Assessing the impact of innovation signaling on the investment

Mikaël Héroux-Vaillancourt[1], Catherine Beaudry[1], Davide Pulizzotto[1], Margaret Dalziel[2]

[1]Canada Research Chair in Management and Economics of Innovation, Department of Mathematics and Industrial Engineering, Polytechnique Montréal, Canada,[2] Conrad School of Entrepreneurship and Business, University of Waterloo, Canada.

Abstract

This exploratory study investigate the use of innovation-related language in corporate website from a signaling perspective. We empirically tested whether the occurrences of innovation-related terms in corporate websites contributes to the investment received by the firms. With a sample of 1,289 firms who participated in 21 questionnaire-based investigations between 2010 to 2016, we extracted the content of the corresponding websites via snapshots hosted on The Wayback Machine. We built indicators based on a document frequency analysis of the keywords related to various innovation factors (innovation culture, collaboration, open innovation, R&D and IP). The OLS regression shows that innovation-related signaling on corporate websites is significantly related with the investment received. The study contributes in understanding the intention behind the use of innovation-related signaling in the corporate world and proposes a new indicator to identify innovation-active firms that are seeking external support.

Keywords: *innovation; investment; market signaling; web mining; Document keyword frequency analysis; OLS regression.*