

Advanced Services Challenging Customer Support: Achieving OPEX Savings Using Mobile Device Management

As service providers deliver more advanced services and content to mobile subscribers, their ability to support those services is being challenged by the variety and complexity of devices being purchased by subscribers. This complexity results in escalating customer care costs, with global operators estimated to spend over \$25 billion in 2009 to address handset returns, recalls, and configuration issues. Mobile Device Management can address \$3 billion of these costs, with estimated global savings growing to over \$23 billion by 2013.

ADVANCED SERVICES CHALLENGING CUSTOMER SUPPORT

Frost & Sullivan estimates that, of the nearly 1.3 billion mobile devices expected to ship worldwide this year, 23% will be smartphones. That figure jumps to 30% in 2009 and 37% in 2010 with penetration increasing to 73% by 2014.

“smartphones will exceed feature phones in units shipped by 2012....”

As complexity increases, the number of contacts with the service provider increases, the time required to solve a problem increases, and so do the costs. Beyond the increase in contacts, wait times are increasing both on the phone and in the store. Customer service representatives (CSRs) are required to troubleshoot configuration problems for any combination of handset and services that a customer may have.

Mobile Device Management (MDM) is the ability to monitor and configure a mobile device over-the-air. Customer care representatives both on the phone and in the store can view a customer's handset configuration and quickly understand what is missing,

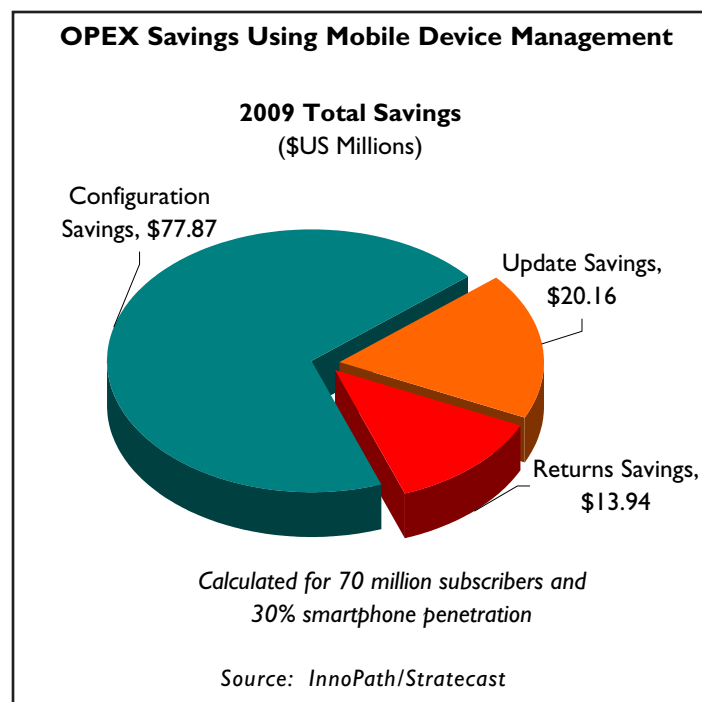
incorrect, or out-of-date. MDM can contribute to service provider savings in the areas of configuration, handset returns, and handset updates in the following ways:

- Reduce time spent determining and fixing configuration errors
- Reduce the number of handsets returned because a service is configured incorrectly
- Improve First Time Resolution and reduce the need to escalate support calls
- Reduce the need for CSRs to understand specific configurations for multiple, complex handsets
- Eliminate customer visits to update handset firmware or software

Automatically updating handsets with current firmware and software versions also eliminates problems that result from out of date software. As handsets change, the customer is kept current without having to visit a store or execute a complex update procedure and avoid configuration problems.

MODELING MDM SAVINGS

Stratecast industry analysts and market experts, together with InnoPath, a leader in mobile device management, have developed a model with over 25 variable parameters for estimating savings that can be realized as a result of implementing a MDM solution. Stratecast has validated both the assumptions of the model and the generic data points that lead to the savings shown in the graph, using global measurements and forecasts. More specifically, for a generic North American mobile service provider with 70 million subscribers, 2009 savings from implementing MDM could reach \$111 million. Globally that figure could reach \$3 billion.



Small reductions in the number and length of support contacts result in tremendous cost savings. As a tool for CSRs, MDM provides ready access to device-specific status and points out configuration errors. Combined with operations data, MDM can then determine and deliver a fix that solves the problem.

To keep multiple, distinct handsets up-to-date, MDM is used to recognize when a handset is out-of-date and then automatically deliver an update once the customer approves. The alternative is to send customers to the store to wait while the updates are completed there. Currently service providers only install updates to solve a handset problem. Proactive updates could prevent those problems, saving both time and money. As the number of smartphones increases and the on-board functionality becomes more complex, the problem

multiplies. With smartphone penetration at 23% in 2008, that translates to 16 million handsets that will require some sort of update this year (per the 70 million subscriber example).

“16 million handsets that will require some sort of update this year”

Service providers report that nearly 75% of orders are for changes. As customers add or modify services, MDM can deliver the correct configuration directly to the handset as soon as the order is placed. Support costs will continue to escalate as service providers struggle to keep up with the volume and complexity of the services and devices planned for mobile users. MDM can reduce some of those costs while improving the overall customer experience.

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Stratecast assists clients in achieving their strategic and growth objectives by providing critical, objective and accurate strategic insight on the global communications industry. As a division of Frost & Sullivan, Stratecast's strategic consulting and analysis services complement Frost & Sullivan's Market Engineering and Growth Partnership services. Stratecast's product line includes subscription-based recurring analysis programs focused on Business Communication Services (BCS), Consumer Communication Services (CCS), Communications Infrastructure and Convergence (CIC), OSS and BSS Global Competitive Strategies (OSSCS), and our weekly opinion editorial, Stratecast Perspectives and Insight for Executives (SPIE). Stratecast also produces research modules focused on a single research theme or technology area such as IMS and Service Delivery Platforms (IMS&SDP), Managed and Professional Services (M&PS), Mobility and Wireless (M&W), Multi-Channel Video Programming Distribution (MVPD), Network Infrastructure and OSS (NIO), Secure Networking (SN) and Unified Communications (UC). Custom consulting engagements are available. Contact your Stratecast Account Executive for advice on the best collection of services for your growth needs.

INNOPATH

ABOUT INNOPATH

InnoPath Software is the global leader in Mobile Device Management, a technology that enables wireless operators to better and more cost effectively manage and deliver revenue-generating services for consumers and enterprises. InnoPath's standards-based approach has proven successful at the largest wireless operators in the world, including AT&T, China Unicom, KDDI and Verizon Wireless. The InnoPath client has been adopted by leading handset manufacturers including Nokia, Samsung and LG. InnoPath was recently recognized by AlwaysOn as an AO Global 250 Winner. Headquartered in Sunnyvale, California, InnoPath is privately held with offices around the world. For more information, visit www.innopath.com