Spam Phone Calls Cost U.S. Small Businesses Half-Billion Dollars in Lost Productivity, Marchex Study Finds

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SEATTLE--(BUSINESS WIRE)--Feb. 18, 2014-- Spam phone calls are not only annoying, but expensive: new findings released today show that U.S. small businesses lose nearly half a billion dollars a year in productivity by handling telemarketing and other unwanted calls, according to Marchex, Inc. (NASDAQ: MCHX), a mobile advertising technology company.

The data illustrates that while the federal government's National Do Not Call Registry may offer consumers some relief from spam, it leaves businesses exempt and unprotected.

Marchex aggregated data from nearly 40 million phone calls blocked during 2013 to U.S. small businesses through its Clean Call™ technologyThe findings show:

- Spam calls are growing – fast. The volume of detected and blocked calls jumped 162% from January 2013 to January 2014 and is on track to keep rising with the mass adoption of mobile phones.
- Technology has made it cheaper and easier for spammers to blast out up to tens of thousands of phone calls in a matter of minutes.
- The average spam call lasts two minutes. That's due in part to spammers using more deceptive practices to keep businesses on the phone longer.
- Answering spam calls wastes nearly 20 million hours a year for small businesses in the U.S. – which translates to about $475 million annually.*
- Small businesses are more dramatically impacted than large national businesses, which can direct incoming calls at scale through call centers.

"Unlike spam emails, which can be ignored, spam calls are highly disruptive and costly for businesses that rely on phone calls for sales," said Jason Flaks, Director of Product and Engineering at Marchex. "This growing epidemic hits small businesses the hardest. Fortunately, there are now solutions to address the problem head-on."

Who are phone spammers? Marchex has found they range from computerized robocallers to more insidious fraudsters known as "chipmunks." Chipmunks – so named for their high-pitched, altered voices – manipulate metrics in click-to-call campaigns by getting businesses to stay on the phone for 30 seconds or more, which can produce the illusion of a "good" customer call.

Marchex started aggressively going after spam calls in 2011, after noticing the detrimental effect these calls were having on businesses. Clean Call technology is now used by hundreds of thousands of advertisers, and from a consumer perspective, the system is invisible. The technology and algorithms – which detect and block telemarketer, robocallers and other spam dialers – evolve constantly to stay ahead of spam techniques, which shift at a rapid-fire pace.

To further protect small businesses, Marchex also recommends these calls to action: ask suspected spammers to immediately identify themselves and the reason for their call; request to be put on the telemarketer's internal "do not call" list; and finally, hang up if a caller won't get off the line.

"Small businesses are vital to our national economy and they can now take steps to reduce the amount of unwanted calls they get," Flaks said. "We will continue to innovate with new technologies to stop spam from wasting valuable time for business owners and their employees."

*Estimation methodology used average hourly earnings from 2013 from the Bureau of Labor Statistics.

About Marchex

Marchex is a mobile advertising technology company. The company provides a suite of products and services for businesses that depend on consumer phone calls to drive sales. Marchex's mobile advertising platform delivers new customer phone calls to businesses, while its technology analyzes the data in these calls to help maximize ad campaign results. Marchex disrupts traditional advertising models by giving businesses full transparency into their ad campaign performance and charging them based on new customer acquisition.

Please visit www.marchex.com, blog.marchex.com or @marchex on Twitter (Twitter.com/Marchex), where Marchex discloses material information from time to time about the company, its financial information, and its business.

Source: Marchex

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