

Wireless Panel Summary

August 2004 Survey, Business Wireless Customer Satisfaction

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Verizon Wireless Rated Best Wireless Provider by Business End-Users

The business market is an important one for wireless service providers to penetrate. People who use their wireless phones for business purposes tend to spend more on their services, than do consumers. Thus, having a high proportion of business users helps to increase carriers' Average Revenue Per User (ARPU). According to In-Stat/MDR research, on average, business users spend \$66.01 per month on cellular voice service. As examples of products that are focused on businesses, Sprint offers "The Clear Wireless Workplace" which includes wireless voice and data services, management tools and pricing programs specifically for businesses. AT&T Wireless offers "Business Solutions" which includes similar pieces.

Some carriers have been more successful in developing their base of business users than others. According to the latest survey of In-Stat/MDR's Wireless Panel, Verizon Wireless and AT&T Wireless both have very large bases of business cellular voice users. While this is true, AT&T Wireless and Nextel seems to be doing the best job of extracting the most revenue from these business users. The voice bills for AT&T Wireless users and the data bills for Nextel subscribers are higher than those for subscribers to other cellular providers, at least among In-Stat/MDR's Wireless Panel.

Good coverage, service reliability and price were found to be the key drivers of satisfaction for wireless voice services. Verizon Wireless, Cingular and T-Mobile were rated as providing the best wireless voice service overall. Additionally, Verizon Wireless customers are most likely to recommend their service to others and are the least likely to churn. AT&T Wireless' customers were least happy and are most likely to churn. In-Stat/MDR believes this low satisfaction level was in great part due to nervousness over the pending acquisition of AT&T Wireless by Cingular at the time this survey was administered, which since closed, at the end of October.

Regarding specific attributes, Verizon Wireless was rated as providing the best geographic coverage and service reliability; Cingular and T-Mobile were rated as providing the best service and phone prices; T-Mobile and Verizon Wireless were rated as having the best customer service and support; T-Mobile, Cingular and Sprint were rated as having the most superior handset selection available; and Sprint was rated as providing the best data services and features.

It's important to note that carrier selection is not often in the user's control in the business environment. This study shows that half or more of medium and large companies have selected a carrier or carriers that employees must use, which intimates usage of preferred providers and corporate contracts. Many users were not allowed to select their own provider. This shows that carriers must work to please both the end-user and the corporate wireless decision-maker.

About the Panel

Data for this report was collected via a brief Internet survey. Participants — members of In-Stat/MDR's Technology Adoption Panel (TAP) — were e-mailed invitations to participate in a Web-based survey on the subject of wireless voice service customer satisfaction in August 2004. The survey took about 10 to 15 minutes to complete. Responses from 1,290 people are included in this research. Respondents were fairly equally distributed between Small Office/Home Office (SOHO)/small (with 1 to 99 employees), medium (100 to 999 employees) and large enterprise (1,000+ employee) businesses. Respondents to the business wireless survey were required to use a cellular phone. Although it was not required for participation, the majority of respondents used their phone for business only, or business and personal reasons (86%). The following carriers were rated in this survey: Verizon Wireless, AT&T Wireless, Sprint, Cingular, T-Mobile and Nextel.

In-Stat/MDR's TAP is a dynamic online group of thousands of technology users and decision-makers interested in contributing opinions and insights about technology usage and issues in the workplace. The panel is recruited from many different sources and comprises a diverse group, representing a wide range of company sizes, industries, and expertise. Members are typically early adopters of technology, and are more representative of the business market than the consumer market. In-Stat/MDR's Wireless Panel is a sub-segment of the TAP. Members of the panel are required to use a wireless handset. If you are interested in joining the Technology Adoption Panel and/or learning more about it, please go to <http://www.instat.com/panels>.

