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Android, iOS Enjoy Similar Loyalty, as Android Improves

Switching Mobile Carriers Prompts Operating System Switching

CHICAGO, IL – Tuesday, August 11, 2015 - Consumer Intelligence Research Partners, LLC (CIRP) today released additional research on mobile phone operating system consumer behavior in the US.

CIRP shows that in the US in the past two years, Google Android and Apple iOS retained users at approximately the same rate. In activating a new phone, 82% of Android users and 78% of iOS users remained with their previous operating system (Table 1).

Table 1: Customer Retention and Loss – Previous and Current Operating System for Customers Activating a New Mobile Phone, 2013-Q3 – 2015-Q2

New OS	Previous OS						
	Android	iOS	Windows	Blackberry	basic	first	aggregate
Android	82%	20%	45%	39%	59%	62%	58%
iOS	16%	78%	35%	50%	24%	24%	37%
Windows	2%	1%	19%	7%	4%	5%	2%
Blackberry	0%	0%	1%	4%	1%	0%	0%
basic	0%	1%	0%	1%	12%	9%	2%
total	100%	100%	100%	100%	100%	100%	100%



“The dynamic between Apple iOS and Google Android is not well-understood,” said Josh Lowitz, Partner and Co-Founder of CIRP. “Even the basic loyalty rate, the measure of how each operating system retains its own users, is not widely known. Conventional wisdom says the Apple ‘ecosystem’ promotes loyalty, while Android readily gives up users to iOS. Our analysis has a more nuanced view on operating system selection, and indicates Android user loyalty has caught up and even exceeds that of iOS.”

“We also compared the two four-quarter periods in the sample, July 2013-June 2014 and July 2014-June 2015,” continued Lowitz. “The Android customer retention rate increased noticeably, from 77% of customers purchasing new phones in the 2013-2014 period to 86% in the 2014-2015 period. The iOS customer retention rate remained relatively constant at 79% in the earlier period and 78% in the later period.”

CIRP also analyzed customers that switched operating systems, focusing on customers that switched mobile carriers at the same time. Among the subset of mobile phone customers that switched mobile carriers, Android users remained with Android almost as frequently as those who continued with their existing carriers. 79% of Android carrier switchers remained with Android, compared to 82% overall. iOS users who switched carriers were much more likely to move from iOS to Android. The iOS retention rate for users that switched carriers was 51%, compared to 78% overall (Table 2).

Table 2: Switched Carrier Customer Retention and Loss – Previous and Current Operating System for Customers Activating a New Mobile Phone, 2013-Q3 – 2015-Q2

New OS	Previous OS					
	Android	iOS	Windows	Blackberry	basic	aggregate
Android	79%	43%	NM	NM	63%	68%
iOS	17%	51%	NM	NM	22%	25%
Windows	3%	4%	NM	NM	5%	4%
Blackberry	0%	1%	NM	NM	1%	1%
basic	1%	2%	NM	NM	9%	3%
total	100%	100%	NM	NM	100%	100%



“The reasons why users select Android or iOS, and when and how users switch between them, are unclear,” said Mike Levin, Partner and Co-Founder of CIRP. “Unlike almost every other product in technology, users cannot easily articulate why they like one or another operating system. One variable that seems to affect operating system switching behavior is mobile carrier switching. The time a user switches mobile carriers also is a logical time to switch operating systems. Our analysis suggests that switching mobile carriers correlates with iOS users switching to Android, but not Android users to switching to iOS.”

“Further, among specific carriers, switching to AT&T and Verizon appears to lead customers to switch from Android to iOS,” added Levin. “Conversely, switching to Sprint and T-Mobile appears associated with a switch from iOS to Android. As T-Mobile and Sprint disrupt the US mobile carrier market with innovative and aggressive contracts and pricing, it prompts considerably more mobile carrier switching. This disruption similarly affects operating system loyalty, with more benefit to Android than to iOS.”

CIRP bases its findings on quarterly surveys totaling 4,000 US subjects that activated a mobile phone from July 2013 through June 2015. 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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