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MARKETING STUDY REGARDING THE ROMANIAN MOBILE TELECOMMUNICATIONS COMPANIES' OFFER

Meghişan Georgeta-Mădălina[*]

Abstract

The fight of the mobile telecommunication companies to attract clients trends to be much more powerful, because the numbers portability has become a reality. The very competitive market goes to the growth of the price importance in choosing an operator. The short term gain of the operators becomes a long term image risk. The choice of some mobile telephony services is sometimes difficult to be made because of the offer's complexity.

The young people represent an important segment in the current or potential mobile telecommunication companies' clients. This segment is a great consumer of mobile telecommunication services, being, at the same time, a segment that demands varied services at the smallest prices. The clients expect the service to function, to be simple and easy to use, benefit from rapid and efficient assistance if errors occur, and the operator to respect the contract's riders.

This paper will present an analysis of a study regarding the consumption behavior of the young people from the city of Craiova, users of mobile telephony services. The survey subjects are the youngsters (men and women) between 20 and 29 years old. The chosen method of sampling is the quotation method, using selection criteria such as the age and sex.

Keywords: mobile telecommunication, market, offer, consumers' behavior, price, marketing survey

JEL Classification: M20, M31, L82

Introduction

The paper concerns the mobile telecommunication services' consumption behavior of the youngsters aged between 20 and 29 years old from Craiova. The chosen sampling method is the quotation method, method which permits the construction of a sample with the same repartition as the studied population, following an already known criterion (such as sex, age, socio-professional category etc.), within which the characteristics of the individuals (geographic, socio-demographic, behavioral, economic) will be very close to those of the referred population (Balaure V., 2000). The sampling criteria (age and sex) are chosen regarding the research objectives and the sample length (200 persons) was determined depending on the organizational decisions that this research confronts to. The chosen sampling method was the quotation method, because it is the most used for the surveys within the commercial field (Catoiu I. coord., 1999).

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Methodology

From the Romania's statistics year book for the year 2006, data regarding the population structure was extracted (www.insee.ro):

Table 1 – The population structure – the sex

Sex	The whole researched collectivity (Craiova)	Percentage (%)	The number of persons included in the sample
Men	24 086	51,2	102
Women	22 959	48,8	98
Total	47 045	100	200

(www.insee.ro)

Table 2 – The population structure – the age

Age	The whole researched collectivity (Craiova)	Percentage (%)	The number of persons included in the sample
20-24 years old	22 275	47,3	94
25-29 years old	24 770	52,7	106
Total	47 045	100	200

(www.insee.ro)

Table 3 – The structure of the sample components

The sample components Age	Men 51,2%	Women 48,8%	TOTAL
20-24 years old 47,3%	48	46	94
25-29 years old 52,7%	54	52	106
TOTAL	102	98	200

The marketing study regarding the Romania's mobile telecommunication companies' offer was made from 1st April to 5th May 2009, by sending via e-mail a questionnaire of 17 questions[2].

The questionnaire, a tool for gathering information, was made following some stages:

I. Documentation;
II. Data analysis and the questionnaire creation;
III. Questionnaire checking up.

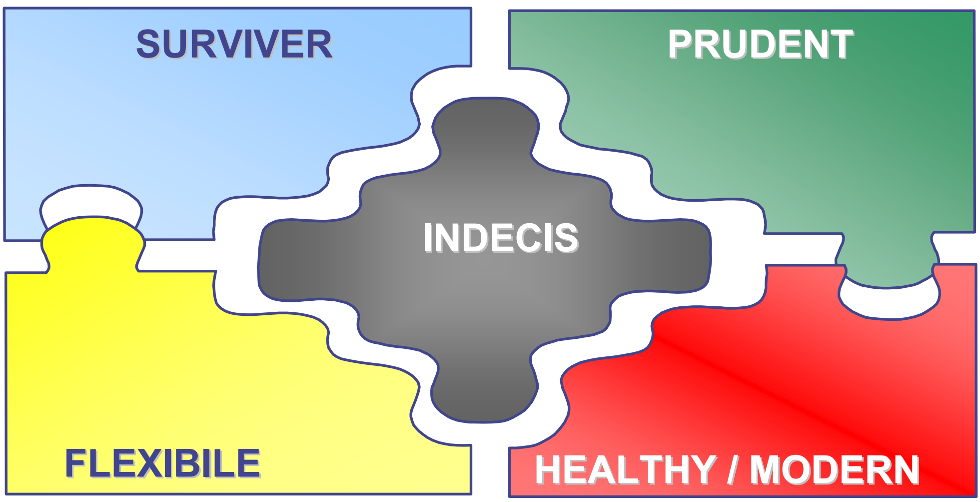
[2] The questionnaire was hosted by the site www.esurveyspro.com, having the following link: http://www.esurveyspro.com/Survey.aspx?id=1fc1de53-fae1-4276-a1cd-2cb5d336ceda

The profile of the mobile telecommunication user

This procedure of mobile telephony services user's profile determination is composed of 4 initial circles, each of them composed of a small number of subjects, in which, by spreading, new individuals can be included, arriving to a profile standardization.

Following this method, a group of subjects that is not characterized by any of the four profiles resulted, this being named **the group of undecided subjects**. They have characteristics that are common to the other profiles and that's why they can be characterized as undecided or uninvolved within the mobile telephony services' buying process.

Figure 1 - The mobile telephony services' user profile



Healthy / Modern

The users of mobile telecommunication services from this category have the following characteristics:

- They have at least two subscriptions at two different mobile telecommunication companies;
- They make use of their mobile phones for the following reasons: (a) to make calls; (b) to receive calls / SMS; (c) for data transmission; (d) to connect / navigate on the Internet directly on the mobile phone; (e) to send SMS / MMS; (f) to use the 3G technology – for instance for video calls;
- They have chosen the mobile telephony providers depending on the following criteria: (a) the quality of calls / sound; (b) the negotiable offer – they negotiated the contract; (c) the quality and availability of the customer relationship service; (d) the use of a last generation technology; (e) the company reputation; (f)

the diversity of the auxiliary / supplementary services; (g) the range and prices of the available mobile phones; (h) the costs they have to pay if they make a call within this network;

- When they last chose their mobile services provider, they took into consideration the following: (a) the tariffs for the fixed-mobile calls; (b) the tariffs in roaming; (c) the tariffs for MMS.

The Prudent

These mobile telephony users have the following characteristics:

- The have at least two prepaid cards at two different companies of mobile telecommunication services at least;
- They use their mobile phones for the following reasons: (a) to make calls; (b) to receive calls / SMS; (c) for data transmission; (d) to connect / navigate on the Internet directly from he mobile phone; (e) to send SMS / MMS; (f) to use the 3G technology – for instance for video calls;
- They have chosen the mobile telephony providers depending on: (a) the tariffs for calls; (b) the network coverage within the territory; (c) the friends that are subscribers of the same network; (d) the promotional offers – discounts, gifts etc;
- When they last chose the mobile telephony services provider, they took into consideration the following criteria: (a) the price of the prepaid cards; (b) the tariffs for calls within the same network; (c) the tariffs for mobile-mobile calls outside the network; (d) the tariffs for SMS.

The Flexible

The characteristics of this group of mobile telephony services users are:

- They have at least one prepaid card and a subscription at two different mobile telephony companies;
- They use mobile telephones for the following reasons: (a) to make calls; (b) to receive calls / SMS; (c) for data transmission; (d) to connect / navigate on the Internet directly from the mobile phone; (e) to send SMS / MMS; (f) to use the 3G technology – for instance, for video calls;
- They have chosen the mobile telephony providers depending on: (a) the tariffs for calls; (b) the network coverage within the territory; (c) the friends that are subscribers of the same network; (d) the promotional offers – discounts, gifts etc; (e) the quality of calls / sound; (f) the negotiable offer – they negotiated the contract; (g) the quality and availability of the clients relationship service; (h) the use of the latest generation technology; (i) the company reputation; (j) the variety of the auxiliary / supplementary services; (k) the range and prices for the available mobile telephones; (l) the costs that those who make calls within the same network have to pay for;
- When they last chose the mobile telephony provider, they took into consideration the following criteria: (a) the prepaid cards / subscriptions' price; (b) the tariffs for calls within the network; (c) the tariffs for mobile-mobile calls outside

the network; (d) the tariffs for SMS; (e) the tariffs for mobile-fixed calls; (f) the tariffs in roaming; (g) the tariffs for MMS.

The Survivor

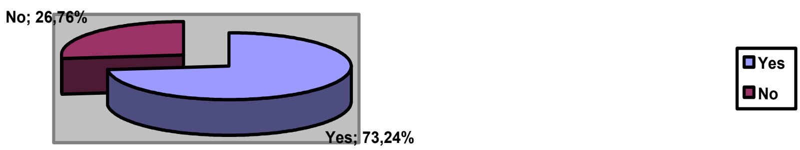
The users of mobile telephony services from this group have the following common characteristics:

- They have either a prepaid card or a subscription;
- They use their mobile phones for the following reasons: (a) to make calls; (b) to receive calls / SMS; (c) to send SMS / MMS;
- They have chosen the mobile telephony providers depending on the following criteria: (a) the tariffs for calls; (c) the friends that are subscribers within the same network; (d) the promotional offers – discounts, gifts etc;
- When they last chose the mobile telephony provider, they took into consideration the following things: (a) the prepaid cards / subscriptions' price; (b) the tariffs for calls within the same network; (c) the tariffs for mobile-mobile calls outside the network; (d) the tariffs for SMS.

Attitudes and preferences regarding the mobile telecommunication companies' offer

Taking into consideration the collected answers, every question from the questionnaire will be analyzed, putting accent on the elements that will serve to the determination of the attitudes and preferences of that category of persons for the mobile telecommunication companies' offer.

Figure 2 – The use of mobile telecommunication subscriptions



The youngsters aged between 20 and 29 years old, prefer the subscriptions in a percentage of 73,24%. There are situations when these persons have multiple subscriptions.

Table 4 – The purpose of the mobile telephony usage based on subscriptions

	I have a subscription at Orange	I have a subscription at Vodafone	I have a subscription at Zapp	I have a subscription at Cosmote	I have a subscription at RCS&RDS
1. to make calls	26%	26%	1%	18%	26%

2. to receive calls / sms without any type of traffic	24%	32%	1%	22%	18%
3. for data transmission	21%	26%	0%	21%	31%
4. to connect/ navigate on the Internet directly on the mobile phone	37%	43%	0%	12%	6%
5. to send sms / mms	31%	40%	0%	24%	4%
6. to make use of the 3G technology (i.g. for video calls)	50%	50%	0%		

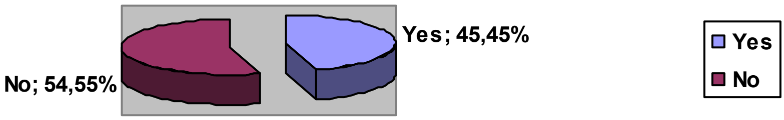
Regarding the use of the mobile phones for every subscription provider, the Orange operator owns the supremacy in calls making, together with Vodafone and RCS&RDS, with the same percentage of 26%, followed by the Cosmote operator with 18%.

The Vodafone operator is preferred for the 3G technology usage – i.g. for video calls (50%), to connect / navigate on the Internet directly on the mobile phone (43%), to send SMS / MMS (40%), to receive calls / SMS (32%). The Orange operator is mainly preferred for the same type of services, but in different percentages: for the 3G technology usage – i.g. for video calls (50%), to connect / navigate to Internet directly from the mobile phone (37%), to send SMS / MMS (31%).

The Zapp operator suffers from a weak usage of its services, only 1% of the respondents use the services of this operator to make calls or receive calls / SMS without making any type of traffic. Unfortunately the number of this operator's clients is only 500 000, despite its numerous advertising campaigns.

The RCS&RDS and Cosmote operators had a rapid development. The respondents make use of the Cosmote operator's services: to send SMS / MMS (24%), to receive calls / SMS without making any type of traffic (22%), for data transmission (21%). The RCS&RDS provider's services are used mainly for data transmission (31%), to make calls (26%), to receive calls / SMS without any type of traffic (18%).

Figure 3 – The mobile telephony usage based on prepaid cards



The youngsters aged between 20 and 29 years old prefer prepaid cards in a percentage of 45,45%. There are situations when these persons have multiple prepaid cards from various mobile telephony operators.

Table 5 - The goal of prepaid cards' mobile telephones usage

	I have a prepaid card at Orange	I have a prepaid card at Vodafone	I have a prepaid card at Cosmote
1. to make calls	44%	8%	47%
2. to receive calls / sms without making any type of traffic	48%	7%	44%
3. for data transmission	75%	0%	25%
4. to connect / navigate on the internet directly from the mobile phone	33%	0%	66%
5. to send sms / mms	48%	3%	48%
6. to use the 3G technology (i.g. for video calls)	50%	0%	0%

We can observe the fact that those who own prepaid cards at the Orange operator, make use of a large range of services, among them there are: data transmission (75%), 3G technology usage (50%), receiving calls / SMS without making any type of traffic (48%), sending SMS / MMS (48%), making calls (44%), connecting / navigating on the Internet directly on the mobile telephone (33%).

For the Cosmote operator, the most used prepaid cards services are: the connection / navigation on the Internet directly from the mobile phone (66%), the 3G technology usage (50%), sending SMS / MMS (48%) and making calls (47%). In exchange, the services of the Vodafone operator are not very used with prepaid cards.

Table 6 - Characteristics of calls

1. Generally the fixed-fixed calls are cheaper than the fixed-mobile calls	21,69%
2. Generally, the mobile-mobile calls are cheaper than the mobile-fixed calls	21,69%

3. Regarding international calls, generally, it is cheaper to make mobile-mobile or fixed-fixed calls than mobile-fixed or fixed-mobile calls	12,45%
4. Generally, the mobile-mobile calls within the same network are cheaper than the local fixed-fixed calls	9,64%
5. Generally, the mobile-mobile calls within the same network are cheaper than interdepartmental fixed-fixed calls	10,44%
6. Generally, the mobile-mobile calls outside the network are more expensive than the local fixed-fixed calls	13,65%
7. Generally, the mobile-mobile calls outside the network are more expensive than the interdepartmental fixed-fixed calls	10,44%

Regarding this question, the respondents consider that it is cheaper to make fixed-fixed calls than fixed-mobile calls (21,69%), in the same percentage with the ones that consider mobile-mobile calls to be cheaper than mobile-fixed calls (21,69%). A percentage of 12,45% from the respondents consider that, regarding the international calls, generally it is cheaper to make mobile-mobile or fixed-fixed calls than mobile-fixed or fixed mobile calls.

10,44% of the respondents consider that, generally, the mobile-mobile calls within the same network are cheaper that the interdepartmental fixed-fixed calls and, the mobile-mobile calls outside the network are more expensive than the interdepartmental fixed-fixed calls. Only 9,64% from the respondents consider that, generally, the mobile-mobile calls within the same network are cheaper than the local fixed-fixed calls.

Table 7 – Criteria for the choice of the mobile telephony services provider

1. Tariffs (for calls / subscriptions / other services)	19,66%
2. The quality of calls / sound	4,75%
3. The network coverage within the territory	11,86%
4. The company image	7,12%
5. The negotiable offer – I negotiated the contract	1,69%
6. The variety of the auxiliary / supplementary services	2,71%
7. The quality and availability of the customer relationship service	5,76%
8. The range and prices of the available mobile telephones	9,83%
9. The costs that those who make calls within the same network have to pay	3,05%
10. Loyalty programs	4,75%
11. The use of the last generation technology	1,69%
12. The friends are subscribers of the same network	13,90%
13. Promotional offers (discounts, gifts etc.)	13,22%

We can observe that one of the most important criterion taken into consideration by the respondents when they chose their mobile telephony services provider is represented by the tariffs for calls/ subscriptions / other services (19,66 %). The next criterion taken into consideration by 13,90 % from the questioned persons is the circle of friends that has a subscription within the same network.

At a little difference, 13,22% from the respondents consider that the promotional offers represent the most important element in choosing the mobile telecommunication services provider. The chosen negotiated offer and the latest technology take the last place with a percentage of 1,69% for each criterion.

Table 8 – Categories of tariffs taken into consideration in choosing the mobile telephony services provider

1. The price of the subscription / prepaid cards	31,46%
2. Tariffs for the calls within the network	20,79%
3. Tariffs for mobile-mobile calls outside the network	18,54%
4. Tariffs for mobile-fixed calls	6,18%
5. Tariffs for international calls	6,74%
6. Tariffs in roaming	2,25%
7. Tariffs for SMS	13,48%
8. Tariffs for MMS	0,56%
9. Tariffs to listen to the Vocal Message Box	0,00%

To this question, 31,46% of the respondents consider that the price of the subscription / prepaid cards represents the main element taken into consideration when choosing the mobile telephony services provider. The second place is taken by the tariffs for the calls made within the network, considered important by 20,79% from the questioned persons, followed by the tariffs for mobile-mobile calls outside the network (18,54%).

The tariffs for roaming and SMS are not so important, only 2,25% and 0,56% from the respondents chose their provider taking into consideration these criteria. None of the respondents didn't choose the tariffs for listening to their Vocal Message Box.

Table 9 – The degree of satisfaction towards the mobile telephony services provider

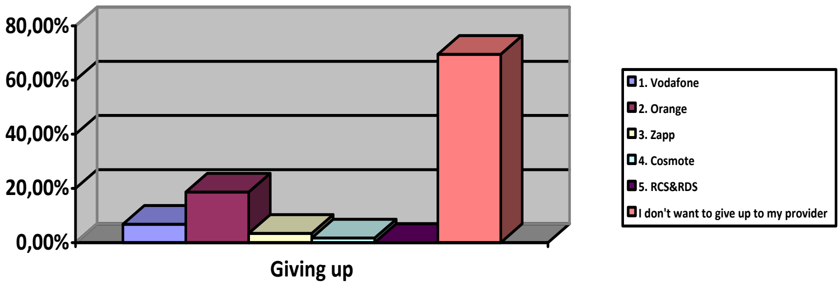
Provider	**General satisfaction**	**Satisfaction towards the services' quality**	**Satisfaction towards tariffs**
1. Vodafone	42%	32%	26%
2. Orange	40%	24%	36%
3. Zapp	33%	67%	0%
4. Cosmote	38%	10%	52%

5. RCS&RDS	22%	14%	64%

Speaking about the degree of satisfaction of the respondents, we can observe that the Vodafone and Orange operators bring general satisfaction to a percentage of 42%, and 40% from the respondents. Regarding the Zapp operator we can see a high level of satisfaction towards the services' quality (67% from the respondents).

The Cosmote and RCS&RDS operators can be remarked by the general satisfaction towards the tariffs, 52%, respective, 64% from the respondents being satisfied by the low tariffs of these operators.

Figure 4 - The intention to give up to the current mobile telephony services provider



To the question regarding the provider intending to give up within the following 12 months, we can observe that a high percentage, almost 70% from the respondents don't intend to give up to their provider, being pleased by the services offered to them. A percentage of 18,64% from the respondents wants to give up to the services of the operator Orange. No respondent wants to give up to the services of the RCS&RDS operator.

Table 10 – Reasons to give up to the mobile telephony services provider

Reason	Vodafone	Orange	Zapp	Cosmote	RCS&RDS
1. Subscription / rechargeable cards too expensive	32%	46%	4%	13%	5%
2. Too expensive tariffs for the calls within the network	30%	60%	10%	0%	0%
3. Too expensive tariffs for the calls outside the network	19%	72%	0%	9%	0%
4. Too expensive tariffs for international calls	20%	80%	0%	0%	0%
5. Too expensive tariffs for the calls in roaming	20%	60%	20%	0%	0%

6. New providers with cheaper mobile telephony services packages and tariffs	14%	57%	7%	22%	0%
7. The weak quality of the calls / sound	25%	25%	50%	0%	0%
8. The weak quality of the technical support	20%	40%	20%	0%	20%
9. The unavailability / weak quality of the customer relationship service	16%	33%	16%	16%	16%
10. The wrong invoice	50%	0%	0%	50%	0%

To this question responded only those that intended to give up to their mobile telecommunication services provider. We can observe that 46% from the respondents want to give up to the Orange provider because of the expensive subscriptions and prepaid cards. Also regarding the expensive tariffs for the calls within the network and the calls outside the network, a high percentage of respondents confirmed that they will give up to the Orange provider (60%, respective 72%). Neither for the international calls offer nor for calls in roaming, the Orange operator doesn't occupy a better place, 80%, respective 60% from he respondents being unsatisfied with these aspects.

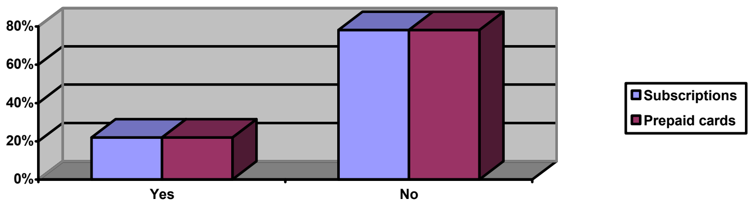
We can see that regarding the incorrect invoicing, 50% from the respondents are unsatisfied with the Vodafone and Cosmote operators.

Table 11 – The operator that will replace the provider it is intended to give up

	Vodafone	Orange	Zapp	Cosmote	RCS&RDS
1. I will pass to other mobile telephony provider with a subscription	13%	13%	6%	67%	0%
I will pass to other mobile telephony provider with a prepaid card	12%	12%	0%	76%	0%
3. I will give up to mobile telephony services and I will use in exchange fixed telephony services	0%	0%	0%	0%	0%

To this question, we can observe that 67% from those that will make a subscription to other mobile telephony operators will go to Cosmote. Also a percentage of 76% from the respondents will chose prepaid cards also from the Cosmote operator.

Figure 5 – The degree of giving up to subscriptions / prepaid cards within the last 12 months



We can observe that within the last 12 months, only 22% from the respondents gave up to subscriptions and prepaid cards.

Table 12 – The reasons for giving up to subscriptions or prepaid cards within the last 12 months

Reason	Vodafone	Orange	Zapp	Cosmote	RCS&RDS
1. Subscription / rechargeable cards too expensive	14%	72%	0%	14%	0%
2. Too expensive tariffs for the calls within the network	50%	50%	0%	0%	0%
3. Too expensive tariffs for the calls outside the network	23%	69%	0%	8%	0%
4. Too expensive tariffs for international calls	43%	43%	0%	14%	0%
5. Too expensive tariffs for the calls in roaming	43%	43%	0%	14%	0%
6. New providers with cheaper mobile telephony services packages and tariffs	38%	38%	0%	24%	0%
7. The weak quality of the calls / sound	33%	0%	33%	0%	34%
8. The weak quality of the technical support	50%	0%	50%	0%	0%

9. The unavailability / weak quality of the customer relationship service	33%	0%	33%	34%	0%
10. The wrong invoice	50%	0%	0%	50%	0%

We can observe that 72% of the respondents gave up to the Orange operator within the last 12 months, as a consequence of the too expensive subscriptions and prepaid cards, and 69% a consequence of the too expensive tariffs for the calls outside the network.

Regarding the expensive tariffs for the calls within the network, the respondents gave up in an equal proportion (50%) to the Vodafone and Orange operators. However, 43% of the questioned persons gave up to these operators as a result of the expensive tariffs for the international calls and calls made in roaming. The incorrect invoice was the reason for which 50% of the respondents gave up to Vodafone provider and, in the same percentage, to Cosmote.

Table 13 – The operator that replaced the provider which was given up to within the last 12 months

	Vodafone	Orange	Zapp	Cosmote	RCS&RDS
1. I will pass to other mobile telephony provider with a subscription	8%	8%	8%	58%	18%
2. I will pass to other mobile telephony provider with a prepaid card	16%	34%	0%	50%	0%
3. With fixed telephony services	0%	0%	0%	0%	100%

Those who passed to other mobile telephony provider with a subscription chose in a percentage of 58% Cosmote, and those who passed to other mobile telephony provider with a prepaid card also chose the Cosmote provider (50%).

Those who passed to fixed telephony to replace the operator they gave up to, chose the RCS&RDS operator within a percentage of 100%.

Conclusion

Concluding, we can say that the youngsters from Craiova, aged between 20 and 29 years old use mainly mobile telephony services based on subscriptions, from many operators, so as that the advantages and disadvantages to have an equilibrium.

The youngsters choose the subscriptions from the Orange, Vodafone and RCS&RDS operators, and less the subscriptions from the Zapp or Cosmote operators. The motivation is linked by the services' quality, Cosmote being chosen for the cheapest tariffs and the attractive offers for the prepaid cards. However, the RCS&RDS operator is preferred for the cheap tariffs and minutes included within the offer.

The youngster analyse the offers of the mobile telephony operators, for subscriptions and prepaid cards and choose several operators, covering the range of their communication needs. Few are those that have only a subscription or a prepaid card from a single mobile telephony operator.

The competition on the telecommunication market from Craiova, on the segment of 20 and 29 years old, is very intense, the youngsters choosing in a rational way the best offer taking into consideration the quality, but especially the cheap tariffs, fact justified by the quality of student or the modest incomes from this age.

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