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eCommerce Business Survey 2013

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

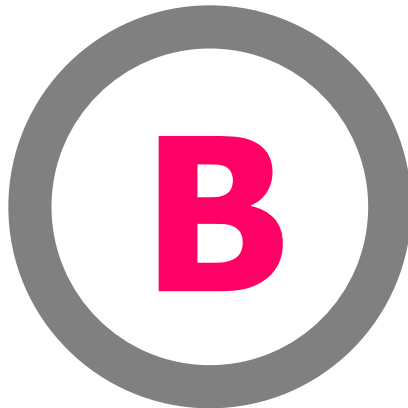
A 'quantitative' Research Study with local businesses to assess and explore:

- ✓ *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.*



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Research Methodology



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 & 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 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%

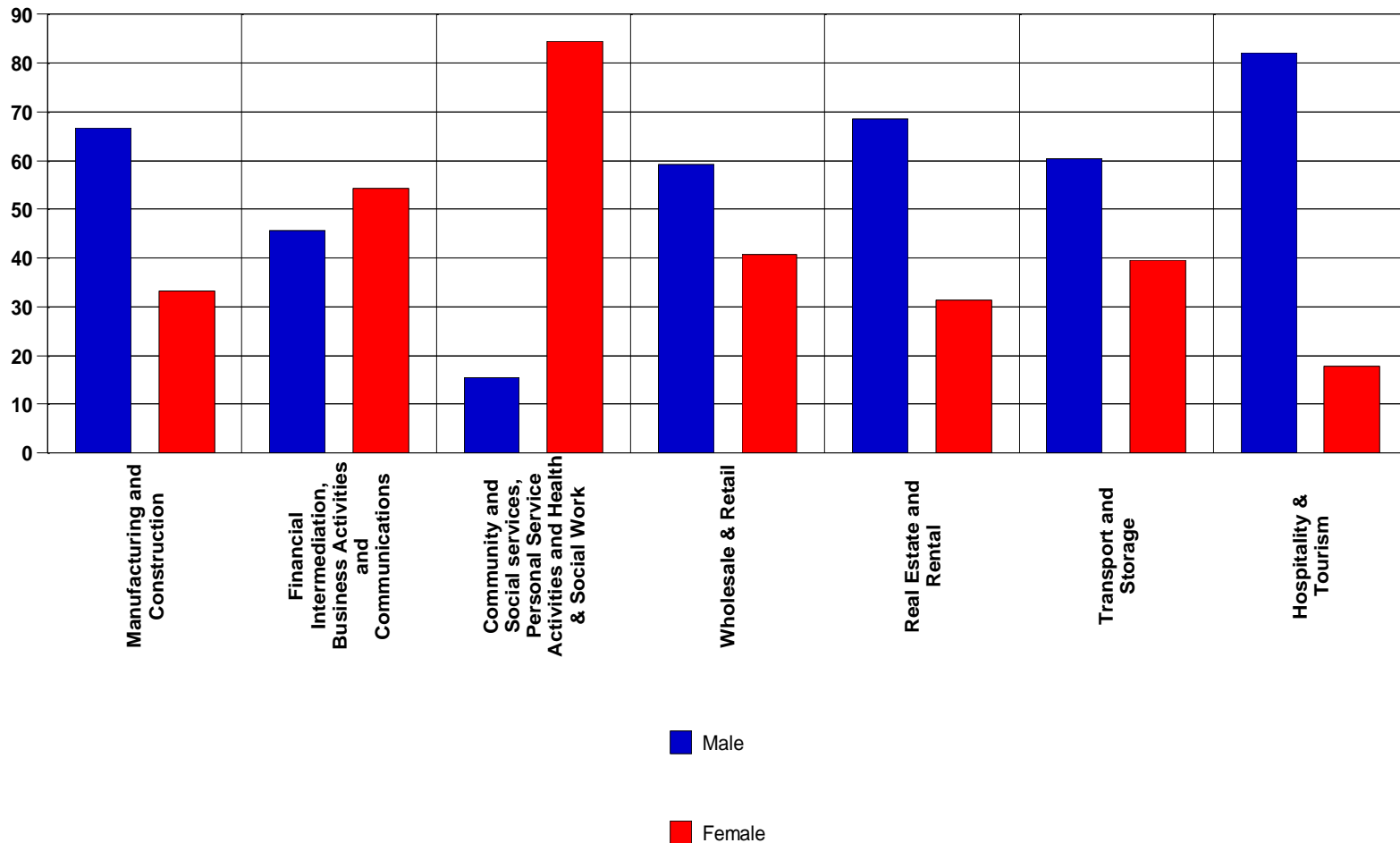
Respondent Profile II



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



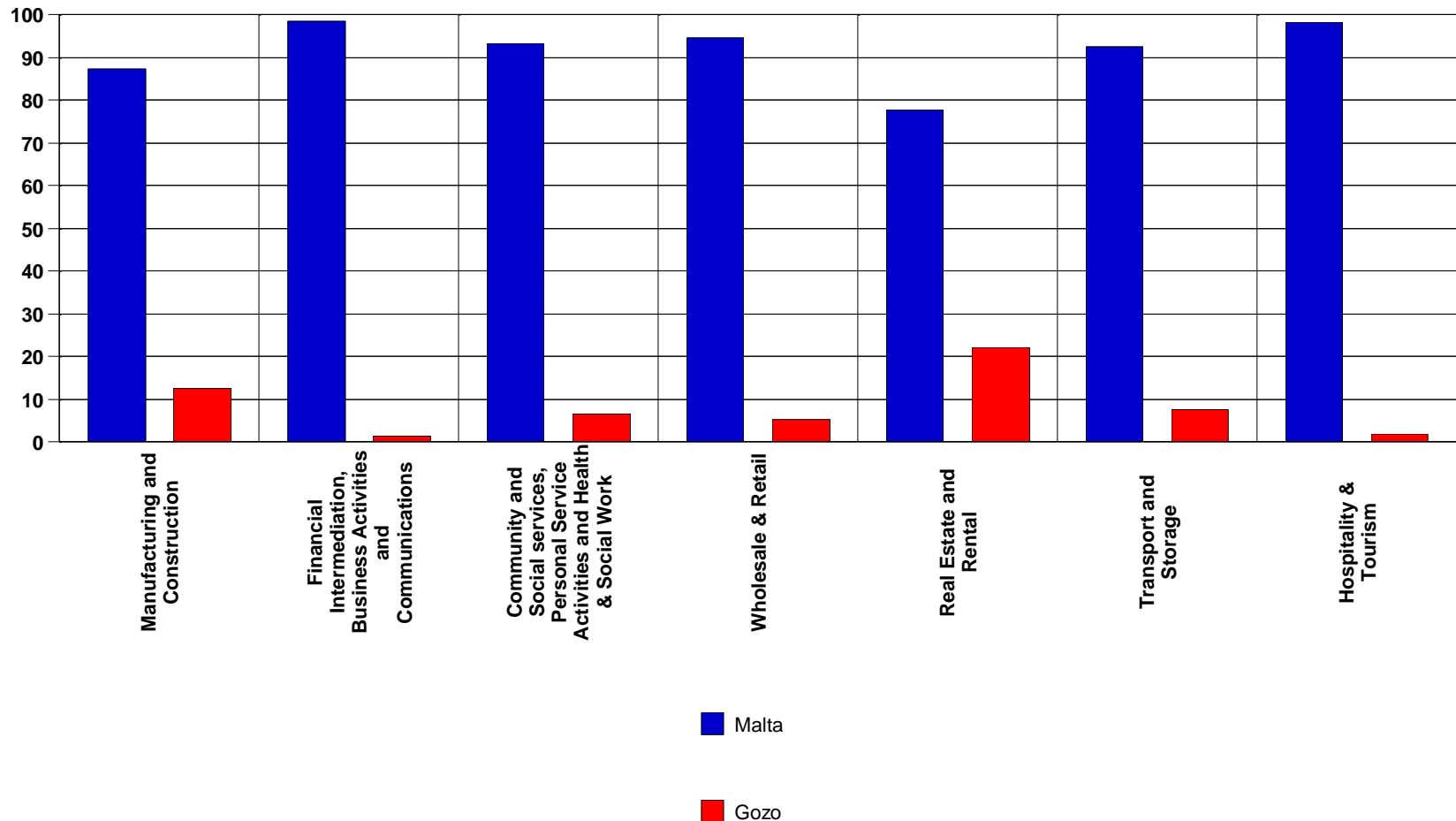
Respondent Profile III



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



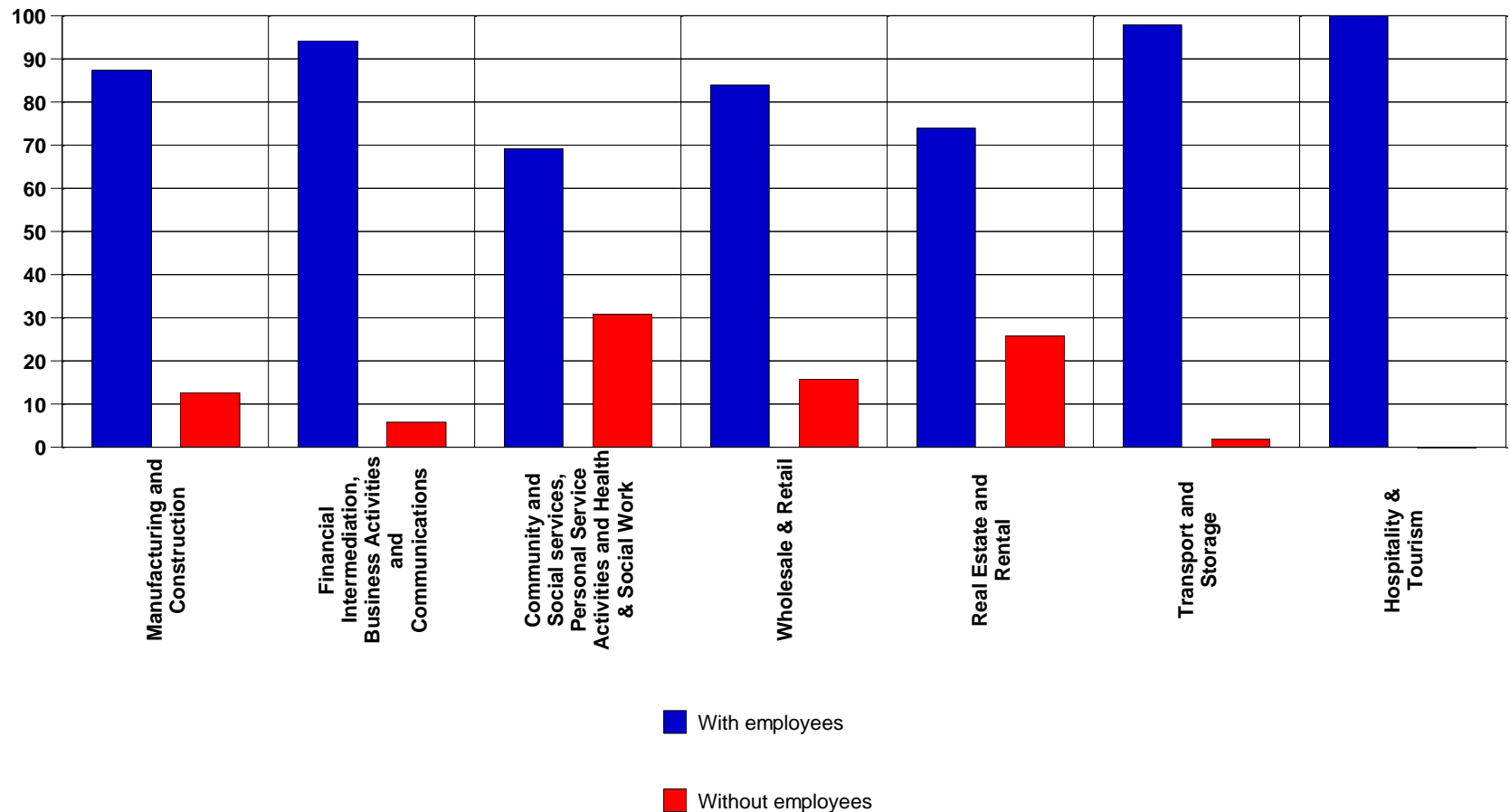
Respondent Profile IV



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



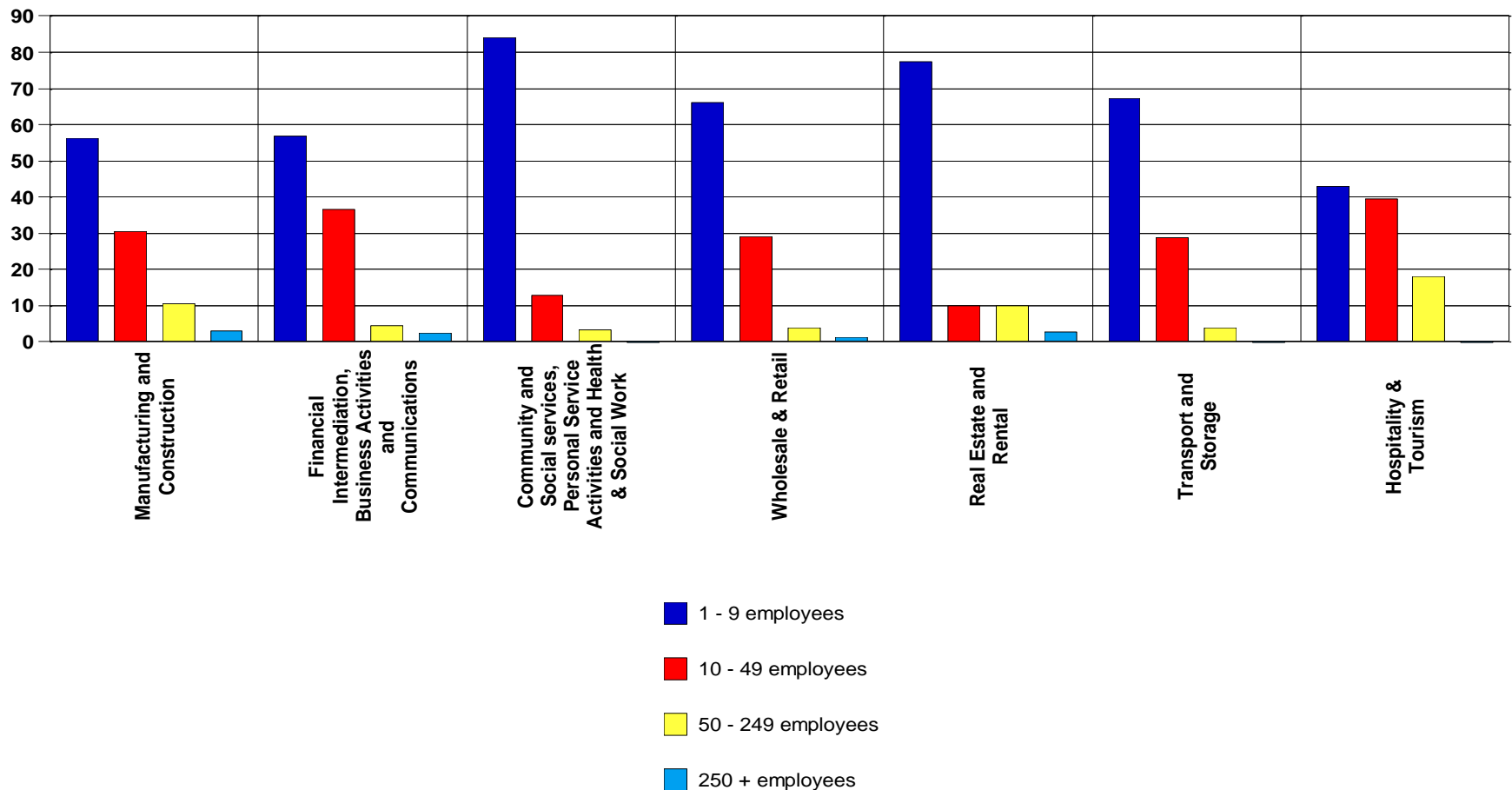
Respondent Profile V



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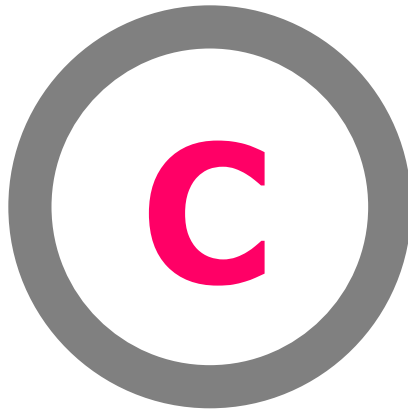
Table 7 – Q7 – Number of employees engaged with company – by Business Sector





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***Highlights of the
Research Findings***



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Computer & Internet Usage

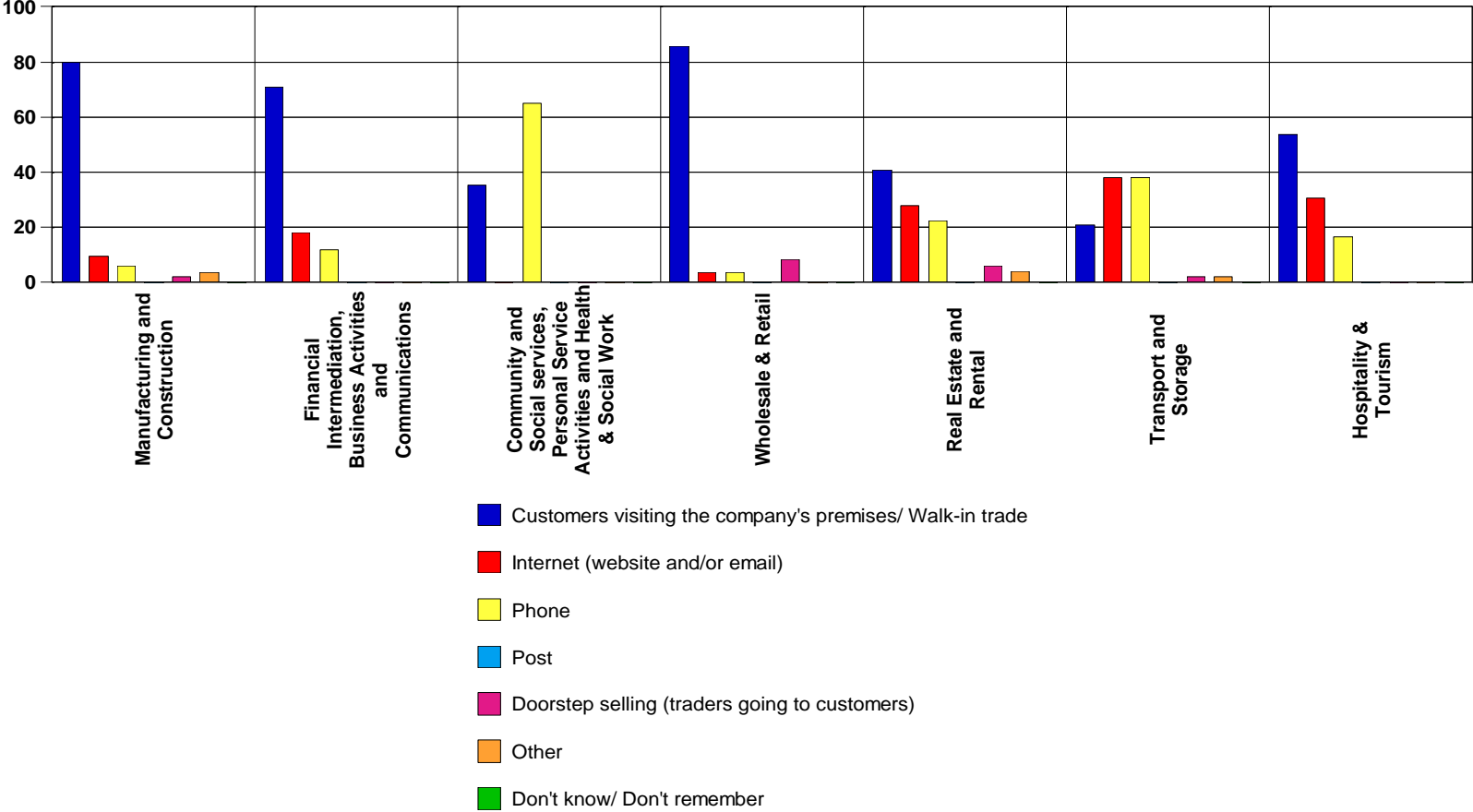
Computer & Internet Usage – I



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





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.
- ✓ 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 – IV



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Figure 10 – Q12 – *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	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 vs 2012



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2013 Findings vs 2012 Findings

2013

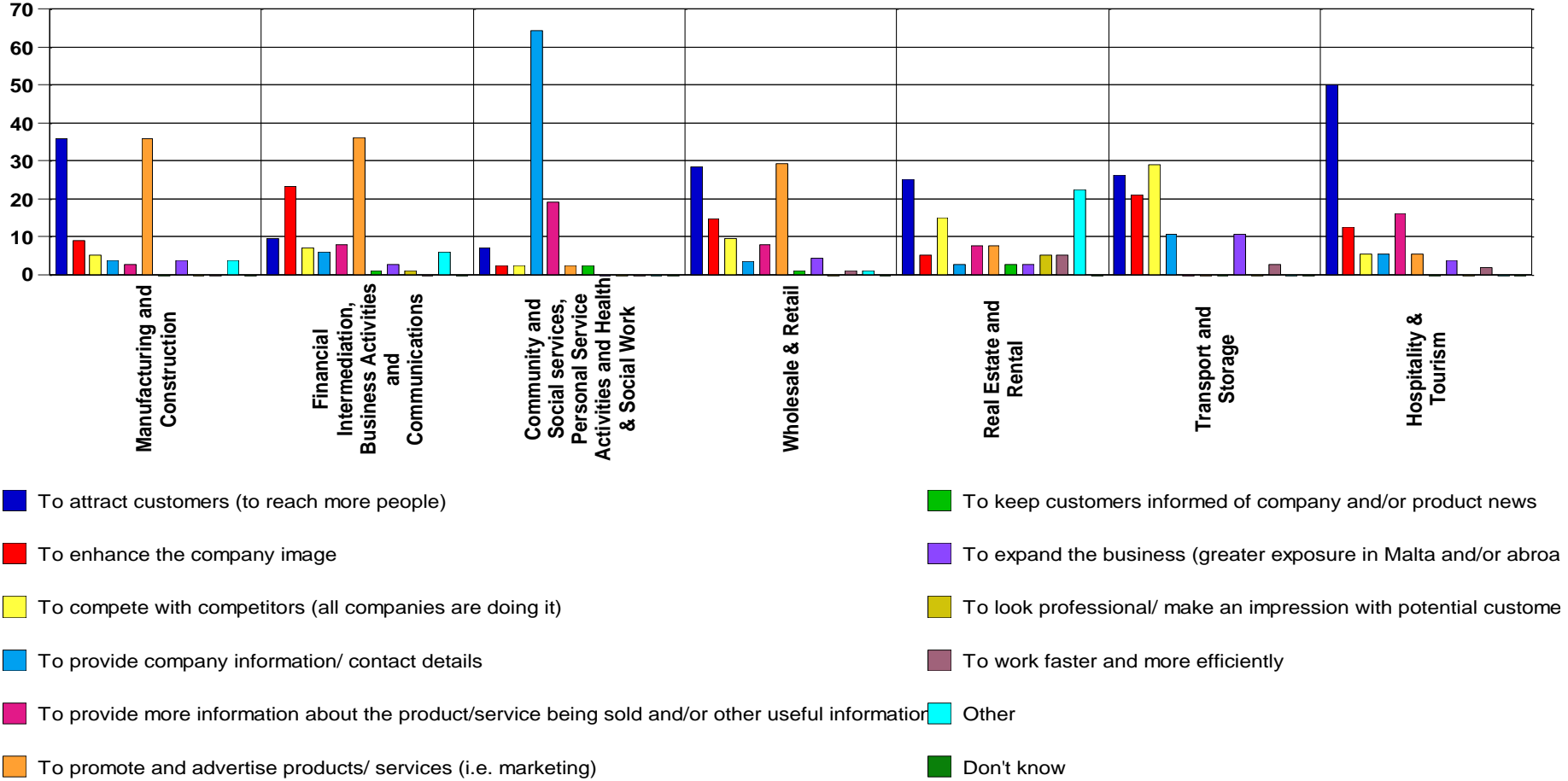
- ✓ 69% of the companies have their own website
- ✓ 31% dont have a website.

2012

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



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



2013 vs 2012



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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.



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eCommerce



2013 Findings vs 2012 Findings

2013

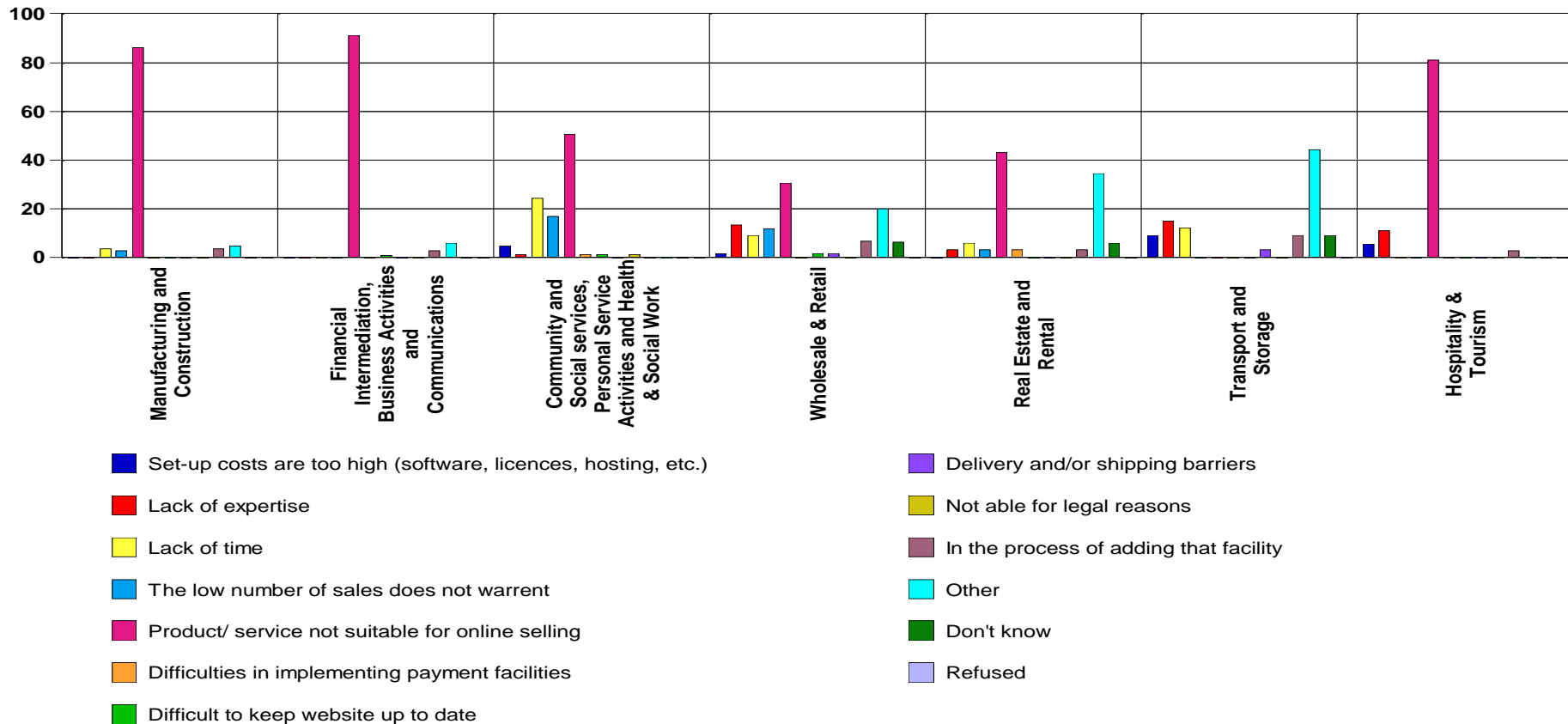
- ✓ 14% of the companies interviewed do e-commerce through the company's own website
- ✓ <1% through other Maltese website
- ✓ <1% through other international websites.

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)





**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%	- -	- -	- -	- -	- -

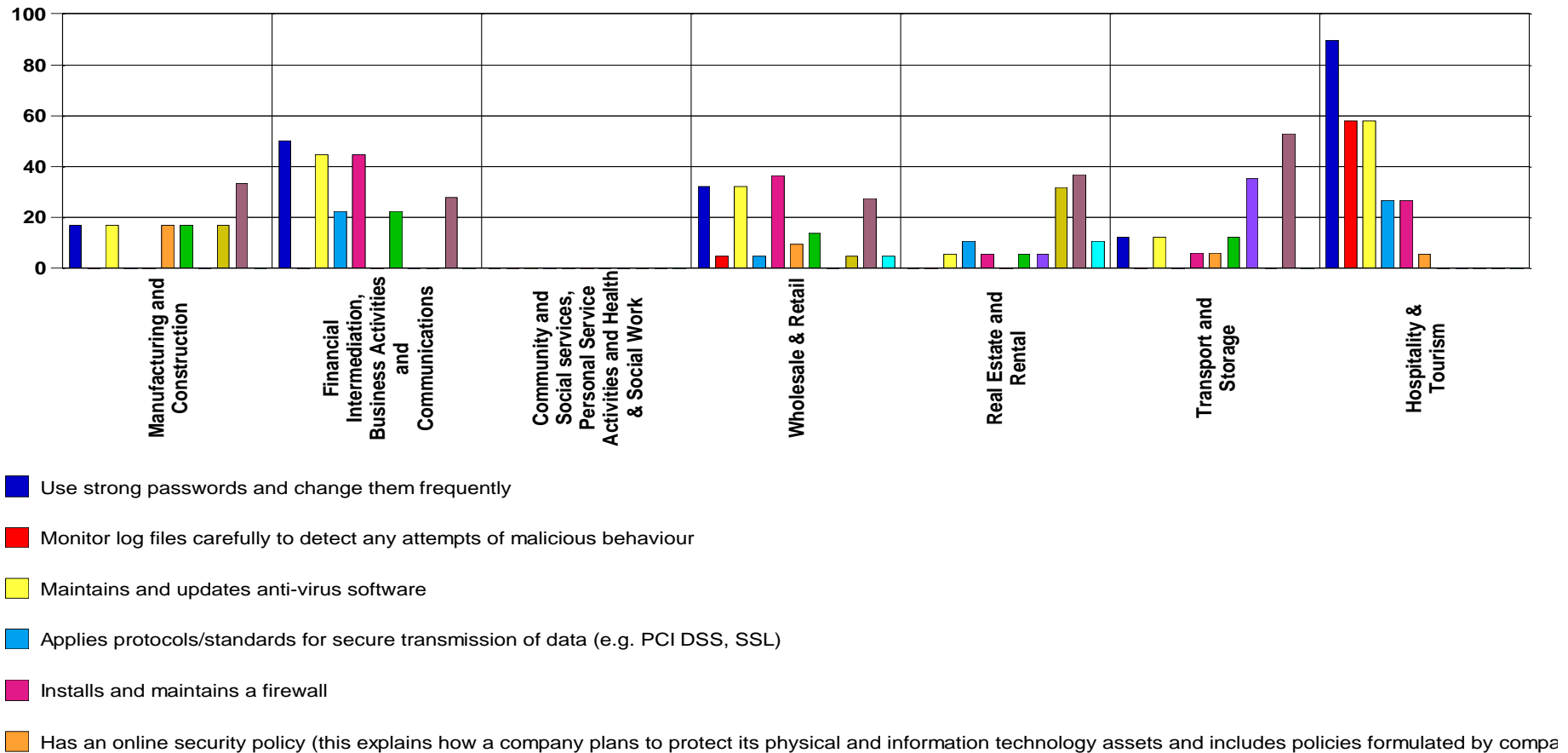


**Table 21 – Q23 – Percentage of sales received through online selling
- by Business Sector (n=101)**

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)



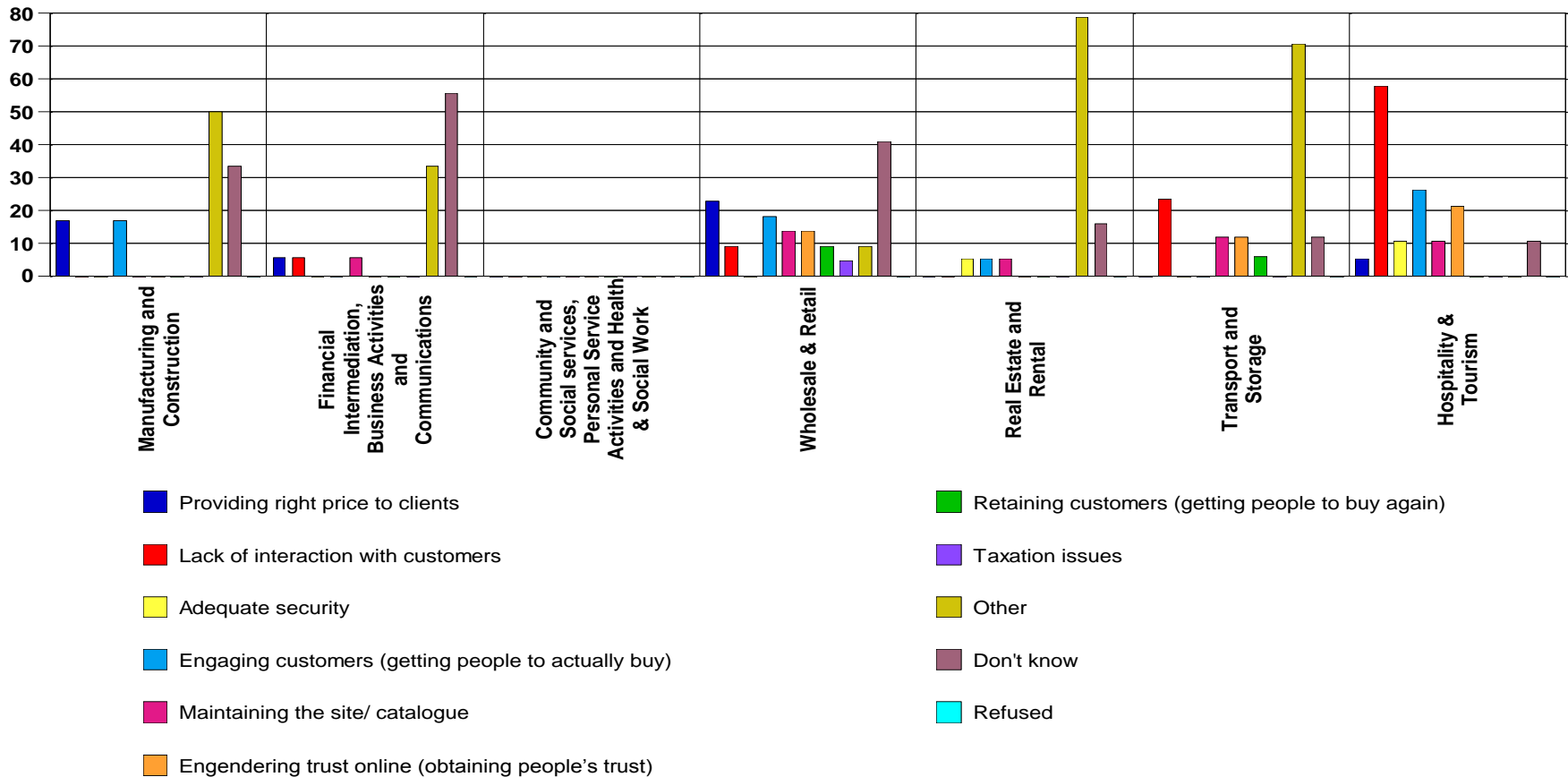


**Figure 25 – Q26 – *The advantages of e-commerce*
- by Business Sector – Multiple Response (n=101)**

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)





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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	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 vs 2012



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2013 Findings vs 2012 Findings

2013

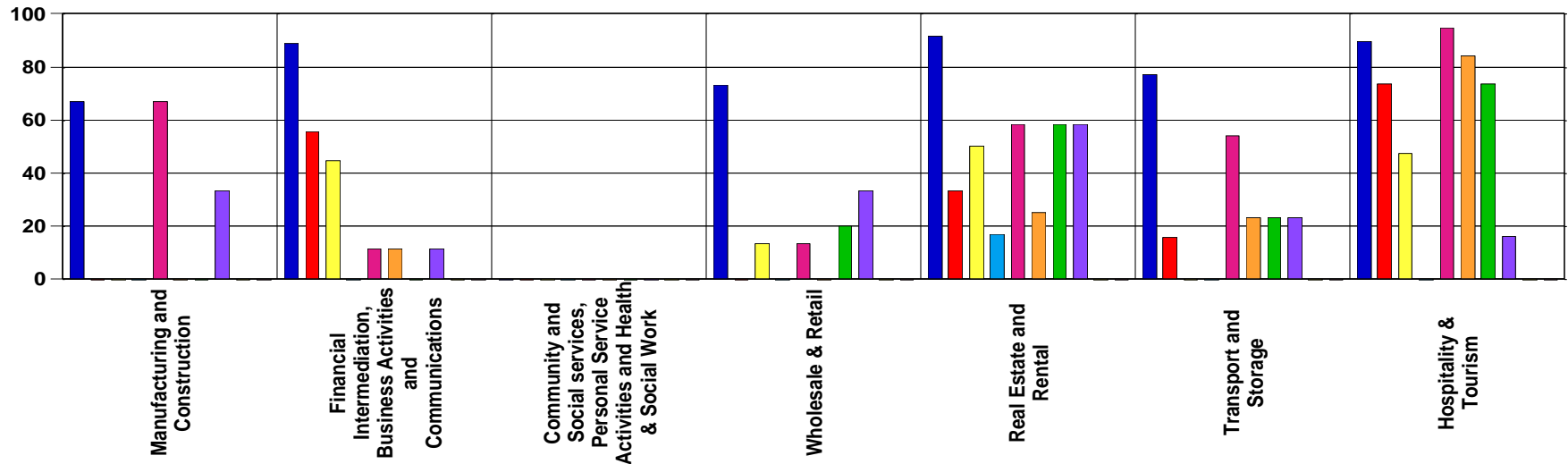
- ✓ 36% of all respondents use traditional marketing only to promote the company.
- ✓ 21% use both digital/ online marketing and traditional marketing.
- ✓ 17% use digital/ online marketing only for promotion purposes.

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.



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



- Facebook
- Twitter
- Linkedin
- Other social networks
- Search Engine Marketing (i.e. increasing the website's visibility in search engine results pages through advertising and adjusting webpage content(eg. Google Adwo
- Affiliate Marketing (e.g. paying other companies to include links to your website on their website)
- Display advertising - Banners on website
- Email marketing
- Don't know/ Don't remember
- Refused

2013 vs 2012



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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.



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*



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I thank you for your attention!

Marika Fsadni