



Research Paper

# The Impact on the Indian Telecom Industry with Its Aggressive Marketing Strategies- A Study on Reliance Jio

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## Abstract

JIO made a commanding entry into the telecom sector, However, the applause and praises that met it covered the fact that the liability load of the business had climbed to perhaps the greatest level in the past fifteen years, according to one estimate. Reliance JIO sparked a brand-building sensation in India by making highspeed wireless internet and supplemental digital services affordable. It effectively transformed these two items into an essential commodity that may be consumed in plenty, so affecting not only the telecommunications sector but also the general public, both large and small-scale enterprises, and, ultimately, the Indian economy in general. Furthermore, it triggered an intense price fight in the global second-largest smartphone market. nevertheless, as Mukesh Ambani, who is Chairman of Reliance Industries Ltd, recognized the company considered a jewel amongst Reliance property, it greatly assisted the entire company throughout the Covid-19 outbreak. This research article primarily discusses JIO's preliminary impact on the telecommunications industry, the impact it had on competitors, how it evolved into an important player in technological advances, its impact upon the Indian economy as an entire entity, and ultimately, all of JIO's vigorous promotional tactics employed during the early stages of its attempt in attracting consumers.

**Key Words:** Consumers, Digital service, High speed, Internet, Jio, vigorous

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## I. Introduction:

Reliance With an initial 1.5 lakhs crores capital, JIO is the entire world's highest startup. Its objective is to offer high-quality services for data at an affordable price. "Mukesh Ambani" states this as "services created by the new generation for the new generation." In accordance to study, JIO's corporate approach is more expensive and unproductive, yet for the time being, Jio continues to thrive like an emperor, outperforming competing telecommunications providers. apprehensive about their own future survival. JIO affects not just regular Indians, but it also promotes digitization, which is an Mr. Narendra Modi's goal. Mukesh Ambani stated in a press release that "India is ranked 155th in the world for mobile broadband Internet access, out of 230 countries."

Reliance Jio Infocomm Limited (RJIL) operates under the brand name "JIO." It is India's only Voice Over Long-Term Evolution (VoLTE) network. There are no additional charges for phone calls, and Every call takes place using the internet. About 22 of India's telecommunication regions are currently using JIO. Unlimited internet, calling, and other services are part of its exclusive offering till the end of the year 2016. This offer was later extended as a "New Year Offer" upto 31, march, 2017. "Mukesh Ambani" stated that, this incentive is existence given to backing JIO in meeting It has set a target of one hundred million consumers. Reliance Jio is a long-awaited project that started in 2010.

In commemoration of Late Shri Dhirubhai Ambani's 83rd birthday, the trial version was made available to workers on December 27, 2015. This release was created in order to test its functionality before making it available to the public in the 4G Broadband Wireless Auction (BWA) earlier that year, IBSL was the only company to win high-speed spectrum in all 22 zones in India. (RIL) The company Reliance Industries Limited spent 48 billion to acquire a 96 percent stake in Infotel Broadband Services Limited (IBSL). In January 2013, the IBSL was renamed Reliance Jio Infocomm Limited (RJIL). It went to commercial on September 5, 2016.

He went on to say that JIO was designed to fix that. "With the launch of JIO, India's rank will rise to among the top ten," he remarked. 1.2 billion Indians are not going to be left adrift as the world approaches a new

century. India will have access to digital ATMs. and to assist digital India, JIO evolved with mobile applications such as JIO Money and JIO Messenger. The advent of JIO ushered in a transformation in the world of telecommunications as a whole. JIO goal is to deliver high-speed internet access throughout Nation. As Well As, if you compare them to other cellular operators, these plans are far less expensive. As a result, it will have an effect on the financial viability and long-term viability of the current providers.

## **II. Methodology And Literature Review:**

In order to generate intriguing ideas, exploratory research's goal is to provide the researcher the freedom to essentially wander around with respect to a phenomenon. India-wide data collection was done in order to complete this study. To prepare for this study, Secondary sources of information have been thoroughly reviewed. Secondary statistics and data came from academics and researchers' articles, books, journals, working papers, papers presented at conferences, company websites for year-end filings and reports on social responsibility (CSR), internal newsletters, newspapers and published e-books.

Competition from other companies puts pressure on the organization to develop in all areas. As a result, the organization should not leave any room to competitors to seize the chance of being able to gain the customer.(Laddha, S., & Trivedi, A,2017).

Reliance Jio began with numerous massive ventures and continues to establish grouped stores in various towns and cities in India it has been a usually outstanding dynamism for the Indian customers where Jio is expanding its business together with quick e-advertising techniques, help, items, and authorities (Sornapriya, R., & Sathiya, M. 2017).An investigated, Reliance Jio's Disruptions in the Telecom Industry. The study report employed a single cross-sectional data methodology. According to the article, there was a significant growth in the number of customers with the introduction of Reliance Jio, with 77.7 million members in the 4th quarter of 2016 (Joy, T., & Bahl, S. 2018). Customers' attention to the Jio network, their preference for alternative networks with Jio, and the satisfaction of customers with the Jio network are all examined.

According to the report, Reliance Jio needs to increase their network coverage and distribute out the calling congestion before they can attain 100 percent customer happiness (Nair, P. R.2019).The aftereffects of Jio's introduction are similar to a tsunami, utterly swallowing anything in its path, much as Jio engulfed every competitor, sucking the life out of them and compelling them to shift, depart, or merge. In this day and age, data is the new oil (Gupta, A., Raghav, K., & Dhakad, P.2019).

The investigation goes over the telecommunications giant's probable use of high prices and how it drove certain businesses to shut and others to consolidate. It examines how various telecom firms formerly exploited customers and how data prices have recently dropped, giving faster speeds at even lower prices (Mawandia, S,2021).

The effects it had on peers, how it acquired an important player in digitalization, how it has had an effect on the Indian economy in general, and lastly the many marketing methods to lure All the general population's reactions to it at the beginning of its voyage are brought up (Talukdar, A., & Chowdhury, M. K. 2021).

### **The Economic Influence on India**

The introduction of JIO heralds fresh advancements in the smartphone sector. As a greater number of individuals joined JIO and JIO offered unlimited data and calls via VOLTE technological advances, The demand for VOLTE-enabled smartphones from consumers has skyrocketed. With JIO becoming more common, VOLTE becoming a minimal need in smartphones. JIO had independently prompted smartphone makers to change their manufacturing and marketing plans.

It is unusual to see a handful of companies outperform a market that already has an oligopoly. Despite all TRAI concerns, JIO delivered on its promise and impacted the Indian economy in ways that not one other fresh marketplace entrant could have predicted. Its effect is comparable to that of iPhone on the global economy. The usage of the internet enhanced the size of smaller and micro enterprises' financing ability. Booth operators, vegetable merchants, street vendors, and others are now able to obtain a favourable review once their buying and selling activities are completed online. Rating-based financial institutions that were not banks could lend at much lower rates because their operating costs were greatly reduced. The JIO effort may be exactly what the rural populace has been clamouring for incredibly low-cost internet connection. This would benefit them in a variety of ways. Farming has the potential to become more economically viable if people were provided with access to the most up-to-date weather forecasts, best-in-class market pricing, new breakthroughs in agricultural science and technology, and the government's approach to addressing subsidy. With the introduction of JIO, an increasing number of people have gained access to the world of the internet. This was undoubtedly beneficial to the economy, as it reduced fraud and aided in the speedier diffusion of ideas. This could be the drive required to reach the goal of doubling the growth rate.

### **A Summary of Jio's Marketing Strategy**

Reliance JIO's 4G network now covers 18,000 cities and towns, as well as over 2 lakh villages. Assuming that half of consumers choose the 149 Rs. bundle and the other half chose higher-priced plans, Jio might earn 400 Rs. per member. This allowed them to recoup their investment in five years and begin again. This enabled them to recoup the money they invested and start earning considerable profits before the first five years. The startup expected to recruit 100 million users in its first year of operation. Many were suspicious of the company's initial plan of providing free internet and calls, questioning if it would ever pay off. This change, however, considerably increased their operational and tactical capabilities. JIO made an impression with their marketing efforts. Mr. Ambani set a lofty target of reaching 90% of India's population. Although JIO's customer base has grown rapidly, lower pricing paired with steady expenditures on infrastructure lead to much greater efficient revenues. Furthermore, some customers already had subscriptions with other carriers such as Airtel and Idea, or they used apps such as WhatsApp and Paytm. Once the trend became apparent, it was quite simple to persuade clients to use more data. They not only attracted five times the number of clients by offering prices at one-fifth of the previous market rates; they also attracted more than five times the market quantity they planned for. JIO's marketing plan was simple lure potential clients with free calls, then convert them with reasonable data. The corporation received \$25 for every application installed. As a result, if a user downloaded all 14 apps, JIO would receive 350. Users may acquire their JIO SIM under JIO's initial offer by downloading the MY JIO app, which featured 14 separate JIO apps that needed to be installed. Reliance JIO differentiated itself by developing a strong infrastructure capable of processing huge amounts of data. The information bundles were really affordable. Because JIO's network was based on Internet Protocol (IP) addresses, every phone call was transmitted through the Internet, much like WhatsApp and Skype.

### **The Effect on Customers**

The arrival of Reliance Jio into the mobile phone market resulted in a Considerable reduction in customer spending in the industry. In accordance with a study conducted by Kotak Mahindra Institutional Equity, spending fell from ₹43,700 crores in 2016 (prior to JIO) to Rupees thirty-three thousand crores in the March quarters. Nevertheless, the decrease in consumer spending was not good news for any of the departments. As regulation charges. The government receives about 12 percent of telcos' Modified Net Revenue.

### **Subscriber Market Share Trend**

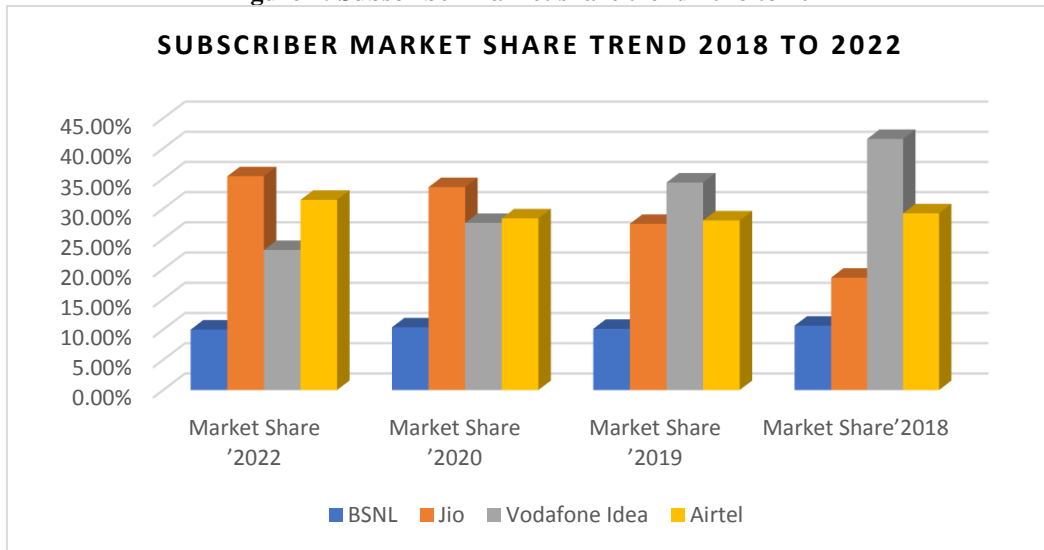
- This increase is mostly due to the loss of consumers from Voda-Idea and other carriers such as Aircel, Telenor, and Tata, which existed in the marketplace in 2018 but are currently not active.
- Idea and Vodafone experienced a significant decline in total market share, dropping from 42% to 23%. This represents a substantial loss in percentage points for both companies.
- Reliance Jio, on the other hand, came out as the greatest winner, with a whopping 35.4% share of the market.

**Table 1: Service providers and their market Proportion**

Service Provider	Market Proportion in 2022	Market Proportion in 2020	Market Proportion in 2019	Market Proportion in 2018
BSNL	10.00%	10.37%	10.12%	10.64%
Jio	35.38%	33.58%	27.49%	18.58%
Vodafone Idea	23.16%	27.65%	34.34%	41.55%
Airtel	31.46%	28.40%	28.05%	29.23%
Total	100%	100%	100%	100%

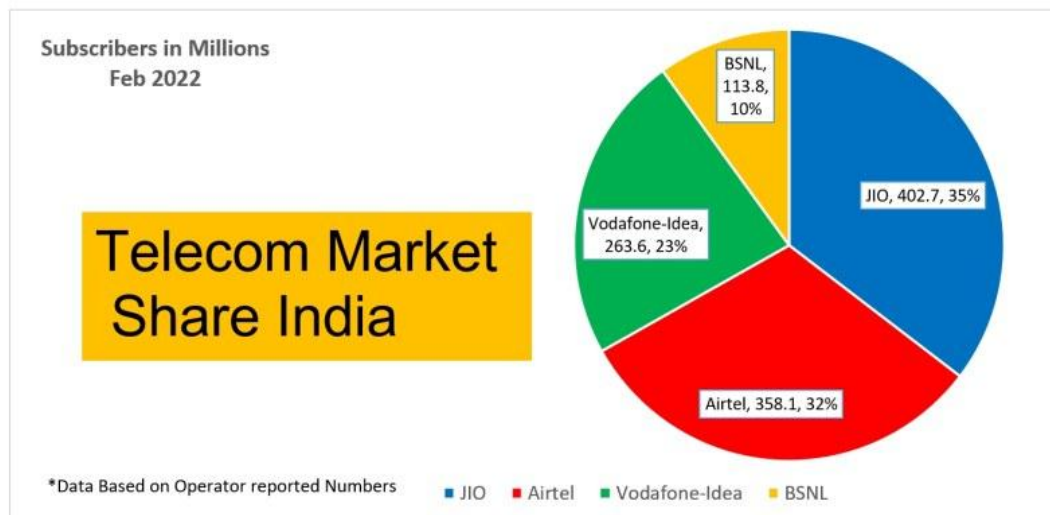
(Source: <https://candytech.in>)

Figure 1: Subscriber market share trend 2018 to 2022



- Three carriers dominating the Indian telecommunications marketplace, Vodafone Idea, Airtel, and JIO. As on of February 2022, the above-mentioned three telecom companies controlled 89.63% of the whole customer marketplace (Figure 1).
- With a considerable 10.0% share of the marketplace, it appears that the only other provider in the market is the owned by government BSNL. Notably, TRAI data is provided until February 2022, and Jio is the nation's market ruler, following the likes of Airtel and Vodafone-Idea (Figure 2).

Figure 2: Telecom Companies by Operators Share in the Market (Feb 2022)

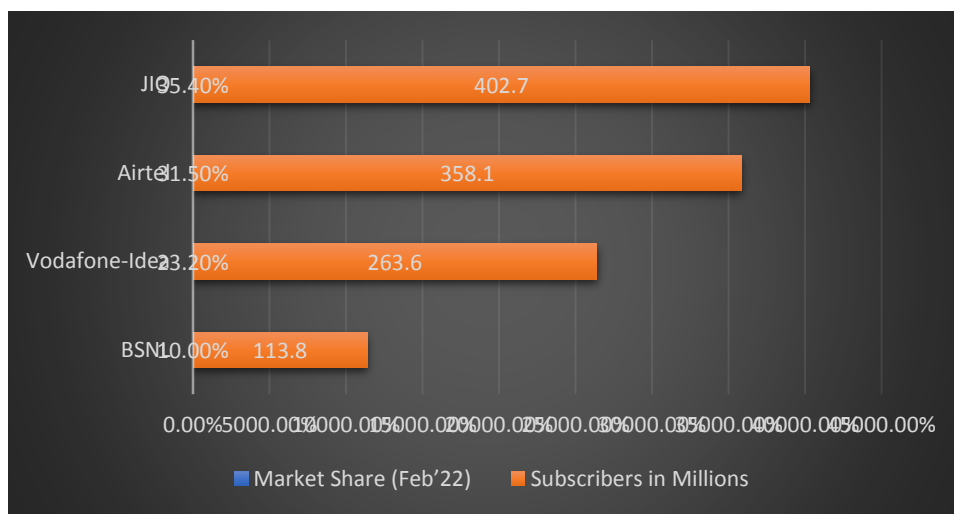


- Bharti Airtel, led by Mr. Sunil Bharti Mittal, is the nation's second-biggest telecommunications operator, which is with a 31.5% stake in the market and an astonishing 358.1 million consumers.
- The partnership between Vodafone and is India's third-biggest telecoms carrier, with 263.6 million consumers and a 23.2% share of the domestic telecoms sector. Nevertheless, the corporation is having difficulty keeping up with its competition.
- “Mr. Mukesh Ambani” Reliance Industries Ltd. is India's biggest telecom business, grabbing a massive 35.4% percent of the telecom sector and providing an enormous 402.7 million consumers.

**Table 2: Millions of Telecommunication subscribers as on February /2022**

Providers	Market Share (Feb'22)	Subscribers in Millions
BSNL	10.00%	113.8
Vodafone-Idea	23.20%	263.6
Airtel	31.50%	358.1
JIO	35.40%	402.7
Total	100.00%	1138.22

**Figure 3: Market share and Subscribers data (Source: <https://candytech.in>)**



### Birth of Dual-Sim Card Culture

According to Greyhound Research, with Reliance JIO's evident emphasis on data, "this statement is going to promote a Dual-SIM culture in the country." Since the network it operates on is primarily built for data, its speech clarity might be lower than that of its opponents, and subscribers will almost certainly require different SIM cards for both voice and data services. This kind of environment could be induced by a number of factors, including unidentified Reliance JIO service levels.

### III. Findings

- JIO supported digitization by introducing several plans.
- As a result of offering telephone calls at no cost to its consumers, JIO established strong channels of communication. Because its consumers were able to interact with anybody and from any place with no fear of losing their balance.
- JIO had a significant impact on the other providers' revenue.
- A substantial number of people who used them went to Jio. While Airtel and Vodafone were able to withstand the drop.

### IV. Conclusion

The findings from this study also helped us comprehend JIO's business approach, such as how JIO makes money by delivering everything for free. Apart from that, it has become advantageous for our common people, since they are turning digital. On this premise, we can declare that JIO ushered in the beginning of an important revolution in India. On the contrary hand, while JIO is beneficial to the general public and the economy as a whole, it also represents a threat to its competitors by establishing itself as a dominant economic entity. As a result of studying all of these facts, we can conclude that JIO is beneficial to the Indian economy because it promotes our honourable Prime Minister's dream of creating a digital India.

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