

ONLINE MARKETING TOOLS USED BY RECRUITMENT PORTALS - AN EXPLORATORY RESEARCH OF THE ROMANIAN MARKET

Pantea Carmen

Academia de Studii Economice București, Facultatea de Administrarea Afacerilor (cu predare în limbi străine), Str. Mihail Moxa 5-7, sala 3303, sector 1, cod 010961, București, pantea.carmen@gmail.com, 0729505705

Păunescu Carmen

Academia de Studii Economice București, Facultatea de Administrarea Afacerilor (cu predare în limbi străine), Str. Mihail Moxa 5-7, sala 3303, sector 1, cod 010961, București, carmen.paunescu@com.ase.ro, 0747776700

Present paper aims to analyze the Romanian market of services that intermediate job offers and to present the online marketing tools and the website facilities offered by the major Romanian e-cruitment portals. It also highlights the new technological trends in online recruitment and the advantages they offer to the employers and applicants.

Taking into consideration the period of crisis that affects not only Romania, but the whole world, the study can be a useful guide for the e-cruitment service providers who will only gain competitive advantage if they develop new online tools and services in accordance with their customers needs.

Keywords: e-cruitment, employers, job seekers, online marketing tools, Romanian market.

JEL Classification: M19, M31

Introduction

In recent years, the internet has provided the labor market with a set of technologies which allow the spreading and the treatment of information in a decentralized manner, in real time and at low costs; these advantages offer a great opportunity to the services that intermediate job offers, called *online recruitment portals*. Other terms used for defining the formal sourcing of job information online are: *cyberrecruitment, e-cruitment or internet recruitment*. All the advantages mentioned above, became more and more visible in the last 5 years, in Romania also, and tried to radically change the structure of the labor market; the online technologies exceeded their role of softening the process offer-demand.

The cyber space has produced a major change in the personnel recruitment algorithm, influencing radically the employment offers and demands. The classified ad boxes of the newspapers, and also the specialized magazines have lost, and continue to constantly lose ground ahead of dozen websites, dedicated to online recruitment, sites that have not lost the chance to speculate this opportunity.

The decline of the “paper” supremacy has been proportional to the growing penetration rate of the internet, in Romania, but also with the increase of the visibility regarding the advantages offered by the “virtual solution”. There is no doubt that an advertisement in a regional or national newspaper will not provide the company with the opportunity to communicate accurate and detailed information regarding the job to the potential candidates; will not allow the company to self-screen and reduce the number of unsuitable applicants.

An overview of the Romanian online recruitment portals

The Romanian online recruitment market has known an accelerated rhythm of growth in the past few years due to some well-determined advantages it has in comparison with the classic means of personnel selection. The first websites dedicated to these services, have started by offering all the services for free, and only afterwards to tax certain facilities such as the appearance of company’s job in the first page of results, preferential position in the results of the research or sponsored links.

The Romanian recruiting portals build their offers based on two basic services that they can offer: *posting jobs and searching for CVs*; the tariff paid by the employer is calculated as a multiple of the number of units bought.

As a sales channel, most of the companies that own a recruitment portal, choose to manage the relationship with the customer-companies throughout an online order form and some telephone operators who have the responsibility of managing the administrative process (confirm the order, releasing the pro-forma invoice) and also offering support and recommendations that could lead to the increase of the services bought (Galanaki, 2002). Therefore, if a company wants to buy the services of the portal, it should place an order by using the online form which allows the company to select the wanted quantities of the two basic products and sending the request to a representative of the website (Jansen, Jansen, Spink, 2005).

The model has proved to be a successful one because it managed to attract the employees to post their online jobs (they are motivated mostly by the lack of other options and instruments as efficient as this one) and the candidates to insert their CV (Kin Tong, Sivanand, 2004). Therefore, the companies owning job employment portals have operated on a virgin market, where real competition lacked and have taken maximum advantage from being the first ones on the market, and ranking themselves (also today) in the top from the point of view of the incomes and users.

Web portals can be considered software products which work on servers and use the network as a way of accessing the application by the users. This means that the facilities they offer and the ease of using them, become elements of the competitive advantage. Moreover, the introduction of new facilities and their communication to the market, towards the users, can have a marketing importance, linking the product with attributes such as innovation, vision and leader potential (Jago, 1997).

Next, there are presented the main players, in the online recruitment portals market, from Romania, with reference to the year 2008:

- *Ejobs.ro* was founded in 1999 and its stakeholders are: Liviu Dumitrașcu and Daniel Tătar (each having 35%), the Investment fund Tiger Global Management (30%). In December 2008, it had 1,1 million of unique visits (200.000 less than in October 2008). It owns a database with more than 1,3 mil CVs and it is a simple technology that offers only basic facilities; it has gained its top position by aggressive marketing and the capitalization of the no 1 position. In 2007, its income was of 2,1 mil euro.

- *BestJobs.ro* was founded in 2000 and its main stakeholders are: Călin Fusu (41,5%), Tiger Global Management (20,5%), Nagy Vajda Andras Peter (10,6%) and Bodo Zoltan Ferenc (9%). In December 2008, it had 730.000 unique visits and it owns a database with more than 1 mil CVs. Neogen – the company that manages the portal – owns other portals as well, for instance Noi2.ro. In 2007, it had income of more than 1,5 mil euro. BestJobs is appreciated by the employers especially for the easy-to-use interface and the frequent introduction of new useful options wanted by the users. It has developed its services in neighbor countries such as Bulgaria, Serbia, Croatia and the former Yugoslavia.

- *MyJob.ro* was established in 2001 and starting 2004 is controlled by the investment fund Netbridge Development. It owns a database of more than 400.000 CVs and in December 2008 had 232.000 unique visits.

- *CareerBuilder* is the largest online recruitment website from USA, having more than 23 mil unique visits per month and 1,5 mil jobs posted monthly. In Romania the portal was launched in August 2008 (*CareerBuilder.com.ro*) and its goal is to achieve the third position on the Romanian market, betting firstly on its popularity in more than 38 countries and the technology offered.

- *Hipo.ro* was founded in 2006 and its stakeholders are: Ana Giurca, Cristian Hossu and Dragoș Gheban. It owns a database of more than 70.000 CVs and in December 2008 had 77.000 unique visits (145.000 less than October 2008). In 2007, it had an income of about 50.000 euro.

Some other important players on the market are: *Jobs.Bizoo.ro*, *RomJob.ro*, *NetJobs.ro* and *Job.ro*. Lately there have appeared some niche players on the market, such as *Jobinmarketing.ro* (there are posted jobs in the marketing field), *Bankingjobs.ro* (offers jobs in the financial-banking field) or *Joobs.ro* (recommends jobs in the IT field) – even though it has not been on the market for a long time and the database and the traffic on the portal are poor, it had received the special prize offered by Microsoft at the competition Internetics.ro.

Another type of website is that formed of a job search engine, a job aggregator site, and *FindJob.ro* is a very good example of portal that indexes all the job announcements available online and offers the user results from several specialized websites.

The fact that the employers work with more recruitment portals shows that working with only one website does not solve their problem, and if it is to compare with Europe, the tendency is to increase the number of such online recruitment portals.

Tools used by online recruitment portals

The analysis of the Romanian online recruitment portals showed that there are some online tools and facilities that can make a difference when choosing the portal where you search for / post a job.

From the *candidate's* point of view, it is an advantage to find on the portal facilities like:

- *Multiple CV* – the opportunity to upload more CVs (in different foreign languages also), one for each type of job or field of expertise wanted;

- *Spontaneous submission* – the possibility of posting the CV directly to a desired company even though it does not have any open position;

- *RSS feed* – receiving and consulting notifications regarding the new jobs posted on the portal throughout a general RSS or, if wanted, only jobs from a particular field of activity;

- *Key competencies* – an algorithm that recommends the suitable jobs according to a set of competencies the candidate holds;

- *Career section* – editorial content, written exclusively by human resources experts and presented on the portal in multimedia format (images, animations, audio, video).

From the *employers' perspective*, the list contains innovative functionalities such as:

- *Multimedia profile company* – text, images, audio, video or combinations of these, all created in accordance with the visual identity of the company;

- *Graphical job announcements* – the description of the job presented as images;

- *Advanced options to manage the candidates* – filter, sort, export or email the lists with the applicants;

- *Statistics regarding the number of page views* – for the company’s profile, for each job, or the number of applicants for each job as opposed to the average of the company;

- *Email marketing* – the opportunity to create and send html alerts towards a specific segment of candidates from the database.

The intermediaries of job offers can include on their portals different games or contests in order to increase the traffic on the website, or to offer prizes to those candidates who submit their CVs and fill in their personal information. In order to overcome the lack of job offers, the online recruitment portals should provide high quality editorial content on the website

New trends in online recruitment

Taking into consideration the crisis period that affects Romania, it is assumed that many companies will reduce their number of employees and some of them will go bankrupt. In this case, on the market there will be instability due to the great difference between the low number of job offers and the huge number of job seekers (Birgelen, Wetzels, van Dolen, 2008). For the intermediaries of job offers to survive, they will have to develop new tools in order to attract and maintain the customers and also to gain competitive advantage.

The online recruitment field of activity benefits to a large degree by the new generation of faster instruments, more ergonomic and more effective. Next, there are presented the main trends and online tools that will be developed in this field, in near future:

- *Geo-placement*: the geographical location of the place of employment will become one of the main criteria of search of the candidates. The era when the employers did only specify a city / town or country is at its end, at least in the countries where the e-cruitment already has a solid tradition. At present moment, there are online recruitment portals that allow the candidates to sort the job offers which are posted on a map according to the zip code or a bus / tram / metro station, indicating a maximum perimeter of search or a limited distance.

- *Online personality tests*: the information included in the CV is limited and the employers know very well that the personality and the motivation of the candidates represent fundamental elements. For this reason, many employers prefer to include a wide range of feasible personality tests for testing their potential employees; tests that can be easily taken and assessed using the internet.

- *New channels for spreading the job offers*: the “push” system of sending the job offers on the email grants great results, but those taking care of the recruitment process are in a constant search of new spreading channels for their offers, and the internet provides so many innovative solutions. Therefore, more and more recruitment portals offer the job seekers the opportunity to subscribe to a RSS feed, which directly sends the appropriate job offer which might be of interest for the candidate. Lately, another facility that started to be used for spreading job offers is instant messaging – for instance TotalJobs.com, from England, promotes the job offers by using MSN Messenger.

It is assumed that the next step will be the notifications sent by SMS and WAP.

- *Intelligent searching tools*: the emergence of a large number of sites which contain different job offers transforms the seeking process into a time consuming one. This has led to the appearance of a new type of portals: job aggregators. They collect the job descriptions from the online recruitment portals, index it and offer the candidates a search engine by which they can instantly see all jobs available online.

The year 2009 – going up or going bankrupt?

The effects of the world economic crisis have started to affect the online recruitment portals from Romania, starting with the first months of current year. Next, we are going to describe some of the mechanisms and effects of the decrease both in attracting candidates and companies as clients of the e-cruitment portals.

Effects over the incomes of e-cruitment portals

Traditionally January is the month with a slow rhythm in doing business. However, for the online recruitment portals this is the moment when companies negotiate the service packages they are going to use in the following year. Due to high uncertainty regarding the estimated incomes and the lower number of new workplaces, most of the large companies (which usually account for 40% of the incomes of such business) have chosen a monthly package, being determined by the punctual need for this type of services. Moreover, small and medium companies were the first ones affected by the crisis and have drastically reduced the number of new employments, the allocated budget being close to zero.

Taking into consideration the context of present market, e-cruitment portals redirected their efforts in order to attract revenues from areas less exploited until now. Such a direction was the introduction of the SMS paid service, which was implemented by the main players on the market as it follows:

Bestjobs.ro – BestJobs Direct (sends the CV to 100 employers instantly) – The service BestJobs Direct is a simple mean to increase the employment chances by sending simultaneously 100 CVs to the companies. The service is simple to use and it only costs 10 euro + VAT (BestJobs, 2009).

eJobs.ro – Paid employment ads – by using this service, eJobs can post the employment ads or services offers for 10 euro + VAT. The ads are checked and afterwards published on the home page, while companies will be contacted by those users interested in their services (Ejobs, 2009).

MyJob.ro – Top CV Myjob – by using this facility, MyJob offers the candidates the preferential placing of their CV in the list of candidates the company accesses, either when querying the database or when listing the applicants for a job. The advantage of being in the top of the list retrieved when accessing the database is that the CV is highlighted by an icon, a frame and background. For a 90 days period of validity, the candidates pay 10 euro and for just a month of subscription, they pay 5 euro (MyJob, 2009).

Another area that becomes widely used is that of incomes coming from promoting different products by using online ads or newsletters oriented both towards candidates and employers. Until recently most of the websites were ignoring these online marketing tools, but now they have started using them in order to fill in the liquidity gaps from the online recruitment market.

Effect over the policies of attracting candidates

When designing the marketing and sales budget of an online recruitment portal, an extremely important indicator is the acquisition cost of a candidate with a CV filled in into the database. There are also added operational costs regarding the website (wages, rent, hosting) and it is obtained a minimum profitability level at which the service can be offered to the employers. The high unemployment rate in the past 3 years (Wall Street, 2009) has determined the candidates to use the e-cruitment portals in their need to find a workplace, reducing the websites' investments in marketing in order to attract users.

Conclusions

To sum up, the current economic context has drawn its side important changes:

- the costs for attracting candidates has decreased (the market is assaulted by well-trained specialists, who are willing to work for lower wages than at previous workplace);
- the costs can also be decreased by renegotiating contracts with the suppliers (hosting, renting costs etc.);
- in the period of crises, the salaries can not increase, while the employees should be more productive and results oriented since they do not want to loose their jobs;
- competition will decrease as small or niche websites will disappear due to their impossibility of attracting sustainable revenues;
- marketing costs for attracting candidates are decreasing.

The advantages of online recruitment are obvious both for those who are searching for a job and for the companies that want to employ people and the main advantages can be stated in a word: “savings”. Not only money savings (related posting, seeing or applying for the job), but also time savings. Candidates can consult more websites in the same time, the searches can be filtered, faster feedback, the CV can get more rapidly to potential employers; while companies can easily browse a database of CVs and select the most skilled candidates that fit the best with the job they offer. Besides these “quantitative” benefits, the candidate can get better documented regarding the offer, since online the job description is more detailed. Moreover, plenty of websites offer the opportunity to fill in the sections of the CV, and at the end, provide the candidate with the final form of the CV, allowing him to change information, if needed.

The main disadvantages of e-cruitment and the model presented is the fact that it does not work for those positions with specialized knowledge required (areas such as petrochemistry) or those jobs which require low or medium level of education (since many such people do not know how to use a computer or the internet); the ease in online application allows the effect of spam-applications (with the emergence need of finding a job, candidates apply for many positions even though they do not posses the knowledge or skills required).

Therefore, it is very important for the online recruitment portals to make use of all possible means and tools in order to survive on a market highly affected by the economic and financial world crisis.

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