

# MCA Market Research

## *Consumer Perception Survey Results – Mobile Telephony*

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MCA | November 2015

# 1. Purpose & Methodology

Keep tabs on mobile telephony services in Malta

Provide for better analysis of mobile telephony services

Provide for better regulatory decisions

*Ernst & Young carried out the survey between August and September 2015 on behalf of the MCA*

### Fieldwork

- Interviews were carried out by telephone lasting around 10 minutes
- The survey respondents were chosen randomly from the range of GO and Melita fixed telephone numbers
- Only one person per household was interviewed and all respondents were over 18 years old

### Sample

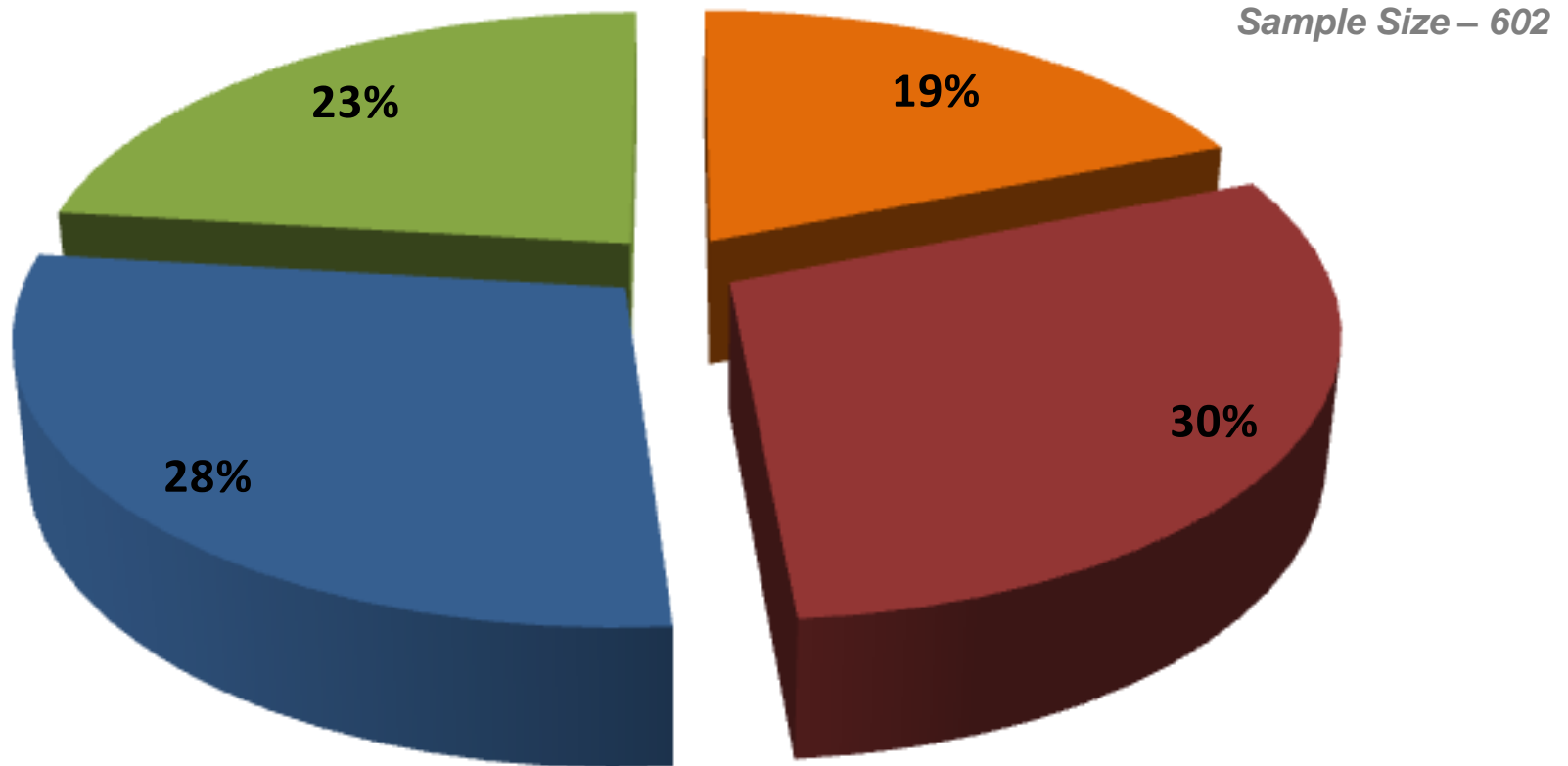
- Targeted population was stratified according to the age composition (18+) of the Maltese population
- The interviews were also distributed among Malta's six official geographic regions and carried out across the different socio economic categories of the Maltese population

### Responses

- 602 net respondents
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of 600 interviewees
- Margin of error 4% at 95% confidence interval

## Methodology – Sample Distribution

*Sample size was distributed according to the age composition of the Maltese population (18+)*



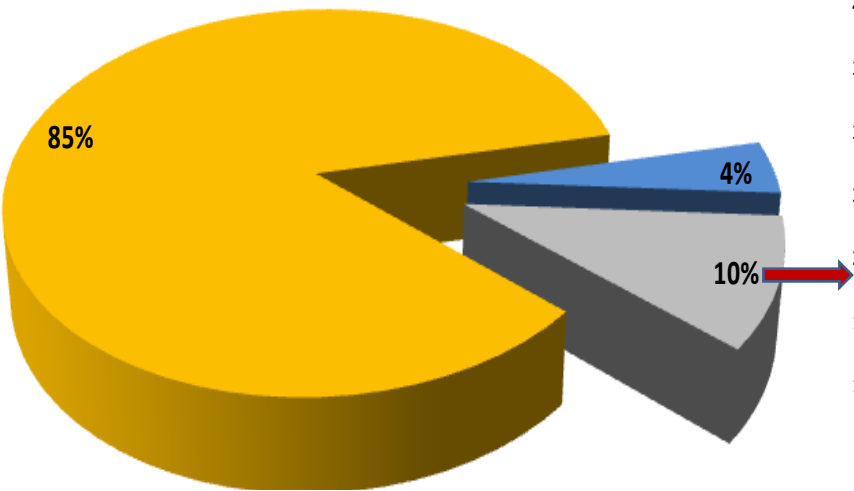
■ 18 - 29 years   ■ 30 - 49 years   ■ 50 - 64 years   ■ 65+ years

## 2. Mobile Telephony Access in Malta

# Mobile Telephony Access

Do you have a mobile phone?

Sample Size – 602

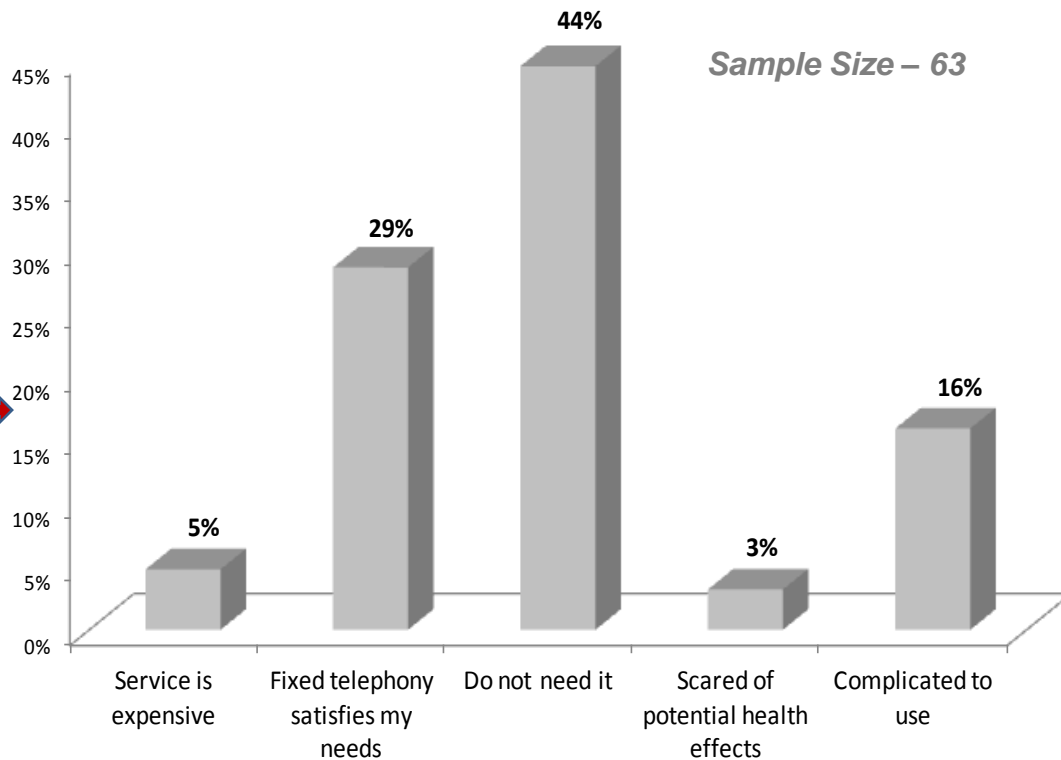


- Yes
- No, but intend to get one by the end of the year
- No, and do not intend to get one in the future

*Results show same mobile penetration trends to those reported in the 2013 survey.*

What are the reasons for not getting a mobile phone?

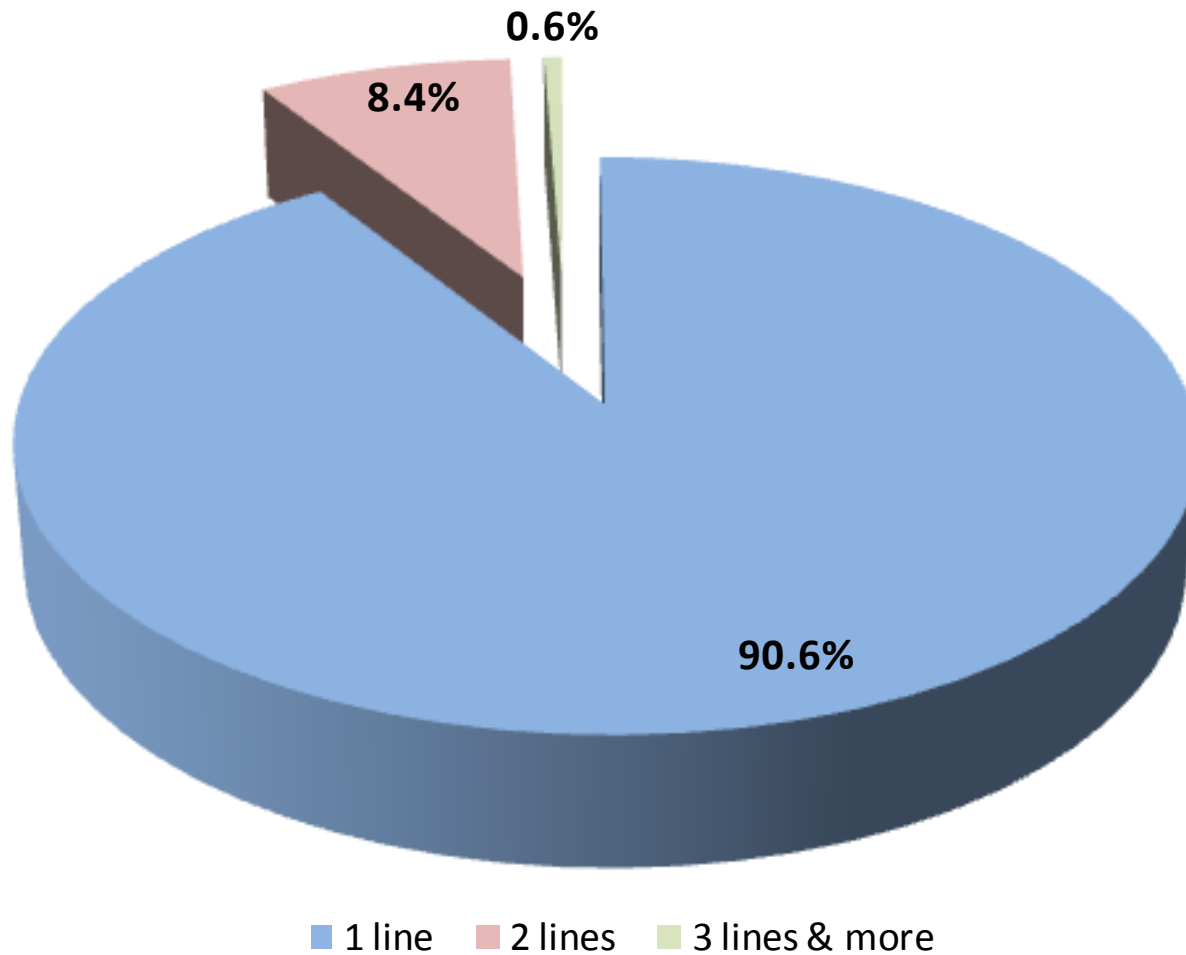
Sample Size – 63



*62% of those that do not have a mobile phone and do not intend to get one in the future are 65 years plus. 30% are between 50 – 64 years.*

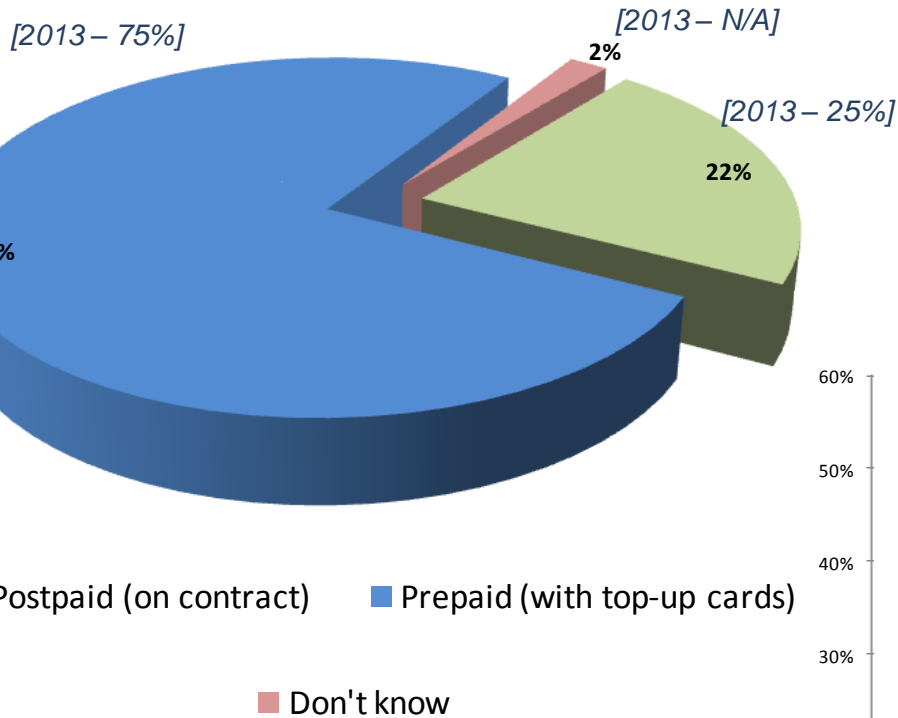
## Number of mobile connections

*Sample Size – 513  
(only respondents that have a mobile phone)*



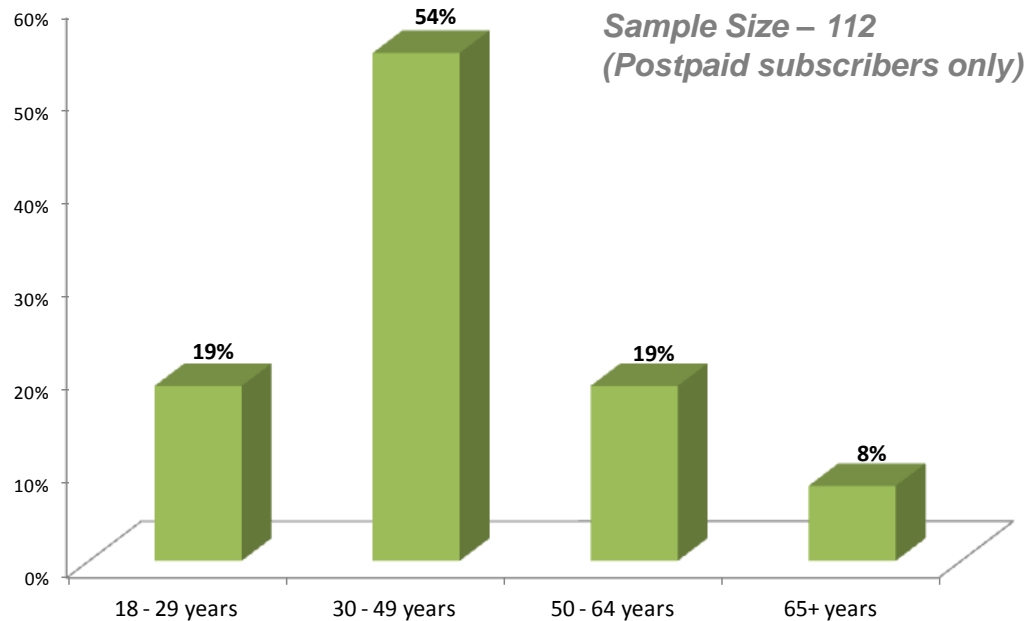
# Type of Mobile Subscription (1)

Your mobile subscription (main connection) is based on:



Sample Size – 513  
(only respondents that have a mobile phone)

Postpaid subscriptions by Age:

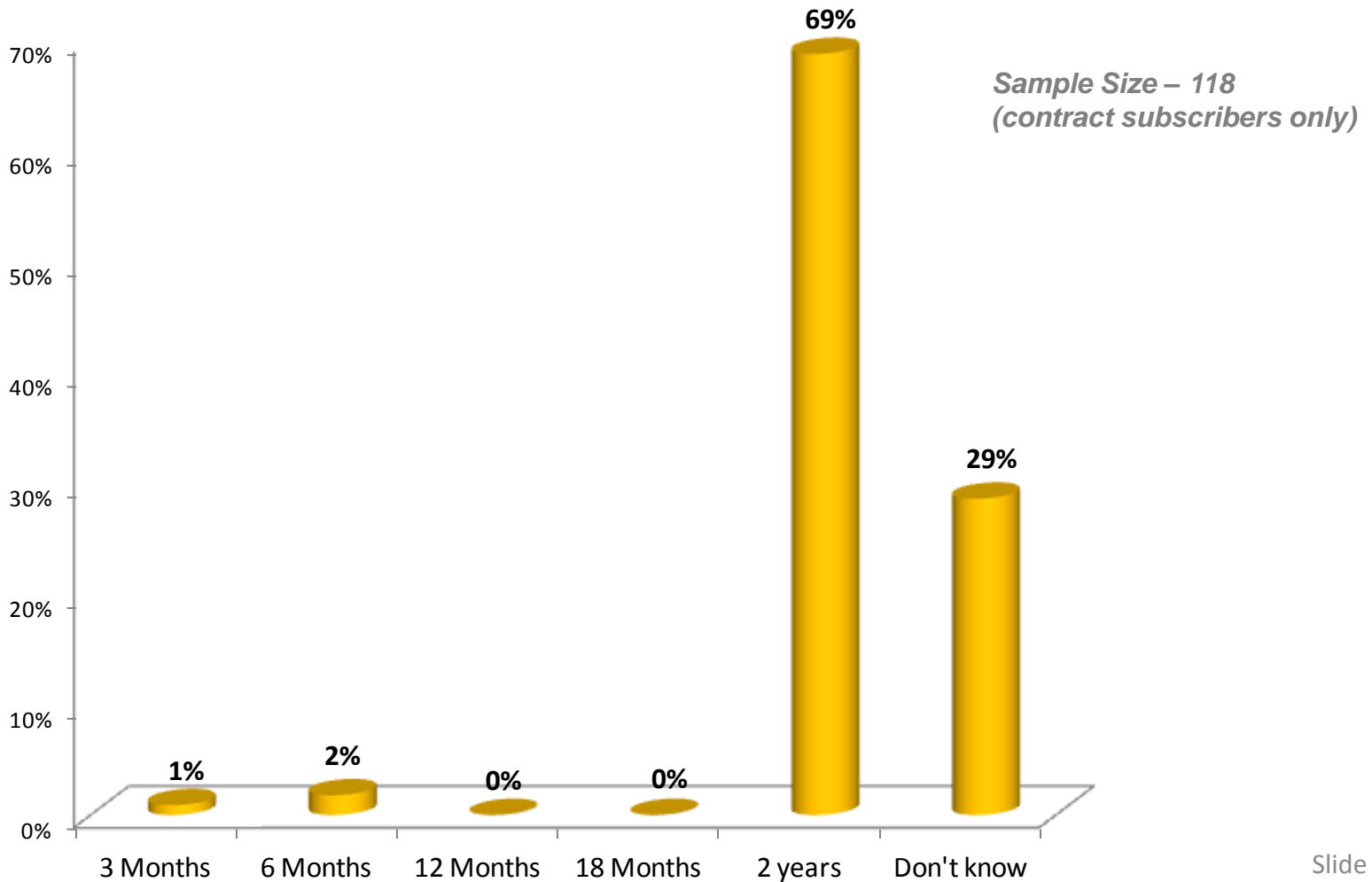


Sample Size – 112  
(Postpaid subscribers only)



## Type of Mobile Subscription (2)

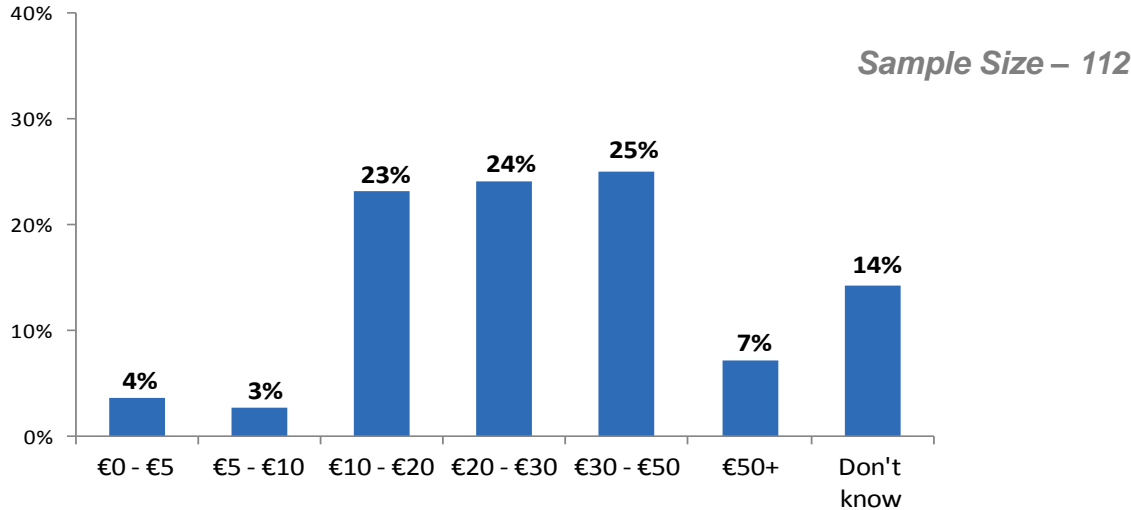
*For those that are on a contract: how long is the subscription period?*



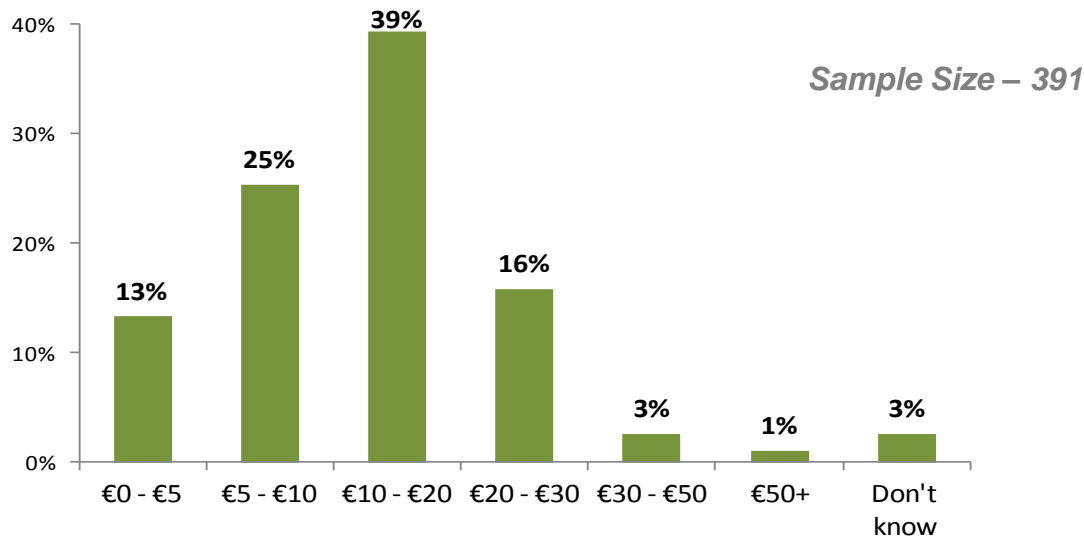
## 3. Pricing & Substitution Analysis

# Mobile Price Analysis – Postpaid vs. Prepaid

**Postpaid:** On average, how much do you spend per month on mobile services?



**Prepaid:** On average, how much do you spend per month on mobile services?



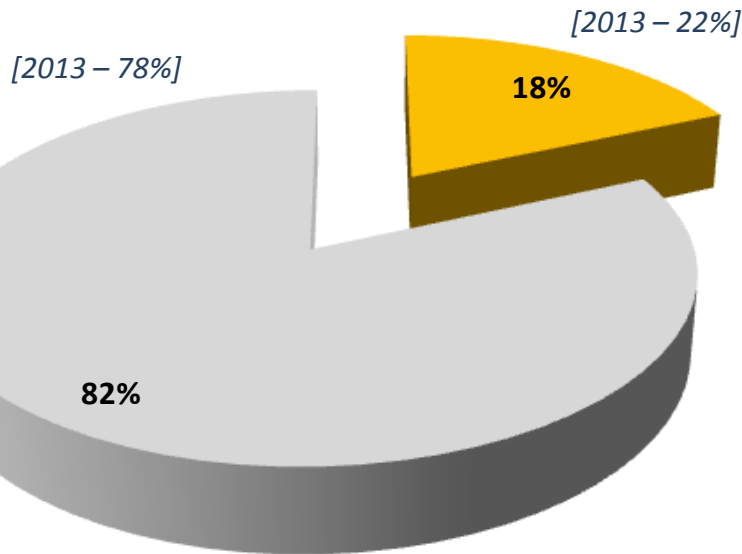
*Prepaid subscribers are generally more aware of their monthly mobile expenditure – only 3% don't know how much they spend.*

*The majority of prepaid subscribers fall in the lower spending brackets.*

*56% of postpaid subscribers spend more than €20 a month on mobile services.*

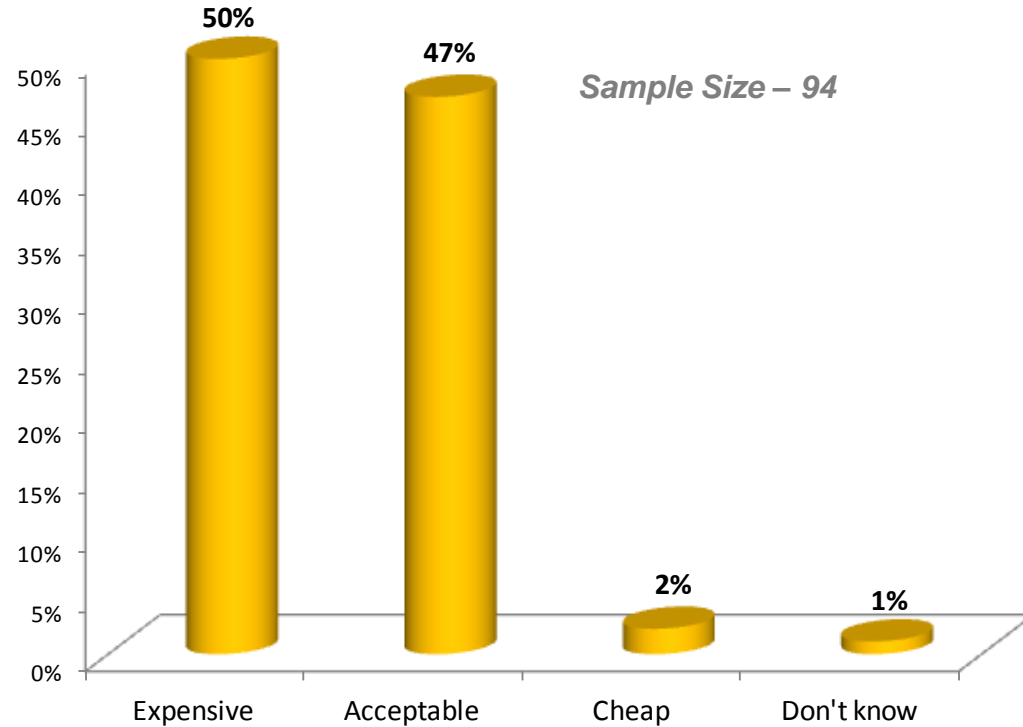
*Do you know how much it would cost you to make a one-minute call from your mobile?*

*Sample Size – 513  
(only respondents that have a mobile phone)*



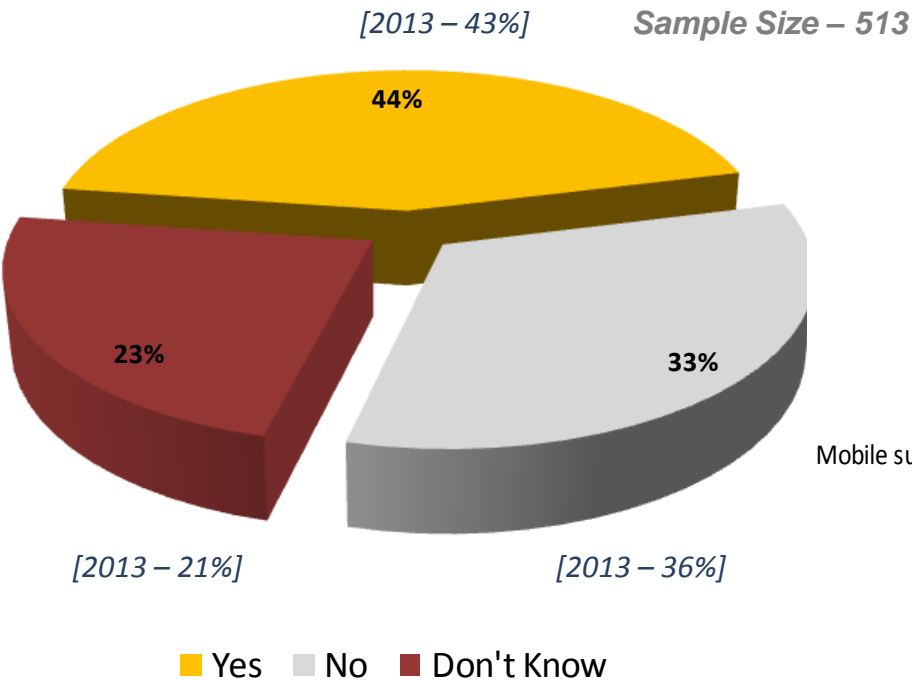
■ Yes ■ No

*If yes, do you think that mobile call rates are...*

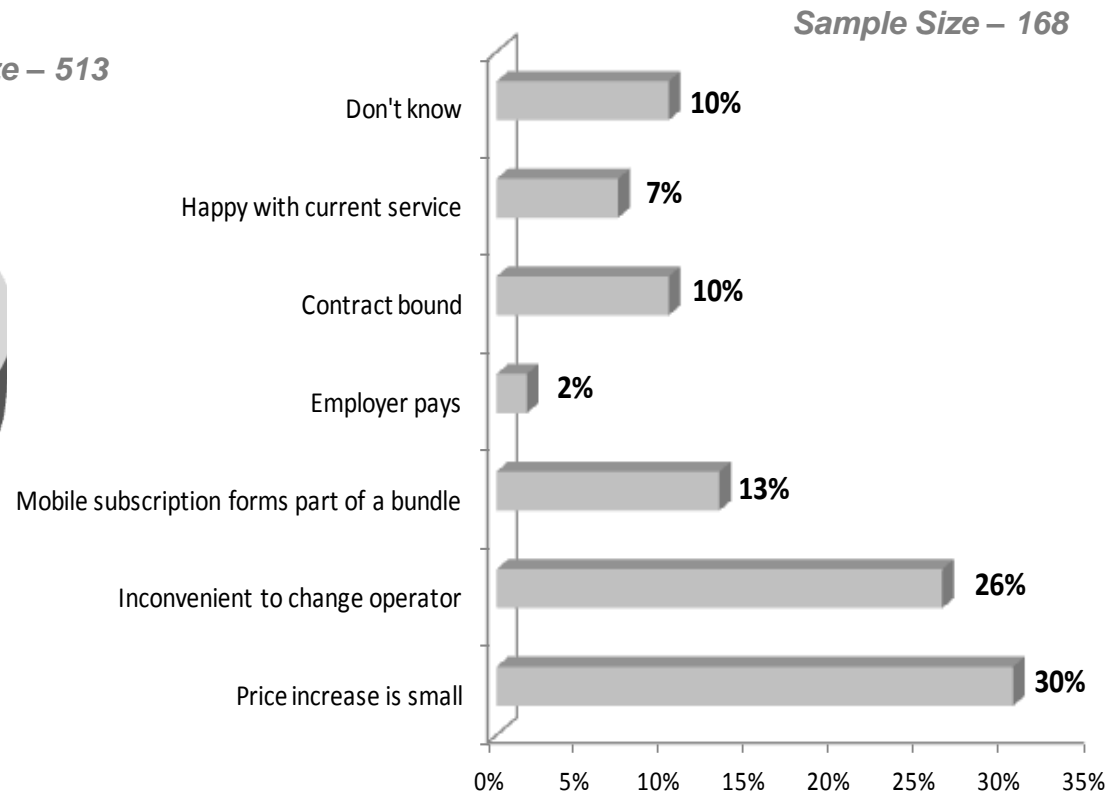


*Perceptions on mobile call rates are mixed, with half of those who know how much it costs to make a mobile call claiming these rates to be expensive while the rest claim them to be acceptable.*

*If your current mobile operator raises the rate of a one minute mobile call by 5%-10%, would you switch to another mobile operator?*



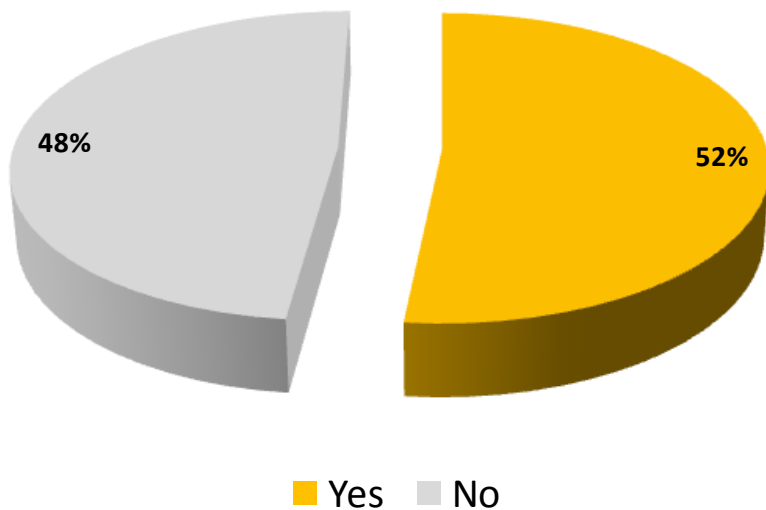
*If no, why?*



## International Roaming

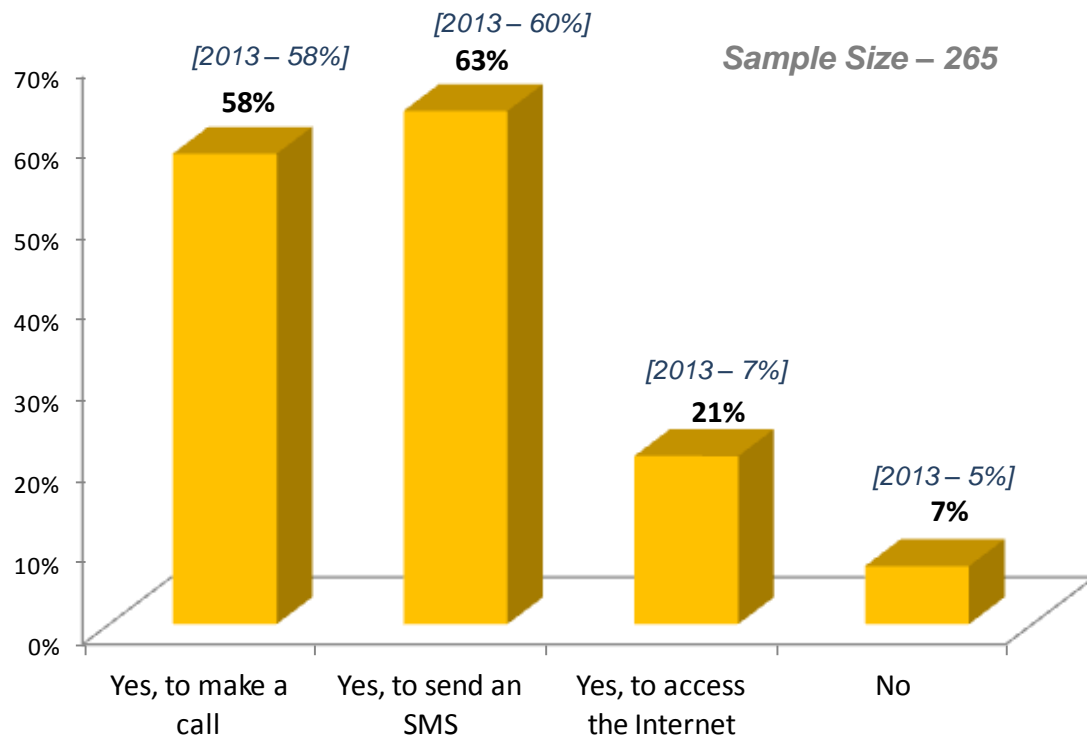
*Did you travel abroad during the last two years?*

*Sample Size – 513  
(only respondents that have a mobile phone)*



*Did you use your mobile phone while being abroad? (referring to the Malta connection)*

*Sample Size – 265*

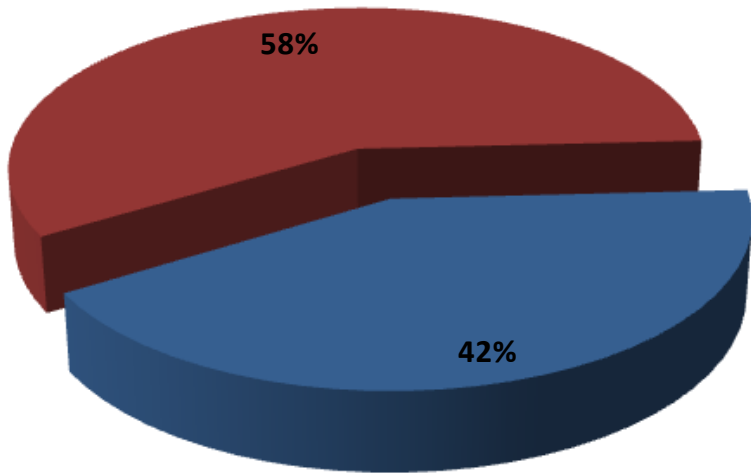


*93% of respondents travelling abroad over the last 2 years claimed to have used their mobile phone while being abroad. 15% claim to have used their mobile for all of the above services*

# Substitution Analysis - SMS vs. Mobile Calls

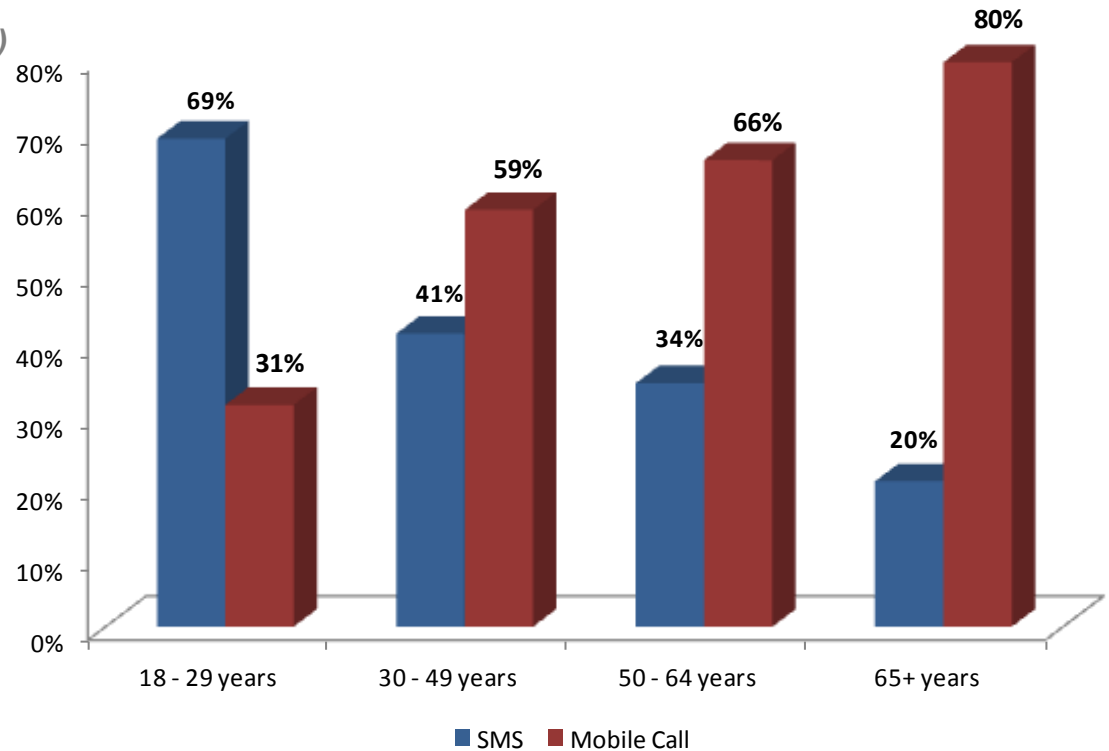
What do you prefer most to communicate:  
SMS or mobile telephone call?

Sample Size – 513  
(only respondents that have a mobile phone)



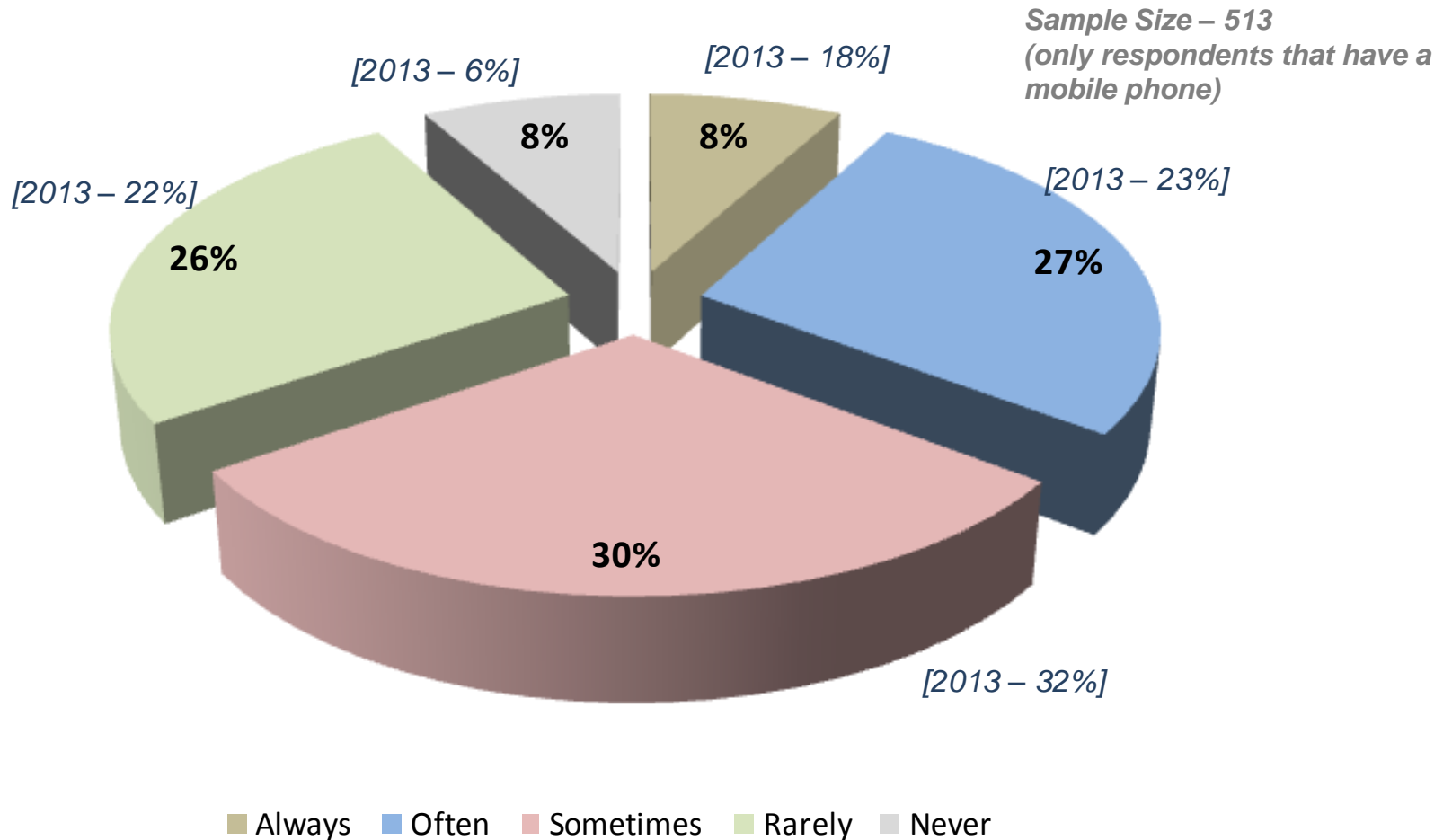
■ SMS ■ Mobile telephone call

Preference by Age...



## Substitution Analysis - Fixed vs. Mobile (1)

*How often do you consider landline calls to be a good substitute of mobile calls?*



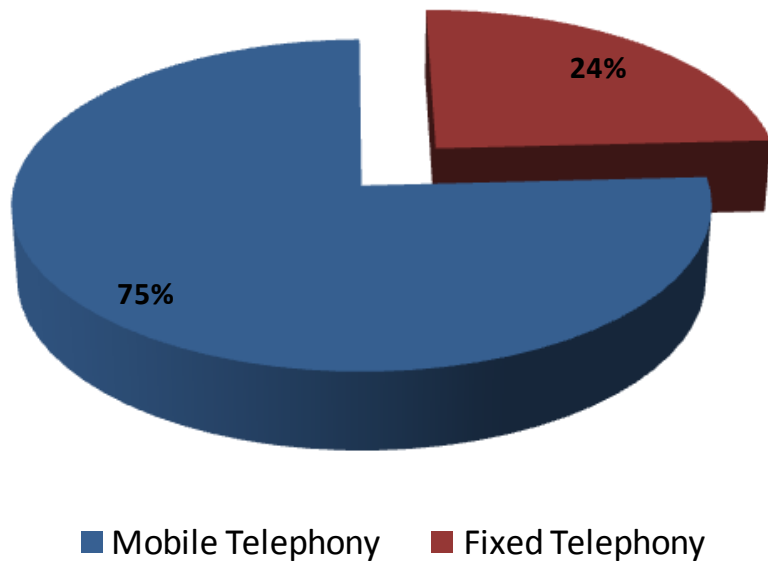


## Substitution Analysis - Fixed vs. Mobile (2)

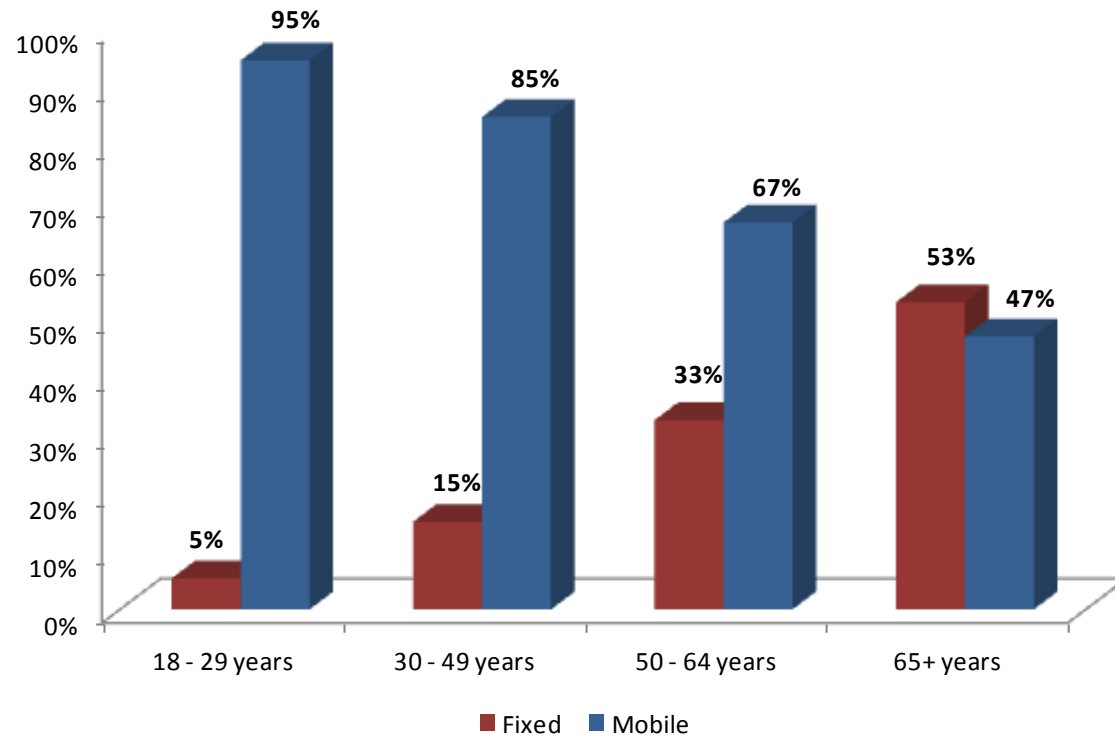
*Which service is most important for you?*

*Sample Size – 513*

*(only respondents that have a mobile phone)*



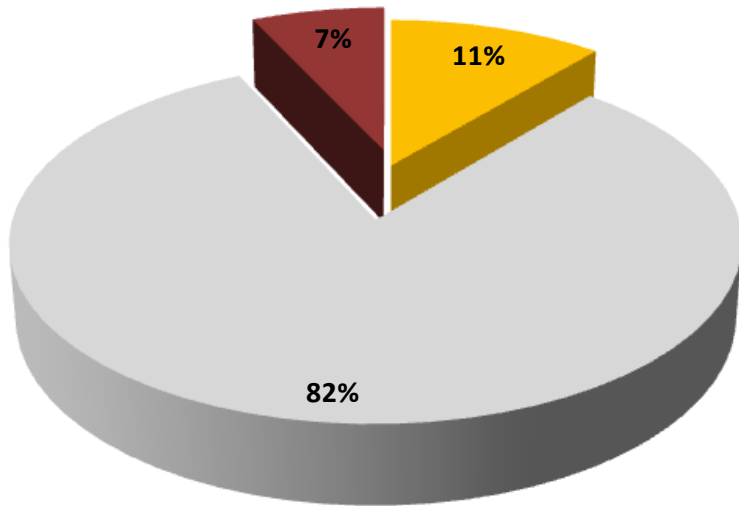
*Importance of service by Age...*



## Substitution Analysis - Fixed vs. Mobile (3)

*If you consider the mobile service to be the most important, would you be ready to terminate your fixed line connection over the next 12 months?*

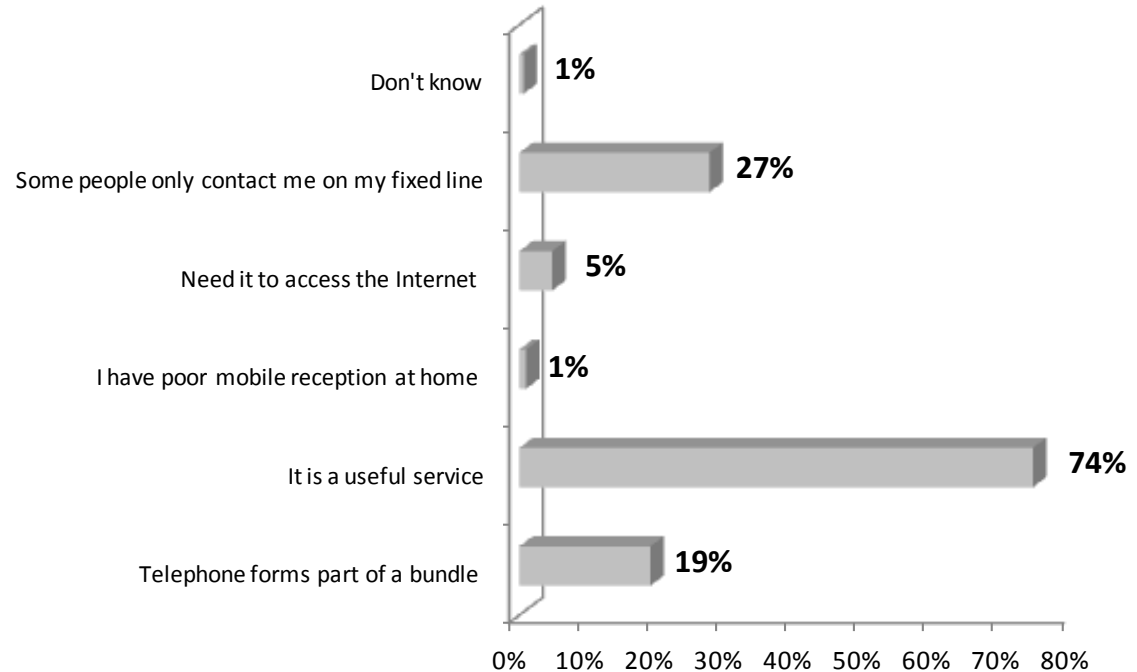
*Sample Size – 387  
(respondents that consider the mobile service to be most important)*



■ Yes ■ No ■ Don't Know

*If no, why?*

*Sample Size – 317  
(each respondent could give more than one reason)*

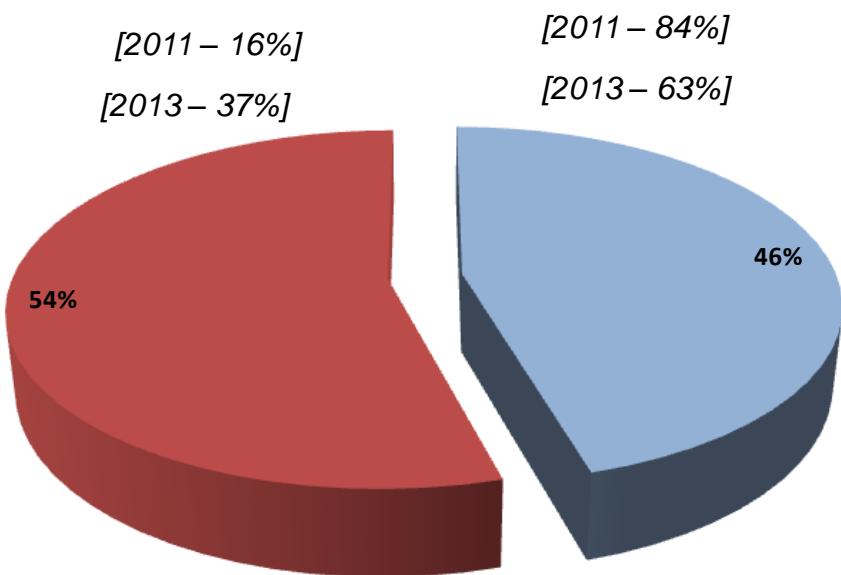


## 4. Internet Access via Mobile Telephone

# Type of Mobile Phone (1)

What type of mobile do you have?

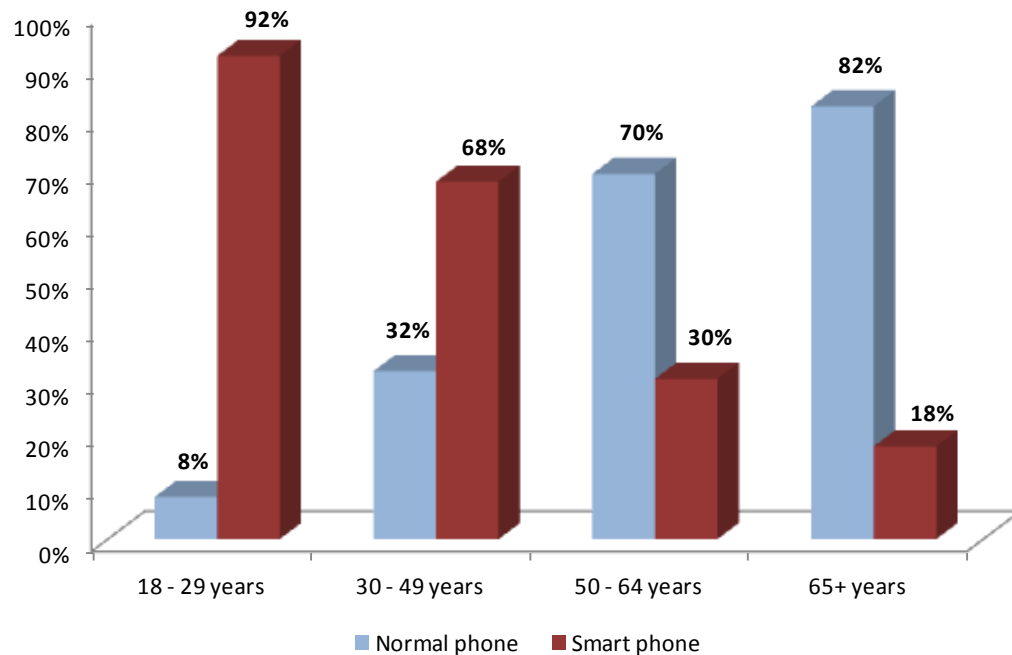
Sample Size – 513



■ Normal mobile phone

■ Smart phone (Samsung, HTC, Blackberry, Iphone...)

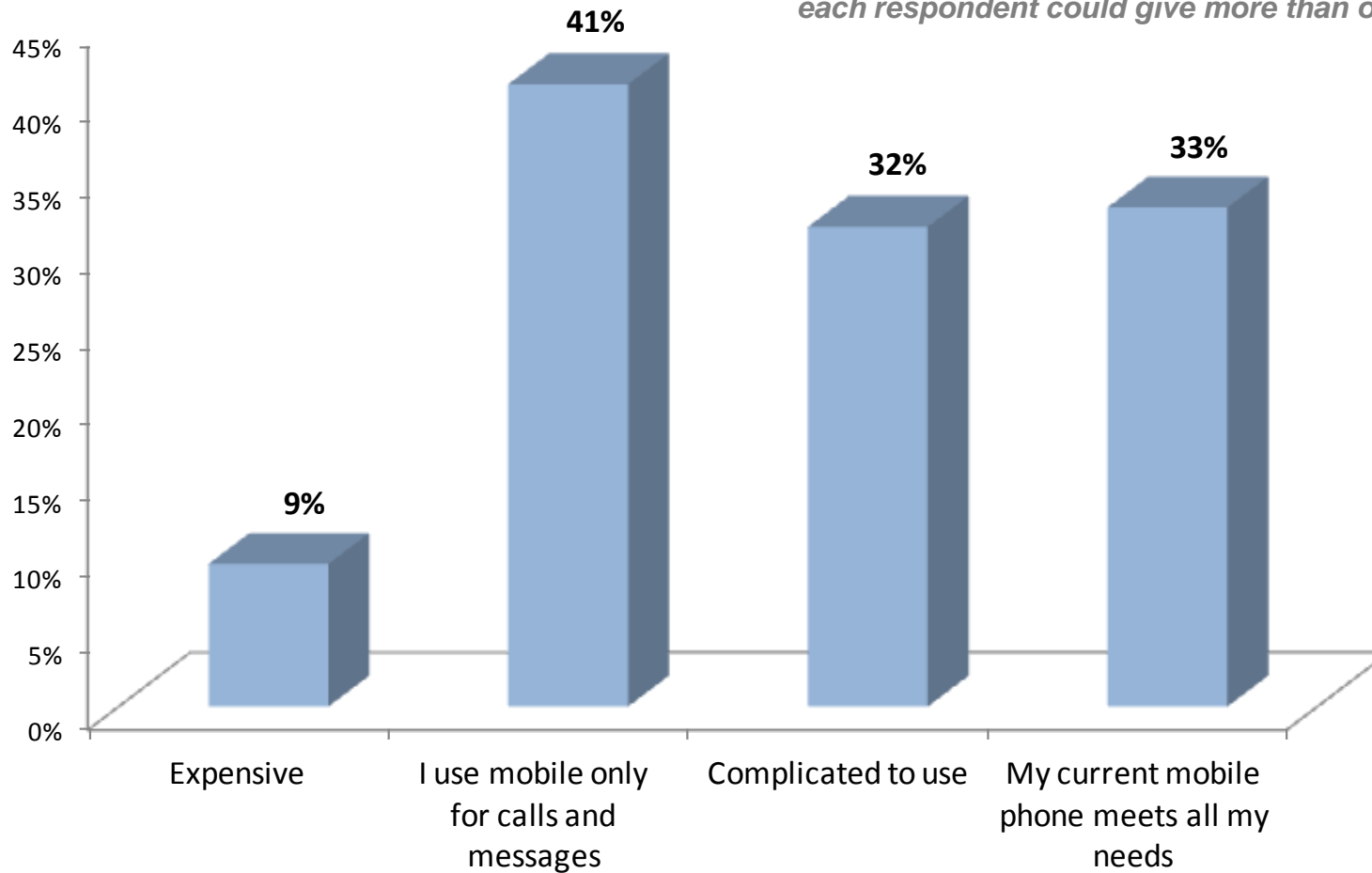
Type of mobile phone by Age...



### Why don't you have a Smart Phone?

Sample Size – 234

(respondents that do not have a smart phone;  
each respondent could give more than one reason)

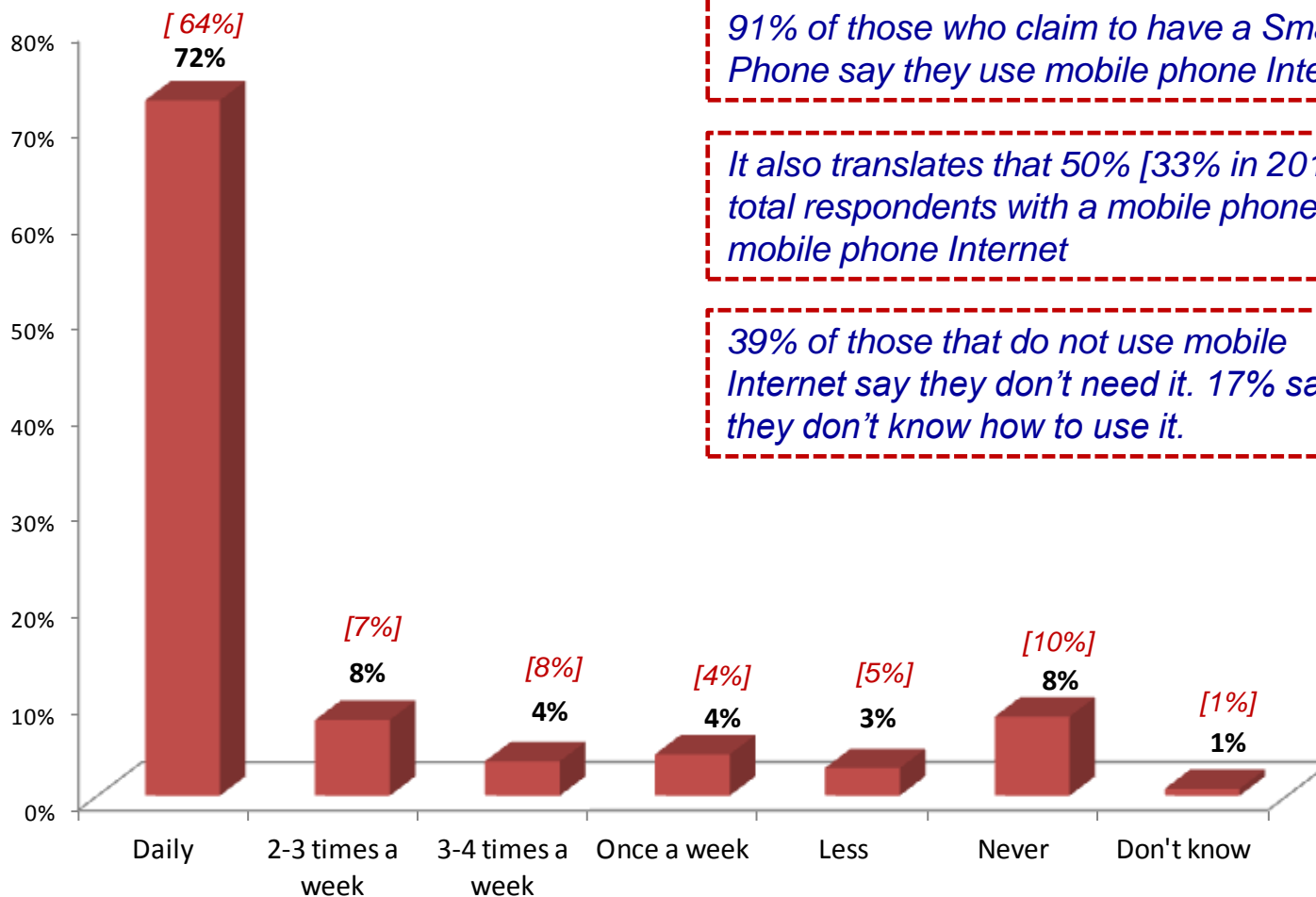


# Internet Access via Mobile Phone (1)

How often do you make use of Internet on your mobile?

Sample Size – 279  
(SmartPhone users only)

N.B: Figures in brackets represent 2013 results



91% of those who claim to have a Smart Phone say they use mobile phone Internet

It also translates that 50% [33% in 2013] of total respondents with a mobile phone use mobile phone Internet

39% of those that do not use mobile Internet say they don't need it. 17% say they don't know how to use it.

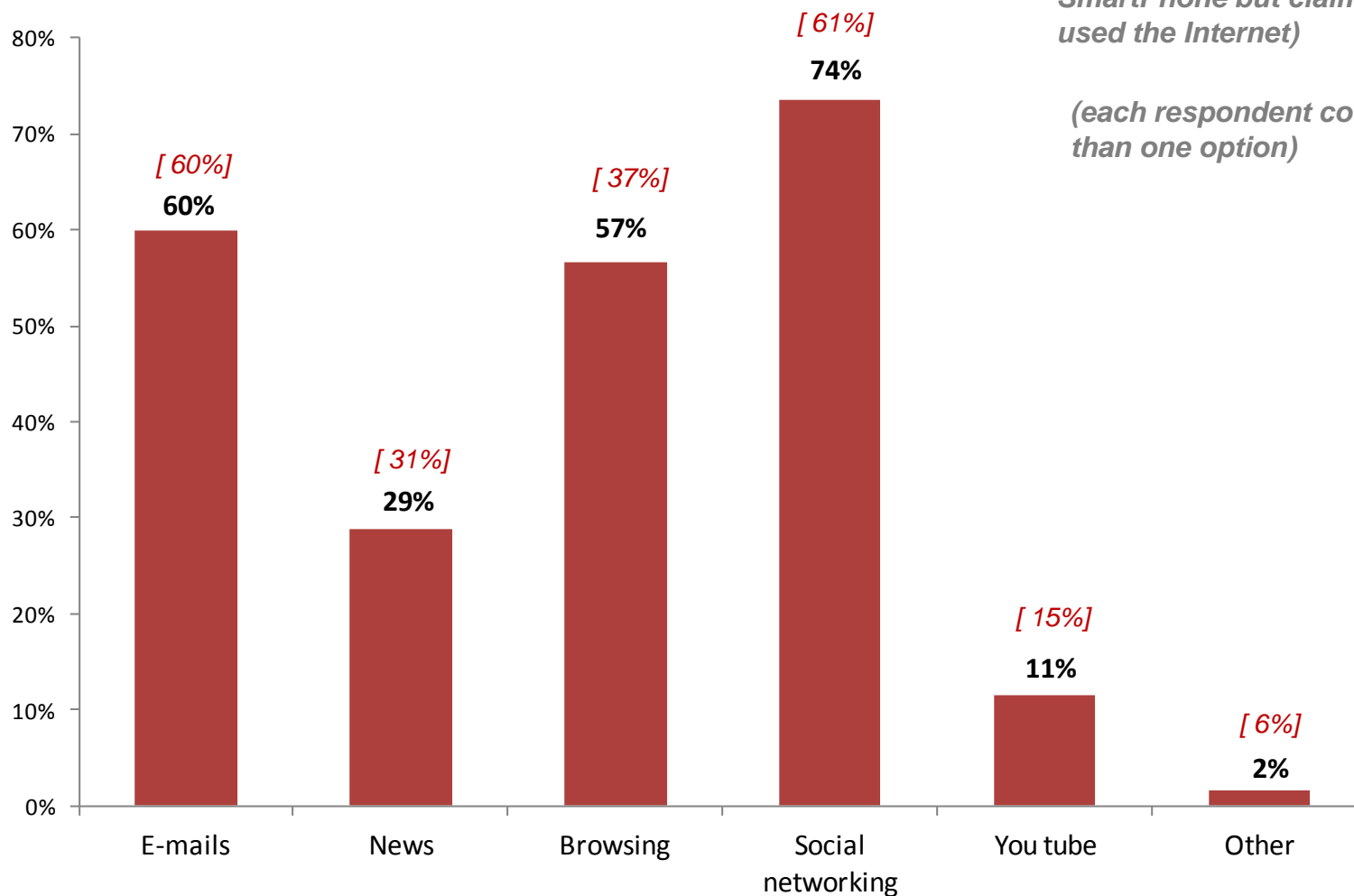
## Internet Access via Mobile Phone (2)

*For what do you mostly use the Internet on your mobile?*

**N.B: Figures in brackets represent 2013 results**

*Sample Size – 254  
(excl. Respondents that have a  
SmartPhone but claim to have never  
used the Internet)*

*(each respondent could give more  
than one option)*



## Internet Access via Mobile Phone (3)

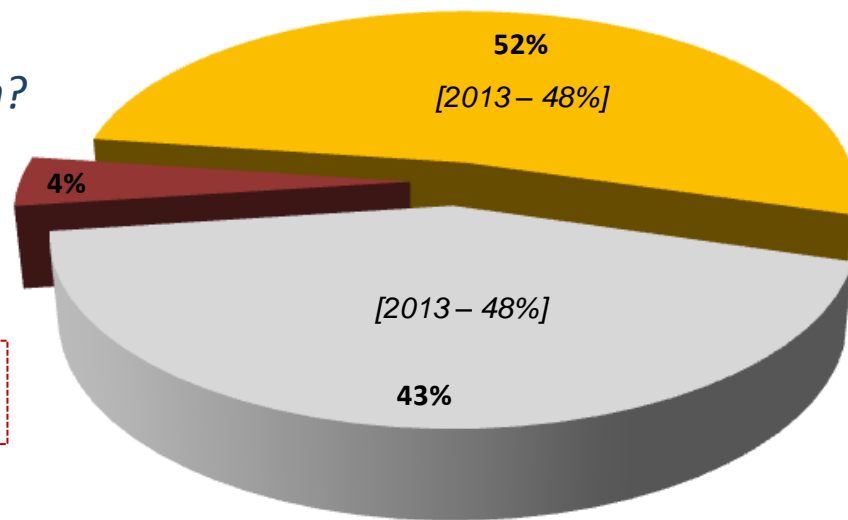
*Are you subscribed to a specific mobile data plan?*

Sample Size – 254

(excl. Respondents that have a SmartPhone but claim to have never used the Internet)

■ Yes  
 ■ No  
 ■ Don't know

*Circa 53% of those that have a specific mobile data plan are 18 – 29 years of age. 41% are between 30 – 49 years.*

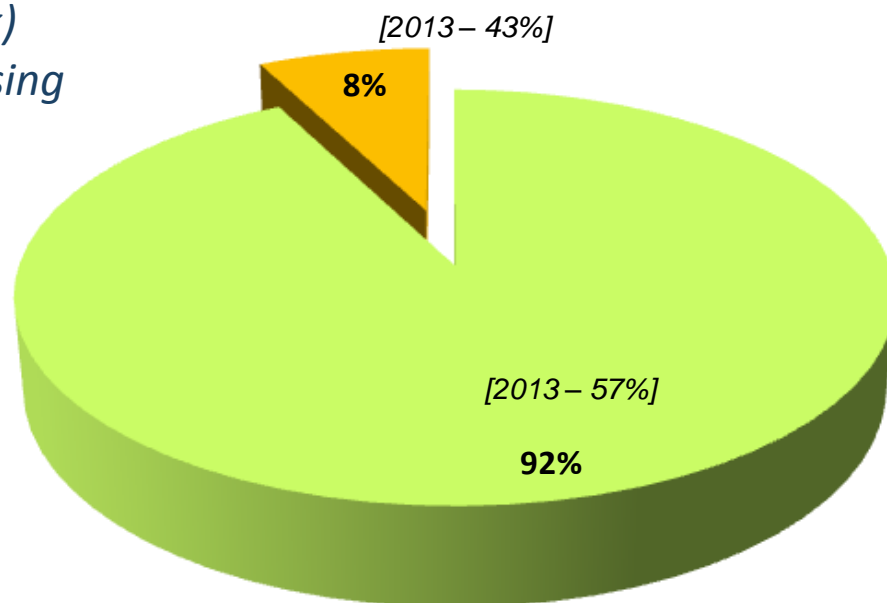


*If there is free Wifi (including at home or work) available would you switch to it or continue using your data plan?*

Sample Size – 133

(respondents subscribed to a specific mobile data plan)

■ Switch to Wifi  
 ■ Continue using 3G data plan

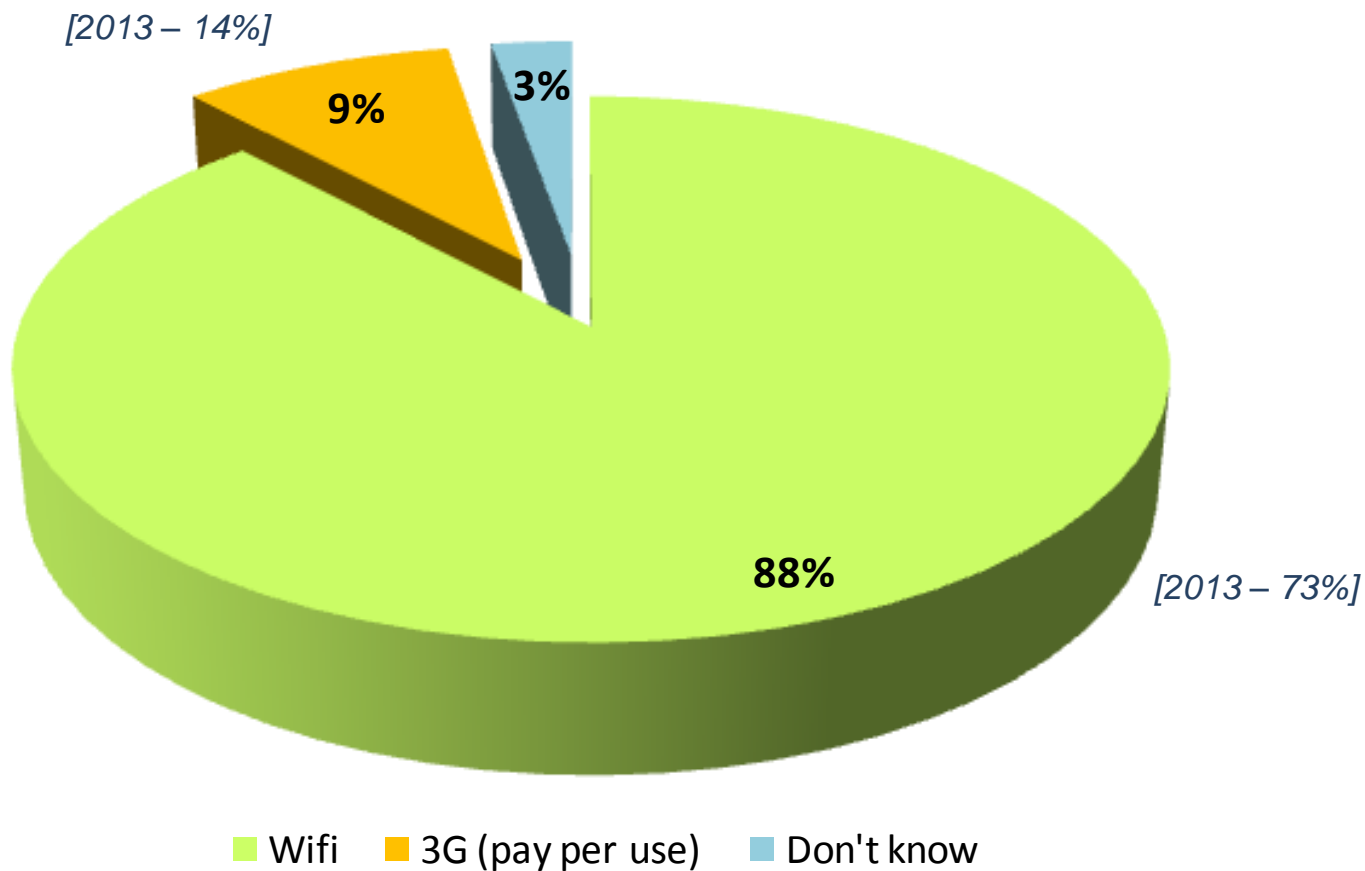




## Internet Access via Mobile Phone (4)

*What type of connection do you use to access the Internet on your mobile?*

*Sample Size – 110 (respondents that claim to use their mobile to access the Internet but do not have a specific mobile data plan)*



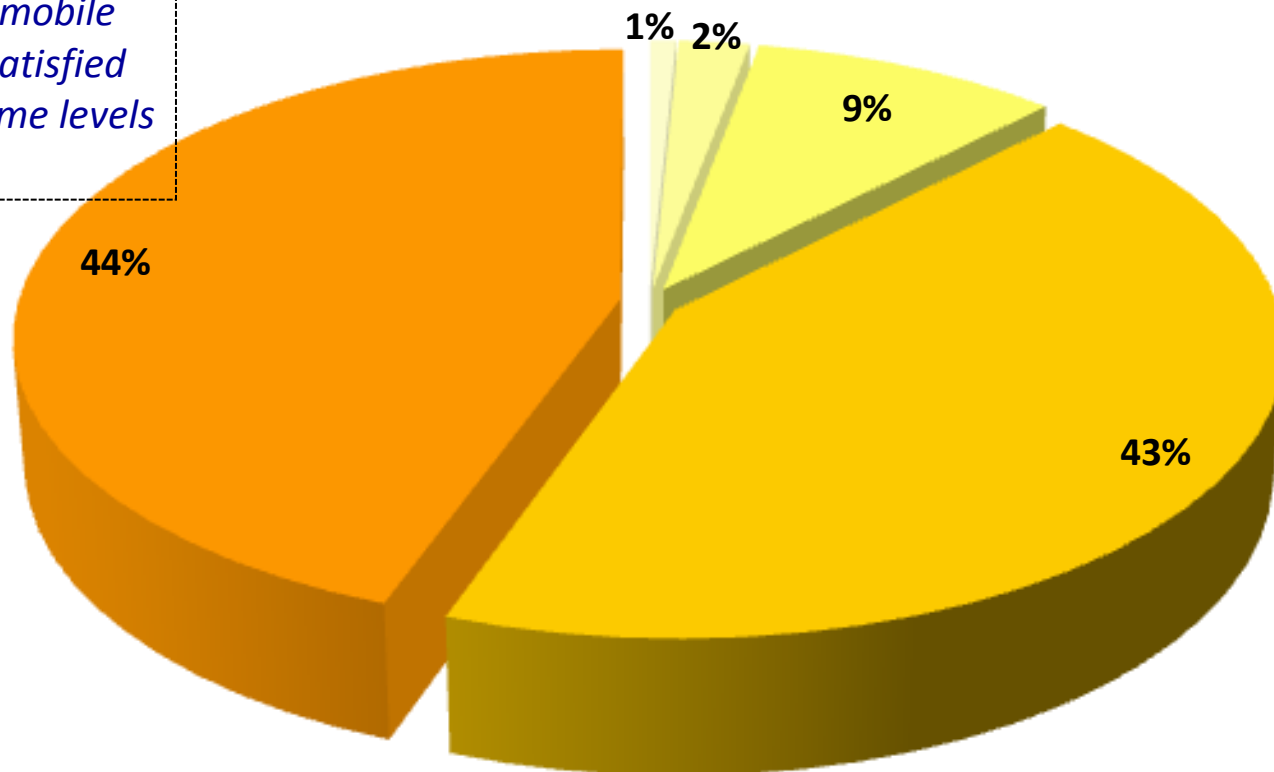
## 5. Quality Satisfaction Index & Market Development

# Quality Satisfaction Index

*Are you satisfied with the quality of reception and service you get from your mobile operator?*

*87% of respondents with a mobile line are satisfied or highly satisfied with the level of service. Same levels were registered in 2013*

Sample Size – 513



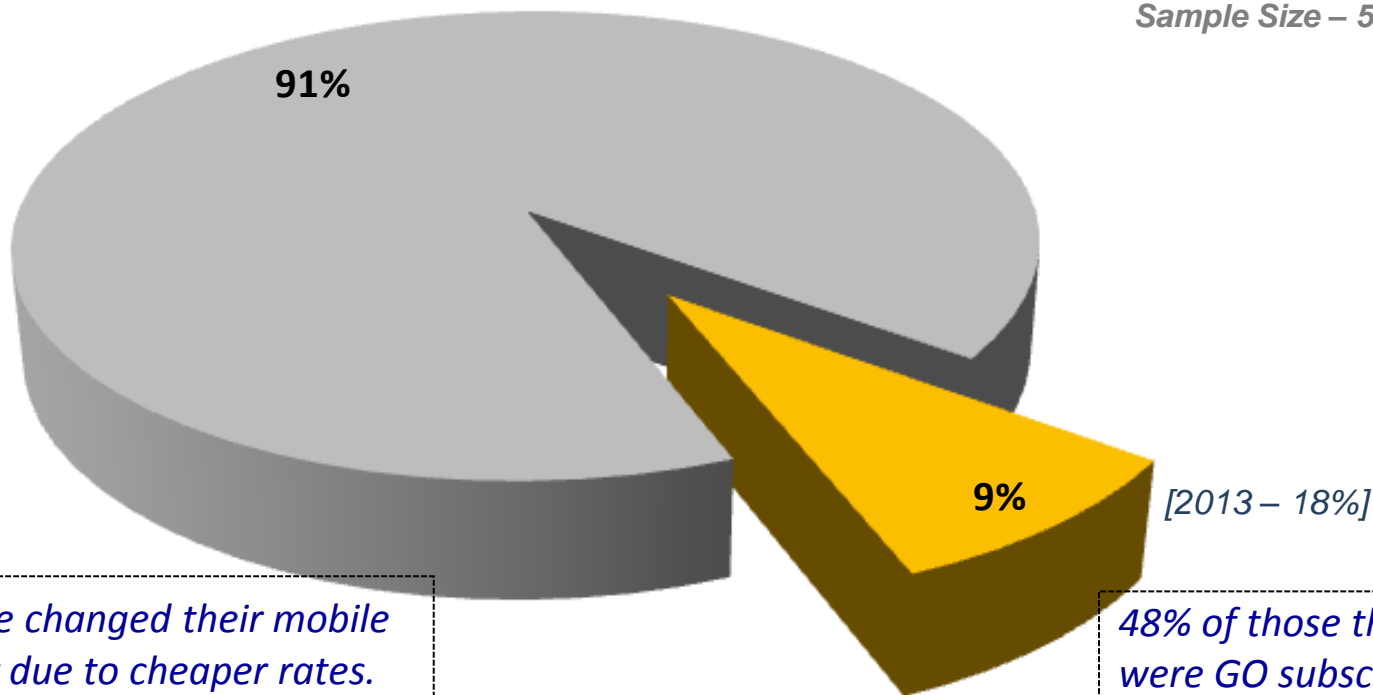
Least Satisfied → Highly Satisfied

## Movements in Mobile Subscriptions

*Have you ever changed or ported from one operator to another over the past 2 years?*

[2013 – 83%]

Sample Size – 513



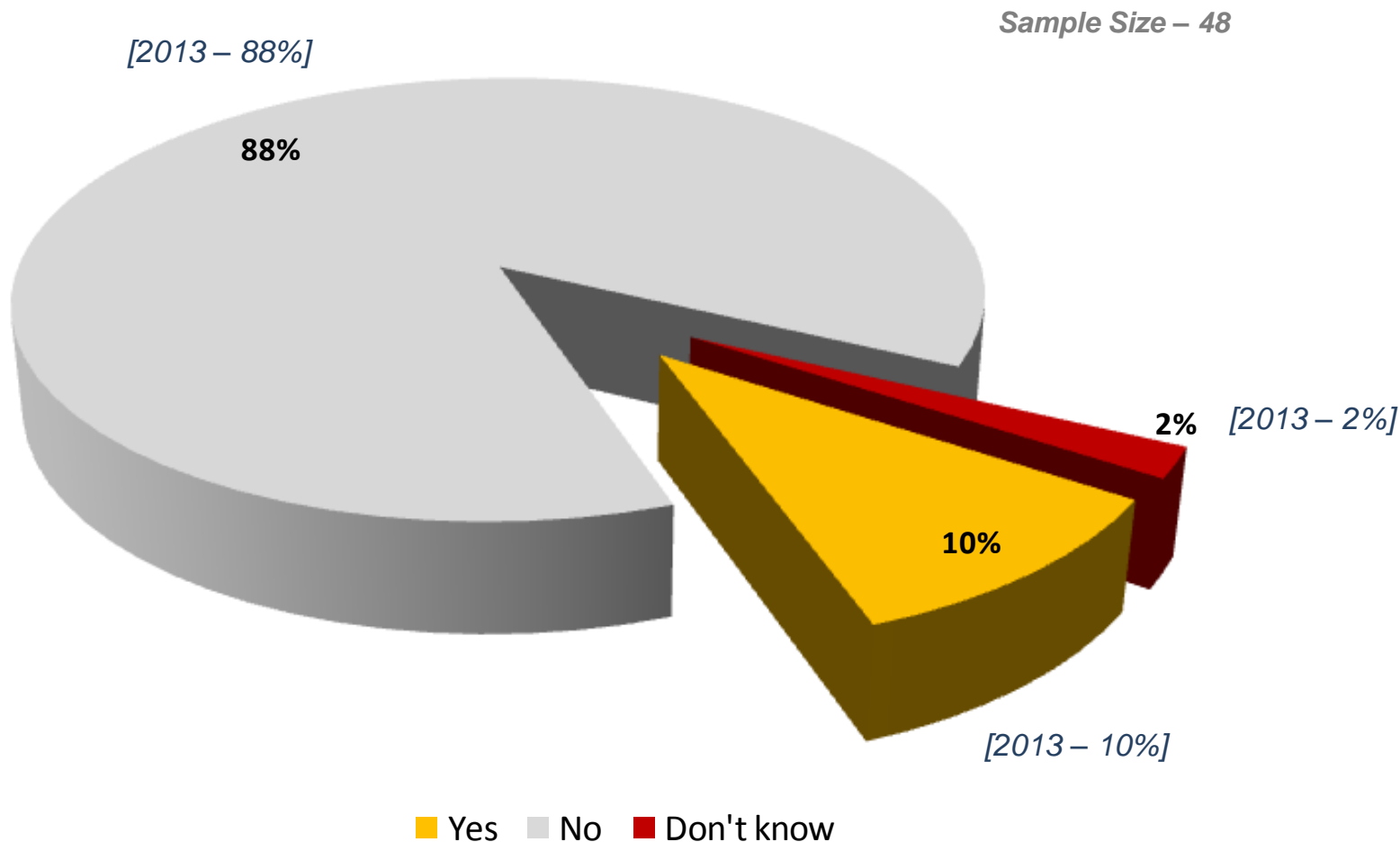
*33% have changed their mobile operator due to cheaper rates. Another 33% have changed their operator for a better reception service while 17% due to bundle offers.*

*48% of those that switched were GO subscribers, 25% were Vodafone customers and 19% were subscribed to Melita.*

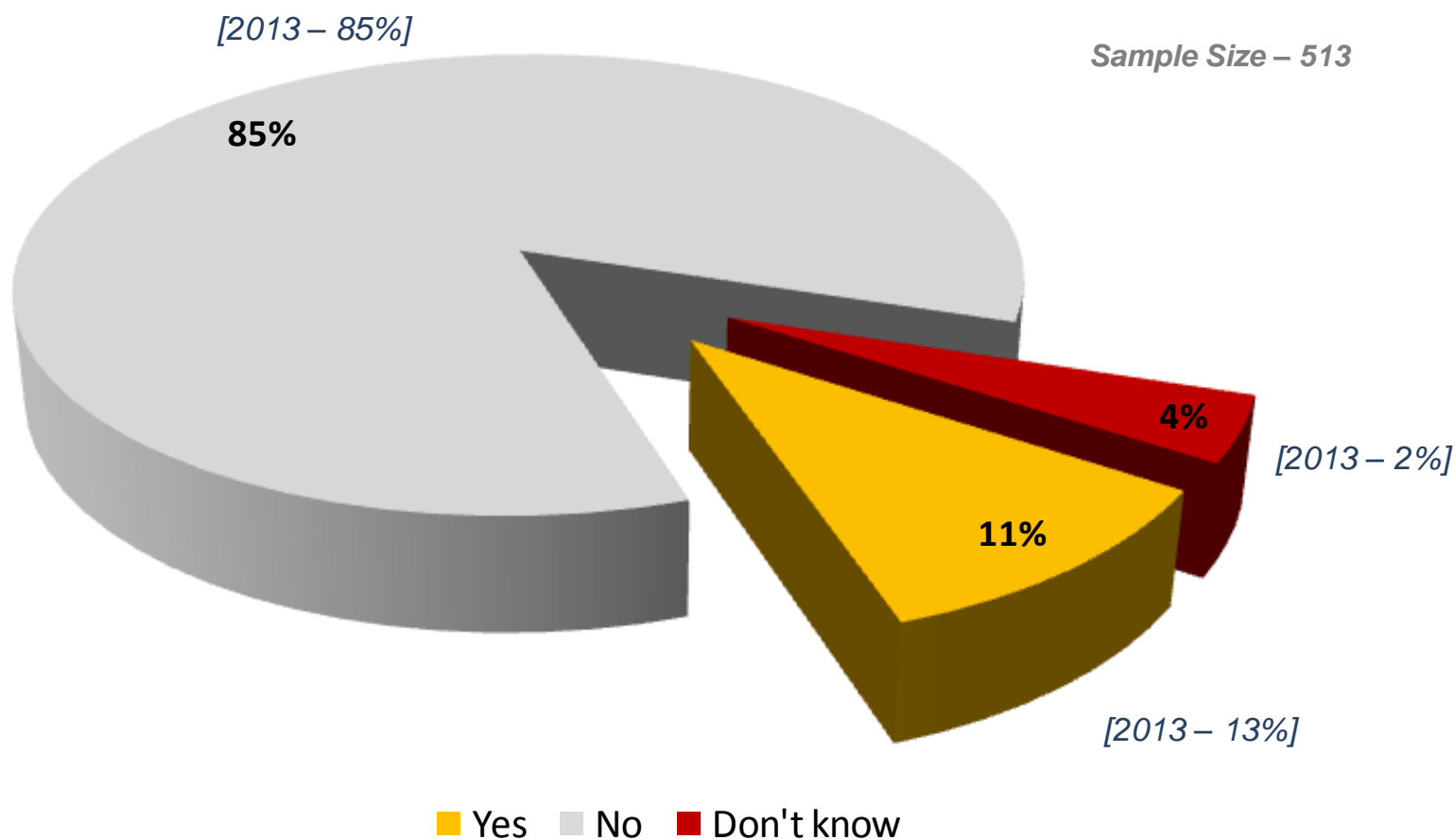
■ Yes ■ No

## Ease of Switching between Mobile Operators

*Was it difficult to change from one operator to another?*



*During these last two years did you revise your mobile plan (may include those who have switched from a prepaid to a postpaid scheme or vice-versa)?*





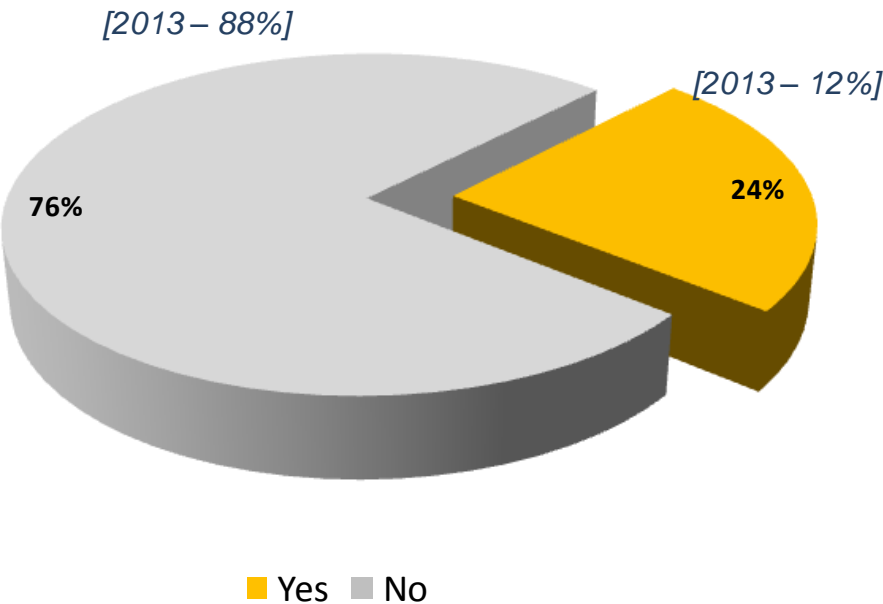
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## **6. Over-the Top Services via Mobile Telephony**

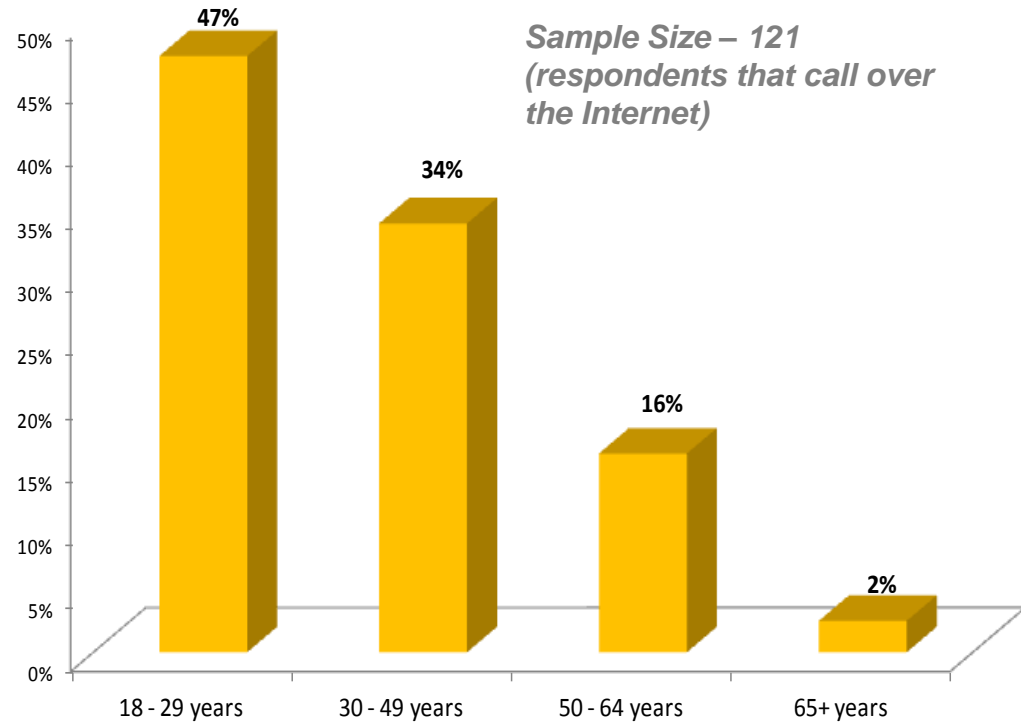
# Calls over the Internet via Mobile Telephony

*Do you make calls over the Internet through the mobile? (Skype, Viber etc.)*

*Sample Size – 513  
(all respondents that have a mobile phone)*



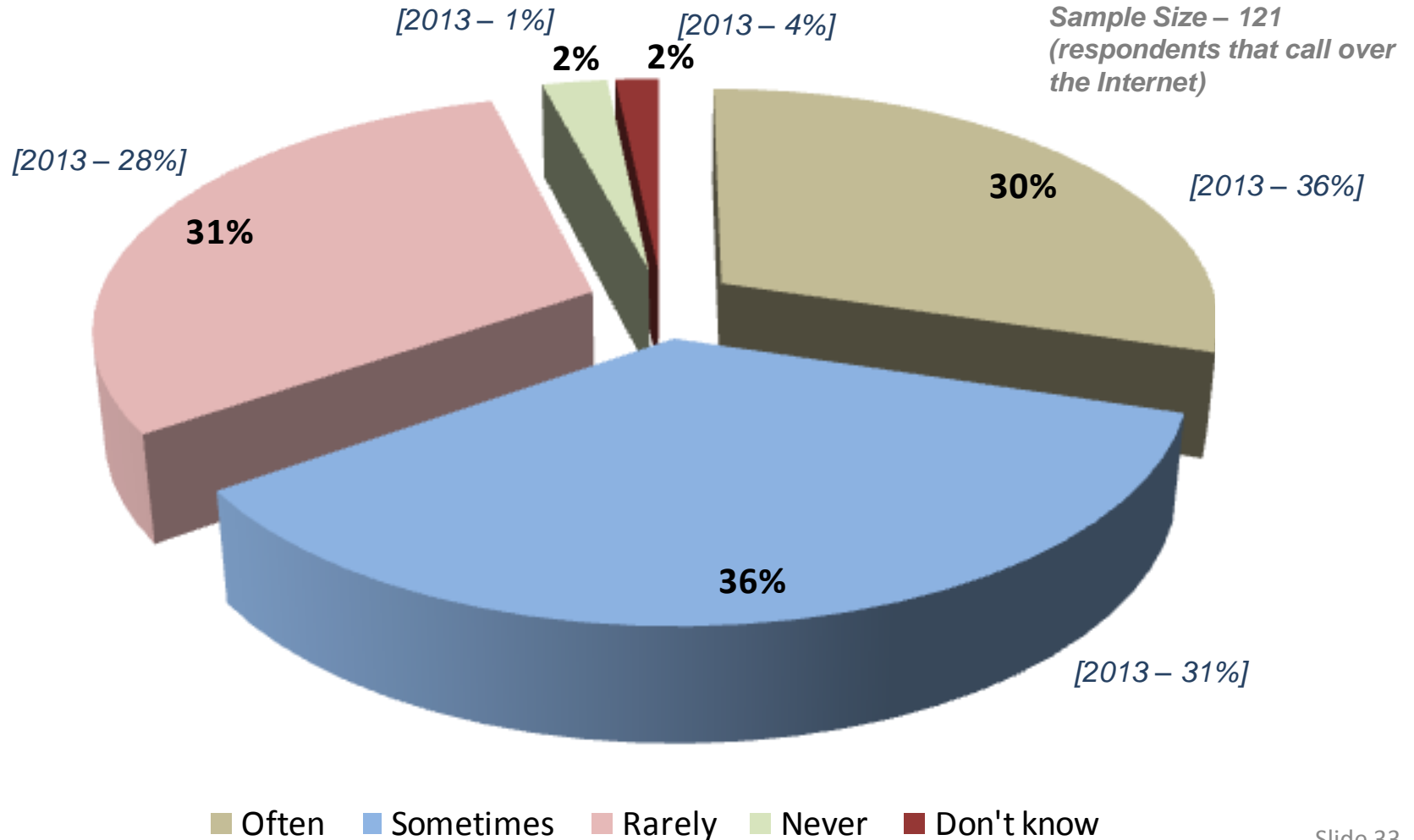
*Calls over the Internet through the mobile according to age...*





## Substitution: Mobile Calls vs. Calls over the Internet

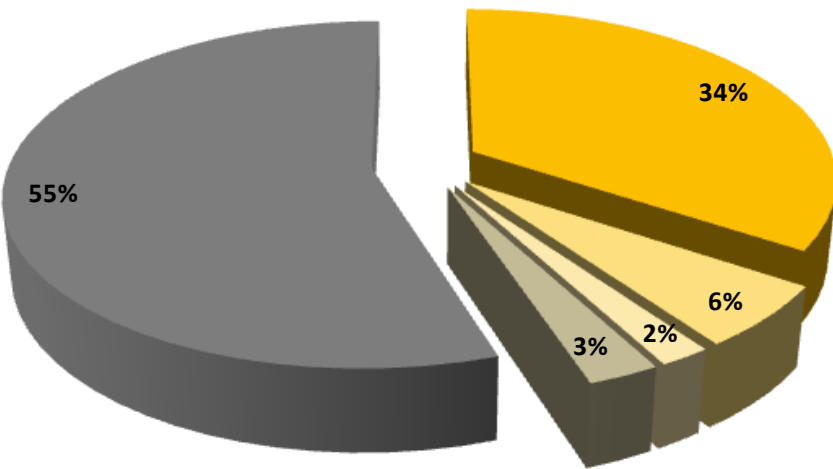
*If yes, how often do you find that calls over the Internet are a good substitute to calls over the mobile?*



# Use of other OTT Services via Mobile Phone

*How often do you use whatsapp / facebook / messenger from your mobile to communicate with others?*

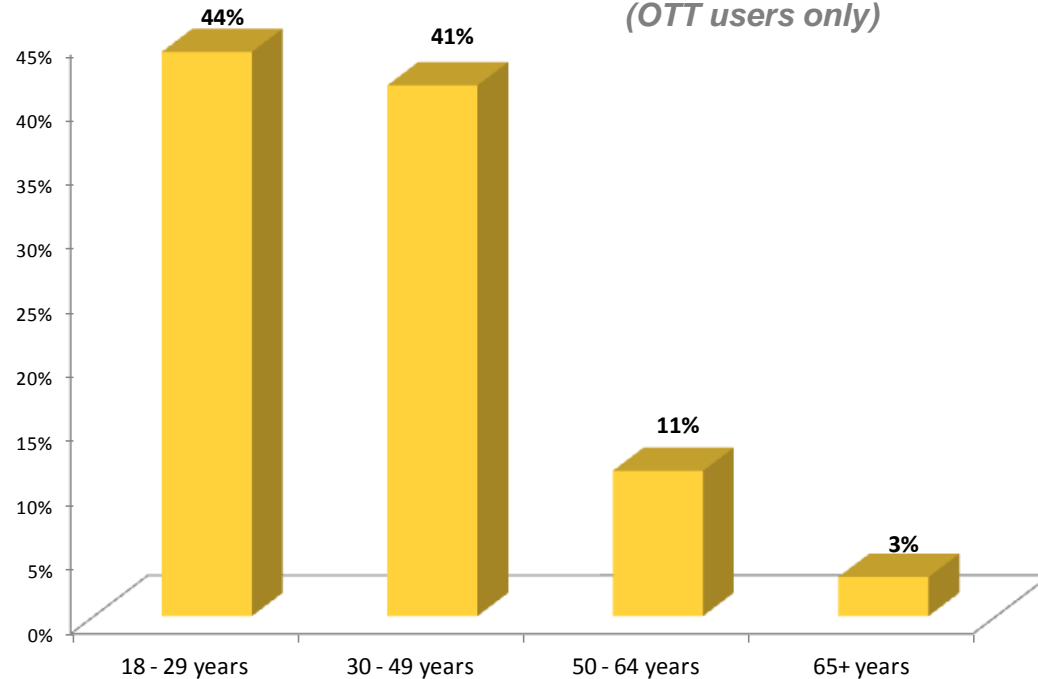
Sample Size – 513  
(all respondents that have a mobile phone)



■ Daily  
 ■ More than once a week  
 ■ Once a week  
■ Rarely  
 ■ Never

*Use of OTT services by Age...*

Sample Size – 230  
(OTT users only)



*Usage of OTT services is very strong among smart phone users. In fact 81% of those that have a Smart phone use OTT services via their mobile device*

## 7. Main Highlights

- 10% of respondents remain reluctant to get a mobile in the future. 62% of this category are over 65 years, while 30% are between 50 – 64 years of age
- Prepaid mobile subscriptions remain predominant over post-paid
- Post-paid subscriptions are mostly taken up by respondents aged between 30 – 49 years. Post Paid subscriptions are least popular with those over 65
- Prepaid subscribers are generally more aware of their monthly mobile expenditure – only 3% don't know how much they spend
- The majority of prepaid subscribers fall within the lower spending brackets
- 56% of post-paid subscribers spend more than €20 a month on mobile services
- Perceptions on mobile call rates are mixed, with half of those who know how much it costs to make a mobile call claiming these rates to be expensive while the rest claim them to be acceptable
- 44% would change their mobile operator if tariff rates were to increase

- 93% of respondents travelling abroad over the last 2 years claimed to have used their mobile phone whilst being abroad. 21% used their mobile to access the Internet [7% in 2013]
- 58% prefer mobile phone calls over SMS to communicate. 80% of respondents aged 65 and over prefer voice calls. Conversely the 18 - 29 age category prefer to use SMS rather than mobile voice calls
- 75% of respondents (with the exception of those over 65 years of age) prefer mobile telephony over fixed telephony
- Yet 82% of those that consider the mobile service to be the most important are not ready to terminate their fixed line connection over the next 12 months – the majority (74%) still feel that fixed telephony is a useful service
- Higher use of smart phones today (54%) vs. 37% in 2013
- 92% of 18 – 29 year olds and 68% of respondents aged 30 – 49 years have a smart phone. On the other hand only 18% of elderly respondents have a smart phone

- 91% of those who claim to have a smart phone say they use mobile phone Internet . This translates to 50% of all mobile phone users [33% in 2013]
- 39% of those that have a smart phone but do not use mobile Internet say they don't need it. 17% say they don't know how to use it
- 52% of those with a smart phone are subscribed to a specific mobile data plan. Circa 53% of those that have a specific mobile data plan are 18 – 29 years of age. 41% are between 30 – 49 years of age
- 92% respondents with a specific data plan would switch to Wi-Fi if available [57% in 2013]
- 81% of those that have a smart phone use OTT services via their mobile device
- Satisfaction levels have been maintained – 87% of respondents with a mobile line are satisfied or highly satisfied with the level of service
- 9% changed their operator over the past 2 years [18% in 2013]
- 24% of all respondents make calls over the Internet (e.g. Skype) through their mobile – a significant increase over 12% in 2013



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# Thank you

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