

More than One-Quarter of Wireless Subscribers Switched to Their Current Carrier to Gain Better Network Coverage

Comscore Networks' Wireless Industry Report Analyzes Satisfaction, Switching And Use Of Enhanced Features;

E-Mail Is Most Popular Feature Among Cell Phone Users With Internet Access

RESTON, VA. January 16, 2007 – comScore Networks, a leader in the measuring the digital age, today released a comprehensive report on the behavior and attitudes of wireless phone subscribers. The first in a two-part series on the wireless industry, this report is based on a survey of U.S. consumers who use a wireless phone and analyzes consumers' satisfaction with wireless carriers, carrier switching behavior and usage of wireless features that go beyond voice communication, including wireless Internet. According to the study, consumers are growing ever more attached to their cell phones, with 14 percent reporting that they no longer subscribe to landline phone service, and 33 percent strongly agreeing they "feel lost" without their cell phone.

Consumer loyalty and satisfaction among wireless subscribers are clearly related. According to the study, only 6 percent of respondents who were highly satisfied with their carriers stated that they were likely to switch carriers at the end of their contract. In contrast, 76 percent of respondents who were highly dissatisfied with their carrier were likely to switch. Furthermore, 44 percent of the highly dissatisfied respondents were very likely to switch carriers prior to the end of their contract, signifying that the deterrent effect of penalty fees only goes so far. Not surprisingly, high satisfaction strongly correlates with the likelihood to recommend a carrier to a close friend or family member. Eighty-eight percent of those who were highly satisfied indicated a high probability to recommend their current carrier.

Can You Hear Me Now? "Better Coverage" Primary Reason for Switching Cellular Carriers

Switching to one's current cellular provider was most often prompted by a desire for improved network coverage, with 27 percent of respondents stating "better coverage" as their primary reason for switching. In fact, coverage was the most often cited reason among subscribers of each carrier, with the exception of T-Mobile customers, who stated "lower prices" as their top reason for switching. Across all subscriber groups, "lower prices" was the second most frequently cited reason for swapping plans (14 percent), followed by switching to a friend/family members' carrier (13 percent).

Primary Reason for Switching to Current Cellular Carrier

(Among Respondents Who Previously Subscribed to a Different Carrier)

October 25, 2006 – November 1, 2006

n = 1,180

Source: comScore Networks Wireless Report

Reason	Percent of Subscribers
Better Coverage	27%
Lower Prices	14%
Friends'/Family Members' Carrier	13%
Better Minute Level Plans	9%
Plan Features	9%
Promotional Offer	8%
For a Specific Phone	4%
Other Reason	16%

Source: comScore Networks, Wireless Survey

Wireless Users Expanding Beyond Voice Communication

Today's wireless users are evolving their use of their cell phones beyond mere verbal communication, with many now subscribing to services that enable alternate form of communication. Half of all wireless users (50 percent) subscribe to text-messaging, while 30 percent use their wireless phones for e-mail, 22 percent use instant messaging, and 15 percent use multimedia messaging.

Percent of Wireless Users Subscribing to Stated Services

October 25, 2006 – November 1, 2006

n = 1,708

Source: comScore Networks Wireless Report

Feature	Percent of Users
Text Messaging	50%
E-mail	30%
Instant Messaging	22%
Multimedia Messaging	15%

"As rapidly as wireless technologies are evolving, so too are consumers' behavior patterns – especially in terms of enhanced functionality beyond voice communications said Serge Matta, senior vice president of comScore Telecommunications Solutions. "Non-voice means of wireless communication – such as text messaging, e-mail instant messaging – are increasingly important to consumers. We're pleased to be able provide the industry with insight into usage of these enhanced features, and their importance to consumers."

Consumers Access the Internet from Cell Phones for Timely Information

Increasing numbers of wireless phones and plans offer Internet access, which provides consumers with rich content and increased functionality. Most new cell phones are now pre-enabled for Internet access, with 63 percent of respondents reporting that their phone came with this option. However, only 17 percent currently subscribe to the service, indicating significant growth potential.

Wireless Users' Internet Accessibility (via Phone)

October 25, 2006 – November 1, 2006

n = 1,708

Source: comScore Networks Wireless Report

	Percent of Users
Don't have Internet option/unsure	37%
Have Internet option/don't subscribe	34%
Currently subscribe to the Internet	17%
Previously subscribed to Internet option	12%

Among consumers who access the Internet via their phones, the leading reasons for doing so are clearly related to a desire to stay connected and receive timely information. Forty-four percent cited e-mail as their primary reason for having online access through their wireless phones, while 34 percent went online for weather information, 29 percent for news, and 25 percent for sports updates. Users also connect to the Internet for cell phone personalization options, including ring tone downloads (35 percent), games (21 percent), and "wallpaper" selections (16 percent). Interestingly, 10 percent of those who subscribe to the wireless Internet option do so in order to pay bills.

Top Reasons for Accessing the Internet from a Wireless Phone

(Among those who subscribe to Wireless Internet Option)

October 25, 2006 – November 1, 2006

n = 290

Source: comScore Networks Wireless Report

Feature	Percent of Users
E-mail	44%
Ring Tone Downloads	35%
Weather	34%
News	29%
Sports	25%
Local Search (i.e. YP)	24%
Game Downloads	21%
Travel Information	19%
Wallpaper Downloads	16%
Directory Assistance	15%
Financial Information	10%
Pay Bills	10%
Shopping	6%

Wireless industry professionals and members of the media may request a copy of the full report at:
http://www.comscore.com/request/wireless_report.asp

Stay tuned for comScore's second report in this series on the wireless industry – a segmentation analysis of U.S. wireless users – which will be available on January 22, 2007.

About This Study

The comScore Wireless Report provides an in-depth look at the wireless industry, including the general landscape, competition, and the factors that influence consumers' decision processes. Key areas of focus include consumer satisfaction, phone feature usage, mobile Internet adoption, and wireless customer migration. For the purposes of this report, comScore conducted a survey among members of comScore's panel of more than two million online consumers who have given comScore permission to track their complete behavior on the Internet.

Methodology Details

U.S. Internet users who use cellular phones for personal use

Time Period: October 25, 2006 – November 1, 2006
Survey Mode: E-mail survey sent to comScore panelists
Number of Respondents: 1,708

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About comScore Networks

comScore Networks is a global leader in measuring the digital age. This capability is based on a massive, global cross-section of more than 2 million consumers who have given comScore permission to confidentially capture their browsing and transaction behavior, including online and offline purchasing. comScore panelists also participate in survey research that captures and integrates their attitudes and intentions. Through its proprietary technology, comScore measures what matters across a broad spectrum of behavior and attitudes. comScore consultants apply this deep knowledge of customers and competitors to help clients design powerful marketing strategies and tactics that deliver superior ROI. comScore services are used by global leaders such as AOL, Microsoft, Yahoo!, Verizon, Best Buy, The Newspaper Association of America, Tribune Interactive, ESPN, Fox Sports, Nestlé, MBNA, Universal McCann, the United States Postal Service, Merck and Expedia. For more information, please visit www.comscore.com.

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