

A Study of Shifting brand loyalties of customers to JIO from other Telecom service providers with special reference to Pune City.

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Abstract

India is considered as world's one of the biggest telecommunications market, with over 1.0 billion users as of May 2015. The wireless section (97.36 per cent of total telephone users) rules the market. It has also been rising at a brisk step. Throughout FY07-15, wireless users witnessed a CAGR of 24.78 per cent to 969.8 million. It is also the second major nation in terms of internet usage. India had 267.39 million internet users as of December 2014. The telecommunications market of India is likely to experience additional development, fuelled by improved non-voice profits and higher diffusion in rural marketplace. Telecom diffusion in the country's rural marketplace is projected to upsurge from 46.14 per cent as of December 2014 to 70 per cent by 2017. The rise of a well-to-do middle class is activating request for the smartphones and internet sections. Availability of inexpensive mobiles, along with a growth in the security level of online transactions, is predicted to boost progression of transactions carried via mobiles, with the total transaction value being tripled in 2014 from last year. Sturdy policy provision from the government has been vital to the sector's expansion. FDI cap in the telecom segment has been improved to 100 per cent from 74 per cent. In January 2015, the Government of India suggested discount in license fees of telecom by 6 per cent for operators; telecom operators presently pay 8 per cent of attuned gross revenue as licence fee. In this paper researcher have tried to study the altering insight among the user along with the revolutionary variations in the telecommunication segment with the appearance of Jio scheme.

Key Word: Reliance, Jio, Telecom sector, Brand Loyalty, Customer perception.

Introduction:

The telecommunication network of India is the second largest in the universe grounded on the total number of telephone subscribers (both fixed and mobile phone) with the lowest call tariffs in the universe supported by the mega telephone networks and hyper-competition among them. India is currently the world's third-largest Internet subscriptions. As per the Department of Telecommunication of India (DoT), as on March 2015, India has 302.35 million internet subscriptions. Main segments of the Indian telecommunication industry are telephony, internet and television broadcast Industry in the nation which is in a continuing method of converting into next

generation network, hires an widespread system of modern network components such as digital telephone exchanges, mobile switching centres, media gateways and signalling gateways at the core, interrelated by a wide variability of transmission systems using fibre-optics or Microwave radio relay networks. The access network, which links the user to the core, is highly diversified with dissimilar copper-pair, optic-fibre and wireless tools. DTH, a comparatively new broadcasting expertise has achieved major popularity in the Television section. The starting of private FM has set a fillip to the radio broadcasting in India. Telecommunication in India has significantly been held by the INSAT system of the nation, one of the biggest domestic satellite systems in the universe. India holds a varied communications system, which connects all portions of the country by telephone, Internet, radio, television and satellite.

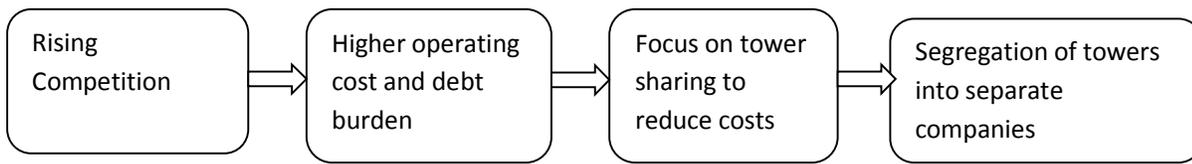
Indian telecom industry underwent a high pace of market liberalisation and growth since the 1990s and now has become the world's most competitive and one of the fastest growing telecom markets. The Industry has grown over twenty times in just ten years, from under 37 million subscribers in the year 2001 to over 846 million subscribers in the year 2011. India has the world's second-largest mobile phone user base with over 929.37 million users as of May 2012. It has the world's second-largest Internet user-base with over 300 million as of June 2015. Mobile based internet is a key component of Indian Internet usage, with seven out of eight users accessing internet from their mobile phones. The total income of the Indian telecom segment raised by 7% to 2,832 billion (US\$42 billion) for 2010–11 financial year, while incomes from telecom equipment section stood at 1,170 billion (US\$17 billion). Telecommunication has reinforced the socioeconomic growth of India and has played a important role to narrow down the rural-urban digital divide to some degree. It also has assisted to grow the transparency of governance with the commencement of e-governance in India. The government has pragmatically used modern telecommunication amenities to deliver mass education programmes for the rural people.

Jio India

A month ago India was all about Jio 4G. There were long queues outside Reliance Digital stores, you could hear people talking about Jio 4G speeds and fawning over the free data and voice calls. A month later, long queues are still there with people hoping to get a SIM, many are still talking about Jio 4G data but sadly not quite cheerfully. Ever since the Jio SIMs were made available to everyone on September 5, even murmurs heard of slow internet, bad call qualities and, of course, unavailability of the SIMs in the first place. Reliance, on its part, has blamed Airtel, Idea and others for whatever woes people are facing with the Jio 4G service. Here the service has gone downhill in terms of speed, although at the same time the reliability of the connection and the scene with voice calls, which are free, has improved. So it's kind of a mixed bag. Reliance jio is one of the emerging network provider

in the wireless 4G market of India. While jio is giving more emphasis on their wireless network at the moment, this does not mean that they have no plans of extending their services. Currently limited operators like Act Broadband, BSNL, and some local operators are providing FTTH in India. But jio is trying to capture the complete wire line broadband market rather than some limited areas. If the trend continues ftth plans will be ground breaking. Reliance Jio is currently testing its Fiber to Home broadband services in Navi Mumbai. The testing phase is providing broadband to many customers for nominal charges.

Inspired by the success seen by Indian players in towers business, most of the operators around the world are replicating the model.



Approach designed for customer while penetrating telecommunication market by

Jio:

- Go to Google Play Store and search for MyJio.
- Download and Install the Application.
- After Installation, Open the MyJio App.
- Now you can able to find the button “Click to Install All” Hit on the button.
- Install all the applications.
- Once you install the entire applications exit from MyJio Application.
- Disconnect both your Wi-Fi and Mobile data.
- Next open the MyJio application, the pop up is encountered with the message “No network connection” Ignore the message and Click on GET Jio SIM.
- Again the pop up will come showing the message “No Network” Toggle back and connect to the internet by enabling Wi-Fi or Mobile Data.
- Now when you click the button, you will see Preview Offer code instruction.
- Follow the instructions to get the code and proceed further by submitting your documents etc

Objectives of the Study:

1. To study the perception of customer with changing scenario in Indian telecom industry.
2. To study the impact of arrival of Jio schemes on customers’ mentality in Pune city

Hypothesis of the Study:

H₀- There is not significantly perception about changing scenario in Indian telecom industry.

H₀- There is no significant impact of arrival of Jio schemes on customers' mentality in Pune city.

Scope of the Study:

1. The study deals with 'Shifting of Loyalties : Perception of Telecom customers after launching of "Jio" in Pune city'
2. The study evaluates only impression of customers associated with Jio schemes.
3. Telecom penetration in the nation's rural market is increasing also government of India has introduced digital India program under which all the sectors such as healthcare, retail, etc. will be connected through internet.
4. The study will be restricted up to Pune city but it will definitely useful for rural and semi urban areas.

Research Methodology of the Study:

The study is based on critical evaluation and analysis of basically Primary Data. The primary sources include customers. A study is undertaken in the sampled regions to see its impact for which a detailed questionnaire is prepared to collect relevant information from the primary source for the guidance of the researchers. With the assistance of the questionnaire, thorough considerations were made with the certain foundations of primary data to comprehend their views, thinking and attitude which would aid to provide the researchers useful recommendations, if any. The questionnaire is processed with the help of statistical tools like tabulations, grouping, percentages, averages, testing of hypothesis etc. Questionnaire is used mainly to analyze the opinion of the students

Research Area:

Researchers selected respondents from Pune city. Researcher collects data through Primary and Secondary sources. Researcher distributed over 450 questionnaires among the respondents.

Review of literature:

A Brief report on Telecom sector in India (January 2015) .this report give detail study on Government policies and regulatory framework implemented by Telecom Regulatory Authority. In last two decades, the Indian Telecom Sector and mobile telephony in particular has caught the imagination of India by revolutionizing the way we communicate, share information and through its staggering

growth helped millions stay connected. In Indian telecom sector the number of telephone subscribers in India increased growth of 0.52 %. The monthly growth rates of urban and rural subscription were 0.18 % and 1.03% respectively.

“A pragmatic approach of analyzing Consumer Behavior in India telecom Sector” by Vikram Singh, Rishiraj Vyas and Jitendra Rathi have clearly highlighted the reasons for buying a particular operator service in India is governed by three important parameter- High quality of service, price sensitivity and effective advertisement.

“Critically Analyze the customer preference and satisfaction measurement in Indian Telecom Industry” by Naman Shah 2008, IIPM Ahmadabad, Guided by Prof. Pabitra Ranjan Chakravorty, Senior Research Associate, IIPM Ahmadabad. This study lays emphasis on Quality Measurement of Telecom Industry, certain service parameters of telecom industry like Customer care services, Per call charges , Network , tariff schemes , Value Added services(VAS) , billing system , voice clarity & suggested them as the most important ingredients of service Quality Measurement of telecom industry.

Enhancing Competition In Telecommunications: Protecting and empowering consumers- OECD (Organization For Economic Co-Operation and Development) Directorate for Science, Technology and Industry Committee for Information, Computer and Communications Policy. Ministerial Background Report, OECD Ministerial Meeting on the Future of Internet Economy, Seoul 17-18 June 2008, Hosted By Korea Communications Commission.

This study examines the available evidence of consumer behavior and satisfaction levels in the telecommunications industry and of the influences on such behavior and satisfaction surveys need to be treated with some caution in that the results may vary widely according to how, and in what context, a question is formulated. For this reason, it is useful to analyse consumer satisfaction surveys side by side with consumer complaints data, where available to get the fuller picture of the market.

Limitations of the study

1. The study is based on limited geographical area.
2. Further variables could be added for the purposes of detail study.

Data Analysis

Researcher prepared the questionnaire for customers and distributed it among them in Pune city. After receiving the questionnaire researcher analyse the questionnaire and make two groups viz. Working

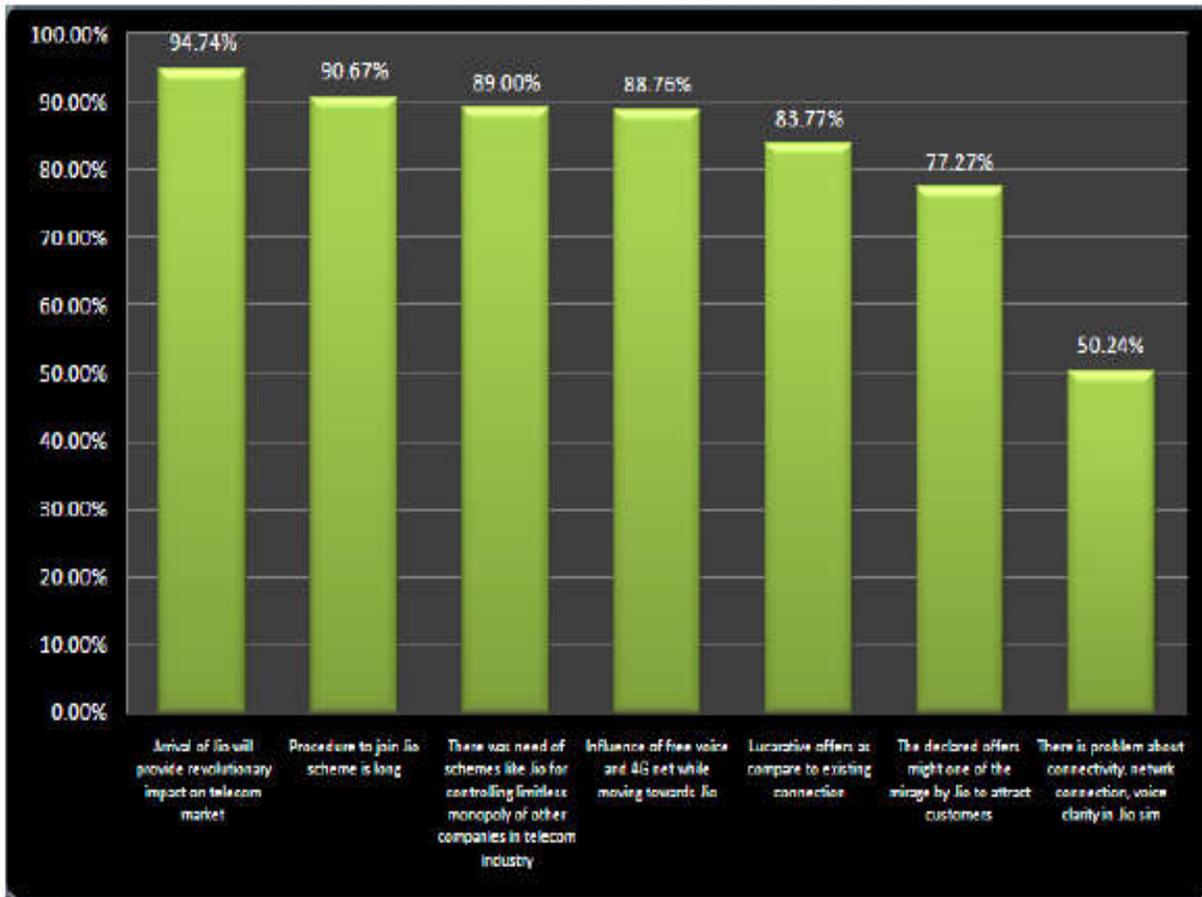
customers such as businessman, salaried employee, professionals etc and Non working customers such as student, housewife, retired persons.

Table No 1
Number of respondents

| Sr. No | Faculty wise group | Questionnaire distributed | Questionnaire received | Questionnaire rejected | Sample size for study |
|--------------|---|---------------------------|------------------------|------------------------|-----------------------|
| 1 | Working customers such as businessman, salaried employee, professionals | 250 | 219 | 13 | 206 |
| 2 | Non working customers such as student, housewife, retired persons | 250 | 227 | 15 | 212 |
| Total | | 500 | 446 | 28 | 418 |

There are 219 questionnaire received from group one and 227 from group two, after analysis, researcher rejected incomplete questionnaires.

Graph No 1
Graphical Presentation about 'Aspects of Jio schemes'



Testing of Hypothesis:

Hypothesis I

H_0 : The proportion of customers whose perceptions about change in Indian telecom industry is positive is 0.50

H_1 : The proportion of customers whose perceptions about change in Indian telecom industry is positive is more than 0.50

Mathematically

$P = 0.5$

Vs

$P > 0.5$

Table No 2

Testing of Hypothesis I

Mathematically $P = 0.5$
Vs
 $P > 0.5$

Table No 2
Testing of Hypothesis I

| Sr No | Aspects | Proportion of respondents who stated the aspects as either very important or important | SD | Z value | Z_table | P value | Decision |
|-------|--|--|------|---------|---------|---------|--------------|
| 1 | There was need of schemes like Jio for controlling limitless monopoly of other companies in telecom industry | 0.89 | 0.02 | 25.48 | 1.64 | 0.0000 | Reject H_0 |
| 2 | Influence of free voice and 4G net while moving towards Jio | 0.89 | 0.02 | 25.08 | 1.64 | 0.0000 | Reject H_0 |
| 3 | Lucrative offers as compare to existing connection | 0.84 | 0.02 | 18.73 | 1.64 | 0.0000 | Reject H_0 |
| 4 | The declared offers might one of the mirage by Jio to attract customers | 0.77 | 0.02 | 13.31 | 1.64 | 0.0000 | Reject H_0 |
| 5 | There is problem about connectivity, network connection, voice clarity in Jio sim | 0.50 | 0.02 | 0.10 | 1.64 | 0.4610 | Accept H_0 |

Here level of significance is 0.05

Thus, our null hypothesis The proportion of customers whose perceptions about change in Indian telecom industry is positive is 0.50 is rejected. On the other hand, we admit our alternative hypothesis The quantity of clients whose perceptions about variation in Indian telecom industry is positive is more than 0.50.

Testing of Hypothesis II

H_0 : The proportion of customers whose perceptions about there is significant impact of arrival of Jio schemes in Indian telecom industry is 0.50

H_1 : The proportion of customers whose perceptions about there is significant impact of arrival of Jio schemes in Indian telecom industry is more than 0.50

Mathematically

$P = 0.5$

Vs

$P > 0.5$

Table No 3

Testing of Hypothesis II

Here level of significance is 0.05

Mathematically $P=0.5$
Vs
 $P>0.5$

Table No 3
Testing of Hypothesis II

| Sr No | Aspects | Proportion of respondents who stated the aspects as either very important or important | SD | Z value | Z_table | P value | Decision |
|-------|--|--|------|---------|---------|---------|--------------|
| 1 | Arrival of Jio will provide revolutionary impact on telecom market | 0.95 | 0.01 | 40.96 | 1.64 | 0.0000 | Reject H_0 |

Thus, our null hypothesis The proportion of customers whose perceptions about there is significant impact of arrival of Jio schemes in Indian telecom industry is 0.50 is rejected. Alternatively, we accept our alternative hypothesis. The proportion of customers whose perceptions about there is significant impact of arrival of Jio schemes in Indian telecom industry is more 0.50.

The Impending Challenges:

With success of implementing it in market Company is facing the challenges as-

- **Competitive Rivalry :**
- Customers' low switching cost and price sensitivity are increasing competition among players.
- High exit barriers are also intensifying competition.
- There are around 6 to 7 players in each region, leading to intense competition.
- **Threat of new Entrants :**
- Strict government regulations.
- Extremely high infrastructure setup cost.
- Difficulty in achieving.
- Economies of scale.
- **Substitute products :**
- Hardly any threat of substitute products as there is no substitute available in the market.
- **Bargaining power of suppliers :**
- High bargaining power of suppliers as there are just a few suppliers in the sector
- High cost of switching suppliers

- **Bargaining power of customers**
- Low switching cost and mobile number portability give customers high bargaining power.
- Customers are price sensitive.

Findings:

- The most influencing factor about Jio scheme among the customers' perception is that, **“Free Data and voice calls”**.
- As far as customers' opinions are concerned, **“There was need of schemes like Jio for controlling limitless monopoly of other companies in telecom industry”** will be the most impact factor in this regard.

Conclusion:

With this research we may say that India has the second-largest telecom network in the world having subscriber of nearly 1022.61 million. The telecommunication growth has gone through multiple generations in a short span of a few decades. Quick acceptance of the 4G technology is estimated to be serious for the success for the Indian government's 'Digital India' initiative.

Considering past few years since the launch of its services, Pune city has been able to acquire the highest revenue market share among its competitors with comparable market coverage. Going forward, given its focus on service expansion and 4G spectrum holding in select circles, the company is poised to rise above its competitors in delivering high quality internet services to consumers. Customer perception about Jio is positive due to free data and voice calls. Jio has increased competition among telecom players resulting in more benefits to customers of telecom services.

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