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## The Knot, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from Jeetil Patel - Deutsche Bank Securities.

#### Jeetil Patel - Deutsche Bank Securities

On the registry side, what are your retail customers or partners doing in terms of spending activity to potentially drive the registry business or are they kind of clamping down as they are across their core retail operations online? Second, can you talk about as it relates to visibility on the national ad front, obviously things are changed, but what percentage of the quarter is booked at this point in the quarter especially in light of I guess October which seems to have been pretty weak in general?

#### David Liu

We have seen some pullback and some of the advertisers and retail partners are really re-examining their fourth quarter spend. Some of them have really pushed their commitments. Interestingly enough, we are actually seeing though a decent amount of demand for '09 media inventory. We continue to receive a pretty large volume in response to our large volume of RFPs. So on the one hand, while I think they are pulling back a log of their marketing for their general merchandise sales, I think for bridal we seem to be still weathering the storm pretty well in context.

#### John P. Mueller

With respect to your other question regarding what percent of our Q4 revenues are booked, we basically have got a pipeline in advertising revenues probably \$1 million or \$2 million which represents maybe 15% that we don't have booked at this point. So 85% of it's pretty well locked in.

#### Jeetil Patel - Deutsche Bank Securities

As it relates to just the local side of the business, obviously you're looking at variable pricing models. How granular are you going to be as it relates to local pricing? How many different pricing buckets or pricing schemes have you come up with at this point as you go to market?

#### David Liu

The test on both the high and the low end has been very encouraging but keep in mind the challenge that we're still working with in the old system is that when you implement this one price strategy, it is universal for all categories in all markets. The reality is there is a pretty significant difference between the geographies and between categories.

So we really have looked at the local transition to being from right now a matrix of six prices given their (a), (b), (c) territories and core and non-core categories to an enormous number. When you think about how Yellow Pages slices and dices pricing by category and by market, we are looking to emulate really a pricing model and a rate card that has that level of complexity.

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