

# classifiedintelligence report

Consulting Services to the Classified Advertising Industry

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## Schibsted shows stunning gains in digital profits

BY KATJA RIEFLER

The Scandinavian media group Schibsted just released its 2008 financial report -- and it's recommended reading for everyone in the classifieds industry -- especially anyone struggling to transform their "traditional" print business to online: Schibsted's digital initiatives were responsible for a whopping 81 percent of the company's operating profit in 2008.

This after a pretty remarkable 2007 in which digital accounted for 45 percent of the company's operating profit. Clearly, there are important lessons in Schibsted's strategy.

"[Schibsted's Swedish marketplace Blocket.se] is helping to demonstrate that online classified advertising remains a market with a great deal of potential for growth", said CEO Kjell Aamot in his opening statement. Blocket reached an operating margin of 58.9 percent in 2008, adding \$73 million (U.S.) to the group's coffers. It's Schibsted's most profitable export project with siblings in Spain, Italy, Malaysia, France, Portugal and the Philippines. The Filipino addition -- AyosDito.ph -- was launched only in March of this year. "In the depths of the recession, another Blocket clone, Leboncoin in France, is showing that it is possible to grow even when others are suffering," Aamot added. "During the course of one day in March 2009,

197,000 new ads were added to the site, which had more than 6 million ads in total."

Due to weak overall print newspaper advertising revenues -- especially in the second half of 2008 -- classifieds surpassed print newspapers as the main source of Schibsted's profit in 2008. Schibsted lists within "classifieds" all its digital classified portals, interactive yellow pages and international classified newspapers -- and this category comprised 20 percent of the group's global revenue, with its 8,100 employees and companies in 22 countries. It is mainly advertising revenues that have suffered, particularly from print classified ads.

Schibsted's overall revenue in 2008 was NOK 13.74 billion (\$2.1 billion U.S.), the profit (EBITA) NOK 822 million (\$126 million U.S.), equivalent to an operating margin of 6 percent (compared with 9 percent in 2007). The economic downturn had a negative impact on the group's advertising revenues in 2008. Aftenposten, which obtains a significant proportion of its advertising revenues from the recruitment and real estate markets, and InfoJobs, with advertising revenues from the recruitment market, were particularly affected by this. The downturn has continued into 2009.

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## Q&A with CV's Jauernig: Focus first on customers

BY MYA FRAZIER

Classified Ventures, the joint venture among Belo Corp., Gannett Co. Inc., The McClatchy Co., Tribune Co. and The Washington Post Co., employs 1,100 and logs \$400 million in revenue from across its network of sites in three verticals: real estate, cars and apartments. Cars.com, Apartments.com and HomeFinder.com are all "very profitable," according to CEO Daniel Jauernig, who recently took some time out to talk to Classified Intelligence Report about the economy, ad networks, in-

novation and how the rise of social media is impacting business.

**CIR: What's are the biggest challenges facing the Classified Ventures family of brands going forward?**

Jauernig: The general economic environment in 2009, As a result of that, our primary focus this year is picking up market share and not necessarily driving revenue. We've had phenomenal growth in all three verticals and

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Schibsted has organized its business in three main business areas: Norway, Sweden and International. The most important market for the company revenue wise is still Norway (NOK 5.9 billion, 43 percent), Sweden comes second (NOK 5.3 billion, 38 percent) and International is third (NOK 2.6 billion, 19 percent). However, 3,590 employees work for Schibsted's International division (44 percent), only 2,677 in Norway (33 percent) and 1,807 in Sweden (22 percent). All the group's operations outside Norway and Sweden, both editorial and advertisement-based services, are organized in Schibsted International, which has operations in 20 countries.

Part of Schibsted International – and a growing part – is Schibsted Classified Media (SCM), a company formed in 2008 in order to gather all of Schibsted's classified ads operations in one company, with the exception of Finn.no and Soov.es. SCM has operations in Sweden, Spain, France, Belgium, Italy, Austria, Slovenia, Lithuania, Portugal, Malaysia, Argentina, Mexico, Brazil, Colombia and Philippines. The formation of SCM marks a strategic escalation and structuring of Schibsted's international expansion, says the annual report. The growth over the next few years will be primarily based on further developing established products, as well as on mapping the opportunities in new markets. Innovation and structured cooperation are important key words for further growth. Insight into customers and markets is a crucial tool for the next step, and continuous improvements are to characterize the processes and products in the Schibsted sphere – both national and international.

Over the course of 2008, the shift from print to online media continued. In 2008, Schibsted Classified Media's revenues totalled €166.7 million (\$223 million U.S.) compared with €198.6 million (\$265.6 million U.S.) in 2007. That represented a decline of 16 percent from 2007 to 2008. Revenues from online activities grew by 20 percent, down from a reported 48 percent growth rate in 2007. Revenues from print companies fell by 48 percent, compared with a 21 percent fall in 2007. The decline was due to the deteriorating market for print publications, and the discontinuation of the Spanish print business.

In 2008, online activities were responsible for 102 percent (84 percent in 2007) of SCM's operating profit (EBITDA), as the print businesses made a loss. Online activities in Spain, including InfoJobs.net, grew less quickly in 2008 than in 2007. Spanish online properties' revenue growth from 2007 to 2008 was 24 percent, compared with 59 percent growth the previous year; operating margin in 2008 was 38 percent, compared with 45 percent in 2007. The lower margin was primarily due to an increase in the share of expenses allocated to the online business, as a result of the discontinuation of the print business.

Results at Secondamano (both print and online activities) in Italy were poor, and the group is considering selling the business. The online businesses Subito.it and Infojobs.it performed well.

In the fourth quarter of 2007, La Centrale, the market leader in France for print and online car ads, merged with Caradisiac, the French online car portal that was owned by SPIR, to create Car&Boat Media. The new com-

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pany has a strong, leading position in the French market for car classified ads and car sites. It has both print and online versions. Operating revenues increased by 14 percent from 2007 to 2008 despite the difficult market, and EBITDA increased by 16 percent on a comparable basis. The Web site attracts up to 15 million unique visitors per month and generates 200 million page views. The company has 221 employees.

The Austrian classified ad service Willhaben.at was launched in January 2006 (as a 50-50 joint venture with Styria Medien). It's based on Schibsted's Finn platform. The service has experienced strong growth in its number of listings and traffic volumes since its launch. In December 2008, Willhaben became the leading player in the vertical advertising market for real estate with 366,000 unique visitors. The company employed a staff of 29 at the end of 2008 and showed good growth in traffic, with 100,000 unique visitors per month and 70 million page views.

The classified ad service Bolha.com, in which Schibsted holds 40 percent, is Slovenia's fifth largest Web site with brand recognition of 95.8 percent. It's a classified ads and auction website and both its number of visitors and number of advertisements are growing. It currently has 37 employees and more than 250,000 advertisements in its database. The site attracts more than 700,000 visitors per month and 35 million page views.

The Lithuanian classified ad site Plius became part of Schibsted Baltics (51 percent ownership) in 2007. In the month of December the site had more than 1 million unique visitors and 49 employees. Plius.lt is an online service that was started in 2003. The portal contains several verticals, including cars and real estate. Plius.lt contains around 300,000 advertisements at any time and has approximately one million unique visitors per month. AutoPlius is a car vertical in Lithuania that has around 150,000 advertisements in its database.

The Belgian site Kapaza.be was acquired in May 2008. Kapaza is by far the largest player in Belgium in "generalist" classified ads, and it also has a strong position in car ads. It attracts about 3 million unique visitors per month and has eight employees. According to the annual report, Kapaza strengthened its position in Flanders. The operation has distinct similarities with Schibsted's Swedish classified-ad site Blocket.

In building SCM, Schibsted sold internally its Swed-

ish marketplaces Blocket and BytBil from Aftonbladet to Schibsted Classified Media with effect from July 2008. However, they were reported as part of Schibsted's Business Area Sweden to the end of 2008.

Blocket.se was started in 1996 in Fjälkinge as a local buy-and-sell market for the Skåne area of southern Sweden. It since developed from a regional portal for private-party sellers and buyers into Sweden's largest marketplace for both private individuals and companies. Blocket.se has 3 million unique visitors a week, making it the third-largest site in Sweden irrespective of category. More than half of all Swedes have bought or sold something on Blocket, whose traffic and listing volumes and results have experienced strong growth. In 2008, goods and services worth NOK 160 billion were advertised on the Web site, equal to 6 percent of Sweden's GDP. Schibsted said that this year Blocket will increase its focus on real estate and commercial premises.

Also belonging to Blocket is BytBil.com -- launched in 1997 as one of Sweden's first car sites. According to Schibsted, today it advertises 95 percent of all car purchases and sales in Sweden. It has 28 employees and relaunched on a new technical platform in 2008. The newest additions in its business area is the service market. The site also has a new communicative platform.

Subito.it, the most popular generalist classifieds portal in Italy, was launched in 2007 based on Blocket's concept and technology. It has a strong position despite its relative new place in the market. It attracts more than 2 million visitors per month and has more than 600,000 advertisements on its site. But there's stiff competition in this segment in Italy.

CustoJusto.pt ("fair price"), the Portuguese version, launched in November. The French classified ad portal Leboncoin.fr is also based on the Blocket model. Traffic to the portal and the number of listings grew throughout 2008. In the second half of 2008 the company showed an operating profit.

Malaysian Mudah.com.my, also in the Blocket model, is still in the start-up phase, and the focus is on generating traffic. The company has become the market leader in online classified ads in Malaysia, and is the country's third-most visited Web site. Mudah.com.my launched in November 2007 as the first member of the "Blocket family" outside Europe. Mudah (which means "simple" and "practical") is a 50-50 joint venture with Singapore Press Holdings and had six employees at the end of 2008. It's the larg-

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est classified-ads service in Malaysia, with approximately 1 million visitors a month and more than 150,000 listings.

Through Anuntis Segundamano in Spain, Schibsted Classified Media operates 11 classified ads sites in Latin America. The most important of these are AutoFoco.com and Segundamano.com.ar (Argentina), Infojobs.com.br and Balcao.com.br (Brazil) and Segundamano.com.mx (Mexico). In addition, SCM has services in Colombia. In total, there are about 700,000 ads that are seen by 4 million unique visitors per month. The Latin America operations had 322 employees at the end of 2008.

Finn.no, Norway's market leading classified portal in which Schibsted holds 62 percent, is not being integrated with SCM. It will become part of Media Norge that will be established in 2009. Due to the financial situation that has arisen, it has been decided to postpone the stock exchange listing of this new company for up to seven years.

Finn published 2.6 million classified ads in 2008, 57 percent of which were published on Torget (The Marketplace). Car advertisements, the second-largest market, accounted for 22 percent. A total of more than 9 billion pages were viewed on Finn in 2008, and the value of the goods sold was approximately NOK 570 billion (\$87 billion). On a normal day, more than 280,000 advertisements are available on Finn.no, and each Norwegian user spent an average of 10 hours on this site in 2008.

Finn had 258 employees at the end of 2008. Its advertising market was affected by the economic downturn but less so than the printed newspapers. The operations were ex-

panded through the purchase of a 55 percent shareholding in Schibsted Søk (search). Finn Reise (travel) developed very positively. Investments were made in new activities in Sweden.

The company released its financial report with the announcement of its annual general meeting to be held May 19 in Oslo.

If you've read the 138-page financial report, it would be no surprise that Schibsted last week sold all its shares in Metronome Film & Television, the leading Nordic producer of TV programming, drama series and movies with operations in Sweden, Norway, Denmark, Finland and the U.S. to London based Shine Group. The deal, for SEK 719 million (\$89 million U.S.), covers all 15 production companies under the Metronome umbrella. The divestment of is a consequence of the strategic review of Schibsted's investments, a review that started in late 2008.

Schibsted is sticking to its strategy of combining organic growth with acquisitions, but is scaling it down in comparison to previous years. Organic growth projects reduced 2008 operating profit before impairment loss and other revenues and expenses by NOK 272 million (NOK41.6 million in 2007). In 2008 Schibsted invested about NOK 1 billion (\$153 million) in shares and participations.

The 2008 financial results were affected by investments in new activities in areas such as directory services, search services, the international expansion of classified advertising services and free newspapers. These investments in new businesses reduced profit by NOK 272 million (\$41.6 million) in 2008. The free newspaper Punkt SE in Stockholm was closed down in May 2008. ●

## Enormo adds RealtyTrac foreclosures

Global property search site Enormo.com has added about 1 million listings to its index through a partnership with U.S. foreclosure marketplace RealtyTrac.

The agreement will give Enormo users access to foreclosure listings across 2,200 U.S. counties. The deal will also allow RealtyTrac to accept international subscriptions through Enormo's translation of RealtyTrac marketing messages into its 31 interface languages.

Enormo.com CEO Yannick Laclau said that the timing was perfect. "The strength of other currencies against the dollar combined with the great value of U.S. housing stock is driving interest from new investors who want a piece of

the foreclosure action," he said.

Enormo.com now lists about 8.5 million properties across 76 domains.

## REA shelves U.K. print operations

The REA Group has issued a statement on the Australian Stock Exchange (ASX) that it will be closing its U.K. print operations.

The Group said that PropertyFinder Publishing, which ties in with its U.K.-based PropertyFinder.com, will cease print operations so that the business can concentrate on on-line property advertising.

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we've done extremely well. The focus this year is supporting our customers and helping them through this time and increasing market share. Even if growth is flat, or low at 1 or 2 percent, we are picking up significant market share. Advertising is going to be down in all our sectors, but if we focus on our customers, we will be in a great position when the economy recovers and the environment improves and more advertising is spent in these three verticals.

### **CIR: Have you seen any declines in revenue?**

Jauernig: We have not seen drops in revenue. We had 6 percent revenue growth this year in the first quarter compared to first quarter, in aggregate across all three businesses. In general, I think we continue to take advantage in all three business verticals of the fact that performance-based media is more attractive in today's economic environment. When you can point advertisers to a number, when you can show them you are delivering to them in their market buyers and renters, it's better than just general brand advertising where they can't track a return on media dollars. Take Cars.com, our bread-and-butter there is dealers, dealers and OEMs, for the most part. We certainly lost some dealers and customers downsized or closed dealerships all together, but we are picking up new customers. We still have a long ways in terms of penetrating number of customers available v. the number advertisers on our sites.

### **CIR: How has the recession and the bust in the real estate market impacted your real estate focused sites, HomeFinder.com, HomeGain.com and Apartments.com?**

Jauernig: Apartments.com is different from real estate. They have done very well and continue to log good revenue growth this year, leading all three classified advertising sites for year and year revenue growth of 13 to 15 %. The online real estate is down year-over-year. The overall real estate market has had an impact on classified Web sites. With home sales, I heard a statistic that half of all home sales this year have been foreclosures. When that many sales are foreclosures, the amount of commissions generated by real estate agents and brokers is significantly less than if it's resale real estate – they are spending less promoting homes for sale. Revenue is down, but only down slightly and we feel like we are picking up market share. We feel confident when the economy recovers we will benefit from that.

### **CIR: How will you pick up market share?**

Jauernig: By being focused on our advertisers, explain-

### **Daniel Jauernig, president and CEO of Classified Ventures**

Age: 43

Previous Position:

CFO of Toronto-based Newcourt Credit Group Inc. Jauernig joined Classified Ventures in April of 2000.

Currently reading: Warren Buffett's annual letter to shareholders.

Social-networking pet peeve: There are far too many social sites. People just need to get out and meet people more.

Favorite online site: It depends. For news, WashingtonPost.com and The Toronto Star's site TheStar.com. For sports, ESPN.com, and, of course, if it is cars, you know what the answer is.



ing how we can reduce their costs and provide more benefits than other traditional media and getting them to shift advertising sources away from traditional sources into our online products. Customer training and education about our product and services and the performance-based nature of our products, we are focusing on how they can drive value by advertising on our Web site.

### **CIR: Are you ramping up investments in your sales staffs?**

Jauernig: In Cars.com sales staff is up 10 percent year-over-year and a bit more in Apartments.com. Also, we are investing more in customer support and customer service. Through tough economic environments, we are being more defensive and proactive. Customers will call and we will ask about reducing spend or canceling and you have to resell on the value proposition.

### **CIR: How do you make your case to advertisers? What is the value proposition?**

Jauernig: In this environment it does mean selling against other forms of media at the end of the day. Advertising spend in all three categories is declining. We know our advertisers have a smaller pie. We have to walk in and demonstrate why it's more advantageous to spend with us than several other sources of advertising they have in local markets.

### **CIR: Do you have the better story to tell versus traditional print product?**

Jauernig: I think we do, but it's not just traditional print products, but billboards, radio, TV. It could be stand along

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print product, not just newspapers. I do think in this market it is very important to differentiate your advertising products versus your competition and demonstrate the value proposition and if you do that you may pick up market share. And that's what we've done in all three categories.

### **CIR: How are you dealing with the challenge facing display ads online and the rise of ad networks?**

Jauernig: We are holding our own in display ads in our vertical-specific sites. We demonstrate a better value proposition than general ad networks, so we've done very well. Display ads are not growing as rapidly as it had historically for us, but it is not declining.

### **CIR: What's your point-of-view on ad networks?**

Jauernig: We have a partnership with Yahoo and that include something similar to an ad network, we power their used-car channel and Cars.com provides all the listings on the Web site. We also do behavioral targeting. We sell inventory around those automotive intenders as they go to our website to Yahoo to our customers. We may look to expand that with other large premium Web sites.

### **CIR: Does your partnership with Yahoo allow that?**

Jauernig: Yes, we can do that. Our partnership with Yahoo is not exclusive in the ad network part of it.

### **CIR: How soon might you do a new deal?**

Jauernig: It's not a high priority for us. We are in conversations with other Web sites, but it has to work for them and for us. Display advertising represents a little less than 15% of revenue. Most of our revenue is advertisers' advertising listings on our Web sites. Display advertising is high margin and very profitable, but it doesn't represent that large of a category for us. Generally with the economy the way it is, impressions on the Internet are only growing and CPM rates are coming down, yet we are not seeing that on our Web sites as much as our larger competitors who rely on display advertising for the majority of revenue.

### **CIR: How will Classified Ventures distinguish its online brands, especially with the rise of so many niche sites in the real estate and auto industries?**

Jauernig: What we try to do in all three is differentiate our offerings to the consumer and we try to do that by having services and products that are relevant to them. We want to increase the quality and quantity of listings, add more photos add more video, make search results easier to use and easier to navigate. We are enabling searches to work on mobile phones and digital devices, including location based

GPS search, iPhone applications, video streaming, and two-way texting. We want to make it easier to look for listings no matter how they go about searching.

### **CIR: So are you there yet?**

Jauernig: We have done it, but it requires continued enhancements and improvement as devices changes. It's a never-ending series of projects. It requires investment, but not significant investments, but work and it's one of many projects you have to do to differentiate.

### **CIR: What about the niche challenge?**

We have niche Web sites in all three categories. In Cars.com, we have NewCars.com and MotherProof.com, where we have family-oriented reviews of automobiles. We also operate PickupTrucks.com. In the rentals category we just acquired a small Web site, ApartmentHomeLiving.com, which tends to stay more focused on social media and the younger demographic than our Apartments.com site and we also have another niche site, RentalHomesPlus.com. It's very difficult to build one Web site that fits every consumer angle in these three categories, so we also run blogs in all three channels to reach out to consumers.

### **CIR: How do you keep the innovation going with niche sites?**

Jauernig: I think it requires some experimentation. You are never going to get it right or perfect. When you see a trend, you probably want to do some experimentation and see if you can take advantage of some of that trend. When blogs become more popular you reach out to consumers and advertisers. With consumer-generated content, we want to get more focused on this in all three of our Web sites, to allow consumers to review home listings, apartment listings or car listings or review listings that have been on our Web sites. We want to provide more consumer content and engagement.

### **CIR: With niche sites is the strategy acquisitions or internal development?**

Jauernig: It's a combination of acquisitions and development, but we'll tend to be more development, but where it does make sense, we'll do an acquisition. We did a small acquisition with ApartmentHomeLiving.com recently, but our last acquisitions were in 2005 when we acquired Homegain.com and NewCar.com. Acquisitions tend to be when we see something we really like and it's a good fit. We think we can get it sooner than wait for a long development cycle.

### **CIR: With all the niche sites, is it getting more difficult to command mind share with the consumer?**

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Jauernig: In some ways, as we scale all our businesses, it's becoming much easier. Certainly our focus is to have a large quantity and quality of listings, but having said that, once we have the listings, we want them to be anywhere they might go to look for a house a car or apartment.

### **CIR: Are you worried about the rise of the aggregator sites?**

Jauernig: Every time we've done consumer testing, we've seen aggregators don't rank well compared to our Web site. Compared to depth and breadth and the ability to compare listings side-by-side and the research surround our listings. Quality research is valuable to making buying decisions. You have to do more than just aggregate listings. You have to provide content around those listing to help consumer make those decisions.

### **CIR: But are you worried, do you see them as competition?**

Jauernig: We were originally when they came out several years ago. But they really haven't made inroads into our classified categories and that goes back to the issue that they really aren't meeting the consumer demand. It's more than

just quantity of listings, but quality of listings and research in helping consumers make buying decisions and providing relevant content around listing.

### **CIR: How is Classified Ventures adopting its business model to account for the increasing influence of social media?**

With user-generated content, clearly, we are trying to adopt to this in all three verticals by allowing consumer to review advertisers and listings on our Web sites and where it makes sense, we will partner with social-media Web sites, if they are looking to provide classified listings, to see if we can be a content provider for them, just like with Yahoo's used-car channel. We've done some things with Apartments.com and Facebook, although I'm not sure if we'll continue. We are not seeing much engagement from those consumers in the classified categories. When a consumer goes to social-media Web site they're going for a specific reason and are not interested in buying a car or renting a house or an apartment. Even with display advertising, there was big buzz about behavioral targeting again. But when consumers are on Cars.com, at that point in time, they are very focused on car research and they are in the car-buying mode. When they leave and go to a content Web site, they are switching over. ●

## ICMA in Estonia: Shaping classifieds' future

Executives from EBay and Google highlight the speakers' list at the International Classified Media Association's Spring conference in Tallinn, Estonia on May 13-16. The conference's focus is on shaping the digital future of classifieds, with discussions of trends and new technologies, and how publishers can turn them to their advantage.

Why this theme? With the frenetic pace of change over recent years, classified publishers have too often been in reactive mode, rather than proactive, says ICMA Executive Director Lucie Kenny. Many publishers have been at the mercy of changing technology, trends and shifting consumer choices – forced to respond to shifting sands rather than seize initiative and capitalize on new opportunities on their own terms.

“We felt that the conference in Tallinn would be an ideal opportunity to showcase the innovations within the industry and to explore what the newcomers will contribute,” Kenny said.

One of the conference highlights will be the scheduled keynote address of Jacob Aqraou, GM and VP at the EBay Classifieds Group. EBay runs free-ad sites Kijiji, Gumtree,

LoQuo and others. Aqraou is expected to point to principal trends in today's global markets and describe how EBay is meeting the challenge.

During the four-day conference, classifieds will be highlighted from different perspectives, such as the influence of the credit crunch and new and future technologies. Russ Cohn from Google UK is one of the experts invited to share his thoughts. And futurologist Magnus Lindqvist will discuss some of the major shifts in mindset that ICMA members will have to make in order to succeed. There's also a “Spotlight on Innovation” session where three publishers will outline what they have done to give their businesses a competitive advantage as well as an extended “Sharing Best Practice” session.

“We expect that Tallinn will be a “compact and bijou” conference attended by the smarter industry players who understand that even in these tough times, you cannot afford to retreat into your bunker and wait until it all blows over. If you do this, you'll emerge to find the world's moved on and you've been left behind,” Kenny added.

To register, go to [www.ICMAOnline.org](http://www.ICMAOnline.org).

## real estate

## Adicio enhances search on Rentals platform, offers standalone sites

BY BRIAN BLUM

Private-label classified advertising technology provider Adicio upgraded its Rentals platform to include a significantly enhanced amenities search. The platform can also operate as both a standalone rentals-only site or integrated into Adicio's main properties offering.

The upgrade puts Adicio's rentals platform on a par with branded competitors such as Move.com's rentals site (the former RentNet) and Apartments.com in terms of functionality. From a design perspective, to our taste, Move.com's site comes out on top, but we found Adicio Rentals far superior to Apartments.com, which appears cluttered and in need of a makeover. With 100 different criteria, Adicio also seems to offer a larger amenities selection, which can be searched by unit, apartment complex or mix-and-match.

We liked Adicio's tabbed approach to rental listings – it's neat and, once the page loads, a breeze to switch between views (especially compared with Move.com's single long scrolling page). Adicio also has the most extensive neighborhood information of the three, powered by Onboard Analytics (which also provides data to Move.com). Apartments.com doesn't include a neighborhood feature at all on its main site, but its niche ApartmentHomeLiving.com includes more than 1,700 well-developed browse-able city and apartment guides.

Adicio Rentals sports the usual listing features: photos, maps, floor plans and virtual or video tours, as does Move and Apartments.com.

We also looked at Rent.com but quickly steered clear. The site requires not only a starting rental date, but an e-mail address and password just to look at listings. The company then immediately began spamming us with messages with only an opt-out option. (Earth to Rent.com – opt-out is *so* 1999).

The ability for newspapers to create their own rentals-only Web sites with unique URLs is a nice touch for the new Adicio service. The Buffalo News, for example, brands its home search as HomeFinderExtra and its rentals site as ApartmentFinderExtra. They're linked separately from the main Buffalo.com portal rather than being grouped together under a single "real estate" category.

Adicio calls its new offering "hyper-local" although we

didn't see any micro-sites dedicated to just a specific city or community. It's early yet. Still, the separation between rentals and for sale homes gives both the News and its advertisers more flexibility – ad rates for apartment-specific sites are generally lower.

We caught up with Devri Lynch, Adicio's media account executive for real estate, who gave us a walk-through of the new platform. She pointed us to some of the upsell opportunities newspapers can give their advertisers. There are both spotlight ads listed on top and ads mixed into the listings with a yellow background.

The number of photos allowed is pretty standard – up to 16 per unit. Property managers can hide street addresses – in that case the map view will point to the center of the city. Virtual tours can be created by third-party vendors such as DMC and AdFare (this is another upsell opportunity for Adicio clients, Lynch said).

Liner ads from a newspaper's print edition can be posted online; Adicio's system will then push out an e-mail to the advertiser suggesting it enhance the listing with more text and photos – for an upsell fee, of course.

Apartment complexes can include descriptions of the community as a whole, detailing all the amenities such as waterfront, gym or computer center, plus the individual units within the community at different price points.

The Rentals platform is still quite new and most of Adicio's sites are either unannounced as of yet or, in the case of Buffalo, still populating their sites with listings. So it's hard for us to gauge effectiveness or present any relevant metrics yet. The next newspaper to launch will be the Seattle Times, Lynch told us.

Last year, Adicio launched a national portal for jobs under its CareerCast brand. Is the same in store for real estate? Lynch wouldn't say, although she suggested that jobs are perhaps more appropriate for the national approach (people look for employment first before thinking about where to live).

Just the same, it's an option. In today's economy, with more and more people out of work, moving first and looking for a job second may become increasingly popular.

## Idealista, Seloger in alliance

Idealista, Spain's leading real estate portal, signed a strategic alliance with France's real estate portal Seloger. Advertisers on Idealista can reach a higher exposure of their portfolio in the French market.

"The signing of this new agreement increases the international relations that Idealista already has with other top real estate portals in the world, since Seloger is leader in France and a point of reference in Europe," said Jesus Encinar, CEO of Idealista.

Seloger's CEO Roland Tripard expressed his admiration of Idealista's "technological development, as one of the most advanced in the world," and his respect for "the management team, full of ideas and constantly creating innovative projects."

Idealista has already three strategic agreements with leading portals in Europe: Immobilienscout24.de (Germany), Rightmove (U.K.) and Daft (Ireland). Idealista also collaborates with the Dutch real estate portal MySecondHome and the Swiss Immoscout24.

Seloger has about 2.4 million unique users and 150 million page views per month. The company saw 2008 revenues of almost €72 million (about \$95.5 million U.S.) with an EBITDA of nearly €30 million.

Idealista says it's the third-most important portal in Europe and the most-visited Spanish real estate Web site in the world. Its database has more than 300,000 listings and receives an average of 2.5 million unique users a month, who generate 120 million monthly page views.

## HouseMovie.nl, Funda.nl in deal

Promotion of homes listed on Dutch real estate site Funda.nl can now be stepped up by adding video to the site. The videos are made by HouseMovie.nl and are published on Funda.nl by the real estate agent selling the house.

In addition, all videos can be published on the agents' sites and on the sellers' personal profile on Dutch social-network site Hyves.

Funda and HouseMovie say they believe the depressed real estate market demands extra effort to foster sales.

Besides homes, HouseMovie.nl also produces videos for

corporate real estate. The videos will be published on the business section of Funda.nl, FundaBusiness.

## VC Boost buys Rabobank sites

BoostLabs, part of investor Boost Company, has taken over Dutch real estate sites Moviq.nl and ZoelAlleHuizen.nl from Rabobank. Financial terms weren't disclosed.

Boost says both sites will be kept intact. In 2007 Rabobank purchased ZoekAlleHuizen.nl in order to support mortgage sales. The site is focused purely on home search. Rabobank launched Moviq.nl in 2008 as a much broader real estate site, also providing information on living, moving and home decor. There is also a buyers' guide. Rabobank intended to promote loans and e-commerce through Moviq.nl but the site has never been very successful.

## Dutch Brixter.nl, Jaap.nl to merge

The Netherlands' largest newspaper group, Telegraaf Media Nederland, is merging its Brixter.nl property portal with Jaap.nl, the No. 2 Dutch realty Web site.

Pending government approvals, the merger would become official by July 1. And while Jaap.nl today has co-branded its home page with Brixter, the Brixter brand will eventually dissolve into Jaap, the companies say.

No financial terms were immediately disclosed.

In The Netherlands' crowded online real estate landscape, consolidation is inevitable. But it could be a real game-changer, finally allowing Jaap to pull out of the pack and cut the distance between it and No. 1 Funda.nl.

"By combining the best of both worlds we will considerably increase our joint market position," said Huub van Mierlo, Brixter's business-unit manager. "The difficult housing market and the credit crisis made us realise that there are perfect opportunities for Jaap.nl to play an important role in the housing market."

"Transparency in the housing market is still miles away. A lot of information is concealed from the public by different parties; and we want to offer that information on our site for free," said Jaap.nl CEO Hans Voorn, "The merger is an important step in that direction."

## automotive

# No more free lunch? DbA starts charging motors sellers

BY LINDA KARLSSON

Late last year, Denmark's No. 1 classifieds site, eBay-owned Den bla avis (DbA.dk), surprised Danes and received great media attention when it threw out fees for buyers and went completely free. (Private sellers were never charged in the original business model.) Gone were fees charged buyers to view contact information. Refunds were issued. But now, DbA has started charging sellers of cars, motorcycles, motorboats and other high-ticket items – a move that has confused users and made the competition grunt about cheap PR tricks.

Internet posts are popping up, written by users wondering and upset about the fact that DbA has suddenly started charging private sellers for listing their cars, motorcycles, motorboats, trucks and other vehicles. An ad in the category “cars” now costs 59 DKK (\$10 U.S.) for two weeks.

In December that the site went all-free for private-party buyers and sellers, in a move designed to bulk up inventory and use. But the Danish media also cited the new strategy as being in response to the financial crisis, which led Danes to buy and sell more second-hand stuff. According to newspaper Jyllandsposten's business news portal EPN.dk, both DbA and the country's No. 2 classifieds site, Gul & Gratis, both have seen the classified ads increase over last year. In March, Gul & Gratis had 240,000 ads, which were 72,000 more than in the same month last year.

Shortly after DbA went free, marketing Director Steen Trier said traffic increased from 450,000 to 746,000 weekly visitors. Listings increased by 46 percent, compared to the same period the previous year. It got quite a bit of media attention in Denmark.

But the sudden reversal of strategy has not. One of DbA's competitors, Jomito.com, is a free classified newcomer site operating in Denmark. Founder Joackim Penti said he is furious about DbA adopting this change without any media covering the story. He posted an extensive article on the company blog about DbA's new course.

“In the market the buyers are the most valuable,” Penti said. “Therefore they just turned the business around. They made the service free for buyers and instead start charging the sellers for posting ads. It's very clever. It's a great business model, but I don't like it. I've been in the media business for 15 years now. This is clearly a clever PR strategy.”

“We haven't had one single journalist picking up on this yet. Everybody just covered the story with free, free, free,” he said.

Penti thinks Jomito was one of the reasons why DbA chose to go free. “They knew it would only be about time before people start to go to other places for on-line classifieds. People vote with their feet.”

CIR spoke with Claus Hovge Andersen, newly appointed CEO of DbA. He told us that the seller fees are not a matter of PR nor a consequence of the global financial crunch. The decision was made after thorough market analysis and only concerns high-value goods such as cars, motorboats, etc. This means only 4.6 percent of all ads on DbA are charged with a seller fee. The rest is still free.

“We went free end of last year because it makes sense that a service like this is free for buyers. We then analyzed the market and came to the conclusion that it was reasonable for sellers to pay for these kinds of ads” he says. Andersen doesn't see this fee being a big burden for the seller. “Compared to what you get when you sell a car, a fee of 5- to 10 euros is absolutely nothing.”

He says DbA hasn't seen any market reactions on the new regulation for high-value products. The number of ads remains the same. On the contrary, DbA continues to grow.

Andersen says it's no surprise the Danish press hasn't been writing about this. “The fact that sellers are paying between 5 to 10 euros for selling a high-value product is simply a non-story.”

The question is still if sellers in these categories will start look for other completely free alternatives in the long run. Penti is positive about this. He asks, “Who is able to sell a car in 14 days in times of financial crisis?”



## MotorPress launches mobile video ads

Portugal's automotive publisher MotorPress has launched video-ad content on the sites of two of its magazines, Autohoje and Motociclismo. The videos are available in 3GP format, allowing for cell phone, PDA and smartphone use. Victor Rodrigues, multimedia co-director, explained the placement "with the convergence from Web services to mobile services."

The sites now support mobile browsing of ads and price listings for used cars. Prior, the service was only available via SMS, which meant that users had to look up codes in print mags or on companion Web sites in order to retrieve information. But mobile browsing isn't free – MotorPress charges mobile users €1 per session.

Rodrigues said the fees aren't intended to be a major revenue source, at least, not for now. "Our mobile sites have about 2,000 unique users each month – an insignificant portion of our 1.5 million Web users. Our objective is to cause a sense of new opportunity for our readers," he said.

Parallel to the new mobile video ads, MotorPress announced an agreement with the Portuguese auction site Miau.pt from Sonaecom. Miau furnishes the infrastructure and MotorPress places the brand. In all, Motorpress started eight co-branded sites with Miau for its car and bikes magazines, Autohoje, Guia do Automóvel, Maxituning, Motociclismo, Bike Magazine, the men lifestyle magazine Men's Health, Sportslife and parenting magazine Pais&Filhos.

All magazine sites offer now the possibility to auction goods. The deal allows MotorPress to explore traffic and advertising opportunities, Rodrigues said, while the auction sites "captures new receipts with the registration of new users and the auction sales commission."

## AutoTrader.com relaunches classics site

AutoTrader.com has relaunched its classic enthusiast Web site with new social-media features. AutoTraderClassics.com, which is aimed at buyers and sellers of classic cars as well as car fans, will use technology from ICrossing to allow fans to post, share and rate content.

A community section of the site is "designed to create an online experience that is similar to "hanging out in a friend's garage – sharing tips, discussing parts and services, learning about upcoming events and, of course, bragging about their treasured cars," according to AutoTrader.com.

AutoTraderClassics.com launched in 2008 and lists more than 20,000 classic cars, trucks and parts. The merchandising and e-commerce functionality comes from AutoTrader.com.

## Adicio Auto launches 15 widgets

Need a widget? Adicio's got plenty.

Widgets are embedded code that dynamically generate content on a Web page. Adicio's automotive platform now contains 15 different widgets. Here are some examples:

Video reviews widget – the Vegas Review-Journal uses this widget to keep users on the site longer.

Carfax widget – used on the research section of St. Louis Post-Dispatch's Rides site.

Vehicle-configurator widget – used at WSJ.com.

Featured dealers widget – PilotOnline.com upsells the functionality in this widget.

Kelley Blue Book widget – used by the San Diego Union-Tribune.

Inventory search widget - OptimumAutos.com uses this one so consumers can run new car searches by make, organizing them by popularity based on their region. The site also uses Adicio's most searched vehicles widget to show the top 15 most searched vehicle listings for the past week.

Adicio clients can also combine widgets to create groups. The company gives as an example putting together the vehicle configurator and inventory search widgets to create a quick search for their vehicle home page.

## Oodle to power High Gear sites

High Gear Mediam which publishes some 38 automotive Web sites, has cut a deal with Oodle which will see the classifieds aggregator supplying listings to TheCarConnection.com, GreenCarReports.com, AllAboutPrius.com, AllCarsElectric.com and other sites in High Gear's online suite.

High Gear added two other partnerships:

VideoSurf will power High Beam's video reviews, tours and crash test results. VideoSurf presents a nearly frame-by-frame display of videos to make searching more immediate.

FrugalMechanic.com will add an auto part comparison engine that includes five million auto parts from over 50 online retailers into High Gear's sites.

## recruitment

# Seek halts trading while it raises cash

BY RALPH GRAYDEN

A halt has been called in trading of Seek shares as the Australian recruitment portal attempts to raise more than A\$100 million (\$71 million U.S.) to fund acquisitions for its education and training businesses.

In announcing the halt on the Australian Stock Exchange (ASX), Seek said that it will be using \$42.5 million of the money it raises to acquire 50 percent of Think, an education business with campuses across Australia. Seek already owns 50 percent of the company and says that when it takes full ownership it will pay down all of the company's A\$14.5 million debt.

Seek also intends to purchase another 10 percent of IDP, a global student placement and language assessment business it currently owns in equal share with Education Australia Pty Ltd, a company formed by Australia's 38 public universities.

Seek joint-CEO Andrew Bassat said both acquisitions were long-term prospects and that shareholders would have to be patient.

"The acquisition of THINK and IDP (if our IDP offer is accepted) is expected to be modestly accretive on an earnings per share basis... and to become increasingly accretive from FY11," he said.

"We believe that by making these transactions, we will

create significant long-term value for shareholders."

Any funds left over after the two purchases will be used to pay down Seek's own debt.

To raise the money, Seek will instigate a placement of 38.5 million shares at A\$2.60 each (an 11.9 discount from the closing trading price on April 22), representing approximately 13 percent of its pre-placement issued capital. The placement will be based on current holdings on a pro rata basis.

That means Consolidated Media Holdings Limited (in which James Packer has almost a 38 percent share) will take approximately A\$27 million worth of new Seek stock, while Bassat and his joint-CEO brother Paul Bassat will each take around A\$4 million of new shares. A share purchase plan will also allow shareholders to purchase up to A\$5,000 worth of stock.

Seek – the frontrunner in Australia's employment classifieds market since it began in 1997 – is also expected to face increased competition for job ads over the coming year as Monster re-enters the Australian market, partnering itself with the country's existing No. 2 player, News Corp-owned CareerOne.

Macquarie Group has commenced approaching investors to place the shares while the trading halt remains.

## Classified Ad Ventures rescues Aussie Hippo Jobs

Classified Ad Ventures, the classifieds consultancy set up by former REA Group CEO Simon Baker, has announced that it has acquired Hippo Jobs.

Hippo Jobs targets the Australian 15- to 24-year-old demographic, focusing on part-time and casual jobs. The company entered into external receivership in late March after launching in 2007 amidst a national marketing campaign.

However, Baker, who, since 2006 has owned arts classifieds site, ArtsHub, sees potential in the site.

"We believe that niche jobs sites are a growing opportunity," he said.

"Managers have less time than ever to troll through the hundreds of irrelevant CVs they often receive from the

general jobs sites. Our investment in ArtsHub shows that by having a targeted audience, we are able to deliver a small number of quality candidates that meet the advertisers' requirements."

"Hippo has successfully matched the youth of Australia with employers of choice for the past two years. As part of the Classified Ad Ventures, advertisers and candidates using Hippo Jobs will benefit from a combined 40 years of online classified experience and receive better results."

Current Hippo Jobs GM James Masini will continue to be involved with the site but that the company will report to Chris Vulovic, the head of Classified Ad Ventures' Innovation team.

Financial details weren't disclosed.

## Spanish journalists seek EU bailout

The Spanish Journalism Association FAPE (Federacion de Asociaciones de Periodistas de España) has joined the European Association (FEP) in their petition for financial aid from the European Union.

The International Journalist Federation (FIP) directed towards the president of the European Commission José Manuel Durão Barroso and the political parties in the European Parliament a letter, in which they demand urgent public aid to help the European media companies face the severe decline of advertising. FAPE and FEP asked the European parties to set as topic effective solutions for the media sector in their campaigns for the upcoming election for the European Parliament on June 7.

The chairman of FEP, Arne Koenig, urged the European Commission to act in favor of the media sector: "Since journalism is one of the pillars for European democracy, it has as much the right to be sheltered, as banks and automobile manufacturers that have received billions of euros."

## Info Edge's Q4 FY09 net profit dips

Info Edge (India) Ltd – owner of job portal Naukri.com, matrimonial portal Jeevansathi.com and real estate portal 99acres.com posted a 11.4 percent decline in net profit at

Rs 13.83 crore (about \$2.8 million) for the fourth quarter of fiscal year 2009, hit by tough conditions in the jobs and real estate sectors.

Info Edge had reported net profit of Rs 15.61 crore in the fourth quarter of the previous fiscal year. Total income of the company decreased 7.29 per cent to Rs 64.15 crore in fourth quarter of fiscal year 2009 over the year-ago period, a company statement said.

"The results reflect the difficult business environment in hiring and real estate to some extent, cushioned by superior execution. The focus is on cost management and on organic growth in the near term," Info Edge's CFO and director Ambarish Raghuvanshi said.

However, for the full fiscal year ended March 31 2009, Info Edge reported a 7.57 percent increase in net profit at Rs 59.68 crore, as compared to Rs 55.48 crore in fiscal year 2008. Total income increased by 14.24 percent to Rs 245.16 crore in fiscal year 2009, as compared to Rs 218.93 crore in the previous fiscal year, the statement added.

"We have cash [and] cash equivalents of about Rs 330 crore, which is at a comfortable level and we are not planning to raise more funds,"

Raghuvanshi added.

Apart from Naukri.com, the company's other verticals including 99acres.com, Jeevansathi.com posted a loss of Rs 5.80 crore in the fourth quarter of fiscal year 2009.

## people

### New CEO for CareerOne

Michael Harvey is the new CEO of Australia-based CareerOne, having taken over from former CEO Stephen Hollings on May 1.

Harvey has been CareerOne's COO since 2006. Prior to that he spent 11 years with Fox Studios Australia.

CareerOne Chairman Richard Freudenstein said that Harvey's experience of the business, together with his skills in finance, operations and strategy, made him the perfect successor to Hollings.

"In under three years Stephen and Michael have driven the remarkable transformation of CareerOne, rebranding and relaunching the site. Thanks to their outstanding leadership, CareerOne has surged forward, becoming

the challenger brand in every state across Australia," he said. "Now, as part of a joint venture between News Limited and Monster Worldwide, CareerOne is intensifying its challenge to the status quo – something the market has universally welcomed. ... Our transition onto Monster's world-class technology platform is well advanced and over the coming months our customers will begin to reap the rewards of our significantly enhanced offering."

Harvey will report to the board of CareerOne, which consists of Freudenstein and Sue Klose, both of News Digital Media, and Mark Stoeber and Tim Yates from Monster Worldwide.

Hollings has been promoted to the role of Director of Sales Strategy at News Limited.