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Vocus, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of Tom Roderick with Weisel Partners. Your line is open.

Tom Roderick – Thomas Weisel Partners

Hi, guys, good afternoon. Thanks for the chance to take question here. So I guess I've heard from lots of folks that the end of September was tough everywhere. Can you just give a little bit of commentary about what happened post the end of the quarter into October? And as your customers are sort of making some changes in their own purchasing patterns, can you just comment on which products you find them gravitating towards? And is PRWeb in fact gaining some market share as a lower-priced solution in this environment? Thanks.

Rick Rudman

Tom, this is Rick. I think the best way to characterize it is, as you said, the tail end of September, there really seemed to be – the market kind of froze for a couple weeks where a lot of buying decisions were just simply put on hold. In October we've actually seen business return to somewhat of a normal pattern for us and seen buying return to normal although with still some uncertainties at the economy hanging over people, but not like what we saw in September. In terms of what people are gravitating to, not a whole lot has really changed for us. So the demand is about the same across the board. PRWeb and SBE are better products for the small business market, and then we have professional and enterprise for the mid and large market. So it's really just more of a function of what the better product is for each buyer.

Tom Roderick – Thomas Weisel Partners

And when you take about the environment getting a little bit tougher out there, can you just characterize what specifically does that mean? Does that mean your customers aren't coming back and purchasing additional seats or more modules, or does that mean that the subscription renewal process is getting tougher and customers may actually be asking for more lenient payment terms?

Rick Rudman

Yes, it's – I mean, for us, it was just best characterized as kind of softness across the board, although I will say on payment terms, in particular, we didn't have any issues there and had no changes to our payment terms or contract lengths or discounts. So –

Tom Roderick – Thomas Weisel Partners

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