



# DIGITAL DESH DRIVE 7

DAK EDITION

Connecting Bharat to India

POWERED BY **neustar**

# Foreword

Since 2015, NowFloats, via its initiative of Digital Desh, has strived to deeply understand Bharat, its technology adoption behaviours and in the process discover whitespace for intervention opportunities.

Right from the first drive that we took back in 2015, from Amritsar to Kanyakumari, the focus over each subsequent one has gotten sharper geographically from two states to a single state to this drive, which focused on two districts of Himachal Pradesh, Kangra, and Chamba.

In July of 2019, two of our Digital Desh Fellows, Rajiv and Aakanksha spent 15 days driving across both the districts, covering Dharamshala, Khajjiar, Sakoh, Palampur, Badak, Chamba, Kotla, and Sidhbari. The drive was modelled around the hub and spoke network of India Post as the team travelled from a Head Post Office city to a Sub Post Office town to a Branch Post Office village; along the way, mapping, and engaging small cottage businesses, craftsmen and artisans to understand their pain-points, aspirations, digital orientations and scope for interventions. Another agenda on the drive was to interact with the people across the strata of India Post and figure out a potential role for this vast network in the endeavour to meaningfully connect Bharat to the urban Indian markets.

This book tries to narrate two storylines: One of a skilled rural producer that is disconnected from the free market and the other of a trusted network that can play a critical role in digitally bridging this gap.

We hope you find that one story you deeply connect to, where you believe you can contribute, participate or even lead an intervention. If you can't, don't worry, we are in constant pursuit of putting this great country in touch with itself. Join us on the drives until you find your story.

Thank You,

**Jasminder Singh Gulati**

# Connecting Bharat to India

A skilled rural producer, an affluent and seeking urban consumer, & the world's largest, most trusted postal network.

## ● Establishing Rural Supply Potential

● The Chamba Chappal

● The Kangra Miniatures

● The Chamba Rumaal

● Other Cottage Crafts and Arts

## ● A Trusted Network as an Enabler

● Deep Rooted Trust

● Able Administrators

● Digitization Nudgers

● First-Mile Logistics

● Community Builders

# Establishing Rural Supply Potential

The arts and crafts of Himachal's local Cottage Industries.

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# The Chamba Chappal

Located amidst the bustle of Chamba town in Himachal Pradesh, are a string of compact establishments selling one of Chamba's most intricate leather handicrafts: the Chamba Chappal, a craft that dates to the early 9th century.

The embroidery is done on velvet with raw silk or Zari in different designs and motifs and then pasted on the upper portion of the sandals made of pure leather.

The embroidery on the footwear, the USP of the product, is done purely by hand, mostly by the women of the community. They are able to work on about 10 pairs of footwear each day. The remainder (the cutting, skinning, stitching, and pasting) is performed by skilled local craftsmen who reside in a highly concentrated "Mohalla" of the town. This craft, which is passed down the generations, is what makes these chappals extremely light and comfortable, which along with the embroidery is a key value proposition of these chappals. Raw materials are primarily sourced from Jalandhar and New Delhi. Unfortunately, both the value creators, the artists, and the craftsmen find themselves completely disconnected from the market.



## All Dressed Up... but Nowhere to Go

“जो चम्बा चप्पल बाटा ब्रांड के नीचे हजारों में बिकती थी, वही चप्पल आज महीने में केवल १०-१५ लोग खरीदने आते हैं।”

We used to sell the Chamba Chappal by thousands under the Bata Brand. Today, we barely get a foot-fall of 10-15 customers a month.

### Ank Bhatt

Nurse/ Owner- Chamba Chappal Store

Ank Bhatt is a nurse by profession and also works alongside his father in the 60-year-old family business. Over the years, the demand for the handicraft has fallen in favour of its cheaper manufactured substitute. At its peak, they exported these Chappals overseas under the Bata brand for a good 20 years. Off late, however, the quality of the product has fallen drastically, given a rise in amateur craftsmanship.

Contrary to his father's opinion, Ank believes that a shift to the manufactured product, while maintaining the ethos the Chappal is a more lucrative option as the manpower and shoe-leather cost is much lower.

Although the business currently has a website, Ank is sceptical of listing his product on any aggregator e-commerce site for two reasons: a lack of sizeable inventory and a weak local brand. Given Ank's constrained worldview of the urban demand, he has failed to realize that in a supply-constrained market, he has the ability to value this handicraft at an exponentially higher mark-up subject to market access/awareness and strong branding. And for the value creators, Ank being the only indirect connector to the market, his scepticism keeps them further away from being rewarded appropriately for the value they create.

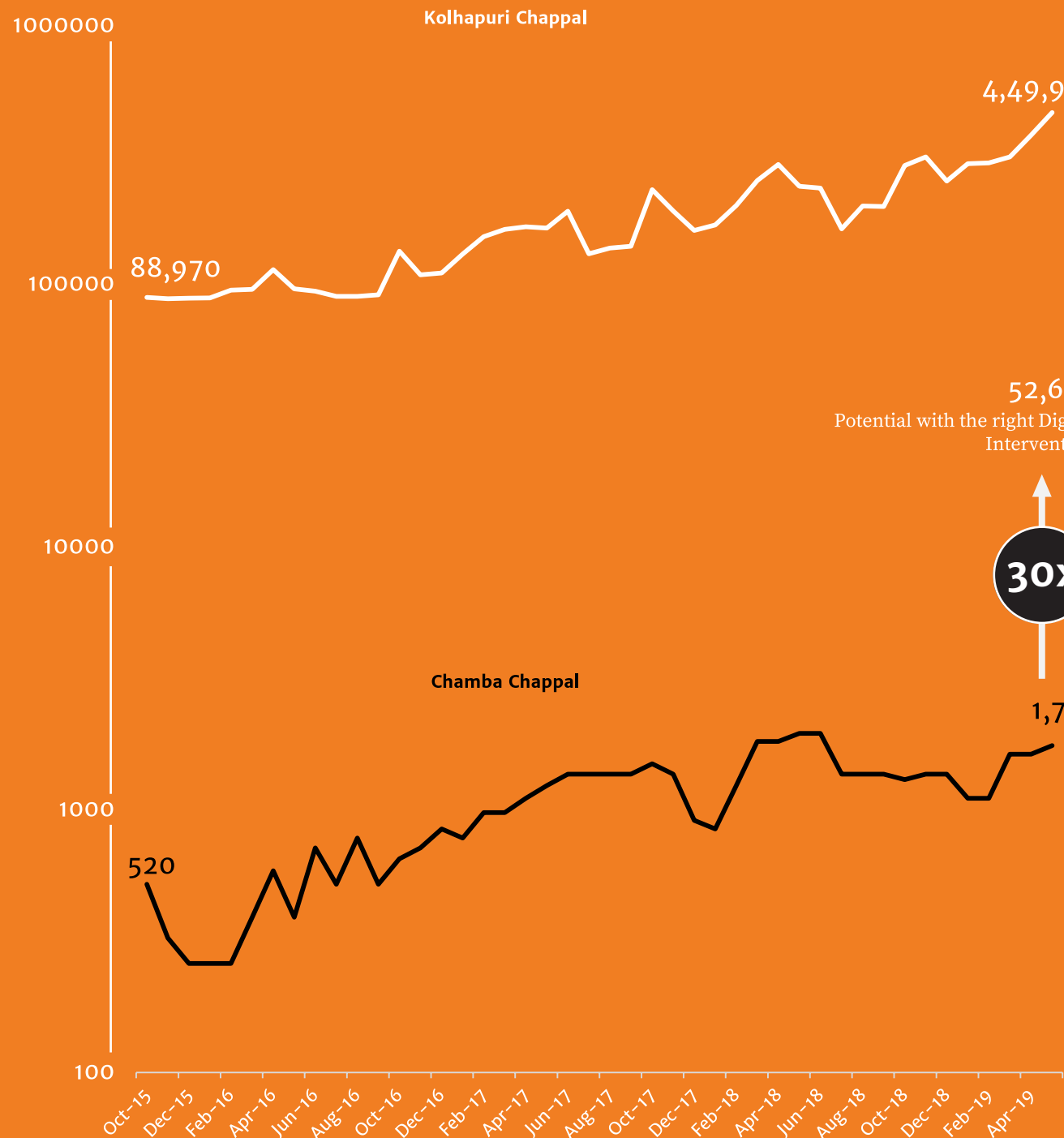
The challenges he is currently facing are related to the cost of the machinery and the training requirements. Additionally, the work of manufacturing these chappals is community-specific, which considerably lowers the manpower available.

Ank uses an Oppo A37 smartphone, primarily as a social media consumer and a net-banker. He uses a BSNL and Airtel connection as he faces network issues in the town and has recently moved to Jio for data consumption.



## Monthly Commercial Search Volume

On popular search engines and marketplaces



## Monthly Income Generation

**₹ 6.75 Crore**

At a conversion rate of 10% for commercial searches and an average price of ₹ 1,500.

**₹ 33.7 Lakh**

At an increased conversion rate of 8% and average price of ₹ 750.

**₹ 52 Thousand**

At a conversion rate of 6% for generic intent searches and an average price of ₹ 500.

# Chamba Chappal vs Kolhapuri Chappal

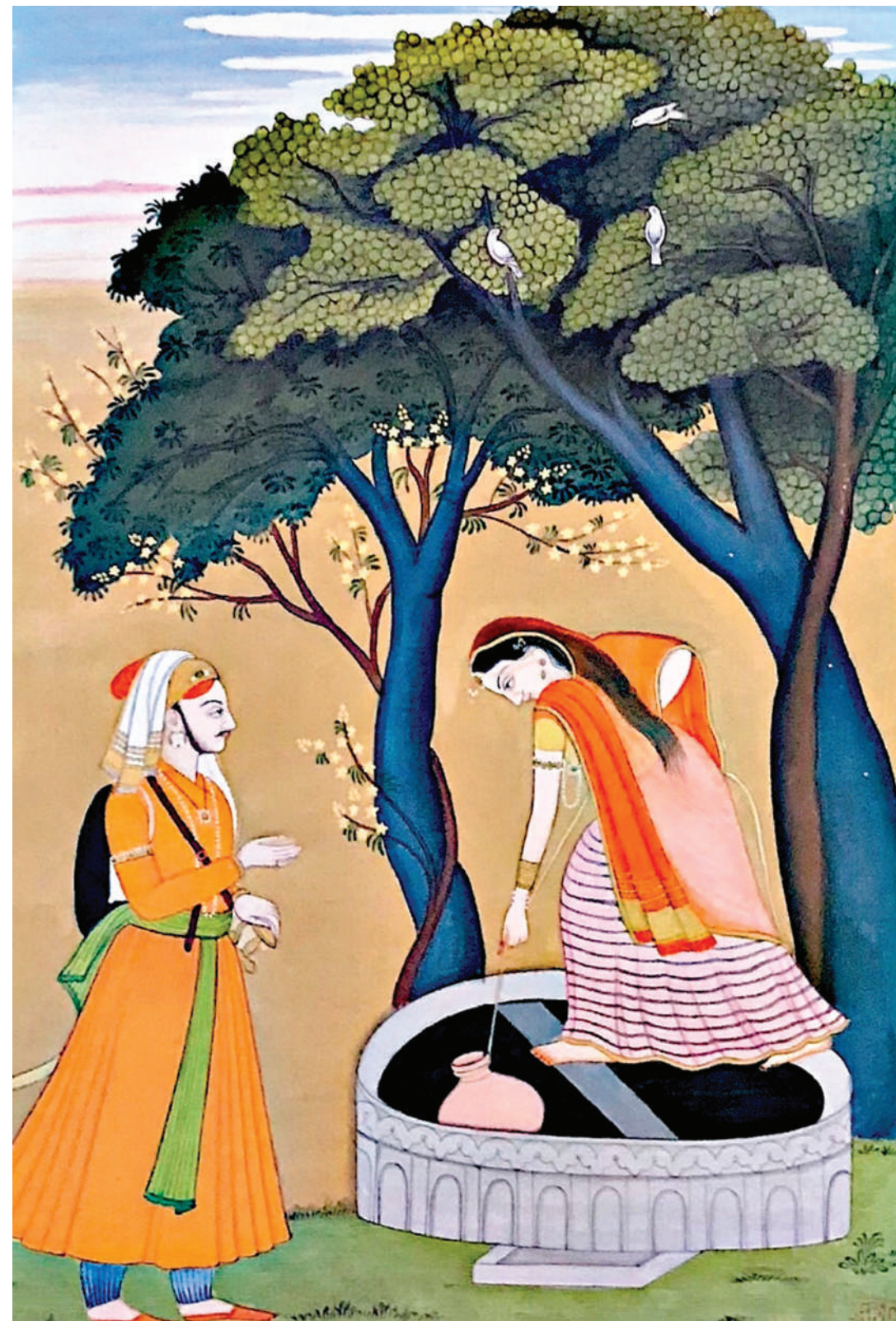
A comparable handicraft in the Indian footwear industry is Maharashtra's iconic Kolhapuri Chappal. It was recently granted the geographical indication (GI) tag which recognizes the authenticity of the footwear at national and international markets. A high-end brand and legitimacy associated with the Kolhapuri Chappal coupled with a strong digital identity of the product translates to higher commercial search volumes and, in turn, to a higher income for the producers.

# The Kangra Miniatures

Kangra Miniature Paintings belong to the school of Pahari paintings and are one of the most popular art forms in Himachal Pradesh. The fundamental theme of these paintings is related to Indian literature – religious literature (depicting scenes from Sanskrit epics) and secular poetry (depicting the sentiment of love; mainly focussed on the Radha-Krishna legend). Kangra miniature artists use natural pigments extracted from vegetables and minerals. A distinctive technique of the art is the use of beetle wings to represent emeralds on the paintings.

An interesting play between Indian classical music and Indian miniature paintings illustrates that although both have their own conventions, both exhibit a unique flavour embedded within their respective universal themes. Similar to the 'Gharana' system in Indian music, which uses the same notes but has a nuance that is unique to every state, all schools of miniature art use the same materials. Even so, the facial type, architecture, and landscapes of the subjects are unique to every artist.

The demand for Kangra paintings, although niche, has the scope to grow exponentially, given the urban demand for the authentic pieces. Every year, Himachal Pradesh sees a swelling inflow of tourists, curious to understand and observe the art. The main challenges this industry currently faces are related to access to urban markets and setting the appropriate price point in the free market. A quality Kangra miniature painting usually takes about 1 week to over 4 months to complete and sells for anywhere between four thousand and a lakh and a half.





## This WoM Needs to Travel Fast

“मैंने ४० सालों में जो नाम कमाया है, उसी के बलबूते पर अपनी पेंटिंग्स बेचता हूँ... पर मेरे शिष्य यह नहीं कर पाते।”

I am able to sell my art purely through word of mouth, given the name I have created for myself over time. My students, however, have trouble selling their work.

### Padma Shri Vijay Sharma

Teacher- Pahari School of Miniature Painting/ Art Historian

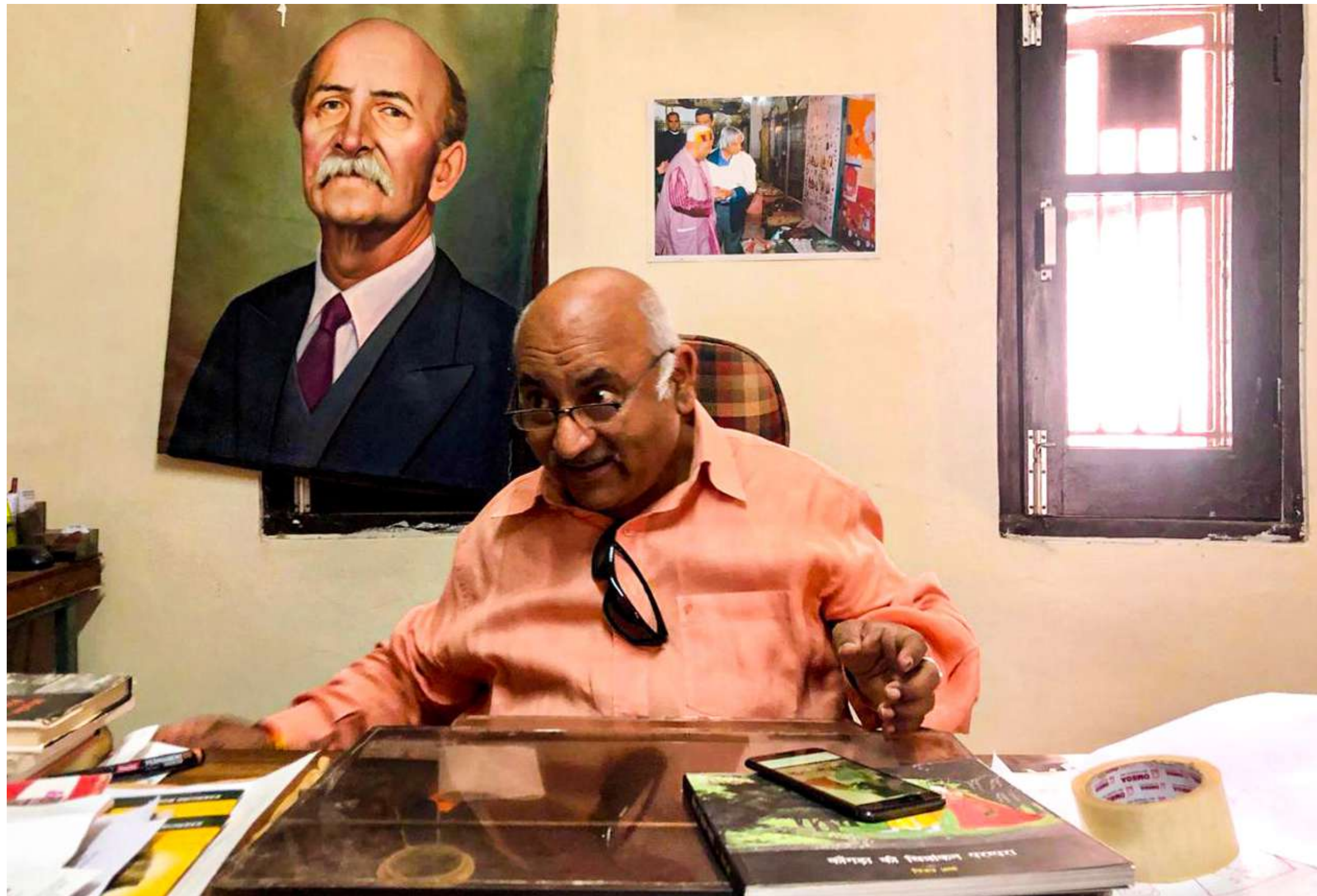
Vijay Sharma is a teacher and art historian at the Pahari School of Miniature Painting. He currently has 6 students in Chamba and over 30 in Kangra. Every year, artists from various parts of the country spend a few months training with him.

Vijay Sharma has also created a piece for the famous lyricist Gulzar, representing an illustration from a song from one of the movies. He travels abroad extensively for university lectures and exhibitions to display his work.

Together he and his students have formed an NGO- Kangra Arts Promotion Society (CAPS) to sell their paintings on a monthly consignment. They also manage to make a few sales via their website. His students, however, are unable to sell their paintings online themselves.

Even though the audience for this work is niche, he has been able to create a handsome demand for his artworks, both in the domestic and overseas markets.

Although the traditional word of mouth route to market his artworks is favourable to Vijay Sharma, he seems to have reached the threshold that this traditional technique can offer. His students, on the other hand, are fresh artists and do not have a decades-old reputation which is the primary factor that has allowed Vijay Sharma to sustain word of mouth marketing. In order for both parties to reach wider audiences, a nudge towards online art houses is vital.



## Mastering the E-Art of Commerce

“तस्वीर बनाना और उन्हें बेचना, दोनों अलग कला है। आज के दौर में, दोनों ही ज़रूरी है।”

Painting is one art and selling it is an art by itself. Both qualities are equally important.

### Dhani Ram

Teacher- Museum of Kangra Art, Dharamshala

Dhani Ram teaches 5 out of his 150 students, online and communicates with them via WhatsApp. As far as the distant buyers of his art are concerned, he again relies on WhatsApp to send them pictures of the paintings. Once approved, he sends them across through a private courier or private transportation. Payments are collected via cheque or an NEFT transfer.

Dhani Ram has been a painter for the past 30 years and works at the Museum of Kangra Art at Dharamshala. He established the art school in 2002, prior to which, during the 1980s, there were only 3 painters in Himachal Pradesh. He is the recipient of the “Kalidas Samman” award and has received an honorary award three times from the Himachal Pradesh Government.

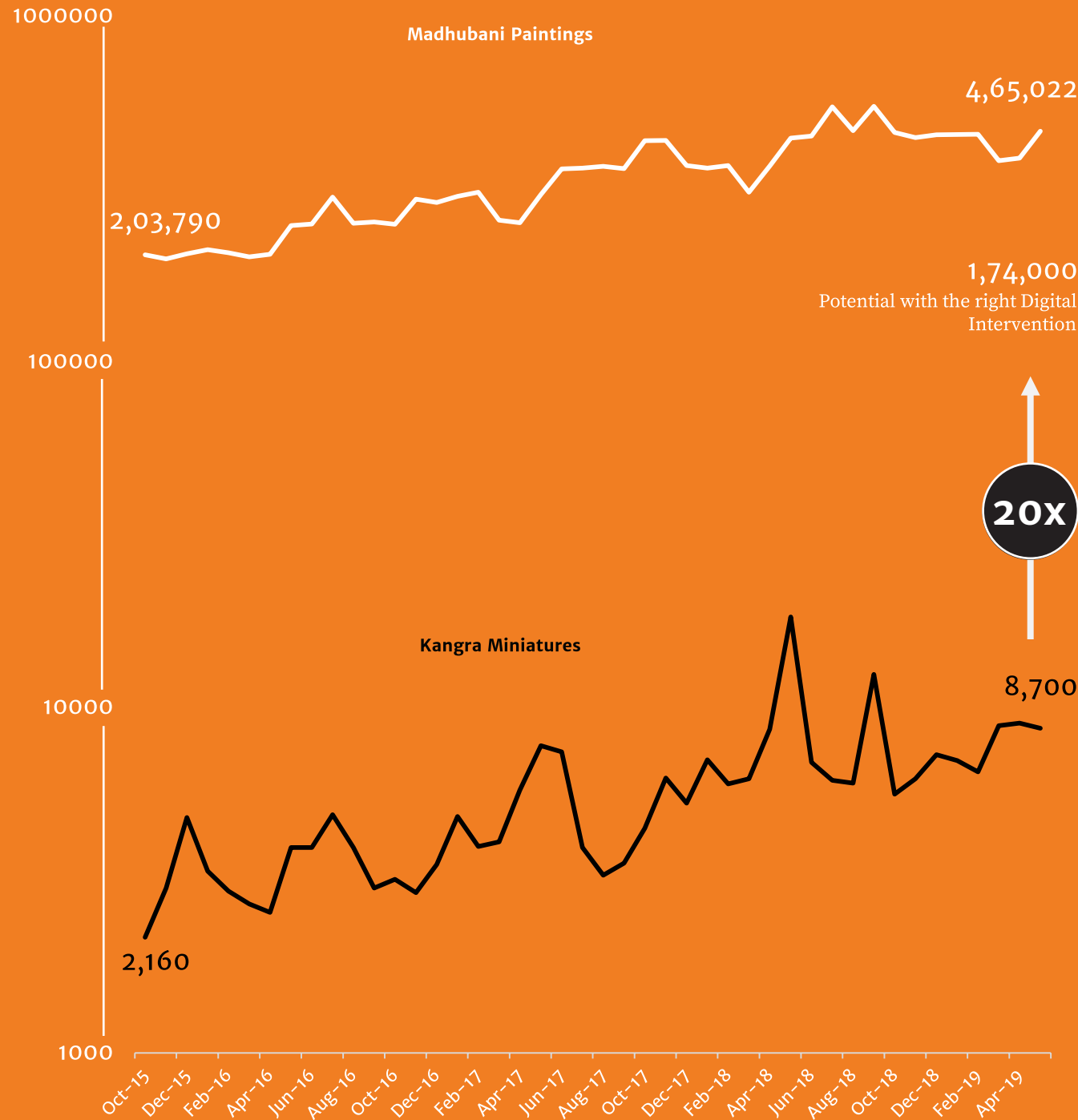
Dhani Ram realizes the importance of an online art marketplace and has begun to embrace the digital-first approach to sell art. His website, although, helping him reach a wider audience, is not a revenue channel yet. The approach to online selling still has the ‘volume’ lens and hence he looks at the lack of inventory as a blocker to scale online. This view might also be the reason behind him not exploring niche long-tail platforms like Instagram.

The major challenge he faces is concerned with the marketing and selling of his art, currently done only by word of mouth. Although the museum has a website, it is still yet to take-off (resultant in around 15 orders in the past year). Dhani Ram believes that they do not have the required volume of inventory or the man-power to scale the business on e-commerce marketplaces. Once they have a larger pool of artists, these distribution channels would be lucrative options.



## Monthly Commercial Search Volume

On popular search engines and marketplaces



## Monthly Income Generation

**₹ 4.18 Crore**

At a conversion rate of 10% for commercial searches and an average price of ₹ 900.

**₹ 1.74 Crore**

At an increased conversion rate of 8% and average price of 1000.

**₹ 4.17 Lakh**

At a conversion rate of 6% for generic intent searches and an average price of ₹ 800.

# Kangra Miniatures vs Madhubani Paintings

During 2012-16, the Indian Classical Art industry recorded a CAGR of over 35% to reach INR 0.5b. (3% share of the total visual arts industry). Last year, the segment showed a double digital growth, driven by an increasing number of art galleries (8% of art gallery sales in 2016 were attributed to classical art forms) and the emergence of a new generation of art buyers. (Visual Arts Industry in India: Painting the Future; KMPG in India- FICCI, 2019)

Digital Media within the arts industry is a rapidly growing promotional medium. The major art and auction houses in India have seen a 12 fold increase in value spent with online art purchases over the last 5 years (Visual Arts Industry in India: Painting the Future; KMPG in India- FICCI, 2019).

This medium is especially popular among rural artists who are unable to showcase their work due to a lack of adequate infrastructure and financial resources. The primary roadblock that Vijay Sharma, Dhani Ram and their students face relates to the lack of digital know-how regarding online sales.

An industry comparable to the Kangra miniature is the renowned Madhubani art forms from the Mithila region of Bihar. These paintings have a generous digital presence compared to the Kangra miniature paintings which allow them to reach an exhaustive audience.

# The Chamba Rumaal

The Chamba Rumaal, a patented handicraft, distinctive to the district, is a fine display of Himachal art and embroidery. Essentially a wall-hanging, they are made on cotton fabrics varying in size and intricacies of design. The base art is usually designed by miniature painters and then meticulously executed on the fabric. The distinctive feature of this handicraft is that the design on both sides of the fabric is identical, using a technique called "dorukha". A typical "Rumal" usually takes about a month to three months to complete. The art, however, takes years to master. The embroidery on the artefact is performed by the women of the community who usually work for 4-5 hours a day.

There are several clusters of embroiders in Chamba who have either converted this into a business or make the Rumaals for in-house consumption. The difference arises in the quality of the skill and raw materials utilized. To scale the business, one is required to undergo training for at least a year under professional supervision.

Over the years, several attempts by NGOs have been made to revive the local art. One such organization operating in the Darog Mohalla is the Delhi Crafts Council (DCC).



## Art and Aspirations

“मैं एक होमस्टे खोलना चाहता हूँ, जहाँ पूरे देश से स्टूडेंट्स आ कर कुछ समय बिताएँ और यह कला सीखें।”

I am planning to open a homestay where artists around the country and come and train with me.

**Parikshit Sharma**  
Kangra Miniature Painter

Parikshit is a Kangra miniature painter but also designs line sketches for Chamba Rumaals. He is a former student of Vijay Kumar- who he respectfully calls “Guruji”. He works with his wife, Indu Sharma, a Chamba Rumaal artist, along with a group of 3-4 newer artists. Together, the couple sells their art at exhibitions, trade fairs and from home. They comfortably receive orders for 5-6 pieces every 6 months.

Their routine challenges are centred around a scarcity of skilled artisans, high labour costs and a non-local market. Artisans usually cannot work for more than 2-3 hours a day, especially the married women.

Indu and Parikshit, together run a small in-house commercial centre and have managed to create a minuscule local market for their art. They are yet unable to scale this, although there exists a sufficient urban demand, given a severe shortage of skilled artists within the community. A situation both have innovated over with Indu training young women and Parikshit aspiring to set up a learning-homestay, both scalable digitally as well as catalytic to the larger goal of propagating and sustaining the artform.

The industry, they say desperately needs government-aided training centres and an upgraded training program. Sketches, once designed by Parikshit are then traced and replicated over and over again by artisans.

The two have also made a video on YouTube, showcasing the process of creating the artefact and received a response from a few students from NIFT Delhi who went on to train with them for a few months.



## Cutting the Threads Loose

"हमें हमारी डिजिटल कमियाँ पता हैं। अपने काम को शहरों में बेचने के लिए हम दूसरों पर निर्भर हैं।"

We know our limitations in terms of digital expertise. We are dependent on a third party to help us get access to the urban market.

### Mastu Devi (Third from the left)

Chamba Rumaal Artist

Mastu Devi, along with 10 other women, has been a Chamba Rumaal artist for the past 25 years. The group works with the Delhi Crafts Council who offer them a platform to sell their products to the urban consumer, playing the role of a middleman. The women work on a commission basis and earn about ten thousand rupees for each handicraft. The Rumaal is sold further for about thirty thousand rupees. The council also provides the raw material and physical infrastructure to these women, covering all their fixed costs. The women are quite happy with this arrangement, saying that they do not have the bandwidth to set up a brick-and-mortar store.

This cohort of women, initially, took an extensive skill upgradation programme with the DCC where they were given hands-on training in the intricate embroidery and contemporary designs of the Rumaal.

Centres like the DCC are doing a brilliant job of reviving local crafts and providing stable sustainable employment to local communities. They are successfully deploying detailed training programmes to maintain the quality of the art forms, which fetches both the council and the artist higher prices in the urban market- a win-win. However, women like Mastu Devi is completely dependent on these parties to market and sell their artefacts. Trust, simplicity of transacting, along with a reliable logistics partner are key factors to help rural artists gain access to urban markets. Mastu Devi is dependent on parties that provide precisely this. The question we, thus, need to address is, how to enable a Mastu Devi to do this herself?

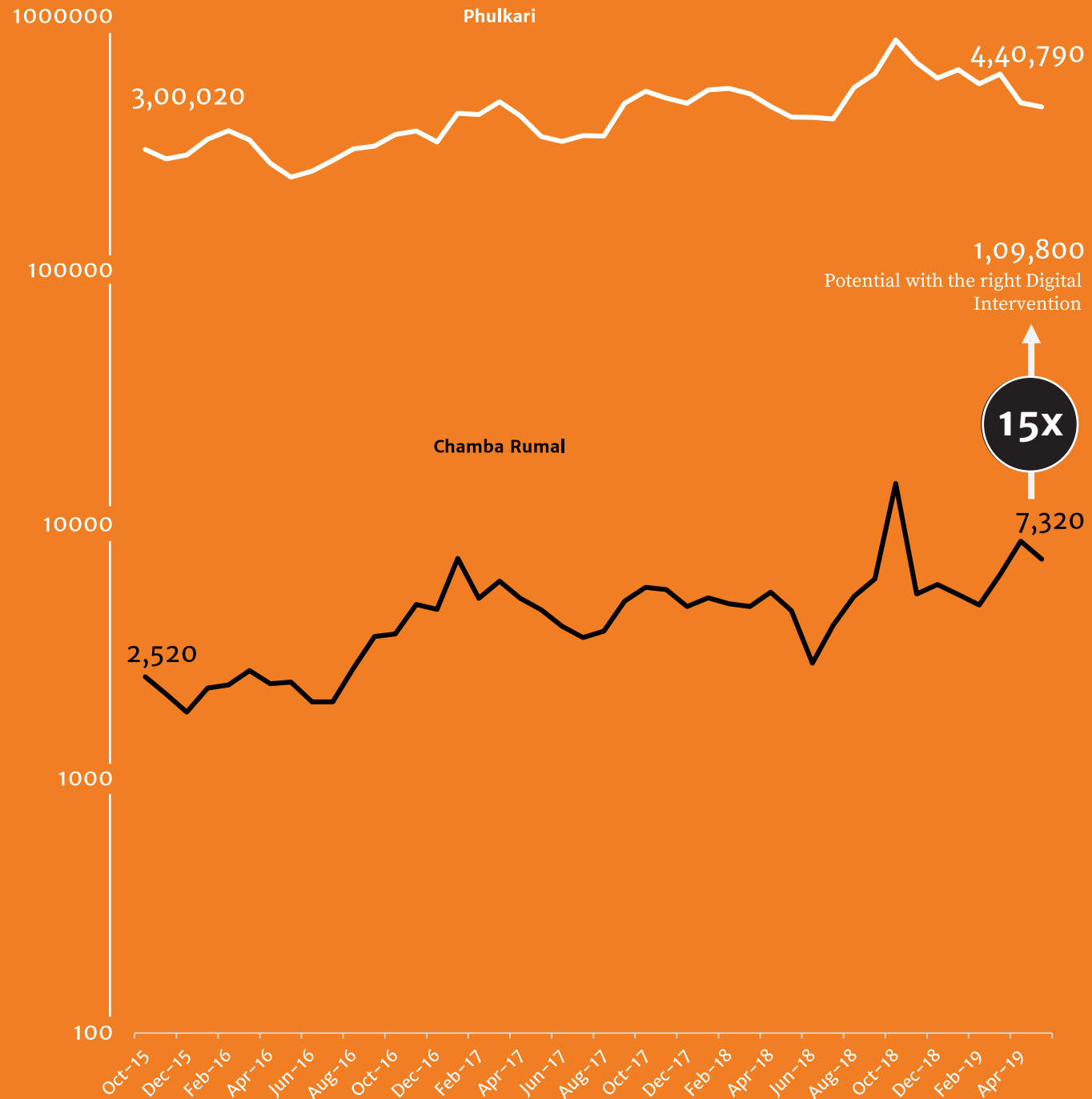
This specific tailored skill-set is what allows them to earn sizeable mark-ups on their art. In contrast, an in-home, independent embroider (like Neelam-story on page 27-28) who also spends a considerable amount of time on the Rumaals and has the talent (which is evident from the intricate Chaklas she weaves), cannot monetize her art. Artists like Neelam need an intervention in upskilling and are required to be continuously monitored until they are able to refine their skills.

Mastu Devi has a Samsung smartphone and uses an accord of apps including Google Pay, SBI and WhatsApp. Surprisingly, she doesn't use any e-commerce apps and is sceptical about the advance payment options and the fear of overspending. She also finds the process time-consuming.



## Monthly Commercial Search Volume

On popular search engines and marketplaces



## Monthly Income Generation

**₹ 6.61 Crore**

At a conversion rate of 10% for commercial searches and an average price of ₹ 1,500.

**₹ 1.1 Crore**

At an increased conversion rate of 8% and average price of ₹ 750.

**40X**

**₹ 2.63 Lakh**

At a conversion rate of 6% for commercial searches and an average price of ₹ 600.

# Chamba Rumaal vs Phulkari

The size of the Indian embroidery market is about Rs 800-900 crores per annum, with over 60% of artists who are part of the organized sector. The domestic embroidery market is almost completely unorganized with small units situated in Kashmir, Himachal, Punjab, Bareilly, and Moradabad. (Erevena Research, 2017)

An industry comparative is the traditional Phulkari embroidery work from Punjab which is spun from the Charkha using the darn stitch on the wrong side of the cloth. A much more familiar name, the Phulkari handicrafts have a much stronger digital presence than the work of the Chamba Rumaal and thus, given the urban demand are able to generate significantly higher price points.

## ‘Sitting’ on a Latent Craft

“एक चकला बुनने में हमें २-३ दिन लग जाते हैं। लेकिन इन्हें बेचने का ख्याल कभी आया नहीं।”

I am able to weave one Chakla within a few days. However, I have never thought about selling them.

### Neelam

Chakla Weaver/Homemaker, Chamba

The ‘Chakla’ is one of the lesser-known handicrafts of the Chamba district. Essentially a low-seating stool hand-woven with dry pine needles, it is made in-house by the women of the community and, more often than not, not sold commercially. The industry itself, is extremely fragmented, comprising of small cohorts of women working together in their free time.

We met one such young woman, Neelam. She, along with 10-12 other women, makes these Chaklas at home specifically for household consumption. Typically, one of these handicrafts can be woven in 3 days.

This is one of the many non-commercial, in-house potential-businesses operating in Himachal Pradesh. Chaklas, although quite popular in Chamba, are unheard of beyond the town. Value-creators like Neelam, who have never gravitated towards monetizing their craft, need to be nudged to adopt this school of thought.

A digital intervention is the only optimal means to fuel a business which is at such a nascent stage. Once Neelam realizes the ease with which a digital store connects her to consumers and allows her to operate on a free market pricing model, we will be one step closer to a connected Digital Desh.

Neelam also creates small, crude Chamba Rumaals/ Kadhai (a needle weaving style of embroidery) for her family. When we asked her for an approximate price she would sell a Chakla for, she innocently quoted a mere Rs. 25. This is another example of the severe price-information asymmetry that exists within these cottage industries.

Neelam pointed out the role of the Panchayat to upscale this business. Provided that the Panchayat invested in the infrastructure and training centres, the craft, she felt, was scalable.





## Shy Offline, Curious Online

“ये फेसबुक से मैसेज दूसरों को पहुँचता कैसे है?”

How does a message sent over Facebook reach the other person?

**Nirmala Rani**

Pine Needle Basket Weaver, Badak Village

The Chinmaya Organization for Rural Development (CORD) operates as a Trust and NGO in the town of Dharamshala. Among its several philanthropic initiatives, the trust also runs a training centre for local handicrafts.

One of the most popular handicrafts from the Kangra district is the pine-needle basket weaving craft, a rural cottage industry dominated by women.

The intricate, yet sturdy artifact is constructed using unwanted pine leaves. The leaves are initially boiled and infused with a mixture of natural dyes and synthetic colours. They are then left out in the sun until they are bone dry and, later, woven together. Unfortunately, these women are usually tied down with household chores or with routine agricultural activities. If they devote their entire time to this art, they believe that they could complete one artifact about 3 days- a process that otherwise takes a week.

A classic case of information asymmetry, most of these local producers are disconnected from the market dynamics and are unable to accurately price their handicrafts. Given their limited digital know-how, they are heavily dependent on third parties to market and sell their products. In several cases, unlike CORD, these third parties are heavy profit-seeking middlemen who then eat into the value-creator's margin.

Now, CORD also aids these women in the marketing and sale of their products, given its fairly diversified network across the country, charging a minimal margin for their assistance. The women are reluctant to set up shop themselves, citing that they are not confident enough to make a direct offline sale to a customer or they do not have the bandwidth to spend a day in the market and keep aside their everyday domestic chores. However, they show immense curiosity towards exploring the Internet.

This group comprises of 40 women from 2 villages who have, together, formed a 'Mahila Mandal' (Self-Help Group). They contribute a certain amount to the group on a monthly basis and religiously deposit it in their SBI Mahila Mandal account. Collectively, they have managed to raise about 5lakh rupees to date.



## Cutting Off the Middle-Man

"जब मैं डिस्ट्रीब्यूटर से अपने पापड़ बेचता हूँ, तब उसमें से सिर्फ १०% कमा पता हूँ।"

While selling my produce to the distributor, I earn a margin of only about 10%

### Jagdev Singh

Aam Papad Stall Owner

The aam papad business is one of the many cottage industries in the Kangra district.

Jagdev Singh owns a small aam-papad stall in Kotla- a small village on the Dharamshala-Pathankot border. He exports a majority of his produce to villages in south India, catering to small orders. Once the produce is ready in August, he also has wholesale buyers who come down to Kotla, pick up the produce and transport it themselves. This happens in case Jagdev does not have the bandwidth to transport larger orders.

A major challenge he faces is the lack of a cold storage facility in the area which wastes a good part of the mango. He also does not have any autonomy on the distribution of his produce which, in turn, compels him to compromise on his mark-up.

He owns a Xiaomi-RedMi and uses Whatsapp and Facebook extensively for entertainment. He has also started using Hotstar, mainly to watch cricket matches. He uses the SBI and PNB apps for net banking.

Although Jagdev is a producer of a highly demanded local produce, he is unable to obtain the right price for his make, given his severe limitations on the distribution range.



# A Trusted Network as an Enabler

A Channel for Nudged Digital Interventions to Solve for Supply Constraints.

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# Deep Rooted Trust

A cultivation of years, ready to be harvested for nudge-interventions at scale.

## An Institution of Trust

“हम गर्व के साथ कह सकते हैं- हमारी ताकत हमारे लोग, उनकी सच्चाई और उनपर किये भरोसे से जुड़ी है।”

We are a proud, long-standing institution in the community. Our strengths lie in our trust, authenticity and workforce.

### Dalip Kumar

Bank Manager, Dharamshala PO

The Dharamshala Head Post Office is a large, well-equipped establishment located in the central part of the town. Apart from their routine services, the Post Office is also mandated to sell bulbs, LED and Gangajal (holy water of the Ganges river)- quintessentially Bharat!

The major strength of the Indian Post network is rooted in its trust and authenticity. As Dalip put forth- “We guarantee that India Post will get your mail delivered.” Nevertheless, it faces stiff competition from the private courier services, which leverage private transportation resources, mainly buses, to compress its delivery period, a luxury not available to India Post. The Post Office also routinely struggles with internet connectivity issues. Under the IPPB initiative,<sup>1</sup> the Post Office offers banking services to its customers.

As one of the oldest, most prestigious institutions of the country, India Post has gained deep rooted trust, especially in non-urban India- trust being one of the prime enablers to adopt digital tools in the hinterlands.

In the Dharamshala Post Office, this works as a payment bank, given that the initiative is still in its elementary stages. A major challenge that they face, here, is competition from private sector banks. However, the sense of familiarity among the community is higher under the India Post banner. They have the added advantage to be able to provide their services in the smallest of towns and villages.

The middle-aged yet energetic Dalip Kumar has been working at the Dharamshala Head Post Office for the past one year. Previously, he worked at the Mandi Post Office where he completed his 3-year tenure. He also served a term with the Army Postal Services before his 9-year journey with India Post.



## No Internet? Connect via Trust

“कभी अगर इंटरनेट की सुविधा न हो, तो हम कस्टमर को कागज़ी रसीद पकड़ा देते हैं। लोगों का डाक घर पर पूरा-पूरा भरोसा है।”

Despite a weak internet connection, we are able to process customer requests manually and hand them physical receipts. The only reason this arrangement works is the fierce trust of the public with the Post Office.

**Ashok Kumar Gulleria**  
Postmaster, Bank PO, Sakoh

The Branch Post Office at Sakoh has two employees- one Dak Master and one Postmaster. A much smaller establishment compared to the ones we visited; the story is entirely different here.

The Sakoh Post Office delivers mail over a range of 29 kms across the district. They offer the newly incorporated IPPB services in addition to their core services which includes time deposits, money orders and life insurance policies. Interestingly, however, they do not have the bandwidth to offer speed post services. Still, they accommodate speed post parcels when required, doing what they can and transporting them to branches that formally offer the service.

The Post Office has a Rural Information and Communication Technology device which Ashok calls the 'devisor'. It is designed to provide all the services offered by a well-functional bank. As this device requires an internet connection, which is rather weak in Sakoh, the postmaster finds it a challenge to use the 'devisor'. It works for only around 10 days in the month and usually records a double-entry in-case the internet connection is lost. The only saviour here is the fierce trust of the public on the PO, which allows Ashok to hand out manual receipts to his customers.

The story of the Sakoh Post Office, along with 1,50,000 other such branches, demonstrates the grit of the postal resources, coupled with the persistent trust of the community in the institute.



# Able Administrators

Digitally empowered to manage the nudge-interventions.

## Administration with Purpose

“भारतीय डाक की पहुंच के ज़रिये हम छोटे गाओं में बसे कलाकारों को शहरी बाजार से जुड़ा सकते हैं।”

The dense network of India Post allows us to reach the hinterlands and connect local artisans to the urban market.

### Somdutt Rana

Superintendent, Postal Division, Dharamshala

India Post's strength lies in the network advantage it enjoys over any other private logistics service. However, one of the prime issues it faces is the slow-moving recruitment process which can, at times take up to two years. Further gaps tend to attract under-qualified talent that later, is not able to cope up with the requirements of the job. The Post Office currently has 47 vacant positions- the intake requirement being 213. Even at the Head Post Office, a bulk of the management resources are directed towards transactional roles. Sub-optimization of these scarce resources makes India Post ripe for a digital intervention.

Somdutt, a sharp, dapper gentleman has been working with India Post for the last 38 years. He began his career as a postal assistant with the Army Postal Services where he served for 16 years.

Having spent most of his career at India Post, Somdutt is well aware of the grassroots challenges that the community faces as a whole and the potential role of the institution to address them- intertwining the micro and macro economic dynamics of the postal network. As an able administrator, resources like Somdutt can potentially be the principal of the entire process: managing the entire chain- connecting Bharat to India.

He, then, took the Inspector Post Office examination and, in 1999, was posted to Dharamshala. He has been working at various posts in Himachal since.

According to Somdutt, a majority of the artisan community is unaware of the market opportunities available to them. Although the Post Office officials cater to their queries and educate them where they can, they feel that there is a need for a formal digital and financial literacy program in smaller towns and villages, which can, in turn, expose them to the business opportunities in the urban markets. Somdutt suggested leveraging the Post Office as 'information dispersion centres' to address this issue, given the heavy footfall that it receives and the unmatched penetration of the network across the country.





# Digitization Nudgers

Eagerness of Agents + Right Nudge = 10x Effectiveness

## An Eager Digital Dost

“पासपोर्ट से जुड़े काम आज भी लोगों को मुश्किल लगते हैं। मैं लोगों की मदद कर के ये काम १५-२० मिनटों में कर देता हूँ।”

The passport application process, even today, is regarded as a difficult, time-consuming task by most. I have been able to help people compress this time to a mere 15-20 minute exercise.

### Ishant Kumar

DSC, Passport Office, Palampur Head PO

Ishant has a deep-rooted respect for the institution which reflects in the fact that he has no intention of leaving the organization for a private sector opportunity. However, he does not shy away from acknowledging the challenges he has observed over the years at the Post Office.

The most glaring of these issues is related to the usability of the newly implemented SAP software, especially with the older recruits. (1)

Another concern which Ishant highlighted was the non-optimal utilization of the Post Office's human resources. Although the post office is waiting on a two-year-old vacant position for one of its management roles, a bulk of their current resource is engaged in transactional functions. With the appropriate digital intervention, it is entirely possible to redirect them to more scalable roles.

Ishant is the perfect example of the exemplary talent that India Post has begun to attract under their current, stringent recruitment process(2). Trustworthy, digitally enabled, and extremely people-centric in his attitude, employees like Ishant have the bandwidth and know-how to nudge the community to adopt digital tools and hand-hold them along their journey of digital maturity- a trusted Digital Dost.

(1) In April 2019, Tata Consultancy Services partnered with the Department of Posts to introduce an integrated ERP solution with a vision to make India Post one of the largest e-Postal networks in the world.

(2) For management roles the minimum educational requirement is that of a graduate. In addition, the candidate is required to clear government postal examinations, as per the post applied for.



## A Trusted Digital Dost

“IPPB एप्प के ज़रिये मैंने अपने कस्टमर्स के लिए कुछ ७०-८० बैंक खाते खोले हैं।”

Using the IPPB App, I have helped over 70-80 customers open a bank account with the post office.

### Rajender Singh

Dak Master, Chamba Head PO

The Chamba Head Post Office has 5 postmen, each of whom is given a specific zone (ranging about 5-6 km) to operate within. All the postmen deliver the mail on foot, citing that a vehicle may be infeasible in the hilly terrain of Himachal. One of the postmen is the warm and engaging Rajender Kumar. He uses the IPPB app on the smartphone provided by the government on a regular basis. Barring internet connectivity issues, he is quite happy with the user-friendly interface and says that once he gets the signature of the required party, the process barely takes 10 minutes. The offline method, he says, was too cumbersome in terms of the volume of paperwork required. His customers, on the other hand, are not very digitally literate and are also unaware of several government schemes available at the Post Office. Rajender has managed to educate them and says a slight nudge is all it takes to spark their curiosity.

Rajender Kumar also has his own smartphone and uses a multitude of payment apps including Phone Pe, BHIM, Paytm and Google Pay. He also uses the PNB app for net banking and often uses the Amazon app to order products that are otherwise not available in the town.

Rajender, after graduating with a minor in economics, worked at the Branch Post Office at Solan. After clearing his postal examinations, he got promoted to the Head Post Office at Chamba where he now has been working for the past 2.5 years.

Rajender Kumar is yet another example of the trusted resource of the Post Office. Given his orientation and digital know-how, he can, under the appropriate guidance, be empowered as a potential Digital Dost- a trusted digital friend to the rural producer.



# First-Mile Logistics

Grit x Digital = 10x Scale

## A Story of Grit & Resolve

"डाक चाहे कितना भी ज्यादा क्यों न हो, मैं २४ घंटों में पहुंचा देता हूँ।"

Irrespective of the volume of the mail, I make sure I deliver all of it within 24 hours.

### Bachinter Singh

Dak Master, Sakoh Branch PO

Even today, there exists a regular communication exchange between the rural community and the area's postman. This, over time, has birthed a strong sense of familiarity and trust between both parties. This relationship is much stronger in rural India, to an extent that people do not hesitate to trust their postmen with their own cash and, often request them to deposit it at the post office themselves. The flagbearer of this fierce trust is the sole postmaster of the Sakoh Post Office, Bachinter Singh.

Bachinter has been working with India Post for over 20 years and is acquainted with most of the households in the area. He leaves the office at 12p.m every day to deliver mail and manages to make his rounds by 6:30 p.m, travelling across an average range of over 30kms, covering 200 odd households.

Although he doesn't have a vehicle, he prefers to move on foot since the terrain hinders the operation of a vehicle or for that matter, even a bicycle.

On an average, one post office serves 7,753 people in India. The ratio in urban areas is 1: 2,3720 and in rural areas, it is much lower at 1: 5,995 people (India Post Annual Report 2017). Over 80% of these post offices are located in non-urban India, making the postal services highly-demanded and closely-knit with a community that has a much higher engagement with the institution than its urban counterpart.

The foundation of this institution rests on the grit of the last-mile resources of the establishment. Over the decades of his career, Bachinter has managed to gain the trust of the community and build a strong personal relationship with the producer. With these fundamentals in place, there is a clear path to optimize the last-mile logistics through a digital intervention.



## ‘Digital’ Clock

“इंटरनेट का नेटवर्क यहाँ सुबह ५ बजे ही सबसे मज़बूत होता है। मैं रोज़ उसी समय उठ कर अपने सारे काम निपटा लेता हूँ।”

We get the strongest network only at 5 am every day. I wake up and complete all my work early in the morning.

### Om Prakash

Post Master, Khajjiar Branch PO

The Khajjiar PO was one of the remotest, most picturesque Post Offices we visited. The PO caters to over 200 households which constitutes to a population of roughly 750 and a delivery range of 8-9kms. It employs three resources- the postmaster, the EDA and EDR (postmen).

Om Prakash is the Postmaster and lives with his mother, wife and 5 children. He works for about three hours in the day, nowadays these are early in the morning as the internet is strongest during those hours, while the postmen have a six-hour shift. Surprisingly, they get an average of 35 customers per day.

The services most demanded include government pension schemes, Sukanya Yojna schemes, and MNREGA processing services.

India Post follows a hub-and-spoke logistics model: Head Post Office, Sub Post Office and Branch Post Office. In the Kangra district, the mail is received from different parts of the country and suitably categorized at a common destination- the Pathankot Post Office. It is then transported via road to the appropriate head/branch/sub Post Office where the last-mile logistics take charge. For the volume of parcels that Himachal Pradesh receives (51,800 annually- India Post Annual Report, 2017) this process is carried out seamlessly. Cash is stored in secured vaults only at respective Head Post Offices and transported to smaller branches, the frequency depending on the requirement. All registered mails have an attached tracking number, wherein customers are regularly updated via an SMS.



# Community Builders

Digitally empowered to educate and upskill the producer community.

## Panchayat's Digital Raj

“हिमाचल के कारीगरों का काम अब डूबने लगा है। रॉ मटेरियल की कीमत बहुत ज़्यादा है... कारीगरों को कोई बड़ा मार्किट नहीं है... और वे शहरों को मुकाबला भी नहीं कर पाते।”

Himachal's local handicrafts are dying rapidly- spurred by high costs, unorganized labour units and competition from urban counterparts.

### Rajiv Thakur

Pradhan, Rajnagar Village

The young and strapping, Rajiv Thakur is the Pradhan of the Rajnagar Village for the past 3.5 years. He has completed his B.A in History, M.A in Journalism and in 2003, wrote a book on the history of Chamba. He also has a collection of poems “Madhoshi”. He owns an MI A2 smartphone and uses WhatsApp, Google Pay, and the SBI App.

Rajiv works closely with farmers, SHGs and local manufacturers in the villages. The Gram Panchayat routinely faces budgetary concerns that end up restricting their autonomy.

He believes that there is a dire need for government-aided training centres in the villages

There are about 2,50,000 Gram Panchayats in India each headed by a “Pradhan”. The local self-governing body was first introduced in Rajasthan in October 1959. Formalized in 1922, the long-standing institution enjoys fierce trust and loyalty in India's villages. The digital enablement of the Panchayati Raj, while in its traditional 'local administrator role', is one of the first steps to empower the local cottage industries. With the right inclination, they will play a pivotal role in the mission to connect Bharat to India.

They, however, must be opened within the village boundaries to avoid commuting challenges. He also iterates the urgent requirement for rural production houses, information dispersion units and most importantly, micro branding for the indigenous rural produce.

He has doubts about the effectiveness of the Post Office in smaller villages. There is one postman for 2 panchayats - which roughly cover 502 families and translates into a population of 2100.





## Impact Economy of Scale

"सही डिजिटल और फाइनेंसियल साक्षरता के साथ, हम ग्रामीण समुदाय को आत्मनिर्भर बनाना चाहते हैं।"

With sound digital and financial literacy, we aim to make the rural community self-sufficient.

### Ravinder Rana

Financial Literacy Counselor, Kangra

Ravinder Rana is a financial literacy counsellor, an appointee by the RBI, for the Kangra district. He does a certain amount of fieldwork where he organizes seminars/ meetings jointly with the Panchayat, six or seven times a month to interact with the community. Through financial literacy developments, they hope to help the community become self-employed. Mr Rana believes that the current financial literacy programmes are inadequate and there is a need to understand the pain points of the society and work up from there.

In remote villages, where banking facilities are not available, the government has appointed a one-man-army, known as a bank correspondent, who works in conjunction with the town branches to provide doorstep banking facilities in these villages. The Post Office, too, has recently started a similar initiative.

As per Mr Rana, banks are not too efficient when it comes to disbursing information to the people, given that a majority of bank employees and managers do not have comprehensive information about the available government schemes and its relevance to the intended beneficiary. Hence, he says, it is more effective when done in person. The community currently is not very tech-savvy, with only a small number using UPI and the BHIM app, further emphasizing the need for hand-holding.

Himachal Pradesh has 12 financial literacy advisors who are responsible for imparting basic financial literacy and educating the community about government financial schemes. They also work with regional rural banks and corporate banks to initiate banking education at grassroots levels. At present, one counsellor is responsible for covering a range of 60-70 km.

Although the unit economics of financial literacy counsellors fails to address the entire community, the impact of the intervention at this level is highly scalable. This can be further enhanced with the digital enablement of the Panchayati Raj, Private Players, and Digital Dosts.

A successful, up and running model of this intervention is the government-aided Common Service Centers (CSCs). A strategic cornerstone of the Digital India flagship, CSCs have already begun to address the issue of financial and governance inclusion. Fundamentally, they are touchpoints for the delivery of various governance services, digitally in non-urban India, positioned as agents to promote rural entrepreneurship.



## Drive 7.0 Travellers



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