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eCommerce Business Survey 2012

Highlights of the Research Findings

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Agenda

- A** *Research Objectives*
- B** *Research Methodology*
- C** *Highlights of the Research Findings*



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Research Objectives



Overriding Research Objective

The Malta Communications Authority (MCA) commissioned M.FSADNI & Associates (MF&A) to conduct a 'quantitative' Research Study with local businesses to:

- ✓ *Evaluate their **computer and internet usage***
- ✓ *Obtain quantitative findings on the **use of e-Commerce by local businesses.***



Specific Research Objectives

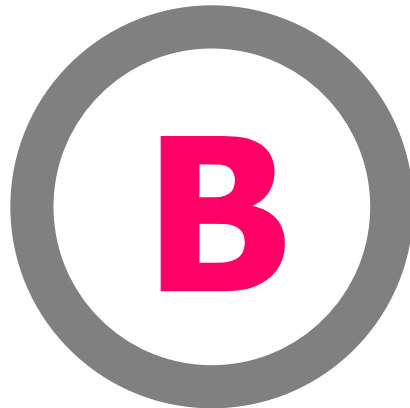
More specifically, the specific Research Objectives of this Study address:

- ✓ **The computer and internet usage** in terms of **the reasons** for using such technology, the reasons for **having/ not having a company website** and **the sales channels** use by companies to sell their products/ services.
- ✓ **The use of e-Commerce by companies to sell their products** in terms of the **advantages and disadvantages** of selling products/ services online, their **initial motivations** to start selling online and the **awareness of their legal obligations** when products are sold over the internet.
- ✓ **The marketing channels (digital or/and traditional) used by the companies** for advertising.



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Research Methodology



Research Methodology & Sample Frame - I

- ✓ **708 valid (completed) interviews** were conducted with representatives of local companies who are responsible for the ICT within the company.
- ✓ The sample frame was selected by way of a **'random sample by stratified quota' sampling method** and the respondents hailed from seven different business sectors.
- ✓ **The sample size** of each business sector was determined on the actual number of companies operating in each business sector.



Research Methodology & Sample Frame - II

The business sectors participating in the study comprised:

- ✓ *Manufacturing and Construction*
- ✓ *Financial Intermediation, Business Activities and Communications*
- ✓ *Community and Social Activities, Personal Service Activities and Health & Social Work*
- ✓ *Wholesale and Retail*
- ✓ *Real Estate and Renting*
- ✓ *Transport and Storage*
- ✓ *Hospitality and Tourism.*



Research Instrument Design

- *The quantitative research survey was conducted by way of **CATI (computer-assisted telephone interview)** interviews.*
- ***The research instrument** (a structured questionnaire) was produced in English and Maltese for ease of use (depending on the respondents' linguistic preferences).*
- ***The structured questionnaire comprised** a 'Respondent Profile' and one section for every 'research area' to assess and measure the respondents' views and opinions towards the attainment of the specific research objectives.*



Survey Fieldwork Dates

- *The fieldwork was conducted between **19 Jan - 17 Feb 2012.***

Respondent Profile I



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Table 1 – Q5 – Business sector engaged in – Aggregate

Counts Break % Respondents	
Total	708
Manufacturing and Construction	124 17.5%
Financial Intermediation, Business Activities and Communications	140 19.8%
Community and Social services, Personal Service Activities and Health & Social Work	91 12.9%
Wholesale & Retail	190 26.8%
Real Estate and Rental	57 8.1%
Transport and Storage	53 7.5%
Hospitality & Tourism	53 7.5%

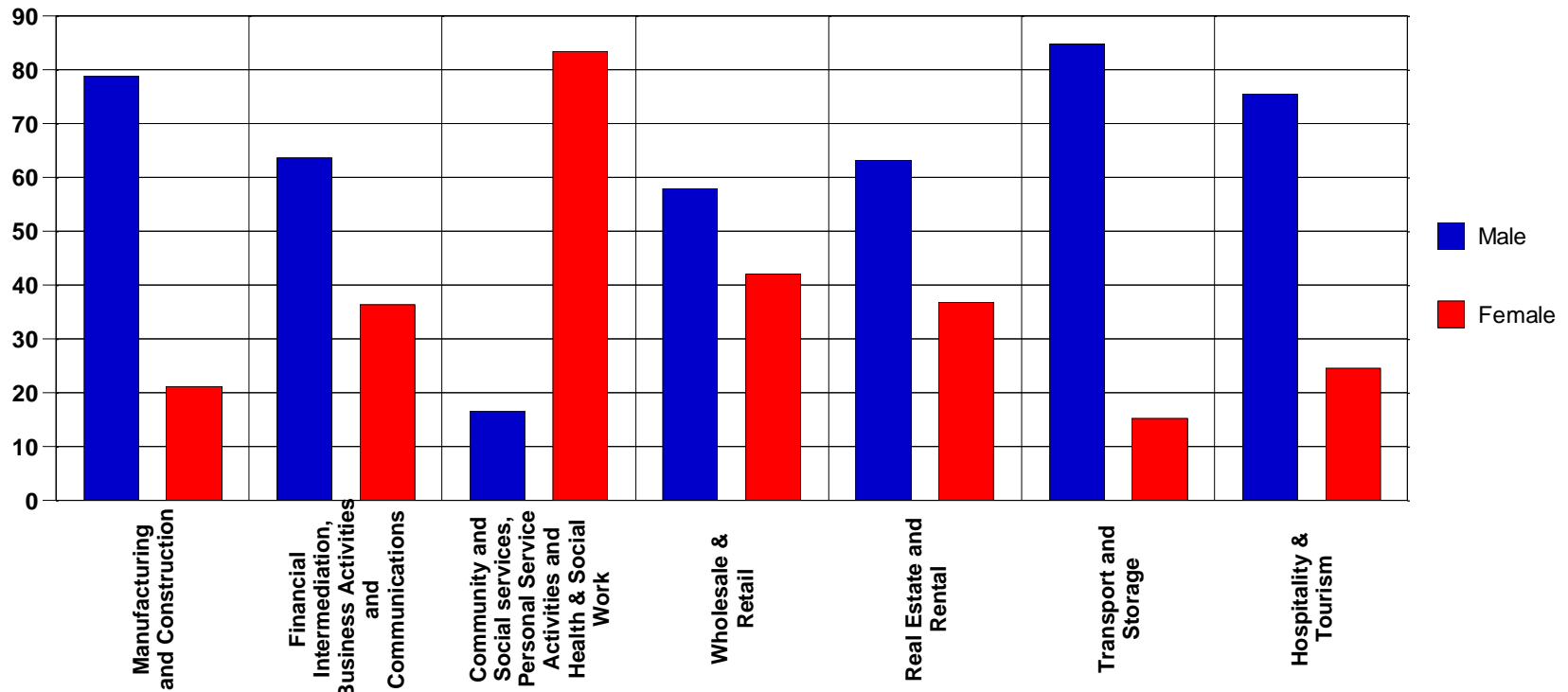
Respondent Profile II



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Figure 2 – Q2 – Gender of Respondents – by Business Sector



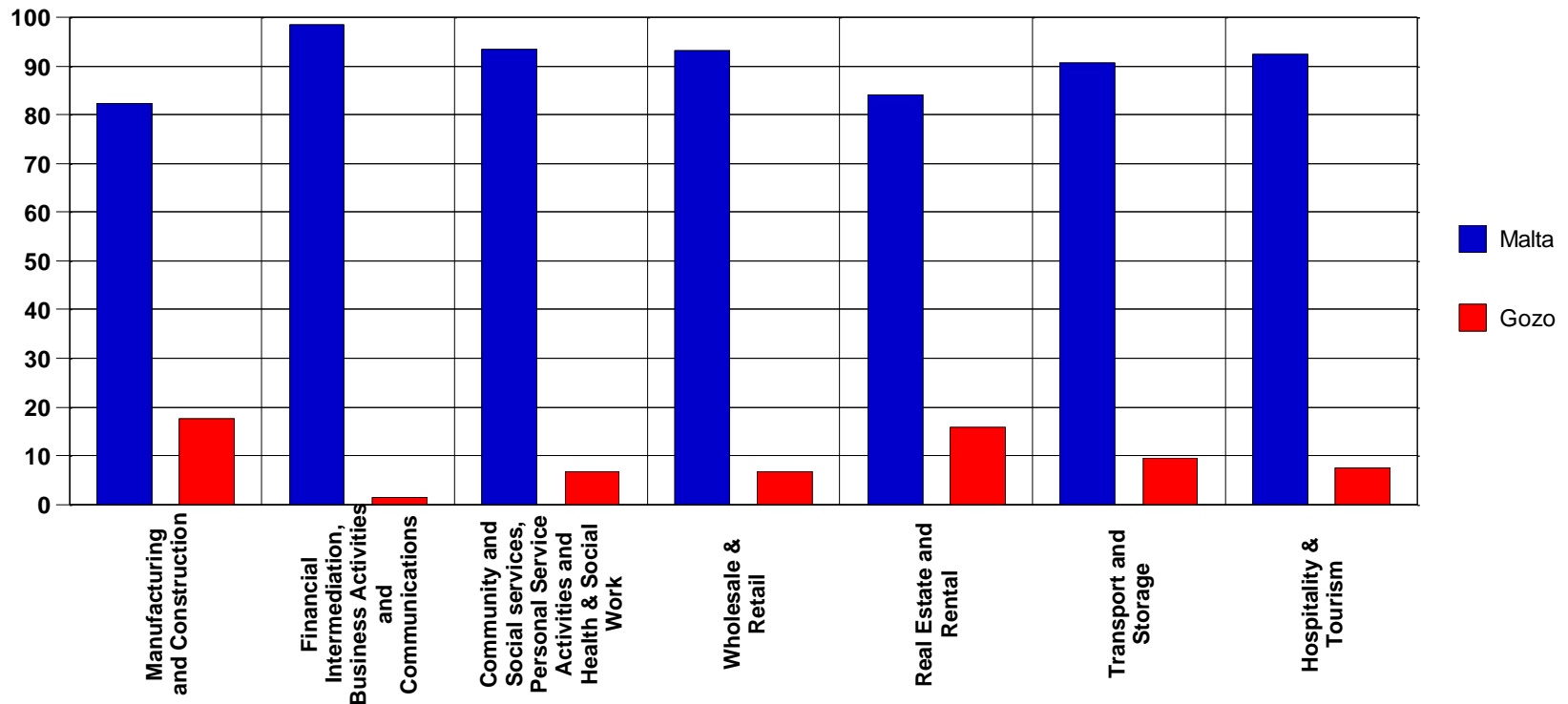
Respondent Profile III



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Figure 3 – Q3 – Location of business (Malta or Gozo) – by Business Sector



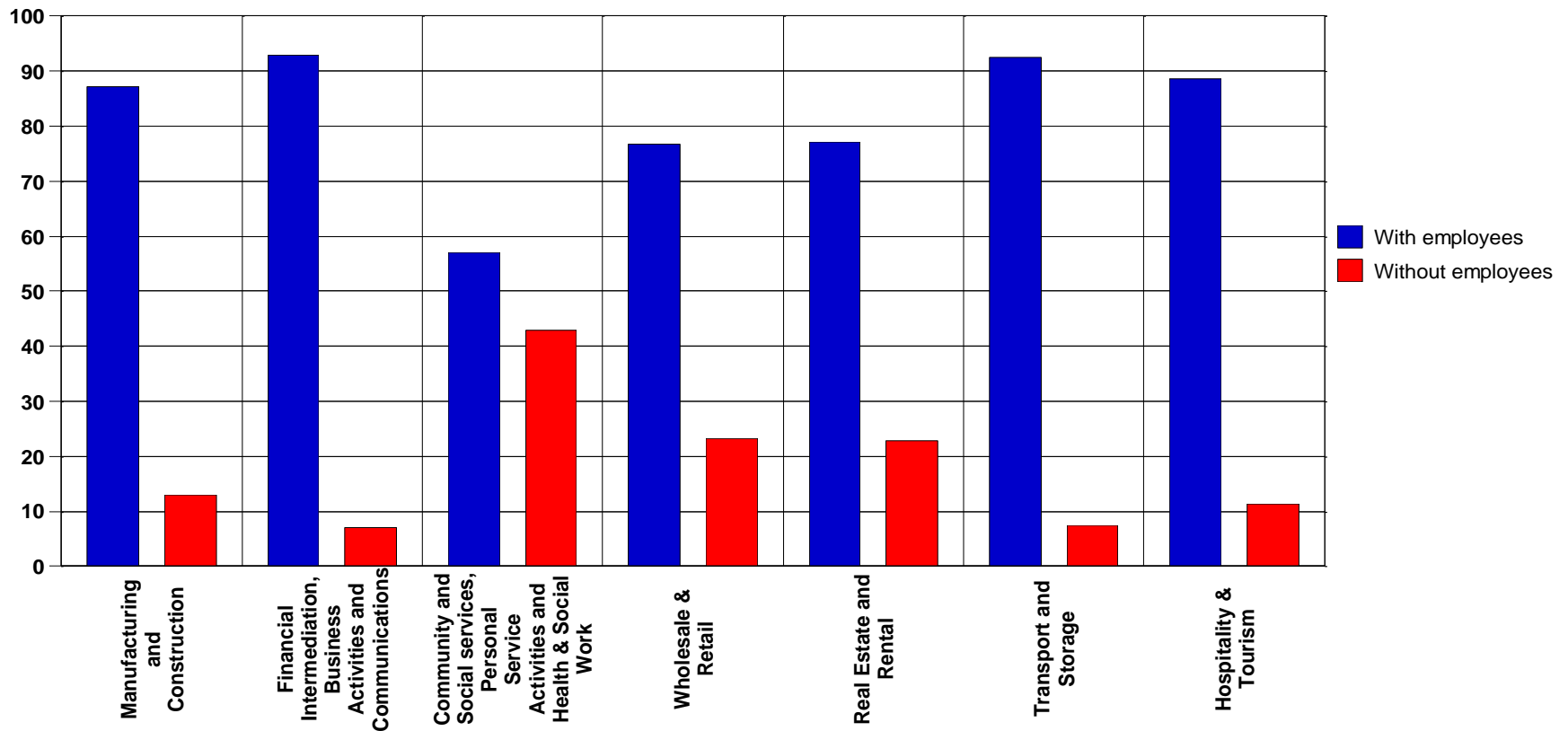
Respondent Profile IV



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Figure 6 – Q7 – Engagement of employees – by Business Sector



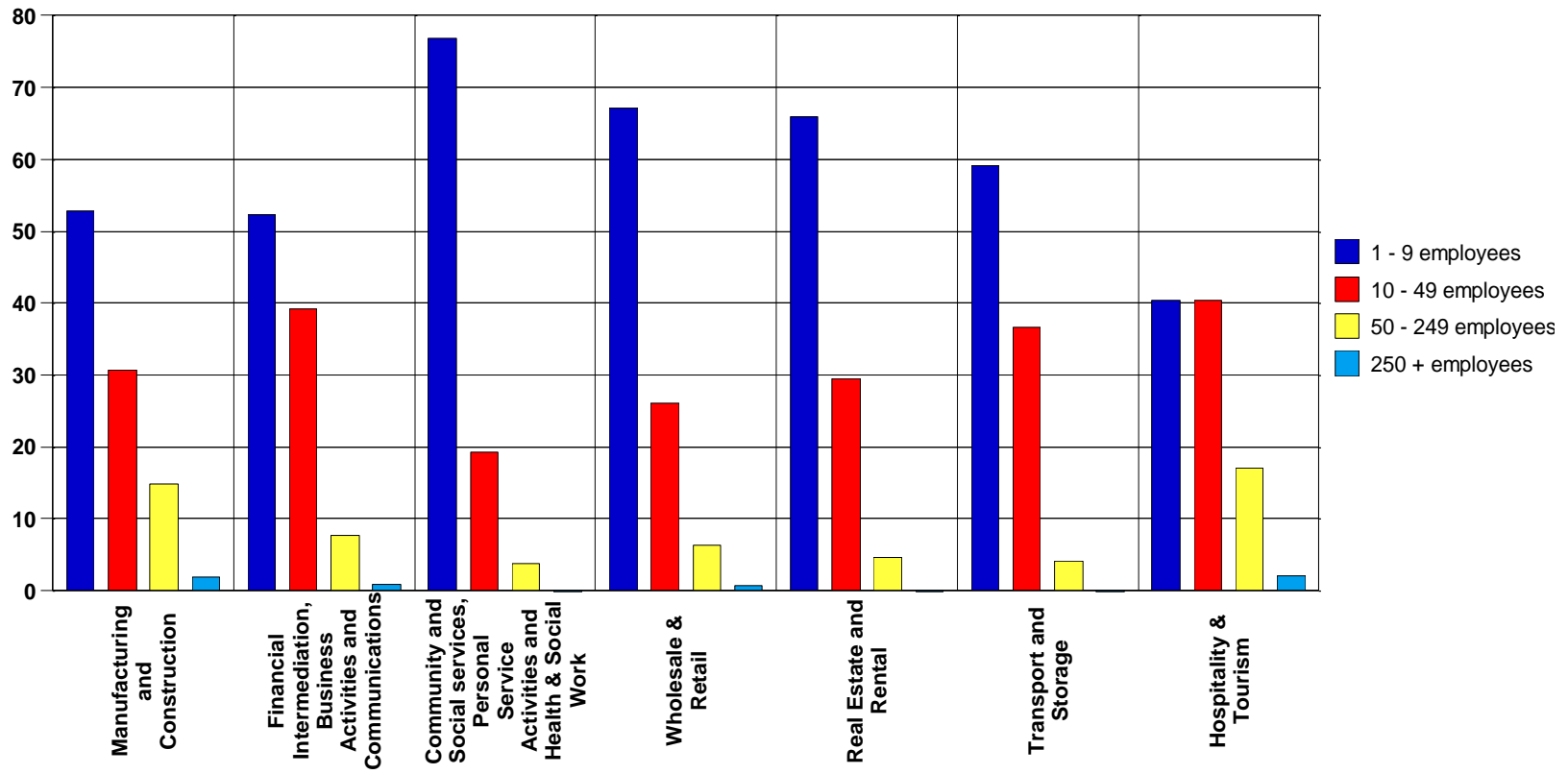
Respondent Profile V



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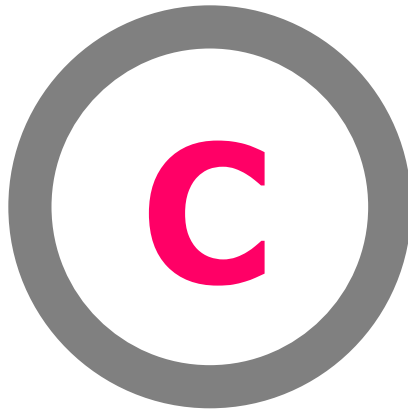
Table 7 – Q7 – Number of employees engaged with company – by Business Sector





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***Highlights of the
Research Findings***



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Computer & Internet Usage

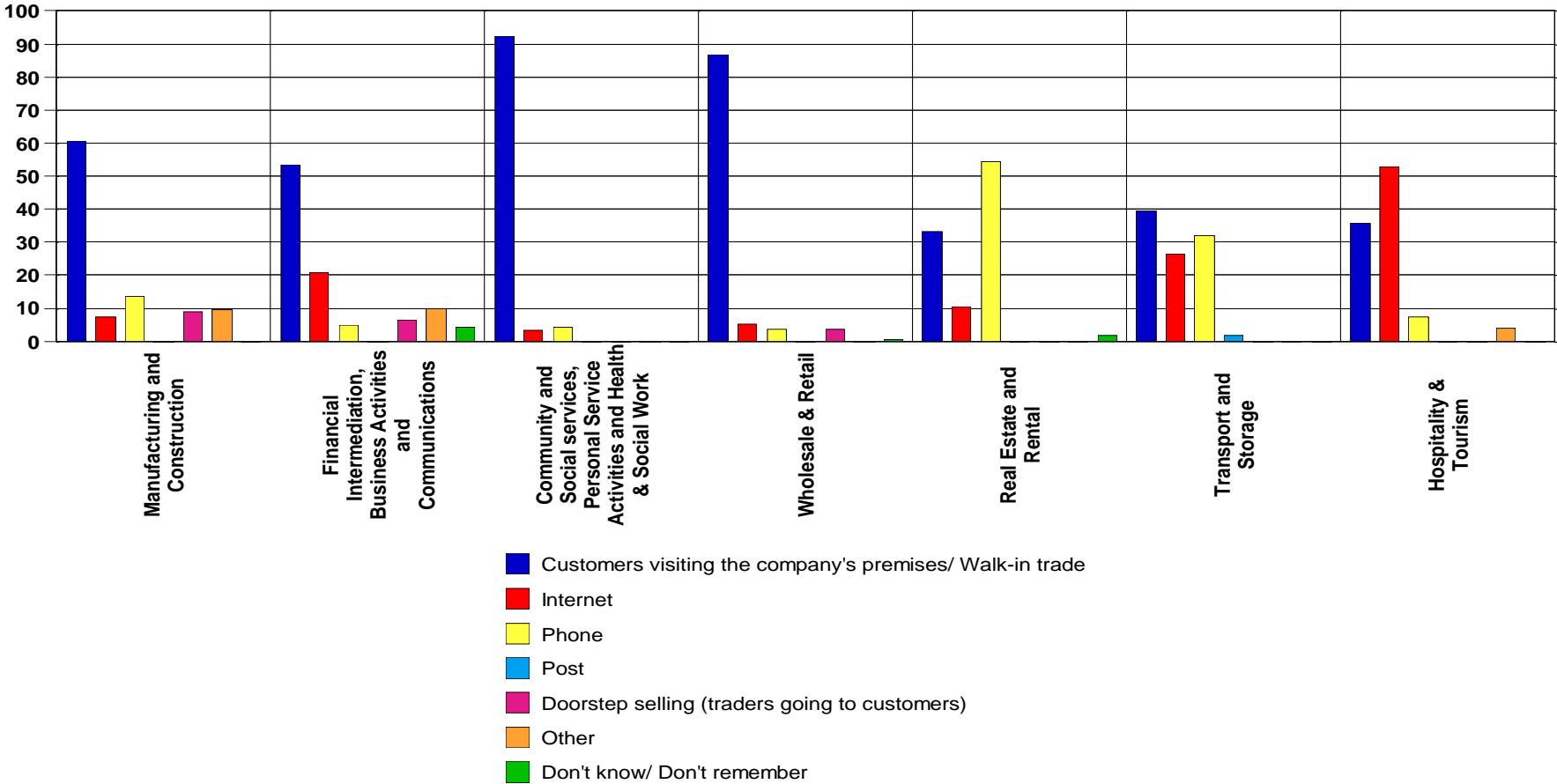
Computer & Internet Usage – I



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Figure 8.1 – Q9 – The sales channels used to sell products/ services – 1st Mentioned - by Business Sector



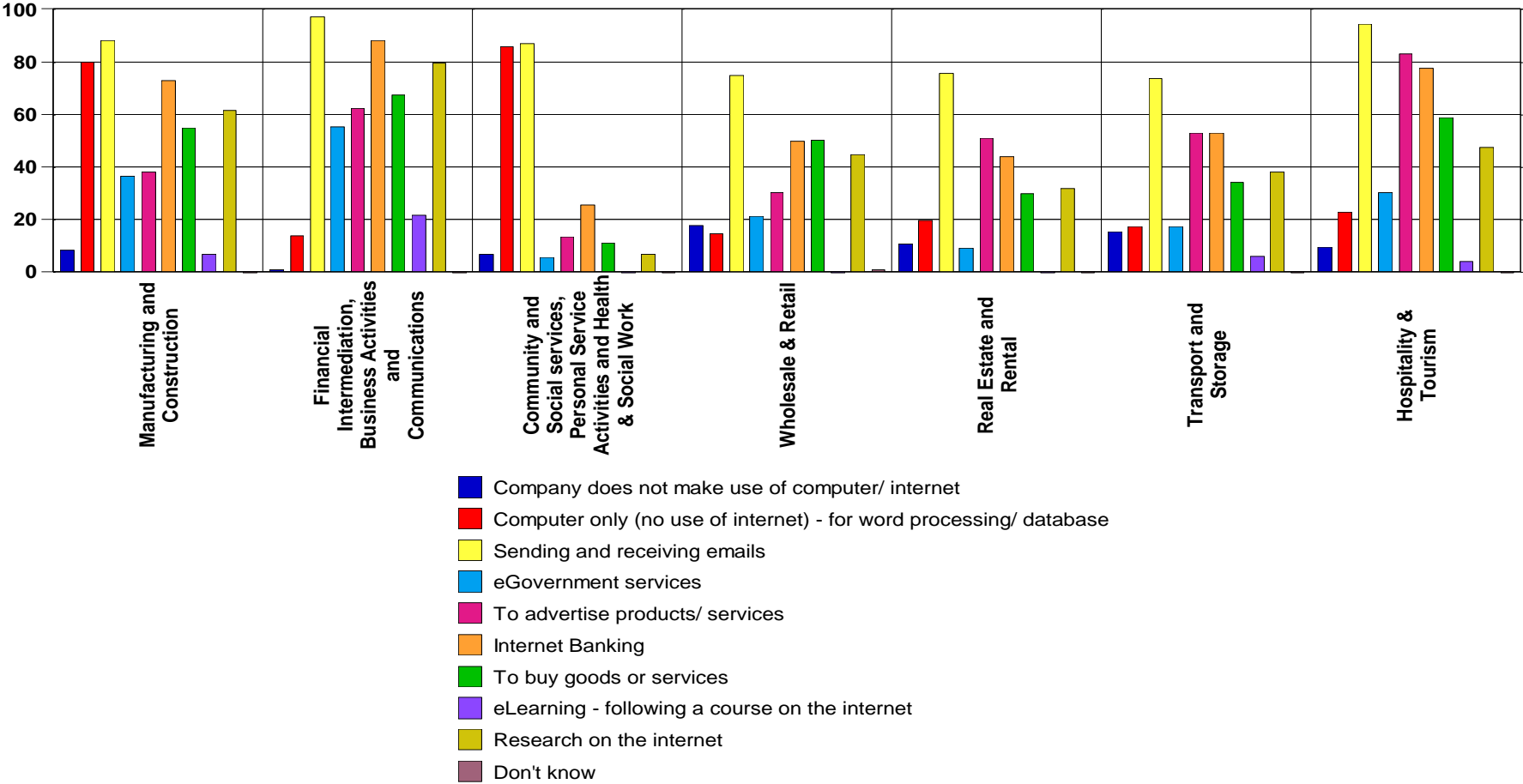
Computer & Internet Usage – II



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Figure 9 – Q10 – Usage of Computer and Internet within the company – by Business Sector – Prompted Question & Multiple Response



Computer & Internet Usage – III



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Figure 10 – Q11 – *Owning a Website* – by Business Sector

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	639	114	139	85	157	51	45	48
Yes	431 67.4%	73 64.0%	118 84.9%	30 35.3%	99 63.1%	32 62.7%	34 75.6%	45 93.8%
No	208 32.6%	41 36.0%	21 15.1%	55 64.7%	58 36.9%	19 37.3%	11 24.4%	3 6.3%



**Figure 11 – Q12 – Reasons for not owning a website
– by Business Sector – Multiple Response (n=208)**

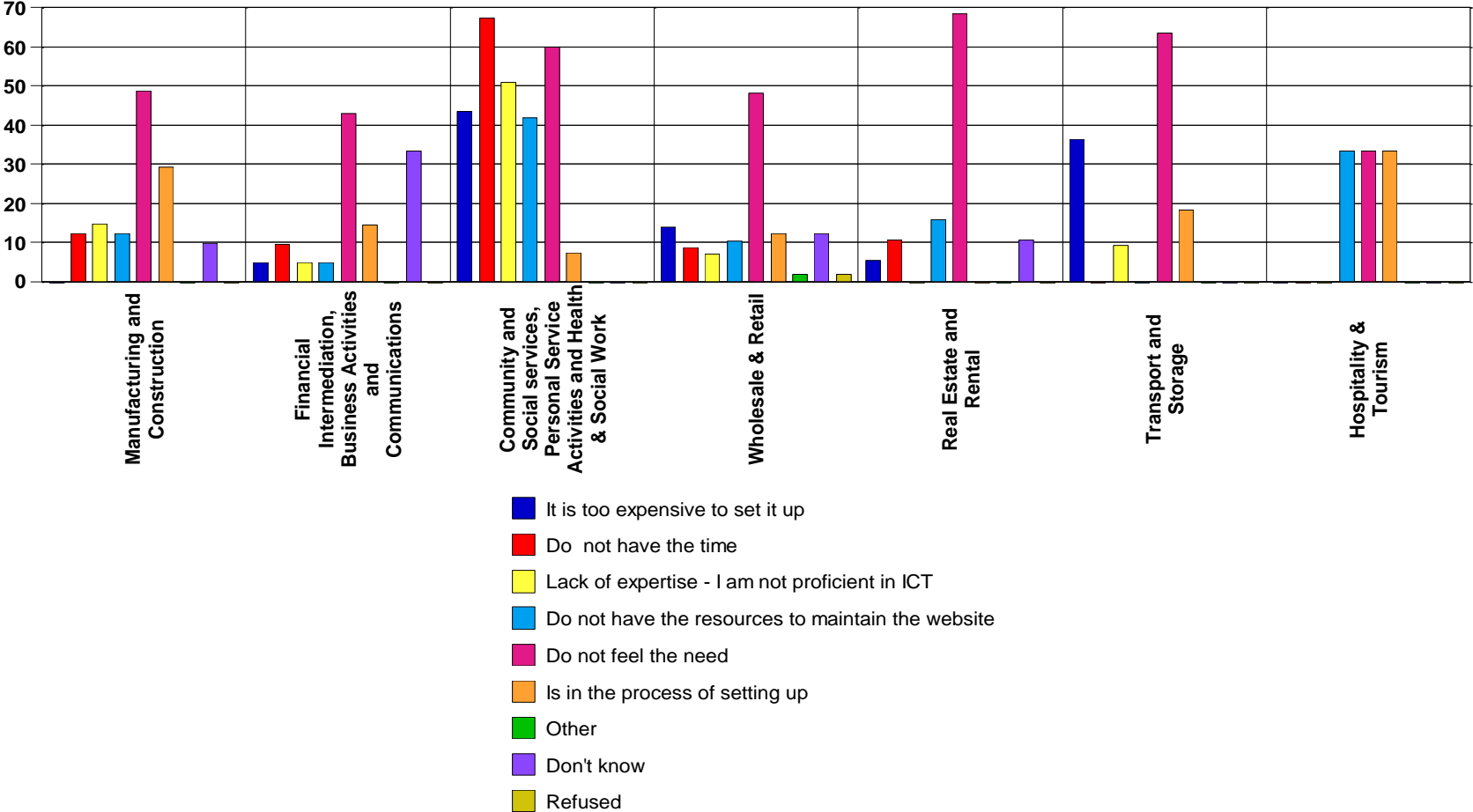




Figure 13 – Q14 – The information displayed on the company's website – by Business Sector – Multiple Response (n=431)

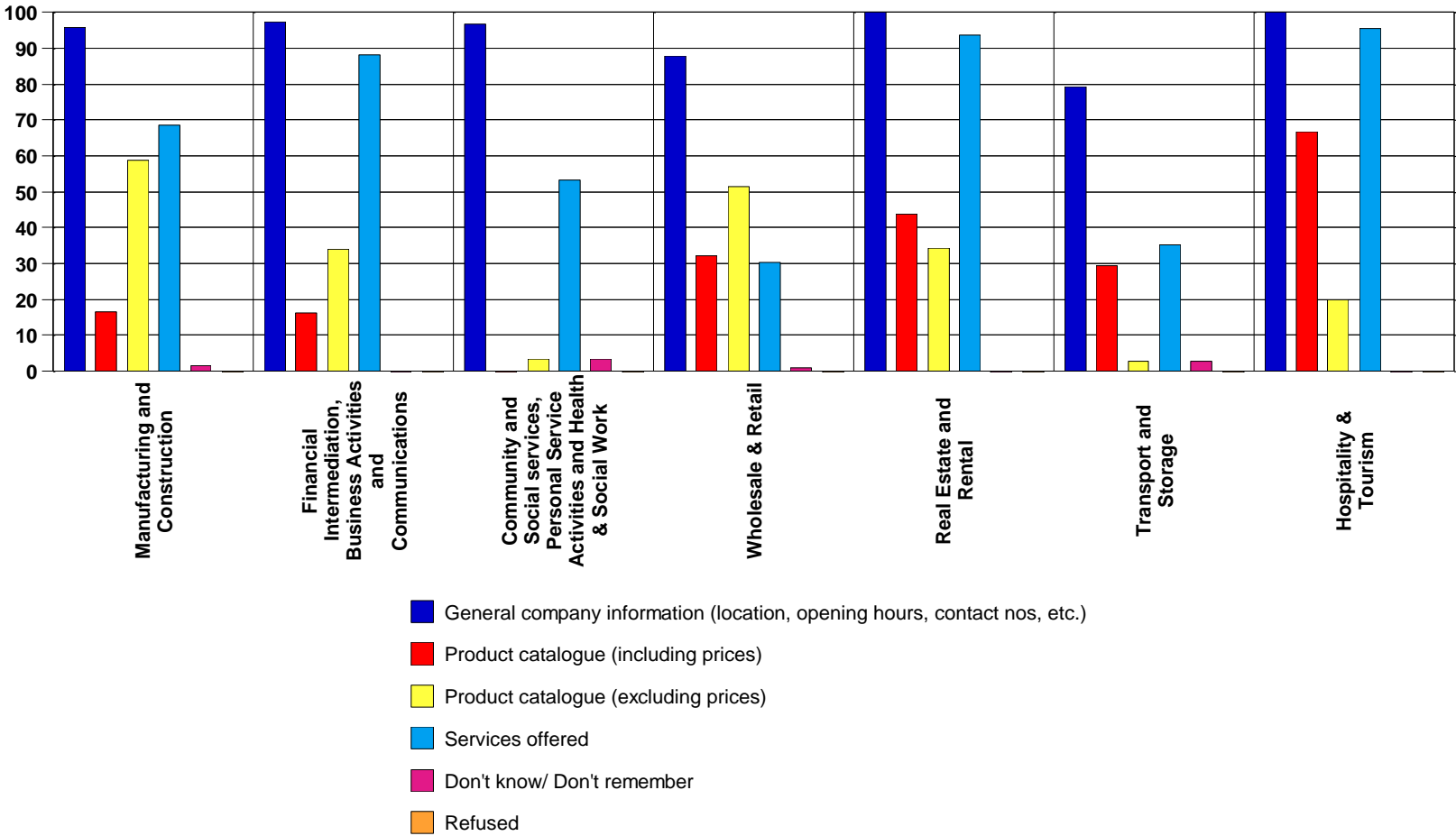




Figure 14.1 – Q15 – The initial reasons for setting up own website – 1st Mentioned - by Business Sector (n=431)

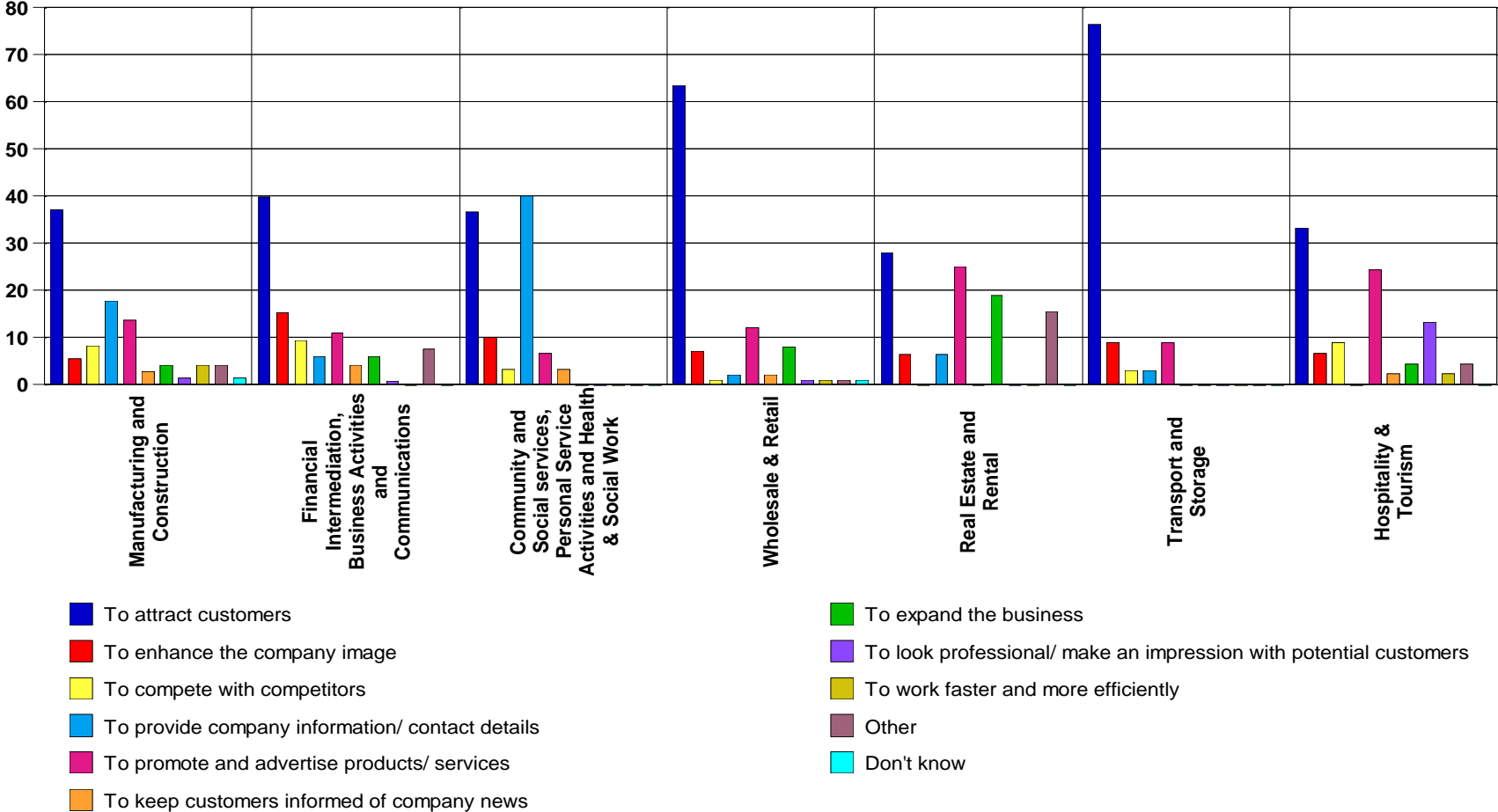
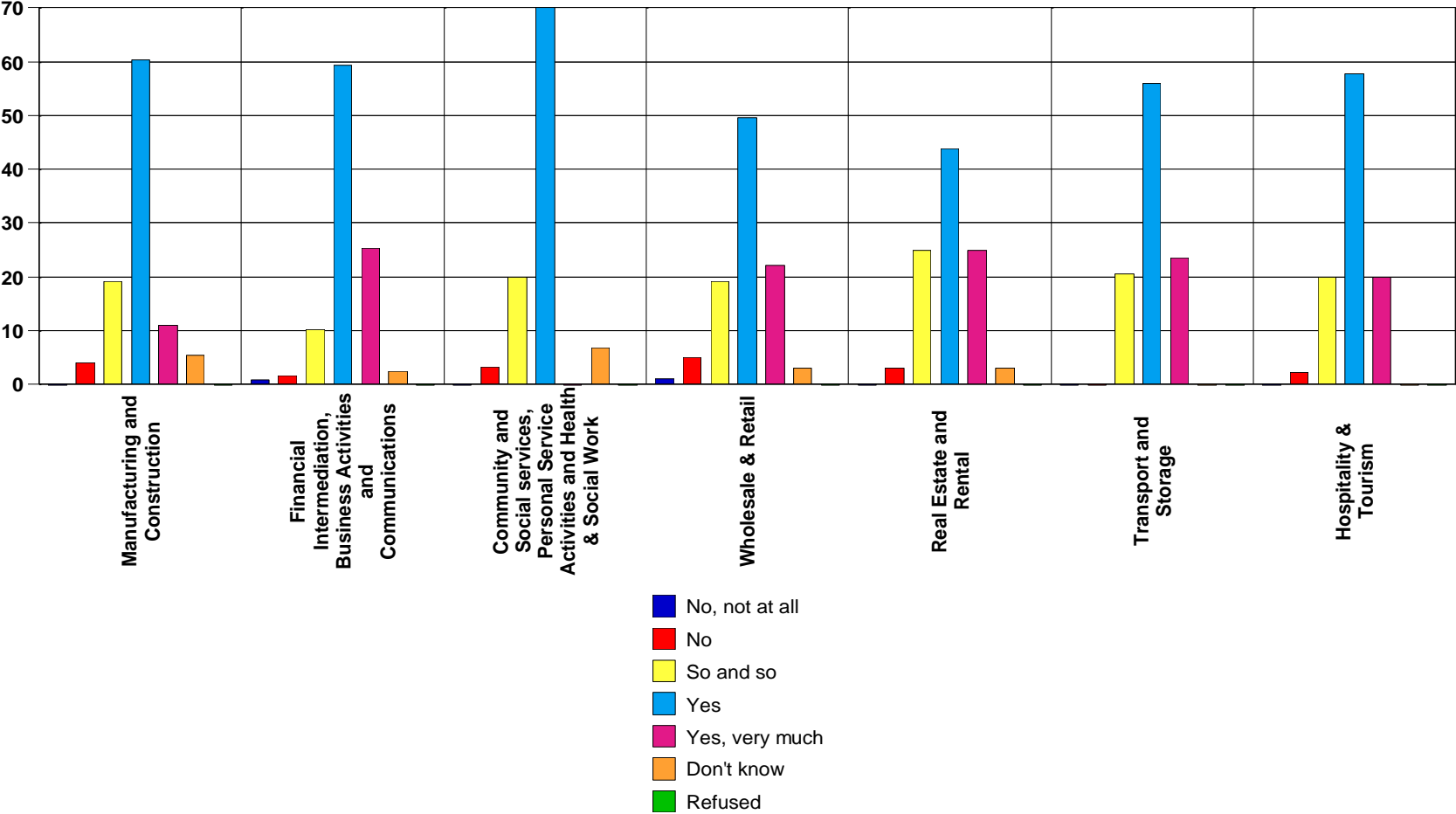




Figure 15 – Q16 – The company website’s success in achieving its original objective – by Business Sector (n=431)



Computer & Internet Usage – IX



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Table 16 – Q17 – The gathering of statistics about the company’s website usage – by Business Sector

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	431	73	118	30	99	32	34	45
Yes	213 49.4%	23 31.5%	69 58.5%	17 56.7%	52 52.5%	12 37.5%	13 38.2%	27 60.0%
No	197 45.7%	45 61.6%	42 35.6%	12 40.0%	43 43.4%	19 59.4%	21 61.8%	15 33.3%
Don't know/ Don't remember	19 4.4%	5 6.8%	6 5.1%	1 3.3%	3 3.0%	1 3.1%	- -	3 6.7%
Refused	2 0.5%	- -	1 0.8%	- -	1 1.0%	- -	- -	- -



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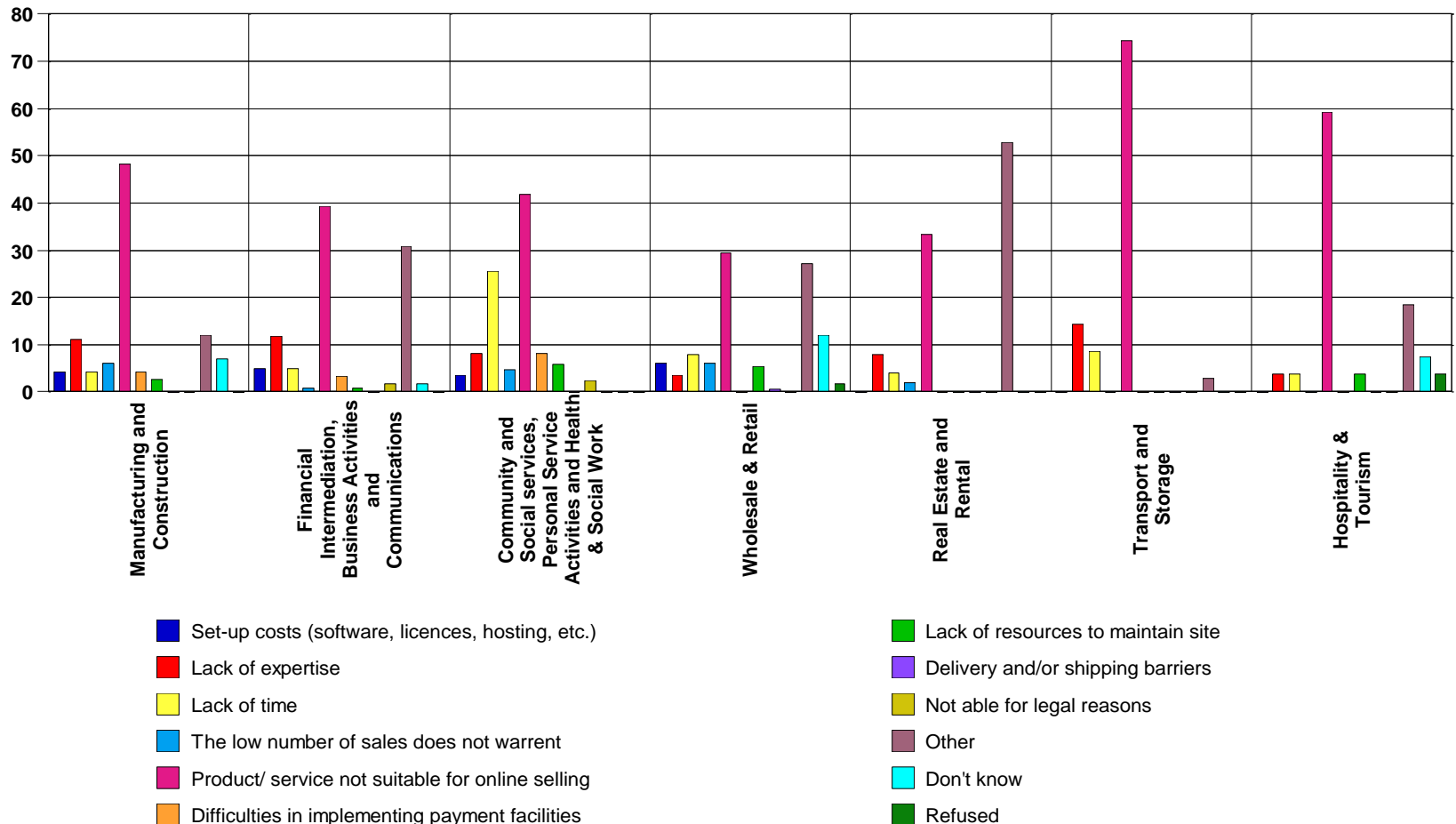
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eCommerce



Figure 18.1 – Q19 – The reasons why the company does not sell its products/ services online – 1st Mentioned - by Business Sector (n=601)



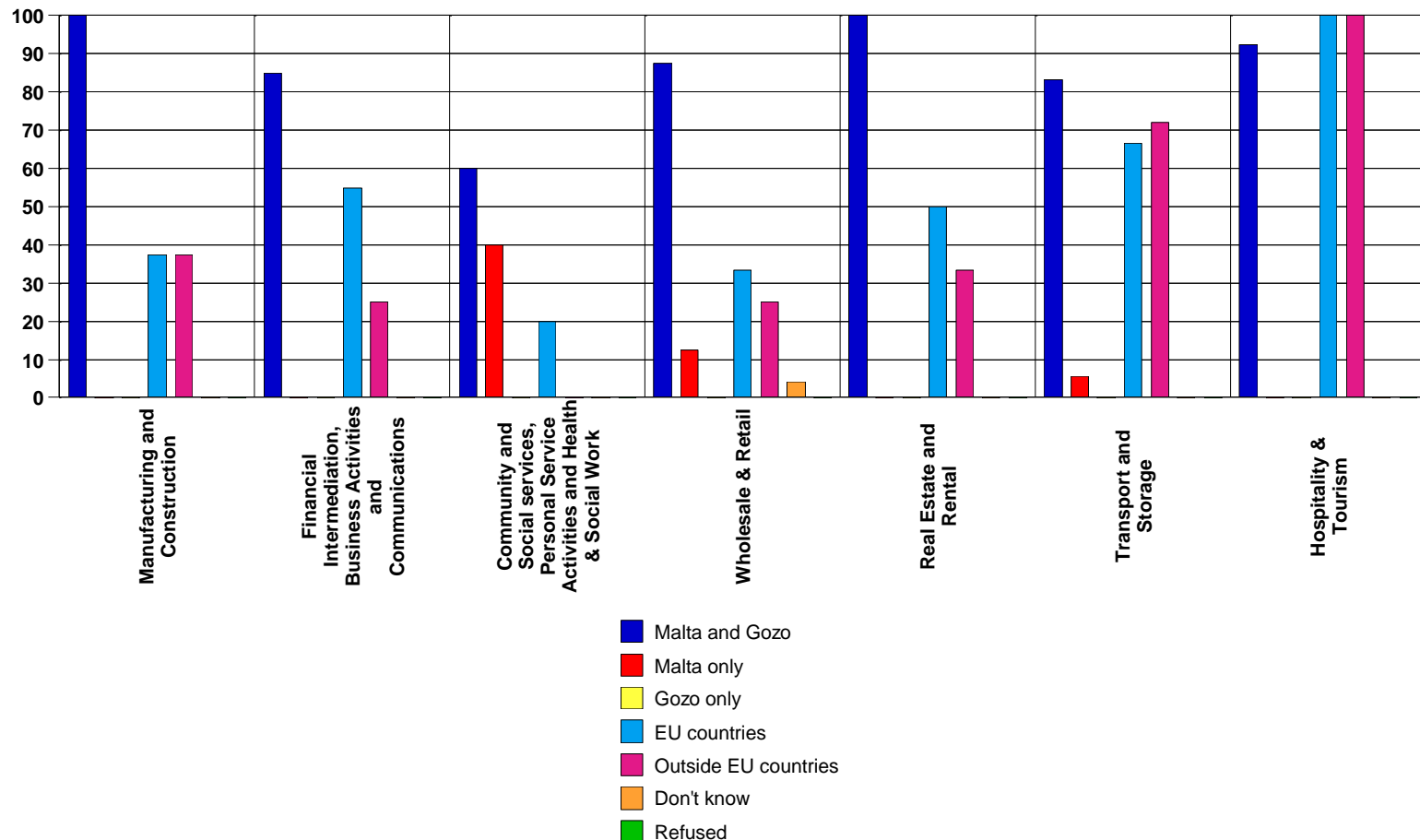


**Table 19 – Q20 – Payment methods offered to their e-commerce customers
– by Business Sector – Multiple Response**

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	107	8	20	5	24	6	18	26
Credit card - Visa, Mastercard, etc.	67 62.6%	2 25.0%	13 65.0%	- -	13 54.2%	4 66.7%	14 77.8%	21 80.8%
Debit card - Quikcash, Cashlink, etc.	30 28.0%	1 12.5%	5 25.0%	2 40.0%	3 12.5%	3 50.0%	8 44.4%	8 30.8%
Third party payment method (eg. Paypal, etc.)	27 25.2%	1 12.5%	5 25.0%	- -	10 41.7%	1 16.7%	4 22.2%	6 23.1%
Cash on delivery	43 40.2%	5 62.5%	3 15.0%	4 80.0%	11 45.8%	4 66.7%	6 33.3%	10 38.5%
Other	10 9.3%	2 25.0%	2 10.0%	- -	2 8.3%	- -	1 5.6%	3 11.5%
Don't know	5 4.7%	2 25.0%	1 5.0%	- -	1 4.2%	- -	- -	1 3.8%
Refused	2 1.9%	- -	1 5.0%	1 20.0%	- -	- -	- -	- -



Figure 20 – Q21 – The selling of products/ services through e-commerce to local and/or international customers - by Business Sector – Prompted Q & Multiple Response (n=107)





**Table 21 – Q22 – Percentage of sales received through online selling
- by Business Sector**

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	107	8	20	5	24	6	18	26
Less than 10%	42 39.3%	5 62.5%	8 40.0%	2 40.0%	15 62.5%	1 16.7%	3 16.7%	8 30.8%
Between 10% and 30%	13 12.1%	2 25.0%	2 10.0%	2 40.0%	1 4.2%	- -	4 22.2%	2 7.7%
Between 30% and 50%	8 7.5%	- -	1 5.0%	- -	2 8.3%	1 16.7%	1 5.6%	3 11.5%
Between 50% and 70%	3 2.8%	- -	- -	- -	- -	- -	- -	3 11.5%
Between 70% and 90%	9 8.4%	- -	1 5.0%	- -	1 4.2%	2 33.3%	3 16.7%	2 7.7%
More than 90%	4 3.7%	- -	1 5.0%	- -	- -	1 16.7%	1 5.6%	1 3.8%
Don't know	25 23.4%	1 12.5%	4 20.0%	1 20.0%	5 20.8%	1 16.7%	6 33.3%	7 26.9%
Refused	3 2.8%	- -	3 15.0%	- -	- -	- -	- -	- -



Figure 22 – Q23 – Company's activities over the internet with other business partners – by Business Sector – Prompted Question & Multiple Response (n=107)

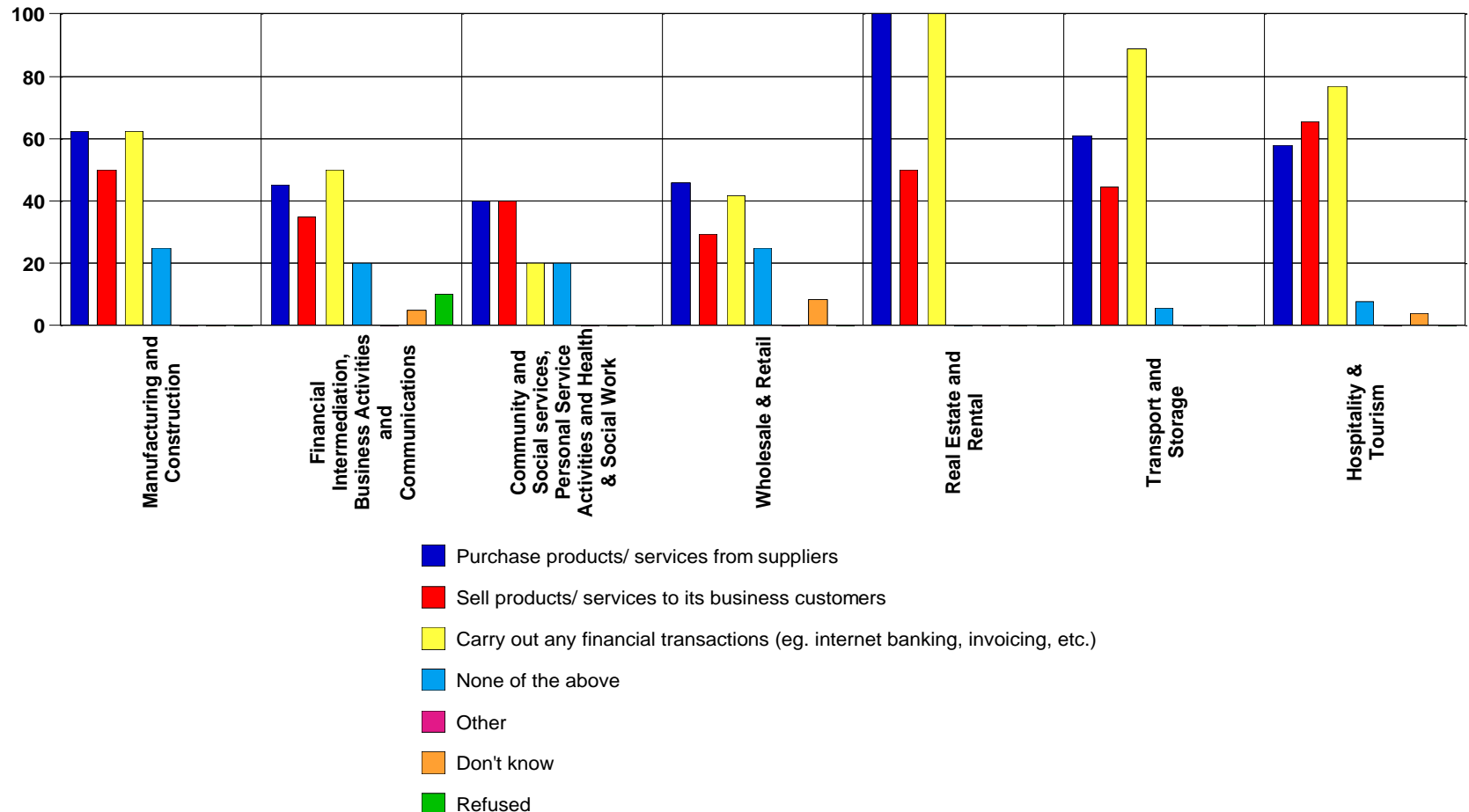
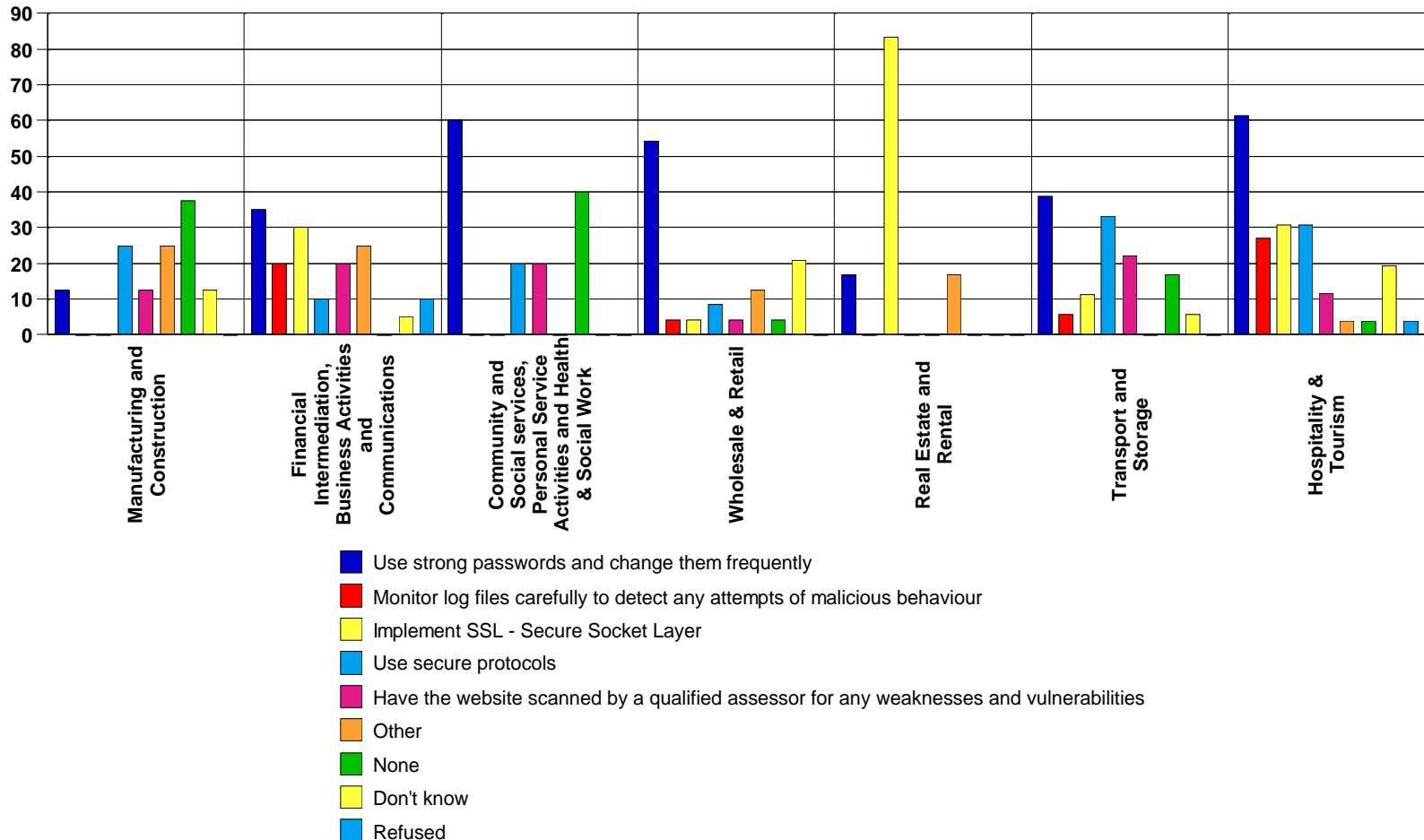




Figure 23 – Q24 – Safety measures taken by companies to protect their online store – by Business Sector (n=107)





**Figure 25 – Q26 – *The advantages of e-commerce*
- by Business Sector – Multiple Response (n=107)**

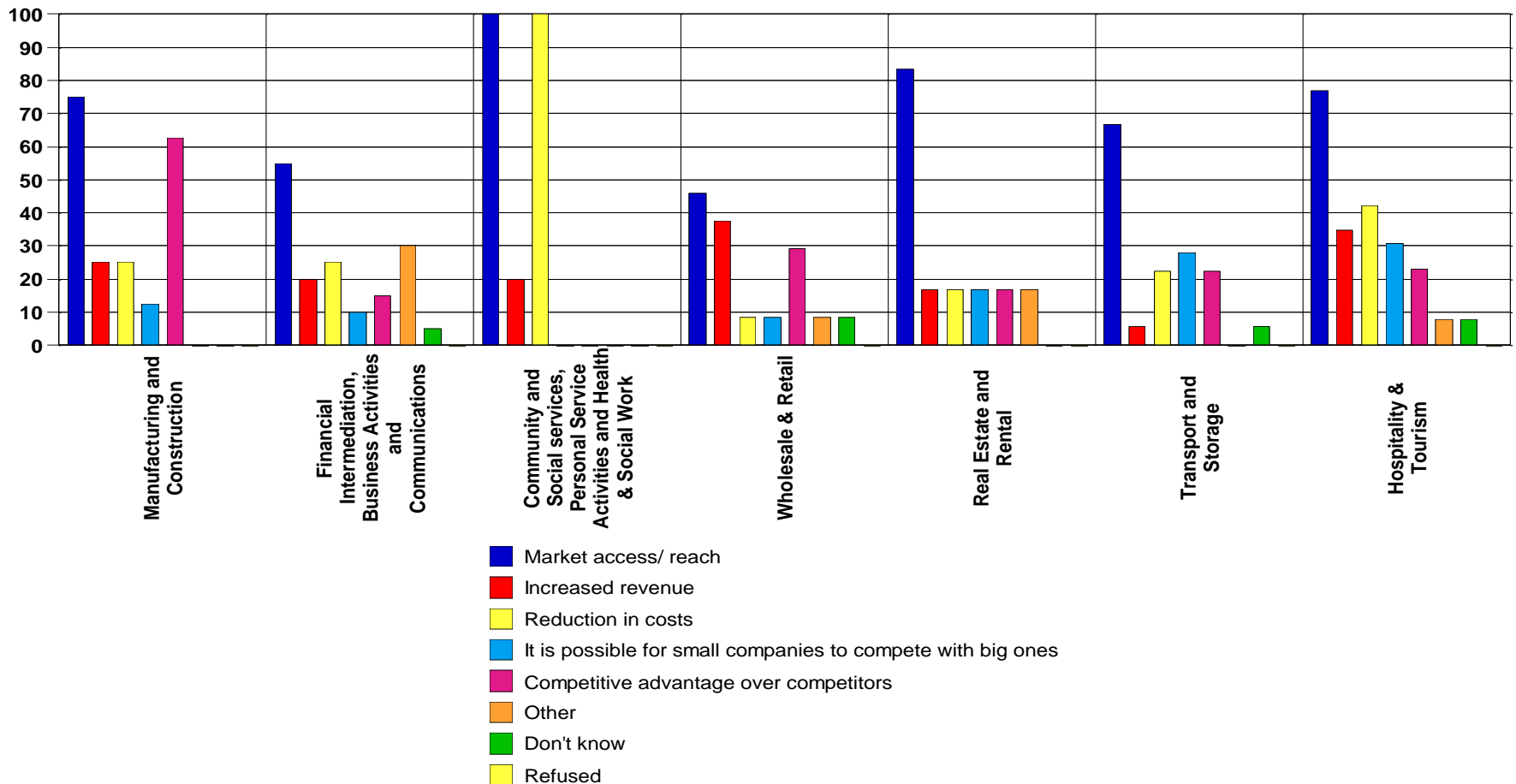




Figure 26 – Q27 – The major challenges/difficulties faced with e-commerce – by Business Sector (n=107)

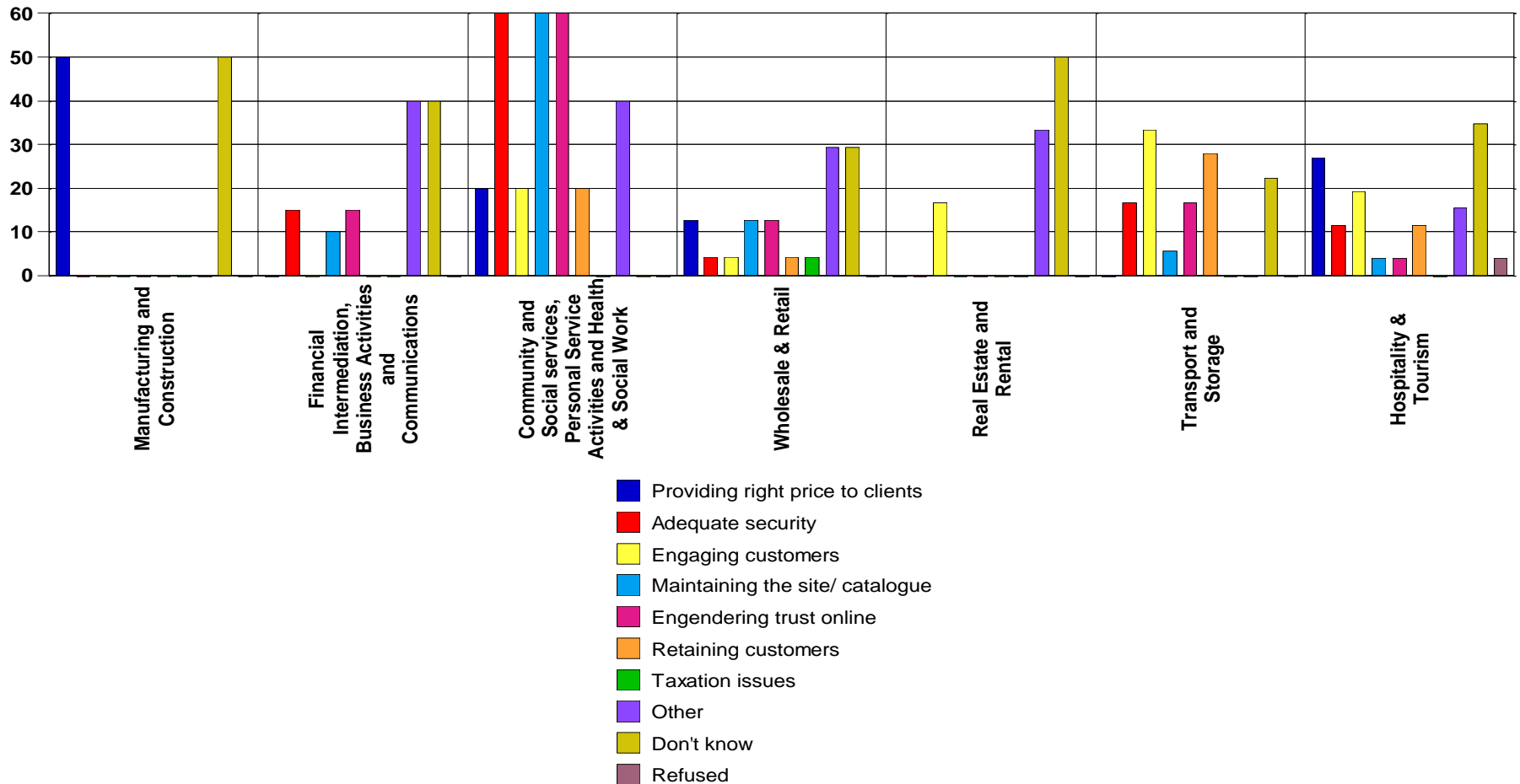




Table 28 – Q29 – Company’s awareness of the Entity (MCA) regulating eCommerce in Malta - by Business Sector

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	107	8	20	5	24	6	18	26
Malta Communications Authority	33 30.8%	1 12.5%	8 40.0%	3 60.0%	8 33.3%	- -	5 27.8%	8 30.8%
Data Protection Office	3 2.8%	1 12.5%	- -	- -	2 8.3%	- -	- -	- -
Ministry for Infrastructure, Transport and Communications	1 0.9%	- -	- -	- -	1 4.2%	- -	- -	- -
Consumer Authority	5 4.7%	- -	1 5.0%	- -	4 16.7%	- -	- -	- -
Austin Gatt	- -	- -	- -	- -	- -	- -	- -	- -
Other	1 0.9%	- -	- -	- -	- -	- -	- -	1 3.8%
Don't know/ Don't remember	62 57.9%	6 75.0%	11 55.0%	1 20.0%	9 37.5%	6 100.0%	13 72.2%	16 61.5%
No entity regulates ecommerce in Malta	2 1.9%	- -	- -	1 20.0%	- -	- -	- -	1 3.8%



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Marketing

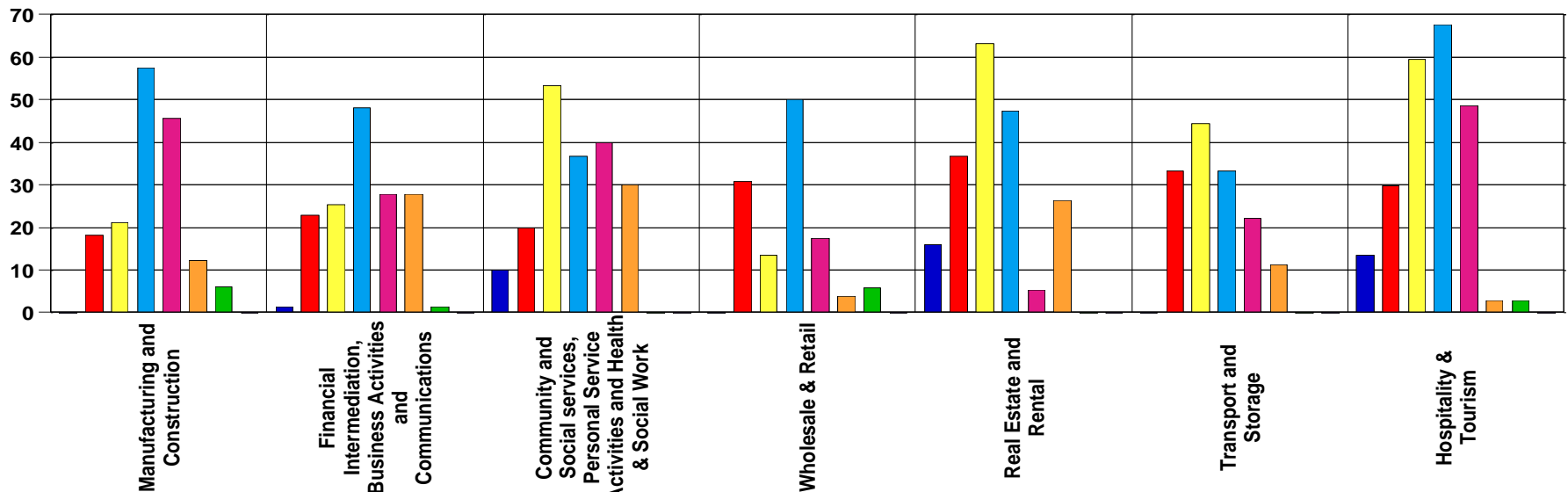


**Table 29 – Q30 - The marketing channel mostly used by companies
– by Business Sector – Prompted Question & Single Response**

Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	708	124	140	91	190	57	53	53
Digital/ Online Marketing only (websites, social networks - Facebook, Twitter, etc., emails, etc)	99 14.0%	7 5.6%	27 19.3%	16 17.6%	22 11.6%	3 5.3%	4 7.5%	20 37.7%
Traditional Marketing only (magazines, newspapers, TV, radio, etc.)	321 45.3%	82 66.1%	44 31.4%	15 16.5%	101 53.2%	32 56.1%	32 60.4%	15 28.3%
All of the above	164 23.2%	26 21.0%	56 40.0%	14 15.4%	30 15.8%	16 28.1%	5 9.4%	17 32.1%
Don't know/ Don't remember	18 2.5%	3 2.4%	2 1.4%	4 4.4%	5 2.6%	3 5.3%	1 1.9%	- -
Refused	13 1.8%	1 0.8%	- -	12 13.2%	- -	- -	- -	- -
None	93 13.1%	5 4.0%	11 7.9%	30 33.0%	32 16.8%	3 5.3%	11 20.8%	1 1.9%



Figure 31 – Q32 - Reasons for investing in digital/ online marketing channels – by Business Sector – Multiple Response (n=263)



- Allow data analytics
- Contributes towards better planning of traditional marketing campaigns
- Flexibility - The possibility to adjust the advert/promotion
- Access to global markets
- Less expensive
- Other
- Don't know/ Don't remember
- Refused



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I thank you for your attention!

Marika Fsadni