

APRIL 2020



CONSUMER PULSE: WIRELESS

In our latest Consumer Pulse, we surveyed a select group of prepaid wireless consumers to find out their preferences in the wireless marketplace.



The Changing Face of Prepaid Wireless

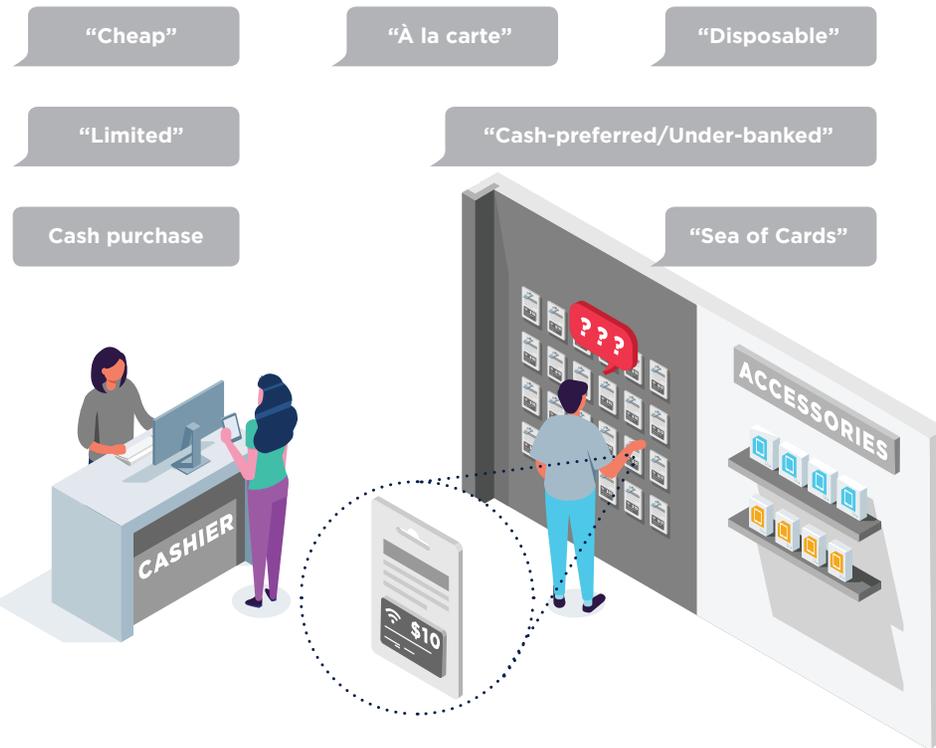
In the decade following the Great Recession, we've seen a rise in educated consumers who think about purchasing in a different way. These consumers are savvy and hesitant to make long-term commitments – but carriers who earn their trust often get the benefit of keeping it.

Keep reading to see what the numbers say about these shoppers' perceptions and habits.



Prepaid Wireless Expectations

In the past, when consumers heard 'prepaid,' they thought:



Prepaid users have gravitated towards smartphones as disposable, limited-feature phones are declining in popularity.

Today: Cards are the primary method for in-store wireless Top-up®, with a wide variety of physical cards and denominations/rate plan options available. Enhanced Top-up options, such as PIN Top-up®, instant and online Top-up are available, though communication and consumer awareness need improvement.

Today, when consumers hear 'prepaid,' they think:



Tomorrow: Consumers' changing demands require expansion and flexibility of payment options. Many prefer in-lane payments with enhanced non-card-based options and mobile/online options, as well as activation offers. Consumers pay attention to deals and promotions and want to be sure the features and options meet their needs (**spoiler alert: they want unlimited data and they're reading the fine print**).

The Average Prepaid Wireless Consumer

Gender:

64% Female



Generation:

53% Millennial

32% Generation X

Income:

51% <\$50k

33% \$50k to \$100k

“So many people are doing it now.”

Key Insights:

- Vigilant about cyber-security
- Daily Facebook users
- High propensity for crossover prepaid purchases



DIFFERENT CONSUMER SEGMENTS

1. Top-Up Techies



These users are young professionals who see prepaid wireless as the smart alternative to postpaid plans. They spend more, track usage more closely, and top-up more frequently than the average consumer.

They lead an active lifestyle, travel regularly and are up on the latest in popular culture. When it comes to tech, these consumers are early adopters who use the hottest top-shelf devices. Being constantly connected is important, and they don't find prepaid service as a liability to their digital lifestyle.

Key Insights:

- Skews younger.
- Higher education levels.
- Higher income.



2. Happy Campers

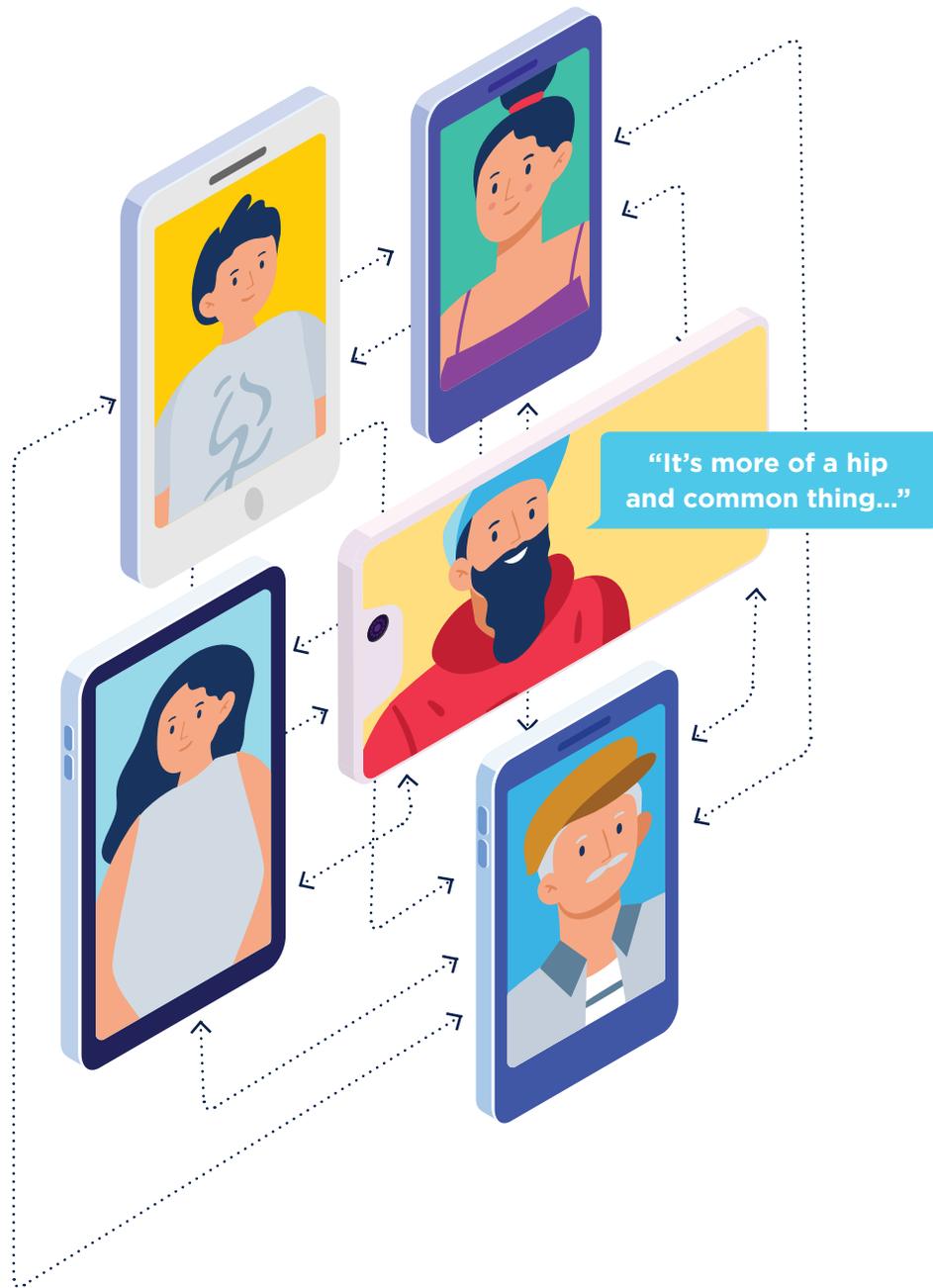


This group sees prepaid as preferable to traditional post paid plans. These are core, consistent customers (nearly half have used prepaid for over three years) who top-up about once a month. They spend less than the average consumer, likely due to their habit of researching purchases beforehand and making regular, value-oriented decisions.

They live a more relaxed style, with less social media activity and less of a focus on staying on top of trends in technology.

Key Insights:

- Skews older.
- Moderate education levels.
- Moderate income.



Keep it in the Family

Even in the prepaid market, many families are still purchasing wireless airtime together.

Over **one-third** of consumers said they purchase wireless airtime for someone other than themselves, although **74%** of respondents are **not** on family plans.

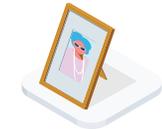
Of those consumers making purchases for others, **89%** do so on a **regular** basis.



34%
for a spouse
or partner



27%
for a child



27%
other family
member

Flexibility? Yes, please!

Prepaid wireless users remain consistent and loyal – they just don't want to be tethered to a carrier.

87% of respondents said they'd been using prepaid plans for a year or longer and 89% purchase airtime at least once a month.

For long-term users, **no contract (44%)** and **price (36%)** were the two main factors that influenced their decision to choose prepaid wireless. While service contracts have given way to device commitments, prepaid consumers remain attracted to the flexibility of prepaid wireless. When shopping providers, they also focus on plan features such as data, hotspots, network speed and extended coverage as well as the price benefit.

Despite their discerning approach, however, **69% rarely or never change their carrier**, and **63% rarely or never change their plan**. For those who do change plans, 69% say it's because they found a better deal.

"Contracts are outdated."



Look for the Sweetest Offer

"Why spend \$100 when you can spend \$50?"



Prepaid wireless consumers are savvy shoppers. They do their research, monitoring features and discounts before making the best decision for their bottom line.

Gigabytes trump dollar bills – at least to a certain extent. When selecting a plan, the specific features (such as unlimited minutes and data) are the **top determining factor** for **over 50%** of consumers, followed by price at **28%**.



About half of consumers become aware of plans and offers through **online research or web browsing (25%)** or **in-store signage (24%)**.



Others hear offers directly from **wireless carriers and providers (21%)** or **word-of-mouth (14%)**.



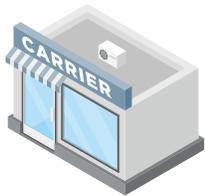
Of all options, consumers prefer learning about the latest offers and promotions through **displays in retail stores (26%)**, followed by **email (23%)** and **social media (16%)**.

Top Destinations for Top-Up®

Where do consumers prefer making their airtime purchases?



National retailer: **68%**



Carrier direct: **14%**



Online retailer: **5%**



Wireless shoppers know when they need airtime, and they want to shop for specific options and promotions in-store. These consumers want prepaid wireless to be separated from other gift and prepaid cards.



Ideally, how would consumers prefer to handle their airtime purchasing?

#1

Instant top-up

#2

Reusable cards

#3

PIN-on-Receipt



Room for improvement? For recent purchases, customers ended up using:

#1

Single-use cards

#2

Instant top-up

#3

PIN-on-Receipt

Single-use sits as the most-purchased option; however, today's consumers often prefer more dynamic, seamless top-up methods.

Reusable cards are neck-and-neck with instant for top preference, but shoppers can't always find them.

Credit/debit cards or checks are the most common payment methods (**47%**), with cash coming in at **43%**. Another **9% of consumers** typically use prepaid or gift cards.

When selecting a store for their purchases, consumers care most about **convenient location (32%)** and availability of specific inventory (23%) or a wide selection (19%).

✓ FACE THE FACTS

Our Pulse illustrates the changing face of wireless – these shoppers find the monetary value in their prepaid plans, and quality of life value in the freedom from contracts and long-term commitments. Wireless shoppers are regular, repeat customers who expect to find products at a convenient location and experience a seamless shopping trip.



Wireless Solutions

InComm has wireless solutions to meet the needs of the current marketplace while bridging the gap between today's and tomorrow's wireless consumers.

Our product suite includes carrier activations (SIM & handsets) and extensive, convenient top-up options for established prepaid wireless users, including in-lane payment options (PIN Top-up, Instant Top-up, and mobile barcodes), along with enhanced pricing on handset bundles and activation-based offers.

We offer capabilities for direct purchases on merchants' websites, delivering convenient

digital PINs to customers. And we are the only partner providing exclusive reusable cards, which help build repeat business with a solution consumers are seeking.

For carriers, this Pulse shows a reliable, savvy consumer base motivated to find the best deals for themselves and their family. They may value financial independence and freedom from commitments, but these consumers are still searching for long-term wireless solutions.

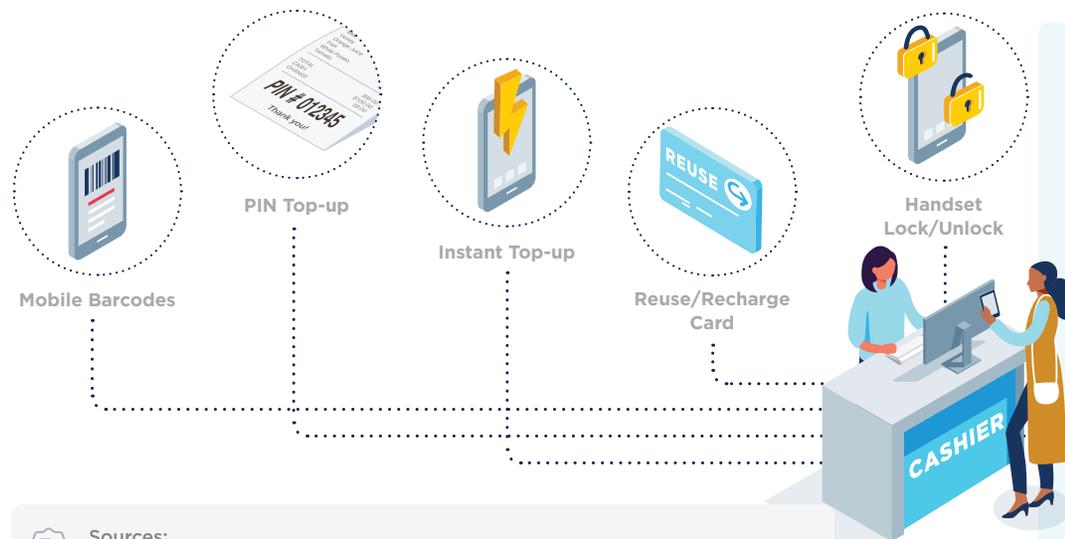


Consumers can access in-demand top-up options across InComm's national retailer network.

Merchants who want to capitalize should set up a dedicated space for wireless and ensure signage is present and up to date. And most importantly, stay well-stocked with the wireless products that increasingly cost-conscious shoppers are using to their advantage.

Convinced prepaid wireless is right for you? Learn more about our [Wireless Product Suite](#). Or reach out to us directly to start a conversation.

If you're a retailer interested in the benefits of prepaid wireless, check out our [Wireless for Small Businesses](#) page.



IN-DEMAND SOLUTIONS:

- Consumers are buying cards for family members, but not always utilizing family plans. InComm supports family plans, and we can help you strategize to ensure awareness.
- Consumers are buying single-use cards, but they want to be using reusable cards, or using Instant Top-up or PIN Top-up at checkout. We have the product assortment to meet these needs.
- Long-term carrier commitments are no longer the key differentiator. Today's consumers care about details like pricing, data, hotspot availability & size, value-add content, loyalty and benefits.



Sources:
2019 InComm Retail Wireless Consumer Survey; 2017 Alpha Buzz Focus Group