VERNACULAR REPORT 2012

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Executive Summary

With the population of India crossing 1.2 Billion, the number of computer literates in India has increased to around 224 Million and the number of internet users has increased to 150 Million as of December 2012. This takes the penetration of Internet in India to about 12%.

The penetration of working knowledge of English is also low in the country. And since the Internet is primarily available in English language[1], many of the non-English speaking population remains left out from the world of Internet.

Thus, this presents an opportunity to drive Internet deep into the Indian population. The Internet non-users have mentioned that lack of content in the local language is one of the major reasons after the lack of infrastructure and beliefs. Around a quarter of the Internet non-users intend to access the Internet in local language in the next 1 year.

In India, there are 45 Million users who access content on the Internet in the local language.

Around 64% of the Rural Internet users or 24.3 Million of Active Internet users have used the internet in the local language compared to only 25% of Urban Internet Users or 20.9 Million Active Internet users.

INDIAN POPULATION

1210MN

December 2012
COMPUTER LITERATES
224MN

CLAIMED Internet Users **150**MN

ACTIVE Internet Users **122**MN

VERNACULAR Content Users **45**MN

Source: IMRB I-Cube 2012, All India Estimates, Census 2011

This is primarily due to the availability of the various rural internet services in the local language.

Emails, search engines and news content are the most accessed local language applications among the urban vernacular content users.

There is huge opportunity for development of local language content in News, Matrimonial services and Online Banking. Respondents in 35 cities indicated that they would increase their consumption in such services provided they are available in their local language.

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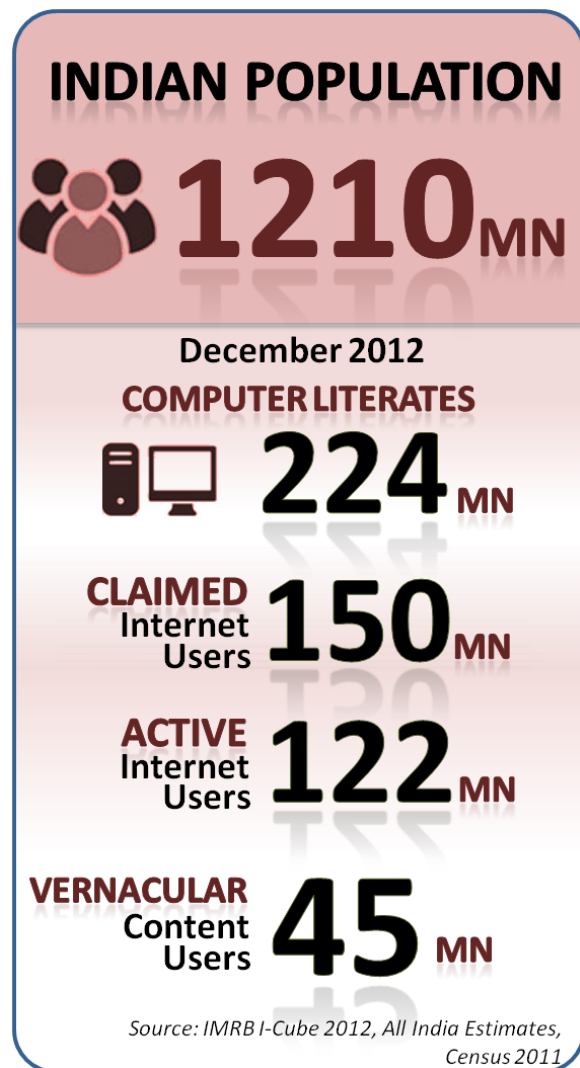
[1] According to NRS 2006, only 18.2% of Indian population is English literate with 34.2% in urban and 11.1% in rural areas.

Languages spoken in India

As per the Census 2001, there are 122 languages in India out of which 22 languages are spoken by over a million people. Hindi and Bengali are among the top 10 languages spoken in the country.

Population of people speaking local languages

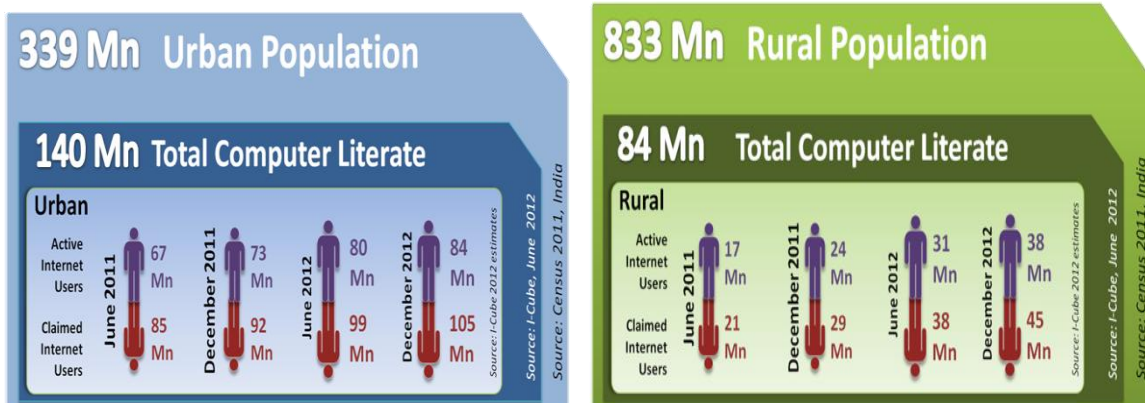*Base: Census 2001, All figures in Millions*
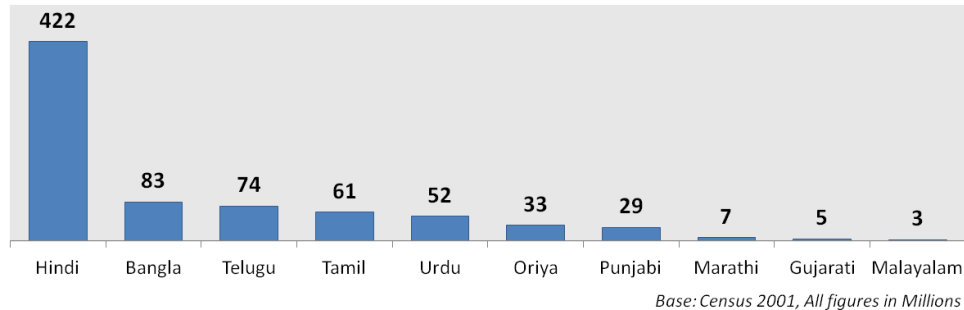
Among all the languages, Hindi is the most widely spoken language followed by Bangla and Telugu with close to half the population speaking Hindi. The penetration of people having working knowledge of English is low in the country presently. And with English being the primary language of the Internet, a majority of the non-English speaking population remains left out from the Internet universe.

Thus, there is a huge potential for the growth of local language content over the Internet to take it well within the reach of the non-English speaker. This will in turn increase the number of Internet users in the country.

Usage of Internet in India

There are 105 million internet users in urban India and 45 million in Rural India as of December 2012. This number has been growing at the rate of 7% in the Urban areas and 31% in the Rural areas. Although the growth seems decent, looking at the vast majority still not accessing the Internet, there lies a huge opportunity for the technology enablers to bring them on to the Internet platform.

Reasons for not using the Internet

| Reason	%
No Internet Connection at Home	55%
No PC at Home	51%
No need for Internet	43%
Cannot afford Internet	22%
Lack of local language content	6%
No internet connection at School	6%
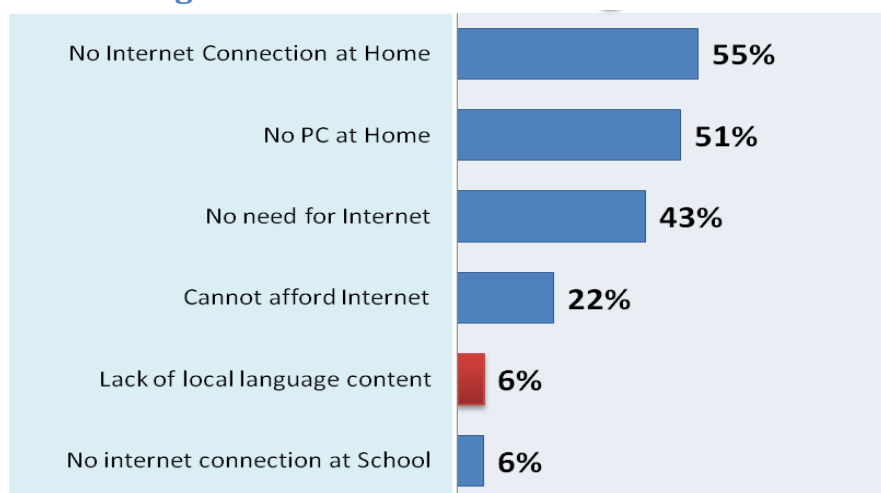
Base: 67.6 Mn Internet Non Users (Urban), 2012 – 35 Cities

Despite of the immense growth of internet usage, the penetration of internet usage still remains low. This can be attributed to the three major factors: Lack of Infrastructure (viz. no internet connection, computer etc), Beliefs (viz. no need for internet etc) and Lack of Knowledge (viz. not aware of Internet). There is another factor inhibiting people from using the internet: Lack of content in the local language. Internet is available primarily in the English language. The proportion of people without the written or spoken knowledge of English remains predominantly high in India and these users would prefer to access Internet in a language they are comfortable in.

Usage of vernacular content
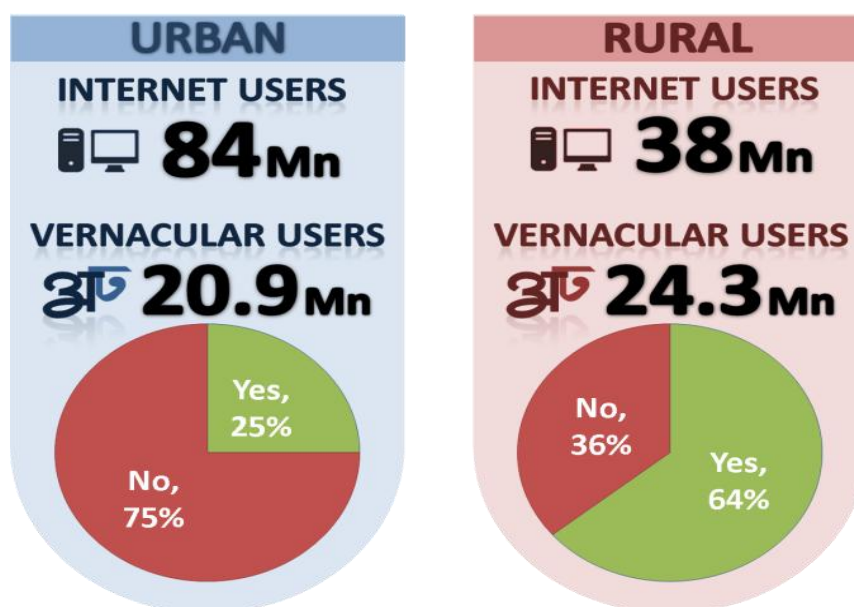
Base: All India Active Internet Users (Urban), Dec 2012   *Base: All India Active Internet Users (Rural), Dec 2012*

Out of the 84 Million Internet users in urban India in December 2012, 25% of the users have used vernacular content websites. On the other hand, 64% of the 38 Million Internet users in Rural India in December 2012 have used the Internet in the local language. A higher proportion of the rural folks are aware of vernacular language content than urban users. This is primarily due to the availability of

various internet services such as Government services, Land Record services etc in local languages. Also, the various private initiatives viz. e-Choupals, Project Shakti etc. have been made available in local language so that its easier for the users in Rural India to access the Internet.

Internet Services usage in local languages

Base: 8.4 Mn Internet Vernacular Users (Urban), 2012 – 35 Cities
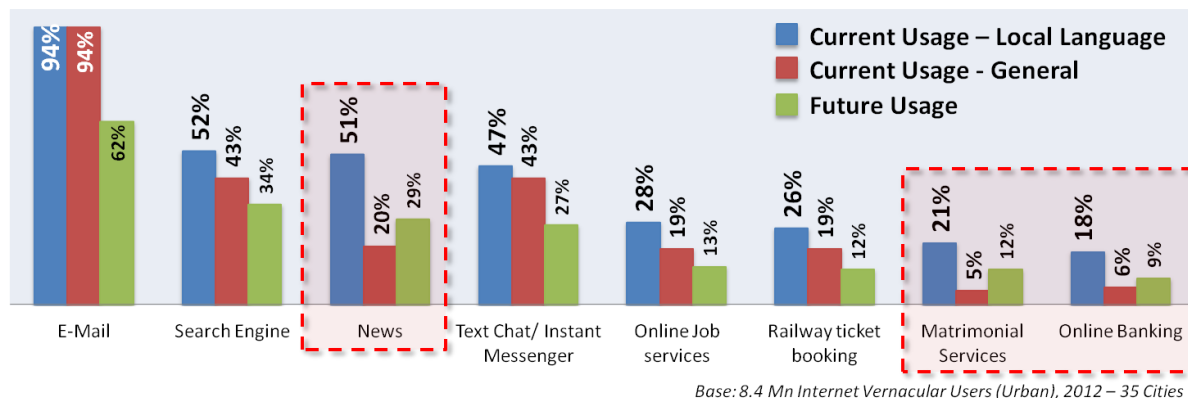
Among the many Internet services used by users of vernacular content, email is the most popular application used. The local language content users access News, Matrimonial Services and Online Banking services way more in the local language than in English. Same goes for Search Engines, Text chat and other online services. Also, a chunk of users would like to use these services in the near future.

Many websites have started offering translation and transliteration services which make the input of text very easy as they just have to type in the phonetic equivalent of the words in the local language. This encourages the users to upload their own content online. Thus in the coming years, we shall see not only content for consumption but also a surge of user generated content.

Annexure: Study Methodology and Sampling Procedures
Target Segments

For sampling purposes, we extensively used the previous rounds of the I-Cube reports that have laid down the universe of the Claimed and Active Internet Users in the country.

Census of India 2001 indicates that there are 35 Cities with more than 1 million population in India. In this round of survey, we have covered all the top 8 Metros as well as other 27 cities in Urban India and 7 States for Rural India.

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

Cities by Strata	
Top 4 Metros	Delhi, Mumbai, Chennai & Kolkata
Other 4 Metros	Bangalore, Hyderabad, Ahmedabad & Pune
Small Metro (More than 1 Million Pop.)	Coimbatore, Jaipur, Lucknow, Ludhiana, Visakhapatnam, Patna, Guwahati, Kochi, Vadodara, Indore, Surat, Nagpur
Non Metro (Between 0.5 to 1 Million Pop.)	Aurangabad, Belgaum, Aligarh, Bhubaneswar, Raipur
Small Town (Less than 0.5 Million Pop.)	Alappuzha (Alleppey), Ujjain, Sambalpur, Faizabad, Panipat, Kolaghat, Baleshwar, Philbit, Amreli, Chickmagalur

Sampling Procedures

Quota sampling procedure was followed to cover households belonging to SEC A, B, C, D and E category in each of the 35 cities short-listed.

Selection of households was made based on random starting addresses identified from electoral rolls

Care was taken to ensure even geographical spread in identifying the starting addresses across the cities selected

Based on this household survey, we managed to profile individuals in terms of age, gender, occupation, education, computer knowledge & Internet use

From all the individuals in household, we asked the question

- Whether they have used PC
- Whether they have used Internet ever (on a PC, mobile phone, tablet)
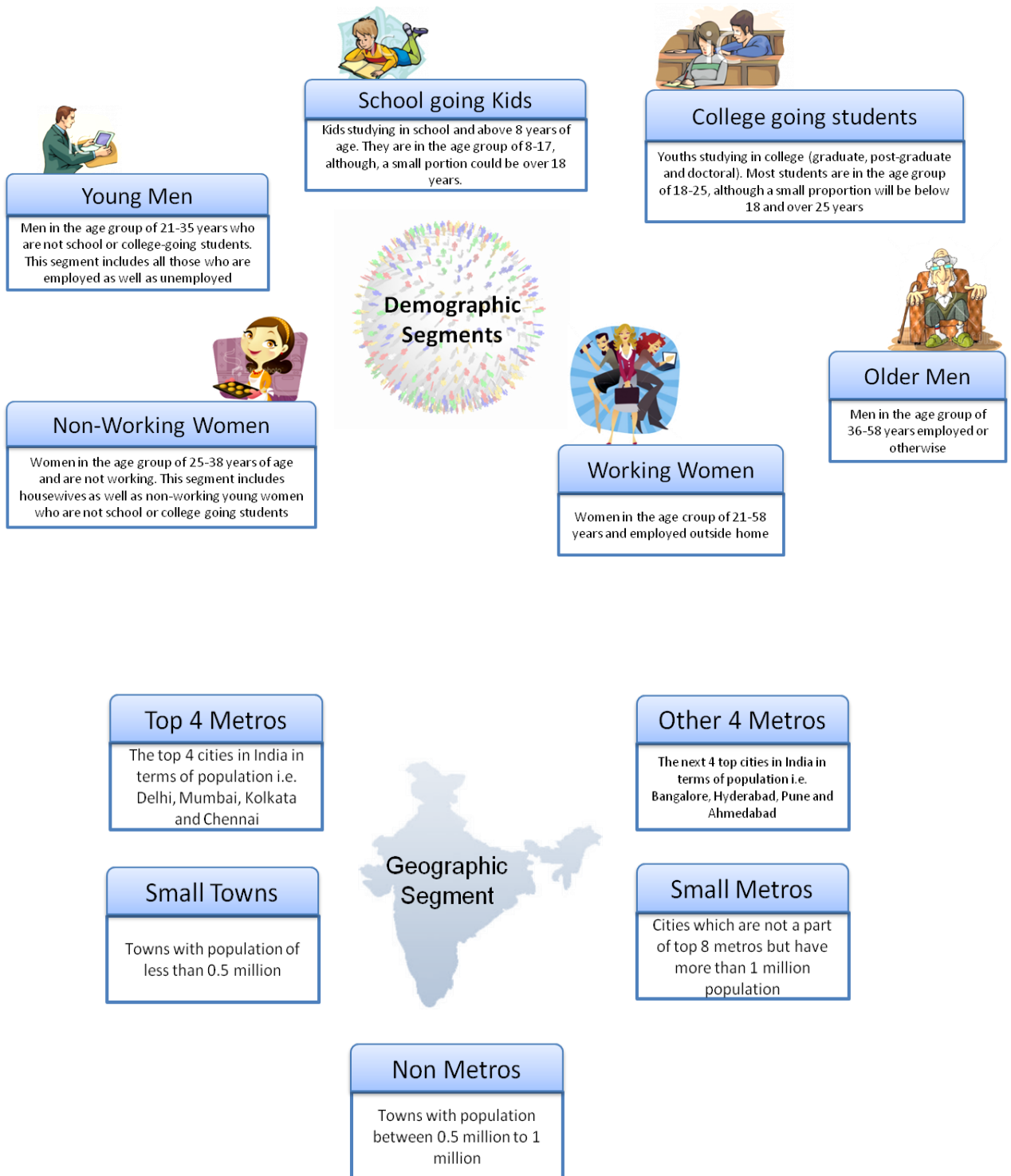- Whether they have accessed Internet in last one month (on a PC, mobile phone, tablet)

We identified those saying "Yes" to all the above as an Active Internet User. These Active Internet Users were administered the detailed interviews for Internet Usage.

Sample size of Households and Individuals covered for profiling

	Cities	HHs	Individuals	Cities	HHs	Individuals	
Top 4 Metros	**Mumba**	1,440	5,410	**Surat**	512	1,771	**Small Metros**
	Delhi	1,667	7,021	**Nagpur**	350	1,372	
	Kolkata	998	3,925	**Aurangabad**	499	1,912	**Non Metros**
	Chennai	921	3,469	**Belgaum**	438	1,639	
Next 4 Metros	**Bangalore**	740	2,777	**Aligarh**	448	2,284	
	Hyderabad	713	2,399	**Bhubaneshwar**	450	1,758	
	Ahmedabad	775	3,260	**Raipur**	450	1,752	
	Pune	705	2,672	**Alappuzha**	418	1,517	**Small Towns**
Small Metros	**Coimbatore**	518	1,885	**Ujjain**	391	1,753	
	Jaipur	518	2,084	**Sambalpur**	400	1,764	
	Lucknow	522	2,223	**Faizabad**	401	1,963	
	Ludhiana	504	2,251	**Panipat**	403	1,594	
	Visakapatnam	513	1,924	**Kolaghat**	401	1,598	
	Patna	503	2,398	**Baleshwar**	399	1,756	
	Guwahati	533	1,922	**Philbit**	402	1,948	
	Kochi	513	1,964	**Amreli**	402	1,367	
	Vadodara	525	2,192	**Chickmagalur**	399	1,168	
	Indore	497	2,111	**Total**	**20,268**	**80,803**	

Glossary of Terms used

Demographic Segments

School going Kids
Kids studying in school and above 8 years of age. They are in the age group of 8-17, although, a small portion could be over 18 years.

College going students
Youths studying in college (graduate, post-graduate and doctoral). Most students are in the age group of 18-25, although a small proportion will be below 18 and over 25 years

Young Men
Men in the age group of 21-35 years who are not school or college-going students. This segment includes all those who are employed as well as unemployed

Older Men
Men in the age group of 36-58 years employed or otherwise

Non-Working Women
Women in the age group of 25-38 years of age and are not working. This segment includes housewives as well as non-working young women who are not school or college going students

Working Women
Women in the age group of 21-58 years and employed outside home

Geographic Segment

Top 4 Metros
The top 4 cities in India in terms of population i.e. Delhi, Mumbai, Kolkata and Chennai

Other 4 Metros
The next 4 top cities in India in terms of population i.e. Bangalore, Hyderabad, Pune and Ahmedabad

Small Towns
Towns with population of less than 0.5 million

Small Metros
Cities which are not a part of top 8 metros but have more than 1 million population

Non Metros
Towns with population between 0.5 million to 1 million

About IMRB International and IAMAI

e-Technology Group | IMRB (*a specialist unit of IMRB International*) is a research based consultancy offering insights into IT, Internet, Telecom & emerging technology space.

Our continuous link with industry and a constant eye on the pulse of the consumer ensures that we can decode the movements of technology markets & consumers. To our clients we offer an understanding of the present market environment and a roadmap for the future.

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About Internet and Mobile Association of India (IAMAI)

The Internet and Mobile Association of India [IAMAI] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, but in the last eight 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, ecommerce and mobile & digital payments among others.

Eight years after its establishment, the association is still the only professional industry body representing the online and mobile VAS industry in India.The association is registered under the Societies Act and is a recognised charity in Maharashtra. With a membership of 125 Indian and MNC companies, and offices in Delhi and Mumbai, are well placed to work towards charting a growth path for the digital industry in India.

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