MALTA COMMUNICATIONS AUTHORITY

Consumer Perceptions Survey – Pay-TV

October 2023

An overview of main findings for a perception survey concerning pay-TV usage in Malta

The MCA is hereby publishing the findings of a survey gauging consumer perceptions based on their experience in using pay-TV and broadcasting and content services available in Malta. Key themes relate to the level of satisfaction with the service, consumer sensitivities to price changes and propensity to switch. Survey findings also cover the overall experience with customer care and the propensity of houshold users to use over-the-top (OTT) services over mobile.

The survey was carried out by EMCS on behalf of the MCA via telephone interviews. A total of 808 net respondents who were randomly selected, participated in this survey.

Ownership of TV sets

The survey revealed that 74% of respondents have a smart TV and use it as their primary means of watching TV content. Furthermore, there was a notable distribution in the number of TV sets within households, with 26% of respondents owning a single TV set and 47% owning two sets. 19% have three TV sets whereas 7% stated having four TV sets or more. Only a mere 1% of all respondents indicated not having a TV set at home.

Subscribers to local pay-TV operators

89% of survey respondents have a pay-TV subscription with local service providers, whereas 3% rely on free-to-air for TV services. Almost all of pay-TV subscribers (99%) opt for just one TV subscription with a local service provider, a consistent trend from the 2020 study. Moreover, 90% of respondents report that they purchase their pay-TV subscription in a bundle with other services, marking an increase from the 77% reported in 2020. Noteworthy features considered when acquiring a pay-TV subscription from local service providers include price (34%), availability in bundled packages (22%), and the number of channels offered (18%). Alongside this, more users are making use of app-based pay-TV content viewership.

Additionally, a noteworthy 86% of respondents with a pay-TV subscription watch Maltese channels.

Most responents also state they have no plans to disconnect their service within the next 12 months.

Viewership habits of pay-TV subscribers

When it comes to usage patterns, 76% of respondents with a pay-TV subscription say they use the service regularly, while 21% use it less frequently, and 3% no longer use it.

Pay-TV expenditure and cost perception

Expenditure trends show that 20% of respondents spend on average between €30 to €50 per month on their pay-TV service. This share is down from 26% reported in 2020. The latest survey also shows that 16% spend over €50 per month on their pay-TV subscription, down from 18% reported in 2020.

Notwithstanding the reported declines in expenditure, 55% of respondents with a pay-TV subscription perceive their monthly financial outlay on the pay-TV service as expensive or very expensive. This represents a notable increase from the 39% that held this viewpoint in 2020. Concurrently, 40% of respondents characterise the service as neither expensive nor cheap. This figure represents a decline from the 53% that held a similar view in 2020. 34% of survey respondents with a pay-TV subscription say they do not know what their monthly expenditure on the service amounts to, as they purchase the service in a bundle with other services.

Quality of services and switching

Satisfaction levels with pay-TV subscriptions have decreased to 72% from 94% of respondents with such a subscription in 2020. Furthermore, 21% outlined their neutral stance, and 7% of survey respondents expressed dissatisfaction. Looking more closely at satisfaction levels per pay-TV operator, for Melita, 26% of respondents were highly satisfied, 45% were satisfied and 22% held a neutral stance. 3% of respondents with a Melita pay-TV subscription were highly dissatisfied with the service. As for GO, 31% of customers were highly satisfied, 42% were satisfied and 20% held a neutral stance. 2% of respondents with a GO pay-TV subscritption were highly dissatisfied with the service.

Among those dissatisfied or neutral (or quality agnostic), the primary concerns were frequent disconnections (51%), channel line-up (22%), and poor customer care (19%).

When dissatisfied or neutral respondents were asked about their switching intentions, 22% were considering changing their TV operator, 57% preferred not to switch operators, and 21% were unsure.

Among those who were not considering switching their main subscription, the primary reason for not switching was the perception that all providers offer the same service (47%). Among those who did switch in the last two years (7% of respondents), reasons included dissatisfaction with previous service (36%) and improved customer service (28%).

Faults with pay-TV service

Half of the respondents reported no disconnections, faults or other problems with their pay-TV subscription in the last 12 months, compared to 67% in 2020. Those who experienced one-time issues comprised of 19% of respondents with a pay-TV subscriptiuon in 2023, slightly down from 22% in 2020. Moreover, respondents experiencing 2 to 5 problems increased from 9% in 2020 to 23% in 2023. Encounters with more than 5 problems also saw an increase from 2% in 2020 to 8% in 2023.

Regarding satisfaction with the level of response from service providers when problems were reported, the data for 2023 indicates that 23% were highly satisfied, compared to 65% in 2020 as a result of a bigger share of respondents reporting a neutral stance. Additionally, 35% reported being satisfied, 28% were neutral, 8% were dissatisfied, and 4% were highly dissatisfied.

Use of Pay-TV Alternatives

69% of respondents now resort to platforms such as YouTube and Netflix for their audio-visual content needs, up from the 14% that was reported back in 2020.

Between 2020 and 2023, there was a shift in the perception of streaming services like Netflix as substitutes for pay-TV offered by Melita and GO. In 2020, 67% considered these services as substitutable, which decreased to 40% in 2023, while those who believed they weren't good substitutes increased from 33% in 2020 to 46% in 2023.

Survey responses also reveal the diverse considerations individuals take into account when assessing Android Box TV's substitutability with traditional pay-TV options. Among respondents, 21% who own Android boxes and 18% who do not, consider it substitutable to pay-TV. Conversely, 22% do not think it is a good substitute, while 39% remain uncertain due to their limited experience with Android boxes.

Broadcasting and DAB+ Services

The adoption of digital audio broadcast plus (DAB+) radio sets stood relatively steady since the 2020 survey. 19% of survey respondents say they own such devices, mirroring the same statistic from the preceding 2020 survey.

Background to the survey function at the MCA

The MCA has been regularly carrying out the Consumer Perception Surveys since 2008. The main purpose of this exercise is to gather information on the level of satisfaction of local consumers with the products and services offered by electronic communication service providers and the extent to which these providers are able to address the demands of their clients. Given that these surveys have been carried out regularly for a number of years, survey results are indicative of long-term trends, how the needs of end-users have developed over time and how local service providers are dealing with changing demand over the years.

The results of these surveys also serve as an additional source of information for the MCA's regulatory decisions, in order to ensure an environment that is conducive to sustainable competition and investment in view of the growing demands of the future.