



Press Release

J.D. Power and Associates Reports: Hosted and Cloud-Based Services Continue to Grow among Business Customers

AT&T, Cox and Optimum Business Rank Highest in Telecommunications Data Services Business Customer Satisfaction

WESTLAKE VILLAGE, Calif.: 17 May 2012 — Among business data customers, 18 percent are leveraging remote offerings, such as hosted and cloud-based services, up from 12 percent in 2011, according to the J.D. Power and Associates 2012 Business Data Satisfaction StudySM released today.

Price is a differentiating factor in choosing a data service provider, particularly as more companies utilize cloud-based and hosted data services. Nearly forty percent (38%) of business customers that utilize cloud-based or hosted services cite “lower price” as the main reason for choosing their data service provider. Conversely, only 20 percent of business that do not use cloud-based or hosted services cited price as their main reason for selecting their data provider.

“While traditional data services offer a suite, or package of services, employing cloud-based services like SaaS provides businesses the opportunity to view data as a commoditized service, where the differentiation among providers is primarily based on price, bandwidth and reliability,” said Frank Perazzini, director of telecommunications at J.D. Power and Associates. “This commoditization does not imply that data service providers can abandon accurate billing and exemplary customer support. In fact, the contrary is true. As price and performance across providers converge, the account service and support, in many instances, becomes the differentiator.”

The study also finds that cloud-based services are more popular among larger companies. Twenty percent of large enterprise businesses and 14 percent of small/medium sized businesses use a cloud service, while only 5 percent of very small businesses leverage cloud services.

Cable Providers Surpass Telecommunication Providers in Satisfaction

Across all business segments as a group, cable providers rank higher in overall satisfaction than traditional telecommunications—or telco—providers. Cable providers hold significantly higher satisfaction scores in fairness of contract terms and ease of understanding pricing options.

“For many years, telco providers have ranked higher in customer satisfaction than cable providers, primarily due to performance and reliability,” said Perazzini. “Cable providers now rank higher in performance and reliability, due to their advantage in the area of data transfer speeds. Additionally, they have closed the gap with their telco counterparts regarding the stability of their data connections.”

The Value of Customer Service and a Single Point of Contact

Business customers frequently cite customer service as a main reason for choosing their provider, as 26 percent of large enterprises and 17 percent of small/medium businesses chose their data provider because of its reputation for providing good customer service. Additionally, the study finds that providing a single point of contact (SPOC)

increases customer service satisfaction. Across all segments, overall satisfaction is 68 index points (on a 1,000-point scale) higher among businesses with a SPOC than among those without.

Additionally, the study finds that providing business customers with a SPOC may reduce customer churn and build loyalty. Across all segments, only 16 percent of businesses with a SPOC indicate they are likely to switch providers in the next 12 months, compared with 20 percent of those without a SPOC.

Business Data Satisfaction Rankings

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: very small businesses (companies with one to 19 employees); small/medium businesses (companies with 20 to 499 employees); and large enterprises (companies with 500 or more employees).

Six factors are used to measure satisfaction across all three segments: performance and reliability; cost of service; sales representatives and account executives; billing; offerings and promotions; and customer service.

Optimum Business ranks highest in the very small business segment with an index score of 670. Optimum Business performs particularly well in cost of service and offerings and promotions. Cox (659) and Verizon (635) follow in the segment rankings.

Cox ranks highest in the small and medium business segment with a score of 699, and performs particularly well in four of the six factors driving satisfaction: performance and reliability; cost of service; sales representatives and account executives and billing. Optimum Business (679) and Time Warner Cable (TWC) (668) follow in the segment rankings.

In the large enterprise segment, AT&T ranks highest in overall satisfaction with a score of 686, and performs particularly well in four of six factors: performance and reliability; sales representatives and account executives; cost of service; and offerings and promotions.

The 2012 Business Data Satisfaction Study is based on responses from 5,143 business customers of telecommunication data services at very small, small/medium and large enterprise businesses in the United States and includes evaluations of their data service providers. The study was fielded in October 2011 and February 2012.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](#). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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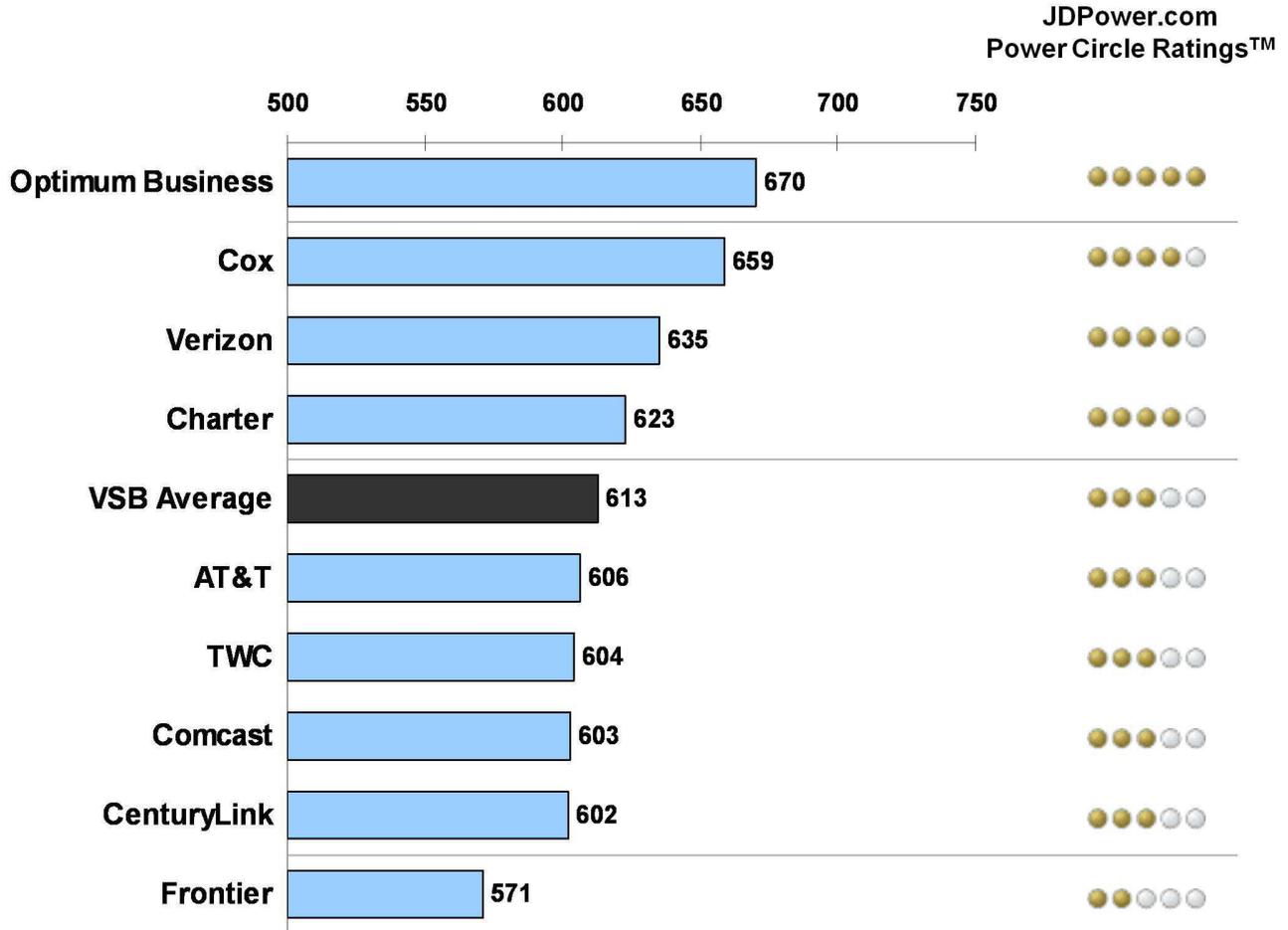
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NOTE: Three charts follow

J.D. Power and Associates 2012 Business Data Satisfaction StudySM

Overall Business Data Index Rankings Very Small Business Segment (Based on a 1,000-point scale)



Power Circle Ratings Legend

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

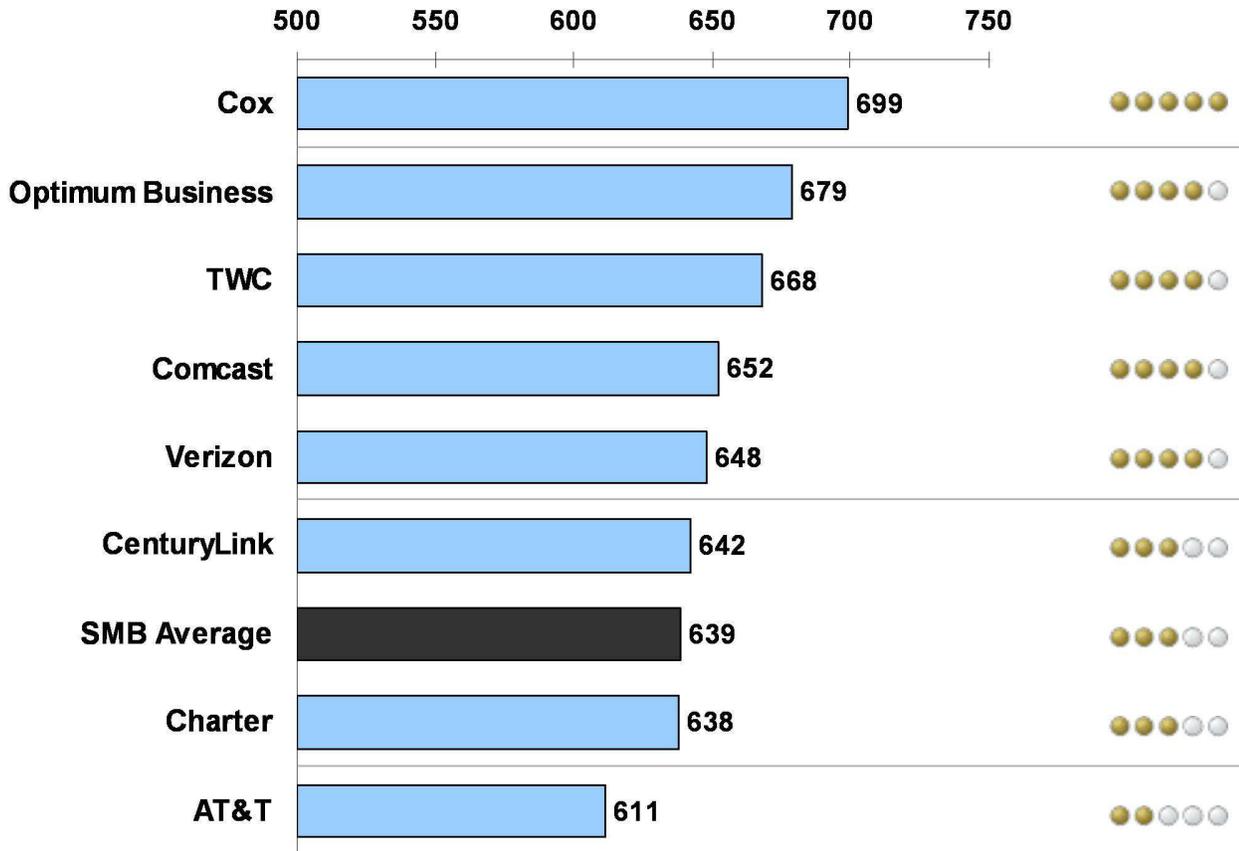
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J.D. Power and Associates 2012 Business Data Satisfaction StudySM

Overall Business Data Index Rankings Small/Medium Business Segment (Based on a 1,000-point scale)

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Power Circle RatingsTM



Power Circle Ratings Legend

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

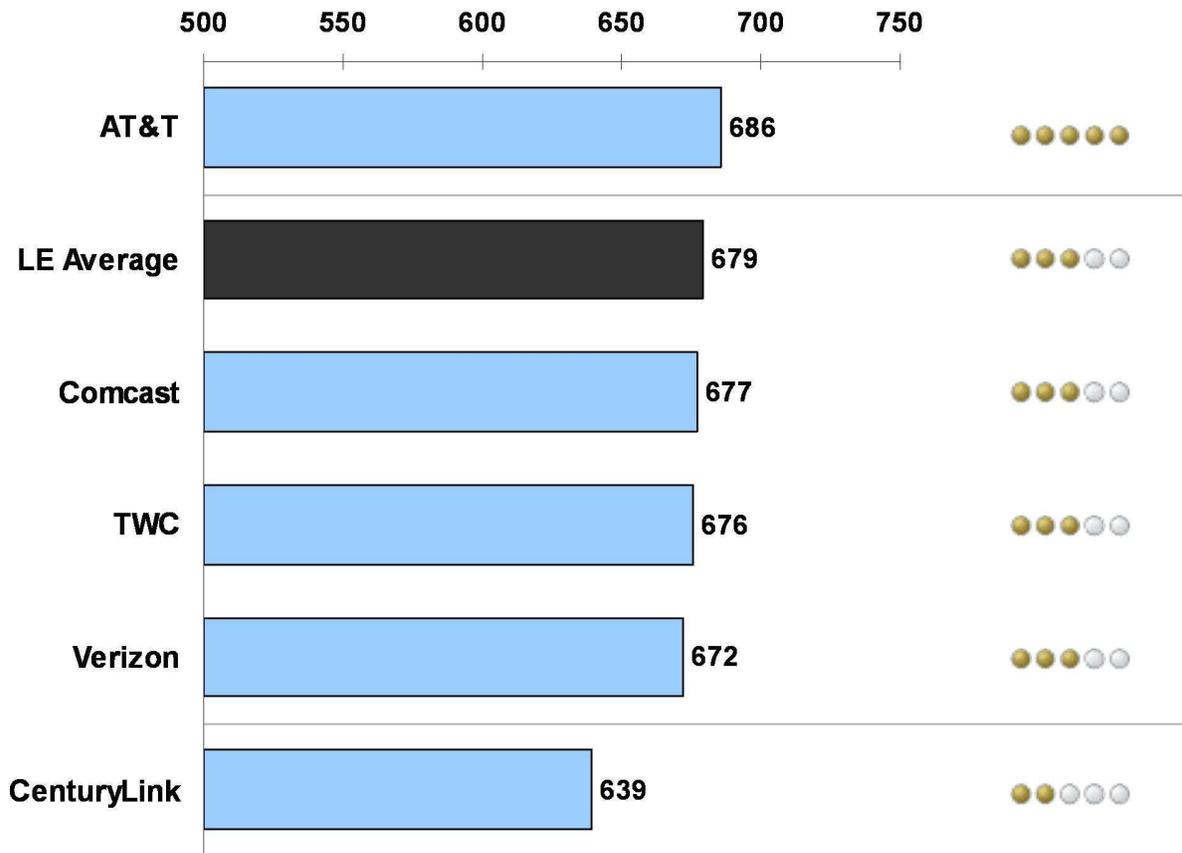
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J.D. Power and Associates 2012 Business Data Satisfaction StudySM

Overall Business Data Index Rankings Large Enterprise Segment (Based on a 1,000-point scale)

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Power Circle Ratings™



Power Circle Ratings Legend

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

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