

htspotlight

SMARTPHONE NATION

HT-MARS SURVEY

DAY WISE PLAN 1 2 3 4 5

ON TUESDAY, LOOK OUT FOR HOW ECOMMERCE HAS CHANGED THE WAY WE SHOP



# App-titude: Indians live by their phones

**PHONE AND THE WORLD** The world has shrunk into our smartphone. And apps have helped complete the takeover of life

**Poulomi Banerjee and Himani Chandna**  
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**NEW DELHI:** Charvi Bulyan, just four years old, can navigate her mother's smart phone to not only find her favourite games but also download new ones. This leaves her father, Manjeet, a tad uncomfortable. "The phone might be affecting her social interactions. Till some time back she would enjoy playing with other children. But now she tries to get away from them so she can play games on the mobile," he says.

Manjeet, a Nokia user, is in a shrinking minority. Most of the others are happy to surrender themselves to the mobile phone. Its uses are many – it can be your timepiece, calendar, calculator, navigator, alarm, reminder device, notepad, source of music and camera all rolled into one. As 22-year-old Hardeep Kaur, project manager at a Gurgaon-based IT company, puts it: "My day begins and ends with my mobile."

You will find many Hardeep Kaur anywhere you go, if you took your eyes off your phone – there is a good

chance you are reading this on your mobile – and looked around. What do you see? People peering into their phones while travelling in trains, cars, autorickshaws, strolling in shopping malls, having a meal with family or friends (it's common to find everyone around a table looking at their phones, not one another), at tea shops, while crossing the road, and, of course, at work. A large number of those phones are smartphones, with large touchscreens and internet.

The part about the internet is especially significant. Unlike many countries in the West, such as the United States, and the Far East, such as Japan, most Indians are embracing the internet on the mobile, not PC. The country has 371 million mobile internet users; the first six months of this year added 65 million, says Internet & Mobile Association of India.

"The phone alarm wakes me in the morning," continues Kaur, "after which I spend some time texting or calling people, or checking WhatsApp. Then I go for a run, during which I listen to music on my phone. Through the day at work the phone is indispensable. And then at night I am again chatting, playing games or surfing the internet on my phone."

Surveys say India now has more smartphone owners – 220 million – than the United States. Other surveys say people tend to get depressed if they do not get to see their phones for some time. When they are on the phone, they

live in it: working, shopping, calling a cab, looking for directions, socialising, reading, laughing, crying, falling in love, and breaking up.

"My mobile has an eight-megapixel camera. I don't own a separate camera," says Kolkata-based techie Arijit Nag, whose social media posts are often of photos taken on his mobile.

There are other uses, of course. Probal Banerjee, 65, uses his smart phone for phone-banking and paying household bills. Ananay Batra, 18, finds his smartphone a huge help in his stud-

ies. "There is an app called meritnation. It connects one with teachers and helps discuss answers," he says.

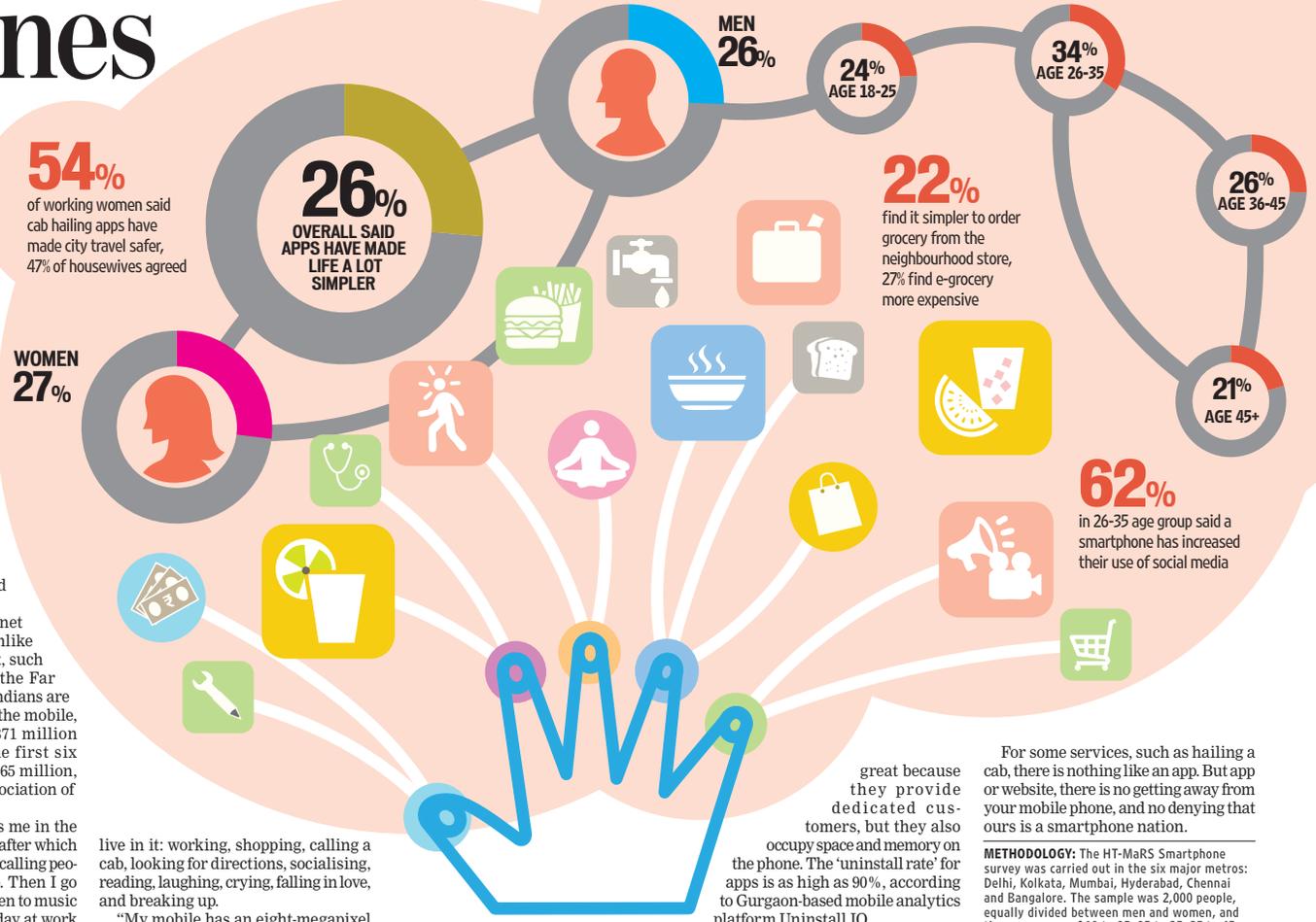
Meritnation is one among thousands of apps that help you do a variety of things, from calling a cab to ordering food to getting a guy to come home to make your old shoes look new.

Not that websites are dying. Apps are

## HAVE MOBILE APPS MADE YOUR LIFE SIMPLER?

Apps are the new magic lamp: they wake you up, play music, call a cab, and get a man to make your old shoes new

\* Some numbers have been rounded off



great because they provide dedicated customers, but they also occupy space and memory on the phone. The 'uninstall rate' for apps is as high as 90%, according to Gurgaon-based mobile analytics platform Uninstall.IO.

"We cannot afford to lose the consumers on Google search," says Varun Khaitan, co-founder of Urban Clap, which provides handymen at home. To online furniture seller Urban Ladder, the expense of a PC website is critical. Says co-founder Ashish Goel: "A five-inch screen won't bring out the true impact of a sofa set or a double bed."

For some services, such as hailing a cab, there is nothing like an app. But app or website, there is no getting away from your mobile phone, and no denying that ours is a smartphone nation.

**METHODOLOGY:** The HT-MaRS Smartphone survey was carried out in the six major metros: Delhi, Kolkata, Mumbai, Hyderabad, Chennai and Bangalore. The sample was 2,000 people, equally divided between men and women, and the age groups of 18 to 25, 25 to 35, 35 to 45, and over 45 years. The survey was carried out in during April and May this year. All respondents owned a smartphone with 3G and internet



A man in Kolkata watches a cricket match on his smartphone in a train while on his way to work.

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LOOK OUT ON WEDNESDAY FOR HOW SMART-  
PHONES INFLUENCE USE OF SOCIAL MEDIA



# How online buying is all phone and frolic

**E-COMMERCE** The growth of e-commerce in India so far pales in comparison to how much room it has left to grow. That's where smartphones come in

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**NEW DELHI:** The newspaper advertisements intrigued Ratna Deb Choudhury. She needed to buy a mobile phone and the ads said she could buy it by using a computer and internet. So the 78-year-old resident of Ranchi, in Jharkhand, summoned her grandson.

"What is this Flipkart? What does it do? I saw an advertisement that it is selling mobile phones at a discount. I want to buy one," said Choudhury. After a brief explanation, she bought a Micromax smartphone from Flipkart.

That phone, bought six months ago, exposed Choudhury to the internet. It also ignited a process that refuses to be doused. Choudhury, who was one of just two girls to graduate in mathematics from the Banaras Hindu University in 1960, remains a quick learner. On the last count, she had shopped three times each on Flipkart and Amazon – buying utensils, kitchenware and bedspreads – and recharged her mobile a few times by using a Paytm wallet. Shopping is only about a sixth of her internet use. Most of it is watching cookery and stitch-

ing shows on YouTube and reading.

No wonder, the HT-MaRS smartphone survey shows 58% of the people above 45 years spend time shopping while doing nothing at home. Another 63% do it while watching television.

AK Sinha, 65, retired as the principal of a government school in Ranchi. After his wife died last year, Sinha's son, who lives in London, introduced him to buying books online. Now Sinha says he does most of his book buying on the internet while watching television in the evening. "They show too many ads," he says.

The e-commerce business in India is indeed booming. In the 10 years to 2015, it rose from nothing to an astounding \$20 billion. Millions of Indians now shop online. According to Morgan Stanley, e-commerce was 0.2% of India's GDP in 2010. That has grown to about 1.2% of GDP in 2016, up six times, and is expected to touch 4% by 2020, up 20 times.

That's nothing compared to the potential. E-commerce is still just 3% of the retail buying in the country. Think of the room for growth. That's where smartphones come in.

As stated in Monday's edition of this series, most Indians are embracing the internet for the first time on the mobile phone, not personal computer. The country has 371 million mobile internet users; the first six months of this year alone added 65 million, says Internet & Mobile Association of India. It's therefore no surprise that 60% to 70% of the online buying in India happens on the mobile.

More is to come.

Morgan Stanley says India will become a largely mobile-only country by 2020, with 90% of internet users here doing so on the phone. Already, 75% of the shopping on Flipkart and Snapdeal, two of the three largest online market places, happens on the mobile phone.

Krita Raut, 33, editorial manager at POPxo, a fashion and lifestyle portal, is never far away from e-commerce. "Styles change so frequently these days... Who has the time to go to the mall every week and check it? It's faster here," she says, pointing to the Myntra site, where she is

choosing a gown for her friend's wedding a month later.

Raut is not a deal hunter, but she is part of the 42% of women in this survey who spend most of their free time at work on e-commerce apps and websites.

Divya Jain is different. The 29-year-old content writer with Microsoft visits an e-commerce app only when she has to buy something on discount. Her last buy was a Barbie doll for her niece. The survey shows 41% of women buy online for lower prices. For men, the number

## WHAT MAKES YOU BUY A PRODUCT ONLINE?

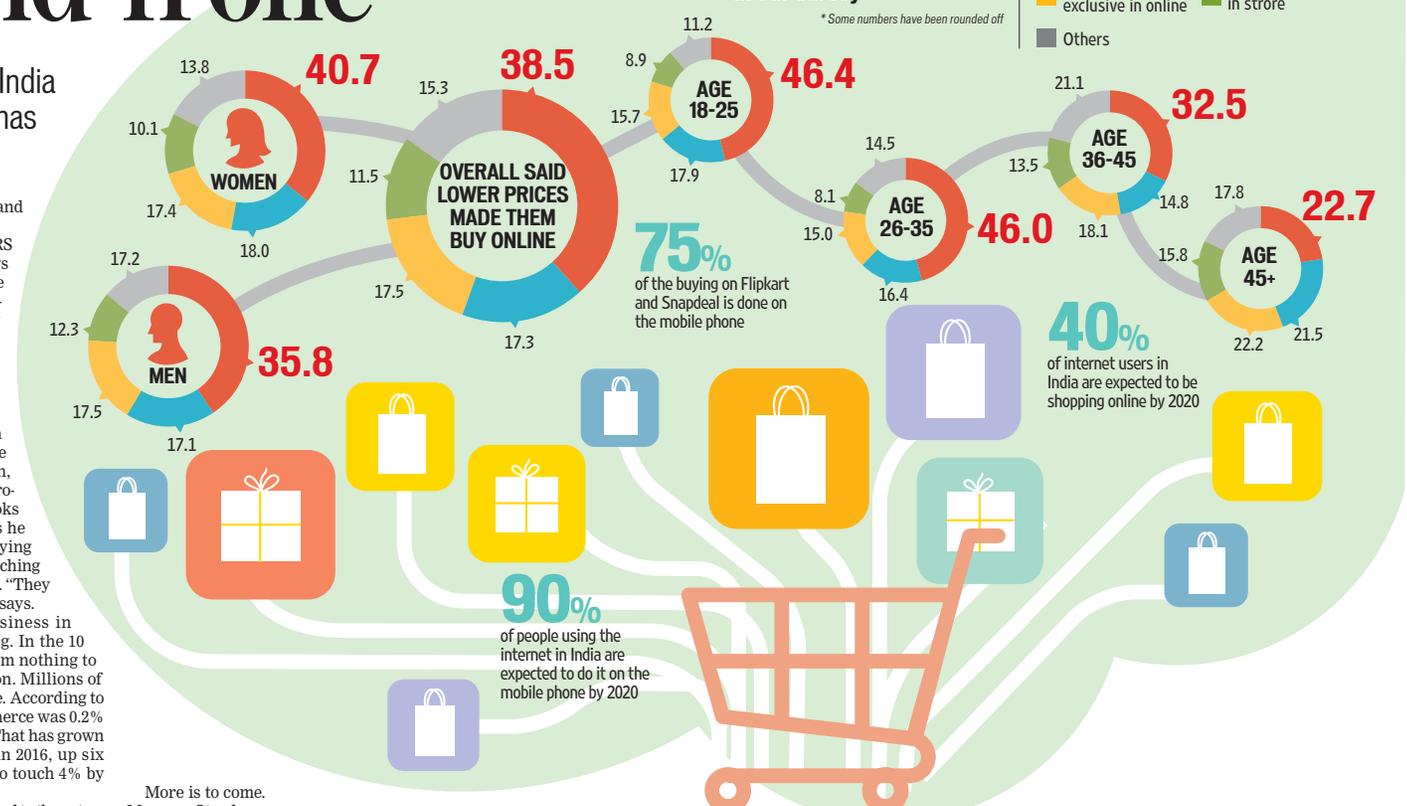
Ecommerce advertisement these days is a lot about genuine quality, but it remains a small concern in our survey

Lower prices drive the largest number of people to buying online

Figures in %

- Lower price
- Attractive offers exclusive in online
- Mega discount sale on special days
- Product not available in store
- Others

\* Some numbers have been rounded off



The smartphone and shopping go hand-in-hand

**METHODOLOGY**

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LOOK OUT ON WEDNESDAY FOR MOBILE WALLET AND HOW IT HAS CHANGED THE WAY WE PAY



# Sugar and spice, but not all things nice

**SOCIAL MEDIA** Facebook, Twitter, WhatsApp, Tinder have opened up new avenues for work and play, but social media also has an ugly side

Dhruva Jyoti

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**NEW DELHI:** Kshitij Jain had got used to seeing friends crash-and-burn in attempting romance in the middle of IIM-Bangalore's punishing schedule when he hit upon an idea last year. The 27-year-old now heads Myolo, an online and offline dating and matchmaking app that plans to best Tinder in India. Almost all of the backend data for the matchmaking is sourced from social media. "We learn more about you from the pages you like, posts you share, and images you click than any questionnaire," Jain says.

A world away from his swanky south Delhi office is Raina Roy, a 35-year-old transwoman and activist in Kolkata. She joined Facebook in 2009 and uses it in her work with rural trans-populations and sex workers. "It allowed marginalised people to write about their lives without the negativity associated with mainstream media," Roy says.

Jain and Roy are among the millions who are using social media not just in their personal lives but also to promote their work, gather data for their apps,

and reach out to ground-level activists.

Freelance food writer and photographer Aysha Tanya has been on Facebook for more than a decade but has now started using it, along with Instagram, to promote her blog, Malabar Team Room, and her food journal. "I found it was the best way to garner attention," she says.

The last few years have seen social media explode among urban and rural users, thanks, largely, to the proliferation of smartphones. Last year, rural users doubled while urban users were up by a third. More than two-thirds of these people were accessing websites such as Facebook from their mobile phones, which can be used in all kinds of situations.

Fawaz I Khan was on his way to Delhi from Lucknow in June when he noticed that his reserved compartment was overflowing with waitlisted and unticketed passengers squatting on the floor, asking others to "adjust", and taking over space that he thought rightfully belonged to him. He waited for a few hours, but was exasperated after he saw the ticket collector not taking any action despite repeated complaints by several passengers. Unable to bear the crush any further, he decided to try his luck and tweeted his complaint to the railway ministry's Twitter handle. The ministry responded quickly.

Foreign minister Sushma Swaraj is known to assist Indians in trouble abroad and rail minister Suresh Prabhudemand accountability of his officers through social media. Ministers are

rated on the basis of their social media performance and engagement.

But it's not all sugar and spice. Dhiren Borisa, a doctoral candidate in geography at Delhi's Jawaharlal Nehru University. The 23-year-old started using Facebook for the first time when, back home in small-town Rajasthan, a friend took him to a cyber café in 2006. As a gay and Dalit person, navigating such online spaces was both elevating and humiliating. He says he faced casteist slurs and ended up creating a "fake profile" with an upper caste surname.

Online trolls and abusive behaviour

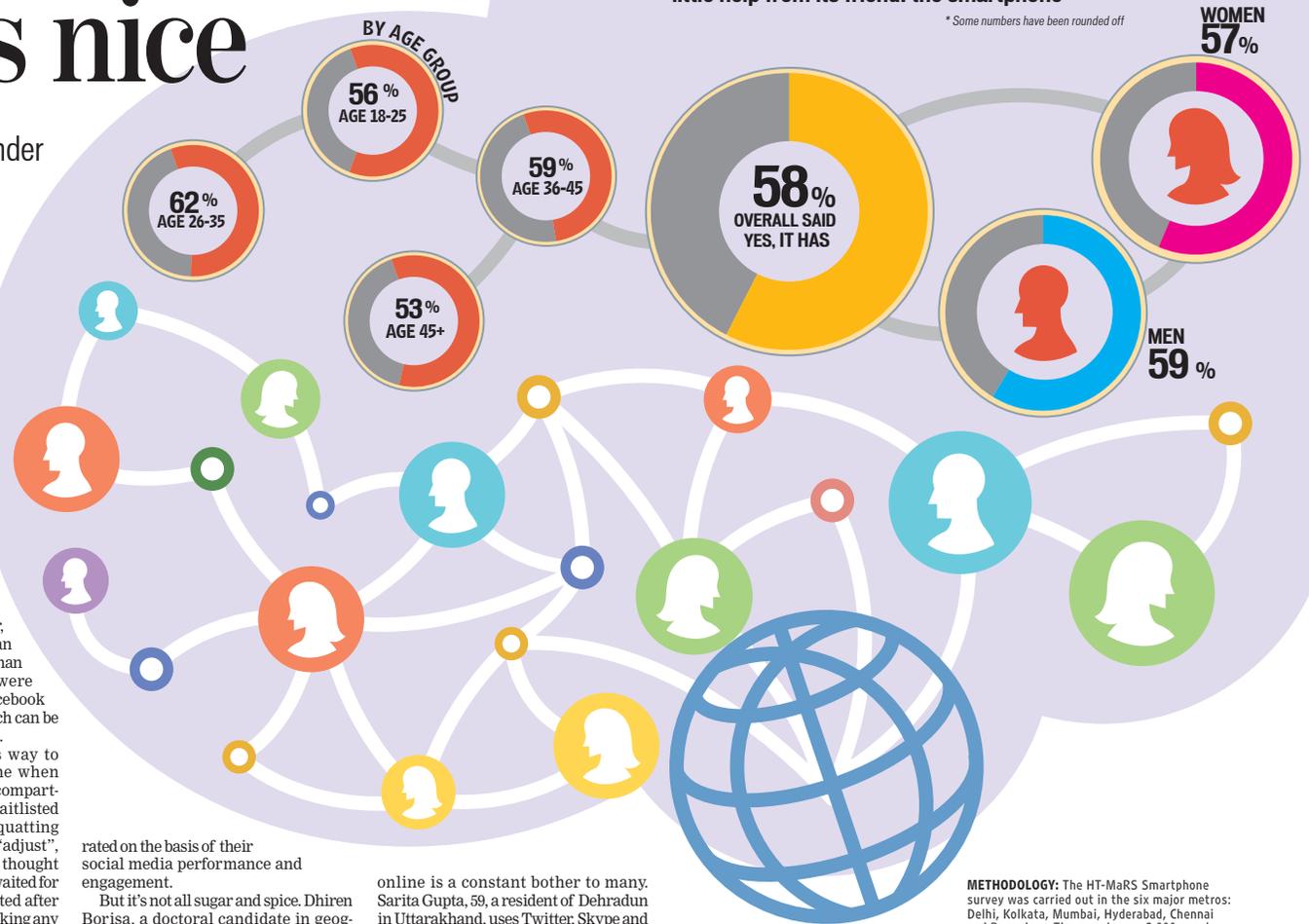
online is a constant bother to many. Sarita Gupta, 59, a resident of Dehradun in Uttarakhand, uses Twitter, Skype and WhatsApp, mostly to keep in touch with her children, old friends, and the news. She says she is often warded off by the language many users employ to drive their point home.

Complaints of online abuse have mounted with the explosion of social media usage in India but experts say little has been done to tackle the scourge. Community policing online is sparse and action taken by the platforms them-

## HAS SMARTPHONE RAISED YOUR USE OF SOCIAL MEDIA?

The use of social media has exploded, with more than a little help from its friend: the smartphone

\* Some numbers have been rounded off



Mark Zuckerberg is the king of the world, controlling Facebook, WhatsApp, and Instagram

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selves is too arbitrary to make a dent. Last month, Union minister Maneka Gandhi unveiled a plan to control cyber bullying, but her initiative is far from taking off.

No wonder that despite the avenues opened up by social media for work and play, doubts linger over its impact. It is probably not very different from the neighbourhood galli adda.

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LOOK OUT ON FRIDAY FOR HOW CAB AND FOOD APPS HAVE CHANGED HOW WE TRAVEL AND EAT



# Winning credit against cards

**DIGITAL WALLET** In a country known to avoid credit cards, digital wallets have stepped in to replace cash, and are also serving the unbanked

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**NEW DELHI:** Digital wallets, which have been around since 2006, have started to take off in the last 12 months, thanks in part to the convenience they offer, their integration with e-commerce and other services, and a change in consumer behavior. Wallet companies such as Paytm (run by One97 Communications), MobiKwik (One Mobikwik Systems), and Oxigen (Oxigen Services India) have also raised massive venture capital, which helps them lure customers with cashback incentives.

The most popular wallets, like the ones mentioned above, are semi-closed – with which you can transact with merchants but not withdraw money. There are also closed wallets, which are for payments on a single platform, such as a cab aggregator. Then there are open wallets, like M-pesa by Vodafone India, which allow you to withdraw money as well as make online transactions.

They, especially the semi-open kind,

are stepping into the breach left open by a Indians' reluctance to use credit cards, and the banking system's failure to bring large parts of the population into its fold. Wallet use jumped from ₹8,100 crore in 2013-14 to ₹21,100 crore in 2014-15.

Wallets started with offering consumers a way to make small retail payments, such as phone recharge. But they have travelled much beyond. Paytm, the largest digital wallet company by far, is accepted by e-commerce outfits, kirana stores, milk-cooperatives, auto and taxi drivers, parking operators, cinema theatres, colleges, and many others. "Currently, we have 132 million wallets. We are targeting 500 million by 2020. We have very aggressive plans to get four million offline merchants on our platform by the end of 2017. Our focus is to build the largest payment network in this country," says Kiran Vasireddy, senior vice-president, Paytm.

The confidence about building "the largest payment network" comes from the payments bank licence that Paytm, and 10 other companies, were given last year by the Reserve Bank of India. With that it takes early steps towards financial inclusion – the process to bring the large mass of unbanked population into the financial system. A payments bank will provide basic savings, deposit, payment and remittance services but not give loans.

This could be just the beginning. "As more and more transactions go digital, there will be tremendous value added in terms of security, providing a cus-

tom relationship management software, and customer data options. Our objective is to ensure we act as an operating system to power all these," said Govind Rajan, chief executive officer at FreeCharge, the payments arm of e-commerce marketplace Snapdeal. It launched its own wallet last year.

MobiKwik, which launched in 2013 and has raised \$87 million, is also betting on growing as a platform for financial inclusion. It recently conducted a pilot to offer micro-loans to some of its wallet users. "In the future, when people want to take loans, when they want to invest in funds, take insurance, we won't be the

best company to create these products for them, but we will be the best company to match providers with consumers based on credit history and trust," said Upasana Taku, co-founder, MobiKwik.

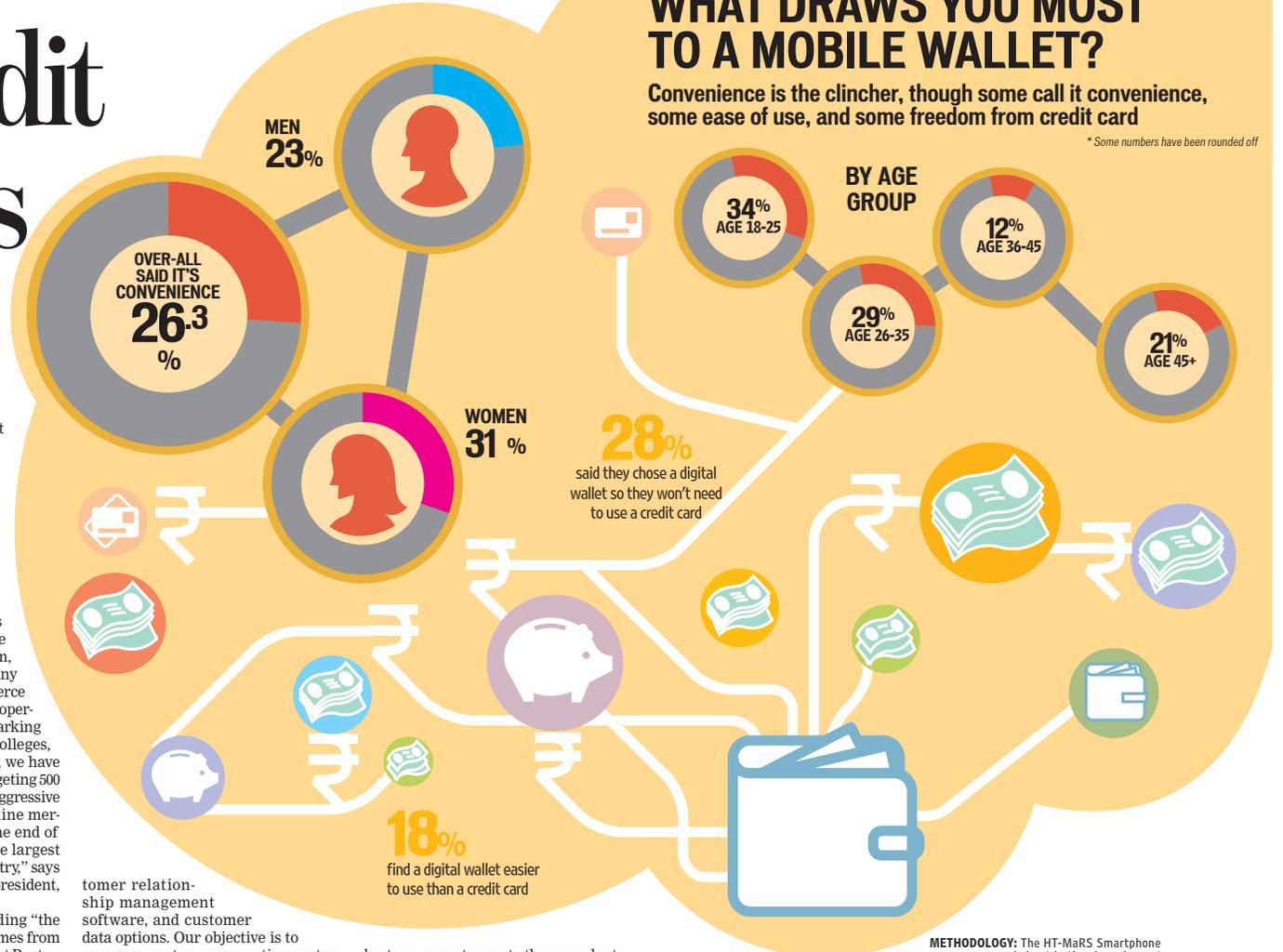
It isn't just start-ups that operate digital wallets, the State Bank of India, ICICI Bank and HDFC Bank, too, have woken up to the opportunity and begun offering open wallets to their consumers, but they haven't grown as much as the start-ups.

For banks, wallets are one of several products. They won't have the razor-

## WHAT DRAWS YOU MOST TO A MOBILE WALLET?

Convenience is the clincher, though some call it convenience, some ease of use, and some freedom from credit card

\* Some numbers have been rounded off



Digital wallets have become a popular tool for paying taxi and auto fares

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THIS CONCLUDES THE SERIES



# Riding and feeding with the phone

**CAB AND FOOD** We do not yet have executives quitting jobs to drive a cab, but the smartphone has changed how we commute and how we eat

**Kalyan Subramani**  
■ kalyan.subramani@livemint.com

**NEW DELHI:** Mithilesh Kumar, from Madhubani in Bihar, has been using both Ola and Uber. A taxi driver in Delhi, he is a part of both fleets, and owns the car he drives. "Uber aur Ola ne sabko malik bana diya hai (Uber and Ola have made everyone a taxi-owner)," he says.

That was unthinkable before the advent of technology-driven cab aggregators. The market was fragmented between Meru Cabs, Easy Cabs, a plethora of smaller fleet operators, and little groups with a dozen-odd black-and-yellow Ambassadors parked under Peepul trees.

As technology invaded our lives, cab aggregators such as Ola and Taxi for Sure (now in Ola's fold), came up. Uber came looking to extend its domination of the globe. A true Uberisation of India has not yet happened – in the United

States, executives are known to leave their jobs and mature people come out of retirement to become Uber drivers – but enough lives are getting transformed here.

"I was living on a meager salary. Now I make between ₹30,000 and ₹40,000 a month. I am my own master, and I can take any day off. Above all the payments are on time," Kumar says.

He is not the only one rejoicing. People dissatisfied with the government's public transport, a sizeable number, given the state of most cities, breathed a sigh of relief as it became possible to get a cab quickly for a reasonable fare. Now that autorickshaws have also come on mobile apps, and a number of car-pooling apps have come up, the options have multiplied. All you need to do is take out your mobile phone and make a few taps.

The HT-MaRS survey shows a lot of people saying cab-hailing apps provide a more comfortable service than the old buses and local trains. The women, in particular, talk about the heightened security in spite of the reports about cab drivers misbehaving with women.

Ola, the largest, says it has more than 450,000 vehicles in 102 cities – both cars and autorickshaws. Uber, which is in 58 countries, says it has more than 350,000 cars in 27 Indian cities. This entire alternative eco-system has come up in less than five years.

Cab aggregators have innovated to ensure even those who would have to relied on public transport due to costs can also afford their cabs. For instance, both Ola and Uber offer shared rides, which brings the cost down by half or two-thirds. An Ola spokesperson says Ola Share has kept more than 3.7 million vehicles off the road in eight months,

and saved 2 million litres of fuel.

Ola, in particular, has been trying its hand, at times unsuccessfully, at things that can be an extension of its central premise of getting you a cab in minutes. For instance, it tried its hand at food delivery. It didn't work out and Ola was quick to shut it down.

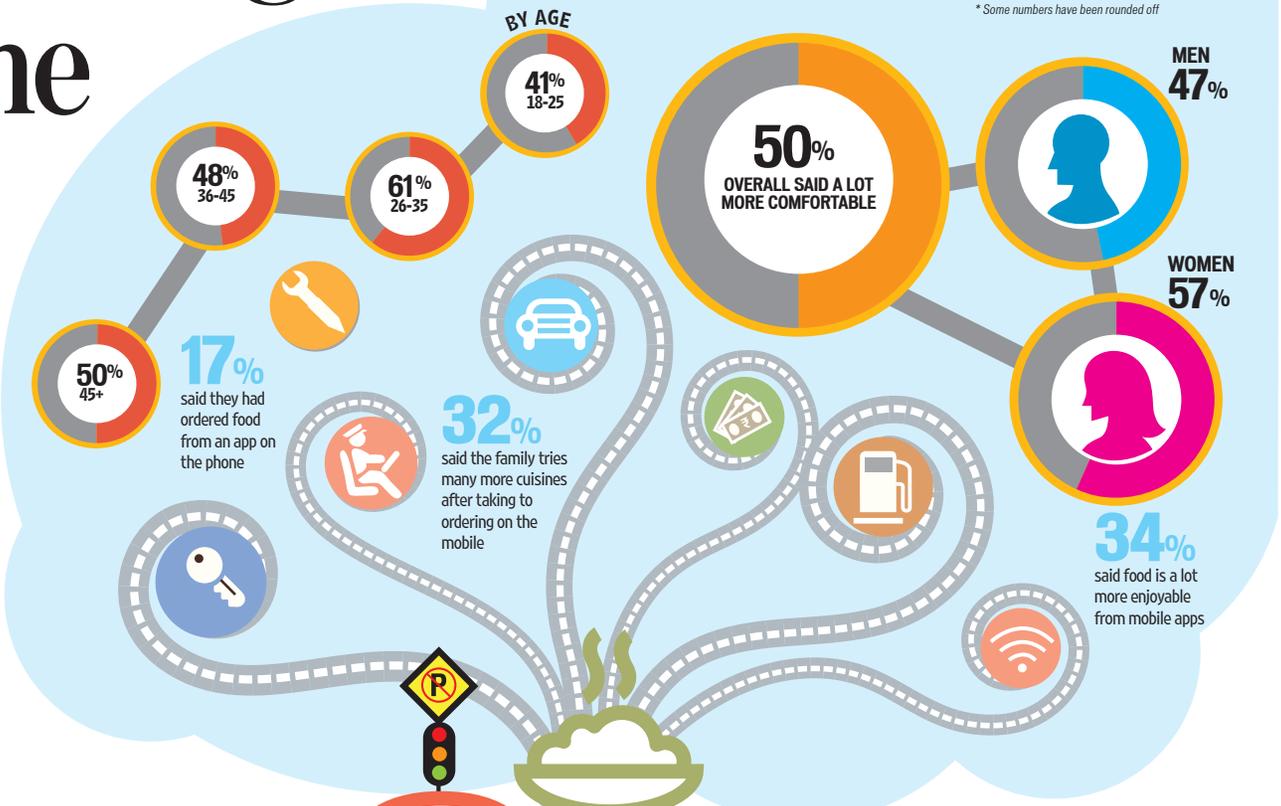
But a plethora of other companies have been delivering food ordered on a mobile app or website.

Until two years ago, the food deliverers zipping across city roads carried mostly pizza in oversized hot-packs. Affordable smartphones loaded with over a dozen food-order apps have changed that, and also how Indians eat. Order-in has become a sizeable component of people consuming food not

## DO CAB APPS MAKE TRAVEL MORE COMFORTABLE?

Comfort and security are the big things that appeal to those using technology-based, cab-hailing services

\* Some numbers have been rounded off



Food delivery apps and sites have ensured the rider with food deliverers more than just pizza.

when ordered that way. Data from the Top 10 Tier 1 cities shows a clear bias for mobile phones while ordering food. The number of orders placed using mobile phones is on an average twice as many as those placed

using desktop computers. Tier 2 and 3 cities have also started to tread in the same direction.

The convenience comes at a price: people spend more money on food now. A little more than half of the respondents said expenses on food had gone up "a lot" because of their using smartphones.

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