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## Arbitron Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator instructions) Our first question comes from Alexia Quadrani of JP Morgan. Please go ahead.

#### Alexia Quadrani – JP Morgan

Hi! Thank you. A couple of questions. Could you discuss the cost implications of the planned increased samples and how that may impact your long term margin goals?

#### Sean Creamer

Alexia (inaudible) – the – I assume you're talking about the – the 10% increase we talked about with our advisory council last week?

#### Alexia Quadrani – JP Morgan

Yes.

#### Sean Creamer

There are a – at least three ways to get up there. So that we're going to have to do because the (inaudible) was subscribing on a cell phone only, we're moving down the path of collecting cellphone-only data. As we do that it's going to have the effect of picking up the samples in from (inaudible) areas where cellphone-only is concentrated. So because we're going to do that anyhow that's kind of the first increment of the 10%. The most efficient way to get the samples-size increase is simply to convert what is currently 6 to 11. A demo at the low end of the range is not typically been a radio demo, it's more of a TV demo and I think the feeling of the industry is they would rather have that sample moved into the 12 plus we're below the advise to take place and we can do that relatively efficiently. The run rate on – on moving that sample into the 12 plus is a – is not a material impact on us. And there is a third way to get at it which is further down the road. It's called stratification and I won't take you into that now, but there's – there's a brighter [ph] ways for us to get there and I think we believe we can do that relatively efficiently.

An alternative to the 6 to 11 redistribution as well as is – if we can modify that – that sample, we would be able to use better than any revenue generated from that to subsidize the cost of increasing 12 plus up. That is a variation on Steve's point in terms of redistribution.

#### Alexia Quadrani – JP Morgan

Is it choosing [ph] to back away from your long term margin targets cause it's hard to figure it out or you still think that's an unachievable goal?

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