

Press Release

J.D. Power and Associates Reports: Apple Ranks Highest among Smartphone Consumers, While LG Ranks Highest among Traditional Mobile Phone Consumers

As Customer Satisfaction with Feature-Rich Smartphones Increases, Satisfaction with Traditional Mobile Phones Remains Steady

WESTLAKE VILLAGE, Calif.: 30 April 2009 — Apple ranks highest in customer satisfaction with smartphone manufacturers, while LG ranks highest among traditional mobile phone users, according to the J.D. Power and Associates 2009 Wireless Consumer Smartphone Customer Satisfaction StudySM—Volume 1 and the J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM—Volume 1 released today.

The studies measure <u>customer satisfaction with traditional wireless handsets</u> and <u>smartphones</u> across several key factors. In order of importance, key factors in examining traditional wireless handsets are operation (30%); physical design (30%); features (20%); and battery function (20%). Among residential smartphone owners, key factors are ease of operation (30%); operating system (22%); features (21%); physical design (18%); and battery function (9%).

Apple ranks highest among smartphone manufacturers with a score of 791 on a 1,000-point scale, performing particularly well in ease of operation, operating system, features and physical design. LG (772) and Samsung (759) follow Apple in the rankings.

Among traditional handsets, LG ranks highest in overall wireless customer satisfaction with a score of 733, performing well across all factors. Sony Ericsson follows with 712.

Wireless Consumer Smartphone Customer Satisfaction

Among smartphone users, overall satisfaction has increased considerably, compared with the U.S. Wireless Mobile Phone Evaluation Study—Volume 2, released in November 2008. Smartphone users report sending and receiving an average of 17 e-mails per day on their phone, and 82 percent of smartphone owners report regularly using their phone's personal information management (PIM) capabilities—such as address books and to-do lists—to stay better organized.

"As consumers continuously upgrade to mobile phones that allow a full mobile-Web experience, advanced multimedia programs and 3G data downloads, overall handset satisfaction should continue to rise, as these devices tend to make our lives more convenient and prove entertaining," said Kirk Parsons, senior director of wireless services at J.D. Power and Associates. "It is crucial, however, that manufacturers ensure these features are intuitive and that wireless carriers educate customers to maximize their wireless experience. While manufacturers continue to develop advanced features, they must also continue to provide a high-quality calling experience for their users."

Wireless Traditional Mobile Phone Satisfaction

Overall satisfaction among traditional mobile phone owners has remained stable since November 2008, despite heightened awareness among traditional mobile phone owners of advanced features available on smartphones. On average, traditional handset owners pay \$28 less per month for their wireless service, compared with smartphone (Page 1 of 2)

owners. Traditional wireless users also pay \$111 less when they initially purchase their mobile phone, compared with smartphone owners.

"Many owners of traditional handsets do not believe that the service cost associated with owning a smartphone is justified, as they indicate they would not take full advantage of the advanced features," said Parsons. "Given the current economic climate, consumers are very aware of the extra cost associated with owning a smartphone that they may not use for more than basic calling and texting."

The study also finds several key wireless handset usage patterns:

- More than 40 percent of smartphone users report entirely replacing landline calling with mobile phone calling, while only 28 percent of traditional handset owners have done the same.
- One-third of traditional mobile phone owners indicate they would like to have some type of GPS software or capability on their next phone.
- Forty-two percent of traditional mobile phones owners received their phone for free after rebates and discounts, compared with just 32 percent in the 2008 Volume 2 study.

The 2009 Wireless Consumer Smartphone Customer Satisfaction Study—Volume 1 and the 2009 Wireless Traditional Mobile Phone Evaluation Study—Volume 1 are based on experiences reported by 15,270 traditional mobile phone and 2,648 smartphone users who have owned their current mobile phone for less than two years. The studies were fielded between July and December 2008. Visit <u>JDPower.com</u> to read an <u>article</u> or view customer satisfaction ratings for <u>wireless service and carrier performance</u>, <u>call quality</u>, <u>customer care</u>, <u>retail sales</u> and <u>mobile phone handsets</u>.

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NOTE: Two charts follow.

J.D. Power and Associates 2009 Wireless Consumer Smartphone Customer Satisfaction StudySM — Volume 1

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

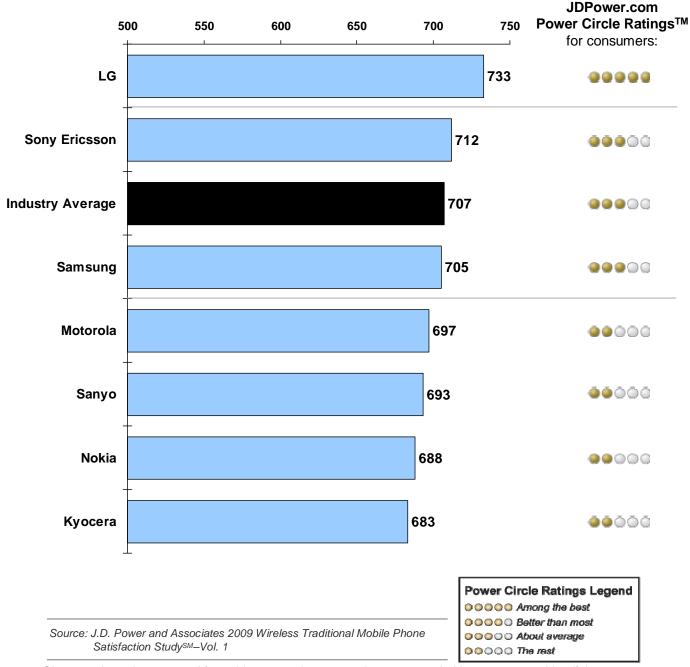


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J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM—Volume 1

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



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