

## UKIBC Case Study

# HAYMARKET

### **Tell us about your business – its origin, offering and coverage?**

Haymarket was founded in 1957 by Michael Heseltine. It started out with a directory of opportunities for graduates and then moved onto publishing in 1960's. The business was focused on high quality production and editorial services for specialist magazines which was not the norm at that time. In 1990's, Haymarket moved into consumer exhibitions and digital media. The company now has over 100 magazines, over 100 websites and many consumer exhibitions. We employ 2200 people around the worldwide and 30% of turnover is generated internationally this figure was only 2% 10 years ago

### **Tell us about your global geographical footprint?**

Have offices in seven countries around the world.

Haymarket has seven worldwide offices; including USA, UK, Germany, India, Hong Kong, Australia and Singapore. In these countries, Haymarket is wholly owned or part of joined ventures. In other countries we license magazines to other publishers.

### **When did you make the first investment in India?**

We first came to India in 1999, when we licensed the Autocar magazine to an Indian publisher. At the time it wasn't possible for a foreign company to invest in print media in India so we licensed our magazine instead and we agreed with our licensee that we would buy back 50% of the business if the law changed. The law changed in 2004 so we brought 50% of our business back and subsequently increased our holding to 70% in 2007 and set up as a wholly owned company.

### **What were the main drivers of your decisions to foray into India?**

There are many reasons that we came to India but the principle reason was the huge opportunities in India. Similar to China, India had a huge population that was moving to the global economy. We wanted to grow business and the opportunity to grow overseas was far greater as UK become saturated; India was identified as one of the countries with alot of potential.

### **What was your business strategy for entering India?**

We reviewed our portfolio of magazines and decided that Auto car, Stuff and F1 Racing were globally appropriate,. We then spoke with publishers in India and found a well known auto motoring journalist that was keen to work us. We did a deal and launched auto car. The number of new cars selling in India were increasing every year and all car manufacturers were selling in India so it was the right time and we found the right partner, All the content in Indian magazines is edited to make sure that it's appropriate,

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relevant and applicable to Indian readers,

## **What business model did you leverage for market entry into India?**

Entered India through a licensed agreement with an India partner and then later brought back the company. The company is now run independently.

## **What have been your biggest challenges of entering and operating in India?**

Human resource management has been a huge challenge, that includes recruitment, staff retention and salary expectations. In addition the cost of office space is a big challenge.

## **Has the Indian investment met up with your expectations, please state why?**

The investment has been worthwhile. Our expectation was to set a business in India that would produce high quality magazines and that's what we have done.

## **What key factors would you attribute your success in India to?**

There are many factors - we got here before anyone else, we had a good Indian partner, we recruited well, had good suppliers, loyal advertisers, loyal readers. One key factor has also been the fact that we are a family owned private business so we can make decisions quickly and react quickly which makes us more flexible than our competitors.

## **What impacts (if any) have you experienced as a result of economic downturn in the UK and India?**

Revenues and profits are down in the UK. In India there has been slowdown in revenues and this has had a knock on effect on profits but this is slowly bouncing back.

## **What is your candid view on future opportunities within India for your business?**

The opportunities in India are endless, we can look at every sector that we are in and ask whether we can get enter that same sector in India. We can look at future partnerships with other India businesses, consider fresh launches for the Indian market. There are huge opportunities and untapped potential in media but current focus is on existing products. We will look into growth plans over the next year.

## **What advice would you give to other mid-cap businesses in the UK looking to do business in India?**

Come to India, meet people and find a good partner. It would be extremely difficult for a company to come to India and start operating without an Indian partner; you need

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someone on the ground that knows the country.