



## **New Customer Satisfaction Survey: What Customers Are Saying about their Wireless Devices and Services?**

More than 300 million Americans now subscribe to wireless services and the number is growing. The strength of the U.S. market reflects massive investment of more than a third of a trillion dollars in wireless infrastructure during the last 25 years. Of the tens of billions of dollars of wireless industry investments expected this year, about 80% of this capital expenditure will be for mobile broadband services. These investments have enabled upgrades in service quality, clarity, coverage, faster downloads and new services, and the result has led to measurable improvements in consumer satisfaction. For instance, according to the [American Customer Satisfaction](#) Index, from 2004 to 2010, wireless telephone service satisfaction has increased 11 percent. In the last year alone, [JD Powers](#) estimated a 16-index point increase in overall satisfaction for noncontract customers, on a scale of 1,000. While quality of service has improved and the market has expanded at a healthy clip, consumer satisfaction can provide insight into the services' successes and challenges – in term of coverage, customer service and so on. This *ConsumerGram* provides a glimpse into wireless device and service satisfaction as measured by an American Consumer Institute survey.

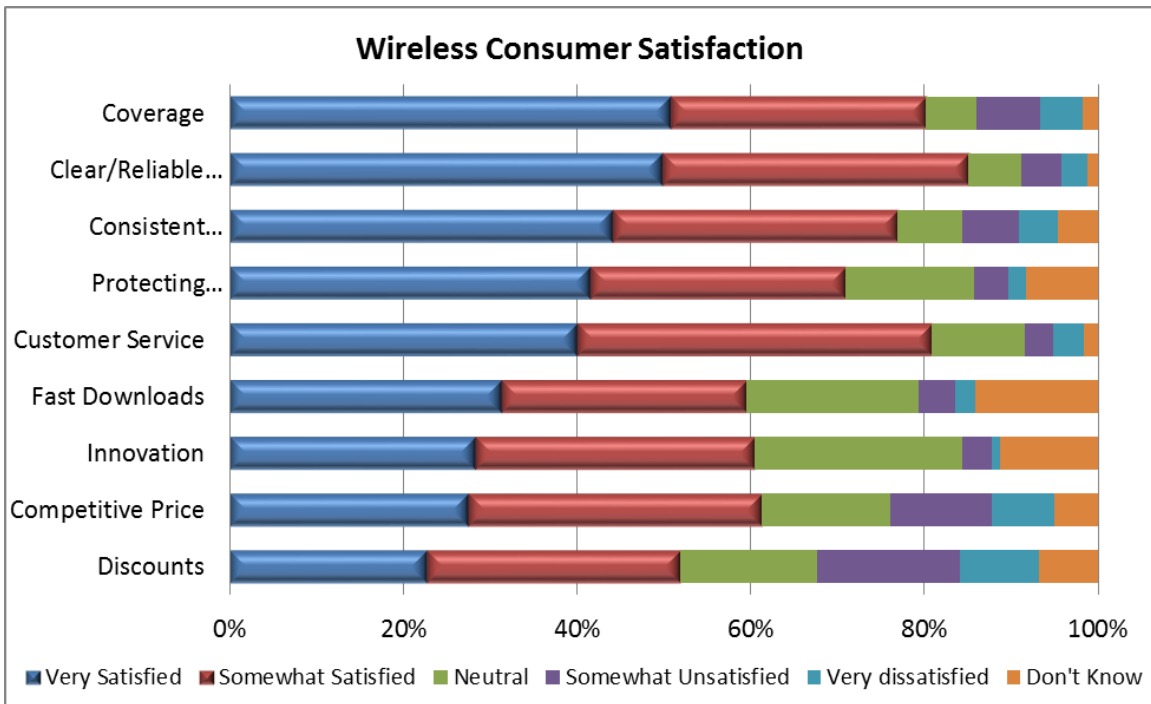
### **New Survey Results**

The American Consumer Institute conducts an annual Consumer Pulse Survey and this year's survey took place in January 2011. The telephone-based survey collected responses from 1,000 randomly-selected adults in the U.S. Of these results, 684 reported having a wireless telephone. While most consumers have a basic wireless phone, one-third of consumers said their device was a high-speed or broadband device, such as a smart phone, iPhone, Blackberry, Droid or Internet service card for a laptop computer. To generalize the results, the survey found that 90% or more of consumer were very satisfied or somewhat satisfied with their wireless services. The specific details from the survey provide some deeper insight into what consumers like best about their wireless providers.

The survey asked consumers about their satisfaction with their wireless service and whether they were very satisfied, somewhat satisfied, neutral, somewhat dissatisfied or very dissatisfied. It also noted if they did not know or would not answer. Wireless consumers were asked about their satisfaction in the following areas:

- Providing good coverage area;
- Providing clear and reliable calls;
- Charging a consistent amount each month;
- Protecting their privacy;
- Providing good customer service;
- Providing fast and consistent access to download data, like messages, videos, ringtones and other content;
- Developing new innovative wireless handsets and services;
- Having competitive prices; and
- Providing discounted prices for their phones and devices on long-term contracts.

The chart below shows the results for the 684 wireless consumers in terms of the percent level of satisfaction. Interestingly, the areas that might once have been thought of as a weakness for wireless industry -- coverage and clear/reliable calling -- had the most “very satisfied” responses. In fact, clear and reliable calls had the highest number of very satisfied and somewhat satisfied responses, with somewhat dissatisfied and very dissatisfied accounting for only 8% of the response, consistent with the [FCC survey](#) from last year. Also interesting is that the vast majority of consumers were satisfied with the consistency of their monthly charges – a result that seems at odds with the premise of the FCC’s current “bill shock” proceeding. According to the ACI survey, 526 of those surveyed (77%) said they were “very satisfied” or “somewhat satisfied” with the consistency of their wireless charges with only 5% being very dissatisfied. Only 6% of consumers expressed some dissatisfaction with their wireless providers’ protection of privacy and 7% were concerned with customer service.



The remaining areas of customer satisfaction appeared to be somewhat lower – though in some cases that seems to reflect unfamiliarity with functionality rather than unhappiness. For example, only about 60% of consumers were very satisfied or somewhat satisfied with their provider’s speed and consistency to download data and content. Yet, only 6% were somewhat or very dissatisfied. The cross-tabulated results showed that nearly 90% of those responding “neutral and did not know” owned regular cell phones – not a high-speed device. In other words, these consumers were unfamiliar with download speeds probably because they did not download content and the question is not relevant to them. So, we conclude that consumers who actually download data and content are generally satisfied with the speed and consistency of their service.

Consumers who download data and content are generally satisfied with the speed and consistency of their service

Surprisingly, on the topic of innovation, there was only a modest level of satisfaction, but for similar reasons as noted above – many consumers were neutral or did not know. In fact, only 5% of consumers were somewhat dissatisfied or very dissatisfied with wireless handset and

service innovation, the lowest of all categories. The innovation question drew the highest level of “neutral” responses.

The final areas, competitive and discount pricing, had similarly modest satisfaction levels, but that is often expected in surveys of this nature. Consumers tend to say that they pay too much for most goods and services, and they are paid too little in salary and wages. That is just the nature of surveys. Even here, the number of consumers who was very dissatisfied was small. Still, wireless providers should recognize this as an area for constant vigilance. Yes, consumers like new features, new functions, better coverage and reliable calling, but price does matter.

Not shown are data suggesting that wireless broadband users are much more likely to be very satisfied with their wireless service than those using basic cell phones. This pattern suggests that as consumers switch from basic phones to high-speed devices, their satisfaction will likely increase.

### **Summary**

Our 2011 Consumer Pulse Survey provides some interesting data on consumer satisfaction with wireless services. In general, we find the level of satisfaction to be high, and consistent with other surveys. But the data also indicates areas for improving consumer satisfaction.

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