



case study

Outdated Quarterly Earnings Calls Get Major Face-Lift with Zoom Video

The quarterly earnings call has become a regular reporting ritual for publicly traded companies, but it's traditionally been a very static affair. It's usually done as an audio conference call with a host of company executives, equity analysts, investors, and media clamoring to dial in lines without any true discussion or visual interaction.

The increasing adoption of video-first business communications platforms like Zoom, however, has given modern enterprises more interactive ways to communicate with internal and external stakeholders as well as present mission-critical information to key stakeholders. An added benefit for publicly traded companies: They now have a reliable, easy-to-use tool to present earnings in a more dynamic way.

When Zoom Video Communications hosted its first-ever quarterly earnings call over live video in June 2019, it sought to showcase the power of its platform in creating an unprecedented brand event that was not only informational but transparent, interactive, and engaging, all things traditional earnings calls have never been.

Challenges of Traditional Earnings Calls

Traditionally done over audio in a conference call format, most quarterly earnings calls haven't changed much in the past few decades. They are generally static events that offer much of the same information as the press release that goes out the same day. There's also limited interaction among company representatives with the analysts and participants often miss context because they can't pick up non-verbal cues like facial expressions.



Best Practices for a Live Earnings Call Using Zoom

Planning to do an earnings call over Zoom Video Webinars? Here are some tips for a smooth production:

Eliminate interruptions: Find a quiet room in the building and block off any hallways and elevators to stave off any disruptions.

Keep it clean: Reduce the clutter of paper notes by setting up multiple screens or whiteboards within view of the panelists but out of the camera's view.

Get live feedback: Set up a viewing room nearby to monitor the feed as a viewer and quickly communicate frame adjustments, fix a distracting background, or adjust any clothing.

Organize the flow: Set the order of the questions and communicate ahead of time with the analysts that they will join on video to ensure a smooth Q&A session.

Don't forget redundancy: Have a technology moderator on-hand to troubleshoot potential hardware or connectivity issues.

Turn up the branding: Remember that this is an event for people to see, and your company branding should be visible behind the participants.

Follow up: Post pictures from the call room on social media for added engagement.

[View Zoom's first live earnings call using Zoom Video Webinars.](#)

“These calls have been viewed as a straightforward way to present earnings results to the financial community,” said Tom McCallum, Zoom’s head of investor relations. “And now an earnings call tends to feel more like an obligation of a publicly traded company rather than what it could be, which is a unique branding event that’s interactive and memorable.”

Several major companies have dabbled with video-based earnings calls. Netflix and T-Mobile, for example, have pre-recorded their earnings calls to stream on YouTube and other platforms. But the presentations weren’t live and couldn’t facilitate real-time interaction among the company executives and analysts.

Zoom broke new ground on its commitment to tearing down the barriers to effective, interactive communication and improving user experiences on June 6, 2019, when the company broadcasted its first quarterly earnings call live using its own video conferencing platform.

The Zoom Video Webinar Solution

Zoom hosted its debut quarterly earnings call using Zoom Video Webinars, and the format was pretty standard: safe harbor statement, introductions, earnings reporting, and a Q&A. Zoom CEO Eric S. Yuan and CFO Kelly Steckelberg joined McCallum at the company’s San Jose headquarters as the webinar’s main presenters, with analysts joining as video-enabled panelists and several hundred others as viewers. An online Zoom moderator handled muting and unmuting analysts for the Q&A.

“We recommend the webinars tool over the meetings tool for something like an earnings call, so you have that added management capabilities during the event as well as all the registration and reporting features,” said Priscilla Barolo, Zoom’s communications manager. “You can also use things like polling and chat to increase engagement and troubleshoot live.”

Zoom’s webinar service vastly simplifies the registration process for a live event. For the Zoom earnings call, a person had to enter their name and email to register, and

“I thought Zoom Video Webinar was a great way to disrupt how we’ve been doing the same old tired earnings calls for the last few decades. Bravo, Zoom!”

– **Matthew Hedberg**

*Managing Director,
RBC Capital Markets*



then the platform sent out reminders 24 hours and then 1 hour in advance. As for reporting, your Zoom admin can go into the dashboard and see details like who attended, how long they stayed on, and whether they joined via phone, computer, or the Zoom app.

During the actual live broadcast, the Zoom executive team had two screens in view: One displayed the actual webinar broadcast while the other served as a teleprompter for the reporting part of the event. The latter screen was then converted to display financial notes and other background information to help with the Q&A session.

“Those on the call, including investors, got to see how Zoom’s executives reacted to questions and any non-verbal cues in how they answered,” Barolo said. “At one point, Eric [Yuan] made a joke. The video aspect helped ensure an audience wouldn’t misinterpret the joke because they could see his smile. It was just a lot more transparent and natural-feeling on video.”

Benefits and Results

This type of earnings call, according to Barolo, ultimately enhances organizational transparency and increases engagement. Additionally, it serves as a branding mechanism, where you can put a face to a name and organization and more easily connect with important stakeholders.

“Even the analysts got into it on the call, with several featuring their own branding on-screen behind them or using a fun virtual background,” she said. “You could actually see them getting into it.”



McCallum added: “The analysts’ own clients also may not remember that they asked a question on a particular audio-only earnings call, but with Zoom, they will have seen them.”

McCallum also emphasized just how much of a visual society we live in now and how something like an earnings call can be more than just reciting a script.

“In my experience, there’s already something like a 5% failure rate on audio earnings calls, so traditional methods aren’t even completely reliable,” he said. “It’s not all that much of a leap, then, to do these over video.”

Barolo added: “We did Zoom’s entire IPO process over video, and we couldn’t envision any other way to do the earnings call. We also wanted to further demonstrate the valuable impact Zoom technology can have, not only for improving overall workplace communications but enhancing all the ways organizations interact with the world.”

Zoom helps businesses and organizations bring their teams together in a frictionless cloud environment to get more done. Our easy, reliable, video- first unified communications platform for video, voice, content sharing, and chat runs across mobile devices, desktops, telephones, and room systems. Founded in 2011, Zoom is a publicly traded company on Nasdaq (ticker: ZM) and headquartered in San Jose, California.

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