



Press Release

J.D. Power and Associates Reports: As Customer Satisfaction with Feature-Rich Smartphones Continues to Increase, Satisfaction with Traditional Mobile Phones Declines

Apple Ranks Highest among Both Consumer and Business Smartphone Owners,
While LG Ranks Highest among Traditional Mobile Phone Owners

WESTLAKE VILLAGE, Calif.: 8 October 2009 — Overall satisfaction among smartphone owners has increased considerably over time as manufacturers continue to improve styling, feature sets, usability and software, according to the J.D. Power and Associates 2009 Wireless Consumer Smartphone Customer Satisfaction Study—Volume 2 and the 2009 Wireless Business Smartphone Satisfaction StudySM released today. The J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM—Volume 2 was also released today.

Satisfaction among consumer smartphone owners has increased by 14 index points (on a 1,000-point scale) from just six months ago, while satisfaction among business owners has increased by 43 index points from 2008 as these devices have become more stylish, customizable and user-friendly.

Among traditional mobile phone owners, overall satisfaction has declined by six index points from April 2009, likely as a result of heightened awareness among traditional mobile phone owners of advanced features available on smartphones.

These three studies measure [customer satisfaction with traditional wireless handsets](#) and [smartphones](#) across several key factors. In order of importance, key factors of overall satisfaction with traditional wireless handsets are operation (30%); physical design (30%); features (20%); and battery function (20%). For consumer smartphones, key factors are ease of operation (30%); operating system (22%); features (21%); physical design (18%); and battery function (9%). For [business smartphones](#), key factors include ease of operation (29%); operating system (23%); physical design (21%); features (16%); and battery function (11%).

Apple ranks highest among manufacturers of smartphones used primarily for personal reasons, with a score of 811, and performs particularly well in ease of operation, operating system, features and physical design. LG (776) and RIM BlackBerry (759) follow Apple in the rankings.

Among customers who use their smartphones primarily for business purposes, Apple ranks highest with a score of 803, followed by RIM BlackBerry (724).

LG ranks highest in overall wireless customer satisfaction with traditional handsets with a score of 723, performing well across all factors, particularly battery function, features and operation.

Wireless Smartphone Findings

The proportion of consumers who purchase more affordable smartphones (those costing less than \$100) has significantly increased among most of the manufacturers included in the rankings, compared with the previous wave of the study six months ago. This indicates that wireless carriers are discounting their devices to attract new customers who are willing to pay for more costly service plans.

“Attractive rebates or discounts offered to current smartphone owners, as well as incentives given to traditional handset owners to upgrade to smartphones, are effective ways for wireless carriers to generate revenue and increase market share,” said Kirk Parsons, senior director of wireless services at J.D. Power and Associates. “It is important, however, that manufacturers meet the expectations of those taking advantage of such offers by ensuring the features are intuitive and ultimately rewarding to them in the long run. Providing an easy-to-use, yet powerful operating system with the ability to customize applications to suit owners’ individual needs is essential to providing a high-quality and rewarding wireless experience.”

Wireless Traditional Mobile Phone Findings

The study finds that wireless carriers are offering deep discounts on traditional handsets, with 43 percent of traditional mobile phone owners, on average, reporting they received their handset free of charge. Satisfaction is significantly lower among owners who receive their handsets for free. Among these owners, satisfaction averages just 693, compared with 713 among owners who pay for their traditional mobile phone.

“Satisfaction is notably lower among owners who receive their handsets for free, because these phones often do not offer the full suite of features that owners desire,” said Parsons. “When fewer features are available, usage rates also decline, which translates into lower brand loyalty. Offering extensive features that owners can integrate into their daily lives may foster brand loyalty to both the phone manufacturer and wireless carrier, and ultimately result in a more rewarding and satisfying owner experience.”

The studies also find the following key wireless handset usage patterns:

- Among consumer smartphone owners, 22 percent want Wi-Fi capability in their next handset, while 21 percent want touch-screen capabilities and 17 percent want GPS capability.
- More than 40 percent of consumer smartphone owners report entirely replacing landline calling with mobile phone calling, while only 27 percent of traditional handset owners have done the same.
- Among business smartphone owners, more than one-half report downloading third-party games for entertainment, while 46 percent report downloading travel software such as maps and weather applications—indicating business users are also integrating their devices into their personal lives. In addition, nearly one-half of owners (46%) report downloading business utility applications to increase productivity.

The 2009 Wireless Consumer Smartphone Customer Satisfaction Study—Volume 2 and the 2009 Wireless Traditional Mobile Phone Evaluation Study—Volume 2 are based on experiences reported by 12,595 traditional mobile phone and 3,221 smartphone owners who have used their current mobile phone for less than two years. The 2009 Wireless Business Smartphone Customer Satisfaction Study is based on experiences reported by 1,148 smartphone owners who use their smartphone for primarily business purposes. All three studies were fielded between January and June 2009.

Visit JDPower.com to read an [article](#) or view customer satisfaction ratings for [business smart phones](#), [consumer smart phones](#), [traditional wireless phones](#), [wireless call quality](#), [customer care](#), and [retail sales](#).

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

Founded in 1888, The McGraw-Hill Companies (NYSE: MHP) is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, *BusinessWeek* and J.D. Power and Associates. The Corporation has more than 280 offices in 40 countries. Sales in 2008 were \$6.4 billion. Additional information is available at <http://www.mcgraw-hill.com>.

J.D. Power and Associates Media Relations Contacts:

John Tews; Troy, Mich.; (248) 312-4119; john.tews@jdpa.com

Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; syvetril.perryman@jdpa.com

No advertising or other promotional use can be made of the information in this release without the express prior written consent of J.D. Power and Associates. www.jdpower.com/corporate

###

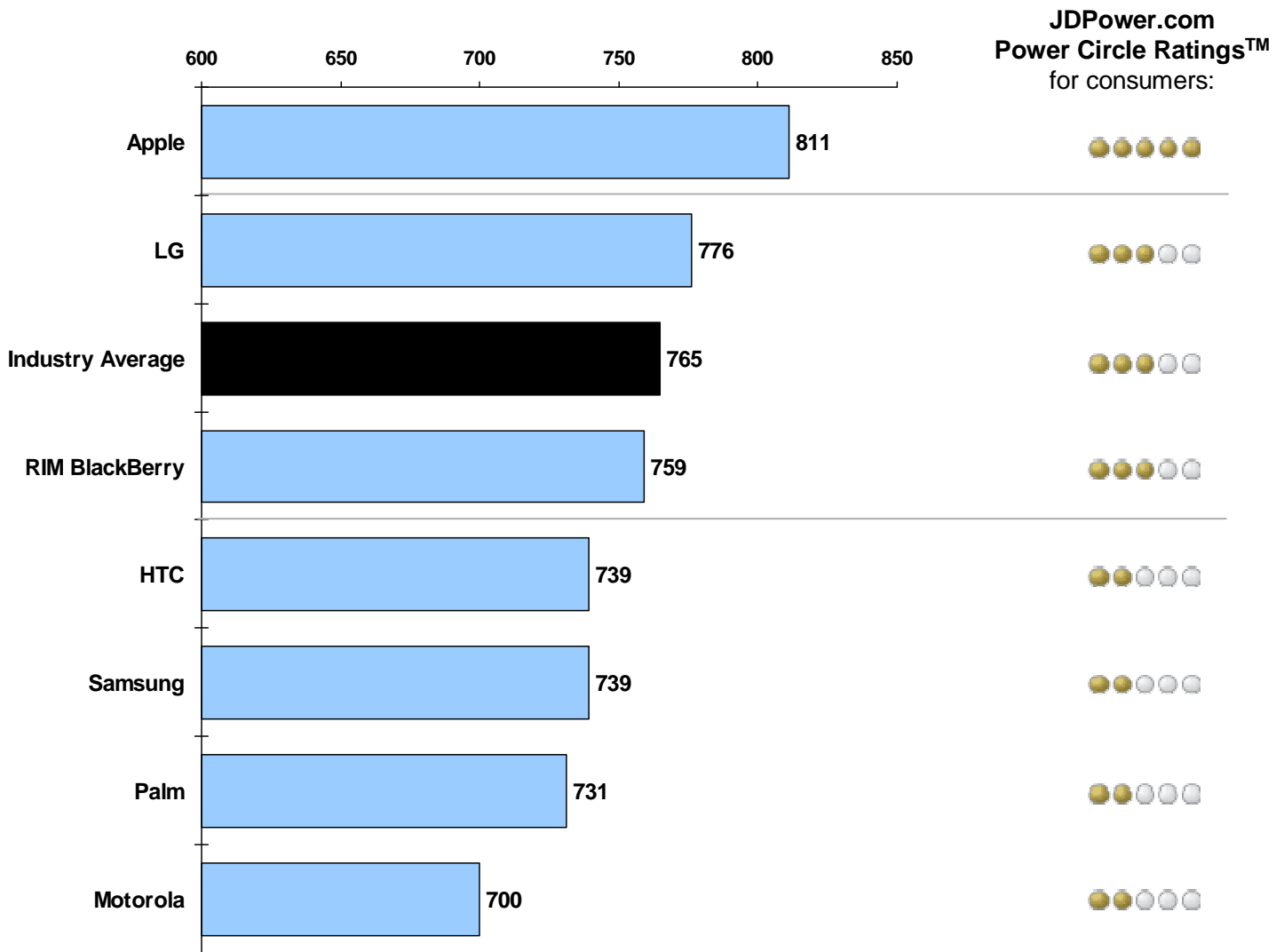
(Page 2 of 2)

NOTE: Three charts follow.

J.D. Power and Associates 2009 Wireless Consumer Smartphone Satisfaction StudySM –Volume 2

Overall Wireless Consumer Smartphone Index Rankings

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2009 Wireless Consumer Smartphone Satisfaction StudySM–Volume 2

Power Circle Ratings Legend

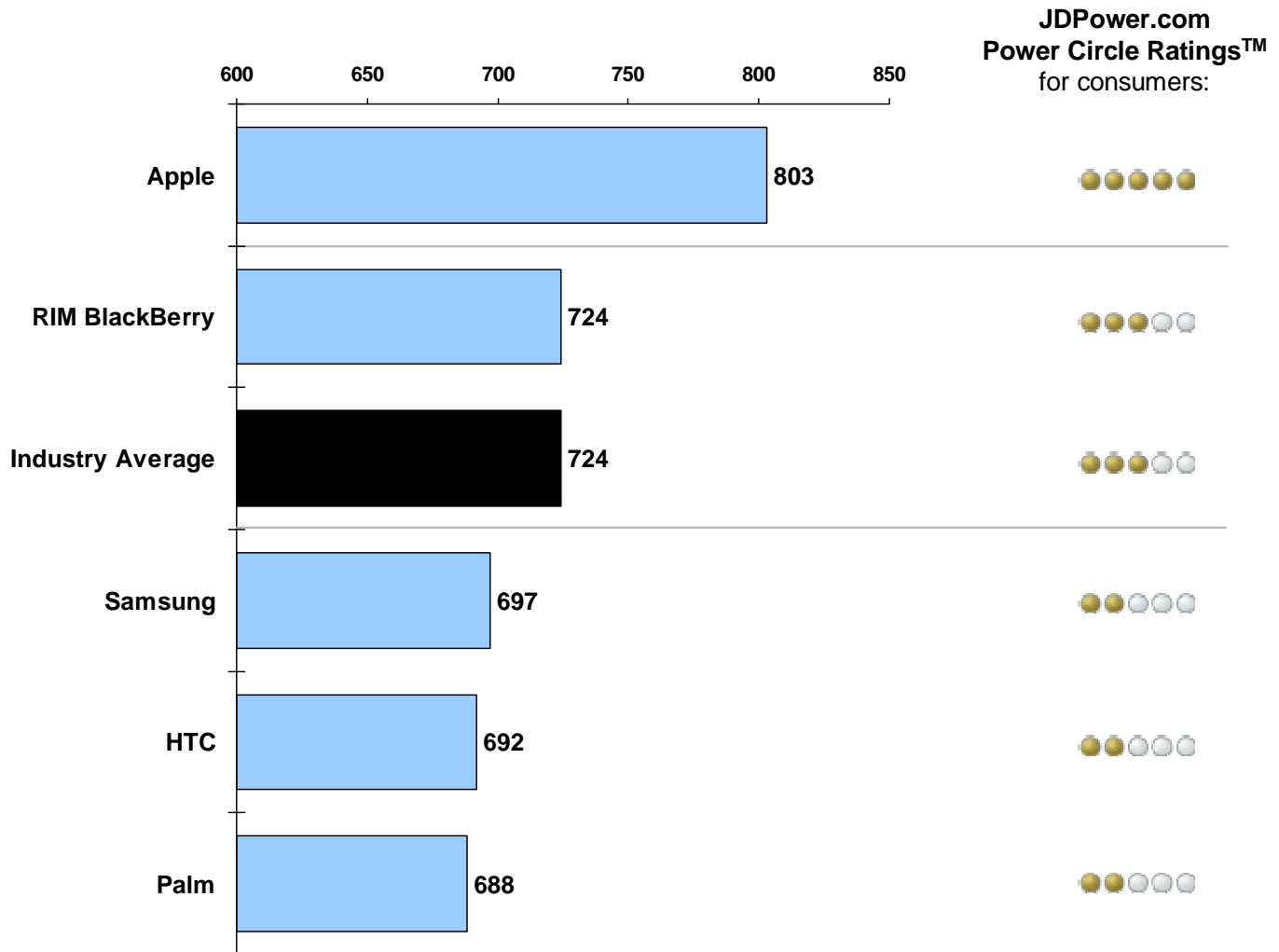
- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2009 Wireless Consumer Smartphone Satisfaction StudySM – Volume 2 as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2009 Wireless Business Smartphone Customer Satisfaction StudySM

Overall Smartphone Index Rankings

(Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

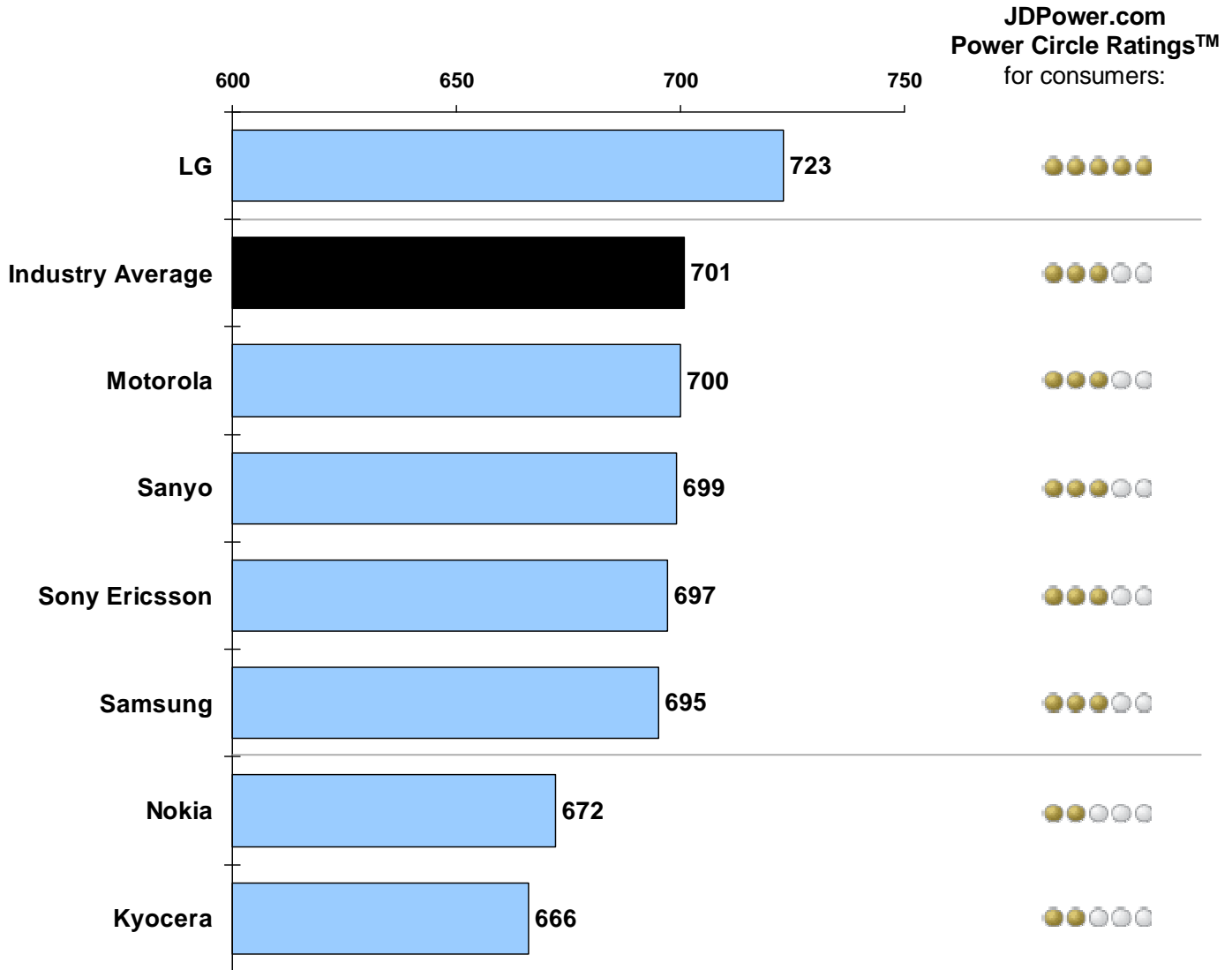
Source: J.D. Power and Associates 2009 Wireless Business Smartphone Customer Satisfaction StudySM

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2009 Wireless Business Smartphone Customer Satisfaction StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM –Volume 2

Overall Wireless Traditional Handset Index Rankings

(Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM–Volume 2

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2009 Wireless Traditional Mobile Phone Satisfaction StudySM – Volume 2 as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.