



Changing face of India by rising pace of Internet

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ABSTRACT

The face of the Indian Internet user is changing rapidly. The emergence of India as a developing nation in the new technological era is marked by growing levels of Internet usage. Internet has emerged as a convenient information acquisition tool in this knowledge era.

The objective of this paper is intended to focus on growth of Internet usage in India, frequency of Internet usage, Internet contribution to GDP, and which factors are contributing more in Internet growth etc. In overall the study shows how changing face of India by raising face of Internet usage.

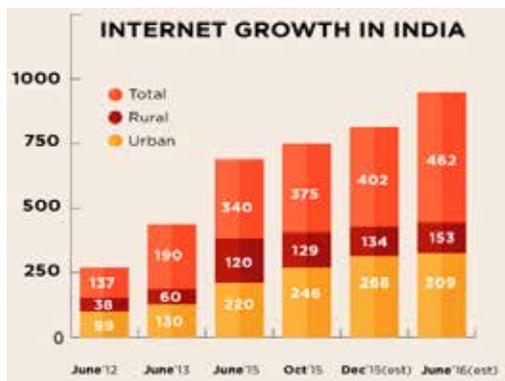
KEYWORDS : Internet, growth, user and country.

Introduction:

Today the whole world is revolving around Internet. Right from surfing information to accessing emails, banking transactions to buying movie tickets, connecting with friends to blogging views and thoughts, online shopping to ordering food and many more are done through Internet. No wonder we are at the crest of a digital revolution, where everything is digitalized. Internet has become a vital system in our day to day life. With the introduction of 3G and 4G services in India there has been a cut throat competitive in the market which has led to fall in broadband charges. This in turn has led to more number of net users in our country. Also change in the perception of online shoppers, acceptance of online payments and more number of users making online transaction has given a steady boost to e-Commerce in our country.

The number of Internet users in India is expected to reach 402 million by December 2015, registering a growth of 49% over last year, according to a report 'Internet in India 2015', jointly published by the Internet and Mobile Association of India (IAMAI) and IMRB International, on Tuesday, Nov 17, 2015.

While Internet in India took more than a decade to move from 10 million to 100 million and 3 years from 100 to 200 million, it took only a year to move from 300 to 400 million users. Clearly, Internet is main stream in India today. And the large Internet user's base is definitely good news for the overall growth of the digital industry. In October 2015, there were 375 million Internet users in India. Currently, India has the third largest Internet users' base in the world but it is estimated that by December, India will overtake the US as the second largest Internet users' base in the world.



China currently leads with more than 600 million Internet users. This makes India the second largest Internet user's base in the world behind China, but is ranked first as the largest Internet users in a free

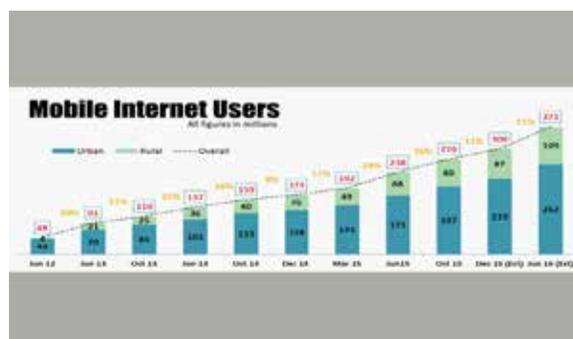
market democratic setup. According to the report, 71% male and 29% female are Internet users in India. The Internet usage among males has been growing at a rate of 50% while it is growing at 46% for female users.

However, in Urban India, the ratio between male to female Internet users is 62:38. Significantly, Internet users among females are growing at a rate of 39% compared to 28% among males. Among the Rural Internet users, 88% are males. The Internet users among females are growing at 61% and 79% among males. 75% of the rural Internet users belong to the age group of 18-30 years. Another 11% are in the age group of <18 years, while 8% belong to 31-45 years age group.

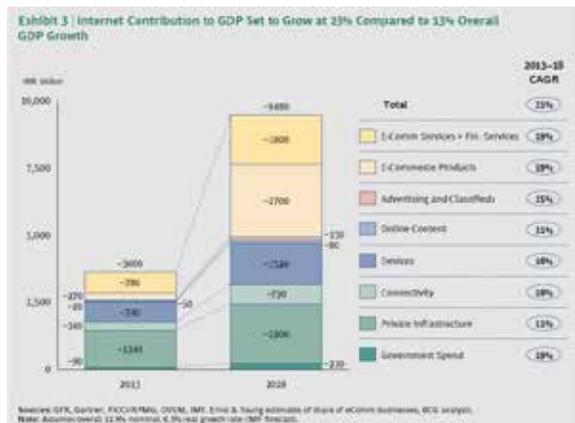
Further, the report finds that 32% of the users are College Going Students followed by 26% Young Men. Among the female Internet users, the highest growth has been among the Non-Working women. This segment has grown by 97% over last year. This is followed by School going girls (36% growth) and College going girls (26% growth).

Significantly, there has been a huge spurt in the number of people accessing Internet on a daily basis in Urban India. As on October 2015, 69% of Users are using Internet on a daily basis. This daily user base has gone up by 60% from last year. However, the high frequency usage is not restricted to only the youth and the College going students; this habit of accessing the Internet daily can be seen among other demographic segments as well including Older Men and Non-Working Women.

75% of the Working Women access Internet daily. 37% of the male Internet users are daily users whereas only 23% of the female Internet users are accessing Internet daily. 75% of Internet users among both genders access Internet at least once a week. In Urban India, Mobile Internet user base has grown at a rate of 65% over last year to reach 197 million in October 2015.



The Mobile Internet Users have surged to 80 million by October 2015 growing at 99% over last year. The user base of Mobile Internet users in Rural India is expected to reach 87 million by December 2015 and 109 million by June 2016. Interestingly, the report also reveals that out of all the Internet non-users surveyed in the 35 cities as part of this study, 11.4 million Non-Users are willing to access the Internet in the next one year and over 2/3rd of them intend to do so through mobile phones.



Internet Contribution to GDP Set to Grow at 23% Compared to 13% Overall GDP Growth

In 2013, Internet related contribution to GDP was 3.2 percent at USD 60 billion. This figure will rise to 4.6 percent (USD 160 billion) in 2018. Many elements together make the Internet and GDP grow. It is estimated that smartphone sales will cross USD 17 billion as devices continue to get smarter and be used for Internet services and transactions.

By 2018, 200 million individuals and 8 million SMEs will connect and perform transactions online. Users will make purchase decisions based on the information gathered online. In India and many other countries, direct consumer-to-consumer transactions are on the rise with 70 million users making use of online classifieds like OLX and Quikr. The industry is set to grow at 20 percent per annum by 2018.

India Internet Contribution to GDP stands 6th among major developing and developed countries, with UK being the leading one. The availability of data-enabled devices has grown at a staggering rate and data plans are considerably cheaper than before, but still India lags behind other countries with regards to the penetration of Internet.

One major obstacle is the lack of reliable Internet connectivity in all regions of the country and the non-availability of data-enabled devices. Another roadblock is the lack of consumer awareness in many parts of India, consumers perceive the Internet as unnecessary and are not comfortable with the medium and do not understand its relevance.

Internet Generates Employment

Along with multiple benefits that the Internet economy provides, it is also responsible for generating employment. The 'Internet' sector already employs around 4-5 lakh people and is a key avenue for job creation. It is estimated that the Internet economy will create nearly 15-20 lakh job opportunities by 2018.

Top factors contributing to India's Internet growth

A recent study by the Cisco Visual Networking Index (VNI) Forecast projects that India is set to have the highest Internet protocol (IP) traffic growth with a 44 per cent compound annual growth rate (CAGR) between 2012 and 2017. A similar report by comScore has several new digital insights for India. According to the report, India ranks as the ranks as the third largest Internet user base besides US and China, overtaking Japan clocking 73.9 million users.

A McKinsey report in 2012 also predicted that India's pattern of online behaviour is rapidly changing. The Internet's role in communication,

social networking, and informing and influencing India's consumers in categories such as apparel, books, financial services and travel can easily be compared to those in developed nations. Some top factors that have helped in India's growing Internet penetration are as follows:

Boom of social media

A report by the Internet and Mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB) shows that India's number of social media users in urban India was 62 million in December 2012 and it was estimated to reach 66 million by June 2013. The comScore report indicates that almost 86 percent Indians visit a social media site; About 217 minutes is spent on Facebook by an average user. There has also been a 28 percent rise of Facebook visitors in the last 12 months. LinkedIn emerges as the number two most popular site on the Internet while Pinterest and Tumblr are the fastest growing networks. Essentially, social networking often serves to be among the first Internet uses of Internet in India, besides the usual reasons like Email, music and gaming.

Changing face of mobility

Rapid economic development has changed the face of mobility in India. With an avalanche of affordable smartphones, improved feature phones made available in India, the youth in India are especially getting tuned in to the mobility trend. A report published by Ernst and Young says combination of 4G and hand-me-down smart devices will transform media consumption in India. The only way to reach rural India without newspapers or electricity is via mobile.

Online shopping is the latest craze

Despite the penetration of online shopping being less than US and Europe, it is growing at an enormous speed in India. There have been lot of new entrants in the E-commerce segment with start-ups cropping up selling a variety apparels, furniture and household items. About 60 percent of web users in India visit online retail sites, time spent on shopping sites still has huge growth potential. Local retailers like Myntra, Flipkart and Jabong among others are doing very well in this segment. E-commerce sites such as olx.com, Amazon.in have targeted the Indian population with an aggressive marketing and advertising strategy to buy and sell goods online. A wide variety of items ranging from computer and electronics sites, and comparison shopping are available on these sites. Another reason for the growth of online shopping is that three-quarters of India's online population is under 35. Among women, 35-44 are the heaviest users while males in the segment account for 25-34 year old's.

Wide use of entertainment sites and online video

The comScore report suggested that almost 27 percent of Internet users in India visit an entertainment site, with 31.5 percent viewers watching videos on Google sites. The online video audience in India grew at 27 percent in the past year, YouTube continues to be the top video property with more than 55 percent share. International publishers including Facebook, Yahoo and Dailymotion get a majority of the 54 million who watched videos. Local content is distributed mainly through the YouTube platform dominated by Bollywood. T-Series, Sony and UMG are the top three YouTube Partners and StarIndia keeps users glued on longer.

Conclusion:

It is a need of an hour for online portals and e-commerce companies to stay connected with their customers giving them timely updates and offer details regularly. In order to improve on customer satisfaction, SMS service seems to be the best platform for e-commerce and online portal companies. Text messages being quick, reliable, user-friendly, cost-effective and secured form for communicating, e-commerce and online portal vendors have found it quite easier to make use of it to run the business.

In the coming years the Internet will fundamentally impact every dimension of human life. This has started to change slowly, as we see the rise in use of IoT things. Internet of Things (IoT) are smart connected devices which make the everyday life of man easy and worthwhile. With educating the masses and making them aware regarding the massive potential of Internet, we can hope to see a digital India soon.

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