

Press Release

Mobile Broadband: Not so Plug and Play

Cost of supporting mobile broadband is eroding subscriber profitability warns WDSGlobal. Mobile broadband products 200% more expensive to support than mobile handsets.

28th April 2009: Poole, United Kingdom: Mobile broadband services are more expensive to support than any other wireless service and are endangering subscriber profitability for many mobile network operators concludes a new study from WDSGlobal. The study found that the cost to support mobile broadband products and services is up to 200% greater than the cost to support traditional wireless products such as mobile phones. This means that despite revenue uplift from increased data usage, actual subscriber profitability often remains unchanged and sometimes even worsens.

The area of greatest concern came from USB and PC Card modems. These are sold to allow subscribers access to a mobile operator's 3G HSPA or EV-DO mobile broadband services from a laptop or netbook. The average duration of a technical support call for such products is 28 minutes. By comparison, a technical support call for a mobile phone averages just less than 10 minutes.

The findings come from analysis of more than half a million 'technical' support enquiries. More than 600 wireless devices were represented in the study, which spanned a six-month period between September 2008 and February 2009. Of the bottom 20 mobile devices ranked by Average Handle Time (the duration of a support call), 13 were USB or PC Card modems.

The problem, WDSGlobal suggests, is not always with the technology itself but the necessity for these products to be installed alongside third party hardware and software outside of a mobile operator's control.

“Traditional wireless products are largely in the control of the network operator; it’s their SIM card, they sold the handset and it’s attached to their network. Mobile broadband introduces the need to manage a wireless product on a third-party device such as a laptop. You have to contend with hardware performance and conflicts, driver incompatibility and buggy software. Diagnosis and fault resolution therefore becomes more complex, negatively impacting support times. Add to this the fact that many products have not been adequately tested prior to launch, and the result is an expensive burden on existing support infrastructures,” explains David Ffoulkes-Jones, CEO of WDSGlobal.

The study also cites ‘aggressive’ connection management software (the software bundled with the modem) as a key cause of user frustration. During several test cases, installation software looked to make registry edits deep within the PC’s operating system. Most popular anti-virus applications immediately blocked the installation, regarding it as a security threat. In other cases, connection management software looked to hijack control of all network connections, overwriting user’s existing configurations and impeding WiFi access.

The cost of handling customer care and support calls has an immediate bearing on a subscriber’s profitability because, like cost of acquisition, handset subsidies and network maintenance, it forms part of the cost of maintaining a subscriber on a network. Therefore, it’s imperative for mobile network operators to better manage the process of testing, launching and supporting mobile broadband services concludes WDSGlobal.

“This problem is not unique,” adds Ffoulkes-Jones. “New products and services are introduced to generate greater ARPU (average revenue per user). However, the increased complexity of these services means that the cost to support them often increases, impacting subscriber profitability.”

A higher than average cost-to-support of mobile broadband products and services is a global issue. However the impact on subscriber profitability is more pronounced in North America and Europe where growth has been accelerating for the last 12 months and where the role of mobile broadband is seen as a means to counter a reduction in voice revenue.

“There are enormous opportunities for mobile broadband in 2009. However mobile network operators must be able to deliver new products and services to market profitably and in a way that meets their end-users’ expectations for service and quality. Many mobile broadband services are marketed as plug and play. However, as a company that provides technical support services to the mobile industry, we know that this isn’t always the case,” finishes Ffoulkes-Jones

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Sample mobile device (technical support) Average Handle Times

Type	Device	Average Handle Time
Handset	Motorola Razr V3	6mins 7secs
Handset	Nokia 6085	7mins 30secs
Handset	Apple iPhone 3G	16mins 9secs
Handset	Samsung BlackJack 2	18mins 20secs
Handset	Blackberry 8310 Curve	21mins 36secs
USB Modem	Huawei E270	22mins 0secs
USB Modem	Option Wireless USB Connect Quicksilver	23mins 40secs
USB Modem	Sierra Wireless USB Connect Mercury	29mins 47secs
PC Card Modem	Sierra Wireless AirCard 881	33mins 7secs
USB Modem	Novatel MC727 USB Modem	38mins 49secs
PC Card Modem	Sierra Wireless AirCard 850	45mins 6secs
PC Card Modem	Option Wireless GT Ultra	46mins 15secs

Typically, the lowest Average Handle Times are associated with older, entry-level devices. These are not subject to high data demands and are typically limited to basic voice and messaging functions. Generally, as device complexity increases so too does the Average Handle Time, and the cost-to-support; however WDSGlobal notes that Average Handle Times are also impacted by the network to which a device is attached and the end-user's price plan.

A full copy of the study can be downloaded for free at www.wdsglobal.com/mobile-broadband

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About the Study

WDSGlobal's study focused only on technical support calls. Tier 1 calls, relating to general billing or coverage enquires would be subject to much lower Average Handle Times (AHT) and were not included.

WDSGlobal audited 635,971 in-bound support calls taken between September 2008 and February 2009. Only mobile devices that presented more than 50 support enquiries during this period were included in the study. In total 698 mobile products are included; averaging 911 support enquiries per product. To protect WDSGlobal customer confidentiality, the total for a device's Average Handle Time has been averaged across all networks and price-plan types.

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About WDSGlobal

Since 1995, WDSGlobal has been dedicated to helping mobile operators, handset manufacturers and service providers deliver more profitable products and services to end-users. From handset validation and readiness testing to mobile device management and end-user support, WDSGlobal offers the industry's most complete solution for the management of end-users, devices and services. Believing end-user profitability lies in effective problem prevention and user experience management and not in problem management, the company's GlobalMine framework continually collects, validates and shares data about devices, services and user trends. This is used to enhance the effectiveness of its carrier-grade products and services and to help customers drive service adoption, increase loyalty and drive-down support costs.

To find out more, please visit www.wdsglobal.com

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