

## **Demand Elasticities for Mobile Telecommunications in Austria**

**By Ralf Dewenter, Bochum, and Justus Haucap, Nuernberg**

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### **Summary**

This paper analyses price elasticities in the Austrian market for mobile telecommunications services using data on firm specific tariffs in the period between January 1998 and March 2002. As a novelty compared to existing studies dynamic panel data regressions are used to estimate short-run and long-run demand elasticities for business customers and for private consumers with both postpaid contracts and prepaid cards.

We find that business customers have a higher elasticity of demand than private consumers, where postpaid customers tend to have a higher demand elasticity than prepaid customers. Also demand is as expected more elastic in the long run. In addition, the paper also provides estimates for firm-specific demand elasticities which range from -0.47 to -1.1.