

new media

A Click here, a brick there

Contrary to popular perception, Offline is complementing Online businesses instead of competing.



High Tech/High Touch is what American author John Naisbitt predicted about two decades ago and, just as with most of his other futuristic predictions, this one too has come true. Technology, it is often said, is a great leveller as it brings the necessary change. Change, with a pace. It changes the product life cycle of a brand or a category. It touches the human life and attacks on the habits. The rate at which the 'habit factor' will change determines the success or failure of a product (new or innovative) in the marketplace.

High Tech/High Touch is influencing some of the internet businesses in India. Internet is relatively a new medium in India and has its own challenges. It is the fastest growing medium though and has an active user base of about 32 million as per the latest I-Cube

report, 2007.

The growth of internet users is largely dependent on PC penetration and internet access points. Urban India has about 77 million English-speaking populations and is one of the limiting factors for the internet growth. As per the I-Cube report, "A significant increase is expected in Internet penetration due to increasing focus on literacy, computer education and vernacular content in the coming years."

Though Internet is the fastest growing medium in the country, the overall penetration is just about three percent. The first benchmark is to cross the 100 million mark and it is possible only with rapid PC penetration, aggressive internet penetration (more should be of broadband connections) and the availability of relevant and language content.

The categories that have helped increase internet usage



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are Travel, Job Search, Matrimony, Social Networking, Gaming, Infotainment content and E-commerce. E-mail checking or chat still tops the chart. This phenomenon is not very different from the developed markets.

Globally, most of the above categories have shifted from Print to Internet, and its happening in India as well, though the pace at which it is happening here is a bit slower compared to other developed markets. John Naisbitt had said: “We are living in a Technologically Intoxicated Zone” and one such symptom is that “we fear and worship technology”. The fear factor seems to be more dominant in India.

One of the factors for a relatively slower growth of e-commerce in India is the limited usage of credit cards for online transactions. The perceived risk of misuse of the information that a consumer perceives is higher and this may affect the ‘User Buying Experience’ (UBE) on the net. One of the inherent benefits of new and advanced technology is that it should deliver the product/service Faster, Easier (de-mystify) and Cheaper. In India, the fear factor can be addressed by inducing more trials and an ability to deliver a better UBE. But, how do you do that?

Online and Offline

Out of the 32 million active internet users, about 54 percent are young men and college students. School going kids constitute 14 percent and working women constitute 11 percent. The user base, therefore, has to not only go up but also be more inclusive across all sections, age groups and tier II and tier III cities. A large number of this population is accessing internet at their workplaces. This too has to change. The solution, therefore, lies in offline presence. The solution may work for some of the services. Online and Offline will complement each other – say Click and Mortar. Travel, Matrimony and Online banking are a few categories where a personalized touch may be needed. And, it will bring more audiences to the internet. In that

sense, it is inclusive of growth.

In the earlier days, print was the gateway to television. Monster, the international job search engine, is using the strength of print to its advantage world over. It has a strategic tie-up with some of the leading print brands in the International market. The readers are becoming the surfers. For Monster, print is one of the gateways to the internet.

Offline is real. It deals with the fear of the unknown. It is perceived as ‘safe and secure’ and, above all, it has a human touch. The offline presence brings tremendous credibility to the Online business.

Offline is a gateway to the Online. It is not ‘Or’; it is about ‘And’. The Click and Mortar for some of these services works like a Centrifugal and Centripetal force. The customers can walk-in to an offline outlet, consume the services there (or try out the services there) and move on to the Online. The consumer can also experience the intangible at this outlet and get closer to the imagery that he or she has for that brand. These Offline outlets will be the touch-points while delivering the services.

Recently, BBC aired a program highlighting Yatra.com and BharatMatrimony.com making in-roads in the market with their offline presence and a strong network of offline outlets across India. The developed markets are curious to observe this new trend of Online-Offline models complementing each other. So, will someone call John Naisbitt to explain how India is likely to see real zone that will ultimately bring India its ‘technologically intoxicated zone’? Or, shall we say “a peaceful co-existence of Online and Offline”? ■



UDAY ZOKARKAR

The writer is the Chief Business Officer, ClickJobs.com.