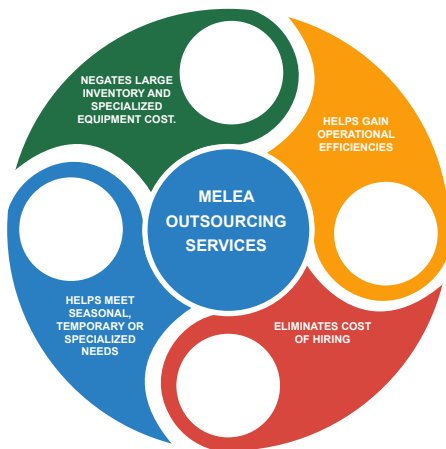




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India third in Tech Start Ups: ASSOCHAM

The introduction of “Make in India” and “Digital India” projects have propelled the domestic ecosystem for new entrepreneurs allowing them opportunities to start up small technical businesses. This has taken India right to the third spot in the global standing after US and UK.

A study conducted by ASSOCHAM in association with Thought Arbitrage Research Institute started that India is home to the third largest number of technology driven start ups in the world. Bengaluru is host to the largest share of technology start ups in the country closely followed by Delhi NCR and Mumbai. Hyderabad and Chennai too are favourable technical entrepreneurial destinations.

India: A growing Internet Destination

15th August, 1995 saw VSNL introduce public Internet access. As India celebrated 70 years of Independence it also celebrated 21 years of having commercial access to the Internet. A recent study by NASSCOM stated that as of 2015, India had 330 million internet users, and is expected to see a 20 per cent CAGR in next 5 years. The study reveals that by 2020 the Internet users in India will almost be double of 2015 figures. We will have 750 million internet users and 75 per cent of new internet users to be from rural areas. This takes relevance from Government’s focus on Digital India and Smart Cities projects.

Let’s take a closer look at the sectors that will get the most impact from this growth.

E Commerce – According to NASSCOM, the overall e-commerce market in India is estimated to be worth \$17 billion by the end of 2016, with travel accounting for 61 per cent of the total online sales. Many renowned Market Research firms like A.T. Kearney – Google, PwC and ASSOCHAM have reported that the e-commerce industry is on a rise. They have stated that the number of women shoppers is likely to rise 5 times increasing the spend on lifestyle and

fashion products.

Travel and Hospitality – Online travel bookings account for 61 per cent of total e-commerce market as of now. The travel sector has seen a rise in women and elderly people travelling more.

Public Sector – The public sector in the past few years has seen immense digitalisation. Impactful initiatives like UIDAI (Aadhar), the Indian Railways website, the e-governance ideas, the online portal for passports and many others have made remarkable strides forward.

Media and OTT – We’ve heard and know about media before however OTT stands for over-the-top, it’s a term used to describe the delivery of entertainment including TV programs and movies – via the internet. With connectivity getting better, the OTT is all set to become the preferred medium for smart phone users.

Financial Technology – Mobile Banking has come a long way. New financial service providers like Paytm, Mobiwik, Freecharge and PayU have given a lot of depth to the E-commerce sector. According to NASSCOM fintech is expected to grow 1.7 times between 2015 to 2020. A report by Google/ Boston Consulting Group estimates about 50 per cent Internet users will use digital payment methods.

This provides a wide opportunity to develop local language applications and sites, search interfaces, download managers and many more. India has surpassed the US in the Internet user base; it stands as the second largest user base after China.

Today, we find that there is an internet business aspect for almost everything- it could be buying and selling of seconds’ goods and furniture, online shopping, travel, doctors, accountants or lawyers. We are expecting smoother transactions and processes online. This would create a lot of opportunities for small scale businesses and that in turn will create more direct or indirect jobs in India.