MCA Market Research

Consumer Perceptions Survey – Findings for Bundle Services

January 2021

Purpose

- Perception surveys are carried out regulatory by the MCA to gather insights on end-user choices and preferences when it comes to telecoms. This survey specifically targets households in Malta.

- The current research concerns bundled services comprising two or more telecommunication services. Survey findings are available on:

  - ✓ the average monthly expenditure by end-users on bundled products of ECS services and their sensitivities to price changes;
  - ✓ the level of satisfaction with the quality of the service and the propensity of end-users to switch between bundled products offered by different operators; and
  - ✓ the type of contract agreements that are selected and the quality of the operators' response to faults that are reported.

- Note: The current exercise refers to Vodafone Malta, which was rebranded to Epic last November. This is because the survey fieldwork was carried out in the second half of 2020, i.e., prior to the rebranding.

Methodology

Keep tabs on latest developments → Provide for better analysis of bundle services → Allow for robust regulatory decisions

EMCS Ltd carried out the survey in second quarter of 2020 on behalf of the MCA

Fieldwork

- Telephone interviews lasting around 20 minutes;
- Randomly selected survey participants;
- Respondents' age: 18 years or over.

Sample

- Sample stratified on socio-economic classification of the Maltese population;
- Interviews distributed among Malta's six official geographic regions;

Responses

- 847 net respondents;
- Any refusals / incomplete surveys were re-allocated to achieve a net sample of at least 800 respondents;
- Margin of error: +/- 3.37% at 95% confidence interval.

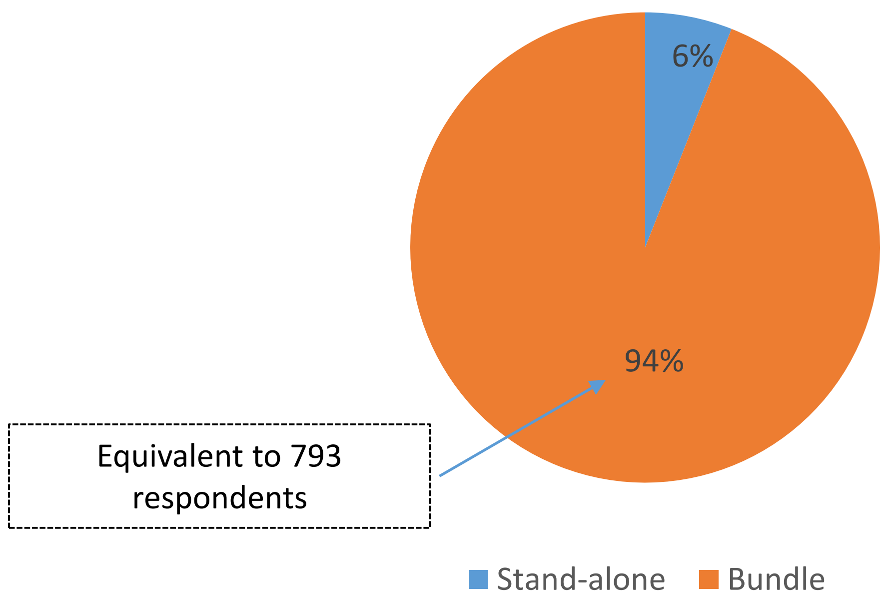
Survey findings on bundle subscriptions, expenditure and contractual obligations

Propensity to purchase telecom services in a bundle (1 of 4)

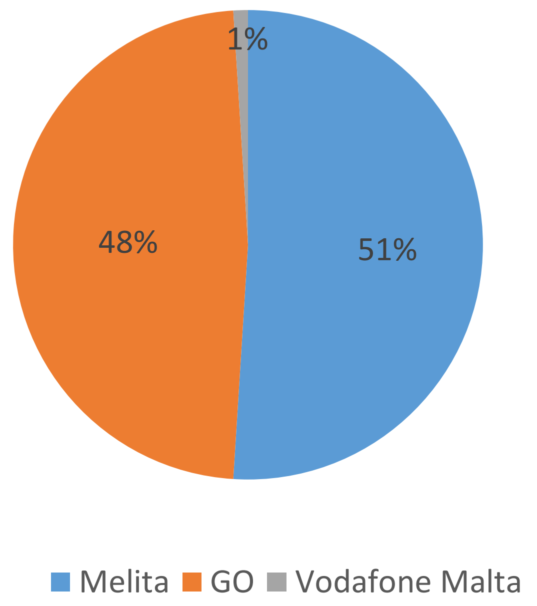
Respondents choice when it comes to telecom services – Stand-alone vs Bundle

Number of respondents - 847

Percentage of respondents – bundle vs stand-alone



Percentage of respondents with a bundle by operator

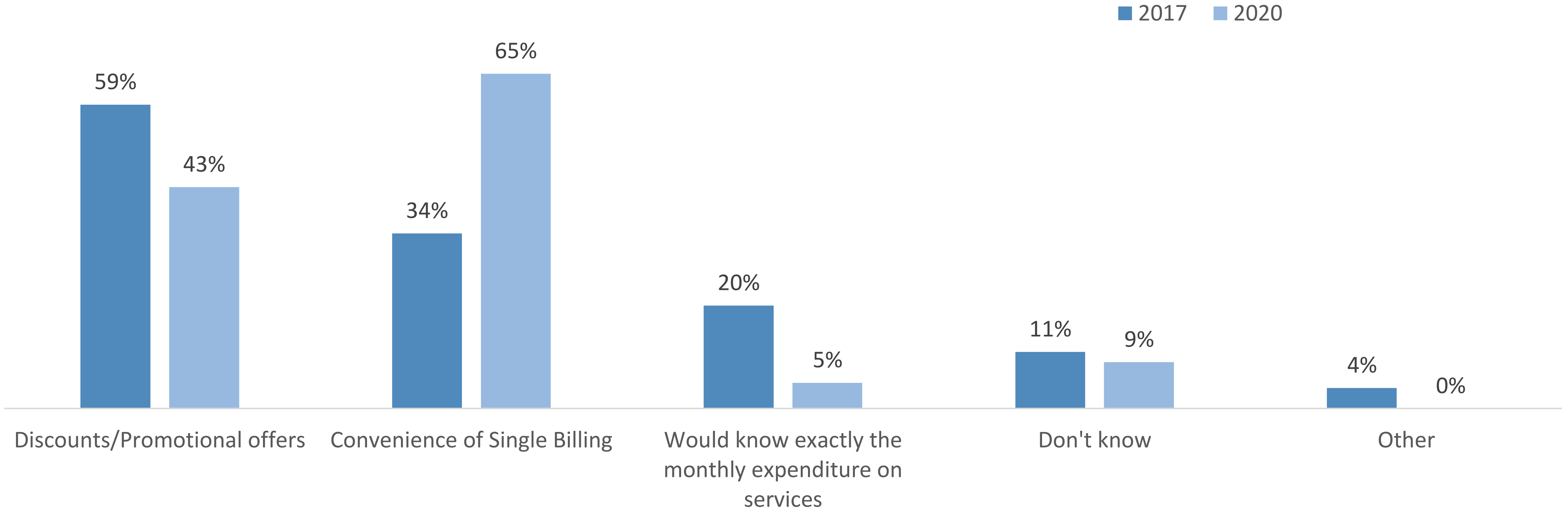


Propensity to purchase telecom services in a bundle (2 of 4)

Reasons for purchasing a bundle subscription

Number of respondents with a bundle – 793 (i.e. 94% of survey respondents)

Note: In a number of instances more than one reason was provided

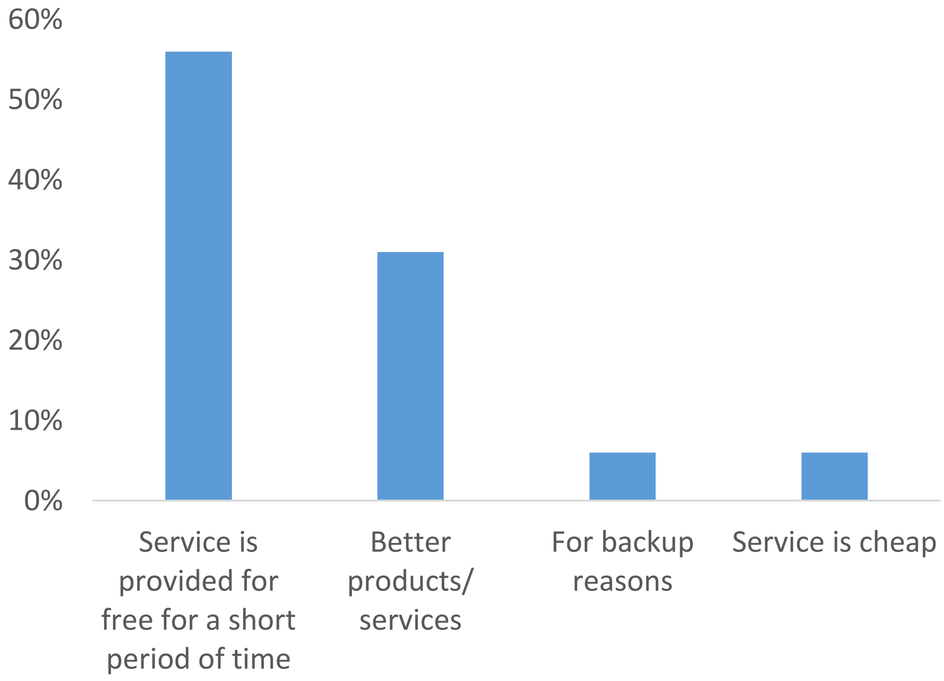


Propensity to purchase telecom services in a bundle (3 of 4)

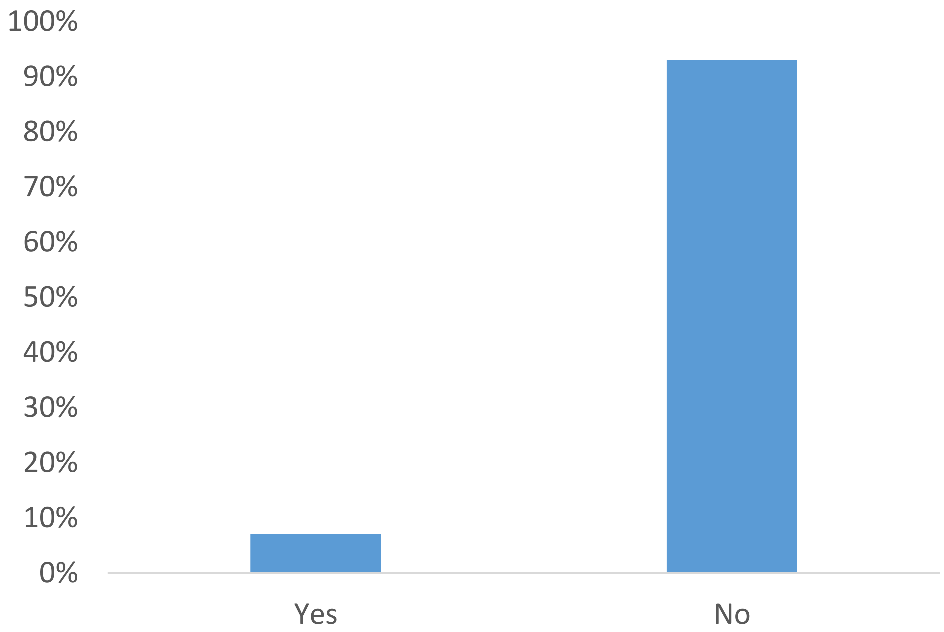
1.8% of survey respondents say they purchase more than one bundle subscription

Equivalent to 15 survey respondents

Reasons quoted by respondents for more than one bundle subscription



Propensity to disconnect one of the bundle subscriptions

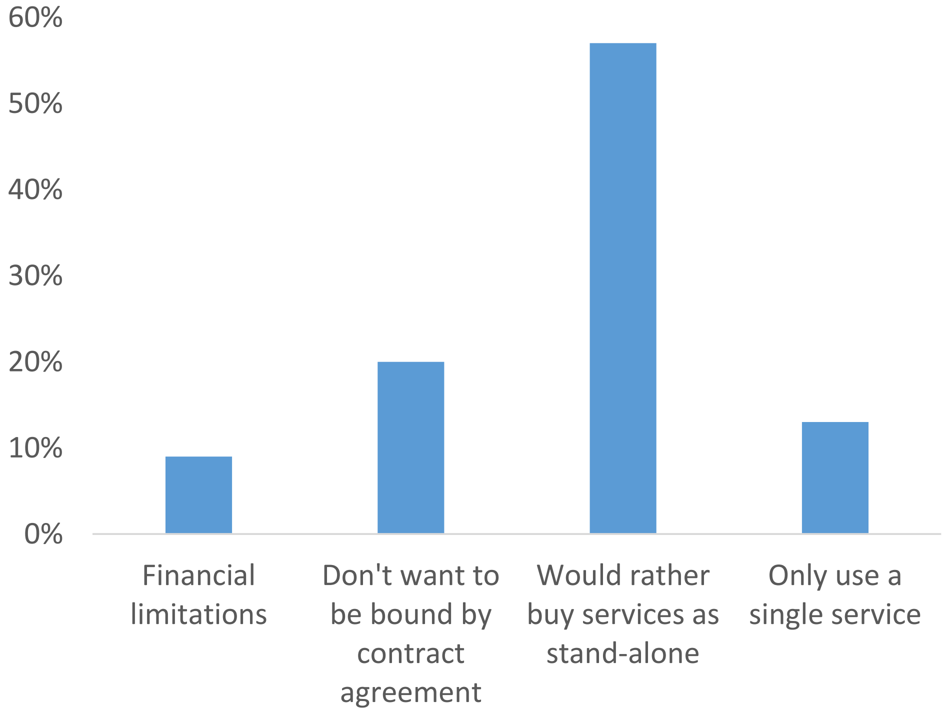


Propensity to purchase telecom services in a bundle (4 of 4)

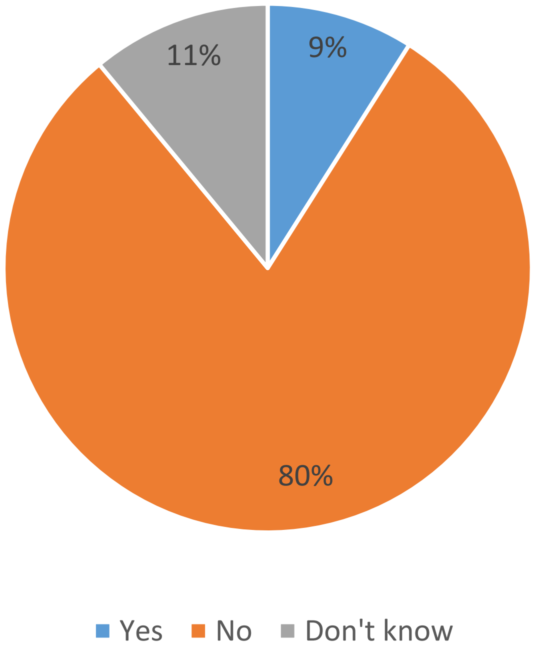
6% of survey respondents do not purchase a bundle subscription

Equivalent to 54 survey respondents

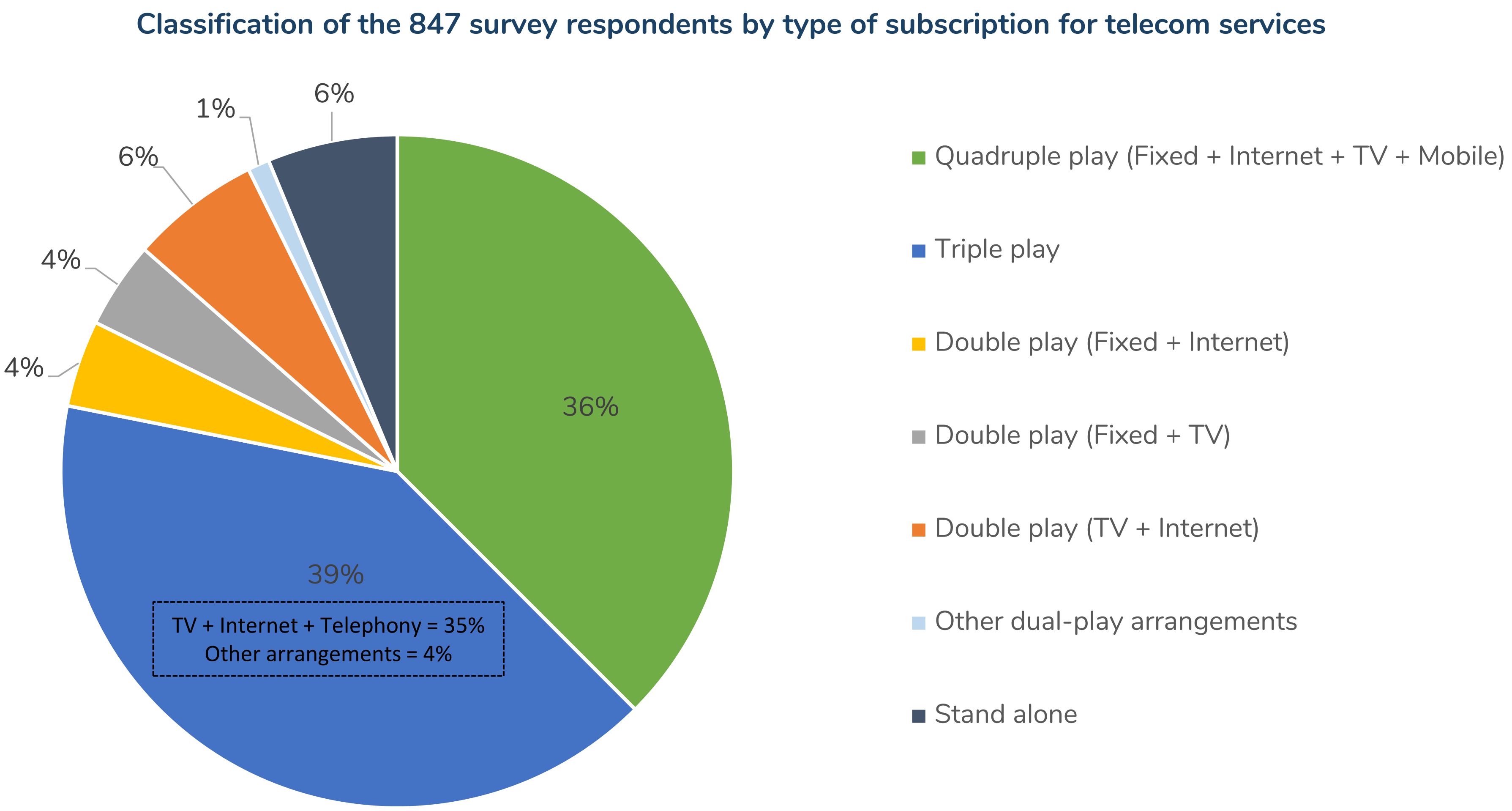
Reasons for not purchasing a bundle subscription



Intent of buying a bundle over the next six months



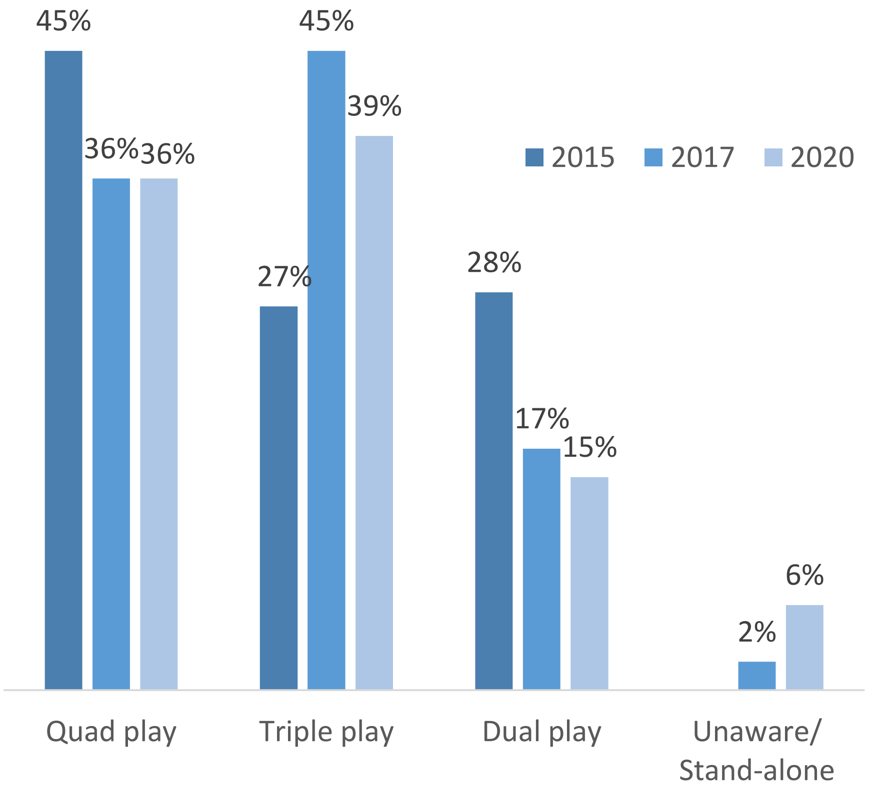
Type and composition of telecom subscriptions (1 of 2)



Type and composition of telecom subscriptions (2 of 2)

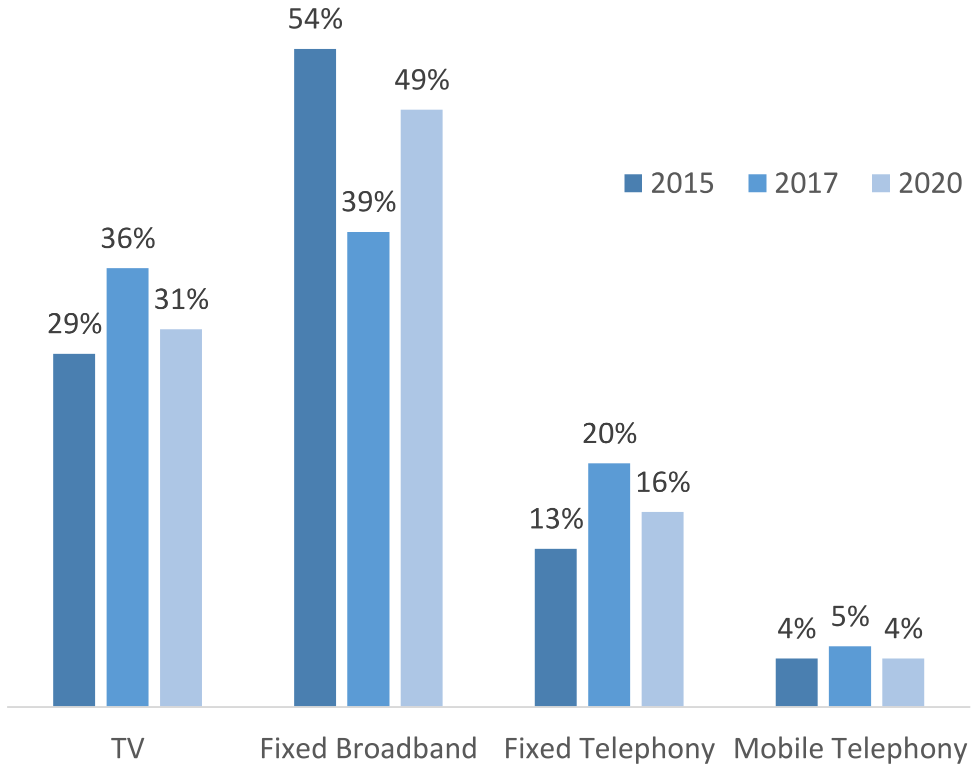
Take-up by type of bundle

Number of respondents with a bundle: 793 (94% of total)



Likelihood to purchase different telecom products in a bundle

Number of respondents with a bundle: 793 (94% of total)

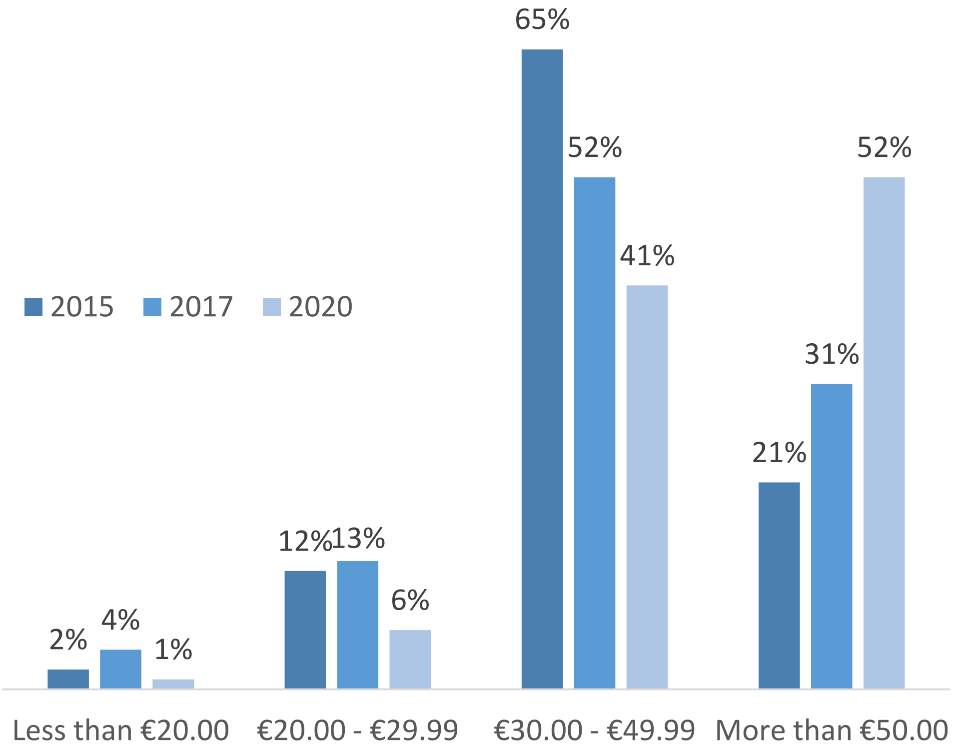


Expenditure and cost perceptions

Average monthly expenditure on main bundle subscription

Number of respondents knowing their bundle cost: 580

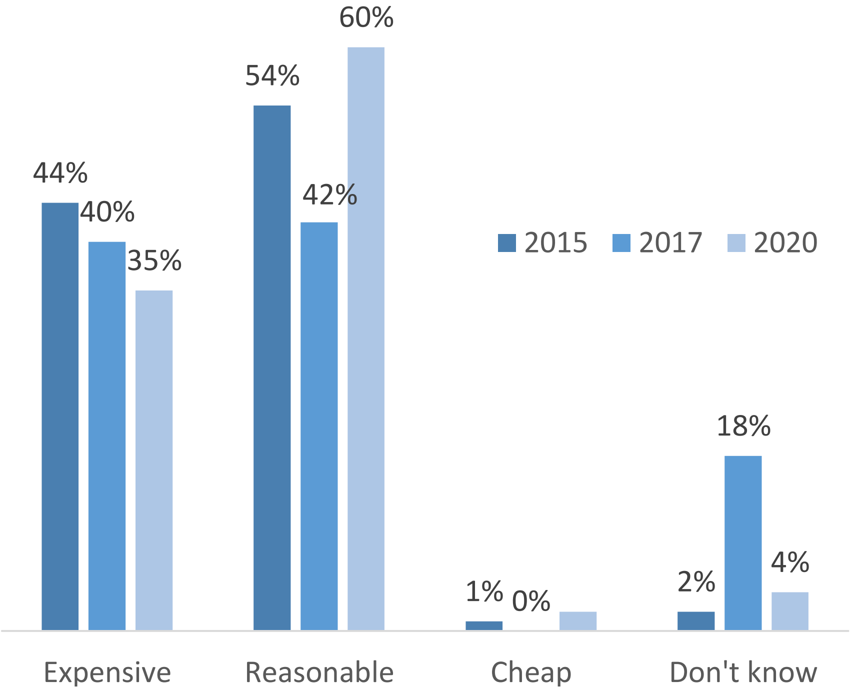
(74% of total bundle subscribers)



Perception on the cost of bundle subscriptions

Number of respondents knowing their bundle cost: 580

(74% of total bundle subscribers)



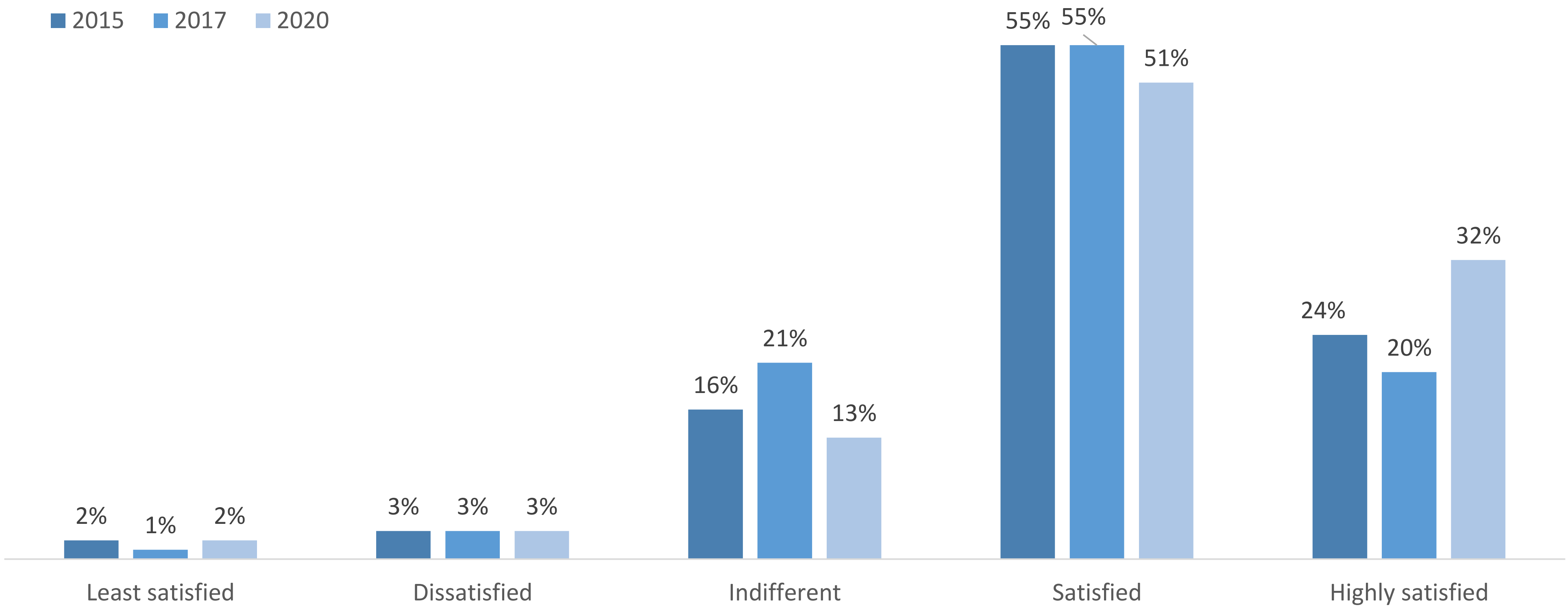
There are slightly less respondents knowledgeable of their financial outlay on their bundle subscription, with this share declining from 79% in 2017 to 74% in 2020.

Survey findings on quality of service and switching

Quality of service (1 of 2)

Level of satisfaction with the quality of the main bundle subscription

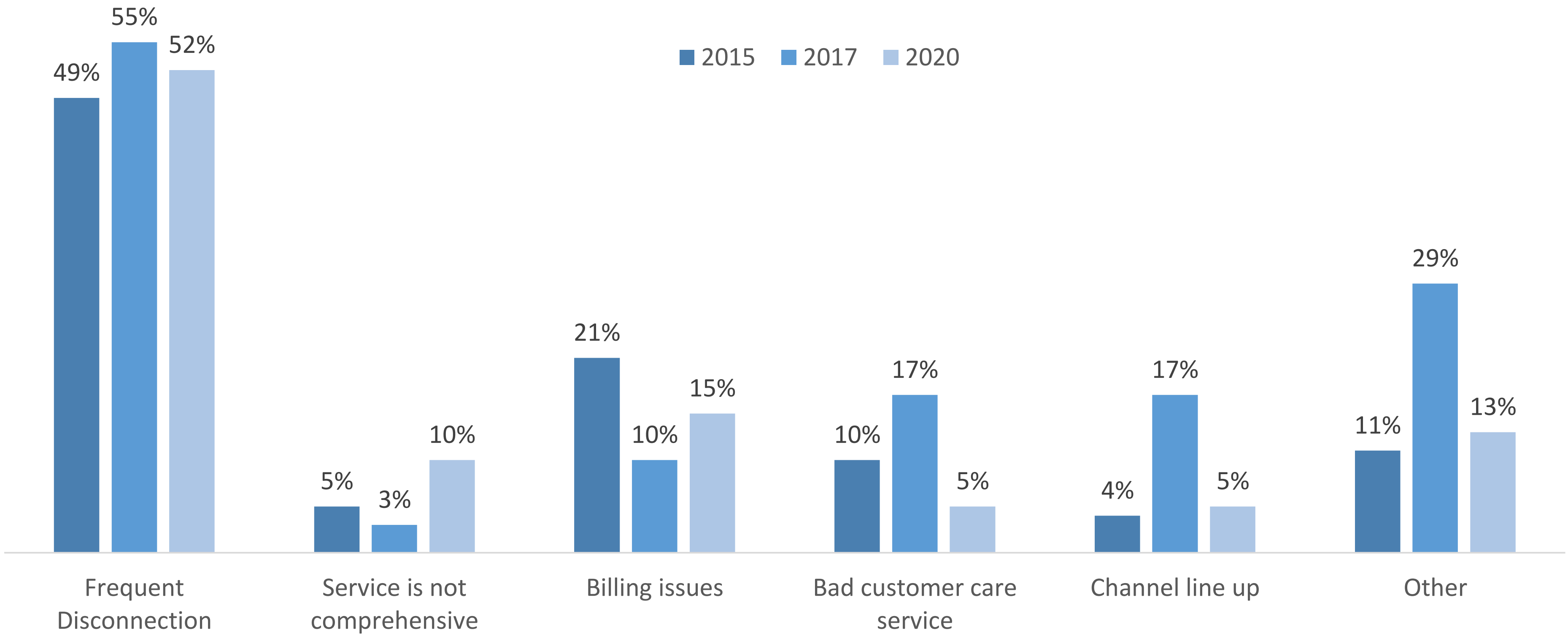
Number of respondents with a bundle subscription – 793 (94% of total respondents);



Quality of service (2 of 2)

Reasons for being dissatisfied or indifferent with the quality of the bundle subscription

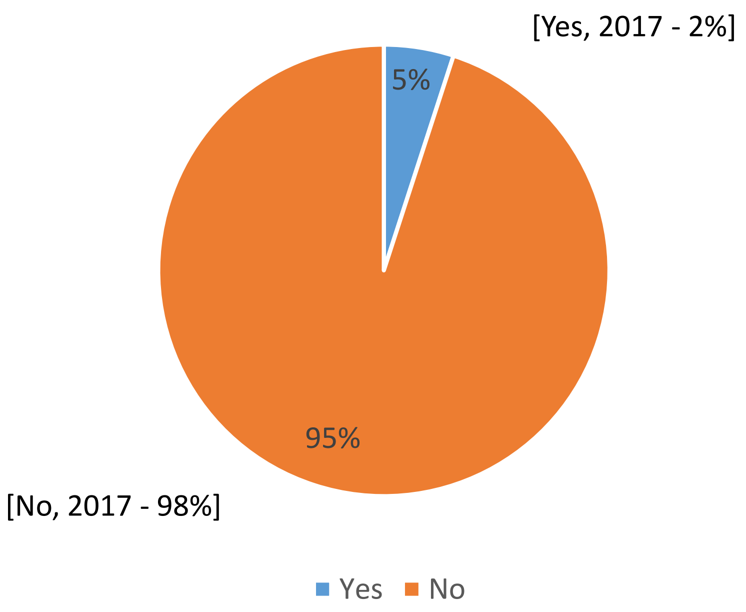
Number of respondents reporting they are dissatisfied or indifferent with their current bundle subscription – 134 (i.e. 18% of the total)



Switching (1 of 5)

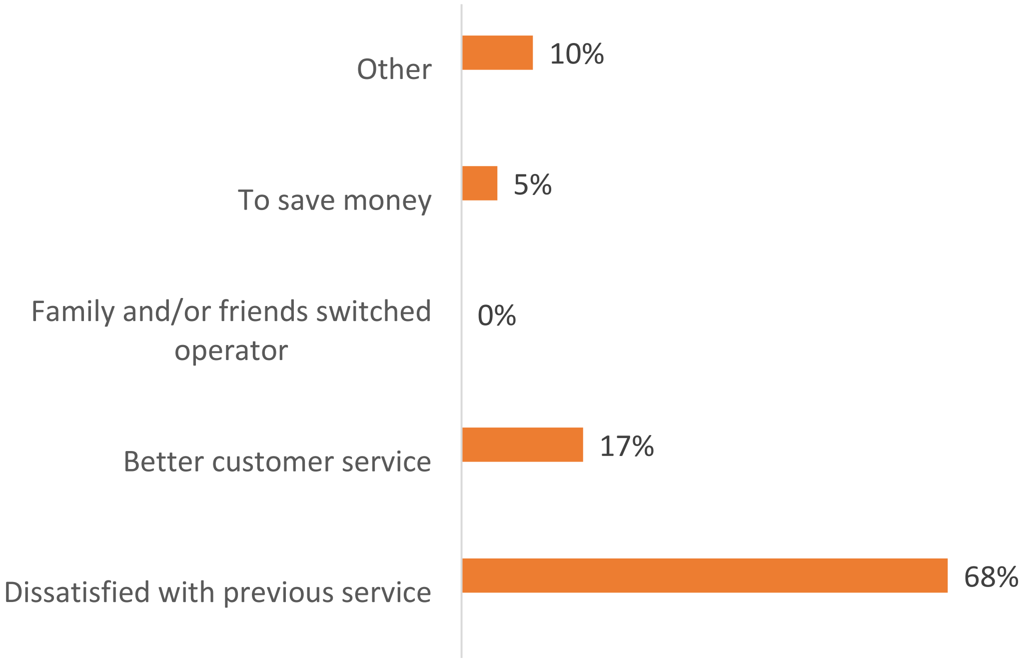
Respondents who switched service provider for the bundle subscription in the last two years

Number of respondents with a bundle subscription – 793
(94% of the total respondents)



Reasons for switching

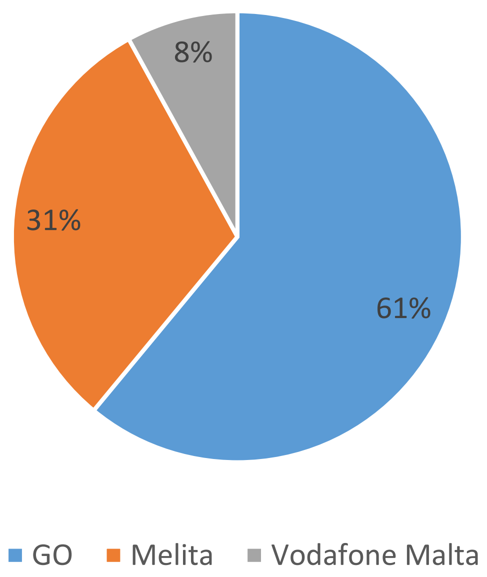
Number of respondents that have switched service provider – 36
(i.e. 5% of the total number of survey respondents with a bundle)



Switching (2 of 5)

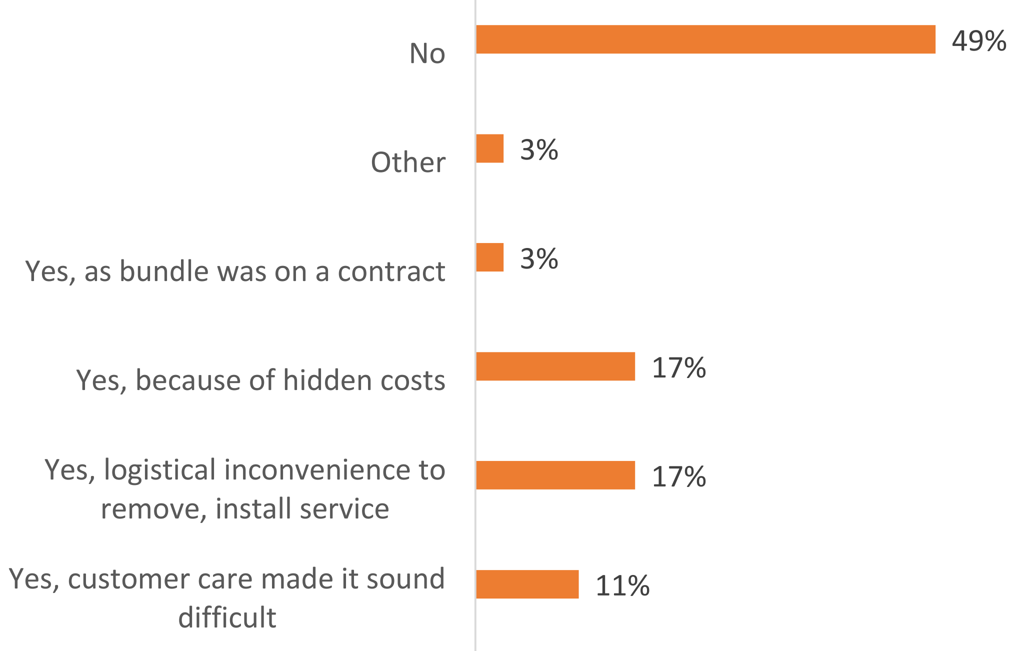
Previous service provider before switching operators

Number of respondents that have switched service provider – 36
(i.e. 5% of the total number of survey respondents with a bundle)



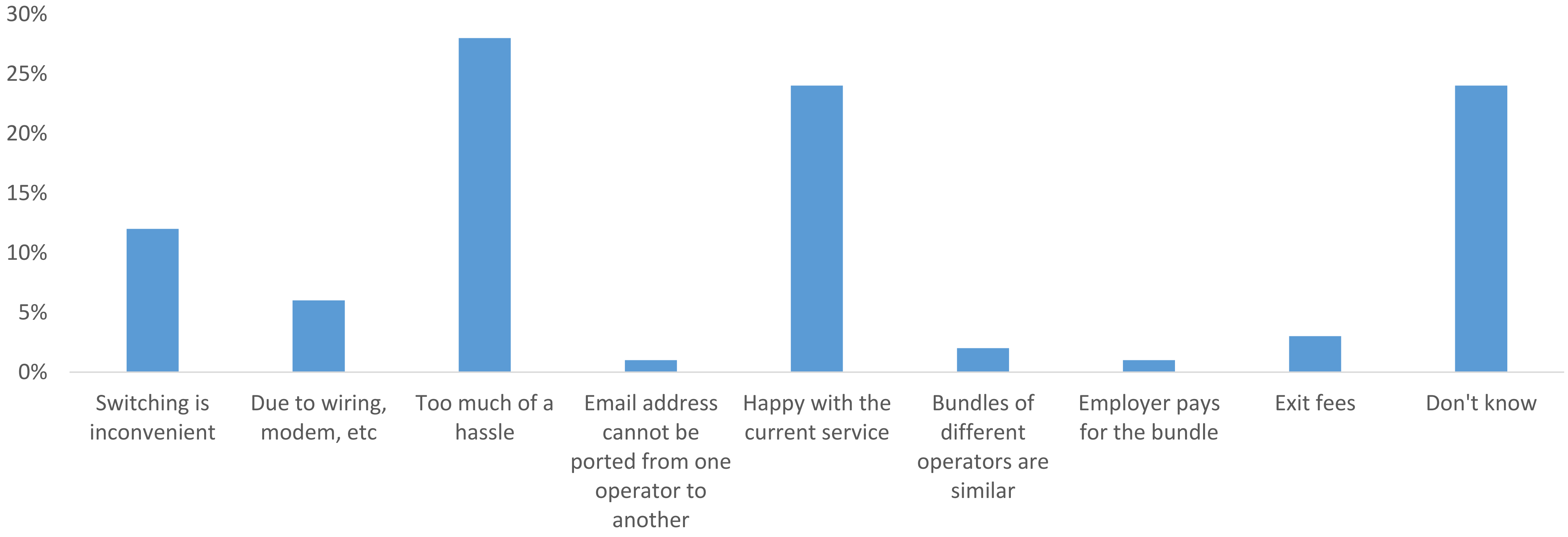
Perceived difficulty in switching

Number of respondents that have switched service provider – 36
(i.e. 5% of the total number of survey respondents with a bundle)



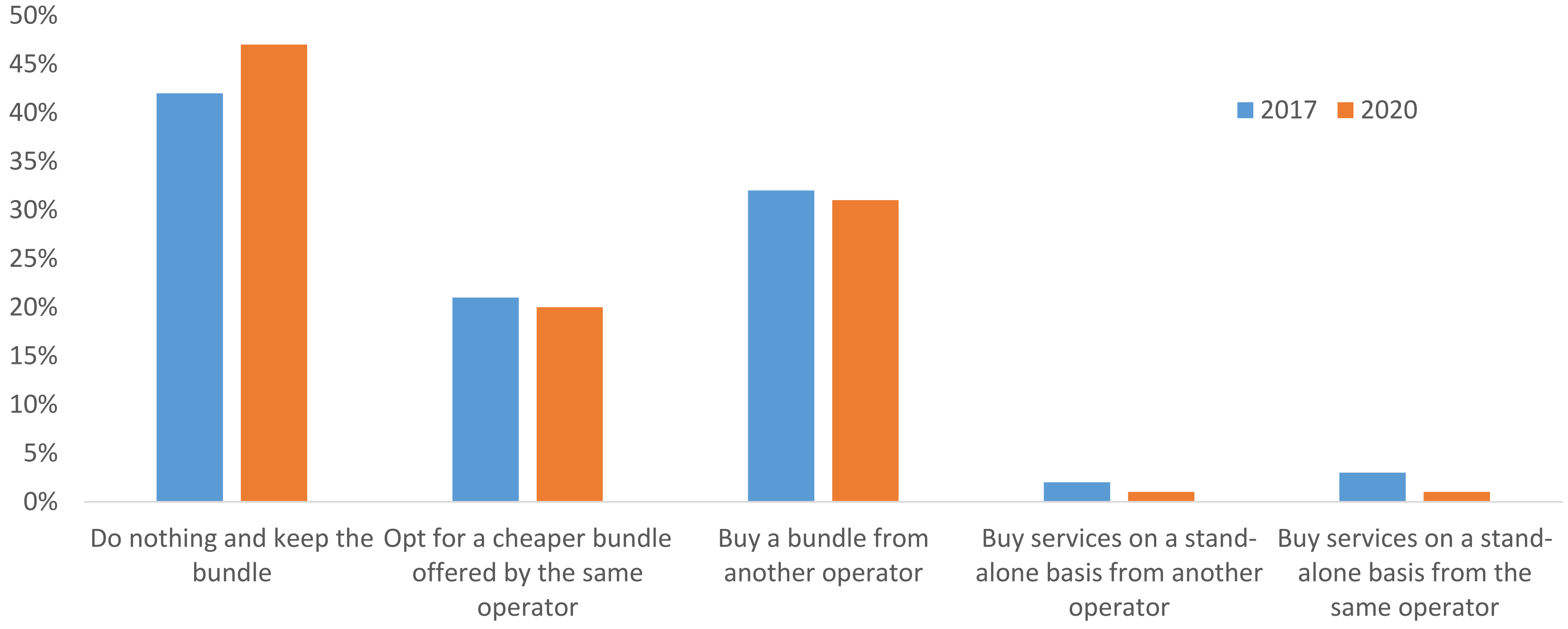
Reasons provided by respondents for not switching their bundle subscription

Number of respondents reporting they kept their bundle subscription – 753
(i.e. 95% of the total)



Switching (4 of 5)

Propensity to switch service provider in case of a 10% rise in the monthly access fee of the bundle

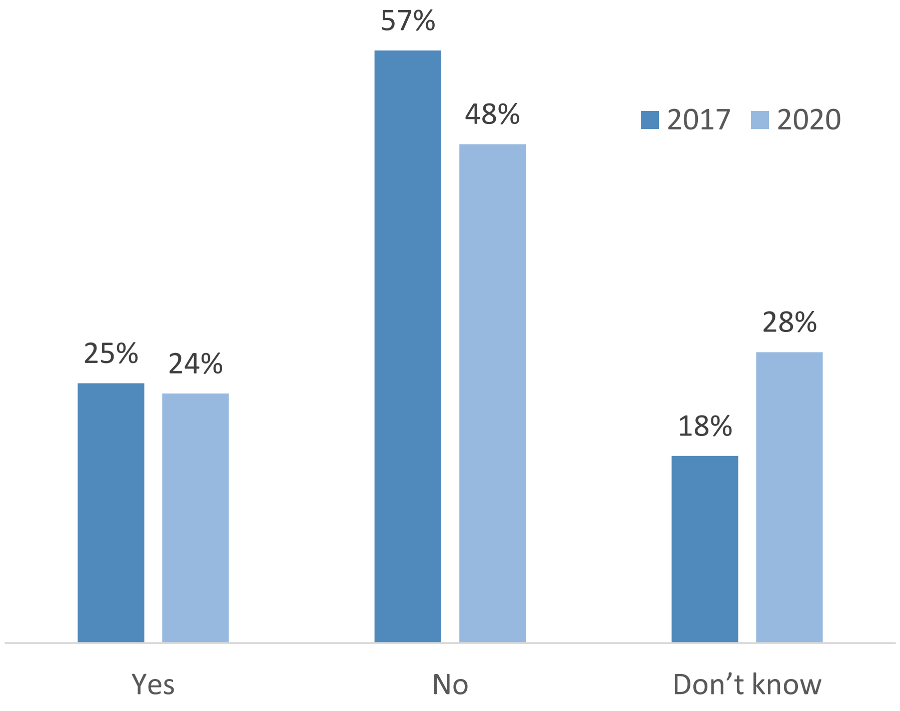


Relevant to underline that respondents in 2020 say they would be less inclined to switch service provider in the event of a 10% rise in the monthly access fee, than was the case in 2017.

Switching (5 of 5)

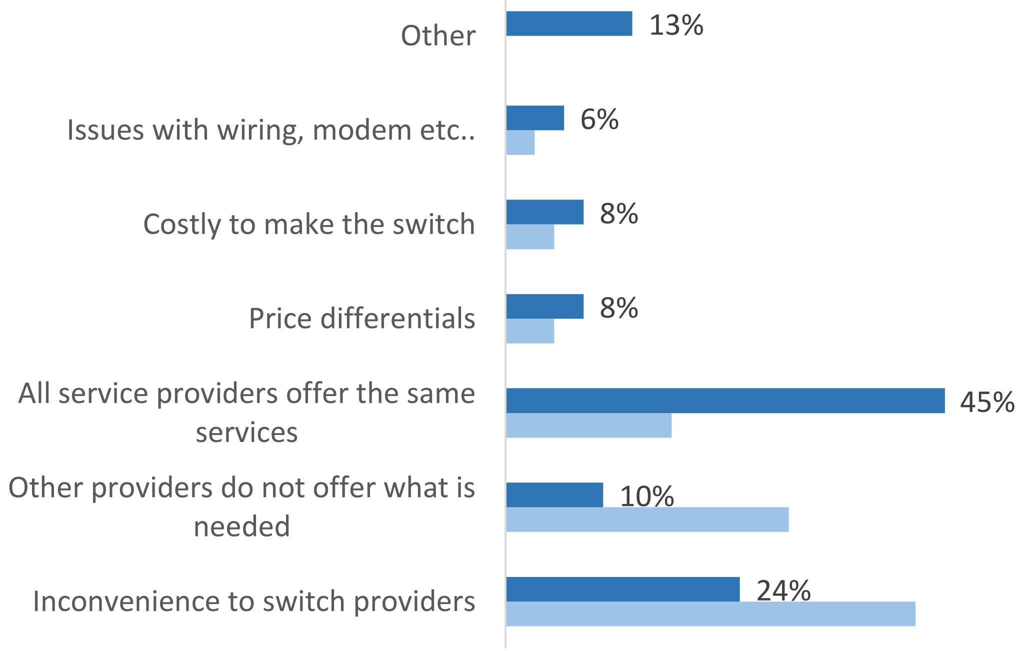
Propensity to switch in case of respondents not satisfied or indifferent with the quality of service

Number of respondents reporting they are dissatisfied or indifferent with their current bundle subscription – 134
(18% of the total number of respondents with a bundle subscription)



Reasons why dissatisfied / indifferent respondents have not switched operator

Number of respondents dissatisfied or indifferent with their bundle service saying that switching is not on the cards – 64
(48% of respondents not satisfied or indifferent with quality of the bundle subscription)



Survey findings on faults and contractual costs and obligations

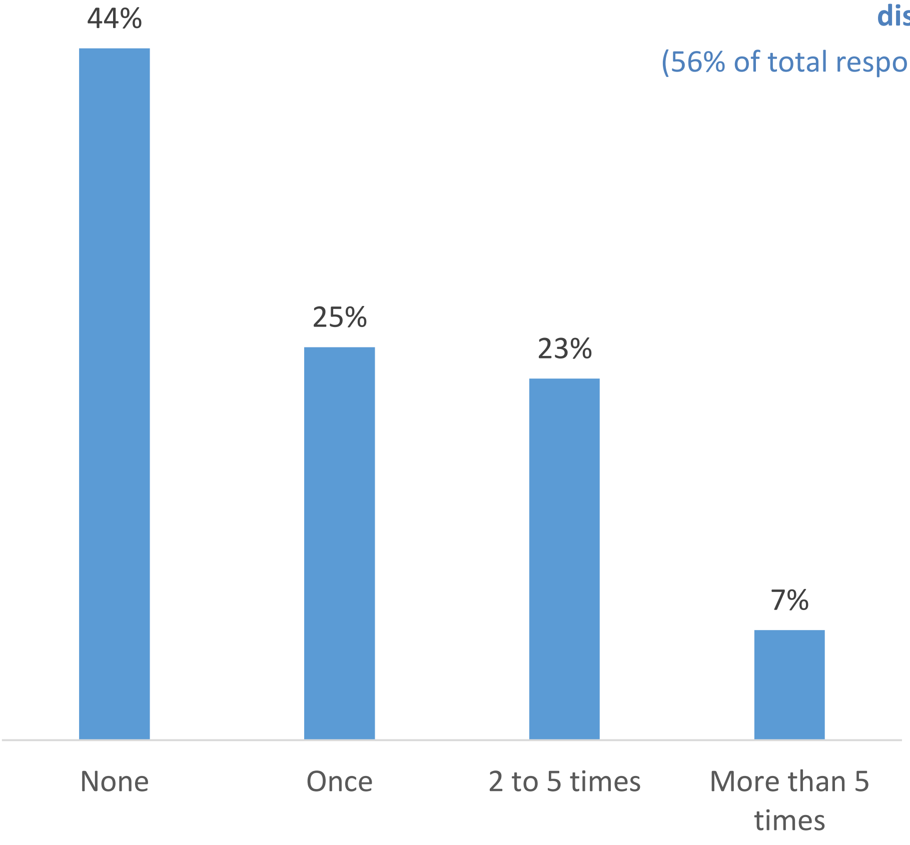
Faults and disconnections

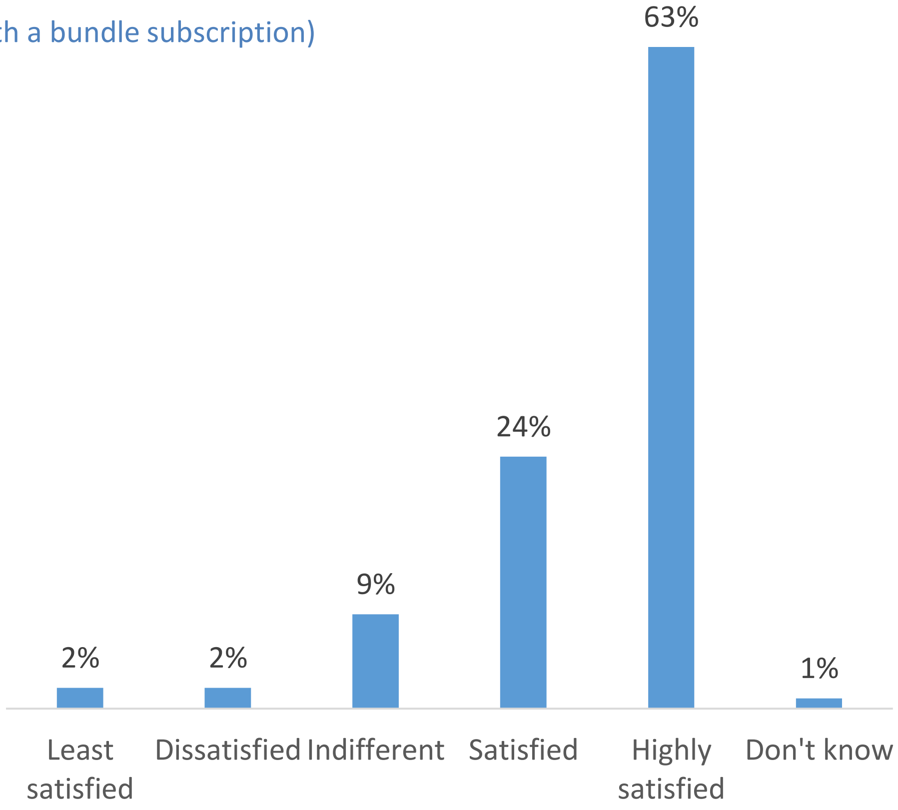
Reported faults /disconnections in the 12 months prior to the survey

Satisfaction level with the response of the operator to reported faults / disconnections

Number of respondents with a bundle subscription that reported at least one fault / disconnection – 440

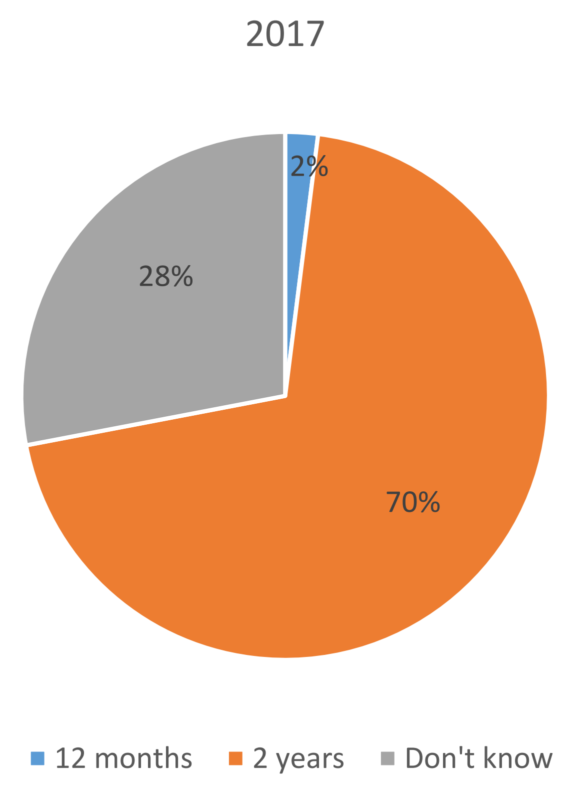
(56% of total respondents with a bundle subscription)

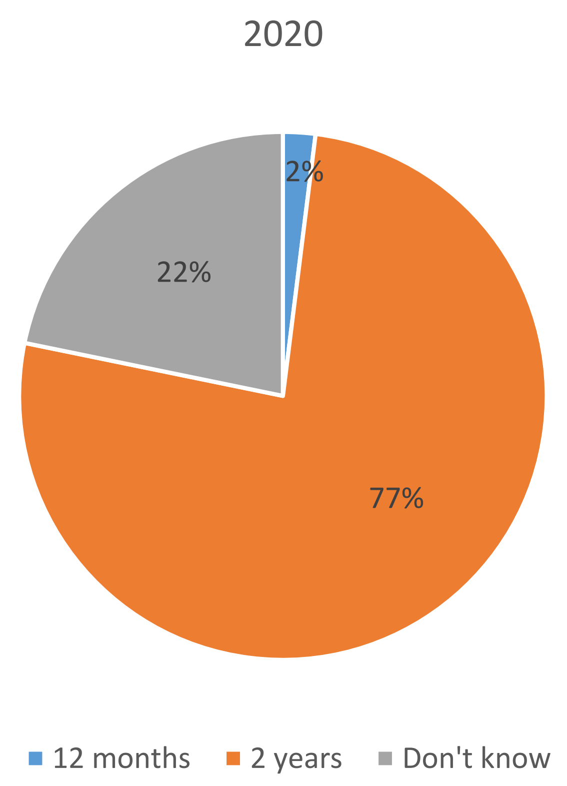




Contractual obligations

Typical duration of contract term agreement for a bundle subscription





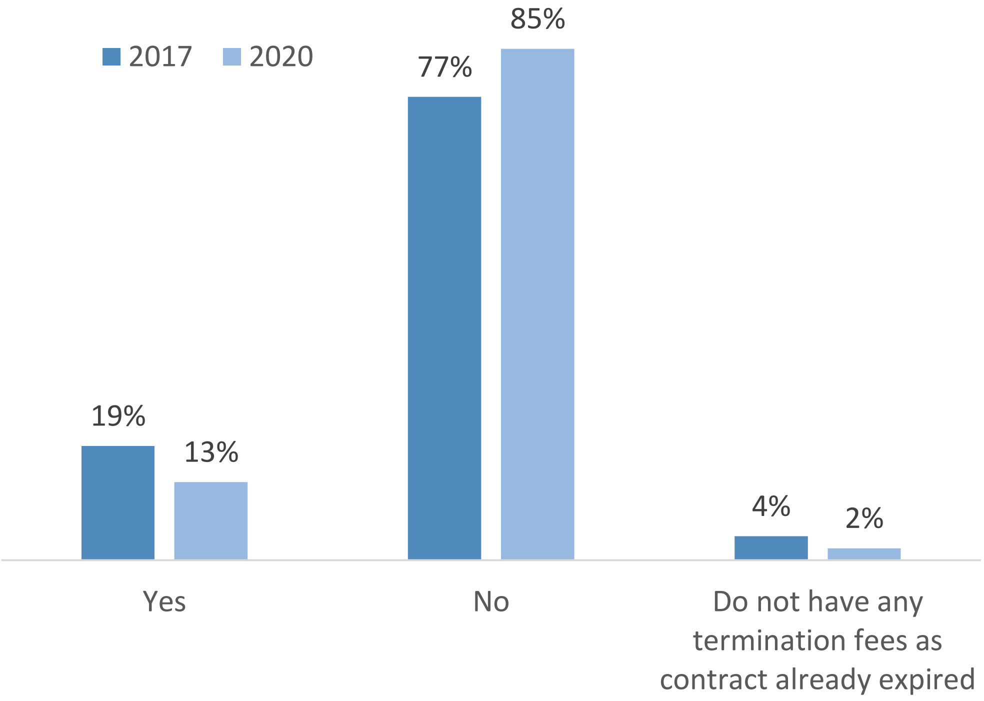
Number of respondents with a bundle in 2017 – 807
(96% of total)

Number of respondents with a bundle in 2020 – 793
(94% of total)

Early termination fees

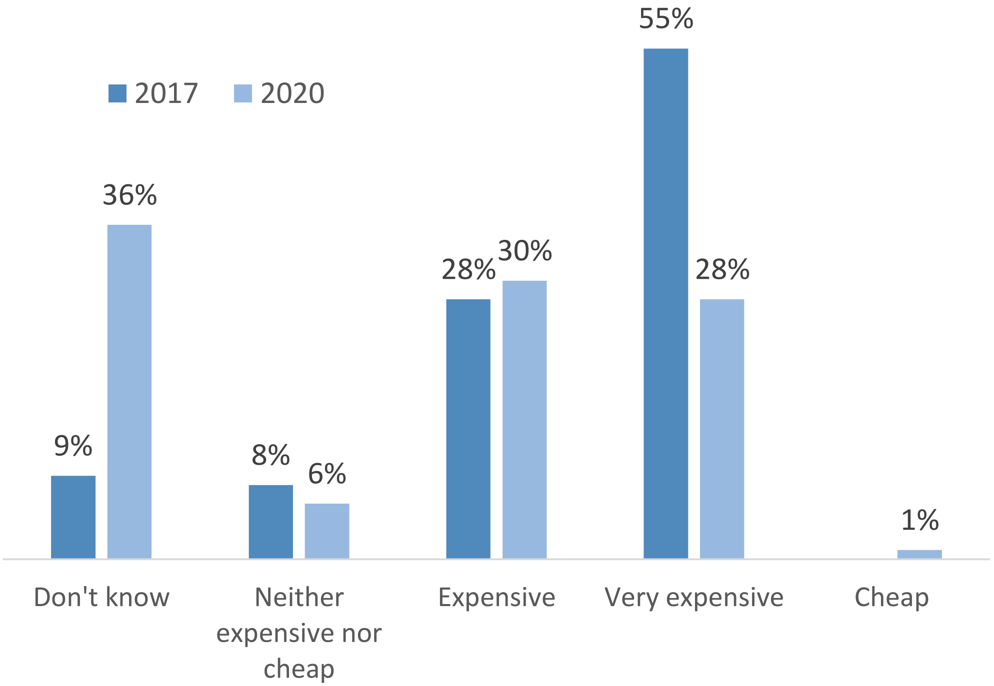
Respondents’ awareness on early termination fees applicable with bundle contracts

Number of respondents with a bundle subscription – 793



Perception on the cost of early termination fees

Number of respondents knowing the cost of early termination fees – 104 (13% of respondents with a bundle subscription)



Most subscribers to a bundle package are not aware of the early termination fees that apply in case of their subscription. Of those who are aware, 58% consider these to be expensive or very expensive.

End

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