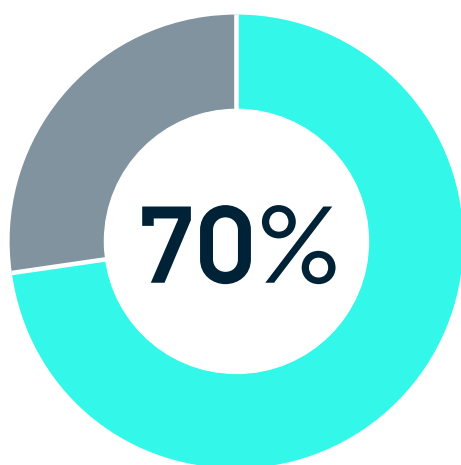


# Device Lock: LATAM Case Study



**Trustonic's Telecoms Platform helps reduce postpaid delinquency from 35% to 11%**

Average improvement over a 12 month period

The last several years have been difficult for carriers globally. Their revenue and cash flows have dropped, but consumer demand for high-end smartphones and faster wireless connections has driven the need for heavy investments in infrastructure.

The increasingly valuable nature of those high-end smartphones drive the need for more significant funding whilst making them more attractive for theft and fraudulent activity. Added margin pressures comes from regulators, looking to reduce costs for consumers. Ultimately, while many carriers' cash flow has dropped steadily, their capital expenditure has stayed the same with an inevitable margin crunch.

This was the case for a large carrier in Latin America\*. Facing reduced revenue streams from traditional sources, such as roaming fees and capped usage charges, and the added pressure of increased capital expenditure with its 5G network rollout. Even though its consumers demanded the latest smartphones, many were considered too risky to provide credit terms to, reducing opportunities to grow market share and digital services revenues.

\*Name withheld for confidentiality

# The customer asked us to help with 3 main issues

## 1. Reducing delinquency

In many long-established consumer markets, the delinquency ratio for postpaid consumers is in the 10–15% range. Despite large numbers of customers not paying their monthly bills, carriers often consider this “the cost of doing business”. Our customer in Latin America was experiencing a much higher proportion of delinquency: 35% of its postpaid consumers were not paying their bills in full each month. The task was to challenge the idea that high volumes of unrecoverable debt are unavoidable by significantly reducing the 35% delinquency figure.

## 2. Improve operational efficiency

When consumers pay their smartphone bill late, it creates significant cash flow issues for the carrier. The resultant expense of hiring call centre staff to phone consumers to chase the missing money is extensive.

## 3. Say 'yes' to more customers

Our customer wanted to sell higher-spec smartphones to more consumers and improve Average Revenue Per User (ARPU). Hindered by the 70% of potential consumers who were failing credit checks, they needed a way to say 'yes' to more people.

## Why was Trustonic Telecoms Platform selected?



Approved Google System Integrator



Easy to implement, cloud based over the air solution



Your entire Android portfolio covered from a single console

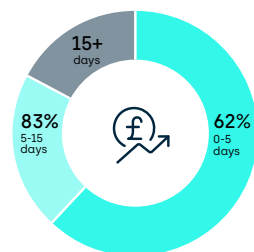
After trialling alternative solutions, the carrier engaged with Trustonic and implemented a pilot using our solution with Samsung smartphones.

The customer used two main deployment options, running in parallel, going live in less than 90 days. The initial pilot was deployed quickly using the Telecom Platform's portal, a web interface to the secure cloud infrastructure. As the trial rapidly demonstrated the benefits, they moved to full API integration to their CRM system as they rolled out across the entire portfolio.

## The impact on revenue

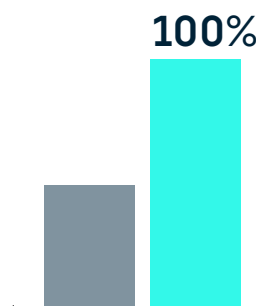


**The cost of debt collection is halved**  
[Collection staff redeployed to revenue generation activities]

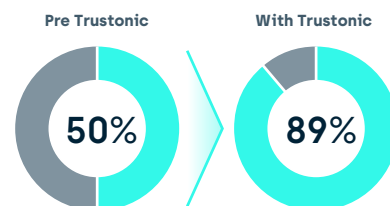


**Cash flow transformed**  
[Within five days, 62% of customers paid their overdue account. Within 15 days, that rose to 83%]

As a result of implementing Trustonic's Telecoms Platform, the carrier realised immediate and longer term benefits to its margins and cash flow:



**100% increase in credit application approval**  
[Lowering levels of delinquency reduced commercial risks, enabling a 100% increase in credit application approvals]

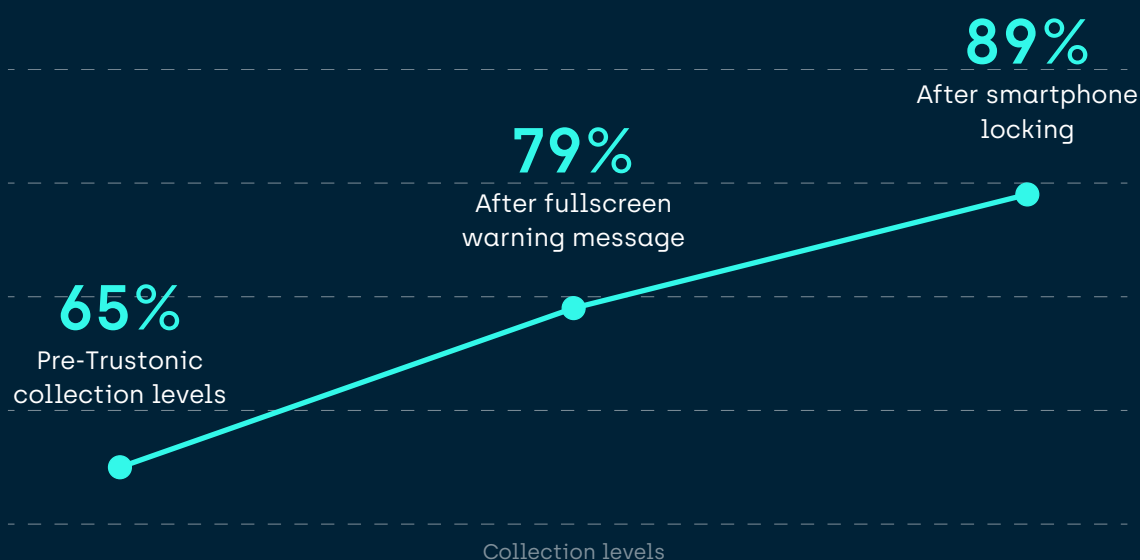


**70% improvement in debt collection rate**  
[Prior to Trustonic, the carrier used a collections call centre and could recover only 50% of outstanding payments]

## What is the Trustonic Telecoms Platform, and how does it encourage the right customer behaviours?

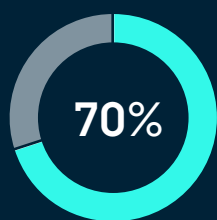
- Trustonic's Telecoms Platform is a cloud-based system that automates notifications, messaging, and the locking of smartphones to reduce delinquency.
- Our platform encourages consistent bill repayments from consumers. Reminding them when payments are overdue and locking their smartphones if they do not meet payment deadlines.
- Once a smartphone is locked, the consumer receives an easy-to-understand message informing them of the situation and promoting an easy way to make payment – straight from their smartphone. This ensures carrier financing is back on track and restores the consumer's access to their smartphone.

## Driving consumers to better payment behaviour through clear reminders, messages and industry leading locking technology



## Summary:

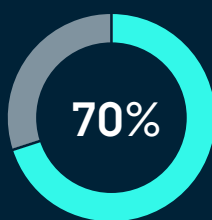
The positive effects are felt across the business



Reduction in delinquency



Increase in credit application acceptance



Improvement in debt collection rates

- Significant improvement in profitability and working capital.
- ARPU increase from higher spec smartphones in more consumers hands.
- Carrier competitive advantage with Trustonic.
- Collection call centre costs halved and staff redeployed to revenue generation activities.
- Reduction in street crime as locked smartphones are useless on black market.