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Monster Worldwide, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Toby Summer – SunTrust Robinson Humphrey.

Toby Summer – SunTrust Robinson Humphrey

I wanted to ask you a question about your marketing expenses and ability to continue to generate cash particularly given the fact that revenue won't necessarily coincide with signs of bottoming if indeed we get that in the near-term because of the impact of the deferred revenue flowing through?

Timothy Yates

The numbers part of it we are going to, we have talked about the \$27 million of marketing spend in Q1 which was specifically aimed at the launch. So that will go down as I mentioned in my comments basically more than that plus some other activities we anticipate would more than offset the decline in revenue which we are talking about due to the mismatch. Ted or Sal want to comment on what the remaining level of marketing is and do we feel that is adequate based on what we see?

Ted Gilvar

We will continue to spend at a rate taking that \$27 million out for the remainder of the year and we do see that as an adequate spend given the way we are going about things. Not only are we using efficient methods to market but we are also doing many innovative things that Sal mentioned earlier on that are actually extending the value of the money we are spending. So far that has worked quite well.

Salvatore Iannuzzi

I think I am probably just going to repeat what has already been said. We mentioned last quarter the additional spend if you will from what had become sort of a normal rate given the economic circumstances of somewhere in the low 50's and we would return to that level after Q1. The Q1 was an aberration, the aberration being as Tim said the \$27 million. We are also benefiting significantly from the fact we are getting smarter. We are getting smarter in terms of using, as Ted just referred to, new ways of getting our message out there and getting our message across. That is proving to be very effective in saving us considerable dollars.

So I think that given what we can see on the horizon and we are trying to stay ahead of this that we should be able to reduce marketing costs and other expense reductions. It is not all about marketing

costs. We within reason can maintain the position of the company where you have seen it this quarter.

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