

# Market Research & Insights



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# Objectives

- To understand the current enterprise performance for Verizon Wireless including its customer demographics, new subscriber status, customer satisfaction, and customer value propositions.
- To provide recommendations for company's customer growth mission by conducting competitor performance analysis and analyzing current markets/consumer preferences.
- To suggest additional data metrics and information to investigate for future growth.



# Content

- Enterprise Performance Analysis

- Current Verizon customer demographics
- New subscribers' analysis
- Reasons customer choose and leave Verizon
- Demographics of customer who value Verizon network quality
- Customer satisfaction rate
- Insights & comments

- Customers Growth Strategies

- Competitor analysis
- Existing customer retention
- Customer base growth
- SWOT Analysis
- Recommendations

- Additional Information

- Data metrics
- Market & macro trends



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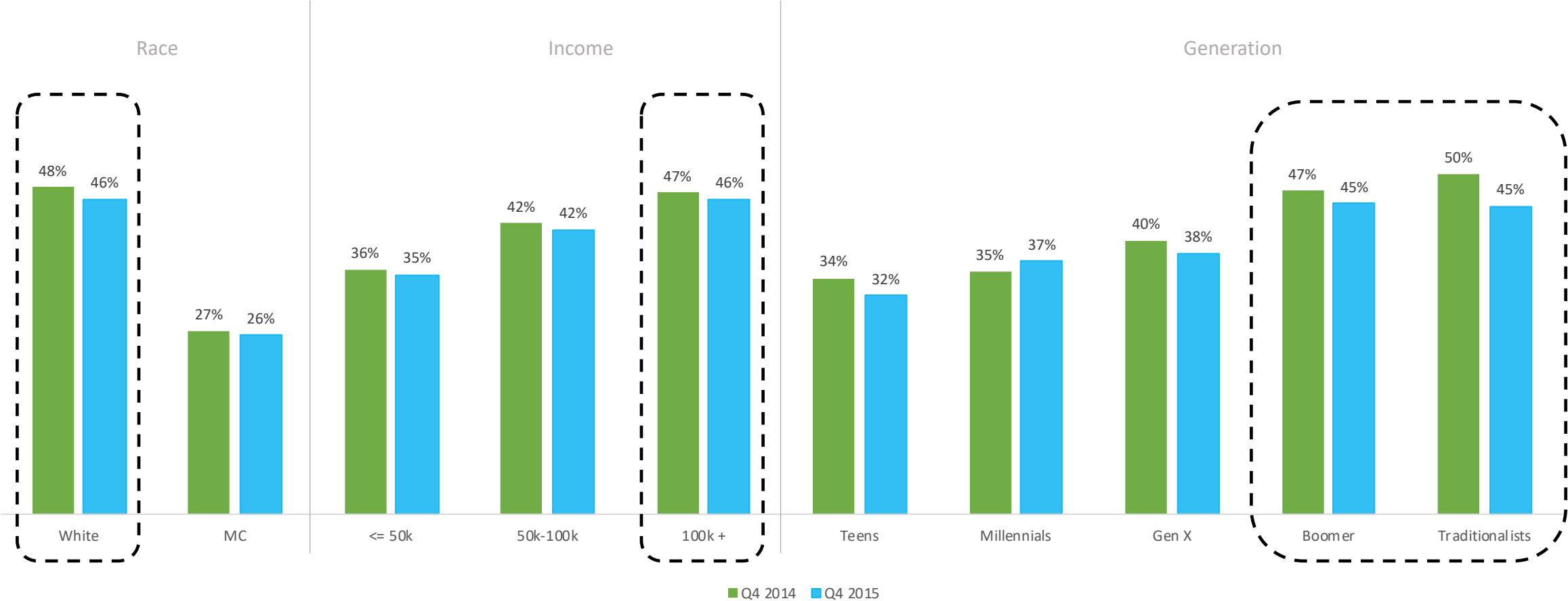
# Enterprise Performance Analysis

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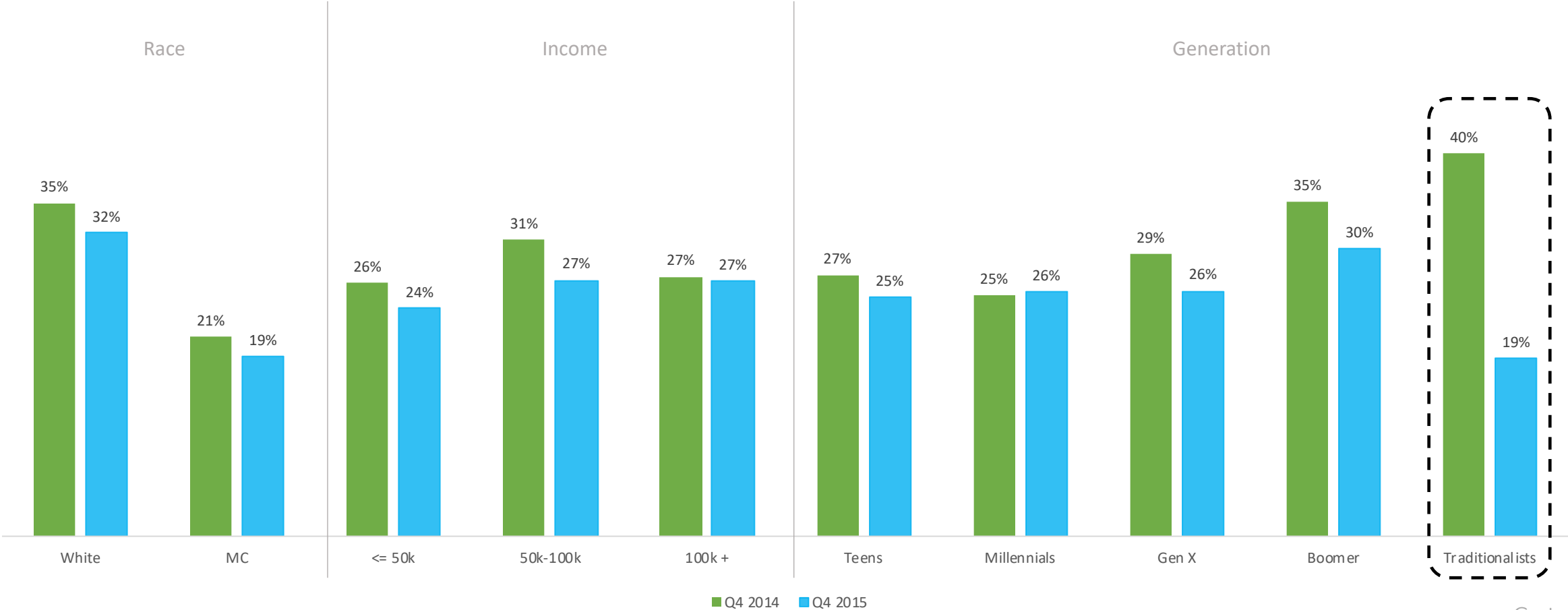
# Verizon covers a good range of customer dynamic.

However, Verizon's bigger market segments are customers who are **white, affluent, and over 50 years old**

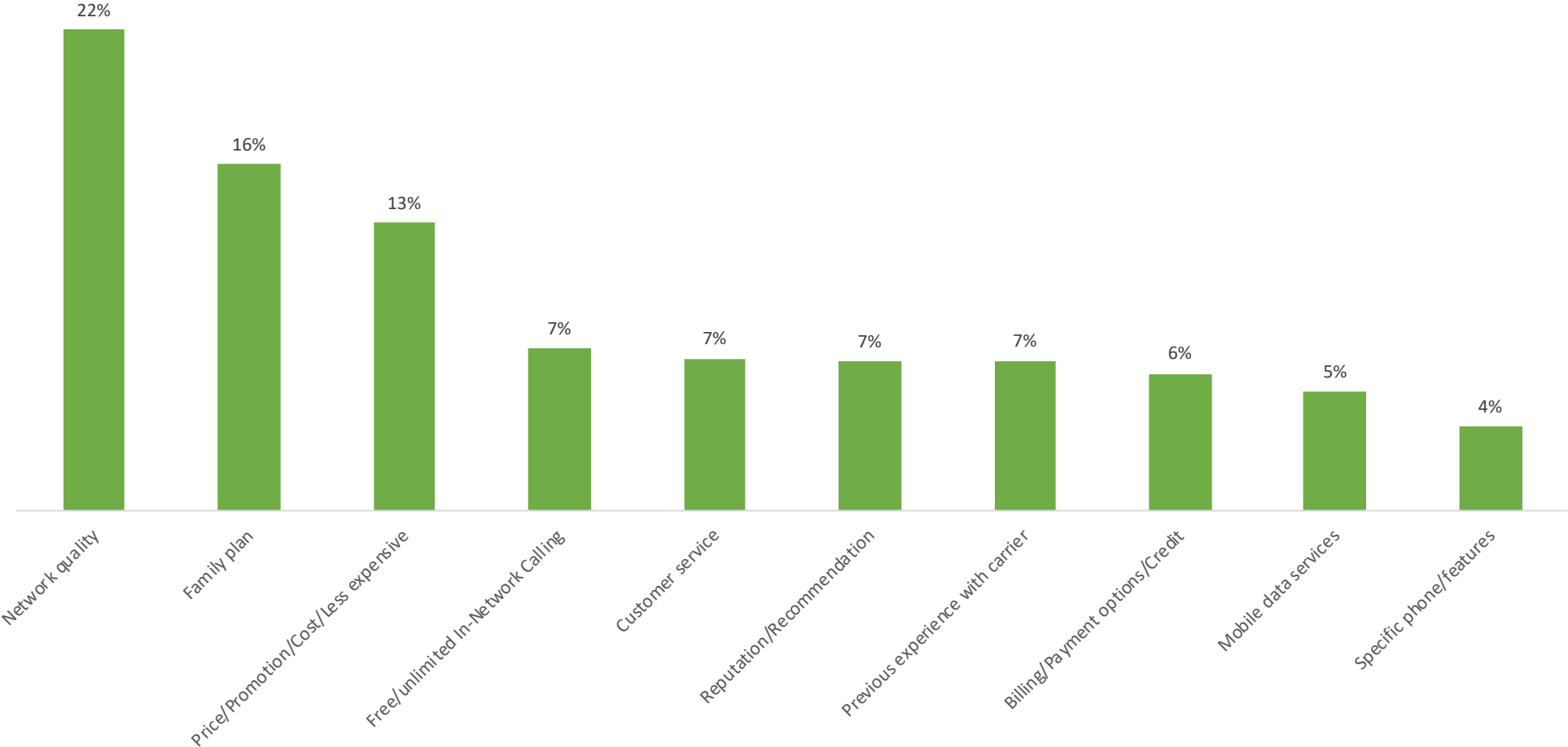


# Overall share of new subscriber declined in 2015 compared to the previous year.

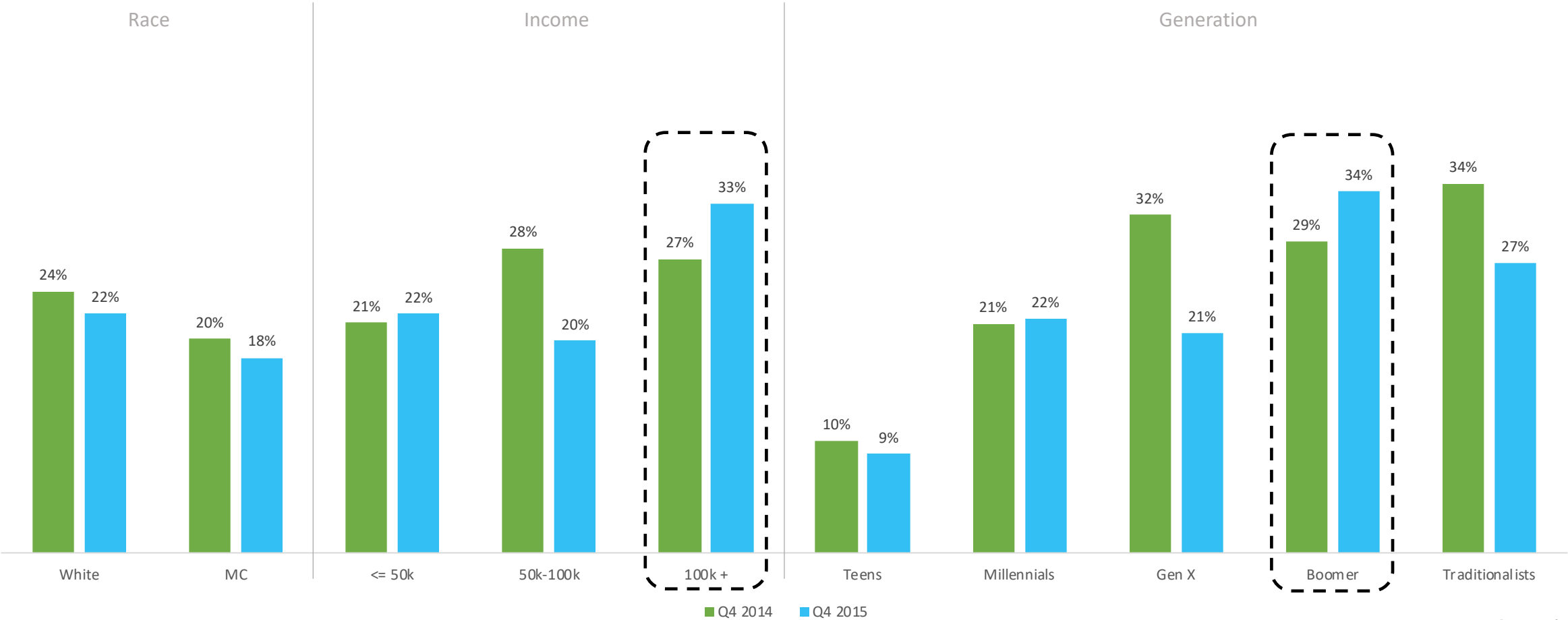
— New subscriber added for people over 70-year-old declined by **over a half** than previous year



# Nearly 1 in 4 Verizon customer choose their carrier because of high network quality

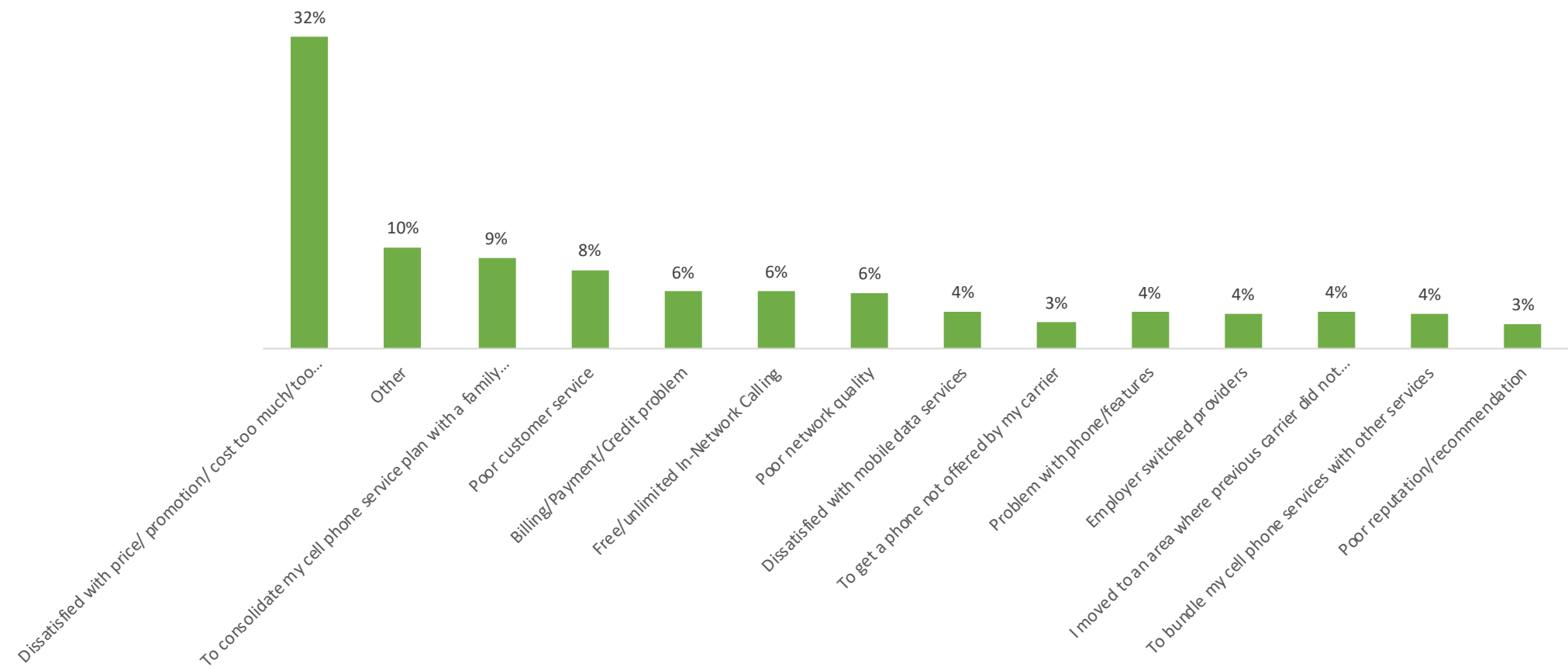


Customers who increasingly value Verizon's network quality are among higher income and boomer groups.

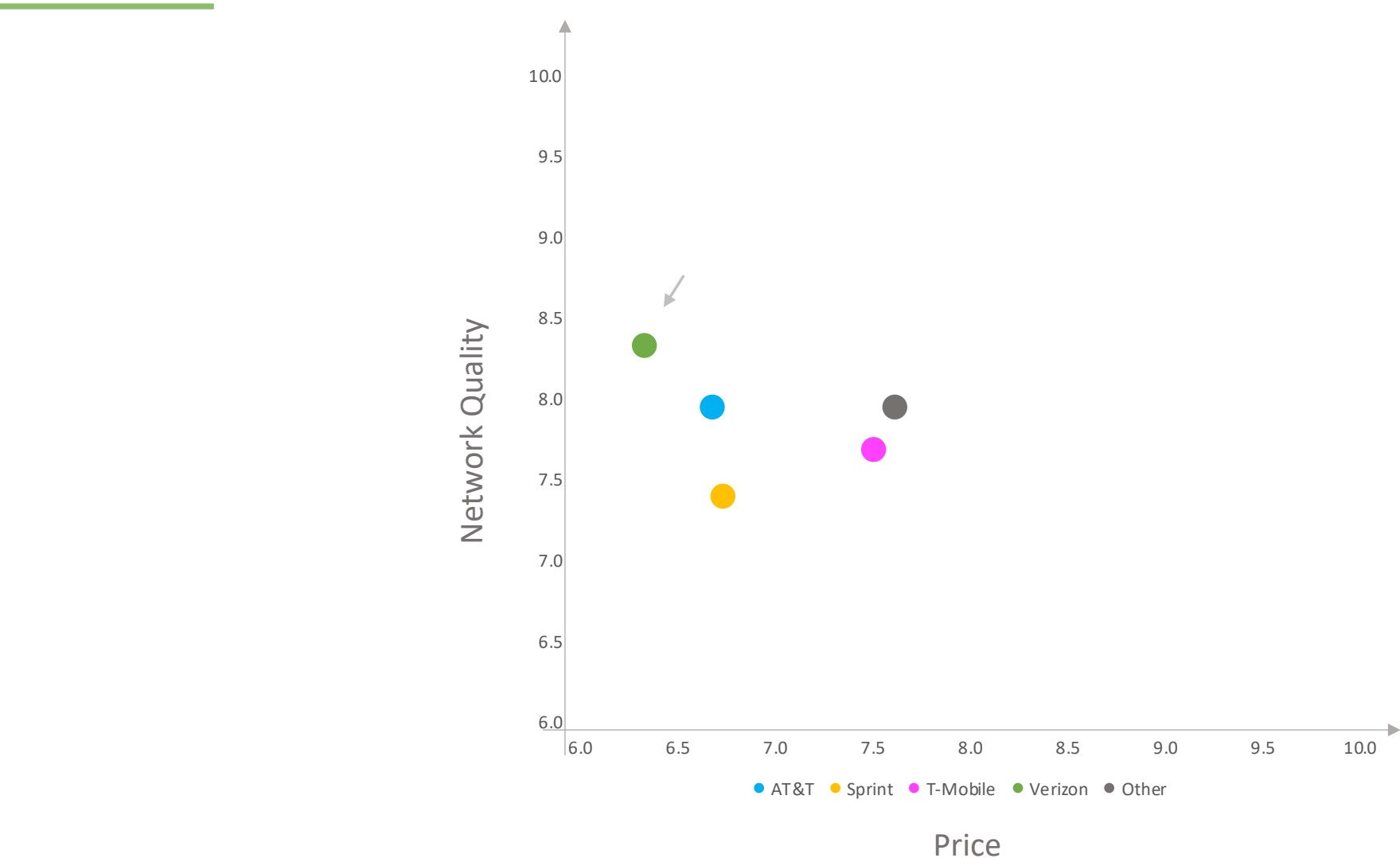




1 in 3 Verizon customers leave their carrier services because of high subscription price.



Verizon is the highest in network quality satisfaction but lowest for its price satisfaction



# Key Insights & Comments

## Current customer demographics [Click to see data](#)

- In both 2014 and 2015, Verizon's biggest market serves customers who are white, affluent and mid/old age

## Decreased new subscriber [Click to see data](#)

- Verizon needs to win back new subscribers as data shows declining new customers in 2015 compared to 2014, especially for people over 50

## Reasons customer choose Verizon [Click to see data](#)

- Customers choose Verizon mainly because its reliable network quality
- Customers in high-income and boomer groups increasingly value Verizon's network quality

## Reasons customers leave Verizon [Click to see data](#)

- Customers leave Verizon mostly because of high subscription price

## Customer satisfaction [Click to see data](#)

- Verizon received the highest overall customer satisfaction rate among competitors
- Customers are satisfied with Verizon services especially for good network quality but think its too expensive

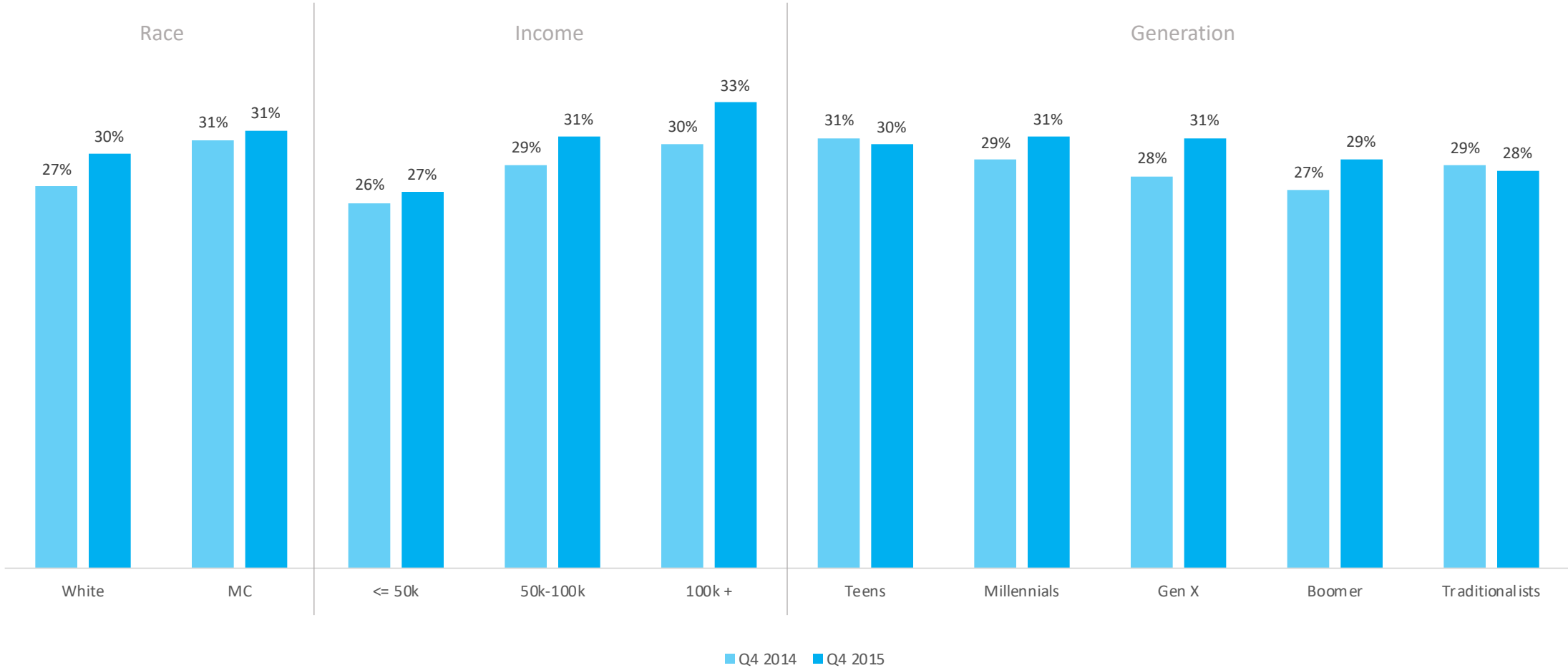
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# Customer Growth Strategies

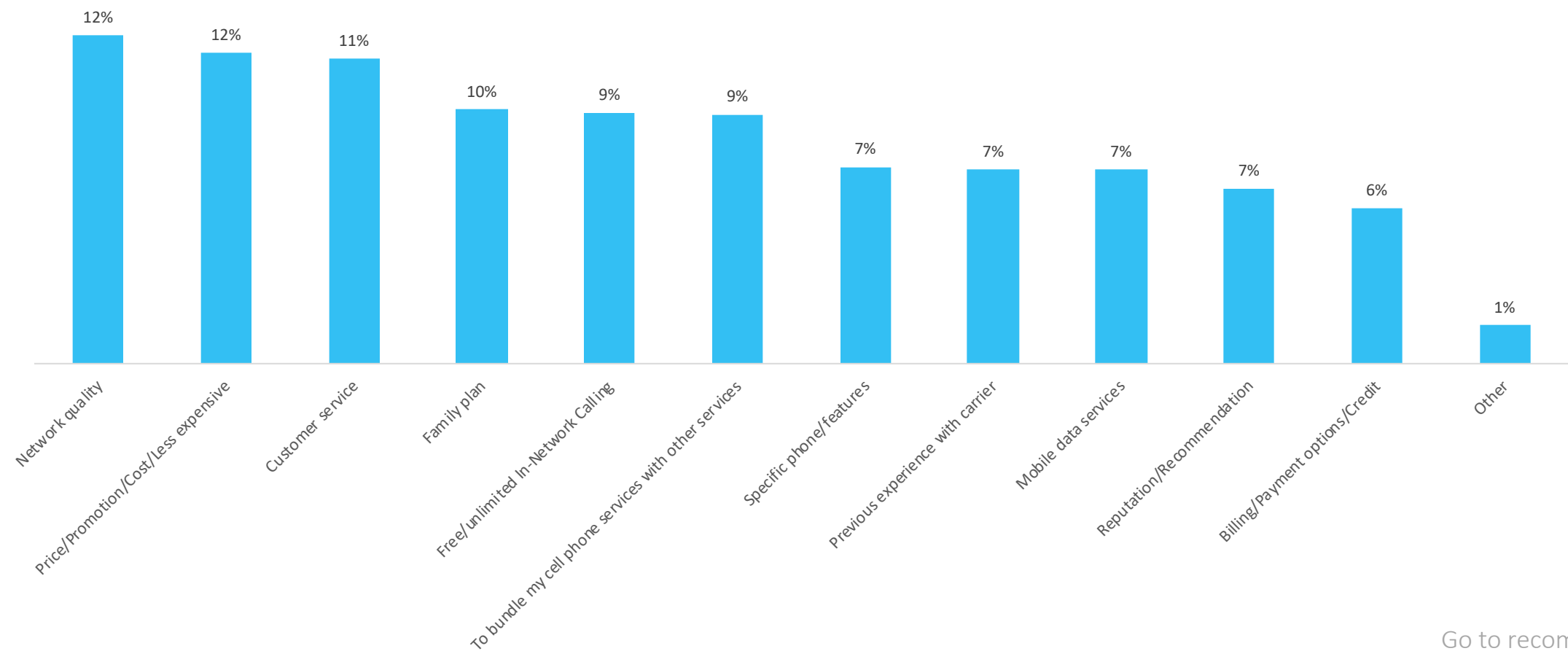
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Among all competitors, **AT&T** services cover the widest range of customers across different age, income and racial groups.

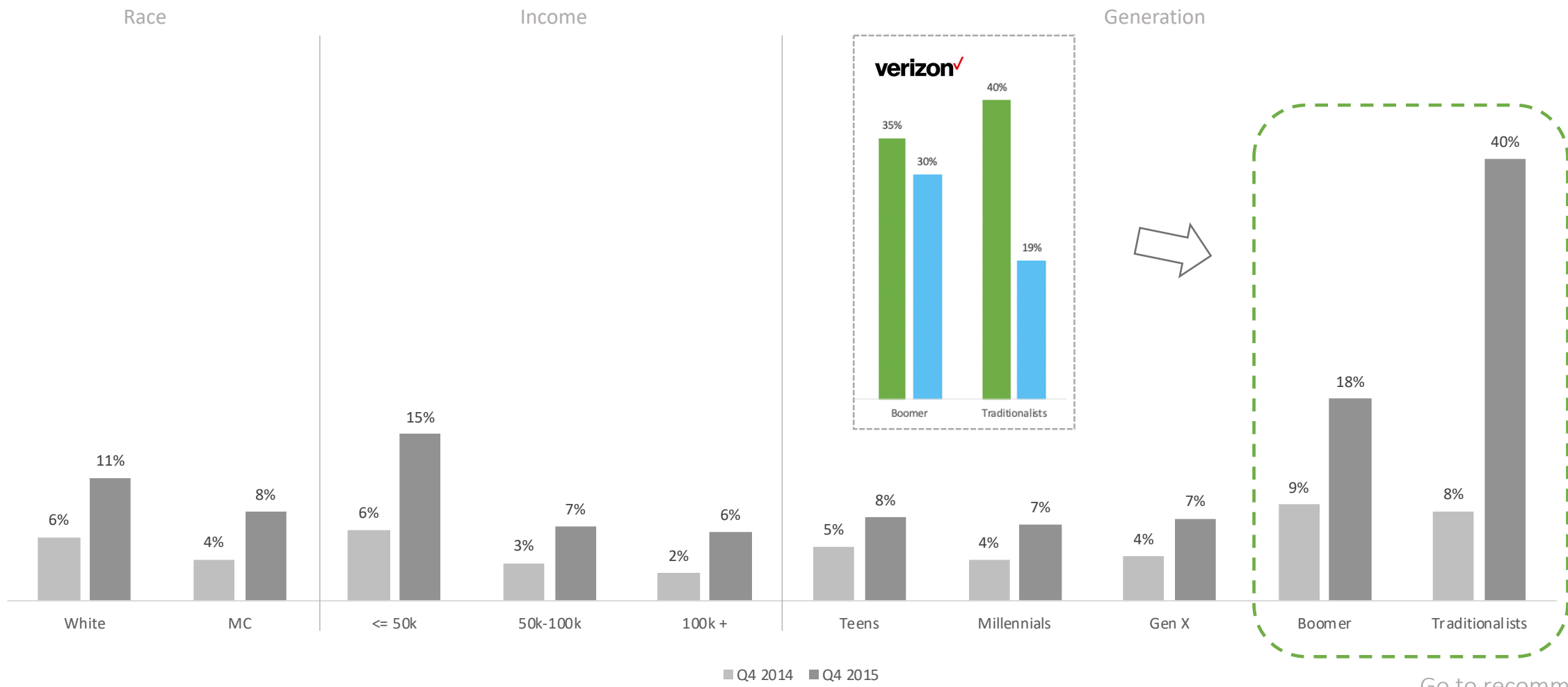


# AT&T provides balanced services.

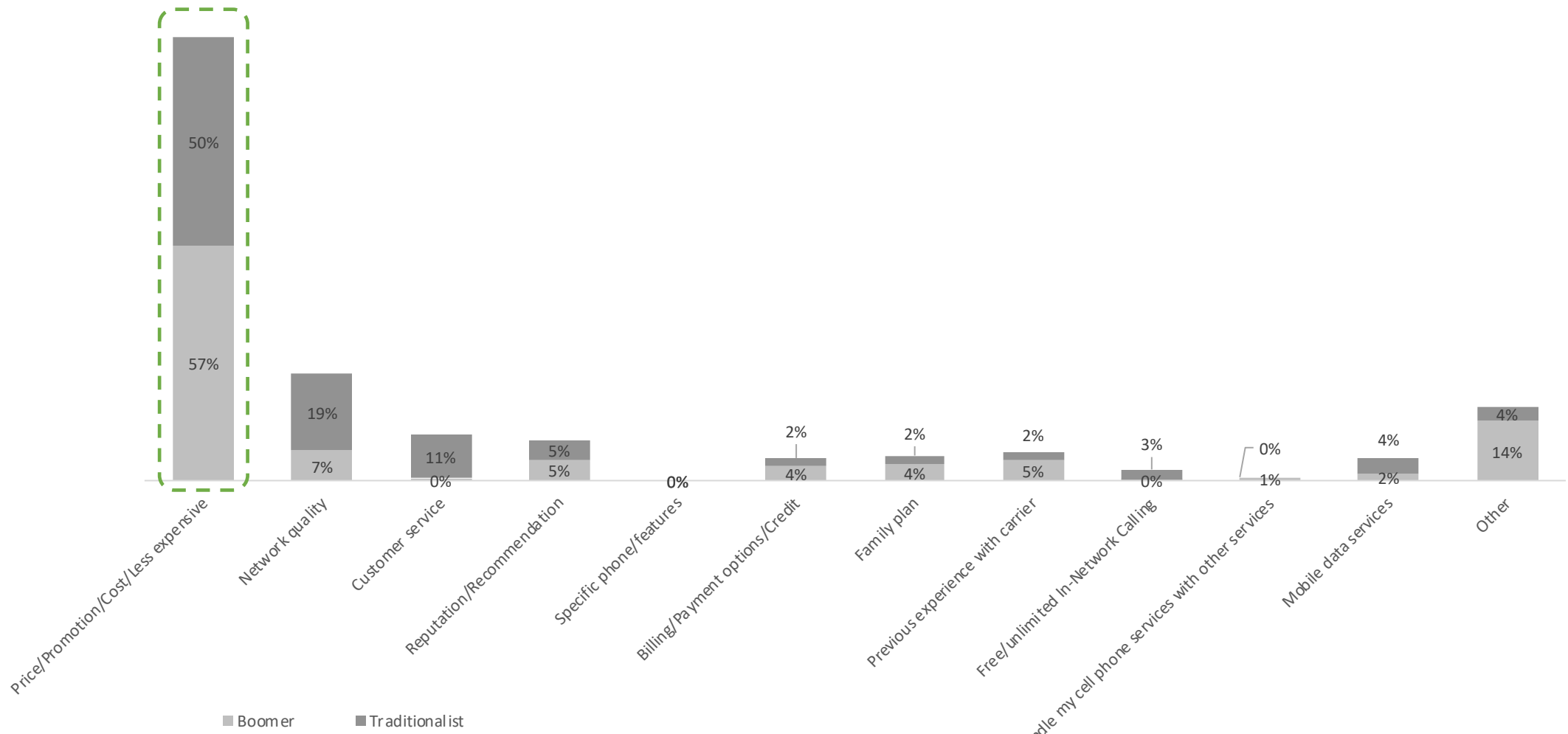


# New subscribers for other carriers together increased by almost 4 times in 2015.

Declining Verizon new subscribers go to other carrier services especially for customers in Boomers and Traditionalists group



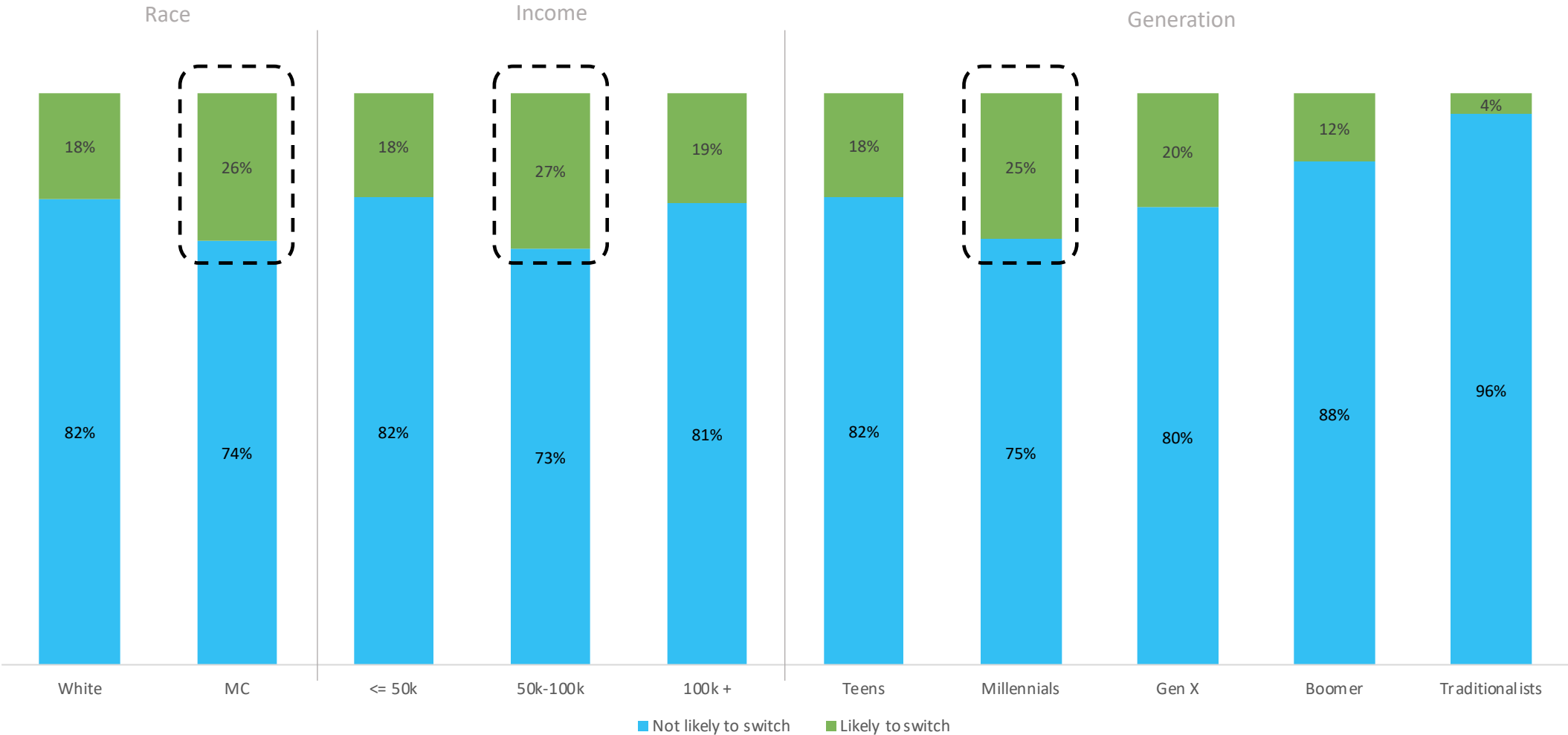
Customers chose to subscribe other carriers instead of Verizon in 2015 due to the **lower price** of other carriers.



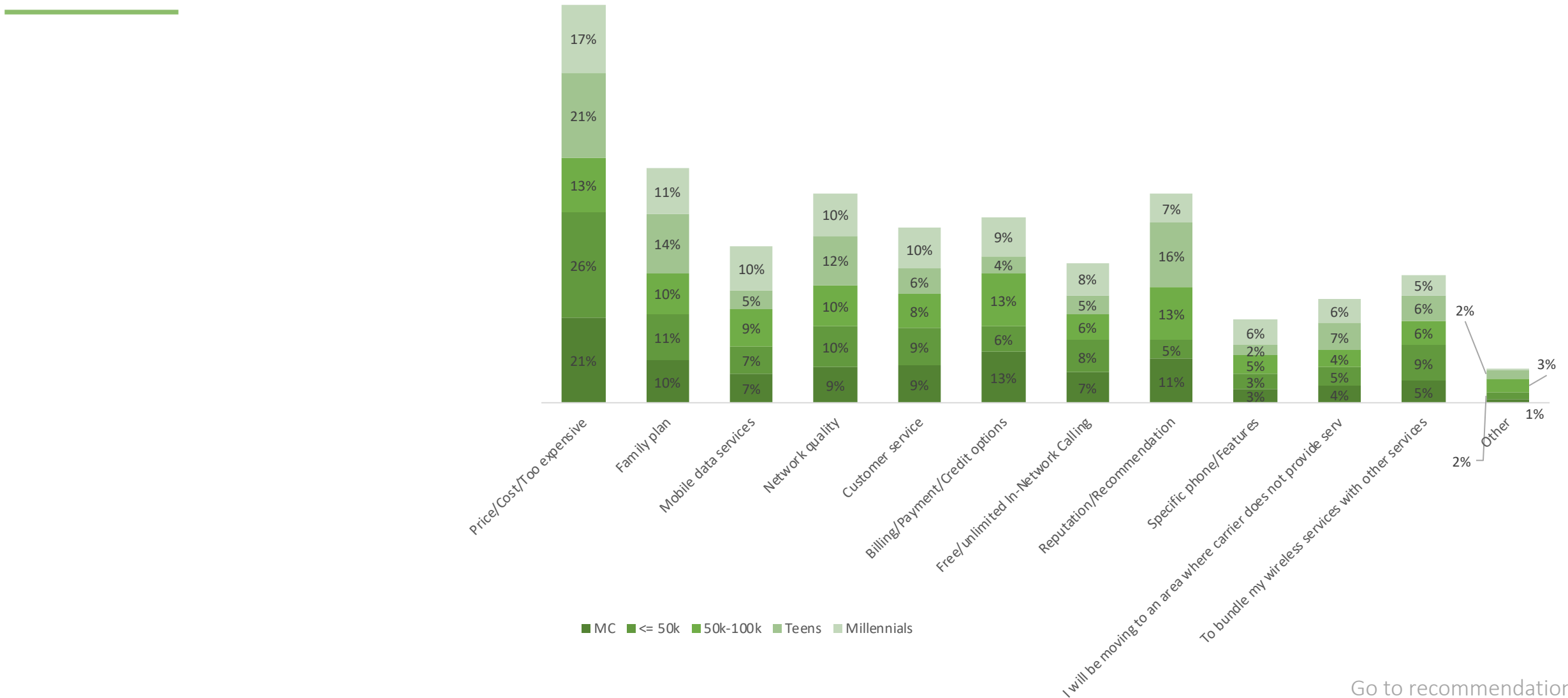


Compare to competitors, Verizon does a better job in customer retention. There are less customer claim to switch current services.

However, customers in multicultural, mid-income and Millennial groups are more likely to switch carrier from Verizon compare to other demographic groups.

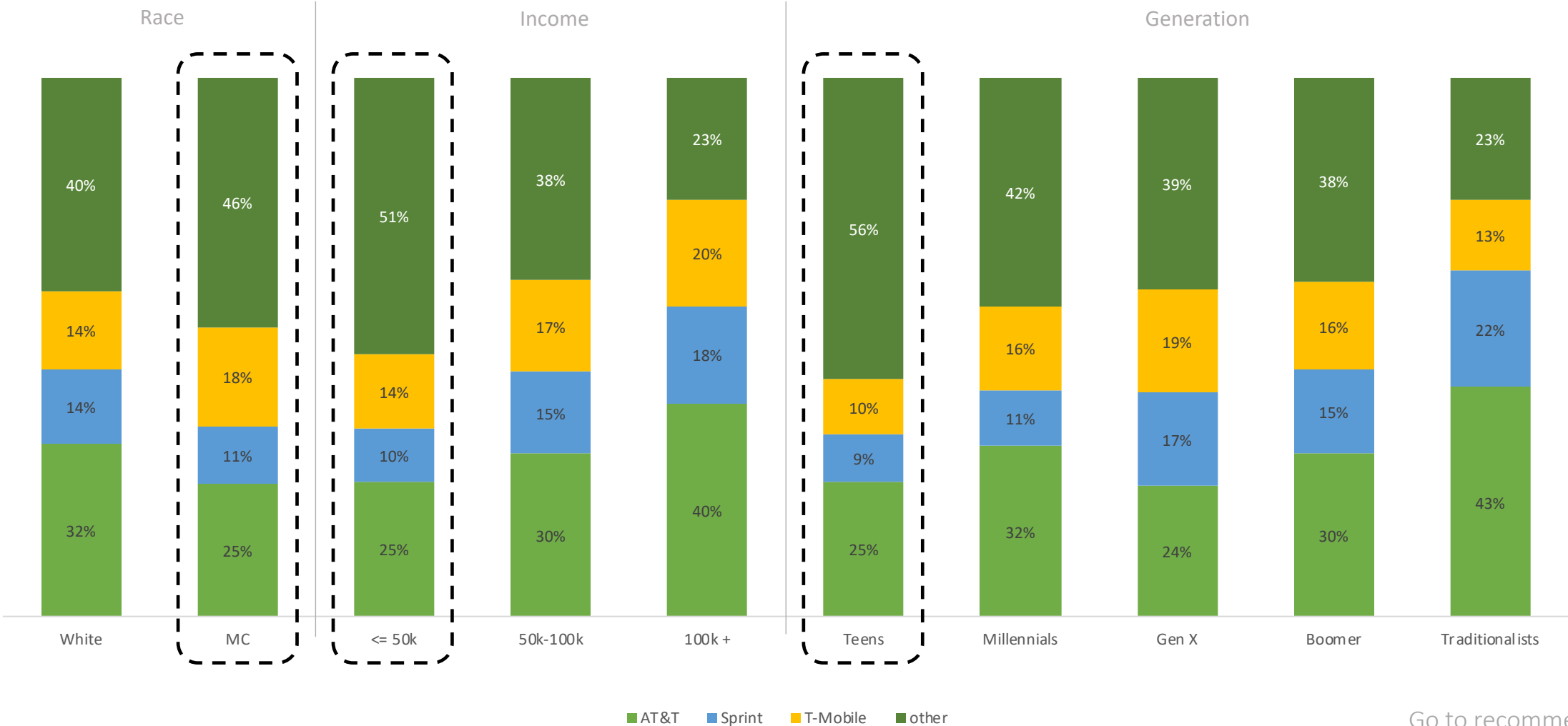


Customers who indicate they are likely to switch services are driven by the following reasons.

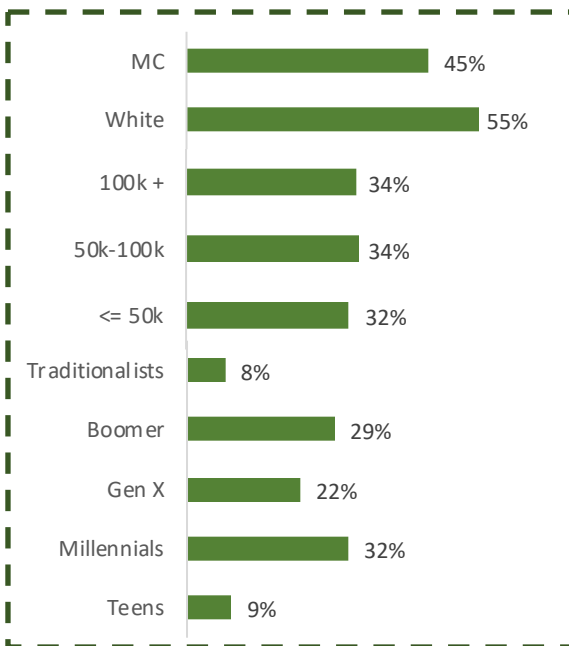
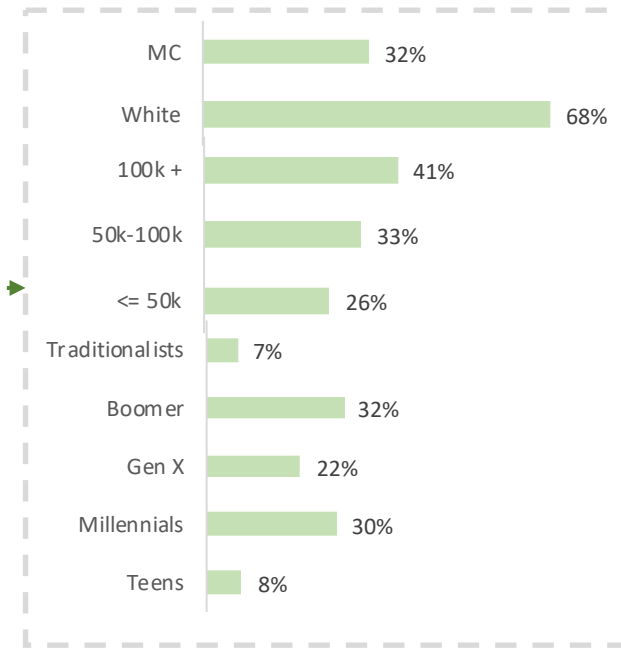
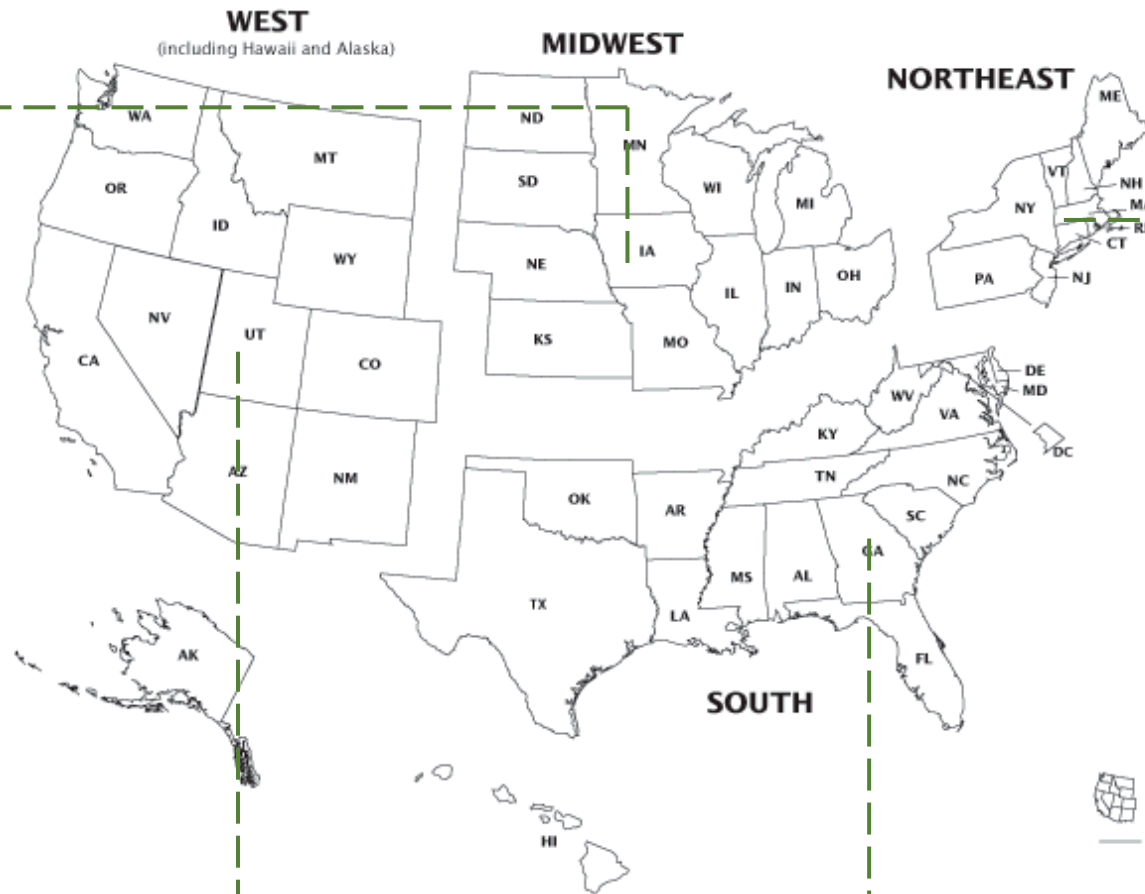
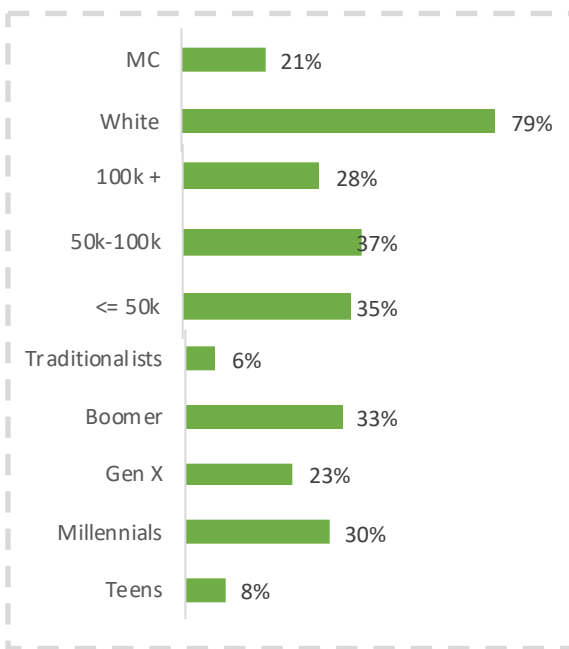


Subscribers, who previously used the following carriers, switched to Verizon in the past 6 months

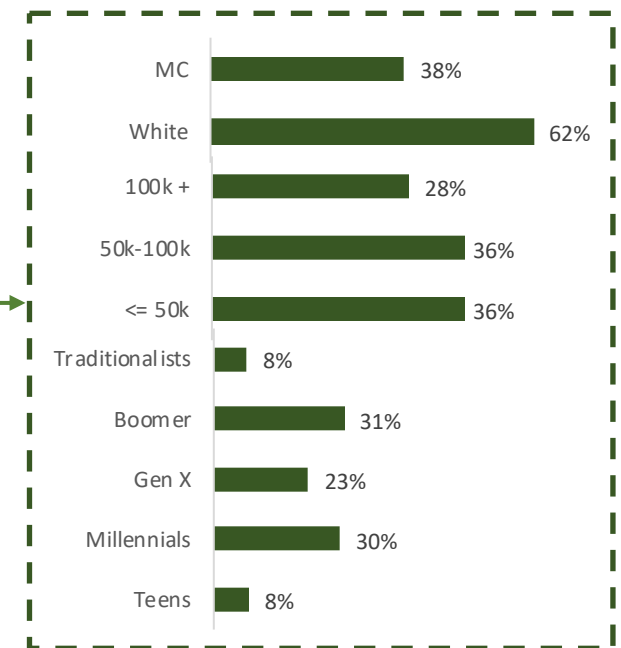
White, high income and old consumer groups are likely to switch from AT&T, Sprint and T-Mobile to Verizon, while multicultural, low income and young consumer groups are more likely to switch from other carriers to Verizon.



## Demographics in different census regions



Based on current customer base, West and South census regions contain more diverse customer demographics. Verizon's services can gain a wide range of audiences and increase brand awareness in these regions.



# verizon<sup>✓</sup> SWOT Analysis

## Strength

- Good Net work quality
- Best internet coverage in the industry
- Large existing customer base
- Good reputation in the field

## Weakness

- High subscription fee compare to other carriers
- Increasing competition limits market growth
- Low customer diversity
- Unbalanced services quality

## Opportunities

- Serve more customers with diverse demographics characteristics (multi-racial, mid-low income, younger customers)
- Retain existing customers
- Win back potential subscribers from other carriers

## Threats

- Saturated telecom market
- Competitions from emerging carrier companies with high network quality and low price
- Competitions from established major wireless service providers such as AT&T

# Recommendations

## Improve competitive advantages by balancing service sectors

- To stay competitive in the industry, Verizon should maintain current advantages such as reliable network coverage and fast internet speed while also taking good care of other crucial service sectors such as customer services, bundling deals with streaming services, and data plans, etc. [click to see data](#)

## Win back new subscribers and retain existing customers

- To win back consumers who are over 50, Verizon should introduce lower price subscription plans. [click to see data](#)
- To prevent existing customers, especially the younger groups who are from multi-racial and mid-income backgrounds, from switching to other carriers, Verizon should consider decreasing price, introducing promotions, and improving customer service quality. [click to see data](#)

## Increase existing customer base and customer diversity

- To increase the number of current customers and their demographic diversity, Verizon should develop customized subscription plans and campaigns to target audiences in the west and south census regions. [click to see data](#)

## Follow up on subscribers who switched to Verizon from other carriers

- To understand how subscribers expect Verizon to further improve its services, Verizon should conduct a thorough research on subscribers who have switched to Verizon from other carriers in the past six months. [click to see data](#)

## Increase public awareness on Verizon's network quality and coverage

- With the boom of video and streaming activities, Verizon should make more effort to advertise its network quality to make more customers realize the necessity of this feature.
- Utilize HarrisX's advantageous survey resources in media industry to understand how network quality plays its role in user experiences.

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# Additional Data Metrics & Information

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WHAT	WHY
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Data Metrics

Average Revenue Per User (ARPU)	Helps Verizon to understand how much revenue Verizon is generating for each person uses its services, this metric allows the company to improve the ability to analyze revenue generation and set growth strategies at per-customer level. A detailed or customer level data is required for analyzing such metric.
Churn Rate	User turnover rate is important for Verizon to diagnose issues related to its products and services. Moreover, understand the churn rate for different customer segments or regions could also bring new insights for service improvement.

Market and Macro Info

How competitors adapt to leasing and financing program in the industry	Help Verizon to stay at the forefront of competition, adapt to changing landscape in the 5G era. (e.g. handset leasing program eliminates smartphone upfront cost and allows customer to upgrade devices faster, this might work for younger customers who have lower income and tech-savvy)
How customer perceive and understand 5G	Understanding customer perception about emerging 5G technologies could help Verizon to promote new services and address potential misconception for different customers. Also, it might help the company to make relevant investment decisions.
How customers utilize wireless services	Understanding how customers use internet and devices helps Verizon develop customized market campaign for customers work in different industries and live in different regions.



Thanks For Watching



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