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MCA SURVEY ON THE PERCEPTION OF BUSINESSES USING ELECTRONIC COMMUNICATIONS SERVICES.

The MCA conducts business perception surveys to understand local businesses' views on electronic communication services. These surveys cover experiences with fixed telephony, mobile telephony, fixed broadband, bundles, and other data services. The primary objectives are to inform the MCA's regulatory decisions, assess changes in end-user needs, and evaluate how local service providers adapt to dynamic market demands. In this latest round of surveys targeting businesses in Malta, the MCA conducted two distinct exercises. One survey, referred to as the main survey, targeted all businesses, including micro, small, medium, and large enterprises[1]. The other survey, referred to as the booster survey, excluded micro enterprises from the sample and included more medium and large-sized businesses[2]. Business size is effectively related to the number of employees: micro enterprises have between 1 and 9 employees, small enterprises have between 10 and 49 employees, medium enterprises have between 50 and 249 employees, and large enterprises have 250 or more employees. Both survey sample sizes are representative of the aggregate Maltese business sector across various economic activities as classified under the European statistical framework (NACE).

The main and booster survey findings reveal that the majority of Maltese businesses, regardless of size, subscribe to fixed broadband for their commercial activities (97% in the main survey and 99%

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[1] Given the prevalence of small or family-run establishments in the Maltese business landscape, more than half of the main sample size (55%) consisted of micro-enterprises. The sample includes 400 randomly selected business respondents.

[2] The booster survey sample focuses more on the small, medium and large businesses that utilize electronic communication services and consists of 150 randomly selected business respondents.

in the booster survey). In the main survey, fixed broadband services are primarily obtained as part of a bundle (99% in the main survey), whereas in the booster survey, fixed telephony is the service most frequently purchased as part of a bundle (79% in the booster survey). Both surveys indicate an increasing demand for data connectivity among businesses, with notable growth in mobile broadband usage (66% in the main survey and 69% in the booster survey), and OTT services (81% in the main survey and 80% in the booster survey). The number of subscriptions for high-end connectivity services is also on the rise (14% in the main survey and 29% in the booster survey).

For a more detailed analysis, you can have a look at some of the key survey findings described hereunder and at the two presentations related to the (1) main survey findings and the (2) booster survey findings which are available on the MCA website via this **link**.

Fixed telephony

Between 2021 and 2024, the main sample shows an increase in the share of businesses with a fixed line subscription, rising from 63% to 75%[3]. Fixed telephony subscriptions are predominantly in demand by medium (94%) and large-sized (82%) businesses in the main sample. The booster sample exhibits a similar trend, where 91% of medium-sized and 95% of large-sized businesses subscribed to fixed line telephony during the same period.

When purchased on a stand-alone basis, 68% of respondents with a fixed telephony subscription in the main survey say that they spent up to €99 per month for the service. The corresponding share of respondents on this expenditure bracket stood at 94% in 2021. The latest main survey shows that 31% of respondents spent more than €100 per month on the fixed telephony service, up from 6% reported on this expenditure in 2021. Among the respondents in the booster survey, 61% say they spent more than €100 per month, up from 57% in 2021.

Both surveys reflect similar patterns when it comes perceptions on monthly expenditures for the service, with 20% of business respondents in the main survey and 29% of business respondents in the booster survey perceiving prices as expensive.

When it comes to satisfaction with the quality of service in the stand-alone fixed telephony segment, 74% of respondents in the main survey and 77% of respondents in the booster survey express

[3] 2021 results should be seen in the context of COVID that dominated the scene during that period.

overall satisfaction. Furthermore, 94% of respondents in the main survey do not intend to cease their fixed line subscription over the next six to twelve months, compared to 83% in the booster survey.

Mobile telephony

In 2024, 85% of respondents to the main survey say they had a mobile telephony subscription that is specific for their company's commercial activities, down from 92% in 2021, but consistent with 87% of respondents in the booster survey. Subscriptions on a post-paid contract remain prevalent, with 83% of respondents in the main survey saying they have such a subscription, which is close to 87% of respondents in the booster survey. However, these figures are slightly below those reported in 2021, at 89% and 96% respectively.

The main sample also indicates a general increase in expenditure on stand-alone mobile telephony service. In fact, the proportion of businesses saying they spend less than €100 per month was down from 94% in 2021 to 66% in 2024. Conversely, the booster survey shows an increase in businesses spending less than €100 per month, rising from 9% in 2021 to 38% in 2024.

The mobile telephony churn rate remains relatively low in both survey samples, at 8% in the main survey and 11% in the booster survey. Among those who switched operators in the 24 months leading up to the survey, common reasons cited were finding a cheaper alternative (55% of respondents in the main survey, 80% in the booster survey) and dissatisfaction with the quality of service (36% of respondents in the main survey, 20% in the booster survey). Additionally, 9% of business respondents to the main survey switched to another service provider[4].

Mobile broadband

The proportion of business respondents accessing and using mobile broadband for their day-to-day commercial activities continued to increase steadily. In 2024, 66% of respondents to the main survey reported having access to mobile broadband at their work premises, up from 63% in 2021. Meanwhile, the corresponding share stood at 69% of respondents for the booster survey (up from 60% in 2021).

[4] These results should be interpreted with caution due to the small sample size (main: n=11; booster: n=5)

Both surveys show that email is the most accessed application, with 81% of respondents to the main survey and 89% of respondents to the booster survey referring to such use. Usage of OTT-based interpersonal communications follows, by 75% of respondents to the main survey and 70% of respondents to the booster survey.

In 2021, the booster sample reported a higher satisfaction rate (87%) in the use of mobile broadband when compared to the main sample (81%). However, in 2024, satisfaction among the booster sample decreased by 14 percentage points, while satisfaction in the main sample remained relatively the same, at 81%.

Fixed broadband

In 2024, nearly all businesses had a fixed internet connection at their workplace, with high adoption rates reported in both the main (97%) and booster (99%) survey samples.

In terms of expenditure, more than half of the businesses in both surveys spent less than €100 per month when purchasing this service as a stand-alone option (main survey: 69%; booster survey: 56%). Figures are somewhat different to those recorded in 2021, as then 92% of businesses in the main survey sample fell within this expenditure bracket, whereas only 29% of businesses in the booster survey ample did so.

Fewer businesses purchasing fixed broadband as a stand-alone service perceived the monthly fee on the service as expensive. In the main survey, this perception halved from 33% to 17% between 2021 and 2024, and from 24% to 12% in the booster sample. Also, satisfaction with the quality of service in 2024 remained high at 80% and 91% for the main and booster surveys respectively. Meanwhile, among those who expressed lower satisfaction levels, the majority indicated no intention of changing their service provider (main survey: 72%; booster survey: 100%). A range of reasons were cited, indicating that business respondents from both surveys mainly perceived switching to be inconvenient[5].

The current study recorded a higher incidence of internet service faults. The main survey experienced the most notable changes, with 46% of respondents reporting more than two internet connection problems in the 12 months leading up to the survey, up from 17% in 2021. The proportion

[5] Caution is advised when interpreting these results, given the small number of respondents to the relevant question(s).

of respondents to the main survey who had never encountered internet connectivity issues decreased from 60% in 2021 to 34% in 2024. In contrast, the booster survey findings remained stable, with 35% of respondents saying they have never encountered internet service faults.

Bundles

The share of respondents purchasing electronic communications services in a bundle increased for the main survey, from 41% in 2021 to 47% in 2024. On the other hand, the corresponding share of respondents for the booster survey decreased from 71% in 2021 to 44% in 2024. For both surveys, respondents predominantly say that they purchase fixed broadband in a bundle with other electronic communications services. Additionally, for both surveys, the share of respondents purchasing electronic communications services both in a bundle and stand-alone increased from 14% in 2021 to 23% in 2024 for the main survey, whilst the share in the case of the booster survey increased from 10% to 34%.

Satisfaction with quality of the bundle service was high overall, at 81% for the main survey and 82% for the booster survey. Just 5% and 7% of respondents to the main survey and booster survey respectively say that they switched the operator offering their bundle service.

Regarding expenditure, both surveys saw a 13-percentage point increase – when compared to findings in the 2021 surveys - in the share of business respondents saying their monthly expenditure on the bundle service ranges between €100 and €499, reaching 31% for the main survey and 57% for the booster survey. Additionally, while the main survey saw a 5-percentage point increase in the share of business respondents spending more than €500 per month, the booster survey experienced a 2-percentage point decline within this expenditure bracket.

Over-the-top services (OTTs)

Approximately 80% of business respondents in both surveys utilized OTT-based services over mobile and/or fixed broadband in the 12 months prior to the survey fieldwork. Of these, 70% of the respondents to the main survey and 72% of respondents to the boosted sample used OTT services daily. Notably, more than half of the business respondents (main survey: 56%; booster survey: 77%) used multiple OTT services during that period.

For the purpose of using OTT applications, 93% of the respondents to the main survey and 92% of respondents to the booster survey primarily used these for messaging, with WhatsApp and Microsoft Teams being the most common applications. The respective shares stood at 46% and 59% respectively in the case of usage of OTT-based voice services and 17% and 26% respectively on the case of usage OTT-based platforms for video/audio/TV content.

Both surveys reflected high levels of satisfaction with OTT services, at 92% for the main sample and 91% for the booster sample.

High-end connectivity services

When it comes to the use of high-end connectivity services, rather than just standard internet connectivity, access has also increased. When comparing findings in the 2021 and 2024 surveys, the share of respondents to the main survey accessing such services increased from 8% in 2021 to 14% in 2024, whilst in the case of the booster survey access increased from 22% of respondents in 2021 to 29% in 2024.

Access demand for Ethernet rose from 9% of respondents in 2021 to 56% of respondents in 2024 in the case of the main survey and from 27% to 70% in the case of the booster survey. Additionally, IP-VPN was among the most demanded high-end connectivity services, at 70% for the main survey and 63% for the booster survey.

Regarding expenditure, 35% of respondents to the main survey spent up to €99 per month on high-end connectivity services, whilst the share of respondents spending more than €1,000 per month on these services stood at 25% in 2024. The respective shares for the booster sample stood at 35% and 28% respectively.