



KPMG 2024 Telecom Consumer Survey

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# Carriers embrace GenAI, but wireless customers share what really matters

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# Introduction

Digitalization and emerging technologies like generative artificial intelligence, better known as GenAI, are sweeping through industries, including telecom. In July 2024, KPMG LLP surveyed 1,000 consumers about their attitudes toward their wireless plans and the use of AI by carriers, along with their views on customer service, loyalty, personalization, privacy, and more.

As personalization options increase, the need for greater app tracking also grows. This requires carriers to be even more rigorous in safeguarding customer data. Carriers score high on protecting customer data, but the concern is when carriers leverage that data in AI, bots, and services. We have survey findings on acceptance of AI in customer service and the percentage of consumers who prefer talking over the phone or visiting the carrier store in person. Other findings lead to insights on customer retention and reveal what motivates consumers to be loyal to a carrier.



If you took a selfie with 2024 wireless customers, you'd learn a few things. 66% of them are with one of the top three carriers. They also have a corner on the youth market, as 75% of Gen Z is with the top three. Look closer at the selfie pic, however, and you'll notice some storm clouds. Wireless customers are a flight risk—64% are interested in checking out wireless plans from cable companies, satellite providers, or other new providers entering the market.

That said, zoom in on the selfie to see that there is also a tremendous opportunity for carriers to build loyalty with younger generations. A majority of Gen X (52%), Millennials (51%), and Gen Z (63%) have been with the same carrier for three years or less, and another fifth of Gen Z, Gen X, and Millennial respondents also report staying with their carriers four to five years. Boomers are the most loyal, and they're not likely going anywhere, noting that 43% have been with the same carrier ten years or more.

Gaze into the eyes of 2024 wireless customers to see what motivates them. It's not unlike last year. They're interested in saving money on their wireless plan and various services, but many are happy with the way things are. Some, not all, are perfectly fine with using AI bots to manage their plans or request customer service. Consumers' growing comfort with GenAI is a green light for carriers to invest in new technology to streamline operations and bolster customer service. But GenAI's power demand may concern consumers who value sustainability. Personal data collected and monetized may also be problematic if consumers find the arrangement unfair. Let this survey and findings be your guide.

# Highlights



## Privacy/security concerns increase

Framed with GenAI integrating into phones, we asked if people were more concerned than last year about what their carrier does with data they collect from their phone. 64% expressed greater concern, with 27% neutral on the subject.



## Budget tightening still a factor

Over the next 6 months, 35% of those surveyed don't foresee making changes to their wireless plan. However, 26% plan to delay their phone upgrade, which is identical to last year's survey and may indicate continued budgetary constraints for many customers when it comes to big ticket items.



## App tracking. Happy now?

41% are comfortable allowing their wireless provider's app to track their data such that it can develop a personalized wireless plan and suggest features for them. 35% are not comfortable. The remainder are ambivalent.



## Smarter bots

When asked specifically about their comfort level chatting with an AI chat bot, 38% said they would be okay using a bot that clearly understood and resolved their specific question without any issues. While some respondents are not comfortable dealing with a chat bot, others would be fine with using a chat bot if it saved them time or money, or if repeat issues were elevated to a real person.



## Call for customer service

When our survey respondents need customer service, just under half (47%) prefer to talk with a live agent on the phone. 25% prefer visiting the store in person and 15% prefer to text chat with a bot or via the app. Finally, 14% don't have a preference as long as their issue gets resolved.



## The price for loyalty

While 38% of wireless customers would like to switch carriers, what keeps them loyal is being on a bundled plan, in a family plan, or switching just seems too complicated.

# Data privacy hinges on trust

## Larger data repositories give many pause, may erode consumer trust

Americans are increasingly concerned about their personal data collected by businesses. Most trust their wireless carrier to protect their personal information, yet privacy and security concerns could still cause churn. Every reported data breach is a reminder of what is at stake.

Our survey reinforces that carriers are generally trusted for protecting customer information, with 68% of respondents in agreement. However, that trust could be disrupted by a data incident involving personal information, with 61% saying they would consider changing carriers based on privacy or security concerns. In other words, the trust is there until something goes wrong, then a carrier change becomes more likely.

**“Integration of GenAI into smartphones will enable a much greater degree of personalization for consumers who are willing to provide added data. Carriers must meet customer needs for data protection while avoiding overplaying their more robust data repository. There’s a lot at stake for getting it right with customer data.”**

— Frank Albarella, Jr., U.S. Sector Leader, Media and Telecommunications, KPMG

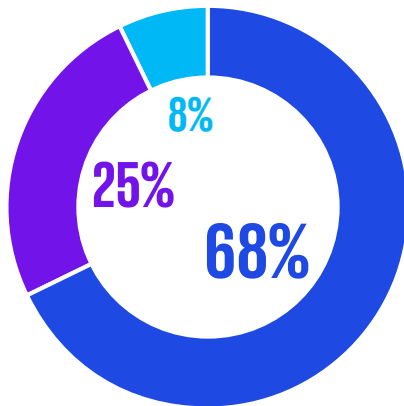
With an eye to the future, most wireless customers (64%) are also concerned about the data that will be collected from phones integrated with GenAI. This is an increase compared to last year, reflecting that consumers are not just concerned about data protection but also how carriers use their data.

Thinking about the privacy of your personal information, to what degree do you agree with these statements? (select one)

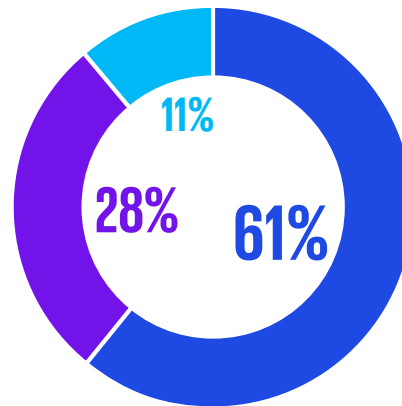
● Agree

● Neutral

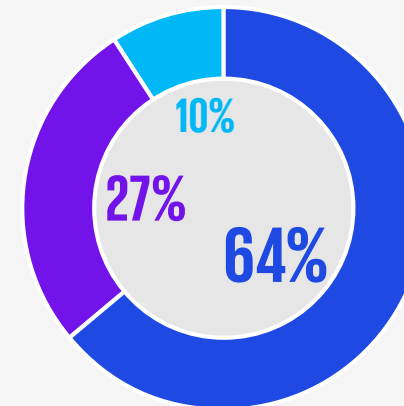
● Disagree



I trust my carrier to protect my personal information



I would consider changing carrier based on privacy/security concerns



With carriers integrating GenAI into phones now I am more concerned compared to last year about what my carrier does with data they collect from my phone

Percentages may not sum to 100% due to rounding.

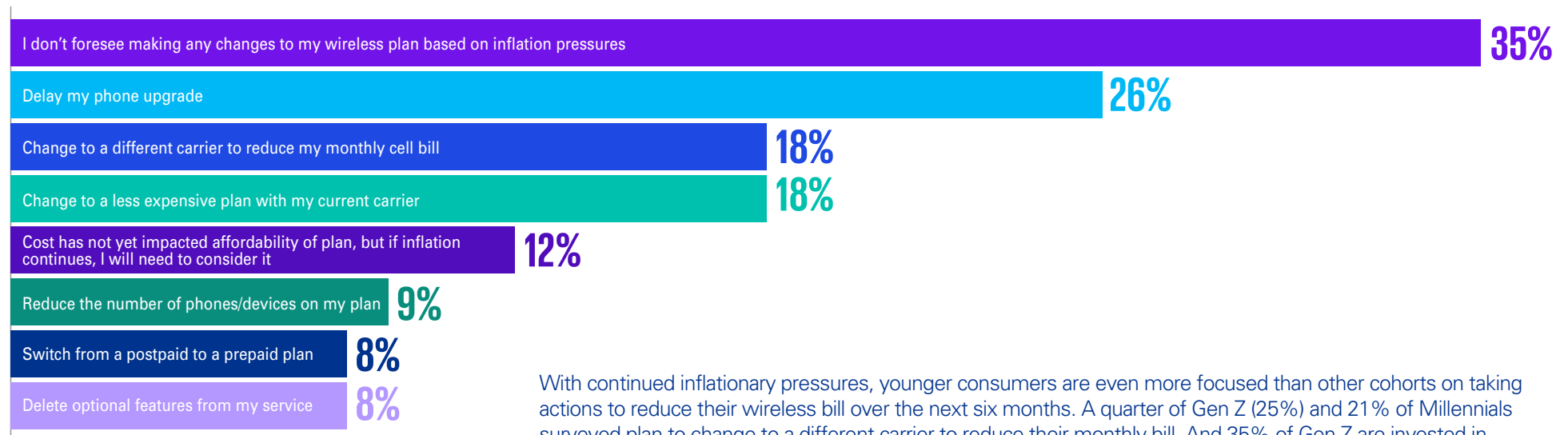
# Price-conscious consumers

## Another year of paying higher prices for big ticket items, groceries, and dinner out has filled the wireless consumer with uncertainty.

Customer spending is strong but shifting to value categories and retailers, all of which could cause churn. Our survey sought to get a broad stroke of how the consumer's pocketbook is impacting their wireless spend decisions.

Consumers are still focused on personal finances, and it's reflected in this survey question about budget constraints due to inflation and steps consumers will potentially take over the next six months. The top responses relate to budget concerns with one major callout. While 35% of those surveyed don't foresee making changes to their wireless plan, 26% plan to delay their phone upgrade, and others would consider changing to a cheaper plan with their carrier (18%) or changing carriers to reduce their monthly bill (18%). These findings are remarkably similar to last year's survey. It indicates continued budgetary constraints for many customers.

Based on budget constraints due to inflation, I plan to do the following in the next six months. (select up to three)



Multiple responses allowed. Percentages do not sum to 100%.

With continued inflationary pressures, younger consumers are even more focused than other cohorts on taking actions to reduce their wireless bill over the next six months. A quarter of Gen Z (25%) and 21% of Millennials surveyed plan to change to a different carrier to reduce their monthly bill. And 35% of Gen Z are invested in changing to a less-expensive plan with their current carrier, which is significantly higher than any other age group.

For carriers, promoting money-saving messages in short-form videos and ads on social platforms would resonate with younger consumers. The same money-saving message themed for the other demographics could also connect with customers and buyers.

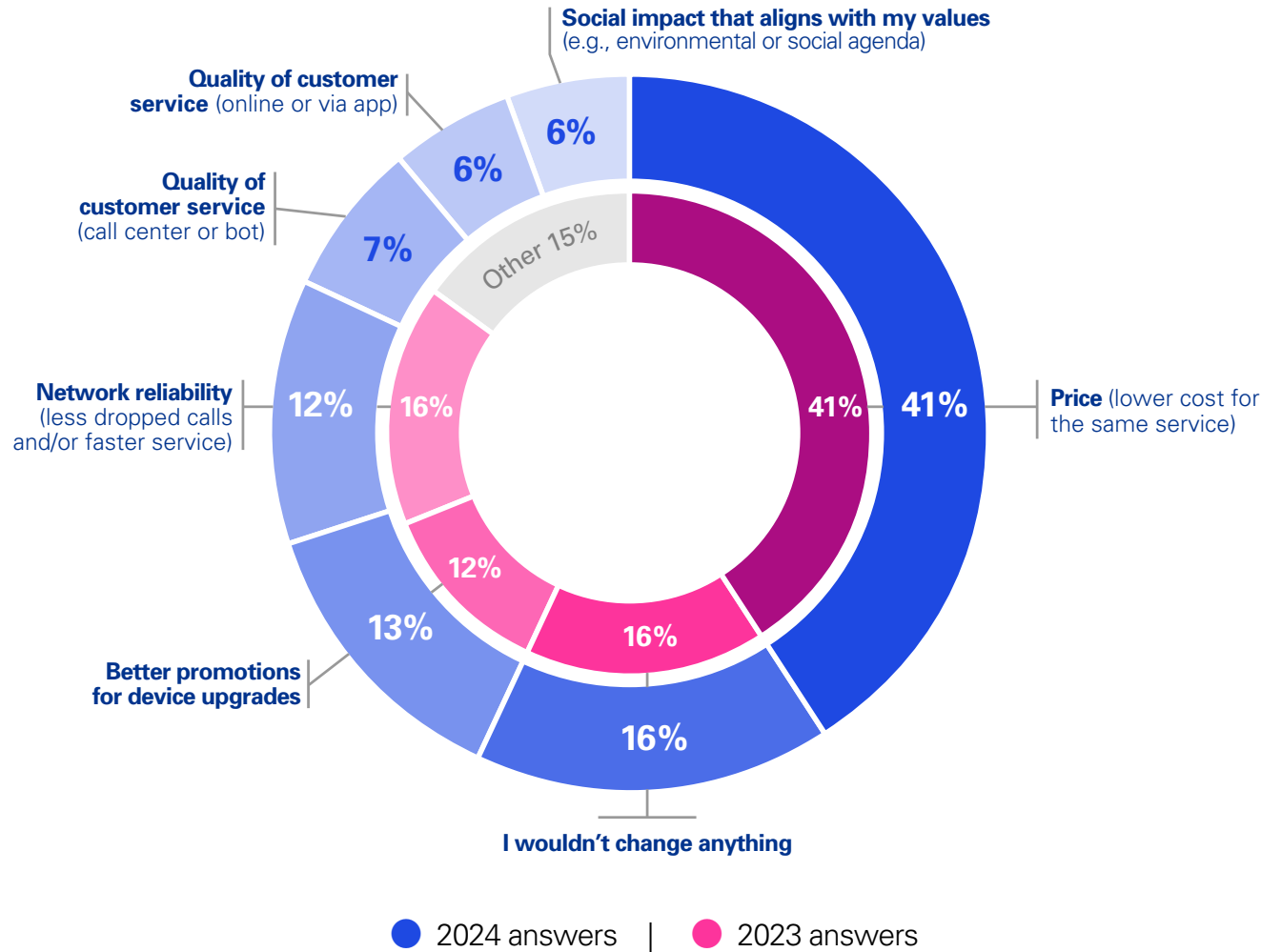
## Price-conscious consumers *continued*

Our survey also sought to answer the one thing consumers wish they could change about their carriers. Consistent with our 2023 survey, the largest response (no close second) was a lower cost for the same service (41%). In fact, the top four responses almost mirror last year, with 16% saying they wouldn't change anything about their service, 13% looking for better promotions for device upgrades, and 12% looking for better network reliability.

**“The message to carriers is that not much has changed when it comes to consumers’ desire for a cheaper wireless plan. Others still miss the days of better promotions for device upgrades. And, network reliability is still on their radar, though it’s less of a focus than last year, which may indicate carriers are seeing the benefits of their network investments.”**

— Frank Albarella, Jr., U.S. Sector Leader,  
Media and Telecommunications, KPMG

**If you could change one thing about your wireless carrier, what would it be? (select one)**



Percentages may not sum to 100% due to rounding.

# The rise in personalization

## The promise of personalization meets the necessity for privacy

Personalization offers a potential win-win for both carriers and their wireless customers. With access to a wider range of customer data, carriers can provide individual rewards for usage and push loyalty programs or empower customers with self-help features. Wireless users, on the other hand, can access self-help features on their phones, like the ability to optimize data usage and modify their plan.

What is the consumers' comfort level with app tracking of personal data? Here's a key understanding of app tracking with the consumer mindset: 41% of customers find it acceptable allowing their wireless provider's app to track their data, enabling their wireless plan to be personalized with suggested features. However, 35% would be uncomfortable with the exchange of personal data for enhanced personalization.

There are generational insights on leveraging an app for tracking and user personalization. Gen Z (55%), Millennial (45%) and Gen X (40%) are comfortable allowing a wireless provider's app to track their data in order to provide a more customized interface. The Boomer generation is least accepting of this arrangement, with 51% responding that they are uncomfortable.

How would you rate your level of comfort with the following scenario? (select one)

**Allowing your wireless provider's app to track your data such that it can develop a personalized wireless plan and suggest features for you**

	Total	Gen Z 18-27	Mill 28-43	Gen X 44-59	Boomer 60-78
<b>Comfortable</b>	41%	55%	45%	40%	28%
<b>Neutral</b>	24%	29%	24%	24%	21%
<b>Uncomfortable</b>	35%	16%	31%	36%	51%

Percentages may not sum to 100% due to rounding.

**“Carriers walk a fine line between monetizing customer data and providing a deeper, richer personal customer experience. Understanding the value different generations assign to their data, and use of it, will enable telecoms to drive richer personalization of offers, not only for their services, but also agencies such as personal banking, travel leisure and lifestyle. If executed well, telecoms can expect lower churn as brand loyalty rises with their customer base.”**

— Sean Sullivan, Partner and  
U.S. Telecom Segment Leader, KPMG

# The rise in personalization *continued*

## Talking up AI chatbots

Carriers are increasingly relying on GenAI to elevate customer service. For example, AI chatbots empower customers to solve issues while demanding fewer resources and lower overhead. Asked about AI chatbots in the context of customer service, 40% of respondents said they would be uncomfortable, with 37% saying they would be comfortable, and 23% neutral.

Using a chatbot instead of a human customer service representative provided similar generational insights. Gen Z (49%) and Millennial (44%) are comfortable with using chatbots for customer service issues. Gen X (42%) and Boomers (58%) are uncomfortable with this arrangement.

Digging deeper into the topic of specific chatbot interactions, our survey shows 38% of consumers are comfortable interacting with an AI representative provided the bot can clearly understand their specific question and resolve it without any issues. Roughly a quarter were comfortable if the result was cost savings or the interaction was elevated to a real person, if necessary.

As GenAI continues to grow in influence and become integrated with cell phone functionality, the comfort level with GenAI for customer service could increase quickly.

## How would you rate your level of comfort speaking with an AI representative (e.g., a chatbot) instead of a (human) customer service representative? (Select one)

	Total	Gen Z 18-27	Mil 28-43	Gen X 44-59	Bmr 60-78
<b>Comfortable</b>	37%	49%	44%	34%	23%
<b>Neutral</b>	23%	28%	23%	24%	19%
<b>Uncomfortable</b>	40%	23%	33%	42%	58%

Percentages may not sum to 100% due to rounding.

## Regarding customer service, what would make you comfortable interacting with an AI chat bot? (select up to 2)

	Total	Gen Z 18-27	Mil 28-43	Gen X 44-59	Bmr 60-78
If the bot can clearly understand my specific question and resolve it without any issues	38%	42%	33%	40%	37%
I am not comfortable dealing with a chatbot	28%	14%	24%	31%	40%
If using a chatbot results in a cost savings on my bill	24%	23%	27%	23%	24%
For repeat issues, I want the confidence that my issue is being elevated to a real person	24%	28%	26%	20%	21%
If using the bot saves me time	21%	25%	27%	20%	14%
If the bot knows/recognizes me by my phone number	14%	26%	15%	11%	9%

Multiple responses allowed. Percentages do not sum to 100%.



# Engaging customers

## Customer service that engages with options

Wireless customers have several options for contacting customer service. Options range from talking with a live agent over the phone and visiting the carrier's store to text chatting with a bot—either via a phone app or at the carrier website.

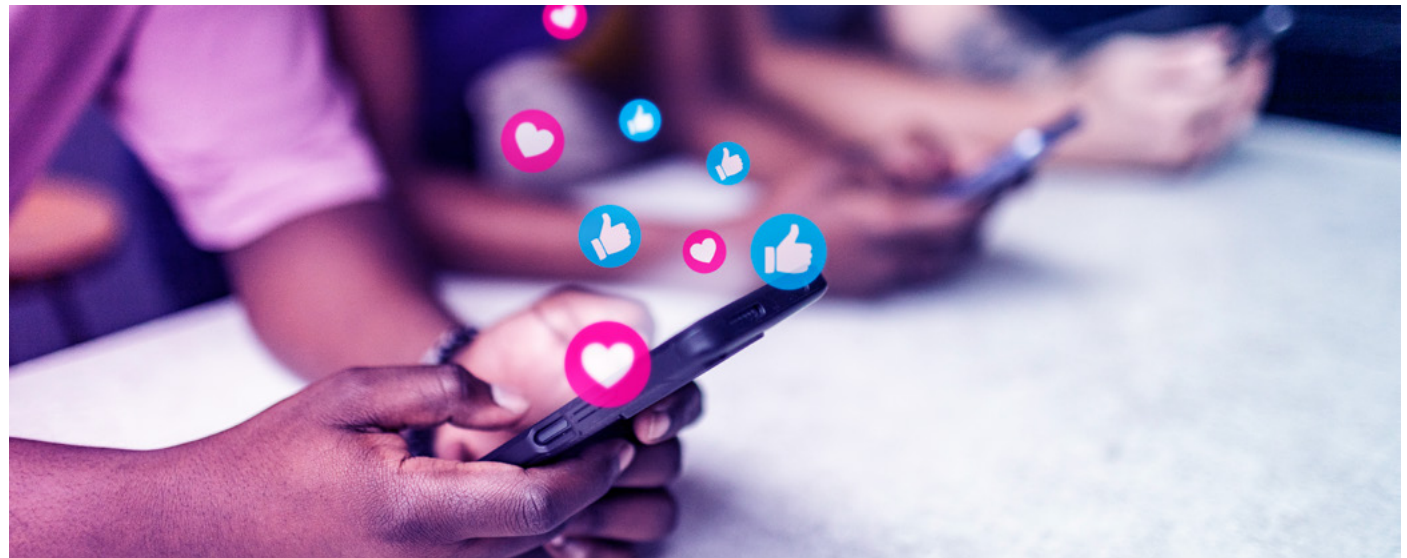
Our survey shows when wireless consumers need customer service, just under half (47%) would prefer to talk with a live agent over the phone, and a quarter (25%) prefer to go to the store in person. The Boomer generation's preference is talking with a live agent (57%). Overall, 15% prefer to text chat with a tech-enabled bot via the app or online, with Gen Z (20%) and Millennials (19%) scoring the highest. For one respondent, getting the issue resolved was the challenge with using a bot. "I almost always end up going to an actual person anyway."

For most wireless customers, requesting customer service isn't a frequent occurrence. Our survey found that 39% haven't contacted customer service in the last year. But when the need arises, customers want to ensure their issues are resolved. Customer service is an important engagement, and an opportunity for carriers to deliver exceptional service in the preferred channel of the customer.

When I need customer service from my carrier, I prefer to: (select one)

	Total	Gen Z 18-27	Mil 28-43	Gen X 44-59	Bmr 60-78
Talk with a live agent on the phone	47%	38%	45%	45%	57%
Go to the store in person	25%	30%	21%	25%	23%
Text chat with a tech-enabled bot via the app or online	15%	20%	19%	15%	8%
No preference as long as my issues get resolved	14%	12%	15%	16%	12%

Percentages may not sum to 100% due to rounding.



## The complexity of the bundle

The wireless bundle, which historically included internet or cable, has expanded to include discounted video streaming and other cost-saving perks. In a competitive wireless market, bundles and family plans can provide a value add to the consumer, but can also complicate the process of switching carriers.

Wireless customers are divided when it comes to how much a bundled plan anchors them to their current carrier. More than one third (38%) would like to switch carriers but the complexity—real or perceived—of cancelling a bundled plan or a family plan keeps them in place.

However, looking at Gen Z and Millennials, the percentage grew to 58% and 44%, respectively. While 38% disagreed, this may be due to loyalty to their current carrier, or the scenario doesn't fit their customer profile. 24% landed in the middle, neither agreeing nor disagreeing.

How much do you agree/disagree with the following statement?  
(select one)

*I would like to change carriers, but I bundle cell service (e.g., with internet, cable, or reduced-price streaming service) or have a family plan and switching seems too complicated.*



## Importance of values

Our survey sought to answer the role of values like social equity and environmental sustainability in selecting a wireless carrier. For 47% of respondents, values were not considered. Among social equity and environmental sustainability, the responses were nearly equal, 37% and 35% respectively. When age/generation was factored in, some surprises surfaced. For Gen Z, social equity scored highest (57%). For Millennials, the same was true at 43%. For Boomers, the highest score, 64%, was no consideration of values for selection of wireless carrier.

ESG/Sustainability concerns will accompany GenAI adoption as the new technology drives up the demand for electricity.

**“Adopting GenAI that requires increased energy use that also coincides with a rise in sustainability concerns may require carriers to plan for a coming shift in consumer sentiment.”**

— Nathan Gabig, Principal Advisory, Capital Solutions, KPMG

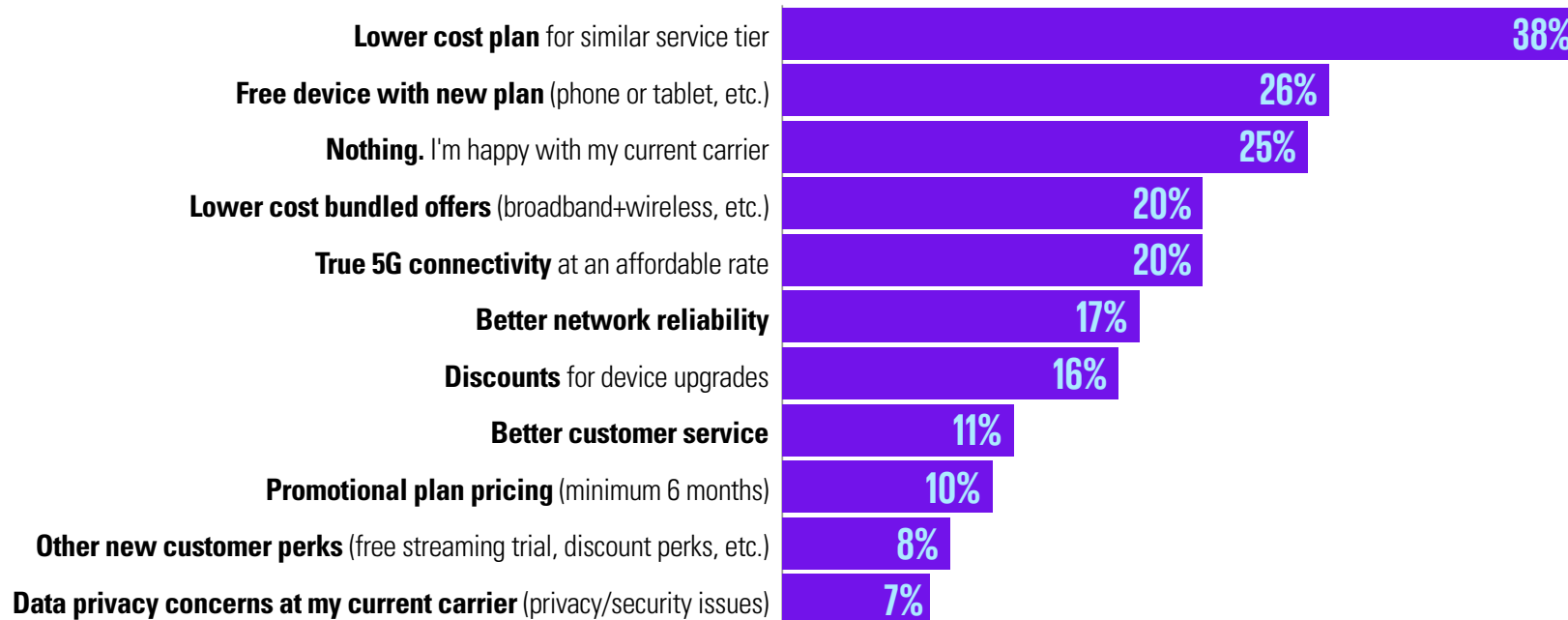
## Engaging customers *continued*

Cost is a driving factor in causing wireless customers to switch carriers. Departing customers never get a chance to be loyal to their carriers. Meanwhile, carriers see their churn rate go up. What causes consumers to switch?

In this survey question, we looked at what services / offerings are most important to consumers and how these preferences impact loyalty. Respondents were asked to select up to three reasons for considering

changing wireless carriers within the next six months. The top responses included a lower cost plan for similar service tier (38%), a free device with new plan (26%), a lower cost bundled offer (20%), and affordable 5G connectivity (20%). Nestled among the top four responses was happiness with my current carrier (25%). These customers are loyal and not moving anytime soon.

### What would make you consider changing wireless carriers within the next six months? (select up to three)



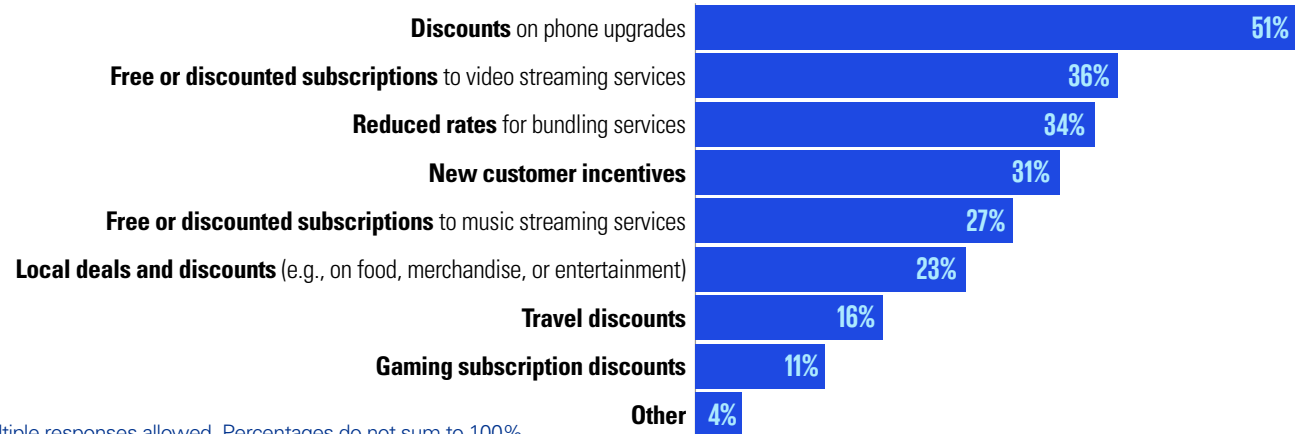
Multiple responses allowed. Percentages do not sum to 100%.

# Engaging customers *continued*

## Preferred perks

With so many available perks, which ones entice new and existing customers? Our survey shows customers desire discounts when upgrading their phones, free or discounted subscriptions to video streaming service, or a reduced rate for bundling services. These enticements account for the top three responses offered to customers. The fourth highest response, new customer incentives, is leveraged for customer acquisition in a highly competitive market. Other responses were lower but show promise, from free or discount subscriptions to music services and local deals to discounts on travel and gaming subscriptions. Perks keep expanding based on customer preferences and what drives the numbers.

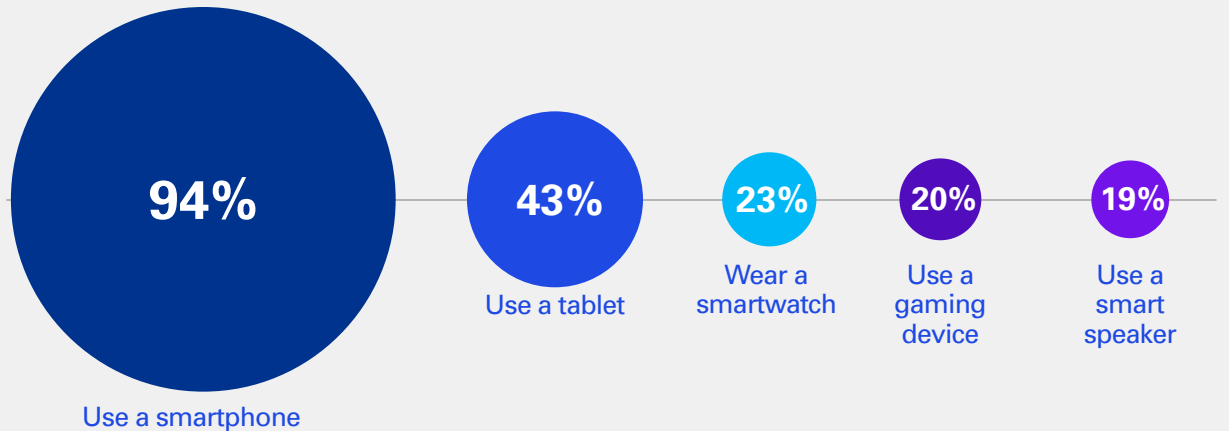
## Which of the following perks are most valuable to you when considering a wireless phone carrier? (select up to three)



Multiple responses allowed. Percentages do not sum to 100%.

## What wireless devices do you currently use? (select all that apply)

It's no surprise that 94% of respondents use a smartphone, but many also use a tablet (43%), wear a smartwatch (23%), use a gaming device (20%), or smart speaker (19%). When considering age group preferences, it's notable that 31% of Gen Z use gaming devices, and smartwatch use is stronger among Millennials (31%) and Gen Z (29%). This may represent an area of opportunity for carriers to diversify offerings to better serve those who regularly use multiple devices.



Multiple responses allowed. Percentages do not sum to 100%.

## Engaging customers *continued*

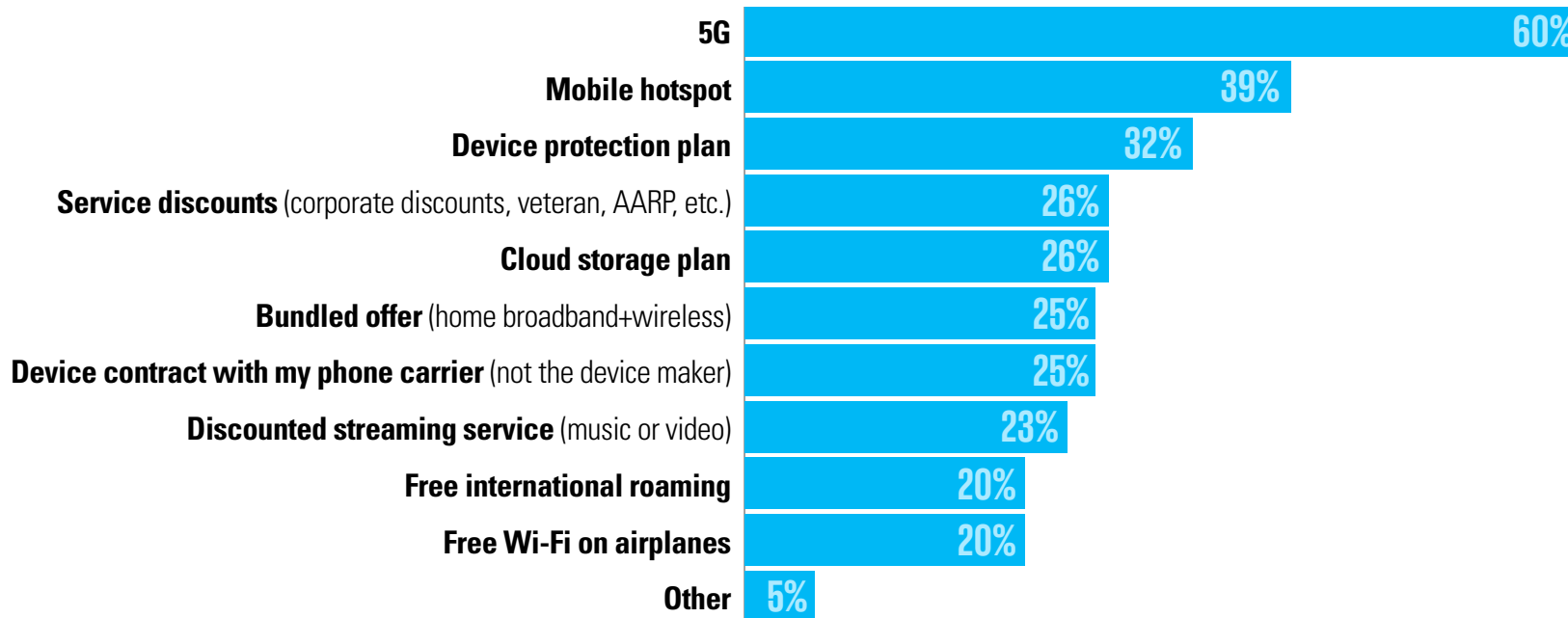
Carriers have been promoting the promise of 5G for some time now. The message is getting through to customers, as 60% of respondents selected 5G as the standard carrier offering they value the most. That's up from 51% last year. The next two responses, mobile hotspot (a slightly higher response from last year) and device protection plan, are noteworthy. Consumers like being able to use different devices with a hotspot, plus it's more secure than open Wi-Fi networks. As device prices and repairs have increased, device protection plans may be undermarketed for retention purposes.

Customers have come to expect that the technology behind their device will deliver. They place a high value on the reliability of 5G technology and mobile hotspots as essential.

**“Carriers have successfully marketed the benefits of 5G. Customers have come to value the speed, lower latency, and fewer dropped calls. And mobile hotspots are safer and more secure.”**

— Frank Albarella, Jr., U.S. Sector Leader, Media and Telecommunications, KPMG

### Which standard carrier offerings do you value the most? (select up to three)



Multiple responses allowed. Percentages do not sum to 100%.

# Final thoughts

Digitalization is continuing to sweep through the telecom industry, with carriers placing a significant focus on the allure and impacts of GenAI, which leads to greater responsibility with consumer data. As our survey showed, customers still value the basics of price, privacy, and quality customer service, but they are willing to consider some of the trade-offs that will come with AI-driven personalization, enabled by sharing more data with their wireless carrier.

As long as carriers can safeguard customer data, it's full steam ahead on personalization that benefits both the carrier's bottom line and customer's growing comfort with using digital self-service.

Digitalization is also central to customer retention and acquisition. Churn will not go quietly into the night. However, our 2024 research shows that smart telecoms can continue to chip away at churn while building loyalty with customers that will help inoculate them from competing offers.

Economy-wise, wireless customers are like carriers—focused on the bottom line. Our research shows they're value conscious and interested in free devices and lower cost plans either as a customer or with a different carrier.

## KPMG. Make the Difference.

Facing increasing digitalization and emerging technologies, telecoms have a pressing need to innovate their business models while mitigating risks. At KPMG, we have the experience and people to help deliver on the demands of today while evolving to meet the challenges of tomorrow. With integrated, cross-functional teams, we are committed to providing meaningful insights and ideas that move your organization forward. Together, we can make the difference.

## Methodology

- Online survey was conducted in July 2024.
- 1,000 people in the US provided responses on topics related to their preferences and insights about their cell phone services and wireless provider.
- Respondents were ages 18–76 with about 250 respondents each from the following generation groups: Gen Z, Millennial, Gen X, and Boomer.
- For questions that did not allow multiple responses, percentages may not sum to 100% due to rounding.

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