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# Wireless Device Protection Saves Customers Heartache and Drives Dealer Revenue

*iQmetrix and eSecuritel help retailers achieve high attachment rates for mobile device protection program*

## Introduction: Today's Mobile Device Market

The popularity of mobile devices, including smartphones, is undeniable. There are now more wireless subscriptions in the U.S. than there are people. In mid-2012, CTIA reported that mobile penetration in the U.S. reached 101%. The number of active smartphone devices jumped 37% in 2012 to 130.8 million.

But even more impressive is how these devices are considered indispensable to our daily lives. TeleNav discovered that 22% of respondents would give up their toothbrush for a week over their phone.

Others would sooner part ways with certain routines and pleasures, including 54% who'd skip a week of exercise, 55% who'd forgo caffeine, 63% who'd give up chocolate, and 70% who'd skip an alcoholic beverage.

## Wireless Device Loss, Theft on the Rise

Not surprisingly, there's a downside to this love affair with wireless devices: Cell phone thefts are rising rapidly. A recent *USA Today* article noted that nearly half of all robberies in San Francisco are cell-phone related, and other cities are reporting similar trends.

Norton found that 36% of US consumers have been the victim of a lost or stolen phone with residents of some cities even more prone to these incidents. More than half of survey respondents in Miami



reported an experience involving cell phone loss/theft, while 49% of respondents in New York and 44% of those in Los Angeles said they were the victims of loss/theft.

With the increased popularity of smartphones, the cost of that lost is significant. A [Buyer Beware column](#) notes that a top-of-the-line iPhone, not eligible for an upgrade, could cost as much as \$849 to replace.

Society's attachment to its smartphones – coupled with the propensity for a phone to be lost, stolen, damaged or malfunction – provides a tremendous opportunity for wireless retailers. Many savvy dealers, carriers and resellers looking for additional revenue opportunities have begun offering device protection programs that safeguard customers against potential pitfalls while providing them with peace of mind.

## Device Protection Opportunities

Market research firm iGR found that approximately one-quarter of U.S. consumers currently insure their mobile device. However, that number is expected to grow to one-third by 2016, at which time the mobile device insurance market will reach \$8.6 billion. This is due in part to the rise in smartphones, which are more frequently sold with insurance due to the higher replacement cost and, perhaps, their more damage-prone displays.

Consequently, many wireless retailers and network operators already know the benefits of exceeding customer expectations by offering an operator-grade device protection program. eSecuritel has more than a million subscribers – representing a 59% increase since 2010 – who currently depend on its handset protection program.

By employing eSecuritel's tailored device insurance programs, wireless retailers can better compete and differentiate themselves from competitors. With high-quality phone and device replacements, a quick and simple claims process, and the ability to easily manage accounts online, customer satisfaction and retention increase exponentially. Additionally, eSecuritel's [Handset Issue Tracking System \(HITS™\)](#) enables wireless retailers to manage the entire customer experience better than the competition.

"Our partners are realizing that more of their customers understand the importance of insuring their smartphones," said David Leach, eSecuritel's CEO. "Customers are unable to be without their phones, yet replacing them at full price can be a major investment."

Examples of how customers have benefitted from eSecuritel's device protection programs include:

- When one dealer found its insurance program wasn't meeting revenue objectives, it turned to eSecuritel for help. With a superior insurance product that was easier to sell, the dealer grew



the program 45.7% in five months with one out of five customers adding insurance to their purchase.

- A hybrid program, which allows users to exchange phones at the retail outlet or by direct ship, delivered an average take rate of 45% and growth of 4.5% month-over-month for another dealer. In less than a year, the dealer doubled the number of device holders with a protection plan and exceeded its annual target by nearly 10%. As a result, the dealer's revenue from insurance sales has doubled.

## **HITS™ Platform Enables Retailers to Manage Profit Margins and the Complete Customer Experience**

Many of these client successes can be attributed to the use of eSecuritel's web-based Handset Issue Tracking System (HITS). The platform tracks program enrollment, coordinates claim fulfillment, enables inventory control and manages repair and replacement logistics.

One of HITS' most powerful benefits is its integration with POS and logistics. POS integration expedites customer enrollment, while logistics integration seamlessly reflects the most current inventory of refurbished replacement phones – enabling quicker and more accurate service. Real-time integration with logistics and the supply chain also optimizes revenue by tightly managing inventory. In addition, store representatives and customer service agents know exactly what's available to distribute to the customer, avoiding unpleasant surprises.

Another HITS strength is the real-time information available to dealers that allows them to drive program profitability. With real-time information, dealers don't have to wait for monthly or even quarterly performance reports. Dealers can quickly identify high-performing stores for recognition and low-performing stores for corrective action. Unusual activity is easily revealed through HITS reporting that dealer management can access on demand.

## **HITS and RQ4: A Winning Combination**

eSecuritel's device protection program and HITS platform become even more powerful when integrated into iQmetrix's leading retail management software solution, RQ4. eSecuritel's programs are accessible directly from the iQmetrix point-of-sale system (POS), making it a smooth, one-step process for sales representatives to enroll subscribers.

RQ4 provides all the features necessary to manage and streamline the core functions of a business including POS, customer relationship management (CRM), inventory management, human resources



and accounting, while also providing innovative applications to accelerate profits including marketing, advanced reporting and analytics, and sales and service automation.

Wireless retailers immediately see the benefits of this combination.

“Overall, RQ4 provides our staff with easy-to-use tools at the point-of-sale,” said Scott Levinson, COO, A Wireless. “These tools ensure we provide our customers and company staff with the best experience possible. With quick access to information, our sales staff can make good decisions in the store that allow us to increase sales and profitability.”

“The RQ4 and eSecuritel integration has been a major reason for our continued success with the program,” Levinson continued. “The integration creates a great customer and employee experience, making it very simple to enroll a customer. The integration has allowed us to increase enrollments each month by 20% over last year.”

## Device Protection: A Necessity for Today’s Wireless World

The astounding growth of the cellular industry has exceeded all expectations. With one in four cell phones lost, stolen or accidentally damaged each year, the cost, frustration and inconvenience associated with replacing these devices is staggering. A device protection program easily eliminates the pitfalls, provides peace of mind for customers and builds customer relationships

Device protection programs also allow wireless retailers to better compete with a carrier’s corporate store, boost revenue opportunities, increase customer satisfaction and reduce churn. The HITS platform encourages flawless execution, and when HITS is paired with iQmetrix’s leading retail management system, the benefits are even more powerful. This winning combination ultimately delivers measurable results that both improve a retailer’s bottom line and its customer loyalty.

### ***About eSecuritel***

*Since 2001, eSecuritel has provided wireless carriers, dealers and resellers with highly customizable cell phone protection and replacement programs that deliver an unparalleled customer experience to program subscribers. eSecuritel offers phone protection for new, used, or prepaid wireless devices against loss, theft and accidental damage as well as mechanical/electronic failure and malfunction. In addition, eSecuritel has other replacement programs that cover every stage of the handset life cycle, including buyer’s remorse, manufacturer’s warranty, out-of-warranty and customer retention programs. eSecuritel is a Brightstar company. For more information, please visit [www.esecuritel.com](http://www.esecuritel.com).*

