

**REPORT ON
VERNACULAR CONTENT: 2009**

September 2010

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Executive Summary

As various sets of digital trends reach masses, it becomes increasingly important to serve the users using modes of delivery they most identify with. Language is the most primary tool that weaves across our interactions. However, the digital phenomena as of now do not appear to be socially inclusive as they fail to enable the ever-prescient online or mobile content, which is in English, to the wide ranging languages that are used in our country. Consequently, majority of the population are not able to enjoy the benefits of the digital options leading to an ever increasing digital divide.

Gradually, digital modes are presenting themselves as a medium for entertainment, news as well as commerce. To ensure that this acknowledgement converts into an acceptance towards daily critical use, delivery of vernacular language and regional content needs to be ensured. Such changes are evident in all the other media – television, radio as well as print. Other media have experienced surge of usage once the localized content was delivered using vernacular languages. It is highly probable that similar trends could be witnessed once the digital media embraces this change.

As of now, there seems to be a wide gap that needs to be filled due to dearth of appropriate vernacular initiatives. Of 52 Mn active Internet users (as of September 2009), 25% of the users are aware that they can access online content in vernacular languages. The awareness levels are not high in the cities other than top 8 metros, where the users are more comfortable with vernacular language and regional content. Among these users, usage of vernacular content is far lower. Expectedly, use of communication activities and news content is high; however, to expedite the vernacular usage other interactive online services such as banking, government services and online advertising need to be provided.

Recently, initiatives spearheaded by various business groups have offered a glimpse of the potential that vernacular language present. These have included outreach to rural areas and smaller cities and educating the residents and young aspirants about the benefits of Internet. Further, to target the urban population, publishers are presenting their online content in vernacular language. These publishers or online platform providers are also enabling the users to interact in their language of choice. To ensure that the stakeholders are involved in delivering regional content in vernacular language, a self sustaining ecosystem is required wherein targeted content is delivered and the publishers ensuring this delivery find it reasonably attractive due to the possible revenues that could be generated.

Glossary of Terms Used

Internet User Type

Active User: An individual who has used the Internet at least once in the last 1 month.

Claimed Internet User: An individual who has used the Internet at any point in time in the past. This gives us a clear indication as to how many Indians have experienced Internet at least once in their lifetime.

Internet Non-Owner: An individual who belong to a household which does not own Internet connection.

Internet Non-User: An individual who has not accessed Internet at any point in time.

PC Literate: An individual who knows how to use a PC. While this term does not signify the extent of PC usage, it means that a computer literate is able to work on a PC without assistance.

Socio-Economic Classification (SEC)

A classification that indicates the affluence level of a household to which an individual belongs. SEC is defined by the education and occupation of the chief wage earner (CWE) of a household. SEC is divided into 8 categories – A1, A2, B1, B2, C, D, E1 and E2 (in decreasing order of affluence).

Geographic Segments

Top 4 Metros: Top 4 cities in India in terms of population i.e. Delhi, Mumbai, Kolkata and Chennai.

Other 4 Metros: The next top 4 cities in terms of population i.e. Bangalore, Hyderabad, Pune and Ahmedabad

Small Metros: Cities which are not a part of top 8 metros but have more than 1 Mn population.

Non-Metros: Towns with population between 0.5 Mn to 1 Mn.

Small Towns: Towns with population of less than 0.5 Mn

Background to the current vernacular¹ language consumption

India is a vast country and has always been known for its diversity. There are 28 states and 7 union territories in India. Though the official language of the Indian Union is Hindi with English as its secondary official language, due to the diversity of people each state has its own official language. There are almost 18 official languages spoken across the length and breadth of the country, although the list runs pretty long if the unofficial languages are also taken into account. It is because of this, that the traditional media which include television, radio, magazines and newspapers have explored these languages and each one offers a huge variety to local flavor to suit the needs of the people from different origin and background. There are more than 36,000 Hindi newspapers, more than 4000 Bengali newspapers, more than 4400 Tamil newspapers published in the country (https://rni.nic.in/search_language.asp), including regional variants of the same publication. The aforementioned figures provide a clear indication of the large proportion of population which is inclined towards non-English content for information assimilation.

Print media: The regional language newspapers enjoy highest readership!

Around the globe India has one of the largest newspaper circulations in a day - in 2005, India was second with 78.8 million circulations. In the list of top 10 most read newspapers (as per IRS Q1, 2010), 5 are in Hindi, 4 in other regional languages and only one in English.

Rank	Daily	Language	IRS R2 2009	IRS 2010 Q1	% Change
1	Dainik Jagran	Hindi	16.1	16.3	1.3
2	Dainik Bhaskar	Hindi	12.9	13.3	3.5
3	Hindustan	Hindi	9.3	9.9	6.2
4	Malayala Manorama	Malayalam	9.2	9.6	4.5
5	Amar Ujala	Hindi	8.3	8.5	2.3
6	Lokmat	Marathi	7.1	7.4	3.6
7	Daily Thanthi	Tamil	7.5	7.4	(2.2)
8	Times of India	English	7.1	7.0	(1.5)
9	Mathrubhumi	Malayalam	6.7	6.7	0.3

¹ In this report, the term vernacular content and regional language have been used depending on the relevancy of the context.

10	Rajasthan Patrika	Hindi	6.5	6.7	3.1
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Among Top 10 dailies, the readership in most of the regional language newspapers have increased or remained steady.

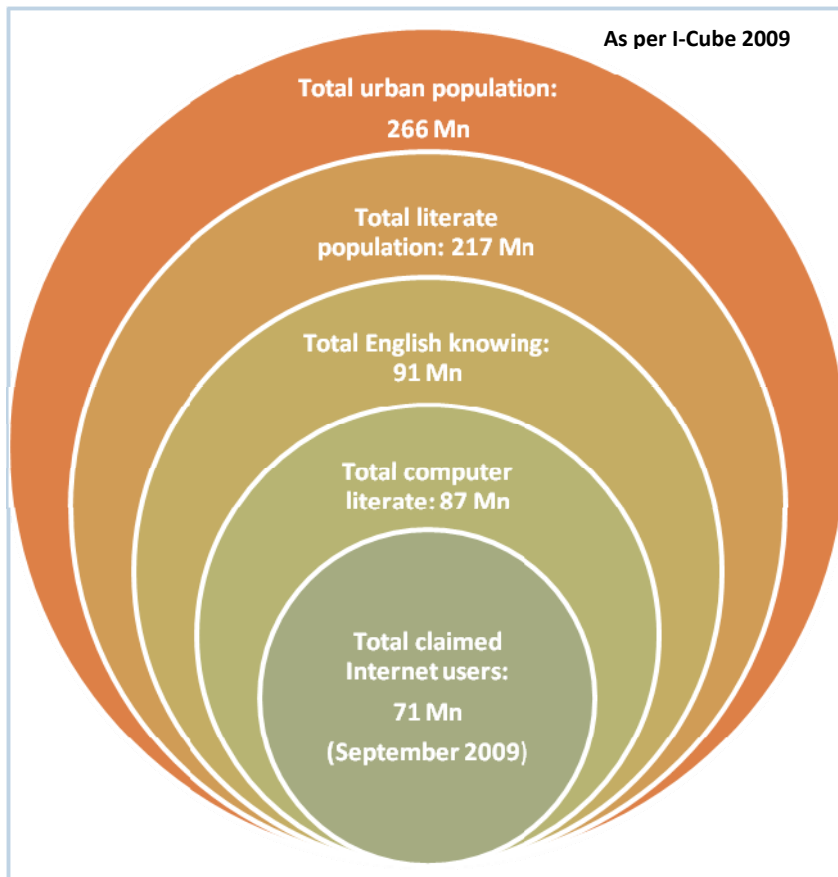
Even among the magazines, the top 3 magazines, in terms of total readership, are in regional languages. Saras Salil, a Hindi magazine ranks first with a total readership of 6,413,000. It is followed by Tamil weekly Kumudam at second rank with a total readership of 6,124,000, while Malayalam fortnightly Vanitha, at third slot, has a total readership of 5,708,000, according to IRS Q1, 2010 results. English magazine India Today comes at fourth position with a total readership of 5,473,000, followed by Kungumam with a total readership of 5,300,000.

Television media: Regional content is preferred more by the Indian viewers

There are more than 250 television channels in India, including national, regional, state, city and private operators. According to TAM (Television Audience Measurement) ratings for the week 30/5/2010 to 05/06/2010, there were 28 programs from SUN TV, 14 from Star Plus, 11 each from Colors and Zee TV, 7 from Sony Entertainment TV, 6 from Imagine TV, 5 from SAB TV and 3 each from Gemini TV, Star Gold, Zee Cinema and Ten Sports in the top 100 ratings. This data again reflects the mood of the consumers that they prefer entertainment content in non-English language.

Be it any form of media consumption, Hindi or regional content is consumed by the Indian masses

Language is one of the barriers in the growth of the Internet



In India, conversion ratio from literate to English speaking is much lower as compared to conversion ratio from English speaking to computer literate

The total urban population accounts to about 266 Mn. Out of this, 217 Mn is literate population which accounts for approx. 80% of it. The conversion to English speaking, however, dips to 40% of the Literate population which is close to

91 Mn. The gap between English speaking and computer literate is quite narrow, with more than 90% English knowing population being computer literate. Among those who are computer literate, around 80% of them have used Internet at least once in their lifetime.

This poses a question that *'is English language the biggest hurdle for people to make them computer literate?'* This hypothesis can be validated by looking around the world and drawing similar examples. The closest example is of China.

China has about 1.3 billion population and the literacy rate is close to 91%. Since the main language is mandarin there, all the content is available in Mandarin even on the Internet. Because of this the Chinese have not faced any problem in accessing computers or Internet content as everything

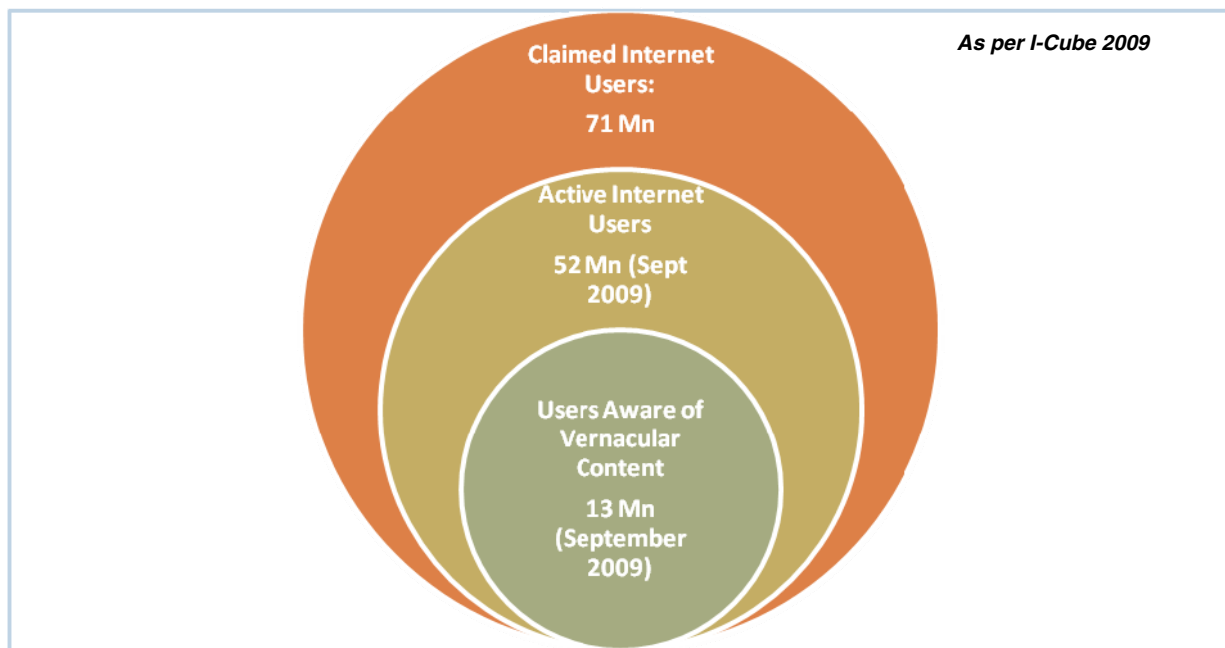
there is available in a language which they understands. This leads to almost 30% of the Chinese population being Internet users. (Source: <http://www.internetworldstats.com/asia.htm>)

If the hurdle of English is solved, the users accessing PC and consequently Internet would increase manifold in India.

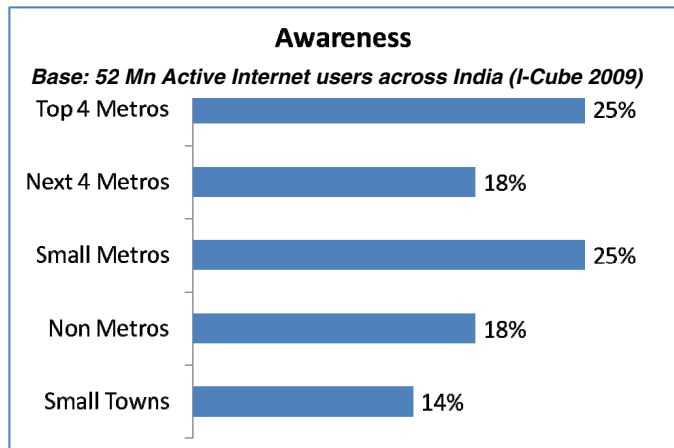
Consumption of regional language online

Awareness about regional language content available online

As per I-Cube 2009, only about 25% of the Internet users are aware of the fact that online content is available in various Indian languages. However, the distribution of the users is not uniform across the country.



Besides top 4 metros, awareness is high in small metros as compared to other town class. Users from smaller town classes are the ones who drive the usage of online regional language. This is primarily because users from smaller town classes are the ones who are well-versed in local/vernacular language. According to NRS 2006, almost one-third of the country’s urban English speaking population comes from just top 8 metros.



Taking a closer look at the awareness, it is clear that online communicational activities followed by online news, fetch high awareness as compared to other online activities. Among those who are aware of online availability of regional languages, 85% (11.05 Mn of the 13 Mn Active Internet Users) of the users are aware of email in vernacular languages. Examples of such email services include RediffMail and Gmail). 69% (nearly 9 Mn Active Internet Users) are aware of News-related content available over the Internet – examples include news portals such as Google News, online newspaper regional content and news available through a portal such as Dainik Bhaskar news available on Yahoo!. A high level of awareness of messengers providing options for vernacular language exists as mailing are often clubbed with messenger services. Similarly, for the search engines, Google is used by most of the Internet users, which does provide options for searching in different languages.

Regarding other services that do not enjoy high awareness among vernacular users, railway bookings mainly from IRCTC websites, banking websites and government websites are being used.

Awareness of Online Vernacular Content across SECs

Online applications	Total	SEC A	SEC B	SEC C	SEC D/E
Base: 13 Mn active Internet users who are aware of regional language available online across India (I-Cube 2009)					
Email	85%	82%	83%	95%	86%
News	69%	70%	68%	61%	86%
Search engine	55%	58%	55%	46%	59%
Text chat/instant messenger	49%	49%	44%	52%	67%
Railway ticket booking	29%	31%	27%	32%	29%
Online banking	28%	29%	26%	29%	30%
Government services	26%	28%	26%	26%	14%

Awareness leads to usage. Since email and news enjoy highest awareness, the usage is also high for these two services. While the higher SECs tend not to use vernacular or regional content, the lower SECs are more likely to use them – evident in the table below.

Usage of Online Vernacular Content across SECs

Online applications	Total	SEC A	SEC B	SEC C	SEC D/E
Base: 13 Mn active Internet users who are aware of regional language available online across India (I-Cube 2009)					
Email	51%	46%	51%	68%	35%
News	34%	38%	33%	16%	55%
Text chat/instant messenger	29%	26%	27%	37%	42%
Search engine	27%	32%	19%	19%	52%
Railway ticket booking	8%	7%	8%	6%	17%
Government services	4%	5%	6%	1%	-
Online banking	4%	5%	5%	-	-

Usage varies across the town classes. For the activities which have high awareness, i.e. email and news, the usage is high in lower town classes, while for other activities it is other way round. As the awareness is low in other town classes, usage is ought to be low. However, it is interesting to note that usage for Government services in regional language is highest in small towns. This may be attributed to the fact that kiosks or CSCs (common service centers) are set up in these towns which boost the usage of these services there.

Usage of Online Vernacular Content across Geographic Segments

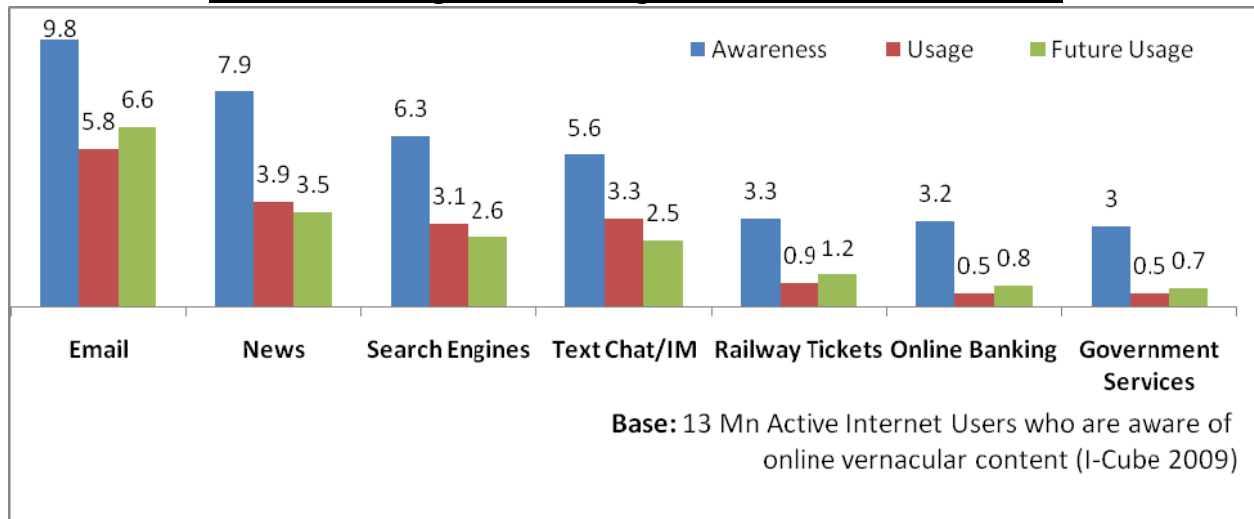
Online applications	Total	Top 4 Metros	Other 4 Metros	Small Metros	Non Metros	Small towns
Base: 13 Mn active Internet users who are aware of regional language available online across India (I-Cube 2009)						
Email	51%	51%	44%	54%	66%	55%
News	34%	35%	32%	29%	47%	41%
Text chat/instant messenger	29%	31%	27%	24%	33%	19%
Search engine	27%	33%	19%	24%	15%	12%
Government services	4%	2%	3%	11%	4%	15%
Online banking	4%	4%	1%	7%	5%	4%
Railway ticket booking	8%	11%	3%	6%	5%	8%

Usage of regional language content online is driven by entertainment and news encompassing regional as well as sports news

The usage of regional content on Internet is largely driven by content related to entertainment, news, and sports. Entertainment would also encompass social media as well which includes blogging, usage of social networking websites, etc. It is observed that there exists a huge demand for regional content especially in South India. This is because in South, content in their regional language garners popularity among people. News would include mainly the local and political news. It is seen that though the national news may be read through English newspapers, yet people prefer local news in their local language.

Sports updates (cricket, etc) are viewed by many people through a website offering content in regional language. One of the reasons for this is that popular sports/cricket websites are blocked in many organizations during office hours. However employees do find solutions to this problem and usage of regional content offering website is one of the solutions which works for them.

Awareness / Usage / Future Usage of Online Vernacular Content



It is clear that there is a predilection for regional content, especially in the smaller town classes and lower socio economic groups. At the same time, applications like news do enjoy high usage even amongst

the higher town classes and socio-economic groups. However, steps are to be taken in order to create more awareness about various applications available in regional content.

Entertainment, News and Information search

Entertainment is done to relax and rejuvenate one's mind from a day's long monotonous work. It is best preferred in the language a person can easily absorb and comprehend, for which no extra efforts are required. This is the reason why entertainment is best consumed in the local language, a language in which a person would like to communicate informally!

Exclusive content for web and mobile TV is the new wave

Today many online shows are being launched to grab the attention of the Internet audience. These shows are being designed exclusively for the online medium. One latest offering in this segment is from Balaji Telefilms. The company has recently released its first ever fiction episodes on the web known as 'Bol Niti Bol', which is made available to the users on YouTube.com, Mid-Day.com and Rediff.com. It will have 17 episodes in all. Apart from this, most of the TV channels are now offering online telecast of their shows. Be it Star TV or Zee TV, all have an online offering of their shows for their viewers.

Social networking is not just limited to peers

Within entertainment one of the segments which is expected to grow is 'social networking'. This is because more and more people are getting hooked-on to this mode of entertainment.

This new mode of communication is just not limited to only youth; as more members in a family are getting onto the platform of social networking. Reasons can be many including a means to keep an eye on what the child is doing on this medium, but the fact remains the same that nowadays even a mother who is more than 45 years old or a father who is just about to retire is on Facebook. In such a scenario if the children converse with their parents on social networking platform, the conversation is more likely to be in Hindi, as in, *"Hello mumma, kaise hain aap?"* Rather being *"Hey mom, wats up?"* Even amongst friends, the conversation is more likely to be informal and in Hindi. It can be rightly said that the language used on social networking websites is not English; rather it is '**Hinglish**'. English is the mode of conversation only for a handful of people, mostly those whose professional friends are also added in their network of social networking websites.

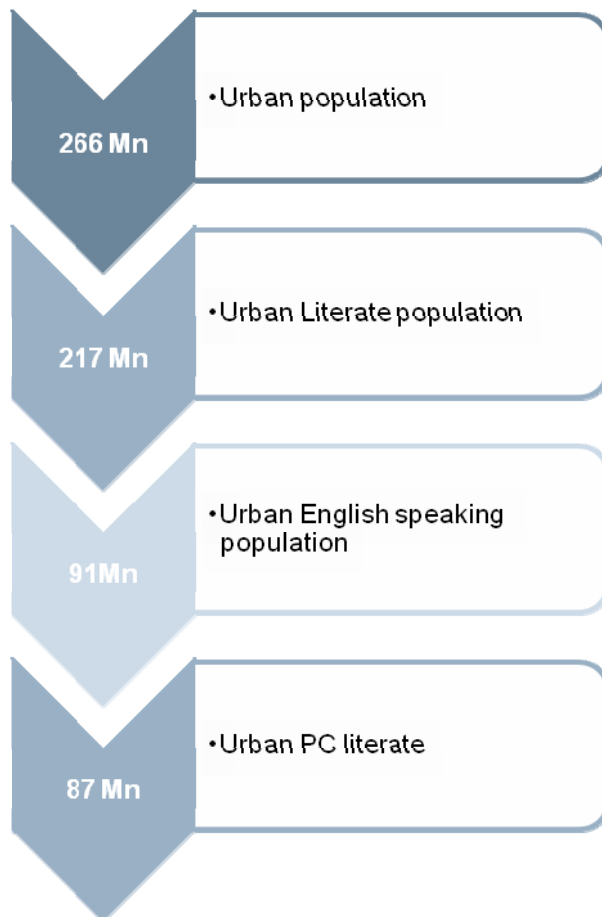
Local news has always been a source of attraction in regional language

Besides entertainment, some of the other segments which are expected to grow in regional language are information search and news. Many websites have already started offering their content in local language. Be it general news websites like 'Times of India', 'NDTV' or financial news websites, like 'Economic times', 'Business Standard', each have their offering to suit the local flavor. The newspaper readership is still that for reading news pertaining to the local area, a newspaper available in local language is read. Even the portals such as Yahoo! offer news in Hindi, through a tie-up with Dainik Jagran. The websites which offer news in local language is read not just the people around, it also provides a platform for those people who are away from their home town, to stay connected to it. It forms a bridge for these people to stay up-to-date with the happenings in their home town. Even the NRIs (Non-resident Indians) prefer visiting these websites to keep themselves abreast with the happening of their native place.

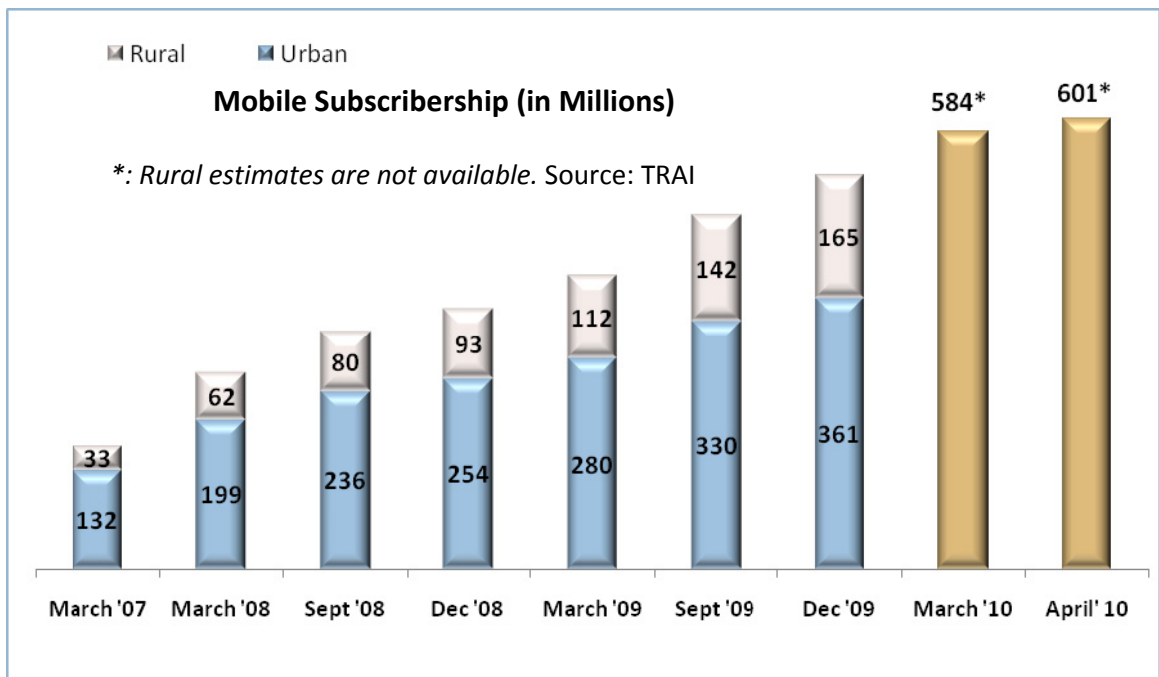
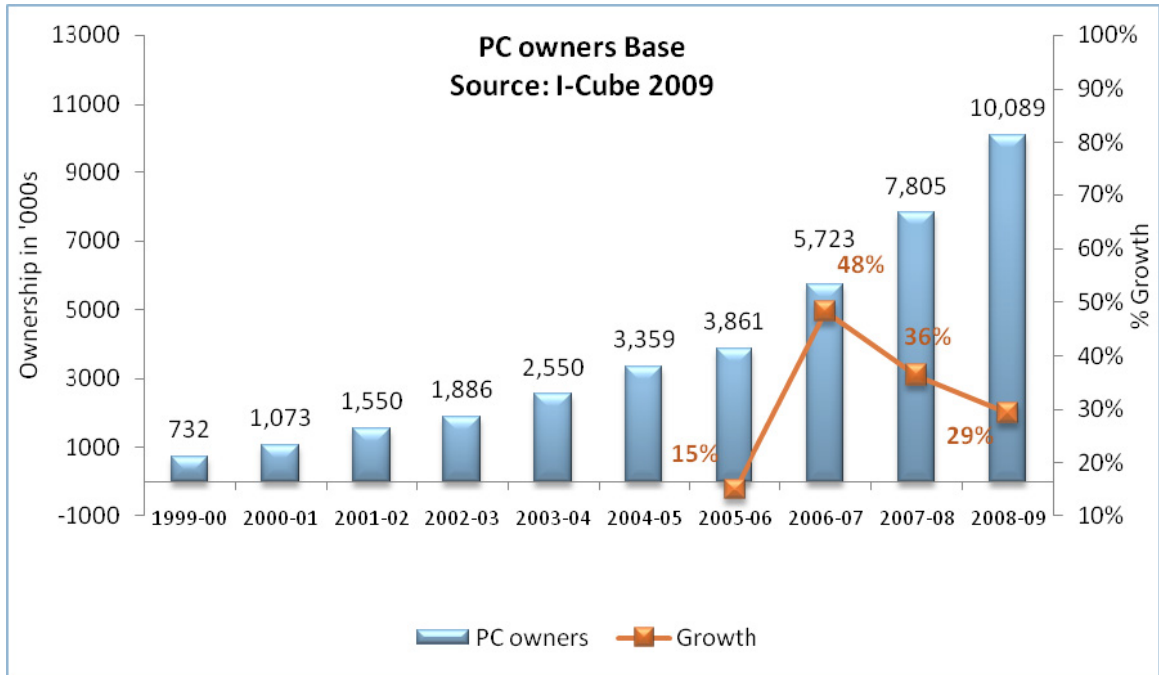
Content in the form of entertainment and news will lead the consumption of regional language in India

Future usage could be mobile driven

Wireless users surpass PC users by a large number across the rural as well as urban India



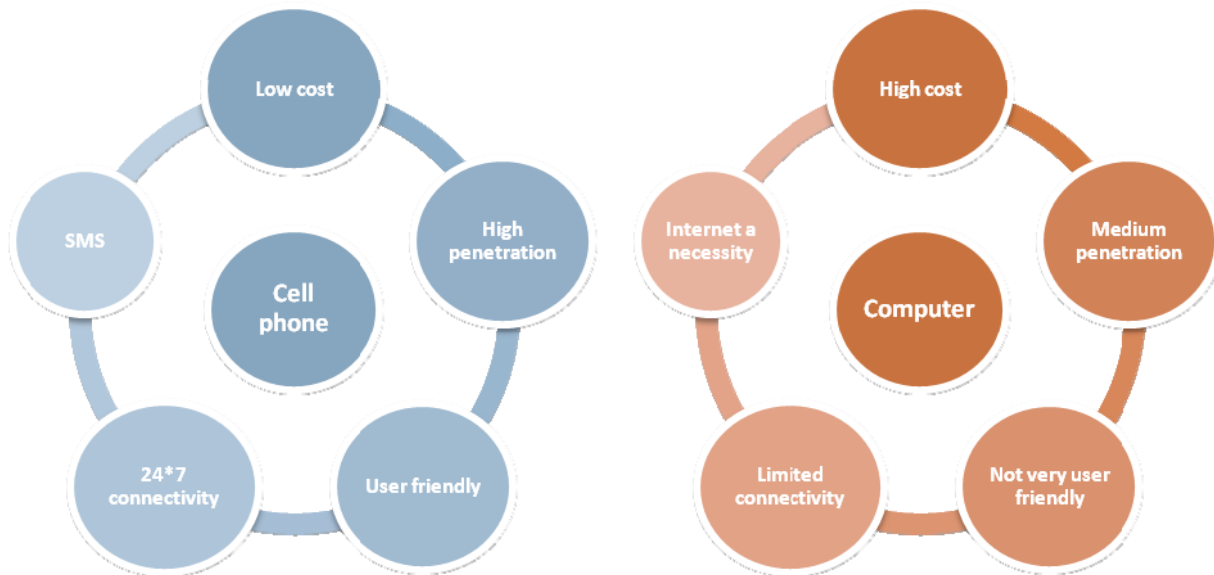
India has very low Internet penetration which is close to 11% as per I-Cube 2009, but it has one of the highest wireless tele-density in the world. This is augmented by low tariff plans offered by telecom companies and availability of ultra low cost (ULC) cell phones. Today the Indian market is flooded with fully loaded handsets which cost less than Rs. 5000! This has enabled the masses to experience Internet at affordable prices, with many people getting exposed to the Internet for the first time through mobile phones.



Over the years, the wireless subscriber base has shown tremendous growth and performed better than the PC owner subscriber base.

Cell phone: The life line of today's generation

Cell phone usage is spread across the town classes and all socio-economic groups. An SEC C person from small town, unable to speak or understand English is also an avid user of cell phone nowadays. Though many people do have personal computers or laptops at home, yet cell phones are gaining importance in becoming one of the Internet access points. The biggest advantage it offers is that it is a personal device and it helps you to remain connected throughout the day.



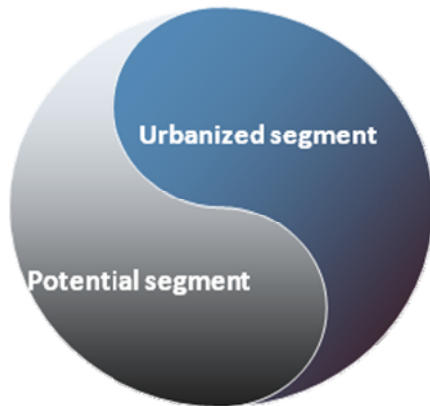
The new generation Internet access point

As the Internet usage grows so will the demand for regional content. This is because the new users that get hooked-on to this medium through their cell phones will very likely be not comfortable with English; yet they would want to experience the Internet. For them, the Regional language will be medium of communicating and expressing themselves. Besides this, their usage will be limited to those websites which would offer them content in the language they desire. At the same time, mobile phones have become affordable and text messaging is one the highest done activity conducted using mobile phones. The proportion of messaging against any other activity on cell phone is even higher among youth. This opens a path towards web usage through mobile phones and not via PC.

Mobile is the new platform for usage of regional language. This coupled with SMS integration would pave the future way for increased consumption of regional language online.

Triggers towards usage of regional content

Addressing various needs



There exist 2 segments of population. One is the urbanized segment which would include people from urban India or people belonging to medium to upper socio-economic classification group. These are those people who have access to computers as well as cell phones. Their prime need for Internet access is entertainment or convenience or to enhance their productivity.

The second segment can be categorized as the potential segment or the emerging segment which would include people from rural India or people belonging to lower socio-economic classification group. These people do not have access to computer but may have a cell phone. Their main reason for Internet access is to generate more income for their livelihood and also to access the basic services like government services/forms, healthcare, education, etc.

Training to the lower age group, lower SECs and smaller town classes

If the regional content is made available in a language which is easy to understand it will act as training to the lower age group people primarily the kids, lower socio-economic groups, and people belonging to Tier II and III towns. This is because these are those people who are not on computers mainly because they feel that computers are mainly for the English speaking population. But if the content will be made available to them in an easy-to-understand language, it would provide them an interface to understand the online media.

Barriers towards usage of regional content

It is believed that the audience of Indian Internet space is almost saturated with most of the English speaking and computer literate being the Internet users. A second wave of digital audience is expected which will pull in non-English speaking population, not only from the urban India but also from rural parts. Lots of initiatives are being carried out in the digital space to enhance the usage of non-English content. Lots of players are geared up to provide content in non-English to its users. However, certain hurdles need to be overcome.

Limited awareness about Internet and regional content online

The offline people who are not onto Internet are not aware of the benefits they would get from Internet access. Lacks of awareness with regards to Internet usage prevents them from accessing opportunities available for them in the fields of communication, education, information and entertainment. Many of them are still bounded by the myth that 'computers' is only for the urban people who are English literate. At present, users are not aware of the availability of the regional content online. According to I-Cube 2009, about 25% Internet users are aware that online content is available in regional languages. This awareness can be created by even advertising in the regional language.

Availability of regional content in the spoken regional language is desired

We all are saying that regional content is the way to go ahead; it will drive the usage on PC and mobile... etc. But can we say the present form of regional language available online is the future? Definitely not!

The present form of regional language is available in a crude form, i.e. for e.g. on Facebook, translation of '**Edit My Profile**' is displaced as '**मेरा प्रोफाइल सम्पादित करे**' when the website is viewed in Hindi. Most of the people would not understand the meaning of the word **सम्पादित**! They would rather require a Hindi dictionary to understand such words. And Facebook is not the only example. Most of the websites use such form of language when displaying content in regional language. What Indians require today is definitely not the language in its strictest form but a language which they would understand easily, the language which they would normally speak in their day to day life.

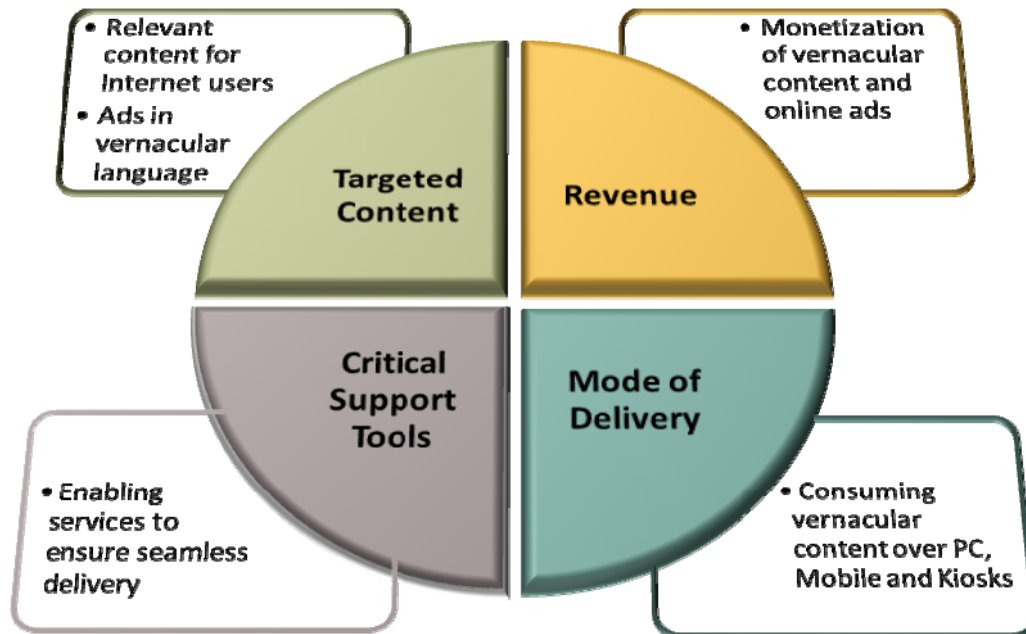
Lack of contextual content

Many potential users are not aware of the different dimensions of information that the Internet can provide them. Also, there is a lack of content and information which can cater to the requirements/ expectations/ needs of different individuals. E.g., a farmer might be interested in knowing the prices at which he can sell his crops in different markets or mandis. But he is unable to have a suitable platform where he can access this kind of information. There is a need for such web based/mobile based applications which can cater to the requirements/ expectations/ needs of different population segments.

Need for regional content for the cell phones

Since cell phones will be the key access point for Internet access, it is desired that the regional content is also developed for access on cell phones.

Need for a self sustaining ecosystem for vernacular content



Similar to the established stakeholder relationships in the existing online content – which is primarily in English language, there is an underlying need to arrive at an ecosystem that supports the existence and growth of online content in vernacular languages. The figure, above, illustrates key aspects of this ecosystem.

While providing content it is imperative that it is relevant and targeted towards a specific demographic segment and type of Internet users. However, the content needs to be monetized as the publishers would find it advantageous to broaden the reach of vernacular use only when they are able to justify it with the revenue it attracts. Advertisements in vernacular language are extremely sparse even though the recent growth of the Internet is mainly among small towns and non-metros where the users are more likely to interact in vernacular language².

² Source: Based on discussions with B.G. Mahesh, CEO of Greynium Information Technologies Pvt. Ltd

Various services and applications that are provided on different types of devices need to support the use of vernacular content – be it PC/Laptops, mobile or public avenues such as kiosks. Even though the mobile subscribership has been increasing the devices are not capable of supporting vernacular language. This disadvantage could possibly get offset by support tools that are being devised by various online publishers. These support tools, detailed in previous sections, offer services that the publishers can utilize to disseminate their content in vernacular language.

About IMRB International and IAMAI

e-Tech Group | IMRB International (*a specialist unit of IMRB International*) is a research based consultancy offering insights into IT, Internet, Telecom & emerging technology space.

Our continuous link with industry and a constant eye on the pulse of the consumer ensures that we can decode the movements of technology markets & consumers. To our clients we offer an understanding of the present market environment and a roadmap for the future.

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About Internet and Mobile Association of India (IAMAI)

The Internet & Mobile Association of India (IAMAI) is a not-for-profit industry body registered under the Societies Act, 1896. Its mandate is to expand and enhance the online and mobile value added services sectors. It is dedicated to presenting a unified voice of the businesses it represents to the government, investors, consumers and other stakeholders. The association addresses the issues, concerns and challenges of the Internet and Mobile economy and takes a leading role in its development. The association's activities include promoting the inherent strengths of the digital economy, evaluating and recommending standards and practices to the industry, conducting research, creating platforms for its members, communicating on behalf of the industry and creating a favorable business environment for the industry. Founded in January 2004 by leading portals in India, IAMAI is the only specialized industry body in India representing the interests of online and mobile value added services industry.

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