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**For Immediate Release**

**MERCHANTCIRCLE GAINS TRACTION AT THE  
EXPENSE OF YELLOW PAGES**

**Local business network surpasses 500,000 members with more than 5,000  
paying local customers**

Los Altos, CA June 19, 2008 – MerchantCircle, the largest online network of local business owners in the nation, today announced that it has surpassed 500,000 members, with more than 5,000 paying customers. In these difficult economic times, local business owners are rethinking how they spend marketing dollars. Dissatisfied with results from traditional offline media channels, MerchantCircle members are increasingly choosing to invest in online marketing solutions that provide improved measurability and cost effectiveness.

“MerchantCircle has by far been the most cost-effective way for me to market my business. In my first month, spending \$30, I made \$1,000 in trackable business,” says Tuan Hoang, owner of [Sky Printing and Graphic Design in San Diego](#), “I’ve tried almost everything else – they were a waste of money.”

“MerchantCircle is committed to helping local businesses find more customers, and we’re proud to offer an alternative to over-priced, ineffective offline marketing channels,” says Darren Waddell, Vice President of Marketing at MerchantCircle, “Demand for our free service has grown by more than 100x since launch in 2006. In addition, since launching our new product portfolio six months ago, the number of paying members has grown from 500 to over 5,000, all without a sales force.”

**Local Business Owners Moving Ad Spend Online**

A recent MerchantCircle survey reveals that 43% of local merchants call the yellow pages a “less than effective” channel for acquiring customers. In addition to the high cost of the yellow pages, merchant dissatisfaction stems from declining yellow book usage as consumers search for local services online.

“The reason I don’t do yellow page ads anymore, is because I personally don’t look at yellow pages at all,” says Barbara Joseph, MerchantCircle customer and owner of [Arrow Gift Shoppe in Morgantown, West Virginia](#), “The ads were expensive and I wasn’t seeing a difference in customers. Most people search on the internet, so it’s important that they can find me.”

**Merchants Who Still Value the Yellow Pages Moving Online Too**

Even those local businesses who find some value in yellow pages advertising find internet-only options like MerchantCircle appealing. MerchantCircle survey data shows that among merchants who have a positive view of the yellow pages, more than 75% rated internet advertising as "effective" or "very effective" at acquiring customers. These merchants spend nearly as much on online advertising as they do on yellow pages ads.

“I tried the yellow pages, and I think they still have value, but they charge too much,” says the owner of [Maury’s Kung Fu of Worcester, MA](#). “I got one response from that \$400 ad – I was really disappointed. As for the internet, I claimed my business on MerchantCircle and I’ve noticed a huge increase in phone calls and new students that found us through our listing.”

### **About MerchantCircle**

Founded in 2005, MerchantCircle is the largest online network of local business owners in the nation, combining social networking features with a customizable web listing that allows local merchants to attract new customers. More than 14 million MerchantCircle business listings across the country are easily accessed on major search engines.

Currently, over 500,000 merchants on the MerchantCircle network upload pictures, blog, create coupons, and newsletters, and connect with other merchants. In addition to its free services, MerchantCircle offers a portfolio of online advertising services including Search Engine Marketing, Website Directory Submission, Web Content Creation, and Business Verification.

MerchantCircle is located on Main St. in downtown Los Altos, Calif., and is funded by Rustic Canyon Partners, Scale Venture Partners, Disney’s Steamboat Ventures, and Citysearch, a property of IAC. Learn more at [www.merchantcircle.com](http://www.merchantcircle.com)

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