

# MCA Market Research

## *Consumer Perception Survey Results – Fixed Telephony*

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MCA | January 2016

# 1. Purpose & Methodology

Keep tabs on fixed telephony services in Malta

Provide for better analysis of fixed telephony services

Provide for better regulatory decisions

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

### Fieldwork

- Interviews were carried out by telephone lasting around 9 minutes
- The survey respondents were chosen randomly from the range of GO and Melita telephone numbers
- Only one person per household was interviewed and all respondents were over 18 years old

### Sample

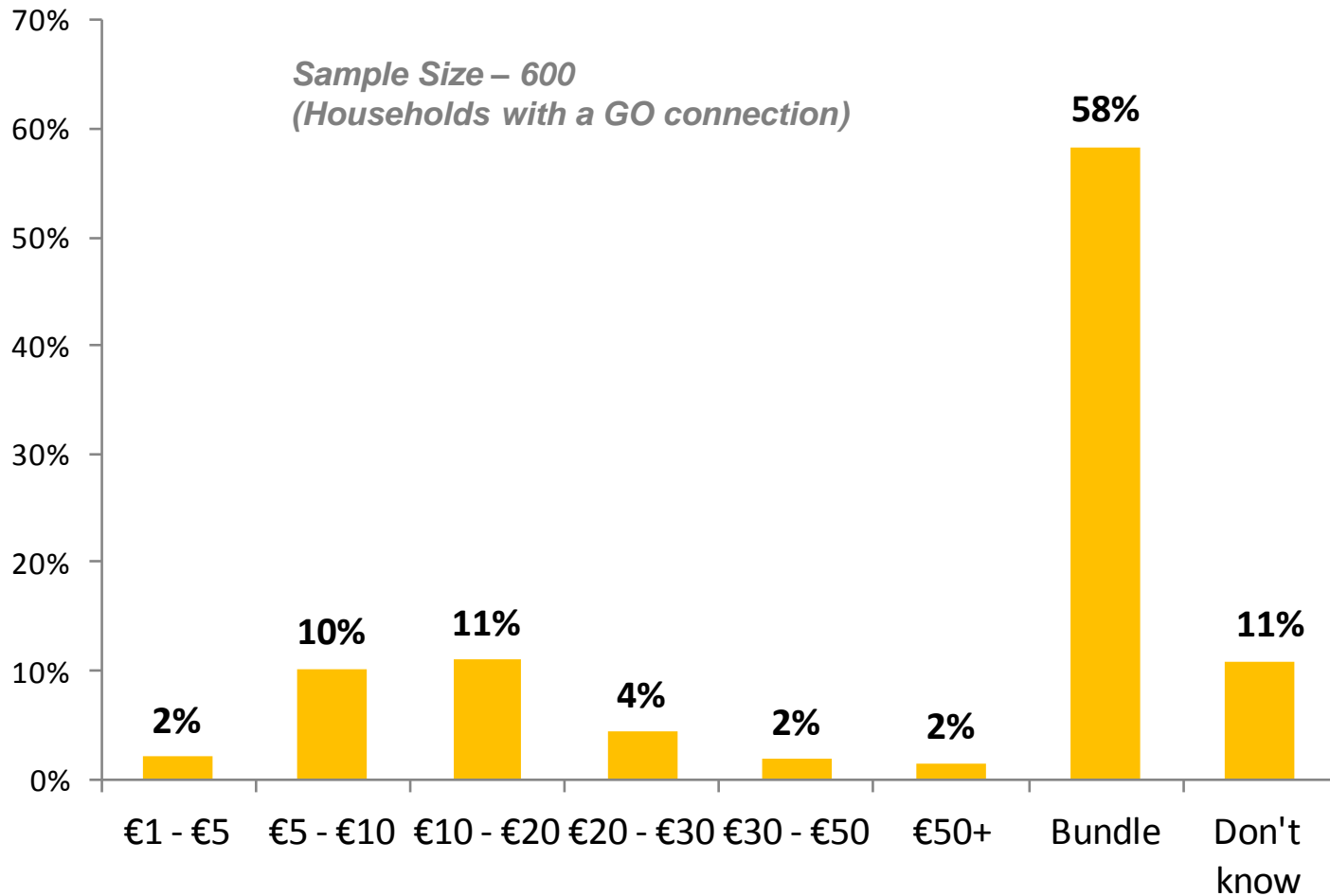
- Targeted population was stratified according to the socio-economic classification of the Maltese population
- The interviews were also distributed among Malta's six official geographic regions

### Responses

- 800 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

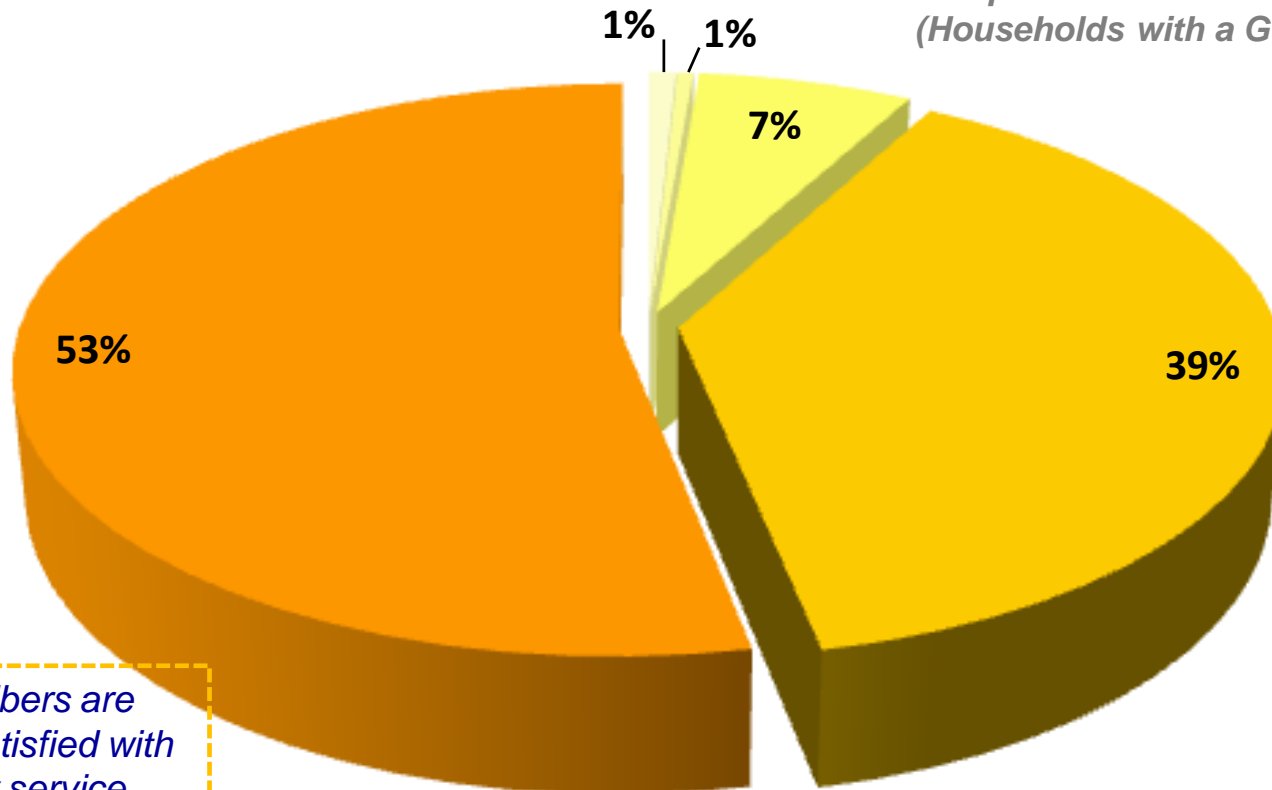
## 2. Fixed Telephony Services in Malta

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



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

Sample Size – 600  
(Households with a GO connection)

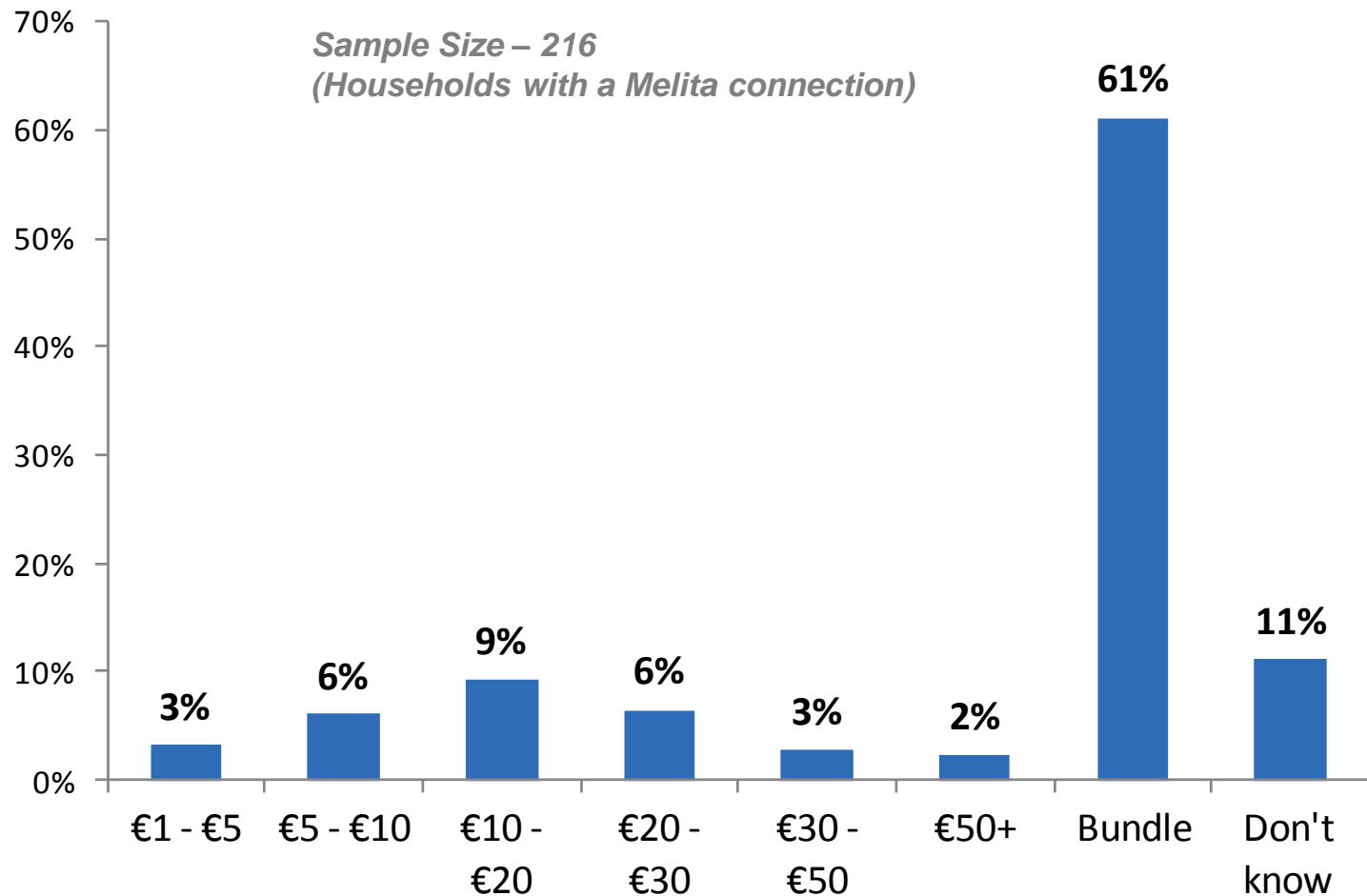


*92% of GO subscribers are satisfied / highly satisfied with the fixed telephony service they receive.*



Least Satisfied → Highly Satisfied

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

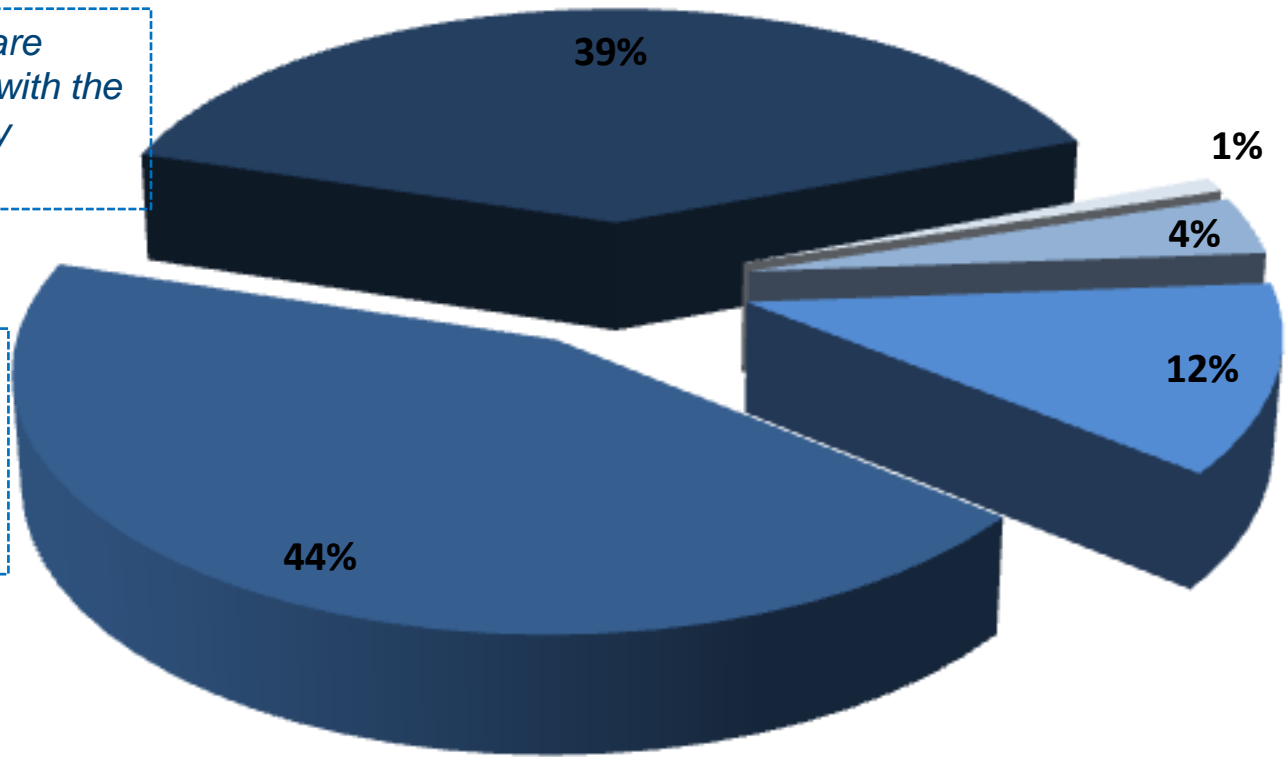


*How satisfied are you with the quality of connection you get from Melita?*

*Sample Size – 216  
(Households with a Melita connection)*

*83% of Melita subscribers are highly satisfied / satisfied with the fixed telephony service they receive [77% in 2013]*

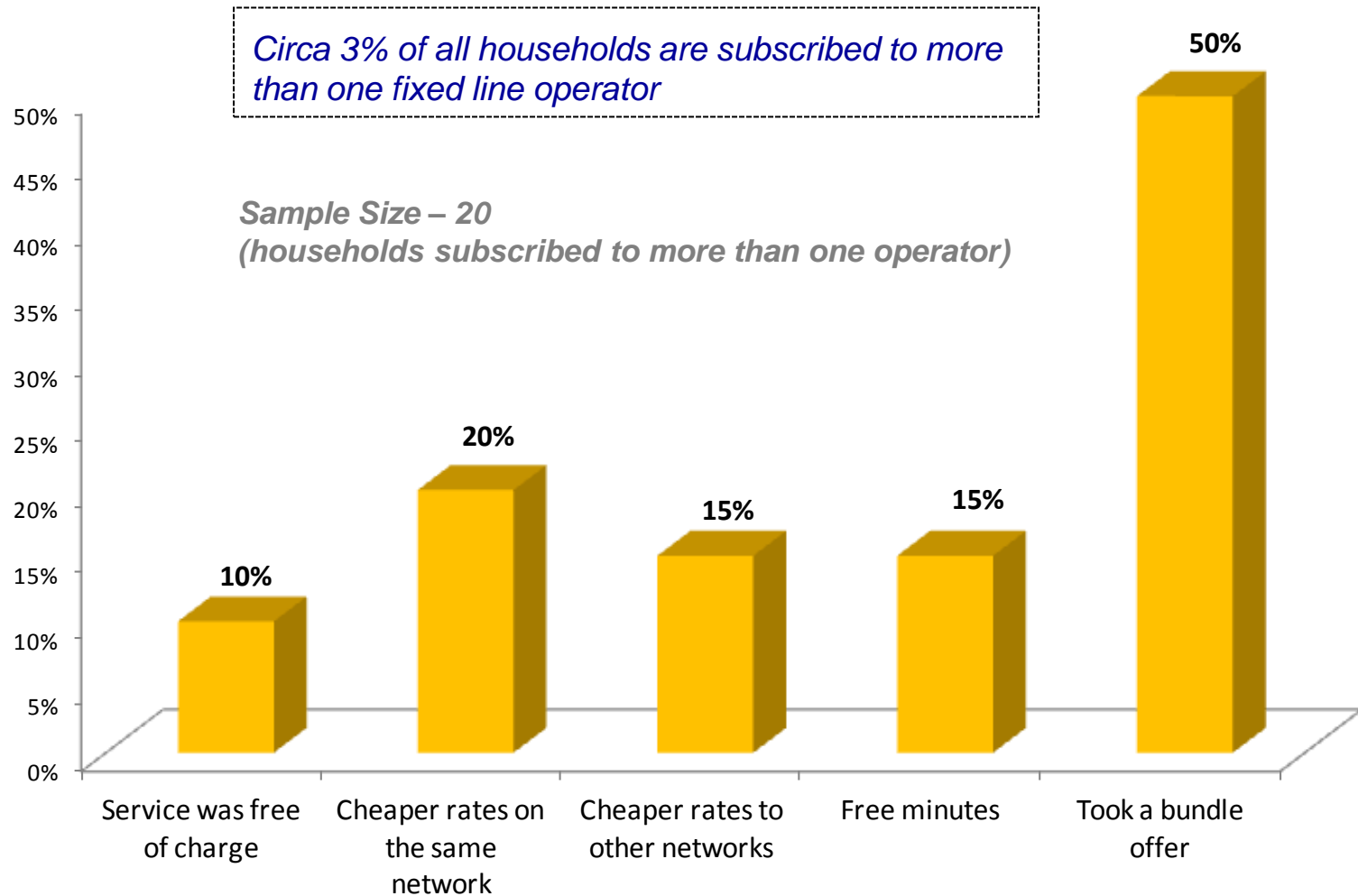
*67% of unsatisfied Melita subscribers complain that their connection is of bad quality. 50% complain of frequent disconnections.*



**Least Satisfied** —————> **Highly Satisfied**



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

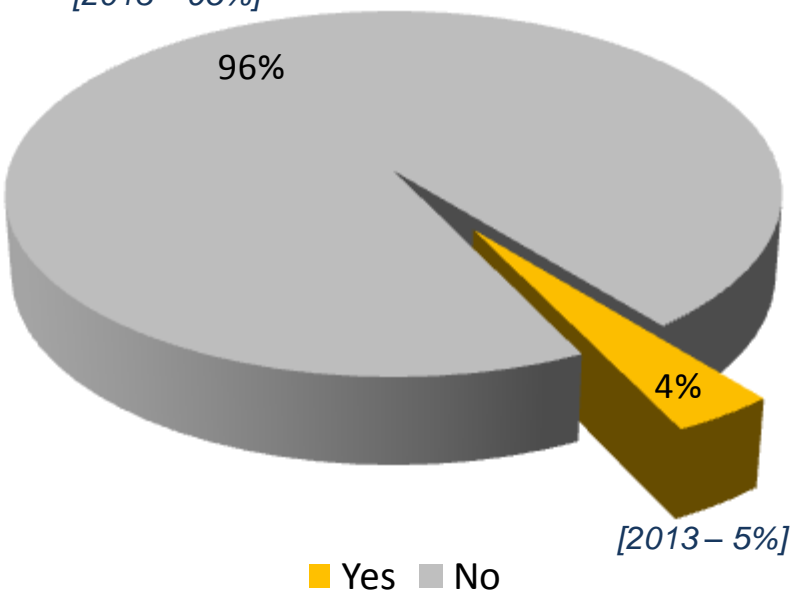


### **3. Market Developments in Fixed Telephony Sector**

*Did you switch operators over the last 2 years?*

*Sample Size – 780  
(Households subscribed to one operator only)*

*[2013 – 95%]*

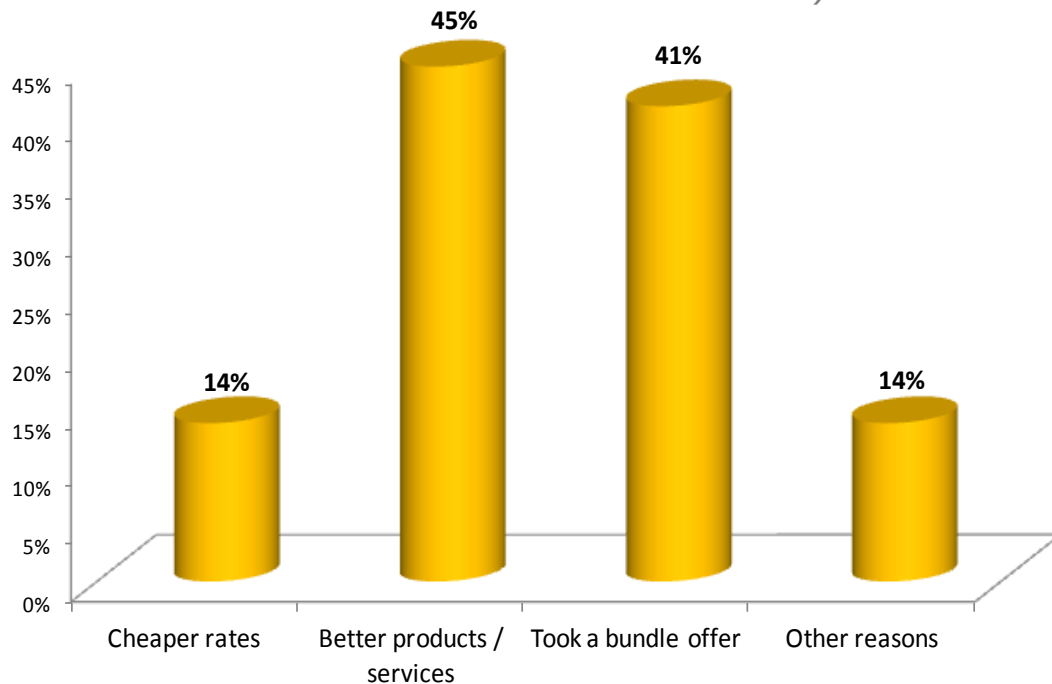


*Around 6% of those who claim not to have switched operators state that they had intended to switch to another operator but found it inconvenient to do so or the fixed line service forms part of a bundle.*

## Movement in Fixed Line Subscriptions

*Why have you changed your fixed line operator?*

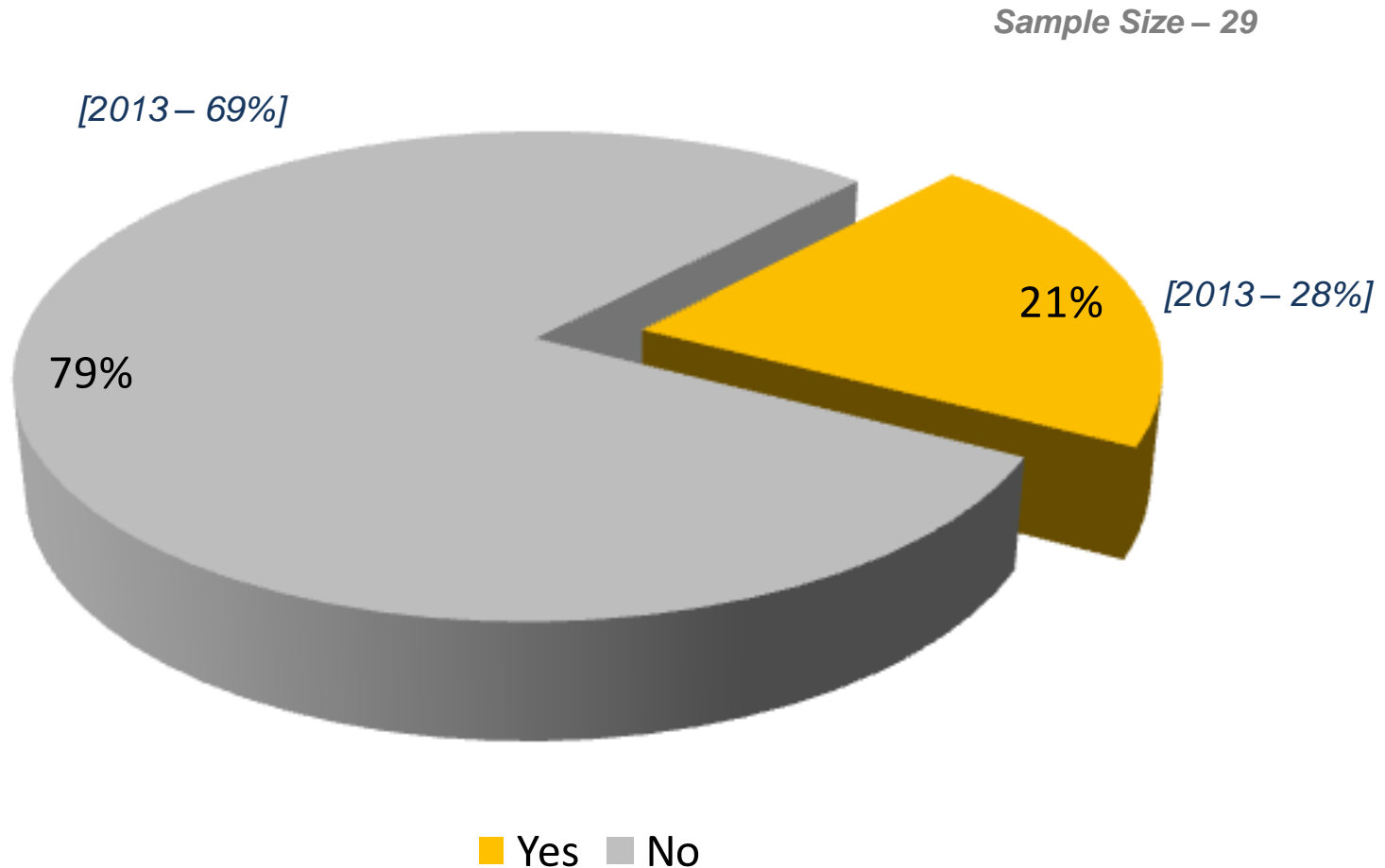
*Sample Size – 29  
(Households could give more than one reason)*



*48% of those who claim to have switched operators have ported their original number.*

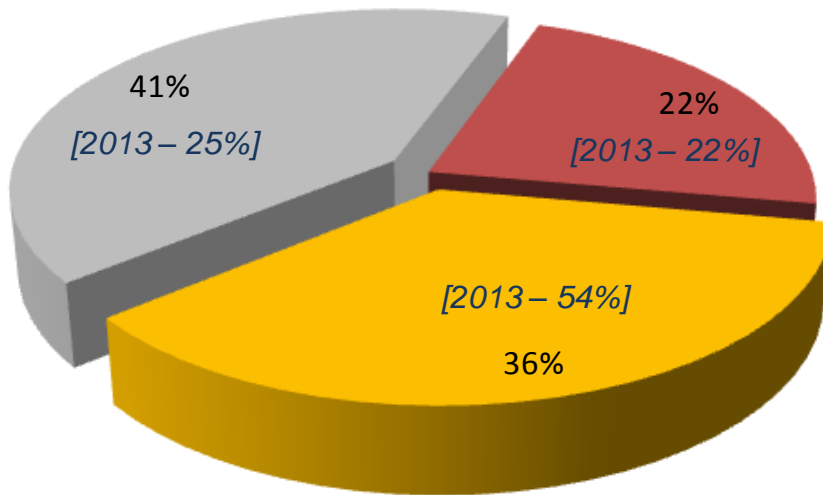
## Ease of Switching between Fixed Telephony Operators

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



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

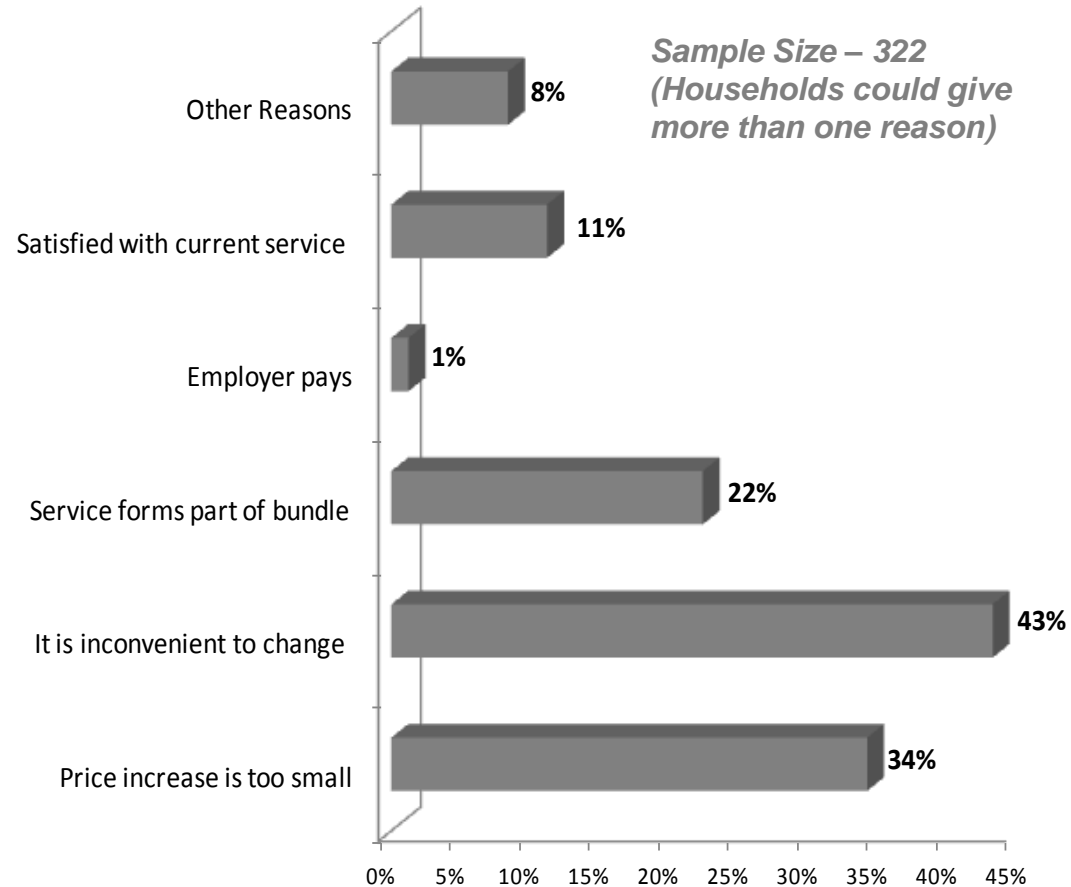
*Sample Size – 780  
(Households subscribed to one operator only)*



■ Yes ■ No ■ Don't know

*If no, why?*

*Sample Size – 322  
(Households could give more than one reason)*

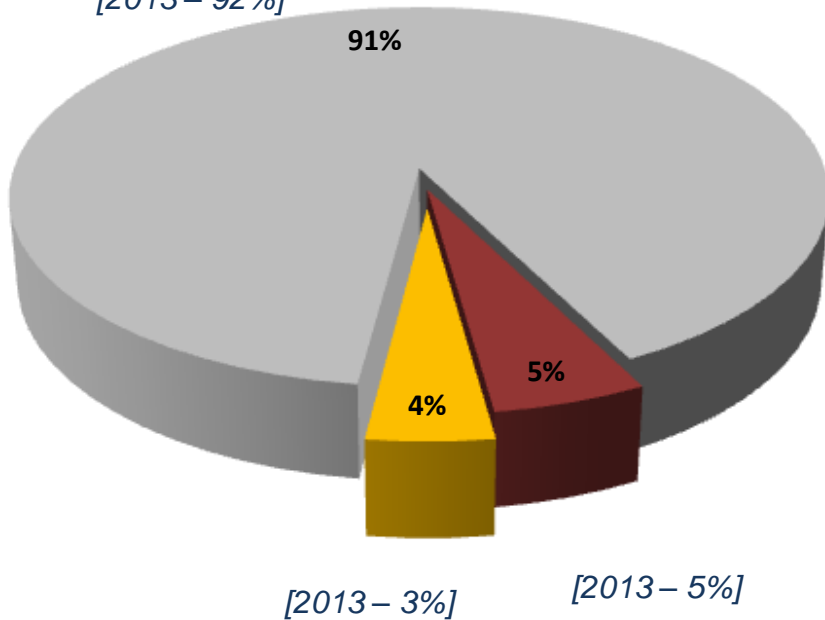


# Termination of Fixed Line Connection

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

Sample Size – 800

[2013 – 92%]

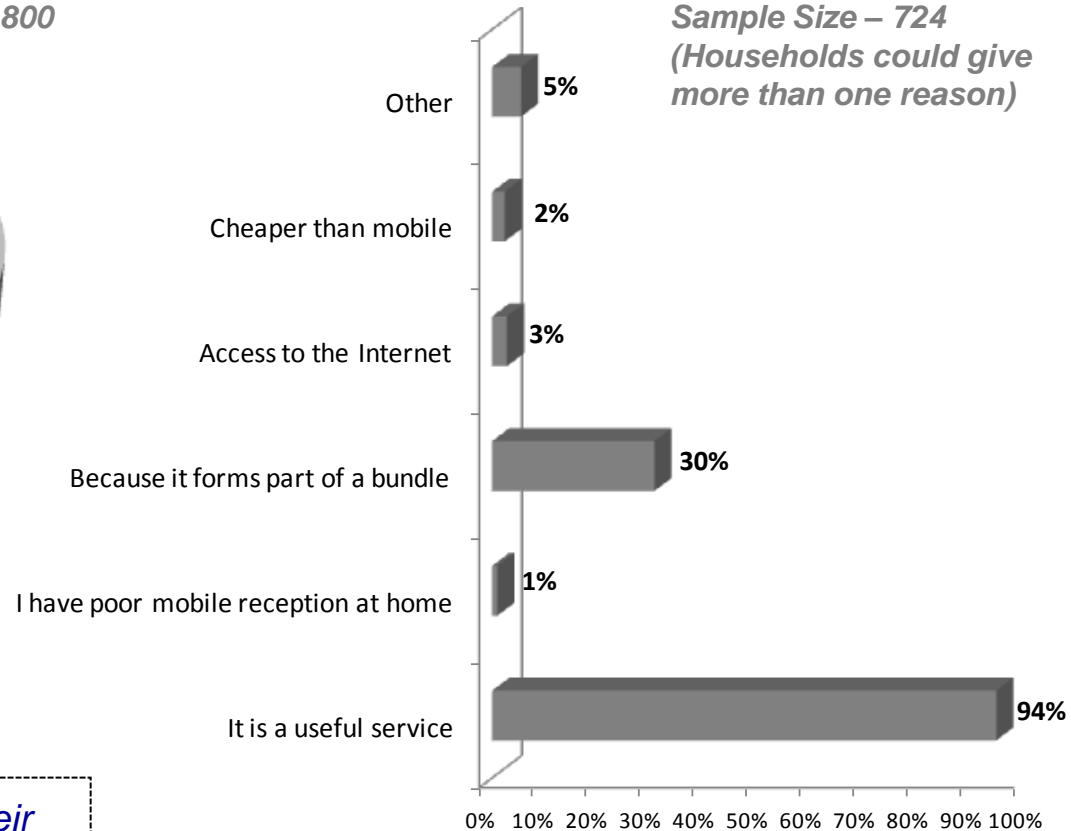


■ Yes ■ No ■ Don't know

91% of those considering the termination of their fixed line connection claim to use mobile telephony as an alternative. 15% will use PC telephone services such as Skype

If no, why?

Sample Size – 724  
(Households could give more than one reason)



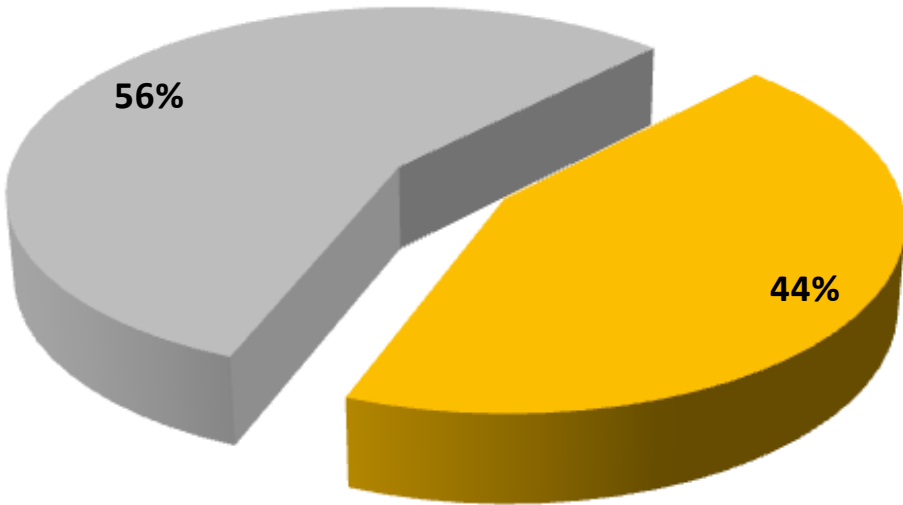
## 4. Pricing and Substitution Analysis

## 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?*

Sample Size – 800

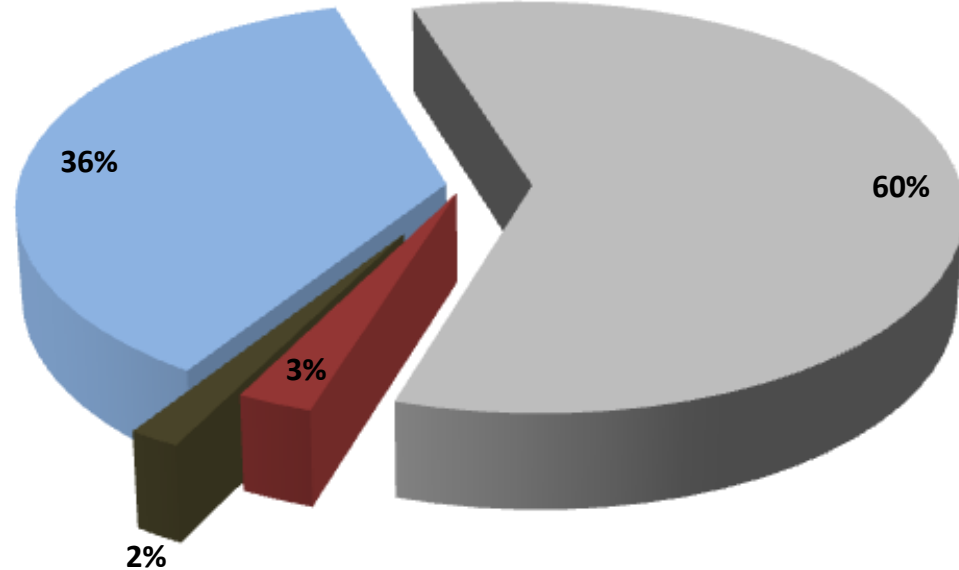
[2013 – 59%]



■ Yes ■ No

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

Sample Size – 349



■ Expensive ■ Reasonable ■ Cheap ■ Don't know

*The majority (96%) of households believe that on-net calls are reasonable or cheap [89% in 2013]*

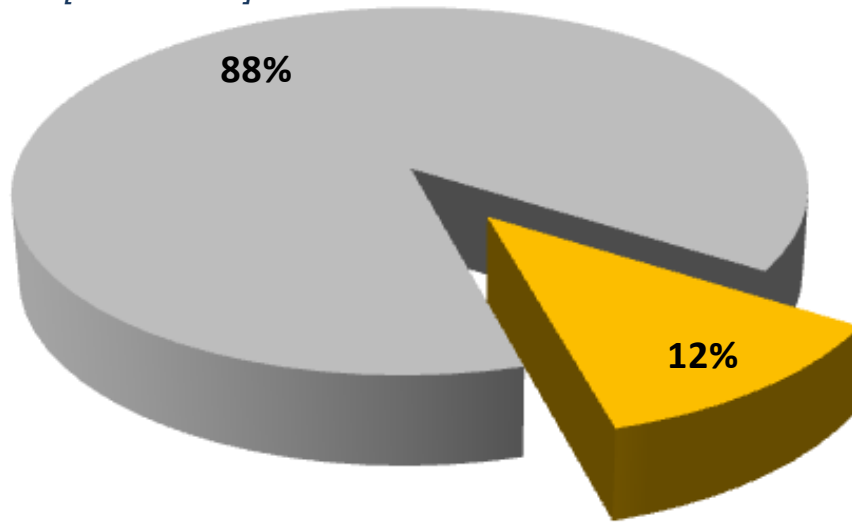


## Pricing Analysis: Off-net Calls

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

Sample Size – 800

[2013 – 85%]

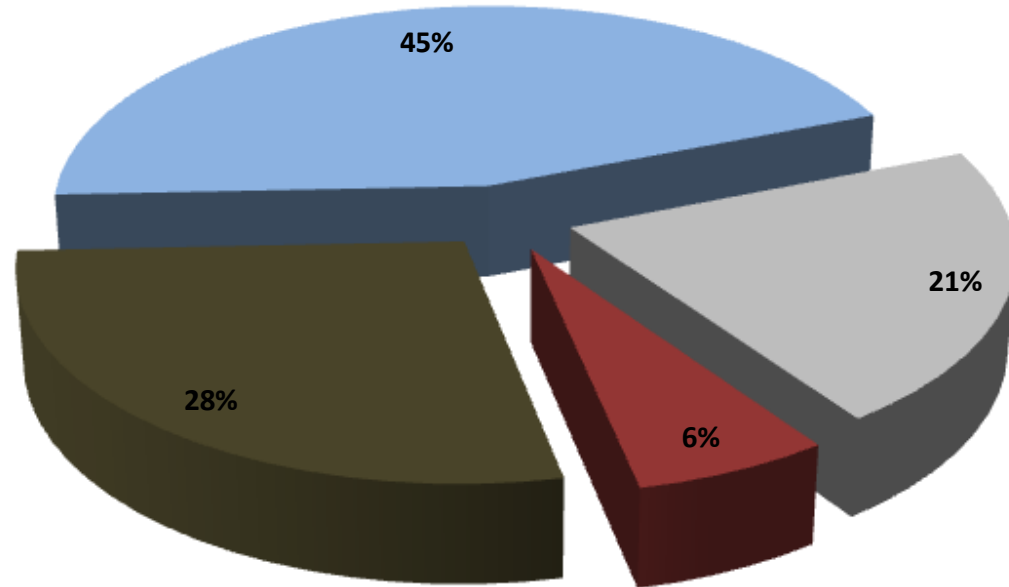


■ Yes ■ No

[2013 – 15%]

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

Sample Size – 94



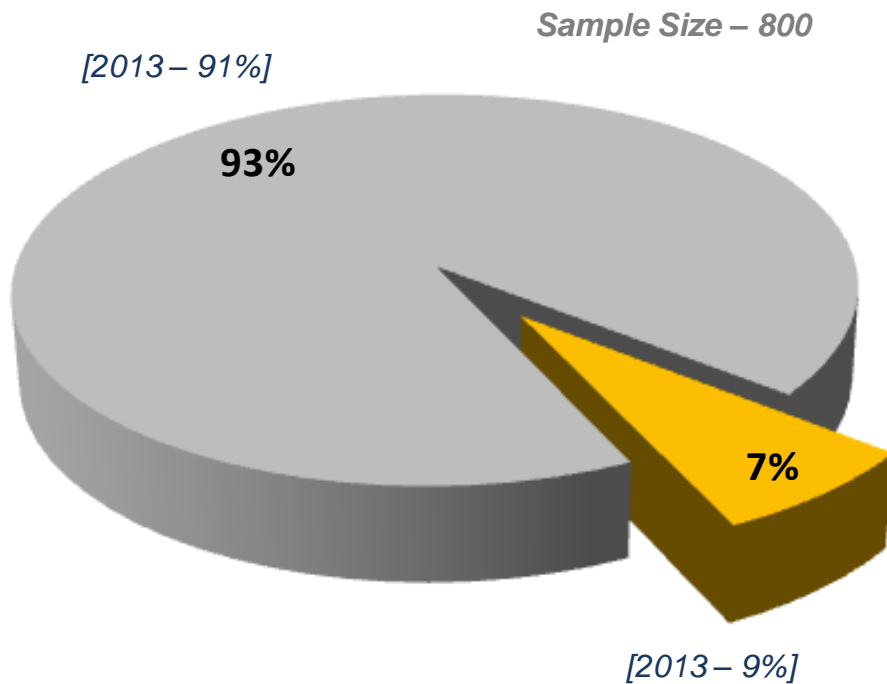
■ Expensive ■ Reasonable ■ Cheap ■ Don't know

*66% of households believe that off-net calls are either reasonable or cheap [72% in 2013]*

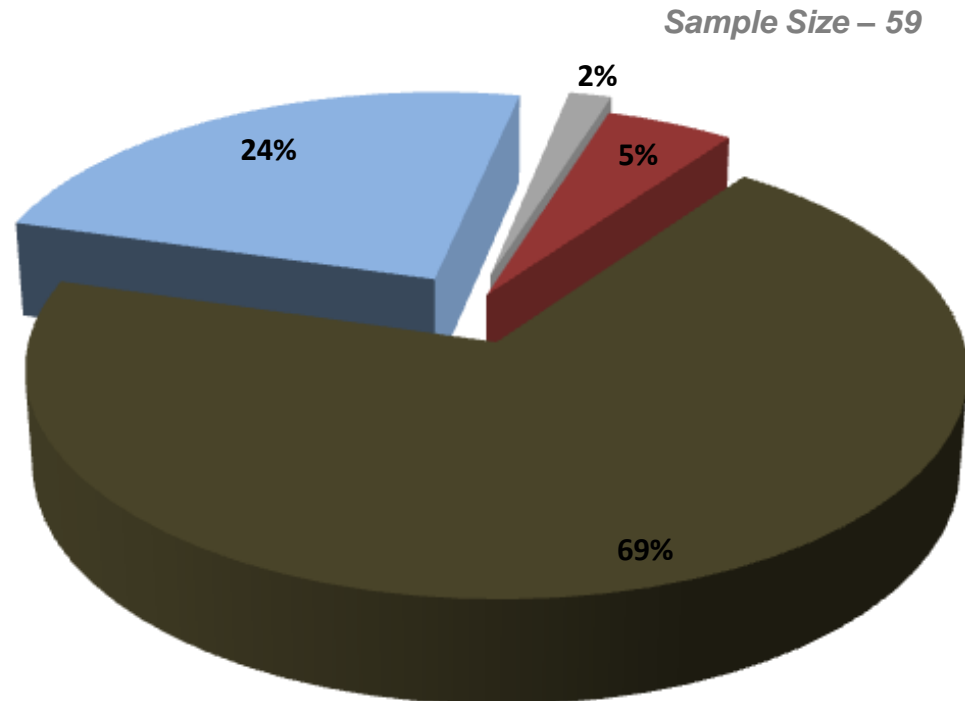
## Pricing Analysis: Calls to Mobile Phone

*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...*



■ Yes ■ No

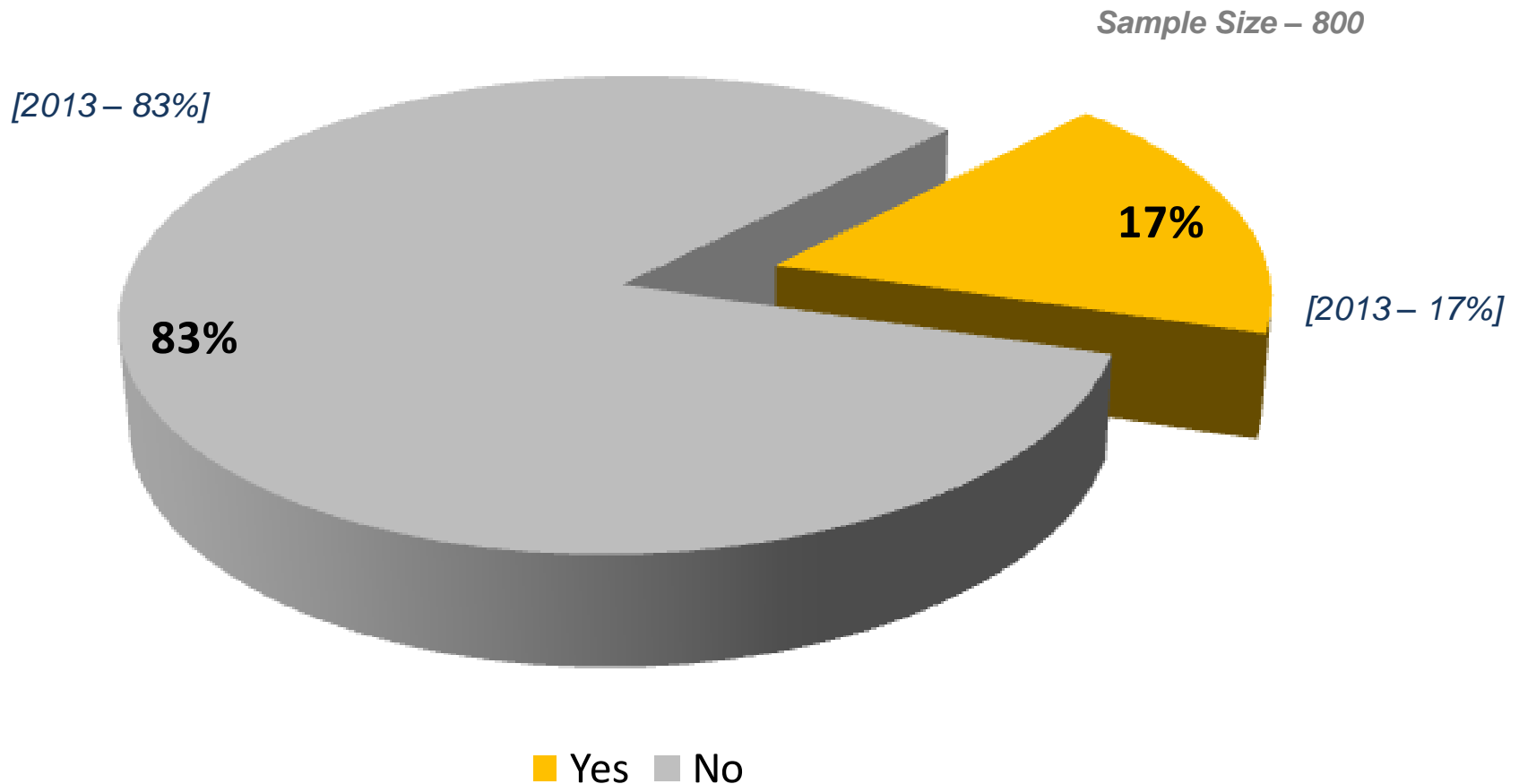


■ Expensive ■ Reasonable ■ Cheap ■ Don't know

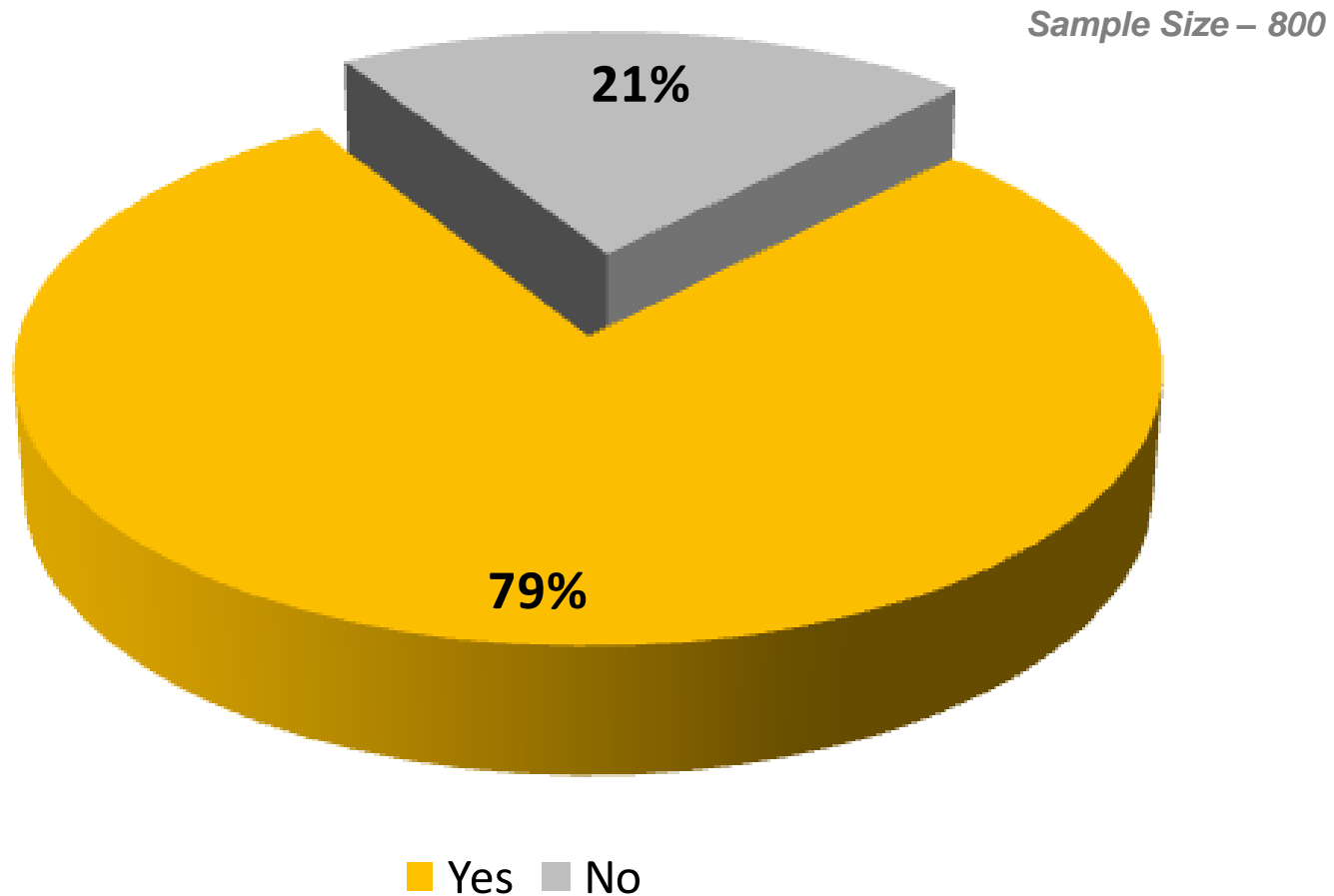
*The majority (69%) of households believe that calls to a mobile line from a fixed telephone line are expensive [ 59% in 2013 ]*

## Freephone Number '180' Awareness

*Are you aware of the freephone number '180' through which you can identify if the number you are calling is with the same operator (on-net) or not (off-net)?*

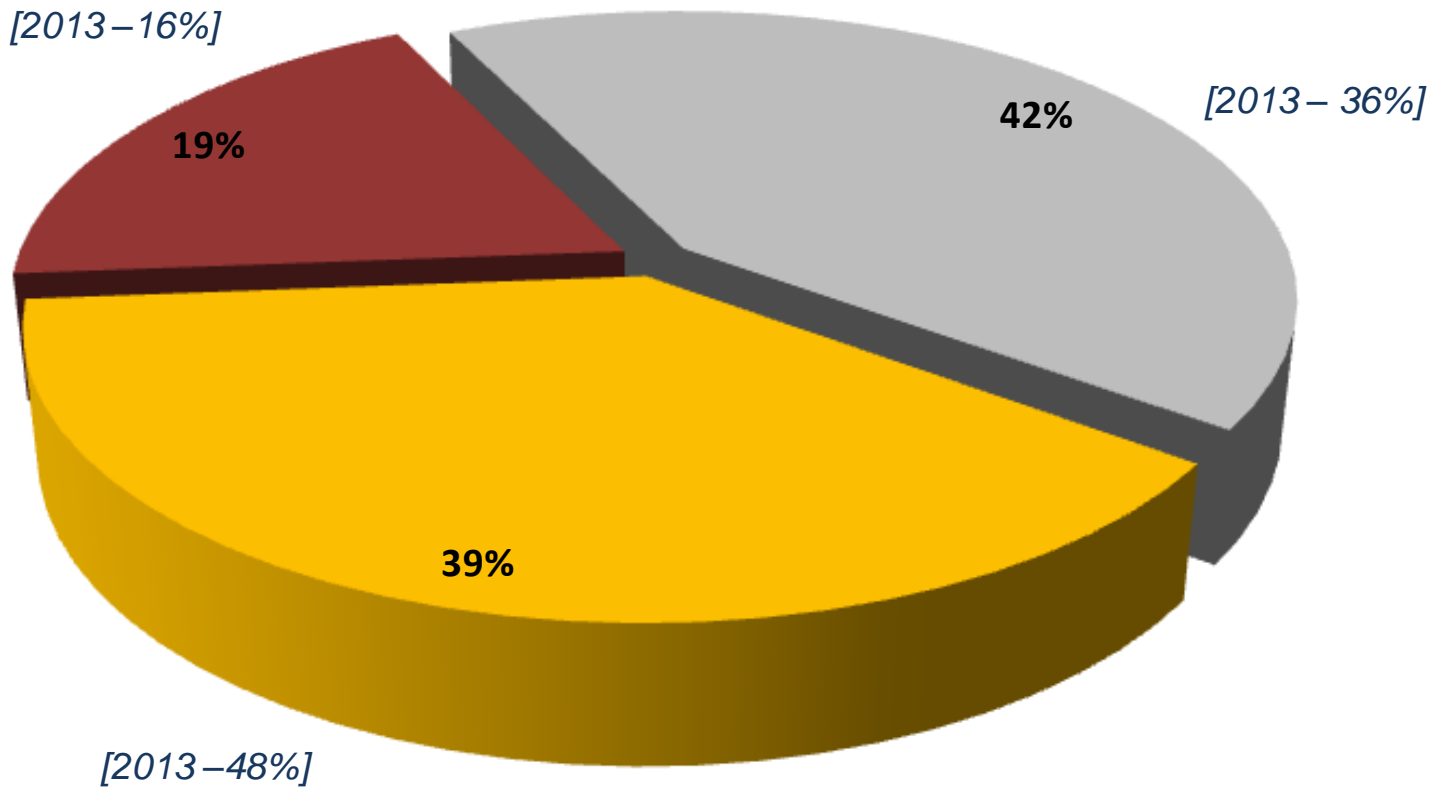


*Do you know that you can keep your current fixed line number, even when you switch operator?*



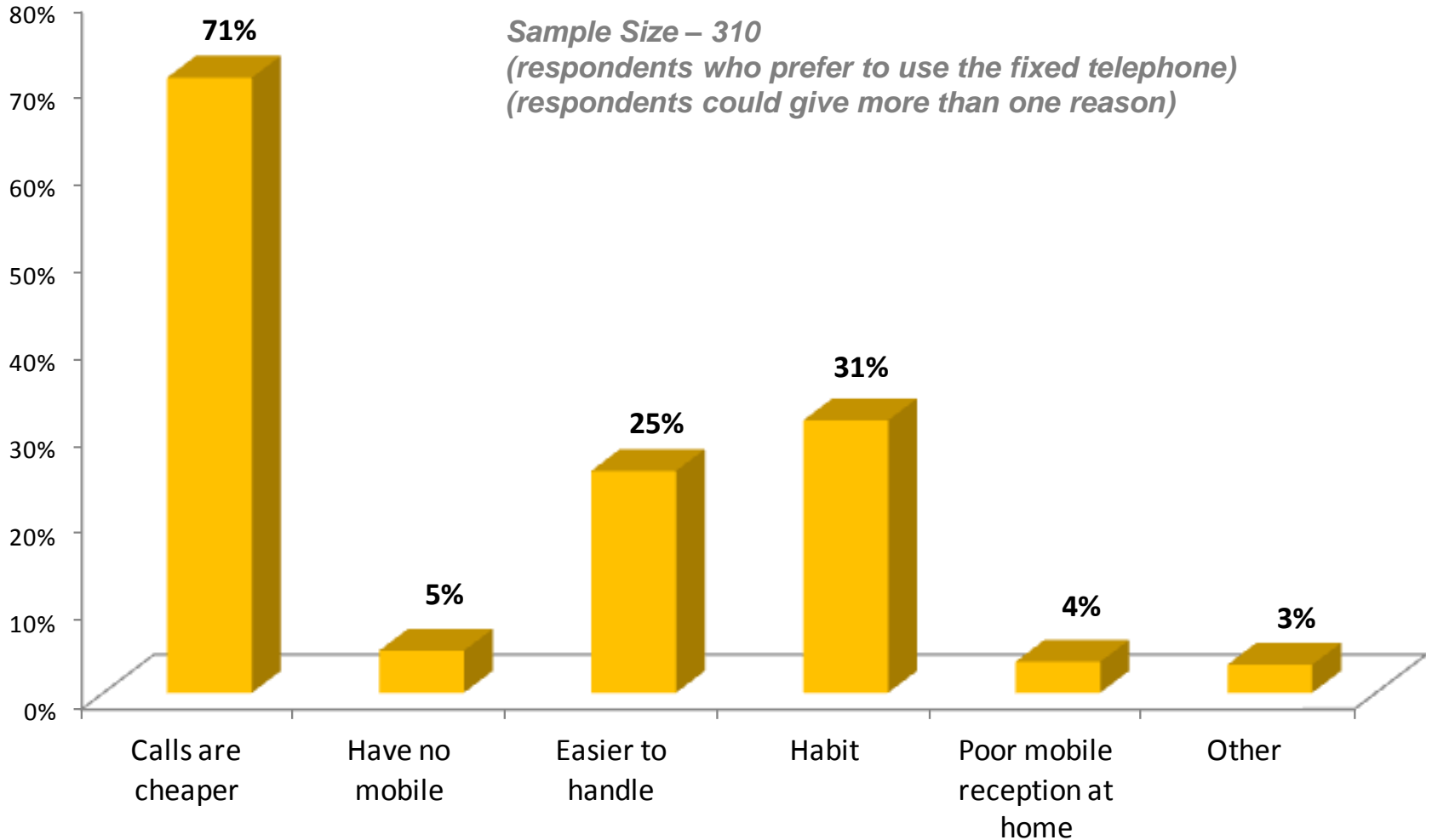
*When at home what do you prefer to use most – fixed telephone or mobile?*

Sample Size – 800



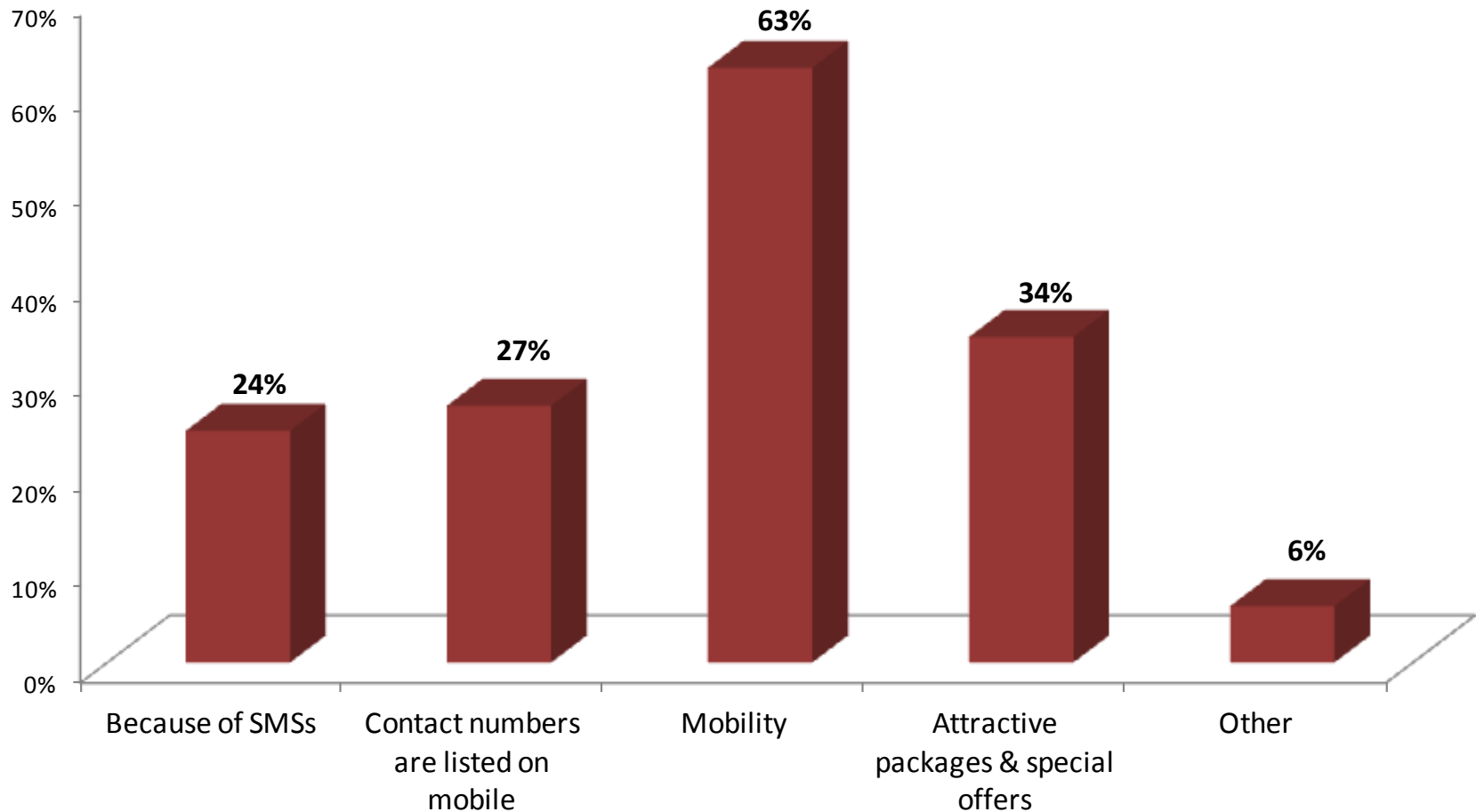
■ Fixed telephone ■ Mobile ■ Depends

## Substitution Analysis – Why Fixed Telephone?



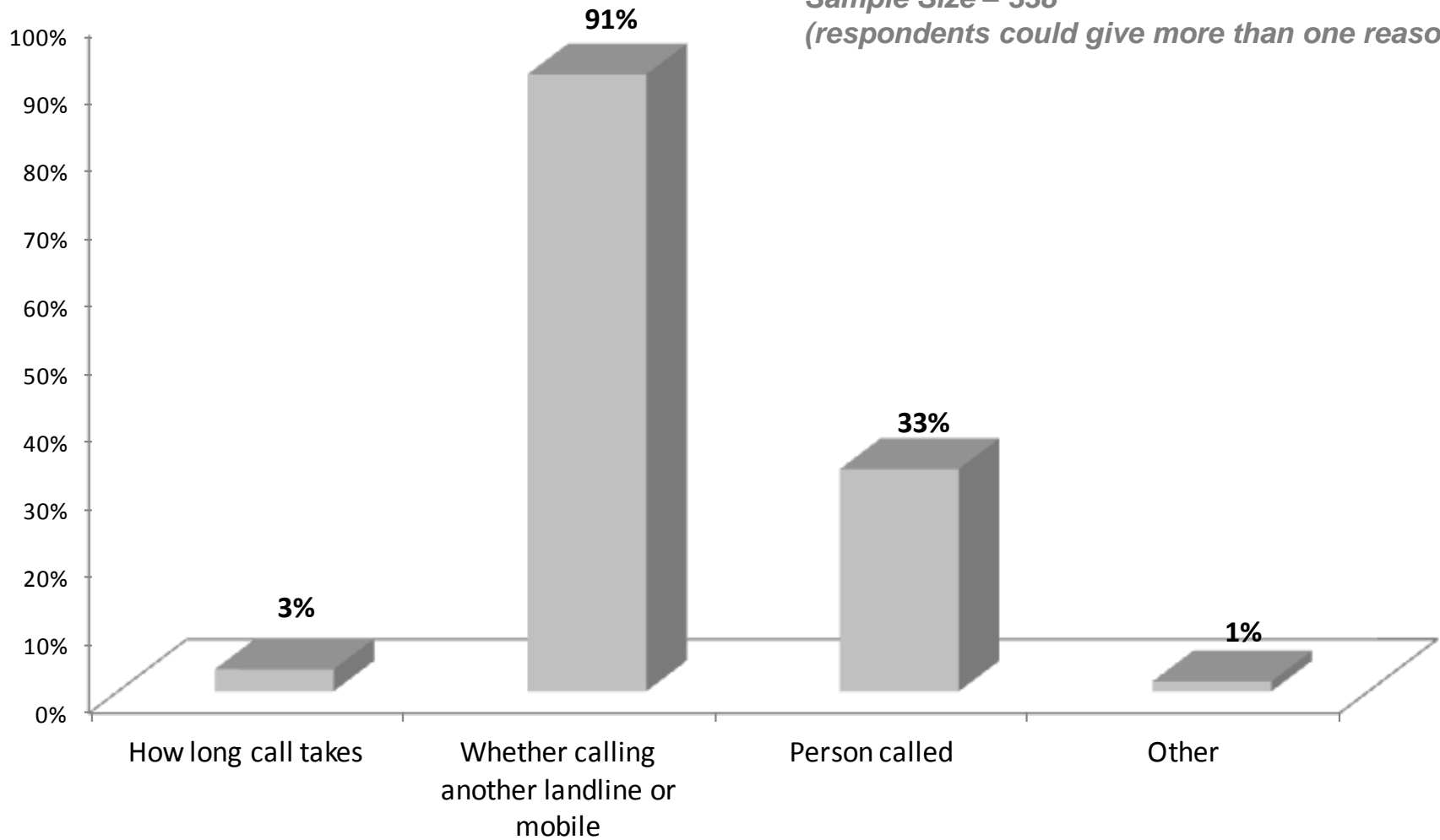
## Substitution Analysis – Why Mobile?

*Sample Size – 152  
(respondents who prefer to use the mobile)  
(respondents could give more than one reason)*



## Substitution Analysis – Depends on What?

*Sample Size – 338  
(respondents could give more than one reason)*

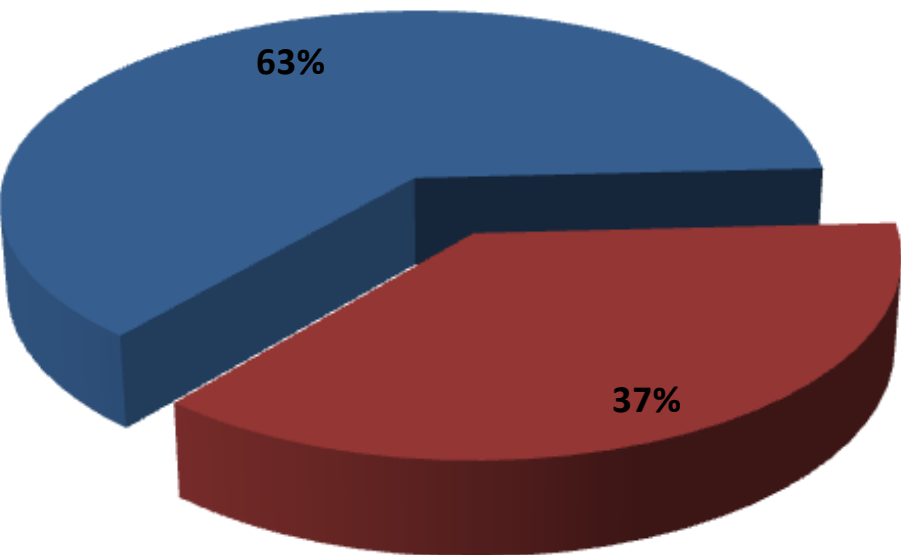




## Substitution Analysis – Fixed Telephone vs. Mobile

*If you had to experience an interruption in your telephony service, would you be more inconvenienced if the interruption affects...*

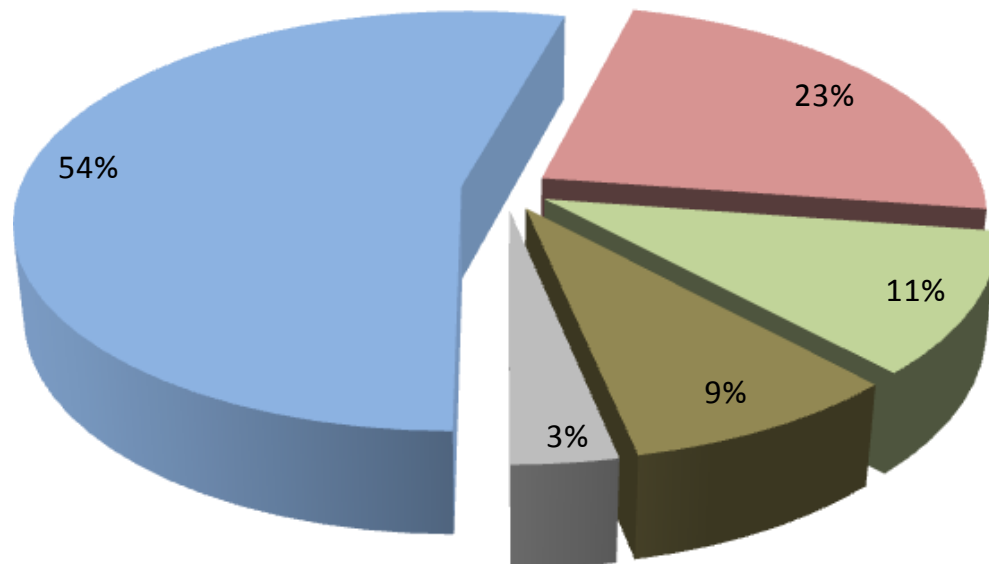
Sample Size – 800



- Fixed telephone service
- Mobile telephone service

*How often do you find your mobile phone to be a good substitute for a fixed line? (e.g. Your fixed line is busy or out of order, would you use your mobile instead)*

Sample Size – 800



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

## Substitution Analysis – Fixed Telephone vs. Calls over the Internet

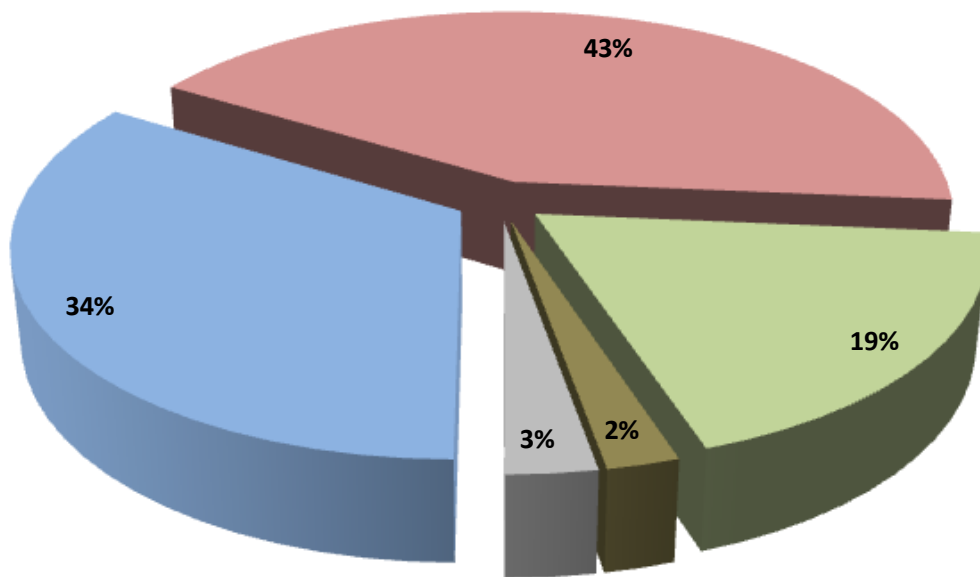
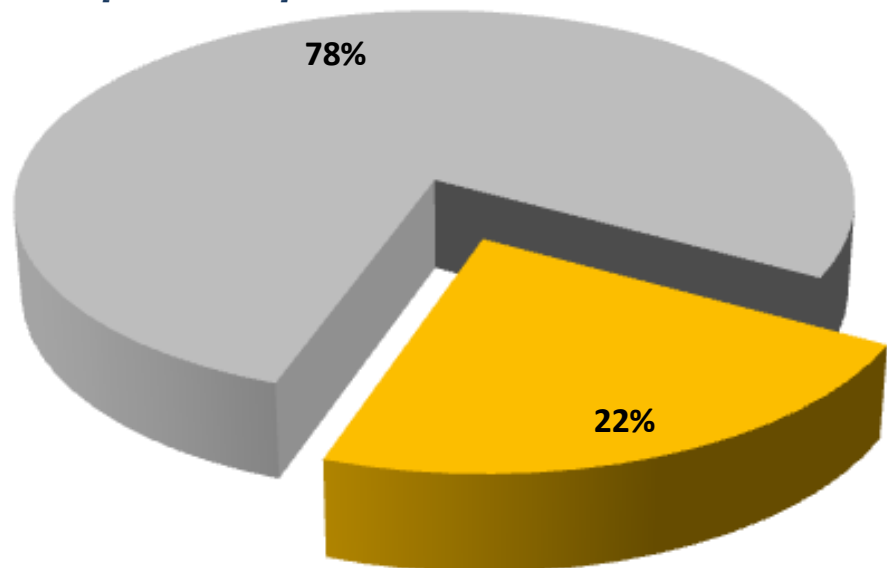
*Do you use the Internet to make local calls (within Malta)? (Skype, MSN etc.)*

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

[2013 – 82%]

Sample Size – 800

Sample Size – 178



■ Yes ■ No

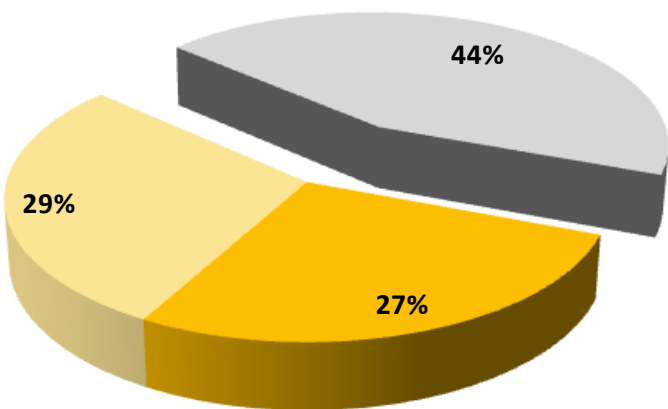
■ Often ■ Sometimes ■ Rarely ■ Never ■ Don't know

[2013 – 18%]

*The majority of respondents that make local calls over the Internet believe that it is a good substitute to fixed line telephony.*

*Do you ever make international calls?*

Sample Size – 800



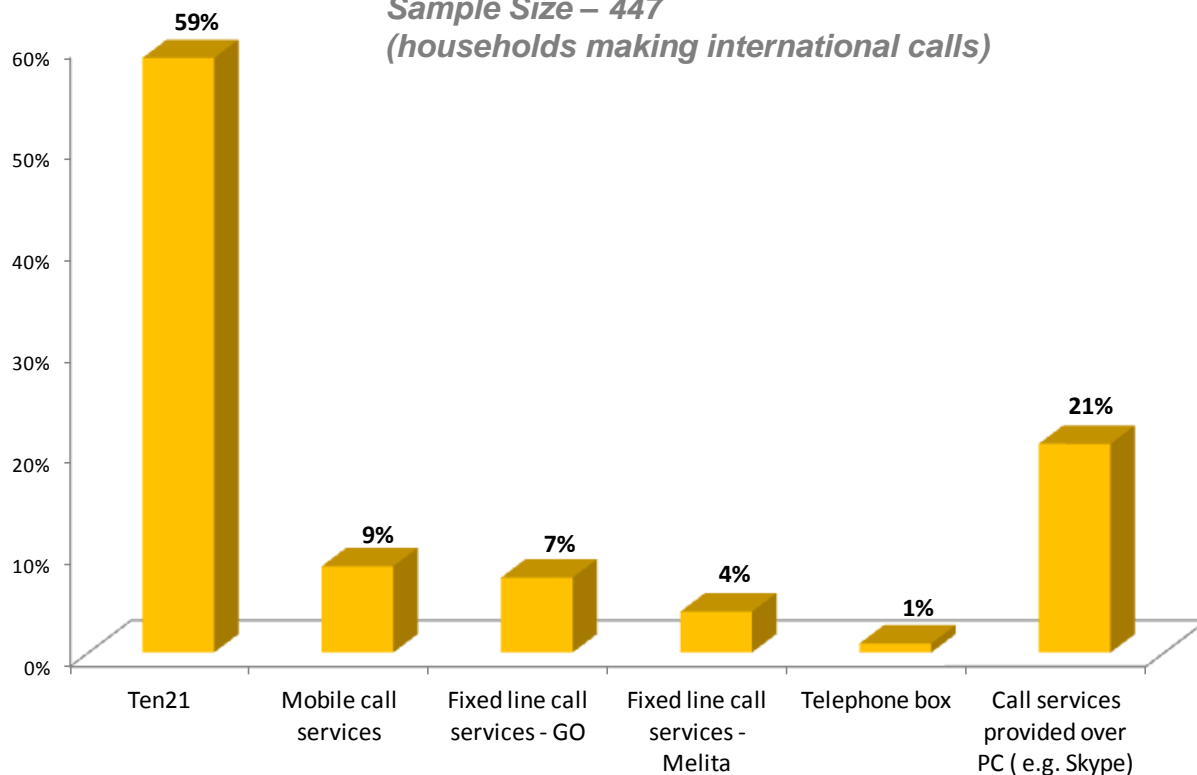
- Yes, frequently
- Yes, not so frequently
- No

*74% 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 – 447

(households making international calls)



## 5. Main Highlights

- 58% of GO subscribers and 61% of Melita subscribers say their fixed line connection forms part of a bundle
- Satisfaction levels have been maintained – GO subscribers are generally more satisfied with the fixed telephony service when compared to Melita; 92% GO vs. 83% Melita
- Only 4% changed operators over the past two years. 36% of total respondents [54% in 2013] say they would change operators if the price of access were to increase by 5% - 10%
- 91% of households not considering terminating their fixed line connection. The majority still perceive fixed telephony to be a useful service
- The majority of respondents believe that on-net and off-net calls are cheap or reasonable. On the other hand, 69% believe that calls to the mobile phone are expensive
- 17% of respondents aware of the freephone number '180'. 79% of total respondents aware that they can keep their current fixed line number when they change operator
- 77% often / sometimes view the mobile phone to be a good substitute for a fixed line

- 22% say they use the Internet to make local calls. The majority of respondents that make local calls over the Internet believe that it is a good substitute to fixed line telephony
- 56% of respondents make international calls, 74% of which claim that the rates for the service are cheap / reasonable



MALTA COMMUNICATIONS AUTHORITY

# Thank you

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