MEQASA

GHANA’S #1 ONLINE REAL ESTATE MARKETPLACE
2018 marks the 10th year of MEST operations in Africa. We started with a small team in Ghana in 2008 and have expanded into 4 other African countries - Nigeria, Kenya, South Africa and Côte d’Ivoire - with plans to expand growth in the coming years.

So far, we have trained over 330 technology entrepreneurs, funded 50+ startups, and launched an expansive network of Pan-African incubators - in Ghana, Nigeria, Kenya and South Africa.

In commemoration of our 10th year on the continent, we have created the MEST @ 10 Case Series to distill lessons we, and our portfolio companies, have learned -- from industry-specific findings, to local market interactions, legal peculiarities among the various African countries, fundraising tactics, successful exits, and even lessons we never expected to find.

Find case studies and more at our Medium page and on the MEST website. Follow us for more insights on doing business and investing in Africa.
MEQASA: SHAPING WEST AFRICA’S REAL ESTATE MARKETPLACE
Company overview

meQasa is an online real estate platform which provides a marketplace for real estate brokers, owners and tenants to rent, list and buy properties in Ghana. It started as a team project at MEST, and the team has, in their first 5 years of operations, grown out of the MEST Incubator space and into their own offices, hired 18+ employees, raised $800,000 USD in Series A funding, and acquired their biggest competitor, Jumia House Ghana.

Industry overview

As in many emerging economies, in Ghana, real estate (both commercial and residential) is fast-growing, dynamic, and ruled, largely, by the land and house owners.

With increasing numbers of expats and Diasporans moving to the country, real estate demand is high and the price expensive. Landlords have the upper hand, and often ask for payment of 1, 2 or even 5 years of rent in advance putting the average income earner at a disadvantage when looking for properties within a particular budget or location.

meQasa was founded to solve this problem by providing a transparent online portal that enables property seekers to find properties within their budget and location conveniently. meQasa not only connects property seekers to owners, agents and developers, but also regulates the behavior of agents on its platform, reducing information asymmetry between both sides and enabling buyers and renters to make more informed decisions.
meQasa was launched in 2013 with $90,000 USD seed funding from MEST via The Meltwater Foundation. The team planned to use this capital as a two-year runway while they built the product, entered the market and started making revenue.

They saw consistent growth, month on month, in terms of content and website traffic. But like all funded startups, they eventually began to run out of money. At this time, they were torn between focusing on generating more revenue or on raising funds. They chose to do the two simultaneously because raising funds meant refining their business model and earning more revenue to be attractive to potential investors.

The team began speaking with both local and foreign investors while experimenting with new marketing tactics (discussed in section below). They spoke to both Ghanaian and Nigerian VCs as well as foreign investors, and it took them a while to find a mutually attractive match.

In November 2014, the team received an email from Frontier Digital Ventures (FDV), a global VC firm in Kuala Lumpur, Malaysia, who said they had been following their progress and would like to have a meeting to understand their business better. FDV has a specific focus on classifieds businesses in emerging markets, and their experience fit well with meQasa’s business model.

After a successful initial call, the team did not hear back from FDV for about 3 months. The meQasa founders continued with their work and investor search in the meantime until the firm eventually called back. They had taken their time to perform due diligence and decided they were interested in working with the meQasa team, business and execution. The two parties reached agreeable terms and signed the papers for investment of $800,000 USD in two tranches - $500,000 USD which was announced right away, and a follow-on $300,000 USD.

On raising this round, CEO of meQasa, Kelvin Nyame said, “We were glad FDV continued the conversation and eventually invested in meQasa. They saw the bigger picture and were willing to work with us to execute and achieve it.”
In November 2017, meQasa acquired their biggest market competitor, Jumia House Ghana, to become the official leading marketplace for real estate in Ghana. The opportunity arose as Jumia was interested in another portal FDV had invested in. The conversation about their willingness to sell Jumia House came up, and meQasa jumped in as they saw it as a significant benefit to their customers by increasing their reach to 140,000 per month. Kelvin Nyame explained, “We were looking for an opportunity to give more value to our customers in terms of website traffic, interactions, leads and a bigger community. We do not see this as a monopoly, but as an opportunity for customers to win and get more for less.”

With the acquisition of Jumia House Ghana and a successful Series A round under their belt, meQasa has achieved their goal of gaining market dominance; and now the next [goal] is to accelerate growth, increase revenue and enter new markets.

Since then, meQasa has reached increasingly impressive metrics

- Monthly views from property seekers: 620,000
- Monthly visits from property seekers: 120,000
- Listings: 27,000
- Agents and developers: 1,500
BRINGING ONLINE AND OFFLINE MARKETING TOGETHER
meQasa’s marketing objective has always been to gain market share in the Ghana real estate space. In the beginning, their marketing tactics were sporadic and experimental. They ran a commission model, where they partnered with agents and gave them leads offline. When these agents closed a lead, meQasa got a cut from the earnings. They did this for two months before reining it in because it wasn’t adding as much value as they had projected.

They then focused on advertisements on the platform. They had premium features they sold to a segment of their clients, but still the volume and revenue generated wasn’t enough, and they had to go back to the drawing board to think of smarter ways to grow.

In the background, like with most new startups, they applied other typical online marketing tactics like search engine optimization, targeted customer alerts, social ads, and more.

Even though the online market in Ghana is growing fast, the offline market is still comparatively large. This insight, coupled with their dominance of the online space, led the team to focus and activate more offline marketing campaigns like specifically targeted local events, seminars and tapping into diaspora networks.

They constantly create and distribute authoritative, informational industry-relevant content to attract savvy buyers, renters and agents; but their primary strategy focuses on education and bringing on board people who aren’t connected to the internet or comfortable contracting business online yet.

The team is constantly thinking:

- How can we connect with people who are offline and in need of properties?
- How can we help people who are skeptical about dealing with online businesses but have the money and interest to buy or rent property?
- How can we educate more Ghanaians to know their rights as tenants?

One way they are answering these questions is through the annual meQasa Housing Expo which started in 2017 bringing together online and offline real estate professionals - owners, agents, developers and ancillary service providers - to meet with property seekers who have questions about buying real estate in Ghana.

The expo includes mini-seminars with industry experts who answer both general and specific questions about the industry, and advise customers before they make the big, bold move of buying or renting properties.
Moving forward, meQasa’s overall mission remains the same: to continue to build a trustworthy brand that is involved both online and offline in Ghana’s real estate market. The number of Ghanaians currently online is steadily growing, but as long as there are still those that lack access, meQasa remains committed to reaching them.

In terms of revenue, meQasa now has various angles. They charge the agents, developers and ancillary service providers who use the site. To improve the product, they take feedback from both sides of the marketplace. Whatever user experience they think is needed, they implement to improve engagement.
meQasa’s strategy has been to apply empathy and innovation to the execution of its business mission. This involved catering to both sides of the marketplace with fairness. By moving fast and breaking things, the team has been able to figure out what tactics work and what doesn’t in a short time.

They have learned to reach out to potential customers in their natural environments, which is mostly offline, incentivize them to join the meQasa community by providing value and support, regulate the platform for both sides fairly, and educate the average Ghanaian who still looks for properties the old way.