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Is 2012 the year for India's internet?

By Rajini Vaidyanathan
BBC News, Mumbai

Rajini Vaidyanathan reports on the efforts in getting more of India's 1.2 billion people online

It's estimated as many as 121 million Indians are logged onto the internet.

It is a sizeable number, but still a relatively small proportion of the country's 1.2 billion population.

Predictions suggest the ways Indians use the internet for business and pleasure will change even further in the next year.

"Soon, there'll be more mobile phones than people in India," jokes Ankur Agarwal, the editor of the Indian gadget blog [onlygizmo.com](#).

In his cramped office in a Mumbai suburb, he is surrounded by boxes filled with the latest technology ready to be reviewed and tested.

Many of the boxes contain the latest smartphones, waiting to be launched onto the Indian consumer.

Mr Agarwal's assertions about the Indian phone population might seem outlandish when you think there are 1.2bn people living in the country, but with mobile phone use rocketing, it's a prediction that could come true in the not too distant future.

The Telecom Regulatory Authority of India estimates that there will be an additional 200 million new mobile subscribers in the coming year.

According to research aggregated by [wearesocial.net](#), there are more than 898 million mobile subscribers in India, 292 million of these living in rural areas.

The same data showed that 346 million Indian mobile users had subscribed to data packages, with more than half of all internet users in the country accessing the web via their mobile phone.

"The mobile phone will drive internet use in India in 2012," says Mr Agarwal. "Computing begins with the mobile and its growth is fast in India."

He believes that the increase in smartphone and internet capable phones, selling below Rs5,000 (£61; \$94) and built by Indian manufacturers, is



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India's internet

- 2% - Number of rural Indians using the internet
- 25% - Growth in Indian internet users in India over the past 12 months.
- 59% - Number of Indians who only access the

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making it easier and more affordable to own such devices.

The increase in uptake of 3G and 2G services in India will also help get more people online. However, there are still issues getting this kind of connectivity into remote areas.

Even when it is available, the cost is prohibitive to many.

\$50 tablet

Other portable devices could also make an impact when it comes to Indians accessing the internet.

The government plans to roll out its low-cost tablet device, known as Aakash, into schools nationwide in 2012. Costing around \$50, it has been hailed as a huge innovation for India and the way the web can be accessed in schools.

Mr Agarwal says it will allow more children to watch videos, carry course information without the need to have a teacher around, and will put pupils at the forefront of new technology.

But the devices are still very basic, compared with other tablets on the market, and rely on good wi-fi connections and electricity supply, prerequisites which are not always available in more remote parts of India.

In fact, one of the biggest challenges in the year ahead is increasing internet penetration in these areas.

Only 2% of rural India has access to the web, according to the Internet and Mobile Association of India (IAMAI). That's a small percentage when you think that more than 70% of the population lives outside an urban conurbation.

"Even if you give them the technology, what you also need to do is generate awareness about how to use it and create a sense of access for the people of the community," says P Niranjana from the Tata Institute of Social Sciences in Mumbai.

Being able to use new technology requires certain skills like literacy and computer literacy, she says, and more work needs to be done in this area so villagers understand how computers are enriching their lives.

The other issue, says Ms Niranjana, is ensuring the computers in the villages are placed in an area where all members of the community - including lower-caste Dalits - have the chance to use them. Currently, around 18% of India's rural internet users have to walk more than 10km (six miles) to access the web.

Social networking

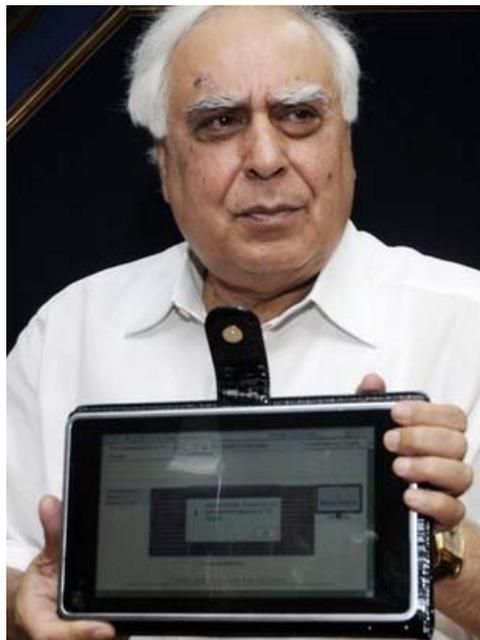
Aside from access and reach, the other big change when it comes to India and the internet is how people are using the web. With better connections, mobile phones and computers, Indians are increasingly using the internet for more than just checking their email.

■ internet via mobile devices.

Source: wearesocial.sg



Almost half of India's internet users access the web through their mobiles



Indian politician Kapil Sibal with the new \$50 Aakash tablet

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Programmes



In both rural and urban areas, social networking is a key driver of use. The most popular site in India is now Facebook, which in the past six months saw its user base grow by more than a third.

The professional networking site LinkedIn is also seeing greater uptake in India. The country has the second largest number of users for the site, according to figures from socialbakers.com.

Online videos and music are another area which will see huge growth in the coming year says Tarun Abhichandani, group business director for IMRB, an Indian market research organisation.

Mr Abhichandani says this is driven by the fact the lion's share of India's internet users are young males.

More than half of the country's population is under the age of 25, a huge potential market for internet businesses.

This net-savvy generation is also helping to build e-commerce in India. The number of transactions made online has been growing: in the past year, the value of online business in India was estimated to be worth about \$10bn.

Revenue generation

Mr Abhichandani says we can expect to see mobile commerce, also known as m-commerce, take off in the next year.

Some 13 billion adverts are already sent to mobile devices in India every month, a source of frustration to many users but a valuable source of revenue for marketers. In fact, two-thirds of all Indian e-commerce comes from mobile devices.

The biggest change, when it comes to content, will be the provision of more non-English websites in a country where hundreds of languages are spoken.

"We only have so many English speakers in the country, so we would want more local language translations of all the websites that are available to Indian users," Mr Abhichandani says.

"People are mostly comfortable speaking in their own language especially in specific regions, so Indian users are waiting for that kind of content to come up."

Websites such as Wikipedia are already trying to push regional language content.

Internet use in India overall is predicted to grow, but challenges of reach and technology will determine just who logs on and how.

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Indian internet users have a wealth of choices when it comes to getting connected

What Indians do online

- 3 hours - Average time an Indian net user spends on social media.
- 13m - Number of Indians registered on matrimonial or dating sites.
- 70% of Indian internet users who watch online videos.

Source: wearesocial.sg

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