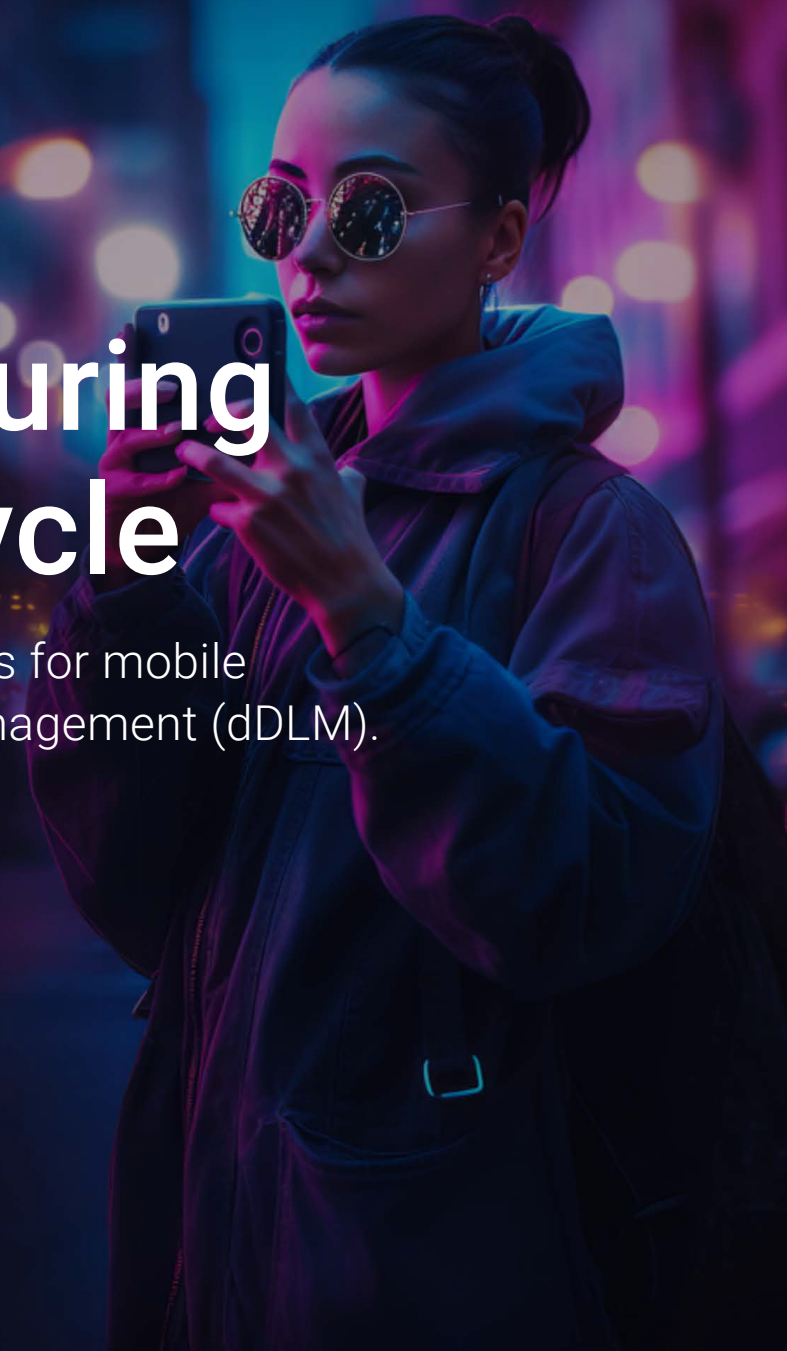


Telco NPS is at Risk During the Smartphone Lifecycle

A global study of 23,000 consumers reveals 10 opportunities for mobile operators to boost NPS with digital-first device lifecycle management (dDLM).



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Executive Summary

This report summarizes key insights from a survey of 23,000 mobile consumers in North America and Europe in 2022 and 2023, focusing on the US and UK. It explores DLM journeys related to activation, onboarding, phone care, repair, and trade-in and reveals 10 opportunities for mobile operators.

Executive Summary

1. NPS scores decline for device journeys beyond trade-in:

Customers love trading in their phones thanks to high-value promotions (i.e., subsidies of the trade-in price) and the high NPS scores reflect this. But NPS declines sharply across the rest of the mobile lifecycle. In the US for example, NPS tanks by 16 points for onboarding, 19 for phone care, and 60 for repair. The respective UK results mirror the US, not only here, but across all key takeaways – suggesting that telco consumers have comparable journey experiences around the world.

2. The battle to 'own' trade-ins is heating up:

As of March 2023, 4 out of 5 mobile customers had already traded in a phone. Clearly, the trade-in battle is now on, with one third of respondents saying they switched operators for a better offer.

3. Trade-in friction is getting worse:

Friction is up 25% year-over-year. Customers say the biggest problems are repeating steps when changing channels, calling care multiple times and having their trade-in price change from the original quote.

4. Price guarantee boosts customer satisfaction:

Half of the respondents say they have received a different trade-in credit from the original quote. And they don't like it. However, a price guarantee reduces complaints, regrets, and calls to care by more than one third. dDLM case study: When Vodafone UK integrated a trade-in price guarantee into the My Vodafone app, it drove a +17 increase in NPS in a year, a +21 NPS increase over its competitors and a digital-first mix to 90%.

5. Content transfer isn't fast nor accurate enough:

When transferring content between phones during onboarding, speed matters. NPS falls by 6 points when the transfer process takes longer than 15 minutes – but rises by 10 points when it takes less. Accuracy also matters. One third of customers experienced data loss during the content transfer.

6. Customers express unhappiness with phone care:

Phone care requests happen and how they are handled makes a big difference with NPS scores. When issues are fixed, NPS is up 5 points, but if unresolved, it drops by 36. Moreover, customers want their telcos to provide intelligent options. Personalized

offers (e.g., trade-in instead of repair) can also bump up NPS (+6). But without offers, NPS drops by -9.

7. Make, model and OS make a big difference to device journeys:

OEM and OS strongly impact NPS. While for Apple and Samsung OS, content transfer and phone support work well, for other devices it does not – as reflected in 26-point and 20-point lower NPS scores. Changing OS is a major onboarding risk for operators, as the added friction reduces overall satisfaction (-8 NPS).

8. Retail is primed to become a driver of digital transformation:

More people had to visit retail than would have preferred to. Customers who used retail reported NPS scores of up to 11 points higher than the norm. The availability of digital-first tools, which are consistent with tools used in retail would empower customers to learn how to do more on their own after the visit – and help make retail a driver of digital transformation.

9. Customers demand effective digital-first device journeys:

The survey found that most customers prefer digital-first omnichannel journeys, i.e., start via app but have retail and care as a backup

to ensure a resolution. One in 5 customers prefer to complete a device-related journey via app only.

10. Customers respond positively to practical dDLM applications:

dDLM may not be a familiar term for consumers, but once it is explained, they respond positively to the concept. dDLM builds on three value drivers of remote intelligence, channel consistency, and device history awareness. Three out of 4 customers said they would switch to an operator that provides dDLM-based apps and services – and said it would increase their loyalty to their current operator, if offered.

Conclusion:

Customers are frustrated with the device journey experiences and demand effective digital-first solutions. The technology is readily available (dDLM) and the case study (see page 17) shows how operators can differentiate themselves in the eye of the consumer, especially as a first mover.

Why Read This Report

For nearly seven billion people, the smartphone delivers immense fun and utility. They love the experience of using apps and websites to fuel their digital life. But when it comes to smartphone 'device journeys', the opposite is true.

What do we mean by 'device journeys'? It starts with the activation and onboarding of a new phone (usually with a trade-in) and then continues over the customer lifecycle with phone support and potential repairs. Eventually, the customer upgrades to a new phone and the process starts again.

Unfortunately, the device journey experience for most customers is not great. Often, they are confused about who should provide these services. And they find the process frustrating, with too many manual and disjointed steps, which are not connected across channels.

Digital-first device lifecycle management solves these problems. dDLM makes everything quicker. It reduces friction and it gives customers (and operators) control of their journeys with seamless digital-first processes.

Digital-first device lifecycle management presents a huge opportunity for mobile operators and ecosystem players.

Operators are ideally placed to take advantage of the dDLM opportunity. Why? As they provide access to the network through a rate plan, they are the primary owner of the relationship with the customer. They also have foundational assets such as retail stores, call centers and proprietary apps that enable customer journeys.

So how do customers feel about their device journeys now? Where is the friction? What would improve their experiences? And where do operators fit in?

To find out, we surveyed 23,000 mobile phone customers in 2022 across six countries and in the US/UK in 2023. It is the biggest ever global research of device journeys.

The survey revealed insights on:

- Customer satisfaction levers
- Customer friction points

- Attitudes toward lifecycle experiences
- Before and after proof points of successful dDLM implementation
- Concept test insights of practical dDLM applications
- Manufacturer experience comparisons (Apple vs. Samsung vs. Android others).

The results were fascinating – and encouraging for any operator aspiring to improve the device lifecycle experience.

A background image showing a hand interacting with a screen. On the screen, there are several circular icons, some with smiley faces and some with sad faces. The overall color scheme is dark purple and blue.

1

NPS Scores Decline for Device Journeys Beyond Trade-in

Customers are still frustrated with care, support and repairs

This study observed three general causes of friction, which hamper all device journeys:

1

A lack of remote intelligence

This keeps customers or frontline employees from solving requests on their own, e.g., trade-in price, repair need and resolution path, device self-help.

2

An unconnected and inconsistent experience

Levels of service vary depending on whether the customer is on the device, online, on a call with care or in the store. This leads to customer confusion and frontline friction.

3

Limited data on device history

Customers who switch channels often end up starting the process all over again.

What is dDLM?

A solution to friction

Digital-first Device Lifecycle Management (dDLM) presents a compelling way to reduce the friction of customer's device journeys. MCE has pioneered this new approach with the introduction of a digital, integrated omni-channel platform ecosystem. It empowers customers and frontline telco employees with digital-first tools that unlock three value drivers:



Remote Intelligence

Customers and telco employees can solve problems on their own. For example, they can perform cosmetic grading to reveal a trade-in price, assess the need for repair or diagnose a device issue on their own.



Channel Consistency on a Truly Omni-Channel Platform:

dDLM ensures that service and support levels are consistent across all channels – from on device to online to store. This eliminates customer confusion.



Device History Awareness:

This lets customers pick up where they left off when changing channels, rather than having to start over or repeat steps.

Trade-in is just the start of the four device journeys along the lifecycle

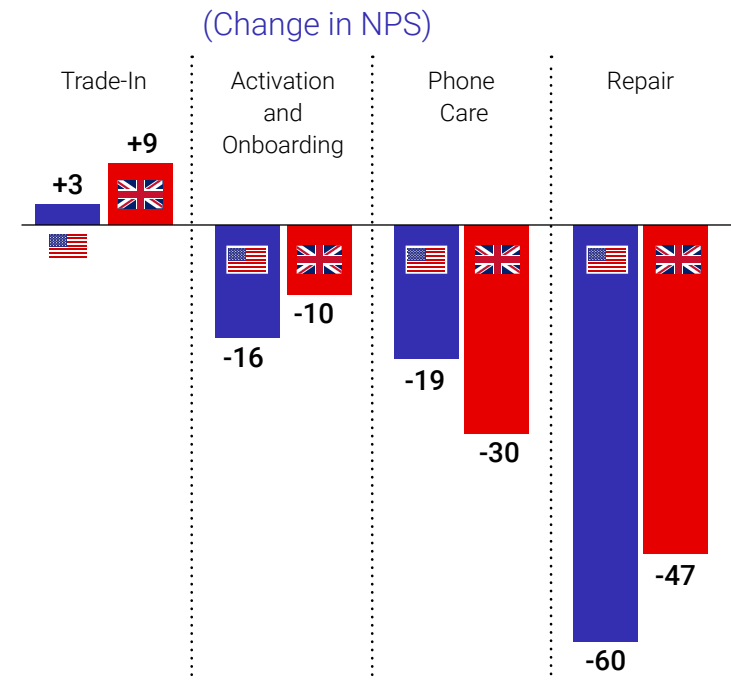
The device journey starts with the activation and onboarding of a new phone – usually with a trade-in. It then continues over the customer lifecycle with phone support and potential repairs. Eventually, the customer upgrades to a new phone and the process starts again.

Trade-ins are now commonplace in the telco space. But that's just the start. Activation, onboarding, phone care and repair are also important aspects of the device experience. Indeed, our survey found a third of respondents used support or phone care to address an issue over a two-year time period. And roughly one quarter needed a repair (which is in line with handset insurance industry incident rates).

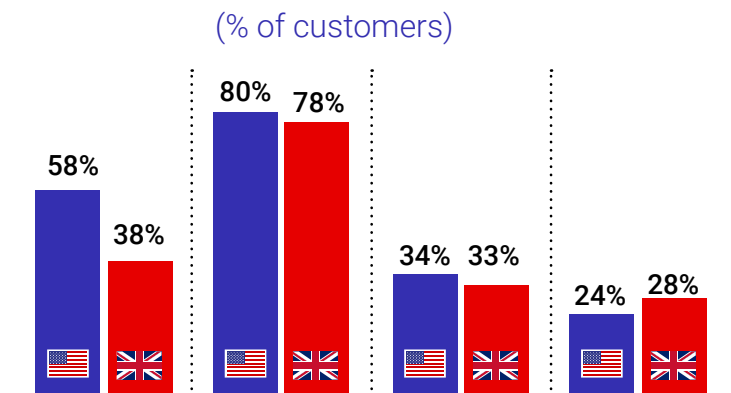
While customers depend on these services, they are not getting the customer experience they want. NPS for US customers fell by double digits for all aspects of device journeys beyond trade-in, with scores declining along the lifecycle. This is a global insight and can be viewed in the UK and US data shown in the charts.

Repairs fared worst of all, with NPS lower by -60 in the US. UK scores followed a similar trend. None of this is surprising, given the instant gratification consumers get from trade-ins, as opposed to the delayed resolution associated with long-haul activities like care and repair. This research uncovers a differentiation opportunity for operators as they address what customers expect with dDLM technology.

Decline In NPS Per Lifecycle Stage



Occurrence During Last 2 Years



2

The Battle to 'Owns' Trade-ins is Heating Up

Trade-in has gone mainstream. It's the new battleground for operators to grow loyalty and attract switchers.

The Findings | 2: The Battle to 'Own' Trade-Ins is heating up

More and more customers are trading in their mobile phones. The US is at the forefront of this global trend. It led all countries in trade-in penetration in our initial survey last year. And it solidified its lead in 2023.

More than 8 out of 10 US customers have already traded in a phone at least once – which is a 26% increase over last year. The UK market, although trailing the US, is also booming. The research also reveals that one third of US respondents reported switching operators due to a trade-in offer, marking a one-year increase of +15% points. The same is true in the UK, with 45% switching, a +28% increase since 2022.

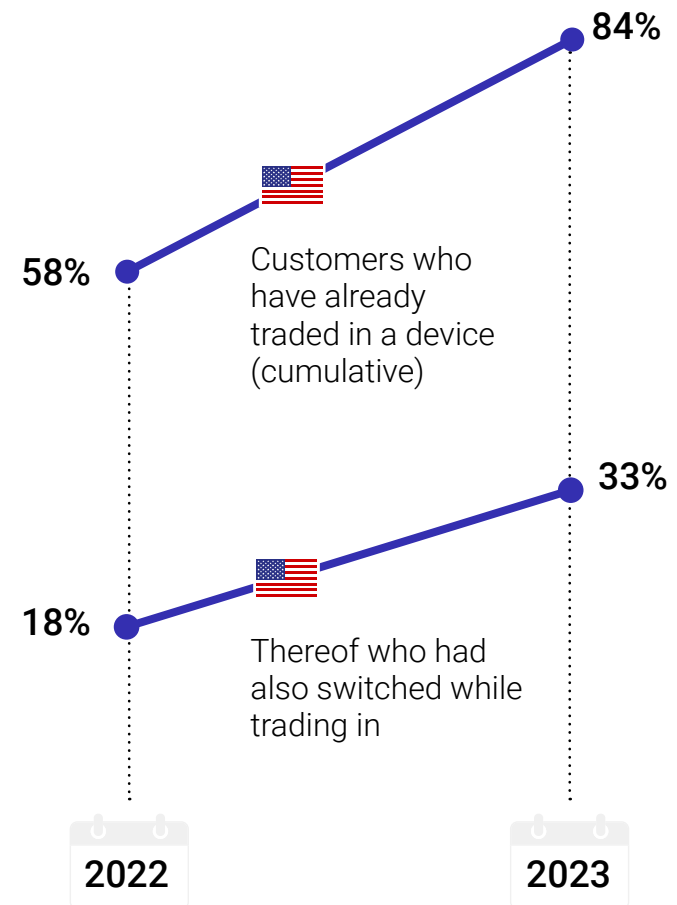
Understanding why so many customers switched operators during a trade-in is vital for mobile operators. The research offers one likely explanation: the power of promotions. As part of global mobile operators' larger trade-in strategy, operators have invested in promotional trade-in offers – and customers have noticed. A staggering 75% of customers in the 2023 study reported seeing a trade-in promotion.

This heightened promotional activity indicates that trade-ins have become the new battleground for operators to attract customers away from their competitors – and likely explains the uptick in switchers.

As a result, mobile operators are allocating more resources to trade-ins. Funding that was previously allocated to contract buyouts or port-in credits (which allowed for paying early termination fees or open balances on a device installment plan) seems to have shifted to subsidizing trade-ins.

Customers With Trade-in Experience, Thereof Who Switched Operators During Trade-in, 2022 vs. 2023

(% of customers)



3

Trade-in friction is getting worse (and there are reasons why)

Friction is the biggest barrier to satisfactory device journeys. Unfortunately, the same friction points identified in the 2022 study not only remained in 2023 but also increased in severity.

The friction

Repeating steps is a major inconvenience for customers. More than half of them had to restart the process when beginning a trade-in at home and continuing in a store — a +17 percentage points (ppts) increase (UK +24ppts) from 2022. For consumers who are accustomed to seamless brand interactions, this was a frustrating experience.

Another sore spot is price uncertainty. Discrepancies between the estimated trade-in price and the actual credit received disappoints customers. And yet, 46% of US customers (58% UK) reported a change in trade-in price from the estimate given before surrendering the device (up to +17% and +26% from 2022, respectively).

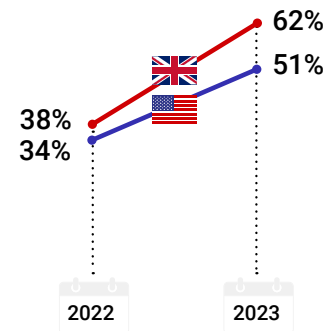
The consequences

Operators aspire to serve their customers the best they can, but it seems they're not as effective as they could be. Consequently, one third of US customers had to call multiple times to get assistance, and a similar number had to file a complaint. This increased friction had consequences on loyalty, as nearly half of US and two-thirds of UK customers considered switching operators after their trade-in attempt.

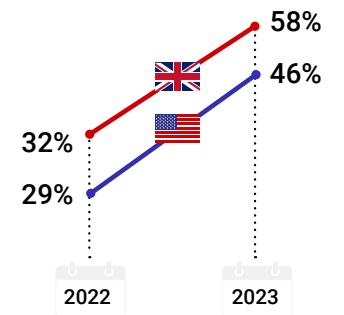
Trade-in Friction Pain Points, Year Over Year, 2022 vs. 2023

(% customers impacted)

When Going to Store
I Had to Restart the Process



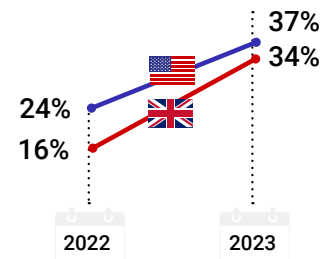
Trade-In Price Changed
from Original Quote



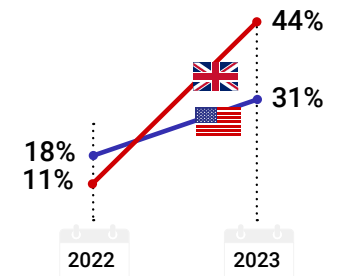
Considered
Switching Due to
these Issues

48% | 65%
US UK

Called Multiple Times to
Get Assistance

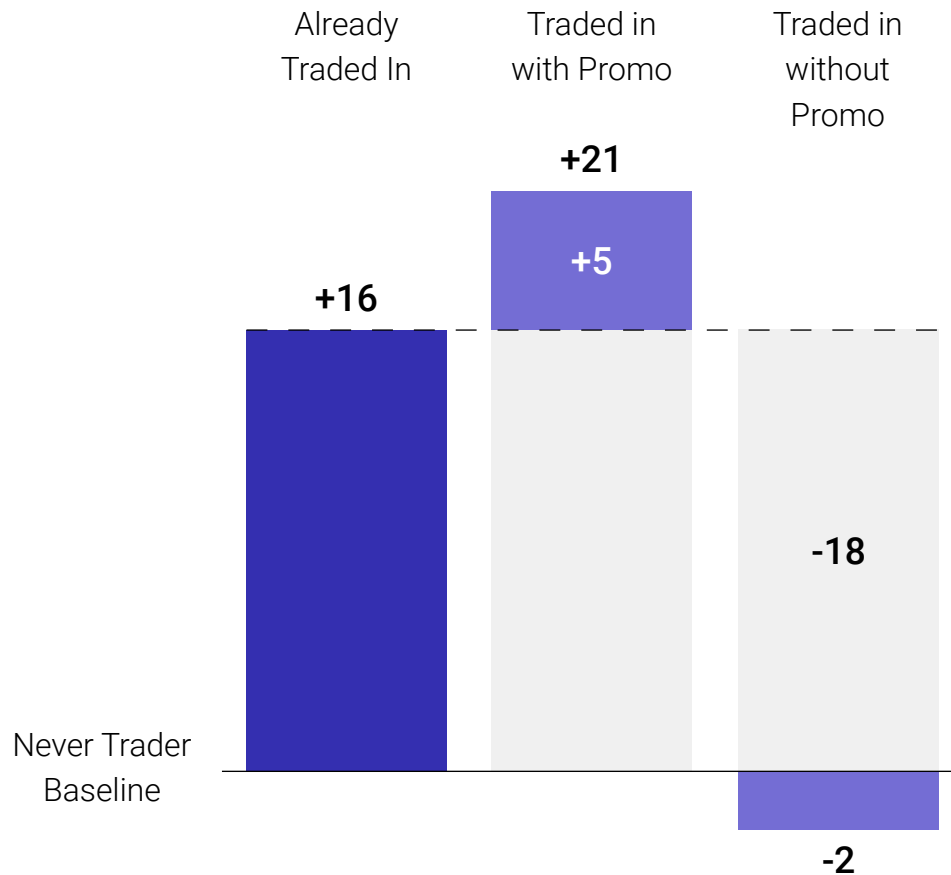


Filed a
Complaint



The Masking Effect of Promotions on NPS

(Change in NPS)



Trade-in NPS is high thanks to promotions – but could be even higher

With plenty of incentive for operators to compete for trade-ins, the NPS for customers who trade in is, on average, positive. When compared to the NPS of US customers who have never traded in a mobile phone, the NPS of traders was +16 points higher. Unfortunately, these high NPS scores are not due to the quality of the trade-in experience. Rather, they are the result of the promotions attached to trade-ins.

In the US, add-on promotions (herein “promo”) increased NPS on trade-ins by +5 – meaning a trade-in customer who got a promo was 21 points higher in NPS than a customer who never traded in a device. But here’s the catch: Customers who traded in without promo dropped NPS by -18 – meaning a trade-in customer who did not receive a promo is 2 points below the NPS of never traders.

US customers aren’t the only ones who feel this way. Across the Atlantic, UK customers reported a similar

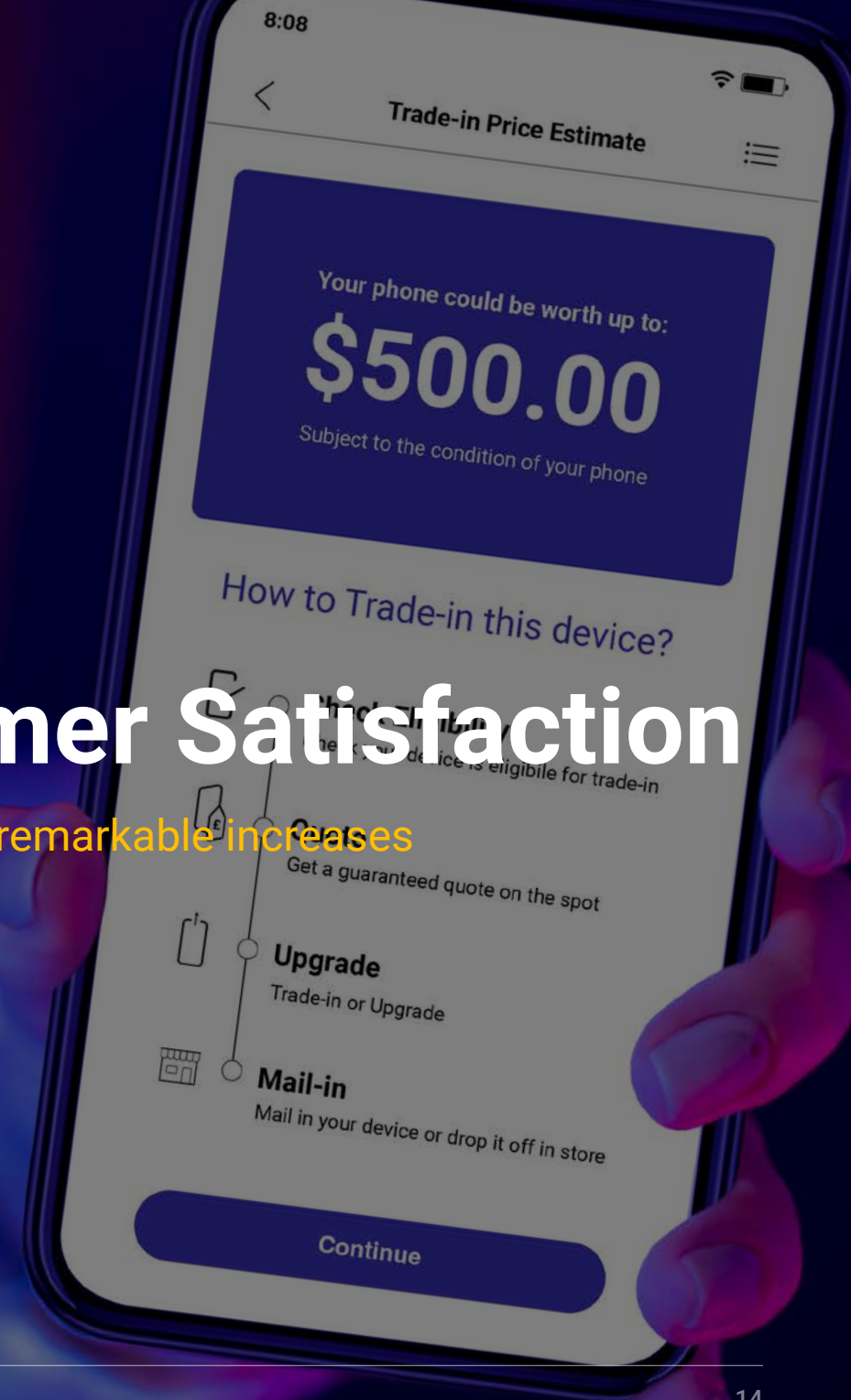
experience, as reflected in similar NPS scores. Traders had a +3 higher score than never-traders. Traders with a promo had double the increase. But traders without a promo had an 8-point lower NPS than never-traders. It’s a global phenomenon: These numbers are further evidence that device-related journeys impact customers everywhere in a comparable way.

The stunning result:
Customers who did not trade in their devices were happier than customers who did so without a promo.

4

Price Guarantees Can Boost Customer Satisfaction

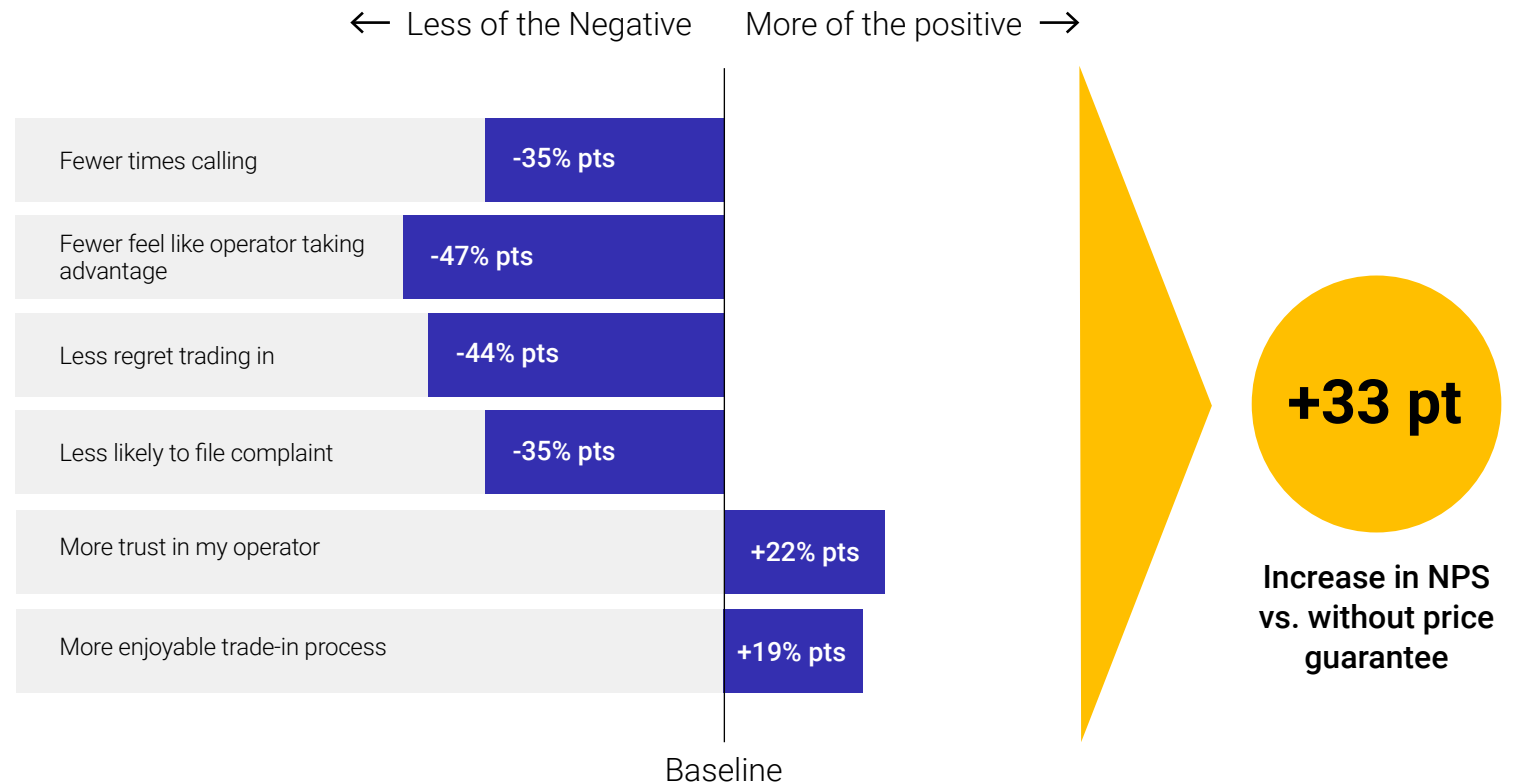
The promise of a guaranteed price shows remarkable increases
in NPS scores and loyalty



Around half of customers who traded in found the price changed from the original quote reflected in the credit on their bill. The typical reason? The final grading by the warehouse differs from the grading based on the customer's answers or performed by frontline agents in store.

Understandably, customers do not like this. The research showed that a trade-in price guarantee led to fewer complaints, reduced trade-in regrets and lowered the inclination to switch operators. When the trade-in price didn't change after a warehouse inspection, NPS was one third higher in the US. It was also higher in the UK, though less so – probably due to the high level of promotional activity in the US vs. the UK.

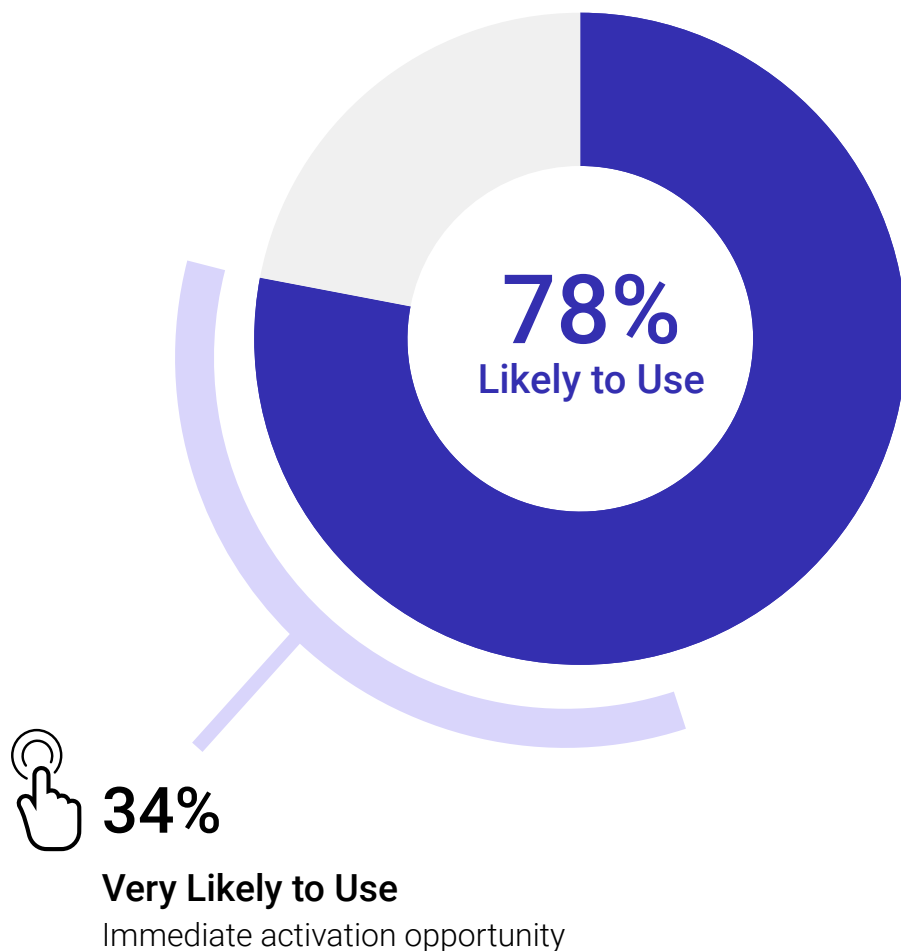
Price Guarantee Improves Trade-In Experience (US)



Price guarantee is popular among customers

Likelihood of Trading In on a Mobile Operator App that Provided a Guaranteed Value for the Old Phone

(% of US customers)



Overall, a price guarantee drove a significant downstream impact, increasing trust with operators by up to one quarter and reducing friction.

The offer of a guaranteed price delivers remarkable increases in customer satisfaction and loyalty. As this technology is new, many operators have not embraced it yet to provide these guarantees. dDLM technology can address this fundamental friction point – and consumers seem to understand this. When respondents were asked about the prospect of using their mobile operator's app to start a trade-in (and get a guaranteed price for their old phone from the app) 78% of US customers said they would

be likely to use it, which is consistent with last year's survey. However, 34% said they would be 'very likely' to use the app – presenting an invitation for forward-thinking operators to embrace the opportunity. Customer sentiment towards the app extended to the UK, where interest was only slightly lower.

Using remote grading intelligence (in the consumer's and frontline agent's hands) to assess the value of a trade-in device will achieve more than 90% precision, which is the key enabler to a price guarantee.

2022 Survey

How likely are you to trade in your old phone using this process?



Price guarantee and credit on next bill



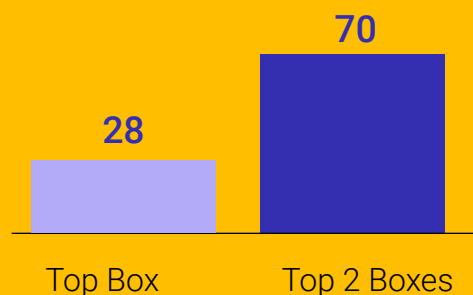
Transfer data and wipe old phone



3 minutes invested, done!



Start, Stop, Resume anywhere



How dDLM boosted Vodafone UK's NPS score by +21 above competitors

This research reveals the importance of remote intelligence, channel consistency and device history awareness. It also shows the critical role played by the operator app in handling customer journeys. So how does this play out in real life? Vodafone UK provides a compelling case study.

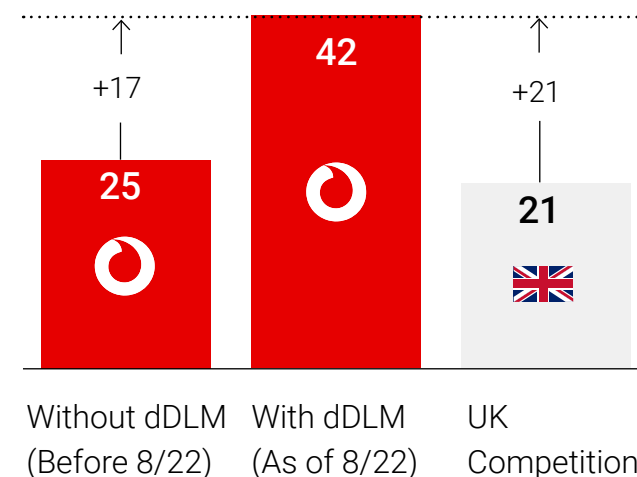
Vodafone was among the first mobile operators to fully embrace dDLM technology for its trade-in and onboarding

processes via app and retail. This new approach was an unmitigated success.

The app with its omnichannel retail integration drove a +17 increase in NPS year over year and raised Vodafone's NPS above its 2023 competitors by +21. All other customer satisfaction indicators – transactional satisfaction, opinion of the operator and process friction – also improved significantly.

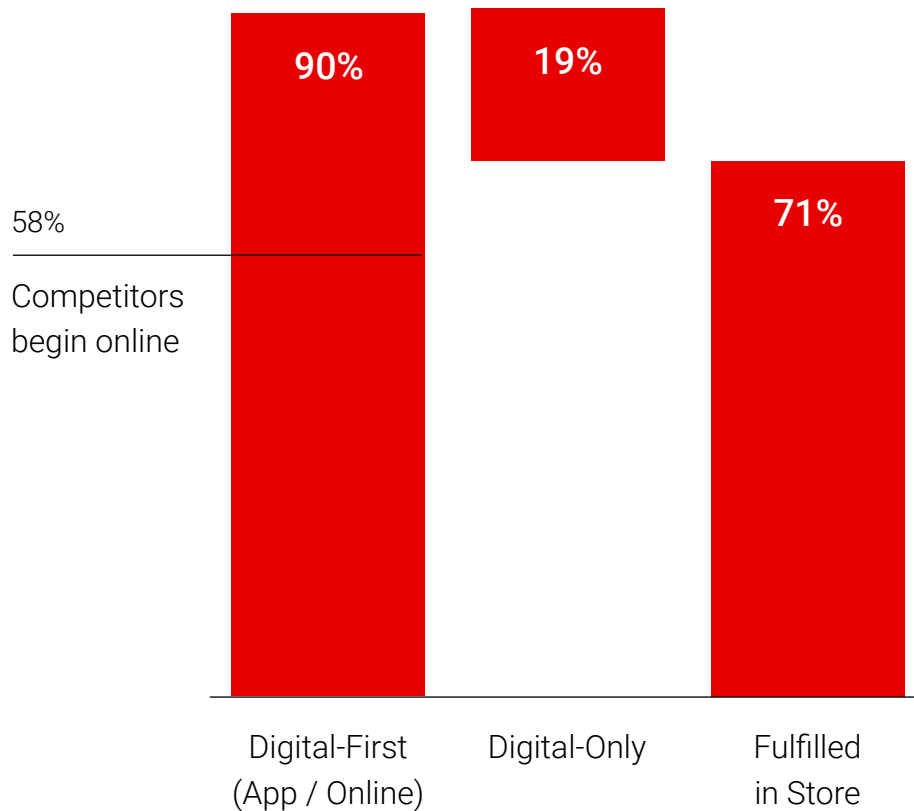
dDLM drove NPS & Digital-First Mix

Trade-In NPS with Vodafone UK Before / After dDLM and vs. Competition



Customers Who Began Online and Fulfillment Channel with New Vodafone App as of August 2022

(% of customers)



Digital adoption goes up, processing times go down

Vodafone used its My Vodafone app as the front end for its project, powering the app with the MCE dDLM SDK. This channel (app) gave customers a new way to trade in, which the company supported with a marketing campaign (including TV). The promotions showed consumers how they could use the app to get a guaranteed trade-in price and a new phone which could be fulfilled in-store.

The results were impressive:

- Creating awareness drove digital-first adoption. Ninety percent of Vodafone customers went 'digital first' in their trade-in and upgrade. The average for other UK operators is 58%.
- The solution reduced processing times. The trade-in process at Vodafone took less than five minutes for 16% of customers (compared to 2% for competitors). It was less than 15 minutes for 33% of customers (26% for competitors).

5

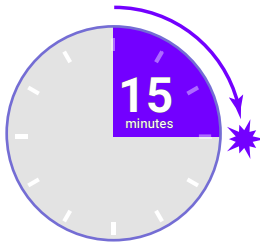
Content Transfer is Neither Fast Nor Accurate

NPS scores slump when transfer takes 15 minutes or more

Content transfer is a key element of the onboarding process and the consumer views this as part of an upgrade process, especially when trading in a phone). Moving content (like photos, videos, contacts, etc.) quickly and efficiently from one phone to another really matters to consumers to ensure a seamless continuation of their digital lives.

This may be due to the UK's widespread acceptance of queuing (as recently reported by *The Economist* on "Why Britons Love to Queue").

Speed is especially important. The survey showed that customers' patience wears out at the 15-minute mark. When the transfer process took longer, NPS fell. In the US, this affected well over half of customers. Obviously, shorter times had a positive effect. When the transfer process took less than 15 minutes, NPS jumped by double digits.

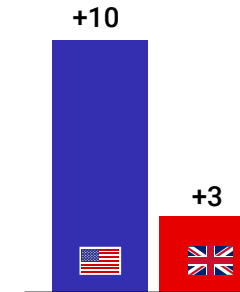


Despite similar wait times between US and UK respondents – there is less of an impact on NPS for UK customers.

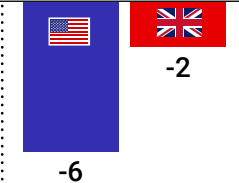
Speed of Transfer

(Change in NPS)

When Transfer < 15 Minutes

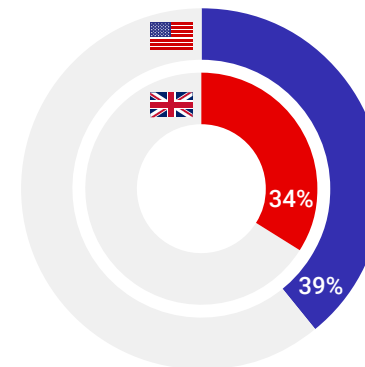


When Transfer > 15 Minutes

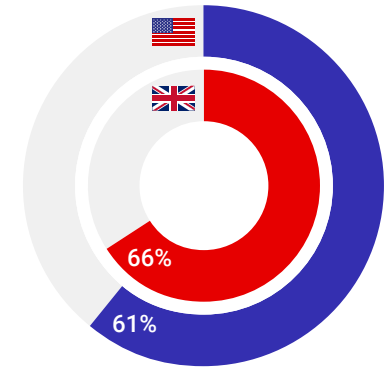


Mix

(% of customers affected)



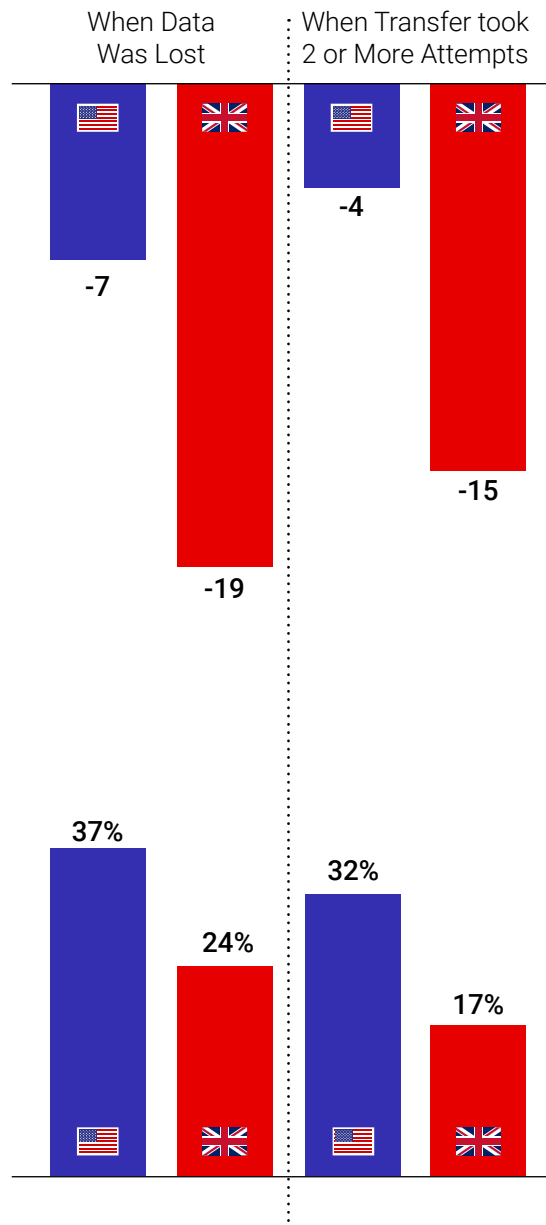
< 15 Minutes



> 15 Minutes

Transfer Accuracy: Effect on NPS

(Change in NPS)



Occurrence

(% of customers)

When data is lost, NPS falls

Accuracy is just as vital as speed. Transfers where two or more attempts were needed caused a drop in NPS, and when data was lost (e.g., contacts, messages, photos, videos, music, apps), the drop was nearly double.

The declines in NPS were much worse in the UK than the US for these issues. (As noted previously, this may be a result of UK patience in the queue, but intolerance for poor customer service after a long wait.)

Inaccurate transfers lead to serious customer distress, with 31% of customers in the US and 12% in the UK filing complaints. Unfortunately, both issues were commonplace – affecting roughly one third of US customers and one quarter in the UK.

6

Customers Express Unhappiness with Phone Care

When issues were not resolved, NPS dropped by over one third in the US

Consumers may be keeping phones longer, but faults and malfunctions are a fact of life. Customers expect operators to resolve these problems – and complain when they do not.

Indeed, the report found that **when issues were not resolved, NPS dropped by over one third in the US (-36)**. When the issue was fixed, NPS increased by +5 in the US (+4 UK). No consumer wants to repeat steps when they switch channels. Yet, the research revealed that 62% of US customers had to do so when seeking phone support. Their frustration made 46% of them more likely to switch operators. Only slightly lower numbers were seen for UK customers.

Customers like to have intelligent options, which is why some operators provide contextual offers around trade-in, insurance and extended warranty. Unfortunately, more than one third of customers in both countries were not given any options. This resulted in a negative NPS of -9 in the US and -7 in the UK. US customers who did receive such contextual offers had +6 higher NPS (+7 UK).

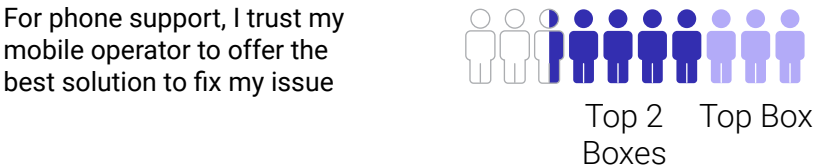
Wherever Phone Care Falters, NPS Falls

(NPS by issue reported, and % Customers Affected)

Issue	Occurrence	NPS
Issue not solved		-36
Had to repeat steps after changing channels		-9
No contextual offer from operator		-9
Felt like switching because they had to repeat steps		-4



Trust



Trust in operators is 7 pts higher than for OEM (34% vs. 27%)

7

Make, Model and OS Make a Big Difference to Device Journeys

Switching to a new OS has the most negative impact on NPS

The Findings | 7: Make, Model and OS Make a Big Difference to Device Journeys

Compared to other OEMs, Apple consistently delivered the best experience across the device lifecycle, followed closely by Samsung. Among mobile phone operating systems (OS), Android manufacturers outside Samsung yielded by far the lowest NPS.

Customers who were able to change phones without changing OS had minimal change in NPS. However, switching OS (iPhone to non-iPhone, non-iPhone to iPhone) led to a noticeable NPS decrease.

Why was a switch in OS such a problem? Overall, it was because instances of friction were more likely to occur or were magnified when switching OS. For instance, manual system corrections or manager overrides were 14% more likely and lost or nontransferable content 17% more likely.

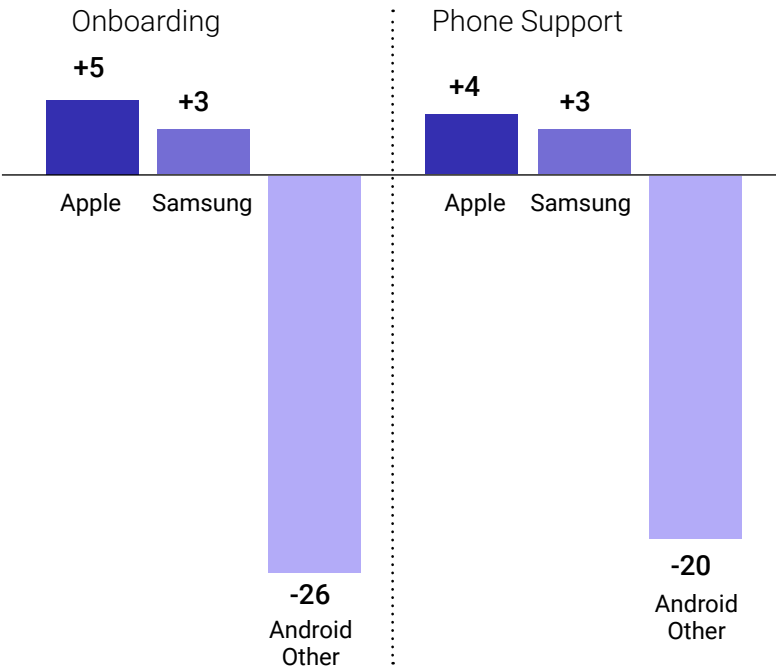
Content transfer had similar issues, taking 9% longer in the US to transfer content (12% UK), and there was a 16 ppts increase in the likelihood of missing content in the US (13 ppts UK). As a result, complaints were also more likely (+21 ppts US, +10 ppts UK).

Perhaps this all makes sense, given

that operators typically don't have solutions to help customers move seamlessly from one OS to another. Since it affects so many customers – more than one quarter of those who changed phones also switched OS – and the technology is available, this is another opportunity to both differentiate and make retail operations more productive.

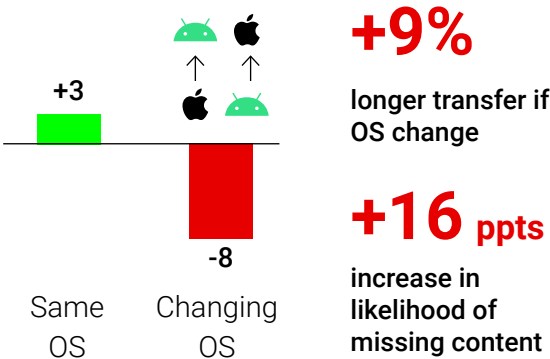
Apple and Samsung Top, Other Android Brands Flop

Device OS: Effect on NPS



Changing OS for New Phone? Transfer is longer & less accurate

Device OS: Effect on NPS



8

Retail is Primed to Become a Driver of Digital Transformation

Customers look to retail for answers, and digital-first technology can help productivity and empower customers to more self-help

The Findings | 8: Retail is Primed to Become a Driver of Digital Transformation

Retail continues to be at the center of the mobile device lifecycle journey despite the convenience of online access. Indeed, many people who prefer online end up in a retail setting. In the survey, only 41% said they preferred retail for phone support and repair, but 64% confirmed they visited a store, which gives a good indication that digital self-help tools are not yet enough to solve the customer issue.

The study found a retail touchpoint could significantly lift NPS across all journeys. In the US, a retail visit boosted NPS by +5 for trade-ins, and more than twice that for onboarding and phone support.

Wait time is the make-or-break factor. In the US, when the wait time was less than 15 minutes, NPS jumped by +15 (UK +8). When the wait time was 15 minutes or more, it fell by -13 (UK -23).

It's important to note that dDLM tools do have relevance in the 'old school' retail space. Three quarters of US customers and two thirds of UK customers said they would have a better opinion of their operator if they offered these three services:

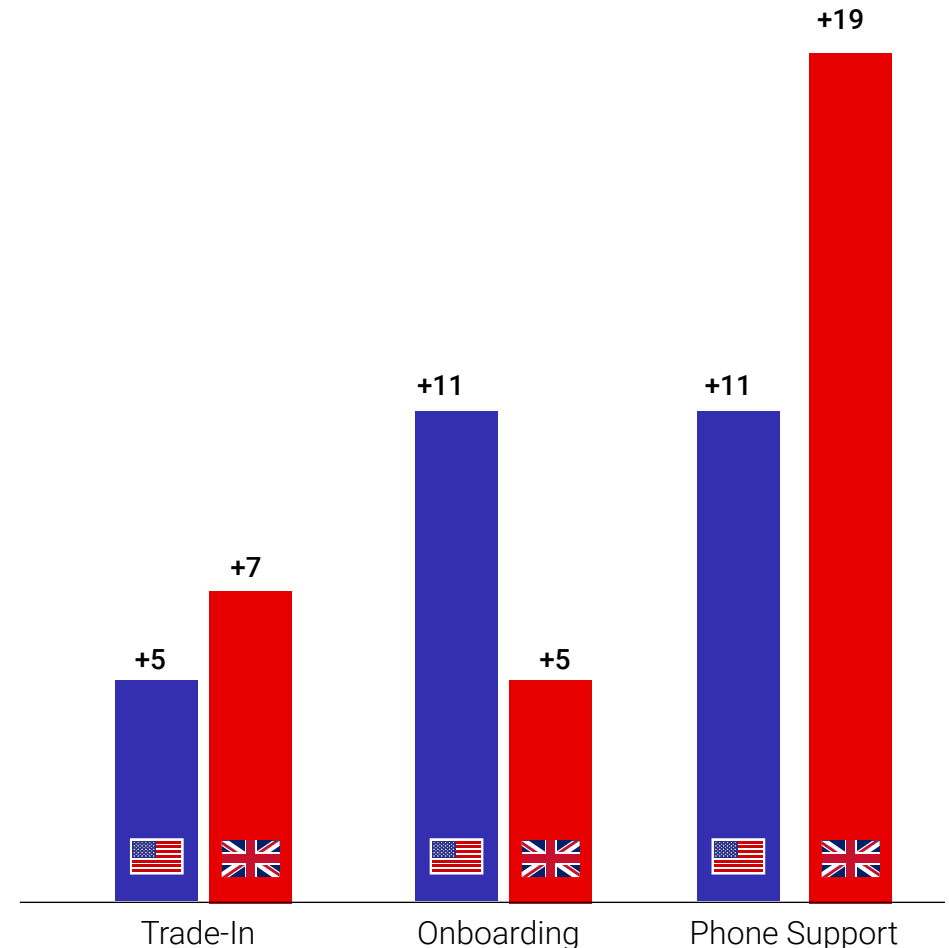
- Scan a QR code to start a phone-related visit
- Offer a content transfer that guarantees a carbon copy of their old phone's content
- Offer a solution in the store that could solve their phone-related issues, allowing them to avoid a repair

Adding always-on digital-first services in retail settings empowers customers. They can watch and learn how to do more on their own – especially for phone support and repair journeys. In addition, dDLM tools for retail creates a faster and more seamless onboarding experience.

When operators enable stores to do all of these things, retail becomes the nucleus for advancing digital transformation while becoming more productive for remaining device journeys.

Retail NPS Lift by Journey

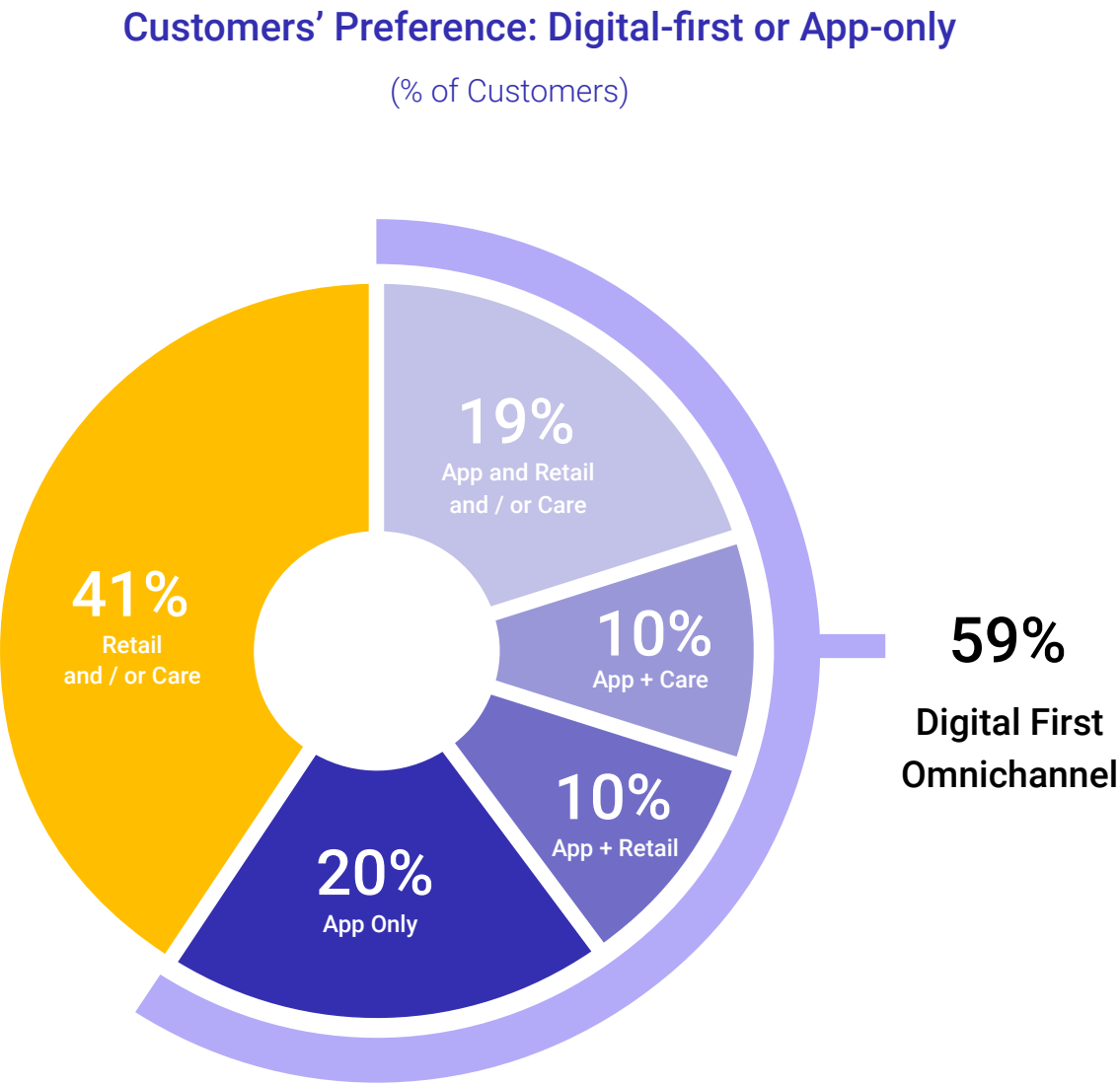
(Change in NPS)



9

Customers Demand Effective Digital-First Device Journeys

Two-thirds of customers would prefer “working” omnichannel device journeys



Though retail plays a pivotal role in elevating the customer experience, the demand for digital-first omnichannel is on the rise, with 59% of US customers (66% UK) preferring this option. And operator apps appear to be the top choice, with 20% of US respondents (and even 35% in the UK) opting for an app-only device journey.

There's plenty of awareness of the app option. Nearly three quarters of US customers were aware of an app that could fix their phone issues as well as an app to start or complete a trade. Even more UK customers (87%) were aware of such a trade-in app (see our Vodafone case study).

This is good news, because giving customers the ability to tackle issues this way has a significant impact on NPS. In the US, it triggered a +10 jump in NPS (UK +5), despite only 8% of respondents being able to do so (UK 7%).

These numbers suggest omni-channel connected apps are an opportunity for operators to build loyalty while reducing costs.

A woman wearing a blue hijab is smiling and looking down at a smartphone she is holding in her hands. The background is dark with some bokeh light effects.

10

Customers Respond Positively to Practical dDLM Applications

Close to 3 in 4 US respondents would switch to an operator that provides dDLM-based apps and services

To evaluate the potential for dDLM-powered improvements along the entire end-to-end mobile device lifecycle, consumers were asked to react to the following description of mobile operator app and services:

dDLM concept: Features and capabilities



Guarantees the trade-in value of your phone



Transfers all your content to your new device



Cleans and then certifies that your old device is 100% wiped clean



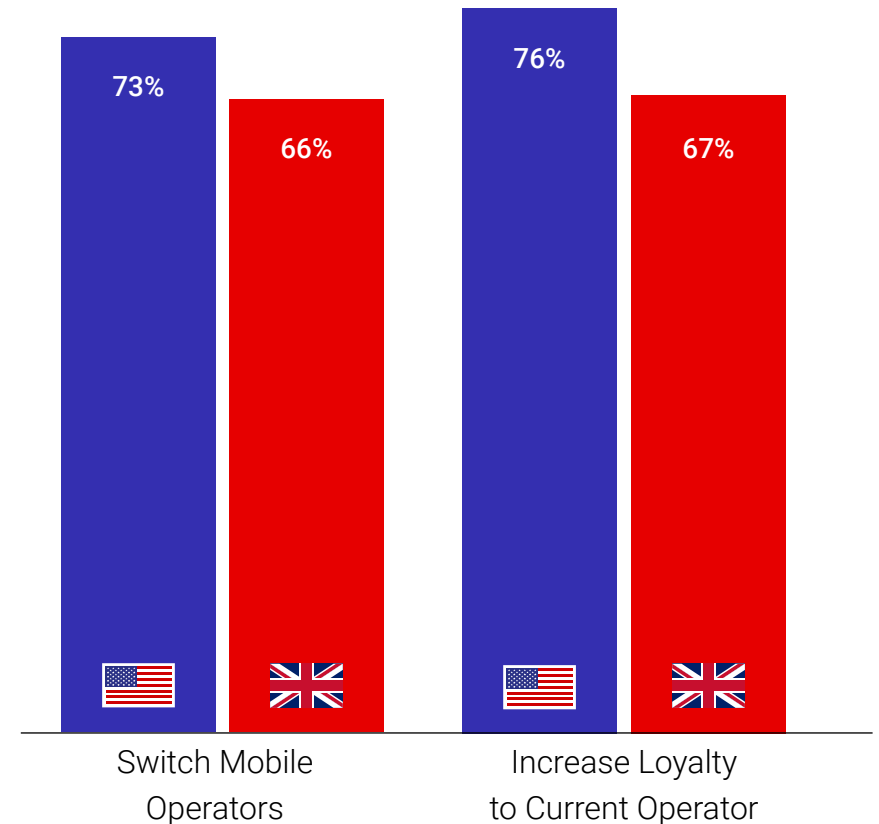
Enables self-diagnosing, provides relevant offers and connects with customer care if needed

Roughly three-quarters of US respondents said they were likely to switch to an operator that provides dDLM-based apps and services – or become more loyal to their current mobile operator (two-thirds in the UK) that does so. Around a third said they were ‘very likely.’ This indicates a big churn risk to passive operators, as well as the opportunity available to their innovative competitors.

Respondents were asked to consider specific app capabilities and additional retail and care services (see next two pages).

dDLM Concept Test: Likelihood to...

(% customers, Top 2 Boxes)



The App Concept Test

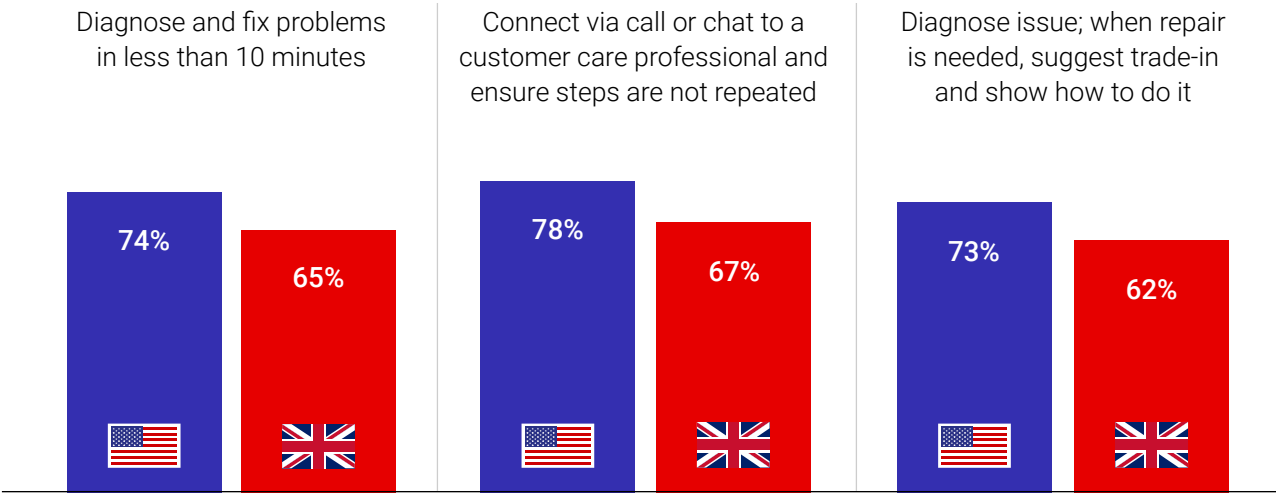
Customers were asked about their desire to use an operator app that included a suite of self-service benefits. Three-quarters of US respondents said they were likely to use such an app, with a slightly lower number in the UK agreeing. Their responses yield interesting insights.

For instance, there was high demand for an app that could diagnose and fix problems in less than 10 minutes. Customers also indicated they wanted an app that could automatically connect them to a customer care agent (call or chat) without having to repeat any prior steps.

An overwhelming majority also wanted an app that could diagnose an issue and, if they needed a repair, suggest a trade-in and show them how to do it. The same demand for these three dDLM-powered app features were present in the UK.

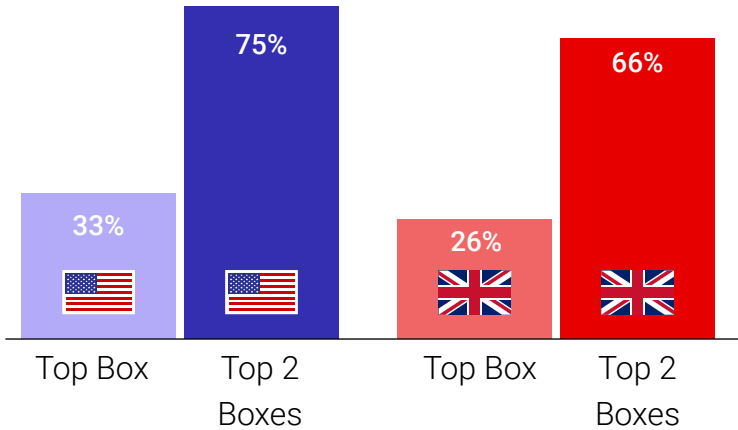
Likelihood to Use An App That Could... (Top 2 Boxes)

Spotlight on selected concepts around Phone Care



Likelihood to Use a Self-service App

(% customers, Top 2 Boxes)



Retail and Care solutions

Respondents were asked how their perception of their mobile operator would change with the addition of certain retail and care services. Once again, the response was overwhelmingly positive. The numbers were consistent with the app concept numbers.

For instance, three quarters of US customers (64% UK) said their opinion would improve or improve a lot if their mobile operator added these services. A similar number reported that being guaranteed a carbon copy of their phone content would boost their opinion.

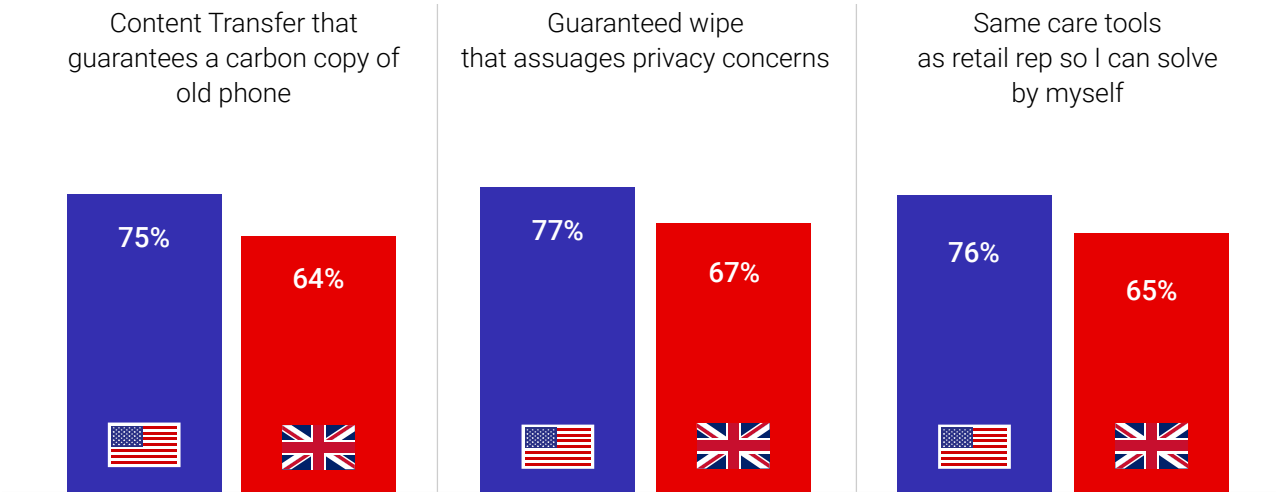
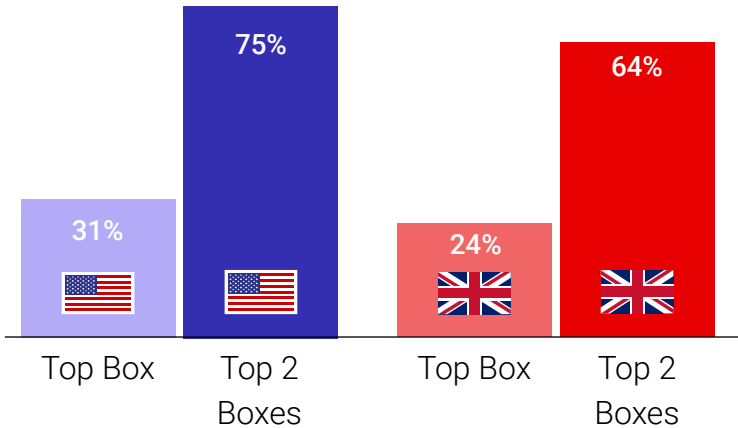
These numbers held for other services as well. These included guarantee of a complete wipe of their old phone, and access to an app with diagnostic capabilities that looks the same as tools used in retail. The latter was important because it gives customers the ability to solve future issues by themselves.

Opinion of Mobile Operator Would Improve if Services Were Added (Top 2 Boxes)

Spotlight on content transfer and Phone Care

Improvement on Opinion of Mobile Operator from Digitally-Assisted Retail and Care Solutions

(Aggregate across 9 concepts, % of customers)



Conclusion

Customers are currently frustrated with device journey experiences and welcome effective digital-first solutions. The technology is readily available (dDLM) and the case study showed the power for operators to differentiate themselves in the eye of the consumer, especially as a first mover.

This report reveals that customers are frustrated with current device journey experiences.

They would like mobile operators to provide effective and seamless digital-first journeys for every stage of the device lifecycle: activation, onboarding, phone support, repair and trade-in. This is a game-changing opportunity. dDLM technology gives mobile operators a 'first mover' advantage over competitors – as the successful Vodafone case study featured in this report shows.

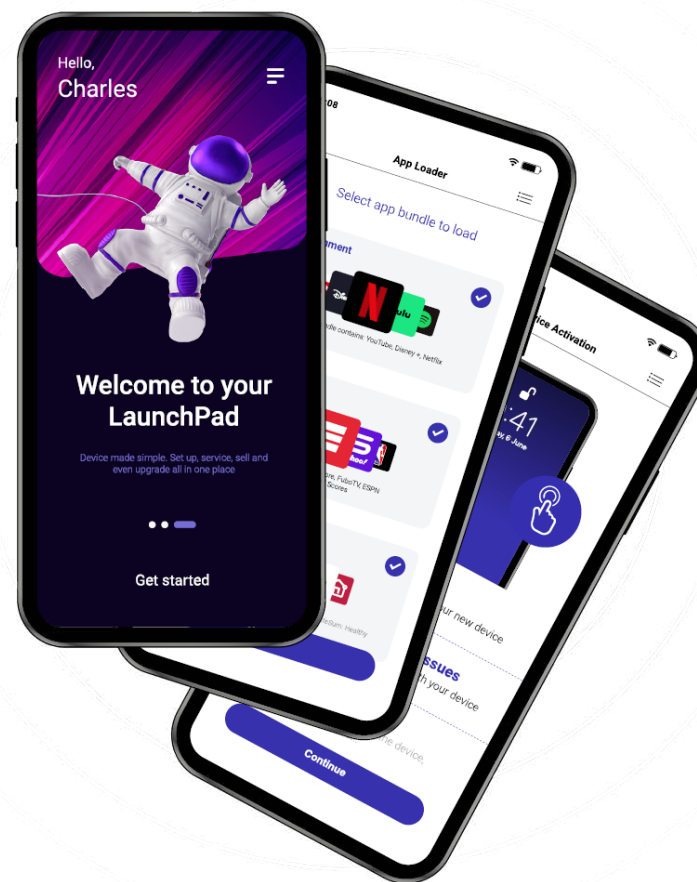
So what's the cause of friction in device journeys? In short, too many manual steps and too much confusion when switching channels. The friction is made worse by a lack of remote intelligence and limited device history awareness. Promotions can counteract the friction to a degree. At the trade-in stage, consumers respond well to promotions that deliver a better price. But this type of incentive is less available for journeys such as onboarding, phone support and repair.

This report shows that mobile operators are in the best position to raise the bar for device experiences.

They can provide a seamless omnichannel journey by capitalizing on built-in advantages such as network access, in-store help and customer care services.

By digitizing device journeys with dDLM, mobile operators can gain more control while offering a source of differentiation. Indeed, this study found that three-quarters of US and UK customers said they would switch operators if offered a suite of practical dDLM applications. The positive impact of dDLM is not just theory. When Vodafone UK applied dDLM it boosted its NPS score by 17 points.

The evidence is in and the technology is here. It's now up to operators to implement dDLM. When they do, they will entice new customers and earn more loyalty from their existing subscribers.



About This Report

Given that Net Promoter Score is the accepted standard for measuring customer satisfaction in the telco industry, this report focuses on how device lifecycle journeys impact NPS. In addition to measuring customer satisfaction, NPS scores are also used to predict loyalty. NPS measures the likelihood that a customer will recommend a company or product on a scale of 0 to 10, with scores of 9 and 10 counted as “promoters” and scores of 0 to 6 counted as “detractors.” Scores of 7 and 8 are considered neutral. The percent of detractors is subtracted from the promoters, thus yielding the Net Promoter Score. In the telco industry, improvements in NPS scores correlate directly with revenue growth and increased customer loyalty.

The survey also references an earlier 2022 trade-in survey of consumers in the US, UK, Spain, Germany, France, and Canada to show year-over-year market changes.

For the 2023 follow-up research, we elected to survey only the US and UK and postpay customers. In the US, this report focused on the big 3 telcos. This was thanks to consistent findings for trade-in uncovered in the 2022 survey across all countries. The top two consumer motivators for performing a trade-in were getting an upgrade and reducing the cost of a new phone, with a low standard deviation of 4 to 11 pts across all countries. The minor differences were likely driven by cultural factors. For example, phone recycling was a standout motivation in Germany, but a lesser motivator in the US. Similarly, friction and trust issues remained consistent across all countries, with a standard deviation of 1 to 7 ppts.



About MCE

MCE Systems is the pioneer in mobile device lifecycle management, having created more than \$2.5B of shareholder value for operators and their partners since 2005. MCE's industry-leading solutions simplify operations, increase revenues and decrease inefficiencies. Specific solutions range from device diagnostics and Care to Trade-in management with a price guarantee to handling device returns. All are omnichannel-ready with world-class virtualization and provide fully integrated data management to anticipate customer needs around device-related customer issues (e.g., device health, upgrade timing).

Over its more than 17 years of experience, MCE Systems has become the trusted solution for Tier-1 operators and their partners.



RENEGADE

About Renegade (Researcher)

Renegade has been inspiring B2B greatness since 1993. Founded by Drew Neisser, a recognized authority on B2B branding and market research, Renegade has led research studies for Appian, Conversica, Human Security, MCE Systems, Riskified, and Workforce Software among many others in the last few years. In 2020, Neisser founded CMO Huddles, a community of 150+ B2B CMOs dedicated to sharing, caring, and daring each other to greatness. Neisser is among the Top 15 Voices in Marketing on LinkedIn, is the host of the Renegade Marketers Unite, a top-rated podcast for B2B CMOs, and is a leading B2B CMO coach and consultant.

