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MCA Market Research

Consumer Perception Surveys – Findings for broadcasting

February 2018

Purpose & Methodology

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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 TV 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)

Grant Thornton Services Ltd carried out the survey between November and December 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.

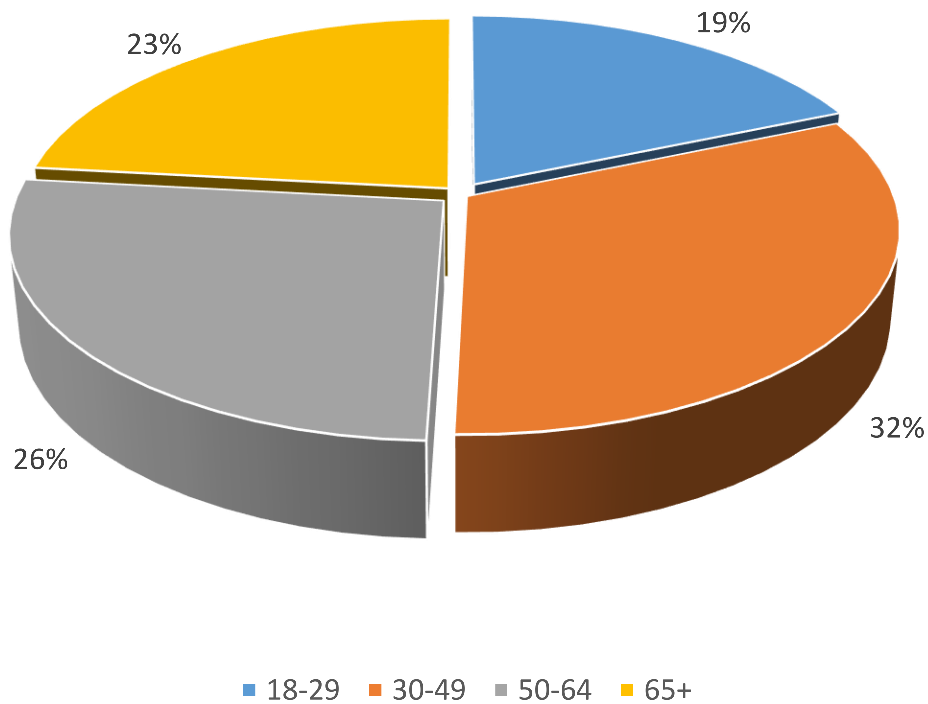
Responses

- 906 net respondents to the survey.
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of at least 800 interviewees.
- Margin of error +/- 3.25% at 95% confidence interval.

Survey methodology (2)

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

Number of respondents – 910

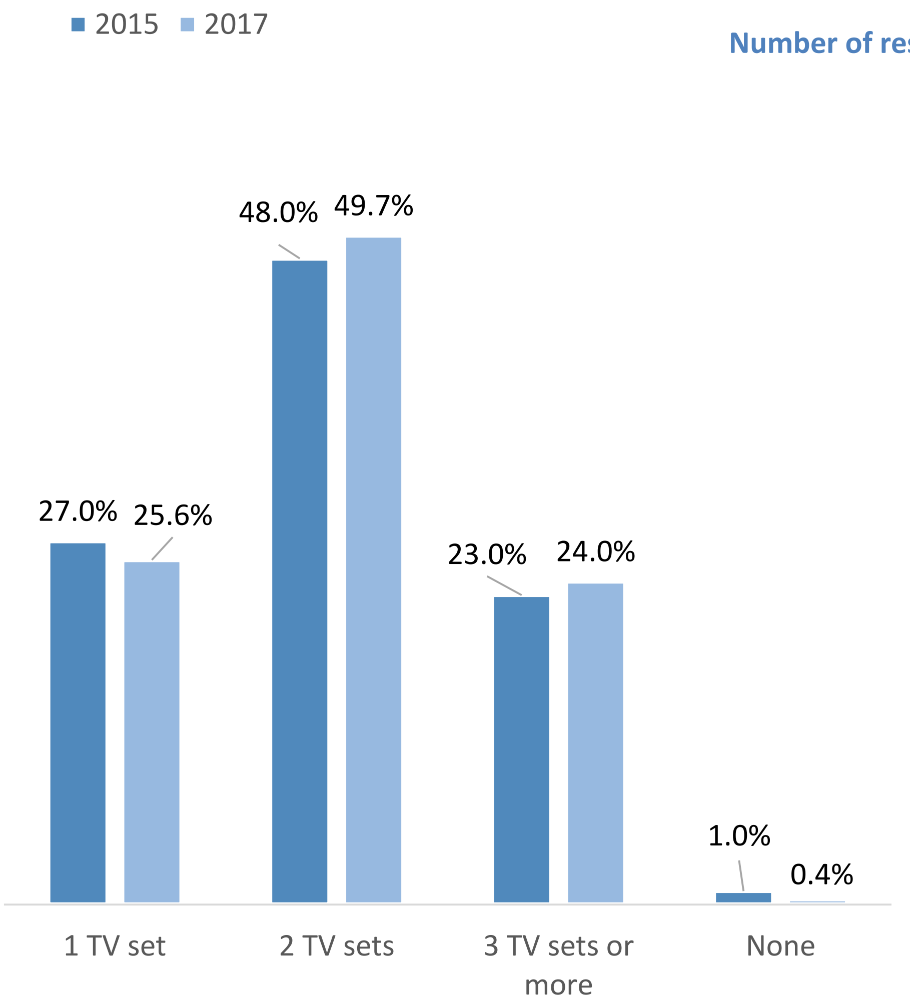


Access and Usage

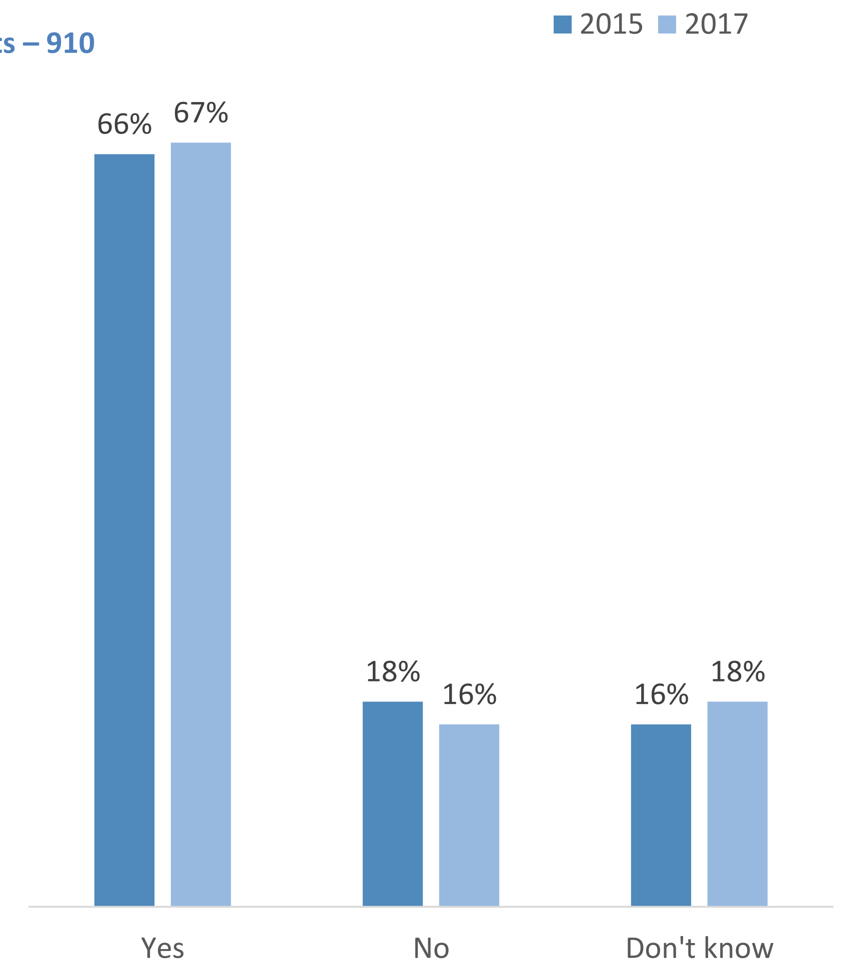
Access to pay TV services (1)

Number of respondents – 910

Percentage of respondents having a TV set at their place of residence



Percentage of respondents with TV sets supporting HD content

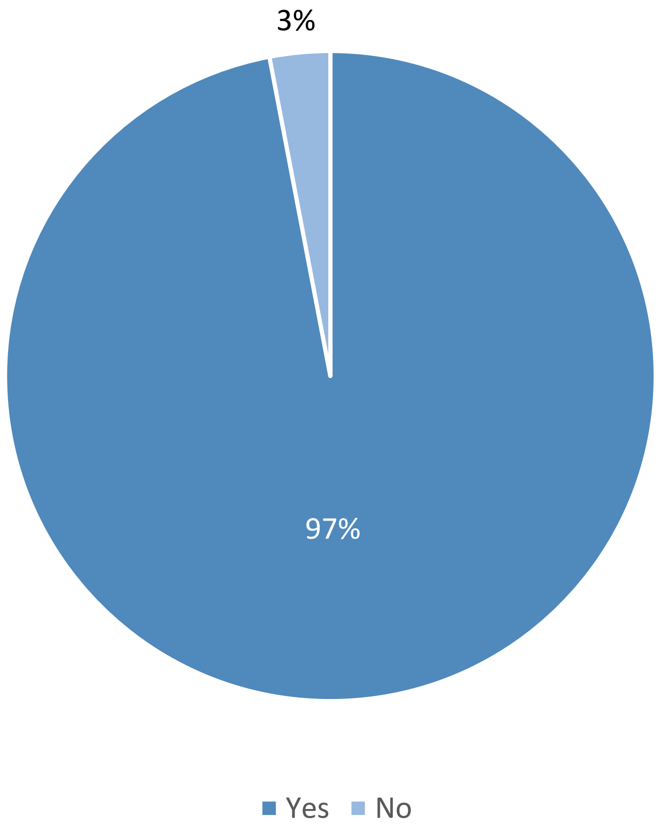


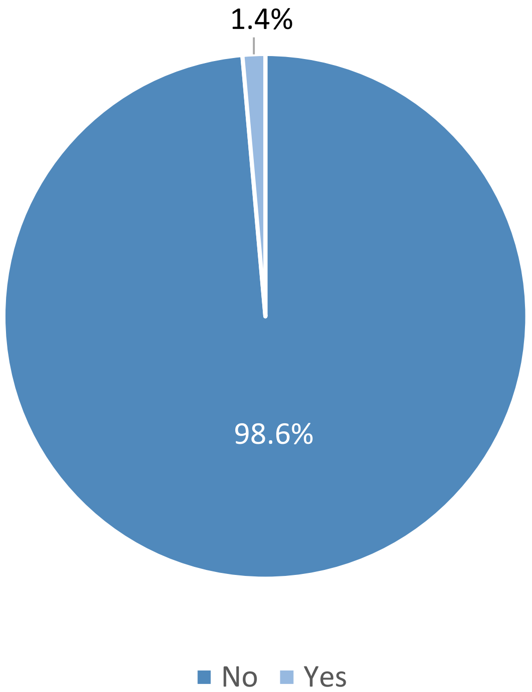
Access to pay TV services (2)

Percentage of respondents having access to a standard pay TV service

Percentage of respondents just using free-to-air

Number of respondents with a TV set – 906



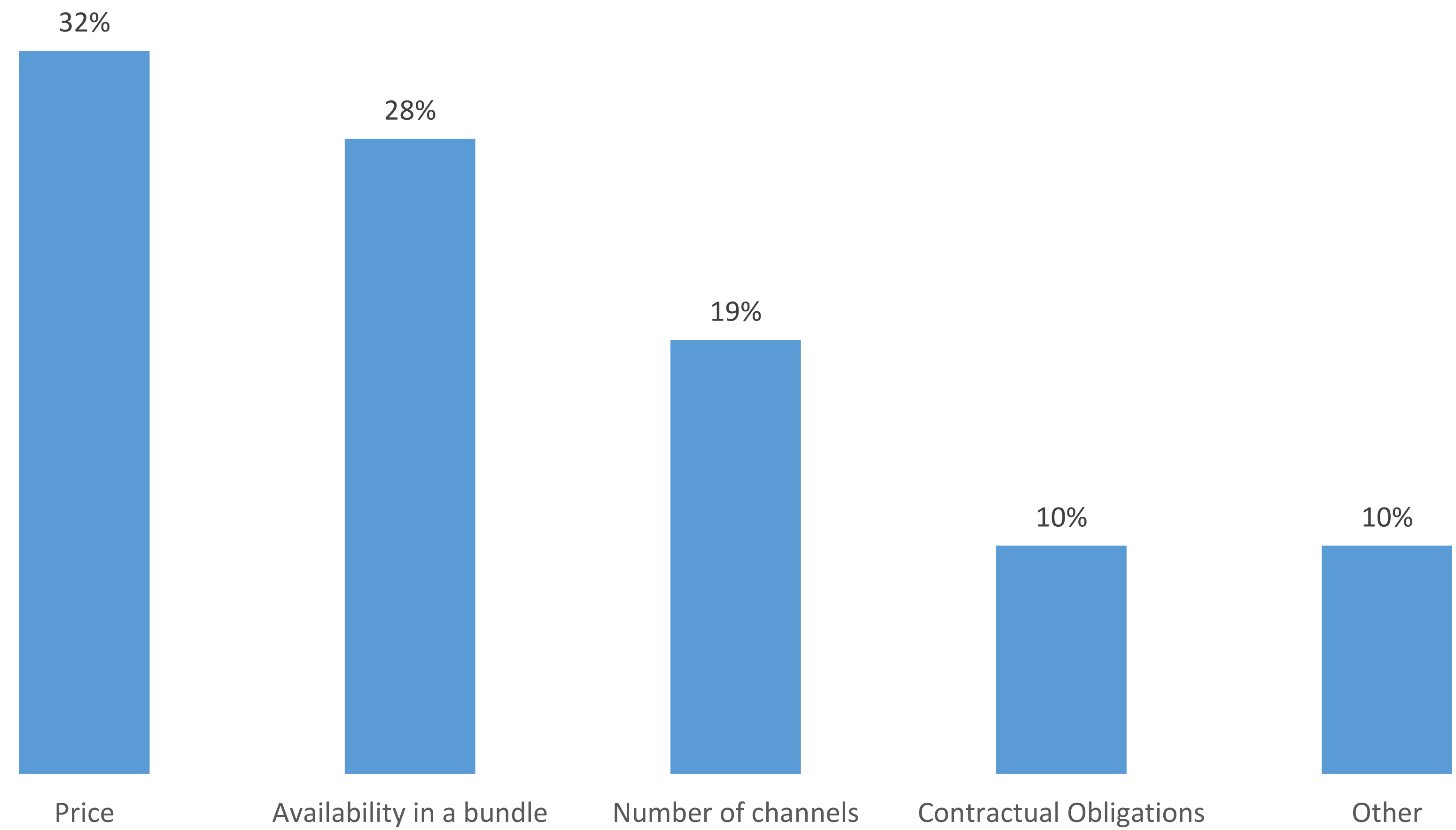


Access to pay TV services (3)

Features sought when seeking to purchase a pay-TV connection

(*ranked in order of importance*)

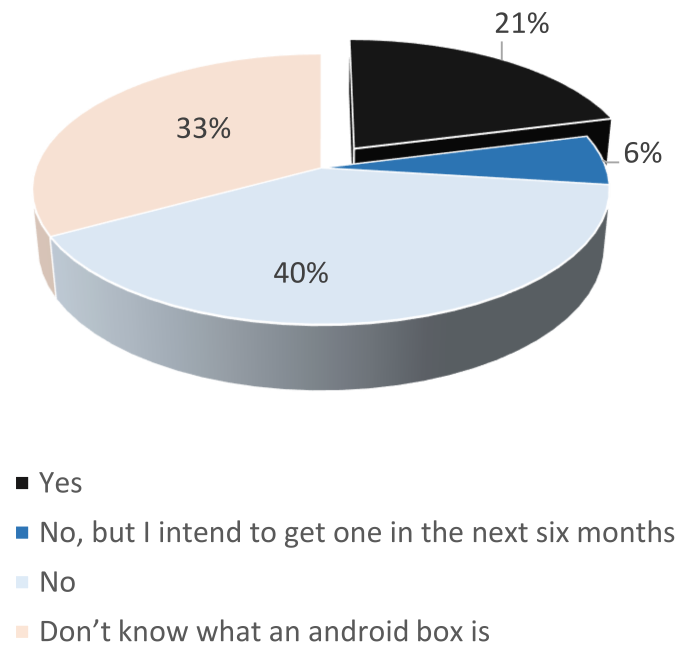
Number of respondents with a pay-TV subscription – 884



Access to pay TV services (4)

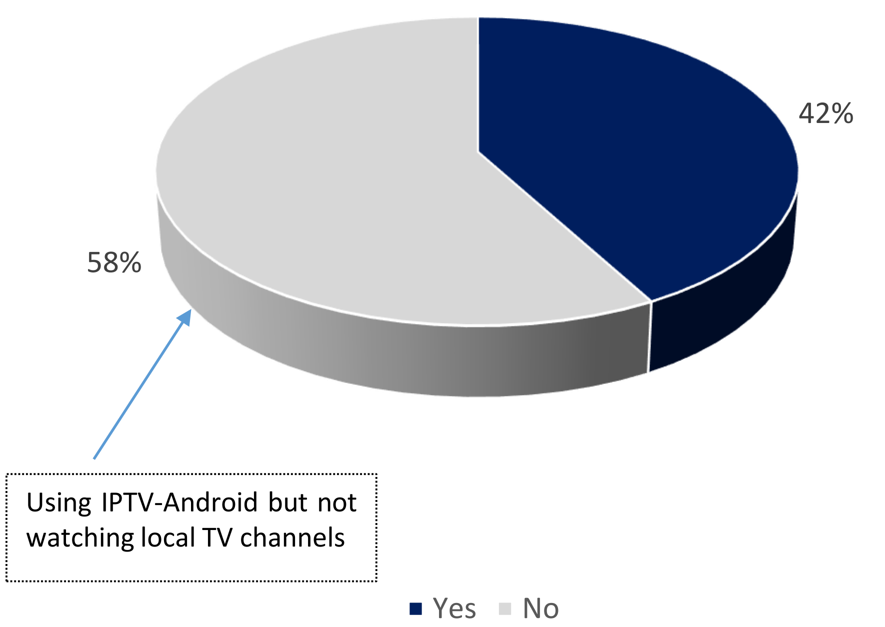
Access to an IPTV–Android box alongside pay-TV

Number of respondents with access to IPTV-Android – 188
i.e. 21% of respondents with a pay TV subscription



Viewing of Maltese channels over an IPTV-Android box

Number of respondents with access to IPTV-Android and making use of the device – 169
i.e. 19% of respondents with a pay TV subscription



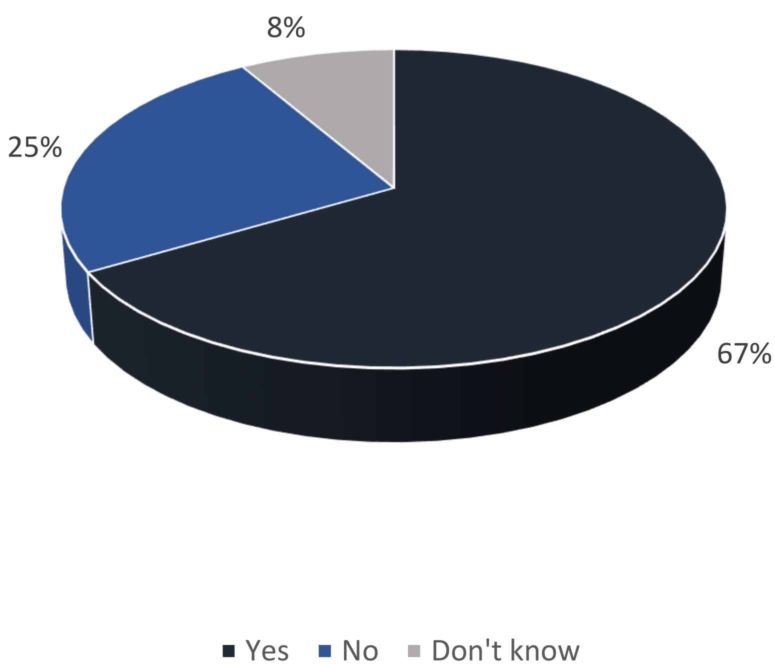
62% of all respondents equipped with an IPTV-Android box make use of the device regularly while 28% of respondents with an IPTV-Android box use this service only occasionally.

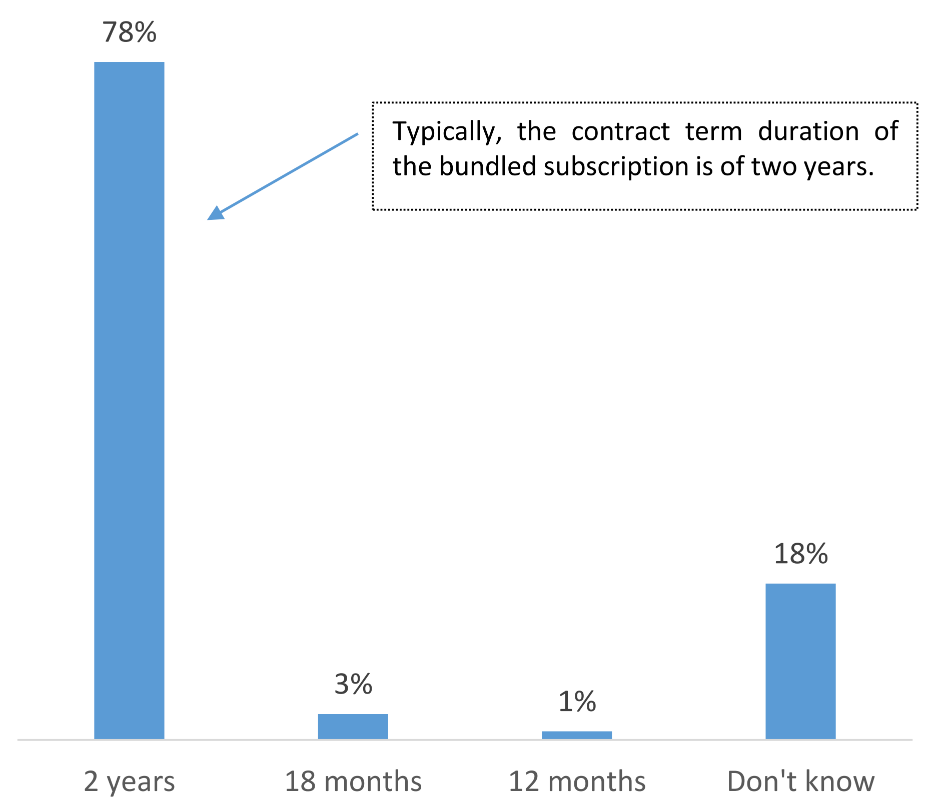
Access to pay-TV services (5)

Purchasing pay-TV service in a bundle

Duration of the contract term for bundle subscription

Number of respondents purchasing the pay-TV in a bundle – 588
i.e. 67% of respondents with access to pay-TV





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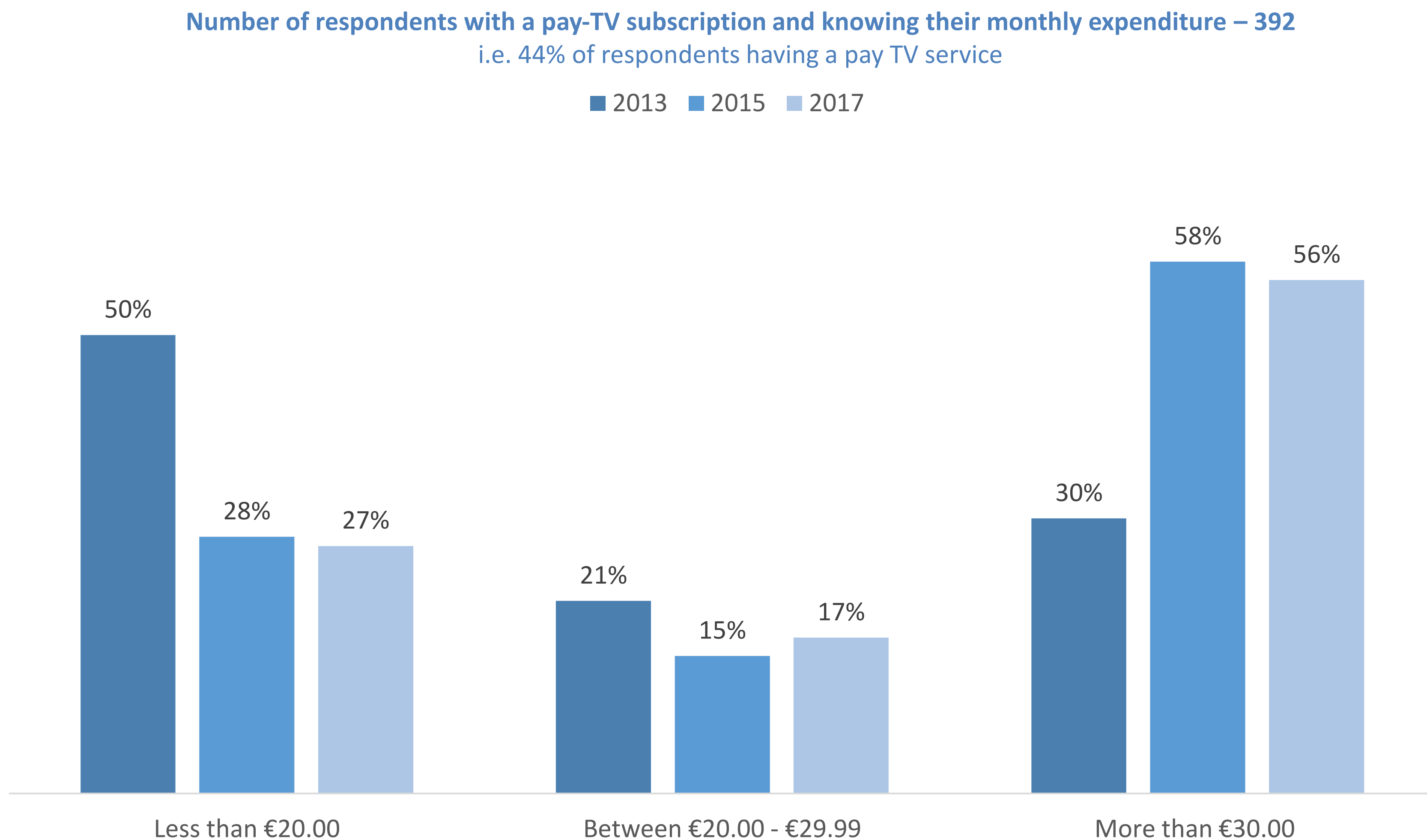
Expenditure , quality of service and switching

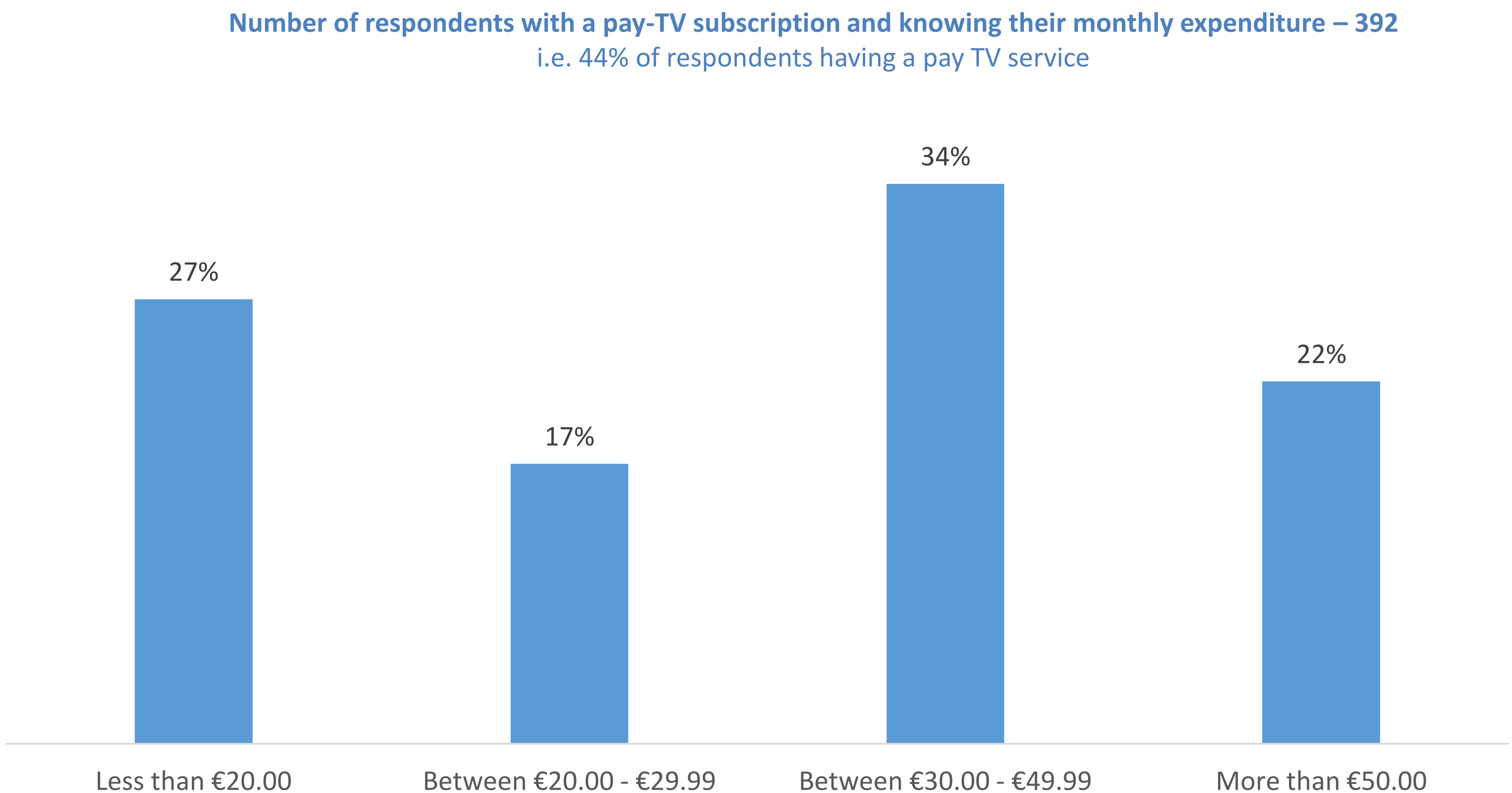
Expenditure, quality of service and switching (1)

Average monthly expenditure on pay-TV



Expenditure, quality of service and switching (2)

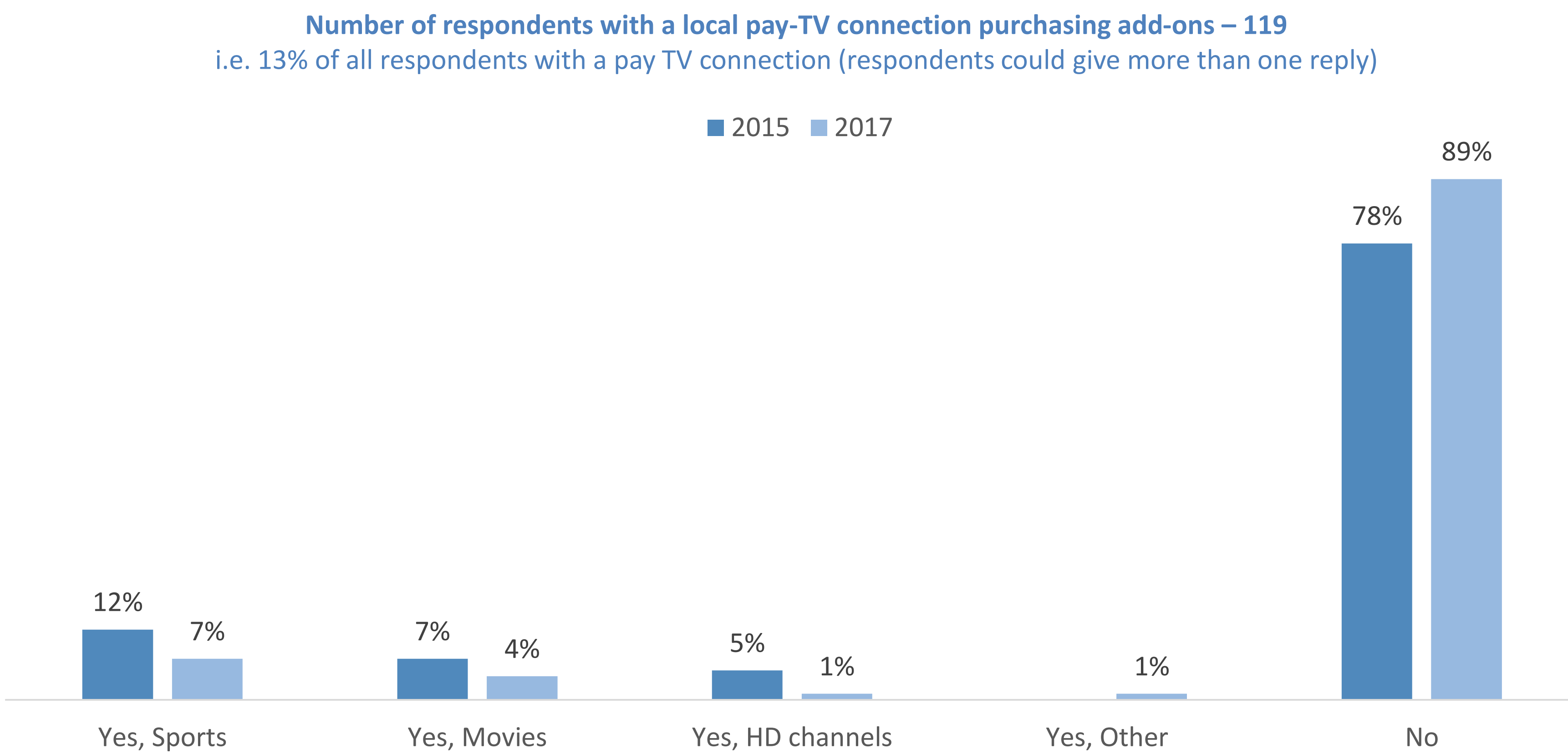
Average monthly expenditure on pay-TV



36% of respondents could not identify their monthly expenditure on pay TV due to this service being purchased in a bundle.

Expenditure, quality of service and switching (3)

Propensity to purchase pay-TV add-ons

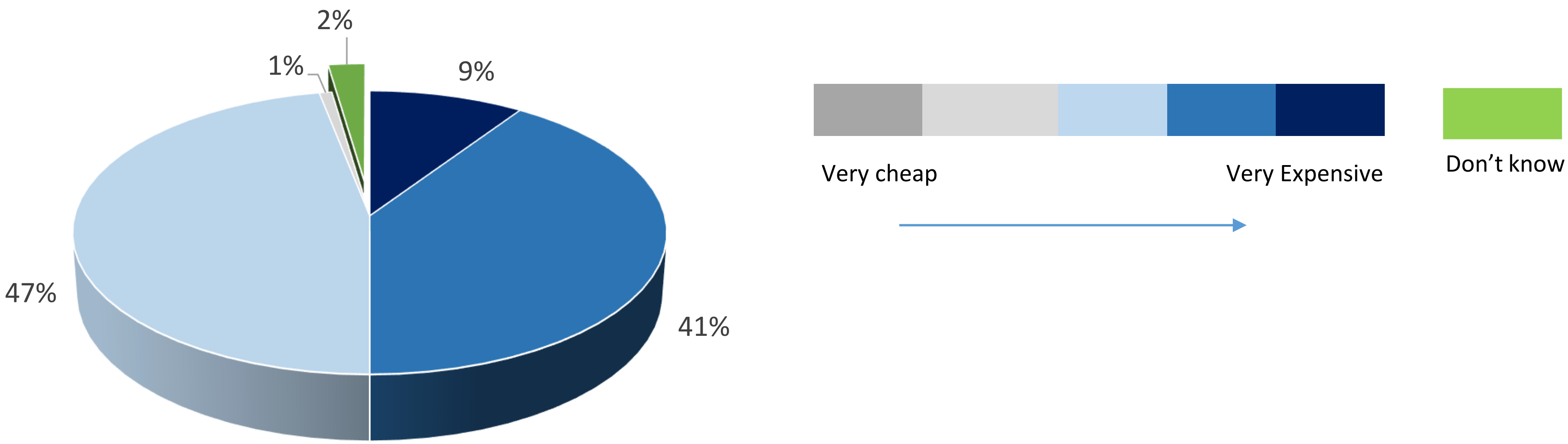


89% of households indicated that they do not purchase any add-ons, up by 11 percentage points from the corresponding survey finding in 2015.

Expenditure, quality of service and switching (4)

Perceptions on the cost of pay-TV

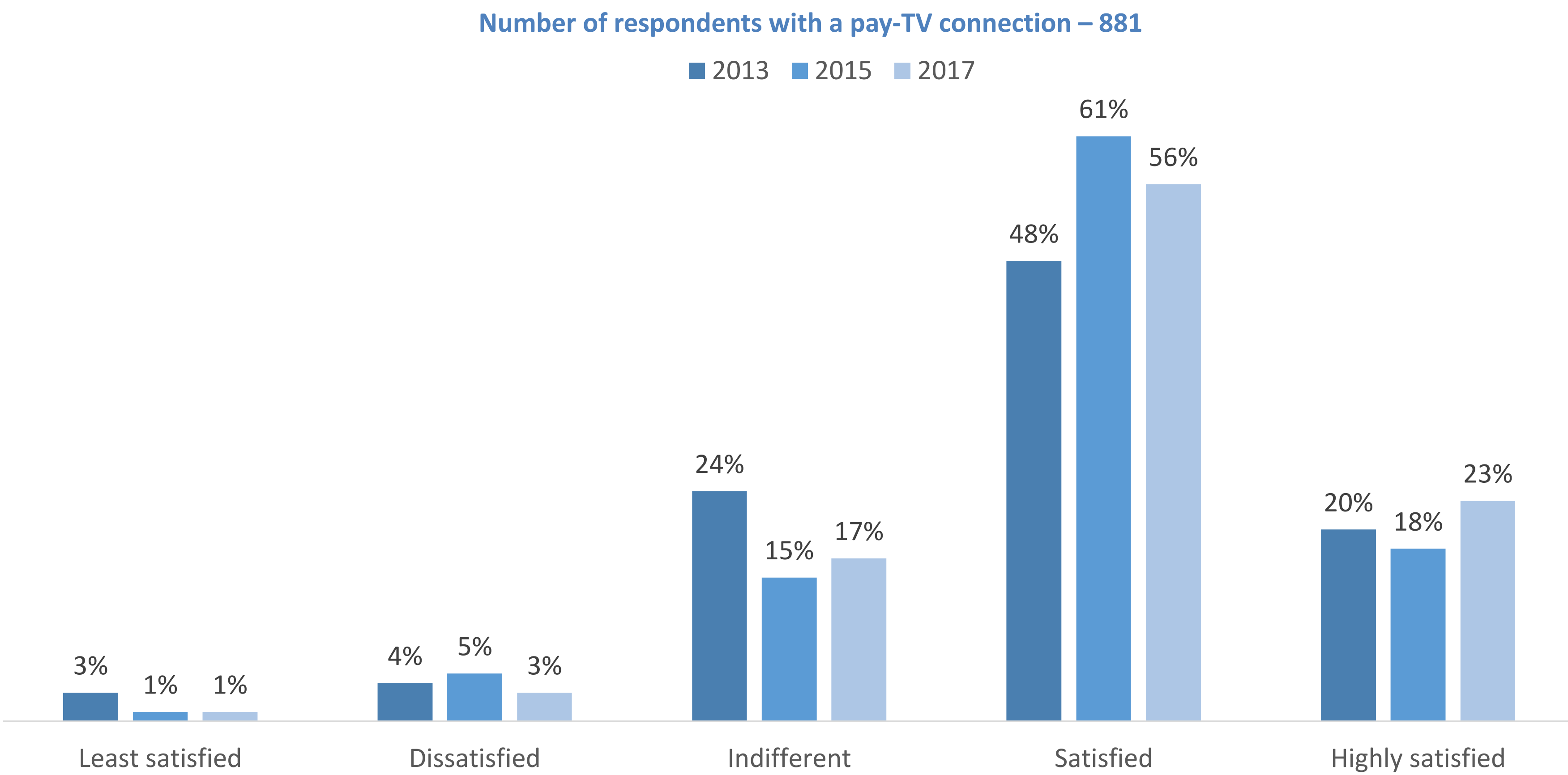
Number of respondents with a pay-TV connection and knowing their monthly expenditure – 392
i.e. 44% of respondents having a pay TV subscription



50% of respondents knowing their monthly expenditure on their pay TV service find the cost of their main subscription to be expensive or very expensive.

Expenditure, quality of service and switching (5)

Satisfaction rate with main pay-TV service



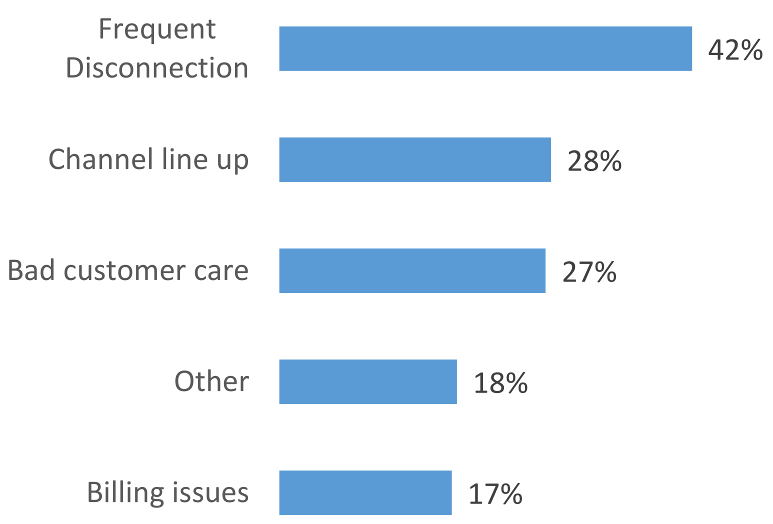
79% of respondents with a pay TV subscription feel satisfied/highly satisfied with the service provided.

Expenditure, quality of service and switching (6)

Reasons quoted for being dissatisfied or indifferent with the pay-TV service

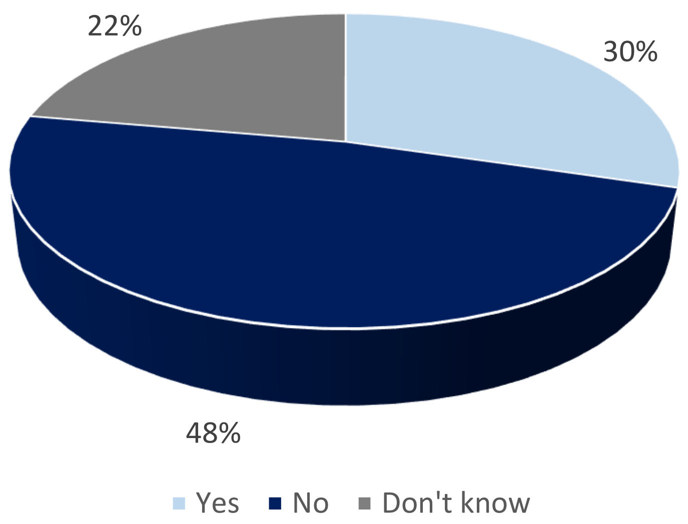
Number of respondents feeling indifferent or unsatisfied– 189

i.e. 21% of respondents having a pay-TV subscription (respondents could give more than one reply)



Propensity to switch / port main subscription when dissatisfied with the current service

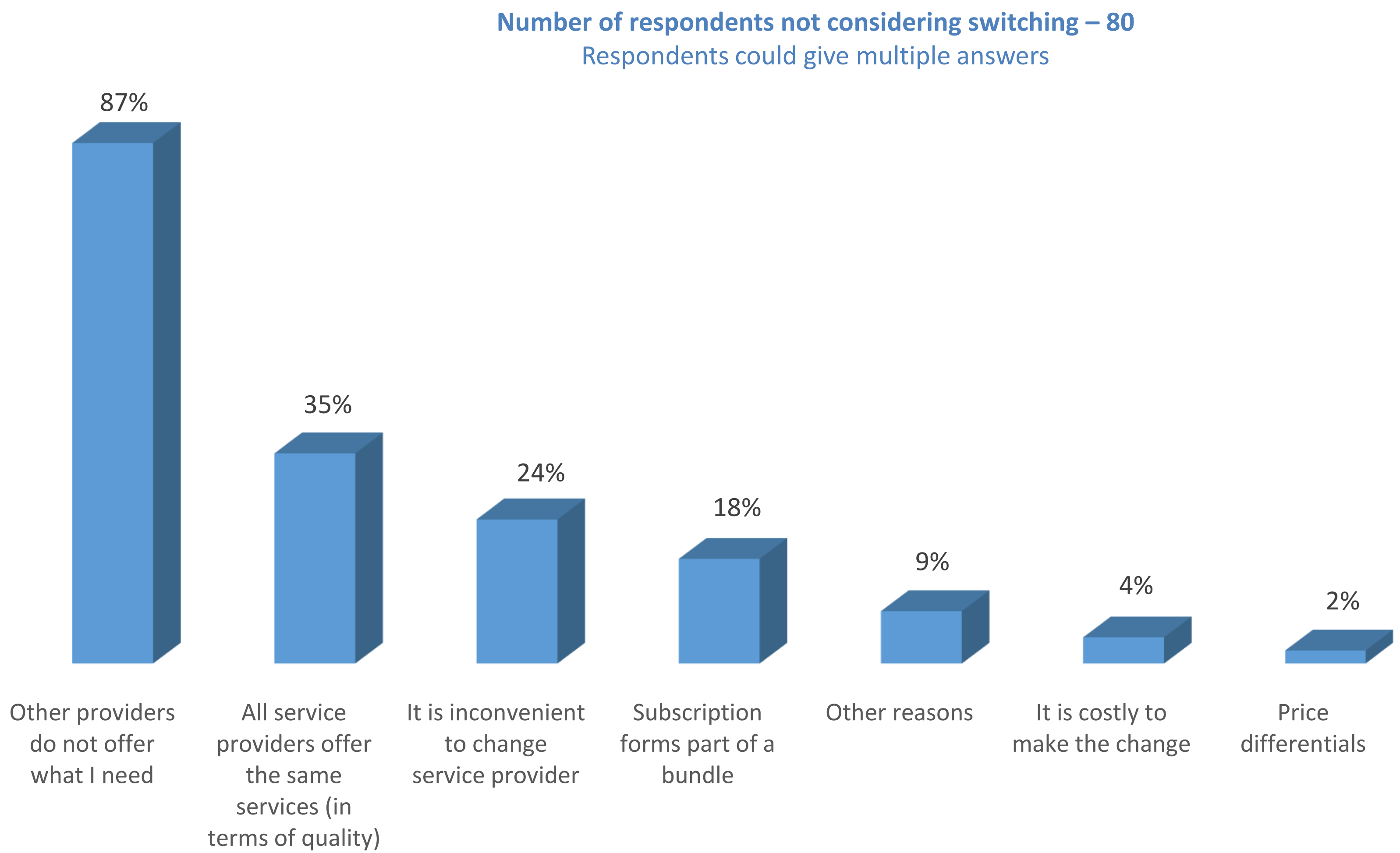
Number of respondents feeling indifferent or unsatisfied – 189



42% of respondents rating their satisfaction between 1 and 3 indicated '*frequent disconnections*' as the main reason for their dissatisfaction. A third of these respondents are considering to switch their main subscription with another service provider.

Expenditure, quality of service and switching (7)

Reasons provided for not switching/porting service provider

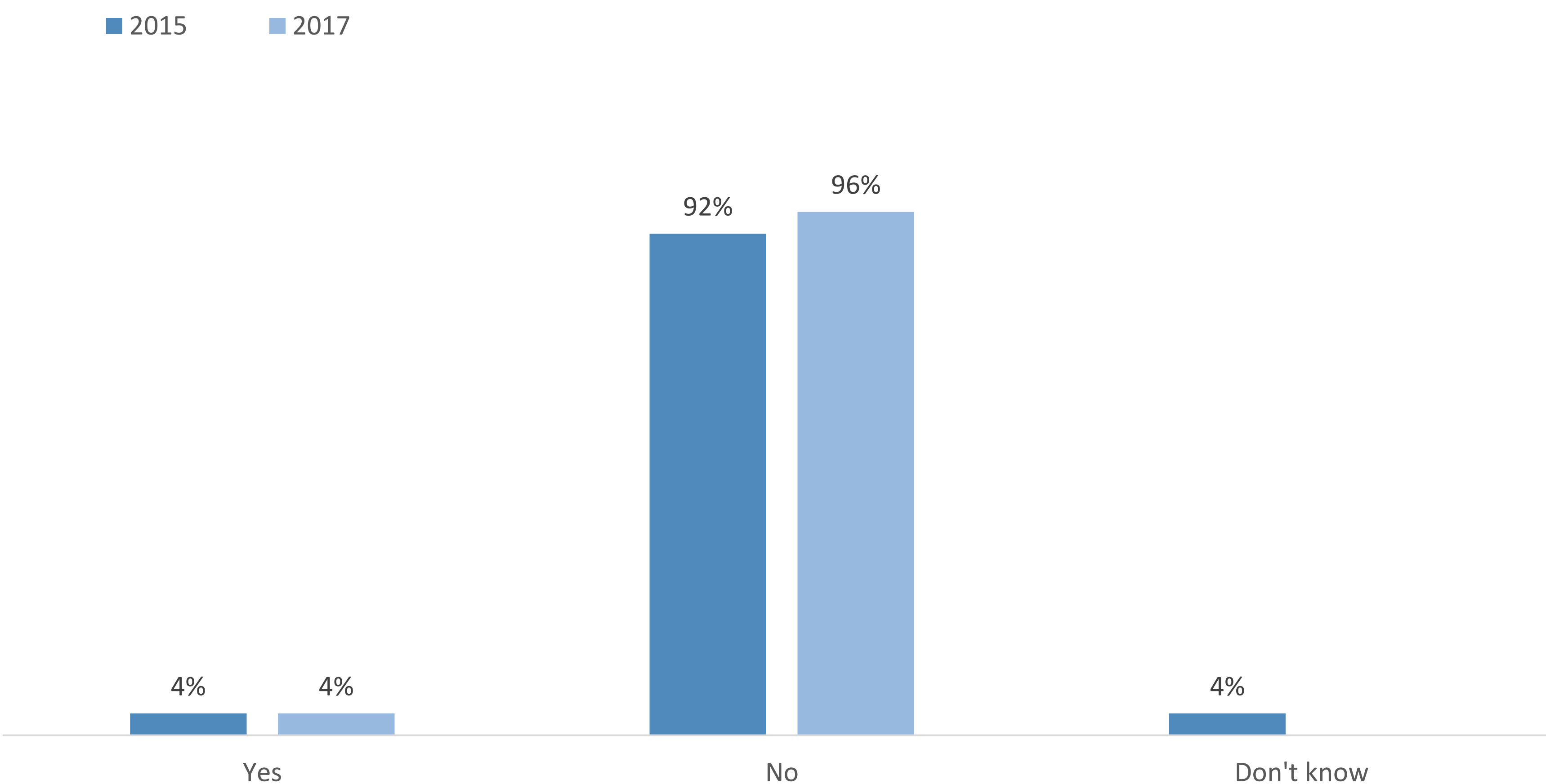


Expenditure, quality of service and switching (8)

Switching behaviour in the last two years

Number of respondents with a local pay-TV subscription – 881

Only 4% of respondents have switched service providers

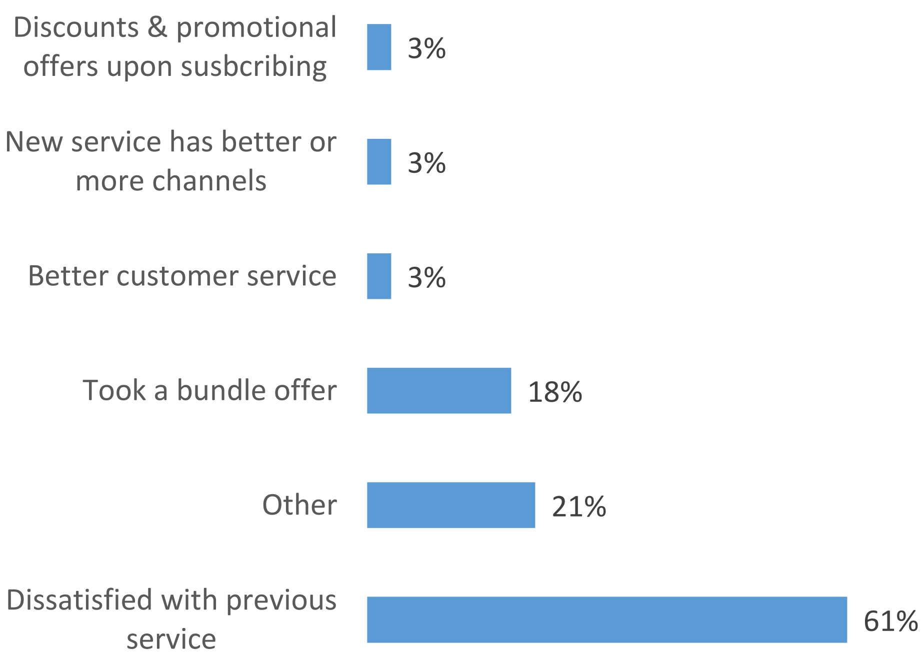


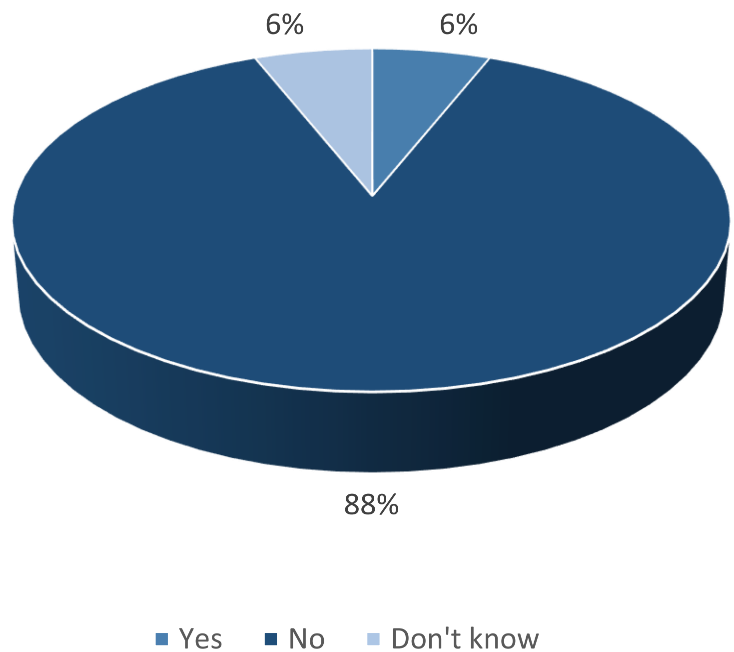
Expenditure, quality of service and switching (9)

Reasons for switching service providers

Respondents who found difficulty switching

Number of respondents that have switched service providers in the last two years – 33
i.e. 10% of the number of respondents having a pay-TV connection (respondents could give more than one reply)



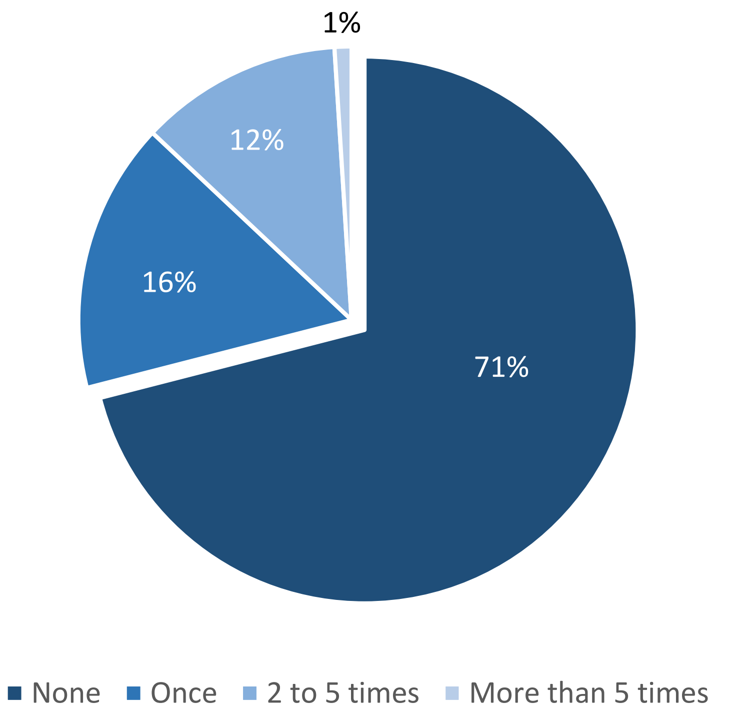


Of those respondents selecting '*other*' in their response as the reason for having switched operators some refer to (i) '*telecare*' and / or (ii) '*better internet service with an alternative opera*tor'.

Expenditure, quality of service and switching (10)

Respondents experiencing disconnections, faults / problems in the previous 12 months

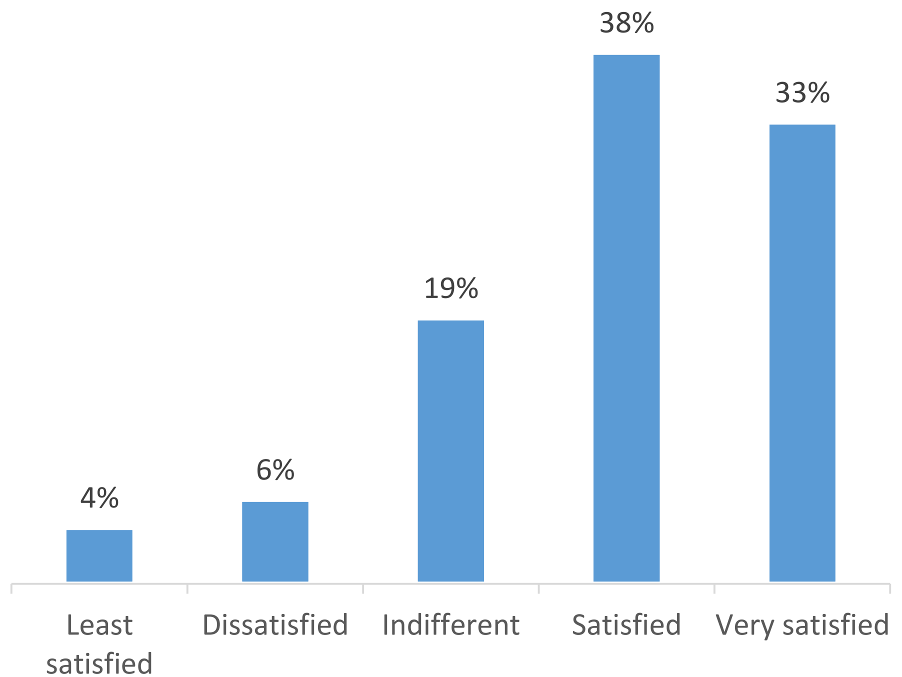
Number of respondents with a pay-TV connection – 884



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

Number of respondents with a pay-TV connection and having reported a fault in the last 12 months – 255

i.e. 29% of the number of respondents having a pay-TV connection at home



This question has never been asked in previous pay-TV surveys and hence a time-series comparison cannot be made.

Use of alternatives

(Satellite / IPTV-Android / Internet TV)

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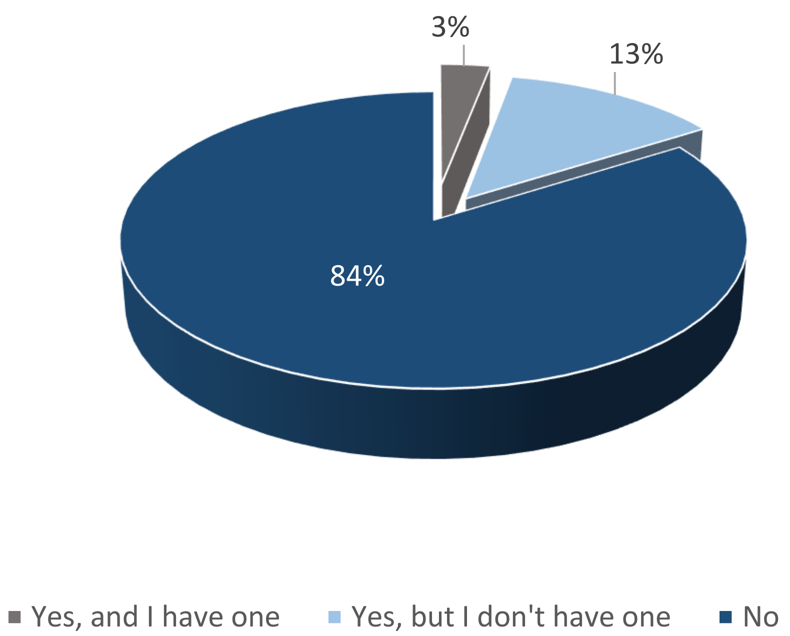
Use of alternatives (1)

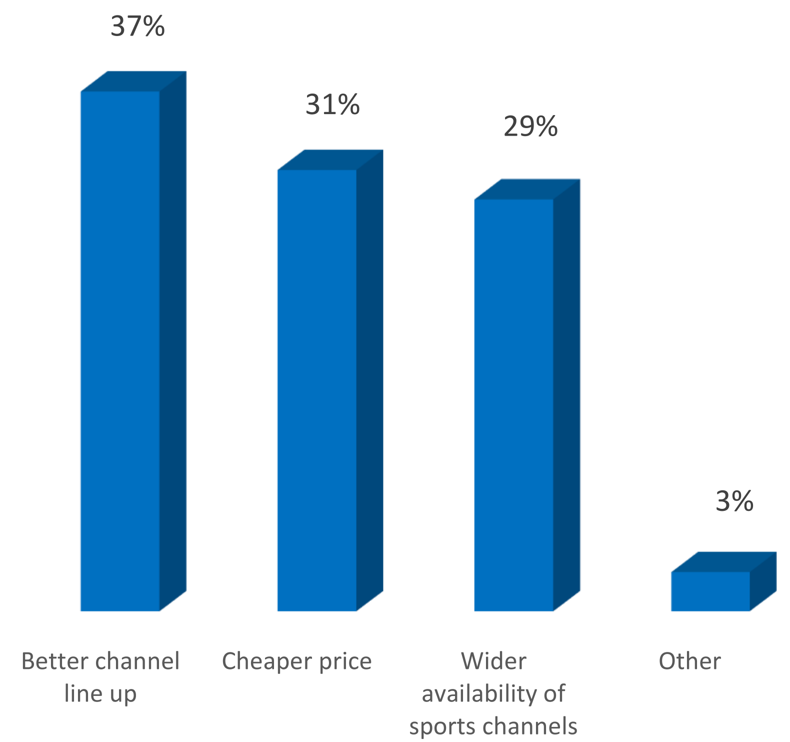
Substitutability of Satellite TV with pay-TV

Number of respondents with satellite TV – 24
i.e. 3% of the number of respondents having a pay-TV connection at home



Reasons for subscribing to a satellite-based service

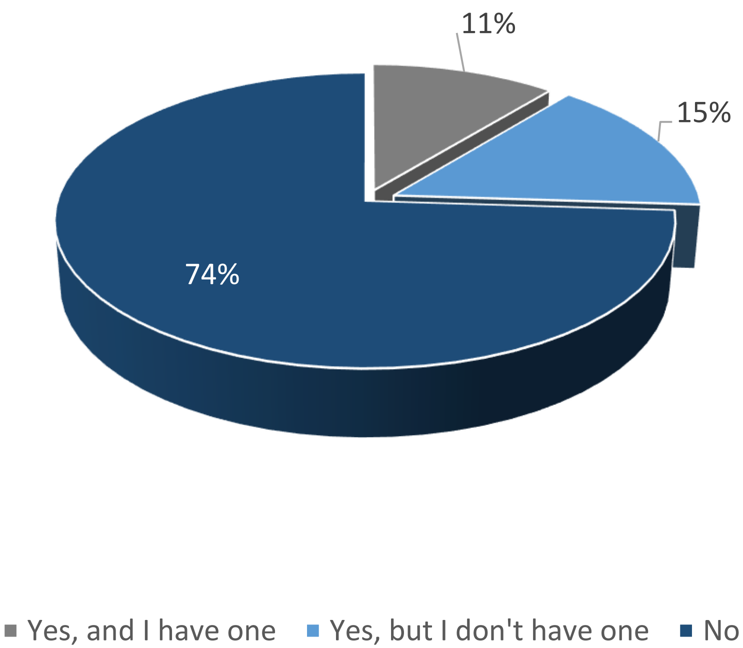
Number of respondents with a satellite service – 24
i.e. 3% of total respondents with a pay-TV subscription
(respondents could give more than one reply)



Use of alternatives (2)

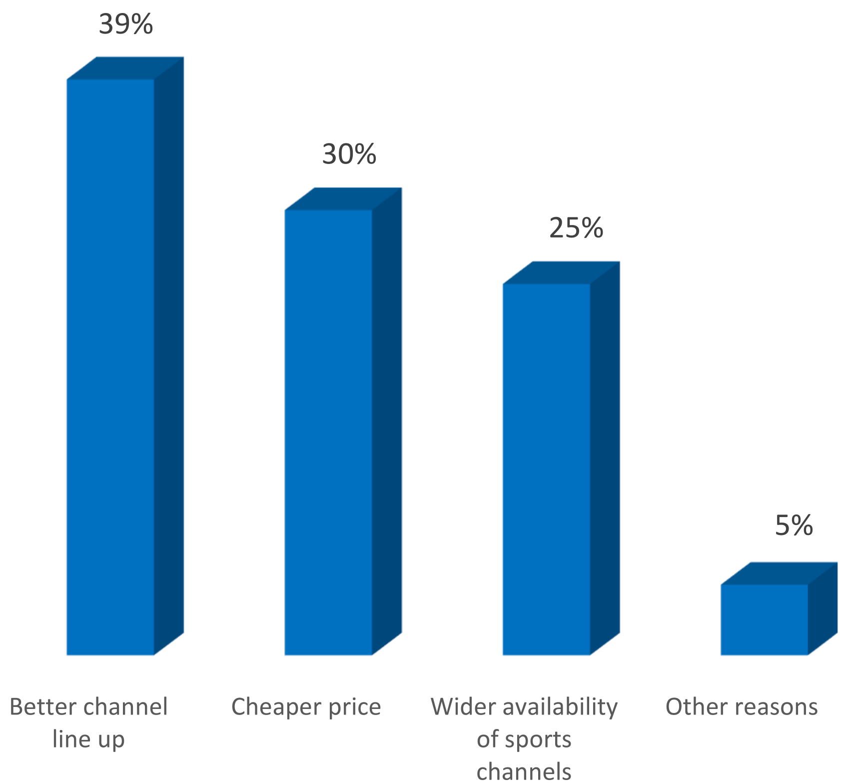
Substitutability of IPTV Android-box TV with pay-TV

Number of respondents owning an IPTV/Android box – 102
i.e. 11% of the number of respondents having a pay-TV connection at home



Reasons for making use of an IPTV-Android box

Number of respondents with an IPTV-Android box and deeming it to be substitutable – 102
i.e. 11% of total respondents with a pay-TV subscription (respondents could give more than one reply)



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Use of alternatives (3)

Average monthly expenditure on an IPTV-Android box

Number of respondents with an IPTV-Android box and knowing their monthly expenditure – 63
i.e. 38% of the number of respondents having an IPTV-Android box

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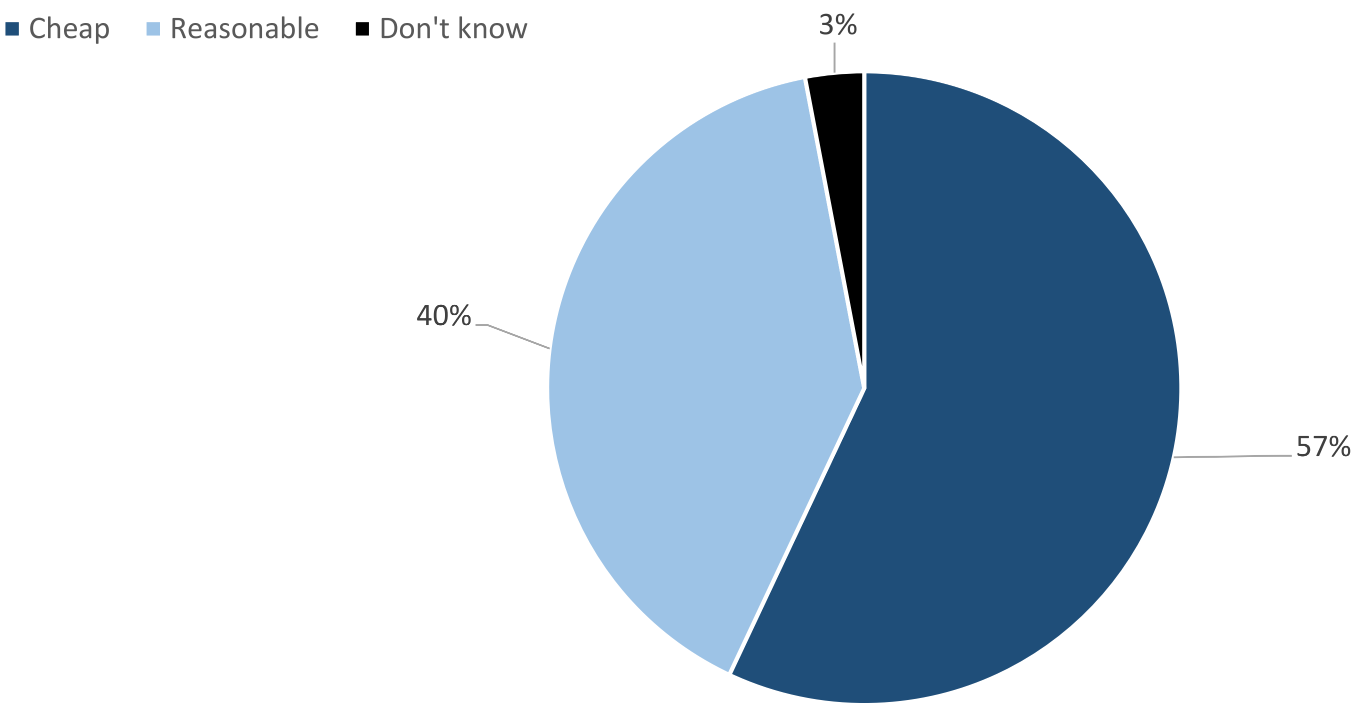
Use of alternatives (4)

Perception on the cost of an IPTV-Android box

Number of respondents with an IPTV-Android box and knowing their monthly expenditure – 63
i.e. 38% of the number of respondents having an IPTV-Android box

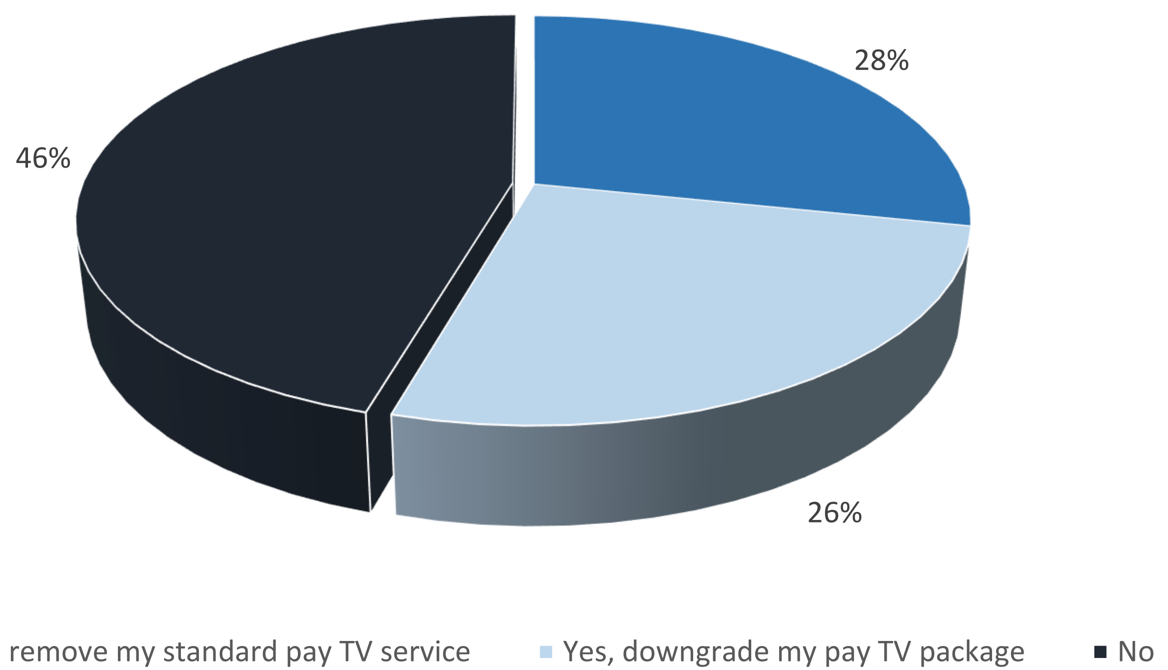


97% of respondents knowing their monthly expenditure on their IPTV-Android box service consider the cost of the service as being cheap / reasonable.

Use of alternatives (5)

Propensity to switch from a pay-TV service to an IPTV-Android box over the coming 12 months

Number of respondents considering removing or downgrading their pay-TV connection – 129
i.e. 54% of the number of respondents that find an IPTV-Android box to be a good substitute to a local pay-TV service

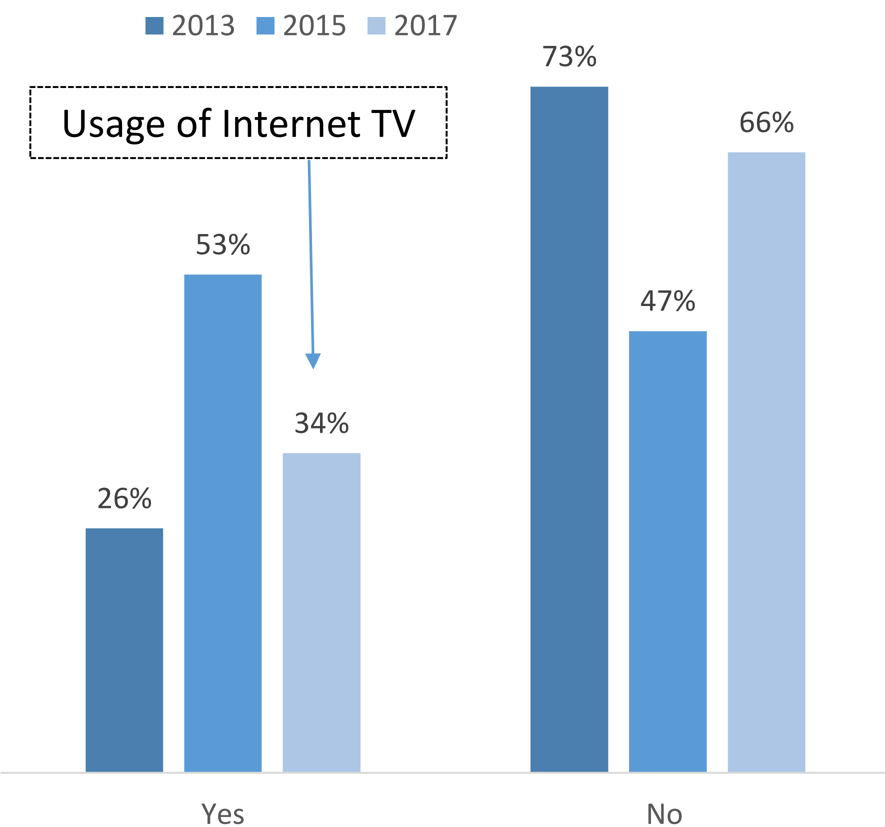


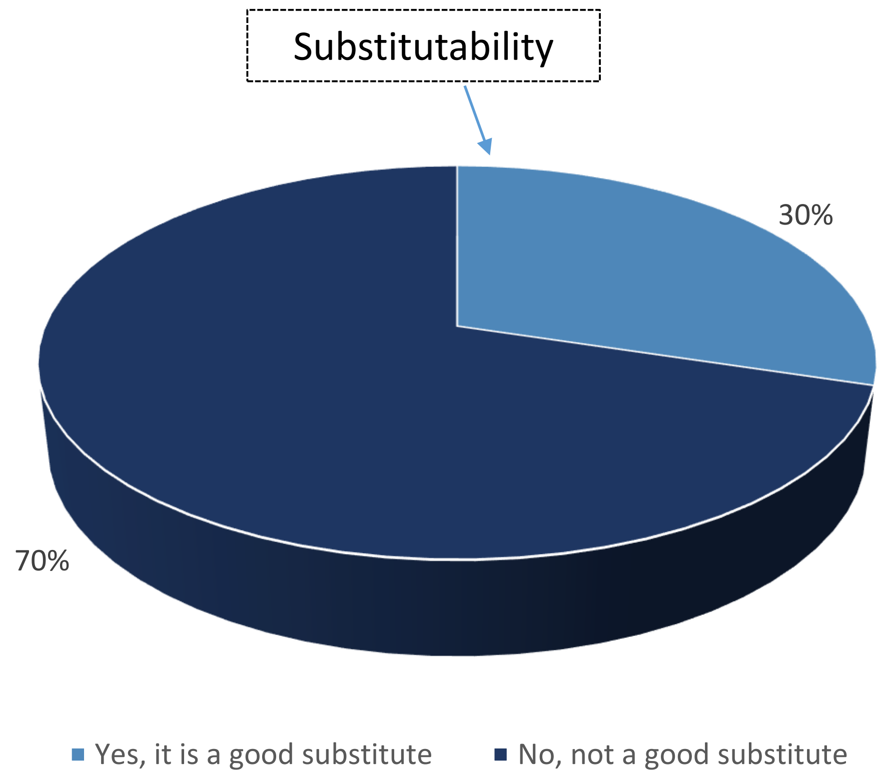
54% of respondents say they intend to remove or downgrade their current pay TV service and start using an IPTV-Android box instead.

Use of alternatives (6)

Usage and substitutability of TV over Internet (such as Youtube/Vimeo/Netflix) to pay-TV

Number of respondents making use of internet services on their TV – 309
i.e. 34% of total respondents having a pay-TV connection

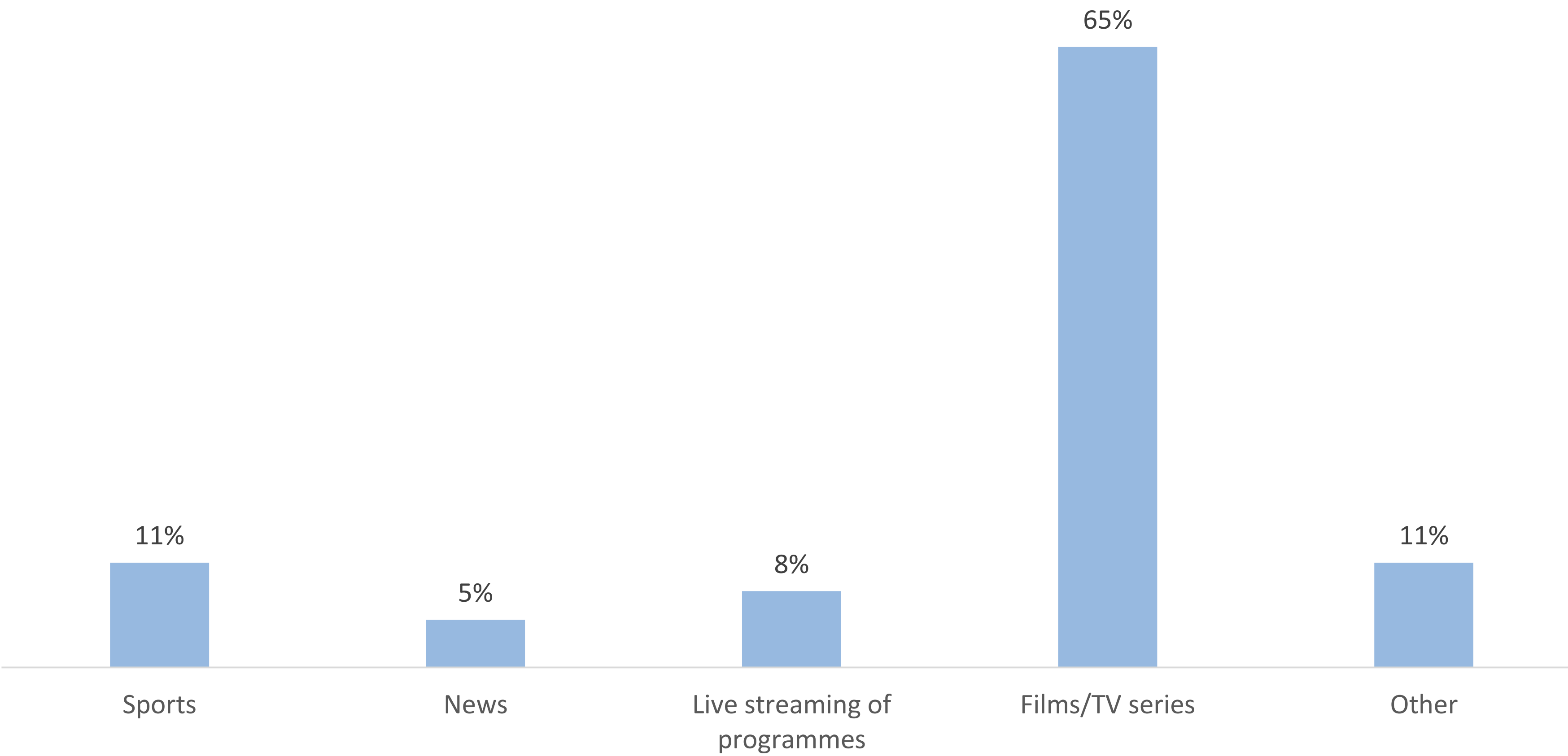




Use of alternatives (7)

What do you watch most via Internet TV?

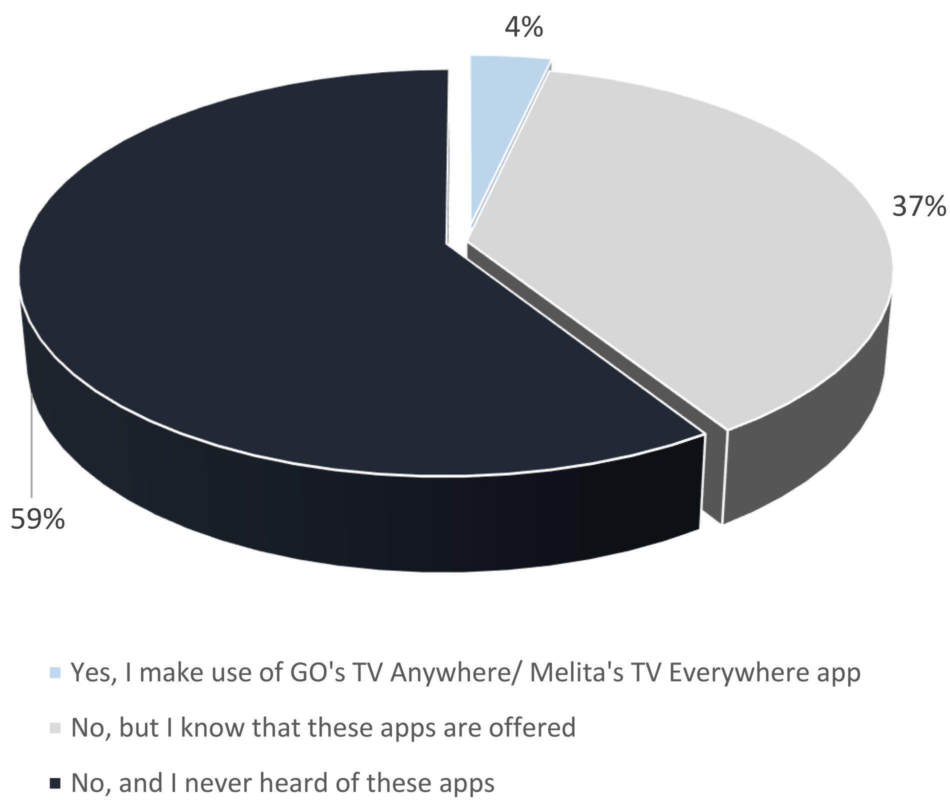
Number of respondents making use of internet services on their TV – 309
i.e. 34% of total respondents with a TV set at home



Use of alternatives (8)

Use of mobile TV streaming apps offered by local service providers

Number of respondents making use of mobile TV streaming apps – 32
i.e. 4% out of total respondents with a pay-TV subscription

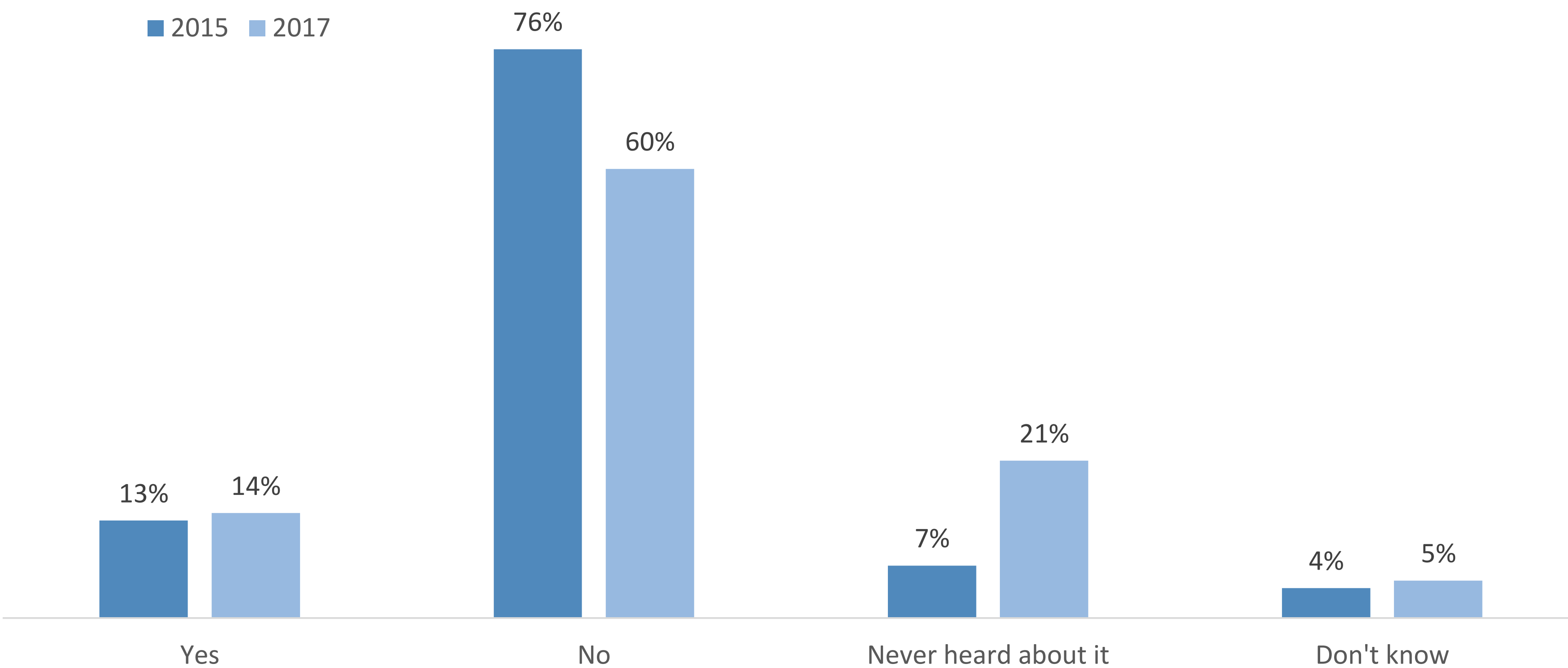


Use of DAB+

DAB+ (1)

Ownership of a digital audio broadcast plus (DAB+) radio set

Number of respondents with a DAB+ radio set – 124
i.e. 14% of all survey respondents



The number of respondents unaware of DAB+ radio is up from 7% in 2015 to 21% in 2017. This is may possibly indicate that households may have become more attuned to Internet radio over time.

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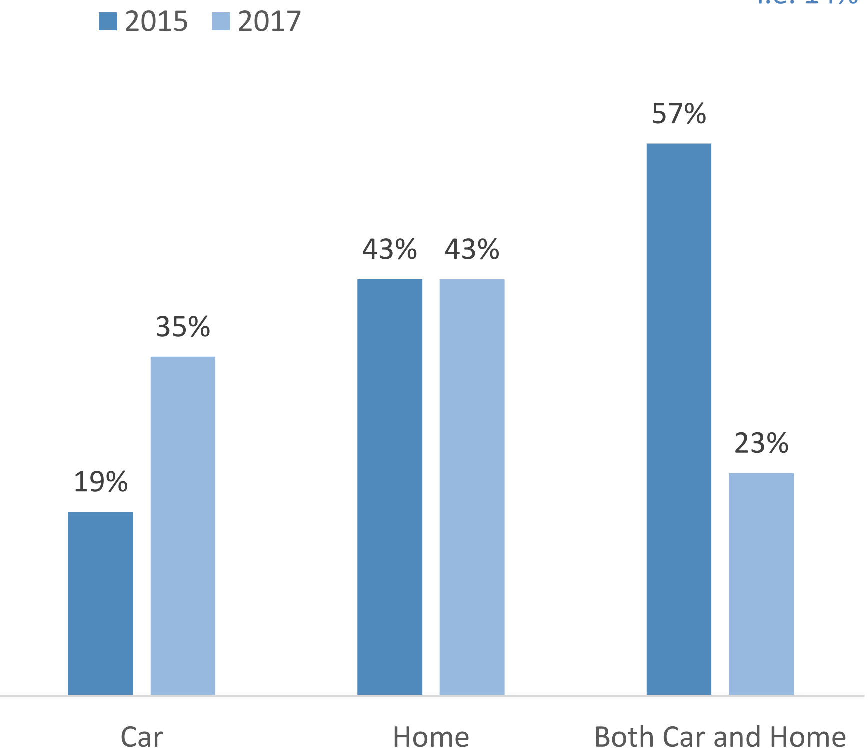
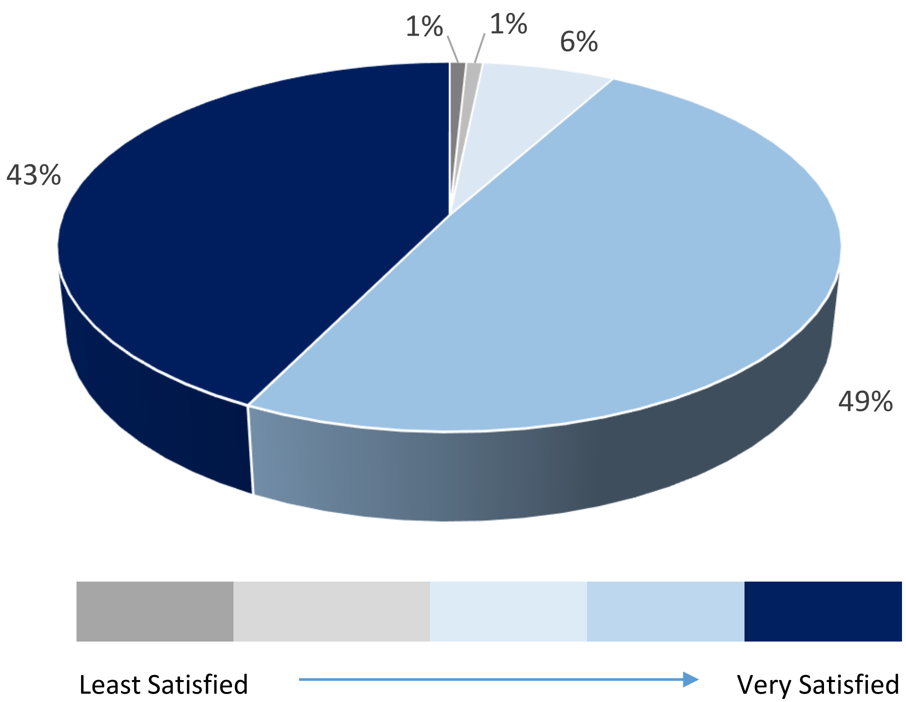
DAB+ (2)

Location of the DAB+ radio set and levels of satisfaction with the quality of the service

Number of respondents with a DAB+ radio set – 124
i.e. 14% of all survey respondents





92% of respondents having a DAB+ radio set are satisfied / very satisfied with the quality of the service.

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End