Factors Affecting the Demand for Mobile Phones by University Students
(An analysis based on the Rajarata University of Sri Lanka)

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Introduction

A large majority of people all over the world are using telephone facility for communication. Mobile phone in particular, has revolutionised telecommunication, and has become a very important and essential instrument in an age marked by severe competition. It helps those who frequently travel, commute to work and maintain busy schedules in life and has thus become a necessity. Puro (2002) noted that Finland has one of highest mobile phone densities in the world, reaching over 90% of the people less than 30 years of age. Taylor and Harper (2001) noted that young people use text messaging on mobile phones as forms of gifts to cement social relationships. Aoki and Downes (2004) focused on the behavioral and psychological aspects of cell phone usage among college students. They tried to find the reasons behind why a technology was adopted in a particular way. They identified several attitudinal factors including "the necessity" in modern times, cost efficiency when compared to landline phones, safety or security, and dependability.

Problem statement

Most university students in Sri Lanka still depend on their parents for their day to day expenses and very few students are working even on a part-time basis. It was found that many university students were using mobile phones even if they come from low income families. Therefore, it is important to examine "why they need mobile phones?, what factors affect the demand for a mobile phone?" and "the current trend of mobile phone usage among university students?". This study investigates into the causes and situational factors behind the demand for mobile phones among university students, while examining the motivational and behavioral characteristics of mobile phone usage.

Methodology

This study mainly used primary data. Relevant primary data were collected through a field survey using a pre tested questionnaire and group discussions. The questionnaire included 10 open and closed ended questions. Stratified random sampling method was

used to select 80 students. Under this scientific selection method, equal chance was assigned to the five faculties, batches and gender. Total population was divided in to five faculties, each faculty was divided in to four batches and each batch was divided into male and female categories. Secondary data were obtained from related literature. The data collected, both quantitative and qualitative, were digitised using Likert Scale method before subjecting to analysis. Tabulated data were summarised in the form of graphs and tables to understand the relationship and association whenever necessarily. Multiple regression analysis was employed to investigate factors contributing to demand function for mobile phones.

Results and Discussions

The dependent variable of this study was the demand for mobile phones by university students. The study found a number of independent variables including the usefulness, monthly income, taste, convenience, facilities and monthly expenditure. The usefulness, facilities in phones and students' monthly expenditure were found negatively influencing the demand for mobile phones. The monthly income of the University students' and taste positively affected the demand. Monthly income was the most important factor for university students' demand for mobile phones. With a coefficient value of 0.446, the first hypothesis of the study could be accepted. Facilities in mobile phones were found negatively affecting the demand for mobile phones, with an associated coefficient value of -0.207. Therefore, the second hypothesis could not be accepted. 50% of students (half of the sample) agreed that price of the phone would affect the demand. About 12% did not agree and 38% were neutral about effects on demand of price of the phones.

Many students (44%) agreed that the cost of the sim card affects the demand for mobile phone, but about 37% of them were neutral on the price of the sim card. 42% of the sample did not have an idea as to whether the price of other instruments affected the demand for mobile phones. Most of the students (77%) thought that imitation affected the demand as well. About 75% of university students believed that ease of connectivity through phones affected their demand for mobile phones. More than a half of the population (51%) agreed that multipurpose function of mobile phone also influenced the demand.

About 26 % of students used phones worth 3000 rupees and below with limited options, while 24% of them used phones priced above 18000 rupees. 40% of students spent 200 rupees or less on mobile phone per month and 45.8% spent within the range between 250 rupees and 450 rupees per month. About 6% spent more than Rs. 1000 per month on their mobile phone. Very high share of students (87%) used mobile phones for vary basic facilities, mainly to make a call to someone, but about 13% used other facilities

such as SMS, MMS, Radio or Internet. About 99% of students were of the view that the predominant advantage of having a mobile phone was to make a call to somebody; that is, the communication function. 7 %, 2% and 1% of students used mobile phones for other resources "ease of use", "knowledge" and "happiness" respectively. Many of the students (64%) used *Nokia* phone, 9% of them used *Sony Ericson* and 27% used other brands. 55% of students used phones with limited options but only about 31% were happy to use limited option phones. About 45% of students used high facility phones. The data show that about, 69% of students prefer to use high facility phones. The lack of signals cost some extra money and seemed to be the major problem associated with mobile phone usage by university students at the Rajatata University of Sri Lanka.

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