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Google brings transparency to the earnings call question queue

By Dominic Jones on October 15, 2009

ANALYSTS and investors have long complained that management at some companies manipulate the flow of information to the market and play favorites by carefully screening which questions they take on their earnings calls.

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Now Google Inc. (NASDAQ: GOOG) has taken the lead to bring transparency to the earnings call question queue by inviting analysts — and everyone else — to submit questions online that are then voted on by other investors.

During Google's Q3 2009 earnings call October 15, the first time the company has used the process for an earnings call, a total of 124 questions were submitted and voted on almost 5,500 times by 322 people.

The questions were posed to Google executives by the company's **IR director Maria Shim** during the earnings call and a separate 45-minute extended Q&A conference call. Google introduced the extended Q&A in January to reduce the number of individual follow-up calls from analysts.

The screenshot shows the Google Moderator interface for the Google Q3 2009 Earnings Conference Call. The page title is "Google Q3 2009 Earnings Conference Call" and it shows "5,524 votes on 124 questions from 322 people". The main content area displays a list of questions submitted by analysts, each with a popularity rank bar and a "Submit a question" button. Red callout boxes highlight the "Analyst name", "Question", and "popularity rank" elements.

Key elements visible in the screenshot:

- Analyst name:** [Imran Khan](#), [Mark May](#), [James](#), [Christa Quarles-TWP](#)
- Question:** "Can you please help us what drove 6% decline in Cost per Click? Trying to better understand the impact of FX vs. mix shift vs. the impact of economy.", "Your goals w/ the... you think this offering... business/revenue over...", "You have said repeatedly that growth rates of products like enterprise apps and YouTube are high - or at least pleasing. Yet they still don't contribute materially to the bottom line. Do you see these services materially contributing anytime soon?", "Capex is down 70% YTD. Help us understand what was going on before and what is going on now? Previously, were you overspending during the search 'cold war'? Are you underspending now?"
- popularity rank:** A horizontal bar representing the number of votes for each question.

Analysts and investors submit questions that are then voted on by other participants. Questions are posed to management in order of their popularity.

Google is using its own [Google Moderator](#) application to manage the questions and the voting. To submit questions, analysts and investors must sign in using a free Google account. The company's only restriction is that questions must be relevant to the earnings release.

Any company can use moderator for free after signing up for a Google account.

Google first used moderator for its April 2009 annual meeting, but few shareholders and investors used it. The search giant used it again for its investor meeting in September, during which it received 30 questions.

However, based on the heavy use during the Q3 earnings call, it now seems that analysts and investors are comfortable using the format. A [complete record of all the questions](#) that were submitted is archived on the company's website.

- Does this sound like something your company might try?

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