

A cordial invitation to the opening talk of the
Brown Bag Seminar
Recent Developments in Data Science:

Innovation Imprinting: Why Some Firms Beat the Post-IPO Innovation Slump

By
Prof. Dr. Simone Wies

Date: 19.07.2021 (Monday) at 11:00

Location: Zoom

Link and further
information: Course 39740 Seminar: Doctoral Seminar "Recent
Developments in Data Science" in Stud.IP

Abstract:

Growth and innovation are primary arguments for firms seeking to go public and access resources from the stock market. So it is poignant that going public is, for a majority of firms, associated with a pronounced slump in breakthrough innovation. This paper proposes an actionable, marketing-related explanation for why some firms that go public manage to beat the post-IPO innovation slump: innovation imprinting. The paper argues and demonstrates that those firms that engage in innovation imprinting before they go public attract a segment of concordant investors whose risk preferences are more supportive of breakthrough innovation than investors at large. These investors, in turn, reward the firms' continued introduction of breakthrough innovations even after they have gone public. By analyzing the innovation patterns of 207 firms in the consumer-packaged goods sector before and after an IPO, we observe that one-third of firms are able to maintain or beat their pre-IPO levels of breakthrough innovations after going public. By studying their actions, the investors they attract, and their financial performance and survival rates, we provide empirical evidence for the importance of innovation imprinting and concordant investors in helping firms beat the post-IPO innovation slump.

Speaker:



Prof. Dr. Simone Wies

Simone Wies is Professor of Marketing Strategy & Performance at Goethe University Frankfurt. Prior to her appointment, she held the SAFE Junior Professorship for Marketing and Finance at the Leibniz Institute for Financial Research SAFE at Goethe University Frankfurt and a Post-Doctoral research position in Marketing at the Fuqua School of Business, Duke University. She received her M.Sc. in Marketing and Finance and Ph.D. in Finance from Maastricht University. Simone Wies' research centers on the interaction of firm financing choices and marketing decision-making with a focus on firm innovation. In her work, she for instance investigates how the stock market values marketing and innovation activities and how these valuations, in turn, influence the strategic choices marketing managers make. She teaches in the Marketing Analytics M.Sc. program, is Director of the B.Sc. Marketing Track, and Director of the Ph.D. Marketing Track of the Graduate School of Economics, Finance, and Management.