

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar



Strategic Positioning and Audience Composition: A Machine Learning Approach to Predicting Audience Evaluations By

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Date : 11 May 2022 (WED)
Time : 9 am – 10:30 am
Venue : Online via Zoom

Abstract

A core question in strategy research is how firms should position themselves to gain favorable audience evaluations. Building on the premise of heterogeneity in audiences' predispositions, we propose that firms can gain an audience composition premium by strategically positioning themselves to gain more (less) attention from audiences with positive (negative) predispositions toward them. We argue that this approach to strategic positioning is more conducive for firms with high audience fragmentation, and firms can increase their ability to gain an audience composition premium by engaging with a moderately diverse audience. We employ recommender systems and topic modeling to analyze 152,312 firm-analyst-year observations from 1997 to 2018 and 297,931 earnings call transcripts of US public firms, and find strong support for our predictions.

Dr Eric Yanfei Zhao is an Associate Professor of Strategy and Entrepreneurship, the IECE Faculty Fellow, and Chair of the PhD Program at the Kelley School of Business, Indiana University. His research sits at the interface of strategic management, organization theory, and entrepreneurship, pushing the boundaries of conversations around topics like optimal distinctiveness, institutional logics, and social entrepreneurship. His book "Optimal Distinctiveness: A New Agenda for the Study of Competitive Positioning of Organizations and Markets" is published by *Cambridge University Press*.

All interested are welcome.



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