

MCA-EY E-Commerce research studies

- ▶ Four national surveys on E-Commerce usage (Sept 06, April 07, Sept 07 and April 08)
- ▶ Face-to-face interviews with E-Commerce providers and enablers (Dec 06-Jan 07)
- ▶ Aim of national surveys is to obtain an **indication** of the level of E-Commerce **usage** across Malta and Gozo and its **potential for growth**.
- ▶ Comparing results across surveys to identify trends and changes in individual preferences.

Methodology

- ▶ “E-Commerce” includes only online shopping of goods and services.
- ▶ Included 27 close-ended questions.
- ▶ In order to meet the target of at least 400 E-Commerce users, a stratified sample (based on latest NSO demographic data) of 1600 respondents was required.
- ▶ Telephone survey was administered by trained interviewers, constantly supervised by EY research team, starting on 25 March 2008.
- ▶ Households (not businesses) chosen at random from latest GO directory, using an electronic number generator to determine page, column number and entry on page.

Findings

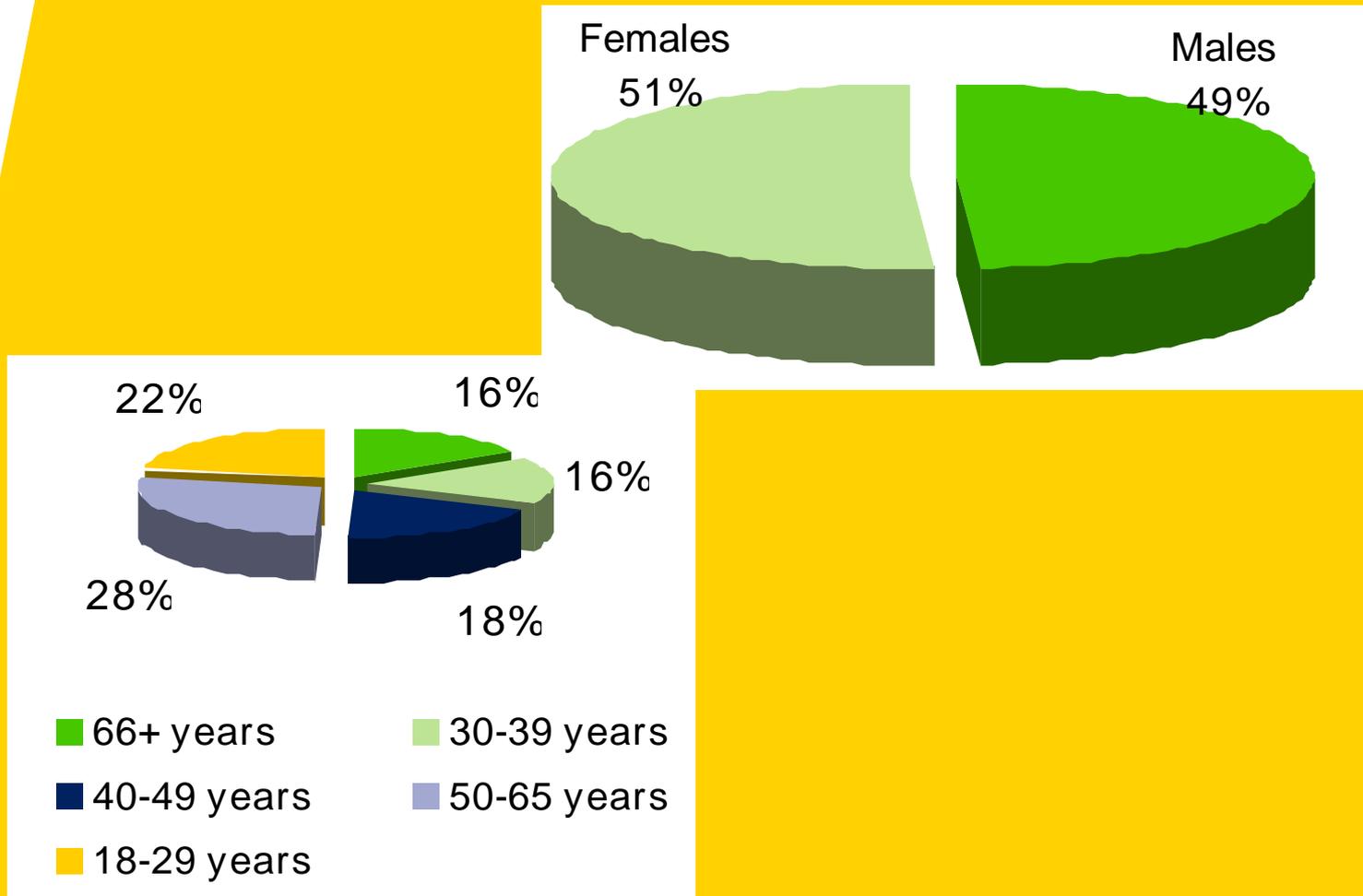
- ▶ Slow upward trend in internet access, usage and e-Commerce usage across all demographic variables.
- ▶ An increase in use of paypal with a corresponding decrease in use of credit cards.
- ▶ The amount of e-Commerce users purchasing online during the last 6 months has remained constant throughout all surveys but from this survey it is evident that people are making more purchases and spending more.
- ▶ Main reason for not using internet is due to not having a PC and/or not having internet access.
- ▶ Internet access, usage and e-Commerce higher amongst males.

Findings cont...

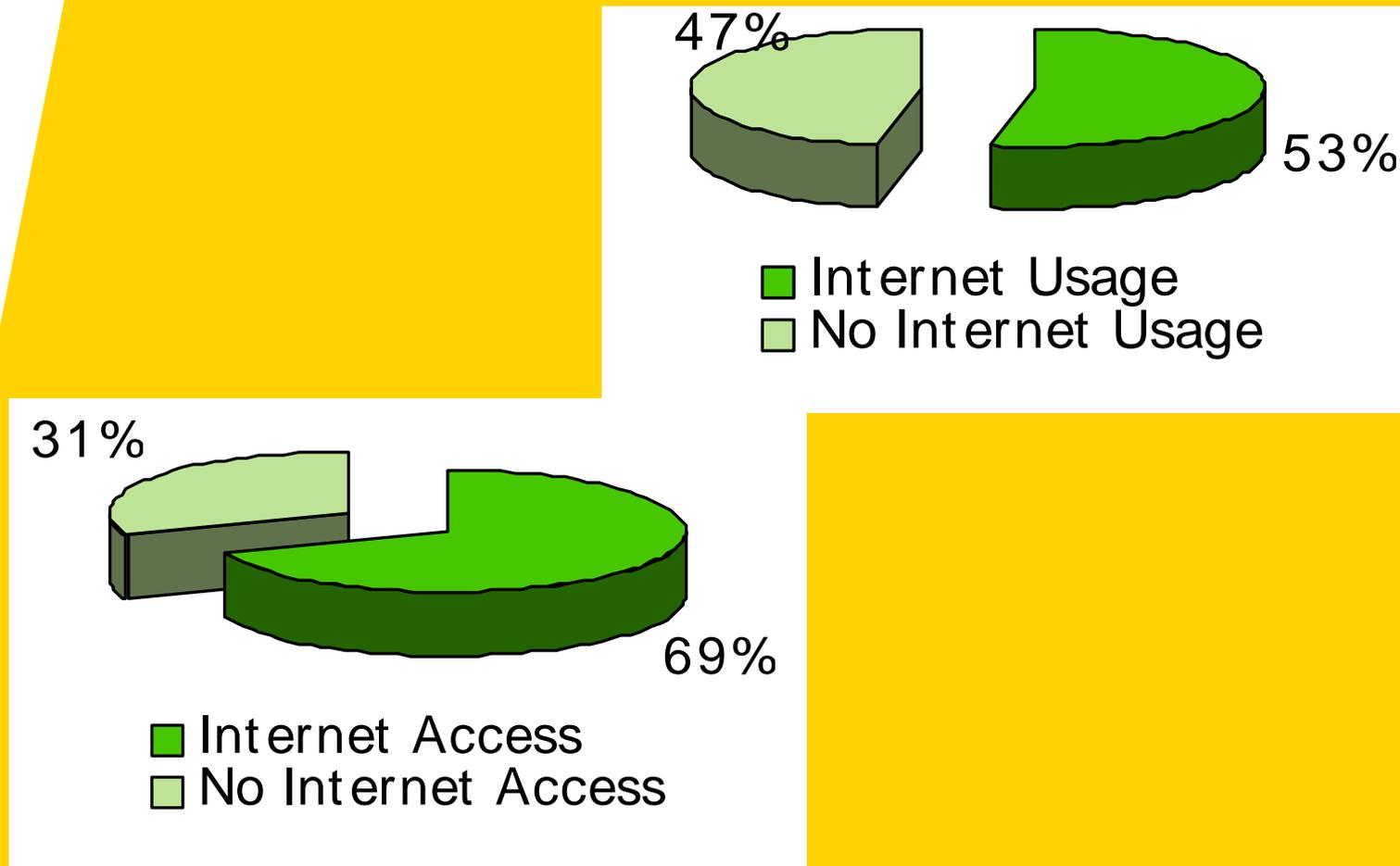
- ▶ Lack of e-skills more prevalent amongst females – 24% of females vs 18% of males.
- ▶ Males tend to use the internet for longer hours than females.
- ▶ IT/electronic goods seem to be the item mostly preferred (unlike previous surveys where books was the most item purchased).
- ▶ The majority of e-Commerce users tend to prefer foreign sites. Maltese sites are mainly used for mobile topping-up.

Gender-age distribution

NSO Demographic Review 2006 & MCA E-Commerce Survey 4



Internet Access vs. Internet Usage



Internet Access vs. Internet Usage

Internet Access by Gender

74% of males vs 64% of females

VS

Internet Usage by Gender

61% of males vs 44% of females

Internet Access by Age

90% of 18 – 29

85% of 30 – 39

84% of 40 – 49

58% of 50 – 65

26% of 66+

VS

Internet Usage by Age

87% of 18 – 29

73% of 30 – 39

55% of 40 – 49

34% of 50 – 65

13% of 66+

Internet Access vs. Internet Usage by occupational status

96% vs 90 % of AB (Professionals)

93% vs 85% of C1 (Office workers)

81% vs 63% of C2 (Manual workers)

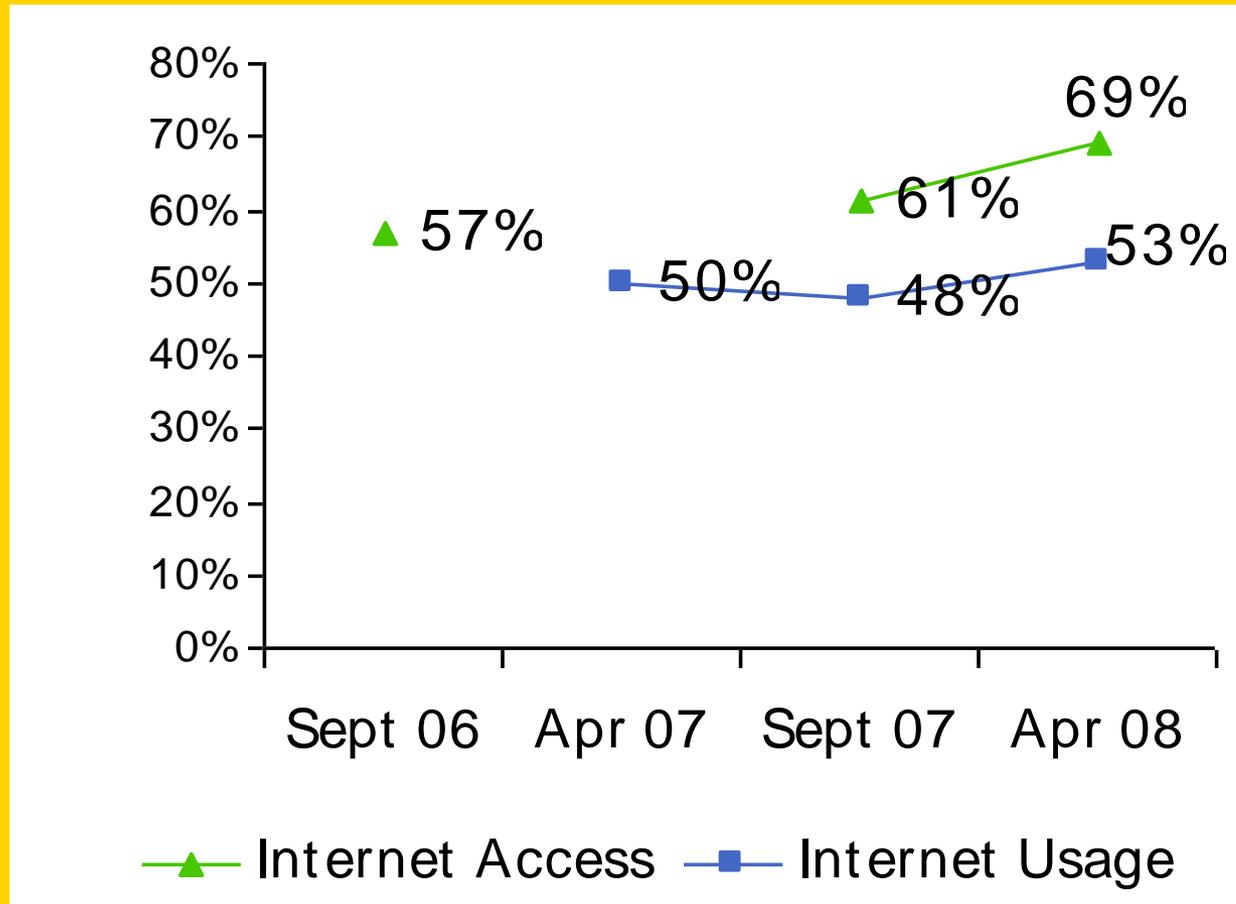
66% vs 51% of DE (Manual workers + state dependents)

41% vs 30% of Pensioners

55% vs 26% of Housewives

99% vs 96% of student

Internet Access vs. Internet Usage - trends

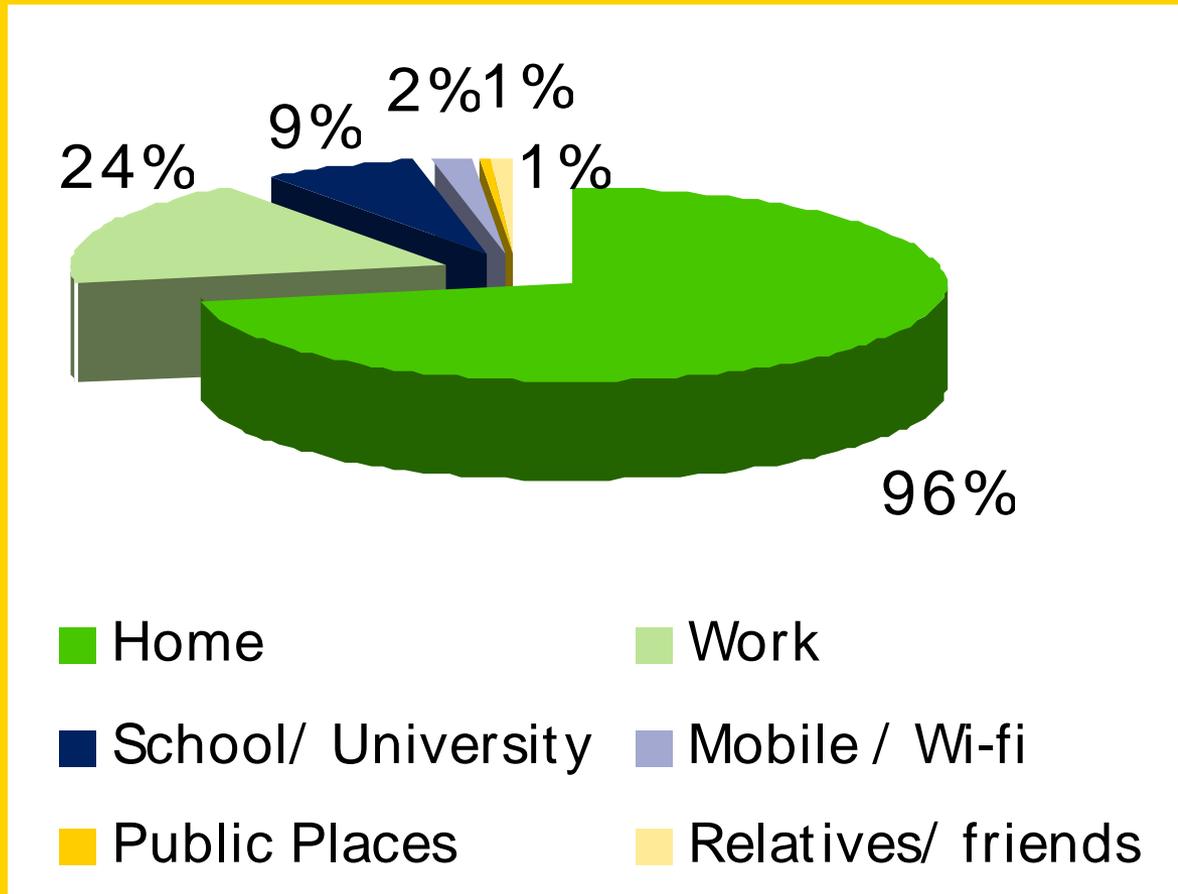


Reasons for not using the internet

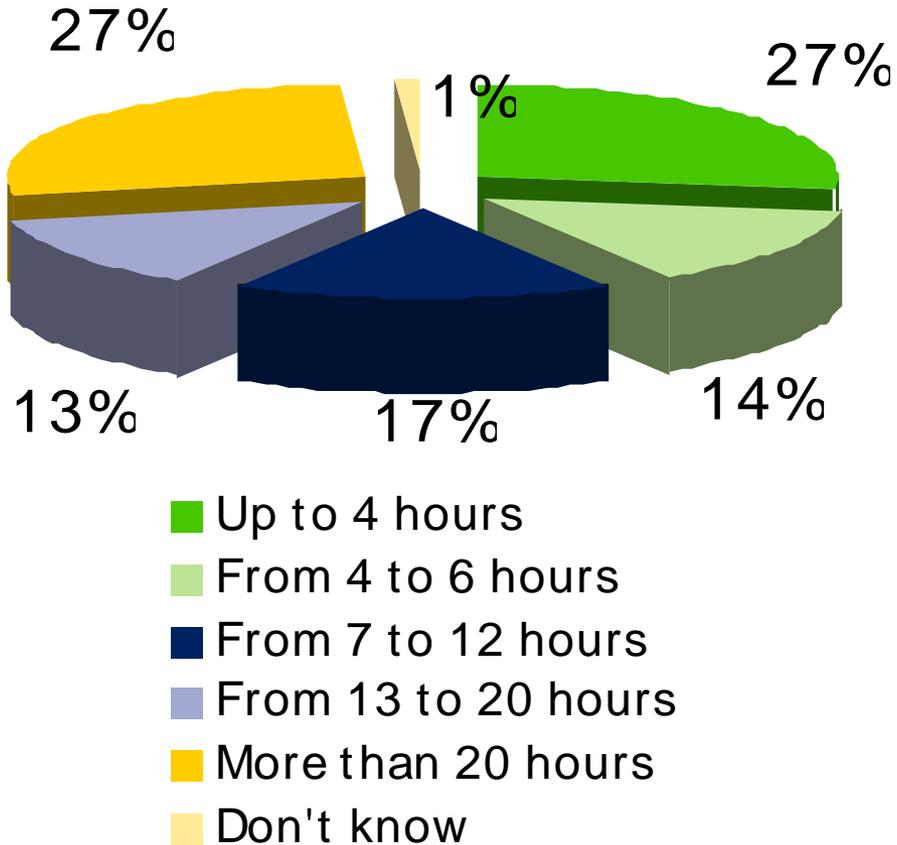
Reasons	April 2008	Sept 2007	April 2007	Sept 2006
Do not have a pc and/ or internet access	58% (430)	40% (327)	44% (350)	35% (223)
Do not know how to use pc and/ or internet	22% (170)	43% (278)	47% (376)	23% (148)
Do not need/ not interested in the internet	14% (103)	32% (265)	28% (225)	33% (211)
Do not have the time	8% (60)	10% (83)	6% (46)	n/a
Other reasons	5% (35)	3% (25)	9% (72)	35% (224)

Note: Total responses can be greater than 100% since more than one answer could be given by each respondent. Percentages are calculated as replies over number of base respondents in particular category.

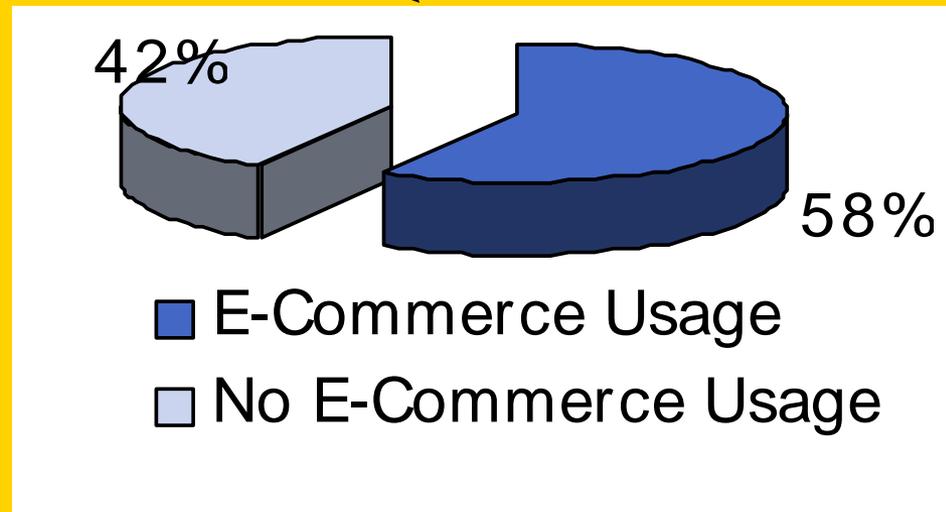
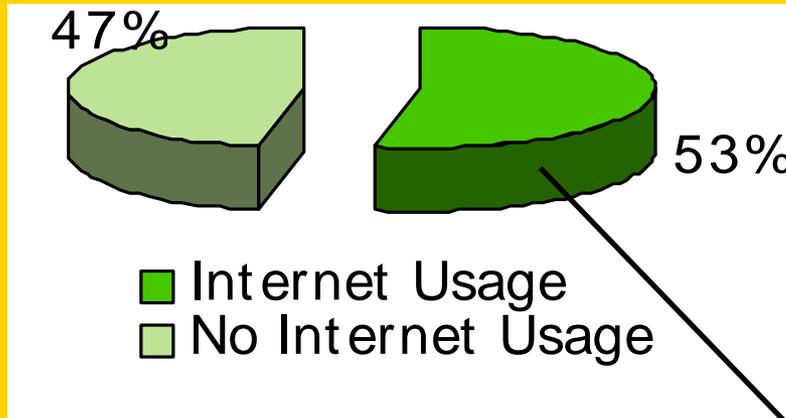
Places of internet usage



Time spent using the internet



Internet Usage vs E-Commerce usage



E-Commerce usage, by gender

		E-Commerce as a percentage of internet usage				Population percentage of E-Commerce usage			
		Apr 08 %	Sept 07 %	Apr 07 %	Sept 06 %	Apr 08 %	Sept 07 %	Apr 07 %	Sept 06 %
Overall		58	54	57	35	30	26	28	20
Gender	Male	62	57	63	42	38	34	37	27
	Female	52	48	47	27	23	18	19	14

E-Commerce usage, by age

		E-Commerce as a percentage of internet usage				Population percentage of E-Commerce usage			
		Apr 08 %	Sep 07 %	Apr 07 %	Sept 06 %	Apr 08 %	Sept 07 %	Apr 07 %	Sept 06 %
Overall		58	54	57	35	30	26	28	20
Age	18-29 years	67	61	59	43	58	47	48	35
	30-39 years	62	61	66	47	45	40	43	32
	40-49 years	54	46	55	24	30	24	31	18
	50-65 years	40	39	43	27	14	12	13	8
	66+ years	46	50	44		6	7	6	

Reasons for buying online

	April 2008	September 2007	April 2007	September 2006
Better prices	56% (272)	56% (230)	54% (243)	46% (138)
Convenience	36% (173)	39% (161)	30% (135)	43% (130)
Items not available in Malta	27% (129)	24% (97)	29% (130)	13% (39)
No time to go shopping/ no need to go out	1% (6)	1% (4)	24% (107)	
Faster service/ no queues	11% (52)	9% (37)	5% (21)	2% (6)
Better choice	9% (44)	10% (43)	5% (21)	n/a
Other reasons	8% (37)	1% (5)	6% (26)	36% (107)
Items delivered at home	n/a	n/a	5% (23)	3% (10)

Items bought online

	Apr-08	Sept-07	Apr-07
IT/Electronic goods	38% (185)	29% (120)	27% (120)
Books	34% (167)	43% (178)	40% (178)
Clothing	27% (129)	17% (70)	17% (75)
DVDs	19% (93)	20% (83)	21% (94)
CDs	17% (82)	22% (89)	20% (88)
Spare parts	11% (55)	7% (27)	5% (24)
Auctioned items	7% (36)	15% (63)	16% (73)
Mobile top-up	5% (25)	16% (65)	5% (23)
Flight reservations	9% (43)	8% (31)	4% (19)
Hotel accommodation	7% (32)	2% (10)	3% (12)
Cosmetics	7% (34)	5% (21)	3% (12)
Other items	39% (187)	24% (97)	34% (152)

Maltese or Foreign sites?

	April 2008	September 2007	April 2007	September 2006
Maltese sites only	2% (11)	2% (10)	4% (19)	9% (26)
Foreign sites only	79% (382)	71% (293)	79% (355)	75% (225)
Both Maltese and foreign sites	19% (92)	26% (107)	16% (73)	16% (49)

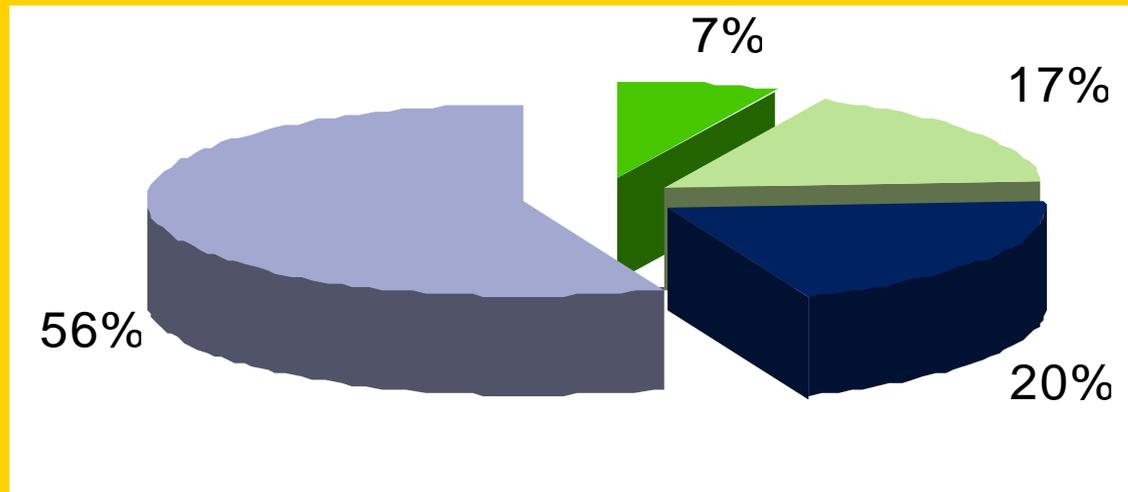
Last online purchase

	Apr'08	Sept'07	Apr'07	Sept'06
In the last month	49%	51%	50%	55%
In the last 3 months	25%	24%	23%	23%
In the last 6 months	86% 12%	87% 12%	86% 13%	92% 14%
More than 6 months ago	14%	12%	14%	8%

Number of transactions in last six months

	April 2008	Sept 2007	April 2007	Sept 2006
One to five times	65%	69%	66%	71%
Six to ten times	20%	20%	20%	18%
More than ten times	15%	10%	12%	12%

Amount spent in last six months



- Less than Euro 25
- Euro 25 - Euro 60
- Euro 60 - Euro 120
- More than Euro 120

Preferred payment method

	Apr-08	Sept-07	Apr-07	Sept-06
Credit card	74%	78%	84%	93%
Paypal	33%	29%	18%	10%
Debit card	4%	2%	8%	10%
Payment on delivery	1%	0%	N/A	1%
Other methods	4%	1%	7%	4%

Problems encountered when transacting online

	April 2008	Sept 2007	April 2007	Sept 2006
At least one problem	26% (128)	22% (89)	27% (119)	20% (60)
No problems	74% (357)	78% (321)	73% (330)	80% (240)

Type of

21% goods not delivered home
 20% goods never delivered
 23% goods delivered late
 7% goods delivered different from those ordered
 5% unavailable postage to Malta

			April 2007	September 2006
Problems related with delivery of goods	85% (111)	82% (74)	80% (96)	58% (35)
Problems related with payment process	18% (21)	14% (13)	16% (19)	4% (2)
Internet connection problems	1% (1)	1 % (1)	4% (5)	7% (4)
Other problems	13% (16)	9% (8)	9% (11)	35% (21)

Some other findings

- ▶ Most e-Commerce users tend to prefer secure sites, followed by trusted companies.
- ▶ Most e-Commerce users tend to judge a secure site by reputation and lock.
- ▶ Main concern amongst e-Commerce users is security (28% of 485), followed closely by no delivery (21%).
- ▶ The main reasons for not buying online (355) is either they never tried or don't trust the internet.