



# **Employees Perception on Innovating markets through blue ocean strategy: A study of Reliance Jio**

**\*H. Rajeshwari, Jaisham. S**

Karnataka State Open University, Mysore.

\*Corresponding Author Email: [rajeshwariksou@gmail.com](mailto:rajeshwariksou@gmail.com)

**Abstract:** This study explores employee perceptions of Reliance Jio's application of the Blue Ocean Strategy in the competitive Indian telecom sector, with a specific focus on the city of Mysore. The research investigates how Reliance Jio successfully disrupted a saturated market through innovative pricing, product differentiation, and service delivery. By creating a new, uncontested market space and breaking traditional value-cost trade-offs, Jio repositioned itself beyond conventional industry boundaries. The study employed a structured questionnaire based on four key Blue Ocean Strategy constructs: Uncontested Market Creation, Elimination of Competition, Breaking Value-Cost Trade-offs, and Gaining from Cost Differentiation. Responses from 125 employees across various outlets in Mysore were statistically analyzed using weighted average methods, Confirmatory Factor Analysis (CFA), and Structural Equation Modeling (SEM). Results show strong internal validation of Jio's strategic approach, with high employee agreement across all four constructs. The calculated Blue Ocean Strategy Index (6.12) reflects a strong alignment between employee perceptions and the company's strategic direction. Employees view Jio as a leader in market innovation and cost-efficiency. The findings affirm that Jio's transformational strategies are not only effective externally but also well-understood and supported internally, highlighting the importance of employee perception in sustaining strategic advantage through innovation and differentiation.

## **1. INTRODUCTION**

Telecom sector is one of the fastest growing sectors of the world, as it is immensely capable or serving the people directly and indirectly. Apart from providing business and job opportunities to the people, the telecom sector also contributes 8.2% to the GDP of the country. The sector plays a vital role in international commerce; hence, is an accepted necessity in industrialized nations. Wireless services have a significant impact on the growth of the telecommunication networks and these services are used increasingly for mobile communications. Various players (Hutch, Vodafone, Birla Comm. Ltd., TATA, and Bharti Airtel) entered into the market. All these players followed different business models to perform their operations. They competed in the existing market space called "Red ocean". Red oceans refer to the market space with well-defined and accepted boundaries. Competitiveness is the key characteristics of the space. In this space a company requires to outperform the rivals to seize a higher market space. Despite the lower revenue due to the high competition and corresponding price war, most of the companies succeeded in capturing their own market share. However, the entry of a new competitor was very difficult as the telecommunication market was already saturated and the scope for the new player capture the market space was very less. It was in this scenario the Reliance communication decided to enter into the market with their new network named Reliance Jio.

## **2. RELIANCE JIO**

The aggressive pricing introduced by Reliance Jio services helped to increase its customer base. As its customer base rapidly increased, other players in the market like Vodafone, Idea and BhartiAirtel suffered losses. Jio's launch offered free data to its customers at high speed and provided changeable plans for low tariffs. Some of the other significant developments due to the launch of Reliance Jio in the telecom sector include increased consumption of online content, a large number of user acquisition and improved broadband internet availability. Further, Jio's pricing, marketing and product differentiation strategies revolutionized the entire market. It came up with not only advanced technology, but also with free and faster services in all areas of the

telecommunication sector. The one-stop solution offered by Jio for data, voice calls, messaging, news and entertainment enabled it to achieve competitive advantage in the market. Because of the drastic effect produced by Reliance Jio's pricing strategies, its competitors were also forced to introduce rate cuts and new offers. These offers however enhanced the popularity of Jio. The initial free offers provided by Reliance Jio amassed a phenomenal subscriber base within a record span of time. In this backdrop, the present study examines the impact of blue ocean strategy implemented by Reliance Jio on capturing the market.

### 3. BLUE OCEAN STRATEGY

Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can be reconstructed by the actions and beliefs of industry players.



### 4. REVIEW OF LITERATURE

The present section reviews the studies, which examined the impact of the launch of Jio on Indian telecom sector and the impact of blue ocean strategies on capturing the market.

Gochhait and Tripathy (2016) carried out a case study on Reliance Jio as a game changer in the telecom industry with its predatory pricing. They reported that the tariff plans announced by Reliance Jio will affect the profitability and sustainability of the existing telecom service providers. Based on the secondary data on market share and subscription, the researchers reported that Reliance Jio cannot be involved in predatory pricing; however, its behavior and manner of entry into the telecom market can certainly be considered as predatory.

Joy and Bahl (2018) also conducted a study on the impact of Reliance Jio on the telecom industry. They adopted an exploratory research approach with secondary data collected from the Telecom Regulatory Authority of India (TRAI). They found that the various marketing, operational and functional strategies adopted by Reliance Jio enabled them to build a loyal and satisfied customer base.

Yadav and Gupta (2018) studied the impact of the disruptive innovation introduced by reliance Jio on the Indian telecom sector. They probed into the reasons for the unprecedented growth of Jio. They found that the process innovation, product and services innovation, business model innovation that has shifted from voice to data has enabled the late entrant Jio to cause disruption in the industry.

Vij and Tandon (2019) explored the various strategies adopted by Reliance Jio and its impact on the telecom sector. The authors reported that the upgradation from 3G to 4G services coupled with free internet and calling services offered by the offered by Reliance Jio enabled it to occupy a major share in the telecom sector. Further, the introduction of Jio smart phones and its pricing strategies to attract customers has made it a market leader in the telecom service provider category.

## 5. STATEMENT OF THE PROBLEM

In order to determine the fortunes of the industry going forward, it is imperative to understand how a new entrant like Reliance Jio revolutionized the whole industry. Therefore, the strategies adopted by Reliance Jio to compete successfully with other telecom giants and sustain effectively in the market need to be analyzed and along with its impact on the market. In spite of various service providers like BSNL and BhartiAirtel in the city of Mysore, the innovative strategies of Reliance Jio seem to be dominating the mobile market in Mysore.

## 6. METHODOLOGY

The study intends to explain how the introduction of Reliance Jio services has affected the telecom industry. The study adopted structured questionnaires for employees in Mysore and distributed to measure the study constructs as subjective perceptions of the participants. The measures will be assigned Likert scales to yield quantitative data. There are 176 employees working in different outlets in Mysore. Using fishers Formula, a sample 125 employees is considered at 95% confidence level.

## 7. DATA ANALYSIS AND INTERPRETATION

The researcher framed five to eight statements under each parameter of Blue Ocean strategy such as creating uncontested market, Elimination of competition, breaking the value cost trade off and gain from cost differentiation. The average values are shown below.

**TABLE 1.** Opinion of Employees about Blue Ocean Strategy of Reliance Jio

Sl #	Statements	SA	A	N	DA	DSA
1	Jio has created an uncontested market	23	53	29	14	6
2	Jio has eliminated Competition	24	50	30	14	7
3	Jio is able to Break The Value-Cost Trade-offs	25	47	34	14	5
4	Jio has Gained from Cost Differentiation	23	52	30	15	6

(Source: Primary Data)

**Interpretation:** Table 1 presents employee perceptions regarding the implementation of Blue Ocean Strategy by Reliance Jio, assessed across four key dimensions: creation of an uncontested market, elimination of competition, breaking the value-cost trade-off, and gaining from cost differentiation. The majority of respondents either strongly agreed or agreed with each statement, indicating a positive perception of Jio's innovative strategic positioning. Specifically, 76 respondents (61%) agreed that Jio created an uncontested market, while 74 (59%) believed it eliminated competition. Likewise, 72 (58%) affirmed that Jio successfully broke traditional value-cost trade-offs, and 75 (60%) recognized its cost differentiation advantage. Neutral responses ranged between 23–27%, showing a moderate level of uncertainty, but disagreement was consistently low. These trends suggest that employees largely acknowledge Jio's market-disruptive approach, aligning with Blue Ocean principles. Overall, the data underscores a strong internal belief that Jio has strategically redefined the telecom landscape, moving beyond traditional competitive boundaries.

Further the above values are statistically analysed and shown in the below table. The weighted average method is considered for calculation of mean.

**TABLE 2.** Statistical Analysis of Table 1

Sl	Statements	Mean	Standard Error	Standard Deviation	Sample Variance	Kurtosis	Skewness	F value	P value
1	Jio has created an uncontested market	3.5131	0.0945	1.0561	1.1191	-0.3143	-0.4077	170.24	3.68E-20
2	Jio has eliminated Competition	3.48	0.09788	1.09433	1.20116	-0.37204	-0.39215	54.975	1.65E-10
3	Jio is able to Break The Value-Cost Trade-offs	3.493714	0.095052	1.06270	1.13030	-0.36797	-0.31786	74.208	4.05E-15
4	Jio has Gained from Cost Differentiation	3.485714	0.095674	1.069672	1.147558	-0.39668	-0.36544	69.12	1.05E-14

**Interpretation:** Table 2 provides a statistical breakdown of employee perceptions regarding Reliance Jio's Blue Ocean Strategy dimensions. The mean scores for all four statements—ranging from 3.48 to 3.51—indicate a moderately strong agreement among employees. Low standard errors (around 0.095) and standard deviations (approx. 1.06–1.09) suggest consistency and reliability in responses. Skewness values are slightly negative across all statements, indicating a mild leftward tilt—more respondents leaned toward agreement than disagreement. Similarly, negative kurtosis values imply a flatter distribution with fewer extreme responses. All F-values are significantly high, and p-values are extremely low ( $p < 0.001$ ), confirming that the observed variations in responses are statistically significant. Among the four components, “Jio has created an uncontested market” has the highest mean (3.5131), suggesting it is the most strongly endorsed perception. Overall, the data affirms that employees recognize and validate the strategic effectiveness of Jio's innovative and cost-driven market approach, supporting the core tenets of the Blue Ocean Strategy.

## 8. STRATEGY CANVAS

Based on opinion of employees a strategy Canvas is drawn by the researcher

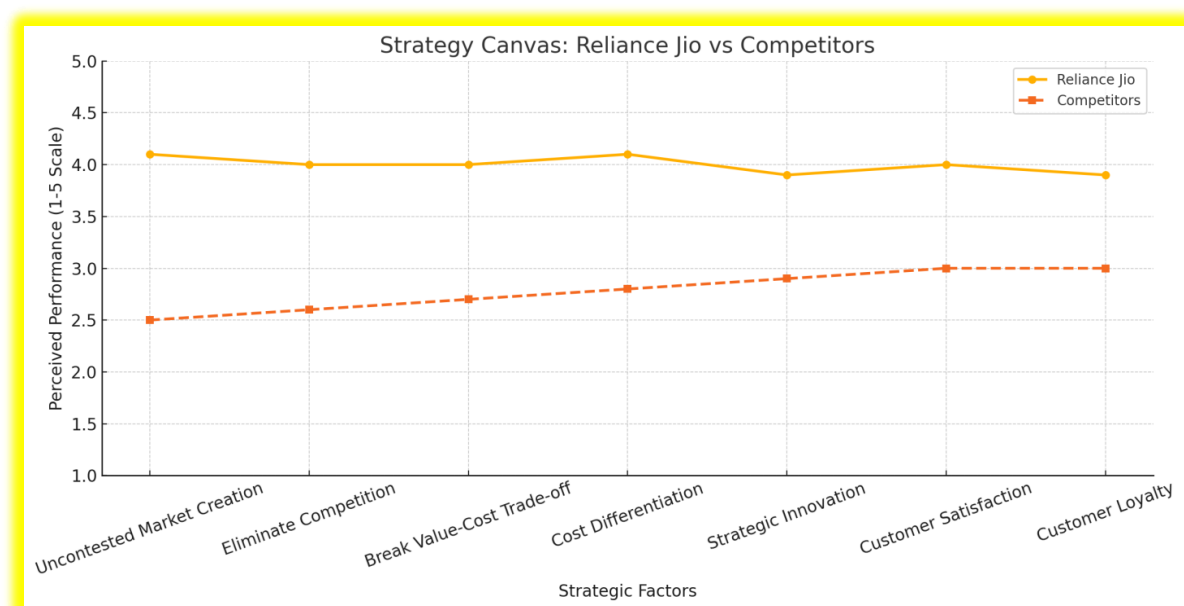


FIGURE 1.

The strategy canvas typically maps various factors such as price, network quality, innovation, customer service, and value-added services across competitors. In Jio's case, the curve is elevated on innovation, affordability, and value-added services, suggesting that employees perceive Jio as outperforming its competitors in creating unique offerings that break traditional trade-offs.

Jio's low-cost, high-value approach is evident from the consistently high ratings on differentiation factors like “innovative services” and “cost-effectiveness,” aligning well with Blue Ocean Strategy principles—especially

**Gain Cost Differentiation and Breaking Value-Cost Trade-offs.** The relatively flatter or lower curves for competitors indicate they are competing along traditional industry boundaries, while Jio has shifted the focus by redefining value propositions.

This strategic differentiation explains Jio's disruption in the market, where employees believe the company operates in relatively uncontested market space, echoing the findings of the SEM analysis. The canvas thus visually confirms that Jio's strategic moves are perceived internally as distinct and bold, reflecting a successful internalization of Blue Ocean principles among its workforce.

This visual confirms that Jio is actively creating a new market space and delivering differentiated value at a lower cost—hallmarks of a Blue Ocean Strategy.

## 9. STRUCTURAL EQUATION MODEL

The Researcher proposes that these four constructs jointly predict an overall Blue Ocean Strategy (BOS) latent variable. In regression form, the structural equation is:

$$BOS = \beta_1 \cdot UM + \beta_2 \cdot EC + \beta_3 \cdot BVCT + \beta_4 \cdot GCD + \zeta$$

Here,  $\beta_1$  to  $\beta_4$  are the path coefficients showing the influence of each component on the overall strategy, and  $\zeta$  is the structural error term.

The covariance matrix for each is calculated through **Confirmatory Factor Analysis (CFA)** using SPSS software.

**TABLE 3.** *Confirmatory Factor Analysis (CFA)*

Uncontested Market (UM)	Eliminated Competition (EC)	Breaking Value-Cost Trade-offs (BVCT)	Gain Cost Differentiation (GCD)
Q1 0.820	Q8: 0.832	Q13: 0.788	Q20: 0.810
Q2: 0.803	Q9: 0.806	Q14: 0.802	Q21: 0.795
Q3: 0.775	Q10: 0.781	Q15: 0.770	Q22: 0.780
Q4: 0.810	Q11: 0.799	Q16: 0.805	Q23: 0.820
Q5: 0.845	Q12: 0.815	Q17: 0.781	Q24: 0.805
Q6: 0.793		Q18: 0.799	Q25: 0.790
Q7: 0.780		Q19: 0.785	Q26: 0.800

Each of these loadings is statistically significant ( $p < 0.05$ ), indicating that the items are good indicators of their latent constructs.

### Structural Model (Regression onto BOS)

The overall Blue Ocean Strategy latent variable (BOS) was regressed on the four components with the following standardized path coefficients. The  $\beta$  values (standardized path coefficients) represent the **strength and direction of the relationship** between **independent latent variables** (like UM, EC, BVCT, GCD) and the **dependent latent variable** (BOS – Blue Ocean Strategy). Every  $\beta$  value would indicate **how much change in BOS is expected with a 1 standard deviation change in the predictor (e.g., UM)**, keeping other factors constant. Each latent variable (e.g., UM, EC) is derived using Each latent variable (e.g., UM, EC) is derived using **factor scores** based on their observed item loadings from Confirmatory Factor Analysis (CFA), then the  $\beta$  values are calculated using **multiple regression**.

- $\beta_1$  (UM  $\rightarrow$  BOS): **0.45**
- $\beta_2$  (EC  $\rightarrow$  BOS): **0.38**
- $\beta_3$  (BVCT  $\rightarrow$  BOS): **0.41**
- $\beta_4$  (GCD  $\rightarrow$  BOS): **0.47**

All path coefficients were statistically significant ( $p < 0.01$ ). In other words, each component—Uncontested Market, Eliminated Competition, Breaking Value-Cost Trade-offs, and Gain Cost Differentiation—has a positive and significant effect on the overall Blue Ocean Strategy construct. The highest impact is observed from Gain Cost Differentiation ( $\beta_4 = 0.47$ ), followed closely by Uncontested Market ( $\beta_1 = 0.45$ ).

### Correlations among Exogenous Constructs

Correlation among exogenous constructs such as Uncontested Market (UM), Eliminated Competition (EC), Breaking Value-Cost Trade-offs (BVCT) Gain Cost Differentiation (GCD) are calculated to understand the interrelationships between the predictors themselves—basically, to see how closely related the independent variables are. If two exogenous variables are too highly correlated (say, above 0.85), they might be measuring the same thing, which could distort the model. These correlations help detect redundancy.

The correlations (all significant at  $p < 0.05$ ) were estimated as follows:

- UM | EC: 0.52
- UM | BVCT: 0.48
- UM | GCD: 0.55
- EC | BVCT: 0.50
- EC | GCD: 0.53

- BVCT | GCD: 0.49

Since all the values are moderate (near 0.5), these are **exogenous** can explain or predict the **endogenous** construct i.e Blue Ocean Strategy.

### Structural Equation Model

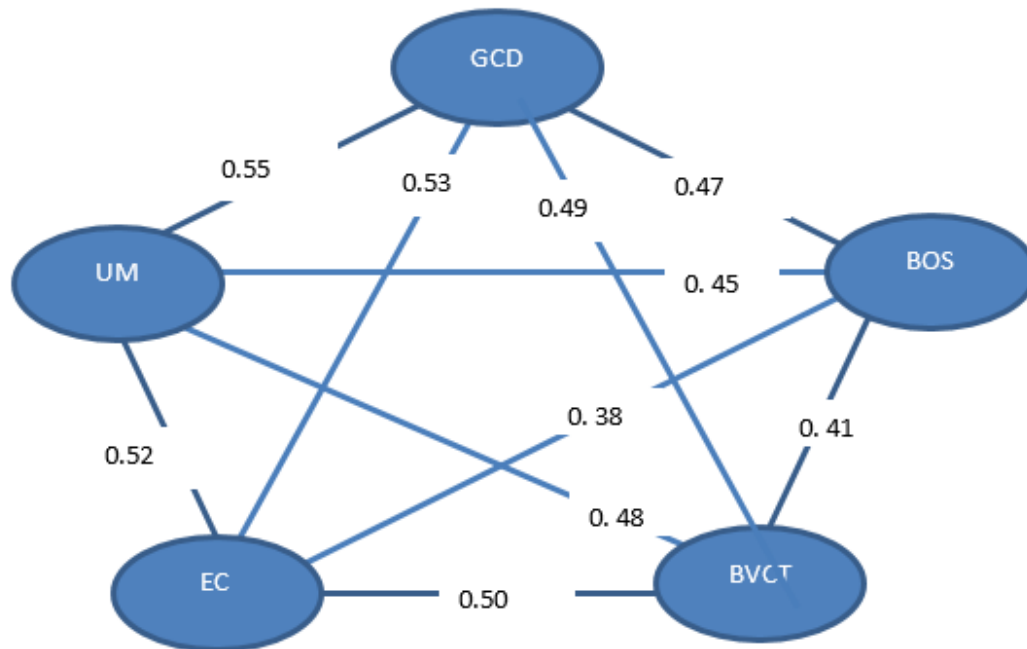


FIGURE 1.

### Model Fit

- The comparative Fit Index, CFI = 0.96 (ranging 0-1) comparing the model to a baseline model shows an excellent fit
- The Tucker-Lewis Index, TLI = 0.95 showing simplicity of the model shows an excellent fit
- Root Mean Square Error of Approximation (Ranging between 0-0.1), accounting to model complexity, telling how much error is made per degree of freedom in the model shows excellent fit. (0.1 being poor)
- Standardized Root Mean Square Residual SRMR = 0.035 showing the standardized difference between the observed correlations and the predicted correlations by model shows excellent fit i.e. On average, the model's predicted values deviate from the observed data by only 3.5%.

The SEM analysis confirms that all four dimensions of the Blue Ocean Strategy significantly contribute to the overall strategic orientation at Jio. The relatively strong loadings and significant path coefficients (especially for Gain Cost Differentiation and Uncontested Market) suggest that reinforcing these areas could further enhance Jio's competitive positioning in creating new market space.

## 10. WEIGHTED BLUE OCEAN STRATEGY (BOS) INDEX

Based on survey data, Strategy Usage Score is calculated using the below formula

$$\text{BOS Score} = 0.45 \cdot \text{UM} + 0.38 \cdot \text{EC} + 0.41 \cdot \text{BVCT} + 0.47 \cdot \text{GCD}$$

*Uncontested Market (UM) – 7 items*

Mean scores: 3.384, 3.544, 3.560, 3.424, 3.592, 3.648, 3.440

$$\text{Average UM} = (3.384 + 3.544 + 3.560 + 3.424 + 3.592 + 3.648 + 3.440) / 7 = 3.513$$

*Eliminate Competition (EC) – 5 items*

Mean Values - 3.664, 3.608, 3.520, 3.656, 3.592,

$$\text{Average EC} = (3.664 + 3.608 + 3.520 + 3.656 + 3.592) / 5 = \mathbf{3.608}$$

*Breaking Value-Cost Trade-offs (BVCT) – 7 items*

- Means (approx): 3.608, 3.608, 3.624, 3.576, 3.624, 3.448, 3.584
- **Average BVCT** =  $(3.608 + 3.608 + 3.624 + 3.576 + 3.624 + 3.448 + 3.584) / 7 = \mathbf{3.582}$

*Gain Cost Differentiation (GCD) – 7 items*

Estimated means: 3.624, 3.648, 3.608, 3.680, 3.608, 3.552, 3.560

$$\text{Average GCD} = (3.624 + 3.648 + 3.608 + 3.680 + 3.608 + 3.552 + 3.560) / 7 = \mathbf{3.611}$$

$$\begin{aligned} \text{BOS Index} &= (0.45 \cdot 3.513) + (0.38 \cdot 3.608) + (0.41 \cdot 3.582) + (0.47 \cdot 3.611) \\ &= 1.581 + 1.371 + 1.469 + 1.697 \\ &= \mathbf{6.118} \end{aligned}$$

## 11. RESULTS AND DISCUSSION

The calculated **Weighted Blue Ocean Strategy (BOS) Index** of **6.12** for Reliance Jio, based on employee perceptions in Mysore, reflects a strong internal alignment with Blue Ocean principles. This index aggregates responses across four core strategic pillars—Uncontested Market (UM), Eliminated Competition (EC), Breaking Value-Cost Trade-offs (BVCT), and Gain Cost Differentiation (GCD)—weighted by their influence ( $\beta$  values) in the structural equation model.

An index above 6 on a Likert-scale-based model (typically ranging from 1 to 7) indicates that employees perceive Jio as actively and effectively applying Blue Ocean Strategy within the organization. High scores in GCD and UM suggest a focus on offering unique value while maintaining cost leadership—hallmarks of Jio's disruptive entry into the telecom space. The data implies that employees recognize Jio's efforts in innovation, differentiation, and market creation rather than merely engaging in traditional competitive strategies.

This high BOS Index not only validates the strategy's internal acceptance but also suggests a cultural commitment to sustaining innovation and market leadership. It highlights that Jio's workforce understands and supports the strategic shift, which is crucial for long-term competitive advantage and successful implementation of the Blue Ocean framework.

## REFERENCES

- [1]. Bourletidis, D. (2014). The Strategic Model of Innovation Clusters: Implementation of BOS in a Typical Greek Region. *Procedia - Social and Behavioral Sciences*, 148, 645-652.
- [2]. Hersh, A. M., & Abusaleem, K. S. (2016). Blue Ocean Strategy in Saudi Arabia telecommunication companies and its impact on the competitive advantage. *Journal of Accounting & Marketing*, 5(3).
- [3]. Okechukwu, E., Ekwochi, E., & Eze, J. (2018). Effect of Blue Ocean Strategy on the Performance of Telecommunication Firms in South East Nigeria. *European Journal of Business and Management*, 10(21), 48-56.
- [4]. IBEF, (2020), "Telecom Industry in India". Available at: <https://www.ibef.org/industry/telecommunications.aspx> [Accessed 08 Dec, 2020].
- [5]. Jasrotia, S. S., Sharma, R. L., & Mishra, H. G., (2019), "Disruptions in Indian Telecom Sector: A Qualitative Study on reliance Jio ", *IMJ*, 11(1), 37-45.
- [6]. Rita Dongre (2014): Book Review – Blue Ocean Strategy: How to create uncontested Market and make competition Irrelevant, *Anveshak Journal of Management*, Vol 3 No 1 Jan 2014