

Shifting of Loyalties: Perception of Telecom customers after launching of “Jio” in Jalgaon city

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Abstract: India is the world's second-largest telecommunications market, with over 1.0 billion subscribers as of May 2015. The wireless segment (97.36 per cent of total telephone subscriptions) dominates the market. It has also been growing at a brisk pace. During FY07-15, wireless subscriptions witnessed a CAGR of 24.78 per cent to 969.8 million. . It is also the second largest country in terms of internet subscribers. India had 267.39 million internet subscriptions as of December 2014. India's telecommunications market is expected to experience further growth, fuelled by increased non-voice revenues and higher penetration in rural market. Telecom penetration in the nation's rural market is expected to increase from 46.14 per cent as of December 2014 to 70 per cent by 2017. The emergence of an affluent middle class is triggering demand for the mobile and internet segments. Availability of affordable smartphones, along with a rise in the security level of mobile transactions, is expected to boost growth of transactions conducted via phones, with the overall transaction value being tripled in 2014 from last year. Strong policy support from the government has been crucial to the sector's development. FDI cap in the telecom sector has been increased to 100 per cent from 74 per cent. In January 2015, the Government of India recommended reduction in license fees of telecom by 6 per cent for operators; telecom operators currently pay 8 per cent of adjusted gross revenue as licence fee. In this paper researcher have tried to study the changing perception among the user along with the revolutionary changes in the telecommunication sector with the arrival of Jio scheme.

Keywords: Jio, mobile, consumer behaviour

Introduction:

India's telecommunication network is the second largest in the world based on the total number of telephone users (both fixed and mobile phone). It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. It has the world's third-largest Internet user-base. According to the Department of Telecommunication of India (DoT), as on March 2015, India has 302.35 million internet connections. Major sectors of the Indian telecommunication industry are telephony, internet and television broadcast Industry in the country which is in an ongoing process of transforming into next generation network, employs an extensive system of modern network elements such as digital telephone exchanges, mobile switching centres, media gateways and signalling gateways at the core, interconnected by a wide variety of transmission systems using fibre-optics or Microwave radio relay networks. The access network, which connects the subscriber to the core, is highly diversified with different copper-pair, optic-fibre and wireless technologies. DTH, a relatively new broadcasting technology has attained significant popularity in the Television segment. The introduction of private FM has given a fillip to the radio broadcasting in India. Telecommunication in India has greatly been supported by the INSAT system of the country, one of the largest domestic satellite systems in the world. India possesses a diversified communications system, which links all parts 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 revenue of the Indian telecom sector grew by 7% to 2,832 billion (US\$42 billion) for 2010–11 financial year, while revenues from telecom equipment segment stood at 1,170 billion (US\$17 billion).

Telecommunication has supported the socioeconomic development of India and has played a significant role to narrow down the rural-urban digital divide to some extent. It also has helped to increase the transparency of governance with the introduction of e-

governance in India. The government has pragmatically used modern telecommunication facilities to deliver mass education programmes for the rural folk of India.

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.

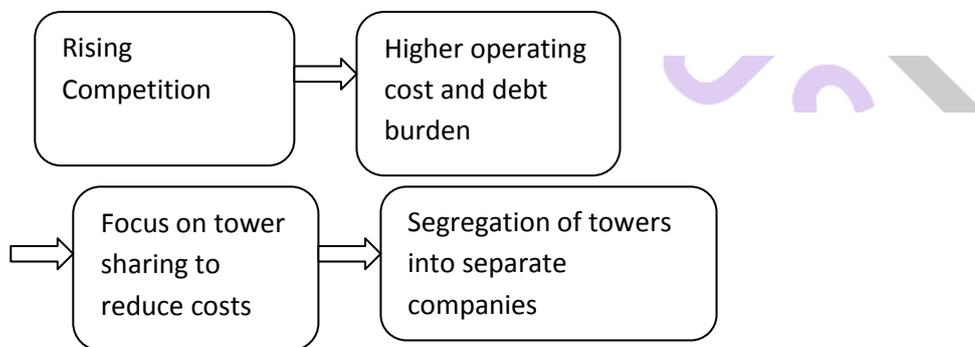
Reliance, on its part, has blamed Airtel, Idea and others for whatever woes people are facing with the Jio 4G service. Here the service has gone downhill in terms of speed, although at the same time the reliability of the connection and the scene with voice calls, which are free, has improved. So it's 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 groundbreaking.

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 Jalgaon 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 Jalgaon city.

Scope of the Study:

1. The study deals with 'Shifting of Loyalties : Perception of Telecom customers after launching of "Jio" in Jalgaon 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 Jalgaon 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 help of the questionnaire, detailed discussions were made with the certain sources of primary data to understand their views, thinking and attitude which would help to give 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 Jalgaon 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

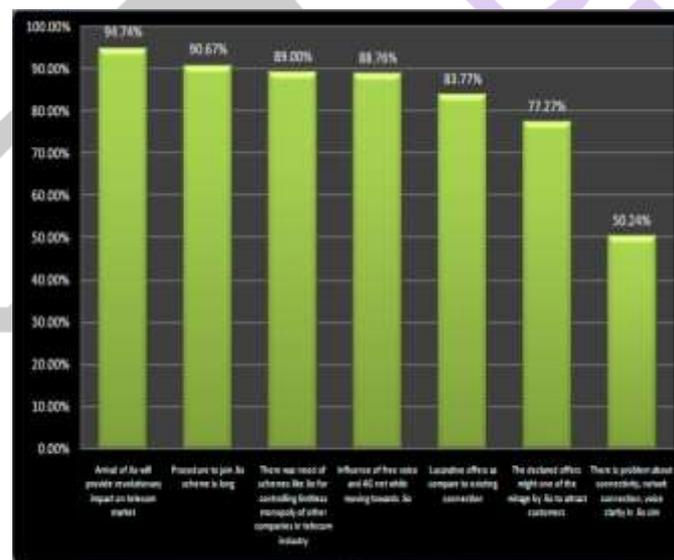
Researcher prepared the questionnaire for customers and distributed it among them in Jalgaon city. After receiving the questionnaire researcher analyse the questionnaire and make two groups viz. Working customers such as businessman, salaried employee, professionals etc and Non working customers such as student, housewife, retired persons.

S r. 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

Table No 1
Number of respondents

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

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, netwrk 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. Alternatively we accept our alternative hypothesis The proportion of customers whose perceptions about change 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

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

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. Speedy adoption of the 4G technology is expected to be critical for the success for the Indian government's 'Digital India' initiative.

Considering past few years since the launch of its services, chalisgaon 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.

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