



Insights into the use of Digital

Internet & eCommerce Use by Business Survey 2021

Contents



The survey seeks to assess the level of digitalisation amongst the local business community as it makes headway in its digital transformation journey.

A total of 431 businesses across Malta and Gozo were interviewed. The sample population was stratified proportionately among fourteen (14) business sectors based on the actual number of registered companies in each sector.

Fieldwork was carried out between **December 2020 and January 2021** and conducted by way of CATI (Computer-Assisted Telephone Interview).

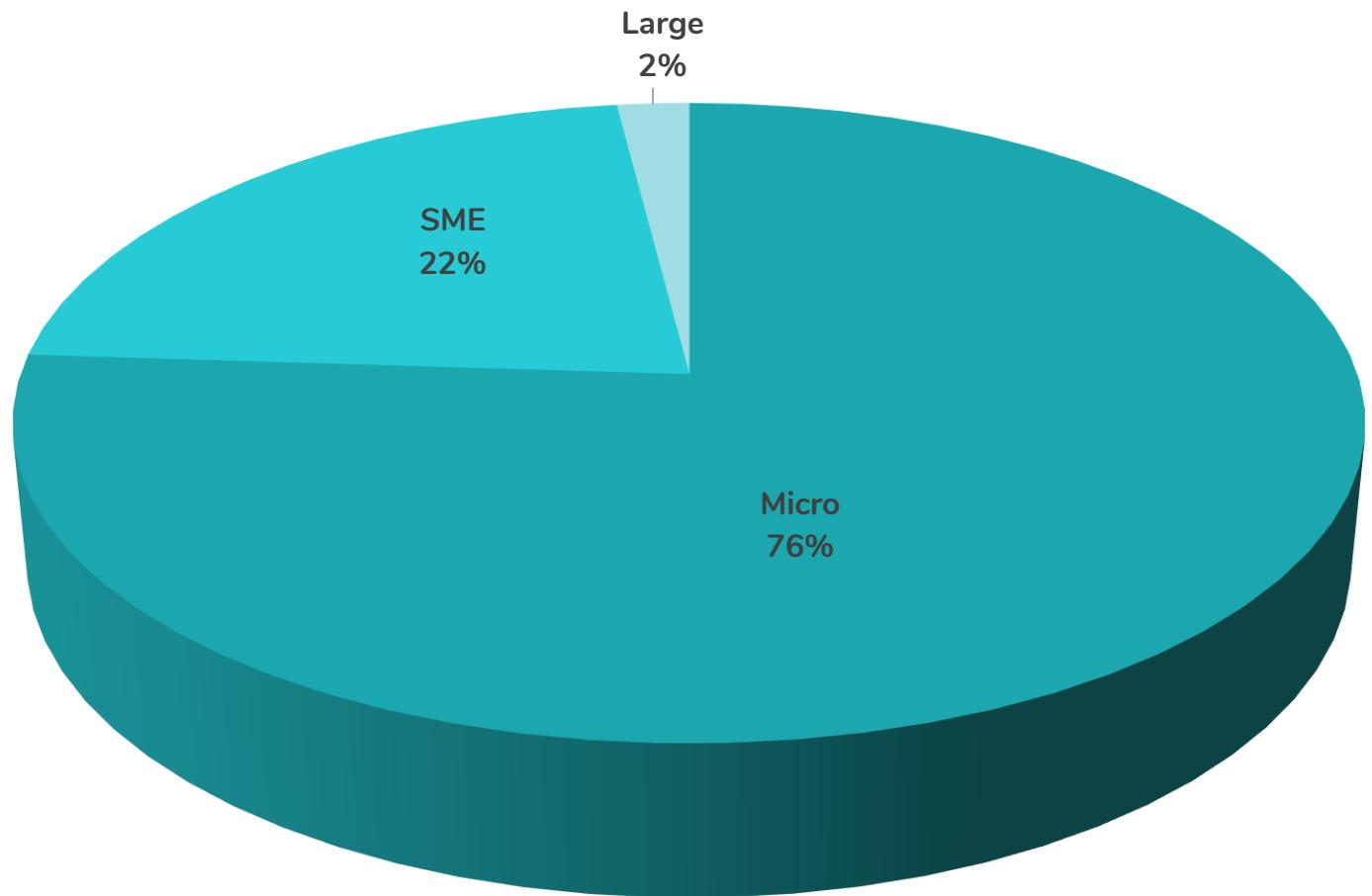
The sample represents a 95% confidence level and a confidence interval of +/-4.72%.

The term '**corporate eCommerce users**' refers to businesses that sell, at least, through any one of the following online channels:
website, local/foreign marketplace, social media, messaging apps or e-mail.

Share in company size (1)

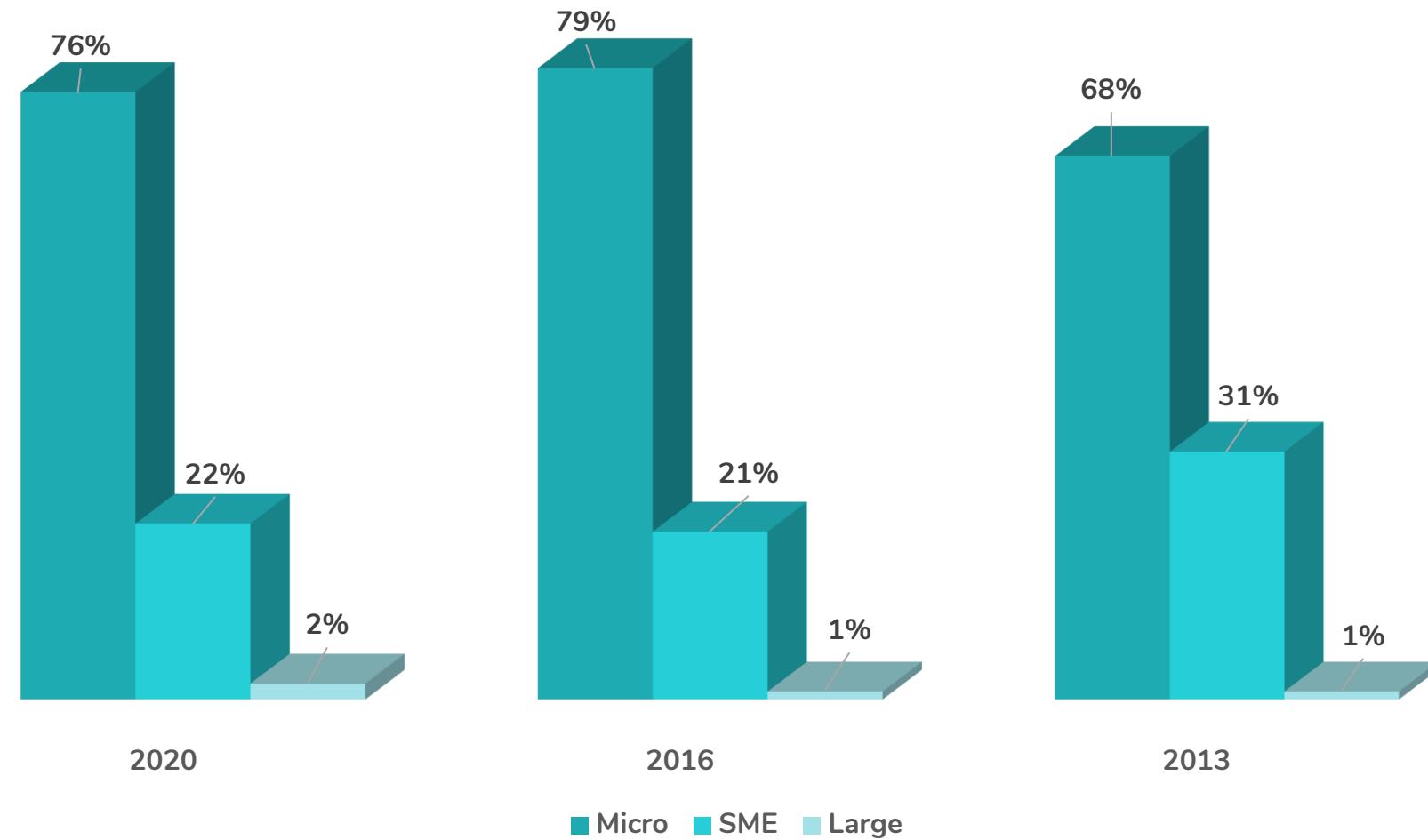
76% of businesses interviewed are micro enterprises (76%) whilst 92% employ less than 50 employees.

44% of businesses interviewed were established prior to 2001.



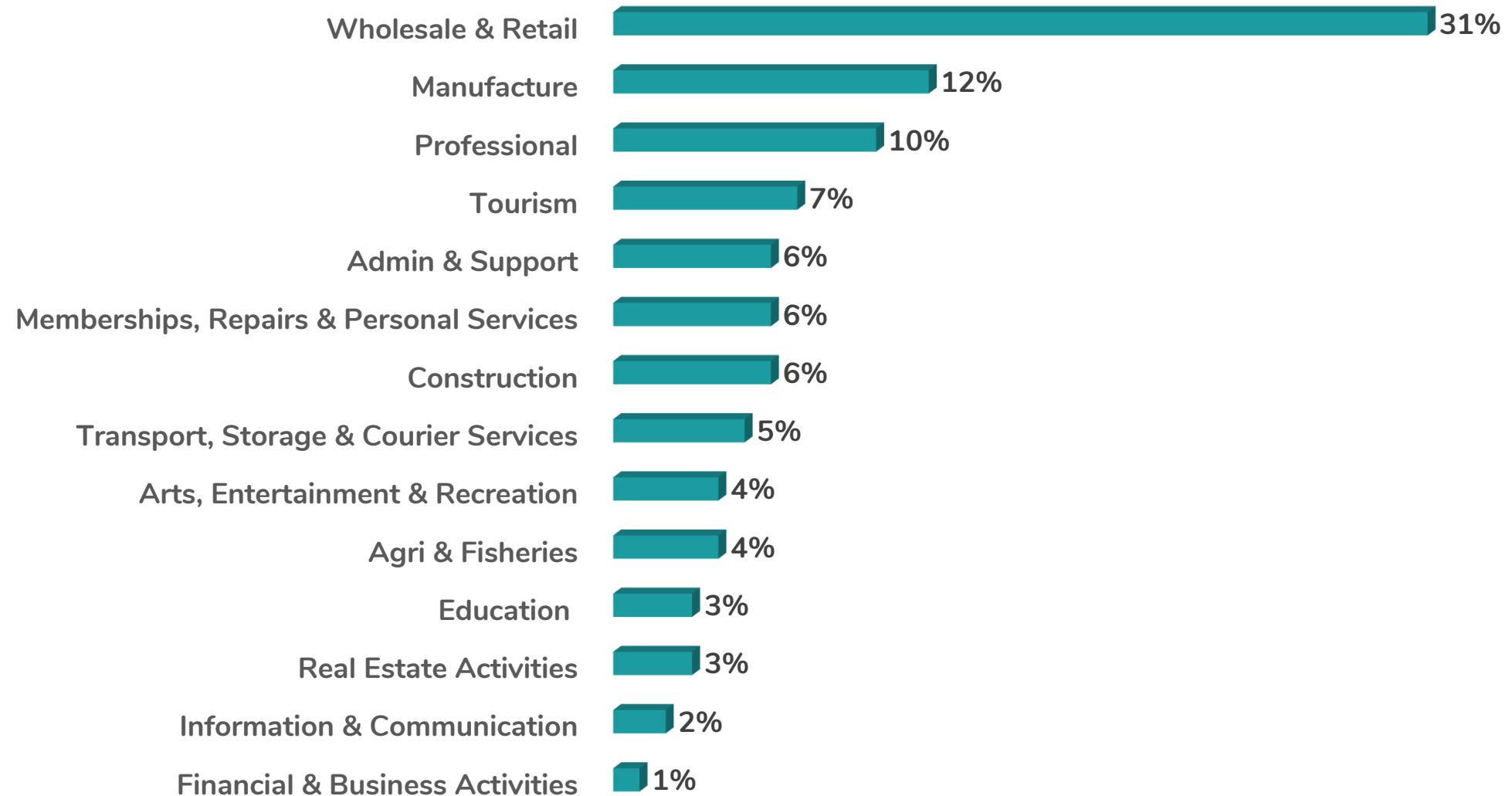
Share in company size (2)

Base: total respondents



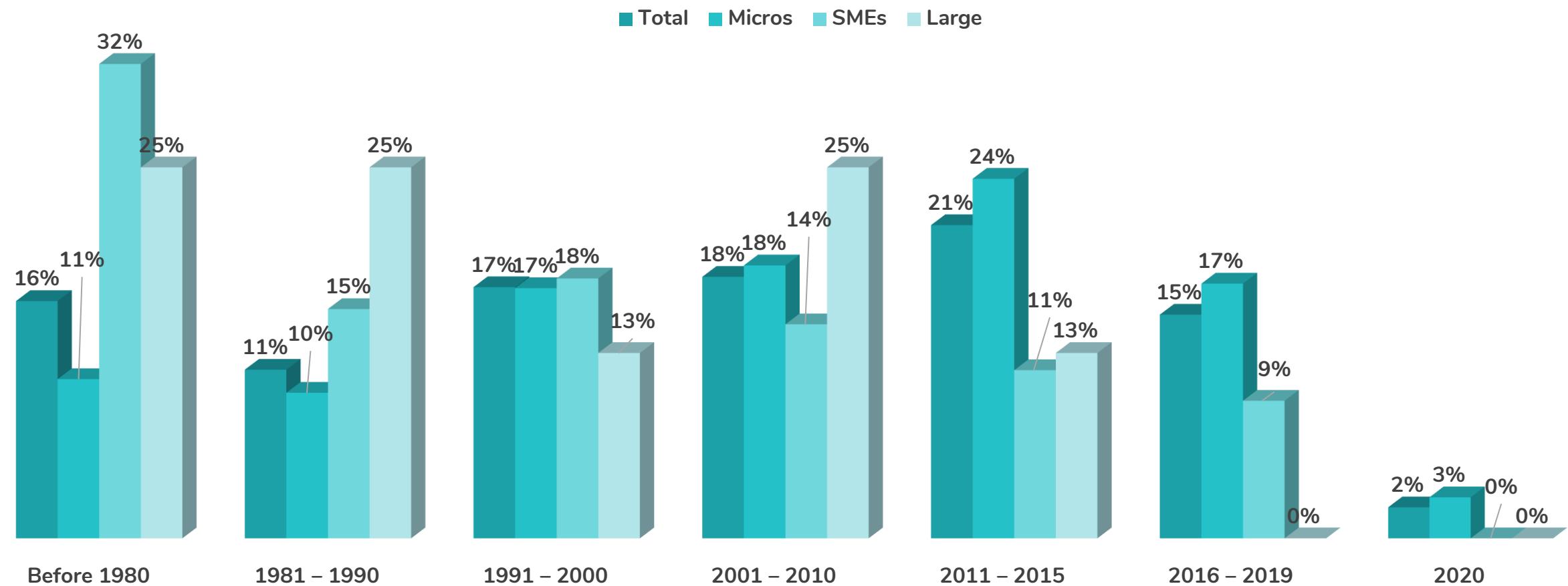
Share per industry

Base: total respondents



Year of establishment

Base: total respondents



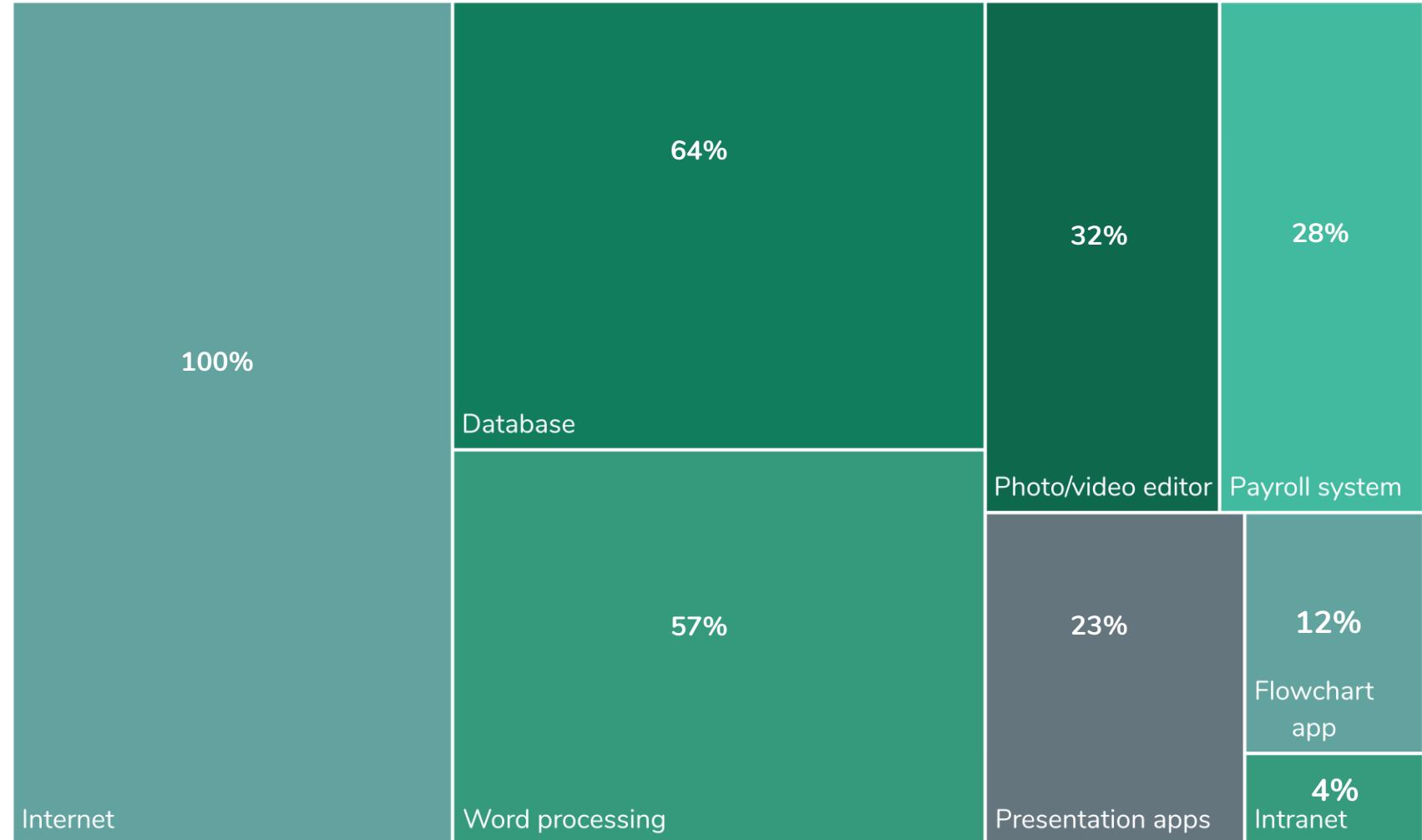
IT applications used in business

Base: total respondents

The research highlights that Internet is used by all businesses (100%), followed by Database and Word Processing (64% and 57% respectively).

All large enterprises use Database, Word Processing & Payroll System. 91%, 70% & 63% of SMEs use Database, Word Processing and Payroll System resp. versus 55%, 52% & 16% of Micros resp.

Multiple response



Riding the Digital Wave

Reasons for using the Internet (2)

Multiple response

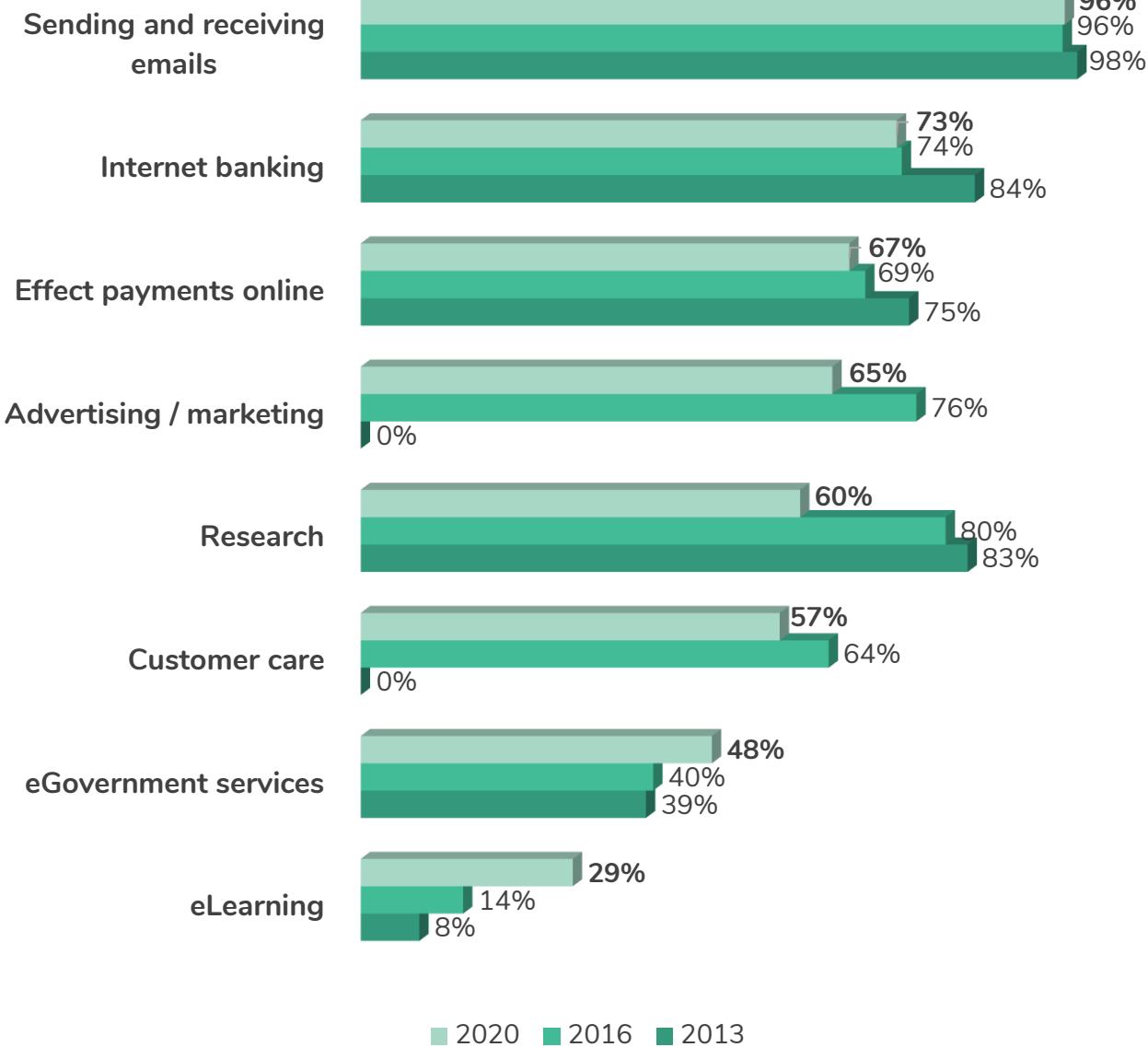
Base: corporate internet users

Sending and receiving e-mails remains an important function for business and is in fact still widely used across all industries. The lowest response was attained from businesses within the Memberships, Repairs & Personal Services industry(75%).

Internet banking is most popular with businesses within the Financial & Business Activities and Real Estate & Renting (100% each) industries. Similarly, both industries are most likely to engage in **online payments** at 100% & 93% resp. On the other hand, the industries less likely to carry out online payments are the Arts, Entertainment & Recreation and the Agriculture, Forestry & Fishing at 31% and 38% resp. The latter is also the least likely to engage in internet banking at 44%.

eLearning is gaining traction, probably due to the impact of COVID-19. All businesses from the Financial & Business Activities industry engage in such an activity (100%) whilst those least interested operate within the Transport, Storage & Courier Services industry, with a mere 5%.

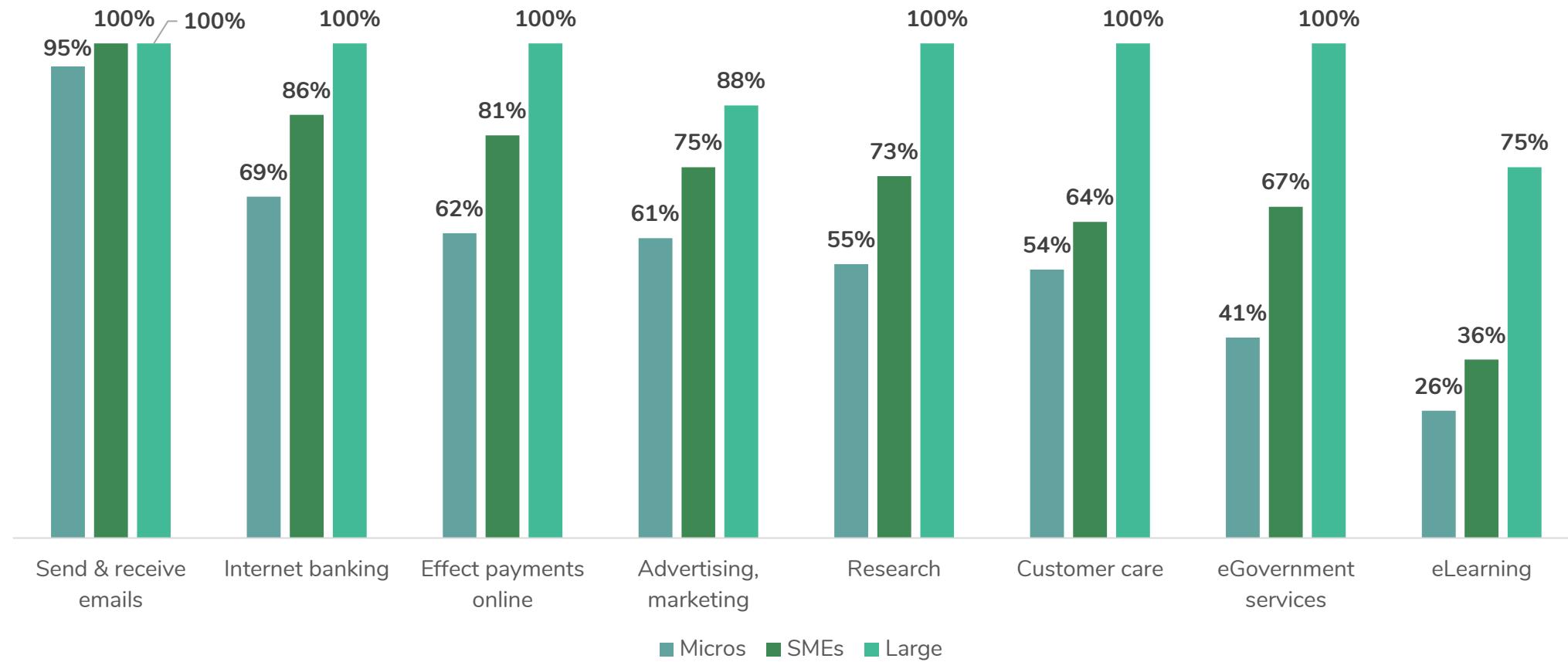
Businesses within the Agriculture, Forestry & Fishing industry are the ones to mostly use the internet for **Research** purposes at 100%, whilst the respondents less likely to engage in such an activity hail from the Construction and Transport, Storage & Courier Services at 36% and 40% resp.



Reasons for using the Internet by size of business (3)

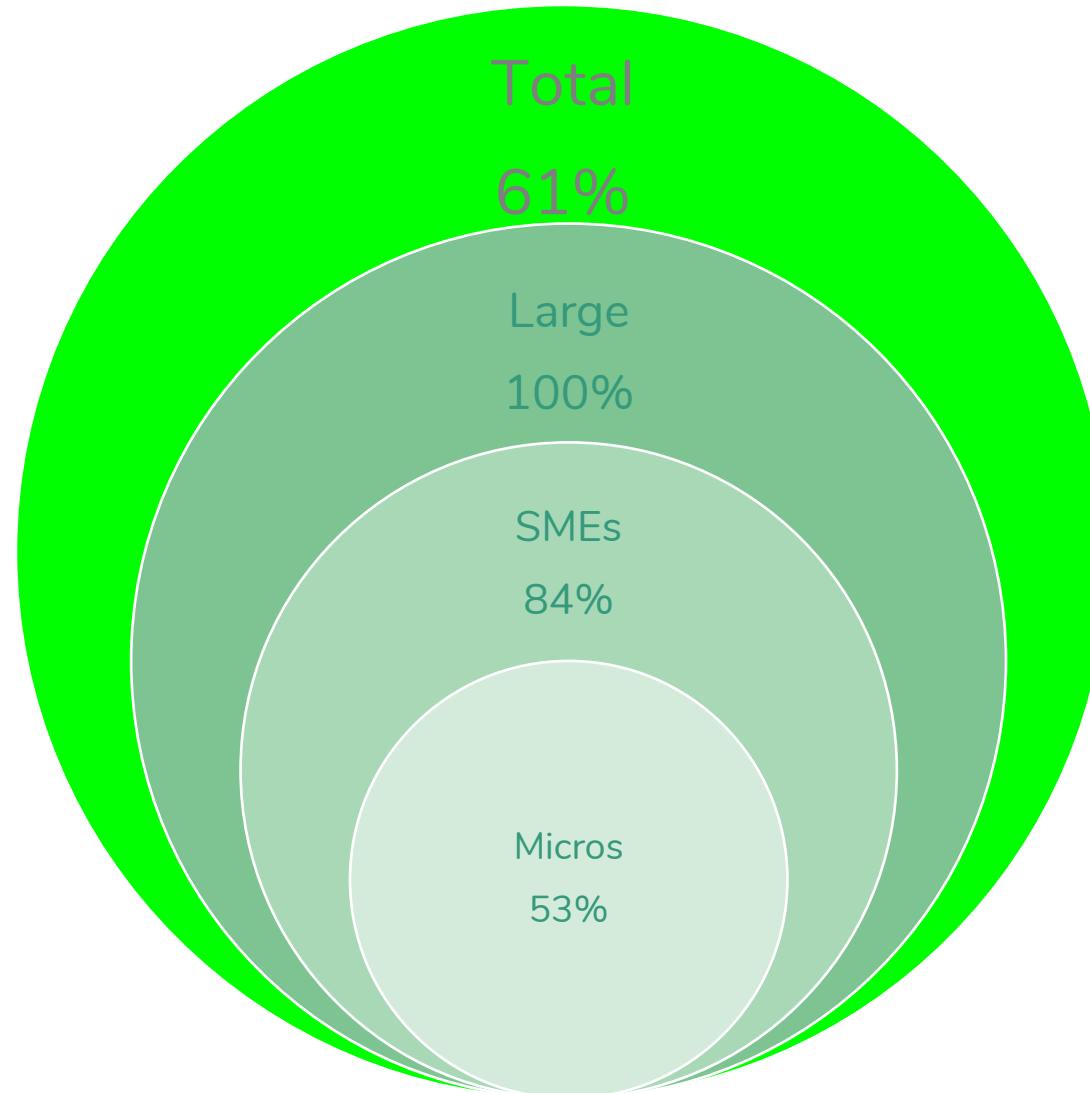
Base: corporate internet users

Multiple response



Have a corporate website

Base: corporate internet users



Mobile-friendly website

Base: corporate internet users with website

A **substantial improvement** in mobile-friendly websites was detected in this study - this figure stood at 53% in 2016.

The industries that are most likely to **invest in a mobile-friendly website** are the Financial & Business Activities and the Information & Communication, each at 100%.

The industries that have implemented their websites more than 3 years ago are the Financial & Business Activities (100%), Tourism (74%), followed closely by the Professional (72%).

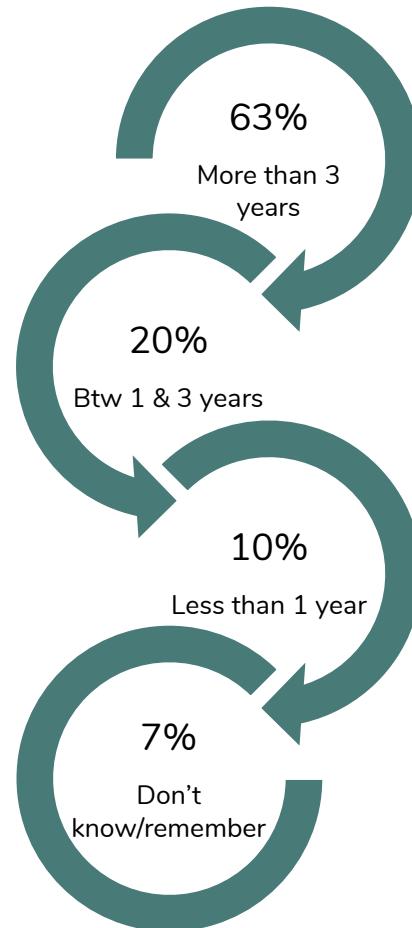


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Website in existence

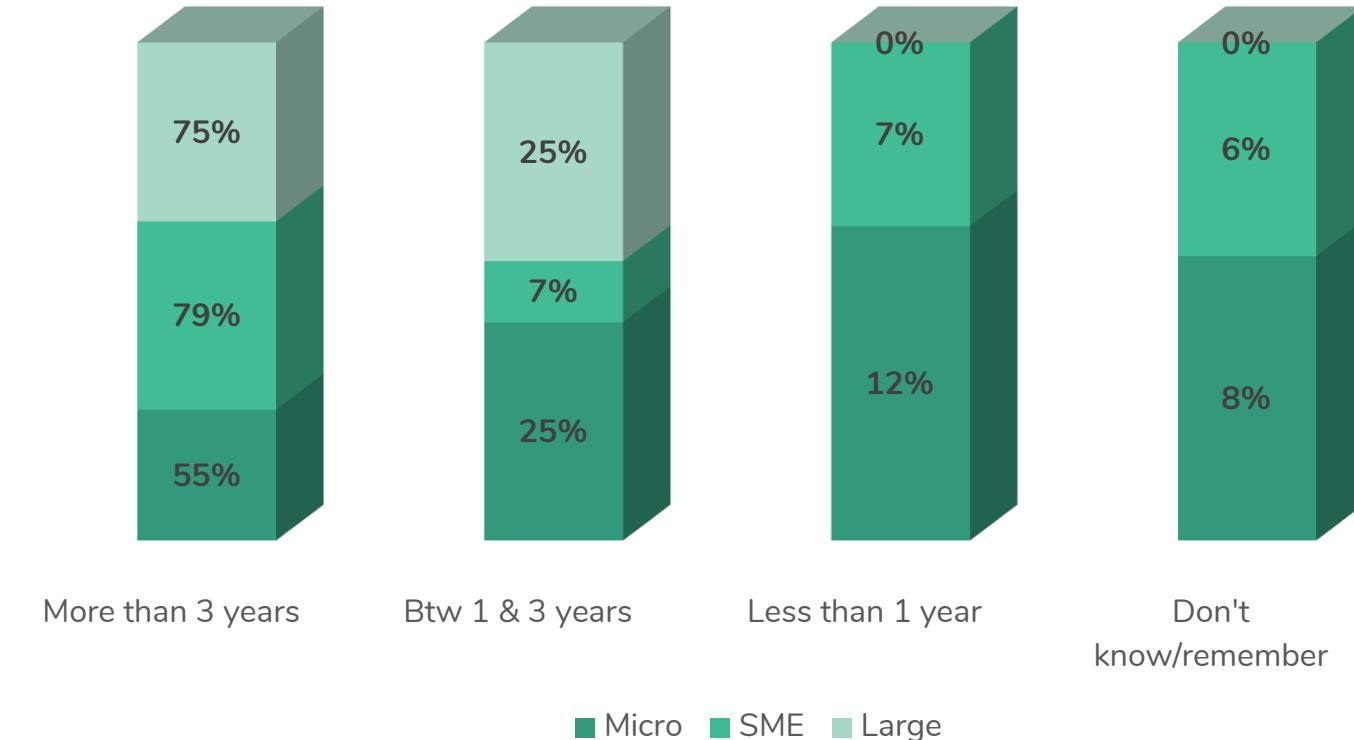
Base: corporate internet users with website

The industries that have implemented their websites more than 3 years ago are the Financial & Business Activities (100%), Tourism (74%), followed closely by the Professional (72%).



Website in existence by size of business

Base: corporate internet users with website



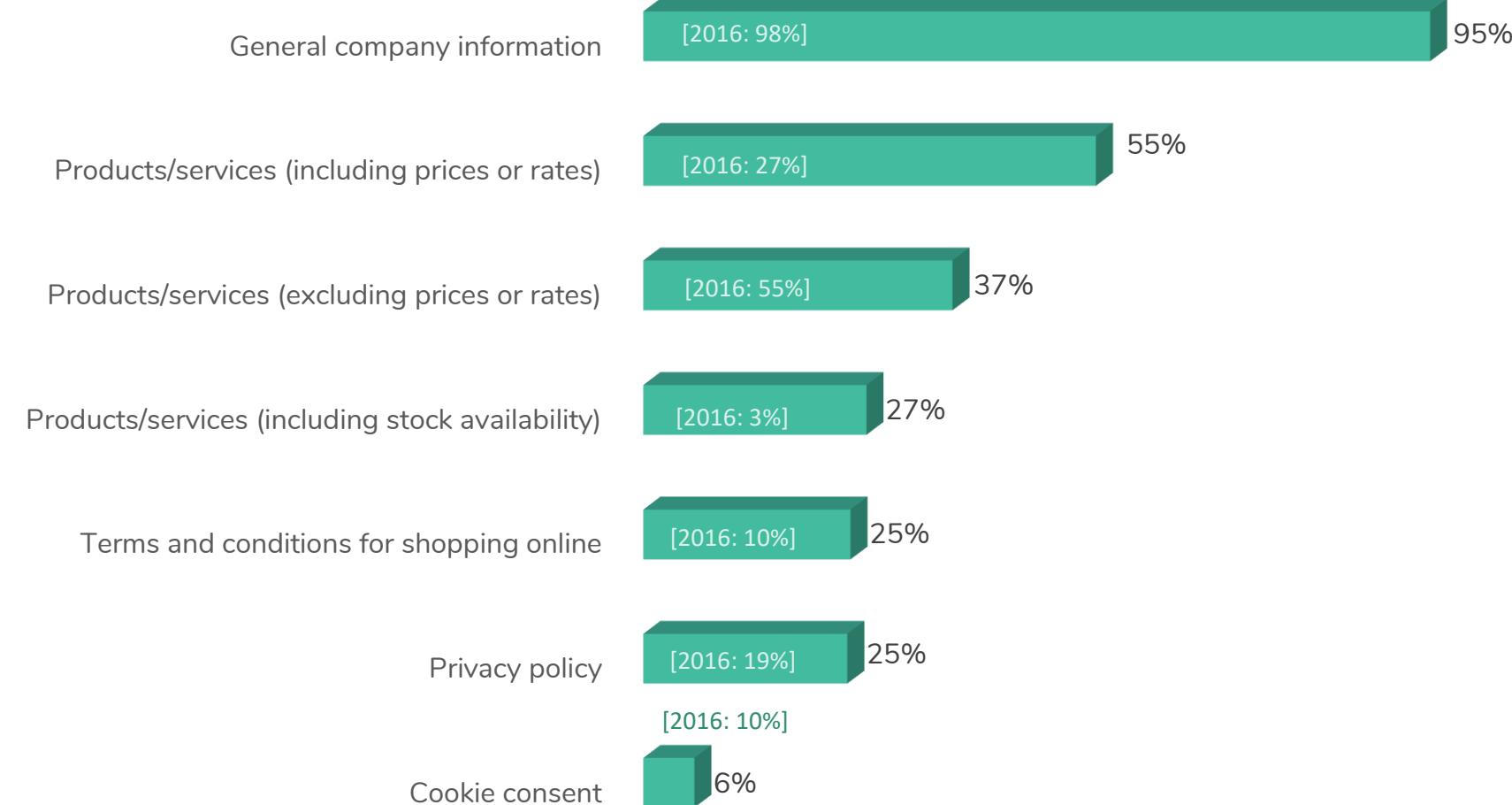
Content on website

Multiple response

Base: corporate Internet users with website

The survey highlights a change in mind-set with regard to corporate websites. Companies/retailers are perceiving the value of the website as a lead generator for their business.

A significant increase in the number of websites displaying prices/rates and stock availability is reported when compared to 2016.



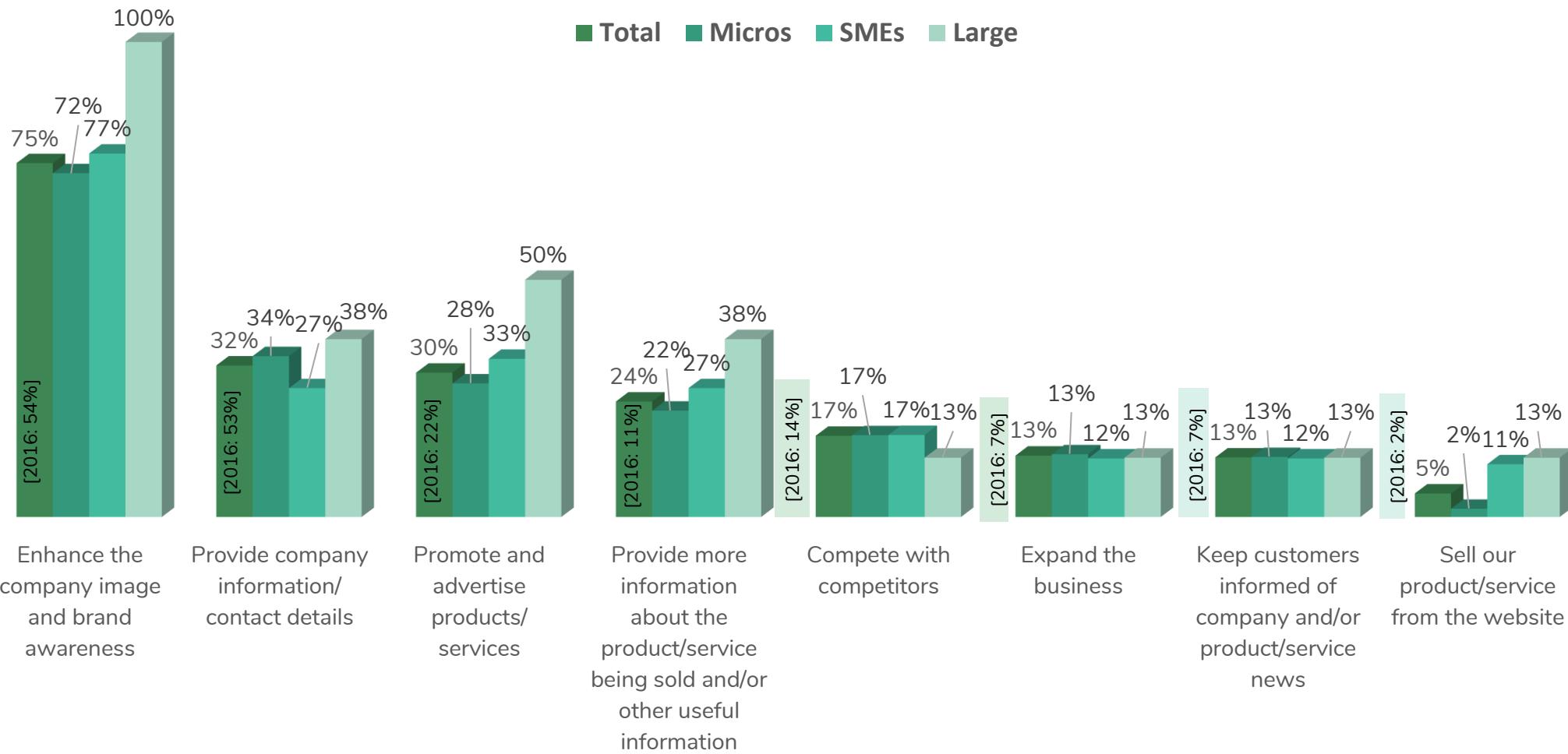
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Reasons for investing in a website

Multiple response

Base: corporate Internet users with website

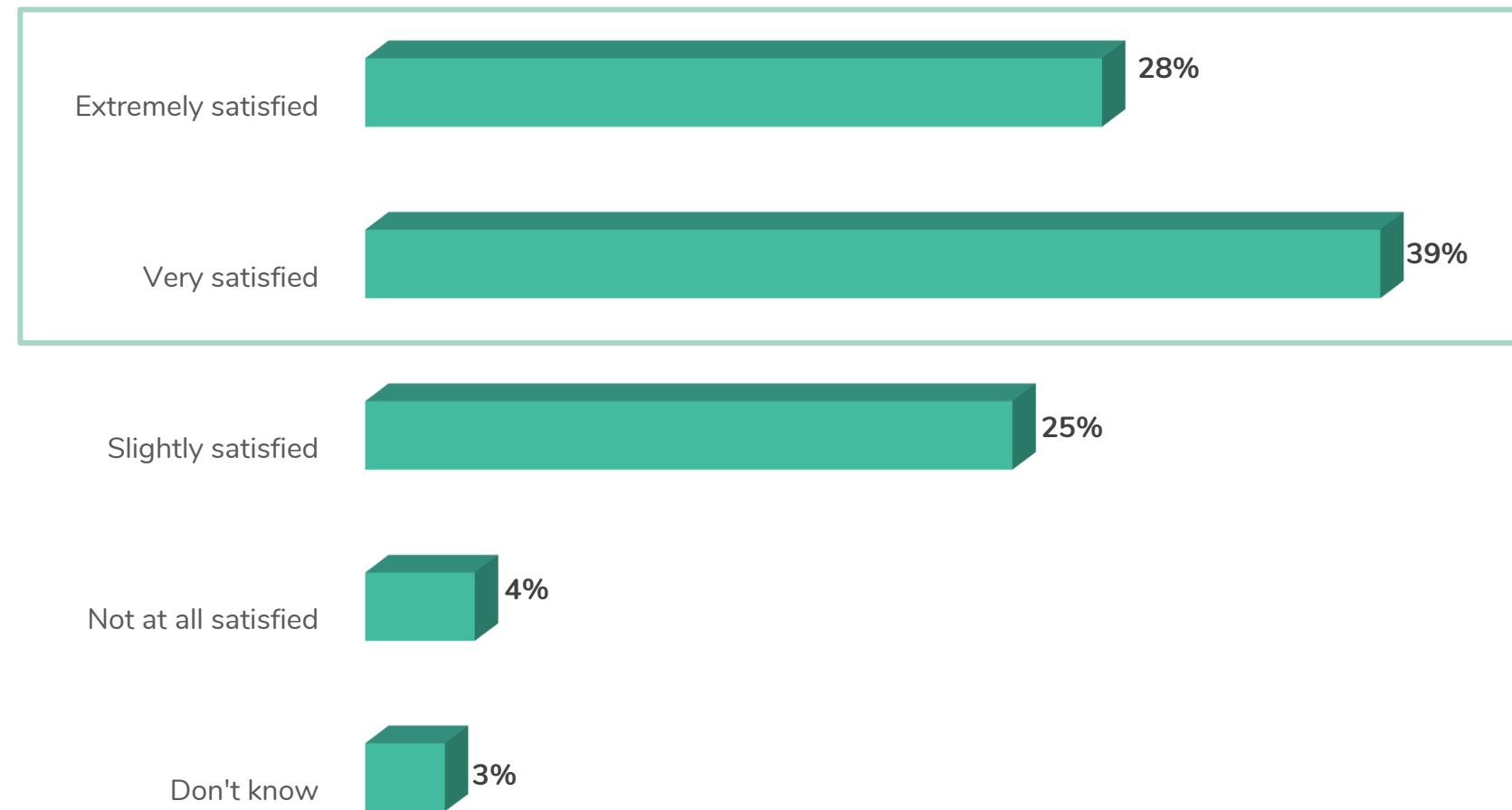
Most businesses, especially the large enterprises, maintain that the website adds value to the company image & brand awareness.



Satisfaction with website

Base: corporate Internet users with website

Amongst those businesses that have a website, 67% indicated to be extremely or very satisfied with their website.

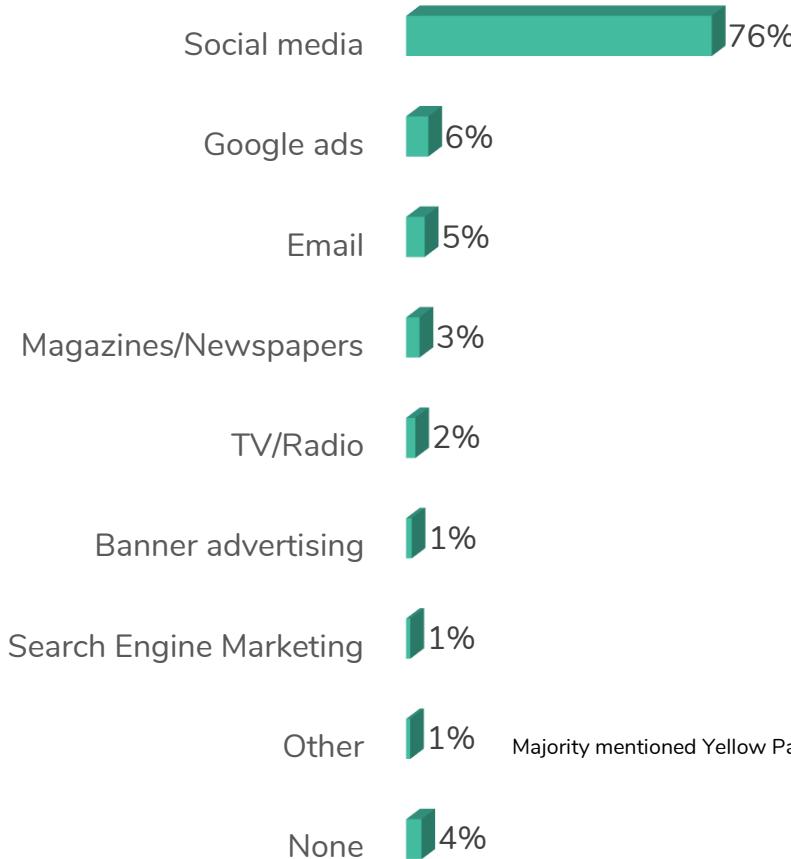


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Main marketing channels

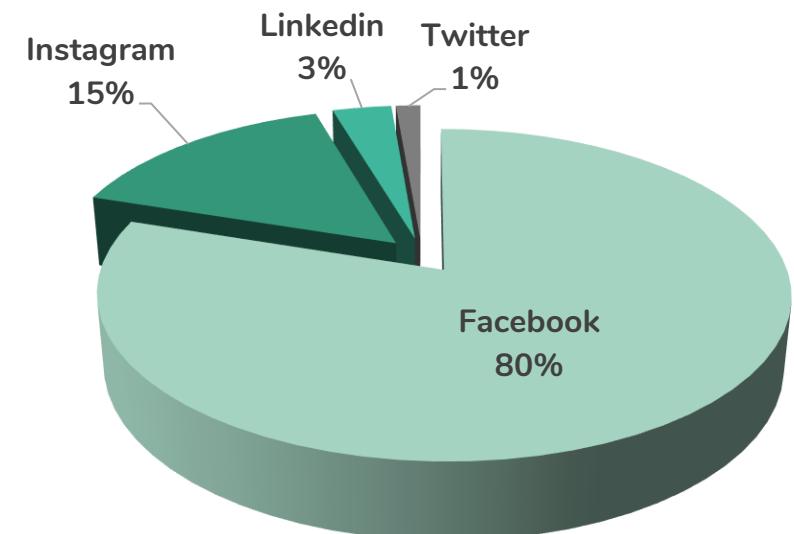
Base: corporate internet users

Respondents were asked to rank their options and responses were weighted. The graph illustrates the average weighted scores.



Base: corporate internet users that use social media channels

Respondents were asked to rank their options and responses were weighted. The pie illustrates the average weighted scores.



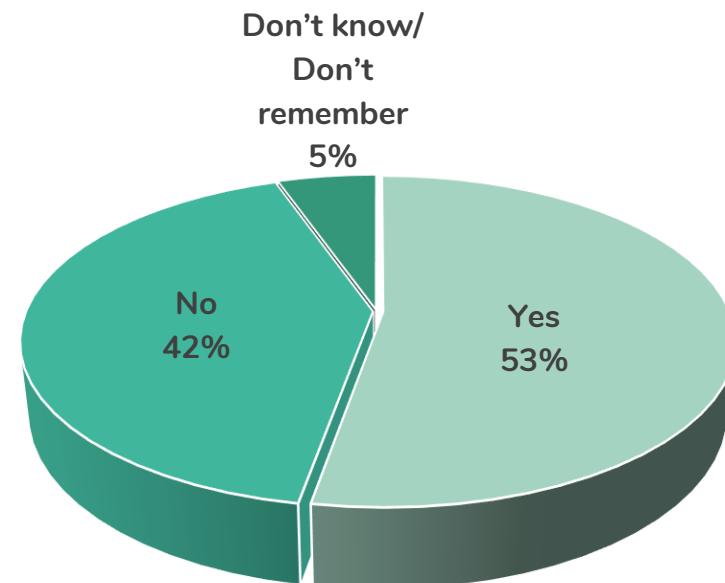
Data Analysis (1)

Base: corporate internet users

75% of large enterprises, 63% of SMEs and 49% of micro-enterprises undertake data analyses.

The industries that mostly analyse data are the Real Estate & Renting, the Education and the Tourism with 86%, 85% and 84% respectively claiming to do so.

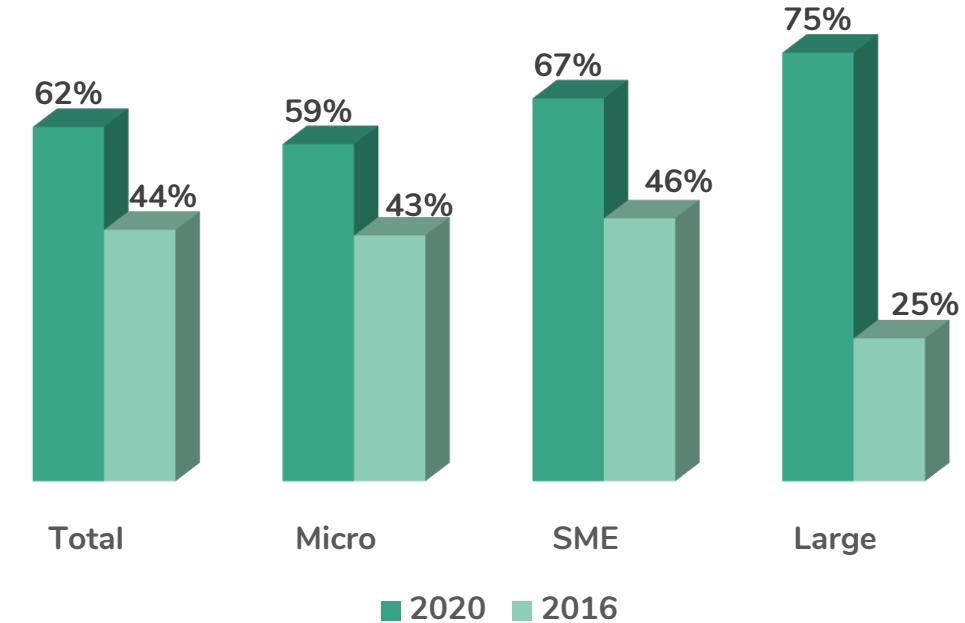
The industries least likely to analyse data are the Agriculture, Forestry & Fishing and Arts, Entertainment & Recreation, both at 25%.



Data Analysis (2)

Base: corporate internet users with website

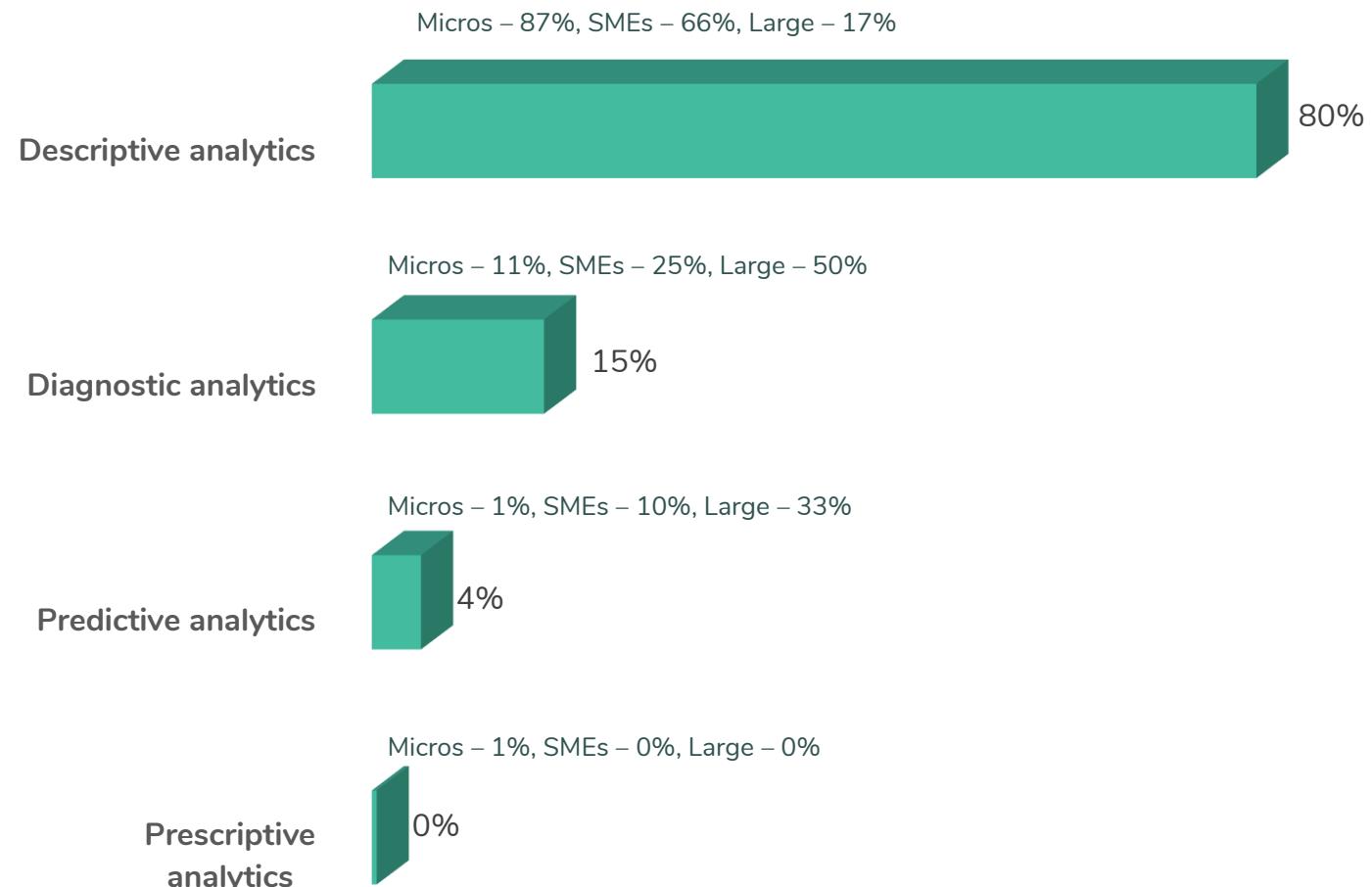
A significant increase is detected in the number of businesses with a corporate website that analyse data. This is evident across all size of business.



Type of data extracted

Base: corporate internet users that analyse data

A variance in responses was observed when analysing data by size of business. Micro enterprises and SMEs rely primarily on 'descriptive analytics (87% and 66% respectively), while Large enterprises rely more on diagnostic (50%) and predictive analytics (33%).



Riding the Digital Wave

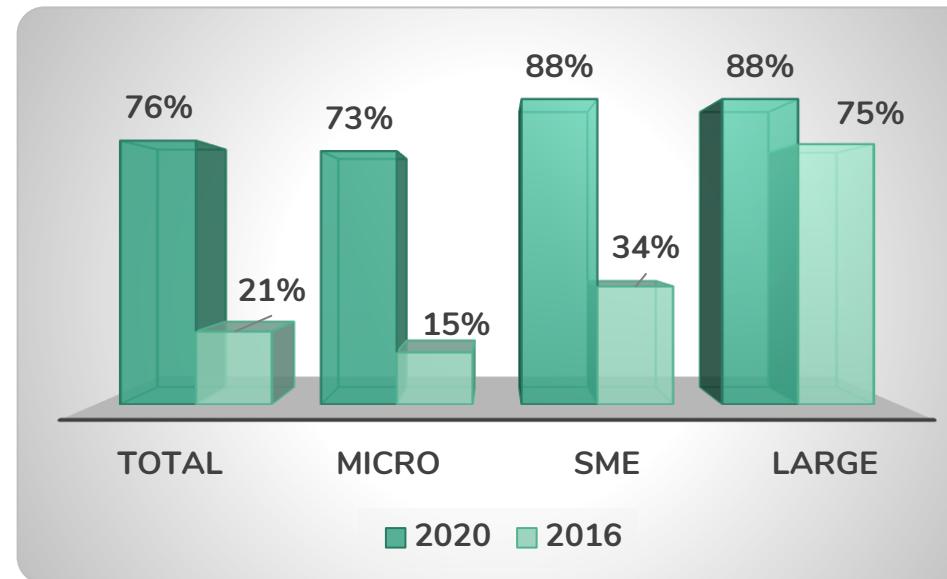
Use of the cloud

Base: corporate internet users

Impressive growth in the use of cloud services from previous survey. This is mostly prevalent amongst micros & SMEs.

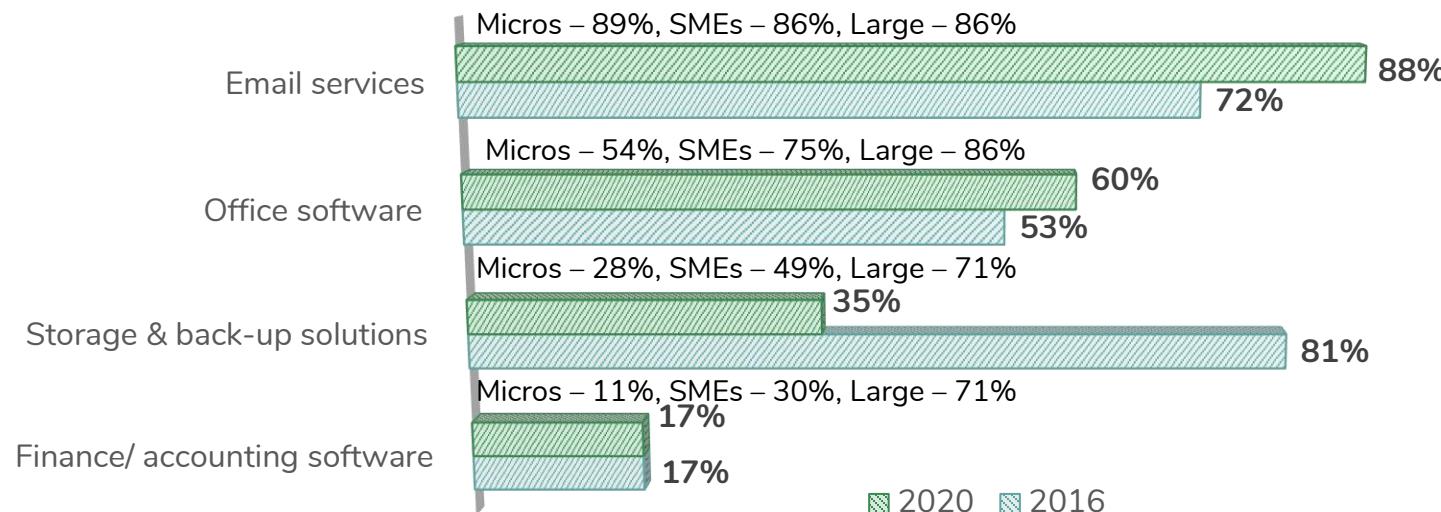
The industries mostly likely to subscribe to cloud services are the Financial & Business Activities at 100%, the Arts, Entertainment and Recreation at 94%, closely followed by the Real Estate & Renting at 93%.

The businesses least likely to subscribe to cloud services are from the Admin & Support and the Memberships, Repairs & Personal Services industries, both reporting a take-up of 38%.



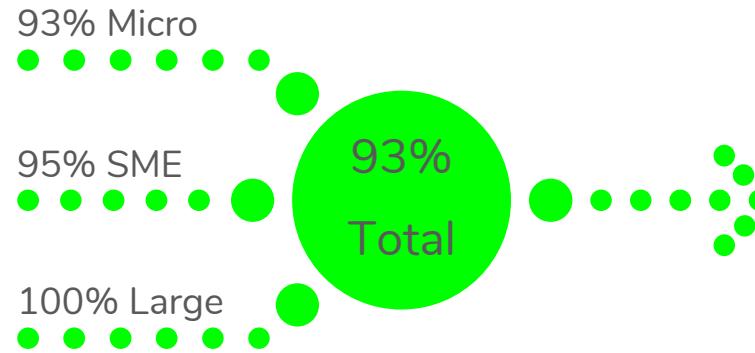
Type of cloud services subscribed to Multiple response

Base: corporate internet users subscribed to the cloud



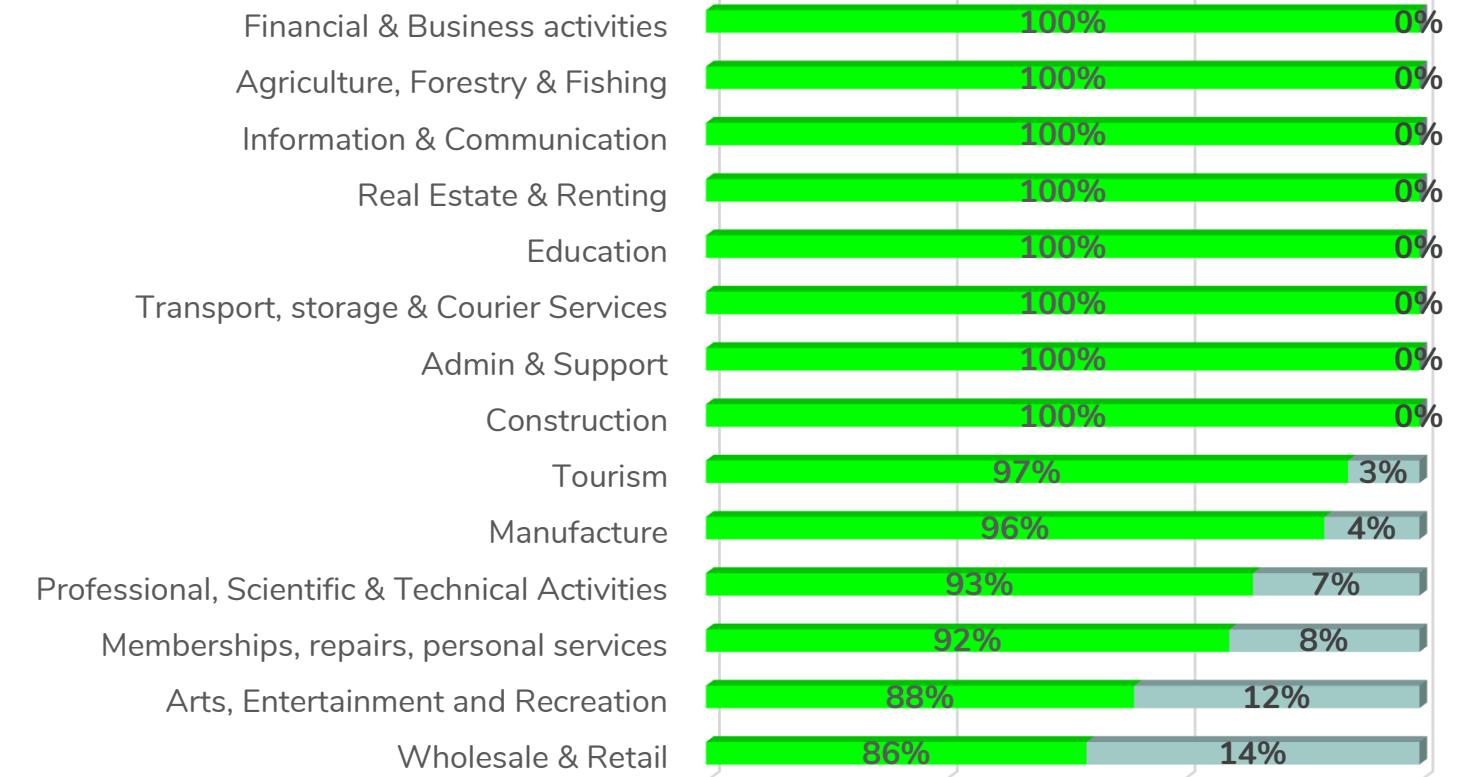
Positive outlook towards investment in digital technology

Base: corporate internet users



Outlook towards investment in digital technology by industry

Base: corporate internet users per industry

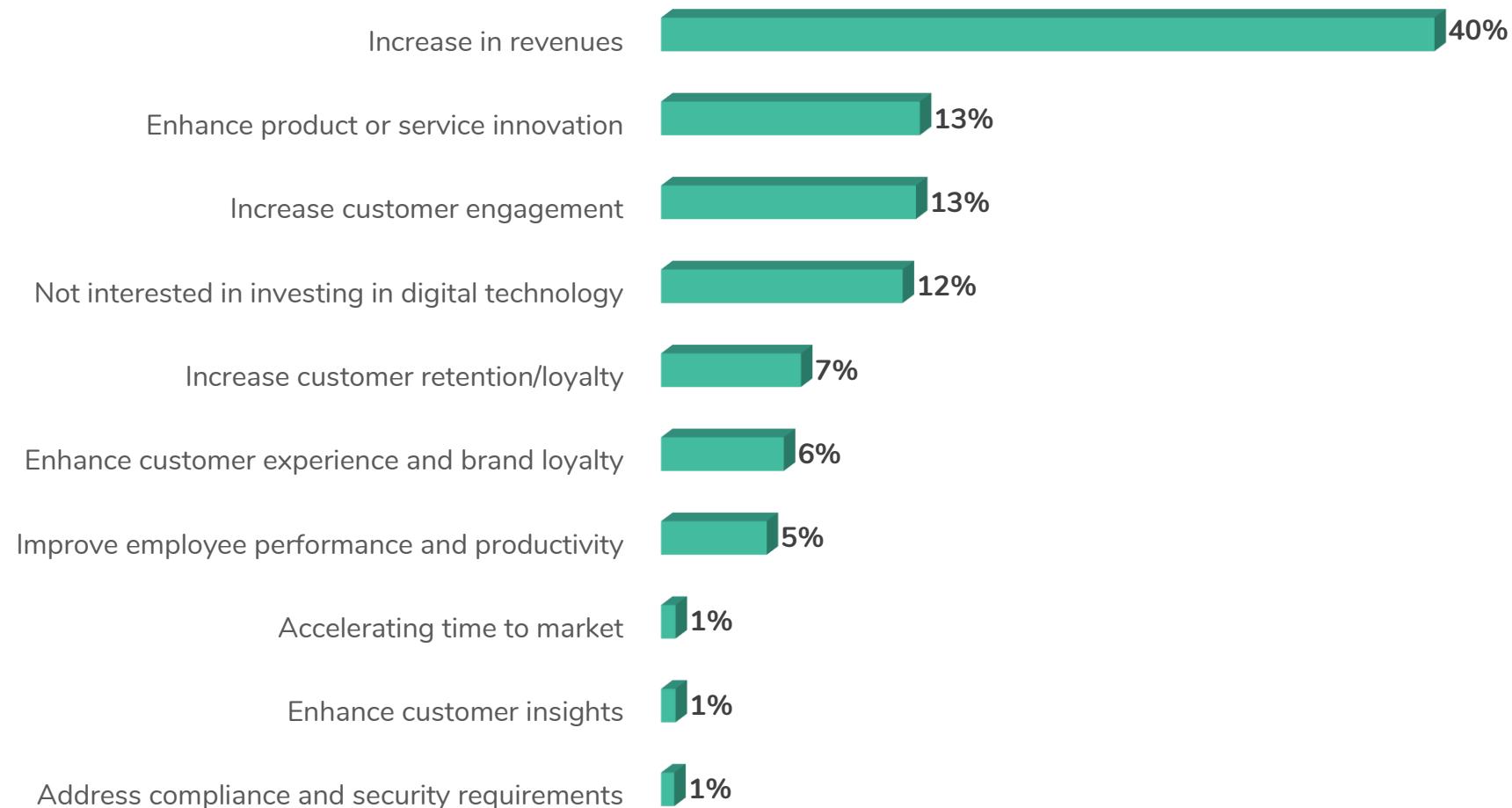


■ Positively ■ Negatively

Benefits gained from investment in technology

Base: corporate internet users that positively view investment in digital technology

Respondents were asked to select top 3 factors. Responses were weighted. The graph illustrates the average weighted scores.

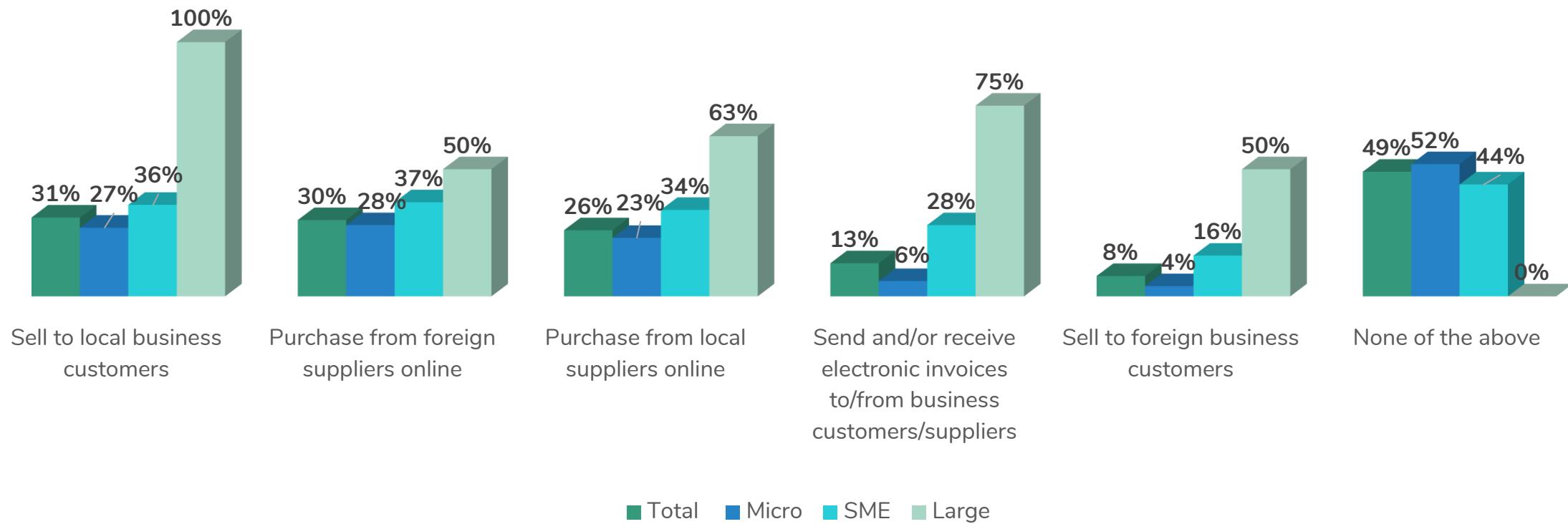


B2B activities over the Internet

Multiple response

Base: corporate internet users

Slightly more than half of corporate internet users engage in one or more of the B2B activities illustrated in the graph.

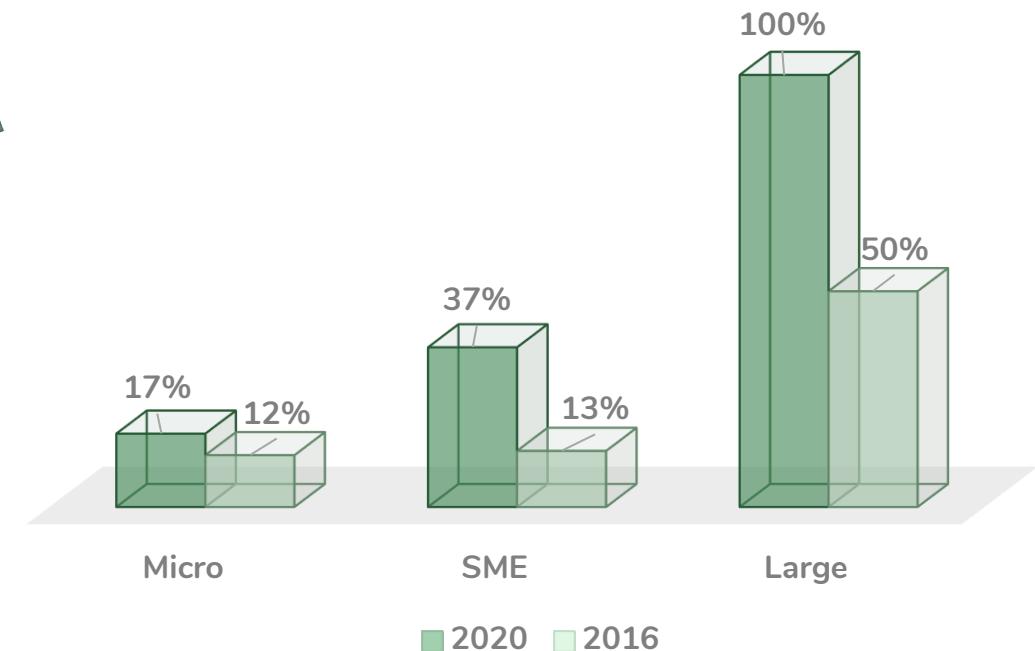
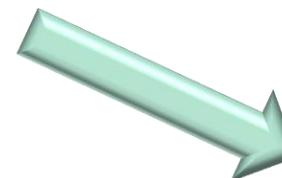


Selling products/services over the internet* (1)

Base: corporate internet users

*This includes only businesses that sell via own company website and/or online marketplaces (local & foreign)

The number of businesses selling online almost doubled from the 2016 survey. The growth is evident across all size of business, especially amongst SMEs and Large enterprises. The industries that mostly sell via the corporate website and/or marketplaces are the Financial, Business Activities, Tourism and Arts, Entertainment, Recreation with 83%, 52% and 50% respectively. The least likely to sell online are businesses from the Memberships, Repairs, Personal Services industry.

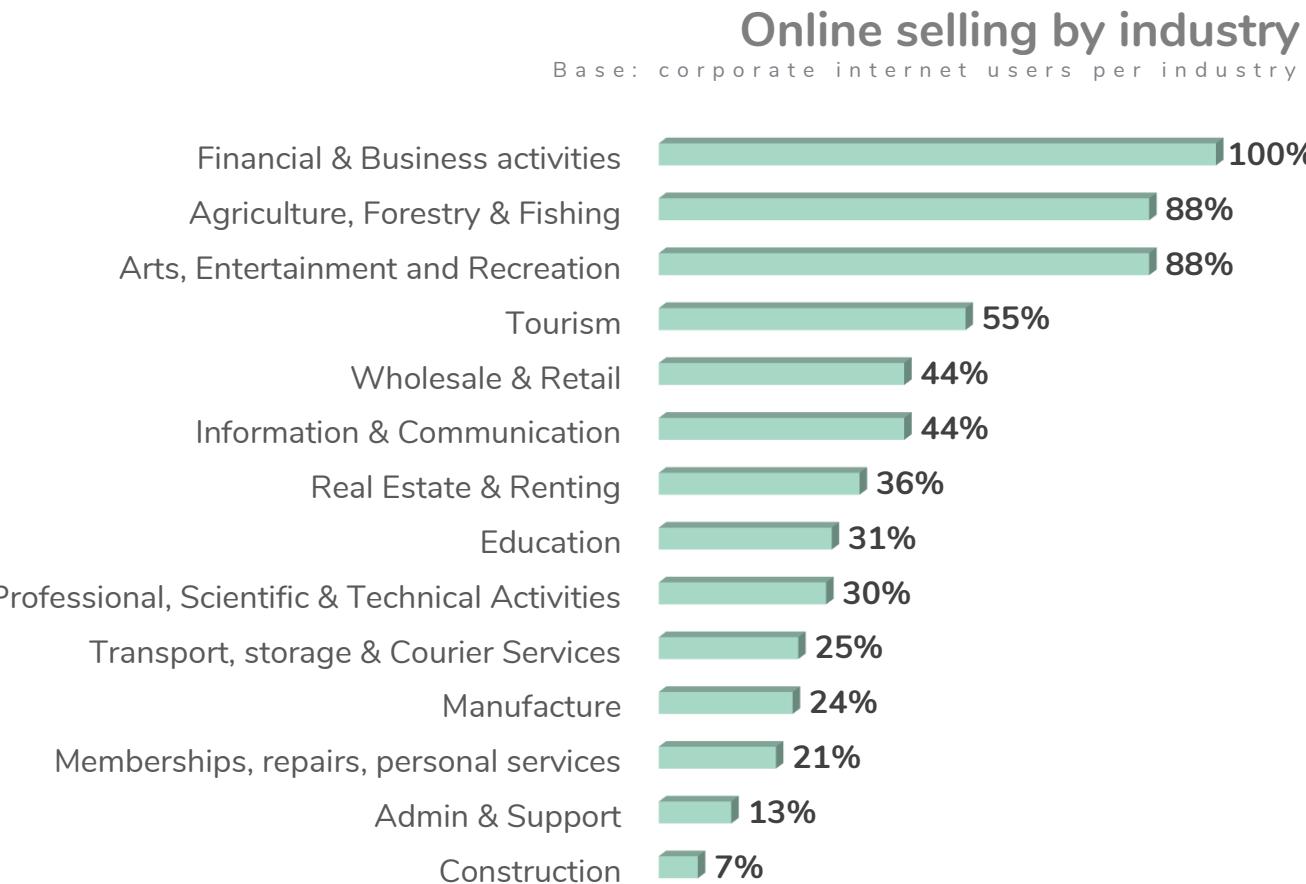
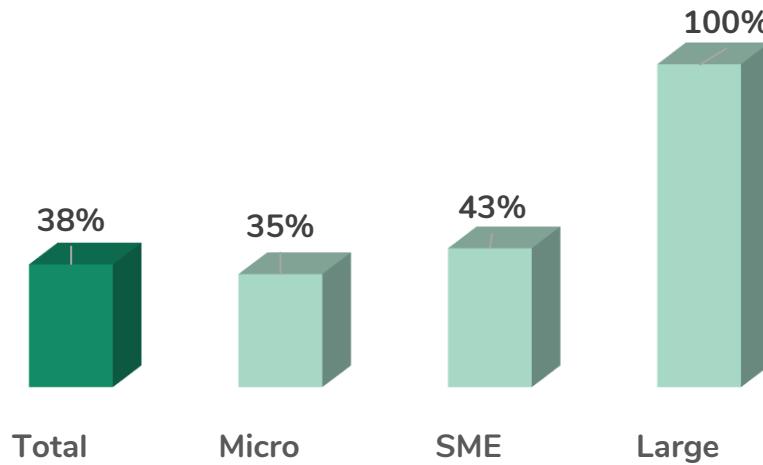


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Selling products/services over the internet* (2)

Base: corporate internet users

*This includes businesses that sell via company's eCommerce website, local/foreign marketplaces and/or other online channels, such as social media, messaging apps & e-mail.



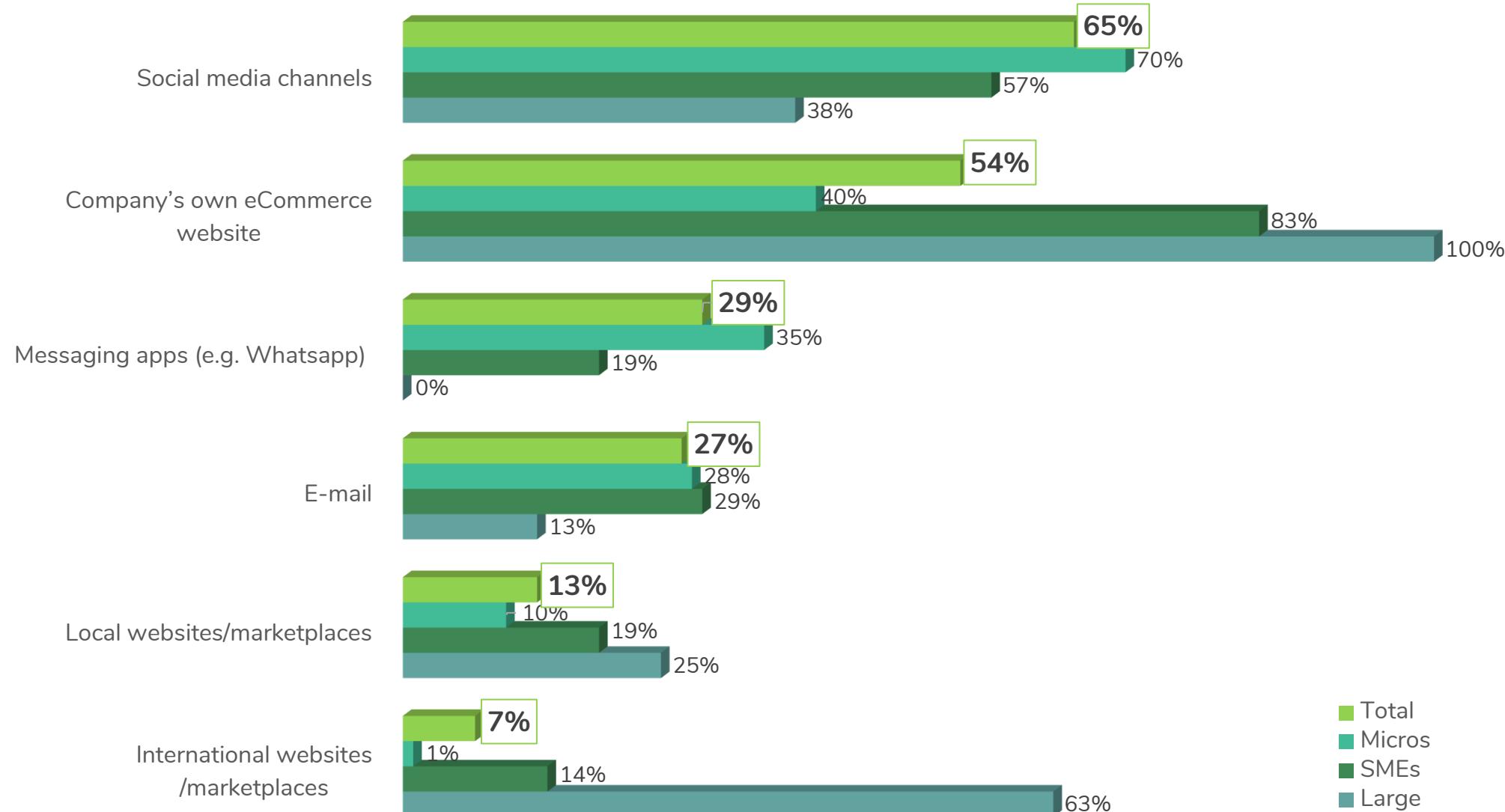
Riding the Digital Wave

Digital channels* used for selling products/services

Multiple response

Base: corporate eCommerce users

*This includes businesses that sell via company's eCommerce website, local/foreign marketplaces and/or other online channels, such as social media, messaging apps & e-mail.

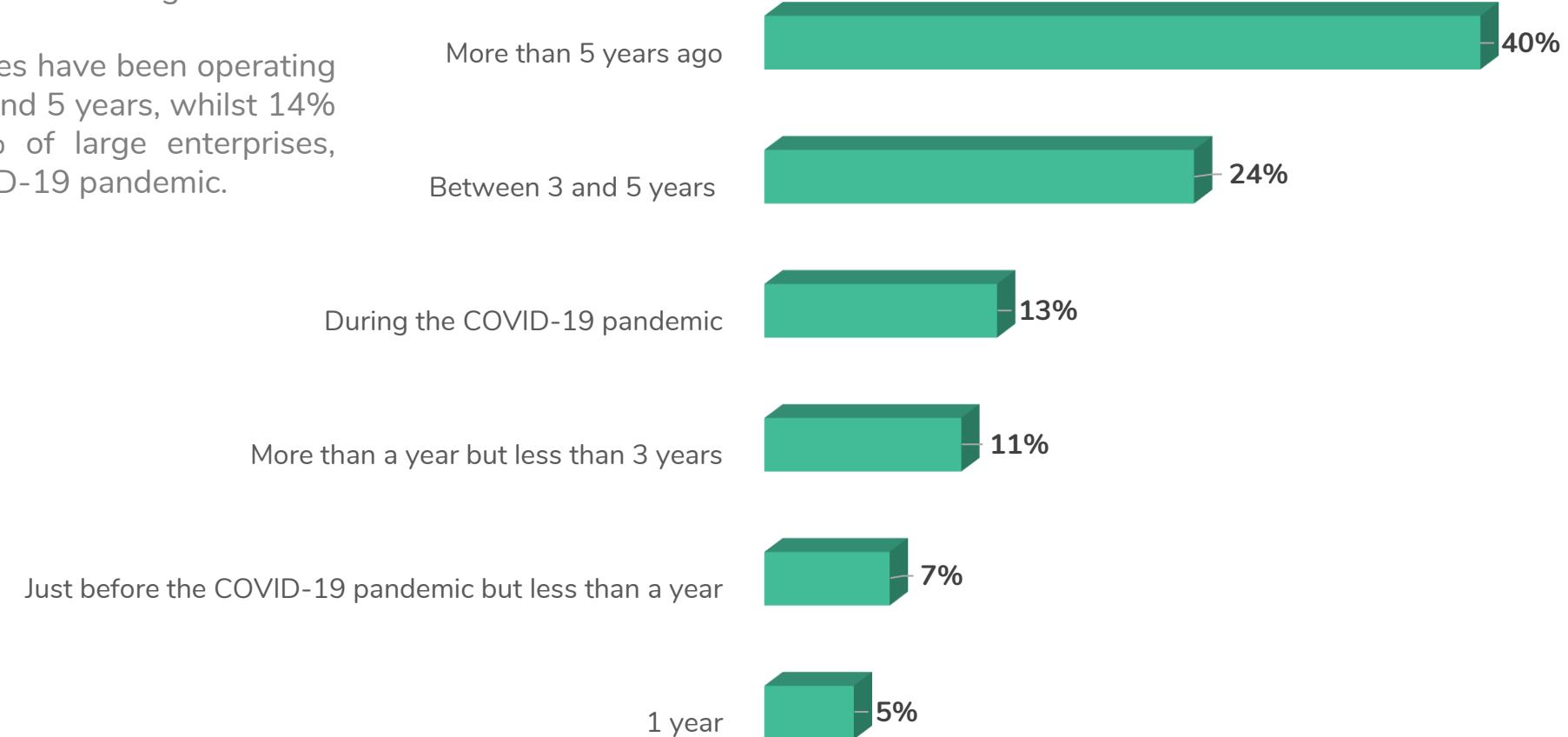


Started selling products/services over the internet...

Base: corporate eCommerce users

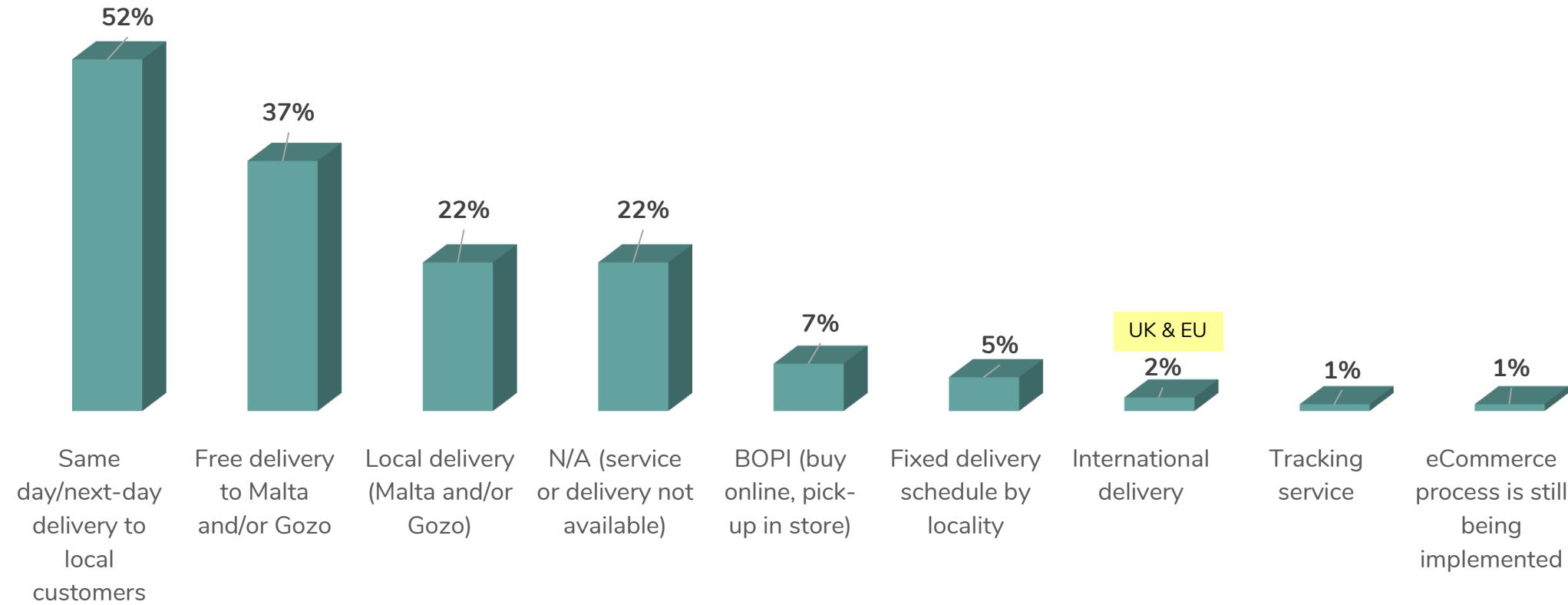
Three-quarters of large businesses have been selling online for more than 5 years, whilst only slightly more than a third of Micros (39%) and SMEs (38%) have been doing likewise.

A quarter of Micro and SME enterprises have been operating an online selling channel between 3 and 5 years, whilst 14% of micros, 12% of SMEs and 13% of large enterprises, started selling online during the COVID-19 pandemic.



Delivery options offered Multiple response

Base: corporate eCommerce users



Security measures to protect online/customers data

Base: corporate eCommerce users

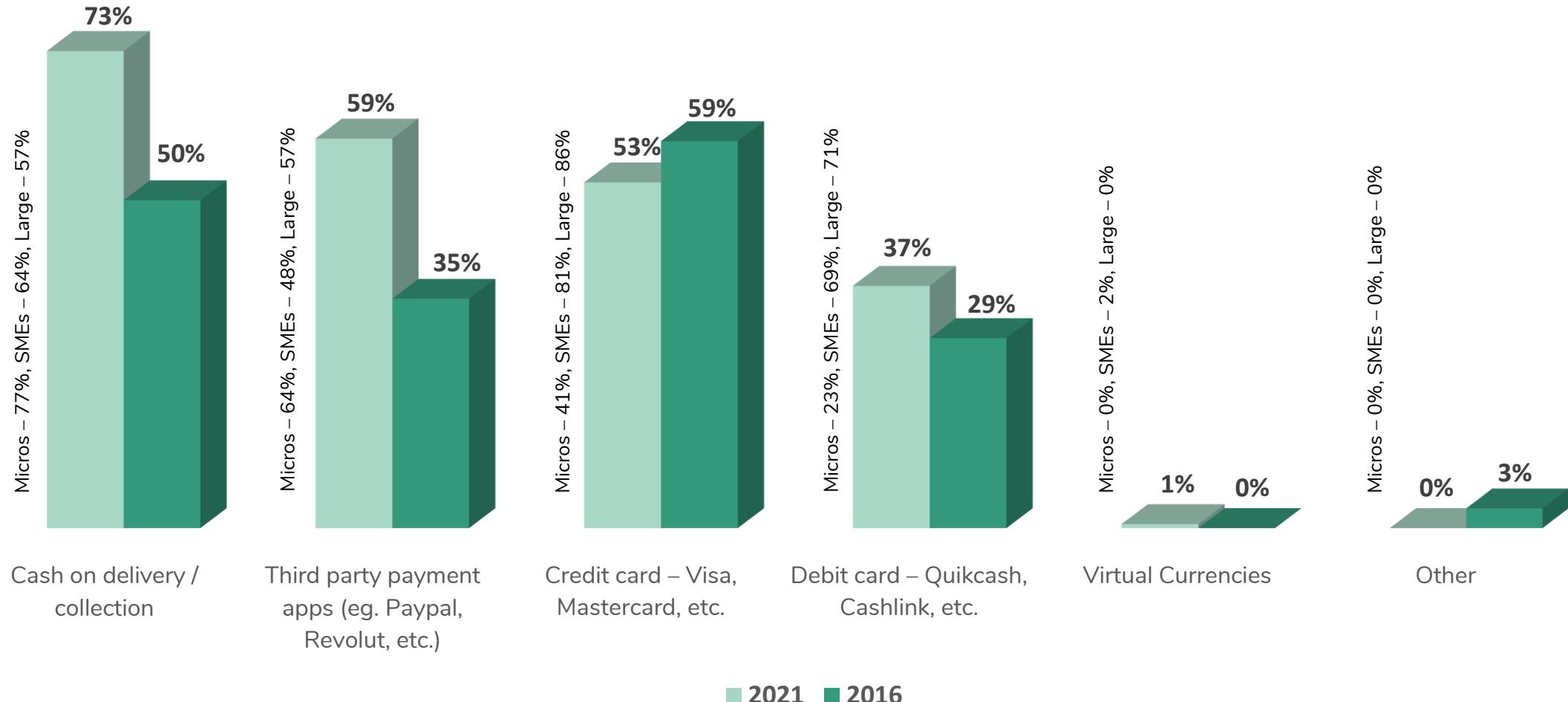
Multiple response



Payment methods offered to online customers

Multiple response

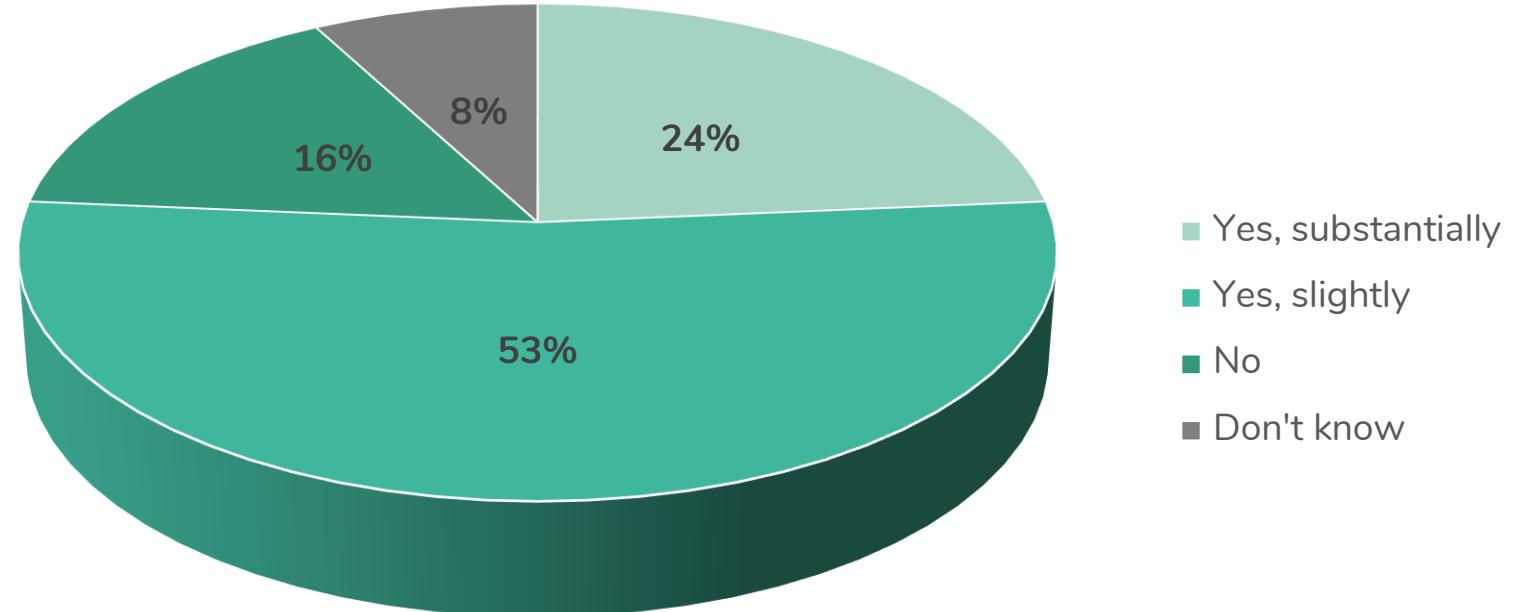
Base: corporate eCommerce users



Online selling year-on-year

Base: corporate eCommerce users

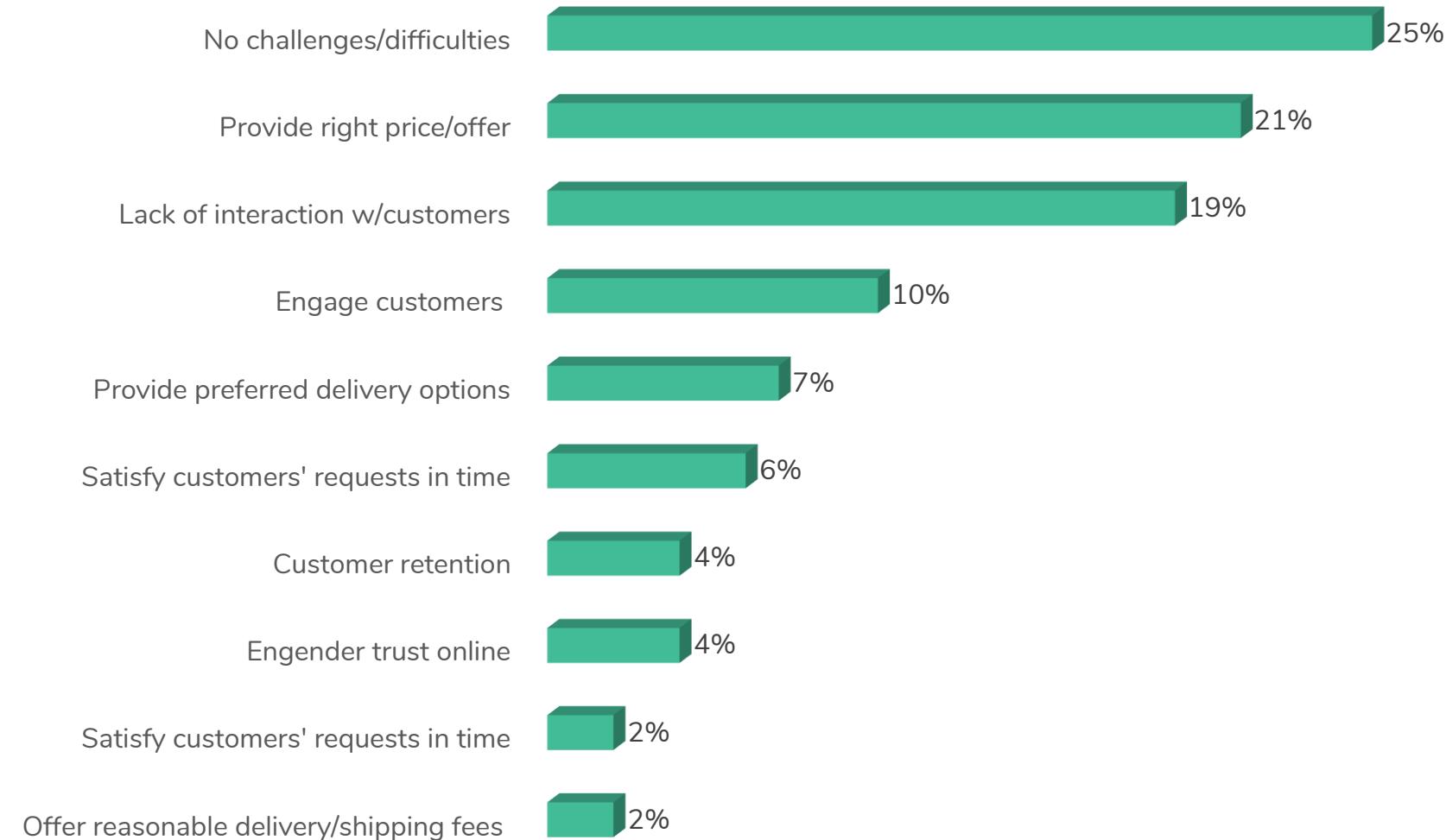
77% of corporate eCommerce users claim that their online selling has increased to some extent - slightly less than a third of these say it grew substantially, whilst the remaining 69% believe that there was a slight increase.



Challenges/difficulties with selling online

Base: corporate eCommerce users

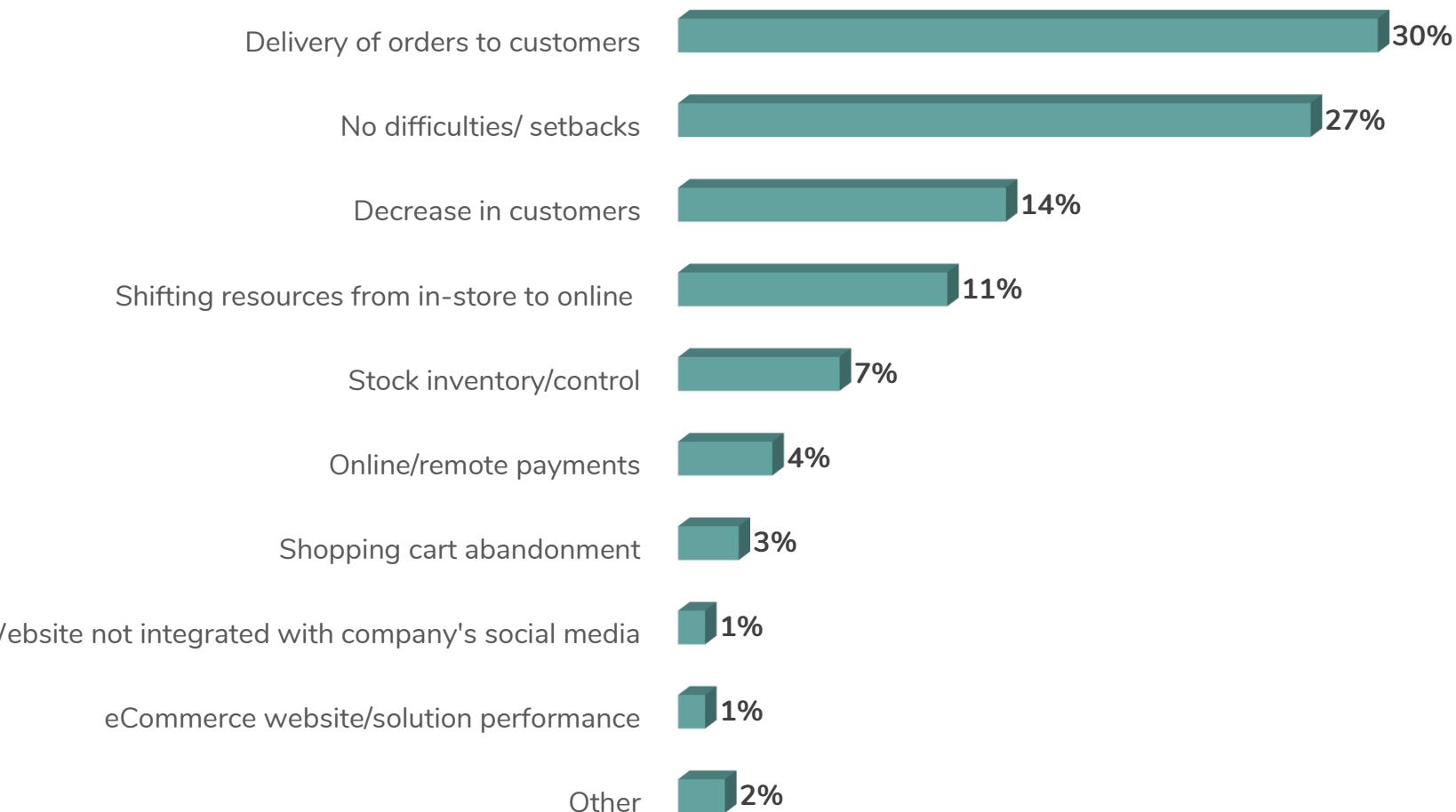
Respondents ranked their top 3 options and responses were weighted accordingly. The graph illustrates the average weighted scores.



Difficulties/setbacks during the COVID-19 pandemic

Base: corporate eCommerce users

Respondents ranked their top 2 options and responses were weighted accordingly. The graph illustrates the average weighted scores.



Investing in an eCommerce solution in the next 12 months

Base: corporate internet users

Whereas 61% of businesses have a positive attitude towards eCommerce, 39% have no intention of investing in an online selling channel/set-up.

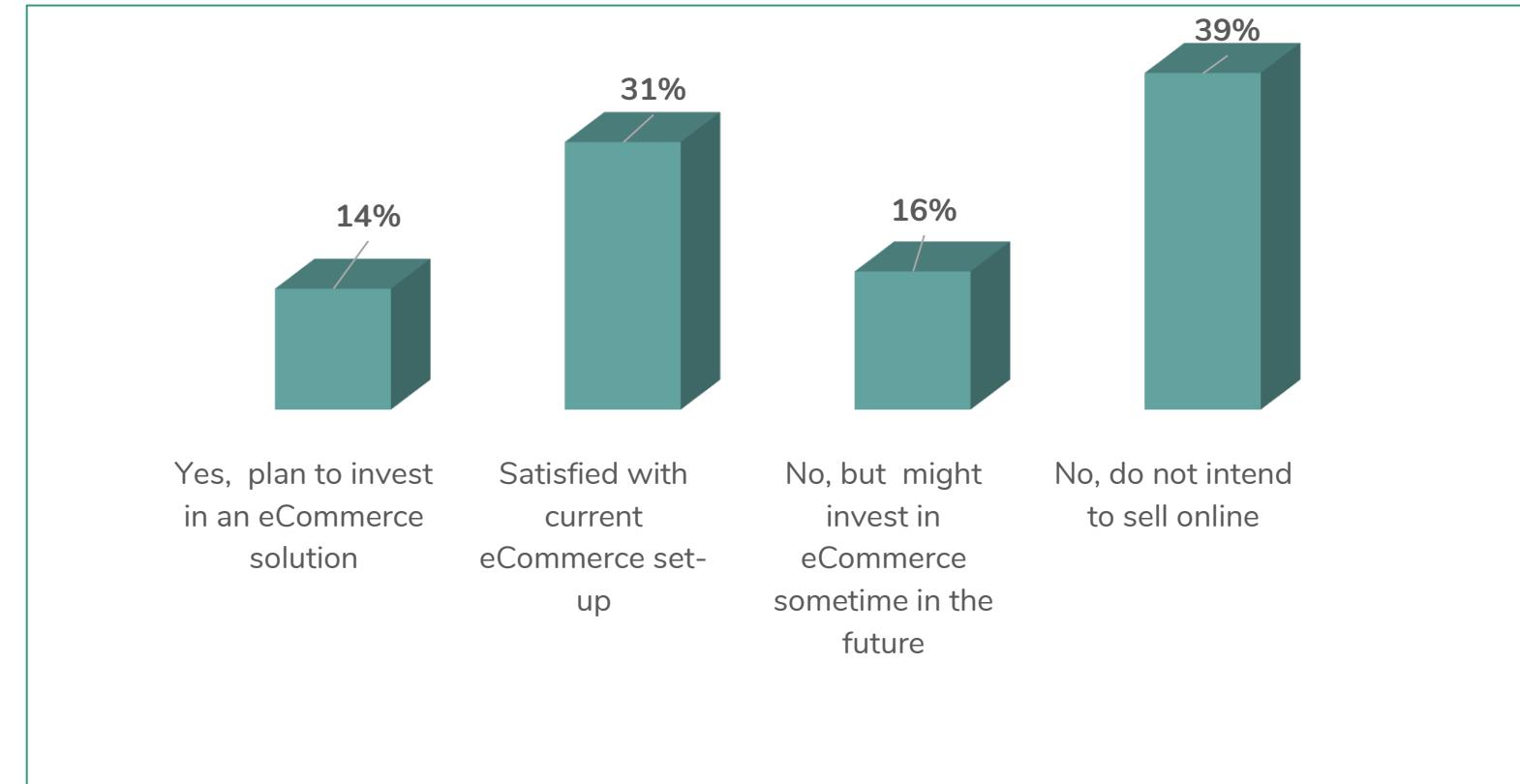
24% of SMEs plan to invest in eCommerce whilst only 12% of Micros intend to do the same.

29% of SMEs and 30% of Micros are happy with their current eCommerce set-up and do not plan to invest in this area in the coming year.

7% of SMEs do not rule out setting up an eCommerce channel sometime in the future. This is echoed by 19% of Micros.

However, a significant 40% of SMEs & 39% of Micros are turning a blind eye to eCommerce.

On the other hand, the majority of large enterprises are satisfied with their current eCommerce set-up whilst 13% plan to invest in this area during the next 12 months.

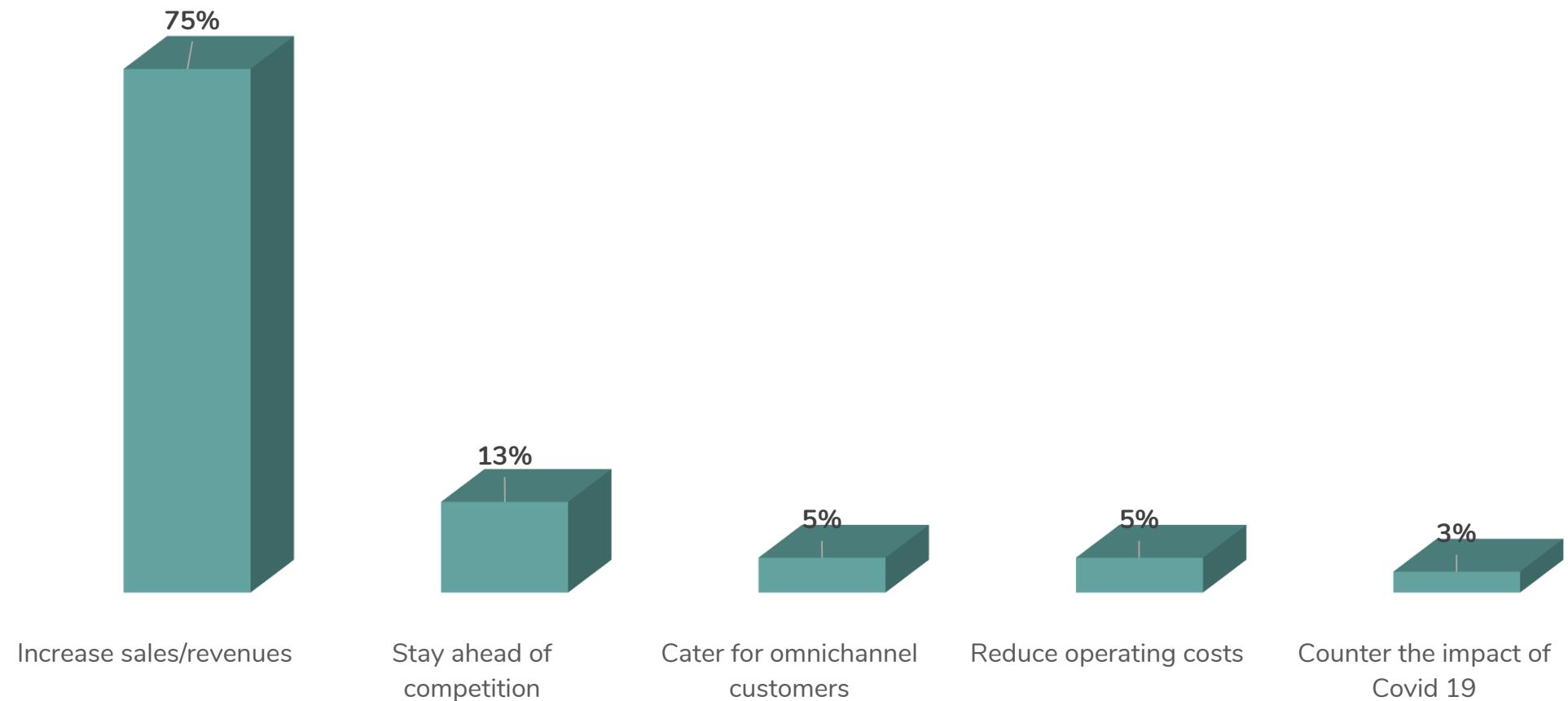


Reasons for wanting to invest in an eCommerce solution

Base: corporate internet users that want to invest in an eCommerce solution

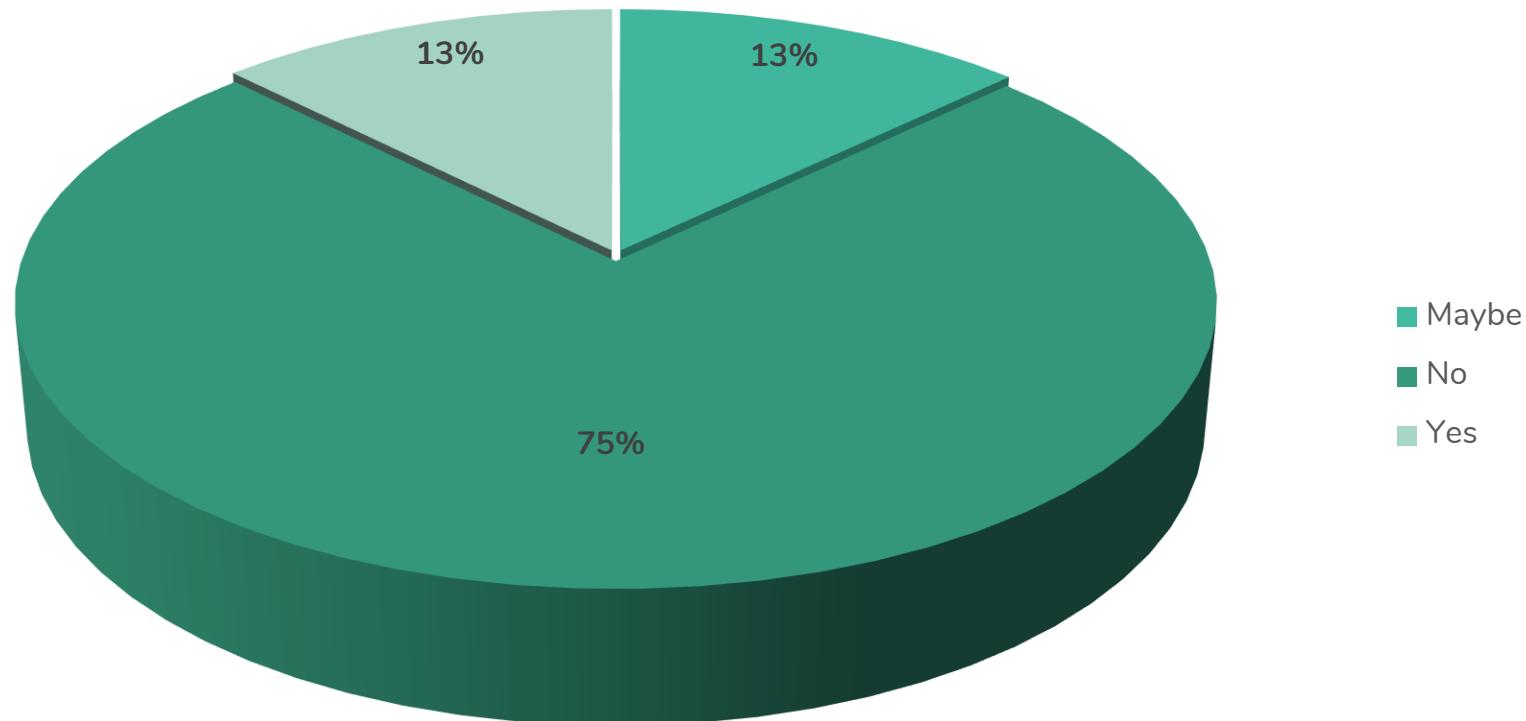
Respondents ranked their top 2 options and responses were weighted accordingly.

The graph illustrates the average weighted scores.



Interest in having products/services listed on an online marketplace

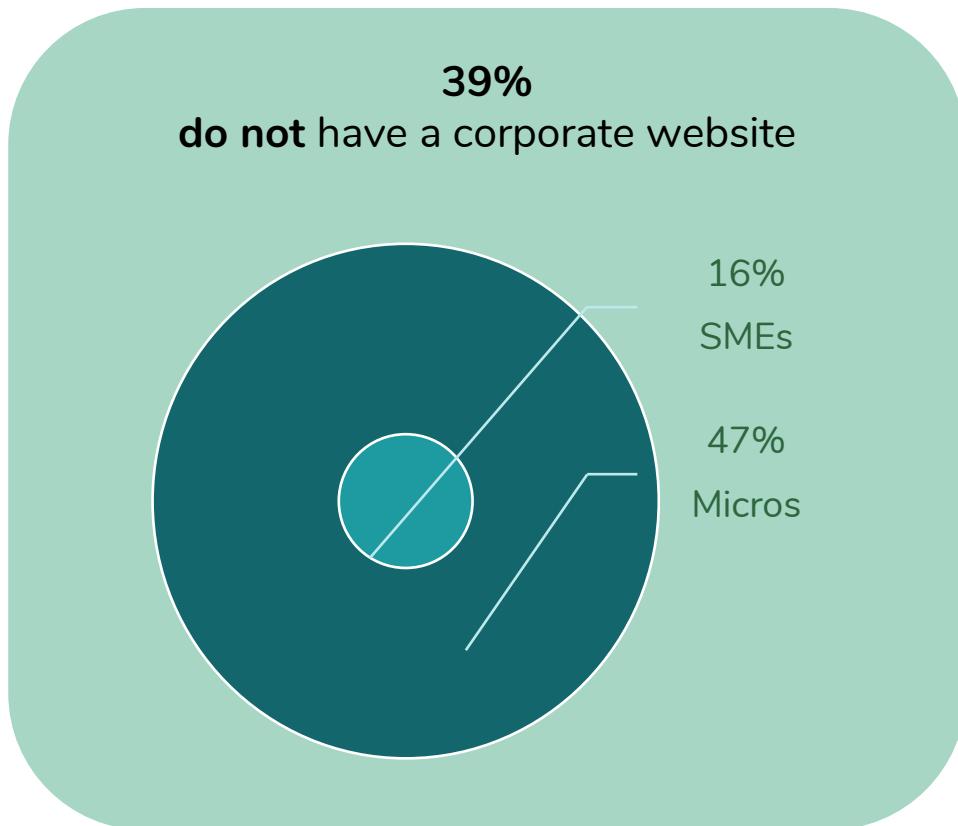
Base: corporate internet users that sell online or intend to do so



Missing a Digital Mindset

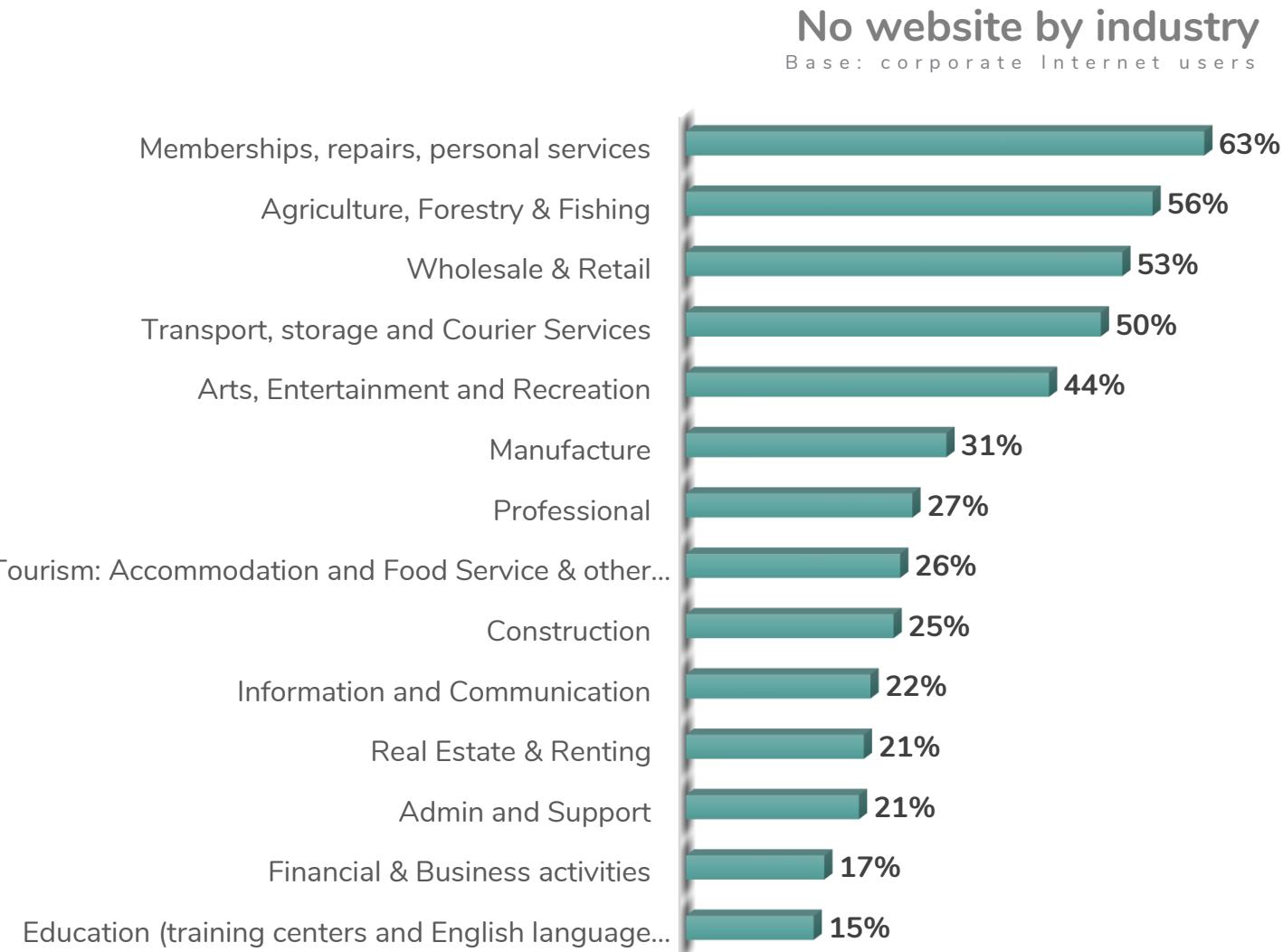
No website

Base: corporate Internet users



No website by industry

Base: corporate Internet users

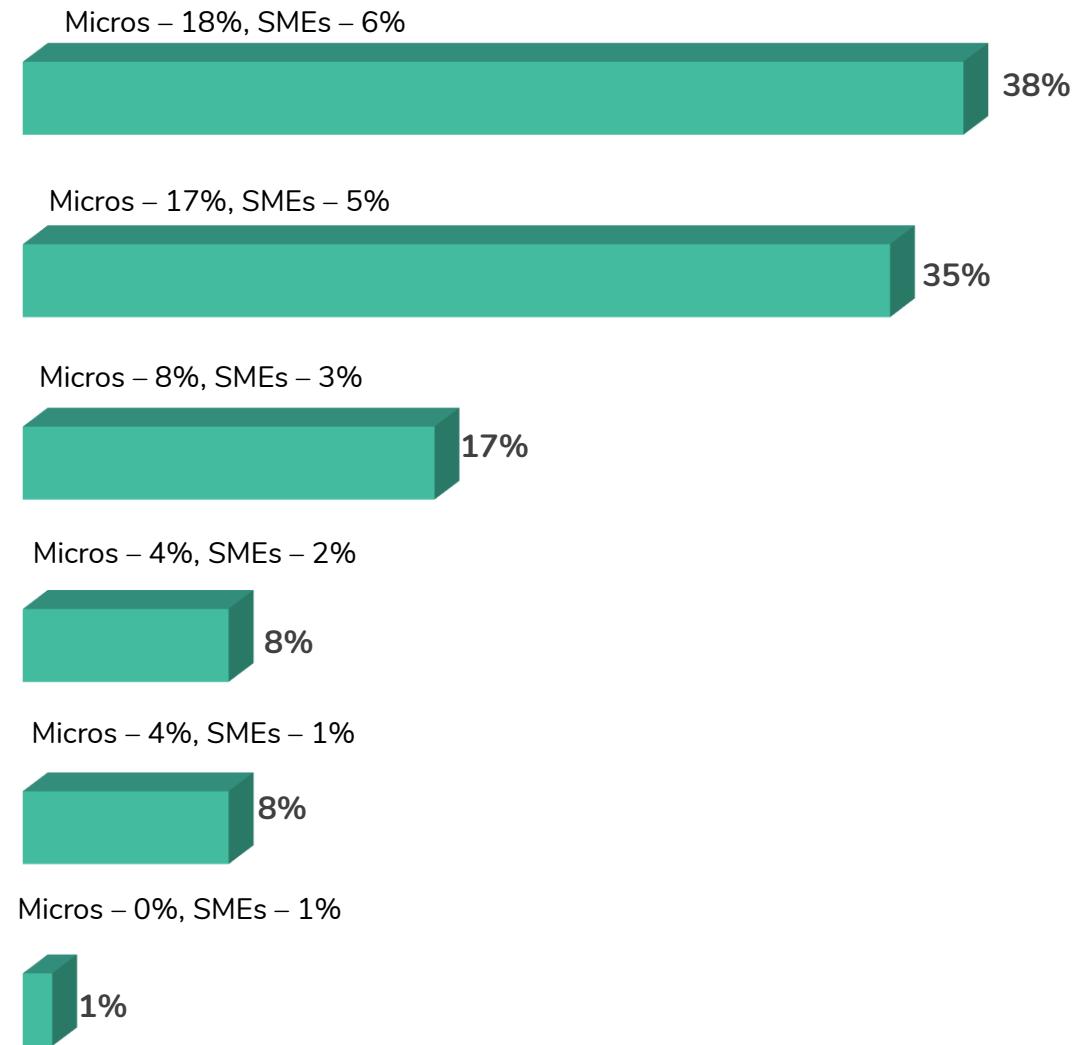


Reasons for not having a website

Base: corporate Internet users without a website

Multiple response

- Social media channels are enough for my business
- Do not have the time
- Lack of expertise
- Do not have the resources to maintain the website
- Do not feel the need because the type of business will not profit from a website
- Do not feel the need because sales are within the business' targets



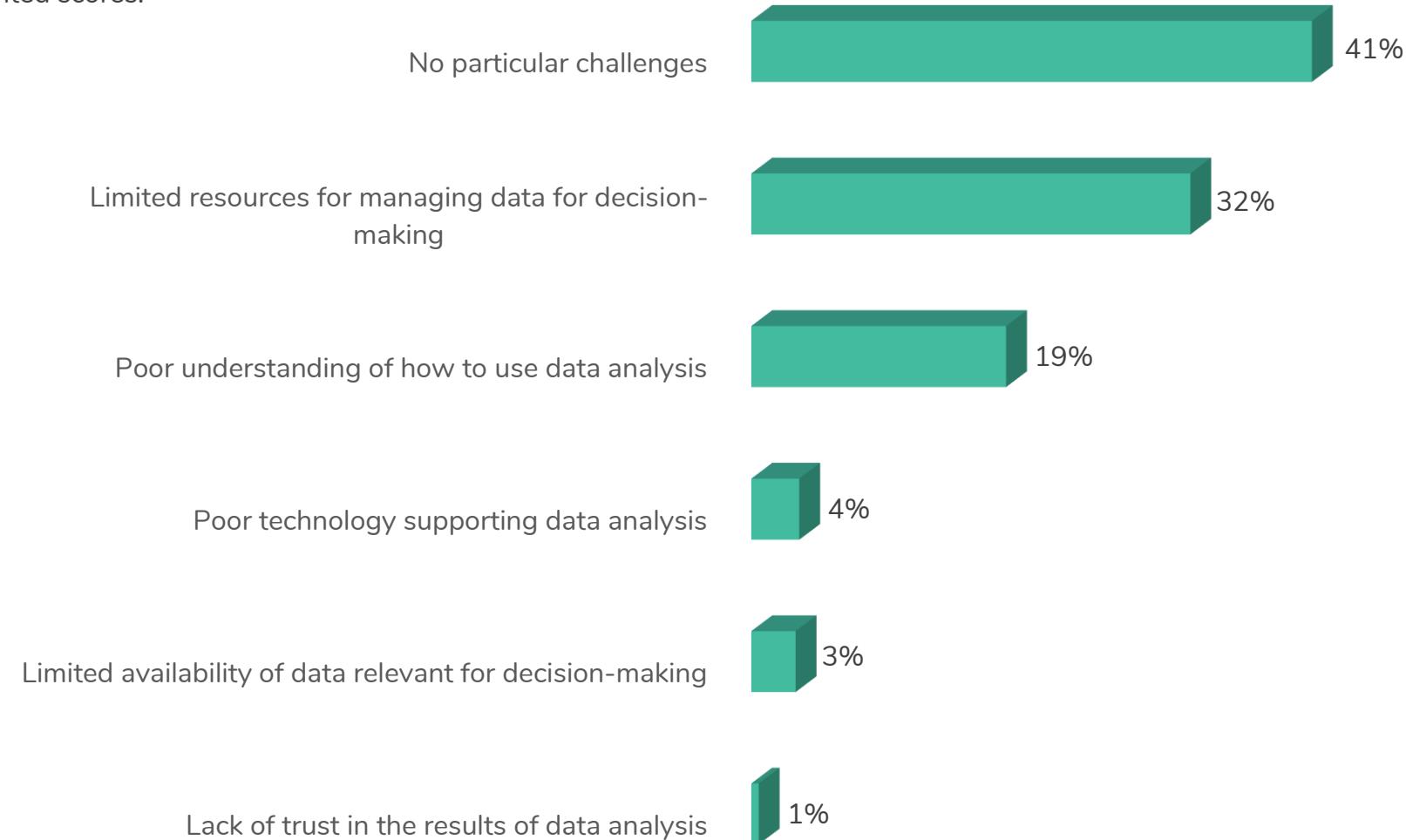
Missing a Digital Mindset

Difficulties with data analysis

Base: corporate internet users that do not analyse data

Respondents were asked to select top 3 factors. Responses were weighted and the graph illustrates the average weighted scores.

42%
of corporate internet
users **do not** analyse
data whilst another
5% are not sure.



Missing a Digital Mindset

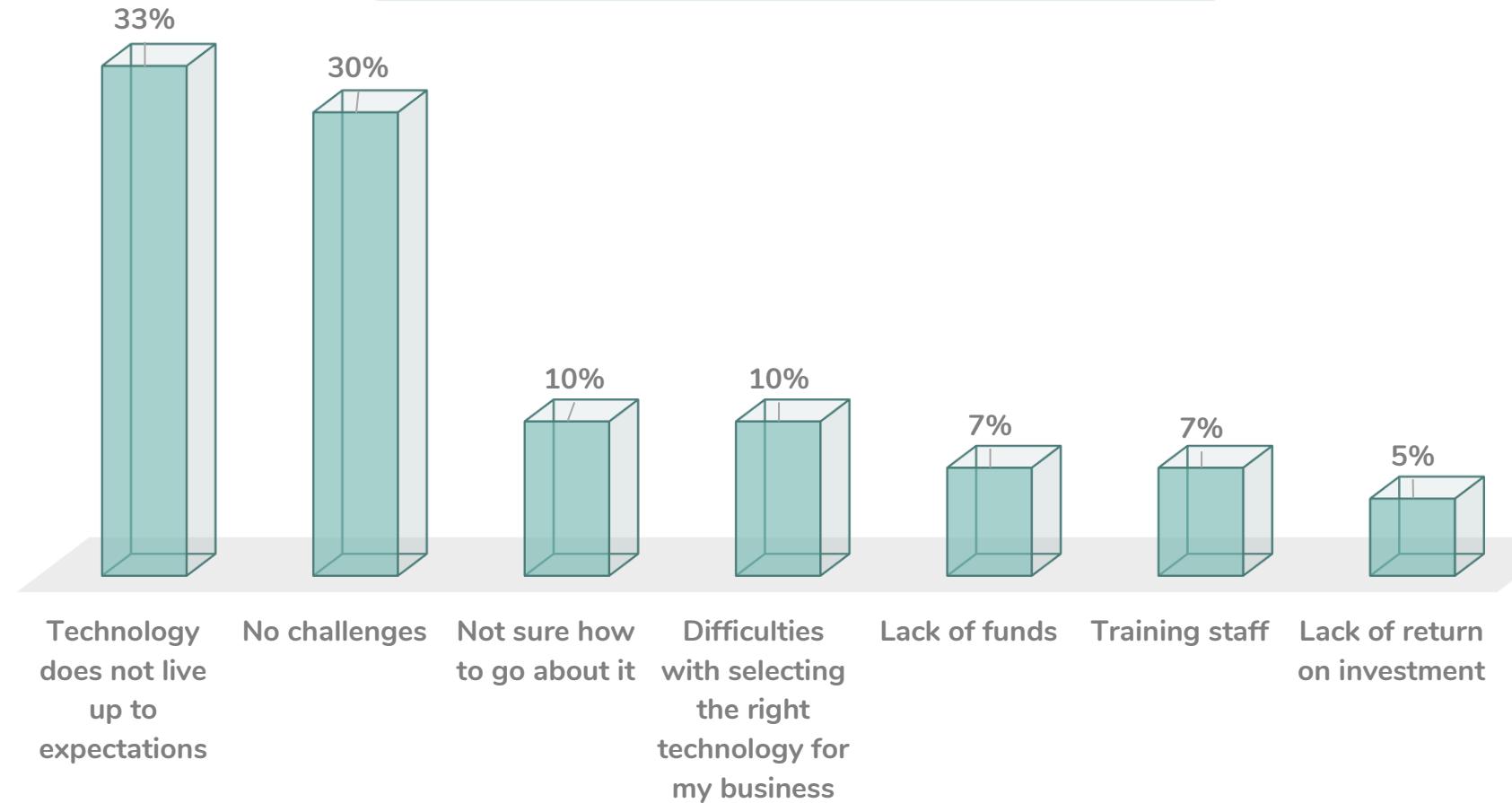
Concerns/challenges with digital technology

Base: corporate internet users that are sceptic of investment in digital technology

Respondents were asked to select top 3 factors. Responses were weighted. The graph illustrates the average weighted scores.

7%

of businesses view investment in technology as a necessary evil.



Reasons for not subscribing to cloud-based services

Base: corporate internet users that do not subscribe to cloud services

Multiple response

No idea how to go about it

46%

Not Interested / Do not need such services

41%

Security, privacy and data protection issues

7%

Cost-benefit analysis / ROI analysis

5%

If guidance/support was available, I would be interested

2%

Lack of technical know-how

1%

Lack of knowledge about contractual terms and service level agreements

1%

Other

1%

24%
of corporate internet users
do not subscribe to cloud
services

Missing a Digital Mindset

Reasons for not selling products/services online

Base: non-eCommerce users

Respondents were asked to select top 3 factors. Responses were weighted. The graph illustrates the average weighted scores.

Interestingly, this study reports a decrease from previous survey in businesses that believe that their **product or service is not suitable for online selling**. The majority of those that selected this option are Micro (73%), whilst 23% are SMEs. 20% hail from the Professional, Scientific & Technical industry, 16% from the Construction industry and 13% from the Wholesale & Retail industry.

Of the non-eCommerce users that do not sell online because they **are not interested**, 49% are micros whilst 12% are SMEs. 24% are businesses from the Wholesale & Retail industry and 10% from the Manufacturing sector.

The number of non-eCommerce users that claim to refrain from selling online due to **costs related to setting up & maintaining an eCommerce website** has halved since 2016.

Multiple response

62%
of corporate internet users do not use digital channels in their sales strategy

