

**J.D. Power Reports:
Satisfaction Improves in all Three Business Segments;
Customer Satisfaction, Aggressive Pricing and Service Plans Impact Switching and Future Brand
Loyalty**

CenturyLink, AT&T and Verizon Rank Highest in Business Wireline Customer Satisfaction

WESTLAKE VILLAGE, Calif: 23 July 2015 — Overall satisfaction has improved across all three business segments as more aggressive pricing and service plans help improve customer perceptions of brand value, ultimately impacting future switching rates and customer loyalty, according to the J.D. Power 2015 U.S. Business Wireline Satisfaction StudySM released today.

The annual study measures customer satisfaction with providers of telecommunication voice and data services in three segments: very small businesses; small/medium businesses; and large enterprise businesses. Satisfaction is measured in six factors (in order of importance): performance and reliability (27%); cost of service (18%); communications (15%); sales representatives and account executives (15%); billing (14%); and customer service (12%).

Overall customer satisfaction averages 719 on a 1,000-point scale in 2015, an improvement of 19 points from 2014.

Business service providers have become more aggressive in the marketplace by offering highly competitive pricing and service plans. This strategy helps providers differentiate themselves from the competition while providing additional brand value to existing customers and attracting new customers. The top reason businesses choose their current telecom provider is price (16%). The core reasons for switching providers include obtaining better pricing (71%); new features or service plans offered (28%); better/more reliable service performance (28%); and favorable pricing options (26%).

The relationship between customer satisfaction and loyalty is strong. Overall satisfaction is 114 index points higher among business customers who say they “definitely will not” switch their current provider in the next 12 months than among those who say they “definitely will” switch carriers (843 vs. 729, respectively). Slightly more than one-fifth (21%) of business customers indicate their likelihood to switch telecom providers in the next 12 months. Large enterprise businesses have the highest future switching intent at 39 percent, while very small businesses have the lowest switching intent at 20 percent.

“Like the residential telecom segment, competition is fierce in the business segment,” said **Kirk Parsons, senior director and technology, media & telecom practice leader at J.D. Power**. “It’s imperative for telecom providers to focus on their existing customers and to make sure they have an excellent experience, plus provide more value for the money when it comes to business data and phone services. It really boils down to the customers’ overall perception of value. When business customers see the value, they are less likely to switch to another company and more likely to remain loyal to the brand in the future.”

In the large enterprise business segment, **CenturyLink** ranks highest with an overall score of 803. **AT&T** ranks highest in the small/medium segment with a score of 767, and **Verizon** ranks highest in the very small business segment with a score of 746.

KEY FINDINGS

- The largest year-over-year increase in satisfaction is in the cost of service factor (+28 points), with the very small business segment posting the biggest gain (+30).
- The average monthly amount spent on data service has declined from 2014 in both the very small and small/medium business segments (-\$13 and -\$44, respectively). This is counter to the general rise in dollars spent in the large enterprise segment (+\$88).
- Lack of choice is the second-most common determinant of provider selection, with 15 percent of customers indicating their provider is the only one in their area. Network quality (14%) is the third-most influential consideration in provider selection.
- The main reason businesses contact customer care is network-related problems, either due to an outage, service disruption/disconnected or poor/bad reception (38%). The next highest contact reason is to inquire about a product or service (10%).

The 2015 U.S. Business Wireline Satisfaction Study is based on responses from 4,154 business customers of data and voice services at very small businesses (companies with between one and 19 employees, with a corporate service plan); small/medium businesses (companies with between 20 and 499 employees); and large enterprise businesses (companies with 500 or more employees) in the United States and includes evaluations of their data and voice service providers. The study was fielded in May and June 2015.

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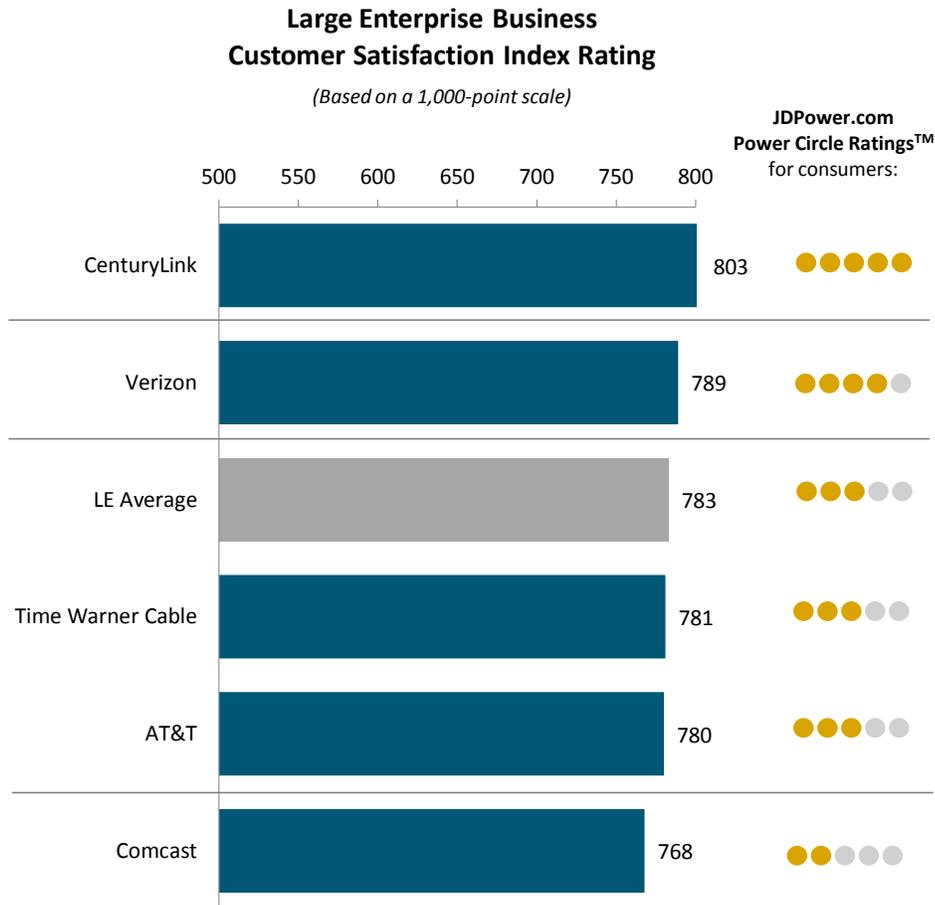
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Note: Three charts follow.

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Note: Included in the study, but not ranked due to small sample is Cox.

Note: To be included in the rankings, wireline providers must have at least a 1 percent market share and adequate sample size within a business segment on a national basis. Therefore, some providers may be excluded from the study rankings.

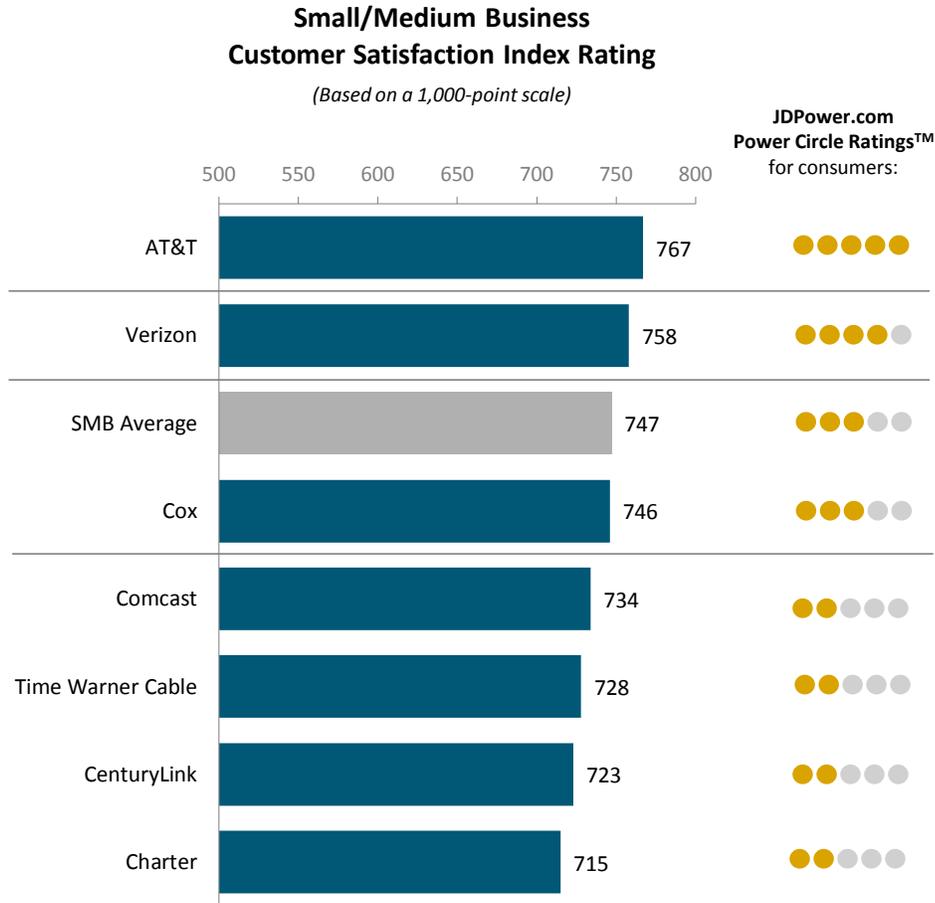
Source: J.D. Power 2015 U.S. Business Wireline Satisfaction StudySM

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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Note: Included in the study, but not ranked due to small sample are Bright House, Frontier and Windstream.

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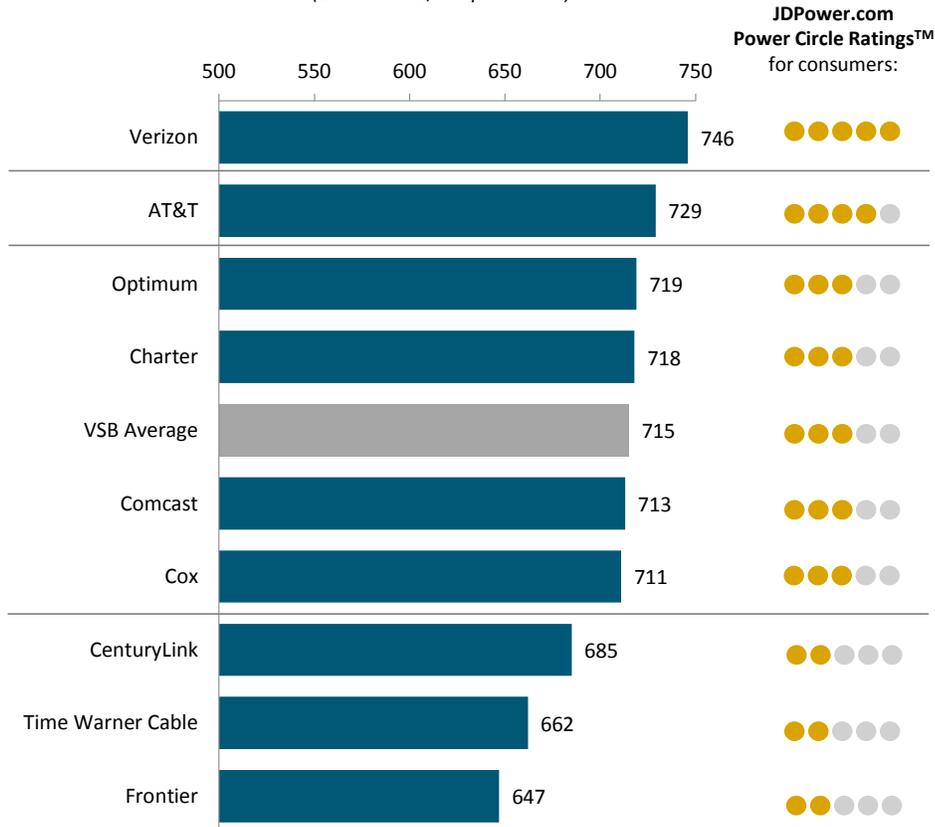
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Very Small Business Customer Satisfaction Index Rating

(Based on a 1,000-point scale)



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