

AT&T Rural Mobile Consumers: Why might they churn?

Market Study
Second Quarter, 2016





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Published Second Quarter, 2016
Version 1.0
Report Number: 2Q2016-01

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Abstract

Because the overall number of mobile subscribers is no longer growing in the saturated U.S. mobile market, service providers must lure subscribers away from another provider if they want to grow their subscriber base. This is equally true for regional mobile operators and national operators.

Many in the mobile industry want to know *why* mobile subscribers churn. In other words, what specific factors increase the likelihood of churn? How do network quality, customer service, price, advertising and promotions, and other non-mobile services offered by a provider affect subscribers' likelihood to stay with or leave their mobile service provider?

This market study analyzes the causes of churn for a particular segment of the mobile market – AT&T subscribers in rural (non-metropolitan) markets. All of the results are also presented for a national sample of respondents, in order to provide a comparison between trends for all U.S. mobile consumers and trends for AT&T rural mobile consumers.

In addition to looking at the possible causes of churn for AT&T rural mobile consumers, in this market study *iGR* also analyzes the recent churn rates for AT&T, the current churning behaviors of AT&T rural mobile consumers and U.S. mobile consumers, such as how long they have been with their current and previous providers, and AT&T rural consumers' and all U.S. consumers' perceptions of the network quality, pricing and customer service of the four major operators. The data in the study is based on two web-based surveys of more than 1,000 respondents that *iGR* fielded in November, 2015 (U.S. national mobile consumers) and March, 2016 (rural mobile consumers only).

Key questions addressed:

- What are AT&T's churn rates currently and historically?
- What percentage of AT&T rural consumers and U.S. mobile consumers have been with their current service provider for less than one year? More than one year? More than two years?
- What percentage of AT&T rural consumers and U.S. mobile consumers have been with only one service provider?
- How do advertising and promotions affect AT&T rural consumers' and U.S. mobile consumers' likelihood to switch providers?
- How do bundled services, such as AT&T's U-Verse and DirecTV, affect AT&T rural consumers' and U.S. mobile consumers' likelihood to switch providers?

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- How do AT&T rural consumers and U.S. mobile consumers perceive the network quality, pricing and customer service of the four major U.S. mobile operators? How could this perception affect their likelihood to churn from their current provider?
- Why do AT&T rural consumers and U.S. mobile consumers who have stayed with their operator for more than one year do so? What, if anything, might make them change in the future?
- How can a rural mobile operator get AT&T subscribers to churn away from the national operator?

Who should read this report?

- Regional mobile network operators
- Wireless and Mobile advertising agencies
- Mobile service retailers and distributors
- Financial and investment analysts.

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Verizon Wireless Rural Mobile Consumers: Why might they churn?

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Market Study

Published Second Quarter, 2016
Version 1.0
Report Number: 2Q2016-02

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