

Influence of Cultural, Social and Marketing Factors on the Buying Behavior of Telecom Users: A Comparative Study of Rural, Semi-Urban and Urban Areas in and Around Chandigarh

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Abstract

“People's behavior makes sense if you think about it in terms of their goals, needs, and motives” –Thomas Mann. Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Indian telecom sector is the fastest growing sector attracting very high FDI and its market is 2nd biggest market in the world after china. Liberalization and privatization in this sector open the gates for many competitors in the market and so it is important for the marketers to understand the consumer behavior. Consumer's behavior is very much influenced by the Social and cultural factors which are not controlled by the marketers but an avid study of this can help the marketers to understand the behavior of the consumers and can make marketing strategies accordingly.

Keywords: Consumer behavior, Social Factors, Cultural Factors

Introduction

The advances in technology entire world have become a single market & consumers and have been bombed with hundreds of choices.

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The sellers market has disappeared and buyers market has come up. This has led to paradigm shift of the manufacturer's attention from product to consumer and more so, on the consumer behavior. Consumer's buying behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze the buying behavior for buyer's reactions to a firm's marketing strategy, to know the perfect marketing mix and the responses of the consumers towards their marketing strategies. As the customers are available with so many choices so it made the purchasing process a complicated set of process that moves from five stages-Problem Recognition, Information search, Evaluation of alternatives, Purchase decision and Post Purchase behavior.

There are many factors that influence the buying process of the consumers that includes the buyer's characteristics, psychological factors, social and cultural factors. The family has the very important role and influence in the buying behavior of the consumers that includes Parents, Husband, Wife and children. Social factors that influence the consumer buying behavior includes Reference groups, immediate family members, relatives, role in the society and social status. Cultural factors comprise of set of values and ideologies of a particular community or group of individuals. Whatever a person see from his/her childhood become his/her culture that includes their habits, beliefs, and principles what they have developed. These social, cultural and marketing factors effect the buying behavior of the consumers and hence it is very important for the marketers to study these factors.

India has one of the world's largest telecommunication networks. The telecom story continues to be the best evidence of the efficacy of the reforms process. Different telecom policies were introduced in the nation with the aim of providing mobile services in each and every area and fit to all pockets. The increased competition in the market makes the consumer benefit in availing best services at nominal prices. Due to this there is very high growth rate in the subscriber base of the telecom users in the market that is from 131.97 million as on march 2007to 595.9 million as on March 2012. The changing development of the subscriber rate has also led to changing factors that effect the purchasing behavior of the customers. The customers priorities are changed due to increased awareness in the market through good dealer network and high promotion & advertisements. The medias using by the companies are that are mainly used by the people of that area.

The present study aims at finding out the impact of the social, cultural and marketing factors on the buying behavior of the customers that effects the marketing strategies of the firms.

Review of Literature

Many studies have been conducted on Consumer behavior and Consumer behavior in Telecom Sector with the objective to understand the different factors that effect the consumer behavior, in regard to their demographics, psychographics, social, cultural and marketing factors .Different studies shows that telecom sector has undergone through a major change that include their demographics, their awareness, their interest, their perceptions and the factors that effect their decision making process. The studies concluded that the providers should make their marketing strategies after understanding the consumer behavior in their sector done.

Wang, et al (2008) studied the theory that the Technology Acceptance Model (TAM), perceived usefulness (PU) and perceived ease of use (PEOU) determine users behavioural intentions to use or purchase a system or product. The empirical study was conducted to examine the effects of TAM and network externalities on the acceptance of Multimedia Messaging Services (MMS), an innovation in the field of mobile telecommunications. The results confirm the effectiveness of the TAM and find that network externalities effect affects users' acceptance to this mobile innovations. Accordingly, the TAM can be applied to predict consumer's acceptance to the mobile telecommunication innovations in the presence of network externalities. Sauer and Hoyer (2009) opined consumers with a tendency towards market mavenism (MM) and opinion leadership (OL) represent powerful forces in the marketplace because of their influence on other consumers' consumption decisions. They are thus important consumer groups for both other individuals and companies. Using data from 1145 German consumers in four product categories (i.e., wine, clothing, cars, and cameras) and applying structural equation modeling, they have found that opinion leaders and individuals with a tendency toward mavenism have higher levels of satisfaction, and the opinion leaders being more loyal consumers & market mavens having high need for variety (NFV).

Kimiloglu and Nasir (2010) conducted a research on *Discovering behavioral segments in the mobile phone market* to analyze the decision making criteria of 302 mobile phone customers and cluster the sample. The sample was segmented into four basic clusters as pragmatic, abstemious, value-conscious, and charismatic and concludes that Pragmatic and abstemious customers focus on functional attributes of the product where as Value conscious focus on price and Charismatic segment considers technological superiority, durability, functionality and design.

King N J and Jessen (2010) identified the potential harms to privacy and personal data related to profiling for behavioral advertising. It evaluates the extent to which the existing regulatory frameworks in EU and US provide adequate level of privacy protection and key privacy gaps that the behavioral advertising industry and regulators will need to address to adequately protect mobile consumers from profiling by marketers.

Chaubey, Zafar and Hasal (2011) conducted a research to study the various factors affecting the behavior of mobile phone users in Uttrakhand state. The sample of 306 of the targeted population was selected that includes students, service category, and business person to formers as well as housewives. The result shows that the males constitute the major market share that are qualified but having average income. There are different purposes of having mobile that include staying in touch, flaunting. Customers are very much aware about the services offered by the providers. Better connectivity is the main factor that influences the purchase decision.

Eric (2012) researched to study the influence of sales promotion on consumer buying behavior in the telecom industry in Ghana. The sample of 100 customers were collected and concluded that there is a significant influence of sales promotion on consumer behavior. Improvement in sales promotion strategies will lead to a corresponding improvement in consumer buying behavior towards purchasing telecom services.

Jegan A. and Sudalaiyandi(2012) conducted a research study on *Consumer Behaviour towards mobile phone services in Kovilpatti, Thoothukudi* district on 100 mobile users and concluded that the factors that influence the consumers to buy a particular mobile phone operator is called Call tariffs followed by network coverage and brand image.

Nair (2013) in a study conducted across over 15000 mobile users in 14 markets worldwide and found that over 50% of the average mobile web user now uses the mobile as means of going online. The study also reveals that the users get updates from their mobile devices, it had provided them with better options and even they made their purchases using their mobile devices.

Ling and Siou (2013) opined that mobile technology services have gradually influenced consumer shopping behavior and e-commerce pattern. For this he conducted a study to understand the impulsive purchase intent of consumers on mobile commerce platforms on 322 customers of itunes. The results indicate that a high level of impulsivity reduces the effect of enjoyment on irresistible urge to buy. The data also shows that emotional conflict, positive buying emotion, mood management, cognitive deliberation, disregard the future and unplanned buying are important to impulsivity formation and thus relevant within the context of impulse buying intention.

Agyeman (2013) conducted a research on 375 customers that conclude the staff and students of the institution to find out whether the social class, gender, and sub cultural factors influence the purchase of a mobile phone. The study revealed that the maximum respondents use the mobile phones with multi functions. The residential area has the minimum influence on the purchase decision of the consumers where as income is an important factor as higher the income higher will be the spending level. In respect to sub cultural factors, religion and language are not an important factor to effect the purchase decision where as work side colleagues, peers and friends have influence on the purchase decision of the consumer.

Objectives

The research paper has following objectives:

1. To study the impact of culture & sub culture influences (parental controls / Individualism vs. collectivism / Masculinity vs. femininity) on purchase behavior of consumers of rural, semi-urban & urban areas.
2. To study the impact of social influences (family, reference group and social class) on purchase behavior of consumers of rural, semi-urban & urban areas.

3. To study the impact of marketing influences (segmentation, targeting and positioning) on purchase behavior of consumers of rural, semi-urban & urban areas.

Design of the Study

Descriptive method of research was used to know the influence of Social, Cultural and Marketing influences on the purchase behavior of rural, semi urban and urban areas.

Population and Sample Size

The term research population refers to all members of the group of interest to the researcher. The population of the present research was the customers who are using mobile services. The sample was randomly drawn from the Rural, Semi urban and urban areas in and around Chandigarh. It consisted of 35 members from each area. The questionnaire was personally administered to all selected respondents.

Research Instrument Used

The Questionnaire prepared consisted of Likert's five-point scale for measuring attitudes & behaviour of the customers where strongly disagree was coded as 1 while strongly agree was coded as 5.

Reliability of Cronbach's Alpha

Its reliability has been tested by applying the Cronbach Alpha whose value came out to be 0.887 which is acceptable indicating that the internal consistency of the questionnaire is good.

Analysis & Findings

The study aims at finding out the different factors that can effect the purchasing decisions of the telecom users in rural, semi urban and urban areas that includes their demographic factors, their psychological, social and cultural and marketing factors.

Culture & Sub Culture Influences

There are many cultural and sub cultural factors that can influence the purchasing behavior of a consumer.

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
To Stay In Touch	315.87	244.135	.291	.886
For Business Or Professional Requirement	316.17	246.580	-.076	.888
As A Status Symbol	316.35	245.847	-.029	.889
It Is Advantageous Over Landline	316.16	237.831	.506	.884
It Adds To Mobility	316.13	238.211	.516	.884
For Fun sake	316.45	238.990	.335	.885
Short Message Service (SMS)	316.30	242.856	.098	.888
Internet	316.37	241.110	.119	.888
Call Related Features (Call Forwarding, Call Diverting)	316.30	241.374	.170	.887
Value Added Services	316.35	238.342	.398	.884
I consider religion as an important factor	318.23	240.119	.141	.888

Parental Control: The Respondents of rural, semi urban and urban areas are asked if they have chosen their service provider as per their wish or under parents influence, then more than 80% of the respondents chose their service provider as per their wish which shows very less parental control in all areas.

Individualism vs. Collectivism: In Urban area, 57% of the respondents agree where as 49% strongly agree that they need the service provider that leads to maximum interaction, in Semi urban areas, 74% of the respondents strongly agree that they need maximum interaction where as in rural areas, 100% of the respondents strongly agree that they will choose the service provider which leads them for maximum interaction with their near ones. This shows that the level of collectivism is very high in the rural areas than in urban and semi urban areas.

Being the consumers are free to choose any service provider but still they believe in collectivism. In Urban areas, 63% agree and 37% strongly agree that they believe in group opinion, in semi urban areas 69% strongly agree where as in rural areas 54% strongly agree that they believe in group opinion. In rural areas, being highly believed in collectivism still 3% of the respondents disagree for believing in group opinion.

Masculinity Vs Feminity: Sex as a cultural factor effects the purchasing behavior of the customers. In Comparison to rural, semi urban and urban area, the females of rural are more dependent on their family/spouse. The females above the age of 42 are also influenced by their children. They are not so educated but still they are aware about the services the providers are offering. The reason behind that is the media that has reached in every lane and home of the rural area too. They are more budget conscious and so they use prepaid services. The females in rural areas are also involved in self employment. The services often used by them are local and STD calling where as in urban areas female respondents also use internet and SMS services.

The female respondents in the Semi urban and urban area are maximum working and so are less dependent on their family. They are educated enough to take their own decisions. They are aware about the competition among the service providers and so consider different factors while choosing their service provider. They highly believe in collectivism and try to increase their interaction. 100% of female respondents are using internet services apart from calling and SMS Services where as in rural areas 94% of the respondents are using internet services.

As compared to female respondents the male respondents are less dependent but they consider their family and friend's opinion, interaction level, group opinion while choosing the service provider. The male respondents of urban areas are well qualified or are studying as compared to the respondents of rural areas. They are using mobiles not only for calling or for their business or professional reasons but also for fun sake. There are hardly any differences between the rural, semi urban and urban users in case of male respondents except that the rural users are more budget conscious than urban and semi urban users. They consider call tariff as the most important factor while choosing a service provider and they are more prone to change their provider in case o better services offered by other providers. This makes the competition very tough in the market.

Religion: Religion as a sub cultural factor does not effect the purchasing behavior of the customers in rural, semi urban and urban areas. More than 95% of the respondents disagree to consider religion as a factor while choosing their service providers.

Social Influences

There are many social factors that influence the purchasing behavior of the consumers that includes their Family, reference group and Social Class.

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I would give preference to that which is already using by friends and family members	316.27	241.319	.268	.886
I want to choose the one that is maximum using by my colleagues/seniors	316.39	244.809	.014	.889
I would give special consideration to group opinion	316.38	241.322	.228	.886
I would give special preference to that which will increase my interaction	316.10	238.848	.491	.884
I would give special preference to that which will increase my prestige	316.28	241.152	.211	.886

Family and Friends: 54% of the urban respondents agree where as 46% of the respondents strongly agree that they consider family and friends as an important factor while choosing their service provider. They consider the provider that provide them with best family plan or add on options to have economical contact between the families. In case of semi urban users 51% agree and 49% strongly agree where as in case of rural areas 77% strongly agree for considering Family as an important factor. This social factor leads to maximum social interaction between the individuals.

Group opinion: As group opinion is concerned 63% of the urban respondents agree and 37% strongly agree, in case of Semi Urban 69% of the respondents strongly agree and in case of rural users 60% strongly agree. The semi urban and rural users prefer to walk in group than individual. For them group opinion is the best method to choose the service provider.

Prestige: Talking about the Prestige factor, 71% of the urban users strongly agree that they consider having a mobile with the services of reputed service provider is prestigious and they want to keep that. In case of semi urban and rural area this percentage is less with 60% and 54% respectively. In case of rural area, 6% disagree and 6% are neutral while considering prestige as a factor. So the urban respondents are more influenced by the prestige factor than in case of rural and semi urban area.

Social Class: Social Class as a social factor effects the purchasing behavior of the consumers, their colleagues and their seniors, their role in the society, status all effect the purchasing behavior of the consumers. When asked about the respondents of urban, semi urban and rural areas, 57% of the respondents of the urban respondents agree while 43% strongly agree that they consider social class as an important factor. In regard to Semi Urban and rural users, 69% of the semi urban users strongly agree 60% of the rural users strongly agree that they consider social class as an important factor. They consider their status, their role in the society, their social circle as an important factor.

Marketing Influences

There are many marketing factors that effect the purchasing behavior and decisions of a consumer:

	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I would give special consideration to brand image	239.542	.284	.	.885
For me Word Of Mouth Would Be an important consideration.	239.205	.312	.	.885
Sales promotion offers and advertising is an important consideration factor	236.122	.661	.	.883
Exclusive applications offered by the providers is an important factor	241.272	.284	.	.885
Advertising campaign is an important factor	241.178	.274	.	.885
I would give special consideration to call rate/tariff schemes/STD rates	242.581	.391	.	.885
I would give consideration to different plans for different set of consumers(students, working person)	240.478	.336	.	.885
I would give special consideration to Customer Care Services	235.182	.471	.	.883
I would give special consideration to the innovation in services and technology	244.863	.021	.	.888
Special Offers to buy a handset from the service provider is an important factor	245.558	-.008	.	.888

Brand Image: 54% of the urban respondents agree where as 46% strongly agree that they consider brand image as an important factor while choosing their service provider. But in the case of semi urban area 40% agree, 54% strongly agree and 6% disagree for considering brand image as an important factor. In case of rural area, 66% strongly agree, 31% agree where as 3% disagree while considering brand image as an important factor.

Word of Mouth: Word of mouth is an important media for publicity. We are very much influenced from the place we live in, where we work, our role and status in the society and so the persons we live with also effects our decision. Their views and opinions are generally considered for the buying process. 42% of urban respondents agree, 46% strongly agree, 6% disagree and 6% are neutral whose decisions are effected by the word of mouth medium. In case of Semi urban and rural consumers, 77% of the semi urban users strongly agree and 66% of the rural users strongly agree while considering word of mouth as an important factor to consider.

Sales Promotion Offers: Sales promotion offers is also an important marketing tool used by the service providers to compete in the market. 77% of the urban users agree, 86% of the Semi urban users strongly agree where as 100% of the rural consumers strongly agree that they consider sales promotion offers while choosing their service providers. These sales promotion offers can be in the form of discounted calls, extra services provided by the Service providers that effect the buying decision of the consumers. Apart from sales promotion offers, the consumers are also interested in the different applications and services offered by the providers.

Advertising Campaign: Advertising works as an influential factor for most of the respondents in different areas. In urban, semi urban and rural areas 69%, 57% and 74% agree that advertising effects their buying behavior. As the users of different areas are maximum awared through the advertising medium that includes newspaper, TV, radio, hoardings, insertions etc. the consumers get knowledge of all the providers through these medium and can compare before choosing their provider. So advertising is an important marketing tool that effects the consumer's behavior.

Innovation in Services: 51% of the respondents of urban area, 60% of the semi urban users and 66% of the rural users strongly agree that the innovation in services effect their decisions. While the users of the rural area are not so much educated but they are aware about the technology the providers are providing and so they want to get the best and updated technology and services. The users use the mobiles not only for calling purpose and they don't treat this only as communication medium but entertainment medium also. So they always look for new and latest services.

Segment Quota: Specials tariffs and plans for different groups are also an important marketing tool that the users consider. 51% of the urban users, 77% of the semi urban users and 71% of the rural users strongly agree that they consider this if any provider is offering them special services under segment quota.

Conclusion

From the study it can be concluded that the Social, Cultural and Marketing factors have a great influence on the buying behavior of the users of rural, semi urban and urban area. The advancement in technology has narrowed the difference between the awareness and usage of mobile services in different areas. Rural, Semi Urban and urban area has become the same market. The entry of the service providers have made the competition tough in the market and so the marketers must be aware of the factors that effect the buying behavior of the consumers. We live in Society and so the social factors effect our decisions that include Family, friends, Relatives, seniors, Colleagues, role and status in the society. Cultural factors and marketing factors are also considered while choosing the services of a service provider.

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