
MOBILE PHONE ROLE IN INTERNET USAGE AND COMMUNICATION SERVICES

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“Production of more commodity items are not all complete unless it ends on value based production”- **Julian Haxly**

Abstract: The invention of mobile phone has opened doors to the communication revolution in India and also world at large. The emergence of mobile phone is proud to the man-kind. It became central part of everyday life. Majority activities like E-mail, E-Commerce, banking, social networking, news, streaming videos, games and many more applications that have come in hand to the people. It created new employment avenues and convenience to the people across the globe. Based on the IAMAI (Internet Mobile Association of India) reports and various other reports, the author sheds light on the growing Indian mobile market and mobile internet users in order to know the advancement in communication services. The reports reveal that the number of mobile internet users in India was 278 million by October, 2014. It also shows that the voice average revenue per user (ARPU) has dropped and the data ARPU has gone up in the recent time. This shows a healthy growth of internet services resulting in raising its market and development of communication services.

Key words: Communication service, Globalization, Internet, Mobile phone.

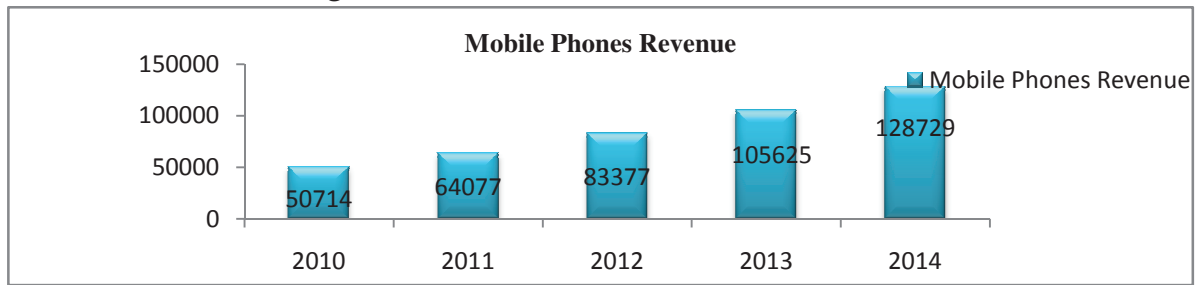
Introduction: Mobile phone is the need of the day. It became central in every one's life. An onset of cellular phones took new twists in communication system and letters carrying information had lost its significance by going into the back burner. With the growing population and smart phone penetration, India is becoming digital. Smart phones and internet is not just for the reach of high class, but more users are becoming informed by getting access of mobile internet.

As per the Telecom Regulatory Authority of India (TRAI), there are 910.16 million mobile phones users in India by the end of June, 2014. Out of this, according to a report, 'Internet in India 2014', jointly published by the internet and Mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB) international, the number of internet users in India would

reach 302 million by December 2014, registering a year on year growth of 32 percent over last year. In October 2014, there are 278 million users access internet through mobile in India. The study said "India has the third largest internet users' base in the world but it is estimated that by December 2014, India will overtake the US as the second largest Internet users' base in the world".

Mobile phones-significance: At the end of the financial year 2014-15, revenues from this segment of mobile phones had grown to Rs. 1,28,729 crore from Rs. 1,05,625 crore a year before. The percentage of revenue raise in mobile phones in the India for the financial year was 21.87 percent. It is obvious that the mobile phone revenue for every year was always goes rising. See fig. 1.

Fig. 1: Shows the Revenue of Mobile Phones



Source: Cyber Media Research (CMR), 2011.

Globalization impact on cellular services:

Sensing the loop holes in the management of economic reforms by the union and state governments in India, the corporate houses used this situation in their favour and exploited the customers to their profit. Time to time the mobile manufacturers brought new models with developed features into the market. By producing more than the requirement market forces are employing all sorts of techniques to attract youth-particularly students in India. Youth are attracted to the western media propaganda and using mobile phones more than necessary. Some people use more than one mobile phone as a status symbol, ultimately which affects their health, wealth and moral values in the society.

As it was in India, the experience of many developing countries resulted in mindless consumerism after the LPG, which led to think economic reforms became counterproductive.

Against to this belief, Prof. Jagadesh Bhagawati, a staunch supporter of globalization, felt that the problem is not the Globalization itself, but the way it is managed; globalization needs to be supplemented by safety net measures of the Government.

It is the popular belief that economic reforms will bring managers of the company to serve the needs of their customers; In contrast to the popular belief, publicly owned companies managers are more accountable to the general community and 'political stake holders', which is likely to undermine their capacity to serve the needs of their customers.

Critics point out that the free flow of capital and technology would widen the disparity in income and aggravate the problem of poverty and unemployment in the less developed countries. The fig. 2 acts as an example, showing the proportion of consumer's investing for mobile phones of different range and technology.

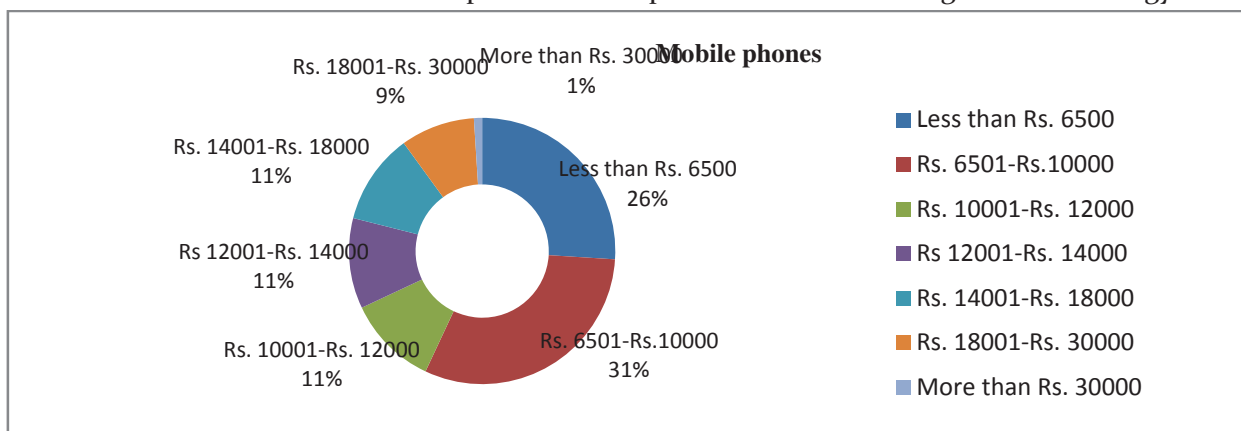


Fig. 2: Shows the percentage of Mobile Phones consumed to that of various price ranges.

Source: IMAI report June 2013.

Different views on increase in excise duty: 'Omega' kannan, who runs a shop selling mobile telephones, complained loudly that the budget proposals came as a rude shock. "We are already suffering a lot after the intrusion of Chinese sets into the market. The duty on mobiles would hit business."

Indian electronics and semi conductors' association president P. V. G. Menon told The Hindu that the increase in excise duty on mobile phones costing more than Rs 2000 "is a blow to domestic manufacturer's handsets.

Reacting to the budget proposal Nokia India Vice-President and Managing Director P. Balaji Said it would lead to increase in the sale of grey, unbranded, sub-standard handsets.

He also requested the Union Finance Minister to roll back excise duty increase on mobile phones beyond Rs. 2000, as hand phones are primary modes of access to information and services for the youth and non-urban consumers.

Samsung Mobile, Vice President Asine Warsi, said the increase in the excise duty on mobile phones would impact on the prices of high-end smart phones.

As part of 2013 - 14 budget, the government had raised the export duty to six percent on hand sets priced Rs. 2000.

In reaction Electronic component manufacturer association ELCINA said the announcement does not look promising for domestic firms.

"At first glance, I think it is going to be a disincentive to trading. One percent credit without CENVAT credit is too less", ELCINA Secretary General Rajoo Goel said.

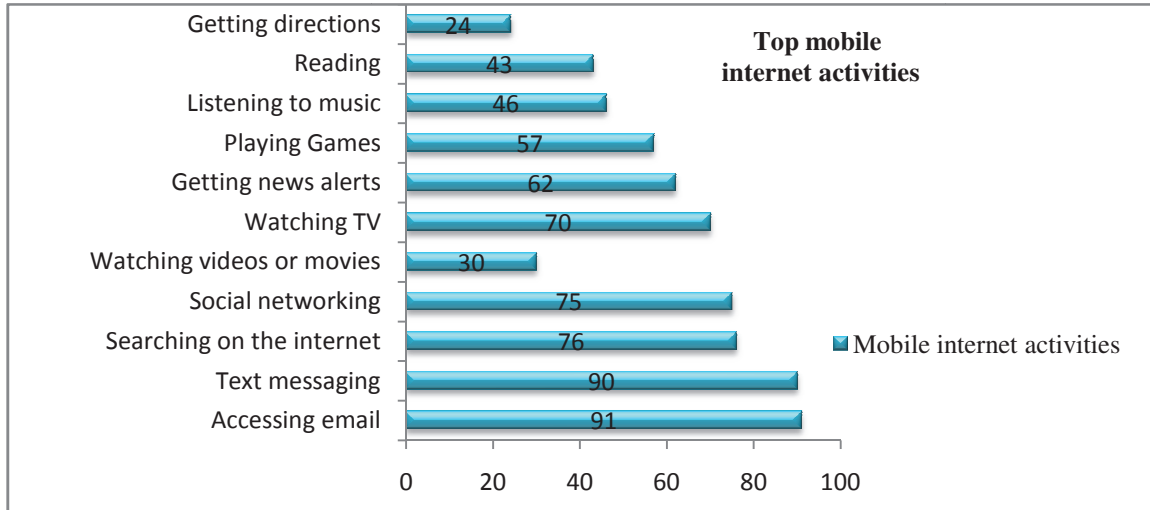
Methodology: The study is completely based on secondary data available through news papers, various related reports and internet. Data has been interpreted based on IAMAI, TRAI and comscore reports.

Analysis of Mobile Internet usage: From the reviews it is evident that there is a significant increase in the mobile internet users. It is

expected that number of users accessing internet through mobile devices is going to cross 300 million mark very soon by the end of 2014 only. The figures reveal that "mobile internet" is exploring a lot in its field and capturing the world's attention towards it. Here are key highlights of Indian internet usage from Com Score report.

- Reach of Online retail websites in India is 60.3 percent with Myntra being the most popular e-commerce site with 13.1 million users visiting it. Flipkart has 12.6 million unique visitors.
- 56.8 percent of online population visited at least one news or information site, however, compared to other countries; India has one of the lowest reach in this category.
- The most popular news/information destinations for Indians were Yahoo sites, followed by Times of India. Interestingly, NY Times has more reach in India compared to HT Media or India Today!
- Blog sites are one of the fastest growing categories in India with a reach of around 49 percent.
- India's travel category reach is one of the highest in the world with 38 percent as compared to global average of 36 percent. This is also primarily due to popularity of IRCTC sites.
- 13.7 million Indians visited Indian Railways website last year, and average spend was about 25.5 minutes per visitor. Makemytrip was 2nd most popular with a reach of 7.6 million users.
- Sports Category witnessed a reach of 26 percent, with cricket being the most popular sport being followed by Indians.
- As far as Real Estate Category goes, India is one of the lowest users with only 8 percent population visiting online real estate sites. Magicbricks.com was the most popular attracting close to 1.8 million visitors.

Fig. 3: Shows the Top Mobile Internet Activities

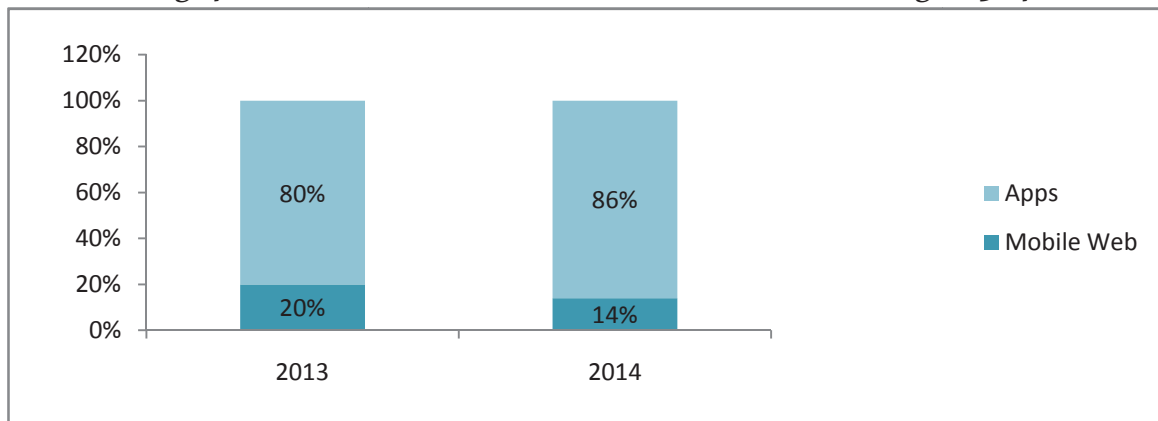


Source: Mobile Behavior Report, 2014

It is apparent (from fig. 3) that majority of 91 percent mobile internet consumers' access email and 90 percent consumers use for texting. About 76 percent consumers search for information, 75 percent consumers use for social networks, 70 percent consumers watch television, 62 percent consumers get news alerts and 57 percent consumers play games. Further, 46 percent, 43 percent, 30 percent and 24 percent consumers use it for listening music, reading, watching videos and getting directions. These are most

common activities used by large number of mobile internet. These services are used most frequently on a daily basis. Activities like booking ticketing and accessing banking services are accessed less than once a week. A low proportion of users access these services. As mobile engagement continues to grow, another major milestone occurred was consumers now spend more than half of their digital consumption time on mobile apps.

Fig. 4: Shows the increase in APPS Vs Mobile Web during 2013-14



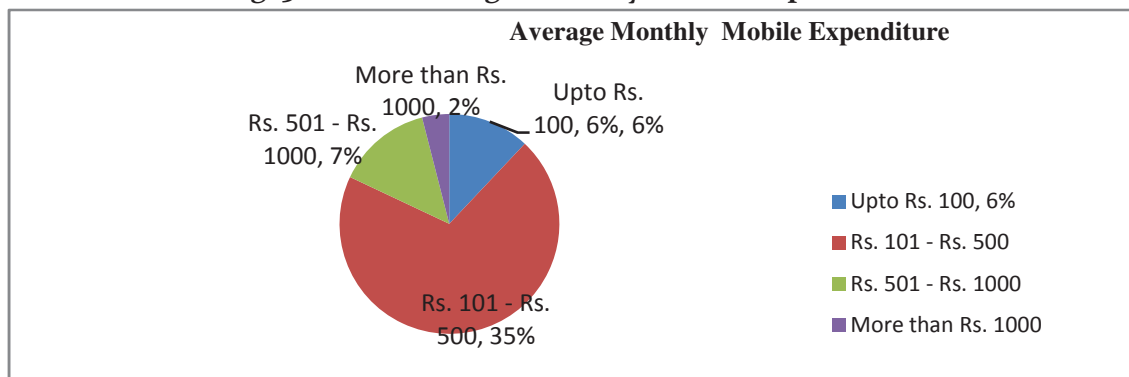
Source: Flurry Analytics

From fig. 4, it is clear that apps dominance is so huge that an average user in 2014 spends 86 percent of his digital consumption time when compared to that of 14 percent time spent on

mobile web. It is also evident that there is an increase in the time spent on apps in 2014 when compared to that of the previous year and there is a downfall of percentage of time spent on

mobile web. With the above statistics, without any doubt it can be said that we are living in an app-dominated world.

Fig. 5: Shows Average Monthly Mobile Expenditure



Source: IAMAI report, June 2013.

Mobile consumers on an average spend Rs. 383 monthly for mobile bill, out of which mobile internet bill was 45 percent of the mobile bill i.e., Rs. 173. However, the percentage amount spent on mobile internet has gone up to 45 percent. Thirty five percent of the mobile internet users are spending between Rs. 100 and Rs. 500 monthly on their phone expenses. Nine percent are spending over Rs. 500 and just six percent of the users are spending less than Rs. 100 every month. These spends denote at a healthy growth of internet and communication services in India. The growing trend of internet usage and downfall of voice calls can change the figures of average monthly mobile expenditure by the end of 2014. The advent of low-price smart phones and cut-throat price competition in internet tariffs might change this trend and more users in the country may become tech and net-savvy.

Recommendation: The top changing activities that mobile users perform through mobile internet are to be focused by the marketers every year to bring revolutionary changes in those

areas to extend their market as well as communication services.

Conclusion: The development of mobile phone technology is racing with time. It is expected to bring revolutionary changes in connectivity and consumer behaviour. Despite the herculean efforts to use the technology particularly internet through mobile phone in the areas of communication, E-mail, social networking, E-Commerce, E-Banking and more utility applications is yet to prove its success. However, users now a day's could able to have knowledge on all issues by availing huge data that is available in internet. This in turn increases the thinking capability of those active internet users and result in change of their thinking dimension. More and more technological inventions in this area may provide freedom to the users to explore themselves in the present technologically driven world. The mobile market is thus playing a key role in extending the internet and communication services to all the active users of internet. To get favourable gains, it is necessary to use this technology wisely with conscious discrimination.

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