

**Broadband satisfaction:
What consumers report about their broadband Internet provider**

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SUMMARY OF FINDINGS

The Federal Communications Commission's April 2010 survey sought to understand people's attitudes about their home broadband service. Specifically, the survey explored how people rate certain aspects of their Internet service, from installation and customer service to how understandable they find their bills.

The survey found that broadband users report higher levels of satisfaction with the speed and reliability of their service than with the cost of their service.

Here are the survey's main findings related to satisfaction with service:

Most Internet users have a very good understanding of the information on their bills regarding how to contact customer service or the price they pay. However, when asked about the clarity of information on their bill about speed, restrictions on service, or fees for terminating service, few users find this information very clear.

- 78% of Internet users find information on how to contact the company about a question about the bill or service *very clear* on their bill, with another 13% finding it *somewhat* clear.
- 66% of Internet users say their bill is *very clear* about how much their monthly service charge is, with another 21% finding this information *somewhat* clear.
- 31% of Internet users say their bills are *very clear* about whether there are restrictions on their use of Internet service, with another 13% finding it *somewhat* clear.
- 25% of Internet users say their bill is *very clear* about how fast their connection speed is, with another 19% saying this information is *somewhat* clear.
- 17% of Internet users say their bill is *very clear* about whether they would have to pay fees if they switched service, with 10% finding this *somewhat* clear.

A majority of broadband users are very satisfied with various dimensions of their service, but nearly one quarter express dissatisfaction with the price they pay.

- 59% are *very* satisfied with the reliability of their service and 33% are *somewhat* satisfied.
- 51% of broadband users are *very* satisfied with service overall and 42% are *somewhat* satisfied.
- 50% of broadband users are very satisfied with the speed of their service and 41% are *somewhat* satisfied.
- 49% are *very* satisfied with their broadband provider's customer service and 33% are *somewhat* satisfied.
- 30% of broadband users are *very* satisfied with the cost of their service and 44% are *somewhat* satisfied.

With respect to cost of service, 23% of broadband users expressed dissatisfaction with what they pay per month, with 15% *not too* satisfied and 8% *not at all* satisfied.

Introduction

The Federal Communications Commission’s April 2010 survey sought to explore the consumers’ attitudes towards aspects of their home Internet service.¹ In doing so, the survey asked home broadband users about levels of satisfaction with various aspects of their service—from the clarity of their bills to speed and price.

The survey results reported here, in conjunction with earlier reports on users’ perspectives on broadband speed, on bill shock and early termination fees (ETFs), and on broadband switching decisions fulfill the National Broadband Plan (NBP)’s promise that the FCC would field a survey on these issues and produce a report analyzing results.²

Satisfaction with broadband service

The survey found that 51% of home broadband users report being very satisfied with their service overall and 41% report being somewhat satisfied.

The survey also inquired about other metrics of satisfaction with home broadband service. A solid majority of home broadband users said they were very satisfied with the reliability of their service, while far fewer said this about the price of their service.

Among home broadband users, here is how measures of satisfaction broke out:

Table 1. Broadband users’ satisfaction with their service

	<u>Very</u>	<u>Some- what</u>	<u>Not too</u>	<u>Not at all</u>
With the reliability of service	59	33	4	3
Overall satisfaction with service	51	42	6	2
With the speed of service	50	41	6	3
With customer service from the company which provides service	49	33	7	5
With the cost of service	30	44	15	8

However, for those who have considered switching their broadband service in the past three years, there are clear differences relative to those who have not considered switching. Among those who have considered switching just 27% say they are very satisfied and 54% say they are somewhat satisfied. Among those who have not considered switching, 59% are very satisfied and 37% somewhat satisfied. In other words, those who have considered switching are less than half as likely to be very satisfied with their home broadband service as those who have not considered switching service.

¹ The FCC survey was conducted between April 19 and May 2, 2010 and interviewed 3,005 adults in English or, if the respondent chose, Spanish. The margin of error is plus or minus 2 percentage points for the entire sample.

² *Connecting America: The National Broadband Plan*, p. 64, footnote 53.

The following table presents results for all of the questions on satisfaction for those who considered switching and those who did not.

Table 2. Broadband users' satisfaction with their service, by whether they have *considered* switching

	<u>Very</u>	<u>Some- what</u>		<u>Very</u>	<u>Some- what</u>
	Have considered switching			Have not considered switching	
With the reliability of service	42%	40%		64%	32%
Overall satisfaction with service	28	50		56	39
With the speed of service	34	43		54	38
With customer service from the company which provides service	29	45		57	28
With the cost of service	18	39		35	53

The differences are clear across the board; those who have considered switching service are less satisfied than those who have not when it comes to reliability of service, speed, cost, and overall satisfaction.

Those who have switched

The table below compares satisfaction for Internet users who have switched in the past three years (37%) with satisfaction for those who have not switched (62%).

Table 3. Broadband users' satisfaction with their service, by whether they *have* switched

	<u>Very</u>	<u>Some- what</u>		<u>Very</u>	<u>Some- what</u>
	Have switched			Have not switched	
With the reliability of service	59%	34%		57%	34%
Overall satisfaction with service	51	39		48	43
With the speed of service	45	42		48	40
With customer service from the company which provides service	50	32		48	33
With the cost of service	34	43		30	42

The findings show minor differences in attitudes between those have switched and those who have not. The pattern of the differences indicates that those who have switched service are modestly more satisfied than those who have not.

Drilling down one additional level, Table 4 shows satisfaction measures for those whose service switch happened in the context of a change in residence compared with those whose Internet service provider (ISP) switch did not. The differences are neither great nor statistically significant, although the data provide some indication that those who chose to switch when not changing residences are more satisfied with their connection speed.

Table 4. Broadband users' satisfaction with their service, by whether a service provider change involved a change in residence

Broadband users' satisfaction with service	Very	Some- what	Very	Some- what
		Change in ISP did not involve change in residence		Change in ISP did involve change in residence
With the reliability of service	58%	32%	58%	31%
Overall satisfaction with service	48	42	50	42
With the speed of service	47	40	51	38
With customer service from the company which provides service	48	32	50	41
With the cost of service	30	42	30	43

Understanding the home broadband bill

The April 2010 survey asked, among those with Internet service at home, whether they paid the bill themselves, whether they are familiar with the bill, and their views on the clarity of their home Internet bill.

The survey found that 64% of respondents said they pay their home Internet bill, with 29% saying someone else does. Whether they pay the bill or not, most home Internet users (55%) say they are “very familiar” with the bill, with another 23% saying they are “somewhat familiar” with the bill. That means that 78% of Internet users have some degree of familiarity with their home Internet bill, while 22% are either “not too familiar” (10%) or are “not familiar at all” (12%) with their bill. Among Internet users with broadband at home, these figures are the same.

The survey reveals that consumers have varying degrees of understanding about the details of their home Internet bills, depending on the issue. People understand well what their bills say about monthly costs, but the picture is fuzzier when it comes to restrictions on the use of their service or fees they may have to pay if they switch to another company.

Among all home Internet users (broadband and dial-up alike) who are also familiar with their bill (either “very” or “somewhat”), here is what respondents said when asked how clear their bills were:

Table 5. Internet users' clarity about aspects of their bills

	Very	Some	Not too	Not at all	Not on bill	Don't know
How to contact the company if you have a question about the bill or the service	78%	13%	3%	2%	1%	3%
How much you are paying for Internet service	66	21	6	2	*	4
Whether there are any restrictions on your use of the Internet service	31	13	12	16	12	15
How fast your Internet service is	25	19	12	13	9	21
Any fees you would have to pay if you switched to another Internet company	17	10	15	23	12	22

It is important to look at the results from this series of questions for two additional groups that are subsets of the group of all home Internet users: broadband users who are at least *somewhat familiar* with their bill, and broadband users who are *very familiar* with their bill.

Focusing only on those who said they were *somewhat familiar* with the particular aspect of the bill asked about, here is what home broadband users said:

- 75% said the information on their bill was very clear on how to contact the company if they have a question about the bill or the service;
- 53% said the information on their bill was very clear on how much they are paying for Internet service;
- 25% said the information on their bill was very clear on whether there are restrictions on use of their Internet service;
- 18% said the information on their bill was very clear on how fast their Internet service is; and
- 11% said the information on their bill was very clear about fees they would have to pay if they switched to another Internet company.

Among broadband users who said they were *very familiar* with their bill:

- 83% said the information on their bill was very clear on how to contact the company if they have a question about the bill or the service;
- 77% said the information on their bill was very clear on how much they are paying for Internet service;
- 36% said the information on their bill was very clear on whether there are restrictions on use of their Internet service;
- 29% said the information on their bill was very clear on how fast their Internet service is; and
- 21% said the information on their bill was very clear about fees they would have to pay if they switched to another Internet company.

As the figures indicate, greater familiarity with the bill is associated with higher levels of understanding about various elements of the home Internet bill. It is worth noting, as well,

that those who identify themselves as the bill payer have high levels of understanding of the bill. Among home broadband users who say they pay the Internet bill:

- 80% said the information on their bill was very clear on how to contact the company if they have a question about the bill or the service;
- 68% said the information on their bill was very clear on much they are paying for Internet service;
- 30% said the information on their bill was very clear on whether there are restrictions on use of their Internet service;
- 24% said the information on their bill was very clear on how fast their Internet service is; and
- 17% said the information on their bill was very clear about fees they would have to pay if they switched to another Internet company.

Overall, those who pay the home broadband bill are not very different from others when thinking about the clarity of various dimensions of the bill. In general, respondents are highly likely to find information on their bill on how to contact customer service and price to be very clear, while they find information on speed, service restrictions, and switching fees to be less clear.

Comparisons with cell phone service

The April 2010 survey asked cell users several questions about their service that were similar to ones posed to broadband users. This offers a chance to compare how people view the ease of switching broadband service versus switching cell phone service.

Ease of switching service

As noted above, nearly two-thirds of broadband users say it would be at least somewhat easy to switch service; with 33% say it would be very easy and 30% say it would be somewhat easy.

When cell phone users are asked how easy it would be to switch carriers, fewer say that it would be very or somewhat easy. Specifically, among cell phone users:

- 32% said it would be *very easy* to switch cell phone carriers;
- 17% said it would be *somewhat easy*;
- 19% said it would be *somewhat difficult*;
- 11% said it would be *very difficult*; and
- 9% said they *could not do it* or *it would be impossible*.

Process of switching service

When asked about what issues they faced when switching service, here is what cell phone users who had switched service said:

- 45% said they had to pay a set-up or activation fee with their new service;
- 43% said they had to give up their old cell phone;
- 27% said they had to spend considerable time when setting up the new service;
- 22% said they had to pay a termination fee to the old company; and
- 12% said they had to put down a deposit to qualify for service.

Cell switchers are more likely to pay an early termination fee than broadband switchers (by a 22% to 9% margin), about as likely to pay a set-up or activation fee (49% of broadband users had to pay such a fee), and less likely to have to spend a lot of time getting service up and running (by a 37% to 27% margin).

Set-up or activation fees

Cell phone switchers' experience with set-up and activation fees is similar to the experience of broadband users. Nearly half (48%) of cell users either were not subject to a fee or, if they were, did not know its level; one-fifth (20%) fell into that category. The figures for broadband users were 43% and 25% respectively.

For those who changed cell service in the past three years:

- 12% said their set-up fee was between \$1 and \$49;
- 9% said it was between \$50 and \$99;
- 4% said it was between \$100 and \$149;
- 3% said it was between \$150 and \$199; and
- 4% said it was in excess of \$200.

These figures are roughly comparable to those for broadband users.³

Familiarity with and understanding of the bill

Most (64%) broadband users surveyed paid the ISP bill themselves. Most also said they were familiar with their bill, with 55% saying they were "very familiar" with it and 23% "somewhat familiar". For adults with a personal cell phone:

- 65% of those surveyed pay the bill;
- 55% said they were very familiar with the bill; and
- 20% said they were somewhat familiar with the bill.

Cell phone users are about as likely as broadband users to pay the bill and understand its characteristics.

Here is how cell phone users who are at least somewhat familiar with the bill responded to questions about how clear their bill is:

³ See *Broadband decisions: What drives consumers to switch – or stick with – their broadband Internet provider*, FCC Working Paper, December 2010.

- 78% say it is very clear on how to contact the company if they have a question about customer service;
- 71% say it is very clear on how much they pay for service;
- 39% say it is very clear on whether there are any limits on access to the Internet using their cell phone; and
- 36% say it is very clear about any fees they would have to pay to switch providers.

These results are largely in line with answers to similar questions posed to broadband users, with the exception of understanding fees that might have to be paid to switch service. Cell users are more likely to say information is *very* clear about early termination fees than broadband users – by a 36% to 18% (both among respondents who are at least somewhat familiar with the bill). An important bit of context for this result is this: Cell phone users are more likely to say they have an ETF than broadband users by a 22% to 9% margin. For that reason, broadband users may have less incentive to probe into ETF terms in their service.