

Mobile Network Providers - US - February 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"What with most adults already being cellular service subscribers, there is little to no opportunity to increase the number of subscriber lines, outside of nominal additions related to overall population growth. Simultaneously, the amount consumers have typically paid per month for service has shown little increase in the 21st century in total."

- Billy Hulkower, Senior Technology Analyst

This report looks at the following areas:

- Near universal penetration leaves little room for subscriber growth
- Majority satisfied, not interested in switching
- WiFi, sponsored data to keep data plans in check

In an effort to leverage that infrastructure, carriers are transitioning the costs of mobile video consumption off the backs of consumers and onto the expense sheets of video distributors and advertisers. The brilliance of this choice lies in the incentivization it creates for mobile entertainment aficionados to base their carrier selection on network speeds, rather than price points.

Inside of the framework of these rapid shifts, Mintel analyzes the industry from the perspective of industry expertise in assessing the competitive advantages and disadvantages between carriers, as well as from the perspective of the subscriber, with both quantitative and qualitative research that explores carrier selection, carrier satisfaction, interest in changing carriers, and attitudes to mobile data services.

This report builds on analysis presented in Mintel's *Mobile Service Providers – US, March 2015*; *Mobile Service Providers – US, February 2014*; and *Mobile Phone Service – US, February 2013* reports.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Mobile Network Providers - US - February 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

The issues

Near universal penetration leaves little room for subscriber growth

Figure 1: Cell phone ownership among adults and teens, April 2010-September 2015*

Majority satisfied, not interested in switching

Figure 2: Intent to change carrier in next year and incidence of changing carrier in past year, December 2015

Figure 3: Reasons not to switch carriers, December 2015

WiFi, sponsored data to keep data plans in check

Figure 4: Use of phones via WiFi networks at home and out-of-home, December 2015

The opportunities

Half of switchers seeking better service

Figure 5: Reasons for wanting to switch service, December 2015

Ads, sponsored data open new revenue streams in mobile video

Figure 6: Daily use of video on mobile phones by type of content, December 2015

Tethering has potential to increase demand for data

Figure 7: Use of phones as mobile hotspot, December 2015

What it means

The Market – What You Need to Know

Sales stall 2012-15

ARPU in long-term decline

Connected devices route to volume growth

New challenges in WiFi, cap-free video

Market Size

Growth a challenge in mature market

Figure 8: Monthly ARPU, 2000-14

Perks in connected devices

Figure 9: Number of laptops and tablets subscribed to mobile service, 2010-15

ARPU unlikely to rise in heated competition between carriers

Figure 10: Total US wireless service revenues and forecast, at current prices, 2010-18

Industry on firmer footing when equipment sales are considered

Figure 11: Total US wireless service and equipment sales, 2012-14

Market Perspective

At 95% of adults, adoption nearly complete

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Mobile Network Providers - US - February 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 12: Cell phone ownership among adults and teens, April 2010-September 2015*

Impact of forced upgrade to tiered plans has lingering impact on pricing

Figure 13: Average monthly spend on mobile phone service, 2011-15

WiFi usage weighing down need for data

Figure 14: Frequency of use of phones via WiFi networks at home and out-of-home, December 2015

Public and private WiFi swelling

Figure 15: Cablevision Freewheel direct marketing, September 2015

WiFi First adds competition, changes billing structure

Mobile video moves out of data caps

Market Factors

Smartphones headed toward universal penetration

Figure 16: Ownership of phones, tablets, and computers, August 2015

Connected devices, tethering increase data consumption

Figure 17: Use of mobile phone as wireless hotspot, December 2015

Mobile video revenue cutting in three directions

Figure 18: Frequency of viewing video on mobile devices, by type of video, December 2015

Key Players – What You Need to Know

Verizon and AT&T retain leadership in face of T-Mobile gains

Three brands carry interest from a quarter of switchers

New launches in mobile video

5G arriving sooner than expected

What's Working?

Premium tier retains lead

T-Mobile coming on strong

Figure 19: Market share of wireless brands, by household income, December 2015

Installment/upgrade programs drive equipment revenue higher

Figure 20: Wireless carrier equipment sale revenues, 2012-14

Figure 21: Use of connected devices and early upgrade programs, by carrier, December 2015

Figure 22: T-Mobile Jump On Demand online ad, December 2015

What's Struggling?

Sprint lags in consideration

T-Mobile pulling consideration from Sprint's potential customers

MVNOs not top-of-mind

Figure 23: Providers under consideration as next carrier, December 2015

What's Next?

Streaming entertainment exiting data restrictions

T-Mobile Binge On provides cap-exempt mobile video

Verizon's Go90 open to all, exclusive for some

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Mobile Network Providers - US - February 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

AT&T to deliver new mobile video service in 2016
 Hotspot access
 Verizon launching 5G in 2017

The Consumer – What You Need to Know

Healthy adoption of connected device, early upgrade plans
 Interest in changing service limited to a select few
 Half of switchers looking for better network, better service
 Majority satisfied with carrier, vast majority with internet service

Growth Areas – Connected Devices and Early Upgrades

Connected devices, early upgrade plans show mainstream adoption
 Figure 24: Use of connected devices and early upgrade programs, December 2015

Switchers more devoted to connected devices, upgrades
 Figure 25: Use of connected devices and early upgrade programs, by interest in switching providers, December 2015

Age, combined with income, drives adoption
 Figure 26: Use of connected devices and early upgrade programs, by age and income, December 2015

Hispanics top users for connected devices and early upgrade plans
 Figure 27: Use of connected devices and early upgrade programs, by race and Hispanic origin, December 2015

Urban lifestyle lends to adoption
 Figure 28: Use of connected devices and early upgrade programs, by area, December 2015

Interest in Switching Carriers

Focusing on the few who matter
 Figure 29: Intent to change carrier, December 2015

Younger age groups more likely to switch
 Figure 30: Intent to change carrier, by age, December 2015

Connected device users more interested in switching
 Figure 31: Intent to change carrier, by use of connected devices and dissatisfaction with internet service, December 2015

Hispanics carry elevated intention to change carriers
 Figure 32: Intent to change carrier, by race and Hispanic origin, December 2015

Parents top demos for switching
 Figure 33: Intent to change carrier, by children in household, December 2015

Reasons for Switching Carriers

Half switching to save money
 Half switching for better service
 Figure 34: Reasons for wanting to switch service, December 2015

Reasons for Staying with Current Carrier

Majority anchored by satisfaction
 Figure 35: Reasons for not wanting to change carrier, December 2015

Internet speeds sufficient for majority of smartphone owners

BUY THIS
 REPORT NOW

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
 EMAIL: reports@mintel.com

Mobile Network Providers - US - February 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 36: Satisfaction with current internet speeds among smartphone owners, December 2015

Younger age groups more likely to feel pushed into cheaper carriers

Figure 37: Reasons for not wanting to change carrier, by age, December 2015

Lower-income groups buy what they can afford

Figure 38: Reasons for not wanting to change carrier, by household income, December 2015

More Hispanics and Blacks feel constrained by price points

Figure 39: Reasons for not wanting to change carrier, by race/Hispanic origin, December 2015

Consumption of Mobile Video Content

One in four streams video daily

Figure 40: Daily use of video on mobile phones by type of content, December 2015

Young men top target for mobile video services

Figure 41: Daily use of video on mobile phones, by gender and age, December 2015

Urbanites more likely to be daily streamers

Figure 42: Daily use of video on mobile phones, by area, December 2015

Blacks a top audience for mobile video

Figure 43: Daily use of video on mobile phones, by race/Hispanic origin, December 2015

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Consumer survey data

Consumer qualitative research

Abbreviations and terms

Abbreviations

Terms

Appendix – Additional Consumer Data

Figure 44: Use of connected devices and early upgrade programs, by age and gender, December 2015

Figure 45: Daily use of video on mobile phones, by carrier, December 2015

Figure 46: Daily use of video on mobile phones, by number of devices on plan, December 2015

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com