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The Knot, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, we will now begin the question and answer session. (Operator Instructions)

Your first question is from the line of Jeetil Patel with Deutsche Bank.

Jeetil Patel – Deutsche Bank

Thanks, a couple of questions here. Sounds like the self service in the bit management system that you plan to roll out in the first half shifting out to the second half, is that more so due to the technology implementation or is it the seasonal strength that you typically see in Q1 and Q2 that is pushing out the time line for the launch on this front. Then a couple of quick follow ups.

Rich Szefc

It is more related to the resources constraints that we were experiencing. Right now, both projects are well under way and we're projecting third and fourth quarter to roll out for the completion of the Content Management System as well as the Contract Entry System on applications.

Jeetil Patel – Deutsche Bank

And also you might, if you had been staffing up on the advertising sales funds from a headcount stand point for a couple of quarters now, can you talk about when do you start to see the impact of these folks that have come out of the print advertising world having a positive impact on the business. Because it seems like it's been a bit slow going and it's trying to better understand when do you think their book or their ability to sell the integrated platform that you have will start to impact the numbers. Then on the local side you're seeing some incremental cancellations, do you think that you've bottomed at this point with the 30% fee increase that you pushed through or do you think that there's still additional pain as we progress through 2008 and given the economic situation?

Rich Szefc

On the national front, we're already beginning to reap the reward of the recomposed national sales force. Certainly in the last quarter, we've been receiving and responding to more RFPs than we have historically ever have in the time period. We are seeing also the mix shift move away from the endemic ad categories so we're seeing a decent growth in non-endemic commitments from advertisers we normally would not be participating in the bridal side. What this does do is it introduces a certain element of volatility to the national advertising revenue stream. As I said on the call where we are going to see a little lumpiness in probably a lot more large dollar value but short term contracts

coming and going as people are now beginning to support The Nest end as well as the pregnancy and baby categories.

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