

LSF Lunchtime Seminar:

Corporate Strategy, Conformism, and the Stock Market

Thierry Foucault * – HEC Paris

Abstract

We show that managers can raise firm value by imitating other public firms' strategies because imitation enhances their ability to obtain information from their own stock price or their peers' stock prices, which improves the efficiency of their investment decisions. This conformity effect is stronger for private firms' managers because they can learn information from stock prices only if they imitate public firms' strategies. In line with this prediction, we observe empirically that firms differentiate more after going public and that this pattern is stronger for firms with better-informed managers or whose peers have less informative stock prices.

* Co-author:

Laurent Frésard – University of Maryland

Tuesday 2nd February 2017
12:30 – 1:45 pm

Location

Luxembourg School of Finance
4, rue Albert Borschette
L-1246 Luxembourg
2nd floor, Modigliani Miller Auditorium

Langue

English

Registration

- Free seminar
- Registration by e-mail to lsf-events@uni.lu (please specify full name and institution) **before 26th January 2017**
- Lunch is planned for registered participants

Contact

Sophie Lux
Tel: +352 46 66 44 6335