Malta Chamber of
smes

Business Performance Survey
2019

Methodology

Conducted by
Malta Chamber of SMEs

Number of respondents: 300
Type: Online survey with unique tokens
Date: From 9th to 24th January 2020
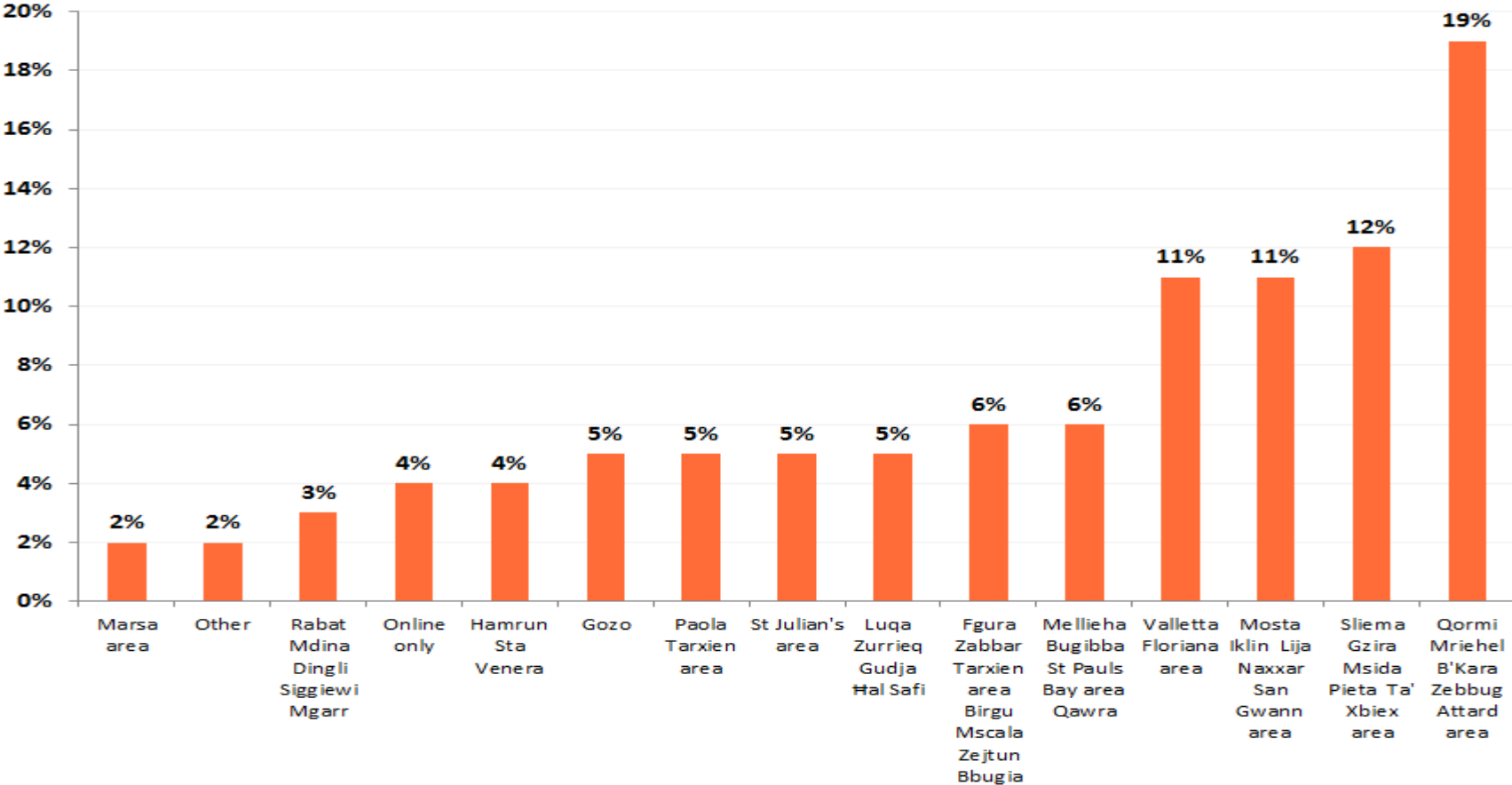**Margin of error:** 6%
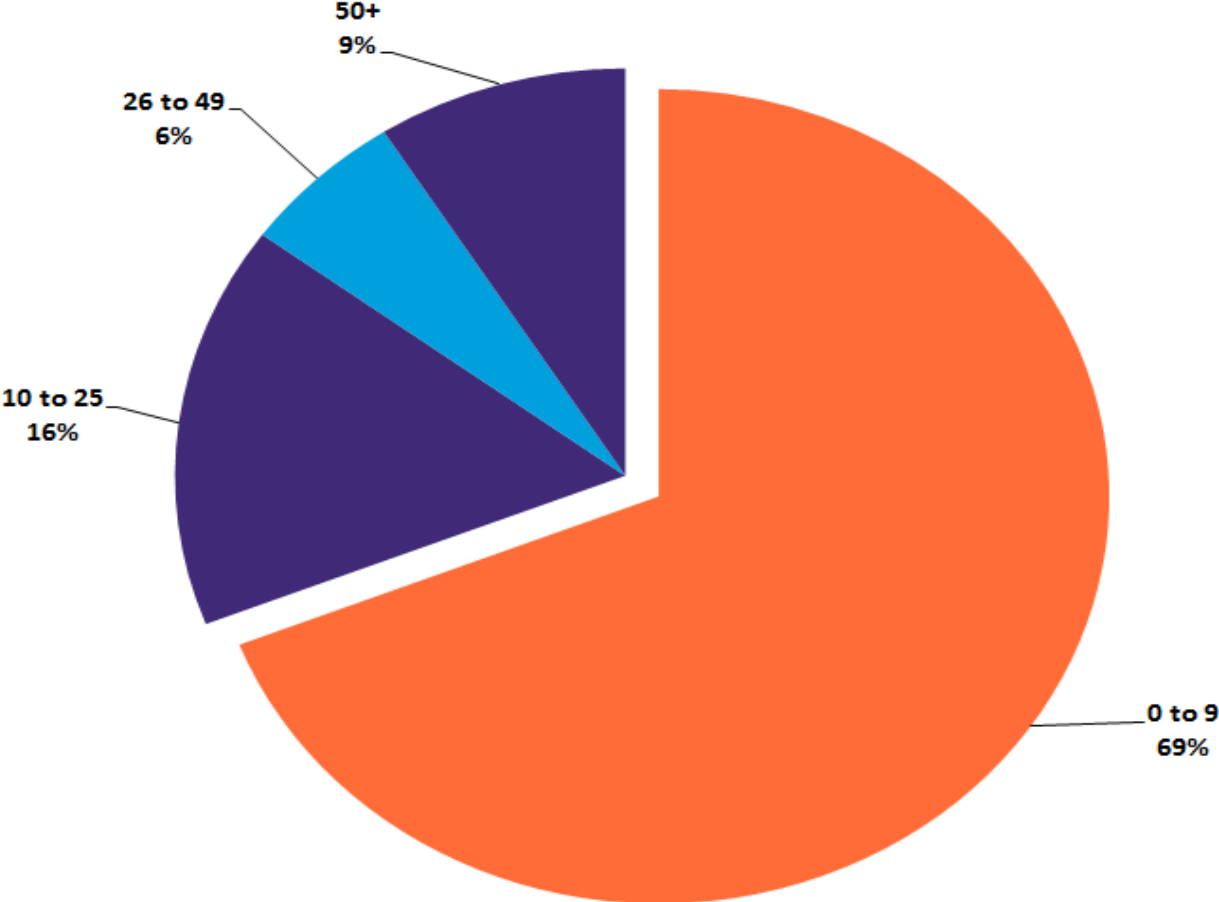**Respondents:** Businesses operating in Malta

Participating Sectors

Accommodation
Arts and Crafts
Automotive
Aviation, Shipping, Maritime
Beverages
Building Industry, Construction, Quarrying, Real Estate
Carrying of goods
Catering & Restaurants
Cleaning Services
Clothing, Shoes & Accessories
Education and Training
Electronics, Electrical & Lighting
Entertainment Services and Bars
Event Management
Finishings - Turnkey, Aluminum, Glass, Wood works, Tiling, Landscaping
Food, Agriculture and Fruit
Gaming & Lotto

Hairdresser
Hardware
Household products
ICT and Communications
Jewelry & Watches
Leisure, Outdoor, Sporting, Hobbies
Machinery and production
Media & PR
Passenger Transport
Pet Shop & Pet Services
Pharmacies and Medical
Professional Services - Financial Services, Compliance, Insurance
Renewable Energy Technologies
Security Services and Supplies
Supermarkets and Groceries
Tourism Services
Vending Machines
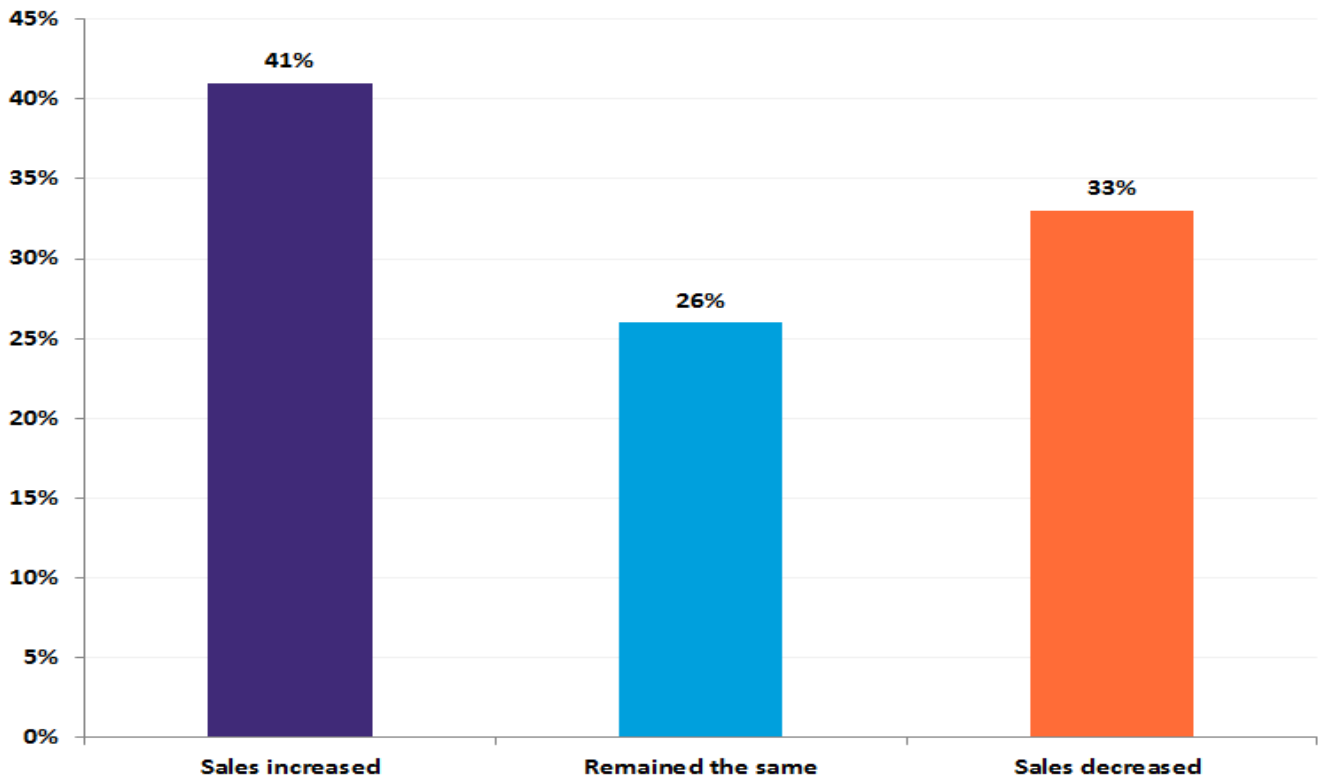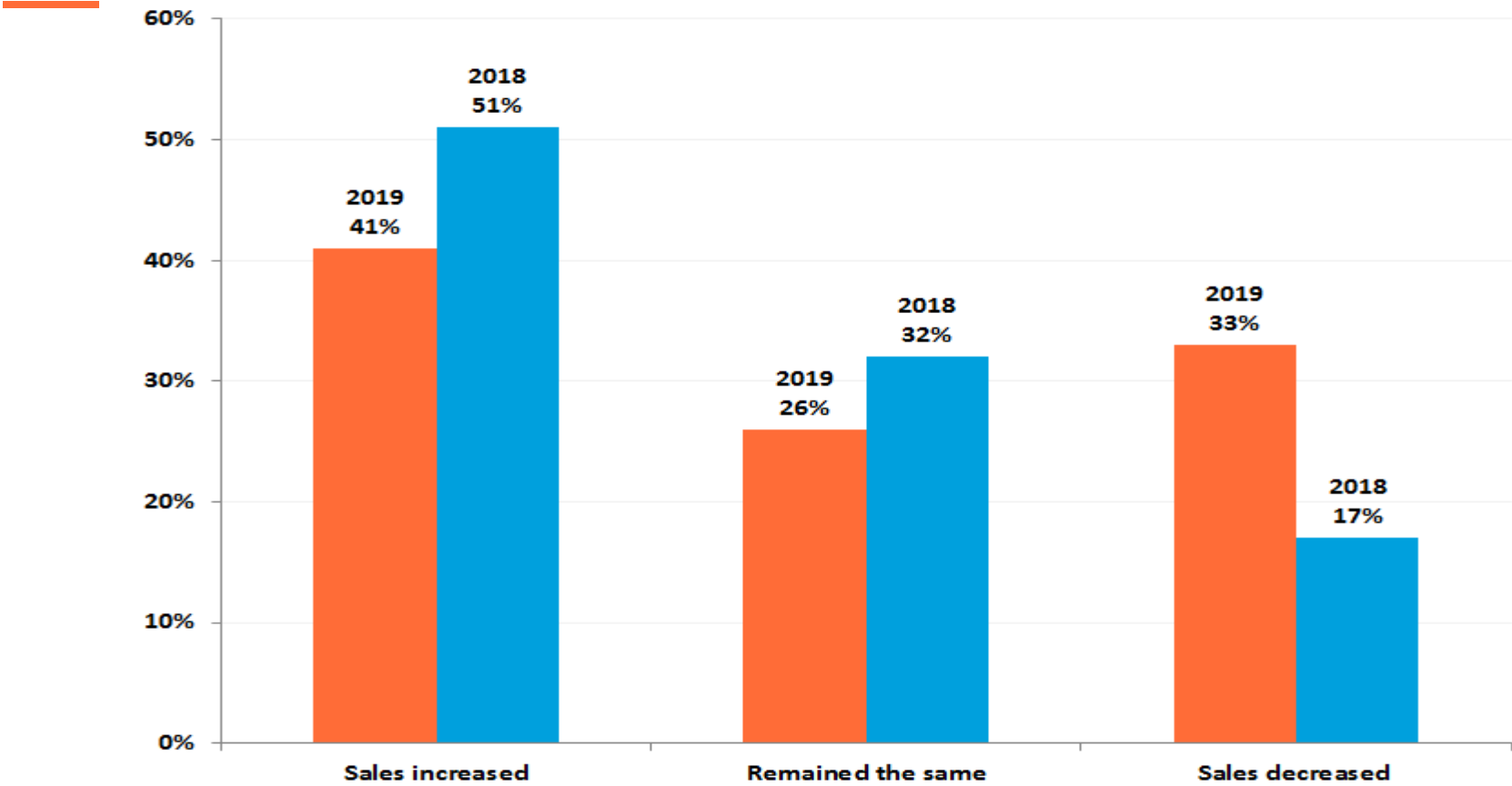Wellness & beauty

Locality

Number of employees

- 50+ 9%
- 26 to 49 6%
- 10 to 25 16%
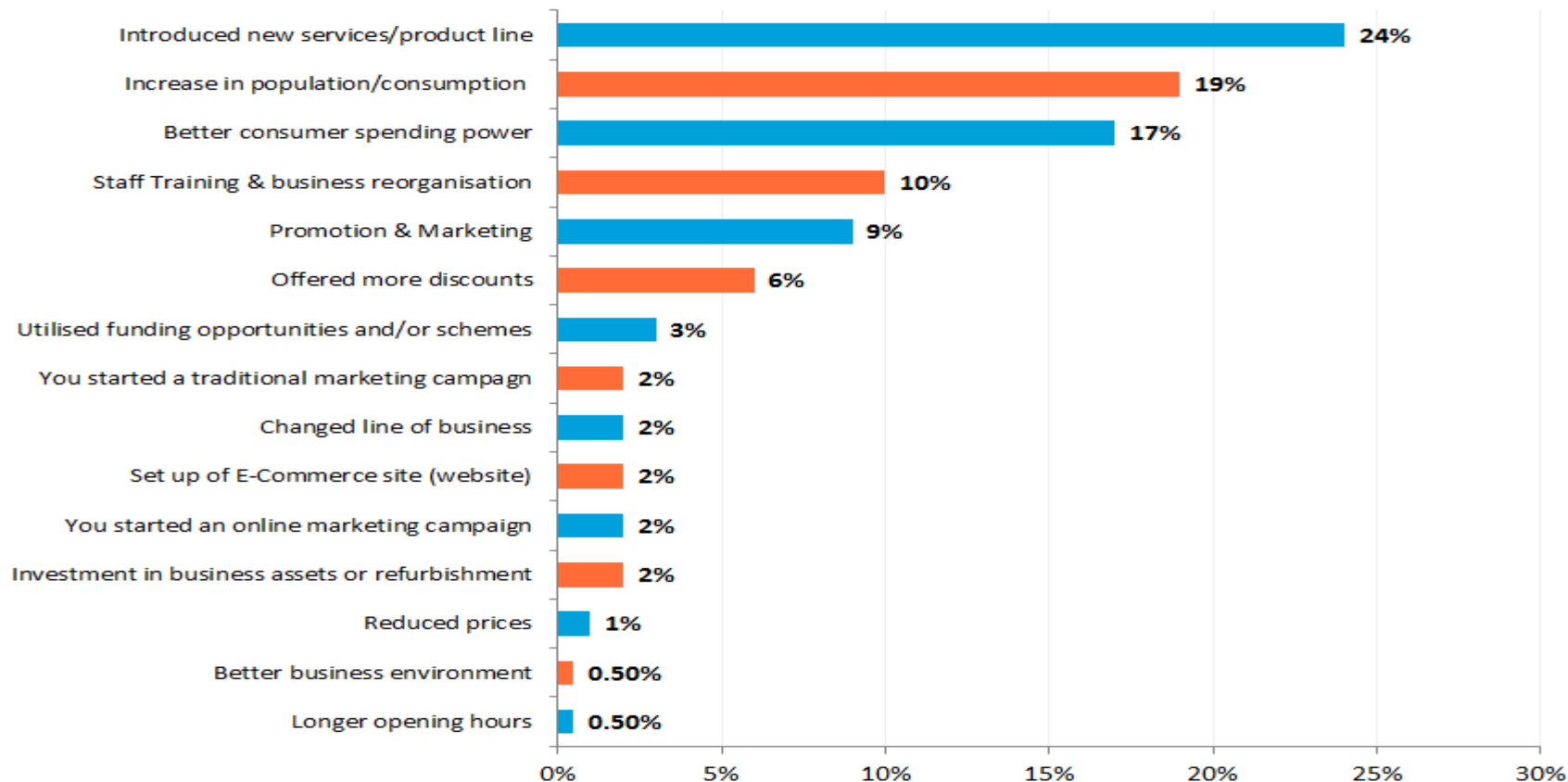- 0 to 9 69%

Overall Year Performance
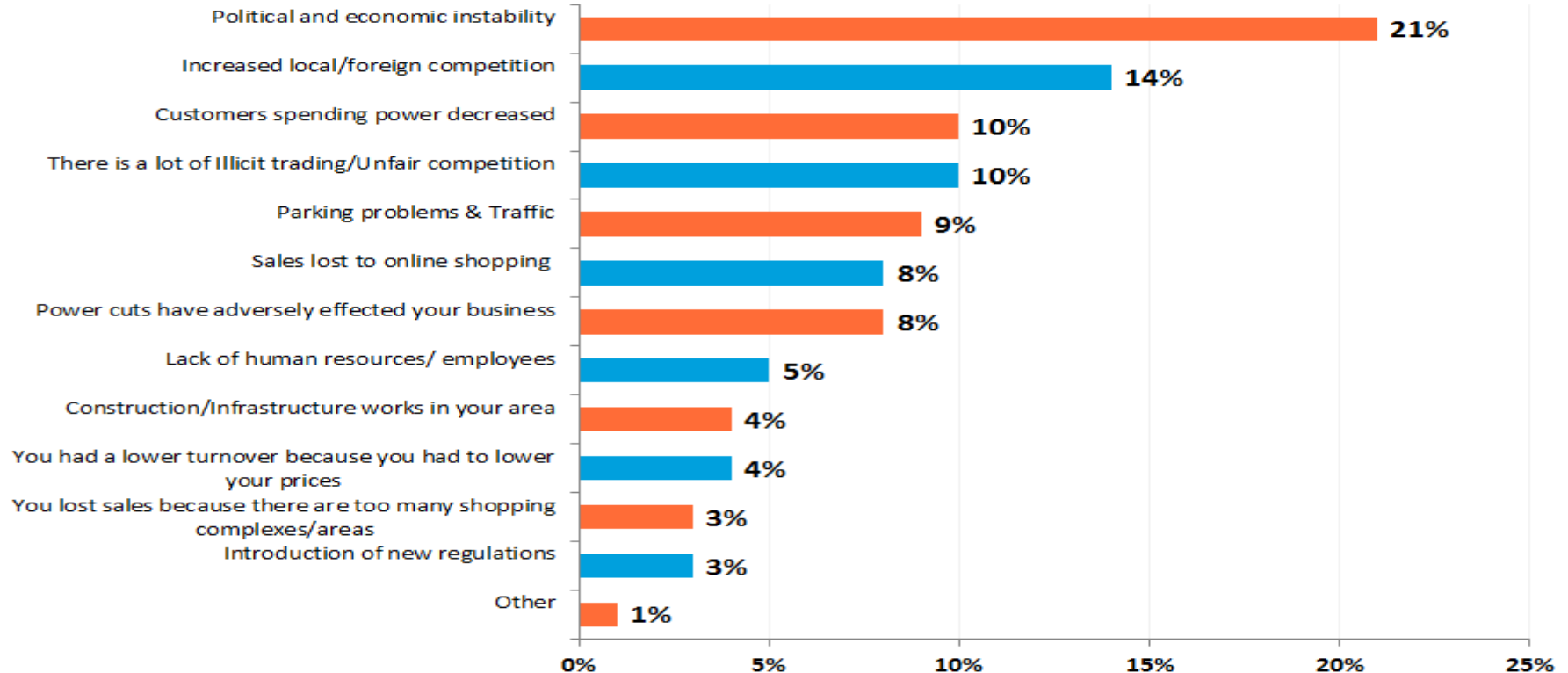
When comparing 2018, how did your sales fare during 2019?

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What led to increase in sales?

Category	Percentage
Introduced new services/product line	24%
Increase in population/consumption	19%
Better consumer spending power	17%
Staff Training & business reorganisation	10%
Promotion & Marketing	9%
Offered more discounts	6%
Utilised funding opportunities and/or schemes	3%
You started a traditional marketing campagn	2%
Changed line of business	2%
Set up of E-Commerce site (website)	2%
You started an online marketing campaign	2%
Investment in business assets or refurbishment	2%
Reduced prices	1%
Better business environment	0.50%
Longer opening hours	0.50%

What led to decrease in sales?

Factor	Percentage
Political and economic instability	21%
Increased local/foreign competition	14%
Customers spending power decreased	10%
There is a lot of Illicit trading/Unfair competition	10%
Parking problems & Traffic	9%
Sales lost to online shopping	8%
Power cuts have adversely effected your business	8%
Lack of human resources/ employees	5%
Construction/Infrastructure works in your area	4%
You had a lower turnover because you had to lower your prices	4%
You lost sales because there are too many shopping complexes/areas	3%
Introduction of new regulations	3%
Other	1%

Compared to 2018, how profitable was your business?

Bar chart comparing business profitability between 2019 and 2018:

Category	2019	2018
Better	27%	32%
Same	35%	46%
Worse	38%	22%
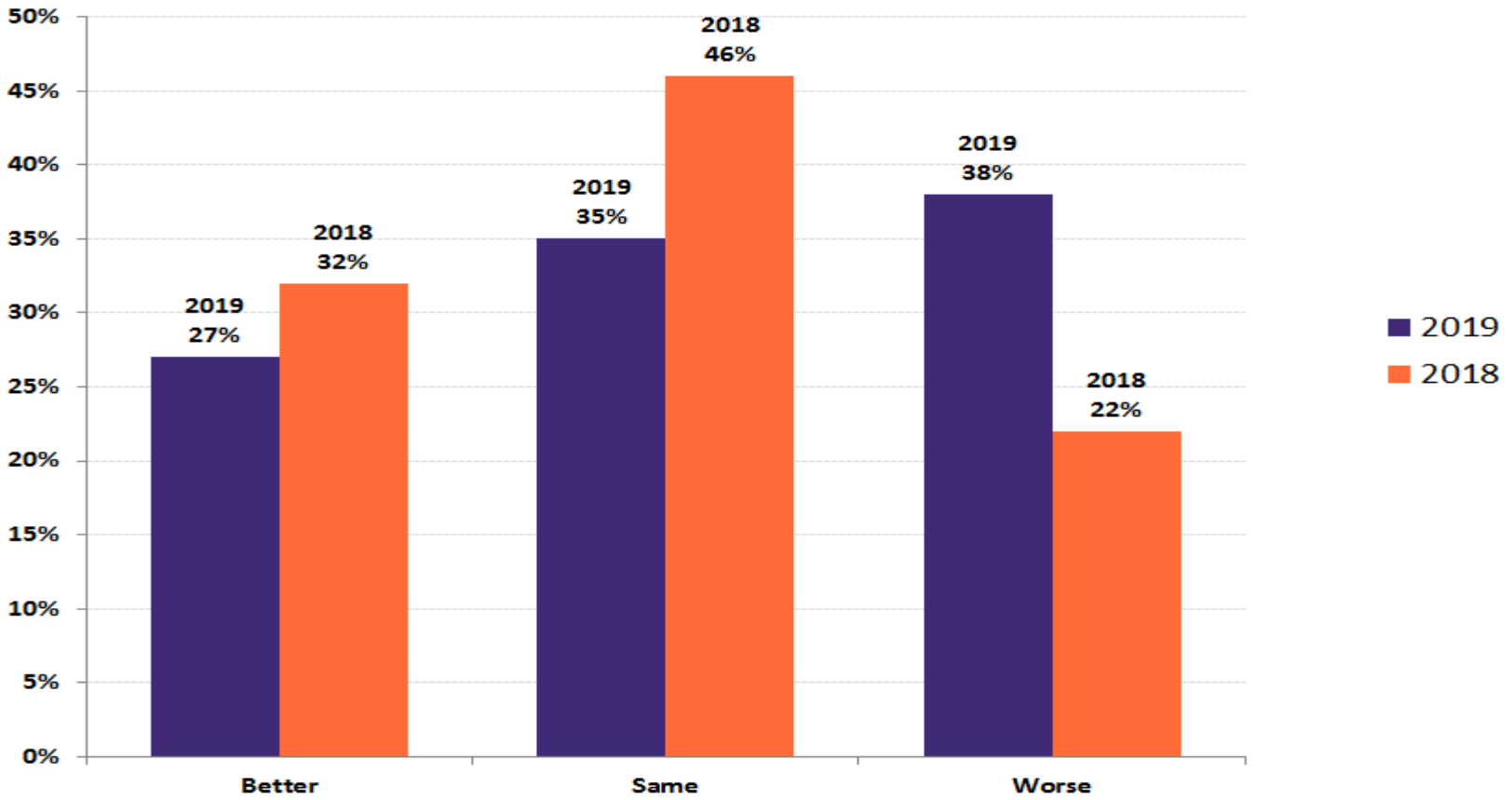
What led to increase in profits?

A higher turnover meant more profit	34%
Improved business strategies	14%
Increase in efficiency	14%
More profitable products or service	14%
Found suppliers with better prices	8%
Staff training	7%
Lower costs in general	5%
Increased prices	4%
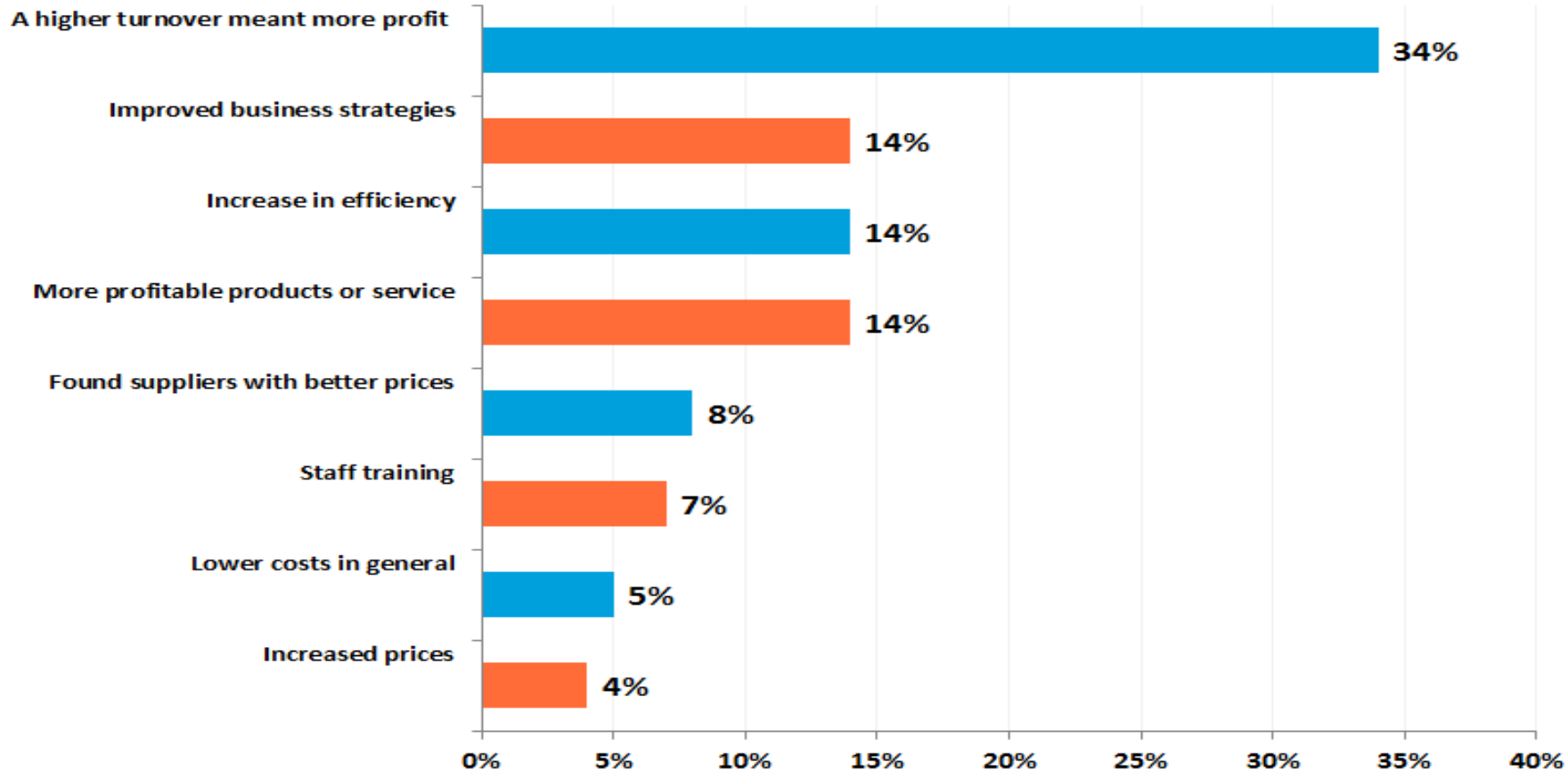
What led to a decrease in profits?

Category	Percentage
Higher operational costs	20%
Higher staff costs	15%
Lower turnover	15%
Increase in competition	14%
Consumers have less spending power	9%
Higher Banking costs	7%
Had to decrease prices	6%
Increase in rent	5%
New regulations	4%
Inefficiency	2%
Political and economic instability	1%
Other	1%
Increased local/foreign competition	1%
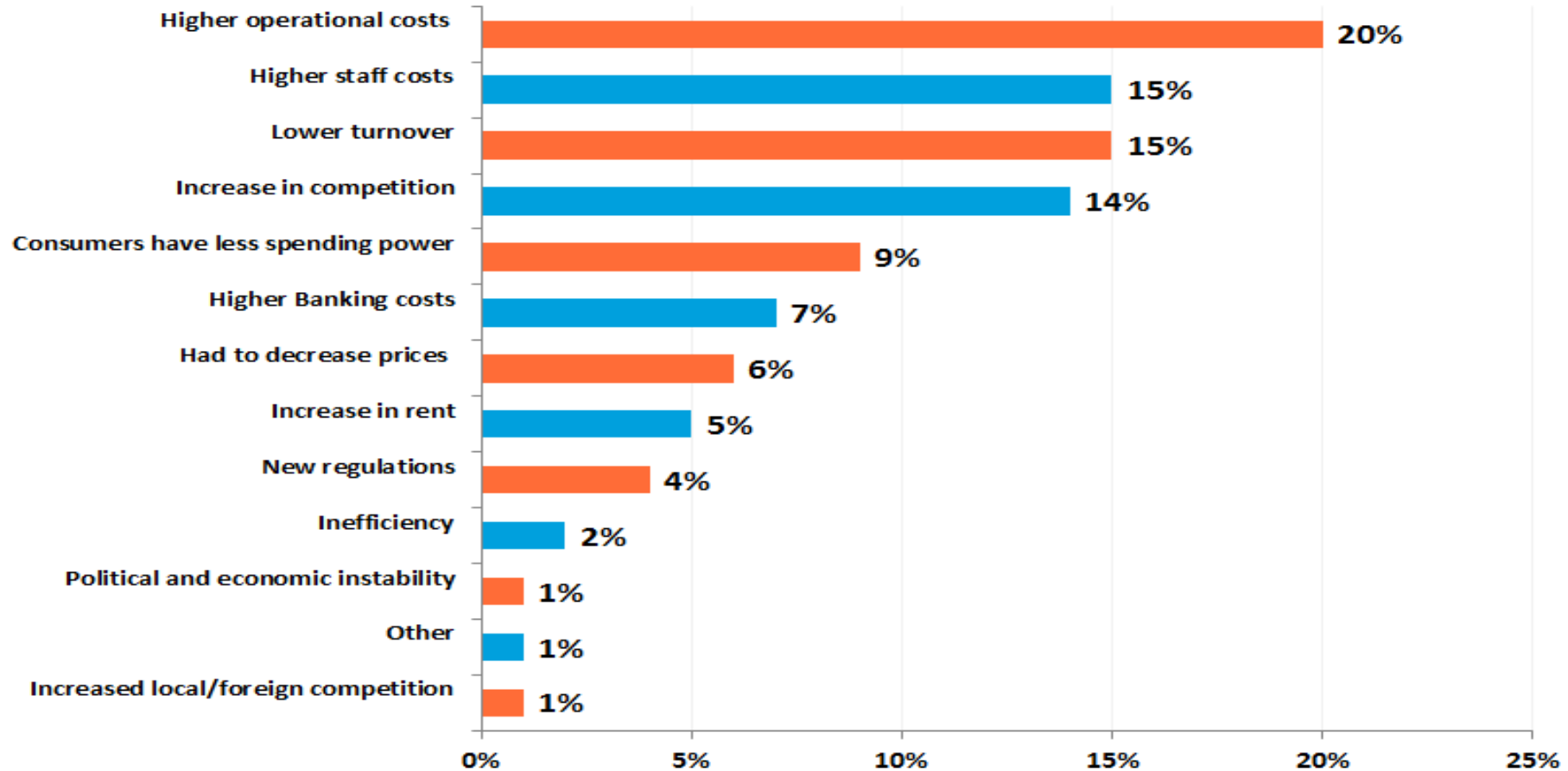
Performance during the festive season

Overall view of sales during the festive season
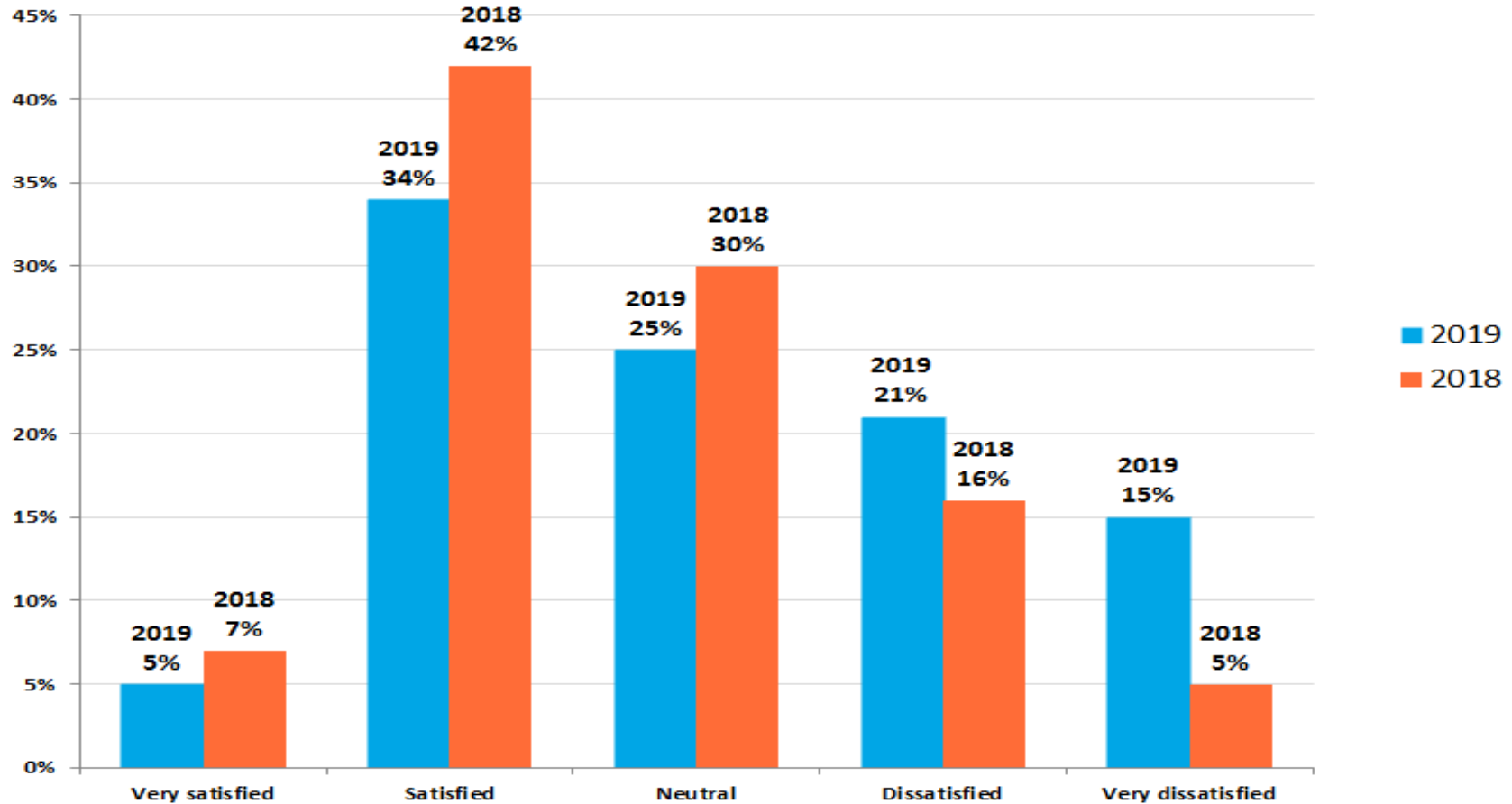
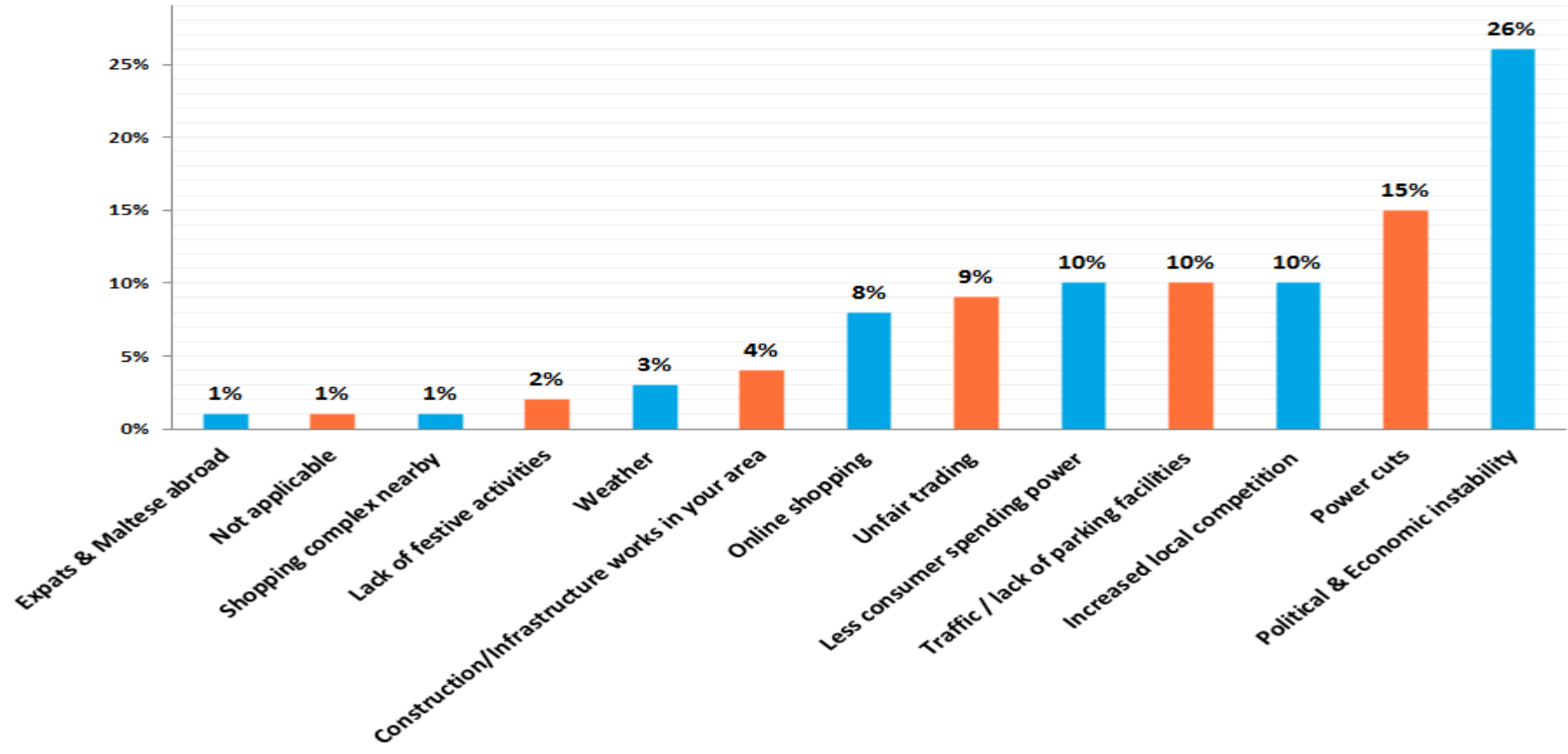# Overall view of sales during the festive season
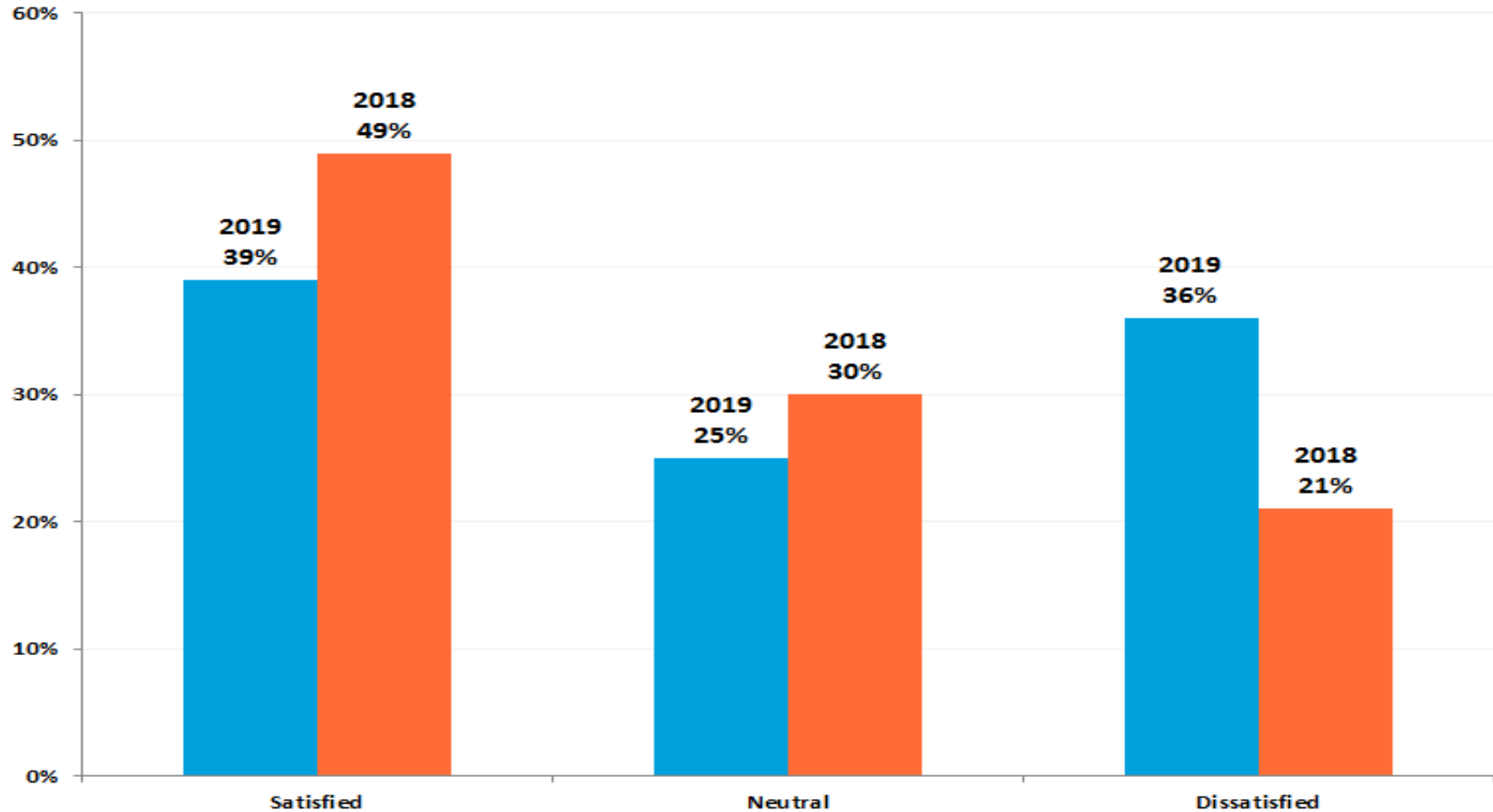
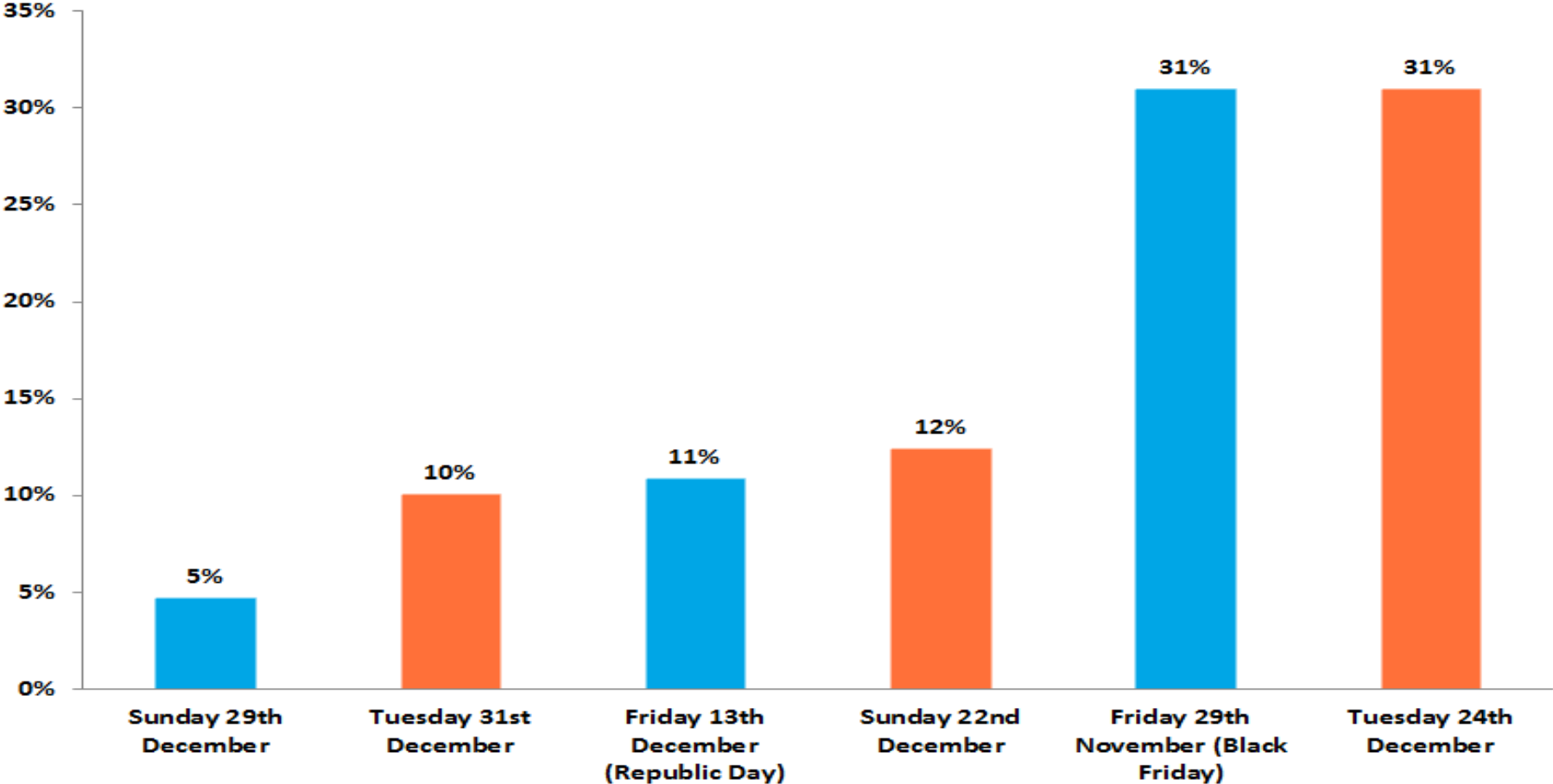# Overall view of sales during the festive season – Valletta comparison
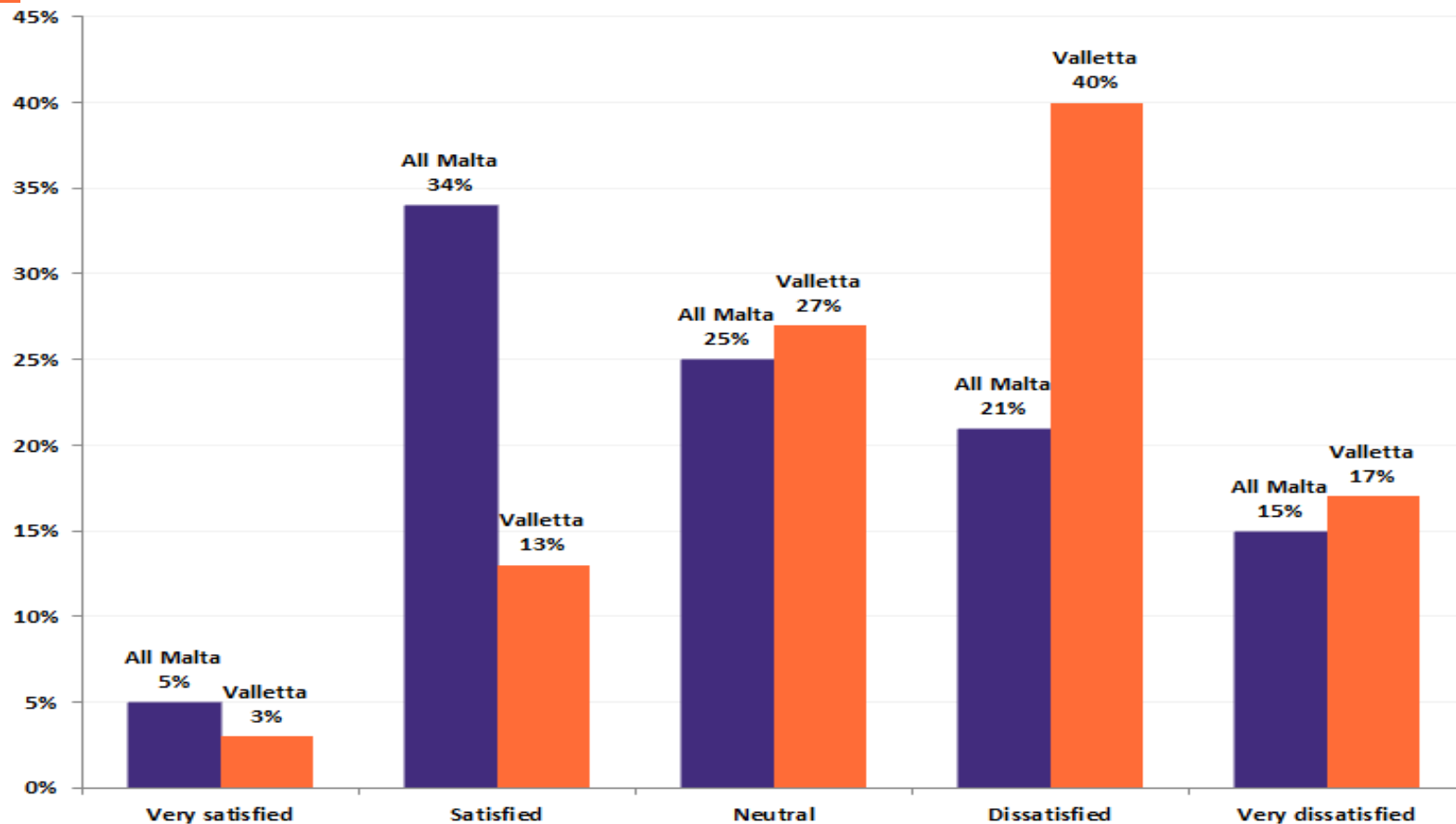
What affected turnover positively during the festive season
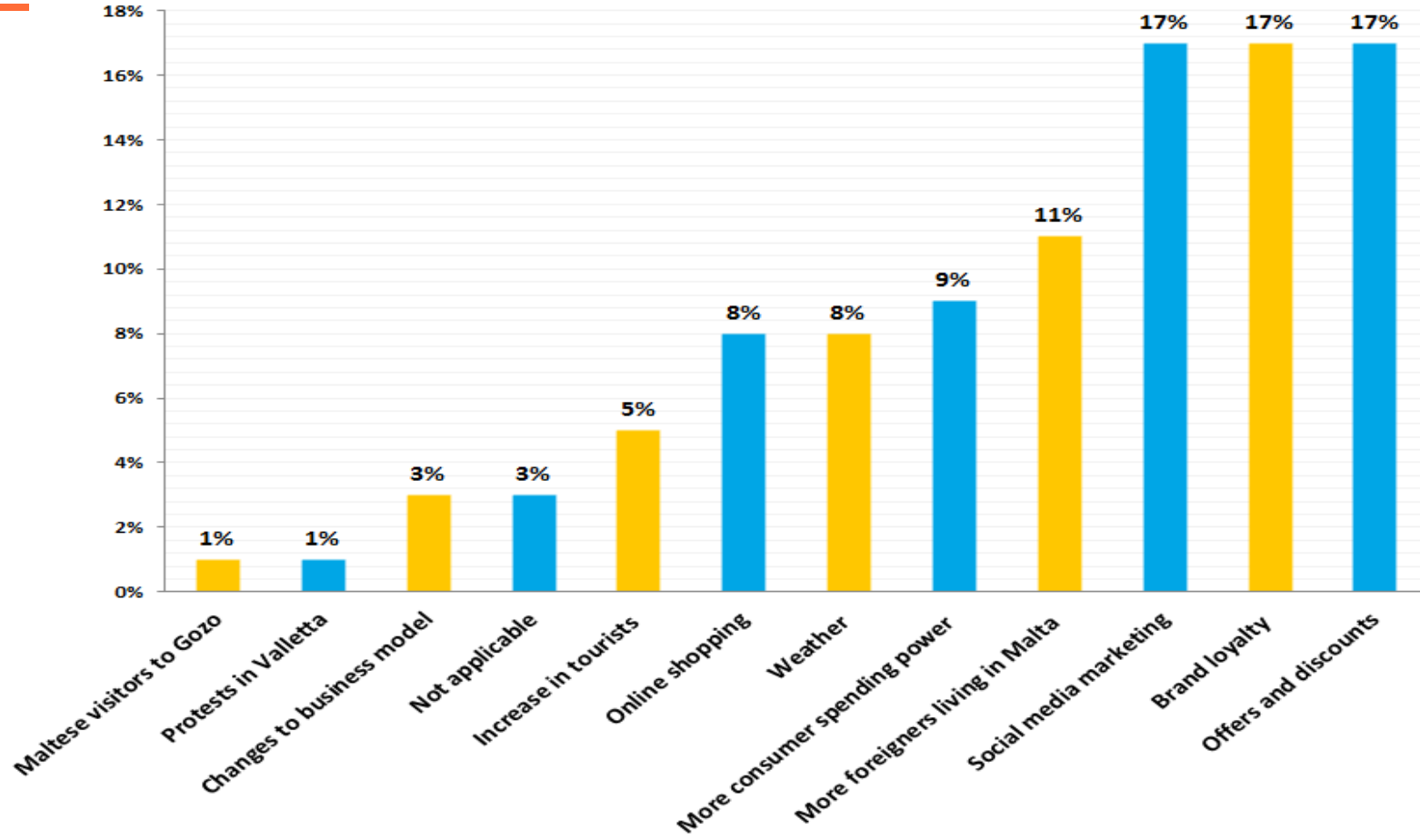
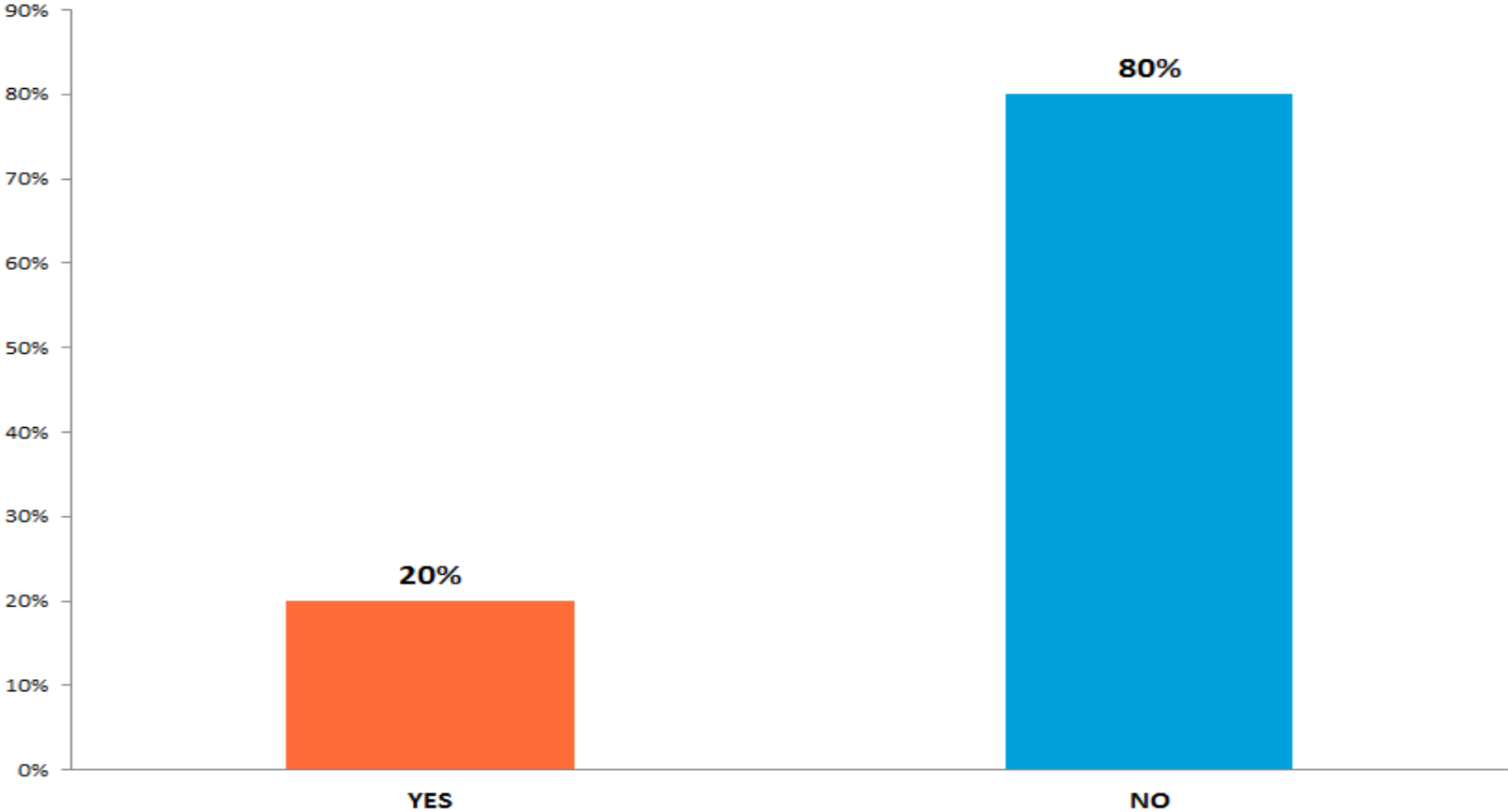# What affected turnover negatively during the festive season
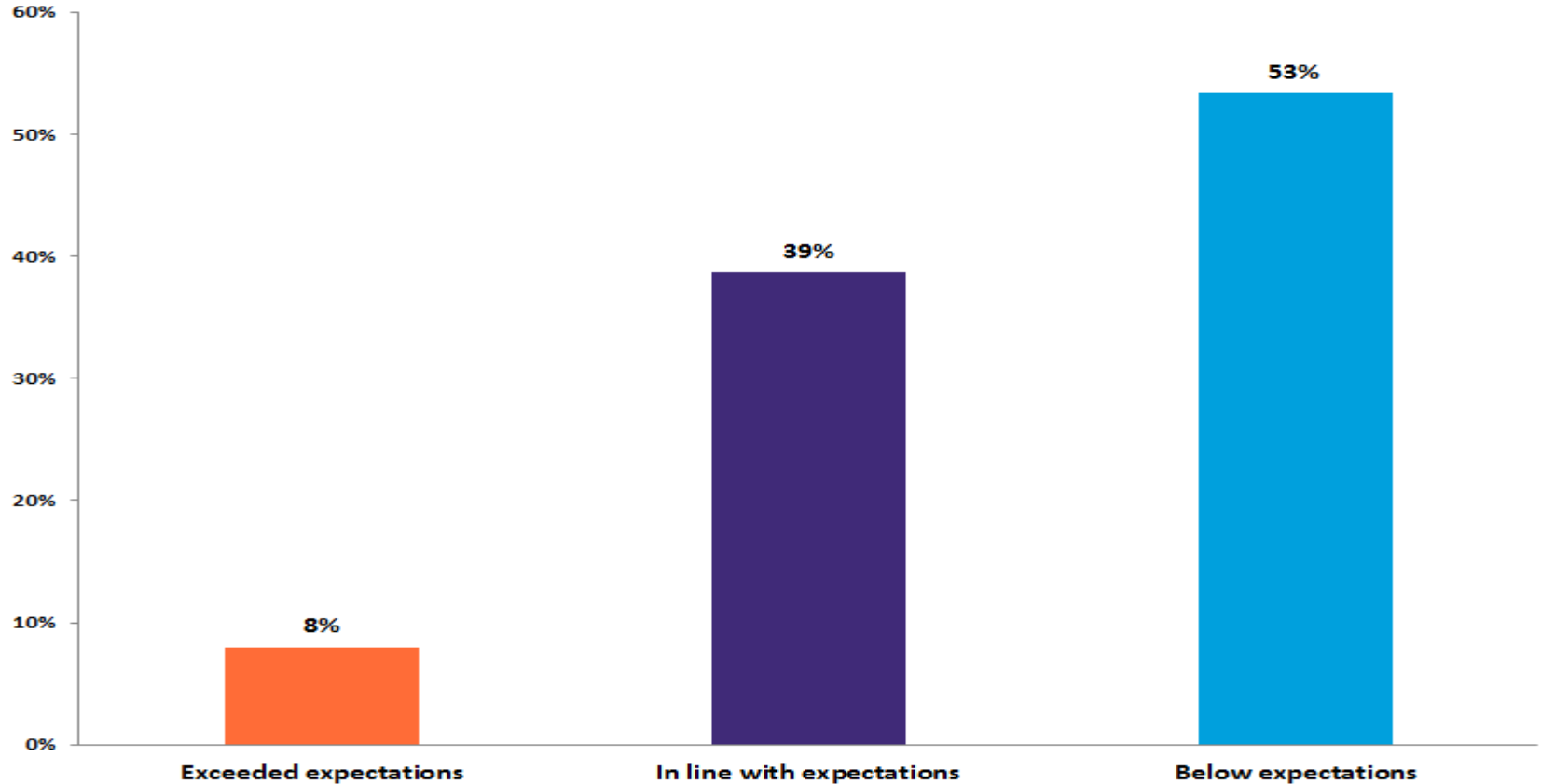
Best business day during festivities

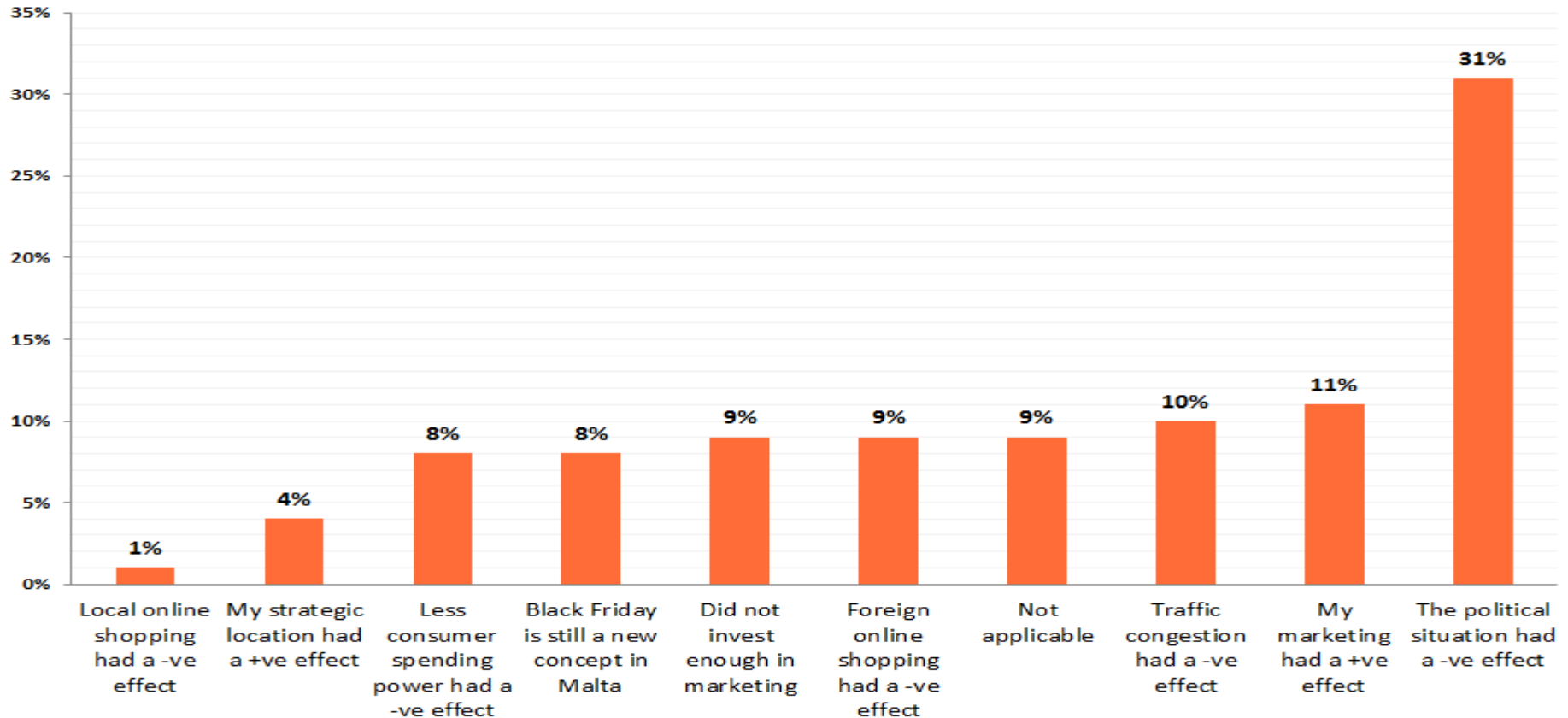| Day	Percentage
Sunday 29th December	5%
Tuesday 31st December	10%
Friday 13th December (Republic Day)	11%
Sunday 22nd December	12%
Friday 29th November (Black Friday)	31%
Tuesday 24th December	31%

Black Friday

First time participating?

How did Black Friday compare to your expectations?

What factors led to this outcome?

Bar chart titled with percentages for factors:

- Local online shopping had a -ve effect: 1%
- My strategic location had a +ve effect: 4%
- Less consumer spending power had a -ve effect: 8%
- Black Friday is still a new concept in Malta: 8%
- Did not invest enough in marketing: 9%
- Foreign online shopping had a -ve effect: 9%
- Not applicable: 9%
- Traffic congestion had a -ve effect: 10%
- My marketing had a +ve effect: 11%
- The political situation had a -ve effect: 31%
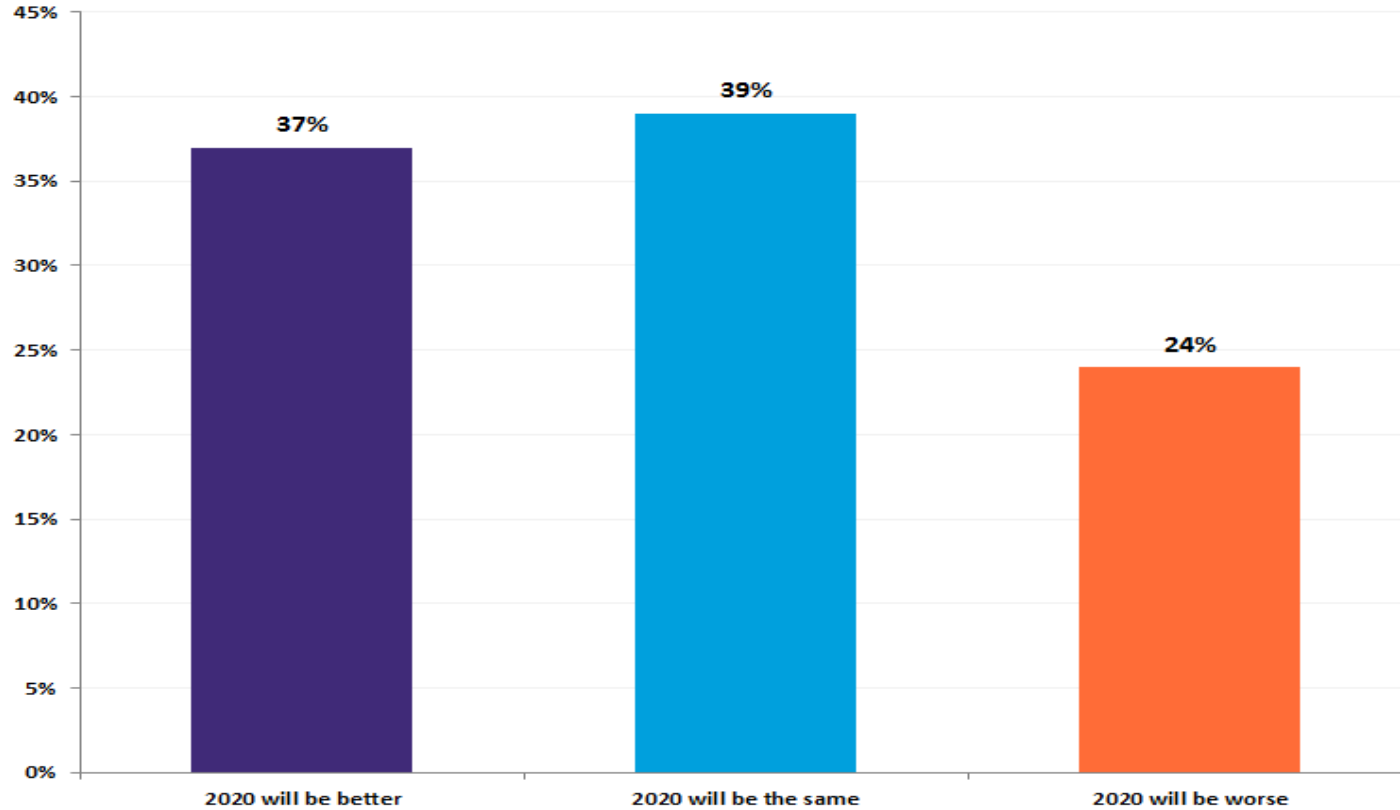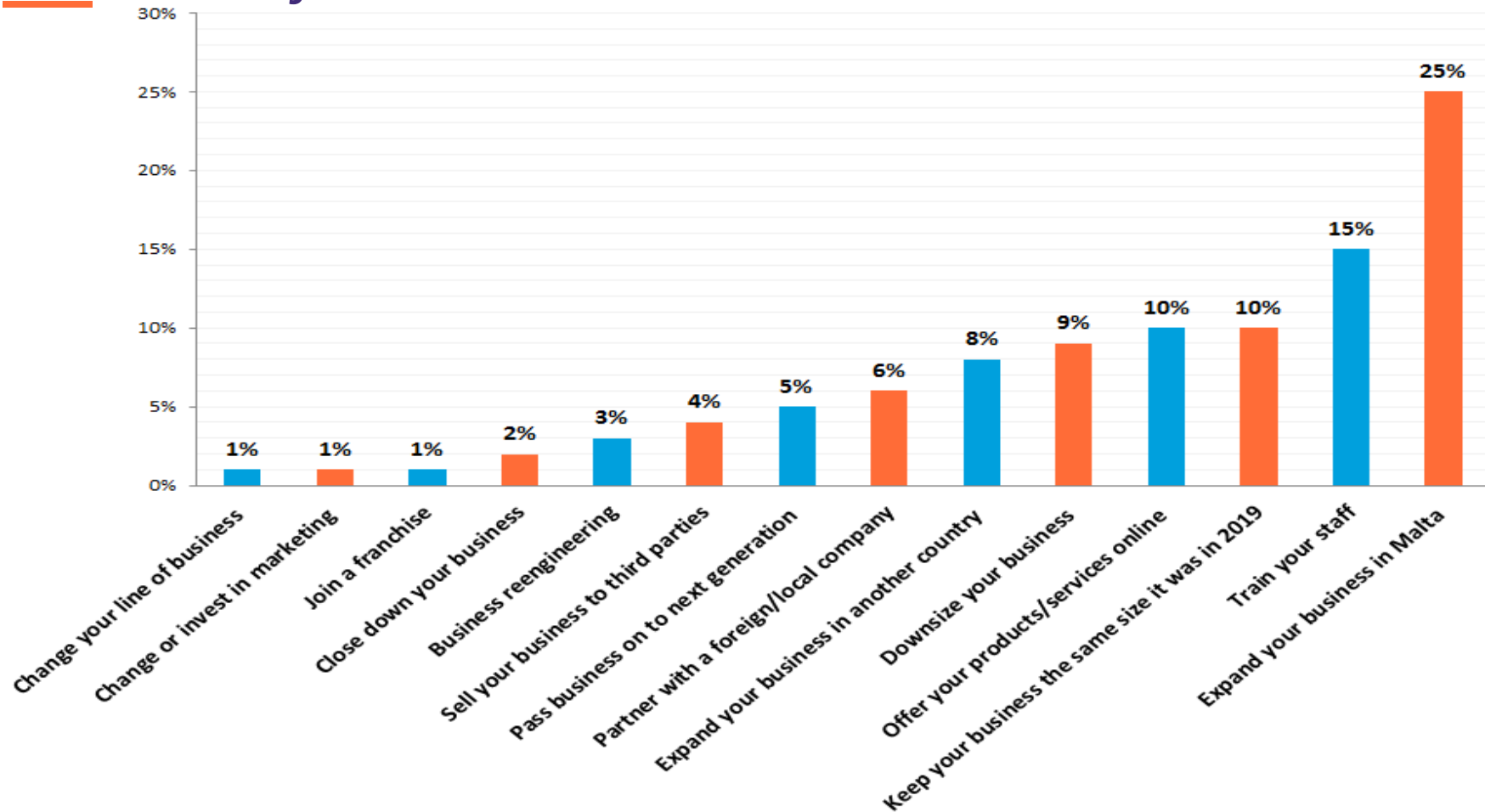
2020

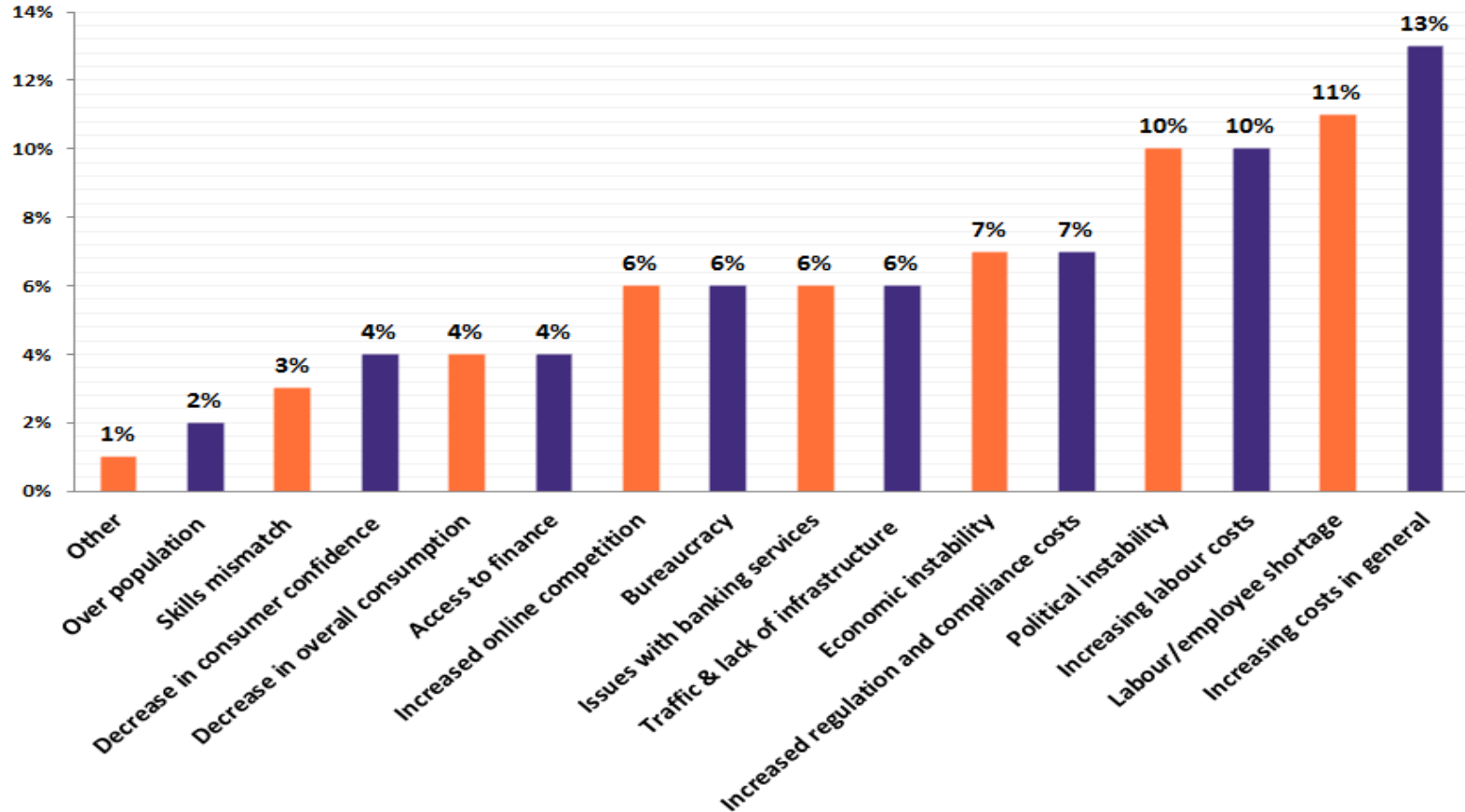# How did your business fare since you started January Sales ?
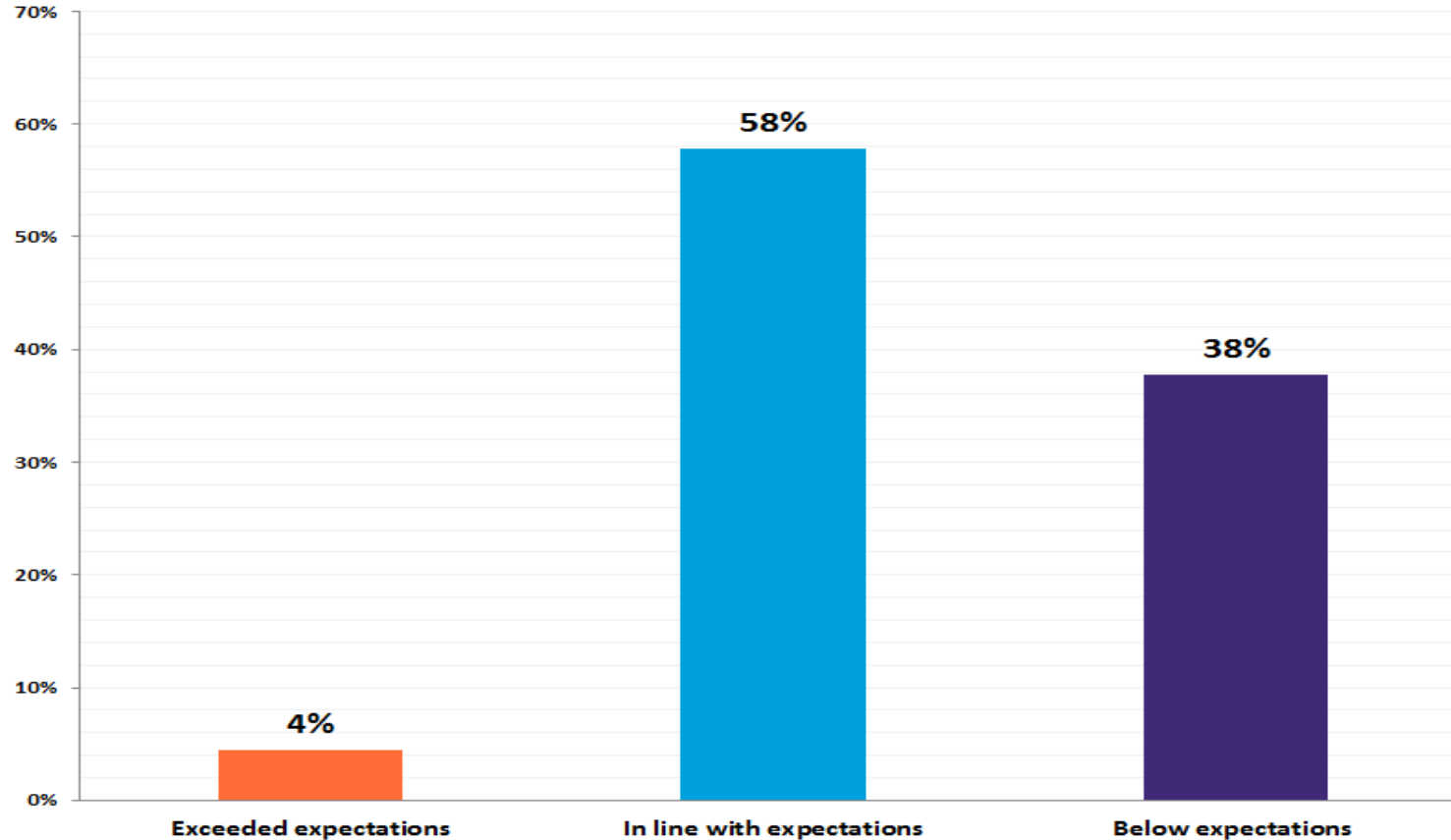
Expectations for 2020 when compared to 2019

Plans for your business in 2020

What do you foresee your business' major challenge in 2020 to be?

Main conclusions

As expected 2019 was slower than 2018, but possibly even slower than expected;

Over the whole year turnover fared better than profitability;

Black Friday was not the best day for business, equaling the 24th December when festivity sales started gathering momentum;

2020 started below expectations so far;

The political crises at the end of 2019 had an affect not only on the festive season but dented overall business performance in 2019;

With the changing political scenario, businesses are optimistic for 2020;

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Thank you

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