

The overall impact of Jio on the telecom industry of India - A study on BSNL

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Abstract

At present, the telecommunication industry is one of the fastest-growing industries in India. At present, India has the second-largest telecommunication market in the world. India's portable economy is rapidly growing and will contribute significantly to the country's GDP. The Indian telecommunications business offers a huge opportunity for both domestic and international network providers. In the Indian versatile sector, both Indian organization suppliers and their global suppliers get a big slice of the pie. Reliance Jio has just given the Indian telecom sector a significant shock, with offers such as free internet, free calling, and a 4G network posing a true threat to others. Other specialized companies confront a different kind of issue and find it difficult to adjust to changing conditions, as Reliance Jio has done. In this article, we will understand the overall impact of Jio on the telecom industry of India by taking the case study of BSNL. The study will discuss the marketing strategy of jio and how the other telecom industry such as BSNL has been affected by the arrival of reliance jio in the market. The operating efficiency of Jio and BSNL has been discussed in the article.

Keywords: Telecommunication industry, Reliance Jio, BSNL, 4G network, and operating efficiency.

1. Introduction

The Telecom industry of India has the ability to serve a large number of people by providing variety of facilities and the functionality of the industry is improving every day. After a months-long battle, Reliance Jio has wrested market leadership from state-run Bharat Sanchar Nigam (BSNL) in India's residential internet market. By the year 20203 more than 5.346 million mobile subscribers will be there in India. In the present time, the market of Jio has down the market of the other telecom industry due to its faster and cheap services. BSNL is one of the oldest telecommunication industries that is owned by the government. In this article we will analyze the effectiveness of jio and BSNL in comparison to customer loyalty, operating, and financial efficiency. In the last five years, the market of jio has been expanded whereas the market of bsnl has been degraded. The articles help to analyze the various factors responsibly

2. Significance/Purpose of the Study

The purpose of the study is to understand the impact of jio in the telecom industry and how it has brought revolutionary changes in the Indian telecom market industry. The lives of the people have been changed due to the introduction of Jio in the market (Gupta, Raghav & Dhakad, 2019). Jio has provided the cheapest Internet facilities to the people that have brought revolutionary changes in their life. BSNL is one of the oldest government-based telecommunication service providers whose market has been degraded after the arrival of Jio in the market. The purpose of the study is to understand the loophole of the BSNL and the marketing strategy of Jio that has brought revolutionary changes in the market. Jio provides cheap calling and Internet plans to the customers for enhancing the customer base (Nagdev&Pishori, 2019). The purpose of the study is to analyze the marketing strategy of Jio and BSNL to understand the loopholes present in the operating function and marketing strategy of BSNL.

3. Objective of the study

The objective of the study has been given below.

- To analyze the impact of Jio in the telecom industry in India
- To analyze the loophole present in the services of BSNL.
- To compare the financial and operational efficiency of Jio and BSNL

4. Hypothesis of the study

H0: Jio has brought revolutionary changes in the telecom market of India.

H1: Jio has not brought any revolutionary changes in the telecom industry of India

5. Methodology

Research methodology is used in the study to collect data for fulfilling the objective of the study. In this study, a descriptive research design has been used to collect the data for the study. Descriptive research design provides descriptive information regarding the various data of the telecom industry that helps in the completion of the data. In this study positivism research philosophy has been chosen that provides a framework for gathering the relevant data that helps to understand the impact of jio on the telecom industry (Thakkar, 2019). A deductive research approach has been used in the study to collect the relevant data that helps the researchers to complete the objective of the study. In this study, a secondary data collection method has been used to collect data for the study.

6. Sampling design

The population is considered as the group of people or group of objects present in the study where the study is conducted. The number of people selected from the population is considered as a sample (Muthaliff, Karpagam & Aarthi, 2020). In this study, a simple random non-probability sampling theorem has been used. A simple random non-probability sampling theorem has been used by the researchers.

7. Data collection Techniques

Two types of data collection methods are used for completing the study based on the nature of the study. Primary data collection technique and secondary data collection technique are the two types of data collection methods used in the study. The primary data collection method is the method of data collection in which the researchers collect the data through primary sources such as surveys, questionnaires, interviews, and observations (Singh & Garg, 2020). In the primary source of data collection method, researchers have a direct connection to the sources. Secondary sources of data collection methods are the methods that are used by the researchers to collect data from secondary sources including newspapers, pdfs, articles, and journals.

In this collection of methods, researchers have no direct connection with the sources. In this study, secondary sources of data collection methods have been chosen by the researchers to know the impact of jio on the telecom industry and commerce the marketing strategy of reliance jio and BSNL (Buddhapriya, 2018). for women's participation in administration. The reason for choosing secondary sources of data collection method is it takes less time to complete the study as well as less expensive as compared to primary data collection techniques.

8. Results of the data tables

Jio Rs 399 plan	Jio 399 plan	BSNL 395 plan	BSNL Rs 444 plan
84 days	56 days	71 days	90 days
84 days	56 days	142 GB	360 GB
1 GB/day	1 GB/day	2 GB/day	4 GB/day
Unlimited network	to any network	3000 minutes of BSNL calling and 1800 minutes of calls to other networks	Chargeable

Table 1: Data plan of BSNL after the arrival of Jio in the market

(Source: created by author)

Financial year	Growth Rate of BSNL	The growth rate of Jio
2014-15	0.64%	4%
2015-16	1/12%	5%
2016-17	1.43%	7%
2017-18	0.89%	9%
2018-19	1.34%	12%
2019-20	0.67%	15%

Table 2: Growth rate of BSNL and Reliance Jio

(Source; created by author)

9. Graphical Representation

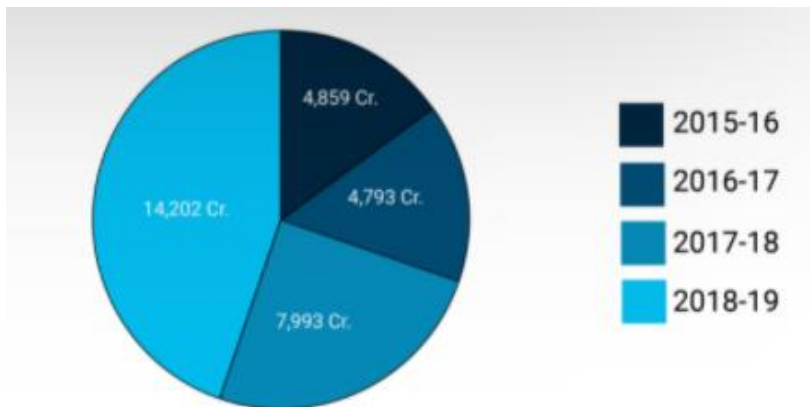


Figure 1; BSNL loss
(Source: created by author)

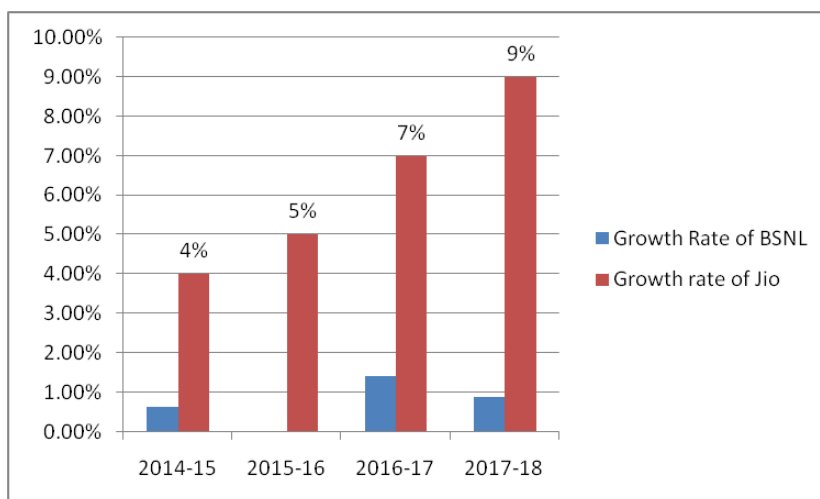
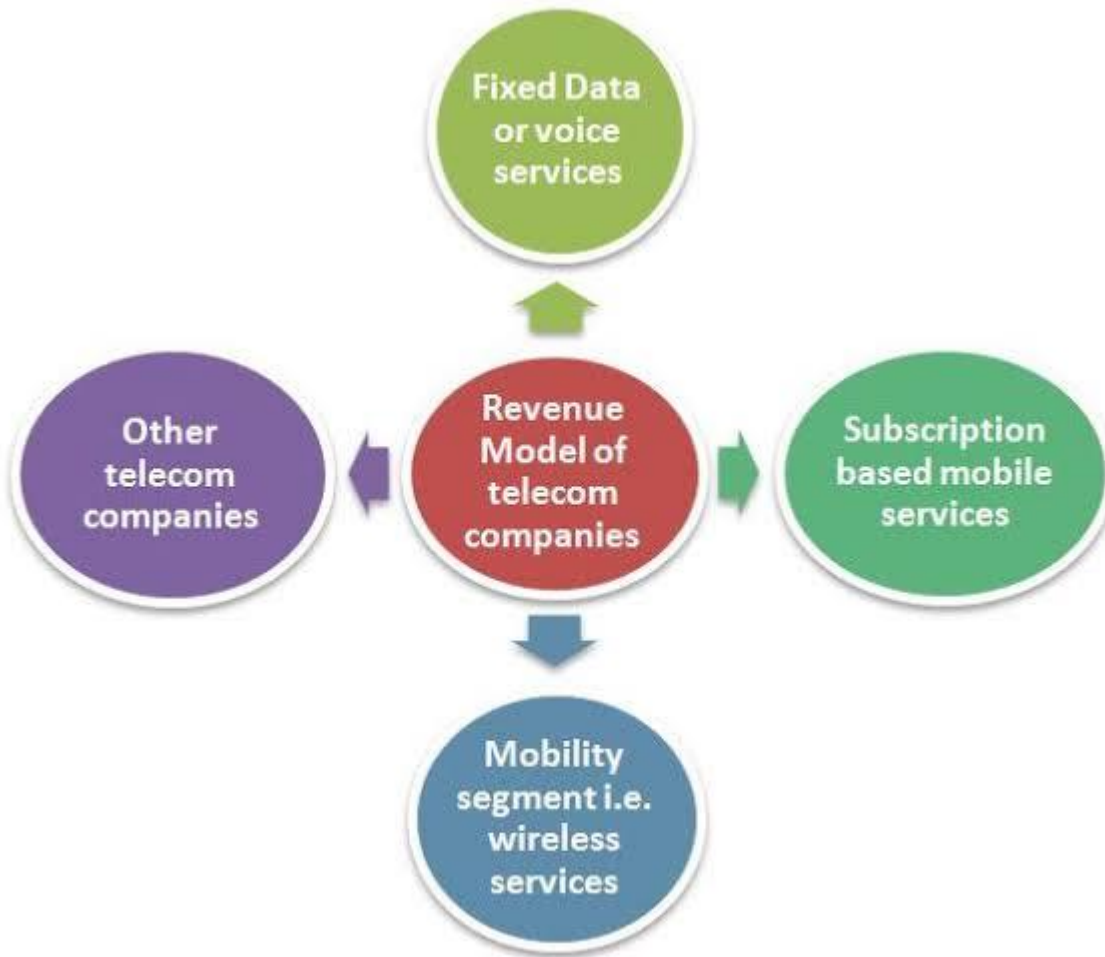


Figure 2: Growth rate of BSNL and Reliance Jio
(Source; created by author)

10. Analysis of the data

Table 1 shows the comparison between the data plans of the BSNL before and after the arrival of Jio in the market. From the table, it can be seen that the data plan of the BSNL has been changed after the arrival of Jio in the market. Jio provides a cheaper data plan that has forced BSNL to cut its plan price to survive in the market (Girish & Reji, 2019). Before the arrival of Jio in the market, BSNL provided 2.5 GB data for 28 days in 449 whereas after the arrival of jio in the market BSNL provided 84 GB data and unlimited calls at the same price. The market of bio has forced BSNL to cut its prices.



Customers of other network providers are rapidly switching to Reliance Jio, according to the sources of the researchers. Customers are transferring from other brands to Jio, according to the information provided by the majority of respondents, and this is causing problems for other companies in the marketplace. The strategy of Jio focuses on providing users with high-speed internet access, which leads to a high level of customer satisfaction (Gracia et al., 2021). Jio's business model also includes innovative services, non-voice clients, and fiber cable installation with environmentally friendly towers. Jio has been able to dominate the sector due to its loss-leader approach. Jio has been able to provide services and plans at seemingly unbeatable costs.

The company's ability to provide innovative services at such low pricing astounds the company. Jio has invested heavily in the installation of 4G lines and fiber optic cables across the country (Hooda & Tyagi, 2021). Jio's investment cost has also increased as a result of the utilization of fiber cables and environmentally friendly towers, both of which are deemed pricey. The advantage of making such a large investment is that it will immediately contribute to Reliance Jio's long-term growth and development in the Indian telecom industry. Customers of other brands or network providers are also switching to Reliance Jio due to its low price approach and high-speed internet connectivity (Kumar et al., 2021).

11. Findings of the study and Results

Reliance's business model is based on cutting-edge technology, which is the primary reason for the company's services being well-known throughout the market and, as a result, contributing significantly to its position as a market leader. Digital technologies must be adopted by different firms for them to survive in the market and have a beneficial impact on their commercial success (Soiwmya et al., 2019). The overall performance of the BSNL has decreased due to their nonadoption of digital technologies. The entrance of Reliance in the market has adversely affected the BSNL.

The reason for the success of reliance is its adoption of the latest technologies that allow it to provide advanced services. In the present time, the dominance of Reliance in the market is increasing (Shetty, 2019). BSNL has been unable to focus on enhancing their sales, profitability, as well as the customer base of the BSNL, has been shifted to Jio due to their better plan and services. Reliance offers cheaper services as compared to the BSNL that has transformed the

customers of BSNL to the reliance jio. Reliance jio offers 4G network which is one of the advanced services provided to the customer (Choudhary & Khan, 2021). The primary feature of this network that distinguishes it from other telecom brands on the market is its effectiveness.

Reliance jio uses various business models that helps in determine the plan to get more revenue. Business model of the reliance helps in determining the services of the company provided to identified the targeted audiences. Loss-leading model is used by reliance jio which means sell the products at lower prices than the competitors to expand the customer bases. Jio jhas modifies its pricing satrtegy in the starting and provide to the customers at lower rate as compared to BSNL which allows the company to provide best offers to the customers. Another revenue model used by reliance jio is providing wireless services to its customers.

12. Discussion

A reimbursement claim of the BSNL employee is considered as one of the main loopholes for the BSNL. BSNL failed to provide updated services to the customers has decreased its market at the same time Reliance jio provides 4G to its customers at a cheap price that has increased its business and market. The use of advanced technology is one of the root causes for the success of reliance jio and the failure of BSNL.

13. Conclusion

In the current environment, competition among enterprises operating in India's telecom industry has become extremely fierce, making it difficult for businesses to stay afloat. India's communication sector is now regarded as the world's second-largest and most promising. It might be possible. A significant portion of the 1.19 billion user base is the essential factor, according to the company. It has aided the Indian telecommunications sector's rapid growth and development industry.

14. Recommendations/Suggestions

- One of the primary recommendations is for Reliance Jio to perform constant market research to understand the target market's genuine needs and requirements.
- Obtaining continuous customer feedback is also critical because it will allow you to determine whether or not your customers are satisfied with the range of services you provide. Furthermore, if customer happiness is low, Reliance Jio might adjust its offerings accordingly.
- It is recommended that BSNL should readdress the reimbursement procedures and process of the employee's claims and focus on using updated services.

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