

# Smart phones Impacting Customer Mobile Behaviour in India

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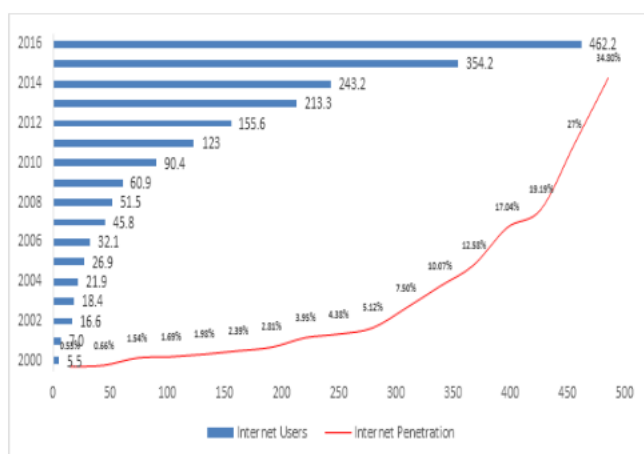
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**Abstract – Data User has in India grown 109% in year 2016 when compared to year 2014 and in year 2017 this is further expected to grow more than 40%. There are various predictions across telecom industry when we try to discuss the reason of such overblown growth year on year. Few people say this is a result of paradigm shift of customers from traditional 2G to 3G and further 4G technology while some people says this is been contributed by the abundance of App based way of working where people migrating their traditional voice usage to data usage. Also there are few theories also confirm about how rural and urban gap is narrowed and various factors like telecom/internet connectivity, increased literacy level, increased virtual social life etc. These theories explain ushow all these factors impact customer's mobile behaviourbut in this paper will discuss on changes in mobile phone use and its impact on customer telecom behaviour.**

## I. INTRODUCTION

Indian internet usage is growing multi-fold with increasing penetration of smartphone in mobile eco system and increased availability of advance service like 4G, 3G across rural and urban India from older 2G services. Recent launched 4G from various operators is also fuelling usage of data and also bridging the rural and urban dived gap within India. Few figures in recent years are evident to prove the future potential that is lying with Indian mobile market.



Data usage grew 114 percent in 2014 when compared with year 2013 also 3G data usage per user per month grew 41% showed a paradigm shift in the preference of Indian subscribers and also technology role in consumers usage behaviour. Average, 3G data usage

reached to 688 MB per month in 2014, indicating a 29% growth compared with 2013 which further close to 1GB/sub in recent year i.e. 2017. 2G Usage/sub also grew by 48% indicating improvements in 2G network and customer's habit to stay connected. A surge in 3G and 4G compatible smartphone use underlines the greater need for operators to expand the 3G network coverage and selectively rollout 4G services for higher speeds across all the circles while modernizing the existing 2G networks which can lead to further growth in data consumption.

## II. DRIVERS TO DATA USAGE EVOLUTION

There are primarily 4 drivers:

- Technology Upgrade:** There is an exemplar shift in the speed Indian costumers were browsing with shift of technology from 2G to 3G to further now 4G. Better speed result into better customer experience hence usage has grown multi-folds. The number of Internet users in India will reach close to 460 million by June, which is almost 7% growth from December 2016. Internet users from 19% penetration rate in 2014-15 has reached to around 31%.
- Mobile First Generation:** There is a paradigm shift in the way consumers are using internet. Majority of the Indian consumers are using internet for the first time through mobile mode and a lot more are

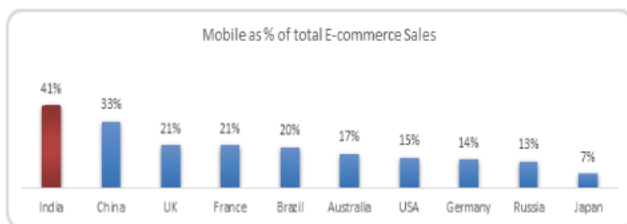
shifting their internet usage to mobiles. Use of social networking and their influence on new generation has led to a huge growth in customer data usage.

- (c) **Smartphone Penetration:** India market offers huge potential to both smart phone & telecom operators, with millions of customers enthusiastic to upgrade their mobile phones. India's smartphone market is expected to double in next 2-3 years, with annual smartphone sales growth of around 40% for the next five years.
- (d) **Price intensive Offerings:** Services and device pricing will be crucial for further growth: of smartphones shipped in 2015-16, the sub-US\$200 category contributed 81%. India is a price-sensitive market and the biggest opportunity comes from the millions of low-end customers eager to upgrade in device and service offerings both.

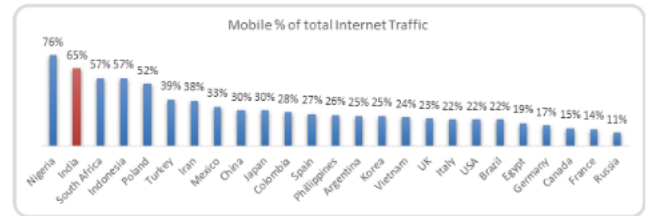
### III. DATA GROWTH IN INDIA

Because India is known as land of world's largest youth population with this increasing opportunities and more and more disposable income the emerging growth story for data penetration will surely will be coming from these sections.

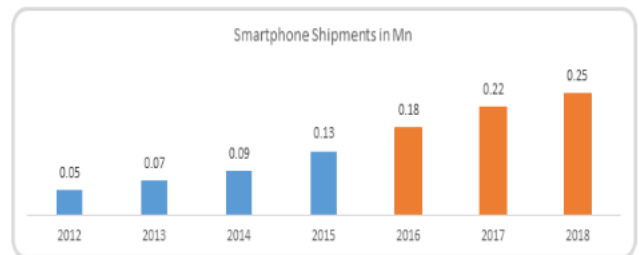
Trends has witnessed that in online shopping as well, with 75% of the amazon sales are coming through mobile mode. Mobile sales are contributing to 45% of the e-bay overall sales. Myntra, which reportedly generates more than 90% of its traffic and 70% of its orders from its mobile app, closed down its website and moved to a mobile-only platform. Which has experienced an initial drop of 10% on total sales, after shifting 20% of desktop sales to mobile mode.



Realising this fact, mobile handset makers such as VIVO, OPPO, Karbonn, Samsung, Lava and Spice Mobiles have brought in a range of mobiles at various price points. Local companies are breaching a new entry-level price point every financial quarter. India's cheapest smartphones now sell at Rs2,000, down from Rs15,000 two years ago.



With raising smartphone adoption, the rural growth story is a factor of 2G-3G technology upgrade. 3G and 4G is surely an urban phenomenon for upcoming years. Increased internet enabled device penetration, decreasing handset prices and lower data plans tariffs are helping to create a suitable environment for a rapid growth of mobile internet in India, with rural India now set to take big leap. As of June 2014, nearly 50% of the Active Internet Users in rural areas accessed internet using mobile phones, community service centers and cyber cafes. 38% of the Active internet Users use mobile phone as the main access point. Rural India is steadily moving towards a more internet friendly and exploratory mind-set. As of 2014, the Active Internet User base in rural India was 6.7% of the overall rural population of 905 million and accounted for 61 million users. 4.4% of the total rural population used a mobile device to access the Internet compared to 0.4% in the year 2012.



India one among largest Internet user base in the world out of which more than 50% are mobile-only internet users. However, the Internet penetration in India at 31% is quite low compared to other developed and developing economies. In India, the number of people who own mobile phones is much higher than the number who own personal computers.

Mobile handset manufacturers playing a major contribution towards mobile internet growth by manufacturing affordable handsets which also support vernacular content. The median price of mobile device has dropped significantly making internet enabled devices affordable for the masses. Several handset manufacturers are now contributing to increasing trend of smartphone usage by selling high end phones at lower entry price points. Customer's experience on smartphones definitely deliver a better user experience and have the potential to accelerate the adoption.

#### IV. KEY FACTORS DRIVING INDIAN DATA GROWTH STORY

- (a) Technology upgrade 2G/3G/4G
- (b) Increasing penetration of Smartphones
- (c) Reducing internet cost
- (d) Mobile penetration
- (e) App ecosystem
- (f) Young generation
- (g) Increased Network Coverage
- (h) Better Speeds
- (i) Hyper competition in service providers
- (j) Telecom policies

#### V. TOP 10 ACTIVITIES ON E-COMMERCE

- (a) Social Networking
- (b) E-mail
- (c) Browsing
- (d) Online Shopping
- (e) Travel/Ticket Booking
- (f) Banking
- (g) Music/Video Download
- (h) Apps
- (i) News
- (j) Navigation

#### VI. WHAT IS NEXT?

Going forward Internet is the key to success which has already evolved from the level what it was 10 years ago. Consumer's dependency on internet has increased ominously for different routine activities like banking, social networking, emailing, shopping, and searching for information etc. The adoption of high speed internet including broadband, 3G and most awaited 4G which offers high speed internet on move, along with introduction of low cost smartphones, all this will further lead to raise internet penetration and usage in India.

We are in a time where every industries are going more and more digital and making their all product range available in e-markets. Starting from daily groceries to real estate everything is now made available online and the sales are happening with just a touch on the smart screens. Also with increasing domestic start-up culture in recent times which is completing with international players are also boosting the data usage with Apps that are made available in regional language and content. All these are creating a right set of eco-system where each of this will be boosting the growth of others.

#### VII. CONCLUSION

With the increasing smartphone penetration and raising network quality has made a greater impact on the increasing data consumption. The first leap towards the data growth started when India migrated from 2G to 3G technology and further development of handset eco system with the entrance of multiple international and domestic handset manufacturers which has attempted to make smartphone available in wide price range especially as per Indian markets. India being the country aiming to digitalize all its services and benefits across every departments to ensure the benefits reach till all beneficiaries directly. Govt. also putting additional efforts to connect all the villages across the country with its fiber network and planning various programs to educate the rural population which will also help in increasing the digital literacy. With sudden upgrade of telecom networks from 2G to 4G and rapid increasing of smartphone penetration will further make inroads for the next big leap in the data growth story for India.

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