



Upcoming Seminars

Monday, 16.06.2025

13.30-14.30

AWI room 00.010

Departmental Seminar

Joris Michael Müller, Uni Singapur

" Public Displays of Alignment: Firm Speech
in Autocratic Regimes "

(Host: Axel Dreher)

Wednesday, 18.06.2025

12.15-13.15

AWI room 00.010

Internal Seminar

Giovanni Burro

" Ads as cues "

Departmental Seminar

Joris Michael Müller

" Public Displays of Alignment: Firm Speech in Autocratic Regimes "

Firms around the world are increasingly adopting political rhetoric in their public statements, raising essential questions about the measurement, extent, and drivers of this phenomenon. We address these questions in the context of Chinese firms' rhetorical alignment with the ruling Communist Party. We introduce novel, general, and replicable quantitative measures of rhetorical alignment, using which we establish several empirical facts: (i) rhetorical alignment is prevalent but not universal; (ii) it has increased significantly over time; and (iii) it is more pronounced among state-owned and strategic sectors. Exploiting two natural experiments, we further show that (iv) rhetorically aligned firms experience larger stock price declines following events damaging the Party's reputation, and (v) firms increase rhetorical alignment after regulatory inspections. Guided by these findings, we propose a conceptual framework wherein rhetorical alignment serves as a commitment device: firms commit to supporting Party interests, and the Party commits to refraining from expropriation. Additional predictions of the framework are tested and supported by the data.

Internal Seminar

Giovanni Burro

" Ads as cues "

Consumers reveal strong habits in their demand for brands such as Coke and Pepsi or Budweiser and Miller even though the competing brands are very similar and exhibit substantial variation in relative prices over time. These brands are also intensely advertised, despite being well known and regularly purchased by many consumers. We propose a new model that unifies habits and uninformative advertising based on human memory, making new testable predictions for consumer behavior. We test these predictions with the Nielsen Homescan panel and Ad intel databases. We first document that, in line with previous work, consumption habits are strong and baseline advertising effects are fairly weak. Second, there are strong positive spillovers across similar brands, especially for regular buyers. Finally, we document the tradeoff between similarity and interference across product categories, with consumption of a product increasing (decreasing) if the consumer is exposed to similar (dissimilar) products.

Talks and Research visits

Muhammed Bulutay presented the paper, "Consumer Beliefs About Central Bank Inflation Forecasts," at the invited session of the Theories and Methods in Macro Conference. The conference was hosted by CREST, and took place in Paris on May 22–23.

Pascal Kieren presented the paper "Information Partitioning, Learning, and Beliefs" at the Economic Science Association World Meeting in Beijing on June 7.

Julius Schoelkopf presented the paper "Beyond the Numbers. Professional Forecasters' Narratives about Inflation and Stock Market Performance" (joint work with Christian Conrad, Michael Weber, and Frank Brückbauer) at the 8th Workshop on Subjective Expectations, hosted by Nova School of Business and Economics (Nova SBE), on June 10.

Stefan Trautmann presented the paper "Fairness Properties of Incentive Schemes" at Beijing Normal University on May 29, and the paper "A Choice-Based Approach to the Measurement of Inflation Expectations" at Dongbei University of Economics and Finance (Dalian) on May 31 and at Peking University on June 5.

Stefan Trautmann also gave a keynote lecture on "Higher order risk attitudes predict economic decisions" at the Behavioral and Experimental Economics Workshop at Shandong University (Jinan) on June 2, and presented the paper "Social Preferences, Risk Preferences, and Distribution" at the Economic Science Association World Meeting in Beijing on June 8.