

Romania**Place of telecommunication services in Romanians' life style -
The corporate battle for Romanians' hearts**

The Romanian telecom market is one of the most dynamic of its kind in the CEE region. Great changes started developing along with the establishment of the cable TV providers in 1994, the rise of the first mobile telephony companies (in '96 – '97), the availability of Internet technology for households and the end of the fixed telephony monopoly in 2003. Since then, the explosion of small local TV & Internet providers, takeovers, the entrance of new companies to the Romanian market, developments in the portfolio of telecom services offered by companies and the steep changes of the market shares have succeeded one another in a dazzling cascade.

Is this fierce battle for a bigger slice of the telecommunications market only a result of a naturally tensed context for a young developing market? Or is it also an outcome of adapting to the peculiarities of the Romanian consumer - the ways in which they integrate telecom technology into their everyday life?

In order to answer this question, let us take a look at the position occupied by telecommunication services in the Romanian life style, using the results of the first edition of GfK Roper Report® Worldwide issued this year by GfK Romania (on a target of aged 13+ urban population, field executed at the end of 2007).

The general attitude of Romanians from urban areas with regard to technology is polarized into 3 primary and equally strong attitudes: people who feel it is beyond them, people who consider that technology must be mastered in order to remain up to date and people who find new technology exciting and try to use it as much as possible. Romania has a higher percentage of consumers who are "in love with technology" than is the average in the CEE region. However, we also find more representatives in the group of people who consider themselves outrun by technology compared to the CEE region as a whole. What clearly differentiates Romanians in urban areas from their neighbours in Central and Eastern Europe and from people all around the world in terms of technology usage is that they buy it for need rather than for fun, they are much more enthusiastic about electronic/ digital devices and they see their social image to be more connected to the idea of the latest technology. Putting these pieces of information together, we find ourselves faced with an interesting insight - Romanians in the urban areas are indeed attracted by technology and gadgets but this is more at a declarative level: the actual acquisition of such products occurs in the context of a basic need. Hi Tech remains more an aspiration than a fact for the average Romanian.

These findings indicate a great affinity towards technology, but city inhabitants in Romania also have a more acute feeling than people around the world in general that technology leads to there being too much information to ingest, creating a sensation of discomfort or being rushed. Technology intimidates to a certain degree, but it nevertheless remains a standard towards which people aspire.

How are these general tendencies reflected in the specific area of telecommunication services & technology?

On average, Romanians use their mobile phone as much as their neighbours in the CEE region do - 76% at national level (GfK Omnibus, cumulated data February – June 2008) and 80% in urban areas (GfK Roper Reports® Worldwide, 2007). At national level, Internet usage reaches 33% (GfK Omnibus, cumulated data February – September 2008), while the 40% Internet access found in the urban area is slightly higher compared to the CEE as a whole (GfK Roper Reports® Worldwide, 2007). Fixed telephony penetration reaches 46% at national level (GfK Omnibus, cumulated data February – June 2008); while in the urban areas it rises to 55% (GfK Roper Reports® Worldwide, 2007). But the highest impact characteristic of the telecom services used on the local market must be the extremely high presence of cable TV in Romanian households – far greater than the average in the CEE region or the world. The penetration of cable TV is especially present in the urban area – where it has achieved around 77%, while in rural areas it reaches 52 % (GfK Omnibus, April 2008).

The aspect of cable TV might be one of the specific reasons determining the very dynamic character of the local market – because cable opens up the opportunity to introduce additional integrated services at a convenient price (fixed telephony & Internet). One might argue that it was the market which shaped peoples' preferences, by offering a cheap alternative for needed entertainment through cable TV. This turned out to be bait that lured people to buy further telecommunication services and the companies which foresaw this effect and had the infrastructure to hand initiated a guerrilla war for seizing more market share from the specialized providers. The cable company that best used this strategy in order to propel itself amongst the local telecom market leaders was RDS. RDS is also one of the cable companies that have gone further and more boldly, integrating satellite television and mobile telephony in their offers – it is the only quadruple player in the telecom market at this moment.

Even if the corporate strategies and the availability of a specific technology had, undoubtedly, a decisive influence on the Romanians' choice of telecom technology, times have changed and digital tech is currently more accessible. Still, Romanians show little intention to change the type of technology they use. For example, only 2% declared an intention to get a satellite or microwave antenna connection to their main television. Of course, inertia has a great deal to do with this and it will probably linger on a long time from now, in that the quality / price ratio will still be satisfactory. This type of telecommunication is gaining ground, but quite slowly.

Going deeper into the Romanians' values & life style resorts, we can link the particular manner in which they use telecom technology to the psychological type to which they belong as a nation. According to the same GfK source (Roper Report, 2008, target of 13+ years old), Romanians belong assigned to the category of achievers - oriented mainly on gaining power, status and wealth through an ambitious and self interested attitude.

Achievers typically work a lot towards attaining social position, which they then want to show off in a quest for recognition. To quote more exactly from R. R.: "They are into technology, but for them it is a functional tool for success. It can also be used to impress others."

We can see this idea exemplified in the way Romanians use their mobile phone and the Internet. The mobile phone is generally used to make/receive calls and for text messages. Few people use its other functions and their proportion is lower than in the CEE region. When using the Internet, Romanians mostly access e-mail and instant messaging, in order to stay in touch with friends and family; they listen to music and radio & download music and inform themselves about the latest news. Internet is not often used for recreational activities other than those already mentioned. However, the percent of people engaged in such activities as playing games over the Internet, participation in online communities, watching videos, maintaining and reading blogs etc. is similar for Romania and CEE.

To conclude, let us evaluate the potential in the Romanian telecommunication market in the light of these insights. Although Romanians find digital devices exciting, this particular type of telecommunication technology is, as yet, far from replacing the cable infrastructure. Ironically, the latest digital telecommunication technology has more chances to develop faster in the least developed areas – in the villages which are not yet covered by any telecom infrastructure. In these areas, any provider would have extremely high costs in order to set up a cable transmission system. The idea of reaching virgin telecom territories through wireless technology has thus become an important source for developing market share.

According to the values and type of psychology demonstrated by Romanians, we should expect them to regard the brands & value of those devices likely to be used in public (for example mobile phones) as being more important than those things which are seldom exhibited in public (type of Internet link or TV set for example). Achievers actively use telecommunications as an instrument for pursuing their goal of attaining high social status, so to make the latest technology equipment/telecom services appealing to them, the benefits they can provide for this aim should be clearly stated.

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