



MCA Market Research

Consumer Perception Survey Results – Fixed Telephony

MCA | *December 2013*

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 2013 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

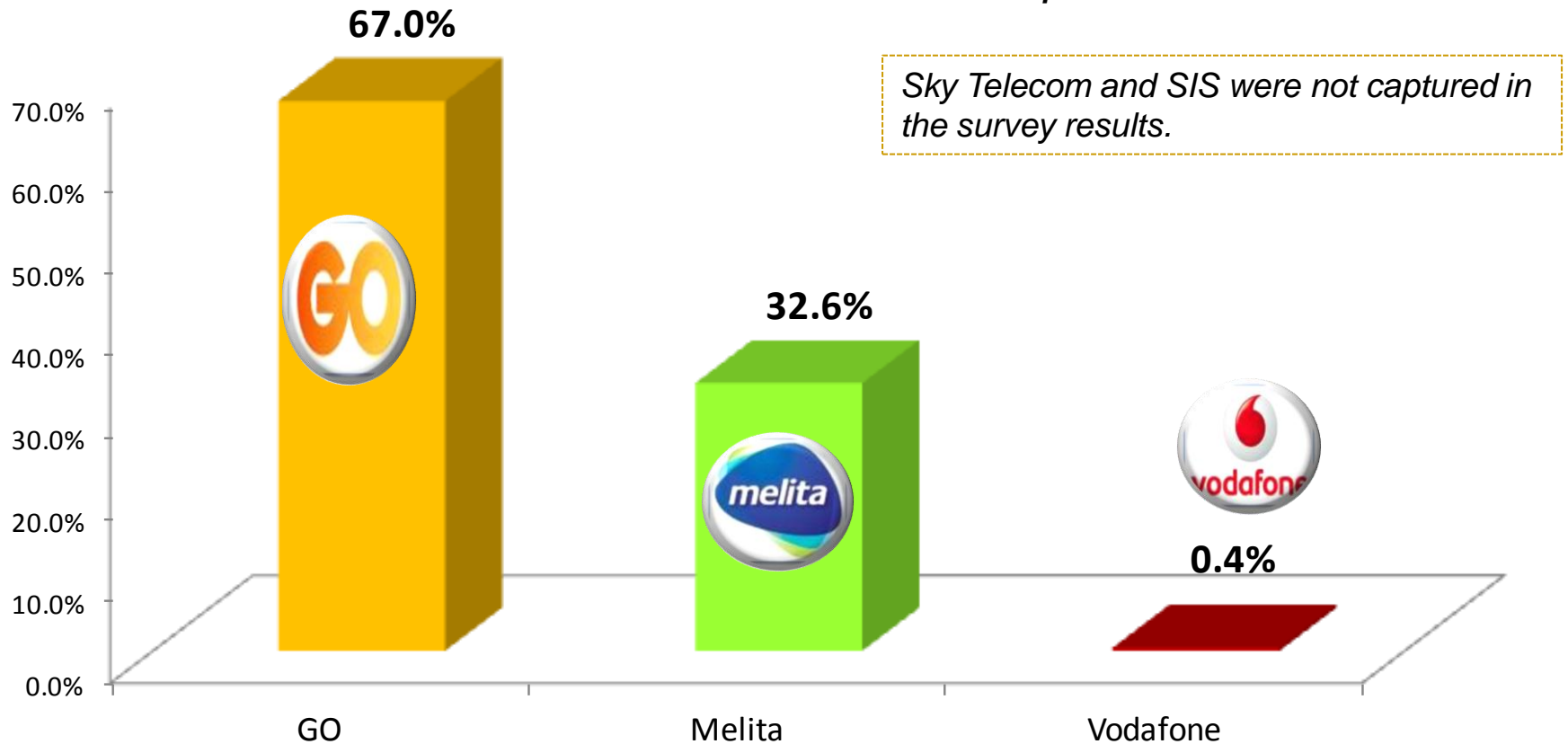
Responses

- 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

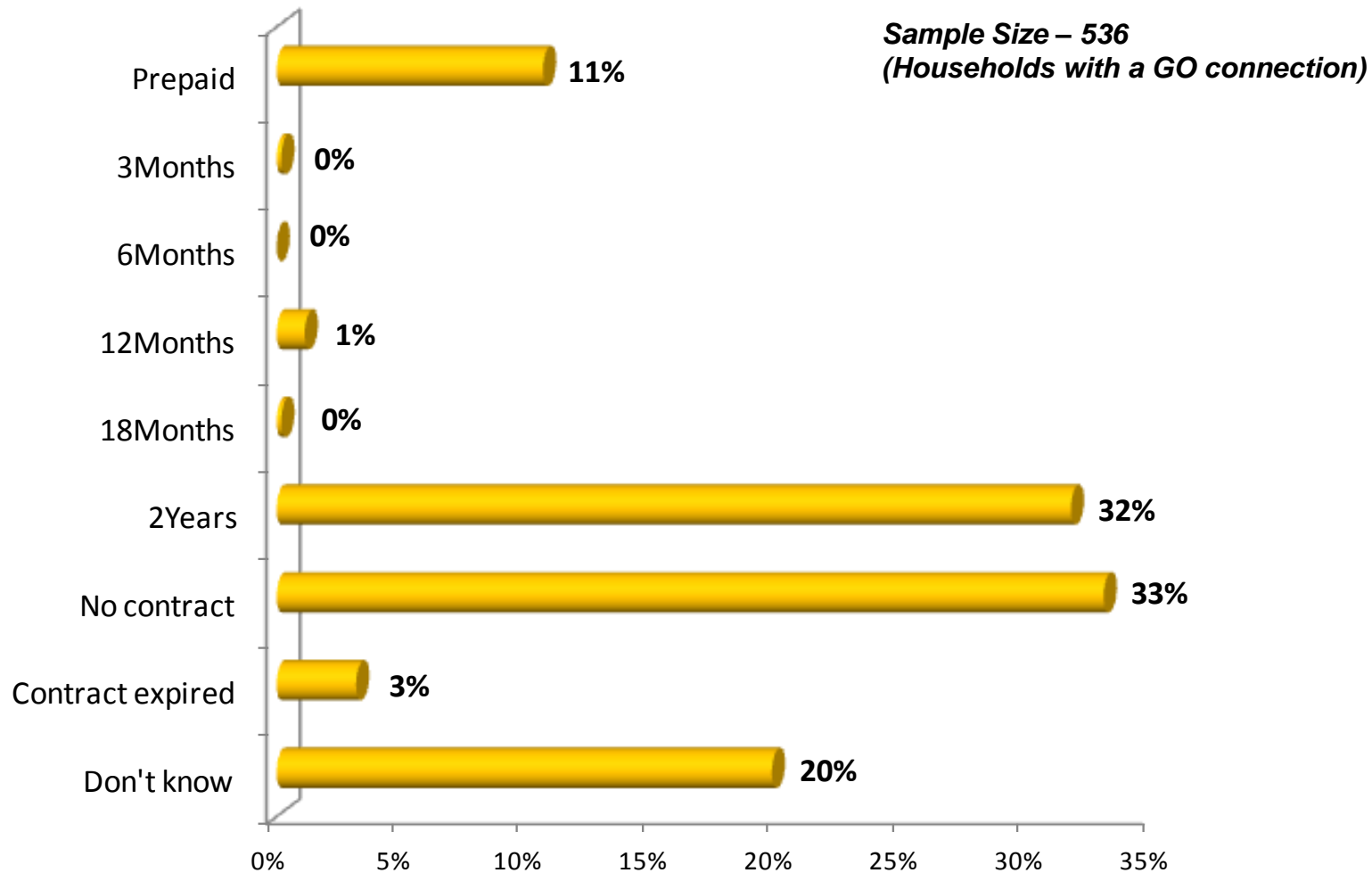
2. Fixed Telephony Services in Malta

With which operator are you subscribed to?

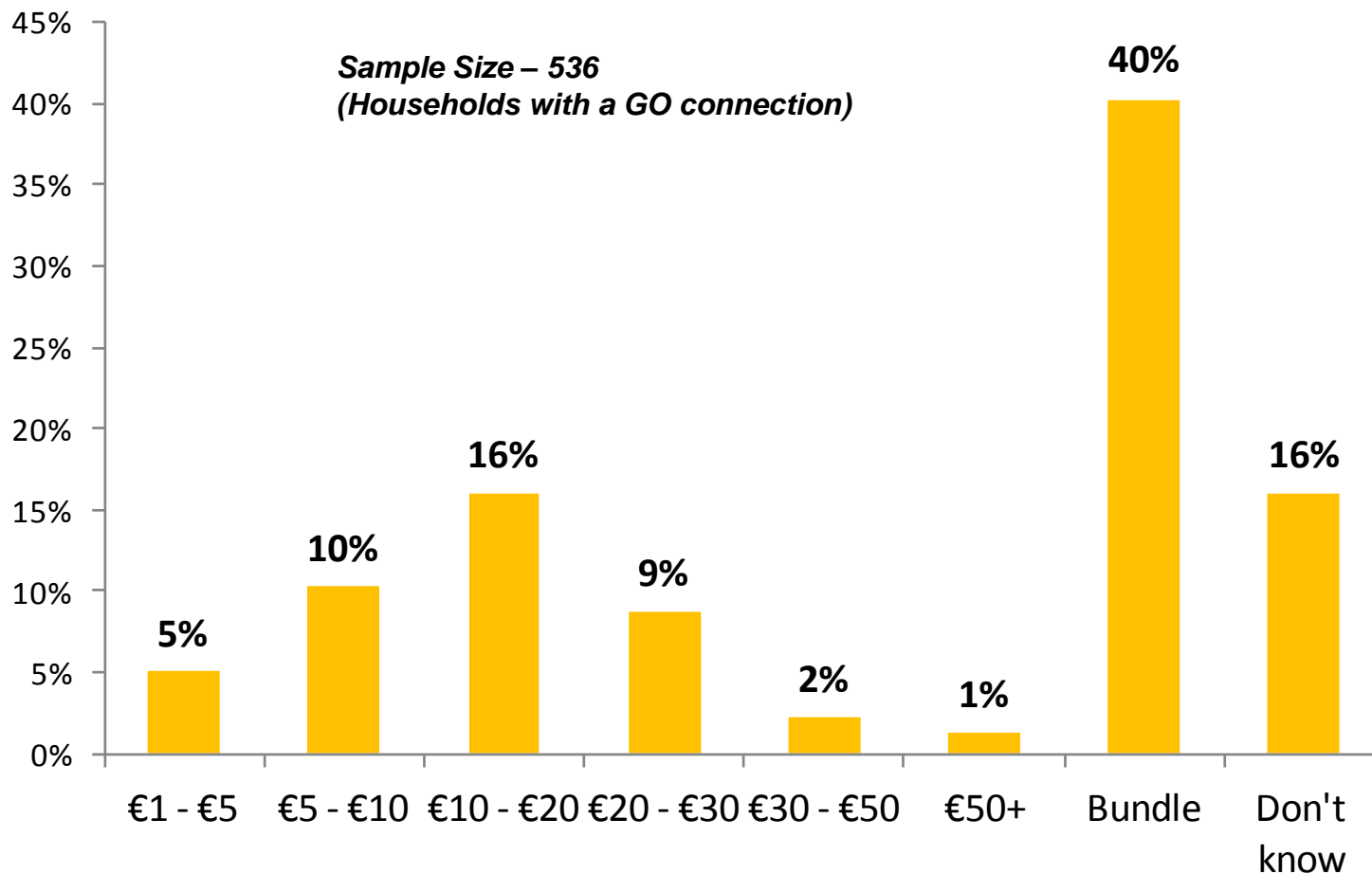
Sample Size – 800



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

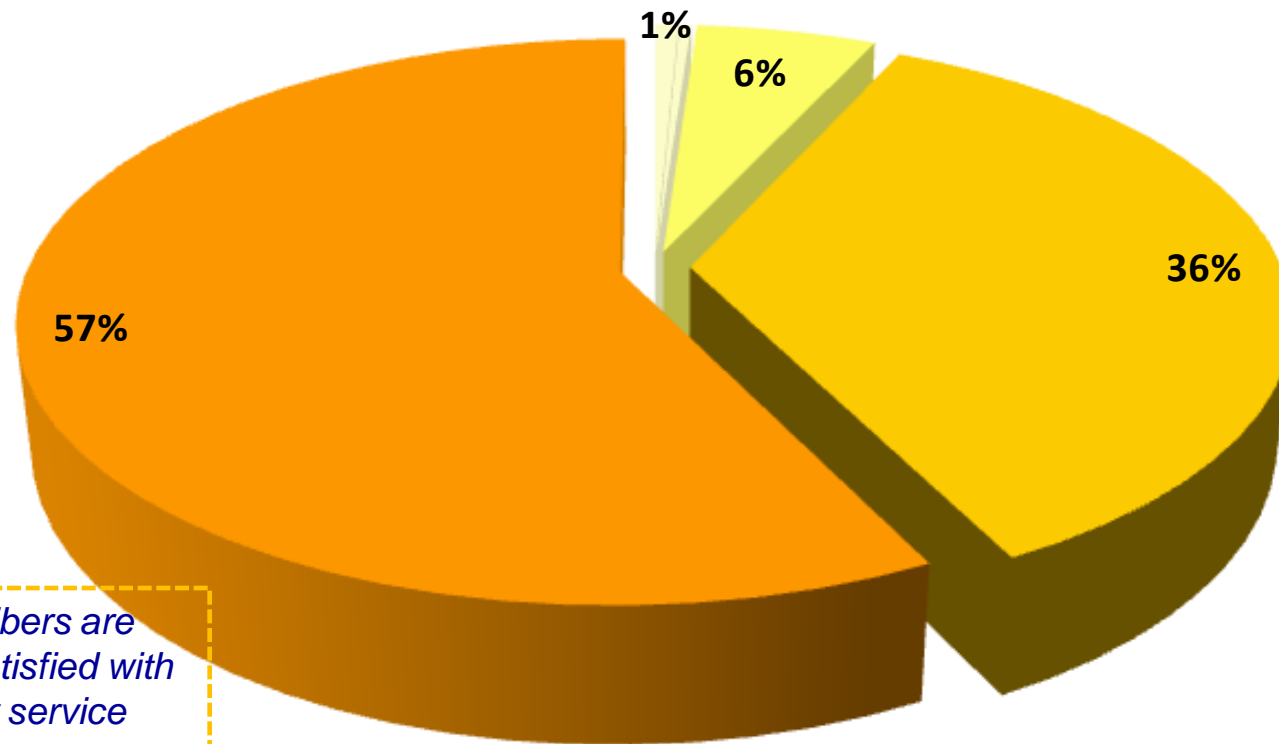


On average how much do you spend per month on fixed telephony services offered by GO? (if on contract, include rental charges)



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

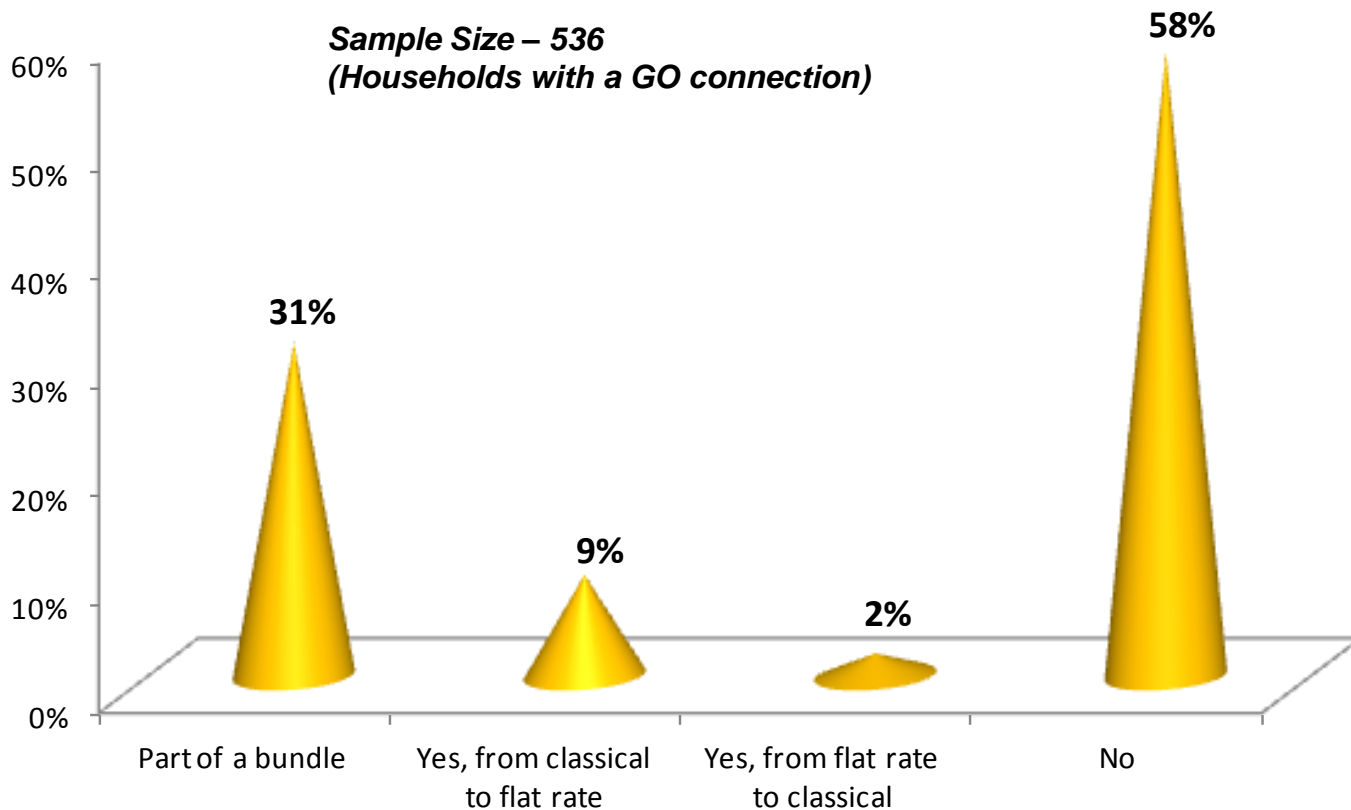
Sample Size – 536
(Households with a GO connection)



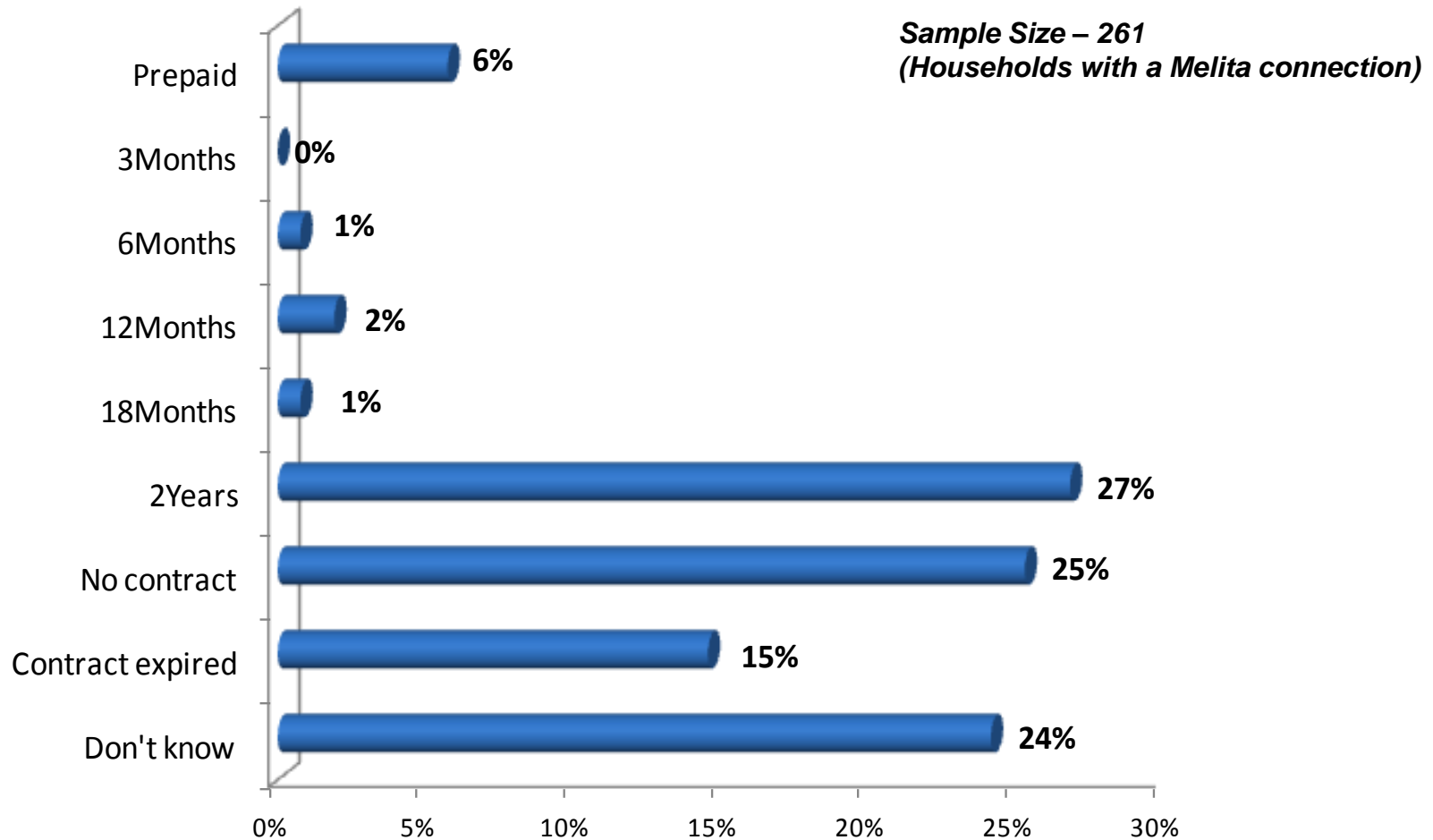
93% of GO subscribers are satisfied / highly satisfied with the fixed telephony service they receive.



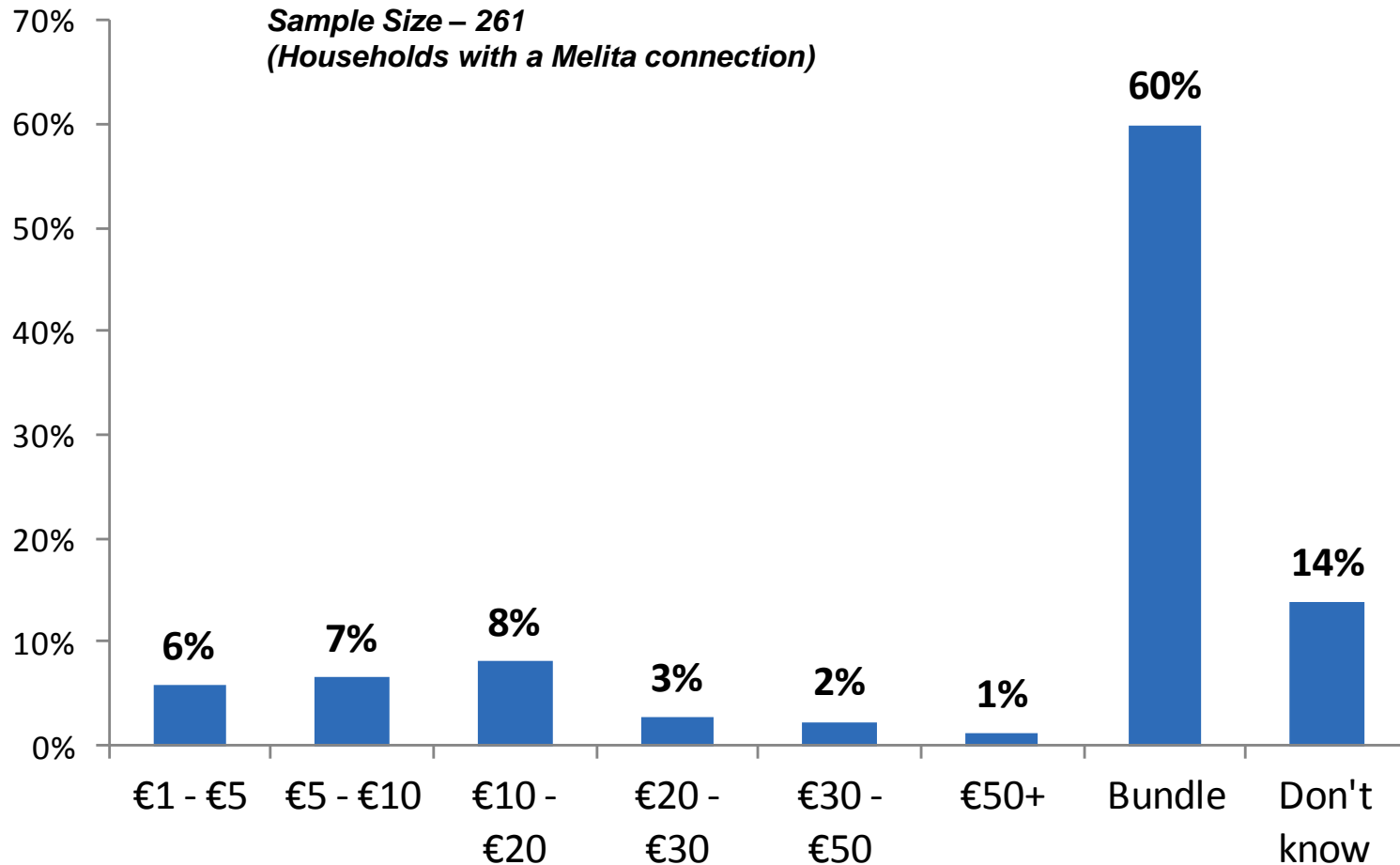
Over the last two years did you ever switch from the basic scheme (where you would pay a rental charge and then pay additional charges as per the number of calls you make) to a scheme based on a flat rate (where you would pay one charge covering rent and usage e.g. Talk Anytime) or vice-versa?



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

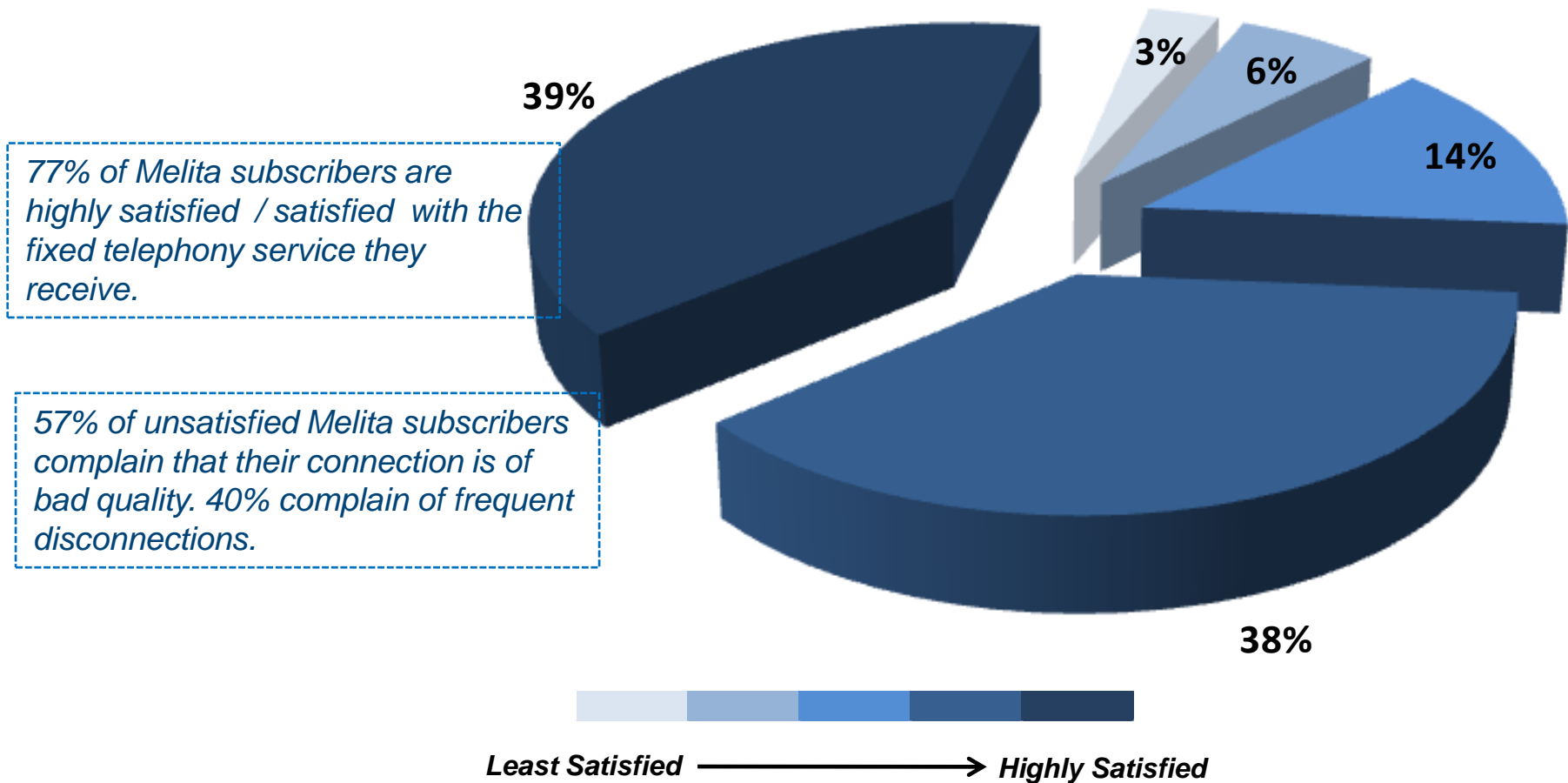


On average how much do you spend per month on fixed telephony services offered by Melita? (if on contract, include rental charges)



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

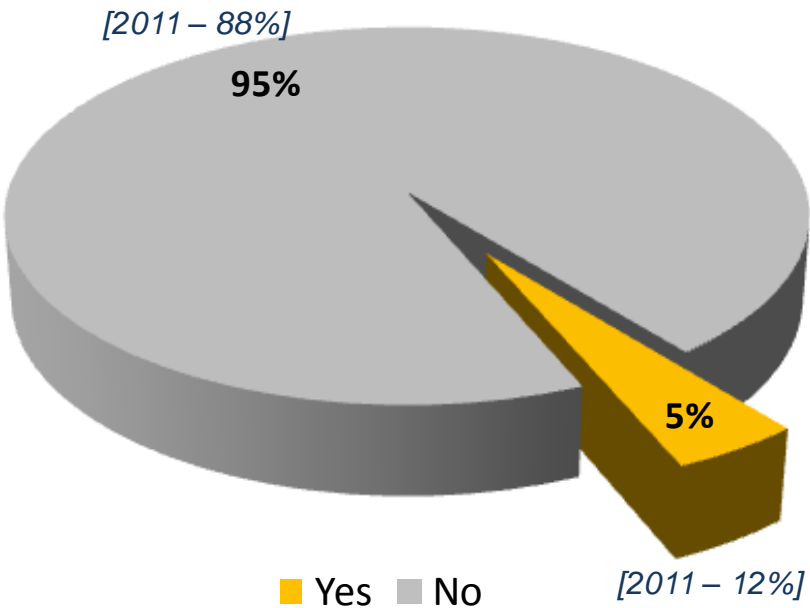
Sample Size – 261
(Households with a Melita connection)



3. Market Development in Fixed Telephony Services

Did you switch the operator over the last 2 years?

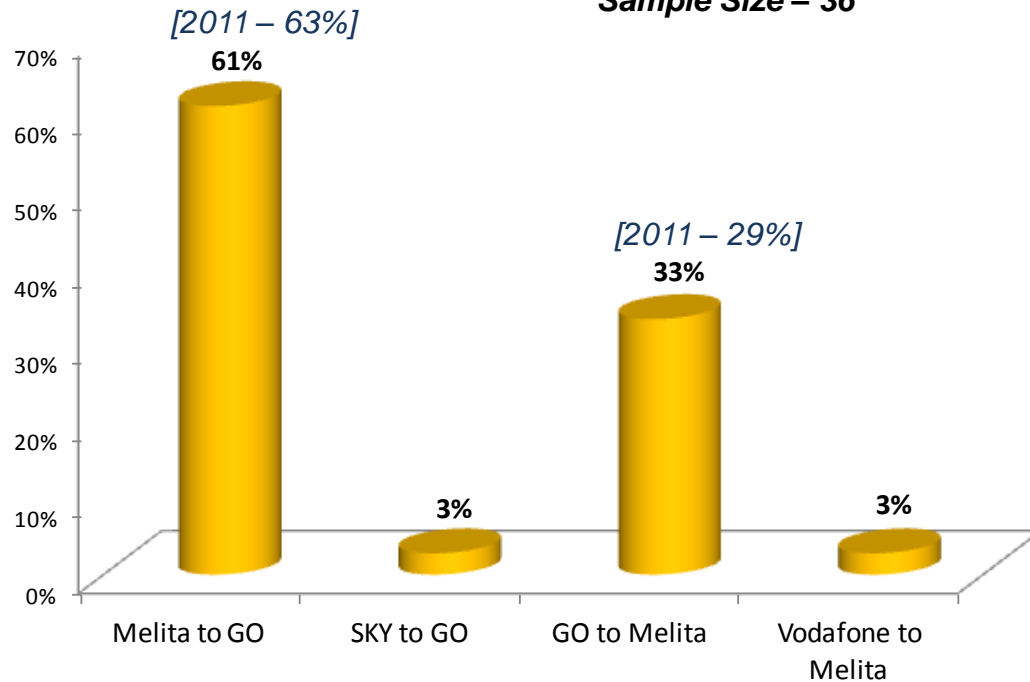
Sample Size – 800



■ Yes ■ No

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

Sample Size – 36



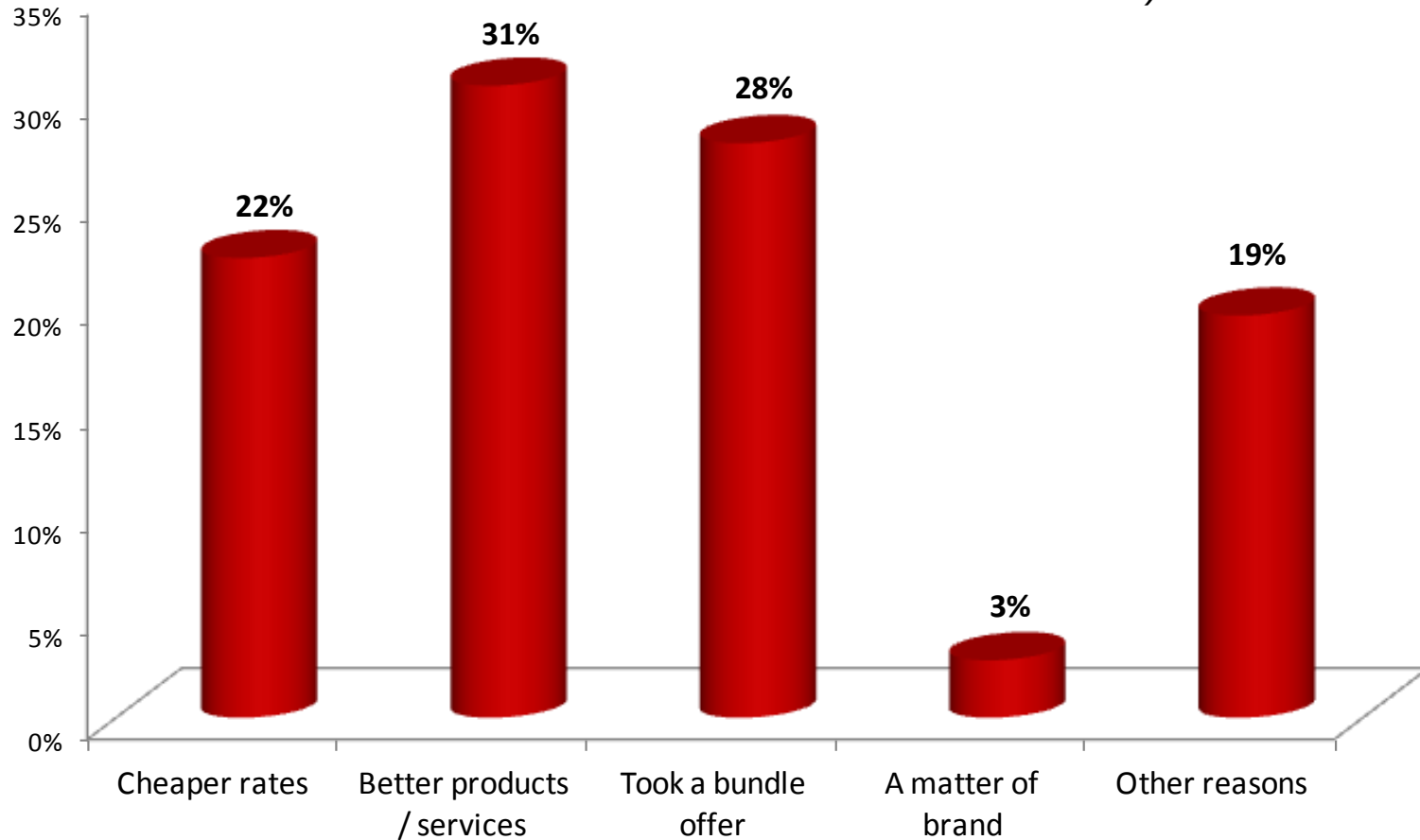
Around 6% of those who claim not to have switched operators state that they had intended to switch to another operator but found little information, found it inconvenient to do so or the fixed line service forms part of a bundle.

74% of all respondents know that they can keep their current fixed line number when they switch operator.

53% of those who claim to have switched operators have also ported their original number.

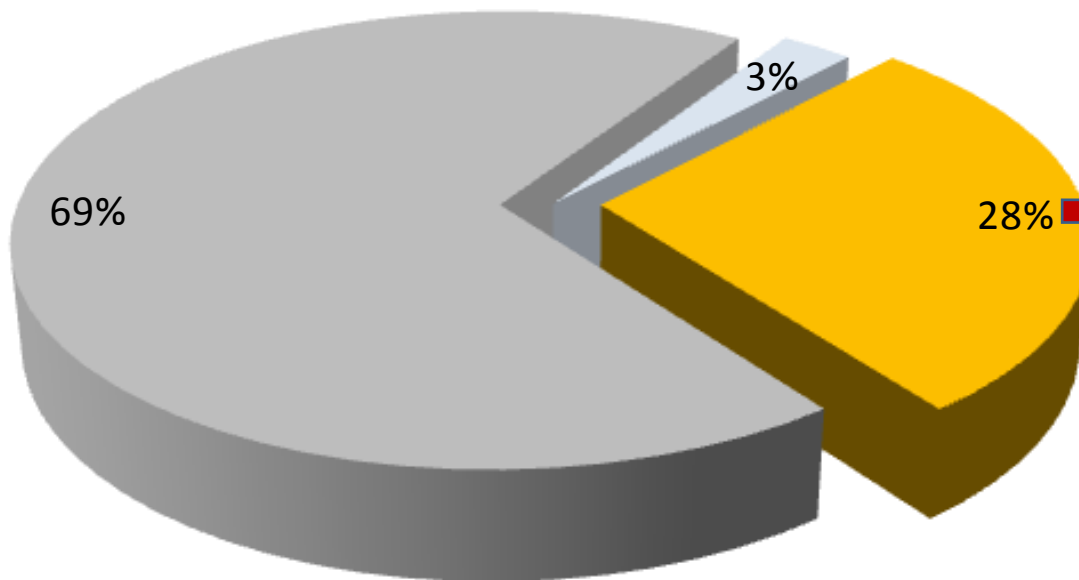
Why have you changed your fixed line operator?

Sample Size – 36
(respondents could give more than one reason)



Was it difficult to change from one operator to another?

Sample Size – 36

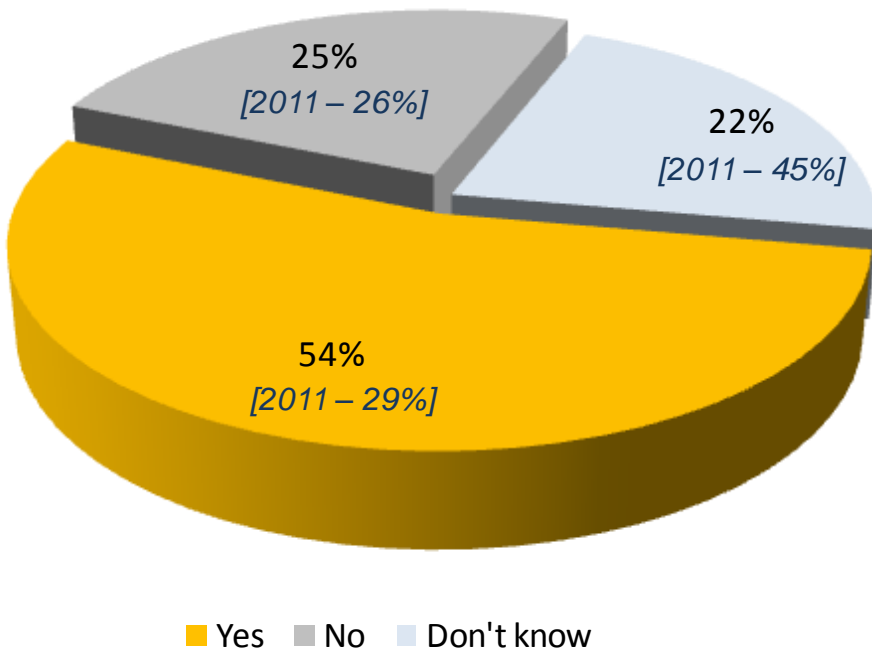


■ Yes ■ No ■ Don't know

Most Stated Reasons	% of those households who claim to have found switching difficult
Customer care not helpful enough	50%
Delays in number porting	30%
Inconvenience of switching	20%
High exit fees	10%

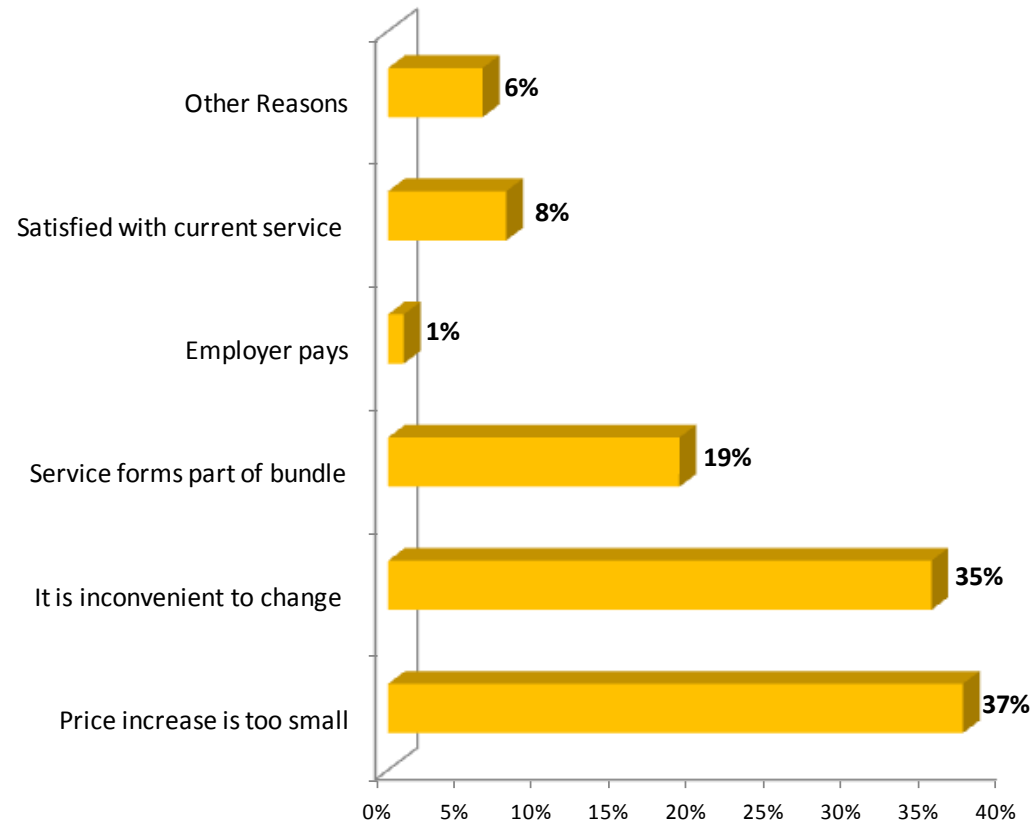
If your fixed telephone operator increases the price of access and calls by 5%-10% (€1 - €2 per month), would you switch to another operator?

Sample Size – 800



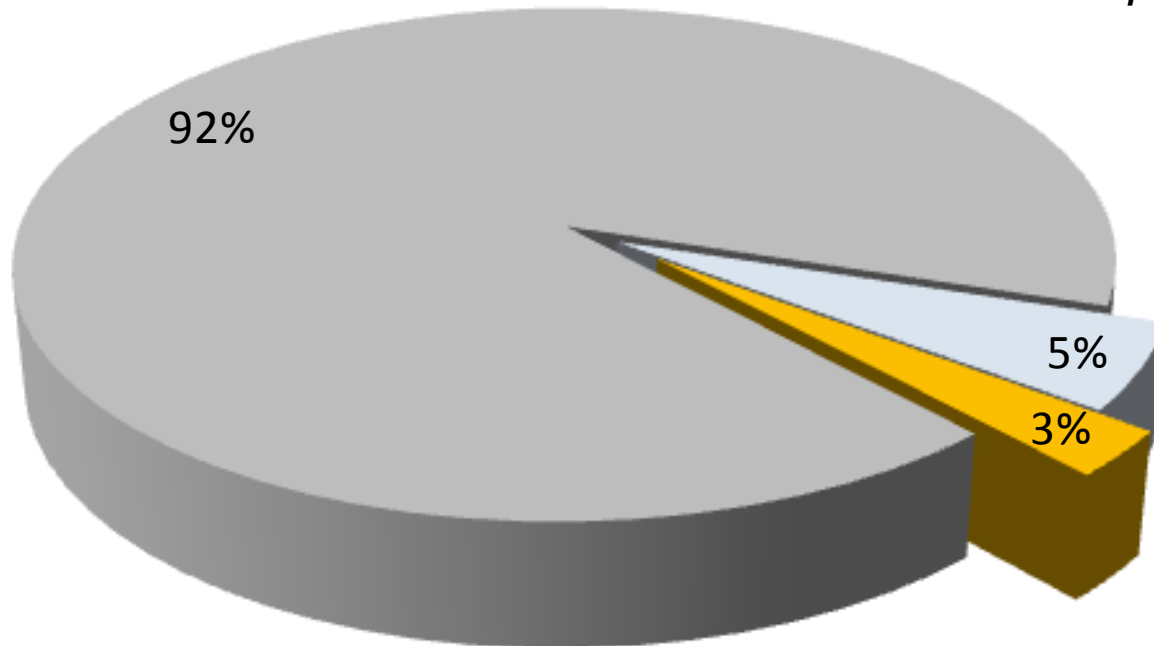
If no, why?

Sample Size – 197
(respondents could give more than one reason)



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

Sample Size – 800



■ Yes ■ No ■ Don't know

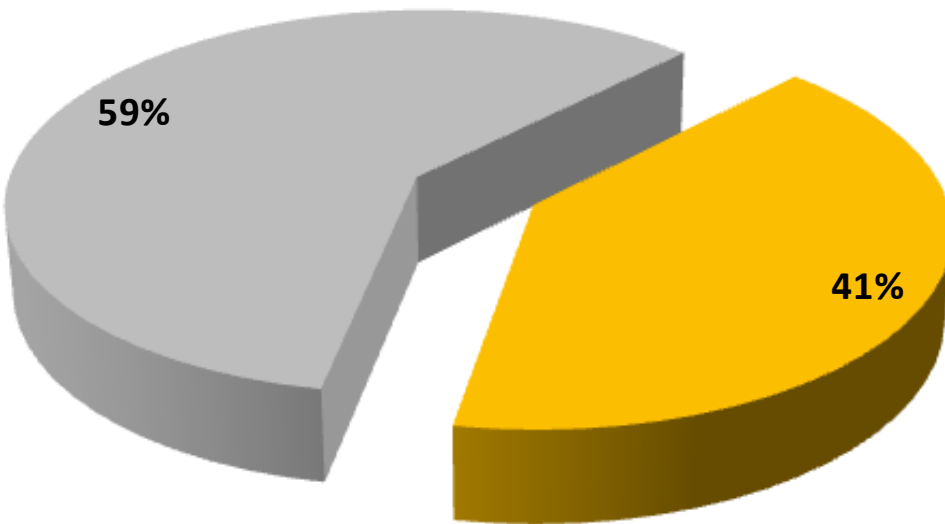
87% of those considering the termination of their fixed line connection claim to use mobile telephony as an alternative.

4. Pricing and Substitution Analysis

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

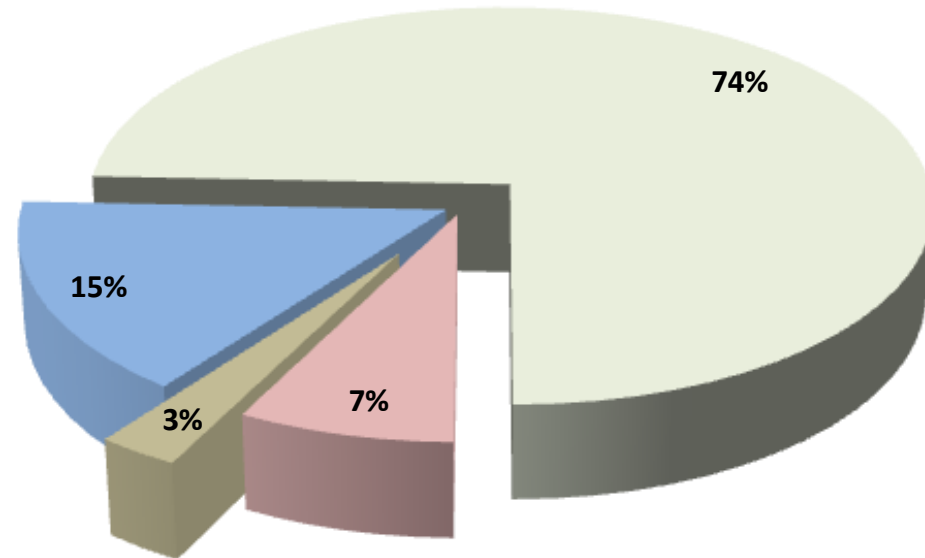
If yes, do you think the rates are...

Sample Size – 800



■ Yes ■ No

Sample Size – 325

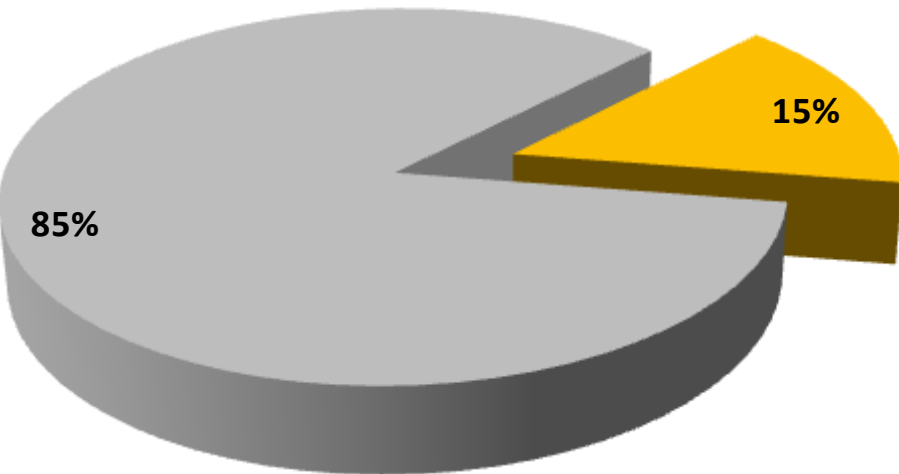


■ Expensive ■ Reasonable ■ Cheap ■ Don't know

The majority of respondents believe that on-net calls are cheap.

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

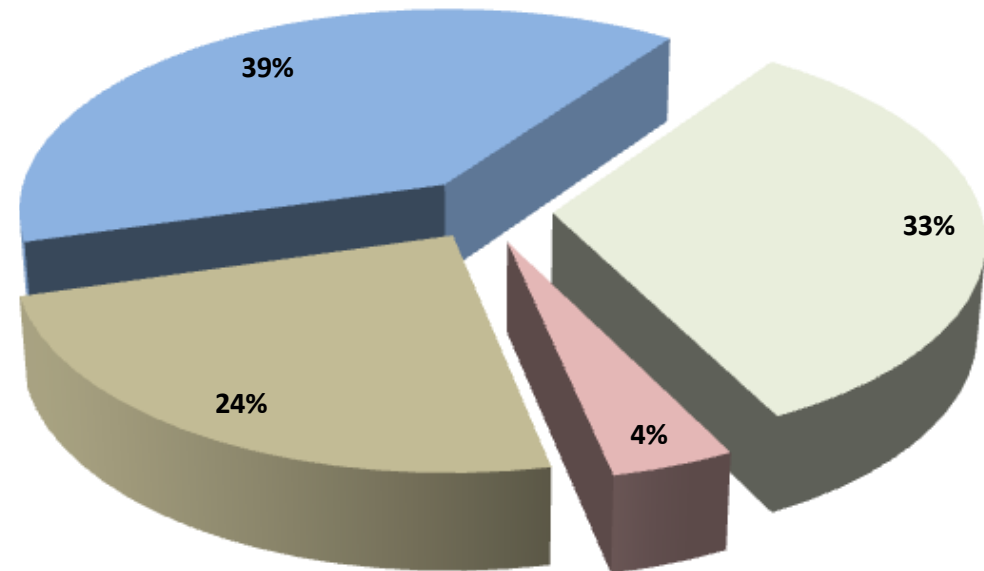
Sample Size – 800



■ Yes ■ No

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

Sample Size – 122

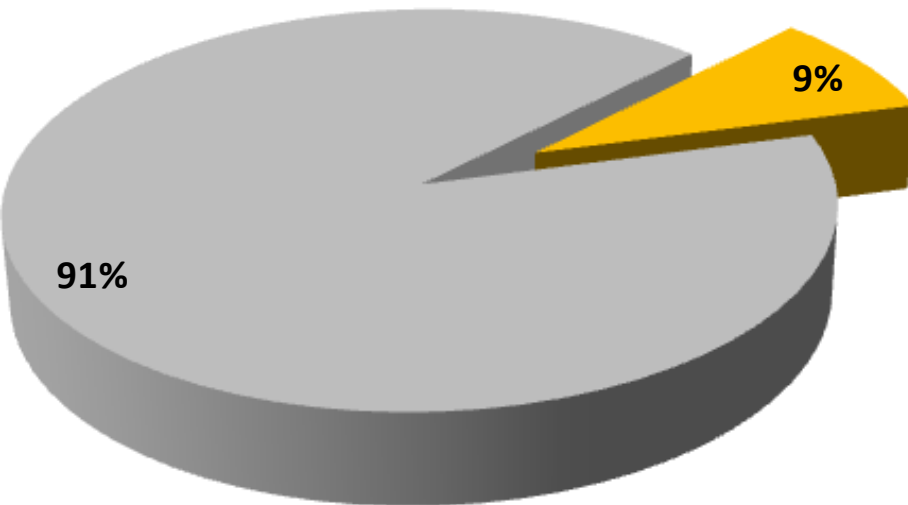


■ Expensive ■ Reasonable ■ Cheap ■ Don't know

72% of respondents believe that off-net calls are either reasonable or cheap.

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

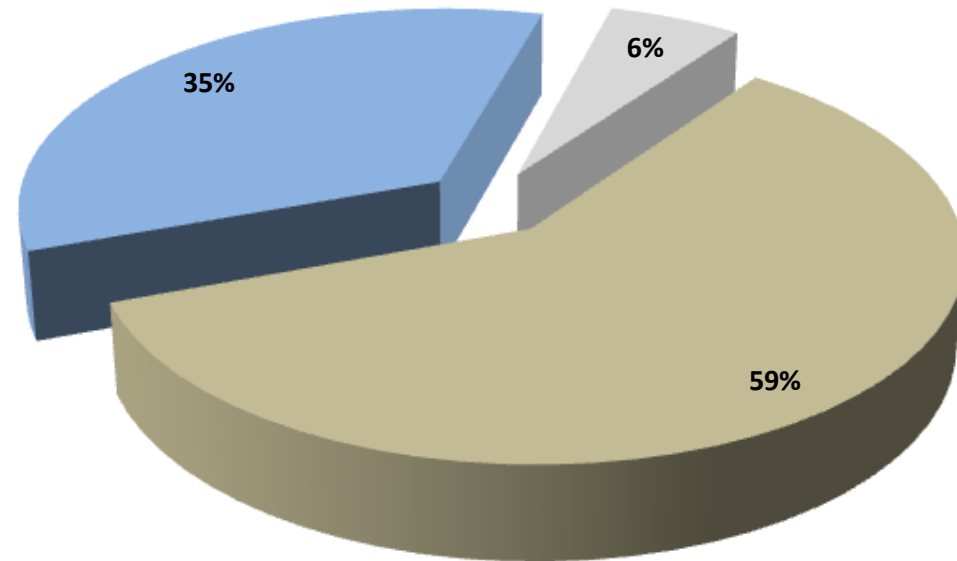
Sample Size – 800



■ Yes ■ No

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

Sample Size – 69

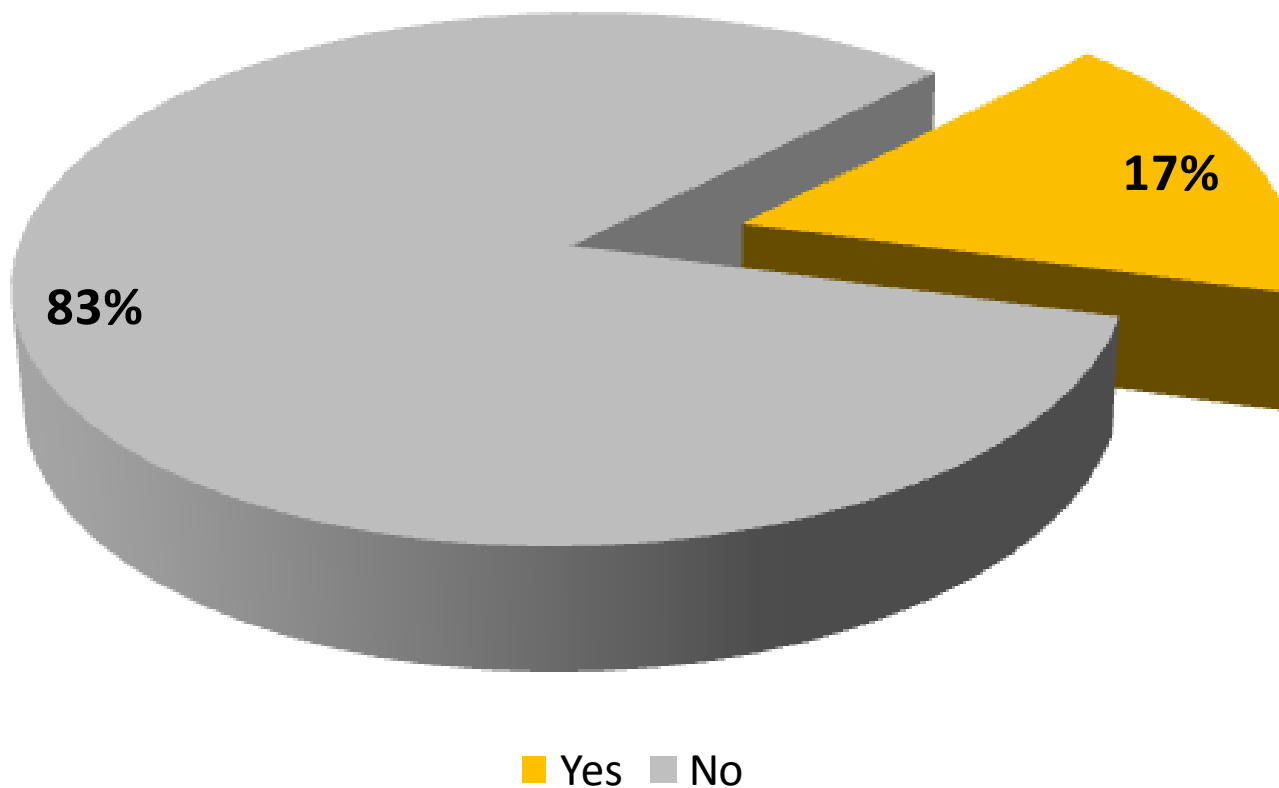


■ Expensive ■ Reasonable ■ Cheap

The majority of respondents believe that calls to a mobile line from a fixed telephone line are expensive. Only 6% actually think they are cheap.

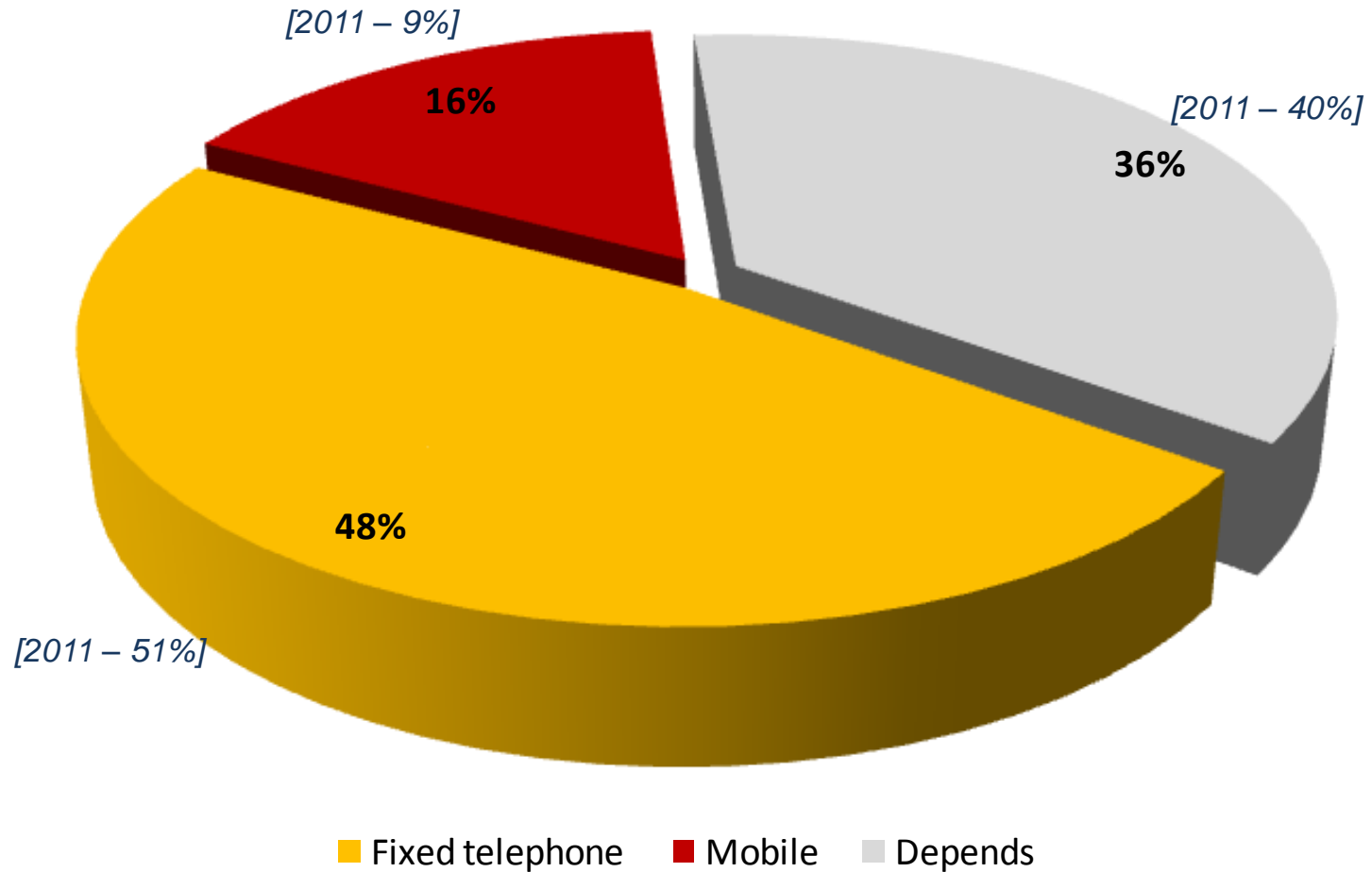
Are you aware of the freephone number '180' through which you can identify if the number you are calling is with the same operator (on-net) or not (off-net)?

Sample Size – 800



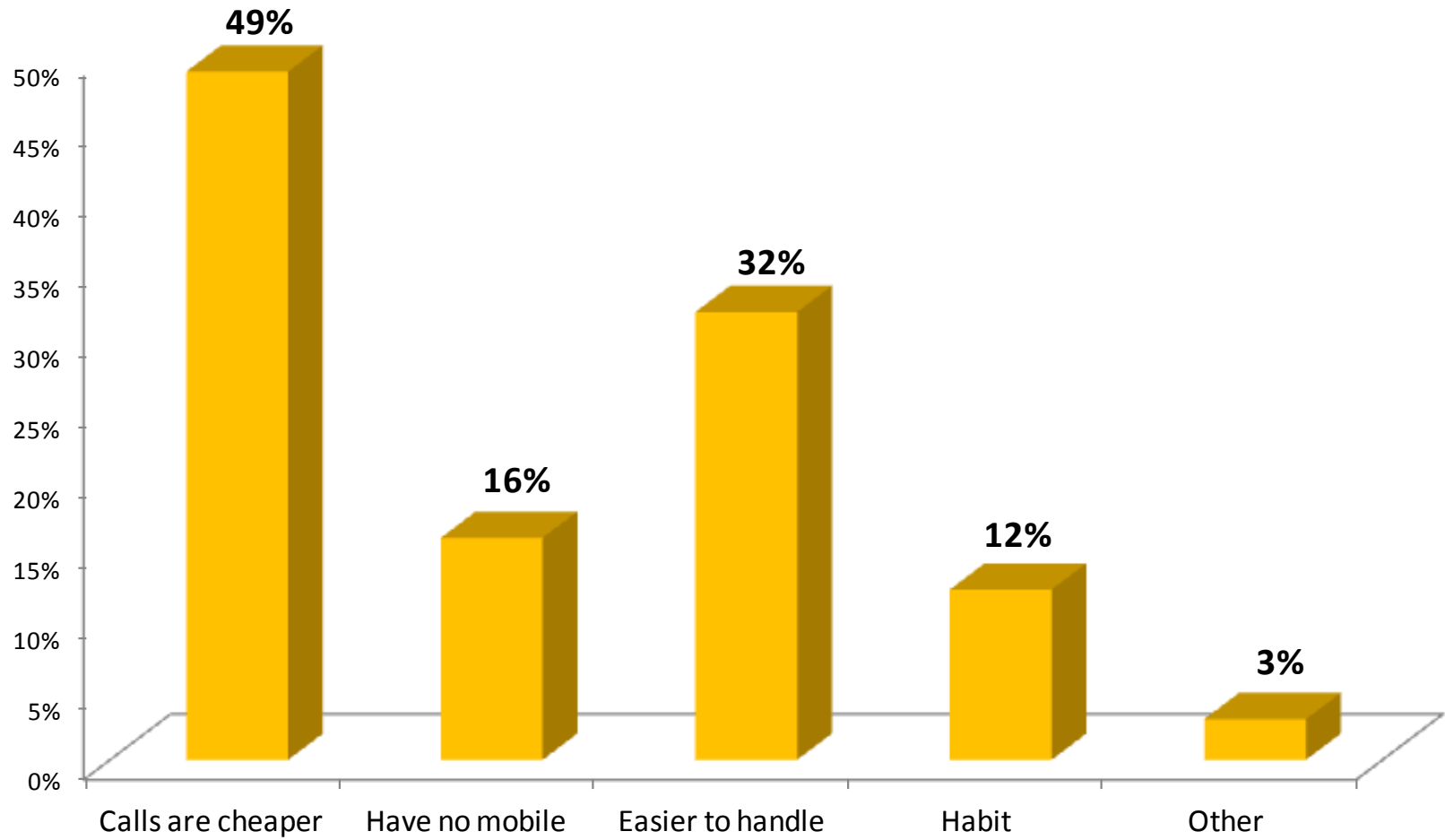
When at home what do you prefer to use most – fixed telephone or mobile?

Sample Size – 800



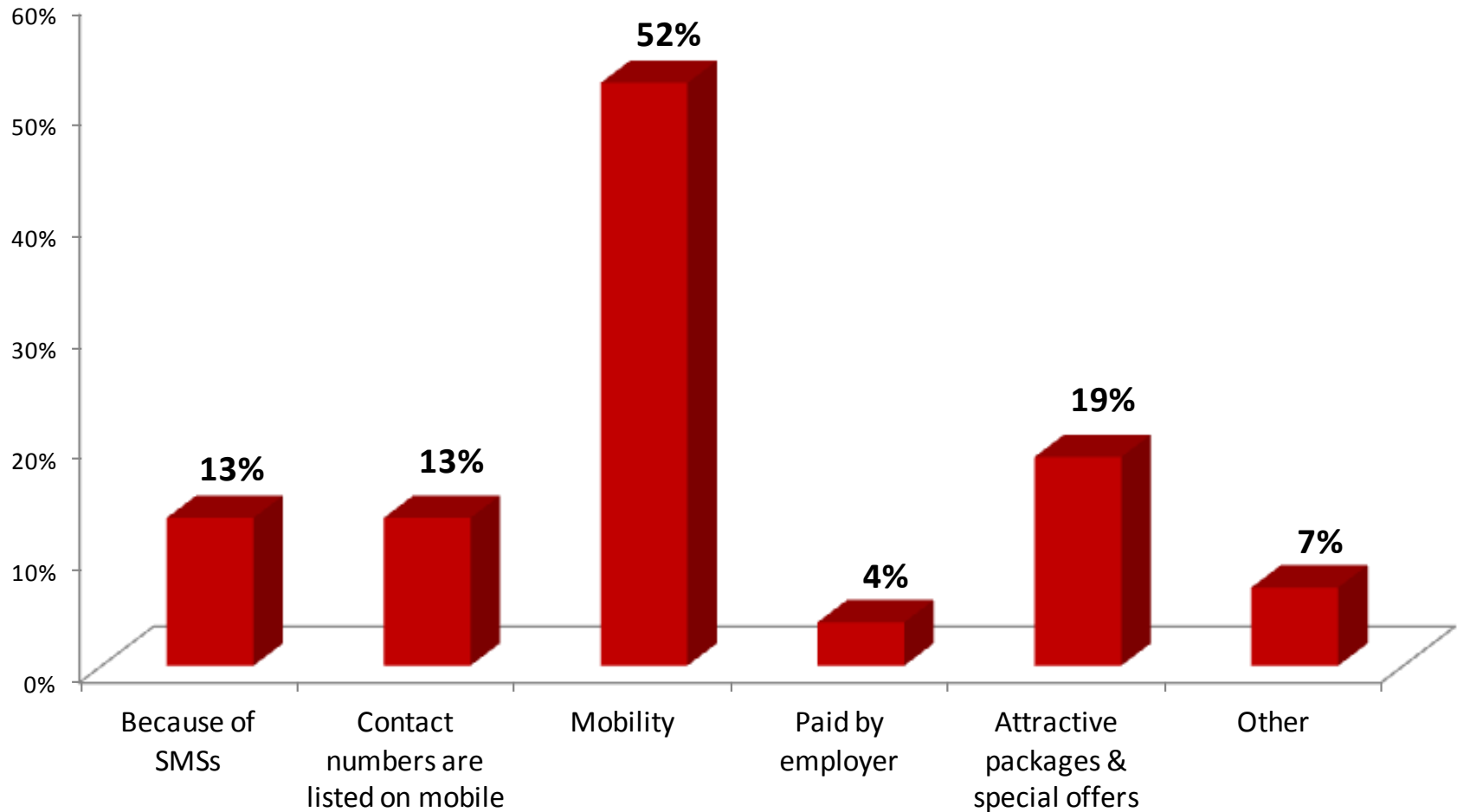
Substitution Analysis – Why Fixed Telephone?

Sample Size – 380 (respondents who prefer to use the fixed telephone)



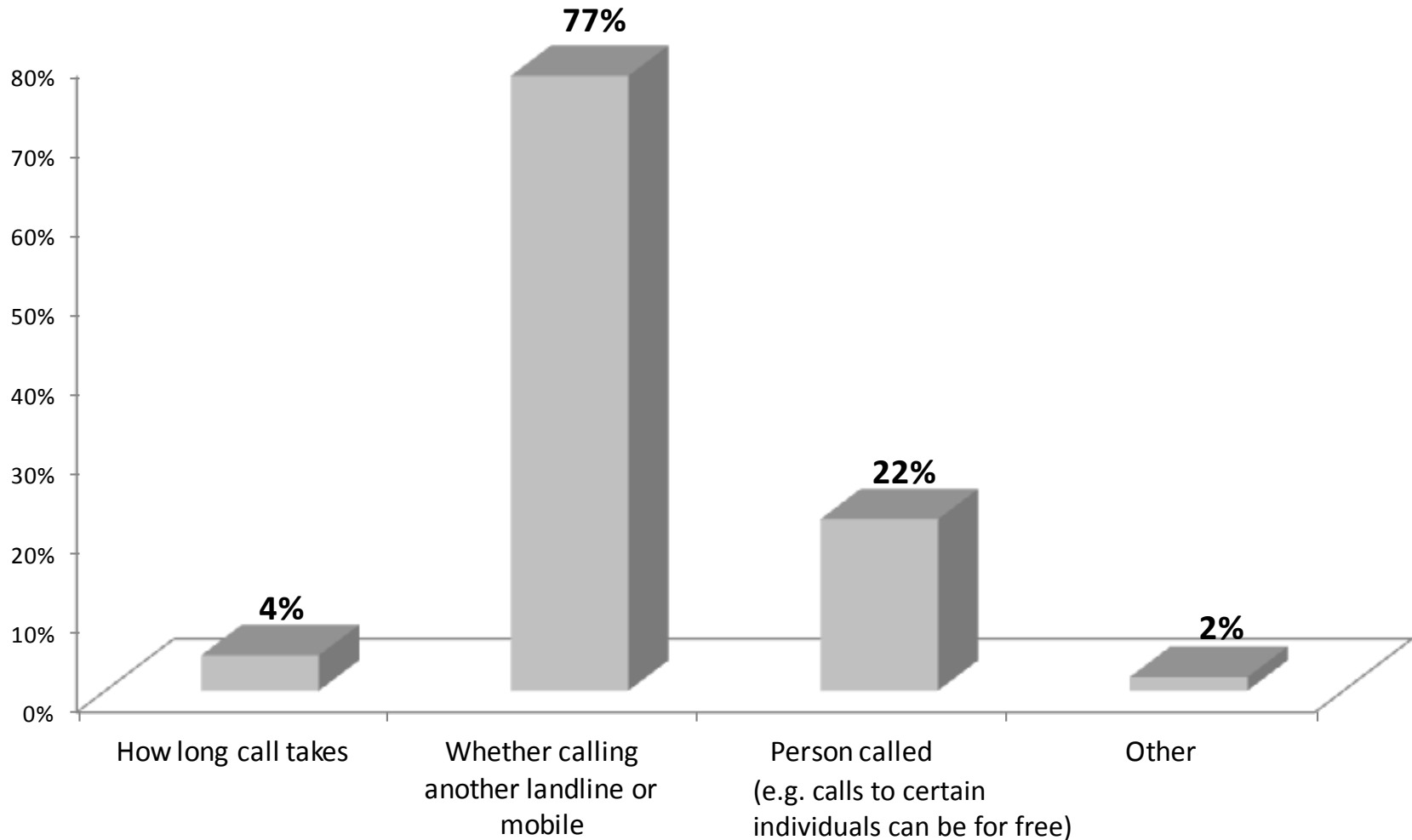
Substitution Analysis – Why Mobile?

Sample Size – 128 (respondents who prefer to use the mobile)



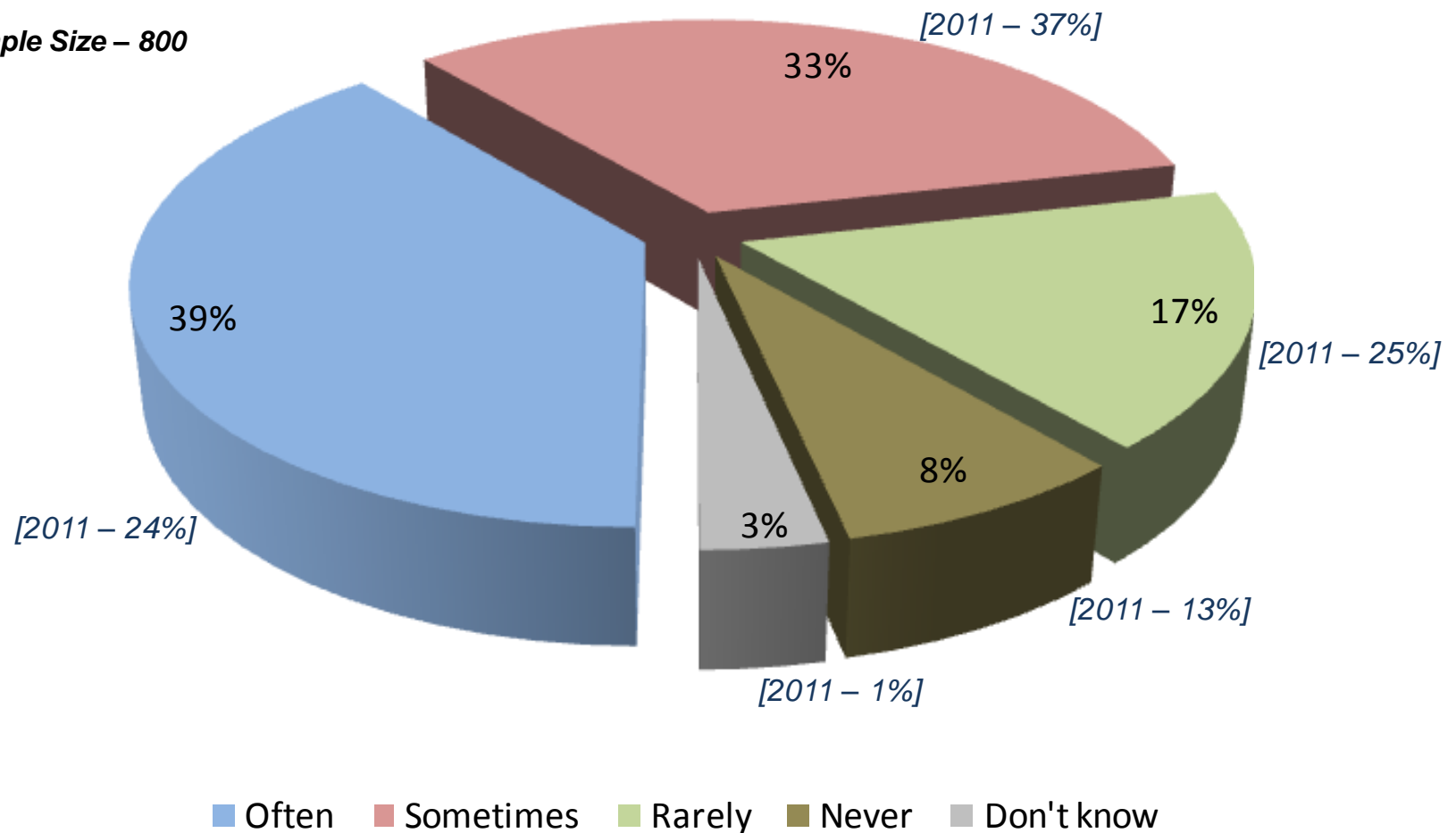
Substitution Analysis – Depends on What?

Sample Size – 292



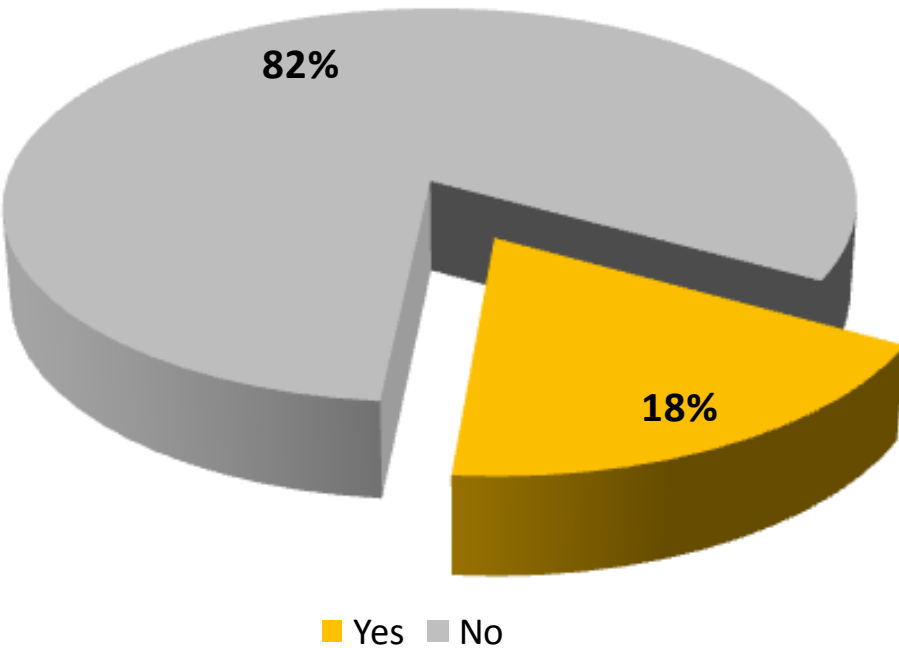
How often do you find your mobile phone to be a good substitute for a fixed line?

Sample Size – 800



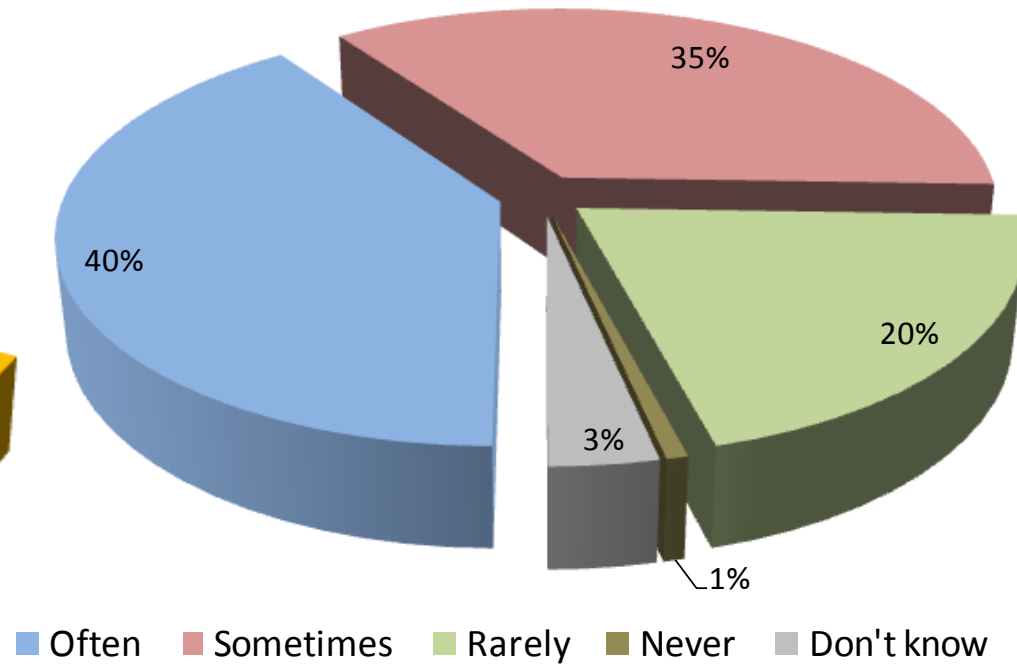
Do you use the Internet to make local calls (e.g. Skype, MSN etc.)?

Sample Size – 800



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

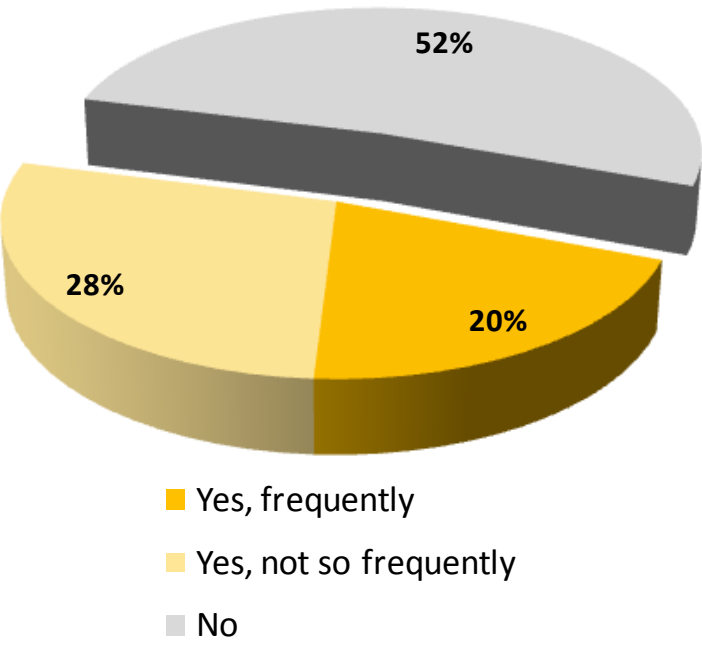
Sample Size – 147



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?

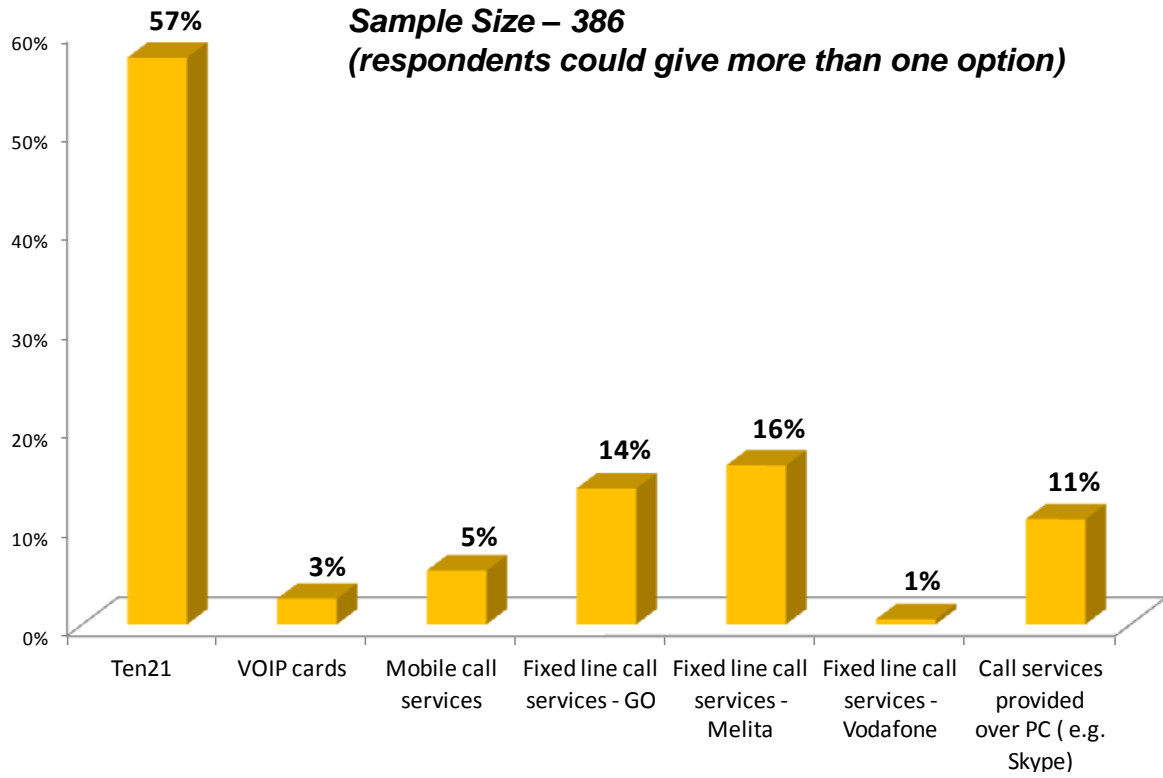
Sample Size – 800



81% 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 – 386
(respondents could give more than one option)



5. Main Highlights

- The monthly expenditure on fixed telephony services is relatively low
- 40% of GO subscribers and 60% 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 Melita; 93% GO vs. 77% Melita
- Only 5% changed operators over the past two years. In the 2011 survey 12% of households claimed to have switched operators over the previous 2 years
- At the same time 54% of respondents say they would change operators if the price of access and calls were to increase by 5%-10%
- 92% of households not considering terminating their fixed line connection
- The majority of respondents believe that on-net and off-net calls are cheap or reasonable. On the other hand, 59% believe that calls to the mobile phone are expensive
- 17% of respondents aware of the freephone number '180'
- 72% often / sometimes view the mobile phone to be a good substitute for a fixed line. In the 2011 survey, 61% of respondents had this perception
- 18% say they use the Internet to make local calls



Thank You