

## **Mobile payments, buying local, and online grocery shopping among the trends observed amongst Maltese digital consumers in 2020**

The latest study carried out by the Malta Communications Authority looks into how consumption patterns utilising eCommerce are evolving, especially amidst turbulent times.

The research detected a 2% increase in internet usage in 2020, when compared to the previous survey in 2016. According to the study, 82% of internet users access the internet on their smartphones whilst 74% do so on their laptop or PC. Less than half of the internet users reach for a tablet to access the internet. This is a significant change from a few years back, when just 59% of internet users carried out internet-related activities on their smartphones. Nowadays, most consumers are constantly connected and use multiple devices interchangeably. An interesting trend seems to be emerging amongst those aged between 18 and 54, as these intensify their smartphone use in conducting internet banking and effecting payments. Novel mobile payment apps launched in recent years coupled with the onset of the pandemic, could very well be leveraging consumers' adoption of digital payments.

Unquestionably, digital marketing is the most effective at driving traffic and ultimately conversions, with a sizeable chunk of digital buyers claiming to have completed a purchase following a digital sales prompt - 45% after viewing online ads, 26% following a post/ad on social media and 22% after receiving a promotional e-mail. Only 15% have followed-through an advert on traditional media (TV, newspaper or magazine) whilst 13% are not generally influenced by marketing tactics.

The allure of online marketplaces is surely not lost on consumers in Malta, with the vast majority of digital buyers mentioning at least one marketplace from where they regularly make their purchases. While consumers are most heavily influenced by price, digital buyers also value customer service and product variety, even if at a lesser extent. There is also a clear indication of increased confidence in online shopping, as only 6% of digital buyers claimed that the presence or lack thereof of security measures was one of the main factors affecting their online purchasing decisions.

Although online buying by the Maltese population is predominantly from sites abroad, the study highlights a clear predisposition towards buying from local websites. Over these last few years, a number of local eCommerce sites have sprouted on the internet, intently enticing the Maltese population into buying online. This increase in e-shops could be attributed to various factors, such as, the eCommerce Grant scheme rolled out in the last 3 years (financial assistance granted to business in establishing an eCommerce website), the COVID-19 pandemic, which forced both retailers and people into compulsory online transactions to stay safe during these times.

Remarkably, a sizeable 53% of digital buyers now also buy from online suppliers based in Malta – a notable improvement from previous surveys. During this last year, one out of every three digital buyers purchased their daily needs over the internet – an impressive growth for online grocery shopping which was still far behind non-food online shopping. It will be interesting to see whether (and to what extent) this behaviour will stick post-COVID. Meanwhile, 13% of digital buyers prefer to buy from local eCommerce sites whilst another 59% make no distinction between local and foreign sites. Slightly less than a third, prefer to purchase from foreign online shops.

As the pandemic led to restrictions being imposed, consumers, irrespective whether these are avid eCommerce users or prefer buying in-store, had to somewhat modify, their shopping habits - 27% of digital users reported to have increased their online shopping during COVID-19 and a mere 1 % claimed to have purchased online for the first time. Another 57% reported no changes in their digital shopping whilst 15% claimed to have decreased their online shopping.

Looking ahead, 15% of digital users foresee an increase in their online purchasing whilst 76% don't envisage any changes in their online shopping behaviour. Only 9% and 1% respectively intend to decrease their eCommerce activity or stop completely.

On the other end of the spectrum, the eCommerce sceptics cite a number of reasons for not shopping online – 59% are not interested or motivated, 35% enjoy the physical store experience and 25% prefer to see and try on items before committing to a purchase, amongst others.



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The long-term effects of this pandemic on eCommerce are still to be seen. Could this be a catalyst for eCommerce growth in Malta?

*Additional information*

The fieldwork for this study was undertaken during August and September 2020. The sample population was stratified proportionately according to the actual population, by gender and age.