MCA Market Research

Consumer Perceptions Survey – fixed telephony

May 2018

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Purpose

- 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:

  - ✓ the average monthly expenditure by end-users on fixed telephony services being purchased and price sensitivities;
  - ✓ the level of satisfaction with the quality of the services and the ability of users to switch between products;
  - ✓ the type of contract agreements that are selected and the quality of the operators’ response to faults.

Methodology

Keep tabs on fixed telephony services in Malta

Provide for better analysis of fixed telephony services

Provide for better regulatory decisions

Grant Thornton Services Ltd carried out the survey between December 2017 on behalf of the MCA

Fieldwork

- 20-minute phone interviews.
- Respondents chosen randomly from a range of fixed telephone numbers.
- One person per household interviewed (18 years or over).

Sample

- Stratified according to Malta's socio-economic status of population and official geographic regions.

Respondents by age distribution

- 18 to 29 years: 20%
- 30 to 49 years: 33%
- 50 to 64 years: 24%
- 65 years or more: 33%

Responses

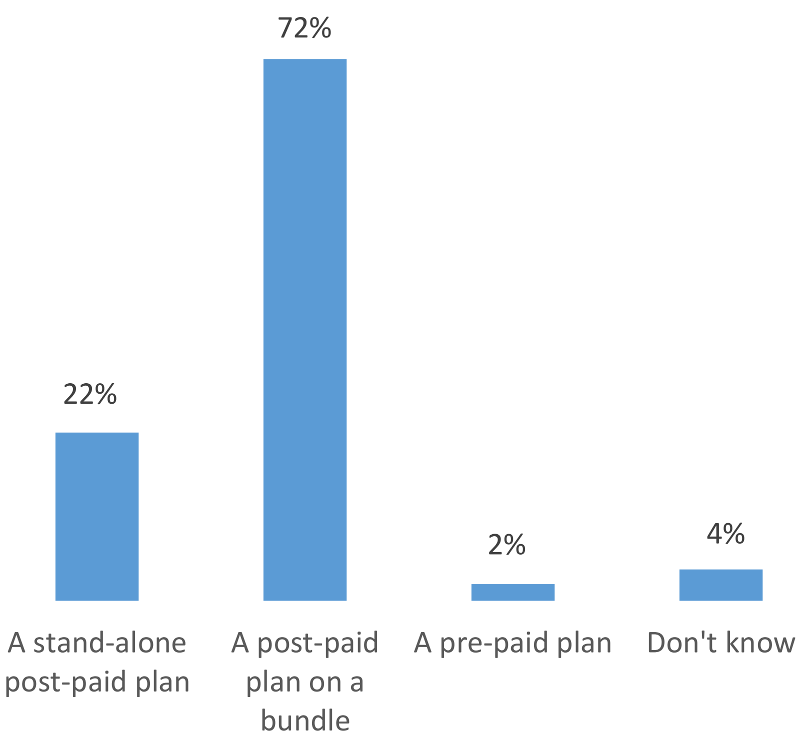
- 824 net respondents.
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of at least 782 interviewees.
- Margin of error +/- 3.25% at 95% confidence interval.

Take-up of fixed telephony (1)

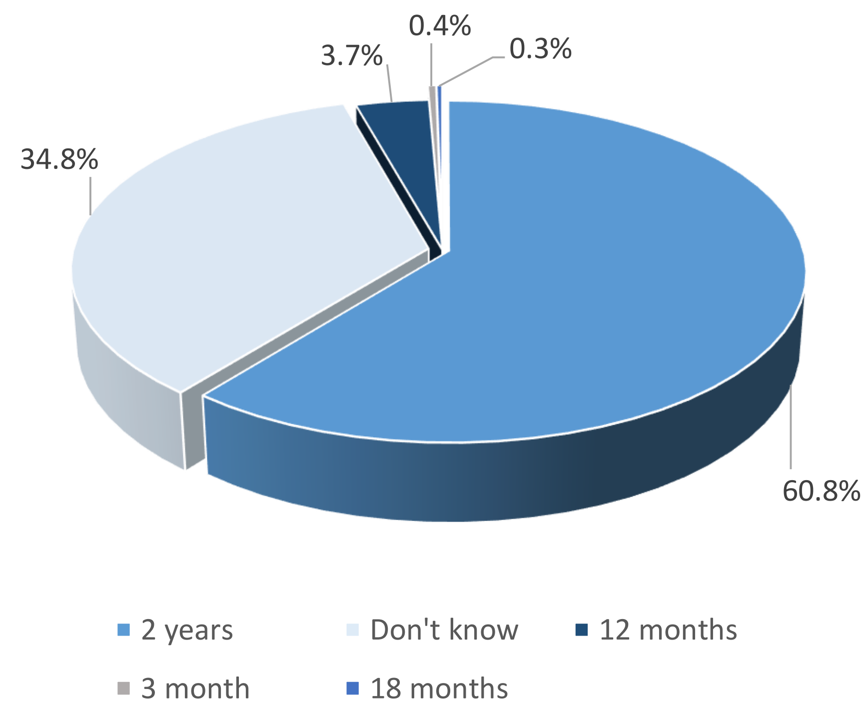
99.8% of respondents have a fixed telephony connection at home.

Type of fixed telephony subscription

Number of respondents with a fixed telephony service – 782



Duration of contract term for a post-paid subscription

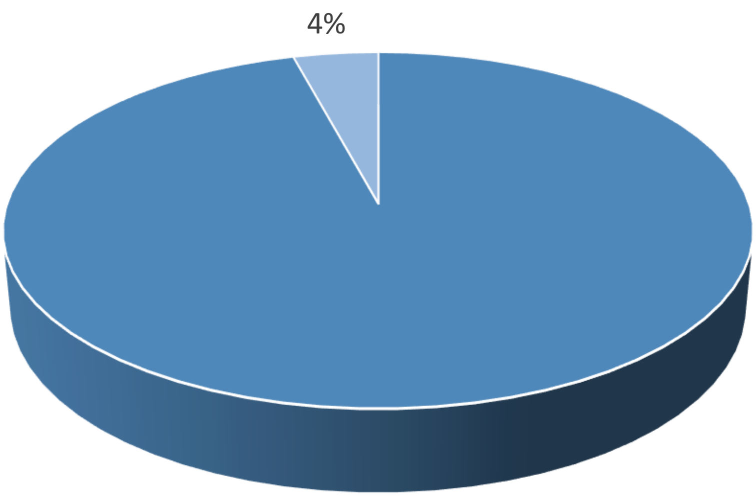


Bundling has very much become the norm among consumers, with 72% of respondents saying they purchase their fixed telephony subscription in a bundle.

Take-up of fixed telephony (2)

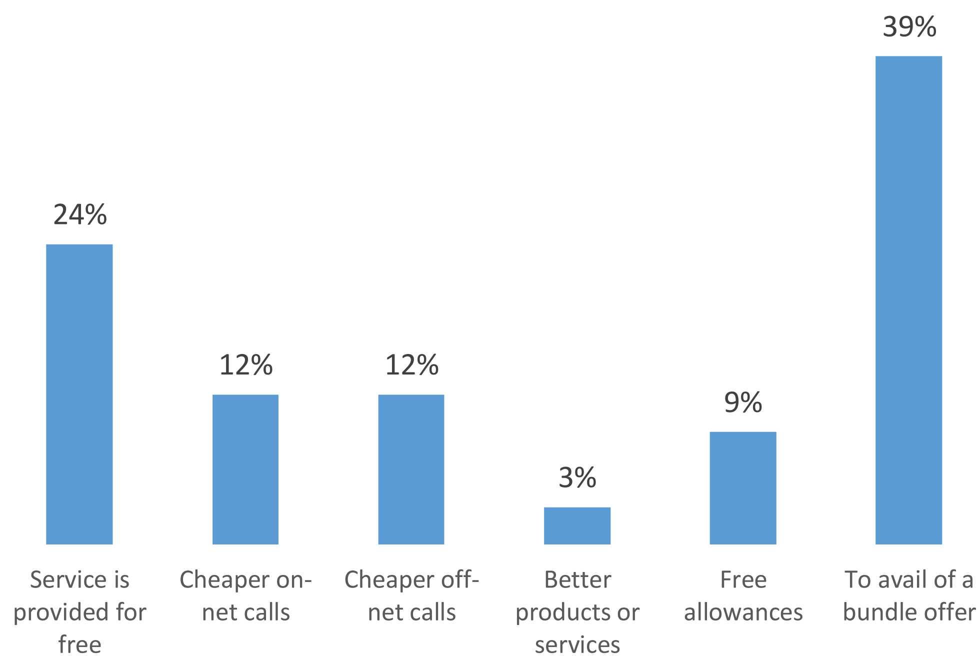
Percentage of respondents with two or more connections at their place of residence

Number of respondents – 783



Reasons for having multiple connections

Number of respondents with multiple connections – 33
(i.e. 4% of all respondents)



58% of respondents with multiple fixed telephony connections are not planning on disconnecting any of their fixed telephony connections.

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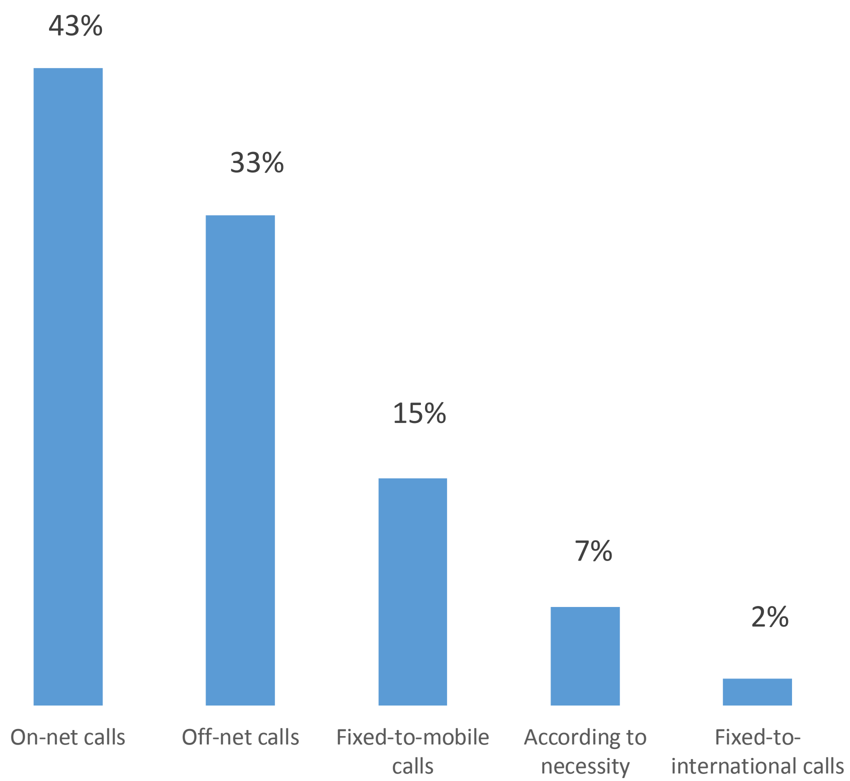
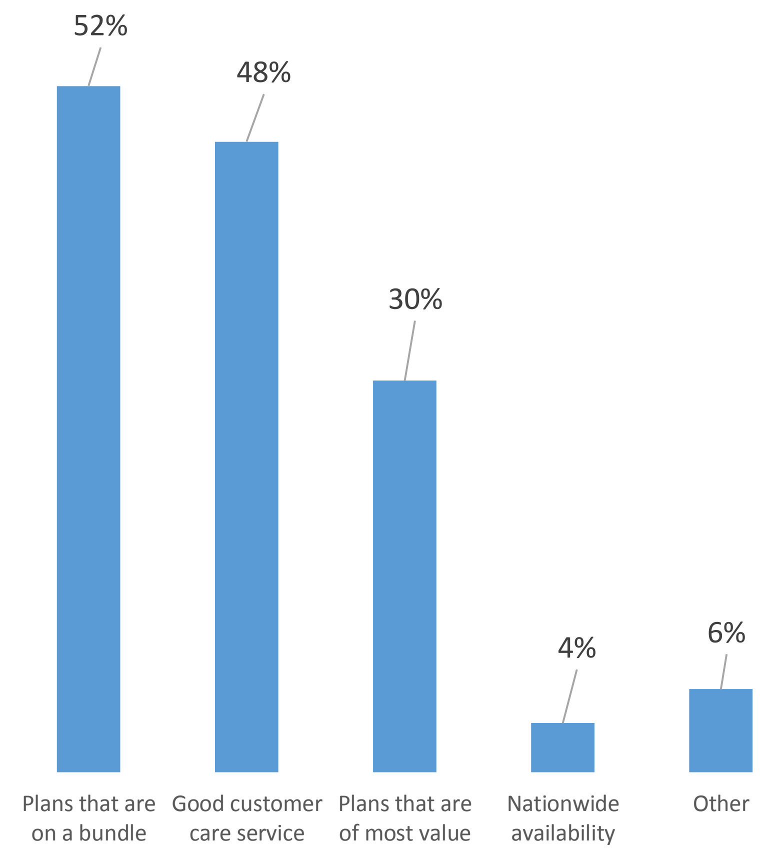
Take-up of fixed telephony (3)

Most frequently used fixed telephony services

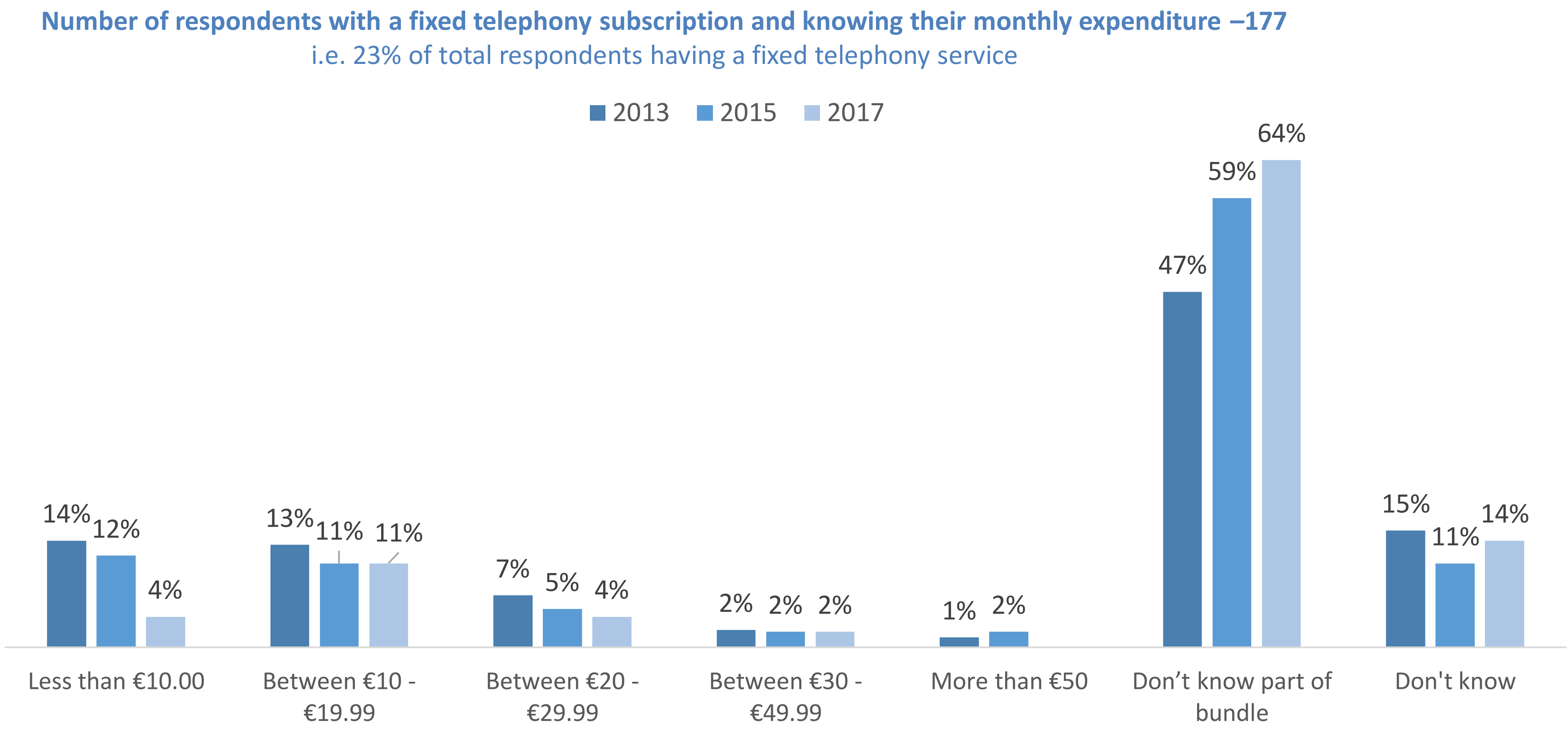


Features sought when seeking to purchase a fixed telephony connection

Number of respondents with a fixed telephony service – 782



Average monthly expenditure on fixed telephony services

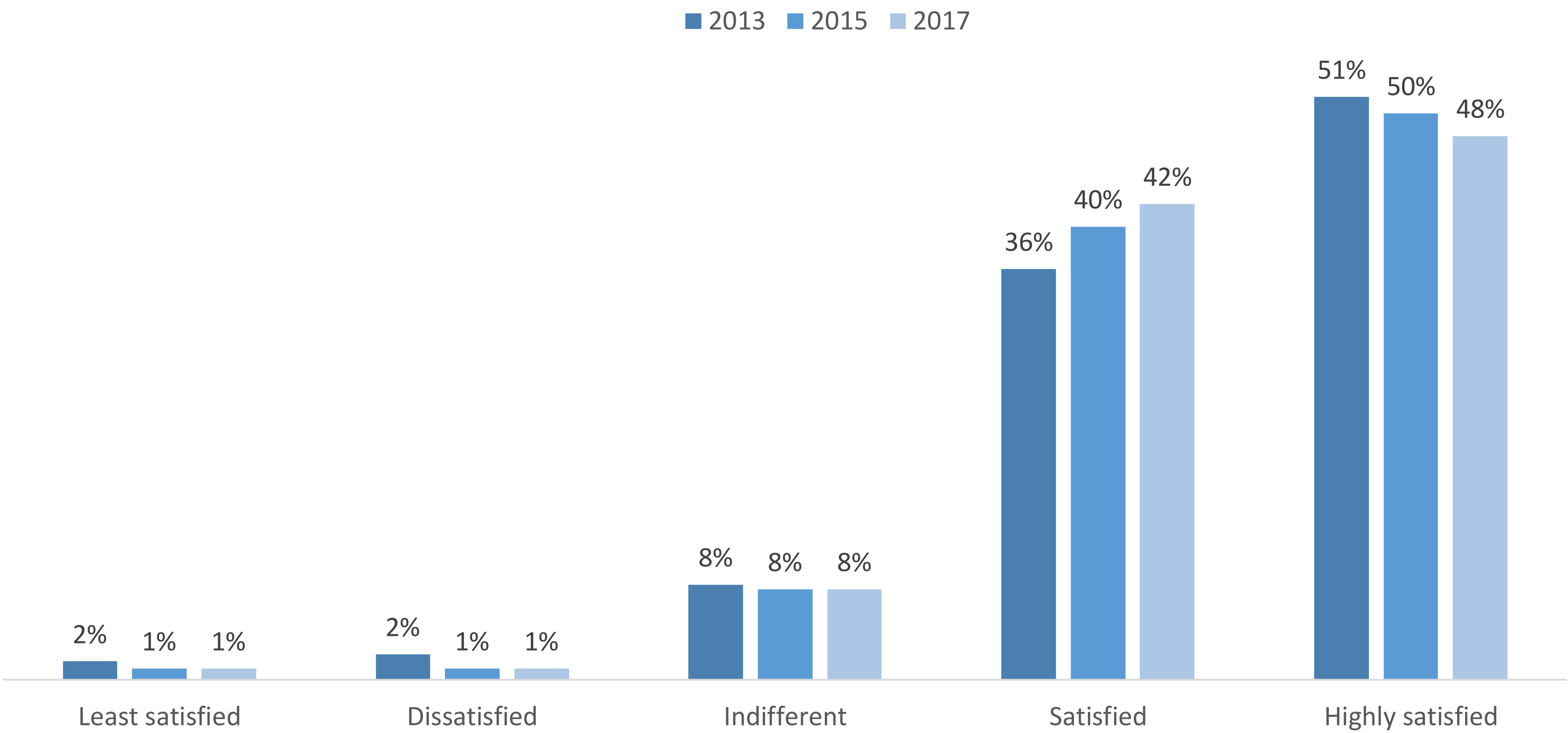


Knowledge on expenditure is limited mainly due to bundling, with the proportion of such subscriptions rising from 47% in 2013 to 64% in 2017.

Satisfaction with the quality of service

Satisfaction rate with main fixed telephony service

Number of respondents with a fixed telephony service – 782

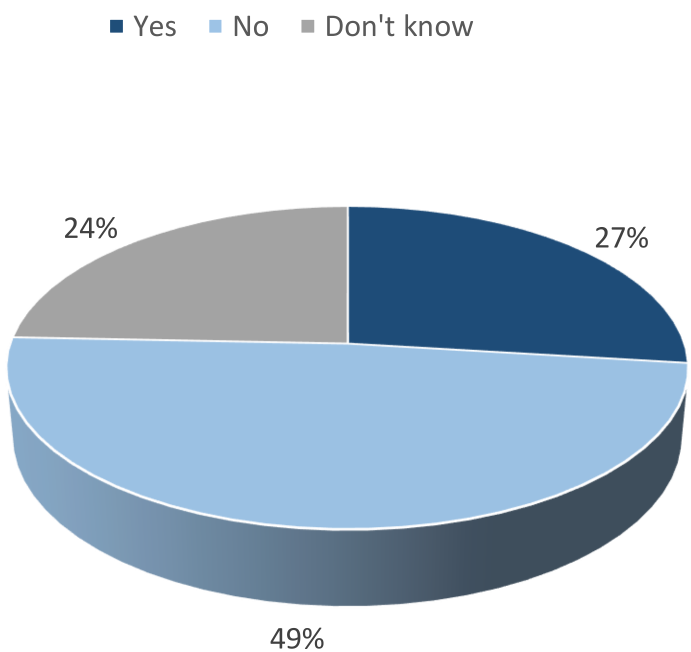


90% of respondents satisfied/highly satisfied with the service provided.

Switching / porting (1)

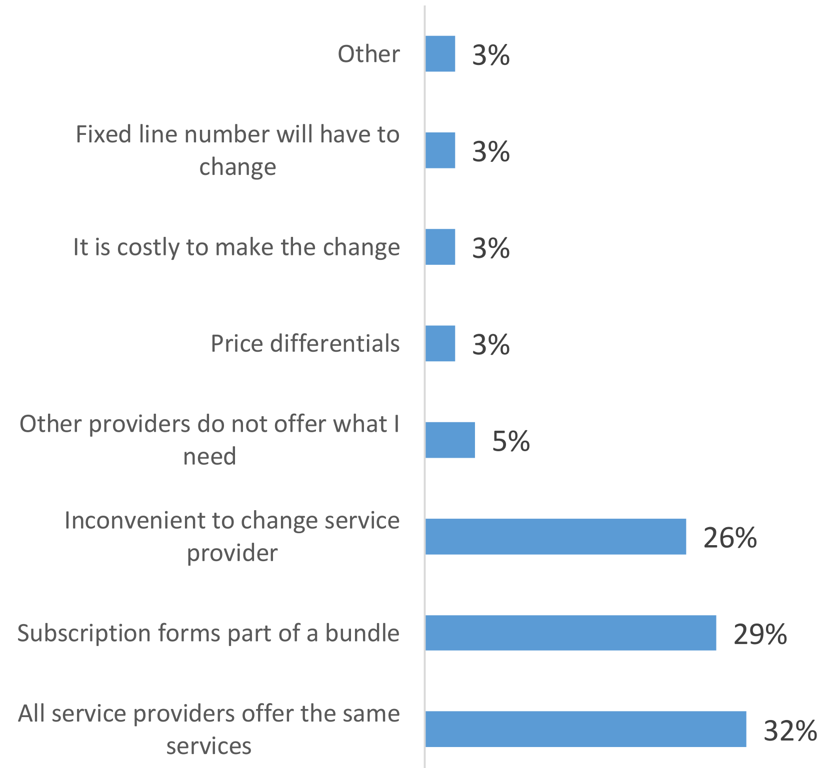
Propensity of dissatisfied respondents to switch/port service provider

Number of respondents dissatisfied with their service– 78
(i.e. 10% of all respondents with a fixed telephony connection)



Reasons for not switching / porting

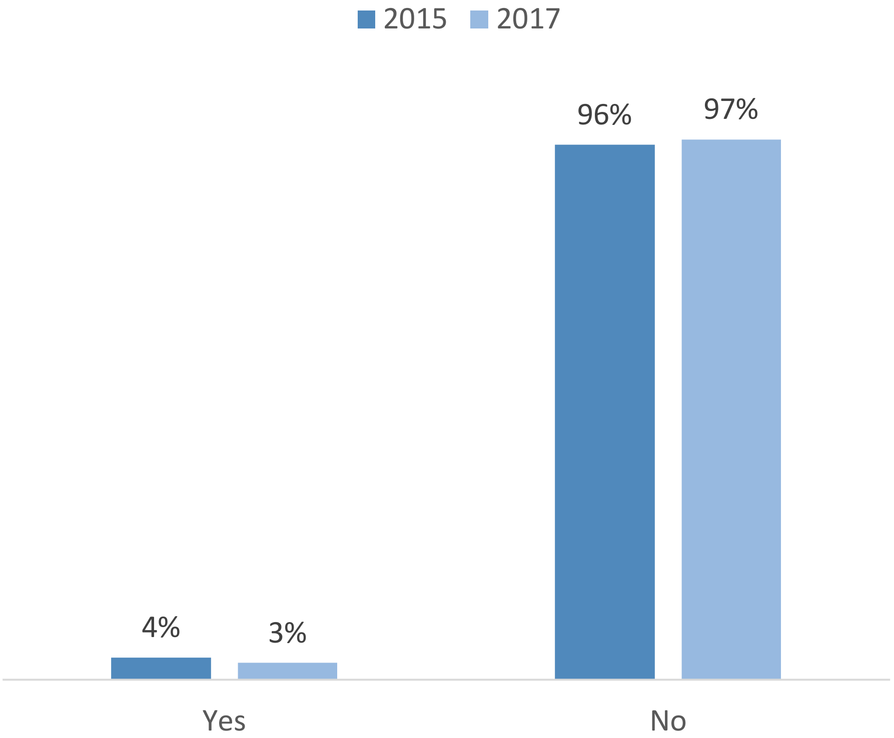
Number of dissatisfied respondents that would not switch their fixed telephony service – 38
(i.e. 24% of respondents that feel dissatisfied with the service)



Switching / porting (2)

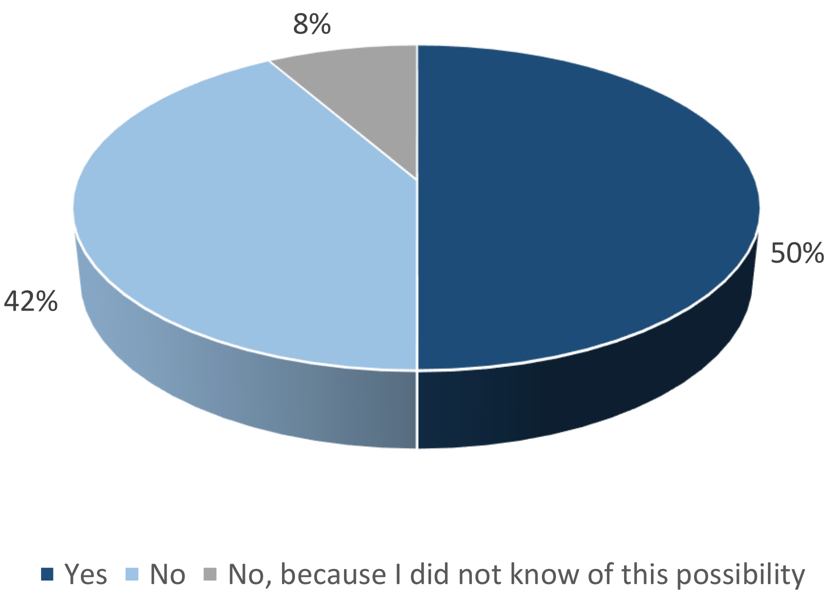
Switching behaviour in the last two years

Number of respondents with a fixed telephony service – 782



Porting of numbers when switching

Number of respondents with a fixed telephony service and having switched service providers in the last two years – 24
(i.e. 3% of total respondents with a fixed telephony connection)



Majority of respondents have not switched from one service provider to another over the last two years. Among those that did, switching decision was typically based on customer service received and availability of bundling.

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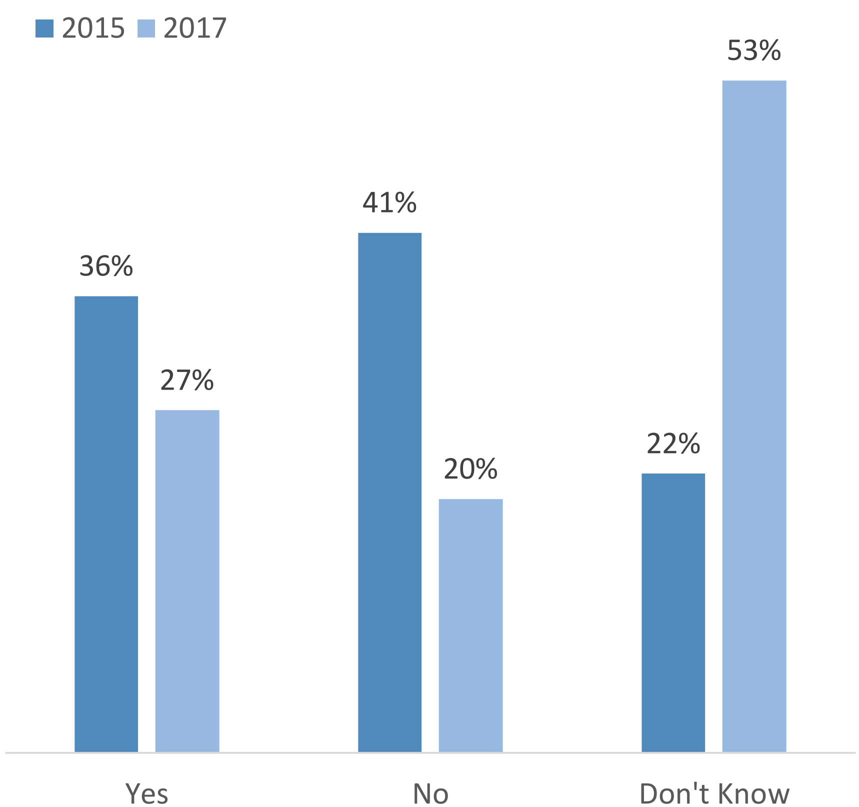
Switching / porting (3)

Propensity to switch in the event of a 10% increase in the monthly access fee for the service

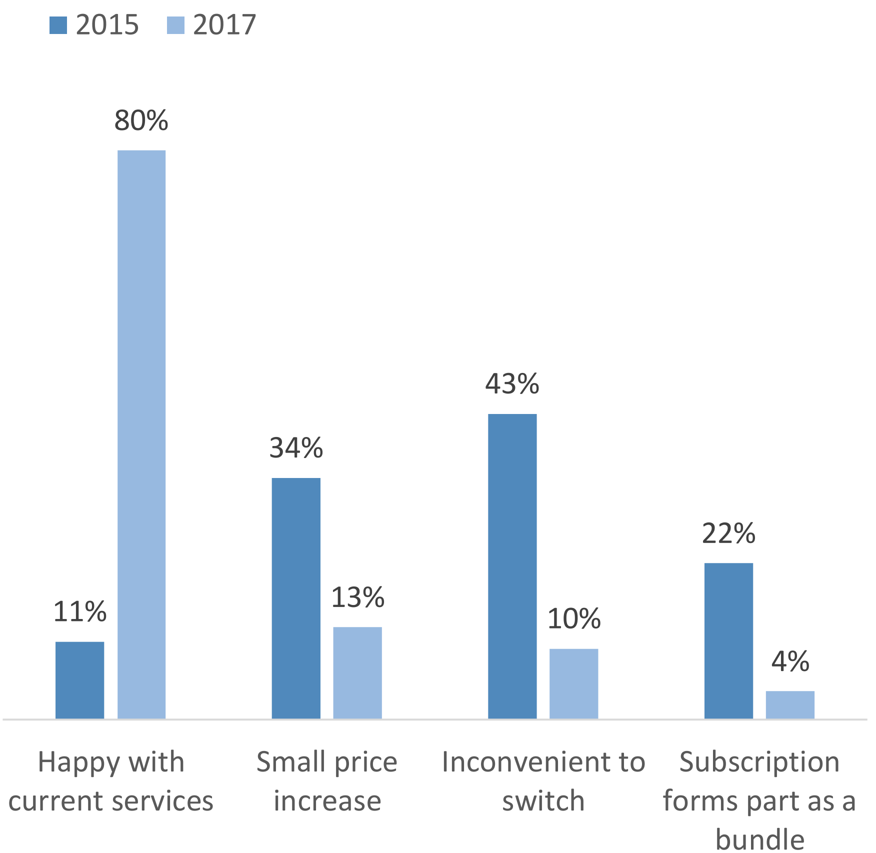
Number of respondents with a fixed telephony service - 782



(If no) What are the reasons?

Number of respondents who would not switch if a price increase would take place – 157

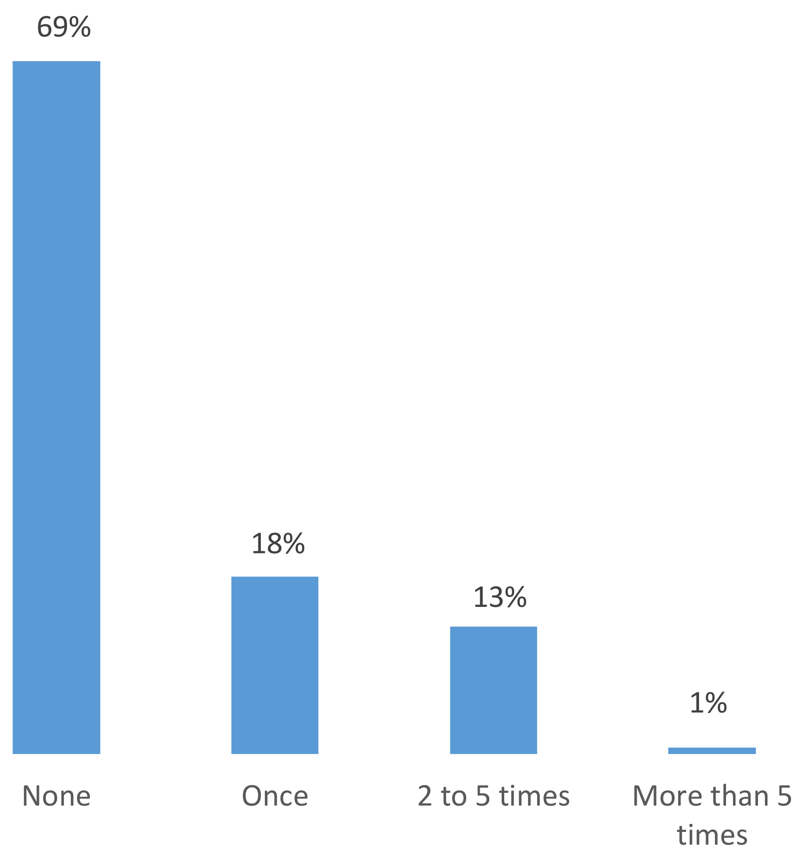
(i.e. 20% of total respondents with a fixed telephony service



Faults and response by service provider

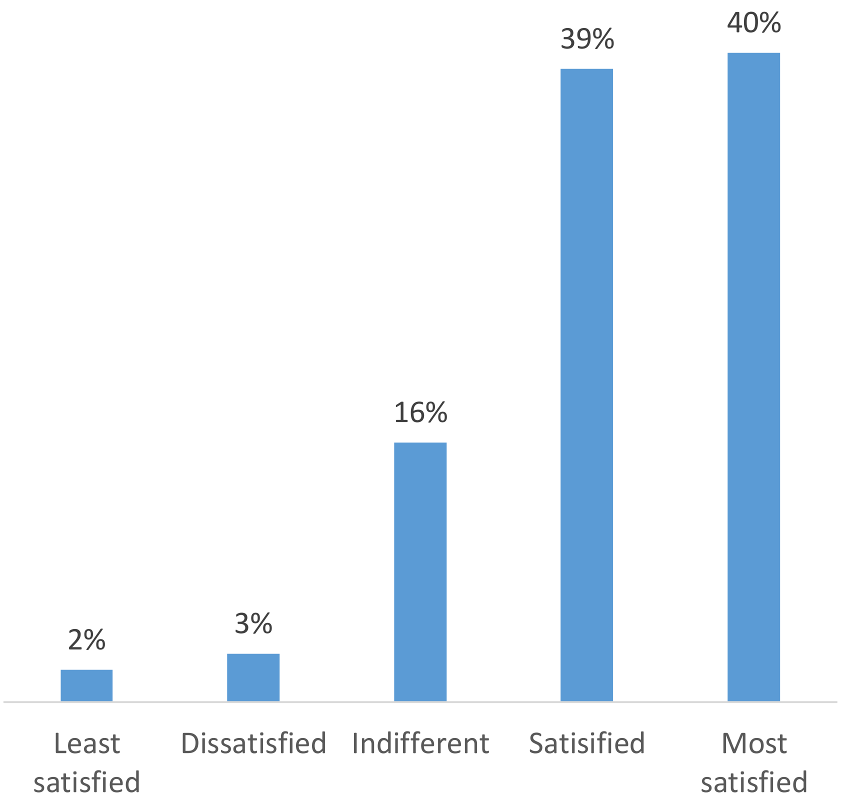
Respondents experiencing disconnections, faults or other problems in the last 12 months

Number of respondents with a fixed telephony service - 782



Satisfaction levels with the response of the service provider to reported faults

Number of respondents that have reported at least one fault in the last 12 months – 242
(i.e. 32% of the number of respondents)

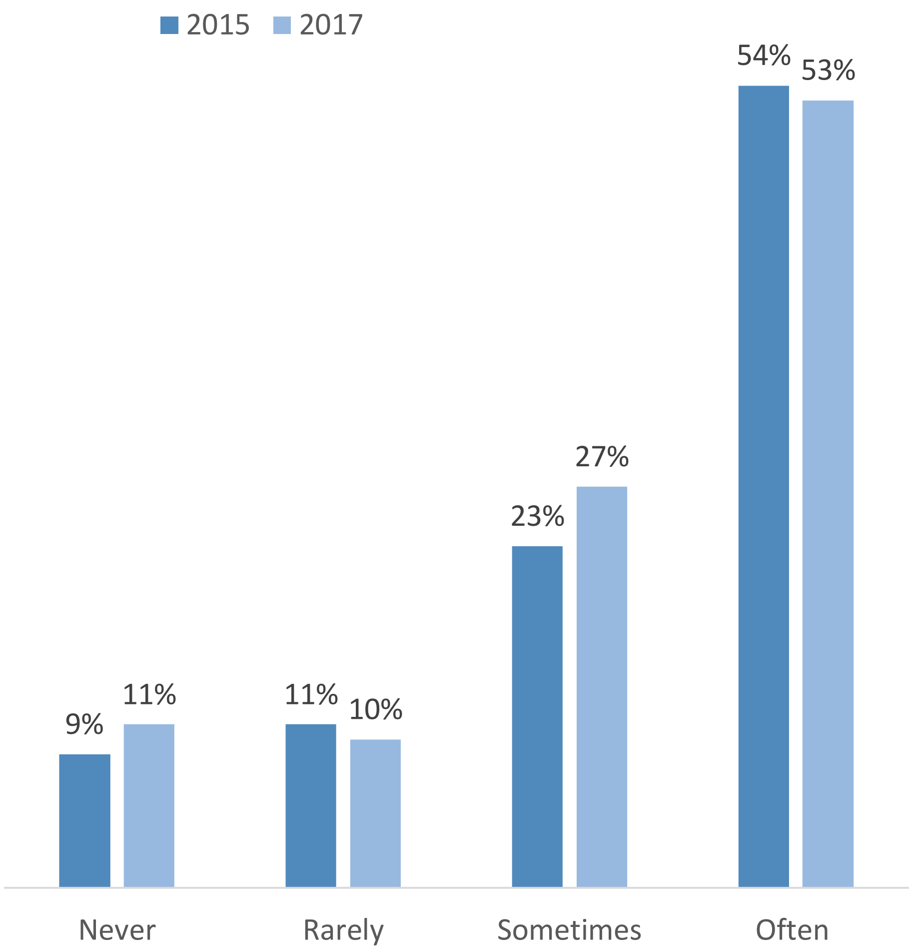


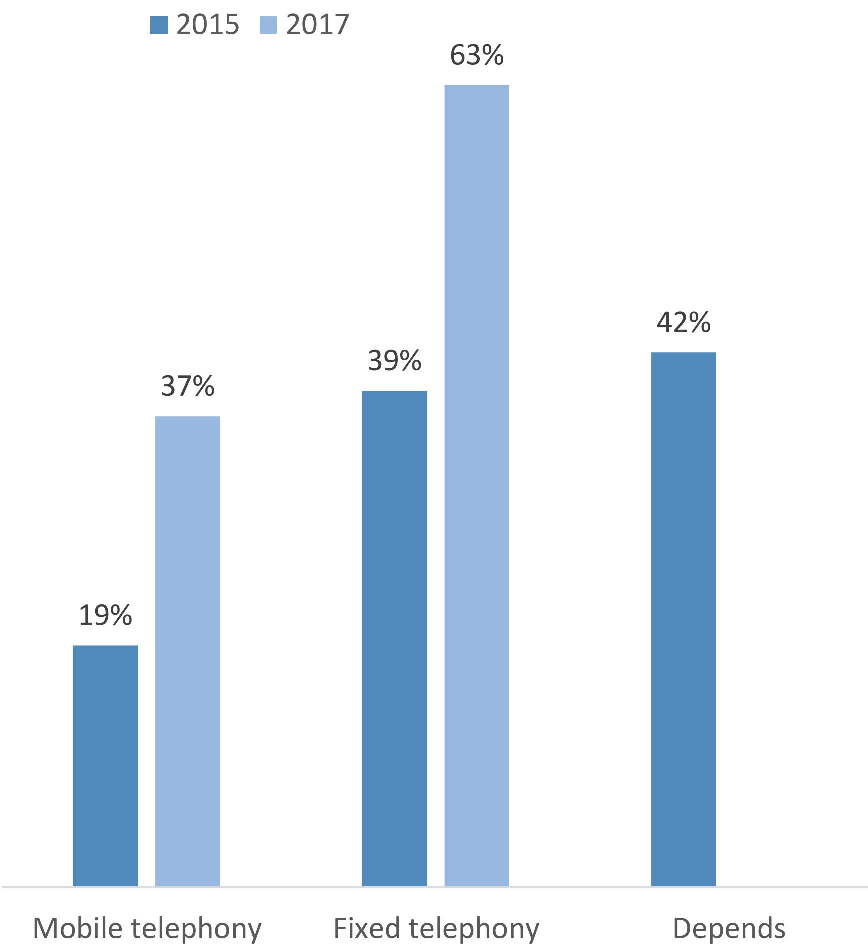
Substitutability between mobile and fixed telephony (1)

Substitutability of mobile calls to landline calls

Most preferred telephony service at home

Number of respondents with a fixed telephony service – 782

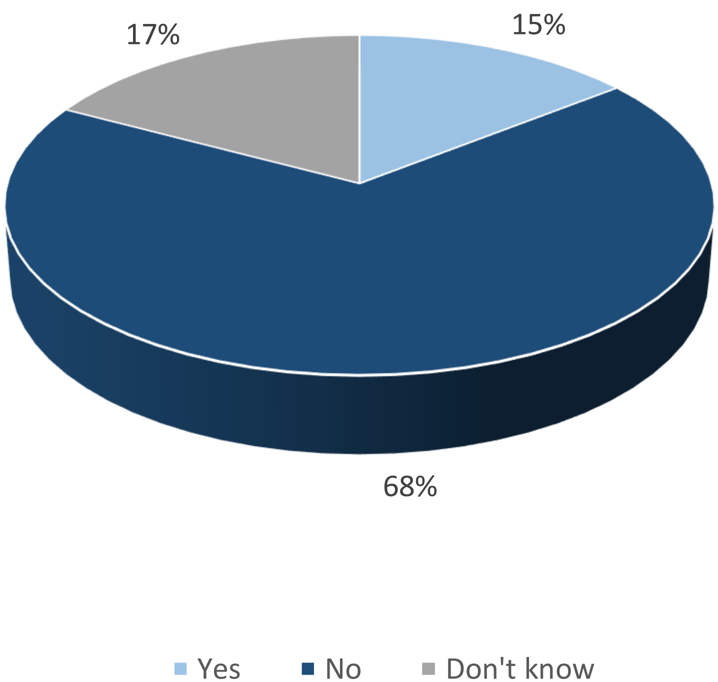




Substitutability between mobile and fixed telephony (2)

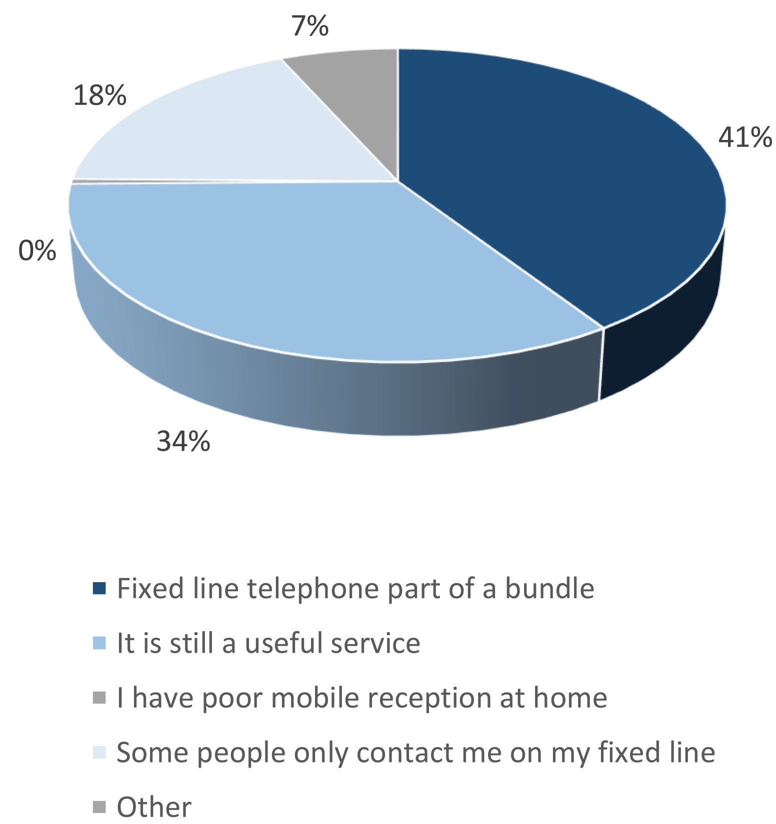
(If mobile telephony) Propensity to terminate fixed line connection in the next 12 months

Number of respondents that would opt for mobile telephony at home – 284 / respondents could give multiple answers
(i.e. 37% of respondents with a fixed telephony connection)



(If no) Main reason for not terminating fixed line connection

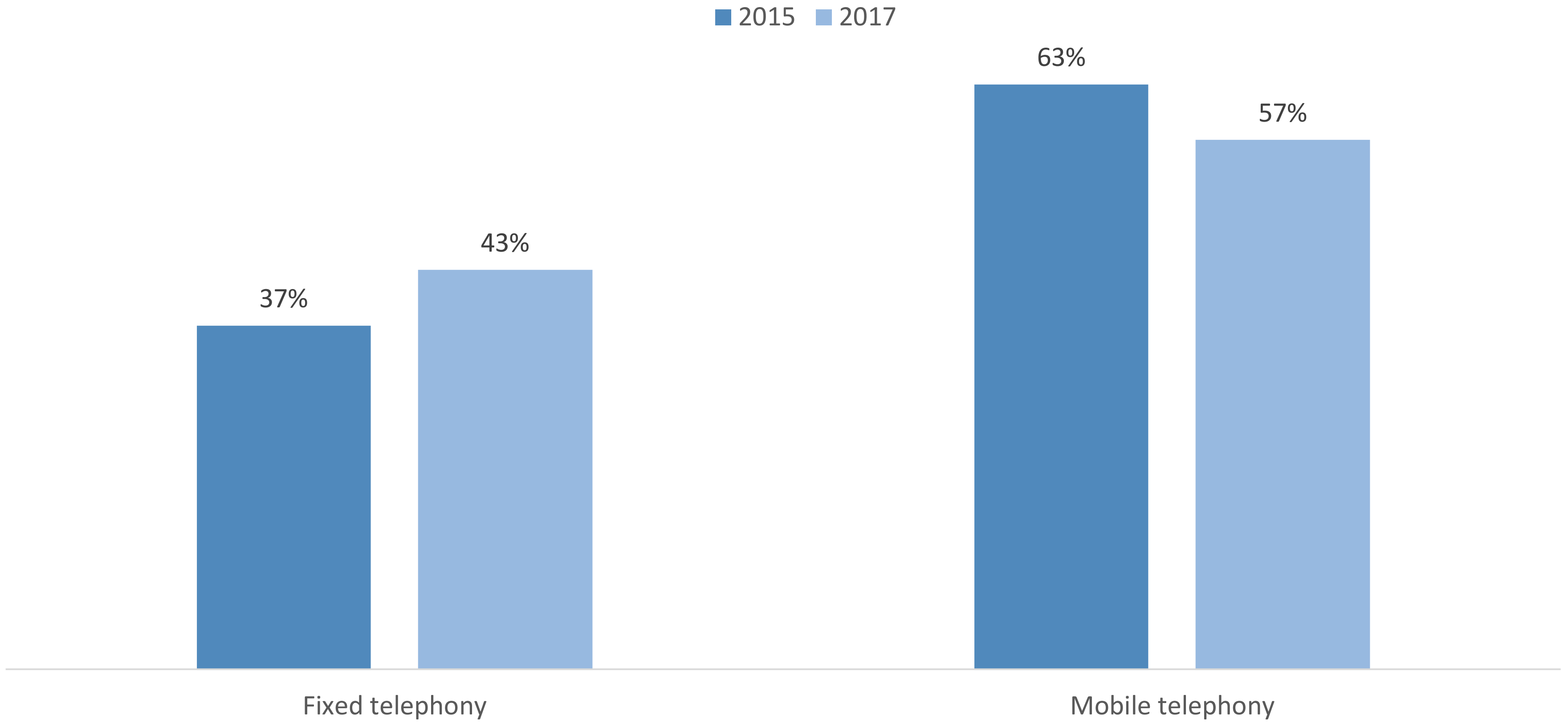
Number of respondents that would not terminate their fixed line connection – 194
(i.e. 68% of respondents)



Substitutability between mobile and fixed telephony (3)

If a fault had to take place in a telephony service, would you be more inconvenienced if it were fixed telephony or mobile telephony?

Number of respondents – 715
(i.e. 91% of respondents with a fixed telephony connection)

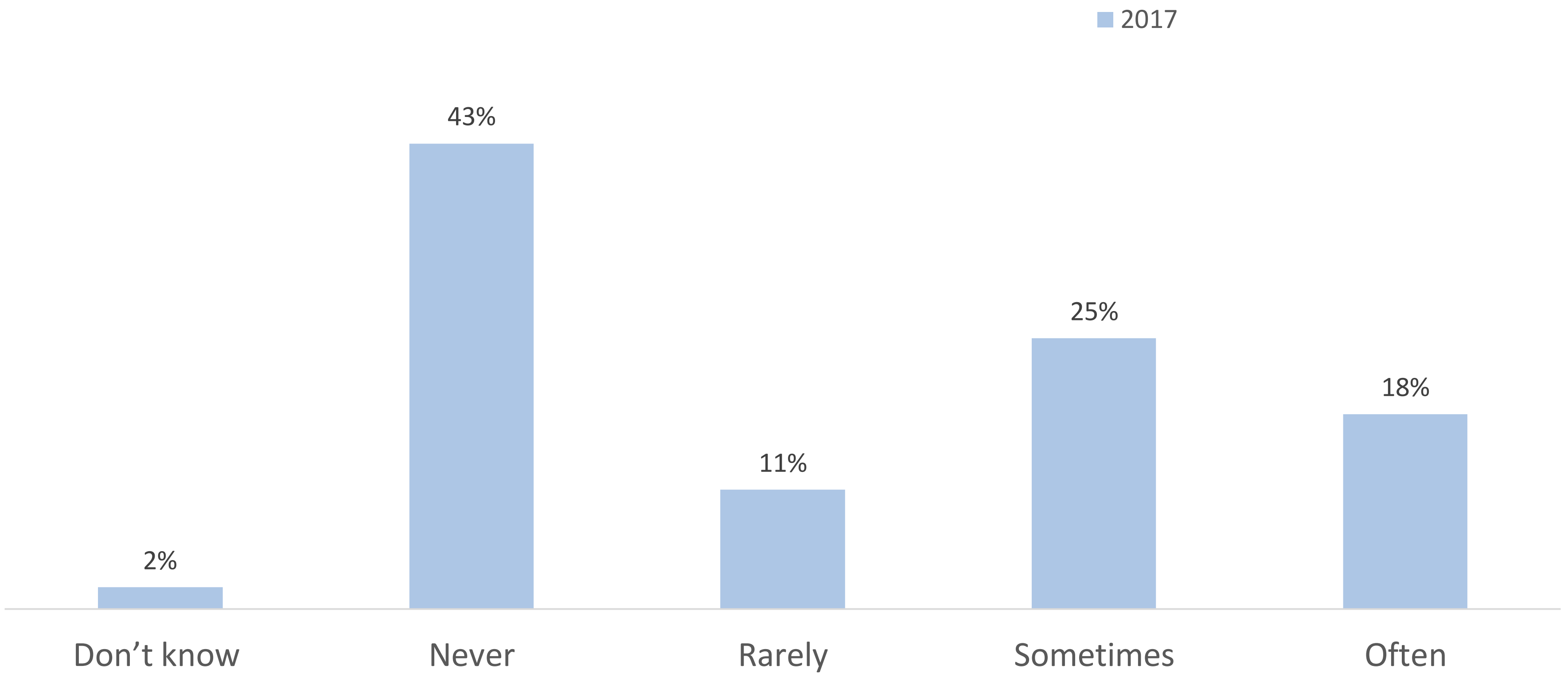


Substitutability: OTT calls and fixed calling (1)

Substitutability of OTT calls to a traditional fixed telephony calling

Number of respondents – 715

(i.e. 91% of respondents with a fixed telephony connection)



54% of respondents do not consider OTT calls to be a good substitute to fixed telephony calls.

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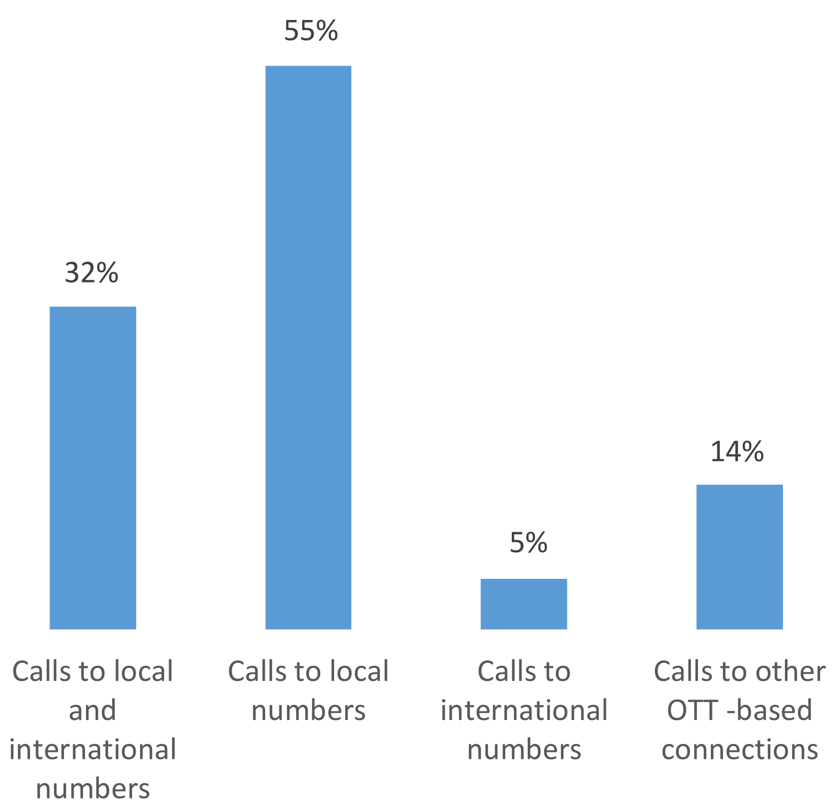
Substitutability: OTT calls and fixed calling (2)

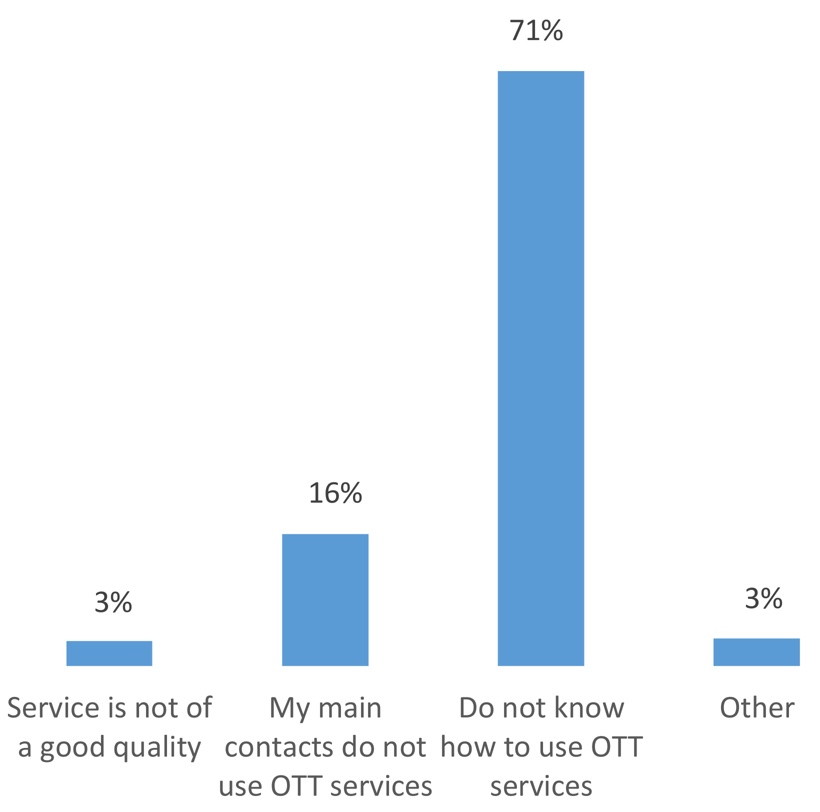
(If rarely / sometimes / often) Propensity to use OTT-based voice telephony services to make calls such as (Skype, MSN etc.)

Number of respondents – 393 i.e. 54% of total respondents



(If never) Reasons for not making use of OTT service

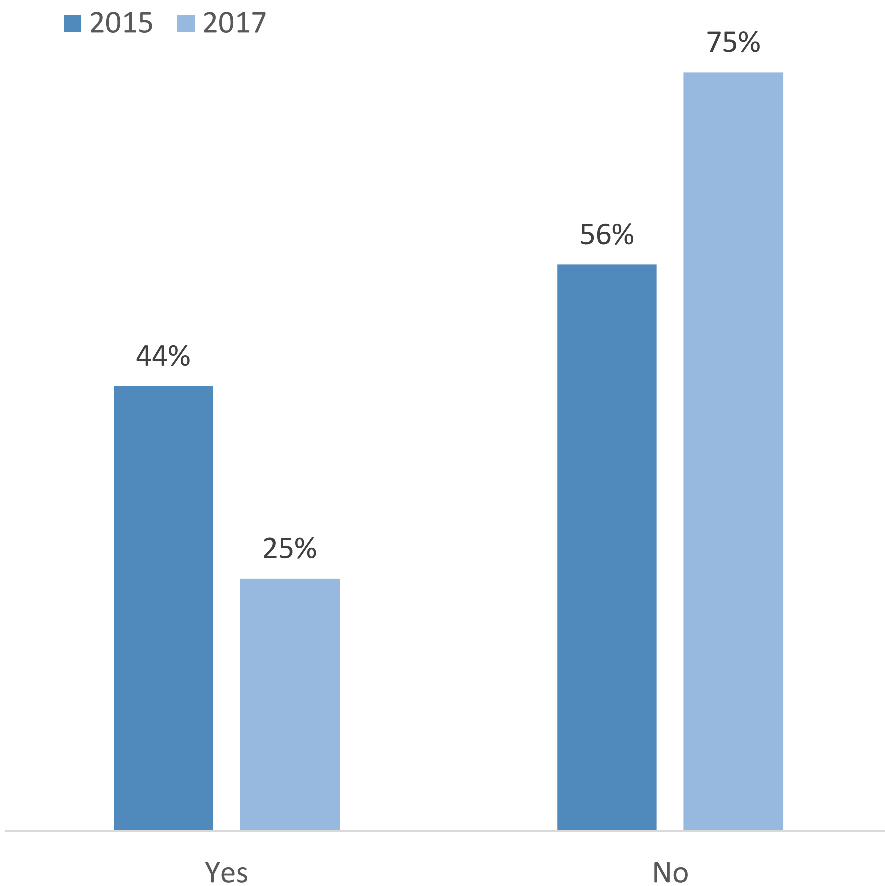
Number of respondents – 307 i.e. 43% of total respondents



Knowledge on fixed telephony call rates (1)

Do you know the cost of a one-minute on-net FTF call

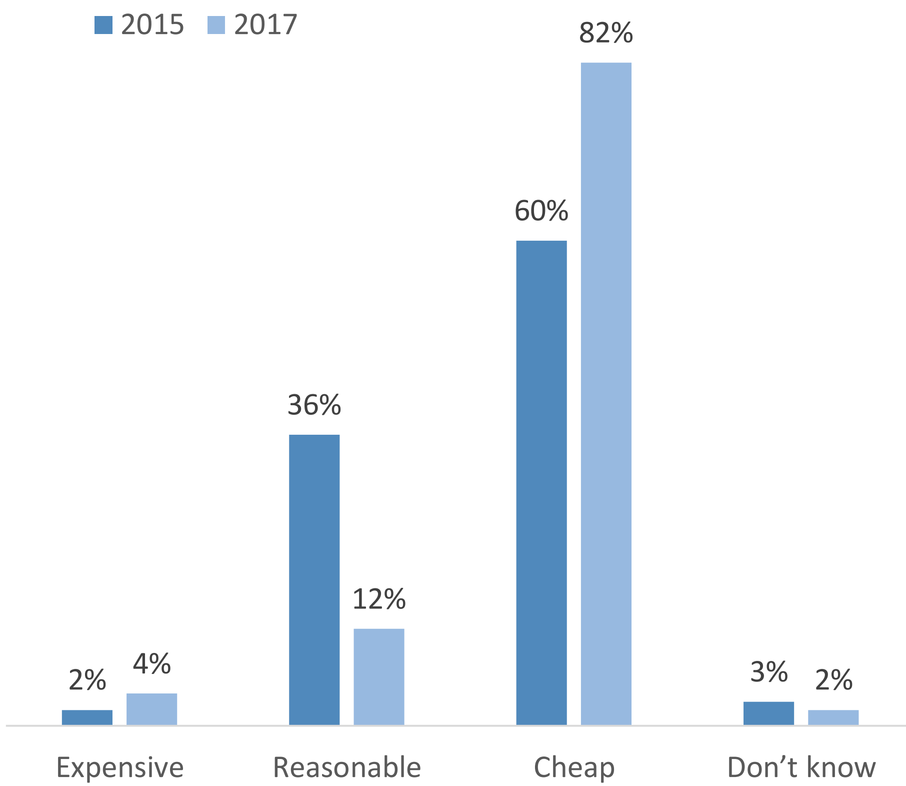
Number of respondents – 782



Do you think on-net FTF calls are expensive?

Number of respondents knowing the cost of a one-minute on-net FTF call – 193

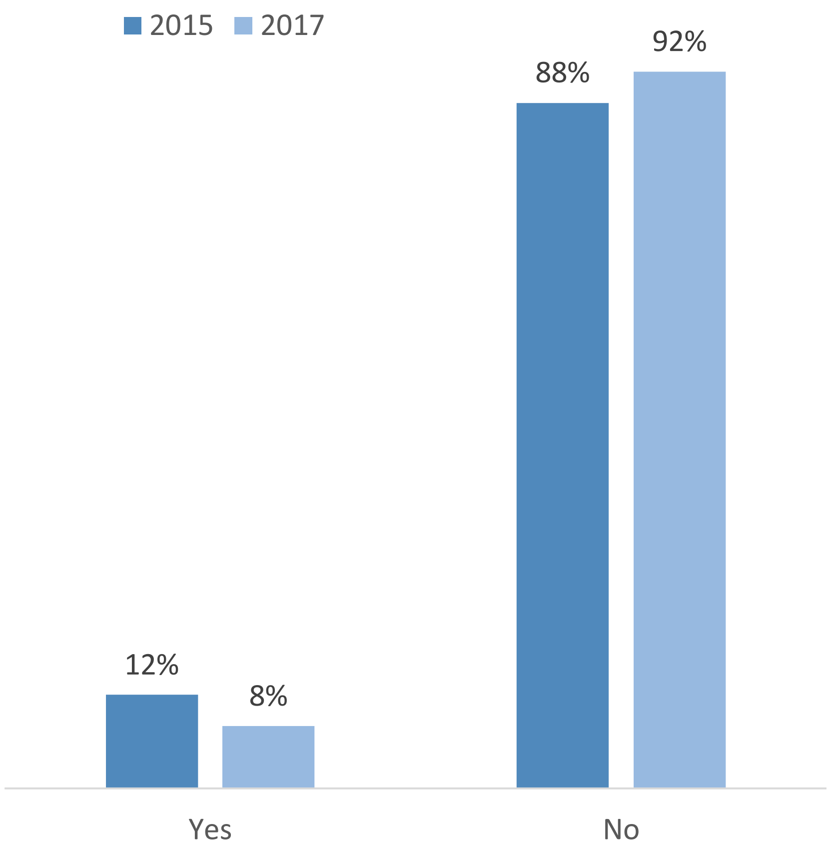
(i.e. 25% of respondents)



Knowledge on fixed telephony call rates (2)

Do you know the cost of a one minute off-net FTF call

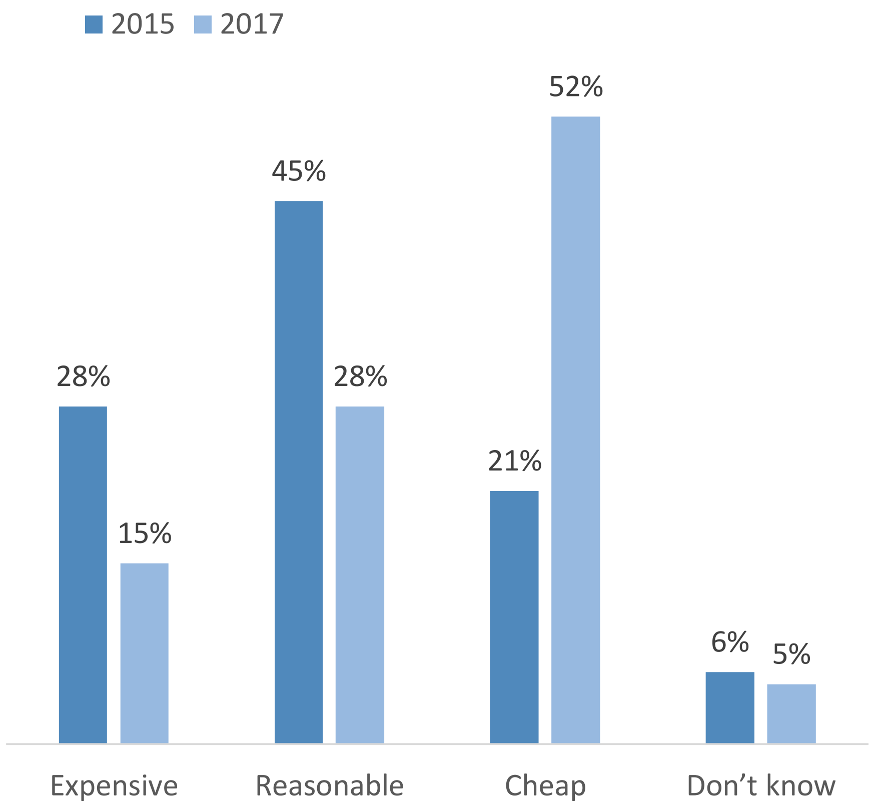
Number of respondents – 781



Do you think off-net FTF calls are expensive?

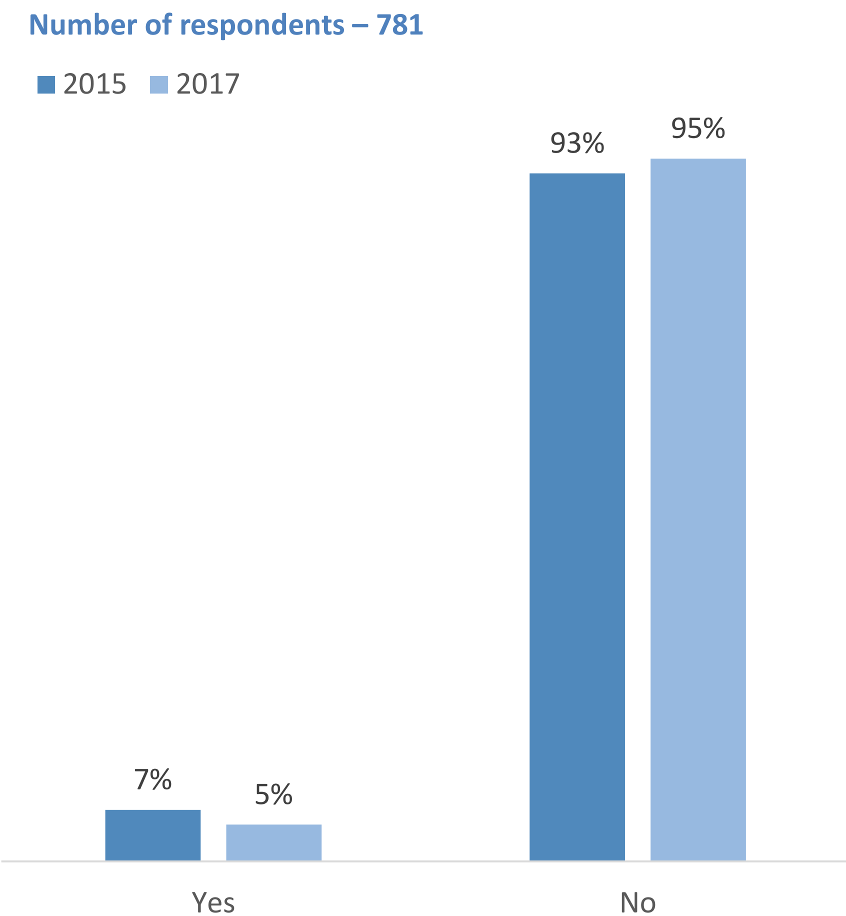
Number of respondents – 61

(i.e. 8% of respondents)

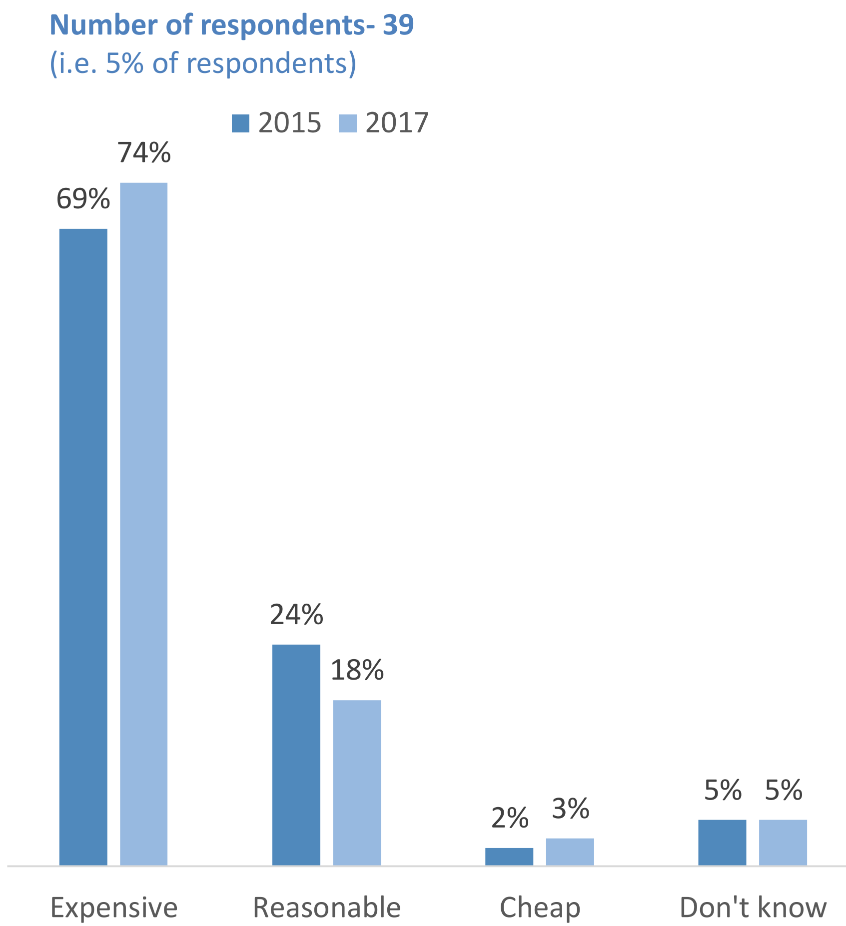


Knowledge on fixed telephony call rates (3)

Do you know the cost of a one minute FTM call?



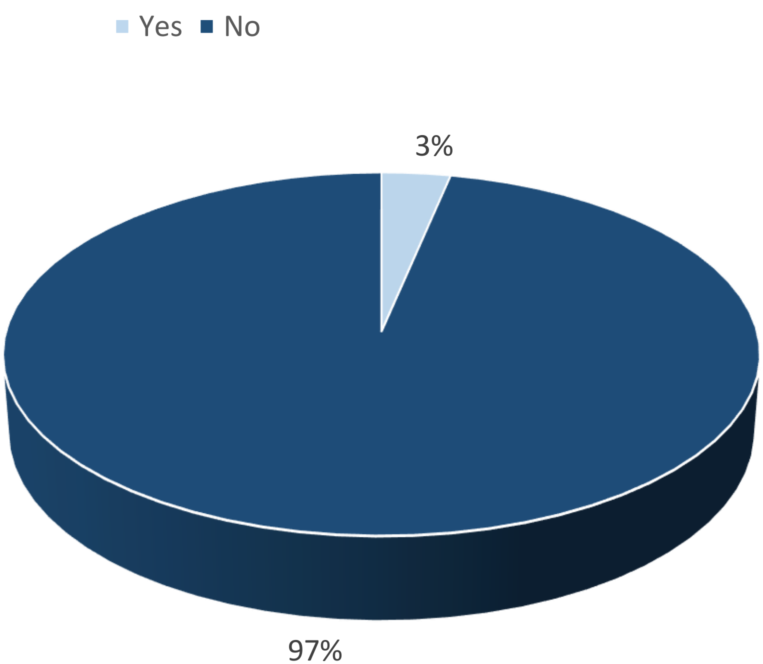
Do you think FTM calls are expensive?



Knowledge on fixed telephony call rates (4)

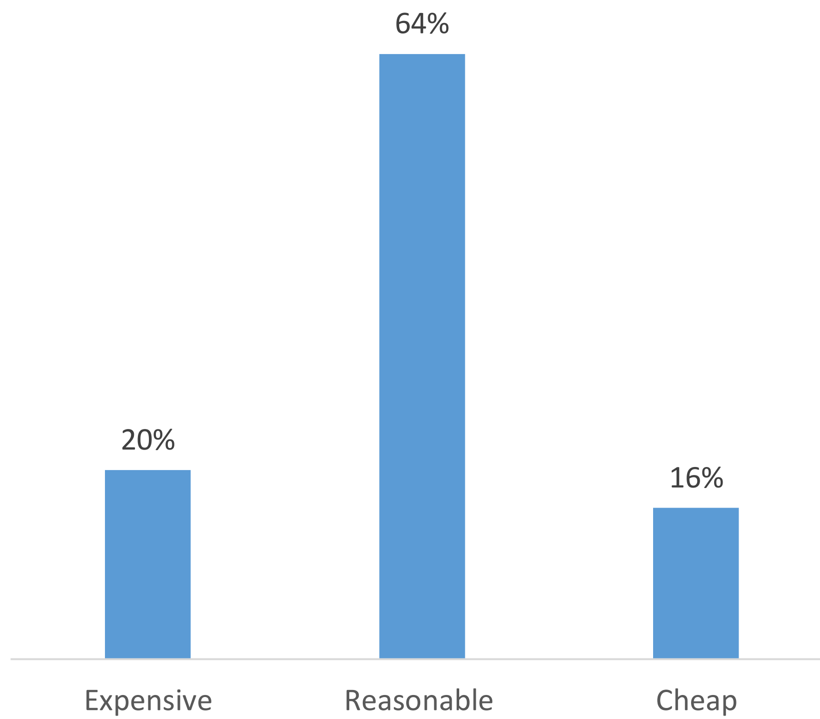
Do you know the cost of a call from a fixed line number to an international number

Number of respondents– 755



Do you think that FTI calls are expensive?

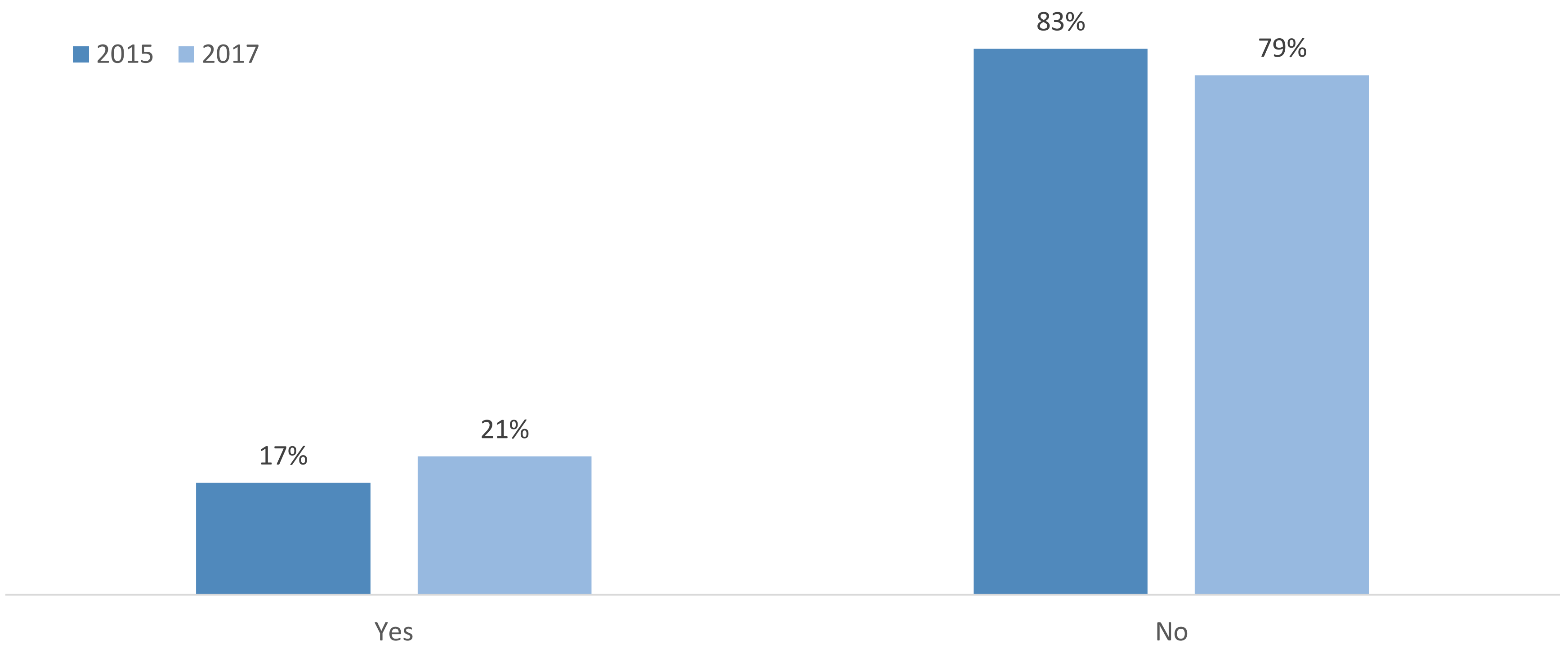
Number of respondents – 25
(i.e. 3% of all respondents)



Knowledge on fixed telephony call rates (5)

Awareness of the freephone number '180' through with which once can identify if a number being called is with the same service provider

Number of respondents – 781



79% of respondents are unaware of the freephone number ‘180’ through which to identify if the number they are calling is with the same service provider (on-net/off-net)

END

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