

Increasing competition in online classifieds industry

The online classifieds industry has changed considerably in the last two years and competition is heating-up as various big-name Internet players have begun dabbling in the business. Felix Erken, MD of Junk Mail Publishing, welcomes the competition as he says the entry of global players such as Google, MSN and Yahoo to the market has helped put online classifieds on the radar and made the notion far more trendy, thus credible, which translates into more activity.

“I suspect that the more traditional players, such as newspapers that have a version of their classifieds sections online, are probably a little unnerved... We believe that the move by these big-guns into our industry simply confirms that our concept is good and that classifieds do work online,” says Erken.

Relatively minimal

He admits, however, that because Internet penetration in South Africa still lags behind more developed countries, the impact on local online classifieds players so far has been relatively minimal.

Erken predicts that South Africa will also see greater specialisation in online classifieds as more companies start to offer niche sites. Junk Mail has already launched dedicated websites for most of the niche publications in its stable. The Job Mail website, for instance, has been up-and-running with great success since 1999.

“Niche works well online,” comments Erken.

He believes that online classifieds will also become far more user-friendly and entertaining as the Web evolves and new functionality is added online with new technology.

Sound and voice soon

“Already we have text and visual content such as pictures being delivered online. Soon we can expect to have sound and voice phone calls online too,” says Erken.

While the concept of buying and selling via online classifieds sites is becoming increasingly popular, Erken says that there is still a huge market for print classifieds in South Africa.

“Many South Africans still prefer print, which is why we still continue to invest heavily in print. However, the global trends show that the stronger the penetration of the Internet, the harder it gets for print,” he says.