

# Craigslist Circles the Globe With Online Classifieds, One City at a Time

By ERIC PFANNER

International Herald Tribune

LONDON — A motor scooter in Manchester, an apartment in Amsterdam, a poster in Paris. All are available via Craigslist, an online bulletin board that presents a new challenge to the established players in the estimated \$100 billion global market for classified advertising.

Craigslist was started 10 years ago by Craig Newmark, an Internet pioneer in San Francisco, as a way of keeping friends up to date on events in the Bay Area. It spread through the United States before going international in 2003, with sites in London and Toronto. The expansion accelerated in late 2004 with a flurry of sites, including ones for Paris, Berlin, Tokyo and Sydney. About a dozen other international start-ups are planned in the next few months.

Craigslist, which bills itself as a community-based operation in the techno-utopian spirit of the early Internet, accepts advertising for just about anything, from jobs to apartments to electronics to “erotic services.” What it generally will not accept is money. The sites let users post most classified advertisements free. Only job ads posted in three United States cities require a fee.

“Our site is a place to get simple jobs done,” Mr. Newmark said. “Life isn’t fair, but we try to be fair to everyone. That’s a fundamental value across the world, no matter where you come from.”

Craigslist also solicits users’ feedback, and that is what prompted the idea to introduce the concept internationally.

“The No. 1 thing they kept asking us was to add more cities,” Jim Buckmaster, chief executive of the company, said in a telephone interview.

Though the international Craigslist sites are available only in English for now, the formula seems to be catching on, if more modestly than in the United States. The London site attracts more than 150,000 unique visitors each month, Mr. Buckmaster said.

The Paris site, begun in November, already draws 50,000 unique visitors monthly. Other recently added sites, including Amsterdam, Dublin, São Paulo, Brazil, and Bangalore, India, have drawn slightly less traffic.

While those numbers remain far below the two million monthly visitors to the original Craigslist in San Francisco, the international sites could eventually pose a significant threat to newspapers and other, more specialized publications — on paper and the Web — that traditionally earn significant portions of their revenue from sales of classified ads, specialists in the field say.

“It’s got to scare anyone who takes money for advertising,” said Jim Townsend, the editorial director in Houston of Classified Intelligence, a consulting firm. In the San Francisco area, Classified Intelligence estimates, Craigslist is costing newspapers \$50 million to \$65 million a year in lost revenue from employment ads alone; because other ads on Craigslist are free, it is hard to gauge the overall effect, Mr. Townsend said.

Whether Craigslist will have a similar impact internationally is unclear, Mr. Townsend said. The fact that the sites are still available only in English could limit them to English-speaking expatriates in some cities. “It doesn’t mean it can’t work,” Mr. Townsend said. Craigslist “might just have to try a little harder — or wait, which they can afford to do,” he said.

Mr. Buckmaster said that adding the international sites had created few extra costs for Craigslist, which is operated by fewer than 20 employees from a small office in San Francisco. Most of the sites are nearly identical: stripped-down home pages with a variety of headings, like “jobs,” “services” and “personals,” and subheadings like “rideshare,” “collectibles” and “rants and raves.” Because traffic on the international sites remains relatively small, little additional server capacity was required.

Last year, eBay, the online auction service with sites in many major markets throughout Europe and Asia, acquired a 25



Thor Swift for The New York Times

Craig Newmark, the founder of Craigslist, left, and Jim Buckmaster, chief executive.

percent stake in Craigslist, which is privately held. But Chris Donlay, a spokesman for eBay, said the company had no plans to increase that investment for now.

“We’re working well together and quite happy with that,” he said. “We’re really just learning about the classified business.”

eBay has made several other investments in online classified advertising in Europe, including acquisitions last year of Mobile.de, an automotive-related site in Germany, and Marktplaats.nl, a general classified site in the Netherlands.

Classified advertising across Europe remains a fragmented business, with newspapers and Web sites competing with specialized publications like Loot in Britain.

For instance, Trader Classified Media, a company based in Amsterdam, publishes more than 300 classified advertising papers

and runs more than 60 Web sites globally, many of them in Europe.

The company plans to continue its expansion in promising markets like Eastern Europe, said John McCall MacBain, founder and president of Trader Classified, adding that the arrival of eBay did not frighten him.

“We’ve always been the Pac-Man eating away at the papers,” he said. “We know how to deal with people who want to sell, in their markets.” As for Craigslist, Mr. Newmark and Mr. Buckmaster contend that their motivation is far less commercial. Though they say that they would like to translate the international sites into local languages and improve customer service, they have no plans to charge users for any ads on them.

“Maximizing revenue has never really been part of our mind-set,” Mr. Buckmaster said.