



# Global Information Industry Summit

9-11 September 2008 • Royal Garden Hotel • London

## Content Market in India

Examples of innovative, game-changing approaches  
in India and their unintended consequences

### Panelists:

[Seeraj Katoch](#), Head - Alliances, HT Media Ltd.

[Amit Mehra](#), Managing Director, Reuters Market Light,  
Thomson Reuters



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- Hindustan Times
- Hindustan
- Mint (WSJ)
- HT Next
- Metro Now
- Weekly Magazines
- Fever 104 (Virgin radio)
- Our On-line ventures include Shine.com (Job portal), desimartini.com (web community), hindustantimes.com , livemint.com, htsyndication.com.



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## **HTSyndication.com**

- Content aggregation and syndication business just for Asia is expected to cover more than US \$20 billion in 2008.
- In Indian Sub-continent region, 51 news publishers have ventured in last two quarters.
- The print readership in South East Asia has seen an average of 16% -18% growth year on year.(since 1999)
- HT Syndication (division of HT Media Ltd) was set up in mid-2003 to provide premium content to direct vendors and databases across the globe. In last four years we have grown big enough to call ourselves the largest content aggregator for South East Asia by providing databases with 300+ publications and 10+ newswires'.



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## Problems Faced

- English being the only language
- Mass Distribution Policy
- Trust to procure re-distribution rights
- Complex Legal documents – No industry standards
- Covering the entire span (medium to smaller Publishers)
- Digitization – On-line versions not present
- Value 'of' content
- Formatting it as per database requirements
- A server to store all archival data and a technology platform to extract it in order



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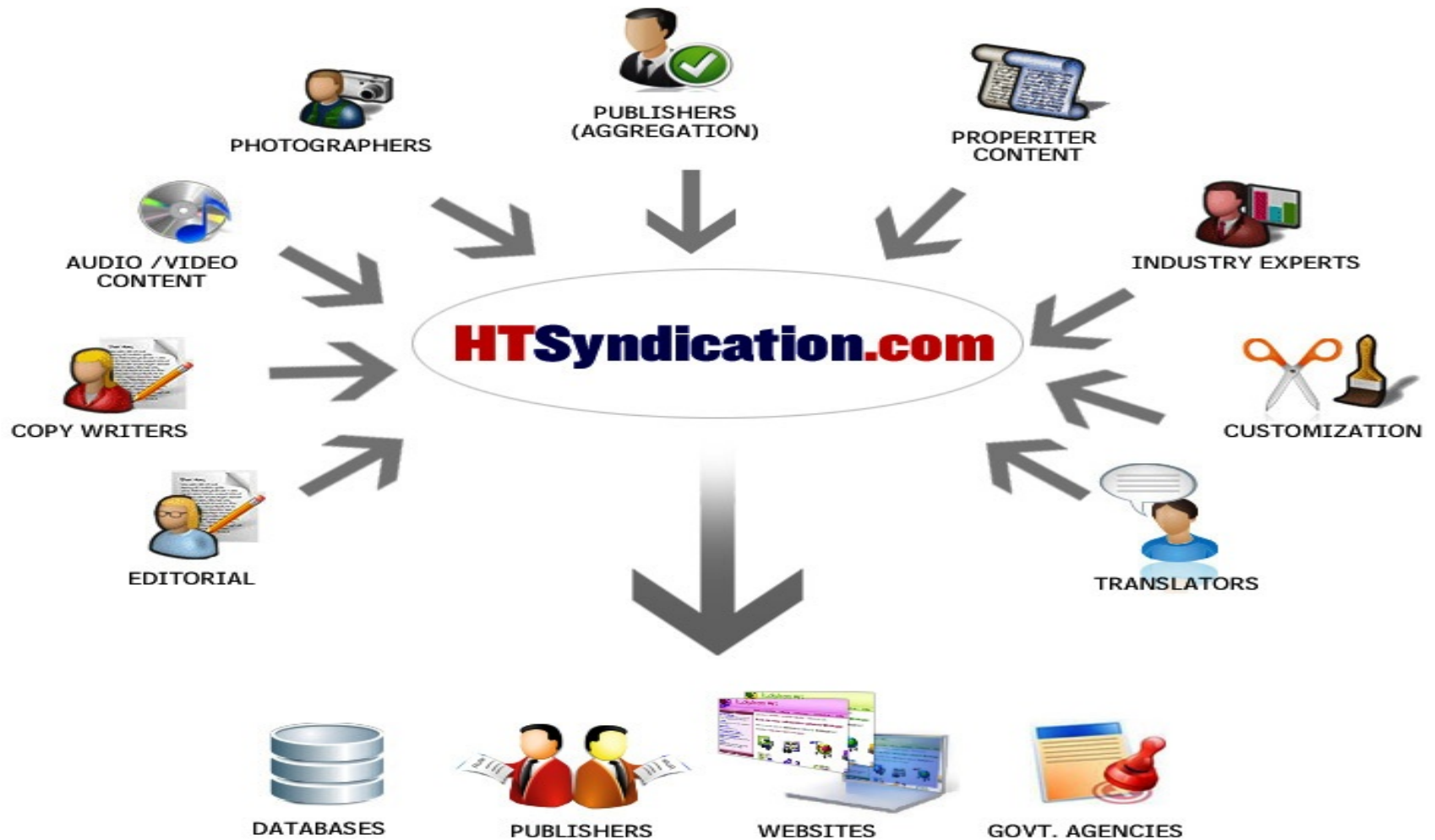
## Solutions Considered

- Translators for all languages, without changing the meaning or essence of the article
- Customization and repackaging
- Brand recognition
- We introduced standard License agreement and a very competitive royalty model
- Medium to smaller publishers constantly growing were tapped and helped at every stage for branding and marketing besides syndicating the content
- Helped publications to get an on-line presence and huge global audience
- Formatting and translation was done in-house by the editorial expertise we had in the business for last 85 years.
- A robust mechanism to syndicate content – One stop shop for all content needs
- Competitive Advantage – Cost Efficiency, Economies of scale, operational processes, Technology and customization.



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Reuters Market Light

AMIT MEHRA

Managing Director  
Sep 2008

# OVERVIEW

- **What is Reuters Market Light?**
- **What problem is it solving?**
- **What were the challenges and lessons?**

# REUTERS MARKET LIGHT: THE CURRENT PROPOSITION

A business that sells a **customised and personalised information service** through mobile phones to the farming community.



Launched in Oct 07 in India, RML has acquired over **50,000 paying subscribers**.



## RML OPERATES AT THE BOTTOM OF THE PYRAMID

- Information impacts **livelihood and productivity**
- **Connectivity\*** to the market
- Extendable to other **underserved segments** globally

*\* Pilot planned in 08/09*

# OVERVIEW

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# CUSTOMER PAIN IS CAUSED BY INFORMATION ASYMMETRY WHICH IN TURN IS DRIVEN BY A VERY LONG VALUE CHAIN

Case in Point: India



Farmers

Multiple  
Middlemen

Local Markets

Multiple  
Middlemen

Buyers

**120m-250m**

**5 m**

**7500**

**5 m**

**500K**

# INFORMATION ASYMMETRY AFFECTS MARKETING AS WELL AS PRODUCTION FOR THE CUSTOMERS

Poor **price discovery** in the value chain due to disaggregated demand and multiple intermediaries

- Lack of accurate, relevant and timely **weather forecast**
- Lack of reliable and timely **news that affects prices**
- Lack of timely information that affects **productivity**

- Up to **20% of unjustified price** variation of same crop in nearby markets
- Farmers get **c.25% value** of the final price of their raw produce
- Buyers also pay premium **up to 20%**

## BUT CUSTOMER PAIN IS BOTH FINANCIAL AND EMOTIONAL

*“If I had known timely and accurate information about the **price of mustard in Latur market**, I would have made 40% more money.”*



*“**Heavy rains** decayed my coffee berries. Had I known this in advance, I would have harvested early and reduced my heavy financial loss.”*

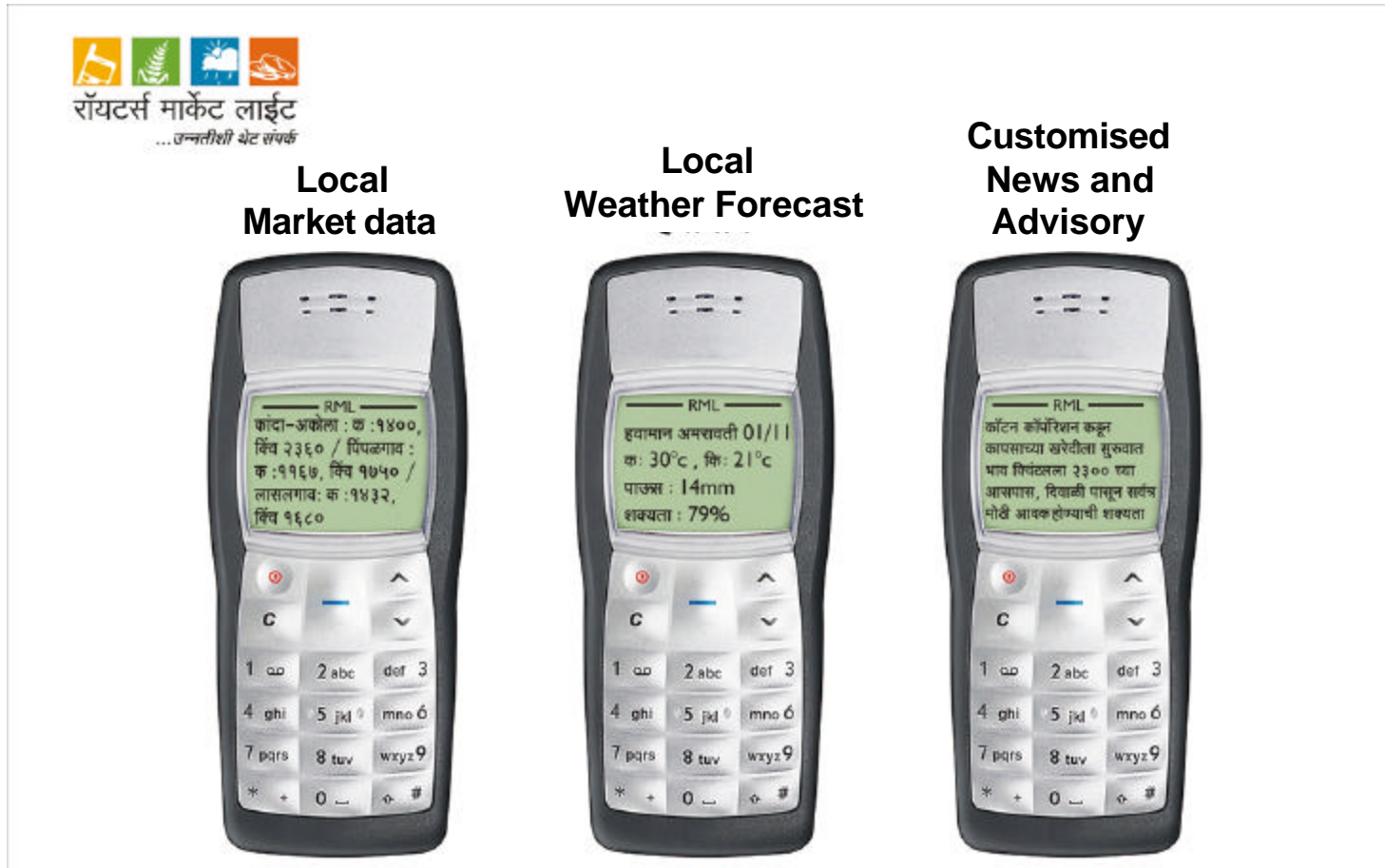


*“I get a very poor price for my crop. I do not trust my buyer. I take my produce to the market and have to accept his money. **I am not treated with respect.**”*



# RML DIRECTLY ADDRESSES CUSTOMER PAIN

Customised and personalised information through mobile phones that **increases income and reduces losses.**

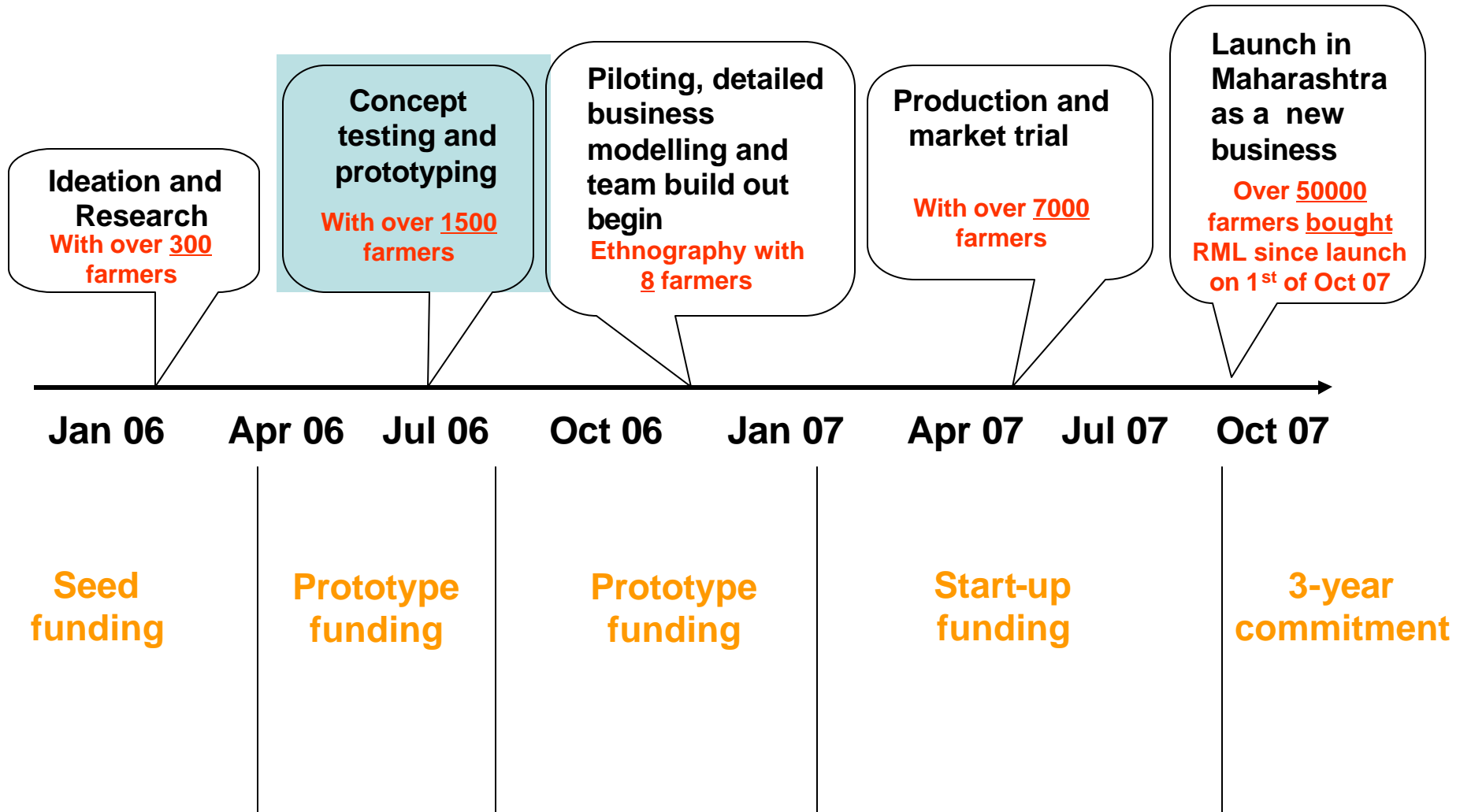


Sms based in local language for **\$4.40** for a **3-month contract.**

# OVERVIEW

- What is Reuters Market Light?
- What problem is it solving?
- **What were the challenges and lessons?**

# CHALLENGE 1: CAN THE NEED BE MET ON MOBILE PHONES?



## CHALLENGE 2: IS THE PROPOSITION STICKY?

*“Sold 100 bags of onion after following the prices and realised a benefit of Rs. 50 per bag. i.e. total of Rs. 5,000”. 10% higher profit. 5% of annual income.*

*Manikrao Gawade held back 70 quintals of onions following RML news. In the next 20 days, realised a 70% gain, made extra profit of £350, or nearly 33% of annual income.*

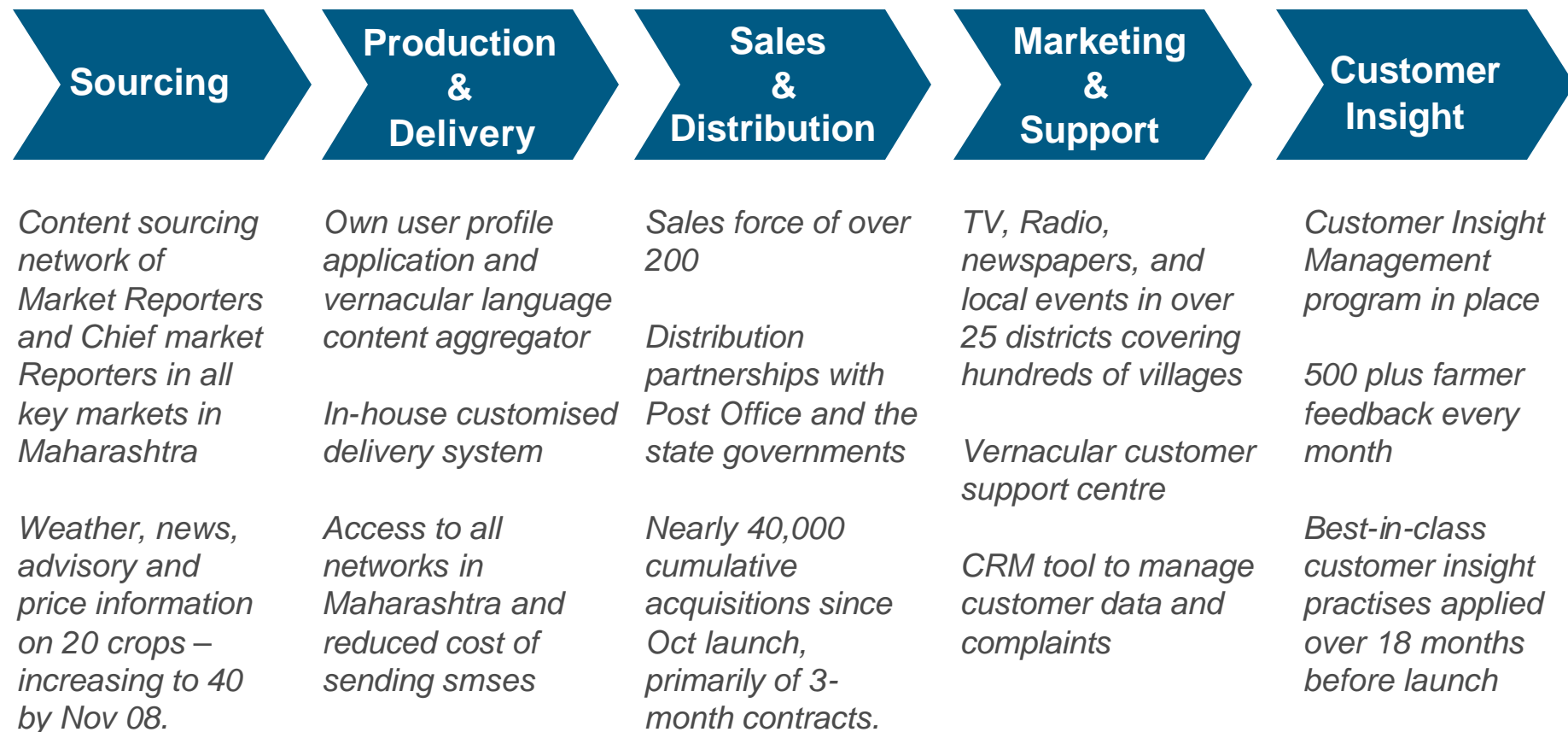
*“I have instructed my labourers to sow the seeds 3 inches into the soil, earlier this method was not scientific, they would sow the seeds 5-7 inches.”*

*“I did not engage field labour whenever there was a rainfall alert. I saved Rs. 70 per head for 3 labourers in 3 instances totalling to Rs. 630. Saving of £8 a day. Return on investment of 100% in 3 days”*

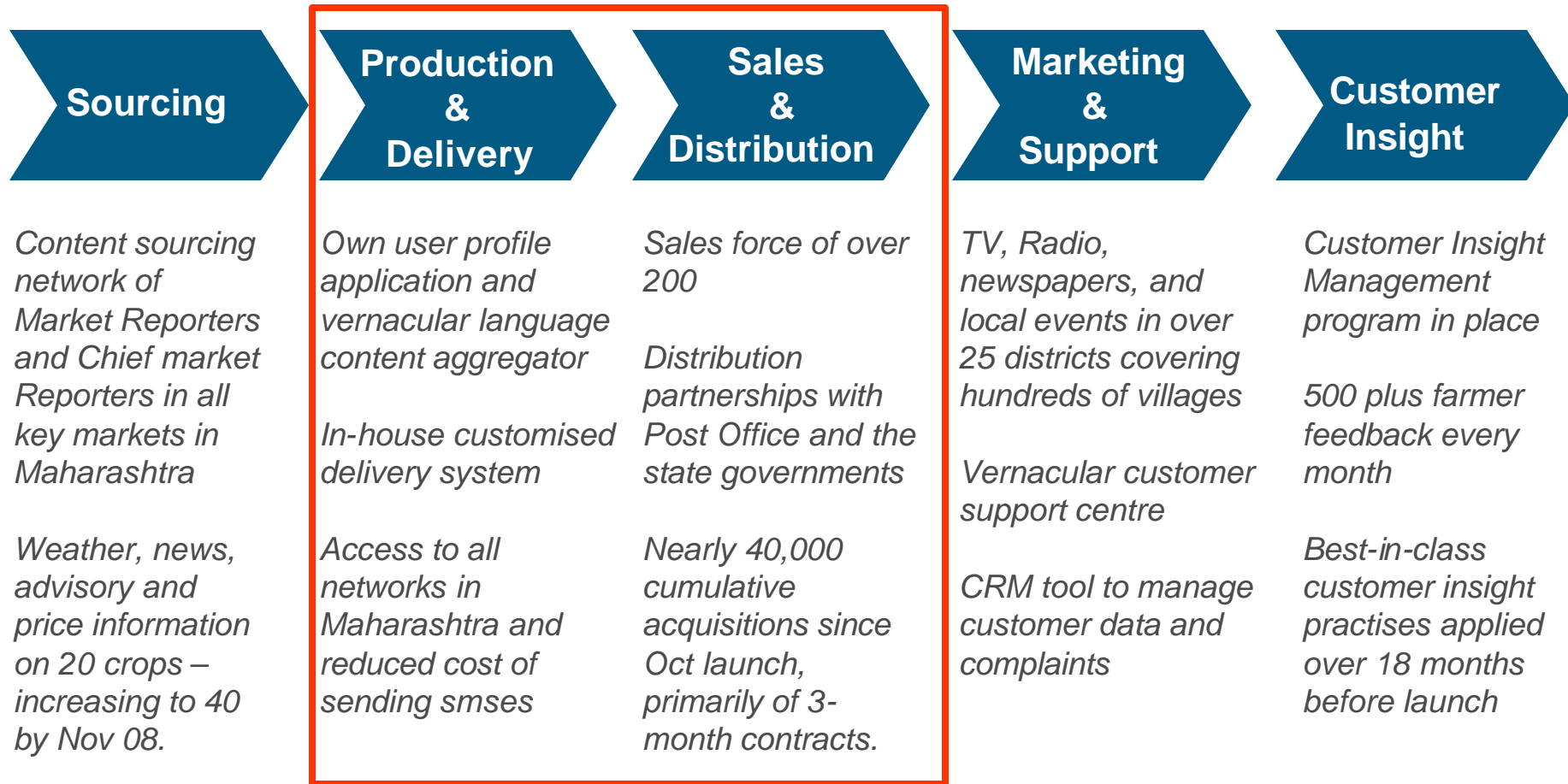
# CHALLENGE 2: IS THE PROPOSITION STICKY?

RML Customer Name	Content	Case Description	Subscription period (in months)	Crop Subscribed	Quantity (in quintals)	Offered Price (Rs./Quintal)	RML Price (Rs./Quintal)	Profit made due to RML in Rs.)	ROI Quarterly (%)
Mr. Nagare	Price	Mr. Nagare, a farmer in Abhi village in Aurangabad district held back the sale of 1700 Quintals of Maize he had harvested. He kept tab on Maize prices and also called up his Commission Agent in Jalgaon (neighbouring district) to verify the price movement. On October 31, 2007 he was offered INR 610.00 Per Quintal. On November 4, 2007, the rate was INR 770.00 Per Quintal. Nagare sold his maize on November 4, 2007 as soon as he got the call from the Commission Agent.	3.0	Maize	1700.0	610.0	770.0	272000.0	155328.6%
Panjab Rao Shelke	Price	In October, he received information regarding soyabean prices would increase. Therefore held back his sale of 30 quintals of Soyabean at Rs.1200/quintal. 15 days later, he was able to sell his produce at Rs. 1600/quintal	3.0	Soyabean	30.0	1200.0	1600.0	12000.0	15328.6%
	Weather	In October, he received information about incoming rain in his region. He told his workers to store the stock carefully. There was heavy rain the area and he was able to save crop worth Rs. 15000		Soyabean	NA	NA	NA	15000.0	
Kailash Narhari Sonawane	Price	Early December, he received information that prices of cotton would increase as supply in the market was lesser than expected. He held back his sale of 92 quintals @ Rs. 2200/quintal. 5 days later, he sold his produce at Rs. 2350 per quintal	3.0	Cotton	92.0	2200.0	2350.0	13800.0	7785.7%

# CHALLENGE 3: CAN WE BUILD A ROBUST END-TO-END OPERATING MODEL?



# CHALLENGE 4: HOW DO WE SCALE COST EFFECTIVELY?



**LOT OF INNOVATION UNDERWAY!**

# RML HAS ATTRACTED WIDE RECOGNITION

- Recognised by the **United Nations**
- Extensively featured and covered in **international media**
- Extensively profiled and covered in **Indian media**
- Short-listed for **several awards** including Mobile Content and IT Innovation Awards
- A **case study** for leading business schools

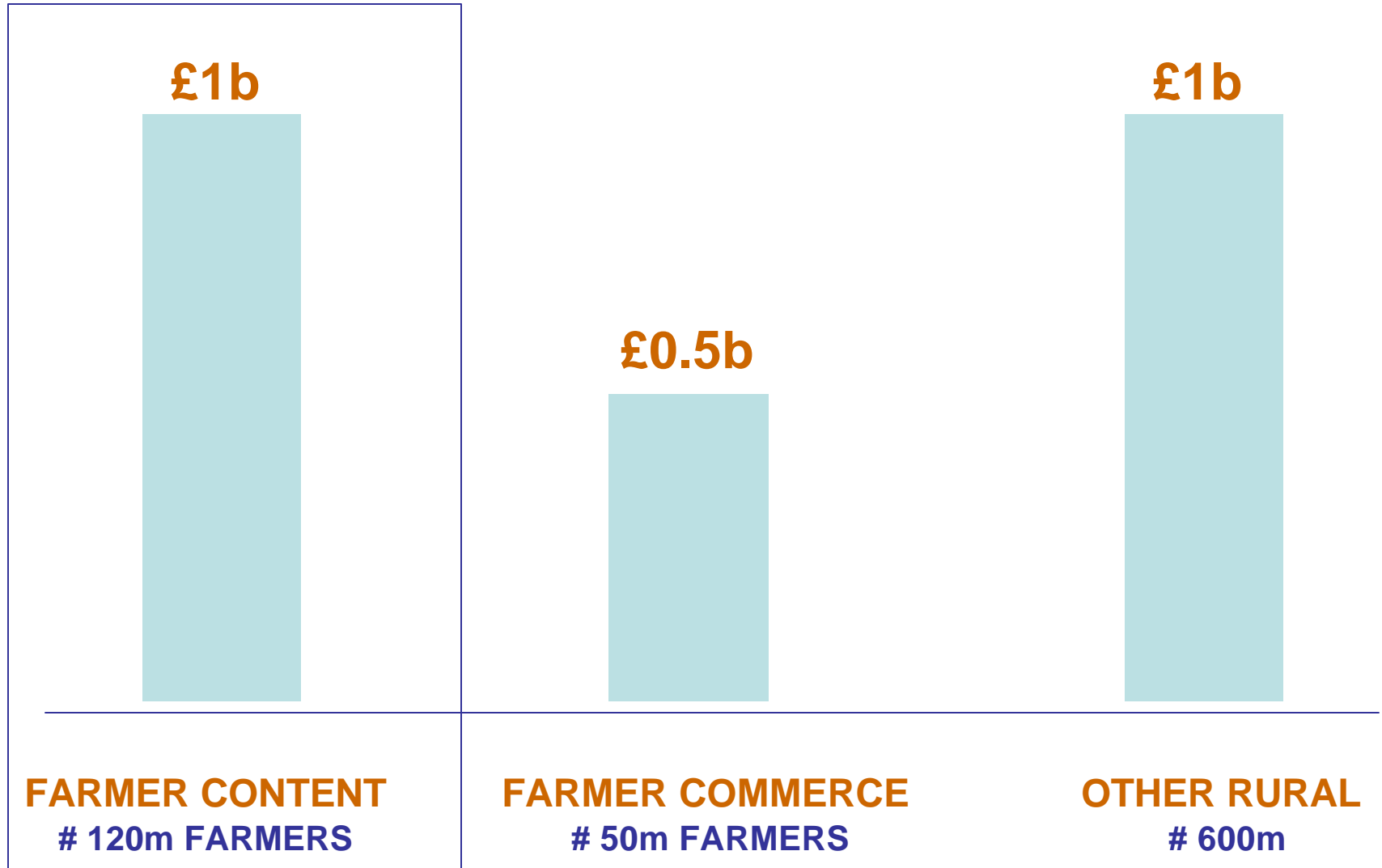


# RML HAS SOLID PARTNERS AND ENDORSEMENTS

- **MoU** with the Government of **Maharashtra**
- **MoU** with the Government of **Punjab**
- **MoU** with the Indian **Post Office** in Maharashtra
- Endorsement from the **World Bank**
- Endorsement from key **government figures**



# BUSINESS POTENTIAL IS HUGE



# TRENDS AND DRIVERS FAVOURABLE

## **Explosive growth in mobile connectivity**

- Over 8.9m new mobile connections sold in June. Second largest market after China.

## **Cheaper devices**

- Handsets cost as low as Rs.1000.

## **Mobile content**

- A \$ 2b industry expected to grow to \$12 b in 5 years.

## **Information asymmetry**

- Government encouraging opening up of agriculture – multiple venues for sales.

## **Emerging Market growth**

- India and China growing at 8-9% p.a. BRIC still in favor.

## RML VISION

By 2012, RML will have created over £2-3 billion in new wealth for farmers by providing transparency and connecting them to the market.

RML is about mobility, emerging markets, underserved segments, information and related services.