

Press Release

J.D. Power and Associates Reports: Social Media Use Drives Higher Satisfaction among Owners of Smartphones and Traditional Mobile Phones

Apple Ranks Highest in Customer Satisfaction among Smartphone Manufacturers, While Sanyo Ranks Highest among Traditional Mobile Phone Manufacturers

WESTLAKE VILLAGE, Calif.: 17 March 2011 — Overall satisfaction with smartphones and traditional mobile phones is considerably higher among owners who use their devices for social media activity, compared with satisfaction among owners who do not access social media platforms on their phones, according to the J.D. Power and Associates 2011 U.S. Wireless Smartphone Customer Satisfaction StudySM—Volume 1 and the J.D. Power and Associates 2011 U.S. Wireless Traditional Mobile Phone Satisfaction StudySM—Volume 1, both released today.

Among smartphone owners who use their device to access social media sites such as Twitter, LinkedIn and Facebook, satisfaction averages 783 on a 1,000-point scale—nearly 22 points higher than among those smartphone owners who do not often use social media sites on their device. Currently, more than one-half of smartphone owners report having used their device to access social media sites via the mobile Web or mobile applications. While rates of mobile social media site usage are not nearly as high among owners of traditional mobile phones (9%, on average), satisfaction among traditional handset owners who use their device for social media is notably higher than that of traditional handset owners who don't access social media (754 vs. 696).

"It's not unexpected that smartphone owners access social media sites from their device more frequently than traditional mobile phone owners due to features such as larger screens and QWERTY keyboards," said Kirk Parsons, senior director of wireless services at J.D. Power and Associates. "However, these findings demonstrate that equipping devices with powerful features and service is key to creating positive customer experiences with wireless devices."

The study finds that wireless users who engage in mobile social media activity on their mobile device also tend to use it more often for calls, texts and data; are more likely to purchase additional wireless services in the future; and are also more likely to provide positive recommendations for their handset brand and service provider, compared with users who don't use social media on their device.

"It's clear that the gap in satisfaction between customers who use social media applications on their device and those who don't is driven by several factors, but the critical ingredient is whether the user has a positive experience with the wireless device itself," said Parsons. "Providing features that facilitate social networking activity and make it easy for users to communicate and share information between various social media sites may be an effective way for service providers to further engage customers and increase loyalty."

These two studies measure <u>customer satisfaction with traditional wireless handsets</u> and <u>smartphones</u> among owners who have used their current mobile phone for less than two years, by examining several key factors. In order of importance, the key factors of overall satisfaction with traditional wireless handsets are: operation (30%); physical design (30%); features (20%); and battery function (20%). For smartphones, the key factors are: ease of operation (26%); operating system (24%); physical design (23%); features (19%); and battery function (8%).

For a fifth consecutive time, Apple ranks highest among manufacturers of smartphones in customer satisfaction with a score of 795 and performs particularly well in ease of operation, operating system, features and physical design. Motorola (763) and HTC (762) follow Apple in the smartphone rankings.

Sanyo ranks highest in overall wireless customer satisfaction with traditional handsets with a score of 715. Sanyo performs well in three factors: physical design, battery functionality and operation. LG (711) and Samsung (703) follow Sanyo in the traditional handset rankings.

The studies also find the following key wireless handset usage patterns:

- The average price of a traditional wireless mobile phone continues to decline and averages \$73 in 2011, compared with an average of \$81 at the beginning of 2009. The decline is primarily due to discounts provided by handset providers and wireless service carriers to incentivize sales. Currently, 46 percent of owners report having received a free mobile phone when subscribing to a wireless service, which is a historical high.
- Mobile applications continue to enhance the smartphone user experience. Two-thirds of owners say they have downloaded games and social networking applications to their device. More than one-half (54%) say they have downloaded travel software, such as maps and weather applications, while 53 percent indicate having downloaded entertainment-oriented applications. This indicates that smartphone owners are continuing to integrate their device usage into both their business and personal lives.
- Ownership tenure impacts overall satisfaction with the device experience. Those who report owning their device less than one year are significantly more likely to be more satisfied than those who have owned their wireless phone for a longer period of time (773 vs. 728). Newer devices tend to offer more features, services and better quality than older phones.

The 2011 U.S. Wireless Smartphone Customer Satisfaction Study—Volume 1 and the 2011 U.S. Wireless Traditional Mobile Phone Satisfaction Study—Volume 1 are based on experiences reported by 7,275 smartphone owners 11,347 traditional mobile phone owners. The studies were fielded between July and December 2010.

For more information on customer satisfaction with <u>wireless service</u>, <u>wireless retail sales</u>, <u>cell phone handsets</u>, <u>customer care</u>, <u>prepaid wireless service</u> and <u>business wireless service</u>, please visit <u>JDPower.com</u>.

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J.D. Power and Associates Media Contacts:

John Tews; Troy, Mich.; (248) 312-4119; <u>media.relations@jdpa.com</u> Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; <u>media.relations@jdpa.com</u> No advertising or other promotional use can be made of the information in this release without the express prior written consent of J.D. Power and Associates.

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J.D. Power and Associates 2011 Wireless Smartphone Satisfaction Study[™]–Volume 1

Overall Wireless Smartphone Index Rankings

(Based on a 1,000-point scale)



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J.D. Power and Associates 2011 Wireless Traditional Mobile Phone Satisfaction Study[™] – Volume 1

Overall Wireless Traditional Handset Index Rankings

JDPower.com Power Circle Ratings[™] for consumers: 600 650 700 750 715 Sanyo LG 711 703 Samsung 702 **Industry Average** 697 **Kyocera** 691 Nokia Motorola 688 686 Sony Ericsson 0000 **Power Circle Ratings Legend** OOOO Among the best OOOO Better than most Source: J.D. Power and Associates 2011 Wireless Traditional Mobile Phone OOO About average Satisfaction StudySM–Volume 1 ○○○○○ The rest

(Based on a 1,000-point scale)

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