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Internet Users in India: Setting the Context

Internet users in India has crossed the 800 Million mark, Rural India has more internet users than Urban.

90% of the Internet Users are using internet daily. On an average, users spend around 1.5 hours on internet.

Proportion of Daily Internet Users within Pie
Average Duration Accessing Internet (in Mins)

More than half of internet users live in Rural India. Gender divide has narrowed over the years.
How does the internet penetration vary across States?

**Top 3 States**
- Goa: 73%
- Maharashtra: 69%
- Kerala: 69%

**Bottom 3 States**
- Jharkhand: 46% (8%↑)
- Uttar Pradesh: 41% (12%↑)
- Bihar: 37% (17%↑)

How does the internet penetration vary across States?

**Growth rates in internet growth has decelerated.**

- Blue: AIU (All India)
- Red: AIU (Urban India)
- Green: AIU (Rural India)

Base: ICUBE 2023, Active Internet Users, 821 Million

*North-East Includes: Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura

Base: ICUBE 2023 All India Population, 1.485 Million
Top Activities Done on Internet

While Net Commerce, Digital Payment and Online Learning are more Urban centric activities, other activities like OTT, Communication, Social Media and Online Gaming are more democratized.

Activities Done on Internet:
Activity wise Incidences in Parenthesis; Town Class Profile in Chart

<table>
<thead>
<tr>
<th>Activity</th>
<th>Top 9</th>
<th>Small Metro</th>
<th>Less than 10L Towns</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTT (Audio + Video)</td>
<td>86%</td>
<td>53%</td>
<td>23%</td>
<td>15%</td>
</tr>
<tr>
<td>Communication</td>
<td>76%</td>
<td>51%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Social Media</td>
<td>70%</td>
<td>52%</td>
<td>23%</td>
<td>16%</td>
</tr>
<tr>
<td>Online Gaming</td>
<td>53%</td>
<td>56%</td>
<td>20%</td>
<td>16%</td>
</tr>
<tr>
<td>Net Commerce</td>
<td>52%</td>
<td>38%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Digital Payment</td>
<td>45%</td>
<td>38%</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Online Learning</td>
<td>3%</td>
<td>20%</td>
<td>11%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Urban Centric: Net Commerce, Digital Payment and Online Learning
Democratized: OTT, Communication, Social Media and Online Gaming

Base: ICUBE 2023, Active Internet Users, 821 Million
Proportion of internet users accessing internet via someone else’s mobile is increasing

Who are these shared device users?

- 63% Rural
- 77% Female
- 43% 35+ Years

Shared Device usage for internet access is higher in Rural than Urban; Rural has witnessed a growth of 78% in last one year.

Source: ICUBE All India 2023
Diversified usage of internet is leading to new modes of engagement among users across devices. The number of users watching video content only over internet i.e., the cord cutters are more than the users watching content only on linear television.

Linear TV: Individuals who have watched video content on Linear or Traditional TV in L1Y.
Internet Only: Individuals who have watched video content through Mobile or Connected TV but not Linear TV in the L1Y. These are the Cord Cutters.
Concurrent Users: Individuals who have watched video content across multiple modes (Linear TV or Mobile or Connected TV in L1Y).

The use of other Non-Traditional Devices* to access internet has also witnessed major growth

*Non-Traditional Devices include Smart TV, Smart Speakers, Firesticks, Chromecasts, Blue-ray and Gaming Consoles

While all internet users across Urban or Rural India use mobile to access internet, the adoption of non traditional devices has been high in the last 2 years, specially in Urban India.

Source: ICUBE All India 2023

↑ Indicates Non Traditional Device User Growth in 2023 vs 2021 (last 2 years).
How are customers engaging with Ecommerce?

Understanding the Ecommerce User Funnel:

821 Mn Total Internet Users
427 Mn Net Commerce (Product + Service Ecommerce)
294 Mn Online Shoppers (Product Ecommerce)
196 Mn Urban Online Shoppers (Product Ecommerce)
48 Mn Urban Social Media Commerce Users

Who are these Social Media shoppers?

- Top 9 cities
- NCCS A
- 25 to 44 years

Who are the only COD users?

- 52% Female
- 51% <19 years
- 45% Rural
- 43% NCCS CDE

Among All India Online Shoppers, 26% only avail Cash on Delivery (COD) for payment. Rest of the Online shoppers use various Digital Payment modes while ordering online. 71% of such digital payment users live in Urban India and 50% of them belong to NCCS A.
What are the other emerging trends in digital ecosystem?

**Use of Music Streaming Services gaining popularity**

More than **80%** of overall OTT users have used music streaming apps in last 1 year. **Music Streaming users** are fast catching with the Video OTT users with **8%** growth in the user size of Online Music Streaming Services.

**Who are these users?**

- **50%** 10L+ Towns
- **36%** 25-34 years

**Source:** ICUBE India 2023
Digital is the main source of news and information

65% of internet users access news and information online through various news apps/websites, social media posts, message forwards, Youtube etc.

**Online News Users**
Total number of Internet Users who are accessing news online through various news apps/websites, social media posts, message forwards, Youtube etc., either consciously or unconsciously (while browsing internet)

**Conscious Online News Users**
These are the pull users who are consciously accessing news online through various sources like news apps/websites, Youtube, etc.

**Conscious Online News Users**

- 43% < 24 years
- 39% 25-44 years
- 18% 44+ years

*Source: ICUBE India 2023*
Use of voice-based commands across activities is gaining popularity

Voice based activities can be used while using apps on mobile phone like “navigation commands in google maps”, “making shopping list”, “listening to news”, “searching for information”, etc. And doesn’t include speaking to others using basic phone function.

Who are these users?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Urban Universe</th>
<th>Voice Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listening to Music</td>
<td>71%</td>
<td>23%</td>
</tr>
<tr>
<td>Watching Videos/Movies/Web Series</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Listening to News</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Online/Information Search</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Call Someone</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Navigation Applications</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Making Shopping List/Ordering Products Online</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Manage Security Systems and Camera</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Control other Smart Home Gadgets</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Set Up Routines, Reminders, Alarms, etc.</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: ICUBE India 2023
Use of internet in **Indic languages** becoming prevalent across online activities

57% of internet users prefer to access internet content in **Indic languages** in **Urban India**.

Indic vs English Language Preference to access internet in Urban

57% Indic Language

43% English

Top Activities done on internet using Indic Language in Urban

- **Watching videos**: 84%
- **Listening to music**: 73%
- **Communication**: 34%
- **Social-Networking**: 33%
- **Online Shopping**: 24%
- **Online Search**: 17%

Predominant Indic Languages for accessing internet in Urban (based on Conversion Ratio*)

*Conversion Ratio for each language: Number of internet users who predominantly use the Indic language to access internet. Number of overall internet users who have used the Indic language in last one year.

**High Conversion Ratio:** Tamil, Telegu and Malayalam

**Possible Reasons:**
- Users have higher affinity to watch content in their local language
- Extensive availability of content in these local languages

**Mid Conversion Ratio:** Hindi, Kannada

**Possible Reasons:**
- Users have tendency to watch content in common languages like Hindi & English
- Lower availability of content in these local languages

**Low Conversion Ratio:** Gujarati, Marathi, Bengali

**Possible Reasons:**
- Lower availability of content in these local languages

**Rest of the local languages**

Source: ICUBE 2023 Urban
Non Active Internet Users:
Still 45% of Indian population do not access internet

The size of this cohort is declining and present a lot of scope for expansion. Around half of the people in Rural India are Non-Active Internet Users.

Reasons for Not Accessing Internet

<table>
<thead>
<tr>
<th>Reason</th>
<th>All India</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too difficult to understand and use</td>
<td>23%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Not aware of the benefits of the internet</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Not interested in accessing internet</td>
<td>22%</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>Not allowed to access the internet</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Cannot afford Internet Connection/Expensive for me</td>
<td>17%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Internet is very confusing to me</td>
<td>16%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Do not own devices (like computer, mobile, etc.) at home</td>
<td>16%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Nothing interesting for me is available on internet</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Too time consuming/Don’t have enough time</td>
<td>13%</td>
<td>15%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Base: Kantar iCUBE 2023, Non-Active Internet Users, All India 665 Million Urban India 138 Million, Rural India 526 Million
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Glossary of terminologies used

- **AIU (Active Internet User):** Those who have accessed the internet in the last one month
- **N-AIU (Non-Active Internet User):** Those who have not accessed the internet in the last one month
- **Entertainment:** Those who are either an Online Video Viewer (accessed video content through VOD or Social Media or WhatsApp or through other online sources in the last one year) or Online Music Listener (downloaded Music or purchased Music or accessed Music through either Amazon Music or Gaana or Wynk or Saavn or Google Music or any other online portal in the last one year) or Online Gamer (played games online on Laptop, Desktop, Tablet, Smartphone, Gaming Console in the last one year)
- **Communication:** Those who have done text/voice/video chat or used email, video conferencing, etc. using an online website or app in the last one year
- **Social Media:** Those who have accessed content on social media website or platform (can be browse/upload content or update status, etc.) in the last one year
- **Net Commerce:** Those who have accessed E-Commerce related activities (online shopping, online finance, online travel, etc) in the last one year
- **Online shopping:** Those who have done online shopping (through Amazon, Flipkart, etc.) in the last one year
- **OTT (Audio+ Video):** Those who have accessed video or music or podcast related content through any of the over-the-top media (Youtube, Hotstar, Prime Video, Gaana, etc) service providing apps or website in the last one year
- **Online Gaming:** Those who have played games online across any device in the last one year
- **Digital Payment:** Those who have used any digital instrument (i.e. Credit Card, Debit Card, Net banking, E-Wallet/UPI) in the last one year to make any offline or online payment
- **Digital Commerce:** Those who have accessed E-Commerce related activities (online shopping, online finance, online travel, etc) in the last one year
- **Online Learning:** Those who have accessed online learning resources or attended school, college, tuition, coaching or skill enhancement classes online through school/college platforms or other online websites/apps
Glossary of terminologies used

Town Class Definitions:
- Top 4: Top 4 Metros (Delhi, Mumbai, Chennai, Kolkata)
- Next 5: Next 5 Metros (Surat, Bangalore, Ahmedabad, Hyderabad, Pune)
- Small Metros: Other Metros with population more than 1 MN
- Non Metros: 0.5 to 1 MN
- Small Towns: <0.5 MN

Village Class Definitions:
- VC 1 - Villages with population greater than 1000 individuals
- VC 2 - Villages with population less than or equal to 1000 individuals
This report includes insights from Kantar’s Syndicated product **ICUBE**

**25 YEARS+**

expertise in tracking Digital users in the region

**Extensive Coverage and Representative Sample**
Urban/Rural; All India, State, City and SCR Level Estimations

**Comprehensive view of Digital Commerce**
Internet and Digital Commerce behaviour across categories shopped, platform incidence, online spends, etc.

**Highlights Emerging/Future Trends**
Highlights current and futures trends across different digital platforms. All India Projections on Census 2011.

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**ICUBE 2023 in a Glimpse**

- **90,000+ Samples**
  - 66,000+ Urban Samples. 25,000+ Rural Samples

- **Face to Face Multistage Random Sampling**

- **Covers**
  - 35 States & Union Territories*

- **Covers**
  - all 2 Lakh + Cities

- **400+ Cities Captured**

- **Encapsulates**
  - 550+ Districts covering every nook and corner of the country

- **30+ Clients**
  - across industry, media and Government bodies

- **Capability to fuse data**
  - with other syndicated products for a deeper understanding of psychographics and attitudes
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About Internet and Mobile Association of India:

Established in 2004, the Internet and Mobile Association of India (IAMAI) is a not-for-profit industry body representing the digital industry. With 580 members, including Indian and multinational corporations, as well as start-ups, IAMAI has been instrumental in shaping India’s digital economy. IAMAI advocates free and fair competition, and progressive and enabling laws for businesses as well as for consumers. The overarching objective of IAMAI is to ensure the progress of the internet and the digital economy. Its major areas of activities are public policy and advocacy, business to business conferences, research, and promotion of start-up.

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