

Pakwheels.com—The Next Challenge!

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Abstract

This case features the challenges of a start-up website in the used car market in 2015 as its founding partners assess potential sources of profitable growth and ways to maintain their competitive advantage. Founded in Pakistan, PakWheels.com was a vertically classified automotive portal. The case goes on to illustrate how PakWheels.com successfully revolutionized the used-car trade channel by bridging the gap between the traditional retail channel of car dealers and buyers. Key discussion points of the case revolve around the turning point of PakWheels business, namely retention of users while sustaining the current business model, identification of key strategies for scaling up and monetization, and response to competitive threats to safeguard its market position. Through assessing these options and discussing this case, students will learn about strategic problems faced by online portals as well as how these unique businesses create value for end users.

Keywords

Vertically classified auto portal, used car trade channel, competitive advantage, differentiation strategy, online start up, business strategy.

Discussion Questions

1. In two-sided markets, platforms need to overcome the “chicken and egg problem” followed by the “penguin problem” in order to grow. How did PakWheels.com resolve these issues and create value for its users while scaling up?
2. How did Pakwheels.com formalize their monetization strategy as part of their platform business model?
3. Is PakWheels market a “Winner-takes-all” market in Pakistan? Why or why not?
4. If PakWheels decided to be the winner-takes-all market, what kind of envelopment threats would they be exposed to? And how can they respond to these threats and defend their position successfully.
5. If you were Saeed and Munj, what would you recommend going forward and why?

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During the monsoon season of mid-July 2015, Raza Saeed and Suneel Munj, the two co-founders and managing partners of PakWheels.com grabbed a coffee enroute to their office in Lahore, Pakistan.¹ Their thoughts were completely focused on the crucial upcoming investor presentation about the company's growth strategy for 2016. Just when they thought that they were ready to develop an aggressive growth strategy, they received an unsettling news. There was speculation that one of the largest online classified websites—OLX²—would be launching a huge and expensive 3-week long media campaign at a cost of about US\$0.5 million to launch its used car section in the local market. According to Suneel Munj:

At Pakwheels we rely heavily on our loyal community members and their positive word of mouth about our auto website to market it, but this will not be sustainable for long. For the first time in the history of Pakistan, we are seeing online brands deploying significant advertising budgets for mainstream media advertising and to compete with these deep-pocketed international giants, such as OLX, for market share was going to be a huge challenge for us.

Saeed and Munj realized that at this turning point of their business they had to make some strategic business decisions. That included developing a profitable growth strategy for scaling up their digital platform without compromising sustainability and its competitive advantages and finally, making a decision on how to respond to OLX as an imminent threat to their market leader position.

Initial Years

PakWheels was started by Hanif Bhatti, a businessman by profession, from the basement of his house in Karachi, Pakistan in 2003 along with his partner Jagdesh Pahuja, an IT professional. The reason behind this start-up was to give a platform to the car enthusiasts of the country and make new friends with a common interest in cars, bikes, etc. The obvious gap and a craving for friends with similar interests provided a purpose to Bhatti and Pahuja for creating a very simple website where users could list their cars for sale, download wallpapers, and talk to each other about their shared interests. Pahuja developed the website based on their requirements in a single day. During that time, web technology was quite simple and if you were half as good as Pahuja, creating a website was a task of just a few hours, and thus PakWheels.com came to life on 18 July 2003. A modest amount of money was spent on domain and hosting.

In 2003, there were not many mediums through which one could create hype about launching a website. There were no Facebook, Twitter, Instagram, etc. Bhatti, being an Internet entrepreneur, knew that in order to make PakWheels.com successful, they needed to create meaningful content that would help and attract initial users. He decided that the best way to attract users was to show that there was activity going on in the discussion boards, so he created more than 100 user accounts and started talking to himself using different aliases. He would post a car-related question with one alias and reply to that question from another alias. Soon, seeing the activity, other users jumped in to take part in the discussion and joined the discussion forums. Since the founders were genuinely interested in helping out the members of PakWheels, they treated the small community as a family and soon people started joining in by the numbers. The growth was organic—people logged onto the website, asked genuine questions, received helpful answers and reviews, put up pictures of their rides and commented on the ideas of others. Soon, seeing the activity on the site, other users started to take part in the discussion and joined the community, evolving into Pakistan's largest community of automotive enthusiasts.

In the early years of PakWheels, there were a select few users from across the globe. They were mostly Pakistanis who had left the country for greener pastures but had deep ties to Pakistan and to its auto scene. These users would post day and night on PakWheels about cars around them, their cars back

home and their projects, etc. Some of them were resident car experts and would help others find solutions to their car-related problems. Although the bond among members had become unyielding, due to the community's online nature, it lacked the human element. Bhatti also felt the need to put faces to the aliases he had been interacting with for the past 2 years. As a result, the PakWheels management—a team of two people, Bhatti and Pahuja—decided to hold the company's first get-together in Karachi. The first PakWheels get-together was a success, and soon members of other cities started to hold 'PakWheels Meets' in their respective cities.

After just 5 years in the business, PakWheels.com was one of the few leading brands in the rapidly expanding Internet economy of Pakistan. The community was growing strong. The traffic on the website was soaring and the overall business was doing well. The business model was quite basic; it was free for everyone but a fee was charged for banner advertisements on the website. In order to develop the community, they continued to invest back into the website. A small chunk was spent on stickers of PakWheels to distribute among community members for the promotion of the portal while the rest was spent on online community development. It was one of the most exciting phases of the venture. They were loving what they were doing, there was no time off and they were spending days and nights at work. The outcome was outstanding and the community was growing at a fast pace.

Acquisition

Over time, Bhatti felt the need for additional help to manage the rapidly growing community. It required countless hours every day to manage the website which started to affect his personal life. Both Bhatti and Pahuja wanted PakWheels to grow but they were at the end of their tether as far as resources and time consumed by the website operations were required. Fortunately for them, around the same time, two young entrepreneurs in Lahore were looking for new ventures to invest in—both were LUMS³ alumni and were running their own successful businesses.

Muhammad Raza Saeed, a technology entrepreneur, and his friend Suneel Sarfaraz Munj, a car enthusiast and a businessman, were discussing the Internet economy and its future in Pakistan. They discussed examples from the USA and Europe where businesses had made big transitions from paid classifieds in newspapers to paid vertical classifieds⁴ on the Internet, for example, job sites, and free horizontal classified⁵ sites, such as Craigslist,⁶ eBay,⁷ etc. Although Pakistan did show a lot of potential opportunity, the Craigslists and eBays of the world were not interested in making a move locally at that time. At that moment, Munj mentioned a small local website called PakWheels.com which was built on the same model but was in a very crude form and he had used it multiple times to sell and buy cars for himself. Saeed had been on the lookout for a venture to invest in, and this seemed to be a perfect fit given their relevant backgrounds in cars and software development. That was a defining moment for both friends and without wasting any time they contacted the people behind PakWheels through the 'Contact Us' section of the website. A dozen emails and meetings later, the duo took control of PakWheels.com from Bhatti, and the transaction went through in December 2008. The offices shifted from Karachi to Lahore, young entrepreneurs took the lead, and in the following years, PakWheels became the biggest independently curated community on the Internet in Pakistan.

By January 2015, the two-person community based website had become a company with 250 employees. PakWheels was the largest community based automobile portal in Pakistan with over 350,000 registered members, with a staggering 20 million hits⁸ and, 2 million visitors⁹ every month. The website received about 45,000 automobile listings a month. PakWheels had become the most credible automobile website not only for buying and selling of vehicles but for vehicle-related news as well.

Industry Snapshot

Historically, the growth of automobile portals depended on the progress of the automotive industry of the country where they operated. In 2015, there were approximately 3 million cars in Pakistan with 170,000 new cars added each year in addition to imported cars.¹⁰ The number of imported used cars was even bigger. Out of these cars, more than 600,000 cars changed hands in a year and about 20 per cent of those were traded online. This left a huge margin to grow for car portals in Pakistan. According to some local analysts, the used car trade was expected to shift significantly online in the next 10 years. For PakWheels, almost 75 per cent of its listings came from three major cities: Karachi, Lahore and Islamabad. The remaining 25 per cent listings come from other parts of Pakistan. With the advent of 3G/4G services, the Internet population of Pakistan was expected to grow from its current 30 million users to 100 million active users by 2020.¹¹

The exponential growth of the Internet population provided a great opportunity to online services, such as PakWheels.com, to grow its existing user base geographically. The current economic situation of the country was also getting better and the per capita car ownership was expected to grow from its current thirteen cars per 1,000 people to sixteen or seventeen cars per 1,000 people by 2020, according to the World Bank analysts. Overall, the current trend was upwards in the auto industry and this, coupled with the growth in Internet population, provided excellent growth opportunities for automotive portals in Pakistan.

Conventional 'Used' Car Trade

Before online car portals were operational in Pakistan, buyers and sellers used to rely on used car dealers, classified ads in local newspapers and weekly used car markets to trade their cars. According to the All Pakistan Motor Dealers Association (APMDA), in January 2015, there were 4,000 car dealers in Pakistan who dealt in both new and used cars. These car dealers mostly worked on three different business models:

1. **Broker Model:** The seller contacted one of the car dealers and got his/her car listed at the dealer's showroom. The dealer then tried to find a buyer for the seller's car and connected both the buyer and the seller and charged a commission on that sale.
2. **Investor Model:** The dealer bought a car from a seller at a lower price than the market, and tried to sell it at a profit to a buyer and made money on the transaction.
3. **Importer Model:** The dealer imported used cars from different countries and sold these cars at a profit to buyers and made money through the transaction. This model was quite similar to the investor model. The only difference was that the dealer imported the car instead of buying it locally.

Conventional car trade options came with its own set of problems. Purchasing a car through the dealer meant visiting numerous showrooms to find the desired car and upon finding the right car, paying a higher price than the actual market value because of the dealer's share. Similarly, selling a car through the dealer translated in either leaving the car at the dealer's showroom for extended periods of time or selling the car to the dealer at a lower price than the actual market value.

For buyers, newspaper classified advertisements meant sifting through thousands of listings with no proper categorization, which resulted in buyers going through each listing to find their desired vehicle. Also, since there was no option for detailed pictures, often buyers faced disappointment after inspecting the car personally as it did not meet their standards. For sellers, often the price paid for newspaper advertisements did not provide the value sought. The advertisements sometimes went unnoticed due to clutter.

At other times, many unwanted calls were received to get the same details repeatedly as there was only so much one could put in the newspaper listings due to its per-word price mechanism. Newspaper classified advertisements cost an average of Rs 500 per twenty words and Rs 25 per subsequent word and their life was only one day. A typical newspaper car classified section is shown in Exhibit 1a.

Visiting weekly car markets had its drawbacks. These markets were arranged on Sundays only, which meant that both the buyers and sellers had to sacrifice a complete day in search of a good deal with no guarantee whether or not the time spent in the market would prove to be fruitful. Also, these markets attracted more than 1,000 cars in a single day with no categorization with regard to car related information, such as make and model. If one type of car was parked at one end of the market, chances were that the same type of car available in a better condition and at a lesser price was parked at the other end of the market, making it likely for buyers to miss out on a good bargain.

These issues were compounded by the lack of transparency and reliability as no rating or review system existed for dealers or individual sellers. Some of the dealers would engage in illegal and unethical behaviours of reversing the car odometer reading to fetch a better price for their cars. Buyers had to rely on their judgement to evaluate the quality of the car before buying.

Product Development

PakWheels.com was designed and developed by Pahuja in 2003. Since then, a few changes and features were added to its website until 2008 (Exhibit 1b), but nothing was done to upgrade the basic technology. The website was running on an obsolete ASP/Windows-based technology which was time-consuming and inflexible to new changes. Saeed was already running a software services company, Confiz Limited, which became the parent company of PakWheels, so finding developers and talent to upgrade the website was a simple task for him. Soon after the acquisition, the technology of the website was upgraded to modern web development and the discussion threads were migrated to vBulletin—industry's leading community management software that led to the creation of community forums. Although core features, such as the ability to list and search for vehicles and discussion threads remained unchanged, the technology and appearance of PakWheels changed drastically. PakWheels became more user-friendly and modern after the acquisition (Exhibit 2).

At PakWheels, user experience was considered critical. Over the past few years, PakWheels had completely redesigned the platform. Some noticeable changes were as follows:

1. Launched mobile applications for all major platforms including iPhone, Android, and Windows.
2. Enabled the website for smartphone browsers to cater to the growing number of users accessing PakWheels from their smartphones.
3. Simplified the advertisement posting process to increase user conversion.
4. Improved the advertisement verification process through automated tools to ensure the highest quality listings only.

Furthermore, multiple functionalities were added to enhance the user experience of customers searching for cars, such as an on-road price tool that provided a total cost of ownership including taxes and registration charges, car comparisons, expert reviews, car specs, prices, etc.

Currently, PakWheels had the most comprehensive automotive content available on the Internet in Pakistan. The content ranged from user-created content on the discussion forums as well as content created by the PakWheels' editorial team. The content included guides, tips, troubleshoots, FAQs, reviews, product videos, etc. As a result of these strong product features and continuous technology

upgrades, PakWheels.com won many prestigious awards including the Local Brand of the Year Award 2013, the highest IT National Excellence Award Teradata 2013 and Teradata 2014, and the International Arabia 500 Fast Growth.

Value Creation through Customer Engagement

When we bought the website, people discouraged us because trading online, especially of such a high involvement product like cars and bikes was unheard of locally. However, we believed that this problem could be overcome by social interaction. In Pakistan, especially, it is crucial to have trust in the people you are interacting with.

- Saeed

Social interaction through Facebook and Twitter and the ability to see pictures and videos became an important consumer engagement tool for PakWheels. Over the passage of time, smart mobile penetration increased in Pakistan. Naturally, the mobile phone became a much bigger component of PakWheels customer engagement strategy. Its team created apps which allowed customers to access PakWheels from any Windows, iOS or Android device. Mobile apps were bringing in a large component of the website traffic.

The PakWheels team also stressed how important it was to focus on content quality. At the time of the acquisition, advertisements were not reviewed before they went live. Some individuals were uploading inaccurate information and misleading pictures of the vehicles for sale. To safeguard the website content quality, PakWheels dedicated a six-person team to review and approve every single advertisement and picture before they went live. Every live listing was verified by SMS, which meant that when someone posted a listing, he received an SMS code that he was required to enter on the site to activate the listing. If he did not respond, the department would call and verify his details and then list the car. The website also had a report abuses section. Digital abuse (e.g., indecent comments, wrong information, etc.) was a huge problem in businesses relying on classified listings. PakWheels' customer support goal was to make sure that the data were clean and fresh and the listings were of high quality. Compared to some other local horizontal classifieds (such as OLX, Dekho, Asani, etc.) where anyone could post anything and people could use a fake phone number, this was not possible on PakWheels. Also, using Facebook Connect, the system would tell the buyer and the seller if they had any common friends. This had proved to be a good measure of trust in the past. With regard to dealerships, they had introduced a review and rating system, so that the customer could see a dealer's rating before buying from him, adding to the trust-based measures in the market. However, Saeed and Munj knew that this was just a start and that PakWheels needed to continue to evolve.

The majority of PakWheels.com users came for the classifieds. However, the forums remained a differentiating factor and became one of the major reasons for PakWheels, popularity. These user forums played a pivotal role in the website's growth as they provided a central place to automobile enthusiasts to connect with each other and share their passion. It also helped to engage individuals who were not buying and selling but wanted to know more about their cars or just asked for help with regard to a certain problem they were facing with their cars. People also made many trips to remote areas and shared their experiences and pictures—it was a popular topic on the forums.

PakWheels launched an auto blog and hired professional auto journalists and content editors. Car reviews, news, opinions and other information started to be shared through the blog and social media which resulted in significant awareness about the brand. The PakWheels team also interacted with their visitors by merging their online and offline presence by holding multiple large-scale auto shows annually, and fortnightly small meets in different cities so that the users could know each other personally. In those meet-ups, users interacted and discussed the modifications done on each other's vehicles, took pictures

and uploaded data on the forums. In addition to these auto shows and meet-ups, PakWheels started organizing and partnering with other auto-related events and personalities. Such events usually had an enormous turnout of 30,000 to 40,000 people. Such activities reinforced PakWheels' community development.

With the objective to increase listings on the platform, PakWheels launched a field team to focus especially on engaging car dealers. Most of the dealer population in Pakistan had dismally low Internet and technology awareness and controlled the largest inventory of used cars. This dedicated field team focused on educating dealers about the services and also started posting their used car inventory which helped not only the dealers get more customers but also the buyers as they had a large choice pool of cars available to them.

'As an individual you do not buy a car every day, you buy one, and then you come back after three years. So how do we retain you?' Munj stated, and reflecting on their engagement strategy, the website offered an area for maintenance history which reminded consumers about oil changes, etc. This feature was also built into their mobile apps—they had two Android apps, one for their 'marketplace' and the other for 'forums and blog'; the same went for iOS (Exhibit 3). Additionally, PakWheels had blogs and plenty of content in their new car section to help people with buying decisions. The PakWheels team believed that the more choices the customers had, the more it became necessary to research, and PakWheels was trying to cater to this at every phase—research, transaction, maintenance and sales. In maintenance, it had launched a new trial feature where customers had a road runner service. PakWheels representatives picked up the road tax documents and did the filing upon charging a nominal fee. The idea was that anyone who owned or planned to own a vehicle should have a reason to come to PakWheels.

Despite launching all these services to deliver value and engage users, key hurdles in car buying and selling remained in the market which included the ability to find out the optimal price for a used car and its quality. To deliver these crucial services, PakWheels started working on their next big project called the 'CarSure' (certification) in February 2015 to provide users with comprehensive car inspection reports and to simplify the car buying process. This programme had already been launched in three major cities and was bringing in good results.

What matters the most in our business is that you have a critical mass of buyers and sellers. We are not quite there yet in Pakistan, but we're definitely on our way, and these loyal followers are our biggest assets, and we would do everything to keep them around.

- Munj

Business Model of PakWheels

With the rise of mobile and connected technology, new business models were quickly displacing the conventional models. These new models were free, efficient and easy to use from the consumer's perspective. They were called portals. Although PakWheels started off as a standalone website, soon after the acquisition it was upgraded to a comprehensive vertical automotive portal with a primary focus on used car classifieds and community forums.

PakWheels' business model created value by facilitating interactions between vehicle buyers and sellers, primarily by reducing search and transaction costs. By virtue of being a portal, both sellers and buyers were customers of PakWheels in a meaningful way. PakWheels facilitated direct interaction between both sides. As a by-product of being a portal, PakWheels created an ecosystem with strong network effects. With the advent of connected technology (e.g., smartphones, 3G services, etc.), these networked ecosystems enabled PakWheels to scale in ways that a traditional used car dealer model could not even dream of. The company's ultimate goal was to build an ecosystem for auto services. The aim was that whether it was buying, selling, researching cars and auxiliary services, such as maintenance, insurance or financing, customers should be able to find it at PakWheels.com.

Revenues to support the company were mostly derived through subsidiary channels while maintaining the free business model and user convenience of the site. In fact, PakWheels made almost no money through customer to customer (C2C) interactions that occurred on the classifieds on the website. The majority of the revenue was derived from a portion of the website targeted at related businesses, such as the local car dealerships, and corporate advertising from clients, such as Shell, Zic, and General Tyres, etc. So essentially, PakWheels never focused on profits but rather on value-creation through the delivery of services and products. The C2C interaction was facilitated in such a way that customers kept coming back for more value.

For businesses related to automobiles, PakWheels' traffic was a gold mine. The traffic was the direct target segment for these businesses' messages and products. Mostly, the PakWheels team did not even have to go out in search of sponsors; the sponsors came to PakWheels themselves. PakWheels was essentially in the lead generation business with their stakeholders, namely, individual customers, used car dealers, new car manufacturers, banks, insurance companies, workshops, dealers and any business connected to the auto industry. To attract traffic, PakWheels focused primarily on listings, online blogs, content formation, tools for comparison, and price reviews etc. PakWheels attracted the desired traffic and then generated multiple streams of revenue, such as on-site advertising, lead generation, featured advertisements, dealership packages, content marketing through the blog and offline advertising through auto shows.

1. **On-Site Advertising:** Most websites, such as PakWheels.com, were using on-site advertising which allowed them to generate a steady stream of revenue. On-site advertising was further divided into two broad categories:
 - **Google Advertisements:** PakWheels used Google AdSense¹² and let Google display advertisements from its partners. PakWheels offered the banner space, and Google decided on the type of advertisement content that it would display to each user—based on that user's profile browsing history. For example, if a user went to a new site, he would be shown banner advertisements of all the brands that are interested in those particular users either because of their profile or their browsing history.
 - **PakWheels-Managed Advertisements:** Apart from Google AdSense, PakWheels had its sales force to sell banner space directly to its partners and sponsors. PakWheels exercised full control over these advertisements and they were not dependent on the user's browsing history but on PakWheels' discretion—what they wanted to show.
2. **Lead Generation:** PakWheels offered various options for lead generation to different institutions and corporations, such as banks, oil marketing companies, insurance companies, and vendors. Institutions had their call to actions (CTA) strategically placed on various sections of PakWheels (Exhibit 4). For example, there was a 'book a test drive' tab on the Honda Pakistan's website linked to a form for the potential buyer to fill out, so that he could book a test drive. Also, the process could be simplified, and PakWheels could have a form of its own through which its traffic could directly contact the dealership to book a test drive. The strategic placement of CTAs helped these institutions generate leads for their businesses.
3. **Featured Advertisements:** When a buyer started searching for a car, he was shown hundreds of cars according to the selected filters and criteria but for the seller, too many cars appeared on the search listing, and his (the seller's) car sometimes went unnoticed by a buyer in haste. To resolve that, PakWheels offered Featured Advertisements to sellers where they could have their car advertisement highlighted for a week by paying a small fee (e.g., Rs 1,000). The Featured

Advertisement remained on the website's main page for a week in addition to being displayed in the top search results to make sure that they got maximum attention from potential buyers.

4. **Dealership Packages:** 'Car dealers had very different needs than normal users when it came to selling their cars' deliberated Munj. Being a seasoned businessman, he knew the importance of keeping the dealers on board. From the time of acquisition, he stressed the point that PakWheels was built to eliminate the hassle of buying and selling the vehicle but not to eliminate the car dealer. So to cater to their needs, PakWheels offered car dealers tailored packages for a certain fee that helped car dealers grow their businesses as partners with PakWheels. The package also included making websites for the dealers with their desired domain name which linked directly to the back end of the PakWheels website. So when dealers updated their inventory on the website, it was automatically updated on PakWheels as well. PakWheels also offered to set up various social media accounts for those dealers in order to help them grow their businesses. For example, the PakWheels sales team would setup a Facebook page for a dealer and link that Facebook page with the dealership account on the website. As soon as the dealer updated his inventory of the new car for sale, the automatic Facebook integration would post the updated information and broadcast it as a story in its newsfeed.
5. **Content Marketing through PakWheels Blog:** PakWheels partnered with international and local automakers and auto-parts-related complementary manufacturers to provide them the opportunity to connect with thousands of customers through PakWheels. The PakWheels' editorial team pushed sponsored and branded content to educate blog readers about many aspects of automobiles. For example, PakWheels had a dedicated tyre guide section sponsored by General Tyre Limited through which the PakWheels team educated and updated their users about tyre safety. Similarly, PakWheels had partnered with Shell Pakistan for a dedicated oil guide section on the PakWheels Blog.
6. **Offline Advertisement through Auto Shows:** PakWheels arranged large-scale auto shows in six cities across Pakistan annually. Each auto show attracted hundreds of vehicles and thousands of visitors. These auto shows provided excellent branding opportunities to various brands, and thus brought in sponsorships. Some of their major sponsors in the past included Telenor, Warid, Shell, Mobilink, Pepsi, and the Punjab Government,¹³ among others.

Key Metrics for Evaluation

Since the PakWheels team had decided to keep the website transactions free of cost, they did not evaluate performance based on profits and revenue generation. To Suneel and Munj, these performance indicators were of secondary importance. Instead, they focused on traffic generation and customer engagement, which they thought eventually would translate into higher growth and profits. They defined the following indicators as key performance indicators (KPIs) for their internal evaluation:

1. **Sessions:** The session number was the number of people using the website in a given time frame, such as an hour, day, week and month. So a higher session number meant that more people were using PakWheels in a given period. A higher number also signified good performance of the website. The number of sessions differed from the unique user number. A single user could create multiple sessions if he wanted to. At the time of acquisition in 2008, the number of sessions per month was close to 0.2 million which had increased to over 2.8 million sessions per month by January 2015.

2. **Page Views:** Page views meant the number of times a certain page was viewed. The more times a page was viewed, the better it was for a website and its advertising partners as it gave them more exposure. PakWheels received more than 20 million page views on average in a given month. The number of page views differed from sessions because in one session a user could see multiple pages. The average pages per session for PakWheels were between seven and eight pages per session.
3. **Listings:** Listings were the number of used cars uploaded on PakWheels by its users for selling. The higher the number of listings, the more options were available to buyers. Consequently, they would spend more time on the website and browse a larger number of pages to find the suitable car. Presently, there were more than 150,000 cars listed on PakWheels.com with a turnover of 50,000 cars per month on average. Whereas in 2004, after a full year of operations, PakWheels only had 1,300 cars listed with a turnover of only a few hundred cars per month. The number increased to 1,800 cars until the acquisition in 2008.

Promotional Activities

The PakWheels team believed that digital marketing was not mainly about technology; it was about creating value in the form of innovative ideas to create engaging experiences for visitors. Also, it was about making them want to talk, providing real entertainment value and providing useful services and products to consumers instead of just creating a marketing slogan, dance or jingle. PakWheels promotion budget had been limited so far, but the ideas and experiences were always planned with the end customer in mind so that promotional activities and the delivery of services became virtually inseparable.

In an attempt to understand its end customer better, in 2013, PakWheels conducted a consumer behaviour survey for the used car market and local industry buyers. This survey was based on 6,000 respondents. The 2014 edition of the survey was a big leap from the previous one, with almost a double pool of respondents. This was the second time PakWheels had done this survey and over 10,000 people completed it. The objective was to figure out the trends in the market: What did people consider while buying cars? What choices did they make? What were the most popular lubricants, insurance, car tracker services, etc.? (Exhibit 5). For example, the PakWheels team discovered that 76 per cent of the cars in Pakistan were not insured, and very few cars had a tracker system. All these trends were business opportunities for PakWheels' partners. The survey covered all aspects of the industry, mainstream and otherwise. The data that were gathered included individual spending habits, driving habits, expectations, requirements and routine practices in terms of the automobile sector in Pakistan. Products associated with the automobile sector were also included in the survey, including motor oils, insurance companies, tracking companies and radio channels.

The first part of the survey asked users to rate the cars that they owned or used the most. These ratings were purely based on these users' personal experiences. The second part of the survey included users' perceptions, regardless of what brands they used or owned. This gave insights into how people perceived different brands available in Pakistan and what they thought of those brands. The data were analysed and useful information was extracted regarding the consumers and the automobile industry in Pakistan, which was helpful for the PakWheels team to formulate customer-driven marketing strategies and communication (Exhibit 5).

Till date, the most of PakWheels, marketing campaigns were either below the line (BTL, e.g., sponsorships, events, public relations) or digital (Exhibit 6 for web-based activities). For PakWheels, online marketing provided a direct cause and effect relationship between dollars spent on digital marketing and

traffic or conversations generated on their website. The digital campaigns were optimized by PakWheels' in-house experts using proven techniques including SEO,¹⁴ paid search marketing,¹⁵ and remarketing¹⁶ to maximize the website's visibility to its target audience through multiple available online channels. The meaningful content was created by its creative teams to engage audiences relevant to the PakWheels brand, for example, reviews, articles, videos, etc. The PakWheels team also advertised the website through social media and digital PR building which eventually resulted in impactful conversions, which meant more traffic for the website. To date, the business did not feel the need to use above the line (ATL) promotion (e.g., TVCs, Ads in newspapers and magazines, etc.) because of minimum competition in the industry. PakWheels online marketing budget for the year 2014 was about US\$0.3 million.

In 2014, PakWheels, dedicated a budget of US\$0.4 million towards below the line (BTL) activities and branding car dealers' showrooms in the three main cities, that is, Lahore, Karachi and Islamabad/Rawalpindi. A major focus was on visibility and top of mind (TOM). Every showroom that partnered with the website was provided with a co-branded shop sign with PakWheels corporate colours and logo. Almost 3,800 dealer showrooms all across Pakistan were branded by December 2014 and the same process was replicated for auto workshops, spare part dealers and parking plazas. Every car sold by a partner dealer got a prominent PakWheels sticker before going home with its owner. According to the team, 'It was reassuring to observe that every third car or bike in Lahore on average had a PakWheels bumper sticker'. PakWheels was certainly gaining visibility in major cities because of its successful BTL campaigns.

To support online sales, a classified magazine was also launched in 2012. It was available free of cost in all popular cafes, petrol stations, metro outlets, etc. Other BTL initiatives, such as taxi branding, rickshaw branding, and marketing collateral deals with institutes and agencies contributed to building visibility and improved perception in the eyes of the consumer. External agencies were hired for evaluating online campaigns. It was to ensure accountability, relevance and interactivity so that online opportunity could be fully capitalized. Approximately, PakWheels' annual marketing budget cost was around US\$0.7 million, including the car shows and road trips.

In the wake of recent competition, the PakWheels team was contemplating the need to combine ATL advertising and BTL promotion, and to explore more than one medium of marketing, but the cost of doing so had been prohibitively high in the past. Now, with foreign investment in the bag, the scenario could change drastically.

Competitive Landscape

Globally a US\$100 billion business, classified sites were fast becoming the new form of how consumers and businesses—or more appropriately, sellers and buyers—found each other internationally. Even in Pakistan, whether individuals or businesses were looking for a used car (PakWheels.com), or a new employee (rozee.pk), or a place to sell their mobile phones (hafeezcenter.pk), or a plot for investment or their new home (zameen.com), or even a life partner (shaadi.com), the first stop was increasingly becoming the internet. The value was the convenience, ease-of-use and other facilities, such as powerful search capabilities, more customized 'push' services, such as automatic advertisement alerts, and timely and up-to-date listings and features, such as photos, videos and sound clips in online advertisements. The best perk of all was that they were all free of cost. So industry analysts were foreseeing stiff competition and an explosive growth of online businesses in the following years in Pakistan.

In 2009, OLX, a deep-pocketed general classified website funded by the South African mega media group Naspers entered the local market. As a horizontal platform, it had a very generic model of sellers

advertising to buyers, popularized by newspapers and classifieds. The technology products they created helped a buyer find the right advertisements. It had more to do with search and advertising methods only. As a business model, OLX prioritized user traffic over revenue generation. They generated revenue mainly through advertising or through premium listings. Soon after, Asani, a Schibsted-funded company from Norway, was launched as a direct competitor to OLX. A few months later, Rocket Internet, with eight different classified websites, such as Daraz.com, Keymu, foodpanda.com and Carmudi, etc. followed suit (Exhibits 7a and 7b).

Although PakWheels was categorized as a vertical classified portal (a specialized portal in automobiles) since its inception, it had no direct or indirect competition until a few years ago. In order to differentiate from horizontal classifieds, vertical players, such as PakWheels, needed to give consumers a more first-hand, exhaustive experience. In order to truly differentiate from horizontal classifieds, vertical portals needed to be a lot more innovative with search technology, product innovation and a constant stream of updated high quality content. Technology products that PakWheels developed, first helped consumers make decisions and then connected them to the right advertisements. The revenue model was not too different from horizontal classifieds. PakWheels generated revenue mainly through advertising as well as lead generation.

The PakWheels team believed that there were loads of new websites, but the challenge was not setting up a website or a marketplace, rather it was to reach a critical mass of buyers and sellers. Some of these sites were just going to the power sellers (the dealerships) to accumulate listings, but that did not help. The portal could not have sellers without buyers because eventually the sellers would stop coming to the site. There was ApniGari, Carmudi, Autotrader, etc., but PakWheels was light years ahead of them.

According to a tool called Similarweb.com,¹⁷ PakWheels was the largest indigenous Pakistani website after the newspaper sites. PakWheels was larger than all the other verticals, including Rozee¹⁸ and Zameen.¹⁹ The only site that was neither a news nor a media site and that was larger than PakWheels was OLX (Exhibit 8).

Leading the traffic race, OLX had 5.2²⁰ million unique users every month in Pakistan, followed by PakWheels.com at 2 million visitors. OLX being a horizontal portal was not a direct threat to PakWheels business, but it did offer a used car section that was gaining popularity very quickly. The OLX was a global classified portal with an impressive footprint in about 100 countries, each with their specific domain. For example, for India it used olx.com.in and for Pakistan the domain was olx.com.pk. The used car section was the third largest section of the website (15,784 listings); number one was mobiles and tablets (34,562 listings) and number two was electronics and computers (22,688 listings).

For the first time in Pakistan's e-commerce history, OLX deployed significant marketing and advertising budgets for their mainstream media advertising. They had planned to target the non-internet users through the TV and, as a result, everyone knew about OLX, even if they were not using the website. OLX's witty and fun to watch advertisement campaigns had left a strong mark on the minds of Pakistani buyers and sellers; *Bech Dey* (sell it) had become a catchphrase. The cost of their single media campaign was about twice the amount of PakWheels' entire annual promotion budget.

The grapevine had it that OLX was now going to launch its used car section with a 3-week campaign targeted for selling used cars online only. The campaign would mostly focus on TV channels, radio and outdoor branding. In other Asian markets, OLX usually did two mega campaigns per year for its high selling product categories. The OLX as a policy did not spend much on its services or building content; it spent heavily on TVC creation and other mainstream media. PakWheels had a strong differentiation point versus OLX or any other car classified portal because of its strong community and user generated comprehensive content.

In previous years, the goal of all new online portals was gaining critical mass to generate network effects. If they had enough buyers and sellers, it would create a very defensible business model. And if

it could do this quickly, then the market would start to roll out because it would become very difficult for other portals to replicate the model easily. So after decent traffic, the portal would have the snowball effect, that is, the more buyers you get, the more sellers you would attract, and vice versa.

Although we feel we have reached that stage, the majority of internet users will come in the years ahead—about three-fourths of internet users are not online yet (based on previous figures). We need to ensure that while we are a leader in the current situation, we also continue to dominate the space in the next few years, which will be a super explosive time for the internet.

—Munj

Going Forward

As Saeed and Munj entered the last week of July 2015, the fundamental question of how to position their company for future growth, given the industry challenges, became ever important. For their next year, the investor sought ambitious growth targets, such as a 25 per cent *revenue jump*, 30 per cent *traffic increase* to the website and 40 per cent *increase in listings* if they wanted to retain a uniform stream of investment in the future. What strategy should PakWheels implement in order to deliver these tough targets? Will its current pricing strategy increase their profitability in the future or was a change required? Given the intense competition in Pakistan's used car market, was there potential for one dominant player? And since they shared an overlapping functionality and user base with OLX, how big a threat would this be to PakWheels' future plans?

It was 9:00 p.m. and the dynamic duo were still in office contemplating their options for moving forward. Although a lot of uncertainty and risk were associated with these decisions, one thing was obvious that whatever path they would choose right now, the future of PakWheels heavily depended upon that. According to Suneel Munj, "Let's build a sound business strategy and deliver on our commitments."

Pakistan's internet user base is expected to grow to 100 million users by 2020, and we want to be the go-to place for anything and everything to do with wheels for this growing online population. This round of funding will help us strengthen our leadership position, improve existing services, and build new offerings so the only direction going forward should be to achieve our motto of 'Think Wheels, Think PakWheels.'

—Raza Saeed

Exhibit Ia. Newspaper Vehicle Classified in 2008

KARACHI

AUTO RENTALS AVAILABLE

LEISURE Car Rentals, Toyota Corolla, Suzuki Cultus, Honda, coasters, vans, AC, CNG, chauffeur available. Mal Square Main Zamzama. 021-34297105, 021-5374580, 0321-2402938, 0322-2092660, (37644021862).

AUTOS FOR SALE

AUTO DEALERS

TOYOTA HIGHWAY MOTORS Toyota Corolla Rs.17,500/- per month, Toyota Vigo Champ Rs.24,000/- per month, Toyota Fortuner Jeep Rs.58,000/- per month, Toyota Hilux Single Cabin Pickup Rs.25,000/- per month. UAN: 111-009-000, Tel: 021-36880002-3 EMAIL: SALES@TOYOTA-HIGHWAY.COM WEB: WWW.TOYOTA-HIGHWAY.COM (11022016963)

COURT NOTICE

BEFORE:- Ms. Hafiza Usman Judge Banking Court No. II, 3rd Floor, State Life Building No. 4, New Chali, Karachi, Suit No. 53 of 2014. United Bank Limited, Branch Office UBL City Building, 5th Floor, I.I. Chundrigar Road Karachi ... Plaintiff Versus Muhammad Iqbal Noorani s/o Khalil Ahmed Business Noorani Process, R.B 3/12, G-2, Gaoji Manzil Arambagh Quarters Karachi and Rio House No. 64/1, Khayaban-e Shahbaz Phase-6, DHA Karachi ... Defendant. Whereas Plaintiff above named has instituted Suit against you under Financial Institutions (Recovery of Finances) Ordinance XLVI of 2001. You are hereby summoned to obtain leave from Court within thirty days from service hereof to appear and defend suit, and within such time to cause an appearance to be entered for you. In default whereof plaintiff will be entitled at any time after expiration of such thirty days to Rs. 17,460,868.35. Leave to appear may be obtained on an application to Court in form of written statement showing that there is defence to suit on merits, or that it is reasonable that you should be allowed to appear and defend suit. The matter is fixed on 24th March 2014 at 9:00 before Banking Court-II, Karachi. Seal of Court this 11th February, 2014. By Order (Suhail Akhtar Mahsoos), Reader Banking Court-II, Karachi. (10771905543)

BEFORE:- Ms. Hafiza Usman Judge Banking Court No. II, 3rd Floor, State Life Building No. 4, New Chali, Karachi, Suit No. 53 of 2014. United Bank Limited,

BEFORE:- Ms. Hafiza Usman Judge Banking Court No. II, 3rd Floor, State Life Building No. 4, STNew Chali, Karachi, Suit No. 51 of 2014. United Bank Limited, Branch Office UBL City Building, 5th Floor, I.I. Chundrigar Road Karachi ... Plaintiff Versus 1. Fahid Iqbal s/o Iqbal Adenwala, Business Rathi Agencies Shop No. 1, Orangi Nala "C" Road Nazimabad No. 2, Karachi and Rio House No. C-145 Block No. 9, Urdu Science College Gulshane Iqbal Karachi. 2. Mrs. Shahnaz Iqbal w/o Iqbal Adenwala, Rio House No. C-145 Block No. 9, Urdu Science College Gulshane Iqbal Karachi ... Defendants. Whereas Plaintiff above named has instituted Suit against you under Financial Institutions (Recovery of Finances) Ordinance XLVI of 2001. You are hereby summoned to obtain leave from Court within thirty days from service hereof to appear and defend suit, and within such time to cause an appearance to be entered for you. In default whereof plaintiff will be entitled at any time after expiration of such thirty days to Rs. 12,509,549.44. Leave to appear may be obtained on an application to Court in form of written statement showing that there is defence to suit on merits, or that it is reasonable that you should be allowed to appear and defend suit. The matter is fixed on 24th March 2014 at 9:00 before Banking Court-II, Karachi. Seal of Court this 11th February, 2014. By Order (Suhail Akhtar Mahsoos), Reader Banking Court-II, Karachi. (10771905542)

COMMERCIAL

Source: Online DAWN news classifieds from Archives.

Exhibit Ib. PakWheels.com Screenshot from 2008



PAKWHEELS.COM

HOME | NEW CARS | USED CARS | WALLPAPERS | MEMBERS RIDES | FORUMS | WORKSHOPS | CONTACT US

MEMBERS AREA

User ID :

Password :

Join Now / Forgot Password

- Car Finder
- Members Rides
- Add Car for Sale
- Auto Alerts
- Workshops / Auto Repair
- Discussion Forum
- Wallpapers Gallery (150+ pics)
- Automobile Help / FAQ

CARS FOR SALE

Alfa Romeo (2)

MEMBERS RIDES

Alfa Romeo (0)

FEATURED CAR



Car Details

RECENT 10 CARS ADDED

Q Nissan - Any Model	1984	mtalic Mehroon	Rs. 85,000
Q Chevrolet - Any Model	1982	Golden	Rs. 210,000
Q Chevrolet - Caprice	1986	Navy Blue	Rs. 175,000
Q Honda - Civic	1998	White	Rs. 650,000
Q Suzuki - Khyber	1998	White	Rs. 345,000
Q Suzuki - Khyber	1998	Red	Rs. 350,000
Q Nissan - Sunny	1985	Metallic Green	Rs. 195,000
Q Honda - Civic	1997	Call	Rs. 65,000
Q Nissan - Sunny	2000	Call	Rs. 700,000
Q Honda - Civic	1999	Shelmar Rose Mist	Rs. 850,000

RECENT DISCUSSIONS ON FORUMS

- Looking for Khyber 98,99,2000 by **amjad71** (1) replies
- NEEDED Suzuki Bolan 99 AC (lahore) by **mateentayyab** (0) replies
- Good price for used cars. by **Atif** (6) replies
- Wanted A Car in less than 500,000 by **ustad226** (5) replies
- Cultus 88.93 Required by **tahirkhali** (0) replies
- I am looking for excelent Charade 87 TwincamTurbo by **wajid** (0) replies
- Sell or exchange toyota sera sports gullwing coupe by **bman** (1) replies
- Good price for used cars. by **Atif** (0) replies
- damaged Car by **naumansab** (0) replies
- used Car Prices in Pakistan???? by **kewlsolara** (2) replies

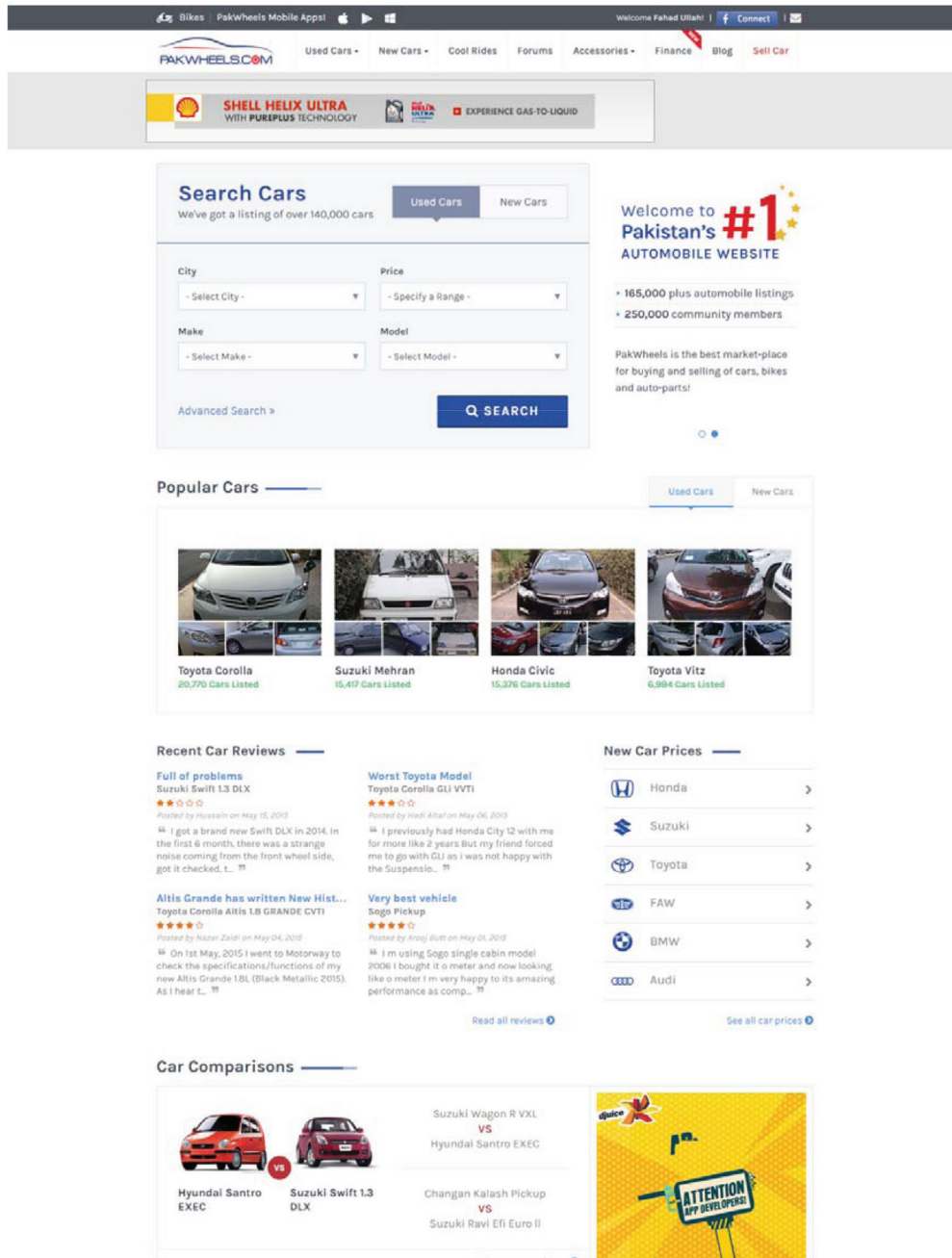
[Forums](#)

RANDOM MOMENT



Source: Company Data.

Exhibit 2. PakWheels.com Screenshot from 2015



Source: Company Data.

Exhibit 3. Separate Logos for PakWheels Marketplace and Community Forums

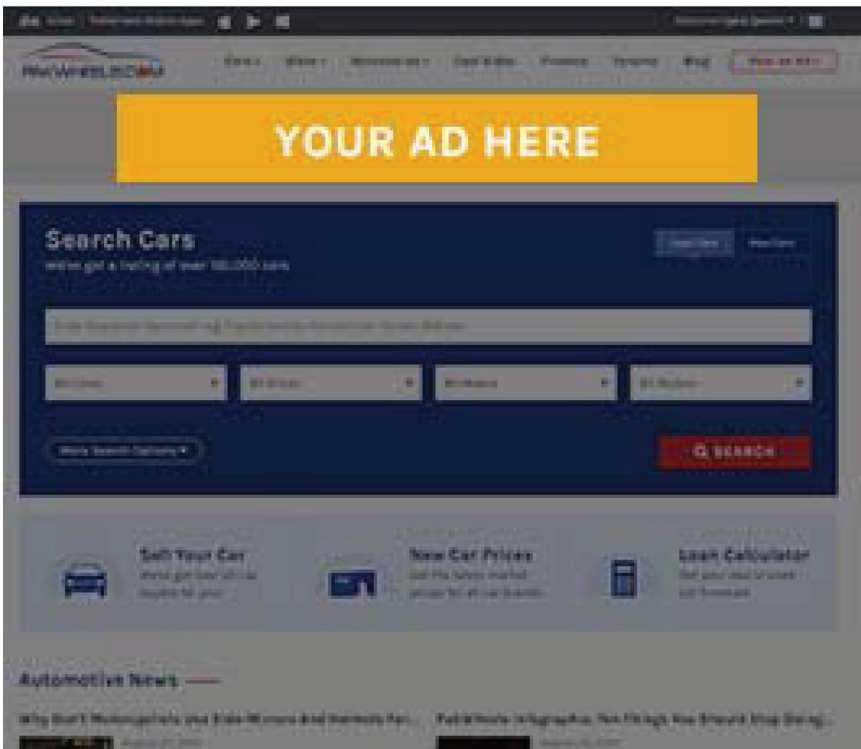


PakWheels: Buy and Sell Cars

PakWheels Forums

Source: Company Data.

Exhibit 4. CTA Sample Position on PakWheels.com



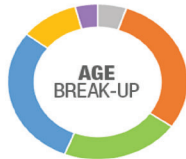
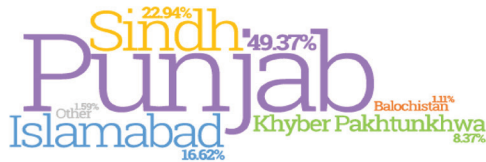
Source: Company Data.

Exhibit 5. Automobile Industry Survey Results 2014 (page 1 of 3)

RESPONDENTS

TOTAL NUMBER OF RESPONDENTS

10,436



- 5% UNDER 17
- 30% 18-24
- 21% 25-29
- 30% 30-39
- 10% 40-49
- 4% 50+



- 28% UNDISCLOSED
- 5% 0-10K
- 8% 10-20K
- 16% 20-40K
- 18% 40-70K
- 11% 70-100K
- 7% 100-150K
- 8% 150K+

77%
CAR OWNERS



90%
CAR DRIVERS



94%
PLAY A ROLE WHEN BUYING A CAR



LICENSING & REGISTRATION

Respondents who claim to drive without a license. Islamabad and Balochistan fall well below the national average.

23%
DRIVE WITHOUT A LICENSE



- 17% BALOCHISTAN
- 16% ISLAMABAD
- 22% KHYBER PAKHTUNKHWA
- 24% PUNJAB
- 27% SINDH
- 27% OTHER

A percentage of drivers out of underage respondents to the survey. The figures show blatant disregard for the law.

76%
UNDERAGE (UNDER 18) RESPONDENTS DRIVE CARS



- 82% BALOCHISTAN
- 76% ISLAMABAD
- 85% KHYBER PAKHTUNKHWA
- 77% PUNJAB
- 70% SINDH
- 83% OTHER

Respondents who claim to own cars that are not registered. Islamabad, again, falls below the national average.

2%
DRIVE UNREGISTERED CARS



- 5% BALOCHISTAN
- 1% ISLAMABAD
- 4% KHYBER PAKHTUNKHWA
- 2% PUNJAB
- 2% SINDH
- 7% OTHER

Exhibit 5. Automobile Industry Survey Results 2014 (page 2 of 3)

IMPORTANT ASPECTS WHEN CHOOSING A CAR

Participants were asked to rate the importance of the following 11 aspects when buying a car. Contrary to popular belief, resale scored less than safety and fuel efficiency.

- | | | |
|-----------------------------|-----------------------------------|----------------------|
| ① DRIVE/RIDE QUALITY | ④ VALUE FOR MONEY | ⑧ EXTERIOR DESIGN |
| ② FUEL EFFICIENCY | ⑤ SAFETY | ⑨ RESALE |
| ③ COMFORT | ⑥ INTERIOR FEATURES & ACCESSORIES | ⑩ COST OF OWNERSHIP |
| | ⑦ INTERIOR DESIGN | ⑪ AFTERSALES SERVICE |

PRICES & SPENDING

55%
USE SECOND
HAND CARS

32%
USE BRAND
NEW CARS

24% NEW CARS WERE BOUGHT THROUGH
CAR FINANCING OR A LOAN
65% NEW CARS WERE BOUGHT THROUGH
FULL CASH PAYMENT UP FRONT

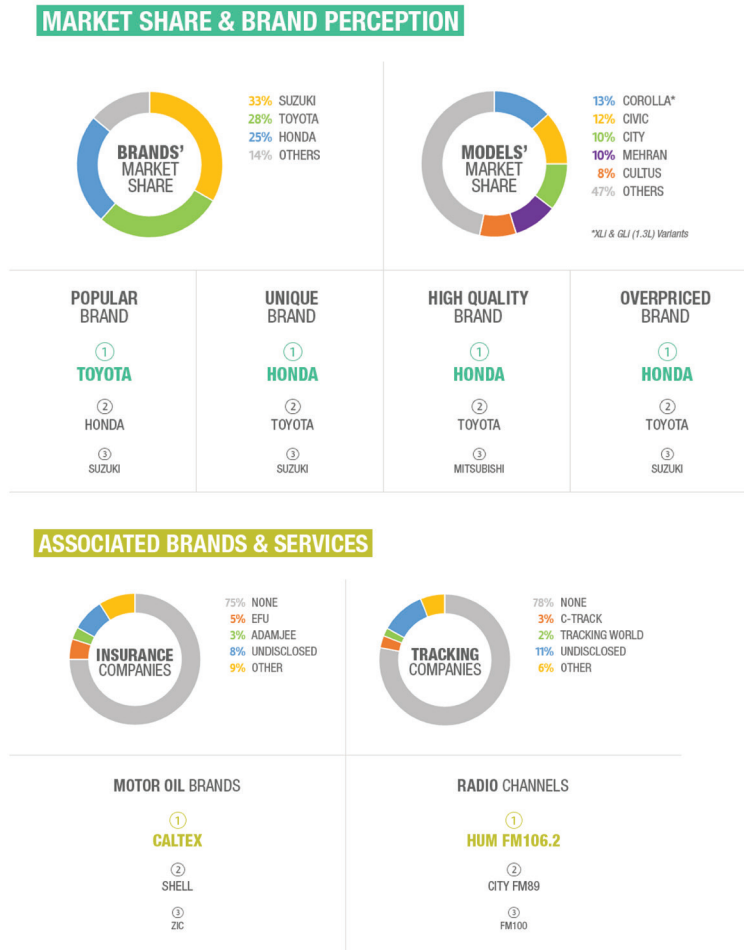


- 50%** SPENT < PKR 1 MILLION
- 30%** SPENT < PKR 2 MILLION
- 7%** SPENT < PKR 5 MILLION
- 3%** SPENT > PKR 5 MILLION
- 10%** DID NOT DISCLOSE THIS INFORMATION



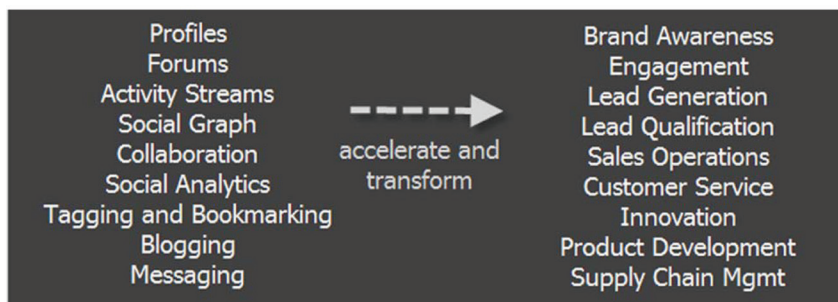
80% of respondents spent under PKR 2 Million on buying a car. Only **10%** spent over PKR 2 Million.

Exhibit 5. Automobile Industry Survey Results 2014 (page 3 of 3)



Source: <http://www.pakwheels.com/awards/2014/survey>

Exhibit 6. Digital Marketing Model for PakWheels



Source: Company Data.

Exhibit 7a. Competitive Landscape Snapshot—International Investment Groups and Their Brands

International Investments

ROCKETINTERNET

- daraz.pk**: Fashion (2012), 1,000+ products/day
- foodpanda.pk**: Food Delivery (2012), 250+ orders/day
- Lamudi.pk**: Real Estate (2013)
- OVAGO.COM**: Hotel Booking (2014)
- kaymu.pk**: Marketplace (2012), 1,000+ orders/day
- EASY TAXI**: Private Limo (2013)
- carmudi**: Automobiles (2013)
- ClickBus**: Bus Ticketing (2014)

NASPERS

- OLX.com.pk**: Classifieds (2011), The largest classifieds in Pakistan
- SCHIBSTED MEDIA GROUP**
- asani.com.pk**: Classifieds (2014), Schibsted recently launched Asani to compete with OLX

Exhibit 7b. Selected Local Start-ups

Key Players

Recent Successes

- IT Solutions (1995)**: \$40M valuation
- convo**: Collaboration Tool (2011), Raised \$5m from Morgenthaler Ventures
- zameen.com**: Pakistan's No.1 Property Website, Real Estate Portal (2006), Funded by Frontier Digital Ventures & Catcha Group
- ROZEE.PK**: PAKISTAN'S #1 JOB WEBSITE, Careers Portal (2007), Valued at \$10-\$20m, Acquired Minhati.com in 2013 for \$2-\$5m

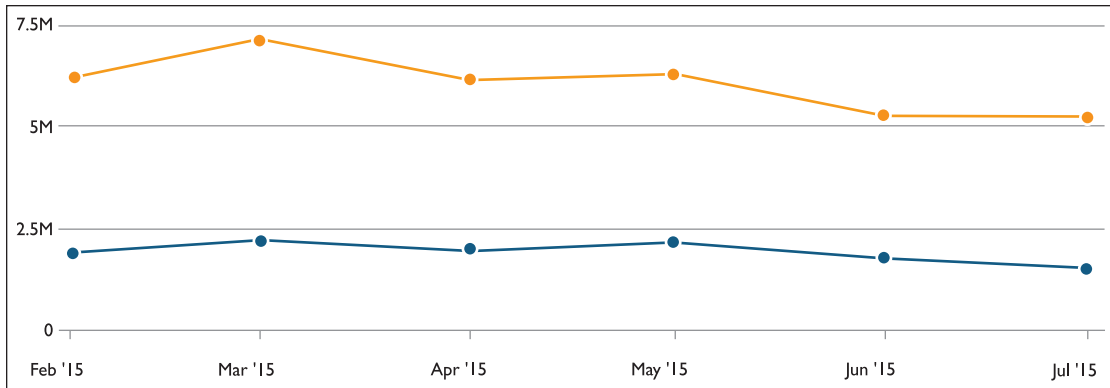
Rising Stars

- HOME SHOPPING**: PAKISTAN'S LARGEST ONLINE RETAILER, E-commerce (2008), 1,500 products sold/day
- Urbanite.pk**: Food Delivery (2012), Acquired by E-Takeaway
- tune.pk**: Video Sharing (2006), 30 million video views/month
- SHOPISTAN**: PAKISTAN'S #1 ONLINE SHOPPER, E-Commerce (2012), Funded by Kima Ventures
- SOLOTECH CORP**: Biometrics (1977)
- groopic**: Vision Technology (2012)
- EatOye!**: Food Delivery (2013)
- pring**: SMS Messaging (2010)
- SO FIZAR**: KNOW THY VISITOR, Internet Marketing (2004)
- Shophive**: E-Commerce (2006)
- Symbios.pk**: The Online Mega Store, E-Commerce (2006)
- mindstorm**: Game Studio (2006)
- PAKWHEELS.COM**: Automotive Portal (2003)
- cricout**: Cricket Network (2012)

Source: Excerpts taken from 'The Digital Start Up Report, Pakistan 2014' <http://www.slideshare.net/fullscreen/WorldStartupReport/pakistan-startup-report/17>

Exhibit 8. SimilarWeb Comparison between OLX and PakWheels (Page 1 of 2)

Traffic Overview (Estimated Visits in Past 6 months)



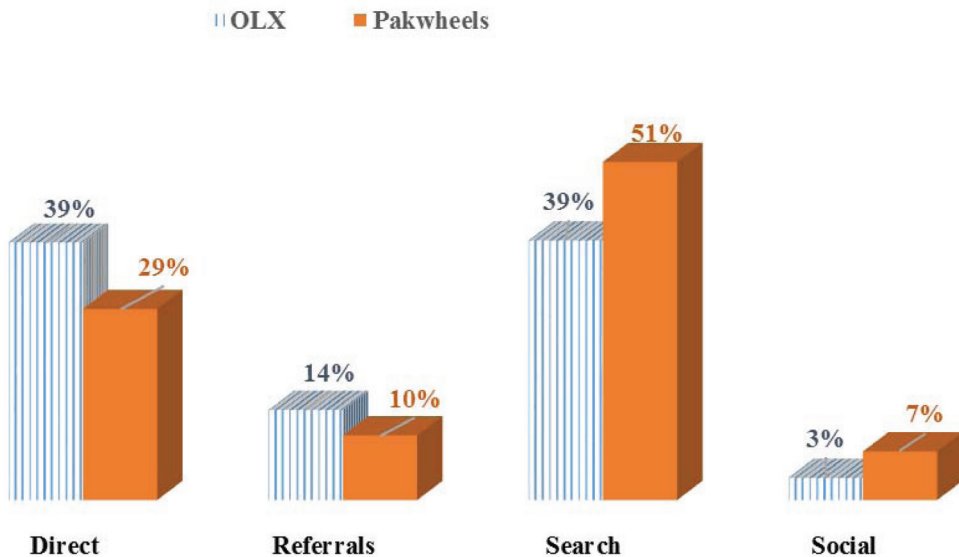
OLX

PakWheels

Engagement

	PakWheels	OLX
Visits	1.5M	5.2M
Time Spent on-site	00:09:06	00:11:42
Page views	6.14	9.61
Bounce rate*	38%	19.2%

Note: *Bounce rate: the percentage of visitors to a particular website who navigate away from the site after viewing only one page.

Exhibit 8. SimilarWeb Comparison between OLX and PakWheels (page 2 of 2)**Traffic Sources based in May–July 2015**

Source: Author's data using the www.SimilarWeb.com tools available online.

Notes

1. The second largest urban centre of Pakistan.
2. A horizontal online classifieds marketplace for used goods, such as furniture, musical instruments, sporting goods, cars, youngster and baby items, motorcycles, cameras, mobile phones, property, etc.
3. Lahore University of Management Sciences (LUMS) is a privately owned institute based in Lahore, Pakistan. It is one of the top-ranked universities in Pakistan.
4. An online vertical classified is a market in which vendors offer goods and services specific to an industry, trade, profession or other group of customers with specialised needs.
5. A horizontal classified market is one in which vendors offer a broad range of goods and services to a large group of customers with a wide range of needs, such as businesses as a whole, men, women, households, or, in the broadest horizontal market, everyone.
6. Craigslist is a horizontal classified advertisements website with sections devoted to jobs, housing, personals, for sale, items wanted, services, community, gigs, resumes and discussion forums. It initialized from San Francisco and then expanded to other US cities in 2000, and now covers seventy countries.
7. eBay Inc. is an American multinational corporation and horizontal ecommerce company, providing consumer to consumer and business to consumer sales services via the internet. It is headquartered in San Jose, California. It is a multi-billion dollar business with operations localized in over thirty countries.
8. Hits means when an individual lands on the website through online advertisement or any other online sources and then leaves.
9. Visitors actually browse and spend time exploring or visiting various sections of the website.
10. <http://www.pama.org.pk/statistical-information/historical-information/annual-sales-production/http://data.worldbank.org/indicator>
11. <http://knoema.com/atlas/Pakistan/Internet-users-percent-of-population> and <http://knoema.com/atlas/Pakistan/Internet-users-per-100-inhabitants>

12. AdSense (Google AdSense) is an advertising placement service by Google. The program is designed for website publishers who want to display targeted text, video or image advertisements on website pages and earn money when site visitors view or click the ads.
13. Punjab is, population-wise, the biggest province of Pakistan.
14. Search engine optimization (SEO) refers to the process of improving traffic to a given website by increasing the site's visibility in search engine results. Websites improve search engine optimization by improving content, making sure that the pages are able to be indexed correctly and ensuring that the content is unique. (Source: www.businessdictionary.com).
15. Paid search marketing means a company advertises within the sponsored listings of a search engine or a partner site by paying either each time the company's advertisement is clicked (*pay-per-click—PPC*) or less commonly, when the company advertisement is displayed (*cost-per-impression—CPM*). (Source: www.econsultancy.com).
16. Remarketing means to re-engage with site visitors based on their behaviour on prior visits. This is most frequently managed using a banner advertisement on a third party site, for example, google.com. Remarketing usually includes targeting or personalising a message based on the customer's previous interest in certain products or services after interacting with them once. (Source: www.support.google.com).
17. SimilarWeb.com is an information technology company founded in March 2009. They provide services in web analytics, data mining and business intelligence for international corporations. It uses big data technologies to collect, measure and analyse, and provides user engagement statistics for websites and mobile apps.
18. A vertical job classified website.
19. A vertical real estate classified website.
20. 5.2 million were the number of users of the entire horizontal portal, which included job classifieds, real-estate classifieds, auto classifieds and others, such as electronics, households, etc.