



Title: 2020 –India at the Fulcrum of Digital Age

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Abstract

This paper attempts to illustrate the impact of Internet penetration on not just the consumer behaviour and lifestyle, but also on the way business will be conducted in India by 2020. Due to phenomenally increasing accessibility of Internet via mobile phones coupled with availability of Technologies like RFID, Augmented Reality and Cloud Computing, mobile phones will become the prospective unique identifier of an individual in both real and Digital world and would bring about convergence of both the worlds. This convergence will form the basis for marketers to determine the consumer profile and target accordingly. Mobile phone would just not remain a means of communication, but it would increasingly be used for several other activities like Online bill payment, Remote control of Devices, to act as credit card etc. Consumers expect to get their stuff 24 X 7 from palms of their hands. Online medium will become the preferred medium of marketers and mobile phone will be the key initiator of this paradigm shift.

Key Words:

Online Marketing, Mobile Internet Marketing, Social E-CRM, ORM (Online Reputation Management), UID (Unique Identification), Experiential Marketing

1. India's Landscape by 2020:

- Total Population: 1.35 Billion (At growth rate of 1.3% Y-o-Y)
- Urban Population: 458 Million and Rural Population: 890 Million (40% Growth)
- India will be the 3rd largest economy ; 400 M can be considered “middle class” and 500 M+ will live in urban areas
- 65% of India would be below 35 years and India would shift from Low Income Country to an Upper middle India Country
- Gradual shift in spending patterns by 2020 ,when consumers will move from essential goods and services to discretionary spending like household goods, communication, education leisure and recreation

Changes in population pyramid³¹ --India (1971-2016)

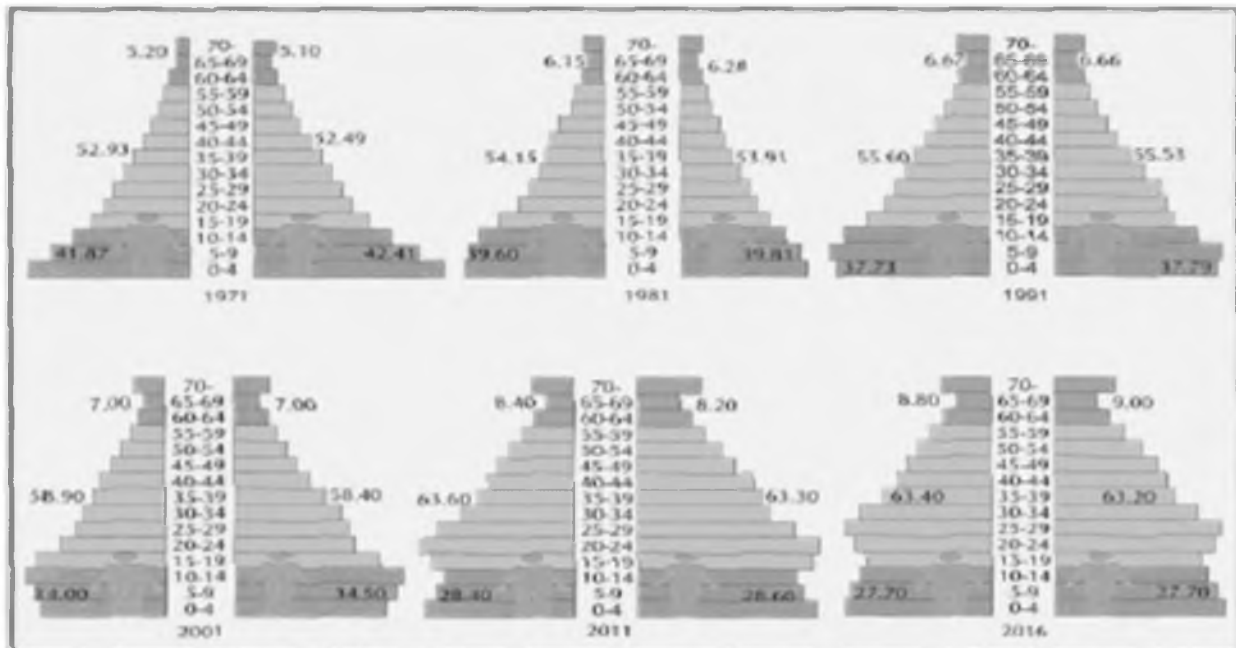


Figure 1 : 65% of India's population will be under 35 - Young India

- Rural population will grow by 116 million over the next 20 years and rural Consumption will triple by 2025
 - Literacy level will rise by 50% in next 10 years,

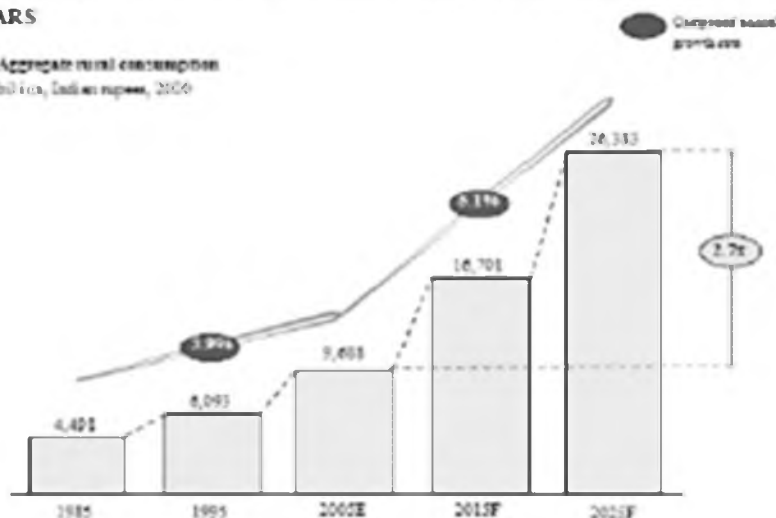
with India reaching almost 100% literacy by 2020
Internet adaptation in Rural India will be catalysed by:



Rural Consumption Growth

RURAL CONSUMPTION GROWTH WILL ACCELERATE OVER THE NEXT 20 YEARS

Aggregate rural consumption
in 100s, Indian rupees, 2000



Source: 2002 India Consumer Demand Model, v1.0

Figure 2 : Rural Consumption will triple by 2025

- o Government initiatives for increasing use of Information and Communication Technology (ICT) in education such as Sarve Shiksha Abhiyan (SSA) with a component of Computer Aided Learning (CAL). Secondary and higher secondary school will be serviced with broadband connectivity of at least 2 Mbps capacity.
- o Private Business initiatives like ITC E-Choupal, HUL Project Shakti would leverage the power of Internet in making lives simpler

Developmental Parameters at a Glance India Present vs. UMI Reference for India 2020

Developmental Parameters	India Present	UMI Reference for India 2020
Poverty as % of population below poverty line	26.0	13.0
Income distribution (gini index 100 = equality)	37.8	48.5
Unemployment rate (% of labour force)	7.3	6.8
Male adult literacy rate (%)	68.0	96.0
Female adult literacy rate (%)	44.0	94.0
Net primary school enrolment ratio	77.2	99.9
Public expenditure on education as % GNP	3.2	4.9
Life expectancy at birth in years	64.0	69.0
Infant mortality rate per 1000 live births	71.0	22.5
Child malnutrition as % of children under 5 years based on weight for age	45.0	8.0
Public expenditure on health as % GNP	0.8	3.4
Commercial energy consumption per capita (kg of oil equiv.)	486.0	2002.0
Electric power consumption per capita (kwh)	384.0	2460.0



Telephones per 1000 population	34.0	203.0
Personal computers per 1000 population	3.3	52.3
Scientists & engineers in R&D per million population	149.0	590.0
Sectoral Composition of GDP in %		
Agriculture	28.0	6.0
Industry	26.0	34.0
Services	46.0	60.0
International trade in goods as % of ppp GDP	3.6	35.0
Foreign direct investment as % of gross capital formation	2.1	24.5
Gross FDI as % of ppp GDP	0.1	3.5

Source: Based on World Development Indicators, 2001, The World Bank.

Figure 3 : Comparison of Developmental Parameters -India 2011 vs 2020

- In 10 years, Bollywood will be the 2nd largest entertainment hub exporting movies, music, and fashion to the rest of the world
1. **India's Internet Landscape by 2020:**
 - Internet penetration is expected to reach 65% with CAGR of ~25%
 - Broadband Subscriber base is expected to grow at 77% CAGR -4812 million subscriber – 2nd largest in world
 - By 2020, India will be the # 1 cell phone market globally with 1 B + connections and number of Smart phones would increase to 18 million by 2014
 - Mobile Internet User base expected to grow at 100% CAGR – 10368 million subscriber
 - Mobile broadband which could generate more than INR 3,146 billion to India's GDP by 2020
 - With the rural population growing by 116 million over the next 20 years, the potential for telecom services especially broadband will grow exponentially
 - 300 M+ will have access to electronic fund transfer (vs. 10 M today) and 250 M + will have access to credit card (vs. 15 M today). As a result, India will have 2nd largest electronic payments volume (after China), the 4th largest credit economy (\$ 2 T +), and 5th largest market for insurance
 - E-Commerce is expected to have exponential eight fold growth
 - Current Online Advertisement market is estimated at 1000+ Crores and is expected to grow many folds
 - Every Indian will have a UID (vs. none today)
 2. **Key Trends:**
 - Internet digital consumption pattern – email is hygiene need now! Video consumption will increase as a function of technologies like 3G/4G
 - Massive data growth will drive the Carrier/Devices growth transitions
 - Video = Consumer wants to find + Select + Watch
 - Video wired + Wireless Internet
 - 58% of Smartphone users in India believe that Apps truly benefit their lives. Hence heavy usage of Apps will be a key driver for increase of Smartphone devices
 - Mobile Internet User behaviour:
 - o 63% of mobile Internet Users are actively downloading content –Utility and Informational apps, Games and Songs
 - o 56% on Email and 39% on Social Networking
 - o About 60% connect to mobile web multiple times a week
 - Technology such as Augmented Reality and 6th sense device would lead to a pragmatic shift in the way computing experience would become more intuitive and simple. This will not only bring more acceptability towards blending of mobile and desktop computing in real life, but will also change the way marketers will approach its target audience
 - Availability of Low priced mobile devices with affordable internet plans will bring the rural masses more close to Internet and would expedite the acceptability of Digital medium as the true mass medium
 - Internet usage in smaller town and Rural India has overtaken combined top 8 metro in Internet penetration. Small towns will spike their dominance over metros and Urban India
 - The recent upheaval of technology (especially with mobile connectivity) has stirred the dynamics of

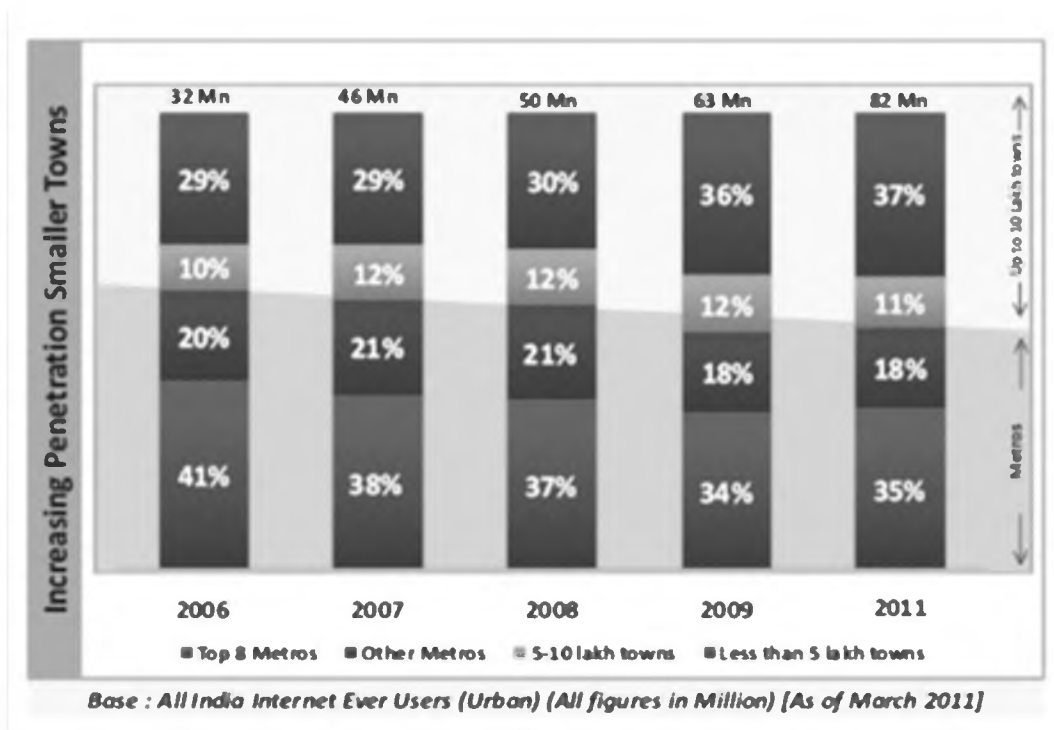


Figure 4 : Internet Penetration Distribution of India

different access points of Internet in India

- Internet usage pattern:
 - a. Rural India shall use Internet for Entertainment, General Information and

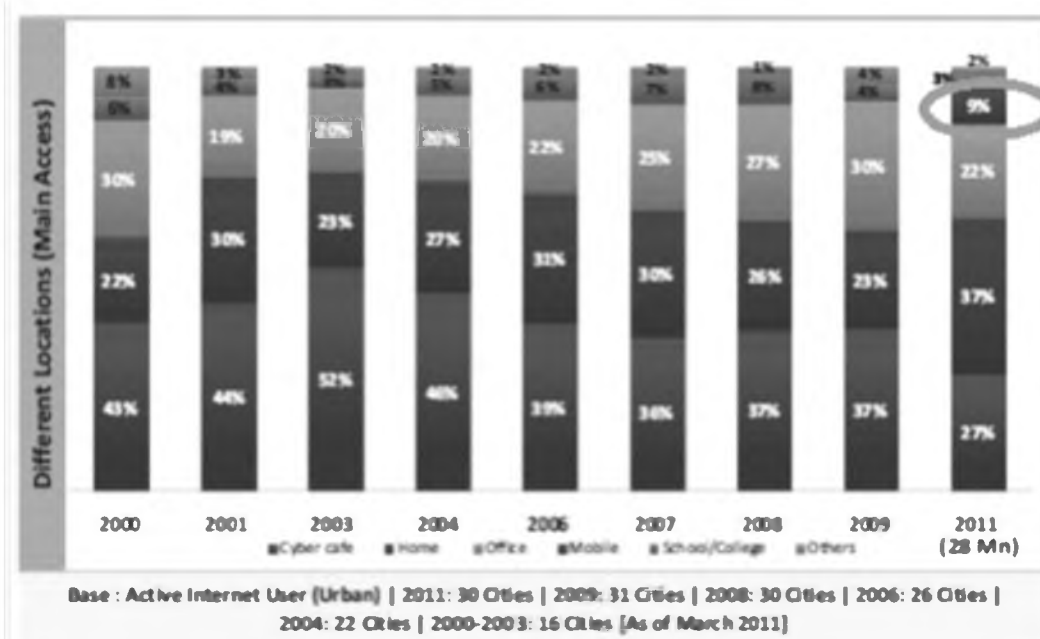


Figure 5 : Internet Access Points in India

Wireless Broadband Target and Penetration projection (in%) for the year 2014



Wireless Broadband projection in millions of subscriber

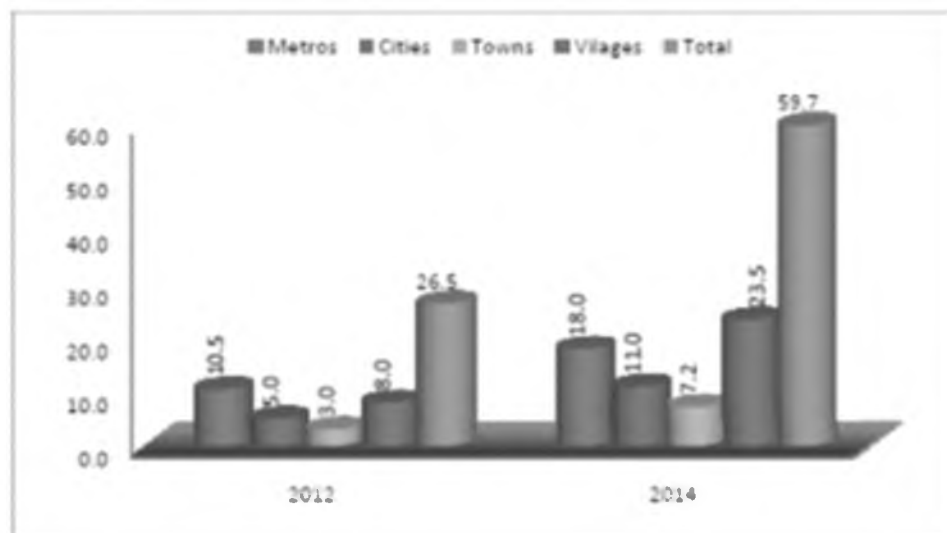


Figure 6 : Wireless Broadband Scenario in India

- Instant messaging
- b. Urban India shall use Internet for General information, Social Networking Education and Entertainment
- Bi-directional Flow: Television and Print medium will drive traffic to Online and Vice-Versa
- Search, Social Media, Blogging and Video

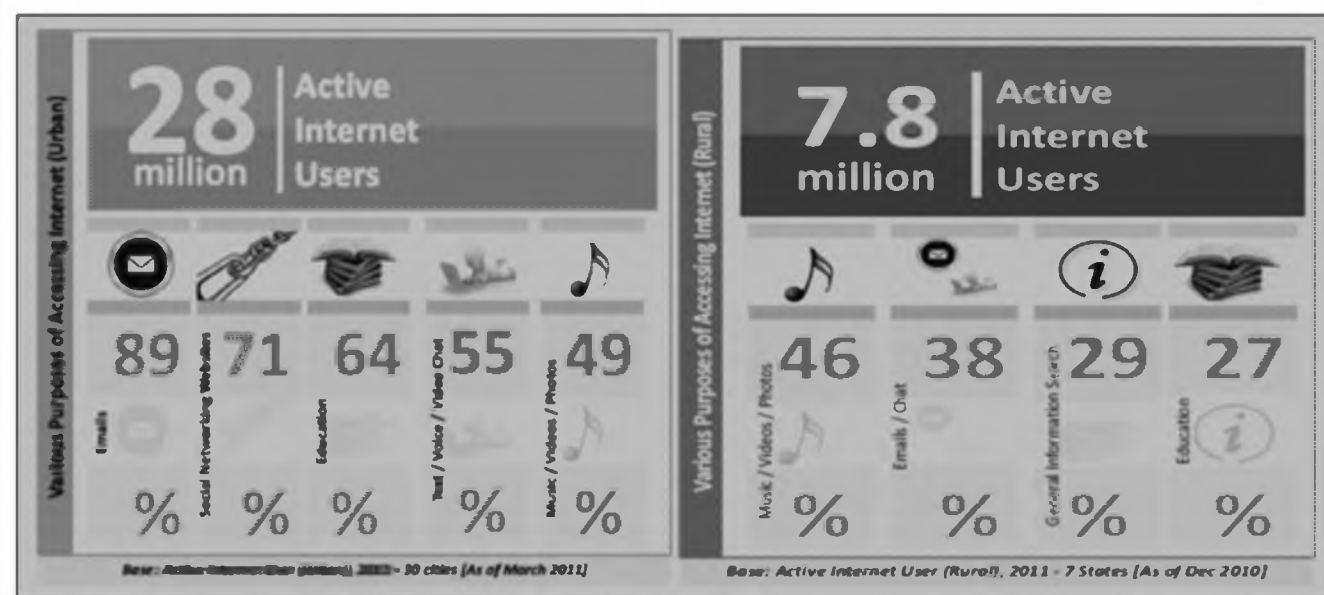


Figure 7 : Internet Usage Pattern in India

- consumption will be on rise
- YouTube, presently at 11th largest TV Channel and is expected to grow further up
- Online Video viewing would increasingly complement TV viewing
- Advertising budget would be increasingly skewed towards Online Medium. Money would be pulled from Conventional medium and invested in Online medium

1. Key Drivers:

- Convergence of communications, IT and entertainment and media along with widespread of IP technology are set to increase broadband usage
- Technological innovation permits new ways of creating, distributing, preserving, sharing and accessing digital content. As economies move to become more knowledge-intensive, information-rich activities will increase; new content will be created, collected, managed, processed, stored, delivered, and accessed
- Indian cloud computing market would grow at a CAGR of 40 percent by 2014, and to become a \$3 billion dollar market by 2015
- Adoption of applications like cloud computing, server farming and decentralization of the processes will further require robust and scalable broadband infrastructure with higher emphasis on quality
- Online Travel Industry is driving growth of E-Commerce in India
- Service and Entertainment industry players will drive the online marketing investment
- Growing IT/ITES/KPOs (outsourcing) industry dependent on internet transactions
- Security: By 2020, the identification ID systems used online will become tighter and more formal -

fingerprints or DNA scans or retina scans. The use of these systems will be the gateway to most of the Internet-enabled activity that users are able to perform such as shopping, communicating, creating content, and browsing. Anonymous online activity is sharply curtailed

2. Key Implications:

- Internet will permeate every aspect of life and every corner of the country
- Mobile Internet will place the world at our fingertips
- Mobile Internet will outpace Desktop Internet adoption
- Mobile will also become the medium of Online payments "On the move" like Toll tax, Auto fares, Utility Bills payments and would supplement Credit Cards and E-transactions made through computer
- Traditional physical classroom will fade and get replaced by Virtual realities
- Mobile will revolutionize commerce with constant Product improvements:
 - Provide Location based services – E.g. Find hotel deals in your area
 - Transparent pricing
 - Paper less transactions at various consumer touch points like Movie tickets, Menu and Bills at Restaurants
 - Deep discounts – Time based selective sales gaining traction - 70% off till Friday
 - Immediate gratification – Over the Air instant delivery of content – Movie, Songs
 - Mobile Push Notifications – Enables effortless monitoring of Real-time transaction processes
 - Mobile Coupons and Branded Mobile



Apps will create Retail store traffic and sales

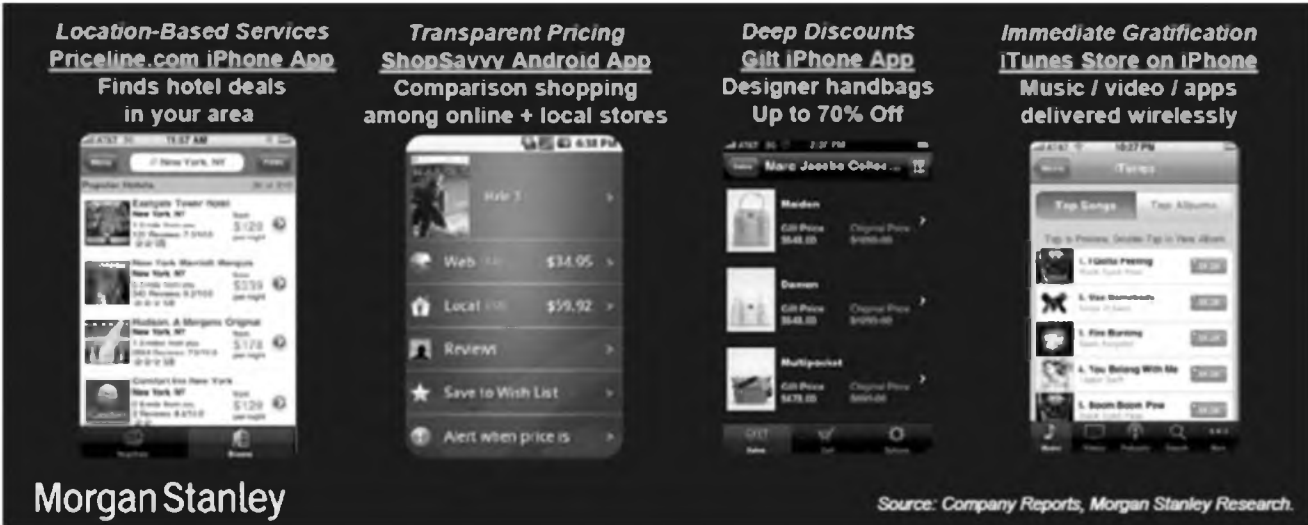


Figure 8 : Tools of Mobile Commerce –by 2020



Figure 9 : Mobile Social Coupons



Figure 10 : Branded Mobile Apps



Figure 11 : Mobile Push Notifications

1. Digital Life In India By 2020

The next 10 years will bring about pragmatic change in way technology will permeate in to the lives of the people. Digital World would fuse with physical world. Just like in

present, UID is considered to be the unique identification of an individual; by 2020, not just the identity in physical world, but also identity in the Digital world would be determined by the one single device i.e. the mobile phone.



As increasing progress is being made on Technologies like RFID and Biometrics (Finger, Voice, Face, Retina, Signature etc), it would be possible to seamlessly integrate such technologies with devices such as mobile phone and use them as the unique identity device of the individual.

With growing use of Cloud Computing Technology, there will be synergy of all transactions an individual makes Online(via PC, tablet or mobile phone)– genre and frequency of films he watches determined from the Online ticket purchases, his liking for various brands reflected through the online transactions, his personality traits, socio-political views deciphered through various Social media sites,his financial credit worthiness, job history, in fact every online activity of an individual can be tracked, cumulated and analysed. In addition, the information derived from virtual world would be supplementedby the information retrieved through real world, for example an individual's preference can be collected through scanning of unique id of individual (via mobile device he is carrying) for physical transactions taking over the counter. Similarly retailers can track the “interest” of individual during window shopping by simply tracking the Unique id(determined from mobile device of individual) and this data can accumulated and accessed any where across the world. Hence both Online and offline transactions made by an individual will be seamlessly integrated and available “On Cloud”. This information will facilitatethe Demographic, Psychographic and Behavioural profiling of an individual. This consumer profiling would be leveraged by the marketers for real time “on the move” targeting and customized offerings to the consumers.

It would be interesting to see how mobile phone will play a very vital role in an individual's daily life be it - a source of morning news, digital key to control all instruments of security and utility at home- Car Key, replace credit card to Gasoline bills, help to locate destination while travelling, work as mobile office, ensure that individual is always “ON” and connected to internet , help individual to be connected to real and virtual friends in real time, act as personal secretary to place appointments and make reminders, help locate lost articles(using RFID) and save precious time, check and report the status of courier,back up as doctor to keep a track of blood pressure and sugar levels throughout the day, sense pulses and help individual remain

control of his emotions. In short - one intelligent device, which would me much more than a phone and will make the owner super smart.

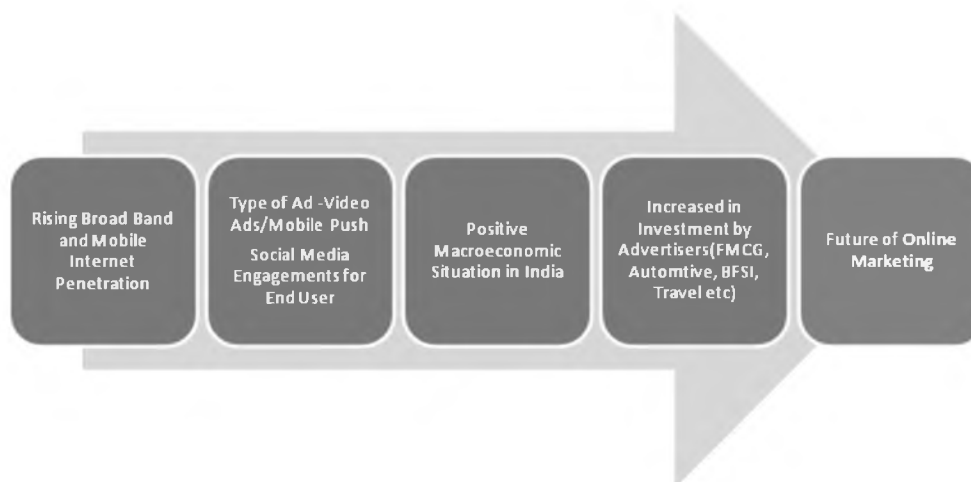
Mobile device also has the potential to create several opportunities for new business.

- Event management operations will become smoother.It would be easy to determine the number of people gathered at the venue and not just that even the traffic flow pattern, parking status and many such other logistic issues can be handled by just monitoring the RFID signals emitted by the mobile devices of the audience.
- The enormous connectivity and convenience of accessing Internet over wireless device such as mobile phone can push India to take mammoth step of conducting elections Online. This means all the millions of rupees spent in today's election campaigns would flow out from real world in to the digital world , where the masses is “ON” 24 X 7.
- High speed 3G/4G networks coupled with rapid progress in augmented reality will make it feasible to provide consultations related to food, fashion and Body care through Videocall. In fact it will also be possible to browse through apparels and clothing on retailer's portal and try out the garments, take advice friends which may be placed at some other geography. The world would indeed become small!
- Services sector would reach several thousand feats close to their clients. Instead of just hearing their voice, it would be possible to see and interact virtually the customer and provide better service experience to them.

The above examples are a helicopter eye viewof the immense potentialyear 2020 holds for us. So get Boot strapped!

2. Future of Online Marketing in India 2020 –

Mobile internet marketing will overtake desktop internet marketing paper.





Service - travel, hotel etc.:

1. They will be one of the evolved online advertisers, which will move from display to performance based ad (such as pay per leads/acquisitions)
2. Customized and localized offerings based on UID (Mobile)
3. Video led online chat/demo and Augmented reality driven consultation
4. Focus on influencer marketing(Blogging) and WOM (Word of Mouth)
5. Mobile Push Notification: 'Seasons Bookings Ends Soon' reminder pushed to phones
6. Social commerce to drive the sector

Education:

1. Physical classrooms would be replaced with virtual classrooms
2. Social Media Marketing would take the avatar for virtual online teacher– curriculum, health, mental wellbeing, yoga, cookery, painting etc.
3. Interactive webcasting for live event participation
4. Video driven contextual ads
5. Build Alumni networks through Social Media and create effective engagement for all
6. Mobile Push Notification based on interest/online movement
7. Advertorials driven brand building

Manufacturing-durables, auto etc.:

1. They will drive the online display and search ads spends across CDJ
2. Lead generation driven marketing campaigns eg. Test drives, product demo
3. Experiential social media marketing plan such as augmented reality apps, 3D projections
4. Tie-up with 3rd party ecommerce portals
5. ORM (blogging) would play a key role in managing brand's imagery
6. Consumer Electronics OEMs will make an organized entry in Etailing

Telecom:

1. Branded Mobile Apps– It will drive incremental store traffic/online purchases
2. Solely dependent on Social E Commerce– Mobile Push
3. Experimental and innovation led social media marketing programs leading to offline activations
4. Social Reward Programs to attract prospects
5. Mobile social coupons to generate sales– customized offerings basis usage, location, interest etc.

Online publishers (Google, Yahoo, YouTube, Sify etc.):

1. Extend their content/services to virtual reality through mobile apps
2. Cross-Sites tie-ups and data convergence
3. Offer driven online advertisements– online coupons, free vouchers basis visitor's online loyalty quotient
4. Content driven animations rich ads
5. Leader of viral marketing (Form: video, flash, animations etc.)

Banking & Finance:

1. Will move from performance based advertisements to performance based payment (such as pay per activations)- text and display
2. Social E-CRM would be at the crux of all activities
3. Real-Time on-site video consultation by experts
4. ORM (influencer marketing) for creating brand evangelist
5. Applications for every information needs across CDJ
6. Real time database custodian cum virtual consultant

Brand
Centric
Active Video
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Social
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**Mobile Digital
Eco System,**
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Conventional Media:

1. All GRP based TV channels will add “IE” – Internet Engagement. All TV shows which stimulate social conversations would be sought after by advertisers
2. Depend on social media for driving video channels online consumption
3. Mobile content push for information and creating buzz
4. Social reward programs for creating loyalist
5. Partners tie-ups for up-sell and cross-sell

FMCG:

1. Current conventional media skewed industry would take a CSR route and educate consumers about potential products – Online courses, consultation, augmented reality and video based interactions.
2. Mobile Social Coupons: Coupons displayed on phones based on proximity to stores

Retail:

1. UID will lead to real time understanding of the consumer profile, hence customized offerings on the spot
2. Mobile ads with coupons & offers based on loyalty scores and proximity to stores so as to attract foot-falls
3. Augmented Reality led experiential ads
4. Coupon Sherpa – Discounts Granted by Scanning Barcodes on phones while at store checkout

Government:

1. Govt. to leverage social media for emotional bonding – “Follow the party”
2. ORM – Real time monitoring of online conversations with respect to each party member
3. Elections would be driven by media innovations, social PR and influencer marketing
4. Social upliftment programs would be disseminated through mobile push
5. Real time 24*7 access to Govt. online helplines for bodies like police, fire fighter etc. – All complaints and events to be tracked through ORM

Agriculture Products:

1. Video consultation for Agri activities (Harvesting, Which Equipment to buy)
2. Free Online channels and mobile push sponsored by Agri marketers
3. Reward program with virtual gratifications like live video chat with Bollywood celebs
4. Private players to launch more education programs like HUL Project Shakti, ITC E-Choupal

NGO:

1. Use social media to drive awareness for a cause and gather mass support
2. Social commerce would drive funds
3. Social PR would be the key requirement
4. Social rewards program for CSR lead activities

Brand
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Part Time Management Courses

SIMS runs a variety of Diploma and Executive MBA courses. They are designed for working executives and professionals. Most of them are working in corporate and other types of organisations. Though all of them have completed their graduation, they have missed out on learning management science. However, knowledge and skills of man-management, finance, markets and information technology have become all pervading. Today even small and medium sized organisations need these sophisticated skills to compete in open market conditions.

Part Time Executive MBA (30 Months)

This is a Masters Program being run by SIMS on part time basis. The entire course is divided in to 5 semesters of approximately six months each. The first four semesters involve class room instructions and training; fifth Semester consists of a project which has to be completed in the place of work. E-MBA is credit based course comprising of 80 total credits including the project in the fifth Semester. Internal continuous evaluation is conducted for 60% in every course and 40% will be the component for end semester examination.

The course curriculum is benchmarked against our own two years full time MBA course. It is constantly updated every semester/year to broadly reflect industry and economy changes. Appropriate pedagogy consisting of case studies, presentations, quiz etc is used by the faculty extensively. Faculty is drawn from experts in industry and academia. A student manager has to opt for a specialization either in Finance, Marketing, HR or Operations. At the end of the course, a person would have substantially gained in terms of additional skill sets, analytical abilities and broad understanding of businesses, markets and strategies.

Part Time Diploma Courses-(One Year)

A variety of diploma programs are conducted in SIMS. We have Diploma in Business Management, PM and HR and International Business (IB). We have introduced diploma courses in Financial Management, Operations Management and Information Technology from the year 2010-11.

Targeted group for these courses are persons who are working in various organisations. All these programs are domain specific and tailor made to suit the requirements persons who have already gained some experience in their respective fields. The thrust of the curriculum is on basic concepts and how they are actually applied in practice. Short term courses such as these fit in well in times where continuous learning has become absolutely essential part of survival and growth in several corporate undertakings.

We think that the diploma course would lead to up-gradation of skills and knowledge in the specific selected domain area.