



KANTAR

Internet Adoption in India

ICUBE 2020

June 2021

Table of Contents

Executive Summary	2
1. Introduction.....	3
2. Internet in India: Size and Penetration.....	4
3. Internet Usage Behavior	8
4. Activities done on the Internet.....	10
5. Non-Active Internet Users.....	15
Annexure: Study Methodology, Demographic Segments and Sampling Procedures	19

Executive Summary

The 'ICUBE 2020' report by IAMA and Kantar indicates that the Internet usage in India continues to grow. Internet users are estimated to grow by **8%** in 2020.

- As of **2020**, estimated number of Internet users who have accessed Internet in the last one month is around **622 Mn**. The number of active internet users are expected to grow and reach **900+ Mn** by **2025**.

	All India	Urban	Rural
Population	1433 MN	485 MN	948 MN
Active Internet Users	622 MN	323 MN	299 MN

- In Urban India, Active internet users have grown by 4% over last year to reach 323 Mn (est.), while in Rural it has increased by 13% over last year to reach 299 Mn (est.)
- There are 58% Male Internet users and 42% Female Internet users in India. The ratio of male to female in Urban India is 57:43 and that in Rural India is 58:42
- 94% of urban internet users are accessing internet daily while 90% of rural internet users are daily users
- Mobile phone has been the key driver for growth of internet in India. All the active internet users use mobile phones to access internet
- Entertainment, Communication and Social Media are the topmost activities done online among internet users in urban and rural India.

1. Introduction

Internet has become a lifeline to most of us. The world not only revolves around it but also 'in' it. Almost every decision achieves fruition with the able interference and assistance of the internet. Coronavirus has made us acutely realize the importance of internet. The internet helped businesses tide through the tough lockdowns, individuals connected with each other, used the opportunity to learn and acquire new skills and provided much needed meaning and reason to carry on.

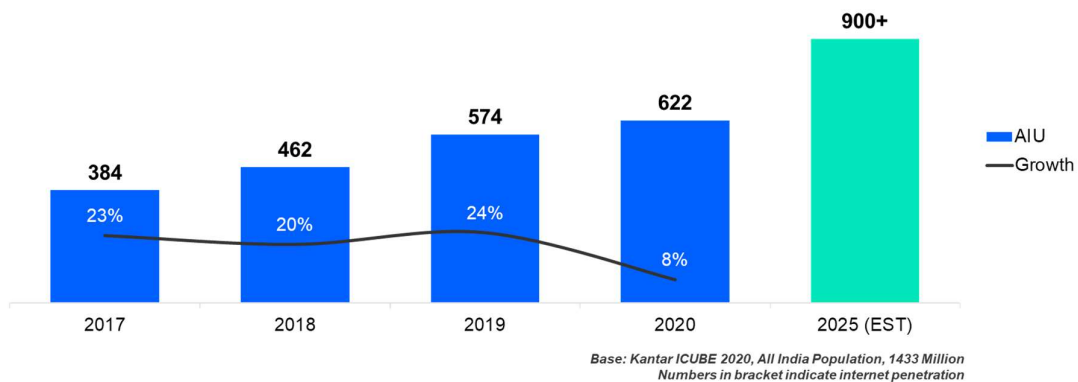
ICUBE is an annual syndicated study of Kantar to measure the reach and frequency of Internet usership in India. Launched in 1998, the study is in its 23rd year. ICUBE 2020 covered about 75,000 respondents across 390+ cities and urban locations and about 1300+ villages. The study represents all States and all Union Territories of India barring Lakshadweep. The data collection for the study was conducted between June to September 2020.

ICUBE has been playing a key role in spotting important trends related to e-commerce, entertainment usage, social media, digital payments, etc. Apart from IAMA, several companies, media, and government organizations extensively use the insights from ICUBE, which has helped them make appropriate and profitable decisions regarding their operations.

2. Internet in India: Size and Penetration

The number of active internet users in India continued to grow at a steady pace in spite of a challenging year. As per ICUBE 2020 estimates, of population of 1433 million individuals in India, 622 million individuals are active internet users (AIU: those who have accessed internet in the last one month). This translates to about **43% of the total population across urban and rural India have used Internet at least once in the last one month.**

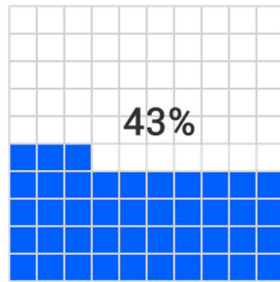
The number of active internet users will continue to grow, and Kantar estimates that 2025, there will be 900+ million active internet users in India.



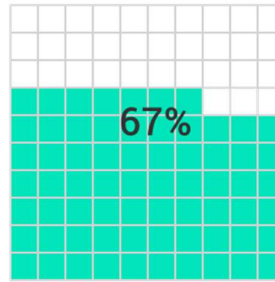
Urban-Rural divide

Both urban and rural India has seen healthy growth in the number of active internet users. Of the total population of 1433 million, 485 million individuals reside in urban India and rest (948 million) resides in rural India. 67% of the urban population i.e., 323 million individuals in Urban India are active internet users while 31% of the rural population i.e., 299 million individuals in Rural India are active internet users.

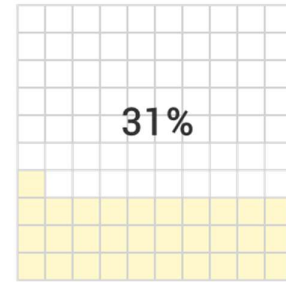
All India



Urban



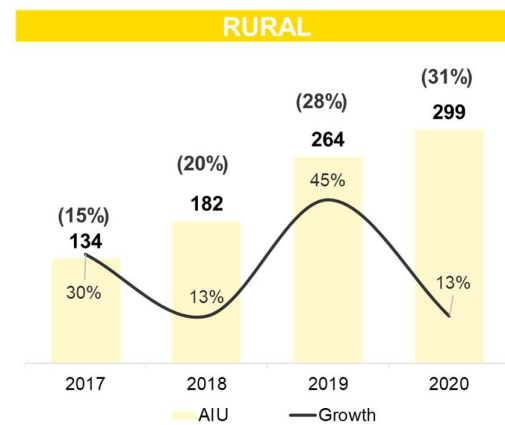
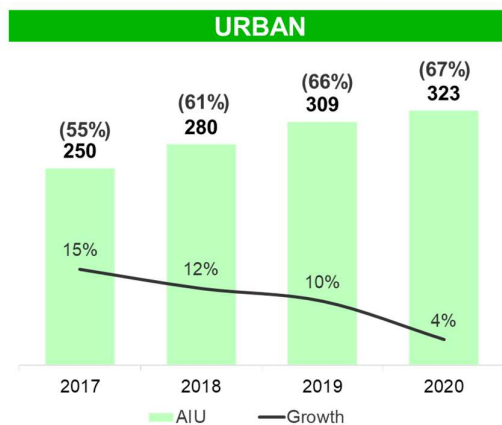
Rural



Base: Kantar ICUBE 2020, Population, All India 1433 Million, Urban India 485 Million, Rural India 948 Million

Even though the Internet penetration in urban is more than 2X that of rural, usership in rural has been growing at a faster rate on a year-on-year basis. While internet users grew by 4% in urban India reaching 323 million users in 2020, digital adoption continues to be propelled by rural India – registering a 13% growth in internet users over the past year. However, the growth rate of AIU has progressively reduced over the years and is the lowest in the last 4 years.

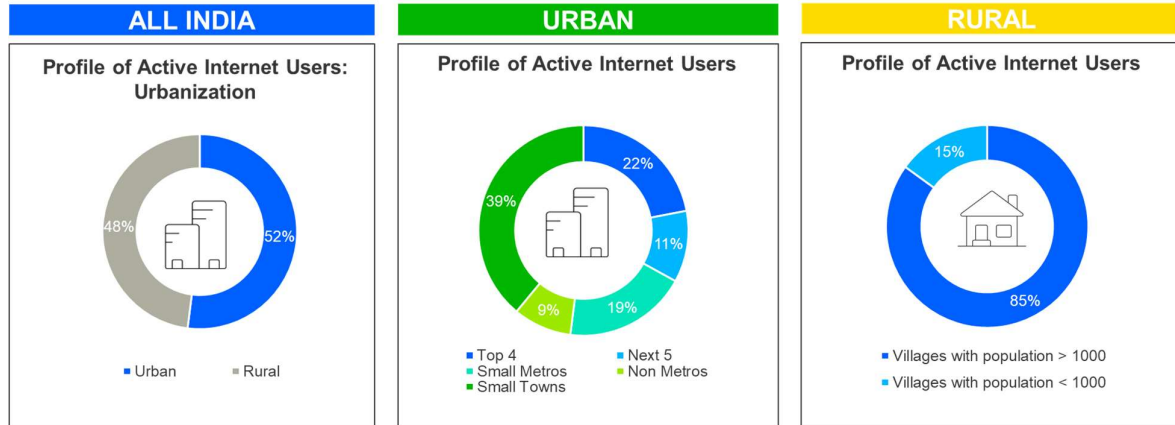
With a sizable population not accessing internet actively in Rural India, there is a huge headroom for growth in the next few years.



Base: Kantar ICUBE 2020, Population, Urban India 485 Million, Rural India 948 Million
Numbers in bracket indicate internet penetration

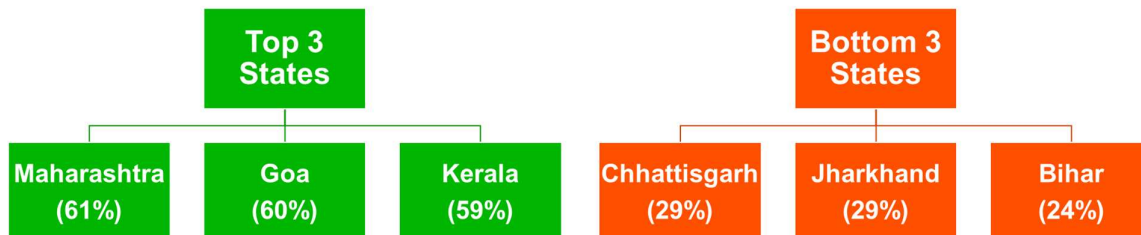
Active internet users in Urban India are spread across various town classes. Small towns account for almost 2 out of 5 active internet users while the top 9 metros account to 33% of the active internet users in Urban India.

When it comes to Rural India, 85% of the AIU are from villages with more than 1000 population.



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

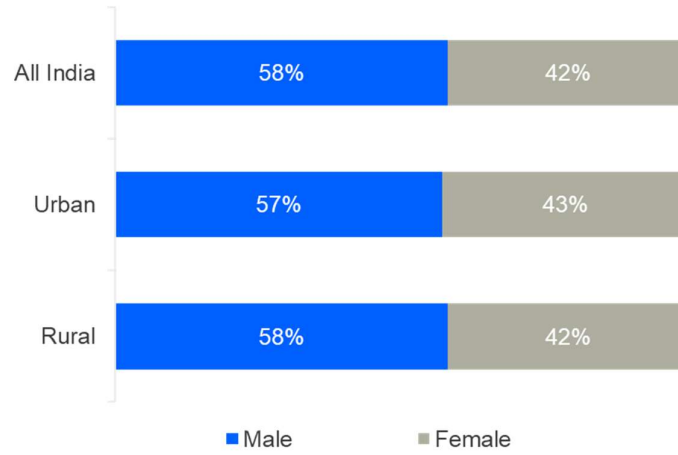
Though urban and rural divide exists in internet penetration, not all states have seen uniform spread of AIU. At a state level, Maharashtra has the highest penetration of the active internet users followed by Goa and Kerala while Bihar has the lowest penetration.



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million

The Gender Divide

Out of the 622 million AIU in India, 58% of all AIU in India are male and remaining are female. Internet user market is still male preserve in India underlining digital gender gap; however, the gender digital divide is now closing. The proportion of male to female AIU remains almost the same in rural and urban India. In Urban India, the ratio between male to female Internet users is around 57:43 while in Rural India, the ratio between male to female Internet users is 58:42.

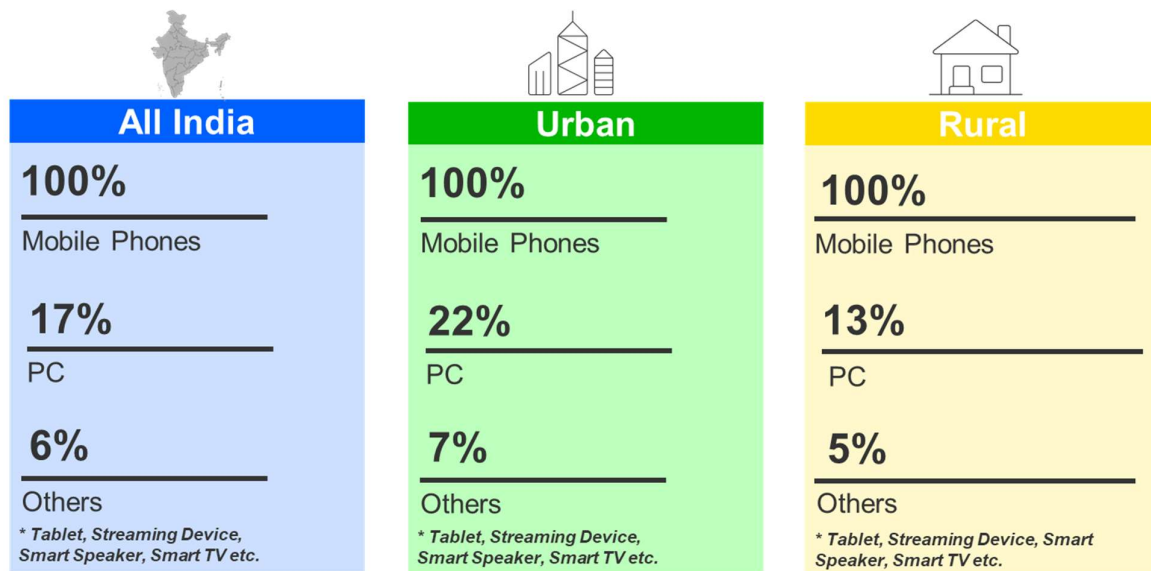


Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

3. Internet Usage Behavior

Mobile phone remains the most used device for accessing internet with almost 100% of the active internet users opting for mobile phones to access internet. 17% of the AIU accesses internet using a personal computer and 6% chooses to access internet using other devices such as tablet, steaming device, smart speaker, smart TV.

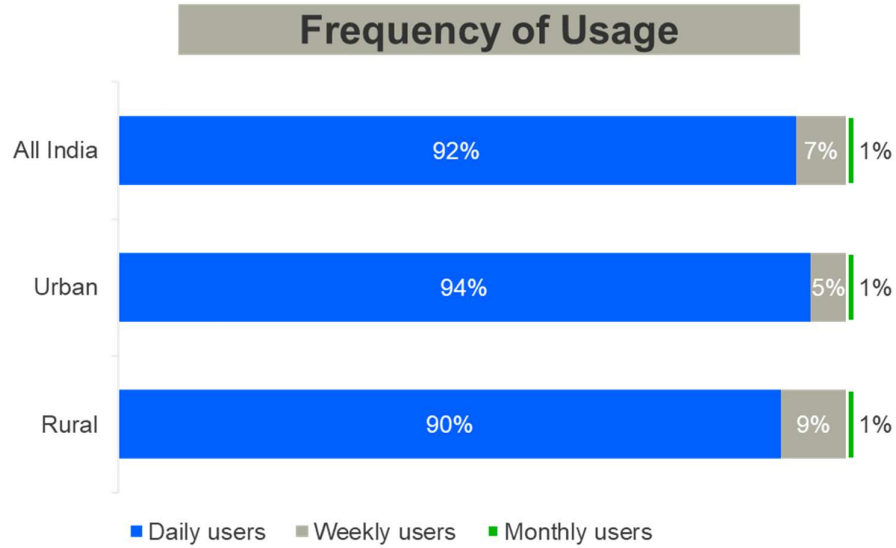
Mobile phones are omnipresent. Cheaper and faster data plans, availability of the content in Indic languages have triggered the universal usage of mobile phones by AIU to access internet content in both Urban and Rural. However, personal computer as a means of accessing internet is more prominent in urban India. While 22% of the urban AIU use internet on a personal computer, 13% of the rural India uses personal computer to access internet. Only 5% of the rural AIU uses other devices to access internet. This number stands at 7% in urban India.



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

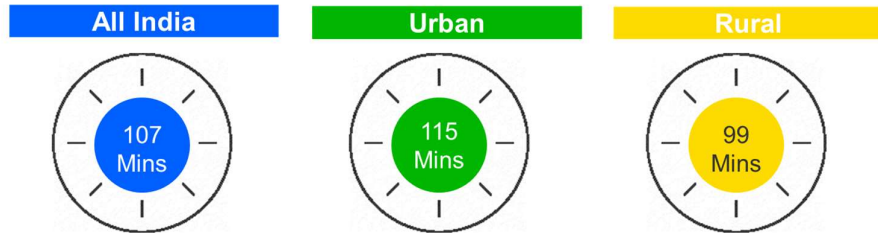
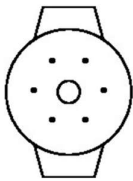
9 out of 10 active internet users access internet every day; On an average, they spend around 107 minutes (~1.8 hours) actively on the internet daily.

Though the proportion of daily users is marginal higher in Urban India as compared to Rural India, AIU in Urban India are spending 17% more time as compared to Rural India.



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

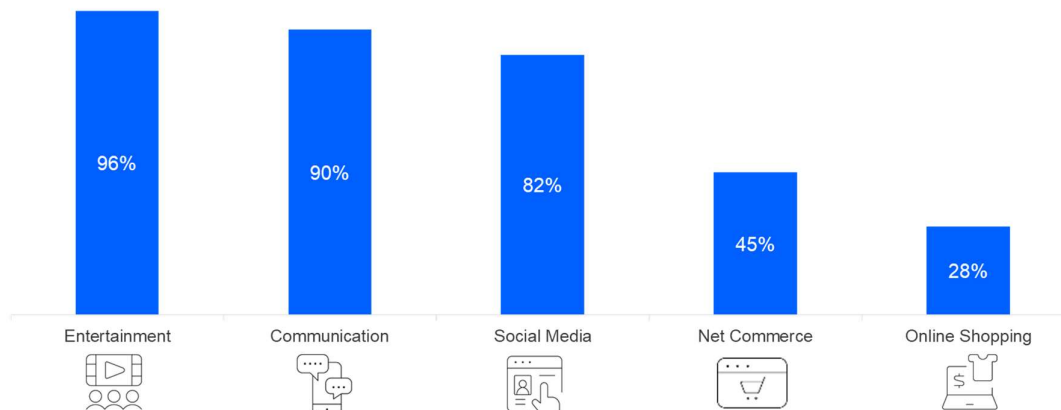
Average Duration



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

4. Activities done on the Internet

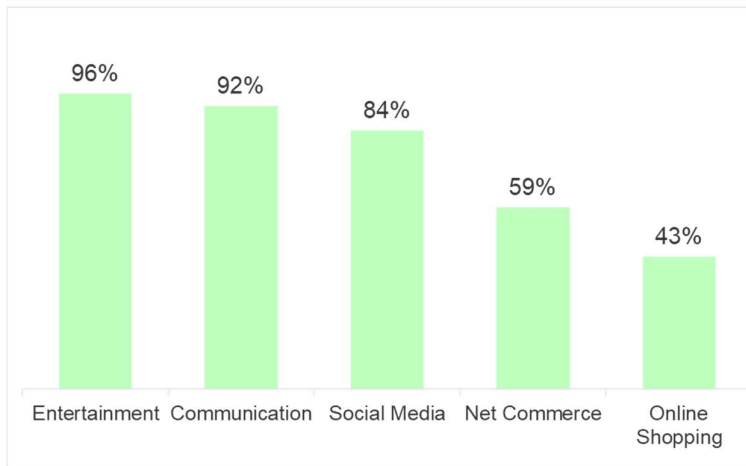
Internet has gone beyond the sole purpose of connecting people or an able option to do office work. Today, Internet is no more used for work-related activities. 96% of the AIU use internet for entertainment related activities (like watching videos, listening to music, playing games, etc.). It is followed by online communication (text, voice and video chats, emailing, etc.) and social media (someone who has accessed content on social media website or platform) with 90% and 82% respectively. About 45% of AIUs done some kind of online transaction (Net commerce) and 28% of AIU do online shopping related activities on internet



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million

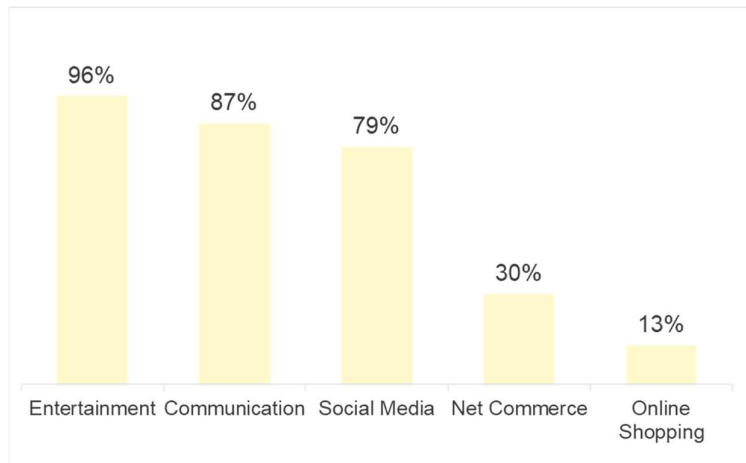
Entertainment, communication, and social media are key activities done in both urban and rural AIU. It has been observed that net commerce and online shopping activity are more prominent in urban users. Penetration of Net Commerce is almost two times in Urban as compared to Rural. As regards online shopping, it is three times more in Urban India than in Rural India. 59% and 43% of the urban AIU conduct net commerce and online shopping respectively. But these numbers stand at only 30% for net commerce and 13% for online shopping for rural population.

URBAN



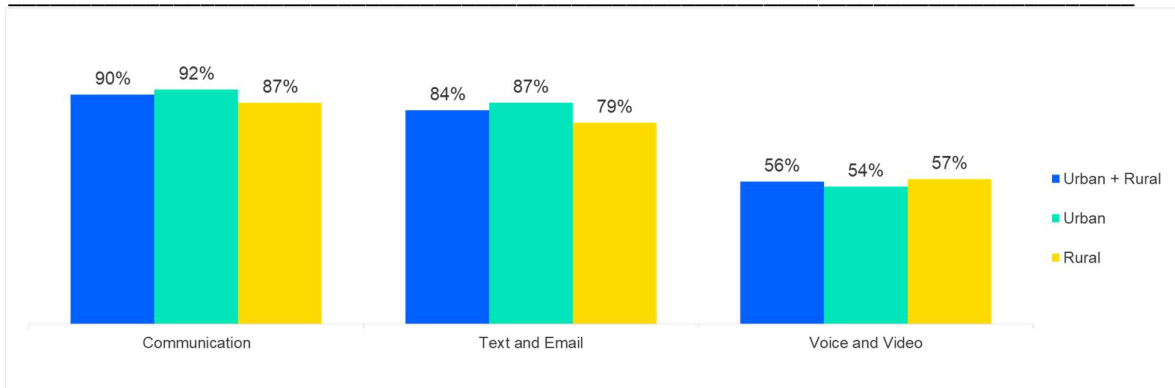
Base: Kantar ICUBE 2020, Active Internet Users, Urban India 323 Million

RURAL



Base: Kantar ICUBE 2020, Active Internet Users, Rural India 299 Million

Communication is a key activity on internet. Almost 9 out of 10 most AIUs engage in activities which are directly linked to communication. Text and Emailing though is done by 84% of all India AIU, relatively higher penetration (87%) in Urban India as compared to Rural India (79%). Penetration of Voice and Video as a mode of communication is 56% at All India level. However, penetration is relatively higher in Rural India (57%) as compared to Urban (54%)



Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

Additional activities on internet

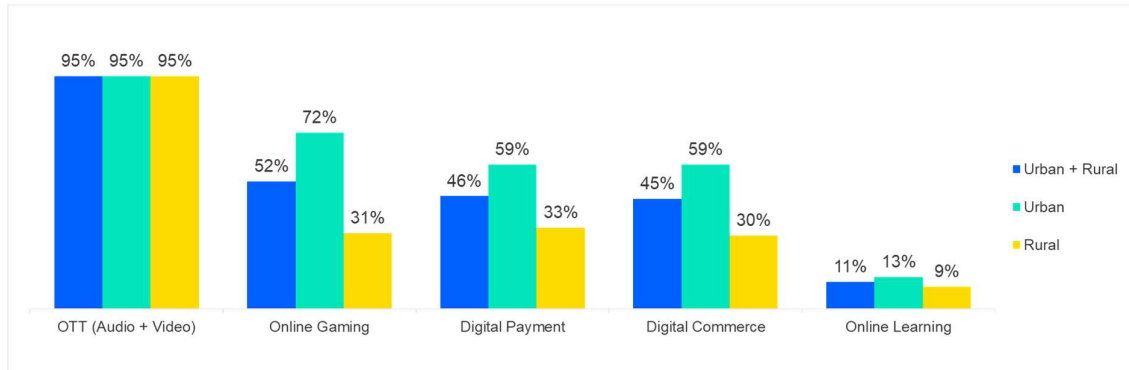
Accessing OTT, online gaming, digital payments, and online learning are the other activities done on the internet. Since entertainment is the key activity done online, it was observed that AIUs are spending more time on OTT. With the penetration of 95% among AIU, OTT stands to be the top-most activity done. Penetration of OTT usage is similar across both Urban and Rural India.

Online gaming has seen a lot of growth in the recent times. Almost half of the AIU in India are into online gaming. 72% of urban AIU are into online gaming whereas only 31% of the rural AIU are into online gaming.

Digital payments have seen a wider acceptance among active internet users in India. 46% of the active internet users make digital payments. While 3 out of 5 active internet users in Urban India are doing digital payment, only 33% are doing in Rural India.

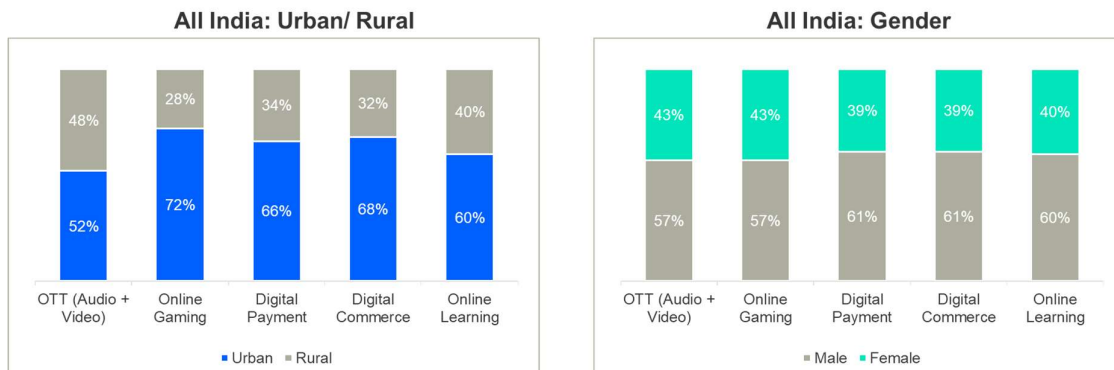
Almost 1 out of 10 active internet users (11%) are doing activity related to online learning. While only 9% of AIU in rural India use internet for online learning, the same number stands at 13% in urban India.

Though the extent of growth has come down as compared to the last year, the extent of usage has grown significantly. Growth of Digital payment, online shopping has accelerated in the last one year. COVID has acted as a catalyst for driving the growth.



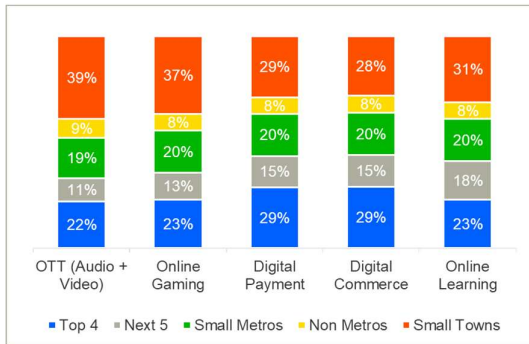
Base: Kantar ICUBE 2020, Active Internet Users, All India 622 Million, Urban India 323 Million, Rural India 299 Million

While the proportion of male to female among OTT users remain at the same levels as that of the AIU, the proportion of male across other activities is higher. Similar is the case of Urban and Rural split. Across the activities other than OTT, the proportion of users from Urban India is higher.

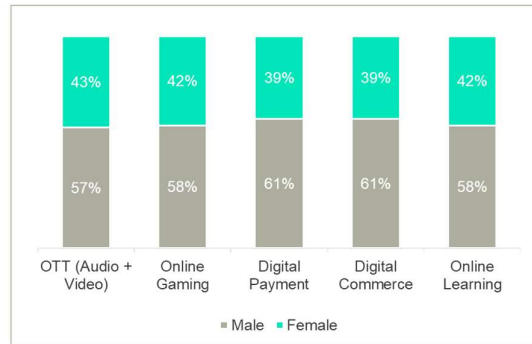


A look at AIU from urban India, make it clear that the top four metro cities and small towns have a lion share of AIU. While the proportion of town classes remains more or less similar when it comes to OTT, there is relatively higher proportion of Top 9 metros for the other activities. Also, 3 out of 5 AIU from urban India carrying are male.

All India Urban: Town Class

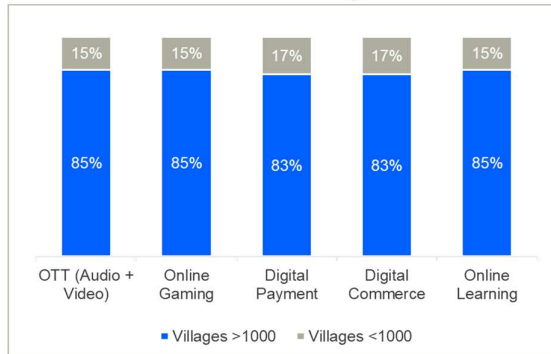


All India Urban: Gender

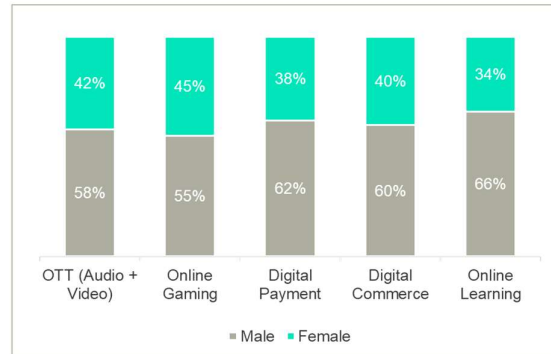


There is no difference in the proportion of village classes in Rural India. In Rural India, more than four out five AIU are from villages having population more than 1000 and, it has been observed that at least 3 out of five AIU are male conducting these activities. However, there is marginally higher proportion of males when it comes to digital payments, digital commerce and online learning.

All India Rural: Village Class



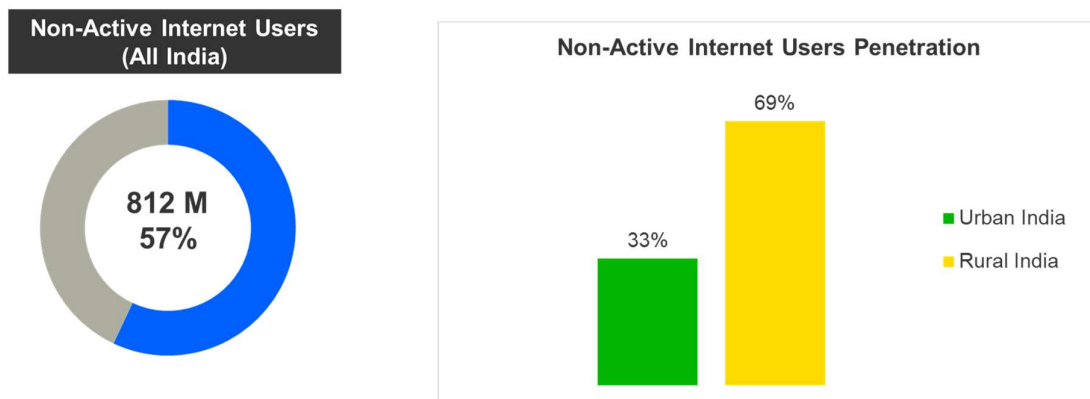
All India Rural: Gender



5. Non-Active Internet Users

Non-active internet users continue to decline. This is an outcome of spread of internet infrastructure and more individuals opting to embrace internet for various purpose. Number of non-active internet users is estimated at 812 million which is around 57% of Indian population. At an overall level, there has been a decline of almost 100 million in the last 2 years.

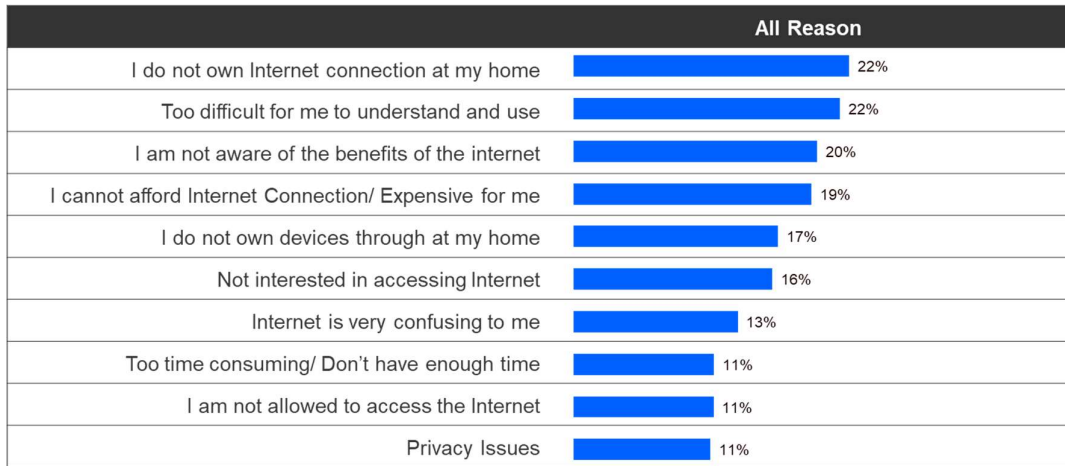
Penetration of non-active Internet users in Rural is more than 2X of Urban. While 33% of urban population does not actively use internet, 69% of the rural population does not use internet actively.



Not owning an internet connection at home, difficulty in using the internet and non-awareness about the benefits of internet makes up the Top 3 barriers for not accessing internet.

Among urban non-active users of internet, 20% individuals attribute not accessing internet to lack of interest and 20% individuals attribute it to difficulty in understanding and use. Not owning an internet connection at home comes at close third reason with 19% individuals claiming it to be the reason for not using internet.

In case of rural non-active users, reasons such as not owning internet at home, difficulty in understanding and usage account for 23% and 22% individuals not accessing internet actively. 20% of the individuals in rural India, do not use internet actively because they do understand the benefits of the internet.



To Summarize:

Internet plays a much bigger role in our lives than it was anticipated when it was invented. It has become a need rather than a want and it drives many aspects in our life. For many, with the rise of telecommunications and technology, the idea of internet as a necessity has emerged as a natural development. This cannot be ruled out.

The internet usage growth in India continues to have an upward trend. The real growth potential can be seen in Rural India, where the growth has been 3X as compared to Urban India. As of 2020, about 323 million(est.) out of a total estimated population of about 485 million in Urban India are expected to be the active users of Internet and about 299 million(est.) out of an estimated population of 948 million are estimated to be the users of internet.

Though the extent of growth has come down as compared to the last year, the extent of usage has grown significantly. Also, almost 9 out of 10 active internet users in urban and rural areas use internet for entertainment and communication. Growth of Digital payment, online shopping has accelerated in the last one year. COVID has acted as a catalyst for driving the growth.

Also, declining proportion of the non-active users of internet mean that internet services are reaching across geographies in India. A key reason for this is internet has become affordable and accessible. However, Rural India is still far behind when it comes to digital infrastructure and purchasing power which would bring internet to every individual. This is evident in the penetration of net commerce and online shopping which is relatively low in rural areas in comparison with urban areas.

As the divide between urban and rural areas blur in almost all aspects, the penetration and adoption of internet in rural areas is expected to rise considerably. This will ensure better connectivity and more interactions between urban and rural areas. Consequently, this is likely to resolve artificial barriers and key problems which separate Urban India from the rural. Hence, increasing penetration of internet holds the promise of a better tomorrow for India.

To conclude, it can be said that there is a huge potential for internet growth in India which can be achieved if the true benefits of internet can be properly communicated and commercialized in the language for convenience to the large non-user base.

Annexure: Study Methodology, Demographic Segments and Sampling Procedures

Target Segments

In this round of survey, we have covered 390+ cities.

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

Cities by Strata	
Top 4 Metros (10 Million+)	Delhi, Mumbai, Chennai & Kolkata
Next 5 Metros (Between 4 to 10 Million)	Bangalore, Hyderabad, Ahmadabad & Pune, Surat
Small Metros (Between 1 to 4 Million)	Coimbatore, Jaipur, Lucknow, Ludhiana, Visakhapatnam, Patna, Guwahati, Kochi, Vadodara, Indore, Nagpur, Aurangabad, Raipur, Jamshedpur, Asansol etc.
Non-Metros (Between 0.5 to 1 Million)	Belgaum, Aligarh, Bhubaneswar, Durgapur, Malegaon, Salem, Dehradun, Warangal, Bokara, Bikaner, Jalandhar, Bhavnagar, Mysore etc.
Small Towns (Less than 0.5 Million)	Alappuzha, Faizabad, Panipat, Kanchipuram, Raichur, Nizamabad, Bilaspur, Gaya, Shillong, Latur, Navsari, Bhilwara, Dewas, Kurnool, Silchar, Deoghar, Patiala, Burdwan, Tumkur, SagarUA, Brahmapur, Kolaghat, Baleshwar, Balasore, Philbit, Amreli etc.

Glossary of terminologies used	
AIU (Active Internet User)	Those who have accessed internet in the last one month
N-AIU (Non-Active Internet User)	Those who have not accessed internet in the last one month
Entertainment	Active Internet users who are 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	Active Internet users who has done text/ voice/ video chat or used email, video conferencing, etc. using online website or app in the last one year
Social Media	Active Internet users who has accessed content on social media website or platform (can be browse/ upload content or update status, etc.) in the last one year
Net Commerce/ Digital Commerce	Active Internet users who has accessed E-Commerce related activities (online shopping, online finance, online travel, etc) in the last one year
Online Shopping	Active Internet users who has done online shopping (through Amazon, Flipkart, etc.) in the last one year

OTT (Audio+ Video)	Active Internet users who has accessed video or music or podcast related content through any of the over-the-top media (YouTube, Hotstar, Prime Video, Ganna, etc.) service providing apps or website in the last one year
Online Gaming	Active Internet users who has played games online across any device in the last one year
Digital Payment	Active Internet users who has 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
Online Learning	Active internet user who have undertaken tuition/coaching or skill enhancement courses online in last 1 year

About Kantar and IAMA

About Kantar

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients **understand people** and **inspire growth**.

Contact details:KANTAR

2nd Floor, No. 95/3, Kote M.R. Plaza,
Doddanekundi, Marathalli – KR Puram Outer Ring
Road, Bangalore - 560037

Tel: 080 - 4014 0800

www.kantar.com

Research Team for this report:

Biswapriya Bhattacharjee

Executive Vice President, Insights
Division biswapriya.bhattacharjee@kantar.com

Sumesh Pansari

Vice President, Insights Division
sumesh.pansari@kantar.com

Arnab Dutta

Account Director, Insights Division
arnab.dutta@kantar.com

About Internet and Mobile Association of India (IAMA)

The Internet and Mobile Association of India [IAMA] 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, and in the last seventeen 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.

Seventeen years after its establishment, the association is still the only professional industry body representing the online and mobile industry in India. The association is registered under the Societies Act and is a recognized charity in Maharashtra. With a membership of nearly 200+ Indian and MNC companies, and offices in Delhi, Mumbai and Bengaluru, the association is well placed to work towards charting a growth path for the digital industry in India.

Contact Details:

Gaurav Chopra, IAMA

gaurav@iamai.in | <http://www.iamai.in>

Fight Piracy Misuse

The contents of this report are meant exclusively for the internal consumption of your organization and staff, apart from sharing with IAMA members and government functionary in the state of India. We also authorize IAMA to use certain parts of this report for wider dissemination through print and electronic sources with prior consent from Kantar

We consider any of the following as misuse / piracy:

- Reproducing parts of the report in online or offline communication by any party other than IAMA secretariat, without the written permission of the authors
- Individuals / Employees making personal photocopies / soft copies of the report, which they could carry to another organization when they leave

We would be glad to clarify further on the above issues. Please help us in ensuring that we continue to deliver market insights at value for money prices. Fight piracy / misuse and help us serve you better

Disclaimer

By subscription to ICUBE™, the client confirms that ICUBE™ is a proprietary syndicated research report of Kantar. Its subscription only allows right to use of this report by the client strictly for its own business. Kantar will always own the ownership/IPR rights of ICUBETM

The client affirms that they understand and respects Kantar's proprietary rights and does not desire to take any undue commercial benefit or breach with confidential information of Kantar. In case the client wants to share any part of the report/ or its data in part or in full with any third party (including their consultants and advisers except members and government officials) or with the media, it requires a prior written approval from Kantar.