



# KEY

# BUSINESS PLAN

## **Management Team**

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This business plan has been prepared by the management team of Key on the 23rd of April, 2022

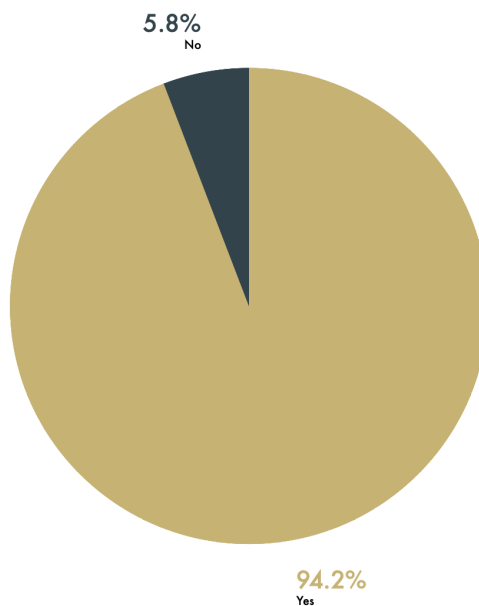
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# EXECUTIVE SUMMARY

## I. PROBLEM STATEMENT

Quality journalism today is locked behind multiple, different paywalls making it inaccessible to readers who cannot afford/maintain multiple subscriptions at one time. Further, many digital news providers are trying to increase readership & resuscitate flagging revenue.



**QUESTION:** Do you sometimes find yourself in a situation where you want/need to read an article but it is behind a monthly subscription paywall that you cannot pay for?

Source: Internal Survey

## II. KEY'S MISSION

Key's mission is to make quality, long-form journalism accessible to more cohorts of people than it currently is. In its present form, Key does this through a platform that allows readers to unlock premium journalism on a per-article basis in the flow of work. The 3 driving elements of Key are: flexibility & expanded choice, greater value for money and in the flow-of-work convenience.

## III. HOW IT WORKS

A user signs up on the Key website. Readers then purchase their desired number of tokens and install the Key extension in their browser. The next time a reader encounters a premium

article that is behind a paywall from one of our news partners, they will be prompted by the Key extension and be asked whether they want to unlock the article. If the reader confirms the action, they get access to the article for the period of time defined by the news provider (usually 1 year), and the article is added to their collection.

#### **IV. STRUCTURE**

Key will be incorporated under the Companies Act of 2013 and be headquartered in Delhi.

#### **V. MARKET**

Key as a service appeals to individuals working in the knowledge economy who like to stay abreast of the news but are unable to afford/maintain monthly/yearly subscriptions. Users will typically encounter Key either by word of mouth or through any of our social & digital media campaigns. Alternatively, users may also encounter us as payment options on our news partners' websites. Key readers are distinct from avid, voracious newsreaders who may benefit more from a monthly/annual subscription.

#### **VI. MANAGEMENT TEAM**

The company's founder, Natasha Lopez, is a former student of Ashoka University. She has previously worked closely with two startups before venturing out on her own. She met her management team through the Ashoka entrepreneurial network. Together, this team oversees the technology, daily operations, marketing, and financials of the company. At present they are 100% owners of the Company.

#### **VII. COMPETITORS**

Subscription aggregation services are a nascent category in India that is yet to take off in a big way. Currently in India, Key has no competitors that offer the exact same service.

Coming to international players, the Dutch news aggregator Blendle follows a model most similar to ours wherein it helps readers unlock journalism on a per article basis. However, unlike Key, Blendle is not embedded in the flow of work & is a standalone platform. Other direct & indirect competitors include Curio, Inkl and Audm. Beyond these companies, Key faces a competitive threat from extensions, widgets, and workarounds that allow users to bypass a paywall thereby reducing a customer's willingness to pay for premium journalism.

## **VIII. REVENUE MODEL**

We are looking at 2 possible revenue models, the first is a Money Model wherein the end-user buys Keys on our platform and uses them to unlock articles on News websites. The second is an Ad Model wherein users watch ads on our platform to unlock Keys, which they can then use as above to unlock articles (this is our backup/pivot plan should the need arise).

## **IX. PRICING STRATEGY**

Key will be priced as an economical option, NOT a premium offering. For a moderate/light reader, Key will be cheaper than a monthly/annual subscription plan. Key will be cheaper than other offerings currently available internationally keeping in mind the price sensitivity of Indian consumers.

## **X. FUNDING STATUS**

Key is currently being financed with Rs. 20,00,000 that was raised by friends & family. Around 25% of this amount has gone towards building the extension & making it robust, while the remainder has gone towards operating and marketing expenses. Key is looking to raise an additional Rs 30,00,000 to help market the platform extension through relevant channels. Going forward, marketing & product development will be Key's biggest costs.

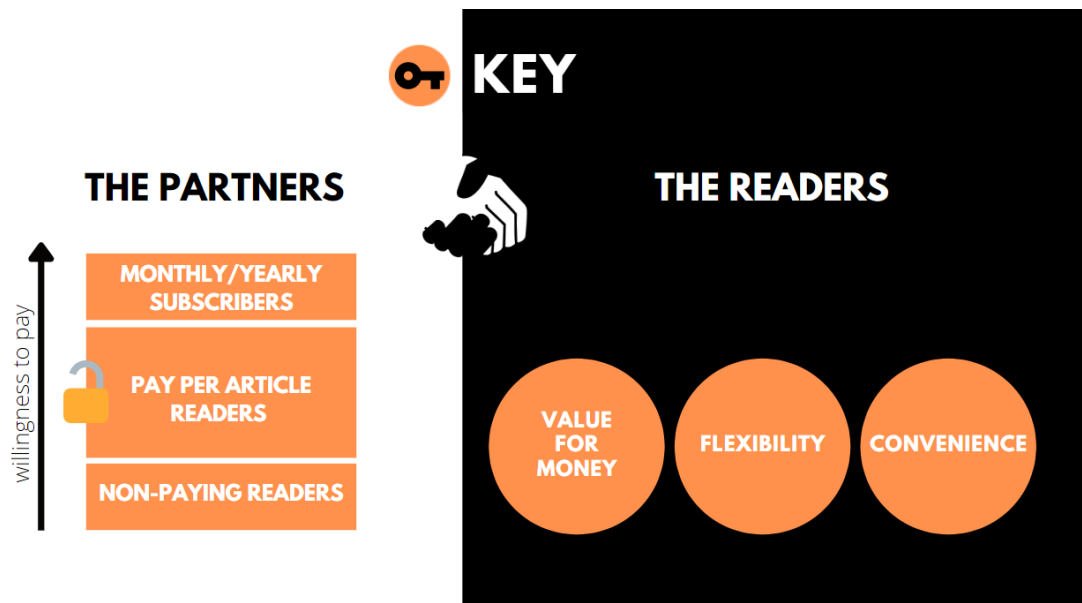
## **XI. THE FUTURE**

For our future, we aim to reach around 1.5 lakh users by the end of our third year of operations. We target a growth rate of 30% per month in the first year, 15% in the second, and 10% by the third. Since our first year's product and marketing costs will be large, we would make a loss of around 50 lakhs in our first year. However, by the second year, our business will break even and achieve an eventual profit of around 70 lakh rupees. This number shall reach Rs. 2,85,72,723 by the third year after tax.

We plan to explore and expand other categories of content where we can apply our business model. We will also work on improving our product such that we can tap in a wider range of users and even bring in users who don't usually read digital content.

# BUSINESS DESCRIPTION

Key is a token-based service that allows users to unlock premium long-form journalism from news partners on a per-article basis. In essence, Key is a platform. On the one hand are the news partners and on the other readers. The value of the service provided by Key exponentially increases as more of both are onboarded.



**Exhibit 1.0 Incentive structure for the different players on the Key platform**

**Source: Internal**

News partners are incentivized to join the platform because Key helps them monetize a previously untapped band of readers. These readers are either those who:

- (1) Cannot afford a monthly/annual subscription but would not mind paying to read a few individual articles or those readers who
- (2) Would like to read long-form journalism from different news providers but cannot afford to maintain multiple subscriptions

Key provides readers with:

- (1) More value per rupee spent on journalism
- (2) Greater flexibility to choose from different news providers
- (3) Never-before convenience.

## HOW KEY WORKS

- **Step 1:** A customer hears about our service from any one of our marketing channels, or by word of mouth and visits our website.
- **Step 2:** Once on the website, the customer signs up as a reader with Key & installs the Key extension on their browser.
- **Step 3:** Next, the readers purchase their desired number of tokens ( tokens are in bands: 10, 50, 100). These tokens have no expiry date.
- **Step 4:** The next time the reader discovers a premium article that is behind a paywall, the Key extension will prompt the user that they can unlock the article using the extension. Once the reader confirms that they would like to “Unlock the Article for ‘X’ tokens with Key” (where ‘x’ is the number of tokens needed to view the article, the reader gains access to the article for a period of time defined by the news provider (usually one year).

**NOTE:** Even if the user reloads the page at any point of time within that year, the article will remain unlocked & available for reading.



**Exhibit 1.1 The Key Extension**  
**Source: Internal**

Key has the following customer-centric features:

- Intuitive, user-friendly interface.
- Extension that is embedded in the flow-of-work. User does not need to redirect to any other website/portal to unlock an article
- 0.5 second and no more than one click to unlock an article.
- No payment transaction takes place at the time of unlocking an article. Payments interface is placed on the Key website and needs to be interacted with ONLY when the tokens are to be replenished.
- Archive of all unlocked articles

Key's scope is intrinsically international. However, its usefulness in international markets is dependent on the partnership network of content providers. Key's primary focus is to first establish that network in India, before moving to international markets.



# MANAGEMENT SUMMARY

**Natasha Lopez** is the founder of Key. Currently an ASP student at Ashoka University, she has previously interned with various startups & media houses. Natasha personally encountered the problem of inaccessible journalism while working on a research paper and quickly found that many others were plagued by the same issue.

**Aditi Tibarewal** is currently pursuing a degree in Computer Science & Entrepreneurship at Ashoka University. She is keenly interested in UI/UX and thus handles the product & website design.

**Swarna Ajjampur** is currently an ASP student at Ashoka University. She has completed her degree in psychology and is currently pursuing a minor in entrepreneurship. Passionate about startups, she is a small-scale serial entrepreneur. A few of her ventures include a campus merchandising store called the Ashoka Store and a learn-how-to-swim business called Aquaholics. Having gathered digital marketing experience interning with at redBus, Unilever, and Teach For India, she handles Key's GTM strategy & marketing plans.

**Sahil Verma** is currently pursuing a degree in Computer Science at Ashoka University. At Key he looks after platform monetisation and partner management.

**Yashraj Nanda** is an Economics major who manages the finance vertical at Key. He is a second year economics major. He is extremely passionate about entrepreneurship and hopes to one day start a venture of his own. He's also recently been selected to fill the role of entrepreneurship representative at Ashoka University.

**Sahaj Khandelwal** is an Economics graduate from Ashoka University, who is currently pursuing a post-graduate diploma in Entrepreneurial Leadership and Strategy. At Key Sahaj oversees product development.

**Aditya Agarwal** is currently pursuing a degree in Computer Science and Entrepreneurship from Ashoka University and is part of the tech vertical at Key.

**Varun Agarwal** is currently pursuing a degree in Chemistry and Entrepreneurship at Ashoka University, he has a keen interest in the startup sphere and is currently working on a Biotech startup

RegenArtis Pvt Ltd as a Business Development Executive. He also serves as the General Manager at Bharat Enterprises. At Key, Varun oversees Operations.

## INDUSTRY BACKGROUND

As of 2022, subscription aggregation as a play is yet to take off in a big way. Even so, consumers are beginning to show interest in such services as the number of subscriptions they individually maintain increase. In a survey done by Interpret,<sup>1</sup> one-third of the respondents expressed interest in being able to manage & search all their subscribed content from one place.

The best way to deliver this play is to bundle services so as to offer greater value to customers. The most popular aggregation play so far is for OTT-services. These include services such as Roku, Google TV, Jio, & Freebo. Aggregation of news subscriptions is less popular.

### BACKGROUND ON CONSUMER BEHAVIOR

A 2018 Reuters Institute report titled India Digital News Report found that, about 50% of the sample surveyed said that digital (including social media) was their main source of news. Online Media as the dominant source of news is more acute among younger demographics.

India's most popular digital news brands primarily follow an ad-based model, while a few follow a freemium model. For a full list of these brands please refer to Exhibit 1.4. Of those news providers that offered a monthly/annual subscription plan the average annual subscription plan cost Rs 1,500/-.

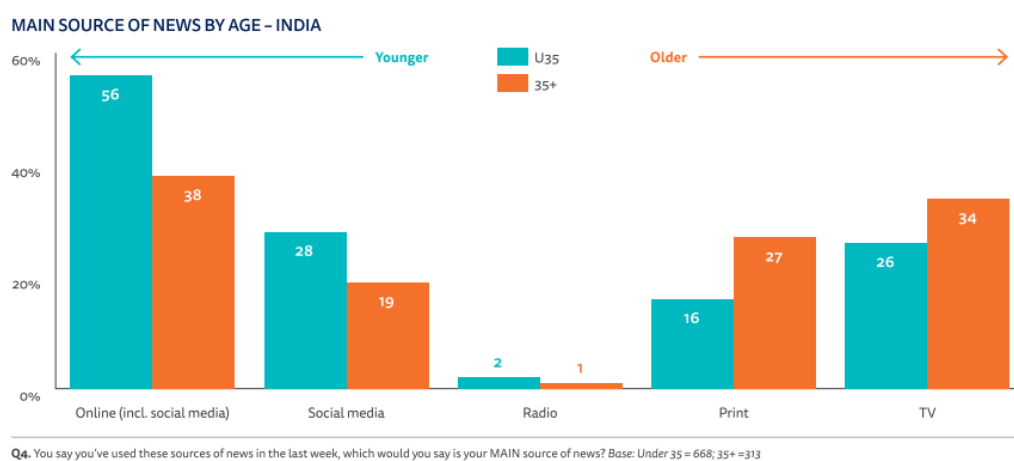


Exhibit 1.2: Main Source of News in India

Source: [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India\\_DNR\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India_DNR_FINAL.pdf)

<sup>1</sup>[https://interpret.la/products/video-watch-trends/the-future-of-ott-aggregation/?utm\\_campaign=Video%20Watch&utm\\_source=hs\\_email&utm\\_medium=email&hsenc=p2ANqtz-9HJ-Bg2F9reAEmq5xvOB63KiVPG6CwbaA9WUeeqXpY--lOqKVRxoBRLDj2ARffcVxUO5GH](https://interpret.la/products/video-watch-trends/the-future-of-ott-aggregation/?utm_campaign=Video%20Watch&utm_source=hs_email&utm_medium=email&hsenc=p2ANqtz-9HJ-Bg2F9reAEmq5xvOB63KiVPG6CwbaA9WUeeqXpY--lOqKVRxoBRLDj2ARffcVxUO5GH)

**TV, RADIO AND PRINT**

Source	% Weekly usage	Weekly use	At least 3 days per week
NDTV 24x7	56		
The Times of India	46		
BBC News	27		
Hindustan Times	25		
The Hindu	25		
DD News	21		
India Today	19		
All India Radio	18		
The Indian Express	16		
Times Now	16		
The Economic Times	14		
India.com	13		
CNN - News 18	8		
Deccan Chronicle	8		
Mumbai Mirror	8		
DNA India	7		
Republic TV	6		
The Telegraph India	6		
Mid-day	5		
The Tribune	3		

**ONLINE**

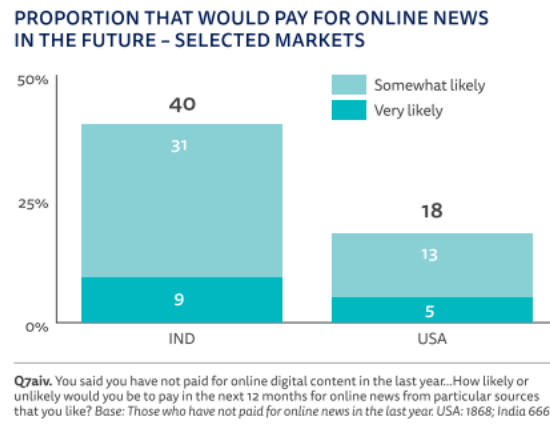
Source	% Weekly usage	Weekly use	At least 3 days per week
NDTV	47		
The Times of India online	40		
Yahoo! News India	24		
India Today online	24		
BBC News online	23		
Hindustan Times online	21		
The Hindu online	19		
The Indian Express online	16		
News 18 online	15		
ScoopWhoop	15		
Firstpost	15		
The Economic Times online	15		
MSN News India	13		
Rediff news	13		
Onelndia.com	11		
India.com	10		
The Quint	10		
Business Insider India	10		
DNA India online	9		
The News Minute	8		

Source: [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India\\_DNR\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India_DNR_FINAL.pdf)

- **Subscription Fatigue:** In a digital media trends survey carried out by Deloitte in 2021<sup>2</sup>, more than 50% of the 2000+ respondents reported frustration with the multiple, separate subscriptions they needed to maintain in order to access the content they wanted. The frustration was shared by millennials & Gen Z as well with over 40% of the former, and 30% of the latter saying that they were “overwhelmed” by their subscription count. In response to this subscription fatigue, companies are being pressured into proving their worth to customers. The fear of losing customers is pushing many of them to agree to bundle their service along with others in some sort of subscription aggregator play.
- **Heightened Information Inequalities:** A growing concern among news experts today is the prevalence & growth of an “unequal news environment”<sup>3</sup> In essence the problem is that those who are willing & able to pay for journalism are able to access quality, verified, sound information whereas those who are unable to (because of high paywalls) get news that is sensationalised.

<sup>3</sup> [digitalnewsreport.org/survey/2019/paying-for-news-and-the-limits-of-subscription/](https://digitalnewsreport.org/survey/2019/paying-for-news-and-the-limits-of-subscription/)

- **Willingness to pay:** In India, among the non-paying segment, people are indicating an increased willingness to pay for digital entertainment & news services. In particular, out of those who are currently not paying, 40 percent are more likely to pay for services in the future. The corresponding figure of the US was just 18 percent.<sup>4</sup> This increasing willingness to pay is a trend Key plans to capitalize on.



**Exhibit 1.4 Expected Increase in Customer's Willingness to Pay For Online News**  
Source: [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India\\_DNR\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India_DNR_FINAL.pdf)

## BARRIERS TO ENTRY

Generally speaking there are little to no *natural* barriers to entry (i.e. high capital requirement or proprietary technology) against another player who tries to replicate what Key is doing. However, there are significant network effects that will come to play in due time

- **Highly replicable tech:** Technically speaking, there is nothing stopping another player from building an extension identical to ours & hosting it on the Web Store. However, as we will discuss in the next point, such an extension is of little use without the partnership network.
- **Highly inexplicable partnerships:** Given that Key, and other similar services would necessarily have to function like a platform, Key enjoys a first-mover advantage in trying to establish partnerships with premium news providers. Further, the number of active readers using Key on a daily basis will act as a strong incentive for partners to join our platform as opposed to others.

<sup>4</sup> [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India\\_DNR\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India_DNR_FINAL.pdf)

# COMPETITOR ANALYSIS

News subscription aggregation as a service has not taken off in India. Even in international markets, the few that follow the model are in their beta or proof-of-concept stages. However, duly considering competition from these companies Key's competitors are as follows:

- **Blendle:** Blendle is a Dutch startup that launched in 2014. The platform curates journalism from multiple titles under one roof on a pay per-article basis. Proof-of-concept was achieved when the platform reached a million users. However, subsequently, the platform was unable to scale and make profits because of high overheads.

#### The Key advantage:

- ❖ First mover in India
- ❖ Lower overheads as Key is *not* a standalone platform that drives traffic to it.

Functioning via an extension, Key is more lean than Blendle.

- **INKL:** INKL provides access to news from multiple platforms through a single subscription.

#### The Key advantage:

- ❖ More value-for-money for a price-sensitive reader as their money is not locked away in a subscription & they pay as & when they need to re-add.
- ❖ Better user experience as it is embedded in the flow of work.

Key would also face indirect competition from services such as **AUDM** and **Curio** that offer audio long-form journalism.

A comprehensive competitor analysis must account for all the services and manners in which consumers satisfy the same need that Key is fulfilling. Therefore, competitor analysis must also give due consideration to the workaround that people employ to bypass paywalls since this reduces a customer's willingness to pay for our services. Even so, these workarounds are unreliable & work sporadically as many news providers are bolstering their paywalls and making them more robust.

Paywalls are of two types:

- **Hard Paywalls:** These paywalls are very strict and the user only gets access to a snippet of the article. It is difficult to find a hack to cross this paywall.

- **Soft Paywalls:** In these paywalls, the user gets access to a limited number of free articles after which the user needs to subscribe to read more articles. These are easier to crack.

Table 1.0 elaborates on the different methods that are deployed to bypass these paywalls.

**Table 1.0 Various hacks & workaround people deploy to bypass a paywall**

S.No.	Hack	Functioning	When Won't It Work
1	Stop loading the page	Usually most websites load the article first and then the paywall. A hack could be the user clicking on the cross button on top-left before the website loads the paywall.	The first and the most obvious situation when this hack won't work is when the paywall loads before the article. Secondly, even if content loads first, it is tricky to click the cross button in the very few seconds of transition.
2	Delete the Page Cookies	Some websites use cookies to track the number of free articles a user has read. Going to the privacy section of the browser and deleting the cooking can be a quick hack to read more free articles.	Firstly, not all websites use cookies to track. In case they use any other advanced platform, it won't work. Second, it works only for soft paywalls.
3	Use Incognito Mode	Since incognito mode will trick the website into believing that you are a new user, one can access more free articles.	True only for soft paywalls.
4	Use Archive Websites as a Backdoor	There are archive websites where the user can paste the website URL with the desired article, and the website provides a screenshot of the same.. An example of such a service is archive.today	Might or might not work depending on the blog website.
5	Use Paywall Removal Extensions	Google Chrome has a few extensions to help a user bypass a paywall illegally. For eg: the extension <i>Bypass Paywalls</i>	Most extensions do not work and might add viruses to the system.
6	Disable JavaScript in your browser	Changing the code of the website by inspecting it and removing the blocks that display the paywall can help access articles.	Might break the code of the website.
7	Use a VPN Service	Functioning like cookies, a VPN masks the IP address of the user so the website is unable to identify the user.	First, true only for soft paywalls. Second, websites do not necessarily use IP to track.

# MARKET ANALYSIS

## MARKET SIZING

1. India's English Speaking Population: 125 million people<sup>5</sup>  
Key will specifically focus on news partners whose medium of language is English.
2. Percentage of (1) whose main source of news is digital news: 60%<sup>6</sup> => 75 million people  
NOTE: We have assumed it to be slightly higher for the English speaking population
3. Percentage of (2) that are willing to pay for their digital news<sup>7</sup>: 20% => 15 million

**Total Addressable Market (TAM) = 15 million people**

4. Applying Demographic Filter: 35% => 5.25 million people  
Key's target customer is between the ages of 18-35. In India this is 35% of the population<sup>8</sup>
5. Applying Geographic Filter: 40% => 2.1 million people  
Key is targeted at people residing in Tier 1 & Tier 2 cities which is approximately 30% of the population<sup>9</sup>. Given previous filters, we've taken it to be a slightly larger % of the already selected subset so we've settled at 40%

**Serviceable Addressable Market (SAM): 2.1 million people**

Assuming that we will be able to capture at least 50% of the market, we arrive at our SOM.

**Share of Market (SOM): 1.05 million people**

## TARGET CUSTOMER

Key's target customer is:

- Between 18- 35 years of age
- Speaks English fluently

<sup>5</sup><https://www.bbc.com/news/magazine-20500312#:~:text=India%20now%20claims%20to%20be,quadruple%20in%20the%20next%20decade.>

<sup>6</sup> [https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India\\_DNR\\_FINAL.pdf](https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-03/India_DNR_FINAL.pdf)

<sup>7</sup> Data taken from the primary research done on target customers

<sup>8</sup> <https://www.statista.com/statistics/271315/age-distribution-in-india/>

<sup>9</sup> <https://www.statista.com/statistics/271312/urbanization-in-india/>



- Lives in tier 1 or 2 cities
- Works in the knowledge economy
- Has an OTT subscription
- Is tech savvy

# MARKETING PLAN

## PRODUCT

The product that Key will be taking to market is the keys to unlock articles. These can be purchased on the Key website in different bands as described earlier.

NOTE: While the extension is needed to use the keys, the extension is NOT the product.

## PLACE

The keys will be available for purchase on the company website

## POSITIONING

To end users, Key is positioned as a:

- More economical alternative to a monthly/annual subscription
- More flexible option than a single subscription
- More convenient than any market alternatives

Key's brand persona is that of the sage & the helper. Therefore, Key will be marketed as a reader's *helper* in their quest for knowledge that unlocks doors for them along the way.

## PRICING

Pricing can be determined only once partners are onboarded & they agree to a certain price for each article. We estimate that an article will be priced at around Rs 10.

NOTE:

- Key will be priced as an economical option, NOT a premium offering.
- For a moderate/light reader, Key will be cheaper than a monthly/annual subscription plan.
- Key will be cheaper than other offerings currently available internationally keeping in mind the price sensitivity of Indian consumers.

## KEY SELLING POINTS

The following aspects of Key's **value proposition will be highlight in promotional material**

- Key makes reading premium journalism hassle-free
- Key is extremely cost-effective as you pay only for the articles you read
- Embedded in the flow of work, the Key extension is minimal & discrete

- The extension takes only 0.5 seconds to execute thereby saving readers time

## **DISTRIBUTION**

The Key offering will be digitally distributed. Customers might encounter key via word of mouth, through digital ads, or as a payment option on a partner website which will lead them to the Key website. Users will be able to sign up for Key by entering their personal details (name, email ID & phone number). Payment for keys can be done using net banking, credit/debit cards or UPI. There will be a minimum number of Keys that one must buy in order to use the extension.

## **ADVERTISING & PROMOTION**

Key will follow a 3-stage digital marketing process. The process will leverage social media marketing channels namely Instagram ads, Facebook ads, LinkedIn sponsored posts, YouTube ads and Google ads.

- **Phase 1 :** The focus of the first phase is to build awareness about Key in the minds of consumers. We will be using a combination of sponsored posts and stories on platforms such as Instagram, Facebook and LinkedIn. The narrative of the ad will focus on problems that users face and how Key solves for them. Ads will also educate customers about the Key extension and how it works. This phase will last about 2-3 months. A limited number of free trials will also be offered during this period.
- **Phase 2:** During the second phase testimonials of happy customers will be used to educate potential customers on how Key can be integrated in their lives. At this stage, Key will also tie-up with nano and micro-influencers to popularize the product within our target demographic. These influencers will be from domains such as education, career advice, self-development etc. The influencers will also be asked to perform affiliate marketing, wherein users can avail of promotional offers distributed by these influencers. This phase will last about 6 months.
- **Phase 3:** As potential customers become sufficiently educated about Key & its value proposition marketing will make a specific call-to-action for explicit. The main goal of this phase is to drive conversions, moving from the desire to action stage. This stage will last 6-8 months.

NOTE:

- Owing to network effects, we expect big upticks in users each time we onboard partners to our platform.
- Word of mouth marketing will also play a huge role in growing the number of users.

# OPERATIONS PLAN

Operations at Key are split between product, partnerships & marketing

## 1. Partnership Activities:

- a. Pitch the Key value proposition to various digital news companies and get them agree to price their articles individually
- b. Determine the revenue sharing agreement with interested partners

## 2. Product & Tech:

- a. Building the website & integrating a payment portal
- b. Building the extension to be compatible with Google Chrome, Apple Safari, Microsoft Edge and Mozilla Firefox

## 3. Marketing

- a. Executing the three phases of the marketing plan

**TABLE 1.1 Operations Plan**

Step	Partnership Activities	Product & Tech	Marketing and Customer Feedback
1.	Approach ALL target partners with our value proposition. Get minimum 3 to agree to do a three month free pilot with us.	Build the website & integrate the payment portal. Must include net banking, UPI & credit/debit card payment	Prepare customers for the pan India pilot.
2.		Build the extension for Google Chrome.	
GO LIVE WITH THE PILOT			
3.	If the pilot is a success, enter a revenue share agreement with existing partners.	Incorporate feedback from the pilot & develop extension for other browsers (Apple Safari, Mozilla Firefox, Microsoft Edge)	Marketing Phase 1 begins
4.	Onboard new partners on the back of pilot's success.	Add more features	Marketing Phase 2 begins
5.			Marketing Phase 3 begins

# FINANCIAL PLAN

## REVENUE MODEL

We are looking at 2 possible revenue models for our business

### 1. Money Model

This model involves the end-user paying for our service by buying Keys on our platform and using them to unlock articles. They can keep purchasing Keys in packs of 10, 20, 50 and 100, at the prices of Rs. 50, 100, 250 and 500 respectively.

This model is direct as it involves the customer directly paying for Keys using money.

### 2. Ad Model

The ad model is our back-up/pivot plan in case we find out after running pilots that individuals are not spending directly to buy Keys. While our survey results (Appendix) did show that about 1/3rd of people are willing to pay for a service like Key and about 1/3rd more considering it, we cannot count these results as representative of the entire target market. Therefore, there is a possibility that people don't end up spending on our service by directly buying Keys because the Indian public may not be ready just yet to start paying for articles (it is only recently that OTT subscriptions have caught-on in India).

In this case, we plan a model wherein users need to watch a number of ads on our platform, which will unlock their Keys. They can then use the Keys to unlock articles, as normal in the above model. The idea of this Ad Model is that we will become an Ad Delivery Platform and clients will pay us money for running ads to users. We will use this money, in turn, to pay to News Websites as fees. One benefit of this model is that we will be able to charge high rates from Ad clients because our audience is more likely to be well-educated and upper-middle class (i.e., the relatively higher disposable income and higher spending power section of India's population)

A major downside of this model is that there are innumerable ad delivery platforms operating in India and it is a game of scale- we are unlikely to get Ad clients to run ads on our platform if we don't have end-users to watch those ads, and we cannot to onboard a large number of end-users if we don't have a Ad revenue model in place.

This downside is not present in the Money Model because end-users start the financial value-chain

by buying Keys on our platform, and they then use Keys to unlock articles. We pay the News websites half of the value of the Keys used by the user to unlock an article.

**Revenue model:** 50% of value of Keys used by a user per article go to the News Service provider. If user Aryan spends 2 Keys to unlock a TOI+ article, the money coming to us is Rs. 10. We share half of this, i.e. Rs. 5, with the News platform.

Therefore, we are largely going to focus on the Money Model for all the analysis henceforth because it is our primary model.

We are looking at giving each Key an intrinsic value of Rs. 5, and most articles would require 2 Keys to unlock, therefore being valued at Rs. 10. From our research, we have found that a Moderate User (n) consumes/would consume about 9 paid articles per week, while a light user would consume n-7 and a heavy user n+7 (given in the table below). Taking a value of Rs. 10 per article, a Moderate User would spend Rs. 90 on Key per week and Rs. 360 a month.

	Light User (n-7)	Moderate User (n)	Heavy User (n+7)
Paid articles consumed per week	2	9	16
Effective spending through Key per WEEK (in INR)	20	90	160
Effective spending through Key per MONTH (in INR)	80	360	640

Using a Moderate User as the average user, we have done the below calculations.

	Year 1											
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
No. of Users	500	650	845	1099	1429	1858	2415	3140	4082	5307	6899	8969
Charge per user	360	360	360	360	360	360	360	360	360	360	360	360
Revenue	180000	234000	304200	395640	514440	668880	869400	1130400	1469520	1910520	2483640	3228840
Less: Commission	90000	117000	152100	197820	257220	334440	434700	565200	734760	955260	1241820	1614420
Gross Profit	90000	117000	152100	197820	257220	334440	434700	565200	734760	955260	1241820	1614420

	Year 2											
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
No. of Users	8969	10314	11861	13640	15686	18039	20745	23857	27436	31551	36284	41727
Charge per user	360	360	360	360	360	360	360	360	360	360	360	360
Revenue	3228840	3713040	4269960	4910400	5646960	6494040	7468200	8588520	9876960	11358360	13062240	15021720
Less:Commission	1614420	1856520	2134980	2455200	2823480	3247020	3734100	4294260	4938480	5679180	6531120	7510860
Gross Profit	1614420	1856520	2134980	2455200	2823480	3247020	3734100	4294260	4938480	5679180	6531120	7510860
	Year 3											
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
No. of Users	41727	45900	50490	55539	61093	67202	73922	81314	89445	98390	108229	119052
Charge per user	360	360	360	360	360	360	360	360	360	360	360	360
Revenue	15021720	16524000	18176400	19994040	21993480	24192720	26611920	29273040	32200200	35420400	38962440	42858720
Less:Commission	7510860	8262000	9088200	9997020	10996740	12096360	13305960	14636520	16100100	17710200	19481220	21429360
Gross Profit	7510860	8262000	9088200	9997020	10996740	12096360	13305960	14636520	16100100	17710200	19481220	21429360



Profit & Loss Statement (Year 1)		Profit & Loss Statement (Year 2)		Profit & Loss Statement (Year 3)	
Particulars	Amt	Particulars	Amt	Particulars	Amt
REVENUE		REVENUE		REVENUE	
Income	13389480	Income	93639240	Income	321229080
Other Income	-	Other Income	-	Other Income	-
Total	13389480	Total	93639240	Total	321229080
EXPENSES		EXPENSES		EXPENSES	
Marketing	2242250	Marketing	10431750	Marketing	29763000
Development & Maintenance	562783	Development & Maintenance	792089	Development & Maintenance	4033364
Employees	8000000	Employees	22500000	Employees	75000000
Rent & Utilities	1200000	Rent & Utilities	2500000	Rent & Utilities	10000000
Content Partnerships	6694740	Content Partnerships	46819620	Content Partnerships	160614540
Miscellaneous	100000	Miscellaneous	600000	Miscellaneous	1000000
Total	18799773	Total	83643459	Total	280410904
PROFIT before tax	-5410293	PROFIT before tax	9995781	PROFIT before tax	40818176
Less: Tax	-	Less: Tax	2998734.3	Less: Tax	12245452.8
PROFIT after tax	-5410293	PROFIT after tax	6997046.7	PROFIT after tax	28572723.2

## Cost Model

Our costs are divided into two: Fixed Costs and Variable Costs. The only major Fixed Cost is our platform set-up cost of Rs. 5 lakhs. This would involve writing the code for all the major browsers that allow creating the Key browser extension, the setting up of a payment gateway (can partner with Razorpay or similar platforms), and the overall UI/UX of the website.

The variable costs include Marketing, Server Costs, the SEO team, and the integration of AI and tools to process the large amount of data we will collect. These costs will rise as we increase in size, and our estimates are shown in the tables below.

Categories	Variable	Total Cost (Y1)	Y2	Y3
Marketing	15/visitor	1345350	6259050	17857800
Server Costs	5/user	44845	208635	595260
Digital Marketing	10/visitor	896900	4172700	11905200
Integration of AI and tools to process data	2/user	17938	83454	238104
Platform set-up cost	-	500000	500000	1000000

Notes: Users		8969	41727	119052
Visitors		89690	417270	1190520
(Conversion Rate = 10%)				

## Key Metrics

Some of the key metrics we would be tracking are:

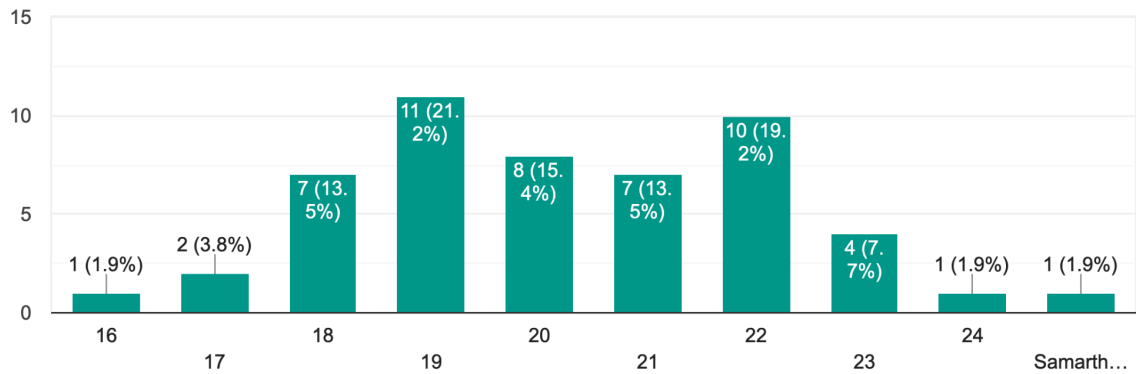
1. Total number of people using Key (per month): will tell us if we are growing on a month-on-month basis
2. The number of times each individual unlocks an article using Key (per month): will tell us about our repeated user metrics
3. Amount spend on buying Keys per month: will give us an idea on revenue per customer
4. Number of Keys bought per transaction: will help us to better price our Key packs and perhaps market different pack sizes to different personas so that the maximum number of Keys are sold
5. Percentage of times people come across a paid article but don't use Key: will help us to analyze what are the main inhibitions why people are not using a Key.

# APPENDIX

## Survey Results from the Google Form:

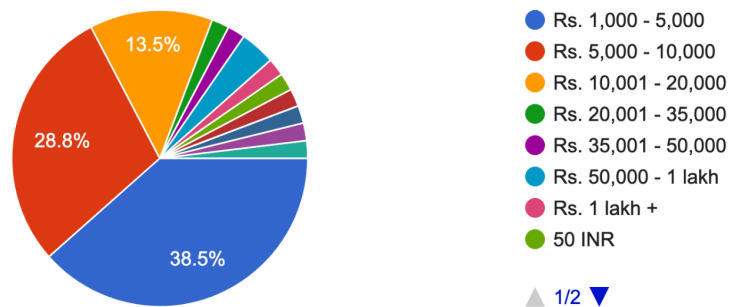
How old are you?

52 responses



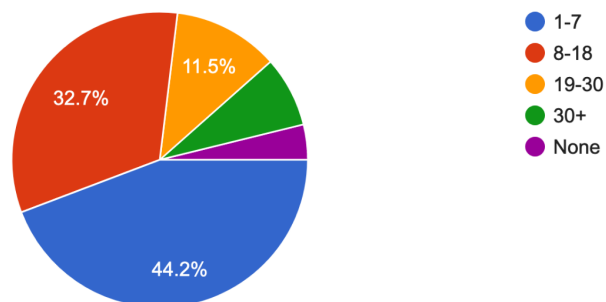
What is your monthly allowance/income?

52 responses



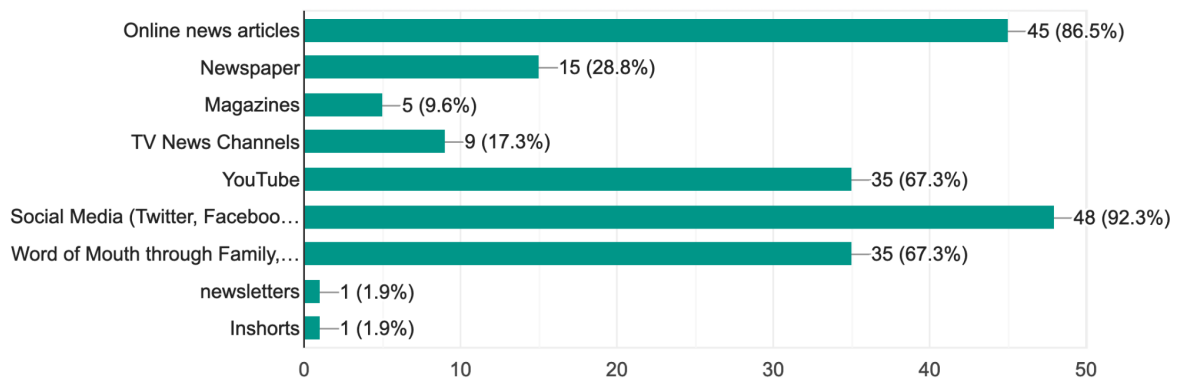
How many articles do you read every week?

52 responses



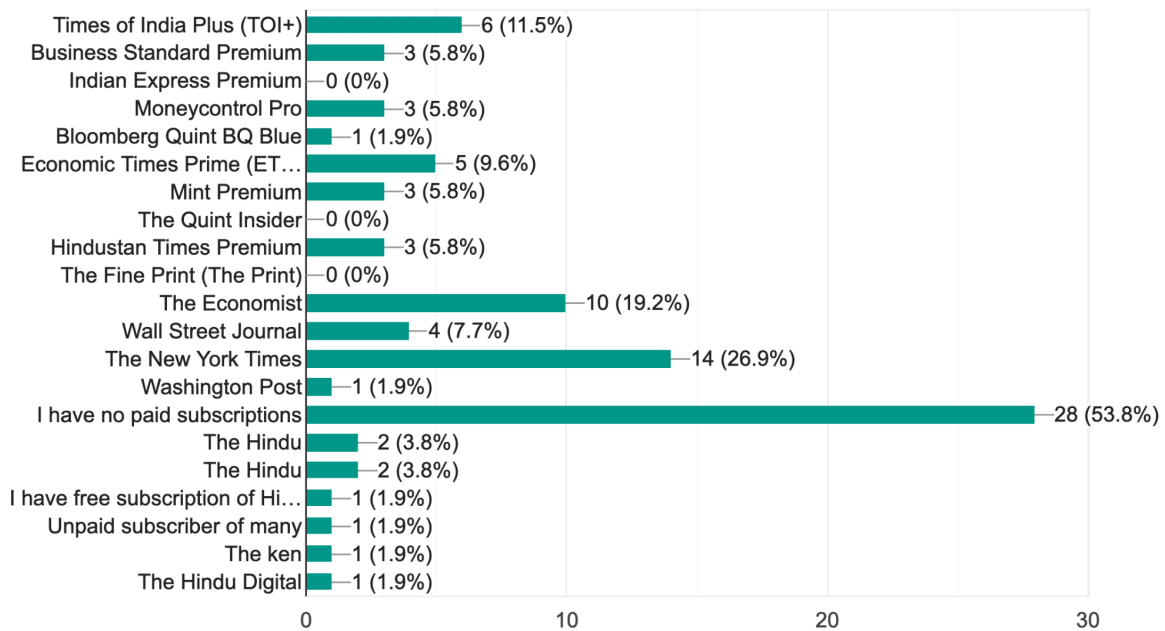
### How do you consume news? Tick all that apply

52 responses

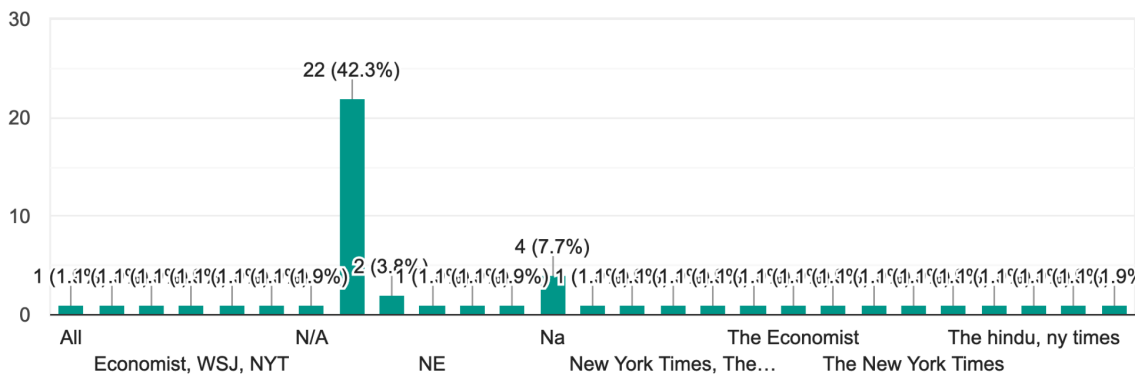


### Are you a paid subscriber of any of these services? Please tick the ones applicable.

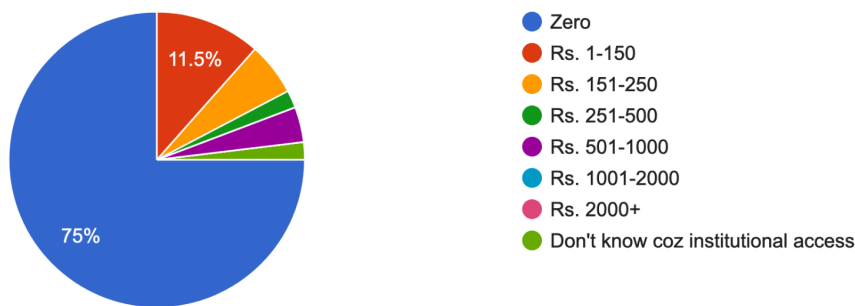
52 responses



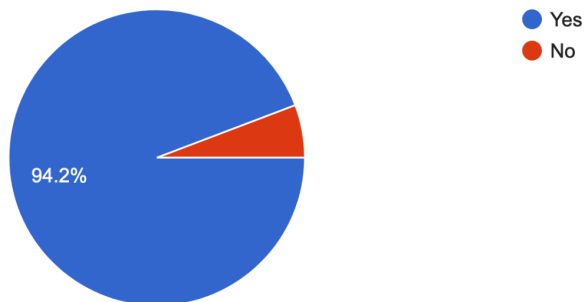
Which of these are institutional subscriptions (provided by your organization)? If none, write NA  
52 responses



How much money do you spend in total per month on paid online news subscriptions?  
52 responses

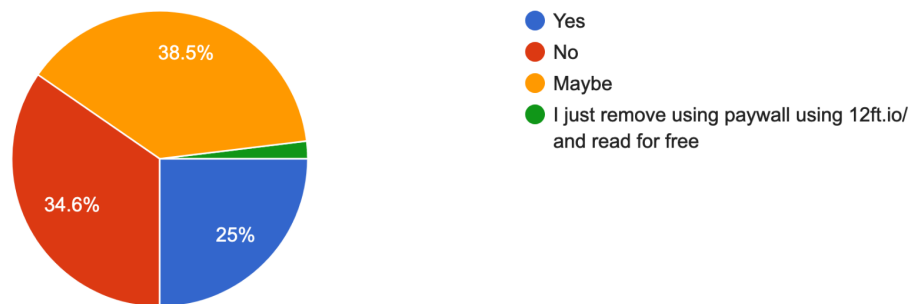


Do you sometimes find yourself in a situation where you want/need to read an article but it is behind a monthly subscription paywall that you don't want to pay for?  
52 responses



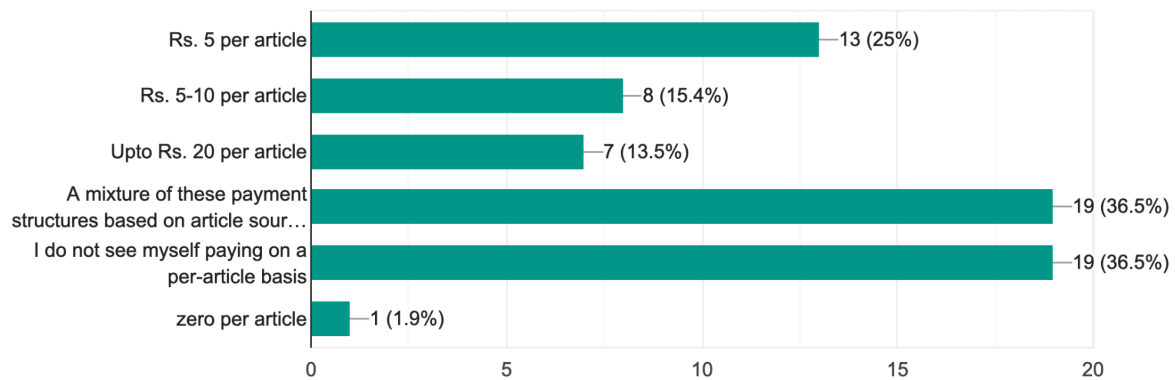
If yes, would you use a pay per article service that could unlock such articles?

52 responses



If so, how much are you ready to pay per article?

52 responses



**Research on subscriptions offered by News websites:**

Domain	Provider	Type	Plan Name	Subscription Type	Subscription Fee
Indian	the Federal	Online News	The Federal Premium	Annual	365
Indian	Money Control	Investing News	MoneyControl Pro	Annual	399
Indian	Times of India	Online/Print News	TOI+	Annual	599
Indian	The Hindu Business Line	Online News	Digital Access	Annual	899
Indian	Frontline digital	Magazine	Frontline Digital	Annual	899
Indian	The Hindu	Online/Print News	Readers' Choice (digital +e-paper)	Annual Digital Subscription (52 issues)	999
Indian	Scroll.in	Online News	Scroll+	Annual	999
Indian	India Today	Magazine	Print/Digital Subscription	Annual Digital Subscription (52 issues)	1560
Indian	The Indian Express	Online/Print News	ePaper + Premium plan	Annual	1699
Indian	Business Standard	Online/Print News	BS Digital Smart Annual	Annual	1799
Indian	The Quint	Onlines News	The Quint Insider	Annual	1800
Indian	Mint	Online/Print News	-	Annual	2249
Indian	Economic Times	Online/Print News	ET Prime	Annual	2499
Indian	Bloomberg Quint	Online News	-	Annual	2999
Indian	The Ken	Online Business News		Annual	3245
Indian	The Wire	Onlines News	-	-	-
Indian	The Print	Onlines News	-	-	-
Indian	NDTV News	Online/Print News	-	-	-
Indian	News18	Onlines News	-	-	-
Indian	DNA	-	-	-	-
Indian	Deccan Chronicle	-	-	-	-
Indian	Financial	Online/Print News	-	-	-

	Express				
Indian	Free Press Journal	-	-	-	-
Indian	Social Samosa	Digital Entertainment News	-	-	-
Indian	The Asian Age	Online/Print News	-	-	-
International	Wall Street Journal	Digital	WSJ Basic Digital	Annual(billed monthly)	4309
International	The Economist	Digital + Issue	Digital	Annual	9699
International	Reuters	-	-	-	-
International	The New York Times	Digital/Print		Annual	600
International	The Washington Post		All-Access Digital	Annual	500
International	Financial Times	Digital/Print	Digital	Annual	28571
International	The Guardian		Digital	Annual	13200
International	Business Insider	Digital	Digital	Annual	3723