MALTA COMMUNICATIONS AUTHORITY

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Bundle Subscriptions Perception Survey

An overview of the findings for a perception survey concerning bundle subscriptions in Malta

MCA Consumer Perceptions Survey reports a strong take up of telecoms bundle subscriptions.

Fieldwork carried out between June and July 2023

Main survey findings

The MCA is hereby publishing the findings of a survey gauging consumer perceptions based on their experience in purchasing bundles in Malta. Key themes relate to the composition of bundles, level of satisfaction with the service, consumer sensitivities to price changes and propensity to switch.

The survey was carried out by EMCS Advisory Ltd on behalf of the MCA via telephone interviews, with the number of randomly selected respondents totalling 806.

An enduring strong take up of bundles

At 91%, the majority of surveyed participants reported having a bundled subscription, relatively unchanged since the 2020 survey. Regarding the factors and perceptions influencing household choices for bundle vis-à-vis stand-alone, the survey shows that the primary driver for bundle take-up, at 53%, is the possibility to save money through promotional offers. This preference is closely trailed by the convenience of consolidating multiple services into a single bill, standing at 35% of respondents, also indicating this factor. However, notably, the appeal of receiving a unified bill has diminished by half since the 2020 survey.

Fixed internet and TV continue to play pivotal roles in driving the adoption of bundled services, whilst respondents indicate that the mobile telephony segment is also assuming bigger relevance in the bundle selection space.

Around 9% of household respondents say they purchase telecom services on a stand-alone basis.

Expenditure on bundles

37% of the household respondents with a bundle subscription say they spend on average between €30 to €49.99 per month on their subscription. Another 26% indicate an average expenditure of between €50 to €69.99 for their bundle subscription. Only 2% of the respondents stated to have a subscription of a bundle at the €10 – 19.99 entry level.

96% of the subscribers, having a subscription between €20 - €29.99, find the bundles in this price range reasonably priced, followed by 87% of respondents with a subscription between €10 - € 19.99, who also have the same view of the price they pay for their subscription. Subscribers at the higher end of bundle price range are more inclined to find their subscription price rather expensive, with 57% and 55% of the respondents of those paying a subscription of €70 or more and between €50 - 69.99% respectively, stating that their subscription fee is steep.

Quality of Service and switching behaviour

The satisfaction level with bundle quality of service has seen a notable change among respondents when compared to the previous 2020 study. Currently, 69% express satisfaction, down from the previous 89% in 2020. The 2023 survey has also registered a rise in the share of respondents with a bundle subscription holding a 'neutral' perception of their bundle’s quality of service, increasing from 9% in 2020 to the current 24%.

Interestingly, despite the decline in satisfaction levels corresponding with an increase in neutral perceptions, a significant majority of the respective household respondents show no intention to switch their bundle subscription to another service provider. The survey shows that almost three-fourths of respondents who are not entirely satisfied with their bundle subscription do not plan to switch to another service provider. This loyalty seems rooted in the perception that all service providers offer similar quality, which has increased by 42 percentage points from 17% of respondents in 2020 to 59% in 2023. This lack of switching tendency is amply clear, as 94% of household respondents say that they have not switched or ported their bundle subscription in the last two years. Among the few who did switch, reasons included dissatisfaction with prior services or a desire to cut costs.

Interestingly from a switching perspective is that, if faced with a possible 10% rise in the monthly bundle expenses, 29% of household participants indicated they would change to a different operator. Following this, 27% would maintain their current bundle, while a quarter of respondents would choose a less expensive bundle within the same provider's offerings.

Service disruption and faults resolution

Between 2020 and 2023, there was a notable surge of 9 percentage points in respondents reporting service disruptions, with the share of respondents reporting such matter reaching 65% in the current survey. Among these, 82% encountered technical problems specifically linked to their fixed internet service, while 25% experienced issues with their Pay-Tv service.

However, there has been a significant decline of 32 percentage points in the satisfaction level among respondents with their service provider's responsiveness in resolving these disruptions, dropping from 86% in 2020 to 54% in 2023.

Low awareness of early termination fees

83% of the households surveyed were unaware of the cost associated with an early termination of the bundle contract, with 66% of those who are aware of these fees perceiving them as expensive.

Regarding awareness of the right to receive a 30-day notice for contract termination in case an operator modifies the terms and conditions, 63% of the respondents were aware of their entitlement to notification and the option to terminate the contract within 30 days. This, however, marks a decline of 28 percentage points in the share of respondents' awareness, from the 91% recorded in 2020.

Background to the survey function at the MCA

The MCA has been carrying out the Consumer Perception Surveys since 2008. The aim is to gather information on the level of consumer satisfaction with the products and services on offer and the extent to which service providers address the demands of their clients. Given that these surveys have been carried out for several years, survey findings are indicative of developments in the needs of the end-user and how local service providers deal with changing preferences.

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

Methodology and Fieldwork

The methodology used to carry out this survey, including the sampling, questionnaire design, fieldwork and weighting processes follows the same approach adopted when carrying out similar surveys in previous years.

The research methodology involved the use of Telephone Computer-assisted interviewing (CATI).

Consumers sampled were stratified according to the age composition of the Maltese population. Moreover, the interviews were distributed among Malta's six official geographic regions and carried out across different socio-economic categories of the Maltese population.

For a more comprehensive picture of survey findings, a presentation encompassing the main survey findings is available on the MCA website via this link.