

# MCA Market Research

## *Electronic Communications Services – Business Survey Result*

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MCA | January 2015

# 1. Purpose & Methodology

- The Business Perception survey on electronic communication services is intended:
  - to complement the findings of other surveys conducted with the private household category;
  - at the same time explore perceptions of the business community by gathering qualitative information on telecom services
- To capture these perceptions a number of variables have been analysed, namely the level of satisfaction, price sensitivities, service levels and areas of concern among the business community
- The survey will investigate fixed telephony, mobile and broadband Internet services. For large and/or specialised businesses the survey will also investigate other high quality data services (e.g. Ethernet, IP-VPN, leased lines etc.)

*Ernst & Young carried out the survey between November and December 2014 on behalf of the MCA*

### Fieldwork

- Interviews were carried out by telephone lasting around 15 minutes
- The survey respondents were chosen randomly from the range of GO and Melita fixed telephone numbers
- Interviews on behalf of the business were carried out with those responsible for the procurement of telecom services within the business

### Sample

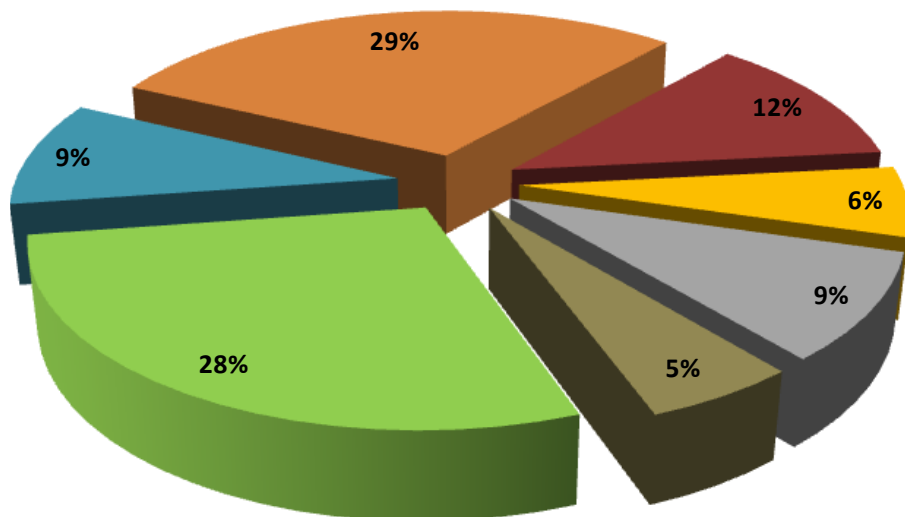
- Sample size was representatively distributed across 7 predefined industries of the business sector in Malta (Source: NACE Codes)
- The interviews were carried out with businesses that have been randomly selected on the basis of this distribution
- To capture more qualitative information on medium to large sized businesses and investigate high quality data services, the 10– 49 and 50+ employee categories were boosted

### Responses

- 413 net respondents
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of at least 400 interviewees
- Margin of error +/- 4.85% at 95% confidence interval

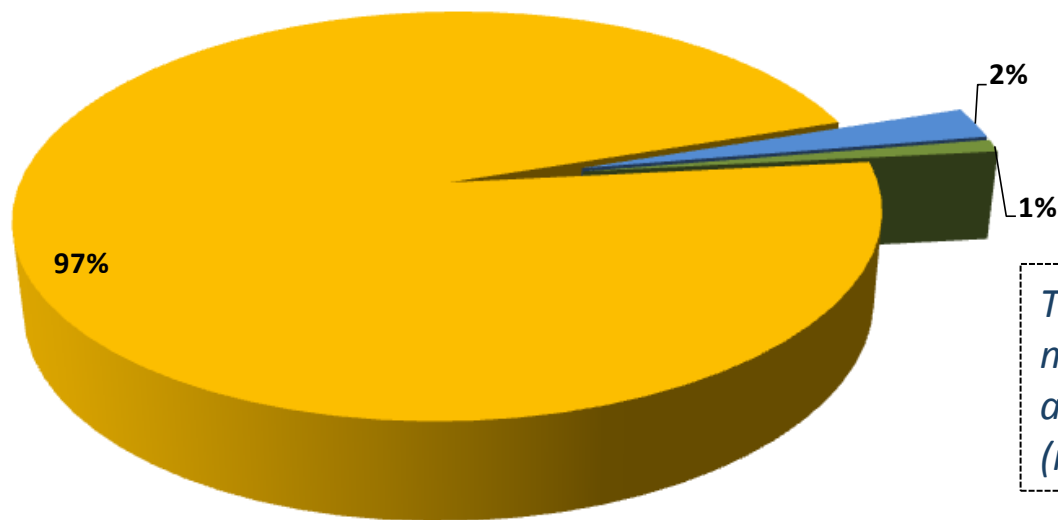
## Methodology – Sample Distribution

*Sample Size – 413*



- Primary
- Manufacturing
- Tourism and Hospitality
- Personal Services
- Construction and Utilities
- Wholesale & Retail and Transport
- Business Services

*Sample Size – 413*



- 0 - 9 employees
- 10 - 49 employees
- 50+ employees

*To capture more qualitative information on medium to large size businesses the 10 – 49 and 50+ employee categories were boosted (results presented in Part Two)*

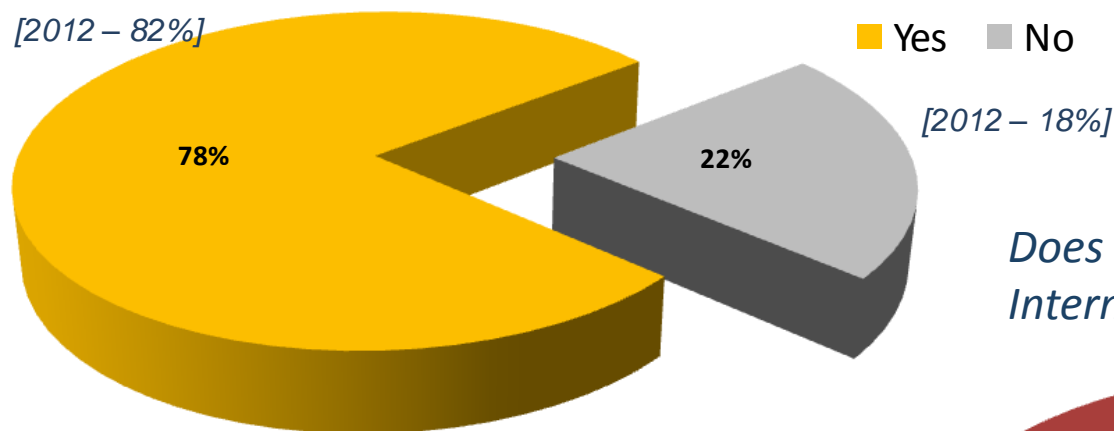
## **2. General Overview**

## Telecom Services used by Businesses

Sample Size – 413

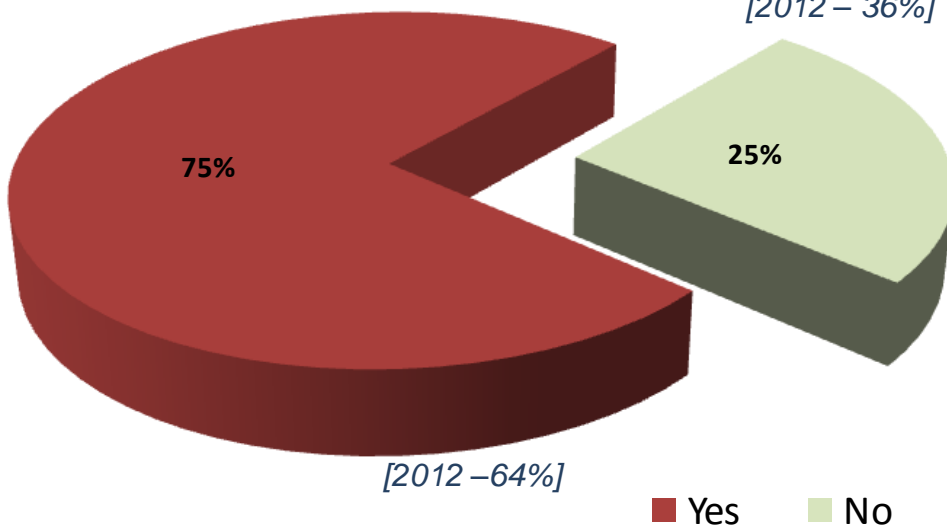
*Does your company have a fixed line connection?*

[2012 – 82%]



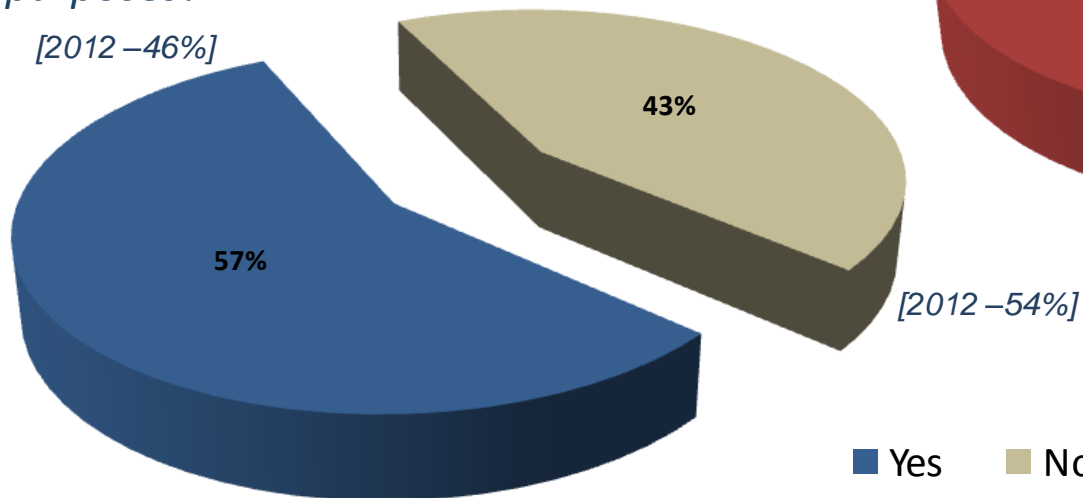
*Does the company make use of broadband Internet?*

[2012 – 36%]



*Does the company pay/provide its employees with a mobile phone to be used for work purposes?*

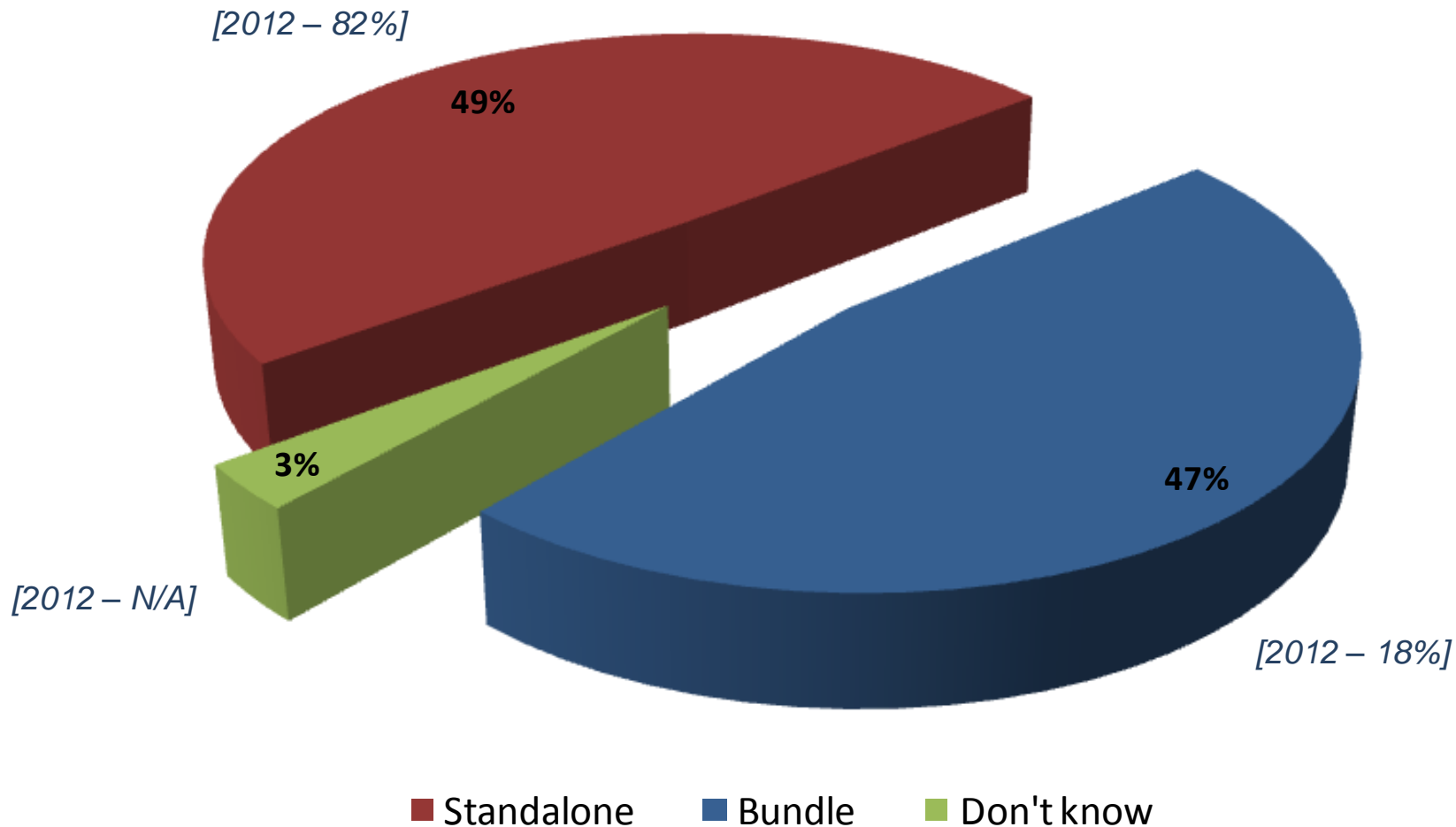
[2012 – 46%]



## Procurement of Telecom Services

*Does the company procure telecom services as a...*

*Sample Size – 413*



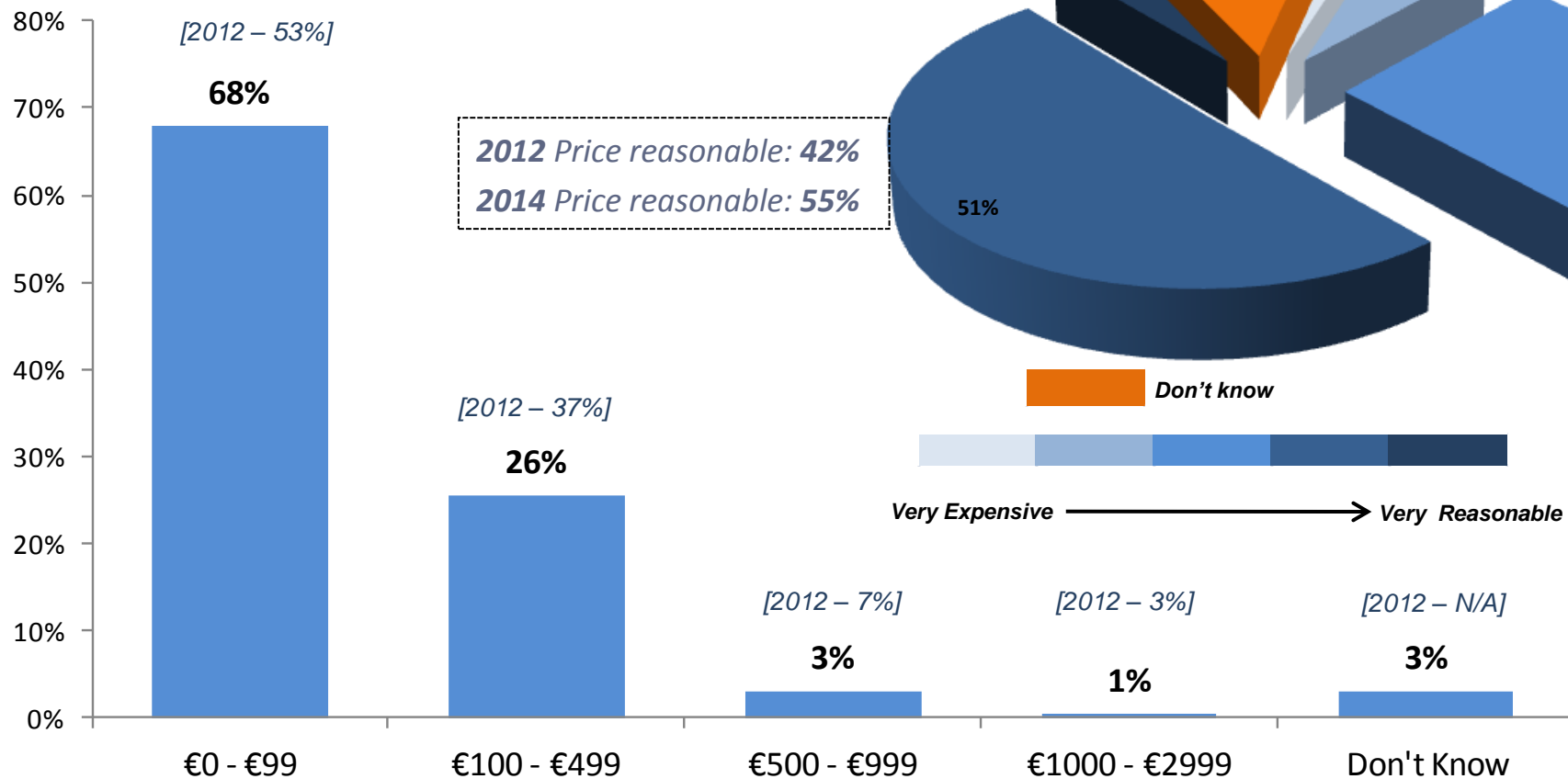


## Price Analysis of Bundle

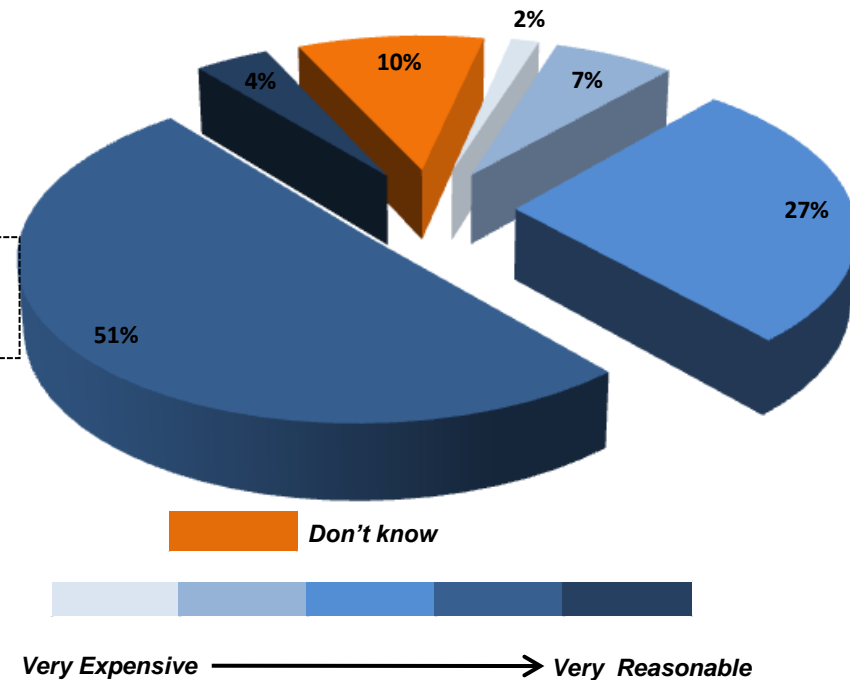
*What is the average monthly expenditure by the company on the bundle...*

**Sample Size – 196**

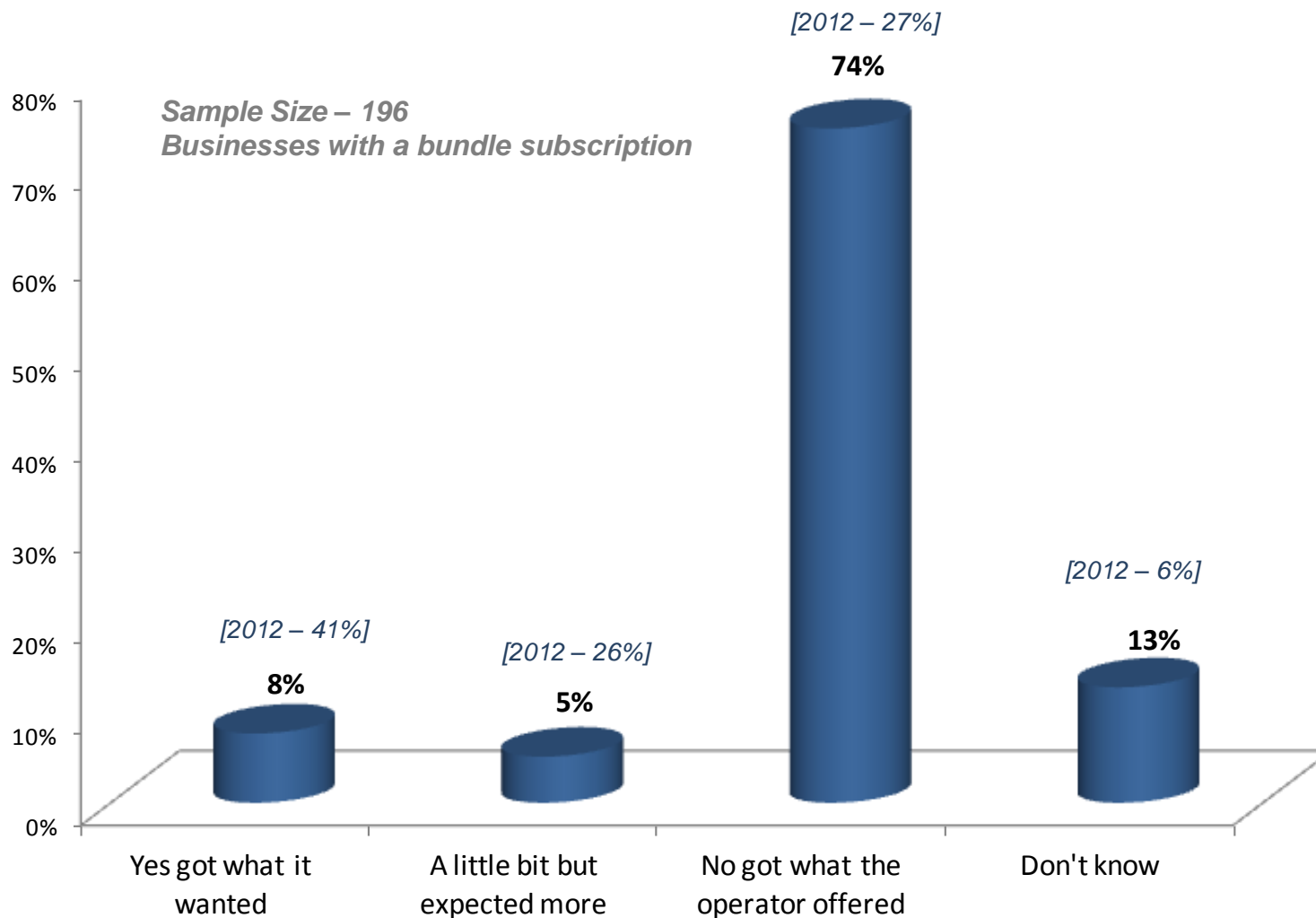
**Businesses with a bundle subscription**



*Is this price expensive or reasonable?*



*Did the company have the ability to bargain on the terms and conditions and price with the operator?*

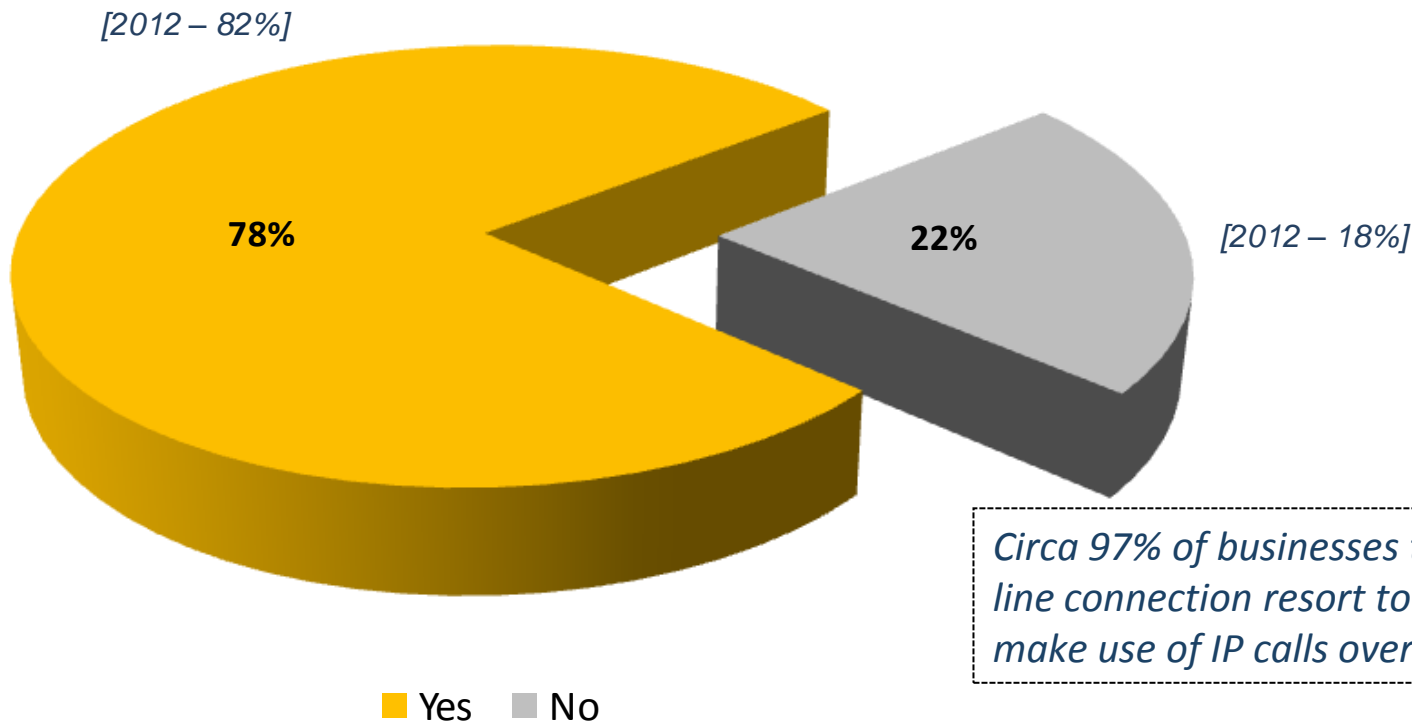


### **3. Fixed Telephony Analysis**

## Fixed Telephony Access

*Does your company have a fixed line connection?*

**Sample Size – 413**



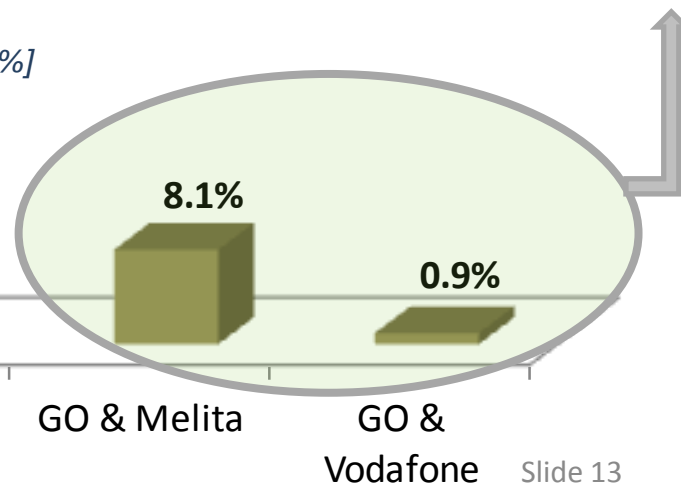
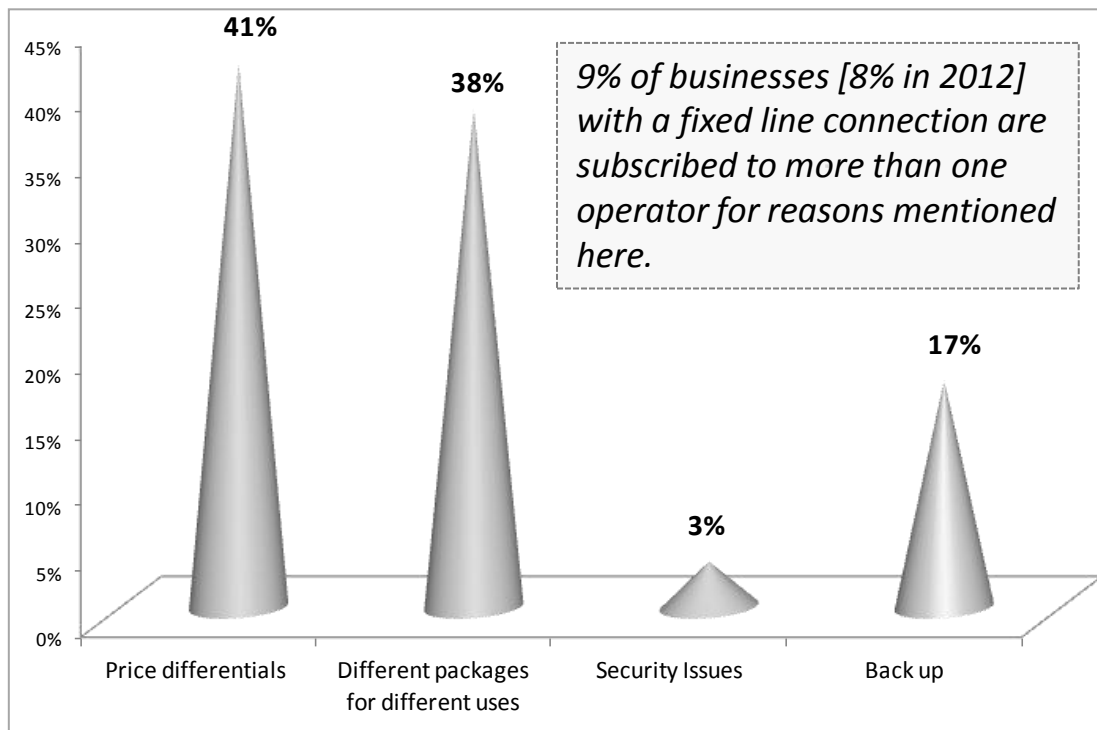
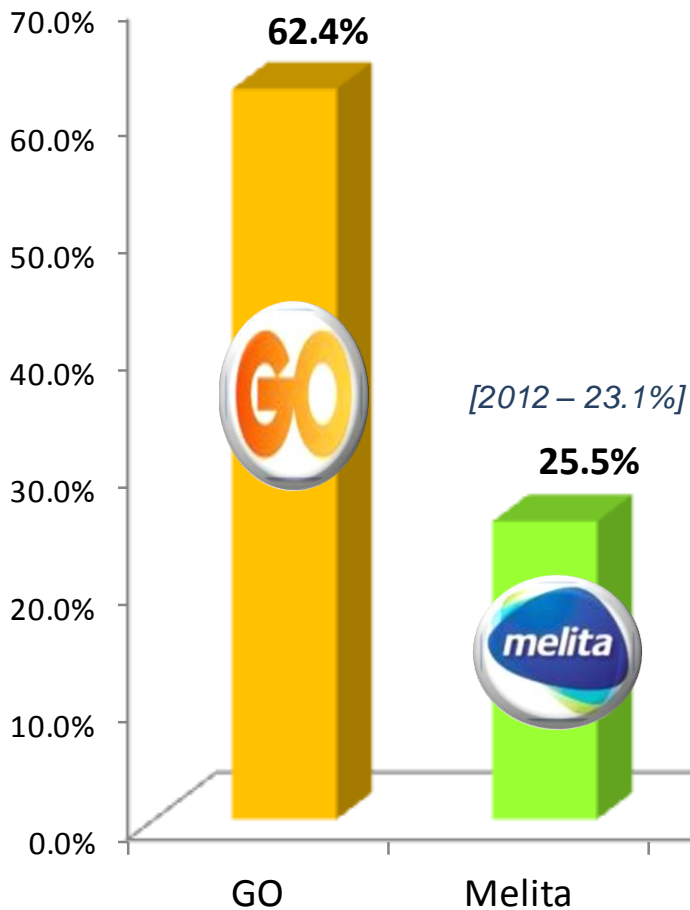
*Circa 97% of businesses that don't have a fixed line connection resort to mobile telephony. 1% make use of IP calls over the Internet.*

*68% of businesses only have one fixed line connection, 27% have between 2-4 lines, while the rest have more than 5 lines.*

# Which operator is the company subscribed to?

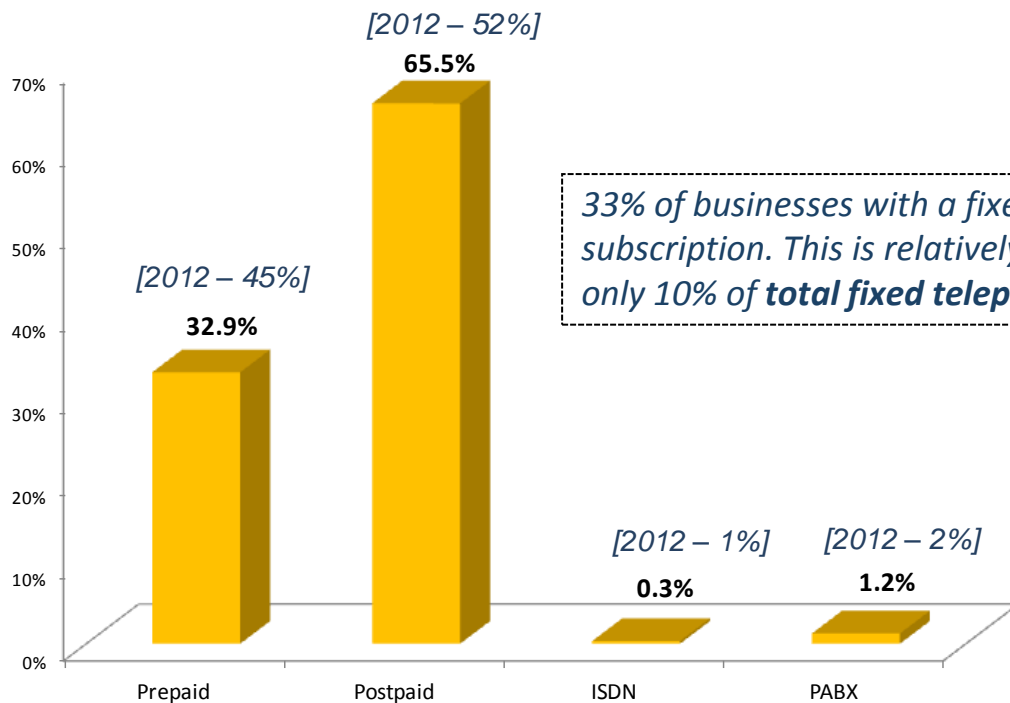
Sample Size – 322

[2012 – 65.9%]



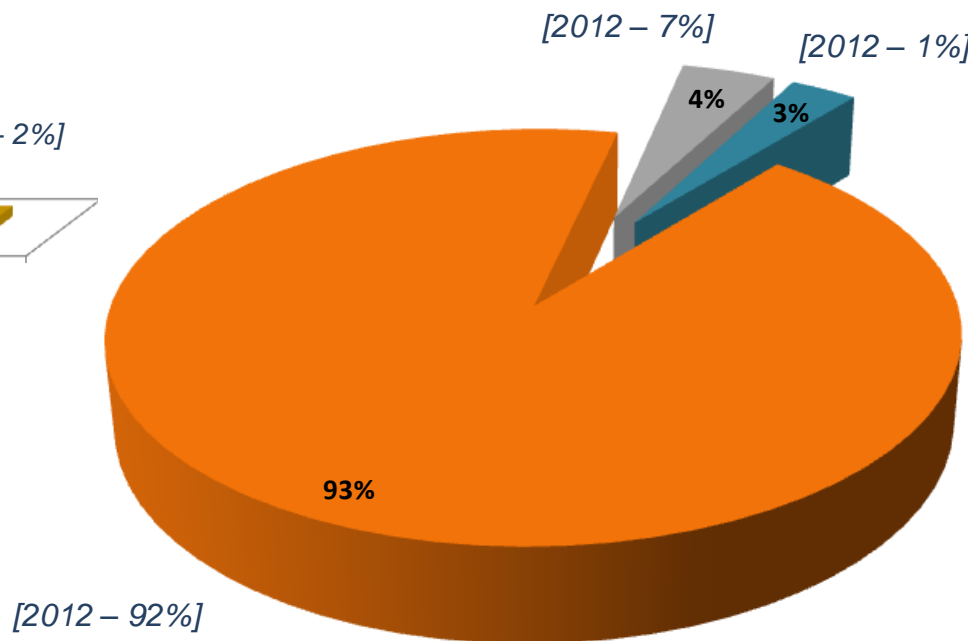
## Fixed Telephony Connections

*What type of fixed connection does the company have?*



Sample Size – 322

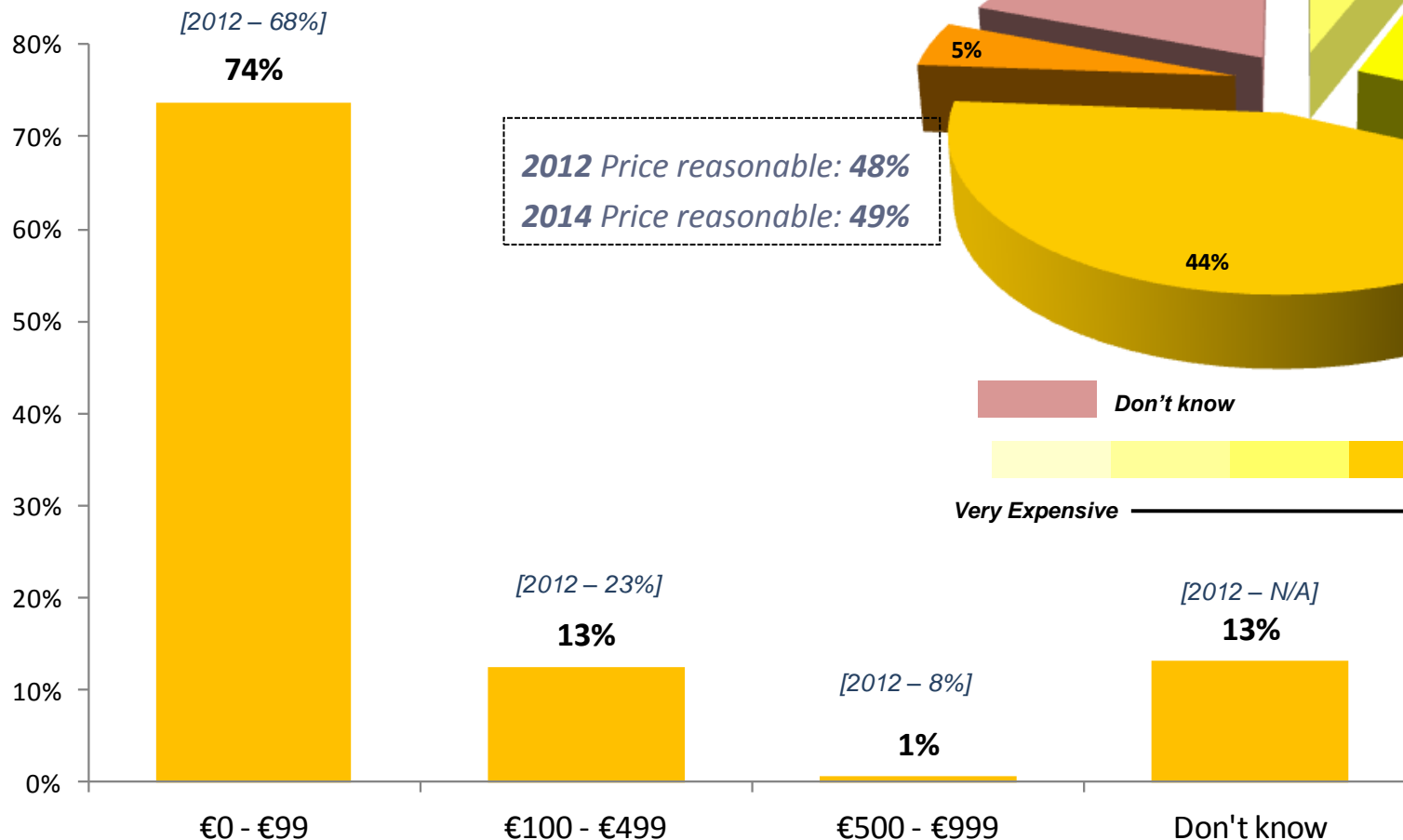
*Is the company's fixed telephony package...*



*What is the average monthly expenditure by the company on fixed line telephony...*

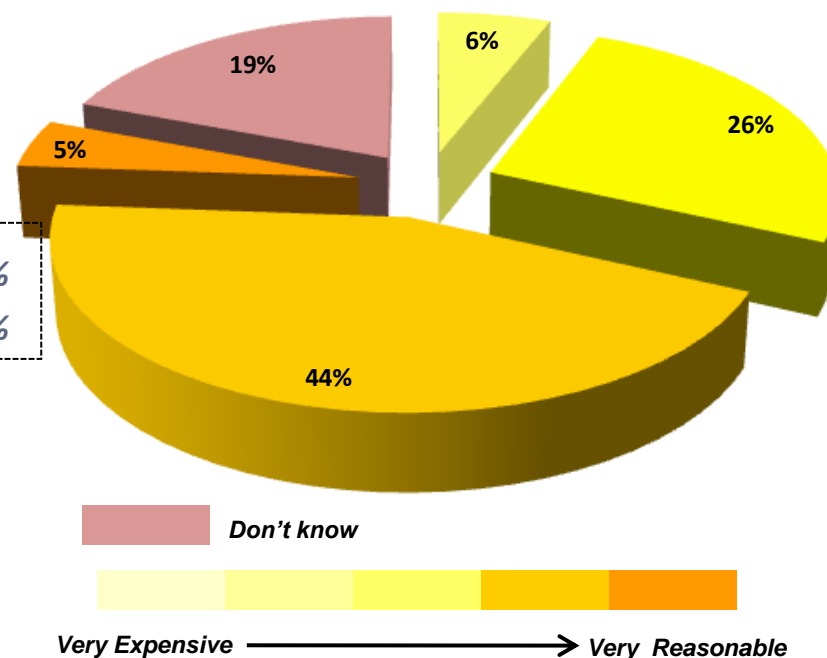
**Sample Size – 151**

**Only businesses procuring fixed telephony as a standalone**



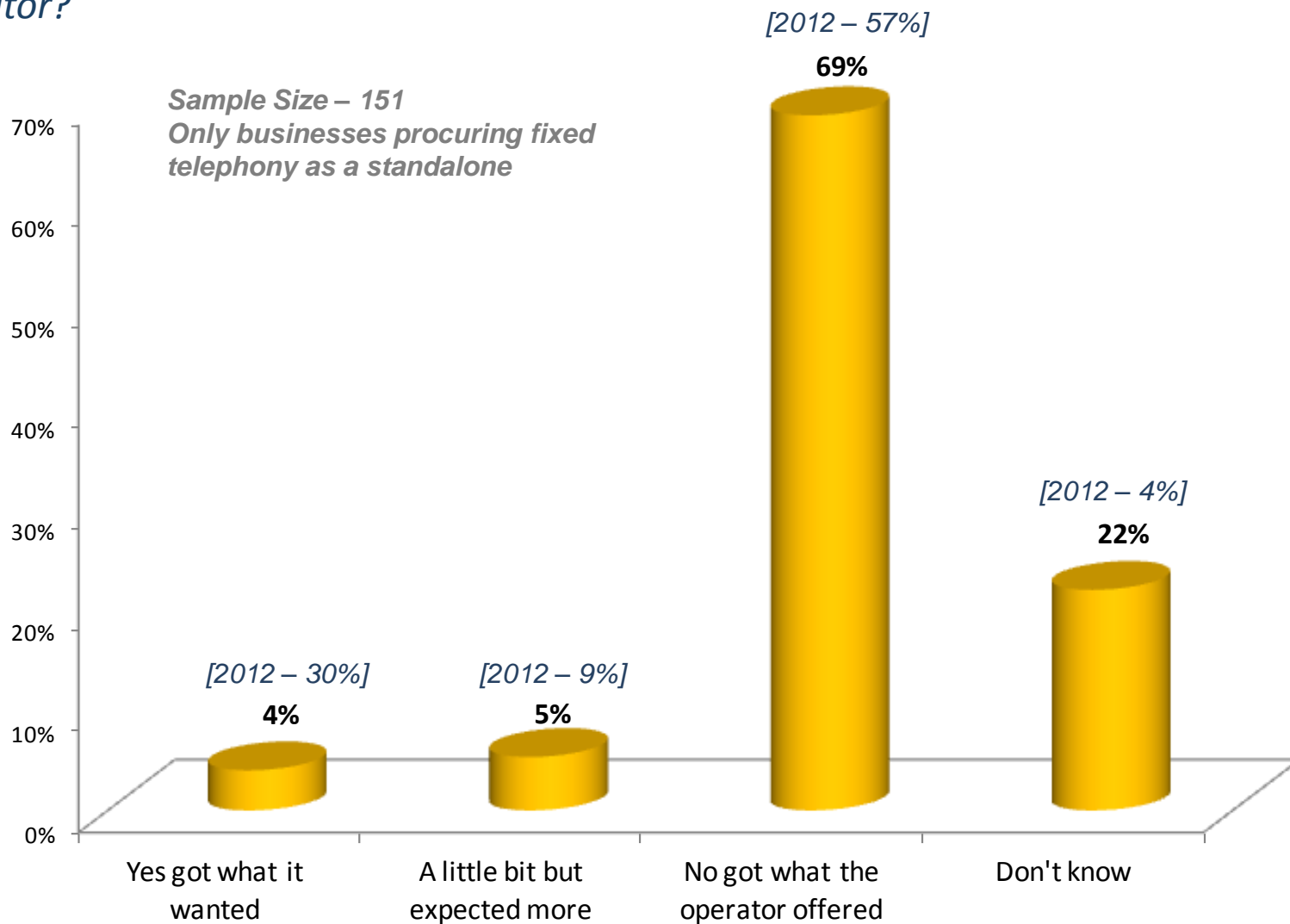
**2012 Price reasonable: 48%**  
**2014 Price reasonable: 49%**

*Is this price expensive or reasonable?*



## Procurement of Fixed Telephony Services

*Did the company have the ability to bargain on the terms and conditions and price with the operator?*

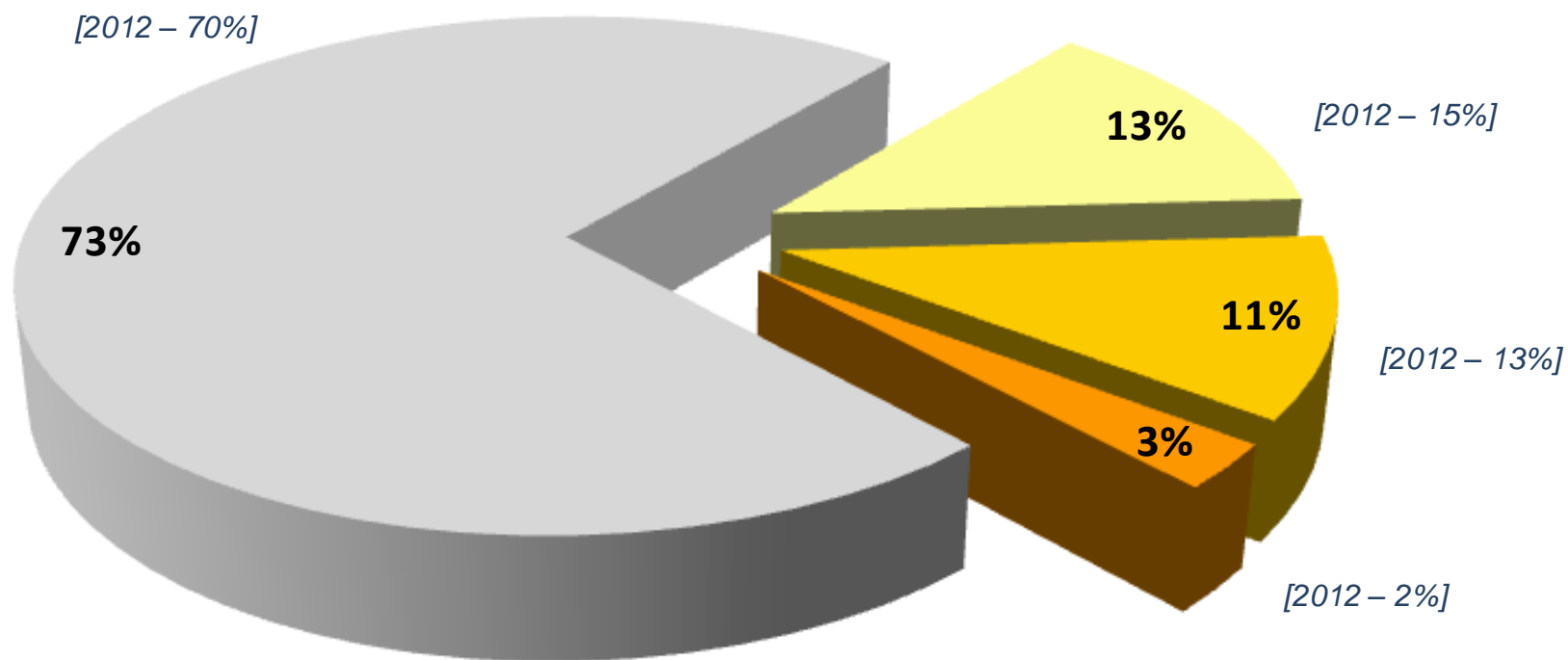




## Fixed Telephony Service Levels (1)

*How many (if any) disconnections, faults or other fixed line problems have been experienced by the company during the last 12 months?*

Sample Size – 322



■ None   ■ Once   ■ Between 2 - 5   ■ More than 6

## Fixed Telephony Service Levels (2)

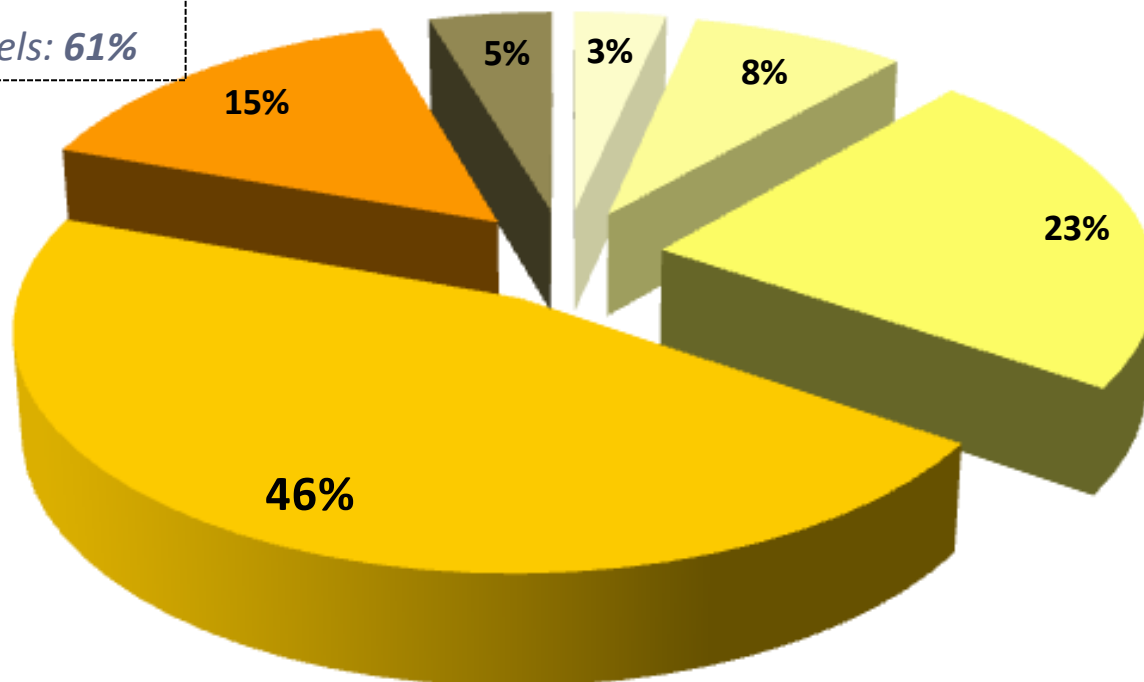
*How satisfied is the company with the level of response by the operator when such problems had been reported?*

*Sample Size – 87*

*Only businesses that have encountered problems with the fixed service during the last 12 months*

**2012 Satisfaction Levels: 53%**

**2014 Satisfaction Levels: 61%**



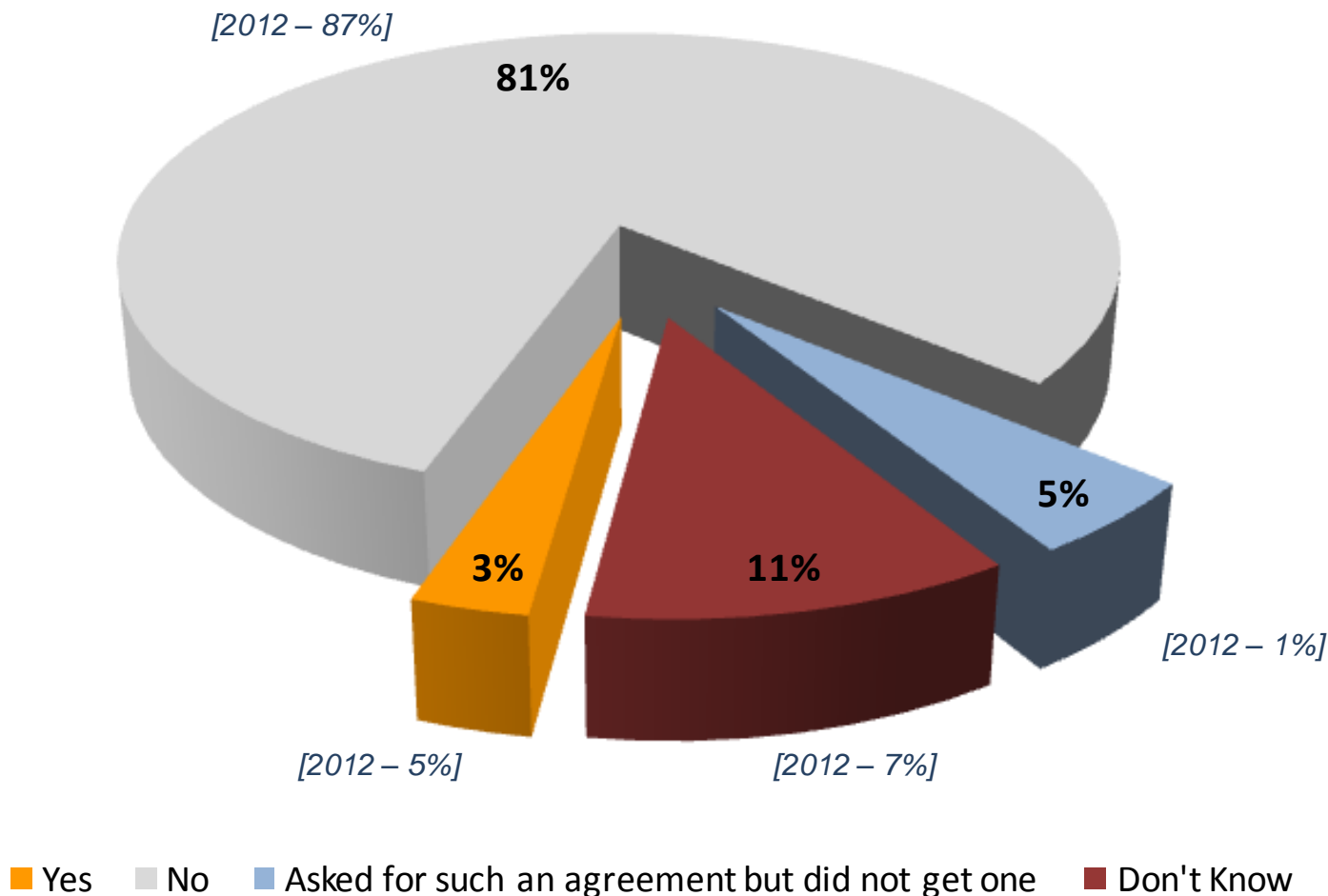
Don't know

Least Satisfied → Highly Satisfied

## Fixed Telephony Service Levels (3)

*When it comes to repairs, does the company have a specific service level agreement with the fixed telephone operator specifying repair times etc.?*

Sample Size – 322

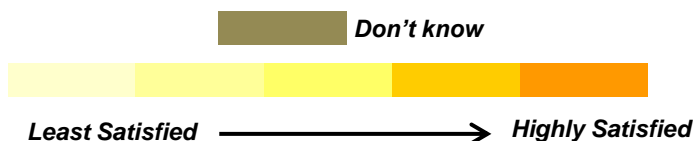


*How satisfied is the company with the quality of fixed line connection?*

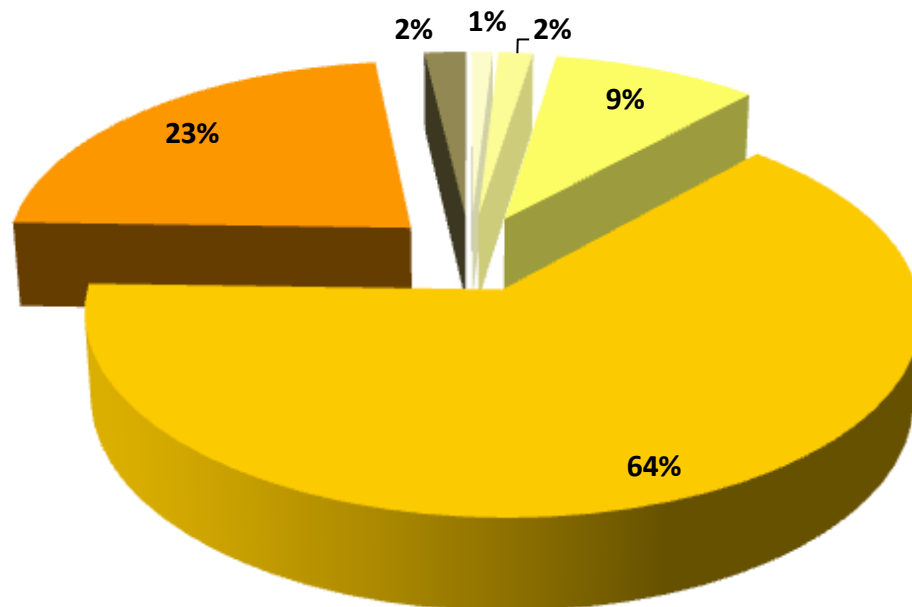
Sample Size – 322

**2012 Satisfaction Levels: 79%**

**2014 Satisfaction Levels: 87%**



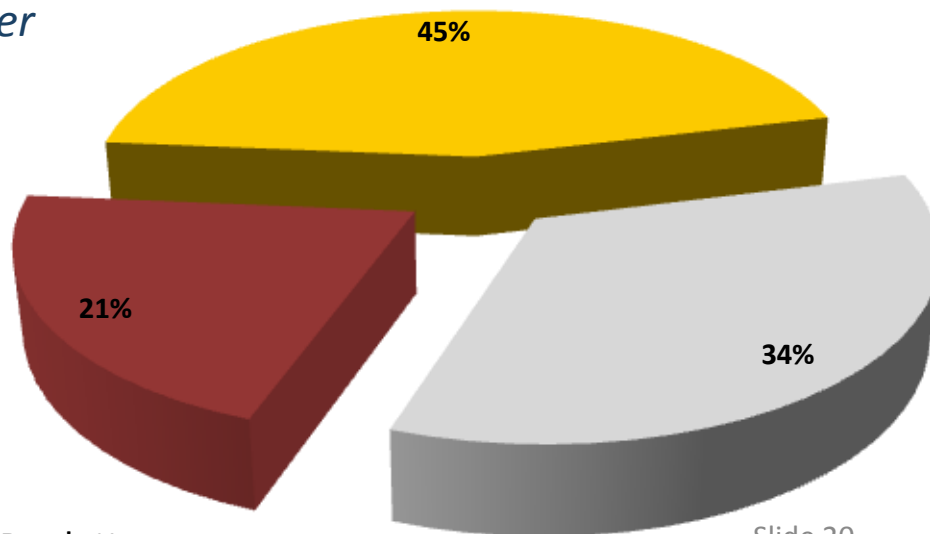
## Quality Satisfaction Levels



*Does the company consider switching to another operator if it is not satisfied or fairly satisfied?*

Sample Size – 38

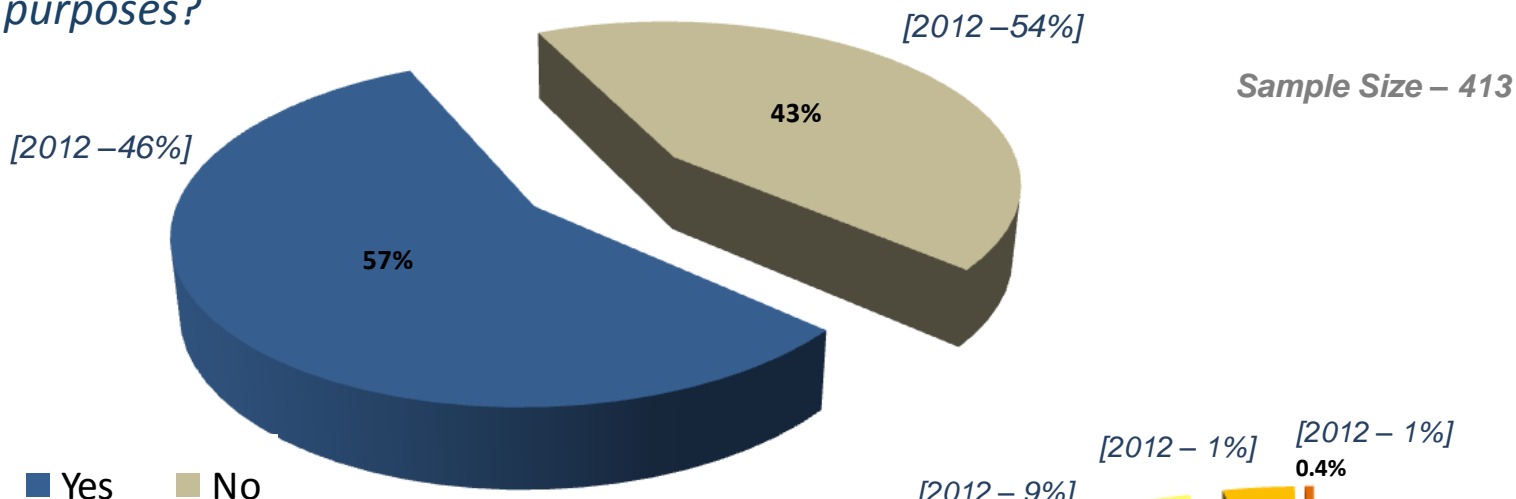
*31% of businesses that do not consider switching to another operator, despite not being satisfied with the current operator, say it is inconvenient to switch. Another 31% say all operators offer the same level of service and quality.*



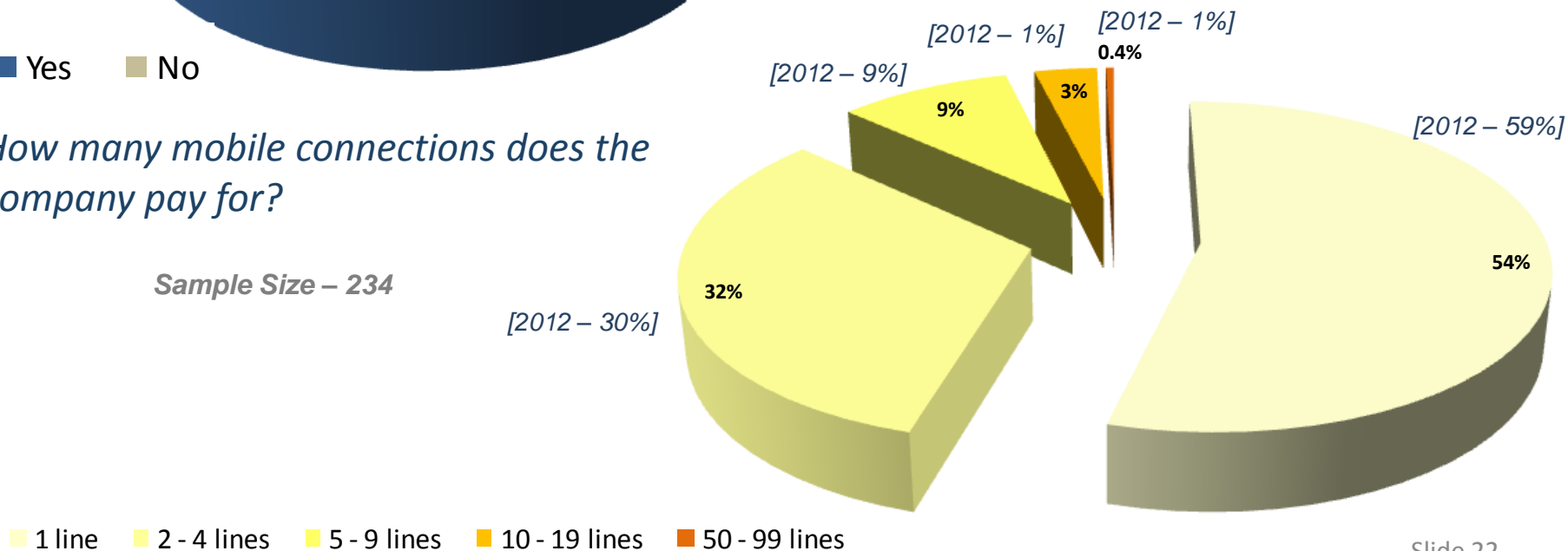
Yes No Don't Know

## 4. Mobile Analysis

*Does the company pay/provide its employees with a mobile phone to be used for work purposes?*

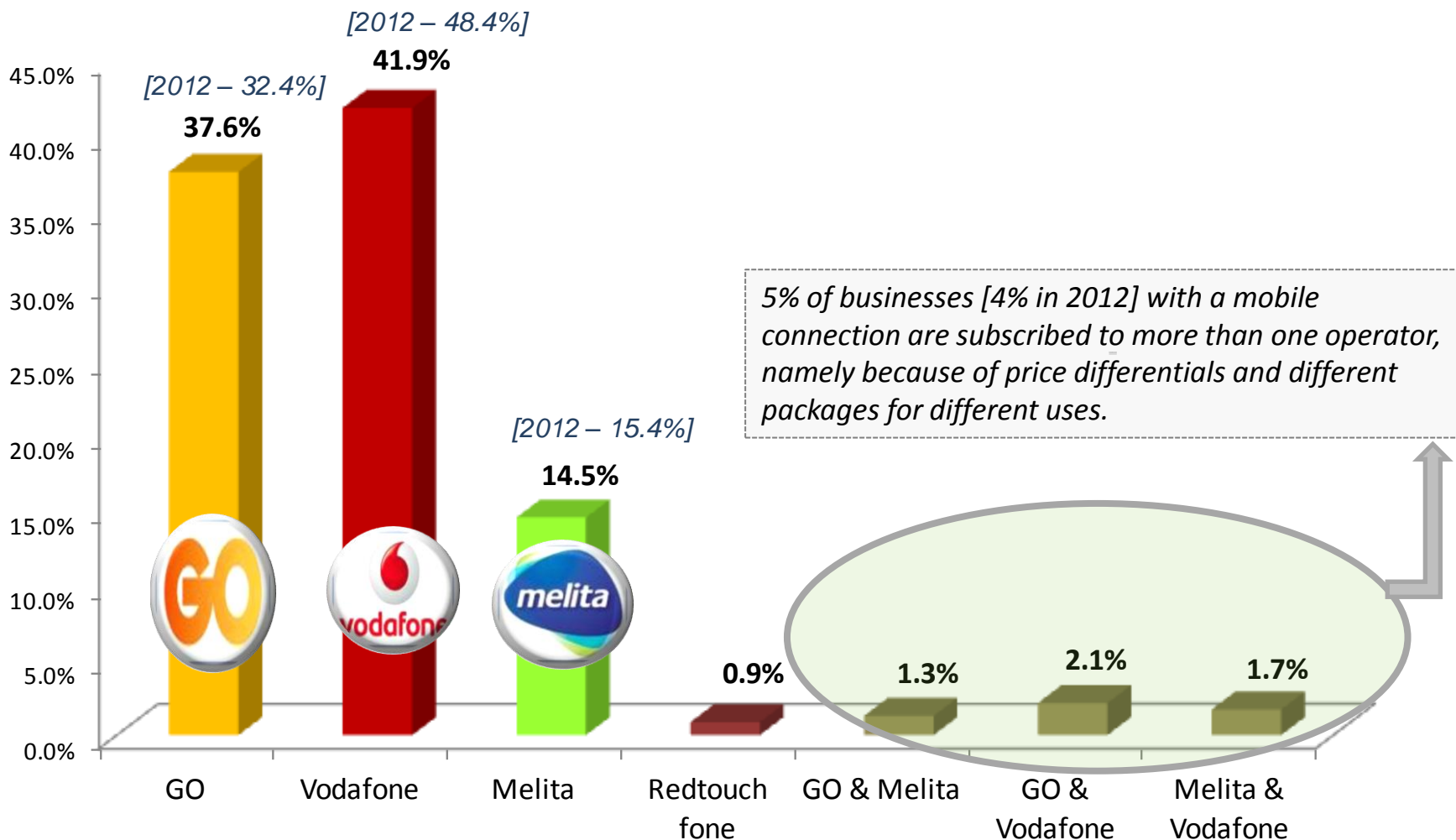


*How many mobile connections does the company pay for?*



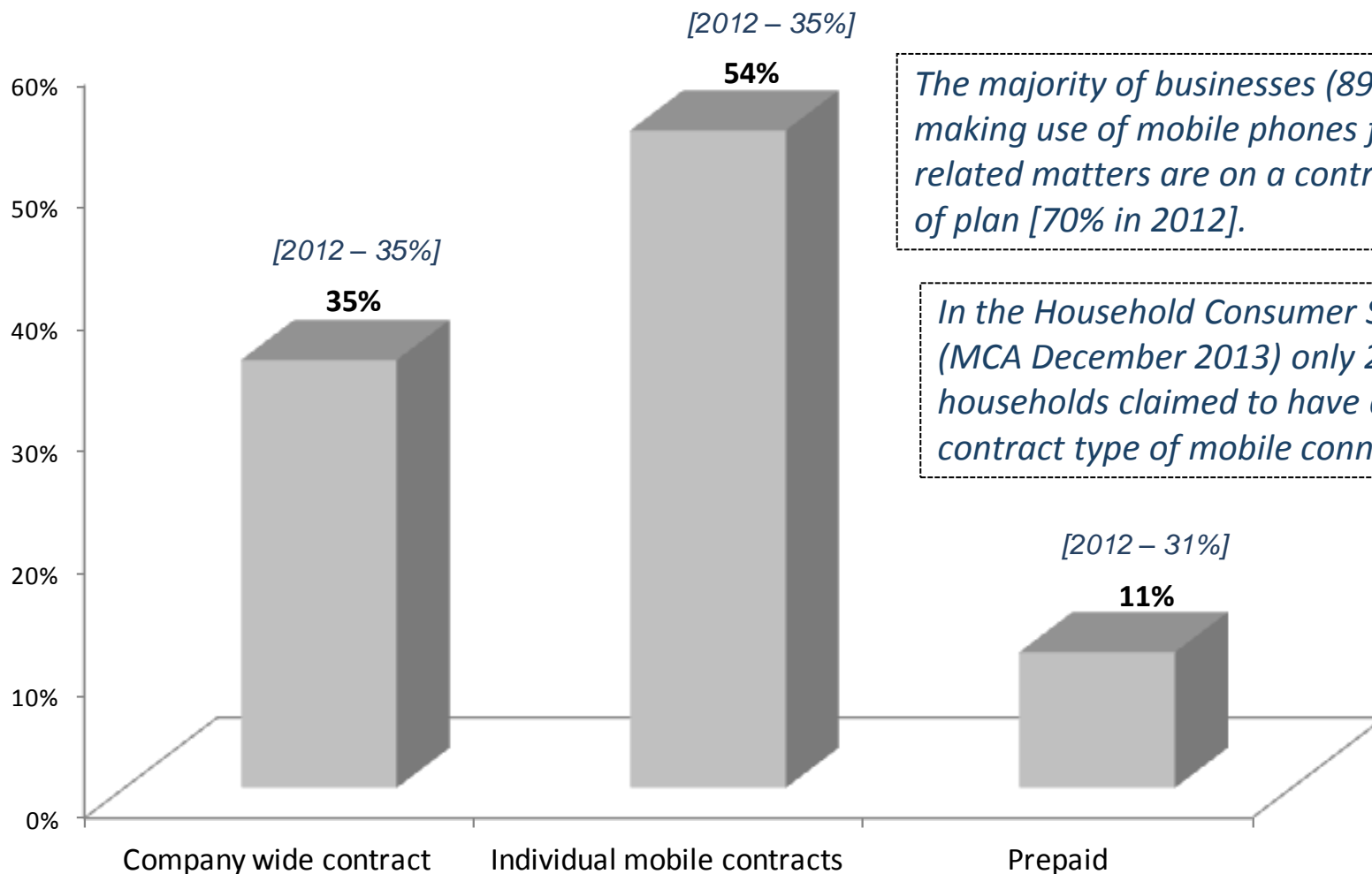
## Which mobile operator is the company subscribed to?

Sample Size – 234



*What type of mobile plan does the company have?*

*Sample Size – 234*

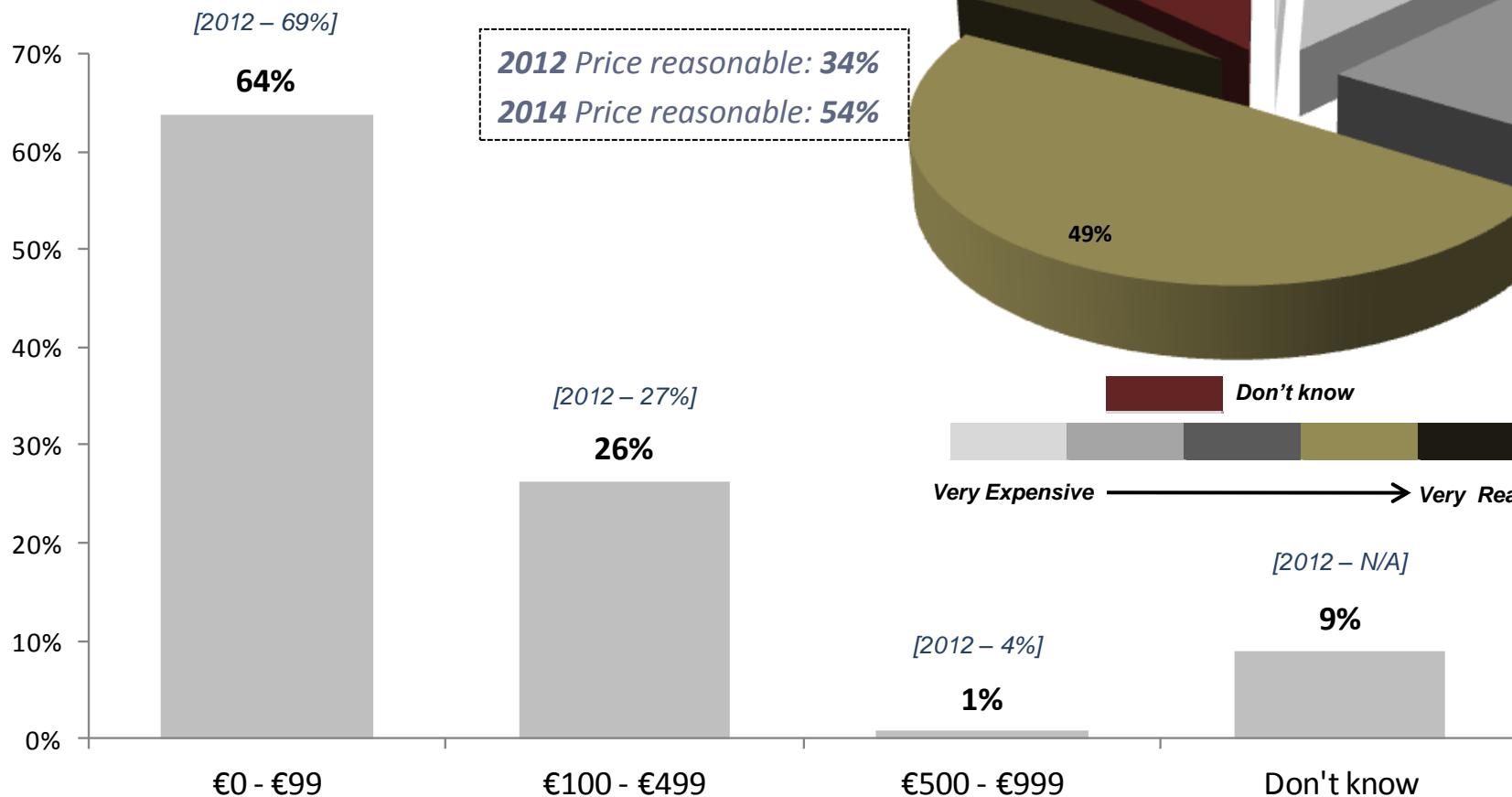




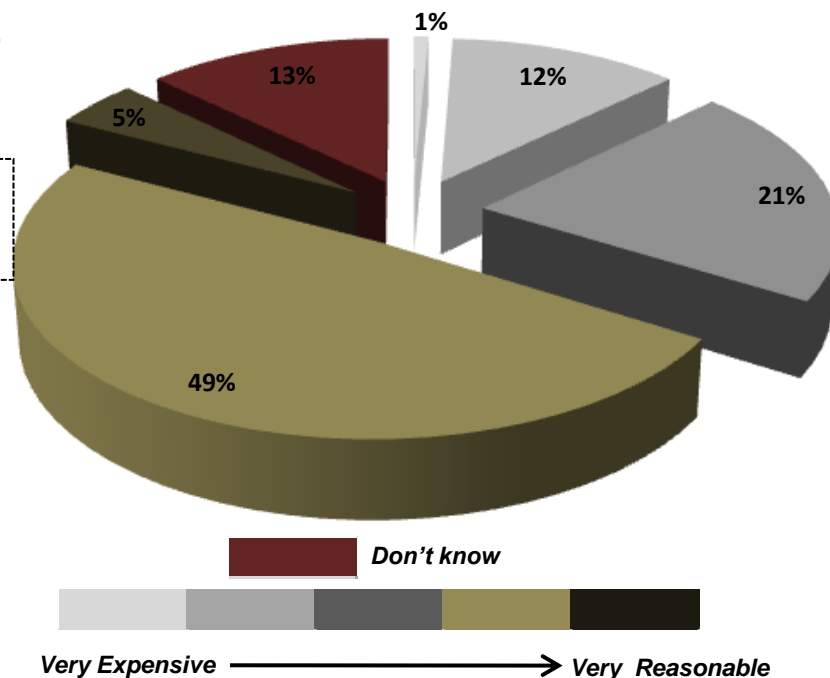
*What is the average monthly expenditure by the company on mobile telephony...*

**Sample Size – 133**

**Only businesses procuring mobile telephony as a standalone**

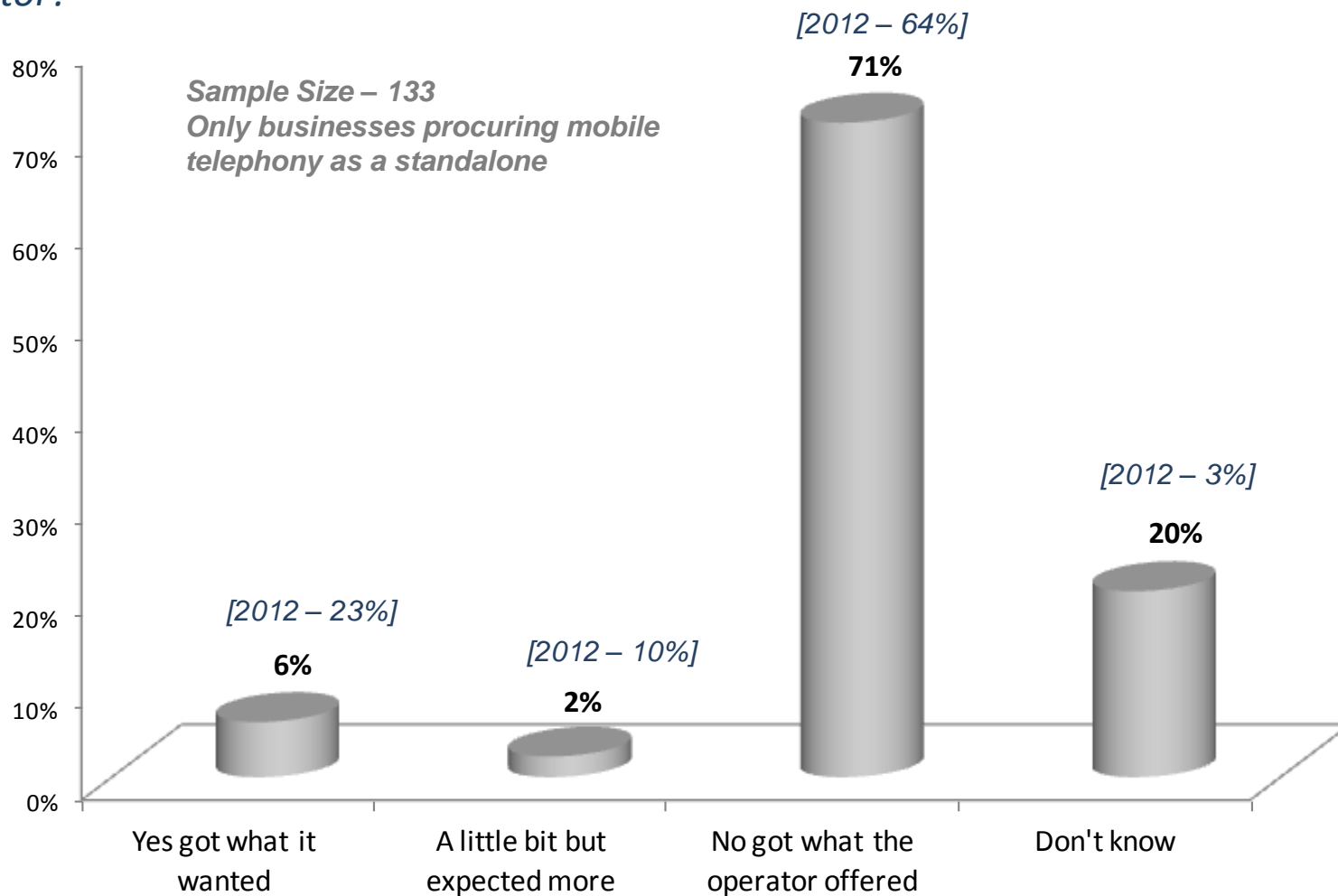


*Is this price expensive or reasonable?*



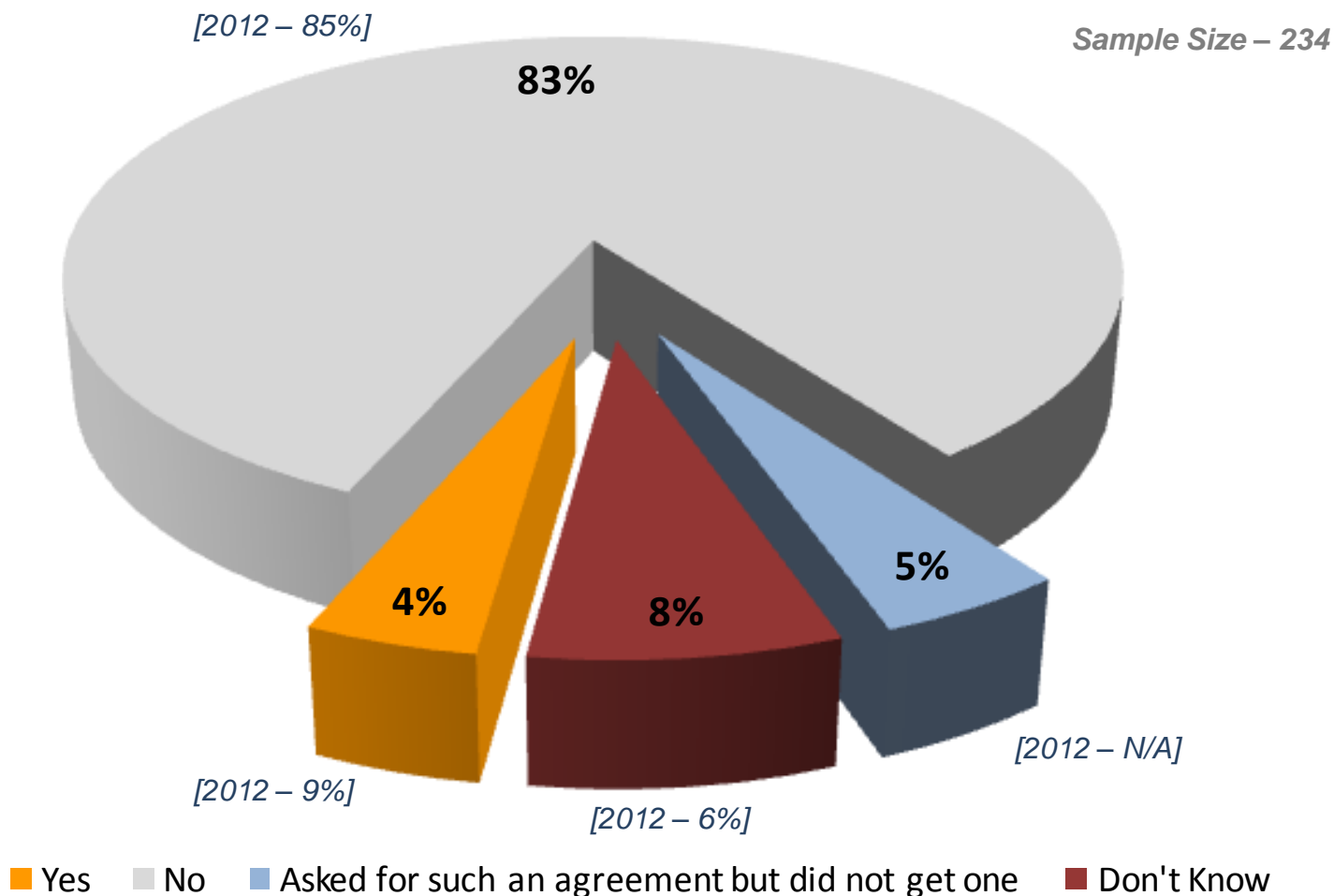
## Procurement of Mobile Telephony Services

*Did the company have the ability to bargain on the terms and conditions and price with the operator?*



## Mobile Telephony Service Levels

*If the company experiences a problem with the mobile connection does it have a specific service level agreement with the mobile operator specifying repair times etc?*

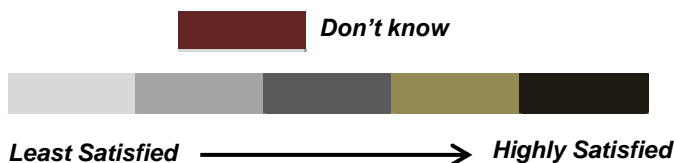


*How satisfied is the company with the overall mobile service it receives?*

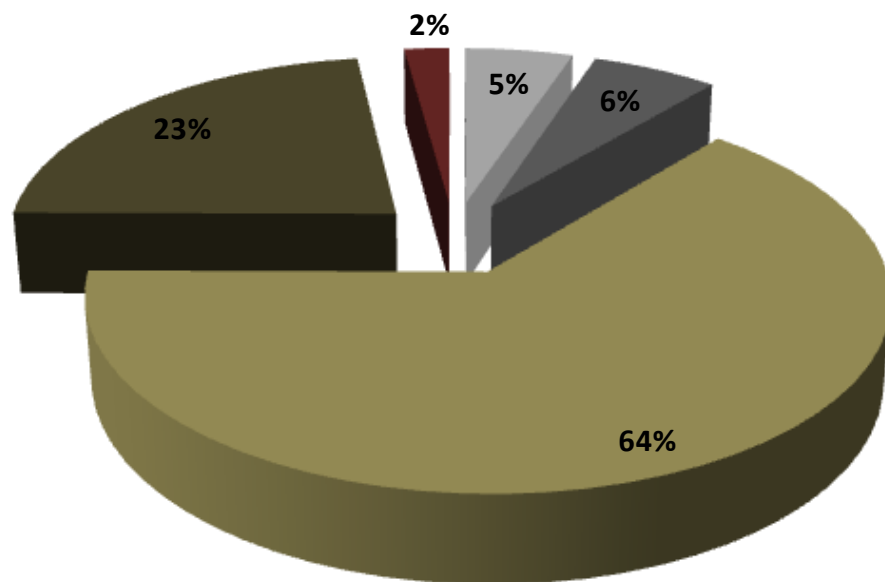
Sample Size – 234

**2012 Satisfaction Levels: 82%**

**2014 Satisfaction Levels: 87%**



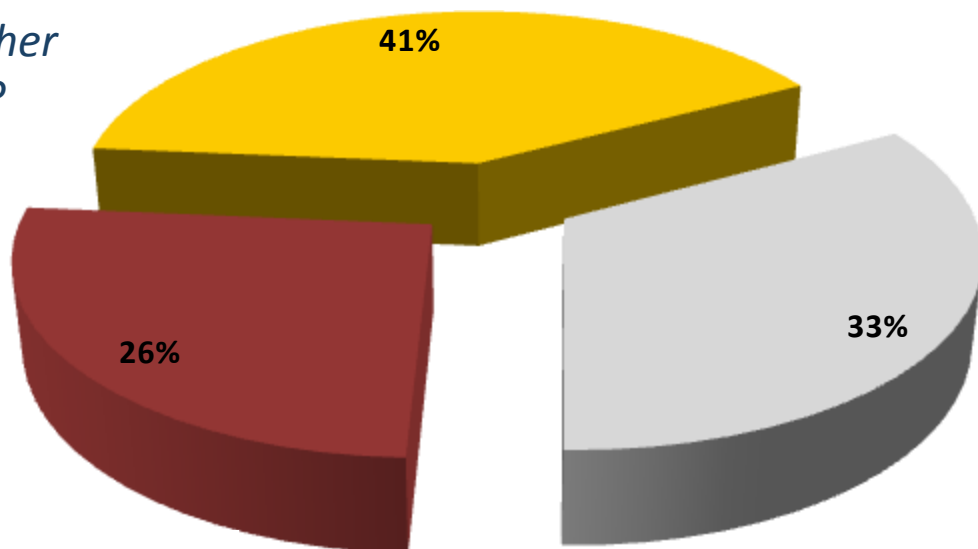
## Quality Satisfaction Levels



*Does the company consider switching to another operator if it is not satisfied or fairly satisfied?*

Sample Size – 27

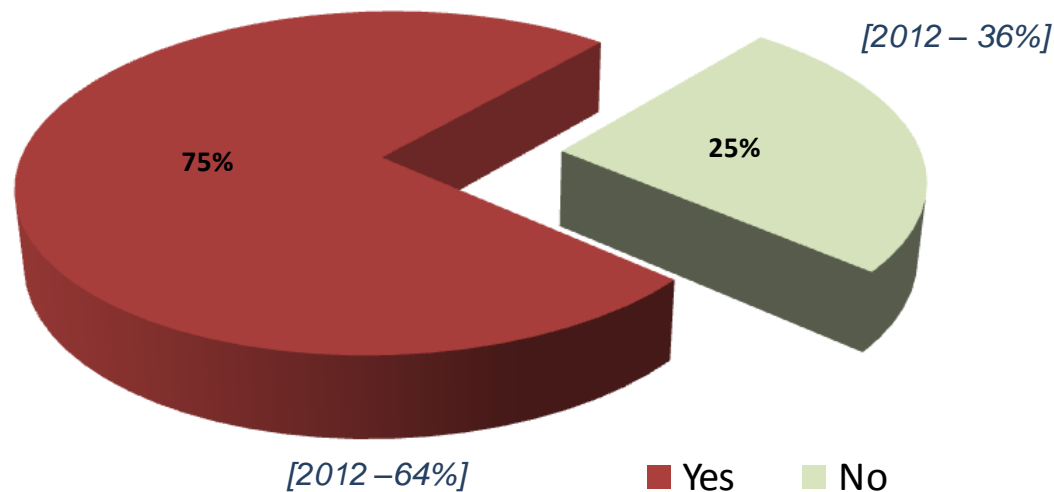
*The majority of businesses that do not consider switching to another operator, despite not being satisfied with the current operator, say it is inconvenient to switch.*



Yes No Don't Know

## 5. Broadband Analysis

*Does the company make use of broadband Internet?*



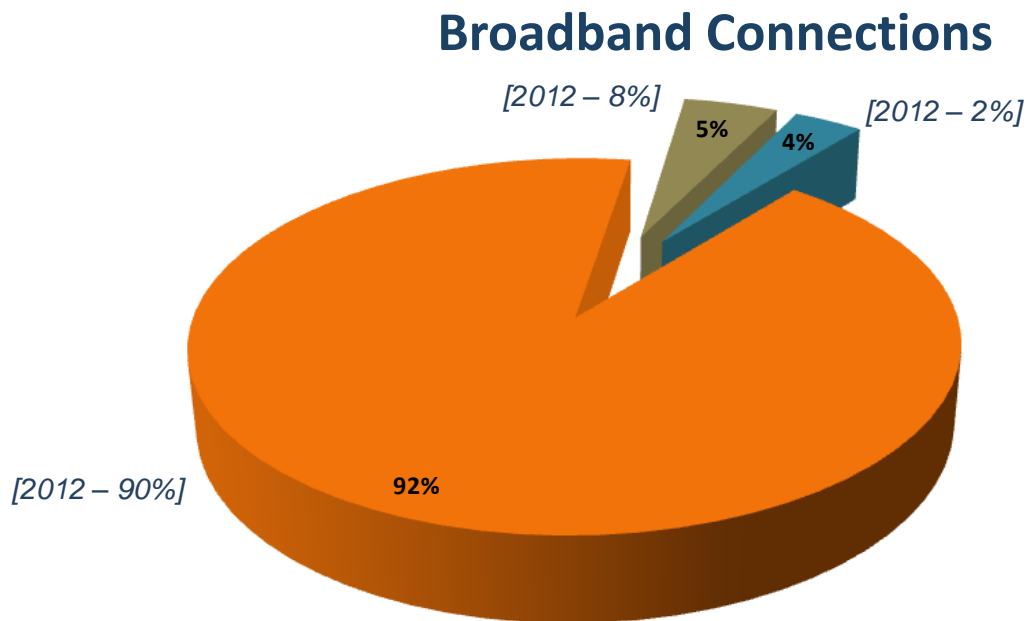
**Sample Size – 413**

*90% of businesses not using the Internet say the company does not need it. 9% say they do not know how to use the computer or the Internet. No financial considerations have been mentioned by businesses for not having a broadband connection.*

Type of Broadband Connection	
ADSL (GO)	51% [2012 - 62%]
Cable (Melita)	40% [2012 - 35%]
Wireless (Vodafone, Vanilla, Ozone)	6% [2012 - 4%]
3G Mobile (dongle, data stick, portable modem)	3% [2012 - 1%]
Fibre	0.3% [2012 - 0.4%]

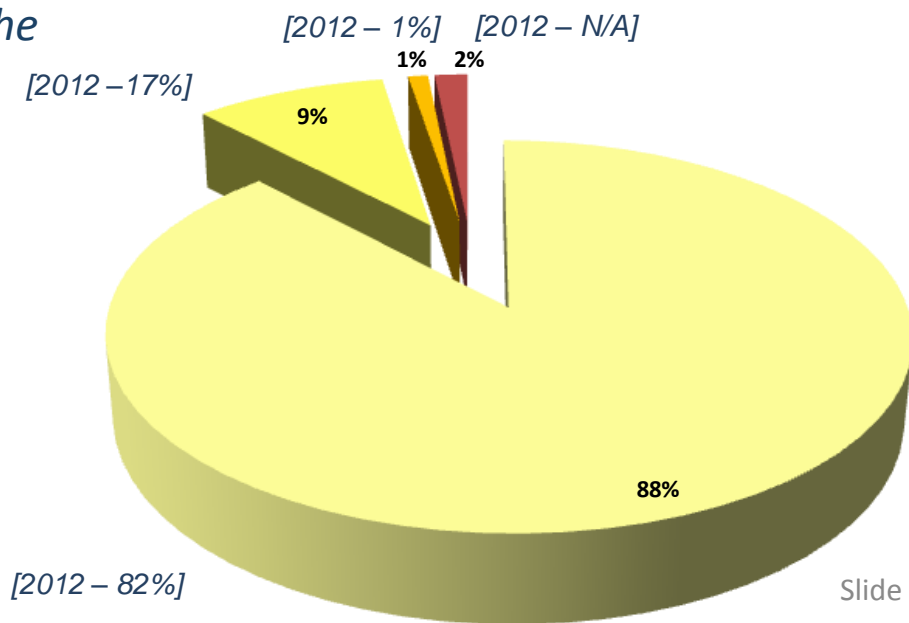
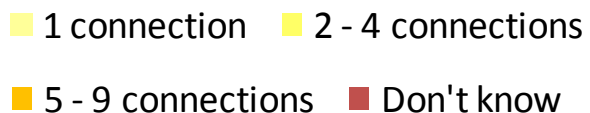
*Is the company's Internet connection...*

Sample Size – 309



*How many broadband connections does the company have?*

Sample Size – 309

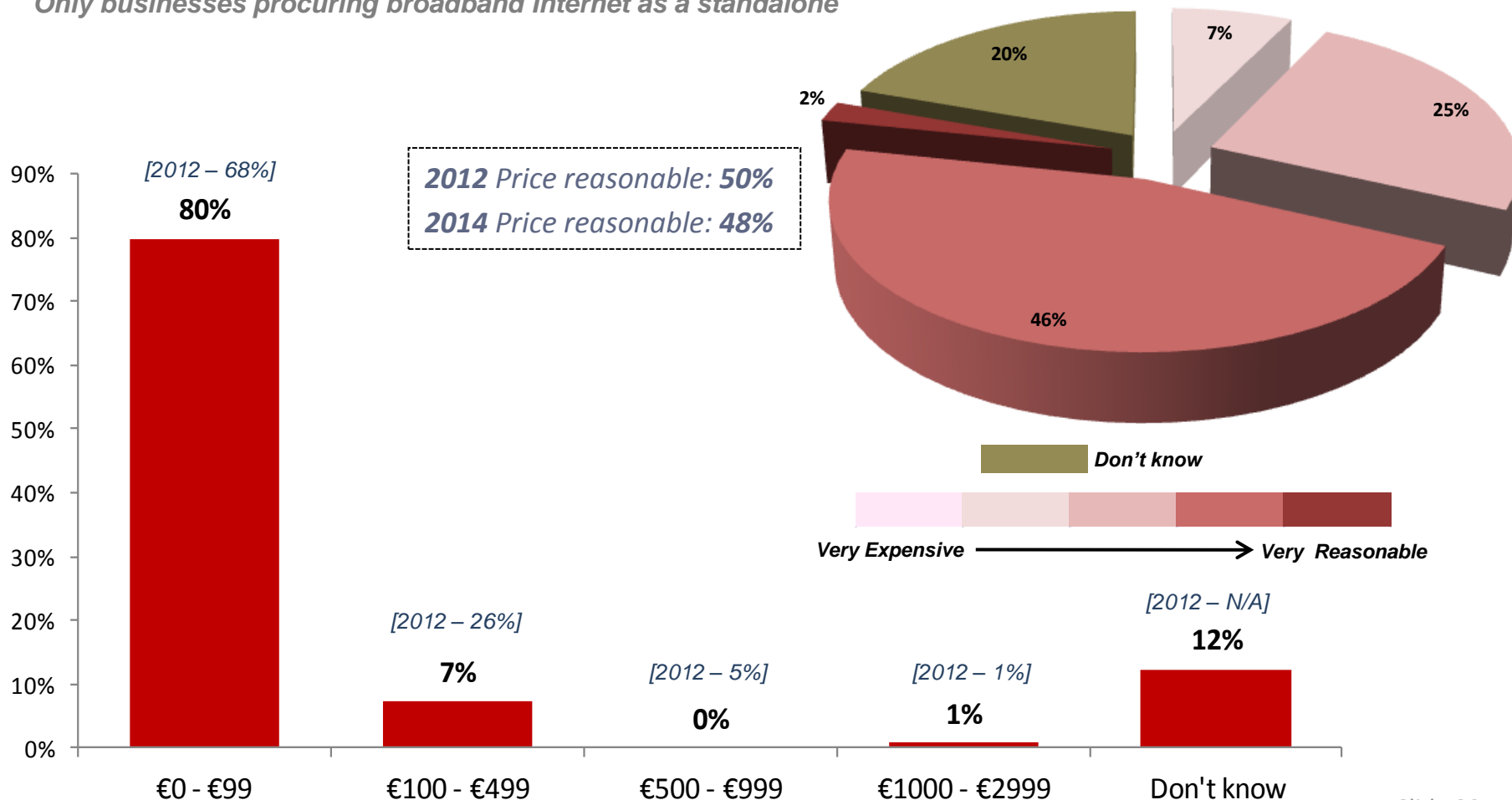


*What is the average monthly expenditure by the company on broadband Internet...*

*Sample Size – 138*

*Only businesses procuring broadband Internet as a standalone*

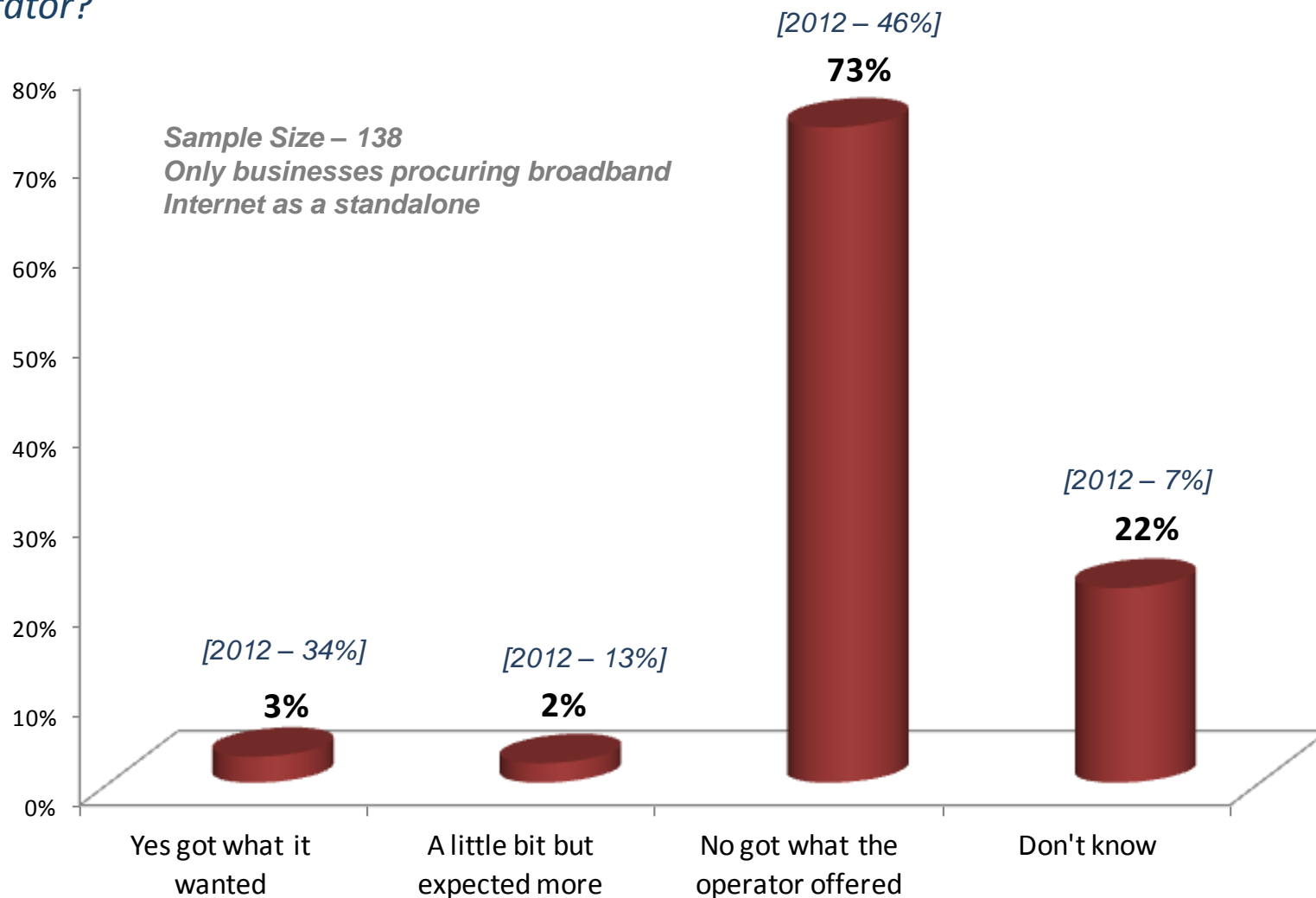
*Is this price expensive or reasonable?*





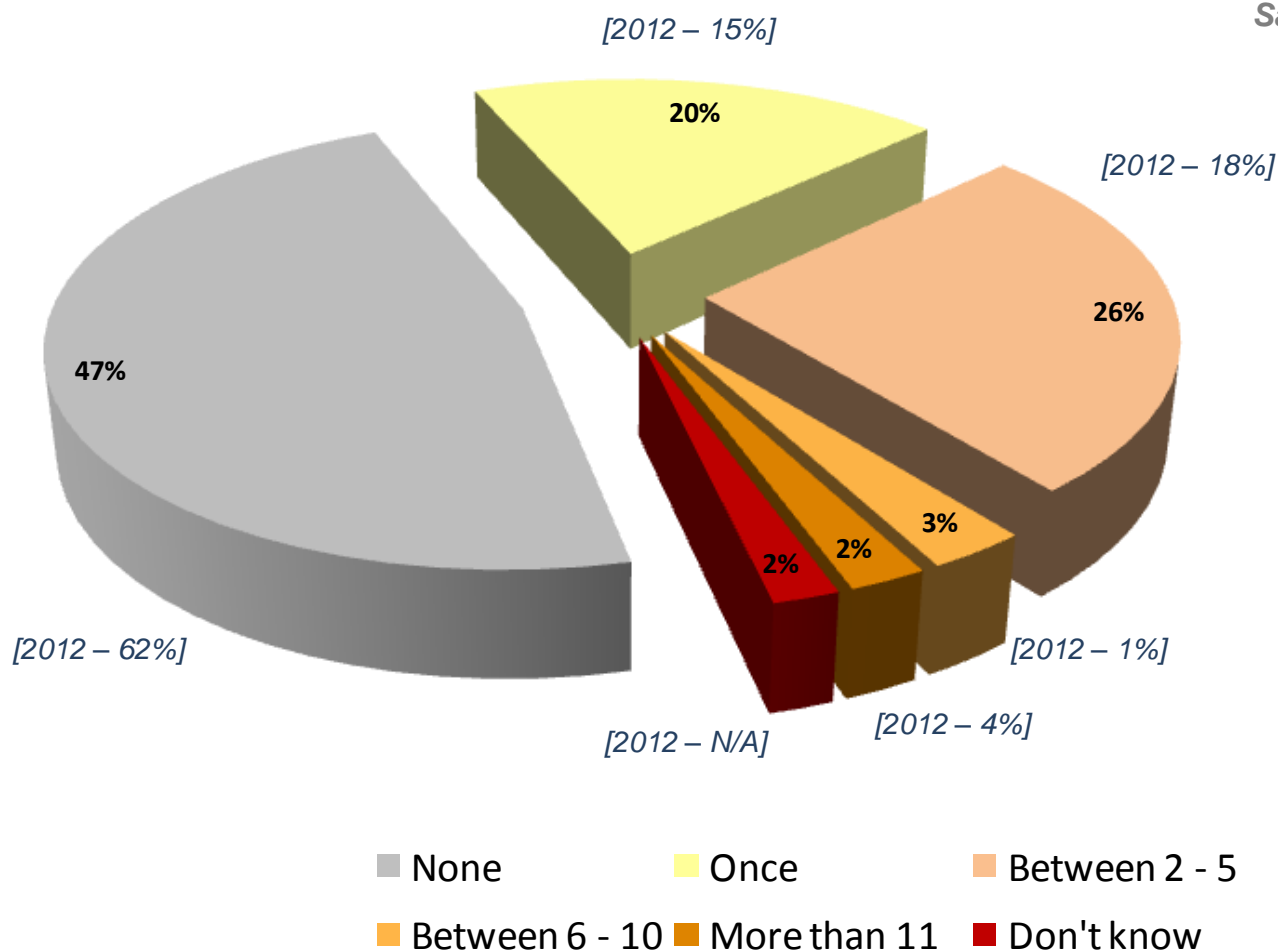
## Procurement of Broadband Services

*Did the company have the ability to bargain on the terms and conditions and price with the operator?*



## Broadband Service Levels (1)

*How many (if any) Internet connection problems have been experienced by the company during the last 12 months?*



*The number of businesses that have experienced Internet connection problems during the last 12 months increased from 38% in 2012 to 51% in 2014.*

*50% of businesses experiencing Internet connection problems are ADSL subscribers. 45% have a cable connection.*

## Broadband Service Levels (2)

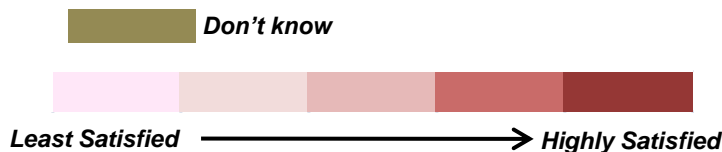
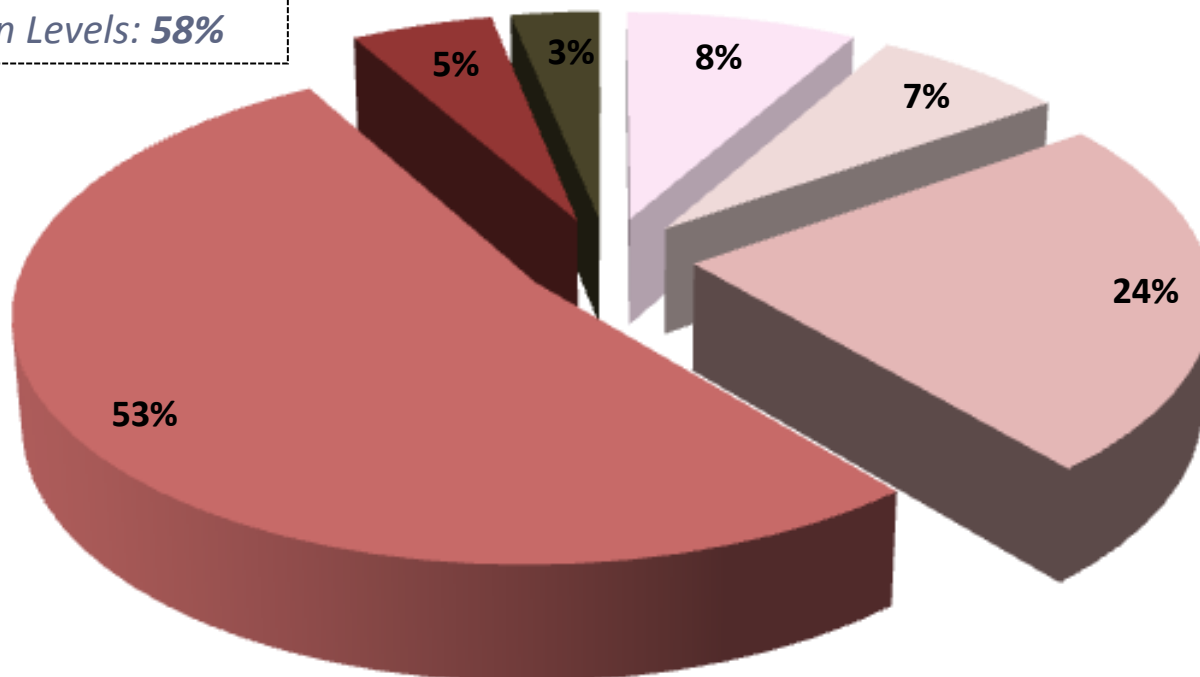
*How satisfied is the company with the way such problems have been addressed by the Internet provider?*

*Sample Size – 157*

*Only businesses that have encountered Internet connection problems during the last 12 months*

**2012 Satisfaction Levels: 53%**

**2014 Satisfaction Levels: 58%**

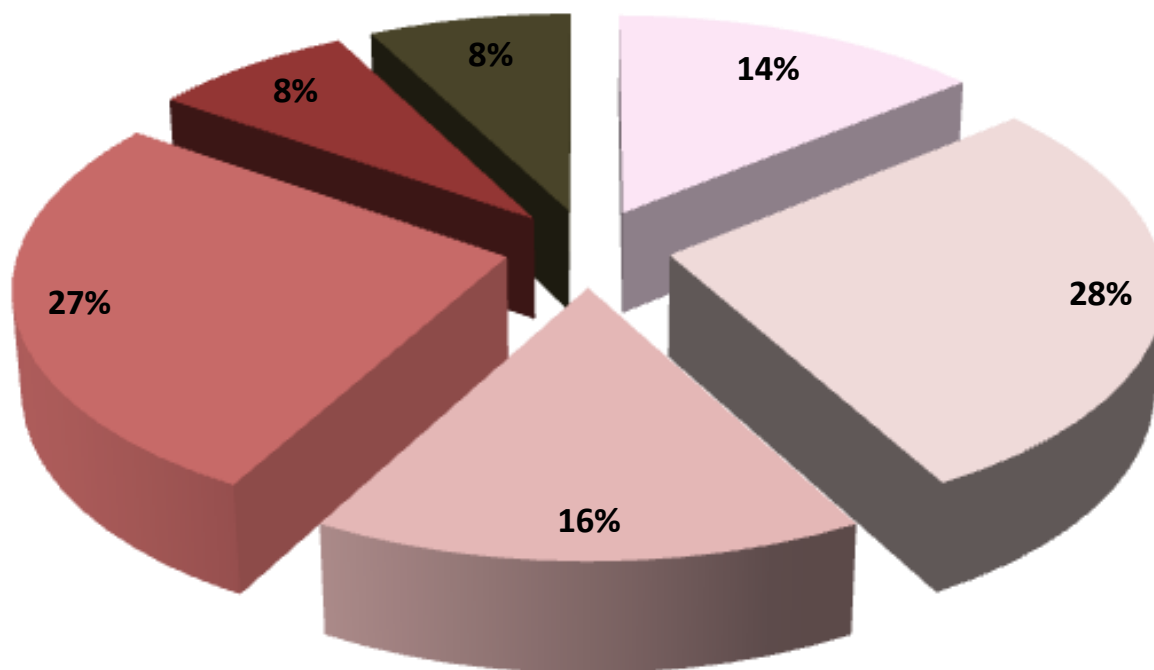


## Broadband Service Levels (3)

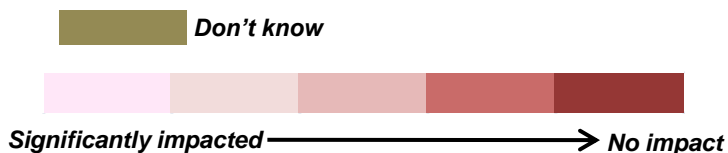
*How was business activity impacted when the company experienced Internet connection problem?*

*Sample Size – 157*

*Only businesses that have encountered Internet connection problems during the last 12 months*

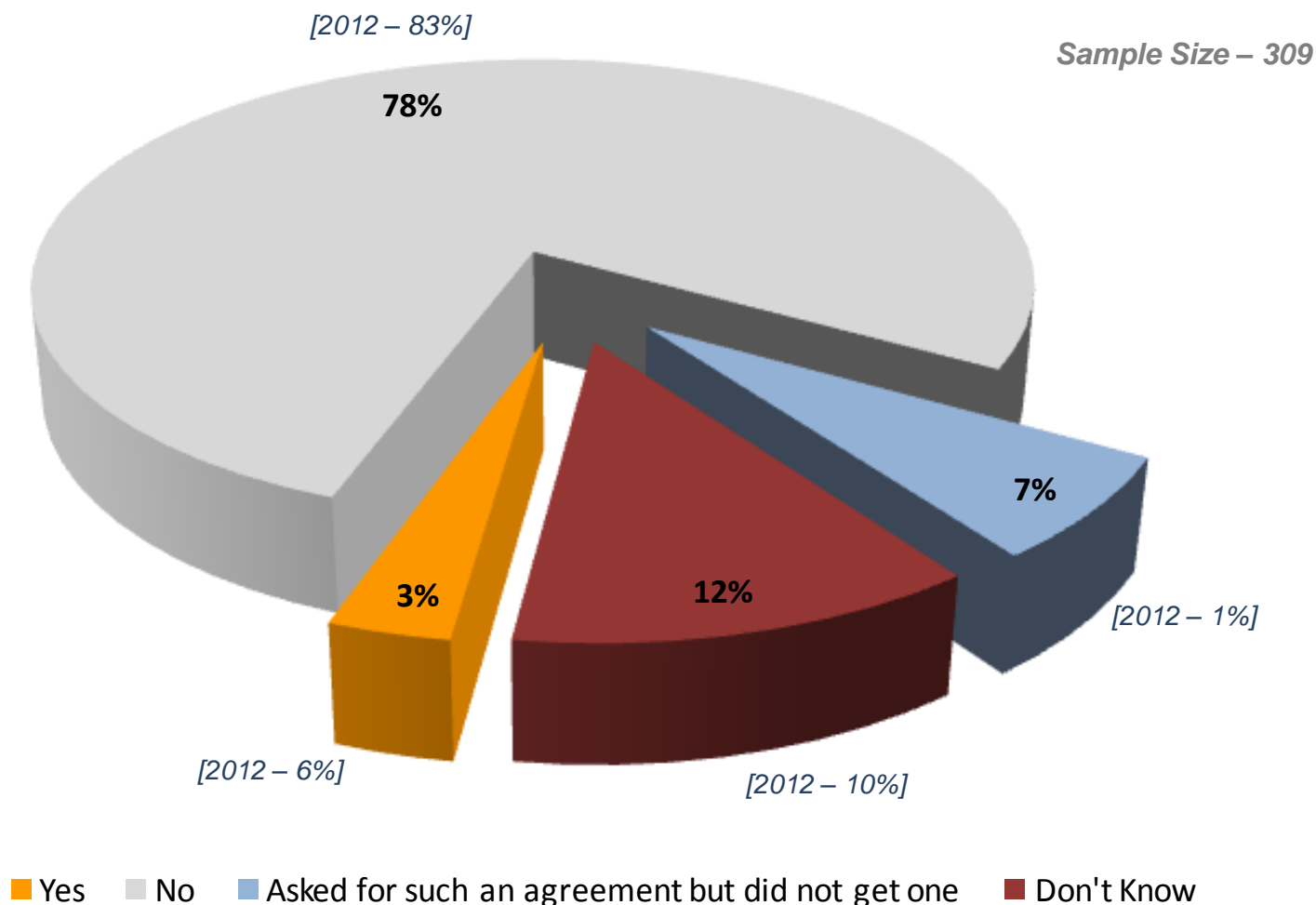


*Only 35% of businesses claim not to have been impacted when the company experienced Internet connection problem.*



## Broadband Service Levels (4)

*If the company experiences a problem with the Internet connection does it have a specific service level agreement with the provider specifying repair times etc?*

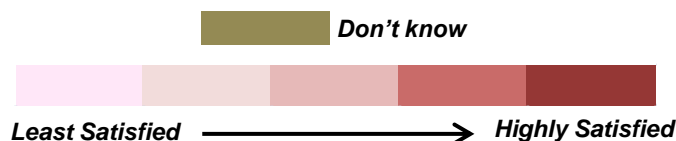


*How satisfied is the company with the overall Internet service it receives?*

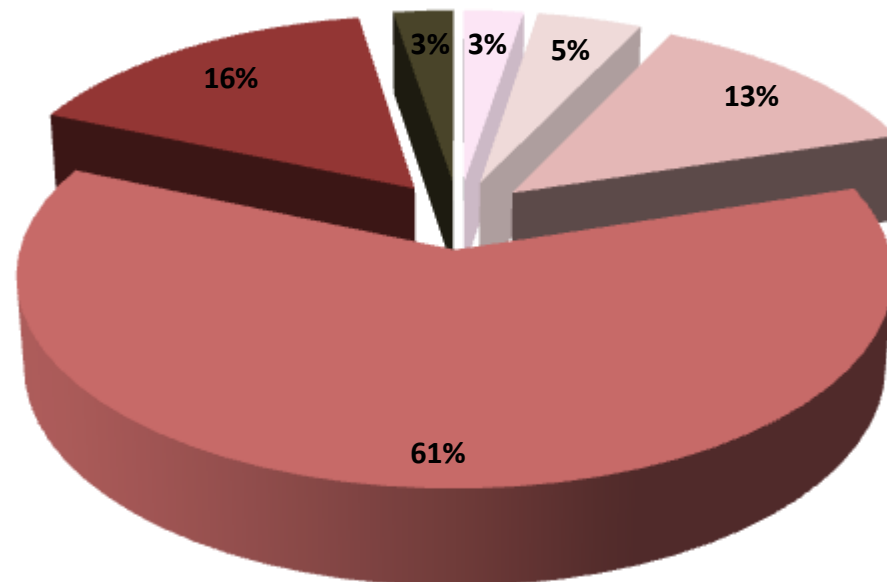
Sample Size – 309

**2012 Satisfaction Levels: 76%**

**2014 Satisfaction Levels: 77%**



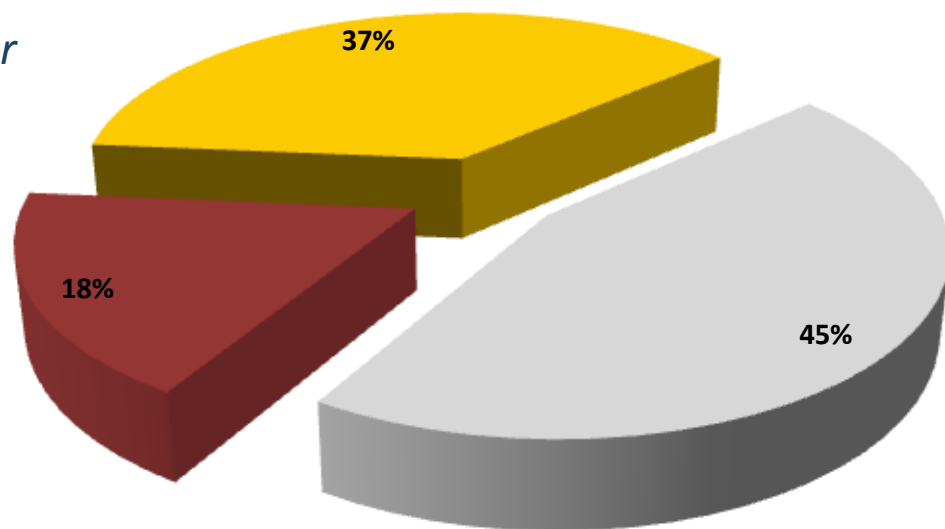
## Quality Satisfaction Levels



*Does the company consider switching to another operator if it is not satisfied or fairly satisfied?*

Sample Size – 28

*46% of businesses that do not consider switching to another operator, despite not being satisfied with the current operator, say it is inconvenient to switch. Another 21% say all operators offer the same level of service and quality.*



Yes No Don't Know

## 6. Main Highlights

- Compared to 2012 slightly fewer businesses have a fixed line connection – 97% of which are resorting to mobile telephony
- The number of businesses using mobile phone services increased by 11 percentage points over 2012
- 75% of businesses have a broadband Internet connection [64% in 2012]
- 33% of businesses with a fixed telephone connection have a prepaid subscription. This is relatively higher than the overall market statistic of 10% prepaid connections
- 89% of businesses making use of mobile phones are contract based. This contrasts sharply with the household survey where only 25% claimed to have a contract type of mobile connection
- More businesses today procure their telecom services as a bundle and the majority of these businesses perceive the price to be reasonable



- 49% of businesses that procure fixed telephony as a standalone perceive prices to be reasonable. Only 6% argue that it is expensive, with the remaining business respondents being quite indifferent to the issue
- 54% of businesses that procure mobile telephony as a standalone perceive prices to be reasonable – a significant improvement compared to 34% registered in 2012
- Quality satisfaction levels have increased over 2012 with respect to fixed telephony and mobile. Satisfaction levels remained the same with regards to broadband Internet
- The number of businesses that have experienced Internet connection problems during the last 12 months increased from 38% in 2012 to 51% in 2014
- Only 35% of businesses claim not to have been impacted when the company experienced Internet connection problem
- 58% of those experiencing Internet connection problems are satisfied with the way such problems had been addressed

# Thank you

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