The Value of Executive Visibility[*]

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Abstract

We examine whether executive visibility signals executive ability using special purpose acquisition companies (SPACs) as a laboratory, allowing us to separate the executive's public profile from that of the firm. We capture visibility in the press, on the Internet, and on social media. We find that investors perceive visibility positively, as the most visible executives raise 35.8 percent more funds and close an IPO in a third less time than those least visible. At merger announcement, a one-standard-deviation increase in visibility is associated with a 2.9 percent increase in returns, but this performance is not sustained in the long-run. Institutional investors trade on visibility by selling all SPACs but those led by the most visible, a subset which they buy, pump up the price of, attract retail investors to, and dump prior to merger completion.

Keywords: SPAC, Visibility, Reputation, Executives.

JEL Classification Numbers: D83, G19, G34, M12.

The Internet and the growing ubiquity of the online world has radically changed the informational structure of markets, collapsing geographical distances and allowing for near-instantaneous transmission of information at low cost. Widespread migration into this new world has led to a large swath of individuals being connected like never before and ushered in new channels of communication, the number of which has only grown with the proliferation of social media platforms. These radical changes in the information environment have added new tools, as well as complexity, for those seeking to communicate with a global stakeholder audience (e.g., Chen et al., 2014; Campbell et al., 2019; Cookson and Niessner, 2020; and Nguyen et al., 2020). While the new communication channels offer an unprecedented reach, they can also prove to be a double-edged sword for its users, who risk losing control over their narratives (Lee et al., 2015; Jung et al., 2018). In the context of the capital markets, innovations in information communication and retrieval have reduced search and other transaction costs for investors and firms as they seek to match to and acquire information on each other (Spence, 2002).

In this new information environment, firm executives, in particular CEOs, have been presented with the opportunity to use novel communication channels to signal in a relatively low-cost way their true abilities, potentially attracting investors, increasing firm value, and increasing their own value in the managerial labor market. This idea of the "social executive" is increasingly touted by communications and public relations firms as a vital tool to gain credibility and earn the trust of stakeholders (Stern Strategy Group, 2022). Executives themselves have expressed the importance of actively cultivating a visible online presence. In a global survey of non-CEO executives, 81 percent deemed it important for their firms' CEOs to have a visible public profile (Weber Shandwick, 2015). In this paper, we ask whether executive visibility is a signal of executive ability. With respect to the extant literature on signaling, our paper examines whether visibility plays the role of a signal that results in separating equilibria between high and low ability executives (Spence, 1973; Spence, 2002).

It is ex-ante unclear whether executive visibility functions as a credible signal of ability. While many methods of building and maintaining online visibility, such as creating a LinkedIn account, are pecuniarily costless, they nevertheless involve psychic costs and time. Indeed, the allocation of time itself to the pursuit of visibility can function as a signalling

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device (Spence, 2002). On the one hand, it can be argued that the cost of acquiring visibility is negatively correlated with true ability as in the original Spence (1973) model of signalling. The high ability executive may, for example by taking on higher-profile roles and projects, naturally become more visible than the low ability executive. Thus, by virtue of their accomplishments, experience, reputation, and network, the high ability executive may find it less costly to acquire visibility, such as through increased press coverage or Twitter following. On the other hand, it is also possible that the cost of acquiring visibility rises with an executive's ability. This could occur when the opportunity cost associated with spending time on visibility is larger for the high ability than for the low ability executive. The high ability executive, faced with a larger set of worthwhile opportunities, may seek to signal their type through other means, rather than justify expending time and effort on visibility.[1] In summary, it remains an empirical question whether executive visibility is a signal of ability.

We define executive visibility as the ubiquity of the executive's public profile, separate from that of the firm. The key challenge in examining executive visibility lies in disentangling the effect of the executive from that of the firm. In this paper, we take advantage of the unique characteristics of special purpose acquisition companies (SPACs). SPACs are blank-check companies that have no operations but go public with the intention of merging with or acquiring another company with the proceeds of the SPAC's IPO. The fact that the SPAC is a shell company that does not have an operating history makes the SPAC's executives (i.e., its managers, who are also often its founders) the main asset of the company.[2] As a result, our measure of executive visibility is cleaner because the firm, in this case, is its executives.[3] Hence, exploiting SPACs as the laboratory of our study allows us to examine the executive's profile absent that of the company's.

We compile a sample of SPACs that have successfully completed an IPO on a US stock exchange between January 2017 and December 2019, and have announced an acquisition

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[1]Spence (2002) demonstrates that a signal whose cost is positively correlated with the unobservable attribute that contributes to productivity can still be a credible signal. This is possible if the signal is productive enough to justify its costs and compensate for the negative signalling effect. We do not take a stand on whether building and maintaining visibility is a productive exercise. It therefore remains ex-ante unclear whether visibility is a credible signal for ability.

[2]This setup allows us to mitigate the endogeneity issues that would have arisen from the entanglement of executive visibility, firm visibility, and firm performance. For instance, high performing firms might be able to hire more well-known executives. Alternatively, firms that are facing problems might be exactly those that require the expertise of well-known executives, who could potentially improve firm performance. As Francis et al. (2008) show, firms with poor earnings quality rely on the skills of reputable CEOs, as measured by press coverage.

[3]This is true at least initially at the time of the IPO. Later on, when the acquisition is announced, new information about the target company is released to the market, for which we try to control as much as we can.

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by the end of 2021. In particular, we measure executive visibility as the unweighted sum of three binary components: (i) *Press coverage* (capturing the executive's coverage in the main financial outlets), (ii) *Online prominence* (measuring the executive's overall popularity on the Internet, via Google and Wikipedia presence), and (iii) *Social media* (measuring the executive's social capital based on LinkedIn connections and Twitter followers).[4]

Turning to our main findings, we observe that executive visibility is significantly positively correlated with the amount of money raised at the time of the SPAC IPO, and negatively correlated with the time it takes the SPAC to successfully complete the IPO. Specifically, we find that the highest visibility executives in our sample are able to raise approximately 35.8 percent more IPO funds, relative to executives with the lowest visibility. Moreover, it takes high visibility executives, on average, 31 percent (10 days) less time to complete the IPO relative to low visibility executives. We therefore conclude that executive visibility is an important factor that influences the investment decisions of SPAC investors.

We provide two additional pieces of evidence on the role of executive visibility as a signal of executive ability. First, we find that SPACs with higher visibility executives perform better around the acquisition announcement; a one-standard-deviation increase in the executive's visibility, leads to an increase of about 2.9 percentage points in the cumulative abnormal returns (CARs) around the acquisition announcement, which represents 21.8 percent of the sample standard deviation of CARs. This finding suggests that the market perceives deals announced by higher visibility executives as better deals than those by lower visibility executives. In addition, we find that executive visibility is associated with faster completion of an acquisition, of particular importance as an acquisition is the ultimate objective of every SPAC. SPACs with the highest visibility executives are able to complete an acquisition more than 4 months sooner (approximately 19 percent quicker) compared to SPACs with the lowest visibility executives, where the average time to completion is 21 months. Given that SPAC executives are only compensated upon successful completion of an acquisition within a customary 2-year deadline, higher visibility appears to be valuable not only to SPAC investors but to its executives as well.

Second, we show that executive visibility predicts positively the trading behavior of institutional investors, measured by volume and trade order imbalances. Around the time SPACs announce an acquisition, institutional investors are, on average, net sellers. The only SPACs they are net buyers of are SPACs led by the highest visibility executives. This finding points to the sophistication of institutional investors as this trading pattern effectively

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[4]While we remain agnostic to the relative importance of each component, in Appendix B we list alternative measures of our variable of executive visibility. The results remain robust when we use any of these alternative measures of visibility.

allows them to capture the more positive CARs related to higher visibility executives around the acquisition announcement. Meanwhile, we do not find a significant correlation between executive visibility and retail investors' trading around the acquisition announcement. This is potentially due to retail investors lacking the sophistication to trade on the information of executive visibility and/or their trading constraints.[5]

These findings are robust to a wide array of measurement choices and controls. Notably, we show that our executive visibility measure is distinct from other factors that could influence the SPAC's IPO and merger performance, as well as investors' trading in SPACs. These factors include an array of executive-specific characteristics. We analyze the joint effect of executive visibility and executive characteristics in our tests, where we proxy for executive characteristics using level of education, prior involvement in another SPAC, and age, the latter approximating the extent of overall professional experience (Blomkvist et al., 2022; Hung et al., 2021; Pawliczek et al., 2022). We find that the relation between executive visibility and SPAC IPO popularity, merger performance, and trading by institutional investors is robust to the additional controls for executive characteristics and underwriter reputation. We also control for the executive's network (i.e., extent of professional connectivity) in our analysis, and find that it does not change our findings of the effects of executive visibility (Lin et al., 2021).

We next examine whether executive visibility has a lasting effect on the long-term performance of the SPAC merged companies. We find no significant correlation between executive visibility and SPACs' long-term buy-and-hold abnormal returns, a result that casts doubt on whether executive visibility signals executive ability.

While executive visibility may not create value for the long-term investor in SPACs, we find that SPAC founders and the initial institutional investors benefit from higher executive visibility. The original IPO investors who hold shares before the acquisition announcement can exit either by redeeming their shares or by selling them in the open market, if the price is favourable. If too many shares are redeemed, the SPAC's executives need to raise additional funding, in the form of private investments in public equity (PIPEs), to pay for the target. We find that executive visibility is significantly related to PIPE financing in terms of occurrence and amount, and that this relationship is non-linear. Both the SPACs with the lowest and highest visibility executives are less likely to raise PIPE financing. On one end, SPACs with the lowest visibility executives may find difficulty in attracting investors. On the other end, those with the highest visibility executives have less need to raise PIPEs

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[5]Institutional investors own the bulk of the SPAC's shares between the IPO and acquisition announcement. Retail investors thus have limited access to the initial IPO shares and simply have fewer shares to sell at the acquisition announcement relative to institutional investors.

since they are better able to retain their original investor base.

Moreover, not only do high visibility executives' SPACs need less additional funding, but they also appear to attract the most investors after the acquisition announcement. Our results on the trading behaviour of investors following the acquisition announcement suggest that institutional investors' sentiment leads retail investors' sentiment in time, but not the other way around. Institutional investors buy the highest visibility executives for the initial couple of months after the merger announcement. After that, however, they start exiting. Retail investors seem to follow institutional investors and continue investing at least until acquisition completion, with larger retail investors selectively picking the most visible executives and smaller retail investors buying all SPACs apart from those with the lowest executive visibility. The results are consistent with gradual information diffusion in which more sophisticated institutional investors trade on information first before the information diffuses to less sophisticated retail investors (Hong and Stein, 1999; Cookson and Niessner, 2020). These findings shed light on why retail investors buy SPACs after acquisition announcement, despite the fact that most of the original institutional investors typically exit prior to the merger completion and that the average SPAC has been found to significantly underperform in the long run (Klausner et al., 2022; Gahng et al., 2022).

This paper makes three contributions. First, by studying SPAC executive visibility, our paper contributes to the literature on top executives' visibility. Previous research studies executives' media presence and finds that CEOs' visibility affects their outside opportunities and allows them to extract higher compensation and private benefits (e.g., writing books, sitting on outside boards, or playing golf), but provides little (if any) firm value.[6] More recent papers also show that CEOs strategically use media coverage for promotion (Blankespoor and deHaan 2020).[7] Nevertheless, a major weakness of the prior papers is that, with few exceptions, their findings suffer from endogeneity problems. We believe our research contributes to the literature because our setup of studying SPACs allows us to separate in a cleaner way the effect of executive visibility from that of firm visibility.[8]

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[6]See Rajgopal et al. (2006), Malmendier and Tate (2009), Falato et al. (2015), and Kang and Kim (2017).

[7]A more broad strand of the literature studies firm visibility and finds that firm visibility can affect firm expected returns either negatively (as visible firms are more diversified and, on average, their investors expect lower return premiums), or positively (via monitoring and/or 'free advertising' and thus increasing sales and profits) (Merton, 1987; Fang and Peress, 2009; Tetlock, 2014; 2015; Hillert and Ungeheuer, 2021). Moreover, research has found that firms actively manage their media visibility (via investor relations, timing of disclosure, or quantity and tone of coverage) for their benefit (to improve investor following, firm value and stock returns (Bushee and Miller, 2012; deHaan et al., 2015; Ahern and Sosyura, 2014; Reuter and Zitzewitz, 2006; Gurun and Butler, 2012; Solomon, 2012).

[8]Executive brand is the main (only) thing that SPAC executives/founders offer to investors at the time of the IPO. Examples of the few papers with identification strategies that explicitly deal with the endogeneity issue, are Ahern and Sosyura (2014) and Malmendier and Tate (2009).

Second, our paper contributes to the literature on social media. Existing papers have found that firms strategically use social media when disseminating quarterly earnings announcements and press releases, promoting good news, explaining bad news, and influencing investors' perceptions of their firms.[9] Prior research has also shown that interactions on social media platforms matter, as investors' opinions transmitted through social media predict firm future stock returns and earnings surprises (Chen et al., 2014; Campbell et al., 2019; Bradley et al., 2022). Our contribution is to show that executive visibility via social media matters by benefiting at least some stakeholders of the firm.

Third, our paper contributes to the growing literature on SPACs. SPACs are not a new phenomenon, despite their recent rise in popularity. Prior studies on the previous wave of SPACs, those that went public before 2010, provide the legal perspective and examine the performance and survival of SPACs, as well as the factors that affect their performance.[10] The more recent papers in the literature study the latest boom in SPACs and analyse their investment model from a theoretical point of view, as well as re-examine SPACs' performance in light of their evolving structure.[11] A few recent papers also examine how SPAC executives' characteristics correlate with the success of the SPAC IPO and its follow-up performance. For instance, Blomkvist et al. (2022) and Hung et al. (2021) explore the effect of executive factors, including education, experience, and age, on SPAC performance, and find that there is a variation in the effects of different factors, and the effects vary from one industry to another.[12] Further, a concurrent study by Lin et al. (2021) argues that while few executive characteristics can explain SPAC performance, executives' connections and network centrality (proxied by executives' working experience in Private Equity/Venture Capital firms) explain a large portion of return variation in the cross-section.

Perhaps the study that is the closest to ours is that of Pawliczek, Skinner and Zechman (2022). While the focus of their study is on the role of disclosure in SPACs, it also explores the influence of executive reputation. Our study differs from theirs in several distinct ways. First, we make the distinction between reputation and visibility, where the latter is based on individual self-promotion and measures of the former are added as controls in our analyses.

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[9] See Jung et al. (2018), Blankespoor et al. (2014b), Miller and Skinner (2015), Lee et al. (2015), and Cade (2018).

[10] See among others Lewellen (2009), Jenkinson and Sousa (2011), Howe and O'Brien (2012), Lakicevic and Vulanic (2012), Rodrigues and Stegemoller (2013; 2014), Cumming et al. (2014), Kolb and Tykvova (2016), Dimitrova (2017), and Vulanovic (2017).

[11] See Bai et al. (2021), Banerjee and Szydlowski (2021), Luo and Sun (2022), Gryglewicz et al. (2022), Blomkvist and Vulanovic (2020), Gahng et al. (2022), Klausner et al. (2022), Chong et al. (2021), and Kiesel et al. (2022).

[12] For a comparison, studies on the previous wave of SPACs find that more experienced managers do not increase the success rate of deal approval (Cumming et al., 2014).

Second, our measure of visibility reflects the wide range of communication mediums through which visibility can be shaped, including the business media, the Internet and social media platforms. In contrast to Pawliczek et al. (2022), we do not aim to proxy for the SPAC's endorsement by a celebrity. While SPACs might rely on famous personalities (e.g., athletes, musicians, and politicians) to raise their profiles, our study attempts to capture the effect of the executives who form the managing team, as they are ultimately at the core of the SPAC's operations. Third, our study offers an investigation of the role of visibility beyond the SPAC IPO and into the acquisition announcement and completion, as well as the trading behaviors of specific investor groups.

1. Institutional Setting

SPACs are publicly listed investment vehicles that are created for the sole purpose of acquiring one or more companies. Despite their narrow focus, SPACs occupy more than just a dusty corner of the financial markets. In 2021, the last full year prior to the time of writing, SPAC IPOs made up almost 60 percent of all US listings.[13] Over our sample period of 2017 through 2019, we find a 39 percent increase in the number of US SPAC IPOs.

With neither a product/service nor an operating history, a SPAC's main distinguishing factor is its executives. To attract IPO investment into what is essentially an empty company, the SPAC relies on the pull of its executives. This is thus why SPAC executives are generally high-profile individuals capable of such a feat. The special attributes of the SPAC make it the perfect laboratory to examine the value of executive visibility while mitigating the various research design issues that usually plague a study of this question.

SPACs follow the usual IPO process to list on a stock exchange. During this time, executives play a visible role, for example featuring in the IPO prospectus and at investor road shows.[14] SPAC listings are customarily set at US $10 per unit, where the units are bundles of common stocks and in-the-money warrants that are exercisable only upon completion of a successful acquisition. Shortly after the IPO, units can be split into their components and traded separately. The bulk of the IPO proceeds (95 percent or more) are placed in a trust that earns the risk-free return, while the residual is used to provide for administrative expenses.

From the time of the IPO, executives have a limited period – generally between 18 to 24 months – to find a suitable target and complete a deal. SPACs are stipulated under stock

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[13]According to the Nasdaq, SPAC IPOs represented over 59 percent of total new listings in the USA in 2021 (https://www.nasdaq.com/articles/a-record-pace-for-spacs-in-2021).

[14]In our hand-collected sample of 139 SPACs, we find that the executive's surname is mentioned in the IPO prospectus, on average (median), 48 (43) times.

exchange rules to acquire a target that is valued at more than 80 percent of the amount in the trust. If the executives fail to complete a deal within the allotted time, the SPAC's shareholders may elect to grant an extension, thereby allowing the executives to continue searching for a target. Otherwise, the SPAC is dissolved, and the non-executive shareholders are returned their pro-rata portion of the trust.

If a potential target is identified, the proposed deal is brought to a vote, and SPAC shareholders asked whether they approve the merger or not. At this time, shareholders may also separately choose to redeem their shares in the SPAC for a pro-rata portion of the trust, rather than hold their shares through the acquisition. Consequently, SPACs face the issue of not having enough remaining capital to complete the deal if too many shareholders redeem. Executives may try to temper this risk by obtaining additional investment from third parties in the form of private investments in public equity. These PIPEs provide an additional injection of funds for the acquisition and serve to add credibility to the deal in the eyes of shareholders (Gahng, Ritter and Zhang, 2022). If the deal is approved by shareholders and the SPAC has the required capital for the acquisition, the deal is then consummated, and the target becomes publicly listed.

It is only upon completion of the deal that executives are rewarded economically. Prior to the IPO, executives commit a nominal amount, generally US $25,000, to the SPAC in a private placement. In return, they receive 20 percent of the shares outstanding post-IPO, often referred to as the "promote". Executives also usually purchase warrants in the SPAC for a nominal fee, at a deep discount. Therefore, conditional on a successful acquisition, the larger the SPAC the greater the economic reward for the executives. At the same time, while executives receive a higher economic reward from raising a larger SPAC, they must balance this with the added difficulty caused by reducing the pool of potential targets to those large enough to meet the 80 percent size threshold. Executives are highly incentivized to find a target and complete a deal, as failure to do so would result in the loss of their promote and warrants (which expire worthless). Similarly, the SPAC's IPO underwriters are often under a compensation structure in which their payout is tied to a successful deal.[15] In short, the SPAC's executives and often its underwriters have strong economic incentives to complete an acquisition.

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[15]Dimitrova (2017) finds that a portion of the underwriter's fees are deferred until completion 66 percent of the time and, in our more recent sample, we find this 76 percent of the time.

2. Data

Our sample consists of SPACs that have successfully completed an IPO on a US stock exchange between January 2017 and December 2019, inclusive. We end the sample in 2019 to allow all sampled SPACs adequate time to live out the full length of the SPAC lifecycle, which is approximately two years. To construct the sample, we begin with the superset of blank check issuers obtained from Capital IQ and Refinitiv Eikon databases, as well as constituents in the online database SPAC Track.[16] We verify that each member of this superset is indeed a SPAC by reading through its S-1 form (prospectus), which we retrieve from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. Subsequently, for each SPAC, we identify its main executive(s) by reading the summary section of the S-1 form. This process results in 216 distinct executives across 139 SPACs.

For these SPACs, we obtain merger and acquisition (M&A) data from Capital IQ, including the date of the announcement, as well as details on the target, transaction value, and the type of financing of the transaction. At the time of writing, the vast majority of our sample has announced and successfully completed an acquisition (94 and 95 percent, respectively). Using firm-initiated press releases announcing the acquisition, we manually verify announcement dates and collect additional information on any PIPE financing raised. The data on stock returns comes from Refinitiv Eikon and the Center for Research in Security Prices (CRSP), while the data on institutional and retail investors' trading comes from the NYSE Trade and Quote (TAQ) database. Lastly, we gather executive characteristics from a variety of sources: (1) BoardEx, a proprietary database containing information on executives in over two million organizations, (2) Factiva for press coverage, and (3) hand collection from the web and the S-1 form.[17]

2.1. Measure of Executive Visibility

Our main variable of interest is *Executive visibility.* We follow principles outlined in the Organisation for Economic Co-operation and Development's (OECD) Handbook on Constructing Composite Indicators and attempt to create a simple measure such that it has the advantage of being easy to calculate and replicate. We define *Executive visibility* as

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[16]The SPAC Track platform is available at spactrack.io and provides data on historical and active SPACs.

[17]We manually match our sample of executives to the BoardEx database by name, and in the case of ambiguous matches, with additional variables such as alma mater or employment history taken from the management section of the S-1 form. We find good coverage of our sample; of the 216 executives we identify, 86 percent are in BoardEx. Additionally, we supplement any missing fields when possible with manual collection from the web or the S-1 form. We also manually match our sample of executives to Factiva by searching for last names, omitting identical search results, and subsequently filtering the results for the exact executive using Factiva's executive indexing.

the unweighted sum of three binary components – *Press coverage*, *Online prominence*, and *Social media* – thus remaining agnostic to the relative importance of each. Moreover, given that our main analyses are conducted at the SPAC level, to summarize executive data at the SPAC level, we take the maximum across the executives of each SPAC. We do this to capture the effect of the most visible executive of each SPAC, and to reflect the idea that visibility cannot be "reduced" by the other less visible members of the SPAC.

The first component, *Press coverage* is assigned a value of one if the executive is in the top quintile of press coverage, based on Factiva article counts, relative to the other executives in our sample. In particular, we take the sum of the number of news articles indexed under the executive's name in Factiva in the year of and the year prior to the IPO. *Online prominence* is assigned a value of one if the executive appears in a Google "knowledge panel" (GKP) or has a dedicated Wikipedia article, and zero otherwise. A GKP is an automatically generated information box that provides a quick snapshot of the search topic and appears to the right of search results. A GKP appears only for topics (e.g., individuals) that are in the Google Knowledge Graph, Google's database of facts which it sources from public content and private content owners. An individual who appears in a GKP can claim it with Google to adjust the information that appears within it. Lastly, *Social media* measures the executive's popularity on social media, and we code this as one if the executive has 500 or more LinkedIn connections or 10,000 or more Twitter followers, and zero otherwise.[18]

Executive visibility is thus a discrete variable ranging from zero to three, with three signifying high executive visibility. To ensure that our results are not driven by the specific configuration of the measure of visibility that we have chosen, we also construct ten alternative measures, defined in Appendix B. The furthest variation from the original measure, *Executive visibility alt 10* is a score ranging from zero to five. Our main results – on IPO size, time to IPO and acquisition announcement, acquisition announcement returns, and trading around acquisition announcement – are robust to these alternative definitions of *Executive visibility*.

To illustrate the construction of *Executive visibility* and its components, we discuss an executive in our sample assigned the maximum *Executive visibility* score: Thomas W. Farley of Far Point Acquisition. Mr. Farley served as the President of the New York Stock Exchange (NYSE) between 2014 and 2018. He is active on social media, with LinkedIn connections

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[18]We collect LinkedIn and Twitter information from the corresponding websites. LinkedIn does not display the number of connections greater than 500, instead simply listing it as "500+", making 500 a natural cut-off point. To overcome this data limitation, as a robustness test, we estimate our main regressions using the number of LinkedIn followers rather than LinkedIn connections. Further, we are able to obtain the year and month the executive's Twitter account was created, and we are careful to only count those accounts that were created after the SPAC IPO.

numbering over 500 and Twitter followers over 8,000. Furthermore, he actively posts his opinions on business news, sports, and other topics on both platforms. Mr. Farley also has a dedicated Wikipedia page, and a search of his name in Google yields a GKP that gives a brief overview of his life and career.[19] His SPAC, Far Point Acquisition, conducted an IPO in 2018, during which year Mr. Farley was named in over 250 news articles as indexed by Factiva. Figure A.1 of Appendix A provides screen captures of his LinkedIn and Twitter accounts, as well as his GKP, to concretely depict some of the items contained in our executive visibility measure.[20]

2.2. Outcome Variables

Throughout the analysis we use various outcome variables which are briefly described below. To capture investors' interest in SPACs, we use the size of the SPAC IPO. *Ln(IPO amount)* is the natural logarithm of the dollar amount (including the amount of the "green shoe") raised by the SPAC at the time of the IPO. We deliberately add the green shoe amount because we are interested in capturing the public interest in the SPAC IPO. While the size of the IPO may be endogenously selected, as executives may choose to raise larger vs smaller SPACs, the green shoe amount represents the oversubscription of the IPO.[21]

We measure the performance of SPACs using the cumulative abnormal return around the merger announcement. *M&A CAR* is the unadjusted SPAC returns less the Russell 2000 index returns, cumulated over a two-day window that starts on the acquisition announcement date.

Ln(Time to IPO completion) is the natural logarithm of the number of days between the first S-1 filing and the IPO date.[22] Similarly, *Ln(Time to M&A completion)* is the natural logarithm of the number of days between the IPO date and the acquisition's completion date, collected from press releases.

To classify the trading variables into institutional and retail order flows we rely on TAQ Millisecond Tools. Institutional investors are identified using a size-based proxy; trades with transaction value greater than US $20,000 are classified as institutional orders. Meanwhile,

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[19]Thomas W. Farley's Wikipedia page is accessible at: https://en.wikipedia.org/wiki/Thomas_W._Farley.

[20]His LinkedIn profile, is accessible at https://www.linkedin.com/in/thomas-farley-b9a806128. We note that he has significant activity on this platform, including authoring articles, and "liking" and sharing articles written by others. His Twitter account, which documents that he has over 800 Tweets, is accessible at https://twitter.com/thomasfarley?lang=en.

[21]Green shoe options typically allow underwriters to sell up to 15 percent more shares than the original issue amount.

[22]We search the EDGAR system for the date of the first S-1 filing and the date the S-1 is declared effective by the SEC in a Notice of Effectiveness form. The latter gives us an indication of the IPO date, which we use to verify the IPO dates available in Capital IQ.

retail trades are classified using the method proposed by Boehmer et al. (2021). We identify trades that are reported in the TAQ data with exchange code "D" as retail purchases (sales) if the transaction price ends below (above) a round penny. We measure marketable institutional and retail investors' directional trades by computing two order imbalances measures for each SPAC i cumulated over the [–5, +5] window around the acquisition announcement date, t:

$$Volume\ imbalances_{i,t-j,t+j} = \sum_{j=-5}^{5} \frac{Buy\ volume_{i,t} - Sell\ volume_{i,t}}{Buy\ volume_{i,t} + Sell\ volume_{i,t}} \qquad (1)$$

$$Trade\ imbalances_{i,t-j,t+j} = \sum_{j=-5}^{5} \frac{Buy\ trades_{i,t} - Sell\ trades_{i,t}}{Buy\ trades_{i,t} + Sell\ trades_{i,t}} \qquad (2)$$

Volume imbalances captures directional trading activity in number of shares, where a positive number represents net buying and a negative number represents net selling. *Trade imbalances* captures trading activity in number of trades, rather than in share volume, and should thus be more sensitive to the activity of retail traders who transact in smaller amounts.[23] We create *Volume imbalances* and *Trade imbalances* for institutional investors, and for retail investors. Moreover, we proxy for large retail traders by examining retail share volume, which is heavily influenced by large trades. Our proxy for small retail traders is retail number of trades, which tends to be dominated by relatively smaller traders.

2.3. Control Variables

With *Executive visibility*, we attempt to capture the executive's visibility that is attained through self-promotion. We thus control for factors outside of visibility that are related to the executive's track record, such as tenure, educational attainment, career success, and connectivity to other individuals. In particular, we control for executive tenure by including *Executive age*, and for executive education by including *Executive MBA degree*, *Executive Ivy league*, and *Executive higher degree*, which measure whether the executive holds an MBA, Ivy league, or above master's level degree, respectively. The executive connectivity element is primarily proxied by BoardEx's proprietary *Executive network size* variable, a summary measure that captures the degree of overlap the executive has with other individuals in the

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[23]Boehmer et al. (2021) calculate daily marketable retail volume and trade imbalances and find an 85 percent correlation between the two. This is comparable to the 88 percent correlation between retail *Volume imbalances* and *Trade imbalances* in our sample.

BoardEx database through education, career, board roles and other unspecified activities.[24] We find that the median executive in our sample has a network size 2.60 times greater compared to the median executive of the BoardEx universe.[25] From the BoardEx database we also obtain two alternative measures of connectivity, *Executive companies* and *Executive roles*, which capture the number of companies and the number of roles that the executive has been associated with throughout their career. We also control for the executive's specific experience with SPACs, by adding *Executive prior SPAC* variable, which indicates if the executive has previously successfully completed a SPAC IPO.

Our remaining important control variables relate to the IPO underwriters. From the S-1 form, we identify the underwriters from their eponymous section and collect information on their mandates and compensation structures. Furthermore, we join in the last available ranking in the IPO Underwriter Reputation Rankings dataset available on Jay Ritter's website.[26] These rankings are based on the underwriter's placement in tombstone advertisements and range from one to nine, with nine signifying the highest reputation (see Carter and Manaster, 1990; Loughran and Ritter, 2004).

2.4. Summary Statistics

Table 2 presents summary statistics of the variables used in the analysis.

INSERT Table 2 ABOUT HERE

Panel A of Table 2 provides details of the SPAC executive visibility variables based on the most visible executive of each SPAC. The average (median) overall SPAC executive visibility in the sample is 1.079 (1), where by construction the minimum value of this variable is zero, while the maximum value is three.[27] On average, an executive is covered by approximately 79 news articles (the median number is 26) in the two-year period leading up to the IPO of the SPAC. In particular, the average (median) executive is featured in around 36 (3) news articles in the year prior to the SPAC IPO, this coverage grows to 42 (8) articles in the year of the IPO. On average, 31.7 percent of the SPAC executives are classified as having *Online*

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[24]BoardEx's network size measure has been used in the extant literature examining board directors' connectivity (Goergen, Renneboog, and Zhao, 2019; Chen and Guay, 2020) and CEOs' connectivity (Amin et al., 2020), for example.

[25]The mean (median) executive network size of our sample is 1,520 (1,205) with number of observations equal to 230. The mean (median) network size of the BoardEx universe is 1,195 (464) with number of observations equal to 848,000. A t-test of difference in means yields a t-statistic of 3.459.

[26]The IPO Underwriter Reputation Rankings dataset is available at https://site.warrington.ufl.edu/ritter/ipo-data/.

[27]Fewer than 10 percent (8.63 percent) of the SPACs in our sample are led by executives who are assigned the highest visibility score of three.

prominence; 28.8 percent have a Google "knowledge panel" and 23 percent have a Wikipedia webpage. 56.8 percent of the SPAC executives in the sample have a social media account. While 80 percent of the executives have a LinkedIn profile, only 20 percent have a Twitter account. The average (median) number of LinkedIn connections is 327.31 (500), while those of LinkedIn followers is 2,931.34 (881); the average (median) number of Twitter followers is 21,647.32 (0).[28]

Panel B provides details on the main characteristics of a SPAC executive. The average executive in our sample is 62 years old, holds an MBA degree, and has graduated from an Ivy League institution. In particular, 51.1 percent of the executives have an MBA degree, 54 percent have a degree from an Ivy league institution, while 25.2 percent hold a degree above the master's level. The average (mean) network size of an executive in our sample is around 1,785 (1,387). On average, an executive is associated with approximately 23 companies and 12 roles, where the corresponding medians are 18 companies and 12 roles, respectively. There is a considerable number of executives who are repeat players in the SPAC space; 26 percent of the SPACs in our sample are a sequel to a predecessor by the same executive(s).

Panel C shows SPAC IPO characteristics. The mean (median) amount of money that a SPAC raises at the time of the IPO is US $243.42 (US $229.22) million. The average (median) amount of green shoe is US $19.62 (US $18.3) million. The average SPAC takes 30 days to complete the IPO, while the median takes 23 days. On average, the rank of the SPAC's IPO underwriter, based on data available on Jay Ritter's website is 6.752, while the median underwriter has a rank of 6.5. By construction, the minimum value of this variable is one, while the maximum value is nine.

Panel D reports SPAC merger characteristics. The average (median) two-day CAR of the SPAC around the acquisition announcement is equal to 4.7 percent (1.3 percent). The mean (median) SPAC takes approximately 499 (492) days to announce an acquisition, and 645 (634) days to complete it. The average (median) market capitalization of a SPAC, measured 4 weeks prior to the merger announcement is equal to US $501.31 (US $320.81) million. The average (median) market capitalization of a target company, proxied by the deal value at the merger announcement is equal to US $928.04 (US $675.89) million. On average, the target is 2.726 times larger than the market capitalization of the SPAC acquirer; the corresponding median value is 2.093. This suggests that SPACs are buying significantly larger targets. On average, 90.6 percent of the targets are private companies, 33.1 percent are paid for with 100 percent stock, and only 4.3 percent are paid for with 100 percent cash as a medium of

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[28]LinkedIn caps the number of connections at 500. In other words, if an account has more than 500 connections, LinkedIn automatically reports 500+. For any number that is below 500, the exact number of connections is reported.

exchange. A little more than half (54.5 percent) of the SPACs in our sample announce that they have secured a PIPE funding at the time of the acquisition announcement. The mean (median) PIPE amount is US $120 (US $35) million.

Panel E provides summary statistics of the variables measuring trading imbalances for institutional and retail investors, separately. The average institution is a net seller around the acquisition announcement, measured by both share volume (-0.474) and number of trades (-0.398). In contrast, the average retail investor is a net buyer. Furthermore, there is more retail net buying when measured by number of trades (0.774) than by share volume (0.394). This suggests that, while retail investors are net buyers generally, it is the retail investors that trade in smaller order sizes that are more active in this buying activity. We can also compare the imbalances computed in this paper to those of Boehmer et al. (2021). The authors find the average daily retail trading imbalance to be close to zero in their sample of US stocks from 2010 through 2015, while the trading imbalances around the SPAC acquisition announcements in this paper are markedly positive.

3. Executive Visibility in SPACs

Using the unique setting that SPACs present, in this section, we examine whether executive visibility is a signal of executive ability. In particular, at the time of the SPAC IPO, the executives, who are typically a small group of experienced managers, rely mainly on their track record and visibility to raise capital from investors in the vehicle.

3.1. Does Executive Visibility Attract Investors?

3.1.1. Amount of Money Raised at IPO

We start by examining whether executive visibility plays a role at the time of the IPO. Specifically, we test whether executives with higher visibility are able to raise more funding relative to executives that are less visible around the IPO. The results are reported in Table 3.

INSERT Table 3 ABOUT HERE

The dependent variable is *Ln(IPO amount)*. Column (1) shows the results of a regression that includes only the main variable of interest, *Executive visibility*, and year fixed effects. The coefficient estimate for *Executive visibility* is positive and statistically significant at the 1% level. This result suggests that executive visibility has an effect on the amount of money the SPAC raises at the time of the IPO. In column (2), we introduce additional variables to control for the underwriter's reputation and the executive's age. We find the coefficient estimate for *Underwriter rank* to be positive and statistically significant at the 1% level. SPACs

with more reputable underwriters are likely to attract more investors, yet executive visibility remains a determining factor of how much money is raised at the IPO. The coefficient estimate for *Executive age*, which is a control variable for the executive's overall experience, is positive and statistically significant at the 1% level and larger in magnitude compared to *Executive visibility* and *Underwriter rank*. We also control for executive's education, by including *Executive MBA degree*, a dummy variable which is equal to one if the executive holds an MBA degree. We find this variable to be negative and statistically significant at the 10% level.[29] Given that SPAC founders are typically experienced executives, they may rely on their circle of professional connections when launching a SPAC (Lin et al., 2021). In column (3), we control for this by including *Ln(Executive network size)*, which captures the size of the network that an executive has based on the BoardEx database. The results show that the coefficient estimate for *Ln(Executive network size)* is positive and statistically significant at the 1% level, although the magnitude of its effect is significantly smaller compared to that of our main variable of interest, *Executive visibility*. In this specification we also control for the fact that some executives may have prior experience with SPACs by previously being involved as an executive in another SPAC. We find the coefficient for *Executive prior SPAC* to be statistically insignificant, while the coefficient of *Executive visibility* remains statistically significant at the 5% level in this specification.

Columns (4) – (9) of Table 3 report the results from alternative to the main specification models. The dependent variable remains *Ln(IPO amount)*, while the main independent variable, *Executive visibility*, is decomposed into its components. In particular, in columns (4) – (5), we report the results using *Ln(Press coverage)*, in columns (6) – (7), the results using *Online prominence*, and in columns (8) – (9), the results using *Social media* as the main independent variable. To show that the results are robust to alternative measures of executive education and executive network, we use *Executive Ivy league* and *Ln(Executive roles)* in columns (4), (6), and (8), and *Executive higher degree* and *Ln(Executive companies)* in columns (5), (7), and (9), respectively. In these models, we find that the coefficient estimate for *Ln(Press coverage)* is statistically significant at least at the 5% level, while that for *Online prominence* at the 10% level. The coefficient estimate for *Social media* is not statistically significant. These results suggest that executive visibility in the mainstream media and on the Internet, via a Google "knowledge panel" and/or a Wikipedia page, are the main drivers of our results on how much money executives can raise at the SPAC IPO. Meanwhile, executive visibility on the social media plays less of a role here. This is plausible,

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[29]In columns (4) – (9) of the table, we use alternative variables of education that measure whether the executive has a degree from an Ivy league institution, or whether the executive holds higher than a master level degree. The results remain robust.

given that the initial investors in SPACs are typically large institutional investors, who are generally considered to be more sophisticated, and potentially less influenced by social media. Nevertheless, executives' marketing/popularity around the SPAC IPO does appear to attract more investors.

3.1.2. Time to IPO Completion

Next, we test whether executives with higher visibility are able to close the IPO quicker relative to executives that are less visible. The results are reported in Table 4.

INSERT Table 4 ABOUT HERE

The dependent variable is *Time to IPO completion*. Column (1) shows the results of a regression that includes only the main variable of interest, *Executive visibility*, and year fixed effects. The coefficient for *Executive visibility* is negative and statistically significant at the 1% level, indicating that more visible executives take less time to complete the IPO. In column (2), we control for underwriter's reputation, executive's age and executive's education. The coefficient of interest is smaller in magnitude but still statistically significant at the 1% level, while the coefficients for all control variables are statistically insignificant. In column (3), we introduce additional control variables, *Ln(Executive network size)* and *Executive prior SPAC*, to control for the size of the executive's network, and his prior SPAC experience. We find that the coefficient estimate for *Executive visibility* remains statistically significant at the 1% level, while those for the additional control variables are not statistically significant. More visible executives are not only able to raise more money but also close the SPAC IPO within a shorter period of time.

In columns (4) – (9) of Table 4, we report the results of the alternative specifications using the same outcome variable, *Time to IPO completion*, and replacing the main independent variable with each of its components, *Ln(Press coverage)*, *Online prominence*, and *Social media*, one at a time. In columns (4), (6) and (8) we use *Executive Ivy league* and *Ln(Executive roles)* as measures of executive's education and executive's network size, while in columns (5), (7) and (9), we replace those controls with alternative variables of executive's education and network size, *Executive higher degree*, and *Ln(Executive companies)*. The results in columns (4) – (5) of Table 4 show that the coefficient for *Ln(Press coverage)* is statistically insignificant. The results in columns (6) – (7) show that the coefficient for *Online prominence* is also statistically insignificant. In contrast, the results in the last two columns of the table, (8) – (9) show that the coefficient for *Social media* is negative and statistically significant at the 1% level. These findings imply that while press coverage and being famous do not affect the time it takes executives to complete the SPAC IPO, social

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media has a significant influence; executives who are more active and visible on social media take less time to close the IPO.

These findings are seemingly in contradiction to those reported in Table 3, which find that *Ln(Press coverage)* and *Online prominence* are the main drivers of IPO size, not *Social media*. Certainly, the findings of Table 3 are unsurprising since institutions make up the bulk of investors at the SPAC IPO, and these institutions are likely to have direct interactions with SPAC executives rather than through social media. Specifically, Klausner, Ohlrogge and Ruan (2022) document the existence of the "SPAC Mafia", a group of institutional investors that are repeat players in SPAC IPOs, holding on average approximately 70 percent of the total post-IPO publicly held shares. Moreover, a recent 2021 survey by The Brunswick Group shows that investor relations websites and mainstream financial media outlets such as Bloomberg, the Wall Street Journal, and the Financial Times remain the top-used and most-trusted sources of information for institutional investors, though they are increasingly using social media to learn about investments and make investment decisions.[30]

In our findings of Table 4, we suspect that *Social media* drives the speed to IPO as institutional investments are likely quite standardized in terms of timing, and it is the ability of SPAC executives to attract the smaller non-institutional investors through self-promotion that gives the final push to close the IPO sooner. While we cannot verify this with data, in Figure A.2 of the Appendix A, we provide an anecdotal example of a prominent repeat SPAC executive, Chamath Palihapitiya, advertising his SPACs' IPOs on Twitter. He touts the successful acquisitions conducted by his prior SPACs (with tickers IPOA, IPOB and IPOC) and announces the impending commencement of trading of his three new follow-up SPACs.

Put together, the results show that an increase in executive visibility around the SPAC IPO has a positive effect on the amount of money raised at the IPO and a negative effect on the time it takes to successfully complete the IPO. In terms of economic significance, our estimates indicate that executives with the highest visibility in our sample are able to raise approximately 35.8 percent more funds in the IPO relative to executives with the lowest visibility. This is an increase of US $63 million relative to the average of US $243.42 million. In terms of the time that it takes to complete the IPO, we find that executives with the highest visibility in the sample are able to close the SPAC IPO 10 days sooner compared to executives with the lowest visibility. This is 31 percent quicker compared to the average period of 30 days to complete an IPO.

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[30]Source: https://www.brunswickgroup.com/digital-investor-survey-2021-i18508/.

3.2. What are the Returns to Executive Visibility?

3.2.1. Abnormal Returns at M&A Announcement

The results so far indicate that executive visibility is associated with more money being raised at the SPAC IPO, and at a higher speed. In this subsection, we test whether higher executive visibility also translates into higher returns being created for investors. After SPACs become public, their shares freely trade on the stock market. Yet, there is little trading activity in the period between the SPAC IPO and the initial merger announcement, when new information about the potential target is first released to the market (Klausner et al., 2022).[31] In what follows, we examine the performance of SPACs around merger announcement. The results are reported in Table 5.

INSERT Table 5 ABOUT HERE

The dependent variable is *M&A CAR*, the cumulative abnormal return of the SPAC, measured over a two-day event window, [0, +1], around the acquisition announcement date. Column (1) reports the results from a regression model that includes only the main variable of interest, *Executive visibility*, and year and target industry fixed effects. In the next specification, reported in column (2), we add control variables for underwriter's reputation, and for various executive characteristics including executive age, education, network size and prior SPAC experience. None of these additional control variables is statistically significant, while our variable of interest remains statistically significant at the 5% level in this specification. The announcement of the acquisition is associated with the release of new information related to the target. Therefore, in the following specification, we include variables to control for target and deal characteristics.[32] In column (3), we control for the size of the target relative to that of the SPAC acquirer, and find the coefficient estimate for *Relative size of target* is positive and statistically significant at the 1%; larger targets are perceived more positively by the market. In column (3), we also control for the public status of the target and for the method of payment of the acquisition. The coefficient estimates for both variables are negative and statistically insignificant. In this last specification, the coefficient estimate for *Executive visibility* is positive, larger in magnitude compared to the previous specification, and statistically significant at the 5% level. In sum, our results suggest that deals by SPACs with higher visibility executives are seen by the market as better deals, at least initially when

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[31]Klausner et al. (2022) find that there is limited turnover in the ownership of shares by SEC Form 13F filers between the SPAC's IPO and announcement of a potential acquisition.

[32]Previous research has found relative size, private target and the method of payment to have an effect on acquisition performance (See Travos, 1987; Moeller et al., 2004, 2007; Officer, 2007, among others).

the acquisition is announced. This is represented graphically in Figure 1, where we show the cumulative abnormal return around the acquisition announcement by level of SPAC executive visibility. SPACs with the most visible executives (with *Executive visibility* equal to 3) are depicted by the purple line and stand out above the rest with the highest returns around the acquisition announcement. SPACs with the lowest visibility executives are depicted by the red line and at a glance seem to have the lowest announcement returns. Meanwhile, mid-visibility SPACs, i.e., those with *Executive visibility* equal to 1 or 2, fall somewhere in between, as depicted by the green and blue lines, respectively.

INSERT Figure 1 ABOUT HERE

In columns (4) – (9) of Table 5, we report the results from our alternative specifications, where we use the same dependent variable, *M&A CAR*, but we split the *Executive visibility* variable into its components and include *Ln(Press coverage)*, *Online prominence*, and *Social media* separately in each specification. Columns (4) – (5) report the results for *Ln(Press coverage)*, columns (6) – (7) the results for *Online prominence*, and columns (8) – (9) the results for *Social media*. In the first specifications, columns (4), (6), and (8), we control for underwriter's reputation and executive characteristics.[33] In the second specifications, columns (5), (7), and (9), we also add control variables related to the acquisition, *Relative size of target*, *Private target*, and *Cash deal*. We find that the coefficient estimates for both *Ln(Press coverage)* and *Online prominence* are positive but statistically insignificant. In contrast, the coefficient estimate for *Social media* is positive and statistically significant at the 5% level in the two specifications reported in columns (8) – (9). Our findings indicate that executive visibility on social media drives the relationship between executive visibility and SPAC performance around the acquisition announcement. Executive visibility in the mainstream media and being famous are less important, and do not appear to affect merger announcement performance.

It is worth noticing that, while at the time of the SPAC IPO we find executive visibility in the mainstream media to matter more (potentially because most investors at the time are institutions), at the time of the acquisition announcement, visibility on social media is more important (possibly because this is the easiest way for executives to reach retail investors). The acquisition announcement is the time when retail investors typically start trading in SPACs, given that individual investors usually have restricted access to SPAC

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[33]To show that the results are robust, similarly to our specifications in columns (4) – (9) of Table 3 and Table 4, in these additional models, we use alternative measures of executive education and executive network size.

IPO shares and there is little trading prior to the merger announcement.[34] Our results are consistent with anecdotal evidence from Twitter showing how executives go beyond issuing press releases in the mainstream business media to actively using social media to directly communicate to investors and encourage them to purchase SPAC shares. Figure A.2 of Appendix A provides some relevant cases of executives promoting SPACs on their personal Twitter accounts. Further, we also find various examples from a Reddit forum ("Subreddit") dedicated to SPACs illustrating how retail investors follow executives on social media for tips on whether and when to invest in a given SPAC. In Figure A.3 of Appendix A, we present some examples of retail investors exchanging ideas on SPACs on the Reddit platform.

Executives have incentives to attract potential buyers of their SPACs' public shares, especially if many initial investors decide to redeem their shares before the merger completion and leave the SPAC with little funds to pay for the target. There are examples of retail investors discussing on social media how some Reddit subgroups might have been set up with the main purpose of a "pump-and-dump" strategy by some investors.[35] In section 4, where we examine the trading bahavior of institutional and retail investors following the merger announcement, we provide some evidence suggestive of such opportunistic behavior by some investors.

3.2.2. Time to M&A Completion

For consistency with our tests around the time of the SPAC IPO, in this subsection, we also test whether executive visibility affects the time it takes the SPAC acquirer to successfully complete the acquisition. The results from these tests are reported in Table 6.

<div align="center">INSERT Table 6 ABOUT HERE</div>

The dependent variable in Table 6 is *Ln(Time to M&A completion)*, while the main independent variable in columns (1) – (3) is *Executive visibility*. In column (1) we include controls only for year and target industry. The coefficient estimate for *Executive visibility* is negative and statistically significant at the 10% level, indicating that executive visibility has a negative effect on the time it takes the SPAC to successfully complete the acquisition. In

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[34]For example, see e.g., SEC Investor.gov, "Initial Public Offerings, Why Individuals Have Difficulty Getting Shares", available at https://www.investor.gov/introduction-investing/investing-basics/glossary/initial-public-offerings-why-individuals-have; and see e.g., Matt Whitaker, "Getting a Slice: How IPO Shares Are Priced and Allotted", TD Ameritrade Ticker Tape, May 27, 2021.

[35]This strategy entails an investor buying heavily into a stock that trades on low volume, pumping up the price. The investor subsequently convinces other small investors on the Reddit platform to buy the stock, in turn pushing the price even higher. At this time, the investor exits, dumping their shares for a high profit before the price collapses.

column (2), we control for underwriter's reputation and for executive's characteristics, while in column (3) we also add controls related to the acquisition. In these additional specifications, the main variable of interest, *Executive visibility*, remains negative and statistically significant at the 5% level. These findings suggest that executive visibility is also associated with faster acquisition completion. Time to acquisition completion is of consequence since SPAC executives that cannot close a deal within the pre-determined two-year deadline forgo their compensation of 20 percent of the initial equity raised. Our results are consistent with higher visibility executives being able to complete the acquisition within a shorter period of time when compared to executives with lower visibility.

Columns (4) – (9) of Table 6 report the results from our alternative specifications, where we decompose *Executive visibility* into its individual components variables and include each, one at a time, in the regressions. The independent variable in columns (4) – (9) remains *Ln(Time to M&A completion)*. We find that all three variables, *Ln(Press coverage)*, *Online prominence* and *Social media* are negatively correlated with time to merger completion. However, only the coefficient estimates for *Ln(Press coverage)*, reported in columns (4) – (5), are statistically significant. These findings imply that executive visibility in the main financial press drives the relationship of executive visibility and the time to acquisition completion.

To summarise, the findings in this subsection show that higher executive visibility is perceived more positively by the market; higher visibility SPACs have higher CARs around the acquisition announcement. Moreover, higher executive visibility is also associated with shorter acquisition completion time. Our results are economically significant. The estimates indicate that a one-standard-deviation increase in the executive's visibility leads to an increase of about 2.9 percentage points in the CARs around the acquisition announcement, which represents 21.8 percent of the sample standard deviation of CARs. We also find that executives with the highest visibility in the sample are able to complete the SPAC acquisition more than 4 months sooner (19 percent quicker) compared to executives with the lowest visibility, where the average time to close the deal in the sample is 21 months. These findings indicate that executive visibility creates value for investors, or at least for the investors who buy shares at the time of the IPO and still hold them at the acquisition announcement. These are typically institutional investors and wealthy individuals, as there is minimal participation by retail investors (if any at all) at the time of the IPO, and very little trading activity in the interim period between the SPAC IPO and the acquisition announcement. Executive visibility also appears to create value for the SPAC executives themselves, as we find that those with higher visibility are able to eventually complete the acquisition in a shorter period of time and therefore successfully collect their promised 20%

equity compensation.

3.3. Do Investors Trade on Executive Visibility?

We find that higher visibility executives attract more IPO investors in SPACs. Moreover, we also find that investors have higher returns (around the acquisition announcement) when they invest in SPACs with higher visibility. If executive visibility signals executive ability, and investors are able to see that, we should expect to find that they also trade on visibility. In this section, we examine the question of whether investors trade on the information provided by executive visibility. We do this by studying the trading behavior of both institutional and retail investors around the merger announcement using trading data from the TAQ database. We explicitly split the trading of institutional investors from that of retail investors because previous literature finds that these investors differ in their level of sophistication.[36] In addition, retail investors in our sample are likely to have other constraints compared to institutional investors. Retail investors generally only sell shares that they own, but most of the SPAC shares prior to the acquisition announcement are concentrated in the hands of institutional investors, which restricts the volume of shares that retail investors can sell. Further, short-selling constraints in the form of lending fees can be relatively higher for retail investors, especially when lendable supply is low. Panel A, Table 7 reports results on investors' trading around the merger announcement.

INSERT Table 7 ABOUT HERE

Columns (1) – (4) illustrate the trading behavior of institutional investors. Column (1) presents the results from a model where the dependent variable is *Volume imbalances* of institutional investors, controlling for year and industry fixed effects, while the model in column (2) includes all control variables for underwriter reputation, executive, and acquisition characteristics. In both specifications, we find that the coefficient estimate for *Executive visibility* is statistically significant and positively correlated with institutional investors' net trading volume. In columns (3) and (4), we replace the dependent variable with *Trade imbalances* of institutional investors and find similar results; *Executive visibility* is statistically significant and positively correlated with the trade imbalances of institutional investors around

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[36]Early studies find that retail investors underperform due to behavioral biases or lack of sophistication (e.g., Barber and Odean, 2000; Kumar and Lee, 2006; Frazzini and Lamont, 2008; Hvidkjaer, 2008; Barber, Odean, and Zhu, 2009). In contrast, more recent work finds evidence of informed trading by individuals and speculates that retail investors gain insights from geographic proximity to firms, relations with employees, or insights into consumer preferences (e.g., Kaniel, Liu, Saar, and Titman, 2012; Kelley and Tetlock, 2013, 2017; and Boehmer et al. 2021).

the acquisition announcement. Institutional investors are net buyers of SPACs with higher visibility executives, not only in terms of volume, but also in terms of number of trades. The coefficient estimates are economically large. A one-standard-deviation increase in executive visibility leads to an increase of about 44.1 (45.6) percentage points in institutional investors' volume (trade) imbalances, which represents 20.7 percent (21.4 percent) of the sample standard deviation of institutional investors' volume (trade) imbalances.

Panel A of Table 7, columns (5) – (8) show results on the trading behavior of retail investors. The coefficient estimate for *Executive visibility* is either positive (when we only control for year and industry fixed effects), or negative (when we add all control variables), but never statistically significant. This indicates that there is no significant relationship between *Executive visibility* and *Volume imbalances* or *Trade imbalances* of retail investors around the acquisition announcement.

Our finding that institutional investors trade on executive visibility and, as a result, gain higher returns is consistent with institutional investors being more sophisticated (e.g., Barber and Odean, 2000; Kumar and Lee, 2006). To investigate if there are no other explanations behind these findings, we further examine the univariate statistics of institutional and retail order imbalances. Panel B of Table 7 shows the results.

On average, institutional investors appear to be net sellers in terms of volume as well as number of trades, while retail investors are net buyers around the acquisition announcement. Moreover, when we split the order imbalances of both types of investors by level of executive visibility, we see that institutional investors are net selling every level of executive visibility (the coefficient estimates for order imbalances are negative when executive visibility is equal to 0, 1, and 2 but statistically significant only for executive visibility equal to 0) apart from SPACs with the most visible executives, which they significantly buy. In contrast, retail investors are net buyers at each level of executive visibility (the coefficient estimates for order imbalances are always positive but statistically significant only for executive visibility equal to 1 and 3). The differences in trading behavior between institutional and retail investors are statistically significant at every level of executive visibility, apart from the highest. These univariate statistics suggest that institutional investors are exiting from their positions in most SPACs, while they keep investing only in those SPACs that have the most visible executives, based on our measure. Figure 2 shows the trading behavior of institutional investors (left-hand side) and of retail investors (right-hand side) over a twenty-day event window, [–10, +10] around the SPAC acquisition announcement date. The plot confirms that institutional investors are selling all SPACs apart from SPACs with the highest visibility executives. At the same time, retail investors are buying all SPACs apart from those with the lowest visibility executives. Our measure of executive visibility

appears to capture well the order imbalances of retail investors, where SPACs with the highest visibility executives (where visibility is equal to three) receive the highest demand, followed by SPACs with executive visibility of two and one. The least bought SPACs are those with executive visibility equal to zero. Moreover, the fact that retail investors are able to differentiate between SPACs with various levels of executive visibility, signals some level of sophistication, and suggests that at least part of the retail investors' trading behavior could be explained by the trading constraints that they face compared to their institutional counterparts, such as the lack of information/access to SPAC IPOs.

INSERT Figure 2 ABOUT HERE

3.4. Robustness Tests

We conduct a series of additional tests to check if our results are robust to alternative measures of visibility and additional control variables.

INSERT Table 8 ABOUT HERE

Table 8 shows the results of our main analyses, replacing *Executive visibility* with alternative measures of visibility. In particular, we create ten alternative measures of *Executive visibility*. Details on how these new variables of executive visibility are created can be found in Appendix B. The table displays only the effect of executive visibility on the main dependent variable of interest, from regressions with control variables and fixed effects mirroring those in the last column of the corresponding original tables (Table 3 – Table 7).

INSERT Table 9 ABOUT HERE

In Table 9, we re-estimate our main analysis by including additional control variables. We control for executive's prior experience: executive PE/VC experience, executive operational experience, executive board experience (Blomkvist et al., 2022; Lin et al. 2021). *Executive affiliated firm*, controls for executive's current connection/affiliation to a PE and/or VC firm. Given that underwriters' deferred fees incentivise them to complete an acquisition, we also control for underwriter deferred fees (Dimitrova, 2017). Our findings are robust to those alternative measures of executive visibility, and to the additional control variables. Only the relationship between executive visibility and time to merger completion becomes statistically insignificant in some specifications.

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4. SPACs after the Acquisition Announcement

4.1. Long-run Performance and Executive Visibility

Our results that higher visibility executives are able to attract more investors, and that acquisitions announced by them are perceived more positively by the market, are suggestive of higher executive visibility signalling higher executive ability. If this were indeed the case, we would expect that more visible executives are also able to create long-term value for SPACs, and therefore SPACs with higher visibility executives perform better in the long run. In this section, we test whether SPACs with higher visibility executives have higher buy-and-hold abnormal returns (BHARs) six to twelve months after the acquisition completion, relative to SPACs with less visible executives. The summary statistics for BHARs over different periods are reported in Panel F of Table 2, while the multivariate results are reported in columns (1) – (4) of Table 10.

INSERT Table 10 ABOUT HERE

The dependent variable in columns (1) – (2) is BHAR calculated over six months following the acquisition completion, while that in columns (3) – (4) is BHAR calculated over twelve months following the acquisition completion. The coefficient estimate of *Executive visibility* is positive but statistically insignificant in every model, implying that executive visibility may not create long-term value for shareholders. While we find that investors perceive executive visibility positively in the short-run (around the acquisition announcement), we do not find the same in the long-run. Potentially, factors such as having a popular social media account help to attract the attention of investors towards the company briefly, but make little to no difference in substantially changing the fundamentals of the company. In short, our findings suggest that executive visibility captures ability only in the short-run, while in the long-run other confounding factors likely play a larger role. In the context of SPACs, this result is unsurprising, given the incentives of SPAC founders and their typically short-term involvement in the newly merged companies. Although SPAC executives are incentivised to complete an acquisition, their compensation is not dependent on the target's quality and its future performance.[37] Executives are compensated as long as they complete a deal, independent of its quality.

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[37]Previous papers find that the continuous involvement of SPAC executives in the newly merged company is important, as it improves the long-run performance, following the merger completion (Dimitrova, 2017).

4.2. Does Executive Visibility Benefit SPAC Founders?

If executive visibility does not create value for long-term SPAC shareholders, does it create value for the executives themselves (Rajgopal et al., 2006; Malmendier and Tate, 2009; Falato et al., 2015; Kang and Kim, 2017)? In the period following the acquisition announcement, the initial shareholders decide whether to keep, sell, or redeem their shares in the SPAC. They can redeem their shares until the acquisition is completed and receive back the cash they invested, plus interest.[38] However, if too many shareholders redeem, little cash is left to pay for the acquisition. That could be problematic for SPAC executives as they may not be able to complete successfully the merger. To make up for the redeemed shares, SPAC executives usually raise more funds via private investments in public equity by offering a private placement of shares, typically at discounted prices, to a selected group of accredited (large sophisticated) investors. SPAC executives may also need to attract potential buyers of the SPAC's public shares, usually by appealing to retail investors.

In this section, we test if our measure of executive visibility is correlated with the probability of a SPAC raising additional funds via PIPEs, in other words, a SPAC that has likely seen high redemption rates. Based on our previous results, SPACs with the highest visibility executives are likely to receive higher demand from both institutional and retail investors. Therefore, we expect these SPACs to be the least likely to suffer from stock redemptions and possibly less likely to need a PIPE. At the other end of the spectrum are SPACs whose executives are characterised by the lowest visibility. These SPACs see the lowest demand from investors (institutional investors are in fact selling them, on average), and we thus expect their executives to find it difficult to raise more funds, in the form of PIPEs, to pay for the acquisition. Table 10, columns (5) – (8) report the results.

The dependent variable in columns (5) – (6) is *PIPE*, equal to one if a SPAC has raised a PIPE financing, and zero otherwise. To allow for a non-linearity in the relationship between a PIPE financing and executive visibility, we introduce *Executive visibility*^{2}, which is equal to the squared term of *Executive visibility*. Column (5) shows the results from a specification that controls only for year and industry fixed effects, while the model from column (6) includes all control variables. We find evidence of an inverted U-shaped relationship between executive visibility and the probability of PIPE financing. In other words, the higher the executive visibility, the more likely it is for the SPAC to obtain additional financing in the form of a PIPE after the acquisition announcement, as PIPE investors are potentially seeing these SPACs as more value creating. However, SPACs with the lowest visibility executives

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[38]Once SPAC shareholders approve the merger, they lose the right to redeem. Moreover, whatever they decide to do, they get to keep the warrants attached to the shares at the time of the IPO.

and those with the highest visibility executives are less likely to raise PIPE financing. PIPE investors are not willing to put more money into potentially less valuable SPACs (those with likely high redemption rates), while SPACs with the highest visibility executives most likely do not need additional funding given the high demand for these SPACs from both institutional and retail investors.

Table 10, columns (7) – (8) report the results from a model that replaces the dependent variable with *Ln(PIPE amount)*, equal to one plus the natural logarithm of the dollar amount of the PIPE financing raised by the SPAC. In column (7) we include controls only for year and industry fixed effects, while the model of column (8) includes all control variables. The results are consistent with the previous findings of non-linearity; the amount of PIPE investment in SPACs is increasing with executive visibility, yet SPACs with the highest level of executive visibility are associated with less PIPE financing, possibly because they do not need it.

4.3. Does Executive Visibility Benefit Investors?

We now examine whether executive visibility could explain the trading behavior of investors in the longer run – the period between the acquisition announcement and deal completion. We know from prior literature that the majority of the original IPO institutional investors exit from their positions and are no longer present as shareholders after the deal has been completed (Klausner et al., 2022). Yet, we find that, at least initially around the merger announcement, institutional investors are actively buying the most visible SPACs. Moreover, retail investors appear to be also investing in SPACs and to be less picky based on executive visibility.

In Figure 3, we start by plotting the cumulative order imbalances of institutional (left-hand side) and retail investors (right-hand side) over a window starting two weeks prior to the acquisition announcement and continuing for two hundred and seventy days after the announcement, [–14, +270]. The average (median) time between the merger announcement and deal completion in our sample is 154 days (140 days), with over 95 percent of SPACs completing the deal within 270 days after the merger announcement. Moreover, we split the order imbalances by level of SPAC executive visibility.

<center>INSERT Figure 3 ABOUT HERE</center>

The plots show that institutional investors are net sellers, in terms of volume and number of trades, for all levels of executive visibility apart from the highest, which is represented by a purple line. Consistent with the short-term trading pattern around the acquisition

<center>29</center>

announcement reported in Figure 2, institutional investors continue to purchase SPACs with the highest executive visibility. This continues, on average, up to around 60 days after the acquisition announcement. After that, however, institutional investors start selling their shares in these SPACs as well, and by the time the acquisition is completed, they become net sellers, on average.

We see very different pictures on the right-hand side of Figure 3, where we show the trading behavior of retail investors. The top plot shows that, following the acquisition announcement, retail investors keep investing in SPACs with all levels of executive visibility apart from the lowest. This behavior continues until about 60 days after the acquisition announcement, after which we see a decline in volume imbalances for SPACs with executive visibilities of 1 and 2. However, retail investors continue to purchase SPACs with the highest visibility, and we see that, in contrast to institutional investors, they continue to be net buyers of these SPACs after merger completion. Furthermore, the bottom plot, which shows order imbalances in terms of number of trades, provides yet a different picture. We see retail number of trades continuing to increase over this period, and this increase exists not only for SPACs with the most visible executives but also for the middle range of executive visibility. The only SPACs that retail investors do not buy are those with the lowest visibility.

The difference in trading patterns that we find between the top and bottom plots of retail order imbalances can be reconciled by previous literature that uses volume-based measures of retail order imbalances to proxy for large retail investors while using trade-based measures of retail order imbalances to proxy for small retail investors (Bradley et al., 2022). In this context, the top right plot of Figure 3 represents the trading behavior of larger, more sophisticated retail traders, who we find initially (after the merger announcement) buy SPACs with various levels of executive visibility but later sell the lower levels of executive visibility. By the time the acquisition is completed, these larger retail traders, on average, remain invested only in SPACs led by the most visible executives.

In contrast, the bottom right plot of Figure 3 shows that the smaller and presumably less sophisticated retail investors continue buying SPACs with all levels of executive visibility, apart from the lowest. Moreover, this behavior continues and is not reversed prior to merger completion, indicating that, on average, the smallest and least sophisticated investors are those that remain invested in SPACs post-merger.

In what follows, we test if the long-term trading patterns we see in Figure 3 can be explained by the gradual information diffusion hypothesis, whereby institutional investors discover information (or obtain access to SPAC IPOs) and trade on it before the information diffuses to retail investors (Hong and Stein, 1999). If gradual information diffuses from institutional investors to retail investors, institutional investors' order imbalances should ex-

hibit a significant predictive relation to retail investors' order imbalances. Table 11 provides evidence on the lead-lag relationship between institutional and retail investors sentiment.

INSERT Table 11 ABOUT HERE

Specifically, we examine the degree to which initial trading (in the first 2 months following the acquisition announcement) by institutional and retail investors predicts long-term trading up to merger completion, of each type. Panel A of Table 11 reports the results, where the main independent variable is institutional volume imbalances, cumulated over the [0, 60] window following the merger announcement. The dependent variables are retail volume imbalances, cumulated over the [60, 90], [60, 120], and [60, complete] windows, where *complete* represents the time of acquisition completion. These figures are reported in columns (1), (2), and (3), respectively. The predictive power of institutional investors sentiment on retail investors sentiment appears to be short-lived; only the coefficient estimate in column (1) is statistically significant. In columns (4) – (6), we report the results using imbalances measured by number of trades rather than share volume. Not only is each coefficient estimate statistically significant in columns (4) – (6), but the magnitude of the effect is also larger for trade imbalances. These findings imply that institutional investors sentiment has strong predictive power for small retail investors sentiment, and this relationship lasts for a period that is at least as long as until merger completion. These findings are in contrast to the trading behavior we find for large retail investors. Our results are consistent with larger retail investors (proxied by volume imbalances) trading in a more sophisticated manner compared to smaller, less sophisticated retail investors (captured by trade imbalances). The results are also consistent with the "pump-and-dump" hypothesis entertained by potential retail investors on the dedicated SPAC Reddit forum, suggesting that some investors are buying SPACs for a short period, pushing up their price, and tempting other small investors to enter the SPAC market. For an example, see Figure A.3 of Appendix A.

Panel B of Table 11 reports the results from the reverse relationship, where we test whether retail volume imbalances, cumulated over the [0, 60] window following the merger announcement can predict future institutional volume imbalances, cumulated over the [60, 90], [60, 120], and [60, complete] windows. We find that retail investors sentiment following the merger announcement has no predictive power for subsequent institutional investors sentiment, independent of whether we use volume or trade imbalances.

Overall, this pattern of results suggests gradual information diffusion whereby institutional investors obtain information (or access to SPAC IPOs) earlier than retail traders. This hypothesis is also consistent with our results from Table 7, where we find that institu-

tional investors trade on executive visibility initially, around the acquisition announcement, although retail investors do not.

In summary, we do not find executive visibility creates value for the long-term investor in the SPAC merged company, who are often small retail investors. Yet, we find evidence suggestive of executive visibility providing benefits for both the SPAC executives themselves, in the form of compensation for successfully completing a merger, and for the SPAC institutional investors. Moreover, it appears that the differential trading behaviour of retail investors is not due to them being less sophisticated relative to institutional investors, rather to them having differential access to information or early investment opportunities.

5. Conclusion

In this paper, we examine whether executive visibility in the online world is a signal of executive ability. We define visibility as the ubiquity of the executive's public profile, separate from that of the firm. Undoubtedly, an examination of executive visibility is bedeviled by endogeneity issues. To mitigate these issues, we take advantage of the unique characteristics of SPACs, which are publicly listed shell companies created for the sole purpose of acquiring one or more other companies. SPACs are devoid of current or past operations and rely on the executive team to attract investment and potential acquisition targets. This unique laboratory allows us to concentrate on the effect of the individual executive.

We find that investors perceive executive visibility positively. During the IPO, higher ability executives raise larger SPACs and require less time to do so - attracting more investment faster into an essentially empty company compared to lower ability executives. During the acquisition announcement, the market rewards higher ability executives with more positive abnormal returns relative to lower ability executives. Upon further examination, we find the more sophisticated (institutional) investors initially trade on executive visibility, capturing the higher returns of these SPACs around the acquisition announcement, but soon after divest heavily. It is then the smallest retail investors that continue to buy where institutions sell. Our findings hold even after controlling for underwriter prestige and for traditional measures of executive's ability, such as age, educational attainment, prior career experience, and degree of connectivity to other business executives.

Our paper builds on the growing literature on SPACs and on executives' media presence. While we make no moral judgements on the value of executive visibility, we find evidence that can be useful from several angles. For firms and their executives, our evidence is consistent with executive visibility being a potent signalling tool that communicates positive attributes about the executive to the market. For investors, our evidence suggests that trading on

executive visibility can be pecuniarily beneficial for certain traders while value destroying for others.

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Figure 1: SPAC Returns by Executive Visibility around the Acquisition Announcement

The figure below plots the average abnormal return, cumulated over a twenty-day event window, [–10, +10] around the acquisition announcement date, by *Executive visibility*. The purple line shows the cumulative abnormal returns for SPACs with the highest visibility executives, equal to three; the blue line, for executives with visibility equal to two; the green line, for executives with visibility equal to one; and the red line, for executives with visibility equal to zero.
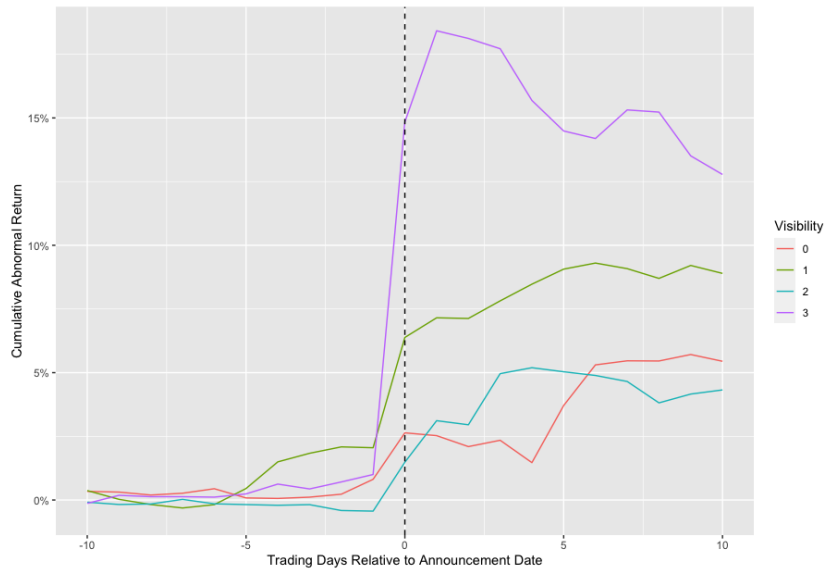
Figure 2: Investors Trading around the Acquisition Announcement

The figures below plot the order imbalances of institutional investors on the left-hand side and retail investors on the right-hand side, cumulated over a twenty-day event window, [−10, +10], around the acquisition announcement date. The top panel plots volume imbalances, while the bottom panel plots trade imbalances. The purple lines show order imbalances for SPACs with the highest visibility executives, equal to three; the blue lines, for executives with visibility equal to two; the green lines, for executives with visibility equal to one; and the red lines, for executives with visibility equal to zero.
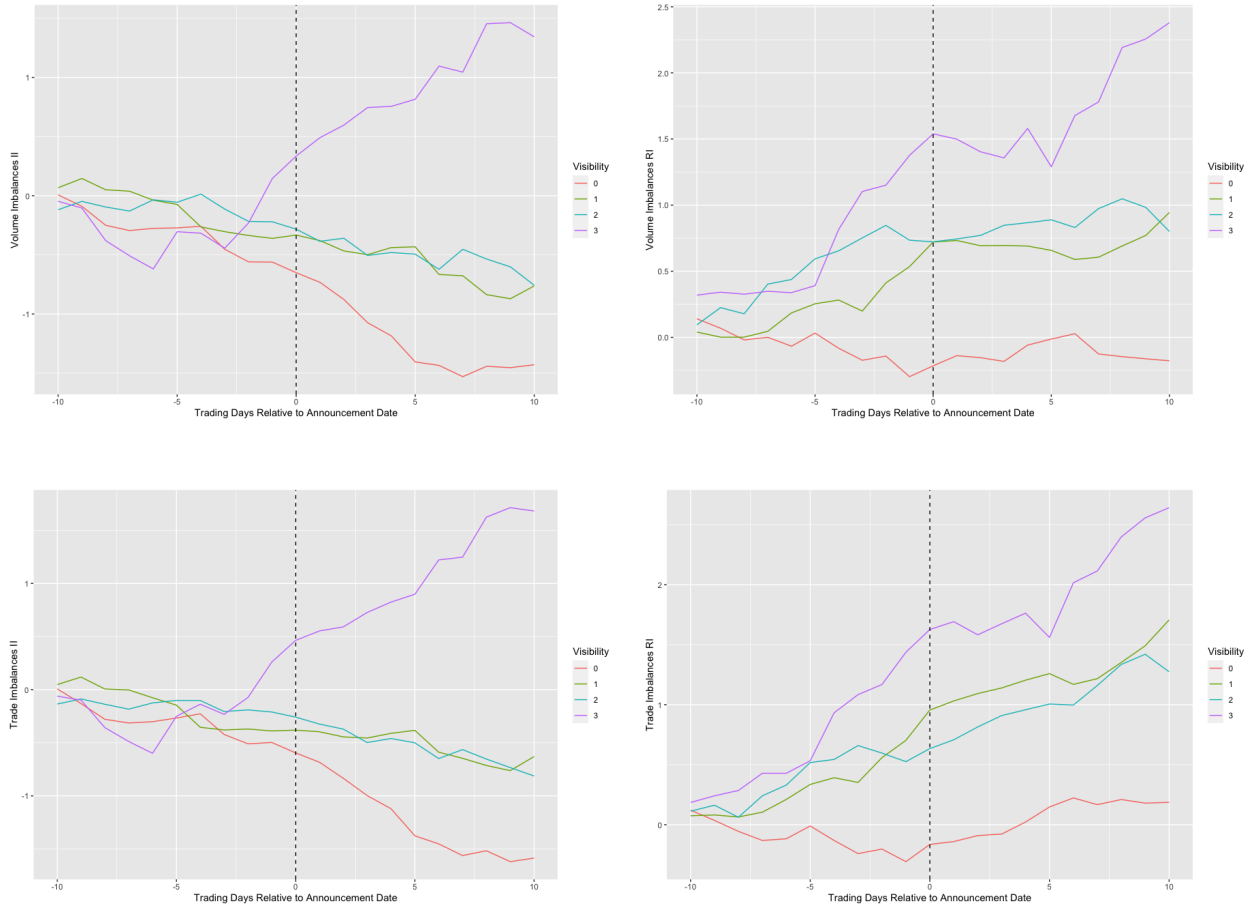
Figure 3: Investors Trading between the Acquisition Announcement and Completion

The figures below plot order imbalances of institutional investors on the left-hand side and retail investors on the right-hand side, cumulated over a long event window, [−14, +270], around the acquisition announcement date. The top panel plots volume imbalances, while the bottom panel plots trade imbalances. The purple lines show order imbalances for SPACs with the highest visibility executives, equal to three; the blue lines, for executives with visibility equal to two; the green lines, for executives with visibility equal to one; and the red lines, for executives with visibility equal to zero.


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Table 1. Definitions of Variables
   This table shows a summary of all explanatory variables used in the analysis.

Variable name	Variable description
Visibility Variables:	
Executive visibility$_{it}$	An index variable with a range from zero to three, equal to the sum of *Social media*, *Online prominence* and *Press coverage* variables of a SPAC i.
Press coverage$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i is in the top 20 percent of press coverage in the year prior to and the year of the SPAC IPO, and zero otherwise.
Executive news coverage one year pre-IPO (during IPO year)$_{it}$	The number of times the most visible executive of SPAC i appears in the press in the year prior to the SPAC IPO (in the year of the SPAC IPO) (Source: Factiva).
Online prominence$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i appears in a Google "knowledge panel" or has an entry on Wikipedia, and zero otherwise (Source: Google).
Executive Google$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i appears in a Google "knowledge panel", and zero otherwise (Source: Google).
Executive Wikipedia$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i has an entry on Wikipedia, and zero otherwise (Source: Google).
Social media$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i has more than 500 LinkedIn connections or more than 10,000 Twitter followers, and zero otherwise.
Executive LinkedIn connections (followers)$_{it}$	The number of connections (followers) that the most visible executive of SPAC i has on LinkedIn (Source: LinkedIn).
Executive Twitter followers$_{it}$	The number of followers that the most visible executive of SPAC i has on Twitter (Source: Twitter).
Executive Characteristics:	
Executive age$_{it}$	The age of the oldest executive of SPAC i (Source: BoardEx).
Executive MBA degree$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i holds an MBA level degree, and zero otherwise (Source: BoardEx).
Executive Ivy league$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i holds an Ivy league degree, and zero otherwise (Source: BoardEx).
Executive higher degree$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i holds a degree that is above a master's level, including PhD, JD, and MD, and zero otherwise (Source: BoardEx).
Executive network size$_{it}$	A proprietary summary measure of the connectivity to other executives in the BoardEx database of the most visible executive of SPAC i (Source: BoardEx).
Executive companies$_{it}$	The number of different companies for which the most visible executive of SPAC i has worked (Source: BoardEx).
Executive roles$_{it}$	The number of different roles which the most visible executive of SPAC i has held (Source: BoardEx).
Executive prior SPAC$_{it}$	An indicator variable equal to one if SPAC i is a sequel to a predecessor by the same executive(s), and zero otherwise (Source: SPAC prospectus).
Executive PE/VC experience$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i has a prior experience in the Private Equity, or Venture Capital industry, and zero otherwise (Source: SPAC prospectus).
Executive operational experience$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i has a prior operational experience, and zero otherwise (Source: SPAC prospectus).
Executive board experience$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i has a prior experience as a member of a board of directors, and zero otherwise (Source: SPAC prospectus).

Table 1 – Continued

Variable name	Variable description
Executive affiliated firm$_{it}$	An indicator variable equal to one if the most visible executive of SPAC i is affiliated to a Private Equity firm at time t, and zero otherwise (Source: SPAC prospectus).

SPAC IPO Characteristics:

Variable name	Variable description
IPO amount$_{it}$	The dollar amount (including the amount of the green shoe) raised by SPAC i at the time of the IPO (Source: EIKON).
Amount of green shoe$_{it}$	The dollar amount of the green shoe raised by SPAC i at the time of the IPO (Source: EIKON).
Time to IPO completion$_{it}$	The number of days between the first prospectus filing in EDGAR of SPAC i and the date of the IPO (Source: SEC EDGAR).
Underwriter rank$_{it}$	The IPO underwriter's reputation of SPAC i ranked from one to nine, with nine signifying the highest reputation, as developed in Loughran and Ritter (2004) (Source: Jay Ritter's website: site.warrington.ufl.edu/ritter/ipo-data/).
Underwriter deferred fees$_{it}$	An indicator variable equal to one if a portion of the IPO's underwriter compensation is deferred and paid only upon a successful acquisition completion, and zero otherwise (Source: SPAC prospectus).

SPAC Merger Characteristics:

Variable name	Variable description
M&A CAR$_{it}$	The return to SPAC i adjusted for the Russell 2000 index and cumulated over the $[0, +1]$ window around the acquisition announcement date (Source: CRSP).
Time to merger announcement$_{it}$	The number of days between the IPO date and the acquisition announcement date of SPAC i (Source: EIKON).
Time to merger completion$_{it}$	The number of days between the IPO date and the acquisition completion date of SPAC i (Source: EIKON and hand collection from press releases).
SPAC mkt value$_{it}$	The market capitalization of SPAC i measured 4 weeks prior to the merger announcement date (Source: Capital IQ).
Target mkt value$_{it}$	The value of the target of SPAC i measured with the dollar amount paid for the acquisition transaction (Source: Capital IQ).
Relative size$_{it}$	The target market value, *Target mkt value*, as a fraction of the market capitalization of SPAC i, *SPAC mkt value*.
Private target$_{it}$	An indicator variable equal to one if the target of SPAC i is a privately held firm, and zero otherwise (Source: Capital IQ).
Cash deal$_{it}$ (Stock deal$_{it}$)	An indicator variable equal to one if the acquisition by SPAC i is paid by 100 percent cash (stock), and zero otherwise (Source: Capital IQ).
PIPE$_{it}$	An indicator variable equal to one if SPAC i has raised money via private investments in public equity following the acquisition announcement, and zero otherwise (Source: hand collection from press releases).
PIPE amount$_{it}$	The dollar amount raised by SPAC i via private investments in public equity following the acquisition announcement (Source: hand collection from press releases).

SPAC Trading Variables:

Variable name	Variable description
Volume imbalances $[-5, 5]_{it}$ (Trade imbalances $[-5, 5]_{it}$)	Investors' purchases net of sales scaled by the sum of the two, all measured in volume of shares (number of trades), as calculated in Boehmer et al. (2021). The daily imbalances are cumulated over a 10-day event window around the acquisition announcement (Source: TAQ).

SPAC Long-Term Returns:

Variable name	Variable description
BHAR 3-months$_{it}$	The buy-and-hold return to SPAC i adjusted for the Russell 2000 index and calculated from the acquisition announcement date to three months after the acquisition completion (Source: CRSP).

Table 2. Summary Statistics

This table presents summary statistics for the key variables used in the analysis. The sample period is from January 2017 to December 2019. Panel A comprises the executive visibility variables, Panel B, executive characteristics, Panel C, SPAC IPO characteristics, Panel D, SPAC merger characteristics, and Panel E, SPAC trading variables. See Table 1 for variable definitions.

	N	Mean	St. Dev.	p25	Median	p75
Panel A: Executive Visibility Variables						
Executive visibility	139	1.079	0.893	0	1	2
Press coverage	139	78.619	154.879	0	26	82
Executive news coverage one year pre-IPO	139	36.410	70.211	0	3	40
Executive news coverage during IPO year	139	42.209	92.389	0	8	43
Online prominence	139	0.317	0.467	0	0	1
Executive Google	139	0.288	0.454	0	0	1
Executive Wikipedia	139	0.230	0.422	0	0	0
Social media	139	0.568	0.497	0	1	1
Executive LinkedIn connections	139	327.309	222.819	5	500	500
Executive LinkedIn followers	139	2,931.338	9,105.572	92	881	2,189.500
Executive Twitter followers	139	21,647.320	146,195.300	0	0	0
Panel B: Executive Characteristics						
Executive age	139	61.647	11.268	53	63	70
Executive MBA degree	139	0.511	0.502	0	1	1
Executive Ivy league	139	0.540	0.500	0	1	1
Executive higher degree	139	0.252	0.436	0	0	1
Executive network size	139	1,785.158	1,650.186	454	1,387	2,614
Executive companies	139	23.411	16.152	11	18	36
Executive roles	139	12.388	6.298	8	12	16
Executive prior SPAC	139	0.440	0.259	0	0	1
Panel C: SPAC IPO Characteristics						
IPO amount	139	243.419	160.388	138	229.220	305.570
Amount of green shoe	139	19.617	21.492	0	18.300	30
Time to IPO completion	139	30.007	25.641	20	23	33
Underwriter rank	139	6.752	1.874	5	6.500	8.500

Table 2 – Continued

	N	Mean	St. Dev.	p25	Median	p75
Panel D: SPAC Merger Characteristics						
M&A CAR	134	0.047	0.133	−0.009	0.013	0.038
Time to M&A announcement	134	499.493	200.861	353	492	626
Time to M&A completion	131	645.458	208.443	504	634	762
SPAC mkt value	133	501.309	600.808	189.678	320.813	504
Target mkt value	132	928.042	882.433	345.599	675.889	1,228.311
Relative size	131	2.726	2.615	1.045	2.093	3.539
Private target	139	0.906	0.292	1	1	1
Stock deal	139	0.331	0.472	0	0	1
Cash deal	139	0.043	0.204	0	0	0
PIPE	134	0.545	0.500	0	1	1
PIPE amount	134	119.690	184.986	0	35.000	161.250
Panel E: SPAC Trading Variables						
Institutional investors						
Volume imbalances [–5, 5]	134	−0.474	2.130	−1.891	−0.540	1.007
Trade imbalances [–5, 5]	134	−0.398	2.125	−1.811	−0.561	1.011
Retail investors						
Volume imbalances [–5, 5]	134	0.394	2.259	−0.996	0.450	1.681
Trade imbalances [–5, 5]	134	0.774	2.121	−0.538	0.833	2.019
Panel F: SPAC Long-Term Returns						
BHAR 3-months	132	0.080	0.462	−0.099	−0.012	0.119
BHAR 6-months	128	−0.024	0.535	−0.286	−0.102	0.052
BHAR 9-months	123	−0.156	0.598	−0.459	−0.248	−0.067
BHAR 12-months	110	−0.214	0.600	−0.569	−0.362	−0.035

Table 3. Executive Visibility and IPO Amount

This table presents the effect of executive visibility on IPO amount of money raised from an OLS regression. The dependent variable is *Ln(IPO amount)*, the natural logarithm of the dollar amount (including the amount of the green shoe) raised at the time of the SPAC IPO. The first three columns present the results for the composite measure of executive visibility, *Executive visibility*; while in the next six columns, the independent variables are *Ln(Press coverage)*, *Online prominence*, and *Social media*, that represent different proxies for executive visibility. See Table 1 for variable definitions. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	Ln(IPO amount)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive visibility	0.318***	0.134***	0.102**						
	(0.062)	(0.050)	(0.049)						
Ln(Press coverage)				0.052***	0.049**				
				(0.022)	(0.022)				
Online prominence						0.176*	0.175*		
						(0.094)	(0.093)		
Social media								0.071	0.075
								(0.087)	(0.086)
Underwriter rank		0.228***	0.210***	0.218***	0.210***	0.218***	0.210***	0.226***	0.218***
		(0.023)	(0.023)	(0.023)	(0.023)	(0.023)	(0.024)	(0.023)	(0.023)
Ln(Executive age)		0.730***	0.586***	0.485**	0.458*	0.512**	0.485**	0.591***	0.560**
		(0.230)	(0.227)	(0.242)	(0.246)	(0.243)	(0.246)	(0.245)	(0.247)
Executive MBA degree		−0.146*	−0.235***						
		(0.083)	(0.086)						
Ln(Executive network size)			0.065***						
			(0.022)						
Executive prior SPAC			0.132	0.102	0.105	0.128	0.127	0.138	0.134
			(0.095)	(0.100)	(0.100)	(0.100)	(0.099)	(0.101)	(0.100)
Executive Ivy league				−0.095		−0.080		−0.071	
				(0.083)		(0.083)		(0.085)	
Executive higher degree					−0.101		−0.100		−0.091
					(0.093)		(0.094)		(0.095)
Ln(Executive roles)				0.096		0.130**		0.131*	
				(0.069)		(0.066)		(0.068)	
Ln(Executive companies)					0.093*		0.115**		0.118**
					(0.053)		(0.051)		(0.052)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	139	139	139	139	139	139	139	139	139
R-squared	0.182	0.575	0.609	0.589	0.593	0.583	0.588	0.574	0.579

Table 4. Executive Visibility and Time to IPO Completion

This table presents the effect of executive visibility on the time to SPAC IPO completion from an OLS regression. The dependent variable is *Ln(Time to IPO completion)*, the natural logarithm of the number of days between the date of the first filing of the S-1 form to the SEC and the IPO date of the SPAC. The first three columns present the results for the composite measure of executive visibility, *Executive visibility*; while in the next six columns, the independent variables are *Ln(Press coverage)*, *Online prominence*, and *Social media*, that represent different proxies for executive visibility. See Table 1 for variable definitions. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				Ln(Time to IPO completion)					
Executive visibility	-0.133***	-0.126***	-0.124***						
	(0.038)	(0.042)	(0.043)						
Ln(Press coverage)				-0.022	-0.017				
				(0.020)	(0.019)				
Online prominence						-0.101	-0.094		
						(0.082)	(0.082)		
Social media								-0.197***	-0.186***
								(0.074)	(0.073)
Underwriter rank		-0.008	-0.007	-0.018	-0.019	-0.017	-0.018	-0.019	-0.020
		(0.020)	(0.020)	(0.020)	(0.021)	(0.021)	(0.021)	(0.020)	(0.020)
Ln(Executive age)		-0.091	-0.076	-0.231	-0.189	-0.233	-0.188	-0.315	-0.258
		(0.195)	(0.201)	(0.214)	(0.218)	(0.213)	(0.217)	(0.207)	(0.211)
Executive MBA degree		0.040	0.035						
		(0.070)	(0.076)						
Ln(Executive network size)			0.003						
			(0.019)						
Executive prior SPAC		-0.042	-0.042	-0.076	-0.071	-0.085	-0.076	-0.083	-0.071
		(0.084)	(0.084)	(0.088)	(0.089)	(0.087)	(0.088)	(0.085)	(0.086)
Executive Ivy league				0.001		-0.005		-0.024	
				(0.073)		(0.073)		(0.072)	
Executive higher degree					-0.053		-0.052		-0.065
					(0.083)		(0.082)		(0.081)
Ln(Executive roles)				0.076		0.064		0.090	
				(0.060)		(0.058)		(0.058)	
Ln(Executive companies)					0.036		0.030		0.043
					(0.047)		(0.045)		(0.045)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	139	139	139	139	139	139	139	139	139
R-squared	0.231	0.235	0.236	0.200	0.196	0.202	0.199	0.235	0.229

Table 5. Executive Visibility and M&A Performance

This table presents the effect of executive visibility on M&A performance from an OLS regression. The dependent variable is *M&A CAR*, the cumulative abnormal return over a two-day event window, [0, +1], around the SPAC acquisition announcement date. The first three columns present the results for the composite measure of executive visibility, *Executive visibility*; while in the next six columns, the independent variables are *Ln(Press coverage)*, *Online prominence*, and *Social media*, that represent different proxies for executive visibility. See Table 1 for variable definitions. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	M&A CAR								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive visibility	0.038***	0.030**	0.032**						
	(0.013)	(0.014)	(0.014)						
Ln(Press coverage)				0.000	0.001				
				(0.006)	(0.067)				
Online prominence						0.034	0.032		
						(0.027)	(0.027)		
Social media								0.050**	0.056**
								(0.024)	(0.024)
Underwriter rank		0.003	0.001	0.008	0.005	0.007	0.004	0.008	0.005
		(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
Ln(Executive age)		0.095	0.102	0.129*	0.155**	0.121*	0.148**	0.144**	0.172***
		(0.066)	(0.067)	(0.070)	(0.072)	(0.069)	(0.071)	(0.068)	(0.070)
Executive MBA degree		-0.037	-0.044						
		(0.027)	(0.027)						
Ln(Executive network size)		0.005	0.005						
		(0.007)	(0.006)						
Executive prior SPAC		0.004	0.004	0.013	0.027	0.009	0.023	0.010	0.020
		(0.028)	(0.029)	(0.029)	(0.029)	(0.029)	(0.029)	(0.028)	(0.029)
Executive Ivy league				-0.040		-0.042*		-0.035	
				(0.024)		(0.024)		(0.024)	
Executive higher degree					-0.043		-0.045		-0.038
					('0.027)		(0.027)		(0.026)
Ln(Executive roles)				0.000		-0.001		-0.008	
				(0.019)		(0.018)		(0.019)	
Ln(Executive companies)					-0.011		-0.012		-0.015
					(0.015)		(0.014)		(0.014)

(Continue)

Table 5 – Continued

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					M&A CAR				
Relative size of target			0.011***		0.011***		0.011***		0.011***
			(0.004)		(0.005)		(0.005)		(0.004)
Private target			−0.012		0.010		0.003		−0.011
			(0.050)		(0.051)		(0.051)		(0.050)
Cash deal			−0.039		−0.035		−0.039		−0.028
			(0.055)		(0.056)		(0.056)		(0.055)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	134	134	131	134	131	134	131	134	131
R-squared	0.168	0.200	0.260	0.177	0.234	0.188	0.243	0.206	0.269

Table 6. Executive Visibility and Time to M&A Completion

This table presents the effect of executive visibility on the time to SPAC M&A completion from an OLS regression. The dependent variable is *Ln(Time to M&A completion)*, the natural logarithm of the number of days between the IPO date and the M&A completion date of the SPAC. Panel A presents the results for the composite measure of executive visibility, *Executive visibility*; while in Panel B, the independent variables are *Ln(Press coverage)*, *Online prominence*, and *Social media*, that represent different proxies for executive visibility. See Table 1 for variable definitions. Controls are *Underwriter rank*, *Ln(Executive age)*, *Executive MBA degree*, *Ln(Executive network size)*, *Executive Ivy league*, *Executive higher degree*, *Ln(Executive roles)*, *Ln(Executive companies)*, *Executive prior SPAC*, *Relative size of target*, *Private target*, and *Cash deal*. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

				Ln(Time to M&A completion)					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive visibility	−0.063*	−0.073**	−0.074**						
	(0.033)	(0.035)	(0.037)						
Ln(Press coverage)				−0.030*	−0.034**				
				(0.016)	(0.017)				
Online prominence						−0.073	−0.066		
						(0.070)	(0.073)		
Social media								−0.083	−0.094
								(0.063)	(0.065)
Underwriter rank		0.012	0.012	0.016	0.015	0.013	0.011	0.009	0.007
		(0.018)	(0.018)	(0.018)	(0.019)	(0.018)	(0.019)	(0.018)	(0.019)
Ln(Executive age)		0.291*	0.323*	0.351**	0.361*	0.309*	0.308	0.267	0.267
		(0.167)	(0.174)	(0.178)	(0.189)	(0.178)	(0.190)	(0.177)	(0.189)
Executive MBA degree		−0.138**	−0.128*						
		(0.067)	(0.069)						
Ln(Executive network size)		−0.005	−0.004						
		(0.017)	(0.017)						
Executive prior SPAC		0.008	0.003	0.029	0.022	0.022	0.012	0.018	0.015
		(0.071)	(0.075)	(0.073)	(0.076)	(0.074)	(0.078)	(0.073)	(0.077)
Executive Ivy league				−0.041		−0.041		−0.055	
				(0.061)		(0.062)		(0.062)	
Executive higher degree					−0.016		−0.016		−0.026
					(0.070)		(0.071)		(0.071)
Ln(Executive roles)				−0.069		−0.093*		−0.084*	
				(0.050)		(0.048)		(0.049)	
Ln(Executive companies)					−0.032		−0.050		−0.046
					(0.040)		(0.039)		(0.039)

(Continue)

50

Table 6 – Continued

			Ln(Time to M&A completion)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Relative size of target			−0.013		−0.012		−0.014		−0.014
			(0.012)		(0.012)		(0.012)		(0.012)
Private target			−0.036		−0.094		−0.066		−0.046
			(0.131)		(0.132)		(0.135)		(0.136)
Cash deal			0.000		0.022		0.014		−0.008
			(0.143)		(0.146)		(0.148)		(0.147)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	131	131	128	131	131	128	131	131	128
R-squared	0.132	0.194	0.202	0.175	0.176	0.158	0.151	0.163	0.160

Table 7. Institutional and Retail Investors Trading Around the M&A Announcement

This table presents the effect of executive visibility on the trading behavior of investors from an OLS regression. Panel A reports the results from the regression. The dependent variables in *Volume imbalances* and *Trade imbalances* in columns (1) - (2) and (3) - (4), represent the volume and trade imbalances, respectively, of institutional investors, cumulated over a 10-day event window, [−5, +5], around the M&A announcement date of the SPAC. The dependent variables *Volume imbalances* and *Trade imbalances* in columns (5) - (6) and (7) - (8), represent the volume and trade imbalances, respectively, of retail investors, cumulated over a 10-day event window, [−5, +5], around the M&A announcement date of the SPAC. See Table 1 for variable definitions. Controls are *Underwriter rank*, *Ln(Executive age)*, *Executive MBA degree*, *Ln(Executive network size)*, *Executive prior SPAC*, *Relative size of target*, *Private target*, and *Cash deal*. Panel B reports the results of the univariate tests, t-tests of differences in means and nonparametric Wilcoxon signed rank tests of differences in medians. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

Panel A:	Institutional investors				Retail investors			
	Volume imbalances		Trade imbalances		Volume imbalances		Trade imbalances	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Executive visibility	0.581***	0.494**	0.611***	0.511**	0.144	−0.022	0.066	−0.072
	(0.207)	(0.225)	(0.208)	(0.225)	(0.224)	(0.249)	(0.203)	(0.227)
Underwriter rank		0.289***		0.336***		0.076		0.037
		(0.111)		(0.110)		(0.122)		(0.111)
Ln(Executive age)		0.062		−0.060		2.908***		1.457
		(1.069)		(1.067)		(1.181)		(1.076)
Executive MBA degree		−1.042***		−0.936**		−0.071		−0.091
		(0.425)		(0.424)		(0.470)		(0.428)
Ln(Executive network size)		0.058		0.027		−0.039		0.114
		(0.103)		(0.103)		(0.114)		(0.104)
Executive prior SPAC		0.077		−0.057		−0.314		−0.409
		(0.459)		(0.458)		(0.507)		(0.462)
Relative size of target		0.093		0.112		0.089		0.099
		(0.071)		(0.071)		(0.078)		(0.071)
Private target		−0.553		−0.086		−0.426		−0.142
		(0.804)		(0.802)		(0.887)		(0.809)
Cash deal		−1.389		−1.544*		−1.149		−0.881
		(0.886)		(0.884)		(0.978)		(0.892)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	134	131	134	131	134	131	134	131
R-squared	0.134	0.259	0.121	0.259	0.095	0.175	0.160	0.221

Table 7 – Continued

Panel B:	Institutional investors		Retail investors		N	Differences	
	Volume imbalances	Trade imbalances	Volume imbalances	Trade imbalances		Volume imbalances	Trade imbalances
	(1)	(2)	(3)	(4)	(5)	(1) - (3)	(2) - (4)
Mean	-0.474***	-0.398**	0.394**	0.774***	134	-0.868***	-1.171***
Median	-0.540***	-0.561**	0.450*	0.833***	134	-0.990***	-1.394***
Executive visibility=0							
Mean	-1.138***	-1.083***	0.052	0.261	34	-1.190***	-1.344***
Median	-0.914***	-0.859***	0.090	0.430	34	-1.004***	-1.289***
Executive visibility=1							
Mean	-0.394	-0.307	0.473*	1.048***	62	-0.867***	-1.355***
Median	-0.410	-0.469	0.466	1.000***	62	0.876***	-1.469***
Executive visibility=2							
Mean	-0.460	-0.376	0.451	0.676	29	-0.911*	-1.051**
Median	-0.753*	-0.703	0.465	0.737	29	-1.218*	-1.440**
Executive visibility=3							
Mean	1.435**	1.498***	0.952	1.132***	9	0.482	0.366
Median	1.658**	1.600**	1.442	1.224**	9	0.216	0.376

Table 8. Alternative Measures of Executive Visibility: Robustness Tests

This table presents the results of our main analyses, replacing *Executive visibility* with alternative measures of visibility (*Executive visibility alt 1* through *Executive visibility alt 10*). See Table B.1 for variable definitions. The table displays only the effect of executive visibility on the main dependent variable of interest, from regressions with control variables and fixed effects mirroring those in the last column of the corresponding original tables. The first *N* column pertains to *Ln(IPO amount)* and *Ln(Time to IPO completion)*. The second *N* column pertains to *M&A CAR* and *Ln(Time to M&A completion)*. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	Ln(IPO amount)	Ln(Time to IPO completion)	N	M&A CAR	Ln(Time to M&A completion)	N	Volume Imbalances Institutional Investors	N
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Executive visibility alt 1	0.096**	−0.125***	139	0.033**	−0.077**	128	0.447**	131
	(0.047)	(0.041)		(0.013)	(0.035)		(0.216)	
Executive visibility alt 2	0.112**	−0.144***	139	0.039**	−0.083**	128	0.564**	131
	(0.055)	(0.048)		(0.016)	(0.042)		(0.256)	
Executive visibility alt 3	0.104*	−0.138***	139	0.037**	−0.082*	128	0.573**	131
	(0.055)	(0.048)		(0.016)	(0.042)		(0.255)	
Executive visibility alt 4	0.103*	−0.143***	139	0.037**	−0.083**	128	0.582**	131
	(0.055)	(0.048)		(0.016)	(0.042)		(0.255)	
Executive visibility alt 5	0.085**	−0.089***	139	0.019*	−0.037	128	0.385**	131
	(0.037)	(0.033)		(0.011)	(0.028)		(0.172)	
Executive visibility alt 6	0.091**	−0.079**	139	0.030**	−0.050	128	0.398*	131
	(0.043)	(0.039)		(0.012)	(0.033)		(0.201)	
Executive visibility alt 7	0.106**	−0.100**	139	0.026*	−0.051	128	0.425**	131
	(0.045)	(0.041)		(0.013)	(0.035)		(0.212)	
Executive visibility alt 8	0.103**	−0.100**	139	0.026**	−0.049	128	0.424**	131
	(0.045)	(0.040)		(0.013)	(0.034)		(0.211)	
Executive visibility alt 9	0.107**	−0.060	139	0.030**	−0.060*	128	0.361*	131
	(0.046)	(0.042)		(0.013)	(0.035)		(0.217)	
Executive visibility alt 10	0.093**	−0.070*	139	0.014	−0.017	128	0.362*	131
	(0.040)	(0.036)		(0.012)	(0.031)		(0.188)	

Table 9. Additional Control Variables: Robustness Tests

This table presents the results of our main analyses, including additional control variables. See Table 1 for variable definitions. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	Ln(IPO amount)	Ln(Time to IPO completion)	M&A CAR	Ln(Time to M&A completion)	Volume Imbalances Institutional Investors
	(1)	(2)	(3)	(4)	(5)
Executive visibility	0.101**	-0.143***	0.031**	-0.059	0.576**
	(0.051)	(0.043)	(0.014)	(0.039)	(0.236)
Underwriter rank	0.202***	-0.003	0.001	0.006	0.294**
	(0.026)	(0.022)	(0.007)	(0.021)	(0.122)
Ln(Executive age)	0.582**	-0.287	0.084	0.424**	-0.040
	(0.256)	(0.217)	(0.073)	(0.194)	(1.180)
Executive MBA degree	-0.260***	0.009	-0.033	-0.131*	-0.939**
	(0.092)	(0.078)	(0.027)	(0.074)	(0.446)
Ln(Executive network size)	0.062**	-0.005	0.002	0.004	-0.018
	(0.026)	(0.022)	(0.007)	(0.020)	(0.120)
Executive prior SPAC	0.137	-0.114	0.016	0.023	0.071
	(0.103)	(0.087)	(0.030)	(0.080)	(0.484)
Relative size of target			0.012***	-0.009	0.121
			(0.005)	(0.013)	(0.074)
Private target			-0.001	-0.052	-0.559
			(0.050)	(0.136)	(0.817)
Cash deal			-0.032	0.005	-1.349
			(0.055)	(0.147)	(0.896)
Executive PE/VC experience	0.049	0.095	-0.057**	-0.012	-0.509
	(0.085)	(0.072)	(0.024)	(0.066)	(0.398)
Executive operational experience	0.000	0.121	0.008	-0.105	-0.542
	(0.094)	(0.079)	(0.028)	(0.078)	(0.459)
Executive board experience	0.040	0.155	0.033	-0.081	0.959
	(0.153)	(0.130)	(0.043)	(0.114)	(0.692)
Executive affiliated firm	0.038	-0.122	0.033	0.007	-0.077
	(0.093)	(0.079)	(0.026)	(0.070)	(0.425)
Underwriter deferred fees	0.073	0.161*	0.001	0.005	0.126
	(0.102)	(0.087)	(0.031)	(0.083)	(0.498)
Year FE	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes
Observations	139	139	131	128	131
R-squared	0.612	0.301	0.316	0.218	0.292

Table 10. Executive Visibility: Long-run Performance, and PIPE Financing

This table presents the effect of executive visibility on the long-run SPAC performance, and on SPAC PIPE financing from an OLS regression. The dependent variable *BHAR 6-months*, in columns (1) - (2), is the buy-and-hold abnormal return calculated from the acquisition announcement date to six months after the acquisition completion. The dependent variable *BHAR 12-months*, in columns (3) - (4), is the buy-and-hold abnormal return calculated from the acquisition announcement date to twelve months after the acquisition completion. The dependent variable *PIPE*, in columns (5) - (6), is equal to one if the SPAC raises PIPE financing, and zero otherwise. The dependent variable *Ln(PIPE amount)*, in columns (7) - (8), is the natural logarithm of one plus the dollar amount raised at the time of the SPAC PIPE financing. See Table 1 for variable definitions. Controls are *Underwriter rank*, *Ln(Executive age)*, *Executive MBA degree*, *Ln(Executive network size)*, *Executive prior SPAC*, *Relative size of target*, *Private target*, and *Cash deal*. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

	BHAR 6-months		BHAR 12-months		PIPE		Ln(PIPE amount)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Executive visibility	−0.007	−0.063	0.062	0.005	0.417***	0.333**	6.912***	5.503*
	(0.055)	(0.055)	(0.069)	(0.072)	(0.144)	(0.159)	(2.721)	(2.956)
Executive visibility²					−0.145***	−0.141***	−2.215**	−2.214**
					(0.051)	(0.055)	(0.967)	(1.025)
Underwriter rank		0.063**		0.110***		0.075***		1.572***
		(0.028)		(0.036)		(0.025)		(0.456)
Ln(Executive age)		0.212		0.013		0.233		5.369
		(0.267)		(0.349)		(0.241)		(4.478)
Executive MBA degree		0.150		0.090		−0.041		−1.183
		(0.104)		(0.135)		(0.095)		(1.761)
Ln(Executive network size)		−0.010		−0.027		−0.000		−0.042
		(0.027)		(0.035)		(0.023)		(0.432)
Executive prior SPAC		0.002		0.088		0.007		−0.479
		(0.112)		(0.147)		(0.101)		(1.885)
Relative size of target		0.085***		0.060***		0.017		0.366
		(0.017)		(0.021)		(0.016)		(0.293)
Private target		0.050		0.118		0.274		5.330
		(0.211)		(0.285)		(0.177)		(3.282)
Cash deal		0.040		0.058		0.259		4.918
		(0.238)		(0.373)		(0.195)		(3.621)
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	128	125	110	109	134	131	134	131
R-squared	0.074	0.318	0.060	0.235	0.237	0.341	0.234	0.358

Table 11. Institutional and Retail Investors Long-Term Trading

This table presents the effect of the short-term trading behavior of institutional investors on the long-term trading behavior of retail investors from an OLS regression. In Panel A (Panel B), the dependent variables *Volume imbalances* and *Trade imbalances* in columns (1) - (3) and (4) - (6), represent the volume and trade imbalances, respectively of retail (institutional) investors calculated over different windows in the period from the acquisition announcement to the acquisition completion. See Table 1 for variable definitions. Controls are *Underwriter rank*, *Ln(Executive age)*, *Executive MBA degree*, *Ln(Executive network size)*, *Executive prior SPAC*, *Relative size of target*, *Private target*, and *Cash deal*. The standard errors, reported in parentheses, are heteroskedasticity consistent. ***, **, and * denote significance at the 1%, 5% and 10% levels respectively.

Panel A:

	Retail investors					
	Volume imbalances			Trade imbalances		
	[60, 90]	[60, 120]	[60, complete]	[60, 90]	[60, 120]	[60, complete]
	(1)	(2)	(3)	(4)	(5)	(6)
Institutional investors Volume imbalances [0, 60]	0.101** (0.051)	0.147 (0.091)	0.183 (0.139)			
Institutional investors Trade imbalances [0, 60]				0.118*** (0.047)	0.163** (0.083)	0.261** (0.125)
Control variables	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	127	127	125	127	127	125
R-squared	0.244	0.255	0.235	0.246	0.273	0.207

Panel B:

	Institutional investors					
	Volume imbalances			Trade imbalances		
	[60, 90]	[60, 120]	[60, complete]	[60, 90]	[60, 120]	[60, complete]
	(1)	(2)	(3)	(4)	(5)	(6)
Retail investors Volume imbalances [0, 60]	0.011 (0.069)	0.034 (0.102)	0.008 (0.127)			
Retail investors Trade imbalances [0, 60]				-0.051 (0.069)	-0.082 (0.100)	-0.106 (0.125)
Control variables	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	127	127	125	127	127	125
R-squared	0.144	0.156	0.214	0.124	0.147	0.213

Appendix A

Figure A.1: An Example of High Visibility SPAC Executive

The figure below provides an example of an executive in our sample who has been assigned the maximum *Executive visibility* score: Thomas W. Farley of Far Point Acquisition.

Figure A.2: Examples of Executives Advertising SPACs on Social Media

The figure below is a screen capture of Tweets published by two prominent SPAC executives, Chamath Palihapitiya and Bill Ackman. In his Tweet, Palihapitiya promotes the IPOs of three of his SPACs - Social Capital Hedosophia IV, V, and VI with tickers IPOD, IPOE, and IPOF, respectively. The other SPACs mentioned in his Tweet with tickers IPOA, IPOB, and IPOC are his prior SPACs that have successfully completed acquisitions. In his Tweet, Ackman promotes a potential target for his SPAC, Universal Music Group.
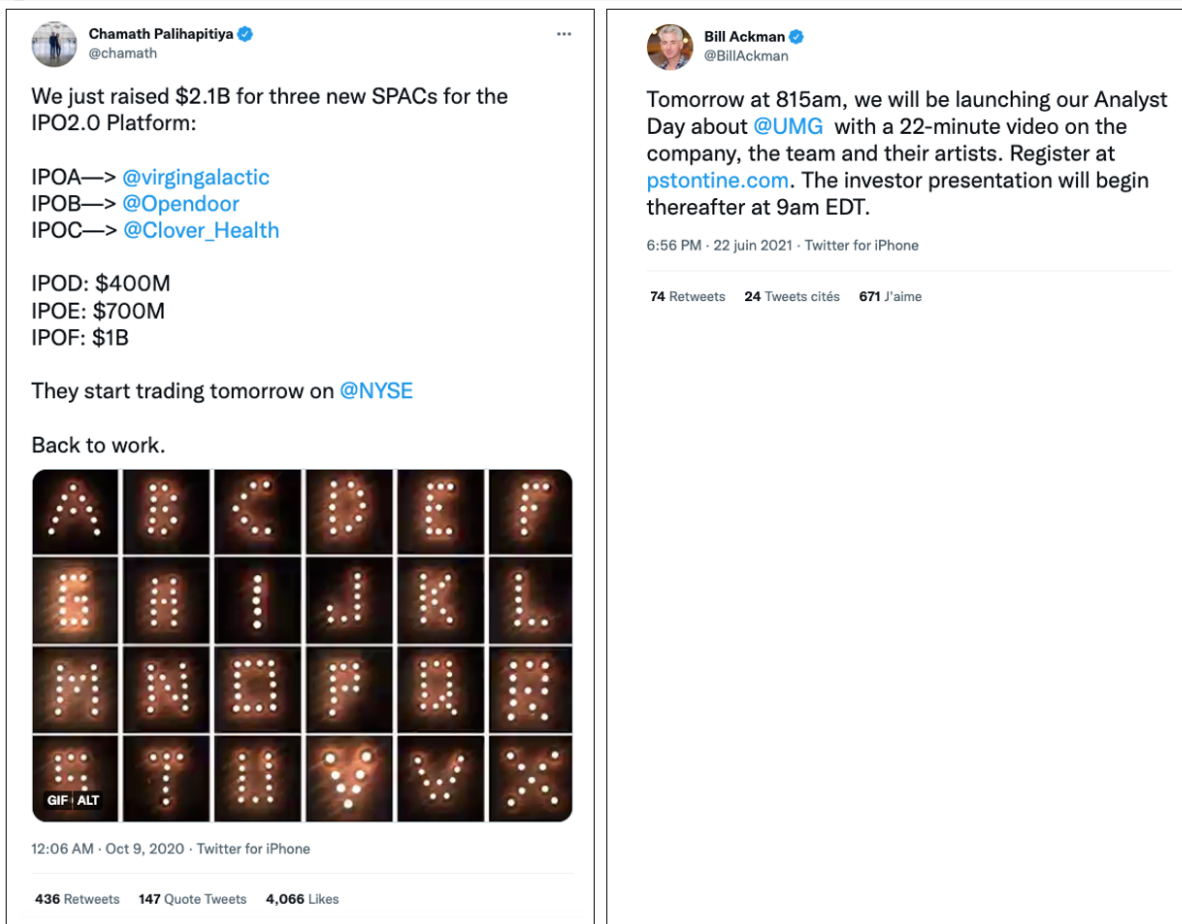
Figure A.3: Examples of Retail Investors Discussing SPACs on Social Media

The figure below is a screen capture of online posts made by potential SPAC retail investors on a specially-dedicated SPAC forum on the online platform Reddit. The first discussion is on Pershing Square Tontine Holdings SPAC. The second discussion is on Far Point Acquisition SPAC. The third discussion is on the "pump-and-dump" strategy.

Pershing Square Tontine Holdings (PSTH)

cosmikangaroo · 2 yr. ago
Spacing

PSTH put out a press release saying that their CEO Bill Ackman may make announcements via Twitter. They also encouraged investors to follow him

⬆ 11 ⬇ 💬 Reply Share Report Save Follow

ryzu99 · 2 yr. ago
Spacing

Yea I've seen his tweets. It's still non-concrete but as soon there's some sort of SEC filing for it I'm gonna get so hard for more PSTH

⬆ 10 ⬇ 💬 Reply Share Report Save Follow

Python_Noobling · 2 yr. ago
Spacing

PSTH sent out a PR confirming his tweets. Would get in before any filing, the risk/reward at this price is in our favor

⬆ 9 ⬇ 💬 Reply Share Report Save Follow

ryzu99 · 2 yr. ago
Spacing

I guess SEC filings don't matter anymore when you're buying a SPAC based off hype.

⬆ 2 ⬇ 💬 Reply Share Report Save Follow

Far Point Acquisition (FPAC)

Posted by u/TheEggyBreadMonster **Contributor** 2 years ago

What happened to FPAC today? Up 40% at one point and ending on a loss
Discussion

Thought it was an easy play, while it was going up. But I bought it at the wrong moment. Luckily I only have 85 commons, but still a major loss and my first major loss.

I know the merger was agreed at the shareholder vote yesterday, but I can't see why the loss - is it a bad shout?

💬 4 Comments ↗ Share 🔖 Save ⊘ Hide 🚩 Report   100% Upvoted

Boe_Ning · 2 yr. ago
Contributor

Example of experienced SPAC players taking early catalyst profits and leaving others holding the bag until the next catalyst. I booked 20%+ profit on the catalyst and will look for a reentry later.

⬆ 11 ⬇ 💬 Reply Share Report Save Follow

bobbyneedslawadvice · 2 yr. ago
Contributor

Yep. Everyone learned their lesson w/SPAQ. Take profit and buy back when it gets boring.

⬆ 3 ⬇ 💬 Reply Share Report Save Follow

devilmaskrascal · 2 yr. ago
Contributor

Investors and institutions cashing out profits knowing the stock will probably sink below 10 once the floor is removed.

⬆ 2 ⬇ 💬 Reply Share Report Save Follow

SPAC Subreddit Groups

Posted by u/Final_Fantasy_X **New User** 7 days ago

Were there SPAC stock subreddit groups set up to pump various SPAC stocks ?
Discussion

For example Specifically talking about RKLB and it may of been a pump and dump helped by the MODs. However I have seen others such as TTCF subreddit too.

The moderators in both the r/RKLB and r/RKLBInvestorClub May of helped perpetuate the pump and dump on RKLB as they were posting very frequently then when the stock went to a all time high they stoped posting and have since never posted, now a year later. For almost a year they pumped the stock in 2021 and immediately stoped posting after the Neutron announcement in November.

Final post from RKLB Investor club moderator

https://www.reddit.com/r/RocketLabInvestorClub/comments/qwwpnz/alright_so_who_dumped_and_did_this_to_the_price/?utm_source=share&utm_medium=ios_app&utm_name=iossmf

Final post from RKLB moderator

https://www.reddit.com/r/RKLB/comments/r7a4s1/neutron_rocket_development_updat
e/?utm_source=share&utm_medium=ios_app&utm_name=iossmf

Seems to be a coincidence, that they stoped posting, but for a reason.

Any truth to this?

💬 8 Comments ↗ Share 🔖 Save ⊘ Hide 🚩 Report   55% Upvoted

Appendix B

Table B.1. Alternative Definitions of Executive Visibility

This table shows alternative definitions of our original measure of executive visibility. The results remain robust when we use these alternative measures of visibility.

Variable name	Variable description

Visibility Variables:

Executive visibility alt 1	Press coverage alt 1 + Online prominence + Social media
Executive visibility alt 2	Press coverage alt 2 + Online prominence + Social media
Executive visibility alt 3	Press coverage alt 3 + Online prominence + Social media
Executive visibility alt 4	Press coverage alt 4 + Online prominence + Social media
Executive visibility alt 5	Press coverage + Google + Wikipedia + Social media
Executive visibility alt 6	Press coverage + Online prominence + Twitter + LinkedIn
Executive visibility alt 7	Press coverage + Online prominence + Twitter alt 1 + LinkedIn
Executive visibility alt 8	Press coverage + Online prominence + Twitter alt 2 + LinkedIn
Executive visibility alt 9	Press coverage + Online prominence + Twitter + LinkedIn alt 1
Executive visibility alt 10	Press coverage alt 4 + Google + Wikipedia + Twitter alt 2 + LinkedIn alt 2

Individual Components Variables:

Press coverage alt 1	An indicator variable equal to one if the count of news articles indexed under the executive's name falls in the top quartile, and zero otherwise.
Press coverage alt 2	Quartiles of the count of news articles indexed under the executive's name in Factiva, scaled to range from zero to one.
Press coverage alt 3	Quintiles of the count of news articles indexed under the executive's name in Factiva, scaled to range from zero to one.
Press coverage alt 4	Deciles of the count of news articles indexed under the executive's name in Factiva, scaled to range from zero to one.
Google	An indicator variable equal to one if the executive appears in a Google "knowledge panel", and zero otherwise.
Wikipedia	An indicator variable equal to one if the executive has a dedicated Wikipedia page, and zero otherwise.
Twitter	An indicator variable equal to one if the executive has 10,000 or more followers on Twitter, and zero otherwise.
Twitter alt 1	Quintiles of the count of the executive's Twitter followers, scaled to range from zero to one.
Twitter alt 2	Deciles of the count of the executive's Twitter followers, scaled to range from zero to one.
LinkedIn	An indicator variable equal to one if the executive has 500 or more connections on LinkedIn, and zero otherwise.
LinkedIn alt 1	Categorical variable taking on a value of zero if the executive does not have a LinkedIn account, one if the executive has between one and 499 LinkedIn connections, and two if the executive has 500 or more connections, scaled to range from zero to one.
LinkedIn alt 2	Deciles of the count of the executive's LinkedIn followers, scaled to range from zero to one.