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MCA Market Research

Consumer Perceptions Survey – fixed broadband

April 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 broadband 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.

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Survey methodology (1)

Keep tabs on fixed broadband services in Malta → Provide for better analysis of fixed broadband services → Provide for better regulatory decisions

Grant Thornton Services Ltd carried out the survey between October and November 2017 on behalf of the MCA

Fieldwork

- Phone interviews carried out, each lasting approx. 20 minutes.
- Survey respondents were chosen randomly from available directories and 'numbering blocks' allocated by the MCA to operators offering voice telephony services in Malta.
- Only one person per household interviewed, aged 18 years or over.

Sample

- Target respondents stratified according to the age composition (18+) of the Maltese population.
- The interviews were also distributed among Malta's six official geographic regions and carried out across the different socio economic categories of the Maltese population.

Responses

- 903 net respondents to the survey.
- Margin of error 4% at 95% confidence interval.

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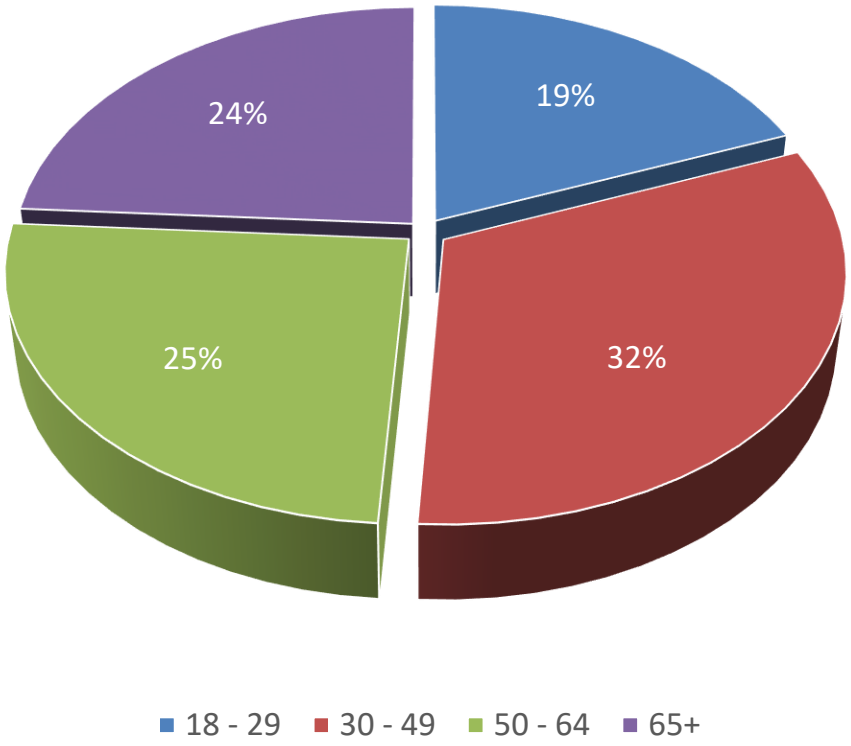
Survey methodology (2)

Sample size distribution based on the age composition of the Maltese population (18 years or over)

Number of respondents – 846



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Access and Usage

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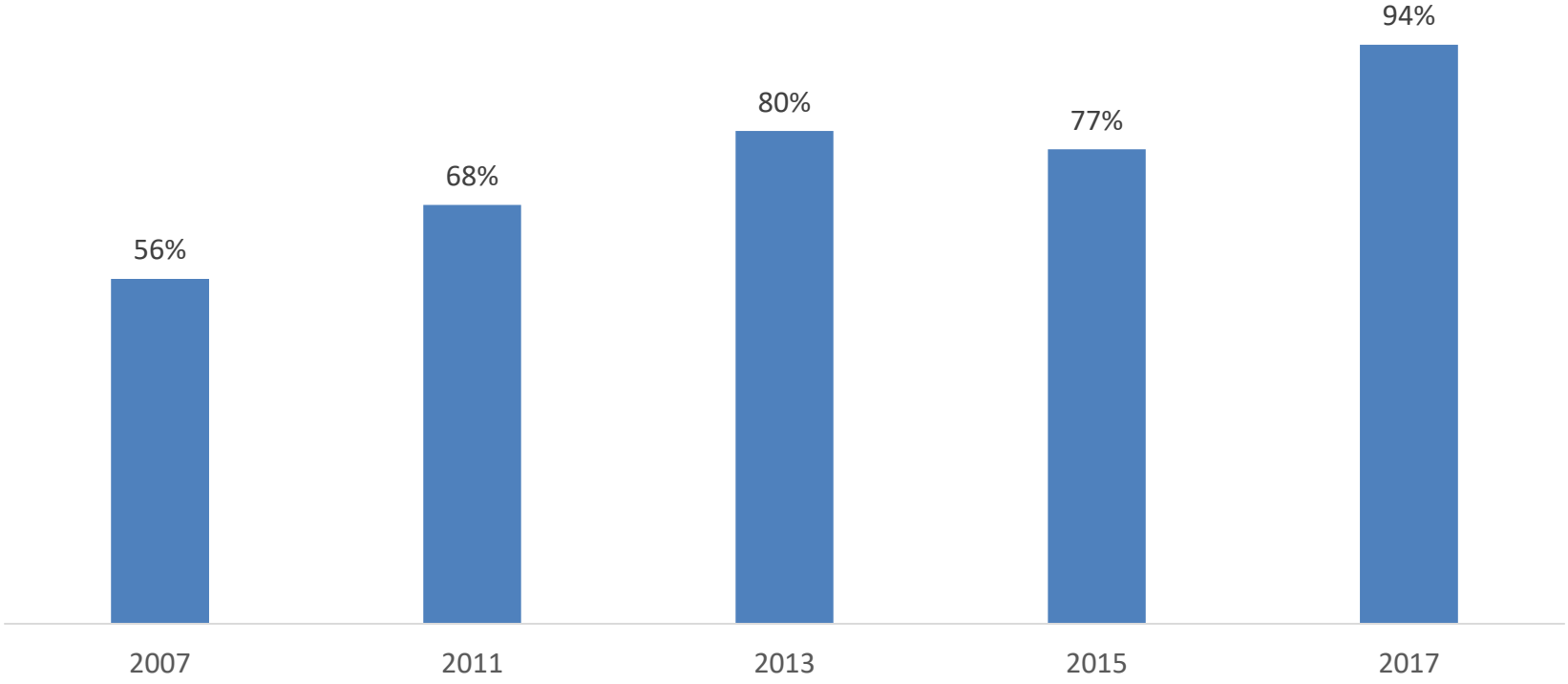
Access and usage (1)

Availability of fixed broadband in local households

Number of respondents with a fixed broadband subscription – 846
i.e. 94% of the total number of respondents



The main reasons quoted by respondents for not having a fixed broadband subscription (i) no need for the service (ii) usage may be too complicated. Almost all respondents without a fixed broadband connection will not be purchasing the service within the next 6 months.

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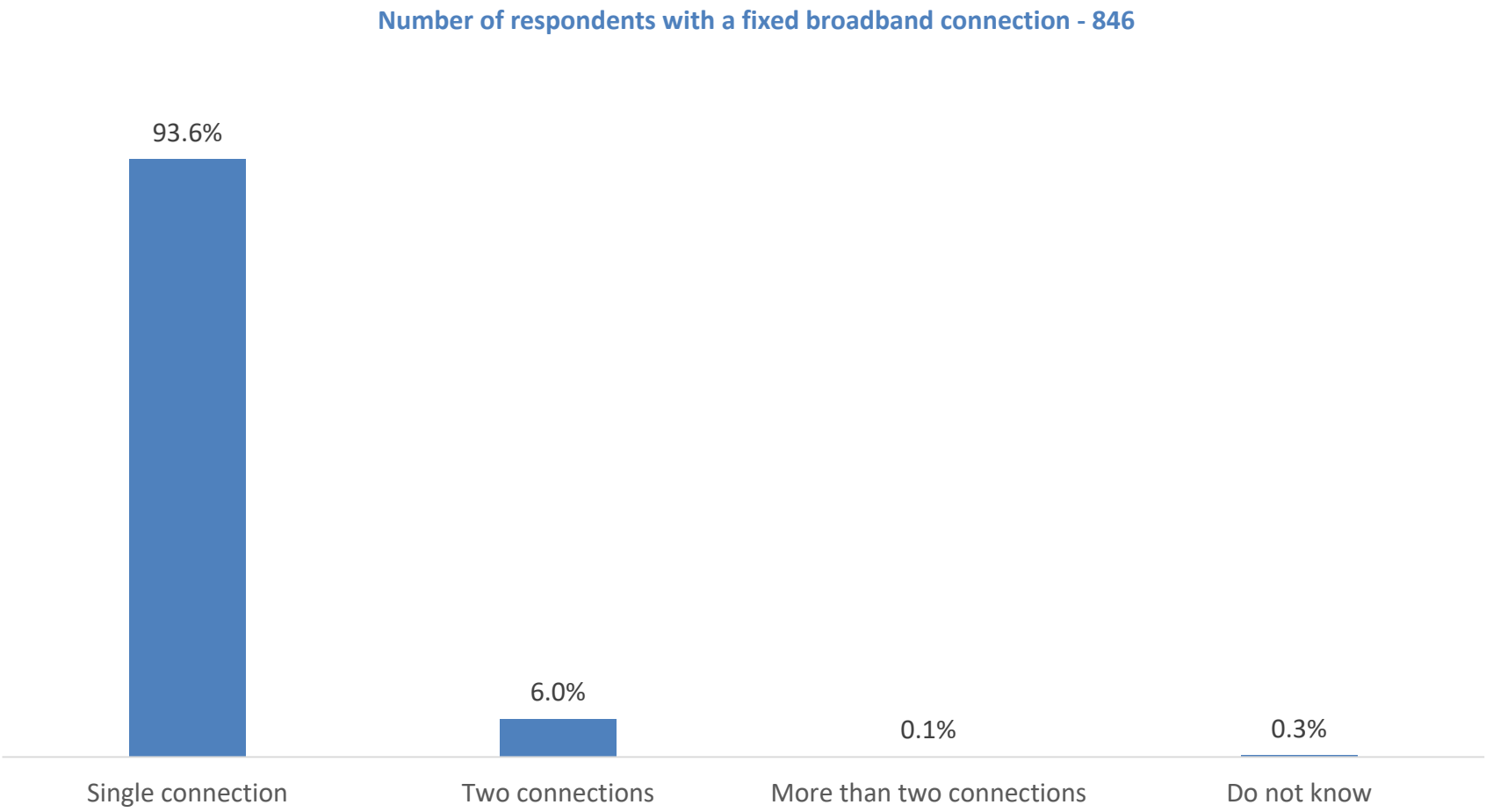
Access and usage (2)

Number of connections at home



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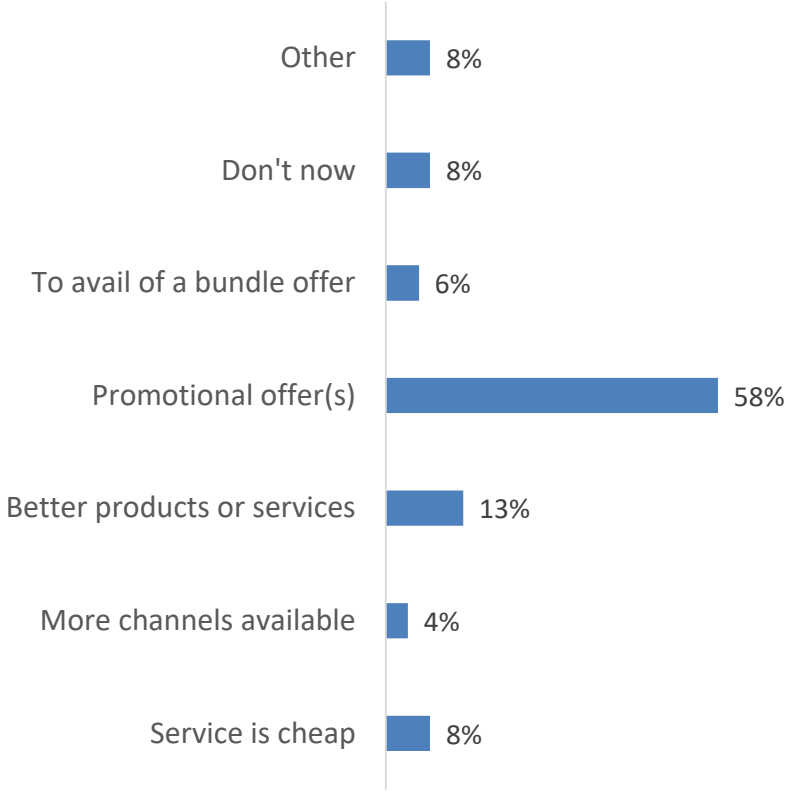
Access and usage (3)

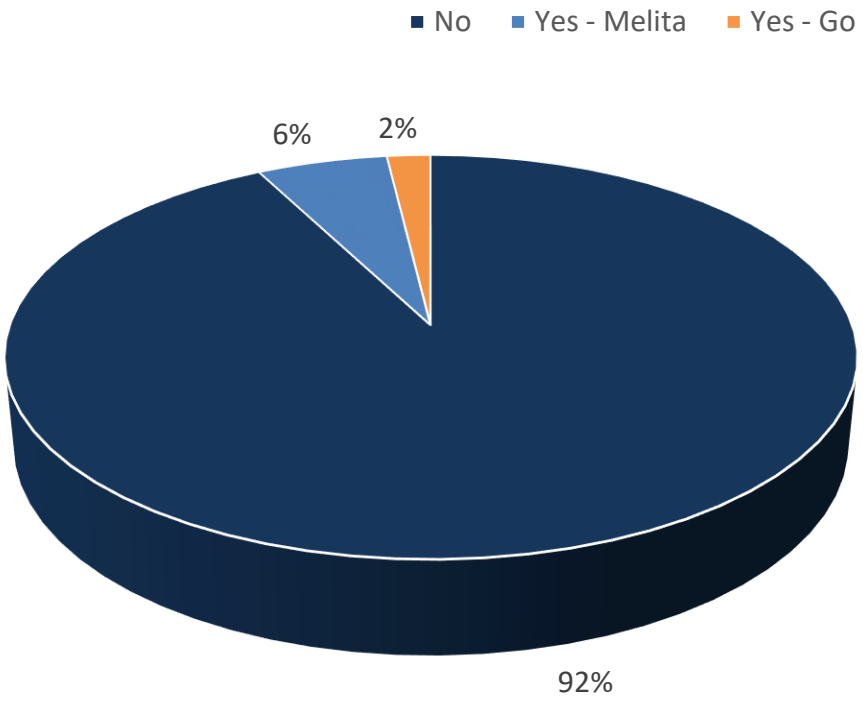
Reasons for having multiple connections

Number of respondents with multiple fixed broadband connections – 52
i.e. 6% of the total number of respondents



(In case of more than one connection) Are you considering disconnecting one of the subscriptions over the next 12 months?

Number of respondents with multiple fixed broadband connections – 52
i.e. 6% of the total number of respondents



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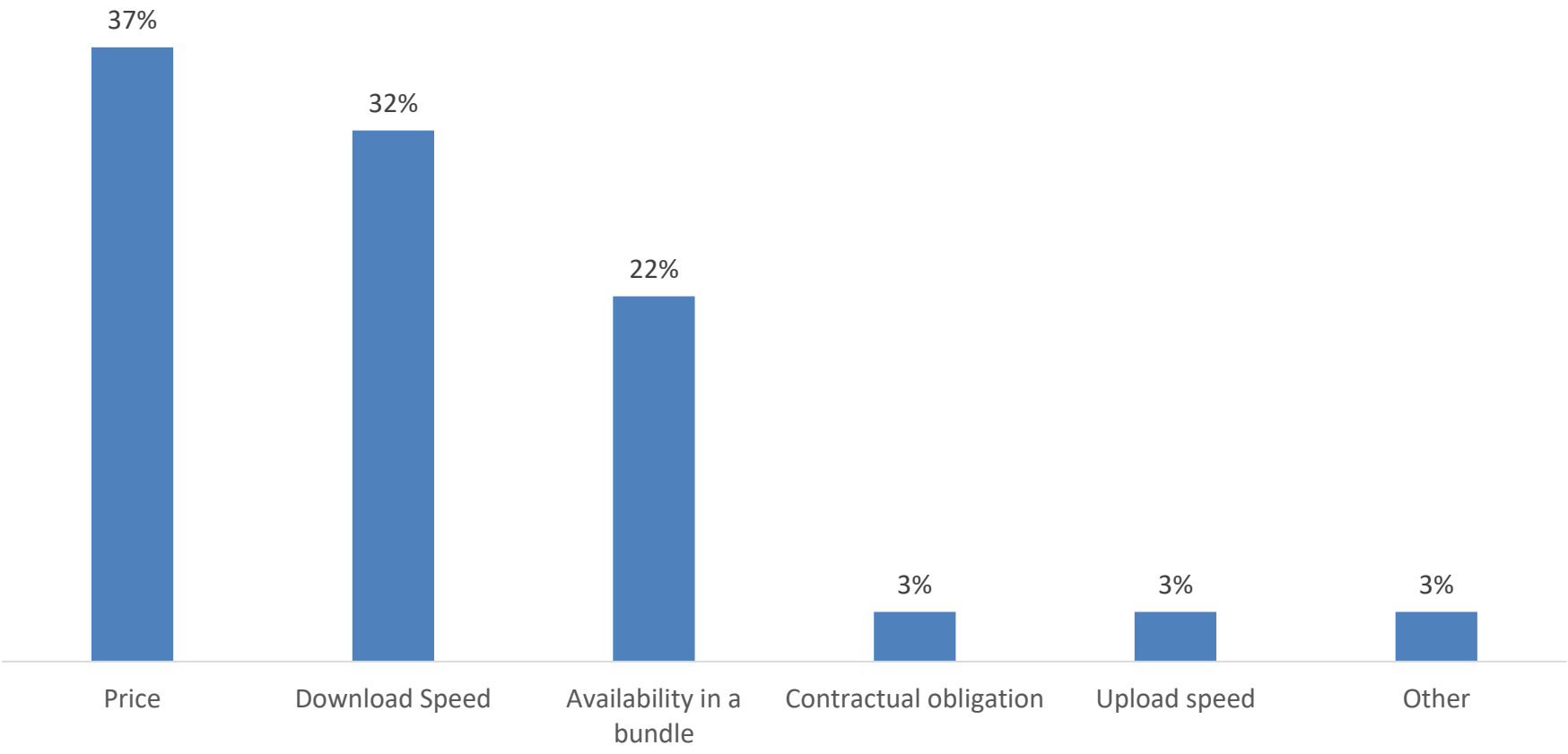
Access and usage (4)

Features sought when determining which fixed broadband connection to purchase

(*ranked in order of importance*)

Number of respondents with a fixed broadband connection - 846



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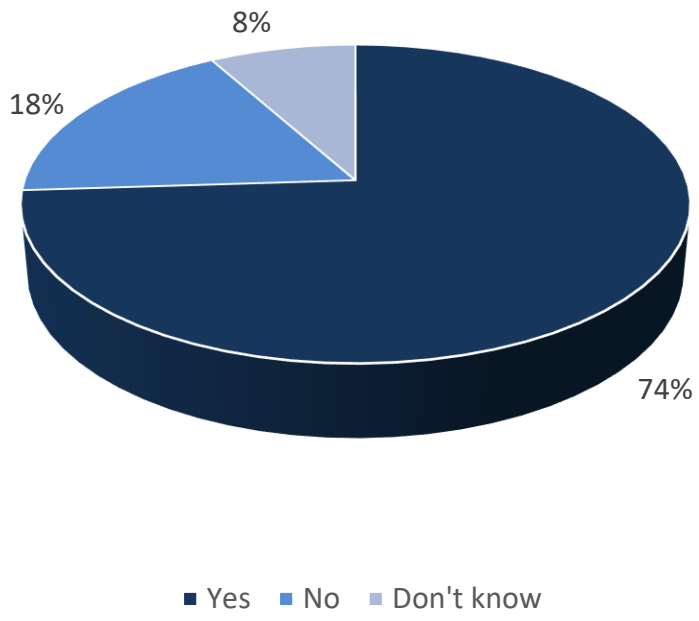
Access and usage (5)

Propensity to purchase fixed broadband in a bundle

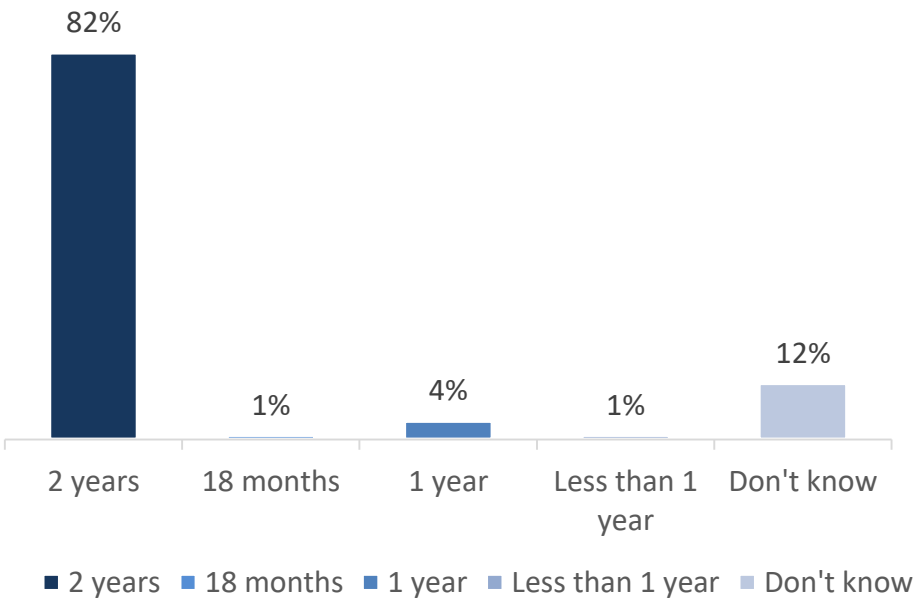
Number of respondents with a fixed broadband connection - 846



Duration of the contract term for bundle subscription

Number of respondents purchasing fixed broadband in a bundle – 626

i.e. 74% of the total number of respondents having a fixed broadband connection at home



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Access and usage (6)

- 94% of respondents reported having a fixed broadband connection at their place of residence. This represents an increase of 17 percentage points from 2015.

- Only 6% of survey respondents report not having a fixed broadband connection at their place of residence. Mainly, these respondents are aged over 65 years.

- Consumers consider 'download speed', 'pricing' and 'bundling options' as important determinants of their choice of fixed broadband product.

- 74% of respondents reporting a fixed broadband connection at their place of residence purchase the service in a bundle.

- The number of household members making use of a fixed broadband connection within a household remains relatively unchanged from results observed in 2015 and 2013, as follows:

  - 26% of households having 4 members making use of fixed broadband;
  - 23% of households having 3 members making use of fixed broadband;
  - 33% of households having 2 members making use of fixed broadband;
  - 9% of households having more than 4 members making use of a fixed broadband;
  - 9% of households having one member making use of fixed broadband.

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Download speed and technology

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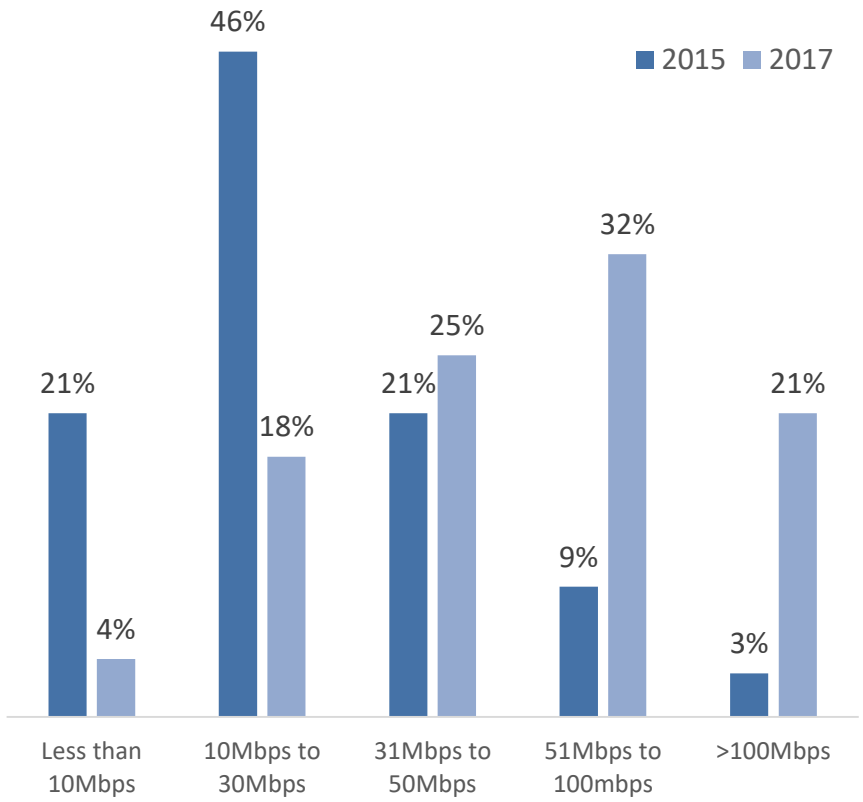
Download speed and technology (1)

Type of purchase by advertised download speed

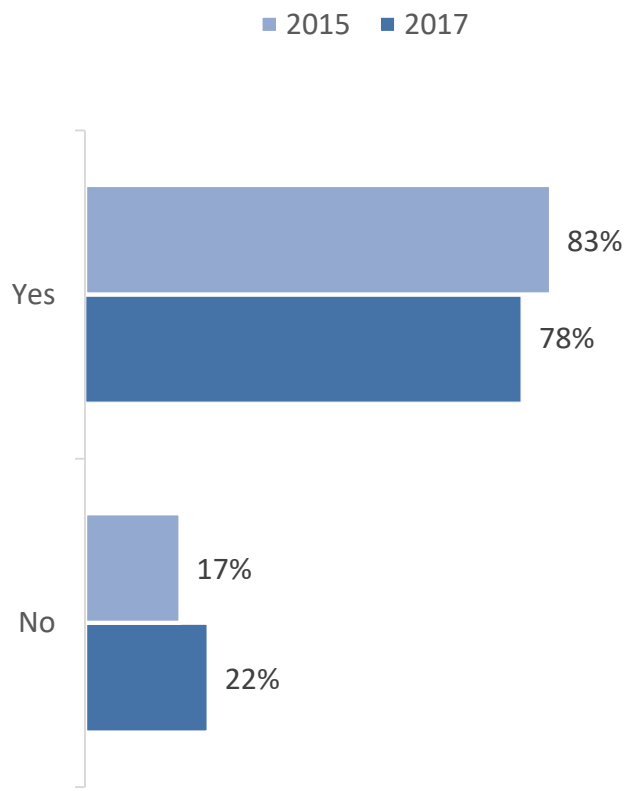
Number of respondents knowing the download speed of their fixed broadband connection – 234

i.e. 28% of all respondents with a fixed broadband connection at home



Are available download speeds adequate?

Number of respondents with a fixed broadband connection – 846



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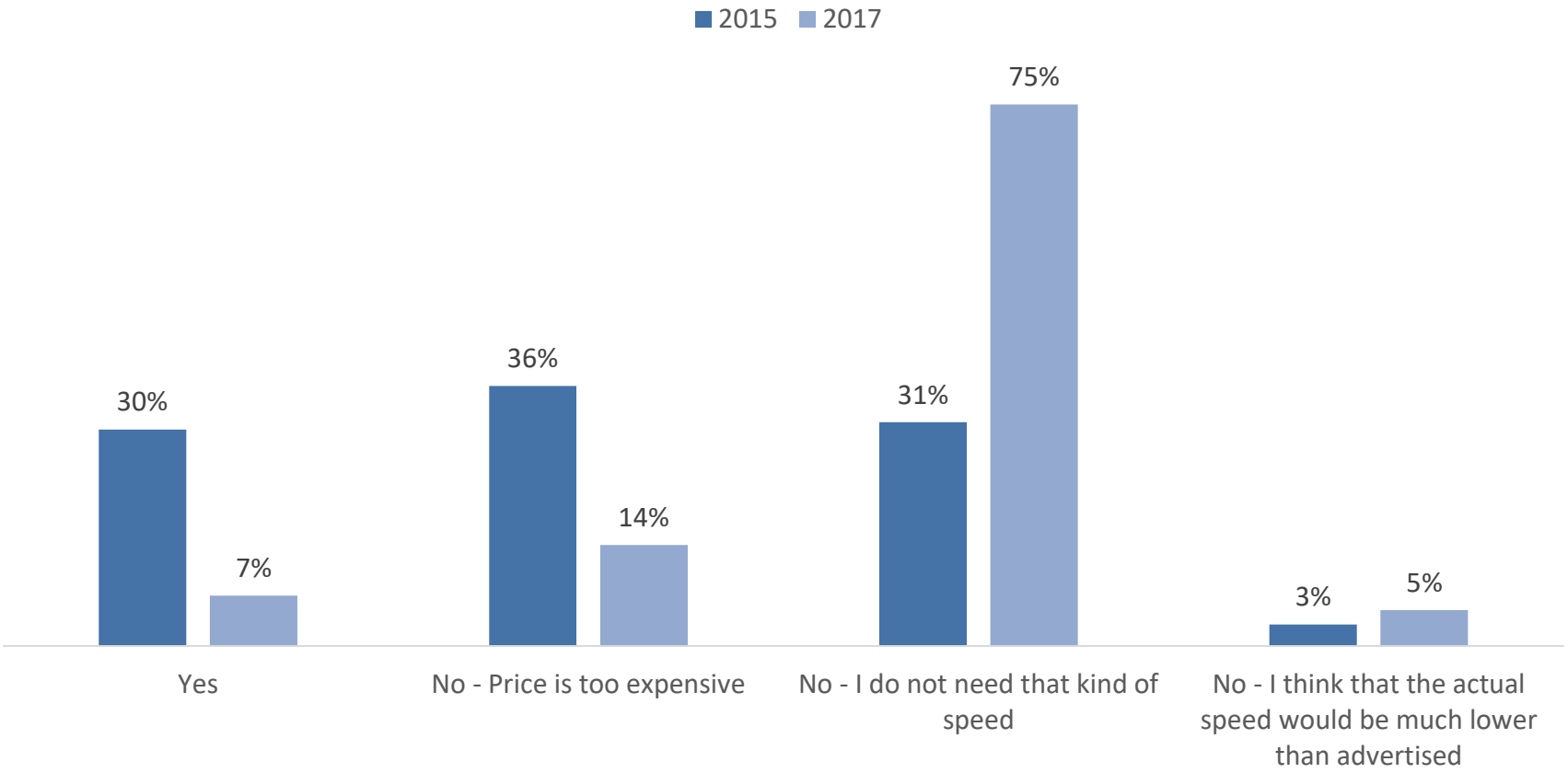
Download speed and technology (2)

Possibility of upgrading existing connection to ultra fast download speeds (i.e. download speeds of 100Mbps or more) in the next 12 months

Number of respondents knowing their download speed and having a connection supporting less than 100Mbps – 185
i.e. 22% of respondents with a fixed broadband connection and knowing their download speed



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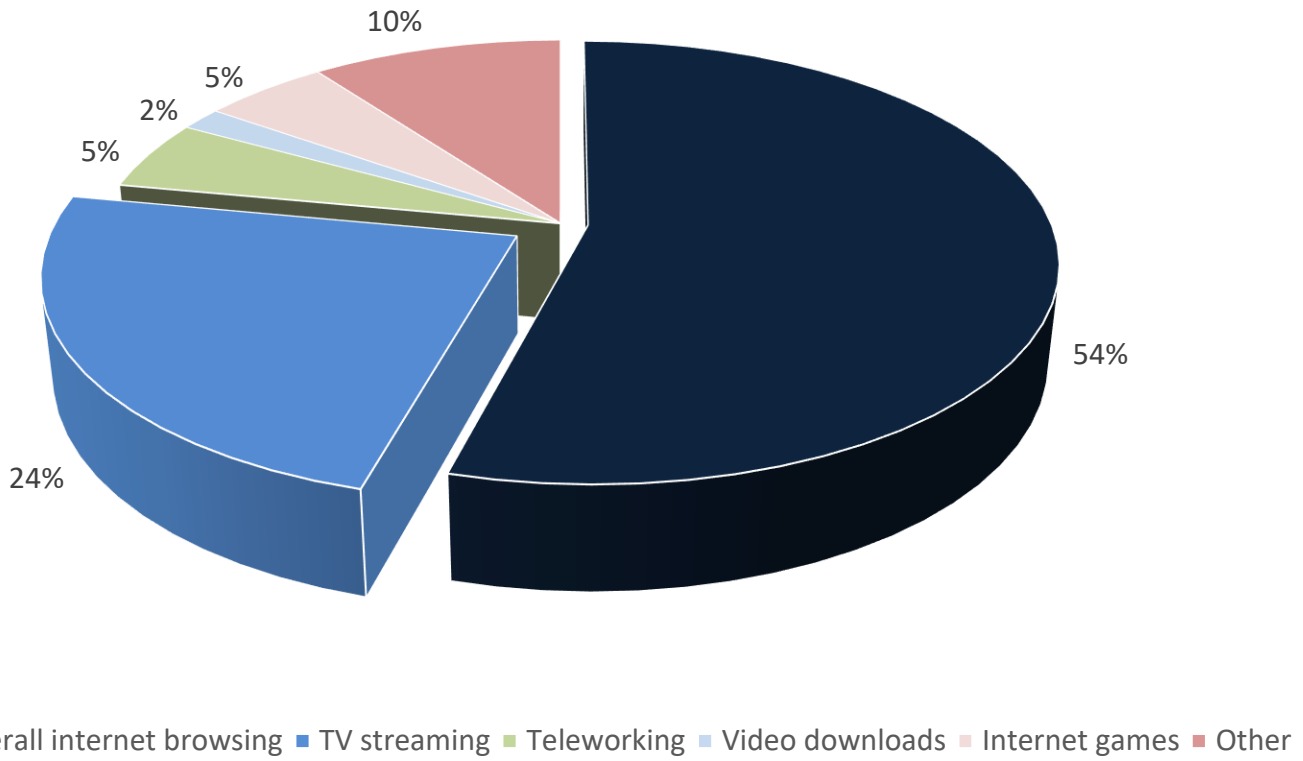
Download speed and technology (3)

Reasons for acquiring a broadband connection of 100Mbps or more

Number of respondents with a fixed broadband connection supporting a download speed of 100Mbps or more – 59
i.e. 7% of the number of respondents having a fixed broadband connection and knowing their download speeds



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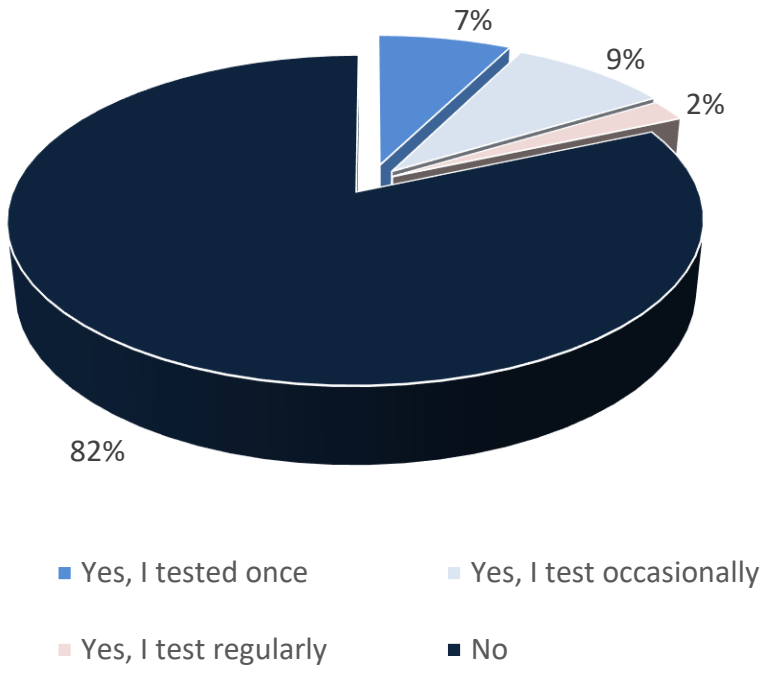
Download speed and technology (4)

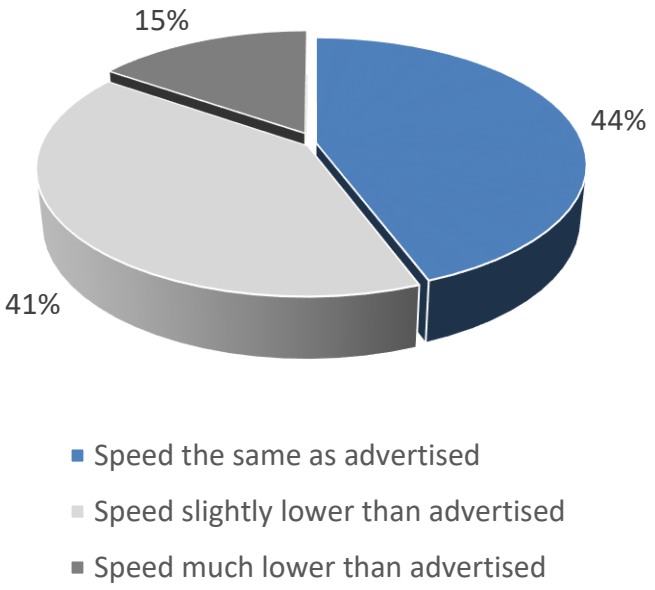
Propensity to test download speed

Number of respondents with a fixed broadband connection – 846



Outcome of download speed tests

Number of respondents who have performed speed tests on their fixed broadband connection – 156
i.e. 18% of the number of respondents having a fixed broadband connection at home



Among those that did speed tests, 56% of respondents said that their speed was lower than advertised.

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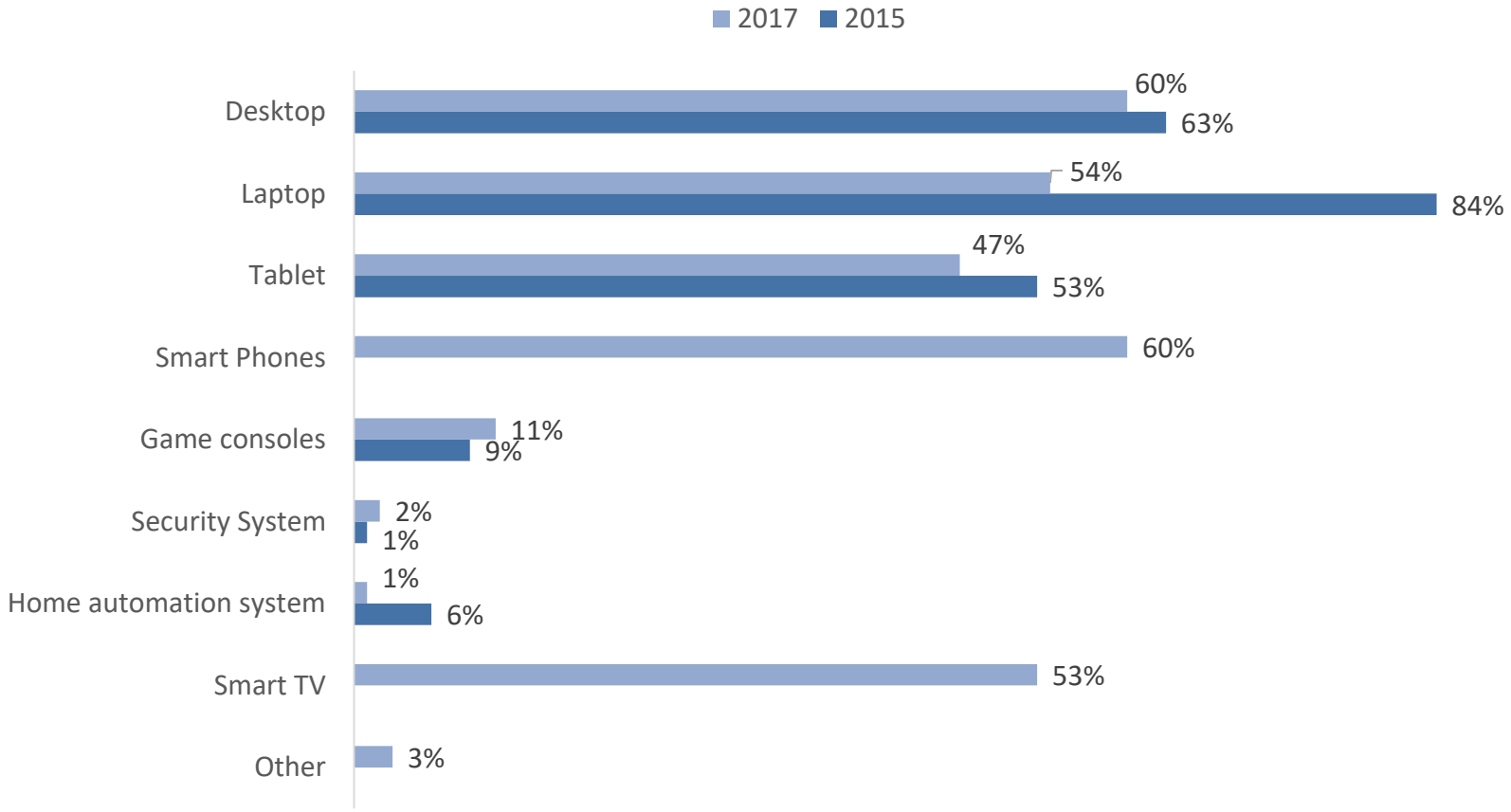
Download speed and technology (5)

Type of devices connected to a fixed broadband connection within a household

Number of respondents with a fixed broadband connection – 846
(respondents could give multiple responses)



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Download speed and technology (6)

- 72% of respondents having a fixed broadband connection at home were unable to identify their download speed. This represents a drop of 8 percentage points than recorded in 2015.
- More respondents are making use of high speed and ultra high speed broadband. The number of respondents making use of a fixed broadband connection supporting a download speed of 50Mbps to 100Mbps has increased from 9% in 2015 to 32% in 2017. Meanwhile use of fixed broadband connections supporting download speeds of 100Mbps or more has increased from 3% to 21%.
- 75% of respondents with a fixed broadband connection supporting a download speed of less than 100Mbps reported being satisfied with the service and were not interested in upgrading to higher speeds.
- 54% of respondents felt that by upgrading to an ultra-high speed fixed broadband connection they were able to improve their overall browsing experience. 24% of respondents felt that such a connection was ultimately more beneficial for TV use.
- 82% of respondents reported that they never tested the download speed of their fixed broadband connection. Of those who did, just 44% reported that their speed was the same as the one being advertised.

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Expenditure, quality of service and switching

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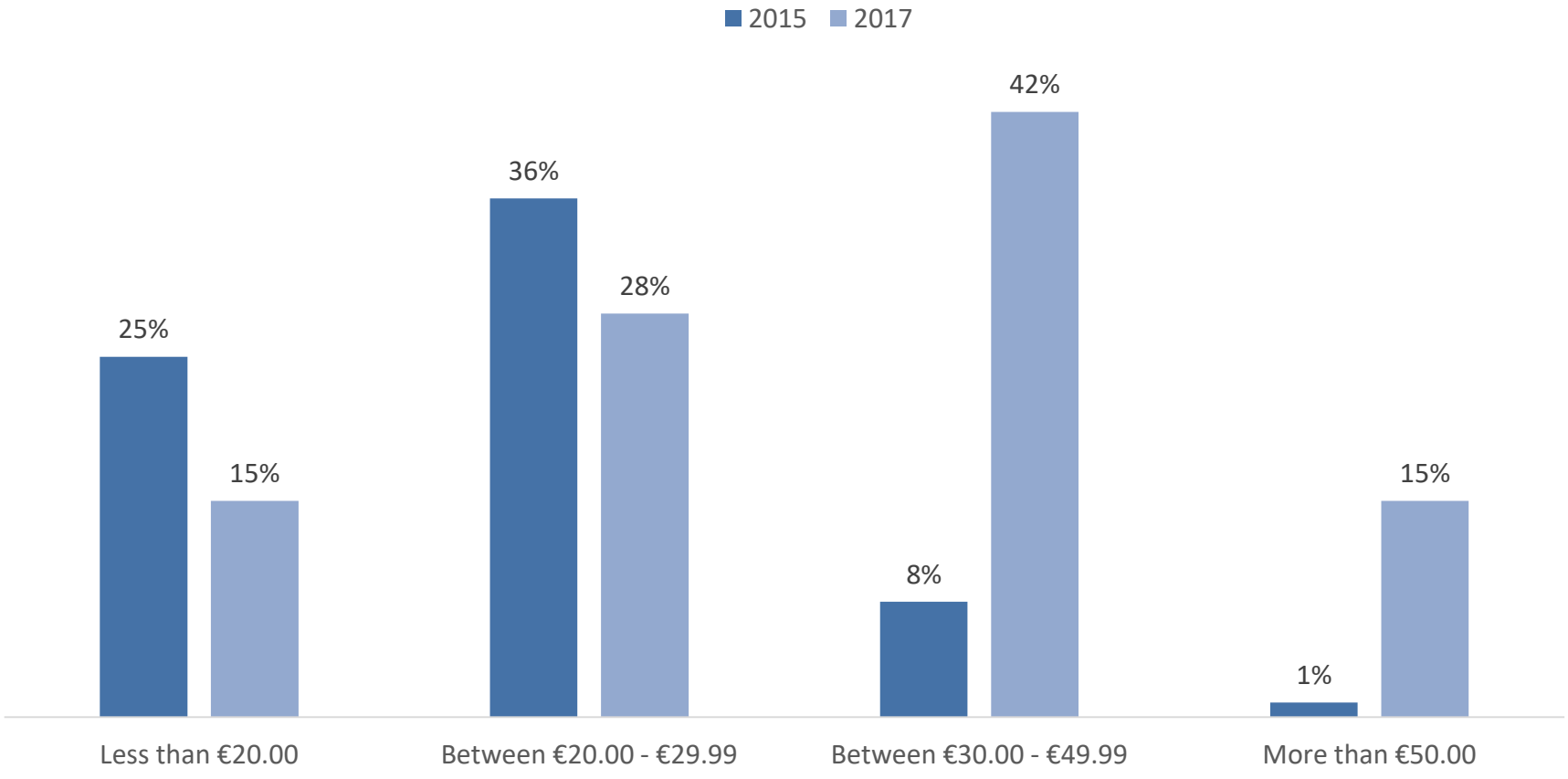
Expenditure, quality of service and switching (1)

Average monthly expenditure on a fixed broadband connection

Number of respondents with a fixed broadband connection and knowing their monthly expenditure – 459
i.e. 54% of respondents having a fixed broadband connection at home



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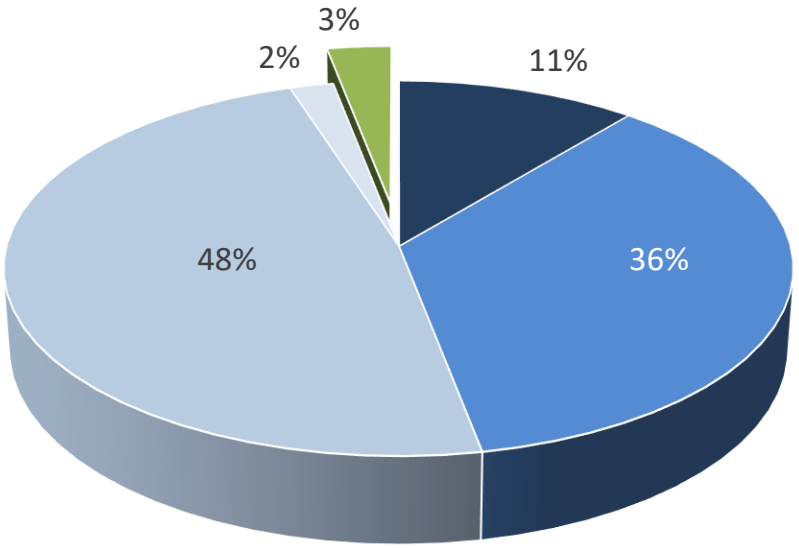
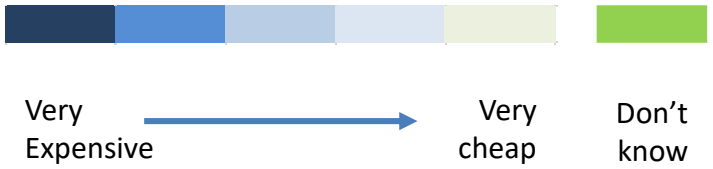
Expenditure, quality of service and switching (2)

Perceptions of the cost of fixed broadband connection

Number of respondents with a fixed broadband connection and knowing their monthly expenditure – 459

i.e. 54% of the number of respondents having a fixed broadband connection at home





47% of respondents that know their monthly fixed broadband expenditure feel that the service is expensive.

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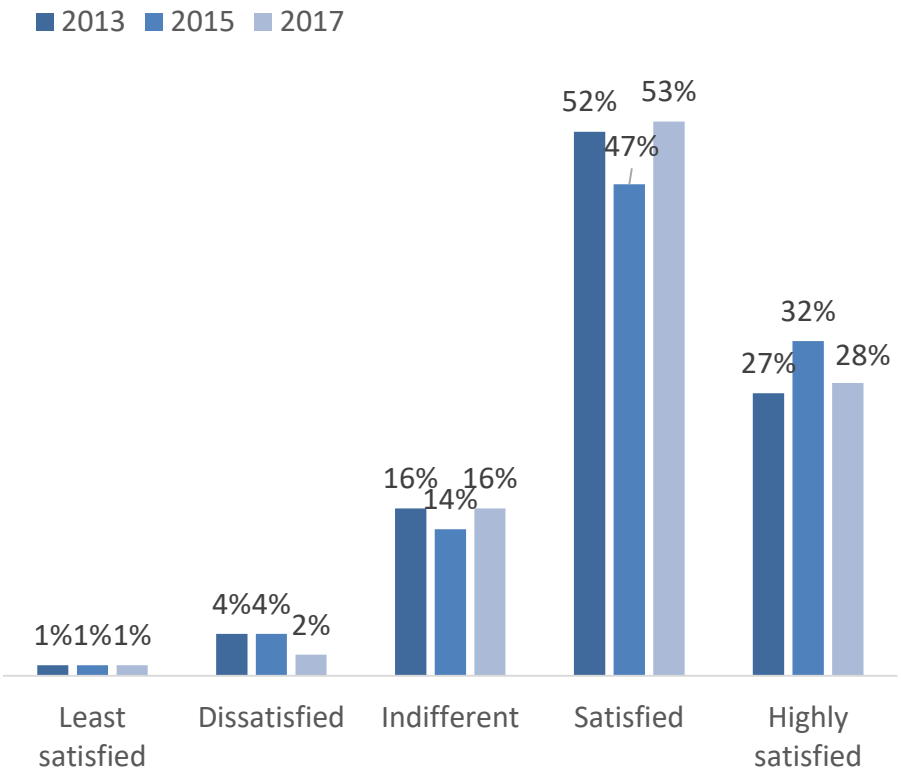
Expenditure, quality of service and switching (3)

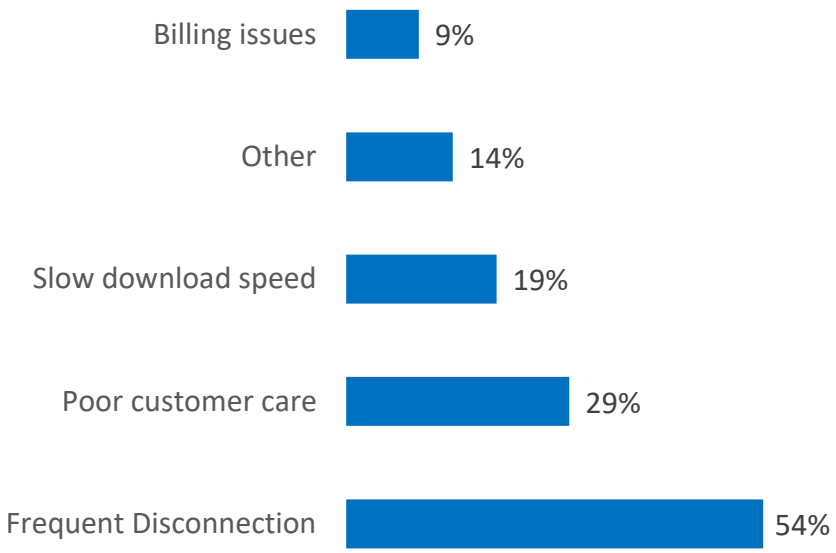
Satisfaction rate with main fixed broadband connection

Number of respondents with a fixed broadband connection - 846



Reasons quoted for not being satisfied or indifferent with the service

Number of respondents not satisfied with the service – 159
i.e. 19% of the number of respondents having a fixed broadband connection at home

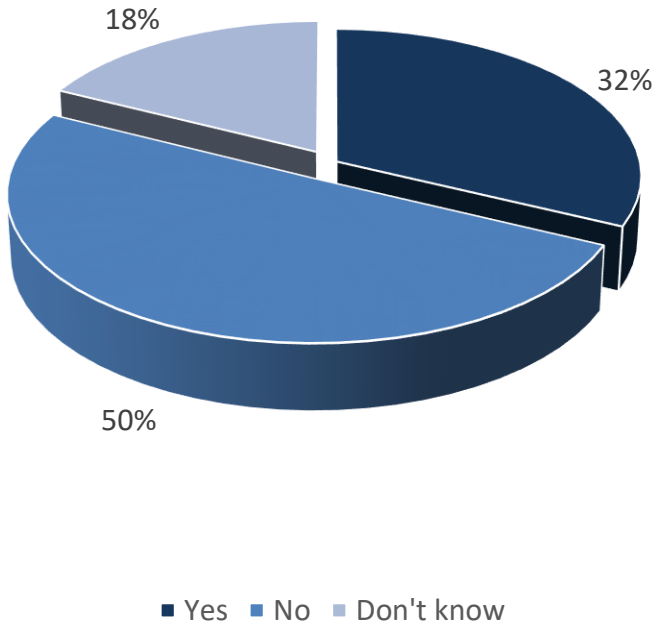


14% of respondents indicated 'other' as a reason for being dissatisfied/indifferent with their fixed broadband connection. Reasons given under 'other' include: contractual obligations and slow repair times.

Expenditure, quality of service and switching (4)

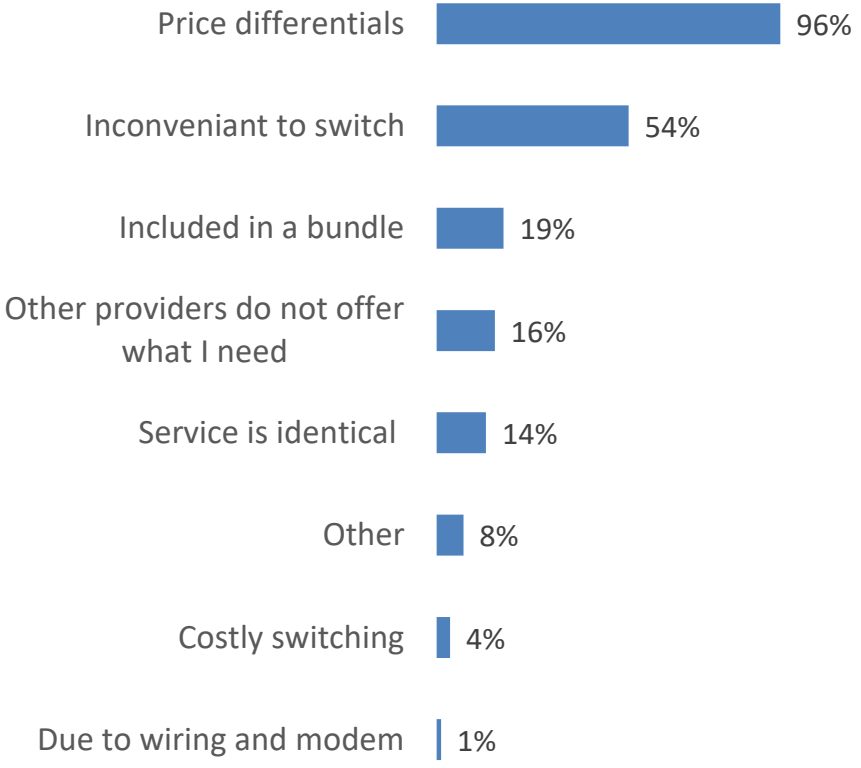
Switching consideration of respondents dissatisfied or indifferent with the quality of service

Number of respondents - 159



Reasons for not switching

Number of respondents not considering switching – 80
Respondents could give multiple answers

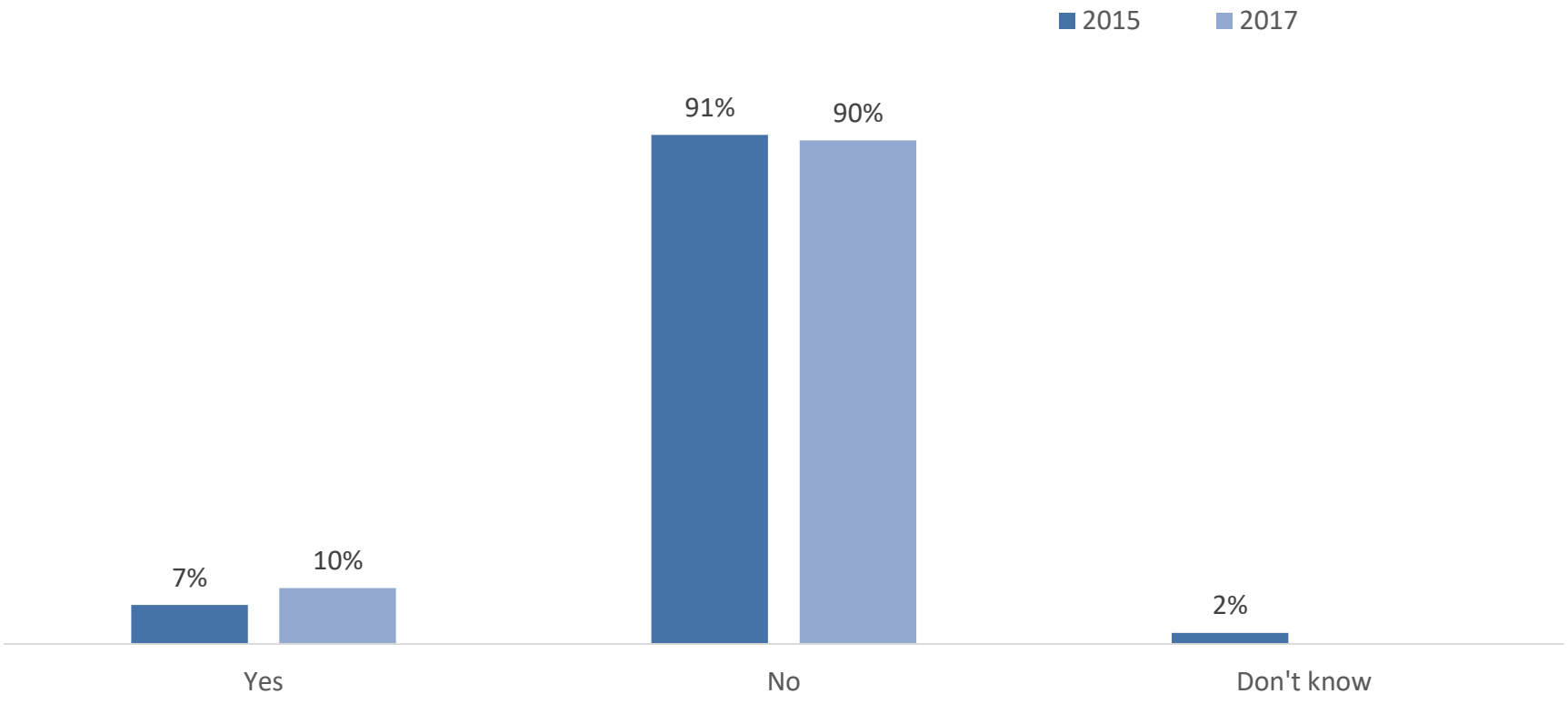


Expenditure, quality of service and switching (5)

Switching behaviour in the last two years

Number of respondents with a fixed broadband connection – 846

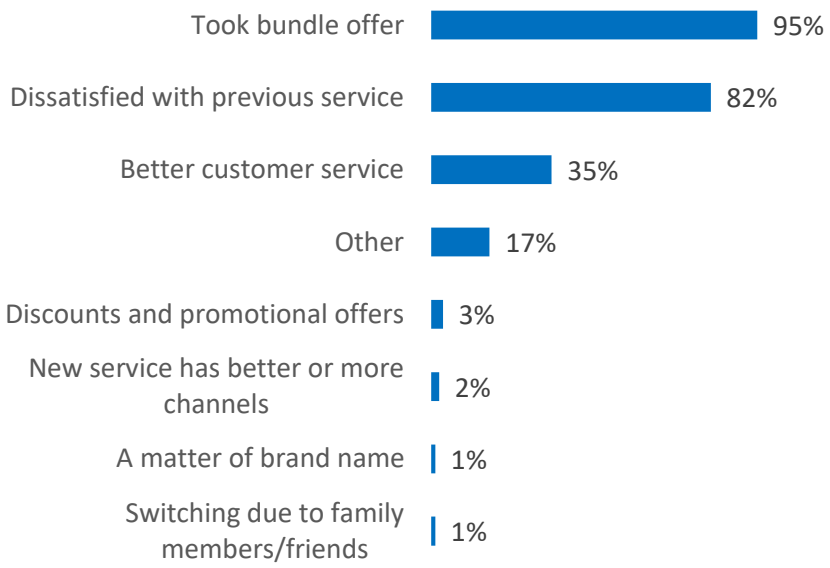
Only 10% of respondents have switched operator



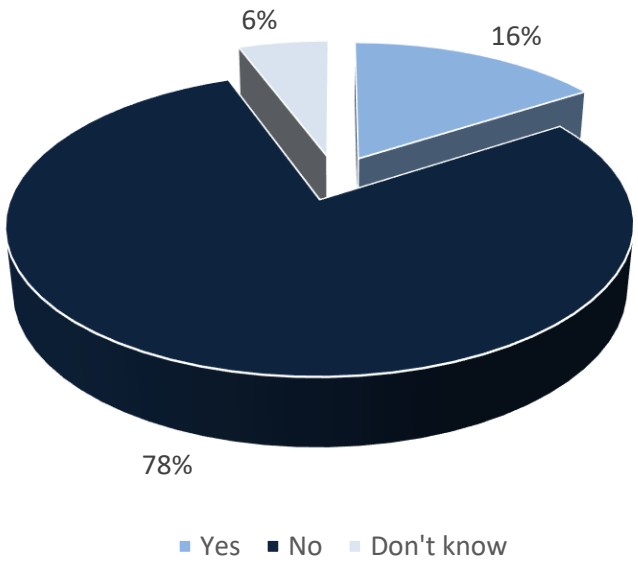
Expenditure, quality of service and switching (6)

Reasons for switching service provider

Number of respondents that have switched service providers in the last 2 years – 88
i.e. 10% of the number of respondents having a fixed broadband connection (respondents could give multiple answers)



Respondents finding difficulty in switching



95% of respondents switched service provider due to a bundle offer being advertised by a competitor, while 82% switched due to dissatisfaction with the service. 78% of respondents found no difficulty switching service providers.

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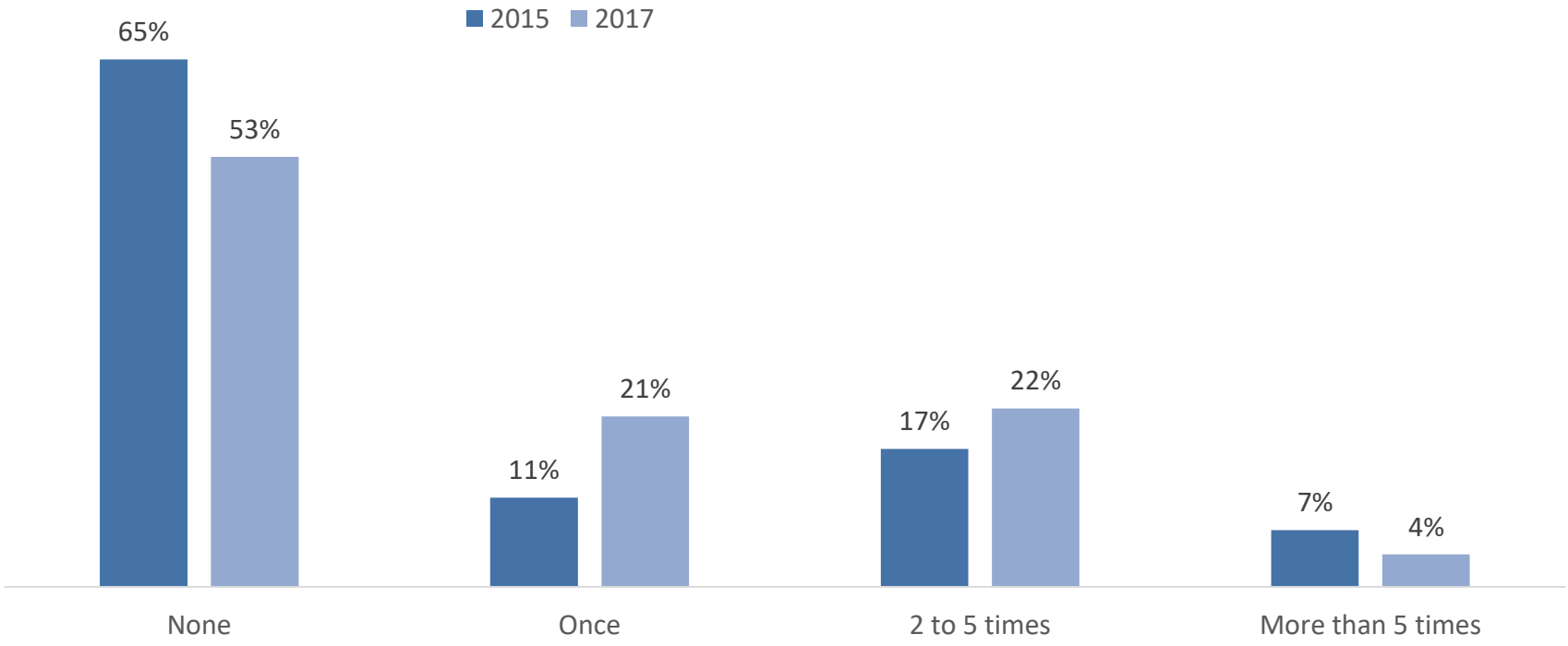
Expenditure, quality of service and switching (7)

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

Number of respondents with a fixed broadband connection – 846



53% of respondents with a fixed broadband connection did not experience disconnections, faults or other problems. The corresponding figure reported in 2015 stood at 65%.

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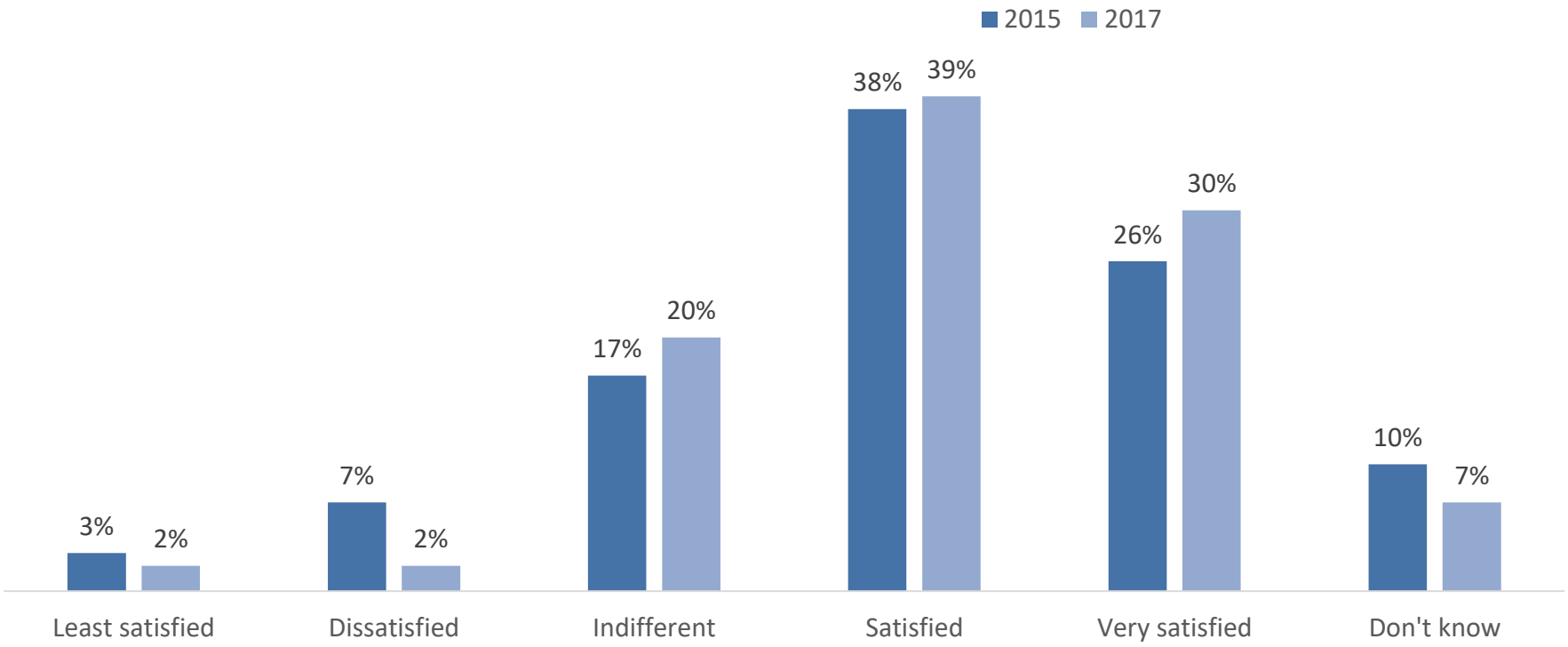
Expenditure, quality of service and switching (8)

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

Number of respondents with a fixed broadband connection and having reported a fault in the last 12 months – 400
i.e. 47% of the number of respondents having a fixed broadband connection at home



A high level of satisfaction was reported with respect to the way service providers addressed reported faults.

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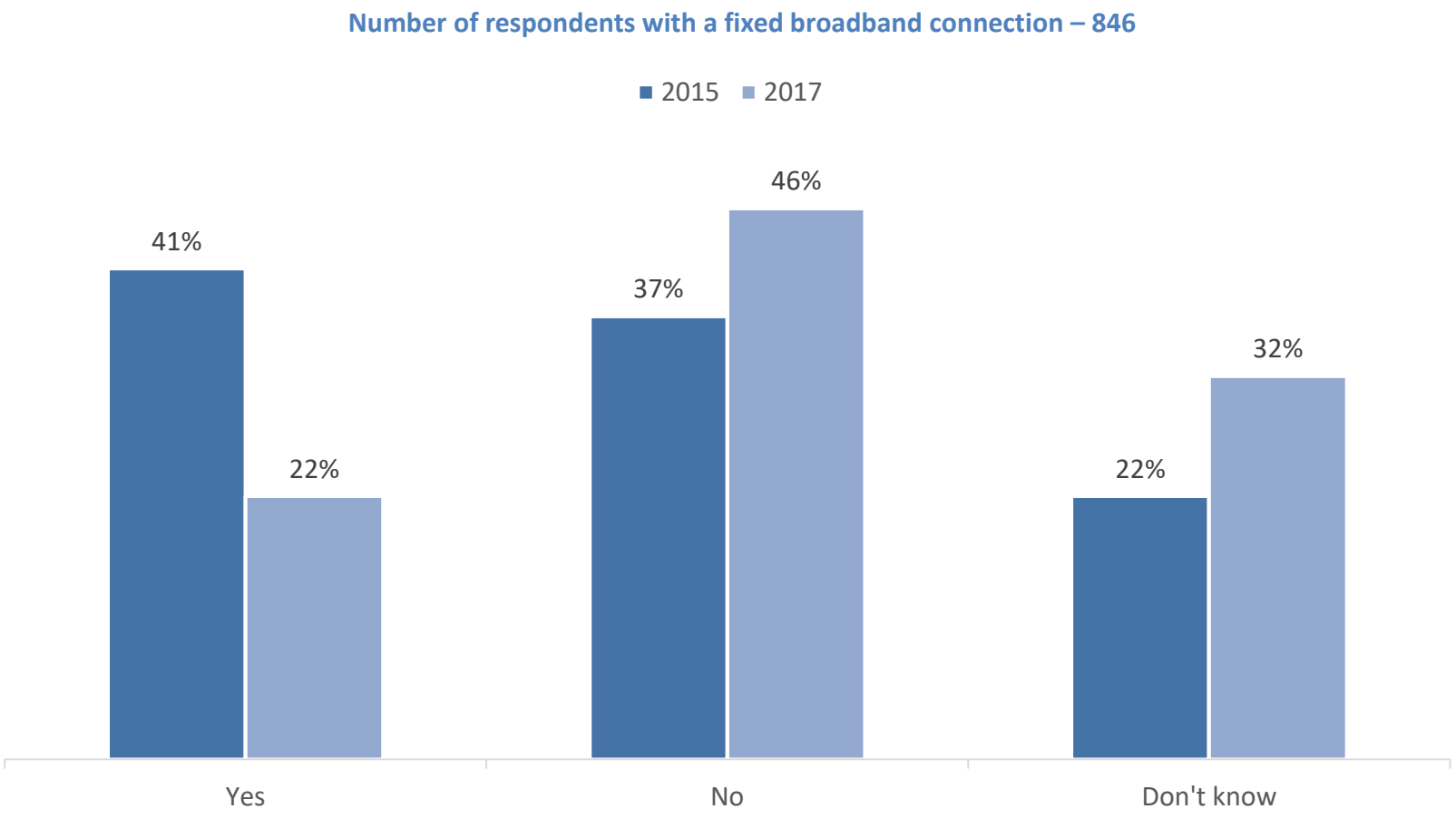
Expenditure, quality of service and switching (9)

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



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Expenditure, quality of service and switching (10)

- 46% of respondents with a fixed broadband connection were unable to identify their monthly expenditure. 28% of all respondents couldn't identify their monthly access fees due to their fixed broadband connection being purchased in a bundle.
- 43% of respondents able to identify their expenditure on fixed broadband indicated spending less than €30.00 per month on the service, a drop of 18 percentage points from 2015. While 57% of respondents declared spending more than €30.00 per month.
- 74% of households purchased their fixed broadband connection in a bundle and generally had a 2 year contract.
- 47% of respondents found their fixed broadband connection to be expensive. However 81% of respondents with a connection were satisfied/very satisfied with the service provided.
- 19% of respondents with a fixed broadband connection felt dissatisfied/indifferent with the service being provided. Of those feeling dissatisfied/indifferent, 50% still would not switch service providers. Dissatisfied respondents would not switch mainly due to price differences being minimalistic or due to inconvenience.

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Over-the-Top (OTT) services over fixed broadband

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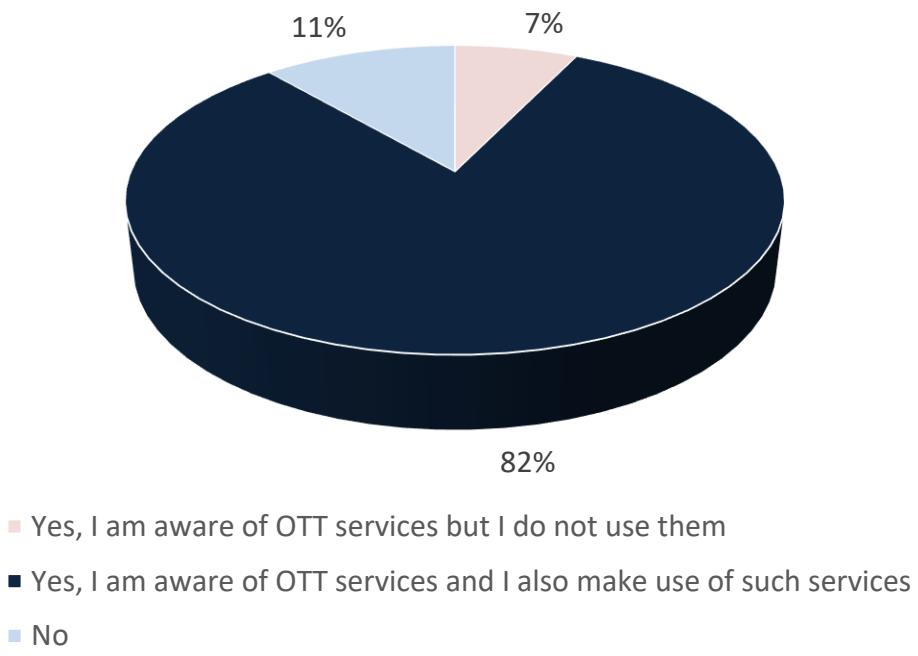
OTT usage over fixed broadband (1)

Usage OTT services over fixed broadband

Number of respondents with a fixed broadband connection – 846



Among those saying that they do not utilise OTT services over fixed broadband, 59% gave the reason that they found no use for such services whilst 36% consider them as being too complicated to use.

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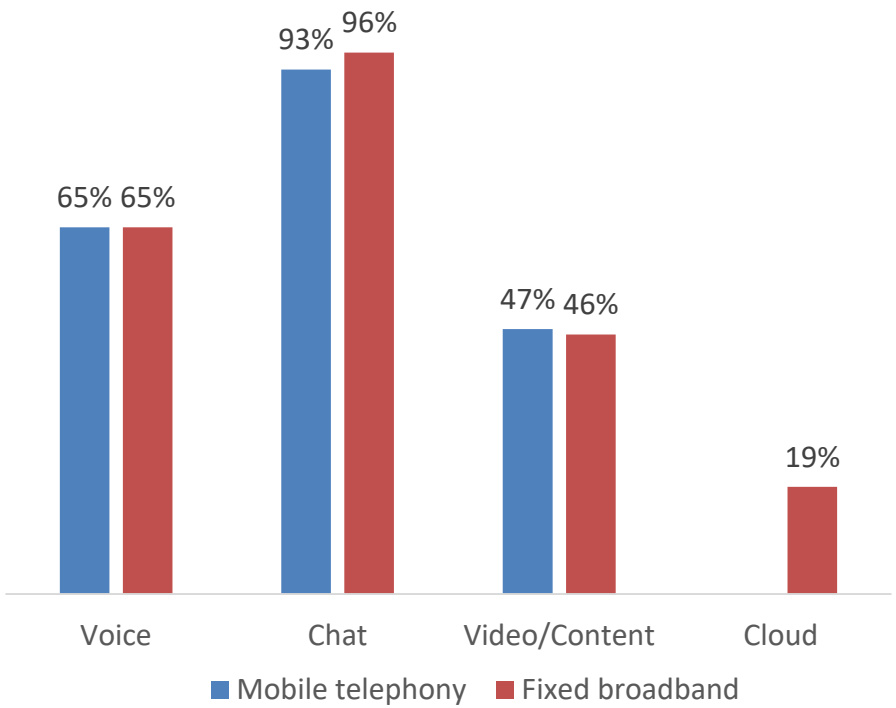
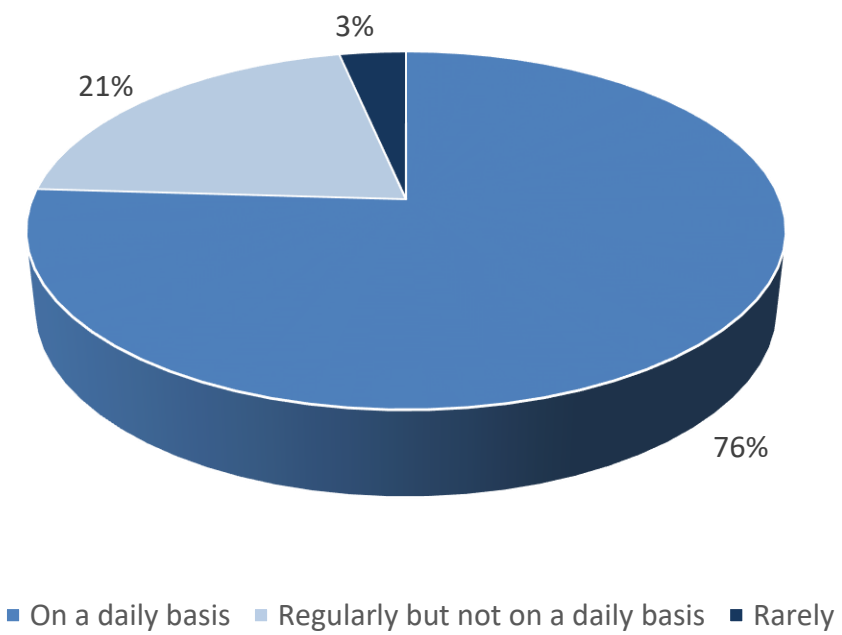
OTT usage over fixed broadband (2)

Types of OTT services used

Number of respondents making use of OTTs over a fixed broadband connection - 689
i.e. 77% of the number of respondents having a fixed broadband connection at home (respondents can give multiple answers)



Frequency of usage of OTTs over fixed broadband



97% of respondents making use of OTTs do so on a regular basis. Survey findings suggest that usage of OTTs over fixed broadband is as popular as usage of OTTs over mobile telephony.

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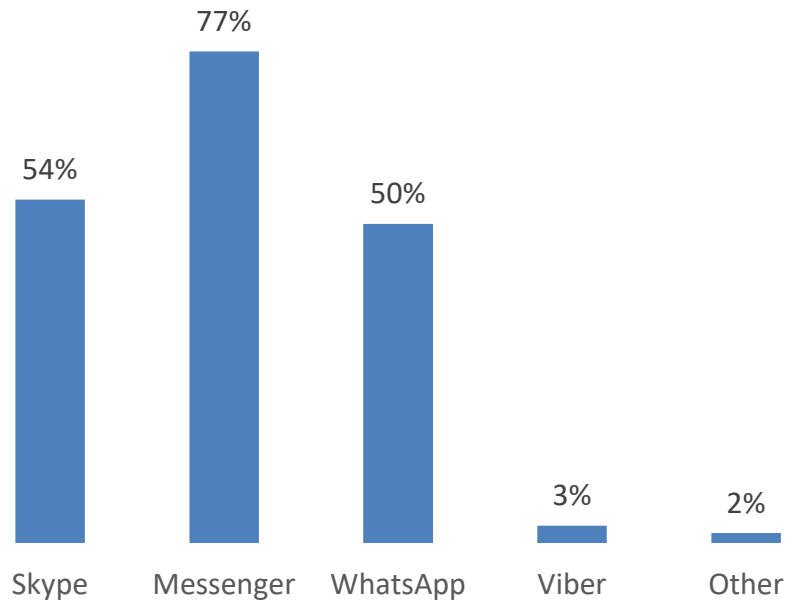
OTT usage over fixed broadband (3)

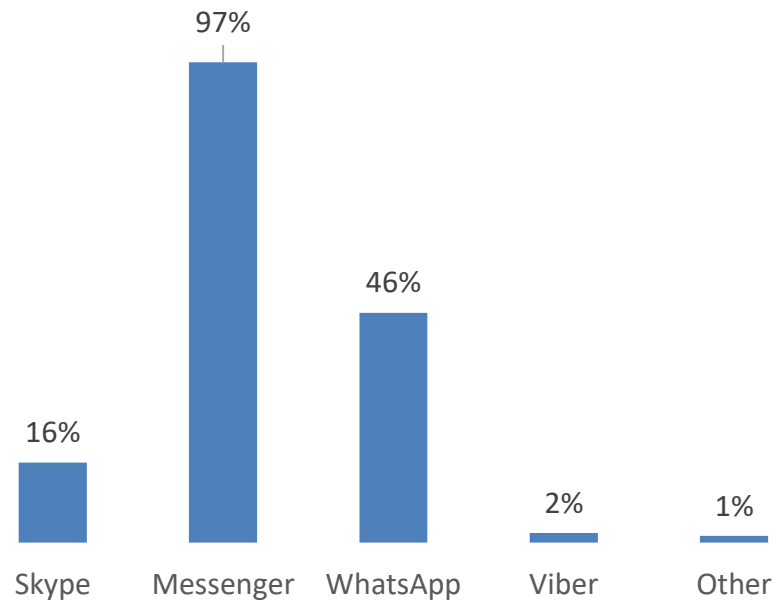
Platforms used to access voice OTTs over fixed broadband

Number of respondents making use of voice OTTs over fixed broadband – 448
i.e. 65% of respondents making use of OTT services



Main platforms used to access chat OTTs

Number of respondents making use of chat OTTs over fixed broadband – 661
i.e. 96% of respondents making use of OTT services



'Messenger' and 'WhatsApp' are reportedly the most popular platforms for chat and voice OTT services.

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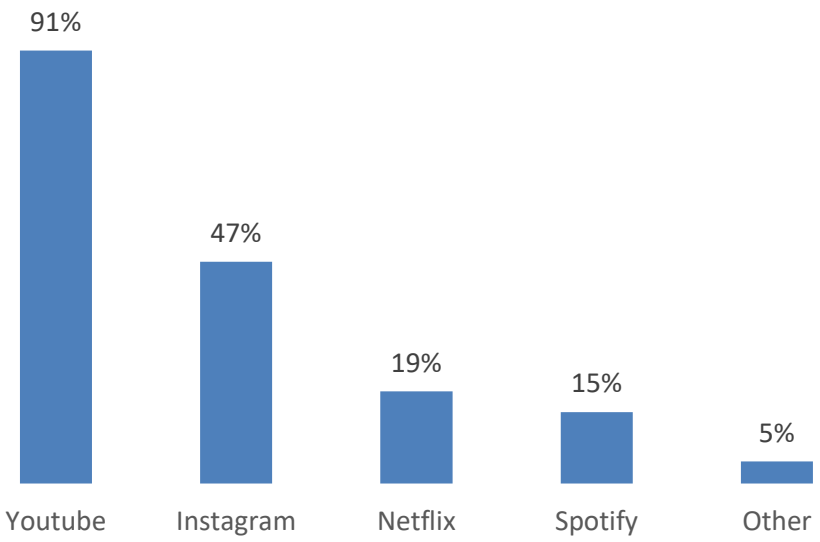
OTT usage over fixed broadband (4)

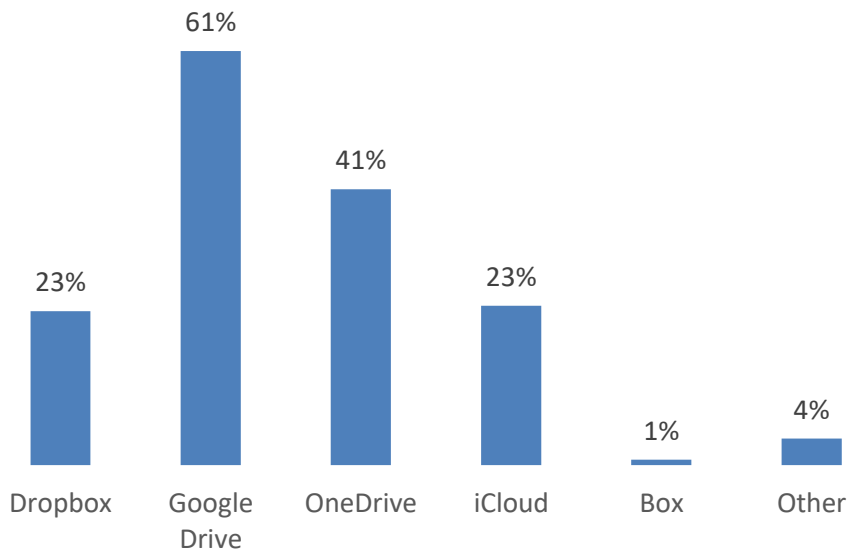
Main platforms used to access content OTTs

Number of respondents making use of content OTTs over fixed broadband – 319
Respondents could give two answers
i.e. 46% of respondents making use of OTT services



Main platforms used to access cloud storage OTTs

Number of respondents making use of cloud storage over fixed broadband – 128
Respondents could give two answers
i.e. 19% of respondents making use of OTT services

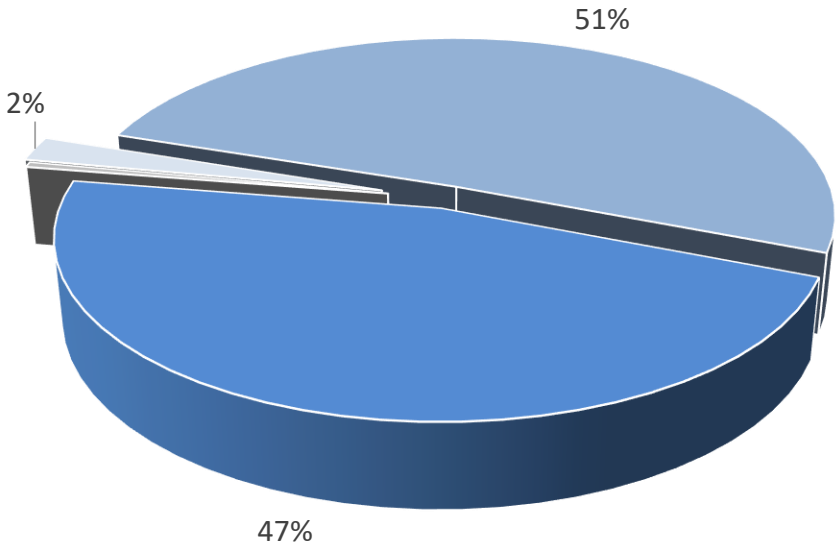


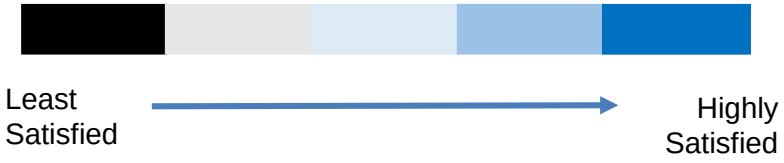
'YouTube' is by far the most common content platform utilised by household respondents. 'Instagram' ranked second with a total of 47% responses. 'Google drive' and 'One drive' were the most utilised cloud storage applications.

OTT usage over fixed broadband (5)

Satisfaction levels with the use of OTTs

Number of respondents making use of OTTs over fixed broadband – 689
i.e. 77% of the number of respondents having a fixed broadband connection at home





The vast majority of respondents (97%) are either satisfied or highly satisfied with the quality of OTT-based services they use over their fixed broadband connection.

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OTT usage over fixed broadband (6)

- 82% of respondents are aware and make use of OTTs over a fixed broadband connection, as opposed to 50% of respondents that make use of OTTs over a mobile phone.
- Chat is the most popular OTT service used over fixed broadband, followed by voice, content and cloud storage. This order of preference is no different to what was found in the mobile telephony survey.
- High levels of satisfaction with OTT services stands at 97% of respondents using the services, similar to the results observed in the mobile telephony survey.

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End