

MCA Market Research

Findings from the latest Business Perceptions Survey concerning electronic communications services

Part 1

MCA reference: MCA/S/24-5300



MALTA COMMUNICATIONS AUTHORITY

Scope and Methodology



Scope

- This survey focuses on the perceptions of micro, small, medium and large businesses. A separate presentation (Part 2) is also available, where the findings presented in Part 2 exclude micro-enterprises.
- Provides insight on preferences concerning the purchase of electronic communications services:
 - extent of take-up of different services (voice telephony and data connectivity services)
 - average monthly expenditure
 - satisfaction with quality of services
 - awareness on the functions of the MCA
- Ensure representativeness and robustness of findings:
 - sample mirrors the business divide in Malta
 - target respondents include micro-sized enterprises (given the nature of Maltese businesses), small, medium and large enterprises.
- Findings presented in this document may not be directly comparable with survey findings for a similar survey carried out in 2021 when COVID influenced the outcomes.

Methodology

EMCS Advisory Ltd carried out survey fieldwork between January and February 2024

Fieldwork

- Telephone interviews lasting between 15 and 20 minutes.
- Participants consist of business enterprises in Malta.

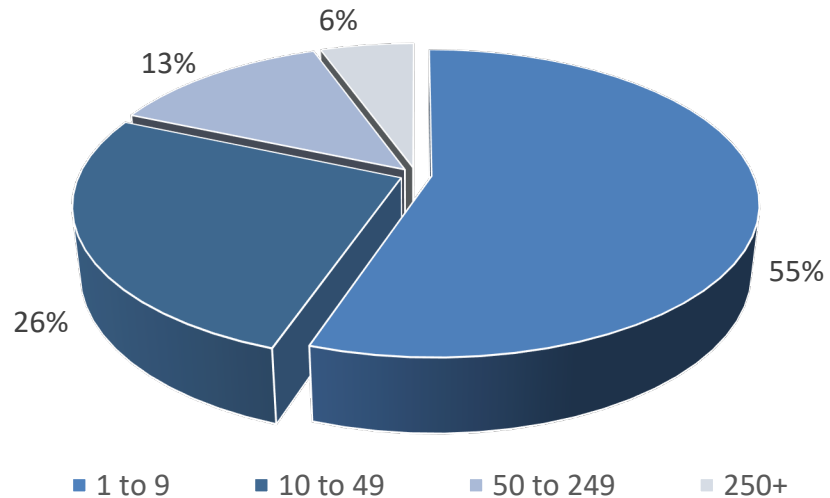
Sample

- Sample size representatively distributed across 15 pre-defined industries of the business sector in Malta.
- The sample consists of:
 - 220 micro-enterprises
 - 104 small businesses
 - 52 medium-sized businesses
 - 24 large businesses.

Responses

- 400 survey respondents

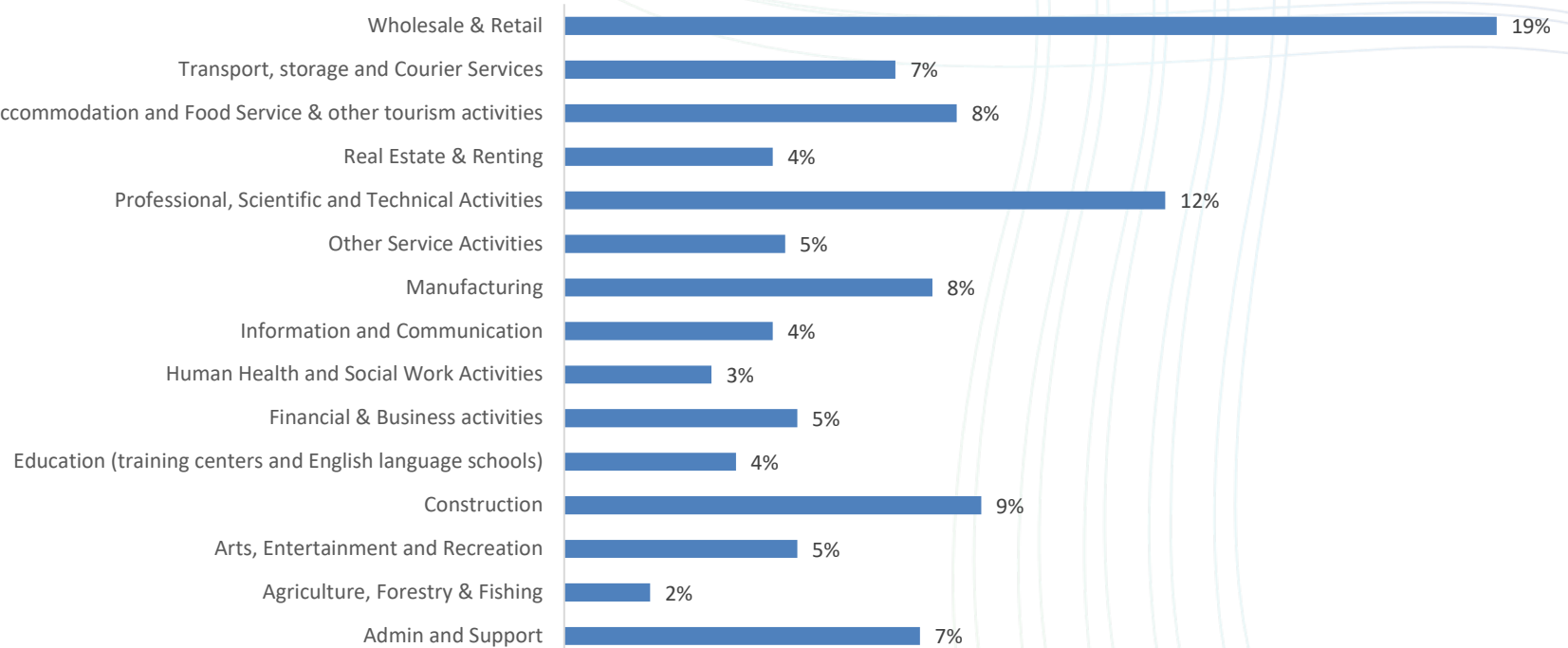
Share of respondents by business size



- 55% of the businesses are micro enterprises (with 0-9 employees).
- 26% of the businesses are small enterprises (10-49 employees)
- 13% are medium sized businesses (50+249 employees), whilst the remaining 6% are large sized businesses (50+ employees).

Share of respondents by NACE classification

Total number of businesses: 400



Key findings



Key Findings (1/3)

- **Share of subscriptions by service:**

- Increase in number of subscriptions for fixed telephony and fixed broadband.

- **Average monthly expenditure for ECS:**

- Business respondents which purchased fixed telephony, mobile telephony and fixed broadband as a stand-alone service and bundled services spent up to €99 monthly. Indeed, 68%, 66%, 69% and 53% of respondents within each ECS segment outlined above fell within this expenditure bracket respectively.

- **Satisfaction with the quality of the service:**

- Most of the business respondents expressed satisfaction with the quality of service they received, with a satisfaction rate exceeding 75% being recorded in each group except for 'Other data services,' where a satisfaction rate of 60% was recorded, marking a drop from 73% in 2021.
- Bundles remain the most satisfactory service, with 81% of the business respondents indicating satisfaction with this service in 2024 (80% in 2021).

Key Findings (2/3)

- **Mobile broadband:**

- 63% of mobile broadband subscribers make use of mobile broadband on a regular basis, up from 59% in 2021.
- The majority of business respondents (81%) use mobile broadband to access their email, down from 90% in 2021.
- More businesses are making use of mobile broadband to access OTT-based interpersonal communications, increasing from 69% of mobile broadband users in 2021 to 75% in 2024.

- **Use of OTT-based interpersonal communication**

- 80% of all business respondents make use of OTT services.
- 96% of OTT subscribers make use of the services on a regular basis.
- 56% of the businesses utilize multiple OTT services.
- 93% of businesses make use of OTT-services for messaging/chat purposes, 46% for voice communication and 17% for video/audio/TV content purposes.

Key Findings (3/3)

- **Switching:**

- The total number of business that switched operators remained constant, declining slightly from 38 switches in 2021 to 39 switches in 2024. The outcomes on a more disaggregated level are as follows:
 - From 22 switches in 2021 to 26 switches in 2024 for stand-alone subscribers, and
 - From 16 switches in 2021 to 13 switches in 2024 for bundled subscribers.

- **Bundles:**

- The number of business respondents purchasing ECS in a bundle increased. Specifically, there was a:
 - 6-percentage point increase in services purchased solely as part of a bundle, and;
 - 9-percentage point increase in business respondents purchasing ECS services as part of a bundle alongside other standalone services.

- **Other data services:**

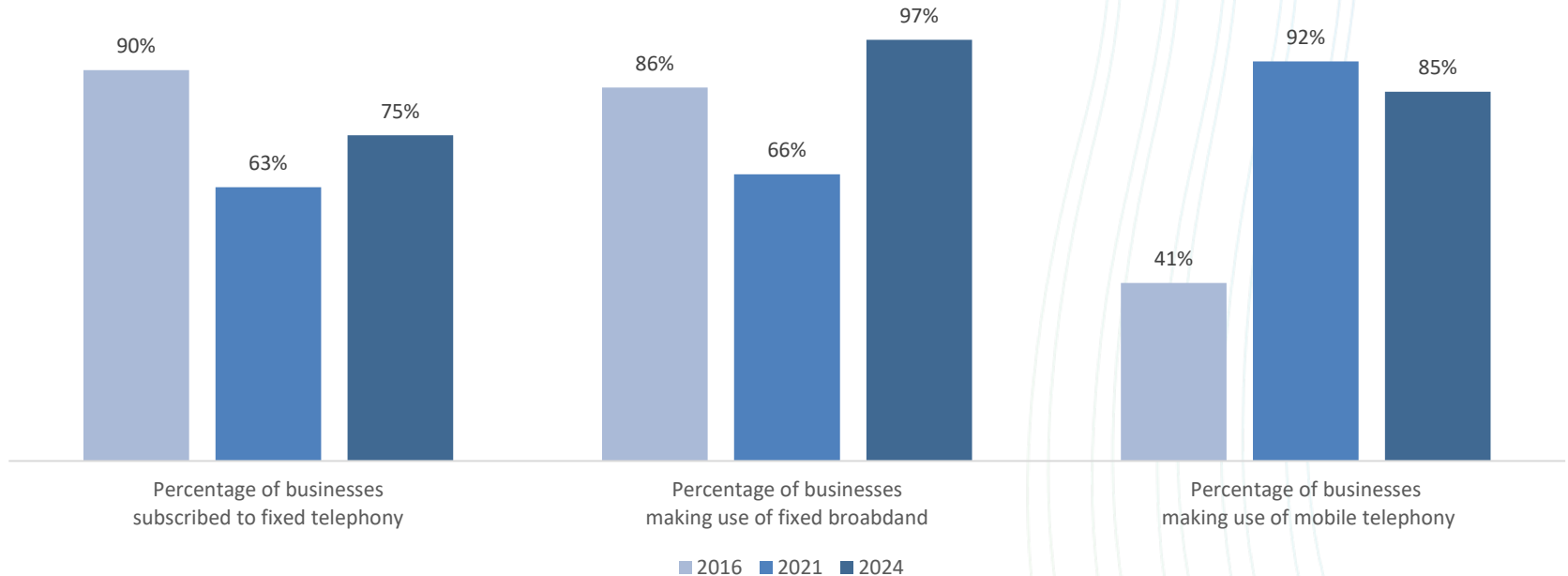
- Overall, the number of business respondents making use of other data services increased by 6-percentage points, reaching 14% in 2024.
- 54% of other data service users make use of more than one alternative data source in their business activities (18% in 2021).

General Overview



Take-up and usage

Total number of business respondents: 400

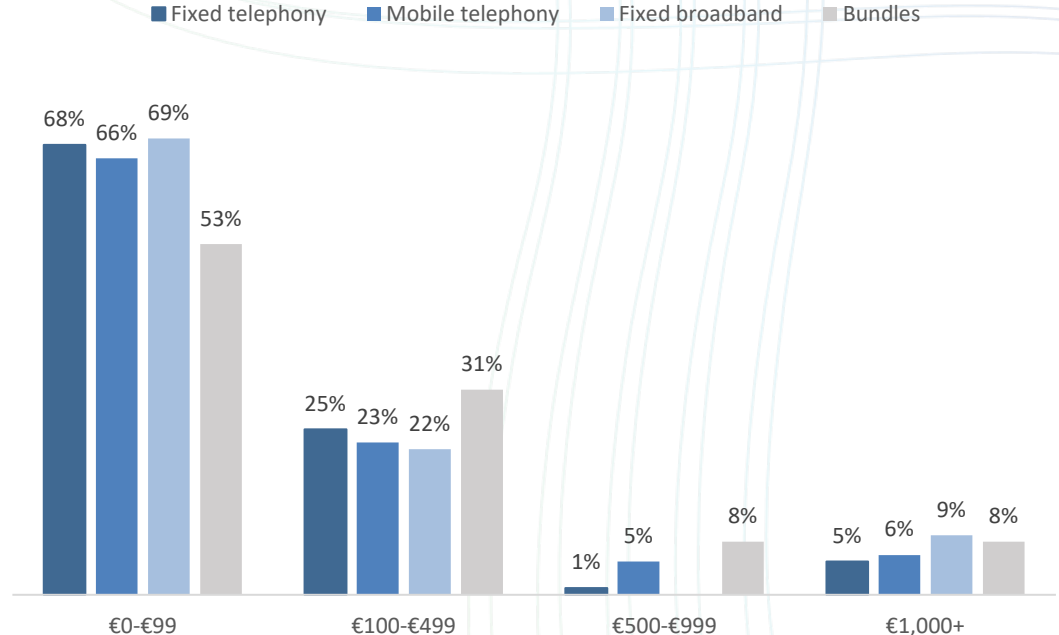


Monthly expenditure

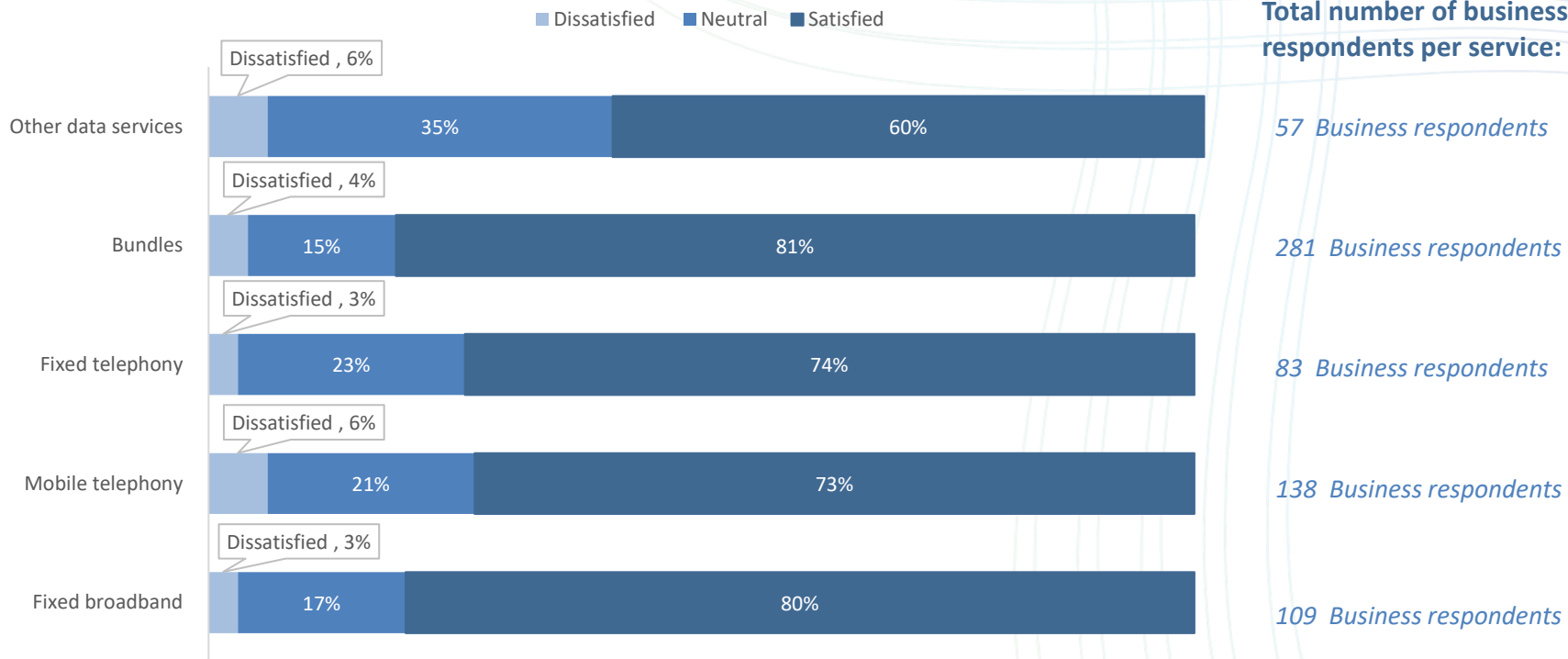
Findings based on responses from businesses that are aware of their monthly expenditure (by each stand-alone/bundled service):

- **Fixed telephony connection:** n=83 (i.e. 20.8% of total business respondents)
- **Mobile telephony connection:** n=138 (i.e. 34.5% of total business respondents)
- **Fixed broadband:** n=109 (i.e. 27.3% of total business respondents)
- **Bundles:** n=281 (i.e. 70.2% of total business respondents).

The term 'n' refers to the number of respondents



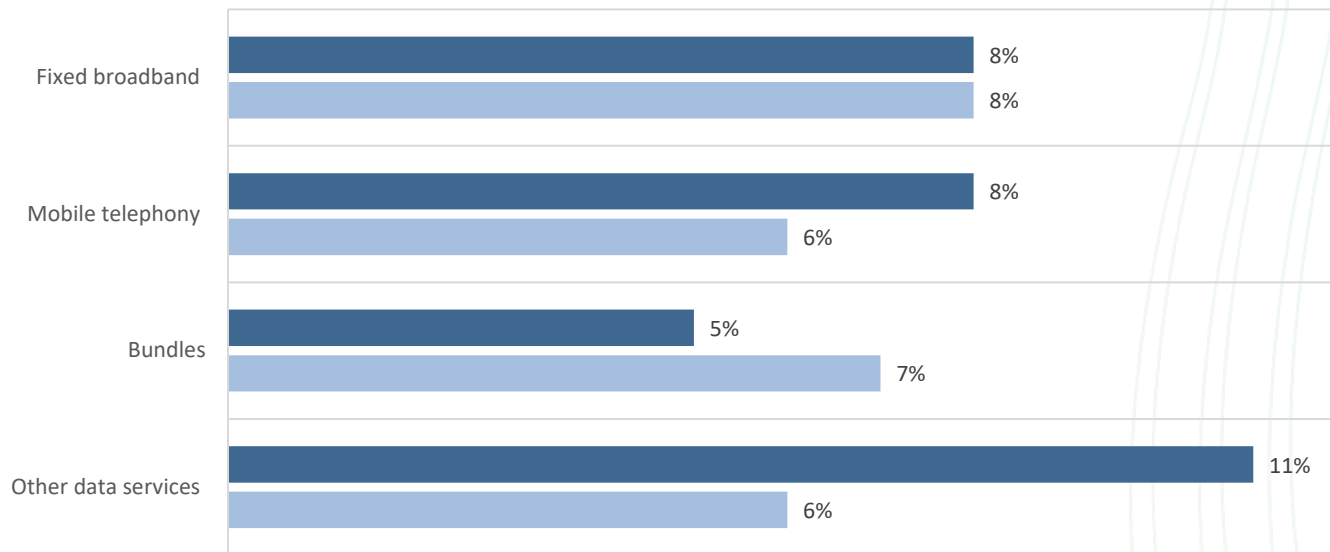
Quality of service and user satisfaction



Switching

Share of respondents that switched their operator in the two years preceding the survey: 39 (i.e. 9.8% of all business respondents).

■ 2024 ■ 2021



Total number of business respondents per service:

9 Business respondents

5 Business respondents

11 Business respondents

15 Business respondents

13 Business respondents

16 Business respondents

6 Business respondents

2 Business respondent

Fixed Telephony

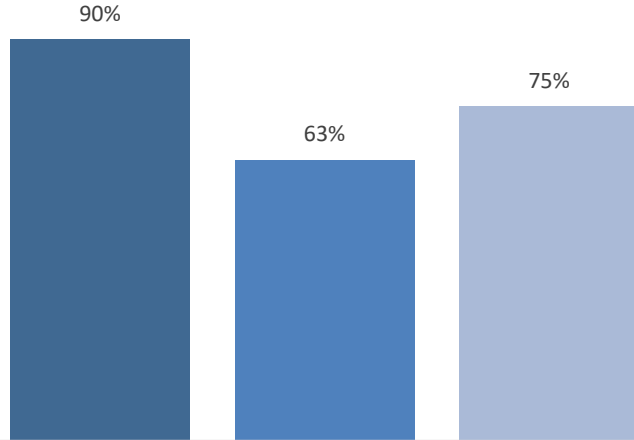


Fixed telephony (1/3)

Percentage of businesses purchasing a fixed line connection

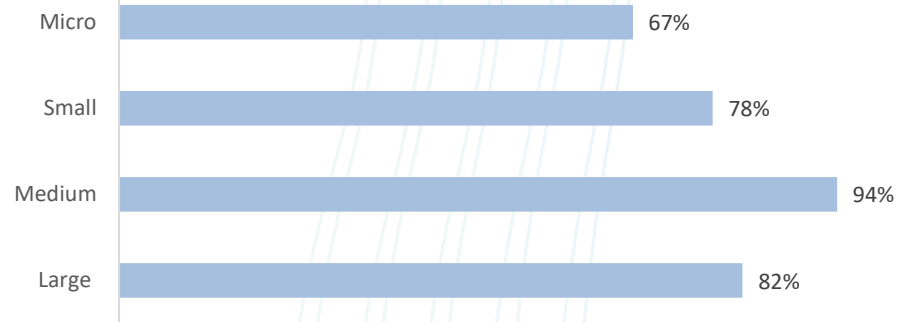
Number of business respondents with a fixed line connection: 298

i.e. 75% of all business respondents



Percentage of businesses having a fixed line connection

■ 2016 ■ 2021 ■ 2024



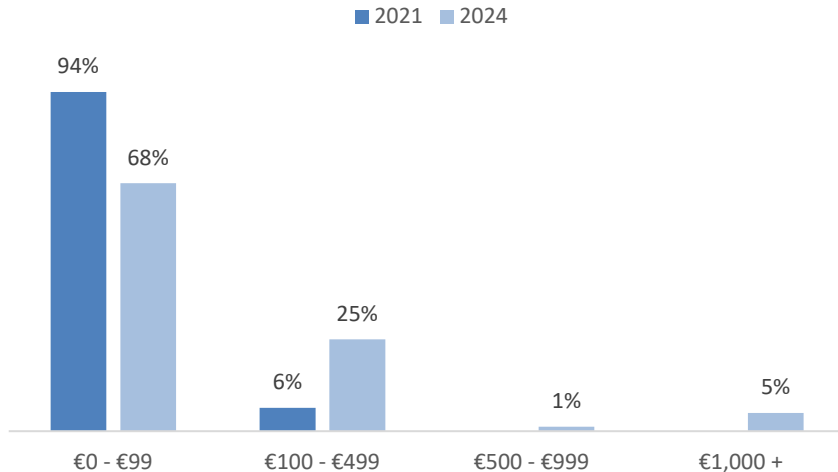
- The table above outlines the share of respondents, by size of business, that have a fixed line connection.

Fixed telephony (2/3)

Average monthly expenditure on fixed line telephony as a stand-alone service

Number of business respondents with a stand-alone fixed telephony connection: 83

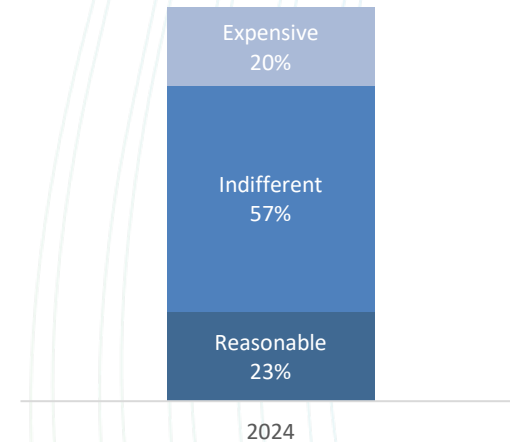
70 of which (or 84%) are aware of their monthly expenditure



Perceptions on monthly expenditure

Business respondents who know their monthly expenditure : 70

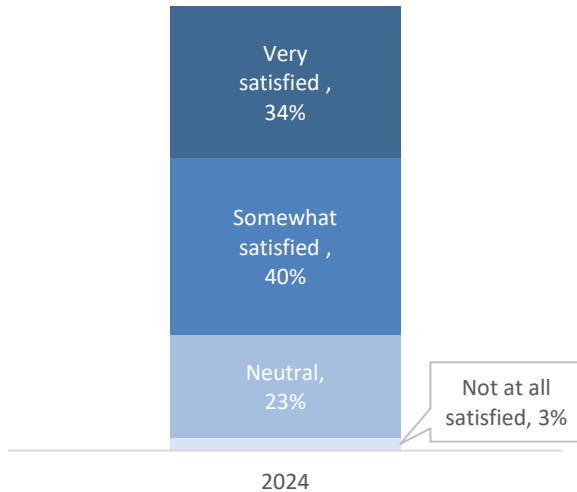
This question is not asked to businesses that use both bundle and stand-alone services, thus the differing sample size.



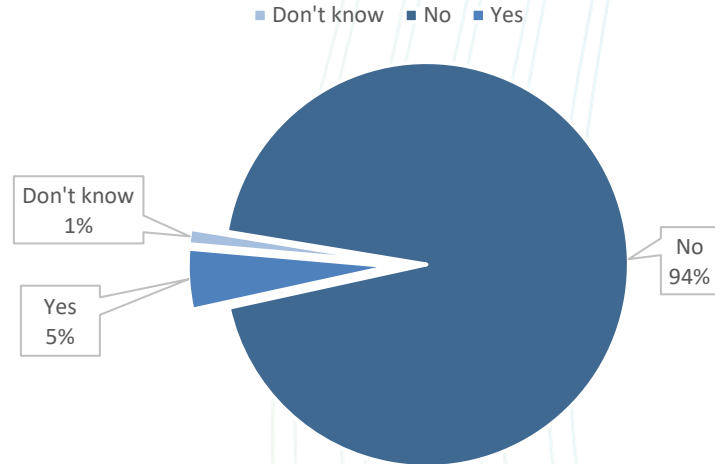
Fixed telephony (3/3)

Number of business respondents with a stand-alone fixed telephony connection: 83
(This question was not asked in the previous study)

Satisfaction with the service



Potential service discontinuation - next 6 to 12 months



Mobile Telephony

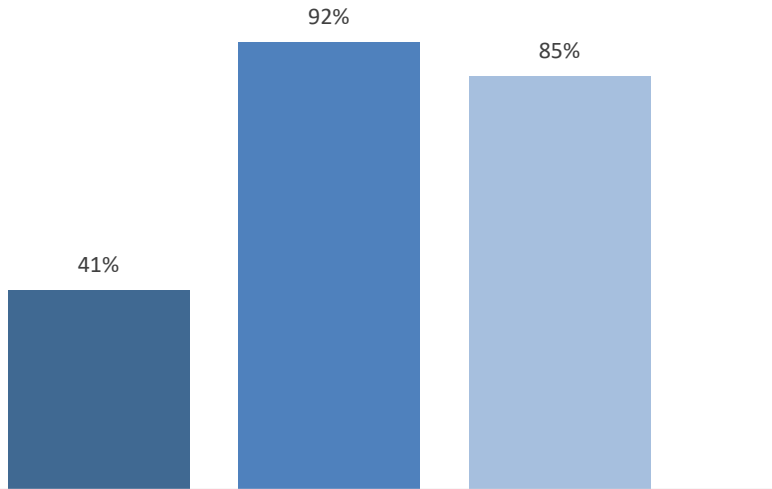


Mobile telephony (1/5)

Percentage of business respondents purchasing mobile telephony

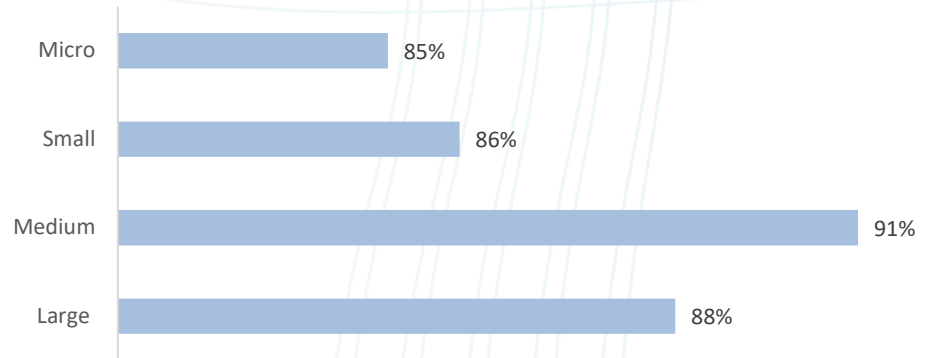
Total number of business respondents purchasing the service: 342

i.e. 85% of business respondents



Percentage of businesses making use of mobile telephony

■ 2016 ■ 2021 ■ 2024



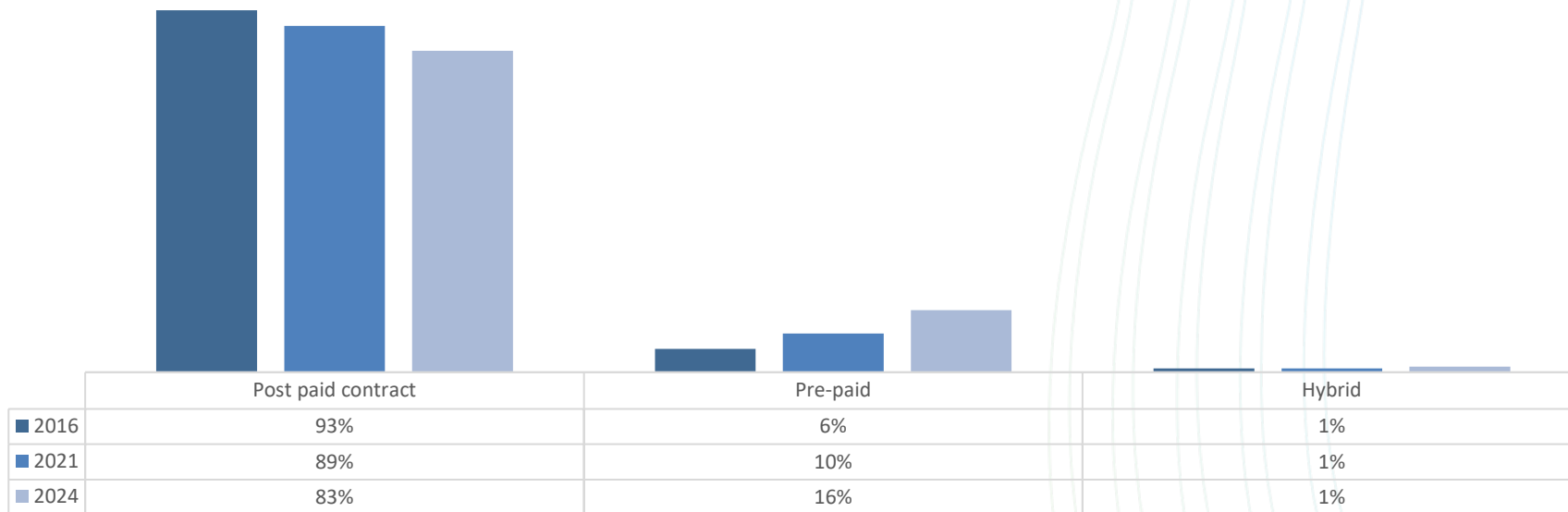
- The table above outlines the share of respondents, by size of business, that have a mobile telephony subscription.

Mobile Telephony (2/5)

Profile of subscriptions – by type of plan offered to employees

Number of business respondents purchasing mobile telephony as a stand-alone: 138

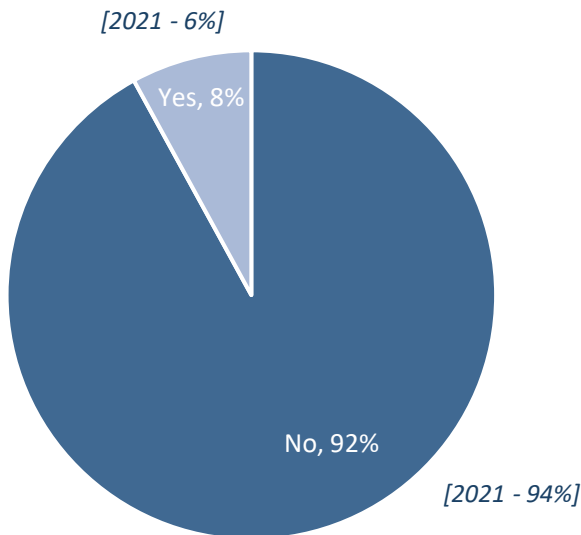
i.e. 40% of all business respondents with a mobile telephony subscription



Mobile telephony (3/5)

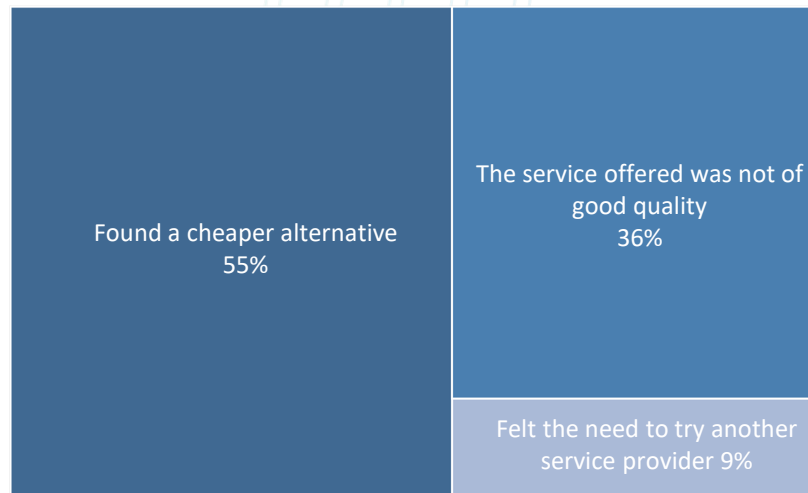
Switching in the last two years

Number of business respondents purchasing mobile telephony as a stand-alone: 138



Reason(s) for switching service provider

Number of business respondents who switched their stand-alone mobile operator in the last 2 years: 11



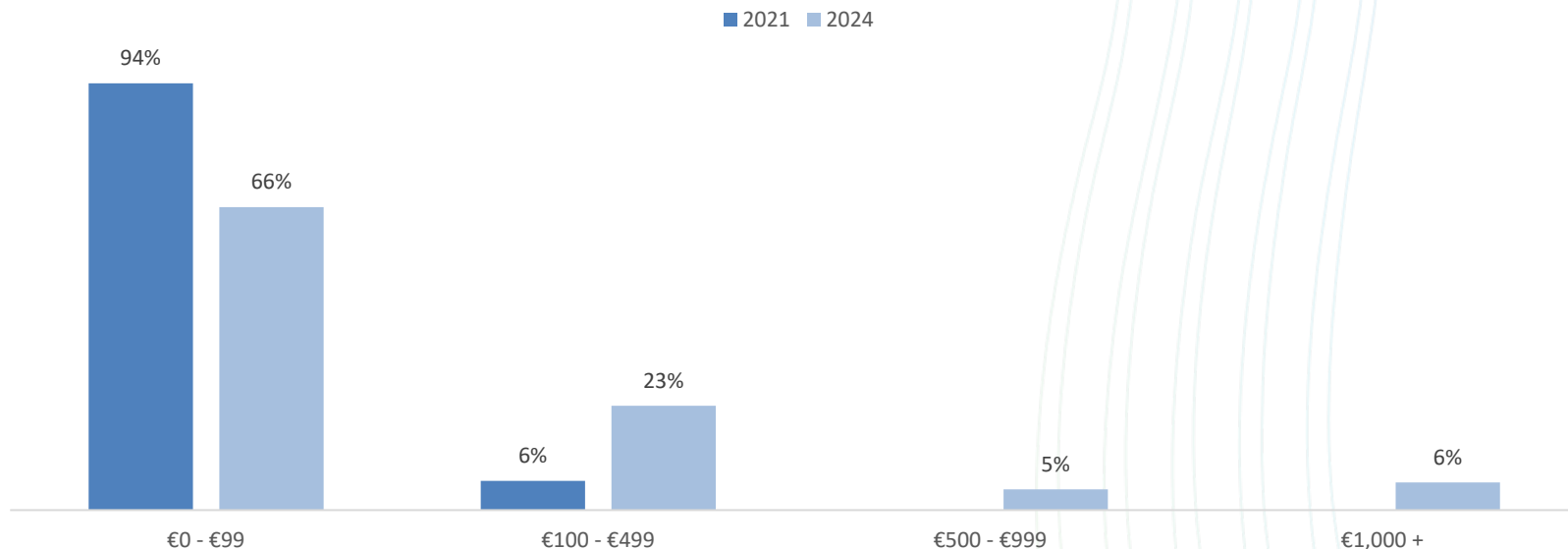
NB: These results should be interpreted with caution, given the small sample size (n=11).

Mobile telephony (4/5)

Average monthly expenditure on mobile telephony as a stand-alone

Number of business respondents purchasing mobile telephony as a stand-alone: 138

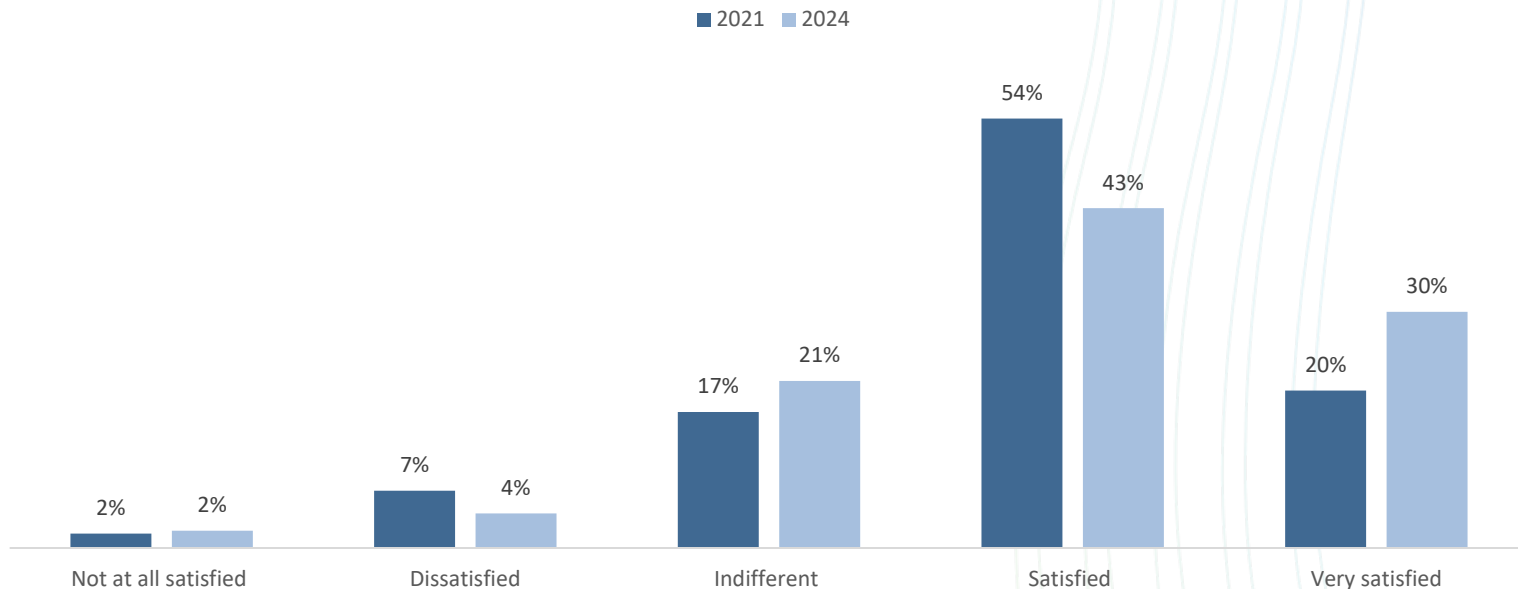
131 of which (i.e. 95%) are aware of their monthly expenditure



Mobile telephony (5/5)

Satisfaction with the mobile telephony service

Number of business respondents purchasing mobile telephony as a stand-alone: 138



Mobile Broadband

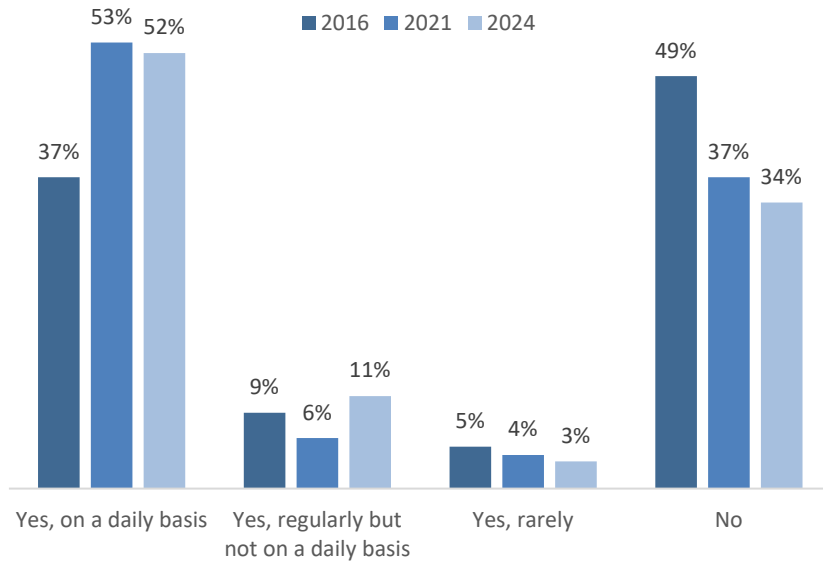


Mobile broadband (1/3)

Percentage of business respondents making use of mobile broadband services

Total number of business respondents using mobile broadband: 264

i.e. 66% of the total number of business respondents



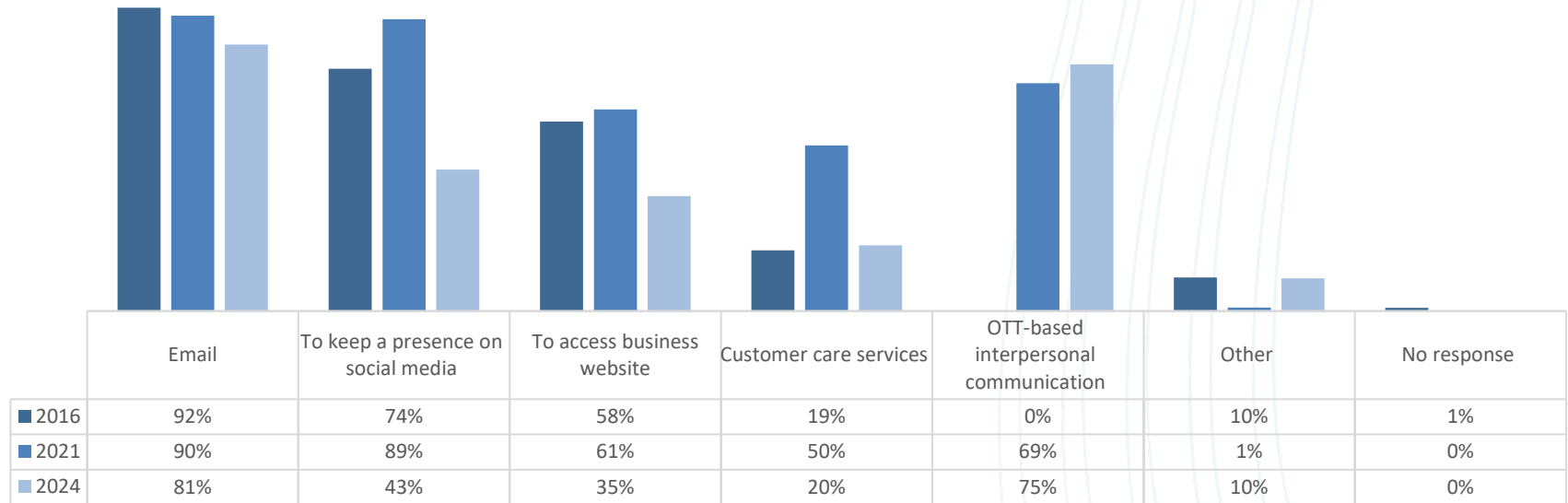
- The table above outlines the share of respondents, by size of business, that have actively use mobile broadband services.

Mobile broadband (2/3)

Scope of using mobile broadband

Number of business respondents using mobile broadband: 264

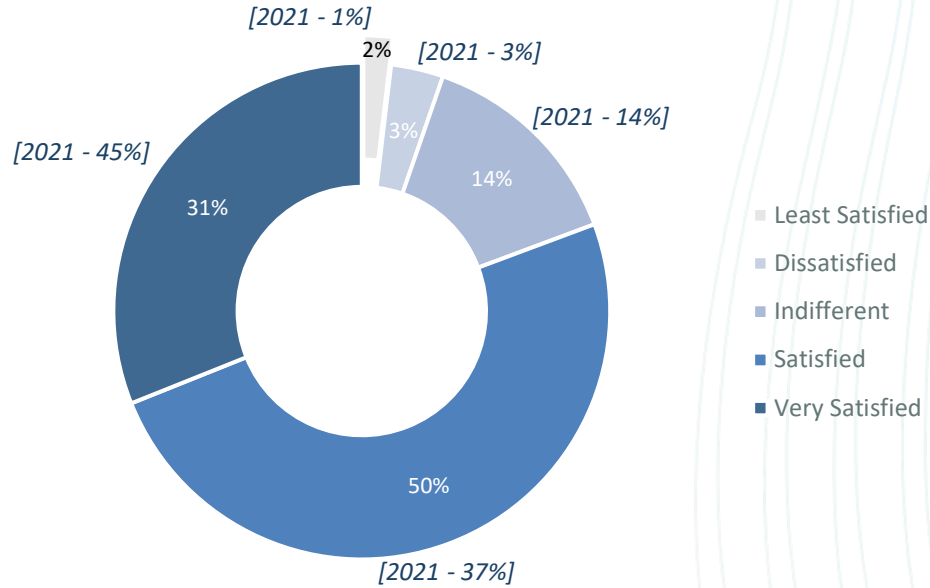
(Respondents could provide multiple answers)



Mobile broadband (3/3)

Satisfaction with the mobile broadband service

Number of business respondents using mobile broadband: 264



Fixed Broadband

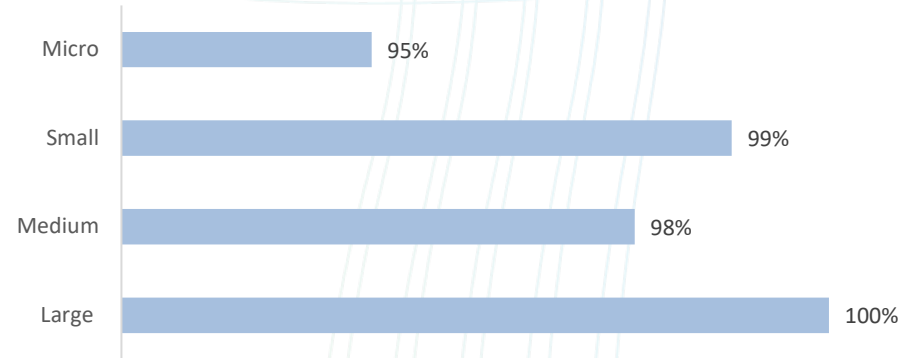


Fixed broadband (1/5)

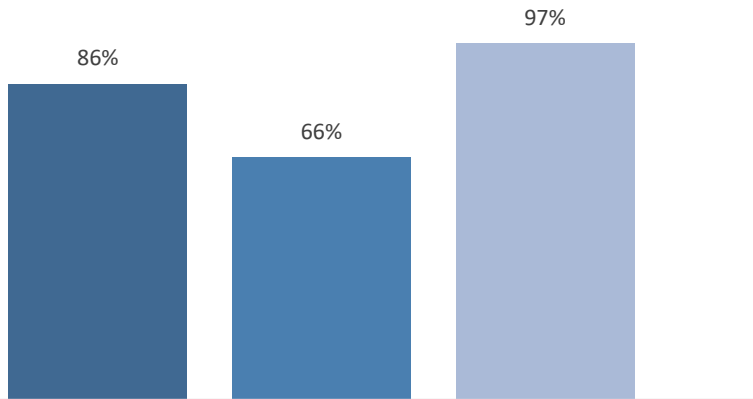
Percentage of business respondents having an internet connection

Total number of business respondents with an internet connection: 388

i.e. 97% of the total fixed broadband connection



- The table above outlines the share of respondents, by size of business, that have an internet subscription.



Percentage of businesses having a fixed broadband connection

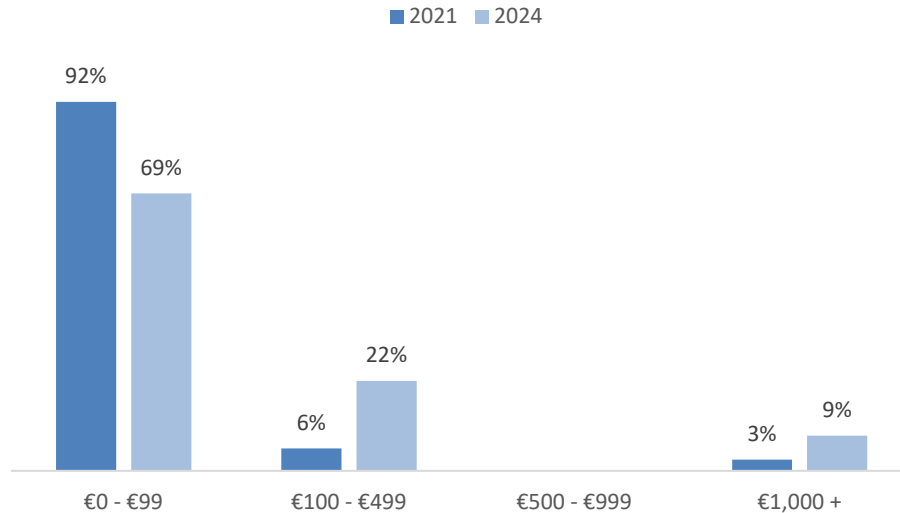
■ 2016 ■ 2021 ■ 2024

Fixed broadband (2/5)

Average monthly expenditure on the service

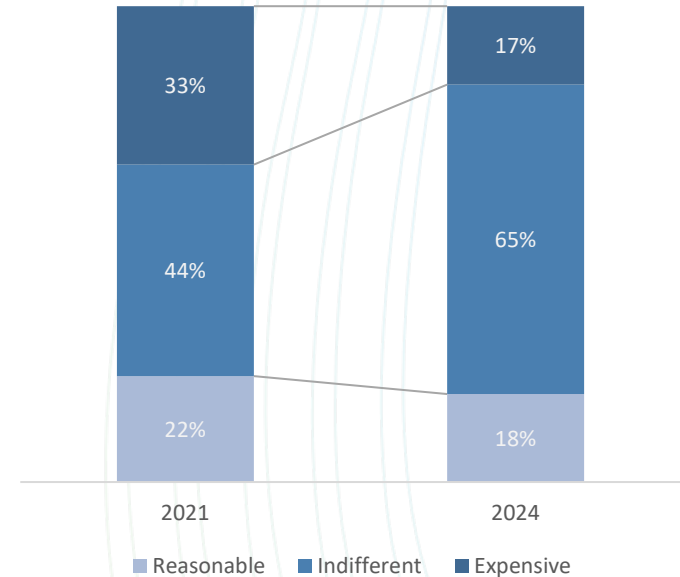
Business respondents with a stand-alone internet connection:
109

103 of which (or 94%) are aware of their monthly expenditure



Perceptions on monthly expenditure

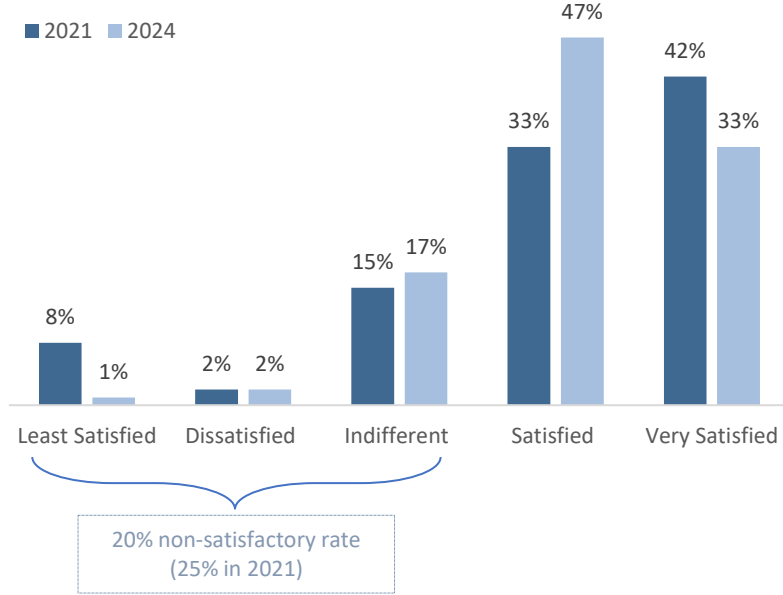
Business respondents on a stand-alone connection that
know their expenditure : 103



Fixed broadband (3/5)

Satisfaction with the service

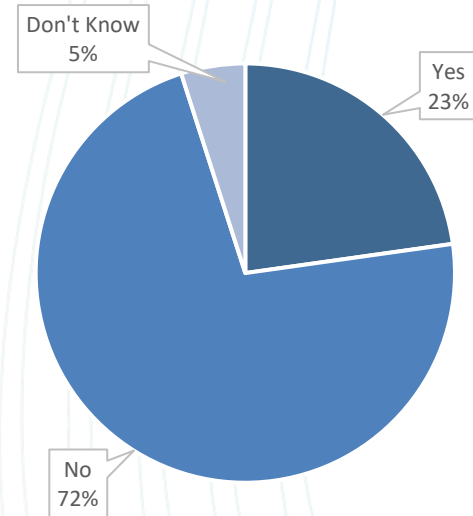
Number of business respondents with a stand-alone connection: 109



Consideration of switching service provider

Number of business respondents which are dissatisfied with the service: 22

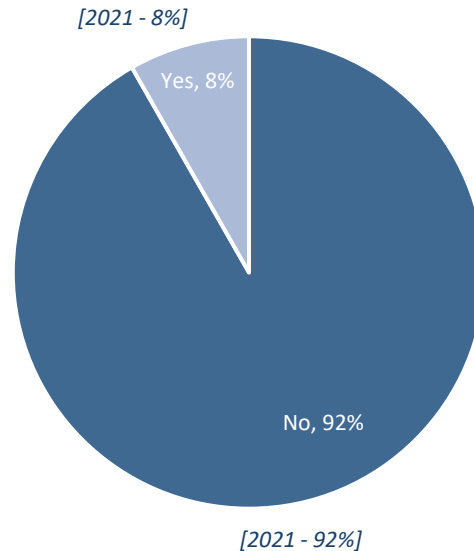
i.e. 20% of all stand-alone fixed broadband subscribers



Fixed broadband (4/5)

Switching over the last two years

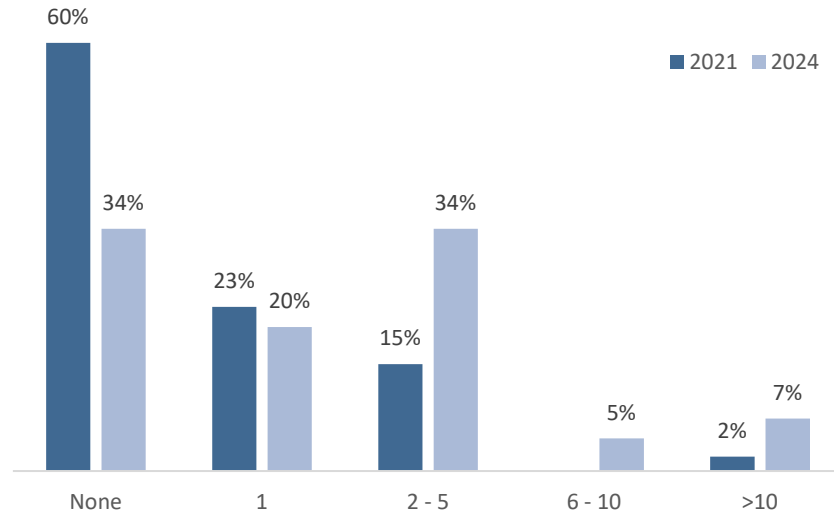
Number of business respondents with a stand-alone internet connection: 109



Fixed Broadband (5/5)

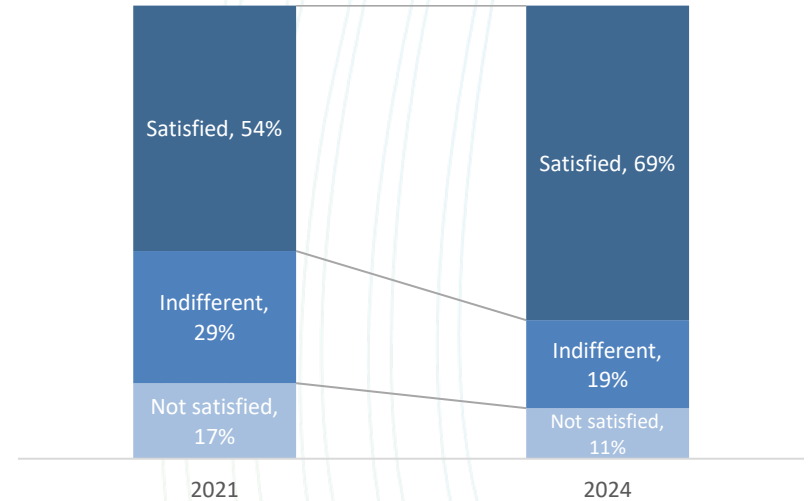
Connection problems during the last 12 months with the main service provider

Number of business respondents with a stand-alone connection: 109



Satisfaction with operators' resolution of service disruption

Number of business respondents reporting service disruption: 72



Over-The-Top services (OTTs)

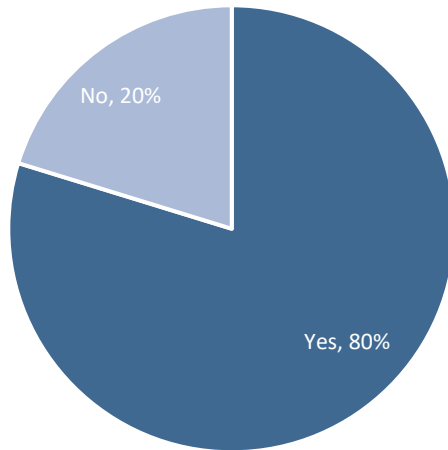


OTTs (1/3)

Extent of access of OTT services

Total number of business respondents: 400

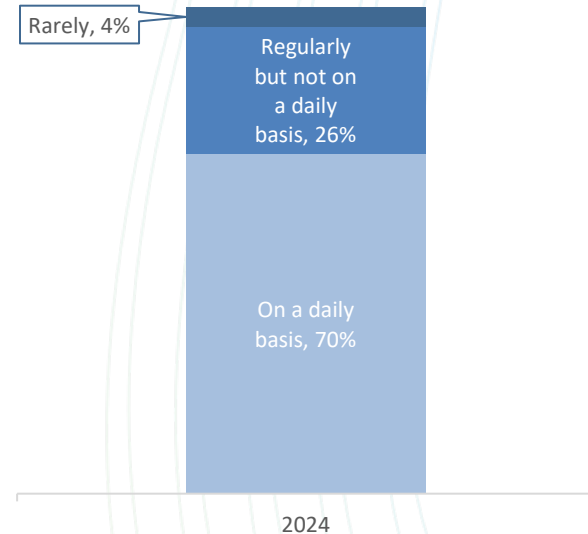
Comparisons with previous study could not be made as in the current study the respondents were not asked if they use OTT services on mobile broadband or on fixed broadband.



Frequency of use over the last three months

Number of business respondents that make use of OTT services: 319

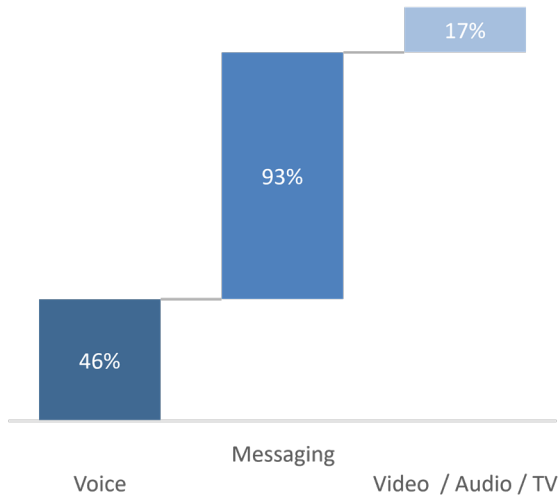
i.e. 80% of all business respondents



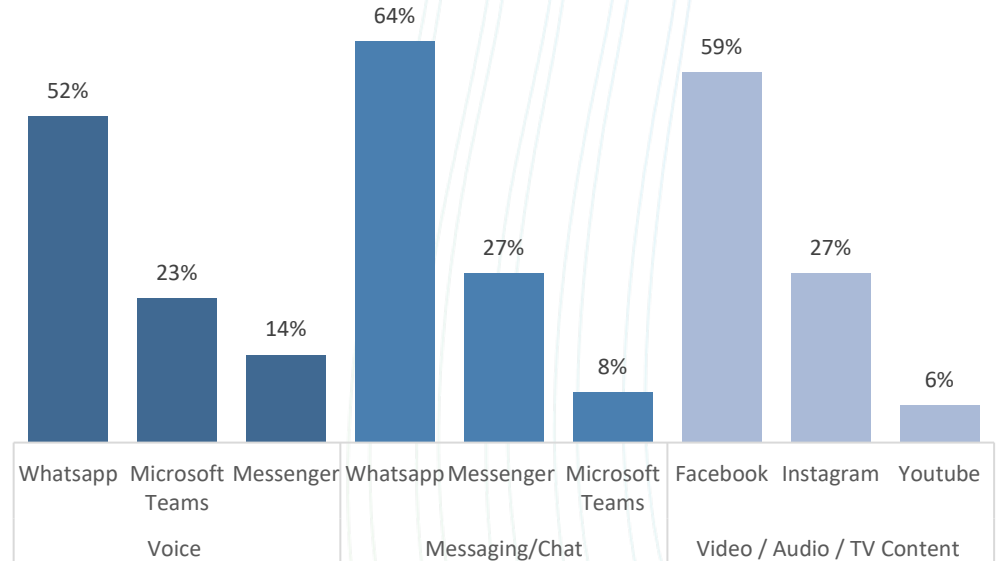
OTTs (2/3)

Number of businesses that make use of OTT services either via mobile broadband and/or via fixed broadband : 319
(Respondents could provide multiple answers)

Types of OTT services that are used



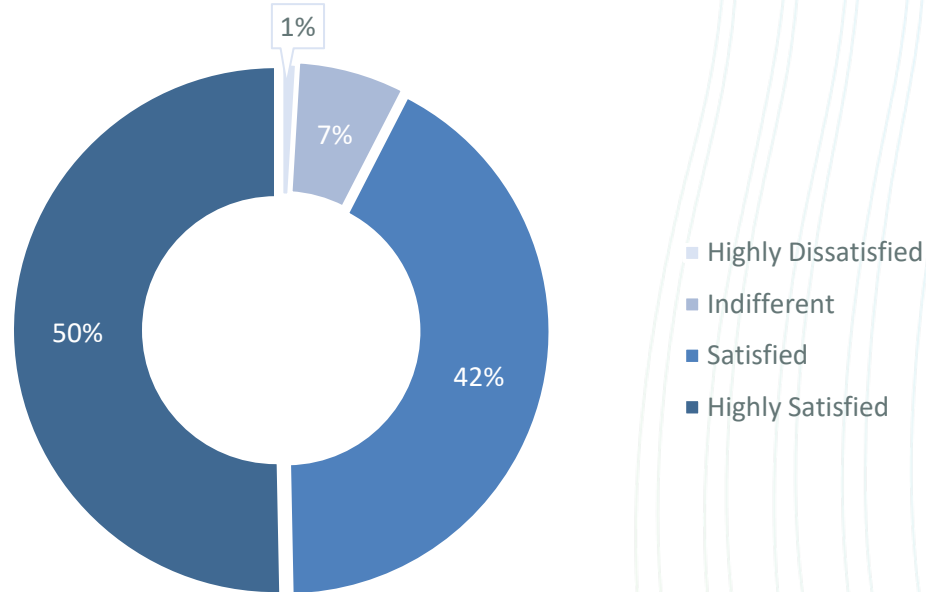
Three most preferred OTT platforms



OTTs (3/3)

Level of satisfaction with the use of OTTs

Number of businesses that make use of OTT services either via mobile broadband or via fixed broadband: 319



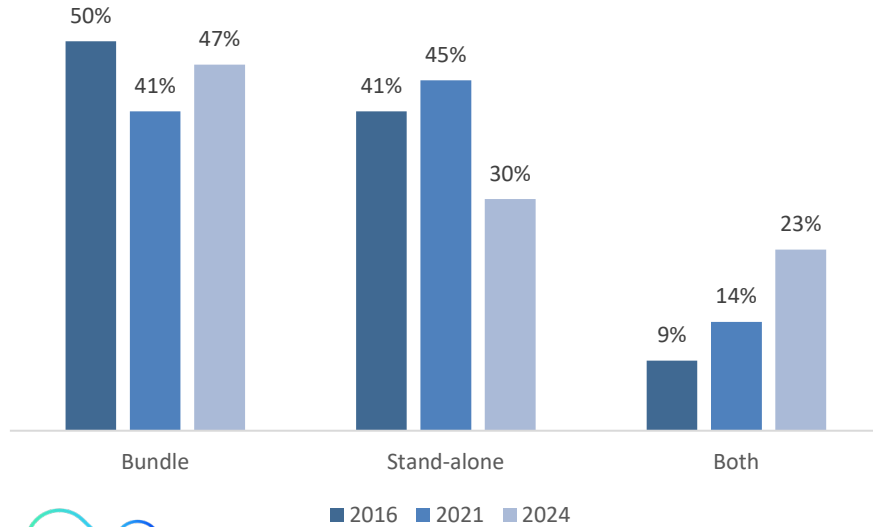
Bundles



Bundles (1/5)

Percentage of business respondents purchasing services stand-alone and/or in a bundle

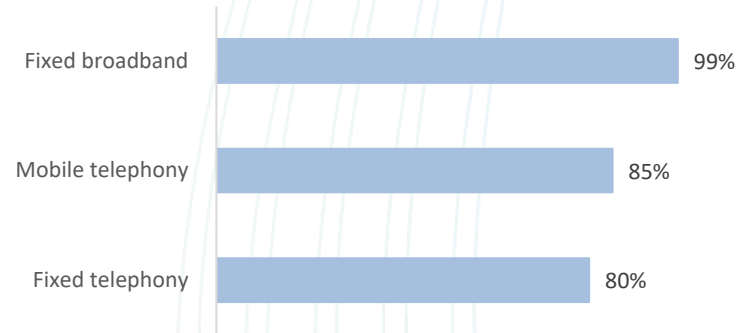
Total number of business respondents: 400



Propensity of bundles subscriptions across different services

Total number of business respondents purchasing a bundle of services: 281

i.e. 70% of total business respondents



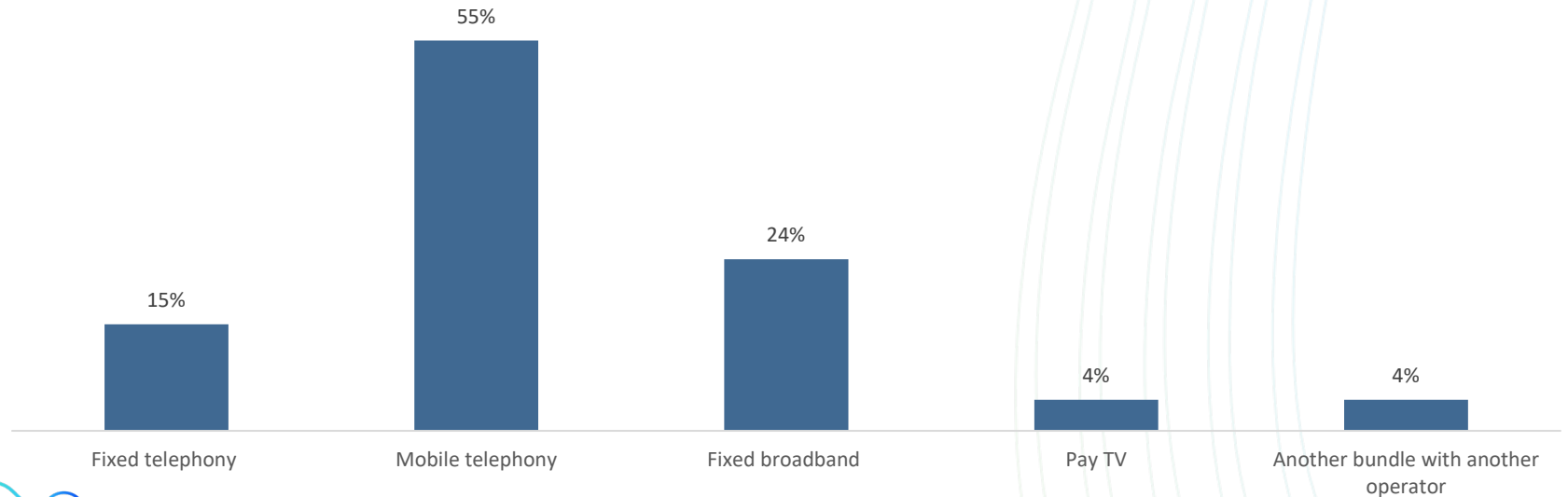
Bundles (2/5)

Subscription to another telecom service apart from the bundle subscription

Number of business respondents purchasing another telecom services apart from their bundle subscription: 91

i.e. 32% of all bundle subscribers also purchase a standalone service

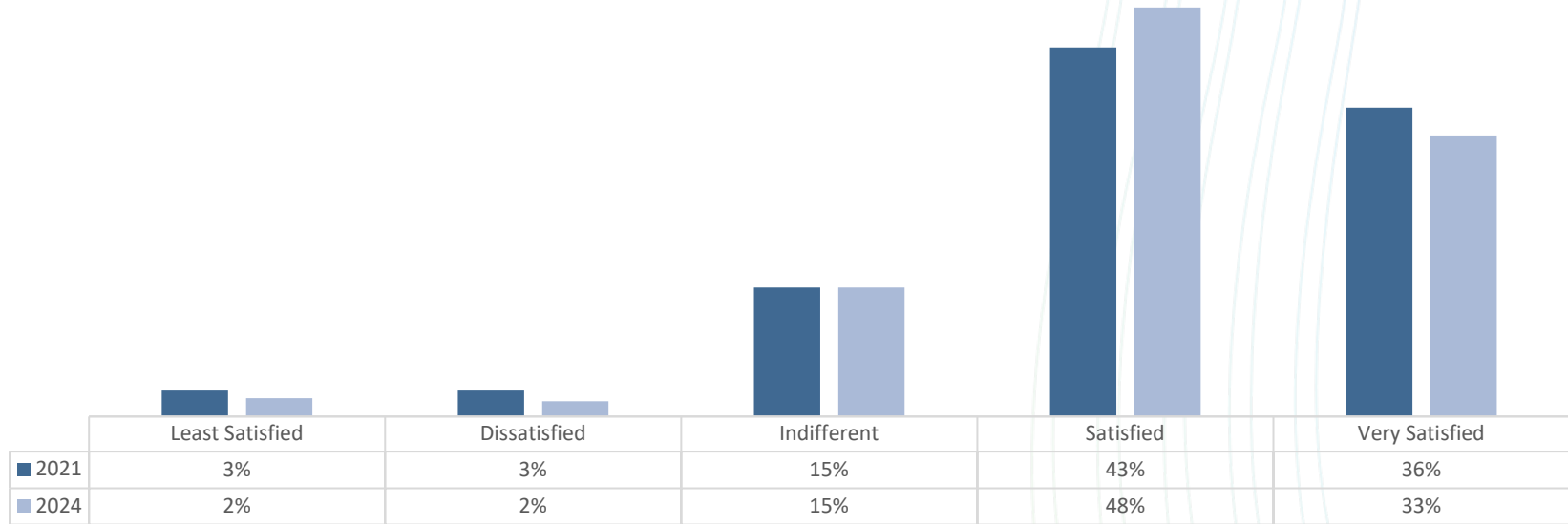
(Respondents could provide multiple answers as to which stand-alone service they purchase apart from the bundle subscription)



Bundles (3/5)

Satisfaction with the quality of service related to the bundle subscription

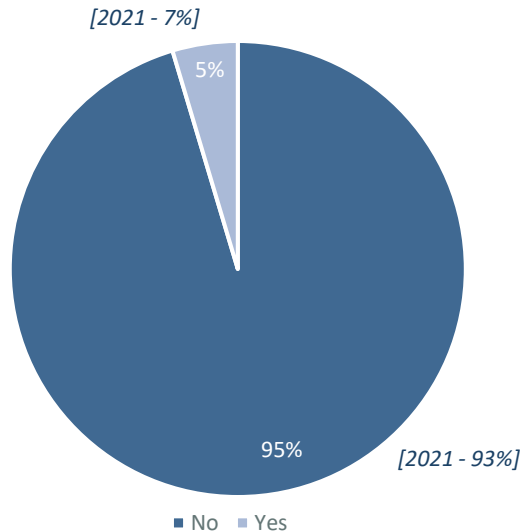
Number of businesses purchasing telecom services as a bundle: 281



Bundles (4/5)

Did the company ever switch operator in the last two years

Number of business respondents purchasing telecom services as a bundle: 281



Number of business respondents that switched their service provider: 13 (or 5% of all bundle subscribers)

Reasons

- The service offered was not of a good quality (69%),
- A cheaper alternative was found (46%).

Number of business respondents that are dissatisfied or indifferent but did not switch service provider: 51 (or 18% of all bundle subscribers)

Reasons

- All service providers offer the same service (31%),
- The service offered was of good quality (25%),
- Disruptive for business activity (24%),
- Other providers don't offer what the company needs (10%).

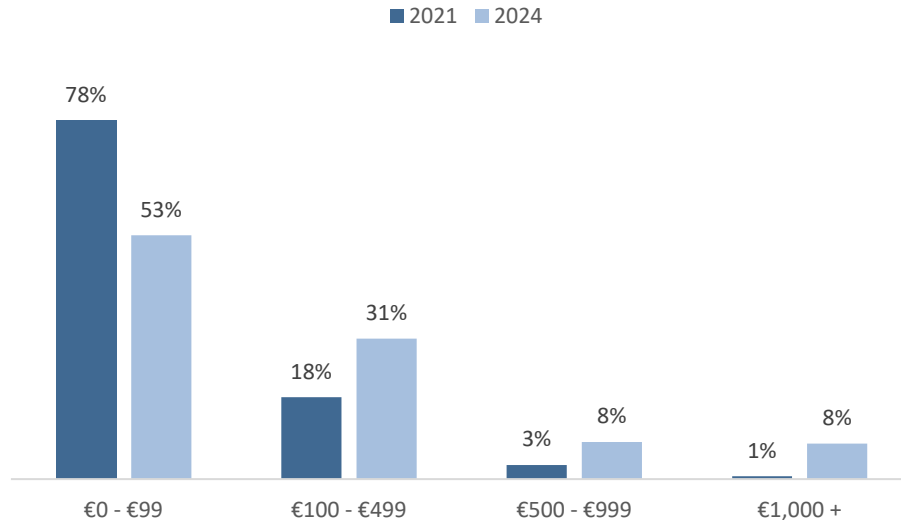
NB: These results should be interpreted with caution, given the small sample size.

Bundles (5/5)

Average monthly expenditure on bundles

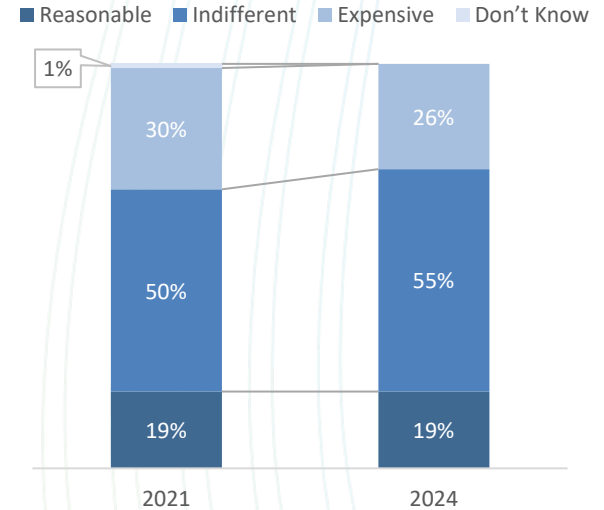
Number of business respondents purchasing a bundle subscription: 281

270 of which (or 96%) were aware of their monthly expenditure



Views on monthly expenditure

Number of business respondents knowing their expenditure on bundles: 270



High-end connectivity services

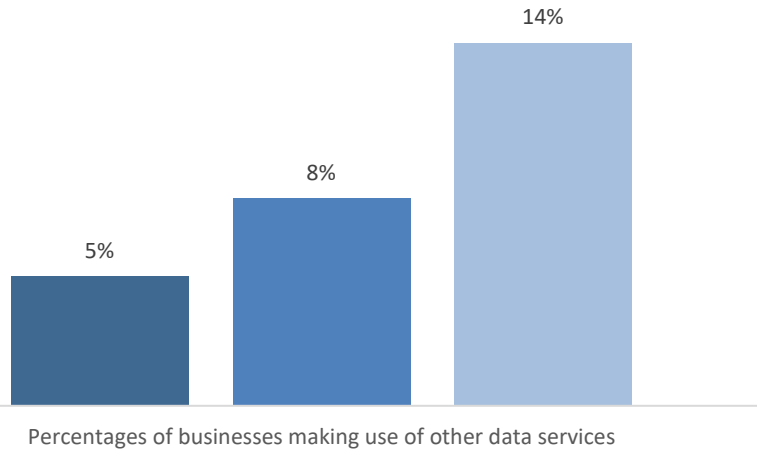


High-end connectivity services (1/5)

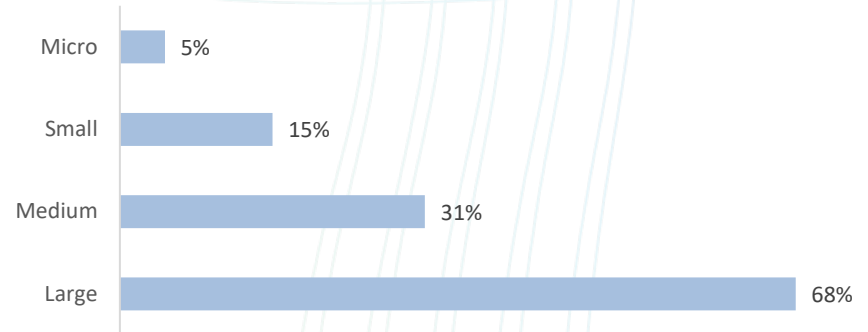
Use of non-standard data connectivity services

Total number of business respondents using other data services: 57

i.e. 14% of the total business respondents



■ 2016 ■ 2021 ■ 2024



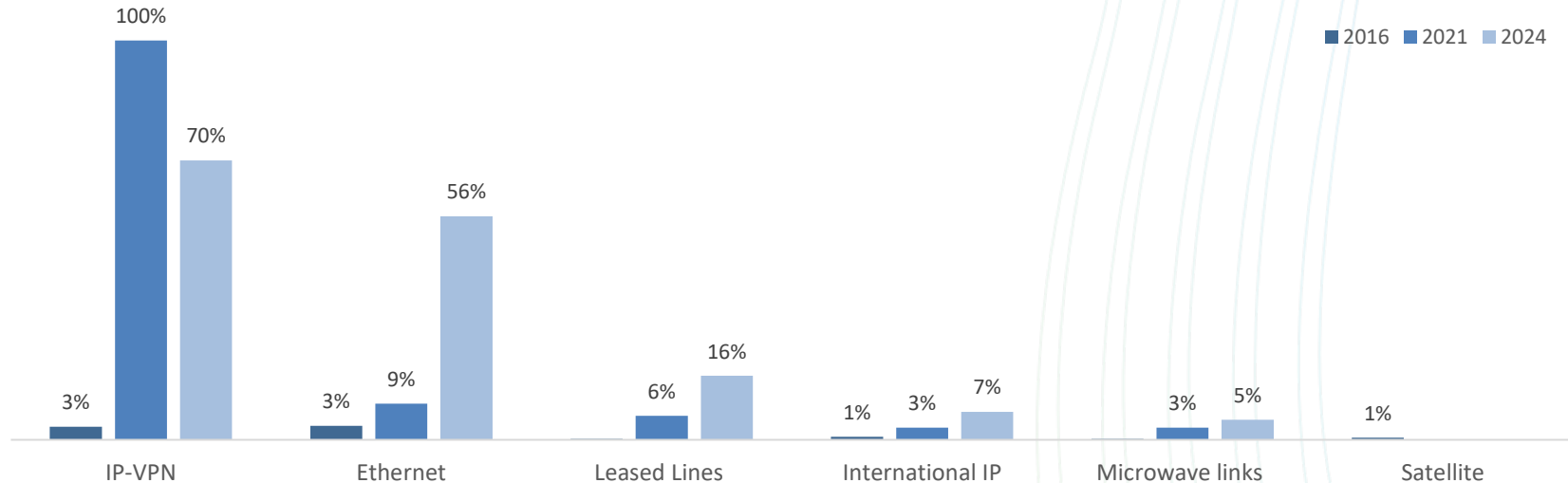
- The table above outlines the share of respondents, by size of business, that are subscribed to high-end connectivity services.

High-end connectivity services (2/5)

Usage of non-standard data connectivity services – by type of service

Number of business respondents making use of non-standard data services: 57

(Respondents could provide multiple answers)

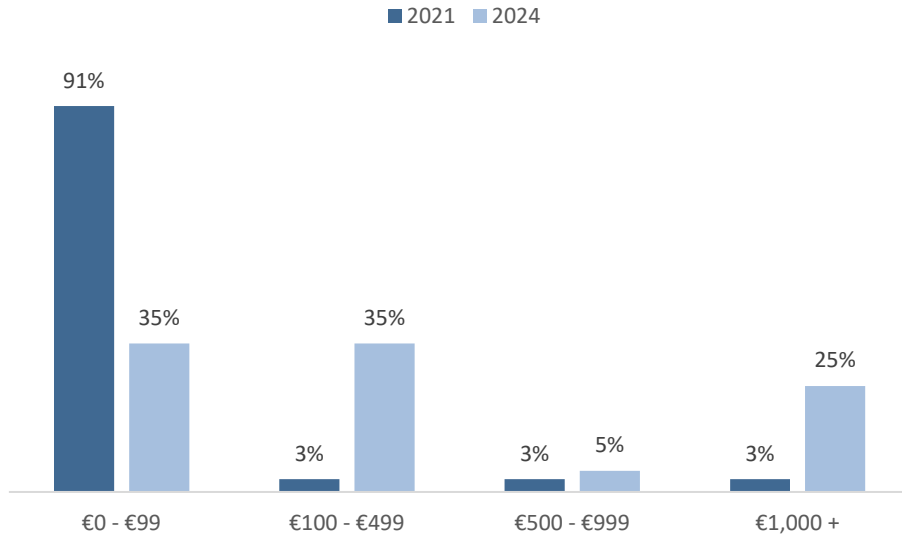


High-end connectivity services (3/5)

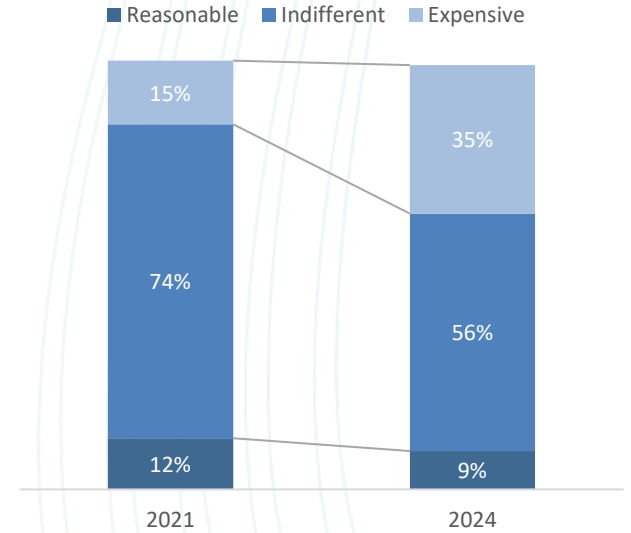
Number of business respondents making use of non-standard data connectivity services: 57

All business respondents were aware of their monthly expenditure for other data services

Monthly expenditure



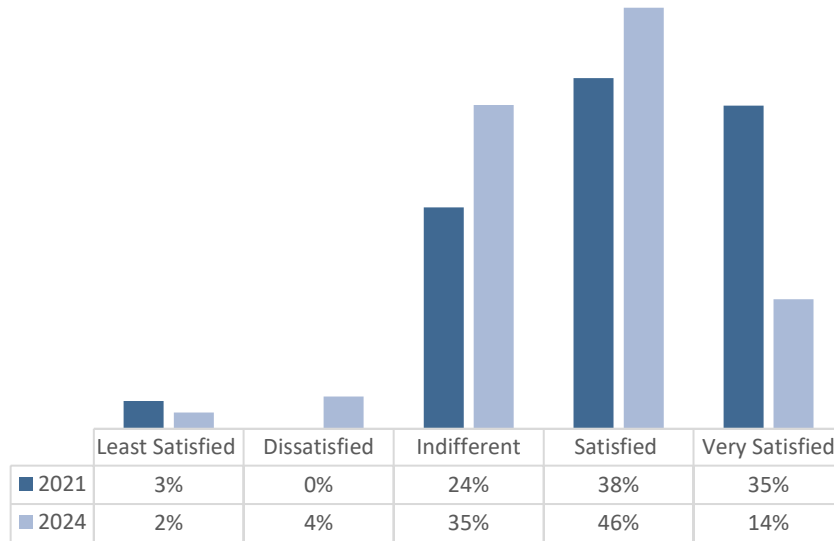
Perceptions on price



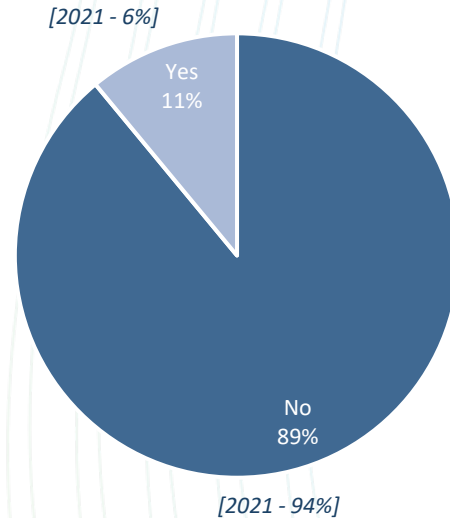
High-end connectivity services (4/5)

Number of business respondents making use of non-standard data connectivity services: 57

Satisfaction with the service



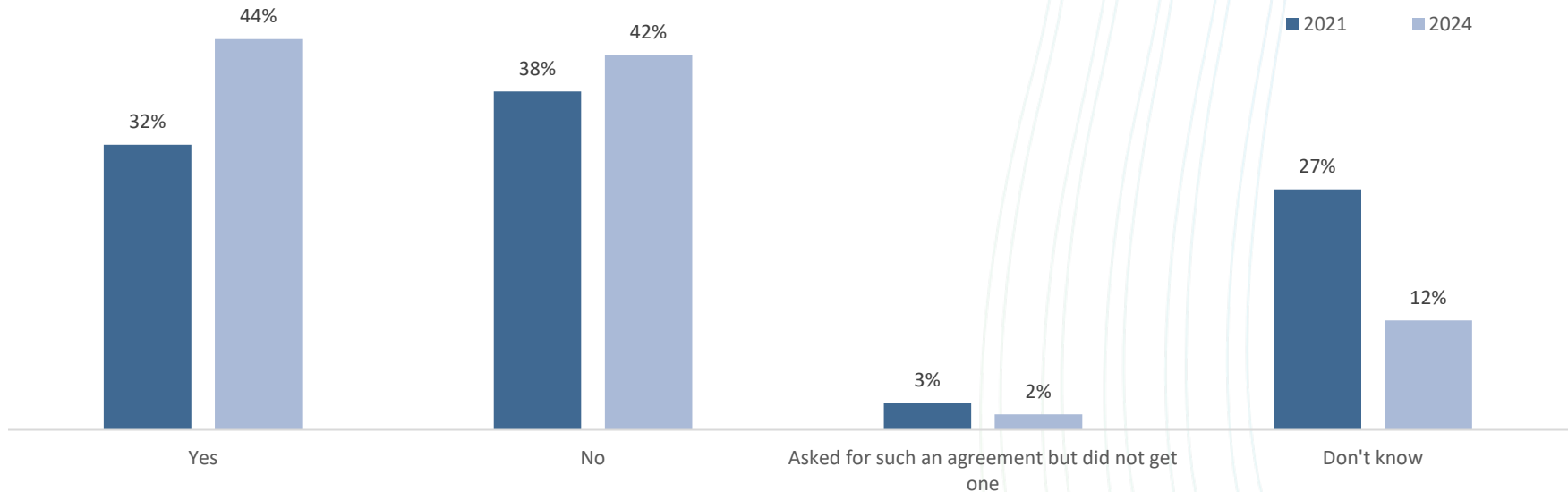
Switching over the last two years



High-end connectivity services (5/5)

Applicability of service level agreements with service provider

Number of business respondents making use of non-standard data connectivity services: 57



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