



CHALLENGES & OPPORTUNITIES FOR JOBS BOARDS

October 12th, 2023

european internet ventures.

who I am

Malcolm Myers

>15 years of marketplaces

former head of m&a at Naspers
former m&a advisor to Scout24

CEO of eiv

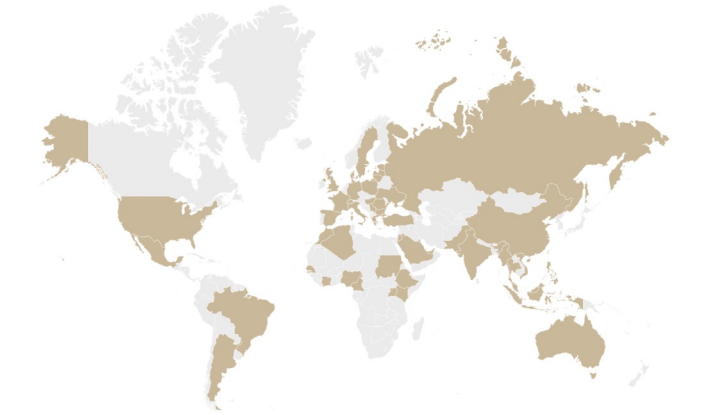
what we do

advisory firm dedicated to
online classifieds + marketplaces

capital raising

m&a

where we work



some of our transactions

real estate



automotive



jobs



horizontals



contents.

1. job boards in context
2. challenges
3. opportunities

1 job boards in context.

online recruitment ecosystem

vertical marketplaces

BLUE COLLAR / TEMP

DEVELOPERS

GRADUATES

OTHER

horizontal listings platforms

META SEARCH (3P, 3P+1P)

CLASSIFIEDS

ATS / CRM

tech-powered recruitment capabilities

PROGRAMMATIC / CANDIDATE SOURCING

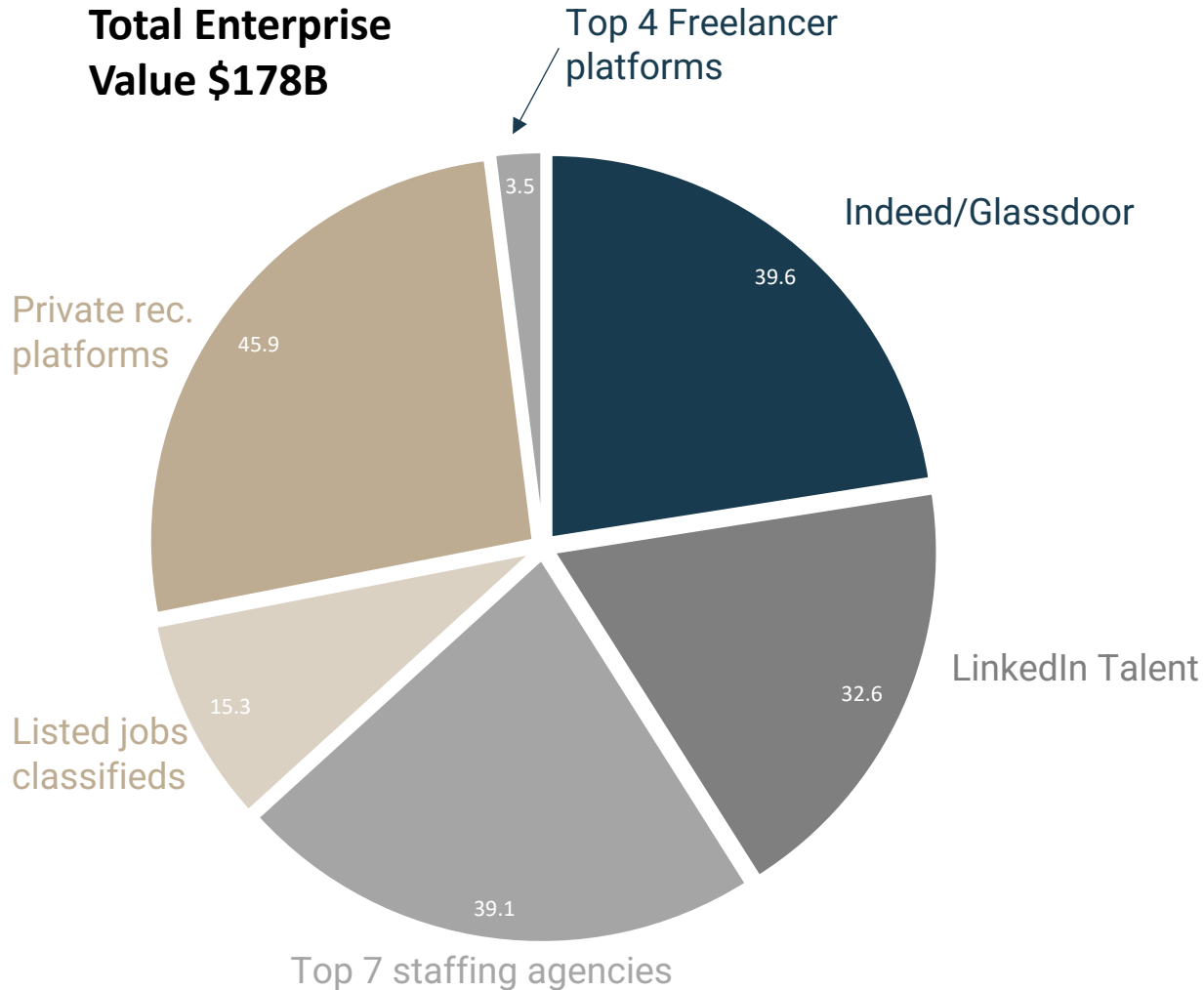
MATCHING

CANDIDATE ENGAGEMENT SCREENING / VERIFYING

TESTING / INTERVIEWING

recruitment platforms account for ca. \$178B in enterprise value

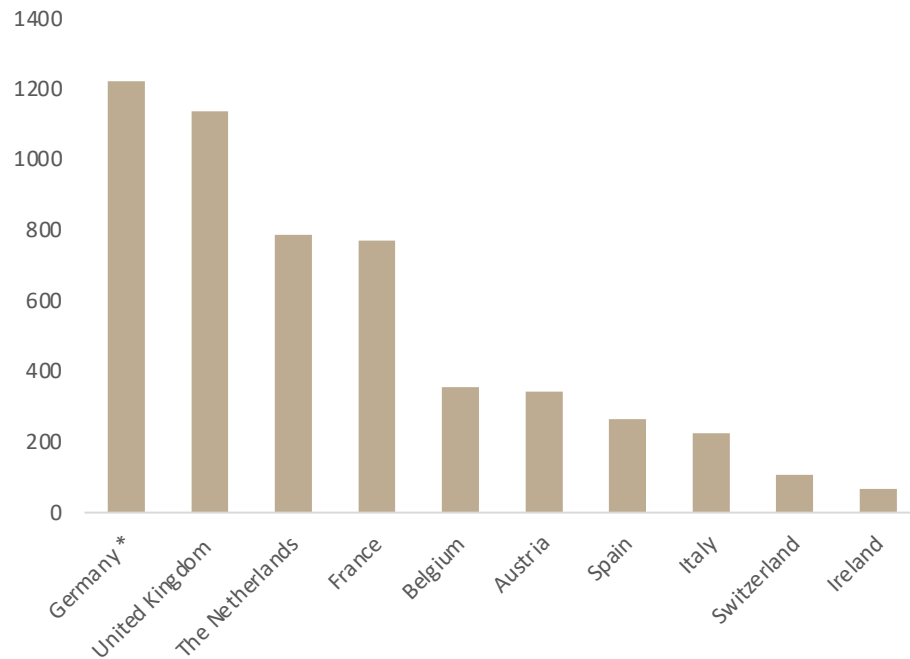
RECRUITMENT PLATFORMS / MARKETPLACES RANKED BY ACTUAL/IMPLIED ENTERPRISE VALUE SEP 2023



- Companies which focus on connecting employees / workers with employers are currently valued at \$178B
- All are essentially **advertising** platforms, except the staffing agencies, which also provide contracting, payroll etc. as do some of the larger online platforms e.g. JobandTalent, Workrise
- **\$72B** of value (41%) is from LinkedIn's talent solutions and Recruit's HR tech business
- Listed jobs classifieds such as Seek, InfoEdge account for less than 10% of the total, with \$45.9B or **>3x value** lying with the privately owned platforms
- Overall, traditional "**classifieds**" companies account for **\$61.2B**, or only about **1/3** of recruitment marketing value creation

there are some 15,000 job boards in Europe

ACTIVE JOB BOARDS CONNECTED TO JOBFEEED (EUROPE)

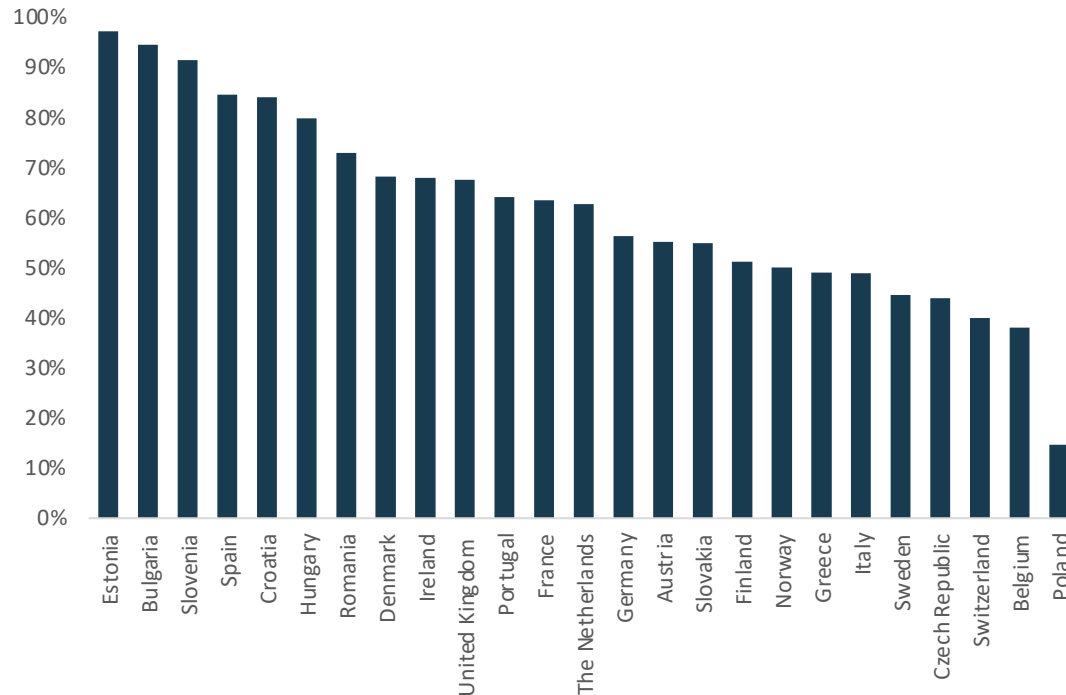


- Job Feed picks up over 5,700 job boards or just over 1/3 of all estimated job boards in Europe
- The Netherlands appears highly saturated by Job boards, with notably Spain and Italy at the other end of the spectrum
- Approximately 15,000 job boards are also estimated to exist in the USA
- Data provided by:

“Intelligence Group from the Netherlands, last year here on stage, and I heard they will be back”

the share of active jobseekers using one or more job boards varies widely between European countries

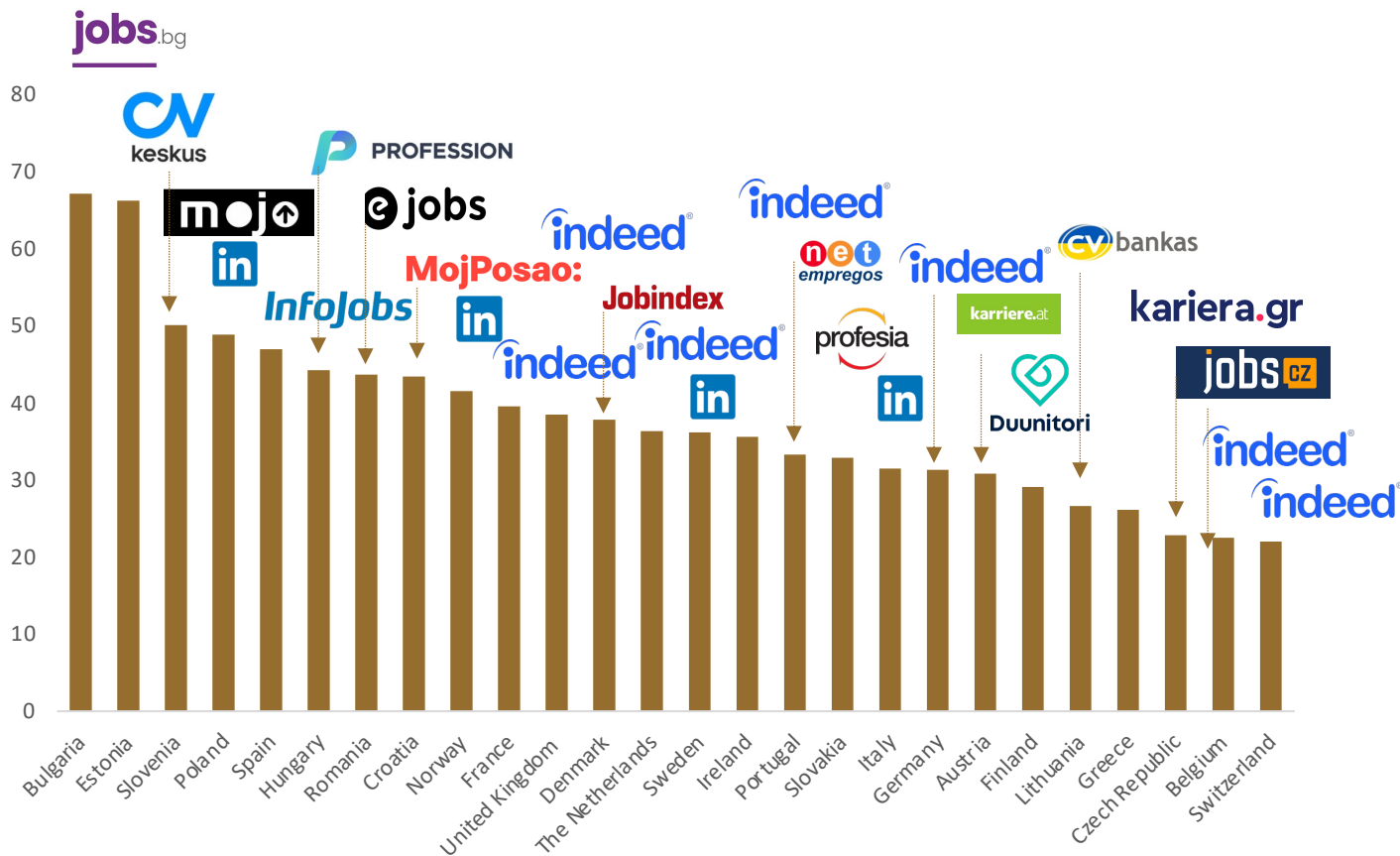
SHARE OF ACTIVE JOBSEEKERS USING AT LEAST ONE JOB BOARD



- The most avid job board users can be found in smaller countries (Estonia, Bulgaria, Slovenia), with Spain the main outlier due to the strength of infojobs
- The median value is 63% (NL), with Indeed and LinkedIn included
- This compares with more than 80% of car or real estate buyers who use classifieds

in many markets, the leading job board has achieved high job seeker penetration

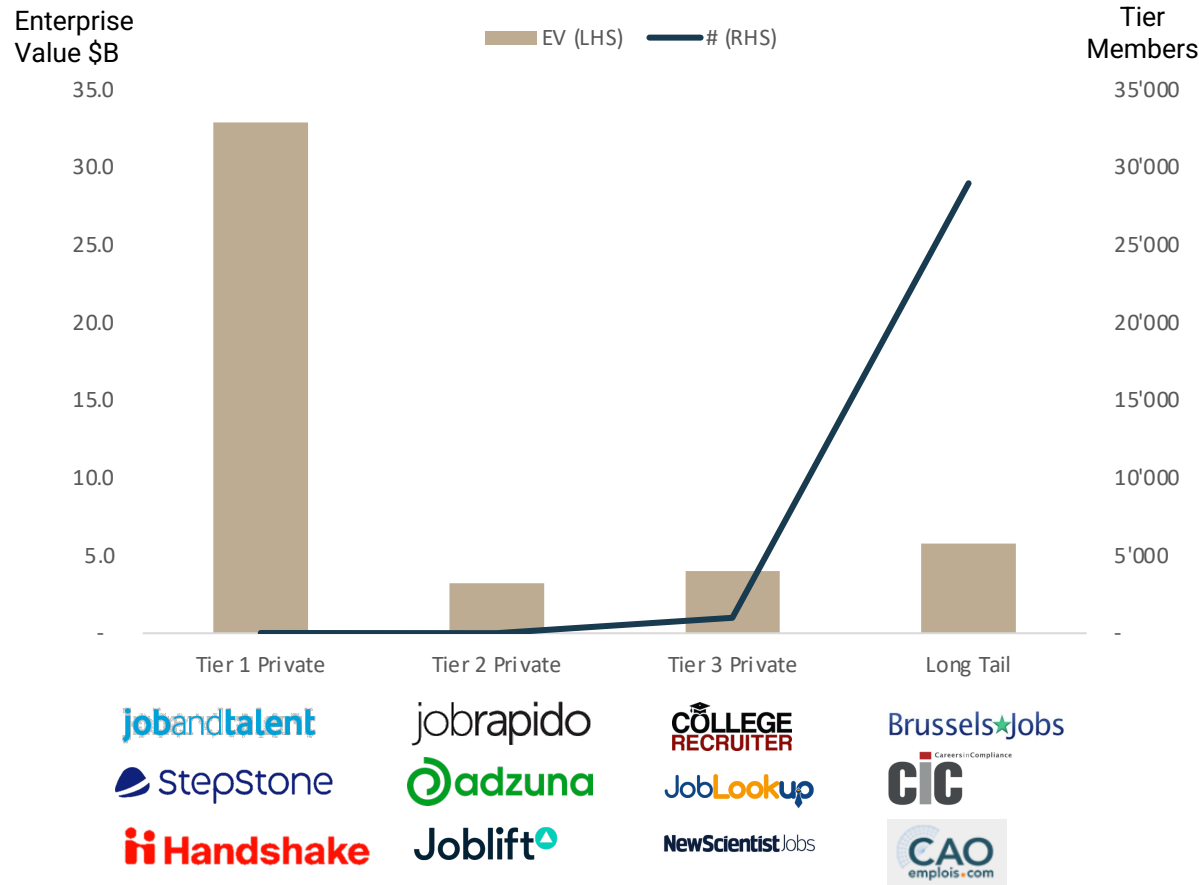
PERCENTAGE OF ACTIVE JOBSEEKERS USING THE MOST POPULAR PLATFORM



- In the median country (Sweden), the most-used job board reaches 36% of active job seekers
- In small countries such as Estonia and Bulgaria penetration levels of close to 70% have been achieved by local players
- In larger countries 40%-50% penetration is the limit
- In contrast car classifieds mobile.de or rightmove.co.uk are used by >80% of all in market buyers

recruitment platforms exhibit an ultra long tail

PRIVATE RECRUITMENT PLATFORMS USA & EUROPE BY SEGMENT 2022



Privately held recruitment platforms have been segmented as follows:

- **Tier 1** – the 17 companies with min. Enterprise Value of \$0.5B at last capital raise
- **Tier 2** – the next largest 20 platforms (revenues are \$M double and triple digit)
- **Tier 3** – the next 1000 platforms; mean revenues estimated at \$2M with largest players at double digit \$M revenues
- **Long Tail** – the rest; revenues <\$1M with mean revenues estimated at \$0.1M

The 17 Tier 1 members account for \$32.9B in enterprise value or \$1.9B each; in contrast the 29k Long Tail members are on average 1/10,000 of the size, account for just \$5.8B in total or \$0.2M each

recruitment platforms ex. staffing generated an estimated \$27.9B in revenues in 2022

RECRUITMENT PLATFORMS / MARKETPLACES RANKED BY ESTIMATED 2022 REVENUES

	Revenues \$B
Recruit HR Tech	8.5
LinkedIn TS	7.0
Top 4 Freelancer Platforms	1.0
Listed Jobs Classifieds (EU+UK+USA)	1.0
Tier 1 Private Rec. Platforms	4.7
Tier 2 Private Rec. Platforms	0.8
Tier 3 Private Rec. Platforms	2.0
Long Tail Job Boards	2.9
Total Recruitment Platforms	27.9

LinkedIn Talent Services and Indeed HR Tech account for > 50% of all recruitment advertising revenues

equivalent to ca. 10.2% of fees spent on recruitment

ESTIMATED GLOBAL SPEND ON RECRUITMENT IN 2022 BY SEGMENT (BUSD)

	low	lower mid	upper mid	high	total
EU + UK					
Workforce (M)	57.5	57.5	80.5	34.5	230.0
Job Changes per Year (M)	23.0	20.1	24.2	6.9	74.2
Recruitment Budget (\$B)	4.7	15.6	57.6	38.0	115.8
USA					
Workforce (M)	46.0	69.0	80.5	34.5	161.0
Job Changes per Year (M)	23.0	31.1	28.2	10.4	92.6
Recruitment Budget (\$B)	3.5	18.6	69.4	65.6	157.1

- the workforce of EU+UK plus the US drives about 167M annual job changes, at an estimated cost to employers of \$273B
- the recruitment platforms have an approximate combined revenue of \$29.1B (excluding staffing), or \$27.9B if we exclude non-US and non-EU+UK revenues
- current average monetization levels amongst the recruitment platforms suggests they are capturing 10.2% of employer recruitment spend, or about \$168 per position filled

source: Eurostat 2023 , CEIC 2022, EIV estimates and analyses

note: TAM assumes a percentage of each type of vacancy has a recruitment budget attached to it (30% for lowest paid jobs and 80% for the highest), and that each position is filled at a cost as a proportion of one year's salary.

however, the share of recruitment spend won by classifieds players / job boards is only 4.2%

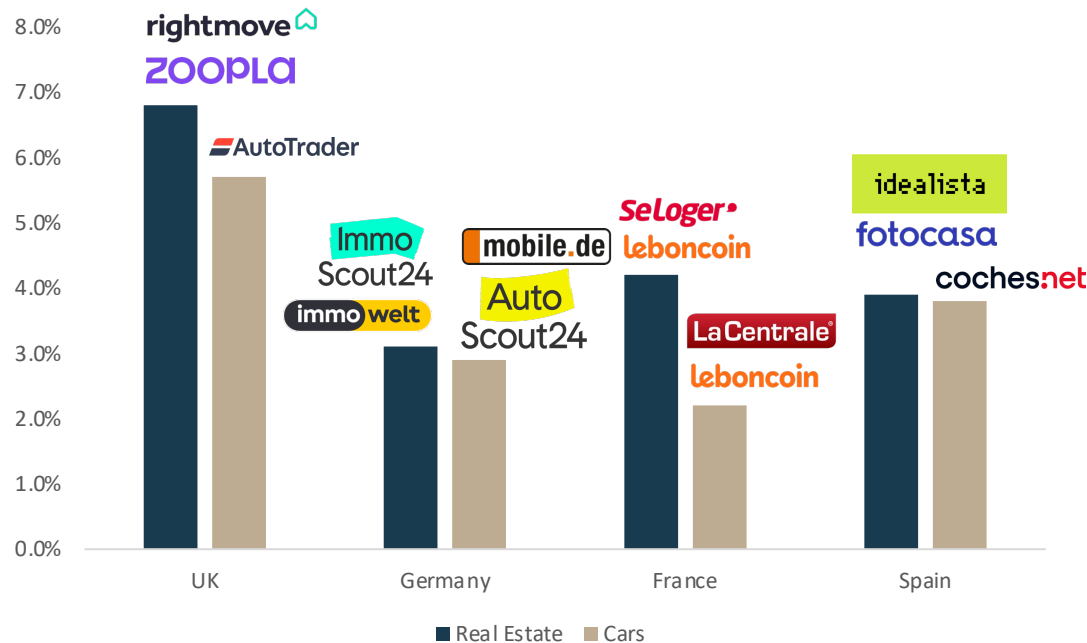
RECRUITMENT CLASSIFIEDS/ MARKETPLACES RANKED BY ESTIMATED 2022 REVENUES

	Revenues \$B
Recruit HR Tech	8.5
LinkedIn TS	7.0
Top 7 Staffing Agencies (GP)	20.0
Top 4 Freelancer Platforms	1.0
Listed Jobs Classifieds (EU+UK+USA)	1.0
Tier 1 Private Rec. Platforms	4.7
Tier 2 Private Rec. Platforms	0.8
Tier 3 Private Rec. Platforms	2.0
Long Tail Job Boards	2.9
Total Classifieds / Job Boards	11.4

- The 2022 estimated revenue of the pure EU+UK+US jobs classifieds / job boards platforms is only \$11.4B
- Current average monetization levels amongst the recruitment platforms suggests they are capturing 4.2% of employer recruitment spend, or about \$68 per position filled

in contrast, successful car and real estate classifieds businesses extract 5%-7% of intermediary commissions / gross profit

ESTIMATED SHARE OF INTERMEDIARY COMMISSION POOL CAPTURED BY LEADING CAR AND REAL ESTATE CLASSIFIEDS 2022



- For **real estate** sales the amount spent on classifieds platforms by real estate agents divided by agent commissions
- For **cars** the amount spent by car dealers on classifieds platforms divides by the gross profit earned by dealers upon cars sold
- For **recruitment**, the estimated amount spent by employers and their agencies on recruitment platforms divided by the amount they spend on recruitment overall including the cost of in-house recruitment teams

note: GP extraction refers to top 2 verticals plus leading horizontal player per market (if material)

2 challenges.

job boards share few of the competitive advantages of leading car or real estate classifieds

	Car & Real Estate	Jobs
% nationwide supply on #1 platform	>80%	<50%
Uniqueness of content	high (sometimes 1 site, rarely >2)	low (jobs often syndicated to many partners)
Role of niche or sub-vertical sites	minimal	major (e.g. jobs for accountants, IT)
Traffic RMS vs. #2	3x-4x	rarely > 1x-2x
Share of transactions not touching classifieds	Low (e.g. Cazoo, Redfin)	High e.g. traditional staffing, Job&Talent
National Network Effects	strong	weak
Competition from multinational platforms	minimal	strong

in its basic form, the classifieds model has many limitations for employers and candidates alike

For Employers

Too few applicants

Too many applicants

Applicants usually unfiltered, unranked and unscored

Limited scope for employer branding

Weak at attracting passive candidates, especially the most employable ones

For Candidates

Limited search criteria and filters hamper discovery
CV-plus-cover letter feels outdated, and may add "noise" to the applicant set
Often have to repeat info already set out in CV

One-click apply often results in applicant spam
Jobs posted reflects 1%-4% of MUV, implying very poor odds, especially in emerging markets
Slow response times by agencies and employers

Poor communication with candidates e.g. compared to what they are used to on social media or shopping on Amazon

Limited understanding of employer and its culture

Ultra fragmented job board landscape makes it hard for passive candidates to keep on top of new opportunities

engaging passive users is tough when compared to cars and homes...

Totaljobs

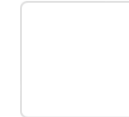
Data Analyst

Movement 8

B1, Birmingham £35000 - £38000 per annum

The role is responsible predominantly for developing & maintaining operational MI and **data**. The line... [more](#)

Recently **NEW**



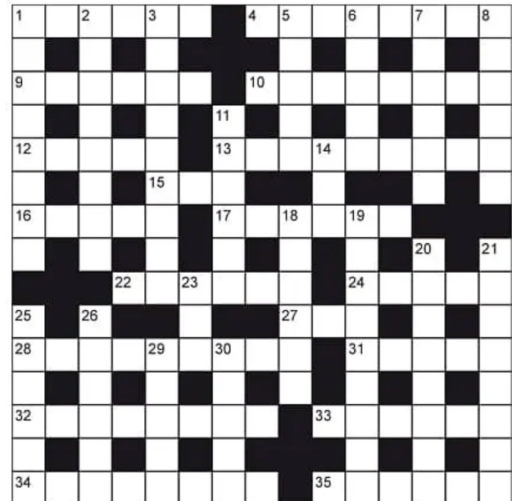
Auto Scout24



rightmove

...even if there are some of great examples of campaigns by employers to source passive candidates

TELEGRAPH CROSSWORD 5,062
13 JANUARY 1942



Bletchley Park

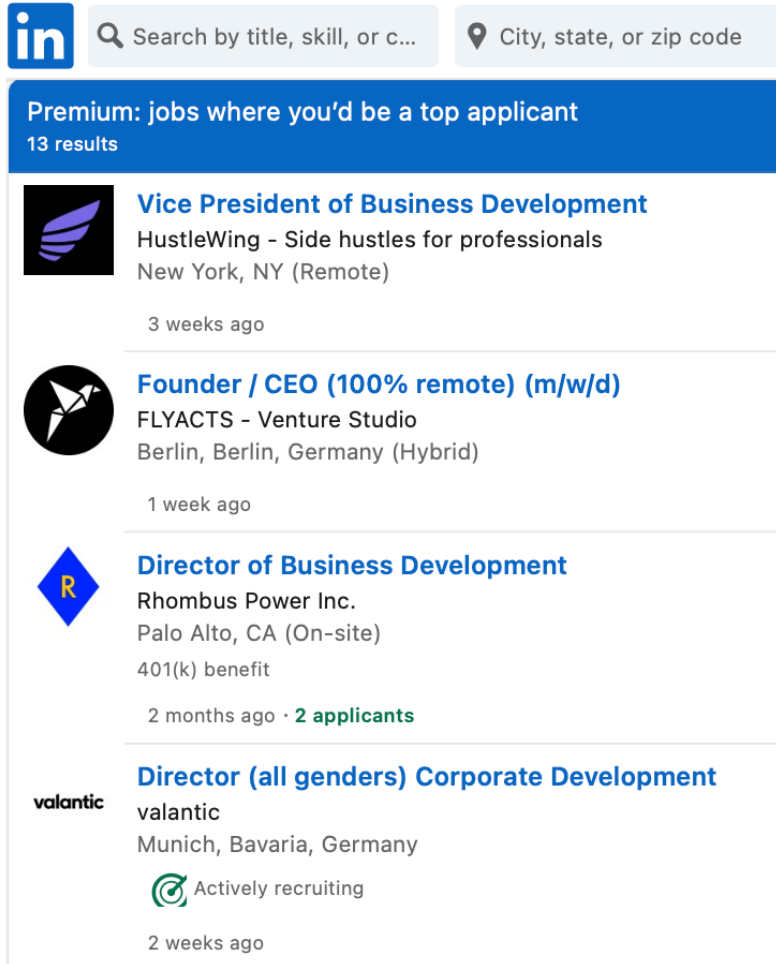


Google



US Airforce

LinkedIn is arguably better-placed than job boards to source passive candidates



As a work-focused social and media platform, not just for job seekers, LinkedIn has far more opportunities to engage with passive candidates than a jobs board

Furthermore, LinkedIn can target job ads based upon information not available to jobs boards including:

- employers you follow
- business-related topics which interest you
- people you may already know at an interested employer

LinkedIn is already applying matching algorithms to improve relevance of jobs it pushes to passive candidates (but has some way still to go...)

subscriptions / pay to post models are poor at aligning price and value

Die Stepstone Stellenanzeigen Stellenanzeige schalten

	Pro Ultimate	empfohlen Pro Plus	Pro
In allen Stepstone Anzeigen enthalten:			
Auf Stepstone veröffentlicht und bis zu 700 Partnerseiten			
Kundensupport			
Qualitätsprüfung durch unsere Experten			
Dauer der Anzeige <small>?</small>	60 Tage	30 Tage	30 Tage
Auf Partnerseiten veröffentlicht <small>?</small>	Priorisierte Anzeige	Priorisierte Anzeige	
Hochschieben zum Anfang der Ergebnisliste <small>?</small>	nach 15 und 30 Tagen	nach 15 Tagen	nach 15 Tagen
Benachrichtigungen für Kandidat*innen <small>?</small>	2x	2x	1x
Kostenfreie Anzeigenverlängerung bei Unzufriedenheit <small>?</small>			

3 mehr

- No guarantee to employer /agency about number or quality of applicants
- Little connection between job salary, applicant scarcity, and price per job listing
- Where multiple positions are open for the same profile, employers get **n** jobs filled **for the price of one**
- Job board is incentivized to «**drip feed**» candidates to extend the posting over several months / motivate upgrade to premium («Pro Plus», «Pro Ultimate»), rather than blast the employer with all the best candidates in one go
- **CPC/CPA** models allow jobs boards to charge more per applicant in a differentiated manner, while arguably disincentivizing precise matches

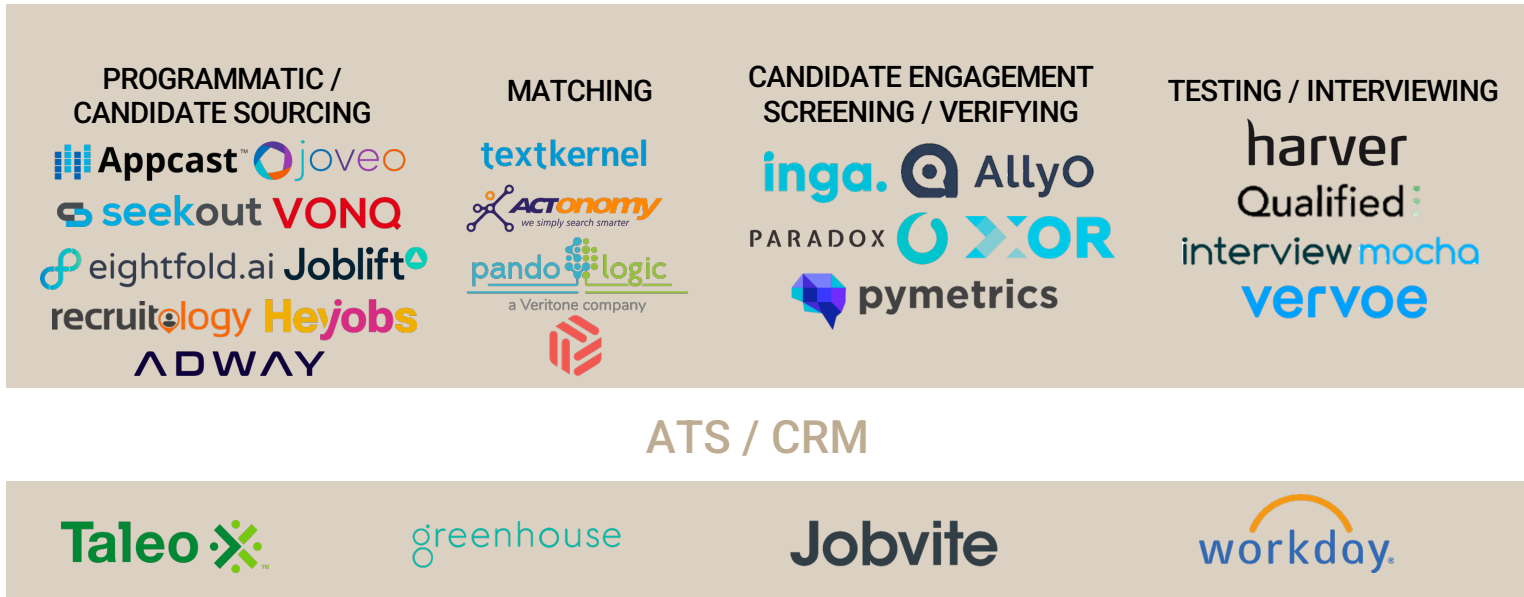
the ability to deliver a better 2-way fit between candidate and employer will be a game changer

employer criteria	candidate focus
Academic level	Work content
Professional qualifications (if applicable)	Level of responsibility
Specific work experience	Scope for personal dev. and promotion
Specific skills & aptitudes	Pay and benefits
	Convenient hours and location
Cultural fit, mission alignment	

- Unlike car and real estate sales (where the item you are interested in usually does not have an opinion of its own), filling a job vacancy requires a 2-way fit
- Some job boards are starting to rank applicants according to the first three employer criteria in the chart opposite; the fourth and cultural fit require specific testing
- Few job boards today can assimilate sufficient candidate information to score each job from the candidate's perspective
- Platforms which can deliver a two-sided match are more likely to thrive than those who can only match on employer criteria or even not match at all

technology offers multiple ways for employers to bypass job boards altogether

tech-powered recruitment capabilities



Matching software such as Actonomy can sift through all profiles within an ATS to identify the specified fields underlying a search profile

ATS can **reach out** to candidates and encourage them to interact with a **screening / engagement** bot such as Inga, to assess openness to interview

Skills and **fit** can be **verified** via assessment software e.g. Vervoe

New candidates can be added to the ATS via a **programmatic candidate sourcing** platform like Joblift

note: The chart is illustrative and not exhaustive. Some companies span more than one category
 source: Company websites, EIV Analysis

3 opportunities.

clean, enhance and harvest the data you have

Legacy Candidate Data

Candidate name
 Email/mobile
 CV
 Job listings viewed
 Saved job searches
 Jobs applied for
 Jobs interviewed for
 Jobs offered
 Jobs accepted

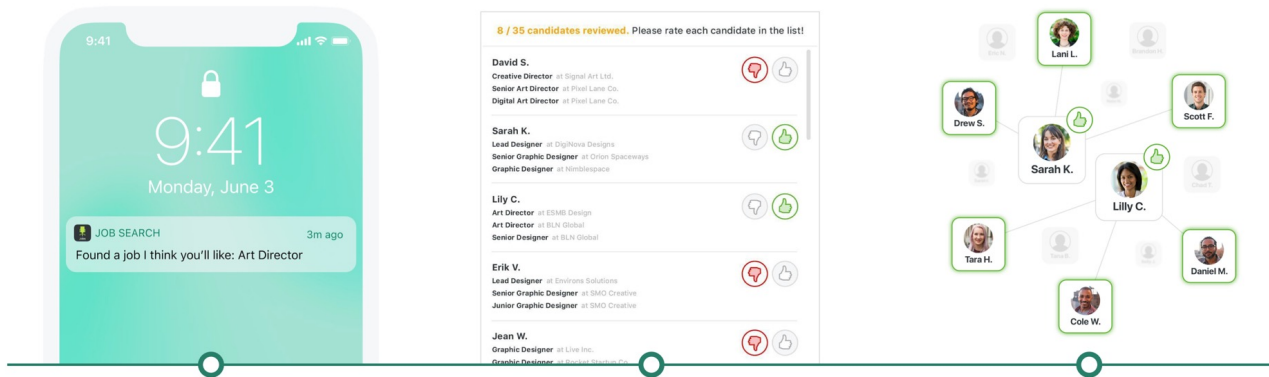
**clean /
 update**

Legacy Employer Data

Company name
 Contact name & title
 Positions listed in past
 CVs downloaded from CV
 database
 Candidate profiles sent
 Candidates interviewed
 Candidates receiving
 offers
 Candidates accepting
 offers

- If you are a job board, your most valuable asset is your candidate and employer data
- By keeping the data up to date, and applying the right matching algorithms, job boards can become proactive providers of new, relevant opportunities to candidates, and of relevant candidate profiles to employers

ZipRecruiter is already using AI- powered matching

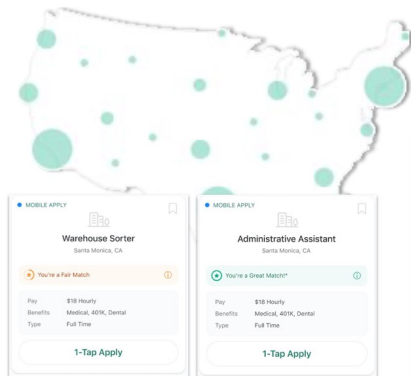


When a job is posted, AI invites qualified job seekers in the ZipRecruiter marketplace to apply

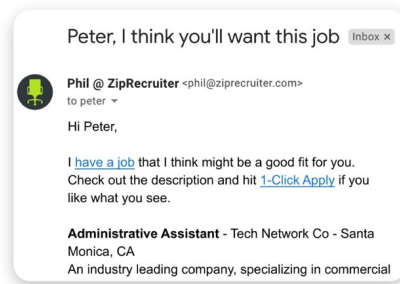
Applicants can be rated by the employer as they come in

AI learns employer preferences and invites similar candidates to apply

- ZipRecruiter is using ML to find the common criteria behind the profiles employers are likeing and those they are not



Guidance on which jobs are a match



Curated opportunities



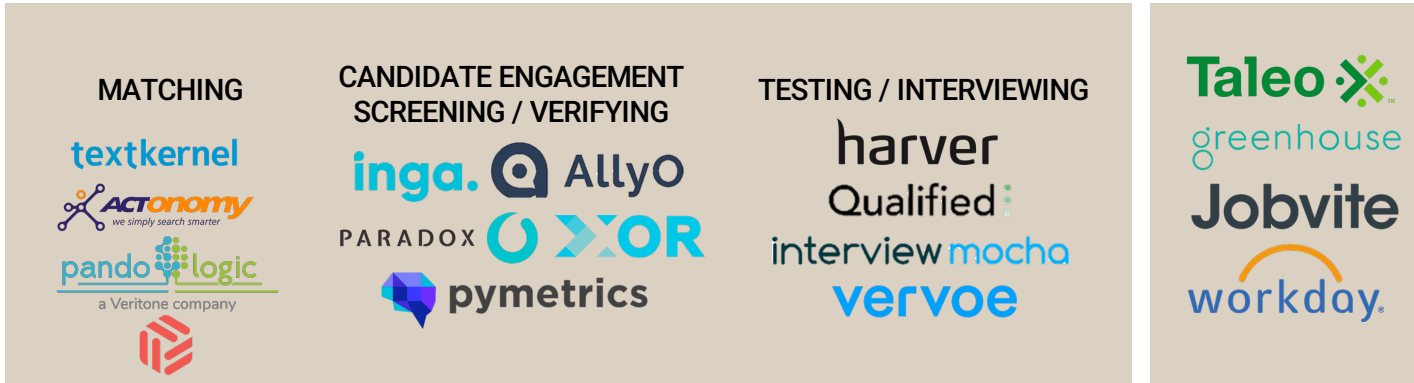
Updates when the employer reads their application or gives them a rating

- An Algorithm is then identifying other candidates in ZipRecruiter's broader data base who match the same criteria

Job Boards could become AI-powered recruitment marketplaces, seamlessly integrating value-enhancing 3rd party solutions

tech-powered recruitment capabilities

ATS / CRM

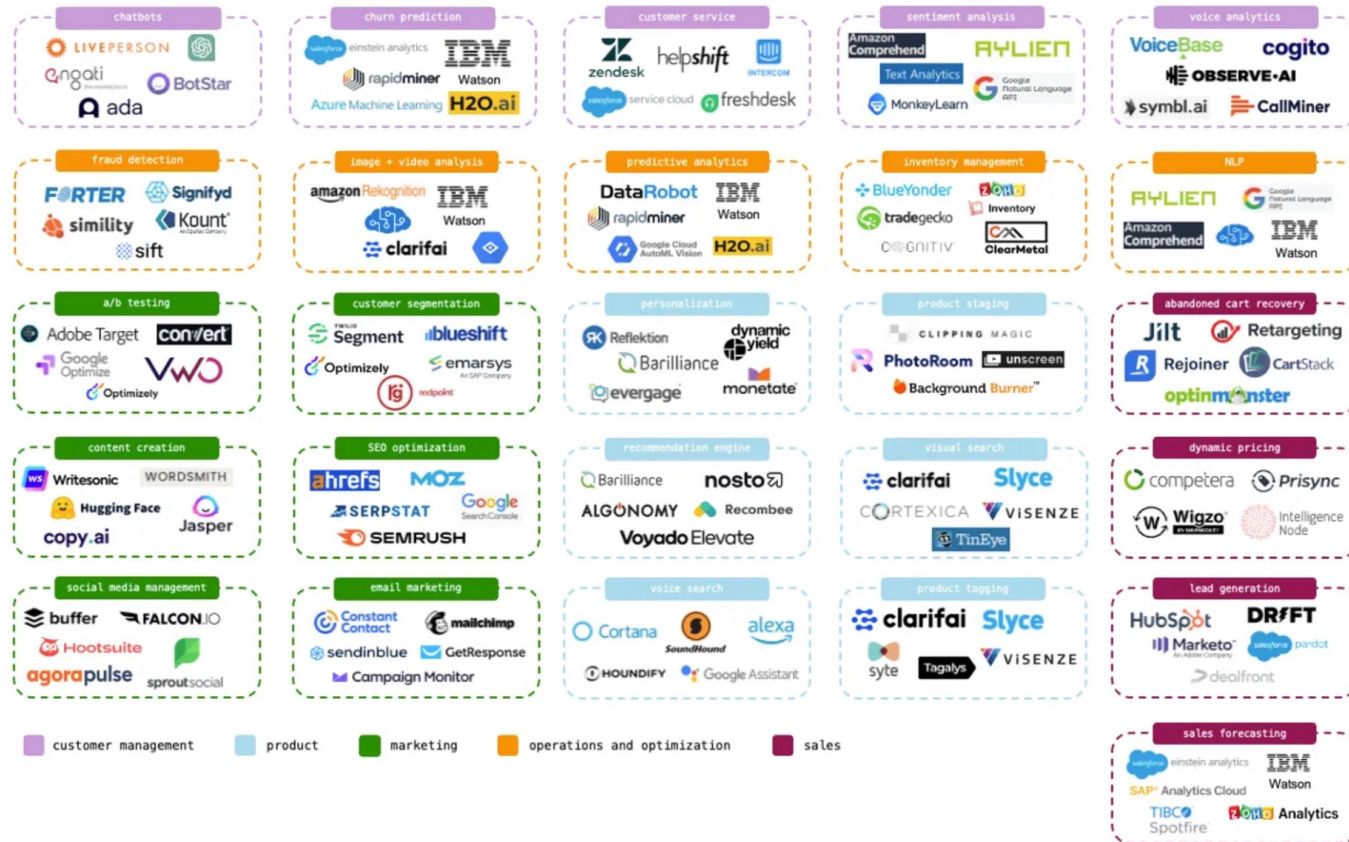


Your Job Board Here

- Job boards could partner to acquire skills in matching, candidate engagement/ screening / verifying, and testing / interviewing
- Candidates not already within the database could be augmented via programatic sourcing partners
- Pricing would move from pay per post to a differentiated CPA, based upon agreed fit criteria
- **Employer savings**, including reviewing fewer irrelevant applications and conducting fewer face to face interviews, leave room for the job board to substantially **raise revenue per job listed**

Additional AI-Powered generic marketplace capabilities can also be accessed via third party apps

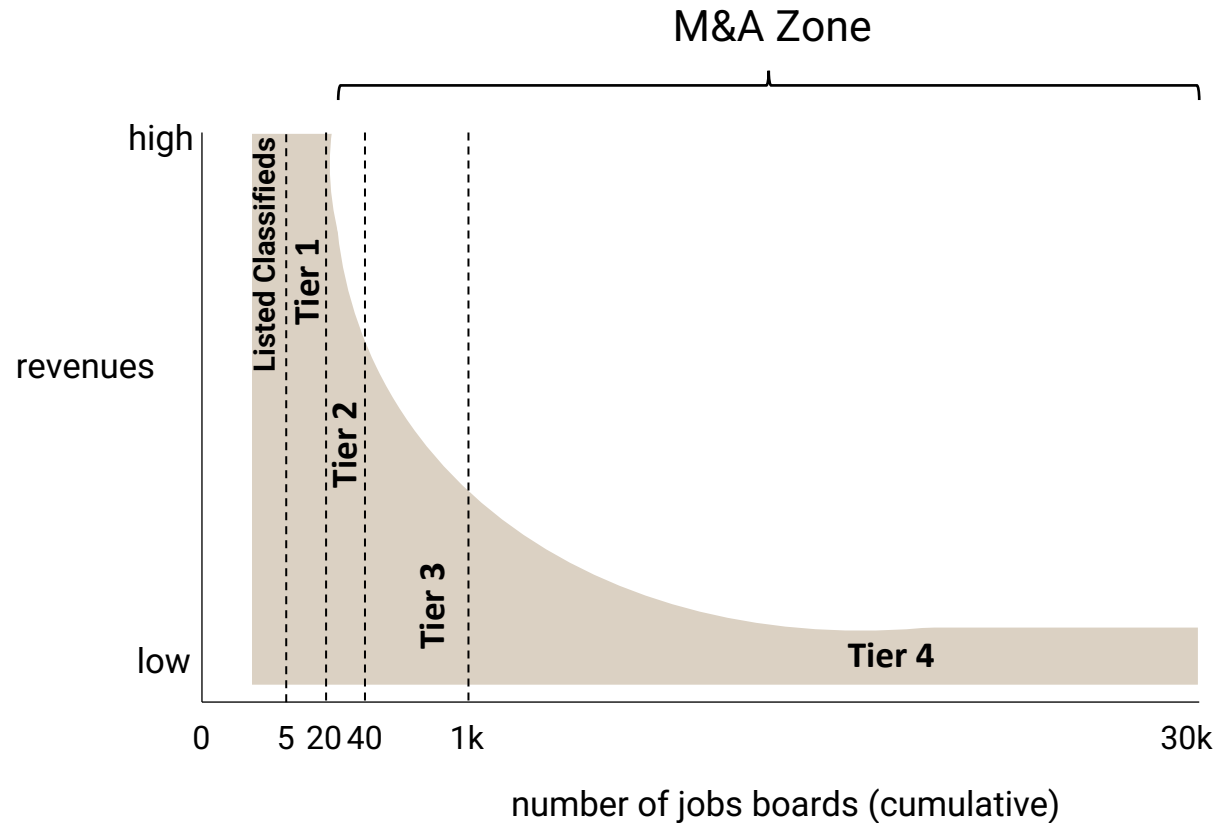
tech-powered marketplace capabilities



Marketplaces too can accelerate the implementation of AI-powered capabilities from 3P applications including

- SEO Optimization
- Personalized job recommendations
- Fake listings / fraud detection and prevention
- Writing more compelling job descriptions with LLMs
- High power chatbots to enable more personal interactions to qualify and enrich leads

go big or go home?



- Earlier predictions of the demise of job boards have proven premature
- Over time, there is a clear risk that employer and agency ad spend will migrate to platforms which save them time and money by matching, ranking, engaging and testing candidates
- The listed classifieds players and Tier 1 private recruitment platforms have sufficient scale and liquidity to enact such a value transformation on their own; probably also the larger Tier 2 players
- If you are a smaller Tier 2, a Tier 3 or Tier 4 jobs board, you are likely to need to scale up via M&A if you want to seize these opportunities and build a valuable, AI-powered recruitment marketplace

conclusion

Job boards largely lack the supply and demand-driven network effects, and associated pricing power which have benefitted car and real estate classifieds businesses

Technological developments including AI-powered matching, ranking, engagement and testing solutions enable large, well-funded recruitment players to achieve a step change improvement in their capabilities and thus the value they can deliver

Employers and candidates alike will receive a more efficient and more effective service as a result

Long tail job boards will either need to find sufficient scale e.g. via M&A, or tech ingenuity, to be able to acquire the capabilities necessary to match the new market expectations, or risk decline



thank you

Malcolm Myers Founder & CEO // European Internet Ventures
mm@europeaninternetventures.com | malcolmmyers on LinkedIn