

Case Study on Comparative Analysis of Airtel Vs Jio

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Abstract- 2016 was a year that India will never forget, thanks to demonetization. However, another significant event took place that year, which had a profound impact on the entire telecommunications industry – the launch of Jio by Reliance Industries. While we, the consumers, were enjoying the newfound luxury of the internet, it was a source of dread for the rest of the telecom companies. The telecommunication industry, which falls under the information and communication technology sector, comprises telecommunications/telephone companies and internet service providers. It plays a crucial role in the evolution of mobile communications and the information society. The main objective of the study is to conduct a comparative analysis of customer satisfaction levels between Airtel and Jio. The study aims to identify the various factors that influence customer satisfaction. The main finding of the study reveals that there is no significant difference in the factors influencing customer satisfaction between Airtel and Reliance Jio. Additionally, the study also highlights that there are certain variables where customers tend to be more satisfied with Jio compared to Airtel. The results of the study indicate that Jio is a more economical choice. Customers are satisfied with the schemes offered by Jio, as well as the affordable local call costs per minute provided by the company. However, there are some variables to consider, such as network coverage. Airtel enjoys a higher level of customer satisfaction compared to Jio. Ultimately, customer satisfaction is determined by the influence of the telecommunication industry and its services on customers.

Keywords- telecommunication industry, Airtel, jio, internet, level of consumer satisfaction.

I. INTRODUCTION

JIO

Reliance Jio Infocomm Limited, operating under the brand name Jio, is an Indian telecommunications company and a subsidiary of Jio Platforms. Its headquarters are located in Navi Mumbai, Maharashtra, India. It operates a national LTE network that provides coverage across all 22 telecom circles. Currently, Jio offers 4G and 4G+ services throughout India,

with 5G services available in selected cities. Additionally, they are actively working on developing their 6G services.

Jio was soft-launched on December 27, 2015, with a beta version for partners and employees. It became publicly available on September 5, 2016. Today, Jio stands as the largest mobile network operator in India and the third largest in the world, boasting over 42.62 crore (426.2 million) subscribers. In September 2019, Jio launched a fiber-to-the-home service, providing home broadband, television, and telephone services. As of September 2020, Reliance Industries has raised ₹1.65 lakh crore by selling nearly 33% equity stake in Jio Platforms.

AIRTEL

Bharti Airtel was incorporated on July 7, 1995, and has since become a leading and trusted provider of ICT services in India. We proudly serve over 1200 global enterprises, 2000 large businesses, and 1 million medium/small businesses across the country. Airtel Business offers a diverse portfolio of products and services to cater to the needs of enterprises, government, and carriers. These include data connectivity, voice and messaging, conferencing, cloud services, data center solutions, security services, IoT solutions, capex (airtel IQ), Naas (Network as a Service), enterprise mobility solutions, network integration, and professional services, small & medium businesses, OTTS, and mobile network operators across the globe.

Bharti Airtel Limited is a globally recognized telecommunications company. Headquartered in New Delhi, India, we are a trusted provider of ICT services with a comprehensive global network spanning the USA, Europe, Africa, the Middle East, Asia-Pacific, India, and SEAR regions. Airtel Telecommunications ranks among the top three mobile service providers worldwide, based on the number of subscribers.

Through our diverse product portfolio and strategically located submarine cables and satellite networks spanning over 365,000+ km across 50 countries and 5 continents, We are pushing the boundaries in digital service delivery with a key focus on enhancing the end-user

experience, ensuring round-the-clock infrastructure availability, and delivering superior service quality.

OBJECTIVES OF STUDY

- To learn about the products and services offered by Airtel and Jio.
- To determine the internet speeds of Airtel and Jio.
- To gauge customer satisfaction levels with Airtel compared to Jio.
- To understand the ongoing competition between Airtel and Jio.

PRODUCT AND SERVICES

JIO

MOBILE BROADBAND

The company launched its 4G broadband services throughout India in September 2016. Initially, it was slated to release in December 2015, but reports suggested that the company was waiting to receive final permits from the government. Jio offers fourth-generation (4G) data and voice services, as well as peripheral services such as instant messaging and streaming movies and music.

JIOFIBER

In August 2018, Jio initiated testing of a new triple-play fiber-to-the-home service, tentatively named Jio Giga Fiber. This service offers broadband internet with speeds ranging from 100 to 1000 Mbit/s, along with television and landline telephone services.

In August 2019, the company announced that the service would officially launch on 5 September 2019 as Jio Fiber, in celebration of their third anniversary. Additionally, Jio revealed their plans to provide eligible Jio Fiber subscribers with the ability to stream films that are still in theaters, known as “First Day First Show.”

In 2015, the company had a network of over 250,000 km (160,000 mi) of fiber optic cables in the country. It partnered with local cable operators to ensure broader connectivity for its broadband services.

JIOBUSINESS

In March 2021, the company launched connectivity solutions for businesses, which are bundled with services provided by Jio Platforms, Reliance Retail, and Office 365.

JIO BROADENED DEVICES

In June 2015, Jio entered into an agreement with domestic handset maker Index to supply 4G handsets capable of voice over LTE. However, in October 2015, Jio announced its own mobile handset brand named LYF.

JIO NET WI-FI

Prior to its pan-India launch of 4G data and telephone services, the firm has started providing free Wi-Fi hotspot services in cities throughout India, including Surat and Ahmedabad in Gujarat, Visakhapatnam in Andhra Pradesh, as well as Indore and Jabalpur. Dewas and Ujjain in Madhya Pradesh, select locations of Mumbai in Maharashtra, Kolkata in West Bengal, Lucknow in Uttar Pradesh, Bhubaneswar in Odisha, Mussoorie in Uttarakhand, Collectorate’s Office in Meerut, at MG Road in Vijayawada among others.

In March 2016, Jio began offering free Wi-Fi internet to spectators at six cricket stadiums that hosted the 2016 ICC World Twenty20 matches.

AIRTEL.

AIRTEL BUSINESS

In January 2020, we proudly announced our partnership with Google Cloud Platform to bring Google Workspace to India.

In May 2020, ‘work from home’ solutions were announced for corporate employees. These solutions included collaboration tools such as Google Meet, Cisco Webex, and Zoom software.

In July 2020, we partnered with Verizon Communications to launch Blue Jeans in India.

V-FIBER

Airtel launched its V-Fiber service in October 2016, which is now known as Xstream Fiber. It is available in 103 cities across India, offering speeds of up to 1 Gbps.

IPTV

Airtel Broadband launched its IPTV service in 2009. However, on August 31, 2016, the company made the decision to shut down the service. As a gesture to its 50,000 subscribers, Airtel offered a free upgrade to Airtel Digital TV. The company stated that the move is part of its strategy to

focus on a single television service.

INTERNET SPEED

JIO

In the Speed test conducted by Okla, we achieved a download speed of 4.06 Mbps and an upload speed of 0.65 Mbps. The test was conducted on the Telex Air Telecom Pvt Ltd server, which was selected as the default by Okla. However, when we conducted the same test on the My Speed app from TRAI, we obtained a download speed of 5 Mbps and an upload speed of 0.61 Mbps. The network delay was measured at 31 MS, and there was a packet loss of 20%.

AIRTEL

During the Speed test conducted by Okla., we achieved a download speed of 3.67 Mbps and an upload speed of 2.17 Mbps. It is important to note that this test was performed on the Telex Air Telecom Pvt Ltd Server. We obtained some interesting results on the My Speed app from TRAI. Our download speed was measured at 8.06 Mbps, while our upload speed reached 5.75 Mbps. Additionally, we experienced a network delay of 125 ms and a packet loss of 10%.

AIRTEL VS JIO BATTLE

FUTURE PROSPECTS OF THE COMPANY

AIRTEL

The company is highly focused on reducing the cost of its operations, upgrading its capacity, and strengthening its customer base. In line with this, Airtel has forged a partnership with Amazon Web Services for its cloud business. In an effort to drive major digital transformation, the company is working on solutions like Airtel IQ and Airtel Secure.

JIO

The company is forging ahead by expanding its business with multiple companies. Jio is entering a joint venture, Jio Space Technology Limited, to deliver the next generation of scalable and affordable broadband services in India, leveraging satellite technology.

In addition to that, it is also investing \$200 million in Glance, a leading AI-driven lock-screen platform. This investment aims to accelerate Glance's vision of bringing the internet to smartphone lock screens worldwide.

HOW DID AIRTEL SURVIVED JIO'S DISRUPTION IN TELECOM

A Case Study on Airtel's Journey after Jio entered Market:

Did you know that India has the second-largest telecom market in terms of the number of users, thanks to its massive population of mobile users? However, despite this, we only see 2.5 major players. Out of these, Jio thrives while Airtel manages to compete, and VI looks into an uncertain future. The three-way battle between Airtel, Jio, and VI started when Jio made its debut.

THE BACK STORY OF THE TELECOM INDUSTRY

Bharti Airtel, one of the oldest operators in the telecom industry, has successfully survived for over two decades. However, if we examine Airtel's presence in the Indian market in the past five years, we would observe that the company has consistently dominated despite facing significant competition. The company expanded its business to Africa, demonstrating the extent of its growth.

However, Reliance's entry into the telecom industry with Jio came as a shock to all the existing operators. Jio offered free sim cards with 4G data capabilities, including free 4G data and VoLTE calls for almost a year.

This revolutionized the industry, as data packs provided by service providers used to last a month. However, thanks to Jio, we now consume the same amount of data in a single day. Jio users can now enjoy up to 4GB of free 4G data per day, while existing providers offered only 1-34GB packs per month.

Although the quality of the network provided by Jio paled in comparison to others, it was impossible to compete with someone who offered their services for free.

This forced the existing operators into damage control. In 2016, there were more than 12 operators, but today only 3 private operators remain. Within 6 months, Jio managed to gain over 100 million subscribers.

However, Jio did not stop after the free offer period. Once it ended, they introduced the cheapest 4G data plans in the country. In these plans, data was offered per day instead of per month, which was a unique offering.

SUPREME COURT VERDICTH

However, the emergence of Jio was not the only challenge that telcos faced. In a court battle that lasted more than a decade, the courts ordered telcos to pay their unpaid dues in AGR fees.

Airtel's total liability is estimated to be ₹41,507 Crore, while Vodafone Idea's total liability was estimated to be ₹39,313 Crore.

Within 3 years, Jio quickly rose to become the second-largest telecom company in terms of subscribers, winning over everyone in the Airtel vs Jio battle.

On the other hand, Airtel and Vodafone Idea ranked themselves among the companies that had the worst quarter in Indian history, declaring a combined loss of Rs. 73,000 crores. In contrast, Jio declared profitability during the same period.

WHY WERE THESE TOP TELECOMS NOT ABLE TO HANDLE JIO ENTERING THE MARKET

In 2016, the telcos primarily focused on 2G and 3G technologies, and they faced a digital environment that was significantly different from what we have today.

Although apps providing OTT content, music, and live TV existed during the 3G era, they were not as popular as they are today. Additionally, the telcos did not make an effort to make data cheap enough to encourage this digitization.

These telecommunications companies were still stuck in a world dominated by voice calls. Instead of adapting to the changing landscape, they focused on lobbying efforts and spent excessive amounts on spectrum fees.

Instead of focusing on providing the best services at the best rates possible, they prioritized expanding their customer base outside of India. As a result, when they encountered a worthy competitor, they faced difficulties.

WHERE HAS AIRTEL REACHED TODAY IN AIRTEL VS JIO BATTLE?

Taking note of the statistics above, one might expect the telecom sector to become a monopoly. However, in reality, Airtel has managed to thrive, while Vodafone and Idea have merged in order to survive the onslaught.

Over the years, Jio has emerged as a market leader with a subscriber base of almost 411 million for the last quarter of FY20-FY21. In comparison, Airtel and Vodafone-

Idea stood at 307.94 million and 269.8 million subscribers respectively.

While Jio is currently the undisputed leader, it faces serious challenges in terms of active user engagement.

According to the Telecom Regulatory Authority of India (TRAI), Jio had the lowest active user base at 79.01%. In contrast, VI had 89.63% and Airtel had 97.44% of its users active.

WHAT WAS THE MAIN CAUSE OF THIS?

As observed earlier, while Jio offered its services at cheaper rates, the quality of service did not match that of Airtel. However, once Jio was forced to increase its rates, Airtel adjusted its rates as well, resulting in little difference between the two.

The price difference became insignificant when Airtel's rates were slightly higher than Jio's, as Airtel offered better quality. This undermined the main unique selling proposition (USP) that Jio had held onto.

Additionally, Jio is facing concerns about its active user numbers as some of its older customers are switching to other networks or using Jio as a backup SIM on their dual SIM phones.

Jio's network quality has been severely affected due to the limited spectrum availability. On the other hand, Airtel's focus on quality has attracted more users who value a reliable network and are willing to invest in it.

When it comes to data consumption, Airtel's users consume an average of 16 GB per month per user and 1,005 minutes per month per customer. On the other hand, Jio customers consume an average of 12 GB per month per user and 776 minutes per month per customer.

II. CONCLUSION

In this article, we compared two of the biggest telecom companies competing with each other in India. It is worth noting that only Airtel is listed on the Indian stock exchange. According to official sources, Reliance is planning to launch the Initial Public Offering (IPO) of its telecommunications arm, Jio, most likely by the end of the year.