

Experiential Marketing in Cellular Service – A Case Study of Reliance Jio

Syed Abdul Aleem¹, Prof. Badiuddin Ahmed²,
Research Scholar, Management, PP. MAN. 667, Rayalaseema University, Kurnool.
Professor & Head Department of Commerce, MANUU, Hyderabad.

Abstract

The cut throat competition prevailing in today's business environment is compelling the marketers to re-structure their marketing strategies and gain a competitive edge over their business rivals. In this effort marketers' are focusing all their resources towards what is known as Experiential Marketing. Reliance Jio, a new entrant in cellular services in September 2017, surprised everyone by announcing Free lifetime calls and free internet for the initial period of six months under the 'welcome offer'. The offer shook the entire telecommunication sector. Reliance Jio's success was such an extent that new strategic alliances started to take shape with Vodafone and Idea talking on merger, Aircel and Reliance planning to form a new alliance. amidst the prevailing competition the welcome offer of reliance Jio came to an end on March 31st 2017. Reliance Jio which has amassed huge subscription base has to prove itself and the industry at large, that its user base is not a mirage but it will be part of it for the years to come. The current study focuses upon the various aspects of usage, satisfaction level and the loyalty in the form of permanently migrating to Reliance Jio.

Keywords: Cellular Service, Reliance Jio, Experiential Marketing, Telecommunications.

INTRODUCTION

The cut throat competition prevailing in today's business environment is compelling the marketers to re-structure their marketing strategies and gain a competitive edge over their business rivals. In this effort marketers' are focusing all their resources towards what is known as Experiential Marketing.

1.1 Telecommunication Sector

After globalization of Indian economy in 1991 the Tele-Communication Sector emerged as one of the most happening sectors in India. Recent years witnessed rapid and dramatic changes in the field of telecommunications with more and more companies both foreign and domestic coming into as Mobile service Providers, providing a large number of services to the people. More than two and half decades have passed with intense competition prevailing among the players for the ever growing market share and the competitive edge they could garner.

1.2 About Reliance Jio

Reliance Jio Infocomm Limited (RJIL), is an upcoming provider of mobile telephony, broadband services, and digital services in India. Reliance Jio Infocomm Limited (RJIL), a subsidiary of Reliance Industries Limited (RIL), India's largest private sector company, is the first telecom operator to hold pan India Unified License. Formerly known as Infotel Broadband Services Limited (IBSL), Jio will provide 4G services on a pan-India level using LTE technology. In September 2016, Jio did what best they are at, Jio sent tremors across the tele-communication industry by launching its first ever marketing program a 'welcome offer' of free life time voice calls to any network and internet data free until the New Year which was subsequently extended to 31st March 2017. The remaining players were caught unaware and were left dumbstruck. Everyone in the telecom sector developed cold feet due to the splendid response Jio got from the market. Soon it turned out to be a war between Reliance Jio and the rest. Everyone tried to alter their marketing plan and come up with alternate strategies that could probably minimize the damage and thereby retain the market share. Jio services being given free, the nation witnessed unprecedented demand for the Jio sim. People started queuing in front of the stores much before the stores opened and soon the subscriber base of reliance Jio swelled. Proving to be a true disruption, Reliance Jio has become the second telecom player in terms of users, capturing more than 23 per cent of the Indian market. Reliance Jio has become the primary data connection on most of the mobile devices in India, with 42 per cent users having activated Jio in their 4G-enabled slot, followed by Airtel at 17.54 per cent, Vodafone at 12.26 per cent and Idea at 11.50 per cent. According to India Today, Mobile internet usage is expected to grow to over 500 million customers by the end of 2017 with a large portion of those picking Jio. As a result, there's already consolidation discussions among operators in India due to the increased competitive pressures with Vodafone and Idea Cellular coming together to merge and Norway's Telenor, which operates in India under the name Uninor, has reportedly approached Aircel and Reliance Communication to explore a merger possibility through share swap. In spite of all the odds in favour of the new entrant Reliance Jio, the marketers have kept their fingers crossed and are keenly studying the post 'honeymoon' period of the reliance jio 'welcome offer' period. The marketers are interested as to how many of the free users of reliance jio would still be part of it once Reliance Jio becomes paid. Many operators are of the opinion that the present subscriber base of reliance Jio would fall once Reliance Jio starts charging them. All the operators are rolling out their best plans to meet the uncertain situation prevailing.

1. REVIEW OF LITERATURE

2. Holbrook and Hirschman (1982) refer consumer experience as the consumer inputs and outputs associated with the experience. The marketing experience is referred to the market-based offering that is specifically created and staged for the consumers (Marconi, 2005).

The psychology literature on experience argues that all experiences are comprised of three components: the experiential subject, the experiential object, and the experiential process (Russon, 2003). The experiential subject is the person who is doing the experiencing and in whom the experiential effect resides (such as the consumer). The experiential object is that what is experienced (such as the market offering). The experiential process is the act of experiencing the object by the subject. It is argued that the subject can experience the object in a variety of ways, including sensorially, emotionally, intellectually, imaginatively, physically, socially, and spiritually (Barrett, Mesquita, Ochsner and Cross, 2007).

Schmitt (1999) proposes the concept of strategic experiential modules (SEMs) that aims to help the managers to create different types of customer experiences for their customers. The experiential modules to be managed in the experiential marketing include sensory experiences (SENSE); affective experiences (FEEL); creative cognitive experiences (THINK); physical experiences, behaviours and lifestyles (ACT) and social-identity experiences that result from relating to a reference group or culture (RELATE). The purpose of experiential marketing is to create holistically integrated experiences that possess, at the same time, SENSE, FEEL, THINK, ACT and RELATE qualities. The studies in the extant literature have concluded that experiential marketing can be related to the customer satisfaction (Lee, Hsiao and Yang, 2010).

3. OBJECTIVES OF THE STUDY

1. To study the usage pattern of Reliance Jio services.
2. To study the satisfaction of the Reliance Jio customers.
3. To study the customer loyalty, post experiential marketing of Reliance Jio.
4. To study the duration of usage of the free experiential offer of Reliance Jio.

4. RESEARCH METHODOLOGY

1. **Research Type:** The research type is descriptive
2. **Scope:** The scope of the study is limited to Reliance jio and its ‘welcome offer’ in Hyderabad, Telangana State, India.
3. **Data Collection:** As part of the primary data, 82 questionnaires were administered among the Reliance Jio Free users. Questionnaires were collected and data evaluated using percentages. Secondary data is collected from books, online journals and websites.
4. **Duration of the Study:** Data Collection – 15th March, 2017 to 30th March, 2017
 Data Evaluation – 1st April, 2017 to 10th April, 2017

5. DATA ANALYSIS AND INTERPRETATION

The analysis of the data collected is as follows

1. Gender is the most basic and the most important component of demographic structure in any research for the fact that Males and Females behave differently to the marketing offer.

Table 1
Gender

| Response | No. of Respondents | % of Respondents |
|----------|--------------------|------------------|
| Males | 50 | 61% |
| Females | 32 | 39% |
| | 82 | 100% |

Source: Questionnaire

The above table reveals the gender analysis. It is evident from the above table that of the total sample 61 percent are Males and 39 percent are Females. In a nutshell the majority of the respondents are males. The same is shown in the graph.

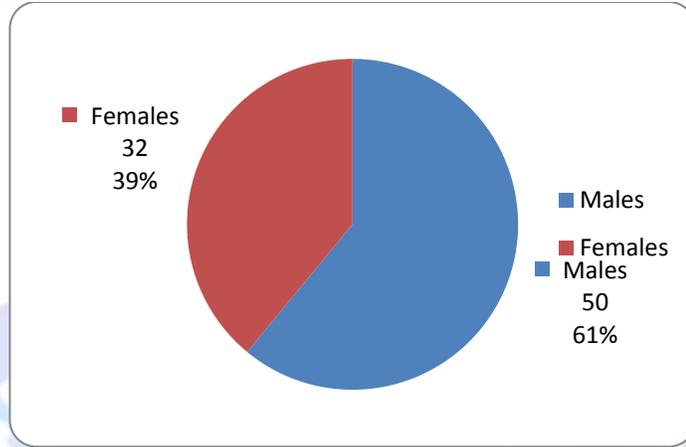


Figure 1

Occupation is another important demographic factor on which marketers analyse their marketing strategies, for mostly occupation determine the financial stability and the social class of an individual.

Table 2
Occupation

| Response | No. of Respondents | % of Respondents |
|----------------|--------------------|------------------|
| Unemployed | 4 | 4.87% |
| Student | 30 | 36.59% |
| Pvt. Employed | 38 | 46.34% |
| Self Employed | 6 | 7.31% |
| Govt. Employee | 4 | 4.87% |

Source: Questionnaire

The above table depicts the occupation of the respondents. Of the total sample 46.34% are privately employed which is followed by students' constituting 36.59%. Respondents who were Govt. employees stands at 4.87% and self-employed are 7.31%.

It can be said that the majority of the respondents were Private employees and Student community.

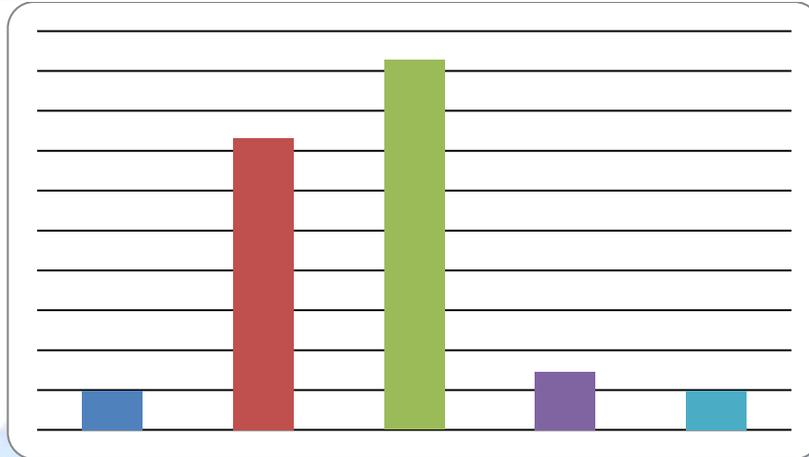


Figure 2

Duration of Usage in this study means, the time period since the Reliance Jio customers are using the free service.

Table 3
Usage Duration

| Duration | No. of Respondents | % of Respondents |
|----------|--------------------|------------------|
| 6 Months | 16 | 19.51% |
| 5 Months | 24 | 29.27% |
| 4 Months | 12 | 14.63% |
| 3 Months | 16 | 19.51% |
| 2 Months | 8 | 9.76% |
| 1 Month | 6 | 7.32% |

Source: Questionnaire

The 'duration of usage' of Jio sim has been studied, 29.27% respondents usage duration was 5 months. The respondents who have been using Jio sim 3 months and 6 months duration constitute 19.51% respectively. The respondents whose usage duration was 4 months were only 14.63%. By and large it can be said that majority of the Jio sim users duration was falling in between 3 – 6 months.

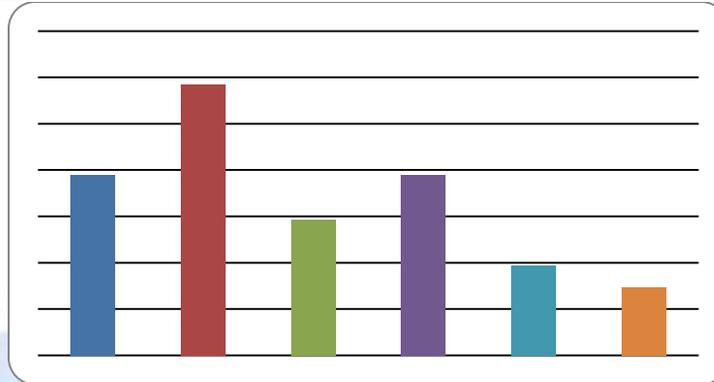


Figure 3

It is common that almost all the new phone devices are dual sim, it is also noticed that most of the people now a day maintain two sims. The table below shows which other sim the Reliance Jio customers posses.

Table 4
Other operator sim held by Reliance Jio Users

| | No. of Respondents | % of Respondents |
|----------|--------------------|------------------|
| Airtel | 18 | 22.5% |
| Aircel | 16 | 20% |
| Idea | 12 | 15% |
| Vodafone | 14 | 17.50% |
| Docomo | 6 | 7.5% |
| Uninor | 6 | 7.5% |
| CellOne | 8 | 10% |

Source: Questionnaire

It has been observed that 22.5% of the respondents had Airtel connection; closely competing is 20% respondents who had Aircel connection. 17.50% and 15% of the respondents owned Vodafone and Idea sims respectively. The insignificant leads testify how competitive the telecom sector is with no operator enjoying undisputed position.

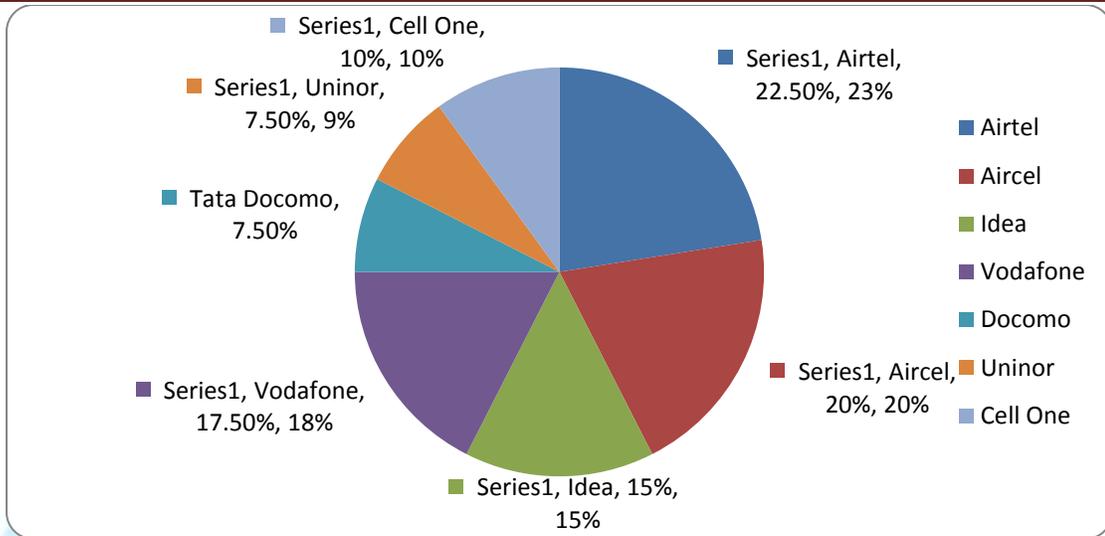


Figure 4

The following Table analyses the decision of joining Reliance Jio 'Paid', operator-wise.

Table 5
Churning to Reliance Jio if charged

| Operators | Yes | | No | |
|-----------|--------------------|------------------|--------------------|------------------|
| | No. of Respondents | % of Respondents | No. of Respondents | % of Respondents |
| Airtel | 14 | 77.77% | 4 | 22.23% |
| Aircel | 6 | 37.50% | 10 | 62.50% |
| Idea | 6 | 50.00% | 6 | 50.00% |
| Vodafone | 6 | 42.85% | 8 | 57.14% |
| Docomo | 2 | 33.33% | 4 | 66.66% |
| Uninor | 4 | 66.66% | 2 | 33.00% |
| CellOne | 4 | 50.00% | 4 | 50.00% |

Source: Questionnaire

The above table reveals that 77.77% of the respondents who owns Airtel connection apart from free Reliance Jio are willing to migrate to the Reliance Jio paid service. Similarly, 66.66% of the respondents who owns Uninor connection apart from Reliance Jio wants to be part of Reliance Jio even if it is paid. Respondents having either Idea or CellOne sim apart from Jio are 50% willing and 50% unwilling on joining the paid service of Reliance Jio. By and large respondents with Docomo, Aircel and Vodafone

connection along with Reliance Jio have shown comparatively less interest in joining the Reliance Jio Paid service. The same can be shown graphically as follows.

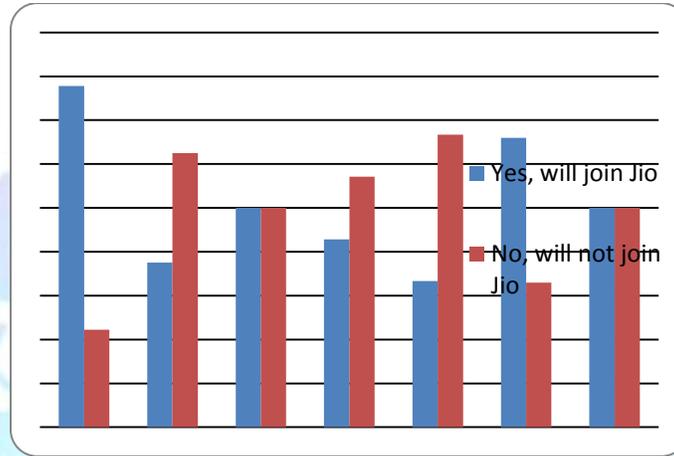


Figure 5

Overall satisfaction of Reliance Jio ‘welcome offer’ users is as depicted in Table below.

Table 6
Satisfaction of Reliance Jio Customers

| Response | Satisfied | Dissatisfied | Total |
|--------------------|-----------|--------------|-------|
| No. of Respondents | 80 | 2 | 82 |
| % of Respondents | 97.56% | 2.44% | 100% |

Source: Questionnaire

The above table clearly depicts that a whopping 97.56% of the respondents affirmatively said ‘Yes-Satisfied’. Only a marginal 2.44% of the respondents were dissatisfied with the Reliance Jio welcome offer.

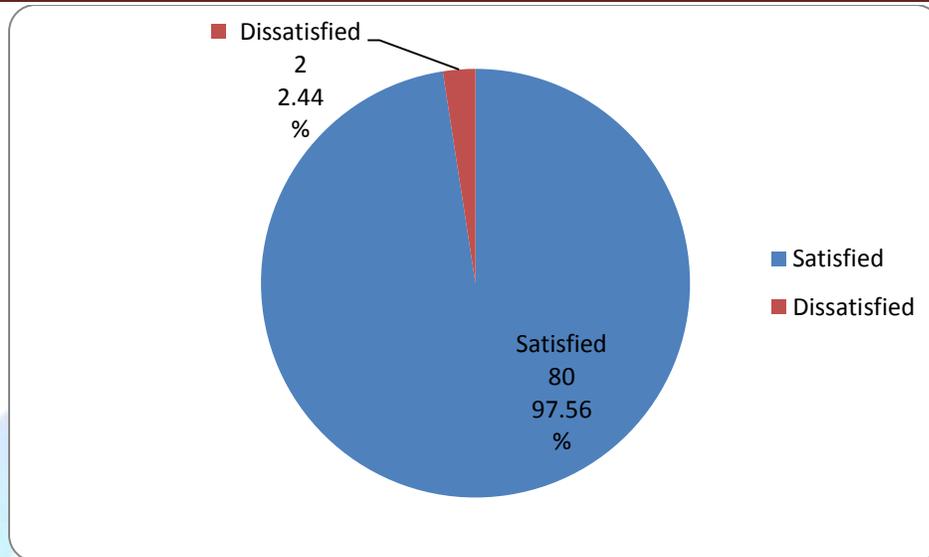


Figure 6

Reliance Jio which has amassed huge subscription base has to prove itself and the industry at large, that its user base is not a mirage and that its user base will be part of it for the years to come. With consumers very unpredictable and their behavior being very complex it should be tough task ahead for Reliance Jio to put all the strings together.

Table 7
 Jio paid service

| Response | % of Respondents |
|--------------------|------------------|
| Willing | 53.65% |
| Not Willing | 46.34% |

Source: Questionnaire

The above table indicates that 53.65% of the respondents were ready to join Reliance Jio even if it becomes paid. Contrary, 46.34% respondents were unwilling to be part of Reliance Jio, and would opt out of the service if is made a paid service. .

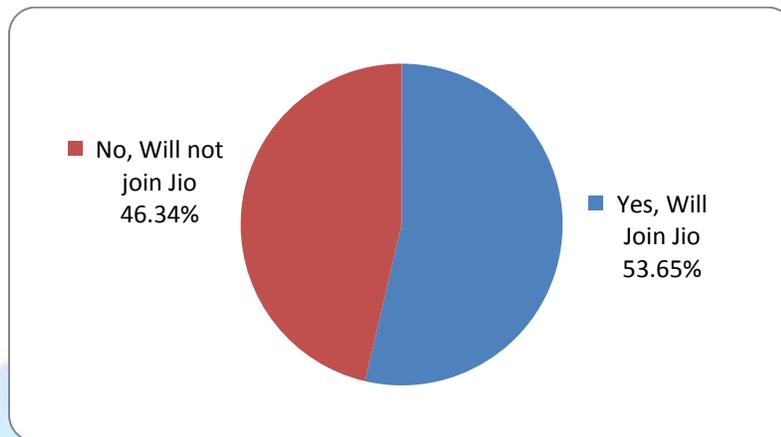


Figure 7

6. CONCLUSIONS

1. If we divide the last six months of Reliance Jio 'Welcome offer' into two periods of three months each and term them as early and recent users, we can conclude that a majority of the Reliance Jio welcome offer users are early user with 63.41%.
2. A whopping 95.12% of the Reliance Jio free welcome offer users were satisfied with the overall services, but only 53.65% of the said users were willing to join and be a part of Reliance Jio by paying. Here a question arises, inspite of being satisfied nearly half of the Reliance jio users did not wish to join. These might be the users who will stick to their other network and exhibit brand loyalty. The experiential marketing, penetrative approach and the guerilla marketing adopted by Reliance Jio seem to have paid off fairly.
3. Around 61.72% of the Reliance Jio users who own other sim, are spending less than or equal to Rs.200 on recharges. The Rs.10 a day offer newly introduced by Reliance Jio after the recent expiry of the free welcome offer on March 31, 2017 amounts to Rs.300 per month, which was considerably high and hence the users of Reliance Jio welcome offer might have opted not to join Reliance Jio and rather continue with their old operator. Any further changes in plans subsequently might result favorably. The bottom line being 'serve the customers better than your competitors do' as said by Phillip Kotler.

References

1. <http://indiatoday.intoday.in/technology/story/reliance-jio-second-in-user-base-with-23-percent-market-share/1/883534.html>
2. <http://www.bgr.in/news/after-vodafone-idea-merger-talks-telenor-in-talks-with-aircel-rcom-for-merger-report/>
3. Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feeling and fun. *Journal of Consumer Research*, 9(2), 132-140. <http://dx.doi.org/10.1086/208906>
4. Marconi, J. (2005). *Creating the Marketing Experience: New Strategies for Building Relationships with Your Target Market*. USA: Thomson Learning.
5. Schmitt, B. (1999). *Experiential Marketing: How to Get Customers to Sense, Feel, Think, Act, Relate to Your Company and Brands*. New York: The Free Press.
6. Russon, J. (2003). *Human Experience: Philosophy, Neurosis, and the Elements of Everyday Life*. New York: State University of New York.
7. Barrett, L. F., Mesquita, B., Ochsner, K. N., & Cross, J. J. (2007). The experience of emotion. *Annual Review of Psychology*, 58, 373-403. <http://dx.doi.org/10.1146/annurev.psych.58.110405.085709>
8. Lee, M. S., Hsiao, H. D., & Yang, M. F. (2011). The study of the relationships among experiential marketing, service quality, customer satisfaction and customer loyalty. *The International Journal of Organizational Innovation*, 3(2), 353-379.
9. https://en.wikipedia.org/wiki/List_of_telecom_companies_in_India#Mobile_Network_Operators