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FOR IMMEDIATE RELEASE

Why Do Consumers Switch Mobile Phone Carriers?

Customers Move from AT&T and Verizon Due to Cost,

Switch From Sprint and T-Mobile Because of Network

CHICAGO, IL – Thursday, January 8, 2015 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of consumer behavior for US mobile phone carriers, including AT&T (T), Verizon (VZ), Sprint (S), and T-Mobile (TMUS).

CIRP analysis indicates:

- AT&T and Verizon appeal to consumers based on network quality, even though consumers think they cost more.
- Consumers think that T-Mobile provides a lower-cost service, at the expense of network quality.
- Sprint draws customers based on the features of their plans, such as friends and family pricing and unlimited data.

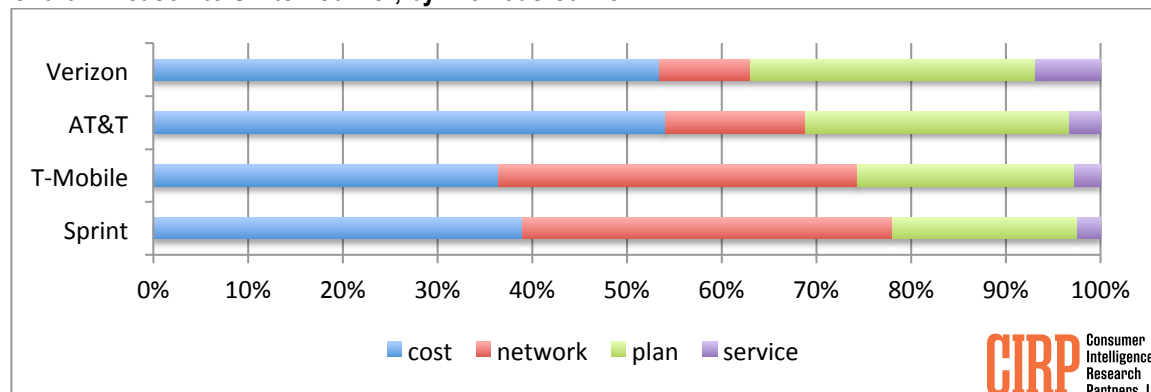
Consumers do not appear to switch carriers based on the quality of customer service received from their old carrier or anticipated from their new carrier.

“Mobile phone customers are very loyal to their carrier,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Almost four out of five customers stay with their current mobile phone carrier when they buy a new phone, far more than stay with their operating system or brand of phone. Loyalty varies somewhat among customers, with AT&T and Verizon maintaining the most loyal customers, and Sprint and T-Mobile have somewhat lower loyalty rates.”

When consumers switch carriers, they do so for many reasons, including cost, network quality, plan structure (allowed volume of voice, texts, and data, and flexibility or suitability relative to a consumer’s needs), and customer service quality.

Based on CIRP analyses, AT&T and Verizon lose customers because of the cost of service and to a lesser extent, the structure of their plans. Over half of consumers switched from those two carriers cited cost as the primary reason, compared to less than 40% for other carriers. Almost 40% of Sprint and T-Mobile departing customers identify network quality as the reason to switch.

Chart 1: Reason to Switch Carrier, by Previous Carrier



“Customers do not change carriers because of customer service,” said Mike Levin, Partner and Co-Founder of CIRP. “Based in either actual experience or perceived attributes, network-motivated switching accounts for almost 40% of Sprint and T-Mobile departing customers. These defectors are either dissatisfied with their current network or expect better connectivity from their new provider.”

CIRP bases this analysis on surveys of 2,000 US subjects who activated a new or used mobile phone in the 90 days preceding four quarterly surveys covering the period October 2013-September 2014. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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