

eStatsIndia

*INDIA INTERNET STATISTICS COMPENDIUM
2009*

Table of Contents

Table of Contents	1
About this report	2
1. INTERNET PENETRATION	3
2. MOBILE SUBSCRIBERS	4
3. TRENDS IN TELEDENSITY	5
4. ARPU	6
5. MOBILE VAS	7
6. INDIA'S TELECOM OPERATOR REVENUES	10
7. ONLINE GAMING MARKET	11
8. ONLINE ADS MARKET	12
9. E-COMMERCE MARKET	13
10. VoIP IN INDIA	15
11. ACKNOWLEDGEMENTS	

About this report

This compendium is a collection of the most recent statistics and market data publicly available on the Internet, online ads marketing, e-commerce and related digital media. The report is a one-stop shop for Internet stats to help you quickly track down the latest data.

The report draws inputs from our own internal database along with the other third party sources, credited throughout the document in the acknowledgements at the back of this guide. For the ease of use all numbers in this compendium are given in INR as well as in equivalent US\$.

If there is data that you feel is inaccurate or incorrectly presented then please get in touch with Vikram Bhardwaj, eStatsIndia: vikram@estatsindia.com or Phone mobile: 9810474007. Likewise, if you would like to contribute data or research then contact us.

About eStatsIndia.com

eStatsIndia.com is the India's leading online publisher of Internet industry reports, provides search based services and also consults clients on various aspects of Internet. We are based out of New Delhi, India.

We are a competent research team of 12 research professionals who comes from varied industries like IT research and consulting, media, IT, Internet Infrastructure consulting. With an average industry experience base of more than 5 years our aim is to provide the best Internet research, consulting solutions and SADS (Search, Aggregate and Distribution Services) services to our clients.

To know more about us, please visit us at: <http://www.estatsindia.com/about.asp>

1. INTERNET PENETRATION:

The broadband policy envisages 40 million Internet subscribers in India by the end of 2010 and 20 million broadband subscribers.

As of April 2009, the country had around 48 million Internet subscribers, inclusive of Mobile Internet Users. The largest ISP BSNL had around 42% market share, with MTNL in 2nd position with 14% market share.

As of April 2009, mobile Internet subscribers were around 14 million in India.

1.1. Total Internet Subscribers:

**Total Internet subscriber's base/connections as on May End 2009:
Neared 40 million**

**Total mobile Internet subscribers' base/connections as on May End 2009:
Neared 14 million**

Of 132 ISP's operating in India, the top six own more than 90% of the total subscriber base. Four operators Bharti Airtel, Reliance, BSNL and Tata have significant presence in all 3 segments namely, Fixed segment, Long distance services segment and Internet and Broadband segment.

1.2. Market Share of leading ISPs (as of May End 2009)

BSNL-52%

MTNL-16%

Bharti Airtel Ltd.-7.83%

Reliance Communications Infrastructure limited-7.31%

Sify Technologies Ltd.-3.70%

Total PC Installed Base at the End of December 2008:

Figure includes home PC Installed base, small/medium and large business PC Installed base, Cyber Café PC Installed base, Gov PC Installed base, and Education PC Installed base;
29 million (Notebooks and Desktops combined)

Total PC Installed Base, at the End of December 2009, Expected:

38 million (Notebooks and Desktops combined)

The PC Installed base will increase at a CAGR of 27.29%

eStatsindia.com, defines an **Internet subscriber/user** as a person accessing the Internet at least once per month through a PC or through an Internet Access device. There is no age limitation for users. We count, each user only once, regardless of the number of devices used by the user.

eStatsindia.com, defines an **Internet device as:**

The device must access or connect to the Internet at least once per month to be considered an Internet device. Such an Internet device is counted as one Internet connection. This is a percent of the devices captured in the Installed Base.

2. MOBILE SUBSCRIBERS:

In the quarter ending March 2009

India's total mobile subscriber base at the end of April 2009:
403.66 million

The total mobile subscriber's base stood at 90.14 million
GSM Subscribers: 69.2 million
CDMA Subscribers: 20.94 million

2.1. All-India wireline market share of major operators as on January 2009

Operator	August 2008		January 2009	
	Subscribers (Million)	Market share (%)	Subscribers (Million)	Market share (%)
BSNL	30.44	78.82	29.29	77.59
MTNL	3.60	9.33	3.52	9.33
Bharti Airtel	2.46	6.37	2.65	7.02
RCOM	1.00	2.59	1.09	2.89
TTSL	0.80	2.07	0.88	2.33
Others	0.31	0.80	0.30	0.79
All India	38.62	100.00	37.75	100.00

Source: tele.net March 2009

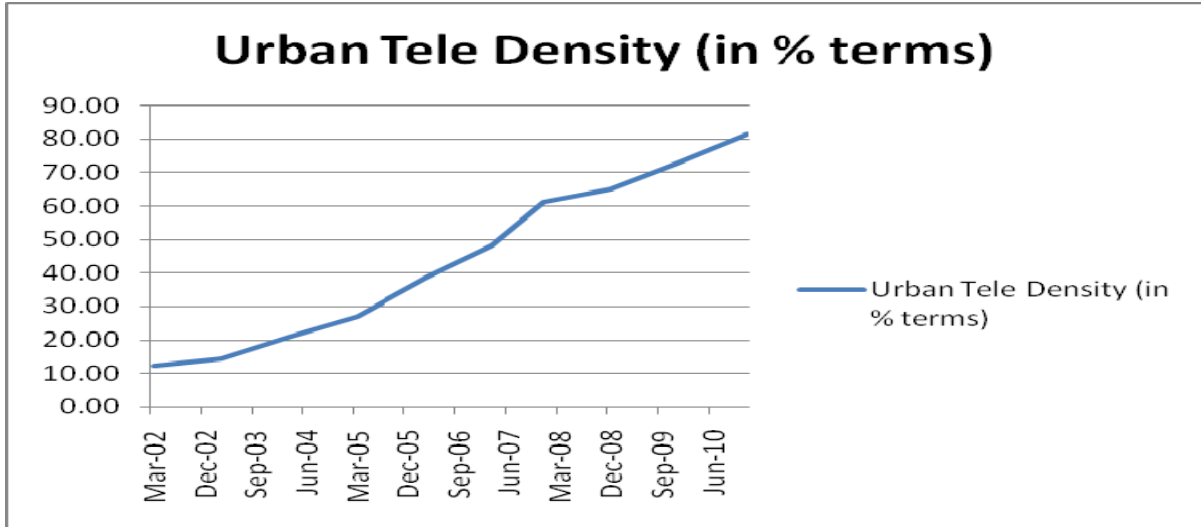
2.2. All-India wireless market share of major operators as on January 2009

Operator	August 2008		January 2009	
	Subscribers (Million)	Market share (%)	Subscribers (Million)	Market share (%)
Bharti Airtel	74.77	24.50	88.38	24.39
RCOM	54.29	17.79	66.29	18.30
Vodafone	52.75	17.28	63.34	17.48
BSNL	43.17	14.14	47.58	13.13
TTSL	28.37	9.29	32.79	9.05
Idea Cellular	29.27	9.59	36.06	9.95
Others	22.59	7.40	27.83	7.68
All India	305.24	100.00	362.29	100.00

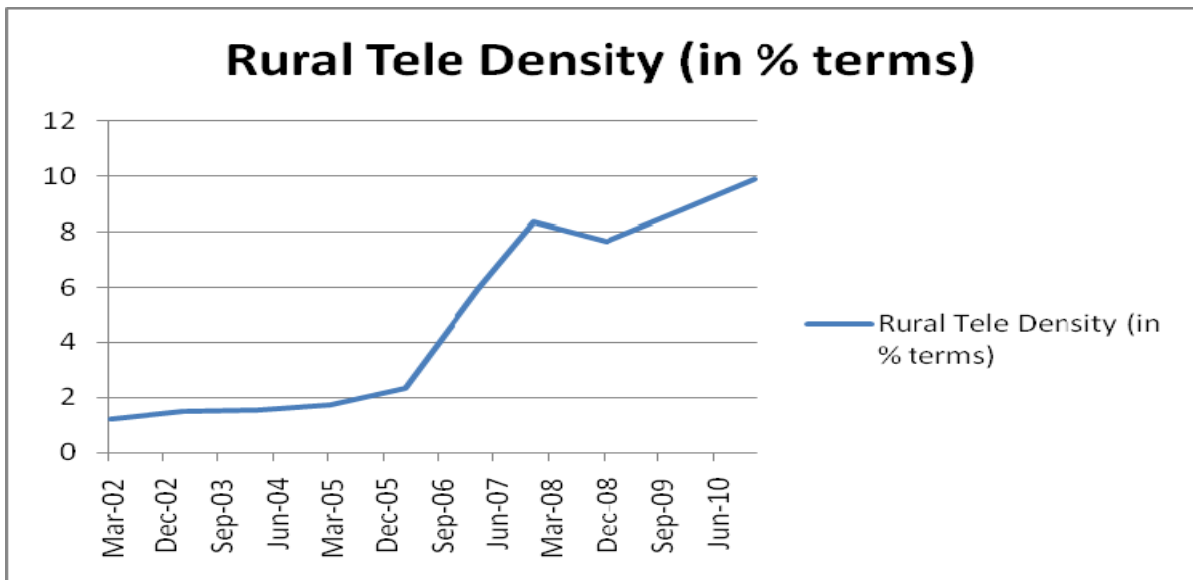
Source: tele.net March 2009

3. Trends in Teledensity 2008-10

3.1. Urban Teledensity



3.2. Rural Teledensity



4. ARPU:

According to TRAI, the All-**India** blended **average revenue per user** for operators providing CDMA services (**per** month) for the quarter ended December 2008 was down by 8.2 **per** cent to Rs 111 compared with Rs 122 for the quarter ended September 2008.

For GSM operators the all-**India** blended **ARPU per** month has shown a slight decline of 0.45 **per** cent from Rs 221 in September 2008 to Rs 220 in December 2008.

5. MOBILE VAS:

VII. Network Operators dominate the revenue sharing among VAS operators;

End User: End user pays for the content

Network Operator: Operator keeps 60-70% of revenue

Aggregator: Aggregators get approximately 20-25% of revenue

Content/Application owner: Content/Application owners get 10-15% of total revenue

5.1. Market Revenue:

The total market revenue of mobile VAS as on March 2009:

\$1.6 Billion

In India, wireless operators, music and film companies, cartoon artists, game makers and musicians are all aggressively entering the mobile content market for ring tones, gaming, mobile imagery and streaming audio and video.

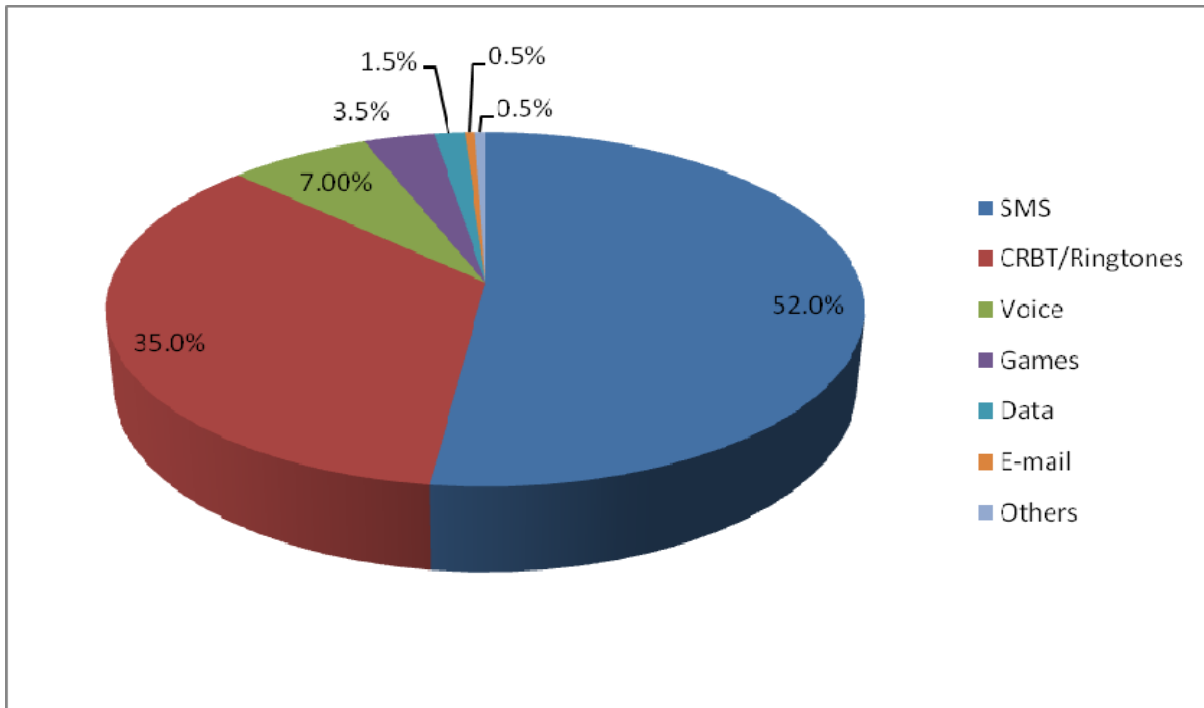
5.2. Rate of Growth:

Revenue from the VAS segment is growing at the rate of 40 to 50 percent annually.

Currently VAS Market has been growing at over 10% of the total revenue of mobile telecom service providers.

Table:

The following table shows the break-ups of Value added services in % terms for the year 2008-09



Total Market size for VAS services by the end of March 2009 was around \$1.6 billion.

Mobile Services Revenue Market Growth Rates, CAGR is 12.5%

Year	Mobile Services Revenue (in USD)
2009	\$19.12
2010	\$21.51
2011	\$24.19
2012	\$27.21
2013	\$30.61
CAGR is 12.5%	

6. India's Top 10 Telecom Operators (Ranked by Indian telecom services revenue), 2008-09

Rankings	Operator	Telecom revenue (YE Mar '09) US\$ (millions)
1	Bharti Airtel	7,470,400,000
2	BSNL	6,671,800,000
3	Reliance	4,588,214,000
4	Vodafone Essar	4,353,314,876
5	Tata Group	2,402,600,000
6	Idea Cellular	1,992,440,000
7	MTNL	906,816,200
8	BPL Mobile	34,674,000
9	AT & T	21,350,000
10	Aircel	13,356,000
Others	Others	145,940,000
Total, in USD Billion	Total, in USD Billion	28,600,905,076

7. ONLINE GAMING MARKET

7.1. Subscription Revenue:

The revenue estimations are based on the total number of downloads of games during the period, as downloads currently account for 88% of the means through which games are accessed on mobiles.

7.2. Market Size Gaming Market:

Total market size of the gaming market in India as on March 2009, \$100 Million. This includes revenue from the online, mobile and console gaming community in India.

7.3. Number of Gamers in India:

As of now, **online** gaming accounts for almost 45% in market for gaming industry in **India**.

Currently, there are around 8 Million gamers in India who spend on an average more than three hours every day on games.

8. ONLINE ADS MARKET for the fiscal 2008-09

The total online ads market including classifieds stood at \$96.7 million.

8.1. Online Ads Market Spend Patterns:

Interactive advertising has clearly come of its nascent stage and is fast becoming a mainstream medium and one that can no longer be ignored as a critical piece of any marketing mix.

TABLE:
INDIA Online Ad Spending Growth, by Format, 2004-2009
(As a % increase/decrease vs. prior year)

	2004	2005	2006	2007	2008
2009					
Rich Media 78.2%	32.5%	60.5%	72.8%	76.6%	71.5%
Paid Search 68.7%	41.4%	64.4%	82.2%	80.1%	72.5%
Classified 80.4%	38.5%	62.8%	78.6%	82.2%	86.5%
E-mail 35.4%	-35.8%	23.7%	25.4%	26.4%	32.8%
Slotting fees 20.4%	-11.7%	13.7%	15.2%	22.4%	24.8%
Display ads 28.8%	12.8%	15.7%	18.5%	26.2%	32.2%
Sponsorships 32.6%	8.0%	18.0%	20.2%	24.6%	31.8%
Referrals 34.8%	16.2%	18.2%	20.4%	24.2%	30.9%
Total 35.4%	32.5%	23.7%	25.4%	26.4%	32.8%

Note: eStatsIndia.com benchmark its India ads spending projections against the best sources available in the Internet world. As of 2009, the rich media category includes interstitials.
Source: eStatsIndia.com Online Ad Spend Research Report, July 2009

9. E-COMMERCE MARKET:

9.1. Total B2C Retail E-commerce Market Size in Revenue Terms for the fiscal 2008-09 is \$2.6 Billion

9.2. Total B2B E-commerce Market Size in Revenue Terms

B2B E-commerce Market Size (in terms of transaction volume) as on year-end 2008 was around \$77,963,559,419. B2B E-commerce market has been increasing at a rapid pace and is expected to touch: US \$89,090,947,646 by December 2009, at a CAGR of 8.77%.

B2B E-commerce Market Size by Region, (In Billions), 2004-08

Region	B2B E-commerce Market Size by region, (in billions)					As % of worldwide ecommerce 2008
	2004	2005	2006	2007	2008	
Worldwide						
North America	\$3,252	\$5,015	\$7,469	\$11,353	\$17,030	68.8
Asia Pacific Rim	\$1,534	\$2,081	\$2,712	\$3,336	\$4,003	16.2
Western & Eastern Europe	\$1,426	\$1,960	\$2,459	\$2,956	\$3,518	14.2
Latin America	\$76	\$102	\$106	\$107	\$109	0.4
Africa/Middle East	\$49	\$82	\$91	\$96	\$100	0.4
Total B2B E-commerce Worldwide	\$6,336	\$9,240	\$12,837	\$17,848	\$24,760	CAGR Worldwide 40.60%

Source: Forrester Research, UNCTAD elaboration of data from Forrester (2001), refer p.8 of UNCTADE-commerce & Development Report 2002 and our own calculations, North American market includes both Canada and the United States. Market size calculations are based on aggregate industry spending.

The Compound Annual Growth Rate, CAGR for the worldwide B2B E-commerce market is around 40.60%.

9.3. Total B2B E-commerce Market Size in Revenue Terms

B2B E-commerce Market Size (in terms of transaction volume) as on year-end 2008 was around \$77,963,559,419. B2B E-commerce market has been increasing at a rapid pace and is expected to touch: US \$89,090,947,646 by December 2009, at a CAGR of 8.77%.

B2B E-commerce Market Size by Region, (In Billions), 2004-08

Region	B2B E-commerce Market Size by region, (in billions)					As % of worldwide ecommerce 2008
	2004	2005	2006	2007	2008	
Worldwide						
North America	\$3,252	\$5,015	\$7,469	\$11,353	\$17,030	68.8
Asia Pacific Rim	\$1,534	\$2,081	\$2,712	\$3,336	\$4,003	16.2
Western & Eastern Europe	\$1,426	\$1,960	\$2,459	\$2,956	\$3,518	14.2
Latin America	\$76	\$102	\$106	\$107	\$109	0.4
Africa/Middle East	\$49	\$82	\$91	\$96	\$100	0.4
Total B2B E-commerce Worldwide	\$6,336	\$9,240	\$12,837	\$17,848	\$24,760	CAGR Worldwide 40.60%

Source: Forrester Research, UNCTAD elaboration of data from Forrester (2001), refer p.8 of UNCTAD E-commerce & Development Report 2002 and our own calculations, North American market includes both Canada and the United States. Market size calculations are based on aggregate industry spending.

The Compound Annual Growth Rate, CAGR for the worldwide B2B E-commerce market is around 40.60%.

10. VoIP IN INDIA

This decision means that VoIP in all its forms has been finally allowed in India. Previously, VoIP services could be availed of in a limited form in the country, as a result of which progress has been quite modest. From June to August 2005, only 39.1 million minutes of PC-to-phone traffic was generated in India. During the year September 2004 to September 2005, 159.62 million minutes of PC-to-phone traffic was generated. Now operators are actively evaluating VoIP and next-generation switching infrastructure projects, whether it is in the core or on the access side.

10.1. VoIP MARKET SEGMENTS

Smaller businesses are already leveraging the benefits of voice traffic over managed IP networks, followed closely by consumers making voice calls over the public Internet.

In India the VoIP market can be divided into the following three categories:

a. Wholesale:

This comprises of the ILD operators using the VoIP technology for global traffic exchange. An ILD operator can use a VoIP network for carrying both origination and termination traffic. Origination traffic comprises traffic from traditional PSTN networks (fixed/land lines), mobile networks, etc. VoIP offers flexibility of interconnection, lower capex and opex, and efficient network management capabilities. The VoIP network could be based on either private or public Internet.

b. Enterprise:

This comprises of corporations who use VoIP to communicate efficiently, to achieve cost advantages and to increase their application usage, which they would probably not get if they use traditional service provider networks.

Newer applications like IP VPN, follow me directs, voicemail, chats, unified messaging, etc., are possible with IP networks. These networks can be efficiently scaled up without much investment and offer superior network management capabilities.

c. Consumers:

This comprises of home and individual users. The usage of this segment of VoIP services is also picking up owing to the higher Internet and PC penetration rates. VoIP applications in this segment include PC to phone, PC to PC, and IP phones. Due to the availability of calling cards, and utilities like free VoIP chat services on the web, VoIP usage of this segment is also witnessing a steady growth pattern.

10.2. VoIP Market Size 2009

The IP telephony market in India is likely to grow to Rs. 13,000 crore or US \$3.25 billion by 2009 the market is growing at a CAGR of 119 percent.

11. Acknowledgements

eStatsIndia.com, would like to sincerely thank the following organizations for accessing their information, all the inputs were accessed from the public Internet only. Other information sources have also been used while compiling the Internet compendium. We acknowledge and at the same time thank all such private as well as government organizations for allowing us to aggregate data using their outputs. For all the calculations regarding numbers in the compendium we have used our proprietary Internet & E-commerce Market Model Version 1.0 along with other models.

Few of the Information Sources Used:

Financial Express Newspaper

TRAI

COAI

AUSPI

The Hindu: National Readership Study

IDC India IT Research Report/News Briefings

Ebusinessforum.com

MAIT IT Industry Performance Annual Review

Tele.net / May 2009

India Infrastructure.com : (Key Statistics Sector Focus: Telecom)

Few of the Links Used:

<http://www.coai.in>, Monthly Bulletins

<http://www.cellular-news.com/story/19988.php>

<http://www.ciol.com>

<http://www.itnewsonline.com>

<http://games.indiatimes.com/articleshow/1497818.cms>

<http://www.kotaku.com/gaming/india/next-online-gaming-center-india-168116.php>

<http://www.expresscomputeronline.com/20050905/market03.shtml>

[http://www.telenity.com/articles/mobile_vas_market_to_touch_\\$5_billion_mark.php](http://www.telenity.com/articles/mobile_vas_market_to_touch_$5_billion_mark.php)

<http://www.mobilepundit.com/category/vas/>

<http://www.blonnet.com/blnus/15081301.htm>

<http://www.varindia.com/Mobility1.asp>

<http://www.convergenceplus.com/jun03%20india%20telecom%2002.html>

<http://www.contentsutra.com>

Various Press briefs and clippings from DNA, HT, TOI, Hindu Business Line

If you feel any individual statistics have been inappropriately or inaccurately reproduced, or if you would like to comment and provide your feedback on this compendium, please contact Vikram Bhardwaj, email: vikram@estatsindia.com, or call (m): 9810474007