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PERSUASIVE LANGUAGE IN EARNINGS CALLS:
An overview and a comparison of two industries

ABSTRACT

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This thesis explores persuasive language in earnings conference calls, or earnings calls for short as they are commonly called. An earnings call is an event held after the publication of quarterly results of a publicly listed company. The call starts with a presentation by the management, after which the analysts following the company can ask questions from the executives. Particularly due to the unscripted nature of the Q&A session, the earnings call is an important source of information for those interested in a company, which has also resulted in rising popularity of linguistic research focused on analyzing earnings calls. Persuasion on its part can be considered an important part of the language of earnings calls, and some of the features of persuasion have been described in prior studies. This thesis aimed for a more holistic description of the subject.

The data examined in this thesis consisted of five earnings call transcripts each from companies in the banking and technology sectors. The first aim of the study was to identify and describe the different persuasion techniques present in the data. The second research question considered the differences in the use of those persuasion techniques between the executives and analysts. The first hypothesis was that some forms of persuasion would only be used by the other party. The hypothesis proved correct as it was found that question techniques were only used by the analysts, and promises were only made by the executives. The second hypothesis was that apart from these natural differences, the use of persuasion by the two parties would be similar. This hypothesis was incorrect, as there were differences in the use of other methods as well. The final research question was about the differences between the companies in the two industries. It was hypothesized that the calls of the technology companies would include significantly more emotional language related to persuasion, and more repetition. The differences in both categories were so small that the hypothesis could not be classified as correct.

The findings contribute towards an understanding of the genre-specific language of the earnings call. Professionals and hobbyists alike can utilize the findings to make more astute analyses of the executives' answers as well as the interaction in the calls in general. The study also shows the value of a qualitative method in the field of study, and future studies could utilize a stronger qualitative aspect in them, along with larger sample sizes and quantitative methods to achieve generalizability. Interviews could also be included in the studies to gather information on the perspective of the earnings calls' participants.

Keywords: persuasion, earnings call, persuasive language, investor relations, business communication

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TIIVISTELMÄ

Tässä tutkielmassa analysoidaan kielellisiä suostuttelukeinoja pörssiyhtiöiden tulospuheluissa. Tulospuhelu on kvartaaleittain toistuva tapahtuma, joka järjestetään yhtiön tulosjulkistuksen jälkeen. Puhelun aluksi johto esittelee tulosta ja kvartaalin tapahtumia, jonka jälkeen yhtiötä seuraavat analyytikot voivat esittää johdolle kysymyksiä. Erityisesti spontaanimmin etenevän kysymys-vastaus-osion vuoksi tulospuheluista on tullut tärkeä tietolähde yhtiötä seuraaville. Tämä puolestaan on lisännyt niiden suosiota myös kielitieteellisenä tutkimuskohteena. Suostutteluilmauksia voidaan pitää olennaisena osana tulospuheluiden kieltä, ja joitain näistä kielellisistä ominaisuuksista onkin tutkittu aiemmin. Tämän tutkielman tavoitteena on tarjota kokonaisvaltaisempi katsaus aiheeseen.

Tämän tutkielman materiaali koostui kymmenen tulospuhelun transkriptioista pankki- ja teknologiasektoreilta, viiden ollessa kultakin sektorilta. Ensimmäinen tavoite oli esitellä eri suostuttelukeinoja, joita materiaalista löytyi, sekä tarjota niihin liittyviä huomiota. Toinen tutkimuskysymys käsitteli johdon ja analyytikoiden välisiä eroja suostuttelukeinojen käytössä. Ensimmäinen hypoteesi oli, että jotkin keinot sopisivat luontaisesti vain toisen osapuolen käyttöön. Tämä osoittautui oikeaksi, sillä kysymystekniikat olivat vain analyytikkojen käytössä, ja lupauksia tekivät vain johtajat. Toinen hypoteesi oli, että mainittuja luonnollisia eroja lukuun ottamatta osapuolten suostuttelukeinojen käyttö olisi samankaltaista. Tämä oletus osoittautui vääräksi, sillä eroja oli lukuisia muitakin. Viimeinen tutkimuskysymys koski eroja suostuttelukeinojen käytössä pankki- ja teknologiasektorin yhtiöiden välillä. Hypoteesina oli, että teknologiasektorin puheluissa käytettäisiin huomattavasti enemmän tunteisiin vetoavaa suostuttelua ja enemmän toistoa. Molempien kategorioiden osalta erot olivat niin pieniä, että hypoteesia ei voitu pitää oikeana.

Tulokset rakentavat osaltaan ymmärrystä tulospuheluiden kielen erityispiirteistä. Niin ammattilaiset kuin innokkaat harrastelijatkin voivat hyödyntää tuloksia parempien analyysien tekemiseksi johdon vastauksista, sekä tulospuheluiden vuorovaikutuksen ymmärtämiseksi. Tutkimus osoittaa laadullisen tutkimusotteen hyödyllisyyden alalla. Tulevat tutkimukset voisivat yhdistää laadullista painotusta suurempiin aineistomääriin ja määrälliseen tutkimusotteeseen yleistettävyyden aikaansaamiseksi. Myös haastatteluja voitaisiin hyödyntää tulospuheluiden osallistujien näkökulmien mukaan saamiseksi.

Avainsanat: suostuttelu, tulospuhelu, sijoittajasuhteet, kielitiede

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1 Introduction

Persuasion is quite a well-studied linguistic category. It is also positioned on the edge of psychology and language. The subject matter, be it for example science, education, or business, also has a large role to play in persuasion. In fact, what constitutes persuasive language could be argued to be inseparable from the context in which it is used. Persuasion is also present in much of human interaction and communication. This real-world link is what makes it such an interesting area of study. The definition of persuasion utilized in this thesis is that of Virtanen and Halmari (2005, 3), namely that linguistic persuasion is such use of language which attempts to either change or reinforce the beliefs of one's audience. There are obviously other means of persuasion as well, which either have their roots in psychology and human behavior or come from the real-world situations underpinning language use. Examples include body language and making threats. Such means of persuasion as threats are sometimes implicit in the use of language and can thus be present in this study as well. They will, however, not be the focus. The goals and reasons for the use of persuasive language are relevant and will be analyzed and speculated on when applicable.

The concept of a speech act is related to persuasive language and is thus of essence here. Huang (2006, 93) defines the core of speech act theory as the view that actions can be performed in society through the use of words. Persuasive expressions, similarly, to many other types of expressions, aim at a certain goal as stated earlier. The well-known theory of Austin (1975) divides speech acts into locutionary, illocutionary and perlocutionary acts. The locutionary act refers to the utterance itself, whereas the illocutionary act refers to the implied meaning of, for example, an indirect question, or the act performed by uttering a performative (Ibid.). Perlocutionary act on its part refers to the impact the speech act has on its hearer, for example, persuasion (Ibid.). Illocutionary acts are of particular relevance in this thesis. The concept of perlocutionary act would

be useful as well, but in the data of this study, as is often the case, it is not possible to observe the possible persuasive effect immediately after the utterance.

Another related theme is that of professional communication, which is a part of most business studies curriculums. A subcategory of professional communication is business English, as English is mostly thought of as the de facto language of the international business world. This is even more true in financial reporting and investor relations, as access to global capital markets is necessary for most large companies. English is thus the language where a study on the persuasive language in financial reporting is likely to yield most useful results. The students of English in professional contexts, such as corporate executives, would benefit from learning about persuasive language.

Regarding investor relations communication, annual reports are mandatory for publicly traded companies and are the largest primary source of information for investors and other parties interested in a company. In their study, Yuthas et al (2002, 142) state that despite their importance as information sources, by then the textual or narrative portions of annual reports had not received much attention in communication studies. Loughran and McDonald (2011, 35) on their part highlight that by the time of their study there was already a research tradition examining corporate and investor communication for its tone and sentiment in the field of accounting and finance. Interest in the language of annual reports can be said to have increased at that time, and research focused on communication in them can be seen as a precursor to the studies of earnings calls such as this thesis.

Crawford Camiciottoli (2011, 301), referring to Tasker (1998) posited that already in the 1990s the earnings conference call was noted as the main channel of communication for analysts and the companies they follow. This interest in the financial community likely preceded the linguistic research tradition of earnings calls. An earnings conference call, or earnings call for short, is a call held after a company publishes its financial results for the preceding quarter. The call starts

with a prepared remarks section, where different members of the management team describe the past quarter, and sometimes also describe the events after the said quarter. After the management presentation, financial analysts following the company are free to ask questions. The length of the prepared remarks section varies from company to company and affects the number of questions asked in the call. The question and answer (Q&A) section of the call is most likely to contain new and important information, as the prepared remarks mostly consist of what is already stated in the quarterly report. This thesis takes the view that earnings calls, and particularly their Q&A sessions, are the best sources of data when studying language related to financial reporting and investor relations.

It can be argued that Crawford Camiciottoli (2018) is the seminal work in the field of linguistic analysis of earnings calls. She studied persuasion in earnings calls through the use of so-called boosters, evaluative boosters which express attitudes, and intensifying boosters, which enhance the force of speech acts (Crawford Camiciottoli 2018, 277). Her method was quantitative with a short qualitative analysis section (Ibid.). Crawford Camiciottoli (2018, 287) compiled two corpora of ten US companies and discovered that there were more boosters used in the corpus of calls that took place during the financial crisis of 2008 than in the corpus which concerned the period after the crisis. This thesis attempts to describe and analyze a larger set of persuasion methods. The present study also takes place at a single point in time, aiming to compare companies of different industries to one another and study the roles of participants in the calls instead of comparing different points in time. To date, studies comparing earnings calls of companies in different industries to uncover differences are few, even more so in the area of linguistic persuasion. Crawford Camiciottoli (Ibid.) also analyzed the roles of earnings calls' participants. She describes executives as aiming to appear responsible and to portray their companies in a positive light, whereas the analysts have to maintain a balance between digging for information from the management and maintaining good relationships with them (Ibid.). Differences between the two

participants of earnings calls are an interesting area to study and will also be focused on in this thesis.

In another paper, Crawford Camiciottoli (2011) analyzed the language of executives on earnings calls for use of ethos, that is, expressions which portray the speaker as ethical and trustworthy. Her method was again mostly quantitative, and the study included a short qualitative interpretation section (Ibid.). Crawford Camiciottoli's (2011, 309) study revealed that while executives avoid using overtly ethics-related language on the earnings calls, they do use ethos in their attempts to assure the listeners. Ethos is also a category of linguistic persuasion included in the present study. Looking at Crawford Camiciottoli's two important studies in the field, it can be argued that there is a need for a more comprehensive study which includes multiple aspects of persuasive language in the earnings call genre.

Yuthas et al. (2002) studied the text sections of annual reports containing management's discussion. They ascertained that companies expecting either large positive or large negative earnings surprises were more likely to convey the trustworthiness of their management teams in the text sections of their annual reports (Yuthas et al. 2002, 141). Their study reinforces the idea about the usefulness of persuasive language in investor relations communication. The study was limited to the more static medium of annual reports. The possibility of improvisation and interaction is probably an important reason for the popularity of earnings calls both as sources of information for investors, and as objects of study for researchers.

In summary, it is argued here that there exists a need for a study of the earnings call genre with a qualitative focus. The earnings call genre itself has solidified its place among the most useful resources to study in the research concentrating on investor relations, and the language of corporate executives, persuasive language being a major element of that language. The present thesis thus continues the research tradition. The goal is to give a wide-ranging presentation and analysis of the use of persuasive language in earnings calls.

Different kinds of persuasive language use are identified in this thesis with the help of literature and prior studies in the field. The study itself will be done through a close reading of ten earnings call transcripts from the same time period. The earnings calls chosen represent two radically different industries, giving rise to comparisons between companies in those two industries. The companies are also named, and each is described briefly, something which has been lacking in prior research in the field, despite most sample sizes being similar to this thesis. This enables follow-up studies, even critical ones. A more interested reader can also go directly to the source of the data to analyze the validity of the conclusions made in this study. Focusing on the Q&A sections of the calls enables the attention to be directed to the more interactive and dynamic part of the medium studied. The qualitative method utilized in this thesis obviously has an effect on the generalizability of the results. However, the objective here is to give an overview, or a description of persuasive language use in the earnings call genre, instead of making generalizable conclusions. Subjectivity cannot also be ruled out when utilizing a qualitative mode of research. This is another reason why this thesis does not attempt to generalize.

The data of this study consists of transcripts of ten earnings calls in total, five from the banking sector and five from the technology sector.

Here are the research questions this thesis seeks to answer:

1. What kind of persuasive linguistic means are found in the earnings calls of the companies studied?

2. What kind of differences are there between executives and analysts in terms of the occurrence and use of persuasive expressions?

3. What kind of differences are there between companies from the two sectors studied in terms of linguistic persuasion?

The first research question is purely descriptive in nature. There is, however, a need for analysis and argumentation in classifying a certain linguistic element in speech as persuasive. Research

questions two and three bring a comparative element to the analysis. The analysis of these differences, as well as possible reasons behind them, is offered. Other noteworthy elements arising from the data will also be commented on.

Regarding the second research question, the hypothesis is that there are likely to be some forms of persuasion that simply do not fit into the language of a party on an earnings call and are therefore used only by the other party. The roles of the executives and the analysts, for example the fact that analysts are the ones asking questions in the interaction, are likely to influence their use of persuasive expressions. It is, however, hypothesized that there is similarity between the executives and the analysts when it comes to the use of most methods of persuasion. The motivation for this hypothesis is that the analysts have a need to gain information from the management, and possibly to gain acceptance for themselves as experts and their ideas in the financial community. The executives on their part likely see the earnings call as an opportunity to influence the public perception of their company and its stock, as well as of themselves. On the third research question, it is hypothesized that the calls of technology companies are likely to include significantly more emotional language related to persuasion, in the form of Aristotelian category of pathos. It is also hypothesized that the transcripts of the technology companies are likely to include significantly more repetition. Embedded in these hypotheses is the idea of the participants in the technology sector being more liberal in their expressions, aiming to generate buzz, and the sector also containing bigger personalities with a corresponding flavor in their language. A further basis for this hypothesis is the study of Jung et al. (2022), introduced later in this thesis. The main point relevant here is that the authors state that those who participate in crowdfunding of projects are always looking for projects with novelty (Jung et al. 2022, 4). Funders of said projects can be seen as similar to investors and followers of technology companies.

This thesis begins with a review of relevant literature in chapter two. The review starts with an overview of persuasive language and its application in the business field and this study. Prior

research on persuasive language and other related topics in the earnings call genre is then presented. Some studies of persuasive language and associated concepts in other business mediums are also presented. Chapter two ends with a brief commentary on methodological considerations that arise from prior research in the field. Chapter three describes the data and method utilized in this thesis. In reading that chapter, readers unfamiliar with the genre of earnings calls or communication practices related to being a publicly listed company should gain a good idea of those matters and thus better understand the data. Chapter four presents the results of the study. The chapter starts with an overview of the different means of persuasion found in the data. A more detailed description of each persuasion element along with examples and justification for their inclusion then follows. Chapter four concludes with the comparative part of the analysis. In chapter five a more detailed discussion of the results is presented, with the help of prior literature, as well as extra-linguistic factors when relevant. Chapter six then concludes the study, drawing attention to its findings and their relevance for theory development, as well as limitations and possible avenues of further study.

2 Literature review

This chapter introduces the literature which is relevant to the present thesis. This literature is also discussed and its relevance and useful concepts for this thesis are analysed. The chapter begins with an overview of the literature on the more general linguistic background used, with added commentary on the relevance of the linguistic points in earnings calls, observing the motivations and practical manifestations of such points. It is followed by an introduction to prior studies of the field in question and other related fields of study. The chapter concludes with a brief analysis of the prior methodological choices made in the field.

2.1 Characteristics of persuasive language

The concept of persuasion from a linguistic point of view has been discussed in a number of studies. Among them is Virtanen and Halmari (2005, 3), who define persuasion as "linguistic behaviour that attempts to either change the thinking or behaviour of an audience, or to strengthen its beliefs, should the audience already agree." They also point out that the audience, whether the intended recipients of the message or simply overhearers, also has a role to play in the process of persuasion (Virtanen and Halmari 2005, 3). The views on persuasion offered by the authors are also relevant in the context of this thesis, namely in the arena of business communication. Situation and cultural context also have an influence on the process (Virtanen and Halmari 2005, 4).

Different persuasive appeals include pathos, ethos and logos (Virtanen and Halmari 2005, 5). These concepts go back to Aristotle's theories on rhetoric. The authors define pathos as emotional appeal, which is found, for example, in advertising (Ibid.). They argue that it is hardly found in professional genres. However, it is not far-fetched to suggest that pathos could be utilized in earnings calls and other corporate communication, particularly in relation to issues such as corporate social responsibility. Virtanen and Halmari (2005, 5) define ethos as ethical appeal, messages about the believability, competence, and reliability of the speaker. These kinds of

messages by corporate executives are also present in prior studies discussed below and should thus be found in the analysis of this thesis as well. Logos is defined as appeal to the rationality of the audience and backing up one's statements with hard data (Virtanen and Halmari 2005, 6). It is reasonable to expect a rational and data-driven approach to be present in a business context, for example in references to the past results of the company in question. The authors also suggest that a combination of all three ways of appeal introduced here results in the most persuasive argument (Ibid.). Persuasive language or text cannot be broken down into a static formula, however, due to the dynamic nature of persuasion (Virtanen & Halmari, 2005, 8). This relates to the subjectivity in characterising an utterance as persuasive, something which can also vary according to the recipient.

One other form of persuasion is collocation, which is about the co-occurrence of certain words (Östman 2005, 183). Obviously, the meaning of a word and the listeners' or reader's perception of it is affected by other words it occurs with. Possible words affected by this kind of persuasion in corporate communication could be *strategy*, *organisation*, *employees*, *company*, *future*, *goal* et cetera. Companies are likely to think about the collocations of such words carefully. It is also possible to analyse individual word choices and the attitudes these words are anchored to (Östman 2005, 195). Pathos and ethos as broader and more high-level concepts also have relevance regarding word choices, as words are one example of how pathos and ethos manifest in practice. An example of a deliberate choice of words would be using the verb *pressured* instead of simply stating that they went lower when talking about a company's profit margins. Such use gives the impression that there are some outside forces at play that the company cannot control. Speaking of collocation, its meaning should be understood more broadly than simply analysing single word or a few words adjacent or close to the word studied (Östman 2005, 208). The author argues for a need to understand the collocate as a concept, and the concept can span several sentences or even a paragraph.

In the business context, "persuasive power factors include a reputation for implementing threats, the authority to take decisions and [having] options" (Bülow-Møller 2005, 29). In the situation of an earnings call, when attempting to persuade an analyst covering the company, a CEO could be perceived as having the power to cut communication with him to a bare minimum. The CEO could thus choose that his company communicate with other analysts. As the most drastic measure, the CEO could choose not to purchase services in the future from the bank with which the analyst is employed.

Establishing a shared perspective, in other words understanding the needs and wants of the other party, is essential in negotiations (Bülow-Møller 2005, 32). Again, in the context of an earnings call, this could mean that the members of the management team understand the need analysts have to receive information to properly and successfully do their jobs. On the other hand, the analyst should understand that the management wants the company and themselves to look as good as possible to maintain or increase the value of the company and their own job security. It is also reasonable to suggest that most executives sincerely believe that hardships for their companies are passing and that they can turn around the company when faced with a difficult stretch.

Bülow-Møller (2005, 41) argues that the creation of a common ground is not automatic and often requires conscious and even explicit linguistic expression. This might very well be the case in a business negotiation setting, which is one of the genres she studied and in relation to which she made the statement. In communication between analysts and executives, most "rules" and conventions are likely implicit and certainly not referred to directly in public communication such as an earnings call. The analysts should also theoretically be critical of the management and the company when necessary and give the market participants a realistic view of the company's prospects. The management on the other hand should be honest about their company's outlook, concentrate on the business itself, and let the market fairly determine the value of the company.

It is also possible to resist the creation of common ground between the two parties, for example through acknowledging the point of the other party while simultaneously discarding its relevance to the present matter with use of a *yes but* construction (Bülow-Møller 2005, 52). An example of this could be an exchange such as the following:

> Analyst: "So you guided for 500 million in pre-tax profit just two months ago, and today the results came in significantly lower."
> Executive: "**Yes, but** there were surprising factors that turned up, which we cannot have an influence on, like the geopolitical situation."

The example provided above is invented to highlight the general principles discussed here. In it, the previous guidance is discarded by the executive as irrelevant in the changed situation and an explanation is also offered for the implied mistake made by the management in terms of issuing guidance.

Goffman (1967, 5) defines face as the positive social value one assumes for herself, or others in their mind grant her in interaction. In relation to both the speaker's and hearer's face, demands are usually hedged as information requests and questions about delicate subjects come with justification (Bülow-Møller 2005, 31). Bülow-Møller (2005, 34) presents techniques such as paraphrasing and summarizing to get the other party to confirm what they said or what was inferred from their statement. These are likely to be frequent and useful in the context of an earnings call. Example of a paraphrase in an earnings call could be an exchange such as this one, invented for an illustrative purpose:

> Executive: "Demand drivers in our end markets are strong at the moment."
> Analyst: "So you expect to keep growing revenue?"

The executive could then confirm, deny or decline to comment on the implied state of affairs. An example, again, invented for use in this discussion, of a summarizing statement could look something like this:

> Executive: "The past year has been a challenging one for us and demand has dropped off significantly due to weak conditions in our customers' end markets. However, we have been able to respond by cutting our expenses and have also found some new and less competitive markets to sell our products to."

> Analyst: "So you expect this year's revenue to come in lower but to be offset by higher margins?"

The executive could then again give his view on the accuracy of the analyst's summary or choose to withhold from doing so. Another form of persuasion Bülow-Møller (2005, 46) introduces is assumed agreement, in other words using constructions such as *I am sure it is no surprise to you*, *obviously*, *as you know* et cetera. The author further states that these forms signal both politeness and power, which would make them most useful in an earnings call setting as well.

Syntactic downgrading means presenting focal information in a minor clause (Bülow-Møller 2005, 54). This lessens its importance from the side of the speaker and can also provide a similar feeling for the hearer. In a conference call setting, the impact could be particularly strong on the passive listeners or readers of the transcript, and not necessarily so strong on the actual analyst who the answer is directed at. Somewhat surprisingly, conditionals are also mentioned as a possible means of persuasion by Bülow-Møller (2005, 54). They can be used to invite the other party to accept the shared situation model alluded to earlier. A possible construction in an earnings call on the part of an analyst could be: *What if your volumes go down? Wouldn't it then affect the bottom line more negatively?* Here the analyst invites agreement with her point from the management but frames the invitation as a polite question.

Halmari and Virtanen (2005, 230) argue for the need of persuasion to remain implicit in order to be effective. They state that when a genre is used often enough in persuasion, persuasion in that genre becomes explicit and loses its effectiveness. That is why the authors propose the need to change the linguistic markers used in persuasion in a certain genre. It is thus possible to discover new and novel forms of persuasion in the earnings call genre studied in this thesis. Halmari and Virtanen (2005, 231) also point out how the audience, its values, thinking et cetera, changes over time. This makes it more necessary to change and rethink the linguistic elements used in persuasion. In the world of investor relations communication, both the larger audience of investors and other interested followers of the company as well as analysts covering the company may change over

time. New analysts could be more daring in their actions on the earnings calls, especially if they work for companies which are less reliant on the companies covered for their revenue generation, in other words are not a part of an investment bank. One might argue that companies already think that younger generations see topics such as corporate social responsibility as more relevant and thus the companies place an emphasis on those topics in their communication.

Jowett and O'Donnell (2012) propose other forms of persuasive language use. Those ideas are presented here, along with commentary and examples about their relevance in a business context. They state that prior exposure to an idea makes people more receptive towards it (Jowett and O'Donnell 2012, 179). Repetition is thus a form of persuasion. In earnings calls and other financial reports this practice is likely to be very prevalent. Jowett and O'Donnell (2012, 179-180) also present a social judgement theory, the key premise of which is that people are more likely to accept statements and opinions which are fairly close to those they already hold. Extreme statements are likely to be avoided in the talk of executives, and when they wish to alter the opinions of analysts and markets, they are likely to do this with small steps in the desired direction. These expressions should then be found in their comments on the earnings calls.

Cultural truisms are beliefs that are never attacked and are taken for granted in a certain culture (Jowett and O'Donnell 2012, 180). In the culture of communication between financial analysts and corporate leadership, the integrity of the latter is rarely challenged. The analysts need access to the executives of the companies they cover to do their jobs. They are thus unlikely to directly challenge the complete truthfulness or tone of the statements made by executives, allowing them to persuade the larger financial community listening to the calls and presentations or reading the transcripts. It is thus the responsibility of the listener or reader to spot the subtle linguistic attempts to shift the narrative in the favour of the company and its leadership.

Huang (2019) studied persuasive language in personal selling. This context is obviously fairly close to or already a part of the business communication genre. The author examined the use

of persuasive strategies by salespeople and the influence of context on the choice of those strategies (Huang 2019, 356). According to Huang, personal selling is about identifying the problem a customer is facing, offering the possible solutions and then offering services after the sale. There are multiple ways to approach each phase of the selling process, for example, one can start with a referral approach, follow up with a narrative, then proceed to negotiate with the superior point technique and finally close with the assumption technique (Huang 2019, 354). Earnings calls also include negotiations between the parties involved, for example an analyst attempting to gain the information she needs from the management team. For the executives, they want to persuade the analysts to accept their viewpoint in contentious and interpretive situations. One interesting persuasion technique introduced by Huang (2019, 359) is the compliment technique. As its name suggests, it is about complimenting the other party to make them more receptive towards one's viewpoint. This could be very pervasive in the earnings call genre.

2.2 Prior research on the use of language in financial reporting

Belinda Crawford Camiciottoli is arguably the most central researcher of the tradition of using linguistic methods to analyze corporate earnings calls. In her 2018 study she researched persuasive language in earnings calls defined as the use of evaluative and degree "boosters" in the language of the participants (Crawford Camiciottoli 2018, 280). She used corpus analysis to compare the occurrence of these said boosters in the earnings calls of companies both during the global financial crisis in 2009 and the recovery that came afterwards (Crawford Camiciottoli 2018, 275). What she calls the "crisis corpus", in other words that of the year 2009, had a higher number of these persuasive tokens than the "recovery corpus" set a few years after the crisis (Crawford Camiciottoli 2018, 281). Her explanation for the increased number was that the executives felt a need to point to a positive future in the depths of the crisis (Crawford Camiciottoli 2018, 275). This explanation seems believable. However, it could be argued that management teams rarely feel the need to be

negative in their statements or tone down the enthusiasm of current and prospective investors. The relatively small difference in the amount of these items between the two time periods (Crawford Camiciottoli 2018, 281) supports this alternate perspective. It is simply unlikely to be in the interests of management to "talk down" the expectations of the market and thus the share price of their respective companies. Usually, a large portion of their pay is tied to share price appreciation through stock grants and options. A well-performing share is also a positive reputational factor and can function as a marketing gimmick for the company more generally.

In addition to the main empirical point provided by Crawford Camiciottoli (2018, 283) in her study above, she also observes the similarity in the boosters used in the calls, despite changes in the leadership of participating companies. The researcher even calls this seemingly homogenous language of the earnings calls studied a shared linguistic protocol (Crawford Camiciottoli 2018, 275). This language thus forms a fascinating topic to research further and more qualitatively. She also only in passing refers to the persuasion on the part of the analysts asking the questions on the calls and does not comment further on this. This is likely done due to her corpus-based methodology.

In another study of persuasive language, Crawford Camiciottoli (2011, 298) analysed the language of executives on earnings calls from the perspective of using ethos, in other words of describing themselves and their companies as being ethical and of high moral standards. In the first stage of her analysis, she searched the dataset of the earnings calls of ten chosen companies for ethics-related vocabulary (Crawford Camiciottoli 2011, 303-304). The first remarkable observation that Crawford Camiciottoli (2011, 304) made was that the most explicit markers of ethics with roots such as *ethic**, *trust**, *responsib**, *dut** were absent. This was in contrast with prior research on ethical language in financial reporting, and Crawford Camiciottoli (2011, 305) offered the explanation that the interactive forum of an earnings call, as opposed to a written report, discourages explicit use of such language. Most of the ethos-building expressions were thus related

to perseverance, discipline and confidence as well as words *strong* and *strength* functioning as boosters (Crawford Camiciottoli 2011, 305-308). Such expressions are something to look for in the analysis section of this thesis as well.

Palmieri et al. (2015) studied the argumentation in the language of earnings calls. They refer to the questions and challenges issued by the analysts, and particularly the justification given by management in their answers as argumentation. The authors analysed the earnings call transcripts of six companies and the questions asked by analysts on those calls, as well as the answers to those questions (Palmieri et al. 2015, 77). The results show that argumentation is present in nearly every opinion and standpoint expressed by the managers. Particularly the refusals to answer a question seem to come with an explanation for the said behaviour (Palmieri et al. 2015, 83). The researchers explain this behaviour by the willingness of the executives to avoid the sentiment that they are leaving out something important and negative only due to, for example, company policy (Ibid.).

Argumentation results from questions asked by analysts that solicit such motivated answers (Palmieri et al. 2015, 73). Palmieri et al. (2015, 73-74) see the argumentation as positive as it helps reduce the information asymmetry between the company and the financial markets by either confirming the analysts' prior expectations and theories or disproving them. However, the corporate leaders also have a goal of painting themselves and their companies in a positive light to achieve the desired state for their companies' share prices, which usually is the price going up (Palmieri et al. 2015, 75). This seems to be somewhat at odds with the prior motive of reducing information asymmetry. The analysts also rarely challenge the executives and their statements outright (Palmieri et al. 2015, 83). This is in line with the culture of earnings call communication referred to earlier in this section. According to Palmieri et al. (Ibid.), the analysts use the presentation of their own conclusions as a means of pressuring the executives. Analysts strive to give the impression that those are the facts of the situation they will present to the financial markets if not corrected with adequately explained statements.

Pang and Chen (2018, 411) studied evaluative language in earnings calls. Their corpus-based study compared Chinese companies with companies from other countries in terms of evaluative language. Two interesting evaluative functions they point out are promoting the image of the company, and the speakers identifying themselves with various positive traits such as professionalism and trustworthiness (Pang & Chen 2018, 423). In terms of the evaluative words, positive evaluative words were found to be many magnitudes more frequent than negative ones (Ibid.). Chinese companies were slightly less positive in terms of the language on their calls (Ibid.). Concerning language referring to certainty about a matter, the Chinese companies' executives also hedge their statements less (Ibid.). The researchers offer limited genre-awareness of earnings calls and the influence of Confucianism and Chinese culture as explanations to both of these attributes of Chinese companies in the sample (Ibid.). The promotional function of the earnings call is referred to throughout the paper of Pang and Chen (2018). The researchers also make an interesting point about the need to portray one's company as innovative, constantly improving and expanding (Pang & Chen 2018, 413). Announcements about large investments with uncertain payoffs are usually not positive news (Ibid.). It could be argued that these thus need good supporting arguments on the call when announced.

Cicon (2017, 57) studied information content of earnings conference calls. As stated before, the earnings call consists of a prepared remarks section and the Q&A session. The methodology of the study was to compare the language in the Q&A session with what was said before during the prepared remarks and to see whether the language used was similar or different in terms of meaning (Cicon 2017, 63). The more different the language, the more new information there was assumed to be in the Q&A session. The dataset was very large with over 37,000 transcripts analysed. The transcripts were from years 2005 to 2012. Cicon (2017, 58) states that during the Q&A session, management has the option of either sticking with what was said in the formal presentation by repeating themselves, or to provide unscripted answers to analysts' questions. In his study, the

researcher attempted to measure how much the executives go off the script and thus provide actual, novel, information (Cicon 2017, 58). It is no surprise that when managers decided to provide new information, that information was usually positive for the company (Ibid.). This is further evidence of the willingness by executives to manage the image investors and other followers have of their firm in earnings calls and other communication.

An interesting point made by Cicon (2017, 77) is that when the CEO is more active on the Q&A session, its information content gets reduced. This seems to imply that CEOs repeat what was said in the prepared remarks section. The CEOs may be more skilled in communication and image building, or they may simply lack the specific knowledge that the CFO or other members of the management team possess about different areas of the business.

Patelli and Pedrini (2015, 3) studied the tone of CEO letters in corporate annual reports. They tried to find out whether certain kind of language was related to aggressive financial reporting. Aggressiveness in financial reporting and accounting does not mean outright fraud but rather the need to restate the earnings at a later time and a general high effort to reach the set earnings targets. The researchers also explicitly state the usefulness of the study of corporate reports for investors, auditors and regulators. Their study included 535 CEO letters from the two years of global financial crisis in 2008-2009 (Patelli and Pedrini 2015, 4).

Patelli and Pedrini (2015, 4) hypothesized that programmatic, optimistic, resolute, complex and non-engaging language would be the kind of language related to aggressive financial reporting. They state that programmatic language signals overconfidence and strong belief in one's ability to make changes and deliver results (Patelli and Pedrini 2015, 6). In speech this language is realized through emphasizing accomplishments and showing high self-confidence (Ibid.). According to Patelli and Pedrini (Ibid.), certainty and resoluteness are striking in corporate communication because they do not fit well into the uncertain world of financial markets. Engaging language on the other hand aims at creating a shared community with shareholders and other stakeholders, making

them feel like they are a part of the company (Patelli and Pedrini 2015, 8). As regards optimistic and programmatic language, the hypothesis proved incorrect, as they were not related to aggressive financial reporting (Patelli and Pedrini 2015, 11). The other three hypotheses were correct, as non-engaging, resolute and complex language was correlated with aggressive financial reporting.

Nwagbara and Belal (2019, 2396) studied persuasive linguistic strategies in the sustainability reporting of oil companies operating in Nigeria. The companies studied used, for example, word choices to paint themselves as responsible, and these words refer to sustainable development, community and progress (Nwagbara and Belal 2019, 2405). These expressions can be argued to be what many companies and organisations think the public wants to hear and convey the image the company wants the public to have about it. Emotional words and address terms are also used, examples being *partner* when referring to various stakeholders and *we* when referring to the company itself (Nwagbara and Belal 2019, 2406). Both of these humanise the various organisations they refer to, and the use of *we* in particular makes the organisation seem more like a collection of people as opposed to an entity of its own.

In addition to the word choices, repetition is also used as a means of achieving persuasion (Nwagbara and Belal 2019, 2407). Word order and sentence structures that aid reasoning and argumentation were used in the communication of the companies that were studied. Examples include adpositional phrases and subordinate clauses (Nwagbara and Belal 2019, 2409-11). The kind of persuasion found in the reports studied is aimed more to the general public and those that consume the reports on their behalf, for example journalists. It is not aimed at specific people like the analysts on earnings calls. The sustainability reports are also planned and written beforehand, as opposed to the question-and-answer sections of earnings calls. There is, however, also a parallel with the prepared remarks section at the beginning of an earnings call.

Yuthas et al. (2002, 141) investigated corporate communication in the management discussion and analysis (MD&A) sections of annual reports for the year 2001. As its name suggests,

the management discussion and analysis section is the main textual part of the annual report and in it the management supplements financial data with their commentary. According to Yuthas et al. (2002, 142), annual reports and their letters and MD&A sections also carry a promotional aspect and are used to communicate with all the company's stakeholders. Earnings calls, which are the focus of the present study, could be argued to carry a similar meaning, although their audience might be more limited. Yuthas et al. (2002, 144) studied these corporate reports through the lens of Habermasian principles of comprehensibility, truthfulness, sincerity, and legitimacy. They sought to uncover whether particularly the "negative" companies as explained below would make use of strategic action related to the Habermasian principles to influence the readers' perception of the company (Yuthas et al. 2002, 144).

Examples of such strategic action also relevant to the present study are reducing comprehension through complex logic or vocabulary, distorting or omitting facts, making statements that are insincere or using language that is not appropriate in the rhetorical context at hand (Yuthas et al. 2002, 144). Also relevant to this present study is the point Yuthas et al (2002, 145) make about the need companies feel to manage the financial expectations of analysts covering the company. In the direct communication with analysts on earnings calls studied in this thesis this function is likely to be even more relevant.

The sample os Yuthas et al. (2002, 147) consisted of annual reports of large US based companies. The sample was divided into companies with relatively large positive and negative surprises in first quarter earnings compared to analysts' expectations (Ibid.). The study included seven "positive" companies and seven "negative" ones (Ibid.). The reports of these companies were studied using software called Diction 5.0 and a random sample of Fortune 500 companies' reports functioned as the baseline against which these two groups were compared (Ibid.). The hypothesis of the researchers was that the "negative" companies would employ more of the strategic communication outlined above (Yuthas et al. 2002, 141). This hypothesis proved somewhat correct,

but they also discovered that companies anticipating large positive surprises were likely to engage in communication aimed at portraying the management as trustworthy (Ibid.).

Jung et al. (2022, 1) studied strategies to attract crowdfunding. Crowdfunding is a form of investment where a large number of typically unsophisticated investors provide capital to a company, team or an idea. The strategies Jung et al. (2022, 2) studied were funding target diversification, updating project information and communication. Of these three, the latter two are relevant here. The study was done using web-crawled data of 7,406 projects with a focus on their language and using Natural language processing, or NLP (Jung et al. 2022, 2). Regarding project updates, the researchers hypothesized that progress updates are beneficial, but an excessive number of updates can have a detrimental impact (Jung et al. 2022, 5). This hypothesis was proved correct. When it comes to public companies, there are regular debates on whether the quarterly reporting, which is the standard today, is excessive or insufficient. Jung et al (2022, 1) also found that two-sided communication is beneficial in making a crowdfunding project successful. Regarding communication, the authors also state that changes in project aim, direction or team are usually taken as negative signs by the funders (Jung et al. 2022, 13). This relates to the frequent repetition and emphasizing of strategic direction, means, values et cetera usually found in the communication of public companies.

As stated before, the people who participate in crowdfunding projects as funders are typically less sophisticated and certainly are not investment professionals. Jung et al. (2022, 4) state that these funders are always on the lookout for novel ideas. It could be argued that analysts and investors following technology companies have a similar, even if not as strong, appetite for novel concepts and products. It is thus possible that there are some similarities in the strategies and communication of technology companies that are a part of this thesis and crowdfunding projects studied by Jung et al. They also propose that novel ideas make the information asymmetry between the project's organizers and potential funders larger (Jung et al. 2022, 4). Again, in relation to

technology companies, this means that they should pay more attention to their investor communications than an average company. Furthermore, software projects were specifically flagged by Jung et al. (2022, 11) as those where novel ideas were most beneficial in terms of attaining funding. Many public technology companies today are specifically software companies and could thus benefit similarly from novel ideas. The researchers also argue that funders of crowdfunding projects typically make rapid and emotional decisions as to whether to invest in a project presented to them (Jung et al. 2022, 4). This probably applies to many individual investors as well, who may follow earnings calls, the topic of study in this thesis.

Jung et al (2022, 4) also raise the point that crowdfunding projects do not aim for a high overall rating among the potential funders, but rather focus on finding a sufficient number of people with a right mindset willing to fund the project. On the contrary, a generally positive perception, especially among professional investors and institutions, is usually what public a company strives for in their investor relations communication. Part of the perception is obviously trust in the management and the company's future. However, companies like Tesla have deviated from this conservative and traditional culture of investor relations. Through its founder and CEO Elon Musk, the company has managed to create a cult of sorts. They have angered some traditional professional investors along the way, but the perception has not hindered the success of the company thus far. Companies like Tesla could be argued to represent something close to crowdfunding projects, with a sufficient number of believers and then those who do not trust the company. Regarding trust, Jung et al. (2022, 5) argue that credibility is best built through intimacy, which in turn usually takes place in one-to-one communication. This kind of communication takes place in earnings calls, and therefore in this thesis attention should be paid to attempts by the executives to foster intimacy as a way of building trust and persuading the analysts.

2.3 Methodological considerations

Crawford Camiciottoli (2011, 309) argues for the value of qualitative analysis by stating that this method is necessary to spot rhetorical features of discourse. A closer analysis of these interesting parts of text can then be expanded on within the scope of the study at hand. The manual nature of this kind of an analysis limits the number of transcripts that can be studied, however. Nwagbara and Belal (2019, 2403) used only manual qualitative analysis in their study on CSR reporting presented earlier. This approach is thus not new and has been applied in the field before. Nwagbara and Belal (2019, 2403) performed their study inductively, starting from the data itself and making inferences. A similar method will be applied in this thesis.

Palmieri et al (2015, 84) only had six companies and thus six transcripts in their qualitative study and they state that the transcripts still contained an important number of words. This supports the fairly limited sample size of the present study. It could also be argued that the companies studied should be in the same industry due to lot of industry specific content and terminology on the calls (Palmieri et al. 2015, 84). In the present study both intra-sector and inter-sector comparisons can be made, as there are five companies from two chosen sectors. Palmieri et al (2015, 84) also highlight the need for both sector specific and financial knowledge to get the most out of the earnings call discourse genre.

Pang and Chen (2018, 416) argue for software assisted analysis as opposed to annotation by hand. They cite errors and inconsistency as possible results of manual analysis. However, they also included qualitative discourse analysis in their study and also highlighted the need to go over the results produced by their analysis software Wmatrix (Pang and Chen 2018, 420). Even with their slightly more quantitative and corpus-based approach, they only included forty transcripts in total (Pang and Chen 2018, 417). The number is way higher than that of other similar studies introduced here, but still not huge. Pang and Chen also have transcripts of companies from multiple sectors, which is at odds with what Palmieri (2015, 84) suggested. The study of Pang and Chen (2018) also

includes a comparative element between Chinese companies and companies from other countries, which they call "international" in their paper. This supports the usefulness of a comparative study utilized in this thesis as a means of uncovering significant new information.

Cicon (2017) concentrated only on the language of the management when studying the information content of earnings calls. As in his study, the focus of research is often on the management and their expressions, although it could be argued that analysts are an important part of the interaction in the call. On the other hand, Cicon (2017, 60) does point out the importance of analysts by stating that the more they participate in the call, the more information is extracted from the management. In this thesis, attention will be paid to the language of analysts as well. Regarding the methodology of his study, Cicon (2017, 62) posits that researchers who study the tone of management communication usually preselect the words to concentrate on in their research and thus discard a lot of potential data. This point speaks to the importance of close reading and approaching the data with few preconceptions and an open mind.

Yuthas et al. (2002, 147) had a sample of fourteen companies in total. Although their study was quantitative in nature, they state that the small sample size did not allow for the use of standard statistical tests (Yuthas et al. 2002, 155). They also claim that the narrative part of the annual report, in addition to the financial data, had started to be considered an important area of research by the time of their study (Yuthas et al. 2002, 142). Quite a few years have passed since then, but one could argue on the basis of later studies that the earnings conference call has received such attention and prominence in recent years, in addition to the quarterly financial data published by companies.

Patelli and Pedrini (2015, 2) argued for the need to study thematic indicators and true meanings of words instead of just syntactic features of language in their study of the tone of CEO letters. They also state that a computerized research process makes comparison easier. In this thesis the focus will be on the meaning of language. No computerized processes will be utilized, but comparison should still be possible between the different transcripts and excerpts from them. Patelli

and Pedrini (2015, 8) also studied CEO communication during a time of crisis in 2008-09. They argue that in such an environment the management must use all their skill of communication to get through the challenges (Ibid.). Such times thus provide fertile ground for analysis of language. The present thesis includes earnings calls from the year 2022, which has seen developments such as the war in Ukraine, high inflation and rising interest rates. The situation of study thus has some parallels with that of Patelli and Pedrini's study.

3 Method and data

In this chapter, the research method utilized in this thesis will be presented along with other relevant concerns. The data being analyzed, and its collection will also be described.

3.1 Method

The research method utilized in this thesis is qualitative in nature. It involves a close reading of the transcripts chosen for analysis and coding them for persuasive linguistic expressions. To restate what was said earlier in the literature review chapter, Virtanen and Halmari (2005, 3) define persuasion as "linguistic behaviour that attempts to either change the thinking or behaviour of an audience, or to strengthen its beliefs, should the audience already agree." This definition is the basis for classification of parts of the data as persuasive. Probably the most salient occurrences of persuasion are the three of pathos, egos and logos (Virtanen and Halmari 2005, 5). These were also defined in the chapter prior to this one. Other means of persuasion introduced by Virtanen and Halmari include summarizing, assumed agreement and certain conditional constructions. All of these were also more thoroughly explained in the literature review. Repetition is another possible mode of persuasion found in the data, as is giving compliments to make the other party more receptive to one's viewpoint, a technique explained by Huang (2019, 359). Jung et al. (2022, 5) on their part refer to credibility as being built through intimacy. Intimacy and fostering of more personal relationships through language is also a possible means of persuasion, as was stated in the literature review. Along with these constructions introduced in the literature review chapter, other forms of persuasive language can also be present in the data. One further note worth repeating is the need of persuasion to remain implicit in order to be effective, as stated by Halmari and Virtanen (2005, 230). This means that there inevitably exists an element of interpretation in the analysis.

As stated in the prior chapter, Crawford Camiciottoli (2011, 309) argues for the value of qualitative analysis by stating that this method is necessary to spot rhetorical features of discourse.

This view supports the method applied in this thesis. Nwagbara and Belal (2019, 2403) also performed their analysis manually as will be the case in this thesis. Nwagbara and Belal (ibid.) utilized inductive analysis in their paper, and it is also a part of this thesis, although some probable elements of persuasion to be looked for in the data were defined beforehand with the help of relevant literature. The number of transcripts included for analysis in this thesis is on par with that of some prior studies introduced in the last chapter, even those with a more quantitative approach.

3.2 Data

The data consists of ten transcripts of companies' earnings calls. The transcripts represent the time period of January 2023 to March 2023 and were held after the release of the results of the fourth quarter of 2022. The companies chosen represent two industries, namely the banking and technology sectors. This choice was made to enable comparisons both within a single industry and between two quite different industries. All the companies are based in the United States. As there already existed the element of cross-company and cross-industry comparison, it was deemed unnecessary to include an element of cross-cultural or international comparison. This choice was made with the scope and qualitative research method of the present thesis in mind. The companies from the banking industry whose earnings calls were studied were Ally Financial (banking, mostly automotive lending), First Republic Bank (a regional bank), Cullen/Frost Bankers Inc. (a regional bank), JPMorgan Chase (a large bank), Wells Fargo (a large bank). These are five quite different banks. Ally Financial is focused on automotive lending, and also presents itself as a sort of an online only neo-bank as well. First Republic is a regional bank operating in the West Coast of the United States, and other wealthy areas. Frost on its part is based in Texas and operates there. JP Morgan and Wells Fargo are so-called money-center banks, which offer all the possible banking products and operate all over the world. They also serve very large institutional clients.

The technology companies studied include CrowdStrike Holdings Inc. (cyber-security), Salesforce.com (customer relationship management software), Palantir Technologies (big-data

analytics), Datadog (cloud service monitoring software) and Snowflake Inc. (data cloud services). These technology companies are somewhat different from one another, but also share some common features. Their shares are among the best performing in recent years, and the companies have seen their revenues grow very fast over the last few years. These features make them good and even somewhat stereotypical examples of fairly recently publicly listed start-ups.

The transcripts were collected from a website or an interface called roic.ai (https://roic.ai/). It is a rather new tool. However, websites such as Seeking Alpha and Motley Fool also publish transcripts and have been used in previous research. Some companies also publish transcripts on their own investor relations websites. The transcripts varied in length somewhat, ranging from 8,000 to 12,000 words. They also included a management discussion section at the beginning of the call, ranging from 2,000 to 3,500 words. The focus of this thesis was on the question-and-answer sessions following the management discussion.

4 Results

In this chapter, the results and relevant findings will be presented. To recap, here are the research questions this thesis seeks to answer:

1. What kind of persuasive linguistic means are found in the earnings calls of the companies studied?

2. What kind of differences are there between executives and analysts in terms of the occurrence and use of persuasive expressions?

3. What kind of differences are there between companies from the two sectors studied in terms of linguistic persuasion?

The hypothesis related to the second research question was that some forms of persuasion would only be suitable for use in the language of another party. It was also hypothesized that apart from those differences, the persuasion methods used by the analysts and executives would be similar. Regarding the third research question, it was hypothesized that the transcripts of technology companies would include more emotional language related to persuasion, and more repetition.

The different linguistic means of persuasion present in the data will first be presented through examples from the transcripts studied. Justification for the various categories and the inclusion of said examples will also be given. Differences between the companies in different sectors as well as between executives and analysts will then be presented and studied, both through examples and more general notes.

4.1 The different means of persuasion present in the data

The following persuasive linguistic features were present in the data: intimacy, including complementing and politeness; asking for a bit more additional information; asking for help; pathos, ethos and logos; summarizing; reframing; assumed agreement; making promises; repetition. Word choices are treated as a subcategory of pathos, ethos and logos here, as they most often had one of

these as a motivation for their use. Politeness and complimenting were similarly treated as instances

of intimacy, which as a whole was focused on relationship building between the parties. The two

question types of persuasion were identified in the data through recurring patterns, as were

reframing and making promises. The other methods were already introduced in some detail in the

chapter on linguistic background and could thus be looked for in the data. It might have been

possible to identify more types of persuasion in the data, so the list is not exhaustive, although it

already includes quite a range of methods. The line between pathos and intimacy was sometimes

blurry, although a difference in function could be argued to be there, with intimacy being used in a

more pure relationship building function. The categories of asking for a bit more additional

information or asking for help could have been classified as one, but a decision was made to report

them as distinct categories due to two different types of recurring constructions. The categories are

also listed in tabular form below, in table 1. A function of each in the data, along with relevant

examples, is then given.

category	function	examples
intimacy	fostering more personal relationships with the participants and listeners	Well, **Keith**, first of all, **thanks** for the question. **Really appreciate it.** (SalesForce) **Congrats on the quarter**, and **thank you for the very comprehensive outlook** going into next year. (SalesForce)
asking for a bit more additional information	minor requests by the analysts for additional information	could you give **a little bit more color** what you saw in the quarter (Frost)
asking for help	requests for help in understanding some detail by the analysts	**Can you help us understand** how you are thinking about delivering operating leverage? (JP Morgan)

| pathos, ethos, logos | pathos – emotional persuasion, ethos – portraying oneself as competent, trustworthy et cetera, logos – rational argumentation and/or backing one's claims up with data | So **obviously**, **when you are getting up to bat 300 times a year, you are going to have errors**. (JP Morgan, pathos)

And I think **what we have done** in hiring has been **very** responsible and **very disciplined** in **what I think our long-term holders would expect us to be doing**. (Ally, ethos)

Well, we work with the large customers, obviously, to make sure that they get what they need. **We're optimizing gross margin, obviously, we're doing quite a bit on our end to -- on the engineering side to do that. At all levels, 1% of gross margin is making a very large difference for their business, and we can reinvest that in future growth. Changing prices by 1% based on that doesn't make a big difference for customers.** I think when they -- the real way to address their concerns as they keep scaling and generating much more data and sending more observability data to us is to give them more options to process that data so that they can align with what they pay to us with the value they get. And we've been also building that on the product side. So, it's not really a pricing question. It's more of a product and structure question. (DataDog, logos) |
| summarizing | giving a summary of the things to be remembered from one's answer, as they best represent one's views | So you don't really have much that are issues and they're kind of specific. **So again**, I don't want to give the impression things are too negative, but I do want to give the impression |

		things are not as good as they were. (Frost)
reframing	turning something around, for example defining and explaining why a proposed weakness is actually a strength	What we see in the current environment is that it is **actually** helping us get to these consolidation deals that were mentioned a little bit earlier because we can cover more of what our customers need to do and drive more efficiencies. (DataDog)
assumed agreement	assuming the other party agrees with oneself, and referring to commonly held opinions	It certainly has evolved since third quarter, **right**. And **we pointed that out, you did as well**, GDP contraction as well as higher unemployment by the end of the year, approaching 5%. (Ally)
making promises	using *will* to promise something to happen	And **you will see** kind of at most, the biggest delta and sort of our normalized view versus 2023 expectations really is in the fourth quarter. (Ally)
repetition	repeating a word or an expression multiple times in a statement	Stepping back, the ultimate test around SBC is really like, are you GAAP **profitable**? And the answer now is yes. It's yes in Q4. And as we look forward to 2023, the answer is yes there as well. Equity overall, we want to make sure that we align employees and our stockholders. And you sort of see that in the current results, which are all resulting in GAAP **profitability**. And so we plan to keep that alignment, to push on the top line, improve the margin and to stay GAAP **profitable**. (Palantir)

Table 1. The different types of persuasion in the data

The first category of linguistic persuasion is called intimacy. It is about attempts to get more

personal with the participants on the call, as well as those just listening to the call, meaning, for

example, the shareholders of the company. One way of fostering intimacy is giving personal

greetings and calling the other person by their name, as in example 1 from the Ally Financial transcript.

> (1) Hey. Good morning Moshe. (Ally)

The management of Ally Financial give greetings such as this to nearly every analyst who asks a question on the call. This is not present in the transcripts of any of the other banks. Marc Benioff of Salesforce greets the analysts by thanking them for their questions, as in example 2.

> (2) Well, Keith, first of all, thanks for the question. Really appreciate it. (Salesforce)

Additionally, he does much more than just that, as evidenced by example 3.

> (3) Thanks so much for that question. I really appreciate it. I really appreciate everyone's support during the quarter. I don't think we could have had this quarter without everyone who's on the call. We really are very grateful to the support we had, especially from the analysts and the shareholders, because, really, through their guidance and enlightenment, we were able to execute a different plan. (Salesforce)

He credits the analysts on the call as well as shareholders for the company's success. Looking at the word choices, words like *grateful*, *appreciate*, *guidance* show how he really is trying to appear genuine in his words and foster a positive atmosphere. The words in the example also illustrate how the line between intimacy and pathos is at times unclear. However, it could be said that in the example 3 above the focus is purely on relationship building and no substance is presented along with the emotional language, that being a difference between intimacy and pathos in the data. There could indeed be a certain kind of special atmosphere on the Salesforce call. To find support for this proposition, one can look at the opening statements of two analysts on the call, examples 4 and 5.

> (4) Congratulations on a really strong end to fiscal year. (Salesforce)
> (5) Congrats on the quarter, and thank you for the very comprehensive outlook going into next year. (Salesforce)

There thus seems to be a deeper relationship between the analysts covering Salesforce and the management of the company. One could argue that this relationship makes the analysts more easily believe what the management has to say, as can be seen in example 5, when the analyst in question

calls the outlook or guidance of Salesforce "comprehensive". The outlook laid out by the management of a company is only their view, and not a hard truth.

Intimacy can also be built by being polite. In examples 2 and 3 the executive acknowledges the analyst by thanking him for his question. In example number 5 the analyst on his part thanks the management team for what he calls a very comprehensive outlook. Analysts always thank the management after they provide an answer. These features were present in every call. However, not every executive present in the data does thank the analysts for their questions, whereas analysts always thank the management team after receiving an answer. Politeness also manifests itself in most of the analysts' questions being indirect and is thus present in many of the turns including questions. In summary, intimacy was a very frequent method of persuasion in the data.

The next feature is that of analysts requesting a bit more additional information. These kinds of expressions were prevalent in nearly every call. Below are a couple of examples, number 6 coming from the Ally Financial transcript and number 7 from the Cullen/Frost transcript.

(6) **So, just drill in a little bit** on the credit loss outlook and how we should think about it. **Can you talk a little bit about** the impact of frequency versus severity (Ally)

(7) And I know you mentioned repos, **but could you give a little bit more color** what you saw in the quarter, what you might still see at risk moving out of non-interest bearing. (Frost)

Both of these are attempts from the analysts' part to get the management to expand on something they stated earlier. Both statements include the use of a construction of talking about or giving just a little bit more color on the subject at hand. The ask is actually not that small as both subjects covered in the examples are quite significant for the success of the banks in question. When the analysts ask for only a small amount of additional information, the request is hard to deny. We do not see a case in the transcripts studied where such a request would be denied. It would be a strong statement on the part of the management to deny such a request completely, when seemingly so little is asked for.

Another way of persuasion, specifically on the part of the analysts, is asking for help from the management. Framing a request for information as a request for help form the other party also changes the atmosphere. The analyst is not interrogating the members of the management team for answers, but rather the management team has the possibility to do something positive and be helpful. Freedman and Fraser (1966) proposed a theory about the importance of self-perception in complying with requests. They hypothesize that compliance to an initial, often simple, request triggers a perception of helpfulness in the person (Ibid.). This feeling of being helpful then makes the person more likely to comply with additional requests (Ibid). This could thus be a possible motivation behind the use of such requests by analysts on conference calls studied here.

Examples of these requests for help are presented below.

(8) So, **can you help us understand how you are thinking about** working through the scenario where perhaps OSA rate becomes a little more competitive than what you are baking into the baseline that you have got here? (Ally)
(9) **Can you help us understand** how you are thinking about delivering operating leverage? (JP Morgan)
(10) **How should we think about** the NIM trajectory? Like does it fall closer to 2%, by the middle of the year by the second or third quarter before rebounding in the back half. (First Republic)

In examples number 8 and 9, the analyst is explicit in asking for help in understanding a certain aspect of the company's business. This kind of request is, again, quite hard to deny as refusing to give some sort of an answer to such an explicit request would be a strong stance to take. The analyst also asks for help for *us*. In the financial community, it is typical to use first-person plural when referring to one's views and work, as they are often thought of as views of the institution one is employed by. However, here the first-person plural likely refers to the participating analysts on the call, or even the financial or investor community at large. This adds strength to the request. The wording of the request itself is also interesting, specifically the part of *how you are thinking about working through*. The analyst does not request any definitive views, but rather the management's thought flow regarding the subject at hand. This further lowers the barrier to give some type of answer. In example 10, the request for help is framed in such a way that the analyst appears very

open and receptive towards the possible answer. He appears to be asking how to think about the
subject, giving the management a possibility to shape his, or their, as the first-person plural is again
present, thinking. Asking for help was prevalent in the calls.

The next categories of persuasion are the Aristotelian terms pathos, ethos and logos. To
restate, after Virtanen and Halmari's (2005, 5) definitions, pathos is about emotional appeal, ethos
is about self-definition and association and logos is about rational argumentation. As a broader
category they were well represented in the data. Starting of with pathos, many examples are found.

(11) Salesforce is not just one of **the largest and fastest growing**. You can see that I
think that we gained -- **we probably added or created more ACV than all the
other SaaS companies combined**. Like our ACV numbers are **massive**, but **also
the most profitable software company in the world, the most -- the highest cash
flow**. (Salesforce)

Example 11 above is littered with superlatives. There are only two words that serve a hedging role,
think and *probably*. Certainly, the management of Salesforce cannot know for sure whether there
are more profitable software companies in the world.

(12) So obviously, when you are getting up to bat 300 times a year, you are going to have
errors. (JP Morgan)

In example 12, from the transcript of JP Morgan, the management answers a question about a failed
acquisition. The statement is aimed at getting sympathy and understanding among the listeners. Use
of a sports analogy cements this, as people generally agree that one cannot always be successful in
sports and failure is a part of the game, especially when one dares to try things. In a business
environment, failure is generally not as acceptable.

(13) **And I think we took this question a lot more seriously than I think people on
the outside realize precisely because there are literally thousands and
thousands of users and, at this point, countries, that depend on our product for
the survival.** And while many of us watching this are obviously highly attenuate to
share price, **the people whose lives depend on our product have been very
dependent on us and want to know that our financial stability now and in the
future is guaranteed. So this has been much more of a priority to get us to this
place.** I'm happy that we have **long-term supporters and shareholders** that are
interested in this, and we will continue to be profitable this year. (Palantir)

In example 13, Palantir CEO Alexander Karp talks about the company reaching profitability. The extract paints a picture of Palantir and its management as highly responsible and understanding their place in the world. Such language is likely to strengthen the core message in the answer, namely that Palantir will remain profitable in the future. One note on the word choices made by Karp is the construction *long-term supporters and shareholders*. It seems as if the company were a sporting club and not a publicly listed company. Language such as that is likely to make the shareholders and others following the company more receptive to Karp's statements. Particularly the shareholders might feel that they are part of something very important to even entire countries and need to support whatever initiatives the management has in mind. Pathos was quite frequent in the data, although in some calls it was used it more than others, as will be discussed later.

Moving on to the topic of ethos, the following example, number 14, is found in the Ally Financial transcript.

(14) And I think what we have done in hiring has been **very responsible** and **very disciplined** in what I think our **long-term holders would expect us to be doing**. (Ally)

A member of the management team describes the actions of the company regarding human resources. The extract includes two quite strong and positive words, namely *responsible* and *disciplined*. The first is something what more humane or sustainability-focused investors would like to hear, whereas the second one is for the more numbers-oriented people. Both are very positive adjectives used to describe the actions of the company. The long-term orientation of the company and its stockholders is also implied in the statement, adding another element of positive self-definition.

(15) Right now, **what we're really concerned with is,** it's just **making sure we understand exactly** what's going on with deposits. (Frost)

Example 15 above comes from the Cullen/Frost transcript. In the extract a member of the management team describes the company through what they are focused on and how they do it.

They are *really concerned* and want to *understand exactly what's going on.* Words *really* and

exactly place particular emphasis on their actions and show that the management is serious and

trustworthy. Like pathos, ethos was relatively frequent in the data.

The next category of linguistic persuasion is the use of logos.

> (16) Well, we work with the large customers, obviously, to make sure that they get what they need. **We're optimizing gross margin, obviously, we're doing quite a bit on our end to -- on the engineering side to do tha**t. **At all levels, 1% of gross margin is making a very large difference for their business, and we can reinvest that in future growth. Changing prices by 1% based on that doesn't make a big difference for customers**. I think when they -- the real way to address their concerns as they keep scaling and generating much more data and sending more observability data to us is to give them more options to process that data so that they can align with what they pay to us with the value they get. And we've been also building that on the product side. So, it's not really a pricing question. It's more of a product and structure question. (DataDog)

Example 16 comes from the DataDog transcript. In it the CEO Olivier Pomel answers an analyst's

question about the cost optimizations of their large customers and its impact on the margins of

DataDog. The CEO first states how they do their best in the engineering side of business to improve

margins, which is logical and wise behavior. He goes on to state that the impact of 1% of gross

margin is large in terms of that being invested in engineering, developing the product further. The

CEO also directs the audience's attention on how the 1% increase in pricing does not bother their

customers, as other factors are more important for them. Implied in the statement is also how small

the relative price increase is, although it can be significant in absolute terms for the seller's business

and product development as stated earlier.

> (17) Profitability is our -- truly our #1 strategy, and that's my #1 strategy. That's what I've been focused on with the management team. That is the #1 thing **we talk about at the start of every meeting** we have in this company. **And that is why we were able to deliver that in 90 days**. (Salesforce)

Example 17 is from the Salesforce transcript. In it, the CEO Marc Benioff talks about profitability.

Particularly the end of the extract includes very logical argumentation. If something is to be

achieved, it should be actively kept in mind. Profitability talk is what they have and will continue to

have, as the use of present tense suggests. In accordance with the idea of logos, evidence is also

presented at the end to support their actions and thinking. Logos was used more in the data than

pathos and ethos.

Regarding word choices as a means of persuasion, there are many examples. As stated in the

beginning of this chapter, word choices are treated as a subcategory of pathos, ethos and logos.

Examples 18 and 19 below are from the JP Morgan call.

(18) …growing and maintaining primary bank relationships rather than **chasing every dollar** of balances **at any cost** (JP Morgan)

(19) …we do expect modest balance **attrition** across the company for deposits (JP Morgan)

Example number 18 refers to the bank's strategy when it comes to deposits. The word choices there

are good examples of combining pathos, ethos and logos in a single turn. By pointing out that

chasing deposits is something that they do not do, the CFO Jeremy Barnum appeals to the

rationality of the audience (logos), as desperation is simply not good business practice. By

distancing himself and the management team from such action he also aims to increase their

trustworthiness (ethos). Particularly when followed by the phrases *every dollar* and *at any cost* the

statement implies that some may have to engage in chasing deposits, but not his bank and that due

to something in their business model they can obtain deposits more cheaply. In example number 19

the use of the word *attrition* is noteworthy and an example of pathos. The dictionary definition of

the word per the *Cambridge Dictionary* is that of gradual weakening or loss under constant

pressure, for example in warfare. The statement made in the example thus implies that the bank will

only sustain modest and gradual losses, and this even under constant pressure.

Example 20 comes from the Datadog call:

(20) We have a lot of products today that, thanks to this acceleration of product and innovation over the past few years, are early in their life cycle. What we see in the current environment is that it is actually helping us get to these consolidation deals that were mentioned a little bit earlier because we can cover more of what our customers need to do… So, they might not be applicable to every single type of customer and every single type of situation. But I think this is **validating** our **destination** there. And it shows we need to do more of that, not less. (DataDog)

Here the Datadog executive answers the analyst's question on whether they have too many products. Using the word *destination* here is an example of pathos and gives the sense that from the executive's perspective the advancement of the company is about a journey towards something that lies ahead. The steps along the way are thus necessary. Also, the fact that he talks about a destination means that they have a set goal they are trying to reach, and there is no reason to worry about the steps along the way, if one just believes the destination to be correct. Furthermore, the destination is also described as being *validated* by what they see in the market, giving a sense of a scientific process of sorts going on. This word choice exemplifies careful action on the part of the management.

Example 21 is from the Wells Fargo call and in it the CEO Charles Scharf speaks about their 15% return on capital target:

> (21) The timing to get to 15%, listen, it's a great question. As we talked about it, it's medium term, which is obviously not long term or short term. But I would say it's -- without putting a specific time frame, it is -- it should be something that we have in our sights as we look out over the future. It's **not** something that's **theoretical**. It's something that we believe we should get to. (Wells Fargo)

He refers to the said target as something that is not *theoretical*. This is an example of logos and can be understood to imply that if the target is not theoretical, it is then practical or achievable. The CEO deems it necessary to make that point, as he simultaneously refuses to provide a timeframe for reaching the target. The unwillingness or inability to provide a clear timeline could be seen as something which puts the credibility of the target, and thus somewhat also the credibility of the management team, at risk. Companies sometimes have unrealistically high targets, which may serve either as something to continuously strive for, or seen more negatively, serve the purpose of painting a rosy picture of their future. In this case the executive wants to highlight the practical and attainable nature of the set target, persuading the audience to accept it as truthful.

Summarizing is another way to add weight to one's views. It is possible to summarize either one's own statements or what someone else has said. In the case of summarizing what someone else has said, the summary is often done with a slightly different wording and used to gain acceptance for one's views.

(22) Sure. Thanks, Saket. Our ASPs remain consistent. Certainly, you've seen what we've been able to do in the SMB market. And I think we've been very focused on that where we have run some promotions, which is where we designed the promotions to be run. But I think when you look at the competitive positioning, just as an example, in IDC's modern endpoint security market share, as I pointed out, were 17.7%. And we gained 3.8 percentage points, which is more share gain than any other vendor, including outpacing Microsoft. **And what customers are really telling us is that Microsoft's is not good enough, security is not good enough**. And we've been winning because of our coverage across multiple operating systems, the complexity of Microsoft, 6 consoles. In fact, just today alone, they had 6 signature updates. And in January, as I call them the 3 Cs, the last one is catastrophe, during our incident response engagements, the majority of the systems that are breached are using Defender. **So, when you wrap all that together, we feel good about our competitive positioning. And again, from a pricing perspective, ASPs have remained consistent.** (CrowdStrike)

There are actually two summaries here in example 22. Midway through his answer, the CEO of CrowStrike sums up why they have been gaining market share lately, specifically from Microsoft. After stating the reason, namely that Microsoft's product is not good enough, he then proceeds to give examples. At the end of the extract, he draws attention to the fact that they feel good about their competitive position and have not lowered prices to gain market share, ASP being short for average selling price.

(23) I think in this market, if you have issues, it's been kind of what everyone's been hearing. It's going to be the lower-class office buildings where you're losing tenants and you've got some risk around that. But I don't want to give the feeling that we've got problems. I just want to make sure I'm being honest, if things are tightening up. If you took a look at our portfolio, I was asking about, I guess, the office portfolio, I think we have $44 million of what might be problem credits on what is the portfolio. It's probably over $1 billion. **So you don't really have much that are issues and they're kind of specific. So again, I don't want to give the impression things are too negative, but I do want to give the impression things are not as good as they were.** (Frost)

In example 23, the management of Cullen/Frost respond to a question about the state of the commercial real estate market. The answer itself is structured in such a way that it becomes evident that some actors are likely to have problems. It is also made clear by the management that Frost is not one of those actors. After describing the situation, the management states that issues are few and are specific, as opposed to possible more general issues the question referred to. The management is also careful in managing the impression their answer may leave the participants with, as they sum up what the hearer should understand from the answer, namely that the situation is not bad but is not as good as before. Summarizing was notably less frequent in the data than pathos, ethos and logos, which is somewhat surprising as many answers given in the calls were lengthy and one could have expected them to end in a summary.

Next category is assumed agreement. Example 24 below, from the Ally Financial transcript, highlights it.

(24) Hi. Good morning Ryan. Sure. So, I guess I would start by saying we did mention the macroeconomic. **It certainly has evolved since third quarter, right**. **And we pointed that out, you did as well, GDP contraction as well as higher unemployment by the end of the year, approaching 5%.** I would start with by saying we and J.B. pointed this out, right. We continue to be really generally conservative in our overall reserving methodology that includes the assumptions that we make in our CECL framework as well when you think about our 12-month supportable and then the 24-month reversion as well and the look back there, which includes the Great Recession, to kind of get into that kind of reversion mean of 6.3% in unemployment. So, when we kind of think about 3.6% coverage versus that range of 1.6% to 1.8%, and my kind of simple broad mass when you think about even the high end of that range, i**f you allocate that annualized number over our weighted average life of auto, which is 22 months or so, you will see that we are really well covered even at the higher end of that range.** (Ally)

The extract is an answer of the management to a question about expected credit losses. The answer starts with a reference to how the changes in macroeconomic conditions were already mentioned in the company's report. The management assumes that the analyst agrees with their statement about the macroeconomic situation, evidenced by the use of *right* at the end of the sentence in question. The management also attempts to create common ground between themselves and the analyst by

referring to how they pointed out similar things. The example actually contains two kinds of

persuasion, as at the end of the answer the management suggests that the analyst can check the

calculations and assumptions himself, and will see that the management has been conservative. This

is another form of persuasion, namely that of making promises. Another example of that is provided

below in example 25.

> (25) And **you will see** kind of at most, the biggest delta and sort of our normalized view
> versus 2023 expectations really is in the fourth quarter. (Ally)

The management of Ally are again answering a question about expected credit losses there. The *will*

here is used to add weight to the statement, promising that the future will prove the statement

correct. The frequency of making promises in the data was on par with that of summarizing, like

was the use of assumed agreement.

Reframing is seen in example 26 below, taken from the Datadog transcript. The answer

given by the management was prompted by a question about whether the product Datadog offers

has too many features and is thus too pricey for some customers.

> (26) **What we see in the current environment** is that it is **actually helping** us get to
> these consolidation deals that were mentioned a little bit earlier because we can
> cover more of what our customers need to do and drive more efficiencies. Again, it's
> still early in that because many of those products are early in their life cycle.
> (DataDog)

Particularly the word *actually* shows how the management disagrees with the analyst, framing the

large number of features as actually beneficial to the acquisition of new customers. There is also an

interesting choice of words at the beginning of the statement, as the differing view of the

management is presented not as their own opinion or thinking, but rather just something they see in

the market. The example also includes *wh*-clefting (in that the answer starts with *what we see…is*),

which was something that instances of reframing had in common. Example number 27 is taken

from the CrowdStrike call:

(27) So, if they can't quite digest everything that we have, that's okay. **What they're buying is an outcome, and our outcome is stopping the breaches,** reducing complexity and lowering their overall cost. And that is resonating with customers as we consolidate in this challenging macro environment. (CrowdStrike)

Here the CEO George Kurtz answers a question about whether the CrowdStrike product is suitable for smaller enterprises as well. He turns the possibly critical question around and highlights how the customers pay not for the product itself, but for what it provides, which is protection from cyber threats. Reframing was about as frequent in the data as were making promises and assumed agreement, that were just introduced.

Repetition is the last persuasion technique covered here. It could mean repeating a single word or a phrase. The threshold used in this study to classify something as an instance of repetition was that the word or passage of text had to be repeated at least three times. Below is an example from the Palantir call:

(28) Stepping back, the ultimate test around SBC is really like, are you GAAP **profitable**? And the answer now is yes. It's yes in Q4. And as we look forward to 2023, the answer is yes there as well. Equity overall, we want to make sure that we align employees and our stockholders. And you sort of see that in the current results, which are all resulting in GAAP **profitability**. And so we plan to keep that alignment, to push on the top line, improve the margin and to stay GAAP **profitable**. (Palantir)

In this example 28 CFO Dave Glazer answers a question about the amount of their stock-based compensation in the future. He begins his answer by giving his view on what really matters about the topic at hand. The CFO then repeatedly stresses the word *profitable* in his answer. Example 29 on the subject comes from the Snowflake transcript:

(29) Yes. I also want to stress too, that's on average, there are some customers who are **ramping** very, very quickly. But that was the whole strategy behind the SnowConvert acquisition of Mobileye. That's really to help enable migrations faster. That's also why we are spending a lot of time certifying and training our partners so they can work on this. We are doing everything we can to continue to see customers **ramp** on Snowflake. And to be clear, they continue to **ramp** at a very good pace, albeit not at the euphoric pace that they were in the past. (Snowflake)

In the example above, CFO Mike Scarpelli answers a question about the slower ramp up of new customers compared to how it was before. He gives his answer on the subject, which is basically that there is no reason to worry. The CFO even draws attention to how some customers are actually ramping very quickly and that it has been a focal point in their operations. In the process he frequently repeats the key word of the subject at hand, which is *to ramp*. Contrary to expectations, repetition was the least frequent method of persuasion in the data covered here, and particularly these instances of repeating key content words were rare, as repetition was more focused on intensifying words such as *very*.

This subchapter has presented an overview of the different linguistic persuasion methods found on the earnings calls studied, and commentary on their frequency. The next two subchapters expand on this, by first comparing the use of said methods between the two kinds of participants on the calls, followed by a comparison between the different industries studied.

4.2 Comparison between the participants in the earnings calls

Regarding the differences between the executives and the analysts in the calls, it is obvious that some persuasive techniques are only used by either the executives or the analysts. It is the analysts that ask either for additional information, or for just a bit more information. The executives naturally do not need to ask any questions from the analysts, except if they do not understand or hear the question properly. Making promises is also something that the analysts are unlikely to engage in in the calls. The absence of the two aforementioned methods of persuasion in the speech of executives was therefore not surprising, and neither was the absence of promising something in the speech of the analysts. Repetition as a persuasion technique was also only used by the executives. It could be argued that this was simply due to the generally shorter turns of the analysts in the conversation. Questions as speech acts may not also allow the effective use of repetition as well as statements, for example.

A somewhat surprising finding was the almost non-existent use of summarizing on the

analysts' part. One rare instance of an analyst using the technique is from the Datadog call:

> (30) Just thinking about hiring plans there. You mentioned in the prepared remarks, overall headcount to grow in the mid-20s but continuing to go-to-market teams at a slower pace. So just **is that mid-20s is the right way to think about sales capacity hiring this year, too?** (DataDog)

Here in example number 30, the analyst summarizes two competing statements about personnel

growth into a view on the future. His technique could be described as effective, as he received an

affirmative answer. For some reason, it seems that in the data studied here, summarizing as a

persuasion strategy was reserved more the executives. One could have expected to find more

examples like the number 30 above, where the analyst takes what the management has said before

him and summarizes it into a neat question or statement that he seeks either confirmation or denial

for.

Reframing was a technique which the analysts did not use at all in the data. Like

summarizing discussed above, reframing could be useful in commenting on what the management

says and turning it around to ask a powerful question. Assumed agreement on the other hand was

used by both analysts and executives, and instances of it in the sample were actually quite evenly

split between the two parties. An example of assumed agreement from the part of an executive was

provided in the prior subchapter, and here is an extract of an analyst using it, taken from the

SalesForce call:

> (31) So Marc, we went through the 2008, 2009 recession, 2010 rebound, back then, the company was a smaller company, but you still were able to get profitability up. We went through a bit of a downturn, and we came out of it. So are there parallels to be drawn in that for this cycle? **Because there's certainly uncertainty about recession, whatnot, that's damping spending.** If we take that as a fact, the growth rate that you guided to, should that be the aspirational long-term growth rate of the company? (Salesforce)

Here in example number 31 the analyst is comparing the current economic environment SalesForce

is facing to the 2009 recession and the ensuing recovery. What he assumes the management agrees

with is that there are currently uncertainty and fears of a recession in the company's markets. The

analyst also got validation for his comparison, which can be taken as proof that the assumed

agreement worked for him in the situation.

Intimacy as a strategy was used more by the analysts. In comparison to the last few

techniques presented, intimacy was also very frequent in the data. Some executives thanked the

analysts for their questions and nearly all the analysts thanked the management teams after

receiving an answer to their question. Some analysts also thanked the executives for taking their

questions. In some calls the analysts also congratulated the management on the company's

performance during the quarter in question, and these congratulations as well as thanking for

answers were the main reason for the higher use of the technique among the analysts. The

congratulations are an example of the compliment strategy. The practice of congratulating the

management seems to be one of the defining features of some earnings calls and is also sometimes

parodied in social media circles of investors. The executives do not mention the analysts' research

or forecasts in the calls and thus do not offer praise for their work. Some executives like those on

the SalesForce call offered their compliments to the analysts for asking good questions. Along with

the thanks from both sides and the praise for management there is an element of politeness from the

part of the analysts. Example 32 below illustrates this:

> (32) On the fee side, can you perhaps give us your expectation there around overall
> growth that you expect in noninterest income and maybe some of the major drivers
> of where you see growth and if you **could** possibly size it up perhaps around the
> investment banking area, etc.? (Wells Fargo)

The example is from the Wells Fargo call and is simply meant to illustrate the fairly common

practice of analysts, that is, using conditionals and indirect questions. Overall, building intimacy

through politeness seems to be more a responsibility of the analysts rather than the executives.

The last persuasion techniques to be discussed in this subchapter are the Aristotelian

methods of persuasion, pathos, ethos, and logos. The emotional appeal of pathos was present in the

speech of the analysts, albeit with a significantly lower frequency than in the language of the executives. The analysts particularly favored word choices as will be seen in the examples. There was also one instance where an analyst posed a question on how the returning CEO Marc Benioff would be spending his time and noted that his return marks a new chapter for SalesForce from the analyst's point of view. Ethos, associating oneself with positive values, was not present in the language of the analysts. It was, however, used in the speech of the executives on par with other techniques presented.

Logos, appeal to the rational side of the audience and supporting one's claims with data was a feature used more by the executives. It occurred fairly often in the speech of the analysts as well, although not nearly as frequently. Together with intimacy, it was among the two most common techniques in the data as a whole. Below are some examples of analysts utilizing the strategy:

(33) Maybe if you can talk a little bit more about the noninterest-bearing deposit mix shift that you think could continue here. How -- **it looks like that could be a pretty material offset to your interest rate benefits**. (Wells Fargo)

(34) But give us -- like how do you see this playing out if interest rates don't get cut. **And maybe this may not play out at Frost, but do you see credit pain in the sector across your markets to manifest themselves over the next 12 months across multifamily office**? And how do you think that translates to impacting cash flows for your customers? **Maybe it has a pressure on rent rolls as we look out?** (Frost)

(35) I wanted to ask about the usage patterns of large customers versus small customers. I know you said you're -- the smaller customers were not seeing as much of a slowdown in usage. **But what gives you confidence that those smaller customers just haven't reached or reacted to the slowing macro yet? And we may see maybe a slowdown in that segment going forward**. (DataDog)

In example 33 from the Wells Fargo call, the analyst points out how changes in the amount of the noninterest-bearing deposits the bank has could have a negative impact on the bank's profitability, which has obviously been supported by higher interest rates. The analyst has an argument supported by real world data and generally agreed upon principles which he seeks confirmation for. Example number 34 is somewhat similar and comes from the Frost transcript. In it, the analyst has formulated a view based on what is going on in the world. It is logical that higher interest rates have a negative impact on the customers of the bank, for example on those renting out apartments.

Example 35 from the DataDog call features an analyst challenging the management about changes in the product usage of DataDog's customers. It does not seem logical to him that smaller customers would not be similarly impacted by the present economic uncertainty as larger customers are.

Examples below on their part include the executives using logos:

(36) **As always, we remained opportunistic** and **methodical** relative to capital… (First Republic)

(37) But you know, of course, that **buybacks are always at the end of our capital hierarchy**. **So if we have better uses for the money, those will come first and the timing and the conditions of how much we do when is entirely at our discretion** and also noting that we are potentially going to see a Basel III NPR sometime in the first quarter or maybe the second quarter. (JP Morgan)

More examples are also found in the prior subchapter. Example 36 is from the First Republic transcript and in it, the CEO Mike Roffler talks about their strategy in raising capital, which he describes as opportunistic and methodical. Example 37 on its part comes from the JP Morgan call and includes the CFO Jeremy Barnum answering an analyst who attempted to get a dollar quantity of stock buybacks by the company in the future. The CFO does not give that and as an explanation refers to the place of buybacks in the company's priorities when it comes to uses of capital. The explanation is very logical in nature.

Lastly, some words on the word choices as a subcategory of pathos, ethos and logos. Below are some examples that exemplify typical word choices related to pathos in the language of the analysts:

(38) Would **love** your perspective on that, too. (Wells Fargo)

(39) I would **love to** understand what you're seeing between the different customer cores in terms of expansion momentum. (Snowflake)

(40) Frank, on the telecom cloud that you guys have announced, I was just kind of **curious** about your thoughts there, how fast do you think that could ramp? (Snowflake)

There were obviously examples in the language of the executives of this technique as well. In example 38, taken from the Wells Fargo call, the analyst asks a question about the management's view on the negative headlines surrounding housing and the economy in the San Francisco area.

Example 39 is from the SnowFlake call. Both examples include the analysts using strong vocabulary, exemplified by the verb *love*. It can be argued that the analysts give the indication that they would be very pleased to receive an answer to their questions. Questions such as these were used on many of the calls studied. Denying the analyst the pleasure of receiving an answer to a question they would love to be answered can be construed as a threat to the face of both parties in the situation. Example 40 on the other hand, from the SnowFlake call, includes the analyst describing himself as curious about the managements' thoughts on the issue at hand. Similar word choices were found in the other calls as well. Definition of the word in the *Cambridge Dictionary* is "interested in learning about people or things around you." By using the said word, the analyst portrays himself as being merely interested in understanding the subject, not having a negative loading in his question.

This subchapter has explored the use of the different methods of linguistic persuasion by the two sides of participants on earnings calls, the executives and the analysts. The findings suggest that techniques like making promises, repetition, summarizing, reframing, pathos, ethos and logos seemed to be reserved for the executives, whereas the analysts where the ones trying to gather more information from the other party and the ones using more intimacy. Assumed agreement was used quite evenly by both parties. Taking into account the word count of the executives' turns, which is twice as high as the analysts', the difference in the use of logos is less significant, whereas the other differences presented here are so clear that it is difficult to argue for the higher word count as a contributing factor. The first hypothesis related to the second research question proved correct as the questioning types of persuasion were only used by the analysts and promising only by the executives. The second hypothesis proved incorrect as there were differences in the use persuasive expressions between the executives and analysts apart from those that could be attributed to their respective roles. Table 2 presents a summary of the frequencies explored in this subchapter. Total word count for the analysts was 13,931 and for the executives it was 28,421.

category of persuasion	used more by and the number of occurrences
intimacy	The analysts, 51 to 24
asking for a bit more additional information	the analysts, 19 to 0
asking for help	the analysts, 19 to 0
pathos, ethos, logos	Pathos – the executives, 23 to 7 Ethos – the executives, 20 to 0 logos – the executives, 33 to 14
summarizing	the executives, 14 to 1
reframing	the executives, 18 to 0
assumed agreement	The executives, 9 to 6
making promises	the executives, 15 to 0
repetition	the executives, 13 to 0

Table 2. Use of the different types of persuasion by the executives or the analysts

4.3 Comparison between the industries studied

In this subchapter, a comparison on the use of the different persuasion techniques in the two industries studied will be made. The comparison begins with a look on the use of intimacy. Many of the earnings calls are somewhat similar in that regard, mostly due to the actions of the analysts. They often thank the executives for both the chance to ask questions and for the answers they receive. However, offering congratulations to the management for good quarterly results is mostly a feature of the calls of the technology companies, meaning there could be more intimacy in the calls of that industry in general. Still, the intimacy tokens were more frequent in the calls of the banks. In the Palantir call, there were no intimacy tokens at all, probably due to the low level of interaction in general. Only a few questions were asked, and the answers tended to be long. In the JP Morgan transcript, there was also the answer below from an executive, exemplifying a certain trend:

(41) Got it. I mean **it's a fair question. It's a good question.** I am not going to answer it super specifically. (JP Morgan)

In example 41 CFO Jeremy Barnum praises the analyst for her question on the company's ability to maintain their high returns on capital with an increasing capital base. The CFO cannot give her an exact answer, and it can be argued that this affects his decision to compliment the analyst. Such

interactions resulted in a fair number of intimacy tokens on the calls of the banks. Example 42 below provides further evidence:

(42) So Jared, **it's a good question**. I think it's really broad base. (First Republic)

In example 42 above, the CEO of First Republic, a bank, begins his answer to a question about the division of certain expenses into those related to personnel and to those related to IT by complementing the question. He then speaks around the actual subject, thus refusing to answer. A similar compliment strategy could be observed in the CrowdStrike call as well, so it cannot be stated that there is a difference between the two industries in this area, although such compliments in conjunction with refusals to answer were present more in the calls of the banks. Very personal greetings such as the one below were mostly a function of the technology companies' calls:

(43) Hi Gabriela, it's great to hear your voice. (CrowdStrike)

Example 43 is the beginning CFO Burt Podbere's answer to an analyst's question.

Moving on to two persuasion strategies employed by the analysts, namely asking for a bit more additional information and asking for help. Both strategies were more frequent in the banking industry. However, there was always at least one occurrence of each on a call, but not more than four. They are also used in similar situations and with similar functions, that is, to get clarity on some minor details or simply as a general way of asking questions on the earnings calls. The significance of the difference might thus not be that strong.

Summarizing was used rather similarly by companies in both industries. It was more frequent in the calls of the banks but the absolute difference was not very large. Summaries typically took place at the end of a turn. It was also used to provide some of the strongest and clearest non-numerical answers in the calls of both industries, as the two examples below illustrate.

(44) But the core strategic investments that we are making to secure the future of the company are not going to get modified because of the ups and downs of the environment. (JP Morgan)
(45) So, we're not directly impacted by layoffs. (DataDog)

Example 44 is from the JP Morgan call, and in it the CEO Jamie Dimon gives a long answer to a question about different expenses of the company and what can be cut. He ends the answer with the summary given in the example. Example 45 on its part is from the DataDog call and in it the CEO Olivier Pomel explains whether layoffs of tech workers could affect their business. It is a key question regarding the company's near-term future, and it is therefore natural to make sure that one's point is understood. Making key points such as these clear seems to be valued by companies in both industries.

Use of reframing was split quite evenly between the two industries, as there were ten instances of it in the calls of the banking industry, and eight in the technology side. Most of the instances of reframing took place when an analyst sought confirmation for her view, or posed a question which included a challenge of some sort towards the management. Thus the amount of reframing in each call and in each of the industries studied seems to depend somewhat on the actions of the analysts. Example 46 from the CrowdStrike call illustrates this.

> (46) Analyst: I was hoping I could get some more color on the SMB. Clearly, it's a very big opportunity for you then, and with the Go bundles you're off to a very good start there… Burt, specifically on the dollar retention rate, **I can't imagine that the expansion opportunity with those type of customers is similar to that any of enterprise customer**.
> CFO Burt Podbere: **So look, we're really excited about our SMB space**. George talked about Daniel Bernard coming on board. **We think we've got great products for them to come in and to expand**… (CrowdStrike)

In the example above, the analyst questions the revenue potential of the company's smaller customers. The CFO then feels the need to offer his own view on the subject, along with a supporting explanation. This was a recurring structure regarding the use of reframing. Below is example number 47 that includes another kind of question by an analyst, one that does not necessitate the use of reframing.

> (47) …I just had a question on the Dell partnership. So, I thought that was really interesting. And I know you said it will help you reach SMB customers all the way up to large enterprise. But, can you give us any more color around maybe how that

> partnership will work? And any sort of framework for how you're thinking about it as it relates to your fiscal '24 guidance? (CrowdStrike)

The structure of an analyst asking for "color" or a bit more information is very frequent and these were classified as asking for a bit more information in this study. The turn does not include any opinions or statements the executives might feel compelled to either deny or confirm.

Assumed agreement was also evenly distributed between the two industries. Some calls in both industries did not include any instances of it, however. Making promises was more frequent in the banking calls, as there were nine tokens in the banking calls and six in technology. Given the small absolute difference, the category could be described as evenly split. Somewhat surprisingly the SalesForce call had no promises made. This was surprising because as presented in the subchapter 4.1, the SalesForce transcript had a high level of intimacy and seemingly close relationships between the executives and analysts.

As stated in the earlier subchapter, repetition mostly concerned intensifying words such as *very*, *really*, *incredibly*. Repetition was more common in the calls of technology companies and occurred on longer answers that concerned company culture, profile or wider initiatives rather than answers to questions about quantifiable matters. Questions on those aforementioned more qualitative matters were more frequent in the calls of the technology companies. Analysis of banks requires more precise and quantifiable information, whereas the qualitative features are more important in the analysis of technology companies still early in their life cycle and thus harder to forecast accurately. Again, the absolute difference between the industries was not large, however.

Pathos was used more in the calls of the technology companies. The instances where pathos was used were sometimes about describing the company or its actions in a very positive way, as seen in the example 11 when pathos was first discussed. It can be argued that there is less natural demand for the technology companies' novel products, resulting in more promotional discourse overall, and thus also in the earnings calls. Banks on the other hand can be seen as doing a lot of

business with their existing customers, their reputation earned over the years being a major competitive factor. Technology companies selling products in general versus the banks providing services can also be posited as a contributing factor for higher use of pathos. Other examples of pathos in the technology calls were about describing how much room to grow the company still had in some area of its business. The following examples illustrate this.

(48) But when we think about XDR, I think as an industry, **it's still in the early innings**. (CrowdStrike)

(49) So, what we're doing today is we're focusing on **the drivers of future success, which are covering more of the customer landscape sort of getting into more new logos, more geographies, more segments** and also developing our products and getting those products adopted by more of these customers, **which is how we're going to have accelerating growth in the future**. (DataDog)

Particularly the reference to *early innings* or *the beginning of something* as seen in the example number 48 from the CrowdStrike call was a common structure. Example 49 from the Datadog transcript shows a turn were a similar effect is achieved through frequent repetition of word *more* followed by listing the possible areas of further growth. Statements such as the ones outlined here were naturally more common in the technology calls.

Ethos was used slightly more in the banking industry. However, the difference was small in absolute numbers. In addition to painting a picture of themselves as disciplined, conservative and wanting to understand something well et cetera, the executives have other situations where they deemed it necessary to utilize ethos. The following and different examples illustrate this.

(50) Free cash flow margin is not directly related to our growth. **Our growth is more on the expense side, and looking at productivity, we will not grow our revenue faster unless we see productivity increase in the sales organization. And when we see that increase in productivity, we'll add more heads there,** and **we think we're adding at the appropriate pace based on what we're seeing in the business today**. (SnowFlake)

(51) Sure. It was about $1 billion write-down, 750 million after noncontrolling interests. And so, **that's on the first page of the release, if you want to refer back**. It was primarily driven by some write-downs in enterprise software companies. And in particular, it was really one investment that drove most of it. **And I would just point out, we had a -- that investment is still a very good investment. The company is a good investment, and we're still holding it well above where we -- where the invested amount is**. (Wells Fargo)

(52) Now in terms of how this is going on, there has been a lot we've been doing leading up to this with discipline across the company, looking for savings. We took 2 major steps in January. One was the real estate. We announced that we are going to be shrinking our global real estate considerably over the upcoming years. The other was the headcount. **And on the job eliminations, I just do want to pause for a moment on that. On the call like this, it's easy to talk about that very clinically as the headcount just represents dollars and not real human beings, we all fully realize that there's employees whose lives and careers and families were deeply impacted by these decisions.** (Salesforce)

In example 50 from the SnowFlake call CFO Mike Scarpelli answers a question about balancing profitability and growth. He points out how profitability is not related to revenue growth, but rather to their expenses, which will not increase until it is necessary. He then gives more information on their decision making regarding those expense increases. All of this is about the executive showing that he and the other decision makers are able to control the company's growth and related expenses, an important theme for companies like his. Example 51 is from the Wells Fargo call and in it the CFO Mike Santamassimo answers a question about a possible failed investment and its relation to other investments made by the company. He first points out how the issue was disclosed on the very first page of their release, highlighting their openness. The CFO then states that the company they invested in is still a good company and that the investment is still on the side of profit. He thus attempts to retain trust in the management's decision making after a possible failure. In example 52 the CFO of Salesforce, Amy Weaver, speaks about reducing the number of employees to reach a higher level of profitability. She takes a moment to remind the listeners of the impact of layoffs on the people affected. There were no other companies in the sample that had just announced large layoffs, but this could be an example of a situation where it is generally good and beneficial for the company to remind the public of the effects of layoffs, as layoffs in technology companies are often met with rejoice in the financial media and among investors due to their strong impact on profitability.

Logos was used more in the banking industry, but was frequent in the technology industry as well. Logos was used to provide explanations and justifications for certain actions. Explanations

can also concern something positive, like in the example 17 earlier, where SalesForce CEO Marc

Benioff attributes their success during the quarter to a strong focus on profitability. The rational

explanations used can be based on numbers like in the example 53 below from the JP Morgan call.

(53) We have sold, **one of the reasons we take securities losses, because that gives
you $10-plus billion you can reinvest it when you think of more attractive
securities**. (JP Morgan)

Other possible appeals to rationality included comments such as the SalesForce example number

17, where it was logical that focus on profitability had led to better results. It is also possible to refer

to generally accepted truths or expert opinions like in this example from the Ally Financial call:

(54) I mean as I talk to other CEOs in financial services, I think everyone is kind of
grappling with higher people costs and human capital costs. (Ally)

Example 54 is a part of a turn where the CEO Jeff Brown answers a question related to their

expenses.

In summary, there were at least slight differences between the industries in each category of

persuasion identified. Repetition and pathos were more frequent in the calls of the technology

companies. However, the differences were not high in absolute terms. Intimacy was more common

in the calls of the banks, but the frequencies were high in both industries and the lack of intimacy

tokens in the Palantir call as stated above might have contributed to the difference. Asking for help

or for additional information, ethos, logos, summarizing, reframing, assumed agreement, and

making promises were also more common in the calls of the banks, although especially in terms of

ethos, summarizing, reframing, assumed agreement and making promises, the absolute differences

were small. The higher total word count in the calls of the banks further supports this view of the

differences being small. The hypothesis related to the third research question proved incorrect, as

the calls of the technology companies contained more repetition and pathos, but the differences

were too small to classify the hypothesis as correct. Table 3 presents a summary of the frequencies

presented in this subchapter. Total word count for the calls in the banking industry was 28,388 and

for the technology industry it was 23,742. The operator of each call had some turns, such as announcing the next question, and these turns are included in these totals but naturally not in the word count of the analysts and executives in the prior subchapter. Due to this difference the total number of tokens in these two calculations is not equal.

category of persuasion	used more in calls of which industry
intimacy	Banking, 43 to 32
asking for a bit more additional information	Banking, 13 to 6
asking for help	Banking, 11 to 8
pathos, ethos, logos	pathos – technology, 18 to 12 ethos – banking 12 to 8 logos – banking, 27 to 20
summarizing	Banking, 10 to 5
reframing	Banking, 10 to 8
assumed agreement	Banking, 8 to 7
making promises	Banking, 9 to 6
repetition	Technology, 8 to 5

Table 3. Usage of the persuasion methods in the calls of the two industries studied

This chapter has introduced the different means of linguistic persuasion in practice, through examples from the data used in the present study. A comparison regarding the use of those means both between the participants in the calls, and the two industries studied was also made. Chapter 5 expands upon these themes through a more in-depth discussion of certain categories of persuasive speech, as well as possible reasons for the differences, or lack thereof, presented in this chapter.

5 Discussion

This chapter is a discussion of the results presented in the prior chapter. The analysis includes both general points on the linguistic persuasion in the earnings calls studied, as well as an analysis of the differences in the use of persuasion both by the two parties in the calls, and the two industries studied.

Of the different persuasion methods presented, most prevalent in the data were intimacy, the analysts asking for help or for a bit more additional information, pathos, and logos. Some of the other means, such as summarizing, assumed agreement, making promises and repetition, could even be characterized as surprisingly rare. It seems that at least in the data used here, persuasive interaction in the earnings calls is mostly built upon a limited number of techniques.

As stated in the results section, not every executive thanks the analysts in the call for their questions. This practice of thanking the analysts for their questions could be understood as being sincere, indicating that the said executive in was actually happy to receive the question. Another possible explanation is that this practice was an indicator of a politeness strategy related to building relationships with the analysts. However, this practice of thanking might serve other purposes in addition to being a pure politeness strategy. The executives sometimes seemed to avoid answering the actual question after thanking the analyst for it. In these situations, they tended to give long answers and talk about themes around the question, sometimes even going on to themes quite unrelated to the subject. Palmieri et al (2015) found that when executives cannot answer a question, for example on the grounds of confidentiality of the subject matter or due to regulation related to inside information, they are careful to provide an explanation for the refusal to answer, to avoid the refusal being seen as an indication of possible negative information. The strategy of thanking and talking around the point could be a similar way to avoid giving an answer. The true nature of the matter cannot be discerned from the data in this study, however, as the analysts did not press the executives talking around the subject for answers.

The managers did not use the two persuasion methods of asking for help or asking for additional information. This is not particularly surprising, as it is the analysts whose responsibility it is to ask questions. If the executives are interested in the analysts' thoughts, writings or forecasts, they can ask about them in private. The analysts are probably better available for the executives than vice versa.

Another finding to consider is the low of use of pathos and lacking use of ethos by the analysts. Regarding pathos, the explanation could be that the analysts deem it necessary to maintain a professional and neutral profile. Their emotional language is mostly concerned with building and maintaining relationships with the executives, as evidenced by the category of intimacy in this thesis. Similarly, Crawford Camiciottoli (2018, 283) found that analysts seemed to use positive evaluative language as a substitute for *thank you* or to praise the company's performance.

The explanation for the lack of ethos in the language of analysts might be that they avoid drawing attention to themselves. In the data, their turns tend to be short and concentrated on asking questions or seeking confirmation for their viewpoints. They provide background information and supporting data as necessary, but do not present elaborate theories. These short turns restrict the possibility of analysts' presenting their qualifications and portraying themselves as trustworthy or competent. They have other opportunities such as their written research and media appearances to influence their audience and clients. It seems that earnings calls are not an appropriate medium for the analysts to be in the spotlight. There are also genre-specific practical explanations for this, such as the generally limited time allocated to the Q&A session of the conference call. It would not be fair towards their industry colleagues to spend this time talking about themselves. The analysts' word choices can be seen as generally being more neutral than the executives', as shown by the low use of pathos. This can be taken as further proof that they prefer to remain in the background and not have the situation be about them.

Logos on the other hand was present in the speech of the analysts. This suggests a reliance on evidence and logic in their argumentative statements. Instead of emotional language, pathos, or their own ethical profile, they rely on facts. Palmieri et al. (2015, 130) assert that according to their study, analysts do not directly challenge the executives' views and avoid putting them on the defensive. This is perhaps related to their status as arguably the weaker party in the relationship. The analysts need access to executives to properly do their job. On the other hand, one could also point out that some executives and management teams may care a lot about how they are portrayed by the analysts, and due to the analysts' opinions, the financial press. Still, especially when it comes to larger companies, the executives are often well-known and highly respected businesspeople, whereas the analysts are mostly unknown outside the confines of the investment industry. Logos was among the four most frequent techniques of linguistic persuasion present in the language of the analysts, and two of those techniques were simply ways of asking the questions themselves. It can thus be said to have a prominent place in the analysts' language. For the executives, it was also among the most used means.

On a related note, the analysts used intimacy more than the executives. It was one of the few categories with which that was the case, marking its possible importance for the analysts, and thus the importance of positive relationships with the executives in general. Furthermore, many of the questions the analysts used were indirect. Good examples of this are the categories of asking for help or for a bit more information presented earlier. The analysts seem to make it easier for the executives to give non-satisfactory or roundabout answers. However, it should be noted that for example Halbe (2012) found negative politeness strategies to be more common in teleconferences as they lack the possibility to use non-verbal means of communication. Presenting their own conclusions and implicitly threatening to publish them is the analysts' way of exerting pressure on the executives, as reported by Palmieri et al. (2015, 130). The analysts thus avoid directly

confronting or challenging the management's views. Use of intimacy, indirect questions and avoiding direct challenges all point to the analysts' deference towards the executives.

Making promises was quite rare in the data in general, with on average 1.5 promises made per transcript. This may not be that surprising, however, as 36.50 % of standpoints and 27.50 % of opinions in the Palmieri et al. (2015, 127) study were predictive, but at least according to examples given by them, actual promises about a future state of affairs seem rare in that data as well. They did not offer more details about the contents of that predictive category, apart from said examples (Ibid.). It still seems that the executives favor other and less strong means of referring to future states of affairs.

One notable observation on the subject in this thesis was the lack of promises in the SalesForce earnings call. It included many long answers from the executives, a relatively high level of pathos, and descriptions of the company's future and their actions in grandiose terms. Even in such a context explicit promises were avoided. However, high levels of intimacy on the call can be used to present another explanation. Perhaps the executives, and namely the CEO Marc Benioff who took most of the turns, held such sway with the analysts that explicit promises were not necessary, as the predictions issued in less certain terms carried sufficient weight. Patelli and Pedrini (2014, 31) assert in their study of CEO letters in annual reports that optimism displayed in those letters also resulted in positive financial performance for the company, so it could be described as sincere optimism. The analysts and other interested parties could thus be right to believe in the visions offered by Benioff and other SalesForce executives.

In the calls of two large banks on the other hand, JP Morgan and Wells Fargo, there was a fair number of promises made, at least compared to other transcripts studied in this thesis. This could have something to do with the business of large banks being easier to forecast than that of technology companies. SalesForce and Wells Fargo had something in common at the time when the earnings calls took place. Due to disappointing recent results, Marc Benioff had just returned as the

CEO of SalesForce. Wells Fargo on its part still faced multiple questions related to a well-published scandal starting in 2016, which revealed that they had charged their customers fees on products opened without the permission of those customers. It could be reasoned that the executives of Wells Fargo deemed it necessary to make promises on the future state of affairs and their actions, whereas Marc Benioff due to his closer relationships with the analysts saw himself as able to convince them without such strong statements. In the words of Crawford Camiciottoli, Benioff is perhaps one of those executives who are able to "appear as responsible information providers, capable of putting the company in the best light possible, in good times and bad" (2018, 287).

The fact that reframing and summarizing were mostly lacking in the speech of the analysts was surprising. A possible explanation for it could be a lack of commentary from the analysts on the executives' answers. The answers were mostly either acknowledged by thanking for them, or no comment was provided, and the call simply moved on. As with the lack of ethos by the analysts, this could be due to the limited amount of time available for the conference call. On the other hand, it could be argued that challenging the management and striving for more informative or on-point answers would be good use of the allotted time. The lack of reframing and summarizing is likely influenced by other factors than simple structural constraints of the medium. This point is echoed by Cicon (2017, 77), as he ascertains that more activity from analysts on earnings calls results in the call being more informative.

There were not many differences between the banking and technology industries in the ways of using intimacy. Only the practice of congratulating the executives for a good quarter in the calls of certain technology companies provided a difference between the industries in that regard. The practice also seems to be a deviation from the neutrality of the analysts and their language referred to earlier, especially when these congratulations are sometimes delivered with a tone similar to one instance in the SalesForce call, where the analyst congratulated the team on an Oscar-worthy quarter. This is quite far from neutral language. It should be noted, however, that Crawford

Camiciottoli (2018, 287) stated that on earnings calls in her study, "the analysts portrayed themselves as critical, yet encouraging, information seekers…" Perhaps these congratulations should be understood as a part of the encouraging role. Even then, their particular concentration in the SalesForce transcript raises questions about a possible connection between the practice and the highly respected and just returned CEO Marc Benioff. The analysts could have sought his favor, either to maintain good a relationship to gain information in the future, or out of deference.

There was a slight difference between the industries in terms of using summarizing. It was more frequent in banking, but given the relatively low frequency of summarizing in the data as a whole, the difference was not large. The situations where summarizing was used, namely in longer answers but in some shorter answers as well, were also similar. Summaries took place at the end of a turn, so the structure of those turns was indirect, as the background information was provided first, and the resulting view was provided last. These points at the end of said turns were among the strongest and clearest in the calls, so their sparse usage was perhaps to be expected. These summaries can be seen as slight deviations from the script, a term Cicon (2017, 58) uses to describe the story that management establishes in the prepared remarks section of the call. These remarks are long pieces of monologue, mostly stating what the listeners could already have read from the earnings release itself, delivered with a hint of positive spin.

It was not possible to find meaningful differences in the use reframing between the two industries either. However, a pattern could be identified where most of the occurrences of reframing happened after an analyst posed a question which included presenting her theory or view of the subject the question concerned. Activity of the analysts in presenting such light challenges towards the executives can be said to drive the use of reframing in the data of this study. Executives thus seem to find it necessary to comment on or right possible false or disadvantageous, from their point of view, conclusions of the analysts. Cicon (2017, 77-78) suggests that the presence of a CEO on an earnings call results in the call being less informative, as the analysts are able to gather more

information from the management team when the CEO is not present. In the data of this thesis, CEOs were present on every call, so it is not possible to measure this effect. In this study reframing was used, and thus a view on the issue provided, by either the CEO or the CFO, CFO most often when the question was very detailed or concerned the financials of the company.

There were some calls that included no examples of assumed agreement and it can be categorized as rare. In the subchapter on linguistic background, assumed agreement was introduced as a combination of politeness and power, per Bülow-Møller (2005, 46). This makes its rarity all the more surprising. As executives have a range of persuasion techniques available to them, this is possibly another one the use of which could be driven by the analysts. Furthermore, perhaps the risk of erroneously using assumed agreements is too large for both parties. Especially many issues related to the future of a company are issues of opinion and argumentation until they are either proved as true or false. The other party might not be in agreement after all. This is possibly the reason why it was mostly used to refer to past or present events, thus making it rare.

Repetition was likewise surprisingly rare. It was found more in the calls of the technology companies, when the qualitative aspects of the company were described. This was to be expected, and one could have perhaps expected even more repetition in the transcripts of the technology companies, as was hypothesized. In the chapter on background it was named as a prominent way of persuasion and very likely to be present in the data. However, Crawford Camiciottoli (2011, 309) found that executives avoided using the most overtly ethics related vocabulary to positively describe their companies' actions, perhaps due to their knowledgeable audience in the earnings calls. It is possible that repetition would be a similarly overt method of persuasion. Other possible explanation is that the executives value the time of the participants, and given the limited time allocated to the Q&A session want to preserve its informativeness. By setting the length of the prepared remarks they can influence the time available for the non-scripted Q&A, where they can then appear to be using the time effectively for the benefit of the participants and listeners.

These findings as a whole point to the existence of "earnings callese that reflects a close-knit professional community of practice that has established preferred linguistic forms of interaction" (Crawford Camiciottoli 2018, 287). There are thus distinct linguistic features of the earnings call genre that can be identified, and some of those features are proposed here.

Firstly, there is a strong emphasis on intimacy and politeness in the calls. Both executives and analysts strive to maintain good relations with the other party. The belief seems to be that these relationships manifest themselves in better access to information for the analysts or a positive public image for the executives. Regarding politeness, as the analysts' questions show, the focus is on negative politeness. The participants are all professionals who value their freedom to make decisions. It would be a bad look for the executives to refuse to answer a direct question, and thus this situation must be avoided. The indirect questions and their format as pleas for help or additional information also highlight the roles of the two parties in the genre. The analysts are the outsiders, who need access to management to properly do their job. Earnings calls are a chance for them to gain missing pieces of information, which can make them successful in their analyses. For the executives, the calls present more of a risk, of slip-ups or of facing tough questions. Spotlight is mostly what the calls have to offer them, if they even desire it. And often executives of major companies do not lack opportunities to be in the spotlight.

Even if the executives can be argued to be on the defensive in the calls, they tend to dominate the interaction. There are practically no limits on the length of their answers, and they decide and influence the length of the Q&A session itself. The role of the analysts is to ask questions, namely indirect ones, and not to challenge the managers too much. The analysts can present their theories and conclusions for the executives to either confirm, deny, or often, modify. The analysts seem to rarely follow up on these answers they get to their theories, being happy with whatever input they receive.

Use of ethos and pathos is reserved mostly for the executives, as is repetition. The analysts are thus possibly expected to accept the answers they receive, or to present data and logical conclusions to support their theories, instead of appealing to emotional factors or their own prowess as analysts, for example. Further supporting the view of specific conventions of earnings calls is the fact that there were not major differences to be identified between calls in the banking and the technology industry. One could have expected there to be larger differences in the use pathos between the two industries, for example. A possible reason for these similarities is the avoidance of too much explicitness in persuasion referred to earlier.

This chapter has presented a discussion and deeper analysis of the results introduced earlier. The results' relation to a theory of the language and interaction of earnings calls was also explored. The final chapter of this thesis sums up the content presented.

6 Conclusion

The aim of this thesis was to explore linguistic persuasion in earnings calls of publicly listed companies. The research questions were as follows:

1. What kind of persuasive linguistic means are found in the earnings calls of the companies studied?

2. What kind of differences are there between executives and analysts in terms of the occurrence and use of persuasive expressions?

3. What kind of differences are there between companies from the two sectors studied in terms of linguistic persuasion?

The aim was thus to first describe persuasion in the earnings calls in general, and then to present a further description and comparison between the participants in the calls, and between the two sectors of companies studied. The data consisted of five earnings calls transcripts each from the banking and technology industries, and they were analyzed qualitatively by searching for the means of persuasion identified in the subchapter on linguistic background. Hypotheses were made on the latter two research questions. It was hypothesized that there would be some natural differences stemming from the parties' roles, such as that of analysts asking the questions, in the use of persuasive language. It was also hypothesized that apart from those differences, the language of persuasion would be similar between the two parties. In relation to the third research question, it was hypothesized that the calls of technology companies would include significantly more emotional language related to persuasion, and more repetition.

Persuasion categories of intimacy, asking for a bit more additional information, asking for help, pathos, ethos and logos, summarizing, reframing, assumed agreement, making promises, and repetition were found in the data. Use of these methods was concentrated in the categories of intimacy, asking for a bit more additional information or help, as well as pathos and logos.

Regarding the second research question, analysts were the ones asking for help or for additional information and using intimacy, whereas all the other techniques except assumed agreement were used more by the executives. The hypothesis related to the second research question was proved partially correct as the persuasion techniques related to asking questions were used only by the analysts and making promises only by the executives. However, it can also be said that the executives' and analysts' use of persuasive language was not otherwise similar and thus the hypothesis was only partially correct. In terms of differences between the industries, pathos and repetition were used more in the calls of the technology companies, and other means were used more in the banking industry with varying degrees of difference. The hypotheses related to the third research question cannot be said to have been proven true, as the differences in the frequencies of both repetition and pathos were too small. In summary, it was thus harder to make observations on the role industry plays in the use of persuasive language, whereas the participants' roles had a clearer effect.

The findings suggest that there are certain definite strategies used to persuasive effect in the earnings call genre. The participants seem to use those strategies according to their role. As in most genres and interaction, there are principles that govern the actions of the participants. The executives hold the floor, whereas the analysts' role is to ask questions, and mostly to refrain from commentary and challenges towards management. This limits their use of said persuasion strategies, as do their short turns. The findings contribute towards building an understanding of the language of the earnings call genre. It can also be helpful for executives, when making decisions about their use of language, to consider the points addressed here, and the possible image their choices portray. Analysts, investors, journalists, and other followers of public companies on their part can use the results presented here to make more thoughtful analyses and decisions. They can also consider the effects their language use and decisions in interaction with executives can have. Conventions in the earnings call genre are likely to be persistent, but do not have to be unchangeable.

The relatively small sample size, although similar to other studies of the language of earnings calls as discussed in the subchapter on prior research, limits the generalizability of the results. A similarly limiting factor is the inherent subjectivity of the chosen method. The categories of intimacy and pathos were at times close to one another. At times, making promises was hard to identify in the data among the abundance of expressions referring to a possible future state. These factors, along with the long answers and at times very technical subject matter posed a challenge to the qualitative research orientation. The goal, however, was not a generalizable, but rather a descriptive study and this thesis has continued the tradition of prior research in the field in providing observations with a limited sample size. Possible shortcomings related to the annotation of the data still cannot be ruled out. A future study of the subject could combine a larger sample size and a quantitative approach. Particularly comparisons between companies in different industries and countries would benefit from such an approach, as a precursor to more detailed qualitative studies. The persuasive features of language could also be analyzed in other investor relations communication as well, such as annual reports and presentations. Views of analysts, executives and participants in different industries could be included in future studies through interviews.

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