

What Drives Mobile Telephony Adoption in Rural India? An Empirical Evaluation

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ABSTRACT

Rapid development of communication technology especially mobile telephony has become a major factor that drives the social economic and individual development in one country. Mobile telephony has penetrated markets throughout India. Micro level studies have shown that adoption of mobile phones resulted in an increase in the economic performance of autorickshaw drivers (Ashok, 2003) in India. Macro studies have shown that mobile telephony has diffused differently in diverse economies (Gupta and Jain 2011; Hwang, et al, 2009; Chu et al, 2009) with different factors affecting the process. The rate of growth of mobile penetration in urban India has been very high as compared to rural. In recent years rural India has shown increasing trend towards adoption of mobile telephony but the rural to urban ratio is 1:2. Hence there is a huge rural market that needs to be tapped. This difference in the subscriber base in rural and urban clearly indicates that different social systems adopt the same technology in different ways. An understanding of the factors affecting the choice is essential both for economists studying the determinants of growth and for the creators and producers of such technologies. Hence, a deeper insight is required to better understand the underlying motivations to adoption. Whilst most of current studies on mobile telephony are based on urban users, this paper focuses on users living in rural India. The objective of the paper is to develop conceptual model for the diffusion of mobile telephony in rural India and to study the impact of micro factors on adoption.

The research employs a mixed (qualitative and quantitative) study approach to investigate and examine the factors affecting the intention to adopt mobile telephony in rural India. The results indicate that Mobility, social influence, perceived

usefulness, cost of handset, lack of ease of service accessibility and lack of understanding of mobile service offerings are the key factors affecting the rural people decision to adopt mobile telephony. This study is useful for researchers willing to highlight the factors that motivate users' mobile telephony adoption in rural India. It also has implications for government and service providers seeking to enhance the adoption of mobile telephony in India. For practitioners, our findings suggest that in order to facilitate adoption of mobile telephony and its related services, it is crucial to strengthen user perception on the potential benefits and to create transparency of the services.

Key Words: Mobile telephony, adoption, rural, India

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