Consumers Buying Behavior of Mobile Phone a Comparative Study of Rural and Urban Consumers in Pakistan

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The purpose of this paper is to investigate the buying behavior of consumers in Pakistan and compare the consumers’ behavior of urban consumers and rural consumers in Pakistan. The data are collected from 600 consumers from all over the Pakistan through a structured questionnaire. SPSS 17 is used to analyze the results. To check consumer preferences while making a purchase decision we used AHP (analytic hierarchy process). We prioritize factors through AHP. This describes better results. Our findings indicate that rural consumers more focus on the functions of mobile phone and they are price conscious on the other hand urban consumers more focus on style of mobile phone and brand image of mobile phone. This paper serves as a valuable guideline for management to review their advertisement campaigns and modify their mobiles according to the needs of consumers.

Keywords: Consumer Behavior, Mobile Phone Usage, Pakistan, Buying

1. Introduction

Now a day’s mobile phones become a basic element of individual communication across the globe in the past ten years, consumer research has dedicated little precise concentration to motives and choice underlying the mobile phone buying decision process (Karjaluoto, Karvonen et al. 2005). At the time of separation Pakistan was a largely a rural country. Even as the rural population still represents about two-thirds of the total population. Population in urban areas is continuously increasing as a result of the structural alteration of the economy. Peoples move toward urban areas in search of employment opportunities to make higher income. The growing competition between the telecom service providers has augmented demand for both mobile telecom services as well as the handsets. According to estimate by
the Govt. of Pakistan 40% peoples’ lives in urban areas and 60% peoples’ lives in rural areas of Pakistan. There is a wrong believe about the rural markets in Pakistan. One is that rural Pakistan is poor and there is a lack of sufficient infrastructure. Second, rural Pakistan depends upon agriculture as an exclusive source of survival. But if we see the reality of rural Pakistan it is different from the general perception. It is important to differentiate the buying behavior of consumer’s lives in urban areas and the consumers live in rural areas. The main object of this study is to compare the buying behavior of rural and urban consumers and find out their priorities while making a purchase decision regarding mobile phone.

**Meaning and Definition:** Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

2. Literature Review

Cellular phones and digital televisions got more attention of marketing researchers as look upon the acceptance procedure (Saaksjarvi, 2003). Rogers (1976) has provided a classification of Consumers in expressions of innovators, early adopters, early majority, late majority and laggards. But now a day’s consumers are also give the impression of being into the compatibility of the new products to their self-image and life style (Saaksjarvi, 2003). Funk and Ndubisi (2006) study a significant involvement between color and the choice of an automobile. The study by Funk and Ndubisi (2006) further recognizes the gender moderation on the relationship between different color dimensions and the product choice. Barak and Gould (1985) found that younger consumers are superior fond of stylish goods than older ones. Young consumers have more interest in purchasing new products and they have information seeking behavior. And this behavior makes them self confident and this self confident leads to become an opinion leader which leads toward brand switching (Szmigin and Carrigan, 2001). Gupta (1987) studied the factors which motivate consumers while buy durables he found that brand choice, source of information, role of family members and customer satisfaction is the significant factors. Shanthi, R (2005) work on the perceptual dimensions of brand association with reference to mobile users.

Singh (2011) compare the rural and urban market of India and found there is moderate differences for television and refrigerators and low differences for automobiles between rural
and urban consumers. There is a significant positive relation with income of consumers and buying behavior of consumers (Singh 2011). Williams (2002) argues that deviation in “attitude, motivation and value orientations associated with differences in occupational opportunities and demands, childhood socialization patterns and educational influences may lead consumers to vary in many of their purchase behaviors across social classes”.

Rahman and Bhattacharyya (2003) studied about emerging markets and discuss the significance of emerging markets in the global business and places of interest how the road and rail network condition and consumer orientation in an emerging market support a first mover. Wilska (2003) argues that the conventional gender division in mobile phone use styles that could be observed is motivating in the light of assumptions that genders are flatteringly more similar in their use of new technology. Sun and Wu (2004) studied Chinese market and found that Chinese rural and urban consumers are to be statistically dissimilar in provisions of their attitudes toward the whole marketing mix: “product price, brand names, promotions and distribution”. Gupta (1988) found that sales promotions have impact on consumer buying behavior. Lee and Feick (2001) argues that customer satisfaction contribute positively in customer retention. To explain the link Lee and Feick (2001) found that switching cost plays a very important role. Switching cost further linked with quality. Mobile Phone Company focus on quality it will increase customer satisfaction. Lee and Feick 2001)

Objectives of the Study
The purpose of this study is to investigate Urban and Rural areas influences on consumers purchasing decisions on Mobile Phones in Pakistan.

1. To find how consumer buying behavior factors influence Consumers when purchasing Mobile Phones products.
2. To study the influence of Income Level of the respondents on consumer buying behavior dimensions.

3. Methodology
The data for present study is collected from 600 consumers via structured questionnaires distributed among the consumers of rural and urban areas of Pakistan out of 600 questionnaires 590 questionnaires returned which we use for analysis purpose. Motives to purchase mobile phone are identified through literature. To rate the motives behind the
purchase of mobile phone we use 5 point Likert scale in questionnaire. In the questionnaire, respondents are requested to indicate, on five-point Likert scale, ranging from “highly important” to “highly unimportant”, a statement explaining the degree of their perceived importance of a factor. To prioritize these factors we use AHP. For overall data analysis we use SPSS 17.

4. Results and Findings

To compare the results of rural and urban consumers we use descriptive analysis by using SPSS 17 to check the importance of different motivating factors in the mind of consumers we use AHP (Analytic Hierarchy Process). Results from descriptive analysis and AHP are shown in below Tables.

Table I Brand Name of Phone

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Urban</th>
<th>Urban %</th>
<th>Rural</th>
<th>Rural%</th>
<th>Total</th>
<th>Percent%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td>132</td>
<td>22.33%</td>
<td>116</td>
<td>19.66%</td>
<td>248</td>
<td>42.03%</td>
</tr>
<tr>
<td>Samsung</td>
<td>56</td>
<td>9.49%</td>
<td>44</td>
<td>7.46%</td>
<td>100</td>
<td>16.95%</td>
</tr>
<tr>
<td>Q Mobile</td>
<td>14</td>
<td>2.37%</td>
<td>10</td>
<td>1.69%</td>
<td>24</td>
<td>4.07%</td>
</tr>
<tr>
<td>Sony Ericson</td>
<td>09</td>
<td>1.53%</td>
<td>16</td>
<td>2.71%</td>
<td>25</td>
<td>4.24%</td>
</tr>
<tr>
<td>China Mobile</td>
<td>54</td>
<td>9.15%</td>
<td>90</td>
<td>15.25%</td>
<td>144</td>
<td>24.41%</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>1.36%</td>
<td>10</td>
<td>1.69%</td>
<td>18</td>
<td>3.05%</td>
</tr>
<tr>
<td>Total</td>
<td>294</td>
<td>49.83%</td>
<td>296</td>
<td>50.17%</td>
<td>590</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table I suggests that Consumers lived in urban areas use Nokia mobiles (22.37%) followed by Samsung mobiles (9.49%), china mobiles (9.15%), Apple mobiles (3.56%), Q mobile (2.37%), Sony Ericson (1.53%) and others (1.36%). Consumers live in Rural areas use Nokia mobiles (19.66%) followed by China mobiles (15.25%), Samsung mobiles (7.46%), Sony Ericson (2.71%), Apple mobiles (1.69%), Q mobile (1.69%), and others (1.69%). Results shows that consumers live in rural areas use china mobile more as compare to the peoples live in urban areas. Peoples live in urban areas use apple mobiles more as compare to the consumers live in rural areas. Urban consumers purchase Nokia phones more as compare to the rural consumers. Urban consumers purchase Samsung mobiles greater as compare to the rural consumers.
Table II Source of Information

<table>
<thead>
<tr>
<th>Information Sources</th>
<th>Urban</th>
<th>Urban%</th>
<th>Rural</th>
<th>Rural%</th>
<th>Total</th>
<th>Percent%</th>
</tr>
</thead>
<tbody>
<tr>
<td>News Paper</td>
<td>86</td>
<td>14.58%</td>
<td>76</td>
<td>12.88%</td>
<td>162</td>
<td>27.46%</td>
</tr>
<tr>
<td>TV</td>
<td>67</td>
<td>11.36%</td>
<td>85</td>
<td>14.41%</td>
<td>152</td>
<td>25.76%</td>
</tr>
<tr>
<td>Internet</td>
<td>112</td>
<td>18.98%</td>
<td>70</td>
<td>11.86%</td>
<td>182</td>
<td>30.85%</td>
</tr>
<tr>
<td>Mobile Phone Retailer</td>
<td>18</td>
<td>3.05%</td>
<td>44</td>
<td>7.46%</td>
<td>62</td>
<td>10.51%</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
<td>1.86%</td>
<td>21</td>
<td>3.56%</td>
<td>32</td>
<td>5.42%</td>
</tr>
<tr>
<td>Total</td>
<td>294</td>
<td>49.83%</td>
<td>296</td>
<td>50.17%</td>
<td>590</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table suggests that bigger source of information for urban consumers is Internet (18.98%). And for Rural consumers bigger source of information is TV. 30.85% consumers use internet as a source of information out of which 18.98% consumers are from urban areas and others are from rural areas (11.86%). 27.46% people use newspaper as source of information for purchasing a mobile phone from which 14.58% consumers are from urban areas and others are from rural areas (12.88%). 10.51% consumers use mobile phone retailer as a source of information from which mostly are from rural areas (7.46%) and others are from urban areas (3.05%). 5.42% consumers use other sources for information while making a decision to purchase a Mobile phone.

Table III Help in Decision Making

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Urban%</th>
<th>Rural</th>
<th>Rural%</th>
<th>Total</th>
<th>Percent%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>80</td>
<td>13.56%</td>
<td>60</td>
<td>10.17%</td>
<td>140</td>
<td>23.73%</td>
</tr>
<tr>
<td>Friends</td>
<td>98</td>
<td>16.61%</td>
<td>118</td>
<td>20.00%</td>
<td>216</td>
<td>36.61%</td>
</tr>
<tr>
<td>Own Decision</td>
<td>56</td>
<td>9.49%</td>
<td>82</td>
<td>13.90%</td>
<td>138</td>
<td>23.39%</td>
</tr>
<tr>
<td>Reference Group</td>
<td>25</td>
<td>4.24%</td>
<td>06</td>
<td>1.02%</td>
<td>31</td>
<td>05.25%</td>
</tr>
<tr>
<td>Media</td>
<td>23</td>
<td>3.90%</td>
<td>20</td>
<td>3.39%</td>
<td>43</td>
<td>07.29%</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>2.03%</td>
<td>10</td>
<td>1.69%</td>
<td>22</td>
<td>03.73%</td>
</tr>
<tr>
<td>Total</td>
<td>294</td>
<td>49.83%</td>
<td>296</td>
<td>50.17%</td>
<td>590</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table III suggests that consumers (urban and rural) prefer opinion by friends while making purchase decision regarding mobile phone. Companies have to design such advertisement campaigns which focus on the group of peoples. A favorable satisfaction level of group will motivate other consumers to purchase a mobile phone. Urban consumers give more weight to the opinion of their family as compare to the rural consumers. More Rural consumers select mobile phone based upon their own decision as compare to the urban consumers. Reference
groups are mostly used in urban areas as compare to the rural areas. A favorable opinion by reference groups will lead to increase in sale of certain mobile phone.

Table IV Weight given to Different Motivating Factors by Urban Consumers

<table>
<thead>
<tr>
<th>Factors</th>
<th>Weight Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style of mobile phone</td>
<td>0.211828</td>
</tr>
<tr>
<td>Functionality of mobile phone</td>
<td>0.146754</td>
</tr>
<tr>
<td>Quality of mobile phone</td>
<td>0.13699</td>
</tr>
<tr>
<td>Price of mobile phone</td>
<td>0.131754</td>
</tr>
<tr>
<td>Promotions of mobile phone</td>
<td>0.121885</td>
</tr>
<tr>
<td>Sales and service provided by mobile phone</td>
<td>0.090756</td>
</tr>
</tbody>
</table>

Table IV suggests that style is more influencing factor for urban consumers while making a purchase decision regarding a mobile phone. Urban consumer consider style as most influencing factor followed by Brand image, Functionality, Quality, Price, Promotions and sales and service provided by cell phone company. Mobile phone provided with innovative styles will provide favorable increase in sales of mobile phone in urban areas because style of mobile phone is the most important factor for the mobile phone users in urban areas of Pakistan. Results reveal that for urban consumers brand image of mobile phone is also the important factor if a company focuses on building strong brand image it will provide favorable increase in sales of mobile phone in urban areas. Consumers consider functions provided by mobile phone as important determinant while making a purchase decision. Quality of mobile phone is also the important determinant for mobile phone users in urban areas. Price, Promotions and sales and service provided also matter while making purchase decision.

Table V Weight Given to Different Motivating Factors by Rural Consumers

<table>
<thead>
<tr>
<th>Factors</th>
<th>Weight Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functionality of mobile phone</td>
<td>0.208955</td>
</tr>
<tr>
<td>Price of mobile phone</td>
<td>0.164799</td>
</tr>
<tr>
<td>Promotions of mobile phone</td>
<td>0.141638</td>
</tr>
<tr>
<td>Sales and service provided by mobile phone</td>
<td>0.130524</td>
</tr>
<tr>
<td>Style of mobile phone</td>
<td>0.125034</td>
</tr>
<tr>
<td>Quality of mobile phone</td>
<td>0.117162</td>
</tr>
<tr>
<td>Brand image of mobile phone</td>
<td>0.111889</td>
</tr>
</tbody>
</table>
Table V suggest that Function provided by mobile phone are most preferable for rural consumers. Rural consumers consider functionality of mobile phone as most influencing factor while making a purchase decision followed by Price, Promotions, Sales and Service, Style, Quality and Brand image. Mobile phone provided with greater functions will provide favorable increase in sales of mobile phone in rural areas because functionality of mobile phone is the most important factor for the mobile phone users in rural areas of Pakistan. Results reveal that for rural consumers price of mobile phone is also the important factor if a company focuses on price means that they set low prices then it will provide favorable increase in sales of mobile phone in rural areas because consumers in rural areas are price conscious. Consumers consider promotions as important determinant while making a purchase decision. Consumers want to know about new innovations. Due to lack of knowledge about products they hesitate to purchase new products. Companies have to focus on rural areas because two third majority of people’s lives in rural areas. Sales and Service, Style, Quality and Brand image of mobile phone also matter for consumer while making a purchase decision brand image is the last criteria for consumers in rural areas.

5. Discussion and Conclusion

Results from this study suggest that buying behavior of urban and rural consumers is different. Consumers lived in urban areas most consumers use Nokia mobiles followed by Samsung mobiles, china mobiles, Apple mobiles, Q mobile, Sony Ericson and others. While Consumers live in rural areas use Nokia mobiles followed by China mobiles, Samsung mobiles, Sony Ericson, Apple mobiles, Q mobile, and others. Results shows that consumers live in rural areas use china mobile more as compare to the peoples live in urban areas. Peoples live in urban areas use apple mobiles more as compare to the consumers live in rural areas. Urban consumers purchase Nokia phones more as compare to the rural consumers. Urban consumers purchase Samsung mobiles greater as compare to the rural consumers. Major Source of information for urban consumers is Internet.

In urban areas most peoples are connected with internet that’s why they use internet as a source of information while making a purchase decision regarding a purchase of mobile phone. So that is a company want to attract the consumers in urban areas it must focus on internet ads and it make their website more informative. While rural consumers are not habitual to use internet the reason is that in rural areas slow speed internet is available due to
this consumer avoid using internet as a source of information. Rural consumers use TV for source of information. Means that if a company wants to attract the consumers in rural areas it must focus on TV ads rather than ads upon internet. Consumers also use Newspaper as a source of information. Rural consumers use mobile phone retailer as a source of information the reason behind that is consumers in rural areas are less educated as compare to urban consumers. So they get information from mobile phone retailer while making a purchase decision regarding a mobile phone.

Pakistani community lives in collective environment that’s why consumers urban and rural give first preference to the opinion given by their friends. Urban consumers give second preference to their family opinion while rural consumers give second preference to their own decision. Rural consumers give third preference to the opinion given by their family while urban consumers give third preference to own choice. Urban consumers consider the opinion of reference groups’ at fourth media at fifth and other sources as last way of opinion. While rural consumers consider opinion of media fourth, opinion of reference groups at fifth and opinion from other sources as a last way.

Style of mobile phone and brand image of mobile phone is most important factor for rural consumers while making purchase decision price is at fifth means that urban consumer not consider price as a criteria for mobile phone selection. Price has low impact on buying behavior of urban consumers. On the other hand for rural consumers’ functionality of mobile phone and Price of mobile phone are most important factors. Means those rural consumers are price conscious. Style of mobile phone and brand image of mobile phone have low impact on consumer buying behavior regarding mobile phone.

6. References