

Horizontals vs Verticals

Who Wins?

Simon Baker
Chairman

MitulaGroup^o



The Contestants

Cars

Jobs

Homes

Products

Services

Other...

- Multiple products and services
- Single brand (usually)
- Single site
- Consistent user experience
- Large global teams
- Very well funded

General Classifieds Sites – Major Players

MitulaGroup^o

Cars

Jobs

Homes

Products

Services

Other...



General Classifieds Sites – Major Players

MitulaGroup^o

Cars

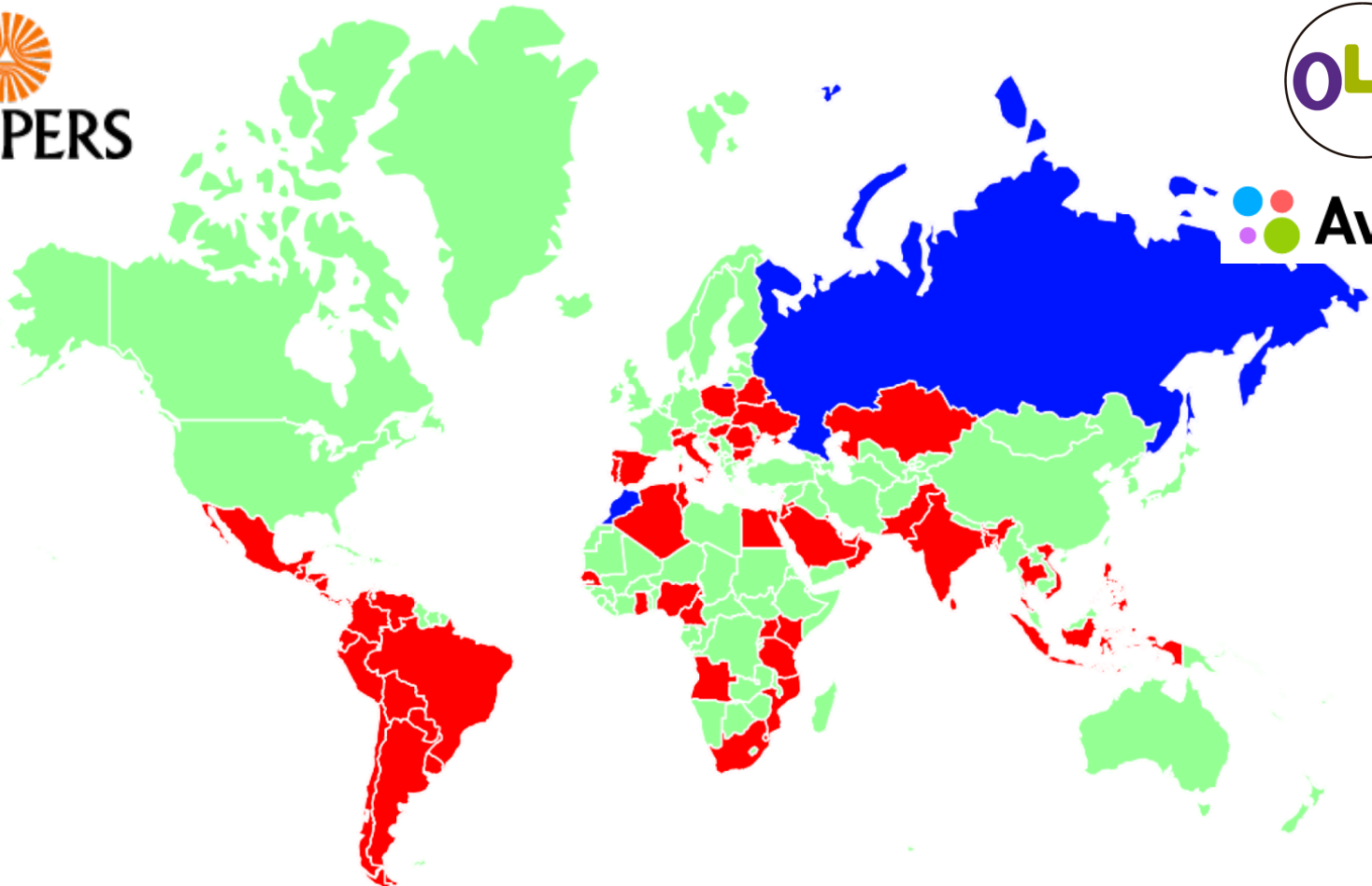
Jobs

Homes

Products

Services

Other...



General Classifieds Sites – Major Players

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Cars

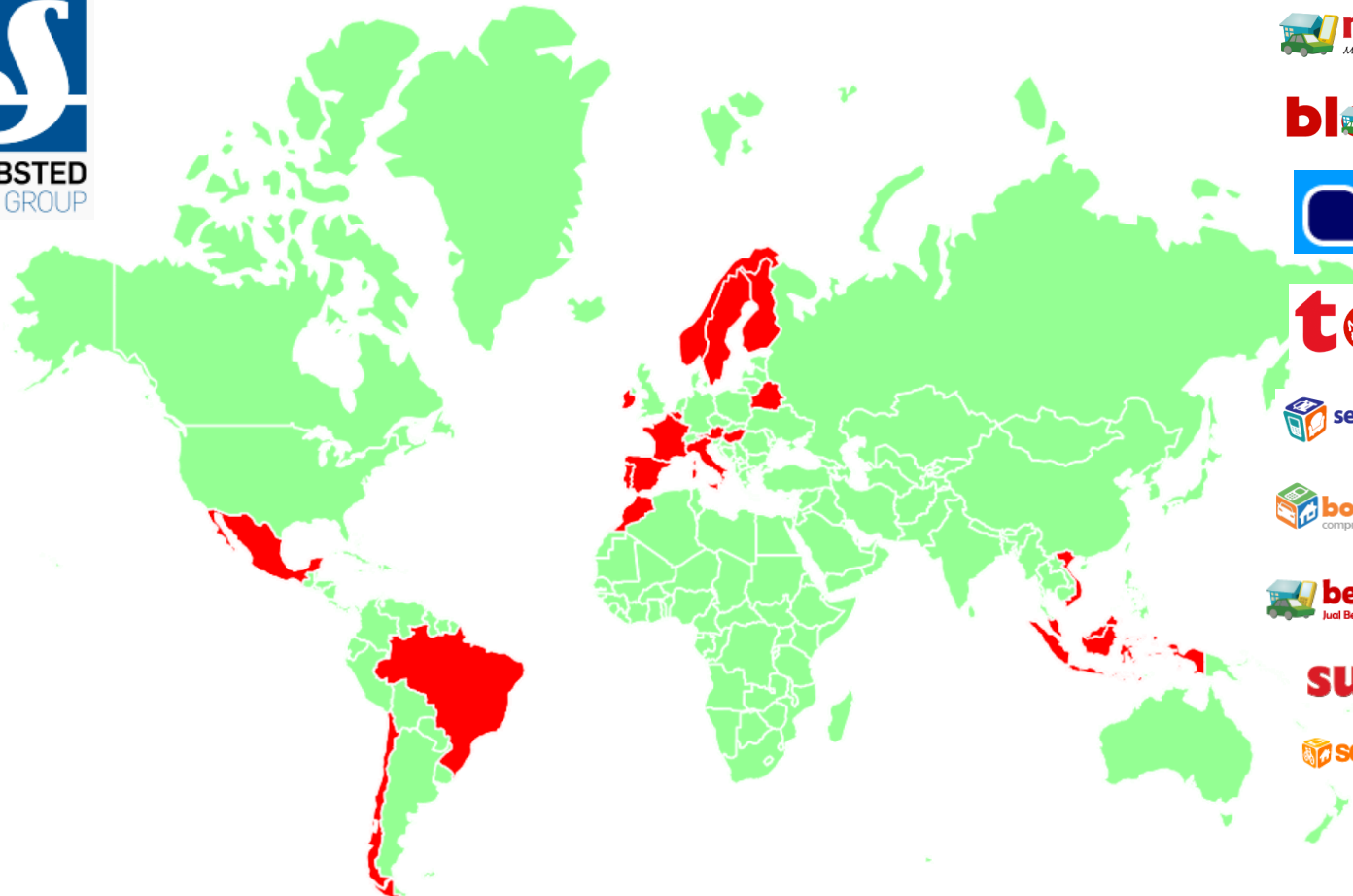
Jobs

Homes

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Other...



General Classifieds Sites – Major Players

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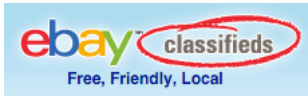
Jobs

Homes

Products

Services

Other...



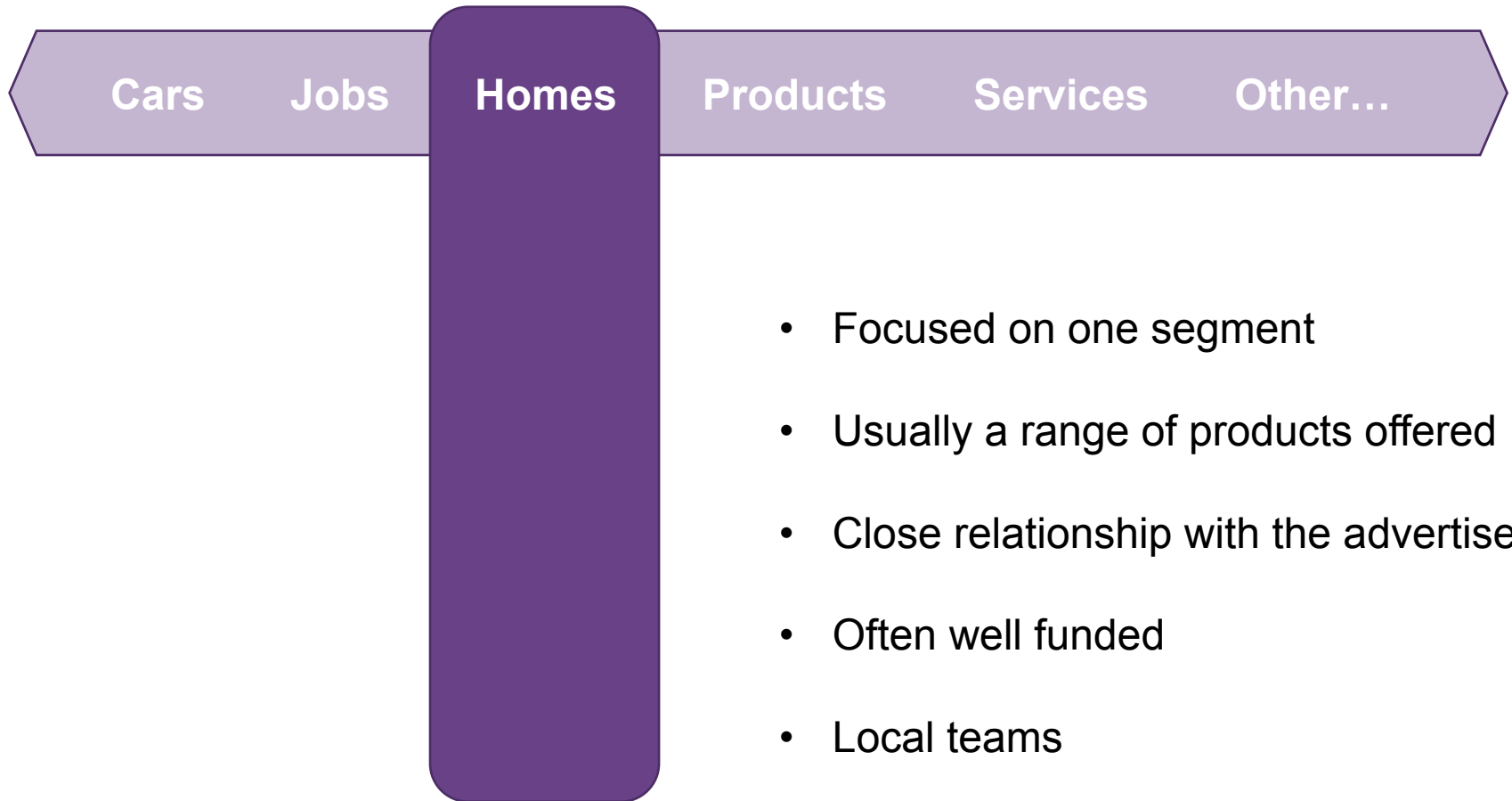
kijiji

MARKTPLAATS.NL

LOQUO
BARCELONA



What is a Vertical Site?



- Focused on one segment
- Usually a range of products offered
- Close relationship with the advertiser
- Often well funded
- Local teams
- Sometimes part of a global network

Major Vertical Players – Real Estate

MitulaGroup^o



Major Vertical Players – Regional Plays

MitulaGroup^o

Cars

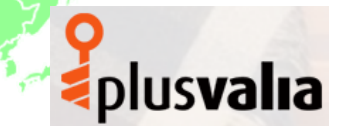
Jobs

Homes

Products

Services

Other...



Major Vertical Players – Regional Plays

MitulaGroup^o

Cars

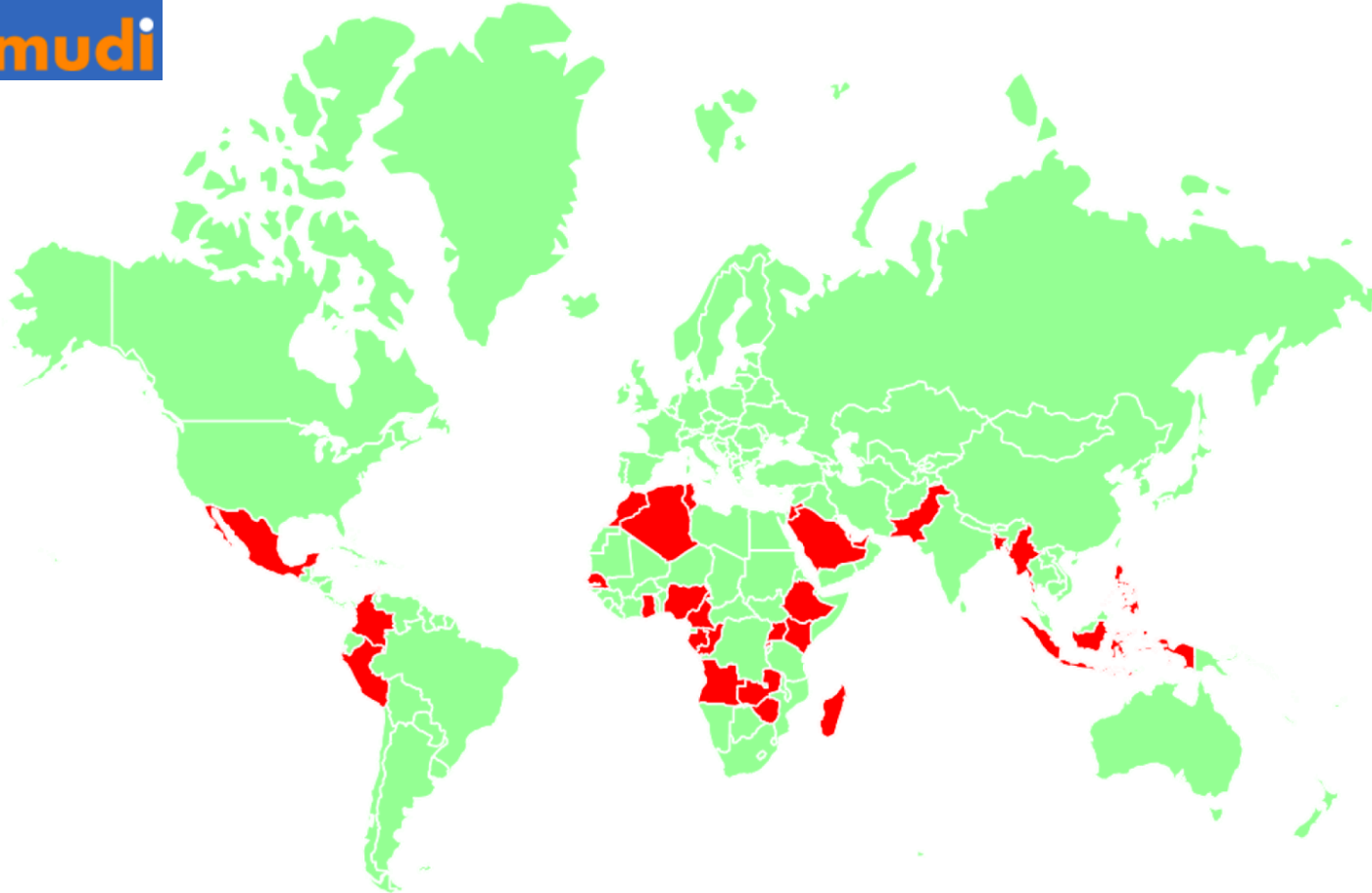
Jobs

Homes

Products

Services

Other...



The Battle Ground

Online Classifieds Growth Model



Online Classifieds Growth Model – Advertisers

Need to get close to all advertisers (professional and private)

Build awareness of the proposition

Sign up advertisers to the products and services

Build and maintain relationships with customers and targets

Simple go to market processes

Leverage technology to get closer



**100% of potential
advertisers aware and
using products and
services**



Online Classifieds Growth Model – Listings

Listings life blood of all online classifieds businesses

Important to get all listings within a market – professional and private listings

Automated upload of quality listings

Removal of duplicates and elimination of fake listings

Smart search to ensure accurate results for searchers

Presentation of listings is important to ensure relevance to the consumer

100% of listings within a market segment at the highest possible quality



Online Classifieds Growth Model – Consumers

Traffic is important – only if you have enough listings

Various approaches to driving traffic with some are more important (and effective) than others

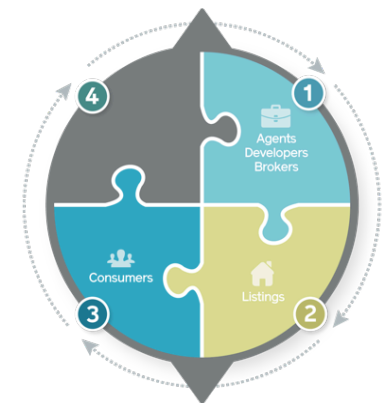
Without traffic you can not create leads

Limited budgets need to be focused

Site needs to be optimised to attract return visitors

Brand building also important for the long term

Most traffic in the market and the strongest brand for the segment



Online Classifieds Growth Model – Leads

Important to create engagement with the listings content

Engagement will generate leads

Lead generation reduces churn of advertisers (critical for long term growth)

Lead generation allows classified sites to increase prices for entry level advertising services

Provides platform for premium services as advertisers value position and presence on the site (as it generates leads)

Communication of value is critical

Generating the highest number of high quality (actionable) leads in the market



Online Classifieds Growth Model – Monetisation

Basic monetisation is from advertising of listings
with some models work better than others

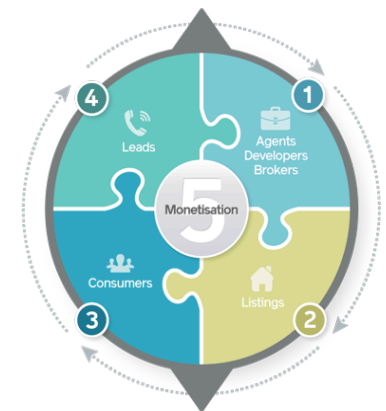
Additional monetisation from premium advertising
services

Some sites, depending on market, move to other
products and services including print, data,
exhibitions, and software

Performance leads to pricing increase



**Profitability and
revenue leadership**



The Battle



Verticals

Have dedicated teams on the ground to target the advertisers – often team focused on sub-segments

Team tend to focus on each sub-segment

Use software to get closer to the advertiser and closer to the listing source

Usually a pay to list model as freemium harder to monetise over the longer

Build long term relationships with the advertisers through dedicated teams

Much closer to the advertisers and in a better position to monetise



General Classifieds

Often don't have dedicated teams on the ground

Usually rely on advertisers to self service

Have a broader range of advertisers – professional and general public

Usually a freemium model with selected segments paying for upgrades or placements

Often control countries from central “HQ”

Less close to the advertisers

Building Quality Listings



MitulaGroup^o

Verticals

Direct data feeds from software providers in the target markets

Often own the software providers to get direct access to quality listings

In early stage markets, verticals sometimes source listings directly including taking of photos and certify quality of each listings



**Usually higher
quality of listings**



General Classifieds

Combination of direct entry and XML feeds

Harder to “certify” quality of listings from direct entry (especially since free and from general public)

Often hard to quality control listings due to generic approach to managing listings across multiple verticals

**More variability in
listing quality due to
multiple input sources**

Driving Traffic



Verticals

Clear set of marketing approaches used to create awareness and drive traffic

Lower cost include SEO, SEM, email alerts, distribution agreements & PR

Higher cost approaches include brand building and traditional media

General Classifieds

Reliant on traffic from other sections of the site – internal traffic generation

Internal marketing redirects traffic

Some leveraging of global network and learnings

Use of SEO and some SEM

Limited brand building and if so, generic not segment specific



Brazil, Bangladesh, Thailand, and Indonesia

Driving Traffic



Verticals

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**Significant
investment required
to build traffic**

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**Access to more traffic
at lower costs – core
part of model**



Lead Generation



Verticals

Search more tailored to requirements of the vertical

- Map based,
- More fields,
- Free form searches

Additional information and data make it a more robust decision making experience

Listings presented in a more informative / engaging manner

General Classifieds

Generic search used with minor refinements available

Poor search experience

Minimal or no additional information to assist in decision making process

Listings are presented in a very generic manner

Pages not tailored to maximise lead generation

Search Page – Spain Example

Buy
Rent
Share

New construction
Homes
Holiday
Rooms
Offices
Commercial property
Garages
Land

León
Lérida/Lleida
Logroño
Lugo
Madrid
Málaga
Mallorca
Melilla

Your last search
Homes in Chamberí, Madrid

Search

1,289,218 listings, 8,376 new yesterday
Your first two listings are free

Add a listing

Open search criteria
☒ Buy ☐ Rent

Homes ▼ Type your search here **Search**

i.e.: Madrid, Barcelona, Valencia, 0290379449, 12345

Verticals – e.g. Idealista

segundamano

compra y vende cerca de ti

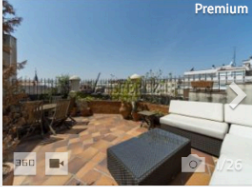
Estoy buscando... samsung inmobiliaria Madrid **BUSCAR**

Buscador de iconos: Silla, Camiseta, Carrito, Laptop, Bicicleta, Pata de perro, Coche, Casa, Graduado, Manos estrechando, Caja, Grilla.

Mapa de España con la etiqueta **toda España**.

General Classifieds – e.g. Segundamano

Search Results – Spain Example



Premium

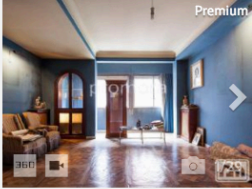
Penthouse in Almagro, Madrid

1.650.000 € ↓ 150.000 € (8%)

3 bed 194 m² 7 floor exterior with lift

ALFEREZ REAL ESTATE offers its customers a luxury penthouse of 194 sqm in one of the quietest streets of Almagro. Completely renovated, e...

670 690 269



Premium


Flat in Almagro, Madrid

1.400.000 € Garage included

6 bed 468 m² 3 floor with lift

For sale. Flat - Chamberí. Property with a gross floor area of approximately 468m². 5 bedrooms and 4 bathrooms. A 1 minute walk from Pas...

914 310 431



Premium


Penthouse in Almagro, Madrid

1.450.000 €

5 bed 305 m² 8 floor with lift

For sale. Loft. Chamberí-Almagro area. 305sqm. Two large terraces facing north and south. 5 bedrooms, 3 bathrooms and 3 lounges. Loft th...

914 310 431



Premium

Penthouse in Trafalgar, Madrid

1.850.000 €

3 bed 311 m² 6 floor no lift

For sale. Exclusive loft. 311sqm. Excellent orientation. Promora is happy to present this luxury loft with a large terrace in the mos...

914 310 431

Verticals – e.g. Idealista

más de 103 mil anuncios de casas y pisos de segunda mano en Madrid . compra venta Viviendas en Madrid


todo 103.998

particulares 30.584

profesionales 73.414

relevancia

ordenar por



profesional


7 OCT 14:22

Piso en calle Emilio Ortuño 3

122.260€

pisos

Madrid Capital



profesional

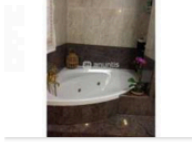
18 OCT 10:59

Piso en Chamartín - Hispanoamérica, Madrid Capit

750.000€

pisos

Madrid Capital




HOY 00:52

Ático en calle Gilena, 21

231.000€

pisos

Madrid Capital




HOY 00:52

Apartamento en avenida del ferrol, 10

650€

pisos

Madrid Capital



HOY 00:47

Habitacion Individual

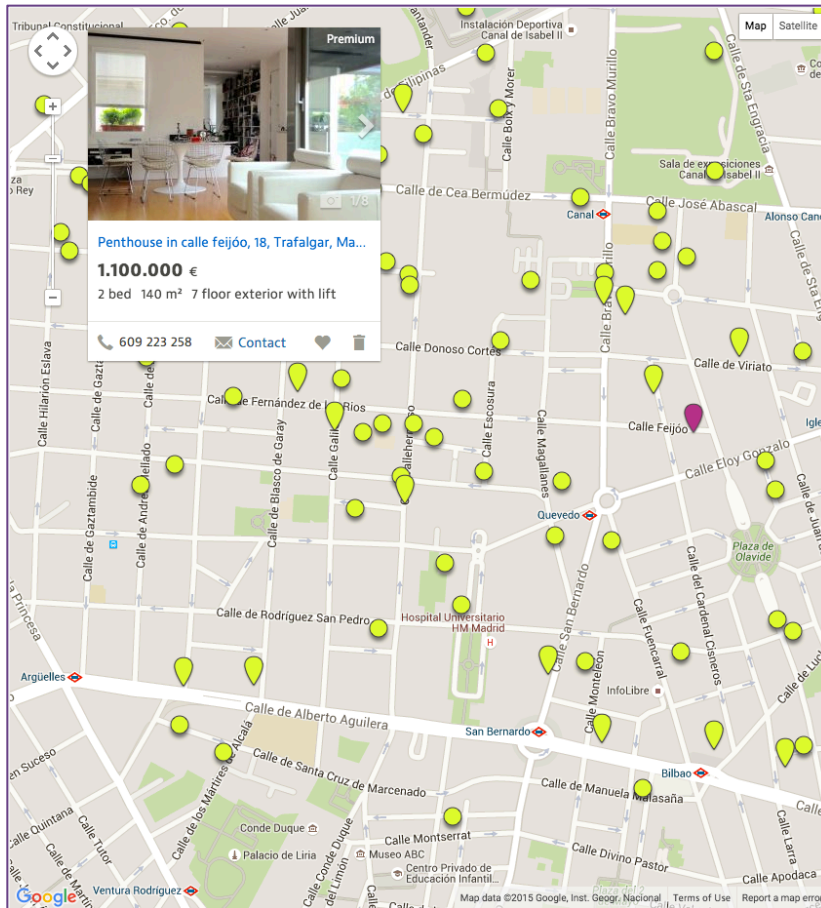
180€

pisos compartidos

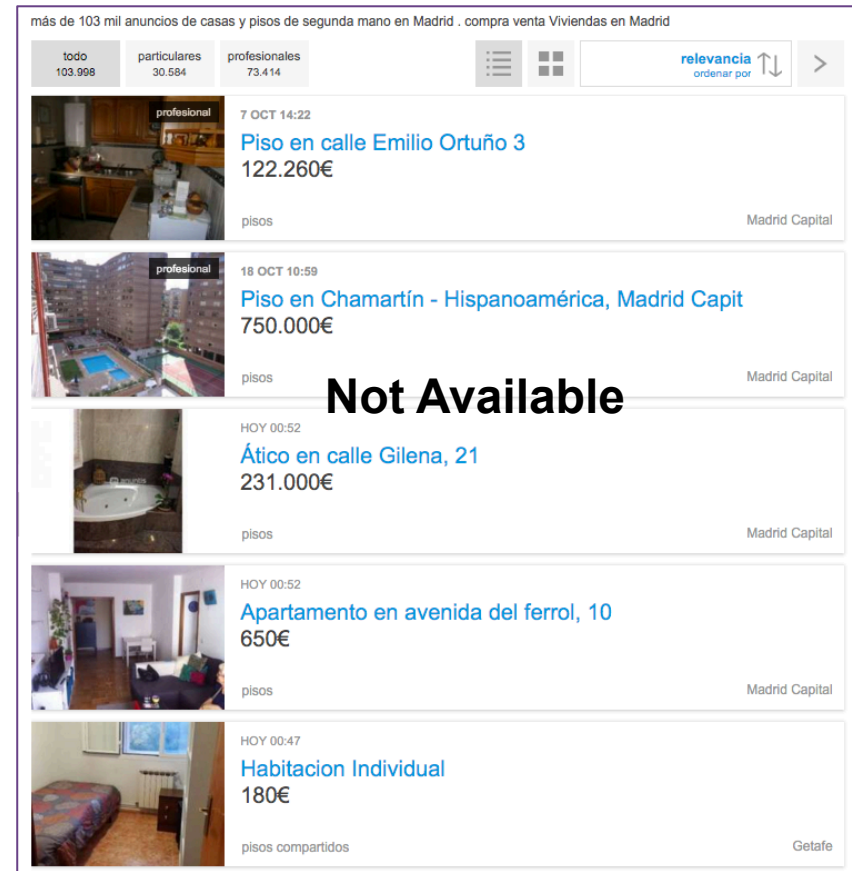
Getafe

General Classifieds – e.g. Segundamano

Search Results Maps – Spain Example



Verticals – e.g. Idealista



General Classifieds – e.g. Segundamano

Search Refinement – Spain Example

Price

Min ▼ Max ▼

Searching for

Homes ▼

☐ Flats

☐ Houses or chalets

☐ Country homes

☐ Duplex

☐ Penthouses

Bedrooms

☐ 0 bedrooms (studio)

☐ 1

☐ 2

☐ 3

☐ 4 or more bedrooms

Bathrooms

☐ 1 ☐ 2 ☐ 3 or +

Size

Min ▼ Max ▼

Condition

Indifferent ▼

More filters

☐ Lift

☐ Garage

☐ Swimming pool

☐ With terrace

☐ Exterior

☐ With photos or video

[More characteristics](#) +

Published in idealista

☐ Indifferent

☐ The last 48 h

☒ The last week

☐ The last month

[todas las categorías](#)

inmobiliaria

[alquiler para vacaciones \[17\]](#)

[casas rurales \[6\]](#)

[casas y chalés \[1.767\]](#)

[garajes y trasteros \[460\]](#)

[locales, oficinas y naves \[956\]](#)

[pisos \[4.906\]](#)

[pisos compartidos \[224\]](#)

[terrenos y fincas rústicas \[309\]](#)

precio

desde hasta 

venta / alquiler

todo 

**Verticals – e.g.
Idealista**

**General Classifieds –
e.g. Segundamano**

Lead Generation



Verticals

Search more tailored to requirements of the vertical

- Map based,
- More fields,
- Free form searches

Additional information and data make it a more robust decision making experience

Listings presented in a more informative / engaging manner

**Low number of
higher quality leads
generated**



General Classifieds

Generic search used with minor refinements available

Poor search experience

Minimal or no additional information to assist in decision making process

Listings are presented in a very generic manner

Pages not tailored to maximise lead generation

**Higher number of
lower quality leads
generated**



Verticals

Usually generate higher quality leads

Wide range of products / services to sell to advertisers

- Premium advertising
- Software
- Display advertising
- Data

General Classifieds

Usually generate high volume of lower quality leads

Limited advertising options

Market leaders can charge for some categories

Hard to monetise private listings so focus on industry/professional listings

Advertising Options – Australian Example

Premiere Ad

Give your property the premium treatment.

Reserved for properties of distinction, Premiere takes your property to the top of our search results. Premiere ads get more attention with up to 15 times more views, and 8 times more enquiry than standard ads.†

- Appear at the top: Prioritised to appear before Highlight, Feature and Standard ads
- Largest ad size available
- Largest photo

\$7,350* for a 30 day campaign

Contact your agent to access better prices

[Upgrade now](#)

37a Lansell Road, Toorak, Vic 3142

KAY&BURTON

Contact Agent

House 4 4 3

Landmark Luxury, Iconic Living

Designed on the cutting edge of excellence, this distinctive architect designed residence has the WOW factor. A design...

Agent: Darren Lewenberg

[Floorplan](#)

[Save](#) [Details](#)

Highlight Ad

Shine above the rest.

Highlight combines priority positioning with prominent design. Highlight ads give an affordable option to jump ahead in search results with up to 8 times more views and 5 times more enquiry than standard ads.†

- Prioritised to appear before Feature and Standard ads
- Large photo carousel
- More prominent design

\$1,638* for a 30 day campaign

Contact your agent to access better prices

[Upgrade now](#)

37a Lansell Road, Toorak, Vic 3142

KAY&BURTON

Contact Agent

House 4 4 3

Landmark Luxury, Iconic Living

Designed on the cutting edge of excellence, this distinctive architect designed residence has the WOW factor. A design...

Agent: Darren Lewenberg

[Floorplan](#)

[Save](#) [Details](#)

Feature Ad

Stand out from the crowd.

Feature property ad is the simplest and most affordable option to generate more interest for your property. Feature ads attract 3 times more views and 2 times more enquiry than standard ads.†

- Appear ahead of all Standard ads
- Interactive photo carousel

37a Lansell Road, Toorak, Vic 3142

Contact Agent

House 4 4 3

Landmark Luxury, Iconic Living

Designed on the cutting edge of excellence, this distinctive architect designed residence has the WOW factor. A design...

[Floorplan](#)

KAY&BURTON

[Save](#) [Details](#)

Standard Ad

Get started.

Standard ads are the basic advertising option to get your property online. We'd recommend that you consider upgrading your ad to stand out and to get the best sale result.

37a Lansell Road, Toorak, Vic 3142

Contact Agent

House 4 4 3

Landmark Luxury, Iconic Living

Designed on the cutting edge of excellence, this distinctive architect designed residence has the WOW factor. A design...

[Floorplan](#)

KAY&BURTON

[Save](#) [Details](#)

Your current property ad
on realestate.com.au



Verticals

Usually generate higher quality leads

Wide range of products / services to sell to advertisers

- Premium advertising
- Software
- Display advertising
- Data


General Classifieds

Usually generate high volume of lower quality leads


Limited advertising options

Market leaders can charge for some categories

Hard to monetise private listings so focus on industry/professional listings



**Ability to extract
high revenue per
advertiser**



**Harder to extract
high revenue per
advertiser**

The Decision – Who Wins?

The Long Term Winner is ...



	Verticals	General Classifieds
Advertisers	✓	
Listings	✓	
Traffic		✓
Leads	✓	
Monetisation	✓	

Closer to the advertiser & to the consumer giving a customised experience that generates more leads and better monetisation

However Different Markets – Different “Winners”

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	Verticals	General Classifieds
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Established Markets
“Winners”

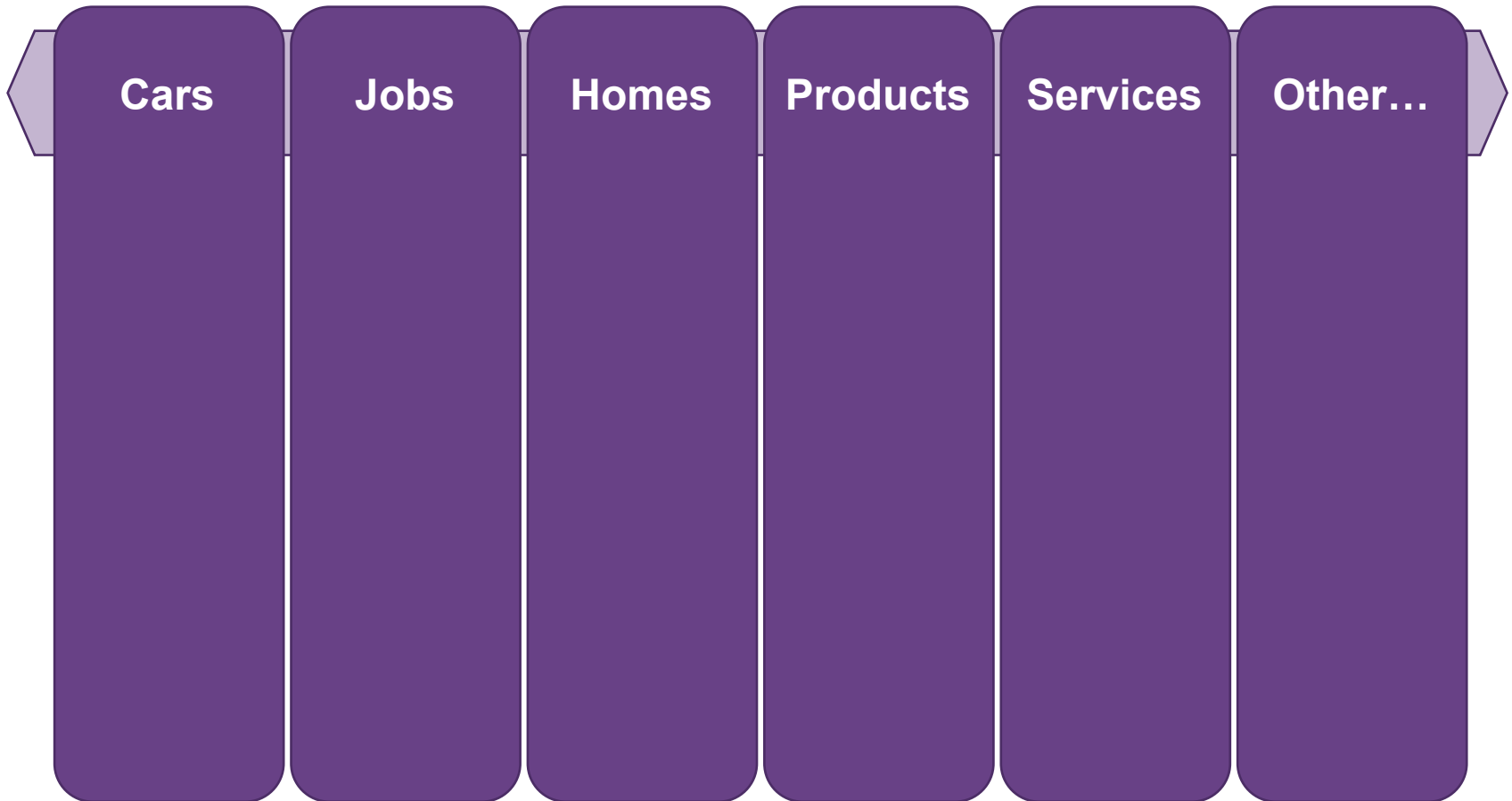


Emerging / Early
Stage Markets
“Leaders”

To early to tell!
Verticals leading monetisation,
advertisers, listings quality
General classifieds have the traffic

But ...

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**General classified sites are evolving and will become
a “house” of interlinked verticals**

General Classifieds Evolving Approach

Building out dedicated vertical teams by country (e.g. real estate)



Spinning off real estate vertical into dedicated sites



Acquiring and operating verticals independently



The Real Winners are ...

Top 2 – 3 verticals in each market

- Acquisition targets and there are more buyers.
- Even if not bought, they can operate profitably.

Leading general classifieds in emerging markets

- Have the audience and can acquire vertical skills (they have the \$)
- Have capacity to monetise by building out vertical skills

Consumers

- Experience can only get better – more listings, higher quality, better search tools

Advertisers

- More advertising options, larger audiences, competitive rates

Horizontals vs Verticals

Who Wins?

Simon Baker
Chairman

MitulaGroup^o

Título de la presentación

