Sell-Side Bus Tours

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Abstract

Bus tours are a corporate access event where investors and analysts visit company headquarters to tour operations and meet executives, managers, and lower-level employees. In contrast to other private meetings, bus tours favor firms with more tangible assets, where the benefits of observing a firm's operations are likely larger. Trading volume, absolute returns, and the frequency and accuracy of the hosting analysts' earnings forecasts increase following the tour, and hosting analysts' 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, analysts' earnings forecasts, analyst bias

JEL classifications: G20, G23

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1. Introduction

Bus tours, also referred to as field trips, plant tours, or reverse non-deal roadshows, are events organized by sell-side analysts whereby a host analyst schedules and coordinates firm site visits for their institutional clientele. These trips typically last several days, and they 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 roadshows, bus tours are an instrumental component of corporate access programs at brokerage research departments. For instance, William Blair's main corporate access page states: "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."[1] 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."[2]

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.[3] We attempt to fill this void by collecting a novel sample of 1,746 bus tours between 2013 and 2023 from TheFlyOnTheWall.com (*FLY*) and the Bloomberg Corporate Events Database. Our sample spans 7,168 firm-days. The

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[1] See: https://www.williamblair.com/Equities/Corporate-Access. Similarly, Oppenheimer states on its 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.

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

[3] Several papers have studied site visits in China (e.g., Cheng, Du, Wang, and Wang, 2016; Cheng, Du, Wang, and Wang, 2019; and Han, Kong, and Liu, 2018). In addition to the substantial differences between the US and Chinese 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.

average tour is 2.4 days, 4.1 firms are visited, and approximately 86% 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 tours with two other prominent corporate access events: broker-hosted conferences (Green et al. 2014b) and non-deal roadshows (Bradley, Jame, and Williams, 2022, henceforth "BJW"). In contrast to investor conferences and NDRs, bus tours take place at the firm's headquarters or important plant locations and typically include a guided tour of operational facilities. Accordingly, we hypothesize that investor demand for tours is greater for a firm when the benefits of observing operations are greater, such as firms with high levels of tangible assets and firms that derive a significant portion of their value from current assets rather than growth opportunities, i.e., value firms. We find strong support for both predictions. Specifically, relative to conferences and NDRs, bus tours are more common among firms with lower levels of recognized intangible assets, lower levels of research and development and advertising expenses as a fraction of total operating expenses, and lower market-to-book ratios. For example, a one standard deviation increase in recognized intangibles is associated with a statistically significant 7.3% decrease in bus tour participation, compared to a statistically significant 12.5% and 5.4% *increase* for NDRs and conferences, respectively. This effect is mostly driven by within-industry rather than across-industry variation in tangible assets. We also find that in the post-COVID period, bus tours are significantly less likely to occur virtually relative to either NDRs or investor conferences, and this effect is particularly strong among firms with higher levels of tangible assets. Collectively, this evidence is consistent with bus tours being a distinct disclosure mechanism that allows investors and analysts to glean different types of information.

If bus tours are valuable and generate trade ideas, we should expect investors to trade based on the information they acquire during the bus tour. Consistent with this prediction, we find a

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significant increase in trading after tours. The economic magnitude is roughly double the trading volume increase following investor conferences and NDRs. Similarly, in the week following a bus tour, we observe a significant increase in absolute abnormal returns, both in absolute terms and relative to investor conferences and NDRs. Consistent with bus tours being particularly valuable for firms with high levels of tangible assets, the increase in both share turnover and absolute returns is significantly larger among firms with high levels of tangible assets. In contrast, the increase in turnover and absolute returns following investor conferences tends to be larger for firms with more intangible assets.

Having established that bus tours are important information events for investors, we next examine how they affect analyst research. If analysts acquire value-relevant information during these visits, they should be more likely to revise their forecasts to reflect this knowledge, and their forecasts should be more accurate compared to other analysts. We find evidence consistent with both predictions. Specifically, we find that hosting analysts are about 35% more likely to issue a forecast revision in the two weeks immediately after a bus tour. Furthermore, hosting analysts' forecasts are significantly more accurate in the two quarters after the event. Consistent with our trading volume results, we find that the host analysts' improvement in forecast accuracy following bus tours is concentrated in firms with higher levels of tangible assets.

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, BJW show that analysts who host NDRs 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 managers' 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 events 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 (BJW).[4] We extend this literature by offering the 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 and unique 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, Green et al., 2014a, and Bradley, Gokkaya, and Liu, 2020). However, this literature has largely overlooked the conditions under which management access is most valuable. Our findings—showing greater improvements in forecast accuracy following bus tours compared to other corporate access events, particularly for firms with higher levels of tangible assets—suggest that unique aspects of bus tours, such as plant visits and interactions with a broader set of management, including non-C-suite employees, may offer particular value to sell-side analysts.

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[4] 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, 2015).

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.[5] Financial institutions were forced to separate their banking and research departments from each other both physically and with Chinese walls.[6] Coincidently, corporate access events, which are not restricted under current regulations, have become more important to research departments as a revenue source. Similar to BJW, 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 arranging private meetings for their institutional clients is a pervasive source of conflicts of interest for sell-side analysts.

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 (BJW), bus tours are an important service that sell-side analysts offer their institutional investor clients. A bus tour is an event where an 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

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[5] 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.
[6] https://www.sec.gov/news/press/2003-54.htm

proximate. According to our discussions with a buy-side manager, the typical bus tour includes 20 to 30 institutional investors. 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 roadshows. First, bus tours almost always include a visit to a firm's plant and facilities. This differs considerably from non-deal roadshows that occur in institutional investors' offices and 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. These lower-level employees do not attend broker-hosted conferences or non-deal roadshows. Third, the hosting analyst is intimately involved in the site visits. For example, the hosting analysts will attend the plant tours and often ask 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 in our sample differ significantly from the site visits explored in the Chinese market (e.g., Cheng et al., 2016, 2019; Han, Kong, and Liu, 2018; Yang, Lu, and Xiang, 2020). Since 2009, firms listed on the Shenzhen Stock Exchange (SZSE) have been required to disclose site visits, providing unique data on the consequences of information flow.[7] In contrast, the US has no such disclosure requirements, so bus tours are largely unknown to market participants. In addition, the composition of both investors and management involved in these events also differs greatly. For instance, Cheng et al. (2016) report that in China, top executives participate in only 15.2% of site visits, and they highlight that one-third of visits are conducted solely by analysts. In the US, however, our contact indicated that bus tours always include institutional investors, involve multiple firm visits, and

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[7] 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.

typically feature participation from top-level executives. This suggests that US bus tours are more tailored to meet institutional investors' demand for site visits, particularly by providing greater access to senior management in addition to lower-level employees.

We had several conversations with a portfolio manager who considers bus tours as valuable as non-deal roadshows and more valuable than broker-hosted conferences. He indicated that bus tours offer a unique opportunity to learn from both C-suite employees and lower-level employees. Moreover, the information he obtains on bus tours is different from other events because he can physically see operations and compare similar firms' production processes. This view parallels a report by the National Investor's Relations Institute, which cites an Investor Relations (IR) consulting firm suggesting that firms should use bus tours "to display their company's tangible assets and the way their company is set apart from peers."[8] 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.

Survey evidence and case studies also emphasize the importance of bus tours. For example, Brown et al. (2015) survey a large sample of US analysts about the usefulness of different types of management interactions for earnings forecasts and stock recommendations. Of the 8 types of activities (e.g., roadshows, conference calls, conferences, etc.), plant 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, and Healey (2021) find that across all concierge services (i.e., bus

tours, NDRs, investor conferences), bus tours are most strongly related to their rating in buy-side polls (i.e., "analyst ratings").

2.2 Data sources and descriptive statistics

We collect data on bus tours and non-deal roadshows from *Theflyonthewall.com* (*FLY*), which is the same data source BJW used to analyze non-deal roadshows.[9] The sample runs from 2013 through 2023. As BJW describe, *FLY*'s proprietary data come from several sources including points of contact within buy-side and sell-side firms.

The Bloomberg Corporate Events database is our other data source for events. We supplement the *FLY* bus tour data by searching the Bloomberg database for *Corporate Access* events (i.e. event type in Bloomberg = "CS") with an event description that contains at least one of the following expressions: "Bus Tour", "Bus Trip", "Field Trip", "Site Visit", "Headquarter Visit", or "HQ Visit". We supplement the *FLY* NDR data by searching the Bloomberg Corporate Events database for *Corporate Access* events with descriptions that contain "Non-Deal" or "Non Deal". In addition, we obtain data on conferences by searching the Bloomberg Corporate Events database for *Corporate Presentations* (i.e. event type in Bloomberg = "CP"), and we require that the event description contains the word "Conference". We further limit the conference presentation sample to conferences organized by brokerage firms.

For all events (bus tours, NDRs, and conferences), we collect information on the date of the event, the brokerage house that organized the event, the location of the event, and the firm(s) who attended it. We limit the sample to common stocks (share codes 10 and 11) that are contained in the intersection of the CRSP monthly returns file and the Compustat fundamental annual file.

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[9] A concern with *FLY*'s reporting is that it does not contain the universe of bus tour coverage, which raises sample selection issues. BJW show that the subset of events that *FLY* covers is representative and does not contain any apparent biases.

Table 1 provides descriptive statistics on the sample. The sample includes 1,746 unique bus tours and spans 7,168 firm-day visits to 1,924 unique firms.[10] The average bus tour visits just over 4 firms, and 71 unique IBES brokerage firms organize at least one bus tour. NDRs and broker-hosted conferences are more frequent in our sample. Specifically, our sample includes 49,363 NDRs and 104,149 investor conferences. NDRs only involve a single firm, whereas the average broker-hosted conference includes 25 firms. Panel B provides similar descriptive statistics after merging the sample with I/B/E/S. This merge shrinks the sample by roughly 10% to 20% due to some of the events being organized by brokerage houses that do not report to the I/B/E/S database.

Insert Table 1

In Panel C, we examine the most common event locations. This analysis is limited to in-person events with non-missing data on event location.[11] The majority of NDRs and broker conferences occur in the Northeast. For instance, 24% of NDRs and 41% of broker conferences are hosted in New York, New Jersey, or Connecticut, compared to only 5% of bus tours. 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 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. We also observe a relatively large fraction of bus tours in Texas and Oklahoma, both of which are important states for the energy sector.

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[10] The majority (76%) of bus tours are obtained from the *FLY* sample. However, we find that our main conclusions hold if we analyze only the *FLY* sample or only the Bloomberg sample (see Table IA.1).

[11] We conduct a separate analysis of the choice to hold the event in-person vs. virtually in Section 2.4.

2.3 Determinants of bus tours

We next compare the determinants of bus tours, NDRs, and investor conferences. Based on prior literature, we conjecture that the propensity to engage in private events is generally similar across the three types of events. Specifically, 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.

We hypothesize that the primary difference between bus tours and other corporate events is the relative emphasis on intangible assets. In general, we expect that private meetings with management are more valuable for firms with high levels of intangible assets because these assets are generally unrecognized in financial statements and are typically more difficult to value. Consistent with this view, Green et al. (2014b) and BJW find that firms with more intangible assets are more likely to attend investor conferences and non-deal roadshows, respectively. In contrast, we expect bus tours to be relatively more common for firms with more tangible assets, where the benefits of observing operations in real time are likely to be larger. For example, investors on a bus tour might observe assembly lines, the morale of workers on the floor, and other operational aspects firsthand. At the same time, bus tours might still be useful for firms with high levels of intangible assets. For example, consider the biotech industry. Although plant tours might not be particularly informative for such companies that possess considerable intellectual property (IP) through trade secrets, bus tours might still add value by allowing analysts and investors to talk to the scientists or engineers who are responsible for the IP generation, particularly since these types of employees are generally not present at other investor relation activities.

To test these hypotheses, we estimate a linear probability model at the firm-month level. The dependent variable, *Bus*, 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*, and investor conferences, *Conf*.

We measure our primary independent variable of interest, tangible assets, using three different metrics. The first is recognized intangible assets including goodwill divided by total assets (*Recognized Intangibles*). The second measure is total expenditure on research and development and advertising scaled by operating expenses, (*R&D + ADV)/OE*. Our final measure is market equity scaled by book equity (*Market-to-Book*), which likely captures both intangible assets and growth opportunities.

We add several additional variables. First, we 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. Second, on the demand side, analysts typically cover firms that institutions want to know more about, making these firms an attractive destination for institutions to visit. In examining the determinants of non-deal roadshows, BJW also include idiosyncratic volatility, 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. We include month fixed effects and cluster the standard errors by firm and month. Detailed variable definitions can be found in the appendix.

Insert Table 2

Specifications 1-3 of Table 2 provide the results for bus tours, NDRs, and investor conferences, respectively. Consistent with prior work, we find that firm participation in NDRs and investor conferences is increasing with all three of our measures of intangible assets. For example, in column 2 we see that a one standard deviation increase in *Recognized Intangibles* increases the likelihood the firm will engage in an NDR in a given month by 0.88 percentage points, which reflects a 12.5%

increase relative to its mean value (0.88%/7.03%), and the corresponding increase for investor conferences is 5.4% (0.94%/17.32%). In contrast, we find that the relation between intangible assets and bus tours is either significantly negative or statistically insignificant. Specifically, the coefficient on *Recognized Intangibles* is negative (–0.18%, associated with a 7.3% decline) and statistically significant, while the coefficients on the other two intangible proxies are economically small and statistically insignificant. These results suggest that bus tours are 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 variation in asset tangibility across industries or within industries. To explore this further, Specifications 4 through 6 add fixed effects for the 10 Fama-French industries. The coefficients on the three intangible measures for bus tours is virtually unchanged after controlling for industry, suggesting that bus tours gravitate to firms with relatively high levels of tangible assets within a given industry. There is some evidence that across-industry variation is 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 *Recognized Intangibles* (0.64/0.94). This is perhaps not surprising since investor conferences tend to be much larger and presumably more representative of the entire industry.

2.4 In-person versus virtual events

The results from the prior section are consistent with bus tours offering firms a valuable opportunity to display their tangible assets. In this section, we test two auxiliary predictions. First, relative to other investor relation events, bus tours are less likely to be conducted virtually. Second, this effect is likely to be particularly strong for firms with high levels of tangible assets. Intuitively, we expect that virtual tours of a firm's plant and facilities are likely to be poor substitutes for in-person

tours, especially for firms that are using the tour as an opportunity to reduce information asymmetries regarding the firm's tangible assets.

Prior to the start of the COVID pandemic in March of 2020, less than 1% of events occurred virtually. Similarly, during the peak of the pandemic (April 2020 - August 2021), nearly all events were held virtually. Thus, for this analysis, we focus on the period between September 2021 and December 2023 when there is significant variation in whether events occurred in-person or virtually. We use the information provided by both *FLY* and *Bloomberg* on each event's location to classify whether it was conducted in-person or virtually. However, in many cases the location information is missing during this period. In these cases, we conduct Google searches for the event name to fill in missing observations. Our final sample includes 27,002 events with non-missing location data from September 2021 through December 2023.

We begin by simply reporting the percentage of events that took place virtually, partitioned by both year and event. Figure 1 plots the results. Two patterns emerge. First, unsurprisingly, the fraction of virtual events has declined over time across all events. Second, and more interestingly, across each year in the sample, bus tours are less likely to be held virtually than other events. For example, in 2022, 26% of all bus tours were held virtually, compared to 44% of NDRs and 34% of investor conferences.

Insert Figure 1

We next estimate the following panel regression:

$$Virtual_{it} = \beta_1 Bus_{it} + \beta_2 Conf_{it} + Month_t + \varepsilon_{it}, \tag{1}$$

where *Virtual* is an indicator equal to one if the event was held virtually, and *Bus* and *Conf* are indicators equal to one if the event was a bus tour or investor conference, respectively (where NDRs are the omitted indicator), and *Month* denotes month fixed effects. Standard errors are clustered by firm and month.

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Table 3 reports the results. We find that the coefficient on *Bus* is significant and negative. The point estimate indicates that bus tours are 26 percentage points less likely to be virtual relative to NDRs. In contrast, the coefficient on *Conf* is a statistically insignificant -0.05. Further, we confirm that the coefficient on *Bus* is significantly less than the coefficient on *Conf*. This evidence supports our conjecture that bus tours are less likely to be virtual relative to both NDRs and investor conferences.

Insert Table 3

To explore whether this effect is more pronounced for firms with high levels of tangible assets, we augment specification 1 by including a *High Tangibles* indicator variable, and we also interact *High Tangibles* with both *Bus* and *Conf*. As in Table 2, we measure intangibles using either *Recognized Intangibles*, *(R&D + ADV)/OE)*, or *Market-to-book*, and we convert each of these measures to a *High Tangibles* indicator if the measure is below the median. We also consider a composite measure which equals one if the average of the percentile rankings of the three measures is below the median. Specifications 2-4 report the results for each of the individual measures, and Specification 5 reports the results for the composite measure. The key variable, *Bus × High Tangibles* is negative across all four specifications and is statistically significant in three of the four specifications. For example, the estimates in Specification 5 indicate that bus tours for firms with below-median tangible assets are 14 percentage points less likely to be held virtually than NDRs of firms with below-median tangible assets (the omitted category), but this estimate increases to 0.35 (0.14 + 0.21) among firms with above-median tangible assets. In contrast, we find no evidence that the decision to host an NDR or investor conference varies significantly with asset tangibility.

3. Information content of bus tours and other events

3.1 Changes in trading volume and absolute returns around bus tours

In this section, we examine the information content of bus tours and other corporate events. We measure the information content of the event using either trading volume or absolute abnormal returns. Intuitively, if investors acquire (good or bad) information during a bus tour, then we would expect institutions to subsequently trade on this information, and we would expect this information to lead to larger absolute returns. Our empirical specifications examine whether there is an increase in trading (or absolute returns) in the week following the bus tour relative to the week prior to the bus tour.[12] We also compare the information effects of bus tours to those of NDRs and investor conferences. We conjecture that bus tours and conferences will likely generate larger effects than NDRs because more institutions attend these events.

We limit the sample to firm-days that are not within 5 trading days of an earnings announcement, and we also require that there is only one type of investor relations event during the event window. We then estimate the following panel regression:

$$Info_{it} = \beta_1 Event_{it} + \beta_2 Event \times Post_{it} + Firm \times Month_{it} + Date_t + \varepsilon_{it} \qquad (2)$$

The dependent variable, *Info*, is either the daily trading turnover (*Turnover*), defined as daily trading volume divided by the number of shares outstanding, or the absolute market-adjusted return (*Abs Ret*). We winsorize *Turnover* and *Abs Ret* at the 99th percentile. *Event* is an indicator equal to one if the trading day is within five trading days of the investor relation event (i.e., days –5 through 5). *Event* $\times$ *Post* is an indicator that takes the value 1 if the day is the event day or 5 trading days after the event

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[12] BJW document that institutions residing in NDR locations increase their 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 and possibly absolute returns if the direction of trading is correlated among institutions.

(i.e., days 0 through +5). *Firm × Month* and *Date* denote firm by month and date fixed effects, respectively. Standard errors are clustered by firm and date.

Insert Table 4

Table 4 reports the results. Column 1 reports the results for turnover. The coefficient on *Bus Event* is statistically insignificant, indicating that trading volume is not significantly elevated in the week prior to the bus tour. The coefficient on *Bus Event × Post* is statistically significant at the 1% level. This indicates that there is an increase in trading volume from the week prior to a bus tour to the week following it, which is consistent with bus tours generating trading ideas for attending investors. The point estimate of 0.31 represents a roughly 3% increase in turnover relative to the mean of the dependent variable (10.36). This is an economically meaningful increase, particularly since only a relatively small fraction of investors (typically 20-30 institutions) attend a bus tour.

We also find significant increases in the post-event window for both NDRs and conferences. The point estimate for NDRs (0.12) is smaller than the increase for bus tours, and the difference between the two estimates is statistically significant. This finding is broadly consistent with our expectations. Fewer institutional investors participate in a typical NDR compared to bus tours. Thus, while trading volume may be elevated in the geographic region where the NDR occurs (BJW), trading volume from these institutions is likely to be a small fraction of overall volume. The increase in volume around conferences (0.16) is also smaller than the increase for bus tours, although the difference between the two is only marginally significant (*t*-statistic=1.67).

Specification 2 repeats the analysis after replacing *Turnover* with *Abs Ret*. We find that that the average daily absolute returns increase by 0.06% on the day of the bus tour and the week following the tour, which reflects a 3.3% increase relative to the mean of *Abs Ret* of 1.81%. The 0.06% increase is also significantly larger than the increase in absolute returns following NDRs (0.01%) or investor

conferences (0.02%). Collectively, the evidence supports the view that bus tours are an important information event that conveys new information to financial markets.

To further explore the timing of the trading increases around events, we re-estimate Table 4 after replacing *Event × Post* with separate event-time indicators for the following event days: [-2, -1], [0, 1], [2, 3], and [4, 5]. Thus, the estimates on each of the event-day indicators capture the change in turnover or absolute returns relative to the baseline estimates from days [−5, −3]. Figure 2a reports the results for turnover. We generally find no significant increase in trading volume on days −2 or −1, which is inconsistent with increased trading in anticipation of the event. We observe an immediate increase in trading volume on the day of and day after the event. We also observe that trading volume remains significantly elevated for all three events over the [2, 3] window. The results for absolute returns, presented in Figure 2B, are qualitatively similar. Note that trading volume and absolute returns remain elevated only for bus tours in the [4, 5]-period window.

Insert Figure 2

3.2 Changes in trading volume and absolute returns around bus tours – cross-sectional patterns

The evidence from Table 3 suggests that bus tours tend to visit firms with high levels of tangible assets, whereas NDRs and conferences favor firms with more intangible assets. If bus tours are particularly valuable for firms with more tangible assets, then the information content may also be more pronounced for these types of firms. To explore this possibility, we divide all firms into terciles based on the composite measure of intangibles used in Specification 5 of Table 3. We then interact each of the six variables in Table 4 with three indicators capturing the level of the firm's intangibles, resulting in a regression with 18 such variables. For this analysis, we also limit the sample to in-person events.[13]

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[13] In Table IA.2 of the Internet Appendix, we also confirm that the benefits of bus tours are concentrated among in-person events.

The first row of Table 5 reports the coefficient estimates for *High Tangibles × Bus Event × Post* (Column 1), *High Tangibles × NDR Event × Post* (Column 2), and *High Tangibles × Conf Event × Post* (Column 3).[14] In column 4, we report the difference in estimates for the *Bus Event × Post* and *NDR Event × Post* coefficients, and in column 5, we report the differences for the *Bus Event × Post* and *Conf Event × Post* coefficients. Rows 2 and 3 report analogous estimates for the *Mid Tangibles* and *Low Tangibles* interactions, and *Difference* tabulates the difference in the estimates from the *High Tangibles* and *Low Tangibles* sample.

Panel A reports the results using *Turnover* as the measure of information content. For firms in the top third of composite tangibles, we find that trading volume increases by 0.83 in the week following bus tours. The estimate is economically large and statistically significant. Further, the estimate is significantly larger than the estimate for NDRs (0.19) or investor conferences (-0.03). The trading volume increase following bus tours for firms in the middle third or bottom third of tangibles is considerably smaller (0.20 and 0.05, respectively). Further, for this subset of firms, there is no evidence that bus tours lead to more trading than either NDRs or investor conferences. Finally, we confirm that the difference in the trading volume increase for firms in the top versus bottom third of tangible assets (0.78%) is also statistically significant.

Insert Table 5

Panel B presents analogous results after replacing *Turnover* with *Abs Ret.* The patterns are qualitatively similar. For example, the increase in absolute returns following bus tours is large (0.11%) and statistically significant for firms with high levels of tangibles, whereas the effects are much smaller (0.03%) and statistically insignificant for firms with low levels of tangibles, and the difference between the two estimates is also significant. We do not observe similar patterns for either NDRs or investor

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[14] The 9 non-post variables (e.g., *Bus Event × High Tangibles*, etc.) are also included in the regression, but their coefficient estimates are suppressed for brevity.

conferences. These findings reinforce the evidence from the determinants analysis (Table 2) and further suggest that bus tours are a distinct corporate access event that is especially valuable for firms with higher levels of tangibles.

4. Bus tours and sell-side analyst research

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

4.1. Bus tours and forecast revision frequency

During bus tours, analysts can acquire information from observing facilities and production processes, talking to managers and lower-level employees, and having discussions with institutional investors. Given all this potential information, we expect hosting analysts to be more likely to update their forecasts for the company's earnings in the period following the bus tour relative to other analysts covering the same firm.

Most analysts covering a firm issue forecast revisions following major information events such as earnings announcements. To focus on more discretionary revisions that are likely driven by private information, we restrict attention to annual earnings forecast revisions that do not coincide with other major information events. Specifically, following Loh and Stulz (2011) 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. Because analysts can 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.[15]

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

We construct a sample consisting of all analyst-firm-weeks where the analyst covers the firm in the given week, where coverage is defined as the analyst having issued a forecast for the firm at some point during the previous 12 months. We then estimate the following linear probability model:

$$Forecast_{jit} = \beta_1 Bus_{jit,t-1} + \beta_2 NDR_{jit,t-1} + \beta_3 Conf_{jit,t-1} + FE + \varepsilon_{it} \qquad (3)$$

The dependent variable, *Forecast*, is an indicator equal to one if analyst *j* issues a forecast for firm *i* in week *t*. *Bus* is an indicator equal to one if analyst *j* organizes a bus tour for firm *i* in either the current week or the previous week. *NDR* and *Conf* are defined analogously. *FE* denotes fixed effects. All specifications include firm × week fixed effects. Thus, our identification strategy compares the frequency of the hosting analyst's revision relative to other analysts covering the same firm at the same point in time. We also include either broker or analyst fixed effects in some specifications.

Specification 1 of Table 6 reports the baseline results. We find that the probability that the host analyst issues a revision increases by 1.09 percentage points immediately following bus tours. This represents a roughly 35% increase relative to the sample mean (3.08%). We observe an even larger increase in revision frequency immediately following NDRs.[16] In contrast, we find little evidence that the hosting analyst issues more forecast revisions after conferences. Specifications 2 and 3 replace *Forecast* with *Upgrade* or *Downgrade,* which are indicators equal to one if the analyst issues an upward or downward forecast revision, respectively. We find qualitatively similar results for both upgrades and downgrades, suggesting that analysts can acquire both positive and negative information during site visits. Specifications 4 and 5 augment Specification 1 by including either broker or analyst fixed effects. We continue to find very similar estimates, which alleviates the concern that analysts who tend to host firms on a bus tour are simply more likely to issue forecast revisions in general.

Insert Table 6

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[16] The large increase following NDR is surprising because in many cases the NDR 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 associated with smaller improvements in accuracy than revisions following a bus tour.

Finally, to better understand the dynamics around each investor relation event, we repeat Specification 1 after including indicators for the two weeks prior to the event $[-2, -1]$, the event week and following week $[0, 1]$, the second and third weeks after the event $[2, 3]$, and the fourth and fifth weeks after the event $[4, 5]$. Figure 3 reports the results. For both bus tours and NDRs, we see that the increase in forecast revisions is concentrated over the $[0, 1]$ window.

Insert Figure 3

4.2 Bus tours and analyst accuracy

The previous section shows 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 accuracy of these forecasts, defined as:

$$Rel\ Accuracy_{jith} = \frac{(AbsFE_{jith} - \overline{AbsFE}_{ith})}{MaxAbsFE_{ith} - MinAbsFE_{ith}} \times -1. \tag{4}$$

$AbsFE_{jith}$ is the absolute value of the forecast error (i.e., forecasted earnings minus realized earnings) of analyst j for firm i in month t for forecast horizon h, and $\overline{AbsFE}_{ith}, MaxAbsFE_{ith}, MinAbsFE_{ith}$ are the firm-month-horizon mean, maximum, and minimum of *AbsFE*, respectively, across all analysts' forecasts for the given firm-month-horizon. We multiply by negative 1 so that higher values indicate greater accuracy. We include annual earnings forecasts 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 estimate the following panel regression:

$$Rel\ Accuracy_{jith} = \beta_1 RelBusHostPost_{jit} + \beta_2 RelNDRHostPost_{jit} + \tag{5}$$

$$\beta_3 RelConfHostPost_{jit} + \beta_4 RelControls + \varepsilon_{jith}.$$

BusHostPost is an indicator equal to one if the forecast was issued within 180 days following the broker attending a bus tour for the firm. We focus on a relatively long (two-quarter) event-window based on the view that 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 forecasts. In subsequent tests, we also conduct an event-time analysis at a quarterly frequency.

We benchmark bus tours with NDRs (*NDRHostPost*) and broker-hosted conferences (*ConfHostPost*). The set of controls is 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

Specification 1 of Table 7 presents the baseline results, and Specifications 2 and 3 augment the baseline model by including broker and analyst fixed effects, respectively. Across all three specifications, we find that the coefficient on *RelBusHostPost* is positive and significant with point estimates ranging from 0.85% to 1.26%. This finding is consistent with analysts acquiring valuable information during the bus tours that allow them to subsequently issue more accurate research.[17]

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[17] A related prediction is that analysts who recently attended a bus tour may issue more profitable recommendation changes or forecast revisions. We do not find support for this prediction. One potential explanation is that the information that

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 may be limited relative to bus tours. Consistent with this view, we find that the improvements in accuracy following bus tours are roughly 2.5 to 5 times larger than the improvements following NDRs. Below the regression estimates, we also formally test whether the coefficients 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 10% level in two of the three 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 30% larger than the improvements following conferences, although the difference in the coefficients is not reliably different from zero.

We also repeat Specification 1 of Table 7 after replacing *RelBusHostPost* with indicators for whether the analyst hosted the firm at a bus tour in the prior quarter (*RelBusHostPost-Q1),* prior two quarters (*RelBusHostPost-Q2*) or prior three quarters (*RelBusHostPost-Q3).* We also add indicators for whether the analyst will host a firm at a bus tour in the subsequent quarter (*RelBusHostPre-Q1*), subsequent two quarters (*RelBusHostPre-Q2*), or subsequent three quarters (*RelBusHostPre-Q3*). We include analogous indicators for NDRs and investor conferences.

Figure 4 plots the estimates on each of the event time indicators. We find that the event time indicators for all the pre-period estimates (*Pre-Q1* through *Pre-Q3*) are statistically insignificant for bus

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analysts use to issue more accurate forecasts is already incorporated into prices through the trading of institutional investors who also attend the bus tour. The evidence in Table 4 of increased trading and elevated absolute returns in the days following the bus tour is consistent with this interpretation.

tours. We see a sizeable increase in the coefficient estimates in the quarter immediately following the event. For example, the estimate on bus tours increases to 1.44 (t-statistic=2.95) and this event remains somewhat elevated and marginally significant (p-value < 0.10) in the second and third quarters following the event. The patterns for NDRs and investor conferences are similar, albeit the magnitudes are generally reduced.

Insert Figure 4

4.3 Bus tours and analyst accuracy - cross sectional patterns

The findings from Table 5 suggest that investors glean more information from firms with more tangible assets. In this section, we explore whether these patterns extend to the hosting analyst's accuracy advantage. Like Table 5, we sort all firms into terciles based on the composite tangibles measure. We then repeat Specification 1 of Table 7 after interacting the three event variables (*Rel Bus Host, Rel NDR Host,* and *Rel Conf Host*) with the three indicators capturing the firm's intangibles. As in Table 5, we limit this analysis to in-person events.

Table 8, structured identically to Table 5, reports the results for key estimates. The findings suggest that the information advantage of sponsoring analysts following bus tours is concentrated in firms with more tangible assets. For example, the point estimate on *Bus Host Post* for firms in the top tercile of tangibles is a statistically significant 2.70%. In contrast, the estimate for firms in the bottom tercile of tangibles is a statistically insignificant 0.67%, and the difference between the two estimates of 2.03% is significant. Overall, these findings are consistent with the trading volume and absolute return results reported in Table 5, and further suggest that bus tours are particularly informative for firms with greater levels of tangible assets.

Insert Table 8

4.4 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 recommendations in the hopes of winning investment banking business (Michaely and Womack, 1999). In response to this conflict, regulators issued the Global Settlement which, among other things, prohibited analysts' compensation from being explicitly tied to investment banking business.

Post-settlement, research departments placed more emphasis on concierge services that their clients find 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 is a strong driver of broker votes, which are a critical determinant of brokerage commissions and ultimately sell-side analyst compensation (Maber, Groysberg, and Healy, 2021). Thus, the possibility of participating in corporate access events creates a strong incentive for analysts to issue overly optimistic research to curry favor with management.

Consistent with these incentives, BJW find that NDR-host analysts' recommendations display bias. We examine if this bias is also pervasive for analysts who host bus tours. Note that unlike NDRs, which focus on a single firm, bus tours are more like conferences in that many firms are visited on a single tour. Recall from Table 1, about 4.2 firms on average are visited, and the host analyst covers roughly 85% of the firms. 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 analyst's coverage universe. In other words, while it is relatively easy for an analyst to issue a "Strong Buy" for one NDR firm, it is

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[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).

much more difficult to issue a "Strong Buy" for all four firms that the broker will visit on a bus tour without losing credibility.

To test these predictions, we follow BJW and estimate the following panel regression:

$$Optimism_{jit} = \beta_1 Bus3_{jit} + \beta_2 NDR3_{jit} + \beta_3 Conf3_{jit} + \beta_4 Affiliated3_{jit} + \beta_5 Controls + \text{FE} + \varepsilon_{jit.} \qquad (6)$$

In Specification 1, $Optimism_{jit}$ is the *Rec Level*, i.e., 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. In Specification 2, $Optimism_{jit}$ is the *Target Return*, i.e., 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 three 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, also taken from BJW, include *Firm Experience, General Experience, Broker Size,* and *Firms Followed,* all defined in Appendix A. All specifications include firm-month fixed effects, and standard errors are clustered by firm and month. The sample includes all broker-firm-months from 2013-2023 for which the broker issued at least one recommendation (Specification 1) or target price (Specification 2) for the firm in the prior 24 months. All continuous variables are standardized to have zero mean and unit variance.

Table 9 reports the results. Consistent with BJW, we find that NDRs are associated with significantly more optimistic research. The coefficient in Specification 1 implies that NDRs are associated with a 0.30 decline in the recommendation level, indicating an increase in the analyst's optimism. The coefficients on *Conf* and *Bus* are also 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 (−0.23) and the coefficient on *Conf* is (−0.04). We generally observe qualitatively similar patterns using target returns, although the magnitude of optimism preceding bus tours is more modest.

Insert Table 9

Although we document that host analysts issue significantly more optimistic recommendations, this does not necessarily imply that their research is intentionally 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 the pessimism of analysts' earnings forecasts. In Specification 3 the dependent variable is *MBE*, an indicator for whether the firm beats the analyst's most recent quarterly earnings forecast, and in Specification 4 the dependent variable is *Relative Qtr. Pessimism*, defined as [(Rank -1) / (Number of analysts − 1)], where Rank is a descending rank of each analyst's quarterly earnings forecast, which is scaled by the number of analysts issuing forecasts. Thus, higher values of both measures imply greater pessimism. Consistent with BJW, NDR host analysts issue more pessimistic quarterly earnings forecasts. Similarly, we observe that bus tour forecasts are also more pessimistic, but the magnitudes are somewhat smaller than the corresponding estimates for NDRs.

Collectively, the results from this section are consistent with the view that analysts organizing NDRs and bus tours issue overly optimistic recommendations and 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 in hopes that management will participate in one of their profitable concierge services.

5. Conclusion

Bus tours are a vital corporate access event that analysts arrange for their institutional clients. Yet, despite their importance to both 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 roadshows (NDRs) and broker-hosted conferences.

We find that trading volume, absolute returns, and both the frequency and accuracy of hosting analysts' earnings forecasts increase following bus tours. Compared to NDRs and investor conferences, bus tours are more prevalent among firms with high levels of tangible assets, and tours of these firms lead to more significant responses by investors and analysts. These findings suggest that bus tours are a distinct disclosure mechanism that serve as an important information acquisition activity for investors and sell-side analysts, particularly among firms where the benefits of observing a firm's operations are likely to be largest. However, we also find that bus tour analysts (like NDR analysts) issue significantly more optimistic investment recommendations coupled with more beatable earnings forecasts, which is consistent with analysts issuing strategically-biased forecasts in hopes of gaining increased access to management.

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 analyst's 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 allowed 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 retail investors likely do not have access to. In addition, while existing regulations, such as the Global Settlement, aim to minimize conflicts of interest stemming from investment banking relationships, these rules do not extend to corporate access events. Our evidence suggests that these events are a pervasive source of analyst bias, raising the important question of whether regulations aimed at minimizing analyst conflicts of interest should be extended to cover concierge services.

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Appendix A: Variable Definitions

A.1 Determinants and Firm Characteristics (Table 2)

- *Bus:* an indicator equal to one if any broker visited the firm on a bus tour during the month and zero otherwise. (Source: *FLY* and *Bloomberg Corporate Events*.)
- *NDR:* an indicator equal to one if any broker organized a non-deal roadshow for the firm during the month and zero otherwise. (Source: *FLY* and *Bloomberg Corporate Events*.)
- *Conf:* an indicator equal to one if the firm attended any broker-hosted conferences during the month, and zero otherwise. (Source: *Bloomberg Corporate Events*.)
- *Recognized Intangibles*: recognized intangible assets including goodwill (33) divided by total assets (6) 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.)
- *(R&D + ADV)/OE*: R&D expense (46) plus advertising expense (45) divided by total operating expenses. Missing values of R&D and advertising are set equal to zero. Winsorized at the 99th percentile. (Source: 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*: an indicator variable equal to one if the firm will issue a seasoned equity offering in the next two years. (Source: SDC.)
- *M&A Acquirer*: an indicator variable equal to one if the firm announces the acquisition of another firm in the next two years (Source: SDC.)
- *Analyst Coverage:* the number of analysts issuing earnings forecasts for the firm in the given quarter. (Source: I/B/E/S.)
- *# Institutions*: the number of institutions owning shares of the firm's stock 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.)

*A.2 Determinants of Virtual Events (*Tables 3 and 5 and Figure 1)

- *Virtual:* an indicator equal to one if the event was held virtually (Source: *FLY, Bloomberg Corporate Events,* and *Google.*)
- *Bus*: an indicator equal to one if the event was a bus tour.
  - *Conf* and *NDR* are defined analogously.
- *Composite Intangibles*: We convert *Recognized Intangibles, Market-to-Book,* and *(R&D + ADV)/OE* into percentile rankings each year, and we take the average value of each of these percentile rankings.
- *High Tangibles* - an indicator equal to one if the percentile ranking of the intangibles measure (either *Recognized Intangibles, Market-to-Book, (R&D + ADV)/OE*) or *Composite Intangibles*) is below the median.

*A.3 Trading Volume and Absolute Returns (*Tables 4 and 5 and Figure 2)

- *Turnover:* trading volume divided by the total number of shares outstanding. This measure is winsorized at the 99th percentile. (Source: CRSP.)
- *Abs Ret:* the absolute value of the market-adjusted daily return. This measure is winsorized at the 99th percentile. (Source CRSP).
- *Bus Event:* an indicator equal to one if the given day is within a five-day trading window around a bus tour [−5, +5]. (Source: *FLY* and Bloomberg Corporate Events Database.)
  - *NDR Event* and *Conf Event* are defined analogously.
- *Bus Event × Post*: an indicator equal to one if the given day is within a five-day trading window following a bus tour [0, +5]. (Source: *FLY* and Bloomberg Corporate Events Database.)
  - *NDR Event × Post* and *Conf Event × Post* are defined analogously.
- *High Tangibles:* an indicator equal to one if *Composite Intangibles* is in the bottom tercile.
  - *Mid Tangibles (Low Tangibles):* indicators equal to one if *Composite Intangibles* is in the middle (top) tercile.

A.3 *Forecast Frequency* (Table 6 and Figure 3)

- *Forecast:* an indicator equal to one if a given analyst issued an earnings forecast for the firm during the given week. We include annual earnings forecast revisions for horizons of one to three years (i.e., FPI =1, FPI =2, or FPI =3). (Source: I/B/E/S).
  - This measure excludes revisions that fall in the three-day window around quarterly earnings dates or earnings guidance, and revisions that are issued on the same day as another analyst's revision.
- *Upgrade (Downgrade):* an indicator equal to one if the given analyst issued an upward (downward) earnings forecast revision for the firm during the week.
- *Bus*: an indicator equal to one if a given analyst organized a bus tour for the firm in either the current week or the previous week.
  - *Conf* and *NDR* are defined analogously.

A.4 *Forecast Accuracy* (Tables 7 and 8 and Figure 4)

Below, we report the definition for each original variable (e.g., accuracy). 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 measures are converted to relative measures by subtracting the firm-quarter-horizon mean, 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 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 180 days. (Source: I/B/E/S, *FLY*, and Bloomberg.)
    - *Bus Host Post Q1:* 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 one quarter (90 calendar days).
        - *Bus Host Post Q2 and Bus Host Post Q3* are defined analogously.
    - *Bus Host Pre Q1:* an indicator equal to one if the forecast was issued by a brokerage firm that will visit the firm on a bus tour in the subsequent one quarter (90 calendar days).
        - *Bus Host Pre Q2 and Bus Host Pre Q3* are defined analogously.
- *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 180 calendar days (Source: I/B/E/S, *FLY*, and Bloomberg.)
- *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 180 calendar days (Source: I/B/E/S and Bloomberg.)
- *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.)

A.5 *Research Bias* (Table 9)

- *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 Price$_{jit}$/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)*: an indicator 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 Qtr. 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:* an indicator 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.)

- *Industries Followed*: the number of two-digit SICs followed by analyst *j* in year *t* (Source: I/B/E/S.)

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 2023. Data on bus tours and non-deal roadshows are collected from both TheFlyontheWall.com (*FLY*) and Bloomberg, and data on investor conferences is collected from Bloomberg. The sample is limited to common stocks. In Panel B, we further limit the sample to events hosted by brokerage firms that report to the I/B/E/S database. In Panel A, *Firm-Days* reports the total number of unique broker-firm-date pairs. *Firms* report 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 event, and *% Covered by Broker* reports the percentage of firms at the event that are covered by the sponsoring brokerage firm. Panel C reports the frequency of broker-firm-dates by the location of the event. The sample in Panel C is limited to in-person events with non-missing location data.

Panel A: Summary Statics by Investor Relation Event - CRSP Matched Sample			
	Bus Tours	NDRs	Investor Conferences
Firm-Days	7,168	49,363	104,149
Firms	1,924	4,256	5,149
Brokers	71	90	102
Unique Events	1,746	36,650	4,169
Firms per Event	4.11	1.00	24.98

Panel B: Summary Statics by Investor Relation Event - CRSP & IBES Matched Sample			
	Bus Tours	NDRs	Investor Conferences
Firm-Days	6,484	47,081	80,009
Firms	1,840	4,197	5,037
Brokers	67	84	81
Unique Events	1,539	34,971	3,093
Firms per Event	4.21	1.00	25.87
% Covered by Broker	85.53%	91.87%	74.72%

Panel C: Location Frequency by Investor Relation Event (In-Person Only)			
	Bus Tours	NDRs	Investor Conferences
NY/NJ/CT	5.21%	24.13%	40.89%
CA	39.28%	15.37%	17.05%
TX/OK	17.63%	5.28%	1.63%
IL	4.79%	7.33%	5.18%
New England	4.83%	14.47%	9.88%
Mid-Atlantic	5.89%	5.43%	2.79%
Southeast	8.90%	2.29%	9.08%
Midwest	2.92%	12.13%	0.65%
Southwest	2.97%	0.39%	5.96%
Northwest	6.47%	4.09%	1.55%
International	1.12%	9.09%	5.35%

Table 2: 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 conducts the specific type of investor relation activity during the month. For example, *Bus* is an indicator equal to one if any broker visits the firm on a bus tour during the month and zero otherwise, and *NDR* and *Conf* are defined analogously. All independent variables are defined in Appendix A. All continuous variables are standardized to have zero mean and unit variance. Standard errors are double-clustered by firm and month, and *t*-statistics are reported in parentheses. The sample is restricted to firm-months with non-missing data for all of the independent variables (N = 424,644 firm-months).

	Bus	*NDR*	*Conf*	*Bus*	*NDR*	*Conf*
	[1]	[2]	[3]	[4]	[5]	[6]
Recognized Int.	-0.18%	0.88%	0.94%	-0.21%	0.77%	0.64%
	(-3.70)	(7.97)	(4.07)	(-4.56)	(7.16)	(2.95)
(R&D + ADV)/OE	0.08%	0.65%	5.47%	0.00%	0.48%	4.59%
	(1.35)	(6.13)	(14.83)	(-0.08)	(4.18)	(13.32)
Log (MB)	0.00%	1.38%	1.61%	-0.03%	1.25%	1.42%
	(-0.02)	(7.53)	(3.87)	(-0.28)	(6.96)	(3.53)
Negative Book	-0.41%	4.42%	4.44%	-0.49%	3.93%	3.59%
	(-1.03)	(5.90)	(2.48)	(-1.27)	(5.29)	(2.08)
Idiosyncratic Risk	0.02%	-0.36%	1.23%	-0.04%	-0.34%	1.04%
	(0.34)	(-3.25)	(4.14)	(-0.82)	(-3.16)	(3.48)
Institutional Ownership	-0.20%	1.12%	2.61%	-0.20%	1.10%	2.68%
	(-2.76)	(7.17)	(7.24)	(-2.85)	(7.06)	(7.61)
Log (Firm Age)	-0.18%	-0.26%	-1.15%	-0.16%	-0.33%	-1.23%
	(-3.81)	(-2.76)	(-6.07)	(-3.13)	(-3.07)	(-6.01)
Net Shares	-0.03%	0.68%	1.70%	0.00%	0.72%	1.82%
	(-0.76)	(5.32)	(7.49)	(0.01)	(5.51)	(7.80)
Log (Analyst Coverage)	0.89%	1.68%	4.66%	0.82%	1.68%	4.51%
	(9.86)	(10.96)	(12.13)	(9.62)	(10.83)	(12.12)
Log (# of Institutions)	-0.16%	-0.61%	-0.87%	-0.14%	-0.64%	-0.78%
	(-1.67)	(-3.23)	(-1.92)	(-1.53)	(-3.32)	(-1.74)
Log (Firm Size)	0.77%	0.59%	2.36%	0.87%	0.74%	2.74%
	(7.57)	(2.95)	(4.67)	(8.18)	(3.64)	(5.34)
Log (Turnover)	0.10%	0.60%	-0.32%	0.12%	0.58%	-0.22%
	(2.27)	(5.83)	(-1.15)	(2.78)	(5.60)	(-0.80)
R-squared	0.11%	0.26%	0.61%	0.03%	0.20%	0.30%
	(1.50)	(1.91)	(2.01)	(0.38)	(1.51)	(1.04)
Ret (m-1)	0.06%	0.33%	0.24%	0.06%	0.32%	0.24%
	(2.71)	(7.09)	(2.37)	(2.74)	(7.05)	(2.31)
Ret (m-12, m-1)	0.12%	0.78%	0.93%	0.11%	0.77%	0.87%
	(4.46)	(10.89)	(6.88)	(4.15)	(10.81)	(6.55)
SEO	0.35%	1.05%	0.76%	0.39%	1.13%	0.42%
	(2.59)	(3.59)	(1.41)	(2.89)	(3.92)	(0.79)
M&A - Acquirer	0.29%	0.94%	2.33%	0.26%	0.89%	2.25%
	(2.36)	(3.56)	(4.65)	(2.18)	(3.42)	(4.59)
Month Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Industry Fixed Effects	No	No	No	Yes	Yes	Yes
R-squared	2.44%	4.60%	15.85%	2.56%	4.65%	16.36%
Mean Dep. Variable	2.42%	7.03%	17.32%	2.42%	7.03%	17.32%

Table 3: Determinants of Holding Corporate Access Events Virtually

This table reports estimates from linear probability models. The sample consists of 27,002 events (bus tours, NDRs, and conferences) between September 2021 and December 2023 with non-missing location data. The dependent variable is an indicator equal to one if the corporate access event was held virtually and zero if the event was held in person. *Bus* and *Conf* are indicators equal to one if the event was a bus tour or investor conference, respectively (with NDRs being the omitted group). *High Tangibles* is an indicator equal to one if the firm has below median intangible assets. We measure intangible assets using: $(R\&D + Adv)/OE$ (Specification 2), *market-to-book* (Specification 3), *Recognized Intangibles* (Specification 4), or a composite measure that incorporates all three of the measures (Specification 5). Standard errors are double-clustered by firm and month, and *t*-statistics are reported in parentheses.

	[1]	[2]	[3]	[4]	[5]
Bus	-0.26	-0.09	-0.16	-0.22	-0.14
	(-4.80)	(-0.95)	(-2.29)	(-3.20)	(-1.87)
Conf	-0.05	-0.05	-0.06	-0.04	-0.06
	(-1.06)	(-0.92)	(-1.17)	(-1.00)	(-0.15)
Bus × High Tangibles		-0.26	-0.20	-0.08	-0.21
		(-2.31)	(-3.07)	(-1.31)	(-3.12)
Conf × High Tangibles		-0.01	0.01	-0.02	0.02
		(-0.15)	(0.60)	(-0.72)	(1.01)
High Tangibles		0.00	0.02	0.02	0.01
		(-0.01)	(0.99)	(1.48)	(0.26)
Bus - Conf	-0.21	-0.05	-0.10	-0.18	-0.08
	(-2.82)	(-0.44)	(-1.26)	(-1.98)	(-0.88)
(Bus - Conf) × High Tangibles		-0.25	-0.21	-0.07	-0.23
		(-2.14)	(-3.46)	(-1.21)	(-3.58)
Observations	27,002	27,002	27,002	27,002	27,002
R-squared	37.72%	37.89%	37.89%	37.74%	37.88%
Month FE	Yes	Yes	Yes	Yes	Yes
Mean of Virtual	41.41%	41.41%	41.41%	41.41%	41.41%
Measure of Tangibles		R&D + Adv	MB	Intangibles	Composite

Table 4: Information Content of Bus Tours and Other Events

This table reports estimates from the following regression:

$$Info_{it} = \beta_1 Event_{it} + \beta_2 Event \times Post_{it} + Date_t + Firm \times Month + \varepsilon_{it}.$$

The sample is restricted to firm-dates that are not within five days of an earnings announcement, and we require only one type of investor relations event during the event window. *Info* is either the daily share turnover (*Turnover*), defined as daily trading volume divided by the number of shares outstanding, or the absolute market-adjusted return (*Abs Ret*). We winsorize *Turnover* and *Abs Ret* at the 99th percentile. *Event* is an indicator equal to one if the trading day is within five trading days of an investor relations event (i.e., days – 5 through 5), where the events include bus tours (*Bus*), non-deal roadshows (*NDRs*), and investor conferences (*Conf*). *Event × Post* is an indicator that takes the value one if the day is an event day or 5 trading days after an event (i.e., days 0 through +5). *Date* and *Firm × Month* denotes day fixed effects and firm by month fixed effects, respectively. Below the regression estimates we also report whether the estimate on *Bus Event × Post* is significantly different from the estimate on *NDR Event × Post* and *Conf Event × Post*. Standard errors are clustered by firm and date, and t-statistics are reported in parentheses.

Events	[1] Turnover	[2] Abs. Ret
Bus Event	-0.06	-0.03
	(-0.65)	(-2.91)
Bus Event ×Post	0.31	0.06
	(3.56)	(4.41)
NDR Event	0.17	0.01
	(4.49)	(1.86)
NDR Event × Post	0.12	0.01
	(3.28)	(1.70)
Conf Event	0.12	0.03
	(4.67)	(7.23)
Conf Event × Post	0.16	0.02
	(6.78)	(4.35)
Bus - NDR (Post)	0.19	0.05
	(1.96)	(3.14)
Bus - Conf (Post)	0.15	0.04
	(1.67)	(2.78)
Observation	2,646,353	2,646,353
Date FE	Yes	Yes
Firm × Month FE	Yes	Yes

Table 5: Information Content of Bus Tours and Other Events by Asset Tangibility

Panel A reports estimates from Specification 1 of Table 4 after splitting firms into terciles based on the composite intangibles measure (used in Specification 5 of Table 3). Specifically, we interact each of the six variables in Table 4 with three indicators capturing the level of the firm's intangibles, resulting in a regression with 18 such variables. We report 9 of these coefficients across columns 1-3 below. Specifically, we report the estimates for the *Bus Event × Post*, *NDR Event × Post*, and *Conf Event × Post* coefficients in columns 1, 2, and 3, respectively. The coefficients for the 9 non-post variables (e.g., *Bus Event × High Tangibles*, etc.) are not reported. In column 4, we report the difference in estimates for the *Bus Event × Post* and *NDR Event × Post* coefficients, and in column 5, we report the differences for the *Bus Event × Post* and *Conf Event × Post* coefficients. We also report *Difference*, which tabulates the difference in the estimates from the *High Tangibles* and *Low Tangibles* sample. Panel B is analogous and is based on Specification 2 of Table 4. Standard errors are clustered by firm and date, and *t*-statistics are reported in parentheses.

	Bus	NDR	Conf	Bus-NDR	Bus - Conf
	[1]	[2]	[3]	[4]	[5]
Panel A: Turnover					
High Tangibles × Event × Post	0.83	0.19	-0.03	0.64	0.86
	(4.06)	(1.93)	(-0.48)	(2.83)	(3.99)
Mid Tangibles × Event × Post	0.20	0.14	0.19	0.06	0.01
	(1.71)	(3.12)	(5.83)	(0.45)	(0.10)
Low Tangibles × Event × Post	0.05	0.00	0.18	0.05	-0.13
	(0.33)	(0.04)	(4.64)	(0.27)	(-0.86)
Difference	0.78	0.19	-0.21	0.6	0.99
	(3.09)	(1.50)	(-2.94)	(2.10)	(3.74)
Panel B: Absolute Returns					
High Tangibles × Event × Post	0.11	0.02	-0.01	0.09	0.12
	(3.56)	(1.43)	(-0.58)	(2.44)	(3.58)
Mid Tangibles × Event × Post	0.05	-0.01	0.02	0.05	0.03
	(2.53)	(-0.16)	(3.44)	(2.35)	(1.27)
Low Tangibles × Event × Post	0.03	0.02	0.03	0.01	0.01
	(1.42)	(1.28)	(3.72)	(0.65)	(0.31)
Difference	0.08	0.01	-0.03	0.07	0.11
	(2.03)	(0.41)	(-2.45)	(1.59)	(2.70)

Table 6: Forecast Frequency around Bus Tours and Other Events

This table reports estimates from the following linear probability model:

$$Forecast_{jit} = \beta_1 Bus_{jit,t-1} + \beta_2 NDR_{jit,t-1} + \beta_3 Conf_{jit,t-1} + FE + \varepsilon_{it}.$$

The sample consists of all analyst-firm-weeks where the analyst covers the firm in the given week, where coverage is defined as the analyst having issued a forecast for the firm at some point during the previous 12 months. *Forecast* is an indicator equal to one if analyst *j* issued an earnings forecast for firm *i* in week *t*. Specifications 2 and 3 replace *Forecast* with *Upgrade* and *Downgrade*, respectively, where *Upgrade* (*Downgrade*) is an indicator equal to one if the analysts issued an upward (downward) forecast revision. B*us* is an indicator equal to one if analyst *j* organized a bus tour for firm *i* in either the current week or the previous week; *NDR* and *Conf* are defined analogously. FE denotes firm × week fixed effects (all specifications), and broker fixed effects (Specification 4) or analyst fixed effects (Specification 5). Below the regression estimates, we also report the difference between the *Bus* coefficient and the others, namely, *Bus – NDR* and *Bus – Conf*. Standard errors are clustered by firm and week, and t-statistics are reported in parentheses.

	Forecast	Upgrade	Downgrade	Forecast	Forecast
	[1]	[2]	[3]	[4]	[5]
Bus [0,1]	1.09%	0.47%	0.43%	1.18%	1.17%
	(3.31)	(2.56)	(2.74)	(3.61)	(3.61)
NDR [0,1]	3.62%	1.81%	1.27%	3.71%	3.71%
	(28.95)	(20.80)	(16.98)	(29.60)	(29.72)
Conf [0,1]	0.02%	0.01%	-0.01%	-0.02%	0.08%
	(0.19)	(0.69)	(-0.29)	(-0.22)	(-0.09)
Bus - NDR	-2.53%	-1.33%	-0.84%	-2.53%	-2.54%
	(-7.15)	(-6.47)	(-4.73)	(-7.14)	(-7.27)
Bus - Conf	1.07%	1.81%	1.27%	1.20%	1.09%
	(3.12)	(20.80)	(16.98)	(3.51)	(3.48)
Observations	4,298,520	4,298,520	4,298,520	4,298,520	4,298,520
Firm × Week FE	Yes	Yes	Yes	Yes	Yes
Broker FE	No	No	No	Yes	No
Analyst FE	No	No	No	No	Yes

This table reports estimates from the following panel regression:

$$Rel\ Accuracy_{jith} = \beta_1 RelBusHostPost_{jit} + \beta_2 RelNDRHostPost_{jit} + \beta_3 RelConfHostPost_{jit} + \beta_4 RelControls + \varepsilon_{jith}.$$

The sample consists of all annual forecasts for horizons of one, two, or three years (i.e., FPI =1, FPI =2, or FPI =3) issued between 2013 and 2023. $RelAccuracy_{jith}$ is computed as the absolute forecast error of analyst j for firm i for an annual earnings forecast issued in month t for forecast horizon h less the average absolute forecast error across all analysts issuing earnings forecast for firm i in month t for horizon h, scaled by the difference between the maximum and minimum absolute forecast error across all forecasts for firm i in month t and horizon h. We multiply *Rel Accuracy* by negative one so that larger values correspond to more accurate forecasts. *Bus Host Post* is an indicator equal to one if the forecast was issued within 180 days following the broker attending a bus tour. *NDR Host Post* and *Conf Host Post* variables are defined analogously. Detailed variable definitions for all control variables are in Appendix A. 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 tests of whether the estimate on *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]
Rel Bus Host Post	1.26%	0.90%	0.85%
	(3.64)	(2.63)	(2.34)
Rel NDR Host Post	0.51%	0.18%	0.23%
	(3.08)	(1.17)	(1.48)
Rel Conf Host Post	0.94%	0.67%	0.65%
	(5.88)	(4.29)	(4.09)
Rel Firm Experience	1.00%	0.71%	0.77%
	(8.22)	(6.83)	(6.34)
Rel General Experience	0.29%	0.12%	0.15%
	(2.50)	(1.17)	(0.74)
Rel Firms Followed	0.17%	-0.31%	0.15%
	(1.24)	(-2.36)	(0.08)
Rel Ind. Followed	-0.33%	0.04%	0.11%
	(-2.35)	(0.33)	(0.68)
Relative Broker Size	0.43%	0.53%	0.34%
	(4.61)	(4.51)	(2.78)
Relative Forecast Age	-0.10%	-0.10%	-0.11%
	(-15.01)	(-16.77)	(-15.83)
Bus Post - NDR Post	0.75%	0.72%	0.62%
	(1.92)	(1.89)	(1.57)
Bus Post - Conf Post	0.32%	0.23%	0.20%
	(0.84)	(0.61)	(0.52)
Other Fixed Effect	No	Broker	Analyst
Observations	3,872,845	3,872,845	3,872,845

Table 8: Forecast Accuracy around Bus Tours and other Events by Asset Tangibility

This table reports estimates from Specification 1 of Table 7 after splitting firms into terciles based on the composite intangibles measure (used in Specification 5 of Table 3). Specifically, we interact *Rel Bus Host*, *Rel NDR Host,* and *Rel Conf Host* with three indicators capturing the level of the firm's intangibles, and we report the estimates on these nine coefficients across columns 1-3 below. We report the estimates on *Rel Bus Host Post* (column 1), *Rel NDR Host Post* (column 2), *Rel Conf Host Post* (column 3), the difference between *Rel Bus Host Post* and *Rel NDR Host Post* (column 4, *Bus – NDR*), and the difference between *Rel Bus Host Post* and *Rel Conf Host Post* (column 5, *Bus – Conf*). We also report *Difference*, which tabulates the difference in the estimates between the *High Tangibles* and *Low Tangibles* sample. The coefficients for the control variables are not reported. Standard errors are clustered by firm and date, and t-statistics are reported in parentheses.

	Bus	NDR	Conf	Bus-NDR	Bus - Conf
	[1]	[2]	[3]	[4]	[5]
High Tangibles	2.70%	0.11%	1.51%	2.59%	1.19%
	(3.34)	(0.25)	(4.27)	(2.70)	(1.38)
Mid Tangibles	1.33%	0.51%	0.94%	0.82%	0.39%
	(2.52)	(2.15)	(3.93)	(1.42)	(0.60)
Low Tangibles	0.67%	0.47%	0.74%	0.20%	-0.07%
	(1.37)	(1.50)	(3.11)	(0.34)	(-0.13)
Difference	2.03%	-0.36%	0.77%	2.39%	1.26%
	(1.98)	(-0.60)	(1.68)	(1.93)	(1.11)

This table reports estimates from the following panel regression:

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

The sample consists of all broker-firm-months from 2013 through 2023 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 forecast over the prior three months (columns 3 and 4). The dependent variable is a measure of bias for analyst j for firm i in month t. In Specification 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; thus lower recommendation levels indicate greater optimism. In Specification 2, the optimism measure is *Target Return,* the 12-month return implied by 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 Pessimism,* 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 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 (Firms Followed)*, *Log (Ind. Followed), Log (General Experience)* and *Log (Firm Experience)*. Detailed variable definitions are provided in Appendix A. FE denotes firm-month fixed effects. All continuous independent variables are standardized to have zero mean 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	-0.23	0.80%	0.53%	1.13
	(-12.27)	(3.12)	(1.22)	(2.78)
NDR3	-0.30	4.77%	1.42%	1.31
	(-36.26)	(25.52)	(6.59)	(6.45)
Conf3	-0.04	1.73%	0.13%	-0.07
	(-4.72)	(11.58)	(0.82)	(-0.45)
Affiliated3	-0.09	2.38%	-1.26%	-0.77
	(-3.07)	(3.15)	(-1.42)	(-1.07)
Log (Broker Size)	0.05	-1.63%	0.21%	0.26
	(19.12)	(-23.39)	(4.27)	(4.90)
Log (Firms Followed)	0.05	-0.61%	0.09%	0.29
	(7.53)	(-3.70)	(0.63)	(2.00)
Log (Ind. Followed)	-0.08	1.47%	0.30%	0.42
	(-9.28)	(7.29)	(1.84)	(2.32)
Log (Experience)	-0.02	0.75%	0.31%	0.34
	(-7.53)	(9.64)	(4.70)	(4.91)
Log (Firm Experience)	0.01	0.52%	0.10%	0.02
	(3.61)	(5.96)	(1.55)	(0.27)
Bus - NDR	0.07	-0.04	0.01	-0.18
	(3.80)	(12.42)	(1.78)	(-0.41)
Bus - Conf	-0.19	-0.01	0.00	1.20
	(8.79)	(3.14)	(0.87)	(2.81)
Fixed Effects	Firm-Month	Firm-Month	Firm-Month	Firm-Month
R-squared	34.10%	84.17%	61.76%	0.35%
Observations	3,077,412	3,897,051	2,979,167	2,979,167
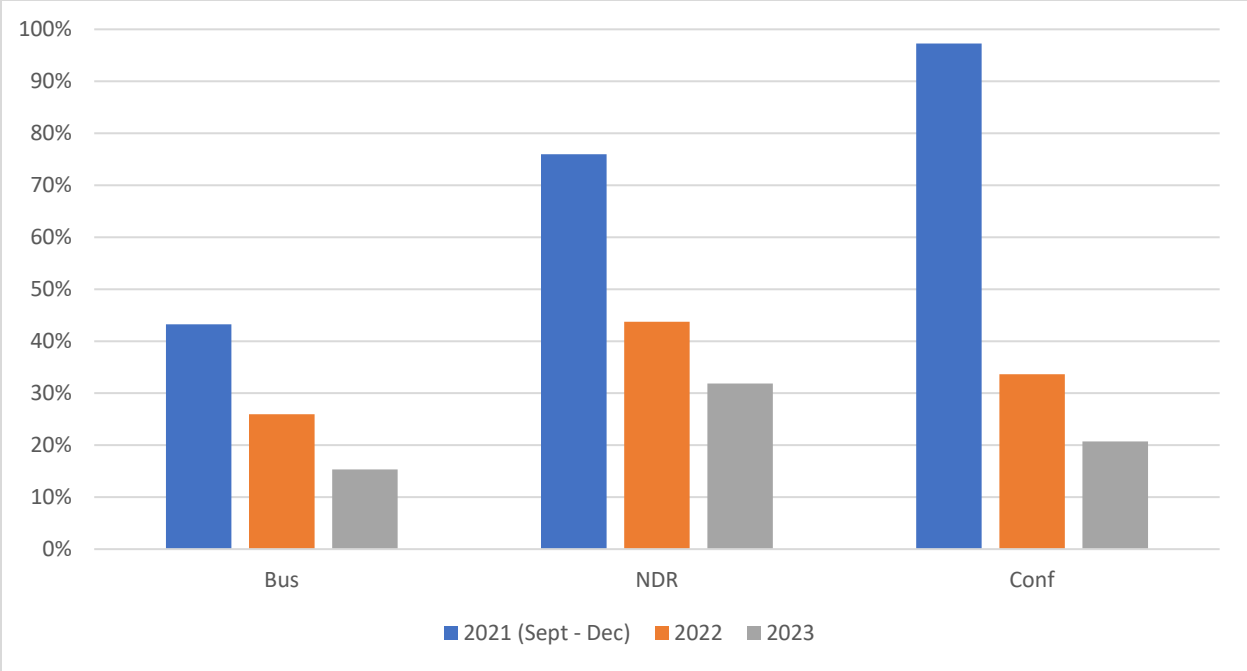
Figure 1: Frequency of Virtual Events by Corporate Event and Year

This figure reports the percentage of all events that are held virtually. We report the means separately for each corporate event (Bus Tours, NDRs, and Conferences) and each year (2021, 2022, or 2023). The sample includes 27,002 events held from September 2021 through December 2023.
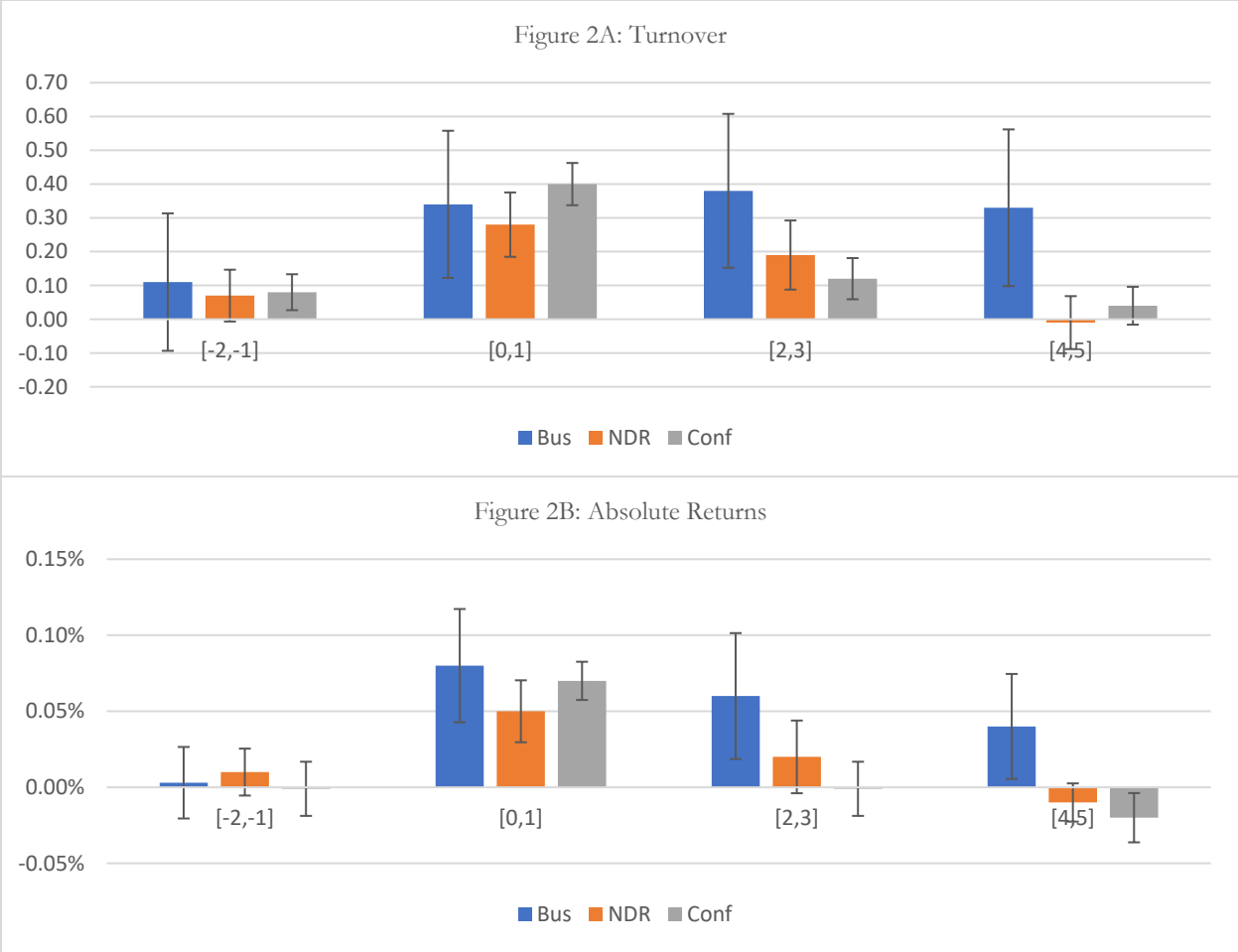
Figure 2: Information Content around Bus Tours and Other Events - Event Time
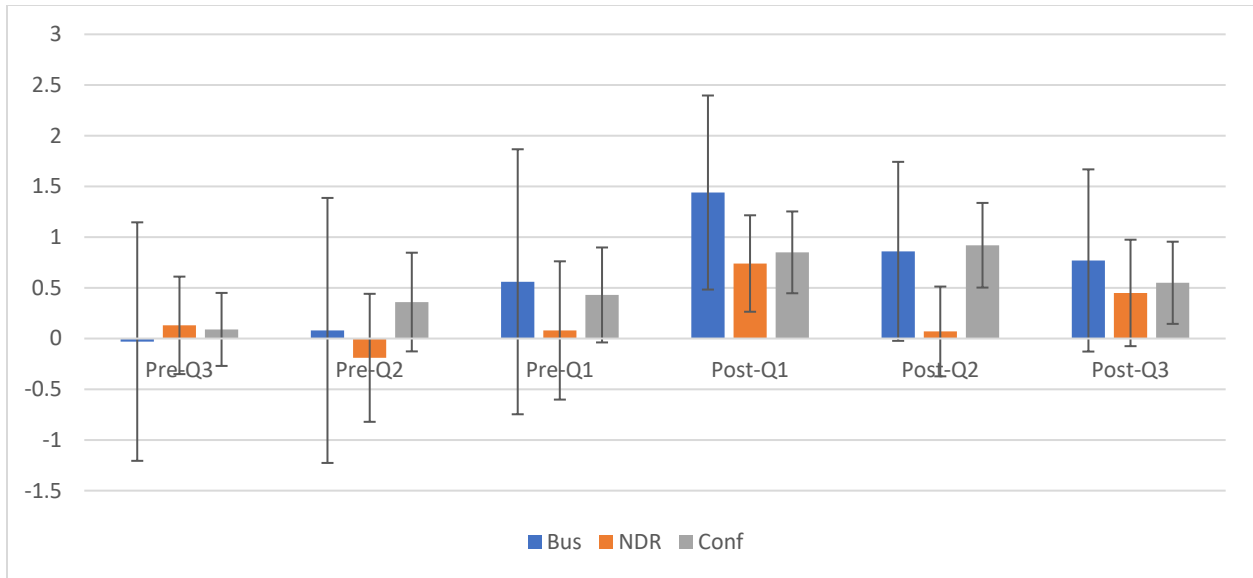
Figures 2A and 2B report estimates from Specification 1 and 2 of Table 4, respectively, after replacing *Event × Post* with separate event-time indicators for the following event days: [–2, –1], [0, 1], [2, 3], and [4, 5], and the omitted category is [–5, –3]. We report the coefficient estimates for each event-window for bus tours (blue bars), non-deal roadshows (orange bars), and broker-hosted conferences (gray bars). Standard errors are clustered by firm and date and the 95% confidence intervals are reported as error bars.
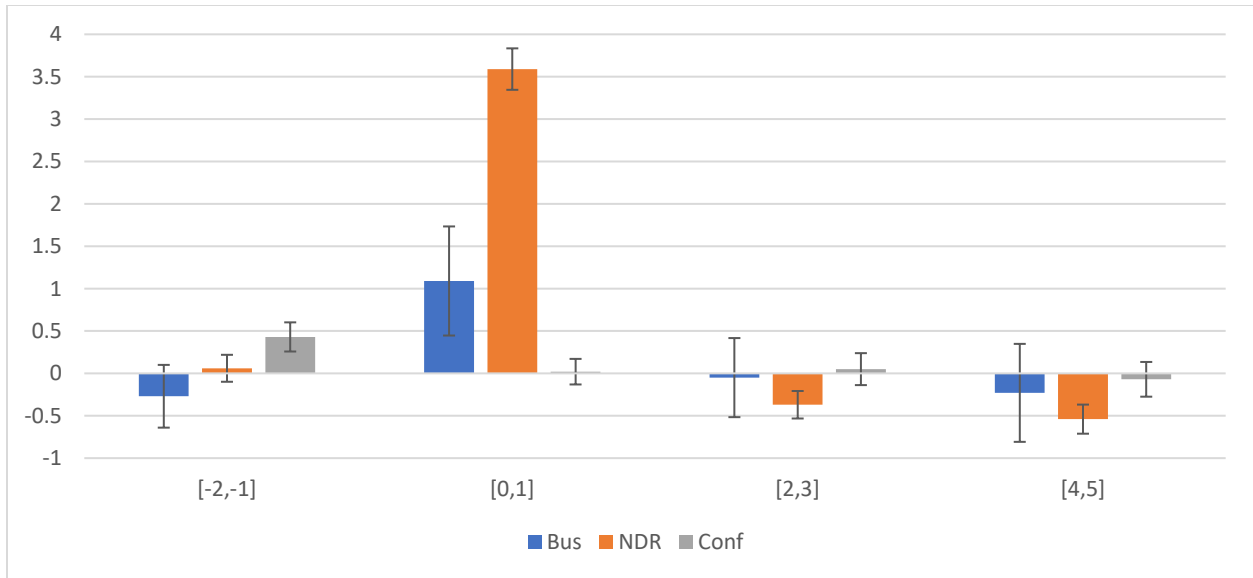
Figure 3: Forecast Frequency around Bus Tours and Other Events – Event Time

This figure reports estimates from Specification 1 of Table 6 after augmenting the model to include three additional event-time indicators: an indicator for the two weeks prior to the event [−2, −1], an indicator for the second and third weeks after the event [2, 3], and an indicator for the fourth and fifth weeks after the event [4, 5]. We report the coefficient estimates for each two-week period for bus tours (blue bars), non-deal roadshows (orange bars), and broker-hosted conferences (gray bars). Standard errors are clustered by firm and week and the 95% confidence intervals are reported as error bars.

Figure 4: Forecast Accuracy around Bus Tours and Other Events – Event Time

This figure reports estimates from Specification 1 of Table 7 after replacing *RelBusHostPost* with indicators for whether the analyst hosted the firm at a bus tour in the prior quarter (*RelBusHostPost-Q1),* prior two quarters (*RelBusHostPost-Q2*) or prior three quarters (*RelBusHostPost-Q3)*. We also add indicators for whether the analyst will host a firm at a bus in the subsequent quarter (*RelBusHostPre-Q1*), subsequent two quarters (*RelBusHostPre-Q2*), or subsequent three quarters (*RelBusHostPre-Q3)*. We report the coefficient estimates for each period for bus tours (blue bars), non-deal roadshows (orange bars), and broker-hosted conferences (gray bars). Standard errors are clustered by firm and month and the 95% confidence intervals are reported as error bars.

Internet Appendix for:

Sell-Side Bus Tours

In this appendix, we tabulate results of robustness and supplementary analyses referenced in the paper. The set of figures and table is as follows:

- Table IA1. Comparison of Bus Tour Result – *FLY* vs. Bloomberg Data
- Table IA2. Information Content of Bus Tours and Other Events - In Person vs. Virtual Events

Table IA.1 - Comparison of Bus Tour Results - *FLY* vs. Bloomberg Data

This table reports the estimates from the baseline specifications (i.e., Specification 1) for information content (Table 4). Forecast frequency (Table 6), forecast accuracy (Table 7) and forecast bias (Table 9) after partitioning the sample of bus tours based on the source of the data. *Bus Tour: FLY* is an indicator equal to one if the bus tour data is available in the *FLY* database and *Bus Tour: Bloomberg* is an indicator equal to one if the bus tour data is available in the Bloomberg Corporate Events database. *Bloomberg – FLY* reports the difference between the two estimates and tests for whether the difference in the estimates is significantly different from each other. Standard errors are computed as in the baseline specification, and *t*-statistics are reported in parentheses below the corresponding coefficient estimate.

	Turn	*Forecasts*	*Accuracy*	*Bias*
	[1]	[2]	[3]	[4]
Bus Tour: FLY	0.30	0.77	1.06%	-0.22
	(3.25)	(2.11)	(2.69)	(-9.96)
Bus Tour: Bloomberg	0.31	2.30	1.90%	-0.26
	(1.83)	(3.51)	(3.03)	(-7.06)
Bloomberg – FLY	0.01	1.53	0.84%	-0.04
	(0.04)	(2.08)	(1.15)	(-0.83)
Controls & FE	Spec 1 of Table 4	Spec 1 of Table 6	Spec 1 of Table 7	Spec 1 of Table 9

Table IA.2: Information Content around Bus Tours and Other Events - In Person vs. Virtual Event

Panel A reports estimates from specification 1 of Table 4 after splitting events into events that took place in-person versus events that were held virtually. Panel B reports analogous estimates from Specification 2 of Table 4. We report the estimates on *Bus Event – In-Person × Post* and *Bus Event – Virtual × Post* in column 1. We report analogous estimates for NDRs and investor conferences in columns 2 and 3 and we report the difference between *Bus Event × Post* and *NDR Event × Post (*column 4, *Bus – NDR*), and the difference between *Bus Event × Post* and *Conf Event × Post* (column 5, *Bus – Conf*) for both in-person and virtual events. We also report *Difference*, which tabulates the difference in the estimates from the *In-Person* and *Virtual* samples. Standard errors are clustered by firm and date, and *t*-statistics are reported in parentheses.

	Bus	NDR	Conf	Bus-NDR	Bus - Conf
	[1]	[2]	[3]	[4]	[5]
Panel A: Turnover					
In-Person × Post	0.34	0.13	0.19	0.22	0.16
	(3.80)	(3.13)	(7.59)	(2.02)	(1.67)
Virtual × Post	-0.14	0.12	0.02	-0.26	-0.16
	(-0.51)	(1.06)	(0.24)	(-0.88)	(-0.55)
Difference	0.48	0.01	0.17	0.47	0.31
	(1.70)	(0.09)	(2.44)	(1.54)	(1.06)
Panel B: Absolute Returns					
In-Person × Post	0.06	0.02	0.02	0.04	0.04
	(4.46)	(2.76)	(5.40)	(2.61)	(2.43)
Virtual × Post	0.04	-0.04	-0.01	0.08	0.05
	(0.69)	(-2.15)	(-0.75)	(1.33)	(0.83)
Difference	0.02	0.06	0.03	-0.04	-0.01
	(0.33)	(2.98)	(2.69)	(-0.66)	(-0.24)