

## DIVERGENT CUSTOMER PREFERENCES IN URBAN AND RURAL AREAS

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### **Abstract**

Marketing strategy and market are correlated and the marketing-mix presented for the consumers varies according to the needs and demands of the market. Companies dealing in SIM cards have to compete under stringent laid out preconditions. So they need to have a grasp of the market demands and needs. Then only they can offer appropriate marketing-mix for the consumers.

The area chosen for study is Dharmanagar subdivision of North Tripura district of frontier state of Tripura comprising of the district headquarters town and its surrounding rural areas. It is observed that preferences of urban and rural customers of SIM cards are unlike; they differ altogether in their needs and demands.

**Keywords:** *Marketing Strategy, Market Share, Marketing-Mix, Technology.*

### **INTRODUCTION**

Marketing strategy and market are correlated and marketing-mix presented for consumers varies according to needs and demands of the market. Companies dealing in SIM cards need to have a grasp of the market demands and needs. Then only they can offer appropriate marketing-mix for the consumers.

The study predominantly explores the needs and demands of the market in Dharmanagar, Tripura which is the headquarters town of the North Tripura district of Tripura. By population, it is the 3rd largest district in the state and the 495th largest district in the country. By literacy rate, it is the 2nd highest district in the State and the 37th highest district in the country. With its total area is 2821 sq. km, it is the 2nd largest district in the state. (One Five Nine) In the picture of the map of Tripura Dharmanagar is marked 'red' to identify. The study and survey is concentrated only in the town and rural areas of Dharmanagar sub-division.



Map of Dharmanagar in Tripura (Maps of India, 2014)

## REVIEW OF LITERATURE

There were very few literatures available on the specific area. Cellular Operators Association of India (COAI) has forecasted that the handset market will reach 124 Crores – one mobile phone for every person living in the country – by 2015. (IPSOS Business Consulting, 2014) This stupendous growth in the mobile phone sales will result in simultaneous similar or more growth in the SIM card sales because both are ‘made for each other’. Nielsen Groups, a leading global provider of information, reveals that customers are shifting to dual SIM Phones to have effective control over Costs” and 71 million subscribers use Multiple SIM cards across India. Moreover, 4 out of every 5 multi SIM card users own a single handset; over 7 out of 10 multi SIM card users polled intend to acquire a dual SIM phone. They found that customers are eagerly ready to jump in to a new SIM Company if they get more benefit. Besides that, the company which one is more active in advertisement field is more popular with the consumers. (Neilson Group, 2012).

Micromax is the third largest manufacturer in India by focusing on rural consumers because India lives in rural sectors. Time to time it tied up with different SIM Card Companies to expand their business which helps to attract the rural customers, as because in a one time they get both mobile phone along with SIM card. The strategy of providing free SIM card with handset attracted consumers much more. This plan incorporates innovative strategies that will utilize opportunities and address weakness as outlines in the Situation Analysis.

Majority of youth make their own decision while buying mobile handsets and only about 15% consult their parents before making the decision. 40% of Indian youth hold price as the most important factor for buying a mobile device and more than 97% use pre-paid services.

Pre-paid services are still common across the developing world contrary to UK, US, Germany where more people use post-paid services. (Rastogi, 2011).

## RESEARCH OBJECTIVES/HYPOTHESES

Objectives decided are:-

- 1st) Compare the buying preferences of urban and rural customers of SIM cards
- 2nd) Study the brand awareness of the customer base of the target region.
- 3rd) Compare the satisfaction level of the customers about the technology provided by various brands.

Null hypotheses presumed are:-

- 1st) There is no different brand awareness amongst the consumers.
- 2nd) The consumers are not influenced by the advertising and pricing policies of the SIM card companies.
- 3rd) The consumers are similarly satisfied by similar marketing-mixes.

## RESEARCH METHODOLOGY

Through Simple Purposive Random Sampling, consumers of the mobile SIM cards were selected for the study. Keeping in view the objectives the following tool has been used.

(i) For the consumers, interview schedule was used. [Appendix I]

Primary data were collected from the consumers by interview schedule about the offers of the various brands and the deciding factors and satisfaction level of the consumers. The secondary data are collected through different research papers, online journals and magazines. 100 consumers, 50 from both town area and 50 from rural areas were interviewed to know about the services of the SIM card companies, brand awareness of the consumers and their satisfaction level about the services.

## DATA ANALYSIS AND INTERPRETATION

The data is collected by approaching the customers/consumers with Questionnaires (Appendix I). From the interview schedule, the data like satisfaction level of consumers, their awareness level about the SIM Card Companies, their services, recharge facilities etc. are received.

For the fulfillment of the first objective buying preferences of urban and rural customers of SIM cards in the local market of Dharmanagar sub-division of Tripura was probed.

**Table - 1 gives a picture of the decisive factors dictating the choice of SIM Cards.**

Consumer type	Decisive factor in choosing a SIM Card						
	Quality	Network Coverage	Network strength	Price	Internet browsing	3G dongle	Recharge cards
Town area	6	6	10	8	6	4	2
Rural area	2	10	10	14	2	0	12

It is evident that 16% consumers of town areas and 28% of those from rural areas consider price as the most important decisive factor in choice of SIM Card. Consumers of town area are more bothered about quality and internet facilities while consumers of rural areas are more bothered about network coverage and recharge card availability. The consumers of town area are demand quality services at a reasonable price while consumers in rural areas follow those particular Mobile SIM Cards which provide them service at a cheaper tariff. Thus, the first null hypothesis stands accepted as because there is not much difference found among the consumers of town and rural areas regarding their brand awareness and the third null hypothesis stands rejected as consumers are very much influenced by advertising and pricing policies of the SIM card companies. The alternative hypothesis may be “Marketing strategy has great influence on business compared to the technology offered”.

For the fulfillment of the second objective, the brand awareness among the local peoples of Dharmanagar was probed; the consumer of town and rural areas are individually interviewed. The consumers are given a choice between quality and price, and brand. May be because of the small place and lack of exposure as well as lack of need the local people are not much aware about the brand name of Mobile phones and SIM Cards.

Consumer type	Factors		
	Quality	Price	Brand
Town area	18	26	6
Rural area	16	32	2

Through the communication with the local consumers by interview schedule which is a part of the study it is evident that about 12% of consumers from town areas bother about the brands, whereas only 4% of rural consumers are aware of the same. It means that the difference among the rural urban consumers about their brand awareness is not high in Dharmanagar. 88% consumers of urban areas and 96% consumers of rural areas are not interested in brands of the Mobile SIM Cards.

Thus, the second null hypothesis “There is no different brand awareness among the local consumers of Dharmanagar, Tripura about the Mobile SIM Card Companies” stands accepted as because there is not much differences found among the consumers of town and rural areas of Dharmanagar, Tripura regarding their brand awareness.

For the fulfillment of the third objective, data is collected through the interview schedule. In this case, the consumer of town and rural areas are individually interviewed to investigate their satisfaction about the services doled out by the brands which is important while continuing with a brand.

Consumer type	Satisfied	Dissatisfied	Undecided
Town area	14	32	4
Rural area	30	8	12

It is found that the scenario is just the opposite in town and rural areas. The consumers of town areas are less satisfied as it is evident that 64% of them are not happy with the services provided by the brands. In rural areas the consumers are more satisfied as their demands and expectations are comparatively less. It is found that in town areas 28% of consumers are happy with their connection and remaining 8% of consumers are undecided and not bothered with the facilities provided by the different brands. In rural areas 60% of consumers are satisfied with their connection, 16% are annoyed with their SIM Card Connections and remaining 24% of consumers are not bothered much. Thus the third null hypothesis “There is no difference in satisfaction level of the customers of rural and town areas about the service facilities provided by various brands in

Dharmanagar, Tripura”, stands rejected as the consumers of town area are more concerned about the quality and service of the SIM Cards compared to those in the rural areas. The Alternative hypothesis can be “Consumers in town areas want better service with high quality though cheaper price is an important decisive factor. Consumers in rural areas don’t bother much about the variety of offers or brand; they simply want a mobile service at a cheaper price.” Thus there is a gulf of difference between the satisfaction level in town and rural areas due to more expectation of the consumers of town areas compared to those in rural areas who are happy enough to have mobile connectivity in their villages.

## CONCLUSIONS

In this study, the data has been studied to get to know the differences in buying preferences of urban and rural SIM card customers/consumers. One of the limitations of the study is that the area under study is a district headquarters with its surrounding areas and it is too small to give a perfect view of the market. 100 customers were approached with an interview schedule to find out their views about the various SIM cards available in the market, their SIM cards in use and their future expectations. Sample size being medium may miss some important points. As some companies are not available in the market so this study needs much improvement to fit in other markets in other places. Moreover, the absence of some players results in absence of some better offers also in the market under study. So, the study can be expanded to more cities, towns and villages to get more rational results.

This study puts forth the differences in buying preferences of urban and rural SIM card customers/consumers. Urban consumers are more inclined towards quality while rural consumers are more concerned about price and reliability. This study is useful to understand which offers and what kind of pricing strategies work in the urban and rural markets.

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## Notes

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2. <http://www.onefive-nine.com/india/villag/North-Tripura>, accessed 16<sup>th</sup> August, 2014.
3. <http://www.tiptopglobe.com/city?n=Dharmanagar&p=32917>, accessed 15<sup>th</sup> August, 2014.

## APPENDIX I - INTERVIEW SCHEDULE FOR CONSUMERS

### (Translated from Bengali to English)

- Q.1. Are you using a mobile phone?
- Q.2. What phone do you use?
- Q.3. Has the mobile phone made your life smooth?
- Q.4. Which SIM Card do you use?
- Q.5. Is the network signal of your SIM card fine?
- Q.6. For you, what is more important when one chooses a SIM Card?
- Q.7. Is it Quality, Service, Price or Brand?
- Q.8. Do you need internet?
- Q.9. Do you browse internet often?
- Q.10. Why have you chosen this particular SIM card?
- Q.11. Is your SIM costly?
- Q.12. What is your further expectation from your SIM?
- Q.13. Is your connection prepaid or postpaid?
- Q.14. What is the difference between the facilities of prepaid and postpaid SIMs?
- Q.15. How do you recharge your SIM?
- Q.16. Is recharge-card easily available?
- Q.17. If given a chance would you like to change your SIM Card company?