

## Do Firms Listen to Social Media Analysts? Evidence from Seeking Alpha

We study the role of social media analysts as a source of information for corporate investment decisions. Coverage on social media platforms enhances firms' information environment and may thus facilitate the production of business intelligence towards firms through feedback and interfirm information spillovers. However, social media analysts rarely interact with corporate management and their analyses are often difficult to verify and lack credibility. Firms may thus be unaware of potentially useful information or unwilling to spend the resources to extract it. Using a comprehensive sample of social media analyst reports from a popular platform of crowd-sourced financial commentary, we show that firms are more likely to invest into technologies similar to firms covered by the same analyst. The effect is incremental to coverage by professional sell-side analysts and varies with social media analysts' characteristics that plausibly capture their unique information set. Overall, our results suggest that social media analysts enhance firms' information environment as an additional source of information to help guide corporate investment decisions.