

MCA Market Research

Findings from the latest Business Perceptions Survey concerning electronic communications services

Part 2

MCA reference: MCA/S/24-5300



MALTA COMMUNICATIONS AUTHORITY

Scope and Methodology



Scope

- This survey focuses on the perceptions of small, medium and large businesses. In contrast to survey findings presented in Part 1, the findings presented in this document are specific to a 'booster sample' that excludes micro-enterprises.
- Provides insights 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
- Focus remains on sample representativeness but with a more specific cohort of respondents:
 - sample mirrors the business divide in Malta
 - target respondents include small, medium and large enterprises (excluding micro-enterprises).
 - micro-enterprises are excluded from the sample.
- 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

- Small and medium businesses were contacted over the phone, while large businesses were contacted via email.

Sample

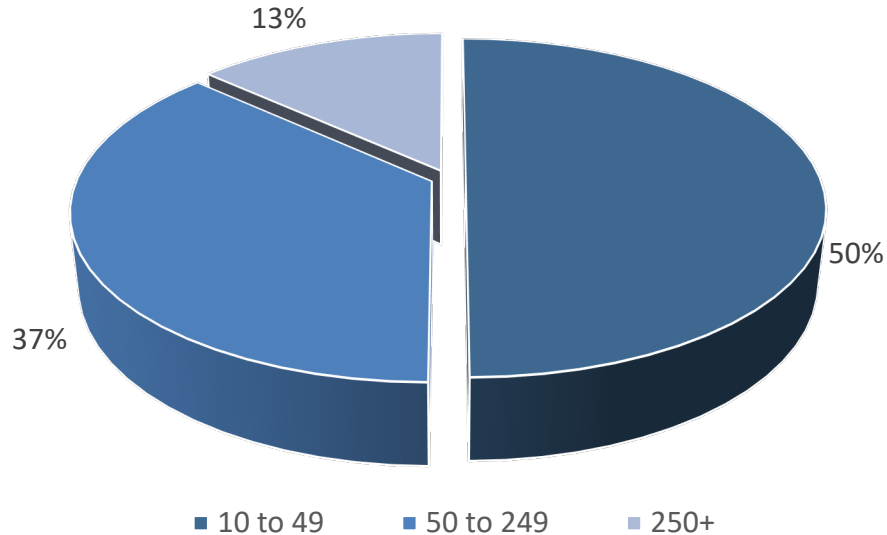
- Sample size representatively distributed across 15 predefined industries of the business sector in Malta.
- The sample consists of
 - 75 small businesses,
 - 55 medium-sized businesses,
 - 20 large businesses.

Responses

- 150 survey respondents.

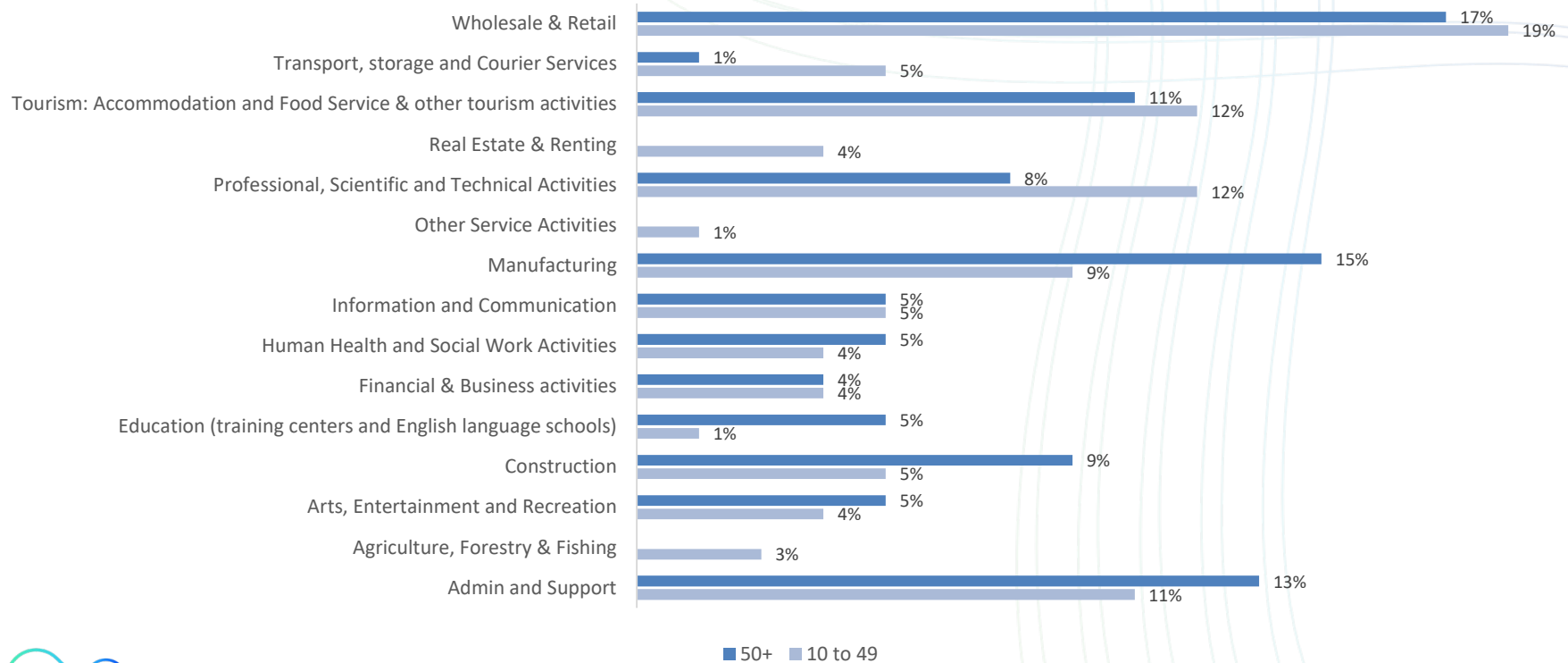
Share of respondents by business size

Total number of business respondents: 150



- 50% of sample comprises small businesses (10 - 49 employees)
- 37% of sample comprises medium-sized businesses (50-249 employees)
- 13% of sample comprises large businesses (250+ employees).

Share of respondents by NACE classification



Key findings



Key Findings (1/4)

- **Share of subscriptions by service:**

- The share of business respondents with fixed telephony and fixed broadband subscriptions has remained stable, with a subscription rate of 85% and 99% respectively.
- The share of business respondents who are subscribed to mobile telephony for the purpose of the company's commercial activity increased from 59% in 2021 to 87% in 2024.

- **Average monthly expenditure for ECS:**

- Small businesses which purchased fixed telephony, mobile telephony and fixed broadband as a stand-alone service generally spent up to €99 monthly. Indeed, 75%, 54% and 85% of respondents within each ECS segment outlined above fell within this expenditure bracket respectively.
- Medium-sized and large businesses which purchased fixed telephony, mobile telephony and fixed broadband on a stand-alone basis generally spent between €100 and €499 monthly, at 57%, 55% and 58% respectively.
- With regards to bundled services, 73% of small businesses and 44% of medium and large businesses spend between €100 and €499 per month.

Key Findings (2/4)

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

- The highest level of satisfaction recorded was fixed broadband services at 91%. This was followed by the satisfaction for fixed telephony (77%) and other data services (67%).
- Satisfaction for bundled services was also high, with 82% of all business respondents forming part of a bundle with satisfied with the service received.

- **Mobile broadband:**

- Overall, 69% of the business respondents say they access and use mobile broadband services.
- 89% of the business respondents use mobile broadband to access their email, compared to 96% in 2021
- A bigger share of respondents are making use of mobile broadband to access OTT-based interpersonal communications, increasing from 33% in 2021 to 70% in 2024.

Key Findings (3/4)

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

- [81% of all business respondents use OTT services, via fixed broadband and/or mobile broadband.](#)
- Out of those business respondents that make use of OTT services:
 - [80% do so on a regular basis.](#)
 - [77% utilize multiple OTT-services.](#)
 - [92% utilize OTT services for messaging purposes, followed by voice \(59%\) and video/audio/TV \(26%\) purposes.](#)

- **Switching:**

- The total number of business respondents that switched operators declined in 2024 compared to 2021. The outcomes on a more disaggregated level are as follows:
 - For standalone, the number of switches remained the same, at 7 switched for both years; and
 - From 18 in 2021 to 8 in 2024 for bundled subscribers.

Key Findings (4/4)

- **Bundles:**

- While the number of business respondents purchasing ECS solely as part of a bundle has decreased from 71% in 2021 to 44% in 2024, the overall take-up of bundled services has increased as more business respondents are now purchasing bundled services alongside other standalone services, rising from 10% in 2021 to 34% in 2024.

- **Other data services:**

- Overall, the number of businesses making use of other data services has increased from 22% in 2021 to 29% in 2024.
- With regards to business size, large businesses evidently make the most use of other data services, with 65% of all large businesses making of use such alternative services.
- 70% of the businesses which use other data services are primarily subscribed to Ethernet services (27% in 2021).
- The second most common other data service among business respondents is IP-VPN, which stood at 63% in 2024 (65% in 2021).

General findings

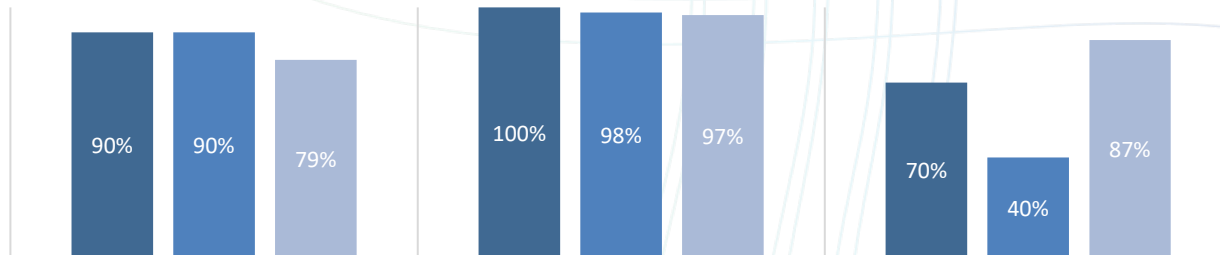


Take-up and usage

■ 2016 ■ 2021 ■ 2024

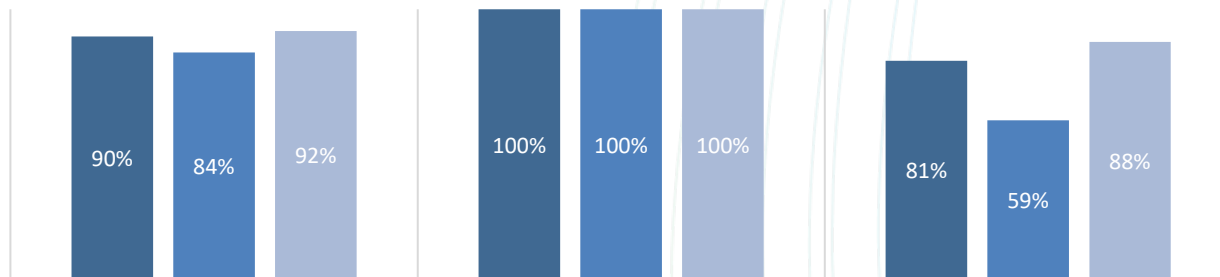
Small businesses

n = 75



Medium and large businesses

n = 75



The term 'n' refers to the number of respondents

Percentage of businesses subscribed to fixed telephony

Percentage of businesses subscribed to fixed broadband

Percentage of businesses subscribed to mobile telephony

Monthly expenditure

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

Small businesses

Fixed telephony: n = 12 (i.e. 16% of small businesses)

Mobile telephony: n = 24 (i.e. 32% of small businesses)

Fixed broadband: n = 13 (i.e. 17% of small businesses)

Bundles: n = 54 (i.e. 72% of small businesses)

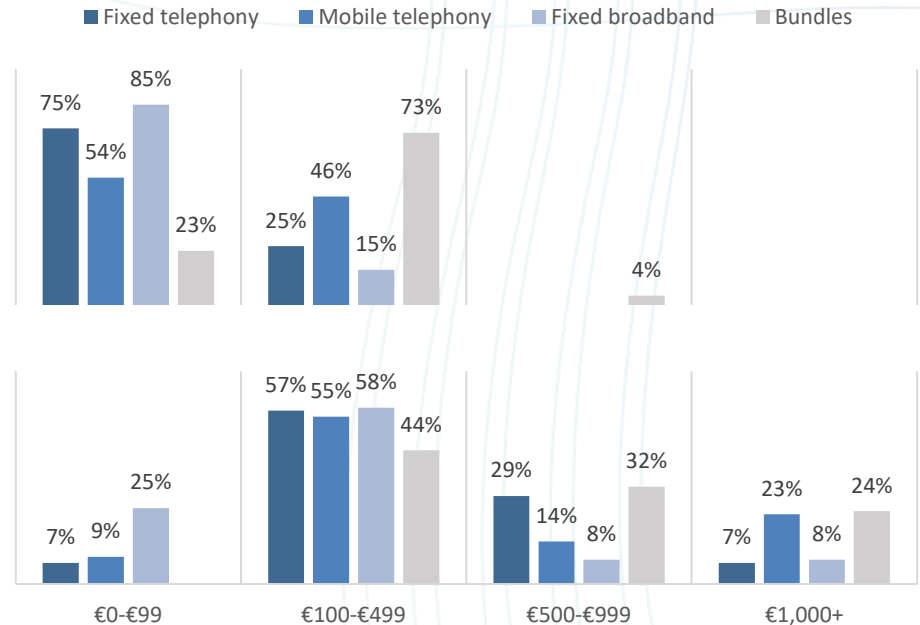
Medium and large businesses

Fixed telephony: n = 14 (i.e. 19% of medium/large businesses)

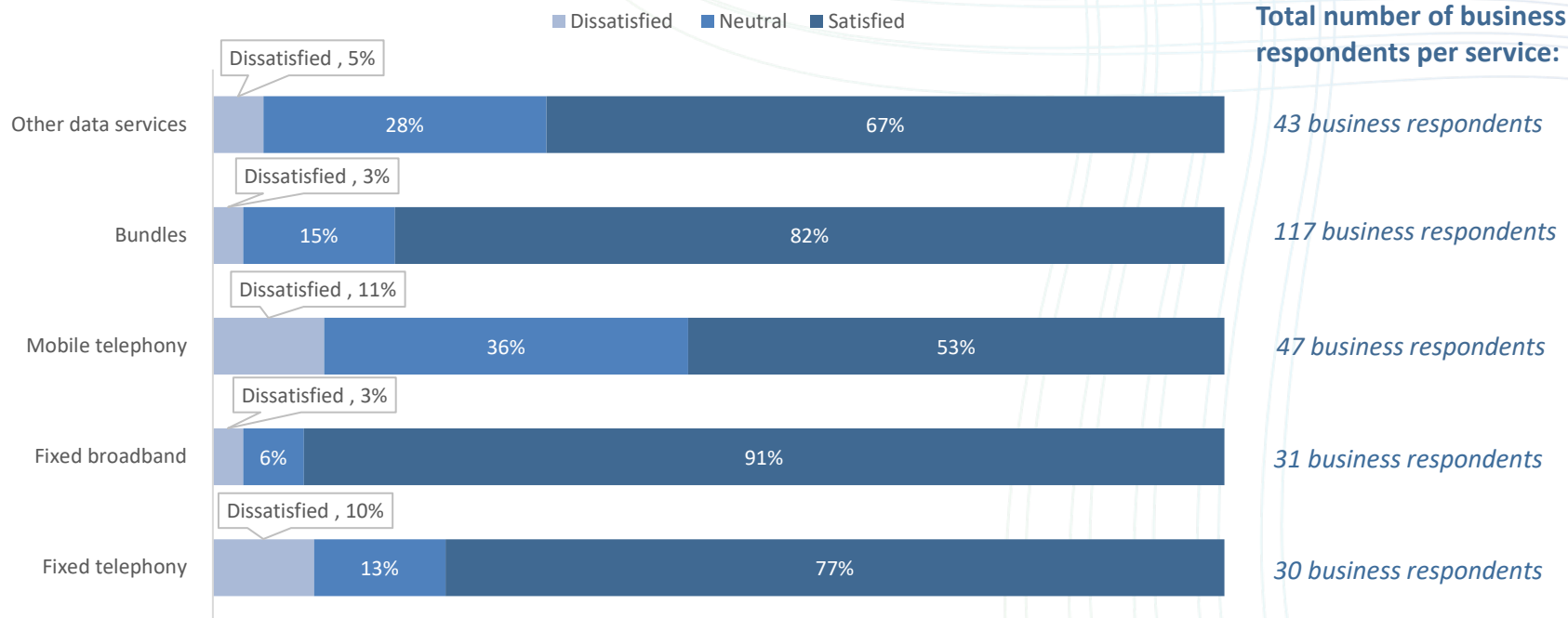
Mobile telephony: n = 22 (i.e. 29% of medium/large businesses)

Fixed broadband: n = 12 (i.e. 16% of medium/large businesses)

Bundles: n = 63 (i.e. 84% of small businesses)

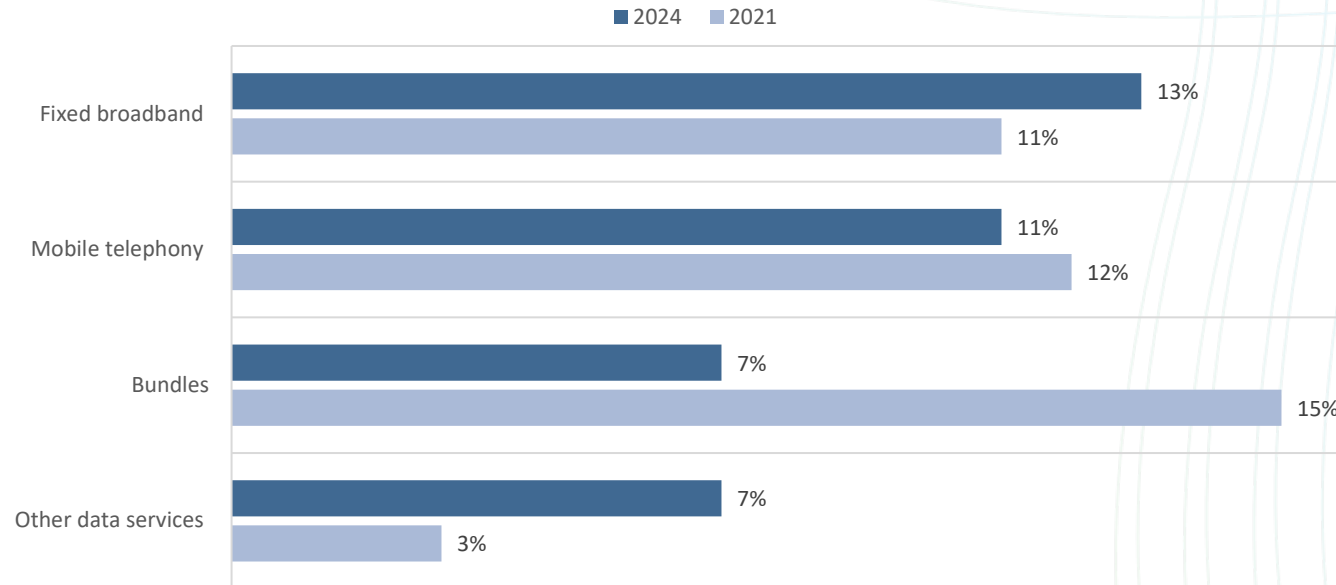


Quality of service and user satisfaction



Switching

Share of respondents that switched their operator in the two years preceding the survey: 20 (i.e. 13% of all business respondents)



Total number of business respondents per service:

4 Business respondents
4 Business respondents

5 Business respondents
2 Business respondents

8 Business respondents
18 Business respondents

3 Business respondents
1 Business respondent

Fixed Telephony

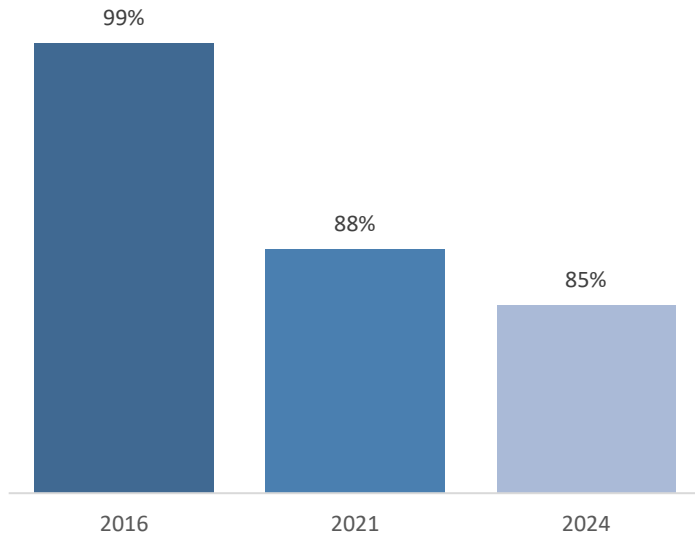


Fixed Telephony (1/3)

Percentage of businesses purchasing a fixed line connection

Number of business respondents with a fixed line connection: 128

i.e. 85% of all business respondents



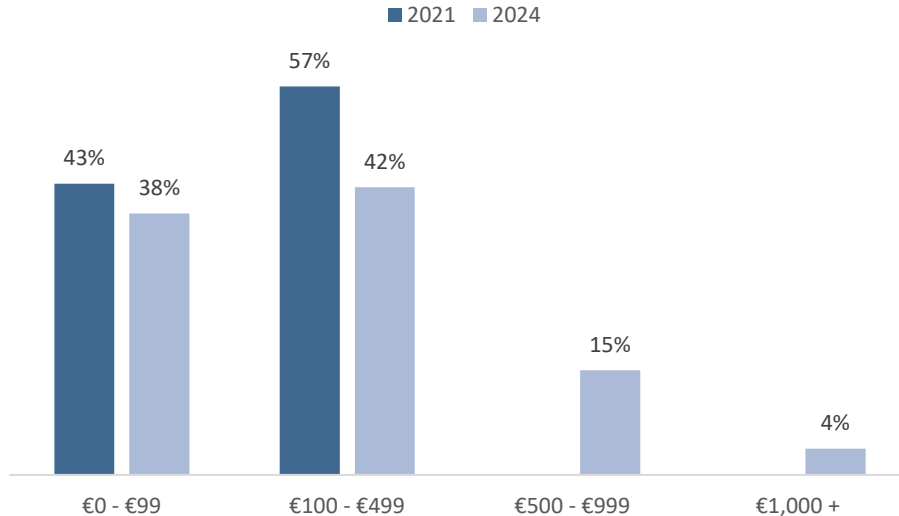
- The table above outlines the share of respondents, by size of business, that have a fixed line connection.

Fixed Telephony (2/3)

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

Figures based on responses from businesses with a stand-alone fixed telephony connection: 30

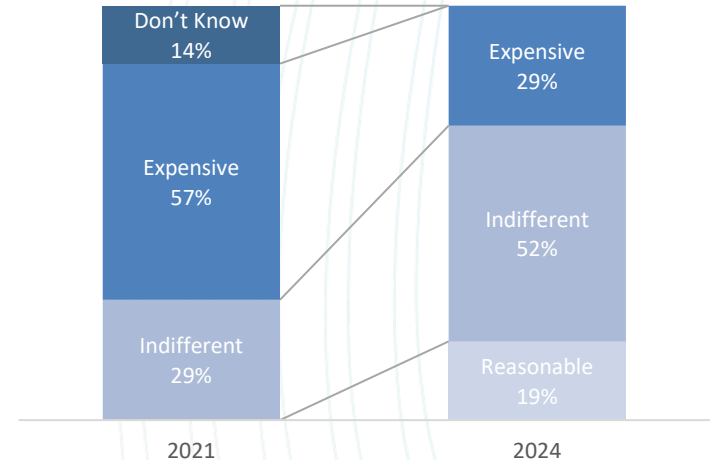
26 of which (or 87%) are aware of their monthly expenditure



Perceptions on monthly expenditure

Businesses respondents are aware of their monthly expenditure: 26

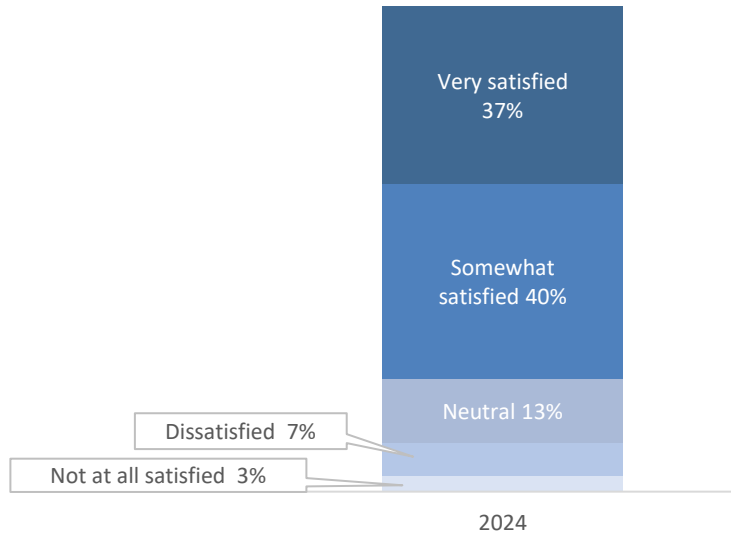
This question is not asked to businesses that use both bundle and stand-alone services, thus the differing sample size for that concerning the other chart in this slide.



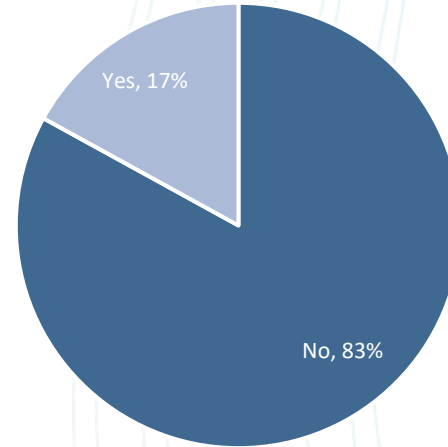
Fixed Telephony (3/3)

Figures based on responses from businesses with a stand-alone fixed telephony connection: 30
(This question was not asked in the previous study)

Satisfaction with the service



Potential service discontinuation – next 6 to 12 months



Fixed Broadband

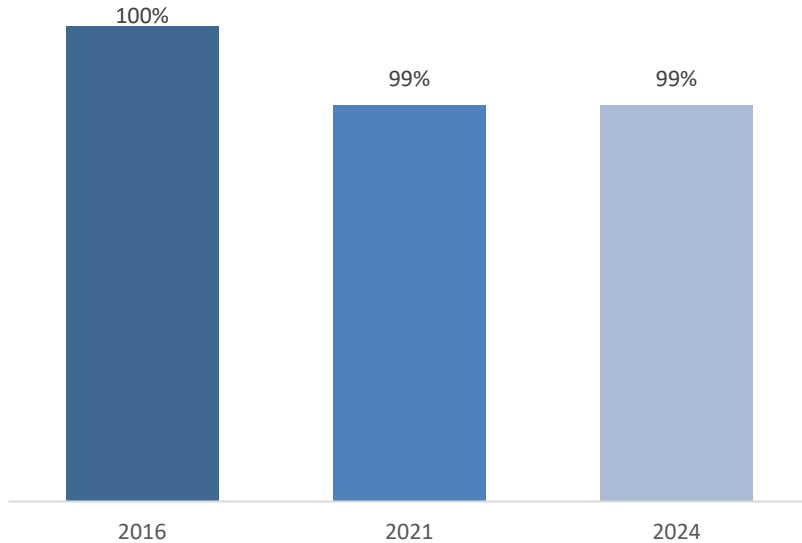


Fixed Broadband (1/4)

Percentage of business respondents having an internet connection

Total number of business respondents with an internet connection: 148

i.e. 99% of the total fixed broadband connection



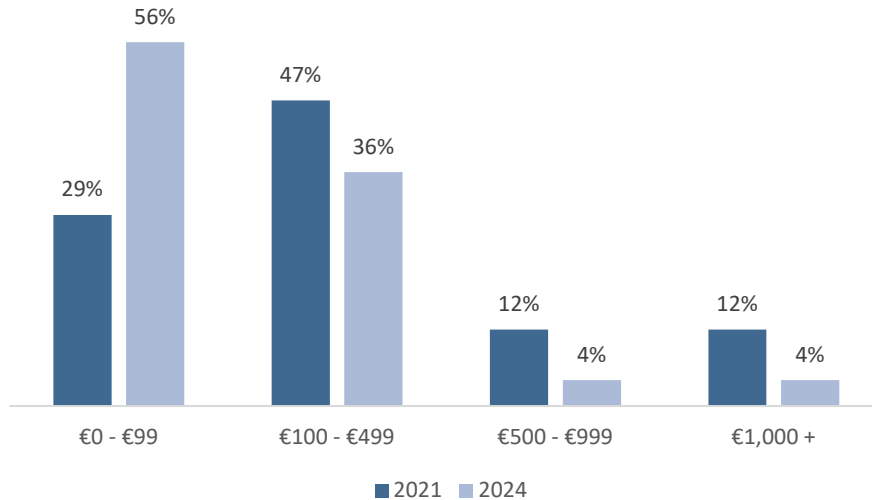
- The table above outlines the share of respondents, by size of business, that have an internet subscription.

Fixed Broadband (2/4)

Average monthly expenditure on the service

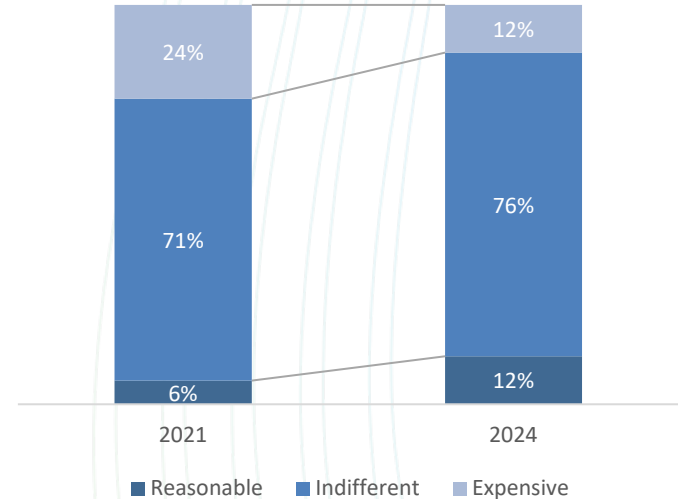
Business respondents with a stand-alone internet connection: 31

25 of which (or 80%) are aware of their monthly expenditure



Perceptions on monthly expenditure

Business respondents on a stand-alone connection that know their expenditure: 25

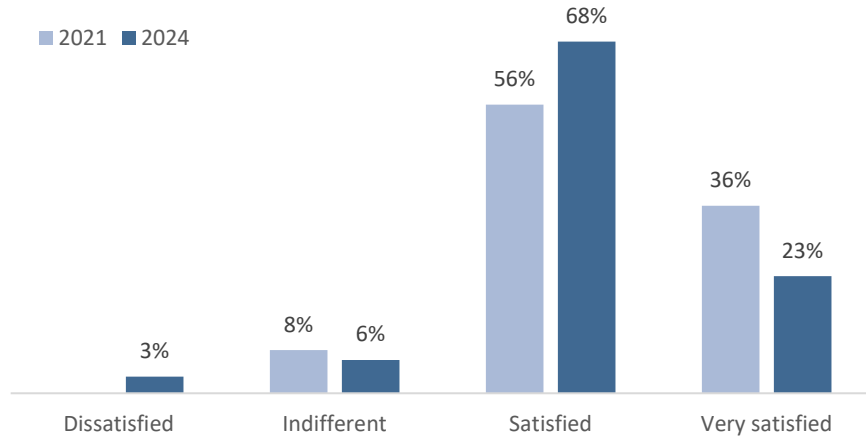


Fixed Broadband (3/4)

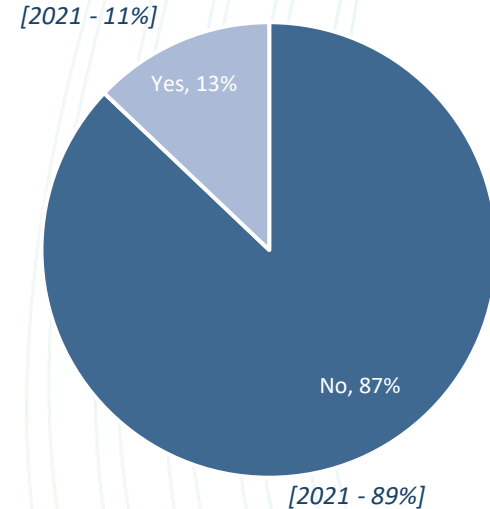
Number of business respondents with a stand-alone connection: 31

i.e. 21% of the total business respondents

Satisfaction with the service



Switching over the last two years

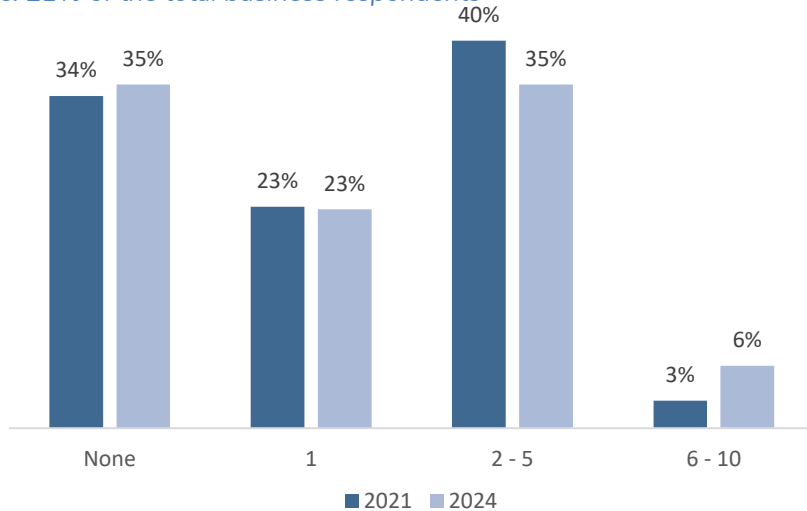


Fixed Broadband (4/4)

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

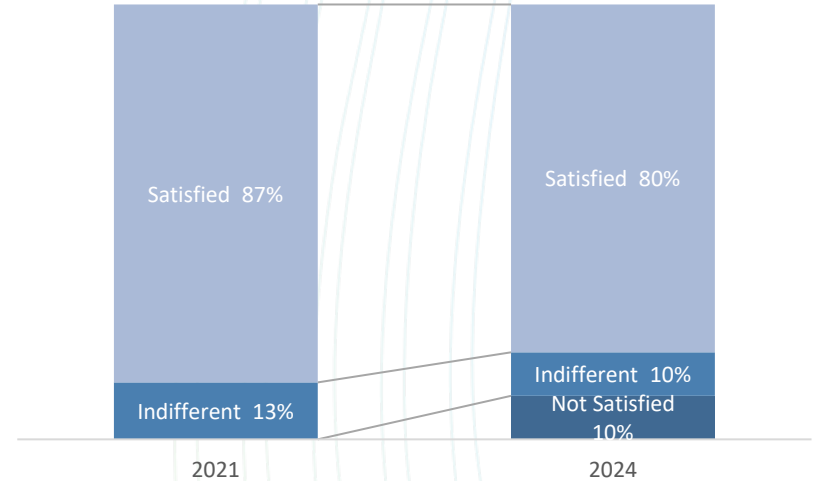
Number of business respondents with a stand-alone internet connection: 31

i.e. 21% of the total business respondents



Satisfaction with operators' resolution of service disruption

Number of business respondents reporting service disruptions: 20 (65%)



Mobile Telephony

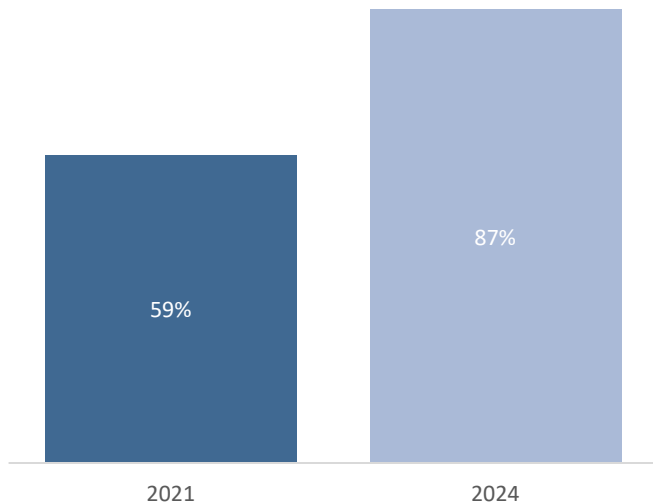


Mobile Telephony (1/5)

Percentage of business respondents purchasing mobile telephony

Total number of business respondents purchasing the service: 131 (incl. bundled or stand-alone)

i.e. 87% of all business respondents

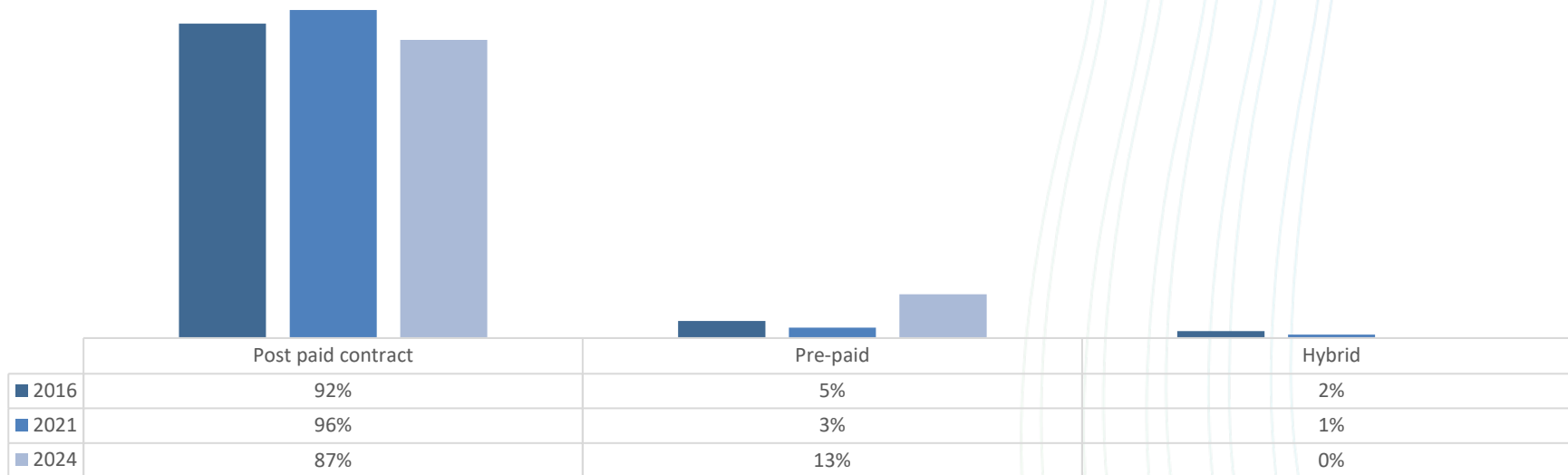


- The table above outlines the share of respondents, by size of business, that have a mobile subscription.

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: 47

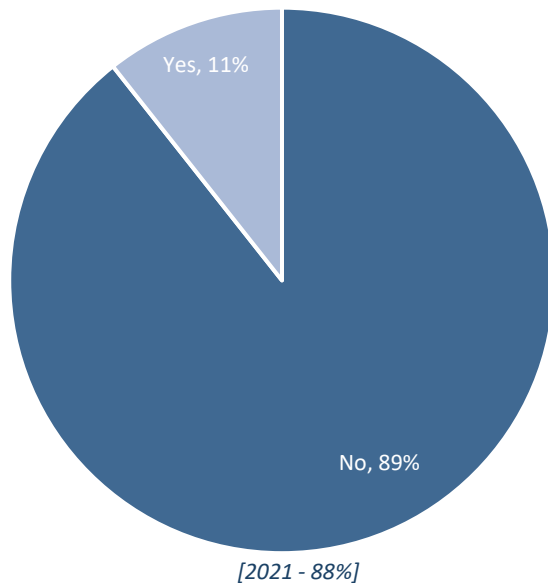


Mobile Telephony (3/5)

Switching in the last two years

Number of business respondents purchasing mobile telephony as a stand-alone: 47

[2021 - 12%]



Reason(s) for switching provider

Number of business respondents who switched their stand-alone mobile operator in the last 2 years: 5 (i.e. 11% of the total)

- Among the 11% of business respondents who switched their operator in the last two years;
 - 4 respondents found a cheaper alternative.
 - One other business respondent indicated that the service offered was not of a good quality.

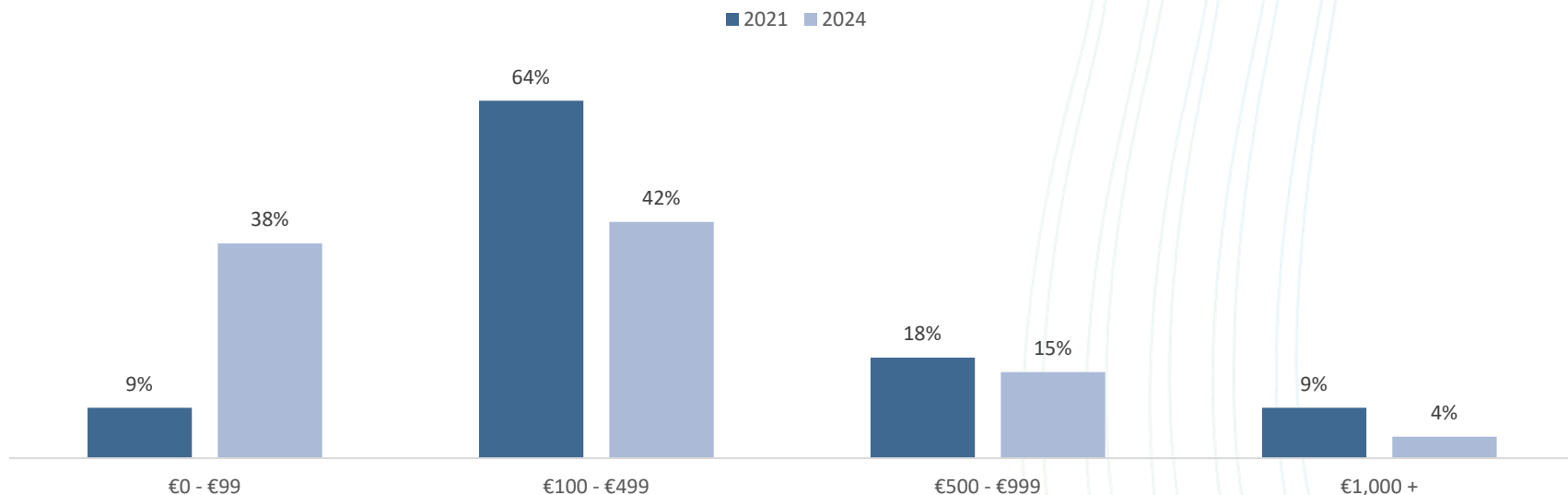
NB: These results should be interpreted with caution, given the small sample size (n=5).

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: 47

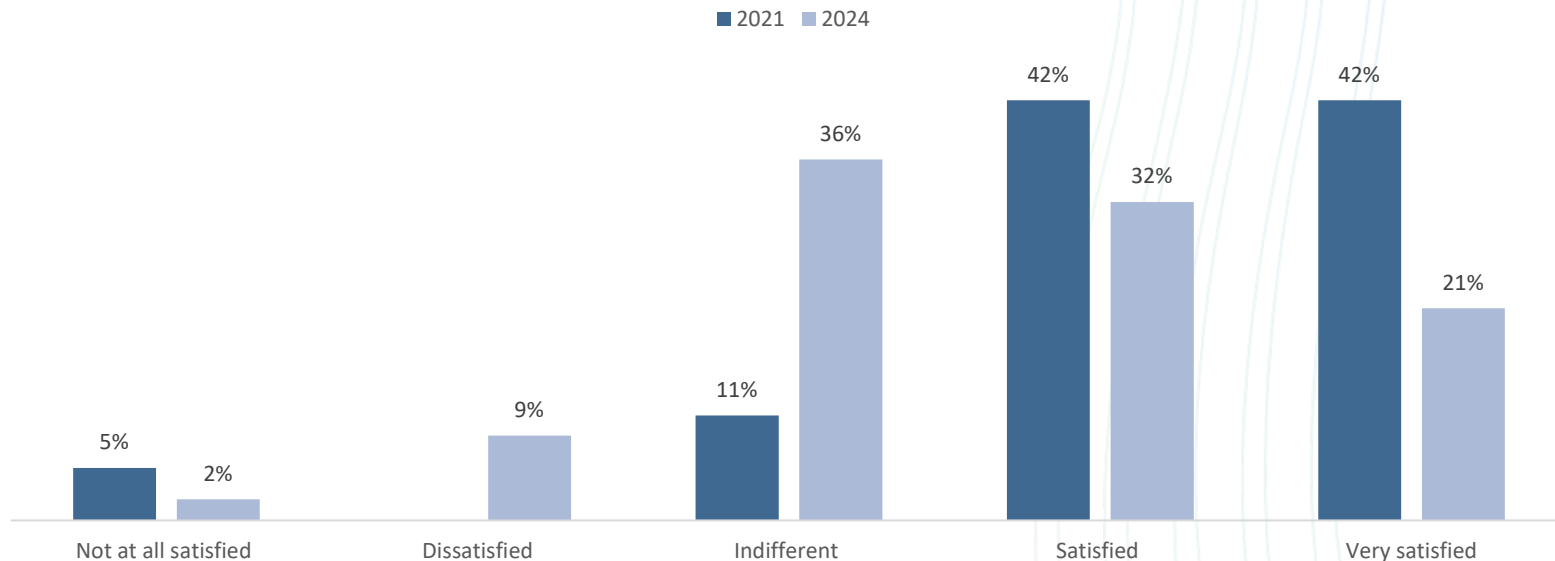
46 of which (or 98%) are aware of their monthly expenditure. Figures presented below are based on feedback from these respondents.



Mobile Telephony (5/5)

Satisfaction with the mobile telephony service

Number of business respondents to the relevant question: 47



Mobile Broadband

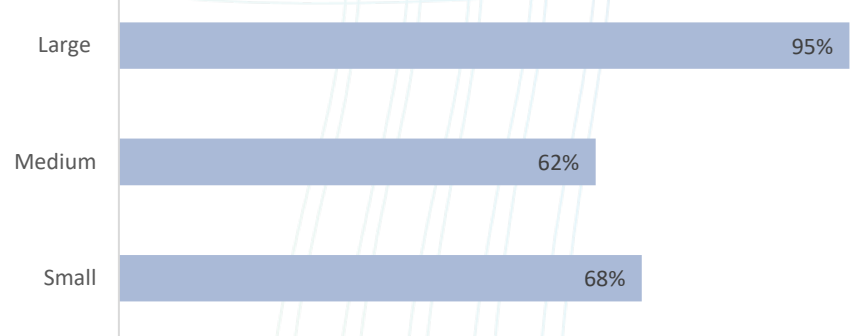
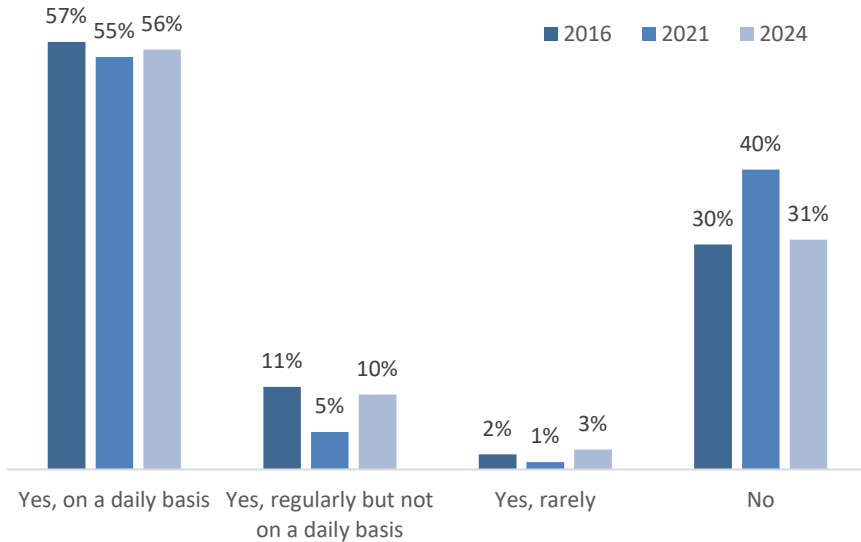


Mobile Broadband (1/3)

Percentage of business respondents making use of mobile broadband services

Total number of business respondents using mobile broadband: 104

i.e. 69% of the total number of business respondents



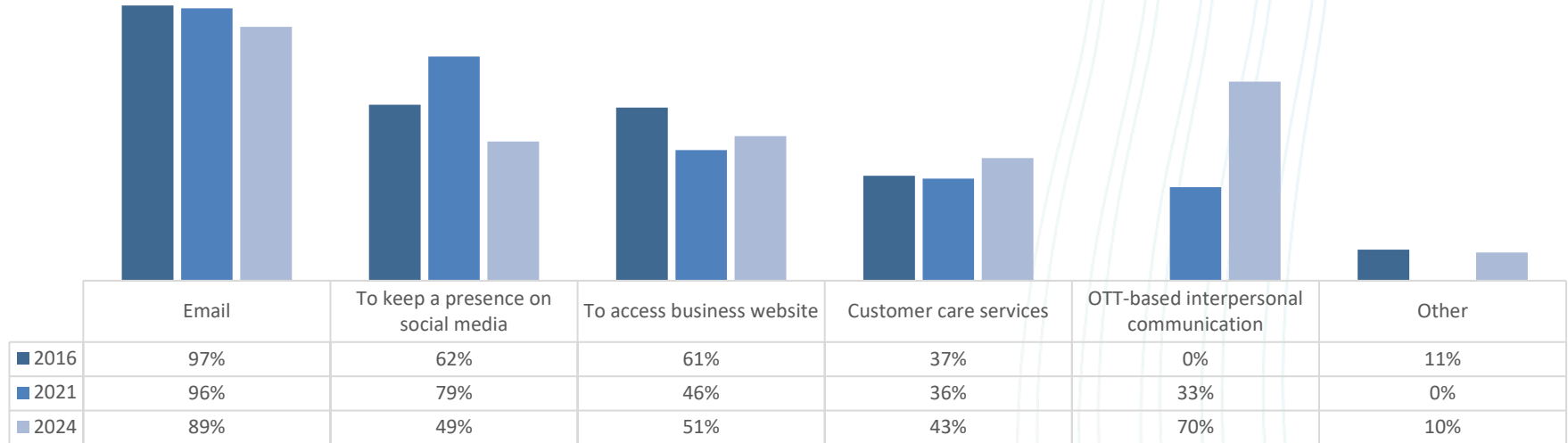
- The table above outlines the share of respondents, by size of business, that have actively use mobile broadband services.

Mobile Broadband (2/3)

Scope of using mobile broadband

Number of business respondents using mobile broadband: 104

(i.e. 69% of the total number of business respondents; Respondents could provide multiple answers)



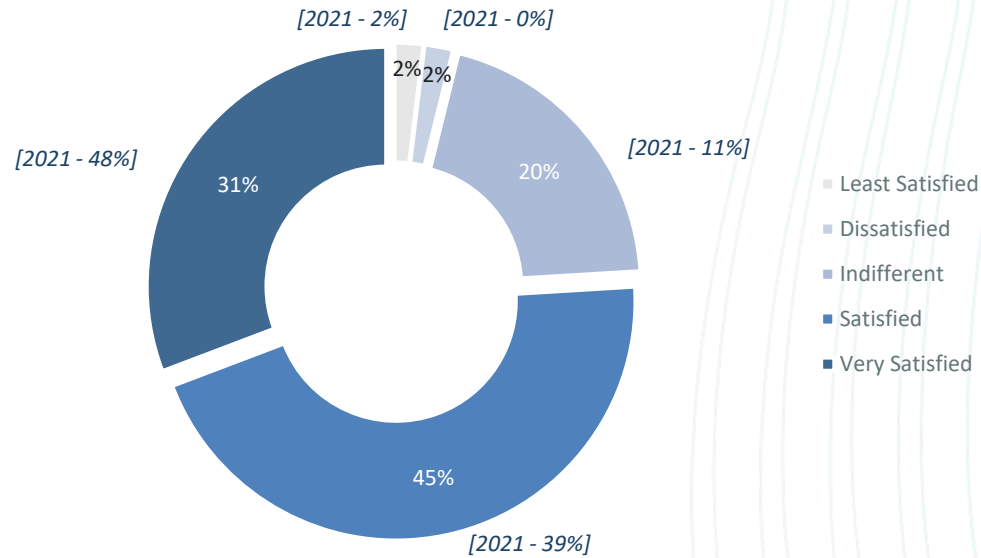
- “Other” reasons cited includes usage (1) for online research, (2) for creating hotspots, (3) to access maps, (4) to access the company server and (5) for video editing/streaming

Mobile Broadband (3/3)

Satisfaction with the mobile broadband service

Number of business respondents using mobile broadband: 104

i.e. 69% of the total number of business respondents



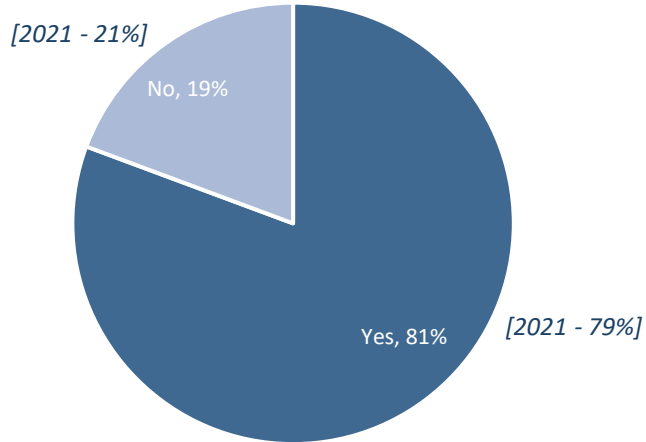
Over-The-Top services (OTTs)



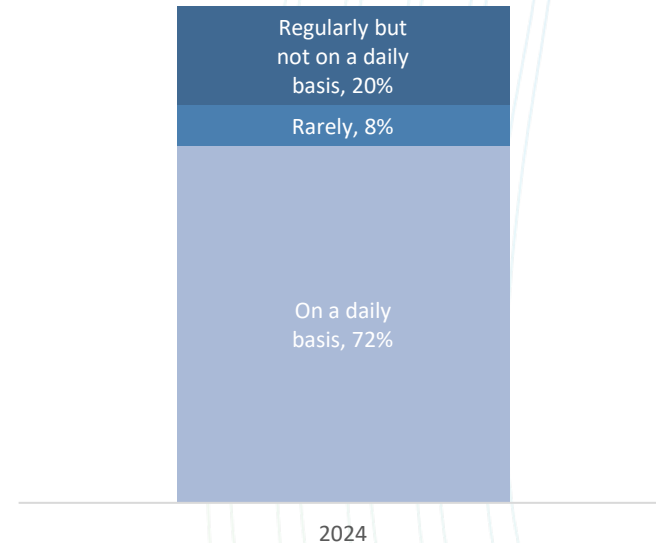
OTTs (1/3)

Number of businesses that make use of OTT services either via mobile broadband and/or via fixed broadband: 121
i.e. 81% of all business respondents

Usage of OTT services



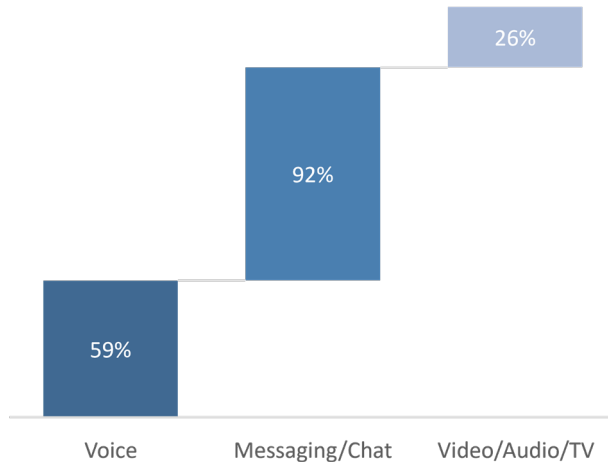
Frequency of use over the last three months



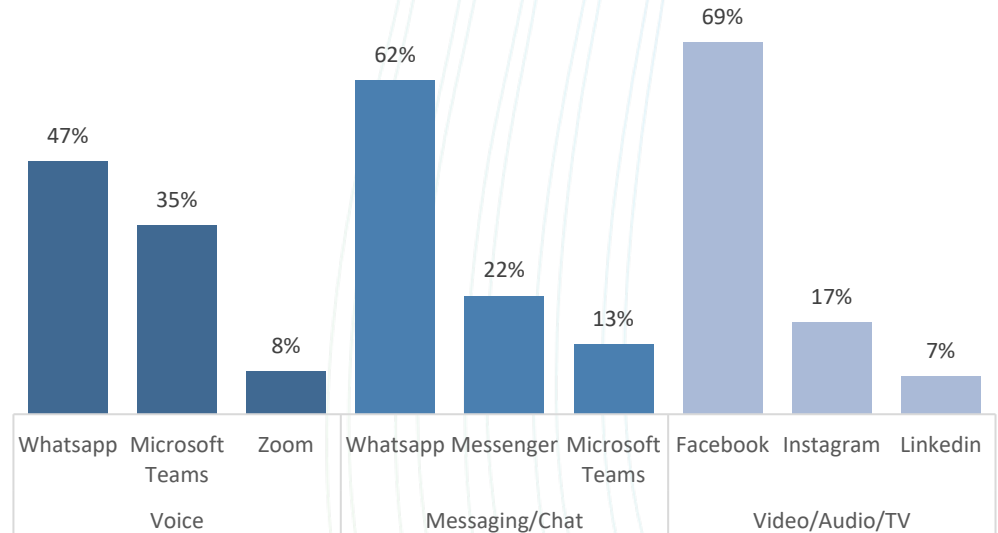
OTTs (2/3)

Number of businesses that make use of OTT services either via mobile broadband and/or via fixed broadband: 121
(Respondents could provide multiple answers)

Types of OTT services that are used



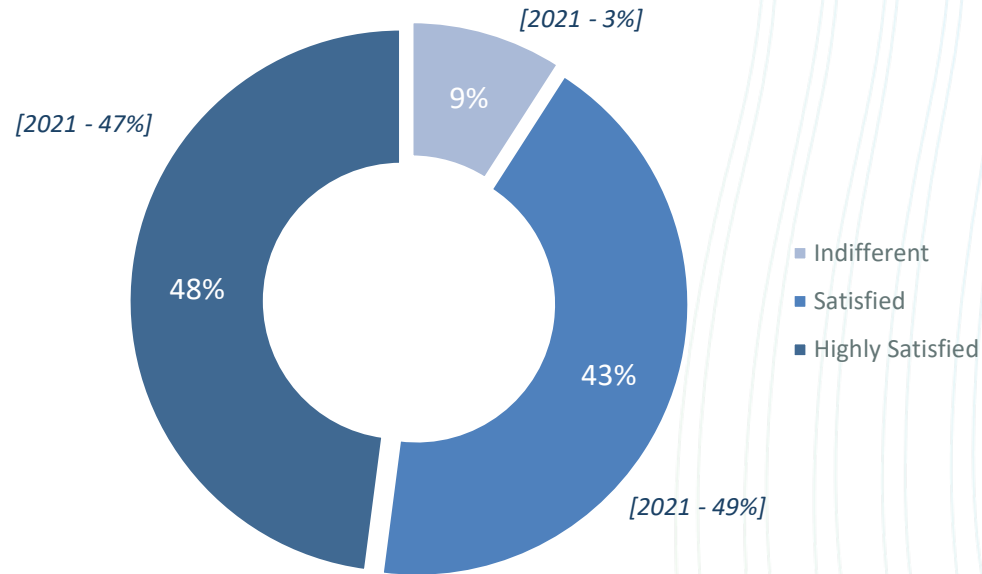
Three most preferred OTT platforms



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: 121



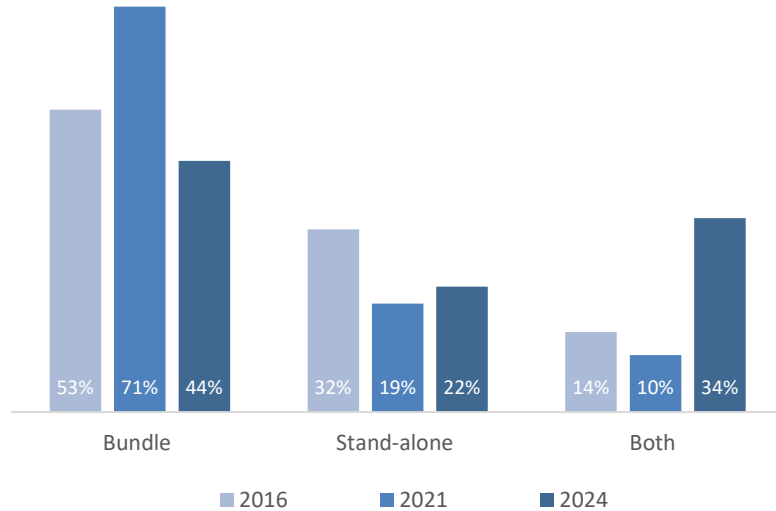
Bundles



Bundles (1/5)

Share of businesses purchasing ECS stand-alone vs bundle

Total number of business respondents: 150



Propensity of bundled subscriptions across different services

Total number of business respondents purchasing a bundle of services: 117

i.e. 78% of total business respondents



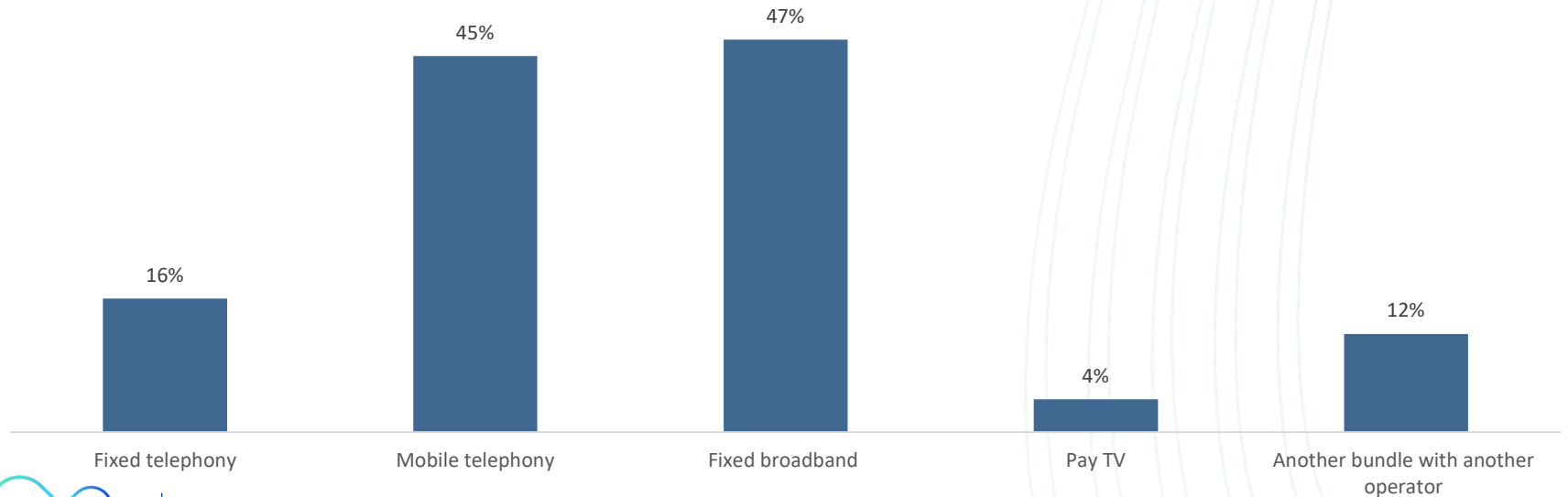
Bundles (2/5)

Subscription to another telecom service apart from the bundle subscription

Number of business respondents purchasing another telecom services apart from their bundle subscription: 51

i.e. 44% of all bundle subscribers also purchase a standalone service

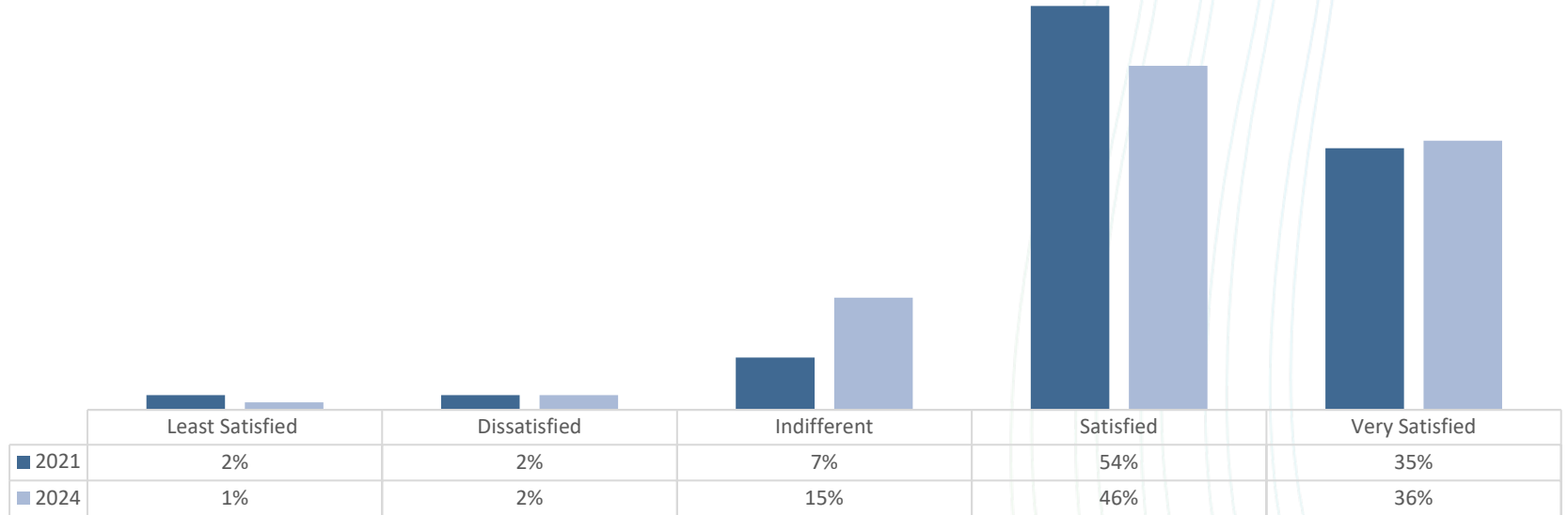
(Respondents could provide multiple answers as to which stand-alone service they purchase apart from the bundle subscription)



Bundles (3/5)

Satisfaction with the quality of service related to the bundle subscription

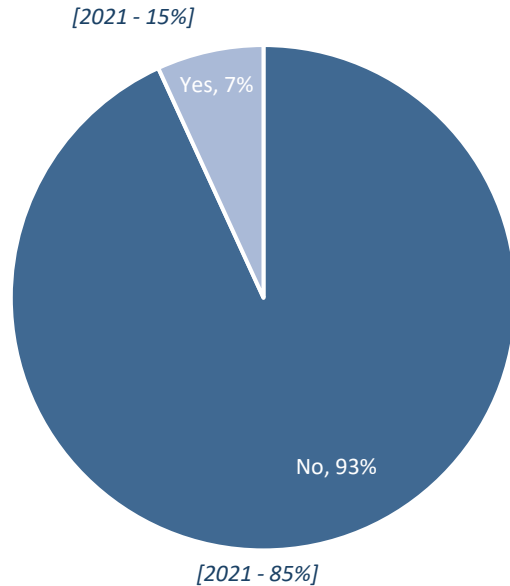
Number of businesses purchasing telecom services as a bundle: 117



Bundles (4/5)

Switching of the bundle subscription in the last two years

Number of business respondents purchasing telecom services as a bundle: 117



Number of business respondents that switched their service provider: 8 (or 7%)

Reasons

- The service offered was not of a good quality (63%),
- A cheaper alternative was found (37%).

Number of business respondents that are dissatisfied or indifferent but did not switch service provider: 18 (or 15%)

Reasons

- All service providers offer the same service (38%),
- Disruptive for business activity (17%),
- The service offered was of good quality (14%),
- Other service providers do not offer what the company needs (5%),
- Costs to complete the switch (5%)

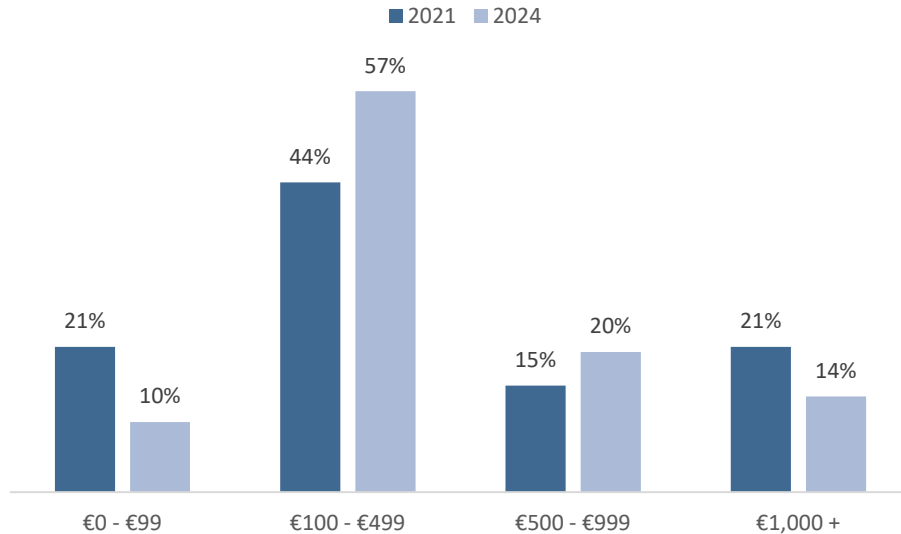
NB: These results should be interpreted with caution, given the small sample size.

Bundles (5/5)

Average monthly expenditure on bundles

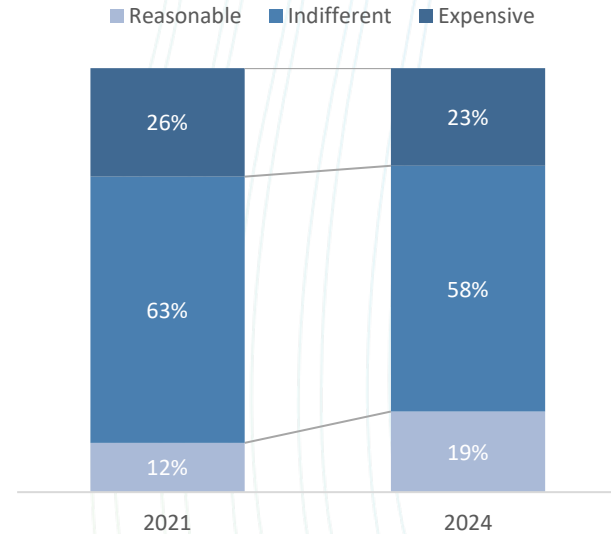
Number of business respondents purchasing a bundle subscription: **117**

111 of which (or 95%) are aware of their monthly expenditure



Views on monthly expenditure

Number of business respondents knowing their expenditure on bundles: **111**



High-end connectivity services

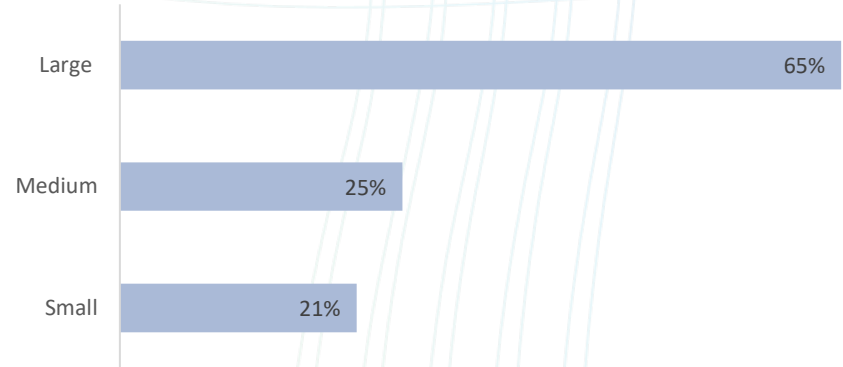
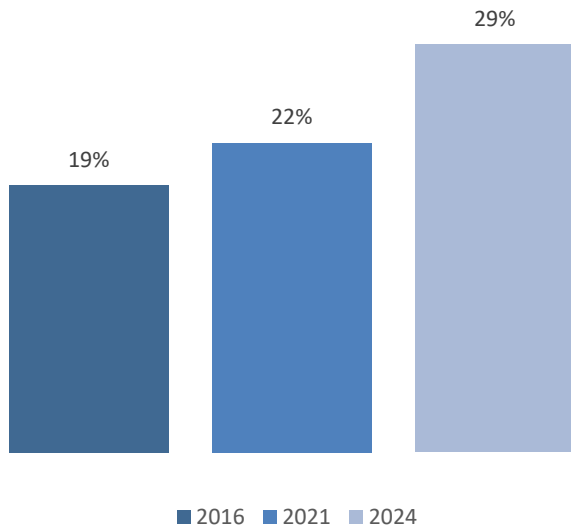


High-end connectivity services (1/5)

Use of non-standard data connectivity services

Total number of business respondents using other data services: 43

i.e. 29% of the total business respondents



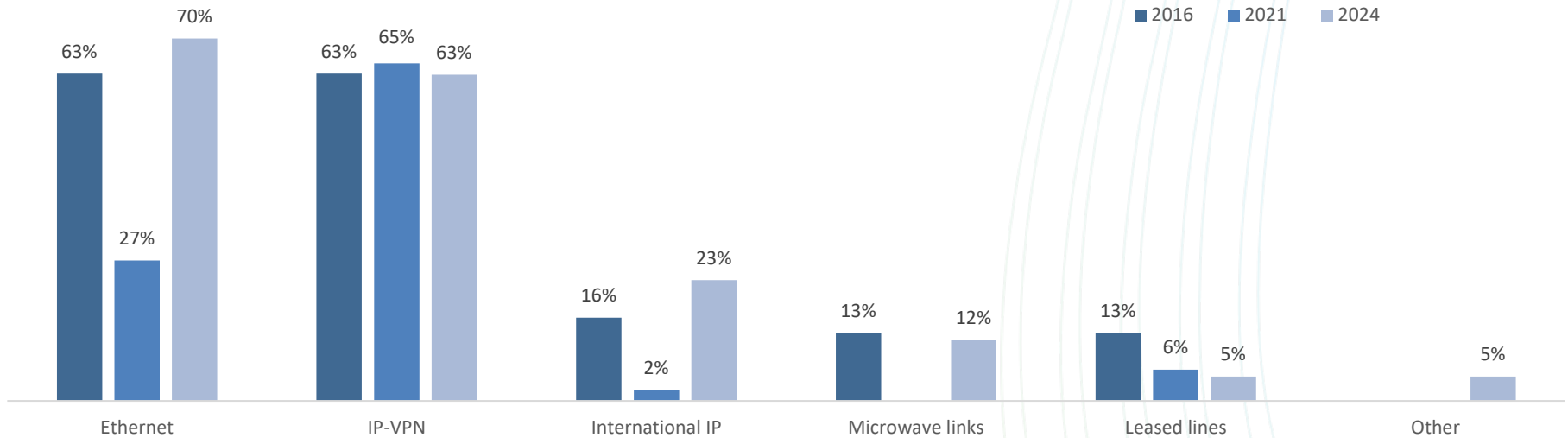
- The table above outlines the share of respondents, by size of business, that are subscribed to high-end connectivity services.

High-end connectivity services (2/5)

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

Number of business respondents making use of non-standard data services: 43

(i.e. 29% of the total business respondents; respondents could provide multiple answers)

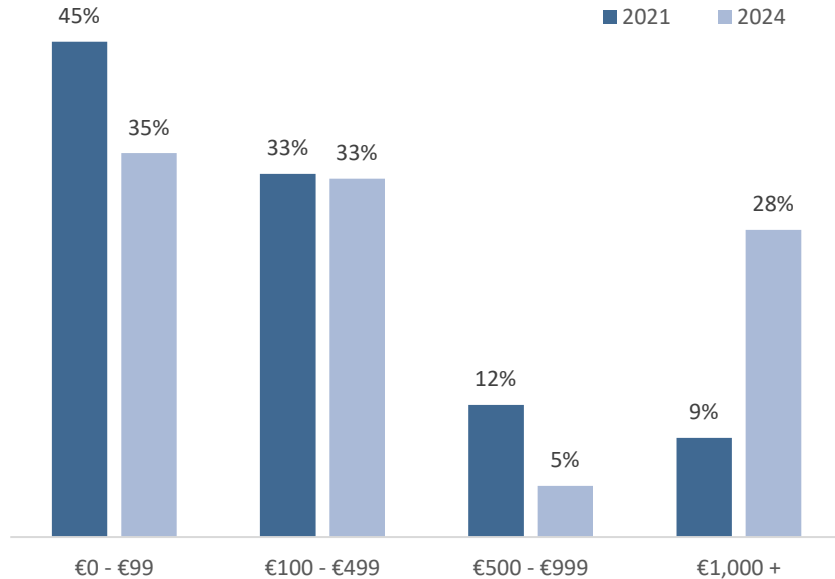


High-end connectivity services (3/5)

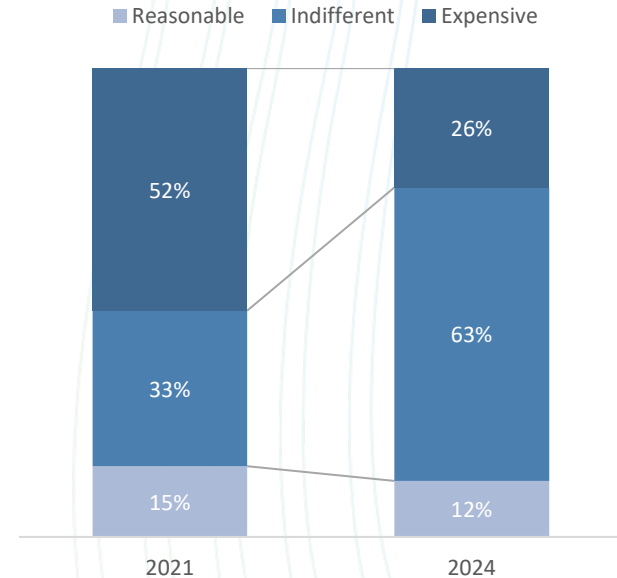
Number of business respondents making use of non-standard data connectivity services: 43

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

Monthly expenditure



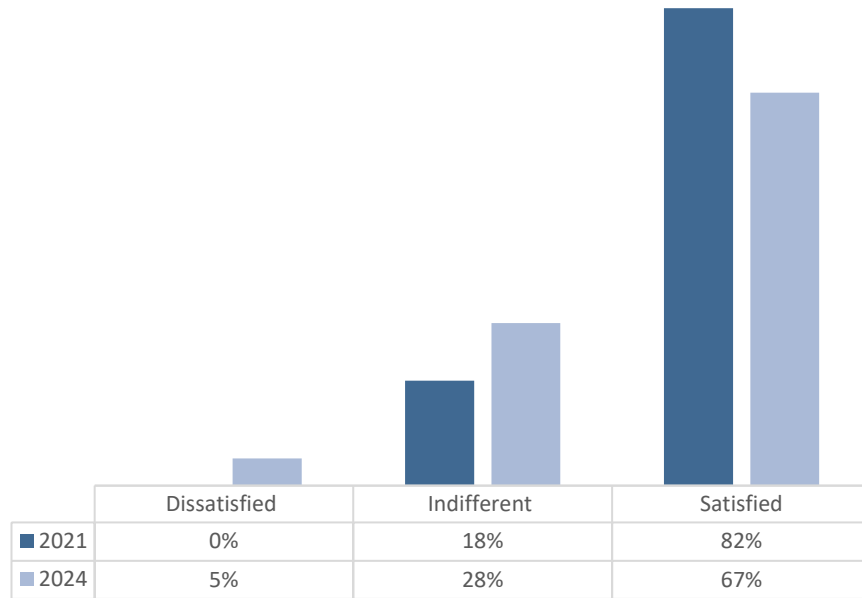
Perceptions on price



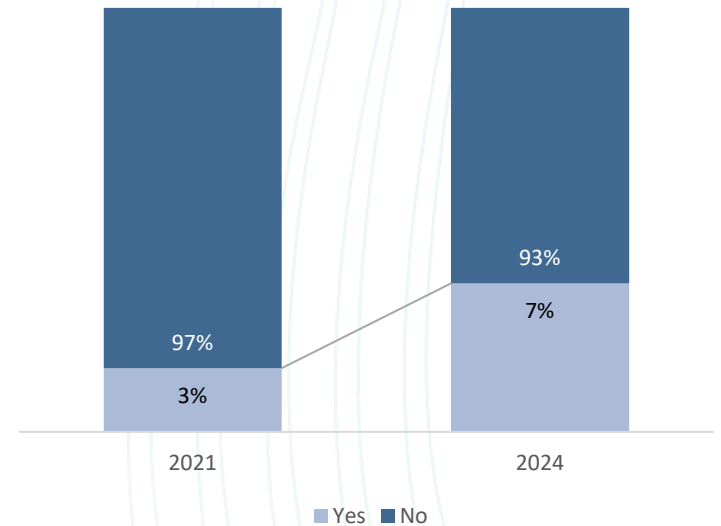
High-end connectivity services (4/5)

Number of business respondents making use of non-standard data connectivity services: 43

Satisfaction with the service



Switching over the last two years

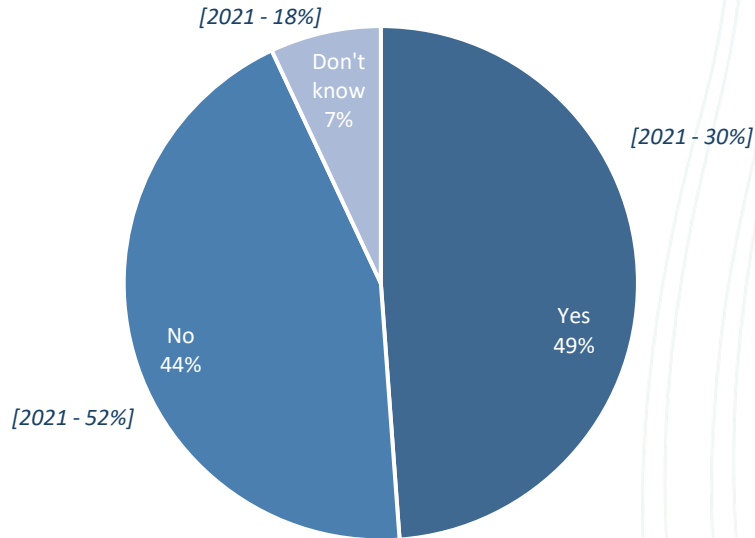


High-end connectivity services (5/5)

Applicability of service level agreements with service provider

Number of business respondents making use of non-standard data connectivity services: 43

i.e. 29% of the total business respondents



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