Businessworld

The Marketing Whitebook 2010-2011

One-stop Guide for Marketers

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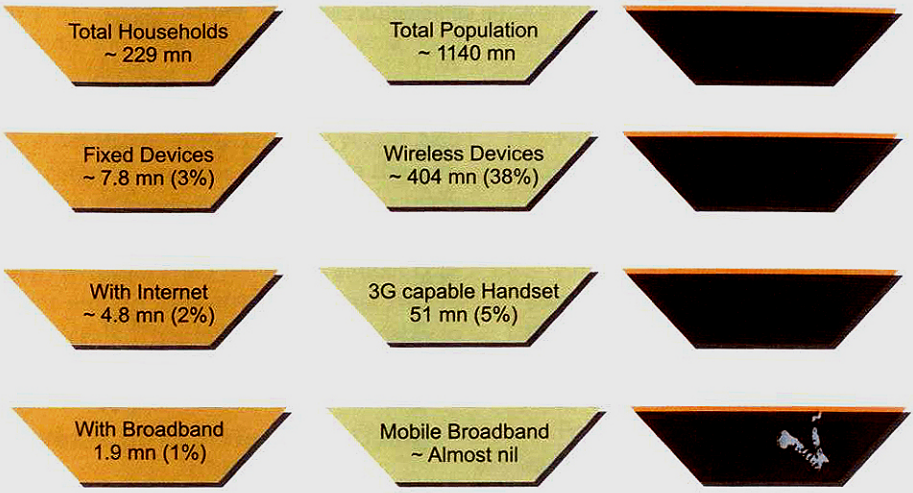
Penetration of Broadband in Homes and Enterprises



NOTE: *% has been worked out on the base of total households/enterprises; Device refers to desktop/ laptop-Multiple connections ownership exists amongst enterprises adding to a total of 5 million connections*

Source: Itops and I-Cube syndicated studies of IMRB International

The CII-IMRB report on *Broadband Roadmap for Inclusive Growth, 2009-2014* states:

- Only 1 in 100 households in India owns a broadband connection, while 3 in 100 households own a desktop/ laptop
- Amongst enterprises, desktop/laptop penetration is much higher (41%), however only 18 people in 100 own a broadband connection
- None of the 51mn 3G-enabled mobile phones are being utilised for broadband usage

Growth Trends

The total base of internet users in India in January 2009 stands at 46.49 million. Of this total internet user base, 39.0 million, or 84% of online Indians come from urban areas and 7.49 million, or 16% of online Indians come from rural areas.

In the last one year, internet usage in India has shown a definite 'slowdown' in growth. If the overall internet using population in urban India grew by 33% during 2007-2008 to reach 40.34 million, then it has shown a marginal 'shrinkage' of -3% in 2008-09 touching only 39 million. At the all India level, there is a more noticeable shrinkage in internet user base number of -6%, from 49.4 million last year to 46.5 million this year.

As the Juxt India Online report explains, this shrinkage is largely a result of decline

Need for Enhanced Broadband Penetration

India has less than 1 broadband connection per 100 inhabitants with a mere 6.8 million connections in August 2009 says the CII-IMRB report on *Broadband Roadmap for Inclusive Growth, 2009-2014.* In terms of the number of broadband connections as well as per capita penetrations, India lags behind both Brazil and China.

India is far behind the national broadband target of 20 million connections by 2010 set to be achieved by the Indian Government in its Broadband Policy 2004. At the current pace of growth, this target may be achieved only by 2014. Hence, it is important that the growth in connections is tracked on a regular basis as broadband is increasingly becoming a key indicator of national economic well-being.

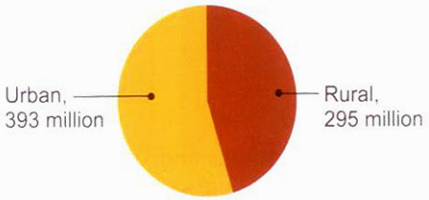
Broadband Connections in 2014

Source: CII-IMRB Report on Broadband Roadmap for Inclusive Growth, 2009-2014

In India, there are 110 million people who need some degree of training to become employable. Higher broadband penetration would help create jobs for 21 million citizens in rural India in the next five years. Moreover, with broadband as a vehicle for knowledge, the government can encourage the entrepreneurial spirit in the lower strata of the society and improve their quality of life.

Also, in rural India alone, telemedicine will reduce greenhouse gas (GHG) emissions by 0.28 mn metric tons by 2014. If a village has telemedicine facility, then its residents do not need to travel to the nearest hospital for consulting a doctor on their health diagnostic reports. The consolidated impact of lesser usage of vehicles (that emit GHG) means a reduction in the total GHG emissions. Broadband also enables access to a wide variety of applications such as e-governance, telemedicine, and education.

Expected Number of Users by 2014



Source: CII-IMRB Report on Broadband Roadmap for Inclusive Growth, 2009-2014

The Broadband Vision for India, 2009-2014

Adequate broadband penetration level can enable India to use its potential to once again become the global knowledge economy. Based on detailed analysis of demand side opportunities, a very ambitious target of 214 million broadband connections by 2014 is proposed—a 30 fold increase from the current level (7 mn). This translates to 695 million connected Indians by 2014, allowing an equitable and inclusive growth in both urban (386 mn

users) and rural (309 mn users) in India. It is estimated that there would be greater focus on user concentrated touch points like educational institutions, public access points like Common Service Centres (CSCs), and public healthcare centres

Broadband Roadmap for Inclusive Growth, 2009-2014

Entities	Projected entities in 2014	Broadband Connections	Users Touched	Broadband connection-User ratio*
Households	248 mn	170 mn	186 mn	1:1.1
Micro, Small & Medium Enterprises (MSMEs)	8.91 mn	34 mn	76 mm	1:2.4
Educational institutes & teachers	8.72 mm	9 mm	333 mm	1: 37 (students) 1:1 (teachers)
Public Access-CSCs, cyber cafes, PHCs, Panchayats	1.5 mn	1.5 mn	100 mn	1:67
Total	267 mn	214 mn	695 mn	1:3.25

*NOTE: *Broadband connection user ratio - e.g. 1:67 means that each public access connection will touch 67 unique users.*

Source: CII-IMRB Report on Broadband Roadmap for Inclusive Growth, 2009-2014

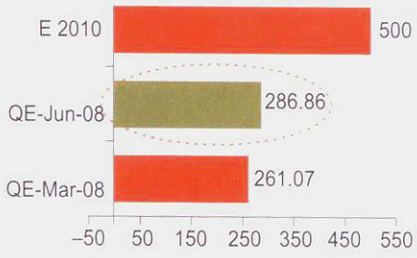
although households and businesses will continue to be significant contributors to volume.

Mobile Value-Added Services

The growth of an infrastructure sector such as telecom has a multiplier effect on the entire economy of the nation. Fortunately the telecom sector in India, since its liberalisation in 1991, has registered an unprecedented growth and is therefore valued at $100bn today, contributing significantly (13%) to the GDP.

Globally in terms of mobile subscriptions, India is the world's second largest wireless market after China. At the end of June 2008, the total wireless subscribers (GSM, CDMA and wireless local loop (fixed) WLL(F)) base was 286.86 million. A total of 8.94 million wireless subscribers were added during the month of June 2008 as against 8.62 million wireless subscribers added during the month of May 2008.

All India Mobile Subscriber Base



Source: TRAI Report, QE stands for Quarter End while E stands for Estimated