



Press Release

J.D. Power and Associates Reports: As Network Performance Improves, Differentiator among Telecommunications Providers for Business Customers Shifts to People

Cox, Optimum Business and Verizon Rank Highest in Satisfying Business Customers with Telecommunications Data Services

WESTLAKE VILLAGE, Calif.: 19 May 2011 — As the network outage performance gap narrows among major providers in the telecommunications industry, the proficiency of account teams and customer service representatives has emerged as a key differentiator in customer satisfaction, according to the J.D. Power and Associates 2011 U.S. Major Provider Business Telecommunications StudySM – Data Services, released today.

For a second consecutive year, the industry average for short- and long-duration outages has declined significantly. The average number of short-duration outages (lasting less than five minutes) experienced by customers during the past six months has decreased by more than 22 percent, to 4.6 incidents in 2011 from 5.9 in 2010. The average number of extended outages (greater than five minutes) has dipped more than 24 percent in the same period to 1.9 incidents in 2011, from 2.5 in 2010.

Consequently, performance-related issues are not among the top reasons customers would consider switching providers in 2011. However, the study finds that the greatest differences in satisfaction between customers who intend to switch and those who intend to stay with their current provider revolve around the empathy and responsiveness of account executives and customer service representatives.

“As annual improvements in network performance continue, empathy-related attributes, such as concern for customers’ needs, have materialized as elements that can make or break a service provider,” said Frank Perazzini, director of telecommunications at J.D. Power and Associates. “All service providers have pushed a percentage of their customer support to Web-based applications, and rightly so, as their customers have largely embraced this channel. However, when a customer’s business is in peril due to a telecommunications problem, they want to connect with a service representative who understands the critical nature of their situation and will act immediately.”

Among large enterprise businesses, the study finds early signs of economic optimism, with 53 percent forecasting growth in 2011, compared with 47 percent in 2010. This optimism has manifested itself in the number of large enterprise businesses that say they plan to add data lines in 2011—33 percent, compared with 30 percent in 2010. Small/midsize businesses are collectively more conservative, with 46 percent forecasting growth in 2011. Home-based businesses are the least optimistic, with 36 percent predicting growth in their businesses in 2011.

The study also finds that electronic billing has a strong effect on overall carrier satisfaction. Among customers who rate their provider a 10 on a 10-point scale, 63 percent indicate they use online billing systems, while those who rate their provider a 4 or lower are 10 percent less likely to use electronic billing. Satisfaction with the billing experience averages 715 (on a 1,000-point scale) among customers who report utilizing the online billing feature, compared with only 643 points otherwise.

The study measures [customer satisfaction with providers of telecommunications data services](#), such as cable modem, DSL, T1, T3/DS3, Ethernet and frame relay. Providers are ranked in three segments: home-based businesses (companies based in a residential location with one to five employees); small/midsize businesses (companies with two to 499 employees); and large enterprise businesses (companies with 500 or more employees).

Five factors are used to measure satisfaction across all three segments: performance and reliability; billing; cost of service; offerings and promotions; and customer service. A sixth factor—sales representatives/account executives—is included for small/midsize businesses and large enterprise businesses.

With an index score of 632, Cox Communications ranks highest in the [home-based business segment](#). Cox performs particularly well in the cost of service and performance and reliability factors. Optimum Business (631) and Verizon (624) follow in the segment rankings.

Optimum Business by Cablevision ranks highest in the [small/midsize business segment](#) with a score of 681, and performs particularly well in five of the six factors driving satisfaction: sales representatives/account executives; cost of service; performance and reliability; offerings and promotions; and customer service. Cox follows Optimum Business in the segment rankings with a score of 656, and Comcast ranks third with 631.

In the [large enterprise business segment](#), Verizon ranks highest in customer satisfaction with a score of 698, and performs particularly well in all six factors: performance and reliability; sales representatives/account executives; customer service; cost of service; billing and offerings; and promotions. AT&T follows Verizon in the segment rankings with a score of 653.

The 2011 U.S. Major Provider Business Telecommunications Study is based on responses from 5,928 business customers of telecommunications data services at home-based, small/midsize and large enterprise businesses in the United States and includes evaluations of their data service providers. The study was fielded in November 2010 and February 2011. Visit the [J.D. Power Business Center](#) for additional information on J.D. Power's [telecommunications research](#).

About J.D. Power and Associates

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(Page 2 of 2)

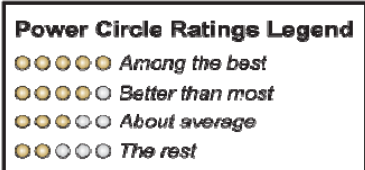
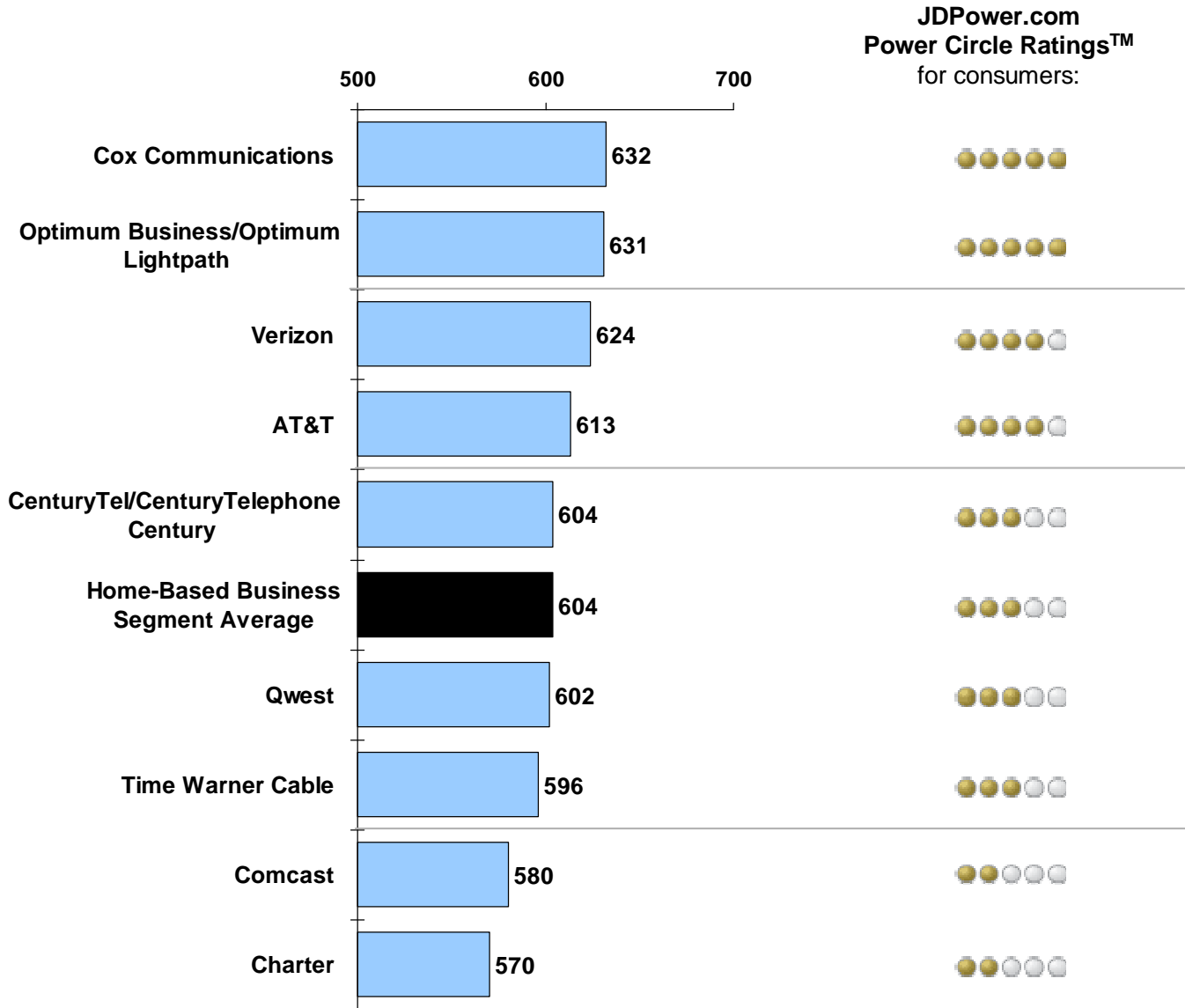
NOTE: Three charts follow.

J.D. Power and Associates 2011 U.S. Major Provider Business Telecommunications StudySM – Data Services

Customer Satisfaction Index Ranking

Home-Based Business Segment

(Based on a 1,000-point scale)



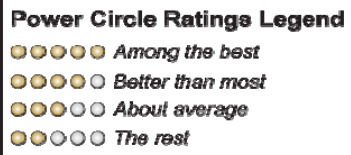
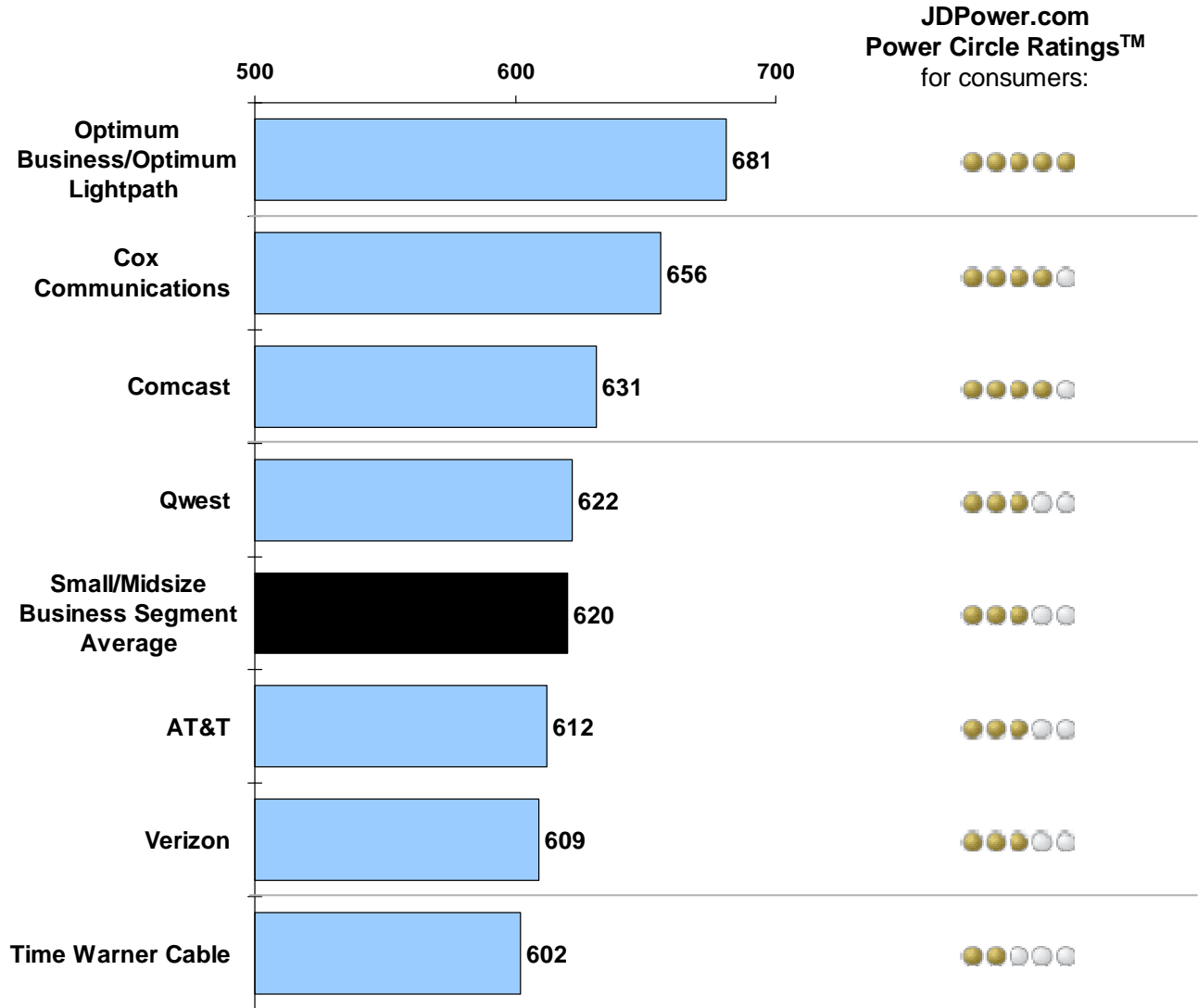
Source: J.D. Power and Associates 2011 U.S. Major Provider Business Telecommunications StudySM

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Customer Satisfaction Index Ranking Small/Midsize Business Segment

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2011 U.S. Major Provider Business Telecommunications StudySM

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Customer Satisfaction Index Ranking

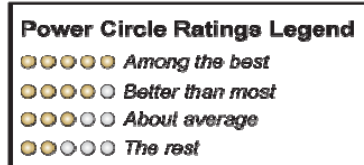
Large Enterprise Segment

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is Qwest.

Source: J.D. Power and Associates 2011 U.S. Major Provider Business Telecommunications StudySM



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