

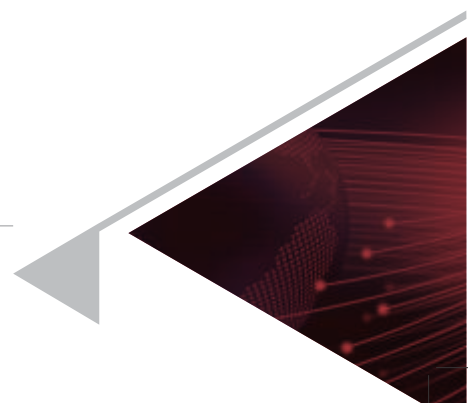
Internet
in
Indic
2017

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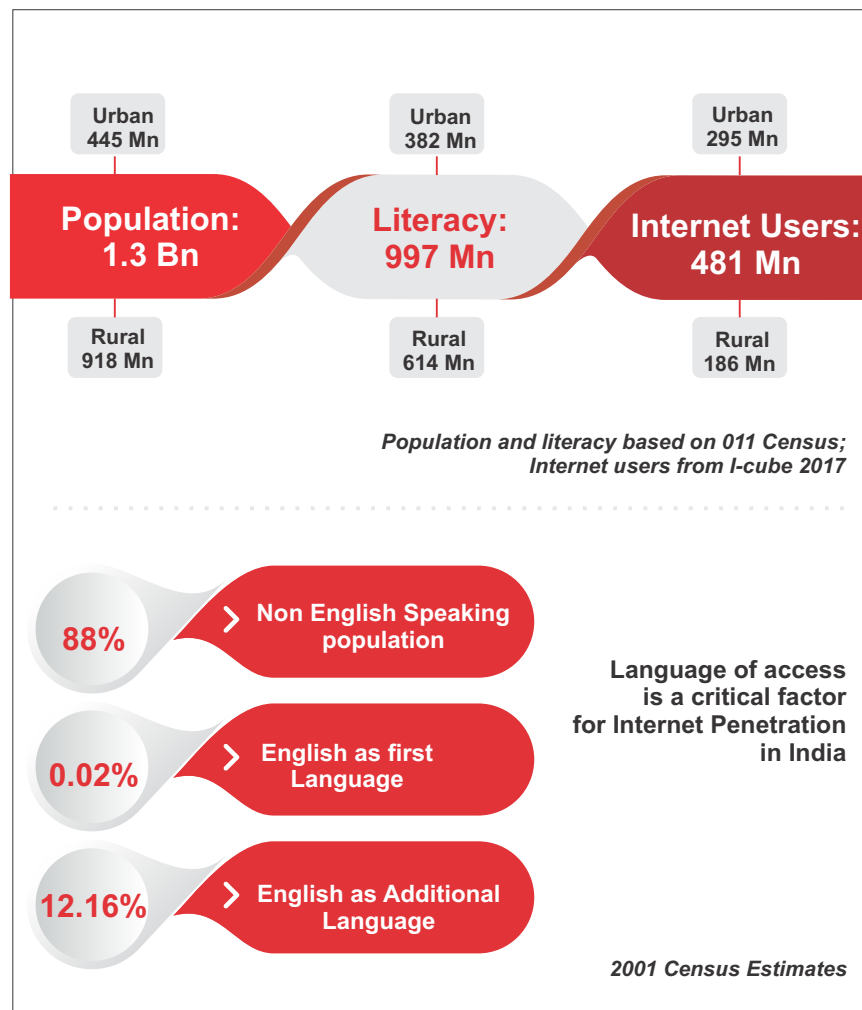


EXECUTIVE SUMMARY

- 481 Mn Internet users in India as on December 2017.
- 335 Mn non-unique users of internet in Indic.
- Urban India (total internet users 295 Mn) has 193 Mn users accessing Indic content while Rural India (total internet users 186 Mn) has 141 Mn users who access Indic content on internet.
- Survey shows 70% of the internet users consume Indic content, however, 68% of the usage is for entertainment, audio/video consumption only.
- Critical services like online banking, online search, job search etc. have usage as low as 20% even in Urban India.
- 23% of total non users (160 Mn in Urban India and 732 Mn in Rural India), or approximately 205 Mn potential users stated that Indic content was a key motivator for them to adopt the internet.



INTRODUCTION



India, currently with 481 Mn internet users, has the second highest Internet user base and is expected to reach 500 Mn users by June 2018. The growth of internet penetration in India has occurred at a phenomenal pace, especially in last decade.

However, the growth has been extremely skewed. Internet penetration in Urban India is 64.84% as of December 2017 as compared to 60.6% last December. In comparison, Rural Internet penetration has grown from 18% last December to 20.26% till December 2017. Given that total Urban population is much lower than total Rural population, the Urban-Rural digital divide is actually more acute than what the penetration numbers convey. The skewed nature of Internet Users is further proven by the fact that the top 9 cities account for 35% of all Urban internet users of India. The smaller metros and non-metros have internet penetration levels lower than the national average for Rural India¹.

This report, based on the annual survey exercise I-cube, undertaken by KANTAR-IMRB, highlights the state of Indic content usage in India, the various demographic and socio-economic breakup of the users and the purpose of usage of Indic content. This report maps the current trends in Indic content usage and thereby identifies the lacunae.

Analysis of internet users reveal 2 traits continuing over the last decade; (a) Internet is predominantly used by youngsters across Urban and Rural regions, and (b) the main usage of internet is for entertainment and social networking. Critical services like digital payments still have very low offtake. This in turn limits the importance of internet for a large section of the 892 Mn who are yet to go online.

Of all the critical factors for promoting digital adoption, the language of access is perhaps the most important factor. Globally, China managed to achieve the highest number of internet users by using Mandarin script content, so much so that Chinese is the second most popular language on the internet after English. In contrast, Indic content accounts for barely 0.1% of the worldwide internet content.

India has embarked on an ambitious project of Digital India that seeks to revolutionize governance and all forms of service delivery via the digital medium. Digital India is projected to be worth \$1 Tn by 2024, fueling the next generation of economic growth via digital adoption; be it in the form of Industry 4.0, the maturation of the emerging start-up sector or early adoption of emerging technologies like 5G, IoT, AI among others.

The success of this vision depends on the success of internet penetration in the country, which in turn would be hugely dependent upon promoting Indic internet content. This will be the key to offering critical services in the language of choice to users; thereby increasing user base, business cases and promote an overall universal digitalization in India.



INDIC INTERNET USERS IN INDIA: THE OVERALL NUMBERS

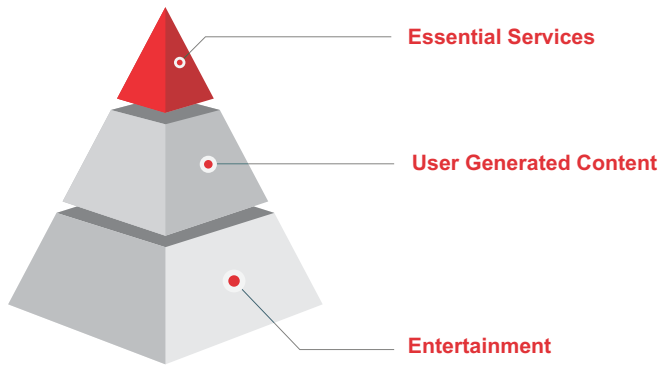
Untapped Potential in Internet User Base



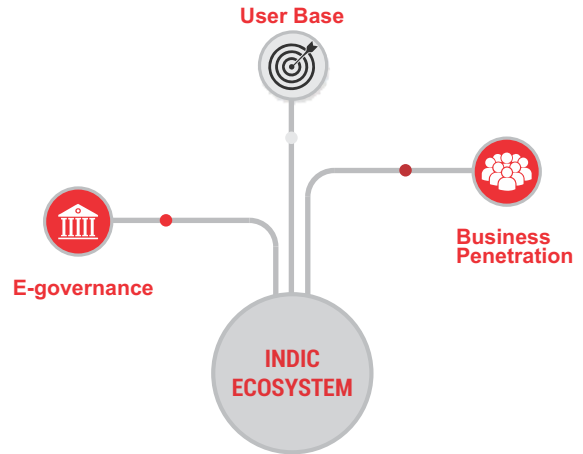
66% Indic Usage (current)
160 mn Potential New Users



76% Indic Usage (current)
732 mn Potential New Users.



Present usage of India limited in use case

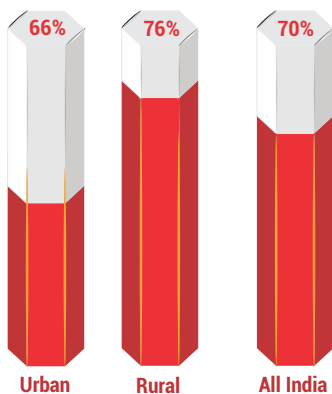


The usage of the Internet in India is growing steadily. As on December 2017, there are an estimated 481 Mn Internet users in India of which 295 Mn users are in Urban India (61%) and 186 Mn users are from Rural India (39%)².

An estimated 335 Mn Internet user in India access Internet content in Indic(non-unique users³). Of these, estimated 193 Mn users are from Urban India (58%) and 141 Mn users are from Rural India (42%).

PENETRATION OF INDIC INTERNET USERS

Indic Penetration amongst Internet Users



Source: KANTAR-IMRB I-Cube 2017, All India Internet Users Estimates, December 2017

Among Internet users in India, an estimated 70% users access Internet in Indic for various purposes. A higher proportion of Indic usage can be observed in Rural India at 76%. In Urban India more than half of the Internet users (66%) access Internet in Indic (non-unique).

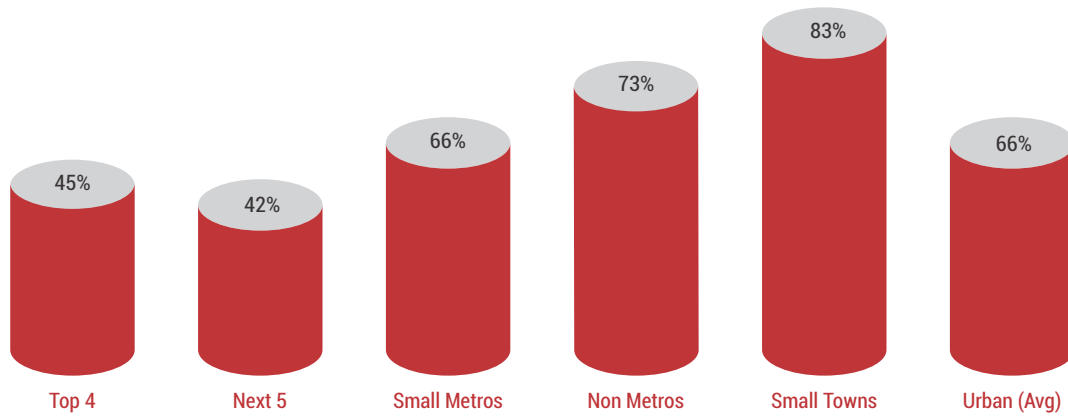
²Internet in India 2017, IAMAI-KANTAR IMRB

³Non unique refers to the fact that these users do not access internet exclusively in Indic. The survey maps users who access internet in Indic in varying degree and extend.



INDIC INTERNET USERS – URBAN INDIA

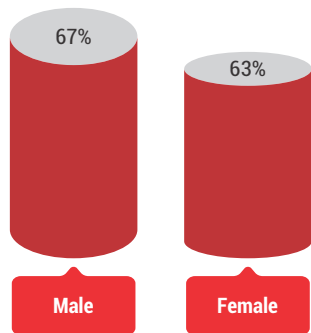
Penetration by Town Class-Urban



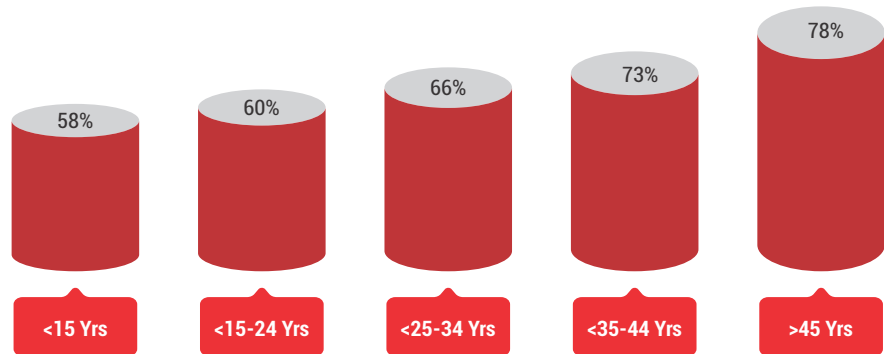
KANTAR-IMRB I-Cube 2017, All India Urban Internet Users Estimates, December 2017; See Annexure for details of town class

The relatively smaller towns have higher levels of Indiac usage in Urban India. There is no observable gender difference in Indiac content usage in Urban India.

Indiac by Gender: Urban India



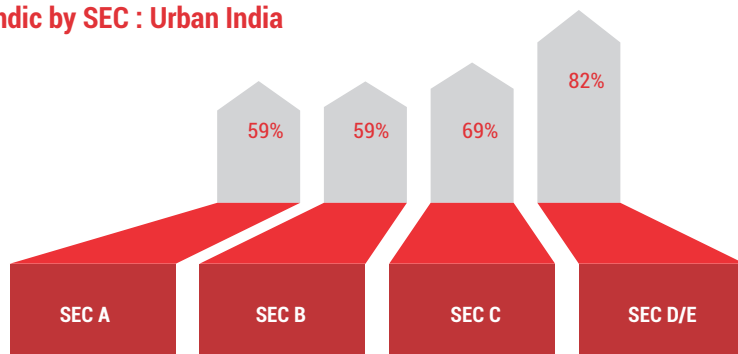
Penetration by Age Group: Urban India



Source: KANTAR-IMRB I-Cube 2017, All India Urban Internet Users Estimates, December 2017

It is interesting to note that usage of Indiac content on internet increases with age group, with the above 45 yrs category consuming maximum Indiac content in Urban India. Nonetheless, the lowest category (<15 yrs) with Indiac content usage as high as 58% proves that Indiac content is extremely popular across age groups in Urban India.

Indiac by SEC : Urban India

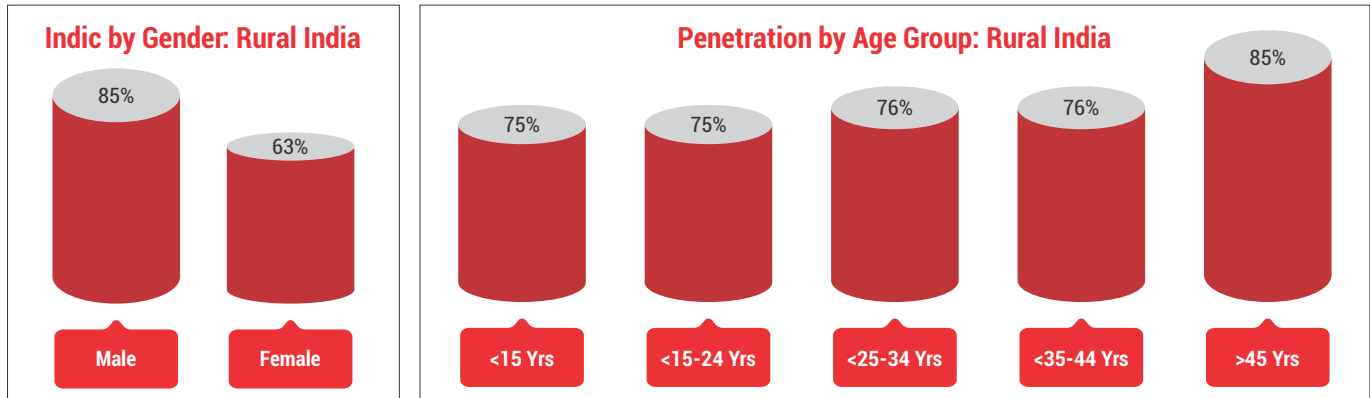


In terms of socio-economic classifications (SEC), the lower (or weaker) section shows greater affinity for Indiac content, with a difference of 23 percentage points between the highest and lowest category. This is a reflection of the level of education and proficiency of English, which is the default language of internet access presently.

Source: KANTAR-IMRB I-Cube 2017, All India Urban Internet Users Estimates, December 2017; See Annexure for details of SEC



INDIC INTERNET USERS – RURAL



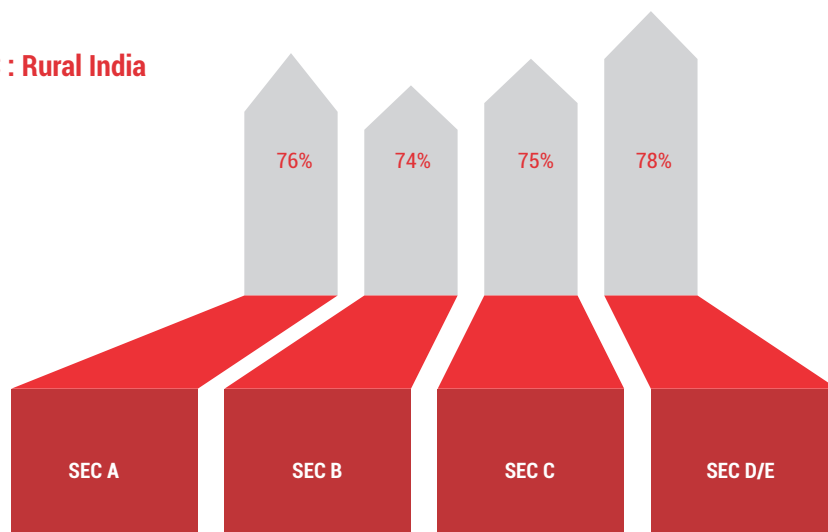
Source: KANTAR-IMRB I-Cube 2017, All India Rural Internet Users Estimates, December 2017

In Rural India overall penetration of Indic users is higher when compared with Urban India.

Rural India shows considerable gender gap in Indic adoption, with a higher proportion of males accessing content in Indic than females. This is because overall males access internet more than females in Rural India.

In terms of age group, as in the case of Urban India, the over 45 yrs category consumes more internet content in Indic than others. Almost all age groups in Rural India have over 70% respondents consuming Indic content, which is considerably higher compared to their Urban counterparts.

Indic by SEC : Rural India



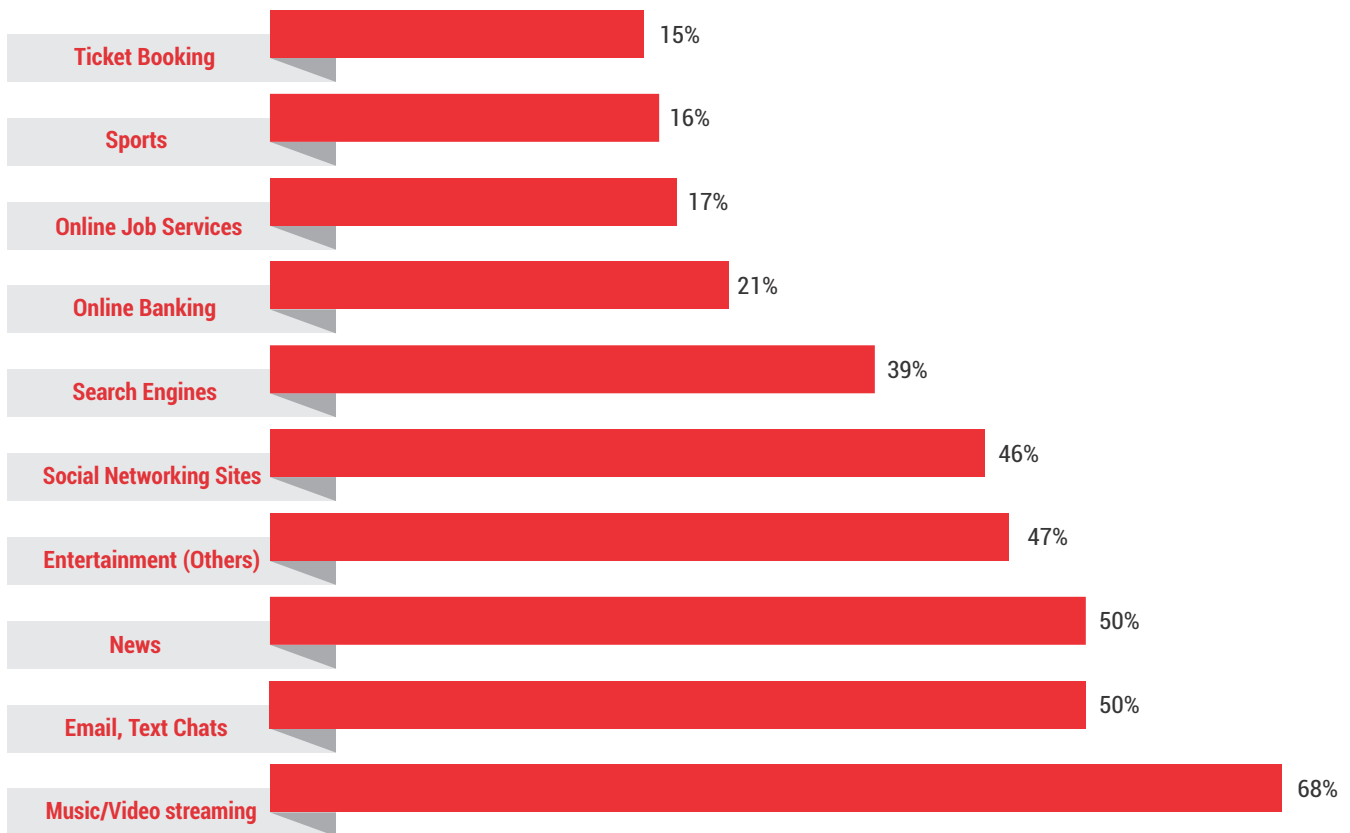
Source: KANTAR-IMRB I-Cube 2017, All India Rural Internet Users Estimates, December 2017; See Annexure for details of SEC

In comparison to Urban India, the different SEC groups of Rural Indic have higher Indic content consumption for each category. As in the case of Urban India, SEC D/E has highest Indic content consumption amongst all categories.



APPLICATIONS USED IN INDIC

Indic Applications



Source: KANTAR-IMRB I-Cube 2017, All India Urban Internet Users Estimates, December 2017

Note: Entertainment (others) includes entertainment except music, video & Sports such as. Books/ magazines, blogs, gaming etc. Sports includes Live sports streaming site, live sports updates, news etc.

Digital Entertainment is the most popular Internet service today and one of the biggest reasons for its popularity is content in Indic. Not surprisingly, music/video streaming is the most popular Indic application for Urban users. In terms of content consumption, news and other forms of entertainment are the other most popular Indic applications.

In terms of user generated content, e-mail, text chats are the most popular application with 50% respondents engaging in such activities via Indic. Social networking sites are the second most popular application overall and had been the prime application (overall) in the recent past⁴; and almost half of all respondents engage with social networking in Indic.

However, critical services like online banking, job search or ticket booking (which is the most popular e-commerce activity in India) still has very low local content usage.

There is critical need to increase delivery of such services in Indic to promote their off take.



INTERNET IN INDIC: A KEY MOTIVATOR FOR INTERNET NON-USERS

Presently, there are 160 Mn potential new users in Urban India and 732 mn potential new users in Rural India.

Among the current non internet-users, roughly 23% have indicated that if internet content were available in Indic, it would be a key motivator for them to start using internet in the future.

Thus, in effect, of the 892 Mn potential new users, estimated 205 Mn new internet users would come online if internet content in Indic is promoted in India.

CONCLUSION

The proliferation of internet in local Indian language is a reflection of the criticality of the Indic for internet access in this country. Given the relatively low penetration of English beyond the Metros, especially amongst the economically weaker sections of the society, internet penetration in India cannot grow without addressing the issue of the language of access for internet services.

The criticality of internet in Indic is proven by the fact that Rural India has higher Indic content usage than Urban India. Considering the fact that overall internet penetration in Rural India is as low as 20%, promoting content in Indic is a critical element for better digitalization of the hinterlands.

Internet in Indic is not limited to content in Indic but in effect refers to the entire digital ecosystem. Usage of application analysis reveals that accessing a search engine (which is often the first port of call in browsing) in Indic is very low at only 39%. This is largely due to the fact that the access to internet is still predominantly English based. Going forward, URLs, domain names, key tags, indexing etc. have to be promoted in Indic to make the entire digital interface more user friendly. Applications, internet connected devices and systems are unable to accept, validate, store, process or display all content due to these lacunae. Consequently, businesses are unable to penetrate semi-urban/rural areas because of the language barrier.

Critical internet services like digital payments, basic e-commerce, online job search etc. are extremely limited at present because of the lack of ease of conducting such activities in a language of choice. Unless these services are promoted in Indic and people are encouraged to use such services, the vision of a Digital India will remain unfulfilled.



Annexure: Study Methodology, Demographic Segments and Sampling Procedures

Target Segments

I-Cube 2017 covered 171 cities.

Below are the cities that have been covered in this research:

Cities by Strata	
Top 4 Metros (10 mn+)	Delhi, Mumbai, Chennai & Kolkata
Other 5 Metros (Between 4 to 10 mn)	Bangalore, Hyderabad, Ahmedabad, Pune & Surat
Small Metro (Between 1 to 4 mn)	Coimbatore, Jaipur, Lucknow, Ludhiana, Visakhapatnam, Patna, Guwahati, Kochi, Vadodara, Indore, Nagpur, Aurangabad, Raipur, Faridabad, Jamshedpur, Asansol & Ghaziabad UA
Non Metro (Between 0.5 to 1 mn)	Belgaum, Aligarh, Bhubaneswar, Durgapur, Malegaon, Salem, Dehradun, Warangal, Gurgaon, Bokara, Bikaner, Jalandhar, Bhavnagar, Mysore UA & Noida (CT)
Small Town (Less than 0.5 mn)	Alappuzha, Faizabad, Panipat, Kanchipuram, Raichur, Nizamabad, Bilaspur, Gaya, Shillong, Latur, Navsari, Bhilwara, Dewas, Kurnool, Silchar, Deoghar, Patiala, Burdwan, Tumkur, SagarUA, Brahmapur, Kolaghat, Baleshwar, Balasore, Philbhit, Amreli and many more...

Definition Of NCCS

The SEC is a method of categorizing households based on 2 critical variables: educational qualification of the chief earner in the family and number of 'consumer durables' owned from a predefined list of 11 items, ranging from electricity connection to agricultural land.

The SEC are divided in 5 broad categories, and overall 12 grades (including sub-categories)

NCCS	Minimum	Maximum
SEC A	Education – literate but no formal schooling Number of Durable-7	Education – Education – Post graduate/ Graduate - professional Number of Durable-9 or More
SEC B	Education – Illiterate Number of Durable-4	Education – Education – Post graduate/ Graduate - professional Number of Durable-9 or More
SEC C	Education – Illiterate Number of Durable-3	Education – Education – Post graduate/ Graduate - professional Number of Durable-7
SEC D	Education – Illiterate Number of Durable-0	Education – Post graduate/ Graduate -professional Number of Durable-4
SEC E	Education – Illiterate Number of Durable-0	Education – Post graduate/ Graduate-General Number of Durable-2





About IMAI

The Internet and Mobile Association of India (IAMAI) is a young and vibrant association representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers but, in the last 13 years, has come to effectively address the challenges facing the digital and online industry including mobile content and services, online publishing, mobile advertising, online advertising, e-commerce and mobile and digital payments among others.

Thirteen years after its establishment, the association is still the only professional body representing the online industry. The association is registered under the Societies Act and is a recognised charity in Maharashtra. With a membership of nearly 300 Indian and overseas companies with offices in Mumbai, Delhi, Bengaluru and Kolkata the association is well placed to work towards charting a growth path for the digital industry in India.

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About Kantar IMRB

Kantar IMRB is a pioneer of market research services in Asia. It partners its clients across the entire brand lifecycle through a unique mix of innovation and analytical thinking to design customized solutions that deliver maximum impact. By leveraging on its large array of syndicated services and specialist divisions, Kantar IMRB helps clients in crafting marketing and consumer strategies. With a multi-disciplinary and multi-cultural workforce, it is at the forefront of research and consulting services.

An eight-time recipient of "Agency of the Year", Kantar IMRB's footprint extends to 50 offices across 19 countries.

This report has been drafted by the specialized Technology division of Kantar IMRB.

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