



# **Net10 Prepaid Wireless Consumer Trends National Poll**

**Prepared for the New Millennium Research Council**

**November 3, 2010**

---

**The survey was conducted by Infogroup/ORC October 7-10, 2010 among a sample of 1,008 adults comprising 500 men and 508 women 18 years of age and older living in the Continental United States. Respondents were screened for ownership of a working cell phone. All questions are based at least on this smaller subsample of 715 respondents with a working cell phone. Some questions are based on even smaller subsamples.**

- Completed interviews are weighted by four variables: age, gender, region and race to ensure reliable and accurate representation of the total population, 18 years of age and older.
- The margin of error for results based on the total sample of cell phone owners is plus or minus 4 percentage points.

# Executive Summary

# Executive Summary

The “Net10 Prepaid Wireless Consumer Trends National Poll” survey of 715 U.S. consumers with cell phones was conducted October 7-10, 2010 by Infogroup/ORC for the independent New Millennium Research Council. The survey shows the following:

- One in five U.S. cell phone users with contract-based service – an estimated 24.6 million consumers – are “very likely” (8 percent) or “somewhat likely” (12 percent) to “switch *in the next six months* from your contract-based cell phone service with an early-cancellation penalty to a no-contract cell phone with unlimited talk, text and Web or email access and no early-cancellation penalty.” Nearly one in 10 additional contract-based cell phone users (9 percent or an estimated 11.7 million consumers) “would consider switching, but you’re still going to be in your early-cancellation penalty phase six months from now.”
- Overall, roughly half (47 percent) of U.S. cell phone users with contract-based service – an estimated 57.8 million consumers – are “very likely” (23 percent) or “somewhat likely” (24 percent) to switch to “a no-contract or prepaid phone” when “your cell phone early-cancellation penalty period ends and you can switch at no cost.”

- Among U.S. cell phone consumers with contract-based service who say they are unlikely to switch to no-contract/prepaid service in the next six months well over half (56 percent) are “very or somewhat open to switching to a no-contract or prepaid cell plan *at some point in the future*, but you’re not planning to do so now.” Fewer than two in five contract-based phone users (38 percent) indicated they “don’t see yourself *ever* switching to a no-contract or prepaid cell phone.”
- Among U.S. cell phone consumers with a contract-based service who say they are unlikely to switch to no-contract/prepaid service in the next six months, the Number 1 reason cited for reluctance: “You like your current phone and don’t want to lose it and its features,” which was cited by over six in 10 (61 percent) as having a “major impact” (39 percent) or “somewhat of an impact” (23 percent). The Number 2 reason for reluctance: “You would be subject to a cancellation penalty and you don’t want to pay that,” which was cited by over half (52 percent) as having a “major impact” (33 percent) or “somewhat of an impact” (19 percent).
- Nearly six in 10 (59 percent) U.S. cell phone users with contract-based service – an estimated 72.5 million consumers – are “very likely” (36 percent) or “somewhat likely” (23 percent) to switch to “a no-contract or prepaid phone” when “you could get unlimited talk, text and Web or email access for \$50 a month with no penalty.”

- Over half (53 percent) of U.S. cell phone users with contract-based service – an estimated 65.1 million consumers – are “very likely” (26 percent) or “somewhat likely” (27 percent) to switch to “a no-contract or prepaid phone” when “you could get unlimited phone use for \$50 a month with no penalty for early-cancellation with a smart phone that costs you less than \$100.”
- Over two in five (42 percent) U.S. cell phone users with contract-based service – an estimated 51.6 million consumers – are “very likely” (17 percent) or “somewhat likely” (24 percent) to switch to “a no-contract or prepaid phone” when “you could tailor your phone bill to your needs, switching between unlimited phone use for \$50 a month for some months and \$25 a month for 750 minutes other months.”
- More than one in 10 U.S. cell phone users with contract-based cell phones – 12 percent of or an estimated 18.1 million consumers -- are either “no longer in the penalty period and are actively exploring less expensive service” (7 percent) or feel “you pay too much for your cell phone bill, but you don’t know if your early-cancellation penalty is still in effect or if it is expired” (5 percent). Nearly one in five other consumers (19 percent) say: “You pay too much for your cell phone bill and you feel trapped by the penalty that you know you would pay for cancelling your service early.” Fewer than six in 10 (57 percent) agree with the following statement: “You are satisfied with your cell phone bill and would not switch because of cost.”

- **How recently have consumers switched to no-contract/prepaid service?**
  - 25 percent - have only had no-contract cell phones.
  - 33 percent - more than two years ago.
  - 16 percent - in the last one-two years.
  - 9 percent - between six months to a year ago.
  - 14 percent - in the last six months.
- **Top reasons cited for U.S. consumers to switch to a no-contract/prepaid cell phone (including “major” or “somewhat” of an impact):**
  - 68 percent “needed or wanted to cut cell phone bill costs.”
  - 49 percent were "unhappy with early-cancellation penalty for contract-based phone service."
  - 48 percent cited "recent availability of unlimited talk, text, Web and email access on no-contract basis for about \$50 a month."
  - 58 percent were "paying too much for a Smartphone with features you didn't need or use."
  - 40 percent mentioned "poor phone service, such as dropped calls."
  - 40 percent cited "poor customer service."
  - 36 percent mentioned "recent availability of Smartphones on a no-contract basis."

- Seven in 10 cell phone consumers (69 percent) have a contract-based cell phone where a cancellation penalty may or may not be in play. One in five have a no-contract (or prepaid) cell phone with pay-as-you-go minutes (12 percent) or unlimited service (8 percent). One in 20 has both a contract-based cell phone and non-contract/prepaid cell phone.
- Two in five cell phone consumers (39 percent) have a “basic, no frills cell phone that you use only or primarily for making phone calls,” 28 percent “a cell phone that makes calls, but is also designed for a lot of texting.” Another 11 percent say they have “Blackberry for personal use,” 7 percent an iPhone, 7 percent an Android smart phone, and 4 percent some other kind of smart phone.

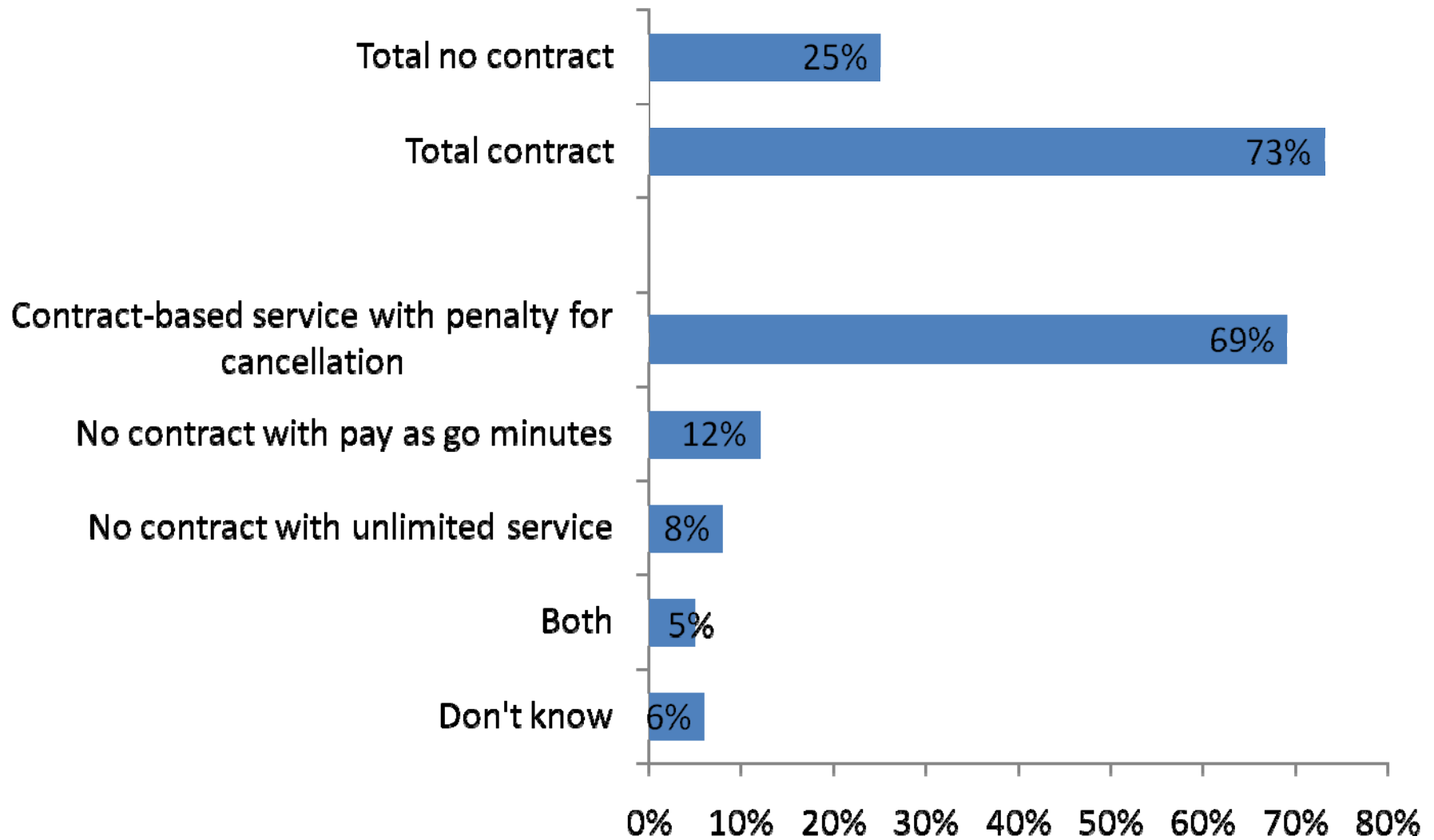
## Detailed Findings

# Most Have Contract-Based Cell Phone Service Plans

**Nearly seven out of 10 (69%) cell phone owners have a contract-based phone where there is a penalty if service is cancelled early. Twelve percent have a no-contract or prepaid phone where minutes are paid for as they are used, and 8% have a no-contract or prepaid phone with unlimited minutes. Five percent have both a contract and no-contract phone and 6% do not know. When all the different responses are netted together, 73% have a contract-based cell phone and 25% have a no-contract cell phone.**

- Cell phone owners age 18-64 are more likely to have a contract-based cell phone (77%) than are those age 65 and over (54%).
- Only 48% of those in households with incomes of less than \$35,000 have contract-based cell phone service. By comparison, 83% of those in households with incomes of \$35,000 or more have a contract-based cell phone service plan.
- Those in single-person households are less likely to have contract-based service than those who have two or more people in the household (60% vs. 76%).

# Most Have Contract-Based Cell Phone Service Plans



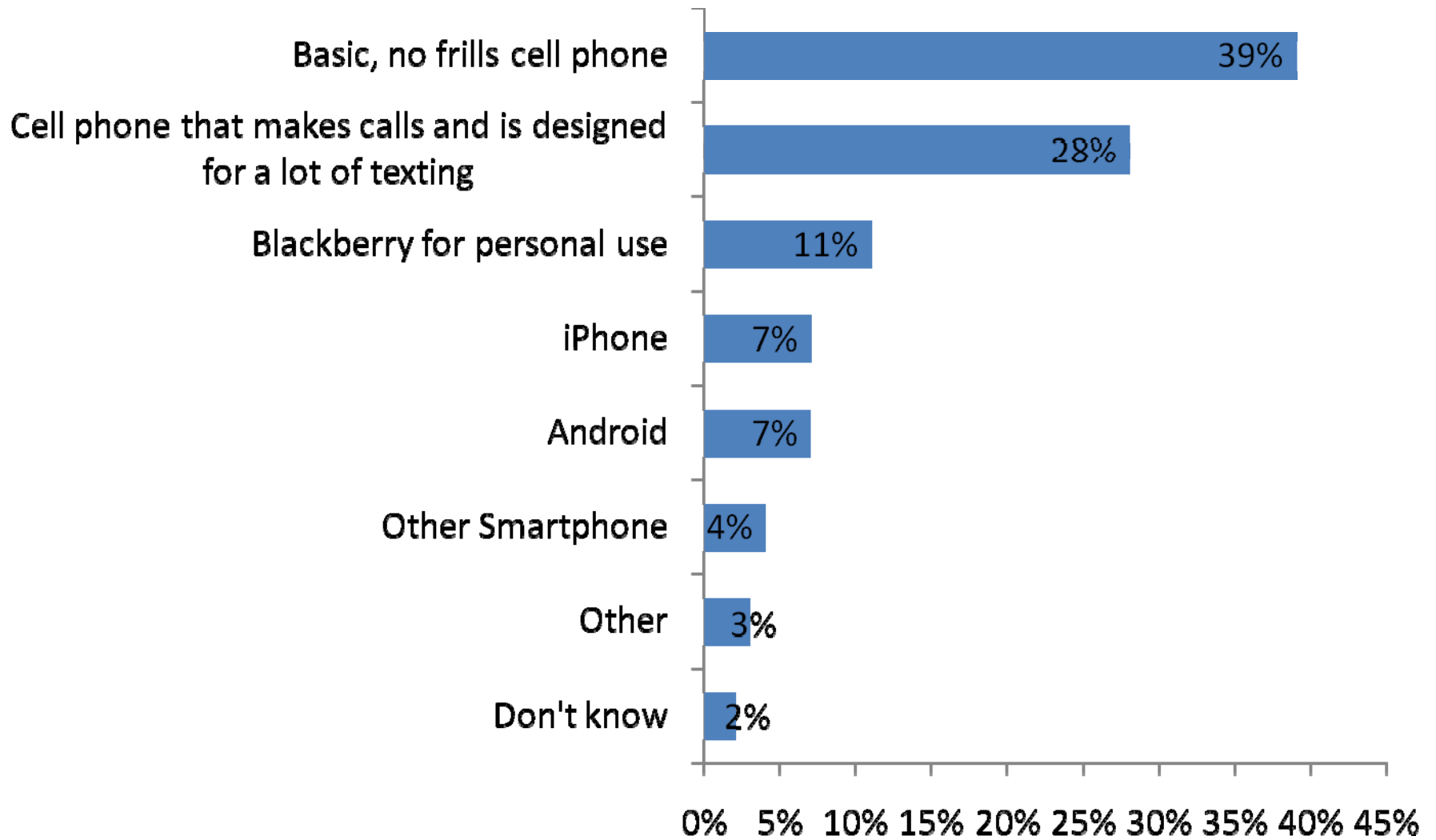
Q1: What kind of wireless cell phone service plan do you have? Base = 715 cell phone owners.

# Type of Cell Phone Owned

**Cell phone ownership is split between a basic, no-frills phone (39%) and one that makes calls but is also designed for a lot of texting (28%). Eleven percent have a Blackberry, and 7% have either an iPhone or an Android.**

- The type of phone owned is almost entirely dependent on age. Ownership of a basic, no-frills phones starts at only 20% for those age 18-34, and rises to 31% for those age 35-44, 45% for those 45-54, 54% for those 55-64 and 60% for those 65 and over.
- Thirty-four percent of those age 18-44 have a cell phone that allows them to do a lot of texting. This percentage is only 18% among those 65 and over.
- The respondents who are age 18-34 in the survey are the most likely age group to have an iPhone, Android or Blackberry for personal use.
- Regionally, those in the Midwest (48%) or Northeast (45%) are the most likely to have a basic no-frills phone.
- Households with incomes of less than \$35,000 are more likely to have a no-frills phone (43%) or a phone with texting ability (40%), while those in households with incomes of \$100,000 or more are the most likely to have a Blackberry (20%), iPhone (17%) or an Android (12%).

# Type of Cell Phone Owned

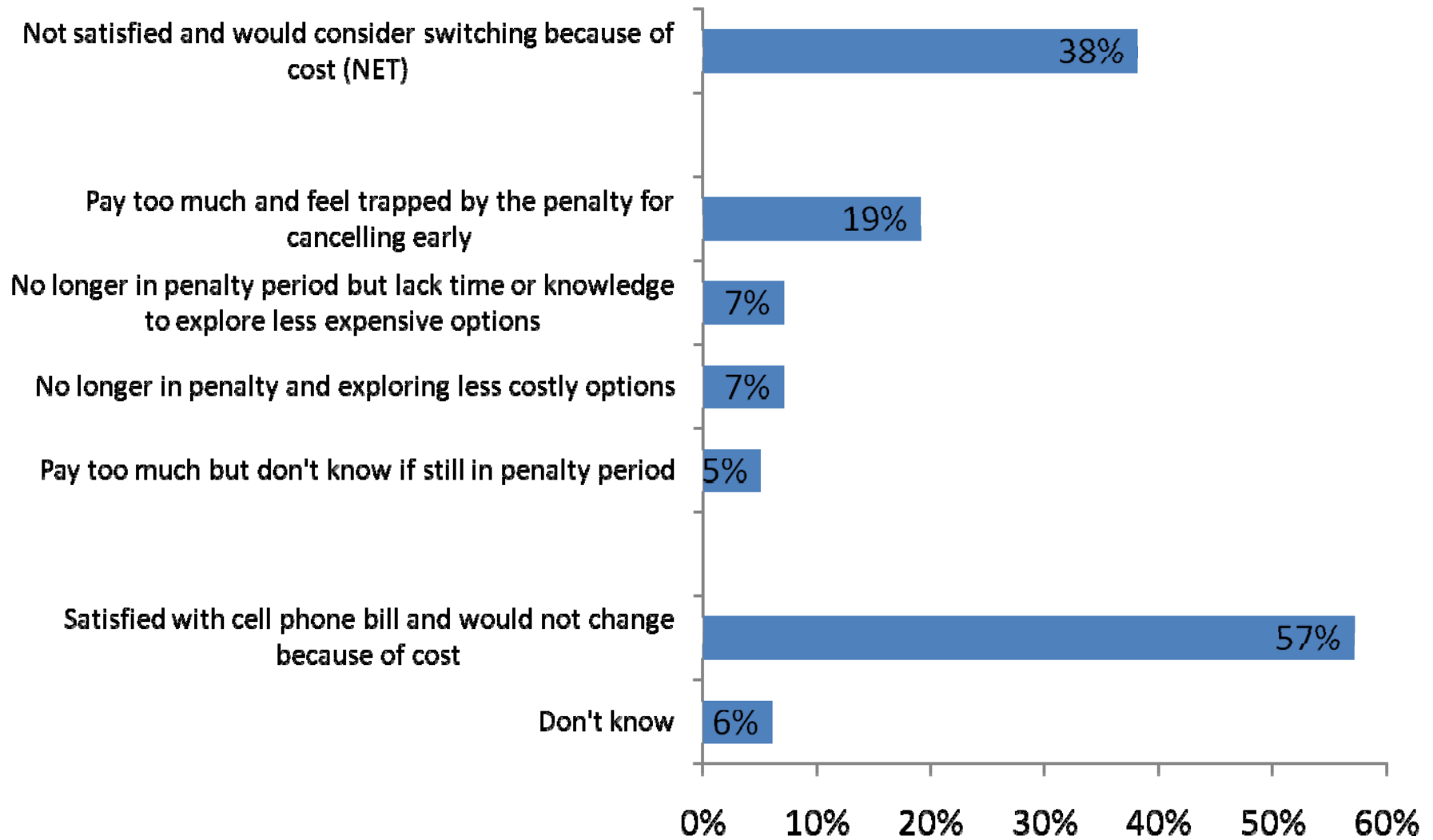


# The Cost of the Contract-Based Cell Phone Service Plan

**More than half of cell phone owners with a contract are happy with their service and would not change because of cost (57%). A third (38%) are unsatisfied for reasons such as paying too much and feeling trapped (19%), exploring other less costly options now that the penalty period is over (7%), or they don't have the time or knowledge to explore less costly options now that the penalty period is over (7%).**

- Those in single person households are less likely to say they are not satisfied with their plan (22%), compared to those who live with one other person (36%) and those who live with two or more other people (42%).

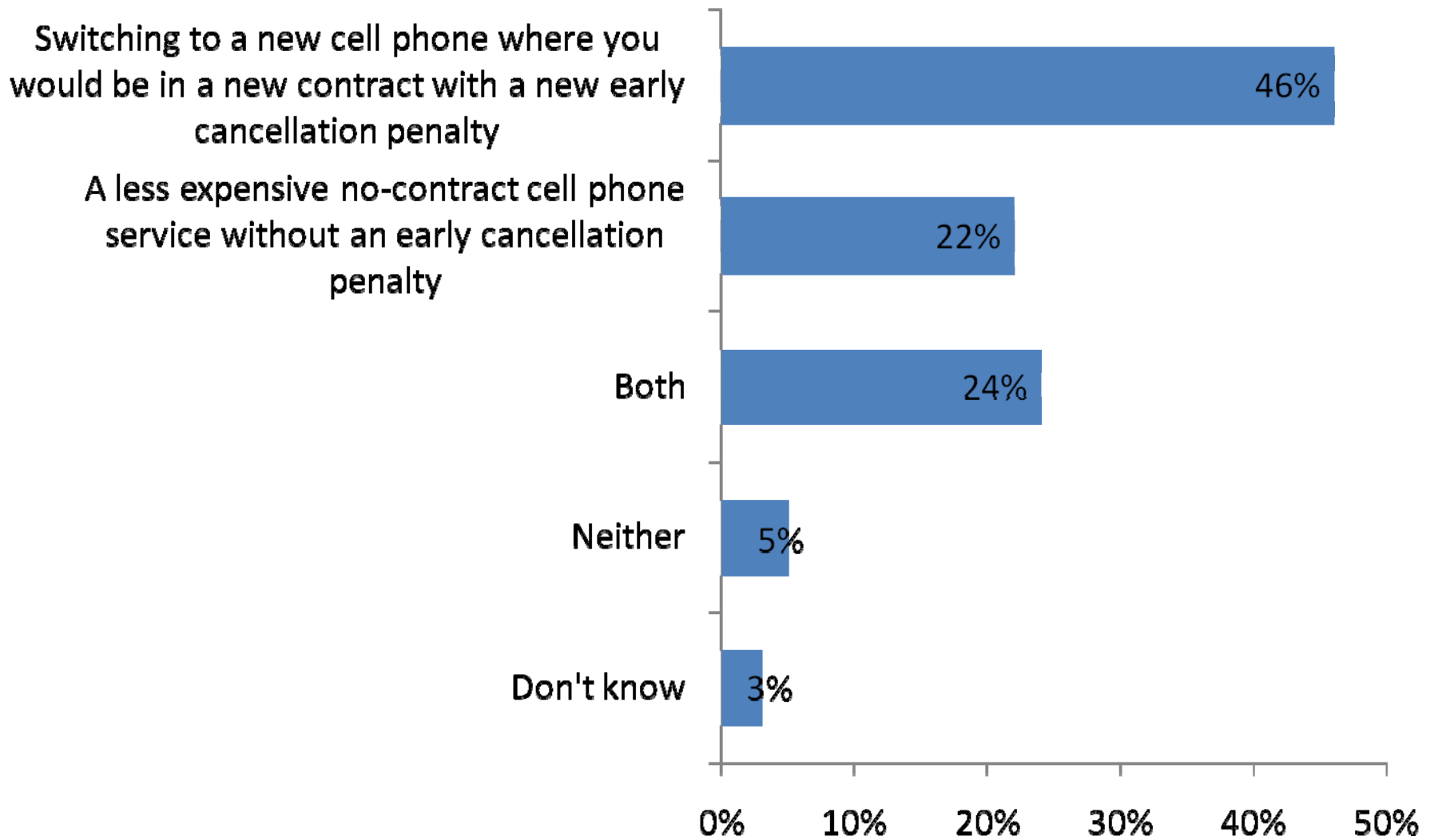
# The Cost of the Contract-Based Cell Phone Service Plan



## What Plan They Might Switch To

**When those with a contract, who are past the penalty phase and looking for other less expensive options, were asked what they are looking at, most said a new plan with an early cancellation penalty (46%). Nearly a quarter (22%) said they were looking at a less expensive plan that had no early cancellation penalty. A quarter (24%) said they were looking at both options.**

# What Plan They Might Switch To



# Switching From a Contract-Based Cell Phone Service Plan

**More than half of cell phone owners with a contract would switch their service under the following conditions: if they could get unlimited talk, text and Web or email access for \$50 a month with no penalty (59%); or unlimited phone use for \$50 a month with no penalty for early cancellation with a Smartphone that costs less than \$100 (53%).**

- Younger respondents age 18-34 are the most interested in either of these options. 78% say they would like the unlimited \$50 a month option. This compares to only 31% of those age 65 and over who would like this option.
- 65% of the younger respondents say they would like the unlimited \$50 a month option with a Smartphone for under \$100 compared with only 35% of those age 65 and over.
- Both of these options are more appealing to those in households with three or more people compared to single person households.

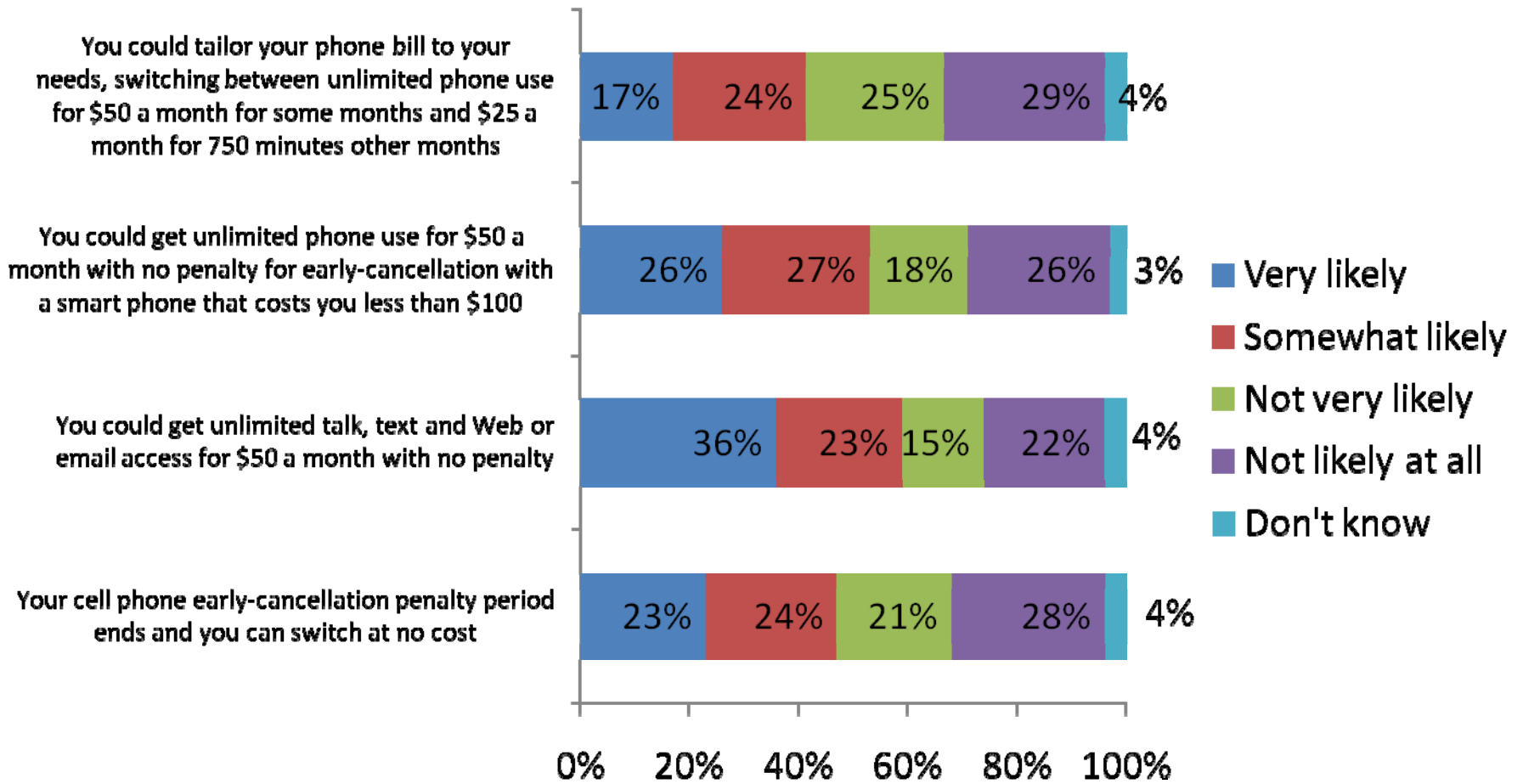
# Switching From a Contract-Based Cell Phone Service Plan

**About half would switch if their early cancellation period ends and they can switch at no cost (48%) or if they could tailor their phone bill to their needs and switch between unlimited service some months and \$25 a month for 750 minutes other months (42%).**

- Females are more likely than males to like the cell phone plan you can tailor to your needs (48% vs. 35%).
- Younger respondents age 18-34 are the most likely to prefer the option to switch with no cost when the early penalty phase ends (55%), compared to only 37% of those age 65 and over.

# Likelihood of Switching Contract-Based Cell Phone Service Plan

Q5: How likely are you to switch your current cell phone to a no-contract or prepaid phone based on the following situations or scenarios? As I read each one, please tell me if you would be very likely, somewhat likely, not very likely, or not likely at all to switch. Base = 463 with a contract-based cell phone service plan.

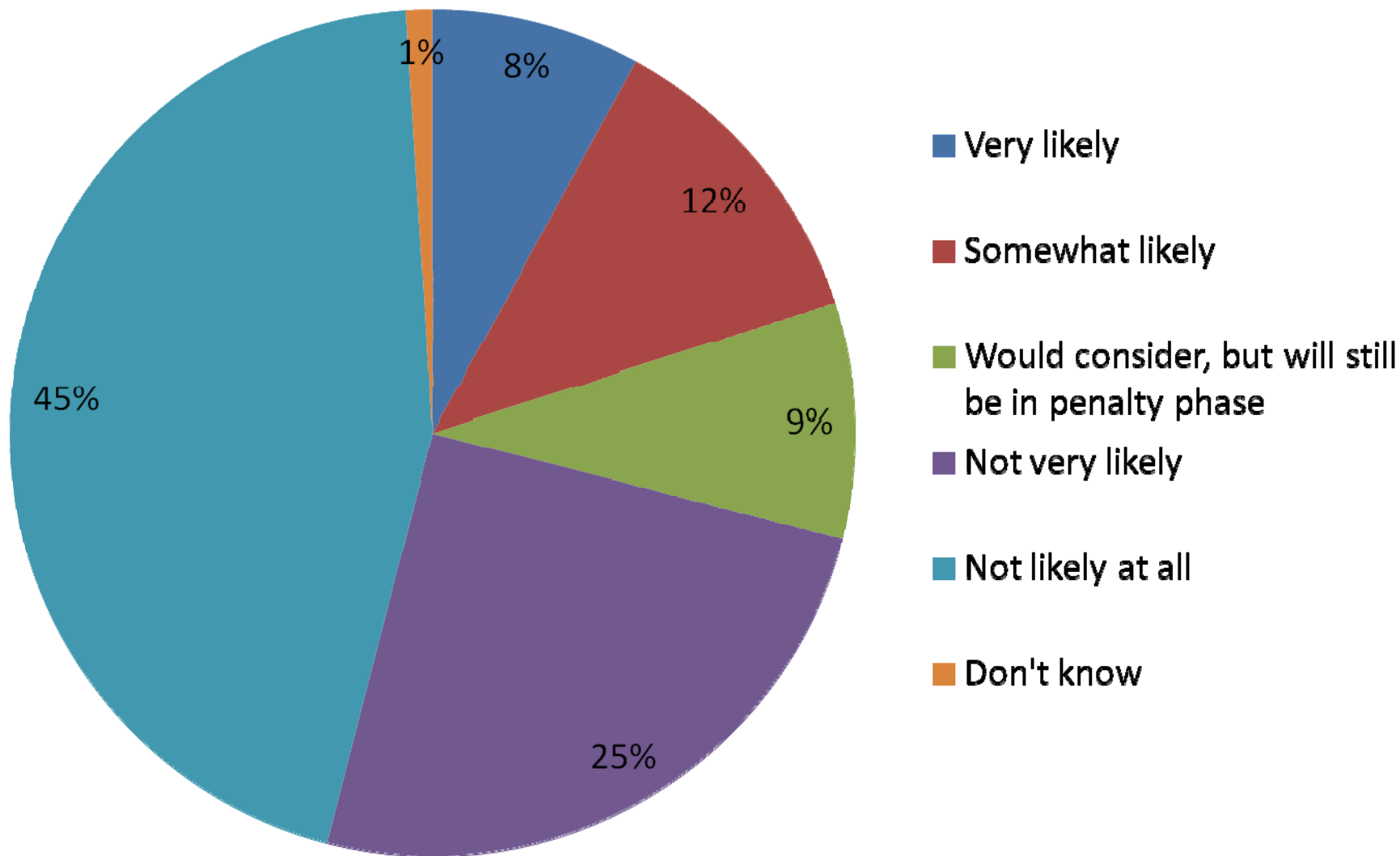


# Likelihood of Switching in the Next Six Months – Scenario 1

**Seven out of ten of those with contract-based cell phone service are unlikely to switch in the next six months from their current service to one where there is no contract, no early cancellation penalty and unlimited talk, text and Web or email access. Twenty percent would be likely to switch and another 9% would consider switching but would still be in their early cancellation penalty phase in six months.**

- Men are more likely than women to be likely to switch in this scenario (25% vs. 16%).
- Thirty-two percent of those 18-33 would be likely to switch as well.
- Twenty-seven percent of those in the South say they would be likely to switch, compared to only 10% in the West.
- And 31% of those in households with less than \$35,000 in income would be likely to switch.

# Likelihood of Switching in the Next Six Months – Scenario 1

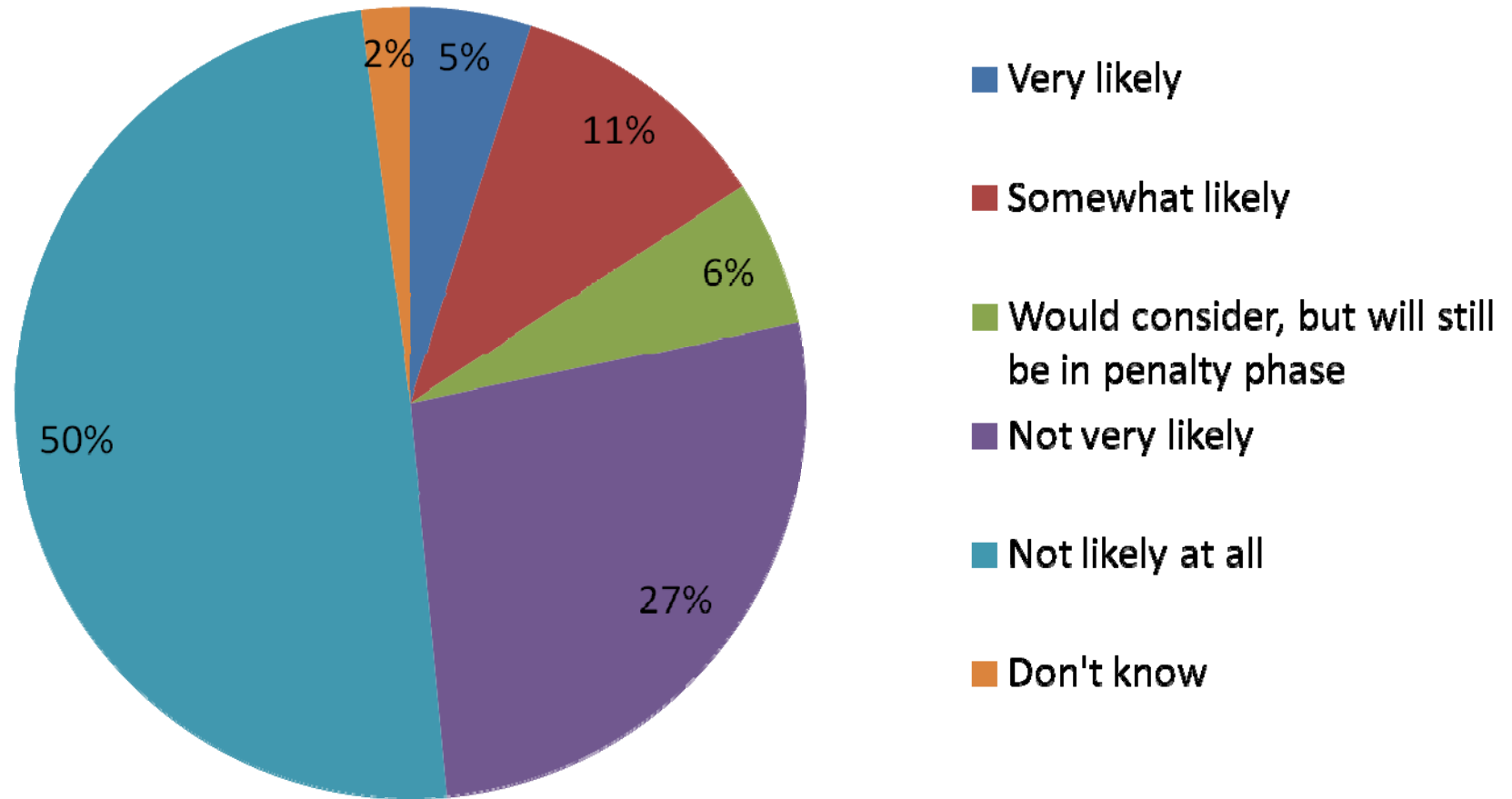


## Likelihood of Switching in the Next Six Months – Scenario 2

**Three-quarters (76%) of those with contract-based cell phone service are unlikely to switch in the next six months from their current service to one where there is no contract and provides 750 minutes a month for \$25 or a pay-as-you-go arrangement such as 200 minutes for \$15. Sixteen percent would be likely to switch and another 6% would consider switching but would still be in their early cancellation penalty phase in six months.**

# Likelihood of Switching in the Next Six Months – Scenario 2

Q7: How likely do you think it is that you will switch in the next six months from your contract-based cell phone service with a termination fee to a no-contract cell phone that provides less than unlimited service – such as 750 minutes for \$25 – or a pay-as-you-go monthly arrangement such as 200 minutes for \$15 dollars. Base = 463 with a contract-based cell phone service plan.



# Why Contract-Based Customers Don't Switch

**Of those who have a contract-based phone but indicate they aren't likely to switch in the next six months to a plan that costs \$50 a month with no contract, no penalty and unlimited talk, text and Web access; a majority give the reason of liking their current phone and not wanting to lose the features (61%) or not wanting to pay the cancellation penalty (52%).**

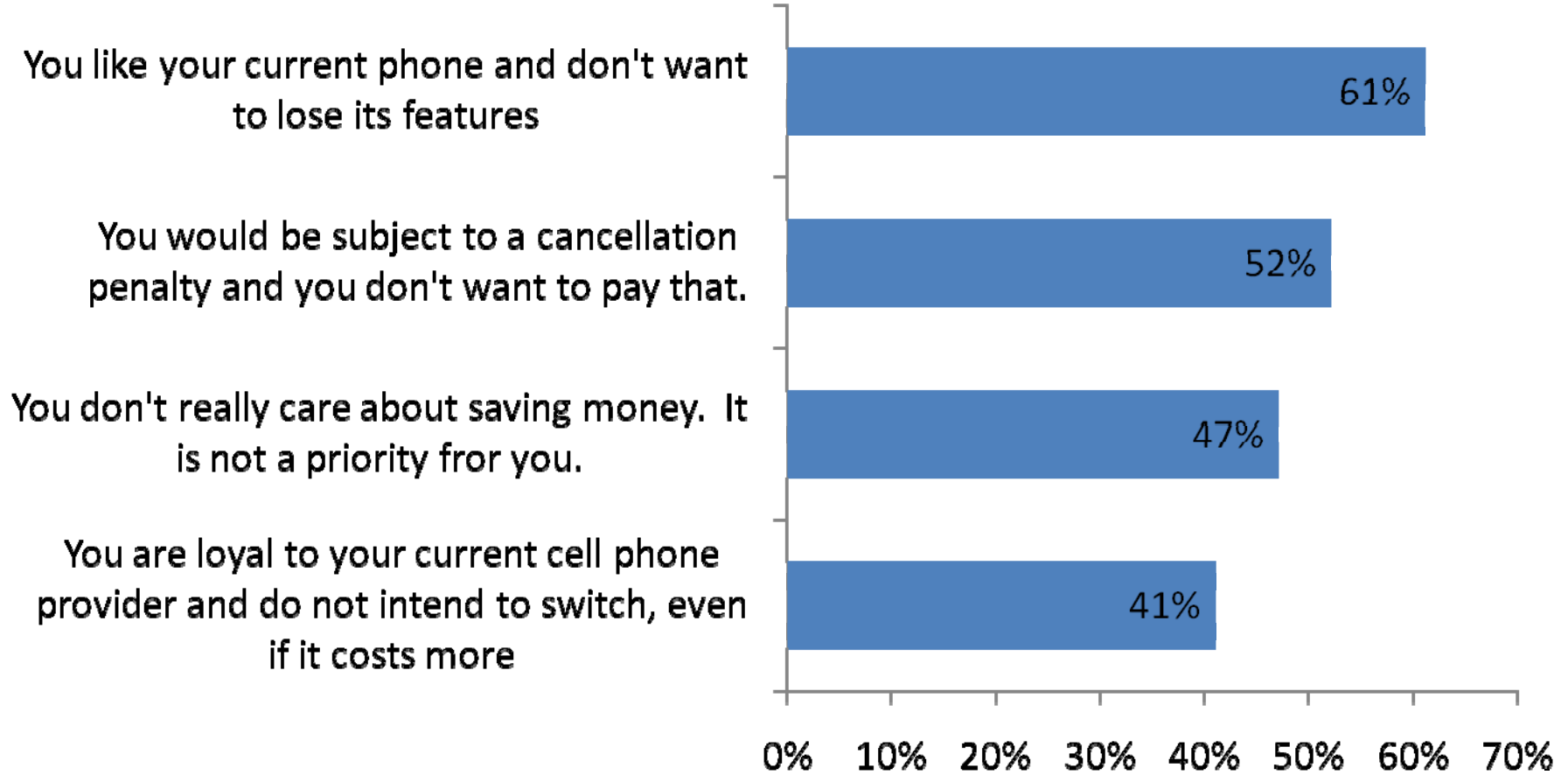
**Four in ten say saving money isn't a priority (47%) or that they are loyal to their current carrier and do not intend to switch even to save money (41%). A third do not have the time to investigate their options to switch (38%) or are not aware their phone is available without a contract (33%).**

**One-fourth are not comfortable paying for their phone upfront (27%) or have their phone service packaged with other services and want to pay only one bill (24%).**

# Why Contract-Based Customers Don't Switch

Q8 Given that unlimited talk, text and Web or email is now available without contracts or penalties for \$50 a month, I'd like to get a better understanding of why you would pay more than that for cell phone service. Tell me if the following factors have a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision not to switch. Base = 381 with contract-based service who are not likely to switch in the next 6 months to no-contract service.

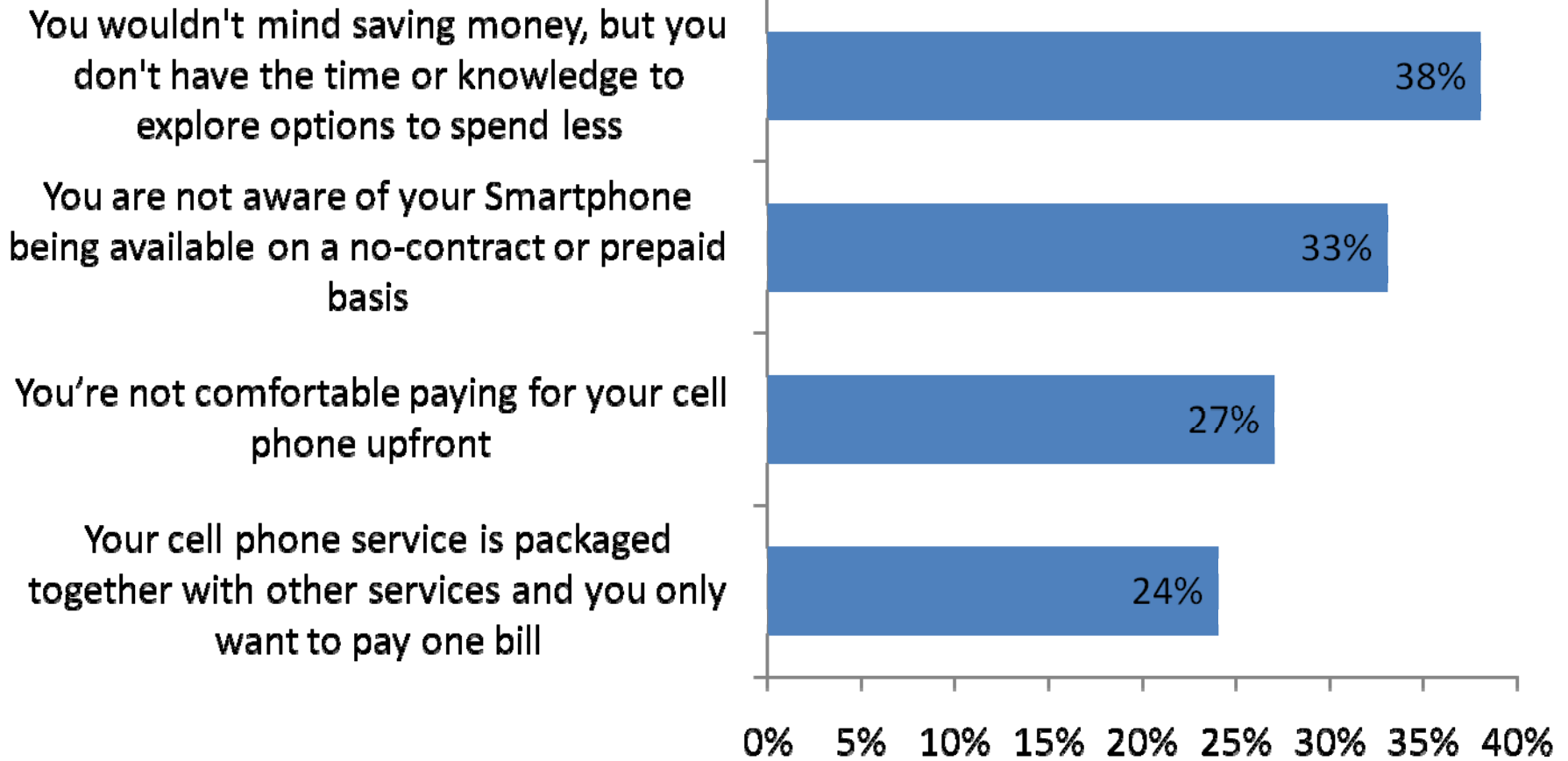
## Major/Somewhat of an Impact on Decision not to Switch.



# Why Contract-Based Customers Don't Switch

Q8 Given that unlimited talk, text and Web or email is now available without contracts or penalties for \$50 a month, I'd like to get a better understanding of why you would pay more than that for cell phone service. Tell me if the following factors have a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision not to switch. Base = 381 with contract-based service who are not likely to switch in the next 6 months to no-contract service.

## Major/Somewhat of an Impact on Decision not to Switch.

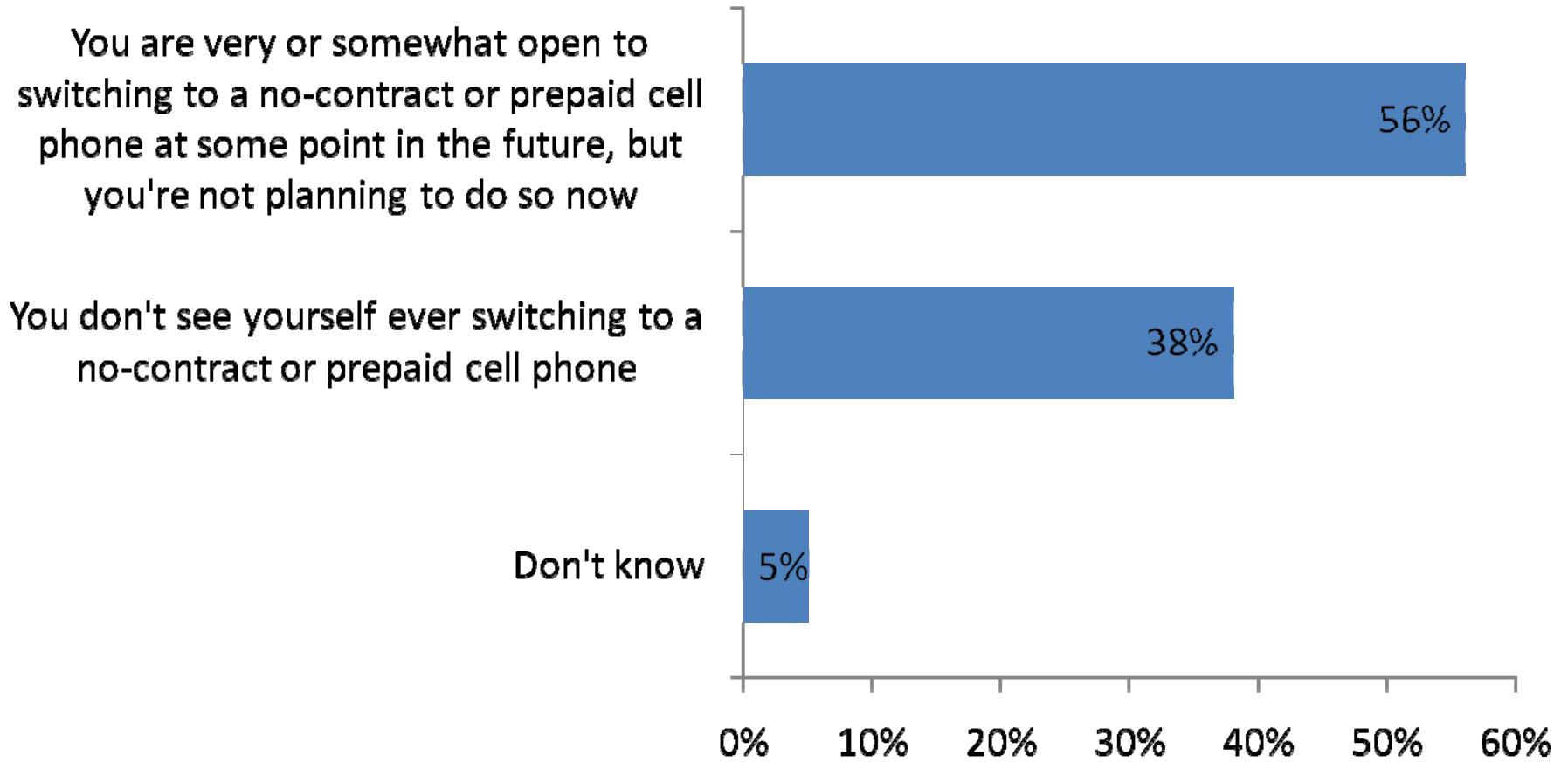


# Would They Ever Switch?

**Those who have a contract-based phone but indicate they aren't likely to switch in the next six months, were asked to look further down the road and to estimate the likelihood of switching. Over half (56%) say they are likely to switch in the future, just not now. Over a third (38%) don't ever see themselves switching to a no-contract or pre-paid phone.**

# Would They Ever Switch?

Q9: I understand that it is unlikely you will switch to a less expensive no-contract cell phone in the next six months. Now, I'd like you to look further down the road and tell me which one of the following statements best describe you. Would you say... Base = 381 with contract-based service who are not likely to switch in the next 6 months to no-contract service.

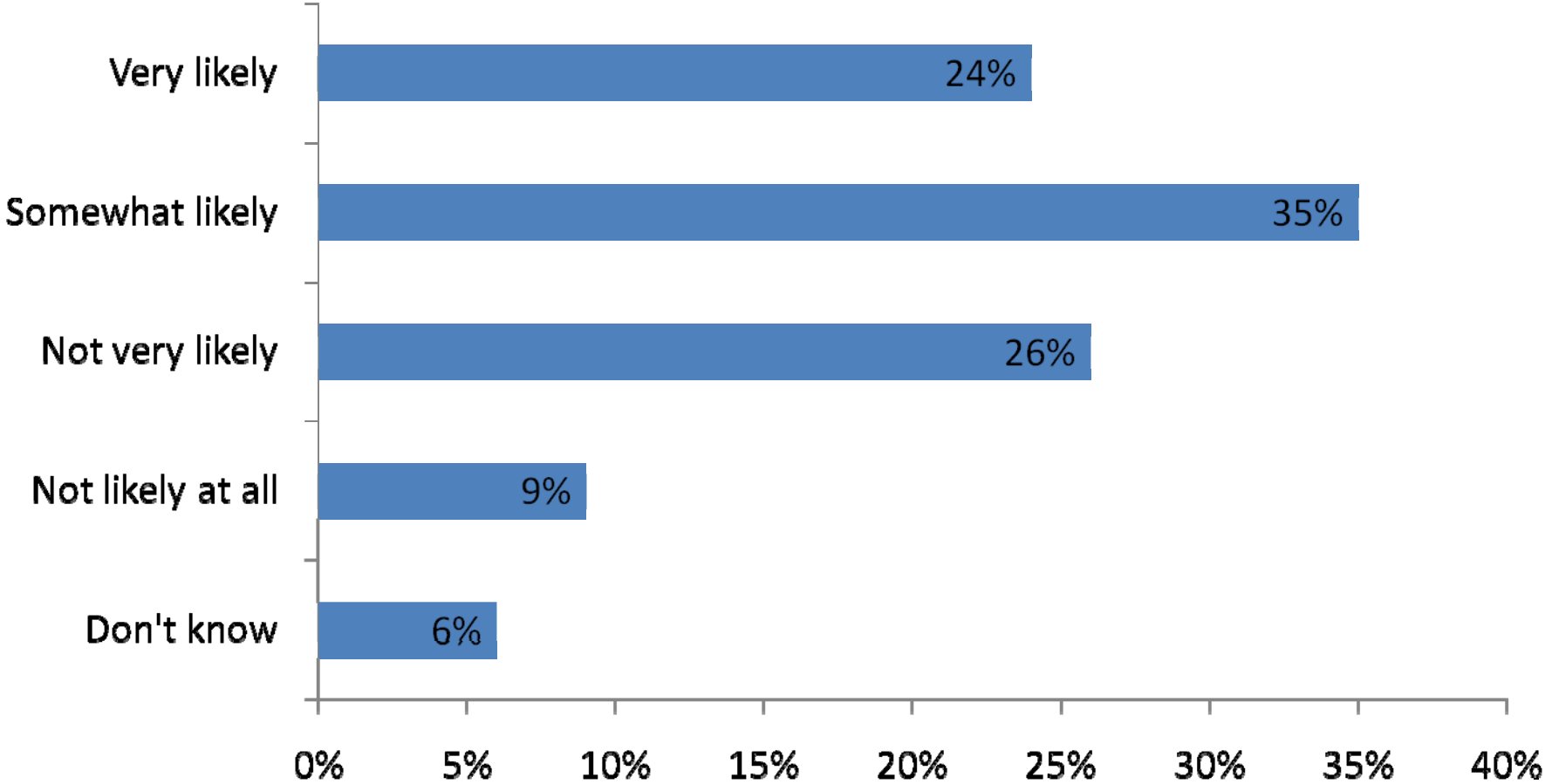


## Switching Once the Penalty Period Ends

**Among those with a contract-based plan, who would consider switching but will still be in the penalty phase six months from now, 59% say they are likely to switch to a no-contract phone or one that provides unlimited service or service for \$50 a month for a set number of minutes. Thirty-five percent would not consider switching under these conditions.**

# Switching Once the Penalty Period Ends

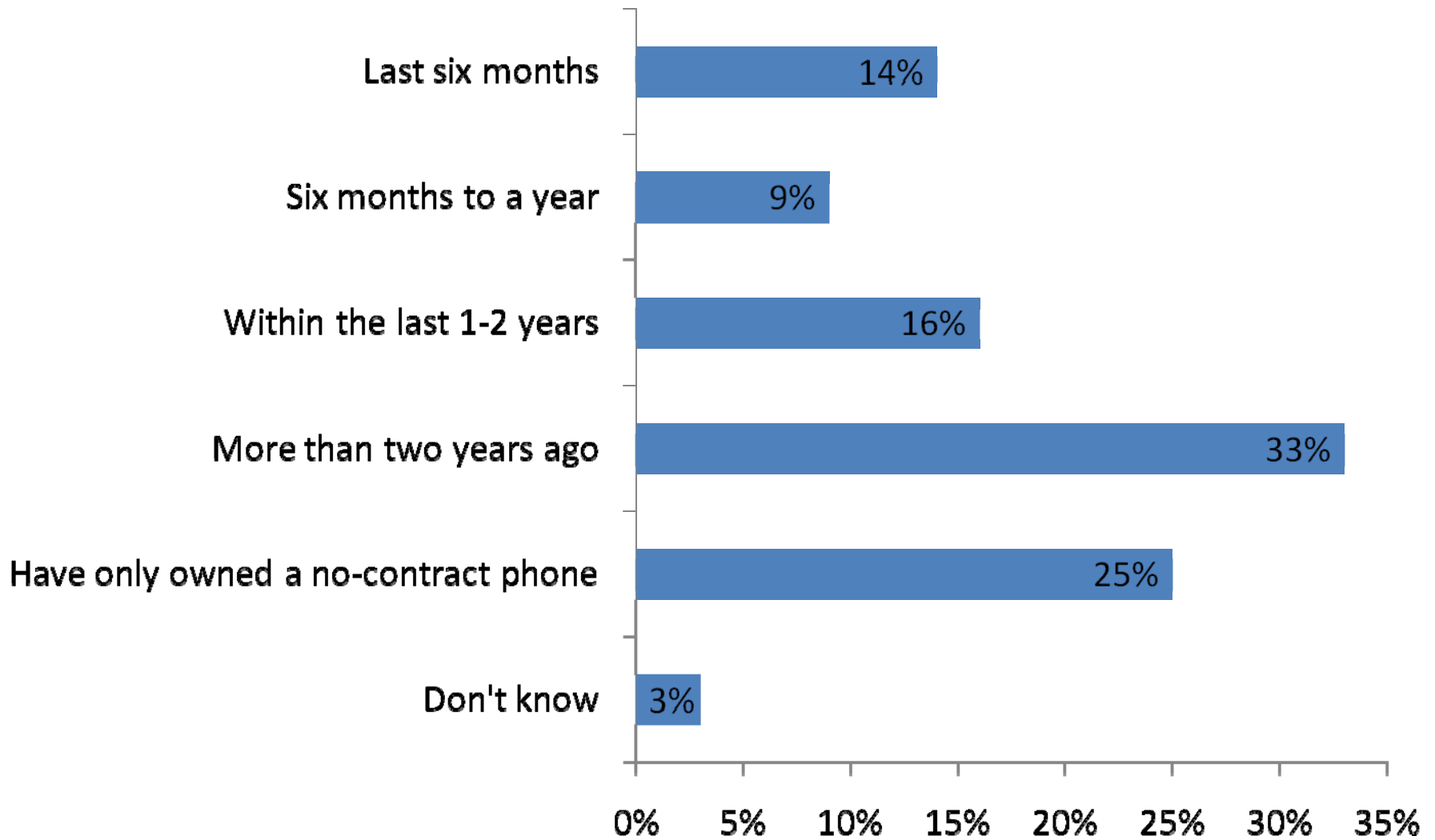
Q10: Now I want you to think ahead to when your current cell phone penalty period ends. How likely do you think it is that you will switch to a less expensive no-contract cell phone without a penalty – either one providing unlimited service or less than \$50 a month for a set number of minutes? Base = 48 respondents with contract-based service who would consider switching but will still be in the early cancellation penalty period six months from now.



## When They Switched to a No-Contract Phone

**Those with a no-contract phone were asked how recently they switched to that type of service. Twenty-two percent switched in the last year, and nearly half (49%) switched a year ago or longer. One-fourth have only ever had a no-contract phone and therefore have never “switched.”**

# When They Switched to a No-Contract Phone



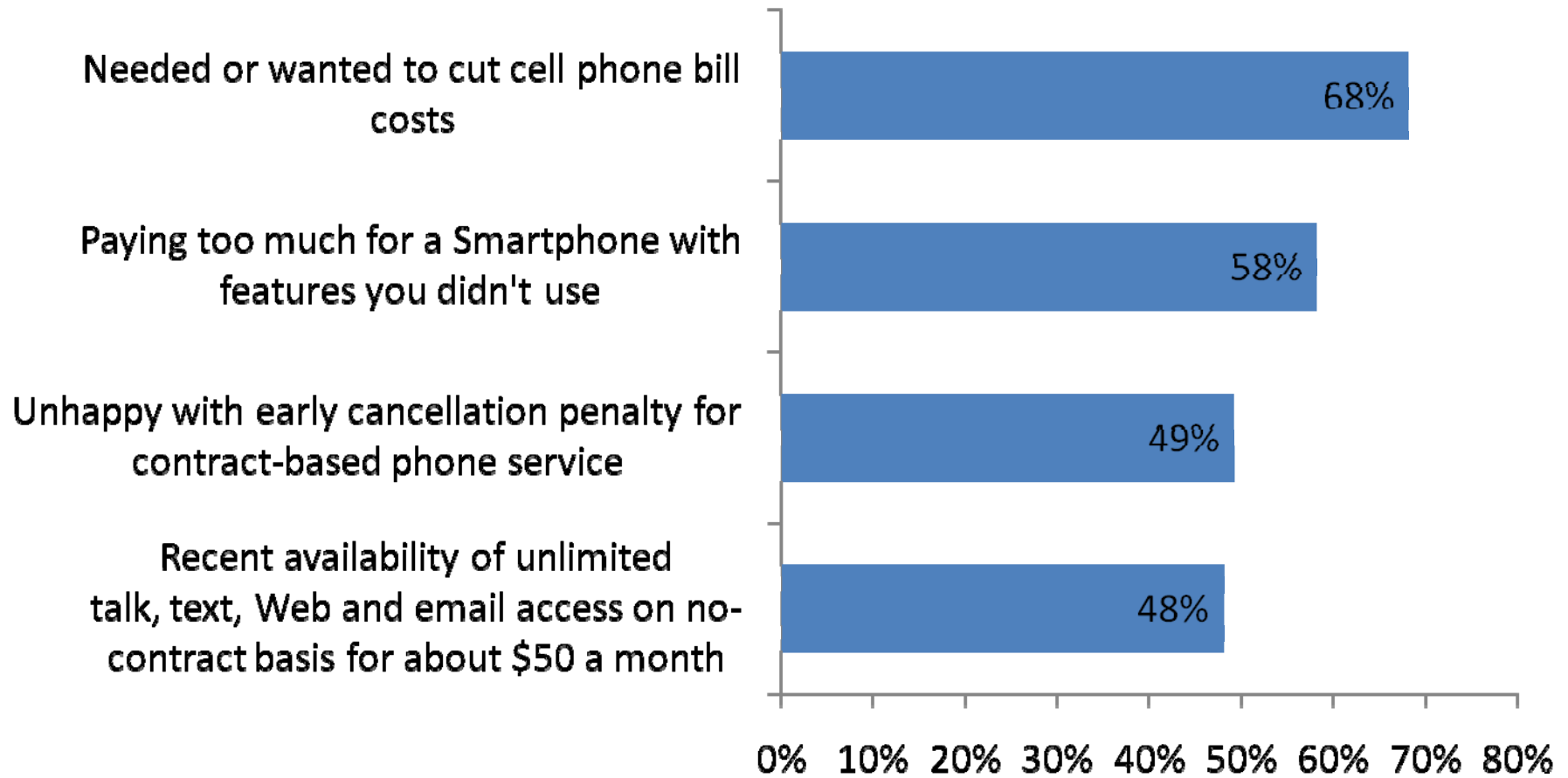
## Reasons for Switching to a No-Contract Phone

**The most common reason given for switching to a no-contract phone is wanting to cut the costs of the cell phone bill (68%.) Also mentioned were reasons such as paying too much for a Smartphone with features that weren't wanted or used (58%), being unhappy with the early cancellation fee (49%), the recent availability of unlimited talk, text, Web and email access on no-contract phones for \$50 a month (48%), poor service such as dropped calls (40%), poor customer service (40%) and the availability of Smartphones on a no contract basis (36%).**

# Reasons for Switching to a No-Contract Phone

Q12: Why did you switch to a no-contract or prepaid cell phone? Please tell me if the following factors had a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision to switch. Base = 113 respondents who have a no-contract cell phone but have not always had one.

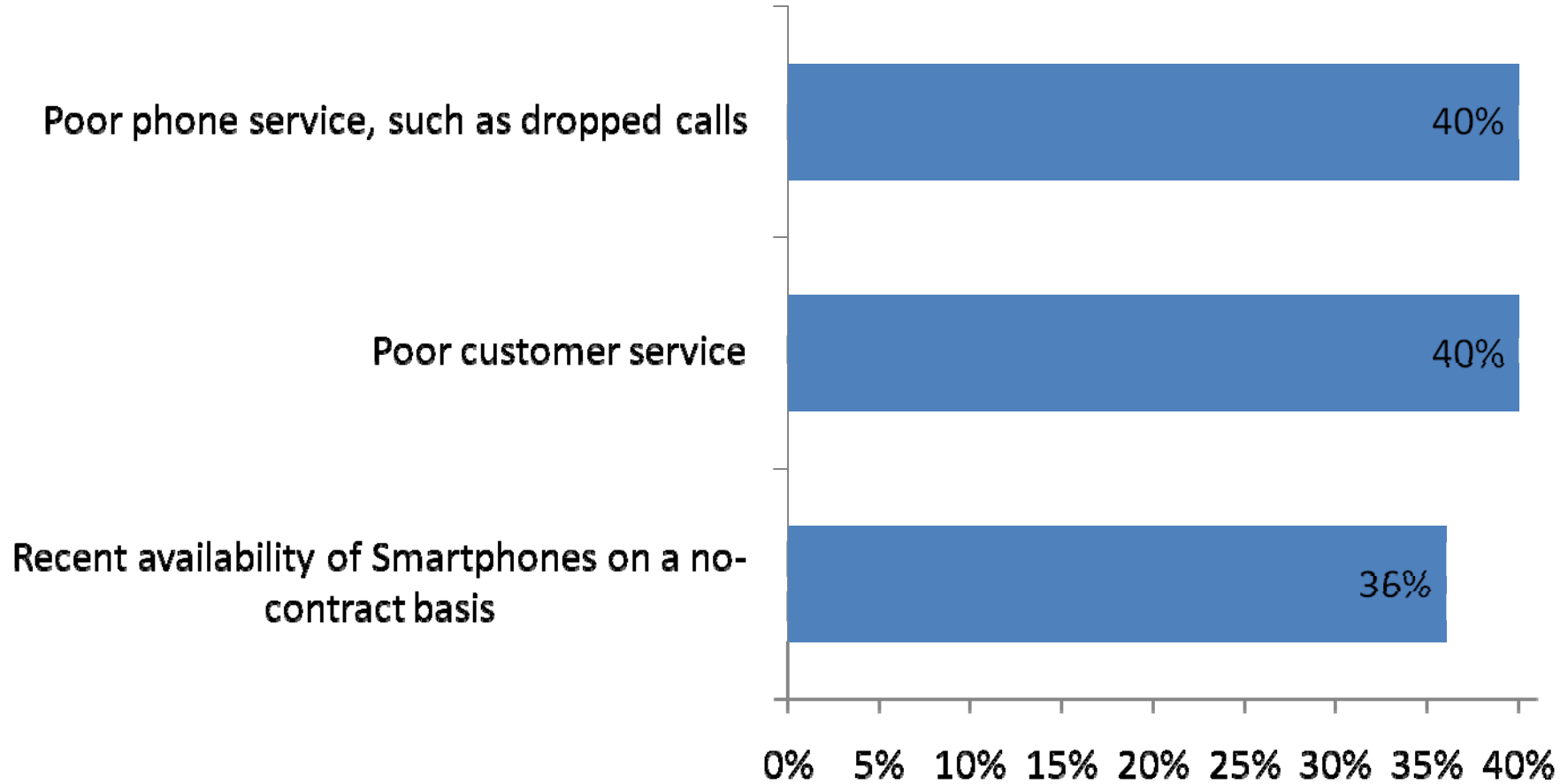
## Major/Somewhat of an Impact on Decision to Switch.



# Reasons for Switching to a No-Contract Phone

Q12: Why did you switch to a no-contract or prepaid cell phone? Please tell me if the following factors had a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision to switch. Base = 113 respondents who have a no-contract cell phone but have not always had one.

## Major/Somewhat of an Impact on Decision to Switch.

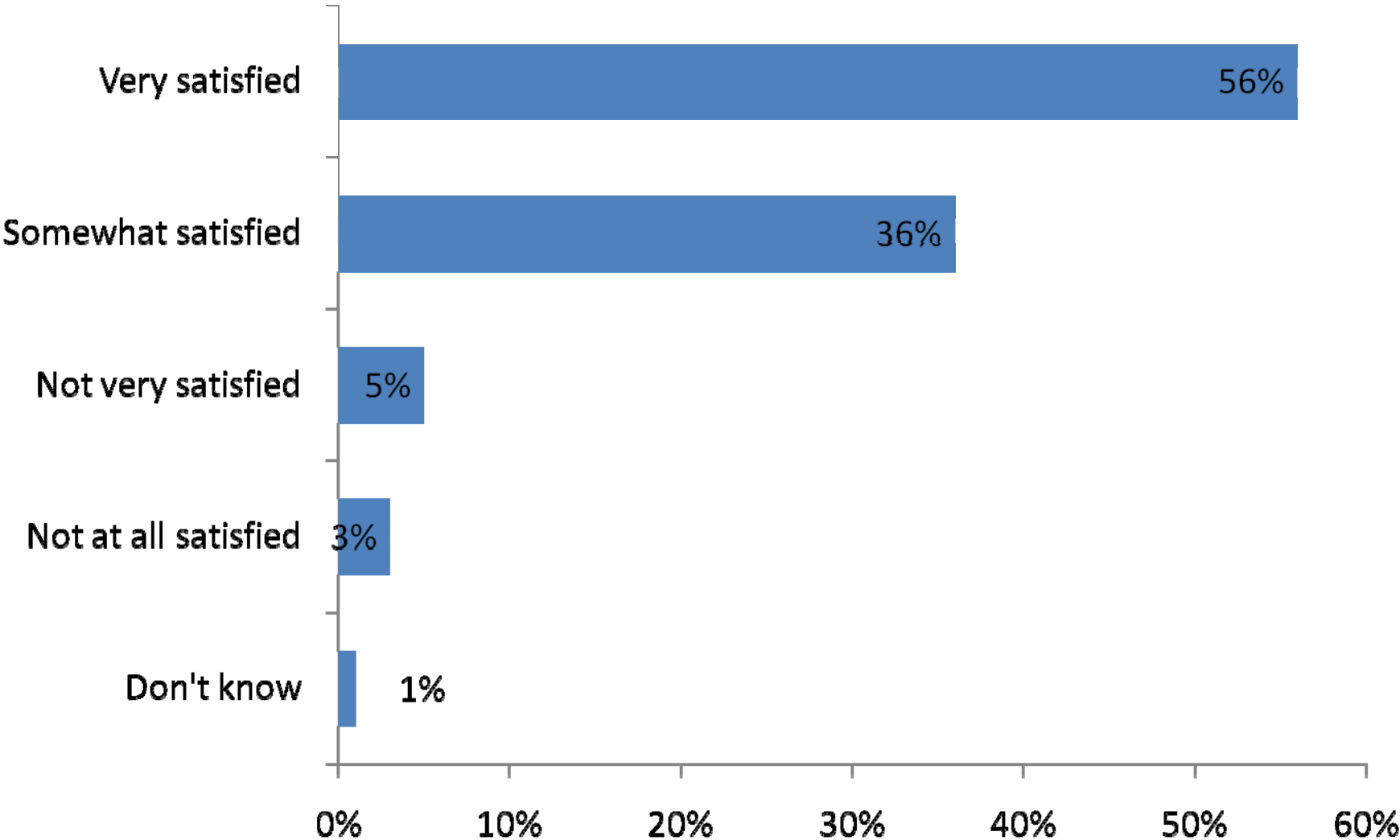


# Satisfaction With Current Cell Phone

**Nearly all respondents are satisfied (91%) with their current cell phone. Only 8% are not satisfied.**

- Younger respondents age 18-44 are the most likely age group to say they aren't satisfied (11%) compared to only 3% of those age 65 and over.

# Satisfaction With Current Cell Phone



37 Q13: How satisfied would you say you are with your current cell phone? Are you... Base = 715 cell phone owners.

*Topline results of 715 landline telephone interviews with adults, conducted October 7-10, 2010. All respondents have a cell phone.*

On another subject...

M1 What kind of wireless cell phone service plan do you have? Do you have . . .  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

Base = 715 who have a cell phone

- 69% A contract-based phone where you pay a penalty if you cancel service early. Your contract may or may not have already passed the penalty phase.
- 12% A no-contract or prepaid cell phone where you buy minutes as you use them
- 8% A no-contract or prepaid phone with unlimited service
- 5% Or, you have BOTH a contract-based cell phone and a no-contract/prepaid cell phone
- 6% DON'T KNOW/NOT SURE

M2 What kind of PERSONAL cell phone do you have? Pick the NON-WORK cell phone that BEST describes the one you have. Do you have. . .  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER. IF RESPONDENT HAS MORE THAN ONE CELL PHONE, READ: Please answer for the one you use most often.)

[DO NOT RANDOMIZE]

- 39% Basic, no frills cell phone that you use only or primarily for making phone calls
- 28% A cell phone that makes calls, but is also designed for a lot of texting
- 11% Blackberry for personal use
- 7% iPhone
- 7% 'Android'-powered smartphone
- 4% Some other smartphone
- 3% OTHER (SPECIFY)
- 2% DON'T KNOW/NOT SURE

IF HAVE CONTRACT-BASED CELL PHONE SERVICE PLAN,  
M1 [01], CONTINUE.  
ALL OTHERS SKIP TO INSTRUCTIONS BEFORE M11

M3 Let's talk about how you feel about the cost of your cell phone service. I am going to read you 5 statements. Please pick the one that BEST expresses your views.

(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

Base = 463 who have a cell phone and have contract based cell phone service

- 19% You pay TOO MUCH for your cell phone bill and you feel trapped by the penalty that you know you would pay for cancelling your service early
- 5% You pay TOO MUCH for your cell phone bill, but you don't know if your early-cancellation penalty is still in effect or if it is expired
- 7% You are no longer in the penalty period and are actively exploring LESS EXPENSIVE service
- 7% You are no longer in the penalty period but either don't have the time or the knowledge to explore LESS EXPENSIVE service options
- 57% You are satisfied with your cell phone bill and would not switch because of cost
- 6% DON'T KNOW/NOT SURE/NONE OF THESE

[ASK IF M3 (03)]

M4 You said that you are no longer in the cell phone penalty period and are actively exploring less expensive cell phone service. Are you looking at . . .

(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

[ROTATE]

Base = 27 with a cell phone with contract based service who are no longer in the penalty period and are exploring less expensive service

- 22% A less expensive no-contract cell phone service WITHOUT AN EARLY-CANCELLATION PENALTY (or)
- 46% Switching to a new cell phone where you would be in A NEW CONTRACT and would be UNDER A NEW EARLY-CANCELLATION PENALTY period – either with your current or another cell phone service provider (or)
- 24% BOTH
- 5% NEITHER
- 3% DON'T KNOW/NOT SURE

3

M5 How likely are you to switch from your current cell phone to a no-contract or prepaid phone based on the following situations or scenarios.

As I read each one, please tell me if you would be very likely, somewhat likely, not very likely, or not likely at all to switch.

[RANDOMIZE ITEMS]

Base = 463 who have a cell phone with a contract based service.

A. Your cell phone early-cancellation penalty period ends and you can switch at no cost

23% Very likely  
24% Somewhat likely  
21% Not very likely  
28% Not likely at all  
4% DON'T KNOW/NOT SURE

B. You could get unlimited talk, text and Web or email access for \$50 a month with no penalty

36% Very likely  
23% Somewhat likely  
15% Not very likely  
22% Not likely at all  
4% DON'T KNOW/NOT SURE

C. You could get unlimited phone use for \$50 a month with no penalty for early-cancellation with a smart phone that costs you less than \$100

26% Very likely  
27% Somewhat likely  
18% Not very likely  
26% Not likely at all  
3% DON'T KNOW/NOT SURE

D. You could tailor your phone bill to your needs, switching between unlimited phone use for \$50 a month for some months and \$25 a month for 750 minutes other months

17% Very likely  
24% Somewhat likely  
25% Not very likely  
29% Not likely at all  
4% DON'T KNOW/NOT SURE

4

- M6 How likely do you think it is that you will switch in the NEXT SIX MONTHS from your contract-based cell phone service with an early-cancellation penalty to a no-contract cell phone with unlimited talk, text and Web or email access and no early-cancellation penalty? Would you say . . .

(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

- 8% Very likely
- 12% Somewhat likely
- 9% You would consider switching, but you're still going to be in your early-cancellation penalty phase six months from now
- 25% Not very likely
- 45% Not likely at all
- 1% DON'T KNOW/NOT SURE

- M7 How likely do you think it is that you will switch in the NEXT SIX MONTHS from your contract-based cell phone service with a termination fee to a no-contract cell phone that provides less than unlimited service – such as 750 minutes a month for \$25 – or a pay-as-you-go monthly arrangement, such as 200 minutes for \$15? Would you say . . .

(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

- 5% Very likely
- 11% Somewhat likely
- 6% You would consider switching, but you're still going to be in your early-cancellation penalty phase six months from now
- 27% Not very likely
- 50% Not likely at all
- 2% DON'T KNOW/NOT SURE

IF NOT VERY LIKELY/NOT LIKELY AT ALL TO SWITCH, M6 (04-05) OR M7 [04-05],  
CONTINUE. ALL OTHERS SKIP TO INSTRUCTIONS BEFORE M10

- M8 Given that unlimited talk, text and Web or email is now available without contracts or penalties for \$50 a month, I'd like to get a better understanding of why you would pay more than that for cell phone service.  
Base = 381 who have a cell phone with contract based service but are not very or not at all likely to switch in the next 6 months from contract-based service plan.

Tell me if the following factors have a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision not to switch.

[RANDOMIZE ITEMS]

- A. You would be subject to a cancellation penalty and you don't want to pay that

33% Major impact  
19% Somewhat of an impact  
10% Not much of an impact  
33% No impact  
5% DON'T KNOW/NOT SURE

- B. You don't really care all that much about saving money. It is not a priority for you

29% Major impact  
18% Somewhat of an impact  
13% Not much of an impact  
32% No impact  
8% DON'T KNOW/NOT SURE

- C. You wouldn't mind saving money, but you don't have the time or knowledge to explore your options to spend less

14% Major impact  
25% Somewhat of an impact  
12% Not much of an impact  
45% No impact  
4% DON'T KNOW/NOT SURE

- D. You like your current phone and don't want to lose it and its features

39% Major impact  
23% Somewhat of an impact  
11% Not much of an impact  
24% No impact  
4% DON'T KNOW/NOT SURE

M8 Given that unlimited talk, text and Web or email is now available without contracts or penalties for \$50 a month, I'd like to get a better understanding of why you would pay more than that for cell phone service.

Base = 381 who have a cell phone with contract based service but are not very or not at all likely to switch in the next 6 months from contract-based service plan.

Tell me if the following factors have a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision not to switch.

[RANDOMIZE ITEMS]

E. You are not aware of your smartphone being available on a no-contract or prepaid basis

16% Major impact  
17% Somewhat of an impact  
12% Not much of an impact  
46% No impact  
9% DON'T KNOW/NOT SURE

F. You're not comfortable paying for your cell phone upfront and would rather pay higher rates over time to cover the cost

11% Major impact  
16% Somewhat of an impact  
18% Not much of an impact  
50% No impact  
6% DON'T KNOW/NOT SURE

G. Your cell phone service is 'packaged' together with other services, like cable, Internet access or home service, and you only want to pay one bill

13% Major impact  
11% Somewhat of an impact  
8% Not much of an impact  
64% No impact  
4% DON'T KNOW/NOT SURE

H. You are loyal to your current cell phone provider and do not intend to switch from it, even if it costs more

22% Major impact  
19% Somewhat of an impact  
15% Not much of an impact  
40% No impact  
5% DON'T KNOW/NOT SURE

M9 I understand that it is UNLIKELY you will switch to a less expensive no-contract cell phone plan in the NEXT SIX MONTHS. Now, I'd like you to look further down the road and tell me which of the following statements BEST describes you. Would you say . . .  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)  
[ROTATE]

- 56% You are very or somewhat open to switching to a no-contract or prepaid cell plan at some point in the future, but you're not planning to do so now (or)
- 38% You don't see yourself ever switching to a no-contract or prepaid cell phone (or)
- 5% DON'T KNOW/NOT SURE

[ASK IF M6 (03) OR M7 (03)]

M10 Now, I want you to think ahead to when your current cell phone penalty period ends. How likely do you think it is that you will switch to a less expensive no-contract cell phone without a penalty – either one providing unlimited service or less than \$50 a month for a set number of minutes? Are you . . .  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)  
Base = 48 who have a contract based cell phone service plan and would consider switching from contract-based cell phone plan, but will still be in early cancellation penalty period six months from now.

- 24% Very likely
- 35% Somewhat likely
- 26% Not very likely
- 9% Not likely at all
- 6% DON'T KNOW/NOT SURE

IF HAVE NO CONTRACT OR PREPAID CELL PHONE,  
M1 [02-03], CONTINUE.  
ALL OTHERS SKIP TO M13

M11 I want to ask you a few questions about your no-contract or prepaid cell phone. How recently did you switch to a no-contract cell phone? Would you say . . .  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)  
Base = 157 who have a no contract or prepaid cell phone

- 14% Last six months
- 9% Six months to a year
- 16% Within the last 1-2 years
- 33% More than 2 years ago
- 25% Or, you have only owned no-contract cell phones
- 3% DON'T KNOW/NOT SURE

[ASK IF M11 (01-04)]

M12 Why did you switch to a no-contract or prepaid cell phone? Please tell me if the following factors had a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision to switch.

[RANDOMIZE ITEMS]

Base = 113 have a no contract or prepaid cell phone but haven't always owned one

A. Needed or wanted to cut cell phone bill costs

- 55% Major impact
- 13% Somewhat of an impact
- 5% Not much of an impact
- 20% No impact at all
- 6% DON'T KNOW/NOT SURE

B. Recent availability of unlimited talk, text, Web and email access on no-contract basis for about \$50 a month

- 34% Major impact
- 14% Somewhat of an impact
- 6% Not much of an impact
- 38% No impact at all
- 8% DON'T KNOW/NOT SURE

C. Recent availability of Smartphones on a no-contract basis

- 22% Major impact
- 14% Somewhat of an impact
- 7% Not much of an impact
- 47% No impact at all
- 10% DON'T KNOW/NOT SURE

D. Unhappy with early-cancellation penalty for contract-based phone service

- 42% Major impact
- 7% Somewhat of an impact
- 6% Not much of an impact
- 37% No impact at all
- 9% DON'T KNOW/NOT SURE

E. Paying too much for a Smartphone with features you didn't need or use

- 42% Major impact
- 15% Somewhat of an impact
- 4% Not much of an impact
- 27% No impact at all
- 12% DON'T KNOW/NOT SURE

[ASK IF M11 (01-04)]

M12 Why did you switch to a no-contract or prepaid cell phone? Please tell me if the following factors had a major impact, somewhat of an impact, not much of an impact or no impact at all on your decision to switch.

[RANDOMIZE ITEMS]

Base = 113 have a no contract or prepaid cell phone but haven't always owned one

F. Poor phone service, such as dropped calls

28% Major impact  
12% Somewhat of an impact  
6% Not much of an impact  
48% No impact at all  
6% DON'T KNOW/NOT SURE

G. Poor customer service

23% Major impact  
17% Somewhat of an impact  
9% Not much of an impact  
45% No impact at all  
6% DON'T KNOW/NOT SURE

[ASK EVERYONE]

M13 How satisfied would you say that you are with your current cell phone? Are you:  
(READ ENTIRE LIST BEFORE RECORDING ONE ANSWER)

Base = 715 who have a cell phone

56% Very satisfied  
36% Somewhat satisfied  
5% Not very satisfied  
3% Not satisfied at all  
1% DON'T KNOW/NOT SURE

[ASK IF M1 (02-03)]

M14 Please tell me which of the following no-contract or prepaid cell phone providers you use?  
Stop me when I get to your cell phone company.

(READ LIST. RECORD ONE ANSWER)

[RANDOMIZE 01-08]

Base = 157 have a no contract or prepaid cell phone

- 20% TracFone
- 10% AT&T
- 10% Metro PCS
- 9% T-Mobile
- 7% Virgin
- 6% Net10
- 6% Boost Mobile
- 3% Straight Talk
- 26% Some other cell phone provider
- 2% DON'T KNOW/NOT SURE