

FOR IMMEDIATE RELEASE

Mobile Carrier Growth Slows, as Activation Shares Steady

T-Mobile and Sprint Look for Growth from a Rumored Merger

CHICAGO, IL – Thursday, April 19, 2018 - Consumer Intelligence Research Partners, LLC (CIRP) today released analysis of the results from its research on mobile phone companies for the calendar quarter that ended March 31, 2018. This analysis features findings about consumer trends in mobile phone activations from January-March, 2018 for AT&T (T), Verizon (VZ), Sprint (S), and T-Mobile (TMUS).

CIRP finds that among major mobile phone companies, share of activations has stabilized at steady percentages for the past eight quarters. T-Mobile continues to grow the most among these companies, but at its lowest rate in the past eight quarters.

Based on our analysis of customer activations, we identify customers that upgraded to new phones and stayed with their existing mobile carrier, customers that switched carriers, and first-time mobile phone buyers. Combining these three groups, among customers that activated a phone during the quarter, T-Mobile grew its customer base 8%, relative to the number of customers that started the quarter as T-Mobile customers and activated a new or used phone (Chart 1). All other companies maintained their respective customer bases at approximately the same level as the start of the quarter (Note this does not indicate that T-Mobile’s entire installed base of customers grew by that percentage in the quarter.)

Table 1: Customer Gains and Losses by Carrier – 2018-Q1

	AT&T	Verizon	Sprint	T-Mobile	other
begin of period	100%	100%	100%	100%	100%
lost to other carriers	-15%	-13%	-24%	-19%	-20%
retained	85%	87%	76%	81%	80%
gain from other carriers	15%	12%	24%	22%	17%
first phone	1%	2%	0%	4%	1%
end of period	101%	101%	100%	108%	99%

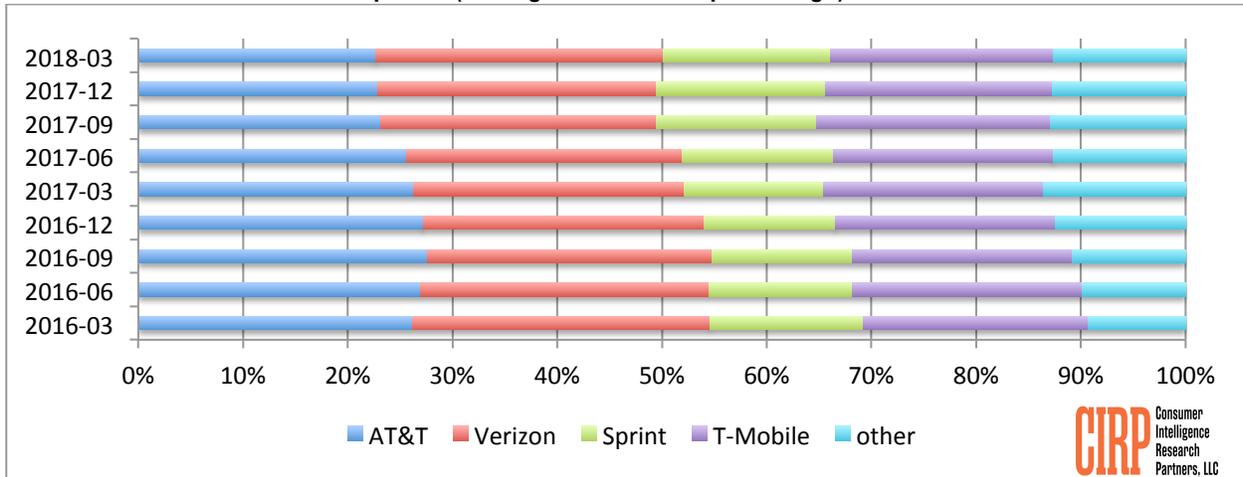


“We take a quarterly view of loyalty and churn, focusing on customers who chose to activate a phone,” said Mike Levin, Partner and Co-Founder of CIRP. “Considering both customers gained from other companies, and also customers buying a first phone, T-Mobile grew the most, increasing its customer base 8% relative to the customers who activated a phone in the quarter and started with T-Mobile. While this is the largest gain

among the four companies, it is the smallest such gain for T-Mobile in the past two years.”

Verizon had the largest share of activations in the quarter, at 28% (Chart 1), slightly greater than its share in the March 2017 quarter. AT&T had the next largest, at 23%, down from 26% in the March 2017 quarter. T-Mobile was at 21%, the same as the March 2017 quarter, with Sprint at 16%, also an increase over the March 2017 quarter.

Chart 1: Share of activations in quarter (trailing twelve-month percentage)



“Market shares have changed gradually in the past two years,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Combined with slowing growth in the overall market, it makes sense that Sprint and T-Mobile would revive their merger discussions. Both T-Mobile and Sprint individually grew well for many quarters, using aggressive pricing and novel marketing. After taking share from AT&T and Verizon, and also each other, it looks like they need to find growth elsewhere. With current market saturation, neither T-Mobile nor Sprint can grow organically to unseat AT&T or Verizon for a top 2 position among US carriers.”

CIRP bases its findings on a survey of 500 US subjects, from April 1-9, 2018, that activated a new or used phone in the January-March 2018 period. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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