

Reliance Jio: the Patanjali of Telecommunication ("Think Big, Think Fast, Think Ahead. an Idea is No One's Monopoly"- Dhirubhai Ambani)

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Abstract:

India is a developing country and it is a long term dream of every Indian to see India as a developed country. For a country to be developed, all the sectors needs to be developed. One of the essential sectors that need focus and immediate concentration is the telecommunication sector. Not only from the point of development, Telecommunication sector plays a very important role in India, as it is the sector that is entrusted with the responsibility of connecting Indians. Indians are social people and they always likes to be in touch with their fellow people and they are very good in networking with other groups and sects in and around them. They thus rely on telecommunication sector and now a days mobile phones are the essential commodities for every person. This has become a major sector with many foreign players entering into it. This sector has further future growth with the emergence of 4G and 5G technologies. All is well with this sector until the entry of RELIANCE JIO in to this. This entry has shaken the whole India and particularly the telecommunication sector. This has become the talk of the world. So, this paper in detail aims to enlighten the readers on the telecommunication sector in India with special emphasis on Reliance Jio and its impact on the Indian Telecommunication sector.

Keywords: Telecommunications, Customers, Data, Voice, Development

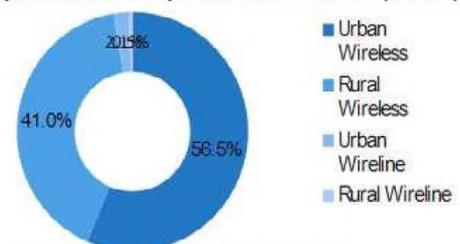
1. Introduction:

Indian telecom sector has its presence felt everywhere in the world as its is the world's second largest telecom market which is expected to have a robust growth in the coming days and it has a significant contribution to the GDP of the country. The govt policies are liberalized and this has made the phone available to even the common man which resulted in the revolution and the main reason for the emergence of this sector as it is today. Even the FDI rules has also been liberalized and this has made this sector as one of the top five employment generation sectors in India.

By 2020 this market is expected to be at the growth rate of 10.3%. By 2021 the Smartphone users in India will be around 810 millions. By 2020 out of every four mobile phones purchased, three will be smartphones and this will make India the fourth largest user of smartphones in the world. If everything goes on well, India will overtake US as the second largest user of smartphones by 2018.

This sector will also provide nearly 4 million jobs in organized and unorganized sector as per the study of Randstad India. This opportunities are due to the govts objective to penetrate the rural market and also due to the increasing usage of wireless technology. As per the data released by DIPP this sector has total FDI worth US\$ 18.38 Billion as on March 2016.

Composition of telephone subscribers (FY16*)



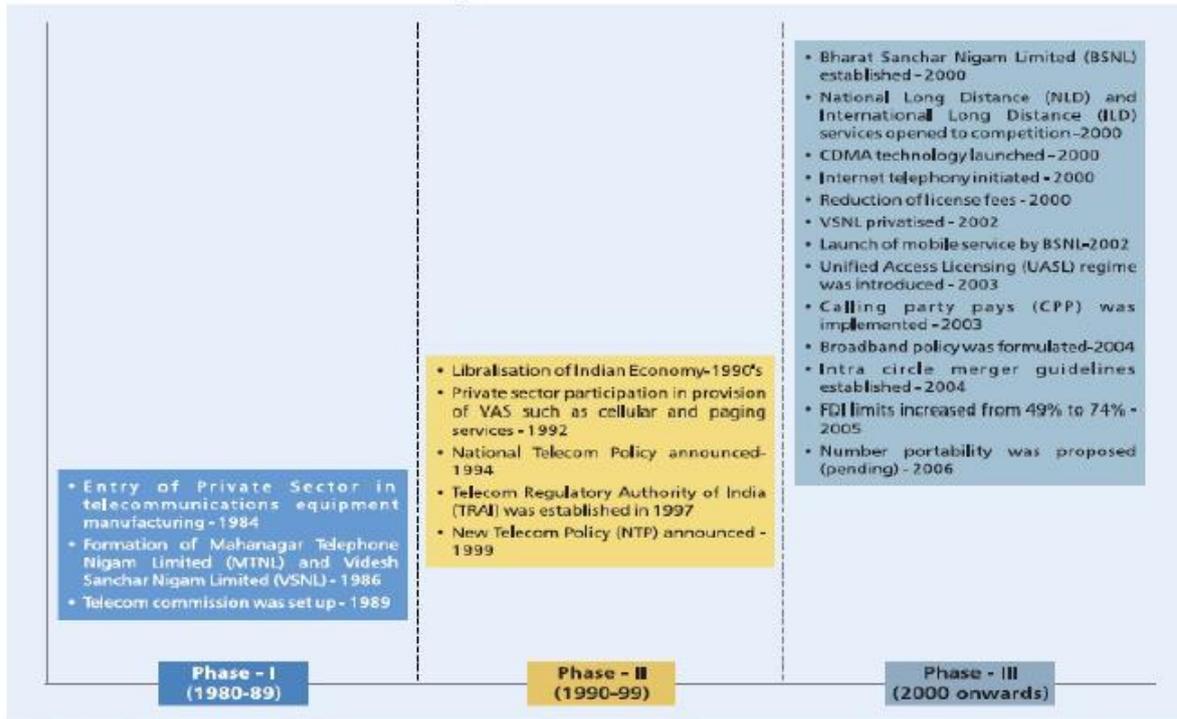
Source: Telecom Regulatory Authority of India, TechSci Research
Note: FY16* - Data as of September 2015

This sector is revolutionizing the lives of the Indians with its good data and voice services and this sector is also termed as the backbone of the Industrial and Economic Development of the country. Though it has many credits, its penetration is still low when compared to the global standards. Govt has created a Universal Service Obligation Fund to negate such changes.

Evolution:

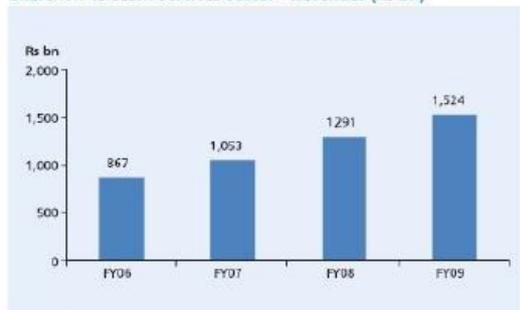
It was started in the year 1851 and it was nearly 165 years old. The following picture clearly illustrates the evolution of this sector in India.

Exhibit 1.1: Evolution of Telecom Industry



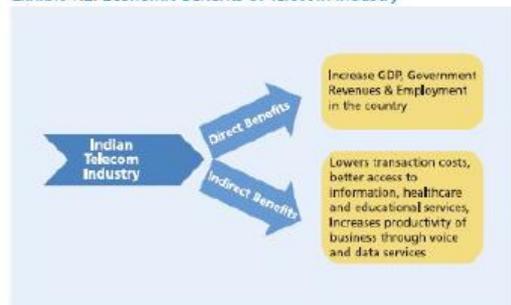
Source: D&B Research

Chart 1.1: Telecom Services Sector - Revenues (Rs bn)



Source: TRAI

Exhibit 1.2: Economic Benefits of Telecom Industry



Source: D&B Research

Table 1.2: Employment in the Indian Telecom Industry

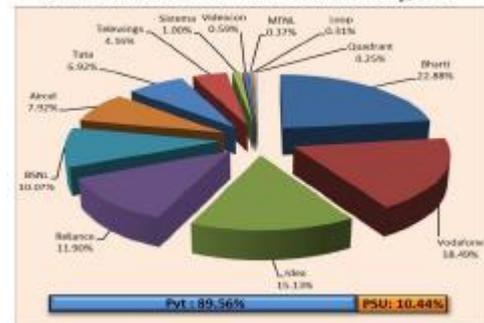
Subscribers (mn)		FY05	FY06	FY07
Government companies		52.08	60.45	71.39
	Private companies	46.33	75.87	134.47
	Total	98.41	140.32	205.86
Employees				
	Government companies	394,234	382,105	369,025
	Private companies	42,557	47,295	63,736
Total	436,831	429,400	432,771	
Subscribers per Employee				
	Government companies	132	158	193
	Private companies	1,089	1,678	2,110

Source: Department of Telecom, TRAI, As per latest available data with TRAI

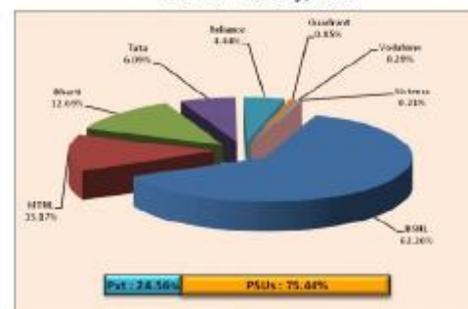
The Indian govt has proposed a National Telecom Policy in 1994 in this respect and according to this policy world class opportunities are to be provided on demand with reasonable prices and then the govt formulated one more national policy in 1999

which has the objective of privatizing the sectors and this sector was corporatized in the year 2000.

A. Service Provider wise Market Share as on 31st May, 2014.



Access Service Provider-wise Market Shares in the Wireline Subscribers as on 28th February, 2015



Reliance Jio:

This is officially known as Reliance Jio Infocom Ltd (RJIL) and it is the only provider of 4G LTE services in Pan India network. The services of Jio were launched only to its partners and employees on 27th December, 2015 as it is the birth anniversary of Dhirubhai Ambani. Its subsidiary Infotel Broadband Services Ltd (IBSL) is officially the owner of 4G spectrum in all the 22 zones in India. Later on IBSL was renamed as RJIL in January, 2013.

The main focus areas of Reliance Jio are concentration on broadband, affordable smartphones and availability of good

content. It is not only limiting to voice and broadband but is also strategically forming an ecosystem through which various digital services will be enabled. The vision of Jio is to make sure that the broadband and voice are no more the luxury item for India. Reliance Jio's vision coincides with the govt's vision of Digital India. It is promoting 4G LTE smartphones in all variants right from the basic price to the high end phones. It also envisages the usage of Digital Currency in place of paper currency which ensures the smooth, securable and comfortable transaction process. Expert medical advice through the Jio's apps are available anywhere, anytime. Jio Chat, Jio Play, Jio Beat enables digital entertainment and social connectivity. It is also emphasizing digital entrepreneurship through which e commerce, B2B etc are enabled.

S. No	Service Offered	Target
1	Jio Money	Digital Currency
2	Jio Drive	Micro and Small Businesses
3	Jio Health	Expert Medical Advice
4	Jio Chat, Jio Play, Jio Beats, Jio Mags and Jio News	Digital Entertainment and Social Connectivity
5	Jio Entrepreneur	Entrepreneurship

It is the expensive and future ready network in the world. Its investment is spectrum is nearly Rs. 34,000 Crores. Jio is credited have now the most spectrums in the world. Jio has [partnered with the world leaders in building this extensive network.

Glimpses of Jio Network:

- Best 4G services with the global rates
- Mobile Phones with LYF brand starting from Rs.2999/-
- Complimentary apps worth Rs. 15000/-
- Instant activations based on Aadhar Card
- Free voice calls
- No hidden telecom charges
- Special discounts for students
- First platinum 4G service in India
- No blackout days
- India's first IP network
- 4G covering 18,000 cities, 2 lakhs villages
- Facility of Voice Over LTE (VoLTE)
- It is future ready from 5G and 6G
- It has 4G regional hotspot.
- Jio services are free from September 5th to December 31st, 2016.
- There are no roaming charges for Jio in India.
- The 4G Data rate is 1/10th of other players i.e. @ Rs.50/- per 1GB
- Students will get 25% more data in case they produce a valid identity card.
- Jio network allows a download time of 135GBPS

2. Marketing Strategy of Reliance Jio:

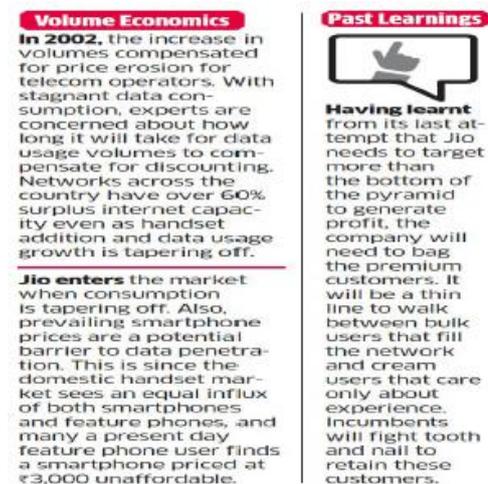
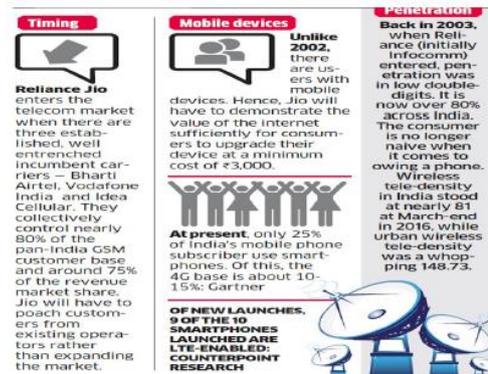
Jio has specifically appointed acquisition and relationship managers so as to acquire a target of 1million users. Jio 4G services are not only aimed to high end but also middle-class customers. LYF smartphones are priced from Rs.3000 to

Rs.19000 to target all segments. Now a days majority of the users in the country want mobile phones to perform majority of the tasks and so the mobile handset LYF is targeting to acquire more market share as India is a single device country. Jio is not only creating various apps and software's, it is also creating a new ecosystem entirely. Jio bundles its plans with bandwidth and talktime as compared to data and voice by its competitors.

Jio has various advantages when we discuss with content, because RIL owns Network 18 which was one of the prominent channels in Indian TV industry. Jio also sponsored the recent film festival held at Mumbai. It also owned leagues in Indian Premier League and Indian Soccer League. Jio's plans are especially targeting the youth in creating Digital India which is the dream of the central govt. Mukesh Ambani's children Isha and Akash are playing a key role behind the screen in charting out various plans and strategies for Jio. RIL has already arrived at the agreements with Lenovo, Micromax etc for the sale of the VoLTE phones. Meanwhile Jio's competitors Airtel has launched 4G services while Vodafone is expected to launch by December and Idea by the first quarter of 2016.

Jio has also launched a aggressive promotional campaign for LYF phones with Priyanka Chopra by TVC (Television Commercials). LYF brand was launched in a very highprofile manner amidst the whole Ambani family, Shahrukh Khan and many film stars. The LYF phones are available from Reliance stores such as Reliance Digital and Reliance Express and through online on mylyf.com. LYF will be releasing various models of phones in the market with the names EARTH, WATER, WIND and FLAME. Through LYF phones an ongoing voice call can be converted into a data call by the single press of a button.

Source for below Information: Economic Times dated Sept 03rd, 2016



Founder of Reliance empire Dhirubhai Ambani dream was to connect the people at the rate of a post card and his son Mukesh now trying to relinquish the dream.

3. Challenges for Reliance Jio:

Taking the current competition and scenario into consideration the break even for the Reliance Jio in the coming 4 to 5 years is extremely difficult. It would be really a herculean task to acquire and sustain the customer base for Jio. The LTE market share and 4G share in India as of today is very less and the next important action point for Jio would be to convert majority of the Indians to 4G or VoLTE which is not a easy task taking into consideration the situations prevalent in the sector today. Then comes the problem of bands and support in the ecosystem. Reliance should plan carefully on how to use the 800Mhz spectrum efficiently and effectively. Majority of the Indians use Wifi and migrating from Wifo to VoLTE would be a very difficult task and a challenging one too. The Jio has to live to its expectations and make sure that it gives the uninterrupted service to the customers, as the previous version of Reliance Infocom project was not quite a big success. Jio penetration into the rural market will also be a challenge taking into account the present infrastructure. As Jio itself as agreed that it needs 3 more years to cover 100% of India, this is more than enough time for the other players like Airtel, Idea and Vodafone to realign and face Jio.

4. Conclusion

Reliance Jio was surely trying to realize the dream of its founder Dhirubhai Ambani with the slogan ‘Karlo Duniya Mutti Mein’. It has made a disruptive entry into the market and started the new concept of DATAGIRI in the Indian telecommunication market. Jio means to live and time is yet to answer on how this Jio venture will live and how it makes its competitors to live. However there are many challenges that lie ahead for Jio and certainly this path is not going to be smooth and good. Its is certainly a path with lots of bumps and which is topsy turvey. Reliance right from its inception want to be a leader in telecom sector where it failed once and this is the second attempt. The real challenge for the Jio is sustainability and the key lies in sustaining the whole ecosystem as promised to the customer. Customer is always a king and now in telecomm sector, customer is even termed as an emperor taking into consideration the competition prevalent in the market. Time again should answer to what extent Jio will satisfy the customers. If Jio can implement everything as promised even in the days to come then the day is not far when the dream of our Honourable PM Shri. Narendra Modi to start a Digital India and Make in India would be accomplished. Jio with its entry has diverted the attention of the whole world and the real challenge would be to make that attention sustainable by providing everything as promised.

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