

Consolidation within the online market is accelerating with both vertical and horizontal transactions.

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As the online recruitment market matures it is only natural that firms acquire or merge with complementary sites. One of the most acquisitive firms, The Hotgroup PLC, now finds itself the subject of a potential bid.

The word on the street is that Trinity Mirror, DMGT (Daily Mail and Evening Standard) and Gannett (publisher of USA Today) are all circling the AIM-listed company.

As DMGT already owns jobsite.com, a large middle-market product, the acquisition of Hotgroup would expand its reach in the low end of the recruitment space.

What is particularly interesting about these potential acquirers is that they are all publishing groups based on national newspapers. Clearly the threat of online replacing print is getting the attention of the large players.

Monster recently bought Emailjob.com, a French job board which was a subsidiary of Reed Elsevier. These smaller transactions are happening every month and many job boards report being approached by other sites.

However, the online recruitment marketplace is much more than just job boards. There are a wide range of services provided to both employers and recruiters which include:

- Posting agencies that take an electronic copy of an ad and submit to a variety of job boards
- Candidate application management systems that allow pre-screening of CVs and streamlining of the interview process
- Integrated corporate job boards that provide a top-down process as well as automatically post to specific external sites.

The vertical integration of the market, particularly in the low and mid-tier salary ranges, is a relatively new, but growing phenomena.

One of the companies that has established a strong reputation in solutions for online recruitment is i-GRasp. StepStone acquired i-GRasp in early July 2005 for a reported £10 million. Andy Randall, CEO of i-GRasp, said: "Several US companies have shown interest in acquiring our technology."

Services that i-GRasp offer include online interview scheduling, dynamic screening, temp and contractor management and support for multi-lingual recruitment.

Earlier in the year StepStone acquired Obvious Solutions which pioneered the use of video and technology-based selection using online testing and structured video interviewing.

DMGT, in purchasing jobsite.com, also acquired Conkers, a job posting agency.

As the online market moves into profitability it is likely that many more, and larger, deals will be in the headlines.