



VOCALABS

National Customer Service SurveySM Mobile Phone Customer Service

March 2010

Based on data collected from
July 2009 to February 2010

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About This Study

The National Customer Service Survey compares the customer service quality for different companies in the same industry, using survey data and call statistics from the companies' customers. As part of this ongoing research, we interview customers of competing companies immediately after a customer service call.

About This Release

The data in this report is based on 1,142 completed telephone interviews conducted between July 2009 and February 2010. The study involved interviews with customers of AT&T, Sprint, T-Mobile, and Verizon. We collected enough data to make direct comparisons of these companies' support effectiveness.

Methodology

Consumers were recruited online to participate in this study, and called an alternate toll-free phone number for customer service. This alternate number forwarded to the company's published customer service phone number and allowed Vocalabs to track the progress of each call. Selected participants were called back immediately after the end of the support call and interviewed about their experience.

The full data set, including survey responses and interview recordings, is available on a subscription basis.

The National Customer Service Survey is a continuation of Vocalabs' ongoing research, formerly called Service Quality Tracker. Vocalabs has been publishing syndicated industry research on phone-based customer service quality, including mobile phone customer service, since 2004.

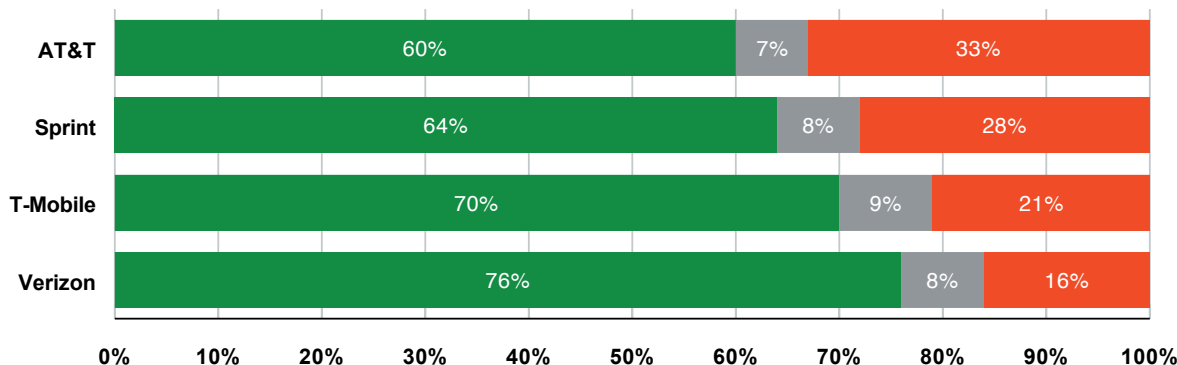


Summary of Key Findings

- Customer satisfaction with mobile phone customer service calls has a significant impact on loyalty, willingness to recommend, and overall company satisfaction.** Customers who said they were “Very Satisfied” with the call were 3 times as likely to say they would repurchase again than customers who were dissatisfied with the call, and 3 times as likely to say they would recommend the Company to a friend or colleague. Customers who were “Very Satisfied” with the call were 6.5 times more likely to say they were “Very Satisfied” with the company.
- Of the call factors measured, problem resolution had the greatest impact on customer service call satisfaction.** Seventy-nine percent of customers who said their problem was resolved on the call said they would repurchase again, compared to 45% of customers who said their problem was not resolved on the call.
- Verizon and T-Mobile lead AT&T and Sprint in customer service.** Sixty-six percent of Verizon customers and 65% of T-Mobile customers said they were “Very Satisfied” with the customer service call, compared to 63% of AT&T customers and 59% of Sprint customers. Verizon and T-Mobile’s strong performance can be attributed to their superior call resolution rates. Sixty-six percent of Verizon and 67% of T-Mobile customers reported that their problems were resolved during the call, while 64% of AT&T and 63% of Sprint customers said their problems were resolved on the call.
- Verizon and T-Mobile customers are more likely to purchase again from the company and are more likely to recommend the company to colleagues and friends than customers of AT&T and Sprint.** Seventy-six percent of Verizon and 70% of T-Mobile customers said they would repurchase, compared to only 60% of AT&T customers and 64% of Sprint customers. Eighty percent of Verizon customers and 75% of T-Mobile customers said they were willing to recommend the company, compared to 72% of AT&T customers and 65% of Sprint customers.

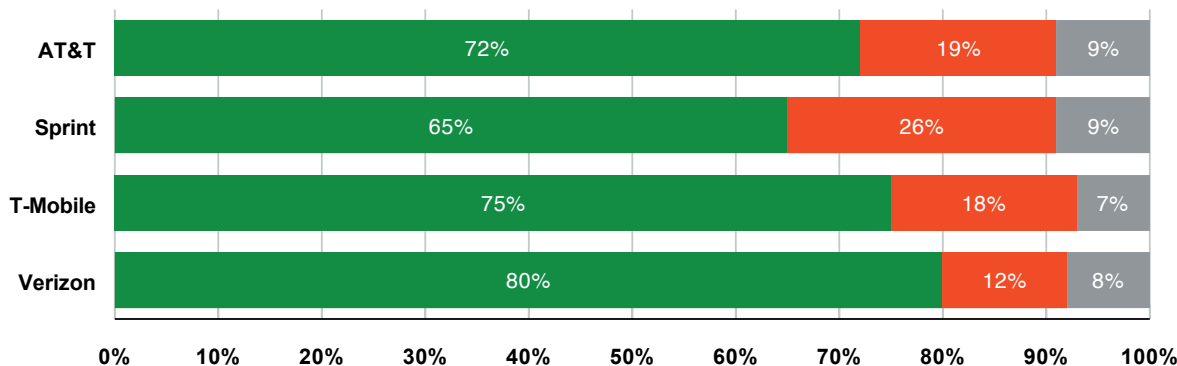
Likelihood to Repurchase

If you had to decide today, would you purchase again from {Company}?



Willingness to Recommend

If the situation arose, would you recommend {Company} to a friend or colleague?





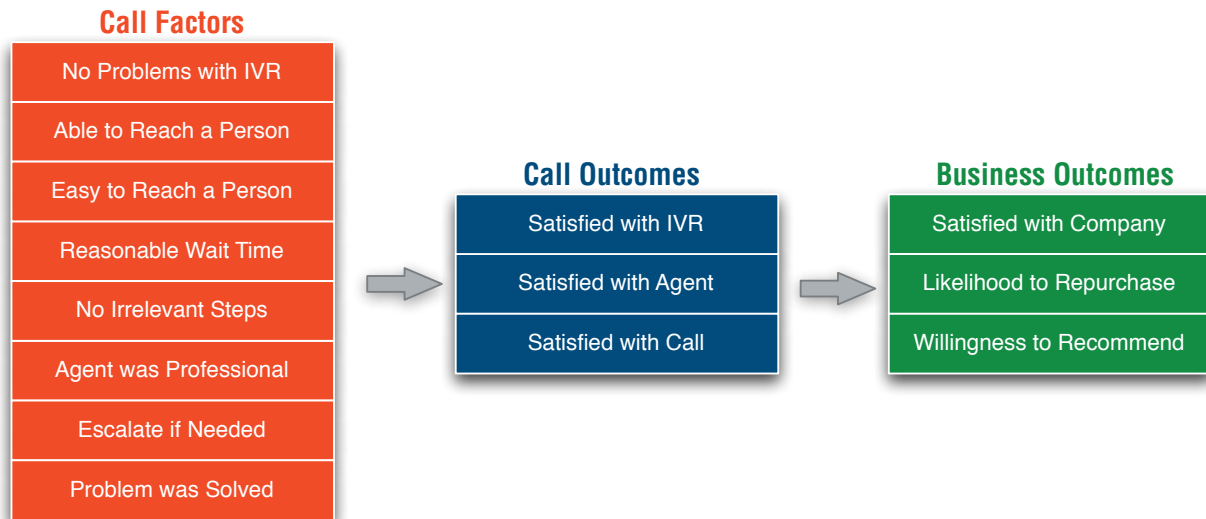
Evaluating the Impact of Call Factors on Business Outcomes

Customer service is an inherent part of the customer experience for many businesses, and how well that service is delivered can have a profound and lasting effect on the customer's willingness to buy again in the future. The high-level business objective in providing customer service is generally to serve the customer in the least expensive way, while having the greatest positive impact on customer satisfaction, loyalty, and promotion. To achieve this objective, it is critical to understand what factors under the company's control may have a positive or negative impact on customer opinions, and which of these factors are more important in achieving a particular company's business objectives.

To gain insight into these factors, we ask consumers a variety of questions relating to what happened during the customers' support call, the customers' opinions of the company and the customers' opinions of the service received. We group this data by "Call Factors" (what happened during the call), "Call Outcomes" (customer opinions about the call), and "Business Outcomes" (customer opinions about the company and intent to purchase).

Our analysis of survey results focuses on determining which Call Factors have the greatest impact on Call Outcomes and, in turn, Business Outcomes.

Impact of Call Factors on Business Outcomes

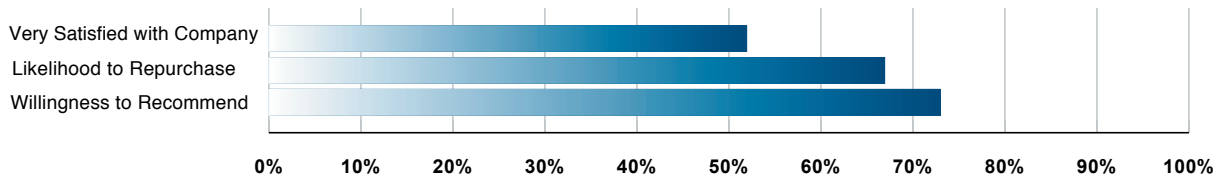




Call Satisfaction and Business Outcomes

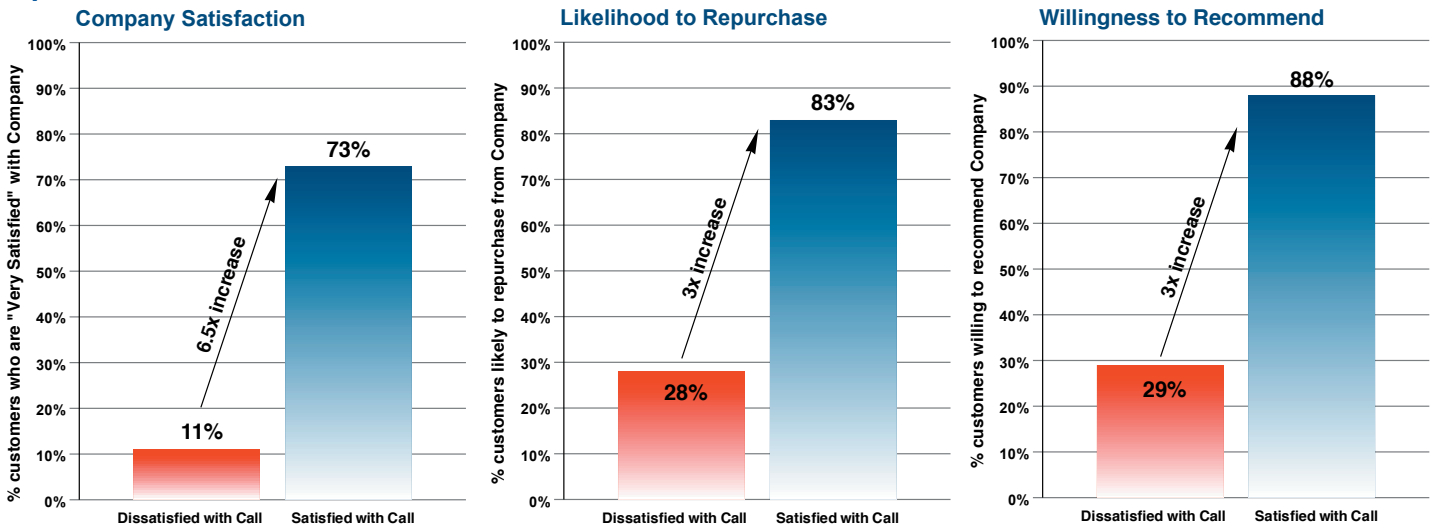
During the study period, Vocalabs interviewed 1,142 mobile phone customers immediately following a phone-based customer service experience. Of the customers surveyed, 52% said they were “Very Satisfied” with the call. Sixty-eight percent of those surveyed said they were likely to purchase again from the Company, while 73% reported they would recommend the Company to a friend or colleague.

Business Outcome Metrics



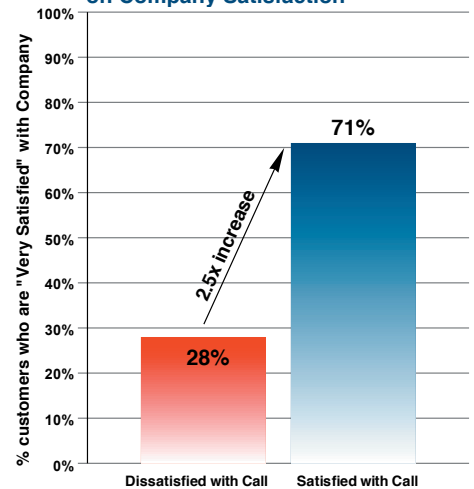
We found that customer satisfaction with the call had a significant impact on overall satisfaction, loyalty, and willingness to recommend. Eighty-three percent of customers who said they were “Very Satisfied” with the call reported they intended to repurchase from the company again, compared to 28% of those who were dissatisfied with the call. Eighty-eight percent of customers who were “Very Satisfied” with the call said they were willing to recommend the company to a friend or colleague, while just 29% of customers who were dissatisfied with the call said they would recommend the company.

Impact of Call Satisfaction on...



Survey results also revealed that satisfaction with the automated portion of the call has a significant impact on overall satisfaction. Customers who were “Very Satisfied” with the automated portion of the call were 2.5 times more likely to be satisfied with the company overall, compared to customers who were dissatisfied with their experience.

Impact of IVR Satisfaction on Company Satisfaction





Key Drivers of Customer Satisfaction

Vocalabs uses its **Impact Opportunity Analysis** method to prioritize call factors by their potential impact on call and business outcomes. The Impact Opportunity Analysis provides a powerful framework for quantifying the potential improvement to business objectives that could be achieved based on an improvement in a specific call factor. Effort, training and resources can be prioritized based on where there is the greatest ability to improve outcomes.

Call Factor Improvement: Quantifying the Impact

The Impact Opportunity estimates how much a business outcome will improve if a given problem that customers experience could be solved completely. It combines the impact of each problem, as measured by the difference between business outcomes for people who experienced the problem and those who did not, with the percentage of customers who reported experiencing that problem.

Based on the results of mobile phone customer service calls for the current study period, an improvement in problem resolution has the greatest potential to improve high-level business objectives. Failing to solve a customer’s problem has a strong effect on customer satisfaction (high impact) and happens to a large percentage of customers (large opportunity).

Impact of Problem Resolution on Likelihood to Repurchase

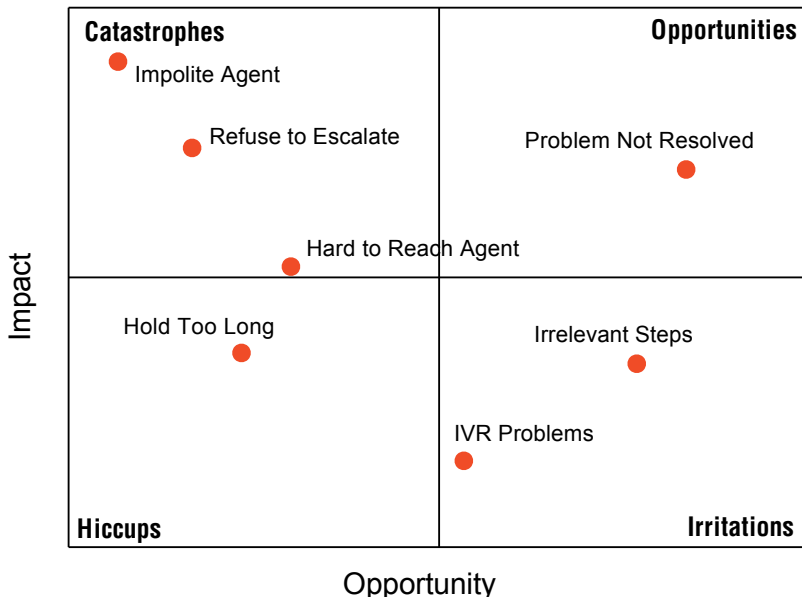
| | Problem Solved 61% of respondents | Opportunity (Problem Not Solved) 25% of respondents | Impact (% point change in Likelihood to Repurchase) | Impact Opportunity |
|--------------------------|---|--|--|---------------------------|
| Likelihood to repurchase | 79% | 45% | 35% | 8.5% |

Overall, 61% of all respondents said they would repurchase again from the Company. Based on the Impact-Opportunity method, solving every customer’s support problem could hypothetically result in an 8.6 percentage point increase in customers reporting they would repurchase. This is based on the following calculation:

$$\text{Impact} * \text{Opportunity}$$

$$(79\% - 45\%) * 25\% = 8.5\%$$

Impact of Call Factors on Likelihood to Repurchase



| Impact Opportunity Categories |
|--|
| Opportunities Greatest opportunity to improve top-line business objectives |
| Catastrophes Infrequent problems with dramatic impact on business outcomes |
| Irritations Minor issues that happen frequently but have limited impact on business outcomes |
| Hiccups Problem affects limited number of customers and has limited impact on outcomes |



Comparing Service Satisfaction: AT&T, Sprint, T-Mobile and Verizon

The National Customer Service Survey for Mobile Phone Customer Service launched in July of 2009, giving us eight months of continuous survey data on customers' perceptions of the quality of customer service they receive from the leading wireless providers, AT&T, Sprint, T-Mobile and Verizon.

Business Outcomes

Fifty-six percent of AT&T and Verizon customers reported that they were "Very Satisfied" with the company following the customer service call. Sprint customers were the least satisfied among customers surveyed, with only 45% reporting they were "Very Satisfied" and 22% reporting they were dissatisfied.

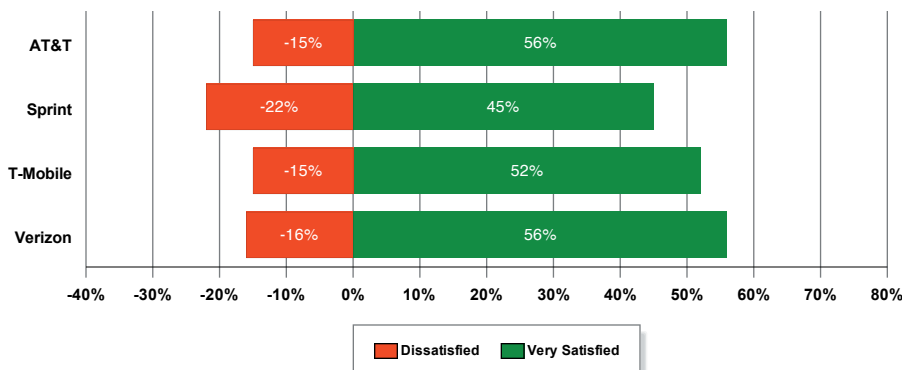
Verizon had the highest scores for loyalty and willingness to recommend. Seventy-six percent of Verizon customers said they would purchase again from the company and 80% said they would recommend Verizon to a friend or colleague.

While AT&T customers were generally satisfied with the call, they scored lower on loyalty than customers of the other wireless companies in the study. One-third of AT&T customers reported that they would not repurchase again from the company, compared to only 16% of Verizon customers.

Sprint lagged in the area of willingness to recommend. Only 65% of Sprint customers reported that they would recommend the company to a friend or colleague, 15 percentage points behind Verizon. Twenty-six percent of Sprint customers said they would not recommend the company, compared to just 12% of Verizon customers.

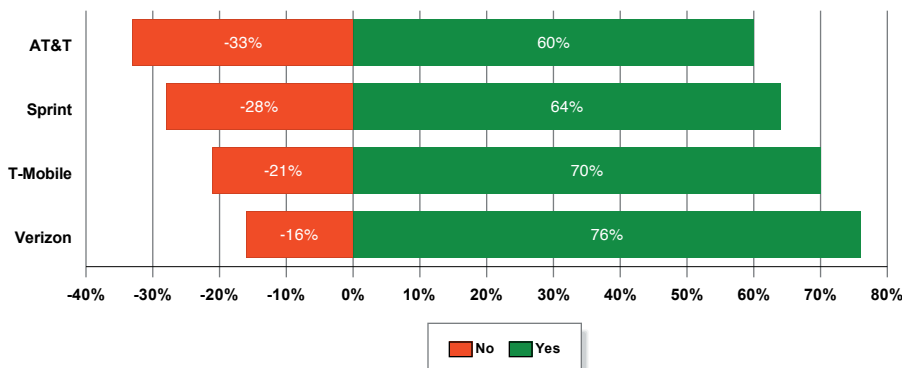
Overall Satisfaction

Please rate your overall satisfaction with {Company}.



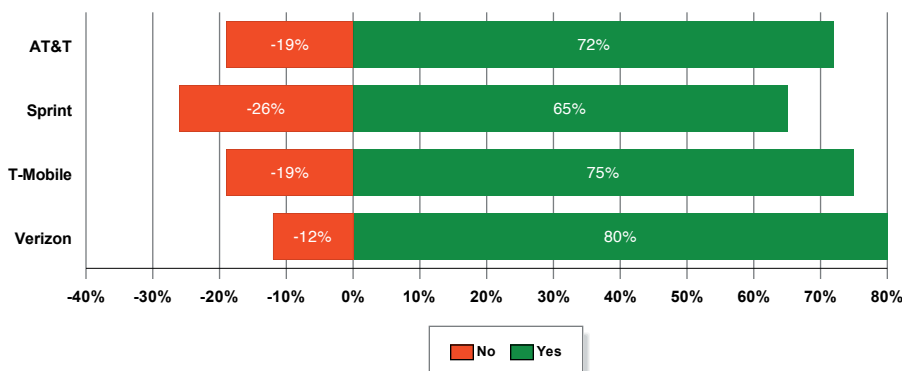
Likelihood to Repurchase

If you had to decide today, would you repurchase again from {Company}?



Willingness to Recommend

If the situation arose, would you recommend {Company} to a friend or colleague?





Call Outcomes

Verizon led the four major mobile phone carriers in call satisfaction. Sixty-six percent of Verizon customers were “Very Satisfied” with the experience, with second-place T-Mobile garnering 65% “Very Satisfied.” Sixty-three percent of AT&T and 59% of Sprint customers gave their service experiences the top rating.

Verizon customers were least satisfied with the automated portion of the call, compared to customers from AT&T, Sprint and Verizon. Nearly one-third of Verizon customers were dissatisfied with the interactive voice response (IVR) or automated portion of the call, while only 22% of Sprint customers were dissatisfied.

Call Factors

In addition to the high-level metrics discussed above, we track a number of metrics related to specific events on the call. These metrics are based on survey questions related to agent performance, the automated portion of the call, and problem resolution.

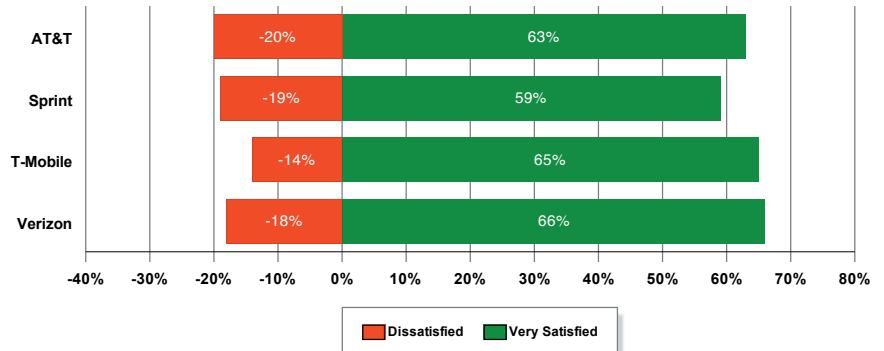
T-Mobile and Verizon were best able to resolve customers’ problems on the call, with 67% of T-Mobile and 66% of Verizon survey respondents reporting that their problem was solved.

Our research has consistently shown that problem resolution is one of the most important factors in driving overall satisfaction and other business goals, suggesting that Verizon and T-Mobile’s strong performance overall is largely attributable to their superior problem resolution.

The other notable difference among the companies is that a significantly higher percentage of T-Mobile subscribers reported problems with the automated portion of the call than any of the other three companies. Specifically, T-Mobile customers were far more likely to report that the automated speech system had difficulty understanding them, suggesting that speech recognition errors are the cause of the reported problems.

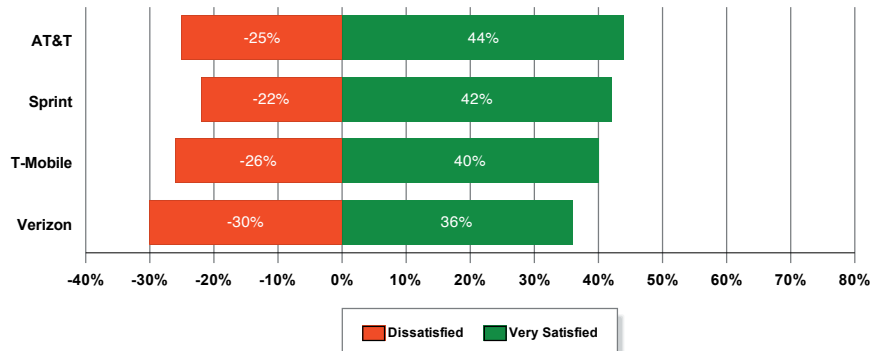
Call Satisfaction

Please rate your satisfaction with the call today.



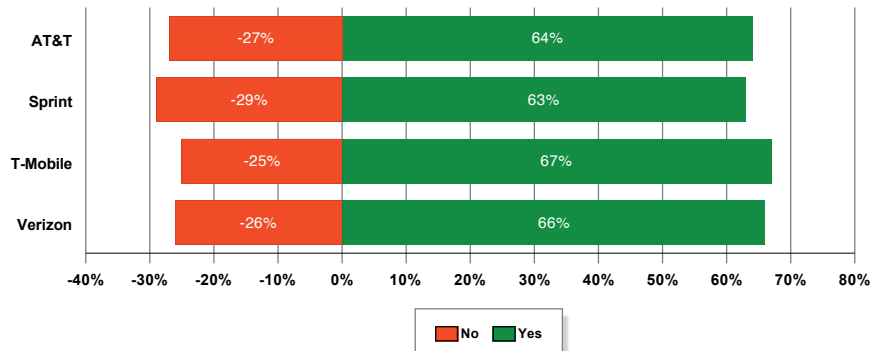
IVR Satisfaction

How satisfied were you with the automated system on the call?



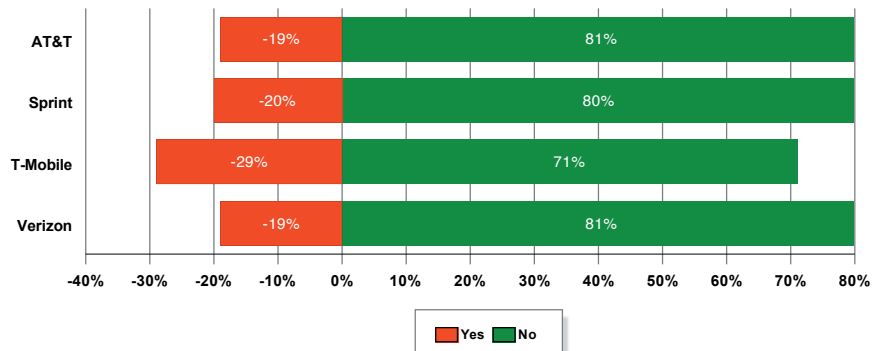
Problem Resolution

Did you get what you needed on your call today?



Problems with the Automated Portion of the Call

Did the automated system have any problems with your call today?





About the Author

Peter U. Leppik is president and CEO of Vocalabs. After several years as an investment analyst following call center technologies, he founded Vocal Laboratories Inc. in 2001 to apply scientific principles of data collection and analysis to the problem of improving customer service.

Leppik is a frequent industry speaker on the topic of measuring and improving customer service quality in call centers and automated speech environments. He is also coauthor of *Gourmet Customer Service: A Scientific Approach to Improving the Caller Experience*. Leppik has led efforts to measure, compare and publish customer service quality across a range of industries through third party, independent research, and works with industry associations to sponsor research to advance the state of the art in customer service. At Vocalabs, Leppik has assembled a team of professionals with deep expertise in survey methodology, data communications and data visualization to provide clients with best-in-class tools for improving customer service through real-time customer feedback.

Mr. Leppik holds B.S. degree in Physics from the University of Minnesota and an M.S. degree in Physics from the University of Illinois at Urbana-Champaign.



About Vocal Laboratories Inc.

Vocalabs helps leading brands improve customer service by collecting timely and actionable feedback about customer service quality. We interview customers immediately after a customer service call, retail store visit or IVR interaction while the memory of the experience is still fresh. Using our powerful hosted survey and reporting platform, clients discover and share insights to improve business decisions.

Vocalabs' customers include Fortune 1000 companies, telecommunications carriers, industry consultants and equipment vendors. Vocalabs' award-winning services include immediate, live-agent surveys and usability testing for speech recognition and Interactive Voice Response (IVR) systems using large consumer panels. Vocalabs also conducts independent research on customer satisfaction with phone-based customer service. Vocalabs' current syndicated research covers computer technical support and mobile phone customer service. Learn more at www.vocalabs.com.

NCSS Data Set Availability

The National Customer Service Survey (NCSS) is sponsored and unwritten by Vocalabs to track the quality of phone-based customer service across industry verticals. Current research includes Computer Tech Support (covering Apple, Dell and HP) and Mobile Phone Customer Service (covering AT&T, Sprint, T-Mobile and Verizon).

Each full dataset, including survey results and recordings, is available on an annual subscription basis. Clients access the dataset, including survey responses and recordings, through Vocalabs' hosted survey reporting and analysis tool. Please contact us for pricing and additional information.

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