

Study Finds that National Advertisers Want to Target Locally Online, But Are Frustrated

Sterling Market Intelligence and Marchex to host Webinar on Findings and Best Practices for Advertising Locally Online

SEATTLE, WA - October 1, 2008 - Among national advertisers there is significant interest in local online advertising, according to a new study conducted by Sterling Market Intelligence and commissioned by Marchex, Inc., a local search and advertising company. Nearly half of the national advertisers surveyed are currently pursuing local online advertising, and more than 40% are dedicating at least a quarter of their online marketing budget to local targeting. However, their utilization of local online advertising is impeded by confusion about the best tactics and traffic sources to use, and how to effectively measure the results and return on investment (ROI).

"The data shows that national advertisers clearly understand the Internet drives in-store sales and they've begun to integrate local into their marketing mix," said Greg Sterling, Principal of Sterling Market Intelligence. "However, they're all over the map in terms of traffic sources and success metrics; there's a general absence of consistent tactics and understanding of best practices for local."

Key insights from the study include:

- Almost half of survey respondents report that at least 25% of their in-store sales were driven by online marketing
- More than half of respondents are using different messaging or tactics for different geographic or local markets
- Only 10% of respondents are targeting down to the DMA, city or ZIP code level

In a free Webinar titled "Local Online Advertising: Strategies and Tactics Every Company Should Know," scheduled to take place today at 11:00 a.m. PDT through Search Marketing Now (<http://searchmarketingnow.com/webcasts/wc081001>), Sterling will discuss his findings as well as present case study data reflecting success stories. Afterwards, Ed O'Keefe, VP of Performance Marketplaces at Marchex, will provide best practices and data-driven tactics that advertisers can use to succeed in online local advertising.

"National advertisers are clearly trying to leverage local online advertising to increase local leads and drive sales, but this study shows they're having a tough time figuring out what's working," said O'Keefe. "The good news is that there are techniques and products available, such as business profile pages and call-tracking, to help advertisers drive local leads online and track effectiveness of their local online advertising efforts."

Best practices O'Keefe will cover in the Webinar include

- The importance of diversifying traffic sources beyond paid search and how to manage them
- How to use landing pages to drive leads to specific locations and markets
- How to track and analyze all consumer actions - including calls, emails, form submissions, map prints and coupons - resulting from local online advertising efforts including to determine results and ROI
- How to most effectively tailor ads to local markets and use local call tracking numbers to measure and help generate more calls

Materials Available for Download

To help advertisers evaluate their local online advertising needs and objectives, Marchex has created a sample "Request for Proposal" (RFP) highlighting questions advertisers should consider when designing their programs and selecting a local advertising provider. Also available for download are the results of the survey covered in today's Webinar. The survey results and sample RFP can be downloaded after the Webinar by visiting:

<http://www.marchex.com/local-insight/2008-local-online-advertising.html>.

A replay of the Webinar will be available within 24 - 48 hours afterwards and can be accessed by visiting:

<http://searchmarketingnow.com/on-demand>.

About the Study

The study, conducted between September 11 and September 21, 2008, surveyed 150 national advertisers or agencies that offer products and/or services through local outlets, dealers, franchises or branded stores across more than one state. The study examined advertising budget allocations, local online advertising strategies and tactics, and ROI perspectives on national advertisers' local online advertising efforts.

- 63% had an annual marketing budget or more than \$1 million
- 70% had national revenues in excess of \$10 million
- 78% have been in operation for more than five years
- 67% had a presence in all 50 states

About Marchex

Marchex, Inc. (NASDAQ: MCHX, MCHXP - www.marchex.com) is a local search and advertising company. Marchex's innovative advertising platform delivers search- and call-based marketing products and services for local and national advertisers. Marchex's local search network, one of the largest online, helps consumers make better, more informed local decisions through its content-rich Web sites that reach tens of millions of unique visitors each month.

About Sterling Market Intelligence

Sterling Market Intelligence is a consulting and research firm founded by analyst Greg Sterling in 2006. It tracks the Internet's impact on offline purchase behavior, and advertiser efforts to adapt to a fragmenting consumer marketplace. Sterling is also a senior analyst for Opus Research's mobility program: Local Mobile Search.

Forward Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding our strategy, future operations, future financial position, future revenues, acquisitions, projected costs, prospects, plans and objectives of management are forward-looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. There are a number of important factors that could cause Marchex's actual results to differ materially from those indicated by such forward-looking statements which are described in the "Risk Factors" section of our most recent periodic report and registration statement filed with the SEC. All of the information provided in this release is as of October 1, 2008, and Marchex undertakes no duty to update the information provided herein.

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