

The Determinants of Coverage in the Business Press

David Solomon

University of Southern California

Eugene Soltes

Harvard Business School

April 2011

PRELIMINARY

Abstract

The business press plays a significant role in distributing firm news to investors. We investigate variables which influence whether a firm receives press coverage and, if so, how much. In addition to examining firm and news characteristics, we examine choices of timing, press wire service, and ease of firm access. The results suggest that managers have a relatively limited ability, at least in the short run, to significantly influence the amount of press coverage their firm receives.

1. Introduction

A burgeoning literature on the business press has found that coverage by media publications has significant implications for both the trading and pricing of securities.¹ This empirical work has largely focused on the effects of greater or lesser press coverage. Much less attention has been specifically focused on the determinants of coverage.² This is surprising given the amount of managerial time and firm resources (e.g. public relations) focused on trying to influence coverage.

To help fill this gap in the literature, this paper seeks to understand what factors contribute to press coverage of firm-initiated disclosures. Specifically, we explore a set of variables hypothesized to influence the level of coverage a firm receives. Our choice of factors is motivated by both the incentives of journalists about what to publish and the opportunities firms have to influence coverage.

Through our investigation, we seek to not only understand which variables influence coverage, but also whether the factors under the immediate control of managers significantly influence the amount of coverage. Some variables, like size and industry, are firm characteristics which are not directly influenced by managers.³ On the other hand, other decisions like press wire service choice and the timing of a release are under direct managerial discretion.

¹ This literature includes Solomon (2010), Engelberg and Parsons (2010), Bushee et al. (2010), Chan (2003), Fang and Peress (2009), Huberman and Regev (2001), Dyck and Zingales (2003), Foster (1979), Gurun and Butler (2010), Li et al (2011), and Solomon et al (2011).

² In the context of their investigations, several papers have some considered some factors that influence media coverage. Miller (2006) posits a number of factors that influence whether the press will play a monitoring role for accounting fraud. Core et al (2008) examines several variables which influence whether the compensation for a CEO will be featured in the press.

³ Variables like firm size and industry are influenced by managerial decision making and strategy. However, changes in these variables are a by-product of other decisions rather than determined by the direct decisions of managers.

We examine the determinates of coverage using a dataset of earnings releases for US publicly listed companies from 2002 to 2006. The advantage of studying earnings announcements is that they provide a sample of routine news events with measurable information content that can be controlled for empirically. This reduces the concern that we will be measuring omitted variables related to heterogeneity in the underlying events being disclosed. In addition, focusing on earnings releases connects this analysis most closely to the previous work on the effects of the business press (e.g. Bushee et al. 2010).

We explore three types of factors that affect coverage – factors that are specific to the firm, factors that are variable with the information disclosed by the firm, and factors that managers have the immediate ability to influence. We find significant evidence that all three types, to differing degrees, affect press coverage.

In terms of firm characteristics, we find that both firm size and industry affect the likelihood and amount of coverage. Moving from the 1st to the 5th quintile of market capitalization increases the likelihood of newspaper coverage from 5% to 58%, and newswire coverage from 75% to 99%. We also find evidence that some industries, which are more consumer-focused, are more likely to receive coverage.

We also analyze the effect of different properties of the news itself. Specifically, we examine how the level of expectedness (i.e. deviation from analyst expectations) and the negativity of the news (i.e. whether the results are below expectations) affects coverage. We find evidence that more surprising news will receive more coverage by wires and an increase in the likelihood and amount of coverage by papers. For instance, firms disclosing news in the highest quintile of

unexpectedness receive 10% more wire coverage. Our analysis also shows that very negative news is more likely to receive coverage by papers.

In terms of variables that are subject to managerial discretion from release to release, we investigate the timing of a release (i.e. whether the release is disclosed during or after business hours), the number of firm contacts provided on the release, and the choice of press wire service. We find support that evening disclosures receive less coverage by both newswires and papers even after controlling for other factors and changes that might influence coverage. Offering more firm contacts is associated with greater press coverage, but does not appear to causally affect coverage from release to release. We do not find robust support, despite advertising claims to the contrary, that certain press wire services garner greater press coverage for firms using their service.

Our results also show that certain factors influence newswire and newspaper coverage differently and in ways consistent with the objectives and restrictions faced by journalists at each medium. For example, print journalists at national publications have significant space constraints and are required to be more selective about what news to publish. Consequently, we find that print publications focus significantly more attention on news that is more surprising as compared with wire services. Wire journalists also appear unaffected by the negativity of news whereas newspaper journalists are more likely to publish articles covering very surprising negative events. Given wire journalists' expertise in covering financial news and their target audience of finance professionals, this suggests that newspapers do not cover more negative news because of its perceived economic value, but rather a bias towards coverage of sensational events.

Investigating the determinants of business press coverage contributes to the academic literature in several ways. First, a growing literature finds that press coverage has significant economic implications. Coverage affects trading (Engelberg and Parsons 2010, Bushee et al. 2010), spreads (Bushee et al. 2010), pricing (Chan 2003, Fang and Peress 2009, Huberman and Regev 2001, Dyck and Zingales 2003, Foster 1979), firm value (Gurun and Butler 2010), and mutual fund selection (Solomon et al 2011). Without variation in what journalists cover, we would not observe these effects. To actually see where these effects originate, it is important to understand what causes journalists to cover and report on specific firms and releases. Therefore, by better understanding the institutions and environment which gives rise to this variation, we can better appreciate the implications of differential press coverage. In this way, this paper seeks to begin to answer the question posed in Berger (2011) which asked “when, why, and to what extent does the business press screen or filter firm-initiated disclosures” (211).

Secondly, by understanding the press’ choices, we can begin to understand how the press compliments other information intermediaries like analysts. An extensive literature seeks to explain why analysts cover and issue firm forecasts (e.g Lang and Lundholm 1993, Healy et al 1999, Francis et al 1998). As compared with the literature on analysts, our understanding of the determinants of what journalists choose to cover and publish is very limited. By understanding coverage decisions, we can better understand the circumstances when journalists have the opportunity to create value in the capital markets.

In addition, while both analysts and the business press are information intermediaries, there are important differences between them and the analysis suggests that it would erroneous to classify all information intermediaries into one homogenous group. In particular, like analysts

the business press disseminates economically relevant news which facilitates market transactions. However, the press also plays an “entertainment role” by disproportionately covering certain news events (e.g. extreme negative news), which are not obviously linked to the significance of economic phenomena. This suggests that the press is not simply a benign intermediary that only seeks to enhance the functioning of markets.

Finally, this study also has the opportunity to influence how managers view press coverage of their releases. Managers spend a considerable amount of time and resources on seeking ways to influence the amount of coverage their firm receives. The analysis in this paper shows that most of these efforts, like switching press wire service, are likely to be ineffective, or at best second-order, in significantly changing the amount of coverage. This suggests that other mechanisms of trying to distribute news to investors, like direct news dissemination may prove more effective than short run efforts to influence journalists through the limited number of variables under management control. A growing array of tools, now allows managers to reach investors directly. Blankespoor et al. (2010) examine managers’ use of Twitter to reach investors and reduce information asymmetries while avoiding journalistic barriers.

The remainder of the paper is organized as follows. Section 2 describes the objectives of the business press and presents our hypotheses of factors which affect coverage. Section 3 reviews the data used in the study. Section 4 presents the results. Section 5 discusses the analysis and interprets the results within the institutional context of the press. Section 6 concludes and offers suggestions for further research.

2. Coverage Choices by the Business Press

2.1 The Constituency of the Business Press

Beginning in the mid 19th century, the business press grew out of the interest to “gather, [to] interpret, and to disseminate” information related to the performance of firms (Smith 1954). A wide range of publications developed to satiate investors’ desire for timely business news and information. These publications differed in frequency, style, depth, perspective, and audience.

Our analysis focuses on two types of publications which differ significantly in their distribution and coverage. National newspapers are published on a daily basis and delivered to homes, businesses, and newsstands. More recently, articles for these publications are being offered online. Circulation for each of these publications is in the hundreds of thousands to millions of readers. They contain business news as part of their overall coverage in both their general reporting of events (e.g. front section) and a separate business news section.

Newswires differ most significantly from newspapers in that they publish news exclusively in electronic format. Newswire coverage is available both through direct subscription with services like Reuters and through publication partners like Yahoo! Finance. Business newswires are aimed at “financial professionals” (Dow Jones) which leads to the tendency of consumers of newswires to be more market driven consumers of information than consumers of newspapers on average. The electronic distribution medium removes space constraints which permit more generous coverage of firms and news events.

2.2 Objectives of Journalists

The press, like other commercial information intermediaries, faces limitations on how much news its journalists can both cover and publish. Both newswires and newspapers are constrained on the number of journalists which are able to research and write articles. In addition, print newspapers, unlike newswires, also have limitations on the amount of space available for articles.

Given bounds on the amount that publications can cover and publish, editors are forced to make choices about which firms and events to cover. Given a publication's objective to maximize circulation, editors will select items that will appeal to the publication's readership (Hamilton 2004). Consequently, journalistic choices about what firm news to cover will be motivated by how broadly the story will appeal to the publication's audience.

Along with the desire to write articles with maximum appeal is the need to produce articles in a timely manner. While a particular news event may have significant appeal from a journalistic standpoint, the circumstance provided by another event may offer a more convenient opportunity to produce an article in the allotted time. For example, journalists at the *New York Times* are asked to submit their copy by 6pm. There are opportunities to extend this deadline by communicating directly with the copy desk until approximately 8pm. Significantly beyond this time, or unless an exception is made, stories are unlikely to make the following day's publication since the paper needs to be sent out for printing and delivery. Consequently, events which occur in the evening near the deadline are more difficult for journalists to cover.

Journalists desire to produce stories with wide appeal while being under specific institutional conditions which restrict the amount of firm news they can cover and ultimately

publish. In doing so, not all firms or disclosures by firms are covered in the press. Choices about which articles to produce are the result of an equilibrium between the objective of publications (e.g. maximize circulation) and the limitations of the news production process (e.g. time and number of journalists).

2.3 Influencing Coverage

We examine how seven different factors affect coverage by newswires and newspapers. Some of these factors, like industry, are outside the immediate control of management, whereas others, like press wire service choice can be more readily changed. By investigating these factors, we seek to better understand the degree of managerial discretion to influence the amount of press coverage a firm receives. Specifically, how much influence do managers have over press coverage, relative to other factors outside their control?

For each of the factors, we describe how the variable can influence journalist activities and its hypothesized effect on press coverage.

Firm Size

Larger firms will have a shareholder base with more shareholders, more invested shareholders, and/or more potential investors. Larger firms are also likely to have more connections with other firms and economic activities which are of interest to non-shareholders. In doing so, larger firms have a connection or relationship with a greater number of readers. Editors which seek to publish news that is of interest to the greatest number of readers will seek to publish news on larger firms. Thus, we expect larger firms to have significantly more newswire and newspaper coverage.

Level of Unexpectedness

In their goal to publish news that engages and interests readers, financial journalists will seek to publish stories on events which are deemed more newsworthy. Among the basic tenets of journalism is that news which is less expected and of greater surprise is more newsworthy (Pape and Featherston 2005). Editors seek to engage as many readers as possible in their publications' stories and will choose more newsworthy items to accomplish this. Following this tenet, we hypothesize that firm news which is more unexpected has a greater likelihood of being covered.

Industry

Within the nexus of business, industries vary in their scope and influence. Industries playing a more interconnected role to a greater number of firms will attract additional interest and attention. For example, the availability and pricing of oil affects a wide range of business (e.g. aviation, fabricated products). Consequently, the performance of firms in the petroleum industry has significant implications for firms and industries outside the petroleum business. At the same time, editors of publications may also want to use their discretion to tilt coverage towards certain industries which are seen as being of greater interest to their desired readership base. For example, in the late 1990's the *Wall Street Journal* began publishing more stories about retail firms under the belief that this would help attract more female readers to the publication.⁴ Following this anecdotal evidence, we anticipate that some industries with a consumer focus will garner greater coverage.

⁴ During the first decade of the 21st century, *The Wall Street Journal* continued this practice (Seelye 2007).

Negativity

The press is widely regarded as producers of entertainment as well as news (Jensen 1979). Events which are viewed as sensational can attract readers interested in the spectacular. Although events can be sensationally positive or negative, there is a widely held perception that the press is more likely to cover news and events which are negative (Holstein 2008). Extreme negative news about firms also has the opportunity to be of greater interest and economic value to readers. For example, firms disclosing news which could indicate future insolvency would be of interest to debt holders, creditors, and other firms which rely on the continued operation of the firm (e.g. as part of the manufacturing supply chain). Thus, we investigate whether events which are a negative are more likely to receive press coverage.

Timing of Release

Journalists face deadlines for the submission and publication of articles. At newspapers which face deadlines to accommodate printing, journalists are subject to “hard-stop” times at which point they are required to submit stories. Events which occur soon before the deadline are more difficult to cover. In addition, even if a story can be completed before the deadline, the reporter’s obligation or the desired space may have already been filled. For these reasons, we hypothesize that newspapers are less likely to cover disclosures released later in the day.

Newswire journalists do not face the same publication deadlines. Although they are motivated by speed of publication (Tambini 2010), whether an event occurs at 3pm or 3am does not affect whether it can be physically published as in the case of newspapers. However, outside of regular business hours staffing is reduced and/or outsourced. Moreover, the demand

for 'updated' newswire pieces about a disclosure is reduced. Consequently, fewer wire articles are likely to be produced when a release is made later in the day.

Press Wire Service

Press wire services act as intermediaries between firms and the media. When a firm seeks to distribute a press release, it sends the release to a press wire service which then redistributes the release to media partners. There are four major press wire services: PR Newswire, Business Wire, Market Wire, and GlobeNewswire. Most publicly traded firms in the United States rely on the two leading press wire services- PR Newswire and Business Wire (a subsidiary of Berkshire Hathaway). Competition for clients among the press wire services focuses heavily on differential service quality (e.g. accessibility of personalized customer assistance).

PR Newswire also advertises its ability to garner more press coverage for their clients. This argument is supplemented with a study on its web site to substantiate this view.⁵ Consequently, clients may be inclined to use PR Newswire over other press wire services because of its ability to garner greater press coverage. To investigate potential differences in coverage due to a firm's choices in press wire service, we investigate whether any press wire service helps garner more coverage than others.

Ease of Company Access

The pressure journalists face to produce articles in a timely manner increases their reliance on sources which are convenient to access (Tambini 2010). For firm-initiated news, journalists may seek to follow-up with the company that issued the release. All firms are

⁵ See <http://multivu.prnewswire.com/mnr/prnewswire/35169> for results of the study. Last accessed March 16, 2011.

required by the major press wire vendors (e.g. Business Press, PR Newswire) to provide at least one name and telephone number of a company contact. However, some firms choose to supplement this information with additional firm contacts. For example, Tiffany and Company's May 27th, 2010 earnings release concludes with two telephone numbers:

SOURCE: Tiffany & Co.

Tiffany & Co.
James N. Fernandez, 212-230-5315
or
Mark L. Aaron, 212-230-5301

Firms which offer more than one contact create greater ease for journalists to follow up with a company spoke-person; this may increase the likelihood that a journalist will write about the firm. We expect this relationship to differ for newswires and print publications. Wire services strive to provide information rapidly and thus are less likely to desire follow-up with the company for initial coverage. However, hypothetically, wire journalists could choose to contact the firm to write 'update articles' (i.e. follow-up wire article about the firm's release). Journalists at print publications are typically expected to write in greater depth and investigate matters more deeply than breaking newswire coverage which suggests they would have a greater interest in contacting the company.

3. Data

3.1 Description of Sources and Variable Measurement

We acquire data from numerous sources to examine the factors influencing press coverage. Our sample period begins in January 2002, ends in December 2006, and focuses on

earnings news. We utilize market capitalization data from CRSP and analyst coverage and earnings data from the Institutional Brokers Estimates System (I/B/E/S). Doyle and Magilke kindly provided us their data for earnings announcement times, from 2000-2005. Our sample includes all non-financial domestic NYSE, NASDAQ, and AMEX firms with available data.

Firm size is calculated as the number of shares outstanding multiplied by share price. We measure the level of unexpectedness of news as the absolute deviation of actual earnings from the mean analyst estimate deflated by share price. Bad news are those in which the deviation from expectations is less than zero.

We acquire news data from the Factiva database. We search for each earnings announcement releases and newswire and newspaper articles about those releases. For newswires, we examine Dow Jones and Reuters, and for newspapers we examine articles from the *Wall Street Journal*, *New York Times*, *Washington Post*, and *USA Today*. These four papers are some of the most influential publications in the print news market and account for 11% of weekly newspaper sales (Fang and Peress 2009).

For each search, we utilize a number of combinations of the firm name to conduct the search. We also supplement each search using the Factiva company code, which is a unique code assigned to each firm by Dow Jones. For newspaper searches, Factiva company keys tend to be a less reliable way of searching for company cites than using the company name due to coding errors on Factiva. Our analysis only include articles with some textual content (i.e. exclude articles which are only a table). This reduces the possible confounding of journalistic coverage with automated computerized tabulation. From the articles on Factiva, we find the

press wire service from the source field. To measure ease of access we count the number of phone numbers provided in the contact field of the release in Factiva.

For all factors, we investigate how the variables affect four different measures of press coverage- two measures of newswire coverage and two measures of newspaper coverage. The measures are designed to be closely linked to the literature on the effects of coverage (e.g. Fang and Peress and Bushee et al (2010) utilize measures of the presence and count of articles covering a firm). Each press coverage variable is measured over a day long period (for newswires it is the same day as the release and papers the following day). For robustness, we also examine additional specifications which extend the measurement window. An examination of articles suggests that the shorter one-day window appears to most accurately capture articles given our focus on earnings releases. This is consistent with the relatively short life cycle of most news events (Pape and Featherstone 2005). We examine whether each factor influences the likelihood of coverage in any newswire or print publication with a probit regression. To examine the amount of coverage, we utilize OLS regressions of the number of wire and print articles. We supplement this analysis with fixed effect and change models where appropriate in the analysis.

3.3 Descriptive Statistics

Tables 1 presents descriptive statistics for the firm and press coverage variables. Panel A provides data on the frequency of particular release choices. For timing, 37% of the releases are in the evening. As suggested by industry data, the vast majority of the firms in our sample utilize either PR Newswire and Business Wire. PR Newswire has a larger share with 55% of the

sample utilizing its service as compared with 43% with Business Wire. Multiple contacts are offered on 45% of the releases.

Table 1, Panel B provides statistics on the amount of press coverage received by each release. Most releases receive some wire coverage and conditional on receiving some coverage, the average release receives coverage by 4 newswires. Coverage by newspapers is somewhat lower as expected given their more limited space. 24% of releases receive some newspaper coverage and .35 newspaper articles on average.

The correlation matrix of independent variables is shown in Table 2, Panel A. The correlation between the variables is generally low with the exception of market capitalization and surprise which is $-.34$. However, this is still sufficiently low to avoid multicollinearity concerns. Panel B provides correlations of the press coverage variables. There are some differences between wire and paper coverage. However, the correlation between the availability of coverage and the amount of coverage is quite high which suggests that the results of these analyses may be similar.

4. Analysis of Coverage

In Table 3, we investigate how firm size and industry affect coverage by newswires and newspapers. Regressions (1)-(4) show that larger firms are significantly more likely to receive some wire coverage. Regressions (2) and (4) further examine the relationship using size quintiles. One advantage of the quintile variable is that it permits nonlinearities and allows a more careful inspection of the effects of size on coverage. For wires, we find a pronounced and economically significant effect of size on both the likelihood of coverage and the amount of

coverage. Being in the fifth (i.e. largest) size quintile increases the probability of some wire coverage by 24%. Several industries are more likely to receive coverage (untabulated). At the 5% level of statistical significance, the publishing, consumer goods, transportation, and hospitality industries are more likely to receive some wire coverage. These industries are consumables which appeal to news readers on an individual level.⁶

Turning to the newspaper regressions in (5)-(8), we also find a pronounced effect of firm size on coverage. Being in the fifth (i.e. largest) size significantly increases the probability of some paper coverage by 44 %. When it comes to the amount of paper coverage, firms in the highest quintiles receive incremental coverage. Firms in the food, tobacco, and precious metals industries are more likely to have articles written about them at the 5% level of statistical significance.

Table 4 examines how the level of news unexpectedness influences coverage. Regression (1) suggests that surprise does not affect coverage. When the surprise is divided into quintiles, two surprise quintiles are statistically significant. However, the economic magnitude is limited to approximately 1%. Consequently, surprise does not appear to particularly influence whether any wire covers the release. In contrast, more surprising news significantly affects the amount of wire coverage in an economically and statistically significant way. The most surprising news in the fifth quintile receives over 10% more wire articles. For newspapers, more surprising news is also more likely to gain some coverage and more coverage. This effect is largely limited to the most surprising news as seen in the quintile regressions (6) and (8).

⁶ We also examined longer time windows for measurement of the dependent variables. The statistical and economic significance between the specifications is largely similar. For example, using a two-day coverage window, the coefficient on firm size for the amount of paper coverage is .13 (as compared with .11 for a one-day window). The standard error is .008 (as compared with .007 for a one day window).

In Table 5, we investigate the relationship between reporting bad news on the likelihood and amount of press coverage. In odd numbered regressions, we regress a measure of press coverage on size, surprise, and a bad news indicator. We do not find that bad news broadly is covered more often by wires or papers. If publications would only choose to cover extreme bad news, looking at interactions between the level of unexpectedness and bad news is a more appropriate specification. In even numbered regressions, we include surprise quintile and bad news surprise interactions terms. As in the prior analysis, more surprising news creates more wire coverage and an increased likelihood and quantity of paper coverage. We also find for newspapers, but not newswires, evidence that extreme negative news is more likely to be covered and with a greater amount of coverage. Specifically, firms with a negative surprise in the fifth (i.e. greatest negative surprise) quintile are 17% more likely to receive coverage by a paper.

Table 6 examines whether the timing of releases influences the amount of press coverage. Panel A provides univariate analysis which supports the hypothesis that evening releases are less likely to be covered. Specifically, evening releases are 7% less likely to be covered by a wire and 16.5% less likely to be covered by a paper. In both cases, these differences are statistically significant.

One explanation for these differences in coverage is that the firms releasing in the evening have differences in size and the level of news unexpectedness. In Tables 3 and 4, we found that the size and the significance of news significantly influence coverage. In Table 6 Panel B, we control for these factors in OLS regressions. We continue to find that disclosing in the evening is associated with lower coverage. In particular, we find that firms disclosing in the

evening reduces the amount of wire coverage by 15% and reduces the likelihood of paper coverage by 11%.

Although we control for some additional factors which influence coverage in Panel B, there is still potential opportunities for other variables to influence coverage. Hypothetically, firms that disclose in the evening may be different from those disclosing during the day and these differences may explain the variation in coverage. To mitigate this concern, we employ firm fixed effect regressions in Panel C. In regressions (1) and (3) we run fixed effect logit regressions. Like Panel B, we continue to find that releasing in the evening reduces coverage. As noted in Wooldridge (2003), we can multiply logit coefficients by .625 to compare them to probit estimates. In doing so, we find that the magnitude of the coefficient in (1) is somewhat smaller than in Panel B, but the magnitude of an evening release increases in (3) is larger. In regressions (3) and (4), we continue to find that releasing in the evening reduces the amount of newswire and newspaper coverage conditional on receiving some coverage. Specifically, evening releases receive 11% and 6% less wire and newspaper coverage respectively.

An alternative means of investigating this issue is to examine change regressions as shown in Table 6, Panel D. This approach provides a potentially more powerful way to investigate firms switching times. One potential concern is that firms switching disclosure times may be doing so opportunistically. A mitigating factor against this hypothesis is that Doyle and Magilke (2009) find no evidence that firms switching earnings announcement times are doing so opportunistically in regards to the quality of news.

In all four regression specifications in Table 6, Panel D, the dependent variable is the change in wire or newspaper coverage. On the right hand side, we have two indicator variables

which show whether a firm switched its release to the evening (from a prior release in the morning) or switched its release to the morning (from a prior release in the evening). We find that changing the time does not affect whether the firm will receive some wire coverage, but switching to the evening or switching to the morning decreases and increases the amount of wire coverage respectively. In particular, firms switching to the evening receive nearly one less article. Similarly, for papers, we find evidence that switching affects the likelihood and amount of coverage. A firm which switches to a morning release improves the likelihood of paper coverage by approximately 9%. These results provide fairly robust evidence that the timing of press releases can impact coverage, and that this is unlikely to be driven by selection effects or firm characteristics.

Table 7 examines a firm's choice of press wire service. As the vast majority of firms utilize PR Newswire or Business Wire (Table 1, Panel A), we create three press wire service indicator variables- PR Newswire, Business Wire, and other (i.e. Marketwire and GlobeNewswire). Panel A provides a univariate comparison of the press coverage utilizing the different press wire services. For both, newswires and newspapers we find statistically significant evidence supporting PR Newswire's claim that firms utilizing their service garner more coverage. However, the difference in coverage between PR Newswire and Business Wire is approximately 1% in both cases which suggests that this difference is of limited economic value.

In Table 7, Panel B, we investigate the relationship between press wire choice and coverage through probit and OLS regressions. Once we control for firm size, industry, and news

significance, we no longer find any difference in coverage between the different press wire services.

Finally, Table 8 examines the relationship between the number of firm contacts and coverage. Panel A offers a univariate comparison of press coverage between releases with one contact and multiple contacts. Releases with multiple contacts have statistically more wire and newspaper coverage with the difference in newspaper coverage being more economically significant at nearly 8%.

To control for variation across firms and releases with different numbers of contacts, we examine levels regressions in Panel B. Having multiple contacts is associated with more wire coverage and a greater likelihood of paper coverage. The magnitude of the effects in both cases is 4% and 3% respectively. Panel C investigates further by providing fixed effect regressions. A natural limitation of using firm fixed effect regressions occurs when there is limited variation across the variable of interest. The results of Panel C no longer support a relationship, but this may be due to limitation in variation in the number of contacts. These results suggest that releases with multiple contacts are associated with greater coverage, but additional contacts do not causally lead to additional coverage.

5. Discussion

The regression analysis in Section 4 offers several insights about the factors that most influence coverage. Firm specific factors of size and industry explain much of the variation. 42% of the variation of the number of wire articles can be explained by these factors alone. In contrast to Fang and Peress (2009), we document that the press is more likely to cover some

industries. Given the similarities in press data, one explanation is their reliance on coarser one and two digit SIC codes rather than Fama French Industry Portfolios. Nonetheless, this difference is important since it suggests there are certain types of firms which receive disproportionate coverage by the media. Given the consumer product nature of the firms in this area, this also provides evidence that the business press is not solely playing a monitoring role. Specifically, in contrast to Miller (2006) where the press is playing a socially accountable “watchdog” role, additional coverage of certain retail industries suggests a more marketing based approach to what the press chooses to cover.

The coverage of significantly negative news by papers in Table 5 offers two possible interpretations. Papers, unlike newswires, are sold to a broad readership base. To the extent that extreme negative news is more sensational and appeals to a non-financial reader base, this divergence in coverage between wires and papers is consistent with media sensationalism. An alternative explanation is that papers are not seeking to cover more sensational news in covering very negative events, but rather there is more newsworthy economic information for readers contained in these events. For example, firms that experience significantly negative news may be more likely to go into default. This information would be of interest to both bond holders and creditors. However, this information based view seems less plausible given that newswire services do not also increase the likelihood of covering these events. This explanation would require that wire services do not understand the information content of these events despite being focused on providing news to financial professionals. Given this, the sensationalism theory seems to offer a more plausible explanation.

The timing of the release in Table 6 offers some additional explanatory power about what the press chooses to cover. As one indication, the R-squared of the likelihood of wire coverage regression increases from .18 to .23 after including the evening release indicator (from Table 3 to Table 6 Panel B). The regression evidence in Table 6 suggests that timing does influence whether and how much wire and paper coverage a firm receives. An important question is whether the relationship between the timing of the release and the amount of coverage is simply an association or a causal relationship. The results in Panels C and D in Table 6 provide some support that this relationship is more likely to be causal. In particular, in Panel D, we find switching to the evening decreases coverage and switching to the morning increases coverage. Although we also include changes in size and news, there is still the hypothetical opportunity for this switching decision to be correlated with some other factor which could affect coverage. However, the evidence on the type of firms that switch in Doyle and Magilke (2009) does not seem to lend particular support to this view.

The lack of any relationship between the press wire service choice and the amount of press coverage is somewhat surprising given the claims by PR Newswire. The evidence provided to clients shows that firms using PR Newswire garner statistically greater press coverage. Although we also find this evidence at the univariate level, after controlling for other factors that influence coverage, we no longer find any relationship. This suggests that while PR Newswire claims are accurate, they may be misleading to clients since more careful analysis which controls for differences in clients and releases across the different press wires services would no longer support such an argument.

6. Conclusion

The growing literature on the economic effects of press coverage in financial markets shows that coverage by the financial press significantly affects both the trading and pricing of securities. However, there is limited research on the factors which influence the amount of coverage. We investigate variables including size, industry, level of unexpectedness, negativity of news, timing, press wire service choice, and ease of firm access. We do not find compelling evidence that a greater number of contacts or the choice of press wire service significantly impacts the amount of wire or newspaper coverage in an economically meaningful way. Ultimately, our results suggest that firm characteristics and the information contained in the release primarily determine coverage, rather than factors about how the release is issued.

These results are not to suggest that managers do not have choices available to them which can influence coverage over a longer time horizon. In particular, evidence supports that firms which engage an external investor relations firms receive differential coverage (Solomon 2010, Bushee and Miller 2011). However, our results suggest that this engagement is not simply a strategic change in the way a firm issues a single release. Rather this is a more sustained set of interactions which changes a firm's relationship with the press.

Our results are based on data from the early part of the 21st century. As the economics of the media business continue to change, we anticipate that managers' ability to influence the amount of coverage their firm receives will also evolve. On the wire side, newswire services are increasingly using research desks located around the world. This permits greater staffing at all times of the day. Moreover, outsourcing work to lower cost locations permits services to grow their staff and increase the amount of coverage. Following in the steps of newswires, print

publications are increasingly distributing information electronically too. Thus, the differences between newswires and “print” publications are shrinking.

Our study offer several areas for potential future research. First, our analysis focuses on earnings releases, but firms issue many other types of releases. It would be worthwhile to understand whether the same forces influence coverage of other releases in the same predictable way. One significant hurdle in exploring other types of releases is controlling for the heterogeneity in the disclosures. Second, although we investigate the likelihood and amount of coverage, future research may want to investigate tone of coverage (e.g. Li 2008). This may be considered in conjunction with the tone of the firm’s release to better understand how the press perpetuates or undoes a firm’s release spin. Finally, the emergence of alternative forms of coverage, like blogs, continues to gain greater credence as an alternative form of journalism to mainstream newswires and newspapers. Investigating how these new mediums differ from the traditional press may offer timely insights into the influence of the press in the financial markets.

References

- Berger, P., (2011), "Challenges and opportunities in disclosure research- A discussion of 'the financial reporting environment: Review of the recent literature'" *Journal of Accounting and Economics*, 51, 204-218.
- Blankespoor, E., G. Miller, and H. White, (2010). "The Impact of Managerial Dissemination of Firm Disclosure." Working Paper, University of Michigan.
- Bushee, B., J. Core, W. Guay, and J. Hamm, (2010) "The Role of the Business Press as an Information Intermediary." *Journal of Accounting Research*, 48, 1-19.
- Bushee, B., and G. Miller. (2011) "Investor Relations, Firm Visibility, and Investor Following." Working Paper, University of Pennsylvania.
- Chan, W. (2003). "Stock Price Reaction to News and No-News: Drift and Reversal After Headlines." *Journal of Financial Economics*, 70, 223-260.
- Core, J., W. Guay, and D. Larcker, (2008). "The Power of the Pen and Executive Compensation." *Journal of Financial Economics*, 88, 1-25.
- Doyle, J., and M. Magilke, (2009), "The Timing of Earnings Announcements: An Examination of the Strategic Disclosure Hypothesis." *The Accounting Review*, 84, 157-182.
- Dyck, A., L. Zingales., (2003) "The Media and Asset Prices." *Working Paper*.
- Dyck, A., N. Volchkova, and L. Zingales., (2008) "The Corporate Governance Role of the Media: Evidence from Russia." *Journal of Finance*, 63, 1093-1135.
- Engelberg, J., and C. Parsons (2010). "The Casual Impact of Media in Financial Markets." *The Journal of Finance*, Forthcoming.
- Fang, L., and J. Peress, (2009), "Media Coverage and the Cross-Section of Stock Returns." *Journal of Finance*, 64, 2023-2052.
- Foster, G., (1979), "Briloff and the Capital Market." *Journal of Accounting Research*, 17, 262-274.
- Francis, J. and J. Hanna, (1998), "Management Communications with Securities Analysts." *Journal of Accounting Research*, 24, 363-394.
- Gurun, Umit G. and A. Butler. (2010), "Don't Believe the Hype: Local Media Slant, Local Advertising, and Firm Value", Working Paper.

Hamilton, J. (2004), *All the News That's Fit to Sell: How the Market Transforms Information to News*. Princeton University Press, New Jersey, USA.

Healy, P., A. Hutton, and K. Palepu (1999), "Stock Performance and Intermediation Changes Surrounding Sustained Increases in Disclosure." *Contemporary Accounting Research*, 16, 485-520.

Holstein, W. (2008), *Manage the Media*, Harvard Business School Publishing, Boston, USA.

Huberman, G. and T. Regev (2001), "Contagious Speculation and a Cure for Cancer: A Nonevent that Made Stock Prices Soar." *The Journal of Finance*, 56, 387-396.

Jensen, M. (1979), "Toward a Theory of the Press." Edited by Karl Brunner, Martinus Nijhoff Publishing Company.

Lang, M., and R. Lundholm (1993), "Cross-Sectional Determinants of Analysts Ratings of Corporate Disclosure." *Journal of Accounting Research*, 31: 246-271.

Li, E., K. Ramesh, and M. Shen. (2009) "The Role of Newswires in Screening and Disseminating Value-Relevant Information in Periodic SEC Reports." *The Accounting Review*, Forthcoming.

Li, F., (2008), "Annual Report Readability, Current Earnings, and Earnings Persistence." *Journal of Accounting and Economics*, 45, 221-247.

Merton, R. (1987), "A Simple Model of Capital Market Equilibrium with Incomplete Information." *The Journal of Finance*, 42, 483-510.

Miller, G. (2006), "The Press as a Watchdog for Accounting Fraud." *Journal of Accounting Research*, 44: 1001-1033.

Miller, G., and D. Shanthikumar. (2009), "Geographic Location, Media Coverage, and Investor Reactions." Working Paper, University of Michigan.

Patell, J. and M. Wolfson. (1982), "Good News, Bad News, and the Intraday Timing of Corporate Disclosures." *The Accounting Review*, 57, 509-527.

Pape, S. and S. Featherstone. (2005) *Newspaper Journalism: A Practical Introduction*. SAGE Publications LTD, London.

Petersen, M. (2009), "Estimating Standard Errors in Finance Panel Data Sets: Comparing Approaches." *The Review of Financial Studies*, 22, 435-480.

Sadka, R. (2006), "Momentum and Post-Earnings Announcement Drift Anomalies: The Role of Liquidity Risk." *The Journal of Financial Economics*, 80, 309-349.

Seelye, K. (2007), "Newspaper Readers of a Different Kind.", *The New York Times*, February 1, 2007.

Smith, R. (1954), "The Genesis of the Business Press in the United States.", *Journal of Marketing*, 19 (2), 146-151.

Solomon, D (2010). "Selective Publicity and Stock Prices." Working Paper, University of Southern California, Marshall School of Business

Solomon, D., E. Soltes, and D. Sosyura (2011). "The Perils of Public Failure: The Effect of Portfolio Holdings and Media Coverage on Mutual Fund Flows." Working Paper.

Tambini, D. (2010). "What are Financial Journalists For?" *Journalism Studies*, 11 (2), 158-174.

Wooldridge, J., (2003), *Introductory Econometrics*, 2nd Edition, Thomson Learning.

Table 1: Firm Summary Statistics

This table provides descriptive statistics for firm and press coverage variables. Panel A provides statistics at the firm level. Market capitalization is calculated as the price multiplied by shares outstanding on CRSP. Absolute surprise is the average absolute deviation of analyst forecasts from actual earnings within ninety days of the earnings announcement. Bad news is an indicator variable which is equal to 1 if the deviation from actual is less than zero. Evening is an indicator variable which is equal to 1 if the release was issued after the market close. PR Newswire and Business Wire are indicators equal to 1 if the release was issued on PR Newswire or Business Wire respectively. Multiple contacts is an indicator which is equal to 1 if the firms provides more than one phone number in the contact information of the release. Panel B contains data on the amount of press coverage. Wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. Number wires and number papers provide counts of the number of wire or newspaper articles respectively.

Panel A: Firm and Release Descriptive

	mean	sd	q1	median	q3
Market Cap ('000)	6,076,643	21,560,155	486,304	1,445,373	4,373,090
Absolute Surprise	0.03	0.09	0.00	0.01	0.02
Bad News	0.26	0.44	0.00	0.00	1.00
Evening	0.37	0.48	0.00	0.00	1.00
PR Newswire	0.55	0.50	0.00	1.00	1.00
Business Wire	0.43	0.50	0.00	0.00	1.00
Multiple Contacts	0.45	0.50	0.00	0.00	1.00

Panel B: Press Coverage

	mean	sd	q1	median	q3
Wire Coverage	1	0.29	1	1	1
Number Wires	4.28	4.72	2	3	6
Paper Coverage	0.24	0.43	0	0	0
Number Papers	0.35	0.73	0	0	0

Table 2: Correlation Matrix

This table provides a correlation matrix of all variables used in the analysis. See table 1 for descriptions. Spearman correlations that are significant at the 5% level are indicated with a *.

Panel A: Firm and Release Variables

	lmcap	asup	Bad News	Evening	Business Wire	Other Press Wire	Multiple Contacts
lmcap	1.000						
asup	-0.3404*	1.000					
Bad News	-0.1082*	0.0677*	1.000				
Evening	-0.1508*	0.0908*	0.001	1.000			
Business Wire	-0.0168	0.009	-0.008	0.014	1.000		
Other Press Wire	-0.0230*	0.0309*	0.007	0.0275*	-0.0750*	1.000	
Multiple Contacts	0.1210*	-0.001	0.000	-0.007	-0.0632*	-0.0454*	1.000

Panel B: Press Coverage Variables

	Wire	# Wires (log)	Paper	# Papers
Wire Coverage	1.000			
# Wires (log)	0.5102*	1.000		
Paper Coverage	0.1293*	0.4575*	1.000	
# Papers (log)	0.1248*	0.4652*	0.9918*	1.000

Table 3: Size and Industry Regressions

This table examines coverage by size and industry. For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the *lnum_wires* and *lnum_papers* are OLS regressions. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	wire	wire	lnum_wires	lnum_wires	paper	paper	lnum_papers	lnum_papers
lncap	0.409*** (0.0363)		0.276*** (0.00897)		0.469*** (0.0267)		0.113*** (0.00722)	
size quintile 2		0.456*** (0.110)		0.259*** (0.0482)		0.119 (0.187)		0.0137 (0.0163)
size quintile 3		0.884*** (0.114)		0.495*** (0.0526)		0.205 (0.196)		0.0252 (0.0167)
size quintile 4		1.447*** (0.120)		0.801*** (0.0543)		0.661*** (0.204)		0.0815*** (0.0193)
size quintile 5		2.041*** (0.141)		1.321*** (0.0578)		1.555*** (0.204)		0.346*** (0.0268)
constant	-5.074*** (0.766)	-0.787 (0.528)	-2.890*** (0.367)	0.169 (0.306)	-8.078*** (0.687)	-2.142*** (0.612)	-1.528*** (0.113)	-0.0316 (0.0548)
Industry Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
# Observations	16,190	16,190	16,190	16,190	16,190	16,190	16,190	16,190
R ²	0.18	0.18	0.42	0.35	0.25	0.19	0.29	0.22

Table 4: Surprise Regressions

This table examines coverage by the level of unexpectedness (i.e. surprise). For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the *lnum_wires* and *lnum_papers* are OLS regressions. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	wire	wire	lnum_wires	lnum_wires	paper	paper	lnum_papers	lnum_papers
asup	0.335 (0.273)		0.428*** (0.0988)		2.141*** (0.237)		0.500*** (0.0536)	
lmcap	0.417*** (0.0417)	0.410*** (0.0367)	0.282*** (0.00973)	0.277*** (0.00915)	0.503*** (0.0272)	0.480*** (0.0268)	0.121*** (0.00742)	0.114*** (0.00718)
surprise quintile 2		0.122** (0.0519)		-0.00314 (0.0175)		-0.0208 (0.0552)		-0.0167 (0.0123)
surprise quintile 3		0.0776 (0.0552)		0.0258 (0.0187)		0.0716 (0.0603)		0.0111 (0.0134)
surprise quintile 4		0.198*** (0.0552)		0.0638*** (0.0196)		0.0923* (0.0558)		0.0154 (0.0124)
surprise quintile 5		0.160 (0.0974)		0.106*** (0.0324)		0.436*** (0.0680)		0.0842*** (0.0183)
constant	-5.189*** (0.822)	-5.180*** (0.780)	-2.984*** (0.372)	-2.925*** (0.366)	-8.572*** (0.690)	-8.278*** (0.681)	-1.638*** (0.115)	-1.542*** (0.111)
Industry Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
# Observations	16,190	16,190	16,190	16,190	16,190	16,190	16,190	16,190
R ²	0.18	0.18	0.42	0.42	0.26	0.26	0.30	0.30

Table 5: Negative News

This table examines whether the negativity of news affects coverage. For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the lnum_wires and lnum_papers are OLS regressions. Bad news is an indicator that is equal to one if the surprise is negative. Surprise (absolute) and bad quintiles are sorted by magnitude from smallest to largest. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	wire	wire	lnum_wires	lnum_wires	paper	paper	lnum_papers	lnum_papers
lmcap	0.419*** (0.0415)	0.412*** (0.0365)	0.283*** (0.00971)	0.278*** (0.00921)	0.504*** (0.0273)	0.487*** (0.0270)	0.121*** (0.00743)	0.115*** (0.00725)
bad news	0.0565 (0.0380)	0.0407 (0.0940)	0.0204* (0.0123)	0.0269 (0.0264)	0.0278 (0.0402)	-0.0310 (0.0770)	0.00994 (0.00803)	-0.00652 (0.0185)
asup	0.304 (0.273)		0.418*** (0.0994)		2.129*** (0.237)		0.495*** (0.0536)	
surprise quintile 2		0.117* (0.0622)		-0.00316 (0.0188)		-0.0117 (0.0620)		-0.0176 (0.0133)
surprise quintile 3		0.0566 (0.0633)		0.0320 (0.0204)		0.0719 (0.0676)		0.00782 (0.0145)
surprise quintile 4		0.212*** (0.0600)		0.0657*** (0.0206)		0.0718 (0.0608)		0.00801 (0.0130)
surprise quintile 5		0.136 (0.108)		0.0928*** (0.0344)		0.348*** (0.0737)		0.0653*** (0.0196)
bad quintile 2		0.00258 (0.119)		-0.00530 (0.0356)		-0.0319 (0.103)		0.00476 (0.0219)
bad quintile 3		0.0586 (0.131)		-0.0256 (0.0350)		0.00636 (0.111)		0.0151 (0.0233)
bad quintile 4		-0.0575 (0.131)		-0.00509 (0.0399)		0.117 (0.124)		0.0359 (0.0253)
bad quintile 5		0.0512 (0.115)		0.0440 (0.0397)		0.351*** (0.116)		0.0696*** (0.0269)
constant	-5.224*** (0.819)	-5.226*** (0.773)	-2.995*** (0.370)	-2.945*** (0.365)	-8.586*** (0.691)	-8.371*** (0.683)	-1.643*** (0.115)	-1.560*** (0.112)
Industry Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
# Observations	16,190	16,190	16,190	16,190	16,190	16,190	16,190	16,190
R ²	0.18	0.18	0.42	0.42	0.26	0.26	0.30	0.30

Table 6: Timing

This table examines whether the timing of the release affects coverage. For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the lnum_wires and lnum_papers are OLS regressions. Evening is an indicator variable equal to one if the firm discloses after market hours. Regressions (1) and (3) in the fixed effect model (Panel B) are logit regressions. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Univariate Statistics

	mean	sd	diff:	t-stat:
<i>Wire Coverage</i>				
Morning	0.94	0.25	0.069	11.5
Evening	0.87	0.34		
<i>Newspaper Coverage</i>				
Morning	0.31	0.46	0.165	18.6
Evening	0.14	0.35		

Panel B: Levels Regression

	(1)	(2)	(3)	(4)
	wire	lnum_wires	paper	lnum_papers
evening	-0.332*** (0.0575)	-0.150*** (0.0244)	-0.431*** (0.0720)	-0.0879*** (0.0147)
asup	0.597** (0.300)	0.573*** (0.116)	2.121*** (0.327)	0.478*** (0.0696)
lncap	0.539*** (0.0254)	0.313*** (0.00861)	0.493*** (0.0319)	0.122*** (0.00842)
Constant	-6.841*** (0.575)	-3.401*** (0.373)	-11.53*** (0.471)	-1.636*** (0.117)
# Observations	9712	9712	9712	9712
R ²	0.23	0.48	0.26	0.30

Panel C: Firm Fixed Effect Regressions

	(1)	(2)	(3)	(4)
	wire	lnum_wires	paper	lnum_papers
evening	-0.302*	-0.110***	-1.124***	-0.0616***
	(0.167)	(0.0250)	(0.172)	(0.0119)
asup	0.605	0.0468	0.744	-0.000712
	(0.616)	(0.0814)	(0.641)	(0.0686)
lmcap	0.441***	-0.0123	0.164	0.0100
	(0.125)	(0.0185)	(0.114)	(0.00973)
Constant		1.670***		0.0923
		(0.266)		(0.141)
# Observations	9712	9712	9712	9712

Panel D: Change Regressions

	(1)	(2)	(3)	(4)
	Δ wire	Δ num_wires	Δ paper	Δ num_papers
switch evening	0.00675	-0.793***	-0.0360*	-0.0685**
	(0.0209)	(0.183)	(0.0215)	(0.0268)
switch morning	0.00823	0.557***	0.0873***	0.127***
	(0.0193)	(0.149)	(0.0202)	(0.0304)
Δ asup	0.00241	0.0345	0.0634	-0.0216
	(0.0534)	(0.494)	(0.0501)	(0.0868)
Δ lmcap	0.00551	0.0376	0.0153	0.00849
	(0.0150)	(0.117)	(0.0155)	(0.0276)
constant	-0.000826	0.106	-0.00188	-0.00146
	(0.00971)	(0.267)	(0.00244)	(0.00411)
# Observations	9010	9010	9010	9010

Table 7: Press wire Service

This table examines how the choice of press wire service affects coverage. For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the *lnum_wires* and *lnum_papers* are OLS regressions. Business wire and Other Press wire are indicator variables equal to one for the choice of press wire service from the contact information in the release. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Univariate Statistics

<i>Wire Coverage</i>	mean	sd	comparison		diff:	t-stat:
PR Newswire	0.75	0.44	PR Newswire	Business Wire	0.014	3.5
Business Wire	0.73	0.44	PR Newswire	Other	0.101	6.0
Other	0.64	0.48	Business Wire	Other	0.087	5.1
<i>Newspaper Coverage</i>	mean	sd	comparison		diff:	t-stat:
PR Newswire	0.13	0.34	PR Newswire	Business Wire	0.011	3.8
Business Wire	0.12	0.32	PR Newswire	Other	0.071	5.5
Other	0.06	0.24	Business Wire	Other	0.059	4.8

Panel B: Levels Regressions

	(1)	(2)	(3)	(4)
	wire	lnum_wires	paper	lnum_papers
Business Wire	-0.0166 (0.0462)	-0.0179 (0.0187)	-0.00718 (0.0611)	0.0151 (0.0138)
Other Presswire	-0.201 (0.164)	-0.0538 (0.0614)	0.0582 (0.152)	0.0320 (0.0288)
asup	0.338 (0.274)	0.430*** (0.0992)	2.142*** (0.236)	0.499*** (0.0534)
lmcap	0.417*** (0.0416)	0.282*** (0.00974)	0.503*** (0.0272)	0.121*** (0.00741)
constant	-5.175*** (0.817)	-2.973*** (0.367)	-8.567*** (0.694)	-1.647*** (0.117)
# Observations	16190	16190	16190	16190
R ²	0.18	0.42	0.26	0.30

Table 8: Ease of Access

This table examines how the ease of firm access affects press coverage. For dependent variables, wire is a binary (0/1) of whether the release is covered by Dow Jones or Reuters. Paper is a binary (0/1) of whether the release is covered by either the *Wall Street Journal*, *USA Today*, *New York Times*, or *Washington Post*. The wire and paper models are probit regressions and the *lnum_wires* and *lnum_papers* are OLS regressions. Multiple contacts are those firms which have more than one contact phone number provided in the release. Standard errors are clustered two-way, by day and firm. *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively.

Panel A: Univariate Statistics

<i>Wire Coverage</i>	mean	sd	diff:	t-stat:
Single Contact	0.90	0.30	0.018	3.8
Multiple Contacts	0.92	0.28		
<i>Newspaper Coverage</i>	mean	sd	diff:	t-stat:
Single Contact	0.20	0.40	0.079	11.9
Multiple Contacts	0.28	0.45		

Panel B: Levels Regressions

	(1)	(2)	(3)	(4)
	wire	lnum_wires	paper	lnum_papers
multiple contacts	0.0483 (0.0433)	0.0420*** (0.0162)	0.148*** (0.0491)	0.0316*** (0.0109)
asup	0.328 (0.272)	0.420*** (0.0987)	2.118*** (0.238)	0.494*** (0.0536)
lncap	0.416*** (0.0417)	0.281*** (0.00972)	0.496*** (0.0272)	0.119*** (0.00744)
Constant	-5.193*** (0.818)	-2.978*** (0.362)	-8.553*** (0.680)	-1.633*** (0.114)
# Observations	16190	16190	16190	16190
R ²	0.18	0.42	0.26	0.30

Panel C: Firm Fixed Effect Regressions

	(1)	(2)	(3)	(4)
	wire	lnum_wires	paper	lnum_papers
multiple contacts	0.0843 (0.114)	-0.0277** (0.0112)	0.0784 (0.0880)	0.00415 (0.00616)
asup	0.822** (0.404)	0.0524 (0.0559)	1.760*** (0.452)	0.0751* (0.0398)
lncap	0.775*** (0.0835)	0.0275** (0.0134)	0.0939 (0.0802)	0.00358 (0.00590)
Constant		1.010*** (0.190)		0.149* (0.0841)
# Observations	16190	16190	16190	16190