

Innovating for the Next Half Billion



Over the next five years in India, 500 million first-time internet users are expected to come online via their mobile phones — a population often called the “Next Half Billion” or NHB.

This is a population segment that has been excluded, underserved, and disempowered until now.

CURRENT SITUATION: Two major technology developments in India have made it much easier for businesses and entrepreneurs to reach the NHB.

+200 million Indians access the internet through their mobile phone.



#1. Mobile phone penetration:
3 out of 4 adults have one, and mobile hardware costs continue to decline



#2. Nationwide enrollment in Aadhaar biometric ID system:
99% of everyone 18 and older

The NHB face **seven key barriers** in their digital journey:

High data service costs



Paucity of local language content on the internet



Lack of indigenous apps for social media and communication



User interfaces and experiences not adapted to NHB's social/cultural context



Lack of confidence to transact online

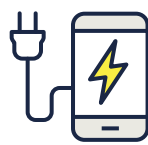


Reticence in using the internet by women, a key customer segment



Lower purchasing power of NHB, which underscores need for frugal innovation

FUTURE: Purpose-driven innovators can create opportunities to improve the lives of these new mobile phone users who can now access much-needed services.



We believe the next wave of entrepreneurship will be from domestic innovators who understand the NHB and can create products that directly meet their needs and **empower this excluded and underserved audience.**



Symbols and language from unfamiliar shopping experiences mean very little to the NHBs — and can be intimidating.

The NHBs have not been exposed to a self-service experience in shopping (using a cart, going to “checkout”). Their typical experience is walking up to a counter and being served by the shop owner who actively helps them decide what to buy.



For women consumers, reposition the prime purpose of mobile internet toward socially acceptable use cases.



Avoid topics that are considered inappropriate (e.g., entertainment and social media), and instead focus on topics such as education and health.



Power to participate? Right now, women are 36 percent less likely to own a mobile phone.

Thousands of new startups will seek to capitalize on the opportunity created by the NHB coming online. Innovators need to **truly understand the pulse of this audience** to cater to the NHB's needs.



Local language content is key in bringing the NHB online as they are not native English speakers.



70 percent of Indians found local language digital content more reliable, according to a KPMG/Google study in May 2017.



Many app categories have low penetration: payments, government services, news, classifieds, and shopping.



The toughest barrier along the journey is building trust and confidence to transact online.

Here are a few tips to overcome the perception people have that “paying online is more complex than other types of connected services:”



Guide them through the first few purchases and start with small amounts.



Send instant confirmations or notifications (e.g., via SMS) to help reassure users.



Learn about the many opportunities within the vastly diverse audience of the NHB by reading Omidyar Network's paper:

“Innovating for the Next Half Billion”



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