CHAPTER IV
Chapter IV E-Marketing in India

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4.1 The Internet in India

As far as most of us are concerned, the Internet was made publicly available in 1995. However way back in 1987, the Education and Research Network (ERNET) was formed – a joint undertaking of the Department of Electronics (DOE), and the United Nations Development Programme (UNDP). Software exporting companies and government agencies got online thanks to the Software Technology Parks of India (STPI) and National Informatics Center (NIC). There were no firm guidelines as to who could get a connection and who could not. Those who had Internet connections complained about bad connections – one early adopter spent four days trying to download a 100K file, since the connection kept dropping. Thus, for years, the Internet was restricted to a select few, while the rest of India was blissfully unaware of the revolution waiting to be unleashed.

Finally, in August 1995, Videsh Sanchar Nigam Limited (VSNL), India’s international telecom carrier, threw open India’s windows to the world by becoming the sole Internet Service Provider (ISP) and offering access to the Internet for a price. Given the high initial price of Rs.125 per hour of graphical access, there were few takers. And being a monopoly, VSNL did not go out of its way to market the Internet to people. Contrast
this with the early days of the Internet in the US, where AOL went out if its way to hook people to the Internet, promoting it through mass evangelism.

Between then and 1998, prices were reduced to make Internet access more affordable. However, VSNL's monopolistic status was sufficient cause for lethargy, with users more often than not being offered poor services — take it or leave it. All that changed on November 6, 1998, when ISP services were privatized. At the time of writing this book, there are 4 national ISPs — Satyam Online, MTNL, and Mantra Online has jumped into the fray to compete with VSNL. Satyam being the first private ISP (but yet having to depend on VSNL for its connectivity to the Internet), aggressively marketed their services — getting on to technology Windows 95 brought with it. All a user had to do was make a down payment for a certain number of hours of connectivity, run a CD on his machine, and he was all set to log on to the Net in a few minutes — a far cry from when the customer was at the mercy of the “wait-for-it-then-figure-it-out-on-your-own” policy of the VSNL monopoly.

4.1.1 Internet Survey

A survey indicates that India’s Internet subscribers increased - from a meager 0.7 million subscribers in November 1998 to over 1.8 million subscribers by 31 December 2000.

This significant boost to the country's Internet plans can be accounted to the Government, which has announced several landmark decisions that have helped increase Internet penetration in India.
Nasscom Internet survey conducted in 68 cities / towns in India in January 2001 (accounting for over 92 percent of the total Internet users in the country) on Internet Usage Trends and came up with some interesting findings:

- More than 200 cities and towns in India have Internet connectivity.

- As on December 2000, there was a PC base of 5 million PCs. Out of these, there were more than 3.7 million machines that had Pentium I and above processors (i.e. machines which could be effectively used for Internet).

- More than 120 private ISPs would be fully operational by June 31, 2001 (out of the projected 500 licenses to be given by that date).

- At least 12 private international gateways for Internet are expected in the same period. Seven private international gateways are already operational by December 2000.

- Over 81 percent of PCs sold during financial year 1999-2000, were driven by the need to access the Internet.

- More than 86 percent of top 100 corporate companies (who responded to the survey) have endorsed the Internet and E-Marketing as being an integral part of their corporate strategic framework for next year.

- 91 percent of India's corporate Web sites are located overseas.
The capital cities (New Delhi and other state capitals) today account for 79 percent of Internet connections across the country.

Chart 4.1 and 4.2 give details about growth of internet in India.

Chart 4.1 Growth of internet in India

Chart 4.2 Growth of internet in India (projections)
4.2 E-Marketing in India

India is currently in the midst of an E-Marketing revolution. The arrival of the Internet followed by the escalating growth of Web-based businesses is leading to E-Marketing both on the B2B and the B2C sides. The E-Marketing trends in India are in perfect accordance with the sweeping changes taking place in the global markets. Even the Government has proved itself to be IT friendly and has taken significant strides in the past few months to ensure that the economic climate is ripe for e-business.

As per a Nasscom - McKinsey study 1999, India has the potential to earn revenues worth US$ 10 billion by 2008 from e-business solutions. (Both the domestic and export markets put together).

And the Indian players can achieve this goal by:

- Increasing their reach.
- Establishing deep relationships.
- And expanding the scope of businesses covered.

As part of its survey on E-Marketing, Nasscom also conducted a study on the plans and capabilities of software companies in India. Some of the preliminary findings on E-Marketing / e-business software exports potential are as follows:
The study revealed that Supply Chain Management optimisation and Customer Relation Management are going to be one of the strongest drivers of the global E-Marketing solutions market. And more than 72 percent of Indian software houses were found to possess strong expertise in Supply Chain Management and CRM.

Some of the areas of E-Marketing services available are:

- Legacy application integration
- Internet application integration
- EDI
- Migration to Web-based models
- New IT frameworks
- Integration with business strategies
- E-Marketing training services

The projections of revenues from Internet and E-Marketing related software and services exports were revealed in chart 4.3.
4.2.1 E-Marketing Taxation

United States has already provided a three-year moratorium to levy any tax on E-Marketing transactions. While our Finance Minister has also announced that there will be no tax on E-Marketing transactions in the fiscal year of 2000-01, it is imperative that a clear-cut policy of Government of India is formulated. The Indian government has formed a high-powered committee on electronic commerce and taxation under the Central Board of Direct Taxes. This committee is reviewing the various aspects of E-Marketing transactions and technology transfer and evaluating whether these should be subject to income tax.

Nasscom has recommended a five-year moratorium on E-Marketing transactions and also suggested a comprehensive study on the various issues involved, before a decision is taken to tax E-Marketing. In
fact, due to the global nature of E-Marketing, it is suggested that India should support a permanent ban on taxes on Internet access, a permanent ban on custom duties on electronic transmissions, international tax rules that are neutral, simple and certain; and simplification of state and local sales taxes.

4.2.2 The Indian Scenario

The Net has virtually become a household name in India. The sudden splurge in the Internet front in a large way owed to the increasing number of private ISP market mushrooming all over the country, offering the cyber voyage for more and more competitive prices. In a splash of time, Internet in India has come to be viewed as the most vital medium for information, entertainment, communication and the sole means for electronic commerce.

Today, everywhere one looks, the signs of Internet's arrival and adoption loom large. And as the Internet proliferates, so will E-Marketing and e-business - this is now a universally recognized fact. Therefore boosts in the expansion of the Internet in the country will not only help India become a vital part of the emerging global e-economy, it will also enable its citizens to avail the benefits of the web enabling experience.

Though we still lag behind stalwarts like China, Japan and Taiwan in terms of Internet usage yet the gradual quickening in the pace of India's Internet growth can be judged by the India Internet Log Book 2000, which reports over 1.8 million subscribers (and more than 5.5 million users). And
the estimated figure by 31 December 2003 is a whopping 50 million! Chart 4.4 explains the growth of internet subscribers and table 4.5 explains the growth of e-commerce.

**Chart 4.4 Growth in internet subscribers in India**

**Growth in Internet Subscribers**

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Subscribers in Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1.8</td>
</tr>
<tr>
<td>2003</td>
<td>50</td>
</tr>
</tbody>
</table>

**Chart 4.5 Growth of E-commerce in India (projections)**

**Growth of E-commerce (Projections)**

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Total Ecommerce Transactions (in Rs crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>131</td>
</tr>
<tr>
<td>1999-00</td>
<td>450</td>
</tr>
<tr>
<td>2000-01</td>
<td>2,300</td>
</tr>
<tr>
<td>2001-02</td>
<td>7,500</td>
</tr>
<tr>
<td>2002-03</td>
<td>20,000</td>
</tr>
</tbody>
</table>
The total volume of E-Marketing transactions in India was about Rs. 450 crores in 1999-2000. The Nasscom survey revealed that e-business transactions in India are expected to exceed Rs. 2,300 crores in 2000-01 and go up to a whopping Rs. 40,000 crores in 2003-04.

The survey revealed that during the year 2000-01:

- E-Marketing transactions did not grow to the level, as was initially expected.

- The B2C segment was the biggest hit.

- E-tail segment is projected to earn only Rs. 50-60 crores.

- Whereas stock traded online are projected to have transactions worth Rs. 1,200 crores.

- The total projections of E-Marketing transactions during 2000-01 are at Rs. 2,300-2,500 crores.

A firm regulatory framework, improvements in telecom infrastructure and enhanced PC penetrations are expected to spur this trend during coming years.

The user side:
E-Marketing means business! Some of the highlights of the domestic E-Marketing scenario based on the findings of Nasscom's survey include the following:

- Among user organizations, more than 85 percent expressed keen awareness about the increasing adoption of E-Marketing and its potential benefits.

- More than 43 percent of corporate respondents said that E-Marketing transactions were integral to their corporate plans. Of these nearly 85 percent were industries, which did not have direct or frequent contact with end consumption.

- About 21 percent of companies already have some form of E-Marketing infrastructure in place. These have been facilitated through the upgradation of existing IT systems or fresh installations or E-Marketing transactions.

- More than 90 percent of the respondent cited perceived efficiency in Supply Chain Management as a motive for business-to-business E-Marketing and enhanced customer service (Customer Relationship Management) for business-to-consumer transactions. The other cited benefits included moving towards Just-in-Time management.

- About 49 percent of the respondents said that given the right framework and cost effective infrastructure, they would like to move towards adopting E-Marketing at the earliest.
Some of the key industries that have high potential for early adoption of E-Marketing are financial (stock exchanges and banks), automobiles, retail, travel, IT and manufacturing.

4.3 Domestic IT Market


Major trends in the domestic IT market during 1999-2000 were:

- Increasing demand for personal computers and the rising popularity of the Internet were the two major forces driving the growth of the domestic IT industry. PC (including PC servers) sales during 1999-2000 exceeded 1.2 million units and aggregated revenues of over Rs. 5,000 crores. The SOHO segment was the major area contributing to PC sales.

- The installed base of PCs in the country stood at 4.3 million as on 31 March 2000. Thus, the PC penetration transcended to about 4.3 computers for every 1,000 people. This has increased to 5 PCs for every 1,000 by 31 December 2000 and an installed base of 5 million PCs.

- 1999-2000 was the year of the dotcoms. More than 10,000 active dotcom companies were launched during the year, addressing the entire spectrum
of B2B and B2C solutions. Many of these witnessed mergers and acquisitions during the year.

❖ Y2K solutions emerged as an important driver of the domestic IT services market during 1999-2000. Although Indian organisations were late to respond to this immovable deadline, they were quick to take the issue head on and achieve high levels of Y2K compliance within a relatively short period of time. According to a Nasscom Survey, the total IT spending from 1997 to 31 December 1999 in India on the Y2K bug was of the order of Rs. 1,800 crores (US$ 410 million).

❖ IT users in India started showing a marked preference for open platforms that can be implemented at low costs. Platforms such as Intel / Windows NT / UNIX, emerged as popular choices for integrating the functions and departments of organizations as these also promise extremely high transaction processing rates.

❖ Open platforms such as Linux, Perl and Apache, gained increasing acceptance amongst large software developers and major IT users. However, this trend was even more marked amongst Small and Medium Enterprises (SMEs) as it brought almost zero cost purchase / support offering functionality that is as good as in priced products of a similar genre.

❖ The Government also fuelled the growth in the IT market in 1999-2000. An entire gamut of projects envisaged in Central and State governments' policies were put into action during the year.
An increase in the demand of web servers and solutions was seen due to the need to implement E-Marketing solutions in brick and mortar companies as well as click and order companies.

Large sectors with low IT penetration, such as textiles and healthcare received a strong thrust from the government as well as the private sector to adopt information technology.

Users emerged as willing to pay a premium for quality value added services. Workgroup solutions are on the agenda of FTUs as well as those who are upgrading their systems.

Chart 4.6 demonstrate the growth of IT market in India from 94-95 to 00-01.

Chart 4.6 Domestic IT market growth
The year 2000-01 is expected to show enhanced performance aided by streamlined public procurement procedures, which would be helped, by the infrastructure, telecom, government and financial sectors. The SME and SOHO markets will continue to be major drivers of the domestic market in 2000-01.

4.3.1 Domestic IT Market Constitution

The vertical segment contributions to the total domestic IT market pie may be fragmented as below in chart 4.7:

Chart 4.7 Domestic IT market constitution
4.3.2 Domestic Software

The Indian software industry - arrowhead of India's IT weaponry has virtually taken the country and the world by storm. The domestic software market has been continuing with better performance over the years than many other industry sectors.

4.3.3 The Escalating Growth

Nasscom has been able to collate accurate data for domestic sales figures only since 1993. And found that the proliferation of Internet and growth in the SOHO market has resulted in significant growth rates in the domestic market. Charts 4.8 demonstrate the revenue of domestic software market.

Chart 4.8 Revenue of Domestic software market.
The domestic software market has shown a C.A.G.R. of 41 percent, which has been steadily improving, in the last few years and is expected to cross Rs. 12,500 crores or US$ 2.7 billion in 2001-02.

4.3.5 Reasons for Growth

Despite a sluggish global market, the domestic software segment achieved a growth of over 30 percent due to the following reasons:

- Increased government computerization
- Implementation of e-governance and e-banking
- Elimination of import duty on software
- Increased enforcement of anti-piracy laws
- Increased maturity in end-user organisations

4.3.6 Nasscom Efforts

One of the main reasons for the software revenue growth and an important highlight of the year 2000-2001 was the focus towards e-governance by state governments in India. Nasscom is working in close association with various state governments to proliferate the software and IT enabled services industry in their respective states. 19 of the 26 state governments have already announced their IT policy and many others have formed high-level Task Forces.

Due to the various endeavours happening in India, it is expected that in the coming years, the domestic market for software can even
register more than 50 percent annual growth rates. Some of these endeavours are:

- Rigorous enforcement of copyright laws
- Increased government spending on IT
- Speedy increase in E-Marketing

Chart 4.9 describes about India software and services market from 1995 to 2001.

**Chart 4.9 Indian IT industry**


- Rs. in Crore
- US$ Million

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs.</th>
<th>US$ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>95-96</td>
<td>4,190</td>
<td>1,124</td>
</tr>
<tr>
<td>96-97</td>
<td>6,130</td>
<td>1,755</td>
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<td>97-98</td>
<td>10,040</td>
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<td>98-99</td>
<td>15,890</td>
<td>3,900</td>
</tr>
<tr>
<td>99-00</td>
<td>24,350</td>
<td>5,700</td>
</tr>
<tr>
<td>00-01</td>
<td>37,750</td>
<td>8,260</td>
</tr>
</tbody>
</table>

4.3.7 Statistics

- In the year 2000-2001, the software industry in India was worth Rs. 37,760 crores (US$ 8.26 billion), whereas a decade back the software industry in India was not more than Rs. 300 crores or US$ 150 million.

- It is to be noted that this phenomenal growth of the industry has not been achieved overnight. The C.A.G.R. (Compounded Annual Growth Rate) for
the Indian software industry revenues in the last five years has been 55.2 percent and the C.A.G.R. for the software export industry has been 62.3 percent while that for the domestic market has been 41 percent.

- Despite these high growth rates, India's share in the world software product market is still very low, but India still enjoys an advantage over many other nations in software development, services and exports. This is due to the fact that India possesses the world's second largest pool of English speaking scientific manpower. The fact that the quality of Indian software is extremely good with relatively low cost also is another major advantage India has in the world market.

- Since 1991, Indian software exports have grown mainly based on India's reputation of high quality and cost effectiveness. However, increasingly India is being looked up for providing state of the art technology and timely deliveries. According to US government estimates, more than 260 of Fortune 1000 companies outsourced their mission critical software development to India in the year 2000. Undoubtedly, the major strength for India lies in producing high number of engineering graduates. Lately, the Government of India has taken steps to triple the output of engineering students by the year 2008.

- As on 31 December 2000, the employed IT software and services professionals increased to 410,000. The IT software and service sector continues to be amongst the fastest growing sectors in the Indian economy.
4.3.8 Software Export

The Indian software export industry continues to show impressive growth rates. In terms of Indian rupees, the C.A.G.R. over the past five years has been as high as 62.3 percent. The industry exported software and services worth Rs. 30 crores in 1985; in 2000-2001, a total export of Rs. 28,350 crores (US$ 6.2 billion) was achieved and it is expected that during 2001-2002, software exports will be worth Rs. 40,000 crores (US$ 8.5 billion).

The software industry in India expects to reach an export level of US$ 8.5 billion by 2001-02. The Nasscom-McKinsey report has set a target of US$ 50 billion of annual IT software and services exports by 2008. In addition India centric companies are expected to earn revenues of US$ 12 billion by 2008, chart 4.10 tells the progress of software and services export.

Chart 4.10 Export of IT products

![Chart of IT Software and Services Export Industry (1995-2001)](chart.png)

- Rs. In Crore
- US$ Million
For achieving this velocity of business, both the industry and Government of India are currently taking some bold and purposeful steps.

Some of these are:

- Path-breaking measures by the government to further liberate the economy
- Simplification of procedures
- Deployment of additional resources for technical manpower development
- Providing new marketing channels
- Enhancing global brand equity
- Providing state of the art infrastructure for software development

And currently the most emphasized segments in this arena are:

- E-Marketing solutions
- Software development
- Interactive integration services
- Application Service Providers
- IT enabled services
4.3.9 Export Destinations

In 2000-2001, India exported software to 102 countries around the world.

Almost 62 percent of exports were to North America. USA continues to be India's largest export market and would continue its leadership position in the coming years.

Export to Europe increased to 24 percent. More market opportunities in Japan, South Africa, Canada, Australia and West Asia were discovered.

The six OECD countries (USA, Japan, UK, Germany, France and Italy) together have almost 71 percent of the worldwide software market. Interestingly, India's exports to these countries are almost 80 percent of its total software exports (chart 4.11).

Chart 4.11 Countries importing Indian IT products
The new markets being vigorously explored include Korea, South Africa, Malaysia, Latin America and countries in Eastern Europe.

4.3.10 The Indian Scenario

The McKinsey Quarterly reads, "Multinational companies already understand India's advantages as a platform for software development. But increased bandwidth and universal networking standards are now giving them an opportunity to move many parts of their business systems. By 2008, global remote-service operations may undertake activities accounting for half a trillion dollars around the world and representing every element of the value chain: upstream activities such as research and design, manufacturing-related activities such as procurement and logistics, front-end activities such as marketing and sales, and staff functions such as accounting, information technology, and human-resources management. Such operations could generate cost and other savings of about US$ 400 billion, to be shared by the users and the providers as profits. Seizing the opportunity, one global financial services company has already achieved annual savings of more than US$ 250 million - according to its management, only a fraction of the total savings potential. "This view is shared by rapidly increasing number of Fortune 500 companies.

4.3.11 India's irresistible and sustainable value proposition

By outsourcing IT enabled services requirements to India, large overseas companies, including increasing number of Fortune 500 companies and existing overseas service providers are not only achieving
significant benefits in cost, quality and time but also creating platforms for building new businesses. Overall, these benefits are due to the advantages offered by relevant skill-surplus economies. India offers the case of best value proposition for all IT enabled services.

India’s value proposition is already leading IT enabled services hubs such as Ireland and Singapore to back-end their operations in India, since skilled labour is becoming an increasingly scarce resource in these countries. To top it up, telecom infrastructure is increasingly becoming competitive in India. Coupled with active support of state, India is offering hard to beat proposition to emerge as a "Preferred Global Hub."

Seizing the opportunity, several companies in the financial service sector, for example, have saved at least 50-60 percent of their process costs. The process redesign that comes with, out location also provides additional cost savings and consolidation of operations.

IT enabled service centers in India are able to deliver superior quality because of specialisation and scale benefits. India already has a large and rapidly growing number of IT enabled services’ providers collectively covering a wide range of services with different levels of complexity and value adds. Yet another compelling rationale for IT enabled services is that it allows companies to capitalise on time zone differences and to provide round-the-clock services, every day of the week on (24 x 7) model. For example, doctors in the US can have transcribed records of their notes at the start of the next day by sending them to medical transcription services in India who will start work at the end of their working day in the US.
Finally, companies can discover new business opportunities in the skills they learn from operating IT enabled services. GE Capital, one of the largest IT enabled services' operation is now planning to extend its services beyond financial services to other GE group companies as well as to external customers. It aims to expand its IT enabled services' operations in India to over 10,000 employees. Also, there are already a large number of smaller Indian companies that provide services in many areas of the business system.

India and Ireland have emerged as particularly attractive locations for IT Enabled Services.

These advantages are supported by the significant number of entrepreneurship opportunities dotting India's technology landscape as well as increasing value creation opportunities for venture capitalists through this sector.

.3.12 Potential for India

As per the Nasscom survey, revenues from IT Enabled Services sector in India in 2000-01 are estimated to be Rs. 4,100 crores from a base of Rs. 2,400 crores in 1999-2000.

Customer Interaction Services including call centers and customer support centers were prime areas of growth during 2000-01. In fact, customer interaction services continued to be the highest growing segment within this sector with a growth of 112 percent over 1999-2000

As per Nasscom’s projections, IT Enabled Services can generate revenues of US$ 17 billion and provide employment for 1.1 million people in the next eight years.

4.3.13 Statistics

To gauge the dimensions of the IT industry in India, it would be relevant to look at the achievements, indicators and growth prospects of the segment:

- In 1999-2000, the Indian IT industry was estimated to have earned revenues of Rs. 37,080 crores or US$ 8.67 billion - a growth of almost 50 percent as compared to Rs. 24,781 crores (US$ 6.05 billion) in 1998-99.

- In the last five years (1995-2000), the Indian IT Industry has recorded a C.A.G.R. (Compounded Annual Growth Rate) of more than 42.4 percent, which is almost double the growth rate of IT industries in many of the developed countries.

- In India, IT spending as a percentage of the GDP is currently about 1.68 percent. In the US, however, the IT spending as a percentage of GDP is more than 6 percent. With Government of
India's resolve to increase IT spending, it is forecasted that by 2008, IT spending in India could touch 3 percent of its GDP.

- The IT manufacturing sector is growing at an average rate of 30 to 35 percent annually over the past decade. And the industry has over 150 major hardware players supported by over 800 ancillary units and small time vendors engaged in sub-assemblies and equipment manufacturing.

- Software continues to contribute a major portion of the Indian IT industry's revenues. During 1999-2000, the software industry's revenues constituted over 65 percent of the Indian IT industry's annual revenues.


- More than 185 of the Fortune 500 companies outsourced their software requirements to Indian software houses.

- R&D spending by Indian software houses touched around 3.4 percent of the total revenues in 1999-2000. This signifies the involvement of increased resources in creating IPR and developing practices and domain knowledge for moving up the value chain.
Peripheral sales showed a significant increase in volumes and a major surge in revenues. The peripherals segment grew at more than 38 percent, with revenues at Rs. 1,985 crores (US$ 462 million) during 1999-2000. This growth was largely dominated by growth in the 'printer' segment.

The IT training segment grew at almost 37 percent with revenues of Rs. 1,720 crores (US$ 400 million) in 1999-2000. Web designing, E-Marketing and high-end certifications contributed a significant portion of the IT training industry's revenues.

During 1999-2000, more than one million PCs were sold in India. This took the PC penetration in India to 4.3 PCs per 1000 people by the end of 1999-2000 (31, March 2000). However, since then the penetration rate has gone up to 5 PCs per 1,000 people (as of 31 December 2000).

The Internet revolution took off in a big way during the year 99 – 2000 with the number of subscribers increasing to 9 lakhs (0.9 million) by March 2000. This translates to almost 28 lakhs Internet users in the country. However, by 31 December 2000, the Internet subscribers went up to 18 lakhs (55 lakhs users).

More than 460 licenses were issued to private ISPs during the year and massive price reductions were announced by ISPs to combat the excessive competition. International gateway by private ISPs also became operational.
• IT stock dominated the Indian stock market and the market capitalization of listed Indian InfoTech stock peaked to US$ 95 billion in February 2000. However, on 31 December 2000, it reached a low level of US$ 39 billion.

• The Government has conventionally been recognized as a key driver of the domestic IT demands in India and around the world. For example, in the US, about 23 percent of total domestic IT spending is derived from government and public sector units. In 1999-2000, Government spending in India constituted more than 34 percent of total IT spending.

• The sectors that took serious initiatives to adopt and implement IT were the Central / State administrations, insurance companies, financial institutions, the Defence segment, the public tax system, ports, customs, telecom, education institutions and the Small Office Home Office (SOHO) segment.

• The year also witnessed major computerization in the Indian banks. 12,000 bank branches out of 45,000 were computerized.
Chart 4.12 and Table 4.1 explains about Indian IT industry.

Chart 4.12 IT industry in India

<table>
<thead>
<tr>
<th>Time Period</th>
<th>IT Industry in India</th>
</tr>
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<tbody>
<tr>
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</tr>
<tr>
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<tr>
<td>1995-96</td>
<td>2.88</td>
</tr>
<tr>
<td>1994-95</td>
<td>2.04</td>
</tr>
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</table>

- US$ Billion
- Rs. in Crore
Table 4.1 Indian IT Market statistics

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<td>350</td>
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<td>400</td>
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<td>734</td>
<td>39,000</td>
<td>1,083</td>
</tr>
<tr>
<td>Total</td>
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<td>835</td>
<td>41,900</td>
<td>1,224</td>
<td>63,100</td>
<td>1,753</td>
</tr>
<tr>
<td><strong>Hardware</strong></td>
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