

Research and Action Agenda for a National Broadband Initiative – Demand Factors

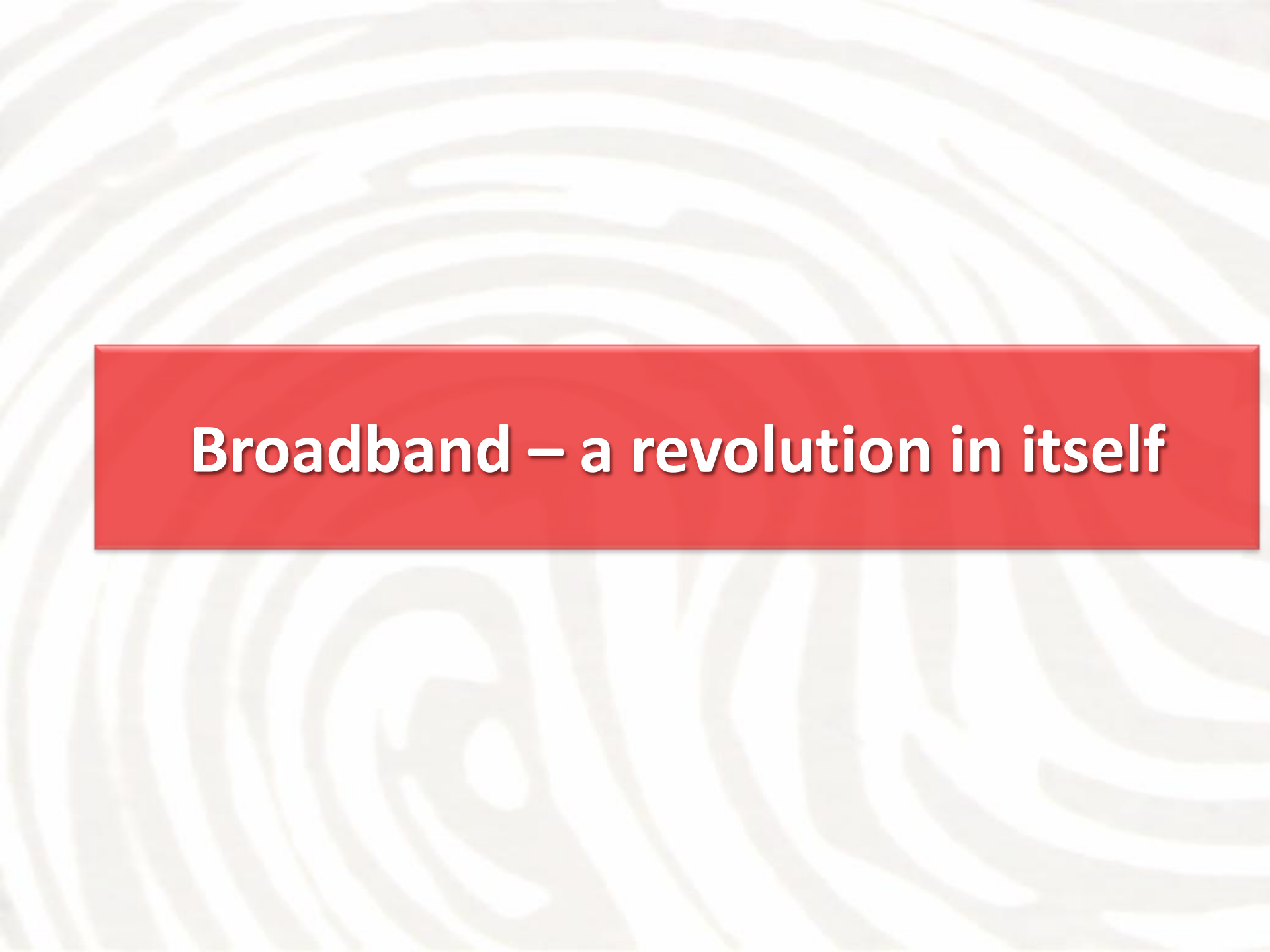


IMRB
international

**T.S. Mohan Krishnan,
Sr. Vice President, IMRB International**

16th April, 2010

Casuarina Hall, India Habitat Centre, New Delhi – 10003, India.

The background of the slide features a series of concentric, wavy lines in shades of light gray and white, creating a ripple effect that radiates from the center. A solid red rectangular box is positioned horizontally across the middle of the image.

Broadband – a revolution in itself

The world of Anywhere!

Our vision for how
ubiquitous
connectivity
transforms
consumers,
enterprises and the
world we live in.



Anywhere Is a Revolution

Battles underway and ahead will transform the world we live in.

It will bring the largest technology change in our lifetimes.



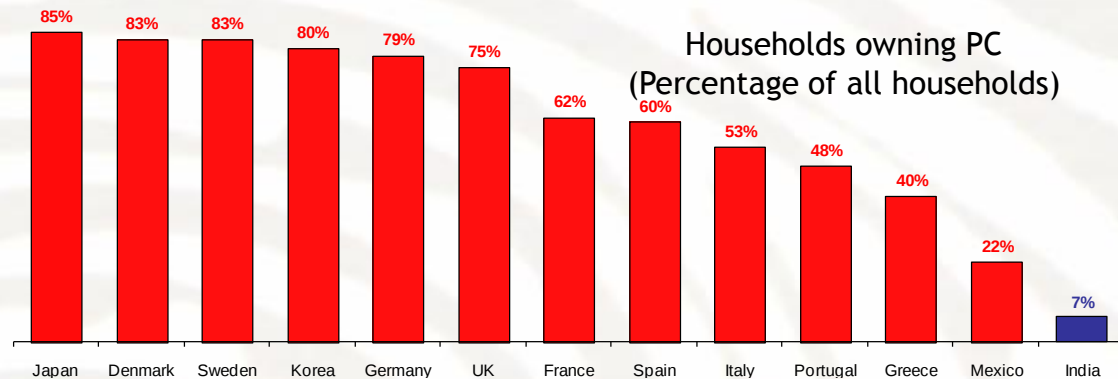
Anywhere Will Surpass the Internet's Impact

	Internet: 1995 to 2005	Anywhere: 2005 to 2015
Place	Work and home	Anytime and anywhere
Device	PC	Any device
Connectivity	Narrowband	Broadband
People affected	1 billion (2005)	2 billion (2012)

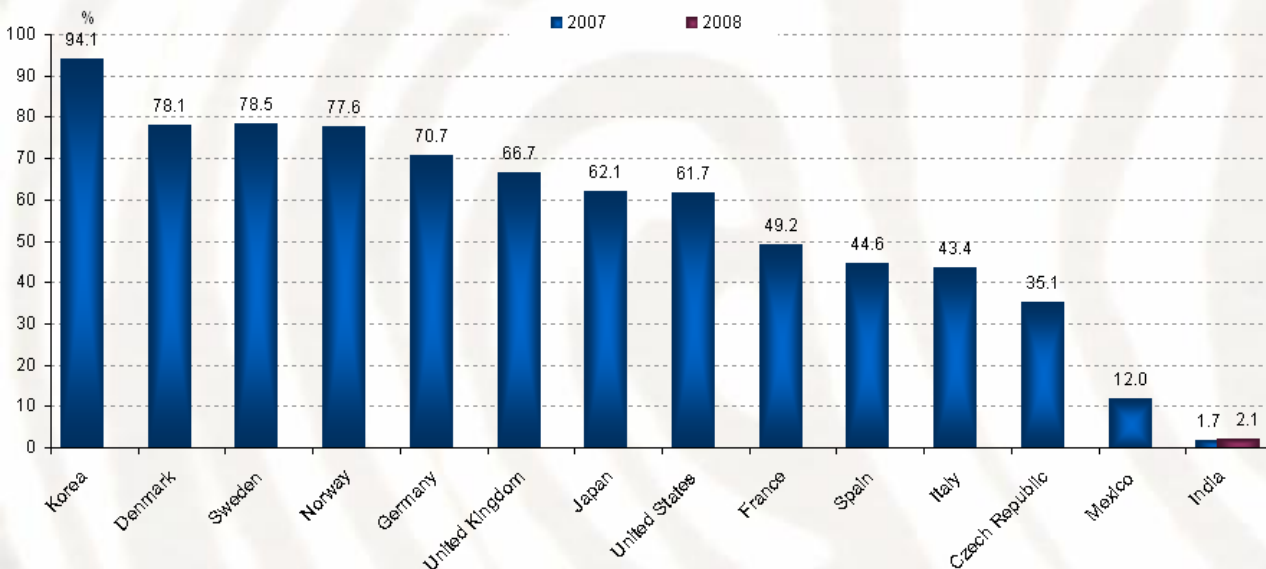
Broadband revolution is yet to hit India!!

How We Compare with the World

As of 2009, only 7 % of Indian Households have ownership of a home computer

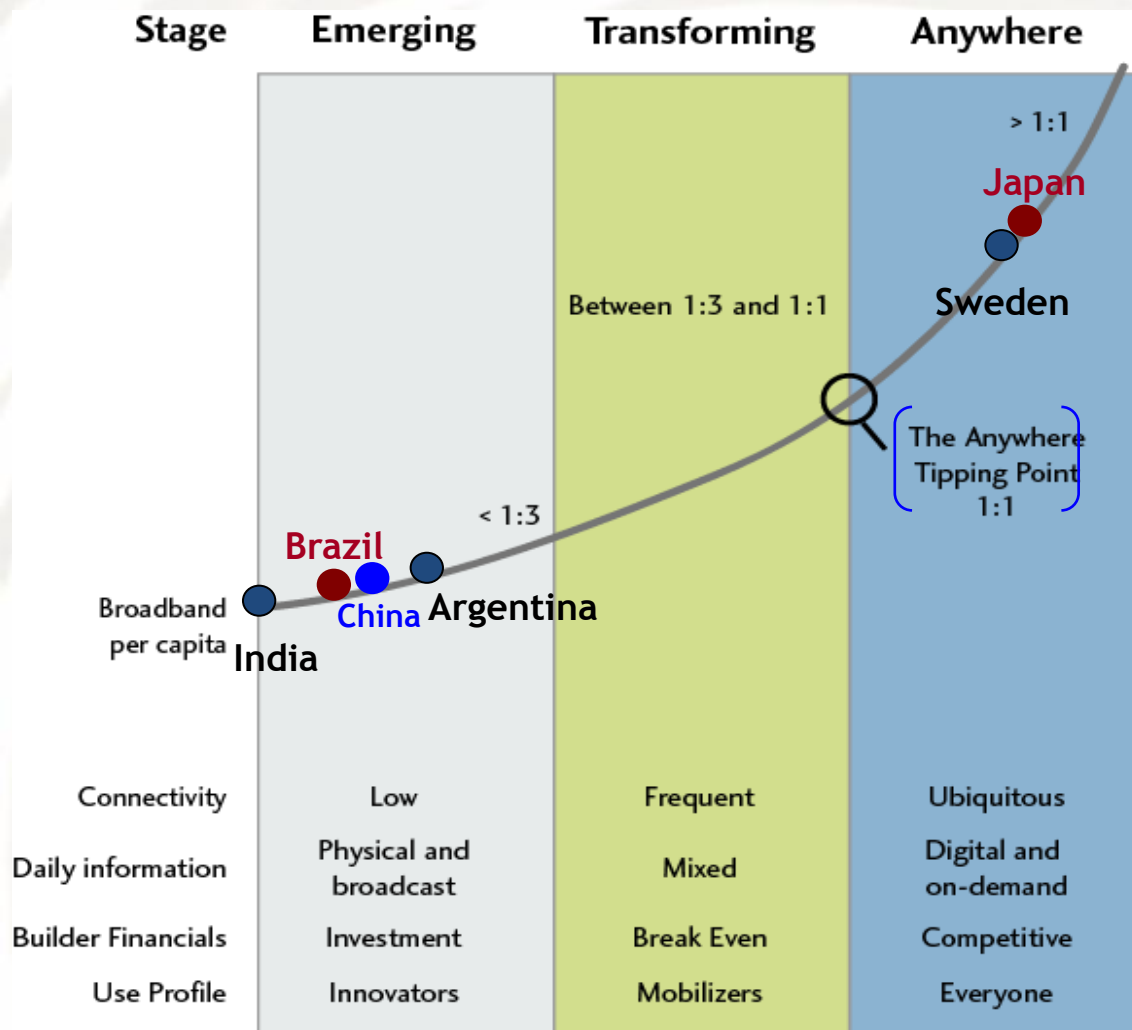


Households with ownership of internet (Percentage of all households)



As of 2009, only 3% of Indian Households have ownership of internet

The Anywhere Economy – India is still emerging

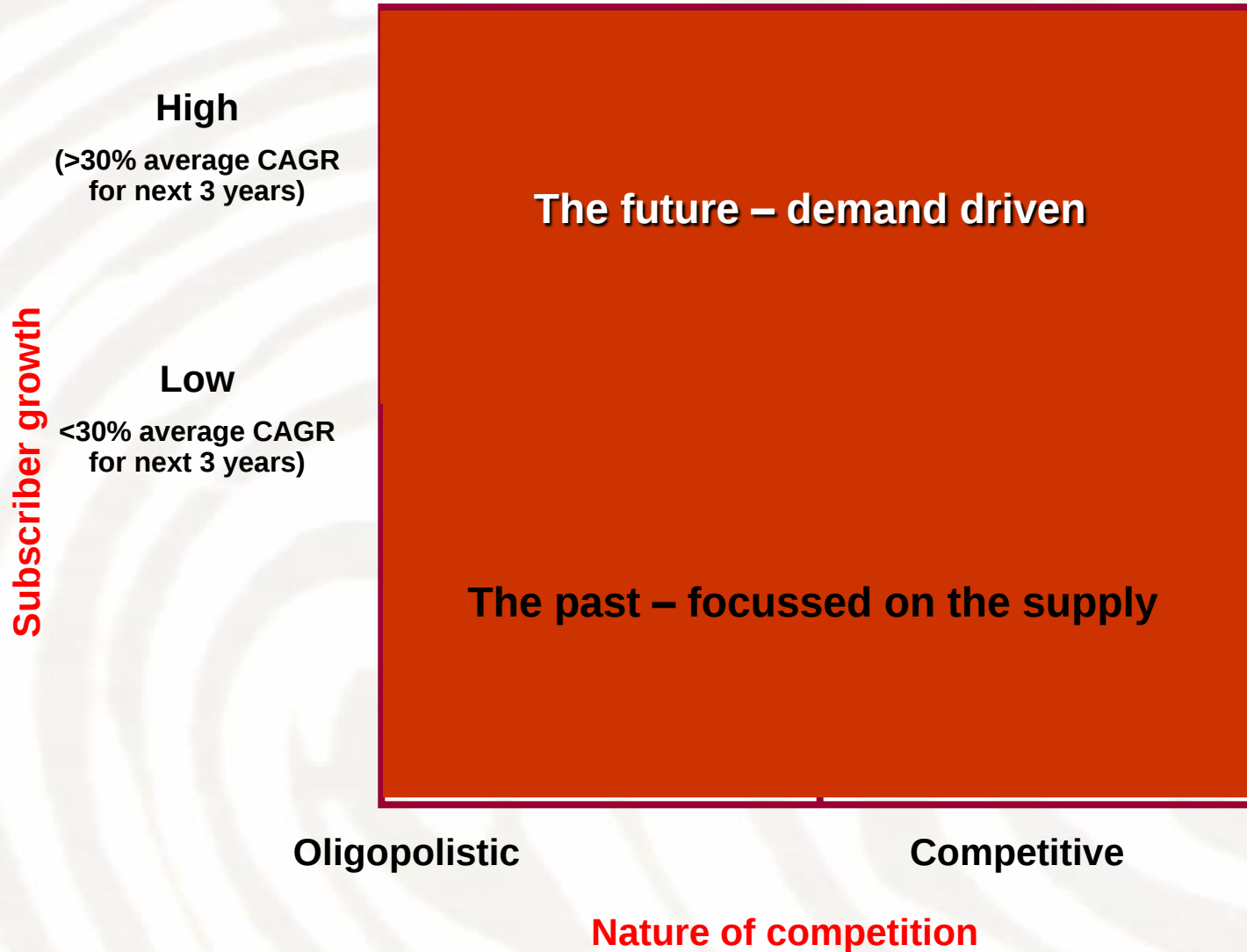


- **Anywhere Economies**
 - At least one broadband line per person
 - Anywhere Index of 100% or more
- **Transforming Economies**
 - At least one broadband connection per three people
 - Anywhere Index of 33% or more.
- **Emerging Economies**
 - Have less than one broadband line per three people.

Source: Yankee Group

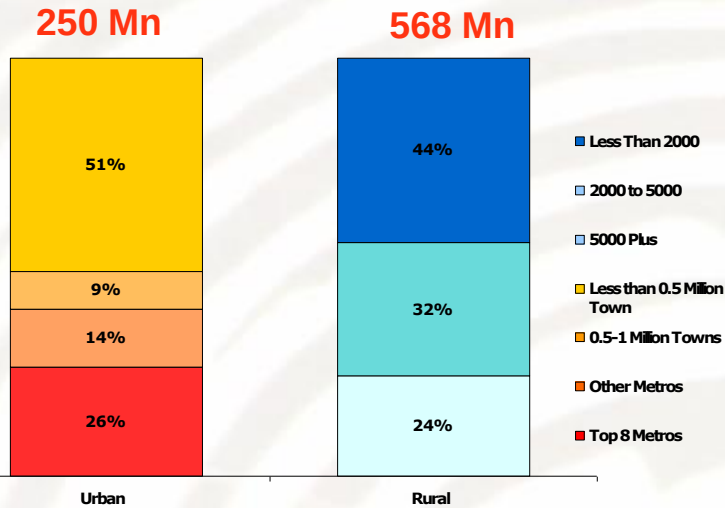
Broadband in India – Poised for growth?

We have already seen the lows in Broadband market

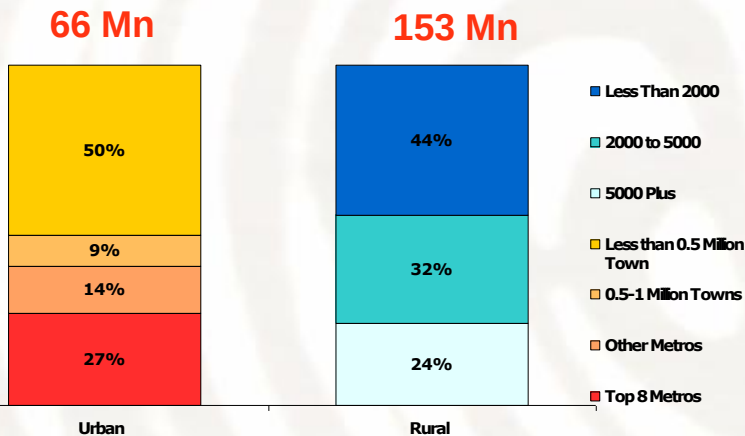


At demand side, the potential is huge, but is it addressable?

Individuals (12+ population)



Households



Universe of Establishment
(All India)
7.4 Million



Universe of Establishments
(Top 8 Metros)
2.2 million

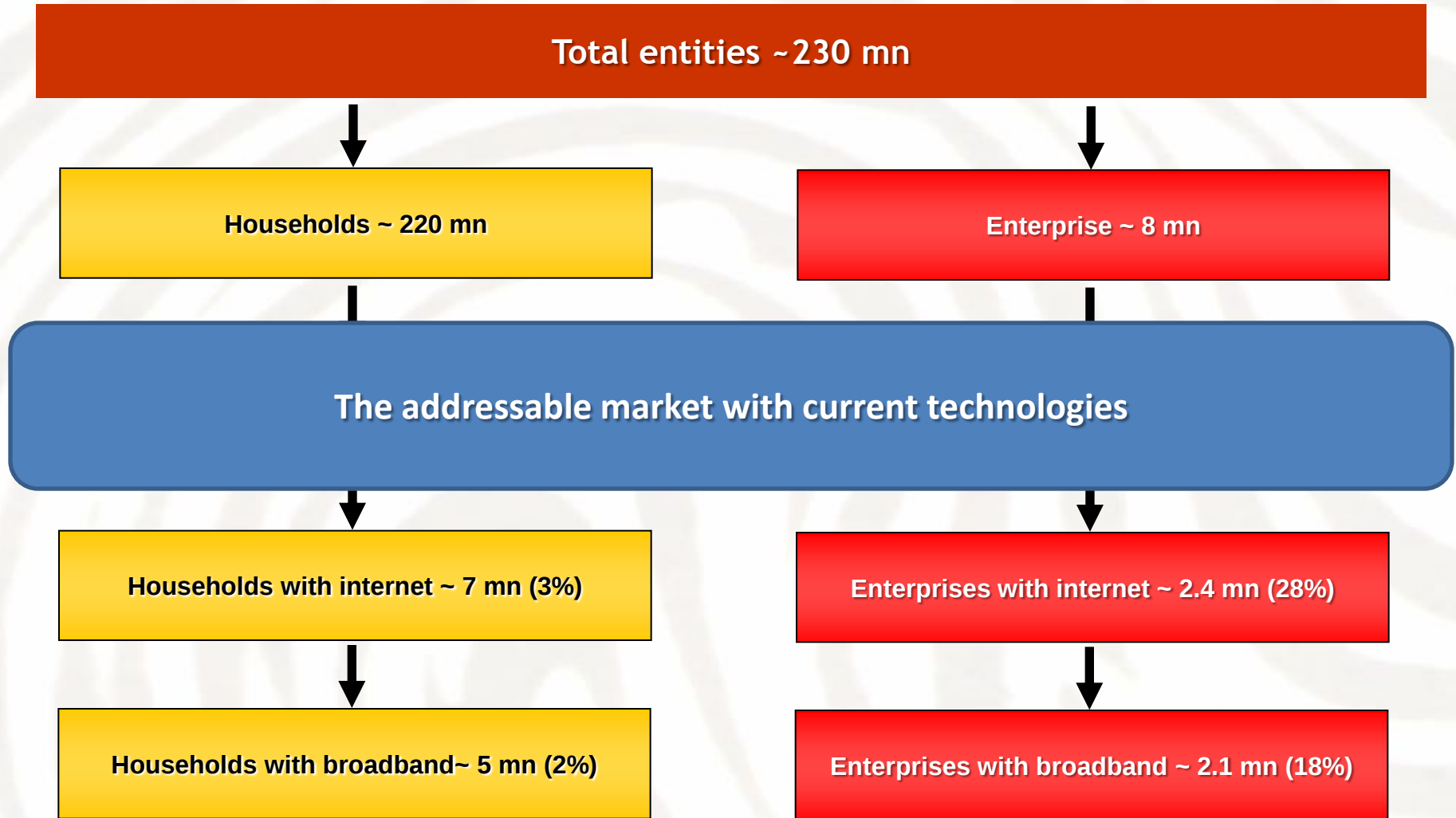


Universe of SMEs
(Top 8 Metros)
0.33 million

Establishment: Any business establishment owning a telephone line and engaged in business activity

SME: Head office of a business establishment owning a PC

HH and Businesses – Huge gaps in Broadband penetration



Source: ITOPS, I Cube 2009

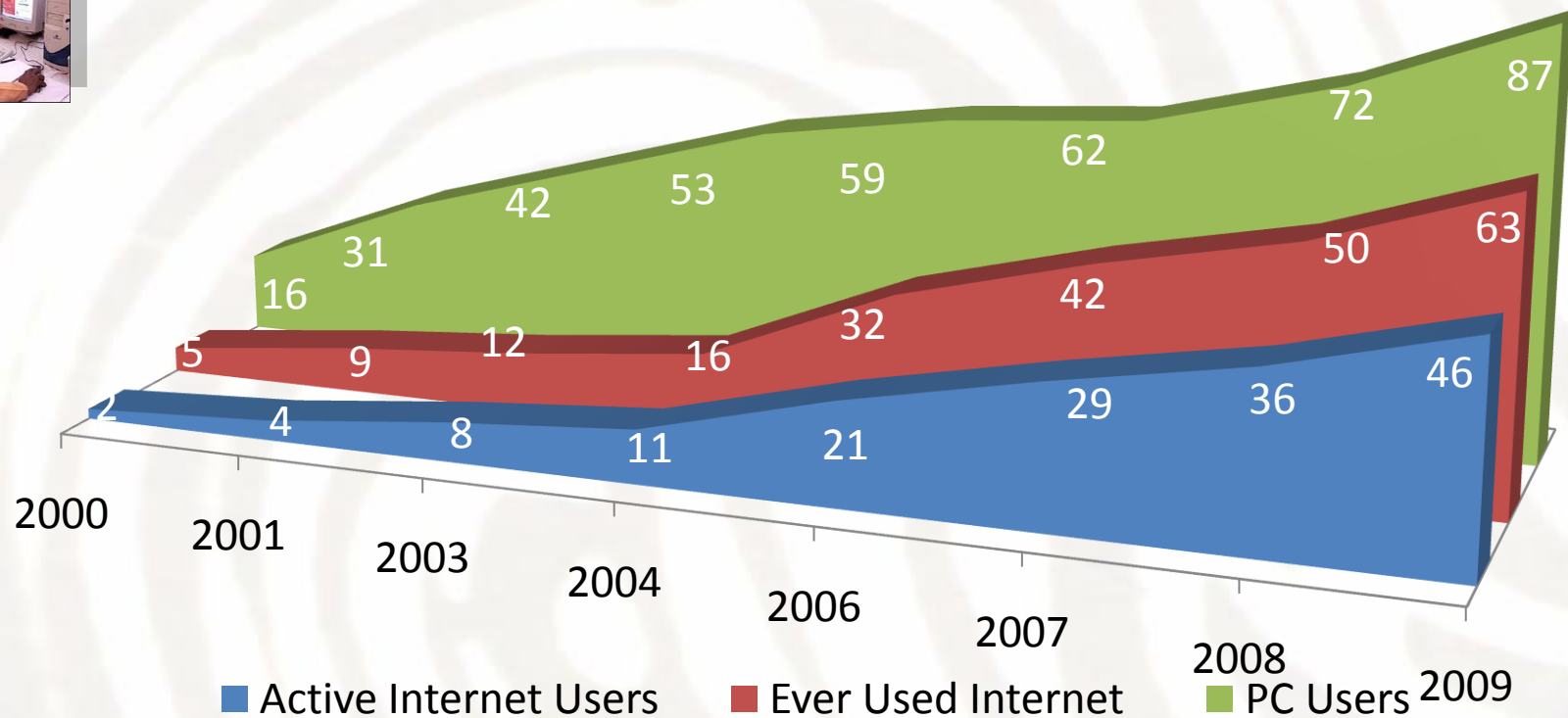
Given the current scenario, we can best hope to reach 20 million broadband connections by 2014 – is this good enough?

However, Internet is already beginning to reach the masses!!



- Internet users form around 24% of the Urban India
- 48% come from Non Metros and Small Towns
- 35% are from lower socio economic classes - SEC C, D & E

All figures in Millions



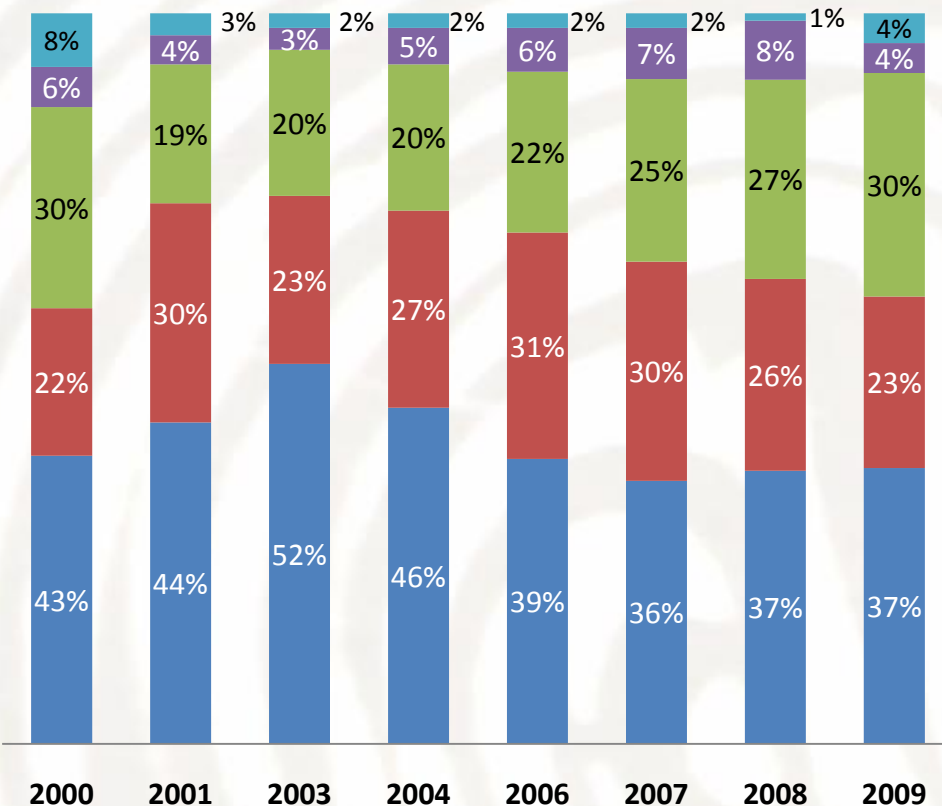
Source: I-Cube 2009, annual syndication on Internet since 1998

Base: All India Estimates

Active users = Used internet in last 1 month

Fractured by limited connectivity options

■ Cyber café ■ Home ■ Office ■ School/College ■ Others



- ❑ PCs continue to be main Access Device for Internet access
- ❑ There is a limited scope to drive demand as PCs growth and penetration is limited
- ❑ The Cyber Café usage continues to be stable, but they are closing down in large numbers facing the stringent regulations

Source: I-Cube 2009, annual syndication on Internet

Base: All India Estimates

... and English as a language barrier

Urban Population ~ 250 Mn*

**Urban Literate Population
~ 205 Mn***

**Urban English-Speaking Population
~ 91 Mn***

**Urban Computer Literates
87 Mn -March 2008**

**Urban Claimed Internet Users
50 Mn -March 2008**

**Urban Active Internet Users
36 Mn -March 2008**

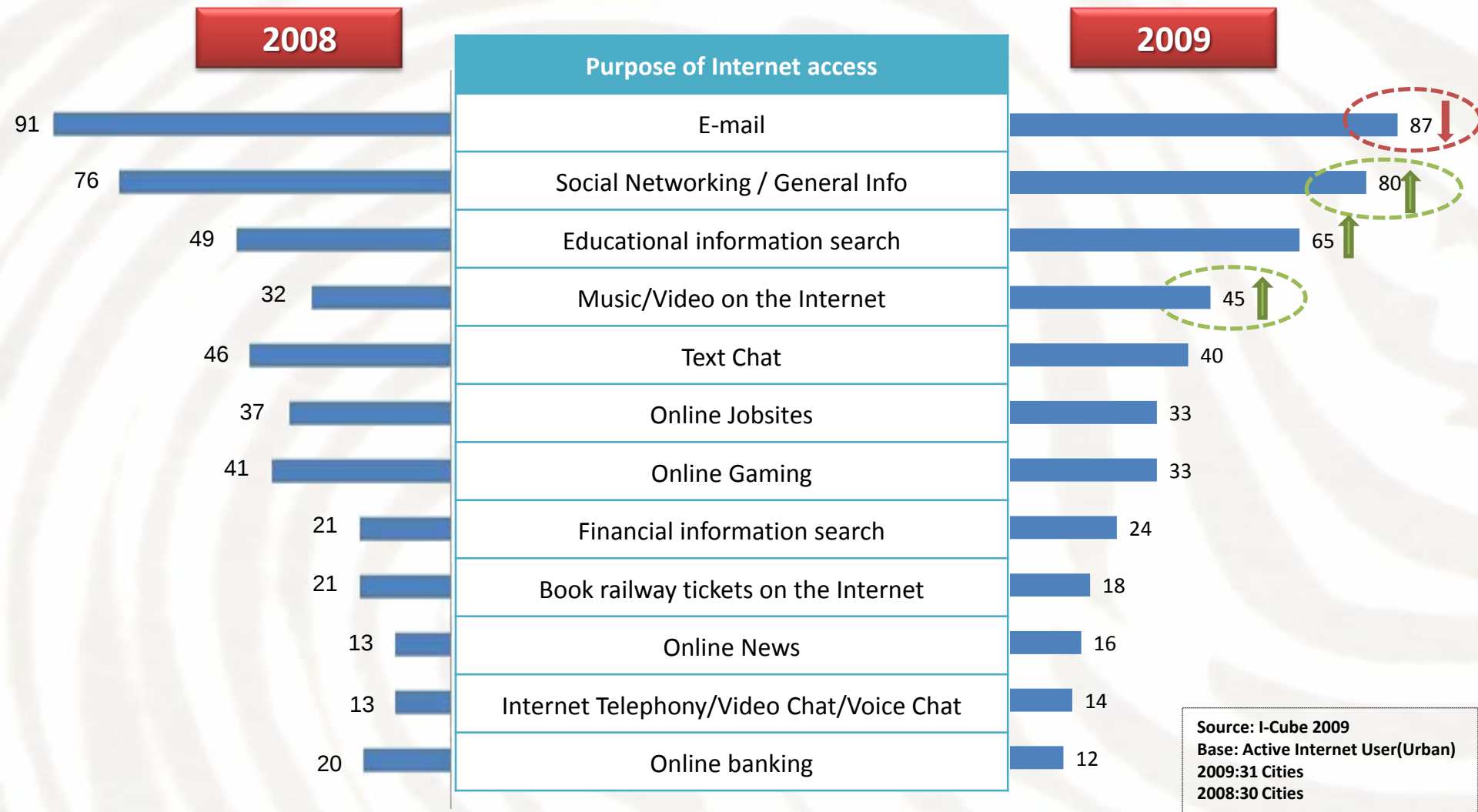
Can Internet follow a similar trend as seen in success of vernacular content on print and TV?

- ❑ 2.9 Mn active Internet users use vernacular content over Internet
- ❑ Another 3.1 Mn active users are likely to use vernacular content in future
- ❑ The main applications used in vernacular language are
 - Emails (51%)
 - News (34%)
 - Search (27%)



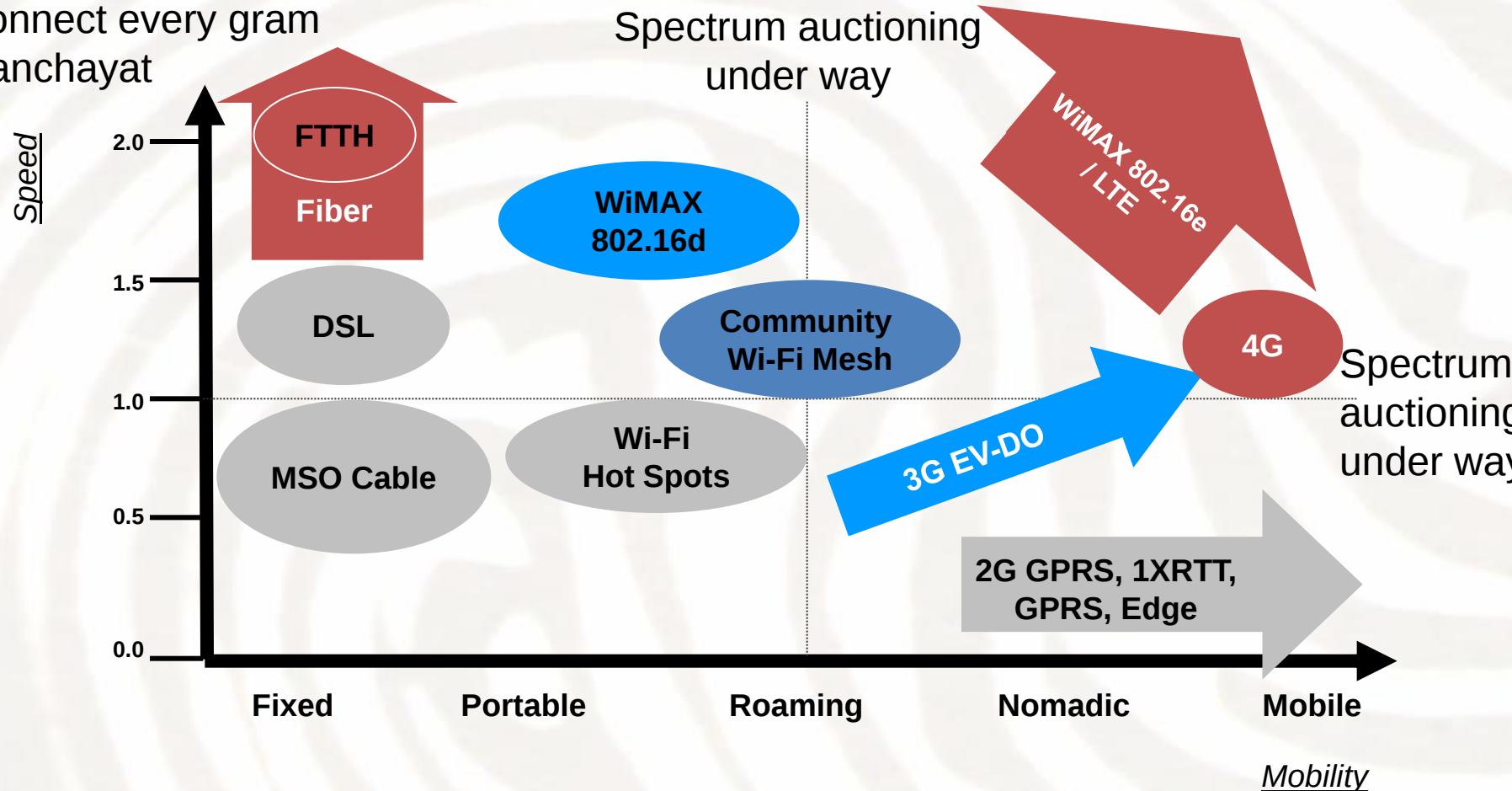
Vernacular content is next in line which is expected to grow. Even the Internet biggies like Google or Yahoo!, amongst other online websites are providing content in local languages

At the same time there is a growing demand for bandwidth heavy applications



What technology can satisfy increasing bandwidth hunger?

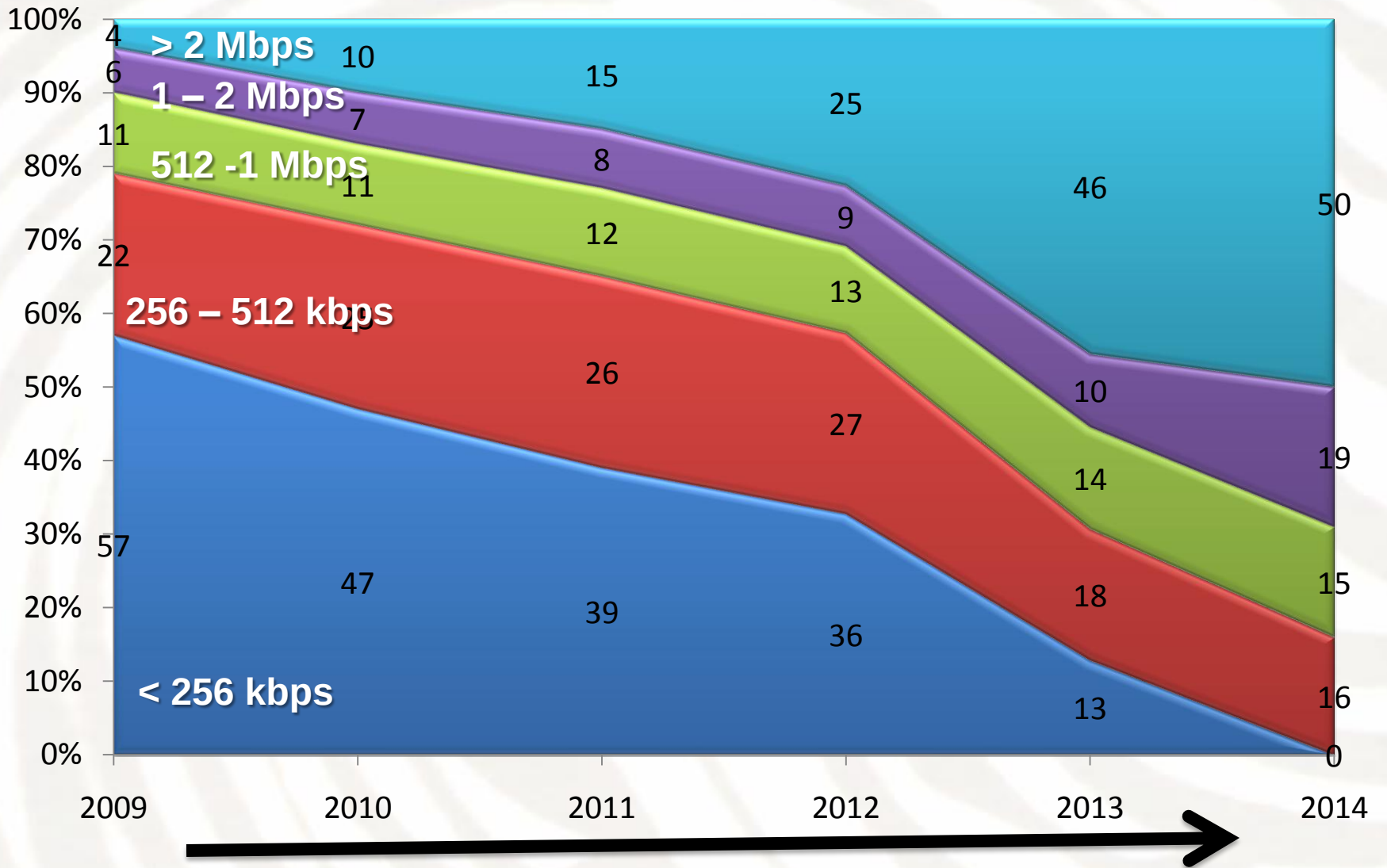
Announcement of
Rs. 18,500 Crore
investment to
connect every gram
panchayat



The option is between WiMax vs 3G/4G vs Fiber

Vision 2014 – 214 Mn Broadband Connections

With symmetry in the connection speeds



Volume era Speed era Symmetry era

Aiming 214 Mn by 2014: Is the path smooth?

- ❑ Reaching 214 Mn by 2014 is possible through a right mix of technology, end point and content
 - Do we have the right infrastructure/technology?
 - ✓ Amongst various technologies, which technology suits best for India and its terrain
 - Do we have the sufficient end points?
 - ✓ Only 15.9 Mn PC owners at present
 - ✓ There is a decline in the growth of PC owners
 - Do we have the right content?
 - ✓ Vernacular content may pave roads for many non-English speaking population

About IMRB International



The magic of minds

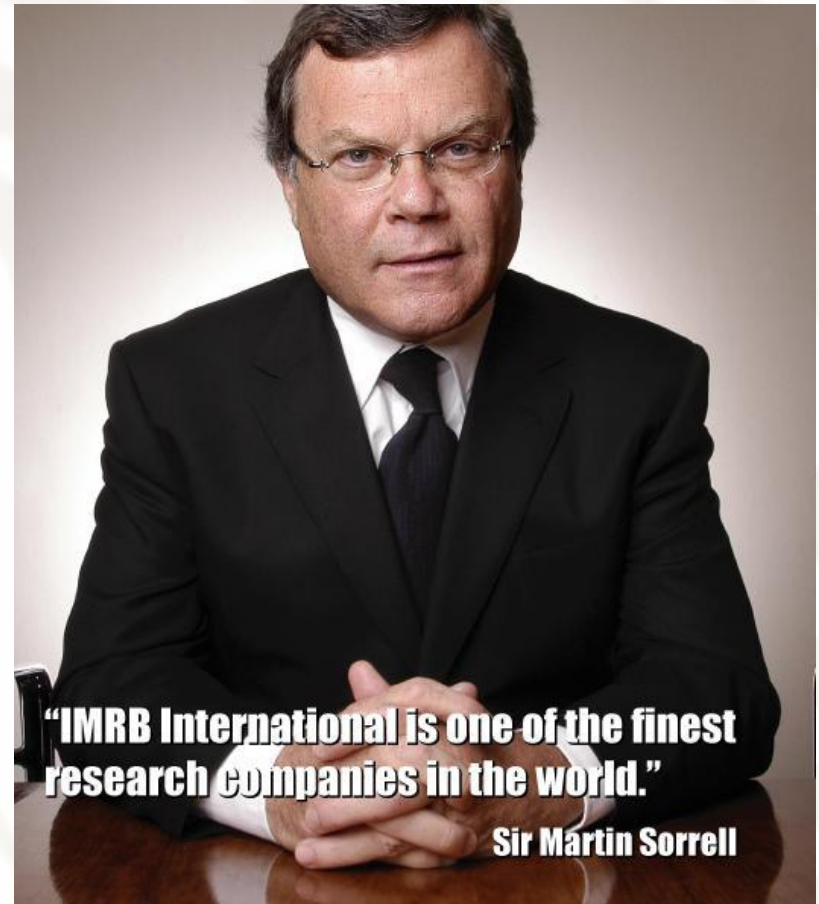




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- ✿ Member of *Forbes A list*
- of world's best big 400 companies.
- ✿ Rated one of Britain's top employers by Corporate Research Foundation.

Sir Martin Sorrell speaking to NDTV in India in 2005 and later at Hong Kong



The Kantar logo is located in the top left corner. It consists of the word "KANTAR" in a bold, yellow, sans-serif font, set against a black rectangular background. To the left of the text, there are four short, horizontal yellow dashes stacked vertically.

KANTAR

Kantar is WPP's research, insight & consultancy network

- ✿ Kantar, founded in 1993, is the world's fourth largest research conglomerate
- ✿ Revenue of around \$2.20 billion with 11,000 employees in largest 160 offices, in 61 countries worldwide
- ✿ Services 30% of fortune 500 companies



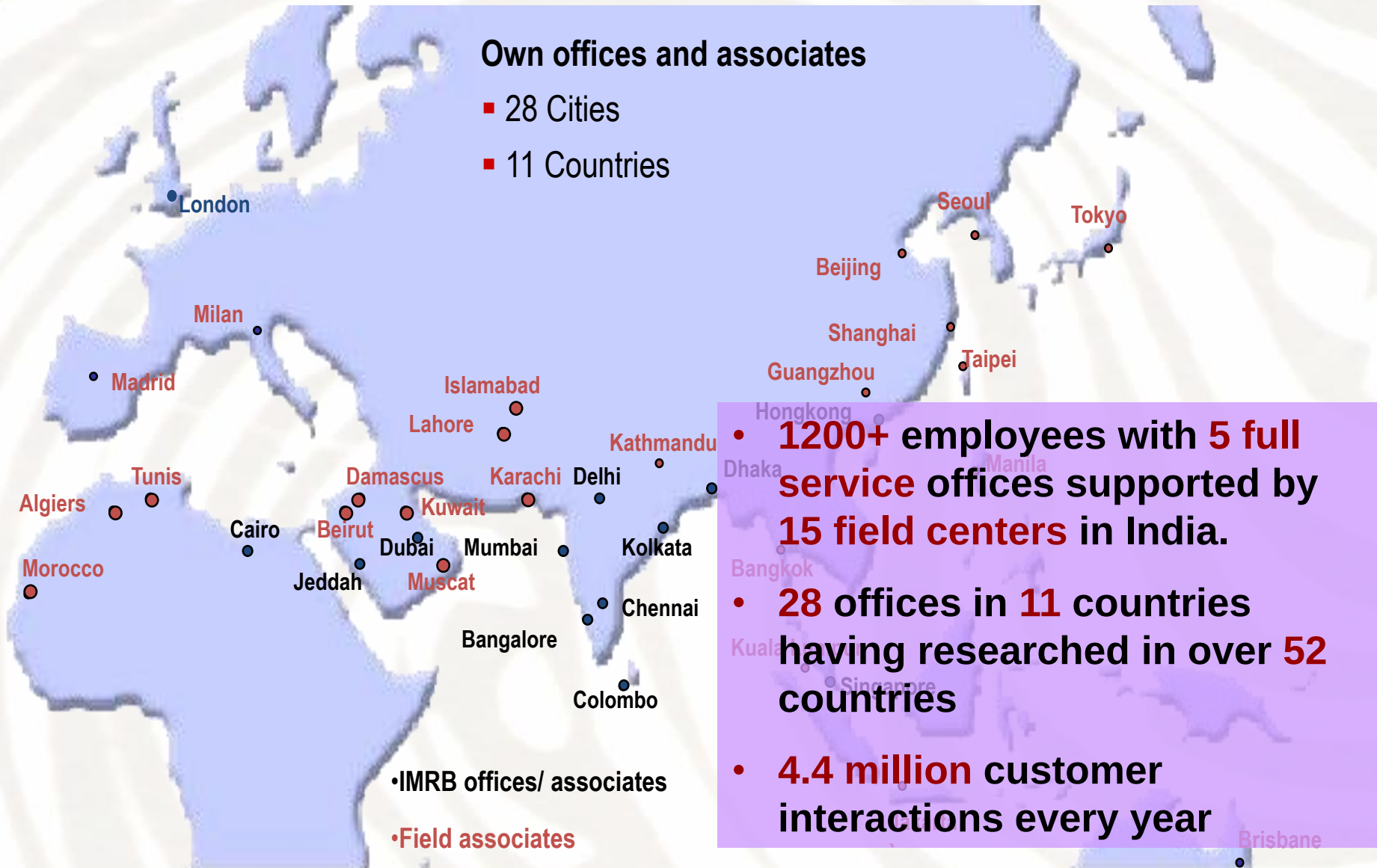
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- ✿ IMRB was founded in 1971 and is the largest research agency in India
- ✿ Works on varied projects ranging from FMCG to telecom to B2B to ...
- ✿ IMRB works with 48 out of the top 50 brands in India

IMRB's footprint...

Own offices and associates

- 28 Cities
- 11 Countries



- **1200+** employees with **5 full service** offices supported by **15 field centers** in India.
- **28** offices in **11** countries having researched in over **52** countries
- **4.4 million** customer interactions every year

eTech Group specializes in Technology Research



Telecom

Internet

Hardware

Software



Thank You



IMRB
international

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