Reliability matters !

If you're looking for a reliable service, trust people who tested it

Milan, September 2008

GliAffidabili.it is a project by Galgo Srl
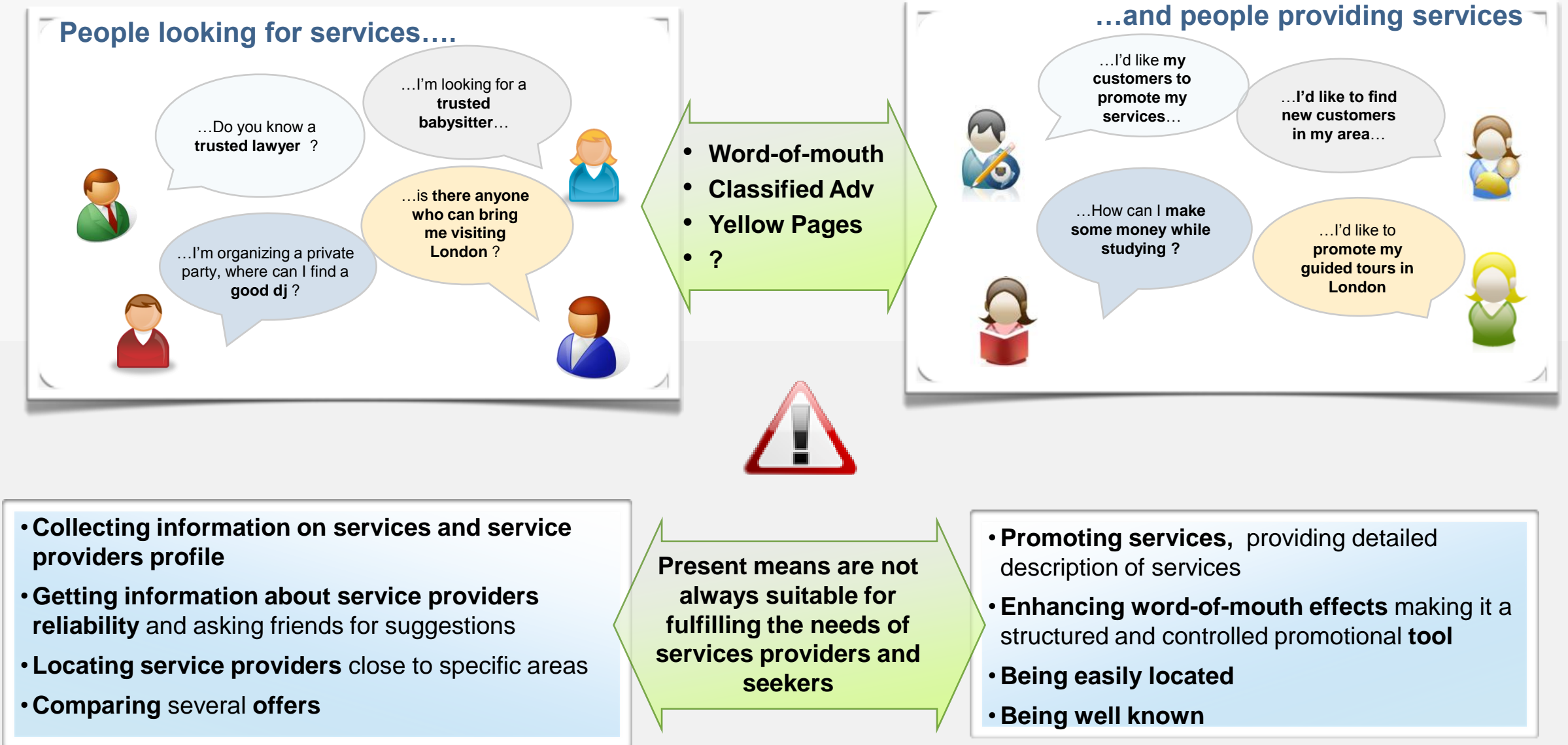
Business purpose and problem solved

Business purpose

"GliAffidabili.it" (in English "TheReliables") is **an online platform which enables an efficient matching between demand and offer of peer-to-peer services** (ex. babysitters, musicians, gardeners, lawyers, etc.): people who provide services can post for free their profile on the website, build their online reputation based on feedbacks received by customers and make their business grow; people who look for services can search service providers with several criteria, contact and select them based on their reputation, give feedbacks and suggest the favorite ones to friends.

# The market of peer-to-peer services is often inefficient….

People looking for services….

…Do you know a **trusted lawyer** ?

…I'm looking for a **trusted babysitter**…

…is **there anyone who can bring me visiting London** ?

…I'm organizing a private party, where can I find a **good dj** ?

- **Word-of-mouth**
- **Classified Adv**
- **Yellow Pages**
- **?**

…and people providing services

…I'd like **my customers to promote my services**…

…**I'd like to find new customers in my area**…

…How can I **make some money while studying** ?

…I'd like to **promote my guided tours in London**

- **Collecting information on services and service providers profile**
- **Getting information about service providers reliability** and asking friends for suggestions
- **Locating service providers** close to specific areas
- **Comparing** several **offers**

Present means are not always suitable for fulfilling the needs of services providers and seekers

- **Promoting services,** providing detailed description of services
- **Enhancing word-of-mouth effects** making it a structured and controlled promotional **tool**
- **Being easily located**
- **Being well known**

…GliAffidabili's online platform can fulfill in a better way the needs of service providers and seekers

People looking for services….

…and people providing services

Easier information access on:

- **Broad variety of services and service providers profiles**

- **Service Providers reliability** based on users feedbacks

- **Friends suggestions** on most reliable service providers
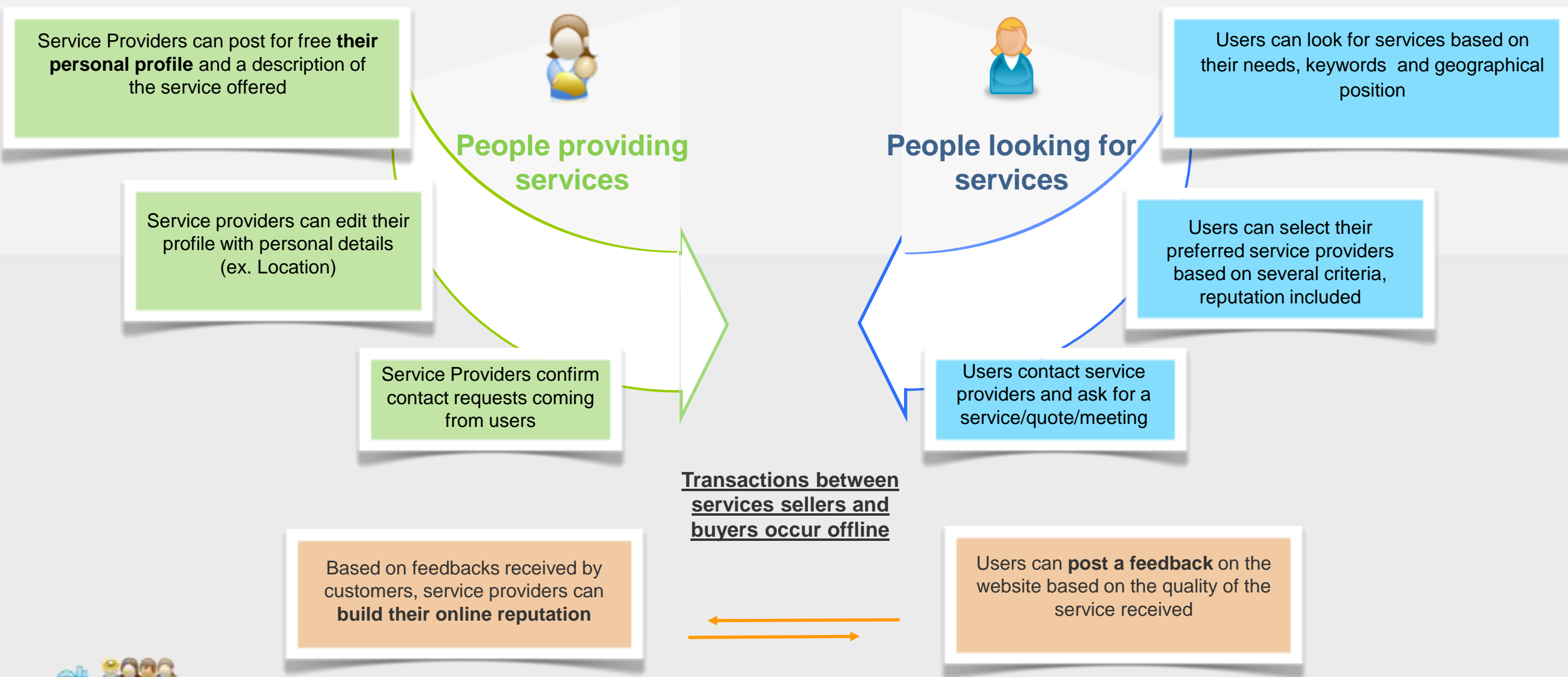
- **Available services close to your home**
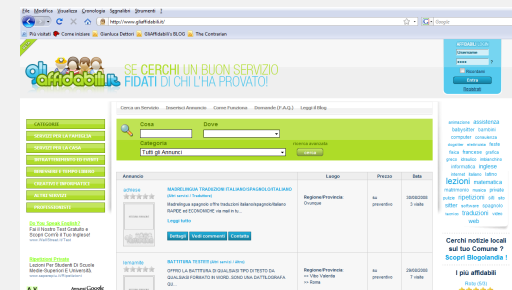
Online at
http://www.gliaffidabili.it

GliAffidabili platform and domain names are fully owned by Galgo Srl

Opportunity for:

- **Providing information on services** with broader details (even with video, audio, pics,…)

- Changing **customer satisfaction** into an **effective promotional tool**

- **Being always identifiable** when someone is looking for the service you offer
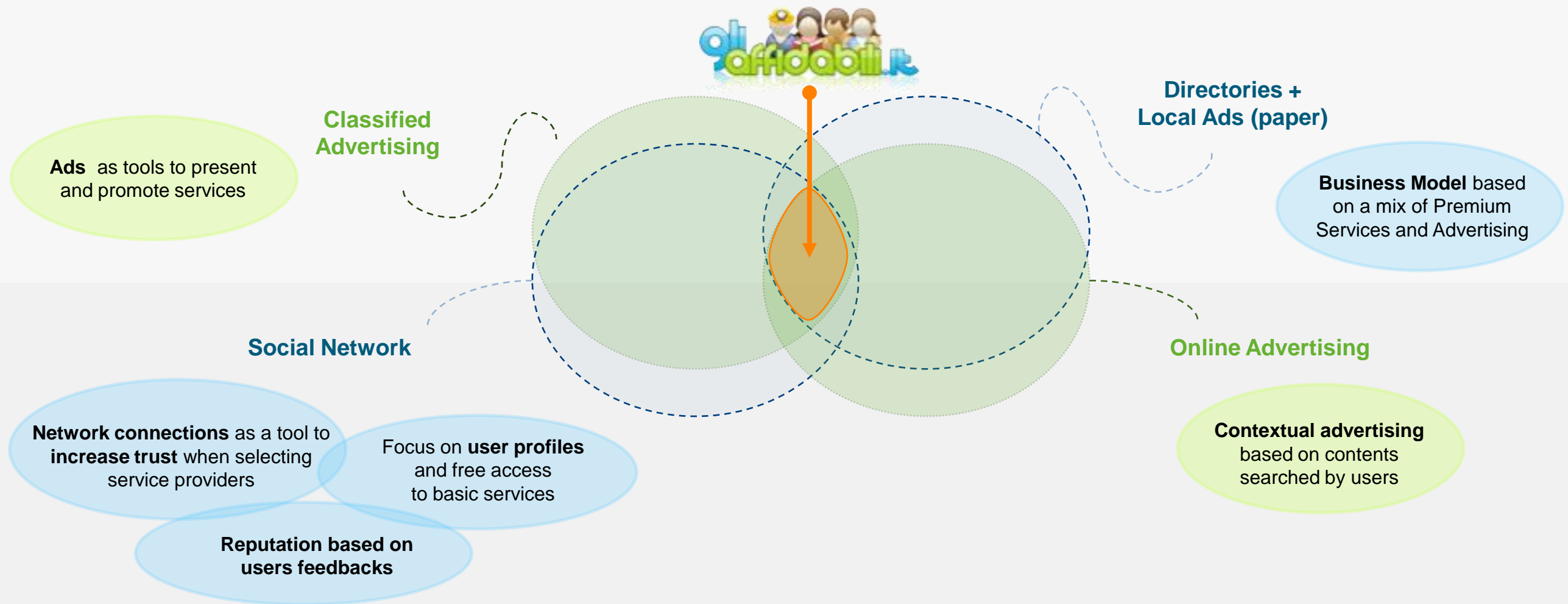
How it works: use case

Service Providers can post for free **their personal profile** and a description of the service offered

Service providers can edit their profile with personal details (ex. Location)

People providing services

Service Providers confirm contact requests coming from users

People looking for services

Users can look for services based on their needs, keywords and geographical position

Users can select their preferred service providers based on several criteria, reputation included

Users contact service providers and ask for a service/quote/meeting

Transactions between services sellers and buyers occur offline

Based on feedbacks received by customers, service providers can **build their online reputation**

Users can **post a feedback** on the website based on the quality of the service received

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Market overview and business model

Why now ? GliAffidabili creates a "blue-ocean market" adopting strengths of existing markets and leveraging on key web 2.0 trends

Classified Advertising

Directories + Local Ads (paper)

Ads as tools to present and promote services

Business Model based on a mix of Premium Services and Advertising

Social Network

Online Advertising

Network connections as a tool to **increase trust** when selecting service providers

Focus on **user profiles** and free access to basic services

Contextual advertising based on contents searched by users

Reputation based on users feedbacks

GliAffidabili addresses a wide target including a broad range of Service providers and seekers

Service providers

- **Home services**
- Plumbers, gardeners,..
- **Family services**
- Babysitters , housekeepers, …
- **Entertainment and sport services**
- Touristic guides, personal trainers,…
- **Professionals**
- Young lawyers, architects,…
- **Freelance creative**
- Video makers, Designers,…
- **IT professionals**
- Web designers, SW developer,…
- ….

Service seekers

- **Everyone who is looking for a reliable professional** and can not get direct insights from other sources (ex. relatives, friends,…)
- **Everyone who is not satisfied with directories and search engines results**: service offering descriptions are pretty the same and you can not perceive service providers reliability
- **Everyone who can not afford to pay an agency** but wants to chose directly a trusted professional
- **Every Internet user who got used to chose products and services using other users feedbacks**

Italian Market overview: size and macro trends of comparable markets

↑↑↑ Growth>30%   ↑↑ 10%<Growth>20%   ↑ 0%<Growth>10%   ↔ 0%<Growth>3%

Tot. 2.060 mio. €: ↔
(over 50% Seat PG)

**Directories +
Local Ads (paper)**

Tot. 520 mio. €:

Online: 150 mio € ↑↑

Offiline: 370 mio € ↔

**Classified
Advertising**

Social Network

Online Advertising

N.D. ↑↑

Tot. **515** mio. €: ↑↑↑
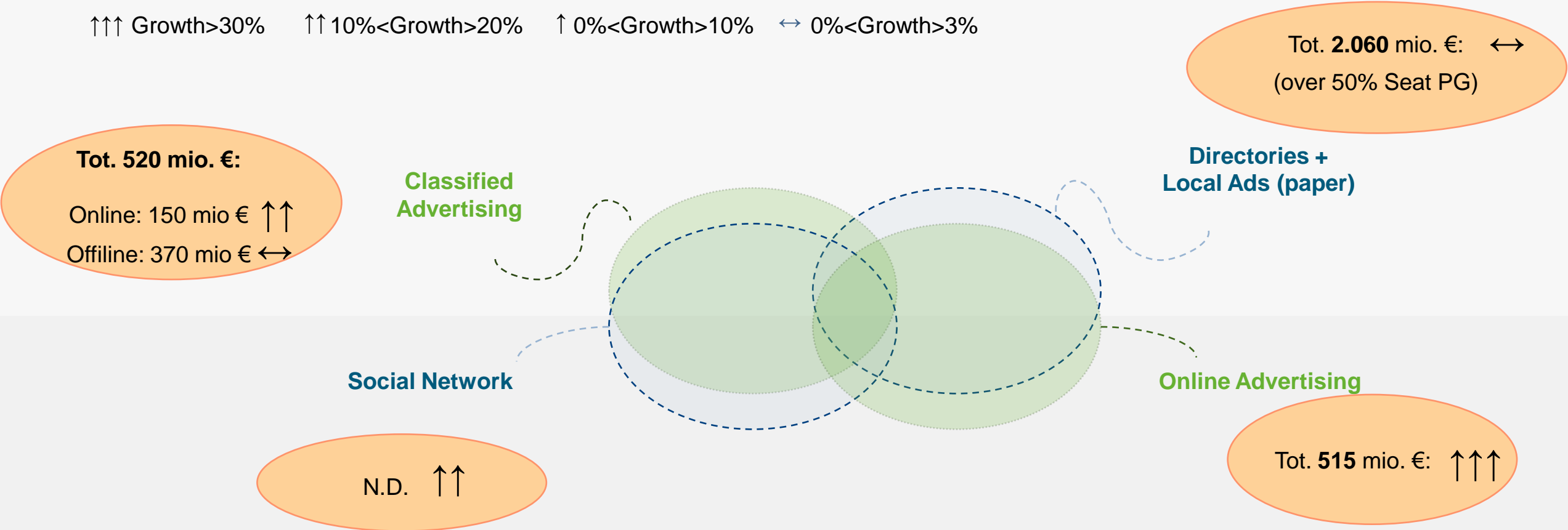
Based on our analysis **we estimate that the Italian market for peer-to-peer services has a potential value of 65 mio €** (without considering high profitable professional service providers as lawyers,…)

Sources: UPA 2006, ANSPAEG 2006/07, Assocomunicazione/IAB 2007, internal analysis

In Italy GliAffidabili.it does not have any direct competitors even if there are significant players acting in comparable markets

Till now GliAffidabili.it is the only player operating in Italy in this "blue-ocean market", even if it's important to consider the extended competition environment where other significant players act and could enter this new market.

	Classified Adv Online Pure Player	Classified Adv Tradit. Player + Newspaper	Directory Tradit. Player	Social Network Player
Examples	vivastreet OLX kijiji	Secondamano la Repubblica CORRIERE DELLA SERA	SEAT PAGINE GIALLE SPA	myspace.com LinkedIn RapLeaf Venyo
Channel	• Online	• Offline (paper) • Online	• Offline (elenchi categorici) • Online	• Online
Revenues model	• Contextual Adv, • Premium Services	• Newspaper/magazines sales • Premium services • Advertising	• Advertising	• Contextual Adv, • Premium Services
Sthrenghts	• **Strong users database** • Backing of international Group (es. Kijiji/Ebay)	• **Synergies online/offline** • **Brand awareness**	• **First player** for local advertising (over 660.000 SME customers) • **Synergies online/offline**	• **Free access** to basic services • Strong appeal for young and professional targets

GliAffidabili competitive advantages against potential competitors

	Potential competitors positioning	Competitive advantages
Classified Adv. Players (Online and Offline) bakeca.it, kijiji.it,…	• Classified ads with no information about users profile • Services only count for 20% of total ads	• **Users Profile** • **Feedbacks and reputation** • **Focus on services only**
Directories (Online and Offline) Seat Pagine Gialle	• Mainly focused on small and medium enterprises as customers • Market entry in the general classfiied adv market	• **Feedback** and users reputation • Free Ads (basic profile) • **Focused** on peer-to-peer services market • Premium prices at affordable prices for private users
Social Networks Linkedin, Facebook,..	• Limited presence in services mediation market • Focused on interests/friends an professional relations sharing	• **Clear mission**: marketplace for peer-to-peer services
SetYourRate.com / laborfair Good help is easy to find!	• Limited presence in their own local markets (UK and California)	• **Different business model based** on a mix of Premium Services and Advertising • Better knowledge of the Italian Market
Vertical Communities and Portals	• Limited presence with small free classified ads sections	• Marketplace for any service providers and seekers
Players acting in close markets ex. Ebay	• Entrance in the peer-to-peer service marketplace not planned	• "**First mover**" advantage • **Time-to-market** (platform up and running)
Professional associations	• Entrance in the peer-to-peer service marketplace not planned	• Peer-to-peer services mediation is the **core business**

Revenues and sales /distribution model
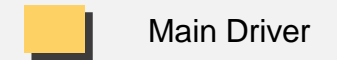
Business model is based on revenues from three main streams

Premium Services[1]
(target: service providers)

- **Visibility:** opportunity to highlight service profile/description within a specific category (Ebay like)
- **Advanced Profile**: opportunity to enhance the basic profile with rich media (es. Video, Pics, Podcast,…)
- **Mobile:** opportunity to receive SMS notifications each time a new prospect has sent a request for information/services

Advertising
(target: service providers and users)

- **Display ads and Text links** (ex. Google Adsense): contextual advertising
- **Sponsorship for specific website areas**,
- **Affiliation marketing,** promoting products and services targeted to the website audience

Directory Assistance & more
(target: service providers and users)

- **Directory Assistance:** content provider for players operating in the Directory Assistance business (ex. Seat PG)
- **Inbound call-center**: a dedicated call center (toll number) can support service providers not familiar with the Internet by posting their ads.
- **SMS Premium**: opportunity for users to receive SMS notifications each time a new service provider posts an ad consistent with user preferences
- **Crowdsourcing**: opportunity to become a key enabler for crowdsourcing applications leveraging on the wide database of reliable service providers

Sales/Distribution channels

- Main sales/distribution channel: **Internet**
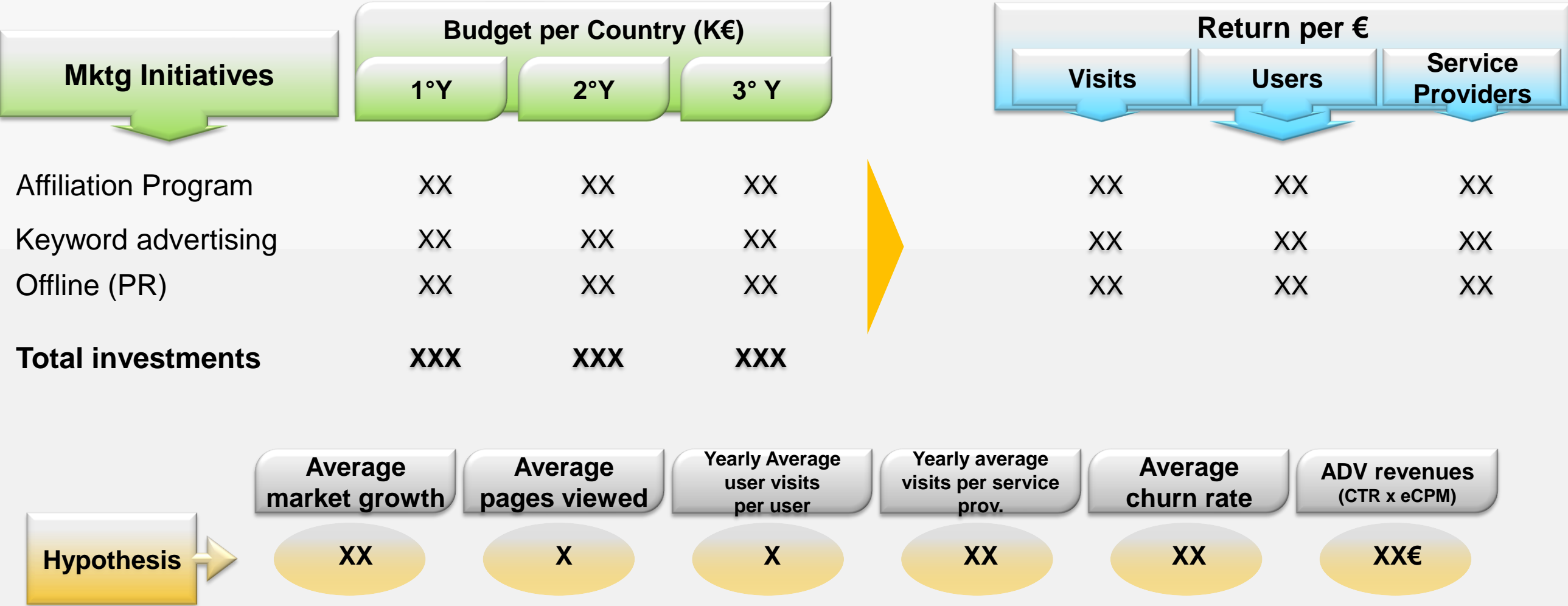- Complimentary channels: **Mobile and OutBound Call Center**

[1]For pricing model please refer to slide n. 17

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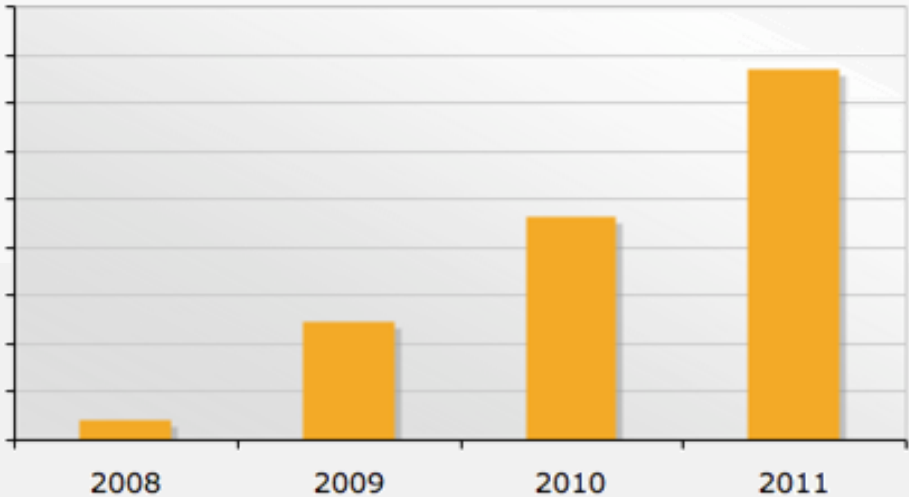# Economics

Assumptions used for the relation among communication investments, users growth and site access frequency

Mktg Initiatives	Budget per Country (K€)				Return per €		
	1°Y	2°Y	3° Y		Visits	Users	Service Providers
Affiliation Program	XX	XX	XX		XX	XX	XX
Keyword advertising	XX	XX	XX		XX	XX	XX
Offline (PR)	XX	XX	XX		XX	XX	XX
Total investments	**XXX**	**XXX**	**XXX**				

Hypothesis	Average market growth	Average pages viewed	Yearly Average user visits per user	Yearly average visits per service prov.	Average churn rate	ADV revenues (CTR x eCPM)
	XX	X	X	XX	XX	XX€

Visits, service providers and seekers

Visits

Users

	2008	2009	2010	2011
Visits/year	XXXX	XXXX	XXXX	XXXX

Internationalization

	2008	2009	2010	2011
Service Providers	XXXX	XXXX	XXXX	XXXX
Service seekers	XXXX	XXXX	XXXX	XXXX
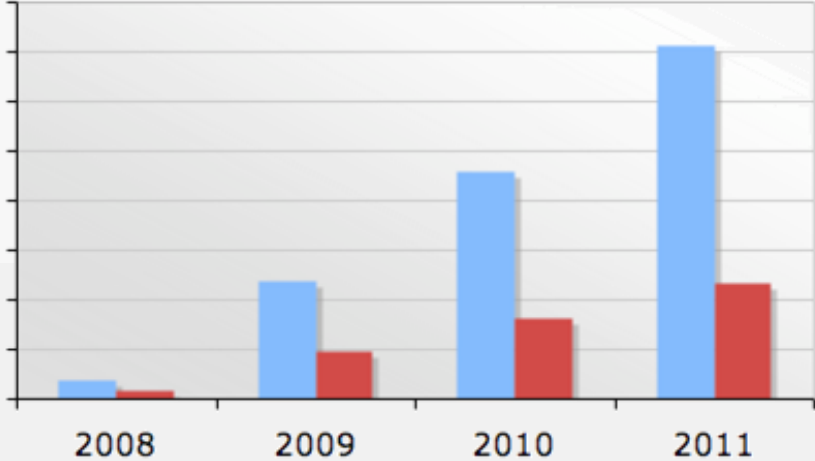
Service Seekers

Service Providers

Revenues: details

Premium Services Penetration
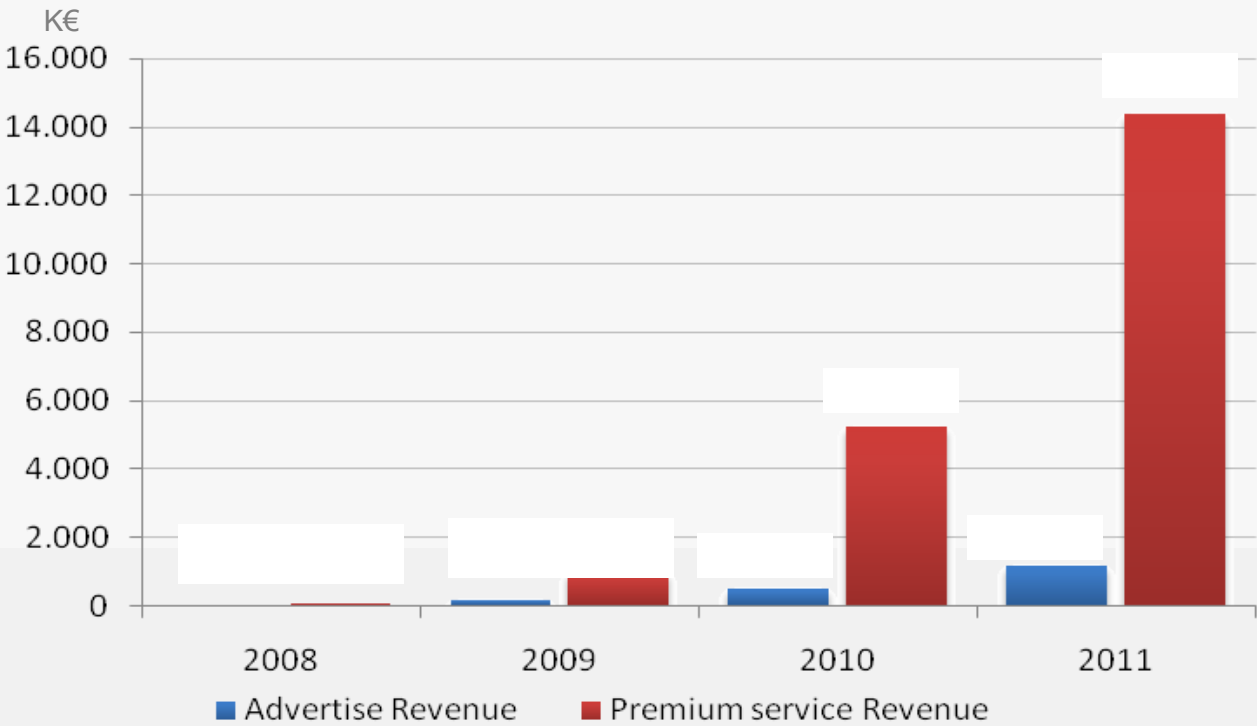
Revenues (K€)	2008	2009	2010	2011
Advertise Revenues	XXX	XXX	XXX	XXX
Premium service Revenues	XXX	XXX	XXX	XXX
Total revenues	**XXX**	**XXX**	**XXX**	**XXX**

Pricing per month	2008	2009	2010	2011
Visibility	XX	XX	XX	XX
SMS notifications	XX	XX	XX	XX
Advanced	XX	XX	XX	XX
Phone channel	XX	XX	XX	XX

Penetration	2008	2009	2010	2011
Visibility	XX	XX	XX	XX
SMS notifications	XX	XX	XX	XX
Advanced	XX	XX	XX	XX
Phone channel	XX.	XX	XX.	XX.

Costs breakdown

K€

Type	2008	2009	2010	2011
Software	xx	xxx	xxx	xxx
Personnel	xxx	xxx	xxx	xxx
Marketing	xxx	xxx	xxx	xxx
Other OPEX	xxx	xxx	xxx	xxx
G&A	xxx	xxx	xxx	xxx
Total costs	**xxx**	**xxx**	**xxx**	**xxx**

Legend: ■ Other OPEX ■ G&A ■ Marketing ■ Personnel ■ Software UP
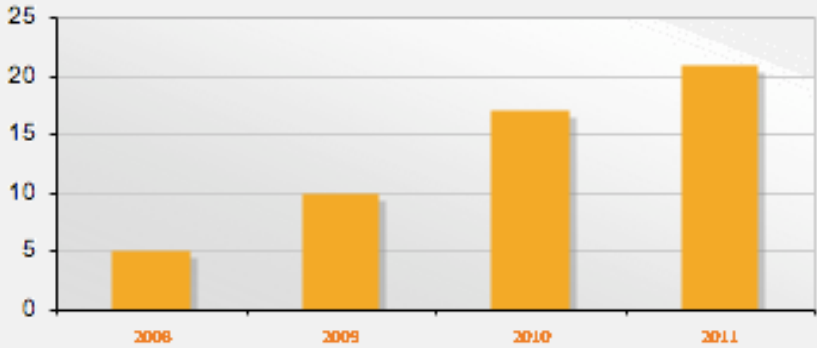
■ Number of eployees per year

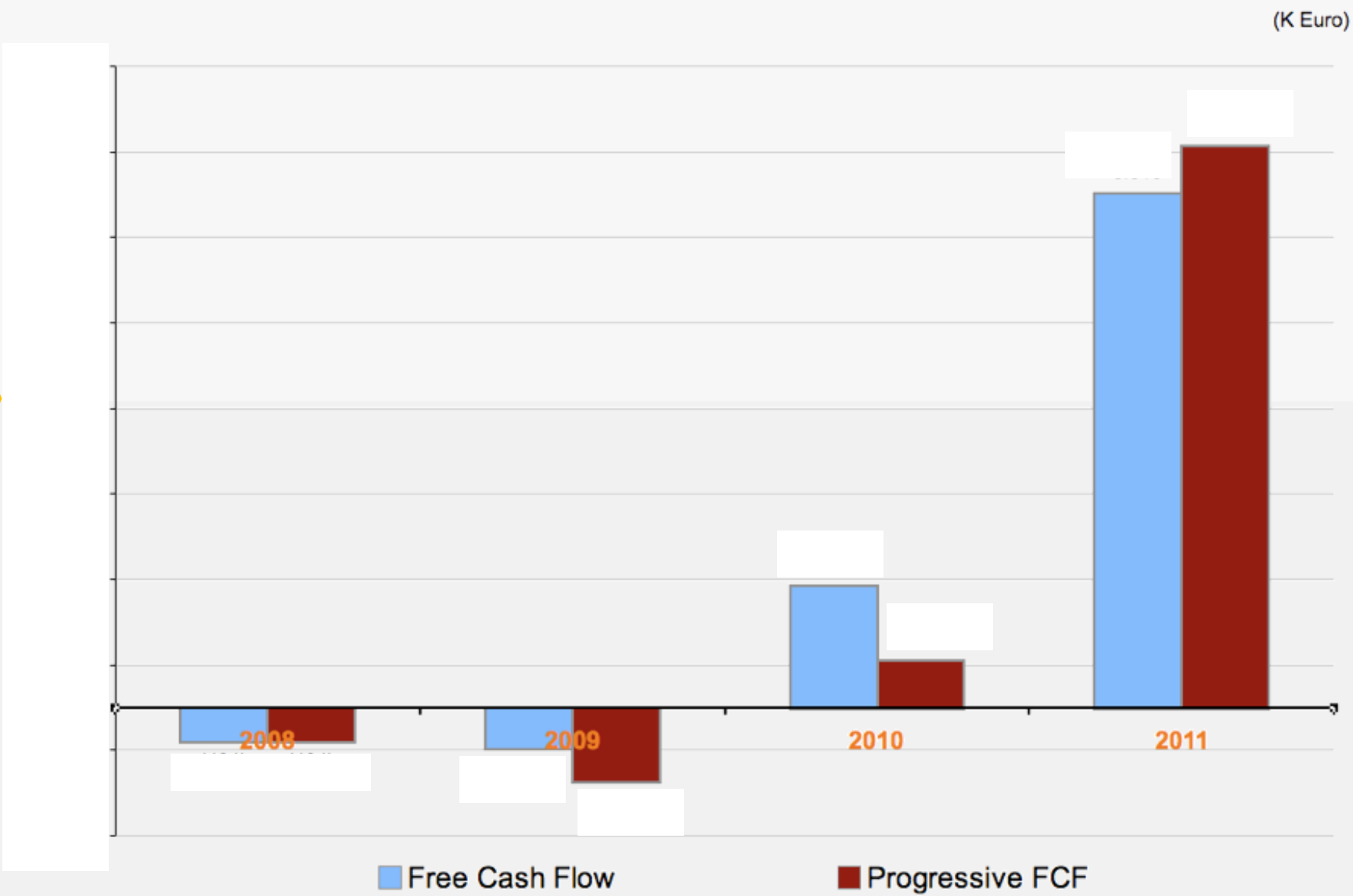# Revenues and Costs at a glance

K€

2008   2009   2010   2011

■ Costs   ■ Revenues

Cash Position

(K Euro)
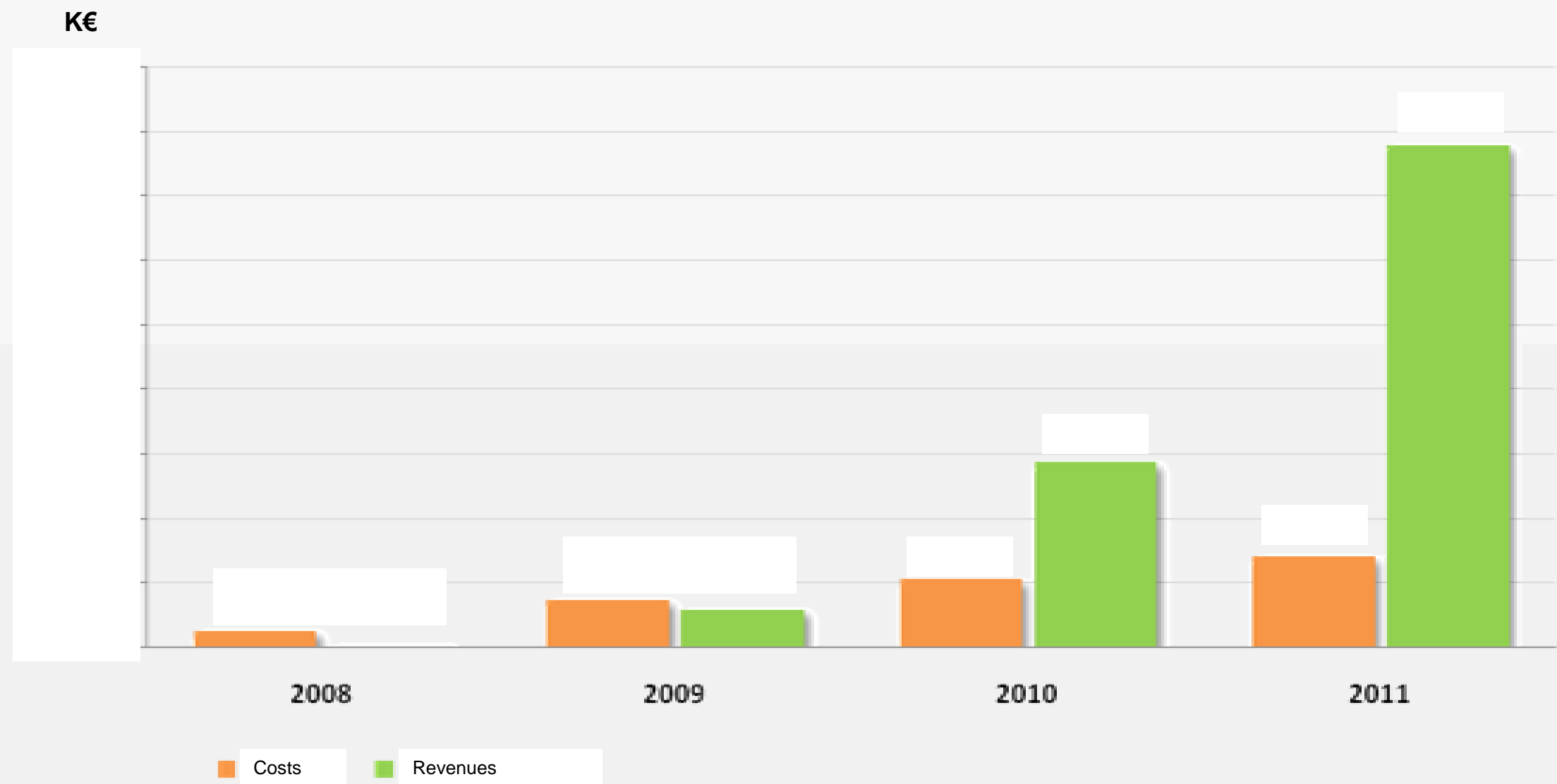
In order to reach the expetcted results an investment of about XXXX€ is required in the first two years

Free Cash Flow   ■ Progressive FCF

2008   2009   2010   2011

Founders

Founding Partners

Giulia.carpinelli@gmail.com **Giulia Carpinelli**

Born in Rome in 1981, graduated in Economics for Art and Culture at Bocconi University in Milan. After an internship at two Milan theatres, she starts working as a consultant at ASK [Art, Science and Knowledge], then at PriceWaterhouse Coopers and later at Value Team, where she stays till September 2007, when she chooses to come back to her original passion: music. Today she is marketing and partnership manager for "Dissonanze" festival and "Meet In Town" event.

Alessandro Magnino Alessandro.magnino@gmail.com

Born in Cuneo in 1976, graduated in Economics at Torino with a period of study at Katholieke Universiteit of Leuven (Belgium). After some marketing experiences at Helena Rubinstein SpA - L'Orèal Group - and Electronic Arts Ltd, in 2001 he joins a management consulting firm, VP Web, - today Value Team, part of Value Partners Group – where he works as Senior Manager till 2008, focused on Telco Industry (Italy and abroad). In 2003 he co-founds a website dedicated to names and surnames, become a profitable business and sold in 2008

Giorgio.sacconi@gmail.com **Giorgio Sacconi**

Born in Treviso in 1977, graduated in Economics with a Master at CUOA. He starts his professional career working in the Information Technology industry, first at Veniceplaza and then at Epiclink s.p.a. as functional and application analyst. Later he joins Value Team where he focuses on IT Strategy, business process reengineering and application design. Today he works as a Senior Manager at H-farm with a strong focus on Internet, Social Network and web 2.0 solutions.