

# India business barometer

## Expanding Digital Access

### Introduction

The bullish sentiment among corporate leaders evident in the previous edition of the India Business Barometer (IBB) is even more pronounced today. A resurgence of covid-19 is, of course, an ever-present threat. But business leaders show no signs of retrenchment or excessive risk-aversion. Their expectations are of continued growth in investment across many areas of operation. The chief growth constraints they perceive involve not demand but supply—especially of the talent businesses need to support their initiatives.

This third edition of the IBB is based on a survey of senior executives in the country completed in October 2021.<sup>1</sup> It tracks not only executive sentiment in the country but also how business leaders are seeking to build their firms' digital capabilities in order to ensure their competitiveness into the future.

The research also explores corporate efforts to help address wider challenges facing Indian society. One of them is expanding people's and organisations' access to digital information and technology. The rewards of digital transformation, after all, will be limited unless such access is ensured for all the stakeholders in a company's ecosystem—its existing and potential customers, partners and suppliers—and indeed all of society. The business leaders taking part in our survey understand this linkage and recognise the role their companies can and should play in boosting digital access in the country.

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<sup>1</sup> The survey sample consists of 34 respondents, 79% of whom are chief executive officers, chief operating officers and others holding C-level positions.

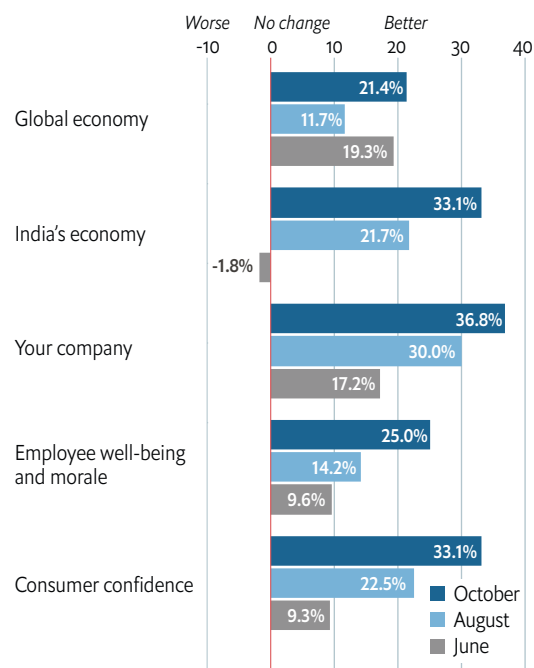
## All systems go

If Indian executives harbour any doubts about the strength of recovery in their markets, they are not evident in the survey on which the IBB is based. The barometer readings have improved markedly since the previous edition in all five indicators that it tracks. For example, expectations for Indian economic performance are extremely positive, reading 33.1 on a scale of -50 to +50, compared with 21.7 in August and -1.8 recorded in June. The Economist Intelligence Unit shares the survey respondents' optimism: it forecasts domestic GDP growth of 8.2% in this fiscal year (April 2021 to March 2022) and a similarly buoyant 7.8% in the following year.<sup>2</sup>

The executives' anticipation of growth in Indian consumers' confidence is as high as that of domestic economic growth, also reading 33.1 in the barometer. Somewhat lower, although still decidedly positive, are expectations of growth in

**Figure 1: Barometer readings**

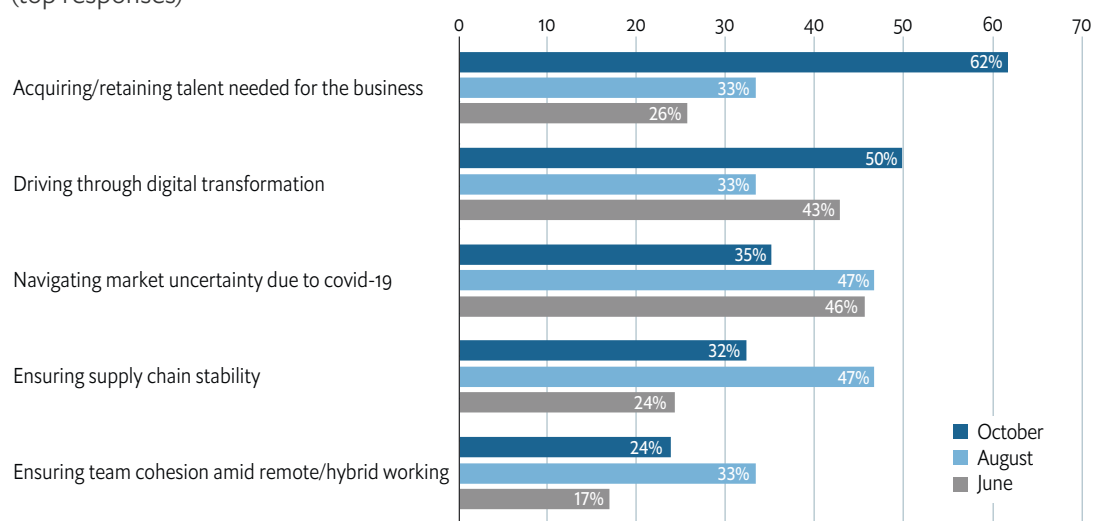
Business expectations for the next three months



Source: Economist Impact

**Figure 2: Talent constraints**

The most significant challenges faced by respondents' businesses over the next 3 months (top responses)



Source: Economist Impact

<sup>2</sup> See <https://country.eiu.com/india>

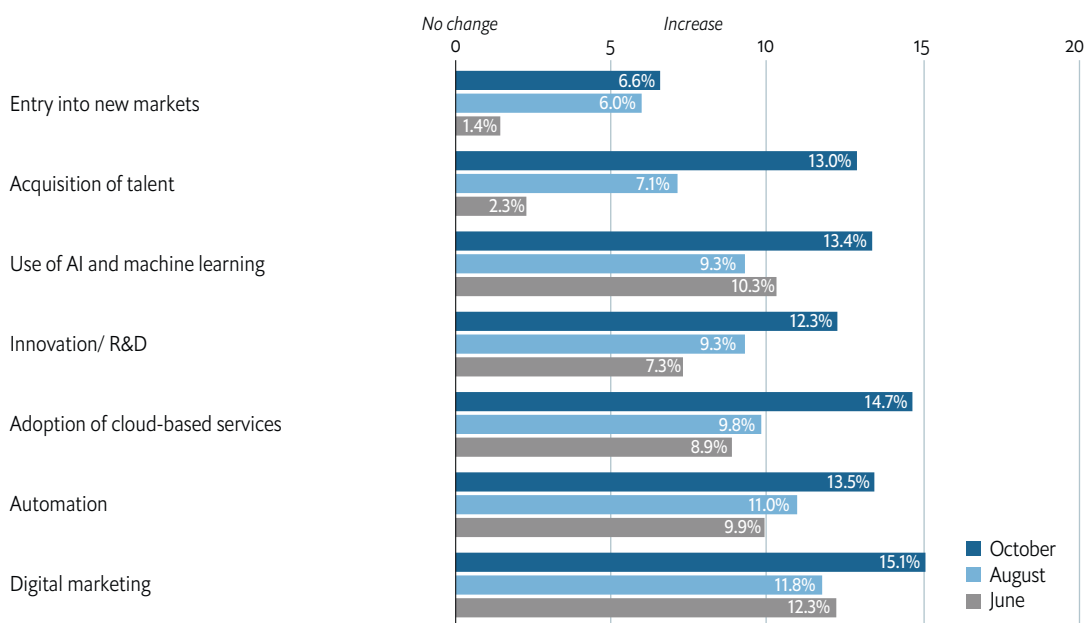
economies outside India (a reading of 21.4). This could reflect recent signs of slower expansion in China and the US, two of India’s key export markets. Any doubts about external growth are not reflected in business leaders’ outlook about their own companies’ prospects: that barometer reading sits at 36.8, more than twice as high as the one taken in June.

As elsewhere in the world, the larger questions about a sustained recovery involve not demand growth but the ability of Indian businesses to keep pace with it. The biggest strain the latter are currently experiencing relates to acquiring and retaining talent, a factor highlighted by 62% of the surveyed executives. This is a considerable increase on the 33% who cited this factor in August, and a good indicator of how aggressively Indian businesses are seeking to expand. Supply-chain issues, by contrast, appear to have receded as a limitation to growth.

### Mission digital

Second on the list of top business challenges in the months ahead (cited by 50% of executives), is driving through digital transformation. This is less a growth barrier than a signal of the importance and urgency that Indian business leaders attach to this endeavour. The urgency is also clearly reflected in the investment priority they are placing on boosting digital capabilities. It is striking, for example, the extent to which investment intentions in various categories of digital technology have strengthened in comparison with earlier in 2021. More Indian companies are clearly taking off any handbrakes they had been applying to their digital investments. For example, the barometer reading of 15.1 for investment in digital marketing reflects more than minor spending increases: over half the executives who say investment will grow say it will be by a magnitude of more than 10%. The same is true of those intending to invest more in cloud-based services and in automation in the three months to come.

**Figure 3: Barometer reading**  
Investment expectations for the next three months



Source: Economist Impact

## Access divides

India has made enormous strides in the past two decades in connecting people to the internet, particularly thanks to the growth of affordable mobile connectivity. In Economist Impact’s Inclusive Internet Index 2021, India ranked 20th of 120 countries in terms of internet affordability.<sup>3</sup> Yet according to the International Telecommunications Union (ITU), just 41% of Indian citizens actually used the internet in 2019.<sup>4</sup>

Reducing this persisting digital divide is of course an enormous socio-economic challenge for the country. But it is also a business challenge, as 62% of the surveyed business leaders say that inadequate internet connectivity is an impediment to their companies’ growth.

Expanding digital access is partly a matter of improving internet infrastructure. Asked to identify the chief barriers to information access, near the top of the respondents’ list (cited by 32%) is the insufficient quality of

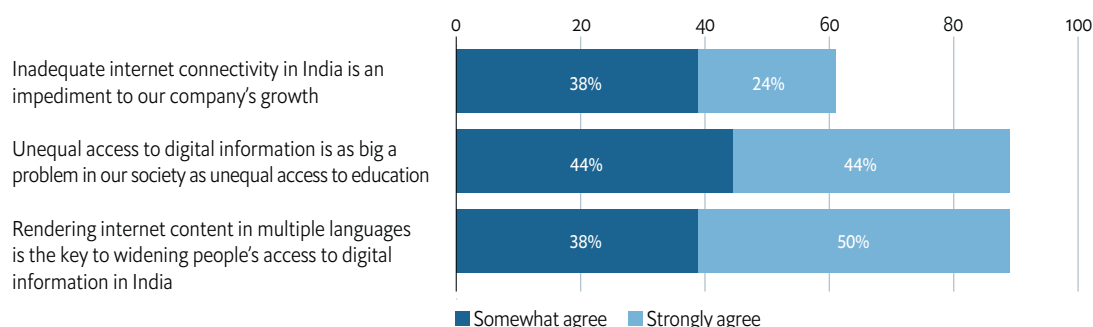
that infrastructure, resulting in slow upload and download speeds in parts of the country. Another barrier is the dearth of public WiFi in some cities and towns (cited by 27%).

The challenge is wider, however. Improving the coverage and quality of infrastructure is of course critical, but that is mainly the remit of government agencies and telecommunications providers. Top of the respondent’s list of access barriers is low levels of digital literacy, cited by 41%. Another, mentioned by 24%, is the limited availability of internet content in multiple languages. India has 22 major languages (and thousands of lesser ones), and far from all citizens can find information of importance to them in their native language.

Nearly nine in 10 survey respondents (88%) agree that “unequal access to digital information is as big a problem in our society as unequal access to education”. Precisely the same number believe that “rendering internet content in multiple languages is the key to widening people’s access to digital information.”

### Figure 4: Big gaps to close

Share of respondents agreeing with statements about internet connectivity and content



Source: Economist Impact

<sup>3</sup> See <https://theinclusiveinternet.eiu.com/>

<sup>4</sup> Data sourced from the World Bank: <https://data.worldbank.org/indicator/IT.NET.USER.ZS>

Digital literacy and multi-lingual content are challenges that all businesses with an online presence—not just technology companies—can help to address. As we will see, many are doing so, but those in our survey believe the first thing they need to do to improve digital access is to make it, and people’s personal data, secure.

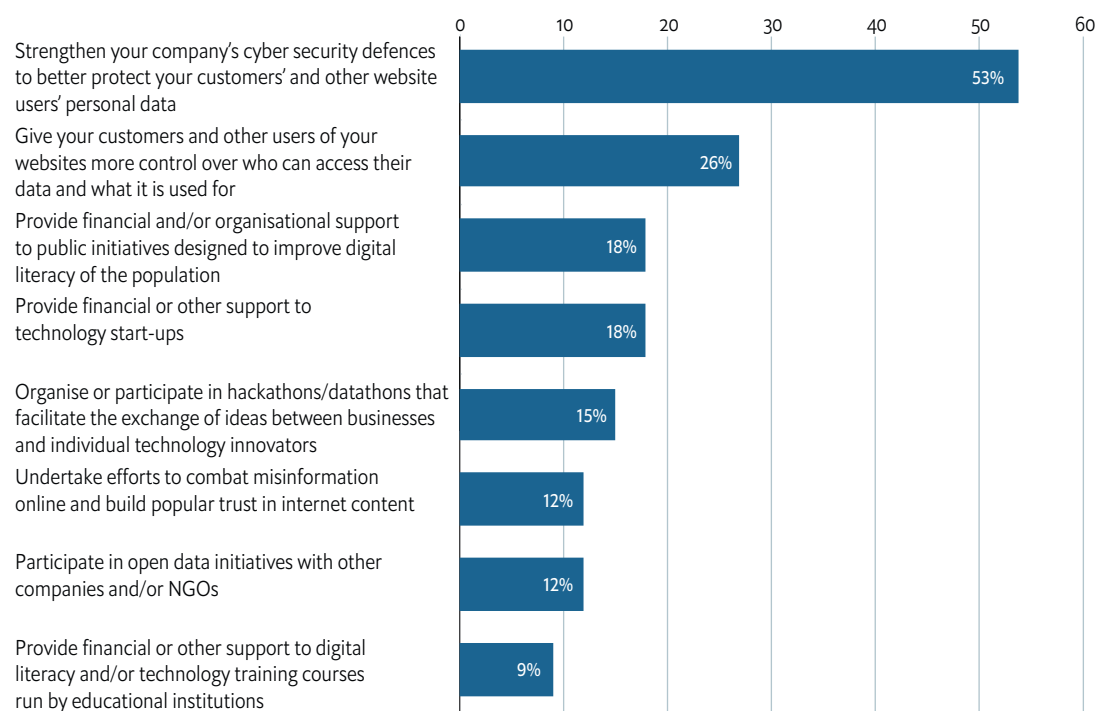
Among a menu of different actions companies could be taking to broaden digital access, by far the one taken most frequently by those in the survey (by 53%) is strengthening their cyber security defences, in order to protect their customers’ and website users’ data. Another oft-cited measure (by 26%) is to give customers and website users more control over how their personal data is used. Just

under one-fifth (18%) provide financial or other forms of support to public digital literacy initiatives, and the same number say they provide support to technology start-ups.

Several businesses are also striving to render the information they provide on their websites and apps in multiple languages. Nearly two-thirds (65%) of those in our survey provide information in two or more languages spoken in India, and just over one-fifth (21%) do so in five or more. Such efforts accord with initiatives organised by the Federation of Indian Chambers of Commerce and Industry, in partnership with the Indian Language Internet Alliance, to foster the growth of digital content available in all 22 of the country’s official languages.<sup>5,6</sup>

**Figure 5: Primacy of protection**

The ways in which respondents’ businesses seek to improve people’s and organisations’ access to digital information and technology



Source: Economist Impact

<sup>5</sup> See, for example: [https://www.business-standard.com/article/technology/making-a-billion-go-online-ficci-calls-for-language-friendly-internet-119111801428\\_1.html](https://www.business-standard.com/article/technology/making-a-billion-go-online-ficci-calls-for-language-friendly-internet-119111801428_1.html)

<sup>6</sup> Disclosure: Google, the sponsor of the India Business Barometer, established the Indian Language Internet Alliance in 2014.

There is, however, much more that businesses, especially large ones, can do to broaden digital access. For example, they can make data available more widely by participating in open data initiatives with small companies and non-governmental organisations. They can also take part in hackathons or similar events that facilitate the exchange of ideas between businesses and individual innovators. And they can provide financial or organisational support to digital skills courses run by educational institutions. Only a small handful of surveyed executives in India say their companies take such measures today.

### **Making access count**

In taking efforts to expand digital access in India, business leaders must not lose sight of the bigger picture: access to the internet and the information it hosts is only valuable to the extent that people and organisations use it for their own or society's benefit. Whatever users' objectives in accessing digital content—whether to inform or educate themselves, to locate products they need at the right price point, to find employment, to conduct financial transactions, to network with like-minded peers, or some other goal—it must have two attributes: trustworthiness and relevance.

These qualities are entirely within the ability of businesses, in whatever field they operate (i.e. not just technology providers), to develop and control. Companies have a responsibility, for example, to ensure that the information

they provide online about themselves, their products and services, or their markets are accurate and reliable. Relevance is attained in different ways—for example, giving users the ability to tailor information or a service to their specific needs, or by rendering the information in the user's main language, as discussed above.

Ensuring that their content is consistently trustworthy and relevant need not be costly to businesses. The efforts they undertake to do so stand a good chance of being repaid with customer and user loyalty. Such efforts will also contribute to the greater good of fostering digital equity in Indian society—making the internet useful for all.

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