

For Immediate Release

Rich Interaction Applications create a consumer surplus of US\$98 billion in India: WIK and BIF Report

Amounting to 4.3% of India's GDP of US\$2264 billion in 2016

New Delhi, 16th November: WIK, Germany's leading Research and Advisory Institute for Communications Services and Broadband India Forum, a policy Forum working towards the proliferation of broadband services in India today, unveiled a report on, "The Economic and Societal Value of Rich Interaction Applications (RIAs) in India". The study finds that RIAs create a consumer surplus of US\$98 billion (INR 6.3 lakh crores) in India. This is equivalent to 4.3% of India's GDP of US\$2264 billion (INR 147 lakh crores) in 2016. Each user of RIAs in India receives on average US\$249 (INR 16,185) of consumer surplus annually. Applied to the entire population—not just RIA users—this results in US\$74 per capita (INR 4,810) Globally, a 10% increase in RIA usage lead to US\$1 billion (INR 6,500 crores) in additional GDP daily.

The Report unveiled by the Telecom Secretary, Ms Aruna Sundararajan and senior dignitaries of the Broadband Industry is the first to focus directly on the value added by Rich Interaction Applications (RIAs) for consumers in India. RIAs as defined by the study include applications such as Google Hangouts, iMessage, WhatsApp, as well as India-based applications such as Hike Messenger, JioChat Messenger, Lookup, Flock and Nimbuzz, which have become increasingly popular means of personal and business interaction. The average RIA has close to 9 functions.

The study establishes that these applications play a disproportionately important role in India when compared to other Asia-Pacific (APAC) countries. In fact, a consistently larger share of internet subscribers in India than in any other APAC country uses these applications. A survey of internet subscribers in India further confirmed that RIA users typically utilize at least five out of six RIA functions. The six core functions of RIAs analyzed in the study include: (1) ordinary calling, (2) video calling, (3) texting, (4) sending pictures, (5) sending videos, and (6) group chats. The analysis of the survey further established that RIA usage on average saved 803.9 minutes per week.

Commenting on the report findings Dr Rene Arnold, Head of Department Markets and Perspectives, WIK said, "As India continues to be the third largest app economy globally, we decided to study the impact of Rich Interactive Applications on the socio economic landscape of India. At the outset, our study has established that the RIA's play a substantial role in India from a socio-economic perspective creating a consumer surplus of US\$98 billion (INR 6.3 lakh crores) in India equivalent to 4.3% of India's GDP of US\$2,264 billion (INR 147 lakh crores) in 2016. Interestingly, India as compared to other Asia-Pacific (APAC) countries is set to reap additional benefits from RIA's considering a consistently larger share of internet subscribers in India using these applications as compared to other APAC countries."



The study established that each new and innovative RIA entering the Indian market will create many new jobs. RIAs are simplifying trade, job searches and citizen participation in policy formation. RIAs help new businesses enter the market, increase their visibility and connect them to potential customers. RIAs can bridge the digital divide by offering new options to individuals who otherwise have limited access to telecommunications services and little knowledge about more complex computers. Indeed, if used well, RIAs could be a critical tool to drive the Digital India Programme.

Commenting on the report findings Mr. TV Ramachandran, President Broadband India Forum said, “The regulatory ecosystem in India is evolving and is focused on the ease of doing business and ease of facilitating innovation. Considering the significant impact of Apps ecosystem on the country’s economy, a constant dialogue between policy makers and the industry stakeholders will be critical to unlock the true potential of the internet and app ecosystem in India.”

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About Broadband India Forum

Broadband India Forum (BIF) is a technology and service agnostic think-tank that works for the development & enhancement of the entire broadband ecosystem in a holistic manner. Registered as IPTV Society, its brand - BIF was formed in October 2015 and is a fairly nascent but dedicated Forum with participation from all parts of the eco-system, including Technology Providers, Internet Service Providers, Value-Added Service Providers and seasoned Industry professionals who are familiar with different technologies, operations, regulations and policies.

BIF works exclusively to enhance the potential of the entire ecosystem to deliver broadband across the whole of India. BIF seeks to be a thought leader and a credible and effective voice of the Indian broadband industry to help propel the nation to achieve the ambitious vision of creating a Digital India. To achieve this, BIF works to promote the rapid development of affordable and high speed broadband throughout the country on a technology-neutral basis through the development of the entire broadband eco-system.

About WIK

Founded in 1982, WIK (Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste) in Bad Honnef, Germany offers consultancy for public and private clients around the world. Its focus is on the telecommunication, Internet, post and energy sectors giving advice on policy, regulatory and strategic issues. More information is available at: www.wik.org

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