

## MOBILE DIAGNOSTICS CASE STUDY

# Combat 'No Fault Found' Device Returns & Boost Net Promoter Score for Mobile Network Operators

### Statistics

**1 in 7 mobile devices are returned within the first year of purchase\***

**63% mobile devices returned are not actually 'faulty'\***

**\$4.5 billion cost of 'no fault found' device returns\***

Ericsson predicts that by the end of 2020, there will be 6.1B smartphone users globally. And no one will deny that mobile devices are exceptionally designed, sleek in style and highly intuitive. But at the same time, they're also fault prone. So when mobile devices show signs of trouble – be it a cracked screen, short-lived battery power, a faulty SIM card or something else – consumers want and expect to have the problem resolved quickly and properly. And most of all, consumers don't want to be saddled with paying the hefty price for a replacement phone, if their device could be repaired. But for mobile network operators with retail locations, where devices are either sold or serviced/repaired, it's a daily struggle to stop 'No Fault Found' device returns at their source and boost their overall Net Promoter Score.



**Service providers know that churn corrodes their business, but many of them don't truly understand how churn works or what to do about it, because they're often aiming at the wrong target – they still reward more for new installations than for growth in the number of profitable subscriptions. They invest more in advertising and marketing than in service technicians or in set-top box capabilities that would delight or at least retain customers. And they don't pursue the rewards of customer loyalty as much as they hunt aggressively for new sales to replace departing customers."**

– Bain & Company

### Blanco Mobile Diagnostics

Blanco Diagnostics advanced multi-platform solutions equip technical and non-technical customer service representatives to provide consistent, accurate and reportable diagnostics of smartphones and tablets. The solutions also offer a user-friendly, visual description of their device health and performance, as well as the opportunity for customer service agents to educate them on behavioral and application issues that could be the impetus behind seeking support.

## Results

- ✓ **60% success rate of resolving device issues on first attempt**
- ✓ **10% increase, on average, in Net Promoter Score**
- ✓ **Save \$4.5 million per year by reducing NTF returns**

## Challenge

Studies have shown that when customers head into the retail locations of mobile network operators with what they perceive to be a faulty mobile device, the problems are often related to behavioral or usage issues. For example, a customer might walk into the retail store of their wireless carrier and complain of short battery life or crashing apps – the types of issues that are typically symptomatic of behavioral issues, software bugs or third-party apps, as opposed to the device itself.

Mobile network operators often lack a true mobile diagnostics solution. And the retail sales and customer service representatives aren't always technically trained or skilled to diagnose devices properly. What does this actually mean? For consumers, it means that, more often than not, they're swapping their perceived 'faulty' devices for new ones or having to spend money on replacement phones. And because the actual device problem was never addressed correctly the first time, the customer will likely experience these issues again, which can damage long-term satisfaction, loyalty and even cause a drastic decrease in the Net Promoter Score.

Now consider this: The costs associated with these types of exchanges can range from \$50-\$100 based on the network operator's reverse logistics processes. And as WDS reports, one in seven mobile devices are returned within the first year of purchase and 63 percent of the devices being returned are not actually faulty. So these costs can cause a significant, avoidable burden to the network operator's retail and reverse operations. Essentially, it means they're throwing money down the drain on unnecessary customer service complaints and repairs. That's money that could be reinvested into improving mobile technology, development and engineering, technical training for customer service and sales representatives and the customer experience across all channels.

## Solution

As we've seen, smartphone users who have experienced and resolved a functionality problem display a Net Promoter Score of up to 55 percent and higher, as compared to those whose device errors could not be fixed. By utilizing the Blancco Diagnostics solutions, both of these extremely detrimental scenarios can be addressed and mitigated. Not only does our diagnostics software help in-store sales and customer service representatives quickly, consistently and accurately find the source of device issues, it also fixes them properly.

The beauty of our Blancco Diagnostics software lies in its ability to use objective tests to diagnose device status and recommend resolutions to problems. To top it off, our solution boasts a 60 percent success rate of resolving problems on the first attempt, while also boosting the Net Promoter Score for mobile network operators by at least 10 percent from its original score. In an industry where customer service is the most important point of differentiation, customer satisfaction and loyalty are absolutely necessary to minimize churn.

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## About Blancco

Blancco Mobile Diagnostics solutions enable mobile network operators, retailers and insurers to easily, quickly and accurately identify and resolve performance issues on their customers' mobile devices. Our data erasure solutions are the de facto standard and have been tested, certified, approved and recommended by 18 governing bodies around the world.