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MARKET SHARE ANALYSIS OF MOBILE OPERATORS IN TURKEY

Abstract:

We investigate the factors influencing the demand for mobile voice services in Turkey using firm level data which spans from January 2008 to December 2012. The competition in mobile telecommunication market in Turkey has become more intense as a result of mobile number portability (MNP) service introduced in 2008 and 3G technology introduced in 2009. The intense competition not only helps to keep prices down but also supports subscriber growth. Besides prices, we believe that network effects have an impact on market growth. Approximating sales levels using subscription levels and churn rates and using revenue per minute (RPM) as a price measure, we find that while price has a significant negative impact on the demand for mobile services, network effects has a significant positive impact on demand for mobile services. We also estimate own and cross price elasticities of the firms operating in mobile telecommunication market.

Keywords:

telecommunication;3G; mobile number portability

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