

Nearly One in Ten U.S. Adults Use Wireless Phones Exclusively

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Nearly One in Ten U.S. Adults Use Wireless Phones Exclusively and Landline Displacement Expected to Grow

Price and coverage the two primary factors that may drive more adults to abandon their landline

ROCHESTER, N.Y. — June 27, 2005 One in ten (9%) U.S. adults have abandoned their traditional telephone service completely and now use their wireless phone exclusively. This trend is expected to grow as five percent of all adults say they are "seriously considering" going exclusively wireless within one year. Another 47 percent say they are "somewhat considering" this switch.

These are some of the results from The 2005 Telecommunications Report, a study conducted quarterly by Harris Interactive. The most recent study was conducted online in April 2005 among a sample of 1,088 U.S. adults.

Barriers to switching to wireless exclusively While the trend is expected to grow, there is still a segment of the population (39% of all adults) who say they will never abandon their traditional phone line. Among these adults, the top reasons given for never wanting to make this switch include:

- Safety of a traditional phone (26%)
- Need for Internet access (20%)
- Pricing not attractive enough (12%)
- Cell signal at home is weak or unreliable (7%)
- Coverage is not good enough (6%)
- Want/need multiple extensions/phones (6%)

Factors that could influence exclusive wireless phone use Results show that there are steps that wireless providers can take to possibly change the minds of those who say they would never go exclusively wireless. These include:

- Reduced pricing plan (34%)
- Coverage improvement plan (30%)
- Money-back guarantee (24%)
- Wireless broadband for home or office (23%)
- Great deal on "multiple extension units" for home (20%)
- Free trial (30 days) (16%)
- Testimonials from friends and neighbors (10%)

"These results show that many consumers are actively seeking out alternative telecommunications services and the options are out there," states Joe Porus, chief architect for the Technology Research Practice at Harris Interactive.

"While the majority of consumers are happy with their landline service, the movement toward wireless replacement options clearly shows that consumer sentiment is changing. Telecommunications service providers (wired and wireless) need to be prepared!"

TABLE 1

SWITCH FROM TRADITIONAL TO WIRELESS PHONE EXCLUSIVELY

"Since wireless phones have become more reliable and coverage has improved as well, would you consider disconnecting your traditional phone and using a wireless phone exclusively?"

Base: All Adults

?Total

?%

I have already switched.

9

I am considering it seriously. I plan to switch within one year.

5

I am somewhat considering it.

47

I would never switch.

39

TABLE 2

BARRIERS TO SWITCHING

"Why would you never use a wireless phone exclusively?"

Base: Adults Who Say They Will Never Disconnect Traditional Phone Line (n=420)

?Total

?%

I like the "safety" of a traditional phone

26	I need a line for Internet access
20	Pricing not attractive enough
12	Cell signal at home is weak or unreliable
7	Coverage is not good enough
6	I want multiple extensions/phones in my home
6	I need multiple phone lines
5	Need to have 911 coverage
4	I need it for TIVO or DVR
4	I don't trust wireless providers
2	Health issues associated with cell phones
1	Other
7	

TABLE 3

FACTORS THAT WOULD IMPACT USING WIRELESS PHONE EXCLUSIVELY

"How much of an impact would each of the following have on you to switch to a wireless phone only?"

Percentage saying 4 or 5 where 1=No Impact and 5=Huge Impact

Base: Adults Who Say They Will Never Disconnect Traditional Phone Line (n=420)

?	Total
?	%
	Reducing pricing plan
34	
	Coverage improvement plan for my area
30	
	Money-back guarantee
24	
	Wireless broadband for my home or office
23	
	Great deal on "multiple extension units" for my home
20	
	Free trials (30 days)
16	
	Testimonials from friends and neighbors
10	

MethodologyHarris Interactive? conducted the online study in April 2005 among a nationwide sample of 1,088 U.S adults (aged 18 years and over). Figures for age by gender, race/ethnicity, education, region, and household income were weighted to reflect the total U.S. adult population. Propensity score weighting was used to adjust for respondents's propensity to be online.

In theory, with a probability sample of this size, one can say with 95 percent certainty that the results for the overall sample have a sampling error of plus or minus 3 percentage points. Sampling errors for the results of adults who say they will never disconnect their traditional phone line (420) is plus or minus 5 percentage points. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (nonresponse), question wording and question order, and weighting. It is impossible to quantify the errors that may result from these factors. This online sample was not a probability sample.

These statements conform to the principles of disclosure of the National Council on Public Polls.

About Harris Interactive Technology ResearchThe Harris Interactive Technology Research group doesn't just monitor and measure the industry. It interacts with the thought leaders who drive technology, telecom and e-business everyday and provides insights from a variety of vertical perspectives. Using the group's unique knowledge, experience, and expertise in both the telecommunications and information technology sectors, Harris Interactive asks the right questions, confirms business issues, designs and implements studies to provide clients with actionable results.

A copy of The 2005 Telecommunications Report can be obtained upon request.

About Harris Interactive?Harris Interactive Inc. (<http://www.harrisinteractive.com/>), the 15th largest and fastest-growing market research firm in the world, is a Rochester, NY-based global research company that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Known for The Harris Poll? and for pioneering Internet-based research methods, Harris Interactive conducts proprietary and public research to help its clients achieve clear, material and enduring results.

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Press Contacts:Nancy Wong

Harris Interactive

585-214-7316

Kelly Gullo

Harris Interactive

585-214-7172