

# MCA Market Research

## *Electronic Communications Services - Business Perception Survey Results*

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November 2017

## Purpose & Methodology

## Purpose

- The MCA Business Perception Surveys are carried out every two years to get insight on the preferences of local businesses when these purchase electronic communications services.
- This research informs us on:
  - ✓ the average monthly expenditure on the services being purchased and price sensitivities;
  - ✓ the level of satisfaction with the quality of the services and the ability of business users to switch between products;
  - ✓ the type of contract agreements that are selected and the quality of the operators' response to faults.
- The services under investigation:
  - (i) fixed telephony; (ii) mobile telephony (iii) mobile broadband (iv) fixed broadband (v) bundles (vi) OTTs

*Grant Thornton was commissioned by the MCA to carry out the survey between December 2016 – February 2017.*

### Fieldwork

- Telephone interviews were carried out in the case of small enterprises.
- Face-to-face interviews were carried out in the case of medium and large enterprises.

### Sample

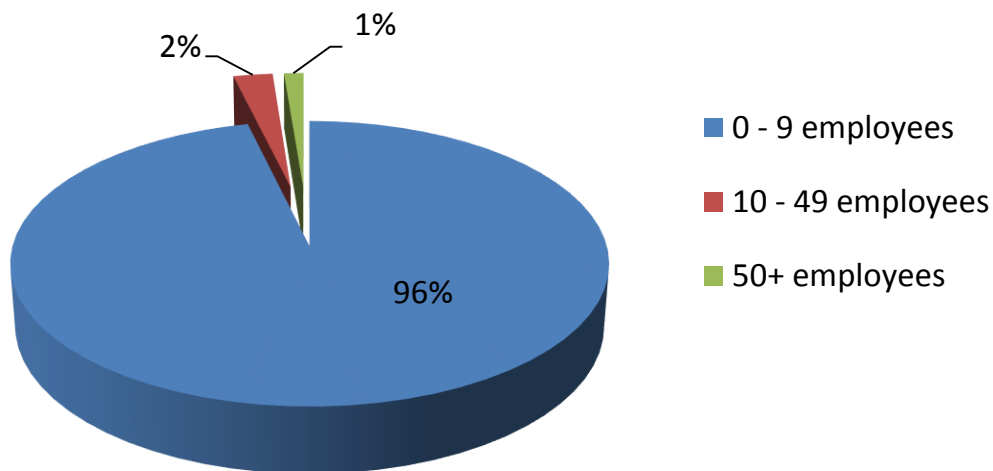
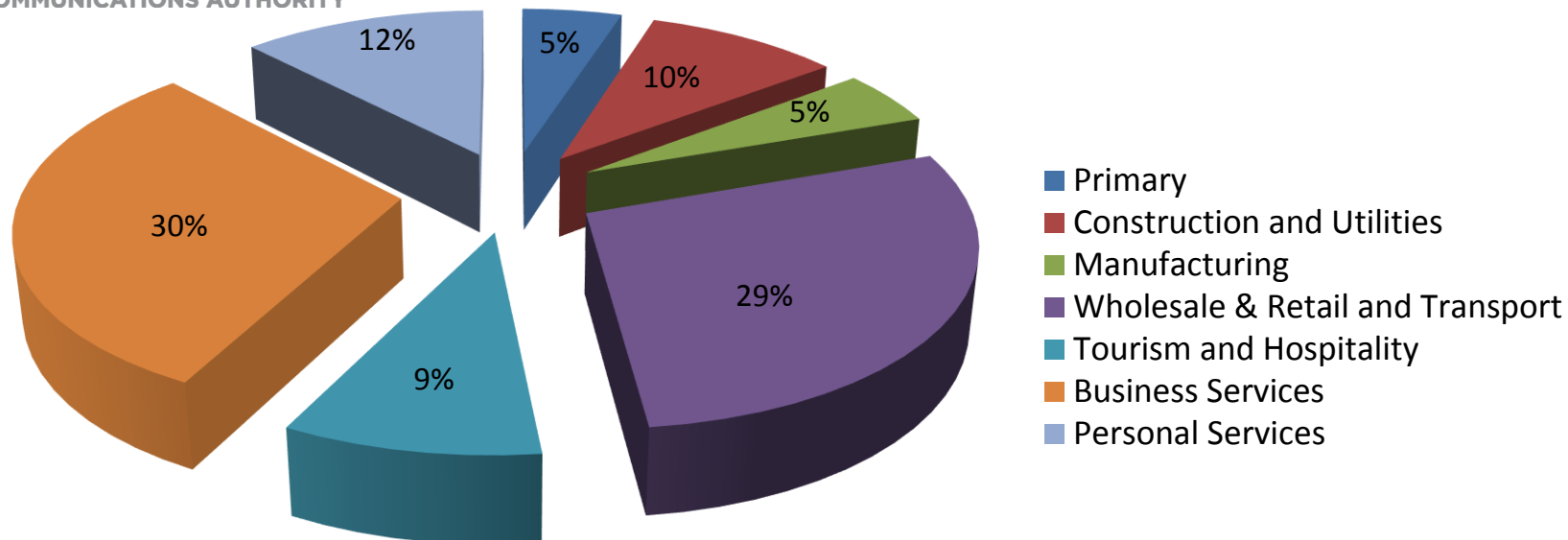
- Sample size representatively distributed across 7 predefined industries of the business sector in Malta (Source: NACE Codes).
- To capture more qualitative information on medium to large sized businesses and investigate the usage of high-quality data services, the 10–49 and 50+ employee categories were boosted.

A separate presentation focusing on medium and large enterprises will be released at a later stage.

### Responses

- There were 402 net respondents to the survey.
- Margin of error +/- 4.15% at 99% confidence interval.

## Methodology – Sample Distribution

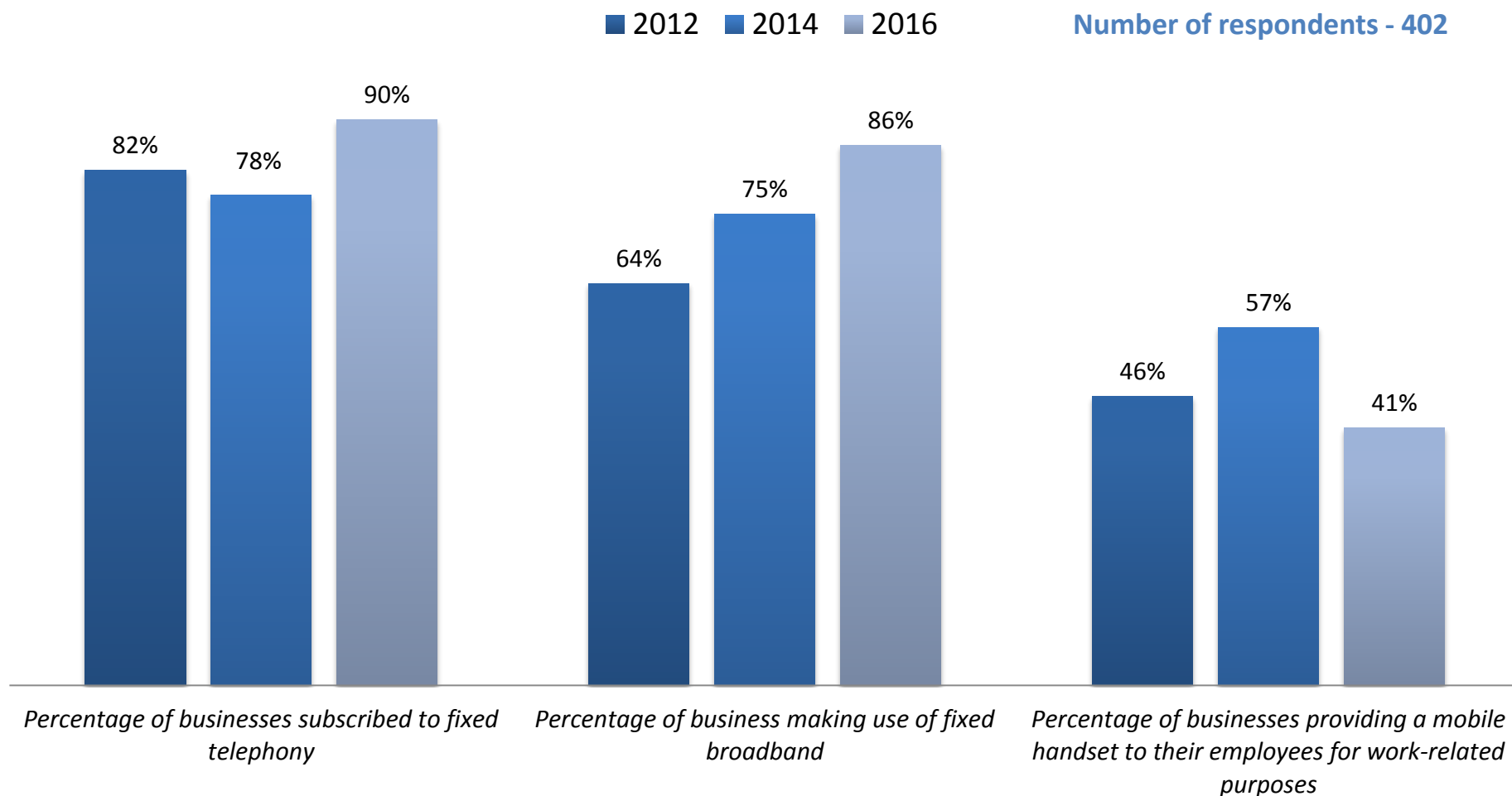


Sample Size - 402

Statistics published by NSO in 2016 show that in 2015 there were:

- 85,673 micro enterprises (with 0 - 9 employees) which are 97.4% of businesses in Malta
- 1,758 medium sized businesses (10 – 49 employees) which are 2.0% of businesses in Malta
- 540 large sized businesses (50+ employees) which are 0.6% of businesses in Malta

## General Overview



## Fixed telephony



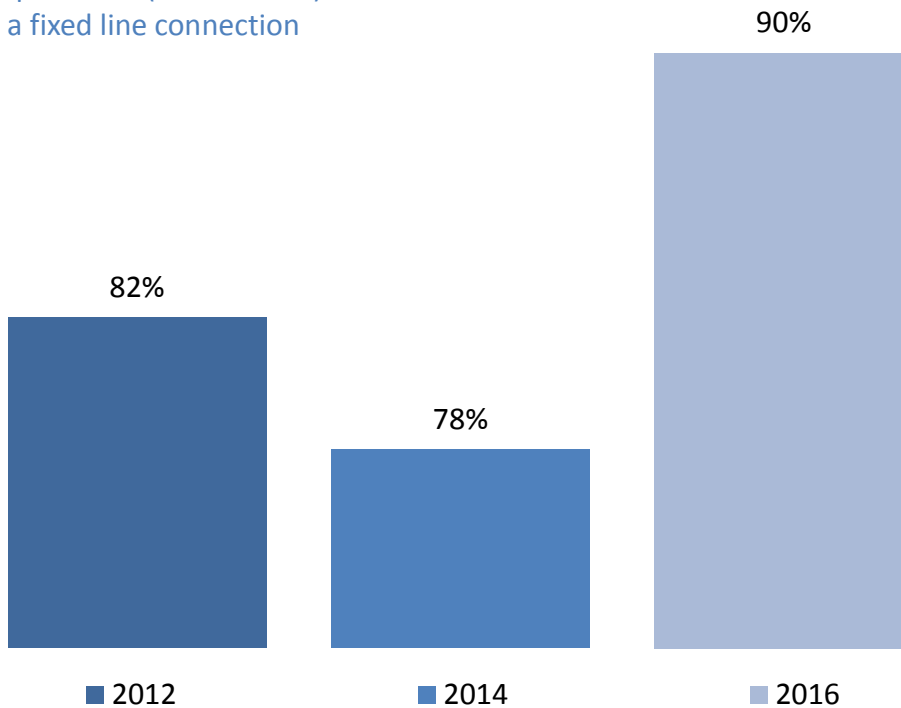
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## Fixed telephony (1)

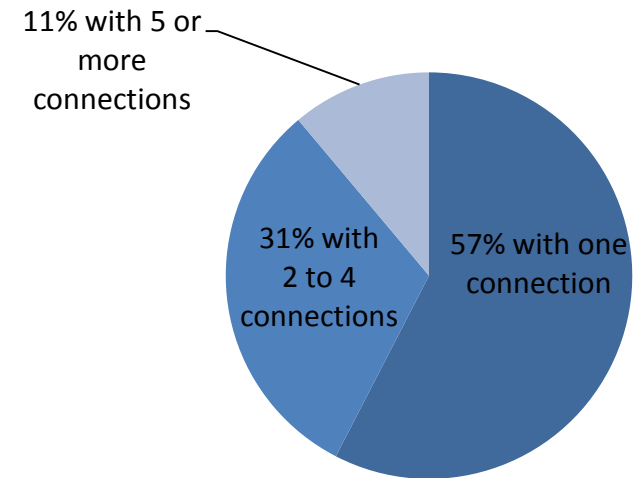
*Percentage of businesses having a fixed line connection*

**Number of respondents – 402**

361 respondents (90% of total)  
with a fixed line connection

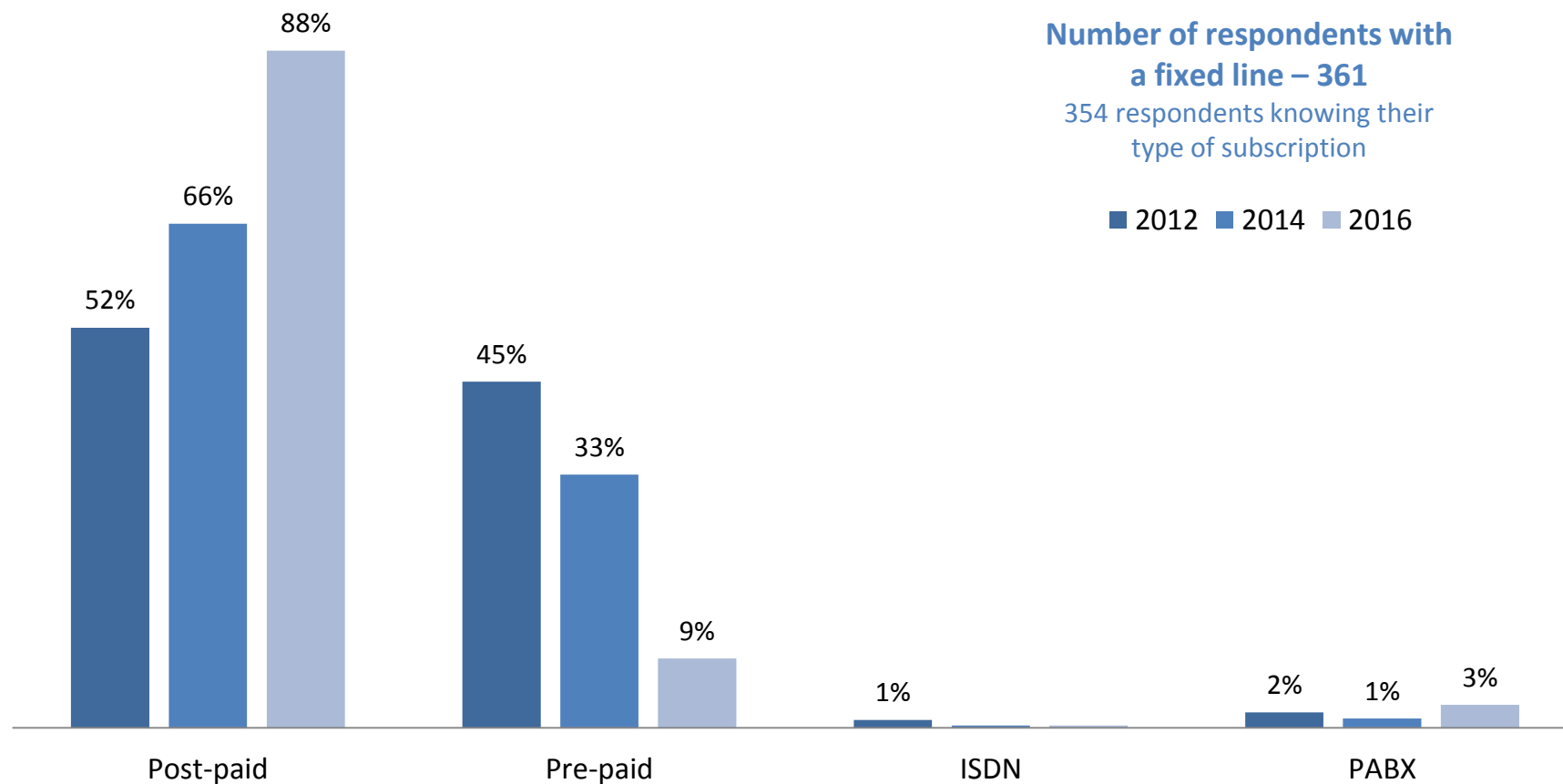


*How many fixed line connections does the business pay for?*

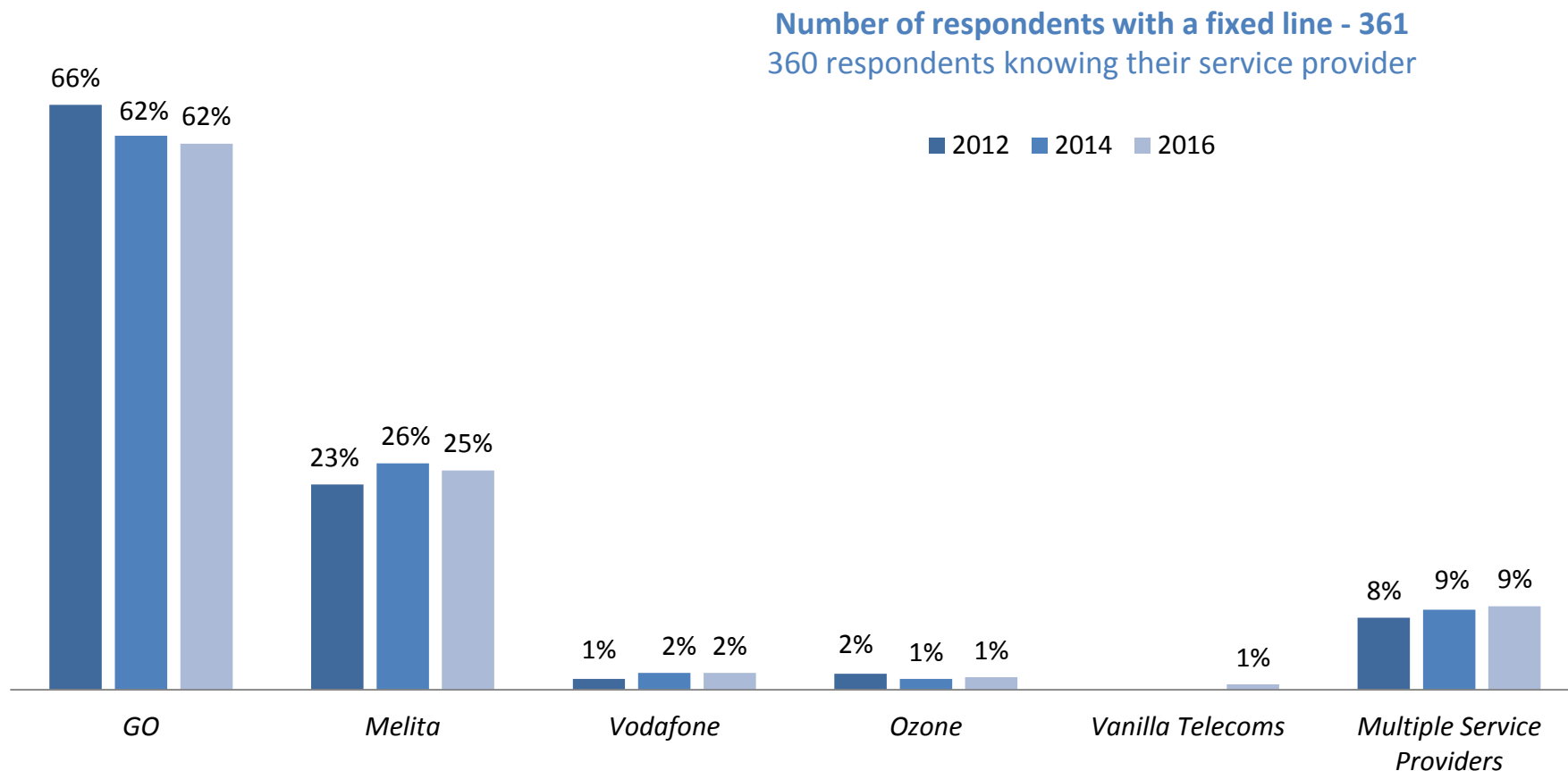


*98% of businesses without a fixed line connection use mobile telephony instead.*

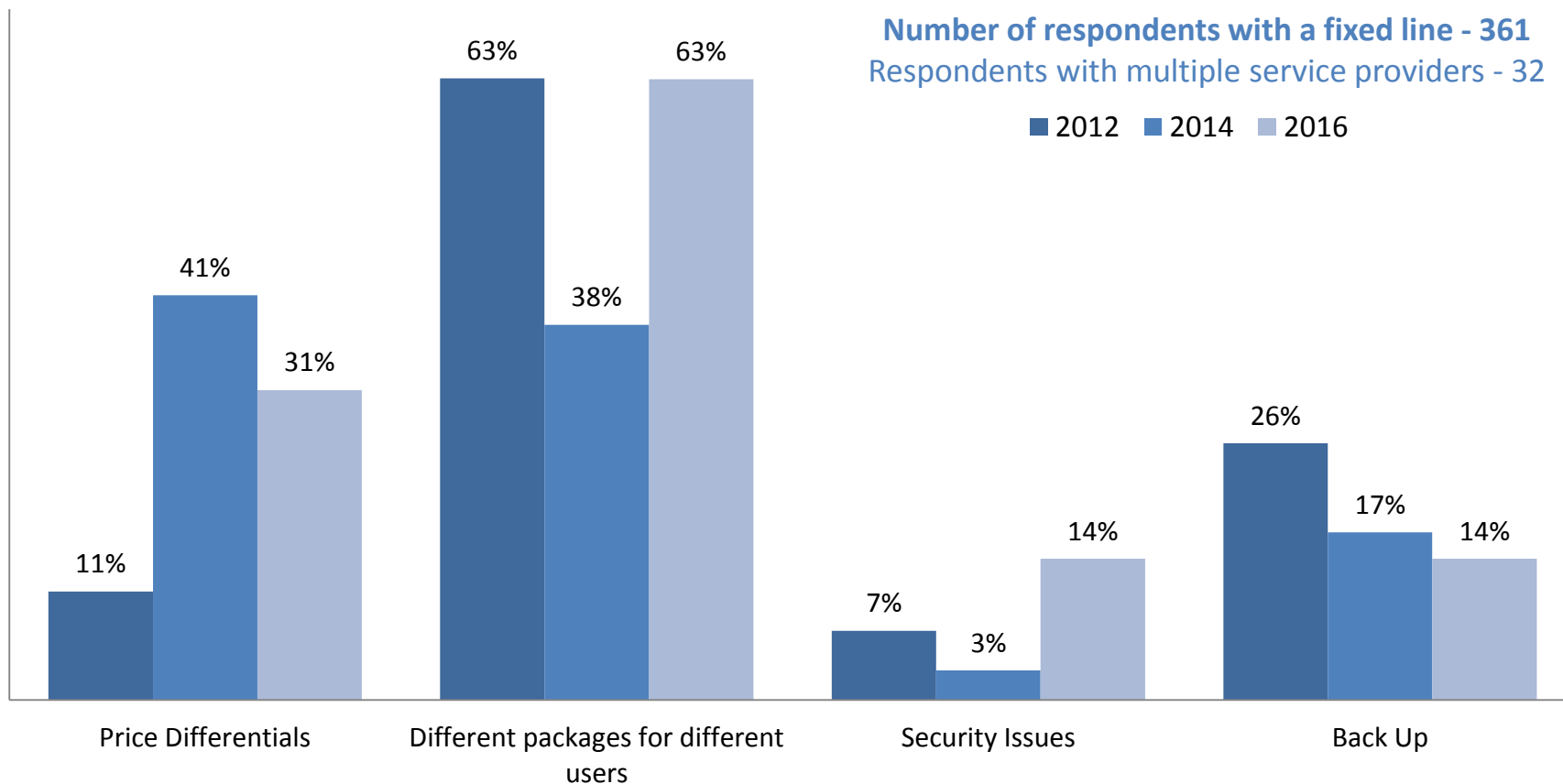
### *Profile of subscriptions – by type of connection*



### Profile of subscriptions – by service provider



*Different reasons for having multiple service providers....*



## Fixed telephony (5)

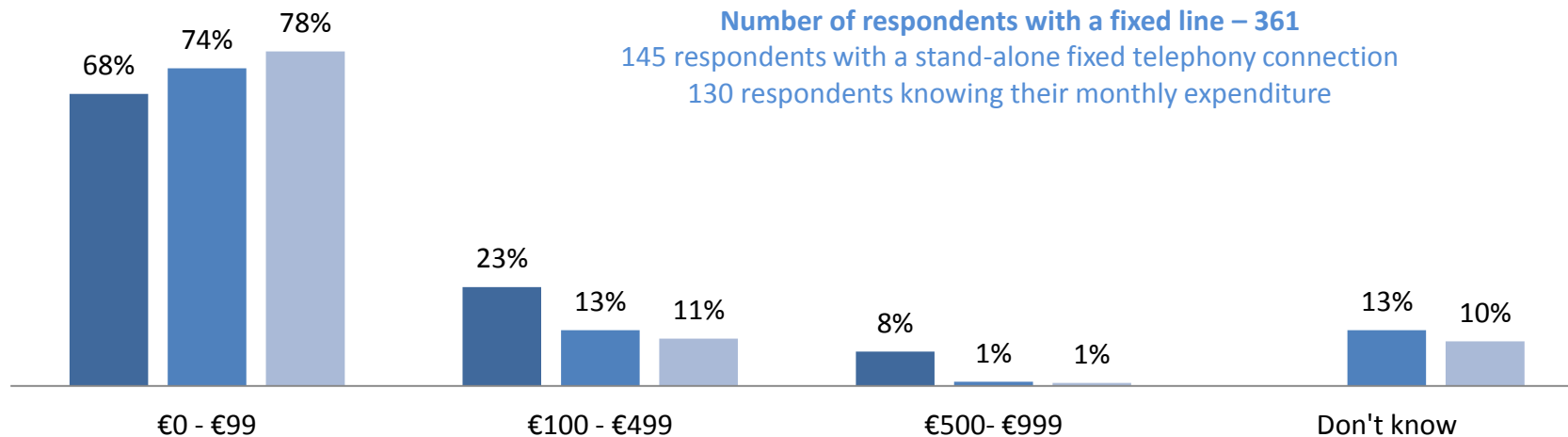
■ 2012 ■ 2014 ■ 2016

*Average monthly expenditure on fixed line telephony as a stand-alone service*

**Number of respondents with a fixed line – 361**

145 respondents with a stand-alone fixed telephony connection

130 respondents knowing their monthly expenditure



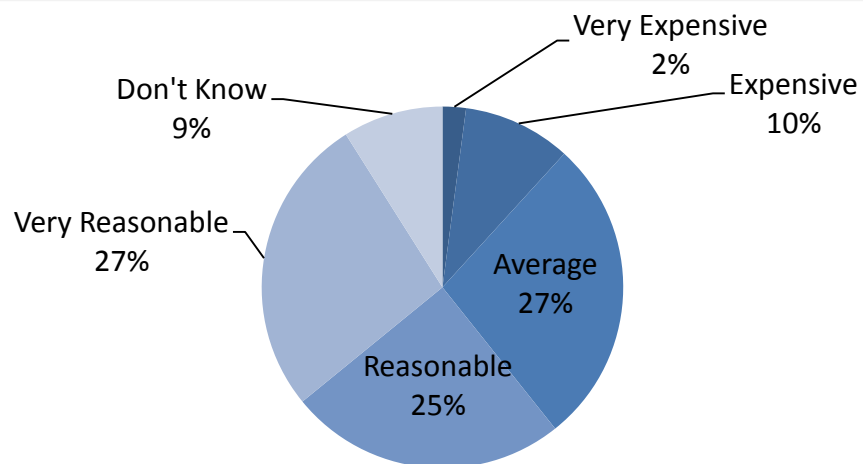
*How reasonably priced is fixed telephony?*

*Percentage of businesses finding fixed telephony as reasonably and very reasonably priced:*

2012 → 48%

2014 → 49%

2016 → 53%



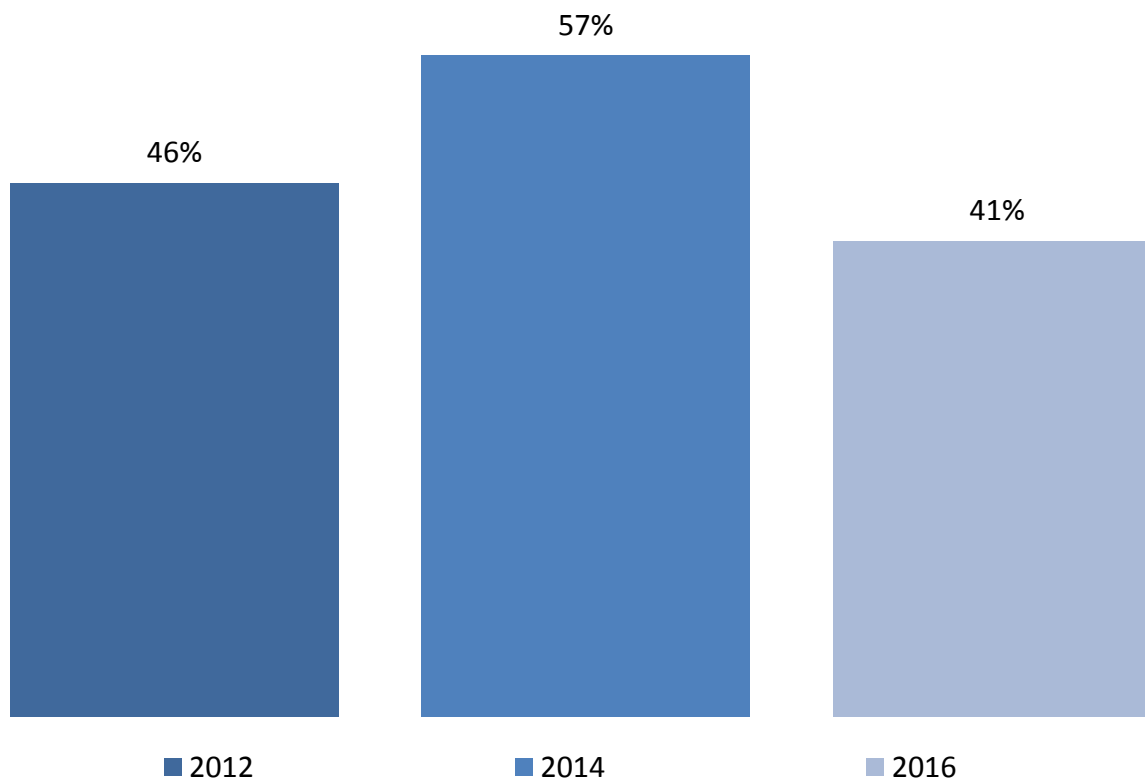
- *Over 11% of respondents with a fixed line connection have some form of service level agreement with their service provider(s) covering repair times. This is higher than reported in previous surveys: 3% in 2014; 5% in 2012.*
- *Over 44% of respondents experienced some form of fault / problem in 2016. However, the majority of these businesses experienced only one fault / problem in a whole year.*
- *70% of respondents reporting a fault were satisfied / very satisfied with the level of response by their service provider. This is a better result when compared to 61% in 2014 and 53% in 2012.*
- *Only 5% of respondents switched their service provider in the last 2 years.*
- *Over 18% of respondents with a fixed telephony connection feel that the service is not that important for their business to function. However, the large majority of these would not remove this service.*

## Mobile telephony

*Percentage of businesses providing their employees with a mobile phone*

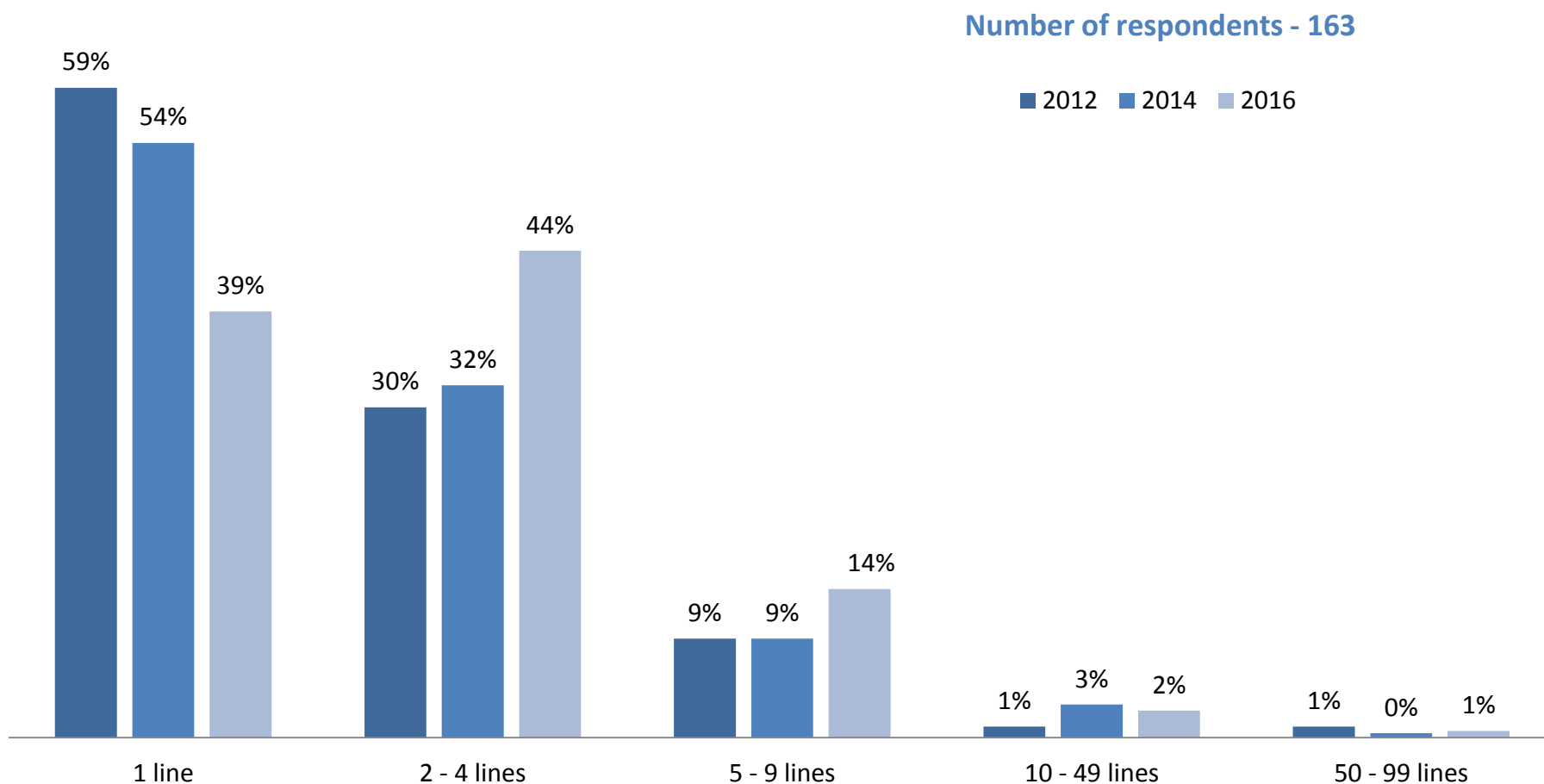
**Number of respondents - 402**

163 respondents (i.e. 41% of the total) businesses providing employees with a mobile phone

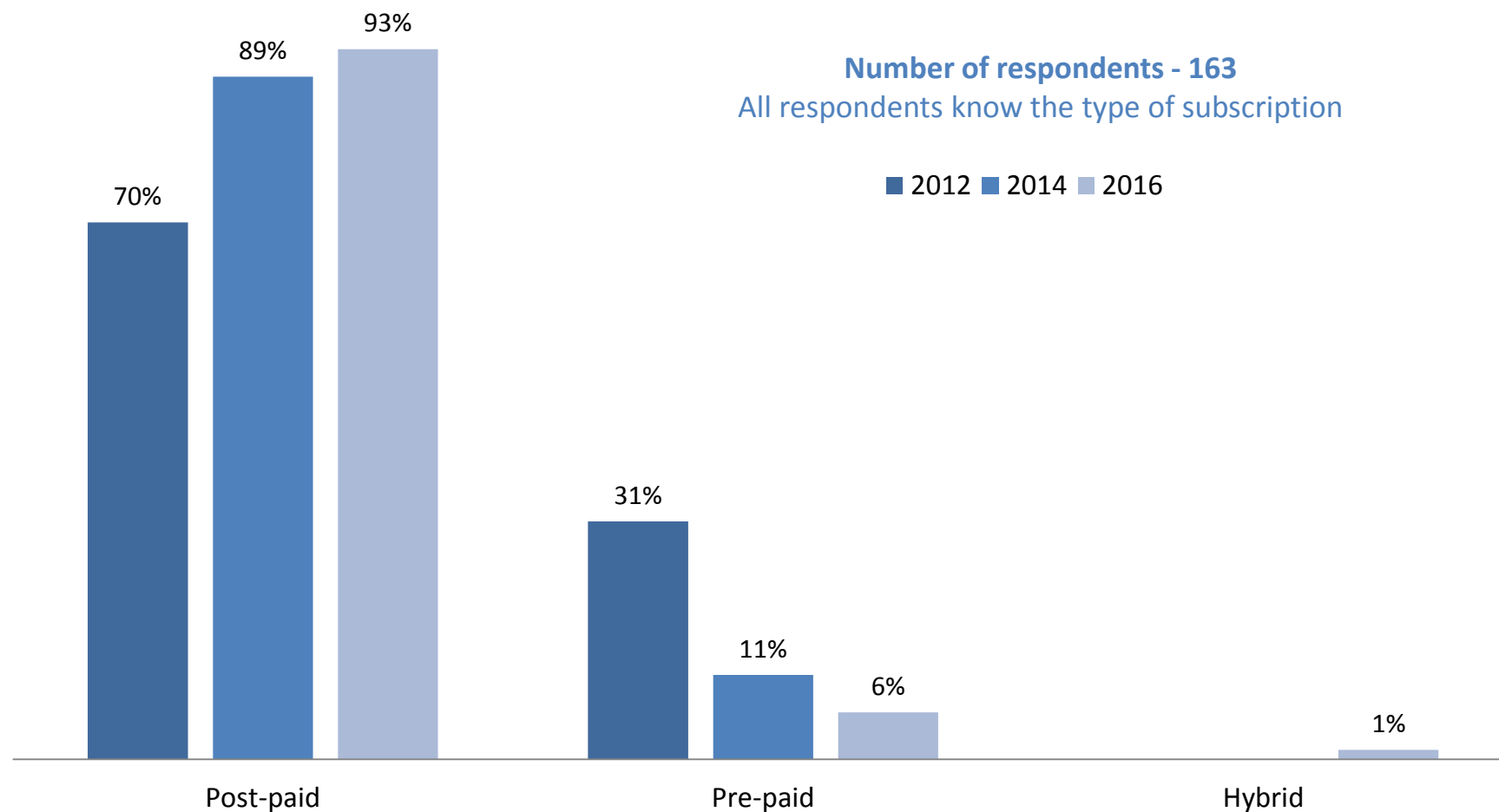


## Mobile telephony (2)

*How many mobile connections offered to employees does the company pay for?*



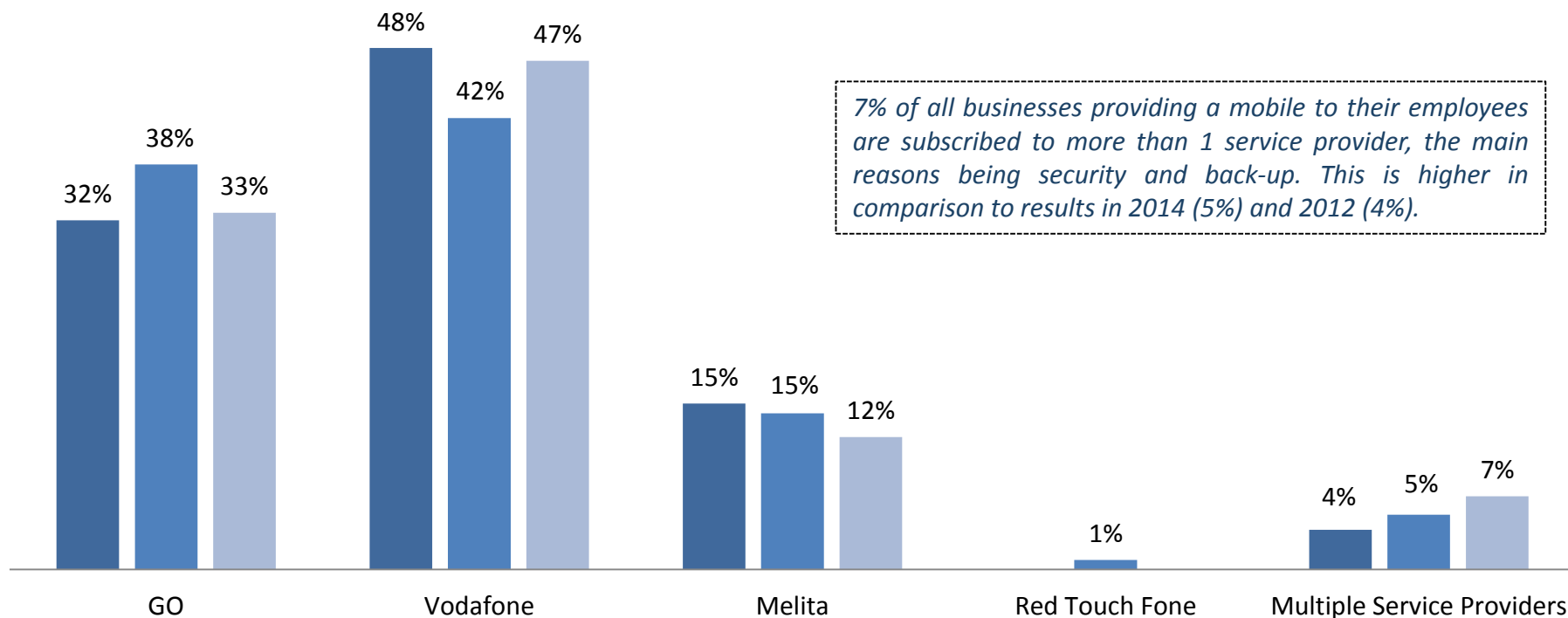
### *Profile of subscriptions – by type of plan offered to employees*



### Profile of subscriptions – by service provider

**Number of respondents - 163**  
 162 of these (i.e. 99%) know their service provider

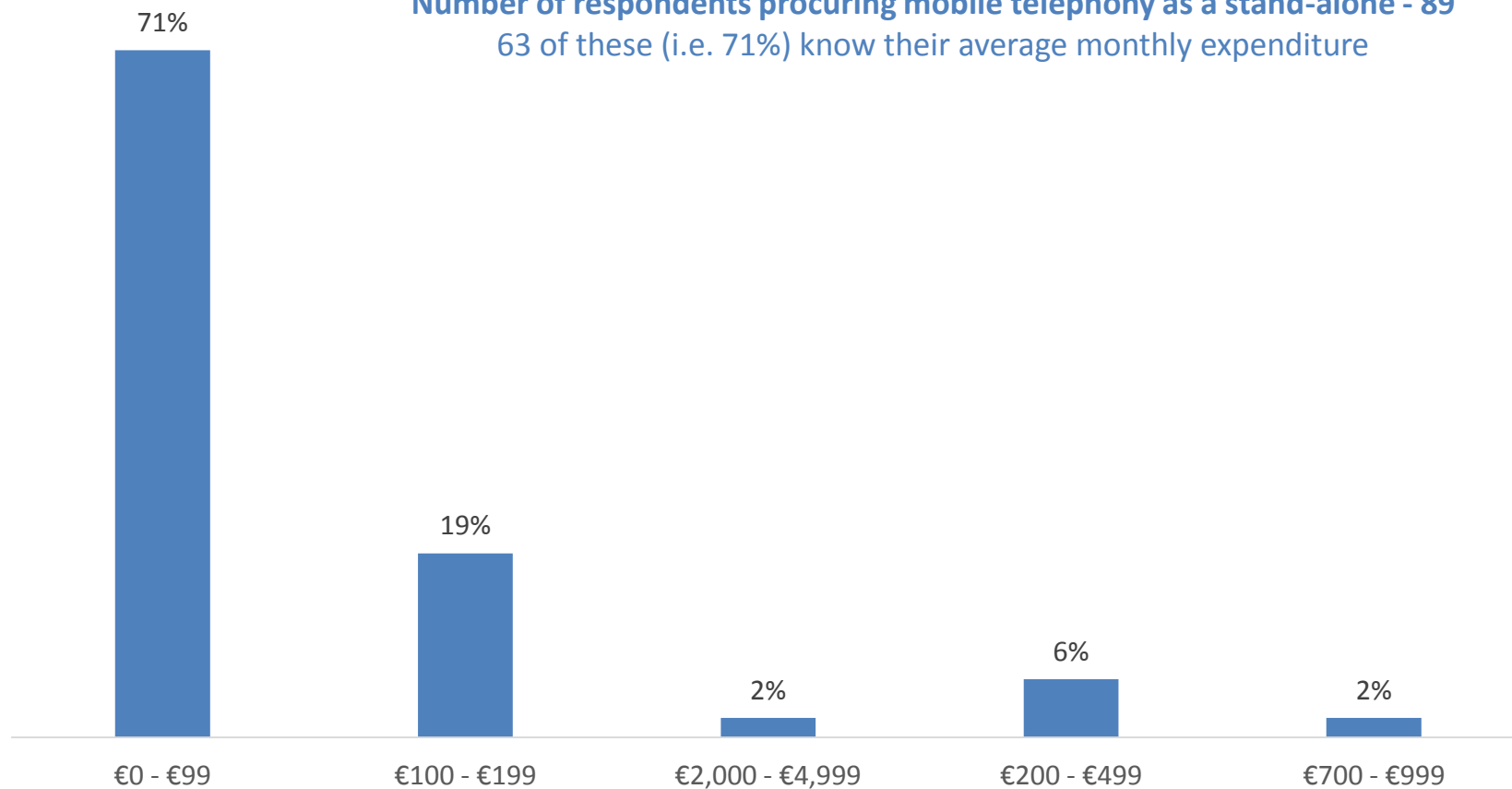
■ 2012 ■ 2014 ■ 2016



## Mobile telephony (5)

*Average monthly expenditure on mobile telephony as a stand-alone*

**Number of respondents procuring mobile telephony as a stand-alone - 89**  
63 of these (i.e. 71%) know their average monthly expenditure

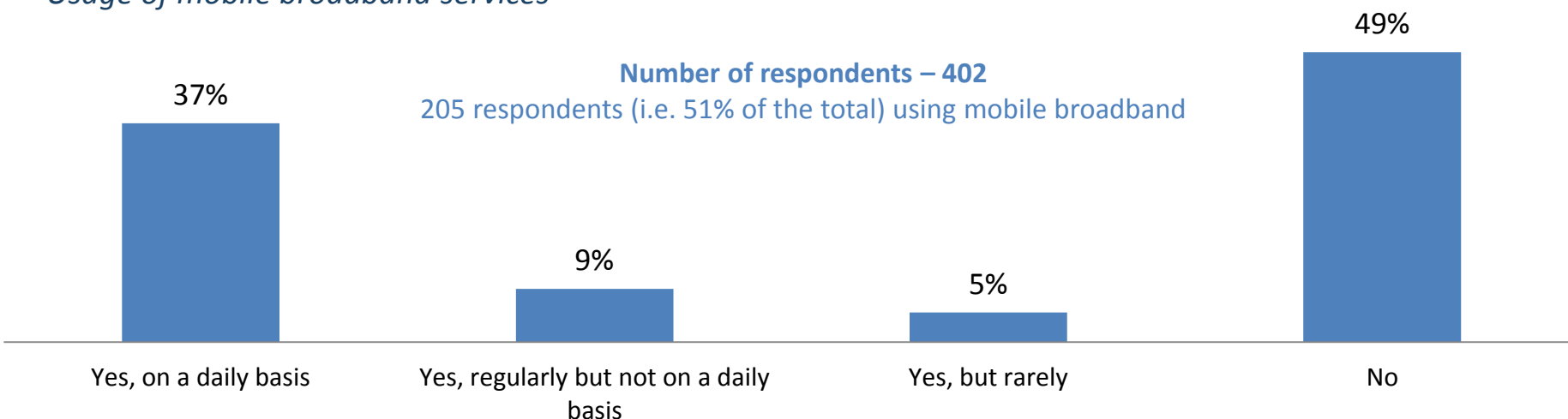


- *Over 24% of respondents using mobile telephony for work purposes were able to bargain contract terms with their service provider.*
- *Almost 10% of businesses reported having a specific service level agreement (SLA) with their service provider, dealing with reported faults.*
- *Only 6% of businesses have changed their service provider in the last 2 years.*
- *Over 90% of businesses are satisfied or very satisfied with the mobile service they get. In 2012 and 2014 respondents reported satisfaction levels of 82% and 87% respectively.*
- *The majority of respondents reporting dissatisfaction with their mobile service said they were not willing to switch service provider, as they perceived such a move to be inconvenient and/ or that switching to alternatives would not meet their requirements.*

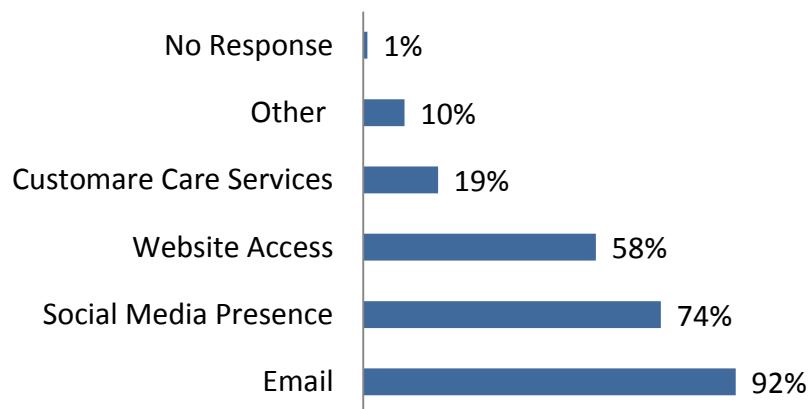
## Mobile broadband

## Mobile broadband (1)

### Usage of mobile broadband services



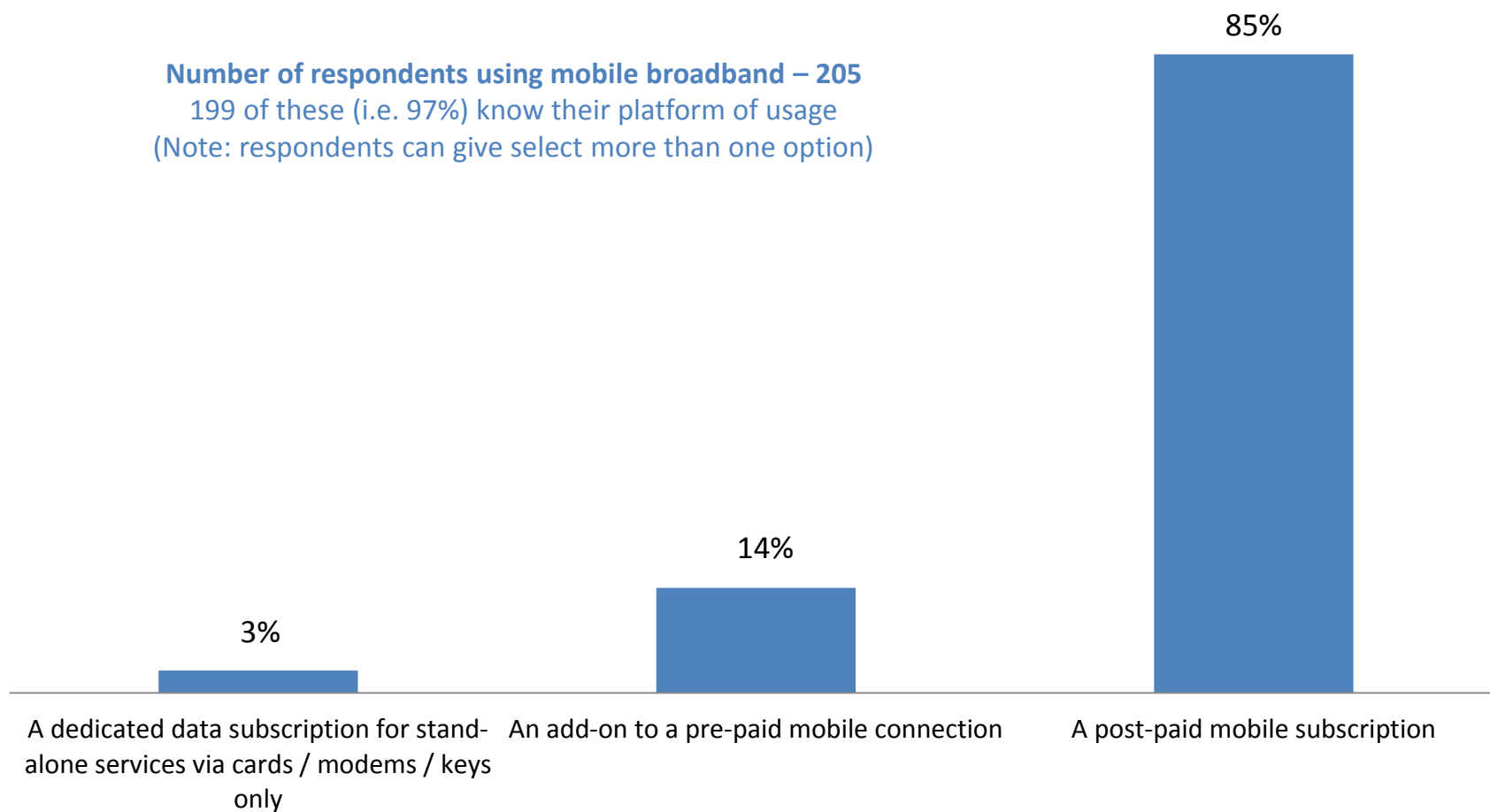
### Applications used over mobile broadband



## Mobile broadband (2)

### *Platforms used to access mobile broadband services*

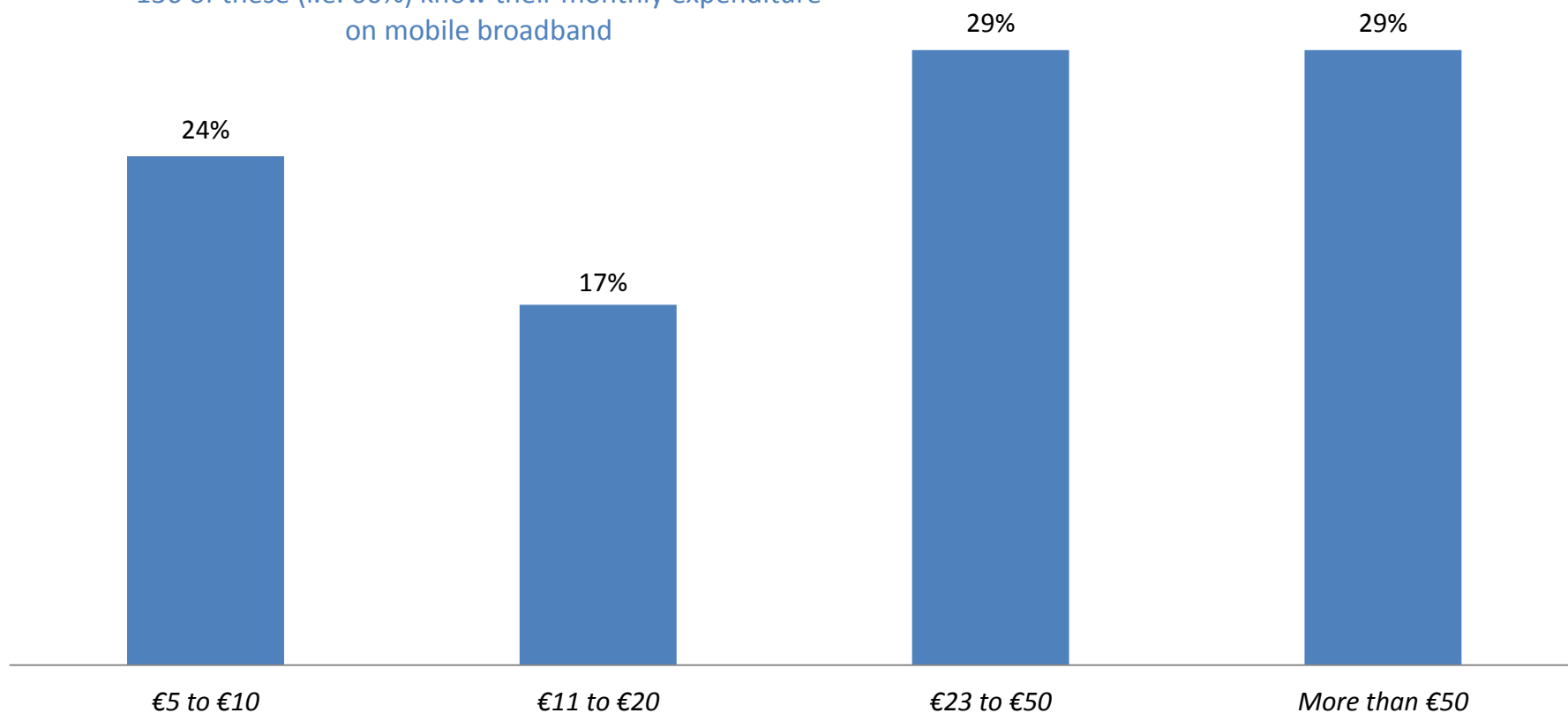
**Number of respondents using mobile broadband – 205**  
199 of these (i.e. 97%) know their platform of usage  
(Note: respondents can give select more than one option)



## Mobile broadband (3)

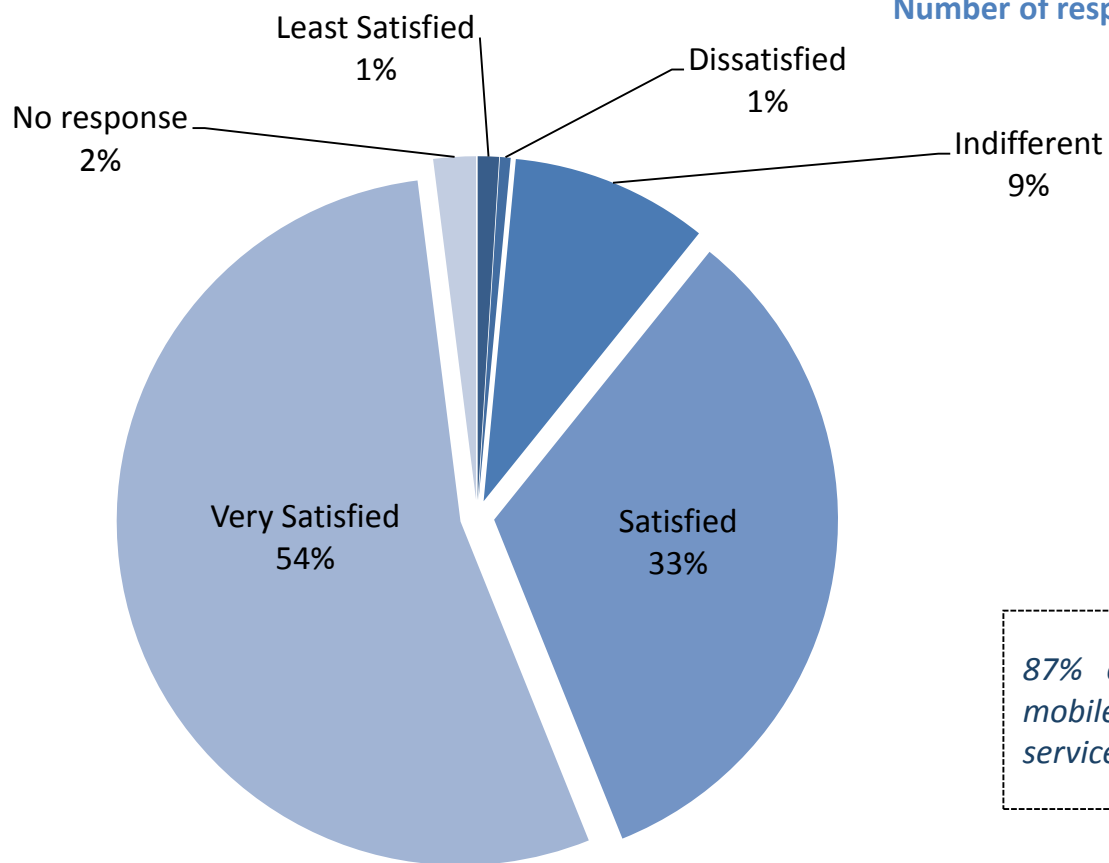
*Average monthly expenditure on mobile data in 2016*

**Number of respondents using mobile broadband – 205**  
136 of these (i.e. 66%) know their monthly expenditure  
on mobile broadband



### *Satisfaction with the mobile broadband service*

Number of respondents using mobile broadband – 205



*87% of respondents making use of mobile broadband services feel that the service provided satisfies their needs.*



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## Mobile broadband (5)

- *51% of respondents offering their employees with a mobile phone make use of mobile broadband services, with e-mail being the most popular service used.*
- *The majority of these respondents make use of their post-paid plans to access mobile data services on their mobile phones.*
- *29% of respondents offering their employees with a mobile subscription spend €50 or more per month on mobile data add-on bundles.*
- *87% of respondents using mobile data services were satisfied or highly satisfied with the service.*

## Fixed broadband



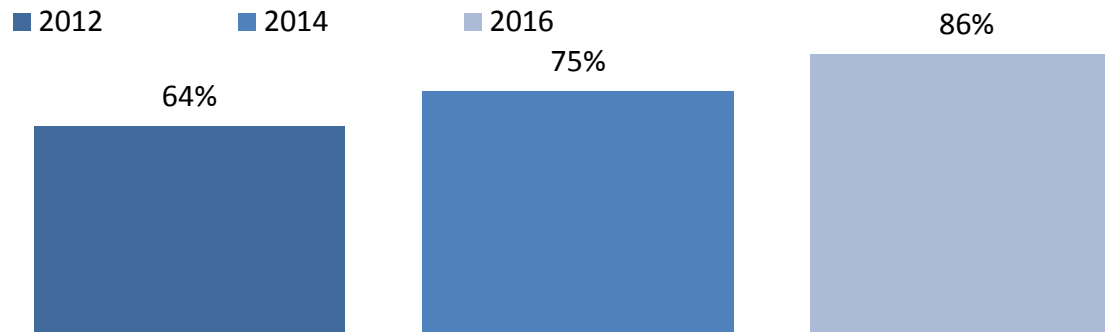
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## Fixed broadband (1)

### Percentage of businesses having a fixed broadband connection

Number of respondents – 402

347 respondents (i.e. 86% of the total) have a fixed broadband connection

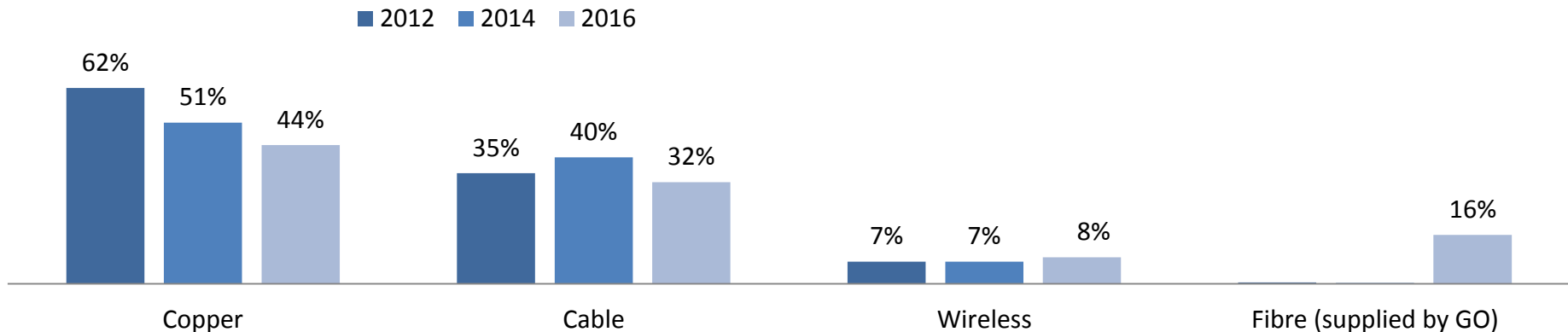


2% of respondents with a fixed broadband connection have reported having multiple service providers.

### Profile of subscriptions – by type of technology

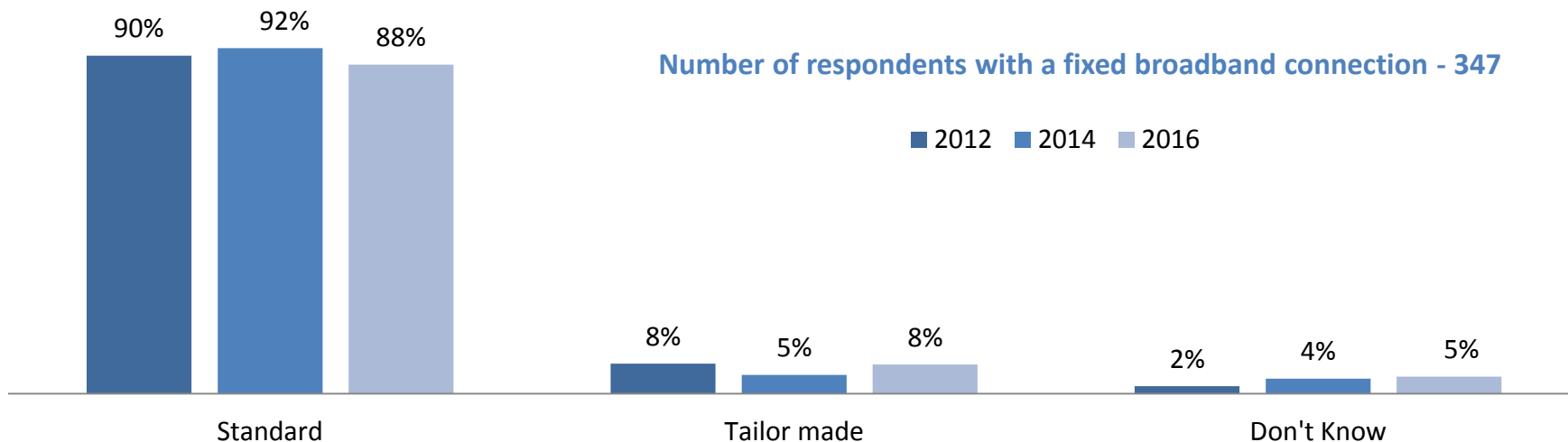
Number of respondents with a fixed broadband subscription – 347

230 respondents (i.e. 66%) knowing their fixed broadband platform

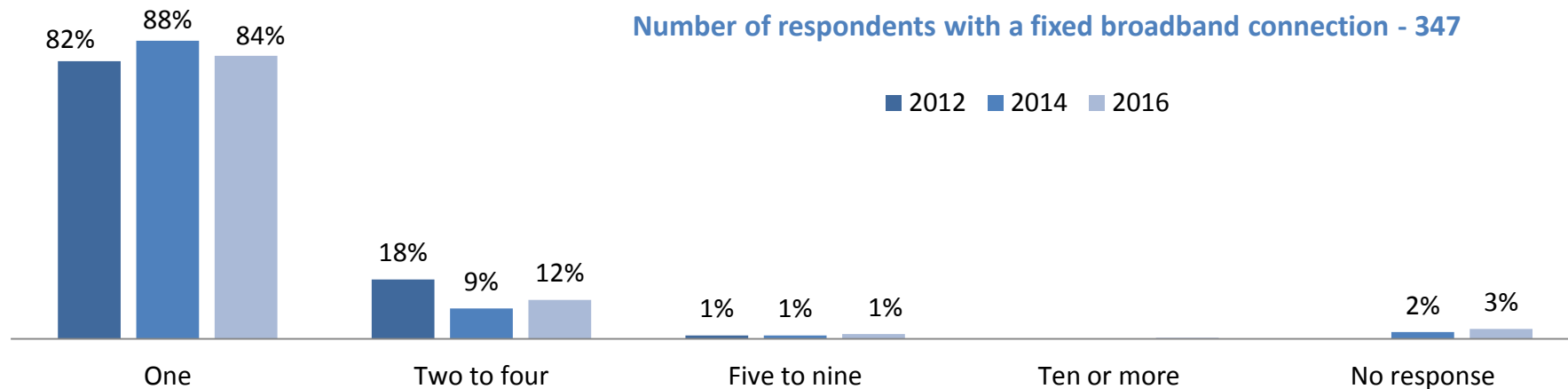


## Fixed broadband (2)

### Profile of subscriptions – by type of connection



### How many broadband connections does the company have?



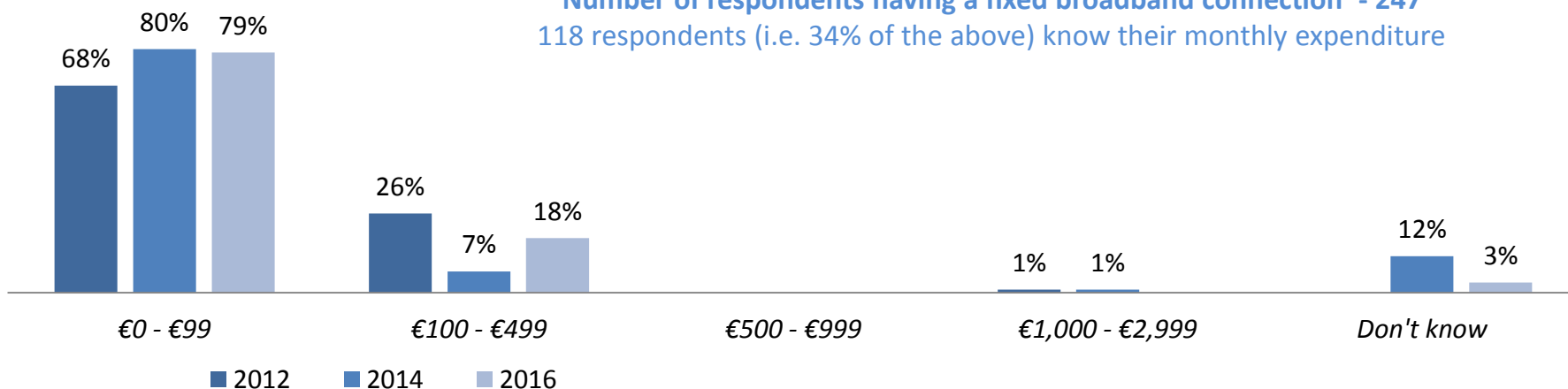


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## Fixed broadband (3)

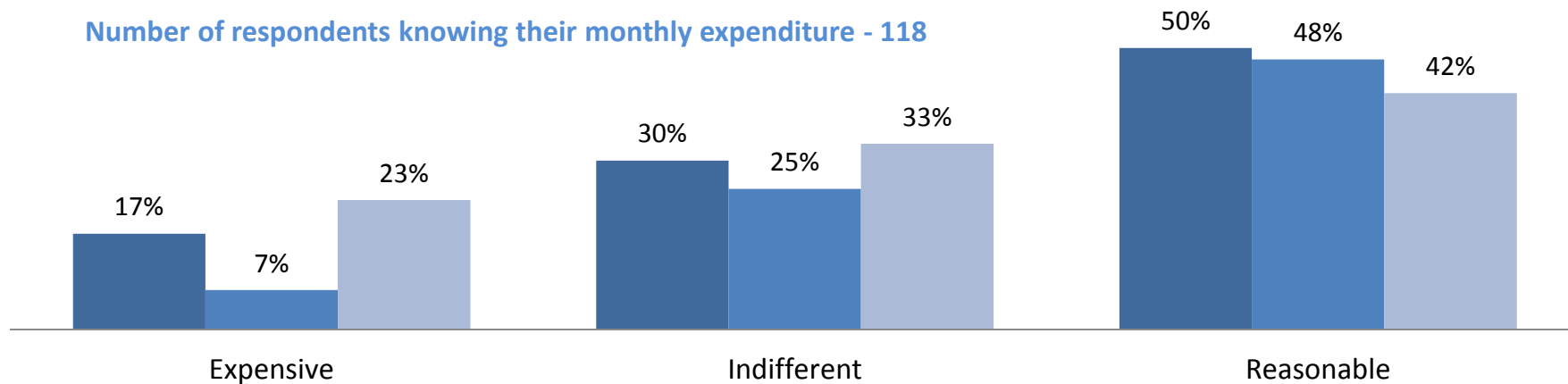
### Average monthly expenditure on fixed broadband

Number of respondents having a fixed broadband connection - 247  
118 respondents (i.e. 34% of the above) know their monthly expenditure



### Do respondents find their monthly expenditure to be expensive or reasonable?

Number of respondents knowing their monthly expenditure - 118

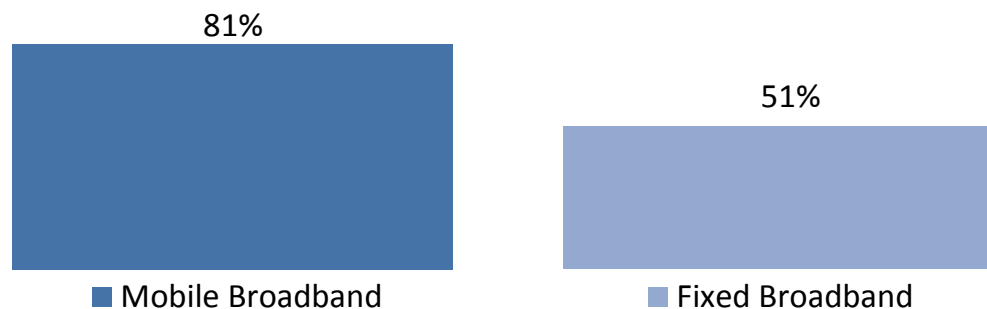


- *Over 24% of respondents having a fixed broadband connection were able to negotiate the terms and conditions of their contract with their service provider.*
- *In 2016 businesses reported the highest levels of satisfaction with their broadband service at 82%. Fixed broadband satisfaction levels were at 77% in 2014 and 76% in 2012.*
- *Over 57% of businesses dissatisfied with their service did not consider service provider because they were subscribed to a bundle and / or they deemed the process as being inconvenient.*
- *Just 5% of respondents have switched their internet service provider in the last 2 years.*
- *45% of businesses experienced a fault / problem with their fixed broadband connection, at least once in the last 12 months. However, the majority of these businesses (70%) were satisfied or very satisfied with the level of response they received by their service provider.*

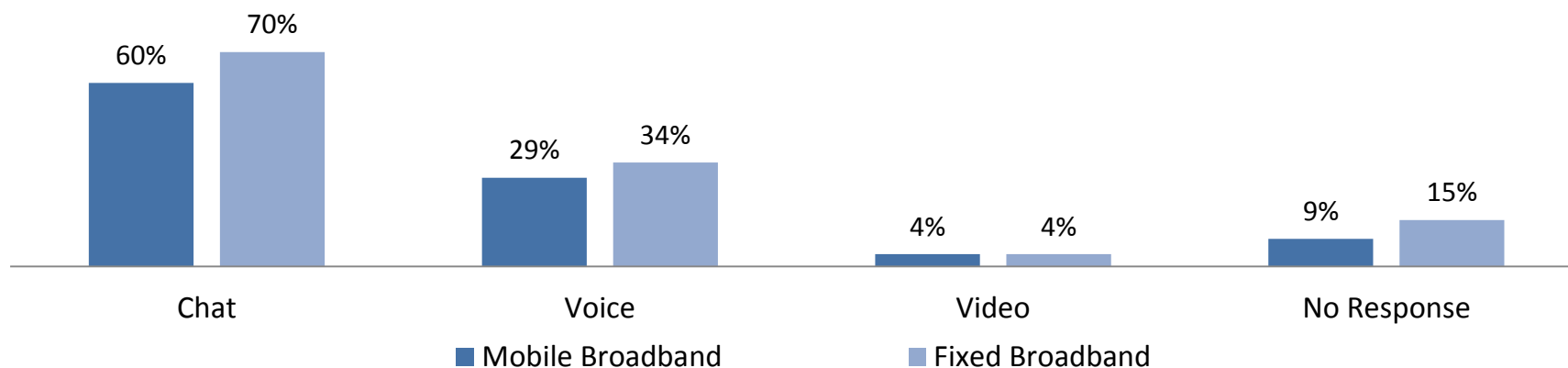
## Over-The-Top services (OTTs)

*Percentage of fixed broadband and mobile business users making use of OTT services*

Number of respondents making use of mobile broadband – 205  
Number of respondents making use of fixed broadband - 347



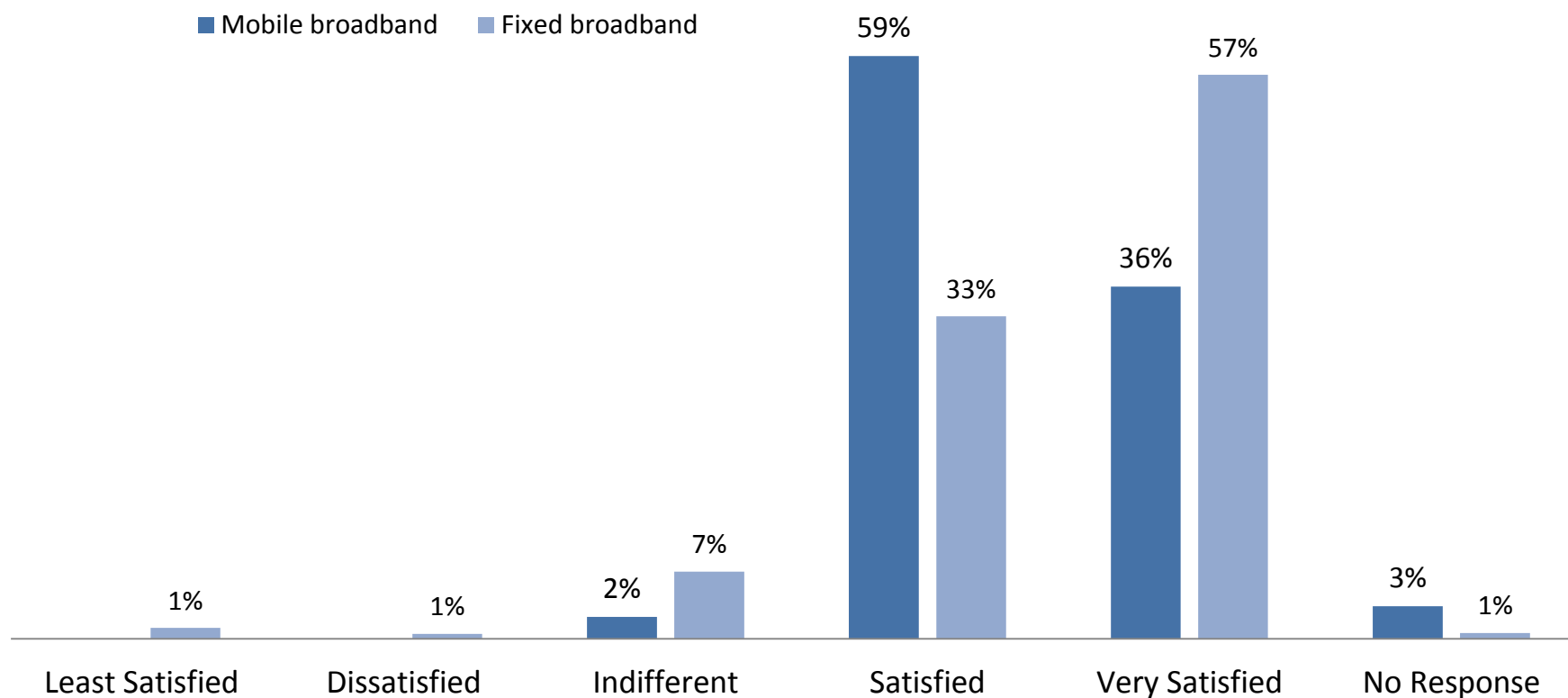
*Type of OTT services that are used*



*Level of satisfaction with the use of OTTs*

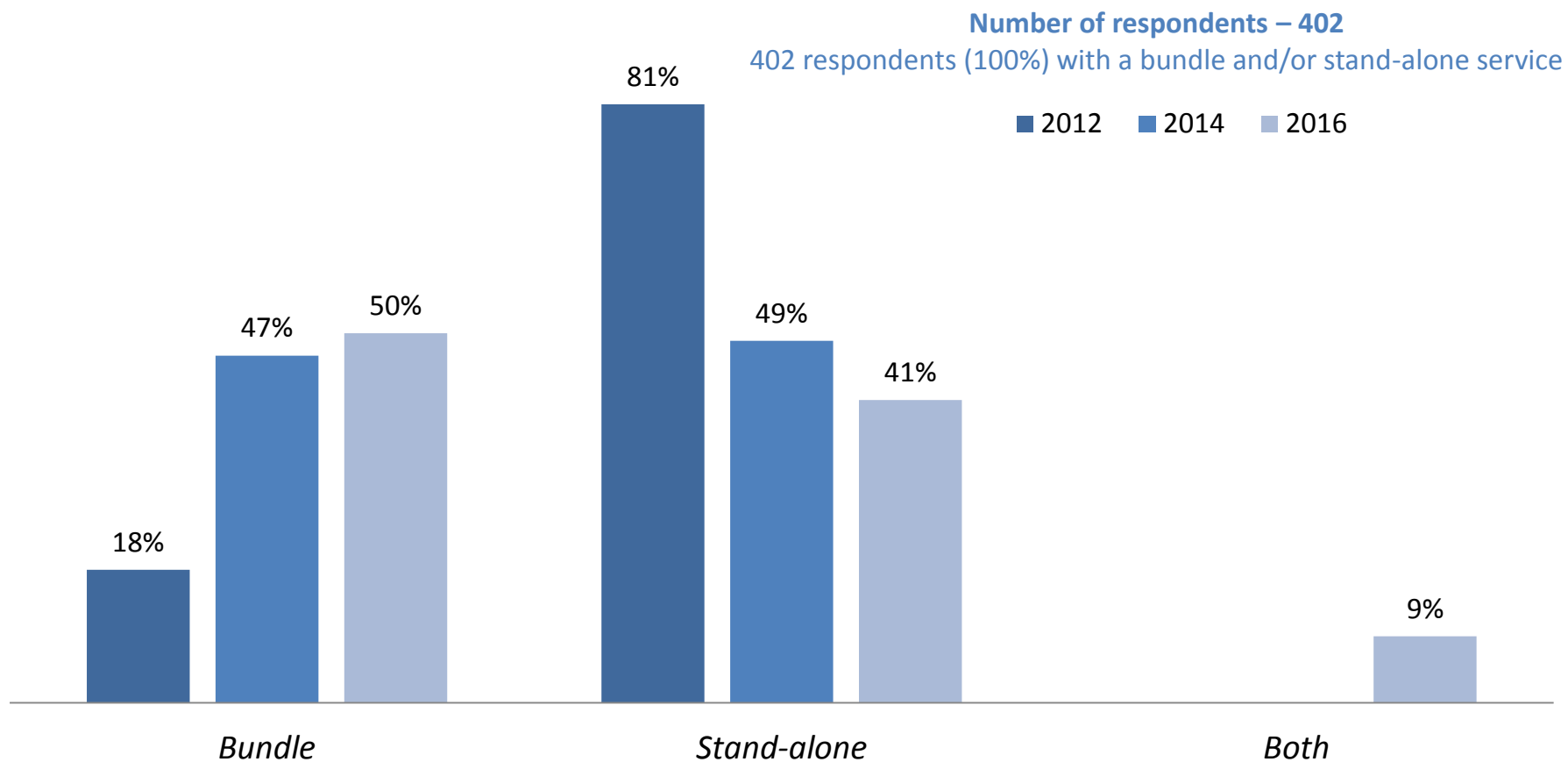
Number of respondents using OTTs over mobile – 90

Number of respondents using OTTs over fixed broadband - 176

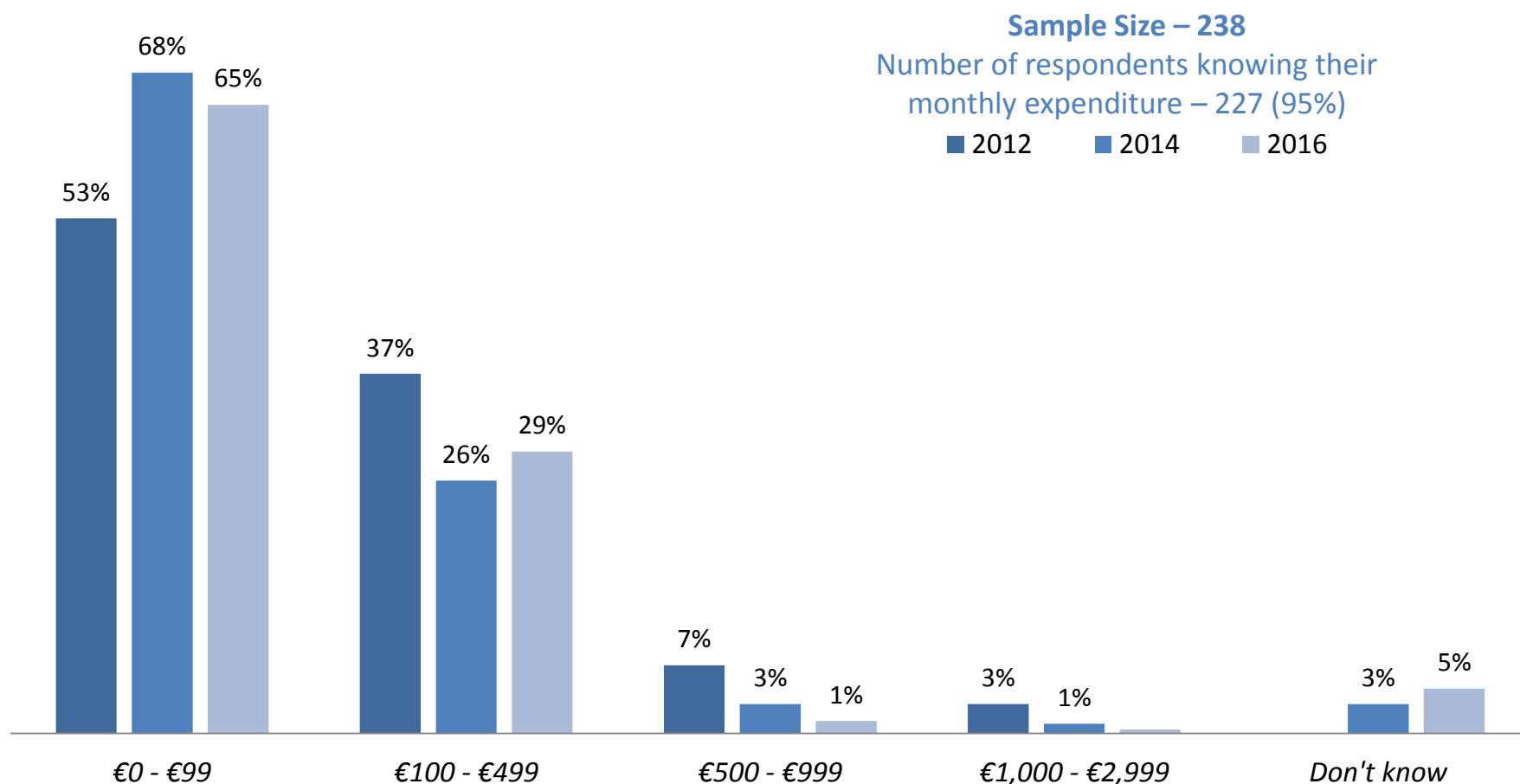


## Bundles

*Percentage of businesses purchasing stand-alone services vs. bundled services*

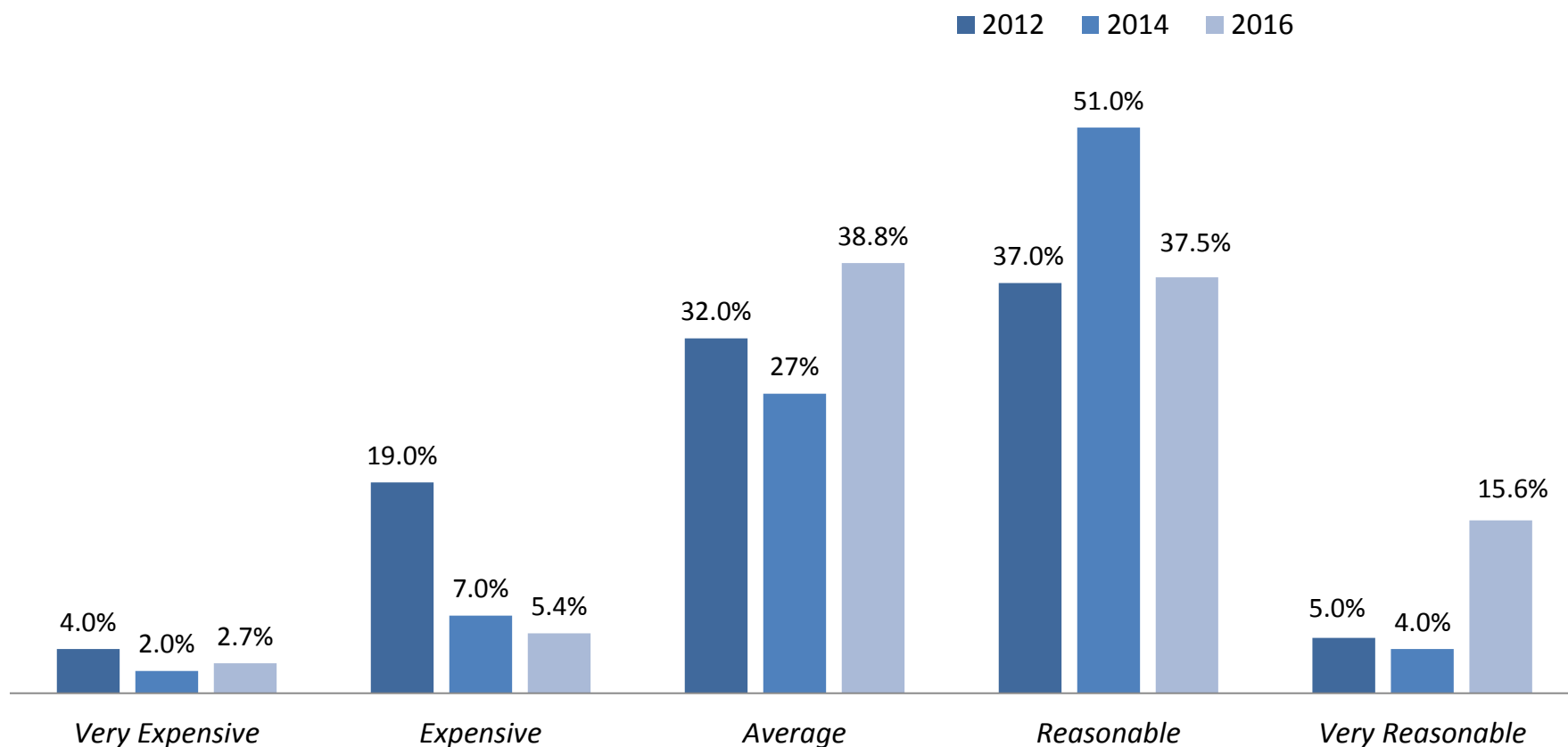


*Average monthly expenditure on bundles*



*Do businesses find the price of bundles expensive or reasonable?*

Number of respondents knowing their expenditure on bundles – 227 (95%)  
Number of respondents able to quantify satisfaction on bundles – 224 (94%)

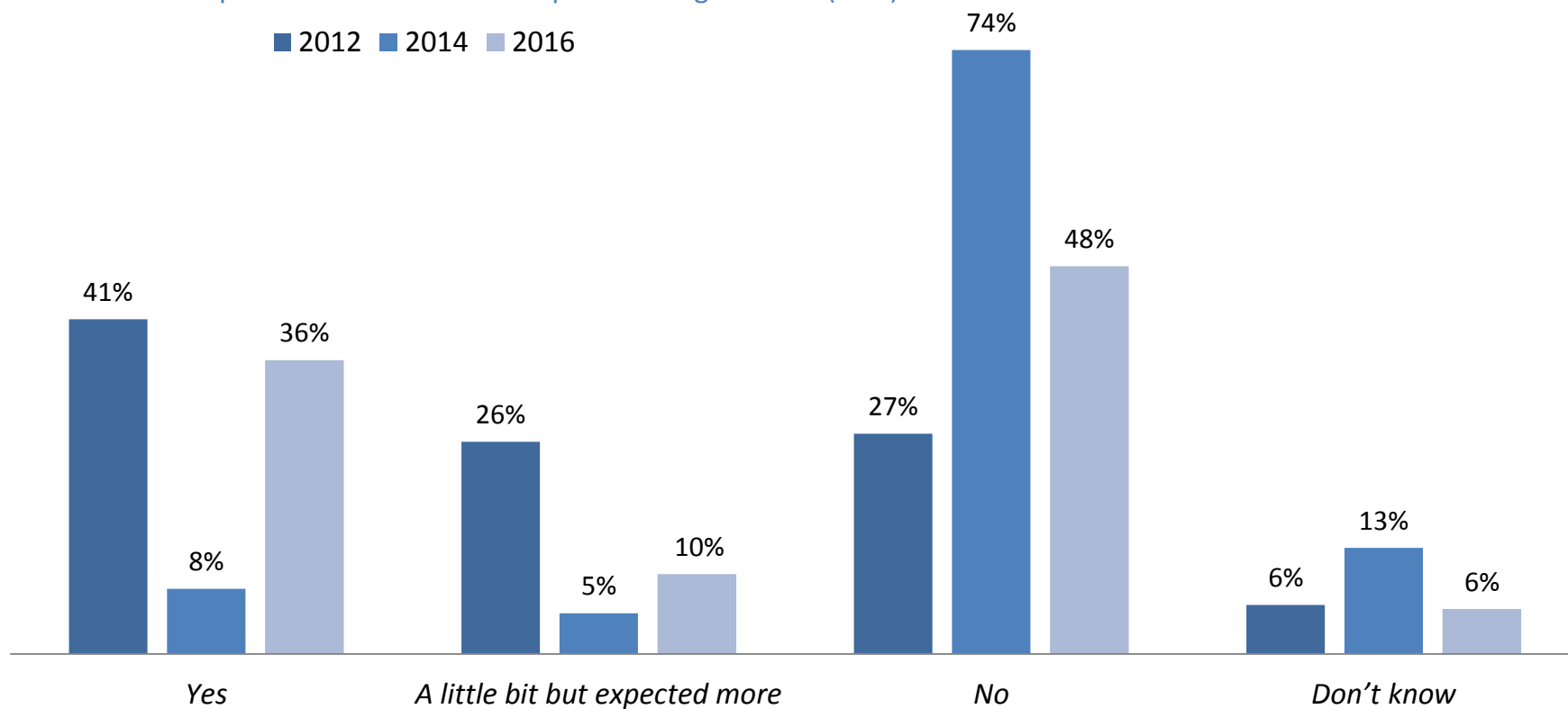


*Percentage of businesses reporting ability to bargain on the contract terms for their bundled subscription*

**Sample size – 238**

Number of respondents who have attempted to bargain - 220 (92%)

■ 2012 ■ 2014 ■ 2016





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## Bundles (5)

- *Businesses have shown an increased propensity to purchasing bundled products. 59% of businesses reported having a bundle, an increase of 3 percentage points from the results achieved in 2014.*
- *9% of the total respondents purchased both stand-alone and bundled services.*
- *95% of businesses with bundled services knew their average monthly expenditure. 65% of such respondents spent less than €100 a month on their bundles while 29% spent between €100 and €499 a month. These results were comparable to the results garnered in 2014.*
- *53% of the respondents deemed the average monthly expenditure on bundles to be reasonable while 8% felt that the cost was too high. The remaining 38% felt that their monthly expenditure on bundles was neither cheap or expensive.*



*Thank you*