

A CONCEPTUAL STUDY ON CUSTOMER SATISFACTION AND COST LEADERSHIP OF RELIANCE JIO AMONG COLLEGE STUDENTS AT ANNA UNIVERSITY TRICHY

Dr. V. M. Anitha Rajathi¹, M. Naveen²

¹Assistant Professor, Department of Management Studies, University College of Engineering (BIT campus),
Tiruchirappalli, India.
anithahrm@gmail.com

²Post Graduate Student, Department of Management Studies, University College of Engineering (BIT campus),
Tiruchirappalli, India.
muniyendrannaveen20@gmail.com

ABSTRACT

This conceptual study examines the impact of Reliance Jio's cost leadership strategy on customer satisfaction among college students at Anna University, Trichy. With the growing significance of affordable telecom services, particularly among price-sensitive student demographics, Reliance Jio's disruptive entry into the Indian telecom market has reshaped customer expectations and behaviors. The study aims to investigate how Jio's competitive pricing, network quality, and customer service influence the satisfaction levels of students who are frequent users of mobile data and internet services. A cost leadership strategy, characterized by lower prices, operational efficiency, and strategic partnerships, is hypothesized to contribute significantly to increased satisfaction, brand loyalty, and customer retention. This pilot study will attempt to test the feasibility and methodology of the larger research project focusing on customer perception, satisfaction, and the price-value relationship.

Keywords: Customer Satisfaction, Cost Leadership, Telecommunications, Market Dynamics, Affordability, Service Quality, Customer Loyalty, Network Reliability.

1. INTRODUCTION

In today's highly competitive telecommunications industry, customer satisfaction has become a critical determinant of success. Companies are constantly striving to enhance customer experiences by offering innovative solutions, improved services, and competitive pricing strategies. Among the leading players in the Indian telecom market, Reliance Jio has emerged as a key disruptor since its launch in 2016, largely due to its cost leadership strategy.

By offering affordable data and voice plans, Jio has gained a significant market share, especially among younger, price-sensitive demographics such as college students. Anna University, Trichy, one of India's prestigious educational institutions, serves as the focal point for this study. College students at Anna University are an important segment of mobile telecom users, as they are highly reliant on affordable, fast internet for academic, social, and recreational purposes.

As mobile data consumption continues to rise, especially in educational environments, the factors that contribute to students' satisfaction with their telecom providers become crucial. Understanding the role of cost leadership in influencing student satisfaction is key to comprehending how Reliance Jio has successfully catering to this segment.

Reliance Jio's entry into the market fundamentally changed the pricing structure of the Indian telecom industry. By offering low-cost data plans, unlimited calling, and a wide-reaching 4G network, Jio disrupted established players and rapidly gained a large customer base. Its success is largely attributed to its strategic focus on being the lowest-cost provider while maintaining good service quality. This cost leadership strategy has played a pivotal role in attracting millions of subscribers, especially from the youth segment that values affordable yet reliable mobile services.

However, while Jio's pricing strategy is often cited as a key factor for its success, it is important to understand how other factors, such as network quality, customer service, and brand image, influence customer satisfaction. For college students, these factors are not only significant in day-to-day usage but also impact their loyalty to the brand and their willingness to recommend it to others. This conceptual study aims to investigate the relationship between Reliance Jio's cost leadership strategy and customer satisfaction among college students at Anna University, Trichy. Specifically, it seeks to explore how Jio's competitive pricing, network performance, and customer service contribute to student satisfaction and brand loyalty. By examining these dynamics, the study provides valuable insights into the role of cost leadership in shaping customer perceptions and enhancing satisfaction in the highly competitive Indian telecom market. This pilot study will attempt to test the feasibility and methodology of the larger research project focusing on customer perception, satisfaction, and the price-value relationship.

2. OBJECTIVES

1. To identify key factors influencing customer satisfaction
2. To assess customer satisfaction with Reliance Jio services.
3. To analyze the effectiveness of Jio's cost leadership strategy.
4. To provide suggestions further improvement .
5. To provide actionable insights for Reliance Jio to enhance customer satisfaction and maintain its competitive edge.

3. REVIEW OF LITERATURE

According to Mahesh Bhalakrishnan, (2019), telecom industry is affected by churn rate. Improvement in perceived service quality and overall customer satisfaction is the only way to achieve the goal of customer loyalty.

According to Jyoti. (2019), Jio and Airtel are considered arch rivals. Both the companies are well established in the market. Jio is comparatively more popular than Airtel . Jio is popular amongst all age groups. India is country where majority of population is the youth. Jio has been successful in attracting the young customers because of its schemes and services.

According to Economic Times Article (August 22, 2019), Reliance Jio has added over 44 million active subscribers over the past six months. Bharti Airtel and Vodafone Idea have lost 20 million and 68 million clients, respectively.

According to Dimple Turka, et al, (2018), telecom sector is progressing at a good pace. Reliance Jio was launched in September 2016 and provides calling facility free of cost. Due to its attractive offers and discounts, other providers have lost a lot of subscribers. An important reason for success of Jio is 4G internet service .

According to Siddharth Kalra, et al, (2018), marketing strategies of Jio have impacted the customers of the Indian telecom industry. Aggressive pricing policy by Jio has implicitly forced other providers to drop their prices and offer more discounts. With free and unlimited calling services, Jio endeavored to capture a lion's share in the market and it was successful up to a great extent. Companies like Vodafone Idea and Airtel were greatly affected by such moves.

Arun Prasath R. and Vijayadurai J. (2016), in their study on 'A Study on Consumer Attitude towards mobile Phone Service Providers in Tamil Nadu' examined the consumers' attitude towards various services offered by mobile service provider. They found that prepaid SIM card was bought by majority of the respondents. Value added services in Airtel and Vodafone have satisfied the respondents to a great extent.

Venkataraman.V (2016) analyzed the behavior of mobile phone users in Tiruchirappalli district. the consumer behavior is the act of individuals directly involve in obtaining and using economic goods and services. it includes the decision processes that precede and determine this act. so the researcher has made sincere attempt to analyze the consumer behavior of mobile phones in the study area.

A R. Sornapriya and M. Sathya, (2017) "Customer Satisfaction towards Reliance Jio Network differ for place to place because the tower capacity of the reliance 4G is almost vary from place to place and from region to region. this paper helps this study in a better manner when collecting the data from the customers.

Gupta, Raghav and Dhakad (2019) concluded that the competition has risen to its peak after the introduction of Jio. Some of the competitors have to merge, while others had to change their strategies forming a completely new one. Further they concluded that customers were quite satisfied with service of Jio; few complained about its dismal response towards customer services.

Jyothika (2019) has considered the effect of price on share of service providers telecom industry and has concluded that investors have shown interest towards introduction of Jio shares. Existing barriers made the survival of others companies difficult. Many investors have also reported change in their investment behaviour with the possibility of hike in share prices.

Jasrotia, Sharma and Mishra (2019) have generated a total of 7 factors, namely; tariffs, speed of internet data, brand endorsement, value added services, image of service provider, brand image and innovative company for measuring behaviour of customers towards Jio services.

Dr. G. Philomine Joan (2019) have been researched that the customer's awareness level, identify the customer satisfaction level, and discover the variables affecting the customer's reason to acquire the Reliance Jio Sim and gather opinion on the Reliance Jio services.

Parvathy.R.Nair (2019) have been characterised as the customer's happiness with Jio's call rates, data service, value added service, and to find out why they use Jio and what areas require improvement in Jio service.

Ambani (2020) stated that Reliance JIO 5G network would be driven by indigenously created network, hardware, and technology components, according to the company. As the digitization of the Indian economy and society accelerates, the need for digital gear will skyrocket.

Himani Upreti (2020) has researched to see if there is a significant difference in customer satisfaction levels with different service quality aspects of Reliance Jio for pre and post price hike periods, and to propose a model for assessing customers' preference for choosing Reliance Jio and measuring their satisfaction level with its services.

Gupta S, Shakya S. and Tyagi H. (2013) in their research they compared the 4G technology with the previous generations of technologies. Authors highlighted the fact that, the major reason for the inception of 4G technology in the Indian wireless sector is the constant requirement of high speed internet and data services.

Kotler and Keller (2006) hold that companies be acquainted with the significance of gratifying and keep hold of customers. To them, the following are attention-grabbing truth about customer uphold, get hold of new customers can cost five times more than the cost occupied in satisfying and retaining present customers, the average company loses 10 per cent of its customers each year, and the customer profit rate tends to increase over the life of retained customers.

4. RESEARCH METHODOLOGY

Research Type : Descriptive research is a type of research methodology that is primarily concerned with describing the characteristics of a phenomenon or the relationship between variables. It is used to provide an accurate and systematic depiction of the current state of affairs, without manipulating or controlling the environment or variables.

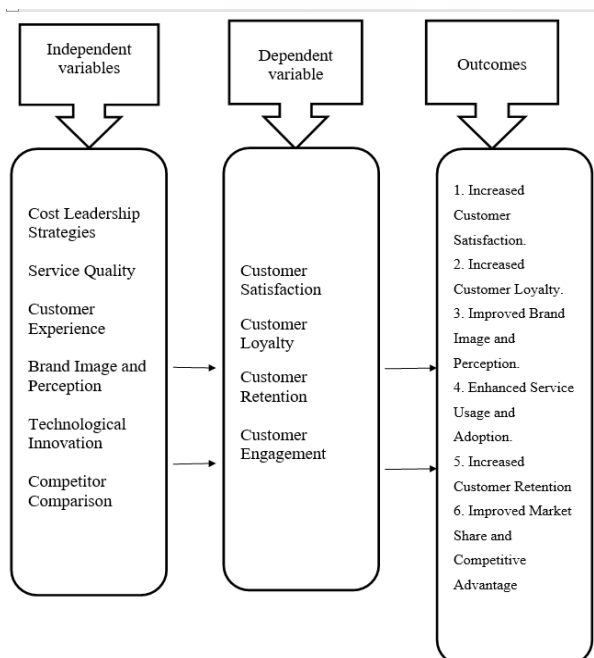
Sampling Technique : Simple Random Sampling (SRS) is one of the most basic and widely used sampling techniques in research. It involves selecting a sample from a population in such a way that each individual or item has an equal chance of being selected. This technique helps to eliminate bias and ensures that the sample is representative of the larger population.

Total Size of The Population : 3500

Pilot study : The Pilot Study is a smaller-scale trial conducted before launching the full-scale research. It aims to test the feasibility, data collection methods, and the validity of the research instruments (survey, interviews, etc.) for the larger study on customer satisfaction and cost leadership strategies of Reliance Jio among college students at Anna University, Trichy. In This pilot study on conduct in 36 respondents for total size of population. Further research conduct in future work on paper.

DATA COLLECTION : Data collection is a critical aspect of this research as it provides the empirical evidence needed to assess the relationship between Reliance Jio's cost leadership strategy and customer satisfaction among college students at Anna University, Trichy. In this study, Primary data is collected in the form of questionnaire survey method. Secondary data will be collected from existing research papers, company reports, and industry publications on the telecommunication industry and customer satisfaction.

5. CONCEPTUAL FRAMEWORK



PILOTSTUDY

A Pilot study has been conducted to check the reliability of the questionnaire. Cronbach's Alpha value is 0.795 which means the questionnaire is reliable. Reliability testing was conducted among 15 respondents. There are 20 numbers of questions prepared for students to check the reliability of the questionnaire.

Pilot testing was done with 15 samples.

Reliability analysis:

Case Processing Summary

		N	%
Cases	Valid	15	100.0
	Excluded ^a	0	.0
	Total	15	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.795	19

Here, the Cronbach's Alpha 0.795.

Cronbach's Alpha above 0.7 is considered reliable. So, here my pilot testing showed a reliable result.

SCOPE OF THE STUDY

- To find out the level of customer satisfaction Reliance Jio.
- To identify the customer's views regarding quality, quantity, free service and price.
- In telecommunication sector wider scope available in the world.
- To identify the specific problems within the organization and trying to find out the subsequent remedies for this.

FUTURE SCOPE:

- Expansion to Other Universities and Demographics
- Comparison with Competitors
- Technological Innovations and Their Impact
- Longitudinal Studies on Customer Satisfaction
- Customer Retention and Brand Advocacy
- Corporate Social Responsibility (CSR) and Brand Image
- Consumer Behavior and Switching Intentions
- Integration of Digital Services with Telecom Offerings

6. CONCLUSION

In conclusion, this study demonstrates that Reliance Jio's cost leadership strategy has had a significant positive impact on customer satisfaction among college students at Anna University, Trichy. The company's ability to provide affordable mobile services while ensuring good network quality and offering an attractive digital ecosystem has made it the preferred choice for many students. Customer satisfaction, in turn, contributes to strong brand loyalty and positive word-of-mouth recommendations. These findings highlight the importance of cost leadership in gaining a competitive advantage, especially in a price-sensitive market like telecom, where consumers prioritize affordability alongside service quality. Reliance Jio's success story provides valuable lessons for other telecom operators and businesses seeking to target the student segment or similar price-sensitive consumer groups. By maintaining a strong focus on cost-effective offerings, service quality, and customer satisfaction, companies can foster greater brand loyalty and ensure sustained market growth. The pilot study will provide initial insights into customer satisfaction and the role of cost leadership in the telecom sector. It will also help in refining the tools and methodology before conducting the full-scale study. The results of the pilot study will indicate whether adjustments are needed to make the survey more effective, and will provide a better understanding of how students at Anna University, Trichy perceive Reliance Jio in terms of service quality, pricing, and overall satisfaction.

7. REFERENCES

- [1] Boobalan, C. and Jayaraman, K. Customers' satisfaction towards Reliance Jio sim with special reference to Dharmapuri district, ICTACT journal on management studies, 03(3) 2017, pp. 547-552.
- [2] Brahmani, N. and Vamsi, S., Customer satisfaction towards Reliance Jio: An Empirical study.IISTEM International conference, 2017, pp. 28-30,
- [3] Chinthala, G. Madhurim, X. H. and Kumar, K., Customer Satisfaction Towards
- [4] Telecommunication Service Provider – A Study on Reliance JIO, International Journal of Engineering and Management Research, 7(2), 2017, pp. 398-402.
- [5] Daga, T. Chandra, V. and Malik, A. Effect of Reliance Jio on Digital India, International Journal of Advance Research, 6(6), 2018, pp. 395-441.
- [6] Gupta, A. Raghav, K and Dhakad, P, The Effect on the Telecom Industry and Consumers after the Introduction of Reliance Jio, International Journal of Engineering and Management Research, 9(3), 2019, pp. 118-137.
- [7] Indumathy. R., Rajkumar, R. and Velmurugan.G., Jio's digital life – A survey, International Journal of Recent Engineering Research and Development (IJRERD), 02(05), 2018 pp. 71-74.
- [8] Jasrotia, S. S. Sharma, R. L. and Mishra, H. G. Disruptions in Indian Telecom Sector: A Qualitative Study on Reliance Jio, IMJ, 11(1), 2019, pp. 37-45.
- [9] Joy, T. and Bahl, S. Disruption by Reliance Jio in Telecom Industry, International Journal of Pure and Applied Mathematics, 118(20), 2018, pp. 43-4
- [10] Govindharaj, Y., Govindasamy, E., & Arumugam, G. (2021). Client Consumption and Commitment on JIO Mobile Network in Vellore District: An Economic Analysis. Journal of Human Resource and Sustainability Studies, 09(01), 122–133.

Websites:

- [11] <https://economictimes.indiatimes.com/industry/telecom/telecom-news/jio-airtel-see-steady-customer-gains-in-november-2021-at-vis-expense-trai/articleshow/88977331.cms?from=mdr>
- [12] <https://www.ibef.org/industry/telecommunications>
- [13] <https://en.wikipedia.org/wiki/Jio>
- [14] <https://www.gadgetsnow.com>
- [15] <https://www.jio.com/>
- [16] <https://en.wikipedia.org/wiki/Jio>
- [17] <https://iide.co/case-studies/business-model-of-reliance-jio/>