

MCA Market Research

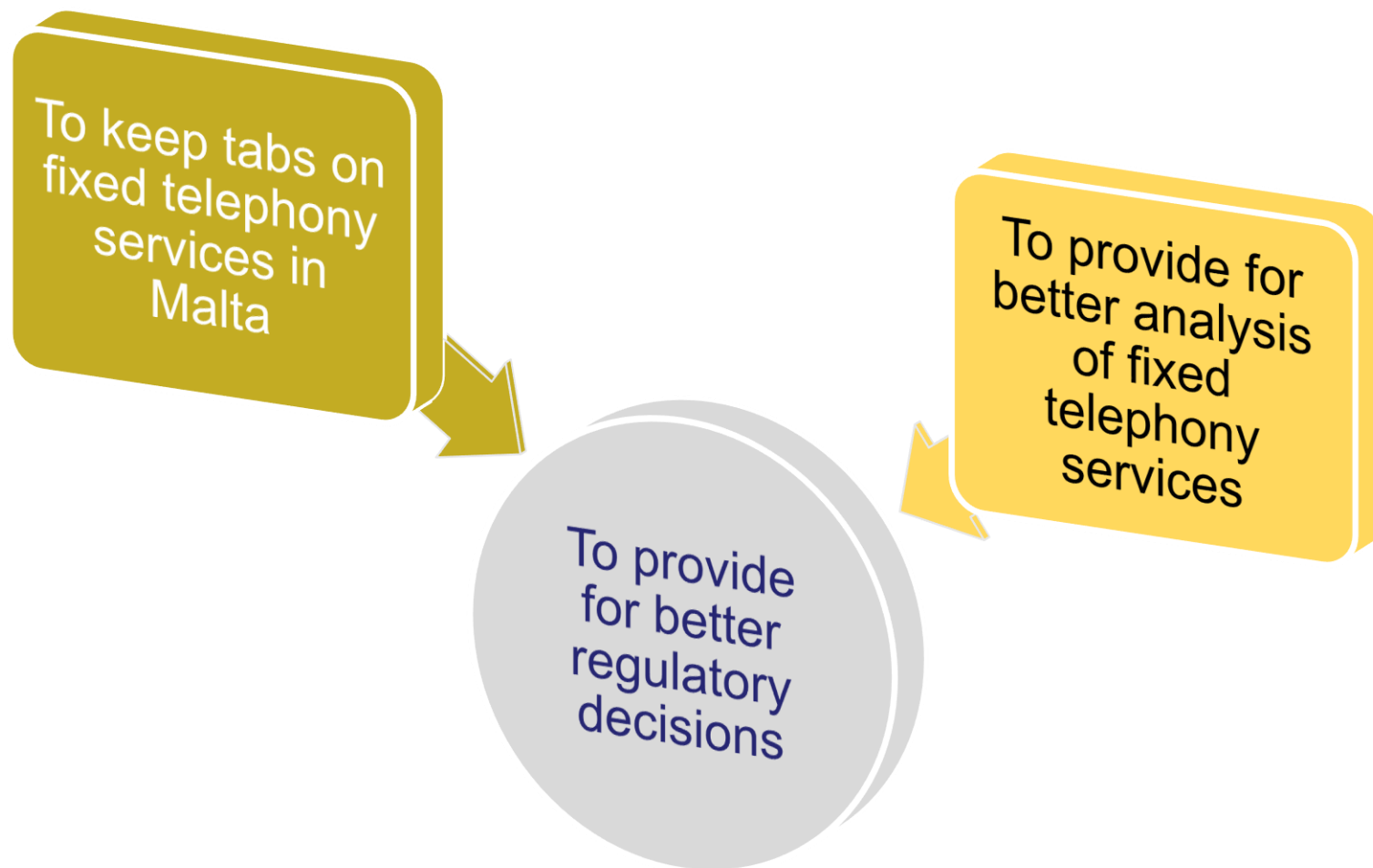
Consumer Perception Survey Results – Fixed Telephony

Presentation Structure

1. Purpose and methodology
2. Fixed telephony services in Malta
3. Market development in fixed telephony services
4. Substitution & Pricing Analysis

1. Purpose & Methodology

Purpose



M. Fsadni & Associates carried out the survey in August 2011 on behalf of the MCA

Fieldwork

Interviews were carried out by telephone using CATI, lasting around 9 minutes.

The survey respondents were chosen at random from GO's and Melita's Internet Telephone Directories.

Only one person per household was interviewed and all respondents were older than 18 years.

Sample

Targeted population was stratified according to the socio-economic classification of the Maltese population, based on the 2011 Q1 Labour Force Survey.

The interviews were also equally distributed among Malta's six official geographic regions.

Responses

801 net respondents

Any refusals / incomplete surveys were re-allocated to achieve a net sample of 800 interviewees.

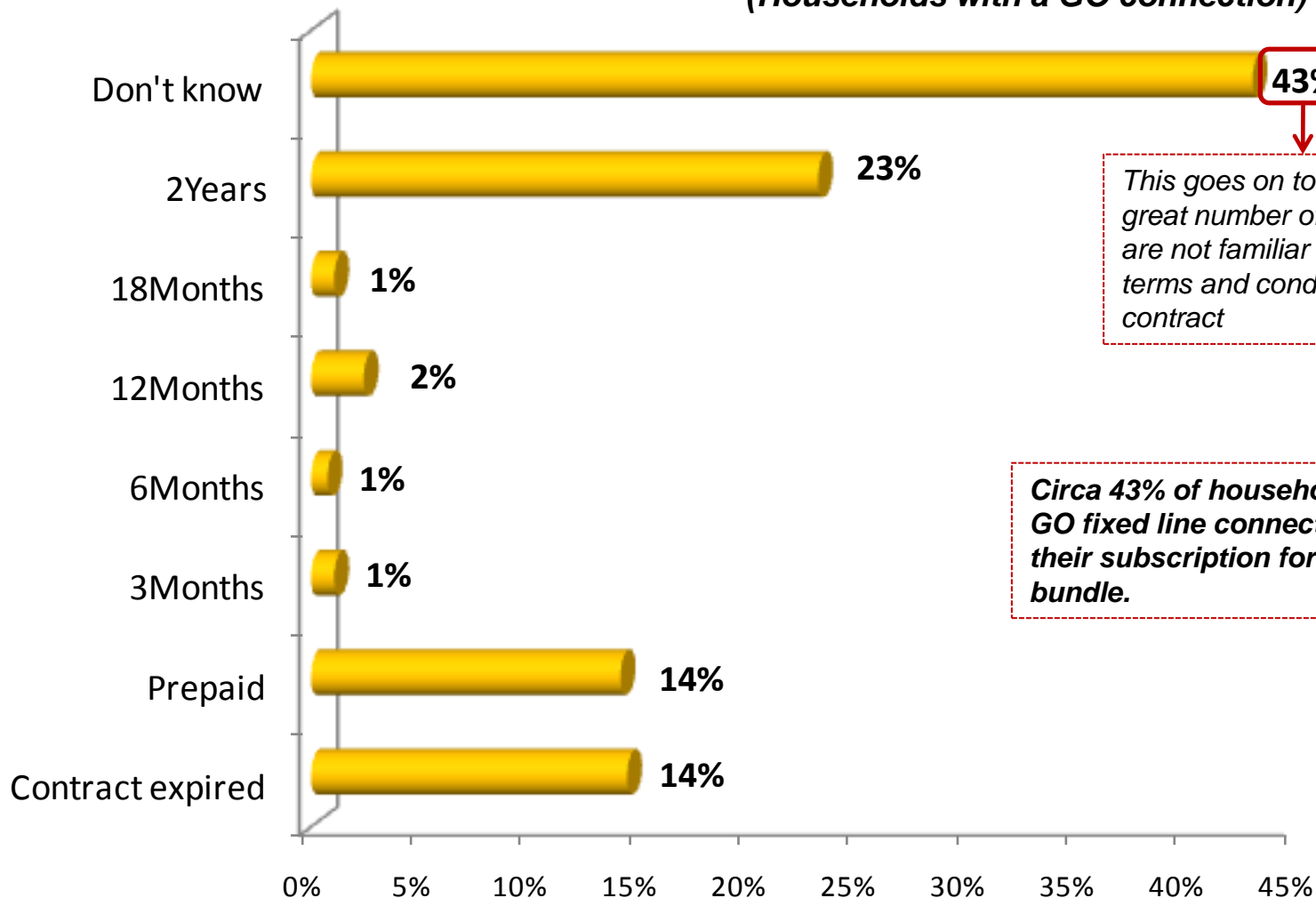
Margin of error 3.45% at 95% confidence interval.

2. Fixed Telephony Services in Malta

GO – Subscription Period

For how long does your contract bind you before being able to terminate or switch service?

**Sample Size – 665
(Households with a GO connection)**



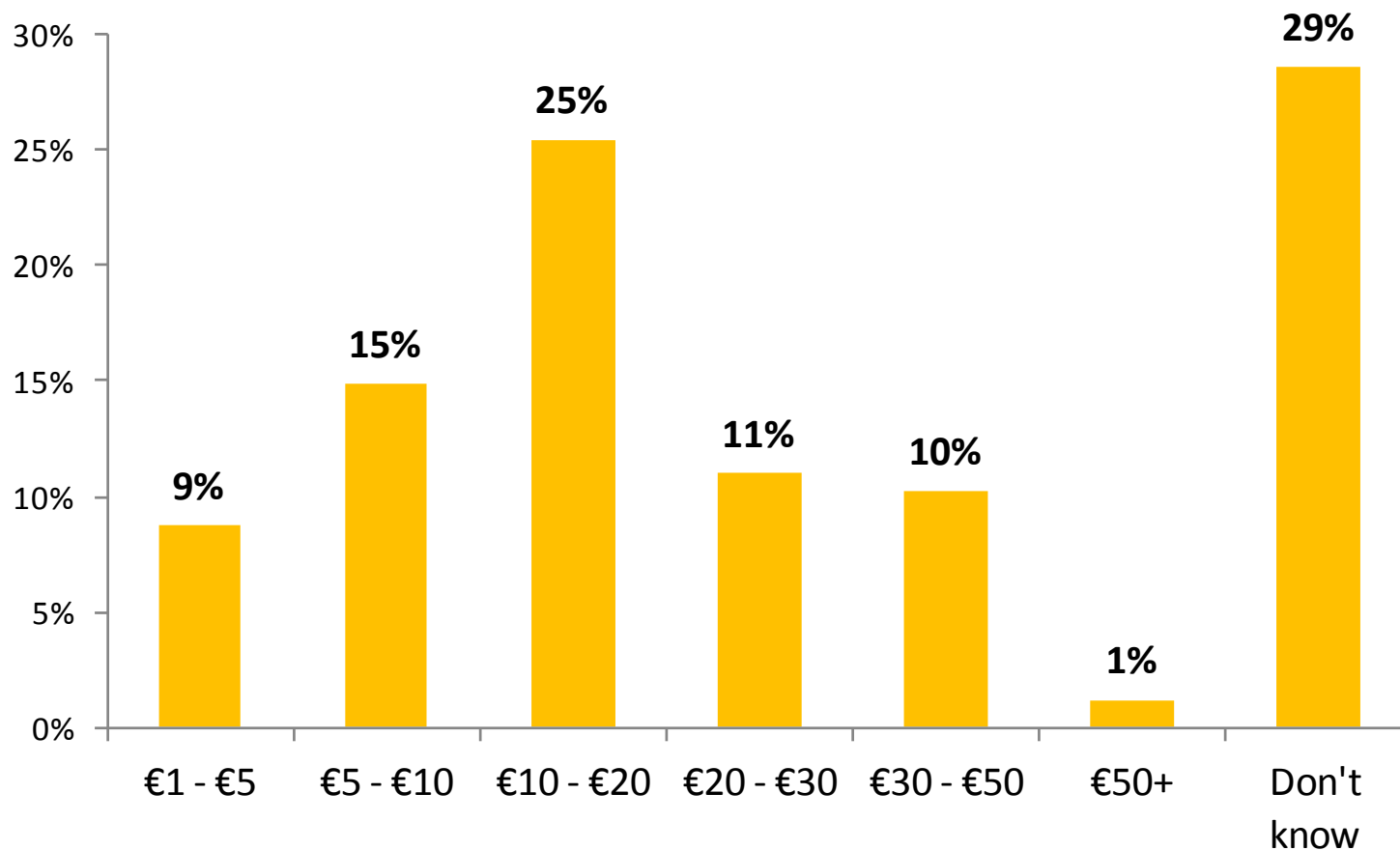
This goes on to show that a great number of households are not familiar with the basic terms and conditions of their contract

Circa 43% of households with a GO fixed line connection say that their subscription forms part of a bundle.

GO – Price Analysis

On average how much do you spend per month on fixed telephony services offered by GO? (if on contract, include rental charges)

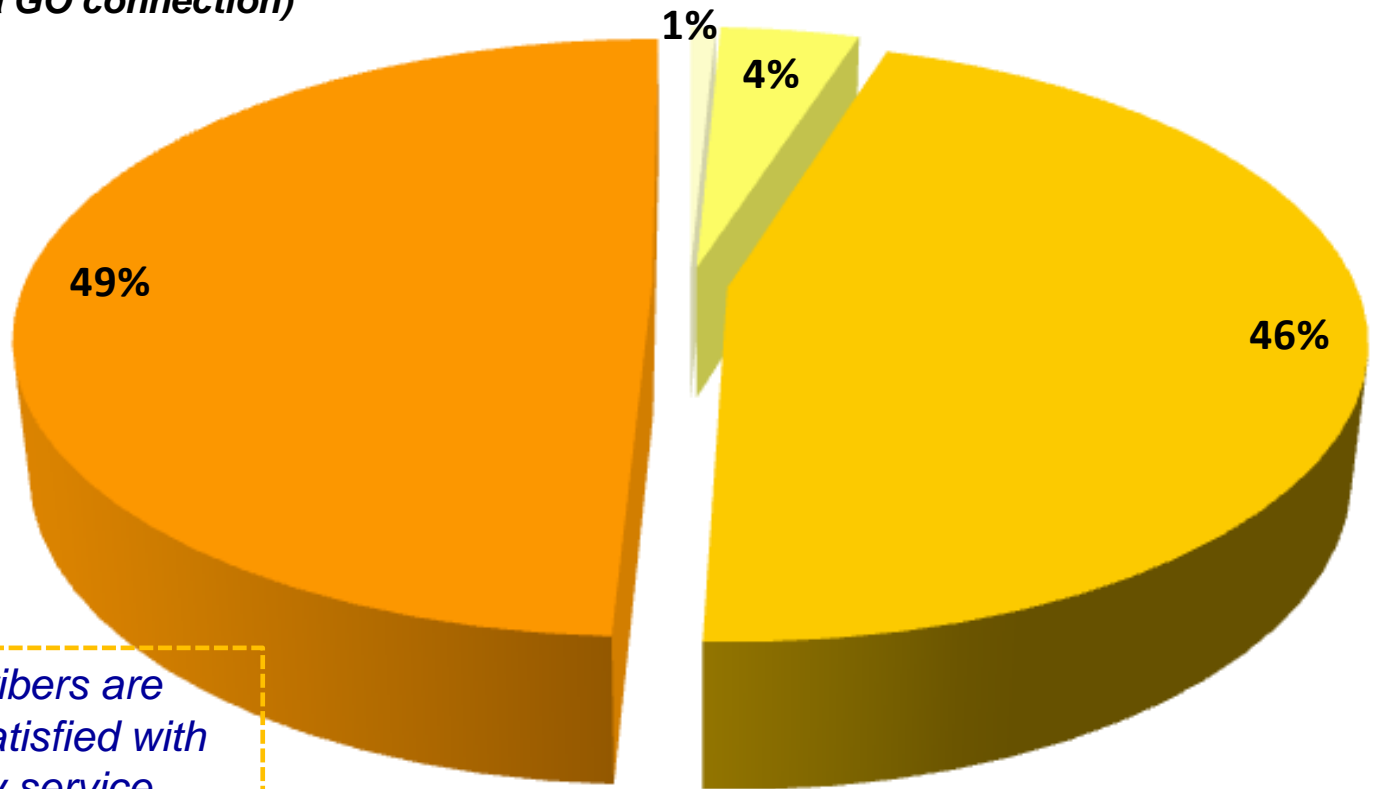
Sample Size – 665
(Households with a GO connection)



GO – Satisfaction Levels

How satisfied are you with the quality of connection you get from GO?

Sample Size – 665
(Households with a GO connection)



95% of GO subscribers are satisfied / highly satisfied with the fixed telephony service they receive.

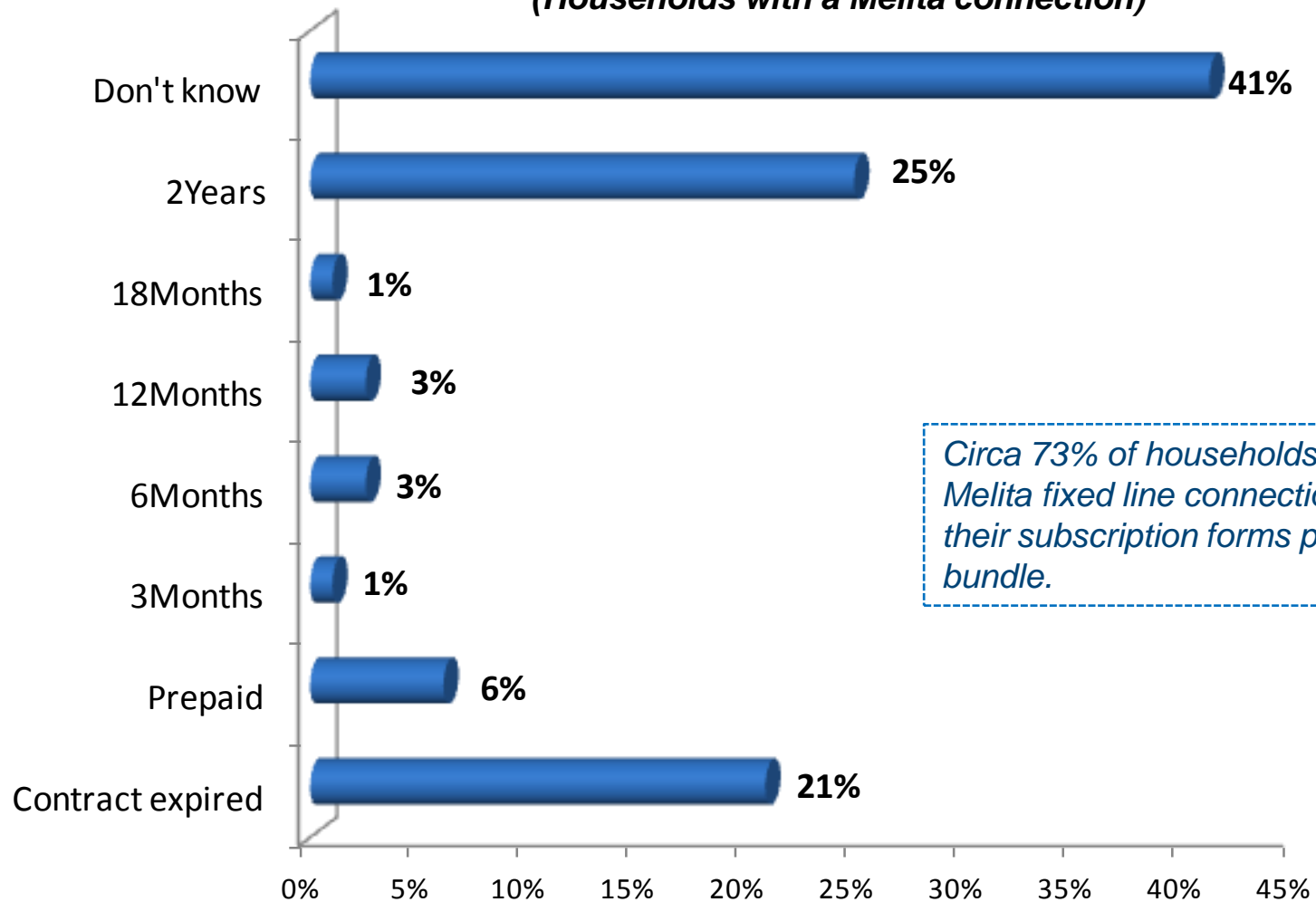


Least Satisfied → Highly Satisfied

Melita – Subscription Period

For how long does your contract bind you before being able to terminate or switch service?

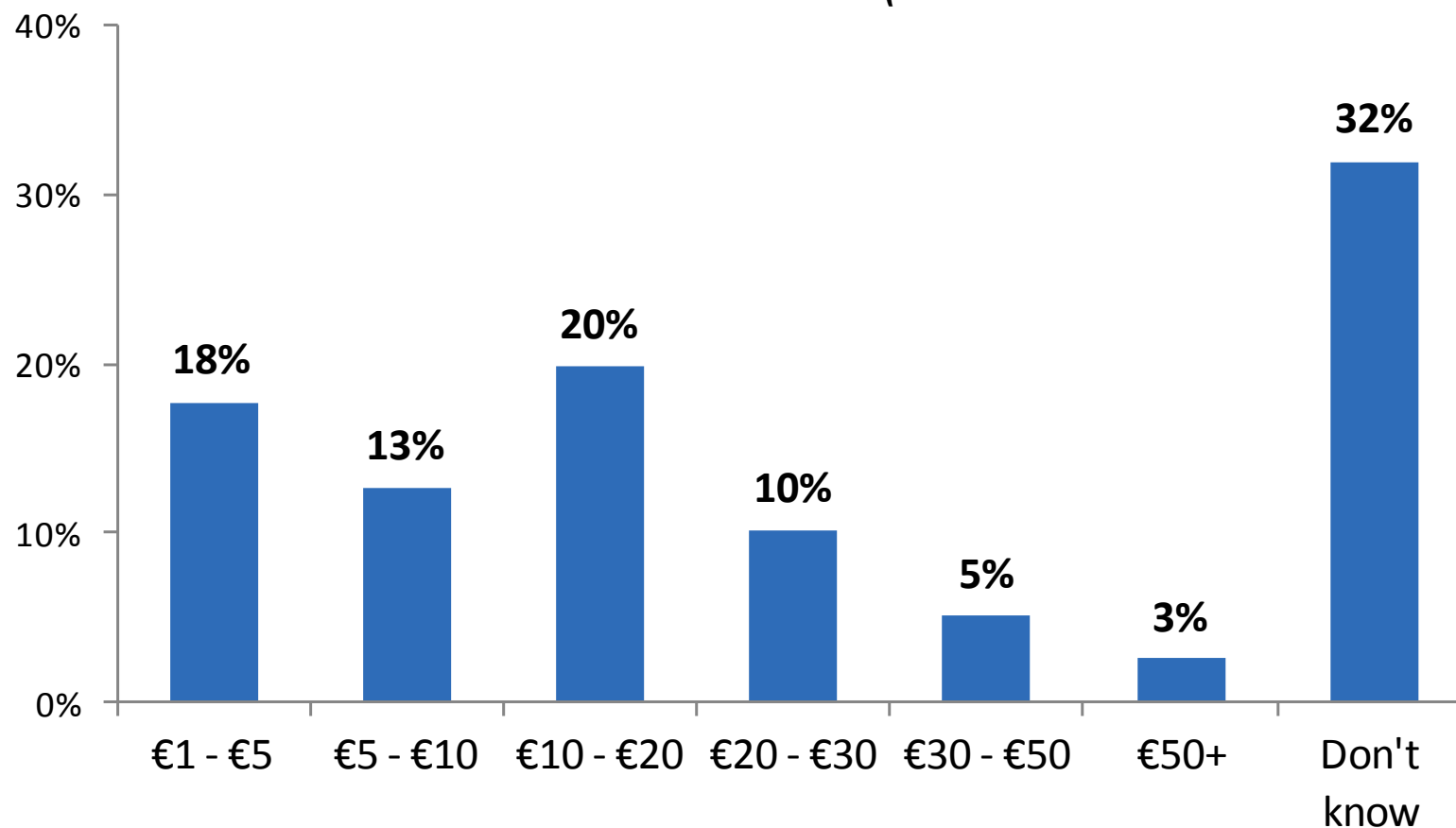
Sample Size – 197
(Households with a Melita connection)



Melita – Price Analysis

On average how much do you spend per month on fixed telephony services offered by Melita? (if on contract, include rental charges)

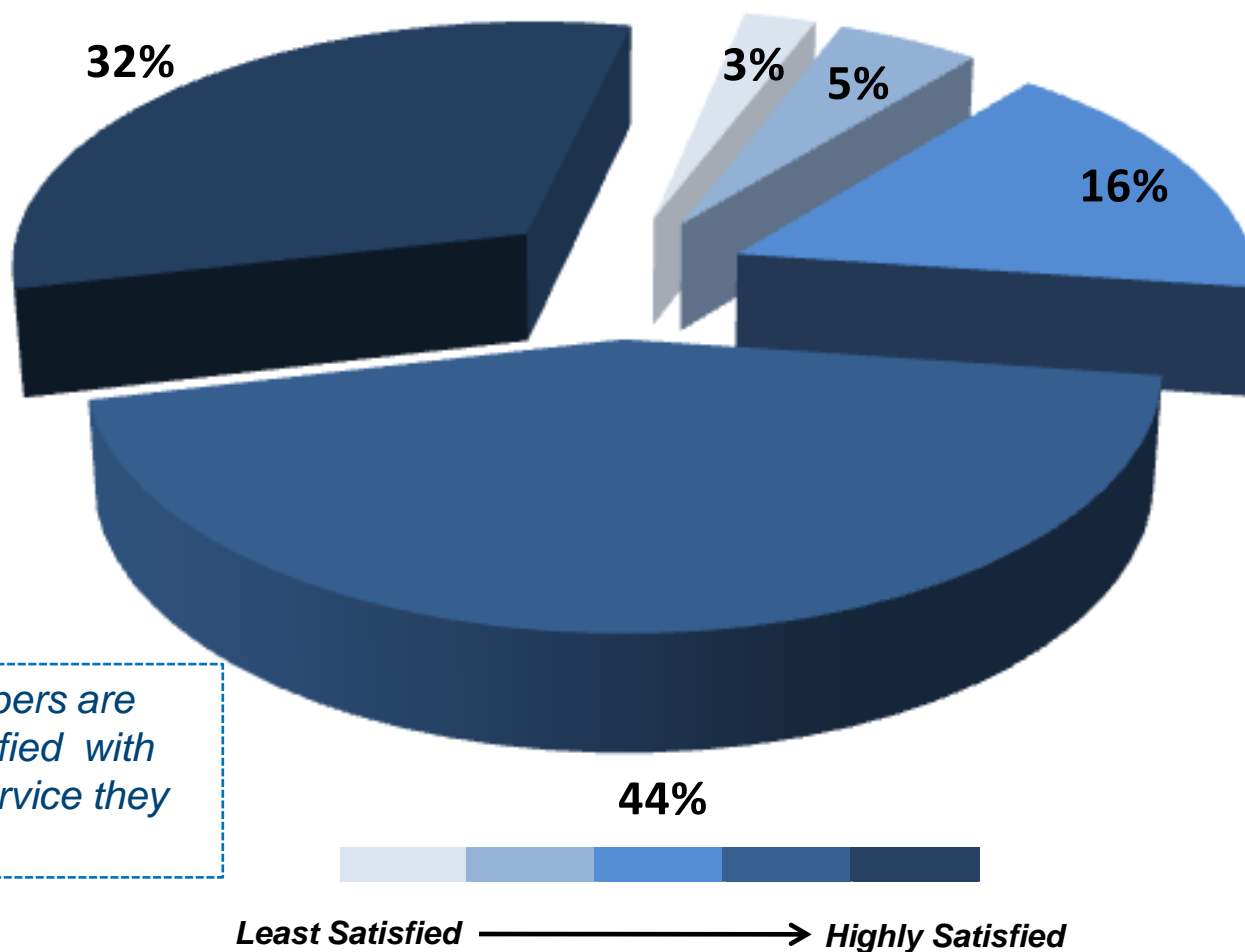
Sample Size – 197
(Households with a Melita connection)



Melita – Satisfaction Levels

How satisfied are you with the quality of connection you get from Melita?

Sample Size – 197
(Households with a Melita connection)



76% of Melita subscribers are highly satisfied / satisfied with the fixed telephony service they receive.

3. Market Development in Fixed Telephony Services

Movements in Fixed Line Subscriptions (1)

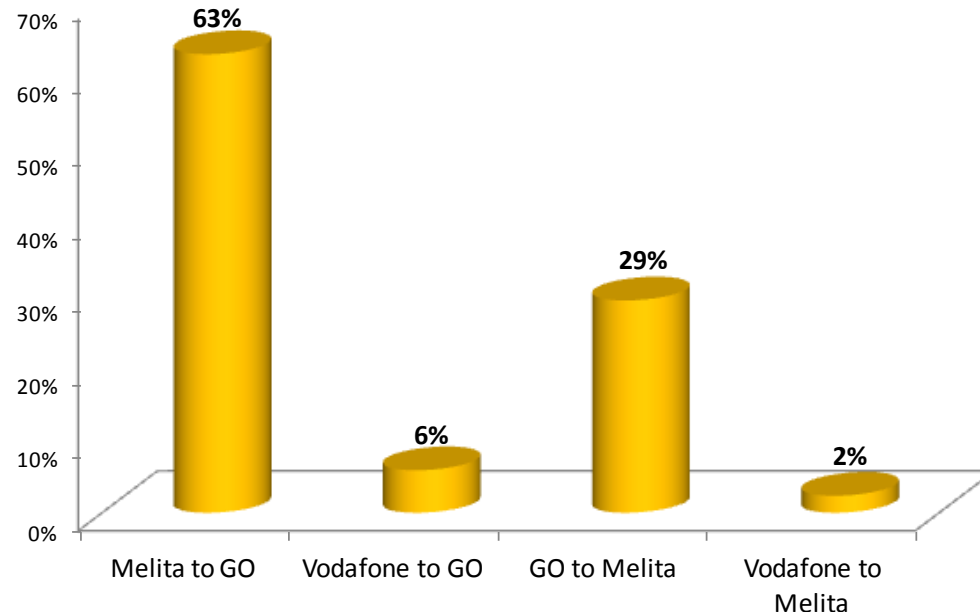
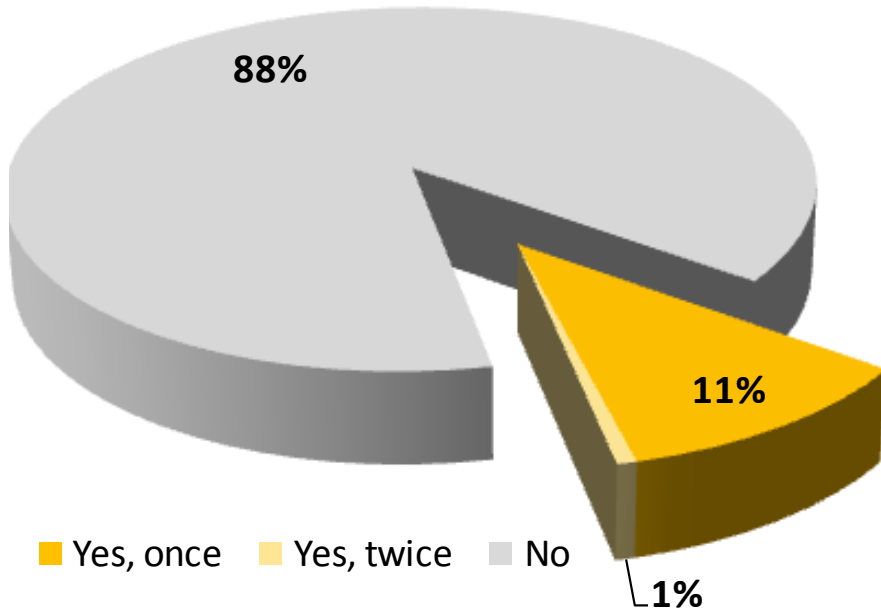
Did you switch operator over the last two years?

Only respondents subscribed to one operator were asked to participate in this section.

A total of 801 respondents were originally surveyed, of which 736 households were subscribed to one operator only.

If Yes, with which operator were you subscribed to before you switched?

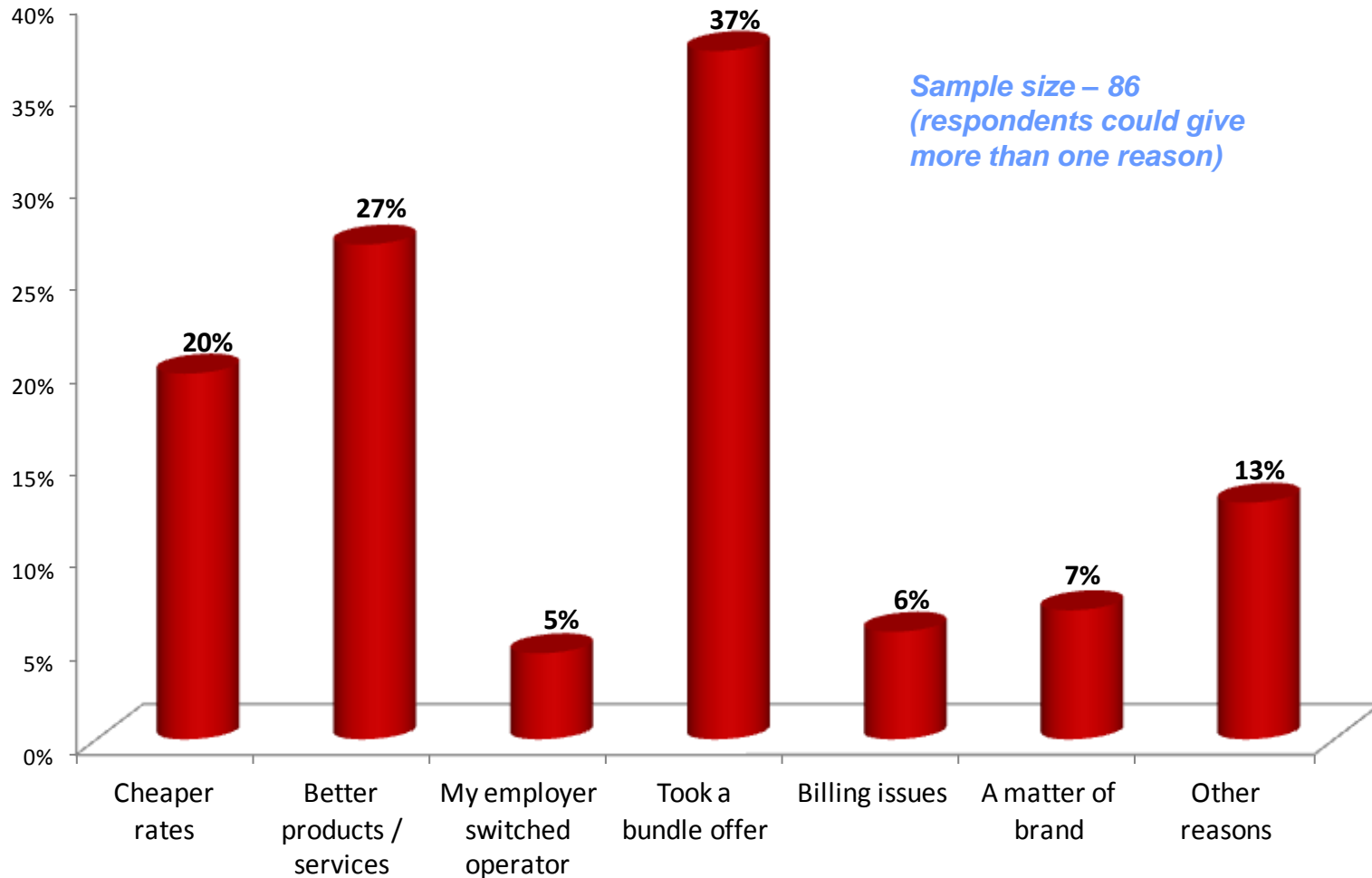
Sample Size – 86



Around 5% of those who claim not to have switched operators state that they had intended to switch to another operator but found little information or found it inconvenient to do so

Movements in Fixed Line Subscriptions (2)

Why have you changed your fixed line operator?

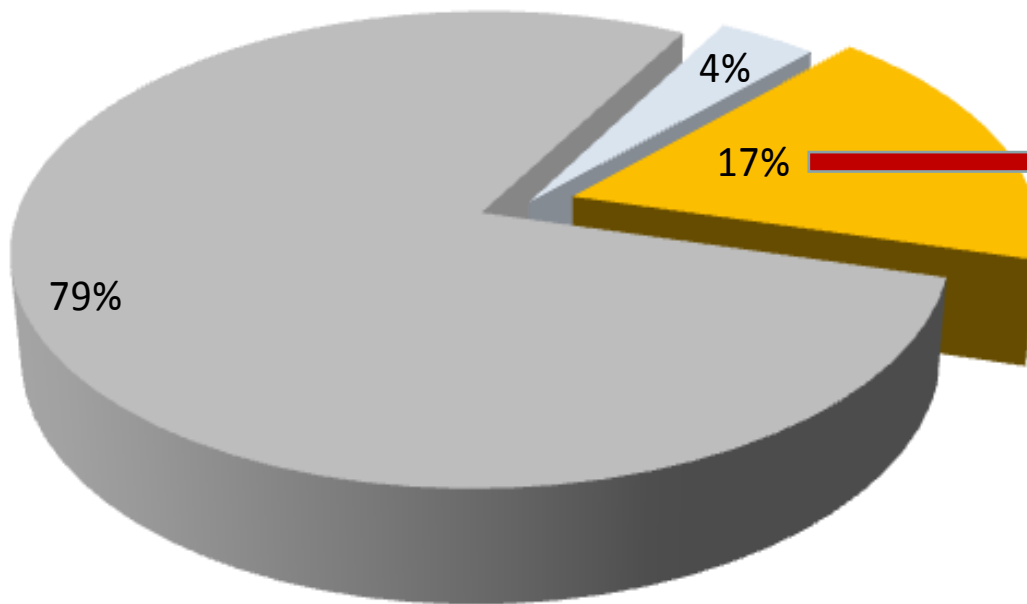


Circa 70% of those who claim to have switched operators over the last two years have opted to port their original number.

Ease of Switching between Fixed Line Operators

Was it difficult to change from one operator to another?

Sample Size – 86



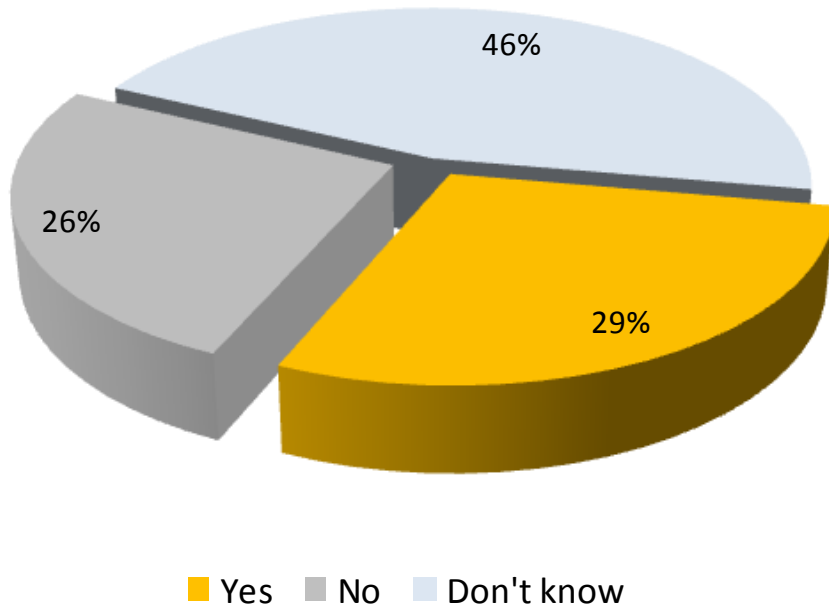
■ Yes ■ No ■ Don't know

| Most Stated Reasons | % of those households who claim to have found switching difficult |
|----------------------------------|---|
| Customer care not helpful enough | 47% |
| Delays in number porting | 27% |
| Other Reasons | 26% |

Churn Analysis

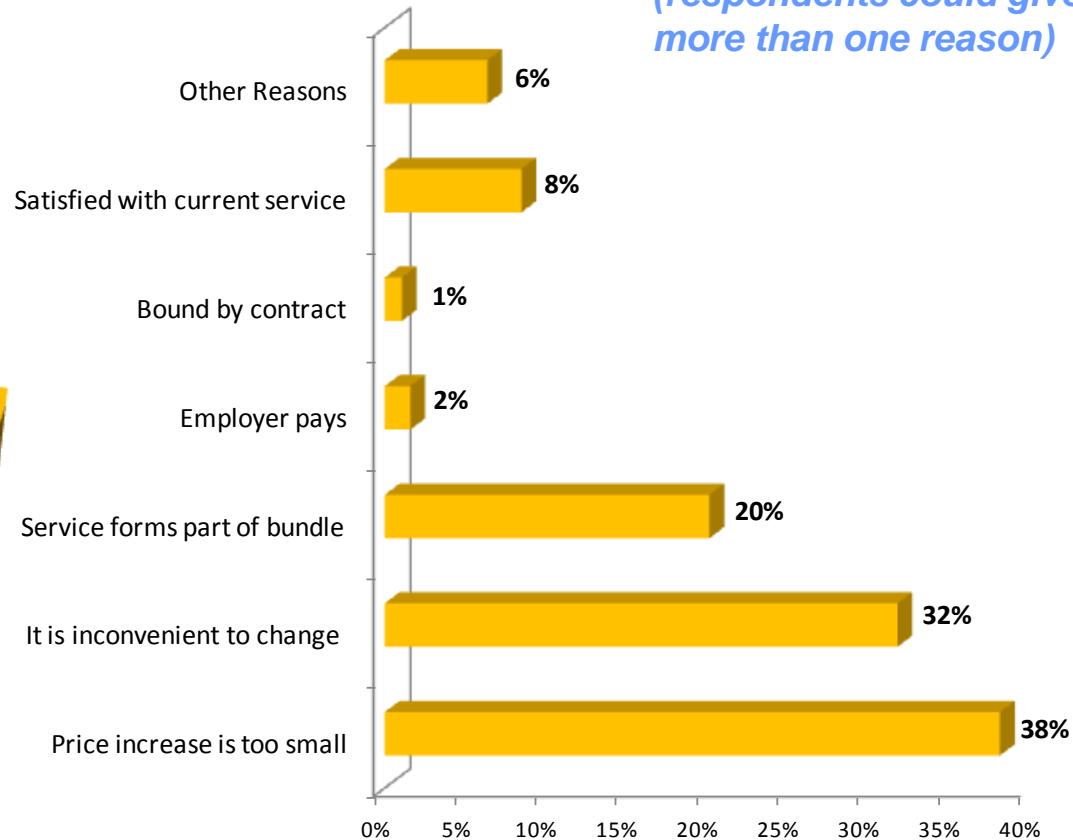
If your fixed telephone operator increases the price of access and calls by 5%-10% (€1 - €2 per month), would you switch to another operator?

Sample Size – 736



If no, why?

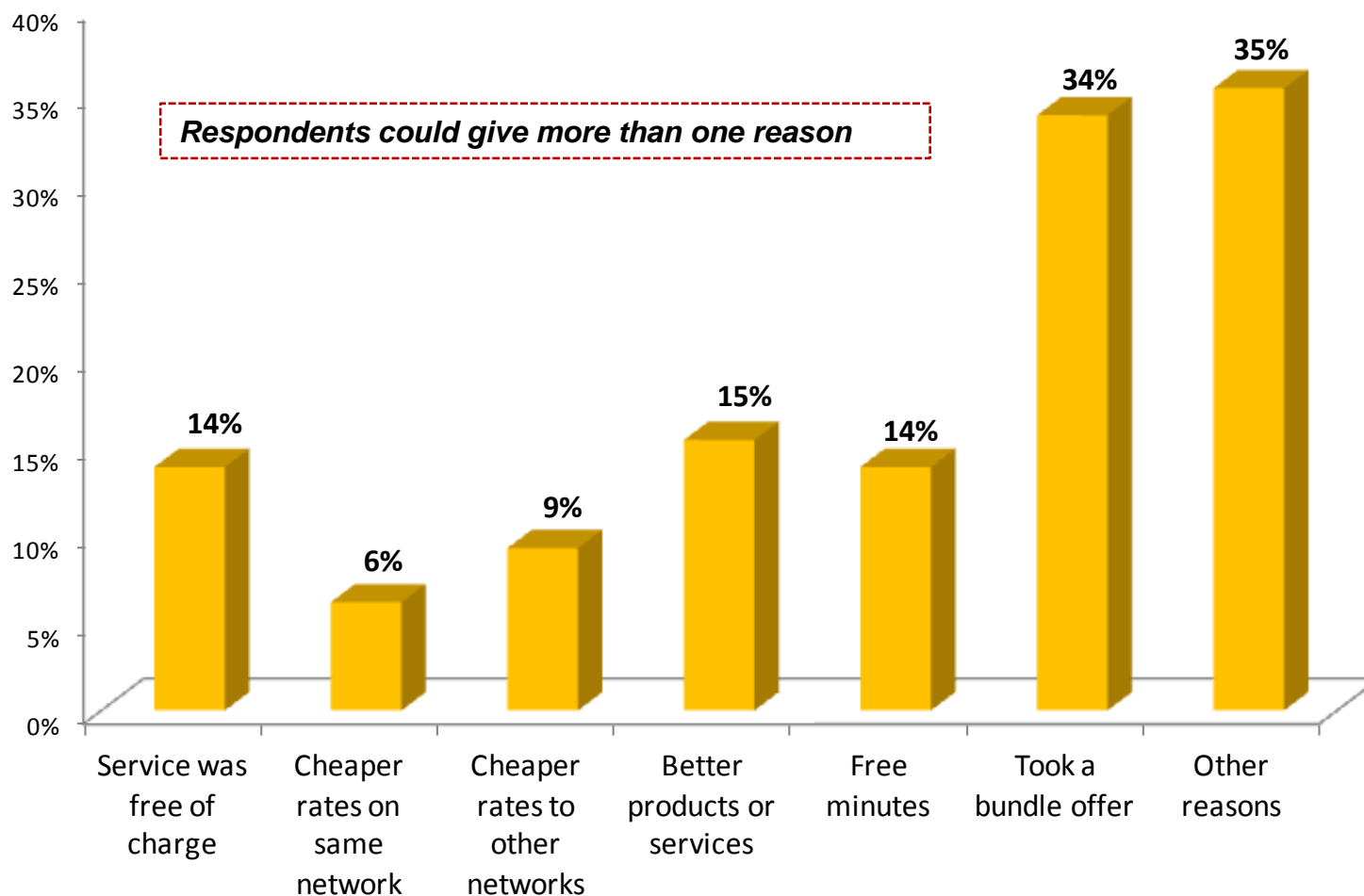
Sample size – 189
(respondents could give more than one reason)



Multiple Lines

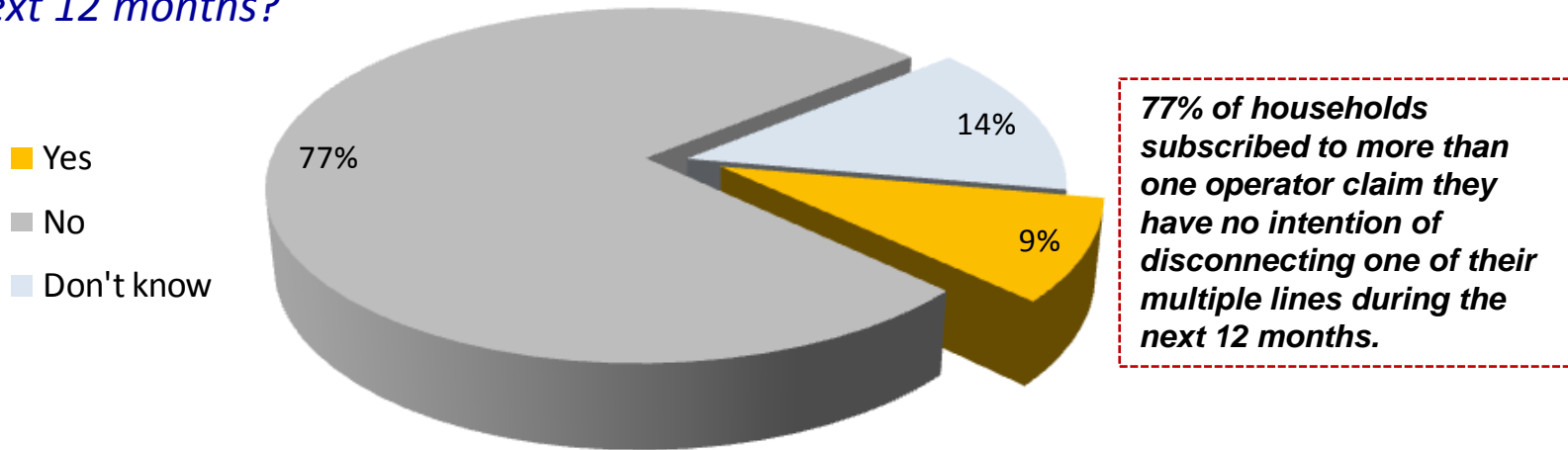
Is there a reason why you added another fixed line subscription?

Only households subscribed to more than one operator were asked to participate in this section (8% of total households surveyed)

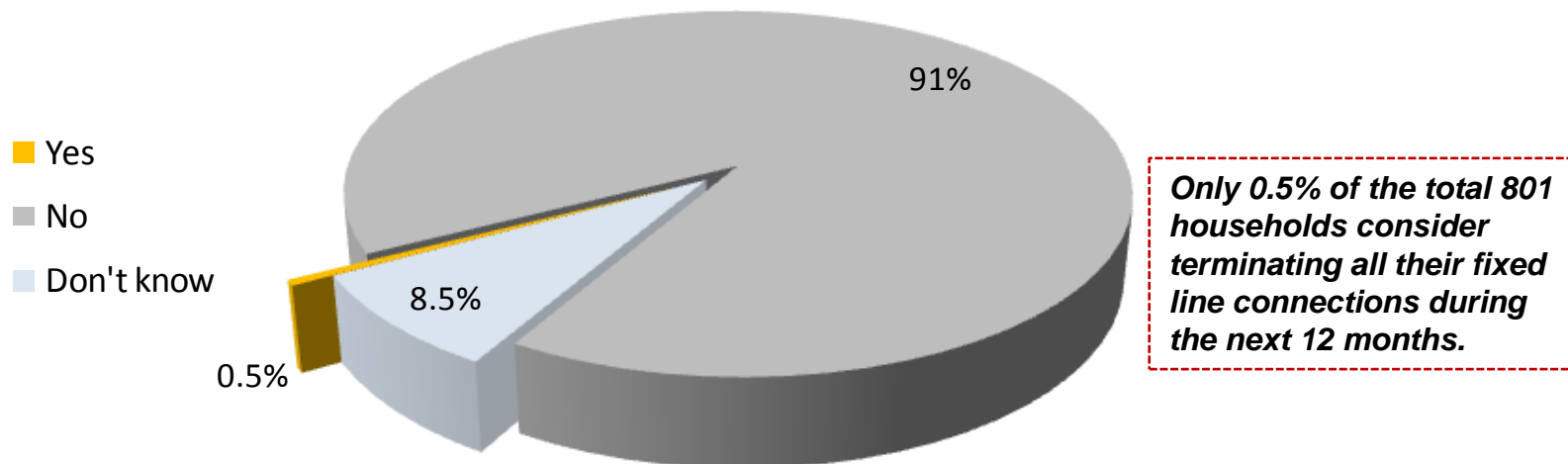


Disconnection of Fixed Line Services

Multiple Line Subscribers – Will you consider disconnecting one of the fixed line connections during the next 12 months?



Are you considering terminating your fixed line connection throughout the next 12 months?



4. Substitution & Pricing Analysis

Pricing Analysis: On-net Calls

Do you know how much it costs to call from your fixed telephone line to another with the same operator?

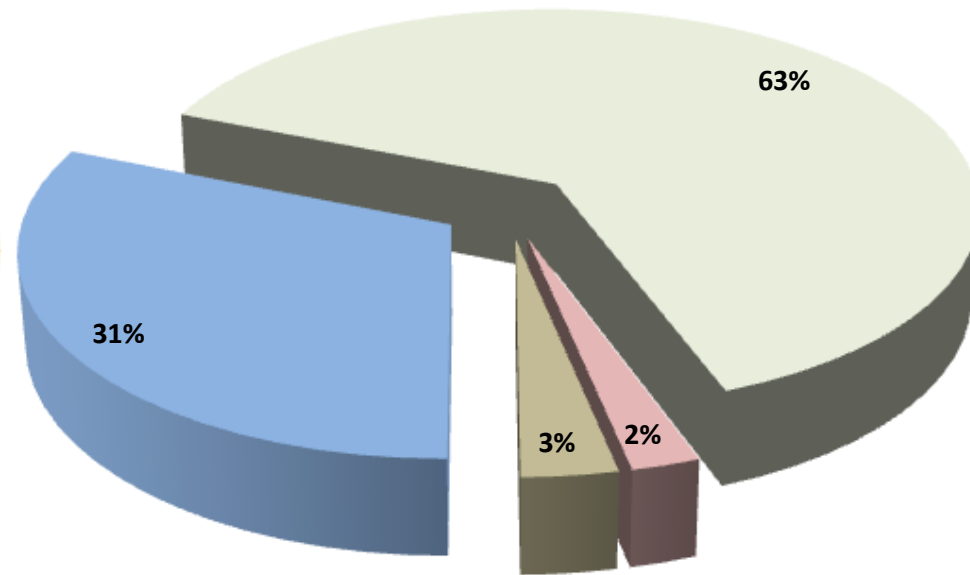
If yes, do you think the rates are...

Sample Size – 801

Sample Size – 218



■ Yes ■ No



■ Expensive ■ Reasonable ■ Cheap ■ Don't know

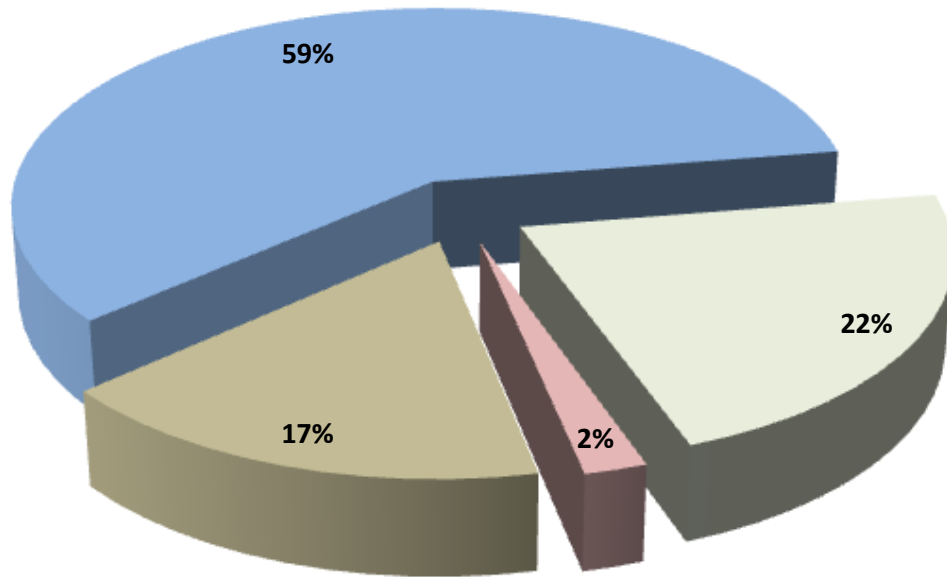
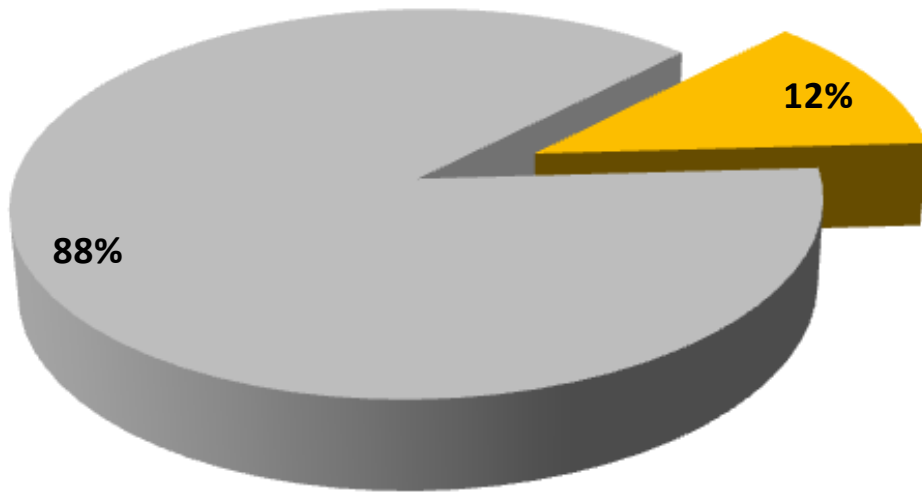
Pricing Analysis: Off-net Calls

Do you know how much it costs to call from your fixed line to another fixed line with a different telephone operator?

If yes, do you think the rates are...

Sample Size – 801

Sample Size – 95



■ Yes ■ No

■ Expensive ■ Reasonable ■ Cheap ■ Don't know

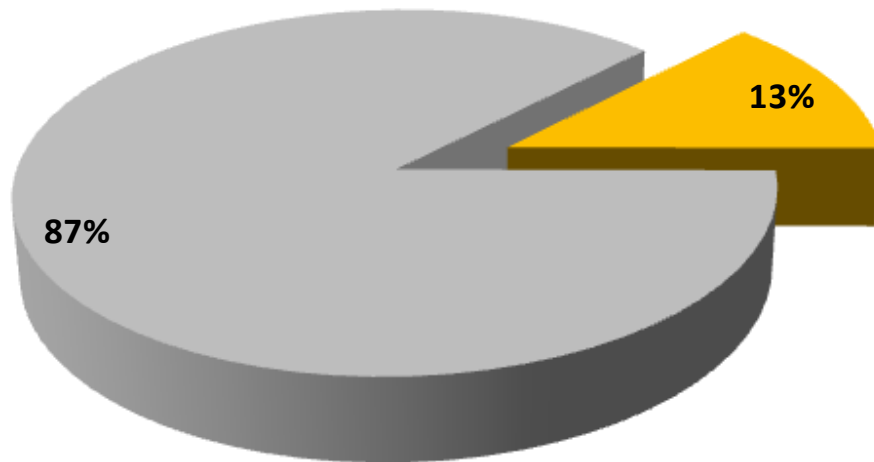
Pricing Analysis: Calls to Mobile Phone

Do you know how much it costs to call from your fixed line to a mobile phone?

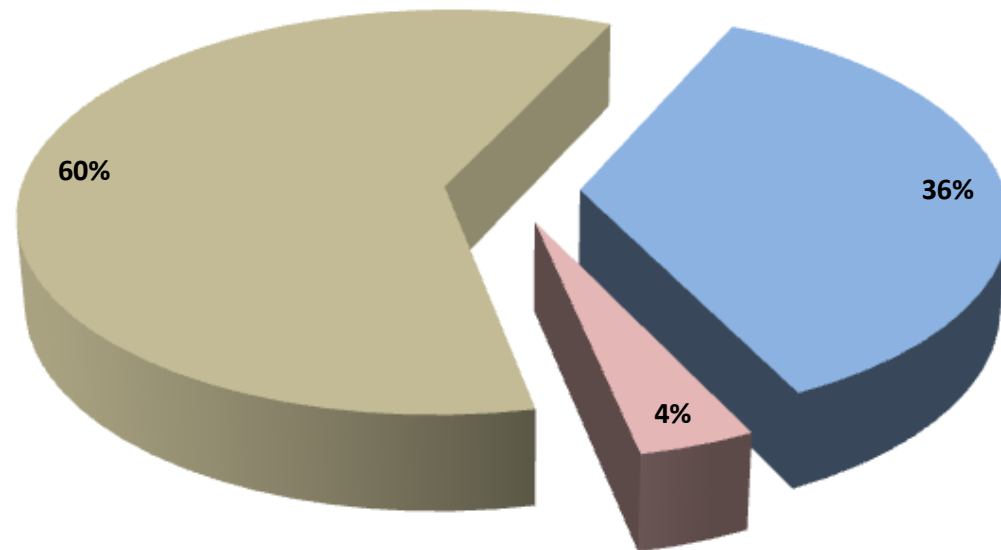
If yes, do you think the rates are...

Sample Size – 801

Sample Size – 95



■ Yes ■ No



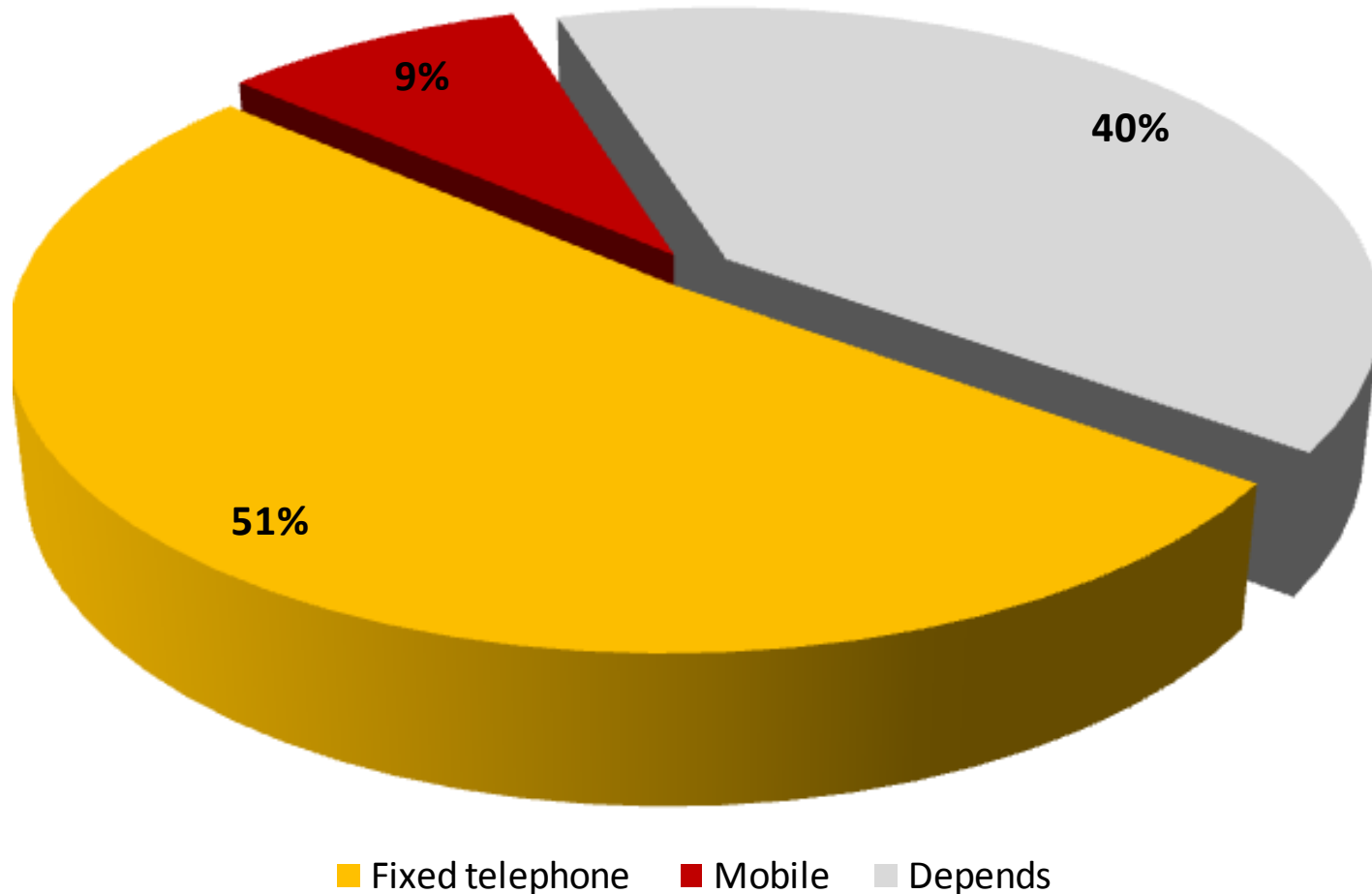
■ Expensive ■ Reasonable ■ Don't know

No respondent believes that calls to a mobile line from a fixed telephone line are cheap.

Substitution Analysis

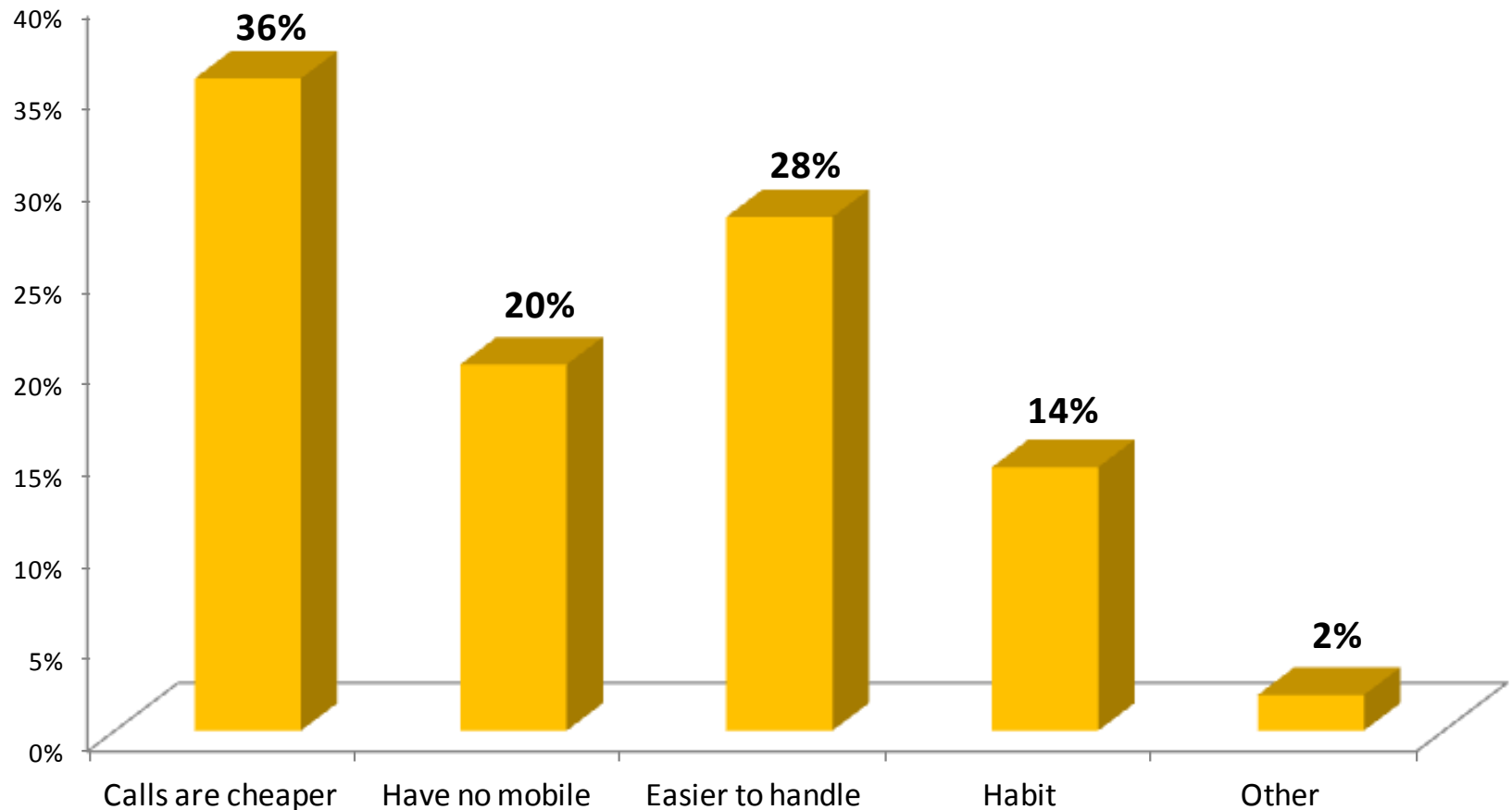
When at home what do you prefer to use most – fixed telephone or mobile ?

Sample Size – 801



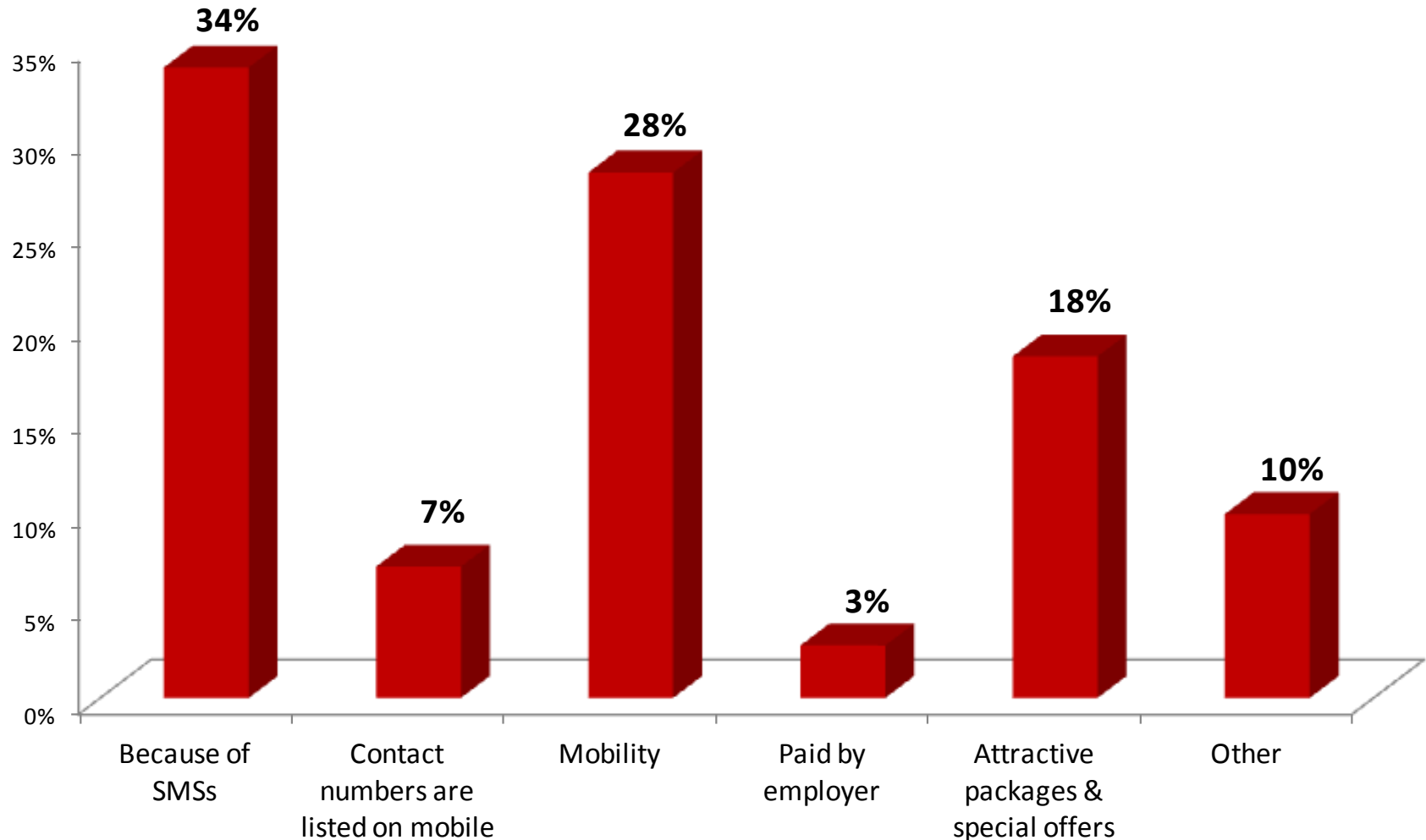
Substitution Analysis – Why Fixed Telephone?

Sample Size – 411 (respondents who prefer to use the fixed telephone)



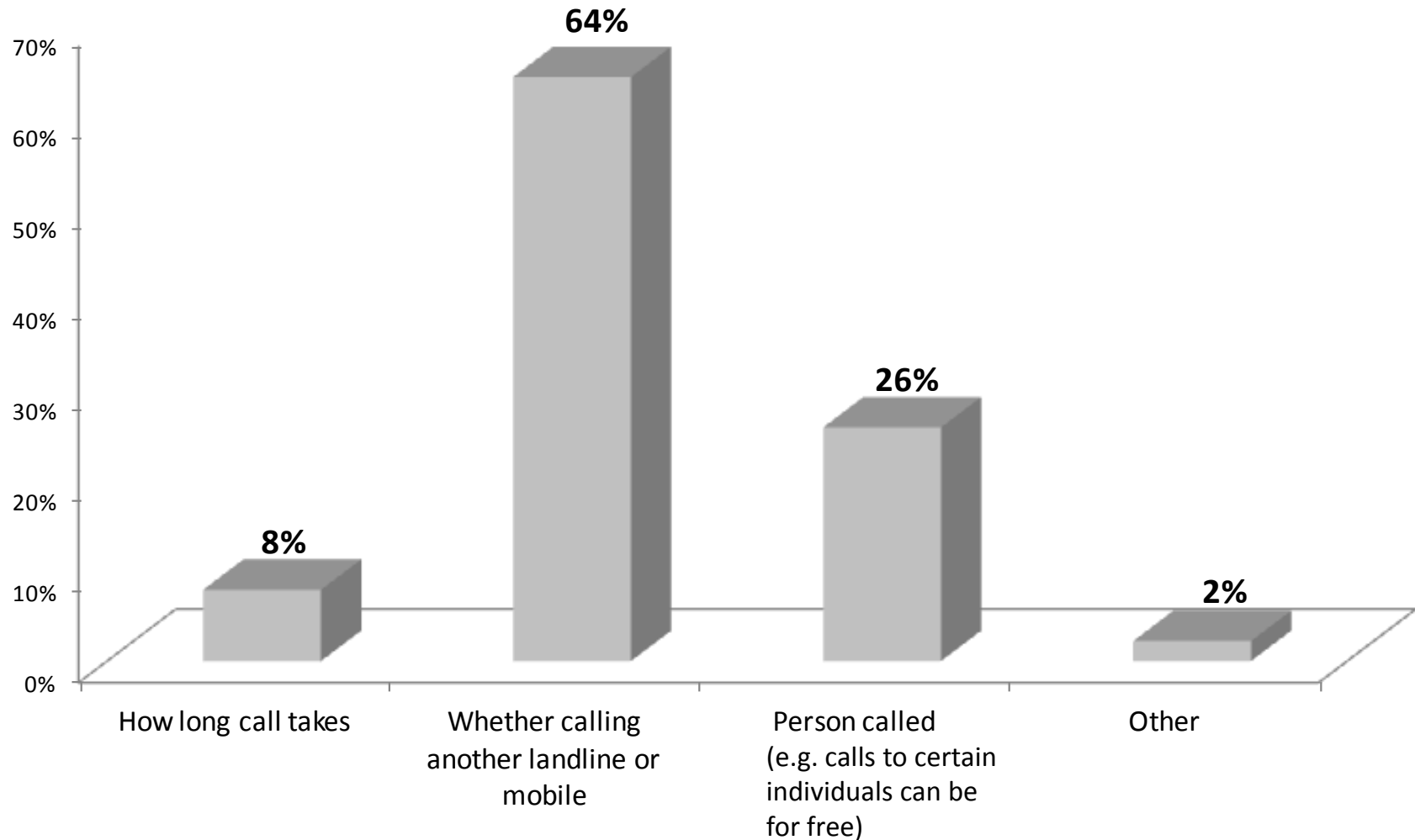
Substitution Analysis – Why Mobile?

Sample Size – 71 (respondents who prefer to use the mobile)



Substitution Analysis – Depends on What?

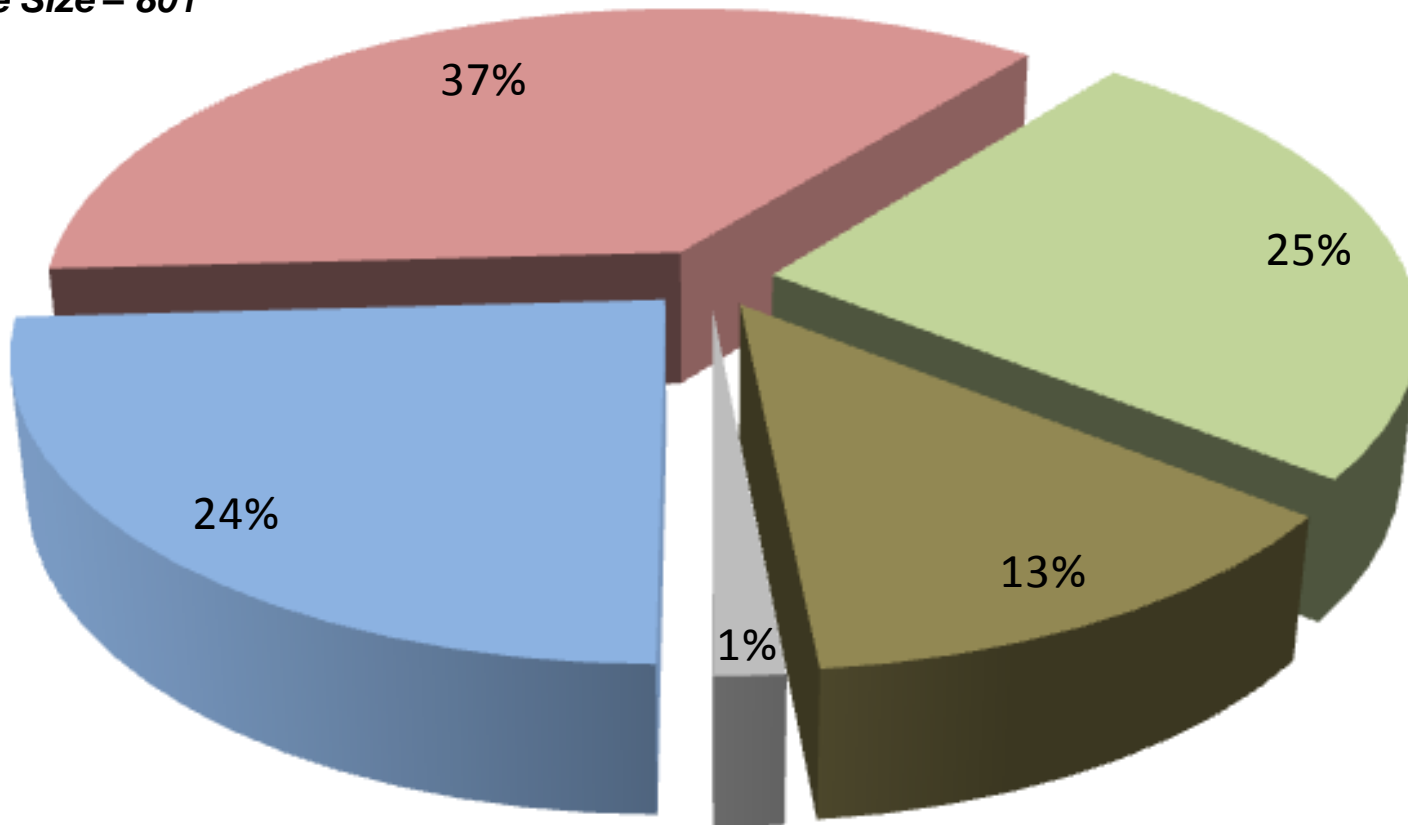
Sample Size – 319



Substitution Analysis – Fixed Telephone vs. Mobile

How often do you find your mobile phone to be a good substitute for a fixed line?

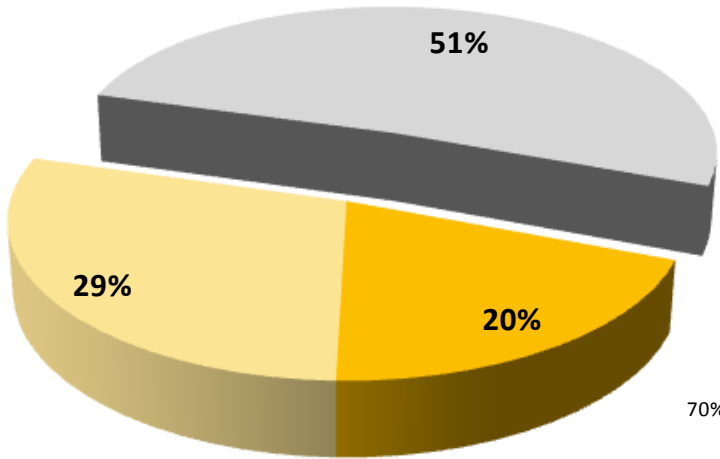
Sample Size – 801



■ Often ■ Sometimes ■ Rarely ■ Never ■ Don't know

International Calls

Do you ever make international calls from your fixed line?

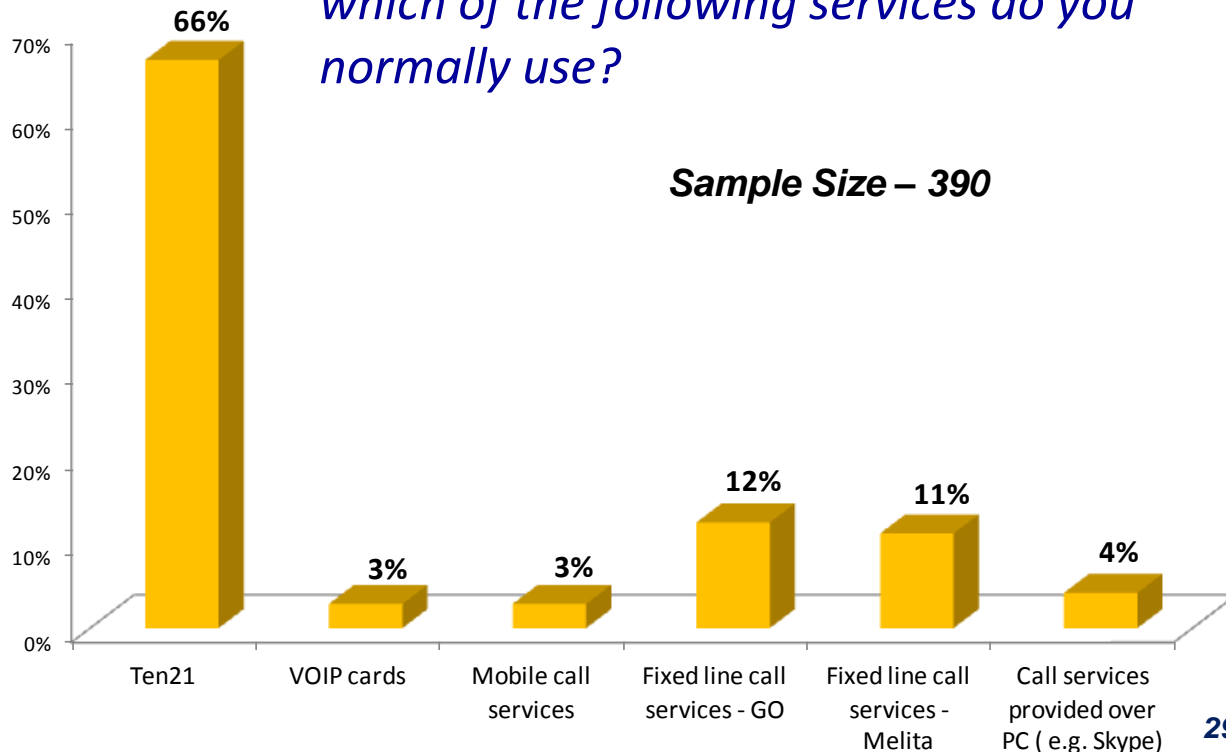


Sample Size – 801

- Yes, frequently
- Yes, not so frequently
- No

87% of those who said they make international calls claim that the rates for the service are cheap / reasonable.

When you make international calls, which of the following services do you normally use?



Sample Size – 390



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