1. Development Environment of China Online Recruitment Industry
2. Status Quo of China Online Recruitment Industry
3. Analysis of China Online Recruitment Users
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Development Environment of China Online Recruitment Industry

Development of the Internet Lays a Foundation for Online Recruitment

According to CNNIC data, China Internet users totaled 650 million in 2014, accounting for 47.9% of China’s total population.

iResearch forecasts that the penetration rate will exceed 52% in 2018. In the future, the expansion of Internet users will be mainly driven by increase of mobile Internet users and Internet users in lower-tier cities. The continuous expansion of Internet users is the basis for development of online recruitment.

Number of China Internet Users 2011 - 2018

Source: CNNIC. The data from 2015 to 2018 is estimated with iResearch’s model.
Mobile Internet Serves as New Growth Engine of the Industry

CNNIC data reveals that there were 560 million mobile Internet users in 2014, equaling to 85.9% of the total Internet users.

iResearch forecasts that this proportion will surpass 90% by 2018. The boom of mobile Internet will be a good support for the business expansion of online recruitment and development of mobile recruitment, which will be both opportunity and challenge for core players.

![Number of China Mobile Internet Users 2011-2018](image)

Source: CNNIC. The data from 2015 to 2018 is estimated with iResearch’s model.
Substantial Increase of Internet Penetration in Midwest

CNNIC data shows that the top 3 provinces/municipalities by penetration of Internet users were Beijing, Shanghai and Guangdong in 2014. Fujian, Zhejiang and Tianjin also had more than 60% penetration of Internet users. Zhejiang, Shanxi, Shandong, Inner Mongolia, Hubei and Jilin all witnessed some rise in their rankings.

### Top 20 Provinces/Municipalities by Penetration of Internet Users in 2014

<table>
<thead>
<tr>
<th>Ranking</th>
<th>City</th>
<th>Internet Users (mn)</th>
<th>Penetration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beijing</td>
<td>15.93</td>
<td>75.3%</td>
</tr>
<tr>
<td>2</td>
<td>Shanghai</td>
<td>17.16</td>
<td>71.1%</td>
</tr>
<tr>
<td>3</td>
<td>Guangdong</td>
<td>69.92</td>
<td>66.0%</td>
</tr>
<tr>
<td>4</td>
<td>Fujian</td>
<td>24.71</td>
<td>65.5%</td>
</tr>
<tr>
<td>5</td>
<td>Zhejiang</td>
<td>34.58</td>
<td>62.9%</td>
</tr>
<tr>
<td>6</td>
<td>Tianjin</td>
<td>9.04</td>
<td>61.4%</td>
</tr>
<tr>
<td>7</td>
<td>Liaoning</td>
<td>25.80</td>
<td>58.8%</td>
</tr>
<tr>
<td>8</td>
<td>Jiangsu</td>
<td>42.74</td>
<td>53.8%</td>
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<tr>
<td>9</td>
<td>Shanxi</td>
<td>18.38</td>
<td>50.6%</td>
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<tr>
<td>10</td>
<td>Xinjiang</td>
<td>11.39</td>
<td>50.3%</td>
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<tr>
<td>11</td>
<td>Qinghai</td>
<td>2.89</td>
<td>50.0%</td>
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<tr>
<td>12</td>
<td>Hebei</td>
<td>36.03</td>
<td>49.1%</td>
</tr>
<tr>
<td>13</td>
<td>Shandong</td>
<td>46.34</td>
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<td>4.21</td>
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<td>Shanxi</td>
<td>17.45</td>
<td>46.4%</td>
</tr>
<tr>
<td>16</td>
<td>Inner Mongolia</td>
<td>12.93</td>
<td>45.7%</td>
</tr>
<tr>
<td>17</td>
<td>Chongqing</td>
<td>10.93</td>
<td>45.7%</td>
</tr>
<tr>
<td>18</td>
<td>Hubei</td>
<td>2.83</td>
<td>45.3%</td>
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<td>19</td>
<td>Jilin</td>
<td>24.91</td>
<td>45.2%</td>
</tr>
<tr>
<td>20</td>
<td>Ningxia</td>
<td>11.63</td>
<td>45.1%</td>
</tr>
</tbody>
</table>
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Status Quo of China Online Recruitment Industry

Steady Increase of Employers Recruiting Online

In 2014, 2.52 million employers once recruited via the Internet, increasing by 28.2%.

According to iResearch, with the steady progress of China national economy, employers also have increasing demand for online recruitment. Chinese enterprises, especially SMEs and microbusinesses, have strong demand for talents, but there is great difficulty in match of talents supply and demand. Nevertheless, the rapid development of the Internet facilitates online recruitment to provide more and better services.

Source: SAIC, financial results published by listed enterprises, interviews with experts, iResearch statistical forecast model and estimates.
Over 115 Million Online Job Hunters in 2014 at Decelerated Growth

In 2014, the number of online job hunters hit 115.25 million, rising by 10.9%. Such rise was driven by the further popularization of the Internet. However, due to the already large numbers of job hunters, the growth was decelerated, but the number is still projected to exceed 160 million in 2018.

Source: SAIC, financial results published by listed enterprises, interviews with experts, iResearch statistical forecast model and estimates.
Mostly Well-educated Job Hunters

iUserTracker data shows that among online job hunters, well-educated people made up 85.7% in 2014. In terms of tendency, the proportion of well-educated people declined from 89.7% in 2009 to 85.7% in 2014, while poorly-educated group was gradually expanding their share. With penetration of the Internet into lower-tier cities and rural market as well as the development of online life services, the share of poorly-educated group in online job hunters will see further enlargement in the future.

Note: Well-educated job hunters refer to those with college or above degree, while poorly-educated job hunters are those holding senior high school (technical secondary school) or below diploma. Source: 1. iUserTracker. Home Office Edition, May 2015. The data is based on the long-term measurement of online behavior of 400 thousand household and office (excluding public Internet cafes) panelists; 2. iResearch’s data, interviews with experts, iResearch statistical forecast model and estimates.
According to iUserTracker data, China recruitment websites attained smooth increase of MAU in 2014. Regarding QoQ growth, it experienced substantial fluctuation in January and February because of the relatively less MAU during Spring Festival. As for YoY growth, it had eye-catching performance, above 20%, in the second half of 2014. The overall growth tendency is optimistic.
iUserTracker data reveals that the average monthly viewing duration of recruitment websites was 37.2 million hours in 2014 and the QoQ growth peaked in February at 137.7%. The maximum monthly viewing duration appeared in March which was 48.1 million hours. Since the YoY growth and QoQ growth of this indicator didn’t show substantial variation in other months, it’s a job hunting season after the Spring Festival.

Status Quo of China Online Recruitment Industry

Rebound of Advertising Spending in Online Recruitment Market

According to iAdTracker data, the advertising spending in China online recruitment market was always more than 180 million Yuan from 2008 to 2011 and even hit 265 million Yuan in 2011. Nevertheless, it suddenly dropped 66.7% to 88 million Yuan in 2012 and then further declined 80.6% to 17 million Yuan in 2013. In 2014, it climbed up to 32 million Yuan again with growth rate of 86.0%.

Note: Only the advertising condition of enterprises which are monitored by iAdTracker are showed above. Source: iAdTracker. May 2015. The data is based on the daily measurement of brand graphical ads on over 200 mainstream online media in China, excluding text link ads and some targeted ads. Spending data is estimated.
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Analysis of China Online Recruitment Users

Higher Proportion of Well-educated Job Hunters on 51job.com and Zhaopin.com

iUserTracker data shows that among online job hunters, well-educated people made up 85.7% in 2014. In terms of tendency, the proportion of well-educated people declined from 89.7% in 2009 to 85.7% in 2014. On 51job.com and Zhaopin.com, well-educated job hunters both accounted for 86.2%, higher than the average level of the industry. As for Chinahr.com, 85.4% of the job hunters were well-educated, lower than the average proportion.

Note: Well-educated job hunters refer to those with college or above degree, while poorly-educated job hunters are those holding senior high school (technical secondary school) or below diploma.

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Typical Online Recruitment Models in China

Five Typical Models

There are five typical online recruitment models in China, namely comprehensive online recruitment, mobile recruitment, SNS recruitment, vertical online recruitment and recruitment on classified information site.

1. Comprehensive online recruitment: This model has been developing for many years and the representative enterprises, 51job and Zhaopin, are already leaders of online recruitment market with over 60% of the market share.
2. Mobile recruitment: As a new online recruitment model corresponding to the trend of mobile Internet, the main players include comprehensive recruitment websites such as 51job and Zhaopin and social networking recruitment websites such as Linkedin.
3. SNS recruitment: It’s a recruitment model based on social circle and professional contacts and the representatives include Dajie and Linkedin.
4. Vertical online recruitment: It provides recruitment service for a certain industry, group or region and the main players are Lagou, Liepin and job168.
5. Recruitment on classified information site: The representative websites are 58 and Ganji. The recruitment information on these websites mainly targets blue-collar workers and recruitment is just a part of their business.
Typical Online Recruitment Models in China

Comprehensive Online Recruitment — 51job

As the first Chinese online recruitment enterprise going public in the US, 51job (NYSE: JOBS) is still the No.1 in China online recruitment market. Its core business includes headhunting, talent assessment, HR outsourcing and so on. In Q1 2015, it acquired two companies, Yingjiesheng and Invest in People. The former focuses on job hunting of college graduates and now it is a wholly-owned subsidiary of 51job. The latter specializes in talent assessment. This action reflects 51job’s strategic positioning of comprehensive HR services.

The financial results of 51job indicates that online recruitment contributed 60.4% of its revenues in Q4 2014, and other HR services and advertising revenue of publications contributed 39.4% and 0.3% respectively. The declining contribution of publication advertising revenue and increasing contribution of other HR services both imply 51job’s future focus on comprehensive HR services.

Revenue Structure of 51job Q1 2013 – Q4 2014

Source: The data is based on the financial results published by listed enterprises, interviews with experts, iResearch statistical forecast model and estimates.
Typical Online Recruitment Models in China

Comprehensive Online Recruitment — Zhaopin

Being the second Chinese online recruitment enterprise going public in the US, Zhaopin (NYSE: ZPIN) was listed on NYSE on June 12, 2014.

Its financial results shows that in its revenues of Q4 2014, online recruitment revenue made up 77.2% and revenue of other services accounted for 22.8%. The rapid increase of other service revenue was driven by its continuous development of new business, launch of products targeting different groups such as top talents, overseas talents, college students, etc., as well as its effort in campus recruitment, career assessment and so on.

Revenue Structure of Zhaopin Q1 2013 - Q4 2014

Note: The “others” is not split in Zhaopin’s Q4 2014 financial results, so it includes campus recruitment, career assessment and other HR services. The data in Q1 2014 is the average value of the data in Q4 2013 and Q2 2014, since it is not mentioned in any financial results.

Source: The data is based on the financial results published by listed enterprises, interviews with experts, iResearch statistical forecast model and estimates.
Typical Online Recruitment Models in China

MAU of Core Recruitment Apps

According to mUserTracker data, 51job’s app far outperformed that of Zhaopin in MAU in 2014 which even peaked in February and July. The MAU of Zhaopin’s app was stabilized at 4.5 million or so from April to October and then dropped substantially since November.

Source: mUserTracker, May 2015. The data is based on long-term measurement of user behavior of 100 thousand mobile Internet device panelists.
mUserTracker data reveals that with average 40.60 million monthly startups in 2014 and two peaks in February and July, 51job’s app had much better performance than Zhaopin’s app in terms of this indicator. With average 27.17 million monthly startups in 2014, Zhaopin’s app had less than 34 million monthly startups for the whole year and it peaked in June.
Typical Online Recruitment Models in China

SNS Recruitment — Dajie

Established in 2008, Dajie is a leader in China SNS recruitment. Currently, it is reforming traditional recruitment industry with Internet thinking and tries to transform traditional recruitment information platform into recruitment platform which connects online employers and job hunters with symmetric information, precise matching and direct communication. Some traditional recruitment services such as release of recruitment information and searching for resumes are already provided by it free of charge and its revenues mainly come from value-added services including reverse invitation, recruitment via contacts, promotion of employer’s brand, talent pool and WeChat recruitment.
Typical Online Recruitment Models in China

DAU of Major Social Networking Recruitment Websites

iUserTracker data shows that dajie.com was far ahead of other similar websites in DAU in 2014 with two peaks in March and October. The maximum value appeared in October which was 839,000.


Unit: 1,000

<table>
<thead>
<tr>
<th></th>
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<th>Feb-14</th>
<th>Mar-14</th>
<th>Apr-14</th>
<th>May-14</th>
<th>Jun-14</th>
<th>Jul-14</th>
<th>Aug-14</th>
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<th>Nov-14</th>
<th>Dec-14</th>
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</tbody>
</table>

Note: User base refers to MAU in iUserTracker.
Typical Online Recruitment Models in China

Monthly Visits of Major Social Networking Recruitment Websites

According to iUserTracker data, dajie.com held absolute superiority among social networking recruitment websites in terms of monthly visits in 2014. October saw 65.57 million visits which was the most in the year, while the minimum value appeared in January which was 30.29 million.


Unit: mn

<table>
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<th>Jan-14</th>
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<th>Mar-14</th>
<th>Apr-14</th>
<th>May-14</th>
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<tr>
<td>Dajie</td>
<td>30.29</td>
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<td>1.04</td>
<td>0.67</td>
<td>0.56</td>
<td>0.56</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Note: User base refers to MAU in iUserTracker.
Typical Online Recruitment Models in China

Recruitment on Classified Information Site — 58

Founded in 2005, 58 was listed on NYSE on October 31, 2013. On April 17, 2015, it merged with Ganji, another major classified information website in China. Later on May 8, it acquired Chinahr whose former parent company then exited Chinese market.

The business model of 58 is suitable for recruitment of grass root or middle level staff. It mainly serves SMEs and revenues largely come from the membership fee and advertising fee paid by enterprises. Additionally, through services for well-known enterprises and job agency business, it tries to be more attractive to mid-level talents.
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Trends of China Online Recruitment Industry

Three Trends of Online Recruitment

Mobile Recruitment

Online recruitment enterprises make great efforts in tapping into mobile recruitment market along with the fast development of mobile Internet. For instance, 51job provided a recruitment app as far back as 2011. Then, companies with other typical models, especially Dajie with SNS recruitment model, followed to develop mobile business in order to occupy a share in this field. However, the number of job hunters who have shifted from PC to mobile is still small, indicating great potential for development of mobile recruitment market.

Multi-Service

Traditional online recruitment companies focus on recruiting online. In the future, the companies, which can provide multi-service including talent evaluation with integration of online and offline business, online recruitment, HR outsourcing, education and training, will enjoy better development. Core players such as 51job and Zhaopin have changed their development direction to multi-service.

Vertical Recruitment

Nowadays vertical recruitment of IT elites, sales talents, senior elites and professional talents is drawing more and more attention. Vertical online recruitment websites like lagou.com and liepin.com are booming. And recruitment services targeting subdivided groups will have a great growth in the future.
## Concept & Definition

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment Service</td>
<td>It refers to the services provided by recruitment service operators to help employers and job hunters to accomplish recruitment and job hunting. It has five forms, namely online recruitment, newspaper and magazine recruitment, headhunting service, HR outsourcing and job fair.</td>
</tr>
<tr>
<td>Online Recruitment</td>
<td>It means that employers and job hunters accomplish recruitment and job hunting with the Internet or related technology.</td>
</tr>
<tr>
<td>Online Recruitment Service</td>
<td>It refers to the online platforms and related technologies provided by recruitment websites to help employers and job hunters to accomplish recruitment and job hunting. It includes the services for employers and job hunters, such as posting recruitment information, downloading resume, generating resume, searching for resume, etc.</td>
</tr>
<tr>
<td>Recruitment Website</td>
<td>In its narrow sense, recruitment website refers to recruitment information release platforms and related HR service system with the Internet as the media, while in its broad sense, it refers to the companies which have recruitment website and online recruitment contributes a large proportion of their revenues. This two definitions are both used in this report.</td>
</tr>
</tbody>
</table>
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Data related to operators’ revenues and market forecasts are mainly obtained through interviews related to the industry, marketing survey, secondary sources and other research methods, some of which have not been directly confirmed by the related operators. Some data published in this report is based on sampling method and is therefore influenced by sample structure. Due to the limitation of research method, sample size and scope of data collection, part of the data may not precisely reflect real market situation. This report is for reference only and iResearch is not liable for the accuracy of the data in this report.

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