

Impact of Reliance Jio on Indian Telecom Industry

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Abstract

Indian mobile industry is the most rapidly expanding businesses in the world. Presently, India is the one of the world's second largest telecommunication market and is still mounting. The telecommunication economy of India is budding speedily and it shall therefore, contribute considerably to India's Gross Domestic Product (GDP). Reliance Jio's charge-free scheme generates a huge essential and unanticipated variations in customer's actions and opponent's policies. Reliance Jio presented a huge surprise to Indian telecom business, offers as free calling, free internet, and 4g network pose a severe menace to others and appears as a fresh option for the users. The additional service providers surface a fresh kind of challenge and find it problematic to manage up with fresh situations. The review paper here, debates the present trends in the Indian Telecom Industry and impact of Reliance Jio on the competing approaches of opponents in this business.

KEYWORDS: *Indian Telecom Industry, Telecommunication, Impact of Reliance Jio, India's*

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Introduction

The backbone of fast growing Indian economic picture of this era is the Indian telecommunications sector. Telecom sector is one of the rapidly emerging and money-making businesses around the globe. Diverse methods of communicated medium like as Wi-Fi, internet, and smart phones, are distributed in communicated manufacturing which generates significant variations in the observances of customers, legal framework, business entities, philosophy of the government's strategies and processes, and the ideologies of entrepreneurs. Indian telecommunication market is presently the second largest telecommunication market globally, with an average subscribers of about 1.19 billion. The mobile economy of India is increasing quickly and shall fund significantly to India's GDP (Gross Domestic Product), as per the account presented by GSM Association (GSMA) in alliance with the Boston Consulting Group (BCG), India is anticipated to bear about 180 million smartphones by 2019, adding in about 13.5 percentage to the universal smartphone bazaar, on the basis of growing affordability and healthier accessibility of data and calling facilities.

The base of telecom subscriber expands substantively in India. The Indian market is targeted with mobile service provider, foreign investment, mobile device producer etc. The generous and reorganizing strategies of the Indian Government have been contributory along with sturdy customer claim in the speedy progress in the Indian telecom segment. The Government has permitted a stress-free market admittance to telecom paraphernalia and a just and positive supervisory agenda that has guaranteed accessibility of telecom facilities to customer at reasonable charges. The Indian supervisory consultants are possibly likely to handle fresh trials from these innovative fashions and retain their promises of giving a worth facility, carrying the process out evidently and sensibly. On the other side telecom workers remain to emphasis on giving a great value, reliable network experience providing the speeds and reportage estimated by consumers. In the current set-up, the market is occupied with substitutes to the consumer to pick either mobile devices or service suppliers.

Industry Overview

1. Idea Cellular

Idea Cellular was established in the year 1995 by Aditya Birla Group Company. Idea is among the uppermost three mobile operatives in India, with a yearly income in surplus of USD 5 billion, and a returns market share of 19%. Idea's pan-India network of over 2.7 lakh cell locations shields over 400,000 villages and towns. Idea has moved way ahead of the chief opponents and has occupied an increasing income market share of 33% from the previous three years. Idea provides 3G and 4Gs LTE amenities on its personal range auction in 13 rounds of telecom facility zones and 340 towns covering almost the entire India geographically. Idea empowered its consumer ground after initiating mobile number transferability it has 191 million subscribers, Rs.354 Billion (US\$5.3 billion) Revenue and Net income is Rs.31.92 billion(US\$470million) for the year ending 31st 2016. With approximately 200 million subscribers, Idea positions sixth in the universal grading of operators in subscriber rapports, for solo nation operations. In January, 2017 it was declared that Idea is in plans to come together with Vodafone in Indian set-ups.

2. Vodafone

It is an English-based international telecommunications corporation, originated in the year 1991. It started actions during 1994, when its forerunner Hutchison Telecom attained the cellular license for Mumbai. Brand Vodafone was propelled in India in September 2007, after Vodafone Plc. attained a widely held post in Hutchinson Essar during May 2007. It is now graded as world's succeeding biggest mobile operators in the quantity of active networks. It possesses and functions connections in 76 republics and also IT facilities to commercial clients in 150 nations. It has been constantly expanding its set-ups throughout the nation over all 22 telecom circles and service to 203 million Indian customers. The charge-free combat of Reliance Jio's effect consequences gathers incessant harm creased to \$5.5 billion from last two quarters of 2016. On 20 March 2017, Vodafone proclaimed that it was unifying its Indian industry with Idea, India's third-largest network.

3. Airtel

Sunil Mittal was the responsible person, who led to finding Airtel in 1995. Bharti Airtel Limited is the primary worldwide tele-communications business with active operations across 20 countries within the

continents of Africa and Asia. The firm positions itself among the top 4 mobile service providers worldwide in terms of subscribers. Airtel was named India's second most priced brand in the first ever grading by "Milliward Brown and WPP plc." Airtel is accredited with revolutionizing the business policy of outsourcing all of its business processes with miniature factory model of small price and great dimensions. Its policy has since been approved by several operators. The broadcast fortifications are sustained by affiliates of Bharti group. Airtel served first time low call rates in India. The revenue of Rs. 966.021 billion, EBIT is Rs.341 with net turnover of Rs.54 billion for the year culmination of 2016. The Jio's outperform have pricked Airtel which testified a 55% reduction in third -quarter net revenue to Rs.504 crore in 2016. It is the big moment to reform its policies to contend the market leader with Telenor.

4. Reliance Jio

The Reliance has provided a fresh substitute to the consumers in the label of "JIO". Reliance JioInfocomm Limited (RJIL) formerly recognized as Infotel Broadband, which is a broadband facility provider that attained 4G licenses for carrying their operations throughout India. Mukesh Dhirubhai Ambani, is the chairperson and MD of Reliance JioInfocomm. The Reliance Company commercially inaugurated its facilities on 5th of September, 2016. Jio crossed 100 million subscribers by the end of February 2017. This is the one of the most rapid upsurge by any mobile network operator in any part of the world. As per the sources, Jio is setting a new record - has developed 1,000 consumers per minute (since September 05) and 6 lakh per day. Jio endures to be the rapidly mounting company in the world and has crossed 50 million subscribers in record of 83 days. Jio possesses spectrum in 800 MHz and 1,800 MHz bands in 10 and 6 circles, respectively, of the total 22 circles in the country, and also owns pan-India licensed 2,300 MHz spectrum. Reliance communications possesses and functions the world's largest next generation IP assisted connectivity infrastructure which includes 2,80,000 kilometers of fiber optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. . RJIL is setting up reliance (4th generation) high speed internet connectivity, opulent communication facilities and numerous digital services on pan India with the elementary key spheres such as healthcare,

education, security, financial services, entertainment, and government citizen interfaces.

The entry of Reliance JIO has compelled gigantic networks as Airtel, Vodafone, Idea service providers to cut off their plans. For the last 6 months, 7 customers per second of every day are on an average, subscribing to JIO. The market leader Airtel has 26 crore 4 lakhs subscribers which was founded in the year 1995.

Review of Literature

Prithish and Saxena (2015), overall socioeconomic development of India is contributed significantly by Indian Telecom Industry and it is a vital means for the advancement of a nation. Growth of industry is increased by the several telecom service providers who bring the deal for data and voice facilities to the consumers through diverse counties of the nation.

Kalyani (2016), in this review paper, composed facts and data are very vibrant that market is achieved by "Reliance Jio Effect". 15 to 25 years aged individual, bearing more end mobile devices for collaborating and amusing requirement. They are making use of the smartphone for the purpose of gaming, online purchase, instant messaging and so on, and using for "free" data and voice Reliance has directed the same. In worldwide area, Reliance Jio connection has built its network in a very short time frame and don't have the roaming data from one vendor to other vendor.

Boobalan and Jayaraman (2017): The service provided by Jio customers are satisfactory as customer is the backbone of the company treating the customers as a friend is one of the best way to attract them and make them always come back. It will help in building strong businesses relationship. In this study it is found that there is an important bond between income and gratification and there isn't any noteworthy bond between age and awareness level.

Haq (2017): Internet startups by more customers that have means is more internet users. Jio marketing approach is pretty simple that attract the customers or users by free-calls and cheap data. It should not be difficult for convenience to user to use more and more data because user habit is formed. Jio break the record and drop the rates of other data and competition will drive with Idea, Airtel and others. In all over country, Jio is going to be an explosion of new data users in next few years.

Mahalaxmi and Kumar N (2017) studied on a particular geographical region and concluded that Jio services are same to all in spite of the people monthly income. The services provided by the Jio tariff like mobile data and free calling were able to convince the students. In future, competitors (other network services) can fluctuate the market by giving the competitive policies. Jio network support only in the 4G handset, not in 3G handset. If their offer will be for the 3G handset then Jio would be in high rate. This study was made on a particular region. So, accurate result cannot be obtained. Future scope of Jio network, will face the competition by more innovative marketing strategies.

Priya and Sathiya (2017), in this study, computing the stage of preference and satisfaction of Jio customer and improving their network coverage and to wipe out the calling congestion by Reliance Jio Company that is recommends by researcher. By the comments of customers, Company can accomplish the 100% satisfaction and also customers might not switch over to other network that shall create willingness for company.

Satyanarayana, Rao and Naidu (2017) proposed that the consumer's behavior and competitors'

strategies has been changed racially and unexpectedly by the introduction of Reliance Jio's free. After providing the services, other mobile networks are facing problems. To compete with Jio, there is need to make strategies and to strengthen themselves in the industry.

Conclusion

India market is the world's 2nd biggest telecom market and delivers job and business prospects to the people which will aid in growing the GDP of the nation. On the other side, Reliance Jio is producing the most widespread and futuristic connectivity in India. It will probably deliver the coming age group a legacy free digital facilities with an attempt to end all IP network that can impeccably be elevated even to 5G or beyond. Jio's Mobile data services convinced most of the students to prefer this network. For small companies it is difficult within the industry to create a noteworthy share in the market. The only choice to become mightier to contend with Jio is to create tactical groupings with other contenders. In near future the contenders can again vary the market by demonstrating competing policies.



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