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eCommerce Business Survey 2013 Highlights of the Research Findings

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Research Objectives



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Overriding Research Objective

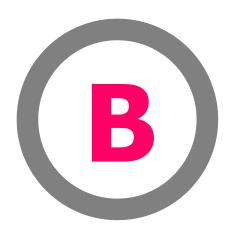
A 'quantitative' Research Study with local businesses to assess and explore:

Their computer and internet usage patterns

Their use of e-Commerce (to generate business).

 The marketing channels (digital or/and traditional) adopted by the companies for advertising.





Research Methodology

Research Methodology – I



Research Methodology & Sample Frame - I

- ✓ 703 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 – II



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 Methodology – III



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.

Research Methodology – IV



Survey Fieldwork Dates

- The fieldwork was conducted in April 2013.
- The first Wave of this same Study was conducted in February 2012.

Respondent Profile I



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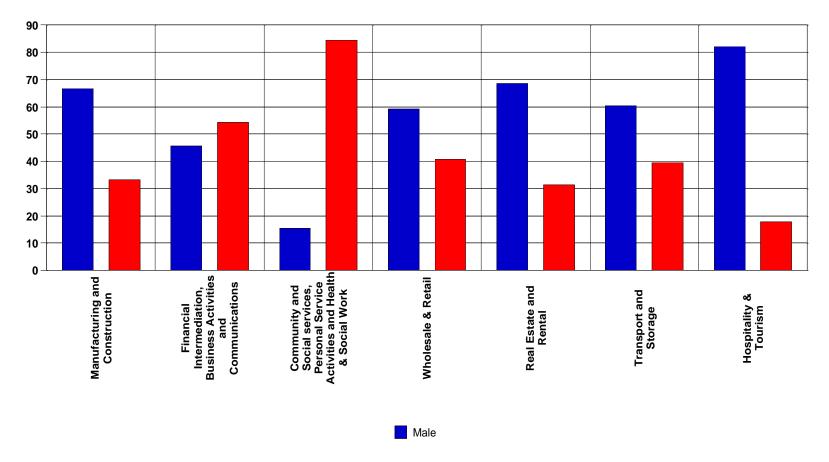
Table 1 – Q5 – Business sector engaged in – Aggregate

Counts Break % Respondents	
Total	703
Manufacturing and Construction	120 17.1%
Financial Intermediation, Business Activities and Communications	140 19.9%
Community and Social services, Personal Service Activities and Health & Social Work	91 12.9%
Wholesale & Retail	189 26.9%
Real Estate and Rental	54 7.7%
Transport and Storage	53 7.5%
Hospitality & Tourism	56 8.0%

Respondent Profile II



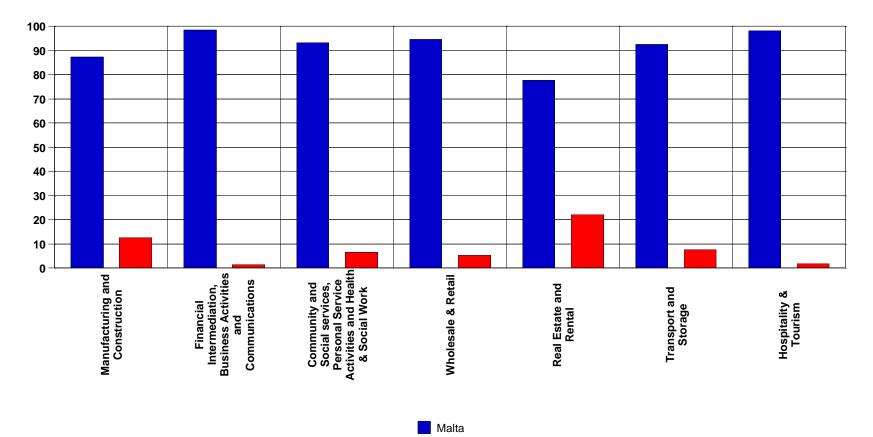
Figure 2 – Q2 – Gender of Respondents – by Business Sector



Respondent Profile III



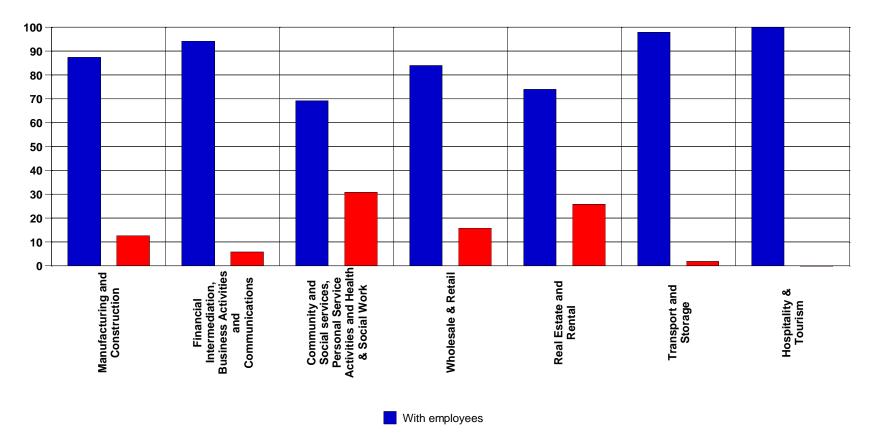
Figure 3 – Q3 – Location of business (Malta or Gozo) – by Business Sector



Respondent Profile IV



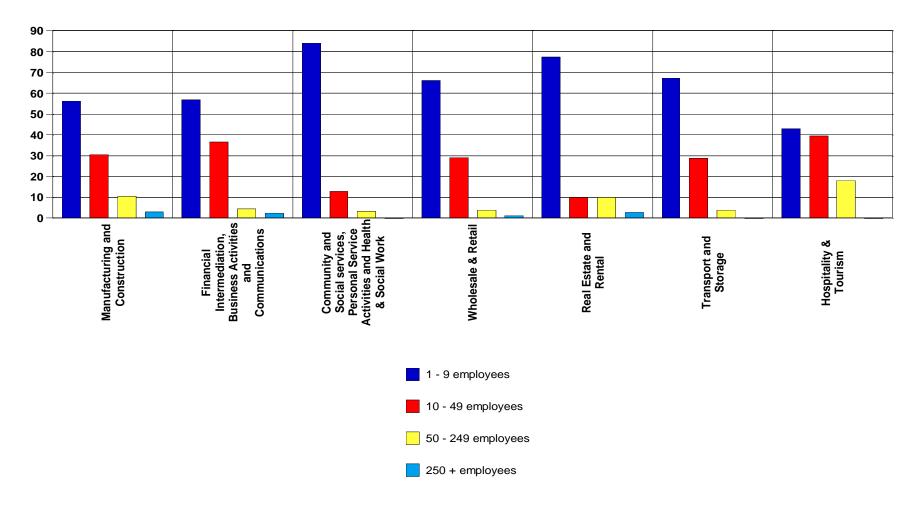
Figure 6 – Q7 – Engagement of employees – by Business Sector



Respondent Profile V



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







Highlights of the Research Findings





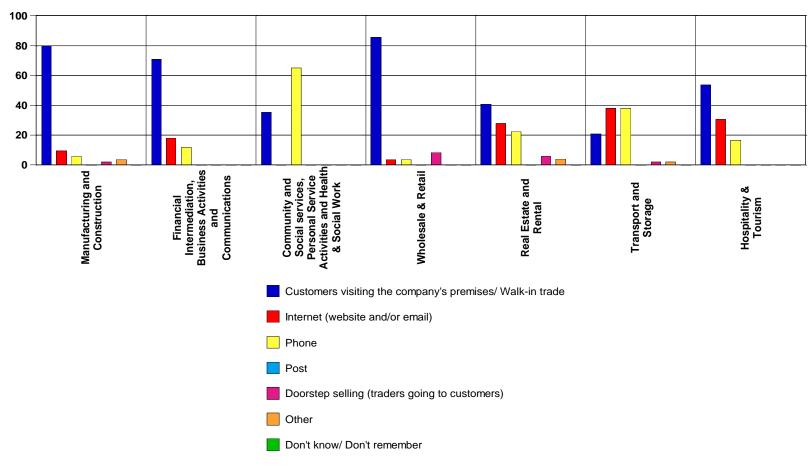
Computer & Internet Usage

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







2013 Findings vs 2012 Findings

2013

- ✓ 64% stated that their primary sales channel is by walk-in trade.
 18% stated that the phone is the main sales channel.
- \checkmark 13% stated that the internet is the main sales channel.

2012

- ✓ 65% stated that their primary sales channel is by walk-in trade
- ✓ 14% stated that the internet is the main sales channel
- ✓ 12% mentioned the phone as their main sales channel.

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

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	703	120	140	91	189	54	53	56
Company uses both computers and Internet for business	565 80.4%	99 82.5%	138 98.6%	31 34.1%	145 76.7%	51 94.4%	45 84.9%	56 100.0%
Company does NOT use computers (PC, laptop, tablet, etc) but USES Internet2	18 2.6%	1 0.8%	-	13 14.3%	4 2.1%	-	-	-
Company uses computers (PC, laptop, tablet, etc) for wordprocessing/ database but does NOT use Internet	36 5.1%	3 2.5%	- -	21 23.1%	11 5.8%	- -	1 1.9%	- -
Company does NOT use computers NOR Internet at all for business	84 11.9%	17 14.2%	2 1.4%	26 28.6%	29 15.3%	3 5.6%	7 13.2%	-
Refused/Dont know	-	-	-	-	-	-	-	-

Computer & Internet Usage – III

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Table 9.2 – Q10a – For which services the internet is used within the company – 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	583	100	138	44	149	51	45	56
Sending and receiving emails	581 99.7%	100 100.0%	138 100.0%	43 97.7%	148 99.3%	51 100.0%	45 100.0%	56 100.0%
Internet Banking	498 85.4%	89 89.0%	135 97.8%	13 29.5%	135 90.6%	42 82.4%	33 73.3%	51 91.1%
Research on the internet	493 84.6%	90 90.0%	137 99.3%	37 84.1%	139 93.3%	37 72.5%	14 31.1%	39 69.6%
To pay bills online	448 76.8%	81 81.0%	132 95.7%	7 15.9%	128 85.9%	33 64.7%	29 64.4%	38 67.9%
eLearning - following a course on the internet	46 7.9%	2 2.0%	16 11.6%	-	11 7.4%	9 17.6%	2 4.4%	6 10.7%
eGovernment services (excluding interaction via email)	232 39.8%	43 43.0%	103 74.6%	-	51 34.2%	18 35.3%	17 37.8%	-
Don't know	-	-		-	-		-	-

Computer & Internet Usage – IV

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Figure 10 – Q12 – Owning a Website – by Business Sector

Counts Break % Respondents	Total	Manufacturing and Construction	Business	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	703	120	140	91	189	54	53	56
Yes	486 69.1%	78 65.0%	116 82.9%	42 46.2%	116 61.4%	40 74.1%	38 71.7%	56 100.0%
No	217 30.9%	42 35.0%	24 17.1%	49 53.8%	73 38.6%	14 25.9%	15 28.3%	-





2013 Findings vs 2012 Findings

2013

- ✓ 69% of the companies have their own website
- ✓ 31% dont have a website.

2012

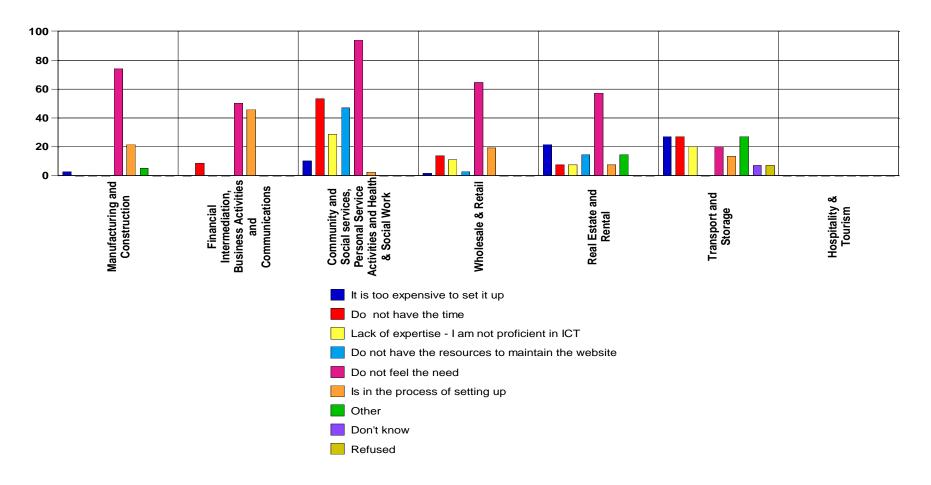
- ✓ 67% of the company have their own website.
- ✓ 33% dont have a website.

Computer & Internet Usage – V

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Figure 11 – Q13 – Reasons for not owning a website – by Business Sector – Multiple Response (n=208)



Computer & Internet Usage – VI

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Figure 13 – Q15 – The information displayed on the company's website – by Business Sector – Multiple Response (n=486)

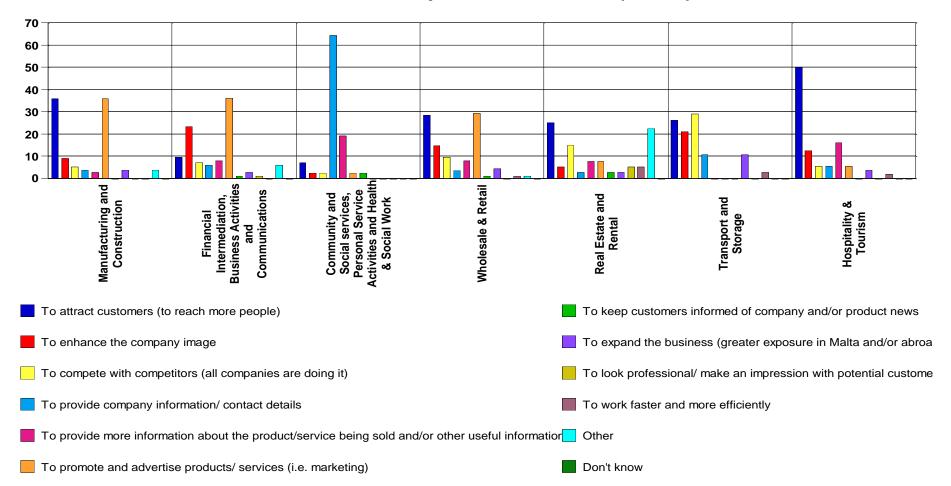
Counts Break % Respondents	Total	Manufacturing and Construction	Financial Intermediation, Business Activities and Communications	Community and Social services, Personal Service Activities and Health & Social Work	Wholesale & Retail	Real Estate and Rental	Transport and Storage	Hospitality & Tourism
Total	486	78	116	42	116	40	38	56
General company information (location, opening hours, contact nos, etc.)	465 95.7%	77 98.7%	112 96.6%	41 97.6%	108 93.1%	40 100.0%	37 97.4%	50 89.3%
Product catalogue (including prices or rates)	110 22.6%	3 3.8%	9 7.8%	-	30 25.9%	19 47.5%	14 36.8%	35 62.5%
Product catalogue (excluding prices)	180 37.0%	62 79.5%	13 11.2%	2 4.8%	79 68.1%	15 37.5%	6 15.8%	3 5.4%
Services offered	303 62.3%	60 76.9%	107 92.2%	25 59.5%	31 26.7%	33 82.5%	36 94.7%	11 19.6%
Don't know/ Don't remember	7 1.4%	-	2 1.7%	-	2 1.7%	-	1 2.6%	2 3.6%
Refused	-	-	-	-	-	-	-	-

Computer & Internet Usage – VII 👘 🚺

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Figure 14.1 – Q16 – The initial reasons for setting up own website – 1st Mentioned - by Business Sector (n=486)







2013 Findings vs 2012 Findings

2013

- 46% said that their initial motivation to set up a company website was to attract customers
- ✓ 14% for promotion and advertisement of products/ services
- ✓ 9% wanted to enhance the company's image.
- 71% claimed that the company website has been successful in achieving its original objective.

2012

- ✓ 25% said their motivation was to attract customers.
- ✓ 23% for promotion and advertisement of products/ services
- ✓ 14% to enhance the company's image.
- 76% claimed that the company website has been successful in achieving its original objective.









Table 17 – Q19 – The selling of products/ services over the internet- 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	703	120	140	91	189	54	53	56
Yes, from the company's own website	99 14.1%	6 5.0%	18 12.9%	-	20 10.6%	19 35.2%	17 32.1%	19 33.9%
Yes, through other Maltese websites (eg. Trolleymania, Ooii)	1 0.1%			- -	1 0.5%	-	- -	-
Yes, through other international websites (eg. eBay, Amazon)	1 0.1%	-		- -	1 0.5%		- -	-
Yes, email	100 14.2%	13 10.8%	45 32.1%	1 1.1%	31 16.4%	5 9.3%	5 9.4%	-
No	500 71.1%	101 84.2%	77 55.0%	90 98.9%	136 72.0%	30 55.6%	29 54.7%	37 66.1%
Don't know	2 0.3%	-	-	-	-	-	2 3.8%	-
Refused	-	-	-	-	-	-	-	-





2013 Findings vs 2012 Findings

2013

- ✓ 14% of the companies interviewed do e-commerce through the company's own website
- <1% through other Maltese website</p>
- <1% through other international websites.</p>

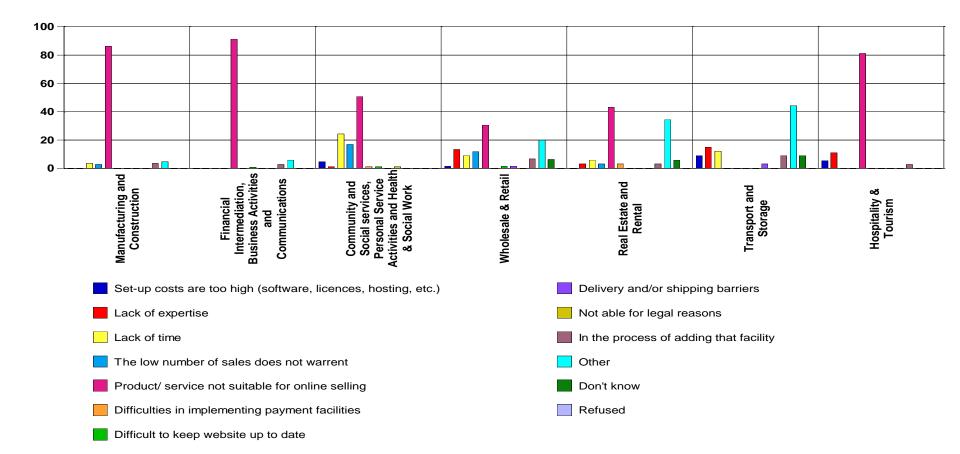
2012

- ✓ 13% of the companies interviewed do e-commerce through the company's own website
- ✓ 1% through other Maltese websites
- ✓ 1% through other international websites.





Figure 18.1 – Q20 – The reasons why the company does not sell its products/ services online – 1st Mentioned - by Business Sector (n=600)



eCommerce – III



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Table 19 – Q21 – Payment methods offered to their e-commerce customers– by Business Sector – Multiple Response (n=101)

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	101	6	18	-	22	19	17	19
Credit card - Visa, Mastercard, etc.	70 69.3%	4 66.7%	11 61.1%	-	17 77.3%	4 21.1%	15 88.2%	19 100.0%
Debit card - Quikcash, Cashlink, etc.	37 36.6%	3 50.0%	9 50.0%	-	11 50.0%	1 5.3%	11 64.7%	2 10.5%
Third party payment method (eg. Paypal, etc.)	23 22.8%	3 50.0%	5 27.8%	-	11 50.0%	2 10.5%	2 11.8%	-
Cash on delivery	28 27.7%	4 66.7%	2 11.1%	-	8 36.4%	10 52.6%	4 23.5%	-
Other	16 15.8%	1 16.7%	3 16.7%	-	2 9.1%	6 31.6%	4 23.5%	-
Don't know	-	-	-	-	-	-	-	-
Refused	2 2.0%	-	2 11.1%	-	-	-	-	-





Figure 20 – Q22 – The selling of products/ services through e-commerce to local and/or international customers - by Business Sector – Prompted Q & Multiple Response (n=101)

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	101	6	18	-	22	19	17	19
Malta and Gozo	77 76.2%	5 83.3%	16 88.9%	-	18 81.8%	15 78.9%	4 23.5%	19 100.0%
Malta only	4 4.0%	-	1 5.6%	-	2 9.1%	1 5.3%	-	-
Gozo only	-	-	-	-	-	-	-	-
EU countries	56 55.4%	1 16.7%	12 66.7%	-	7 31.8%	15 78.9%	2 11.8%	19 100.0%
Outside EU countries	64 63.4%	1 16.7%	9 50.0%	-	5 22.7%	13 68.4%	17 100.0%	19 100.0%
Don't know	-	-	-		-	-	-	- -
Refused	-	-	-		-	-	-	





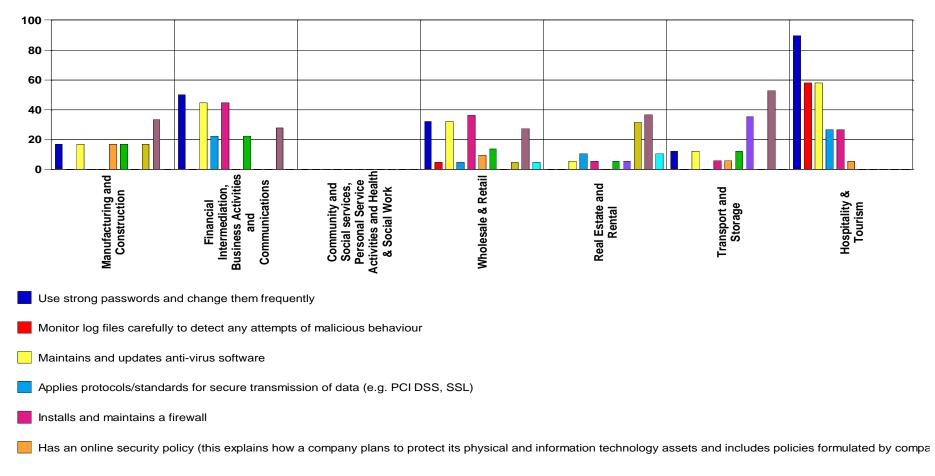
Table 21 – Q23 – Percentage of sales received through online selling- by Business Sector (n=101)

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	101	6	18	-	22	19	17	19
Less than 10%	31 30.7%	1 16.7%	5 27.8%	-	13 59.1%	6 31.6%	6 35.3%	-
Between 10% and 30%	18 17.8%	2 33.3%	3 16.7%	-	4 18.2%	6 31.6%	3 17.6%	-
Between 30% and 50%	7 6.9%	-	-	-	-	3 15.8%	4 23.5%	-
Between 50% and 70%	9 8.9%		2 11.1%	-	-	-	1 5.9%	6 31.6%
Between 70% and 90%	2 2.0%	-	-	-	-	-	1 5.9%	1 5.3%
More than 90%	2 2.0%	1 16.7%	-	-	-	-	1 5.9%	-
Don't know	28 27.7%	2 33.3%	7 38.9%	-	3 13.6%	3 15.8%	1 5.9%	12 63.2%
Refused	4 4.0%		1 5.6%	-	2 9.1%	1 5.3%	-	-





Figure 23 – Q24 – Safety measures taken by companies to protect their online store – by Business Sector (n=101)



eCommerce – VIII



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Figure 25 – Q26 – The advantages of e-commerce - by Business Sector – Multiple Response (n=101)

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	73	4	16	-	13	10	15	15
To compete with business rivals	23 31.5%	-	5 31.3%	-	2 15.4%	3 30.0%	6 40.0%	7 46.7%
To develop new sales channels	10 13.7%	1 25.0%	1 6.3%	-	4 30.8%	-	3 20.0%	1 6.7%
To reach a wider audience	26 35.6%	2 50.0%	8 50.0%	-	5 38.5%	1 10.0%	4 26.7%	6 40.0%
Customer demands/ expectations (i.e - to make it easier/more convenient for customer)	8 11.0%	1 25.0%	2 12.5%	- -	2 15.4%	2 20.0%	-	1 6.7%
Other	6 8.2%	-	-	-	-	4 40.0%	2 13.3%	





Figure 27 – Q27 – The major challenges/ difficulties faced with e-commerce – by Business Sector (n=101)

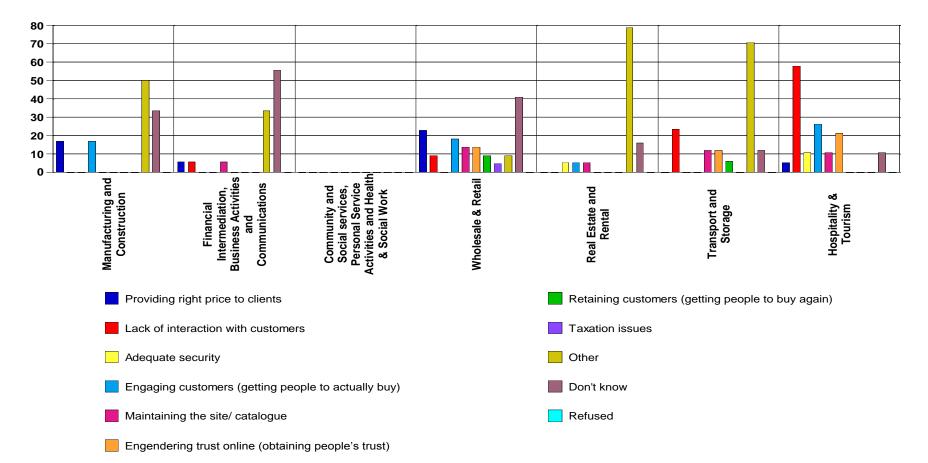






Figure 27 – Q28 – Company's awareness of the legal obligations towards consumers arising from legislation – by Business Sector (eCommerce Act, Distance Selling Regulations & Data Protection Act)

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	101	6	18	-	22	19	17	19
Not informed	5 5.0%	1 16.7%	-	-	1 4.5%	3 15.8%	-	-
Fairly informed	24 23.8%	1 16.7%	4 22.2%	-	6 27.3%	8 42.1%	3 17.6%	2 10.5%
Well informed	35 34.7%	2 33.3%	6 33.3%	-	9 40.9%	3 15.8%	7 41.2%	8 42.1%
Very well informed	33 32.7%	2 33.3%	8 44.4%	-	6 27.3%	3 15.8%	5 29.4%	9 47.4%
Don't know	4 4.0%	-	-	-	-	2 10.5%	2 11.8%	-
Refused	-	-	-	-	-	-	-	-





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
Base	101	6	18	-	22	19	17	19
Malta Communications Authority	22 21.8%	-	9 50.0%	-	5 22.7%	1 5.3%	2 11.8%	5 26.3%
Data Protection Office	-	-	-	-	-	-	-	-
Ministry for Infrastructure, Transport and Communications	3 3.0%	-	-	- -	1 4.5%	-	-	2 10.5%
Consumer Authority	3 3.0%	1 16.7%	-	-	1 4.5%	-	-	1 5.3%
Other	3 3.0%	-	-	-	2 9.1%	-	1 5.9%	-
Don't know/Don't remember	70 69.3%	5 83.3%	9 50.0%	-	13 59.1%	18 94.7%	14 82.4%	11 57.9%
No entity regulates ecommerce in Malta	-	-	-	-	-	-	-	-





Marketing – I



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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	703	120	140	91	189	54	53	56
Digital/ Online Marketing only (websites, social networks - Facebook, Twitter, etc., emails, etc)	121 17.2%	10 8.3%	33 23.6%	29 31.9%	18 9.5%	11 20.4%	11 20.8%	9 16.1%
Traditional Marketing only (magazines, newspapers, TV, radio, etc.)	254 36.1%	52 43.3%	53 37.9%	17 18.7%	85 45.0%	17 31.5%	25 47.2%	5 8.9%
All of the above	148 21.1%	19 15.8%	4 2.9%	3 3.3%	54 28.6%	16 29.6%	12 22.6%	40 71.4%
Don't know/Don't remember	3 0.4%	-	-	-	-	1 1.9%	1 1.9%	1 1.8%
Refused	1 0.1%	-	1 0.7%	-	-	-	-	-
None	176 25.0%	39 32.5%	49 35.0%	42 46.2%	32 16.9%	9 16.7%	4 7.5%	1 1.8%





2013 Findings vs 2012 Findings

2013

- ✓ 36% of all respondents use traditional marketing only to promote the company.
- ✓ 21% use both digital/ online marketing and traditional marketing.
- ✓ 17% use digital/ online marketing only for promotion purposes.

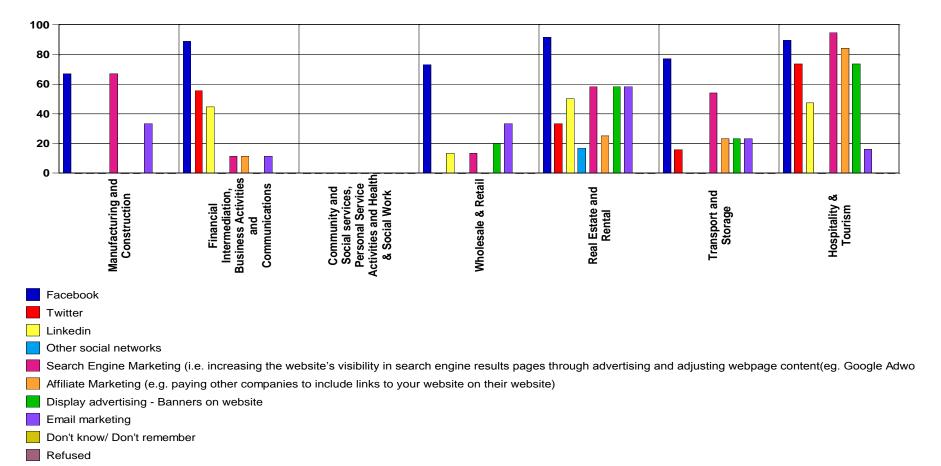
2012

- ✓ 45% of all respondents use traditional marketing only to promote the company.
- ✓ 23% use both digital/ online marketing and traditional marketing
- ✓ 14% use digital/ online marketing only for promotion purposes.

Marketing – II



Table 30 – Q31 - The usage of digital/ online marketing channels – by Business Sector – Prompted Question & Multiple Response (n=269)



2013 vs 2012



2013 Findings vs 2012 Findings

2013

- ✓ 85% use Facebook to promote the company
- ✓ 31% use search engine marketing
- ✓ 25% display advertising
- 21% use email marketing.

2012

- ✓ 76% use Facebook to promote the company
- ✓ 39% use email marketing
- ✓ 33% use display advertising
- ✓ 27% use search engine marketing.

Marketing – III



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Figure 31 – Q32 - Reasons for investing in digital/ online marketing channels – by Business Sector – Multiple Response (n=269)

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	269	29	37	32	72	27	23	49
Allow data analytics	20 7.4%	-	-	-	-	-	-	20 40.8%
Contributes towards better planning of traditional marketing campaigns	58 21.6%	2 6.9%	11 29.7%	13 40.6%	3 4.2%	-	-	29 59.2%
Flexibility - The possibility to adjust the advert/promotion	71 26.4%	7 24.1%	9 24.3%	23 71.9%	11 15.3%	3 11.1%	1 4.3%	17 34.7%
Broader exposure (both locally and abroad)	144 53.5%	17 58.6%	21 56.8%	12 37.5%	20 27.8%	12 44.4%	17 73.9%	45 91.8%
Less expensive/more cost-effective	110 40.9%	9 31.0%	23 62.2%	20 62.5%	48 66.7%	5 18.5%	3 13.0%	2 4.1%
lt's the trend (everybody is doing it)	114 42.4%	19 65.5%	21 56.8%	16 50.0%	26 36.1%	15 55.6%	17 73.9%	- -
Other	21 7.8%	3 10.3%	-	-	4 5.6%	11 40.7%	3 13.0%	-
Don't know/Don't remember	1 0.4%	-	-	-	1 1.4%	-	-	-
Refused	-			-	-	- -	-	-





2013 Findings vs 2012 Findings

Three main reasons why companies invested in digital/ online marketing:

2013

- ✓ 54% Having broader exposure
- ✓ 42% Being a trend (everybody's doing it!)
- ✓ 41% Digital/ Online marketing being less expensive than traditional marketing

2012

- ✓ 51% Having broader exposure
- ✓ 34% having the possibility to adjust the adverts
- ✓ 30% Digital/ Online marketing being less expensive than traditional marketing



I thank you for your attention! Marika Fsadni