

PRESS RELEASE

Smartphones cost industry nearly 400% more to support than mid-range mobile phones

Increased complexity, demanding users and broader connectivity requirements expose industry to a 387% hike in support costs.

22nd October 2007: Smartphones cost the mobile industry almost 400% more to support over their lifetime than most mid-range feature phones says a new management report from WDSGlobal. While a large percentage of this increase directly correlates to the complexity of some smartphone technologies, WDSGlobal has also identified that their owners have far higher expectations of their mobile equipment, broader uses for them and ultimately engage with support departments far more frequently than users of other mobile technologies.

The report, 'Supporting Complex Mobile Devices', bases its findings on a study of customer care operations in the US, Europe, Africa, Asia and Australasia, with support data drawn from a variety of mobile operators and handset manufacturers. Findings show that technical support requirements across mid-range feature phones are largely contained to configuration of services such as MMS, Internet access and POP3 email. However, the smartphone segment is driving an increasing number of support requests that include configuration with external products and services; such as PC synchronization, remote modem set-up and push email connectivity. This results in longer calls and a need for skilled support agents; both of which contribute to the 387% hike in the 'cost to support' (the measure by which an organization can calculate a device type's likely support costs during its lifetime).

A smartphone is defined as a mobile device that offers advanced capabilities over a typical mobile phone, often with PC-like tools and applications. 7.9 million smartphones shipped in H1 2007¹, representing 9% of the global mobile phone market.

¹ www.canalys.com (2007)

"Of course, the hope is that while it's more costly to support a smartphone, their owners will deliver far greater ARPU based on more frequent use of higher-margin data services. The question is how to do this more profitably," explains the report's author Doug Overton, vice president of analysis and consulting at WDSGlobal. "It's a growing market segment and must be considered in the planning and development of mobile operator and handset manufacturer support infrastructures."

The report maintains that the industry must look at ways to leverage the revenue-generating potential of the smartphone in a more profitable manner without damaging the user experience. More intuitive self-serve applications, on-device tutoring, improved customer care training and even mobile device management technologies are all suggested as a means of mitigating long-term support costs.

"As mobile technologies mature, their cost to support often reduces; we've seen that already with generic data services such as MMS and GPRS. However, in the short to medium term we will continue to see a marked difference in the cost to support the smartphone segment. Much of this is associated with the many variables and combinations of mobile technologies, PC hardware, software and infrastructure technologies that users are trying to combine and connect. An example where a user tries to use their smartphone as a remote modem by making a Bluetooth connection to a PC and creating a new dial-up connection is inherently more complex than a user trying to send a picture message. For that reason alone the average call handling time can more than triple."

Supporting Complex Mobile Devices can be ordered from WDSGlobal by visiting <http://www.wdsglobal.com/managementpapers/>

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About WDSGlobal

Since 1995, WDSGlobal has been focused on helping mobile operators, handset manufacturers and content providers meet their customers' expectations for service and quality. From handset validation and readiness testing to mobile device management and end-user support, WDSGlobal today offers the mobile industry's most complete solution for the management of subscribers, devices and services.

With over 900 employees globally and dedicated support centres in the UK, USA, South Africa and Australia, no one gets a better view of the complete mobile user experience. Every day, WDSGlobal collects, validates and shares data about devices, services and user behaviour, using it to feed GlobalMine - the industry's most comprehensive knowledge base and foundation for the company's portfolio of carrier-grade products and services.

The company currently counts over 100 customers, including most of the world's largest handset manufacturer and mobile operator brands, and is headquartered in Poole, UK.

www.wdsglobal.com

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