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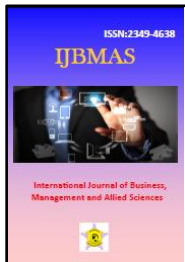
GROWTH OF INTERNET ADOPTION IN INDIA

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ABSTRACT

This paper traces the growth of the Internet and knowledge networks in India, with an explanation of the implications of the Internet for the developing world. Starting with a brief history of the development of the Internet, the paper describes the phenomenal growth of Internet networks and how the uses made of the Internet have evolved tremendously in the last twenty years. The potential of the Internet has not been fully realized in many developing countries due to a variety of factors. Therefore there is a unique opportunity for libraries and librarians to lead the movement to increase access to information for citizens of developing countries, through using the powers of the Internet adapted to the conditions in each country.

Key words: Internet; Rural India; Urban India; demonetization;

INTRODUCTION

22 years of the Internet in India. On August 15, 1995, Videsh Sanchar Nigam Limited (VSNL) launched public Internet access in India⁷.

With over 460 million internet users, India is the second largest online market, ranked only behind China. By 2021, there will be about 635.8 million internet users in India. Despite the large base of internet users in India, only 26 percent of the Indian population accessed the internet in 2015. This is a significant increase in comparison to the previous years, considering the internet penetration rate in India stood at about 10 percent in 2011. Furthermore, men dominated internet usage in India with 71 percent to women's 29 percent.

Indians often turn to mobile internet, as the large majority of the digital population in India were mobile internet users in 2016. About 323 million people in India accessed the internet through their mobile phones in 2016, which corresponds to about 24.3 percent of the country's population. Both figures are forecast to increase in the coming years, with projections to amount to 524.5 million and around 37.4 percent respectively in 2021. Mobile internet usage in India varies according to people's living areas. As of 2016, India had an estimate of 262 million mobile internet users living in urban communities, and 109 million living in rural areas.

One aspect whereby India shares the characteristics of other global internet users is its passion for social media. In 2021, it is estimated that there will be around 358.2 million social network users in India, a significant increase from 2016, when this figure stood at about 216.5 million. This means that the share of the Indian population that access social networks is expected to jump from around 16.3 percent in 2016 to just over 25 percent. Facebook is the most popular social networking site in the country. There were about 195 million Facebook users in India as 2016, placing India as the country with the largest Facebook user base in the world. Other popular networks include WhatsApp, Google+, and Skype.

With an estimate of 43.8 percent digital buyer penetration in 2016, online shopping is also a popular online activity of Indian internet users. Retail e-commerce sales in India amounted to about 16 billion U.S. dollars that year and are projected to surpass 45 billion U.S. dollars in 2021. Mobile shopping has gained space in the country as well. About 49 percent of Indian consumers stated using their mobiles for purchasing goods or services. This share is above global average – which stood at 38 percent as of 2016 – and the second highest figure in the world, only behind China.

The following table provides an overview of key internet subscriber statistics in India as on 30 September 2017⁶.

Statistic	Figures
Total subscribers	429.23 million
Narrowband subscribers	104.34 million
Broadband subscribers	324.89 million
Wired subscribers	21.35 million
Wireless subscribers	407.88 million
Urban subscribers	299.83 million
Rural subscribers	129.41 million
Overall net penetration	33.22 %
Urban net penetration	73.65 %
Rural net penetration	14.62 %

(Source: <https://www.statista.com/topics/2157/internet-usage-in-india/>)

1. Internet in India: The Overall Numbers

As on December 2016, India had estimated 432 million Internet users. This however, doesn't take into account the impact of demonetization. It is estimated that by 2017, Internet Users in India are most likely to be in a range of 450-465 million. The report finds that the overall internet penetration in India is around 31% presently.

2. Growth in the Internet Usage: Rural-Urban Analysis

In Urban India, the Internet User base has grown by 7% from Oct 2015 to Oct 2016 to reach an estimated 263 million. It is expected to grow to reach user base in a range of 275-285 million by June 2017. In Rural India, the Internet users have grown at the rate of 22% between Oct 2015 and Oct 2016, to reach an estimated 157 million. The numbers are expected to reach in the range of 170-180 million by June 2017.

a) Frequency of Internet Access

Among urban internet users in India, close to 51% or 137.19 million of Internet Users are using Internet on a daily basis (at least once a day). On the other hand, 242 million or 90% of the urban internet user's users use internet once a month. Internet users in rural India are not far behind from their urban counterpart in terms of daily internet usages. 48% or around 78 million of the users in rural India are using internet daily. Half of the users are young men and college students. On the other hand, around 140 million or 83% of the rural internet user's use internet once a month. Analysis of 'Daily Users' reveal that both in Urban and Rural India, the younger generations are the most prolific users of internet. The gender ratio is slightly better in Urban India, while both urban and rural

India show almost similar ratios of working and non-working women registering as daily internet users.

c) Purpose of Access

While the biggest services accessed in Urban India are online communications (e-mail etc) and social networking, for Rural India, Entertainment (Video/audio content etc) is the main driver of internet consumption. e-Commerce services like online ticketing or e-tailing (online shopping) are much more prevalent in Urban India, while these services clearly haven't made much inroads in Rural India.

The heavy usage of Online Entertainment and lower usage of Communication and Social Networking in Rural India can be attributed to the fact the users are not online in real-time. Rather, they have the tendency to switching their internet connection, use it and then turn it off once done. The lack of real-time connectivity is attributed to the fact that the power is not available throughout to keep charging frequently coupled with affordability and quality of service of mobile data in these regions.

d) Device used for Internet access

It is no surprise that mobile is the most used device for internet access, both in Urban and Rural India. 77% of Urban users and 92% of rural users consider mobile as the primary device for accessing the Internet. Mobile phones are the primary devices for accessing the Internet across demographics. In Urban India, the usage of Desktops/Laptops are expected to go down further with the most accessed purposes viz. Online Communication, Social Networking and Online Entertainment will be fulfilled using Mobile Phones. The Desktops / Laptops will be used mostly for Office and School work. In Rural India, penetration of desktop/laptops has been historically low; and the sector has leapfrogged these devices to move into mobile, which is the medium of introduction to the internet today.

e) Points of Internet Access

The primary point of access for most of the Urban Internet User today is their home. There has been a marked shift in usage, with cybercafés losing importance as more and more users now have internet access in their homes in the form of both broadband/wifi connections and mobile data.

For Rural India, given that usage of mobile phone is more predominant, the point of access includes mobile as a category as well. Not surprisingly, Mobile and home accounts for 68% of total points of access. It must be noted that despite rise in public internet access points in the country today through CSCs, panchayat/tehil office etc; their usage is extremely low. This is in accordance with the purpose of internet usage cited earlier. Given entertainment and social networking is the main purpose of internet access in rural India, the users prefer private access over public access for internet.

3. Behaviour of Internet non users

Among the non-users of Internet, the reasons behind not accessing Internet services can be grouped into following categories:

- Lack of Knowledge of Internet
- Lack of Means (or infrastructure)
- Beliefs (the Opinions held by the non-users)

"Lack awareness of benefits of internet" is the main category of reasons for not using Internet among the non-users in Urban India. 76% of the non-users of Internet in Urban India are not aware of internet followed by 3% who need to learn PC.

In Rural India, 80% of the non-users of internet are unaware of the benefit of internet. 23% of the non-users in Rural India still foresee that there is no need for accessing the Internet. 9% don't have internet connection as they don't have a PC at home. Internet penetration in rural India can only be made possible once the people are made aware of the benefits of internet.

4. Intention to access Internet in Future in India

Out of all the Internet non-users surveyed as part of this study, only 1% Non-Users is willing to access the Internet in the next one year. This stems from the fact that a sizeable section of non-users

in both rural and urban India are unaware of the benefits of internet in India.

5. Conclusion

Growth of internet usage is slowing down in India, with Urban India already having around 60% penetration. The real growth potential lies in the rural sector which has till date only 17% penetration. In terms of numbers, Urban India with an estimated population of 444 million already has 269 million using the internet. Rural India, with an estimated population of 906 million, has only 163 million internet users. Thus, there are potential 750 million users still in rural heartlands; if only they can be reached out properly.

In Rural India, 80% of non-users are not aware of the benefits of internet and 20% don't feel the need for internet. Surprisingly, even in Urban India, 76% non users reported not bring aware of the benefits on Internet. Consequently, 99% of non-users are non-committal towards adopting internet in the coming days. It is interesting to note that in both Urban and Rural India, 'lack of means' (Affordability etc) are not that critical a factor for the non-users.

Internet is perceived predominantly as a requirement for the youth in both rural and urban India, with activities like social networking, entertainment etc being the main purpose for using internet. Real digitalisation of India can only occur when internet transcends being a mode of entertainment and becomes a necessity for daily life. Urban India is fast adopting e-commerce, digital payments, online ticketing/cab booking, etc that makes internet and integral part of daily life. Even though these services are fast growing in popularity, they are still limited in their spread and scope, especially in the rural heartlands. For these services to prosper there is need for better connectivity and stronger IT infrastructure in the rural sectors, extension of e-governance and other services in digital form. What is perhaps more critical is the spread of these services in the local languages for ease of communication and adoption of the population.

To conclude, there is tremendous potential for growth of internet adoption in India if only the true benefits of the internet can be properly communicated to the large non-user base in their language of convenience.

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