INDUSTRY RESEARCH: COMMUNICATIONS AND MEDIA

2017

CONNECTED SUBSCRIBER REPORT

Insights into the Expectations of Today's Mobile and Cable Subscribers

salesforce research

Introduction

Based on responses from more than 2,210 U.S. adults, among whom 2,067 were mobile phone owners and 1,703 were cable subscribers, the research conducted online by Harris Poll in February 2017 found differences in the ways that customers prefer to shop and purchase services from communications service providers (CSPs). In addition, the research indicates that many Americans distrust their wireless and cable providers. However, CSPs have the opportunity to improve customer perceptions by delivering new services such as over-the-top (OTT) content, simplifying billing and streamlining the on-boarding process.

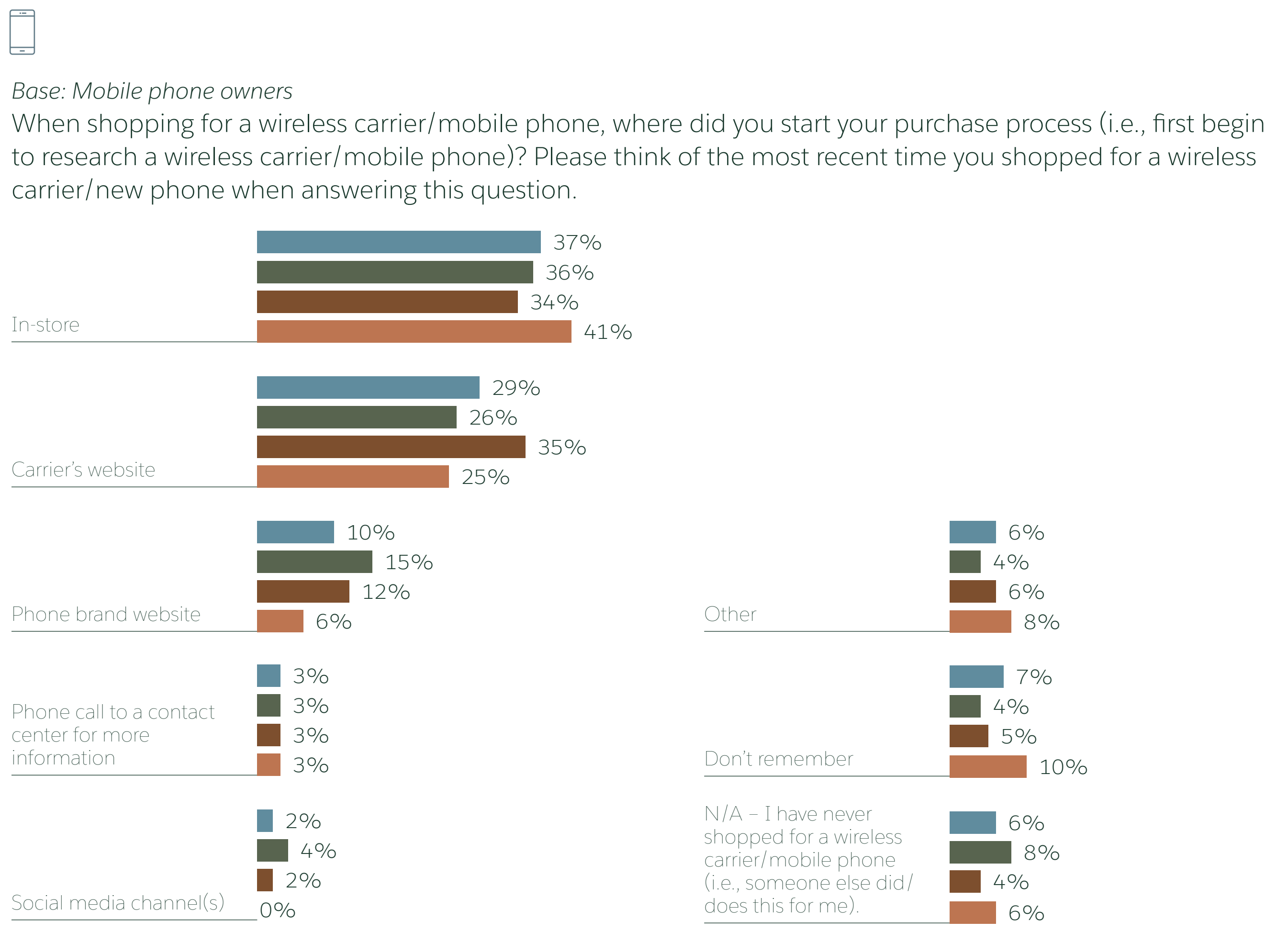
Base: U.S. adults

Which of the following types of mobile devices, if any, do you own and use? Please select all that apply.

	Total	Millennials (18-34)	Generation X (35-54)	Baby Boomers (55+)
Smartphone	81%	92%	86%	68%
Standard Mobile Phone	22%	18%	18%	28%
Tablet	58%	61%	64%	50%
eReader	19%	21%	18%	19%
Other Mobile Device(s)	6%	10%	4%	5%
None	3%	1%	2%	6%

I. Shopping for Wireless Carriers and Cable Providers

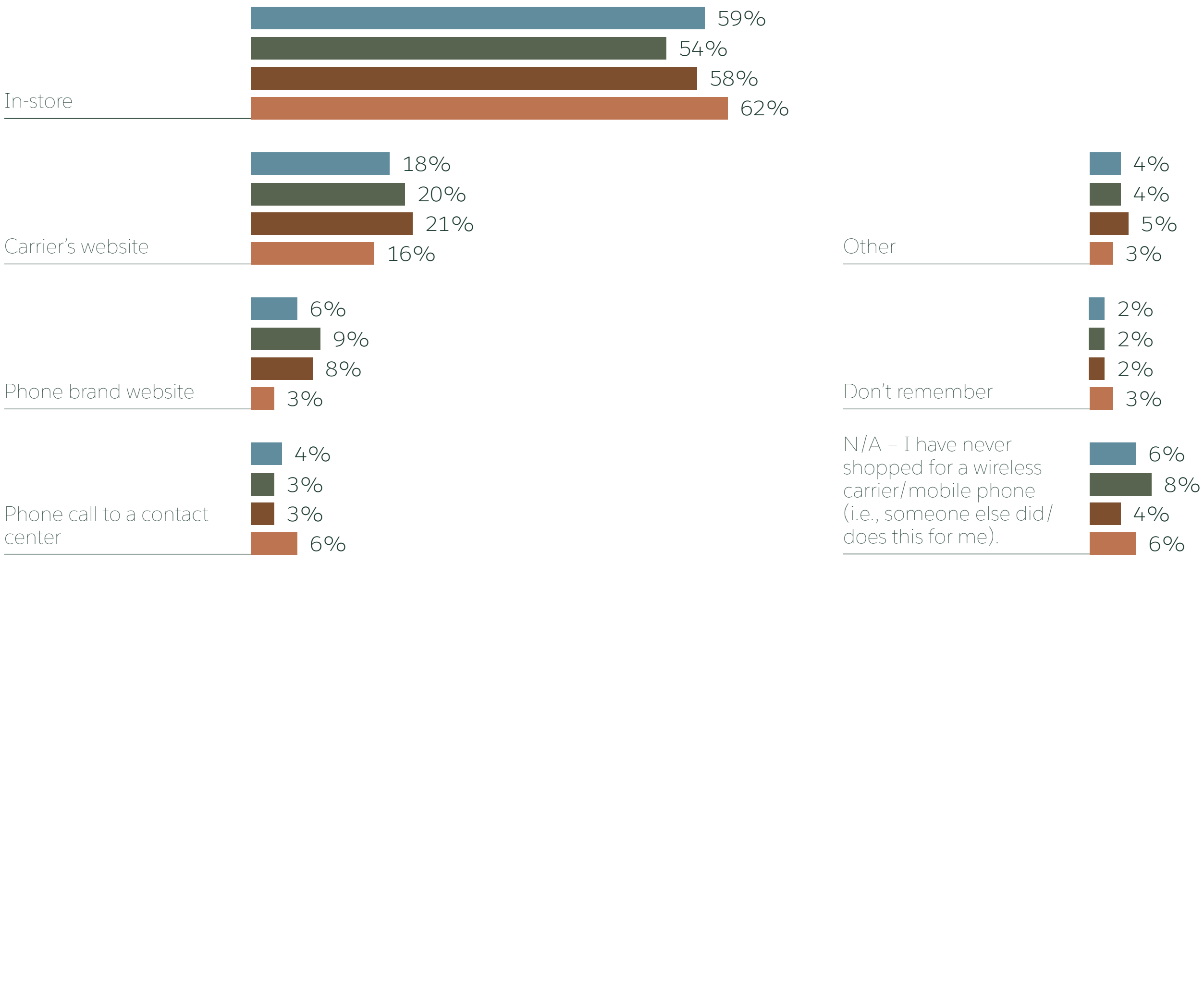
More than one-third (37%) of those American mobile phone owners shopping for wireless carriers began their purchasing processes by researching devices in store, and well over half (59%) chose to complete their purchases processes in physical locations. Leading reasons for making purchases in-store included being able to pick up products the same day (59%), consult store associates and get questions answered (56%) and desire to experience products firsthand (44%). Cable subscribers, on the other hand, are more apt to start (34%) and finish (46%) the cable purchase process via phone calls to providers' contact centers.



Despite the growth of digital technologies, brick-and-mortar stores remain an important channel in the customer purchase journey, especially for mobile subscribers.

Base: Mobile phone owners

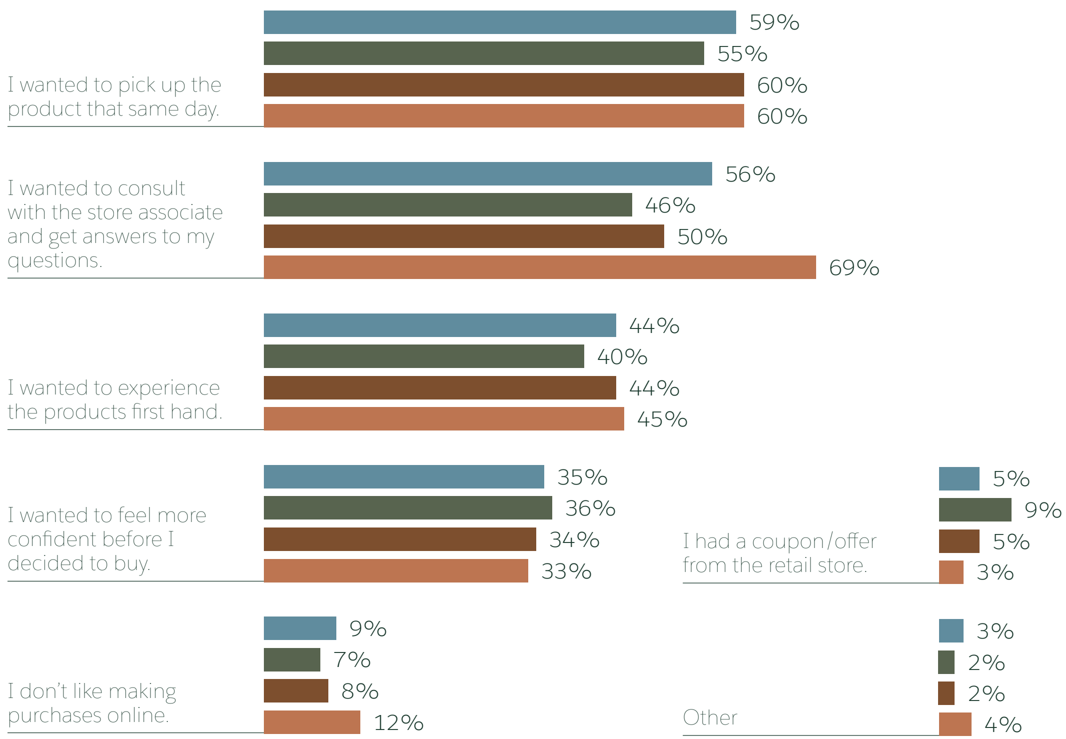
When shopping for a wireless carrier/mobile phone, where did you complete the purchase process (i.e., actually buy the phone/service)?



Mobile subscribers rely on in-store associates for support – so training is key.

Base: Mobile phone owners who purchased in-store

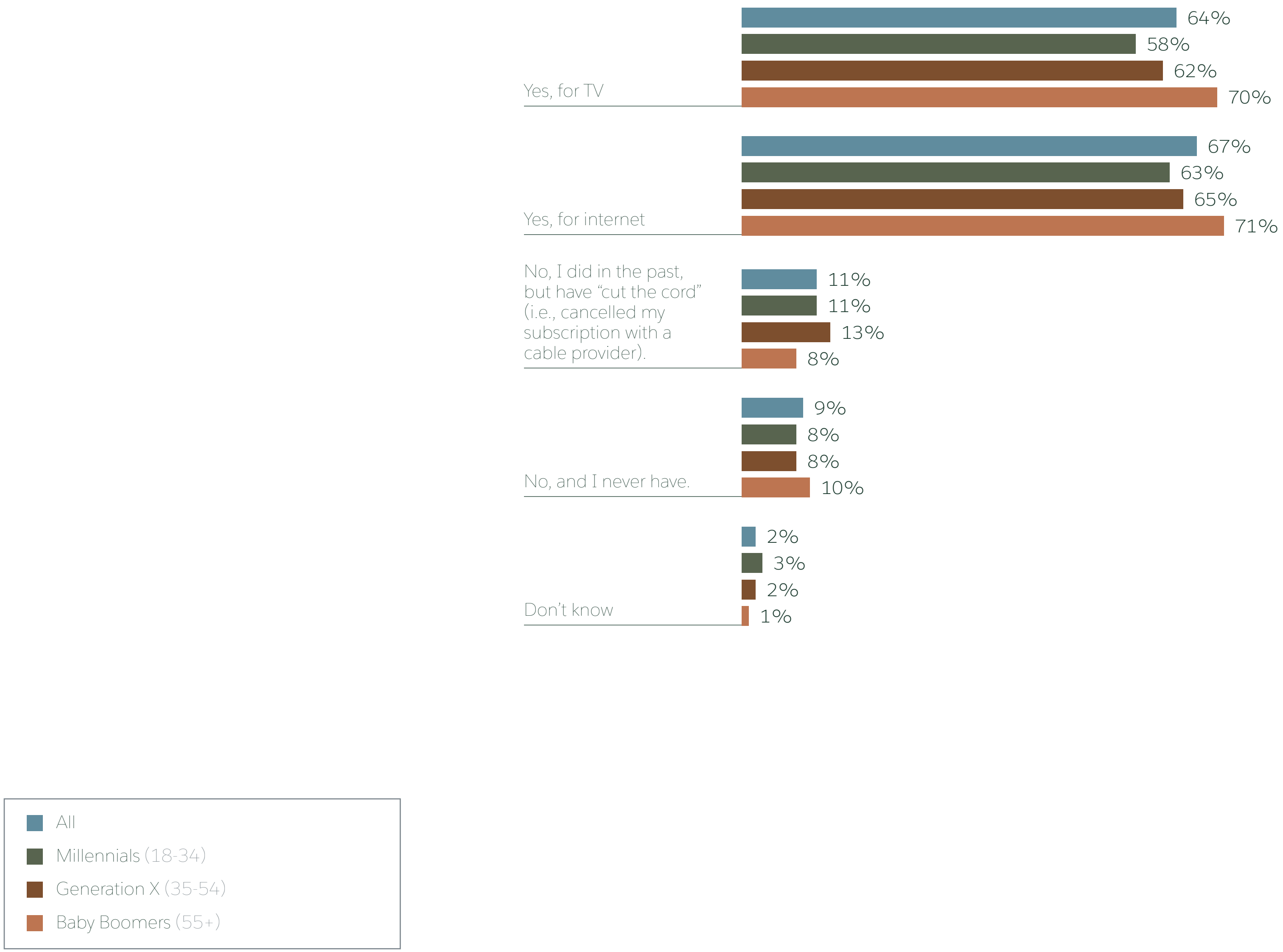
Why did you choose to go into the store for purchase? Check all that apply.



- All
- Millennials (18-34)
- Generation X (35-54)
- Baby Boomers (55+)

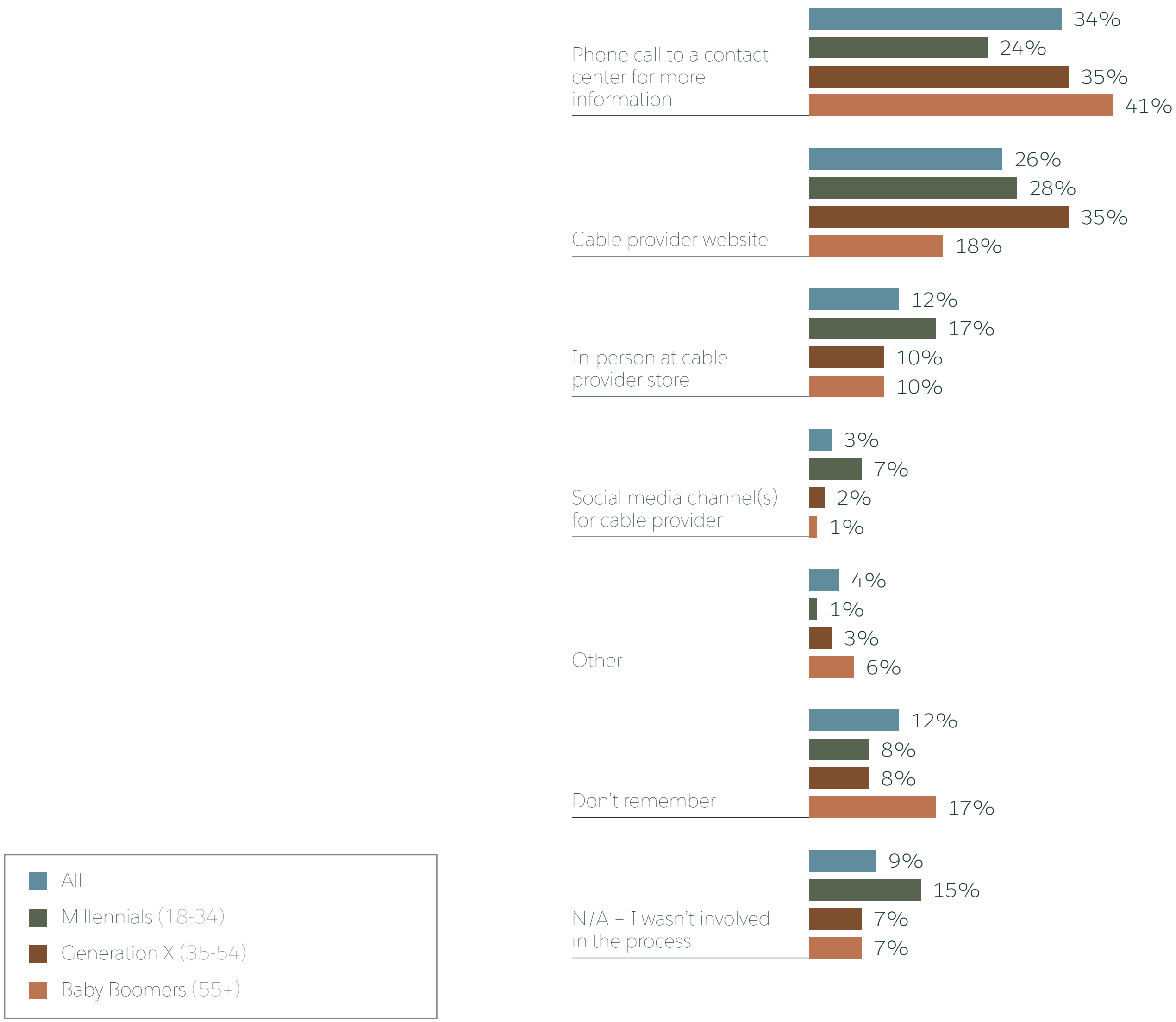
Base: U.S. adults

Are you subscribed to a cable provider (e.g., Verizon, Comcast, Time Warner), either for TV service or internet use? Check all that apply.



Base: Cable subscribers

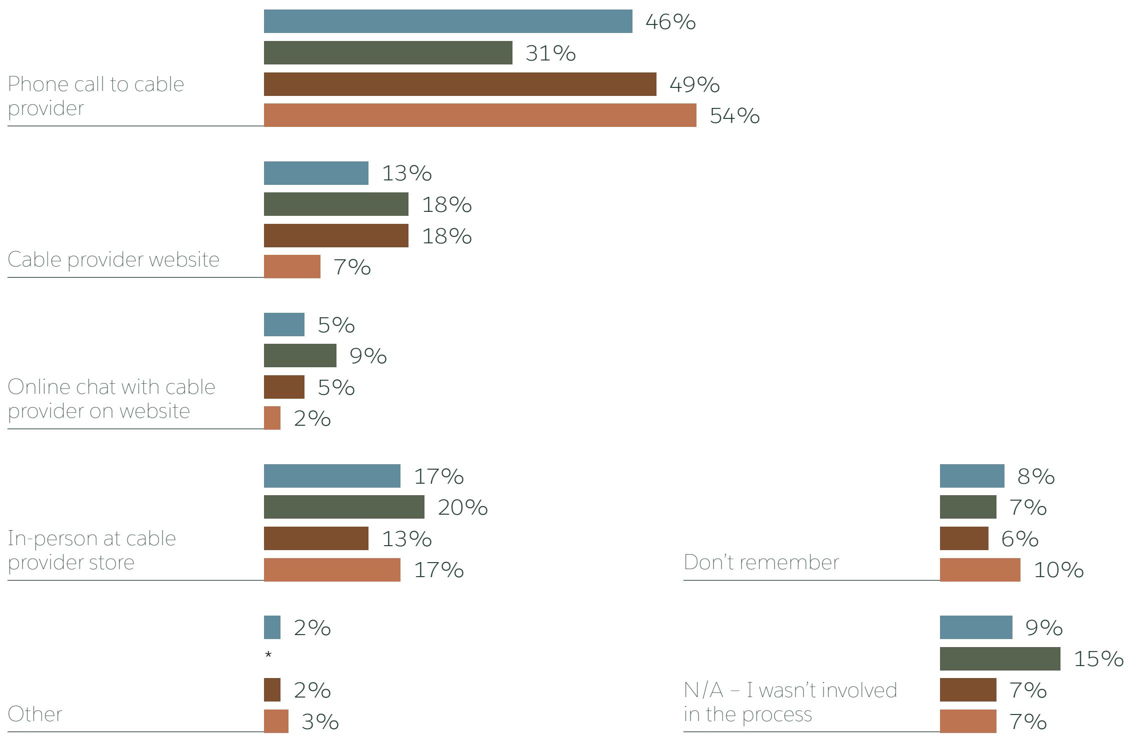
When shopping for your cable provider, where did you start your purchase process?



Cable customers still heavily rely on assistance from the call center in finalizing their purchase decisions.

Base: Cable subscribers

When shopping for a cable provider, where did you complete the purchase process (i.e., actually sign up for the service)?



* *indicates less than half a percent*

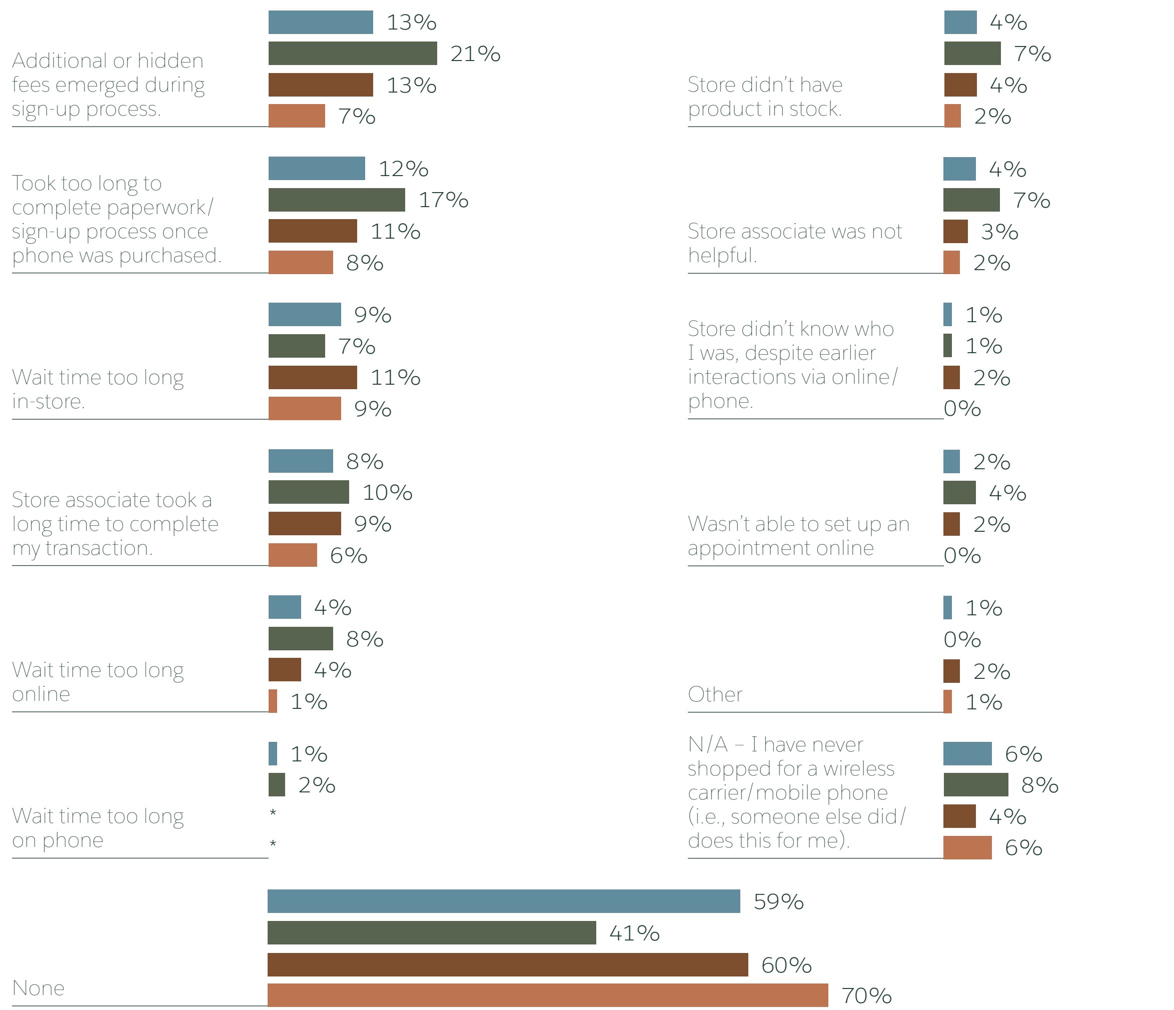
All
Millennials (18-34)
Generation X (35-54)
Baby Boomers (55+)

Generational gaps emerge among mobile phone owners when it comes to issues they say they have experienced with their purchase process.

Millennials were three times more likely to cite additional or hidden fees emerging during the signup process (21%), and twice as likely to say it took too long to complete paperwork once their phones were purchased (17%) vs. their baby boomer counterparts (7% and 8%, respectively).

Base: Mobile phone owners

Which of the following issues did you have with your purchase experience? Check all that apply.



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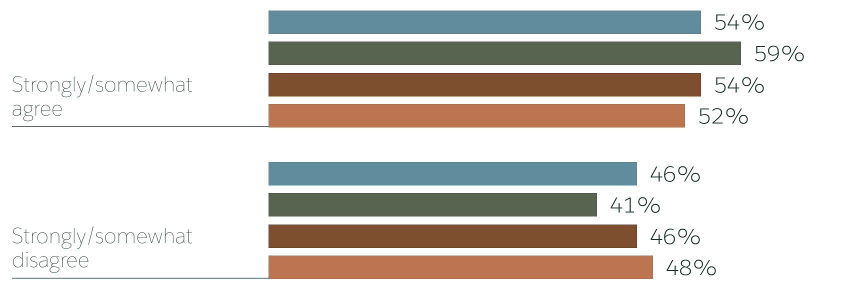
II. Trust in CSPs

A common problem among CSPs is securing customer loyalty and trust. Cable providers appear to struggle more than wireless carriers, with just 42% of cable subscribers strongly or somewhat agreeing that their providers have their best interests at heart, compared to more than half (54%) of mobile phone owners who feel the same of their wireless carriers.

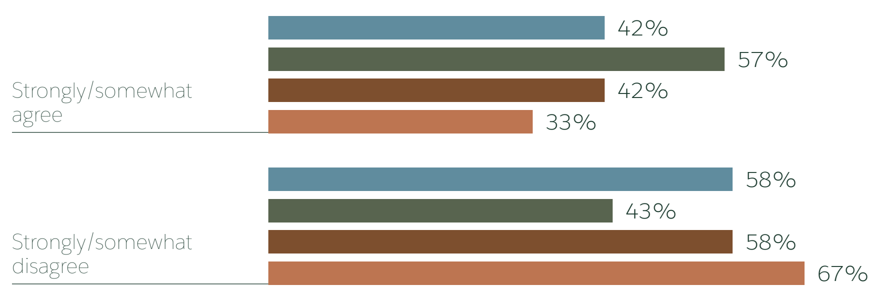
Base: Mobile phone owners

I believe my wireless carrier has my best interests at heart.



Base: Cable subscribers

I believe my cable provider has my best interests at heart.



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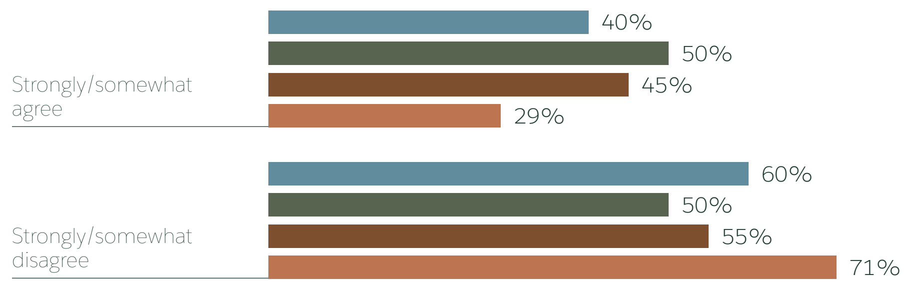
Cable subscribers are more likely than mobile phone owners to believe they get the best service from their providers or wireless carriers when they threaten to switch vendors (56% of cable subscribers vs. 40% of mobile phone owners).

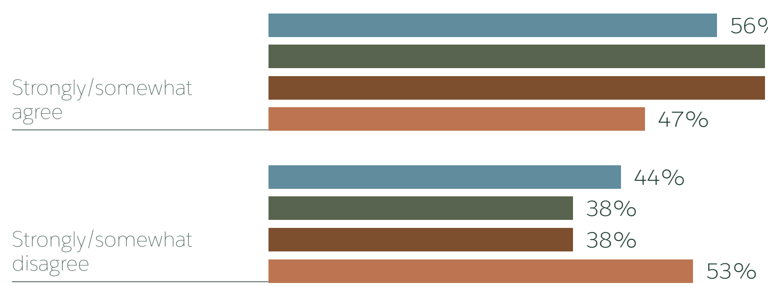
Base: Mobile phone owners

I get the best service from my wireless carrier when I threaten to switch carriers.



Base: Cable subscribers

I get the best service from my cable provider when I threaten to switch providers.



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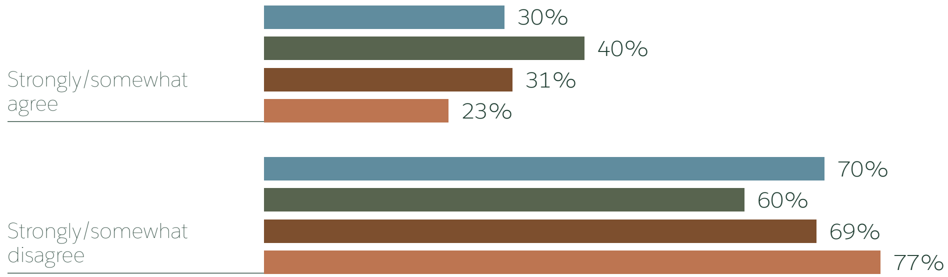
Not surprisingly, the complexity of bills is clearly a pain point for consumers – especially millennials – with more than one-third of millennial cable subscribers (41%) and mobile phone owners (40%) saying they strongly or somewhat agree that their bills for those services are too confusing.

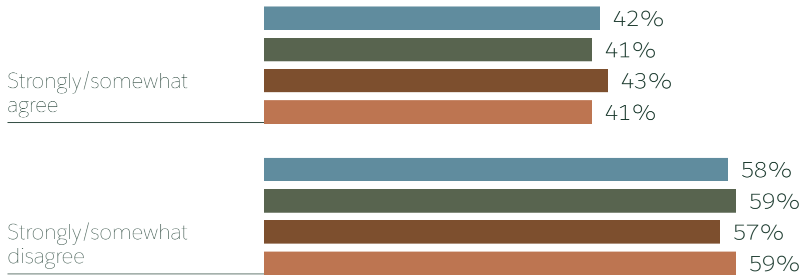
Base: Mobile phone owners

My wireless bill is too confusing.



Base: Cable subscribers

My cable bill is too confusing.



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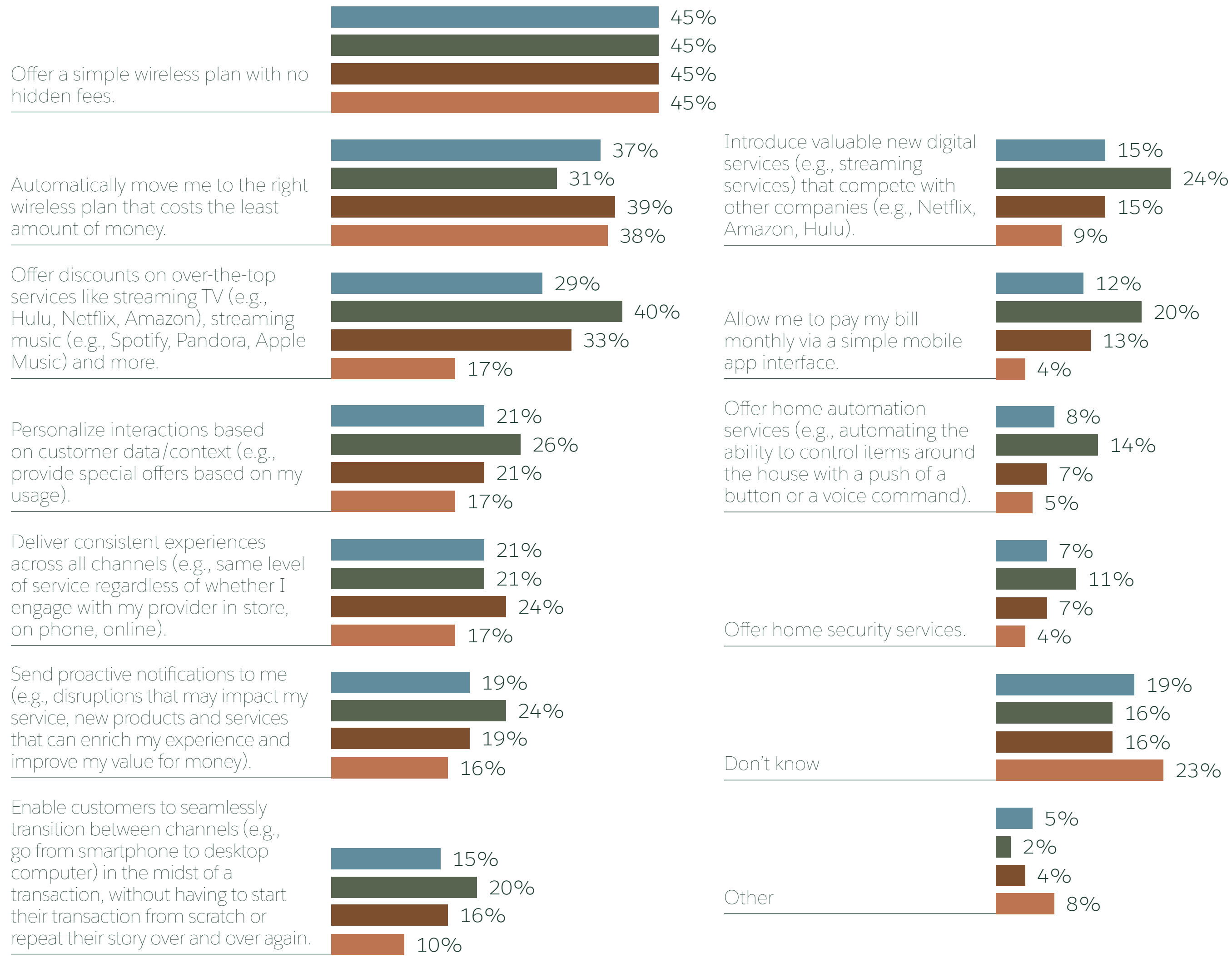
III. How to Improve Customer Experiences

Subscribers agree there are improvements wireless carriers and cable providers can make to deliver better experiences. In fact, the majority of both mobile phone owners (45%) and cable subscribers (42%) say they would be more satisfied with their wireless carriers or cable providers if they offered plans void of hidden fees.

Base: Mobile phone owners

Other than reducing your monthly bill, in what ways could your wireless carrier improve your satisfaction with its services? Check all that apply.



All
Millennials (18-34)
Generation X (35-54)
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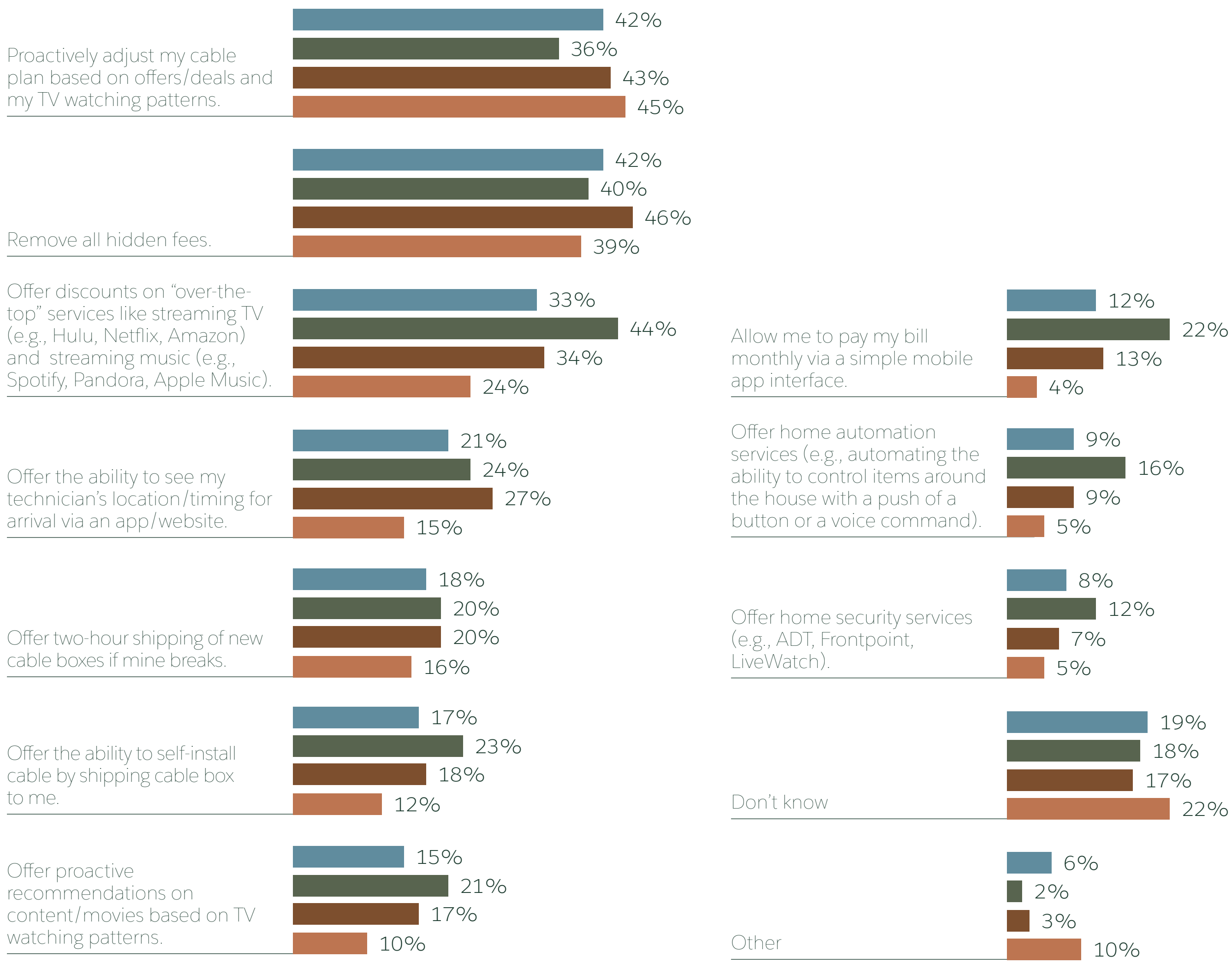
Perhaps not surprisingly, millennial subscribers overall are nearly twice as likely than their baby boomer counterparts to cite discounts on over-the-top (OTT) services like streaming TV or music as another way to increase satisfaction. Similarly, millennial cable subscribers would be happier if their providers offered the ability to see a technician's location/timing for arrival via an app or website (24%), allowed customers the ability to self-install cable by shipping cable boxes to them (23%), or sent proactive recommendations on content/movies based on TV watching patterns (21%).

Base: Cable subscribers

Other than reducing your monthly bill, in what ways could your cable carrier improve your satisfaction with its services? Check all that apply.



- All
- Millennials (18-34)
- Generation X (35-54)
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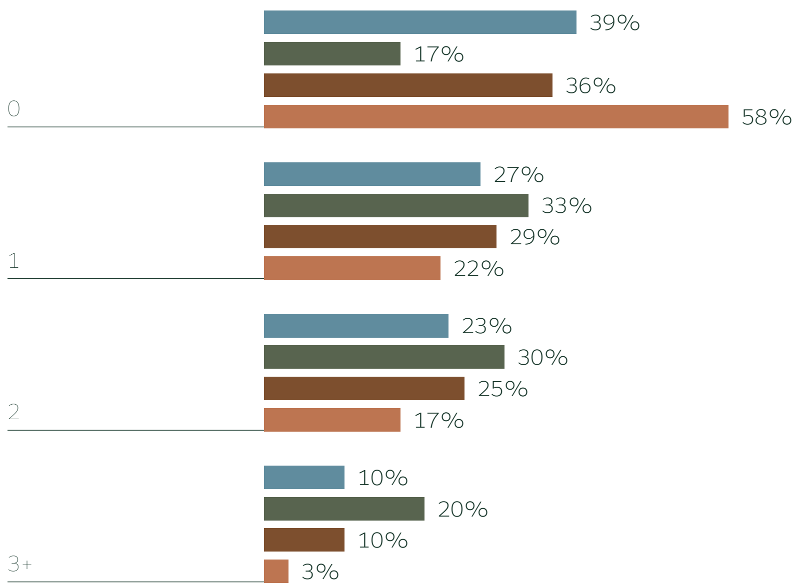
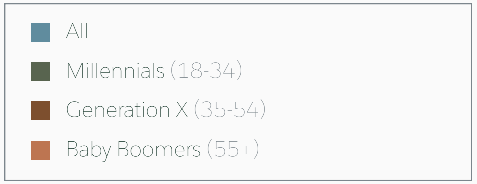
IV. Cord-cutting and OTT Gains Momentum

The rise of over-the-top (OTT) streaming services, such as Hulu, Netflix and others, remains a hot topic among today's consumers. And with 83% of millennials saying they subscribe to one or more paid streaming services, traditional CSPs need to find new ways to address this trend, whether through competitive offerings or integration with OTT services.

Base: U.S. adults

How many paid streaming services (e.g., Apple TV, Netflix, Hulu) are you currently subscribed to?

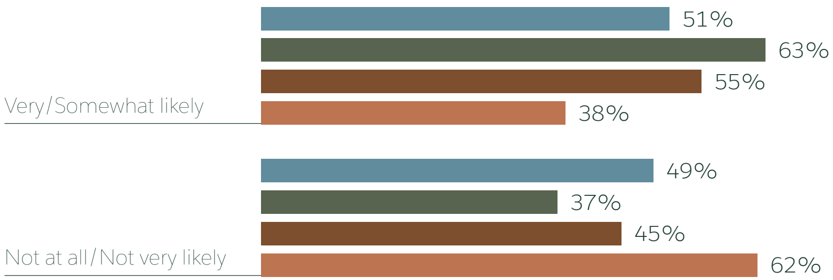




More than two-thirds of cable subscribers (56%) and almost half of all mobile phone owners (51%) would be somewhat or very likely to use nontraditional tech companies or OTT content providers for their wireless or cable services rather than their current providers if it were available.

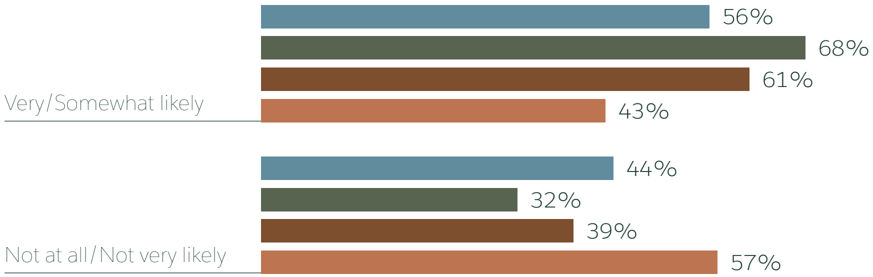
Base: Mobile phone owners

If available, how likely would you be to use a tech company (e.g., Apple, Google, Facebook) for your wireless carrier or mobile phone service instead of your current provider?



Base: Cable subscribers

If available, how likely would you be to use a tech company (e.g., Apple, Google, Facebook) for your cable service instead of your current provider?



- All
- Millennials (18-34)
- Generation X (35-54)
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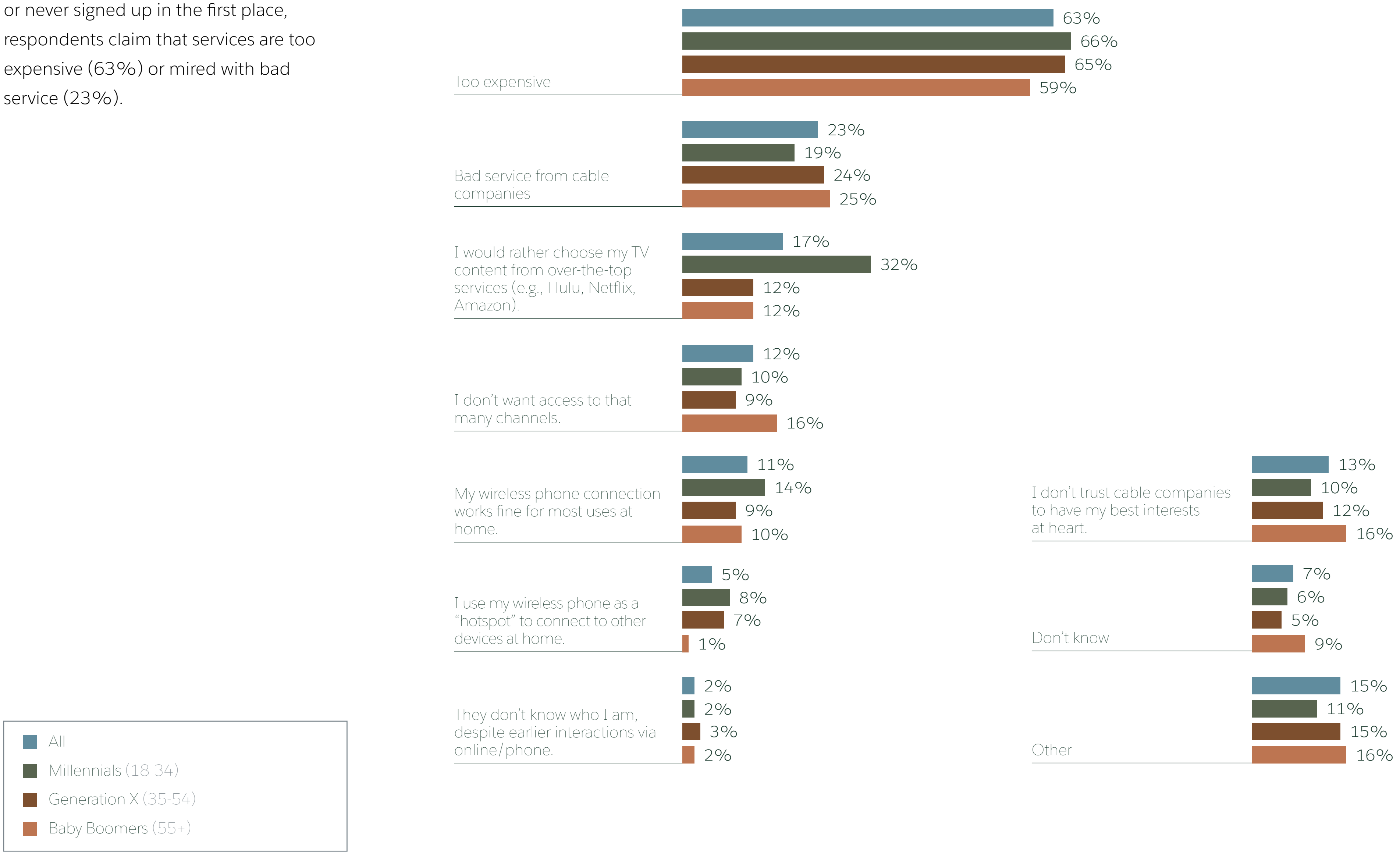
Among those who have chosen to unsubscribe from their cable providers, or never signed up in the first place, respondents claim that services are too expensive (63%) or mired with bad service (23%).

Base: Cord cutters or never signed up for cable services

Why did you “cut the cord” with your cable provider or never sign up for cable? Check all that apply.



V. Methodology

This survey was conducted online within the United States by Harris Poll on behalf of Salesforce, Feb. 22-24, 2017, among 2,210 U.S. adults, ages 18 and older, among whom 2,067 are mobile phone owners and 1,703 are cable subscribers. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Annie Meenan at ameenan@salesforce.com.

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