EFFECT OF INFORMATION SOURCES ON CONSUMER INTENTION TO PURCHASE TOWARDS VARIOUS SIM CARDS IN RURAL WEST BENGAL

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ABSTRACT:

The telecom industry is one of the fastest growing industries in India. India has nearly 1058.86 million telephone lines making it the largest network in the world after China. Indian telecom industry is having 19.96% (CAGR) growth rate in the world. The number of cell phone users in India is rapidly growing. In few years, India may surpass countries like America, China etc in number of customers using cellular services. India is the biggest market for telecom service provider. Because of huge competition, large no of options are available for customer for selecting or choosing the service provider. Also frequency of changing the service provider has also increased. Every human being is a consumer of different products and services. If there is no consumer, there is no business. Therefore, it is vital to know consumer buying behavior towards selecting service provider. To satisfy the customer it is required to learn which factor attracts more. This study has been made to see the effect of information sources on consumer intention to purchase towards various mobile service providers in the rural market of West Bengal. The area chosen for the study is West Bengal, which is having several prominent rural areas of India, which comprises five divisions & from those five subdivisions has been selected due to the rural prominence namely Rampurhat, Islampur, Mekhligunj, Tehatta and Egra. 200 respondents have been selected on this purpose & their opinion has been recorded with the help of a close ended questionnaire. The researcher has also used 5 point likert scale which is ranging from strongly agree to strongly disagree to collect the responses from the various respondents. Factor analysis & multiple regression analysis have been used as statistical tools to find out the most important factors. Findings of the study iterate that most of the customers are influenced by personal sources.

KEYWORDS: Ruralites, SIM Card, CAGR, Information Sources, Word of Mouth

INTRODUCTION:

According to World Bank "a 10% increase in mobile and broadband penetration increases the per capita GDP by 0.81% and 1.38% respectively in developing countries." This statement by World Bank is already visualized by the Indian Government and they have started taking various measures to improve the telecommunication infrastructure in rural India. With the adoption of National Telecom Policy 2012 by the Government of India has set ambitious targets of 100% rural tele-density and 600 million broadband connections by 2020.

The present study mainly focuses on the rural consumer behavior of West Bengal towards various services provided by the mobile network operators. Like the others parts of India rural consumers of West Bengal are also exposed to various marketing activities started by different service providers. This study will emphasize the various activities of rural consumer like their satisfaction level, awareness level, factors influencing to buy a particular company's service, behavior before the purchase, at the time of purchase and post- purchase. Thus with more number of service providers entering into the rural market, with a variety of services, it is a must for the companies to study the rural consumer behavior properly and behave accordingly.

The human wants are unlimited and always expect more and more. Mobile service provider products are no exception to this behavior. This lead to constant modifications of Mobile service provider today we see lots of service provider coming into the market practically every year. The findings show a through insight of consumer behaviour towards mobile service provider and consumers consider various parameters while buying a mobile operator or services of an operator. Factors such as better connectivity, attractive tariff and low entry cost plays an important role in influencing a customer for opting any network as well as the information sources also having a great impact on choosing a particular company's services.

REVIEW OF LITERATURE:

Aoki et al. (2003) described that students use mobile phone for various purposes. Both qualitative & quantitative techniques has been used & it has been identified that the college students uses the cell phones for various purposes like to keep in touch with friends & family members, for financial benefits, safety, information access etc. The focus group interview has been taken with 32 college students & based on the interviews with the help of attitudinal & motivational statements a well structured questionnaire has been designed. 137 students have given the responses to the questionnaire. The study reveals that length of ownership of a cellular phone is significantly associated with the necessity of keeping a mobile phone. **Aydin et al. (2003)** elucidated that customer loyalty is dependent on following factors like trust, corporate image, service quality, switching cost etc. Loyal customers are those who will buy more, do the repeat purchase, even by the services in higher price, will say positive words about the survey etc. The study has been conducted in Turkey with 1622 samples & structural equation modeling has been used to find out the result. The result reveals that perceived service quality has a correlation with customer loyalty but not in sufficient condition. **Caruana (2004)** mentioned in the research article that switching costs are always having an influence on customer loyalty. The data are mainly collected from the corporate clients to conduct the survey & canonical correlation analysis has been used to find out the result. The result reveals that few dimensions of switching cost is always have an effect on few dimensions of customer loyalty. **Karine et al. (2004)** explained in their research article that the pricing effect on different subscribers base diffusion. The study conducted in Finland & a logistic model has been implemented to complete the survey. The

findings reveal that mobile prices & their call rates do not have a significant impact on diffusion of mobile subscription. **Blery et al. (2006)** illuminated that what the factors are mainly influencing a customer when they are going for repeat purchase. The study has been done in the context of Greek telephony market. Quality of services, service value & customer's satisfaction level are the major factors which influencing customers' repeat purchase. 4 four group interview has been conducted & a well structured questionnaire has been provided to 400 customers. The study reveals that if the customer is ready to go for repeat purchase then that means the customer has became loyal to that particular brand. **Jain et al. (2006)** indicated that recently the Indian telecom sector has faced a tremendous growth opportunity in the market but still there is a huge gap facing by the rural & urban tele-density & it is still increasing in an increasing rate. So many policies have been taken by the Government to help the rural people & bridge the gap between rural & urban. The study has been conducted & results revealed that which are the factors are mainly influencing the rural customers to buy the services from telecom service providers. **Jan et al. (2007)** described that due to emerging popularity of mobile phones telecom providers are really looking for providing the services amongst masses in Quetta city. The aim of the study is to find out what are the factors mainly influencing the customers at the time of buying certain services from the service provider. The study reveals that various promotional packages, lucrative call rate, good connectivity etc are the primary factors to retain the consumers.

OBJECTIVE OF THE STUDY

- To study the effect of information sources on consumer intention to purchase in rural West Bengal.

HYPOTHESIS

- Personal sources are having significant impact on consumer intention to purchase
- Commercial sources are having significant impact on consumer intention to purchase
- Public sources are having significant impact on consumer intention to purchase

RESEARCH METHODOLOGY:

A research design provides the framework to be used as a guide in collecting and analyzing data. For this study the researchers have used **Descriptive Research** and the type of research design is **Cross-sectional**. The primary data has been collected for the study through a pre-tested questionnaire. Secondary data are those which will be collected from doctoral theses, magazines, research articles, credible sources etc. Researchers have collected information from different sources to conduct the study effectively. The study will be confined to five subdivisions of West Bengal namely Rampurhat, Islampur, Mekhligunj, Tehatta and Egra. The areas were selected based on the prominence of its rural characteristics. The sample size selected from different area is 200. Convenience sampling method has been used to collect various perceptions of subscribers of

different mobile service providers in West Bengal. A simple, easy to understand questionnaire consisting of close ended questions has been used for data collection from rural subscribers**.**

ANALYSIS AND RESULT:

VALIDITY & RELIABILITY ANALYSIS:

The construct validity contains convergent & discriminant validity. Here between the various variables of the factors is having the strong co-relation coefficient & most of the co-relation coefficients values are in higher ranges. So, here it proves that the convergent validity exists. Though there are high co-relation coefficients between the variables of a particular factor, there are very weak correlation also exists between the one factor's variable to another factor's variable. Here it also proves that the discriminant validity exists.

Overall Reliability Statistics

Cronbach's Alpha	Number of Items
.858	17

Total Cases: 200

Cronbach alpha greater than 0.70 for overall and individual factor means the reliability scaling is good under various items & from the analysis it has found that the Cronbach's Alpha result is .858. Though the value is well above 0.70 so the researcher can conclude that the Cronbach's Alpha result is acceptable & accordingly the researcher can proceed the further analysis. By the help of expert's suggestions face validity and content validity have been executed.

FACTOR ANALYSIS:

Exploratory Factor Analysis (EFA) by SPSS 21 has been used in this study. By the measurement and model, validity test and fitness of the model have been examined.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.816**
Bartlett's Test of Sphericity	Approx. Chi-Square	3651.154
	df	203
	Sig.	**.000**

3 different factors have been created with different items (above 0.5 factor loading) which are shown below in the Rotated Component Matrix. These extracted factors explain total 72.525 % of the variations. Variance explained (%) and Cronbach alpha for individual factors have been given in the following table.

Result of Factor Analysis - Rotated Component Matrix

Variables	Components		
	Personal Sources	Commercial Sources	Public Sources
Word of Mouth	.916		
Family Members	.884		
Relatives	.857		
Friends	.835		
Past Experiences	.788		
Colleagues	.712		
Promotional offers		.872	
Salespersons		.856	
Retailers		.799	
Radio			.921
TV			.904
Newspaper			.863
Magazine			.824
Hoardings			.748
Variance Explained	31.105	22.823	18.597
Cronbach Alpha	0.893	0.876	0.934

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 6 iterations.

Here Personal Sources, Commercial Sources & Public Sources are the three major factors which containing 14 variables. In the personal source factor the most influencing variable is Word of mouth followed by Family Members, Relatives, Friends, Past Experiences and Colleagues respectively. In rural areas people are gathering the information mainly from Promotional offers, Salespersons & Retailers in Commercial sources category whereas Promotional offers are the most influencing factor in this category followed by Salespersons & Retailers. In Public Sources category the most influencing variable is Radio followed by TV, Newspaper, Magazine & Hoardings. Now, to find out from these three factors which is the most influencing factor for consumers intention to purchase, the researcher have used regression analysis.

REGRESSION ANALYSIS:

The three factors which have been identified from the Factor Analysis are, Personal Sources, Commercial Sources & Public Sources. Here the Consumer Intention to purchase has been used as a Dependent Variable and the remaining three factors have been used as an Independent variable.

Coefficients[a]

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	4.723	.486		8.574	.000	3.923	6.235
Personal Sources	**2.643**	.174	.617	22.786	.000	1.871	3.011
Commercial Sources	1.021	.139	.423	14.048	.000	.873	1.597
Public Sources	1.325	.142	.482	16.101	.000	1.004	2.841

a. Dependent Variable: Consumer Intention to Purchase

Collinearity Statistics

Factors	Tolerance	VIF
Price related factors	.898	2.004
Service related factors	.901	1.989
Promotional & Environmental factors	.892	1.897

Multi-collinearity has been checked through Variance Inflation Factor (VIF) which needs to be less than 3 for acceptability range. Here all VIF values are in acceptable range in & it concludes that the variables are free from multi-collinearity. 0.867 is the Correlation coefficient (R) for the model, it emphasizes an amount of correlation between the independent variables and dependent variable (consumer intention to purchase). The R square value explains the 0.751 or 75.1% which is quite significant. Here the significance level also implies .000 significance level which means it is quite acceptable.

From the coefficient table the researcher has found that Personal sources are having highest un-standardized B value of 2.643. So it is having the highest influence factor on consumer intention to purchase. After that the second highest will be Public sources with the B value of 1.325 and at last commercial sources are having highest un-standardized B value of 1.021. So, here the multiple regression equation can be expressed as,

Consumer Intention to Purchase = 4.723 + (2.643) X_1 + 1.021 X_2 + 1.325 X_3
[Whereas, Personal Sources = X_1, Commercial Sources = X_2 & Public Sources = X_3]

RESULT OF HYPOTHESES:

H_{a1}: Personal sources are having significant impact on consumer intention to purchase

Here it approves that alternate hypothesis that is H_{a1} has been accepted.

H$_{a2}$: Commercial sources are having significant impact on consumer intention to purchase

Here it approves that alternate hypothesis that is H$_{a2}$ has been accepted.

H$_{a3}$: Public sources are having significant impact on consumer intention to purchase.

Here it approves that alternate hypothesis that is H$_{a3}$ has been accepted.

CONCLUSION & FINDINGS:

The findings for Consumer intention to purchase on information sources show that all the three sources namely Personal sources, Commercial sources and Public sources are having significant relationship with consumer intention to purchase. In the personal source factor the most influencing variable is Word of mouth. In rural areas people are gathering the information mainly from Promotional offers, Salespersons & Retailers in Commercial sources category whereas Promotional offers are the most influencing factor in this category. In Public Sources category the most influencing variable is Radio followed by TV, Newspaper, Magazine & Hoardings. All the factors are having a positive and significant impact on consumer intention to purchase the Mobile Services in rural market of West Bengal. This has an evidential proof from the findings of the study. The influencing factors towards rural consumer intention to purchase the mobile services have been identified and analyzed empirically and theoretically in this research which can help to make the strategies for management of those organizations and advertising agencies in rural India. This study provides empirical evidence by using Factor Analysis & Multiple Regression to find out rural customer awareness towards mobile services which is supported by previous literature review. Researcher is hoping that it will be easy for the marketers and the Government to understand what are the sources of information of rural consumers in rural West Bengal.

ANNEXURE:

Attributes	Sub-attributes
Personal Sources	Family Members
	Retailers
	Friends
	Past Experiences
	Word of Mouth
	Colleagues
Commercial Sources	Salespersons
	Promotional offers
	Relatives
Public Sources	Radio
	TV
	Magazine
	Newspaper
	Hoardings
Purchase Intention	Intend to purchase mobile services because consumers are gathering the information from various personal sources
	Intend to purchase mobile services because consumers are gathering the information from various commercial sources
	Intend to purchase mobile revives because consumers are gathering the information from various public sources

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