

20 percent of US households think landline phones are an important telecom choice

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The predicted death of the household landline telephone in the United States may be premature, according to a new RAND Corporation study.

Twenty percent of the nation's households still view having a landline or fixed telephone as the most important of their telecommunications choices, according to a survey that queried consumers about their telephone and internet preferences.

But mobile telephones now dominate communications options for most people, as is often assumed by media and advertising.

The study also found that for the average consumer, having mobile telephone service is about 3.5 times more important than a landline or fixed telephone service.

"While most Americans like their cell phones, there are still a large number of households that think having a landline phone is important," said Craig A. Bond, lead author of the study and a senior economist at RAND, a nonprofit research organization. "Policymakers will need to take this into account as technology changes and regulations evolve."

Study findings suggest about 90 percent of American households have at least one mobile phone, 75 percent have fixed internet service, 58 percent have mobile internet service and 49 percent have fixed telephone service. Mobile telephone service was the most important service for the typical respondent, followed by fixed internet service, mobile internet



service and fixed telephone service, although a portion rank fixed telephone first.

Only 2 percent of Americans report purchasing none of these four services, while 93 percent have some form of telephone service and 85 percent have some form of internet service. Of those Americans with telephone service, about 8 percent participate in a reduced-price telephone program, such as the Lifeline program overseen by the Federal Communications Commission.

The study was based on a survey of more than 6,000 adults who participate in the RAND American Life Panel, a nationally representative internet-based survey panel. (Panel participants who do not have internet service are provided access by RAND.) Participants were asked their preferences regarding landline telephones, mobile telephones, mobile wireless internet, and high-speed or fixed internet.

Unlike prior surveys, the study examined household use of these services instead of use at the subscription level. The study also incorporated multiple technologies (fixed and mobile telephone and fixed and mobile internet) into the same survey.

More information: The report, "U.S. Consumer Preferences for Telephone and Internet Services: Evidence from the RAND American Life Panel," can be found at www.rand.org

Provided by RAND Corporation

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