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ValueClick, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) We will go first to Carter Malloy with Stephens Incorporated.

Will Sterling – Stephens Inc.

Hi guys, this is Will Sterling [ph] for Carter. Thanks for taking my questions. I just have a quick question on display. I was hoping you could explain to us, help us understand the relative strength with you guys versus your competitors and whether or not you think it's sustainable going forward?

Tom Vadnais

I couldn't quite queue that question. Could you give to me again?

Will Sterling – Stephens Inc.

Yes, sure. I was just hoping you could help us understand the relative strength of your display this quarter versus your competitors and whether you think its sustainable going forward?

Tom Vadnais

Okay. Well, we do think its sustainable going forward. We think the – one of the reasons for our strength in the first quarter is that this segment that we are playing in display is the performance based segment and the publisher based that we are working with are publishers that like to deal in this segment and have benefited from some of our technology advancements that we've made in behavioral targeting and our vertical networks. We are targeting better working with our publishers, targeting the consumers better and for that reason I think we're performing a little better perhaps in some of the portals and better known type networks that tend to focus on the harder end sites that are not converting as well. So we think it's sustainable, we plan on as I mentioned introducing more vertical sites, I think that's going to help us and we plan to continue to enhance our technology and targeting.

Will Sterling – Stephens Inc.

Okay, great. And quickly, we were happy to see that the California version of the affiliate tax has been put off for another year, we were hoping you could help us understand the likelihood and maybe potential implications of proposed federal version of the affiliate tax and just what's your thought on around that?

Tom Vадnais

Well, all we have are thoughts. Since we are not – we don't really know much more about that than anybody else.

Will Sterling – Stephens Inc.

Right.

Tom Vадnais

It is often hot up in the air right now. There haven't been any real definite decisions. We've partnered with the California Tax Payers Association to represent our position on this type of tax and we think it would be best to continue as we are in this space and not upset the equilibrium that the marketplace has established, but we don't have anymore insight than you do in terms of what the regulatory environment is going to be on this and I think it will a while before we know or see much happen.

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