



Independent Study Establishes New Digital Advertising Market Focused On Driving Phone Calls, Which Is Expected To Reach More Than \$6 Billion In The U.S. By 2014

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Key study finding is nearly half of interactive marketers would like a phone call to be the preferred action resulting from their digital advertising efforts

SEATTLE – Sept. 15, 2011 – Today, Marchex (NASDAQ: MCHX) released a commissioned study conducted by Forrester Consulting that establishes distinct and significant demand in the digital advertising space for driving phone calls from consumers to advertisers. The September 2011 Forrester study forecasts the U.S. marketing spend in this new market will be at least \$6 billion by 2014.

The study, "Call-Focused Digital Advertising: New Technologies Needed to Meet Significant Market Opportunity," is based on a survey of 211 interactive marketing professionals from small, medium and large businesses and 105 interactive marketing professionals from medium and large advertising agencies.

The study reveals several key findings:

- Call-focused advertising is a type of marketing — done through any channel or media type — with the goal of directly driving calls, *not* simply bringing in calls as a by-product.
- There is significant demand for call-focused digital advertising from small, medium and large businesses and medium and large advertising agencies.
- Call-focused advertising, while fueled by mobile growth, is a multi-channel vehicle.
- To drive the best results from call-focused advertising, marketers should think about preferred outcome first and media or channels second.
- Marketer adoption of call-focused advertising will be driven by market education, technology advancements and proven ROI.

"Forrester's study showcases that phone calls are one of the most preferred outcomes of advertising campaigns for many businesses – but there are few known options for advertisers to allocate budget explicitly to that outcome," said Pete Christothoulou, COO of Marchex. "Over the last several years Marchex has focused our energy on building technologies that make it simple to drive, analyze and optimize phone calls across more than 100 digital media sources especially in the growing mobile market."

The independent study points to the explosion of consumer adoption of mobile phones as a key driver in this new call advertising market. The adoption and increased usage of smart phones offer marketers the ability to connect with more consumers anytime, anywhere, and closer to the point of purchase through phone calls; this fundamentally drives new customers and sales.

The study finds that connecting with customers over the phone is a high priority for marketers. 70 percent of businesses surveyed believe that phone calls result from their current advertising campaigns even though they currently don't measure or track how or where those phone calls originate. These findings showed a clear demand to drive phone calls, but also, showcased the current obstacles that need to be overcome to drive increased adoption of call-based digital advertising.

- 45 percent of marketers who do not currently use call-focused digital advertising cited that their agencies not offering or recommending this solution as a main reason they are not dedicating budget towards specifically driving phone calls.
- 40 percent of marketers who aren't driving phone calls today said that they are unaware of technology solutions that can drive, measure and monetize phone calls.
- 89 percent of advertising agencies say they would recommend call-based advertising campaigns more if the technology were easier to implement; this suggests they are not aware of available technologies focused on optimizing and measuring phone calls from digital advertising.
- While phone calls are seen as a more valuable outcome of digital advertising campaigns, lack of clear ROI prevents marketers from investing more budget in call-based digital advertising.

"Our technology is designed to support advertisers of all types – ranging from large global brands, such as Progressive Insurance, Time Warner Cable, and ADT to thousands of small businesses," added Christothoulou. "Combined with our performance-based business model, pay-for-call, we have produced conversion rates for our advertising customers that in many cases range from 20

to 30 percent.”

Copies of the Forrester study can be downloaded from the Marchex website at www.marchex.com/forrester-report.

For further information about the study from Forrester Consulting, please contact press@forrester.com or call +1 (617) 613-6000.

About Marchex:

Marchex's mission is to unlock local commerce globally by helping advertisers reach customers through the phone when they are ready to buy.

Our performance-based call advertising products, Marchex Call Connect and Marchex Call Analytics, are reinventing how businesses acquire and upsell new customers through phone calls. Our award-winning Small Business Solutions products empower businesses to efficiently monitor their online presence, communicate with their customers, and acquire new ones. Every day, our products support hundreds of thousands of advertisers and partners, ranging from global enterprises to local businesses.

For more information about Marchex (NASDAQ: MCHX), please visit www.marchex.com.

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