

**UNDERSTANDING THE NEEDS TO BUY MOBILES PHONES – A COMPARATIVE STUDY  
OF RURAL AND URBAN CONSUMERS IN SAURASHTRA REGION**

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**Abstract**

Today's market throws continues challenges to marketers. In response successful marketers face these challenges with innovative solutions. India is one of the fastest growing telecommunications market. It is the second largest in number of telephone subscribers in the world (222 countries) indicated by the available international comparisons till 2010. India accounts for 12 per cent of the world's total telephone subscribers (TRAI Report, 2012, p. 6).

Need recognition is the first stage of buying decision process. It is very essential for the marketers to understand why consumers buy mobile phone, which different needs motivate them to purchase a mobile phone. Present study attempted to understand different needs of rural consumers for mobile phone and compare them with the needs of urban consumers.

The survey was undertaken in Saurashtra region of Gujarat state in India. The population for the survey includes rural and urban mobile phone consumers of Saurashtra region. Sampling unit for the survey is rural and urban mobile phone consumers of Saurashtra region. It is descriptive research and mainly based on primary data. Survey approach was used to collect the primary data and the questionnaire was developed both in English and Gujarati language for collection of primary data from mobile phone users of Saurashtra region. It has used number of tools for statistical analysis like frequency distribution, descriptive statistics, two – sample hypothesis tests (t test).

At the end of the survey after eliminating the incomplete questionnaires the effective sample size was 1481 respondents. It included 712 rural respondents and 769 urban respondents from Saurashtra region.

**Keywords:** Rural marketing, mobile phones, consumer needs.

**Introduction:**

Technology is changing the lives of people all around the world. Mobile phone is one such technological inventions which has not only technological but also economic, social, psychological and even medical impact. India's smartphone shipments grew 9% YoY to reach over 53 million units in Q3 2020, according to the latest research from Counterpoint's Market Monitor service. It observed that as lockdown restrictions have been relaxed the Indian smartphone market is on a recovery path. Further it was mentioned that due to Covid-19 pandemic, Indian consumers have ended up saving on leisure activities. These savings are now being used into smartphone purchases. Also smartphones have become an integral part of consumers' lifestyle in this changing environment (Jain, 2020).

According to Kantar IMRB report, the millennial population of India is around 450 million, out of which around 300 million millennial (67% of the total population) live in Rural India. The smartphone penetration in rural and semi-urban areas has observed an important shift with an increase in user base to 40-50% from 29% five years ago. Number of factors are responsible such as affordable device ecosystem, innovative and trendy features and most importantly, the aspirations of rural millennial (Talapatra, April 2020)

For marketers it is very important to understand the different needs of purchasing the mobile phones. Further they also have to find out whether the rural consumers' needs are similar or different compare to their urban counterpart. The present study try to understand different needs to buy mobile phones/ smartphones in Saurashtra region with reference to rural and urban consumers.

**Literature Review**

Katyal (2017) in the study of factors affecting smartphone purchase decision: An empirical study observed that there are certain factors which impact smartphone purchase decisions. Important features which are responsible for smartphone purchase are: usefulness of the smartphone, features of the smartphones. It also found that majority of the customer become loyal towards certain brands which also affect purchase decision.

Kaushal and Kumar (2016) in their study of factors affecting the purchase intention of smartphone: A study of young consumers in the city of lucknow, revealed that only compatibility, dependency and social influence were the factors which significantly affect the purchase intention of the smartphone consumers. The significant difference was found in the responses of male and female only for the convenience factor.

Rahim, Safin, Kheng, Abas and Ali (2016) have done the study of factors influencing purchasing intention of smartphone among university students. The result showed that three variables that are product features, brand name and social influence have significant relationship except one variable, product sacrifice that has no significant relationship with purchasing intention.

Karjaluo, Karvonen, Kesti, Koivumaki, Manninen, Pakola, Ristola and Salo (2015) have done study of factors affecting consumer choice of mobile phones: Two studies from Finland. The objective of the study was to examine consumer buying behaviour of mobile phones and to investigate the reasons underlying mobile phone change. The study found strong evidence that although mobile phones are developing at a rapid pace closer to personal digital assistants (PDAs), many consumers tend to be unaware of the properties and services the new models in the market contain. In the study 1 observed that students are not

familiar with new technical properties and their purposes of use. Study 2 showed that seven factors characterise mobile phone choice: innovative services, multimedia, design, brand and basic properties, outside influence, price, and reliability.

Khan, Kulkarni and Bharathi (2014) in their study identified and analysed certain critical drivers of mobile phone purchasing decisions and explaining their relevance. Empirical research was conducted in the study through an image-based survey amongst college students in Pune city. In this paper three critical drivers to purchasing decision namely price, brand and brand ambassador were considered. The study adopted text based questions and image based questions to solicit the responses to find whether it had an impact on the responses. Among the three purchasing decision drivers analysed it found the specificity for informed responses in imaged based survey relating to brand and brand ambassador and not for price.

Chow, Chen and Yeow and Wong (2012) in their conceptual paper of factors affecting the demand of smartphone among young adult studied the four independent variables, which include product features, brand name, price, and social influences. The dependent variable is the demand of smartphone among young adult. The main objective of their study was to develop a literature review of factors affecting the demand of smartphone among young adult. Study showed a strong relationship between the variables.

Mokhlis and Yaakop (2012) has done the study on consumer choice criteria in mobile phone selection: An investigation of Malaysian university students. The top three most important factors influencing consumer choice of mobile phones are: innovative features, recommendation and price.

### **Identification of Research Gap**

The literature review shows that though there were studied undertaken the mobile phone buying behaviour, very few studies have done to understand the needs to purchase mobile phones specifically in Indian context. Further very few research is undertaken to understand the same with reference to rural consumers. So the present study try to fill this gap by undertaking the study on needs to buy mobile phones in Saurashtra region with reference to rural and urban consumers.

### **Research Methodology**

#### **Research Questions**

1. How do rural consumers make buying decision of mobile phone in Saurashtra Region?
2. Do rural and urban consumers differ in buying decision making process of mobile phone in Saurashtra Region?

#### **Objectives of the Study**

To examine the need/motive of rural consumers to buy mobile phone in Saurashtra Region.

#### **Research Design**

With reference to above classification of research design the present study is considered as descriptive research. It is related to understand the buying decision making process of rural and urban consumers for mobile phones in Saurashtra region. The study is mainly based on primary data. The following is the different aspects of research design.

#### **Data Sources**

The study includes primary data source and secondary sources. The present study started with exploring in-depth secondary sources. Afterward, the primary data was collected from Saurashtra region.

#### **Research Approach**

In the present study the survey research approach is used to collect primary data from mobile users of Saurashtra region. The research instrument is questionnaire, which was developed after exhaustive literature review and focus group analysis. The questionnaire was developed both in English and Gujarati language.

#### **Measurement Scales**

For the present study 5 – Point Likert-type scales is used, for example Not at all important (1), Not Important (2), Neutral (3) (neither important nor unimportant), Important (4) and Very Important (5).

#### **Sampling Design**

##### **The Population**

The population for the survey includes rural and urban mobile phone consumers of Saurashtra region. Saurashtra region has seven districts namely Rajkot, Jamnagar, Porbandar, Junaghad, Amreli, Bhavnagar and Surendranagar. 'Rural' area for the survey is defined as any village less than Taluka level centre and 'Urban' area is defined as Taluka and District centre.

##### **Sampling Unit**

Sampling unit for the survey is rural and urban mobile phone consumers of Saurashtra region.

##### **Sample Size**

Thus, sample size is very vital decision as it affects further analysis of the study. The sample size of 1400 respondents was taken for the survey, which includes 700 respondents from rural areas and 700 respondents from urban areas from Saurashtra region.

##### **Sampling Procedure**

Initially, it was planned that 200 samples from each district (100 samples from rural and 100 samples from urban) would be collected according to above procedure. But in reality as time passed in survey, it was realized that each district is not equally accessible, so final sample composition has somewhat more or less than 200 samples. It was decided that 700 samples from rural area and 700 samples from urban area would be collected. It was strictly followed and at the end of the survey 712 samples from rural and 769 samples from urban area were collected.

##### **Data Analysis Plan**

The present study has used 'Independent-samples t test' for hypotheses test with 5% significance level (two tailed test). SPSS (Statistical Package for Social Science) version 16 was used for the statistical analysis.

**Data Analysis and Findings**

At the end of the survey after eliminating the incomplete questionnaires the effective sample size was 1481 respondents. It included 712 rural respondents and 769 urban respondents from Saurashtra region.

Table 1 District-wise Sample Composition

District wise Rural & Urban Respondents				
Sr. No.	District	Rural	Urban	Total
1	Rajkot	113	125	238
2	Jamnagar	139	120	259
3	Porbandar	78	83	161
4	Junagadh	102	119	221
5	Amreli	127	101	228
6	Bhavnagar	43	196	239
7	Surendranagar	110	25	135
	<b>Total</b>	<b>712</b>	<b>769</b>	<b>1481</b>

(Source: Developed by Researcher)

Following Table 2 shows the different needs to buy the mobile phone.

Table 2 Sub-Variables for Need Recognition

Variable 1 - Need Recognition		
No.	Sub-Variables	I need mobile phone because...
1.1	Communication need	I want to be in touch with my parents, friends etc.
1.2	Security need	It gives me security at any time, at any place
1.3	Business need	It helps me in my business / profession
1.4	Economy need	It is cheaper than landline
1.5	Status need	It gives me status in the society
1.6	Information need (Internet)	It is useful for getting information from internet
1.7	Value added services	It gives me many value added services like sms, music, photos etc.
1.8	Privacy	It gives me privacy in my life
1.9	Comfort and Convenience	It gives me comfort and convenience in my life
1.10	Entertainment need	It gives me entertainment

(Source: Developed by Researcher)

Primary hypothesis for this stage is

H<sub>0</sub>: There is no significant difference between rural and urban consumers regarding need/motive to buy mobile phone in Saurashtra Region.

H<sub>1</sub>: There is a significant difference between rural and urban consumers regarding need/motive to buy mobile phone in Saurashtra Region.

Main variable need recognition has ten sub variables (needs); therefore main hypothesis has ten sub-hypotheses.

**Need Recognition - Summary of Hypotheses Tests**

Following Table 3 summarizes the hypotheses tests conducted above for rural and urban respondents with reference to variable need recognition and its sub-variables.

Table 3 The Independent-Samples t – test - Variable - Need to Buy a Mobile Phone

The Independent-samples t – test (Two Tailed Test, Significance Level – 0.05)									
No.	Sub-Variables	Rural Consumers (N = 712)		Urban Consumers (N = 769)		t-value	Degree of Freedom (df)	Sig. (p-value)	S / NS
		Mean	Stand. Dev.	Mean	Stand. Dev.				
1	Communication Need	4.70	0.59	4.56	0.77	3.93	1434.69	0.00	S
2	Security Need	4.28	0.93	4.27	0.92	0.22	1479	0.83	NS

3	Business Need	3.64	1.36	3.33	1.45	4.28	1478.60	0.00	S
4	Economy Need	3.21	1.40	3.12	1.40	1.15	1479	0.25	NS
5	Status Need	2.59	1.38	2.84	1.40	-3.42	1479	0.001	S
6	Information Need (Internet)	4.07	1.27	4.20	1.13	-2.01	1426.84	0.04	S
7	Value Added Services Need	3.87	1.19	4.01	1.11	-2.41	1447.17	0.02	S
8	Privacy Need	3.28	1.35	3.46	1.32	-2.71	1479	0.007	S
9	Comfort and Convenience Need	3.92	1.03	3.89	1.06	0.48	1479	0.63	NS
10	Entertainment Need	3.86	1.19	3.86	1.15	0.07	1479	0.95	NS

Note: S – Significant, NS – Not Significant

(Source: Developed by Researcher)

#### Findings

- Study found that there were significant differences between rural and urban respondents for communication need, business need, status need, information need (internet), value-added services need and privacy need.
- It was found that rural respondents gave more importance to communication need and business need for the purchase of mobile phone compared to urban respondents.
- Urban respondents gave more importance to information need (internet), value added services need and privacy need for the purchase of mobile phone compared to rural respondents. (Note: there was a significant difference between rural and urban respondents for status need but rural respondents' mean = 2.59 and urban respondents' mean = 2.84. In Likert scale for this question '2' indicated 'Not Important' so it was not considered.)
- By considering the mean value, it was found that rural and urban respondents have given importance to communication need, security need and information need (internet) in order of importance for the purchase of mobile phone. For urban respondents the next important need was value added services need.
- Both rural and urban respondents have given least importance to status need for the purchase of mobile phone.

#### Conclusion

Need recognition is the first stage of buying decision process. It is very essential for the marketers to understand why consumers buy mobile phone, which different needs motivate them to purchase a mobile phone. Present study attempted to understand different needs of rural consumers for mobile phone and compare them with the needs of urban consumers. Marketer should give more importance to 'communication need' and 'business need' for the promotion of the mobile phones to rural consumers compared to urban consumers. While for urban consumers 'information need (internet)', 'value added services need' and 'privacy need' should be given more importance compared to rural consumers for the promotion of mobile phones.

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