



Press Release

J.D. Power and Associates Reports: Social Networking and Gaming Applications Driving Smartphone Usage and Revenue

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

WESTLAKE VILLAGE, Calif.: 06 September 2012 — As wireless phones continue to be integrated in every aspect of consumers' lives, smartphones are quickly gaining a foothold as the centerpiece of mobile social media. The seamless connectivity offered by mobile social networking applications, such as Twitter and Facebook, play a critical role in overall smartphone satisfaction, according to the J.D. Power and Associates 2012 U.S. Wireless Smartphone Customer Satisfaction StudySM—Volume 2 and the J.D. Power and Associates 2012 U.S. Wireless Traditional Mobile Phone Satisfaction StudySM—Volume 2, both released today.

The Wireless Smartphone Customer Satisfaction Study finds that customers who regularly use mobile channels of social media and gaming applications are more satisfied with their device and spend more per month for wireless service than customers who do not. In 2012, 67 percent of smartphone customers indicate they have downloaded social networking applications on their device and report spending more than 100 minutes per week using those applications. Overall smartphone satisfaction among customers using social networking applications is 810 (on a 1,000-point scale), which is 55 points higher than among smartphone customers who do not. Additionally, 69 percent of smartphone customers indicate they have downloaded gaming applications and spend an average of 81 minutes per week playing games. Satisfaction among customers using gaming applications is 61 points higher than among those who do not (813 vs. 752, respectively).

“As the capabilities of wireless phones and their applications continue to expand, allowing customers to more often use their device, handset manufacturers have an opportunity to shape the customer experience and impact satisfaction with better application integration and social networking options,” said Uma Jha, senior director of mobile devices at J.D. Power and Associates.

The Wireless Smartphone Customer Satisfaction Study also finds that customers who use gaming applications spend \$13 more per month, on average, for their wireless service than those who do not use gaming applications. Likewise, mobile social media application users spend an average of \$12 more per month on their service than do customers who do not use social media applications.

The two studies measure customer satisfaction with traditional wireless handsets and smartphones among owners who have used their current mobile device for less than one year. Satisfaction is measured in several key factors. In order of importance, the key factors of overall satisfaction with traditional wireless handsets are: performance (29%); ease of operation (26%); physical design (24%); and features (21%). For smartphones, the key factors are: performance (33%); physical design (23%); features (22%); and ease of operation (22%).

For the eighth consecutive study, Apple ranks highest among manufacturers of smartphones in customer satisfaction. Apple achieves a score of 849 and performs well in all factors, particularly in physical design and ease of operation. HTC (790) follows Apple in smartphone rankings.

LG ranks highest in the Wireless Traditional Mobile Phone Satisfaction Study with a score of 726. LG performs well in all four factors.

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

- The cost of a traditional wireless mobile phone averages \$56, compared with an average of \$66 in 2011. The decline is primarily due to discounts provided by handset providers and wireless service carriers to incentivize sales. Currently, 44 percent of customers report having received a free mobile phone when subscribing to a wireless service.
- Features have become less of a differentiator in the smartphone selection processes due to an influx of competitive offerings from newer manufacturers. Nearly one-half (47%) of customers this year indicate they chose their smartphone primarily because of particular features, such as a camera, the operating system, or social media integration or gaming capabilities, compared with 57 percent just one year ago.
- Nearly one-fifth (19%) of customers this year primarily chose their smartphone based on price, compared with 14 percent a year ago. This may be driven by offers of free or heavily discounted devices from wireless carriers, as 22 percent of customers indicate their smartphone was free, an increase from 18 percent a year ago.
- Nearly two in 10 current smartphone owners report experiencing a software or device malfunction. Malfunctions have a significant impact on overall satisfaction, a gap of 90 points between customers who experience software malfunctions and those who do not (799 vs. 709, respectively). Additionally, satisfaction among customers who indicate their device's software crashes at least once a week averages 663.

The 2012 U.S. Wireless Smartphone Customer Satisfaction Study—Volume 2 and the 2012 U.S. Wireless Traditional Mobile Phone Satisfaction Study—Volume 2 are based on experiences reported by 8,736 smartphone owners and 6,272 traditional mobile phone owners. Both studies were fielded between January and June 2012.

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

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates 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. 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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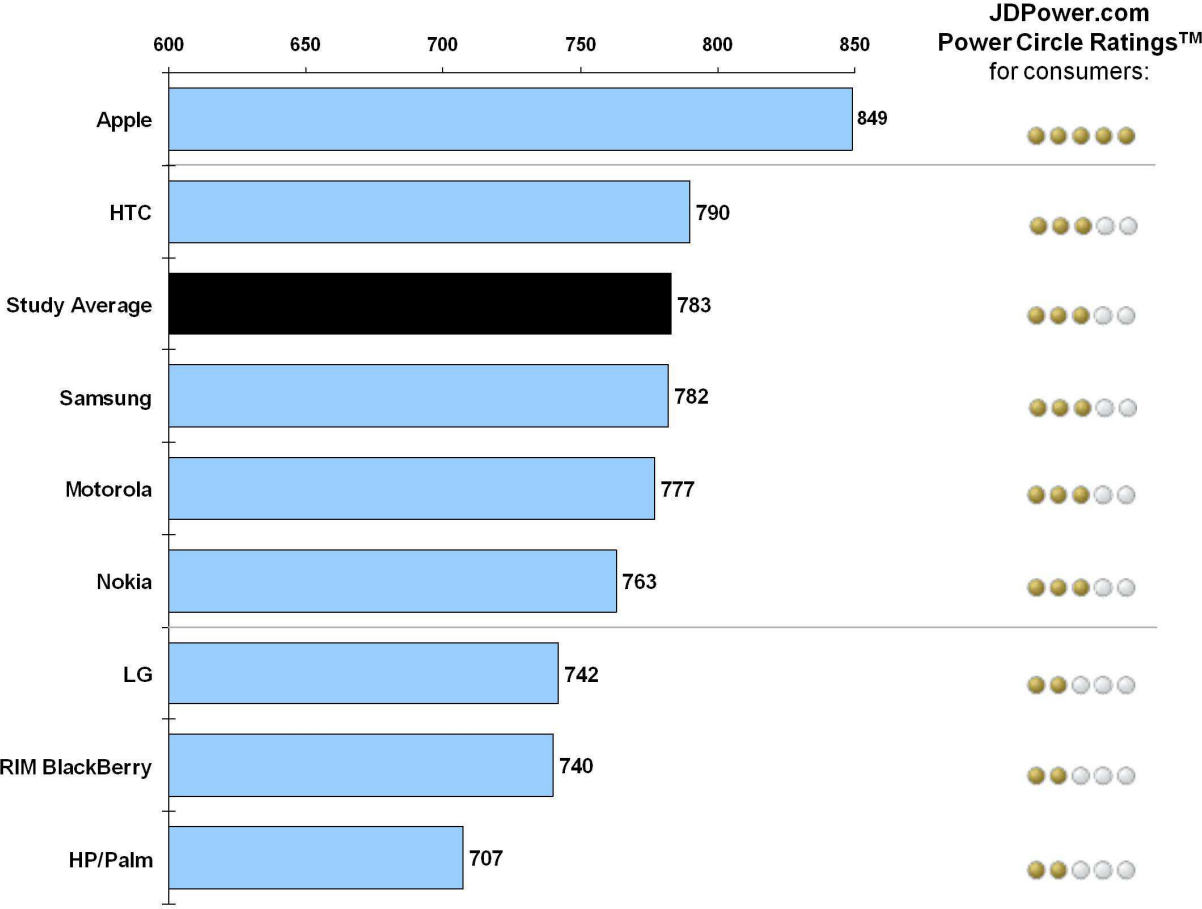
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NOTE: Two charts follow.

J.D. Power and Associates 2012 Wireless Smartphone Satisfaction StudySM –Volume 2

Overall Wireless Smartphone Index Rankings

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

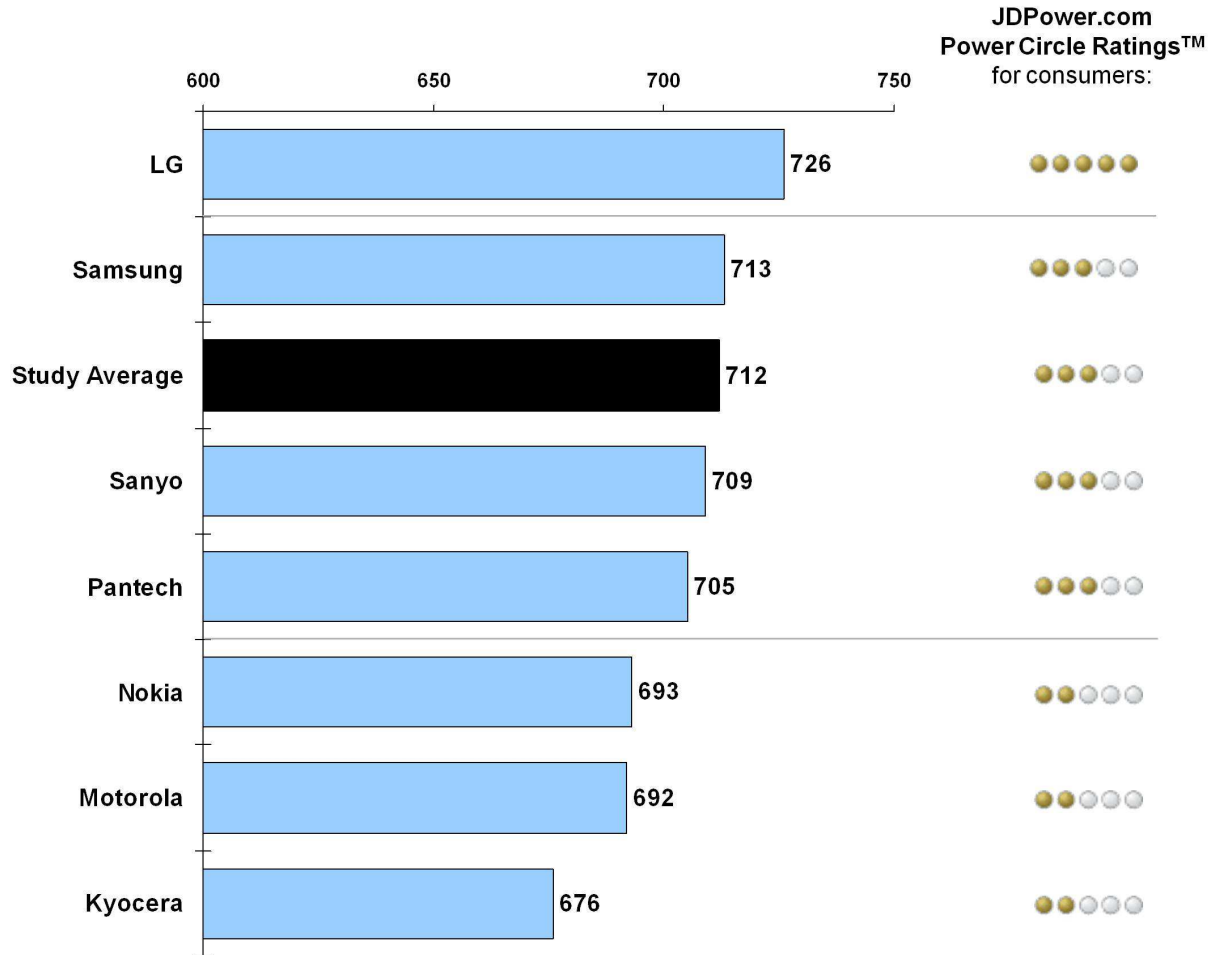
Source: J.D. Power and Associates 2012 Wireless Smartphone Satisfaction StudySM–Volume 2

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J.D. Power and Associates 2012 Wireless Traditional Mobile Phone Satisfaction StudySM –Volume 2

Overall Wireless Traditional Handset Index Rankings

(Based on a 1,000-point scale)



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