How to Flip Device Return From Cost Center to Revenue Stream
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.

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

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

4 Ibid.

5 Ibid.
Opportunities for Mobile Service Providers

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

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.
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.

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.

How Assurant Monetizes Asset Disposition
Assurant’s unique asset disposition program includes a global channel partner, robust technology engine and a predictive product and pricing model.

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.
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.

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