



Press Release

J.D. Power and Associates Reports: Customer Satisfaction with Mobile Phone Providers Increases Notably in 2011 Primarily Due to Improvements in Network Quality and Cost

Tesco Mobile Ranks Highest in Satisfaction among both Pre-Pay Mobile Phone Customers
And Pay Monthly Customers

LONDON: DRAFT VERSION UNDER EMBARGO UNTIL 26 May 2011 — Mobile phone customers in the UK indicate they are considerably more satisfied compared with 2010, particularly with call quality, coverage and cost of service, according to the J.D. Power and Associates 2011 UK Mobile Phone Customer Satisfaction StudySM released today.

Now in its 14th year, the study measures customer satisfaction with pre-pay and pay monthly plans among the leading UK mobile network service providers. Overall satisfaction with providers is based on performance across six factors: call quality and coverage; offerings and promotions; cost of the service; billing or topping up; customer service; and handset.

Overall satisfaction among pre-pay mobile phone customers averages 707 on a 1,000-point scale in 2011—18 points higher compared with 2010. Similarly, satisfaction among customers who are on monthly contracts has increased by 25 points from 2010, to an average of 698 in 2011. Improvements have occurred across all aspects of the customer experience, with the largest gains taking place in the call quality and coverage and cost of service factors.

Increasing proliferation of smartphones among UK customers may be influencing these improvements. The study finds that the proportion of customers who indicate owning a smartphone has increased substantially in 2011. In 2010, 25 percent of pre-pay customers and 58 percent of monthly plan customers said their phone is equipped with a touchscreen or QWERTY keypad. These figures have increased to 40 percent and 86 percent, respectively, in 2011. The enhanced features and utility of smartphones are likely elevating customer perceptions of the value of the fees they pay. In addition, satisfaction with the cost of data services has improved considerably from 2010.

“The industry has made notable gains in strengthening network infrastructure and has managed to do so without raising service costs, which is undoubtedly good news for customers,” said Stuart Crawford-Browne, director of service industries at J.D. Power and Associates. “However, as adoption of data-intensive smartphones increases, it will be interesting to see how well providers keep up with pressure on networks, and whether price increases and caps on data usage will ensue. These could curtail the positive momentum on overall satisfaction that has developed during the past couple of years.”

Pre-Pay Mobile Phone Provider Rankings

Among pre-pay providers, Tesco Mobile ranks highest for a second consecutive year and achieves a score of 742. Tesco Mobile performs particularly well in the call quality/coverage; cost of service; offerings and promotions; and handset factors. Following Tesco Mobile in the rankings are O2 (723) and Vodafone (720).

Pay Monthly Mobile Phone Provider Rankings

Tesco Mobile ranks highest in the monthly payment plan segment with a score of 741 and performs particularly well in four of six factors: cost of service; offerings and promotions; customer service; and handset. Following Tesco Mobile in the segment rankings are O2 (718) and T-Mobile and Virgin Media, in a tie (703 each).

The study results also include the following key findings:

The proportion of mobile phone users who contacted customer service has declined in both segments. Among pre-pay customers, 14 percent indicate they contacted customer service in 2011, down from 22 percent in 2010. Among pay monthly customers, these figures average 39 percent and 55 percent, respectively.

A growing percentage of pay monthly customers are using an online account to monitor their usage activity and charges—78 percent, on average in 2011, compared with 68 percent in 2010.

The 2011 UK Mobile Phone Customer Satisfaction Study is based on responses from more than 3,400 pre-pay and pay monthly mobile phone customers throughout the UK. The study was fielded in March and April 2011.

About J.D. Power and Associates

With world headquarters in Westlake Village, California, U.S.A., 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. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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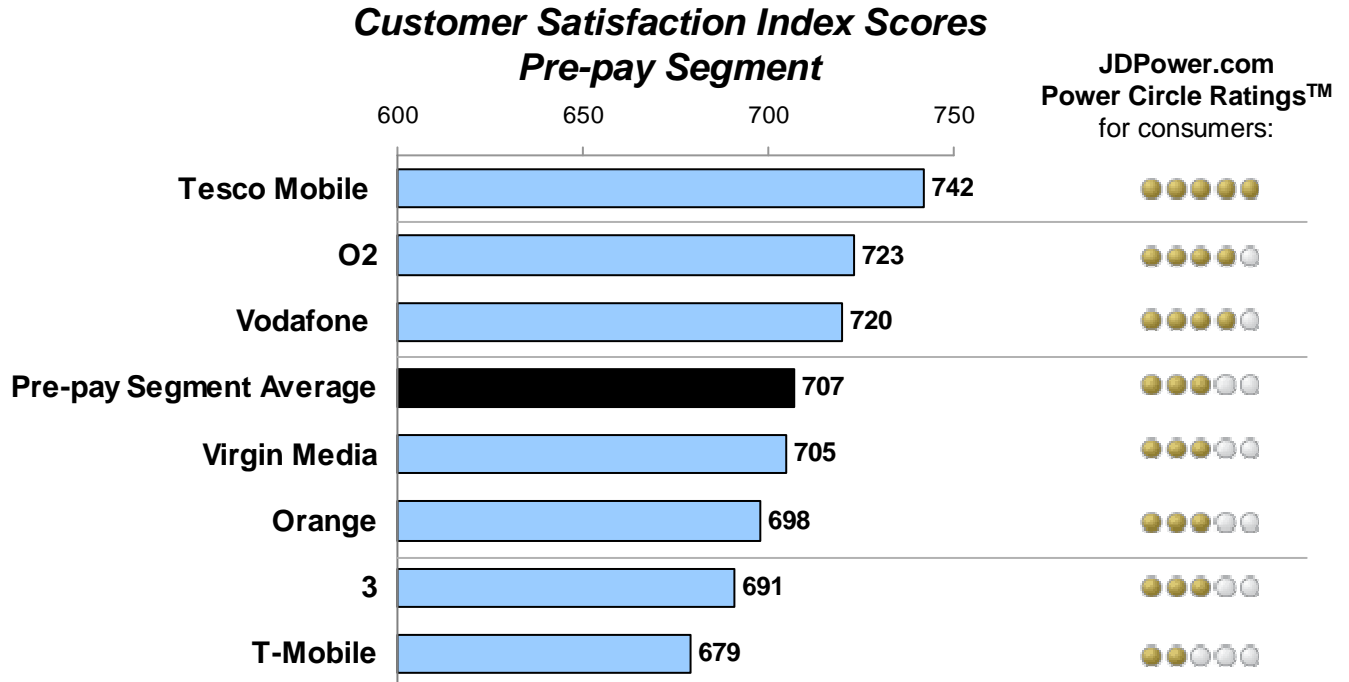
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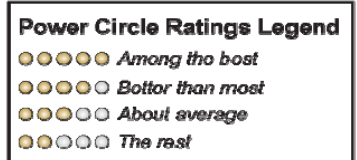
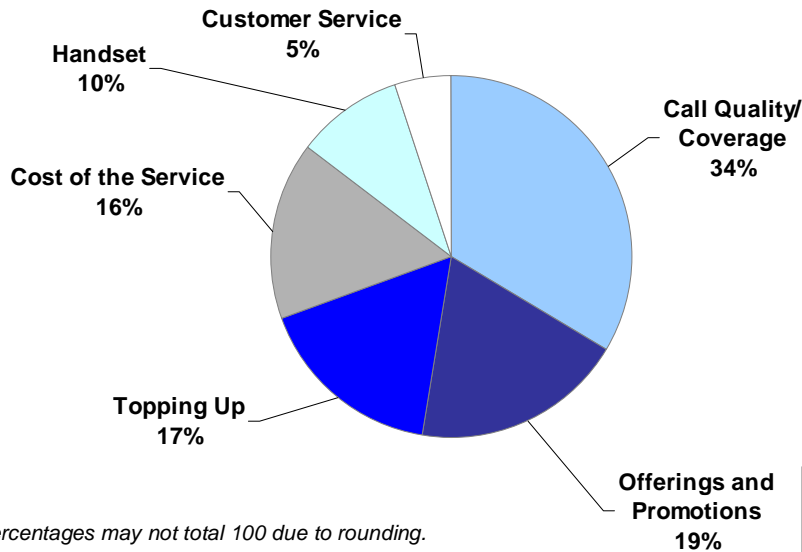
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NOTE: Two charts follow.

J.D. Power and Associates 2011 UK Mobile Phone Customer Satisfaction StudySM



Customer Satisfaction Component Weights - Pre-pay Segment



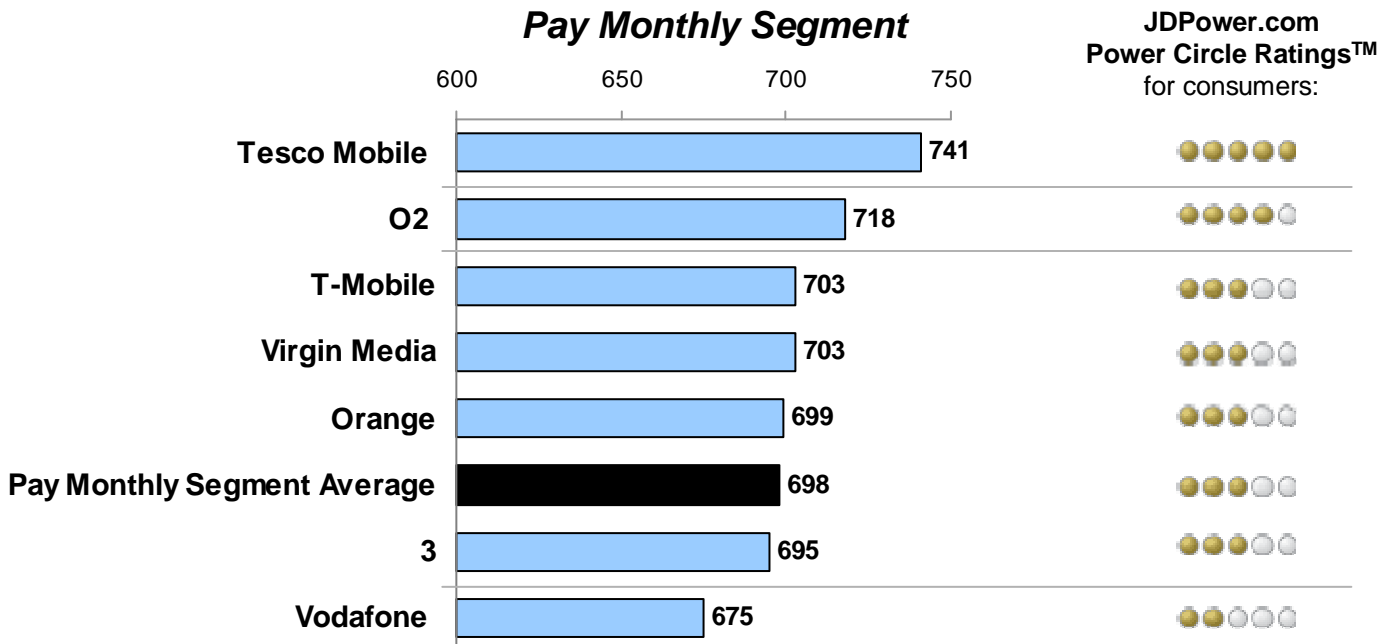
NOTE: Percentages may not total 100 due to rounding.

Source: J.D. Power and Associates 2011 UK Mobile Phone Customer Satisfaction StudySM

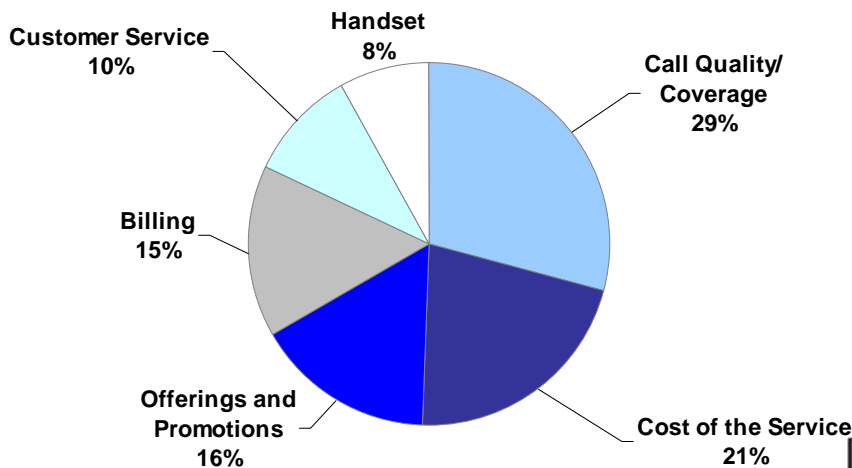
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Customer Satisfaction Index Scores Pay Monthly Segment

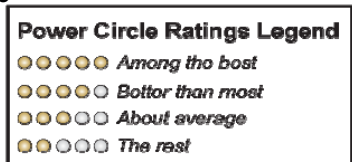


Customer Satisfaction Component Weights - Pay Monthly Segment



NOTE: Percentages may not total 100 due to rounding.

Source: J.D. Power and Associates 2011 UK Mobile Phone Customer Satisfaction StudySM



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