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Dice Holdings, Inc Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question will be from the line of Heath Terry of Credit Suisse. Please proceed.

Heath Terry

Great. Thank you. I was wondering if you could talk to us a little bit. You mentioned your comments on customer retention. Can you give us an idea what you are seeing from a pricing standpoint particularly in situations where you are going up against competitors, what your major competitors are doing if anything as far as using pricing on packages as a negotiating point?

Scot Melland

Well, I think -- Heath, this is Scot. As we've mentioned before and as you know, in this market, in this industry, there's always been a lot of wheeling and dealing when you get to larger packages and a lot of promotional activity, especially by some of our competitors. What we've seen recently over the, I would say over the last quarter is a continuation of a few of our competitors getting very aggressive on price, at least certainly more aggressive than we are. We tend to be a little bit more I guess disciplined in terms of our annual agreement pricing and our rack rate pricing but we have seen some others in the industry become a little bit more aggressive and usually it is around renewal time, it is around that time period where customers are making their buying decisions. What that's done is that it had a couple of impacts.

One is that it basically is part of the reason why customers are taking so long to make their decisions because they are being hit by various offers from various providers and obviously in these times, they have to consider them and evaluate them. But it's also kind of muddying the waters out there a little bit. So I would expect that we're going to see this promotional pricing environment really throughout the rest of the year.

Heath Terry

Right. Thank you.

Operator

Your next question will be from the line of Youseff Squali from Jefferies & Company. Please proceed.

Youseff Squali

Thank you very much. Good morning. A couple of question. First, your '08 guidance is, I guess, predicated on a pretty strong EFC business and I was wondering why wouldn't the EFC business kind of suffer from the kind of same dramatic slowdown you're seeing in the DCS business, one or two or three quarters out, considering that the European business is also kind of starting to see some weakness or difficult environment as you have kind of talked about literally? What kind of gives you the confidence in that 40% plus year on year growth? And I have a followup.

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