

Rightmove 2.0?

Rightmove currently finds itself in the remarkably strong position of being the outright market-leader in its field, being tremendously profitable, whilst also being able to clearly demonstrate value for money to its client base. However, the stars are re-aligning and the choices Rightmove make in the next 12-24 months could see it either fall away, or cement its position at the centre of the home selling process.

Portals such as Rightmove essentially benefit from the current fragmented estate agent marketplace, where large numbers of individual agents (Rightmove clients) share the volume of properties being marketed, providing Rightmove with a huge client pool. However, it is an almost certainty that this current situation will change in the near future as technology changes home seller behavioural patterns.

As Rightmove will know only too well from their own successful rise to prominence, innovation and technological advances in a market provide the ideal landscape for market monopolisation. Lead players grow at such a rapid rate and are able to provide such a superior offering that new entrants find it unviable to compete (see the graveyard of failed portals & the dominance of Purplebricks in the hybrid/online only world), and existing, smaller operators are unable to match or better the customer offer.

Who the major players are in a new consolidated agent marketplace is a discussion for a different day, but what they will have in common is that, at a certain stage in their lives, they will all have an absolute reliance on Rightmove. No Rightmove, No business. Herein lies Rightmove's dilemma... Take advantage of their current position, or allow clients to eat your business and then leave when their brands/businesses are big enough to stand on their own two feet? So, will Rightmove sleepwalk into a slow decline, or will they take the bull by the horns and change the way we sell. I'm putting my money on the latter.

The subtle, under the radar acquisition last year of start-up, The Outside View may offer some answers. With acquisitions more the Modus Operandi of rival portal Zoopla, this purchase stood out more when we understand what The Outside View do. In a nutshell, their main product uses a variety of sources and predictive analysis tools to foresee when a homeowner will sell their property. The current commercial value of this technology to RM... Zero. The potential value of this information to RM if they are to become the agent..? Huge.

Whilst merging the portal/agent role and allowing sellers to list their property directly would be a seismic shift in business model, it is well within Rightmove's capabilities due to their huge databank, unique position within the market and bulging bank balance. The move would eliminate the aforementioned risk and also open up a huge array of associated business opportunities that only dealing directly with buyers & sellers would provide. This also subsequently offers the rare opportunity for a market leader to grow beyond its current market ceiling, satisfying shareholders need for growth.

Watch this space.

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