

**USAGES OF MOBILE PHONE BY RURAL
CONSUMERS: WITH SPECIAL REFERENCE
TO COLLEGIAN STUDENTS OF PALANPUR
TALUKA**

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Abstract

Indian mobile market is one of the fastest growing markets and is predicted to reach 868.47 million users by 2013. In recent years, the availability and uses of mobile phones have been rapid so fast not only in India but also in the whole world. Today, the mobile is a part of everyone's life. We cannot spend much time without use of mobiles. Today, it's not just a symbol of urbanization but also it's a part of rural India. According to Telecom Regulatory Authority of India (TRAI), there has been rise of 18 percent age in the use of mobile by rural subscribers. Rising from 93.2 million users at the end of last year, India today has a total of a massive 109.7 million rural mobile subscribers. Nowadays, we have so many latest mobile handsets available in the market; however with the reduction in service charges and other cost of handsets the number of mobile users in Indian rural market has increased. Mobile phones have become a primary need compared to fashion accessory and other facilities. The aim of the study is to investigate and understand the usage patterns of rural consumers. The study observes that price, shape, color and features are most affecting factors that influence to rural consumers behavior. We have done this research study on collegiate students who generally come from rural areas or villages.

Key words: Rural consumers, Mobile, Consumer Behavior and Factors.

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1. Introduction

India is the 12 th largest consumer market in the world and it is expected to become the fifth largest economy in the world by 2025. There is an explosive growth in almost all the areas of consumer goods and services. Communication that accounts for 2 percent of consumer's spending today will be one of the fastest expanding categories with growth of about 13 percent (McKinsey, 2007).The growth in this sector has been improved due to liberalization of telecommunication laws and policies. The consumers of both rural and urban areas, from college going students to mature elders, of almost all income groups have started using mobile telecom services. According to a Gartner report, after China, India would be fastest growing mobile telephony market in Asia Pacific. Cellular penetration would increase to 38.6% in 2011 with 58% of rural population and 95% of urban population possessing mobile phone. The market will be driven by prepaid connections, which will account for more than 93% connections. The low rural mobile penetration of 2% represents an immense opportunity for cellular players. The call rates will further drop to become closer to fixed line rates, further lowering the entry barrier. Indian telecommunication Industry is one of the fastest growing telecom markets in the world. There are various players in the GSM market. Nokia was leading the market with 59% market share (Prashant, 2005).

The cut throat competition between manufacturers has forced manufacturers to reduce their costs and therefore, they are thinking of manufacturing handsets in India. In recent years, the adoption of mobile phones has been exceptionally rapid in many parts of the world. India is the secondfastest growing major economy after China. The primary objective of this paper is to examine the importance of different factors affecting consumer's motives related to mobile phone purchasing and to investigate the main reasons to change mobile phone. Although consumer motives underlying mobile phone acquisition are something one could call general knowledge, relatively little is known on the buying decision making process in relation to new mobile phone models packet with different properties (i.e., smart phones) allowing users to communicate in fresh ways. Telecommunication is rapidly changing the way people communicate with each other and

organizations conduct businesses around the world. The mobile phone industry has been one of the fastest growing industries of recent times. At present, India has 287 million mobile phone users and nearly 1, 15,000 towers which emit electromagnetic radiations. By the end of 2010, the number of mobile phone users is estimated to rise to 500 million.^{1,2} Mobile phones account for 88% of all telecommunication users and the rural sector accounts for more than 25% of all wireless phone users¹ and this proportion is bound to grow as the access and affordability of mobile phones continues to increase.

2. The Rural Customer: A Profile

A striking feature of India, and not just rural India, is the diverse and varied profiles of customers. Each of these diverse sections of rural India is embedded in its customs and traditions, which in turn have a deep impact on the psyche of the people. Every aspect of their lives from birth, to education, to marriage, to livelihood is influenced by the deeply imbedded traditions. Rural marketers have been able to understand and often utilize these diversities and traditions. Even the level of infrastructure provided in different regions varies a lot. The diversity in terrain adds to the already varied lifestyle and livelihood of people there. Therefore no marketer can follow a uniform marketing strategy through out India. Indian rural customer is marred largely by illiteracy and poverty. Illiteracy leads to an inability to identify brand differences and read the basic text on packages. Poverty and dependence on vagaries of monsoon result into a low and unpredictable purchasing power. Moreover products are sold loose, giving high competition to branded sealed products. Ignorance and illiteracy are accompanied by strong influence leaders like the local panchayat members, caste and religious leaders etc. Irregular income, dependency on the vagaries of monsoon induces the rural consumer to buy in small quantities. Small Coke worth Rs 5, Chick shampoo sachets have been successful in the past. Since rural population does not have the concept of storing goods and blocking too much capital into it is important for rural marketers to provide products in small quantities as well as good credit or EMI systems for larger products. It is also important to induce first time purchase and trials so that customer is able to experience products he never has. Credit facility also needs to be extended to the wholesalers. There is hardly any brand stickiness in rural consumption. Nirma is simply referred to as the pila powder and surf as the nila

powder. Because of illiteracy the packaging of products plays an important role. It is also easy for spurious products to find a foothold in rural markets. RC Cola packaged as Pepsi and Hello Chips a copy of Lays are widely sold. Therefore it is important that companies give their products shorter names in the local languages and educate the customer about the significance of their brands. Pictures and endorsement by local stars will also help in increasing brand awareness. Over the past few years rural India has witnessed an increase in the buying power of consumers, accompanied by their desire to upgrade their standard of living. Host of projects both from the government and the private companies have changed the rules of the marketing game in rural India. The NREGA (National Rural Employment Guarantee) schemes, as well as other rural employment schemes have given the rural population an opportunity to meet their daily needs. National Rural Employment Guarantee Scheme guarantees 100 days employment to any one member of the rural house hold. Farmers have benefited from loan waver which has again received an extension in the recent budget. Also the increased demand for labour in the urban projects has resulted in more money being sent back home by the immigrant labour. Rural customers have upgraded their lifestyles and as a result are purchasing lifestyle products like cosmetics, beverages, mobile phones, etc, which have become necessities for them. Urbanisation has become more of a life style and is no longer bound to geographical areas.

Secondly the rural population is largely self dependent and is able to produce most of its consumption needs locally. As a result the global meltdown has not affected it much. According to a study on the impact of the slowdown on rural markets commissioned by the Rural Marketing Association of India (RMAI) and conducted by MART, the rural economy has not been impacted by the global economic slowdown that took place during the last two years. Infact the rural economy grew at a phenomenal 25% in 2008 when the demand in urban areas across the globe slowed because of the global meltdown. According to a white paper prepared by CII-Technopak fast moving consumer goods (FMCG) sales are up 23 per cent and telecom is growing at 13 per cent in the Indian rural areas. The social status of the rural regions is likely to be low as compared to the urban regions as the income level and literacy is extremely low .This is accompanied by a range

of traditional values and superstitious beliefs that have always been a major impediment in the progression of this sector. Infrastructure or rather the lack of it is an important characteristic of the rural market and affects the customers to a great extent. It is infact a major drawback for the rural marketer. Lack of good road networks, transport and warehousing has hindered the growth of rural markets for long. With a large percentage of rural India living without electricity or irregular supply of electricity and having devised age old ways in which they can substitute the uses of electronic devices like refrigerator , it seemed virtually impossible to sell such commodities to them. Scanty data availability fails to provide the market research benefits that are there in urban marketing. Most of the data available is owing to the private efforts of companies and are not readily shared. Poor media penetration and lack of hoardings, television reach, newspapers and magazines has made the task of marketers rather challenging. It is also because of poor media penetration and low literacy rates that the village people are highly influenced by the local political and religious leaders.

3. India's Consumer Market

India's consumer market is riding the crest of the countries economic born. Driven by a young population with across to disposal incomes and easy finance option, the consumer market has been throwing up staggering figures. The Indian durables market, with a market price of US\$27.38 billion in 2008-2009, has grown by 7.1% over the previous year.

India officially classifies its population in five groups, based on annual household income (based on year 1995-1996 indices). These groups are: Lower Income, three subgroups of Middle Income; and Higher Income. Household income in the top 20 boom cities in India is projected to grow at 10 per cent annually over the next eight years, which is likely to increase consumer spending on durables. With the emergence of concepts such as quick and easy loan, zero equated monthly installment (EMI) charges, loan through credit card, loan over phone, it has become easy for Indian consumers to afford more expensive consumer goods.

Table: 3.1 Indian Durable Industry-Segments

Sr.No	Durable Industry	Per cent age
1	Air conditioners	6 %
2	Audio/Video	12%
3	Components	7%
4	Computer and Peripherals	19%
5	Electric fans	1%
6	Industrial electrical and electronics	5%
7	Mobile Phones	20%
8	Other domestic appliances	4%
9	Others	3%
10	Refrigerators	2%
11	Sewing machines	1%
12	Telecommunication	18%
13	Washing Machine	1%
14	Watches and clocks	1%

Source: Website of Indian Durable Industry-Segment

Table: 3.2 Overview of Indian Consumer Durable Market

The Indian consumer durable market segment can be segregated into 2 consumer electronic groups.

White Goods	Consumer Electronics
<ul style="list-style-type: none">• Air conditioners	<ul style="list-style-type: none">• Television
<ul style="list-style-type: none">• Refrigerators	<ul style="list-style-type: none">• Audio and Video systems
<ul style="list-style-type: none">• Washing Machines	<ul style="list-style-type: none">• Electronic Accessories
<ul style="list-style-type: none">• Sewing Machine	<ul style="list-style-type: none">• PCs

<ul style="list-style-type: none"> • Electric Fans 	<ul style="list-style-type: none"> • Mobile Phones
<ul style="list-style-type: none"> • Watches and Clocks 	<ul style="list-style-type: none"> • Digital Cameras
<ul style="list-style-type: none"> • Cleaning Equipments 	<ul style="list-style-type: none"> • DVDs
<ul style="list-style-type: none"> • Microwave Ovens 	<ul style="list-style-type: none"> • Camcorders
<ul style="list-style-type: none"> • Other domestic appliances 	

3.1 Consumer Classes

Even discounting the purchase power parity factor, income classifications do not serve as an effective indicator of ownership and consumption trends in the economy. Accordingly, the National Council for Applied Economic Research (NCAER), India's premier economic research institution, has released an alternative classification system based on consumption indicators, which is more relevant for ascertaining consumption of various classes of goods.

There are five classes of consumer households, ranging from the destitute to the highly affluent, which differ considerably in their consumption behavior and ownership patterns across various categories of goods. These classes exist in urban as well as rural households both, and consumption trends may differ significantly between similar income households in urban and rural areas.

The rapid economic growth in increasing and enhancing employment and business opportunities and in turn increasing disposable incomes. Middle class, defined a household with disposable income from Rs.200000 to 1,000,000 a year comprise about 50 million people, roughly 5 % of the population present. By 2025 the size of middle class will increase to about 583 million people, or 41 % of the population. Extreme rural poverty has decline from 94% in 1985 to 61% in 2005 and its projected to drop to 26% by 2025.

4. Telecom Sector in India

India has come in a close second in the sale of mobile phones in the year 2006. China has led the race of mobile sales being the highest in the world. In India however the GSM phones rule over the CDMA handsets. Leading the categories are Nokia, Samsung, Sony Erickson while Reliance takes a large size share in the corporate segment. Subscribers in India are basking in the glory of the ever increasing number of subscriber patronage. They want to be seen with better handsets as there is a quaint feeling that the mobile should match the designation or just make a status statement with a smart and expensive phone. Hence with such attitudes ruling the market everyone wants to stand out with the handset they own. Mobile Phones have a huge market in the world and especially in India. The sharks in this system like Motorola, Nokia, Samsung, Sony Ericsson, LG, Vodafone etc. continuously introduced latest Mobile Phone models at regular intervals in order to keep the smaller fishes aware of their superiority in the business.

The range of accessories available for each handset caters to the demands of all kinds of users. With the rising living standards, many Mobile Phone Stores have come up in India that offers the entire range available along with special offers and free gifts. The Mobile phone sales have touched a new high ever since the introduction of technologies like Camera, Games, polyphonic Ringbones, extendable memories in the form of Memory Cards, Video Recording, Bluetooth, WiFi, GPRS etc Mobile Phones Games have captured the interests of youngsters and adults alike. Many people are actually addicted to them.

The large and bulky gaming devices have reduced to either handheld video games that are certainly passé or the play stations that are way too expensive. At the end of 2005/2006, there were 90 million mobile subscribers in India in comparison to 50 million subscribers for landlines. The main aim of this paper is to estimate future trends and analyze the pattern and rate of adoption of mobile phones in India. Consequently, the mobile subscriber base is projected to increase from 90 million in 2005/2006 to 433 million in 2010/2011 and nearly 900 million in 2015/2016. The projected rapid growth in the mobile subscriber ASIAN



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5. Literature Review

- In general, behavior is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectation. If performance matches the expectation, customer is satisfied & if performance exceeds the expectation, the customer is highly delighted. (Kotler 2002).
- The number of mobile phones has increased since the first half of the 1990s while the number of conventional, fixed phones has decreased simultaneously. The proportion of households with mobile phones only has also been increasing since the mid 1990s (Kuusela and Vikki, 1999).
- The total of 4.5 million youngsters with mobiles included 58% of nine 10 year olds and 89% of 11 to 12 year olds with handsets. Some 93% of 13 to 14 year olds and 95% of 15 and 16 year olds had a mobile. (*Daily Mail, 15 February 2005*). 06 June 2006 A recent study by Nokia finds, perhaps unsurprisingly, that people want and, indeed, expect more from their mobile phones than just phone calls. According to the survey, 44% use their mobile as their primary camera, and 72% say that their mobile has rendered their alarm clock obsolete as they rely on their phone to wake them up.
- Attributes are the characteristic or features that an object may or may not have and includes both intrinsic and extrinsic (Mowen & Minor, 1998). Benefits is the positive outcomes that come from the attributes. People seek products that have attributes that will solve their problems and fulfill their needs (Mowen & Minor, 1998). Understanding why a consumer choose a product based upon its attributes helps marketers to understand why some consumers have preferences for certain brands (Gwin & Gwin, 2003).

- In the study by Gwin and Gwin (2003), the Lancaster model of consumer demand (1966, 1979), also referred to as the product attributes model, was used to evaluate brand positioning. This model assumes that consumer choice is based on the characteristics (or attributes) of a brand

6. Objectives of the study

1. To study behavior of rural consumer towards mobile phones
2. To analyze the customer preferences in mobile phones handset

7. Research Methodology

The research survey was conducted in Palanpur College. In this research study, we have included collegian students who are come from rural areas of Palanpur Taluka. The tool of data collection was the questionnaire. The study is based on primary data obtained through a well designed questionnaire. The questionnaire was administered to users of cellular phones. For the purpose of the study consumers are asked to rate the five handset purchase motivators (price, quality, style, features, and brand) on 5 point Likert's scale for mobile phone. Extremely Important 5, Somewhat Important 4, Neither Important 3, Somewhat Unimportant 2, Extremely Unimportant 1.

8. Sampling Design

8.1 Sampling Procedure

The administrative structure of Banaskantha District is as follow:

In all there are more than 800 small villages in Banaskantha District. These districts are clubbed in 12 different talukas and Palanpur taluka is clubbed to from 5 sub town or division with the administrative headquarter at Banaskantha District.

- 1. Sampling Unit:** Customer on the basis of age, gender, income, occupation, education in Palanpur Taluka.
- 2. Sampling technique:** Stratified simple random sampling techniques
- 3. Sampling Size:** 125 Sample was collected from Palanpur Taluka.
- 4. Method of Data Collection:** Primary data collection was done by structured questionnaire method.

5. Time Dimension of the Study: It was taken one month time duration to complete the study.

6. Data Analysis: Data collected then be analyzed using statistical techniques

7. Software used for data analysis: Statistical Package for Social Study (SPSS) was used for data preparation and data analysis.

Table: 8.1 Demographic Characteristics

Variables	Characteristics	Respondents	Percentage
Age:	1. Below 20 Years	42	33.6
	2. 20 to 25 Years	55	44
	3. 25 to 30 Years	28	22.4
	4. 30 to 35 Years	Nil	Nil
	5. Above 35 Years	Nil	Nil
	Total	125	100
Sex:	1. Male	82	65.6
	2. Female	43	34.4
	Total	125	100
Educational Qualification:	1. Under Graduate	45	36
	2. Graduate	32	25.6
	3. Post Graduate	22	17.6
	4. Other	26	20.8
	Total	125	100
Occupation:	1. Service	47	37.6
	2. Business	25	20
	3. Profession	Nil	Nil
	4. Agriculture	53	42.4
	5. Other	Nil	Nil
	Total	125	100
Family Income (Per Month)	1. Up to Rs. 5,000	30	24
	2. Rs.5,000 to Rs.10,000	51	40.8
	3. Rs.10,000 and above	44	35.2
	Total	125	100

Table: 8.2 Mobile Phone Used by Collegian Students

Sr.No	Mobile Phone	Respondents	Percentage
1	Nokia	66	52.8
2	Motorola	Nil	Nil
3	L.G	10	8
4	Reliance	Nil	Nil
5	Sony	05	4
6	Samsung	24	19.2
7	TATA	Nil	Nil
8	Spice	20	16
9	Apple	Nil	Nil
10	HTC	Nil	Nil
11	Other	Nil	Nil
	Total	125	100

Table: 8.3 Sources of Information

Sr.No	Source of Information	Respondents	Total
1	News Paper	55	44
2	T.V	15	12
3	Internet	5	4
4	Mobile Phone Retailer	9	7.2
5	Magazine	11	8.8
6	Radio	Nil	Nil
7	Friends	30	24
8	Other	Nil	Nil
	Total	125	100

Table: 8.4 Purchase Decision

Sr.No	Purchase Decision	Respondents	Total
1	Self Decision Only	56	44.8
2	Friends	26	20.8
3	Family	10	8
4	Mobile Phone Retailers	26	20.8
5	Other	07	5.6
	Total	125	100

Table: 8.5 Consumer Satisfactions

Sr.No	Consumer Satisfaction	Respondents	Total
1	Satisfied	105	84
2	Dissatisfied	20	16
	Total	125	100

Table: 8.6 Factors Affecting to Consumer

Sr.No	Factors	Mean	Std.Devi.	Z Value	Critical Value
1	Price Conscious	4.97	0.15	33.13	1.645
2	Shape	4.02	0.75	5.36	1.645
3	Quality	4.38	0.66	8.15	1.645
4	Colour	3.44	1.26	2.73	1.645
5	Features	5.59	2.67	0.12	1.645

9. Hypothesis:

H0: There is no significance difference between price conscious and collegian students.

H0: There is no significance difference between shape and collegian students.

H0: There is no significance difference between quality and collegian students.

H0: There is no significance difference between colour and collegian students.

H0: There is significance difference between features and collegian students.

10. Data Analysis and Discussions:

Following is the summarized the result from the data.

10.1 Demographic Profile.

- The demographic data (Table 1) indicates that most of the respondents of rural sample fall in the age category of 20 to 25 years (44%)
- 65.6% of rural sample belongs to male and % belongs to female.
- Educational profile of the rural sample indicates that most of the respondents are under graduate (36%).

- Occupation profile of the rural sample indicates that most of the respondents are from agriculture (42.4%) and remaining (37.6%) from services.
- Income profile of the rural sample indicates that most of the respondents are having monthly income between Rs.5, 000 To Rs.10, 000 (40.8%).

10.2 Mobile Phone User:

- Information pertaining to the mobile phone used (Table 2) indicates that in rural sample most of the respondents are having Nokia Phone (52.8 %).

10.3 Source of Information:

- The received information pertaining to source of Information (Table 3) indicates that most of the respondents use Newspaper (44%), Friends (24%)

10.4 Source of Information:

- It is interesting that information regarding Purchase Decision (Table 4) indicates that most of the respondents from rural sample take self decision (44.8%), followed by friend's help (20.8%)

10.5 Consumer Satisfaction Level:

- Respondents are asked whether they recommend their mobile phone to a friend, it is assumed that positive answer (Yes) will indicate satisfaction and negative answer will indicate dissatisfaction (No).
- The received information pertaining to consumer satisfaction (Table 5) indicates that most of the respondents are satisfied (84%)

10.6 Factors Affecting to Consumers:

- Critical Test Value: For 5% significance level and one tailed test the critical value is 1.645
- **Interpretation:** Since the calculated value is more than the critical value ($33.13 > 1.645$), we reject the null hypothesis.
- **Interpretation:** Since the calculated value of four factors is more than the critical value, we reject the null hypothesis; only one factor "Feature" have lower value. .

11. Conclusion:

This paper indicates that majority of the rural consumers are preferred Nokia phone because it is most affordable than other and these peoples are so price conscious. Our study explain about the rural consumers are those who comes from different villages from Palanpur taluka and studying in college. People have knowledge about the other brands of mobile like, Apple and HTC but due to illiteracy level they don't know how to access the application and internet facilities from that mobile phone. Illiteracy leads to an inability to identify brand differences and read the basic text on packages. Therefore it is important that companies give their products shorter names in the local languages and educate the customer about the significance of their brands. Pictures and endorsement by local stars will also help in increasing brand awareness. Poor media penetration and lack of hoardings, television reach, newspapers and magazines has made the task of marketers rather challenging. It is also because of poor media penetration and low literacy rates that the village people are highly influenced by the local political and religious leaders. Last but not least, Indian private mobile companies should start strong marketing campaign, plan and utilize their best marketing strategies.

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