

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Stamps.com Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We'll go first to George Sutton with Craig-Hallum.

D.J. Collins – Craig-Hallum Capital

This is D.J. Collins for George. I would like to ask about both the \$15.99 and the \$17.99 price points. Can you give us any specifics on the Enterprise business with the market strategy, like number of sales people or number of partners and in this difficult time, are you having those discussions?

Kenneth McBride

On your first question, yes, we continue to task various price points on our website. As you know, we've been testing \$17.99 as well as our status quo price of \$15.99 for some time. As we go back to look at the price points, we continue to go back and make sure they're the right price points as the economies turn down. At this point, we're continuing to kind of remain as we said before; we are considering the best ROI price point at this time.

Kyle Huebner

I would just like to add, it's possible that the long-term price point is a different answer than the short-term price point. It can certainly continue to touch a range of prices to \$15.99 up to \$19.99 and continue to evaluate those results to see the answer that would be accommodating in the short-term and if it would be any different from what the long-term expectation might be.

Kenneth McBride

As far as Enterprise goes, we can tell you, like we mentioned in the prepared remarks, the revenue growth was up 80% in '08 after being up 115% in 2007. We continue to believe it is an attractive opportunity for us over the next five years but it's not material today, less than a few percent of our revenue. The number of customers and seats and revenue has been growing pretty rapidly. The base is still pretty small so to the extent that the business becomes more material at the time, we would break out the relevant metrics but at this point, it's too small to really kind of break out much. Finally, you asked about the trial with Indesha. We've completed the discovery phase and we're currently in the marketing phase in the Indesha trial, the one Indesha trial which is the one where we asserted eight patents against Indesha. The trial date is set for May of '09. We do expect there's a reasonable probability that they will slip past, potentially past '09 into 2010.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.