

# Summary of *Persuading Investors: A Video-Based Study*

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## **1. What are the research questions?**

- How the persuasiveness of delivery in start-up pitches affect the probability of funding and subsequent performance of startups?

- How can we economically explain the impact of delivery features on funding?

## **2. Why are the research questions interesting?**

- Both static and dynamic features of a delivery have an influence on economic outcomes of persuasive processes.

- Measuring features on a dynamic basis declare innovation in technological methods beyond previous research.

## **3. What is the paper's contribution?**

- Contribution to usage of unstructured data and ML techniques in economics.

- Prior studies are mostly based on static models. (see Gentzkow, Kelly, and Taddy (2019))

- This paper allows dynamic feature aggregation of all channels using complete video data

- Contribution to literature on persuading investors.

- Prior studies has has focused on how firms and analysts persuade investors through earnings announcements or stock recommendations.

- This paper presents a unique setting based on pitching process on accelerator websites.

## **4. What hypotheses are tested in the paper?**

- Hypothesis1: Startups that deliver pitches with more persuasive visual, vocal, and verbal delivery styles are more likely to receive funding from investors.

- Hypothesis2: Highly persuasive delivery in pitches help venture investors form accurate evaluation of the start-ups.

- Hypothesis3: Females are as same crucial when regarding the effectiveness of persuasive delivery in influencing funding decisions.

The hypotheses are set from the core topic that persuasion delivery has an influence on the investment decision of senior investors.

- Hypothesis1 investigates the main research question.

- Hypothesis2 explores the source of persuasiveness.

- Hypothesis3 studies the effectiveness in different settings.

## **5. Sample: Comment on the appropriateness of the sample selection procedures.**

- Should the quality of the videos be unified including the sharpness, the fluency and the acoustics?

## ***6. Dependent and Independent Variables.***

- **Dependent variables:**

*I(invested)*: A dummy variable equals 1 when being chosen, which is suited for measuring probability.

- **Independent variables:**

*Pitch Factor*: An aggregate variable formed from 3-V dimension variables, which can accurately catch dynamic and static features from videos.

## ***7. Regression/prediction model specification.***

$$I(invested)_{ijt} = \alpha + \beta X_{it} + \delta_j + e_{ijt}$$

- Standard errors are clustered at the accelerator-year level in case of the heteroscedasticity and correlation between the standard errors.

- The model comprises all kinds of persuading dimensions and potential controls which may influence the results, it is comprehensive.

## ***8. What difficulties arise in drawing inferences from the empirical work?***

- **Establishing Causality:** Other unmeasured factors, such as the inherent quality of the pitch content or the business model's viability, might confound the results.

- **Random results:** There can be other type of delivery features such as freshness, artistry and so on, playing a role except positiveness and warmth.

## ***9. Describe at least one publishable and feasible extension of this research.***

New types of data can be used for future research such as the **financial market social media videos**, and examine the effect of information extracted from them on the economic outcomes of the whole market.