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QR Code for Mobile users

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Mobile Phone Usage Patterns among Indian consumer – An Exploratory Study

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ABSTRACT

In recent years, the adoption of mobile phones has been rapid so fast not only in India but also in the whole world. Owning a mobile phone was considered a luxury in India till the late 1990's. However with the reduction in service charges & the cost of handsets the number of mobile users in India soon increased. Mobile phones have become a need than a fashion accessory. The aim of the study is to investigate & understand the behavior of consumers of mobile phones in Varanasi district & the Allahabad District. And further capture their satisfaction level that is influenced by various technical & non technical factors. The study indicates that while price & features are the most influential factors affecting the purchase of a new mobile phone, its price, audibility, network accessibility, are also regarded as the most important in the choice of the mobile phones. The prime objective of the study is to understand the difference in the importance given by different gender groups to the selected factors while buying mobile handsets. The study concludes 57% of male has given importance to Quality of mobiles followed by price, features, Brand & style of mobiles.

Keywords: Mobile Handsets, Gender Groups, Consumer behavior, Factors

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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 second fastest 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.

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 Ringtones, 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 base will have important implications for future plans of mobile operators, infrastructure providers, handset suppliers and vendors.

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 other researchers define consumer behavior as 'satisfying the needs & desires of consumers' (Besterfield 1994). During recent years, the telephone coverage and its structure in Finland have undergone a dramatic change, mainly as a consequence of rapid increase in the popularity of the mobile phone. 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 Guardian reported a study in 2005, which found that state of the art mobile phones have been found to be effective tools for tempting young unemployed adults back to learning. In 2005 Child Wise, a market research firm specializing in children's products found that one in four under eights had a mobile. The total of 4.5 million youngsters with mobiles included 58% of nine to 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. Studies by the International. A literature review serves to focus research problems and to understand current academic thinking and theoretical models around a research topic. It is a description as well as a critical review of the literature. (Saunders, Lewis and Thornhill, 2001). Technological progress in the sphere of information and communication is encouraging the use and development of new shopping methods, leading to a rapid growth in non store shopping as the individual can buy products/services without having to travel to retail outlets (Sharma and Sheth 2004; Thompson 1997).

Objectives of the study

1. To study the behavior of consumers towards cellular phones.
2. Find out preferences of consumers in mobile handsets at the time of purchase.
3. Find out the satisfaction & dissatisfaction level of consumers & reasons for that.

Research Methodology

The study was conducted. The study is based on primary data obtained through a well designed questionnaire. The questionnaire was administered to users & non 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. **The study** The study will be exploratory in nature with survey method being used to complete the study.

Sampling unit

Customer on the basis of age, gender, income, occupation, education in Varanasi & Allahabad District.

Sampling size

500 Respondents in Varanasi District & 500 Respondents in Allahabad District.

Tools used for data analysis

Stratified Random Sampling & Appropriate statistical tool to be applied to interpret data like Test of significance, Chi square test.

Sampling area

Varanasi District & Allahabad District

Tools used for data collection

Self designed questionnaire was used to compare both the districts. Data was collected on a seven point's Likert type scale where one indicates minimum agreement & seven indicate maximum agreement.

Data Analysis

For the purpose of the study both the rural & urban samples will be asked to rate 5 mobile phone motivators i.e. (Price, Quality, style, functions, Brand) on 5 point Likert Scale. The Chi Square Test is used for Analysis.

Data Analysis

The mobile phones have a huge impact upon the student community. The use of these gadgets by the youth has been in different ways. It is high time for us to be aware of the tastes and preferences of the youth towards the mobile phone games. For the purpose of the study respondents are asked to rate 5 mobile phone motivators i.e. (Price, Quality, style, functions, Brand) on 5 point Likert Scale for mobile phones : (5)Extremely Important, (4) Somewhat Important , (3) Neither Important nor Unimportant ,(2) Somewhat unimportant ,(1) Extremely Unimportant. For the purpose of testing Hypothesis, the scores are averaged & standard deviation is calculated.

Findings & Discussion

1. 50.19% people belong to Varanasi city and 49.81% people belong to Allahabad city.
2. In Varanasi City, 51.38% people like to use Nokia Handset, 13.03% people like to use Samsung Mobiles, 10.53% people like to use Sony Ericsson mobiles, 9.52%

people like to use LG mobiles, 7.27% people like to use Tata mobiles, and 8.27% people like to use other mobiles.

3. Out of my whole sample, 37.74% people are servicemen, 32.08% people are businessmen, 8.93% people are students & 21.25% people belong to some other occupation like agriculture etc.

4. 72.08% are males, 27.92% are females.

5. In Varanasi, I found 27.57% respondents bought mobile due to Demo effect & 50.63% respondents bought mobile due to necessity. In Allahabad, 38.38% respondents bought mobile due to Demo effect, 35.86% respondents bought mobile due to necessity.

6. In Varanasi, 39.85% respondents prefer Bar type mobile, 22.56% like Flip mobile handsets, 25.81% like Slider handsets & 4.26% like Phones with Swivel look. But in Allahabad 40.40% respondents prefer bar type mobile, 20.96% like Flip mobile handsets, 28.28% like slider Handsets, and 4.04% like Phones with Swivel look.

7. The satisfaction level of users was analyzed on a five point scale ranging from 'not satisfied' to 'fully satisfied'. Only 14 percent of the consumers say that they are fully satisfied with the services, while 6 percent responded as 'not satisfied'. A major group of consumers either say that they are 'almost satisfied' (43%) or 'average satisfied' (20%). 'Very less satisfied' plus 'not satisfied' combined together comes to 20 percent of the total consumers.

8. The major reasons cited for dissatisfaction are poor quality of signals (42%) and higher costs (38%). Poor quality of signals means unavailability of signals, call failure, call drop downs etc. Only 4 percent complaints

about billing errors while 9 percent are not happy with the quality of customer care services being provided. Many respondents cited multiple reasons for dissatisfaction.

9. 77% percent of the sampled consumers receive unsolicited calls while only seventeen percent of it feels happy on getting such calls. Out of the consumer who gets such calls twenty three percent stays indifferent to such calls while thirty percent accepts that they get disturbed and feel irritated. Six percent gets very angry on receiving unsolicited calls.

Conclusions

The most terrible thing about having a cell phone is that no matter how good the service provider claims service, there are still places your phone would not work or will cut out on you. However, Indian Market has still not reached to its saturation level, but it has to still make inroads in rural areas. Companies should divert their attention to rural areas to cater to the rural market. Government should also provide the companies secure environment so that they should invest in India. This will ultimately benefit the consumer. In order to utilize the immense potential in rural or semi urban market India, companies need to make marketing strategies & action plans in such a way that are able to influence consumer's behavior. Marketing can succeed by adopting integrated strategies by companies.