

# BEST CARRIERS

## Should you switch?

Last fall, when it became clear that cell-phone customers would finally be able to keep their phone numbers if they switched carriers, the major cell-phone companies began an advertising blitz to woo new customers and keep old ones. Estimated to cost \$1.5 billion, the campaigns stressed trust, reliability, dependability, and quality. For example, AT&T Wireless proclaimed itself “the wireless service America trusts.” Verizon says it has “the most reliable wireless network in America.”

Such claims mask chronic dissatisfaction with wireless service. “Churn,” the industry term for the number of customers who change carriers, remains high. On average, nearly 37 percent of cell-phone users switch carriers each year, seeking



better service or a better calling plan.

Many experts expect churn to increase now that people can keep their numbers. That’s because not much has changed behind the sloganeering. Problems with service, billing, and complaint-handling have not abated. Our

survey of more than 31,000 subscribers to ConsumerReports.org bears that out, as do reports from various government agencies and industry analysts.

### WHERE THINGS GO WRONG

Our survey, conducted last September, turned up a number of problems that affected all the major cell-phone companies. Verizon, the company that topped the Ratings, wasn’t free of trouble; it simply had fewer than its competitors. Overall, major problems included these:

- Fewer than 50 percent of respondents were highly satisfied with their cell-phone service.
- Significant numbers of respondents said they had no service or experienced a dropped call or a poor connection at least

**First things first** There are differences among the major services. Here are the ones that count.

Now that number portability has given consumers more freedom to switch, the major cell-phone carriers are advertising heavily to dif-

ferentiate themselves from their competitors. Here are the differences that really matter, which you won’t necessarily see in the ads.



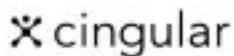
#### AT&T WIRELESS

**How good** Middling levels of customer satisfaction in our survey. Overloaded circuits have been a problem in several cities.

**Turnover rate** 29 percent.

**Specials** mMode, a catchall term for an array of features, many tied to an Internet connection, that deliver data to the phone. Also GoPhone, a variation on prepaid, no-contract calling plans.

**Digital networks** TDMA and GSM (see glossary, page 20). GSM phones can roam only on other GSM networks. The TDMA network is bigger and allows roaming on other TDMA or analog systems.



#### CINGULAR

**How good** Middling levels of customer satisfaction in our survey. Overloaded circuits have been a problem in several cities.

**Turnover rate** 32 percent.

**Specials** Rollover minutes, available on many calling plans, let you carry forward any unused calling time.

**Digital networks** TDMA and GSM (see glossary, page 20). GSM phones can roam only on other GSM networks. The TDMA network is bigger and allows roaming on other TDMA or analog systems.



#### NEXTEL

**How good** Middling levels of customer satisfaction in our survey. Fewer problems than most with call connections, and average customer support.

**Turnover rate** 21 percent, lowest of the major companies.

**Specials** First to offer push-to-talk walkie-talkie service with a cell phone (see page 22).

**Digital network** Uses iDEN network (see glossary, page 20). No roaming on other systems. Offers only Motorola phones.



#### SPRINT PCS

**How good** Wide variation in customer-satisfaction scores in our survey. Dropped calls and customer support have been problems.

**Turnover rate** 35 percent.

**Specials** Latest to offer push-to-talk service. PCS Vision service is a collection of features, many tied to an Internet connection. Its calling plans begin nighttime hours at 7 p.m., two hours earlier than others.

**Digital network** Uses CDMA (see glossary, page 20). Can roam with other networks using CDMA or analog.

once in the week before we conducted our survey.

- Overall, 10 percent reported a billing problem in the past year.
- Only 40 percent said the company's response to a complaint was very helpful.
- Twenty-six percent reported an overcharge of \$10 or more on the most recent bill.

All those findings parallel results from a similar survey we conducted in 2002. In addition, many of our findings were corroborated by a major survey conducted for the U.S. General Accounting Office. The GAO survey, conducted in November 2002, found that at least 20 percent of cell-phone users reported problems such as dropped calls, no coverage, or poor sound on 10 percent or more of their calls.

One major area of discontent is billing. Those problems dominate the complaints filed with the Federal Communications Commission and state regulators. The FCC says that complaints about billing climbed approximately 22 percent between July and September last year, from 844 to 1,028. The California Public Utilities Commission, a bellwether state regulatory agency, says that more than half the cell-phone complaints it receives involve billing disputes.

A second area of chronic discontent is

lack of information about coverage. It's next to impossible to find out how uniform any carrier's coverage really is. In New York City last fall, the mayor took the extreme step of inviting consumers to phone in reports of dead zones. Rep. Anthony Weiner, D-N.Y., who introduced a cell-service reform bill, says: "If you want information on cell service weak spots, there's nobody to call. The company pamphlets are the stuff of Alice in Wonderland."

The organization representing state regulators has called on the industry to provide signal-strength maps. In response, the Cellular Telecommunications & Internet Association, the industry's trade group, recently published a voluntary consumer code that says companies should publish maps showing "approximate voice service coverage," which wouldn't be quite as useful as what the regulators requested.

Our survey and the GAO's found that roughly one-third of cell-phone users were seriously considering changing phone companies but had not. A leading reason: They couldn't take their old numbers with them.

Before you decide you're ready to part ways with your cellular service, be sure you have an alternative that's truly better.

## HOW TO CHOOSE

**Know the companies.** The ads stress trustworthiness, reliability, and great deals. But check First Things First, below left, to see how the companies compare.

**Consider Verizon first.** The company, which commands nearly one-fourth of the cell-phone market, has consistently topped our Ratings. If Verizon provides service where you need it, check its calling plans. Although its rates are not the cheapest (see "Best Calling Plans," page 17), they are competitive. Remember, too, that Verizon was not always dramatically better than its competitors in our survey.

**Find out who else provides good coverage where you live.** Ask neighbors, friends, and co-workers—the people who travel the same streets you do—whether the cell-phone company they use delivers consistent service. It's time-consuming and imperfect research, but still the best way to determine which companies service the area you need for most of your calls. You may find that Verizon tops this list, too. Or you may find that another company does a better job where you need it.

**Take advantage of the carrier's trial period.** All the major carriers offer a trial period that allows you to back out of the deal without paying a stiff penalty. You do have to pay for the calls you've made, and you may not be able to return the phone for a full refund. Check the terms at the carrier's Web site or at the store before you sign up. The trial periods generally range from two weeks to a month, and they're a very useful escape route if anything seems amiss right away.

**Sign up for the shortest contract you can get.** Unless you want a pay-as-you-go plan, expect to sign a one-year contract at a minimum. Some carriers offer deals to induce you to sign a two-year contract, such as better prices on some phones or the most desirable phones. But you don't have to take the bait. We recommend a one-year contract, even if that means compromising on the phone itself. We think it's better to wait out a short-term contract than pay a penalty to get out of a longer one. Early-termination penalties typically range from \$150 to \$200.

*For Ratings and CR Quick Recommendations, see next page.*



### T-MOBILE

**How good** Wide variation in customer-satisfaction scores in our survey. Static on calls has been a problem.

**Turnover rate** 38 percent, highest of the major companies.

**Specials** Known as the value leader, with low per-minute rates (but not necessarily the best rates overall; see box on page 20). Weekend rates begin on Fridays. Offers only 1-year contracts.

**Digital network** Uses GSM (see glossary, page 20). Can roam only on other GSM systems.



### VERIZON WIRELESS

**How good** Highest levels of customer satisfaction in our survey. Fewer problems with service availability and overloaded circuits.

**Turnover rate** 23 percent.

**Specials** Push-to-talk walkie-talkie service. Some calling plans tie wireless service in with regular local and long-distance calling, plus high-speed Internet access.

**Digital network** Uses CDMA (see glossary, page 20). Can roam on other networks that use CDMA or analog.

## CR Quick Recommendations

Choosing a carrier is the first step in getting good cellular service. Our Ratings can help. They are based on the experiences of more than 31,000 subscribers to ConsumerReports.org and they cover the major carriers in 12 metro areas across the country. They may also suggest better choices if you live outside those areas.

Overall satisfaction with service is generally below average, compared with many other services that we rate. That said, Verizon consistently topped the rankings, but that doesn't mean it's free of problems. Indeed, in Denver another carrier bested it in two factors.

You may also opt for a carrier other than Verizon because it offers a special feature that matters greatly to you, such as Cingular's rollover minutes or Nextel's push-to-talk capability. Cingular, Sprint, and T-Mobile are reasonable choices in several cities.

The rankings are based on overall satisfaction levels; we asked separate questions about dropped calls, static, and the other factors shown in the tables.

For the most part, we ranked national carriers; however, we had enough responses for one regional carrier, Qwest, to include it in the Ratings for Denver (Qwest's home base). Some carriers aren't shown in some cities because we didn't have enough responses.

The **Ratings** are based strictly on survey results. The **Quick Picks** consider factors from other research and reporting.

### QUICK PICKS

#### A good first choice for many people:

##### Verizon

Verizon had fewer problems with service overall. It was among the best at providing service and having circuits available. Verizon customers who had a complaint were more likely than other carriers' customers to describe the company's response as very helpful.

#### Other carriers to consider:

##### Nextel

##### Qwest

Nextel wasn't always statistically different from the other carriers trailing Verizon, but it had fewer problems than average with call connections. On the downside, Nextel service is limited to its own network; you can't roam. Qwest is worth considering in the Denver area.

### Guide to the survey

The Ratings are based on responses to an online survey conducted last September. We required at least 150 responses per city for a company to be included. The results reflect the experiences of subscribers to ConsumerReports.org, not necessarily those of the population at large. A score of 100 in **overall satisfaction** would mean that all respondents were completely satisfied; 80 would mean very satisfied, on average; 60, fairly well satisfied. Differences in scores of fewer than

# Ratings cellular carriers

- **Availability** Most offer service nationwide. Qwest operates only in 14 western states.



#### Within cities, in satisfaction order.

Company	Overall satisfaction	Performance			
		No service	Dropped calls	Static	Circuits full

#### ATLANTA

Verizon	75	●	○	○	○
T-Mobile	70	○	○	○	○
Nextel	66	○	○	○	○
Cingular	64	○	○	○	●
AT&T	64	○	○	○	●
Sprint	63	○	●	○	○

#### BOSTON

Verizon	73	○	○	○	●
Nextel	66	○	○	○	○
Cingular	62	○	○	○	○
Sprint	62	○	○	○	○
AT&T	58	○	○	○	○

#### CHICAGO

Verizon	71	○	○	○	○
Nextel	69	○	○	○	○
Cingular	67	○	○	○	○
T-Mobile	66	○	○	○	○
AT&T	63	○	○	○	○
Sprint	60	○	○	○	○

#### DALLAS

Verizon	75	○	○	○	○
Sprint	68	○	○	○	○
Cingular	67	○	○	○	○
AT&T	66	○	○	○	○
T-Mobile	65	○	○	○	○

#### DENVER

Verizon	73	○	○	○	○
Qwest	68	○	○	○	○
T-Mobile	65	○	○	○	○
AT&T	65	○	○	○	○
Sprint	63	○	○	○	○

#### HOUSTON

Verizon	70	○	○	○	○
T-Mobile	67	○	○	○	○
Cingular	67	○	○	○	○
Sprint	65	○	○	○	○
AT&T	62	○	○	○	○

#### Within cities, in satisfaction order.

Company	Overall satisfaction	Performance			
		No service	Dropped calls	Static	Circuits full

#### LOS ANGELES

Verizon	72	○	○	○	○
Nextel	67	○	○	○	○
Sprint	64	○	○	○	○
T-Mobile	63	○	○	○	○
Cingular	63	○	○	○	○
AT&T	58	○	○	○	○

#### NEW YORK

Verizon	71	○	○	○	○
Nextel	62	○	○	○	○
T-Mobile	59	○	○	○	○
Sprint	58	○	○	○	○
AT&T	58	○	○	○	○

#### PHILADELPHIA

Verizon	73	○	○	○	○
Nextel	67	○	○	○	○
Cingular	64	○	○	○	○
T-Mobile	64	○	○	○	○
Sprint	60	○	○	○	○
AT&T	61	○	○	○	○

#### SAN FRANCISCO

Verizon	73	○	○	○	○
AT&T	64	○	○	○	○
Sprint	61	○	○	○	○
Cingular	60	○	○	○	○

#### SEATTLE

Verizon	74	○	○	○	○
T-Mobile	67	○	○	○	○
Sprint	65	○	○	○	○
AT&T	62	○	○	○	○

#### WASHINGTON, D.C.

Verizon	74	○	○	○	○
Nextel	68	○	○	○	○
AT&T	63	○	○	○	○
Cingular	61	○	○	○	○
Sprint	60	○	○	○	○

6 points are not meaningful. Scores for **performance** were based on percentage of respondents reporting that they experienced a problem at least once in the previous seven days. **No service** means a call failed because no wireless service was available. **Dropped calls** means that a call was interrupted while in progress. **Static** refers to a bad connection that caused difficulty hearing. **Circuits full** reflects respondents who said they heard a "fast busy" signal.