



2014 Global Mobile Support and Protection
Product Leadership Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

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Background and Company Performance

Industry Challenges

The evolution from basic feature phones to smartphones has been nothing short of phenomenal. Frost & Sullivan's research indicates that global smartphone penetration among mobile phone users will exceed 80 percent by 2020. The emerging middle class in developing markets – such as Latin America, China, and India – has led to a shift in consumer spending towards more advanced smartphones and other 'connected' consumer electronic devices. Advancements in network technologies, coupled with the proliferation of sophisticated mobile consumer and enterprise applications, continue to aggressively drive data usage on these devices. In fact, Frost & Sullivan's research indicates the average 4G smartphone user now consumes upwards of 2 GB of cellular data every month. Unlike many traditional computing devices, such as personal computers, smartphones are not stay-at-home devices. They are used in virtually all environments, which lead to a variety of new risks that were never a consideration with earlier technologies.

Growth in Mobile Device Loss, Theft and Damage

In this environment, the increasing number of mobile device 'incidents', such as loss, theft, damage, or malfunction, has emerged as a major challenge in the global mobile communications market. Smartphone users now spend nearly 80 percent of their daily device use on non-voice activities and this daily usage only increases the likelihood of loss or damage occurring to mobile devices. Not only do device incidents limit or restrict the user's ability to use voice and data services on mobile phones, but the high unsubsidized cost and the amount of personal information stored on a mobile device can leave consumers' privacy and wallet vulnerable. Purchasing a replacement device may not always be an economical option— particularly with the more popular smartphones that can cost as much as US\$950 if the customer is not eligible for the subsidized price offered at upgrade. Frost & Sullivan believes that there is a clear need for comprehensive and cost-effective handset protection solutions that can address all types of device incidents and allow mobile phone users to get back to using their devices quickly and in a pain-free manner.

Impact of Mobile Data Loss

The amount of data being stored on smartphones continues to increase. Consumers in leading smartphone markets store over 4 GB of digital content on their smartphones, the majority of which is precious user generated content, music, and video files. As a result, the impact of the loss of personal data stored on the mobile device is often times more disruptive than the loss of the device itself. For example, consumers may have to manually re-enter all contacts into their replacement device, which can be an extremely tedious process. Not surprisingly, the loss of cherished user generated content such as photos or video clips is often the most devastating result of a device incident to the consumer.

Sensitive personal or corporate data that is stored on a 'compromised' mobile device could fall into the wrong hands and can be misused. The rapidly increasing trend of mobile malware and greyware (e.g., free mobile applications that send personal information to third-party servers without the device owner's awareness) has emerged as a concern for the theft of both corporate and personal data. Intensive mobile data usage on smartphones also exposes these devices to harmful content and applications. For example, consumers surfing the web on their smartphones need to be cognizant of 'drive-by' malware that can download malicious code on a user's smartphone via the device's browser when a user visits a legitimate but infected/hacked website. Therefore, the proliferation of mobile data establishes a critical need for comprehensive mobile data support and protection solutions that can protect the data on smartphones, and can also protect the consumer experience with mobile data services.

Complexity Leads to Technical Issues

As hardware and software features advance, smartphones are becoming more complex and complicated to use. Quite often, users know what a device can do, but struggle with the how aspect of using their mobile device. While carriers or OEMs may pre-configure some services for immediate usage, popular applications such as e-mail are generally left to the user to configure, not to mention more complex functions or connections between devices. Configuring smartphones properly to be able to use these advanced features, and troubleshooting them if something goes wrong is a significant challenge for consumers. Frost & Sullivan's research indicates that one in three consumers have problems, or questions with their smartphones at least once a month. Current market trends point to the need for premium technical support to manage device settings and software configurations. Mobile customers clearly have a need for broader and more in depth support with the advanced features of their smartphones than they did when the phone was just used to make calls.

Supporting Mobile Applications

The large number of choices in mobile applications is good for consumers, but represents a major industry challenge. Consumers need a single source to help with managing and supporting their mobile application experience. Frost & Sullivan's research indicates that most smartphone owners struggle to get proper, qualified support with mobile applications, and are inclined to abandon the application after an average of three attempts at resolving a problem. In many regions, smartphone users first reach out to their carriers, and then to their friends and family, or the Internet, to try and find answers to questions related to mobile applications, often with mixed results. Poorly designed or loosely secured applications have the potential to share personal data that can compromise user security and privacy. Consumers need knowledge about the privacy settings for mobile applications to ensure that their data is safe, and that the application behaves as intended. However, customizing privacy settings and monitoring application behavior can be overwhelming

given that the average smartphone user generally has a large number of unique applications on their smartphone. An effective, unified application support system to help manage all the applications on a user's phone can make the proliferation of applications less daunting for consumers as well as for the mobile and wireless industry participants.

Product Attributes and Business Impact of Asurion

With more than 280 million consumers worldwide, Asurion is the market leader in the global product support and protection industry. Chosen by leading consumer brands worldwide – including retailers, device manufacturers, and communication service providers, Asurion's 15,000 employees provide personalized support and protection, so consumers get more out of their connected life. Key success factors for Asurion in mobile support and protection are presented below.

Product Capabilities and Match to Needs

Asurion's mobile support and protection solutions help consumers protect their phones throughout its lifecycle, with services that: 1) protect their devices by offering an economical, easy method of receiving a next-day device replacement for loss, theft, damage and malfunction; 2) protect their data by providing device recovery, security, privacy and cloud-based data backup solutions; and, 3) protect the customer experience by offering innovative tech support services that provide customers with a simple and personalized support experience and information to improve the performance of their device. Therefore, by addressing all types of device and data protection requirements, Asurion's mobile support and protection services can ensure the seamless continuation of a subscriber's mobile experience. This is a significant benefit for consumers, and for Asurion's partners, who don't have to work with multiple providers for their mobile support and protection requirements.

Product Quality

Frost & Sullivan's research indicates that Asurion has the best-in-class assets and expertise in the global mobile support and protection market. For example, Asurion leverages a white-label online/web experience (called the "Asurion Mobile Protection Center") to help customers get access to specific elements of Asurion's Mobile Protection offerings, based on the services available to them – including checking their coverage, filing a claim for next-day device replacement, locating their device, securing their data, and connecting with tech support for device-related questions. All information in the Asurion Mobile Protection Center is presented in an extremely user-friendly manner, which allows the company to deliver effective mobile protection services. Asurion's competitors are focused solely on handset protection, and don't have the required assets and resources to deliver complete mobile data and customer experience protection solutions. They also have limited a self-serve capability, which limits their ability to scale their

operations to handle the large amount of customer support requests that come in.

New Product Innovation

Asurion has invested in the right assets and has successfully integrated the core building blocks in a seamless and coherent manner to deliver a comprehensive mobile support and protection offering. For example, the company has developed a white-label Premier Support offering to deliver a simple, one-stop solution for quick resolution to smartphone questions. Other product innovations include advanced location capabilities (to accurately determine a mobile phone's location), zero-rated mobile data backup services, device diagnostics and permissions-based remote device troubleshooting, and a unique approach to knowledge management that allows Asurion Premier Support to offer support to not only the customer device but everything they connect the device to, in one call. Frost & Sullivan's research indicates that Asurion is the only company that has invested across every contact channel (web, phone, mobile), which allows the company to offer service to customers on their channel of choice.

Customer Service Leadership

With smartphones rapidly becoming the 'remote control for life' in the era of Internet of Things, it is more important than ever to be able to provide appropriate support solutions to consumers who need help with managing or troubleshooting smartphone-based connected implementations. Apart from providing support with smartphone-related technical issues, Asurion's mobile support and protection solutions offer help to customers who need help with managing or troubleshooting a wide range of smartphone-based connected home, automotive, and health monitoring solutions, and personal wearables. Other innovations including leveraging remote-diagnostic capabilities to directly access a smartphone for support, and a knowledge base which tracks operating systems, applications, and hardware trends which is critical in establishing an understanding of relevant information for a particular consumer about their smartphone. Overall, by investing in self-serve and by providing greater choices to consumers that use Asurion's services, Asurion continues to remain at the forefront of product innovation in the global mobile support and protection market.

Strategic Go-To-Market Approach

Mobile operators that enhance their support capabilities can realize several benefits – including 1) increasing customer engagement with their device, thus driving ARPU 2) increasing customer satisfaction (and hence reducing churn), 3) reducing instances of no trouble found (NTF), no fault found (NFF), and cannot duplicate (CND) devices from entering the reverse logistics stream; and 4) improving the lifetime value of mobile subscribers. Asurion is exclusively focused on working with the mobile operators to help them address the unique mobile support and protection requirements of their customer

base. It currently works with major mobile operators and telecommunications companies worldwide – including AT&T, Verizon Wireless, Sprint, 3UK, Telstra, Chunghua Telecom, and KDDI, among others. . Mobile operators that partner with Asurion can focus on their traditional business of selling voice and data services and let Asurion manage all aspects of their mobile support and protection offerings. This is a significant benefit for mobile operators, since it can be prohibitively expensive for them to deploy a large team of technicians with the broad and deep skill sets and tools to handle the gamut of smartphone-related support requests.

Conclusion

An attractive service offering, along with strong relationship with leading mobile operators globally has helped establish Asurion as a global leader in mobile support and protection. Frost & Sullivan attributes Asurion's exceptional performance to a robust product portfolio, strong service and support capabilities, and the overall strategic acumen of a leadership team dedicated to speed of execution. The 2014 Product Leadership Award in Global Mobile Support and Protection is presented to Asurion in recognition of its impressive market achievements.

Significance of Product Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. A comprehensive product line, filled with high-quality, value-driven options, is the key to building an engaged customer base. To achieve and maintain product excellence, an organization must strive to be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition. This three-fold approach to delivering Product Leadership is explored further below.



Understanding Product Leadership

Demand forecasting, branding, and differentiation all play a critical role in finding growth opportunities for your product line. This three-fold focus, however, must be complemented by an equally rigorous focus on pursuing those opportunities to a best-in-class standard. Customer communications, customer feedback, pricing, and competitor actions must all be managed and monitored for ongoing success. If an organization can successfully parlay product excellence into positive business impact, increased market share will inevitably follow over time.

Key Benchmarking Criteria

For the Product Leadership Award, we evaluated two key factors—Product Family Attributes and Business Impact—according to the criteria identified below.

Product Family Attributes

- Criterion 1: Match to Needs
- Criterion 2: Reliability and Quality
- Criterion 3: Product/Service Value
- Criterion 4: Positioning
- Criterion 5: Design

Business Impact

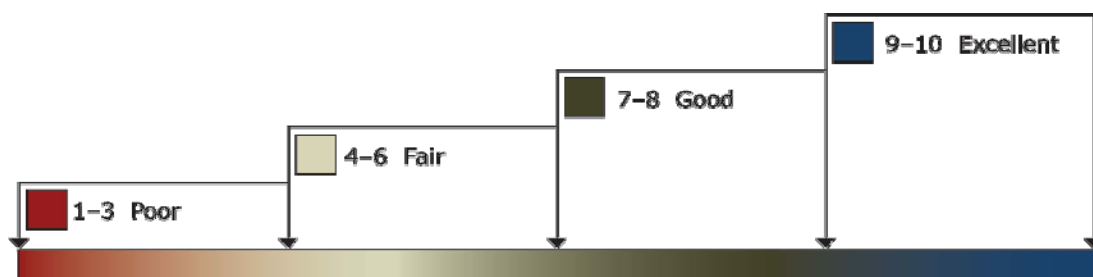
- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Best Practice Award Analysis for Asurion

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard is organized by Product Family Attributes and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD FOR PRODUCT LEADERSHIP AWARD (ILLUSTRATIVE)

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
Product Leadership	Product Family Attributes	Business Impact	Average Rating
Asurion	10	10	10
Competitor 2	8	8	8
Competitor 3	7	7	7

Product Family Attributes

Criterion 1: Match to Needs

Requirement: Customer needs directly influence and inspire the design and positioning of the product family

Criterion 2: Reliability and Quality

Requirement: Products consistently meet or exceed customer expectations for performance and length of service

Criterion 3: Product/Service Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

Criterion 4: Positioning

Requirement: Products or services unique, unmet need that competitors cannot easily replicate or replace

Criterion 5: Design

Requirement: The product features an innovative design, enhancing both visual appeal and ease of use

Business Impact

Criterion 1: Financial Performance

Requirement: Strong overall financial performance in terms of revenues, revenue growth, operating margin and other key financial metrics

Criterion 2: Customer Acquisition

Requirement: Product strength enables acquisition of new customers, even as it enhances retention of current customers

Criterion 3: Operational Efficiency

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard

Criterion 4: Growth Potential

Requirements: Product quality strengthens brand, reinforces customer loyalty and enhances growth potential

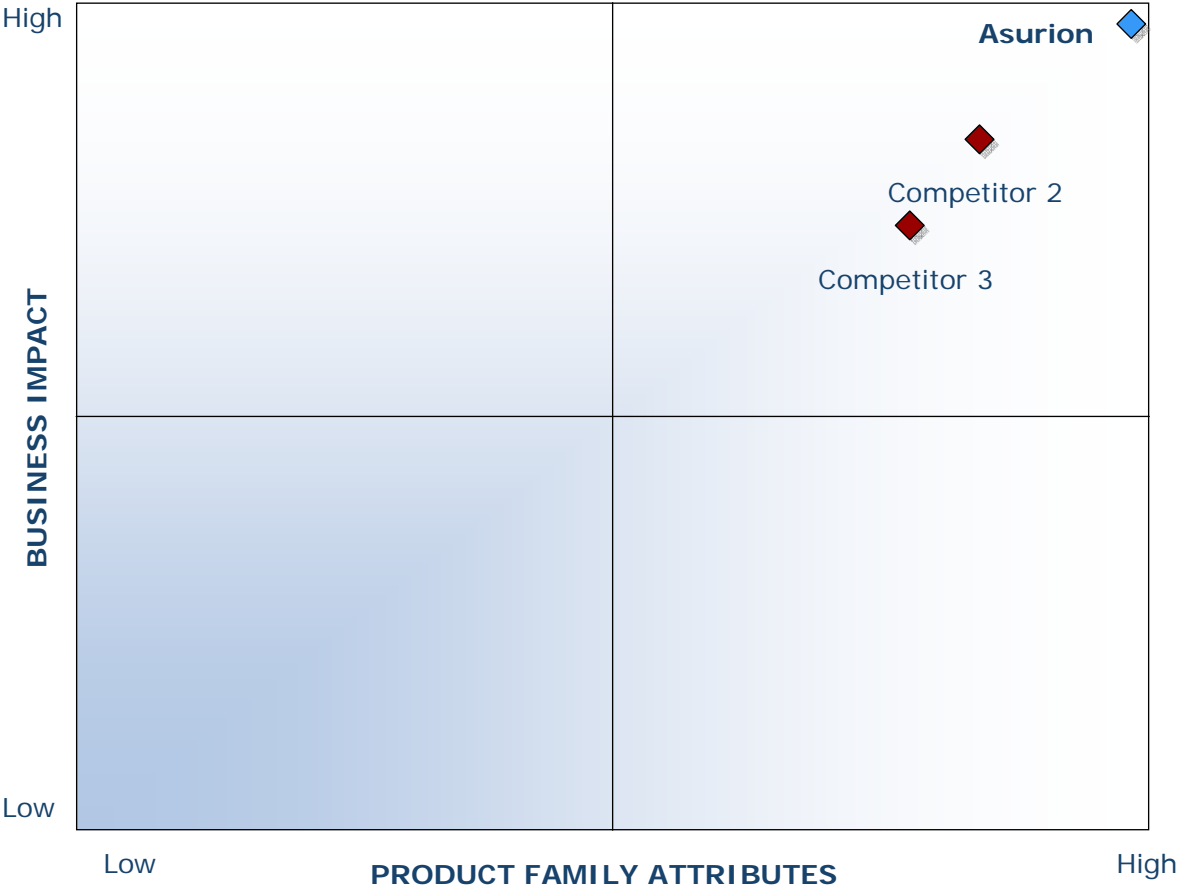
Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to product quality and customer impact, which in turn enhances employee morale and retention

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR PRODUCT LEADERSHIP AWARD



The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Our awards team follows a 10-step process (illustrated below) to evaluate award candidates and assess their fit with our best practice criteria. The reputation and integrity of our awards process are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best-practice award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in future strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.