

Industry Profile

Craigslist — Complement or Competition?

Its effect on recruitment advertising

By Dana E. Blozis

Founded by Craig Newmark in San Francisco 10 years ago, Craigslist — www.craigslist.org — started out as an e-mail list of art and technology events to his friends. The list grew gradually as his contacts forwarded notices to others, eventually creating an online community in San Francisco.

Since then, the site has grown by leaps and bounds, spanning six continents, 50 states, 34 countries and more than 200 cities. In addition to being an events calendar, it has added other services including community postings, personals, discussion forums, housing, for sale items, services, jobs, gigs and résumés.

Users of the site might agree that Craigslist isn't pretty: The colors are dull, the print is small and there is no flash or hype. But that's the point — to give users what they want without having to dance around banner ads, photos or clip art. Keeping it simple and user friendly — that's what Craigslist is all about!

Impact on recruitment

With 10 million users and 2.5 billion page views per month, Craigslist has had an impact on the newspaper classified advertising industry. With jobs as the site's most viewed category, the recruitment category has been the hardest hit. How dramatic the impact is, however, depends on the market, said Ron Beach, a retired classified advertising executive and consultant.

"Craigslist has affected some markets more than others," Beach explained.

Beach believes that younger and more technically savvy markets, like those on the west coast and in major metropolitan areas, have been most significantly affected by the surge in job postings on Craigslist. Areas with high Craigslist activity like San Francisco, Seattle (11,442 jobs), Boston (19,749 jobs) and Washington, D.C., (12,747) are the most likely to feel the pressure.

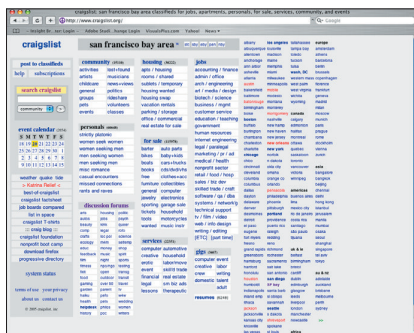
"The San Francisco (Calif.) Chronicle has been tremendously impacted on the revenue side," Beach said.

Newspapers in smaller or older markets (i.e., Little Rock, Ark., Shreveport, La., Birmingham, Ala., Dayton, Ohio) have sustained less of an impact.

As a management consultant for Little Rock's Arkansas Democrat-Gazette, Beach checks the local Craigslist site regularly to see how his paper is faring against the competition.

"I'm just happy that Little Rock is unscathed so far," Beach commented.

Overall, Beach believes Craigslist is a good medium to bring people together. In particular, he is impressed with how the New Orleans Craigslist site has worked to help bring Hurricane Katrina victims together by posting employment ads, missing person and pet postings, temporary housing, and other local resources.



"What we're seeing here is that the community can post at no cost," Beach said. "It's genius really."

Dean Welch of Cox Newspapers, Inc., in Atlanta has also seen an impact on the recruitment marketplace. He believes the success of Craigslist serves as a reminder of the importance of top-notch customer service.

"What Craigslist has done drives home something that we in the industry have needed to do for a long time, and that is to focus on customer service," Welch said. "If we offer a valuable return on an employer's investment and provide exceptional service, we can go up against free."

Extending the reach

Although Craigslist has just recently achieved notoriety, Pili Linares, the Newspaper Association of America's director of marketing and advertising, has seen the popular site gain momentum over the years.

"How do you compete with free?" Linares asked.

Linares, who has used the site herself, agrees that the site is not attractive but that it is very easy to use. She likes its search capabilities and the variety of information available.

"It is connecting people in different ways," she said.

Linares said that free classified ads are competing with traditional print advertising, but the industry needs to recognize that "newspapers are not the only things that work." There are a variety of options for recruitment ad placement that didn't exist prior to the popularity of the Internet. Craigslist is just one of those options.

Linares pointed out that recruiters have to fill jobs, and they will do what is needed to find qualified candidates. Some will place print ads in their local newspapers, others will use job boards and some will go through employment agencies. In some cases, employers will do all of the above. Utilizing Craigslist is just another way to extend a newspaper's reach.

The Contra Costa Times in Walnut Creek, Calif., is one such employer. As a Knight Ridder company, it places ads on the corporate Web site as well as print ads in its own newspaper. In addition, depending on the

jobs available, the newspaper's human resource department may also post ads on CareerBuilder or Craigslist.

According to Human Resource Assistant Allison Crooks, she uses a variety of options depending on the job. Why Craigslist?

"We can't just be print only," Crooks said. "And Craigslist is pretty affordable."

She estimates using Craigslist several times a month, particularly when she wants to reach non-subscribers or an audience beyond the Bay area. She likes Craigslist because it reaches a wide demographic more so than specific sites that cater to particular professions (i.e., www.journalismjobs.com).

Craig must be doing something right

While first adding Canada (Vancouver, British Columbia) to its list of international sites beginning in 2001, Craigslist has since added dozens of other countries. Springing up in places like Rome, Moscow and Milan, Craigslist shares a springing of offerings with the international community. It is assumed that such communities will gain in popularity as the word about their existence spreads.

How can newspapers compete?

Whether Craigslist is as a competitor or a complement to extend a newspaper's recruitment advertising reach, it is clear that Craigslist isn't going away. To successfully compete with Craigslist and other online job boards, Cox's Welch offers the following advice:

1. Provide unparalleled service.
2. Provide a Web-based ad placement service where customers (or employers) can place print and/or online ads themselves. Online ads must be as long as desired. The print ad can be an abbreviated version.
3. Ads should be turnkey — utilizing a simple rate structure, online ad placement should be easy to use

Fascinating facts and figures

First cities with Craigslist sites

- March 1995 San Francisco
- June 2000 Boston
- August 2000 Chicago; Los Angeles; New York; Portland, Ore.; San Diego; Seattle; Washington, D.C.
- October 2000 Sacramento, Calif.
- April 2001 Atlanta; Austin, Texas; Denver; Vancouver, British Columbia

Staggering stats

- Traffic** - 2.5 billion page views per month
- Users** - more than 10 million each month
- Postings** - over 5 million classified ads and 1 million forums postings/month
- Staff** - 18
- Most page views** - 1) Jobs 2) Housing 3) For Sale 4) Personals 5) Forums

(Statistics from www.craigslist.com current as of May 2005)

More fascinating facts

Newmark originally planned to name the site "sf-events," but his Web-savvy friends suggested calling it Craigslist to keep it more personal and down-to-earth, like the site's founder.

Newmark was named one of *Inc.*'s 26 most fascinating entrepreneurs of the year. He came in at number nine for "putting the free in free markets."



Craigslist's rates

Although it has more than 200 sites worldwide, Craigslist charges for employment ads in only three cities: San Francisco (\$75), New York (\$25) and Los Angeles (\$25). Rates quoted are per job and per category. Jobs in these cities are posted for 30 days. Job postings in all other cities are free and remain online for 45 days, unless removed earlier by the user.

