~~Money~~ *Connectivity* Makes The World Go Round

Highlights from Amdocs' Sponsored Global Communities Research Project, May 2011

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Outline

What Are We?

- Types of Consumer Communities Worldwide

Research Highlights

- Ubiquitous connectivity is king
- Back to basics: network quality
- Function over fashion
- Churn drivers
- Multi-channel interaction

Summary: Connecting the Dots…

- What does it mean for service providers?

About the Research

The 3 C's of the Connected World Communities

Centaurs, (Space) Cowboys, and Cyborgs

Centaurs

Differentiate between technology and personality. More prone to separate between business and personal uses of devices. Typically in **Europe.**

Implications

They value functionality and means to control their personal and business consumption, allowances, policies.

Cyborgs

The device is their personality and social enabler. Typically in APAC and LATAM

Implications

They value social interaction and cross-device mobility, most willing to adopt advanced services, loyal to providers who deliver the best customer experience.

"I *am* my phone and my phone is me."

Space Cowboys

Technology nomads, functional use of technology for personal benefit rather than social benefit. Typically in **NA**

Implications

They easily churn for better price plans, seek proactive care and constant upgrades.

Ubiquitous Connectivity is King

Cross-device experiences are worth a premium

Worldwide

> 70% of consumers stated they want to do more with their mobile device

> More than two thirds of consumers expect and want their mobile device to connect to other devices, e.g., TV (43%), cars (38%)

> 54% expect to access their content from any device;
40% are willing to pay a premium for this connectivity

Europe

> A third of respondents are willing to pay a premium to "use all services and applications from any device, everywhere"

LATAM and APAC

> 46% of LATAM and 44% of APAC consumers are willing to pay a premium for any device access

> 30% of APAC users are willing to pay a premium for data bundles for all devices

Most consumers want to access all services and applications from any device, everywhere, many perceive this as premium value

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Network quality: Doing Your Best Isn't Enough

We WILL pay for "best quality"

Worldwide

- 41% are willing to pay a premium for better network quality (fewer disconnects, delays, higher download speeds, etc.)
- But only 7% think mobile internet speed is important

= ?

Europe

- 28% of respondents are willing to pay a premium for better network quality
- 51% will "quickly change providers" if they get poor service

LATAM and APAC

- Consumers in APAC and LATAM are most likely to see mobile phone as an essential part of their daily lives
- 41% of LATAM consumers are most likely to pay a premium for increased network quality

Quality of Service based charging is *win-win* for meeting customer expectations and for service providers' data monetization need

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Function over Fashion

The Mobile Phone is Essential in Running Consumers' Lives…

Worldwide

> 64% rated functionality as most important in their selection of mobile phones, 8x more important than appearance

> The top drivers for personalizing a phone are to *generate greater functionality and to make life easier;*
Getting better value for money is the third most important driver for personalization

Europe and North America

> 3 out of 4 Europeans personalize their phone to make their mobile lives easier

> 80% of North American consumers personalize their phones to get better value for money

LATAM

> While 90% said they personalize their phones to generate greater functionality, 63% believe the phone reflects their personalities, and 55% personalize it to be a trend setter

Consumers need personalized services in order to generate greater functionality and receive more value from consumption

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Consumers' '*Wish List*' for the Future

Consumers want service providers to:

1. Make me more mobile **2.** Back me up **3.** Help manage my life

Europe

1. Contacts back up
2. Connectivity between devices
3. Booking Doctors

LATAM

1. Connectivity between devices
2. Home services
3. Multi screen viewing

NAM

1. Connectivity between devices
2. Contacts back up
3. Mobile payments

APAC

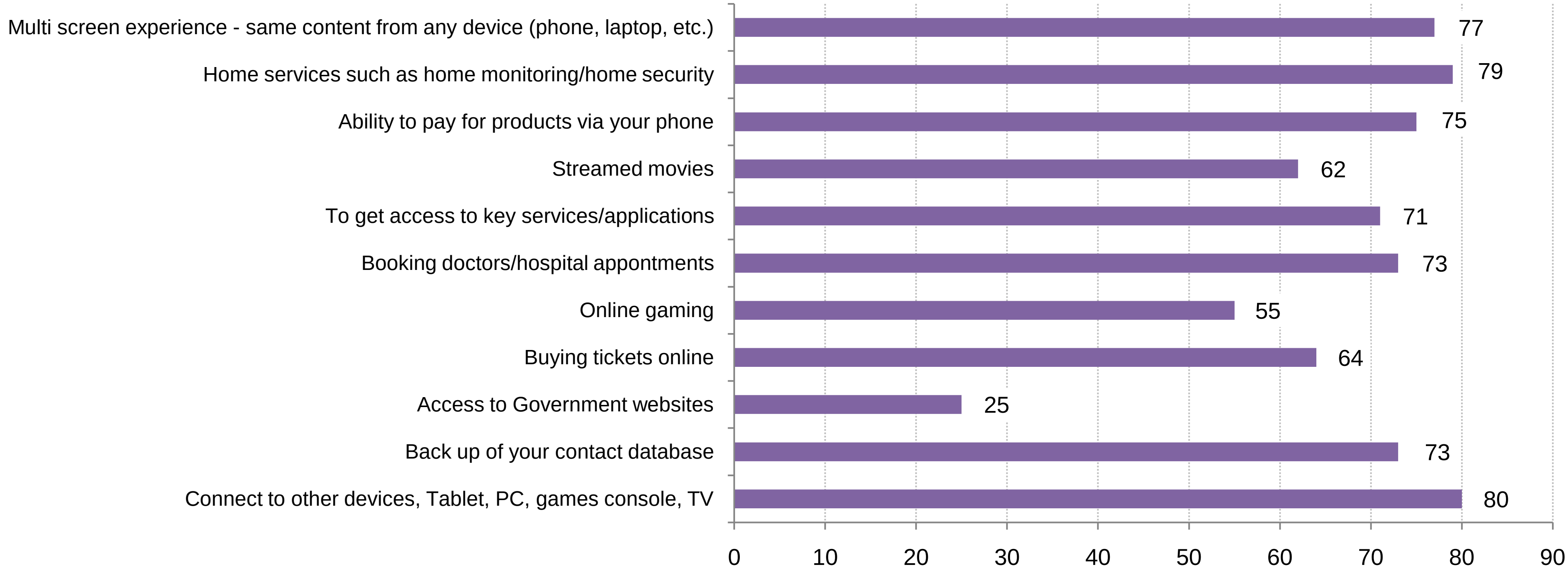
1. Contacts back up
2. Connectivity between devices
3. Mobile payments

Regional breakdown: slides 8-11

LATAM Consumers

‘Wish List’ for the Future

Future services LATAM would like to use on their mobile



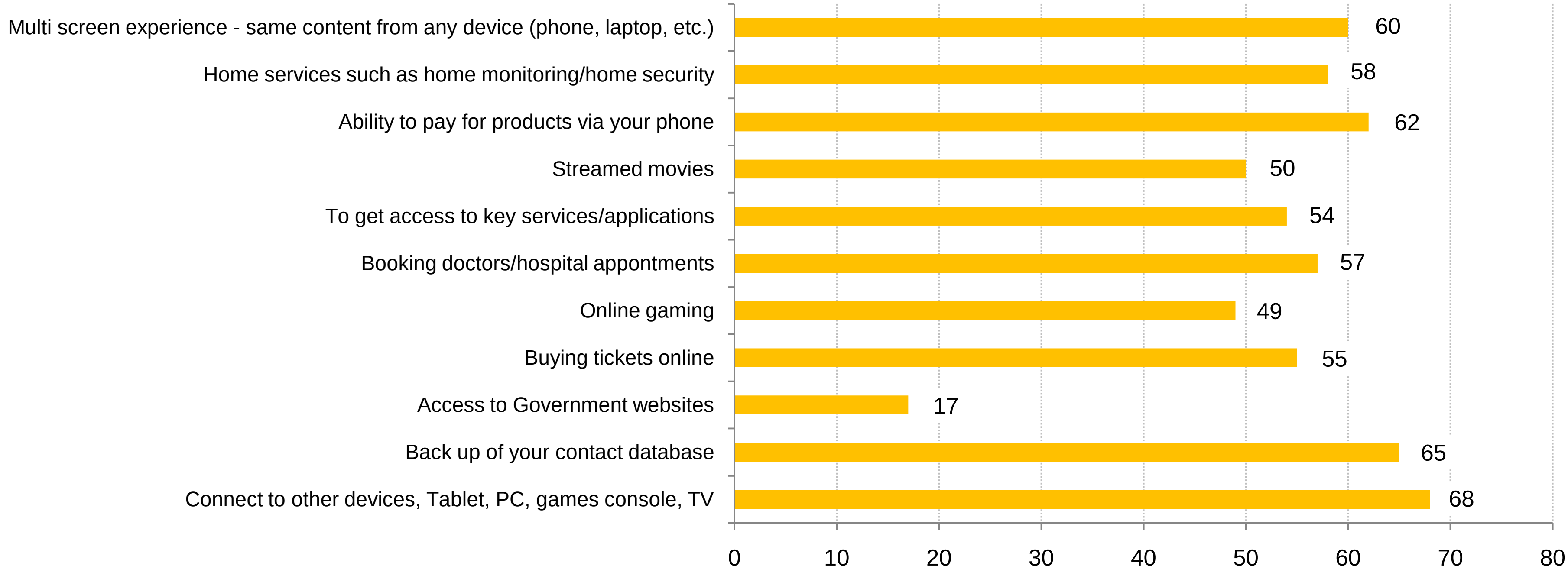
% Rating 7 or higher on a scale from 1-10 where 10=extremely important, 1 = not at all important

Consumers would like to do more day-to-day functions on their mobile phones, and increase mobility between devices and screens

APAC Consumers

'Wish List' for the Future

Future services APAC would like to use on their mobile



% Rating 7 or higher on a scale from 1-10 where 10=extremely important, 1 = not at all important

Consumers would like to do more day-to-day functions, including remote home services, booking, and payments

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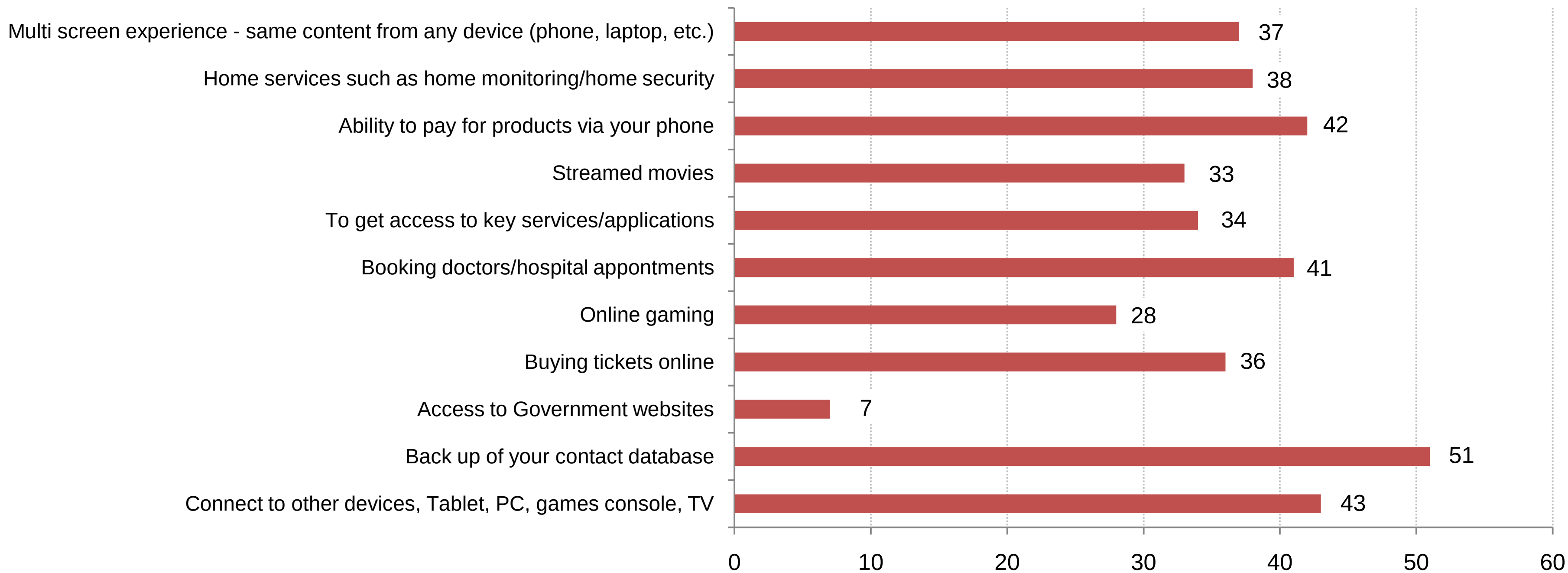
North American Consumers *'Wish List' for the Future*

Future services NA would like to use on their mobile



% Rating 7 or higher on a scale from 1-10 where 10=extremely important, 1 = not at all important

Consumers would like to do more day-to-day functions on their mobile phones, including remote home services, and payments

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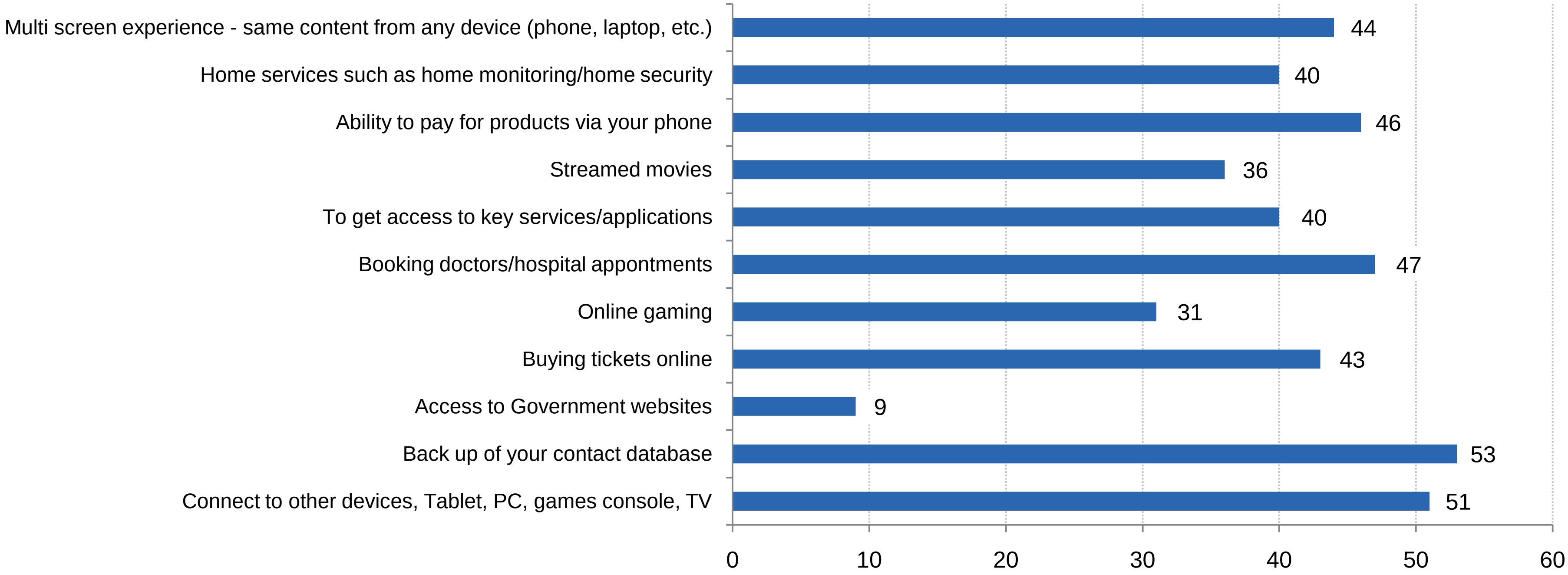
European Consumers

‘Wish List’ for the Future

Future services Europeans would like to use on their mobile



% Rating 7 or higher on a scale from 1-10 where 10=extremely important, 1 = not at all important

Consumers would like to do more day-to-day functions, including remote home services, booking, and payments

Top Churn Driver is Still *Better Value* for Money

"Value" is a combination of attributes

Worldwide

- Almost a third of consumers change service providers for better offers from a new provider;
- 23% said they change providers quickly if they get poor service
- When changing mobile phones, price and flexibility are the top 2 drivers for selecting service plans, but almost two thirds of consumers feel they never get the service plan that fits their needs

Regional Aspects

- LATAM standout with poor customer service as their top reason for changing service providers, price is fourth after poor network coverage and quality in second and third places respectively
- While 77% of Europeans look for the cheapest plan when changing a mobile phone, consumers in NAM, LATAM, APAC look first for the most flexible plan (~80%), price follows

Service providers are required to provide value with a combination of price, flexibility and personalized offers

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Consumers are Turning to Multiple Channels Education, Advice and Support

Worldwide

> Almost half of all consumers feel that mobile device capabilities are hard to understand

> At present, respondents are more likely to turn to family and friends with the same (37%) or even a different phone (19%) for advice, than contact the service provider by phone (13%) or email (7%)

> While service providers' websites are the third preference for learning about a phone across the globe, the service provider contact center remains the preferred interaction mode for support issues, despite dissatisfaction with long waiting times

43% of APAC Consumers

> Standout in their preference of family and friends to learn about the functions and features of a new phone

Consumers are turning to multiple channels on and offline to shop, learn and receive support; simple and consistent multi-channel interaction is key to proactive increase customer satisfaction

Customers' Take on Improving Their Customer Experience

How would you like your relationship with your service provider to change?

66% of **LATAM** want shorter response time in call centers

APAC would like SPs to be more proactive with personal offers

NA stands out with 35% happy with their relationship

Deliver
Consistent service anytime, anywhere

Empower
Channels to be self sufficient & proactive

Seize
Revenue opportunities with personalization

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Connecting the Dots…

- Consumers are embracing the connected world
- Consumers will pay a premium for cross device connectivity as well as better quality of service
- Mobile devices are becoming personal assistants for running consumers' lives
- Price is *not* everything; Consumers expect flexibility, new data offers and control
- Multi-channel consistent and personal interactions will improve the customer experience

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What Does it Mean for Service Providers?

Service providers have an opportunity to deliver valuable services across devices with new services & pricing models, e.g.,

> QoS based pricing requiring new data solutions with integrated policy and convergent charging

> Customer and value based pricing (e.g., several devices sharing plans, entertainment services for families) rather than speed and device based plans

> Personal hosting services to store and back up contacts and content

> Offering new ‘life’ services, e.g., home and security, mobile payments, remote doctors booking, requiring SPs to offer partner-based services in a secure environment

Personalization drives customer satisfaction: Consumers’ need for more proactive interaction with SPs offering more personalized offers requires SPs to manage complex customer hierarchies, and offer personalized services based on context, profile, and preferences.

Multi-channel consistent interaction increases customer value: Consumers’ tendency to turn to multiple channels to learn, shop and receive support requires a holistic customer management multi-channel approach, with the goal to reduce average handling time, seize interaction points to generate revenue and increase loyalty.

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About the Research Project

- Coleman Parkes interviewed over 4700 consumers in various age groups in 14 countries

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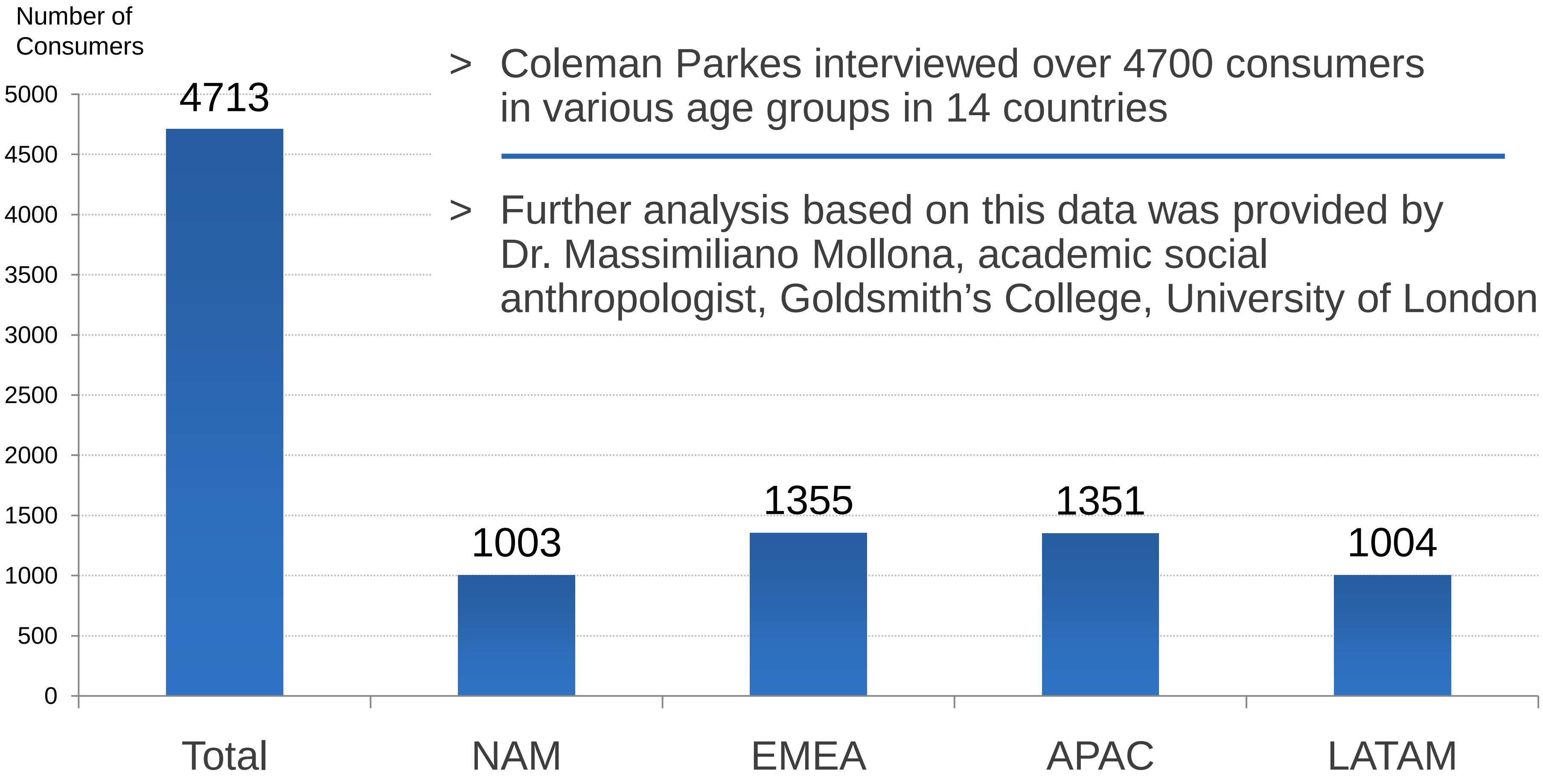
- Further analysis based on this data was provided by Dr. Massimiliano Mollona, academic social anthropologist, Goldsmith’s College, University of London



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Thank You

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