“An Analytical Study on consumer perception on Jio Cellular network launching and an imperial study on Reliance Jio effect, competitor’s reaction.”

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ABSTRACT

The research project focuses on the perception of consumers on Jio Cellular network launching and an imperial study on Reliance Jio effect and the competitor cellular network reaction towards Jio. The researcher has taken 50 sample size of age group of 15 and above. Researcher has conducted in the city of Mumbai using convenience random sampling method. This study deals with the consumer’s perception on Jio Cellular network launching and competitor’s reaction to the same.

Keyword: Cellular, 4G, Jio, Competitors, Preference, Choice, LTE.

1: Introduction:

Reliance thoroughly believes in India’s potential to lead the world with its capabilities in innovation. Towards that end, Reliance envisions creation of a digital revolution in India. Jio is capable of offering a unique combination of telecom, high speed data, digital commerce, media and payment services. Jio will provide 4G services on a pan-India level using LTE technology. The telecom leg of Reliance Industries Limited, it was incorporated in 2007 and is based in Mumbai, India.

In June 2010, Reliance Industries (RIL) bought a 96% stake in Infotel Broadband Services Limited (IBSL) for Rs 4,800cr. Although unlisted, IBSL was the only firm to win broadband spectrum in all 22 zones in India in the 4G auction that took place earlier that year. Later continuing as RIL’s telecom subsidiary, Infotel Broadband Services Limited was renamed as Reliance Jio Infocom Limited (RJIL) in January 2013.

Vision of Jio:

Affordable Devices: Jio has worked with all the leading device manufacturers of the world to ensure availability of 4G LTE smartphones across all price points – from ultra-premium models on one hand, to entry level models on the other.

Digital Currency: Jio envisions a new India which will use digital currency instead of paper money for a more secure and convenient way to transact. Jio Money, Jio’s digital currency and digital payments business, will play a crucial role in this by offering a platform for ubiquitous, affordable and secure digital payments.

Jio Drive: Micro and small businesses will soon have access to cutting-edge cloud storage technologies which were once affordable to big companies only, giving them a new edge to compete on a global landscape.

Digital Education: Teachers and students from far flung areas can connect with each other, crowd-source knowledge and adapt new age learning techniques and thus lift the level of education to a completely different plane.
Digital Healthcare: Expert medical advice would be available anytime, anywhere - with medical practitioners able to grow their practice without constraint, and provide quality of life to the crores that make up our country.

**Jio, which kicked off operations on September 5, 2016, added 108.9 million subscribers on the network as of March 31, 2017.**

Jio introduced various subscription based apps basically which would also suit the rural area population.

JioTV – live TV services

JioCinema – just like Netflix, a video library.

JioChatMessenger – like Whatsapp, a messenger service for Jio users.

JioMusic – music player and subscription model.

JioJoin- Volte Phone Simulator

JioMags- Magazine reader and subscriptions

JioXpressNews – News and daily events

JioSecurity – Security App

JioDrive Cloud storage app

JioMoney Wallet – like Paytm and Airtel money.

**Rationale of the Study:**

Author felt the need to research on the upcoming, most popular, affordable Reliance Network’s Jio. India has always been a country of poor internet connectively and data scarcity especially in the rural areas. For this, Jio has made affordable data back of 4G and 4G based affordable phones. Jio used to provide free calling and free data for the longest time, but even though it started to charge from the year 2017 it charges the least pricing compared to Vodafone and Airtel. The launch of the Jio signals an important shift from scrunching for data and data scarcity. The reason for its sudden entry in India and capturing its place a 100% and successfully made the author wonder its strategy, the main strategy used by Jio could be aiming for quality subscribers, 100 million mark which means Mr. Ambani’s plan to reach 90% of India’s population and last strategy would be oligopolistic market. Author is keen to know what strategies it followed and what were the competitors reaction once Jio entered the market hence this topic was chosen.

**Objective of the Study:**

1. To analyse the customers perception on Reliance Jio.
2. To analyse the satisfaction level of Jio users.
3. To analyse the Reliance Jio’s effect on the Indian market.
4. To analyse the competitors reaction on Jio Cellular Network.
5. To analyse the percentage of the people switching from other cellular networks to Jio within a year.
6. To analyse one year of Jio launch in all over India.
7. To analyse and identify the business strategies behind Jio.
8. To analyse if the scheme provided by Jio is beneficial or not?
Significance of the Study:

The main significance of the study is to find out the perception of the consumers using Reliance Jio. The competitors reaction to the Jio launch which was extreme and the percentage on how much competitors like Vodafone and Airtel are affected by the launch. The scheme provided by the company and its offerings to the people of India. The free scheme in the start of the launch attracted 6 million people over time. To also know exactly the percentage of the people switching their cellular networks to Jio within a year. Therefore, the author wanted to research and signify these points by making a questionnaire and finding conclusions on the same.

1.1: Literature Review:

According to www.indianexpress.com(2016), this article represents the launch of distinctive disruptive and a “bold move” towards digitalising million parts of rural areas of the country by setting a tough benchmark for its competitors as “data becomes the new oil!” it is said to be a perfectly planned move by most of the nation wide users.

A great quote by Mukesh Ambani which said, “To make digital revolution a success in our country, especially for millions of rural Indians, data mining is the future.

Reacting to the launch, the Cellular Operations Association of India (COAI), they congratulated Jio on their launch for their innovation which is processed to bring into the country. A stable, predictable, long term, and an orderly growth of the industry is essential for a fully connected and digital empowered India. Reliance Jio has partnered with several smartphones brands where Jio Preview Offer available for 90 days. Therefore, the review of Indian Express Journal explains in detail on how citizens react and how cellular operation association reacted to Mukesh Ambani’s Jio.

According to telecom.economictimes.indiatimes.com(2017), The Mukesh Ambani owned company’s 4G feature phone is expected to be the next big disrupter in the telecom industry which for the past four quarters has been engulfed in a brutal tariff war that has eroded revenues and profits of older players.

Reliance Jio aims at completing Jio delivery of its 6 million Jio Phones by this Diwali and first lot of which has already been dispatched to the consumers who had registered themselves first in advance.

The mass-market phone that is being offered for free effectively — the company takes a three year interest-free refundable deposit of Rs 1,500 — is key to Jio's bid to quickly scale up its nearly 130 million user base by targeting the 500-million feature phone customers. The phone will be distributed on a first-come, first-served basis through Jio retailers, multi-brand device retailers, and the network of Reliance Digital stores. With voice free for life, a Jio Phone user will get the benefit of unlimited SMS service and half a GB of data a day for Rs 153 a month, which is about one-thirtieth the price of data in the market, and access to various Jio apps.

Therefore, to conclude Reliance Jio has not only launched their convenient data plans but is also going to provide Smart Phones at cheaper rates mainly for the lower income groups and the rural areas as they could have access to all the information on the internet sources and as a whole India could grow digitally.

After the announce of Jio 4G LTE Services, the telecom operator aims to offer high speed internet and content services at affordable prices. The company announced that all voice calling will be free for lifetime. The company has gives 1GB for Rs 50 which is the lowest in the world.

Weeks before the official launch Vodafone and Airtel could feel the heat and dropped their data offerings by 67% and offered free data services. The whole article explains the comparison of Jio with Vodafone and Airtel.

Graphs are explained where voice calls, SMS, Data are explained with respect to all the 3 competitors. The benefits are explained of each and it analyses that how much per month data is used on Jio. The data which is provided by
the competitor companies provide less data compared to Jio. Jio provides high end data services and with its aggressive plans are here to disrupt the markets. Jio aiming at 100 million subscribers.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Reliance Jio (Rs. 19/Day)</th>
<th>Vodafone (Rs.12/day)</th>
<th>Airtel (Rs 23/three day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice Calls</td>
<td>Unlimited</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>SMS</td>
<td>Unlimited</td>
<td>N.A</td>
<td>N.A</td>
</tr>
<tr>
<td>Data</td>
<td>100 MB</td>
<td>50 MB</td>
<td>90 MB</td>
</tr>
</tbody>
</table>

It is clearly seen in the data provided above that Jio is beneficial than other competitors in the market. Therefore, to conclude Jio is providing much lesser cost sales and services.

2.1: Analysis and Interpretation:

The frequency and the attractiveness of an individual buying a new phone and a new sim rating is positive as people buy a phone looking at how attractive the phone is, if it’s a smart phone or not, if it has a good quality camera etc. therefore, the frequency of buying the phone is high but it is also required to be highly attractive.

*Figure 1 [Source: Field Work] [SPSS]*

*Figure 2 [Source: Field Work] [SPSS]*
The percentage cross tabulation is between the 4G current service provider and how the data plan or the data plan offers are beneficial after the Jio launched? The answer to the question is people are happy with the sudden drop in prices of Vodafone and Airtel which are the major two competitors of Jio. 79 respondents or 96.3% of people are happy with their sudden drop in prices of their own service providers.

![Figure 3](Source: Field Work) [SPSS]

The 4G Speed current service of the current sim used by the individual is calculated with a cross tabulation with would you like to shift to Jio? The calculations are narrow and around 43 people would like to shift to Jio and 36 wouldn’t like to shift to Jio. The numbers are highly close which makes the competition at a higher stake.

![Figure 4](Source: Field Work) [SPSS]

The data plan change or would any customer would like to shift from their current service provider to Jio was calculated and both the conclusion as seen above is 12 customers say that their existing data plan is good and 12 people say that they would shift to Jio. 24 people also feel that their change in their existing data plan is beneficial.
Lastly, author wanted to know if customers know that the different features in Jio such as Jio Chat exist. After the survey, 36 people are aware of this feature and 33 people aren’t. The company should advertise their features by advertising in the television, publishing in the newspaper and posters and banners in towns and cities.

CONCLUSION:

As per the analysis formed above, the conclusion states that people are happy with their current service provider but the free data of Jio attracts the people as well. The consumers do want to use their current service provider and want to also buy Jio as it gives out free data. Customers are also delighted with the data which Jio provides. Jio needs to advertise more and work on their skills to advertise it efficiently in a way in which the company could earn more profits and recognition.

The research paper concludes that the customers are happy with the sudden drop in the prices of their existing sim card companies due to the launch of Jio.

To conclude and to recommend Jio to improve their voice calling and keep their data check in the same way. In this way, their market would increase, people would buy Jio more and more due to its free/low pricing schemes and offers.

Bibliography:


