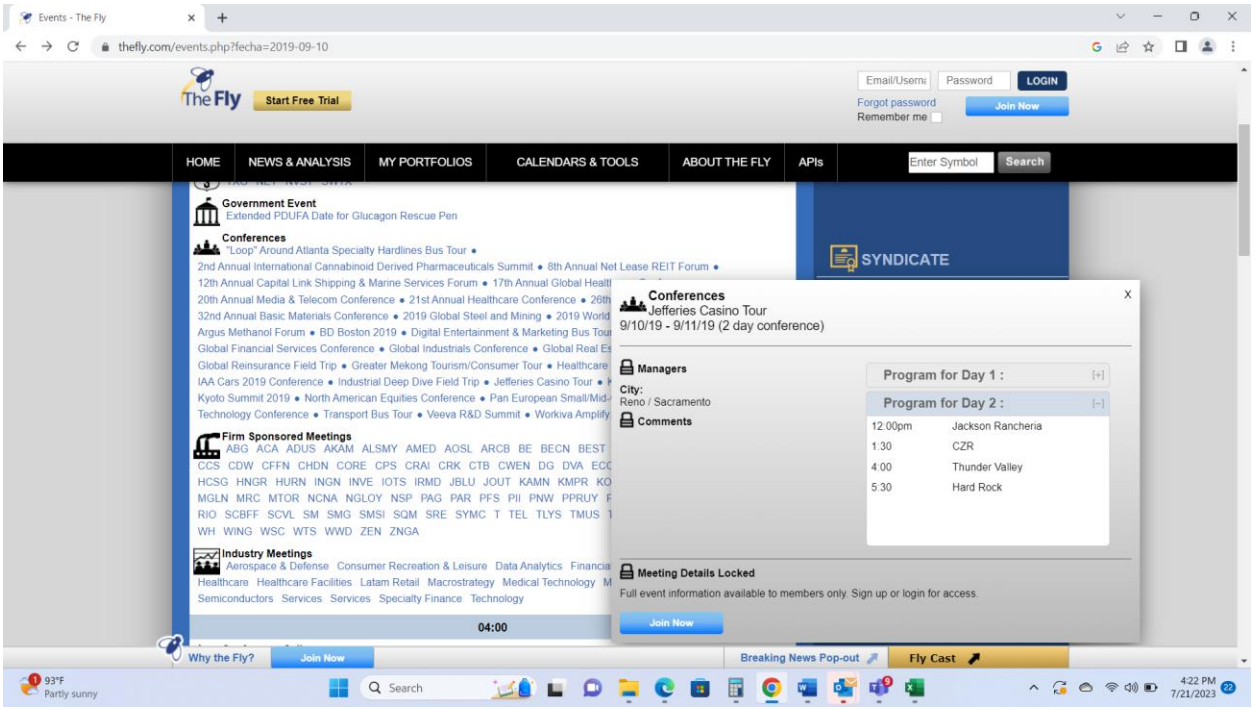
Appendix A: Bus Tour Data Example





Appendix B: Variable Definitions

B.1 Determinants and Firm Characteristics (Tables 2 and 3)

- *Bus Dummy:* an indicator equal to one if any broker visited the firm on a bus tour during the month and zero otherwise. (Source: FLY).
- *NDR Dummy:* an indicator equal to one if any broker organized a non-deal roadshow for the firm during the month and zero otherwise. (Source: FLY).
- *Conf Dummy:* an indicator equal to one if the firm attended any broker-hosted conferences during the month, and zero otherwise. (Source: FLY).
- *Intangibles*: recognized intangibles (33) divided by total assets (6) Winsorized at the 99th percentile. (Source: Compustat).
- *(R&D + ADV)/OE*: R&D expense (46) plus advertising expense (45) divided by total operating expenses. Missing values of R&D and advertisting are set equal to zero. Winsorized at the 99th percentile. (Source: Compustat).
- *Market-to-Book* (*MB*)*:* the market-to-book ratio computed as the market capitalization at the end of the calendar year scaled by book value of equity during year *t-1*. Positive values are winsorized at the 99th percentile. Negative values are set equal to zero and we include a corresponding negative book value indicator (*Negative Book*, often untabulated). (Source: CRSP/Compustat).
- *Idiosyncratic Risk:* the square root of the mean squared residual from an annual regression of a firm's daily returns on the market (value-weighted CRSP index) returns. (Source: CRSP).
- *Institutional Ownership*: the percentage of the firm's shares held by institutions at year end. Winsorized at 100%. (Source: Thomson Reuters S34).
- *Firm Age*: the number of years since the firm first appeared on CRSP. (Source: CRSP).
- *Net Shares*: the natural log of the ratio of the split-adjusted shares outstanding at the fiscal year end in *t-1* divided by the split adjusted shares outstanding at the fiscal year end in *t-2*. (Source: Compustat).
- *SEO*: a dummy variable equal to one if a firm will issue a Seasoned Equity Offering in the next two years. (Source: SDC).
- *M&A Acquirer*: a dummy variable equal to one if a firm will announce the acquisition of another firm in the next two years (Source: SDC).
- *Coverage:* the number of analysts issuing earnings forecasts for firm *i* during quarter *t*.
- # *Institutions*: the number of institutions holding firm shares at year end. (Source: Thomson Reuters S34).
- *Firm Size*: the market capitalization computed as share price times total shares outstanding at the end of June (Source: CRSP).
- *Turnover*: the average daily turnover (i.e., share volume scaled by shares outstanding) over all trading days in the year. Winsorized at 99th percentile. (Source: CRSP).
- *R-squared*: the r-squared from an annual regression of a firm's daily returns on the market (value-weighted CRSP index) returns. Winsorized at the 99th percentile. (Source: CRSP).
- *Ret (m-1):* the return in the prior month. (Source: CRSP).

- *Ret (m-12, m-2):* the return in the prior two to twelve months. (Source: CRSP).
- *Ret (m-7, m-2):* the return in the prior two to seven months. (Source: CRSP).
- *Ret (w-1):* the return in the prior week (Source: CRSP).
- *Vol:* the standard deviation of daily returns over the prior calendar year (Source: CRSP).
- *Book-to-Market (BM):* the book-to-market ratio computed as the book value of equity during year *t-1* scaled by the market capitalization at the end of the calendar year. Positive values are winsorized at the 99th percentile. Negative values are set equal to zero and we include a corresponding negative book value indicator (untabulated). (Source: CRSP/Compustat).

B.2 Trading Volume (Tables 4 and 5)

- *Turnover:* trading volume divided by the total number of shares outstanding and annualized by multiplying by 250. This measure is winsorized at the 95th percentile. (Source: CRSP.)
- *Lag Turnover:* the average value of *Turnover* estimated over the prior calendar year. (Source: CRSP.)
- *Event (pre and post)* - an indicator equal to 1 if the given day is within a ten-day trading window around a bus tour, NDR, or conference [-10, +10]. (Source: FLY and Bloomberg Corporate Events Database).
    - *Bus (pre and post), NDR (pre and post),* and *Conf (pre and post)* are defined analogously.
- *Post-Event* - an indicator equal to 1 if the given day is within a ten-day trading window following a bus tour, NDR, or conference [0, +10]. (Source: FLY and Bloomberg Corporate Events Database).
    - *Post-Bus, Post-NDR,* and *Post-Conf* are defined analogously.

B.4 *Forecast Revision Frequency* (Figure 1 and Table 6)

- *Hosting Broker Revision Percentage*: total number of revisions issued by the hosting broker for a firm over a given window surrounding an event (e.g., a bus tour, NDR, or investor conference) scaled by the total number of earnings forecast revisions for the firm across all brokers over the same vent window.
- *Host* - an indicator equal to one if the forecast revision was issued by the hosting broker of the event and zero if the revision was issued by a non-hosting broker. (Source: FLY and Bloomberg Corporate Events Database).
- *Post-Event* - an indicator equal to 1 if the given day is within a ten-day window following a bus tour, NDR, or conference [0, +10]. (Source: FLY and Bloomberg Corporate Events Database).
- *PreEvent* - an indicator equal to 1 if the given day is within a ten-day window preceding a bus tour, NDR, or conference [-10, -1]. (Source: FLY and Bloomberg Corporate Events Database).

B.5 *Forecast Accuracy* (Table 7)

*Note that all the variables in this analysis are relative to forecasts issued by other analysts issuing forecast for the same firm (i), in the same month (t), for the same forecast horizon (h). All measured are converted to relative measures by subtracting the firm-quarter-horizon, and for continuous

variables, scaling by the difference between the firm-month-horizon maximum and minimum. Below we report the definition for the original variable (e.g., accuracy). We note that all variables in this section are converted to relative measures (e.g., relative accuracy) by comparing the measure for a given analyst to the same measure for analysts issuing forecasts for the same firm (i), in the same month (t), for the same forecast horizon (h). All measured are converted to relative measures by subtracting the firm-quarter-horizon, and for continuous variables, scaling by the difference between the firm-month-horizon maximum and minimum.

- *Accuracy:* the absolute forecast error multiplied by negative one, where forecast error is computed as the difference between the forecasted earnings and the realized earnings. (Source: I/B/E/S).
- *Bus Host*: an indicator equal to one if the forecast was issued by a brokerage firm that has ever visited the firm on a bus tour. (Source: I/B/E/S and FLY).
    - *Bus Host Post*: an indicator equal to one if the forecast was issued by a brokerage firm that has visited the firm on a bus tour in the past x days, where we set x equal to either 10 days, 90 days, or 180 days.
    - *Bus Host Pre*: an indicator equal to one if the forecast was issued by a brokerage firm that will visited the firm on a bus tour in next x days, where we set x equal to either 10 days, 90 days, or 180 days.
- *NDR Host*: an indicator equal to one if the forecast was issued by a brokerage firm that has ever organized an NDR for the firm. (Source: I/B/E/S and FLY).
    - *NDR Host Post*: an indicator equal to one if the forecast was issued by a brokerage firm that has organized an NDR for the firm in the past x days, where we set x equal to either 10 days, 90 days, or 180 days.
    - *NDR Host Pre*: an indicator equal to one if the forecast was issued by a brokerage firm that will organize an NDR for the firm in the next x days, where we set x equal to either 10 days, 90 days, or 180 days.
- *Conf Host*: an indicator equal to one if the forecast was issued by a brokerage firm that has ever organized an NDR for the firm. (Source: I/B/E/S and Bloomberg Corporate Events Database).
    - *Conf Host Post*: an indicator equal to one if the forecast was issued by a brokerage firm that has hosted the firm at an investor conference in the past x days, where we set x equal to either 10 days, 90 days, or 180 days.
    - *Conf Host Pre*: an indicator equal to one if the forecast was issued by a brokerage firm that will host the firm at an investor conference in the next x days, where we set x equal to either 10 days, 90 days, or 180 days.
- Forecast Age: the difference in calendar days between the issuance of the forecast and the earnings announcement date. (Source: I/B/E/S).
- *Firm Experience:* the number of years since analyst *j* first issued earnings forecasts for firm *i*. (Source: I/B/E/S).
- *General Experience:* the number of years since analyst *j* first issued earnings forecasts for any firm. (Source: I/B/E/S).
- *Firms Followed*: the number of firms followed by analyst *j* in year *t*. (Source: I/B/E/S).

- *Industries Followed*: the number of two-digit SICs followed by analyst *j* in year *t* (Source: I/B/E/S).
- *Broker Size:* the total number of analysts issuing earnings forecasts for brokerage firm *j* during year *t*. (Source: I/B/E/S).

B.6 Research Bias (Table 8)

- *Rec Level:* the most recent outstanding recommendation of broker *j* for firm *i* in month *t*. If the brokerage firm *j* has not issued a recommendation for firm *i* in the previous 24 months, we set the value to missing. Recommendations are converted to numeric values using the following scale: 1 for strong buy, 2 for buy, 3 for hold, 4 for sell/underperform, and 5 for strong sell. (Source: I/B/E/S).
- *Target Return:* the 12-month expected return (excluding dividends) implied from broker *j*'s most recent price forecast of firm *i* as of month *t*, computed as (Forecast $\text{Price}_{jit}/\text{Price}_{it-1}$)−1. The sample is limited to 12-month ahead forecasts. If the brokerage firm *j* has not issued a target price for firm *i* in the previous 24 months, we set the value to missing. We winsorize at the 1st and 99th percentile. (Source: I/B/E/S).
- *Meet or Beat Earnings* (*MBE)*: a dummy variable equal to one if firm *i's* realized quarterly earnings are greater than analyst *j's* most recent quarterly earnings forecast for firm *i* as of month *t*. (Source: I/B/E/S).
- *Relative Earnings Pessimism:* [(*Rank* – 1)/ (*Number of Analysts* -1)]. *Rank* is the rank of the analyst's forecasted earnings estimate, with the highest estimate value being given a ranking of 1, the second highest estimate is given a rank of 2, etc., and *Number of Analysts* is the number of analysts issuing a forecast for the firm-quarter. (Source: I/B/E/S).
- *Bus3:* an indicator variable equal to one if broker *j* will visit firm *i* on a bus tour in the subsequent three months (i.e., t through t+2), and zero otherwise. (Source: *FLY*).
- *NDR3:* an indicator variable equal to one if broker *j* will take firm *i* on an NDR in the subsequent three months (i.e., t through t+2), and zero otherwise. (Source: *FLY*).
- *Conf3:* an indicator variable equal to one if broker *j* will host firm *i* at one of its investor conferences over the next three months (i.e., t through t+2), and zero otherwise. (Source: Bloomberg Corporate Events Database).
- *Affiliated3:* a dummy variable equal to one if broker *j* will be a lead underwriter for firm *i* for an equity (i.e., SEO) offering or debt offering, or will be lead advisor on an M&A in the next three months, and zero otherwise. (Source: SDC).
- *Broker Size:* the total number of analysts issuing earnings forecasts for brokerage firm *j* during year *t*. (Source: I/B/E/S).
- *Firm Experience:* the number of years since analyst *j* first issued earnings forecasts for firm *i*. (Source: I/B/E/S).
- *General Experience:* the number of years since analyst *j* first issued earnings forecasts for any firm. (Source: I/B/E/S).
- *Firms Followed*: the number of firms followed by analyst *j* in year *t*. (Source: I/B/E/S).

All-Star: a dummy variable equal to one if analyst *j* is ranked as an All-American (first, second, third, or runner-up) in the annual polls. (Source: *Institutional Investor Magazine*).

Table 1: Descriptive Statistics

This table reports summary statistics for the sample of bus tours, non-deal roadshows (NDRs), and investor conferences from January 2013 to December 2019. Data on bus tours and non-deal roadshows is collected from TheFlyontheWall.com (FLY) and data on investor conferences is collected from Bloomberg. The sample is limited to common stocks and to events hosted by brokerage firms that report to the I/B/E/S database. In Panel A, *Broker-Firm-Days* reports the total number of unique broker-firm-date triples (i.e., JP Morgan, Apple, 1/3/2013). *Firms* reports the unique number of firms and *Brokers* report the unique number of Brokers. *Unique Events* reports the number of distinct events (i.e., Credit Suisse's Bay Area Bus Tour). *Firms per Event* reports the average number of firms at each unique event, and *% Coverage by Broker* reports the percentage of firms at the event that are covered by the sponsoring brokerage firm. Panel B reports the frequency of *Broker-Firm-Days* by the location of the event.

Panel A: Summary Statics by Investor Relation Event

	Bus Tours	NDRs	Investor Conferences
Broker-Firm-Days	4,457	38,442	54,406
Firms	1,395	3,514	4,067
Brokers	59	83	93
Unique Events	733	28,013	2,675
Firms per Event	6.08	1.00	20.34
% Covered by Broker	83.85%	90.91%	74.54%

Panel B: Location Frequency by Investor Relation Event

	Bus Tours	NDRs	Investor Conferences
NY/NJ/CT	5.99%	23.67%	40.11%
California	39.04%	15.41%	15.98%
Texas/OK	16.66%	5.20%	1.78%
Illinois	3.85%	7.38%	5.24%
New England	5.01%	14.16%	9.62%
Mid-Atlantic	3.74%	4.83%	3.14%
Southeast	11.52%	1.75%	9.72%
Midwest	7.03%	12.76%	0.73%
Southwest	2.89%	0.31%	6.09%
Northwest	2.51%	4.07%	1.47%
International	1.76%	8.53%	5.89%

Table 2: Industry-Level Intangibles and Investor Relations Activity

This table reports industry averages of several variables, where industries are defined using the Fama-French 10-industry classification. The unit of observation is a firm-month. *Intangibles* is defined as recognized intangibles including goodwill divided by operating assets. *Bus Dummy* is an indicator equal to one if any broker visited the firm on bus tour during the month and zero otherwise. *NDR Dummy* and *Conf Dummy* are defined analogously. *Bus Ratio* is computed as *Bus Dummy* / (*Bus Dummy* + *NDR Dummy* + *Conf Dummy*).

	Obs.	*Intangibles*	*Bus Dummy*	*NDR Dummy*	*Conf Dummy*	*Bus Ratio*
Telecom	7,593	34.10%	0.87%	8.61%	23.35%	2.65%
Nondurables	12,573	24.22%	0.55%	6.92%	8.47%	3.44%
Hi-Tec	41,963	21.56%	2.22%	10.99%	22.74%	6.18%
Manufacturing	29,807	20.24%	0.97%	8.52%	15.89%	3.83%
Healthcare	26,690	17.90%	1.58%	8.73%	27.97%	4.12%
Durables	6,016	16.13%	0.86%	7.41%	15.41%	3.65%
Shops	24,753	15.82%	1.30%	9.16%	12.77%	5.62%
Other	126,315	11.98%	1.36%	7.05%	15.51%	5.69%
Utilities	6,765	6.17%	0.46%	5.74%	10.41%	2.76%
Energy	11,574	3.46%	2.97%	6.60%	19.29%	10.30%
All Industries	294,049	15.76%	1.45%	8.08%	17.41%	5.38%
Correlation with Intangibles			-36.83%	54.38%	27.30%	-55.49%

Table 3. Determinants of Corporate Access Events

This table reports estimates from linear probability models. The dependent variable is an indicator equal to one if a firm conducted a specific type of investor relation activity during the calendar month. For example, Bus *Dummy,* is an indicator equal to one if any broker visited the firm on bus tour during the month and zero otherwise, and *NDR Dummy* and *Conf Dummy* are defined analogously. All independent variables are defined in Appendix B. All continuous variables are standardized to have mean zero and unit variance. Standard errors are double-clustered by firm and month, and t-statistics are reported in parentheses. The sample includes all common stocks with non-missing data for all of the independent variables (N = 275,440 firm-months).

	Bus Dummy	*NDR Dummy*	*Conf Dummy*	*Bus Dummy*	*NDR Dummy*	*Conf Dummy*
	[1]	[2]	[3]	[4]	[5]	[6]
Intangibles	-0.30%	1.07%	1.12%	-0.32%	0.90%	0.80%
	(-5.25)	(7.47)	(4.10)	(-5.44)	(6.46)	(3.19)
(R&D + ADV)/OE	0.12%	0.82%	5.09%	-0.01%	0.53%	4.05%
	(1.54)	(6.11)	(12.09)	(-0.12)	(3.48)	(10.62)
Log (MB)	0.04%	1.55%	1.71%	0.03%	1.43%	1.56%
	(0.35)	(6.80)	(3.53)	(0.28)	(6.37)	(3.36)
Negative Book	-0.42%	4.45%	5.83%	-0.43%	4.03%	5.17%
	(-0.92)	(4.65)	(2.76)	(-0.98)	(4.26)	(2.54)
Idiosyncratic Risk	0.18%	-0.04%	1.45%	0.14%	0.03%	1.20%
	(2.34)	(-0.23)	(4.09)	(2.00)	(0.17)	(3.55)
Institutional Ownership	-0.06%	1.61%	2.99%	-0.08%	1.56%	2.96%
	(-0.66)	(6.94)	(7.16)	(-0.88)	(6.71)	(7.40)
Log (Firm Age)	-0.19%	-0.06%	-0.84%	-0.18%	-0.16%	-0.98%
	(-3.18)	(-0.47)	(-3.67)	(-2.81)	(-1.12)	(-4.06)
Net Shares	0.20%	0.10%	0.64%	0.26%	0.34%	0.54%
	(1.58)	(0.34)	(1.17)	(2.16)	(1.16)	(1.00)
Log (Analyst Coverage)	1.11%	2.05%	5.45%	1.02%	2.03%	5.22%
	(10.34)	(10.03)	(10.35)	(9.82)	(9.74)	(10.51)
Log (# of Institutions)	0.03%	-0.72%	-1.10%	0.05%	-0.71%	-0.85%
	(0.35)	(-3.01)	(-2.31)	(0.59)	(-2.94)	(-1.82)
Log (Firm Size)	0.55%	1.18%	2.35%	0.64%	1.38%	2.54%
	(5.26)	(4.66)	(4.13)	(5.80)	(5.40)	(4.40)
Log (Turnover)	-0.12%	0.20%	-0.35%	-0.09%	0.20%	-0.29%
	(-2.15)	(1.50)	(-1.24)	(-1.67)	(1.46)	(-1.07)
R-squared	0.07%	0.00%	0.17%	0.11%	0.12%	0.31%
	(1.59)	(0.02)	(0.78)	(2.58)	(1.22)	(1.43)
Mom1	0.06%	0.40%	0.31%	0.07%	0.39%	0.31%
	(2.15)	(7.49)	(2.38)	(2.30)	(7.45)	(2.40)
Mom12	0.13%	1.01%	1.09%	0.13%	0.98%	1.05%
	(4.50)	(10.73)	(6.92)	(4.45)	(10.64)	(6.77)
SEO	0.14%	0.86%	0.78%	0.17%	1.00%	0.45%
	(1.21)	(3.05)	(1.58)	(1.42)	(3.64)	(0.95)
M&A - Acquirer	0.17%	0.52%	1.95%	0.14%	0.42%	1.86%
	(1.62)	(2.19)	(4.44)	(1.37)	(1.82)	(4.38)
Time Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Industry Fixed Effects	No	No	No	Yes	Yes	Yes
R-squared	2.02%	4.61%	15.40%	2.19%	4.72%	16.07%
Mean of Dep. Variable	1.46%	8.06%	17.19%	1.46%	8.08%	17.19%

Table 4: Total Trading Volume Around Corporate Access Events

The table reports estimates from panel regressions where the dependent variable *Turnover,* defined as trading volume divided by the number of shares outstanding. We annualize this measure by multiplying by 250, and we winsorize at the 95 percentile. We exclude firm days that are within five trading days of earning announcement and we require that the share price be at least $5 . *Lag Turnover* is the average of *Turnover* estimated over the prior calendar year. Event (pre and post) is an indicator that takes the value 1 if the given day is within ten trading days of a bus tour, NDR, or conference. Post-event is an indicator that takes the value 1 if the day is an event day or within 10 trading days after the event. The variables analyzed in columns 3-8 are defined analogously and correspond to each of the three separate types of events (bus tours, NDRs, and conferences). In these regressions, the sample is restricted to firm-dates that are not within an event window for another type of event. For example, when analyzing bus tours in columns 3-4, we restrict the sample to dates that do not fall within the event window (10 trading days before or after) an NDR or a conference. In columns 2, 4, 6, and 8, we include firm-year and date fixed effects. Standard errors are clustered by stock, and t-statistics are reported in parentheses.

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Lag Turnover	0.85	0.85	0.85	0.86	0.85	0.85	0.85	0.85
	(170.89)	(171.41)	(166.55)	(166.71)	(166.05)	(166.21)	(171.37)	(171.50)
Event (pre and post)	0.06	0.09						
	(9.91)	(14.30)						
Post-event	0.09	0.04						
	(20.55)	(9.24)						
Bus (pre and post)			0.01	0.05				
			(0.30)	(2.42)				
Post-bus			0.1	0.06				
			(5.32)	(2.82)				
NDR (pre and post)					0.08	0.09		
					(7.50)	(8.21)		
Post-NDR					0.03	0.01		
					(3.87)	(0.75)		
Conference (pre and post)							0.0	0.09
							(7.86)	(12.07)
Post-conference							0.1	0.04
							(20.26)	(9.04)
Constant	0.2	0.2	0.23	0.2	0.2	0.23	0.2	0.2
	(29.50)	(29.20)	(28.80)	(28.04)	(29.20)	(28.59)	(29.34)	(29.03)
Fixed effects	None	Date	None	Date	None	Date	None	Date
Observations	3,945,706	3,945,706	2,654,645	2,654,645	2,855,846	2,855,846	3,477,696	3,477,696
R-squared	0.456	0.497	0.467	0.507	0.461	0.502	0.460	0.500

Table 5: Turnover and Institutional trading turnover across event types

The table reports estimates from panel regressions where the dependent variable is either *Turnover* (Specifications 1 and 2), defined as trading volume divided by the number of shares outstanding or *Institutional Turnover* (Specifications 3 and 4) defined as institutional trading volume divided by the number of shares outstanding. We measure institutional trading volume as the difference between total trading volume and retail trading volume, where retail trading volume is computed using the approach outlines in Boehmer et al., 2021). All other sample filters and variable definitions are identical to Table 4, except we now restrict the sample to firm-dates that are in at most one event period window. Standard errors are clustered by stock, and t-statistics are reported in parentheses.

	Turnover		Inst. Turnover	
	[1]	[2]	[3]	[4]
Lag Dep. Var	0.85	0.85	0.83	0.83
	(171.04)	(171.21)	(163.88)	(163.81)
Event (pre and post)	0.01	0.06	0.00	0.05
	(0.36)	(2.93)	(0.09)	(2.85)
NDR (pre and post)	0.07	0.03	0.06	0.02
	(2.97)	(1.13)	(2.95)	(1.14)
Conference (pre and post)	0.05**	0.03	0.05	0.02
	(2.00)	(1.14)	(2.31)	(1.15)
Post-event	0.12	0.05	0.09	0.05
	(5.33)	(2.65)	(4.85)	(2.84)
Post-NDR	-0.09	-0.05	-0.07	-0.0
	(-3.66)	(-2.24)	(-3.62)	(-2.49)
Post-conference	-0.02	-0.01	-0.01	-0.01
	(-0.66)	(-0.45)	(-0.60)	(-0.62)
Constant	0.24	0.23	0.21	0.20
	(29.51)	(29.21)	(27.68)	(27.11)
Fixed effects	None	Date	None	Date
Observations	3,746,111	3,746,111	3,652,801	3,652,801
R-squared	0.457	0.498	0.451	0.485

Table 6: Forecast Revision Frequency

This table reports estimates from the following linear probability model:

$$Host_{ijt} = \beta_1 PostEvent_{jt} + \beta_2 PreEvent_{jt} + FE + \varepsilon_{ijt}.$$

The sample is limited to the [-180,+180] day window around any event, where the event is either a bus tour (Specifications 1 and 2), a non-deal roadshow (Specifications 3 and 4),or an investor conference (Specifications 5 and 6). *Host* is an indicator equal to one if the forecast revision was issued by the hosting broker of the event and zero if the revision was issued by a non-hosting broker. *Post Event* is an indicator equal to one in the 10 days following the event, and *Pre-Event* is an indicator equal to one in the 10 days preceding the event. The sample includes all annual earnings forecasts for horizons ranging from one year to three years. We exclude forecasts that occur in the three days surrounding earnings announcements or earnings guidance, and we exclude firm-days where multiple analysts issue a forecast revision for the same firm. Standard errors are clustered by firm and month, and t-statistics are reported in parentheses.

	Bus Tour		NDR		Conf	
	[1]	[2]	[3]	[4]	[5]	[6]
Intercept	5.06%		8.24%		6.38%	
	(30.40)		(54.52)		(66.68)	
Post-Event [1,10]	2.38%	1.25%	11.52%	8.29%	0.20%	0.19%
	(5.16)	(4.08)	(28.55)	(26.00)	(1.15)	(1.19)
Pre-Event [-10, -1]	-0.82%	0.04%	-0.08%	-0.13%	0.96%	0.57%
	(-2.23)	(0.15)	(-0.30)	(-0.63)	(5.27)	(3.48)
Analyst x Firm FE	No	Yes	No	Yes	No	Yes
Observations	124,242	124,242	478,553	478,553	1,017,266	3,624,943

Table 7: Forecast Accuracy

This table reports estimates from the following panel regression:

$$RelAccuracy_{ijth} = \beta_1 RelBusHost_{ijt} + \beta_2 RelBusHostPost_{ijt} + \beta_3 RelBusHostPre_{ijt} + \beta_4 RelNDRHost_{jt} + \beta_5 RelNDRHostPost_{ijt} + \beta_6 RelNDRHostPre_{ijt} + \beta_7 RelConfHost_{ij} + \beta_8 RelConfHostPost_{ijt} + \beta_9 RelConfHostPre_{ijt} + RelControls_{ijt} + \varepsilon_{ijth}.$$

Rel Accuracy$_{ijt}$ is computed as the absolute forecast error of analyst *i for* firm *j* for an annual earnings forecast issued in month *t* for forecat horizon *h*less the average absolute forecast error across all analysts issuing earnings forecast for firm *j* in month t for horizon h, scaled by the difference between the maximum and minimum absolute forecast error across all forecasts for firm *j* in month *t* and horizon *h*. We multiple *Rel Accuracy* by negative one so that larger values correspond to more accurate forecasts. The sample includes all annual forecasts for horizons of one, two, or three years (i.e., FPI =1, FPI =2, or FPI =3). *Bus Host* is an indicator equal to one if the forecast revision was issued by a brokerage firm that has ever hosted the firm on a bus tour, *Bus Host Post* is an indicator equal to one if the forecast was issued within *x* days following the broker attending a bus tour, and *Bus Host Pre* is an indicator equal to one if the forecast was issued in the *x* days prior to the host attending the bus tour. We set x equal to 10 days in Specification 1, 90 days in Specification 2, and 180 days in Specifications 3 -6. *NDR Host* and *Conf Host* variables are defined analogously, and detailed variable definitions for all control variables are in Appendix B. All independent variables are relative measures computed by subtracting the firm-month-horizon mean and scaling by the firm-month-horizon range. Below the regression estimates we also report p-value testing whether the estimate *Rel Bus Host Post* is significantly different from the estimate on *Rel NDR Host Post* or *Rel Conf Host Post*. Standard errors are clustered by firm and month, and t-statistics are reported in parentheses below the corresponding coefficient estimate.

	[1]	[2]	[3]	[4]	[5]	[6]
Rel Bus Host	0.57%	0.48%	0.44%	0.06%	0.32%	0.73%
	(2.67)	(2.21)	(1.90)	(0.24)	(1.38)	(2.55)
Rel Bus Host Post	2.18%	1.06%	0.90%	1.00%	0.77%	0.84%
	(1.18)	(2.15)	(2.19)	(2.41)	(1.82)	(1.89)
Rel Bus Host Pre	-0.35%	0.31%	0.13%	0.21%	0.10%	0.30%
	(-0.28)	(0.61)	(0.27)	(0.45)	(0.21)	(0.68)
Rel NDR Host	0.29%	0.29%	0.34%	-0.02%	-0.14%	0.15%
	(2.14)	(1.98)	(2.27)	(-0.10)	(-0.86)	(0.91)
Rel NDR Host Post	-1.26%	0.19%	-0.01%	0.04%	0.03%	-0.12%
	(-1.52)	(0.89)	(-0.08)	(0.22)	(0.18)	(-0.71)
Rel NDR Host Pre	0.08%	-0.18%	-0.30%	-0.26%	-0.22%	-0.36%
	(0.15)	(-0.76)	(-1.68)	(-1.45)	(-1.24)	(-2.03)
Rel Conf Host	0.75%	0.71%	0.68%	0.41%	0.39%	0.77%
	(5.69)	(5.33)	(4.81)	(2.83)	(2.71)	(4.60)
Rel Conf Host Post	-0.70%	0.38%	0.32%	0.30%	0.33%	0.02%
	(-0.97)	(2.03)	(1.72)	(1.63)	(1.83)	(0.10)
Rel Conf Host Pre	0.68%	0.07%	0.07%	0.05%	0.10%	-0.21%
	(1.83)	(0.38)	(0.40)	(0.31)	(0.60)	(-1.19)
Rel Firm Experience	0.57%	0.57%	0.57%	0.36%	0.29%	0.36%
	(3.60)	(3.58)	(3.58)	(2.32)	(1.88)	(1.74)
Rel Gen. Experience	0.26%	0.26%	0.26%	-0.12%	0.32%	-0.08%

	(1.63)	(1.62)	(1.62)	(-0.74)	(1.42)	(-0.34)
Rel Firms Followed	0.39%	0.39%	0.39%	-0.01%	0.32%	0.03%
	(2.08)	(2.07)	(2.05)	(-0.04)	(1.53)	(0.15)
Rel Ind. Followed	-0.30%	-0.30%	-0.30%	-0.10%	0.02%	0.08%
	(-1.73)	(-1.72)	(-1.72)	(-0.58)	(0.08)	(0.38)
Relative Broker Size	0.11%	0.11%	0.11%	0.30%	0.18%	0.09%
	(1.01)	(1.02)	(1.01)	(1.84)	(1.50)	(0.76)
Relative Forecast Age	-8.25%	-8.25%	-8.25%	-8.36%	-8.53%	-8.88%
	(-14.44)	(-14.43)	(-14.44)	(-14.71)	(-15.10)	(-15.81)
Pre and Post Window	[-10,10]	[-90,90]	[-180,180]	[-180,180]	[-180,180]	[-180,180]
Other Fixed Effect	No	No	No	Broker	Analyst	Analyst × Firm
Observations	3,390,585	3,390,585	3,390,585	3,390,585	3,390,585	3,390,585
p. value (Post Bus =Post NDR)	0.08	0.05	0.01	0.02	0.08	0.04
p. value (Post Bus = Post Conf)	0.12	0.17	0.14	0.08	0.23	0.08

Table 8: Research Bias

This table reports estimates from the following panel regression:

$$Optimism_{ijt} = \beta 1 Bus3_{ijt} + \beta_1 NDR3_{ijt} + \beta_2 Conf3_{ijt} + \beta_3 Affiliated3_{ijt} + \beta_4 Controls + FE + \varepsilon_{ijt}.$$

The sample consists of all broker-firm-months from 2013 through 2019 where the broker issues at least one recommendation in the prior 24 months (column 1), one target price in the prior 24 months (column 2), or one quarterly earnings forecasts over the prior three months (columns 3 and 4). The dependent variable is a measure of bias for analyst *i* for firm *j* in month *t*. In Specifications 1 the optimism measure is *Rec Level,* a rating from 1 to 5 using the following scale: 1=strong buy, 2=buy, 3=hold, 4=sell/underperform, and 5=strong sell (and thus a more negative recommendation level indicates greater optimism). In Specifications 2 the optimism measure is *Target Return,* the 12-month expected return implied from the most recent 12-month price forecast of the firm, computed as (Forecast $Price_{jit}/Price_{it-1}$)-1. Specifications 3 and 4 examine two measures of quarterly pessimism: *MBE,* an indicator equal to 1 if firm's realized quarterly earnings are greater than analyst j's most recent quarterly earnings forecast for firm *I,* and *Rel Qtr Pessimismm,* computed as [(*Rank* – 1)/(*Number of Analysts* – 1)], where *Rank* is the rank of the analyst's forecasted quarterly earnings estimates, where the highest estimate is a given a rank of 1. *Bus3* is an indicator variable equal to one if the broker will visit the firm on a bus tour over the subsequent three months. *NDR3* is an indicator variable equal to one if the broker will take the firm on an NDR over the subsequent three months, and *Conf3* and *Affiliated3* are indicator variables equal to one if the broker will host the firm at a conference or will have an investment banking relation with the firm in the subsequent three months. *Controls* include the following broker/analyst related controls: Log *(Broker Size)*, Log (*Firm Experience*), Log (*Experience*), Log (*Firms Followed*), and *All-Star*. Detailed variable definitions are provided in Appendix B. FE denote firm-month fixed effects. All continuous independent variables are standardized to have mean zero and unit variance. Standard errors are double clustered by firm and month, and *t*-statistics are reported in parentheses below the corresponding coefficient estimate.

	Rec Level	Target Return	MBE	Rel Qtr. Pessimism
	[1]	[2]	[3]	[4]
Bus3	-0.13	0.86%	1.98%	1.38
	(-5.68)	(2.46)	(2.80)	(2.26)
NDR3	-0.29	4.52%	1.37%	1.33
	(-30.99)	(23.32)	(5.80)	(5.68)
Conf3	-0.06	1.46%	0.43%	0.24
	(-6.09)	(9.35)	(2.24)	(1.42)
Affiliated3	-0.04	1.25%	-0.30%	-0.44
	(-2.65)	(4.71)	(-0.79)	(-1.35)
Log (Broker Size)	0.05	-1.87%	0.22%	0.39
	(13.85)	(-19.63)	(3.22)	(5.34)
Log (Firms Followed)	0.00	0.41%	0.20%	0.50
	(0.00)	(2.67)	(1.36)	(3.58)
Log (Experience)	-0.01	0.35%	0.31%	0.39
	(-3.43)	(4.10)	(3.97)	(5.34)
Log (Firm Experience)	0.01	0.44%	0.14%	-0.08
	(1.44)	(4.86)	(1.79)	(-1.03)
All Star	0.09	-0.62%	0.26%	-0.33
	(8.30)	(-3.08)	(1.35)	(-1.56)
Fixed Effects	Firm-Month	Firm-Month	Firm-Month	Firm-Month
R-squared	1,572,302	1,958,038	1,436,655	1,436,655
Observations	29.88%	71.82%	60.14%	0.07%

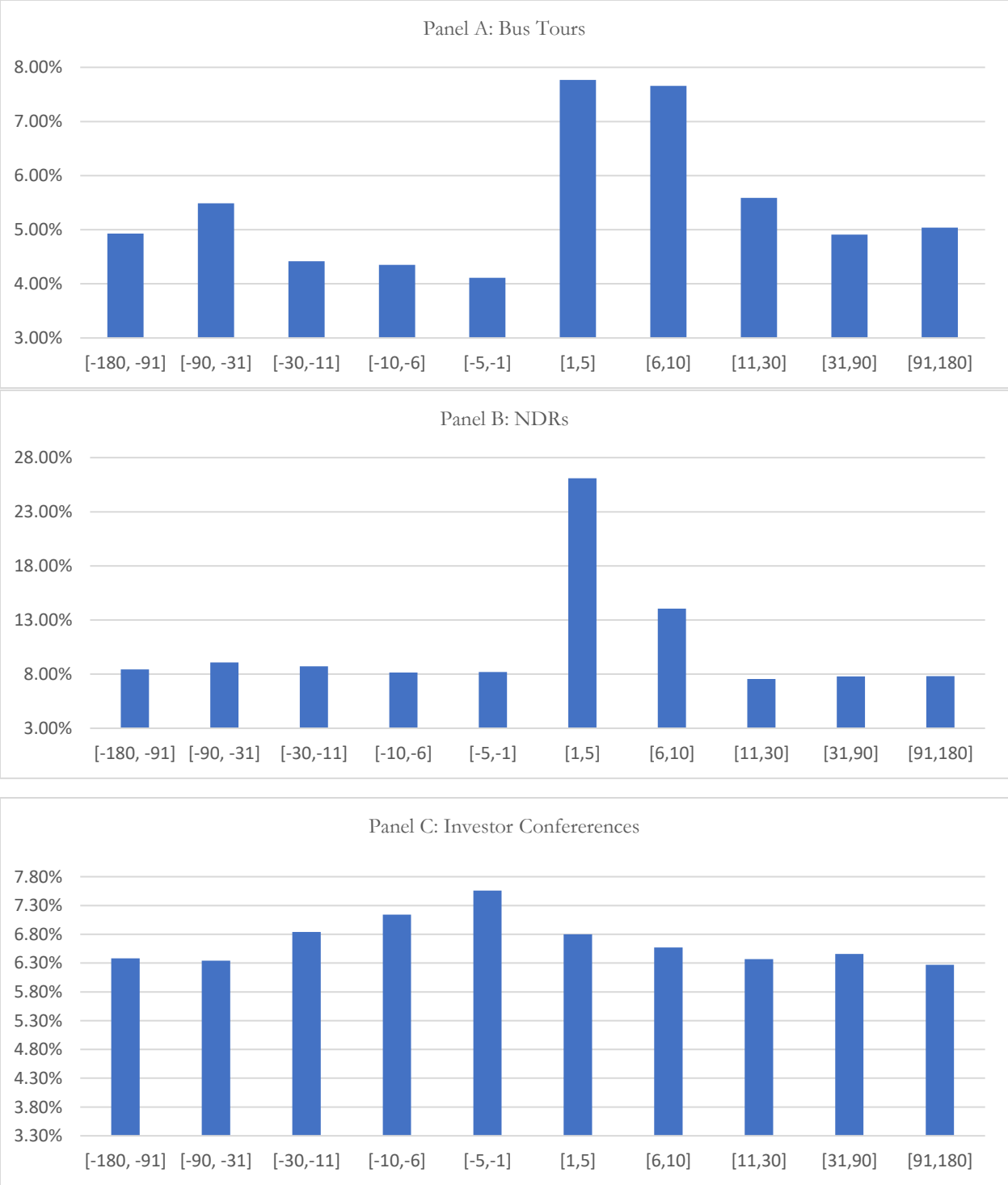


Figure 1: Forecast Revision Frequency in Event Time

This figure plots *Hosting Broker Revision Percentage*, defined as the total number of revisions issued by the hosting broker for a firm over a given window, scaled by total number of revisions across all brokers over the same event window. We plot *Hosting Broker Revision Percentage* over various intervals around the 180 days centered around the event. For example, [1,5] reports the percentage of forecast revisions issued by the hosting broker in the 1 to 5 trading days after the event. Panel A, B, and C report the results for bus tours, non-deal roadshows, and investor conferences, respectively.