

FINANCIAL PROFESSIONALS, BEWARE THE FIRST-IMPRESSION BIAS

Equity analysts' initial perceptions of a firm skew their forecasts and recommendations for as long as two years when their view is positive and six years when it is negative. "First Impression Bias: Evidence from Analyst Forecasts," by David Hirshleifer et al.

MARKETING


Bridging the Generational Divide

Marketers are often older than the audiences they are trying to reach, making it a challenge to connect. A new study examines the marketing generation gap and suggests some ways to narrow it.

The researchers surveyed more than 1,300 Swiss marketing managers, young consumers (ages 13 to 30), and social media influencers. Among the findings: Some 76% of the consumers surveyed considered Instagram the most important social media platform—but only 28% of the marketing managers did. Eighteen percent of the marketers believed that Facebook carries a good deal of weight among the young, only 2% of whom agreed. When asked about the influencer who could most effectively connect with young people, the marketers favored Roger Federer, with 34% saying they would sign him on. Were they to do so, they would probably reap scant rewards: When asked the same question, fewer than 1% of young

consumers named the tennis star. And whereas marketers reported trying to reach people through subjects such as real estate and education (cited by 30%) along with sports, economics, health, and electronics (about 20% each), influencers are more interested in posting about travel (63%) and fashion, food, and beauty care (about 40% each)—topics also favored by the young.

Marketers are eschewing the quantitative tools that could help them target their messages, the researchers say, noting that 82% prefer qualitative assessments. "[Companies] interested in correcting this misalignment should offer managers incentives to improve key numerical performance indicators such as changed brand perception, newly generated leads and revenues, or altered customer retention," the researchers write. "Another effective measure would be to implement a 'shadow committee' of young advisers, which would prevent marketing managers from being out of step."


 **ABOUT THE RESEARCH** "Swiss Influencer Marketing Report 2020," by Melanie Clegg et al. (white paper)

COPING WITH UNCERTAINTY

It's Never Too Early to Seek a Silver Lining

It's no secret that looking for the good in a sorry turn of events can bolster well-being. Researchers wondered: What if the benefit-seeking process happens *before* the bad news arrives?

Across four studies, people awaiting important news handled disappointment better if they spent part of the wait considering upsides should results fall short. In the first study, the researchers surveyed 150 recent law school graduates about the extent to which they envisioned positive consequences, such as growing as a person, should they fail the bar exam. Among those who did fail, engaging in more "preemptive benefit finding" led to more-positive emotions upon receiving the bad news, and they reported less-negative emotions while awaiting their scores. Subsequent studies looked at people's anticipation of and reactions to political elections and health-risk assessments, with generally similar results. Seeking a silver lining "is advantageous even before news arrives," the researchers write. "[It] boosts emotional well-being while waiting, buffers the blow of bad news, and does not consistently undermine joy in response to good news."

 **ABOUT THE RESEARCH** "Preparing Silver Linings for a Cloudy Day: The Consequences of Preemptive Benefit Finding," by Kyla Rankin and Kate Sweeny (Personality and Social Psychology Bulletin, 2021)

