

### Wireless Customers Generally Satisfied, but Poor Problem Resolution Can Sink U.S. Carrier Retention, J.D. Power Finds

#### Social Media Provides Valuable Tool for Carriers to Increase Satisfaction

**COSTA MESA, Calif.: 27 July 2017** — Tread carefully, wireless carriers! U.S. customers are generally satisfied with their service—until a carrier makes them work too hard to resolve a problem, according to the J.D. Power 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2 and the J.D. Power 2017 U.S. Wireless Customer Care Non-Contract Performance Study<sup>SM</sup>—Volume 2, both released today.

A fast resolution to a problem—whether companies try to solve it in-store, online or through social media—is the best way to both avoid customers' ire and curb their temptation of switching providers. This means reducing wait times, training staff to be skilled and knowledgeable and solving the problem on the first try are issues of paramount importance. Still, data from each study indicate there is considerable room for improvement.

Following are key findings of the 2017 studies:

- **Is anyone there?** When customers say they “strongly agree” or “somewhat agree” that it required a lot of effort to speak with a live representative, their satisfaction is down by 210 points, compared to when they “strongly disagree” or “somewhat disagree” that it required a lot of effort (642 vs. 852, respectively).
- **Quickly, now.** Average hold time and time spent on the line are key factors in customers' perceptions of their wireless provider. The average hold time was 4.8 minutes among those who say they “strongly disagree” or “somewhat disagree” that it required a lot of effort to resolve their most recent issue, and their average total time spent on the line was 8.1 minutes. Those numbers ballooned to 10.6 minutes on hold and 21.1 minutes on the line among those who say they “strongly agree” or “somewhat agree” that resolving their problem required significant effort.
- **Getting it right on the first try.** Having an issue resolved on the first contact contributes to a lower perception of effort. For example, on the phone, the first-contact resolution rate is 85% among those who strongly or somewhat disagreed that it required a lot of effort to resolve their most recent issue, compared with only 31% among those who strongly or somewhat agreed.
- **Social media matters.** The percentage of online customers using social media for problem resolution is actually down from Volume 1 (to 5% from 8%). However, those who go online to use social media experience much higher levels of overall satisfaction (841 among those who do vs. 792 among those who use another online method). Notably, customers who use social media provide relatively high ratings for attributes pertaining to knowledgeability and timeliness, and incidence of first-contact resolution is considerably higher, with only slightly more time required.
- **Churn is for ice cream and butter, not wireless carriers.** Reducing customer effort can reduce churn. A mere 5% of customers who strongly or somewhat disagreed that issue resolution required a lot of effort say they “definitely will” switch carriers in the next 12 months, compared with 41% of those who somewhat or strongly agreed their problem required significant effort.
- **Smile and dial.** Customers would rather resolve a problem on the phone. More than half (56%) of customers say resolving a problem online requires a lot of effort, which is similar to the percentage

who say the same about resolving a problem in the store, at 54%. Just 49% say resolving a problem over the phone was a similar hassle.

“Nobody wants to spend a lot of time trying to deal with an issue they shouldn’t have had in the first place, and with wireless providers getting so competitive about pricing, coupled with the migration from the two-year contract, there are too many options for customers to stay in bad wireless relationships,” said **Peter Cunningham, technology, media & telecommunications practice lead at J.D. Power**. “Customers believe carriers have a ways to go when it comes to reducing the amount of effort involved in problem resolution. But, if carriers focus on it, they will likely see churn decrease and profits increase. In particular, carriers should emphasize enhancing issue resolution via social media.”

### **Study Rankings**

For full-service carriers, **Verizon Wireless** ranks highest with a score of 797. **AT&T** (796) ranks second and **T-Mobile** (795) ranks third. The segment average is 789.

For non-contract full-service carriers, **Boost Mobile** ranks highest with a score of 763. **Virgin Mobile** (755) ranks second and **Cricket** (752) ranks third. The segment average is 754.

For non-contract value carriers, **Consumer Cellular** ranks highest with a score of 864. **Net10** (725) ranks second and **Straight Talk** (721) ranks third. The segment average is 743.

The 2017 U.S. Wireless Customer Care Full-Service Performance Study—Volume 2 and the 2017 U.S. Wireless Customer Care Non-Contract Performance Study—Volume 2 collectively surveyed 9,994 customers who contacted their carrier’s customer care department within the past three months. The studies were fielded from January through June 2017.

For more information about the J.D. Power 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2 and the J.D. Power 2017 U.S. Wireless Customer Care Non-Contract Performance Study<sup>SM</sup>—Volume 2, visit <http://www.jdpower.com/resource/us-wireless-customer-care-performance-study>.

See the online press release at <http://www.jdpower.com/pr-id/2017112>.

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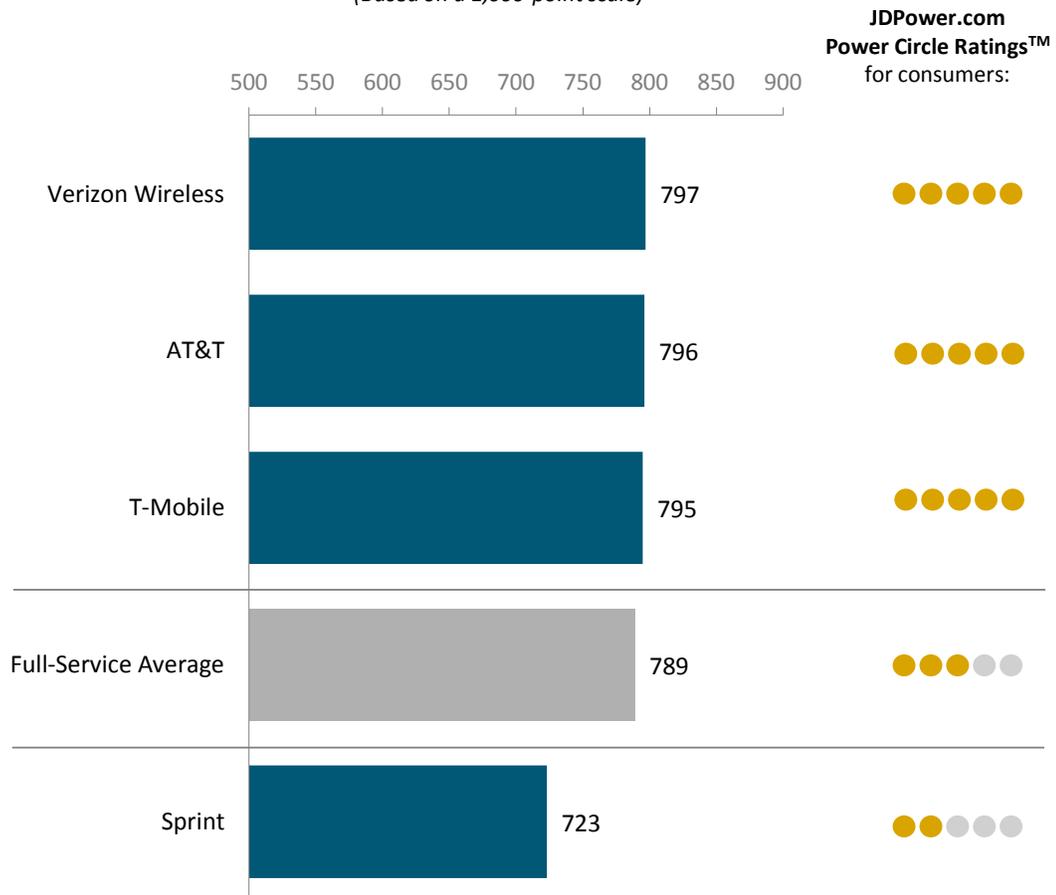
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NOTE: Five charts follow

# J.D. Power 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2

## Full-Service Carriers

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

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

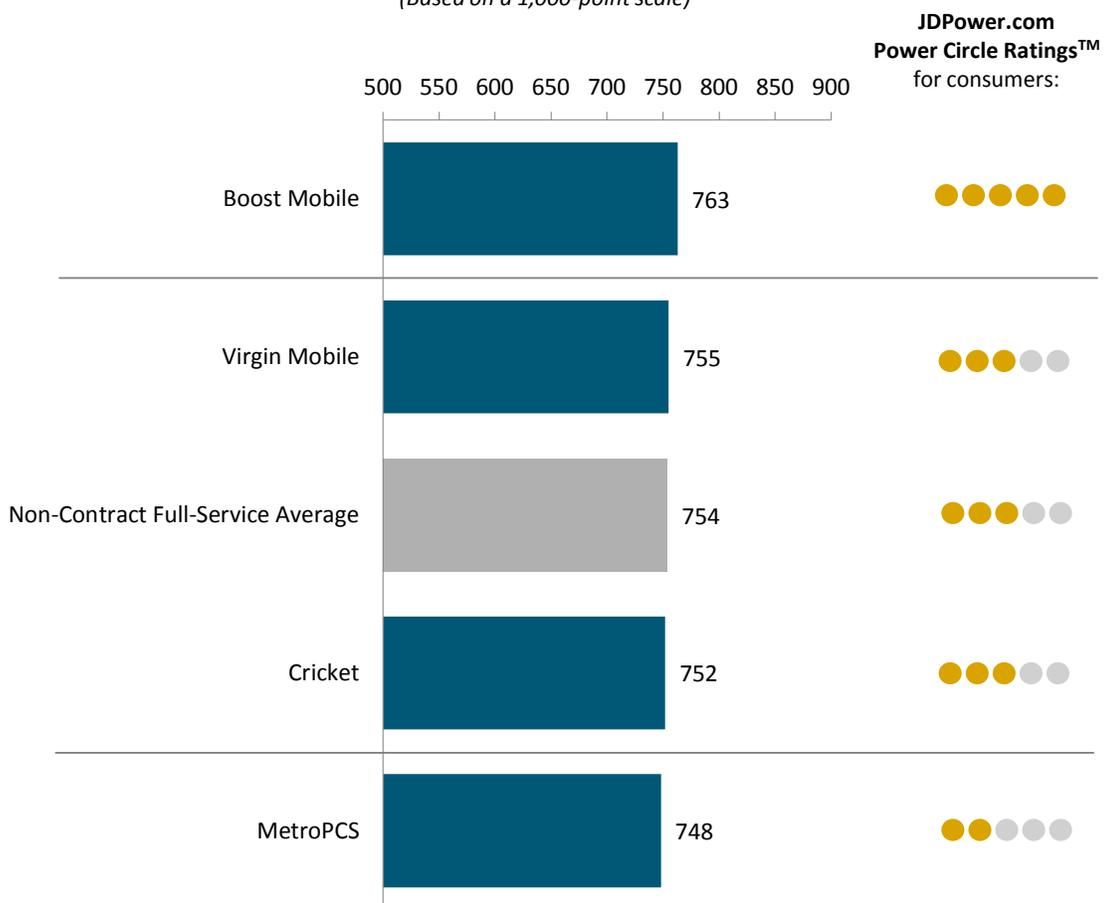
Source: J.D. Power 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2

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# J.D. Power 2017 U.S. Wireless Customer Care Non-Contract Performance Study<sup>SM</sup>—Volume 2

## Non-Contract Full-Service Carriers

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

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

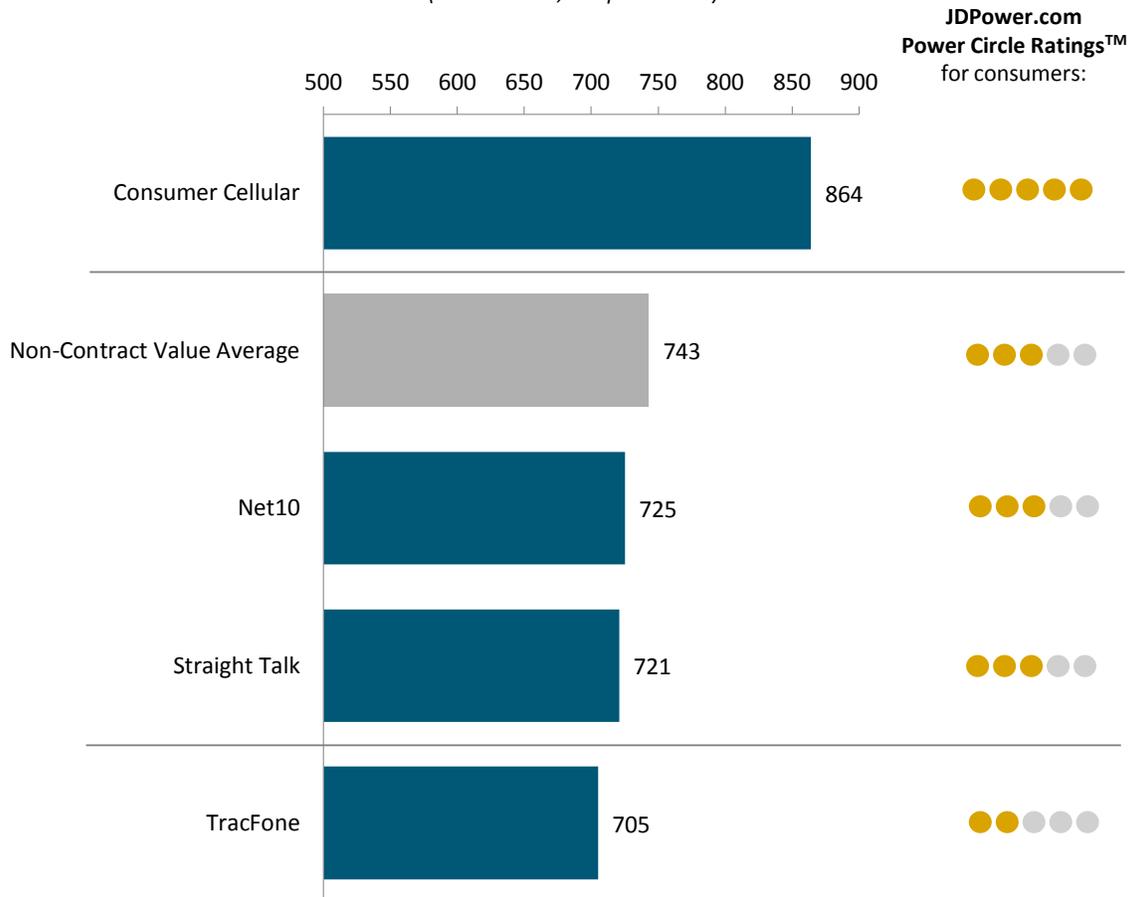
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# J.D. Power 2017 U.S. Wireless Customer Care Non-Contract Performance Study<sup>SM</sup>—Volume 2

## Non-Contract Value Carriers

(Based on a 1,000-point scale)



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## 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2

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### Award-Eligible Full-Service Carriers Included in the Study

| <u>Company</u>   | <u>Key Executive</u> | <u>Company Location</u> |
|------------------|----------------------|-------------------------|
| AT&T             | Glenn Lurie          | Atlanta, Ga.            |
| Sprint           | Marcelo Claure       | Overland Park, Kan.     |
| T-Mobile         | John Legere          | Bellevue, Wash.         |
| Verizon Wireless | John Stratton        | New York, N.Y.          |

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Source: J.D. Power 2017 U.S. Wireless Customer Care Full-Service Performance Study<sup>SM</sup>—Volume 2

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## 2017 U.S. Wireless Customer Care Non-Contract Performance Study<sup>SM</sup> –Volume 2

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### Award-Eligible Non-Contract Carriers Included in the Study

| <u>Company</u>    | <u>Key Executive</u> | <u>Company Location</u> |
|-------------------|----------------------|-------------------------|
| Boost Mobile      | Marcelo Claire       | Overland Park, Kan.     |
| Consumer Cellular | John Marick          | Portland, Ore.          |
| Cricket           | John Dwyer           | San Diego, Calif.       |
| MetroPCS          | John Legere          | Bellevue, Wash.         |
| Net10             | Gustavo Blanco       | Miami, Fla.             |
| Straight Talk     | Gustavo Blanco       | Miami, Fla.             |
| TracFone          | Gustavo Blanco       | Miami, Fla.             |
| Virgin Mobile     | Marcelo Claire       | Overland Park, Kan.     |

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