



American Customer Satisfaction Index

The American Customer Satisfaction Index (ACSI®) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States.

The ACSI uses data from interviews with roughly 500,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 400 companies in 46 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to several essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.



May 19, 2020

AMERICAN CUSTOMER SATISFACTION INDEX WIRELESS SERVICE AND CELLULAR TELEPHONE REPORT 2019-2020

Industry Results for:

Wireless Telephone Service

Cellular Telephones

Customer Satisfaction Retreats for Wireless Telephone Service; Cell Phones Reach New High

After nearly two years of waiting to complete their merger, T-Mobile and Sprint are one. The deal was finalized in April 2020, combining the nation's third- and fourth-largest wireless carriers. The new T-Mobile, however, does not represent a marriage of customer satisfaction equals. It joins together top-satisfying mobile network operator T-Mobile and last-place Sprint. The move could spell customer satisfaction trouble for the new entity as it integrates networks and service plans over the next few years.

2019 brought another landmark change for U.S. consumers: the advent of the nation's first 5G mobile networks. While 5G is poised to become the new standard in connectivity, the 5G revolution has just begun and coverage remains sporadic. Verizon Wireless was the first out of the gate in April 2019, with other network operators soon to follow including T-Mobile, which at present boasts the broadest coverage. Even newer players to the game—including cable mobile virtual network operators (MVNOs) such as Comcast's Xfinity Mobile—anticipate offering 5G in the future, making them more competitive with the big network carriers.

The 5G rollout will continue through 2020 and is projected to reach 1 billion customers by 2023, although the future impact of the coronavirus pandemic remains to be seen. In response to the pandemic, major carriers have signed on to the Federal Communications Commission's (FCC) Keep Americans Connected Pledge, focusing on easing the economic burdens of the crisis.

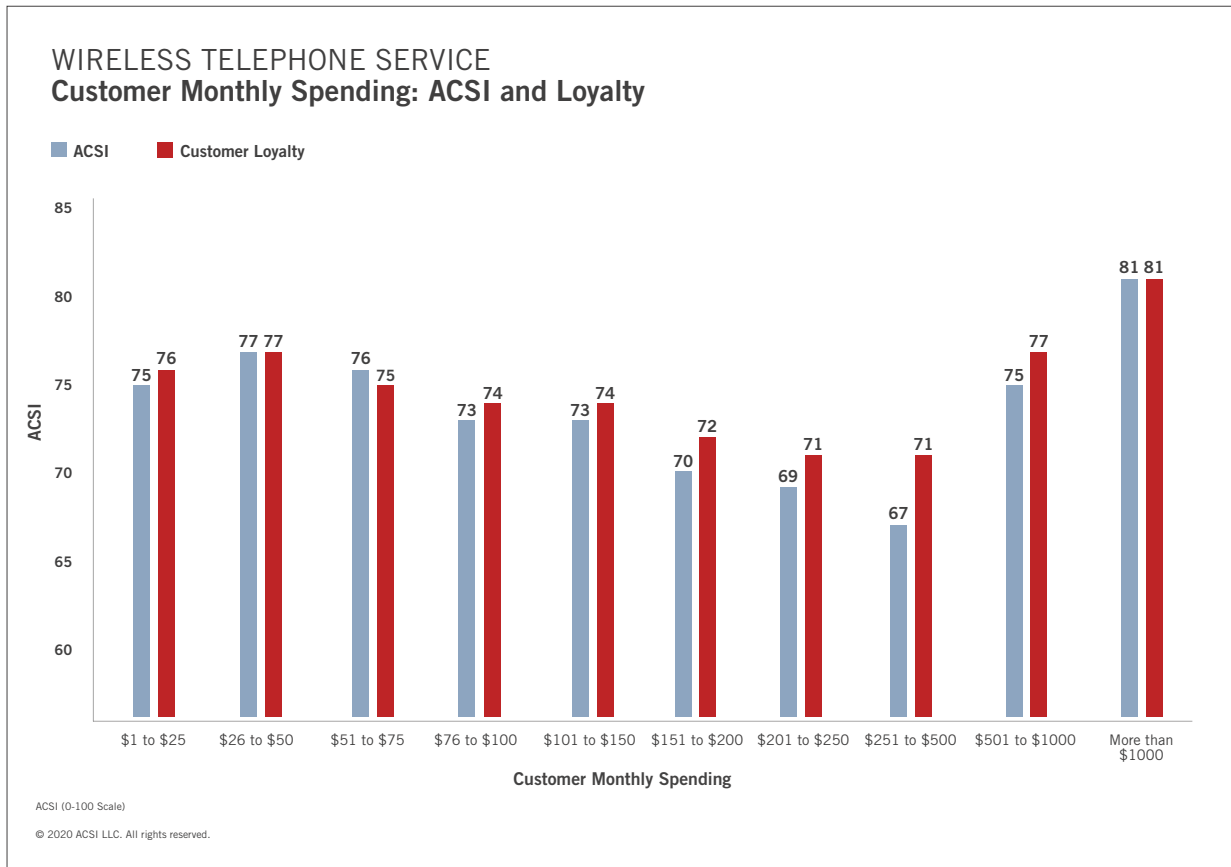
Amid these major developments in the wireless telephone service industry, customer satisfaction overall eases back 1.3% to a score of 74 on the American Customer Satisfaction Index's (ACSI®) 100-point scale. Over the last four years, the industry's satisfaction has been relatively stable in the middling range of 73 to 75. This far exceeds earlier industry scores in the mid-60s when contracts were a routine part of the wireless experience. Major carriers now offer multiple brands that cater to different customer segments across both the prepaid and postpaid spectrums.

This report covers three categories of wireless telephone service providers—mobile network operators, full-service MVNOs, and value MVNOs—as well as cellular telephone manufacturers and smartphone brands. Results are based on surveys conducted over a 12-month period ending in March 2020. Across the three wireless categories, value MVNO Consumer Cellular ranks highest overall for a second straight year. Among cell phone makers, a two-way battle continues as 7 out of 10 customers surveyed bought either an Apple or Samsung device over the past year.

As part of the ACSI survey, respondents are asked how much they spend each month for their wireless telephone service. This information, in addition to the customer satisfaction and customer loyalty data, shows which customer segments would have the greatest payoff if the customer experience is improved. ACSI data indicate that wireless companies provide the greatest satisfaction to high-paying customers who spend more than \$1000 per month. Typically, these are customers with multiple lines for family, and they reward their wireless supplier with the strongest customer loyalty.

Another high-paying segment—customers who spend \$501 to \$1000 per month—are also relatively satisfied and loyal. This makes sense as companies across many industries are often most sensitive to the experiences of their high-margin customers who are indeed strong drivers of profitability.

On the other hand, the most dissatisfied customers fall in the midrange in terms of monthly spending. Collectively, those spending \$151 to \$500 per month are the least satisfied and least loyal customers. This group usually represents family plan consumers with multiple lines for mom, dad, and the kids. This customer segment deserves sharp attention from wireless companies as they represent an at-risk group most likely to churn and defect.



Mobile Network Operators

Most major mobile network operators are holding their own for customer satisfaction, with the category overall stable at an ACSI score of 73. While this score remains below either full-service (75) or value MVNOs (77), the satisfaction gap is closing considerably as both of these categories decline in 2020.

T-Mobile remains the undisputed network operator leader with an unchanged score of 76. According to customers, T-Mobile offers by far the best range of plans in the category. The carrier’s high-profile merger with Sprint, which completed after the interview period ended, is poised to be a gamechanger in the industry. The new T-Mobile has over 100 million customers, bringing it closer to AT&T (141 million) and Verizon Wireless (150 million).

The union pairs number-one T-Mobile with the lowest-scoring operator in the category: Sprint at 66 (+2%). The satisfaction gap between the two carriers is a daunting 10 points, which does not bode well for the new T-Mobile's future satisfaction. In 2019, Sprint's standalone prospects were dim as the company's net subscriber loss was 297,000 in the second quarter, with a postpaid churn rate of 1.78%. This contrasted with T-Mobile's record-low Q2 postpaid churn of 0.78% and 841,000 subscriber additions. T-Mobile anticipates taking three years to integrate the two networks, and Sprint customers will likely roll over onto T-Mobile plans. ACSI data show that most mergers negatively impact customer satisfaction, at least in the short term, so the next few years will be interesting to watch for the combined company.

**AMERICAN CUSTOMER SATISFACTION INDEX:
WIRELESS TELEPHONE SERVICE
Mobile Network Operators**

COMPANY	2019	2020	% CHANGE
Mobile Network Operators	73	73	0.0%
T-Mobile	76	76	0%
Verizon Wireless	74	74	0%
AT&T	73	73	0%
U.S. Cellular	74	71	-4%
Sprint	65	66	2%

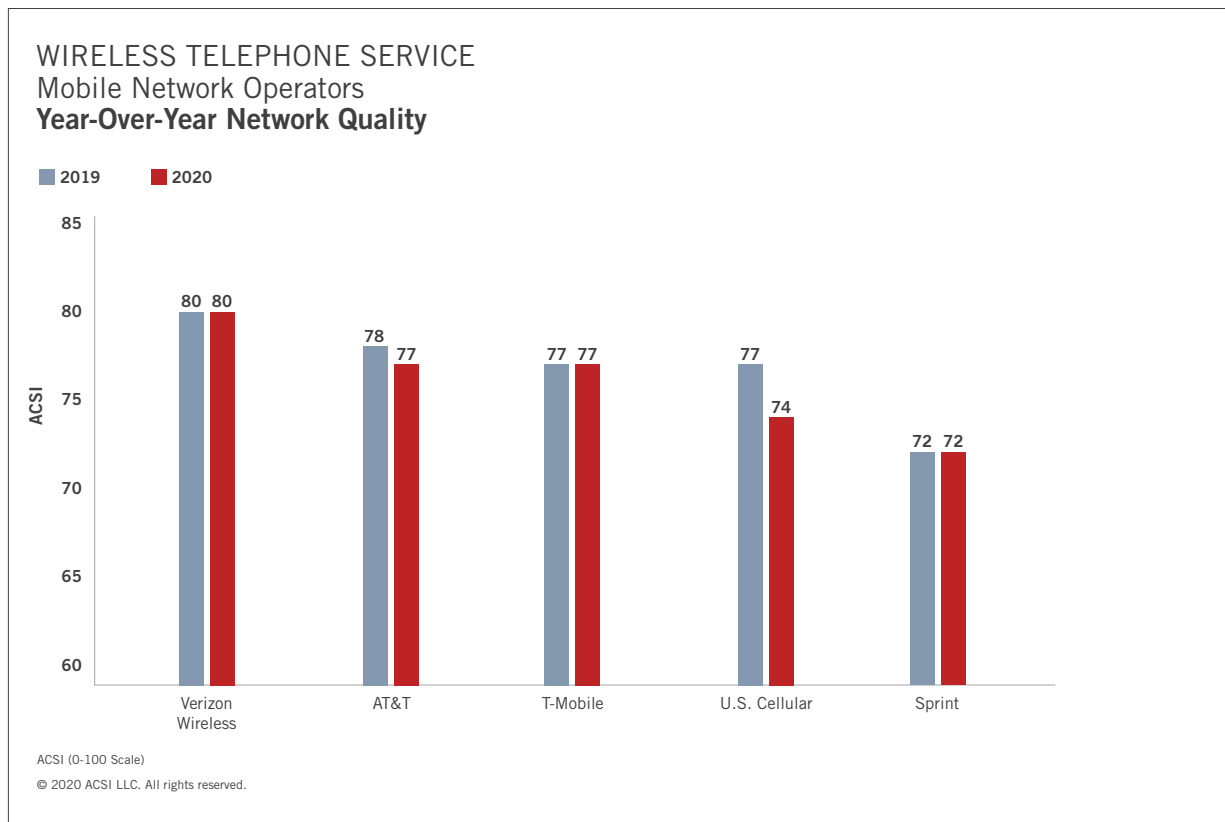
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Behind T-Mobile, the two largest carriers retain second and third place: Verizon Wireless at 74 and AT&T at 73. While Verizon excels when it comes to overall quality, customers find the carrier's value to be average compared with other network operators.

While most network operators are stable, U.S. Cellular tumbles 4% to 71, beating only Sprint. U.S. Cellular lost subscribers throughout portions of 2019 and the pending T-Mobile-Sprint merger made it challenging to plan and secure new partnerships. The company's service revenues, however, grew as customers moved to higher-priced plans and added device protection for more expensive phones. But as average revenue per user has grown, customers are much less satisfied. ACSI data show that the satisfaction decline is driven largely by weaker perceptions of value. Thus far, U.S. Cellular's new branding of bringing "fairness" to wireless has not resulted in happier customers.

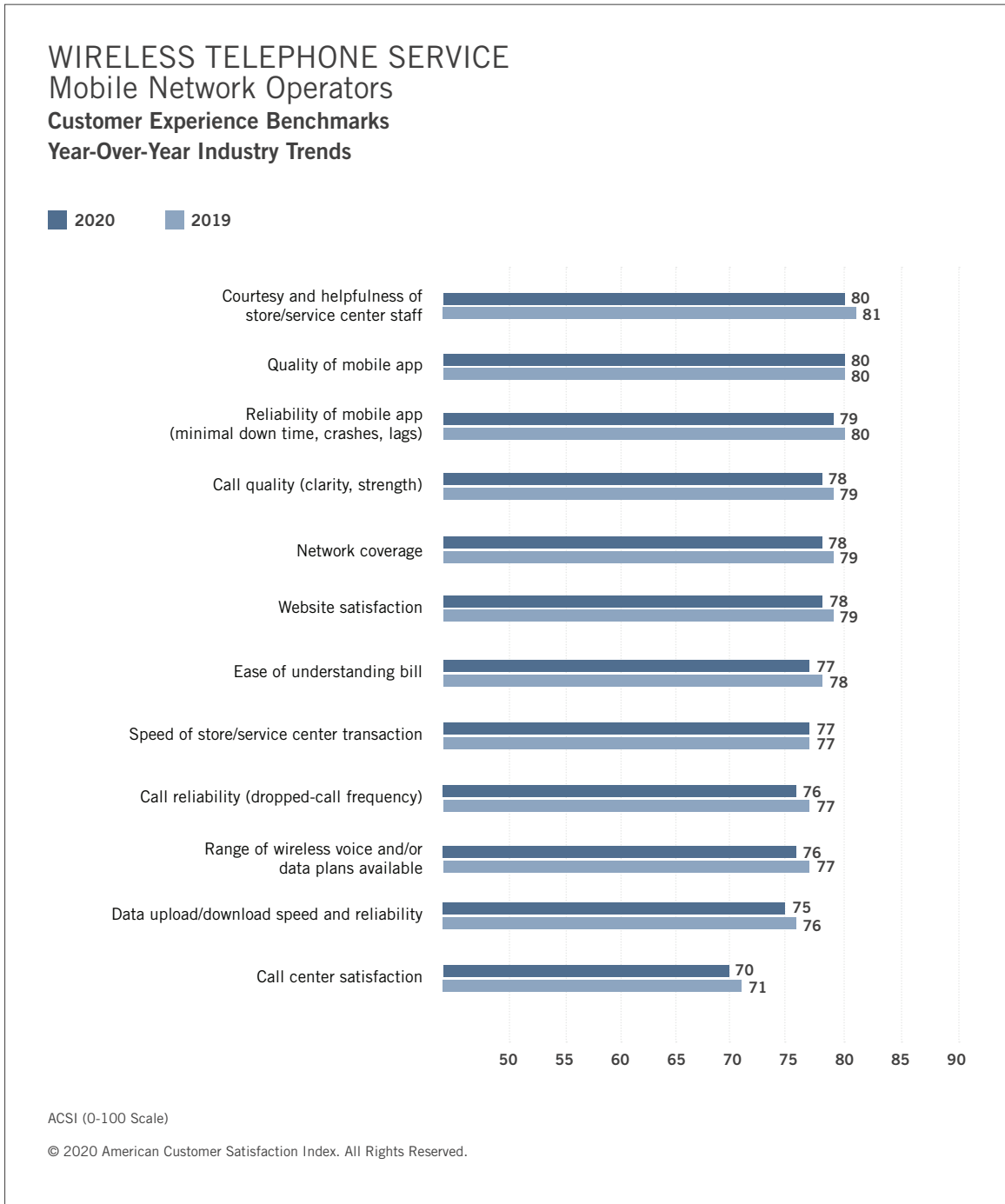
In addition to measuring customer satisfaction for mobile network operators, the ACSI provides a unique rating of network quality based on customer evaluations of call quality (clarity and strength), call reliability (dropped calls), network coverage, and data speed.

Verizon continues to rank first in network quality—stable with a score of 80. AT&T inches back 1% to 77 and ties with T-Mobile (unchanged). Just as it does for customer satisfaction, U.S. Cellular declines 4% to 74 for network quality. With a smaller footprint for its own network, U.S. Cellular partners with the other network operators for roaming off network to give its customers broader coverage. Nevertheless, subscribers find its network quality lacking compared with the other major operators except Sprint. Last in line, Sprint is flat at 72. New partner T-Mobile's 4G coverage is more than double that of Sprint. Eventually, Sprint customers with compatible phones could get better service through T-Mobile's network but the integration of the two carriers will take time.



Most aspects of the customer experience for network operators have weakened year over year, but the changes are small. Despite a downturn, courtesy and helpfulness of store or service center staff continues to rate highest at 80. Service speed in-store is not as strong (77), lagging both full-service MVNOs (79) or value MVNOs (81). Another area where network operators fall behind MVNOs is billing. According to customers, network operator bills are far harder to understand (77) than bills from either full-service MVNOs (83) or value MVNOs (86).

Mobile apps rate fairly well for both quality (80) and reliability (79), although scores vary widely among carriers. Website satisfaction is slightly lower at 78, but the worst customer touchpoint remains call centers, showing ample room for improvement at 70. Other less satisfying aspects of the customer experience include data speed (75), range of plans (76), and dropped calls (76).



Full-Service MVNOs

The full-service MVNO category takes a customer satisfaction hit this year, falling 2.6% to an ACSI score of 75 and narrowing its lead over network operators (73). In its ACSI debut, Comcast's Xfinity Mobile comes in a winner—topping the full-service MVNO category with a customer satisfaction score of 79. Moreover, Xfinity Mobile ranks second across all three wireless categories—behind only Consumer Cellular (83). Launched in 2017, Xfinity Mobile is available exclusively to Comcast's home internet customers and runs on Verizon's network. Across all wireless services, Xfinity Mobile is best in class for the quality of its app.

**AMERICAN CUSTOMER SATISFACTION INDEX:
WIRELESS TELEPHONE SERVICE
Full-Service MVNOs**

COMPANY	2019	2020	% CHANGE
Full-Service MVNOs	77	75	-2.6%
Xfinity Mobile	NM	79	NA
Cricket Wireless	79	76	-4%
Virgin Mobile	76	76	0%
Boost Mobile	74	74	0%
Metro by T-Mobile	76	74	-3%

ACSI (0-100 Scale)
 NM = Not Measured
 NA = Not Available

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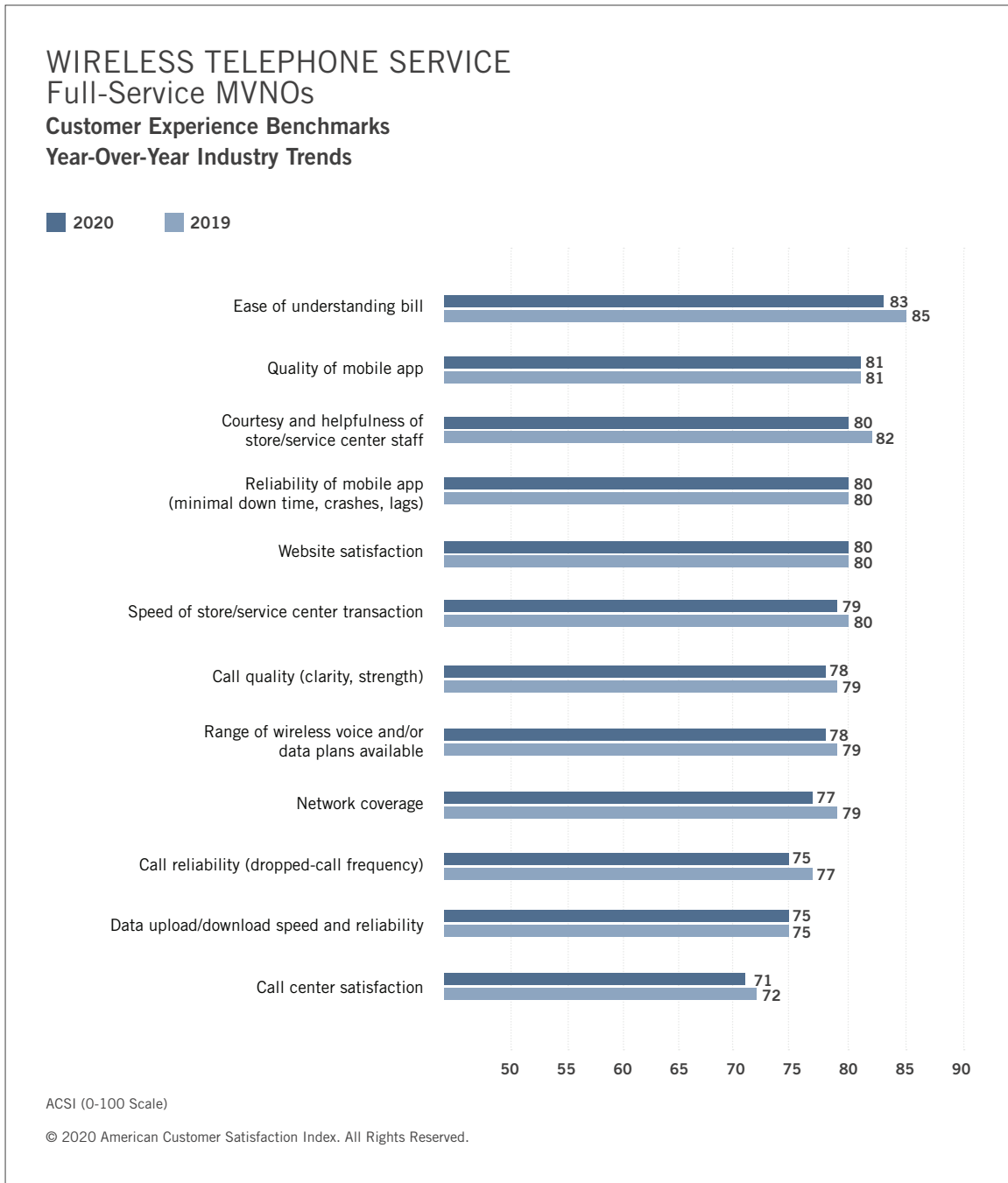
Two full-service MVNOs lose ground this year. AT&T's Cricket Wireless drops 4% to 76, ceding its lead from a year ago. Metro by T-Mobile, the largest U.S. prepaid brand, falls 3% to the bottom of the category at 74. In 2019, T-Mobile undertook a restructuring of its prepaid business, hoping to reignite growth during an industrywide slowdown in prepaid sales. So far, these efforts have not lifted Metro's customer satisfaction.

Among the two prepaid brands offered by Sprint, the now defunct Virgin Mobile (76) comes in ahead of Boost Mobile (74). During 2019, Sprint pulled back on marketing and distribution for Virgin Mobile. Then in early 2020 ahead of its merger with T-Mobile, Sprint discontinued the brand, moving its users over to Boost. In turn, the merger deal stipulates that Boost will be sold to Dish Network.

Most aspects of the full-service MVNO customer experience rate lower this year as customer satisfaction overall weakens. Nevertheless, full-service MVNOs keep up with and sometimes beat the network operators across key elements.

Topping the list, bills are easy to understand, although not quite as highly rated compared to a year ago (-2% to 83). Mobile apps perform well in terms of quality (81) and reliability (80), and websites (80) are more satisfying than those of network operators (78).

Despite a decline, staff courtesy (-2% to 80) matches network operators; for in-store transaction speed, full-service MVNOs stay ahead (79). Customers find that network coverage (-3% to 77) and call reliability (-3% to 75) have waned over the past year, and they would prefer faster data speeds (75). As with network operators, call center service is poor (71).



Value MVNOs

Overall, customers are much less satisfied with value MVNOs as the category plunges 4.9% to an ACSI score of 77. Among brands, however, there is a wide gap of 17 points from top to bottom. The value MVNO category is home to the number-one wireless operator in the Index: Consumer Cellular. Despite a decrease of 2%, Consumer Cellular sets the customer satisfaction bar at the high level of 83. This far outpaces scores for either top-rated network operator T-Mobile (76) or full-service MVNO leader Xfinity Mobile (79).

By early 2020, Consumer Cellular had 3.75 million subscribers despite its 2019 exit from selling in Best Buy stores. Consumer Cellular, which caters to an older demographic, does well across much of the customer experience and subscribers appreciate the range of plans it offers.

In second place, Straight Talk Wireless, a service of TracFone Wireless, drops 3% to 78. With over 9.3 million subscribers, Straight Talk is TracFone's biggest brand, selling exclusively through Walmart. Price may be an issue for Straight Talk as ACSI data show a weakening in customer perceptions of value compared to a year ago. Customer satisfaction with the namesake Tracfone brand also ebbs this year, down 1% to 76.

**AMERICAN CUSTOMER SATISFACTION INDEX:
WIRELESS TELEPHONE SERVICE
Value MVNOs**

COMPANY	2019	2020	% CHANGE
Value MVNOs	81	77	-4.9%
Consumer Cellular	85	83	-2%
Straight Talk Wireless	80	78	-3%
Tracfone	77	76	-1%
SafeLink Wireless	NM	71	NA
Q Link Wireless	NM	66	NA

ACSI (0-100 Scale)

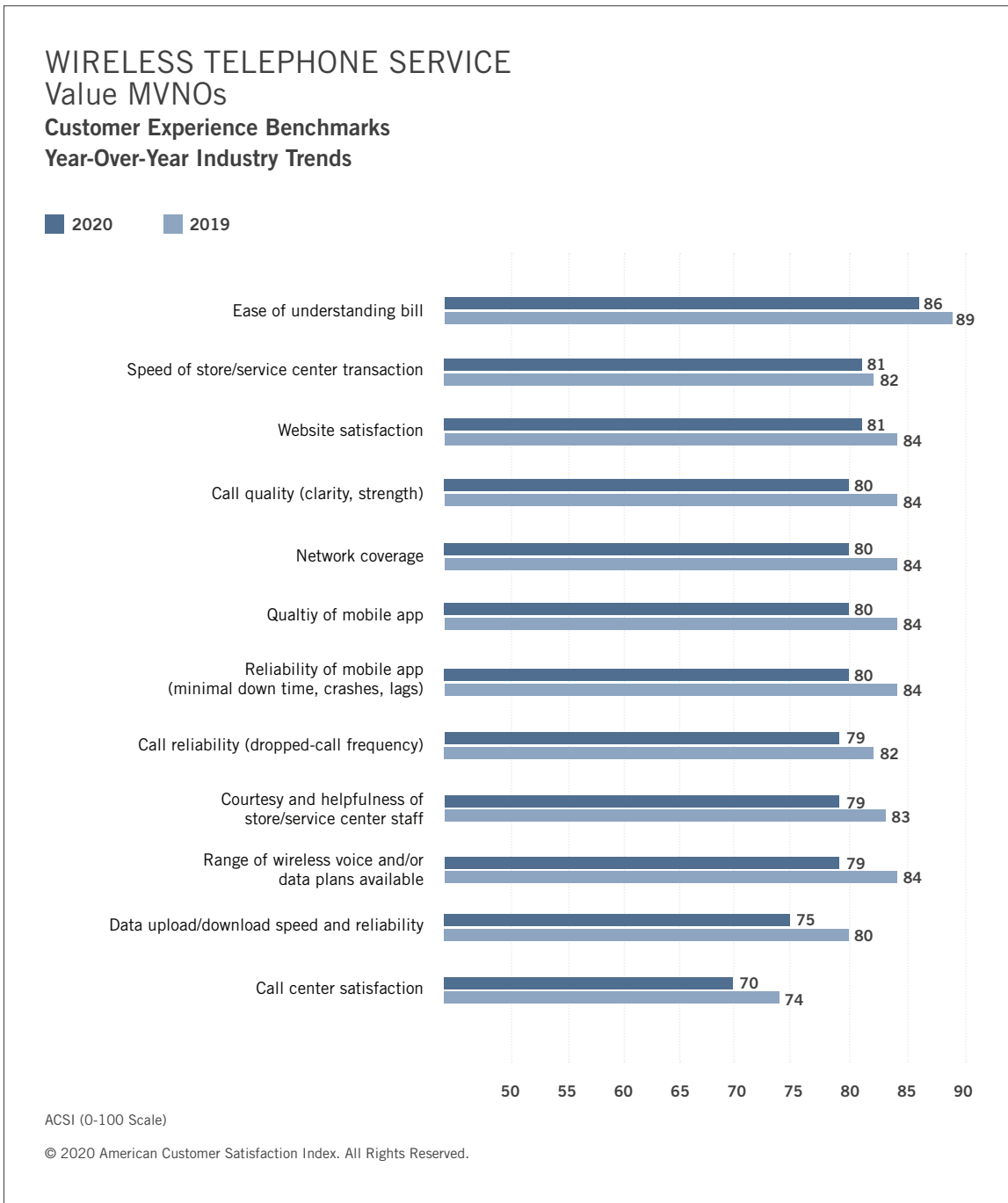
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Much lower, two federally subsidized services join the Index in 2020. SafeLink Wireless, a TracFone Wireless brand, debuts at 71. While this is at the low end of the category, it is much better than Q Link Wireless at 66. In general, lower satisfaction scores are not surprising for these Lifeline service providers as they focus on offering basic connectivity only. Neither service is designed for heavy data usage, and both receive low ratings for data speed. In spite of this, Q Link's ACSI score ties with network operator Sprint this year, while SafeLink actually surpasses Sprint for satisfaction.

Along with the significant decline in customer satisfaction, the customer experience for value MVNOs deteriorates substantially compared to a year ago. Overall, many elements suffer steep drops of 5% to 6%, bringing the category closer to the scores posted for either full-service MVNOs or network operators.

Nevertheless, the category still does well as several elements score 80 or higher. The best part of the customer experience for value MVNOs continues to be ease of billing, which retreats from the sky-high level of 89 to 86. Websites are less satisfying this year (-4% to 81), and mobile apps drop down 5%, coming in at 80 for quality and reliability.



Call quality and network coverage each decline 5% to 80, but they exceed levels seen in the other categories. On the opposite end, customers are frustrated by data speed—which backtracks 6% to 75. As in other categories, call centers need to improve (-5% to 70) and are the worst part of the customer experience.

Cellular Telephones

Cell phones have never made customers happier as the overall industry rises 1.3% to a new high of 80. The gain follows four years of stability for cell phones at an ACSI score of 79. The industry has steadily improved customer satisfaction over time, with a net gain of 16% over the past 15 years.

Globally, smartphone sales declined 1% in 2019, and the United States saw an end to the high-growth trends in smartphone sales from 2017 and 2018. Amid this general softening in the smartphone market, Apple retains the lead position in U.S. market share, followed by Samsung; LG and Lenovo’s Motorola are a distant third and fourth. While 5G is still a small slice of the U.S. market, Samsung claims the majority of sales, with Apple yet to release its first 5G iPhone.

So far in 2020, the smartphone market has been hit hard by the global pandemic. In April, Samsung issued warnings about possible supply chain disruptions and weaker smartphone demand. Even before the pandemic, U.S. smartphone replacement cycles had surged by some estimates to more than 36 months. 5G growth could also slow as cash-strapped consumers may be less likely to open their wallets.

For customer satisfaction, Apple (+1% to 82) and Samsung (unchanged at 81) continue to wrangle as a small gain puts Apple on top. Apple’s overall iPhone revenue rose 8% year over year in the 2019 holiday quarter with strong sales for its iPhone 11 series, which offers advanced cameras and improved battery life. ACSI data show that Apple customers overall are more pleased with their device’s battery life compared to a year ago.

**AMERICAN CUSTOMER SATISFACTION INDEX:
CELLULAR TELEPHONES**

COMPANY	2019	2020	% CHANGE
Cellular Telephones	79	80	1.3%
Apple	81	82	1%
Samsung	81	81	0%
LG	78	79	1%
Motorola (Lenovo)	80	77	-4%
All Others	72	75	4%

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LG, with its much smaller market share, ticks up 1% to 79, moving closer to Samsung. Over the past three years, LG has steadily improved customer satisfaction. In the opposite direction, Motorola (Lenovo) recedes 4% to 77 and loses the advantage it had over LG for the last several years. The group of smaller cell phone manufacturers jumps 4% to 75 but stays at the industry's bottom.

Among smartphone brands, the tale of two manufacturers continues as 17 of 18 models that earn scores of 80 or above belong to Samsung or Apple. The number-one phone is Samsung's Galaxy Note 9 with an ACSI score of 85. The Note 9 rates best in class for both phone features and video quality. The Galaxy S9+ and S10 follow at 84, tied with Apple's iPhone XS Max. All of these models are older, released in 2018, with the exception of the S10. All four also have screen sizes of 6.1 inches or more.

AMERICAN CUSTOMER SATISFACTION INDEX: SMARTPHONE BRANDS

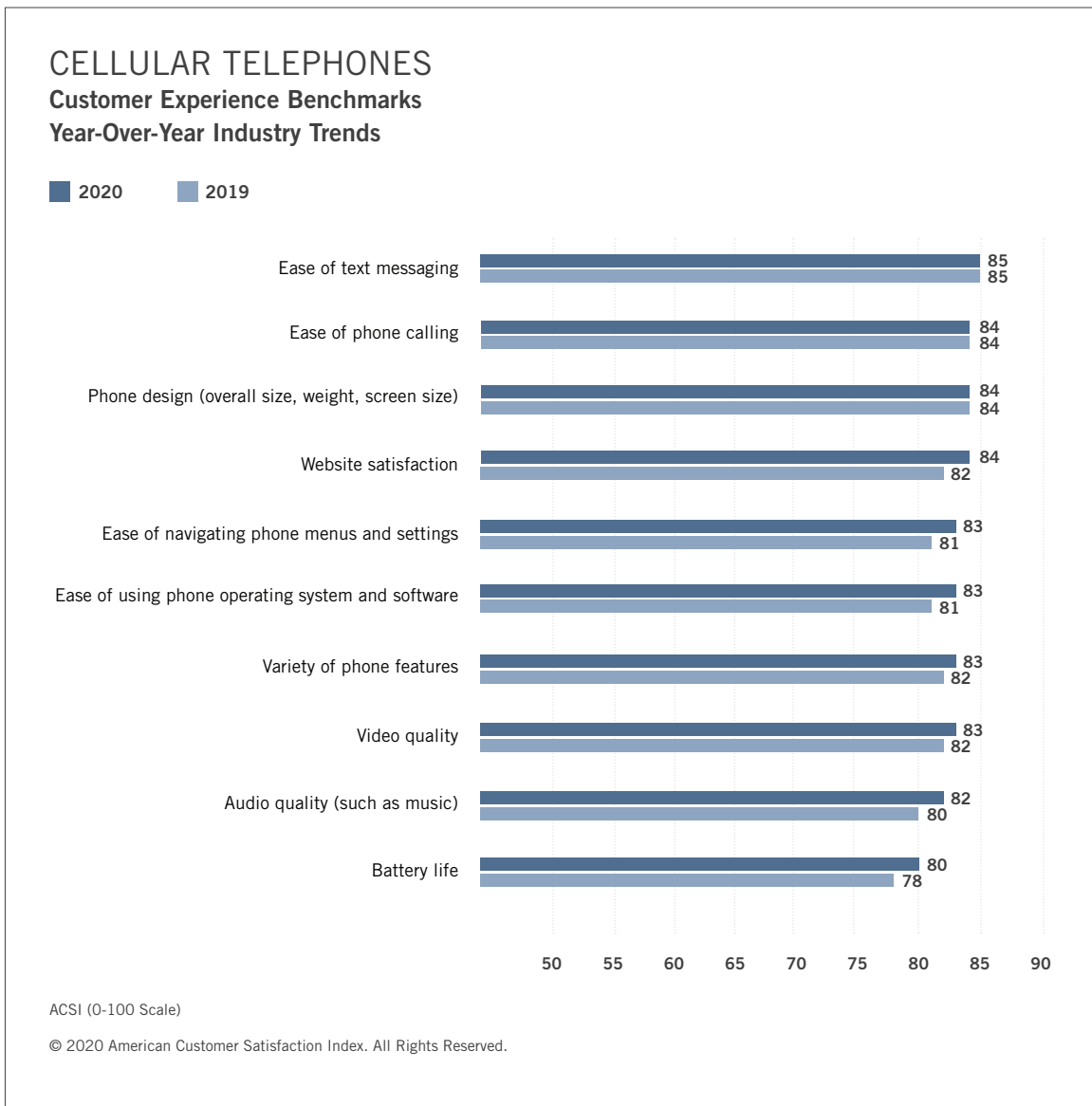
Brand	Manufacturer	2020
Galaxy Note 9	Samsung	85
Galaxy S9+	Samsung	84
Galaxy S10	Samsung	84
iPhone XS Max	Apple	84
iPhone X	Apple	83
Galaxy S9	Samsung	83
iPhone 8 Plus	Apple	83
Galaxy S10+	Samsung	83
iPhone 11	Apple	82
iPhone 6S	Apple	82
Galaxy S8	Samsung	82
iPhone 7 Plus	Apple	82
iPhone 11 Pro Max	Apple	82
iPhone 8	Apple	81
iPhone 11 Pro	Apple	81
Galaxy J7 Prime	Samsung	81
iPhone XR	Apple	80
Stylo 5	LG	80
iPhone 7	Apple	79
Galaxy J7	Samsung	78
Galaxy S7	Samsung	78
Galaxy J3	Samsung	76
Galaxy S10e	Samsung	76
K10	LG	75
iPhone 6	Apple	75

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Four models earn ACSI scores of 83: Apple’s iPhone X and 8 Plus, along with Samsung’s Galaxy S9 and S10+. Apple’s best-selling phones from the holiday season, the new iPhone 11 series, all rate lower than predecessors iPhone X and XS Max. Specifically, iPhones 11 and 11 Pro Max score 82, while the 11 Pro scores 81. For Samsung, one 2019 model is precariously close to the bottom: Galaxy S10e at 76. This score matches the company’s older Galaxy J3 (76), and actually trails two other 2016 models: J7 Prime (81) and S7 (78).

LG’s top phone in this year’s survey is the Stylo 5 at 80. The company’s older K10 rates at the bottom, along with iPhone 6 (both 75). The iPhone 6, with its smaller 4.7-inch screen, was released in 2014. Also coming in on the low end for Apple, the iPhone 7 (2016) scores 79. Interestingly, the older iPhone 6S does better at 82. Looking ahead, Apple’s new iPhone SE, launching after the interview period ended, could appeal to budget-minded consumers.



Cell phone users feel that their devices are better in many ways compared to a year ago. Customers continue to appreciate the ease of texting (85) and calling (84), and device design is excellent (84). Furthermore, websites have gotten better (+2% to 84).

Users feel it is easier to navigate menus and they are happier with operating systems and software (+2% to 83). Phone features, video quality, and audio quality have all improved, but most importantly battery life no longer frustrates users (+3% to 80). Five years ago, battery life (74) was the single element to score below 80. Steady improvement every year since then now brings battery life in line with other highly rated aspects of the customer experience.

About This Report

The *ACSI Wireless Service and Cellular Telephone Report 2019-2020* on mobile network operators, full-service MVNOs, value MVNOs, cellular telephones, and smartphone brands is based on interviews with 27,346 customers, chosen at random and contacted via email between April 15, 2019, and March 20, 2020. Customers are asked to evaluate their recent experiences with the largest wireless service providers and cell phone manufacturers in terms of market share, plus an aggregate category consisting of “all other”—and thus smaller—companies in those industries.

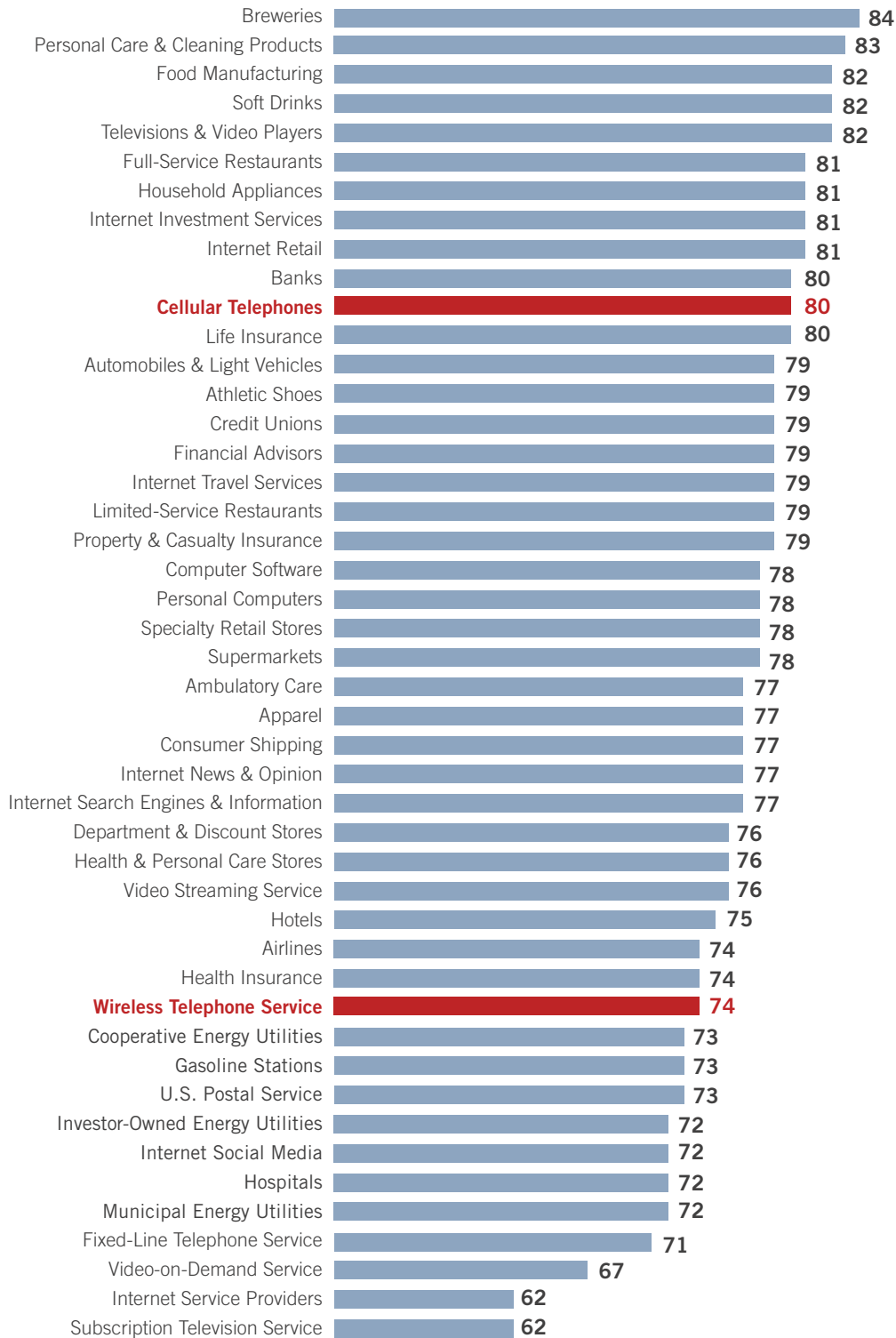
The survey data are used as inputs to ACSI’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

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