

PROMISING PHONE MARKET IN RURAL KARNATAKA, AN EXPLORATORY STUDY

Prof. Raju V. Vernekar
Faculty, Computer Science
GFGC Dandeli
E-mail: vernekarr@gmail.com

Abstract

Purpose - The aim of this article is to study phone market in rural Indian and exploratory study.

Research design - In this paper, exploratory study includes ratio analysis, historical trend analysis, using software tools, judgmental forecasting, and cause and effect analysis

Findings - The result observed as subscriber growth in India will continue, driven by rural expansion, cheaper handsets, focus on Value-added Services and direct-to-consumer relationships will start emerging.

Research limitations - The data was collected by survey method, the inherent lacunae associated with this type of inquiry have crept into the study. However, the degree of discrepancy if any would be negligible as the estimates presented are in averages. The study is based on the secondary sources of data also and hence the accuracy of the results depends on the accuracy with which the data were generated.

Key Words: Rural Market, Market Adoption, value-added-services, smart phone

INTRODUCTION:

As a "Buz world" of the 1990s a milestone in the Internet's development; as well the growth of radio in the 1920s led more focus in advertisement for the business's world. According to recent statistics, there are nearly 740+ million mobile phone subscribers as compared to just around 30 million PC's in the country, with 115.6 million the number of active mobile internet users in India as of March, 2019 .

The general purpose of telecom Technology lies for communication, and more focus is towards rural market. Speedy advances in mobile technologies have allowed marketers to dispose of best practices for traditional media.

Rural areas in developing countries present difficult challenges to the development of cell phone networks and sustainable business projects. These challenges include limited or non-existent telecom infrastructures, poor road infrastructures, unreliable electricity, diverse topology, and low village density. These challenges are coupled with limited skill sets and limited financial resources among members of the communities.

INDIAN CELL PHONE INDUSTRY :

An ocean changes are saw from the time that mobiles were unheard in India to the present where they have become almost universal. Beginning from those days, Indian subscribers paid around Rs. 16+ for a mobile to mobile call and around rupees 30+ for a mobile to a land-line call. Today, as per recent statistics, customers pay far lesser for calls and occasional text messages that rounded to ½ paisa per second and upwards.

Now that mobiles have moved into the affordable bracket, there is a great demand for additional mobile services such as games, email, stock market quotes, car, and astrology services, just to name a few.

A recent survey pointed to the fact that for most customers, mobile phones have become an extension of their personality. Many go a step ahead to say that mobile phones define their individuality as well. In such a scenario, it is worthwhile to

compare the growth of the mobile phone industry with the computer industry in India. According to recent statistics, there are nearly 700+ million cell phone subscribers as compared to just around 30 million PC's in the country. Additionally, around 8 million subscribers are signing up every month for mobile services alone. Rs. 4600 crore estimated size of the Indian mobile advertising market by year 2024.

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Indians are fascinated and they started spending a significantly on these services too. This is a boon in disguise for Indian cellular operators who are seriously looking forward to enhance their revenues. Currently, nearly 79% of the revenues come from services like ring tones, games, downloads and SMS. This makes India the second largest mobile market on earth.

Mobile content providers also visualize a big jump in their services. These include many global companies such as Apple, Amazon, Google, Blackberry, Xiaome, Samsung, Yahoo and MSN, which have signed up with many Indian operators like Airtel, Vodafone, and Reliance Communications. Together, they offer a host of services based on the local and regional markets in their area of operation.

The Indian mobile scenario seems to be all set for the next stage - expansion and consolidation, but there are a few complications as well. Not all users can afford costlier services beyond messaging and talk time. What is expected is increase in the already growing user base so such services can become affordable to one and all in the long run.

EMERGE OF THE RURAL MOBILE MARKET IN INDIA.

Indian rural is also more and more leaning towards the 'mobile market umbrella'. The study looks at how new mobility could be used to bridge the growing economic and social divide between rural and urban areas. This report helps clients to have an insight into the mobile industry in rural India, giving its forecasted future size including subscribers' growth, handset sales, market share, market penetration, opportunities, and roadblocks.

We have thoroughly analyzed various reasons responsible for the current trends in the rural mobile market in India and its future outlook that will help global players navigate through the latest trends in the Indian rural mobile sector. This report provides segment-wise analysis, forecast, latest market trends, and the potential growth areas of the rural mobile market in India. The extent of the information covered in the report will assist client to have a better understanding of the Indian mobile market.

With the largely untapped rural market, India's rural mobile market has the potential to reach upto the subscriber base of 925 Million by 2024, as per the findings of a new research report from RNCOS, "Emerging Rural Mobile Market in India".

The anticipated increase in the number of rural mobile subscribers in India is mainly accredited to the affordable services and low-cost handsets, as per the report. The urban market constitutes the maximum portion of the Indian mobile sector, but is now heading towards saturation with a tele-density of over 77%. On the other hand, the rural market is mostly unexploited and provides a huge growth potential as 70% of India's population lives in rural areas.

Realizing the future growth potential of the rural mobile market and rising rural income, several leading handsets manufacturers, like Samsung, Nokia, are lining up to enter this market by teaming up with some micro finance institutions.

Among service providers BSNL, JIO and Bharti Airtel are the major players developing various strategies to exploit the rural mobile market of the country.

Key Findings

In the scenario of saturation of the urban market, growth in Indian mobile market will be diverted with an increased focus on the rural cellular market, aggressive promotions, and handset bundle offers with free apps for more attractions.

As of March 2019, mobile subscribers in rural India accounted just Rs.29,1000 crore of the Indian mobile subscriber base. However, it is forecasted to grow more than 43% during 2022-23.

Rural India will account for around 35-38% of the total mobile handset sales by Mar-2023.

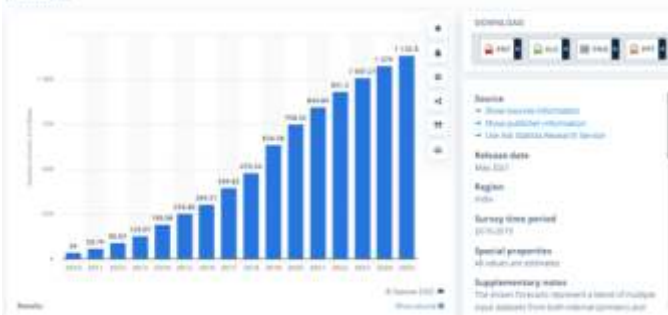
RESEARCH METHODOLOGY USED

In Information Sources Information has been sourced from various credible sources like books, newspapers, trade journals, and white papers, industry portals, government agencies, trade associations, monitoring industry news and developments, and through access to more than 3000 paid databases.

ANALYSIS METHODS

The analysis methods include ratio analysis, historical trend analysis, linear regression analysis using software tools, judgmental forecasting, and cause and effect analysis..

Forecast of the number of smartphone users in India from 2010 to 2025 (in millions)



According to Statista released in May 2021 total wireless subscriber base in India in 2025 is 1132.9 million.

SPECIFIC OBJECTIVES

1. To evaluate the socio-economic conditions of mobile users in study area
2. To study the comparative share of different brands of mobile usage in north Karnataka.
3. To study the gender equity, employment and income among the mobile users in the study area.
4. To identify the marketing channels involved in the sale of mobile in study area

Table 1: Socio-economic profile of Mobile users in study area. N:300

Sl.No	Socio-economic characteristics	Numbers
1	Average size of the family (Numbers)	5
	a. Number of adult males	2
	b. Number of adult females	2
	c. Number of children	1
2	Percentage adults owned mobile sets	78%

3	Percentage of households owning mobiles	96%
4	Average size of land holding (acres)	2.19
5	Proportion of family types	
	a. Nuclear	83%
	b. Joint	17%

Table 2: Extent of brand mix of mobile in the study area. N:300

Sl. No	Name of mobile set	No. of respondents using mobile	% to Total
1	Xiaomi	88	29.33
2	Samsung	79	26.33
3	Vivo	50	16.67
4	Oppo	30	10.00
5	Redme	33	11.00
6	Others	20	06.67

Table 3: Gender equity using mobile sets in the study area N:300

Sl. No	Name of mobile set	Male	Female	% to Total
1	Xiaomi	48	40	29.33
2	Samsung	29	50	26.33
3	Vivo	23	27	16.67
4	Oppo	14	16	10.00
5	Redme	20	13	11.00
6	Others	10	10	06.67

Table 4 : Occupational pattern profile of Mobile users N:300

Sl. No	Occupational pattern	No. of Persons	Percent
1.	Student	83	28.00
2.	House wife	26	19.00
3.	Business	62	21.00
4.	Salaried	48	16.00
5.	Self employed	34	11.00
6	Retired	13	4.00
7.	Others	4	1.00
	Total	300	100.00

Table 5: Income profile of Mobile users N:300

Sl. No	Income level	No.	Percent
1.	Up to Rs, 8,000	20	7.00
2.	Rs, 8,000 to 15,000	91	30.00
3.	Rs 15,000 to 20,000	53	18.00
4.	Rs. 20,001 to 30,000	79	26.00
5.	Rs.30, 000 and above	57	19.00
	Total	300	100.00

Table 6: quantity and value of mobiles sold in study area/ month. **N:300**

Sl.No.	Income level	No. of mobiles sold per month	Average value (Rs. sold /month)
1.	Retailers	65	72,000
2.	Company show room	36	45,000
3.	Dealers	110	1,25,000
	Total	201	2,42,000

Table 7: mobile users Profile in the study area **N:300**

Sl. No.	Name of the mobile brand	Average Number of months respondents using hand sets	Avg. currency spending / month (Rs)	Avg. price of mobile sales irrespective of agencies sold (Rs)
1.	Samsung	7 - 8 year	128	4200
2	Xiaomi	5 - 6 year	95	5800
3	Vivo	3- 4 year	86	4300
4	Oppo	3- 4 year	89	4200
5	Redme	5 - 6 year	88	5000
6	Others	1 - 2 year	82	3500

Note :- 1: Figures in parentheses indicate percentage to the total
 2: Average price of mobile sales worked out by averaging the prices obtained by the mobile users from different agency to whom they sold to mobile users.

Table 8: Marketing costs incurred by mobile users while purchasing the mobiles (Rs/ set)

Sl.No.	Item of cost	Amount In Rs	% To the total
1	Transportation	12.00	16.66
2	Personal expenses	60.00	83.34
	Total	72.00	100

Table 9: Factors considered while purchasing mobile phone handset

Sl.No.	Problems	Respondents (end users)	
		Number	Percent
1.	Aesthetic look	24	8.00
2.	Price	111	37.00
3.	Weight	18	06.00
4.	Brand	78	26.00
5.	Features	57	19.00
6.	Battery backup	12	04.00
	TOTAL	300	100.00

Table 10: Sources of media, influence the customer to purchase mobile phone handset

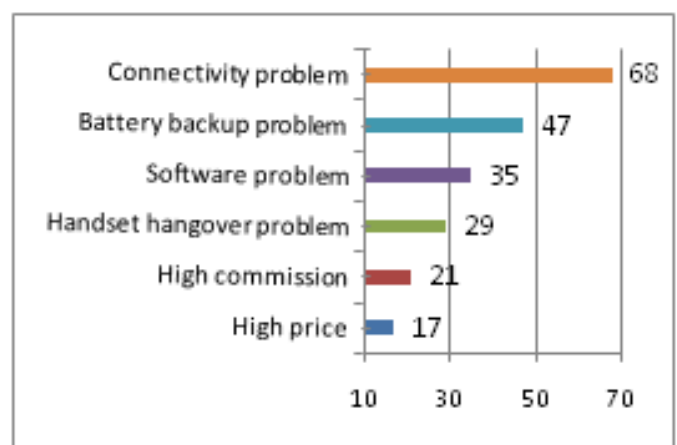
Sl.No.	Problems	Respondents (end users)	
		Number	Percent
1	Friends	137	45.67
2.	Family members/relatives	43	14.33
3.	TV media	22	7.33
4.	Newspaper	18	6.00
5.	Advertisement/Hoarding	67	22.33
6.	Magazines	13	4.33
	TOTAL	300	100.00

Table 11: Ranking of marketing problems faced by mobile phone handset sellers

Sl.No.	Problems	Opinions of the traders	
		Rank	Percent
1.	Paucity of supply of handsets	3	36%
2.	High price fluctuation	6	17%
3.	High taxation	5	29%
4.	High competition market	1	63%
5.	High bargaining by customers	2	47%
6.	Low commissions	4	32%

Table 12: Ranking of Problems faced by mobile users in the study area

Sl.No.	Problems	Respondents (mobile users)	
		Rank	Percent
1.	Connectivity problem	1	68
2.	Handset hangover problem	4	29
3.	Software problem	3	35
4.	Battery backup problem	2	47
5	High price	6	17
6	High commission	5	21



LIMITATION OF THE STUDY

The data was collected by survey method, the inherent lacunae associated with this type of inquiry have crept into the study. Even though the estimates were provided by the recall memory on account of the non-maintenance of records with regard to quantity of mobiles sold by the sellers, quantity purchased by the intermediaries and end-users, sincere efforts have been made to elicit an accurate and reliable information as far as possible by cross questioning. However, the degree of discrepancy if any would be negligible as the estimates presented are in averages.

The study is based on the secondary sources of data also and hence the accuracy of the results depends on the accuracy with which the data were generated.

Conclusion:

Here is a summary of my pick of the ten trends that will define the mobile space in India in 2009 onwards:

1. Subscriber growth in India will continue, driven by rural expansion, entry of newer operators, 3G and cheaper handsets.
2. Focus on Value-added Services and Data will increase in saturated, urban markets.
3. Mobile VAS operators which build direct-to-consumer relationships will start emerging.
4. Flat-rate Data Plans will accelerate the use of the Mobile Internet, Social Media and Rich Media.
5. Operators and/or handset players will launch AppStores to drive usage, innovation and revenues.
6. Mobile Payments and Commerce will come into vogue for micro transactions.
7. Companies will create multi-faceted mobile presence to deepen customer relationships and drive permission-based interaction and engagement.
8. The Mobile will emerge as the next advertising and marketing medium - and be seen as capable of not just mass reach but also allow a high degree of targeting.
9. "Rural India is keen on high feature phones but not as much as urban India. A customer in the rural area is happy to have features, which are available in the urban markets. They are happy to have colour handsets, other accessories like phone book wherein he can store details of contacts, games, alarm tones and so on,"

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