

amdocs

WHITE PAPER

# CREATING A SUPERIOR CUSTOMER EXPERIENCE THROUGH MOBILE DEVICE CARE

## CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	1
THE SMART PHONE PHENOMENON	2
A REALITY CHECK FOR SERVICE PROVIDERS	3
DEVICE CARE BENEFITS REALIZED	4
THE SIZE OF THE OPPORTUNITY	5
THE KEY TO EMPOWERING AGENTS	6
CONCLUSION	6

## EXECUTIVE SUMMARY

Mobile device management can be broadly defined as the ability to offer advanced device care functionality to mobile devices including device detection and monitoring, diagnostics and over-the-air firmware and application updates.

Whereas previously handsets were pre-configured by the device manufacturers, service providers now have the ability to both customize handsets based on end-user needs as well as remotely monitor key indicators of service such as call drop off rates and video latency performance.

For end users, these mobile care solutions can have a real impact on their customer experience – less time spent trying to resolve configuration specific queries and more time using the service. For the service provider, it offers a chance to keep the customer satisfied while presenting a valuable opportunity to cut costs.

In this paper, we will outline the scale of the issue of mobile care, the impact on both service providers and end users, and the options available to address the current scenario.

## INTRODUCTION

Let's start with the good news: Smart phones offering a multitude of advanced capabilities, including the use of bandwidth-hungry applications such as email, Internet and video messaging, do undeniably open up new avenues of revenue generation for service providers.

On the downside: The reality is, however, that these devices also create a number of challenges of their own, including higher device-related support costs and longer query call handling times. In some respects, the devices have become smarter than the end users, leading to an increased need for support, particularly around the configuration of new applications and services.

As the smart phone market shows no signs of slowing, the associated cost of support for these devices threatens to drown any future service provider profits.

The bottom line: Service providers must seek out the applicable solutions which not only tackle the support cost problem but also ensure that the customer experience for end users is not jeopardized as a result of poor support. Device support, particularly smart phone support, must become a key component for any service provider.

## THE SMART PHONE PHENOMENON

With a broad range of services and a wide variety of applications and firmware available in a single device, smart phones in many respects have become the game changer in the communications, media and entertainment space.

Functionality ranging from touch screens, built-in keyboards, voice and video, Internet access, massive data storage capabilities and an endless list of applications sets these devices apart from others.

The phenomenon is becoming more commonplace as handsets largely evolve from being pure functional feature phones or “voice” devices into multi-purpose devices to meet the business and social needs of the connected lifestyle. So much so that in a recent Yankee Group survey, 41 percent of end users indicated they were likely to choose a smart phone as their next mobile device. (Source: Anywhere Consumer: 2009 U.S. Survey Suite, July 2009).

Elsewhere it's anticipated that “smart phone shipments will grow by 18.7% between 2008 and 2009 despite the overall decline during the same period in the total mobile phone market. This growth will continue at a compound annual growth rate of 19.5% through to 2014, (Adam Leach, Principal Analyst, Ovum, July 2009). The reality is, as you read this, there's every chance that you either have a smart phone on your person or within easy reach.

Correspondingly, it's no surprise that wireless data usage from these devices is also rapidly increasing its share of monthly mobile revenue per user. This is stemming from the increased volumes of data hungry applications ranging from location based services to social networking.

In its latest Digital Media Index report, service provider Orange claimed, “We've seen an increase by over 108% in the amount of data downloaded. This has followed improvements to devices including advanced 3G mobile handsets - customers are now accessing the content they want, quicker and easier than ever before” (Orange, May 2009). With the onset of fourth generation (4G) and other advanced connectivity options, the insatiable hunger for data is only set to continue.

## A REALITY CHECK FOR SERVICE PROVIDERS

A market made up of a larger number of smart phones combined with a greater number of chargeable applications and services would appear to be just what service providers were hoping for – however...

The flip side of this opportunity is the reality that configuration complexities associated with smart phones and these additional data heavy services create all sorts of headaches for both the end user and the service provider.

Multiple devices, different operating platforms and varied firmware coupled with a multitude of mind bending feature menus make both using and supporting these devices increasingly complicated. Add to this the variety of connectivity options available (including WIFI, WIMAX, 3G, 4G Push to Talk, etc.) and suddenly it's easy to see why this issue is becoming increasingly important.

It is true that many end-user queries result from a simple lack of knowledge on the part of customers and they need to be walked through how to use new features on their devices. In other instances, queries are more technical, ranging from configuring new hardware on the device to upgrading applications. This can lead to a situation where the set up process is at best frustrating.

In many of these calls, the first level support agents at the call center are often simply not empowered to deal with the query. While they may have customer information at hand, they do not have the other missing parts of the puzzle to be able to deal with the call. The model of the phone, the firmware the device is running, the applications the customer has – more often than not these are stored in other databases within the business, invariably technical support – and the agent has no choice but to pass the call along.

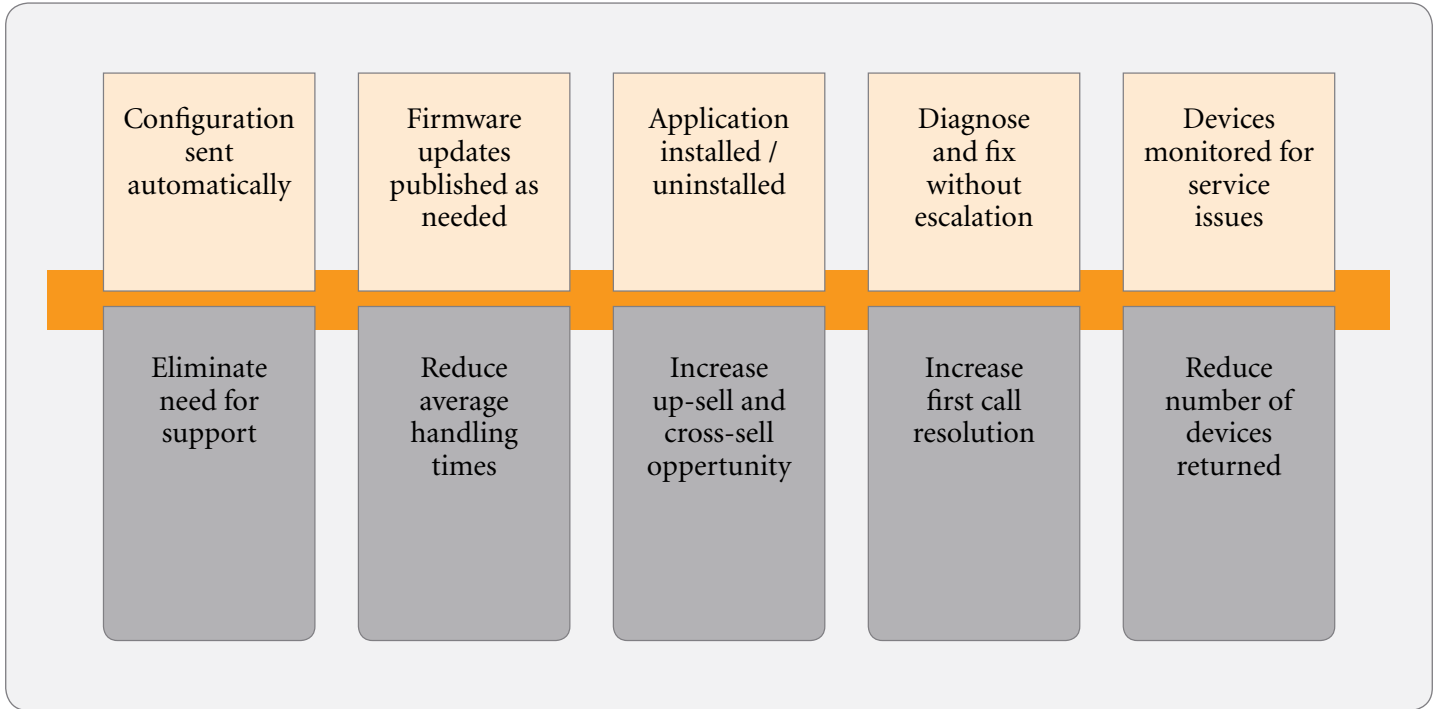
Compounding this problem, the service provider is burdened with the cost of unnecessary device returns as customers incorrectly mistake an inability to configure the smart phone themselves with something actually being wrong with the device. These returns normally take the shape of walk-ins to retail and high street stores – often the site where the device was originally purchased.

At best your call center could be swamped with configuration queries; at worst it will lead to customer frustration, and ultimately churn. And all the while your customers are not consuming data services and spending more money with the provider.

## DEVICE CARE BENEFITS REALIZED

In an ideal environment, mobile device management – more specifically mobile device care – gives service providers the opportunity to proactively deal with customer queries pertaining to the device, thereby reducing the need for customers to seek additional “device specific” technical support.

FIGURE 1: DEVICE CARE AND CORRESPONDING OPPORTUNITY FOR IMPROVEMENT



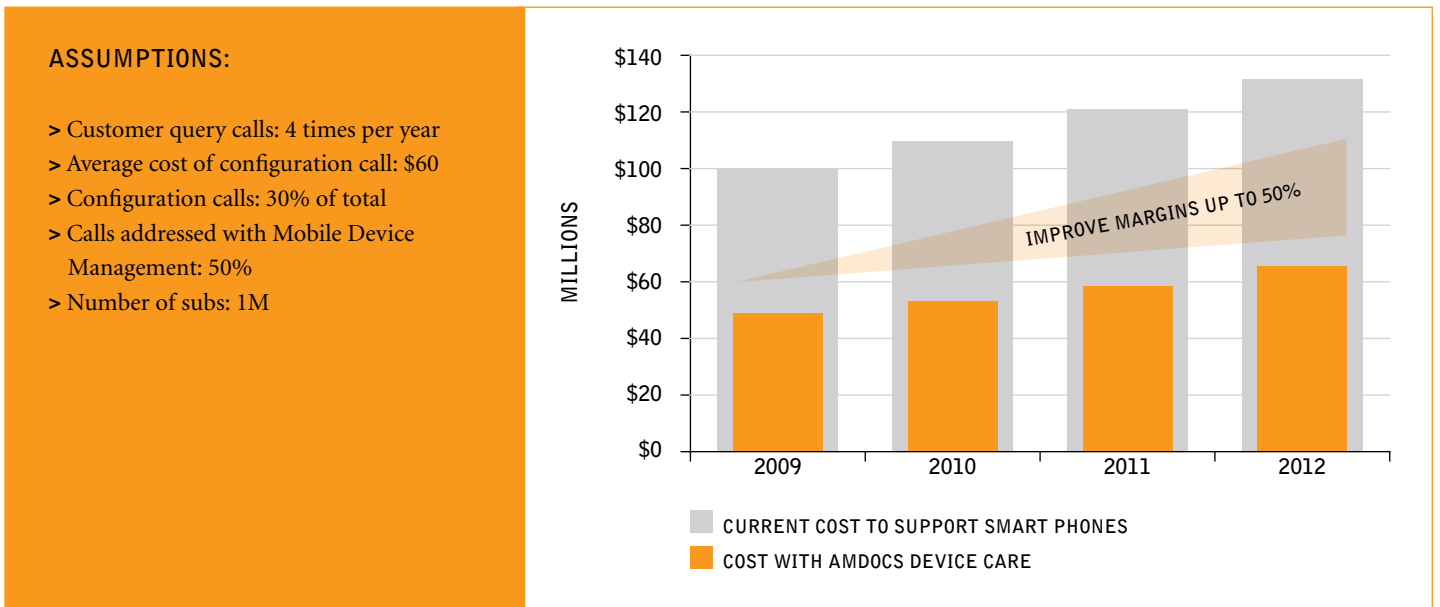
The ability to remotely detect configuration settings on devices; push out firmware updates as needed; install and uninstall applications and configure firmware settings on devices are powerful tools for service providers. As is the ability to monitor and fix device issues without escalation to second or third line support, (see Figure 1). The results of these activities are the substantial and immediate reductions in customers seeking support while at the same time reducing average handling time and improving first call resolution for those who do need to get in touch with their service providers.

Direct benefits of smart device care include end users adopting new and existing applications and services while becoming increasingly self sufficient, and less reliant on call centers and walk-in visits to resolve issues. Ultimately, end users derive greater value from the services their providers offer, resulting in overall increased satisfaction and a better customer experience. Meanwhile, service providers see a direct cost savings to their business and growth in monthly average revenue per user (ARPU).

## THE SIZE OF THE OPPORTUNITY

Device care offers sizable savings opportunities for service providers. Based on a simple case study of service provider “X” with a base of 1 million subscribers – by reducing device care calls by 50% - in the first year alone, the savings opportunity is \$50 million. This jumps to over \$65 million by 2012 as there is greater penetration of smart phones within the service provider’s mobile base, (See Figure 2).

FIGURE 2: SAVINGS OPPORTUNITIES FOR SERVICE PROVIDERS



(Source: Based on Amdocs estimates, 2009)

## THE KEY TO EMPOWERING AGENTS

Amdocs is building on our strong position in customer support to provide solutions to mobile device care issues and empower all call center agents.

We are introducing a turnkey device care solution – Amdocs Smart Device Support – that merges Amdocs customer relationship management (CRM) assets and mobile device management solutions to empower agents to:

- > Quickly identify problems through insight into customer interaction history and devices
- > Enable agents to proactively push configuration changes to devices
- > Understand the complete customer situation for better support

Amdocs Smart Device Support delivers a differentiated customer experience while effectively generating new revenue streams, including:

- > Improved first call resolution
- > Reduced configuration support calls
- > Improved customer ARPU through the use of new mobile applications
- > Proactive measurement of the customer experience
- > Increased opportunity for up-sell and cross-sell
- > Reduced number of walk-ins to retail outlets for device support

The solution enables service providers to dramatically reduce direct support costs associated with configuration issues and increase the overall revenue opportunity from smart devices.

## CONCLUSION

As of now, the biggest threat to service providers is to do nothing. As smart phone adoption soars, it is those service providers who actively take the lead in implementing device care solutions who stand to increase customer satisfaction while controlling device support and returns costs – as well as increase ARPU opportunities.

### SO WHERE TO BEGIN?

First, understand the base of devices must be the starting point for all service providers. Who are their customers? What devices do they have? And more importantly, how many of these devices are there? If device care and support is a problem now, it's only going to get worse as this device base rapidly “leapfrogs” your traditional feature phone base.

Second, acknowledge that device care, and particularly device configuration care (traditionally residing within technical support teams), is now largely expected by the end users to be part of the front line (Tier 1 and Tier 2) support teams. As the definition of “traditional support” continues to shift rapidly, service providers must adapt their business accordingly.

Third, understand the large savings opportunity by cutting support call times (and unnecessary transfers to technical support teams). Both proactive and reactive device care allows service providers to make substantial savings which must not be underestimated.

Finally, and most crucially, device care allows service providers to largely maintain the experience relationship with the customer, safeguarding both current and future revenue generation opportunities.

#### ABOUT AMDOCS

Amdocs is the market leader in customer experience systems innovation, enabling world-leading service providers to deliver an integrated, innovative and *intentional customer experience*<sup>™</sup> at every point of service. Amdocs provides solutions that deliver customer experience excellence, combining the software, services and expertise to help its customers execute their strategies and achieve service, operational and financial excellence.

A global company with revenue of \$3.16 billion in fiscal 2008, Amdocs serves customers in more than 50 countries around the world.

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