



How to Flip Device Return From Cost Center to Revenue Stream



ASSURANT®

The Untapped Potential of Used Mobile Devices

The market for used mobile devices continues to grow. International Data Corp. predicts the market value for used smartphones will be an estimated \$52.7 billion in 2022, with each device selling for an average of \$180.¹

About half of these used devices will be traded in to manufacturers or carriers in exchange for credit toward a new smartphone.²

With this attractive market opportunity, why are some mobile service providers leaving money on the table?

Carriers traditionally view reverse logistics returns and trade-ins as an expensive nuisance, exposing them to the risk of customer dissatisfaction. But savvy, innovative providers can shift their device trade-in and return program from a cost center to a revenue engine by teaming with the right partner. A partner that understands that the trends driving the growth of the used mobile phone market can help optimize and monetize the device lifecycle for more revenue, lower costs and reduced risk.

¹ IDC, Worldwide Used Smartphone Forecast, 2018-2022, May 2018

² Deloitte, Infographic "Used smartphones: the \$17 billion market you may never have heard of," 2016



The Burgeoning Market for Used Mobile Devices

What accounts for the growth in the used mobile device market?

Three major trends:

- **More attractive offers for trade-ins.** Mobile carriers continue to incentivize buyers with attractive offers to turn in their used phones as part of the trade-in process.
- **Greener consciousness.** The [EPA](#) is working to increase consumer awareness of the impact of used devices on the environment and the need to properly dispose of them.
- **Increased manufacturer-driven programs.** Phone manufacturers such as Apple and Motorola are encouraging recycling to help grow their own refurbished phone programs.

³ Deloitte, Infographic “Used smartphones: the \$17 billion market you may never have heard of,” 2016

⁴ Ibid.

⁵ Ibid.

ALL TRENDS POINT UPWARD

Global consultancy firm Deloitte highlighted key research findings on the growing used device market:

- The used device market is forecasted to grow four to five times greater than the overall smartphone market.³
- At least 10% of smartphones purchased in 2016 will still be in use in 2020, by their second or even third owners. Half of those devices will be traded in for upgrades, and the other half sold in the private marketplace.⁴
- The primary incentives for consumers to sell their devices are easier trade-in processes and the rise in phone values.⁵

Opportunities for Mobile Service Providers

Take a lifecycle approach for used devices and get more value from your assets.

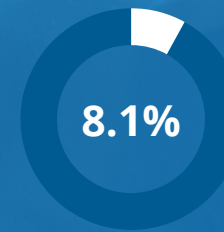


- Gain the **greatest lifetime value** from each and every recovered device
- **Increase volume of recovered devices** as newer and smarter devices are introduced to the market
- Work with the **world's most experienced asset disposition partner**, with wholly owned repair and logistics centers and proven disposition processes
- **Increase availability of non-new devices** to minimize equipment cost
- **Mitigate exposure** to excess and obsolete equipment

You have a major opportunity to build a reliable revenue stream from the used device market. By optimizing the device lifecycle, you can shift asset disposition from a necessary evil to a value stream.

Selling to auction-based wholesalers is simple and convenient, as they buy in bulk. But, because the devices are typically sold for much less than they're worth, a lot of cash is left on the table.

So why go the wholesale route rather than with a more profitable model? The answer is speed. It's risky to hold on to used devices. Carriers want to quickly unload as many devices as they can. But selling to wholesalers limits the return on the devices. That's why innovative mobile providers look to companies like Assurant for asset disposition. We manage your device inventory and broker fast sales at top dollar. This reduces your risk and gives you the best financial return for your used assets.



**THE AVERAGE
RETAILER SPENDS
8.1% OF TOTAL
SALES ON REVERSE
LOGISTICS.⁶**

Retailers are embracing partnership strategies to get more value from their reverse logistics programs. Since most retailers consider reverse logistics outside their expertise, they see the benefit of outsourcing customer returns of unwanted, damaged or counterfeit goods. This approach also works well for mobile carriers to capture the maximum value for device trade-ins and returns.

⁶ Inbound Logistics, "Managing Retail Returns: The Good, the Bad, and the Ugly," February 28, 2014

How Assurant Monetizes Asset Disposition

Assurant is a leading expert in reverse logistics and asset disposition. We work with mobile carriers and other industry leaders to optimize and monetize their trade-in and return programs. Using direct-to-consumer sales in addition to wholesale partners, we move your used devices quickly and make sure they're sold for the highest price.

Cash, Loyalty, Compliance

Profit is key. But success isn't just about cash. Properly managed reverse logistics can also deliver greater brand loyalty and stronger regulatory compliance, while keeping used electronics out of waste streams.

Sales Growth: Repeat Purchases

Progressive mobile carriers look for partners to help gain greater brand loyalty. Carriers who sell to wholesale channels have no idea what happens to the devices after they're sold. With the right partner, used devices can serve as your gateway to acquire new subscribers.

Assurant will repair and refurbish your used devices in our state-of-the-art facilities, then sell them directly to consumers. Our research shows that consumers with refurbished premium devices tend to remain loyal to the device provider and may opt for larger data bundles from the same carrier, boosting revenues.

New Distribution Channels

Looking to create new distribution channels? Assurant can help. We offer large suppliers plenty of ways to sell and put more devices back on the market. Leverage our deep experience with e-commerce store management to increase revenue from used devices.

Our global reach translates to real value for you. Phones that are returned or recovered in the U.S. can be sold directly to consumers anywhere in the world. Assurant will find buyers for your used electronics, regardless of age or type, and identify the best geographic markets where these devices are most desirable.

How Our Disposition Program Maximizes Value

Assurant's unique asset disposition program includes a global channel partner, robust technology engine and a predictive product and pricing model.



CHANNEL STRATEGY

A Global Channel Partner

- Maximize device value while minimizing risk
- Gain access to a wide variety of international markets
- Global speed-to-market
- Cross-selling opportunities



ROBUST TECHNOLOGY ENGINE

Technology Engine

- Device workflow management
- B2C listing infrastructure
- B2B e-commerce platform
- Inventory management
- Analytical model integration

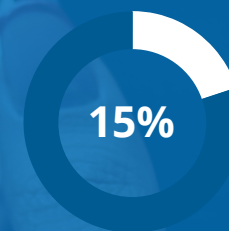


ANALYTICS STRATEGY

Predictive Product & Pricing Models

- Demand-driven device allocation
- Trend-based pricing models
- Predict device supply and demand
- Insight on device lifecycle value

Our patent-pending software tool, GHOST (Global Handset Offer and Sales Tool), provides rich data and analytics for predictive price modeling for trade-in value. Assurant's experts use GHOST to compare historical data with other factors such as brand, features, condition and demand. We determine the optimal trade-in offer, as well as the highest after-market price. This process delivers more cash to the consumer and ensures you'll get the maximum value for every device.



Assurant consistently beats offer prices of top competitors and retailers for device trade-ins by 15 percent or more.



Assurant processed **15 million devices** over the past two years.

Assurant: End-to-End Device Management

Make sure your asset management program also benefits from reducing costs while driving revenue.

You'll save more money when our reverse logistics and repair services are bundled with Assurant's mobile protection programs. We use our inventory of high-quality refurbished phones as replacement devices to fulfill your customers' claims, so you don't have to pay for brand new equipment.

Assurant is one of the world's leading providers of mobile protection plans. We've been partnering with major brands around the world for decades. Our end-to-end total device lifecycle management solution also provides repair capabilities, trade-in and upgrade programs, technical support and logistics. Our offerings are flexible, ranging from full-program management to select capabilities.



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READY TO FLIP DEVICE RETURN FROM A COST CENTER TO A REVENUE STREAM? CONTACT ASSURANT TODAY.