Press Release

J.D. Power Reports:
Overall Satisfaction with the Wireless Purchase Experience Rises as More Subscribers Perceive Value of Devices and Online Purchasing Experience Improves

<u>AT&T Ranks Highest in Wireless Purchase Experience Satisfaction among Full-Service Carriers; Boost Mobile Ranks Highest among Non-Contract Carriers</u>

WESTLAKE VILLAGE, Calif: 15 August 2013 — Improvements in the perceived value for price paid for devices and exceeding customer expectations contribute to an increase in customer satisfaction among wireless customers who completed a sales transaction via websites, according to the J.D. Power 2013 Wireless Purchase Experience Full-Service Study℠—Volume 2 and the 2013 Wireless Purchase Experience Non-Contract Study℠—Volume 2, both released today.

Now in their 10th year, the semiannual studies evaluate the wireless purchase experience of customers using any one of three contact channels: phone calls with sales representatives; visits to a retail wireless store; or online. Overall customer satisfaction with both full-service and non-contract branded carriers is based on six factors (in order of importance): store sales representative; website; phone sales representative; store facility; offerings and promotions; and cost of service.

Overall satisfaction among full-service customers who indicate having had a sales transaction with their carrier is 795 (on a 1,000-point scale)—a 31-point increase from the last reporting period in February 2013. Satisfaction also increases among non-contract customers (789)—up 34 points in just six months—the highest since 2012.

KEY FINDINGS

- Satisfaction is higher among customers who shop on big-box store websites (798), compared with those who shop on general store websites (784) and carrier websites (782).
- Satisfaction is higher among customers with a 4G device than among those with a non-4G device (806 vs. 778, respectively).
- Satisfaction among retail customers with a 4G device is 854 when the technology is explained to them vs. 734 when no explanation is provided.
- On average, customers with a 4G device spend $11 more per month than do those with a non-4G device.

Satisfaction increases in all six factors among the full-service segment, with cost of service improving 47 points from the last reporting period. This improvement is due in part to the value or "fairness" customers perceive when purchasing a cell phone as more technically advanced 4G devices are launched coupled with the very aggressive price structures and promotions offered to encourage customers to upgrade. Satisfaction with cost of service also increases in the non-contract segment. Sales transactions via the online channel have also contributed to the overall increase in purchase experience satisfaction. Timeliness of completing the transaction and ease of placing orders or making changes to current service plans are the primary reasons for the increase.

“There’s a direct correlation between an efficient sales transaction process and improving satisfaction with the overall purchase experience,” said Kirk Parsons, senior director of the Telecom services practice at J.D. Power. “The increased levels of satisfaction with website are partially due to the efficiency and immediacy of the experience driven by increasingly innovative online chat functions. Additionally, carriers have invested heavily in promoting and marketing the latest 4G devices to keep current customers loyal and encourage spending on more advanced services.”

Study Rankings

For the first-time since the study’s inception, AT&T ranks highest in overall customer purchase experience satisfaction among Tier 1 full-service wireless carriers. AT&T achieves a score of 798 and performs particularly well in the store sales representative and store facility factors. Verizon Wireless (794) and Sprint (793) follow very closely in the rankings.

For a second consecutive reporting period, Boost Mobile ranks highest in overall customer purchase experience satisfaction among non-contract service carriers. The carrier achieves a score of 804 and performs particularly well in the store sales representative; store facility; offerings and promotions; and website factors. MetroPCS (803), TracFone (800) and Virgin Mobile (789) follow in the rankings.

The 2013 Wireless Full-Service Purchase Experience Study—Volume 2 is based on responses from 8,693 wireless customers. The 2013 Wireless Non-Contract Purchase Experience Study—Volume 2 is based on responses from 5,294 wireless customers. The study was fielded from January 2013 through June 2013.

About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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NOTE: Two charts follow.

J.D. Power
2013 Wireless Purchase Experience Full-Service Study℠–Volume 2

Overall Purchase Experience Index Rankings

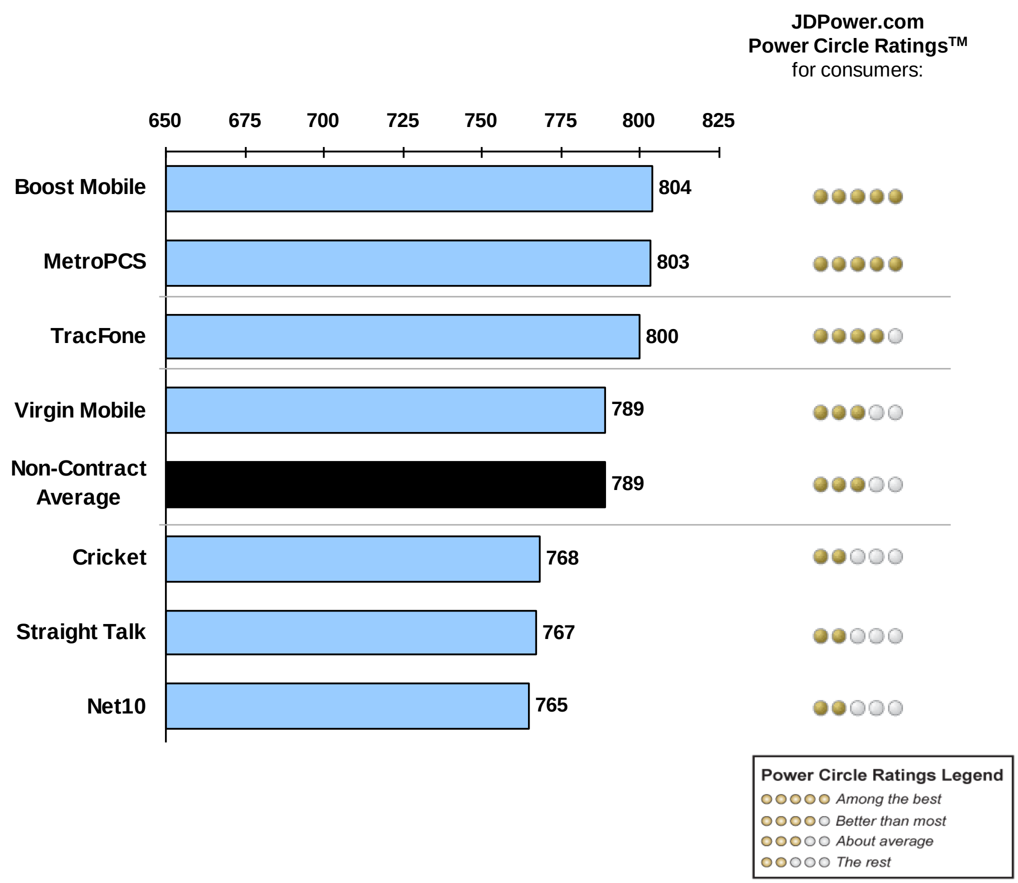
(Based on a 1,000-point scale)

Source: J.D. Power 2013 Wireless Purchase Experience Full-Service Study℠–Volume 2

J.D. Power
2013 Wireless Purchase Experience Non-Contract Study^{SM}–Volume 2

Overall Purchase Experience Index Rankings

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Wireless Purchase Experience Non-Contract Study^{SM}–Volume 2

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power as the publisher and the J.D. Power 2013 Wireless Purchase Experience Non-Contract Study^{SM}–Volume 2 as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.