Introduction

Research aims to investigate the moderating effect of the leader and young firms in the industry on the relationship between peer firms and the firm's investment based on the theories of information deficit and competitiveness.

Methods

The current research method is practical. The statistical population of the research is 128 companies during the period from 2011 to 2023.

Results

The result of the first hypothesis, in accordance with the theory based on competitiveness and the theory based on information, showed that companies prefer to model and imitate the investment behavior of peer companies in the industry in order to estimate the strategy and amount of their investments and prevent the costs of repeating operations. The result of the second hypothesis showed that if there are leader companies in the industry, the positive effect of the peer companies' performances on the company's investment are strengthened, but the result of the third hypothesis showed the presence of young companies in the industry does not reinforce the positive effect of peer companies' performance on the firm's investment.

Discussion and Conclusion

The findings of the hypothesis of this study showed that companies' investment is significantly affected by the performance of their peers in the industry. The results of the hypothesis of this research can be interpreted as follows: due to the lack of stability and certainty of macroeconomic policies, the ever-increasing increase in the exchange rate and inflation, etc., governing the economy of Iran; Companies are surrounded by uncertainty and uncertainty about the future of the economy and business conditions, which makes it difficult to control and make difficult decisions in conditions with a high level of uncertainty governing Iran's economic environment, as well as providing a targeted and comprehensive approach to consider all factors. It has made it difficult for them to be effective in the processes of identifying upcoming opportunities and investing in them. In such a situation, companies prefer to imitate the investment behavior of peer companies in the industry in order to maintain or improve their position in the industry. This approach can be related to the theory based on competitiveness and the theory based on information.

The results of the second research hypothesis showed that if there are leader companies in the industry, the positive effect of peer companies' performance on the firm's investment is weakened. In the interpretation of this result, it can be stated that considering that the leading companies face less financial constraints and have a greater ability to identify profitable investment opportunities, spending heavy research and development costs in the field of innovative goods production and the development and analysis of risk and return of investment strategies with regard to the uncertainty and economic challenges of the country, companies prefer to model the investment behavior of leading companies in the industry.

The results of the third hypothesis of this research showed that the presence of young companies in the industry; It does not have a significant moderating effect on the relationship between peer companies and the company's investment. In other words, in order to make their investment decisions, companies do not follow the investment policies of young companies and peers active in their industry, which can be caused by the lack of experience to analyze economic conditions and future investment opportunities, as well as the lack of financial resources necessary for research and development in the field of production of practical products should be in accordance with the preferences of customers.

Keywords: investment, leading companies in the industry, young companies in the industry, performance of peer companies, idiosyncratic returns.