MCA Market Research

Consumer Perceptions Survey - Mobile Telephony

July 2018

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.

Methodology

Keep tabs on mobile telephony services in Malta → Provide for better analysis of mobile telephony services → Provide for better regulatory decisions

Grant Thornton Services Ltd carried out the survey 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

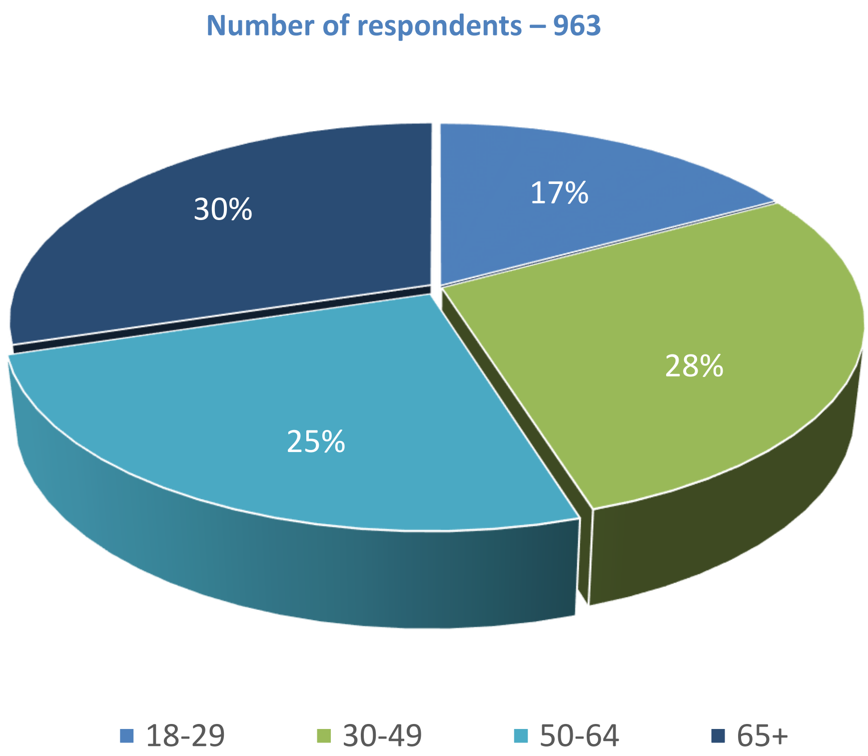
- Target respondents stratified according to the age composition (18+) of the Maltese population.
- The interviews were also distributed among Malta's six official geographic regions and carried out across the different socio economic categories of the Maltese population.

Responses

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

Methodology – Sample Distribution

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

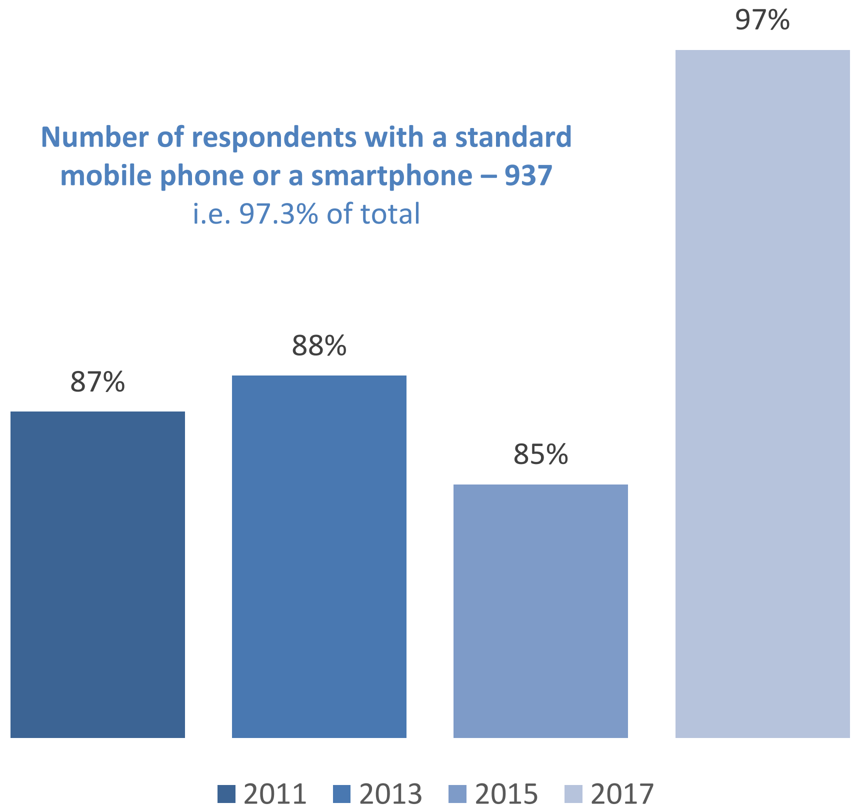


Access and usage of mobile telephony

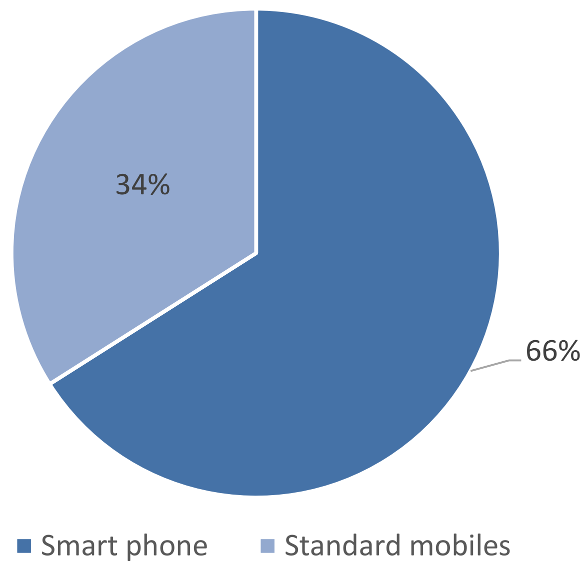
Access to mobile telephony services and usage (1)

Percentage of respondents owning a standard mobile phone/smartphone

Number of respondents with a standard mobile phone or a smartphone – 937
i.e. 97.3% of total



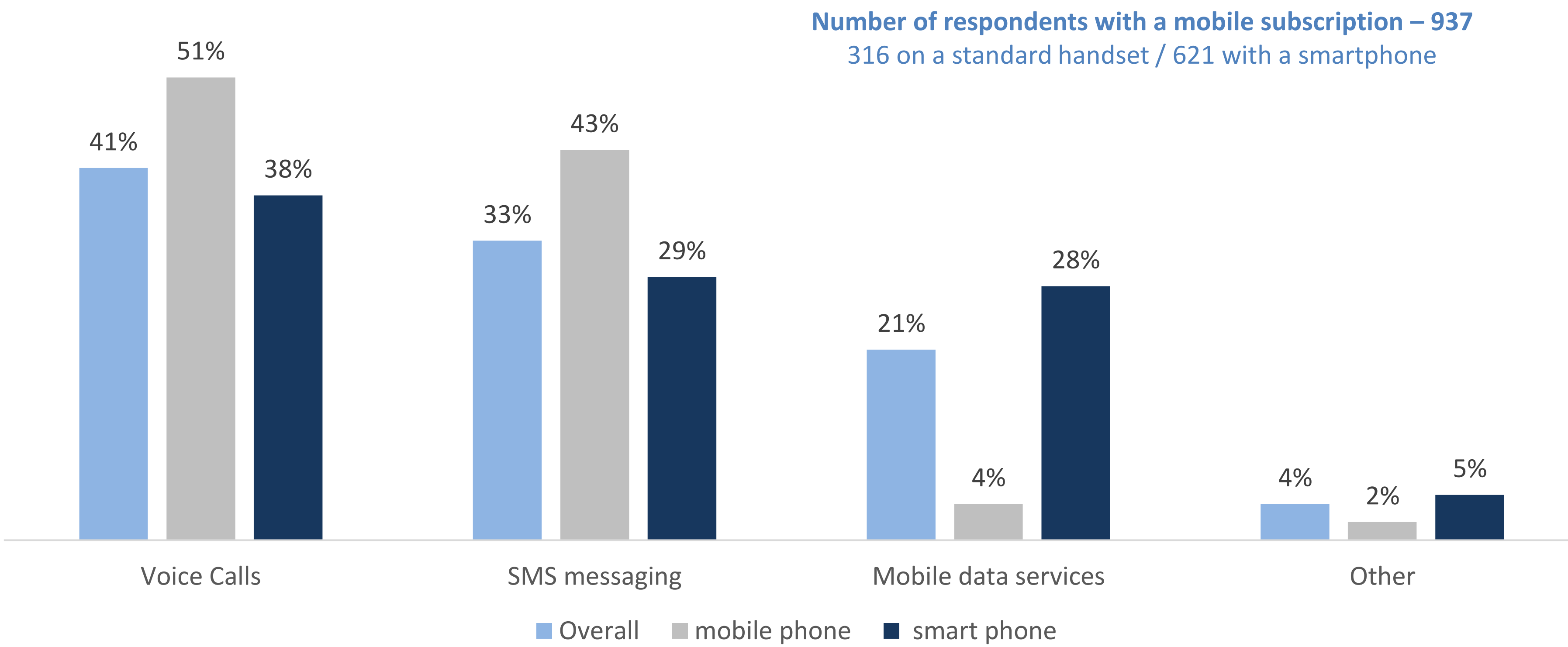
…by type of handset : smartphone vs standard mobiles



The main reasons for not having a standard mobile/smartphone (i) find no use for such a device; and (ii) difficult to use a mobile handset. Most of respondents reporting not having a standard mobile/smartphone were over 65 years of age.

Access to mobile telephony services and usage (2)

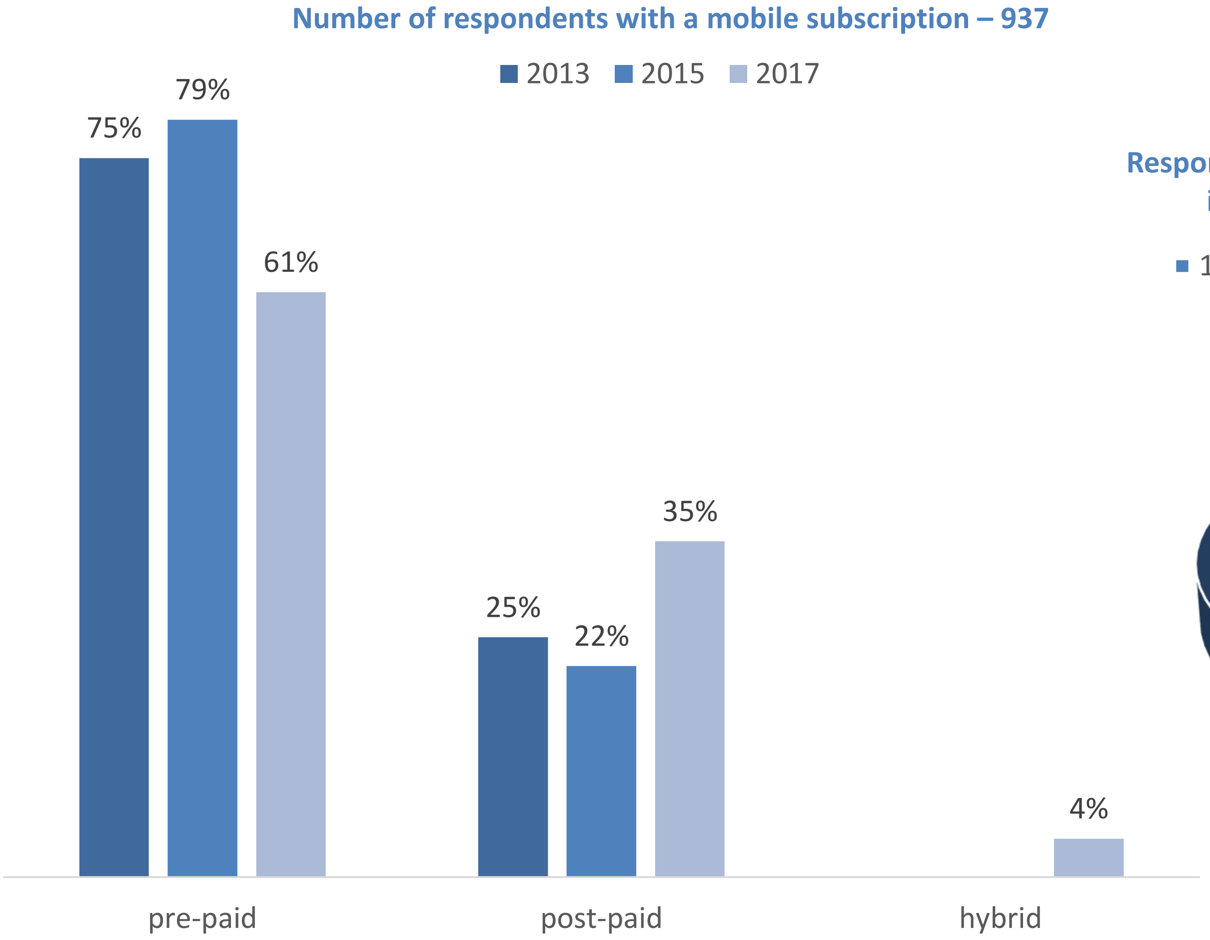
Usage of mobile telephony services according to preference

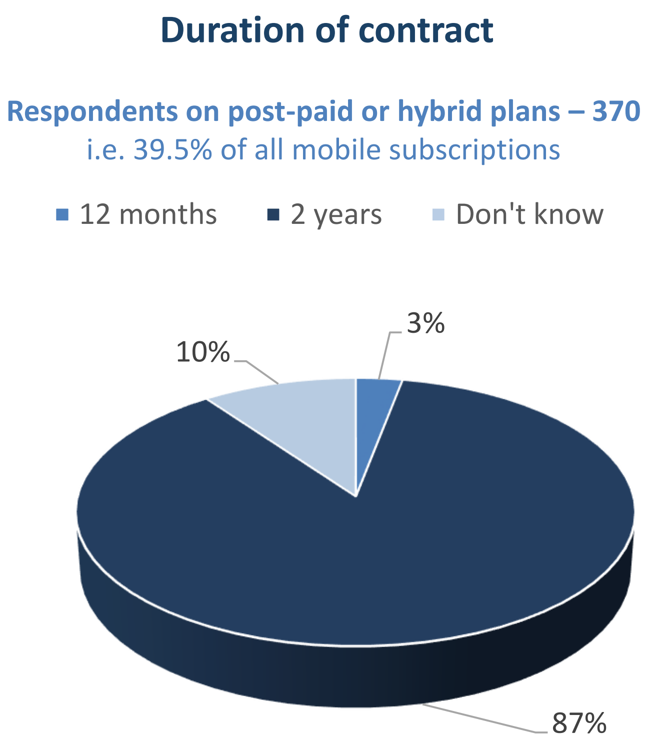


Irrespective of type of handset, respondents pick voice calls as their preferred method of communication followed by SMS messaging. Respondents with a smartphone use mobile data services as often as SMS messaging.

Access to mobile telephony services and usage (3)

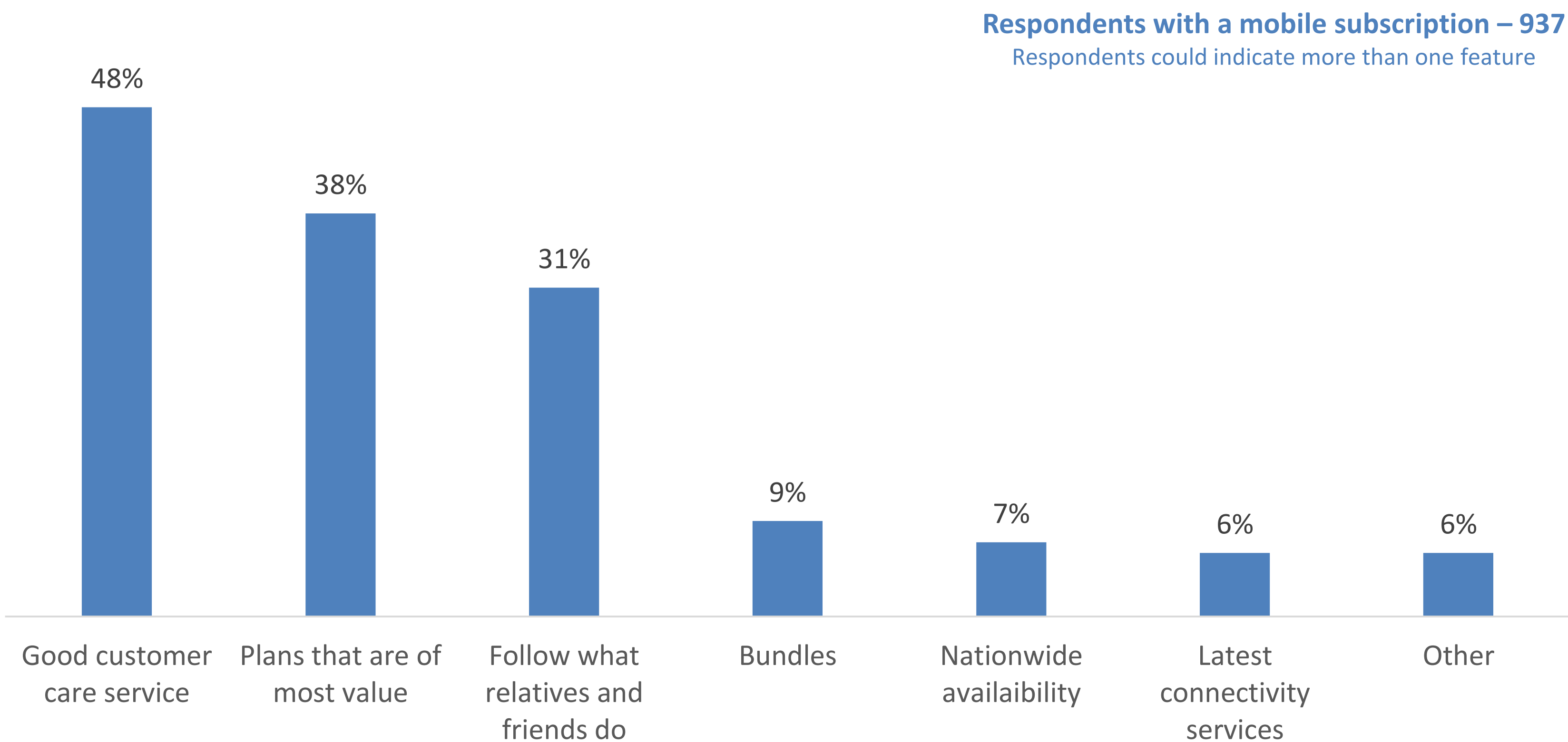
Profile of subscriptions – by type of connection





Access to mobile telephony services and usage (4)

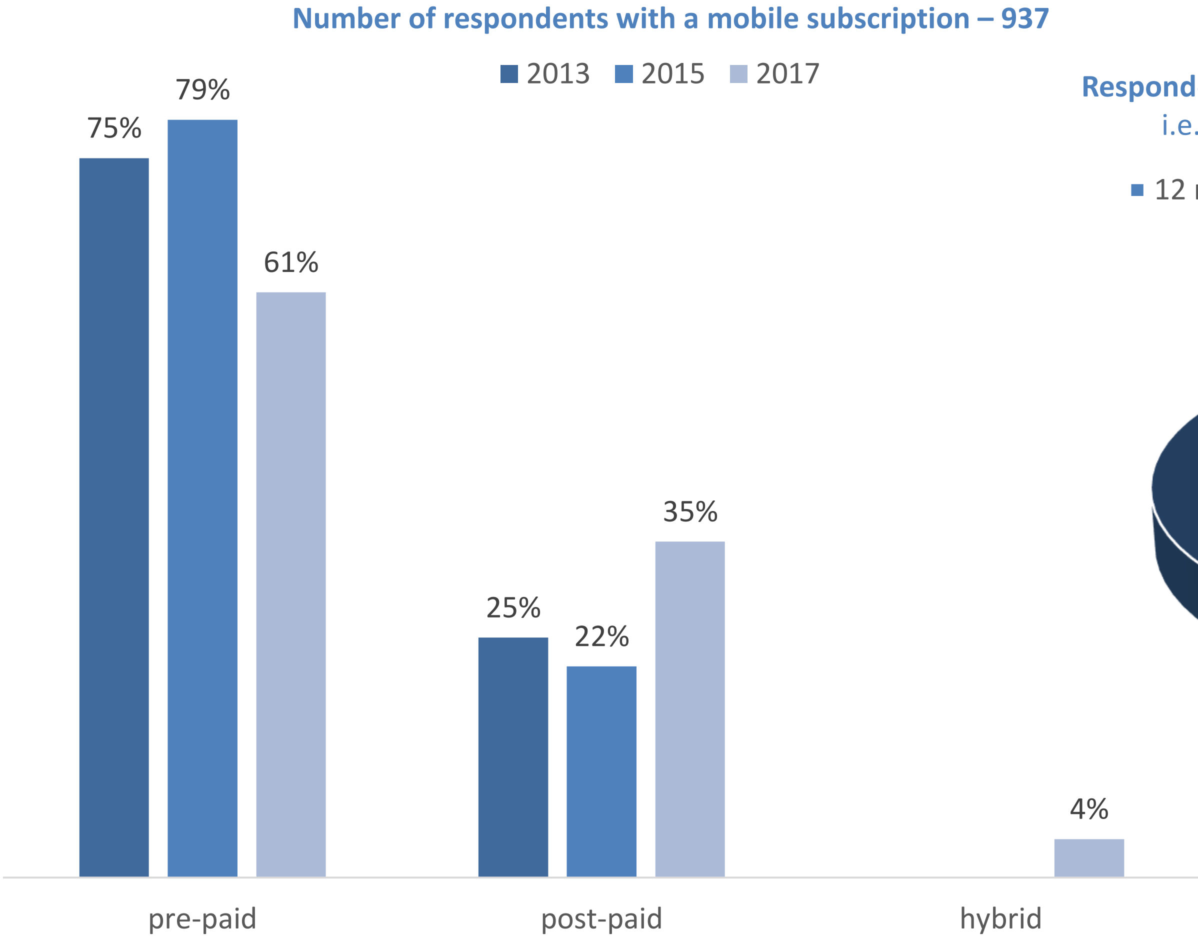
Features sought by respondents when purchasing mobile plans

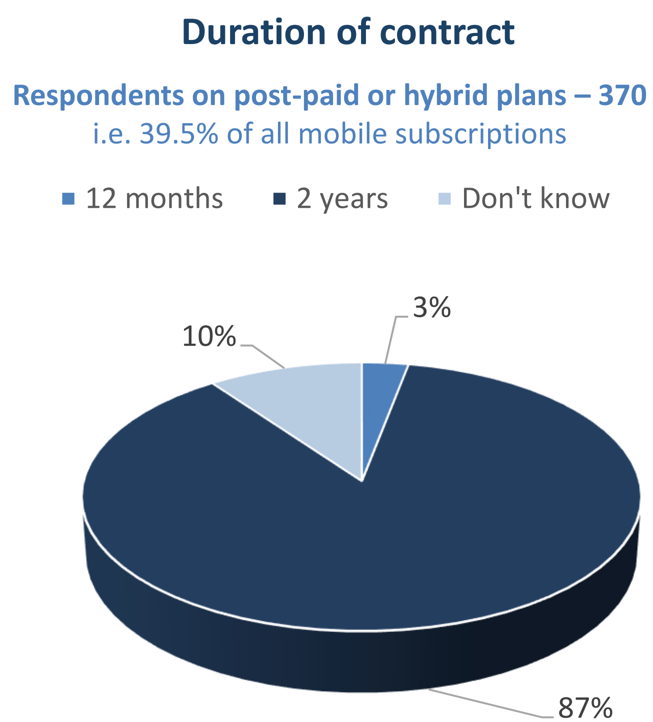


Good customer care service and value for money highly influencing the choice of purchase.

Access to mobile telephony services and usage (5)

Profile of subscriptions – by type of connection





Access to mobile telephony services and usage (6)

- Majority of respondents reported having a smartphone. Those with a standard mobile handset unlikely to opt for a smartphone in fear of what they deem as complexities in using such devices or as unnecessary features included in a smartphone. 4% of respondents deemed smartphones to be too expensive to purchase.

- Pre-paid mobile subscriptions remain predominant. However, the number of respondents opting for post-paid or hybrid plans is on the rise.

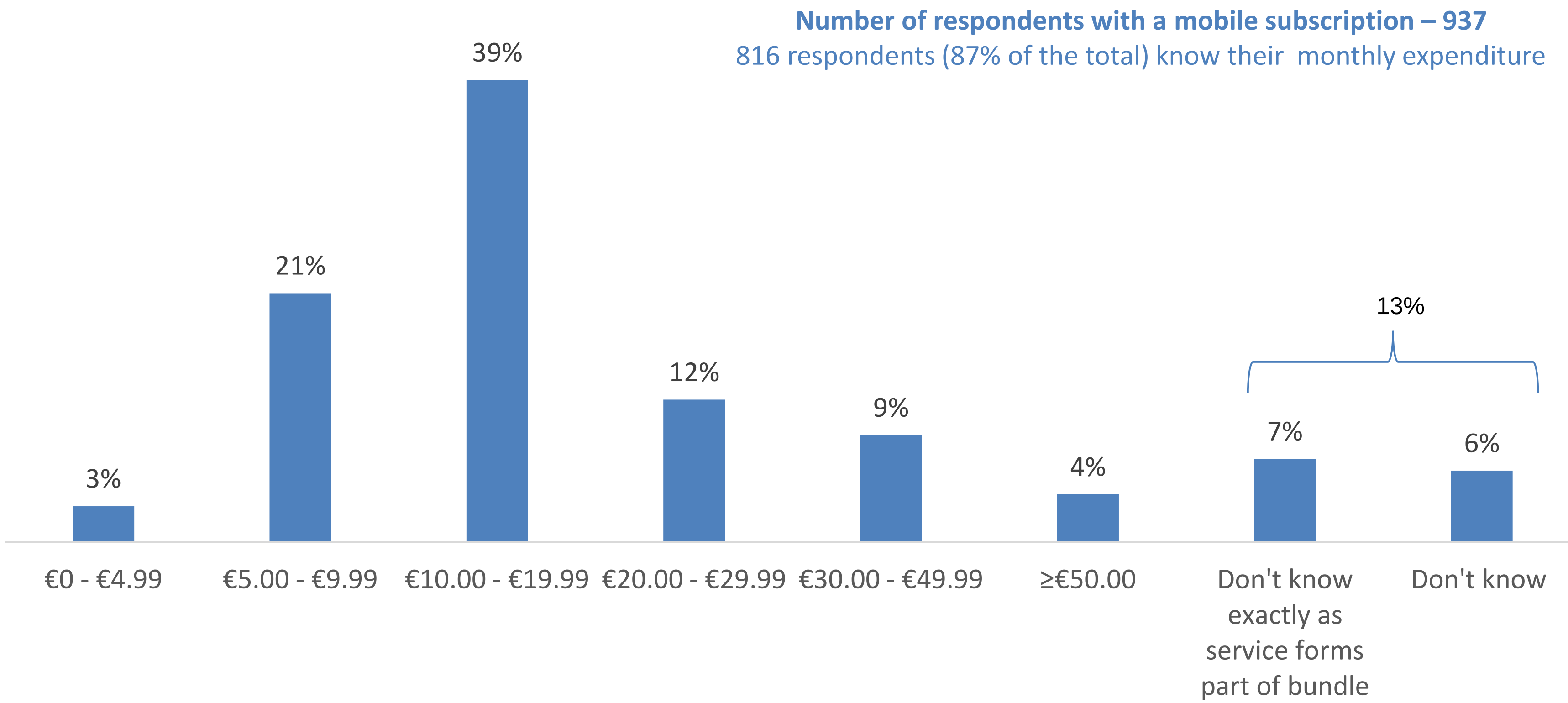
- Customer care and good value for money important factors influencing customer choice.

- Voice calls remain very important for respondents, followed by SMS and data services. Smartphone users likely to use data as much as SMS services.

Expenditure

Expenditure (1)

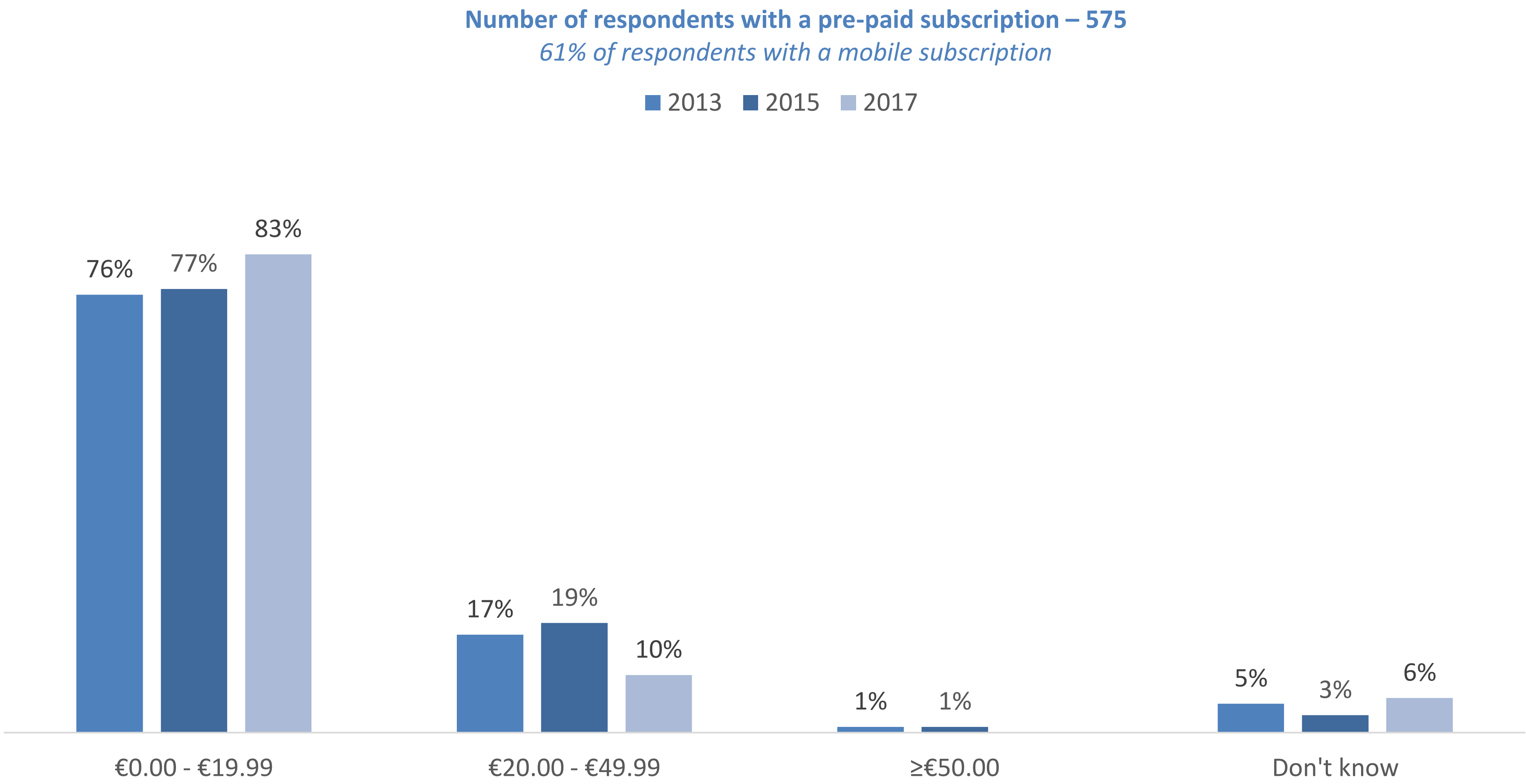
Monthly expenditure on mobile telephony services



63% of respondents spend less than €20.00 per month.

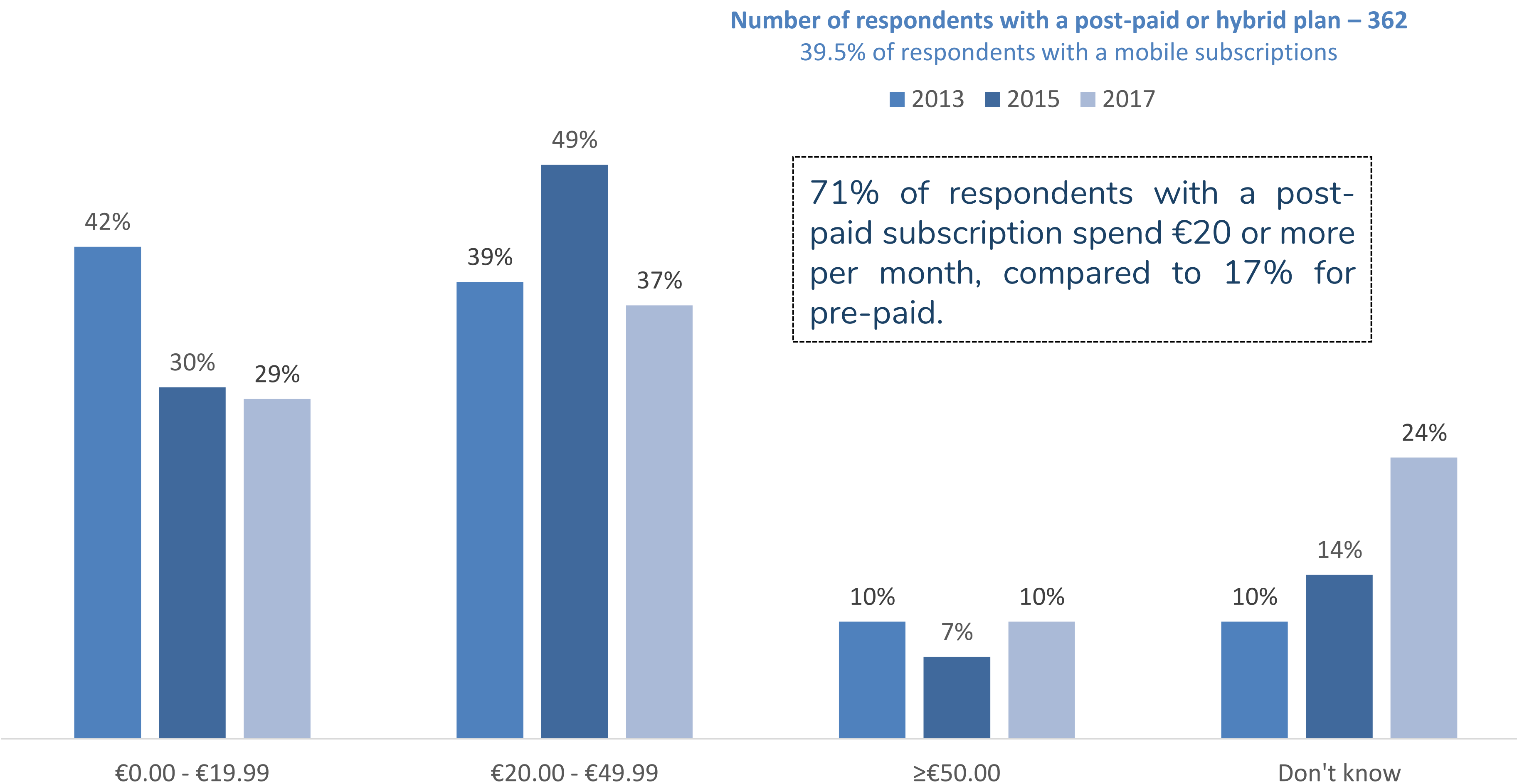
Expenditure (2)

Monthly expenditure on mobile telephony services – pre-paid



Expenditure (3)

Monthly expenditure on mobile telephony services – post-paid



71% of respondents with a post-paid subscription spend €20 or more per month, compared to 17% for pre-paid.

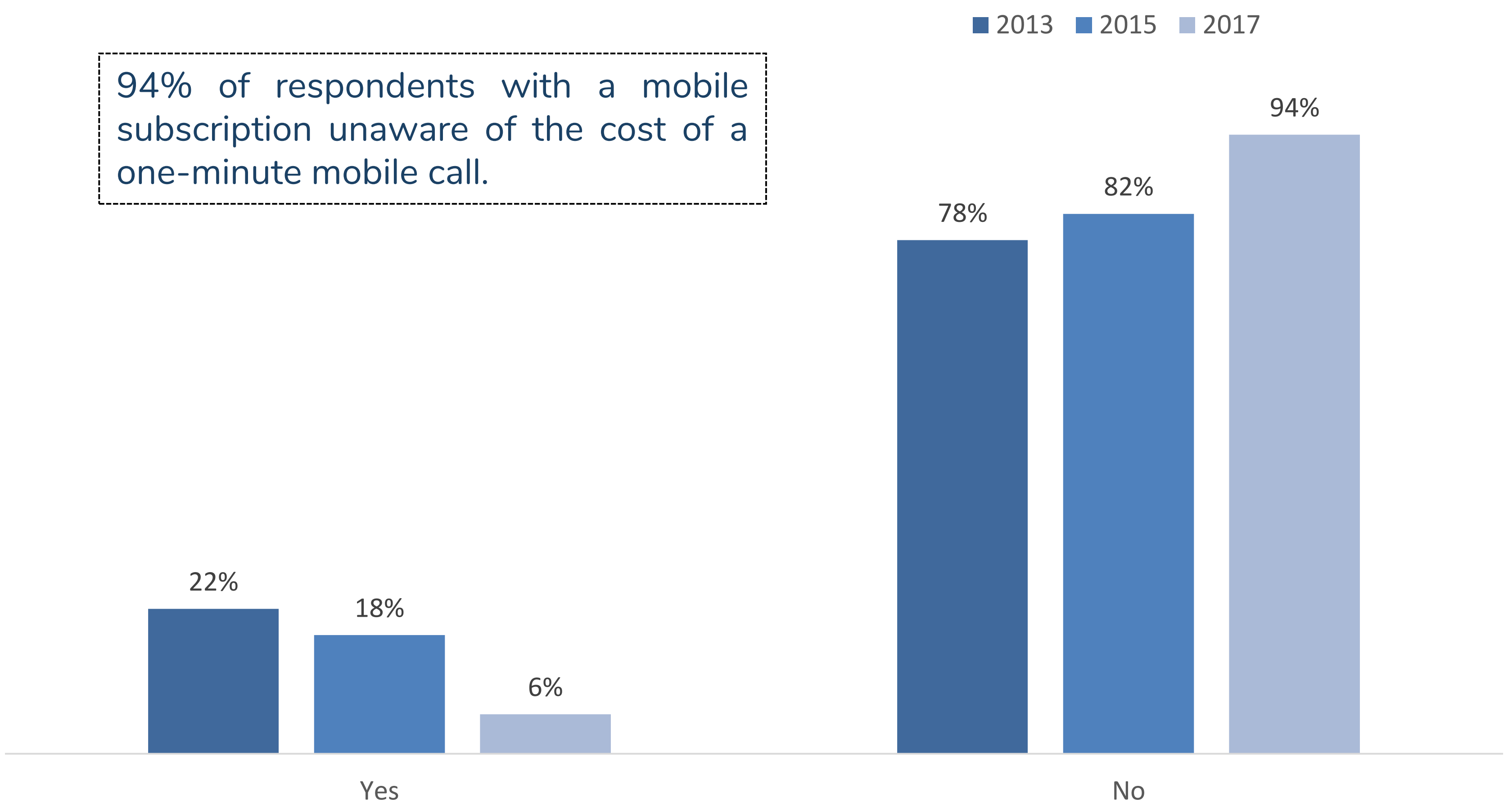
MALTA COMMUNICATIONS AUTHORITY
ensuring connectivity

Expenditure (4)

Knowledge on the cost of a one-minute call from a mobile phone

Number of respondents with a mobile phone/smartphone – 937

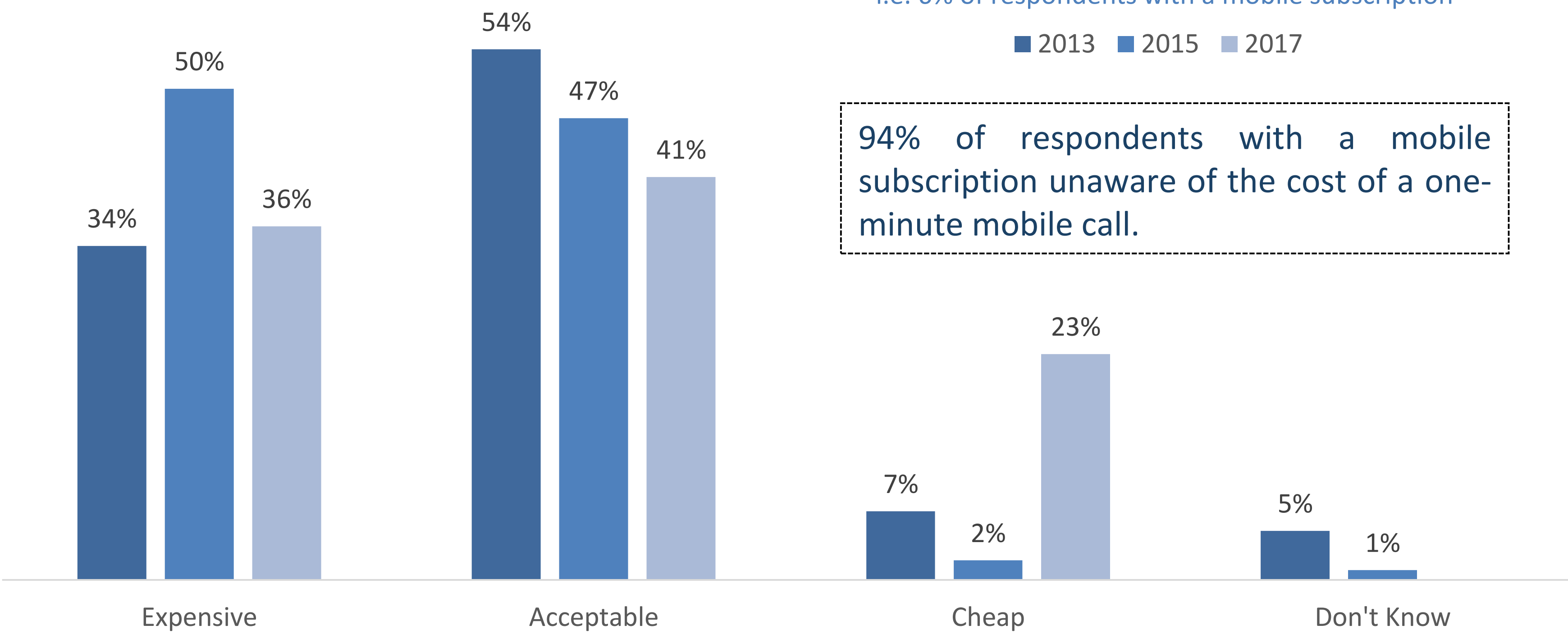
94% of respondents with a mobile subscription unaware of the cost of a one-minute mobile call.



Expenditure (5)

Perception on the cost of mobile calls

Number of respondents knowing the cost of a 1 minute mobile call – 58
i.e. 6% of respondents with a mobile subscription



94% of respondents with a mobile subscription unaware of the cost of a one-minute mobile call.

41% of respondents knowing the cost of a one-minute mobile calls find it ‘acceptable’, compared to 36% of respondents that find it ‘expensive’.

Respondents reporting ‘cheap’ one-minute calls up 21 points since 2015, from 2% to 23%.

Expenditure (6)

- Respondents with a pre-paid subscription generally more aware of their monthly mobile expenditure and are more likely to spend less than €20 per month.

- 71% of respondents with a post-paid subscription spend more than €20 a month on mobile services, representing a 15 percentage point increase over 2015 in this bracket.

- The number of respondents that are unable to identify their monthly expenditure has also increased, possibly due to the rise in post-paid subscriptions and increased use of direct debit.

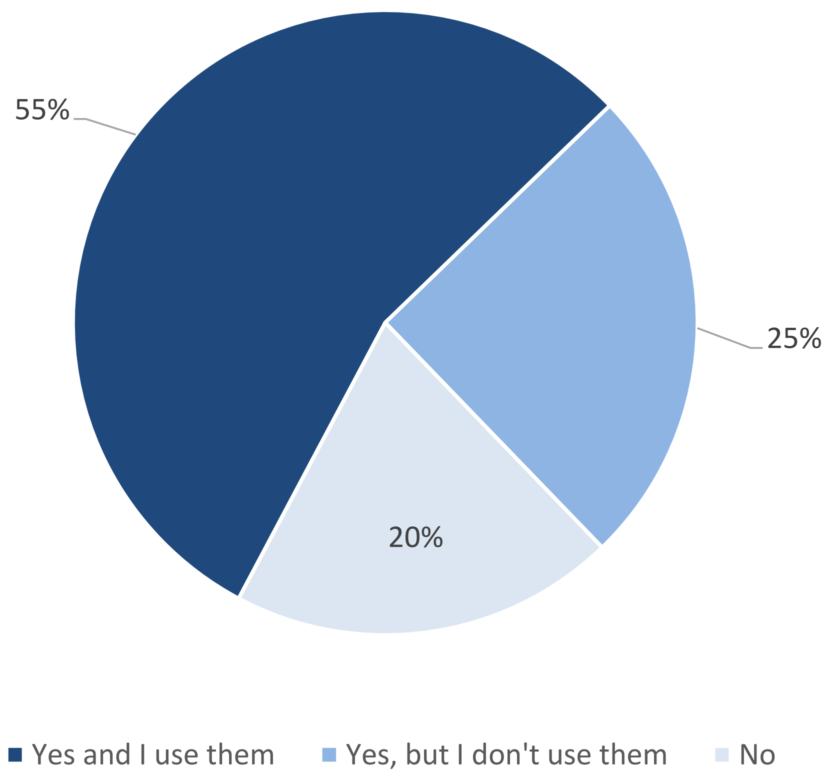
- 94% of respondents are unaware of the cost of a one-minute call. In 2015 this stood at 82%. Among those that are aware, the majority feel that the price is reasonable/cheap, however 36% perceive this rate to be expensive.

Mobile Data

Usage of mobile data services (1)

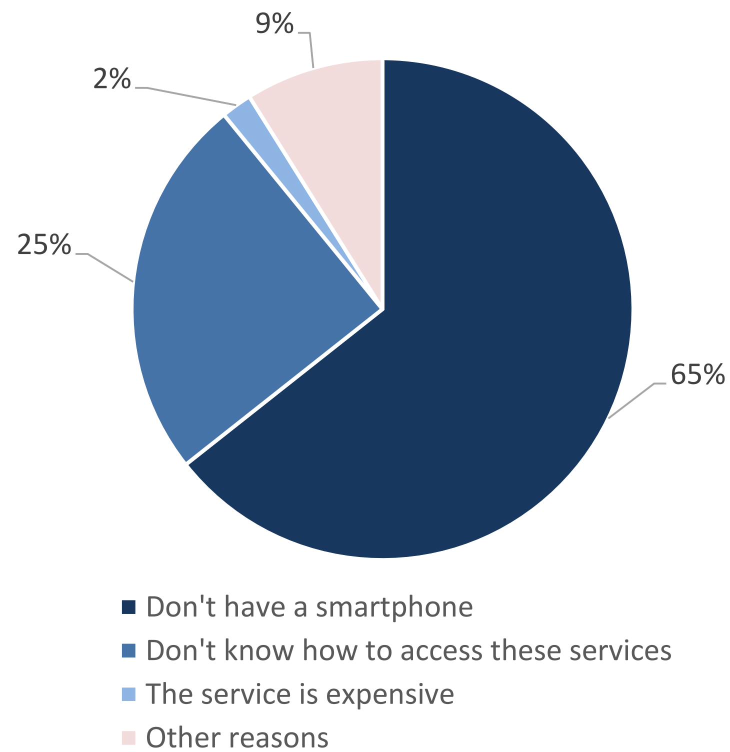
Awareness of mobile data services

Number of respondents that have a mobile subscription – 937
750 respondents (i.e. 80% of total) aware of mobile data services



Reasons for not making use of mobile data services

Number of respondents aware of data services but not using them - 238

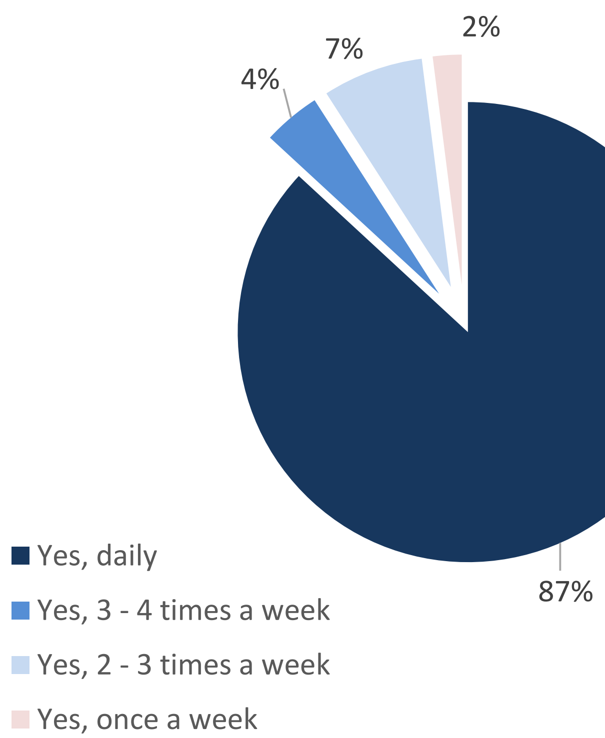


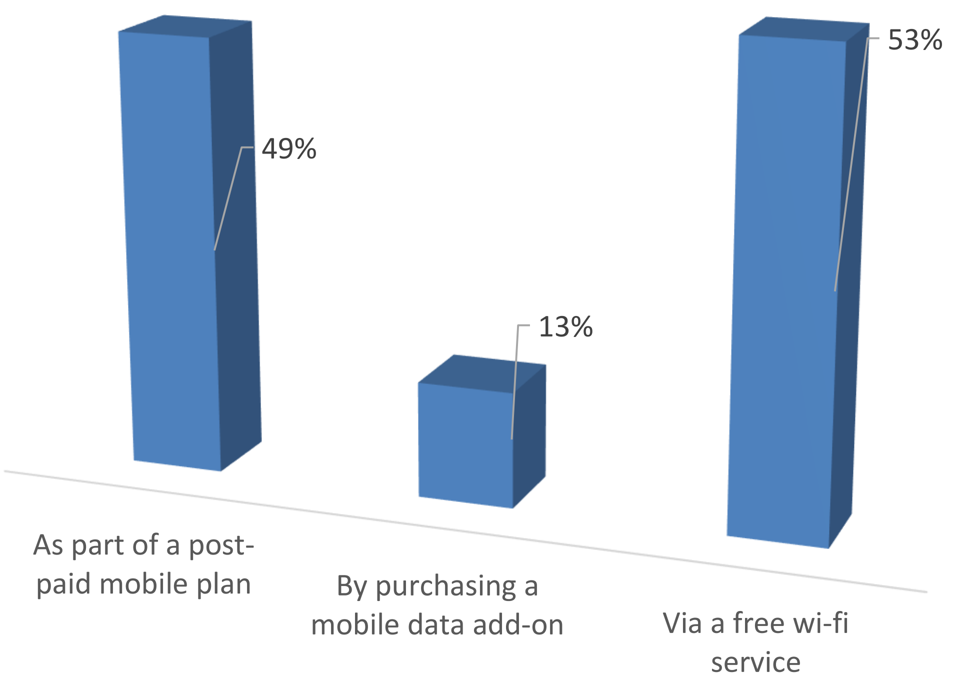
Usage of mobile data services (2)

Frequency of usage of mobile of data services

Methods of accessing mobile data services

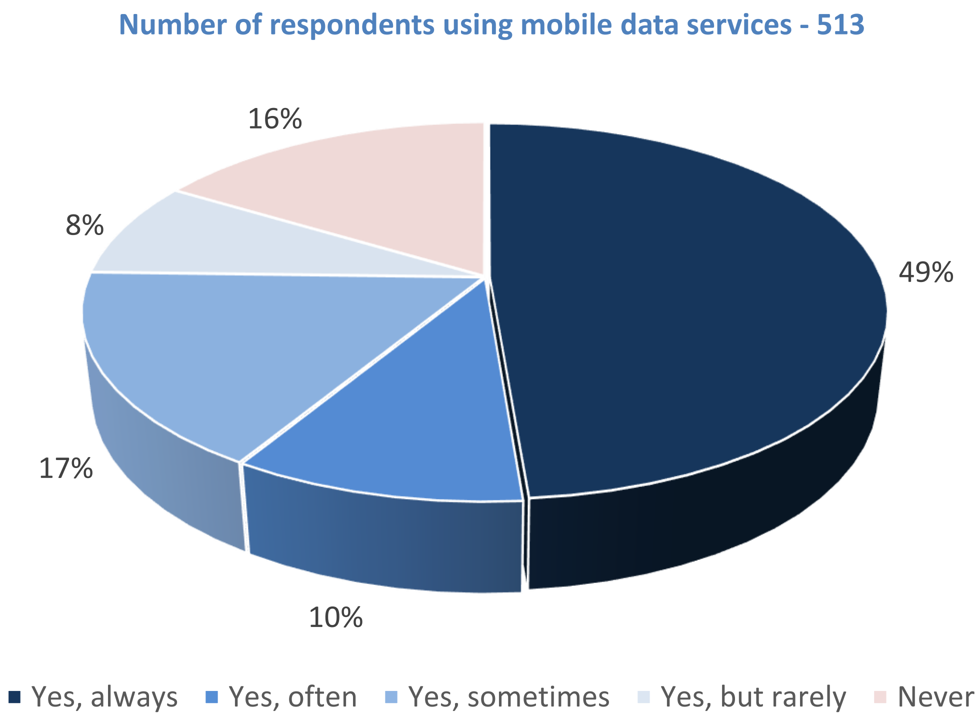
Number of respondents making active use of data services – 515
…equivalent to 55% of respondents with a mobile subscription





Usage of mobile data services (3)

Frequency of use of free Wi-Fi services offered in public areas such as playgrounds, gyms and restaurants



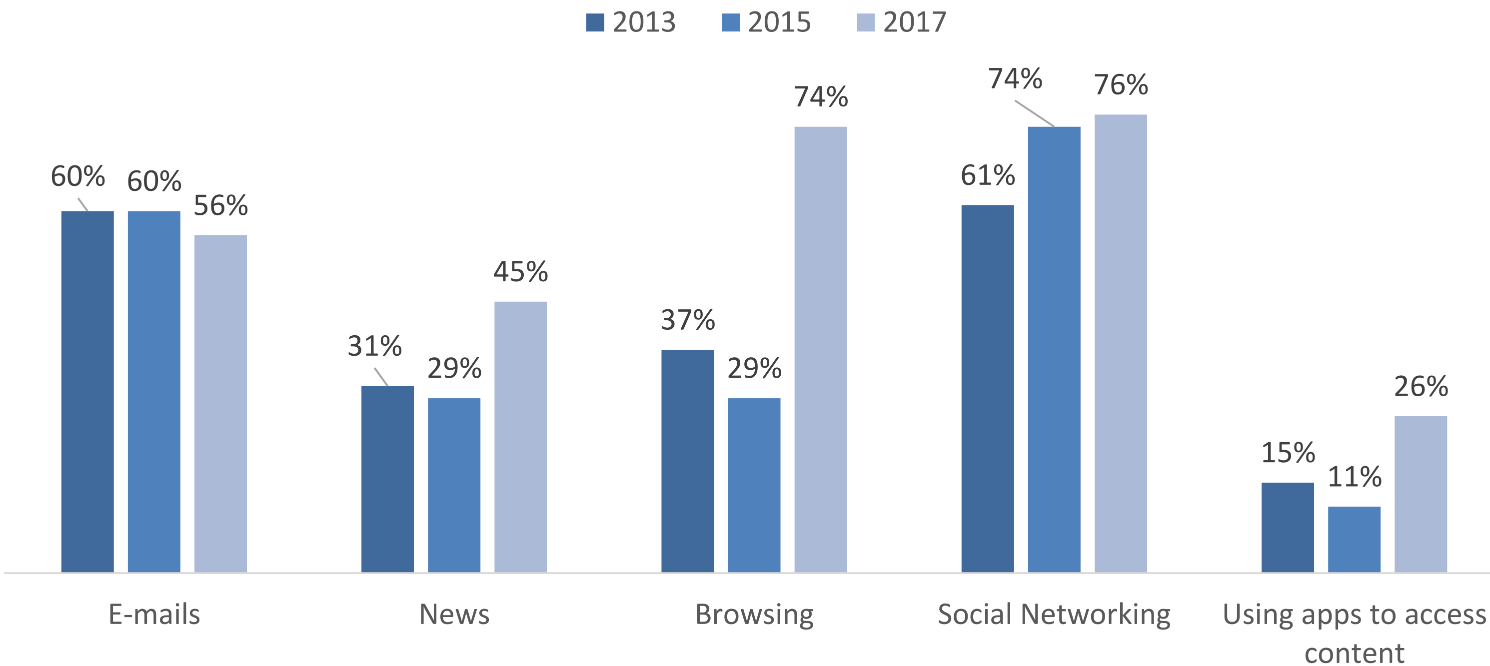
84% make use of free Wi-Fi services offered in public areas, at varying degrees. Overall, 49% of mobile data users **always** use these services when available.

Usage of mobile data services (4)

Main activities when making use of mobile data services

Number of respondents making use of mobile data services – 513

Note: respondents can have multiple replies



'Social networking' (76%) and 'browsing' (74%) are the main activities undertaken by respondents with these activities being indicated by three-fourths of respondents. Just over half the respondents (56%) indicated 'emails' as their main activity.

Usage of mobile data services (5)

- 55% of end-users make use of data services on their smartphone with the majority making use of such services on a daily basis (86%). A number of end-users (10%) have at their disposal a smartphone but still do not make use of data services.

- 65% of the respondents are aware of mobile data services but do not make use of them because they do not own a smartphone. Another main reason for not making use of such services was due to the 'lack of knowledge' by respondents.

- 73% of respondents indicate that they mainly access mobile data services through a paid Wi-Fi service (generally through the use of their fixed broadband connection at home) followed by public Wi-Fi hotspots.

- 26% of respondents always exceeded their mobile data cap when accessing data as part of a post-paid mobile plan or data add-on. 62% of respondents purchase data add-ons upon exceeding their data limits.

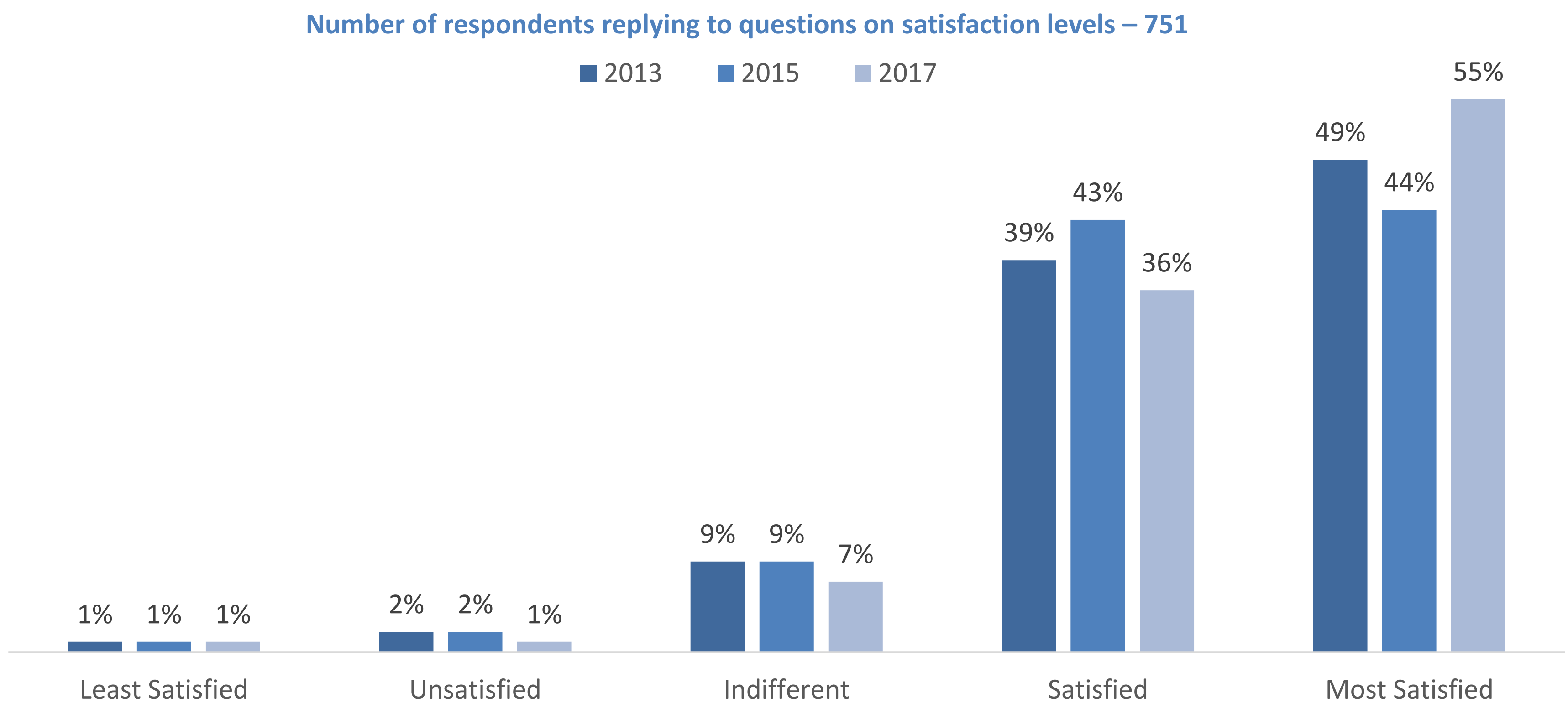
- 91% respondents indicate that if a free Wi-Fi zone is available they would switch to it rather than continue using the data plan or data service offered by their service provider.

- Use of 'Social networking' and 'Emails' in 2017 is comparable to data garnered in 2015. While the use of 'News' and 'Internet browsing' have increased substantially by 16 and 45 percentage points respectively. The use of 'apps to access content' such as Netflix, Spotify and YouTube has also increased to 26% from 11% in 2015.

Quality of service and porting

Quality of service and porting (1)

Levels of satisfaction with the overall mobile service



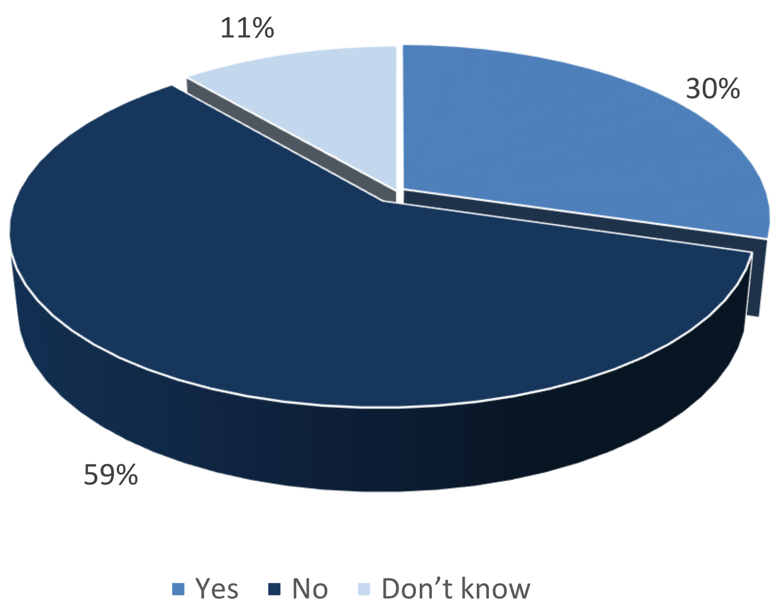
91% of respondents claim to be satisfied / highly satisfied with their mobile service. This represents an increase of 4 percentage points over 2015.

Quality of service and porting (2)

Switching behaviour of respondents reporting poor satisfaction levels

This question was addressed to individuals who were least satisfied, dissatisfied or felt indifferent about their service

Number of respondents who were dissatisfied or felt indifferent about their service – 71
i.e. 9.5% of respondents answering questions on the quality of service

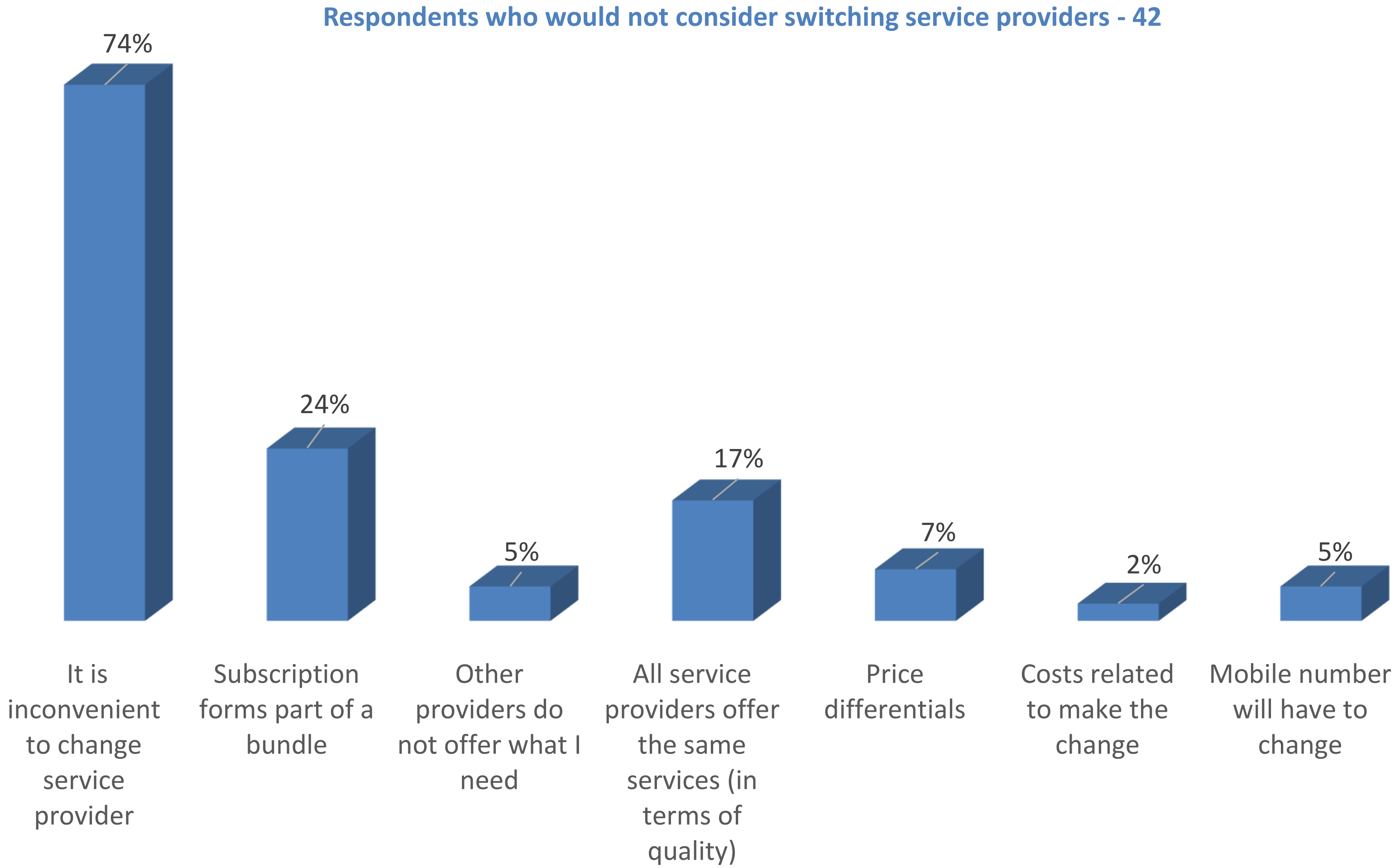


59% of respondents would not consider switching service provider regardless of the fact that they are dissatisfied with their current service.

Quality of service and porting (3)

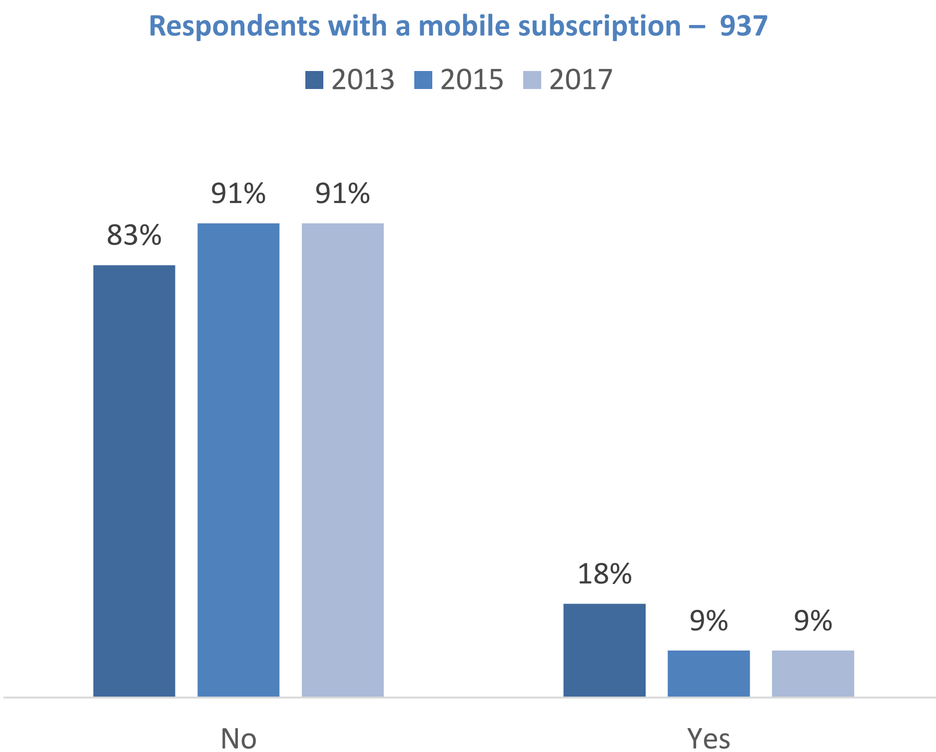
Reasons for dissatisfied respondents for not switching service provider

This question was addressed to individuals who were least satisfied, dissatisfied or felt indifferent about their service

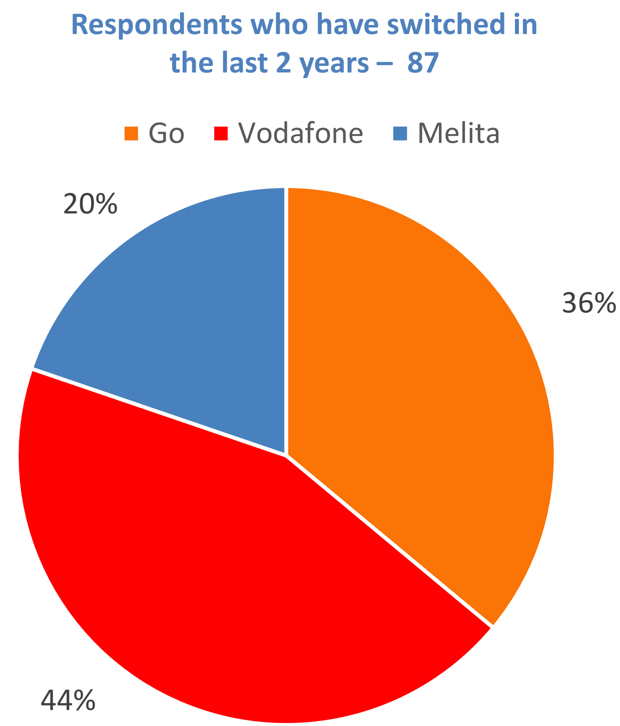


Quality of service and porting (4)

Did you ever switch from one mobile service provider to another within the last two years?



With which operator were you subscribed before switching?



Of those who switched service provider over the last two years, 79% ported their number while 21% did not.

Quality of service and porting (5)

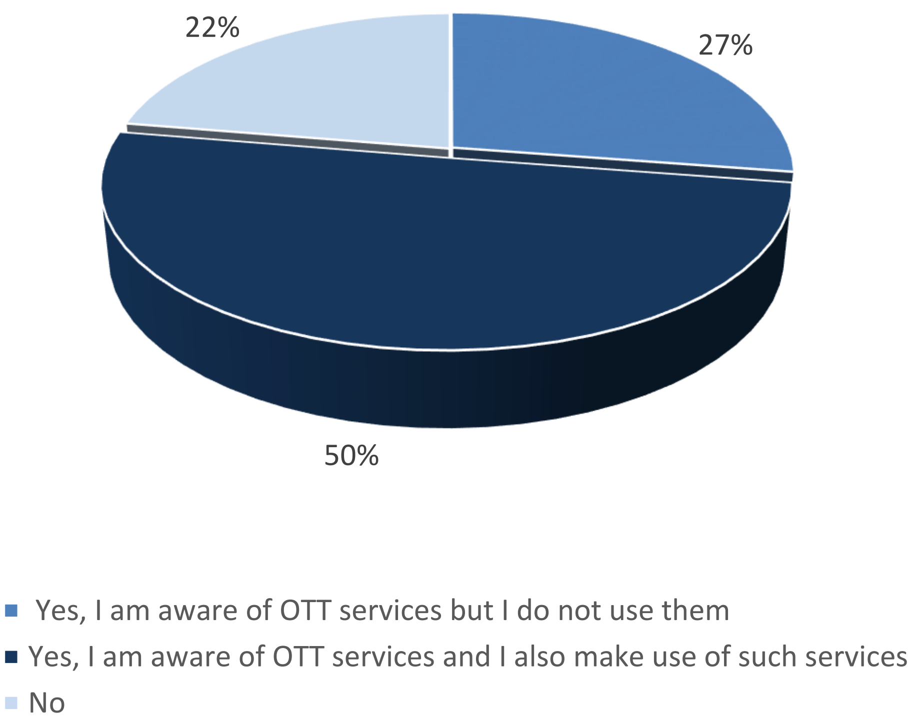
- Of those not satisfied with their current service, 59% would not consider switching as they find it inconvenient to switch service providers. A segment of respondents had the perception that service providers provide the same level of quality so switching would be pointless (17%). Others purchased their mobile service in a bundle so were unable to switch (24%) due to contract agreements etc.
- The number of end-users switching service providers has dropped over the years from 18% in 2013 to 9% in 2015 and 2017.
- 39% of respondents who have switched operators in the last 2 years claimed that the switch was due to finding cheaper rates with an alternative service provider while 22% switched due to other operators providing better customer service.
- 80% of respondents who have switched operators did not find issue with the procedure. However, the remaining 20% did find issue in the switching process with the primary reason being ‘switching of mobile numbers’.
- 40% of respondents who had recently switched service providers would switch again if the cost of a mobile telephony call had to increase. 34% of respondents claimed that they would not switch, with the majority satisfied with the service being provided by the operator.

OTT services

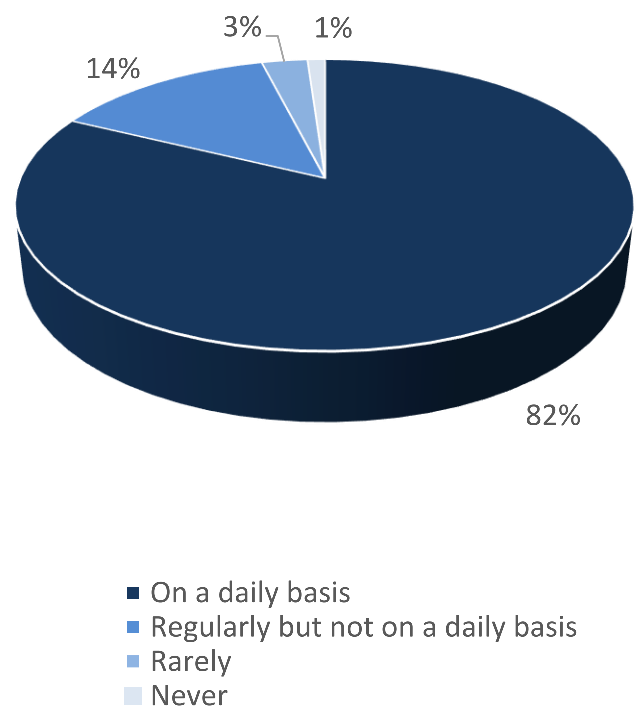
OTTs (1)

Awareness of the availability and frequency usage of OTTs over a mobile phone

Number of respondents with a mobile subscription – 937
77% of all respondents are aware of OTT services over mobile



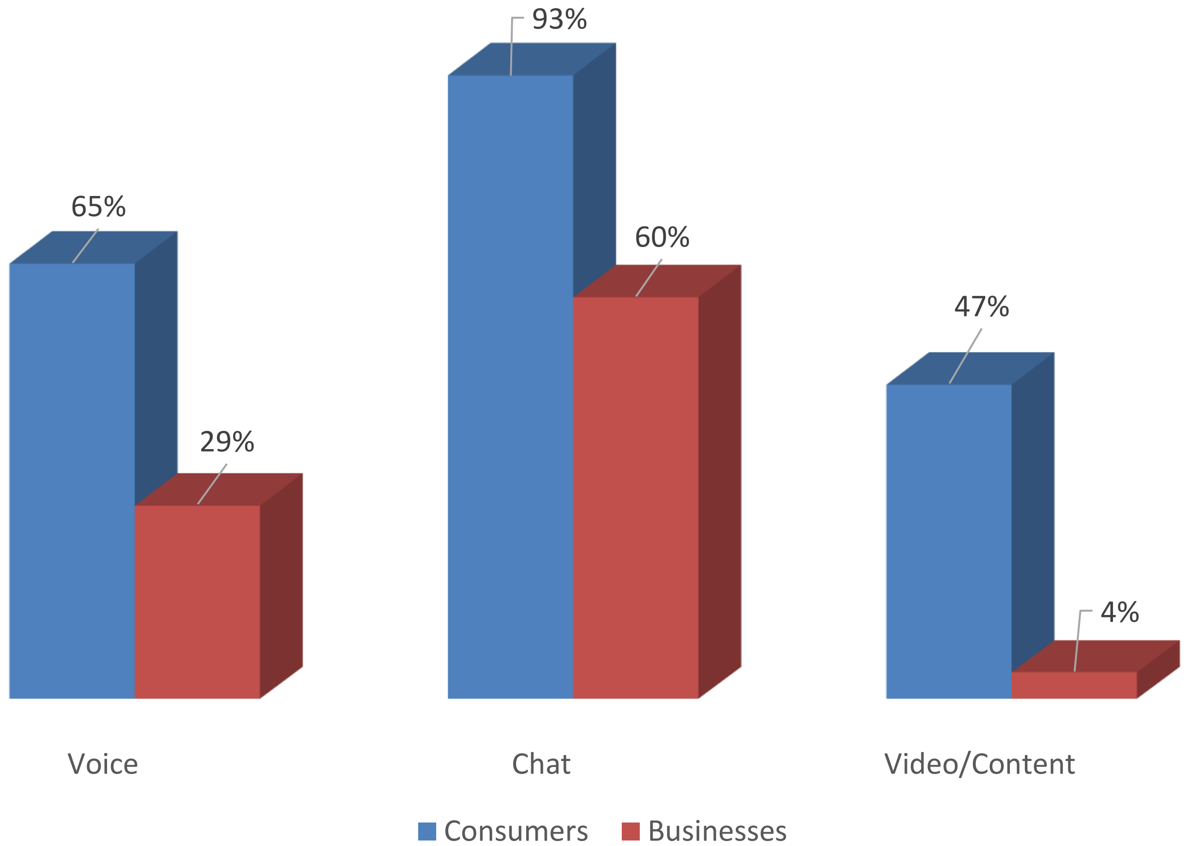
Respondents making use of OTTs – 458
i.e. 63.5% of all respondents aware of OTT services over mobile



OTTs (2)

Types of OTT services used

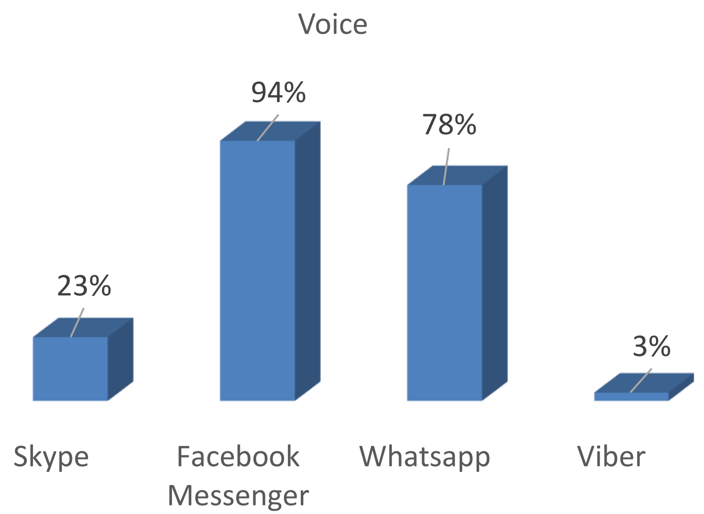
Respondents aware of OTTs and making use of OTTs



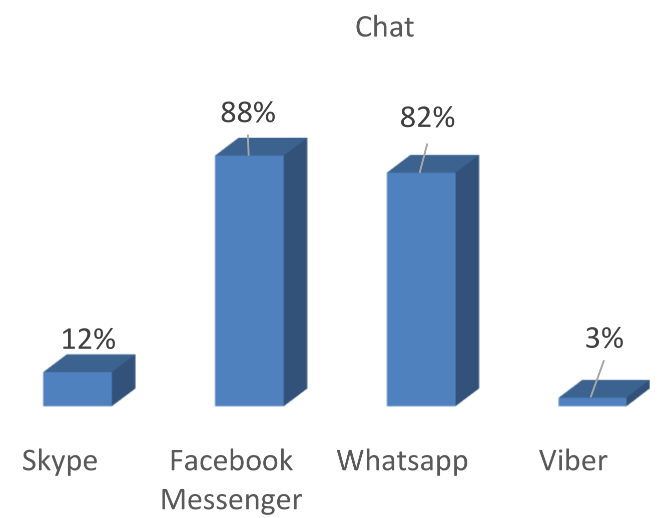
OTTs (3)

Main platforms used to access OTTs

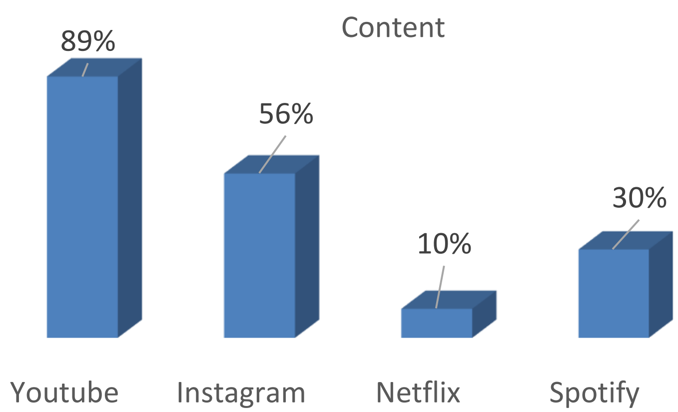
Respondents making use of voice OTTs – 297



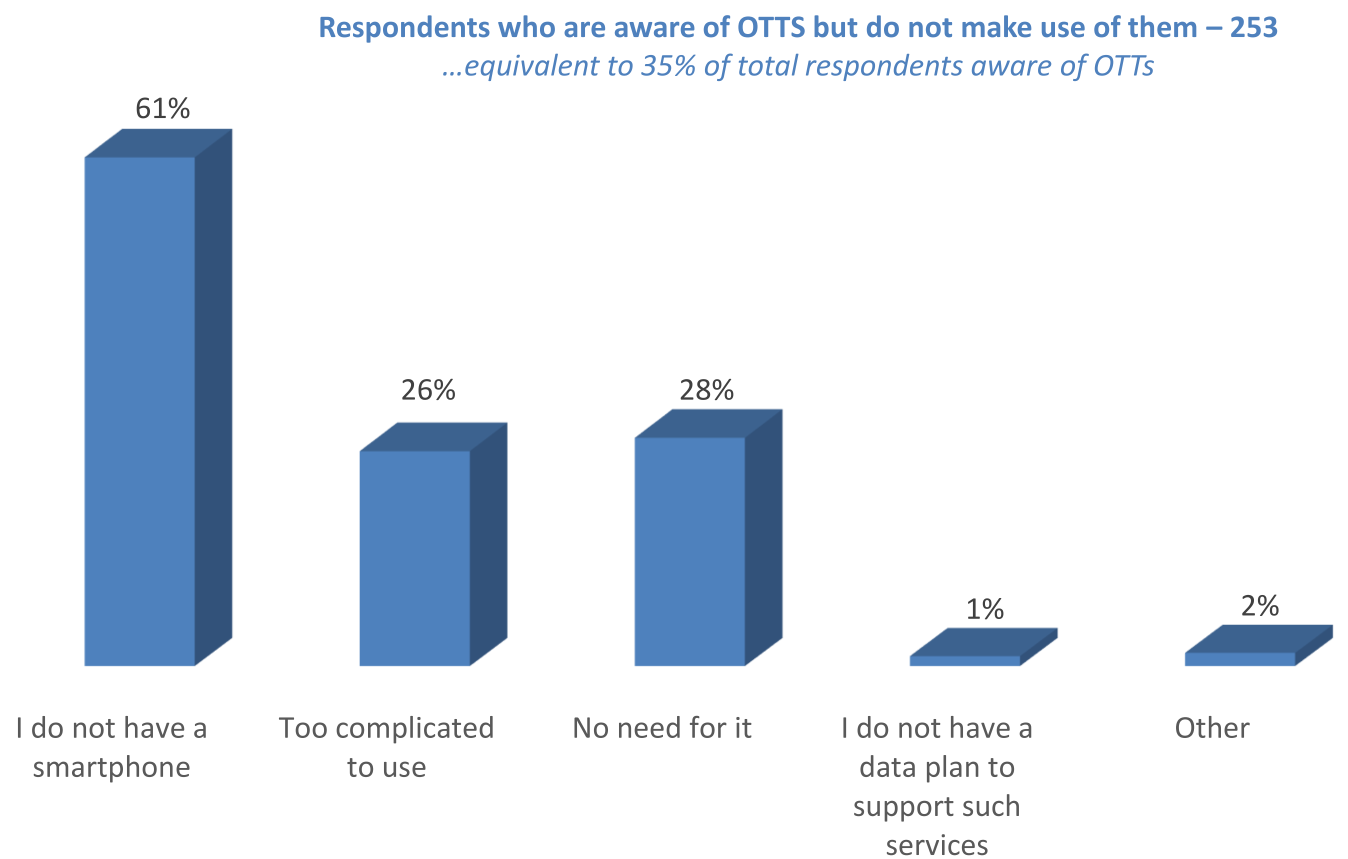
Respondents making use of chat OTTs – 426



Respondents making use of content – 213



Reasons for not making use of OTTs



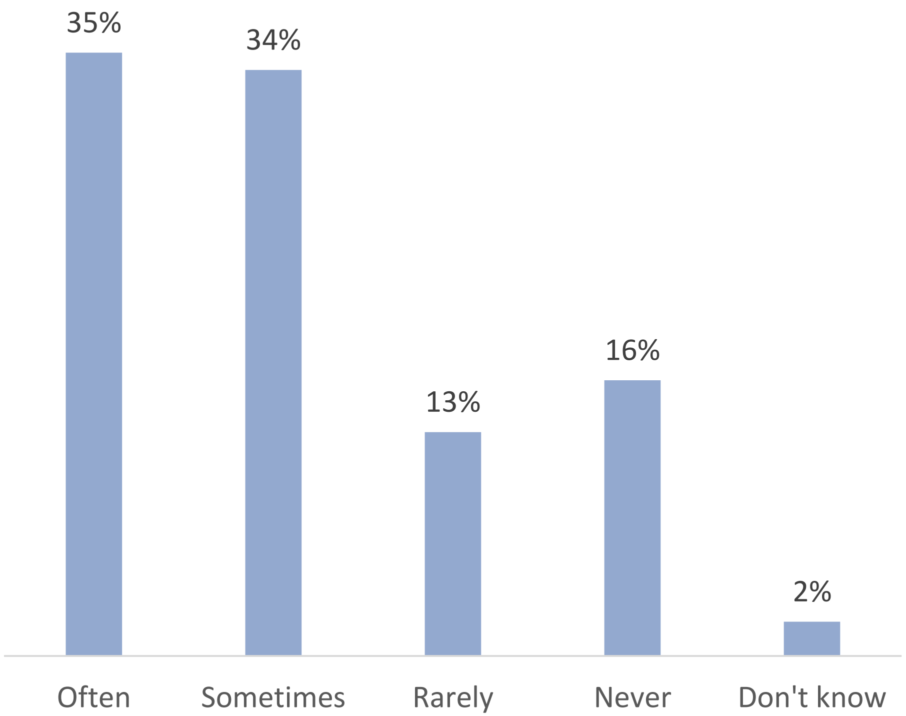
Main reason respondents gave for not using OTT services is the unavailability of a smartphone (61%).

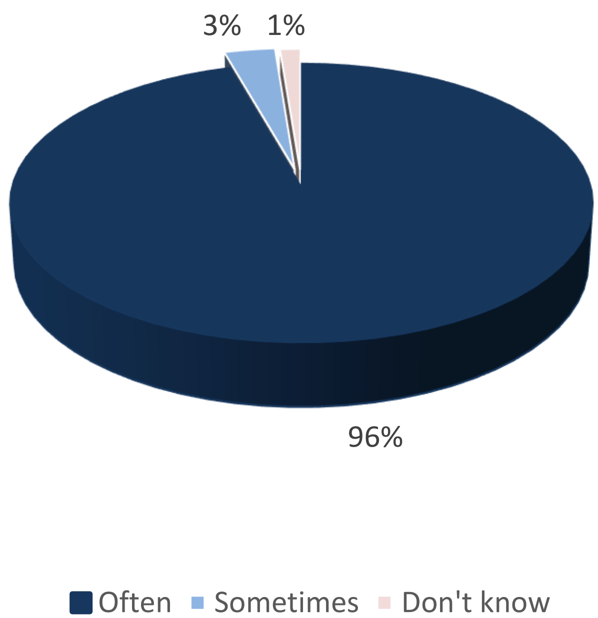
OTTs (5)

Substitutability of OTT calls to mobile calls

Substitutability of OTT messaging to mobile messaging

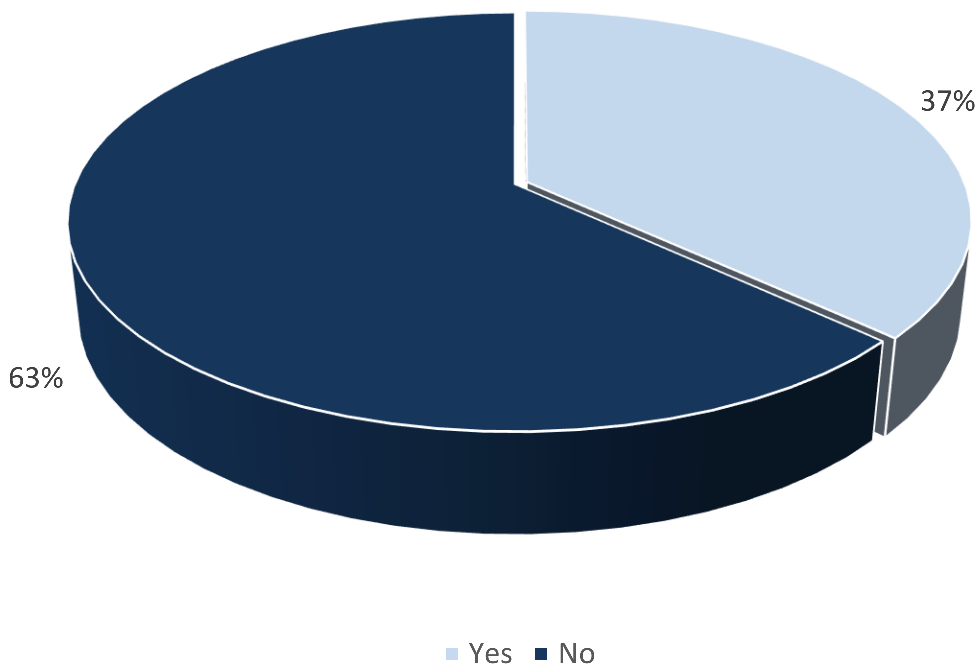
Respondents aware of OTTs and making use of them – 458





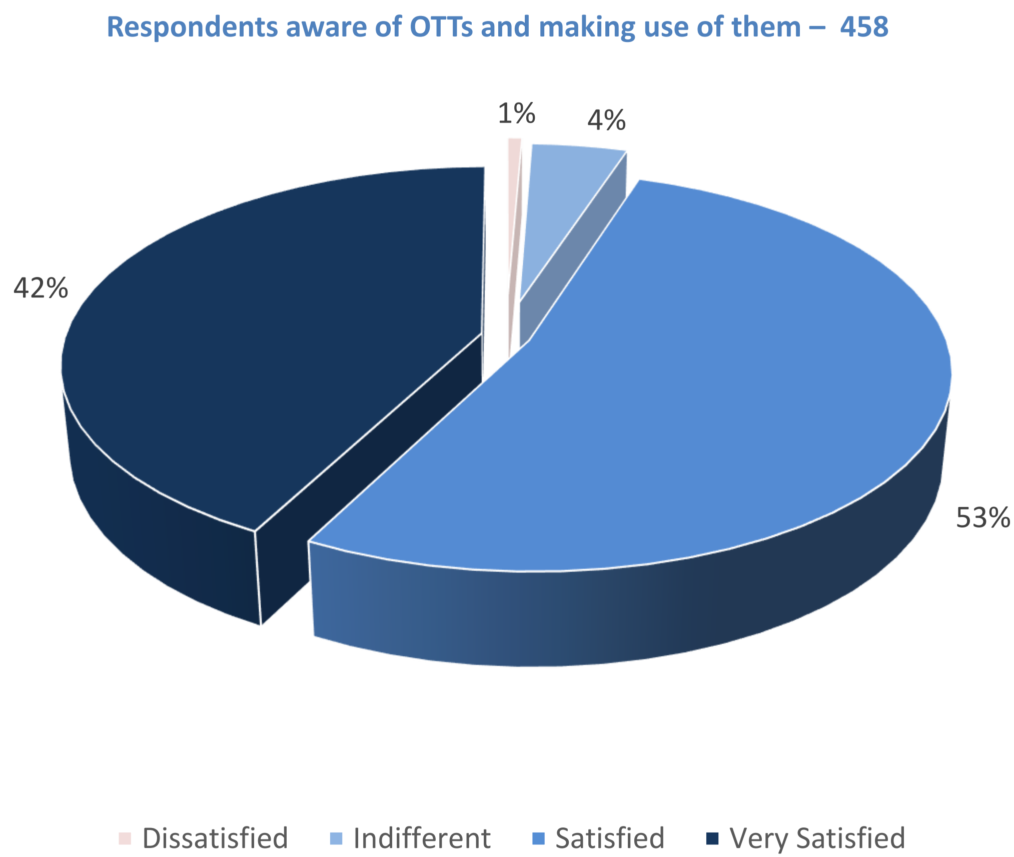
Use of a media streaming service over a mobile phone (such as Netflix, Spotify ect.)

Respondents aware of OTTs and making use of them – 458



Only 37% of respondents aware and making use of OTTs reported usage for media streaming purposes.

Satisfaction with the quality of OTT-based services



95% of the respondents are satisfied to very satisfied with the quality of OTT-based services.

OTTs (8)

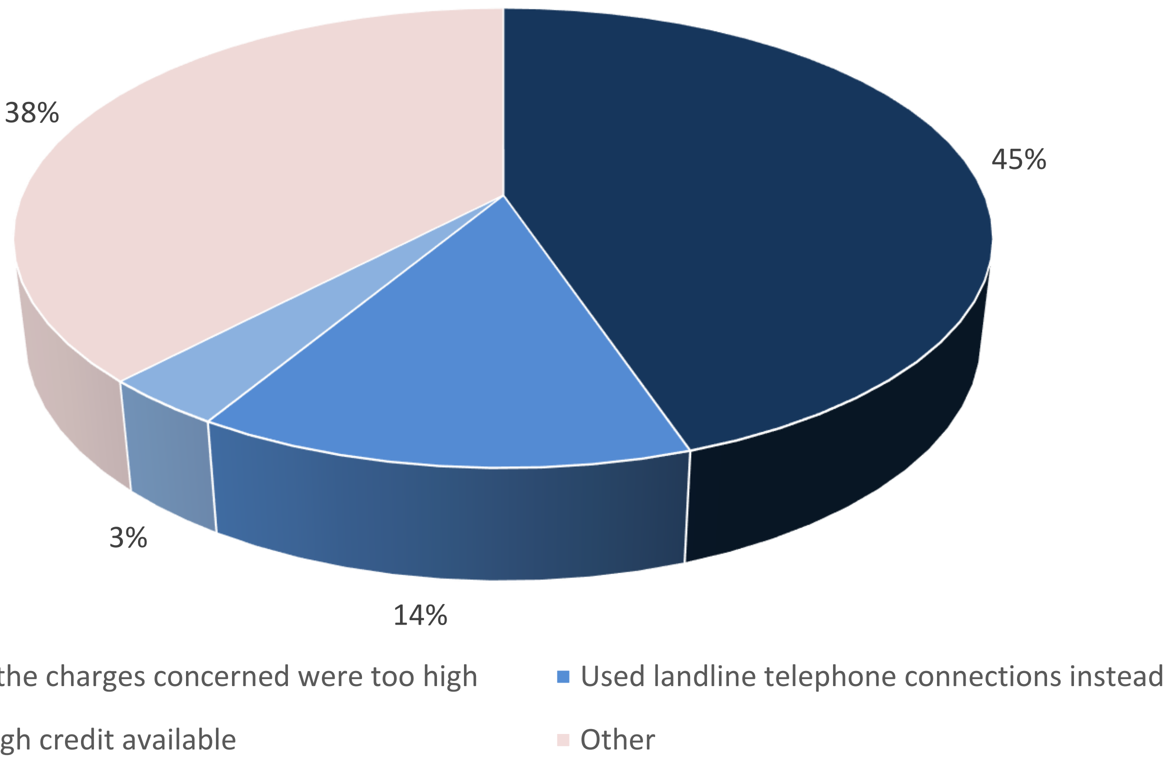
- 22% of respondents are aware of the existence of OTTs but do not make use of them. The main reason for not making use of OTTS is the lack of ownership of a smartphone (61%) .
- 82% of respondents making use of OTTs do so on a daily basis.
- Chat is the most popular OTT service used followed by voice and video. The order of preference was similar to the results garnered from the business perception surveys.
- The main platforms used for chat and voice are 'Messenger' and 'WhatsApp'. 'Youtube' and 'Instagram' are the main platforms used for content followed by 'Spotify' and 'Netflix'.
- Consumers generally believe that OTT calls and OTT messages are very good substitutes to traditional calling and messaging methods. The use of content is not as popular as the above OTTs possibly due to data cap limitations.
- 95% are satisfied/very satisfied with the quality of the OTT based services. The same levels of satisfaction were found among businesses surveys carried out earlier this year.

Other

Usage of mobile while travelling

Reasons for not using mobile telephony services while abroad

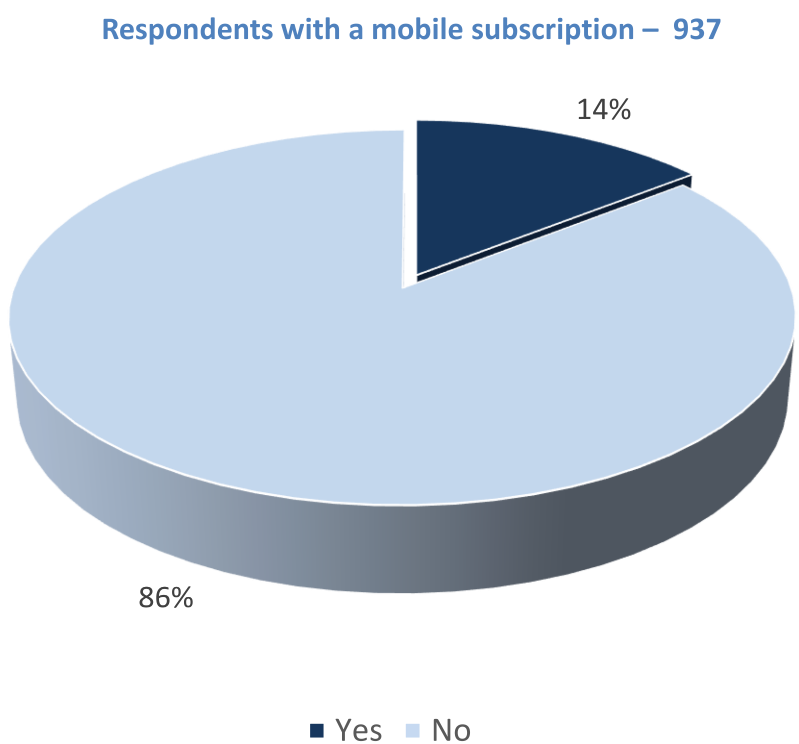
Number of respondents that have gone abroad but have not made use of their mobile subscription - 29



Usage of freephone number 180

Knowledge of the freephone number '180'

This service is aimed at identifying the service provider of a dialled number.



Survey highlights very low awareness of the Freephone number 180. Only 14% of respondents with a mobile subscription know of this service.

Thank you

Malta Communications Authority
Valletta Waterfront,
Pinto Wharf, Floriana,
FRN 1913, Malta

T + 356 2133 6840
F + 356 2133 6846

E info@mca.org.mt
F www.mca.org.mt

MALTA COMMUNICATIONS AUTHORITY
ensuring connectivity

Disclaimer

- This publication contains information, which may include statistics, that have been obtained from sources believed to be reliable in regard to the subject matter covered.

- This publication does not constitute commercial, legal or other advice however so described. In publishing this information the Malta Communications Authority (“MCA”) is not responsible and cannot be held liable for the quality, completeness, adequacy and accuracy of any information, statements and statistics however so described, contained within this document.

- The MCA reserves the right to change and update any such information including any statements and statistics provided in this document at its discretion and without prior notification.

- To the fullest extent permitted by law, neither the MCA nor any of its officers or its agents, however so described, will assume responsibility and/or liability for any loss or damage, however so described, arising from or related to the use of the content of this document.