

# Quantitative Research Report On Fixed Telephony Market

• Business Sample •

Report prepared for:  
TASC Strategic Consulting

April-May 2007

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# GENERAL FRAMEWORK AND OBJECTIVES

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□ The Gallup Organization Romania conducted in April 2007 a research to monitor the tendencies in the behavior related to the use of electronic communication services, in order to assess the extent to which the objective to protect the end-users' interest has been achieved through the regulatory activity of ANRC.

□ The objectives of this research have been to identify:

- End user profile;
- End users' usage habits;
- End users' satisfaction with the quality, tariffs and diversity of services (including price quality proportion and interest in new & innovative services);
- End users' awareness of the quality, tariffs, diversity of services of a competing providers;
- Criteria for choosing a provider (decision making and information used);
- Barriers of switching between providers;
- End users' sensitivity to price
- For non-users – Reasons not to subscribe.

□ This report presents the fixed telephony market. End-users' investigated segment : business.

# RESEARCH METHODOLOGY – RESIDENTIAL SAMPLE

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- **Research target:** urban active companies in Romania (which submitted 2005 balance sheet and annual revenues > 0 EURO).
- **Universe:** 376.611 companies.
- **Research unit:** the employees in charge with making decisions regarding suppliers of fixed telephony services.
- **Research sample:** 327 companies which use fixed telephony services, maxim margin error  $\pm 5.3\%$  .
- **Sample type:** probabilistic sample.
- **Sampling:** representative sample randomly selected from the Ministry of Finance database. The final sample was weighted with structure of fixed telephony users by number of employees – data from previous research for ANRC was used as source for the weighting factor.
- **Field interviews:** April 17-26, 2007.
- The interviews were conducted by phone based on a standard questionnaire applied by trained operators. The average length of an interview was 12 minutes.

# SOCIO-DEMOGRAPHIC PROFILE OF THE SAMPLE

(N=327)

<b>Number of employees</b>	<b>%</b>
1-2 employees	39.8
3-9 employees	33.6
10-49 employees	20.8
50-249 employees	4.9
250+ employees	0.9

<b>Turnover in 2005</b>	<b>%</b>
up to 10,000 Euro	41.3
10,001-50,000 Euro	29.7
50,001-100,000 Euro	10.1
100,001-500,000 Euro	13.8
500,001-1,000,000 Euro	1.8
over 1,000,000 Euro	3.4

\* reference: average exchange rate in 2005: 1 Euro = 3,62 RON

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# RESEARCH REPORT

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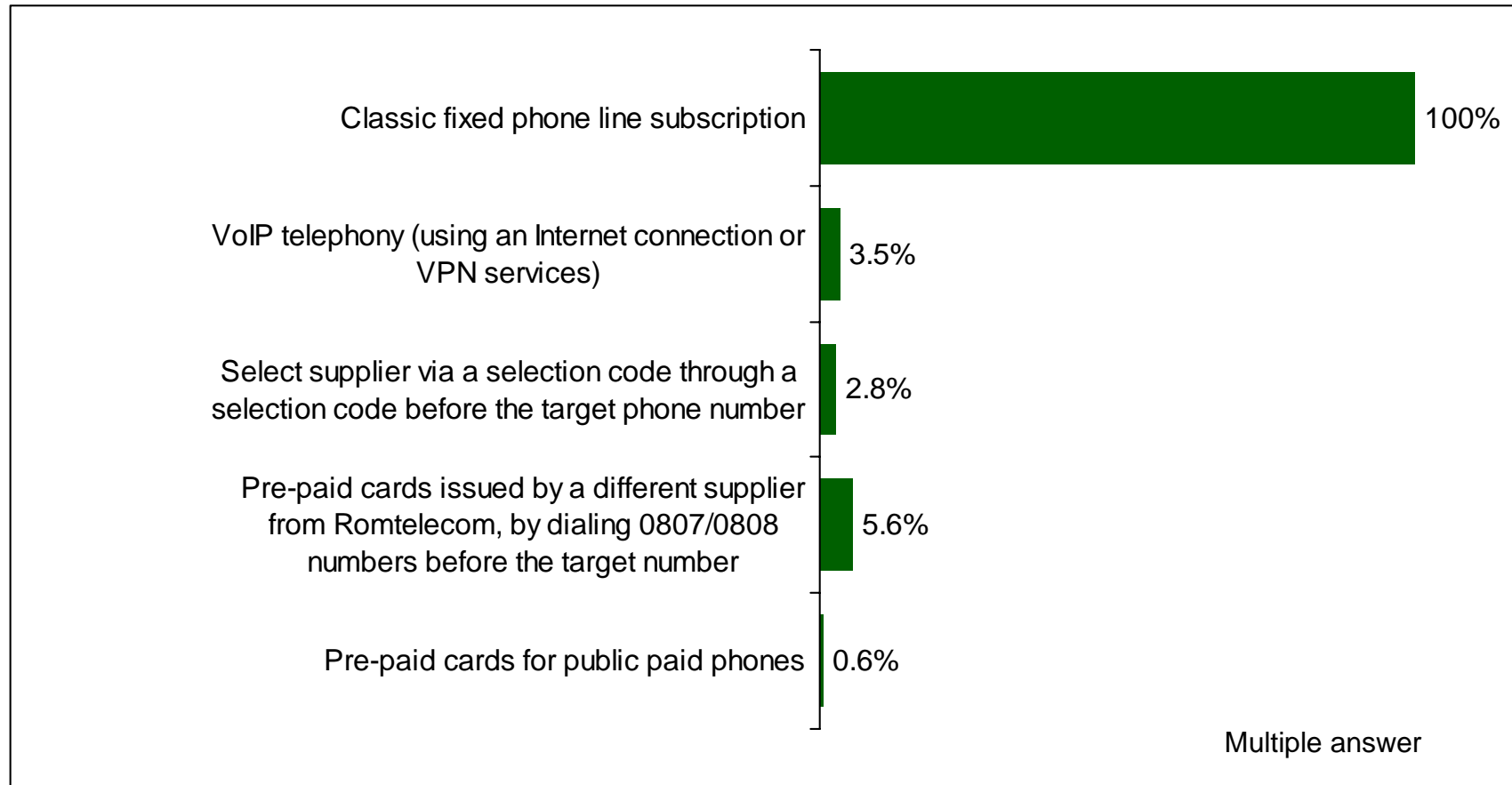
# **I. End Users Profile**

- Used Services and Suppliers**

# Fixed Telephony Services Used by Companies

TF2 .What type of fixed line services does your company use?

Base: companies which use fixed telephony services, N = 327

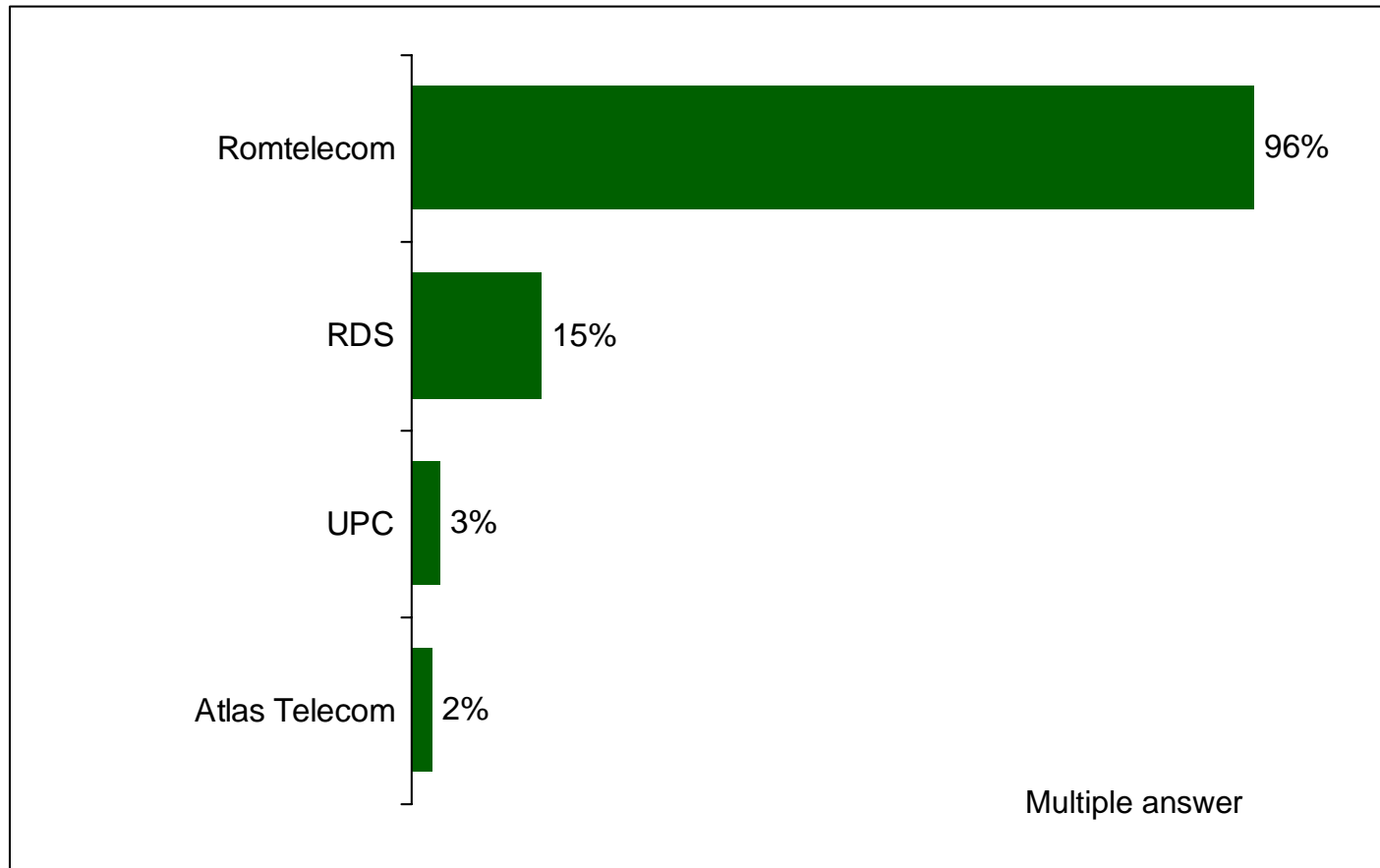




# Fixed Telephony Providers

TF1. What is/are your supplier(s) of fixed telephony services?

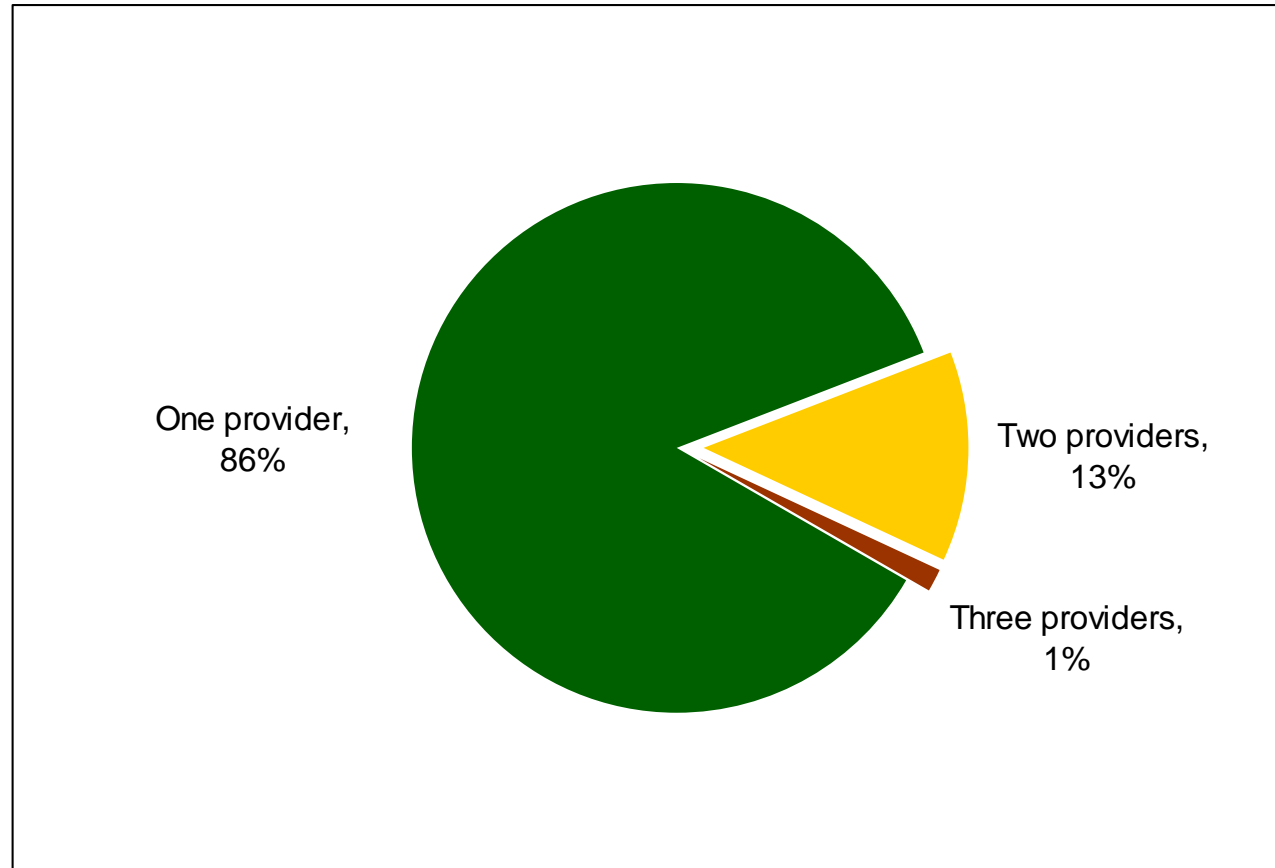
Base: companies which use fixed telephony services, N = 327



# Number of Fixed Telephony Providers

TF1. What is/are your supplier(s) of fixed telephony services?

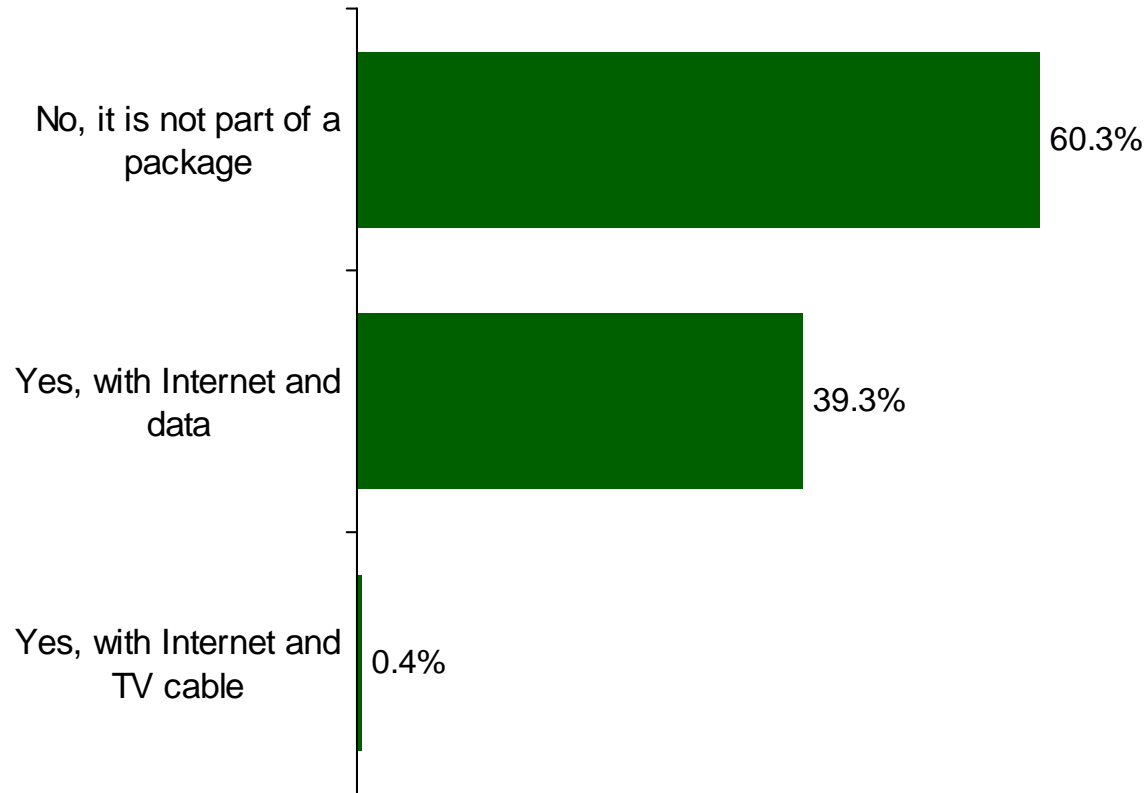
Base: companies which use fixed telephony services, N = 327



# Is Your Subscription a Part of a Package of Services?

TF3. Do you receive your fixed telephony services as part of a package?

Base: companies which use fixed telephony services, N = 327



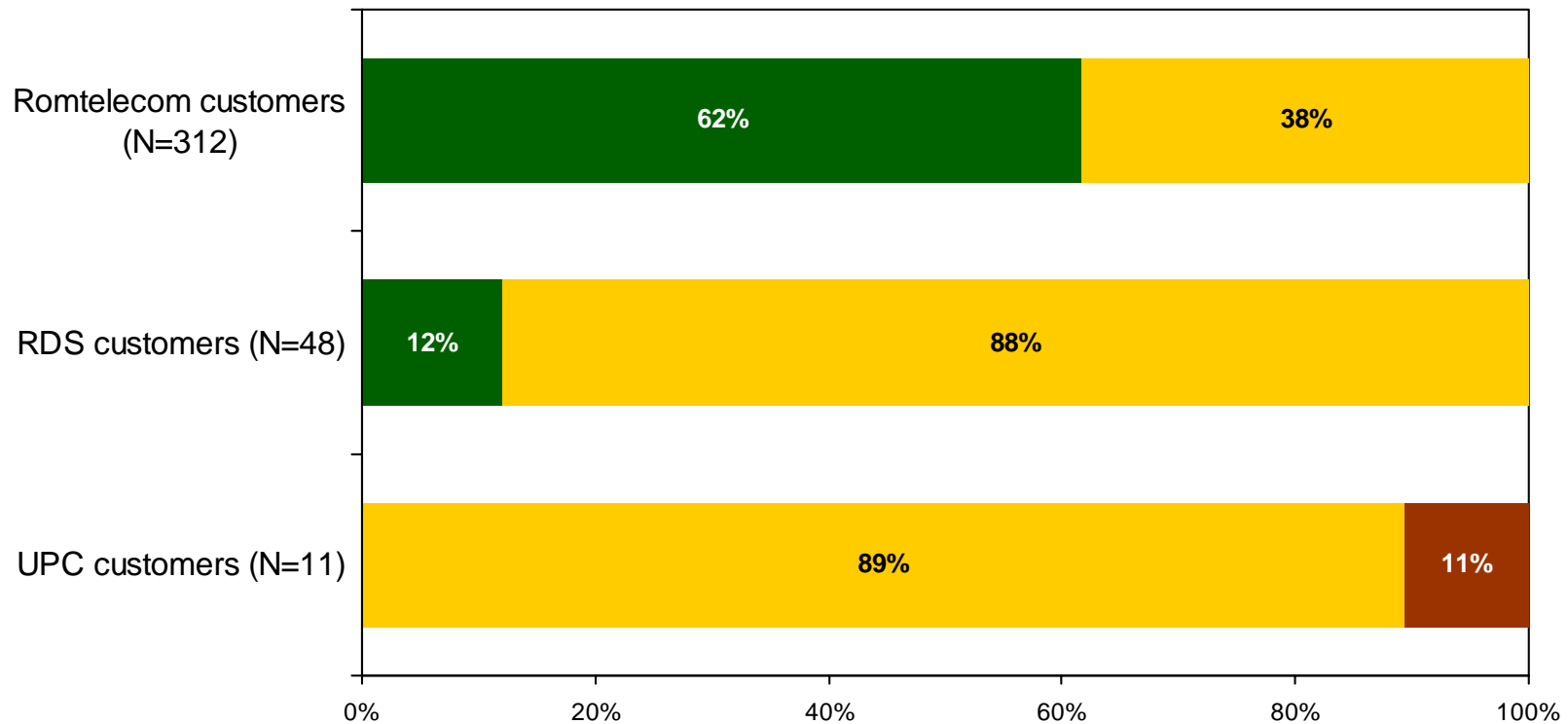
Multiple answer question

# Is Your Subscription a Part of a Package of Services?

TF3. Do you receive your fixed telephony services as part of a package?

Base: Romtelecom / RDS / UPC users

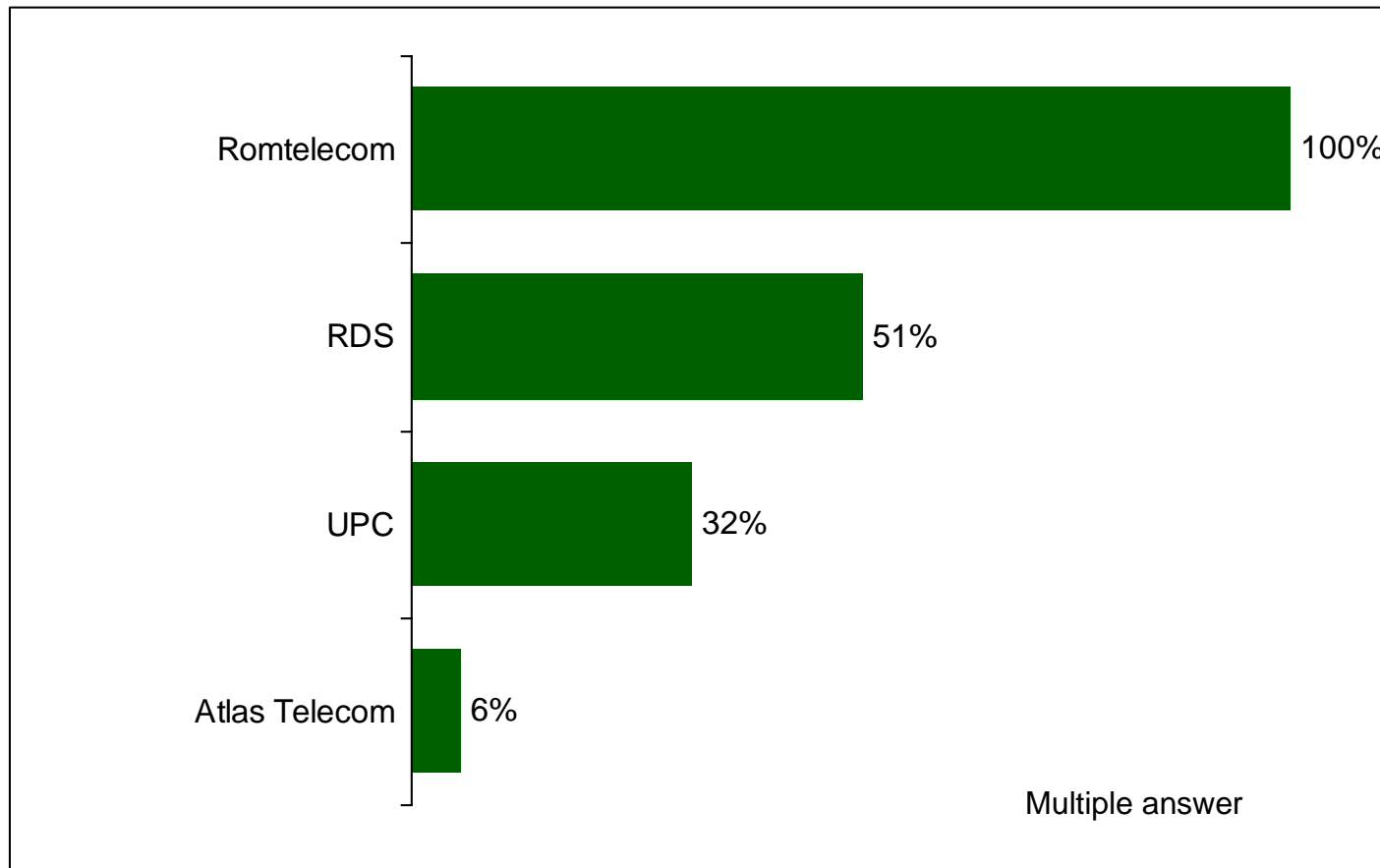
■ No, it is not part of a package    ■ Yes, with Internet and data    ■ Yes, with Internet and TV cable



# Awareness of the Presence of Fixed Telephony Providers in the Area of Company's Business Place

TF14.1 Which of the following fixed services are available in your business place?

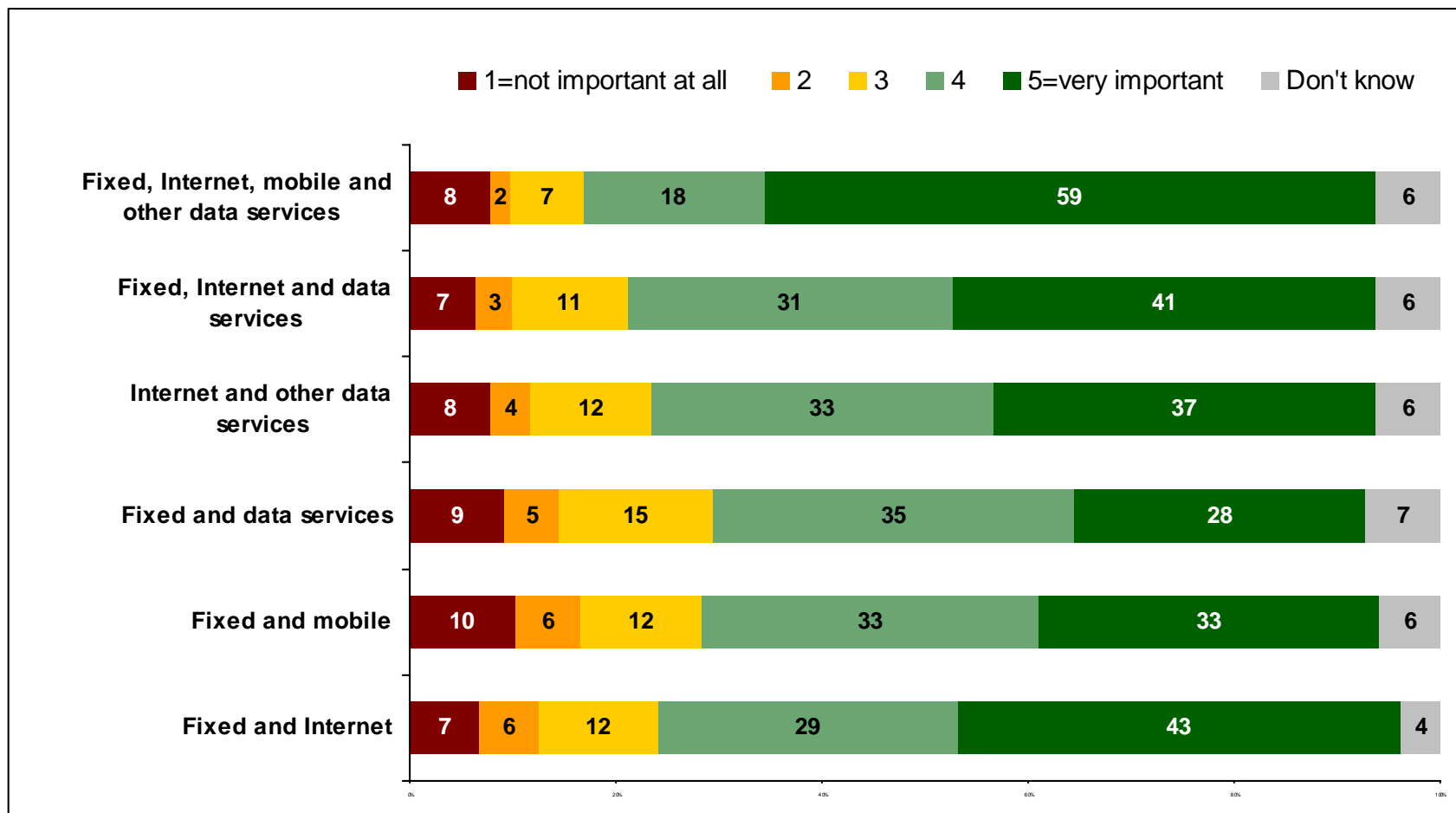
Base: companies which use fixed telephony services, N = 327



# Desired Package

SD10. How important is it for you to receive the following telecom services from one provider:

Base: companies which use fixed telephony and Internet services, N = 202



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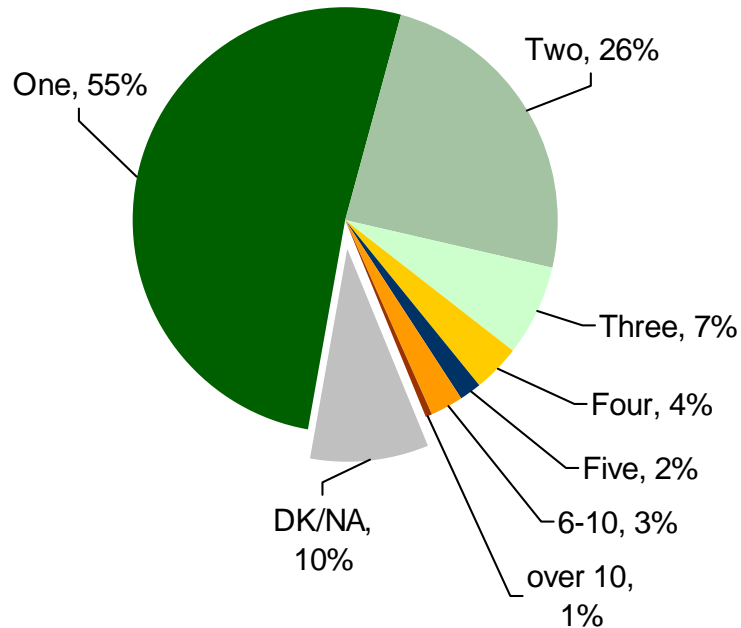
## **II. Fixed Phone Usage Habits**

# Number of Fixed Phone Lines & VoIP Lines

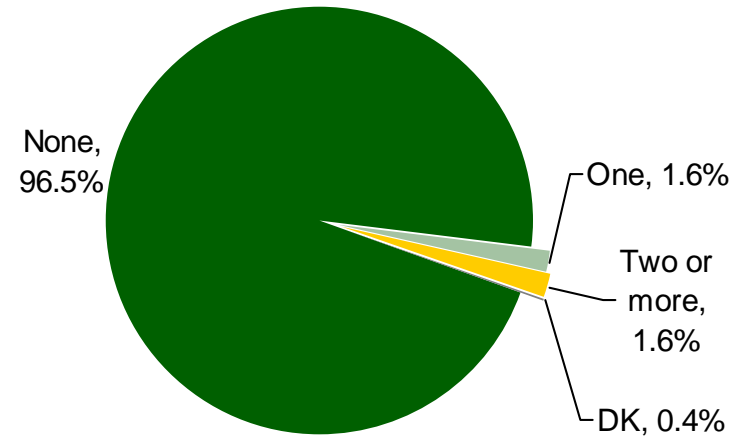
TF4. How many fixed phone lines (not extensions) does your company have? And how many Voice over IP lines does your company have?

Base: companies which use fixed telephony services, N = 327

### Number of fixed phone lines



### Number VoIP lines

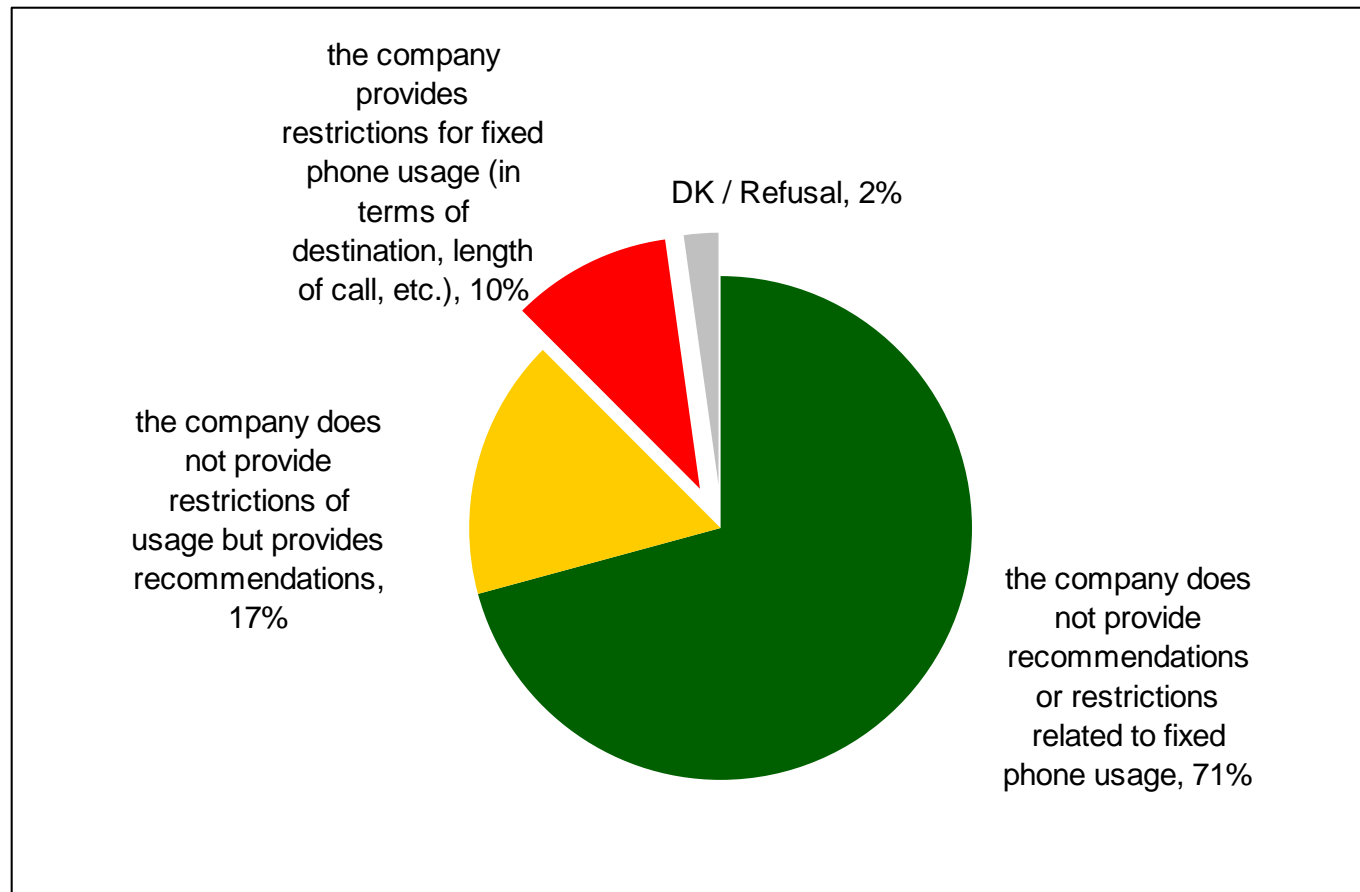




# Companies' Policies regarding Fixed Phones Usage - usage restrictions -

Which of the following statements best describe your company policy on use of fixed phones?

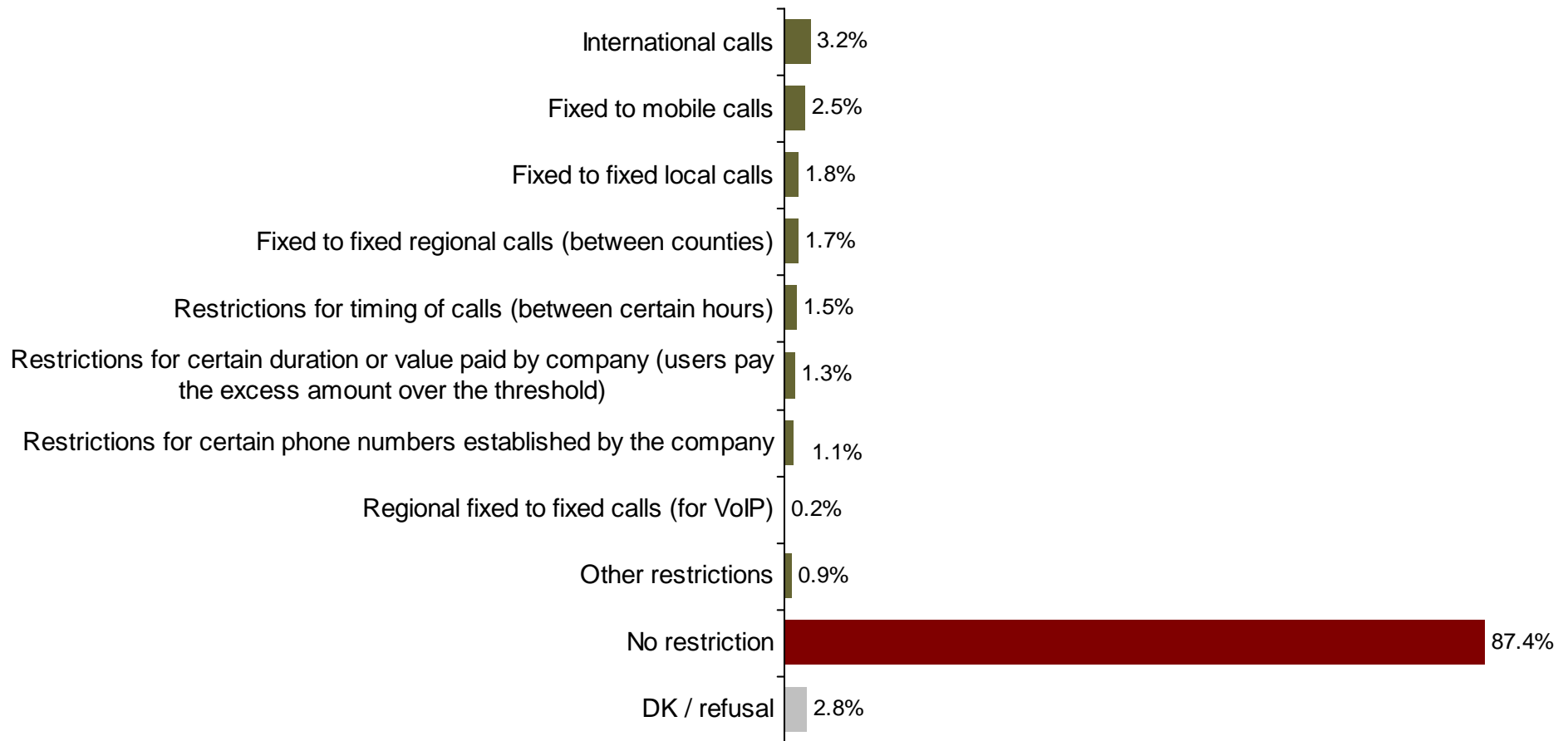
Base: companies which use fixed telephony services, N = 327



# Mobile Phones Usage Restrictions for Non-managerial Employees

TF6. What type of restrictions on use of fixed phones does your company use for non-managerial employees? What about for managers?

Base: companies which use fixed telephony services, N = 327

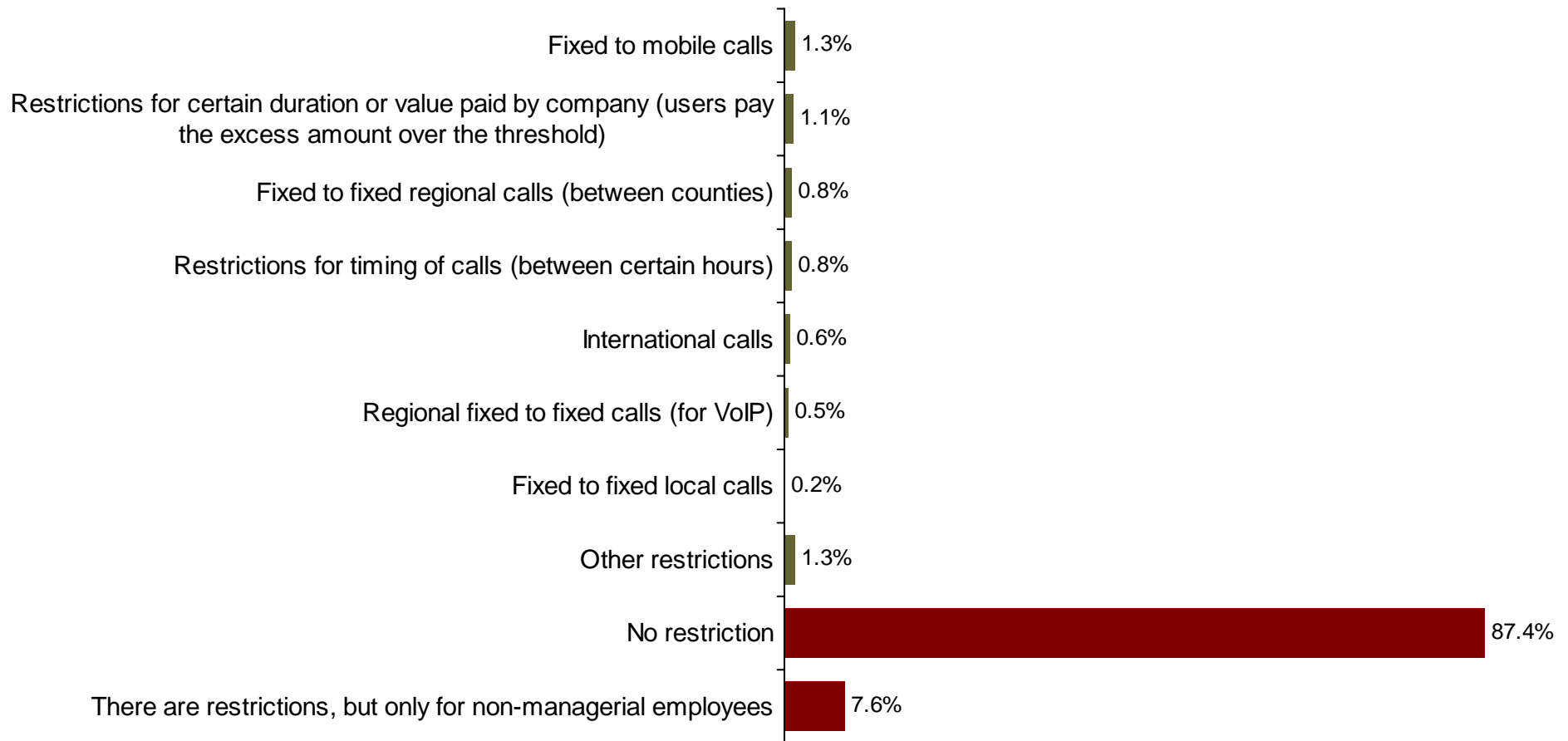


*Multiple answer*

# Mobile Phones Usage Restrictions for Managers

TF6. What type of restrictions on use of fixed phones does your company use for non-managerial employees? What about for managers?

Base: companies which use fixed telephony services, N = 327

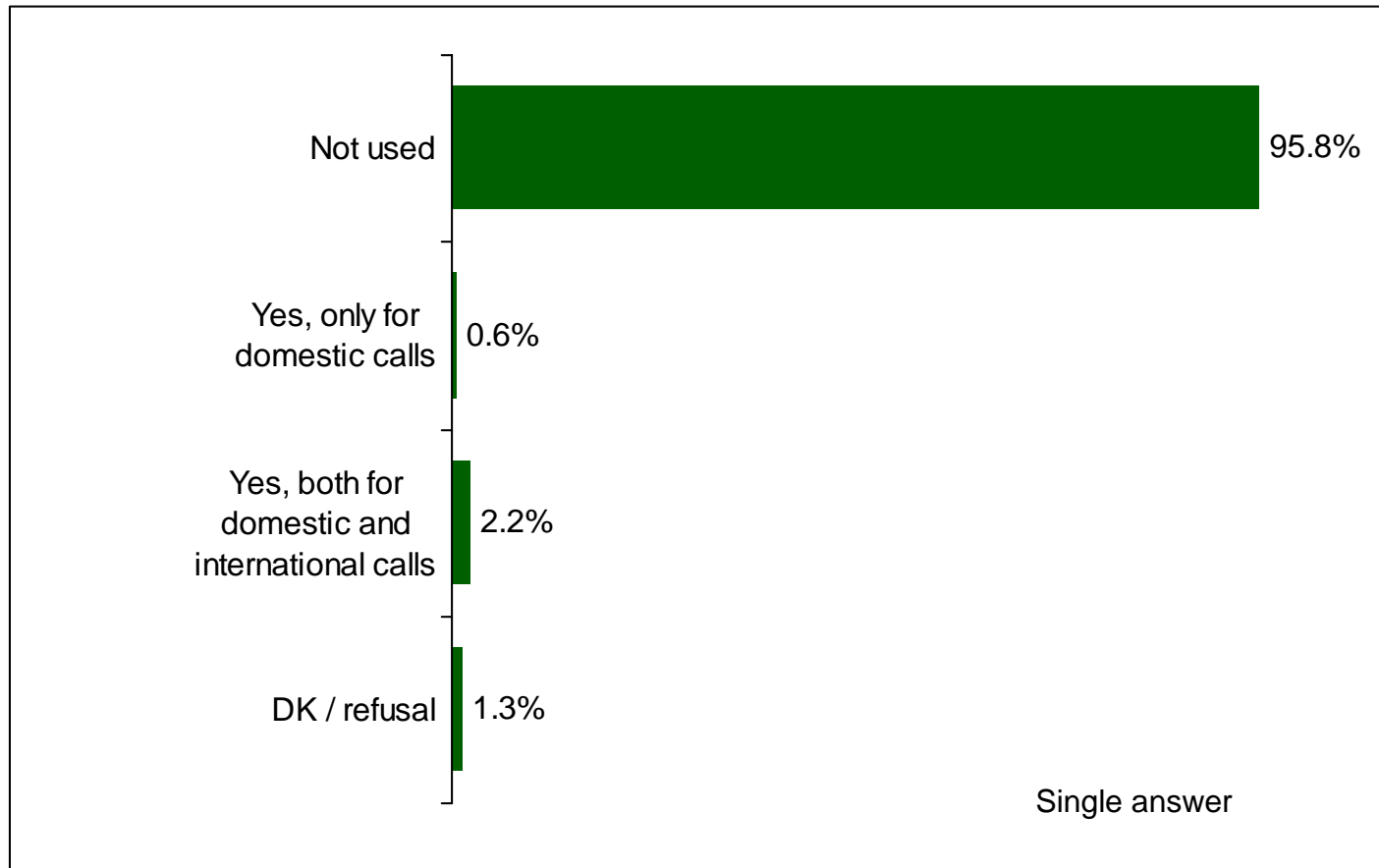


*Multiple answer*

# Usage of Selection Code Telephony in Companies

TF7. Is the selection code telephony used in your company?

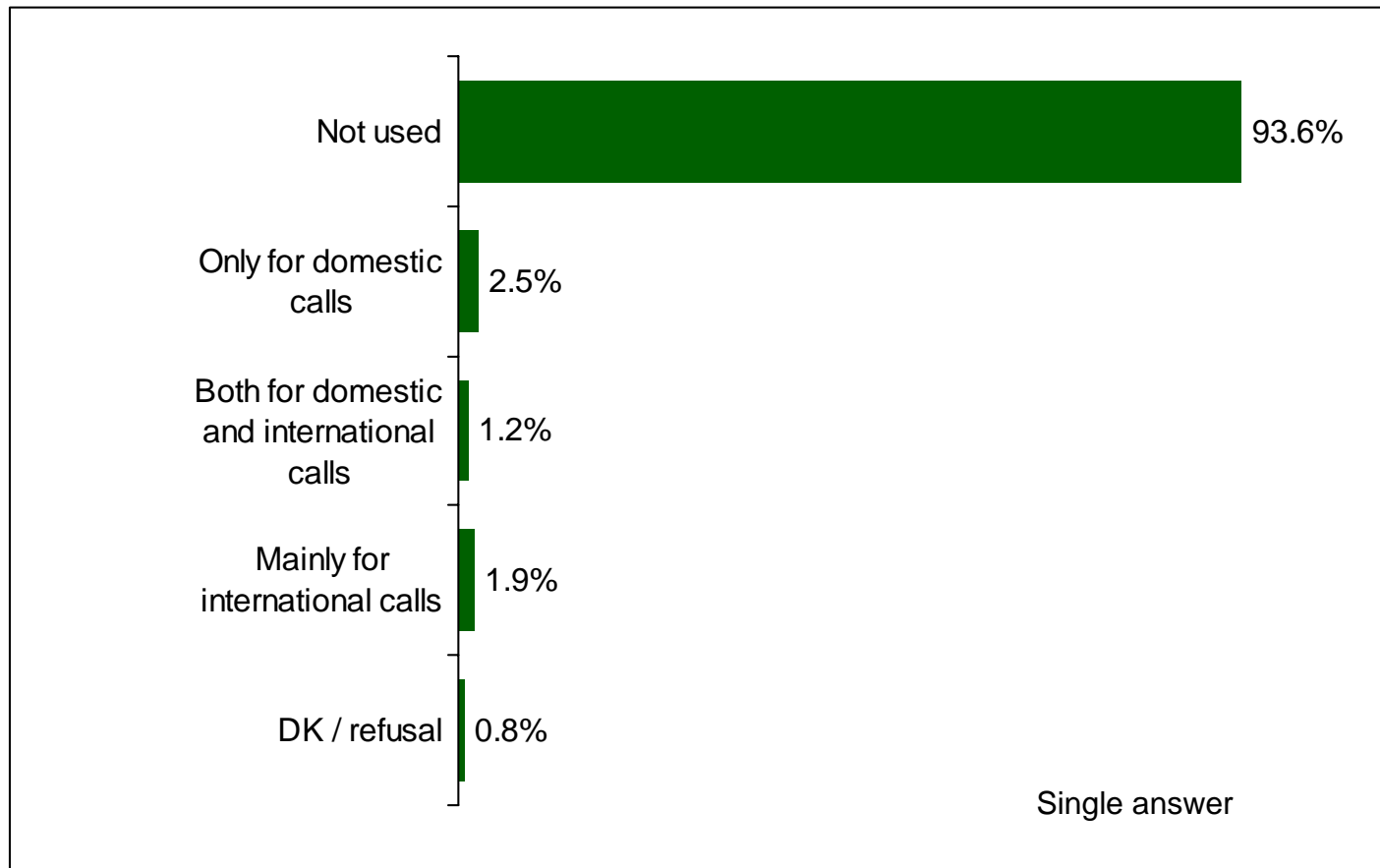
Base: companies which use fixed telephony services, N = 327



# Usage of Pre-paid Card Telephony in Companies

TF8. How is the pre-paid card telephony used in your company?

Base: companies which use fixed telephony services, N = 327



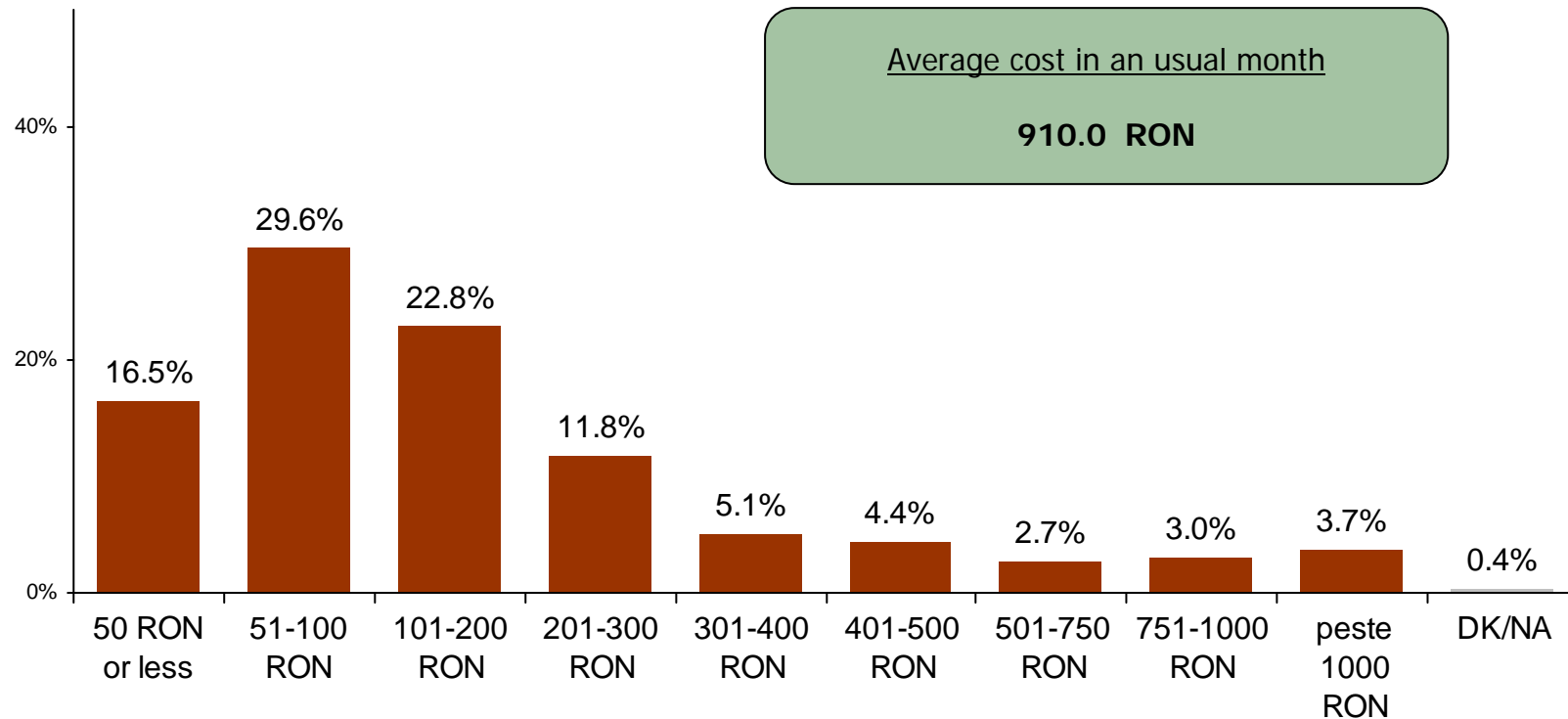
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# **III. Tariffs of Fixed Telephony Services**

# Total Monthly Costs of Fixed Telephony Services

TF9. How much does your company pay for fixed telephony services in an usual month?

Base: companies which use fixed telephony services, N = 327

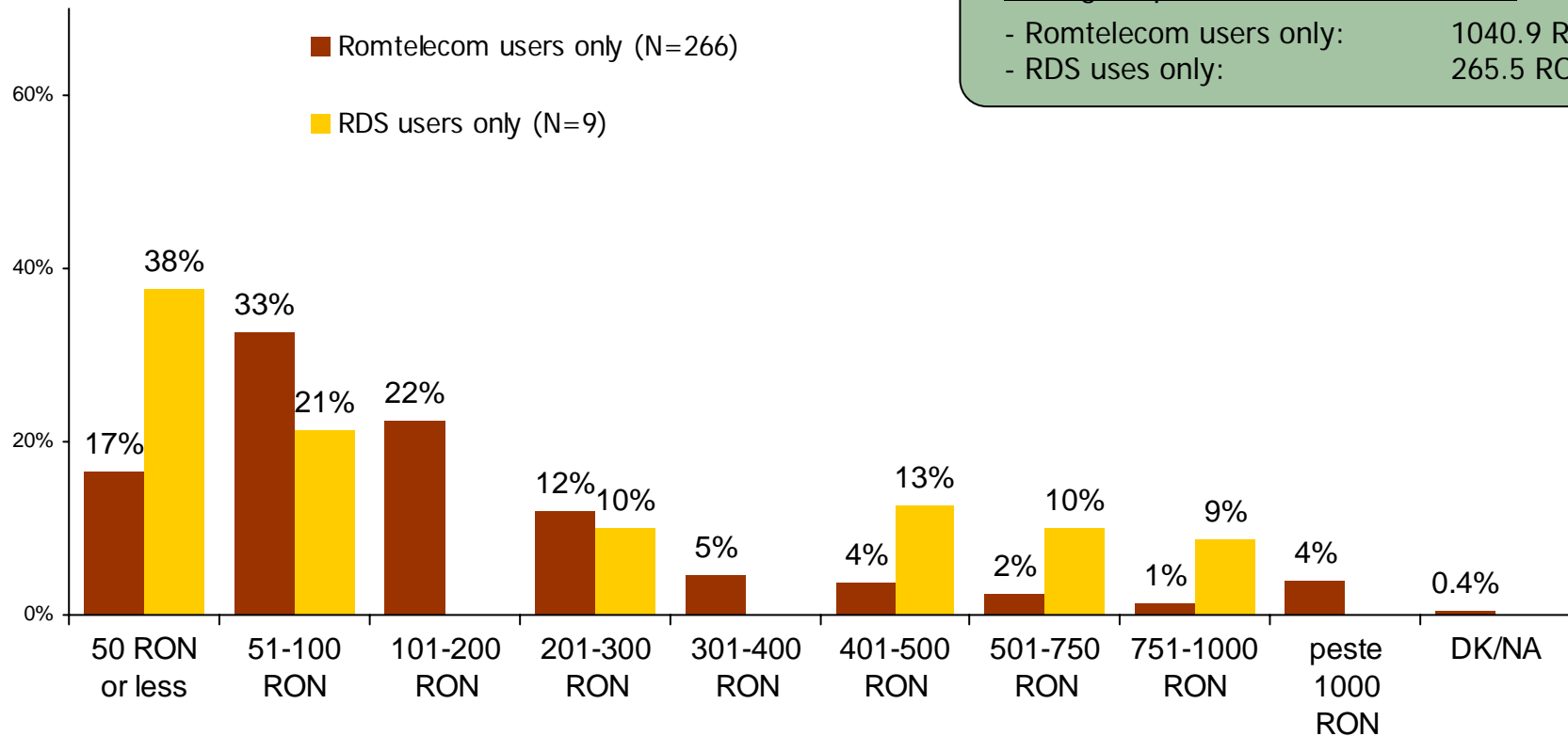


# Total Monthly Costs of Fixed Telephony Services

Romtelecom users vs RDS users

TF9. How much does your company pay for fixed telephony services in an usual month?

Base: Romtelecom / RDS users



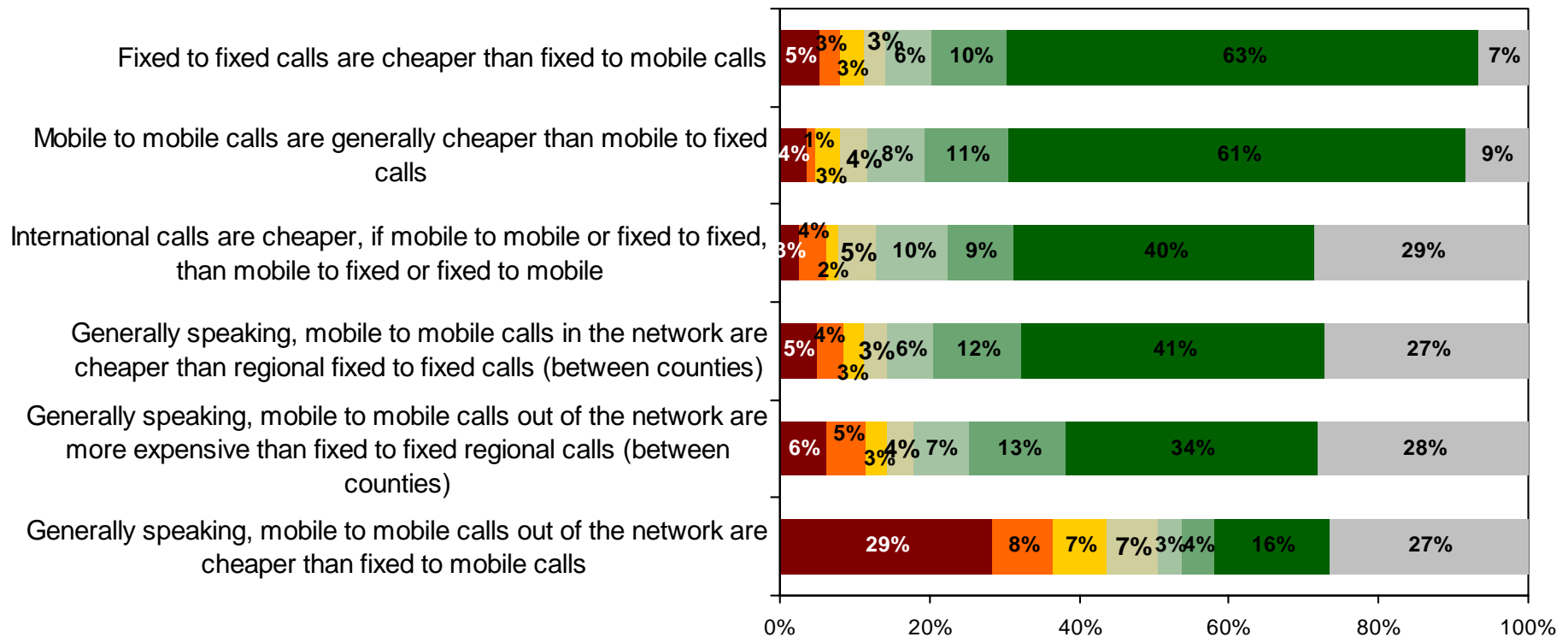


# Tariffs Awareness

TF10. I will read a number of statements that other people have made regarding fixed and mobile telephony. On a scale from 1 to 7, where 1 = totally disagree and 7 = totally agree, please indicate whether you agree with these statements. You may use any number between 1 and 7.

Base: companies which use fixed telephony services, N = 327

1=totally disagree   2   3   4   5   6   7=totally agree   DK



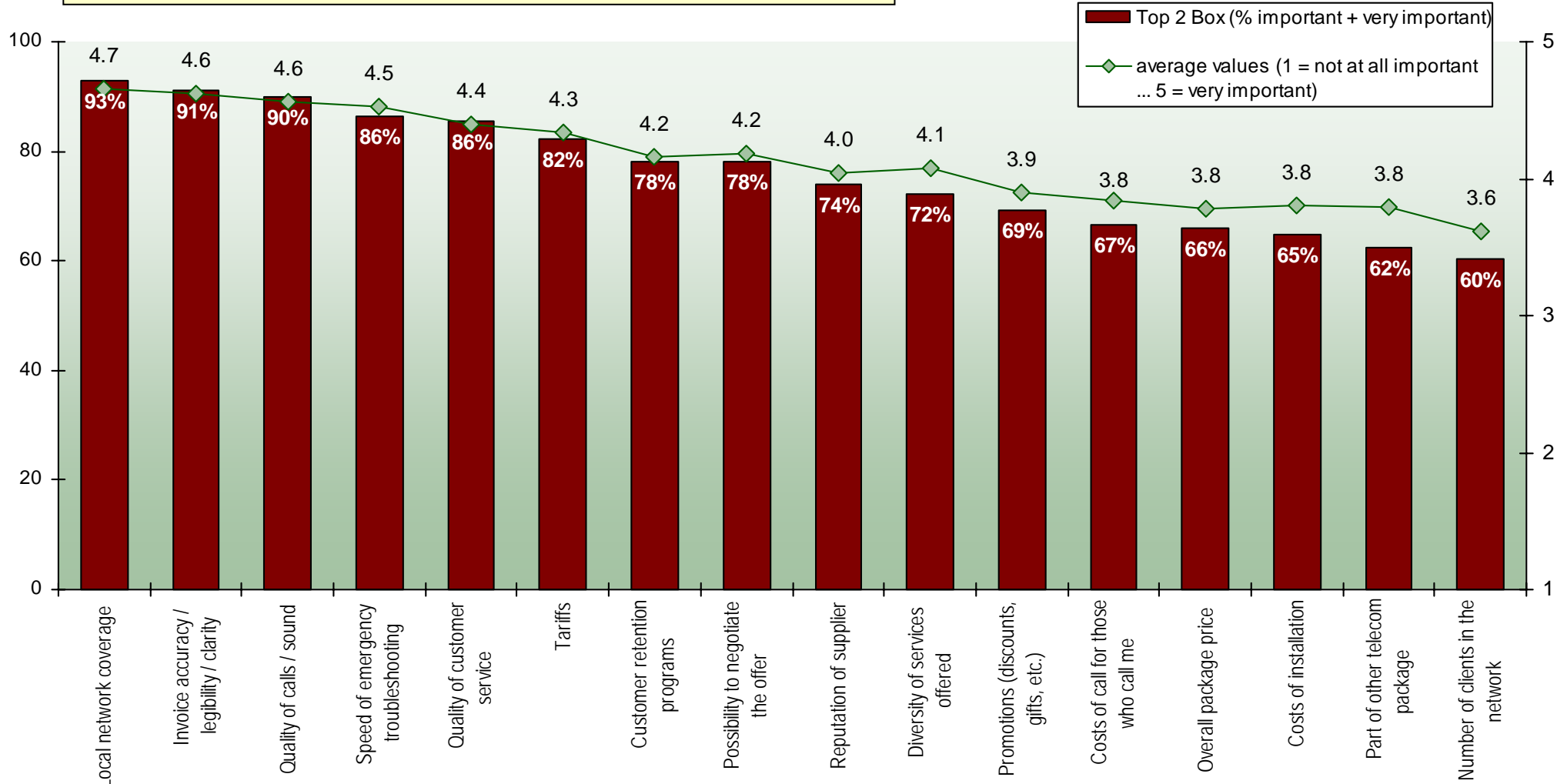
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## **IV. Selection Criteria of Fixed Telephony Services**

# Importance of Selection Criteria for Currently Used Fixed Telephony Services

TF11. How important are for you any of the following criteria to select a fixed line supplier or service? Please use a scale from 1 to 5 where 1 is not at all and 5 is very important. You may choose any number between 1 and 5.

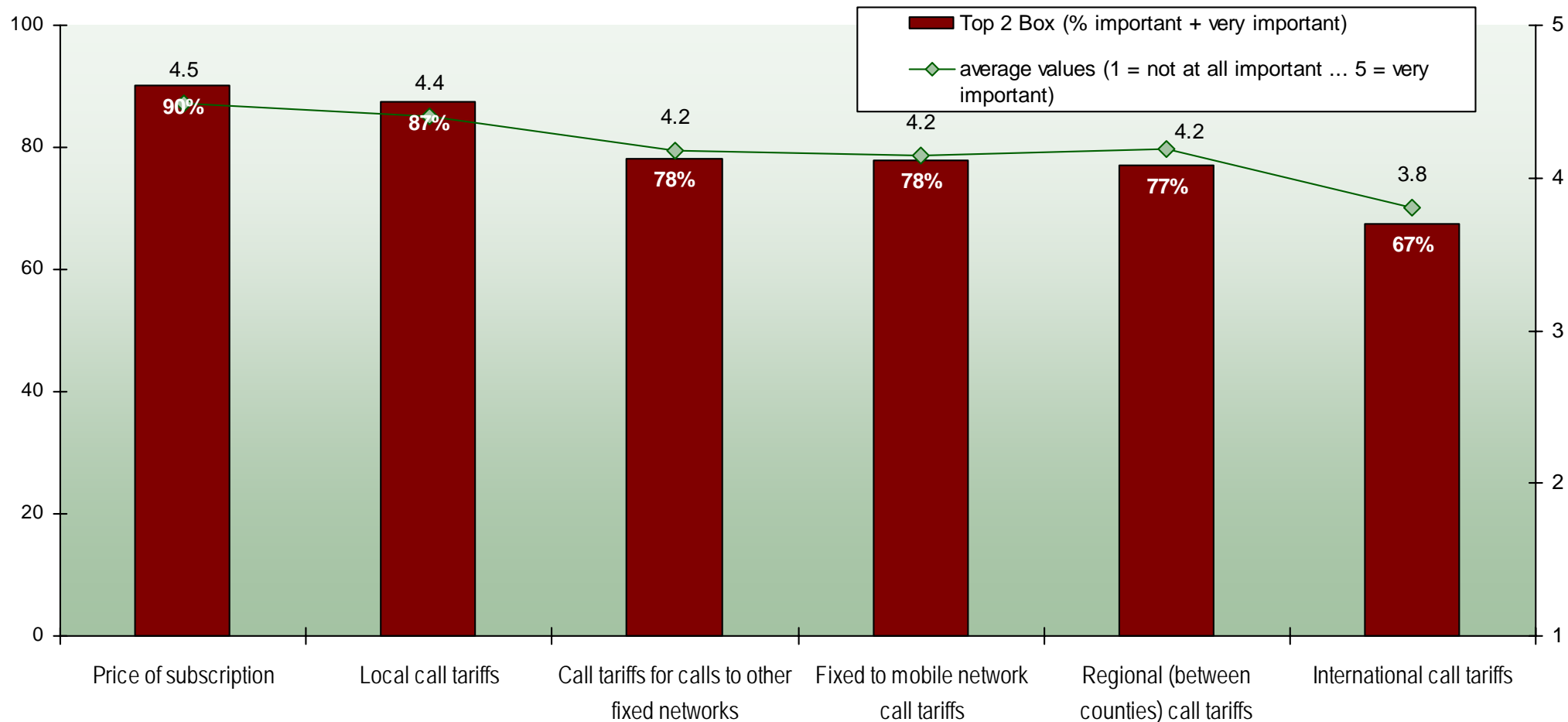
Base: companies which use fixed telephony services, N = 327



# Importance of Type of Tariff for Selection of Currently Used Fixed Telephony Services

TF12. How important were for you each of the following categories of tariffs? Please use a scale from 1 to 5 where 1 is not at all and 5 is very important. You may choose any number between 1 and 5.

Base: companies for which the tariffs are important or very important when they select a fixed telephony services, N = 269



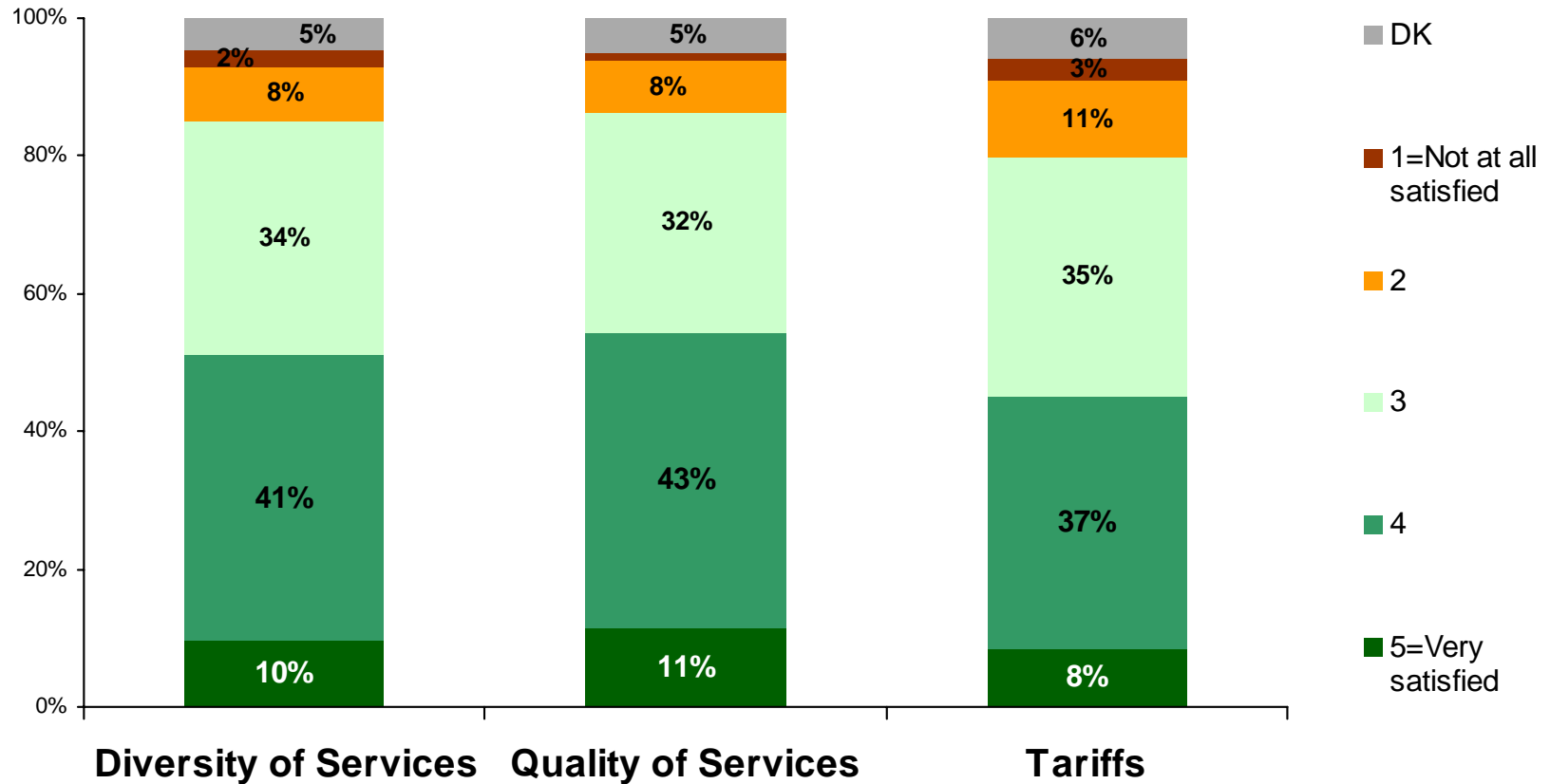
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## **V. Level of Satisfaction with Fixed Telephony Services**

# Satisfaction with Fixed Telephony Services in Romania

TF16. How satisfied are you with the services provided in Romania (diversity, quality and tariffs)? Please use a scale from 1 to 5 where "5" is very satisfied and "1" is not at all

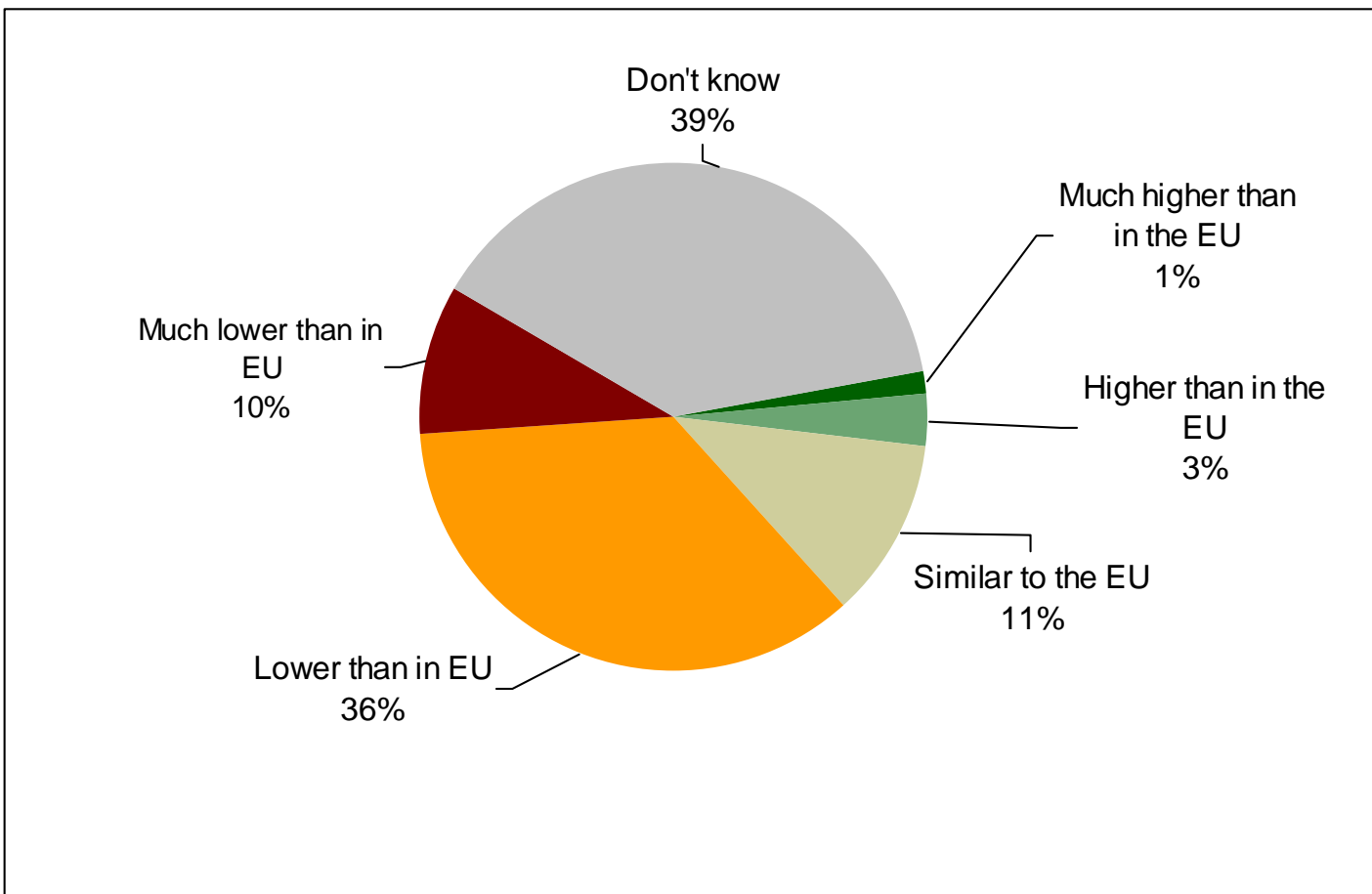
Base: companies which use fixed telephony services, N = 327



# Quality to Price Proportion of the Fixed Telephony Services In Romania Compared to EU

TF17. In your opinion, the quality to price proportion as regards to fixed telephony services available to you, compared to the ones available in the EU is:

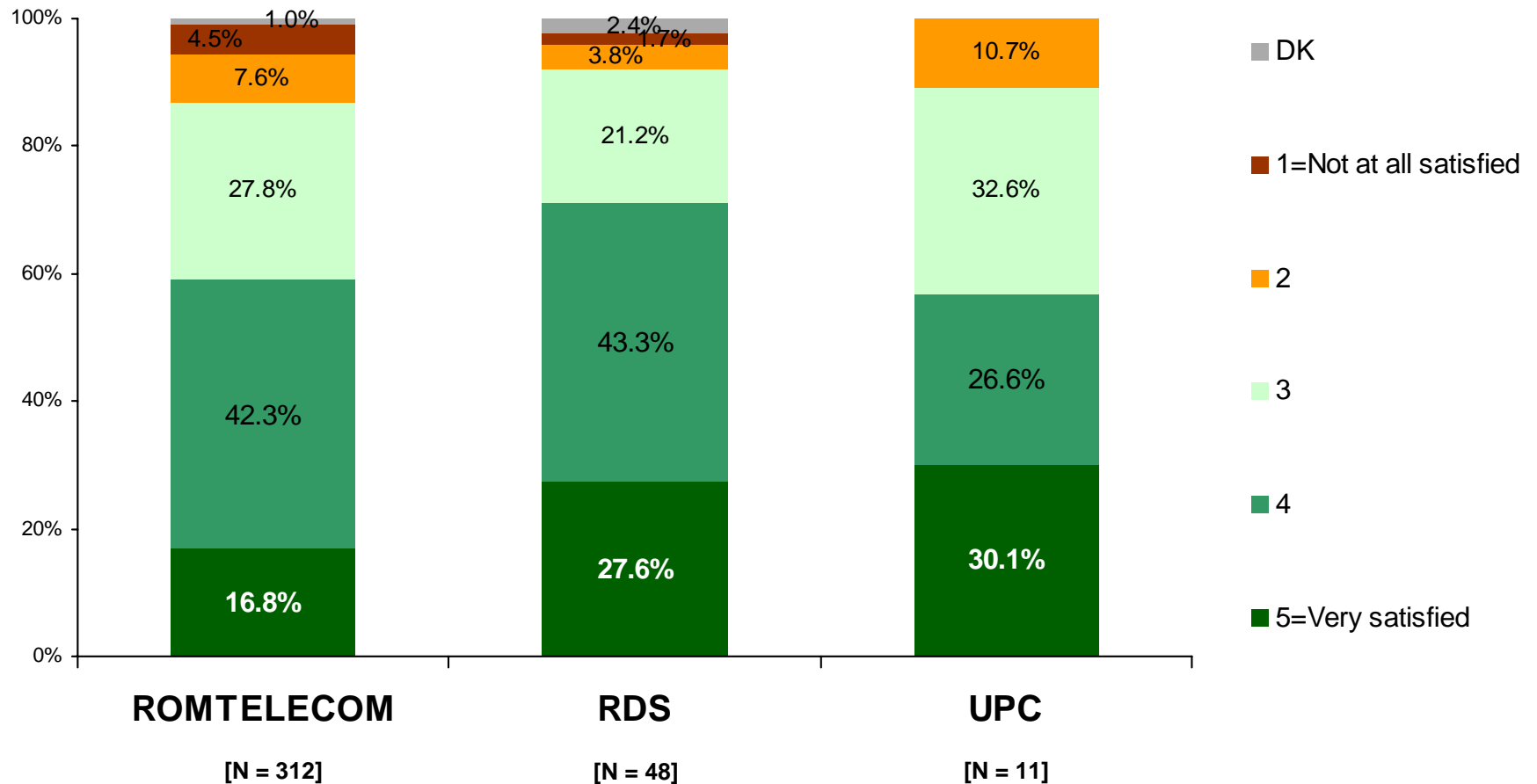
Base: companies which use fixed telephony services, N = 327



# Overall Satisfaction with Fixed Telephony Providers

TF13a. Overall, how satisfied are you with the of services provided by your fixed telephony supplier? Please use a scale from 1 to 5 where “5” is very satisfied and “1” is not at all.

Base: companies which use mobile telephony services from the respective providers

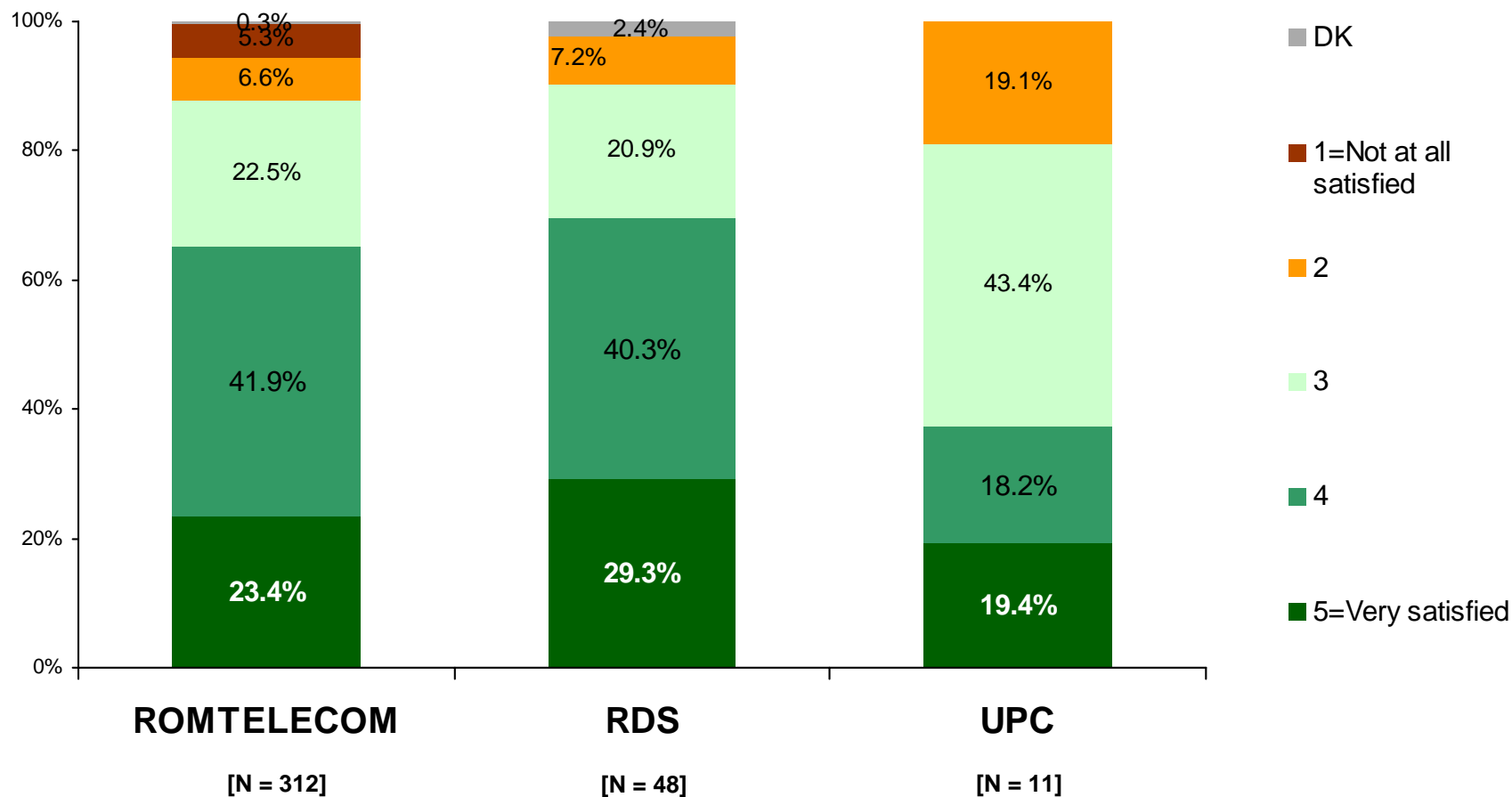




# Level of Satisfaction with the Diversity of Fixed Telephony Services

TF13b. And how satisfied are you with the diversity of services?

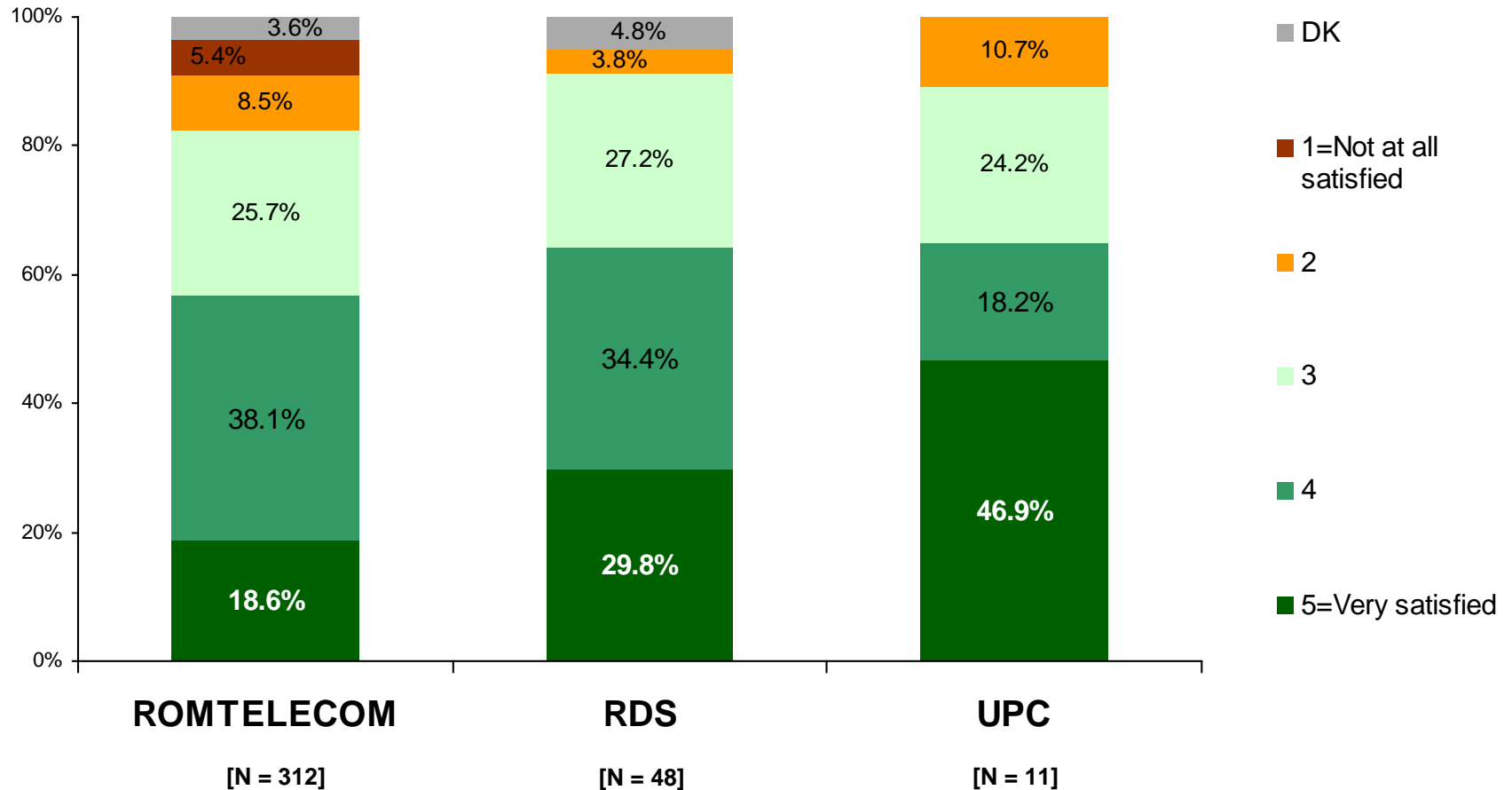
Base: companies which use mobile telephony services from the respective providers



# Level of Satisfaction with the Quality of Fixed Telephony Services

TF13c. And how satisfied are you with the quality of services?

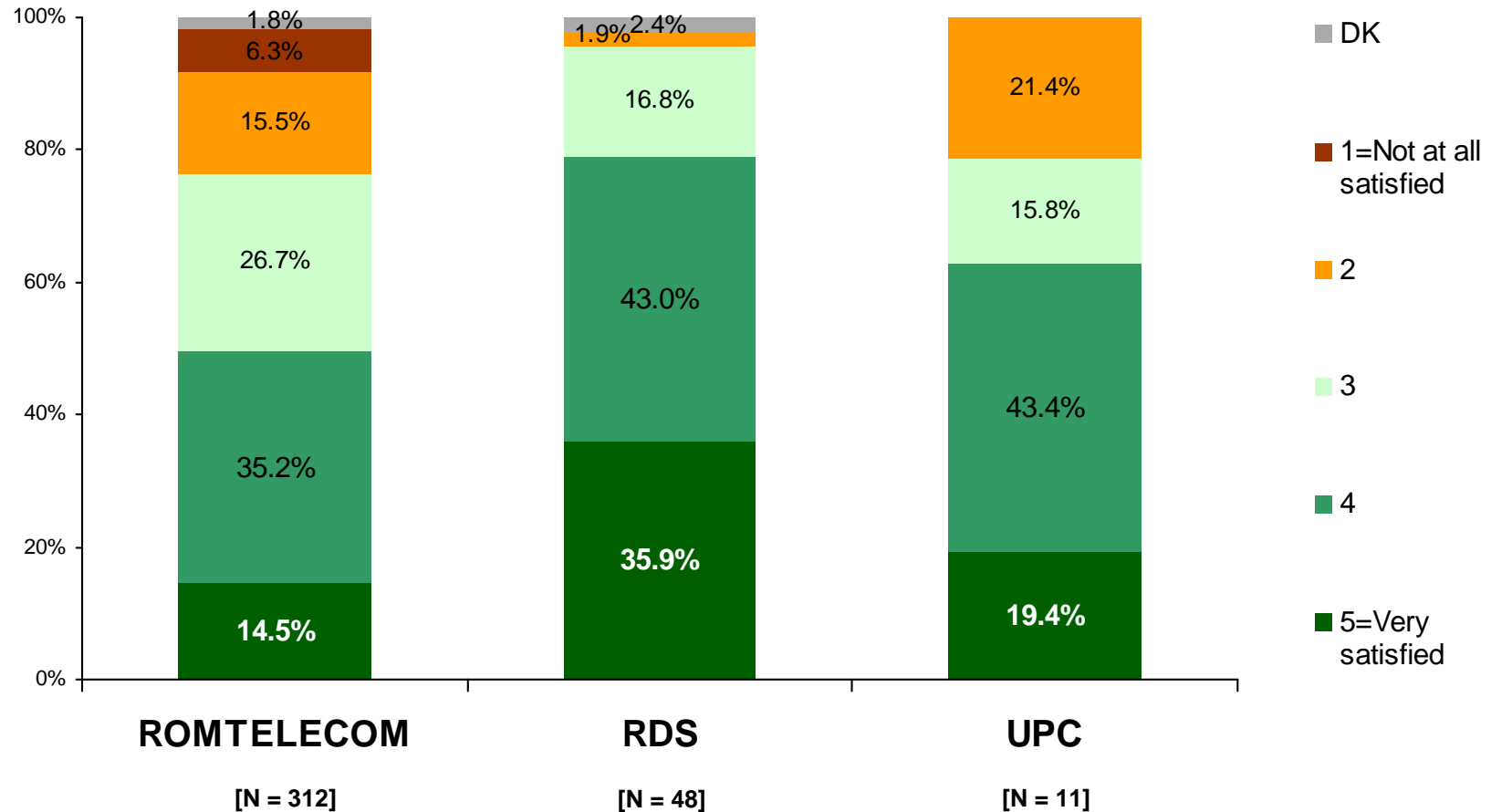
Base: companies which use mobile telephony services from the respective providers



# Level of Satisfaction with the Tariffs of Fixed Telephony Services

TF13d. And how satisfied are you with the tariffs of your mobile telephony supplier?

Base: companies which use mobile telephony services from the respective providers



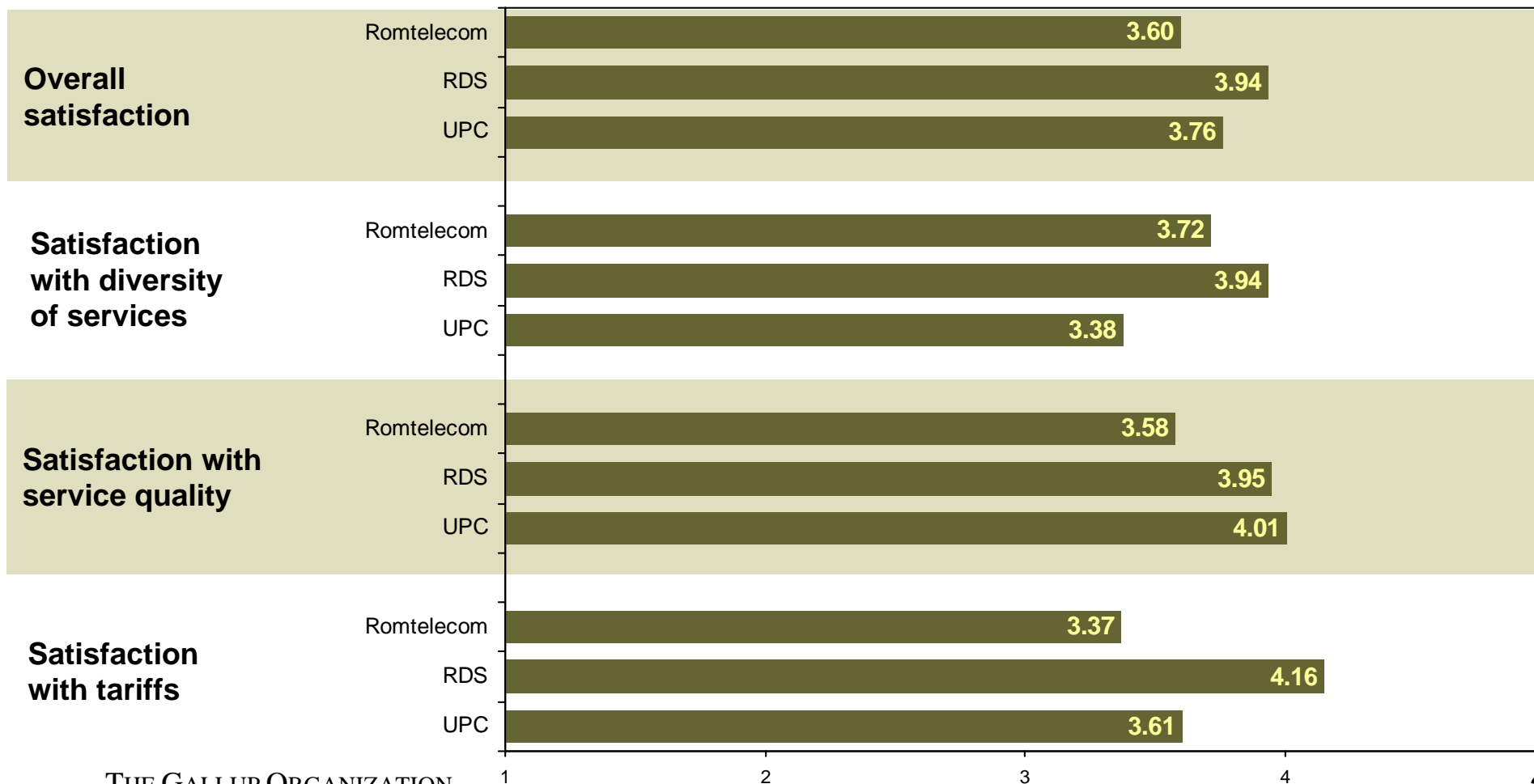
# Satisfaction with Fixed Telephony Providers

*average values*

TF13. Overall, how satisfied are you with the of services provided by your fixed telephony supplier? Please use a scale from 1 to 5 where "5" is very satisfied and "1" is not at all. And how satisfied are you with the diversity of services? What about the quality of services? What about the tariffs of your mobile telephony supplier?

Base: companies which use mobile telephony services from the respective providers

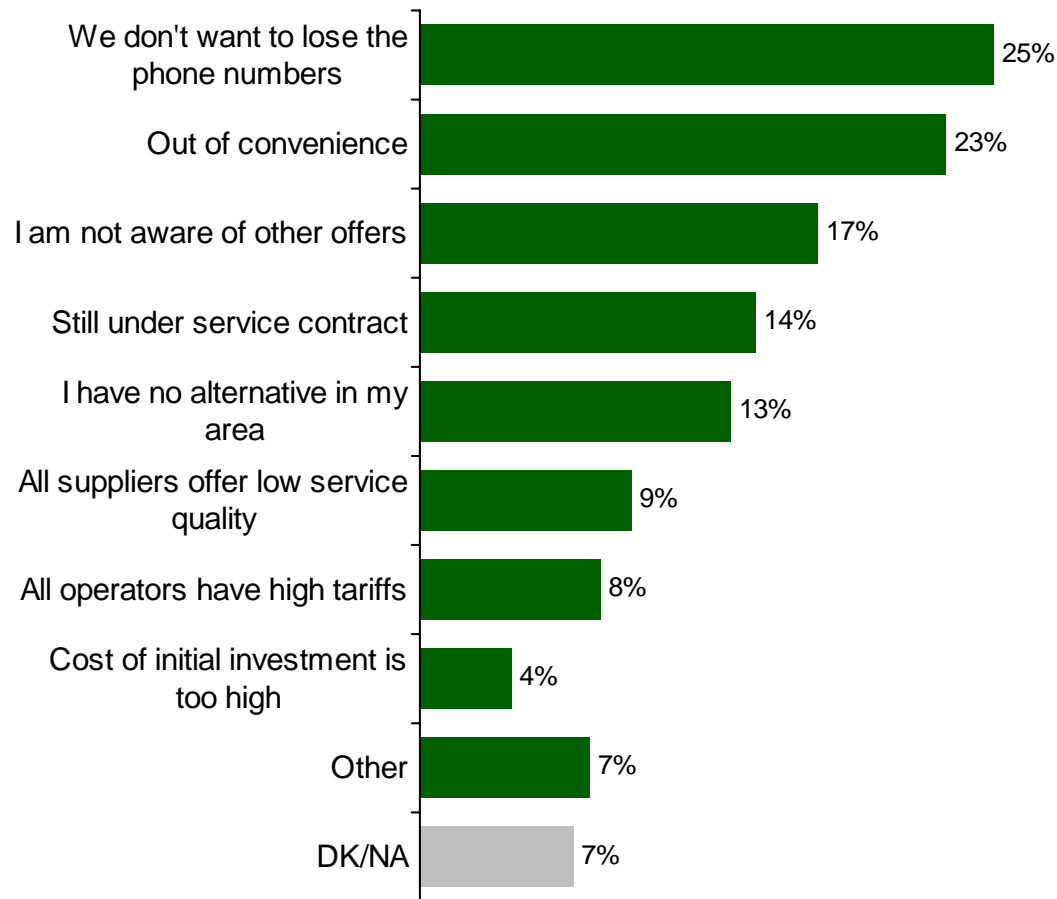
■ average values (1=not at all satisfied...5=very satisfied)



# Reasons for Not Giving Up the Services of Fixed Telephony Providers

TF14. You indicated that you were dissatisfied with the services of a classic fixed line supplier. Why have you not given up their services so far?

Base: companies which are not satisfied either with quality, diversity or tariffs of mobile telephony services, N = 188



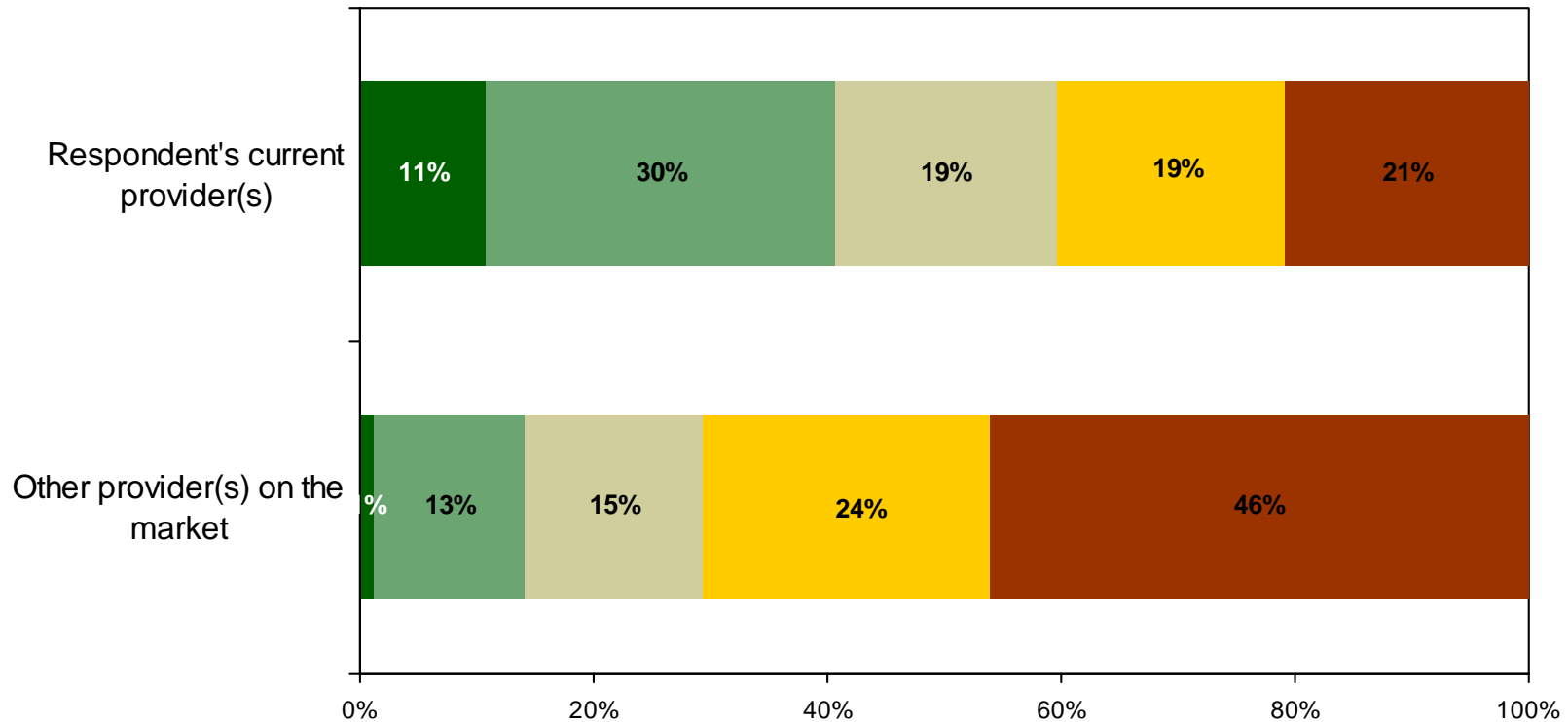
*Multiple answer*

# Level of Awareness regarding the Offers of the Fixed Telephony Provider(s)

TF15. How much do you know about the offers and prices of your current fixed telephony supplier(s)? Would you say that you know its offer ... And you know its prices...  
 And how much do you know about the offers and prices of the other fixed telephony suppliers on the market?

Base: companies which use fixed telephony services, N = 327

I know its **offer**... ■ Very well ■ Well ■ Some ■ Very little ■ Not at all

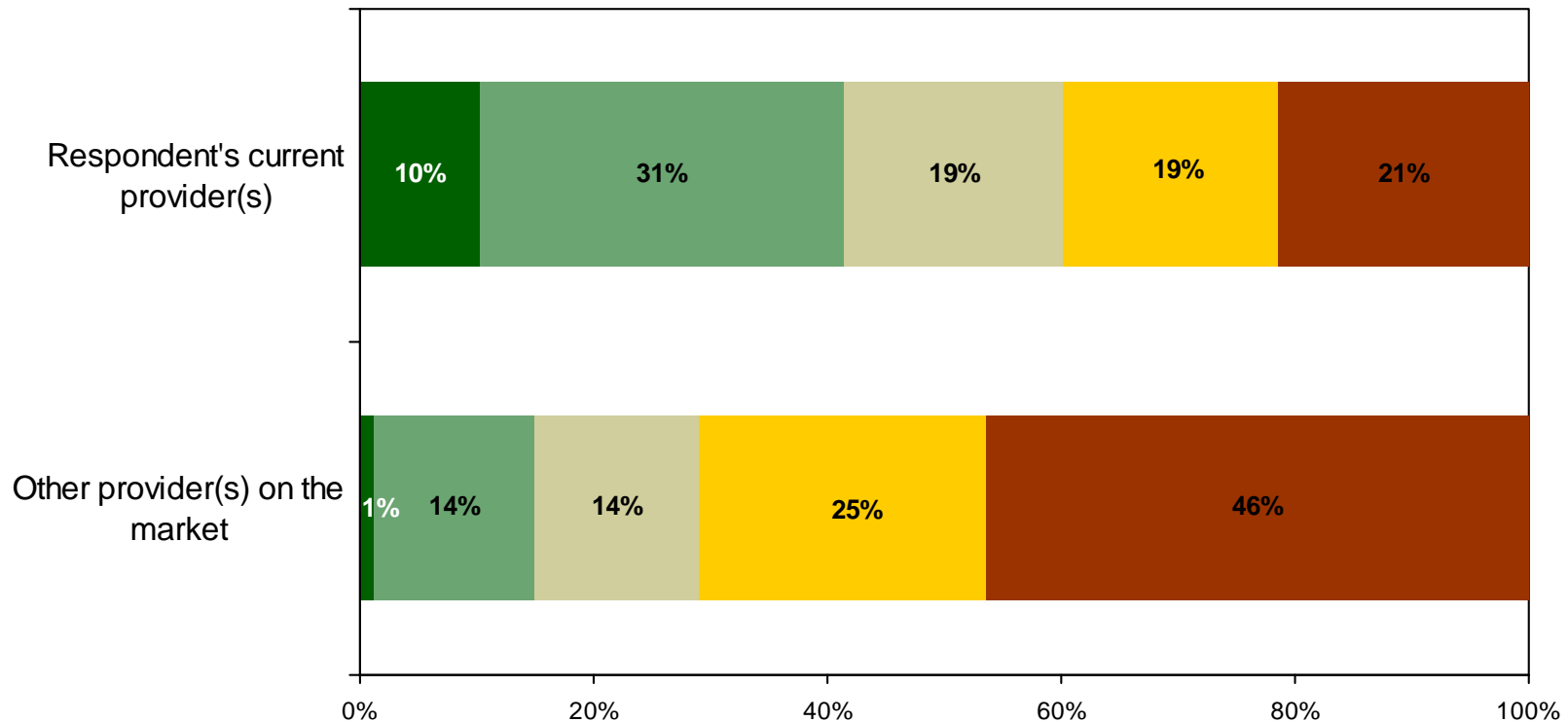


# Level of Awareness regarding the Prices of the Fixed Telephony Provider(s)

TF15. How much do you know about the offers and prices of your current fixed telephony supplier(s)? Would you say that you know its offer ... And you know its prices...  
And how much do you know about the offers and prices of the other fixed telephony suppliers on the market?

Base: companies which use fixed telephony services, N = 327

I know its **prices**... ■ Very well ■ Well ■ Some ■ Very little ■ Not at all



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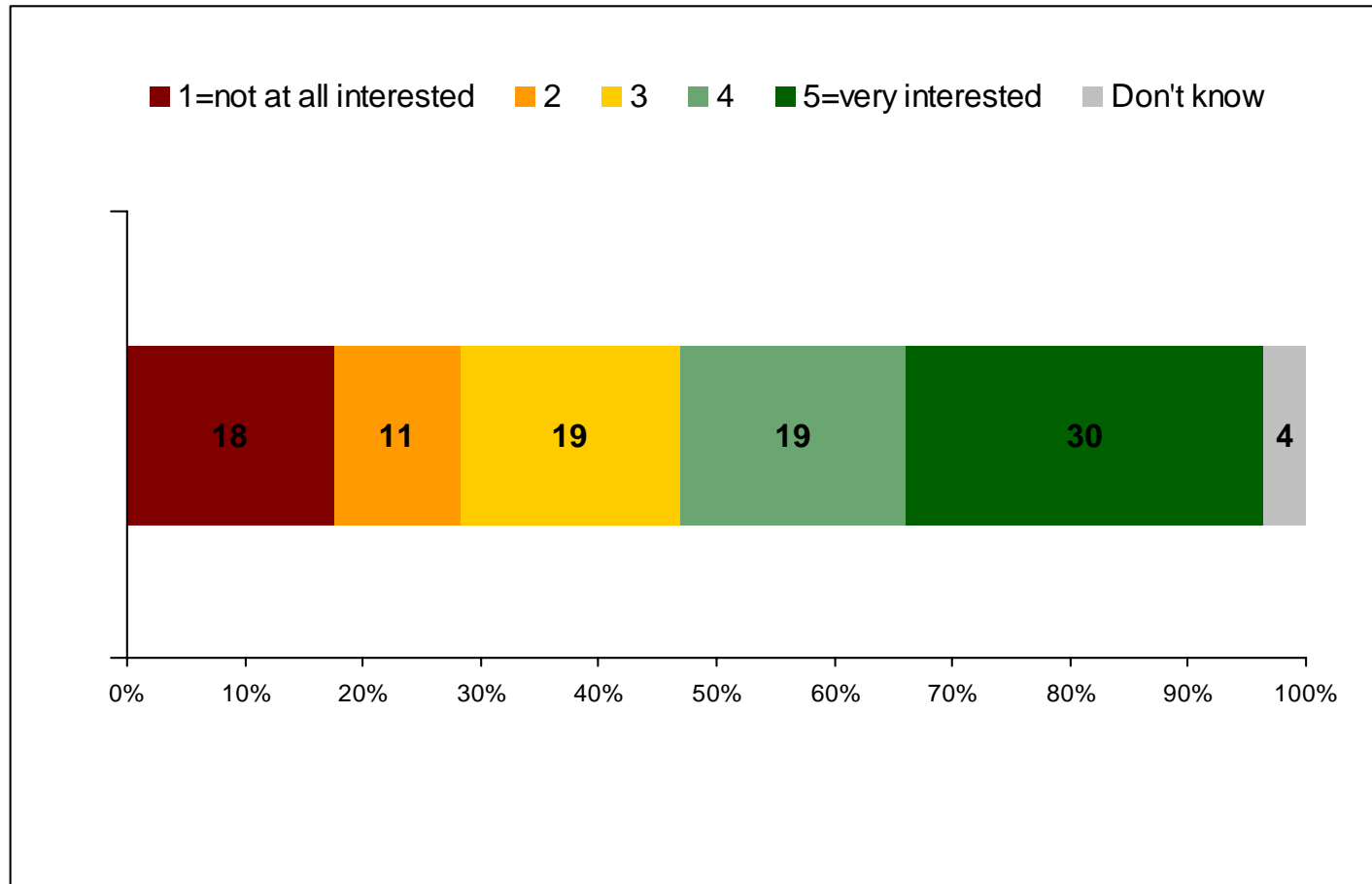
## **VI. Innovative Services and Information Sources**



# Degree of Interest in New / Innovative Fixed Telephony Products or Services

TF18. To what extent are you interested in new/innovative fixed telephony products or services? Please use a scale from 1 to 5 where 5 is very interested and 1 is not at all

Base: companies which use fixed telephony services, N = 327

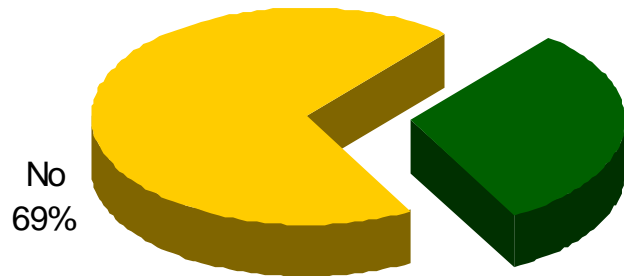


# Sources of Information when Purchasing Fixed Telephony Services

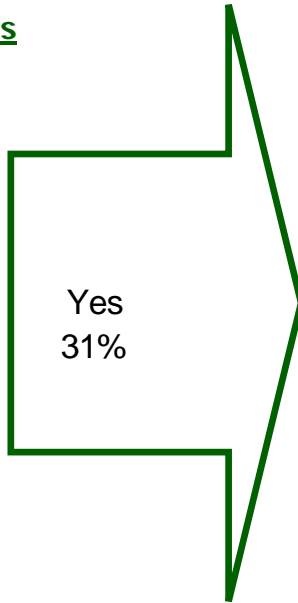
TF19. In the last 2 years did your company purchase any fixed telephony service (a new fixed line, a new type of subscription etc)?

[IF YES] TF20. Last time when you purchased a fixed telephony service, how did you hear about that service? ?

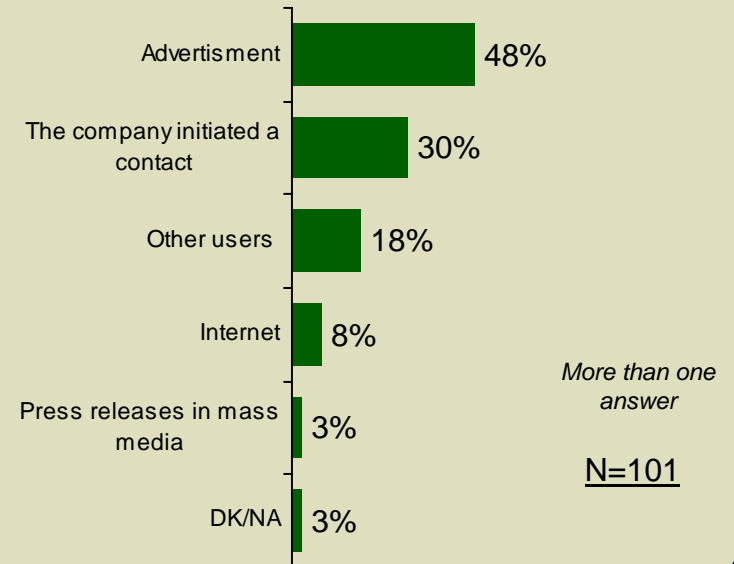
## Purchased Fixed Telephony Services In The Last 2 Years



Base: companies which use fixed telephony services, N = 327



## Sources of Information about the Service



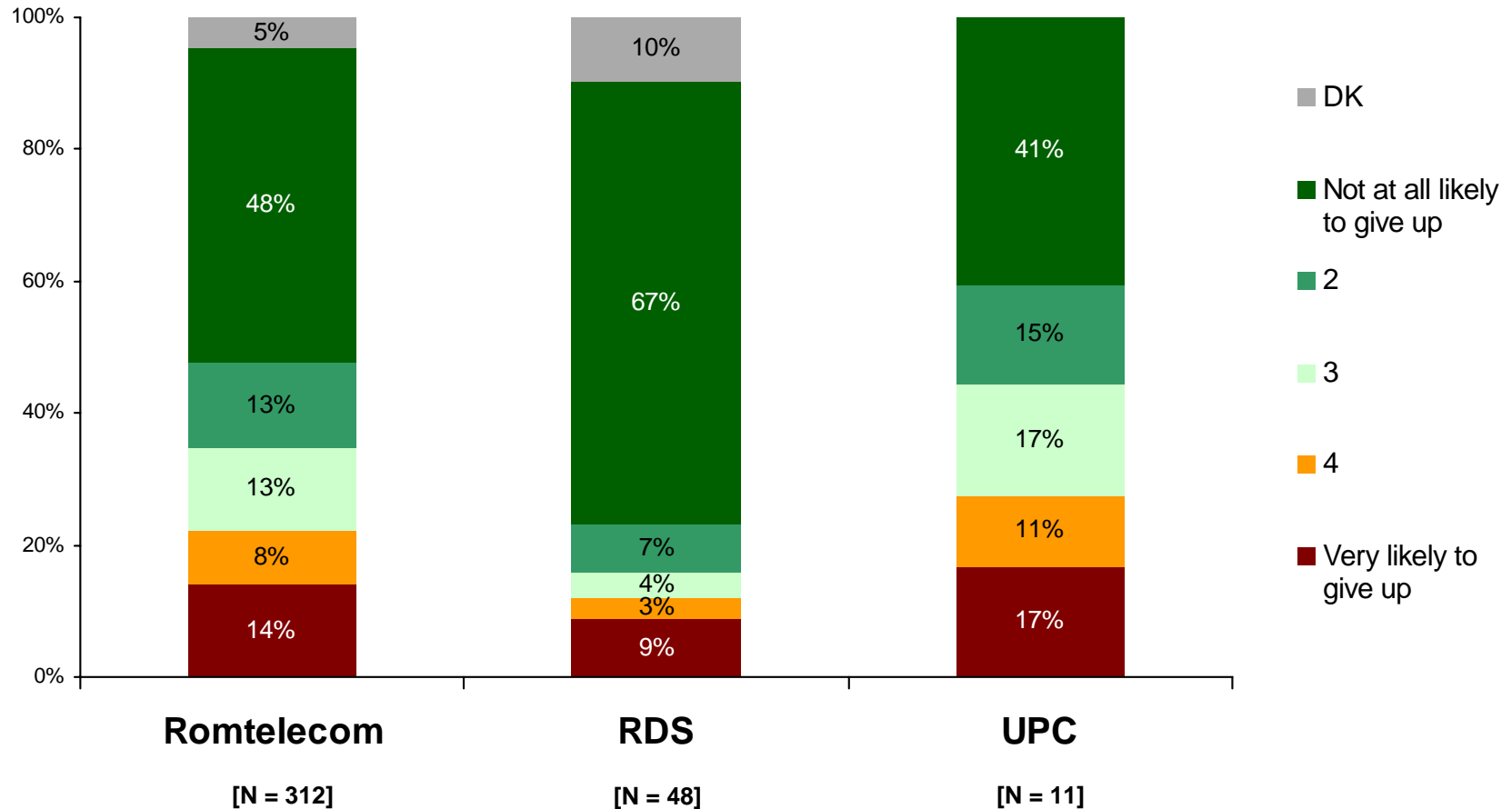
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## **VII. Level and Reasons for Substitution of Fixed Telephony Services and Suppliers**

# Intention to Give Up Fixed Telephony Provider's Services

TF21. How likely is it to give up your fixed telephony supplier(s) over the following 12 months? Please use a scale from 1 to 5 where 5 is very likely and 1 is not likely at all.

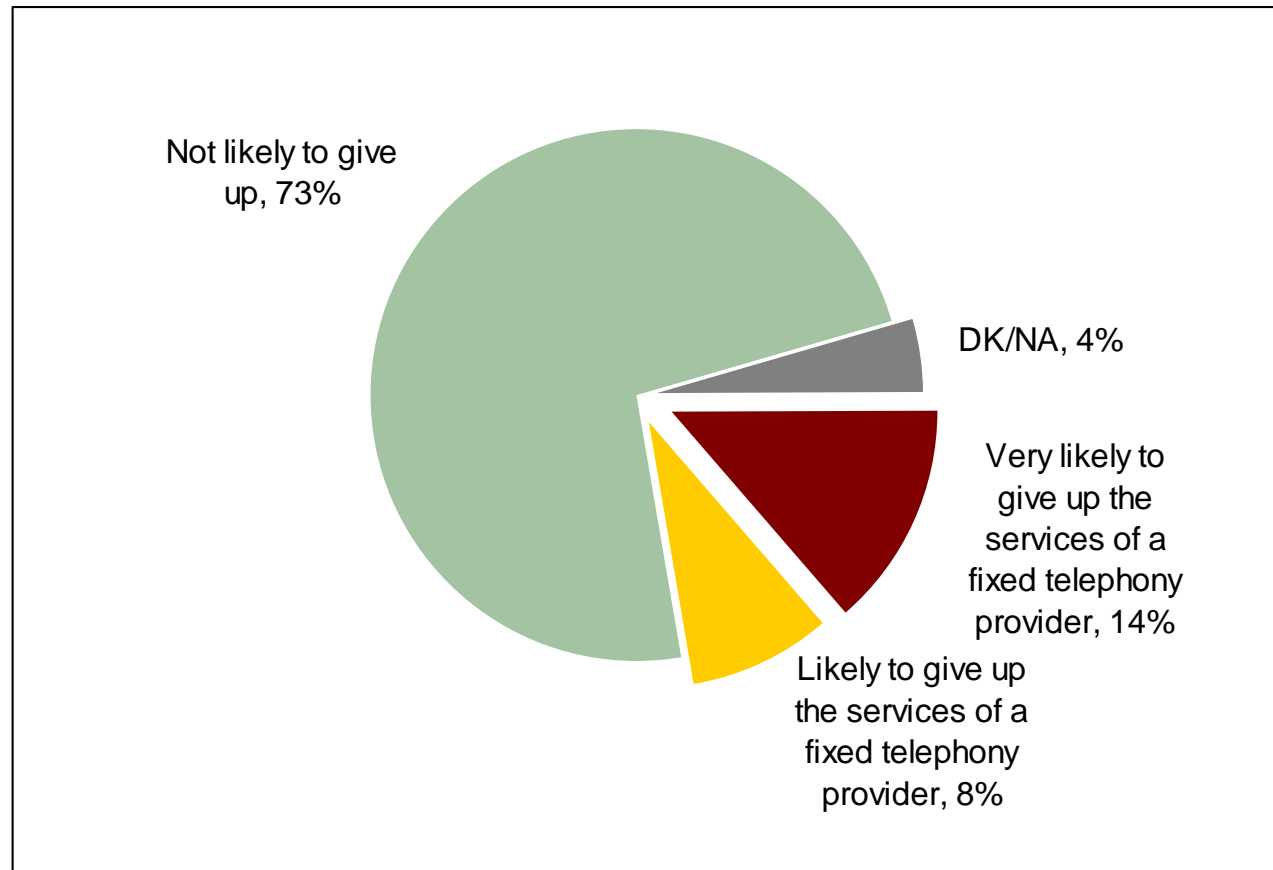
Base: companies which use mobile telephony services from the respective providers



# Intention to Give Up Fixed Telephony Provider's Services

TF21. How likely is it to give up your fixed telephony supplier(s) over the following 12 months? Please use a scale from 1 to 5 where 5 is very likely and 1 is not likely at all.

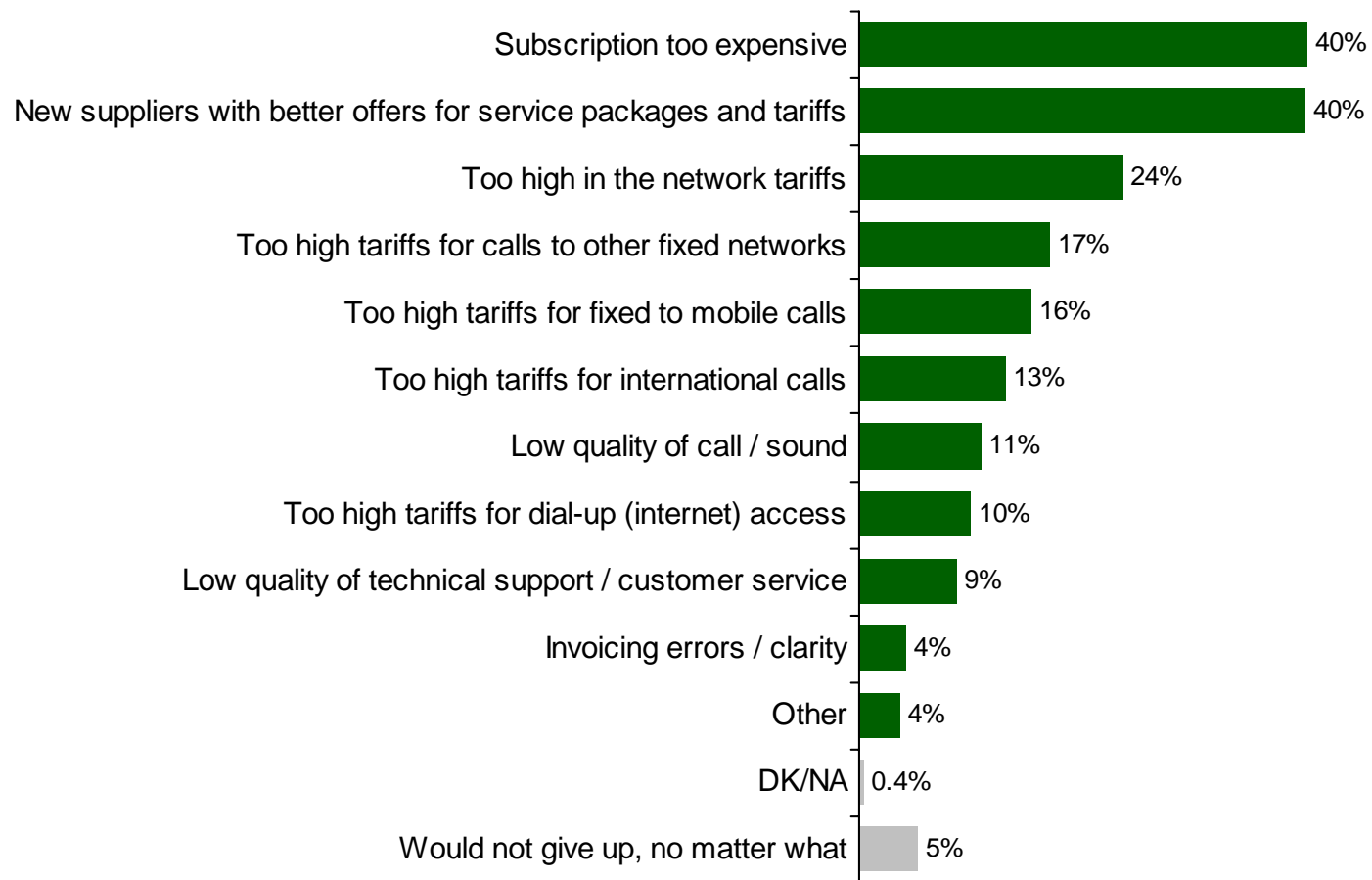
Base: companies which use fixed telephony services, N = 327



# Factors that Could Make a Peerson to Shift to an Alternative Fixed Telephony Services Provider

TF22. What could bring you to giving up the services of your current provider?

Base: companies which use fixed telephony services, N = 327

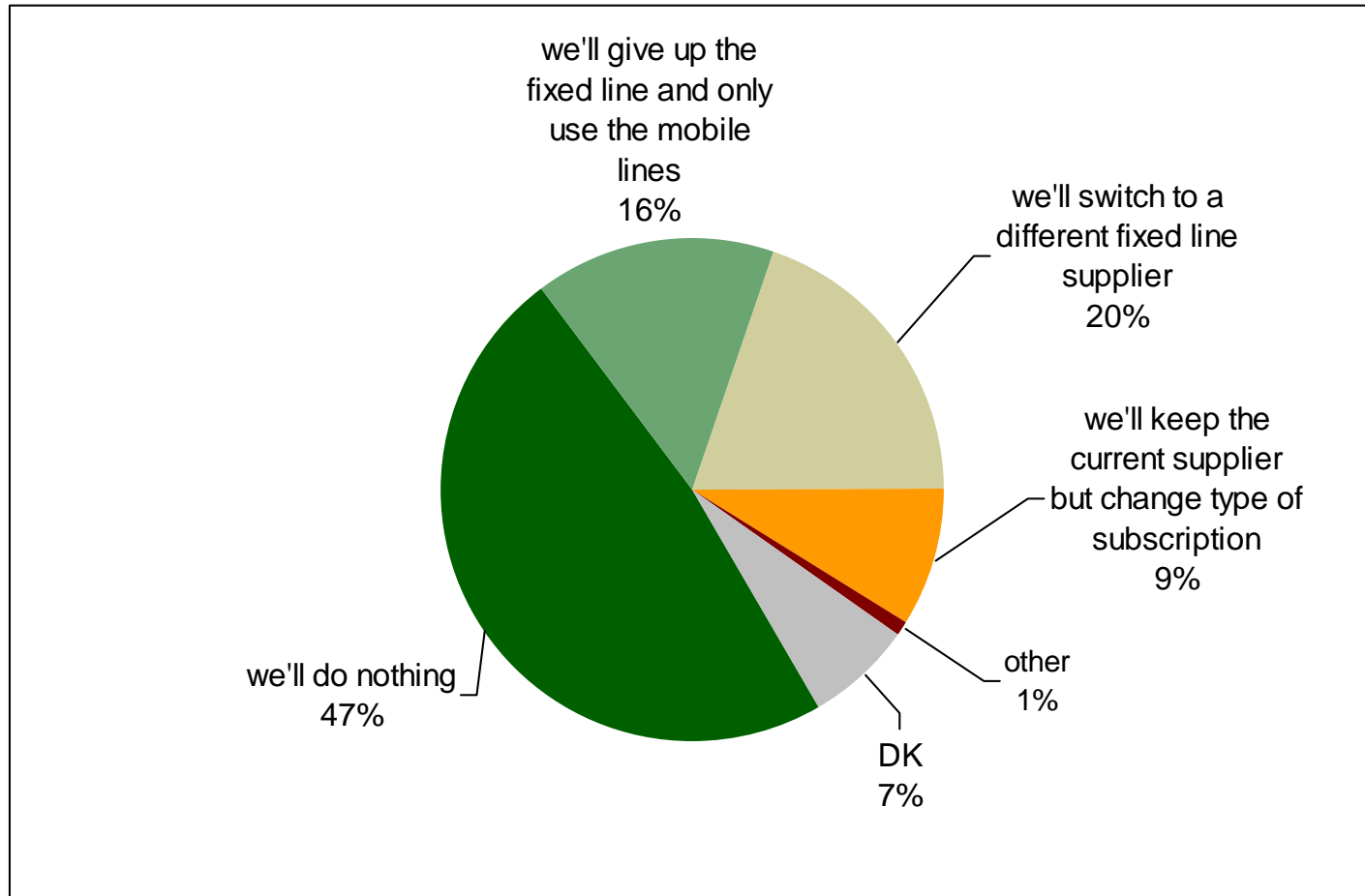


*Multiple answer*

# Companies' Behavior to Subscription Tariffs Increase

TF23. If you current subscription tariff increased by 5-10%, how would you proceed?

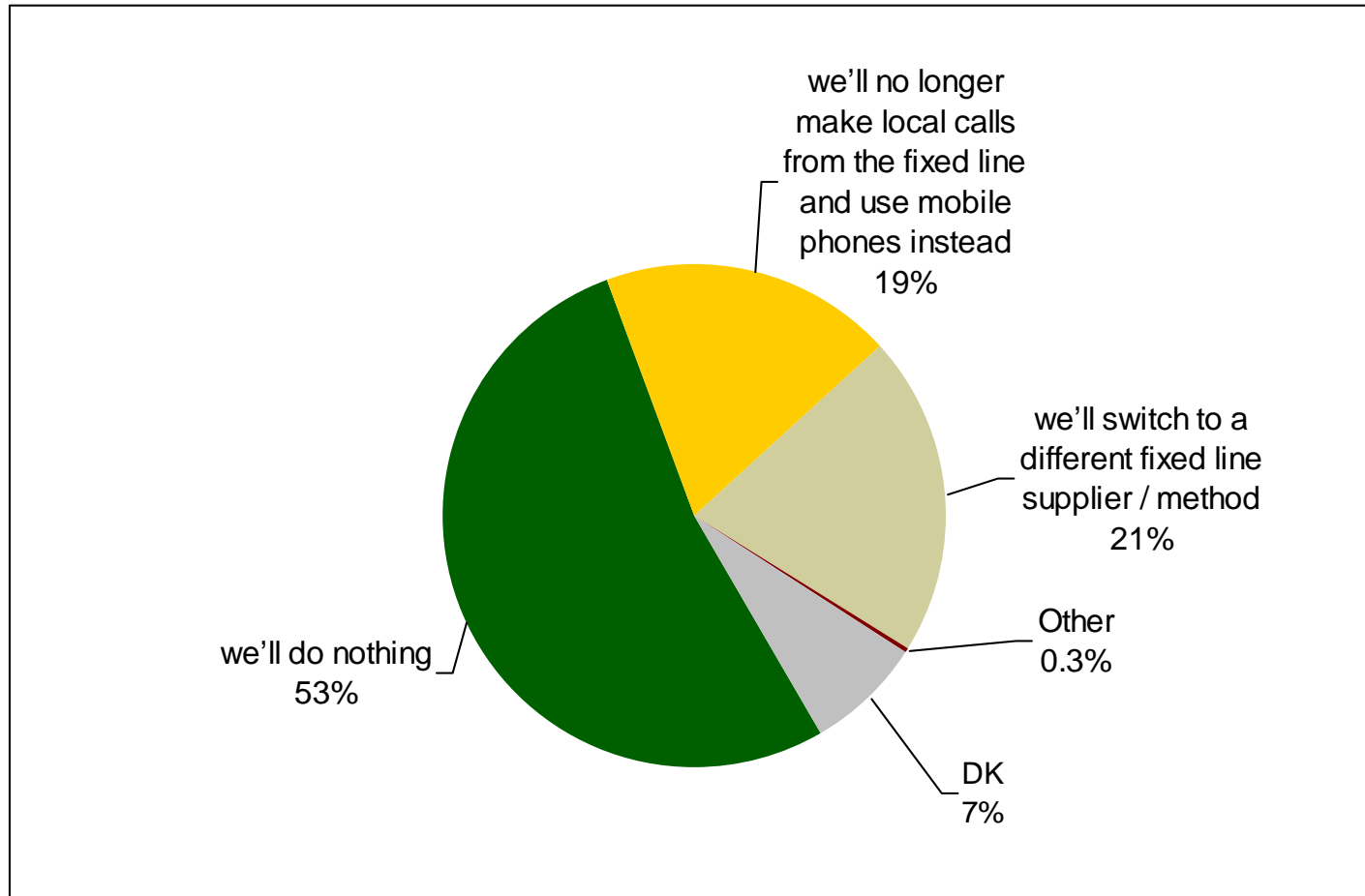
Base: companies which use fixed telephony services, N = 327



# Companies' Behavior to Local Call Tariffs Increase

TF24. If local call tariffs (within the county) increased by 5-10%, how would you proceed?

Base: companies which use fixed telephony services, N = 327

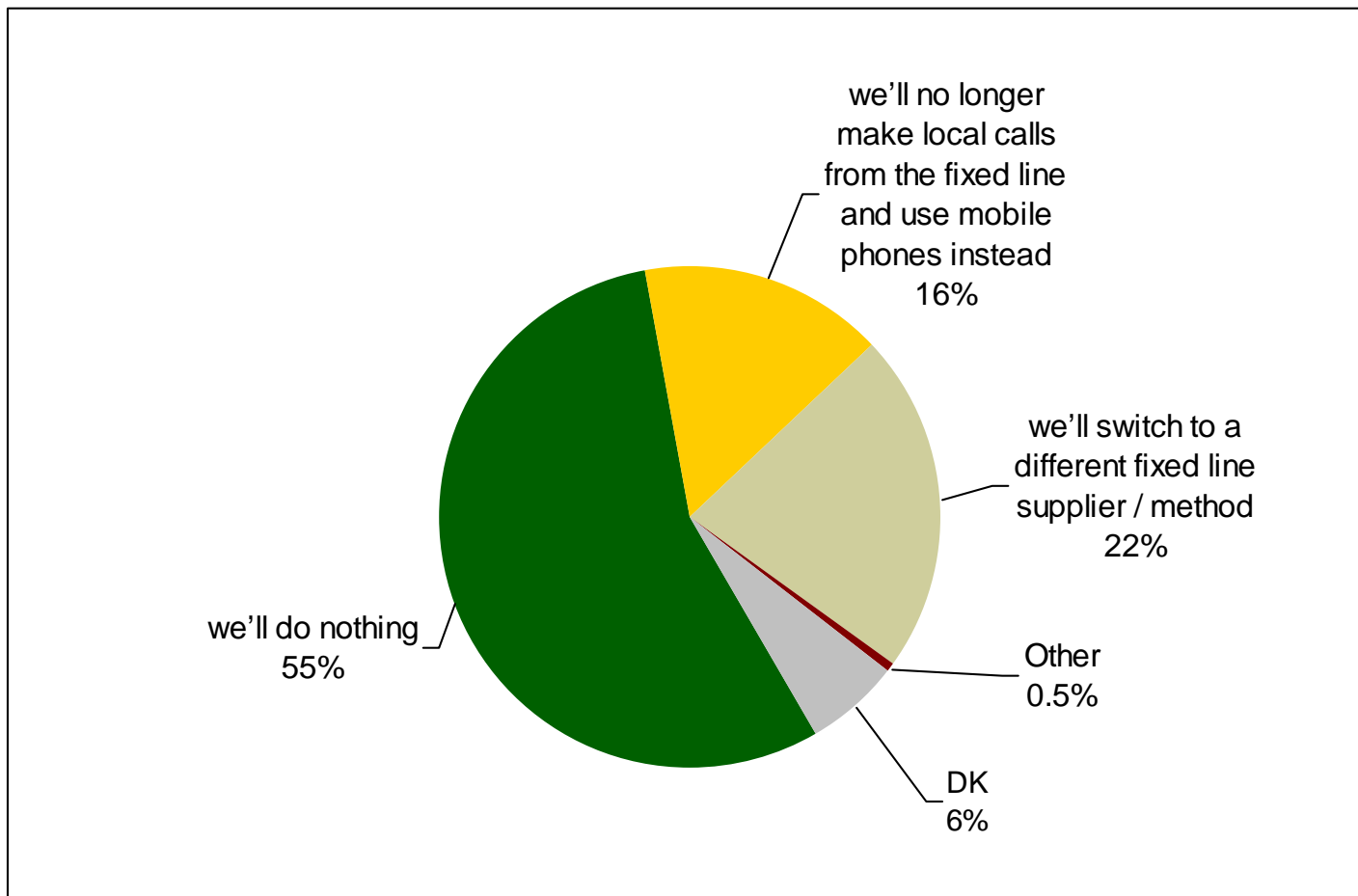




# Companies' Behavior to Regional Call Tariffs Increase

TF25. If regional (between counties) call tariffs increased by 5-10%, how would you proceed?

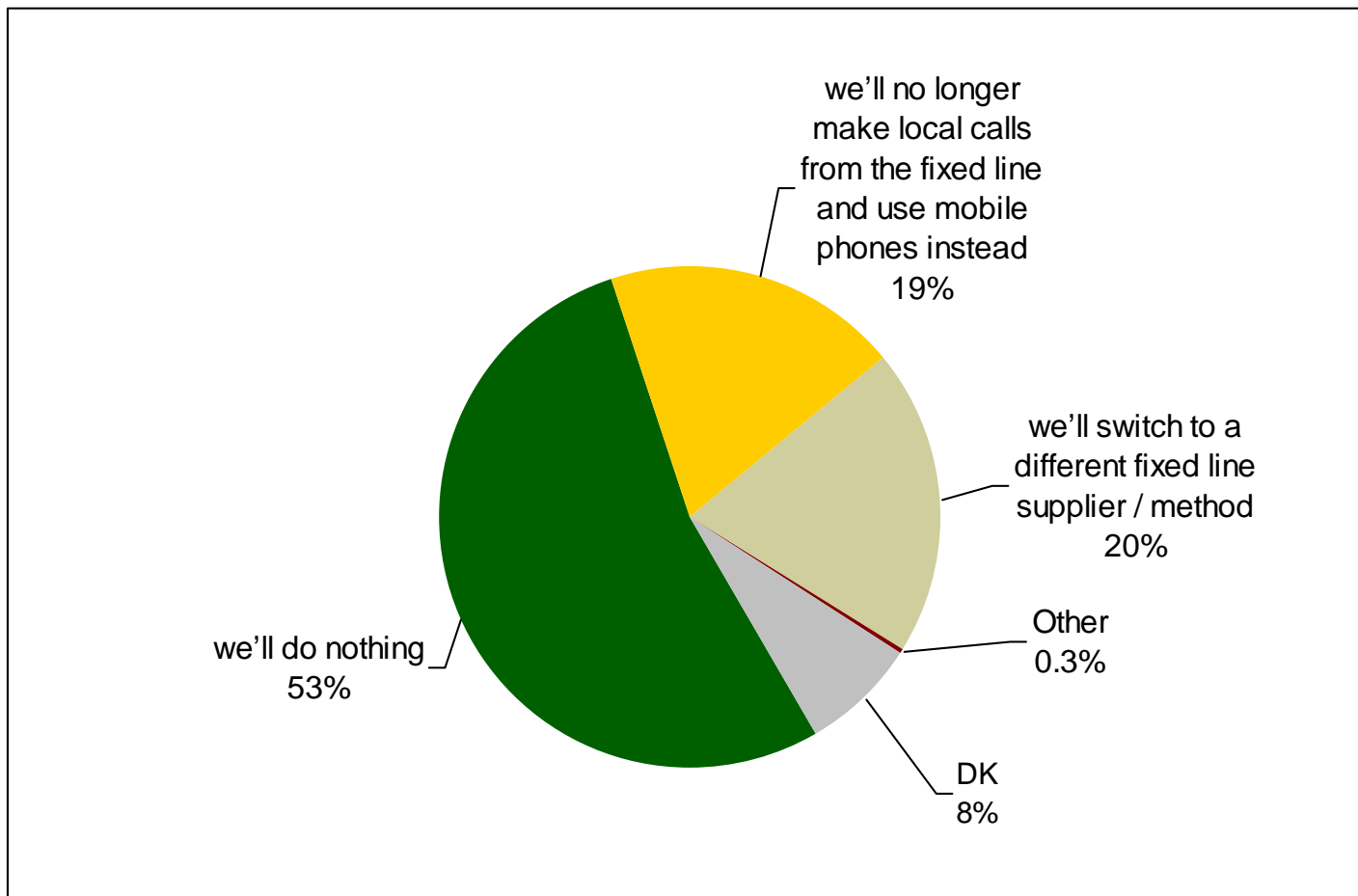
Base: companies which use fixed telephony services, N = 327



# Companies' Behavior to Fixed to Mobile Call Tariffs Increase

TF26. If fixed to mobile call tariffs increased by 5-10%, how would you proceed?

Base: companies which use fixed telephony services, N = 327



# Companies' Behavior to International Call Tariffs Increase

TF27. If international call tariffs increased by 5-10%, how would you proceed?

Base: companies which use fixed telephony services, N = 327

