CNBC TV18

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L.I.M.E. season 7

CASE STUDY
IIM-L • CLASSIFIEDS • QUIKR

QUIKR IS SIMPLIFYING TRADE:

It is India's leading cross-category classifieds platform that is used by over 30 million unique users a month. It is present in 1000+ cities in India and operates in over 10 categories and 170+ sub-categories that include mobile phones, household goods, cars, real estate, jobs, services and education. Quikr operates across desktop, laptop and mobile phones, and allows consumers as well as small businesses to sell, buy, rent and find things across its multiple categories with great ease. Today 70%+ of Quikr's business comes from mobile phones. Quikr follows a mix of business-to-consumer (B2C) and consumer-to-consumer (C2C) model.

SOME BACKGROUND FOR THE PROJECT:

- While Quikr is fundamentally a horizontal cross category platform, however going forward it is also focusing on verticalizing its business by giving importance on key verticals such as cars, real estate, jobs and services.
- Unlike pure play e-commerce platform, Quikr merely connects buyers and sellers on its platform through classified listing. The actual transaction happens offline between buyers and sellers.
- Our platform is free for consumers but we have premium listings, ads and lead generation options that are fee based.
- While most of Quikr's revenues come from the top five cities, 50% of Quikr's online traffic comes from tier 2 and tier 3 cities.
- 50% of Quikr users range from 18-35 years, 30% users range from 40-45 years.
- Key competitors for Quikr in the real estate category would be 99acres, magicbricks, housing, common floor - basically pure play online real estate players.
- Quikr facilitates almost 2 lakh real estate transactions every month; resulting in a Gross Transaction Value (GTV) of Rs. 20,000 crores. 70% of page views and 90% of responses come from mobile, so there has been a big shift from desktops to mobiles.
- Quikr has 2-3 million active listings in the real estate vertical.
- From the real estate category alone, Quikr has $2.5 billion worth of real estate transactions per month.

KEY PERFORMANCE METRICS:

Monthly UVs	30 million
Monthly Visits	80 million
Total Active Listings	11 million+
Top Categories	Jobs, real estate, cars, mobile, electronics & tablets, services, home & lifestyle
Monthly new listings	4 million+
% traffic from Mobile	70% (including mobile site and App)
Average response per ad	2.8
Monthly apartments for sale ads	150k
Monthly house sales in India	900,000
Monthly new offer ads for homes on rent on Quikr	185,000
Quikr Market penetration	16%

OBJECTIVE:

- How can we get consumers to start buying/renting/selling homes online
- How can we bring about perception change in the minds of our TG to see us as a strong real estate classifieds player (when we may be seen as a used goods leader)

SUCCESS METRIC:

- Increase the traffic on Quikr platform in the real estate category by 3x in the next 2 years
- Grow the number of Real Estate listings 5x in the next 2 years

SPECIFIC DELIVERABLES:

1. Consumer segmentation (Behavioral segmentation) and articulate key insights for real estate category (Use primary and secondary research available as well as cross category learnings)
2. Prioritize key segments to focus on and build marketing strategy around it including
   a. Key consumer proposition
   b. Brand positioning & personality
   c. Choice and role of media vehicles - offline, digital, social media, influencers, etc.
3. Concrete, actionable marketing plan with timelines and success metrics

METHODOLOGY:

1. To be devised by the team based on their own assessment of the business
2. Could be a mix of primary and secondary research. Quikr will share the consumer research already done 6 months back
3. Apply cross category learnings, understanding of Indian consumer habits about buying/ selling and learnings from other countries

USEFUL LINKS OR REPORTS:

http://www.medianama.com/2015/04/223-quikr-to-enter-the-highly-competitive-online-real-estate-segment-good-idea/

http://www.vccircle.com/news/technology/2015/04/13/quikr-jumps-crowded-digital-real-estate-fray-favista-co-founder-lead-home

http://yourstory.com/2015/05/value-chain-online-real-estate/

## KEY CATEGORY INSIGHTS (BASED ON THE CONSUMER RESEARCH DONE):

- Used items carry negative connotations - signify a drop in quality, lack of guarantee and accountability - this is a barrier for potential buyers
- When it comes to selling online, people don't feel the need to sell, used items are often given away/ exchanged.
- Non-users want to avoid the cumbersome process of dealing with buyers/ dealers/ negotiations/ bargains and closing deals. They would prefer a quicker process wherein products are exchanged and given back to the vendor/ brand.
- There is a perception (at least among the non-users) that 'quality conscious' people who are smart and well-settled don't transact on online classifieds portals.
- According to the non-users, anyone who uses these sites is seen as money-minded, shrewd and tries to outsmart people.

ABOUT QUIKR:

Quikr is India's no.1 cross category classifieds platform where people connect with each other to buy or sell goods and services on their mobile phones and other devices. Pranay Chulet launched Quikr in 2008 with the vision for buyers and sellers to transact large number of categories.

Headquartered in Bangalore, Quikr has presence in 1000 cities across India and 30 million unique users. Quikr has over 10 categories and 170 sub-categories, with the most popular being mobile phones and electronics, real estate, cars and bikes.

Quikr has created an online community which is simple and secure. It is constantly innovating so that users can buy and sell in the easiest and most convenient way possible.
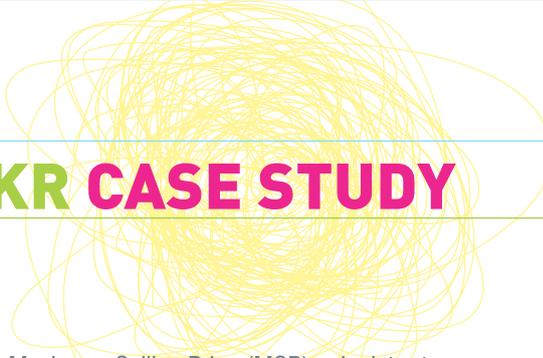
Quikr recognized that getting a fair price could be a hurdle, and it developed a Maximum Selling Price (MSP) calculator to help users estimate a reasonable price range. It pioneered the Missed Call service in India, enabling first time or non internet users help post an ad. It's recent innovation Quikr NXT is an instant messenger-type experience, where buyers and sellers can chat and exchange photos but without having to reveal phone numbers.

In BAV® 2013 (a Brand Asset Valuator by Rediffusion-Y&R), Quikr was the only classifieds platform to be featured in the list of top ten 'Best E-commerce Brands in India Amongst Youth'.

Quikr's investors include Warburg Pincus, Kinnevik, Tiger Global Management, Matrix Partners India, Norwest Venture Partners, Nokia Growth Partners, Steadview Capital, Omidyar Network, Ebay Inc.

INDIAN CLASSIFIED INDUSTRY:

- The size of the online classifieds segment in India was estimated at INR 22.8 billion at the end of 2014 and it is expected to grow to about INR 59.4 billion by 2019 with a CAGR of 21%. Major online classified companies claim to have almost 50% of traffic coming from tier 2 and tier 3 cities.
- The online classifieds sector could not escape the mobile apps transition, as experienced by other categories, owing to the growing numbers of smartphone users.

SMARTPHONE GROWTH AND ITS IMPACT ON E-COMMERCE:

- According to the 'Mobile Internet in India 2014' by industry body Internet & Mobile Association of India (IAMAI) and IMRB International, the number of mobile Internet users stood at 173 million at the end of December 2014 and is estimated to grow to 354 million by mid 2015 (Source: Mobile Internet in India 2014) (article linked).
- The latest Digital Commerce Report by IAMAI and IMRB International stated that the eCommerce industry in India reached a value of INR 81,525 crore (US$13.5 billion) in 2014, which is the result of the increase in the use of smartphones - the most important contributing factor to the rapid growth of digital commerce in India. The report further stated that along with travel, e-Tailing and other sectors, the classifieds markets have seen a significant growth and were valued at INR 896 crores by Dec 2014 (Source: Digital Commerce Report by IAMAI and IMRB International).