J.D. POWER

Press Release

Wireless Carriers Need to Rethink Web, In-Store Strategies as Device Sales Slow, J.D. Power Finds

T-Mobile, Cricket, Consumer Cellular Rank Highest in Their Respective Segments

COSTA MESA, Calif.: 16 Aug. 2018 — In a maturing wireless market, customer satisfaction is being challenged by the growth of non-carrier online and in-store purchase options, according to the J.D. Power 2018 U.S. Wireless Purchase Experience Full-Service Performance Study℠—Volume 2 and the J.D. Power 2018 U.S. Wireless Purchase Experience Non-Contract Performance Study℠—Volume 2, released today.

"In a wireless market experiencing fewer device sales and less frequent switching, carriers need to re-evaluate in-store and online purchase offerings," said **Ian Greenblatt, Technology, Media & Telecom Practice Lead at J.D. Power**. "An increasing number of wireless customers are turning to general retail stores and websites instead of carrier-owned options, even though customer satisfaction scores are consistently higher for carrier-owned stores and websites. Getting the formula right to keep customers engaged with their brands throughout the purchase experience is critical as the market continues to mature."

Following are some key findings of the 2018 study:

- **Customer satisfaction declines**: Customers who make a purchase at a non-carrier store are less satisfied with their sales representative than are customers who make a purchase in a carrier-owned store (16-point differential on a 1,000-point scale) and are less satisfied with the facility (15-point differential). Despite experiencing lower levels of customer satisfaction, one-third of wireless customers make device or plan purchases in non-carrier retail stores.

- **Amazon accounts for 31% of all online purchases**: When wireless customers make a purchase online, they are much more likely to visit a non-carrier website (60%) than a carrier website (40%), with Amazon alone accounting for 31% of all online purchases of wireless devices and plans.

- **Perception is reality for carrier websites**: While it takes the same number of web pages to complete a purchase on both carrier and non-carrier websites, customers say that non-carrier websites are easier to navigate, easier to place an order/make changes, and more timely when making a purchase. Two-thirds (67%) of customers who used carrier websites say it required a lot of effort to make their purchase, compared to only 59% of non-carrier websites.

Study Rankings

For full-service carriers, the segment average overall satisfaction score is 838. **T-Mobile** ranks highest with a score of 854, compared with 855 in Volume 1 of the study.

For non-contract full-service carriers, the segment average is 843. **Cricket** ranks highest with a score of 857, compared with 849 in Volume 1.

For non-contract value carriers, the segment average is 847. **Consumer Cellular** ranks highest with a score of 888, compared with 866 in Volume 1.

Now in their 15th year of publication, the U.S. Wireless Purchase Experience Full-Service Performance Study and U.S. Wireless Purchase Experience Non-Contract Performance Study evaluate the wireless purchase experience of customers who use any one of three purchase channels: phone calls with sales representatives; visits to a retail wireless store; or online/website. Overall purchase experience satisfaction with both full-service and non-contract carriers is measured in six factors (in order of importance): store sales representative; website; offerings and promotions; phone sales representative; store facility; and cost of service. The studies were fielded from January through June 2018.

For more information about the U.S. Wireless Purchase Experience Full-Service Performance Study and the U.S. Wireless Purchase Experience Non-Contract Performance Study, visit http://www.jdpower.com/business/resource/us-wireless-purchase-experience-performance-studies

See the online press release at http://www.jdpower.com/pr-id/2018133.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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Note: Three charts follow.

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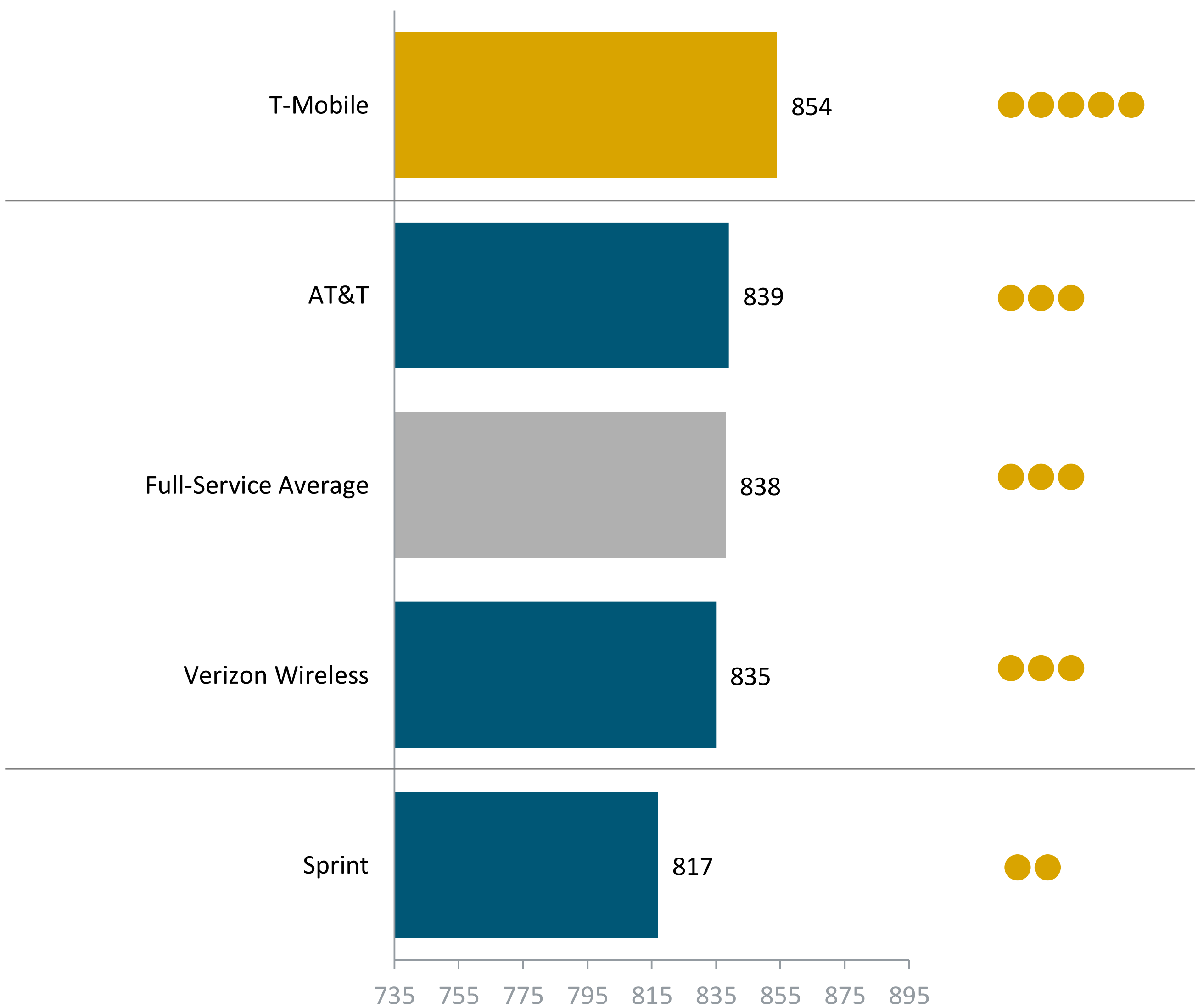
2018 U.S. Wireless Purchase Experience Full-Service Performance Study℠—Volume 2

Full-Service Carriers

(Based on a 1,000-point scale)

JDPower.com Power Circle Ratings™ for consumers:



Power Circle Ratings Legend

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

Source: J.D. Power 2018 U.S. Wireless Purchase Experience Full-Service Performance Study℠—Volume 2

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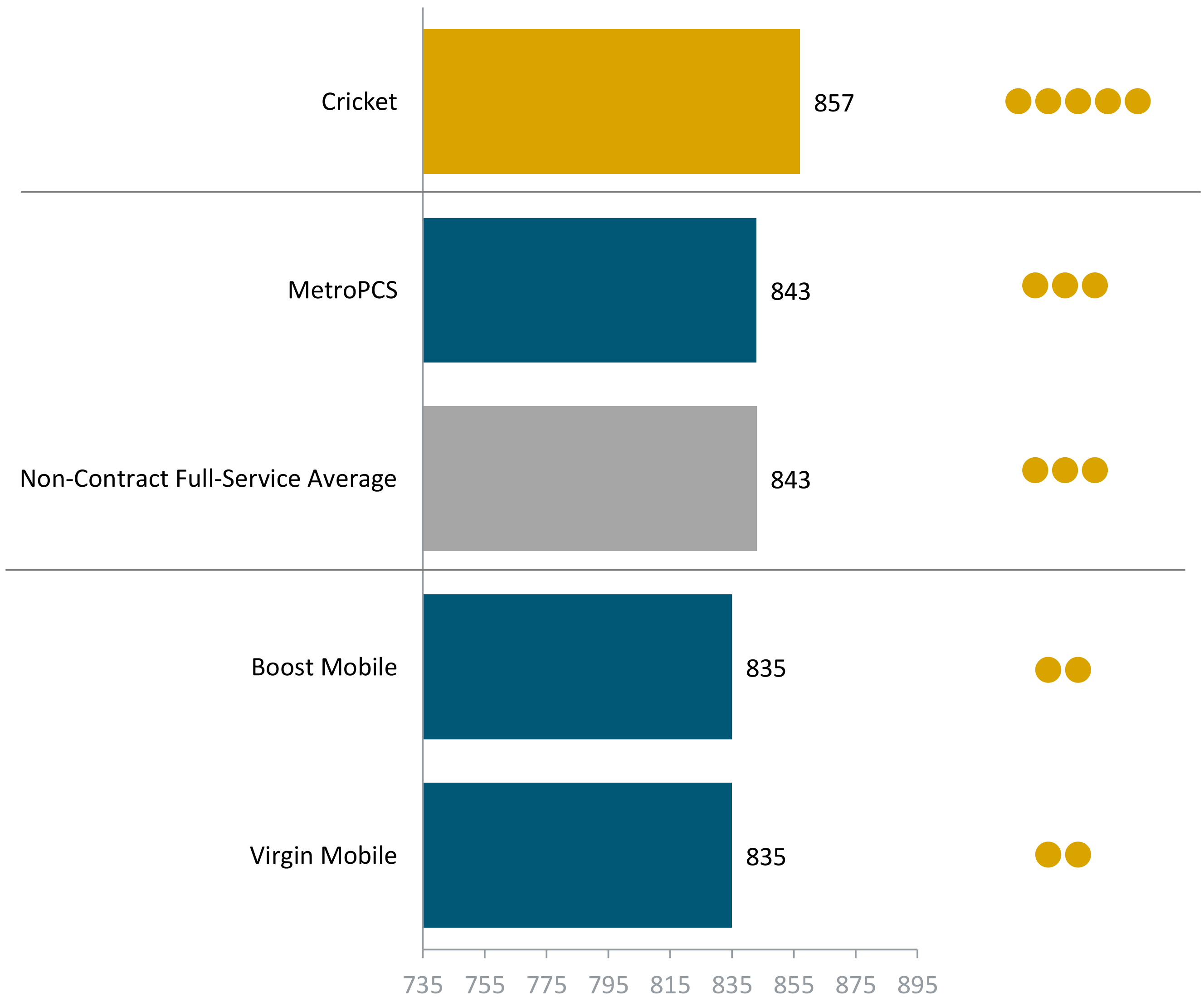
2018 U.S. Wireless Purchase Experience Non-Contract Performance Study℠—Volume 2

Non-Contract Full-Service Carriers

(Based on a 1,000-point scale)

JDPower.com
Power Circle Ratings™
for consumers:



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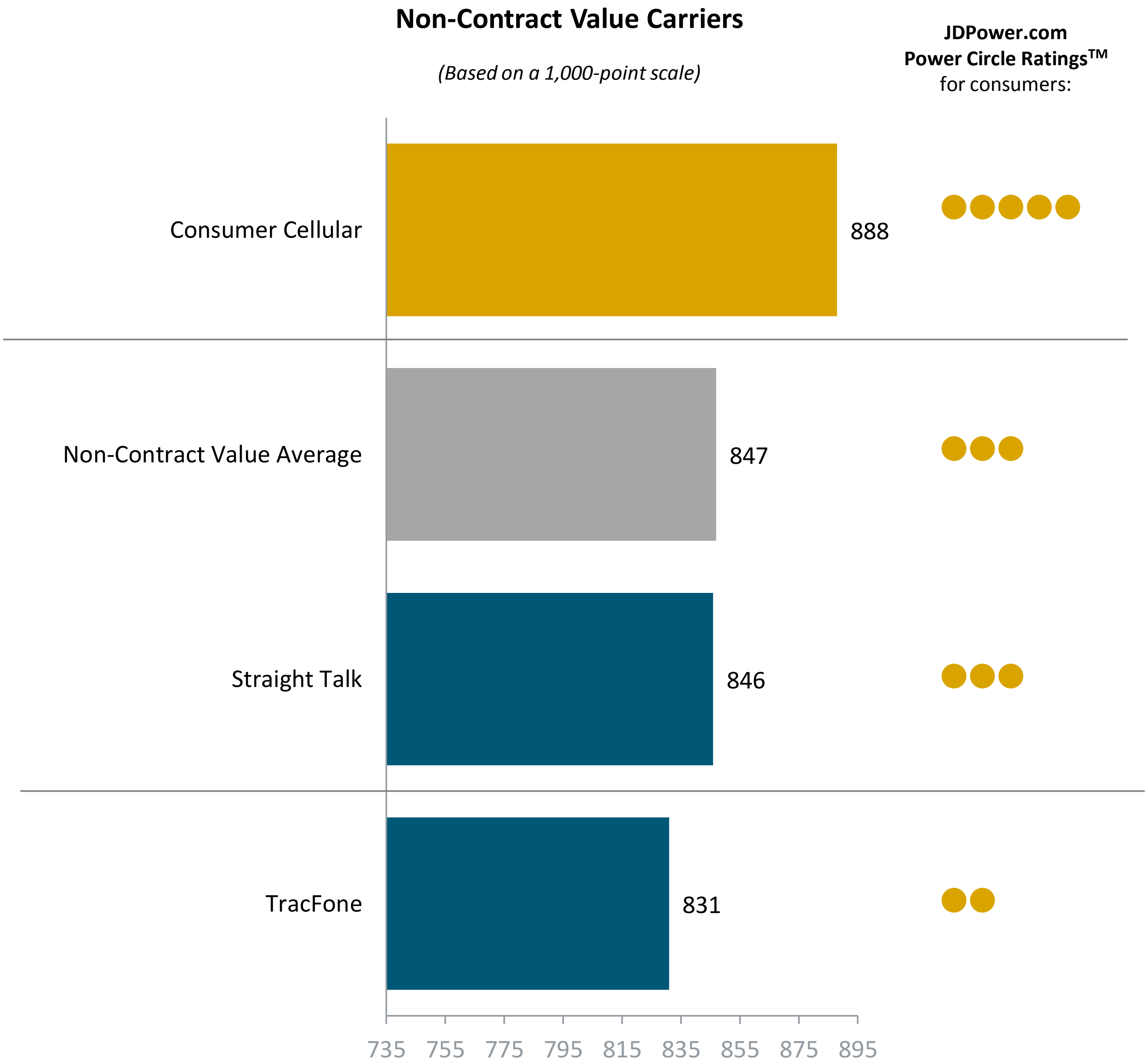

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