

MCA Market Research

Consumer Perceptions Survey - Bundles

August 2018

- The MCA Consumer Perception Surveys are carried out every two years to get insight on the preferences of household consumers when purchasing electronic communications services.
- This research informs us on a number of factors concerning bundled electronic communication services:
 - ✓ the average monthly expenditure by end-users on bundled products of ECS services and their sensitivities to price changes;
 - ✓ the level of satisfaction with the quality of the service and the ability of end-users to switch between bundled products offered by different operators;
 - ✓ the type of contract agreements that are selected and the quality of the operators' response to faults that are reported.

Keep tabs on latest developments

Provide for better analysis of bundle services

Allow for robust regulatory decisions

EMCS Ltd carried out the survey in January 2018 on behalf of the MCA

Fieldwork

- Telephone interviews lasting around 20 minutes;
- Randomly selected survey participants;
- Respondents' age: 18 years or over.

Sample

- Sample stratified on socio-economic classification of the Maltese population;
- Interviews distributed among Malta's six official geographic regions;

Respondents by age distribution

- 18 to 29 years: 15%
- 30 to 49 years: 32%
- 50 to 64 years: 28%
- 65 years or more: 24%

Responses

- 807 net respondents;
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of at least 800 respondents;
- Margin of error: +/- 3.45% at 95% confidence interval.

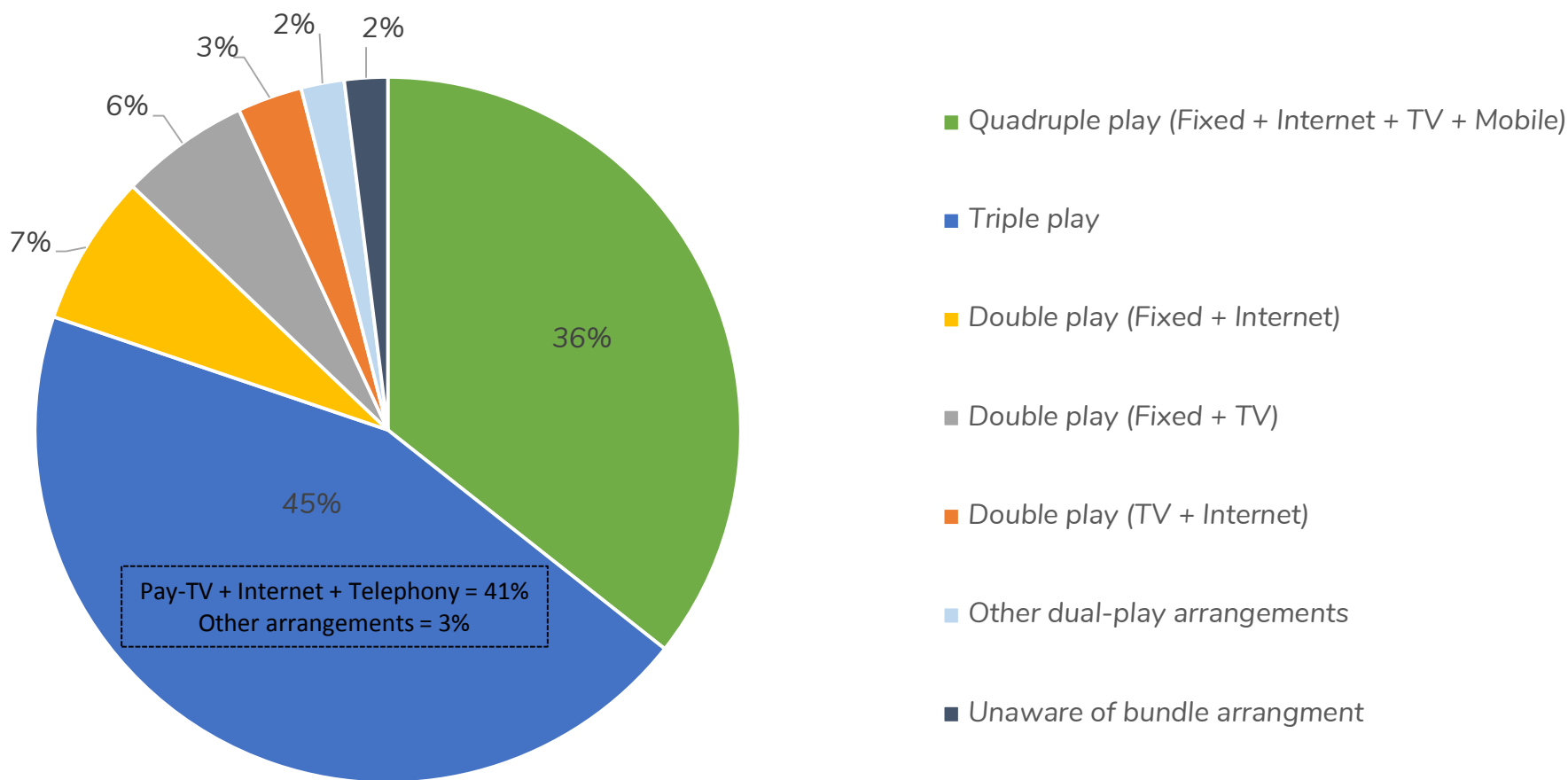
Take-up of bundles and composition

Take-up and composition (1)

Number of respondents to the survey 840

807 say they have a bundle subscription at their household (i.e. 96% of the total)

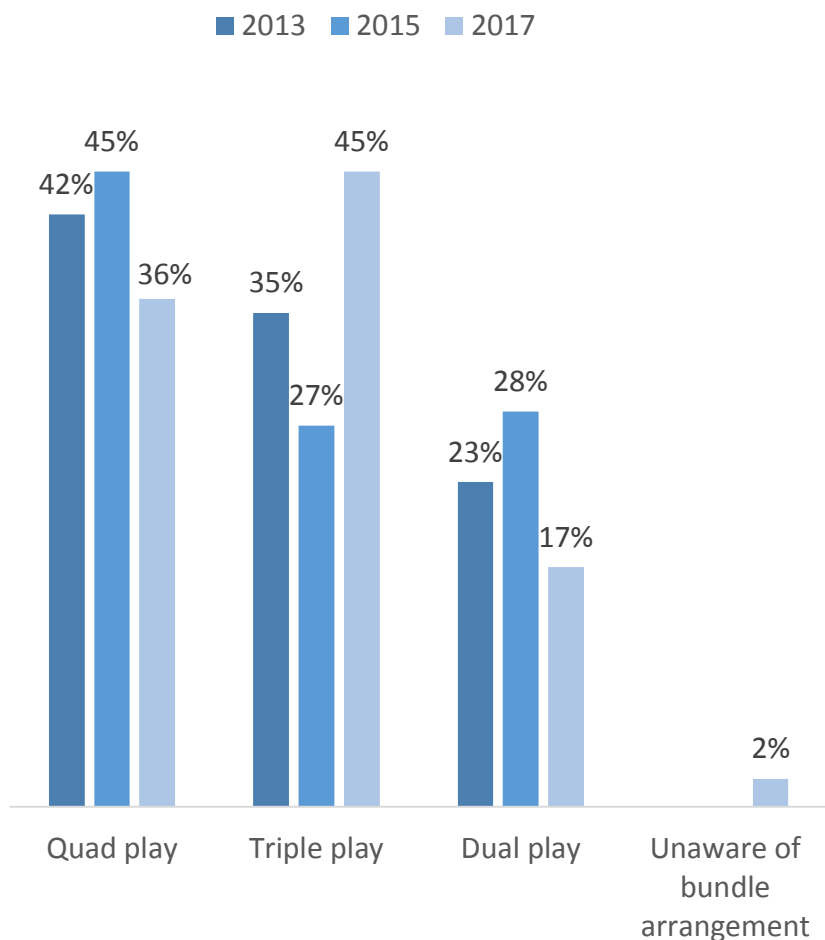
Chart below shows apportionment of 807 bundle subscribers by type of bundle



Take-up and composition (2)

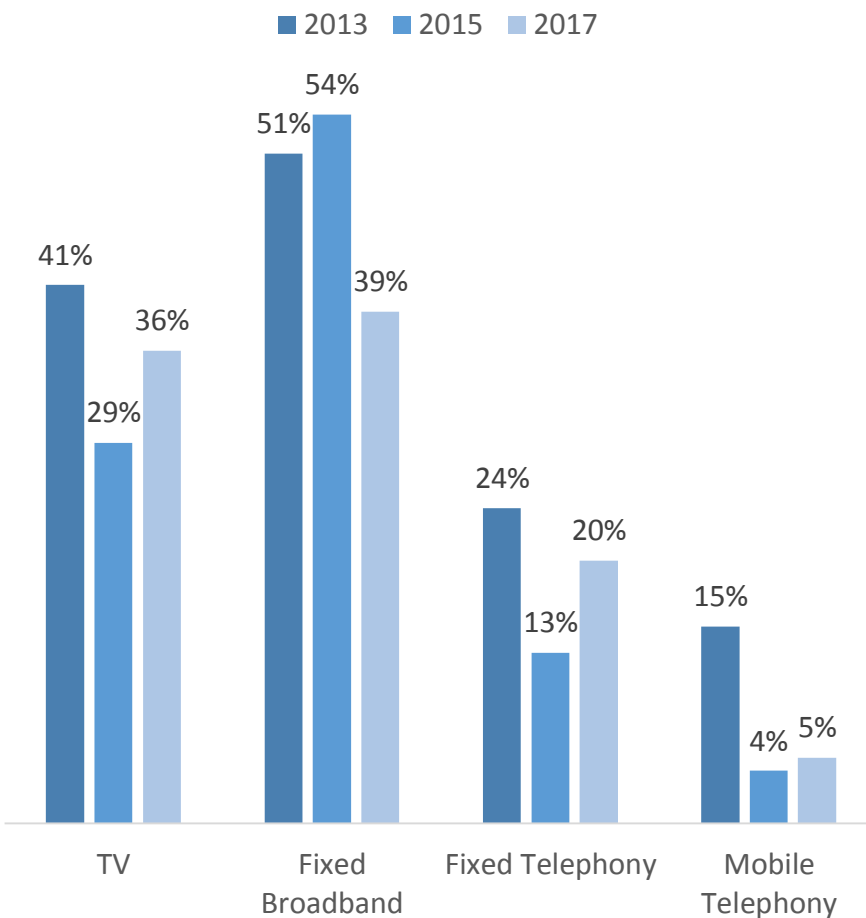
Take-up of bundles and their composition

Number of respondents with a bundle subscription – 807
i.e. 96% of the total number of respondents



ECS products most likely purchased in a bundle

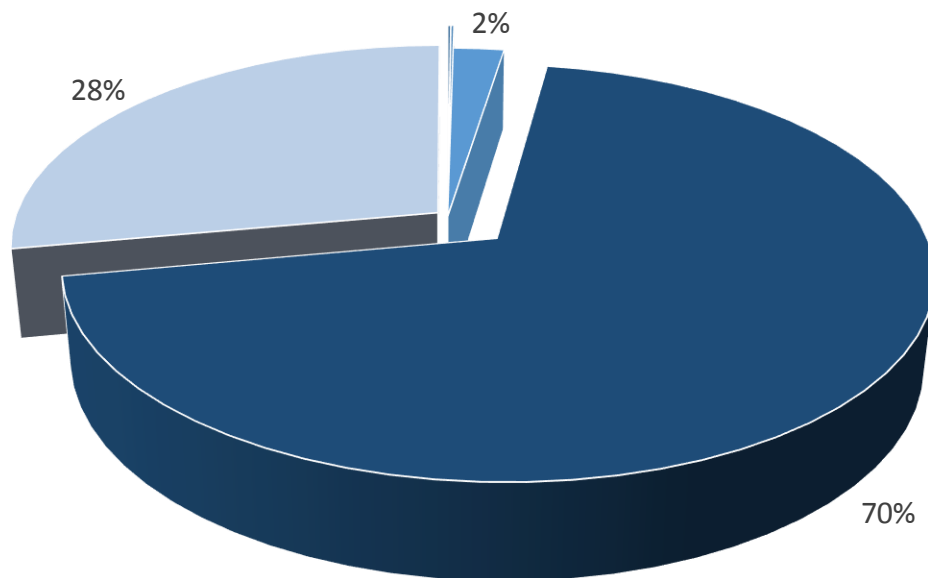
Number of respondents with a bundle subscription – 807
i.e. 96% of the total number of respondents



Typical duration of contract term agreement

Number of respondents with a bundle – 807

i.e. 96% of the total number of respondents

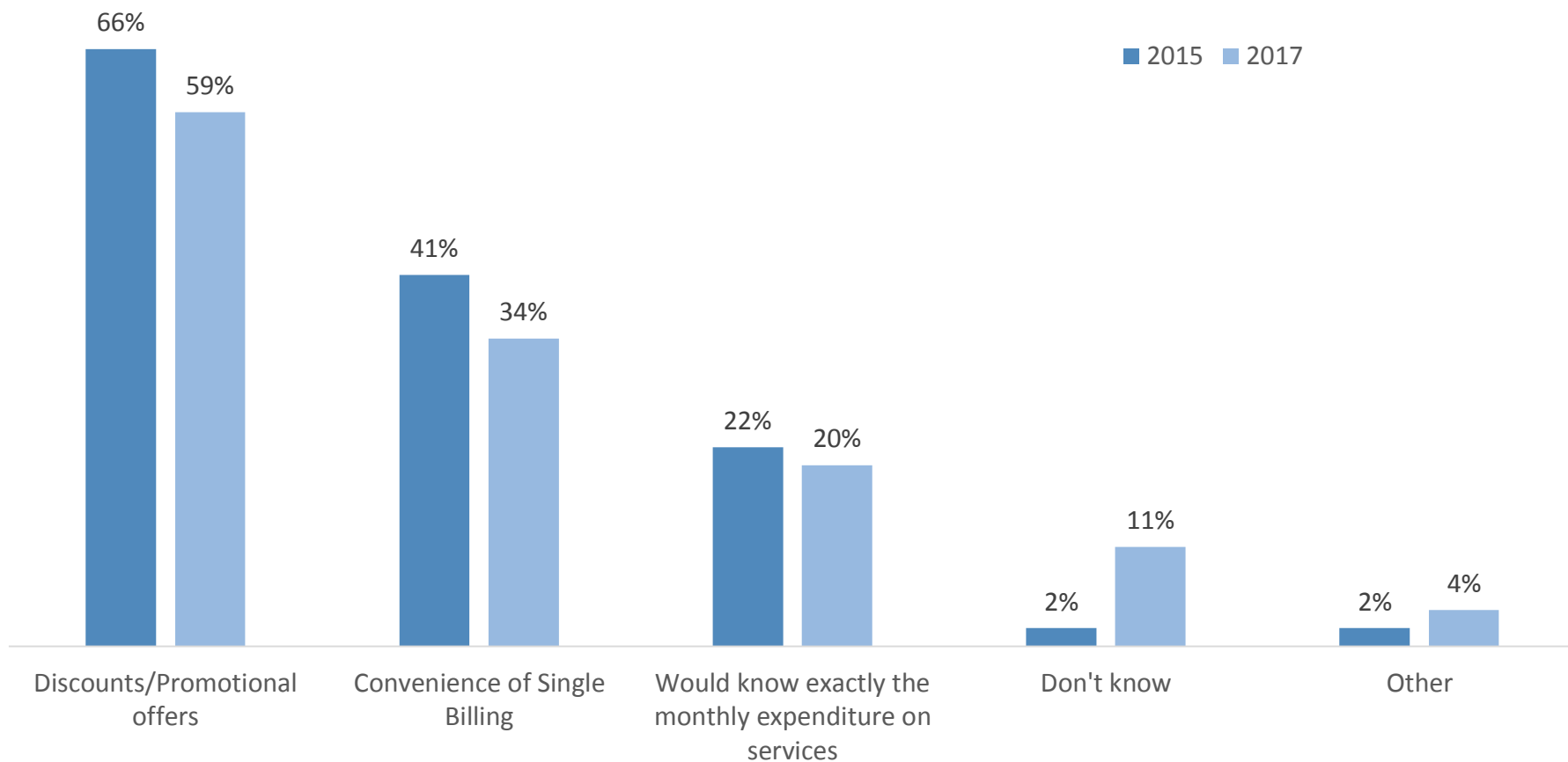


■ 12 months ■ 2 years ■ Don't know

Reasons for purchasing a bundle subscription

Number of respondents with a bundle subscription – 807

Note: In a number of instances more than one reason was provided



Expenditure

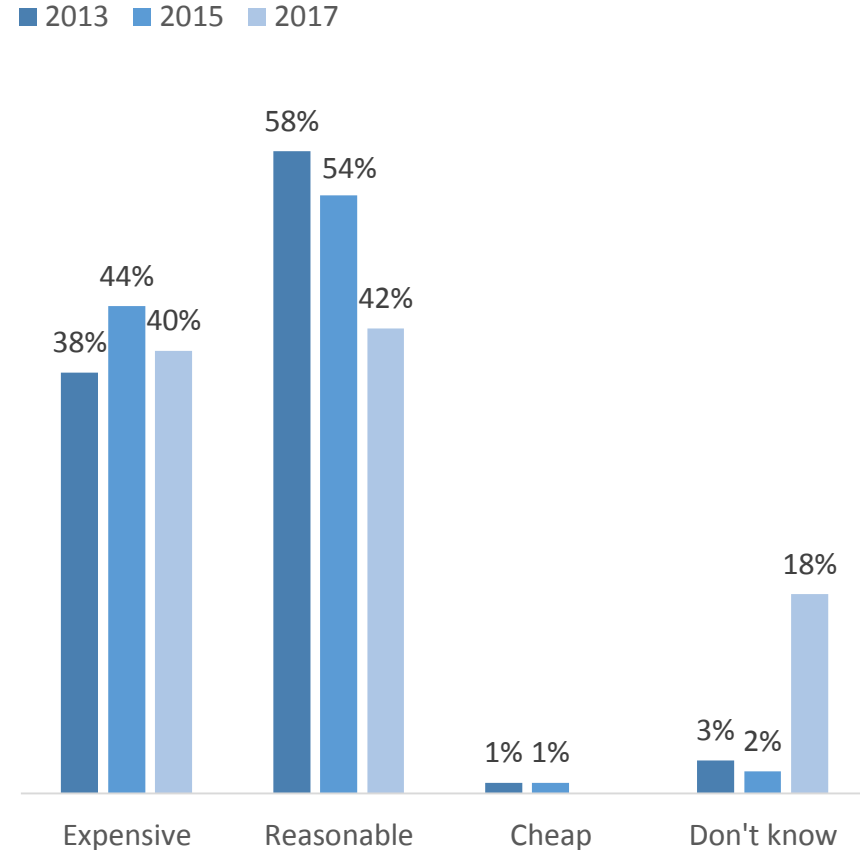
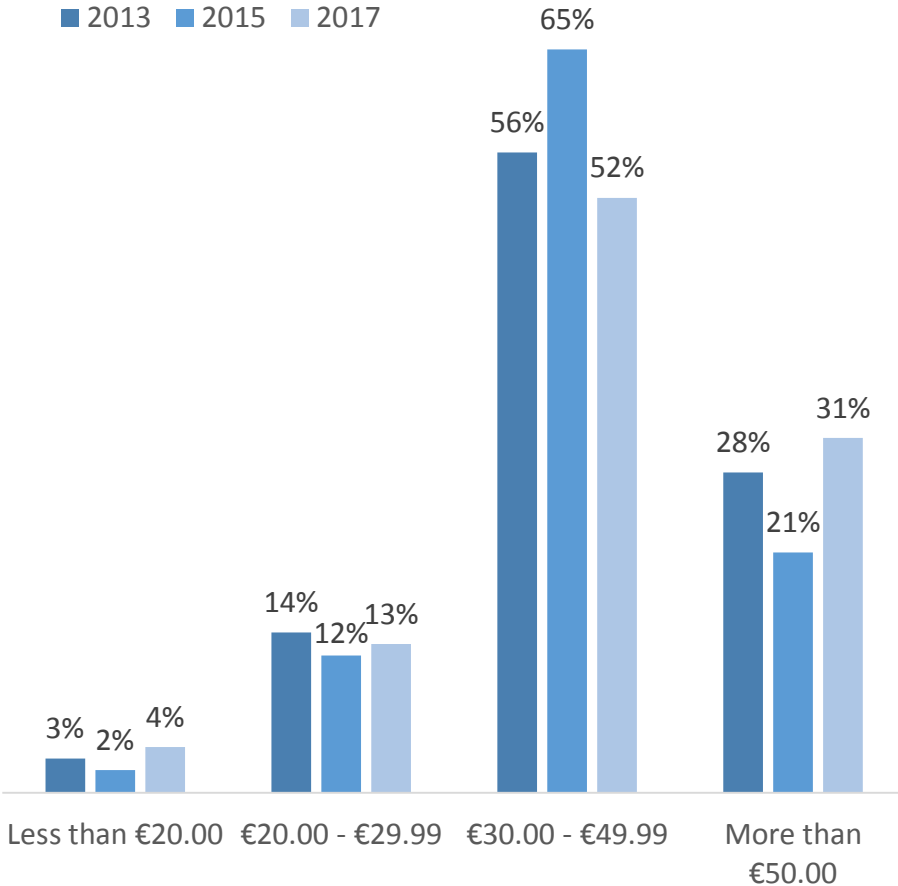
Average monthly expenditure on main bundle subscription

Perception on the cost of bundle subscriptions

Number of respondents with a bundle subscription knowing their monthly expenditure – 641
i.e. 79% of the total number of respondents

■ 2013 ■ 2015 ■ 2017

■ 2013 ■ 2015 ■ 2017



Quality of service and switching

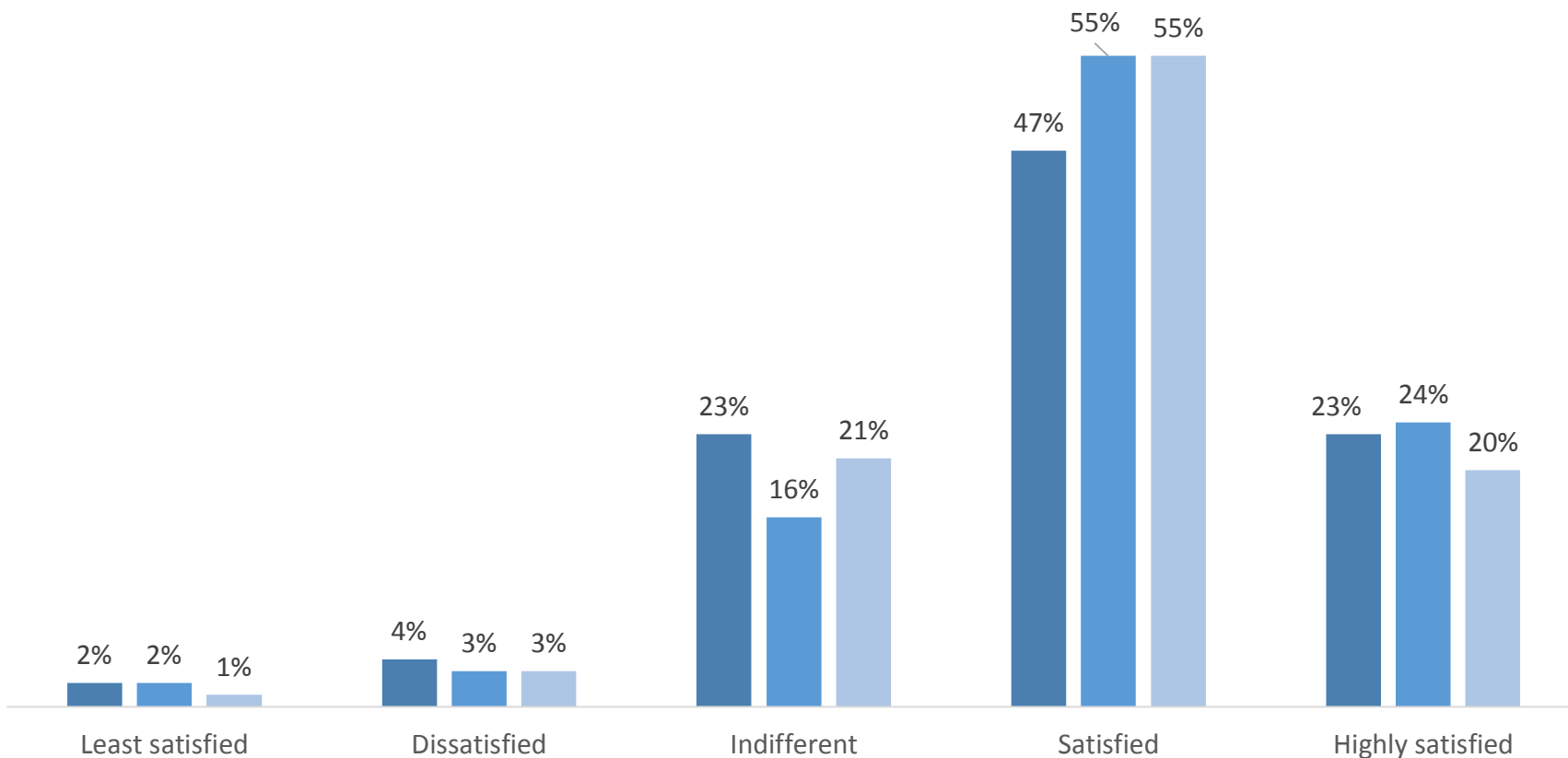
Quality of service and switching (1)

Level of satisfaction with the quality of the main bundle subscription

Number of respondents with a bundle subscription – 807

i.e.96% of the total number of respondents

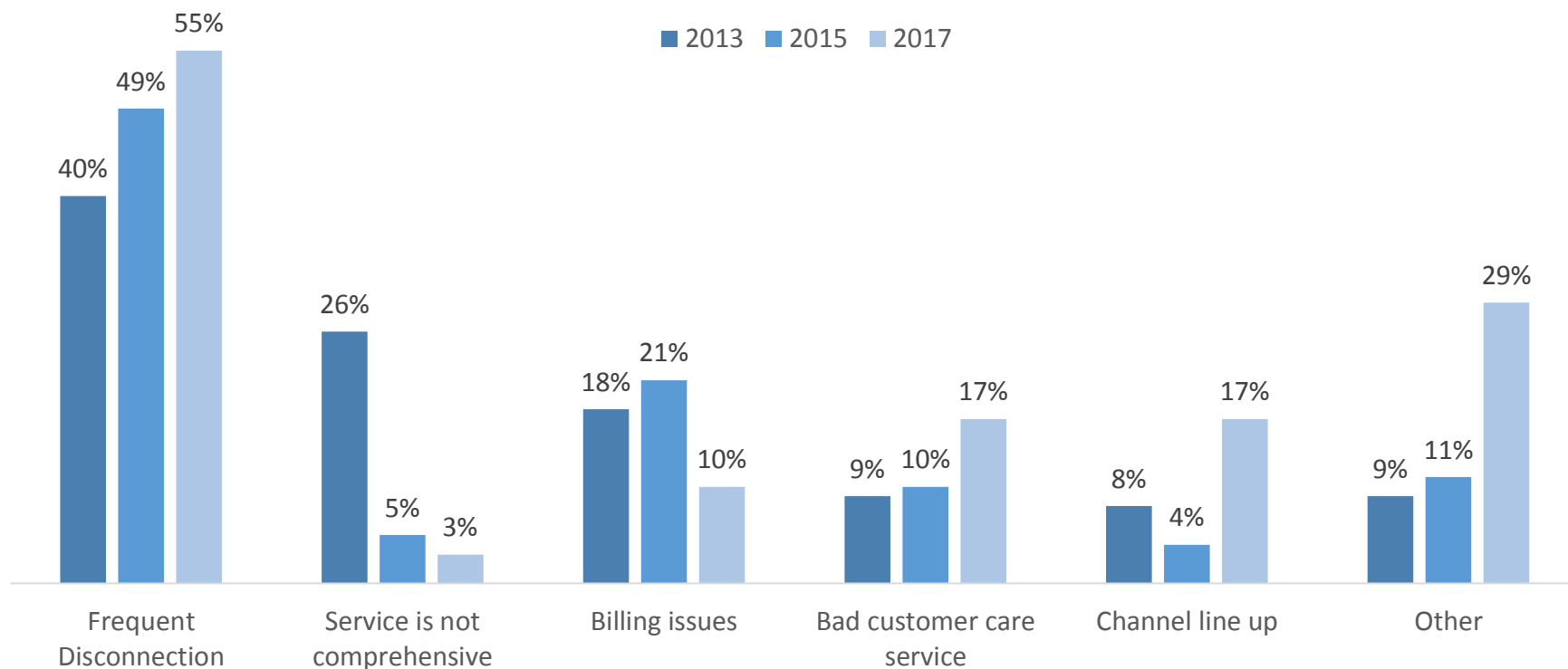
■ 2013 ■ 2015 ■ 2017



Quality of service and switching (2)

Reasons quoted for not being satisfied or for being indifferent with the quality of the bundle subscription

Number of respondents reporting they are not satisfied or indifferent with their current bundle subscription – 209
i.e. 26% of the total number of respondents with a bundle subscription

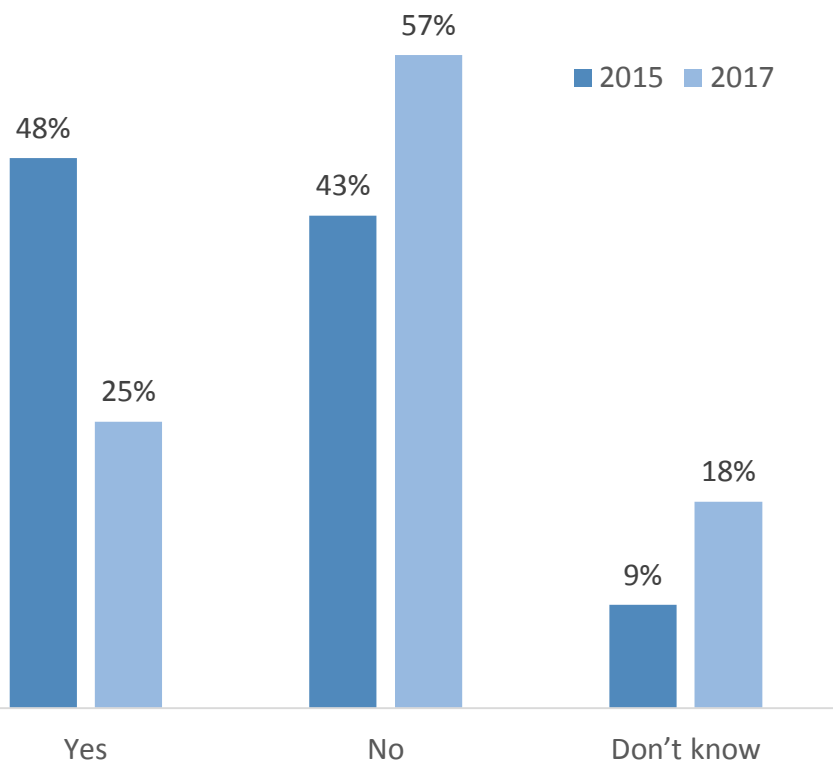


Almost $\frac{3}{4}$ of respondents that indicated 'other' as a reason for being dissatisfied/indifferent claimed that they were experiencing slow download speeds with their internet connection at their residence.

Quality of service and switching (3)

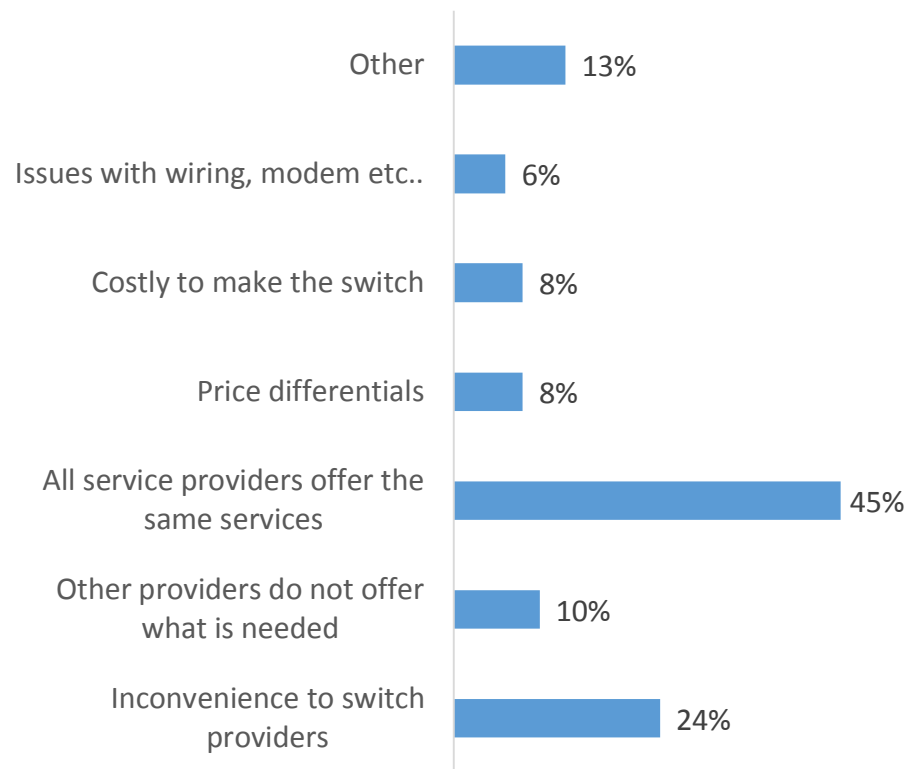
Propensity to switch in case of respondents not satisfied or indifferent with the quality of service

Number of respondents reporting they are not satisfied or indifferent with their current bundle subscription – 209
i.e. 26% of the total number of respondents with a bundle subscription



Reasons for not switching

Number of respondents not satisfied or indifferent with their bundle service saying that switching is not on the cards – 119
i.e. 57% of respondents not satisfied or indifferent with the quality of the bundle subscription

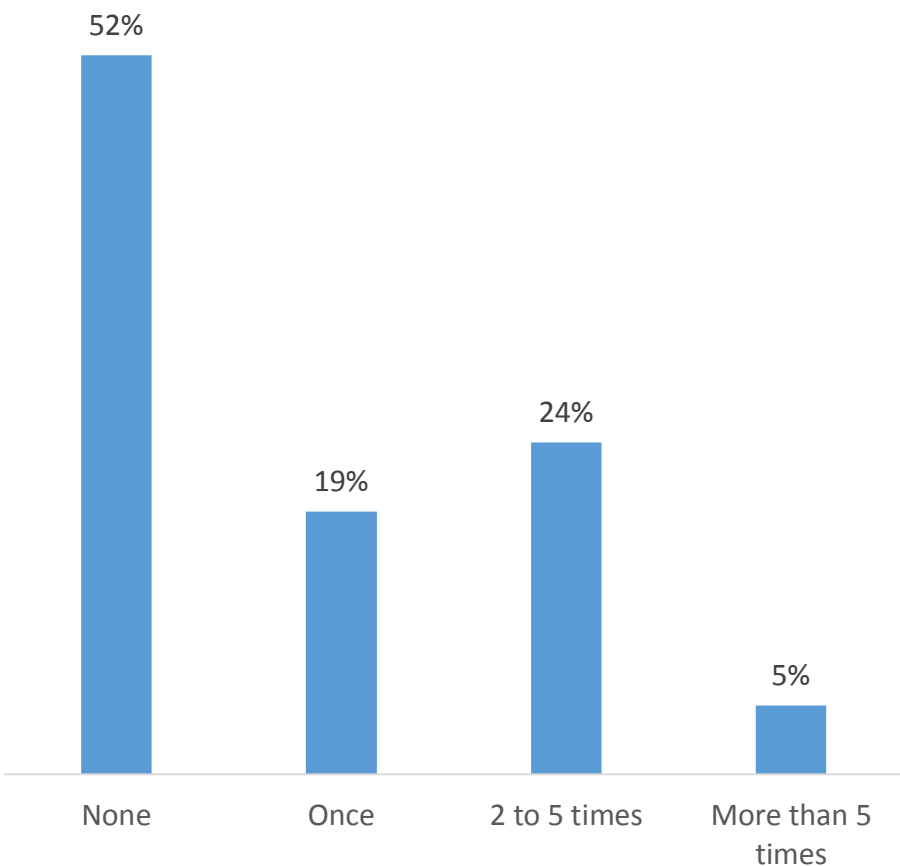


Quality of service and switching (4)

Reported faults / disconnections in the 12 months prior to the survey

Number of respondents with a bundle subscription that reported a fault / disconnection – 386

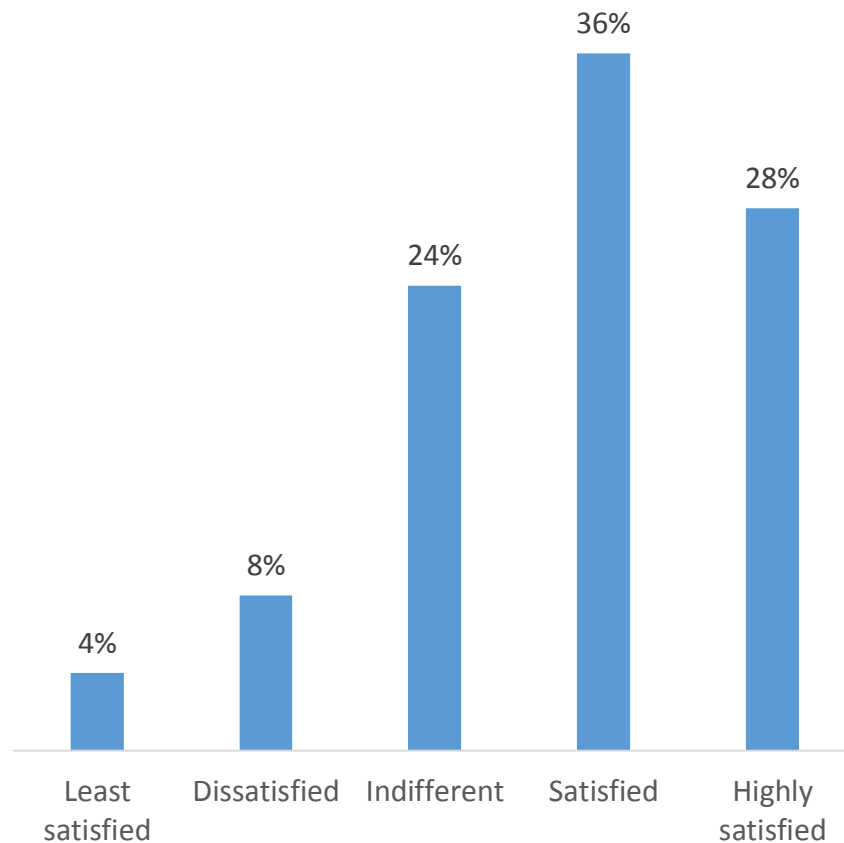
i.e. 48% of total respondents with a bundle subscription



Satisfaction level with the response of the operator to reported faults / disconnections

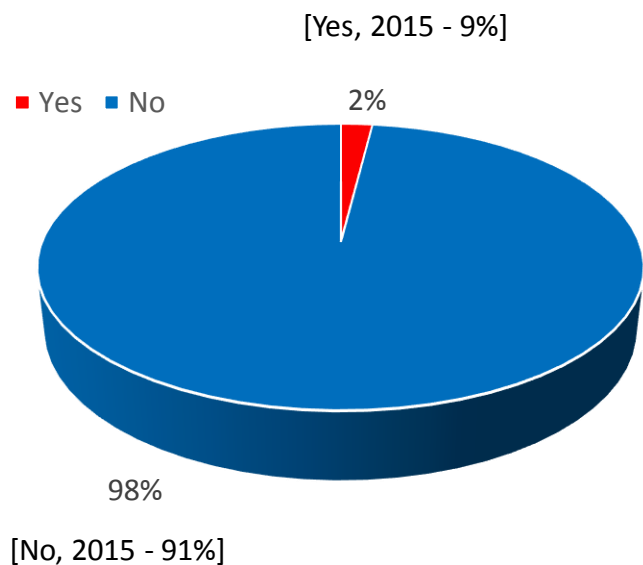
Number of respondents with a bundle subscription that reported a fault / disconnection – 386

i.e. 48% of total respondents with a bundle subscription



Did you ever switch between service providers for the bundle subscription in the last two years?

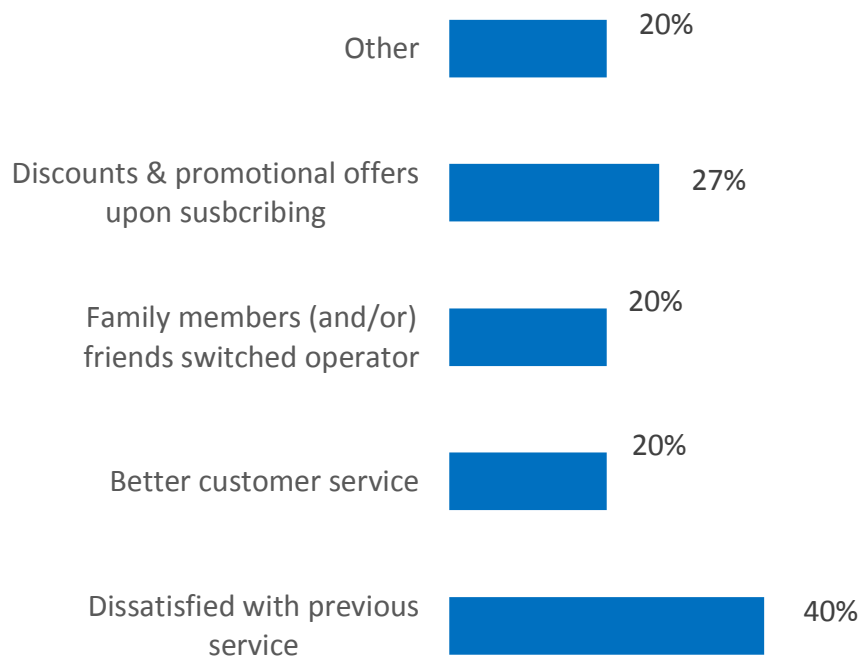
Number of respondents with a bundle subscription – 807
i.e. 96% of the total number of respondents



Quality of service and switching (5)

Reasons for switching

Number of respondents that have switched service providers – 16

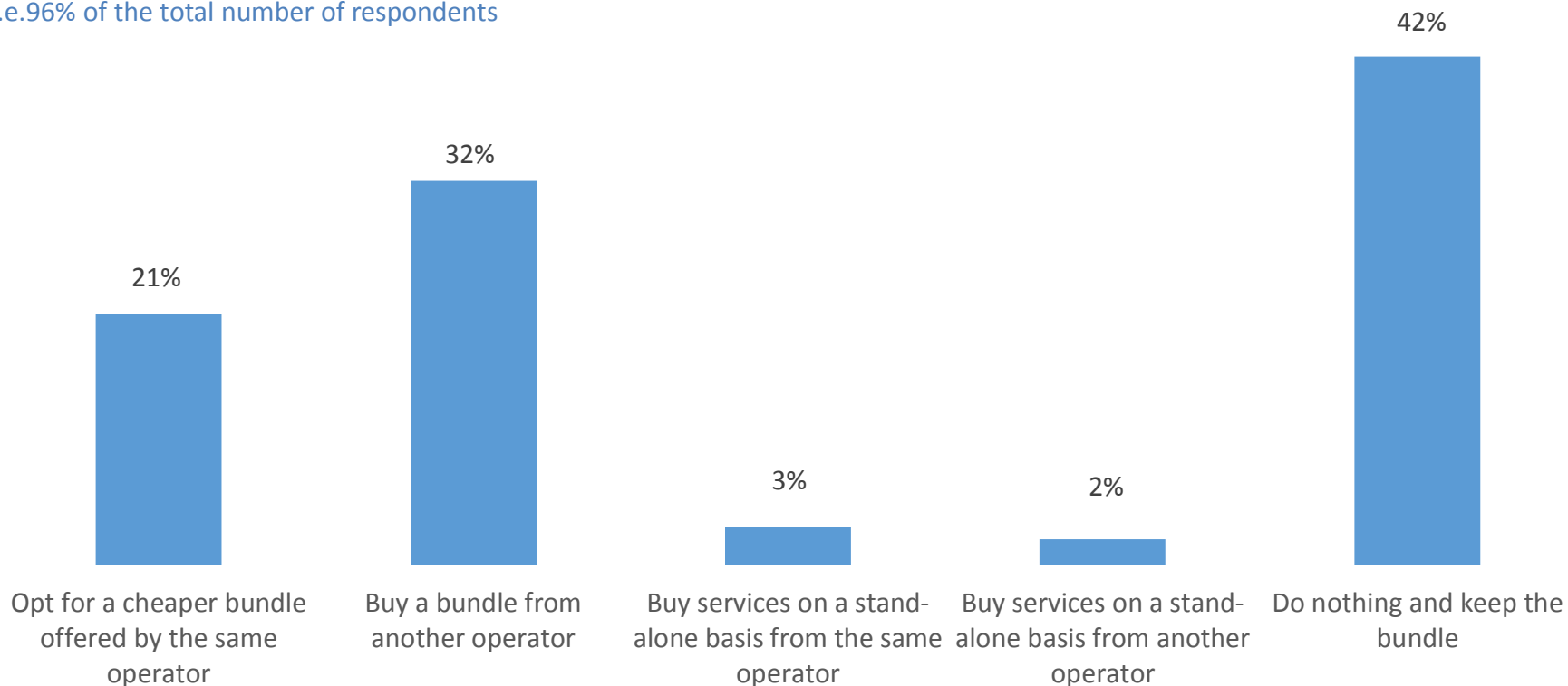


Quality of service and switching (6)

Propensity to switch service provider in case of a 10% rise in the monthly access fee of the bundle

Number of respondents with a bundle subscription – 807

i.e.96% of the total number of respondents



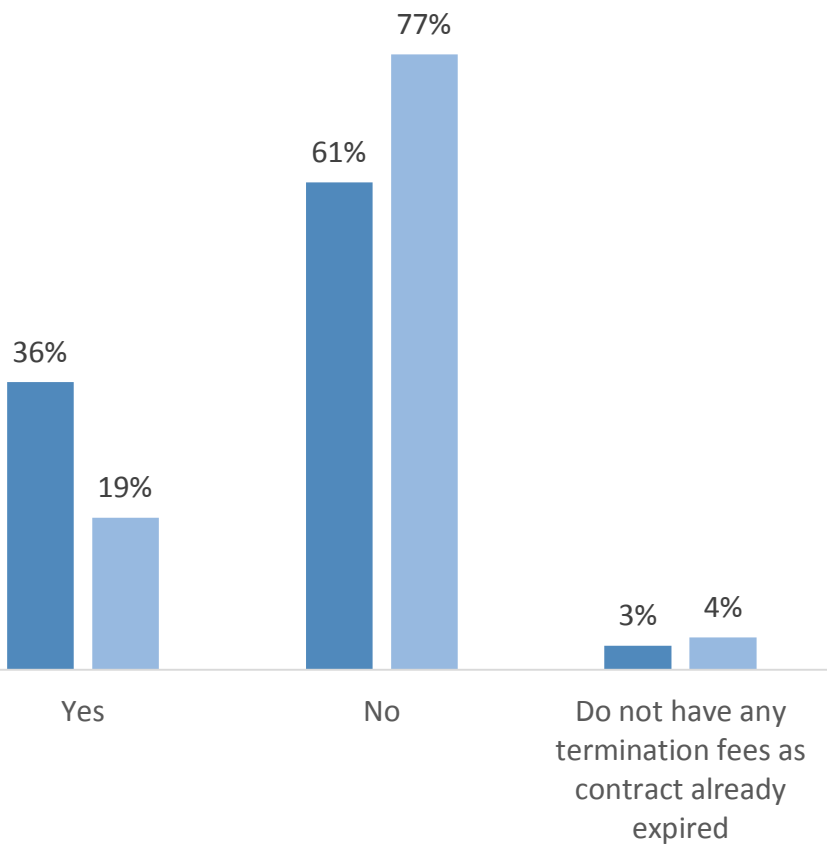
53% of respondents would keep their current subscription given their satisfaction with the current service. Another 13% say they would not switch given that such a process may be cumbersome.

Quality of service and switching (7)

Respondents' awareness on early termination fees applicable with bundle contracts

Number of respondents with a bundle subscription – 807

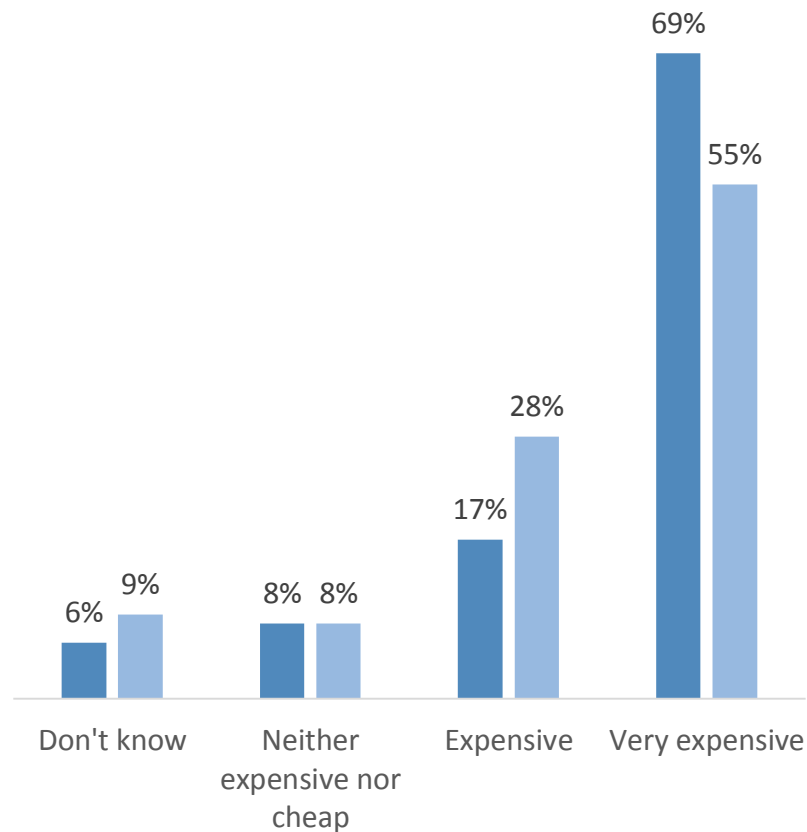
■ 2015 ■ 2017



Perception on the cost of early termination fees

Number of respondents knowing the cost of early termination fees – 152

■ 2015 ■ 2017



End

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