



Mobile Market Development

Mobile Device Impacts on ARPU & Churn

Program: Maximising Wireless Profit

Price: 2500.00 EUR

Description: There has long been a perception of a strong connection between the sophistication of the mobile device a mobile customer uses and the average ARPU and loyalty characteristics exhibited. The more features offered by the phone, the higher usage could be expected and the less the propensity to churn. Over two thirds of those that now own multimedia capable phones do not use them to access the Internet. Internet access is now a primary divider between average and high ARPU mobile customers. This presents MNOs with a challenge and an opportunity. The opportunity is to encourage all those users with sophisticated phones to utilise their capabilities more fully and increase their level of spend through the mobile phone. The challenge is to make the applications sufficiently attractive and sufficiently easy to access so that users that are currently not interested become engaged. As well as addressing phone User Interface (UI) issues - perhaps through the implementation of Service Discovery Engines that bypass the traditional menu structure of mobile phone Operating Systems (OS) - MNOs must take on the challenge of competing with fixed Internet access which offers free content and (currently) a more ergonomic experience. This report revisits Mobile Market Development's 2003 examination of mobile devices, taking into account how developed markets have progressed since that time. This report first provides an overview of devices that are currently available in the market. How these devices influence ARPU and churn is then examined. Overall estimates of the influence of device type (and broad usage patterns) are then presented. Finally, the report examines possible future developments and threats and provides some recommendations to MNOs to ensure they achieve the optimum benefit from the sophisticated multimedia capable terminals now habitually used by their customers.