

Marketing and Financial Analysts

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Abstract

The increasingly popular marketing-finance interface explores the relationship of marketing and financial markets. Yet, research about how financial analysts include marketing information in their valuation and forecasting processes is sparse. This study analyses differences in prediction accuracy based on the relevance assigned to marketing by the analyst. The relevance of marketing for an analyst is proxied as the share of sentences spoken that contain a marketing word created using more than 200,000 earnings call transcripts and a self-developed dictionary. The relative forecast accuracy of analysts that emphasize marketing, labelled 'marketing analysts', compared to those that do not is investigated in more than 490,000 earnings forecasts. We show that these analysts have a significantly higher accuracy in a fixed effects model. A key implication of this study is that marketing information and assets are highly relevant in determining the 'true' value of a firm.

Keywords: *marketing-finance interface; marketing assets; textual analysis*

Track: Marketing Strategy & Theory