



Online and Offline Classifieds – India

June 2011

Executive Summary

Market

- Classifieds market in India was valued at INR x bn in 20-- and comprises of two segments:
 - Online Classifieds which accounts for INR y bn
 - Offline/Print Classifieds accounts for INR z bn
- Overall classifieds market in India will be driven by the growth in services sector, favourable demographics and growth in advertising industry

Drivers & Challenges

Drivers:

- Increasing internet penetration
- Cost effective advertisements
- Growth in online advertising
- Favourable demographics
- Growth in the services sector
- Growth in print media
- Vernacular presence
- Growing circulation and customer base

Challenges:

- Language barrier
- Online payment mechanisms
- Low scope for advertisements
- Low visibility and coverage

Trends

- Emergence of mobile classifieds
- Value added services
- New ventures in online space
- Emergence of local classifieds

Competition

Online Players			Offline Players		
Player 1	Player 2	Player3	Player 1	Player 2	Player 3
Player 4	Player 5	Player 6	Player 4	Player 5	Player 6



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- **Market Overview**
 - Drivers & Challenges
 - Trends
 - Competition
 - PE Investments
 - Key Developments



Classifieds are increasingly becoming a popular mode of advertisements for both online and offline space

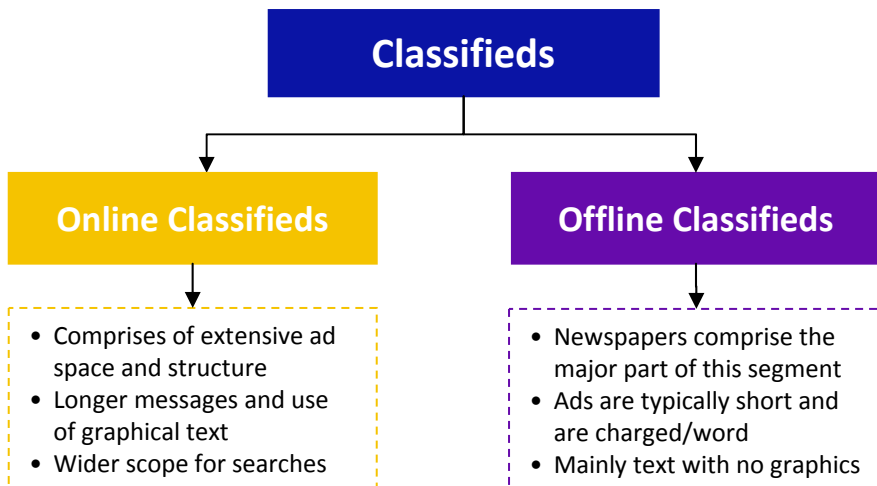
SAMPLE

Classifieds Market – Introduction

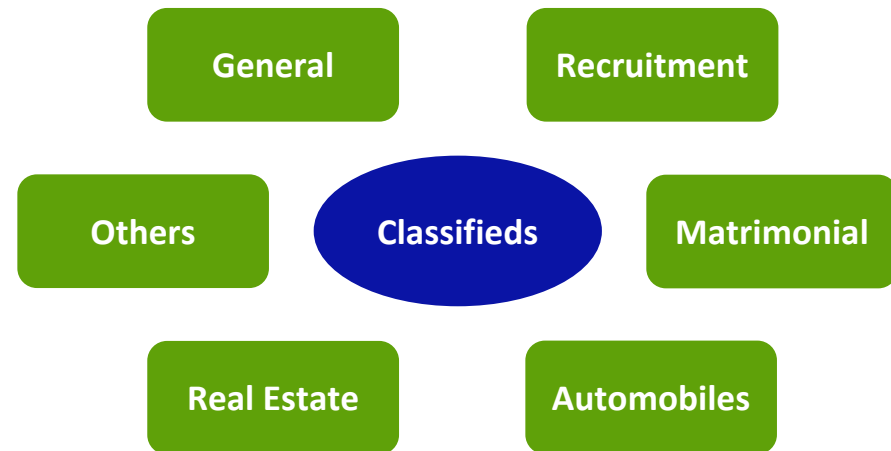
Classifieds is a distinct type of advertising medium with both online and offline modes

- Advertisements are grouped under headings classifying the products or services being offered
- Cheaper than larger display ads and mostly placed by private individuals with single items to buy or sell
- Usually comprise text with no graphics and short statements about the requirements of buyer or seller

Classifieds – Segmentation



Classifieds – Types



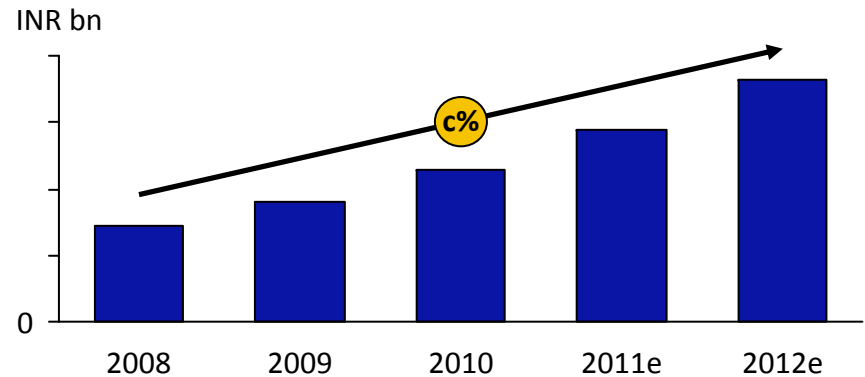
Source:

Segment 1 classifieds is expected to grow faster than the offline segment

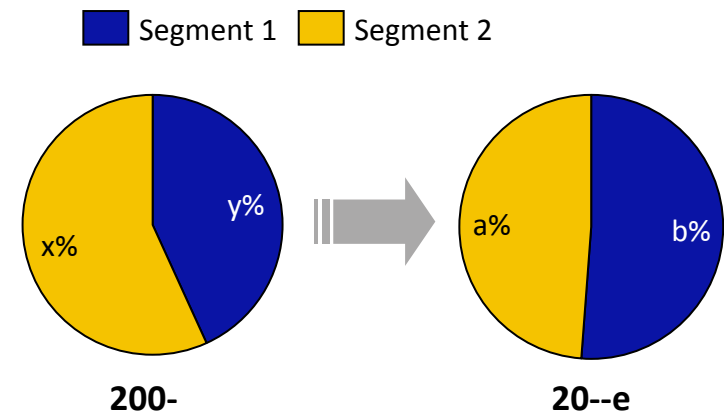
Classifieds Market – Overview

- Classifieds market comprises of two segments:
 - Online Classifieds
 - Offline/Print Classifieds
- Classifieds market is witnessing a change in the share of market segmentation
 - With growing internet usage, Segment 1 classifieds market faces stiff competition as the Segment 2 posts rapid growth
- Segment 1 classifieds segment is growing rapidly and is attracting many small and big players
 - Players are venturing into new market segments to offer differentiated services
- Segment 2 classifieds continue to operate with their traditional models and target niche audiences
- Overall, the classifieds market in India will be driven by the growth in services sector, favourable demographics and growth in advertising industry

Classifieds Market – Size and Growth



Classifieds Market – Segmentation



Segment 1 is growing faster than the traditional print segment

Segment 1 Classifieds

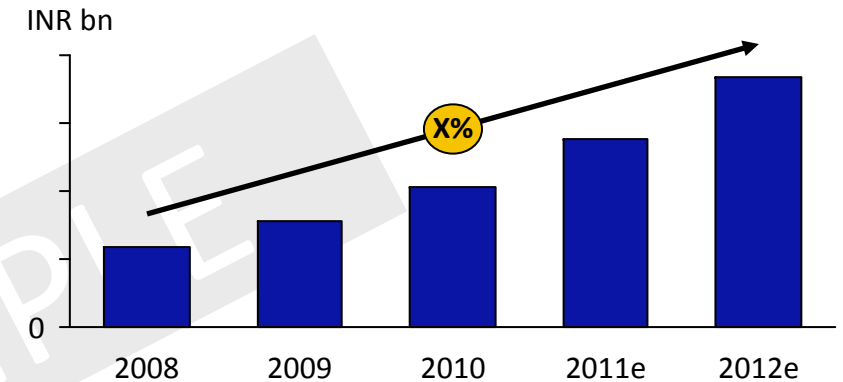
- Segment 1 classifieds comprises of:
 - Horizontal or General / Multipurpose classified websites
 - Vertical sites in jobs, real estate and matrimonial websites
- Majority of the business comes from Metros and Tier-1 cities in India
- Market is growing on account of increasing penetration of internet
- Classifieds portals such as jobs, matrimonial and real estate bring in almost d % of the total online classified revenues

Segment 2 Classifieds

- Segment 2 contributes h% of a newspaper's ad revenues
 - At f% margins, it is more profitable than display advertising
- Segment 2 market is growing on account of increasing penetration of print media
- Newspaper market in India is highly fragmented and regionally dominant
- Despite increasing growth of Segment 1, Segment 2 market will continue to grow

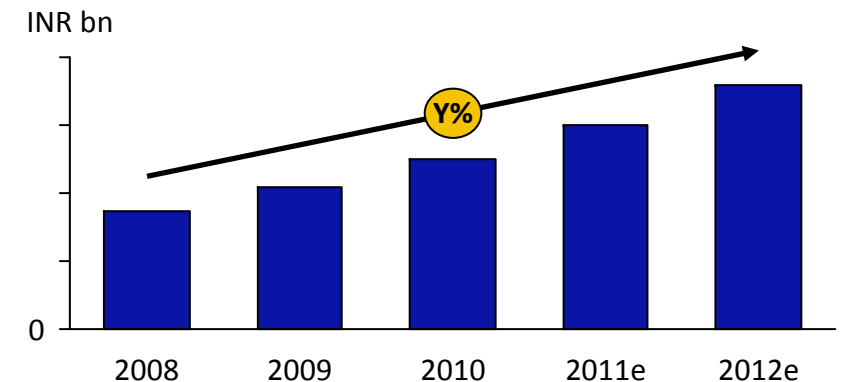
Market Size and Growth

Segment 1



Market Size and Growth

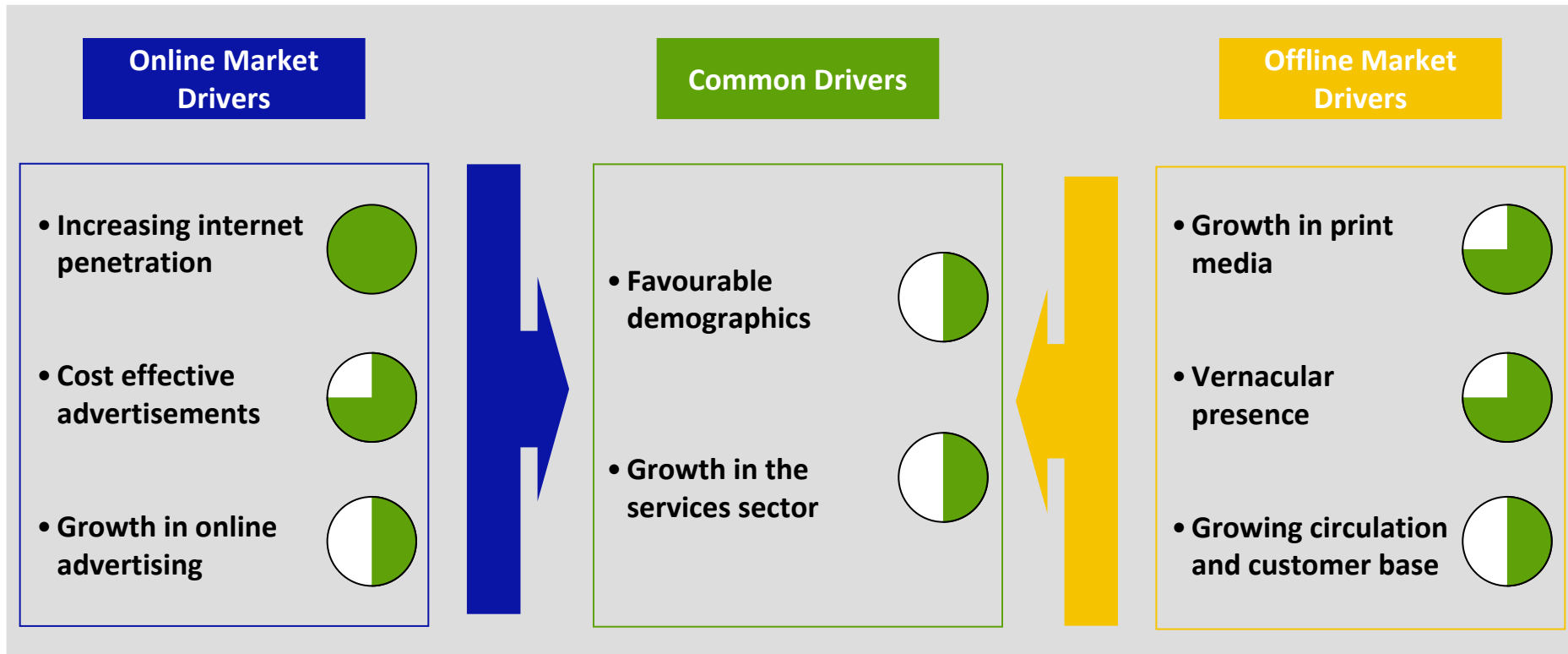
Segment 2



Source:



Drivers – Summary



Challenges – Summary

Online Market Challenges

Language barrier



Online payment mechanisms



Offline Market Challenges

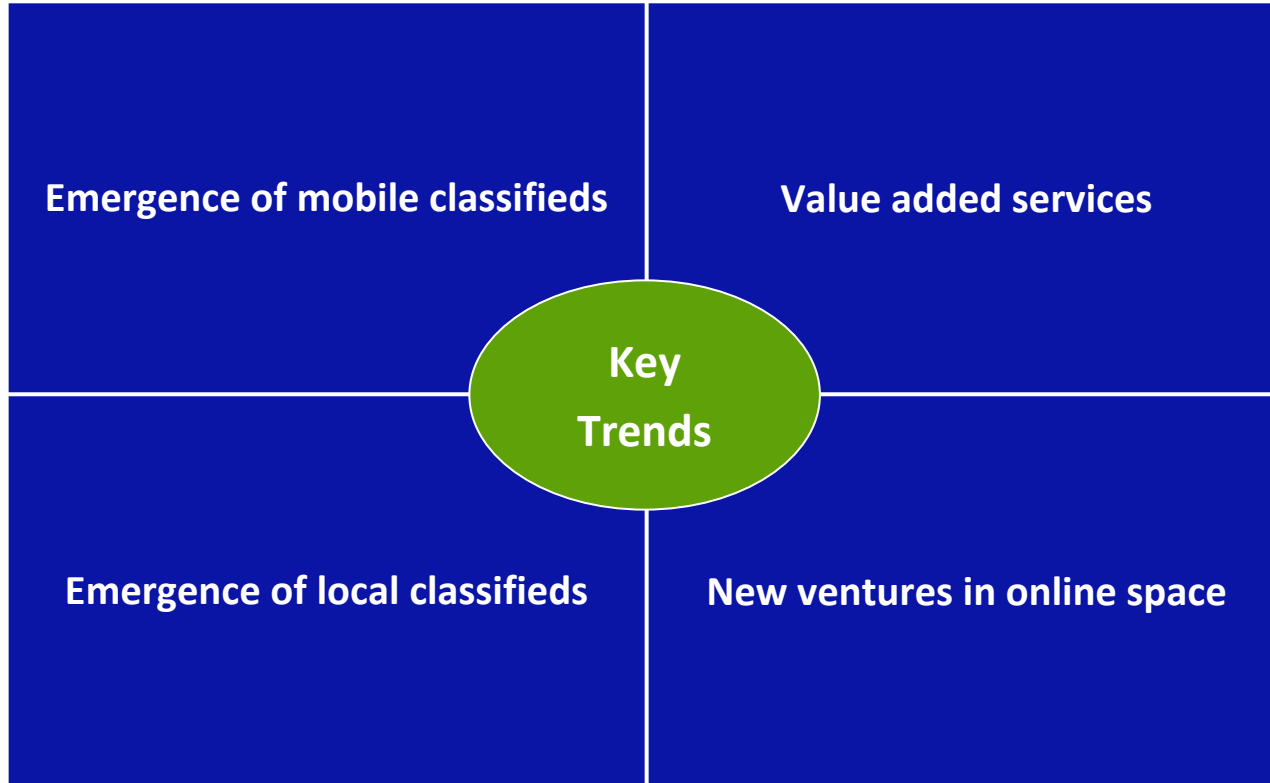
• Low scope for advertisements



• Low visibility and coverage



Trends – Summary



Major Offline Players (x/y)

Company	Newspaper Titles	Business Description
Player 1	<ul style="list-style-type: none"> Title 1 Title 2 	<ul style="list-style-type: none"> Started in 19-- when its flagship newspaper, Player 1 was inaugurated by Mahatma Gandhi Is one of India's largest media companies It operates t printing facilities across India with an installed capacity of l mn copies/hour Publishes the Hindi newspaper 'f' through its subsidiary 'j Ltd.' It also publishes a national business newspaper, k which is a one-of-its-kind newspaper in the sense that the company has an exclusive agreement with the Wall Street Journal to publish Journal-branded news and information in India <p><i>Financials:</i> FY 20--, total revenue - INR x bn and net income - INR y bn</p>
Player 2	<ul style="list-style-type: none"> Title 1 Title 2 	<ul style="list-style-type: none"> It is India's leading media and communications group with interests spanning across Print, OOH, Activations, Mobile and Online It's newspaper operations alone with g titles sweeps across h states with over q editions <p><i>Financials:</i> In FY 20--, total revenue - INR w bn; net income - INR e bn</p>

Note: This list is not exhaustive

Source:

