# Disclosure of Pricing Information in Earnings Calls - An Empirical Investigation

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**Abstract**

Despite Warren Buffet’s statement that pricing power is the most important factor when evaluating a business, practitioners and researchers alike often neglect pricing’s role in driving business performance and firm value. We use the dynamic and interactive corporate disclosure medium earnings call, i.e., conference calls that publicly listed companies hold every quarter, to investigate the effect of price-related information on intraday abnormal stock returns. Based on 150 earnings calls of companies from three industries, we find that managers provide pricing information in the vast majority of earnings calls. While they frequently address price execution (e.g., price changes), they only occasion-ally discuss pricing objectives and strategies. We find that the provision of negative pricing information significantly decreases firm value, especially when managers disclose such information in re-action to an inquiry by call participants (e.g., financial analysts). These findings have important implications for marketing researchers, managers, and the investor community.

**Keywords:** *pricing; earnings calls; shareholder value*

**Track:** Pricing & Promotions