



Americans Consider Number Portability and the Wireless Switch

New legislation unlikely to cause a landslide of switchers in the holiday season, reveals Ipsos-Insight

November 25, 2003, New York, NY – Most American wireless subscribers are aware of legislation enacted yesterday that enables the transfer of a current wireless number to a new wireless provider, but the rush to switch providers may not be as immediate or as dramatic as feared, according to Ipsos-Insight, the global survey-based marketing research firm.

In a survey fielded in the days leading up to the launch of number portability, current wireless subscribers report high awareness of the ability to transfer a current wireless number to a new provider—among U.S. wireless phone owners, seven in ten (70%) are aware of the new law that allows wireless customers to keep their wireless phone number when they switch wireless providers—but nearly three-fourths (73%) say they are not likely to switch their current provider in the next year.

“Providers have been concerned about the possible increase in customer churn as a direct result of this new legislation,” says Mike Belmont, Director with Ipsos-Insight, “These findings suggest that although the ability to keep a number is very attractive, for the vast majority of wireless customers it does not significantly impact their decision to switch providers in the near term.”

Only 3% of current wireless customers indicate they are at least somewhat likely to switch within the next month (the first month of number portability). The proportion of wireless customers who say they are at least somewhat likely to switch providers in the next year is similar between those who are aware of number portability and those who are not, suggesting that portability may have limited impact on the decision to switch. Based on these results, the actual number of customers who change providers may not increase as much as once feared.

“A barrier to switch has been lifted and will have an impact on wireless churn moving forward, but there is an arduous process involved to get a number changed and that will continue to be a barrier. Word of mouth regarding how easy or difficult it is to switch your wireless number, particularly in the short term, will be a driving force in how number portability takes off,” says Belmont.

The appeal of keeping a wireless phone number when switching providers is high. For those wireless subscribers who report they are at least somewhat likely to switch providers in the next year, the vast majority (89%) say they plan on keeping their current number.

Over half of those who are likely to change service providers in the next year indicate they will take their wireless number with them, even if they were required to pay a \$25 fee.

“Competitive forces will most likely prevent the use of fees by service providers,” says Belmont. “Wireless providers are carefully positioning themselves with offers to entice new customers. Although customers are willing to pay a fee to switch, suppliers who charge for this service would have a competitive disadvantage against those who do not charge a fee.”

Other survey findings include:

- Awareness of wireless number portability was significantly higher among older wireless customers.
 - 56% awareness among 18-34 year olds
 - 75% awareness among 35-54 year olds
 - 78% awareness among 55+ year olds
- Awareness levels were also higher among respondents with a college degree (76%) versus respondents with a high school education or less (59%).



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Methodology

Data were gathered using the Ipsos U.S. Express from November 18 through November 21. Interviews were conducted via telephone among a nationally representative U.S. sample of 1,029 adults age 18 and older. A total of 623 current wireless subscribers were interviewed. With a total sample size of 623, one can say with 95% certainty that the results are accurate within 3.93%.

Ipsos-Insight

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