J.D. Power Reports:
Operating System Is Increasingly Important for the Selection, User Experience
And Brand Satisfaction with Wireless Smartphones

Apple and Samsung Rank Highest among Smartphone Manufacturers; Motorola Ranks Highest among Traditional Mobile Phone Manufacturers

WESTLAKE VILLAGE, Calif: 16 October 2014 — As wireless manufacturers (OEMs) struggle to differentiate themselves, the operating system (OS) on a smartphone is becoming an increasingly important driver of device selection, user experience and brand satisfaction, according to the J.D. Power 2014 U.S. Wireless Smartphone Satisfaction StudySM—Volume 2 and the J.D. Power 2014 U.S. Wireless Traditional Mobile Phone Satisfaction StudySM released today.

The Wireless Smartphone Satisfaction Study measures customer satisfaction based on four factors including performance (29%); features (26%); physical design (23%); and ease of operation (22%). The Wireless Traditional Mobile Phone Satisfaction Study measures customer satisfaction based on four factors: features (31%); physical design (24%); performance (23%); and ease of operation (22%). Both studies measure customer satisfaction with wireless OEMs across tier 1 wireless carriers. Satisfaction is calculated on a 1,000-point scale.

During the past few years, wireless OEMs have focused on advanced technology and features to edge out the competition. However, with such similar technology offered across carriers and devices, the OS is becoming a key driver in the selection process and, ultimately, satisfaction with a brand. According to the 2014 U.S. Wireless Smartphone Satisfaction Study—Volume 2, satisfaction with OS reliability has improved significantly since 2012. In the 2014 Vol. 2 study, the overall satisfaction rating for OS reliability has improved to 8.4 (on a 10-point scale) from 7.6 in the 2012 Vol. 2 study.

“Providing an easy-to-use, yet powerful operating system with the ability to customize applications to suit individual needs is essential to providing a positive wireless experience,” said Kirk Parsons, senior director of telecommunications services at J.D. Power. “To get ahead of the competition and satisfy customers, manufacturers must meet and exceed the expectations of customers, ensuring the OS allows the device features and services to work intuitively and seamlessly. Doing so will help drive satisfaction and loyalty to the brand.”

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1 A tier 1 carrier includes the four national wireless providers in the United States: AT&T, Sprint, T-Mobile and Verizon Wireless
KEY FINDINGS

Wireless Smartphone Satisfaction Study

- Among tier 1 wireless carriers, Apple ranks highest in overall satisfaction among customers of AT&T (855), followed by customers of T-Mobile (848) and Verizon Wireless (846). Among customers of Sprint, Apple and Samsung tie for highest rank (845 each).
- Nearly one-fourth (24%) of smartphone owners cite either operating system or phone operation as the main reason for choosing their device, a slight increase from 22 percent in the 2013 U.S. Wireless Smartphone Satisfaction Study—Volume 2.
- While smartphone owners continue to cite features (32%) as the primary reason for selecting a device, the rate has declined significantly from 38 percent in the 2013 Vol. 2 study.
- The reason customers purchase a smartphone impacts satisfaction and repurchase intent. Overall satisfaction is significantly higher among customers who select a smartphone based on operating system (861), with 38 percent of these customers saying they “definitely will” repurchase, than among those whose selection is based on cost-specific reasons, such as price (808 and 19%, respectively).
- Nearly one-half (43%) of smartphone owners indicate they have at least one other device such as a PC or tablet running the same OS as their smartphone. Among customers using another device with the same OS, 71 percent indicate the device is a tablet.

Wireless Traditional Mobile Phone Satisfaction Study

- Among tier 1 wireless carriers, Motorola (740) ranks highest among traditional mobile phone manufacturers. LG and Samsung follow with a score of 735 each.
- Ease of operation is a key factor impacting traditional mobile device satisfaction, as pressing keys, navigation and ease of texting/messaging are critical operational activities among customers who frequently use their phone. Among customers who are highly satisfied with their device’s ease of operation (providing a rating of 9 or 10 on a 10-point scale), 83 percent say they “definitely will” or “probably will” purchase another phone from the same OEM in the future. In comparison, only 47 percent of customers who are much less satisfied with their ease of operation experience (ratings of 1 to 5) say they “definitely will” or “probably will” purchase again from the same OEM.
- An increase in the amount of texting and challenges with ease of operating a traditional mobile phone drives the likelihood of switching to a new device. Among customers who send a text at least 10 times within a two-day period, 55 percent say they “definitely will” or “probably will” purchase a new mobile device in the next 12 months. In comparison, only 38 percent of customers who send a text less than five times in a two-day period say the same.

The 2014 U.S. Wireless Smartphone Satisfaction Study—Volume 2 is based on experiences evaluated by 15,092 smartphone customers who have owned their current smartphone device less than one year and who are customers of the four tier 1 carriers. The study was fielded between March and August 2014.

The 2014 U.S. Wireless Traditional Mobile Phone Satisfaction Study is based on experiences evaluated by 1,484 traditional device customers who have owned their current phone less than 18 months and who are customers of the four tier 1 carriers. The study was fielded between September 2013 and August 2014.
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Note: Five charts follow.
Overall Wireless Smartphone Index Rankings:

AT&T

(Based on a 1,000-point scale)

- Apple: 855
- Samsung: 850
- AT&T Average: 847
- Motorola: 831
- HTC: 824
- LG: 823
- Nokia: 820
- BlackBerry: 810


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Overall Wireless Smartphone Index Rankings:

Sprint

(Based on a 1,000-point scale)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
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<tbody>
<tr>
<td>Apple</td>
<td>845</td>
</tr>
<tr>
<td>Samsung</td>
<td>845</td>
</tr>
<tr>
<td>Sprint Average</td>
<td>840</td>
</tr>
<tr>
<td>HTC</td>
<td>838</td>
</tr>
<tr>
<td>LG</td>
<td>824</td>
</tr>
<tr>
<td>Motorola</td>
<td>800</td>
</tr>
</tbody>
</table>

Note: Included in the study, but not ranked due to insufficient sample size is Blackberry.


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Overall Wireless Smartphone Index Rankings:

T-Mobile

(Based on a 1,000-point scale)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>848</td>
</tr>
<tr>
<td>Samsung</td>
<td>843</td>
</tr>
<tr>
<td>T-Mobile Average</td>
<td>833</td>
</tr>
<tr>
<td>HTC</td>
<td>824</td>
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<tr>
<td>LG</td>
<td>813</td>
</tr>
<tr>
<td>BlackBerry</td>
<td>794</td>
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<tr>
<td>Nokia</td>
<td>784</td>
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Overall Wireless Smartphone Index Rankings:
Verizon Wireless

(Based on a 1,000-point scale)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>846</td>
</tr>
<tr>
<td>HTC</td>
<td>838</td>
</tr>
<tr>
<td>Verizon Wireless Average</td>
<td>828</td>
</tr>
<tr>
<td>Samsung</td>
<td>827</td>
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<tr>
<td>Nokia</td>
<td>818</td>
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<tr>
<td>LG</td>
<td>814</td>
</tr>
<tr>
<td>BlackBerry</td>
<td>811</td>
</tr>
<tr>
<td>Motorola</td>
<td>810</td>
</tr>
</tbody>
</table>


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Overall Wireless Traditional Mobile Phone Index Rankings
(Based on a 1,000-point scale)

Motorola: 740
LG: 735
Samsung: 735
Traditional Mobile Phone Average: 734
Pantech: 728
Kyocera/Sanyo: 714

Note: Included in the study, but not ranked due to insufficient sample size and market share is Nokia, Sony, ZTE and Casio.

Source: J.D. Power 2014 U.S. Wireless Traditional Mobile Phone Satisfaction StudySM

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