

# From Wire to Netflix

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**Mercury Research**

2006

- > The year before Romania enters EU
- > Mercury Research starts res!com

2017

- > A decade of EU membership

# What happened in one decade with the telecom services in Romania?

2006

- > The year before Romania enters EU
- > Mercury Research starts res!com



2017

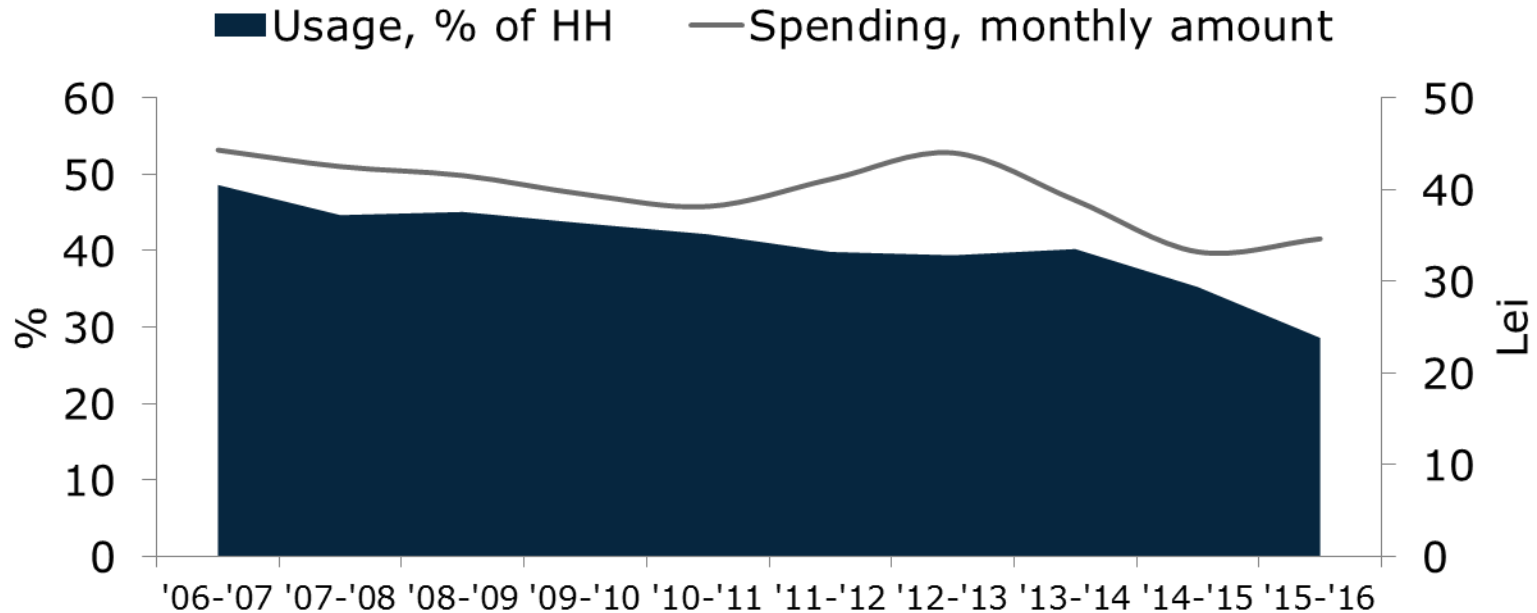
- > A decade of EU membership

# Fixed Phone

- Increase or Decrease?
- Major Transformation or Marginal Change?
- Who Won and Who Lost?



Fixed voice: sharp decrease usage and spending  
(~60% or ~1.3 billion Lei)  
Major transformation

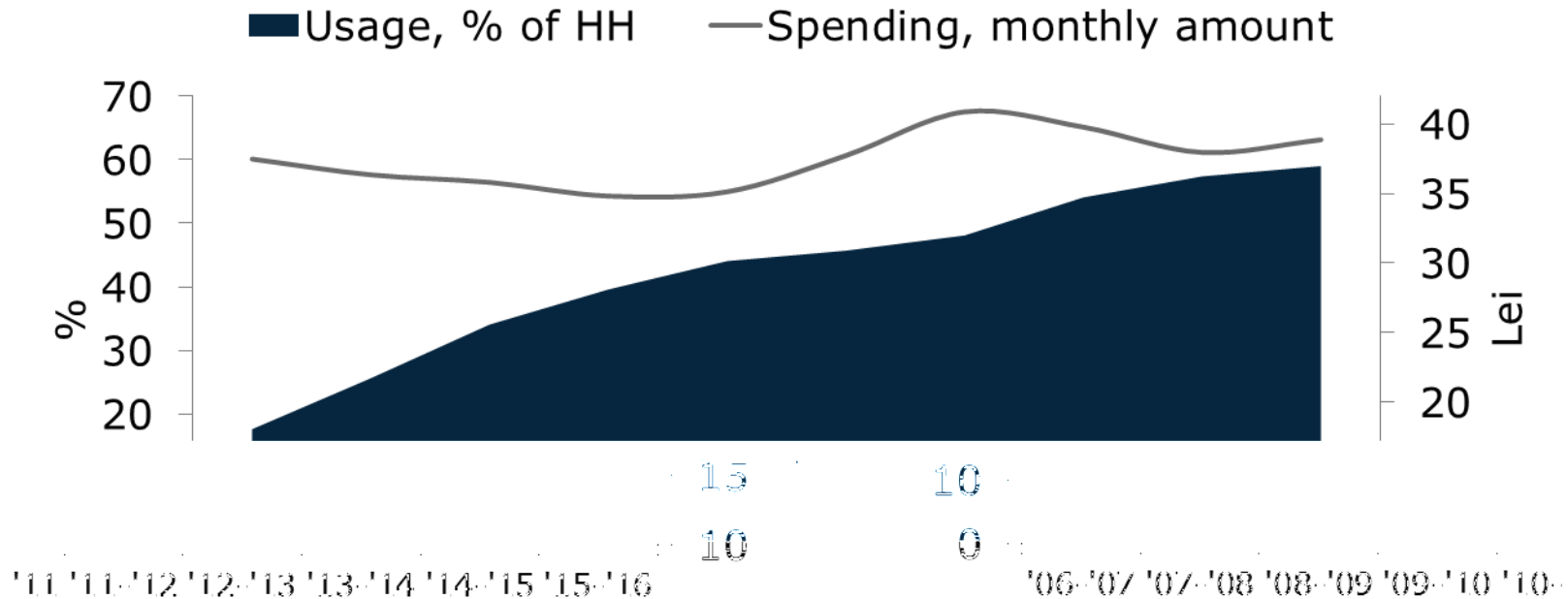


# Internet

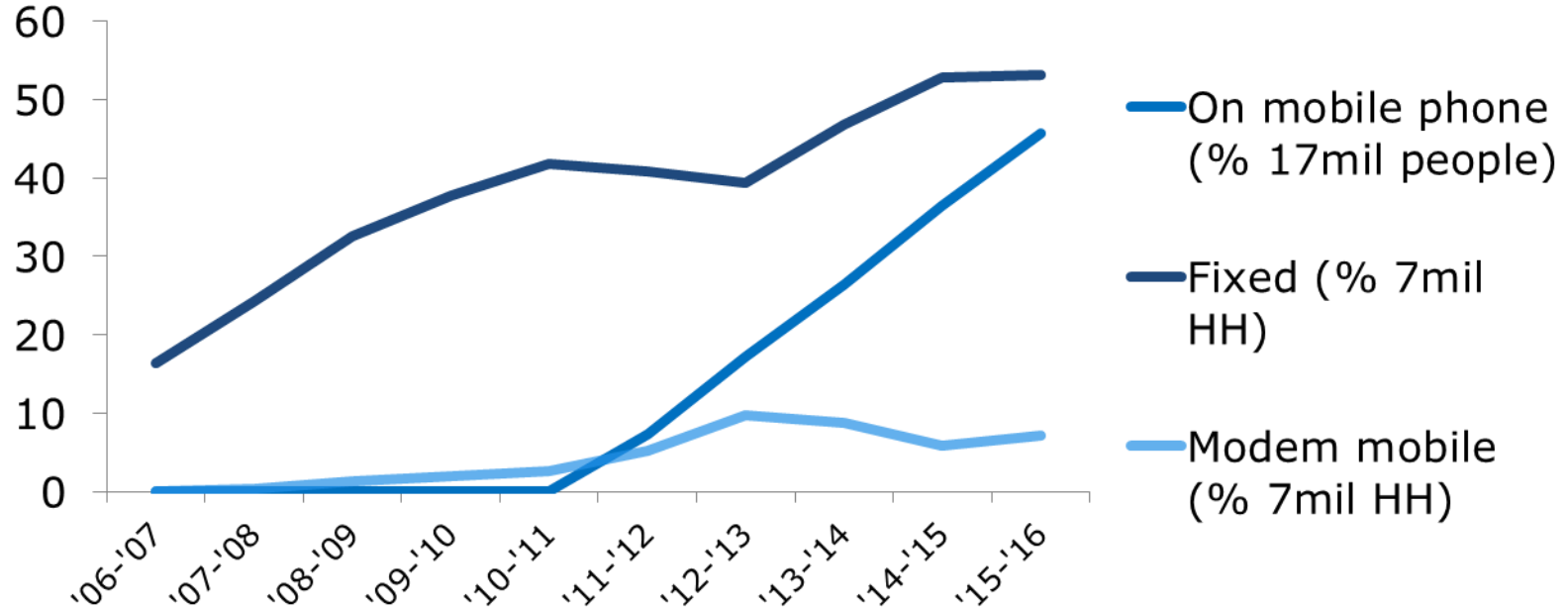
- Increase or Decrease?
- Major Transformation or Marginal Change?
- Fixed or Mobile?
- Who Won and Who Lost?



Fixed Internet: sharp increase usage (~300% or  
~1.5 billion Lei)  
Major transformation



## From fixed only to evenly split usage



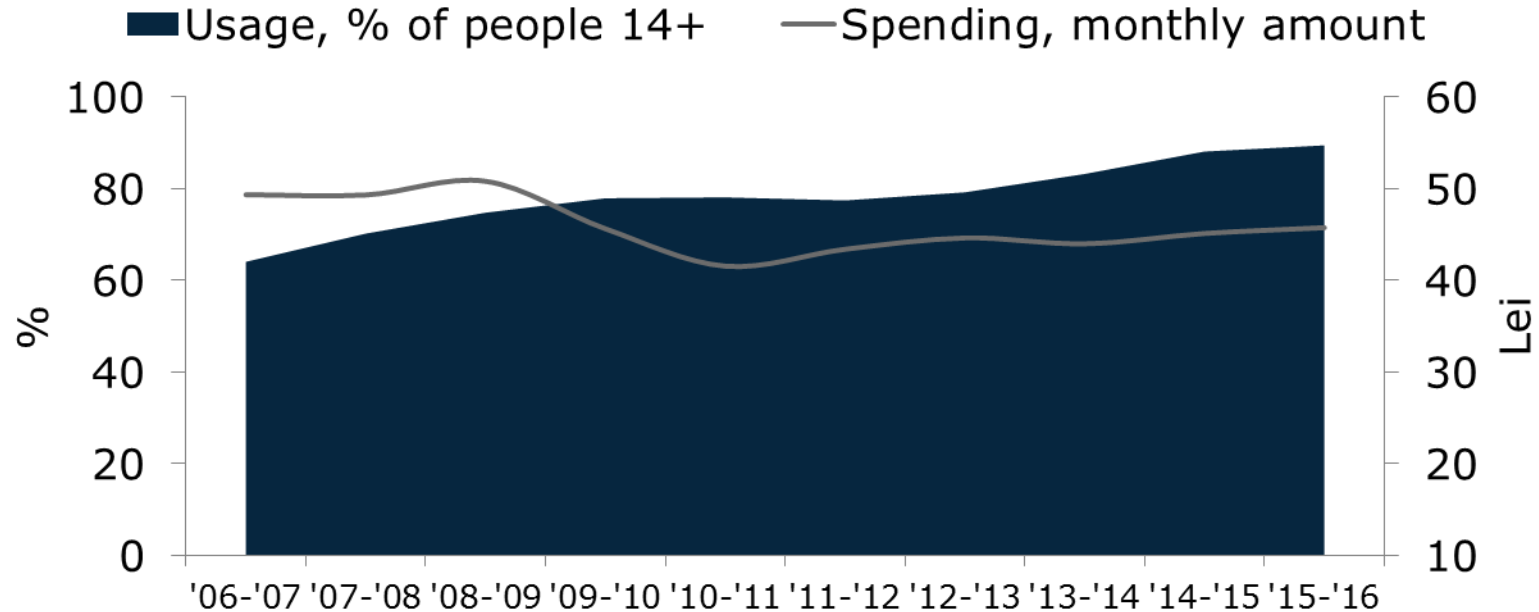


# Mobile Phone

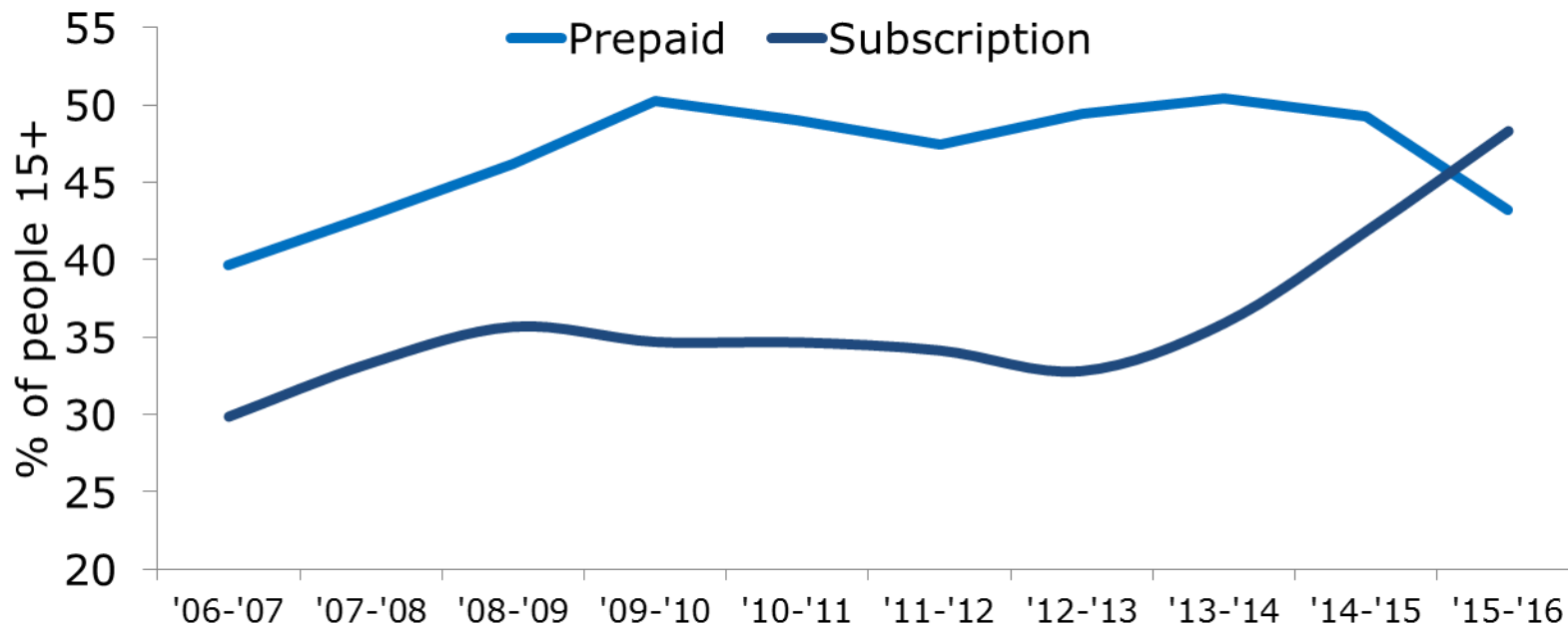
- Increase or Decrease?
- Major Transformation or Marginal Change?
- Prepaid or Subscription?
- Who Won and Who Lost?



Mobile: marginal increase in usage (~20% or  
~1.5 billion Lei)  
Marginal change



## Subscriptions replaced prepaid

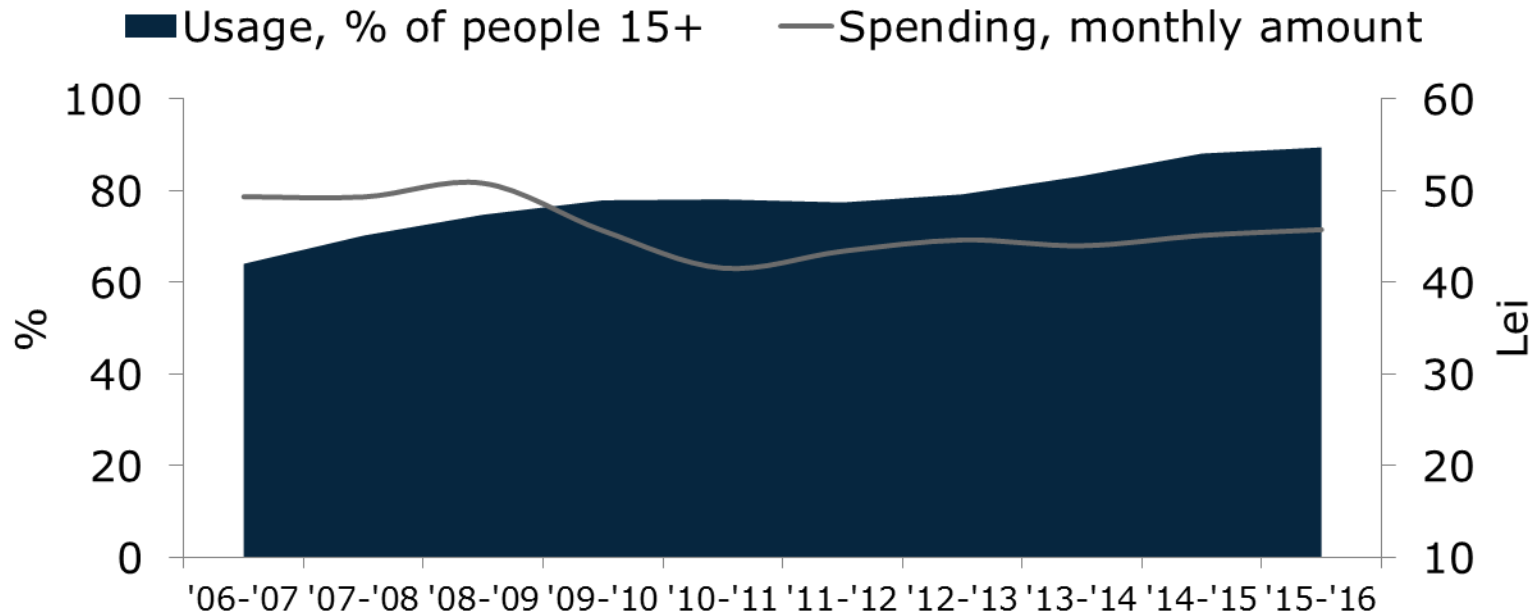


# TV

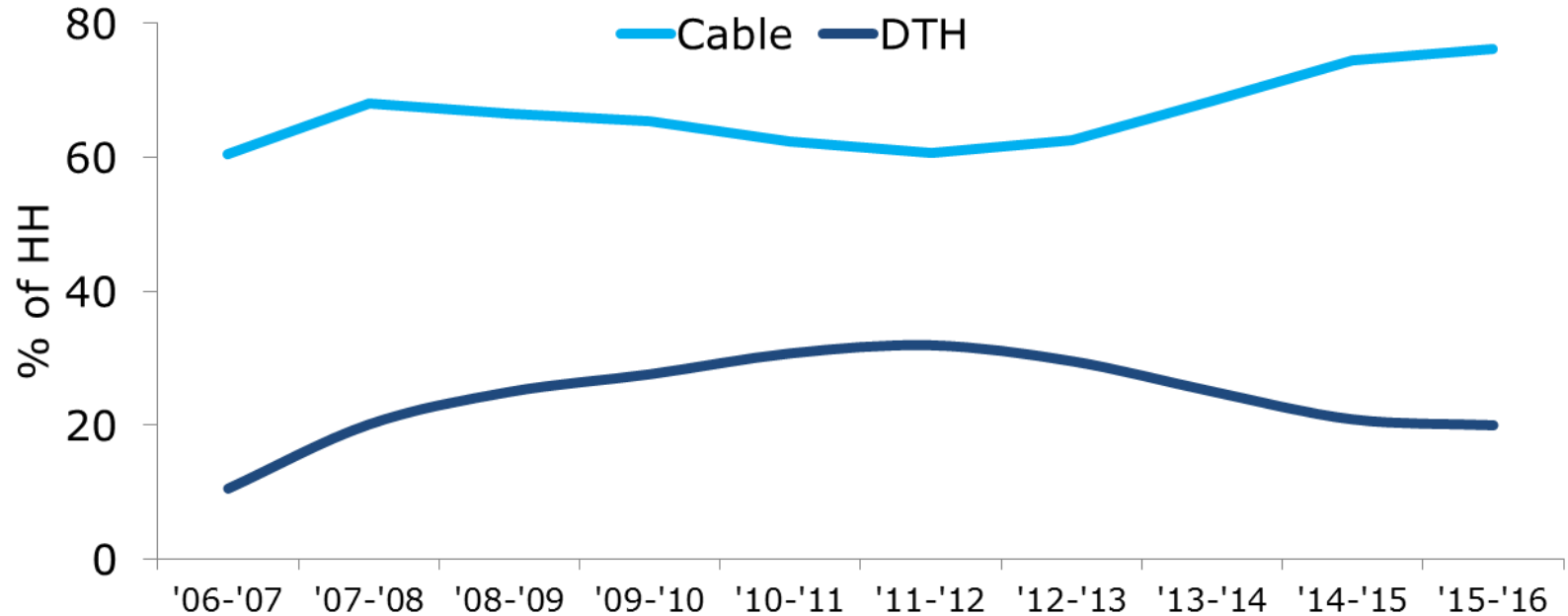
- Increase or Decrease?
- Major Transformation or Marginal Change?
- Cable or Satellite?
- Who Won and Who Lost?



TV: marginal increase in usage (~20% or ~0.5 billion Lei)  
Marginal change



## Satellite grew but cable prevailed

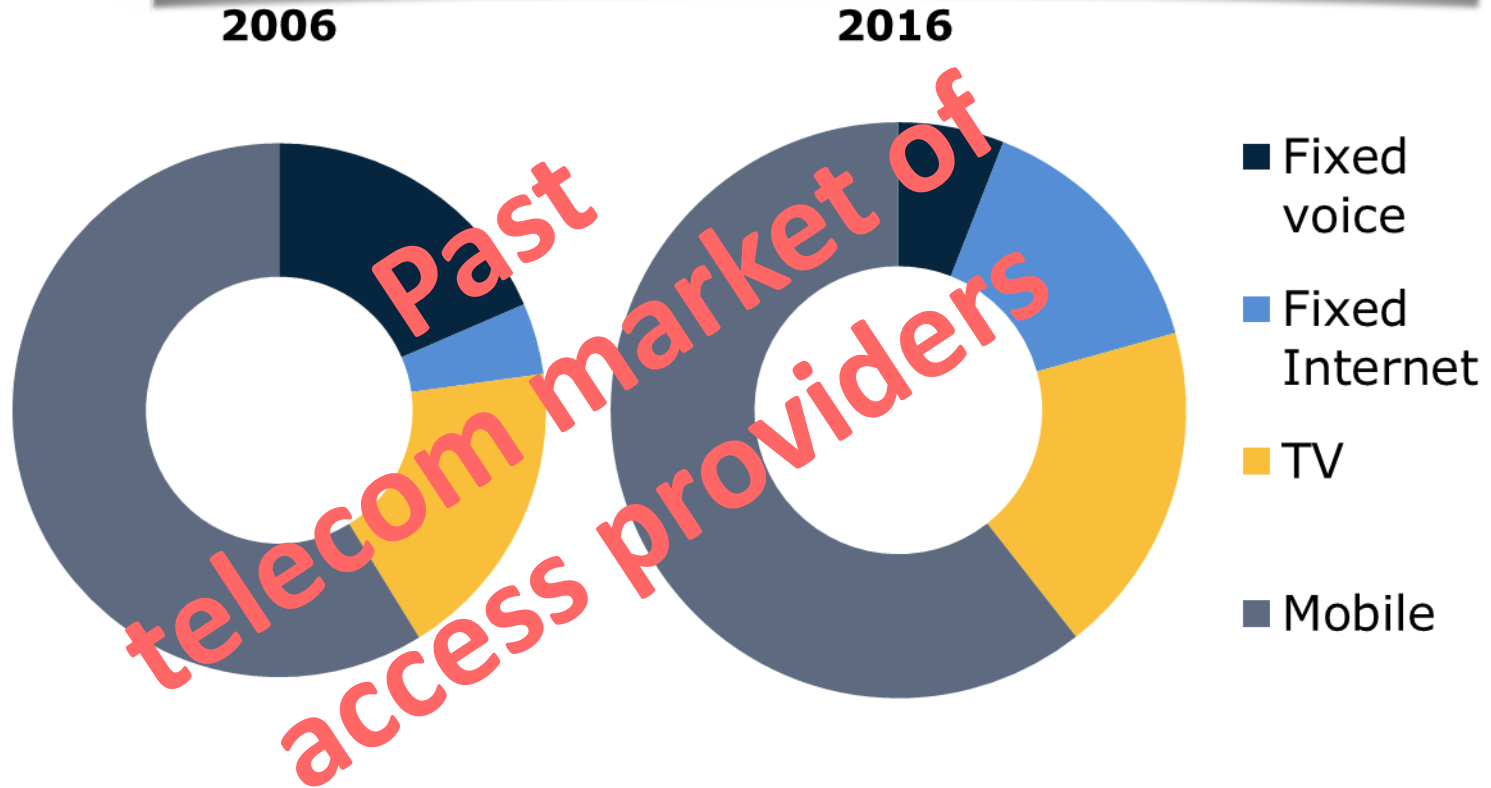




# Where Is the Money in the Romanian Telecom Market?

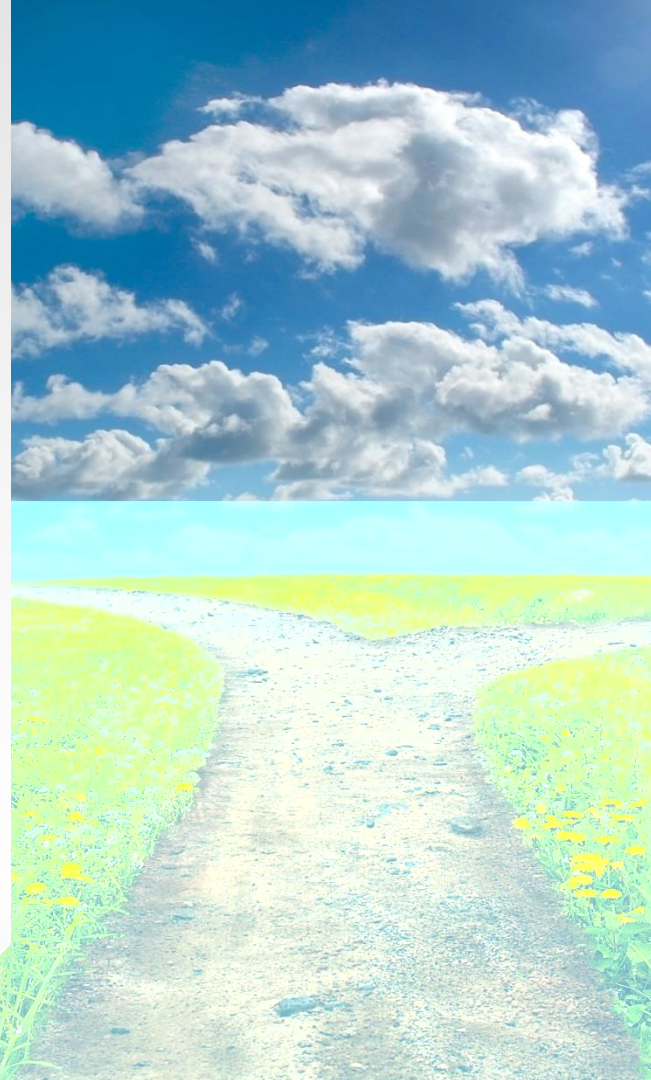


- > ~20% growth in the last decade
- > Internet the major transformation

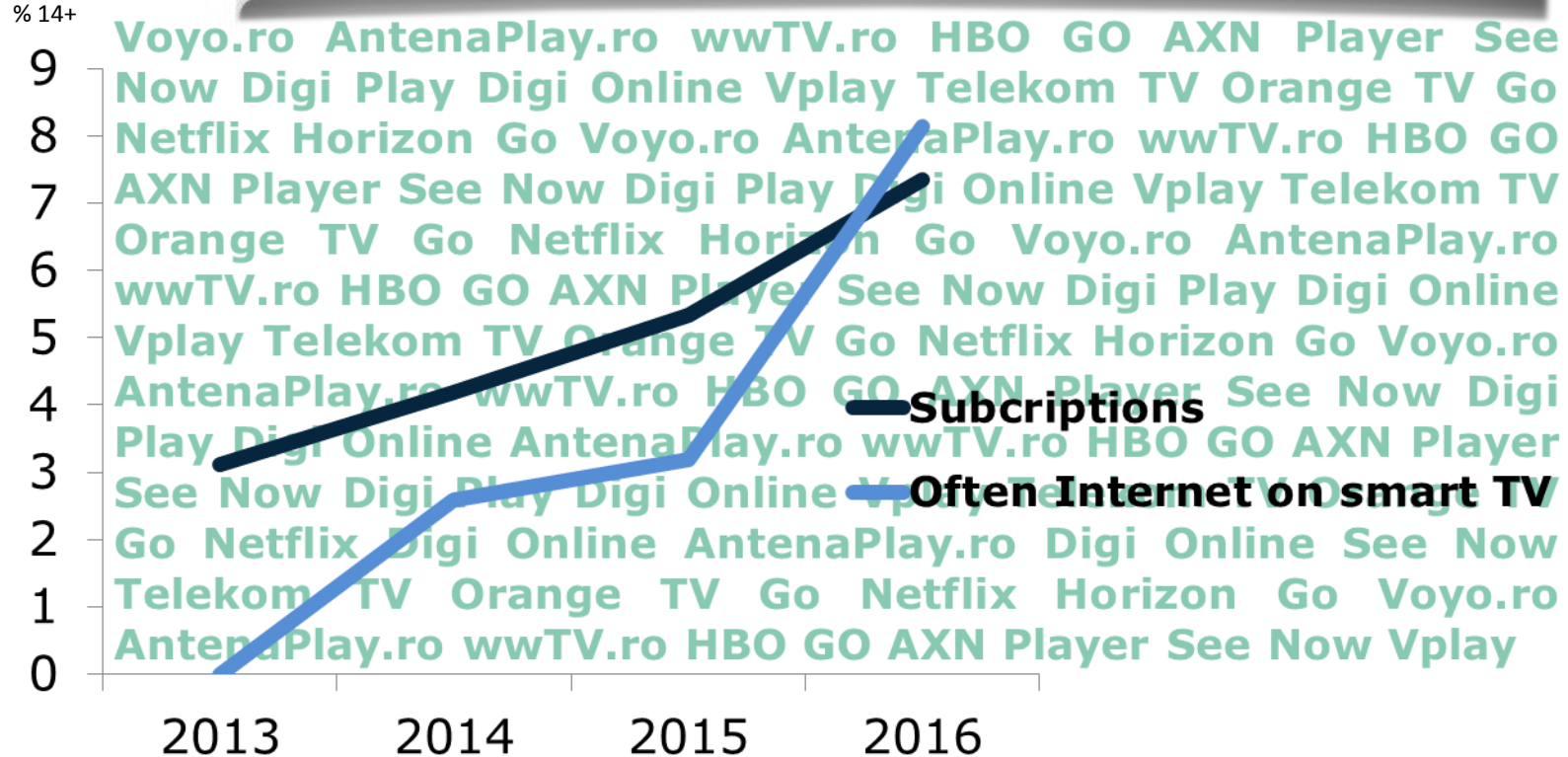




# Future Trends



## A developing trend – subscription to content providers

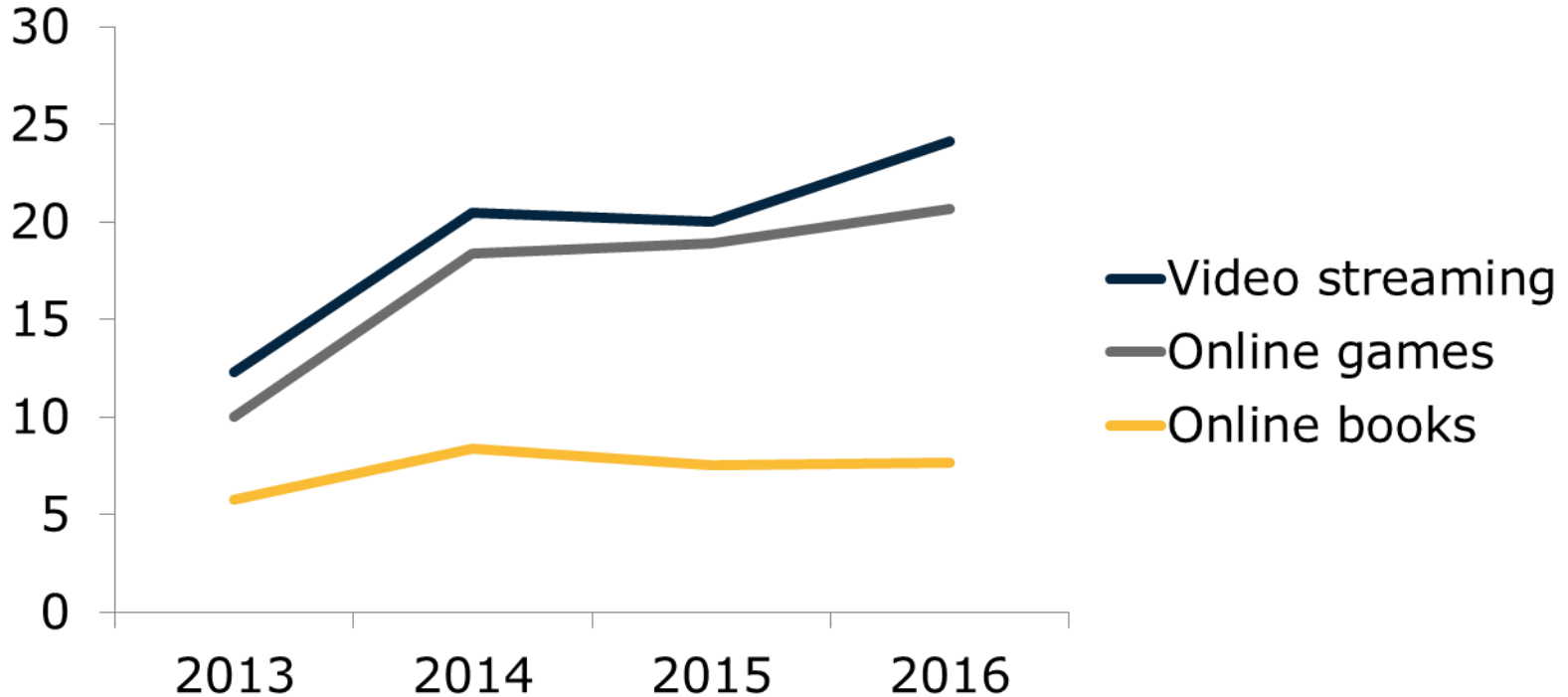


# What is the Most Widespread Entertainment Online?

- Books
- Games
- Video



## Most widespread entertainment online: video & games – over 20%



- Fixed voice – already in the past

- TV distribution – is internet a substitute?

- Mobile voice – is internet a substitute?

- Internet – growing demand but increased competition and likely lower prices

> Fixed voice – already in the past

> Mobile voice – is internet a substitute?

**Content = the next wave**

> TV distribution – is internet a substitute?

> Internet – growing demand but increased competition and likely lower prices

- > Fixed voice – already in the past

- > Mobile voice – is internet a substitute?

# POWER SHIFT FROM ACCESS PROVIDERS TO CONTENT PROVIDERS

- > TV distribution – is internet a substitute?

- > Internet – growing demand but increased competition and likely lower prices

- > Fixed voice – already in the past

**FROM WIRE**

**TO**

- > Mobile voice – is internet a substitute?

**NETFLIX**

- > TV distribution – is internet a substitute?

- > Internet – growing demand but increased competition and likely lower prices



Q&A

