

Supporting The



Connected Home:

Challenges & Opportunity



▶ Agenda

1. The Landscape: What is the connected home and how is it evolving?
2. The Consumer: What do they want and how do you deliver?
3. How to say **"YES"**: Enhancing the customer experience with premium technical support and advanced services.
4. Developing Solutions: Considerations for buy vs. build answers in the connected home marketplace.

► The Landscape

Home network routers are quickly becoming the focal point of many U.S. broadband households.



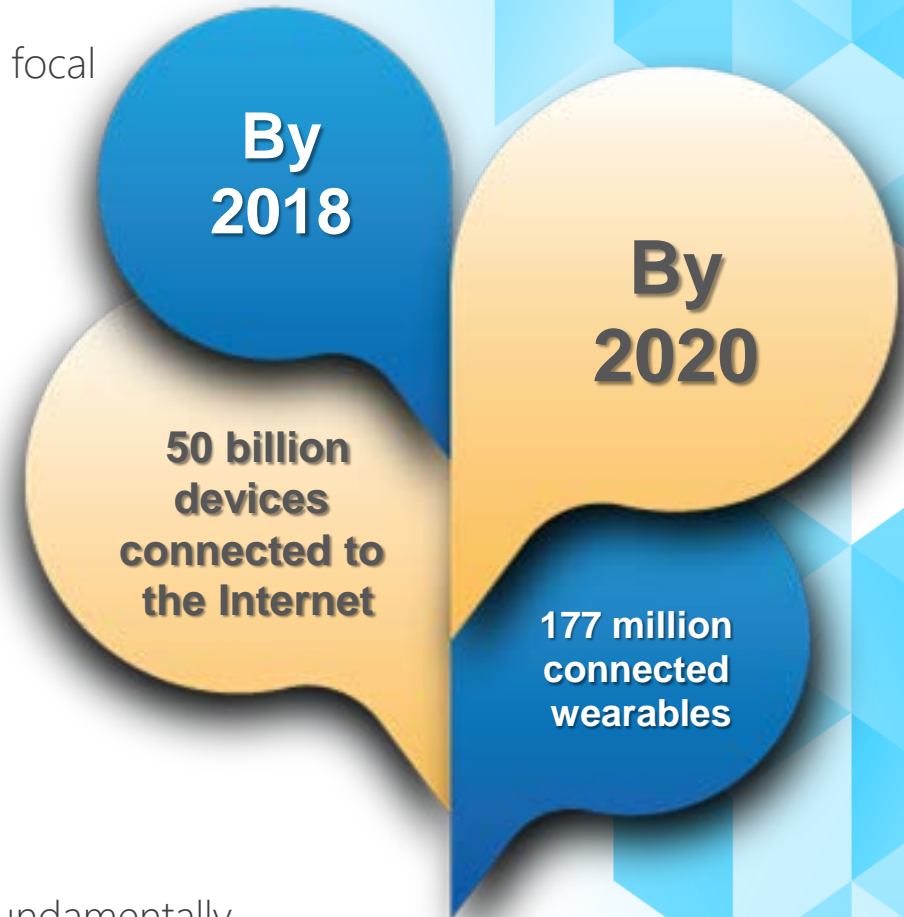
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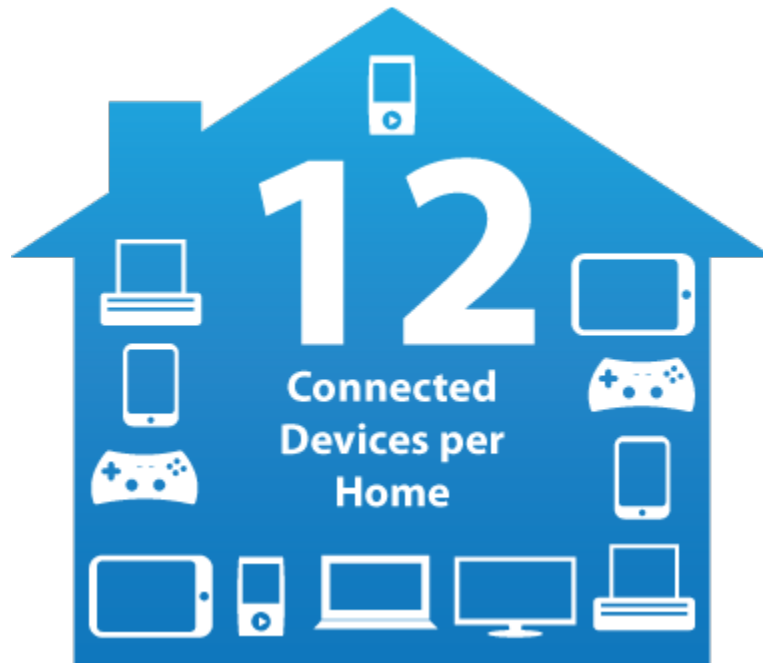


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► The Landscape

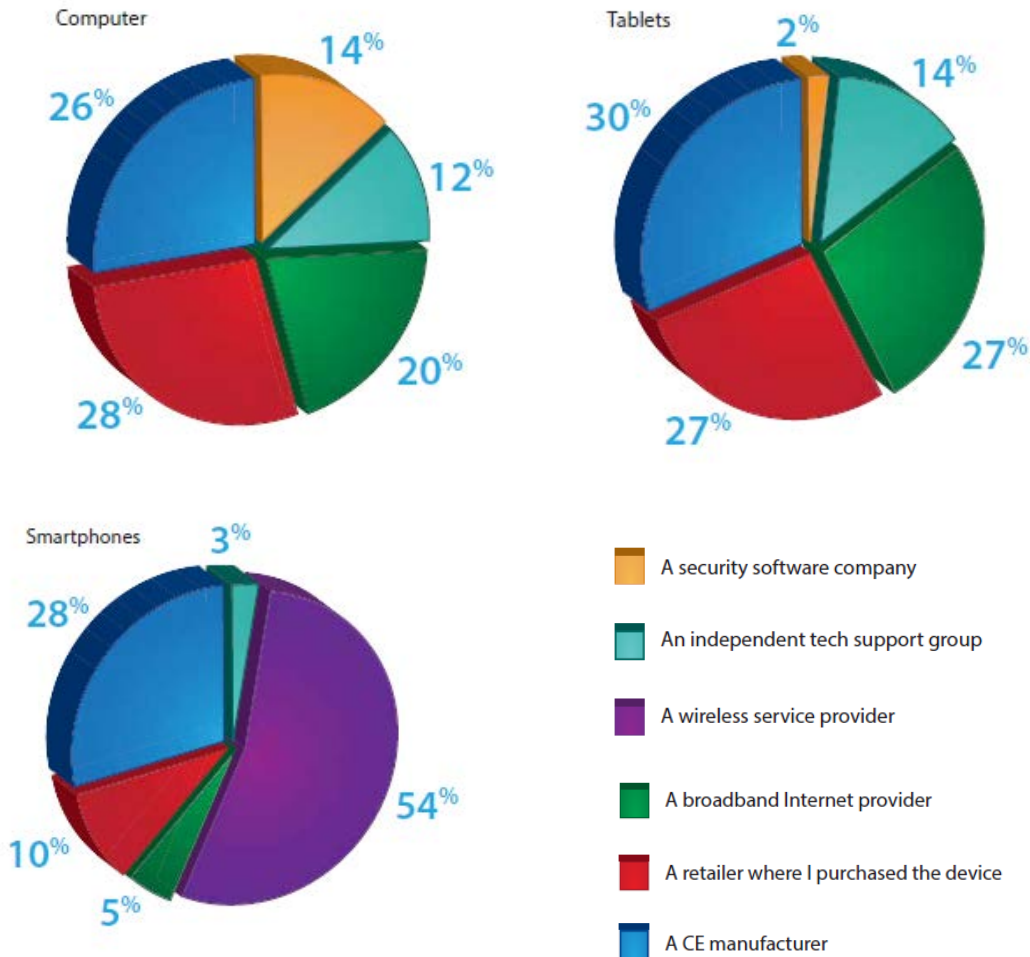
By 2020, the average U.S. household will have an average of 12 connected devices.



Consumer Home Networks are not simplistic. Most people simply give up somewhere in the process of interconnecting their home networks.

► The Landscape

Who do customers call when they have a problem with a connected device?



Source: Parks & Associates³

► The Landscape

Key Questions

1. What happens when the latest software upgrade leads to the data network crashing?
2. Who does the consumer call when the problem is somewhere in the home computer, or its connection to the peripherals?
3. What is the broadband providers responsibility to the home network operator?
 - "It's your internet!"



► The Consumer

Consumers want to leverage the capabilities of their devices but often encounter challenges such as connecting to the home network and interoperability.



33%

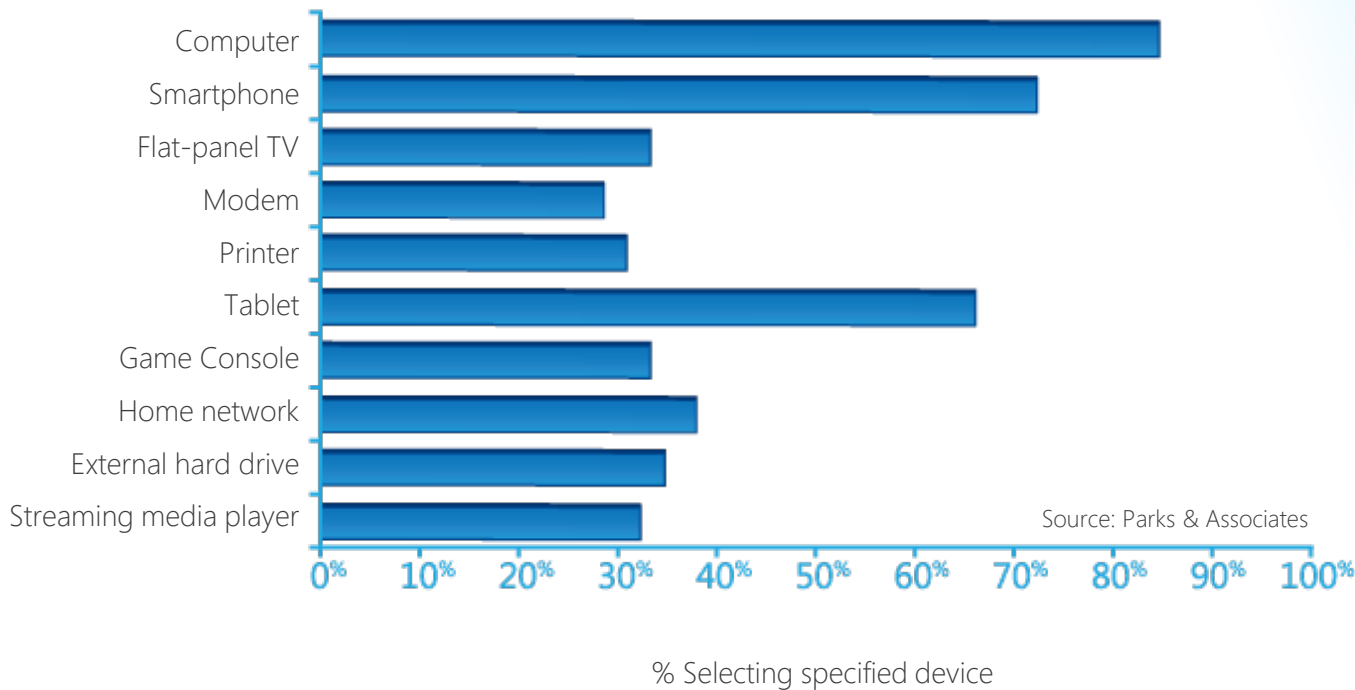
50%

Nearly **1 in 3** consumers experience problems setting up their tablets or smartphones, while **50%** have issues setting up peripherals to connect with their computers.

► The Consumer

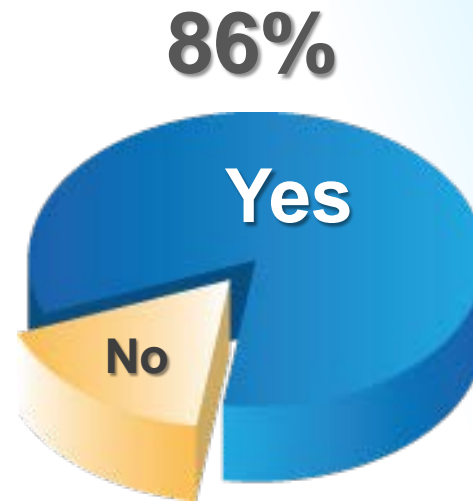
Customers are not sure where to look for help.
Operators job is to deliver signal to the modem but
consumer also expects support.

Devices Considered “In-Scope” by Customers for Technical Support



► Say Yes

Consumers want support that extends into and throughout the multi-device connected home.

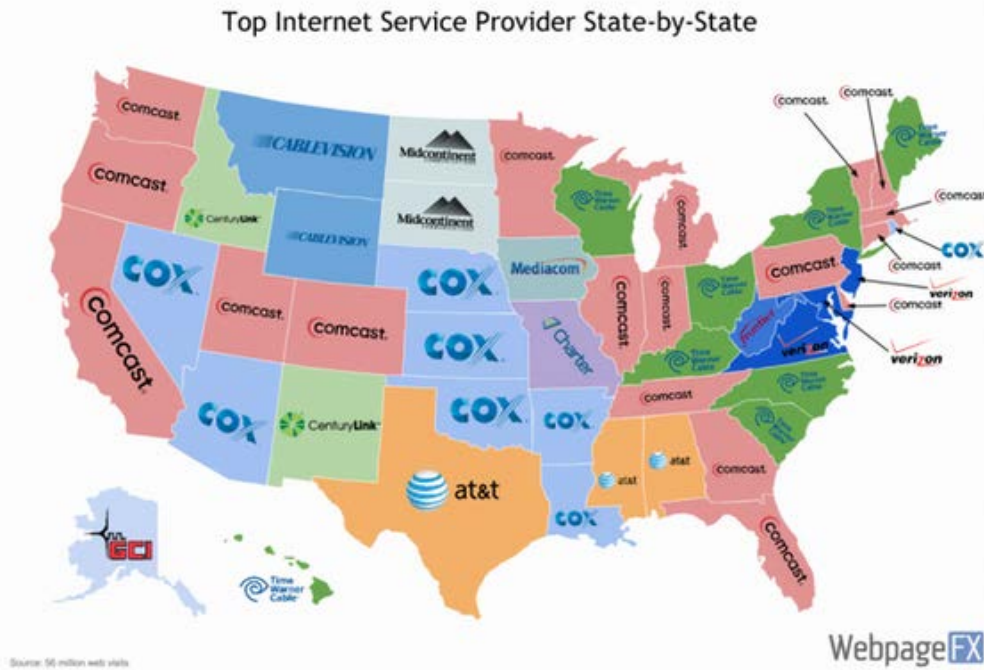


of customers would pay MORE for a product that provides them better technical support services.

The lack of provider answers to these questions frustrates the customer, causes cost increases and service challenges, and denies carriers a source of new revenue.

► Say Yes

The top ISPs in the US have recognized the growing business problem, and made their own attempts at a solution.



The average price point for a premium technical support package for a consumer home network is between \$9.99 and \$14.99.

► Say Yes

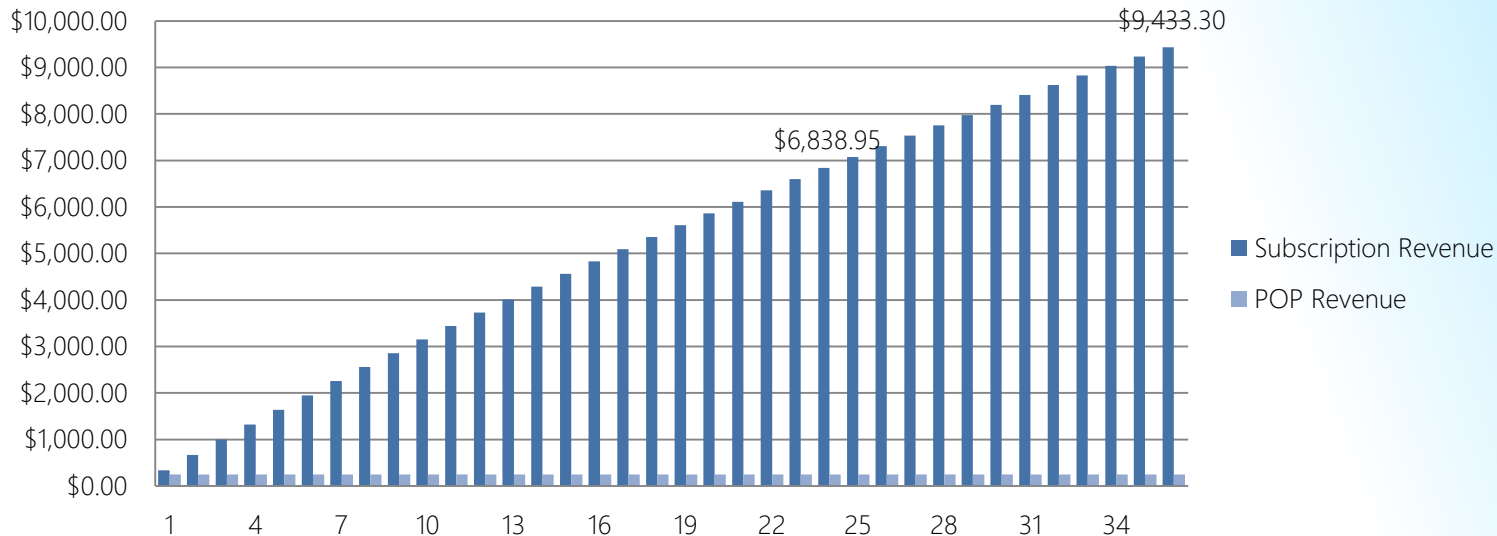
The most lucrative revenue models are also the models that provide the most choice for a customer. They incorporate both (1) Point-of-pain offers; and (2) Point-of-sale offers.

Point of Sale	Point of Pain
New service activation	Trouble tickets
New service installation	Out of scope support cases
Bundled with wireless gateways	Truck rolls
Promotional upsell offers	
Rate increase scenarios	

► Say Yes

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Monthly Revenue (\$) 36 Months



Assumptions:

15,000 data subs

Monthly take rate 0.20% of data subs

Churn of 1.5% monthly (18% annually)

75% take \$9.99 pkg / 25% take \$14.99 pkg

One \$75 P.O.P. case/month/4,500 data subs

► Say Yes

Key Questions

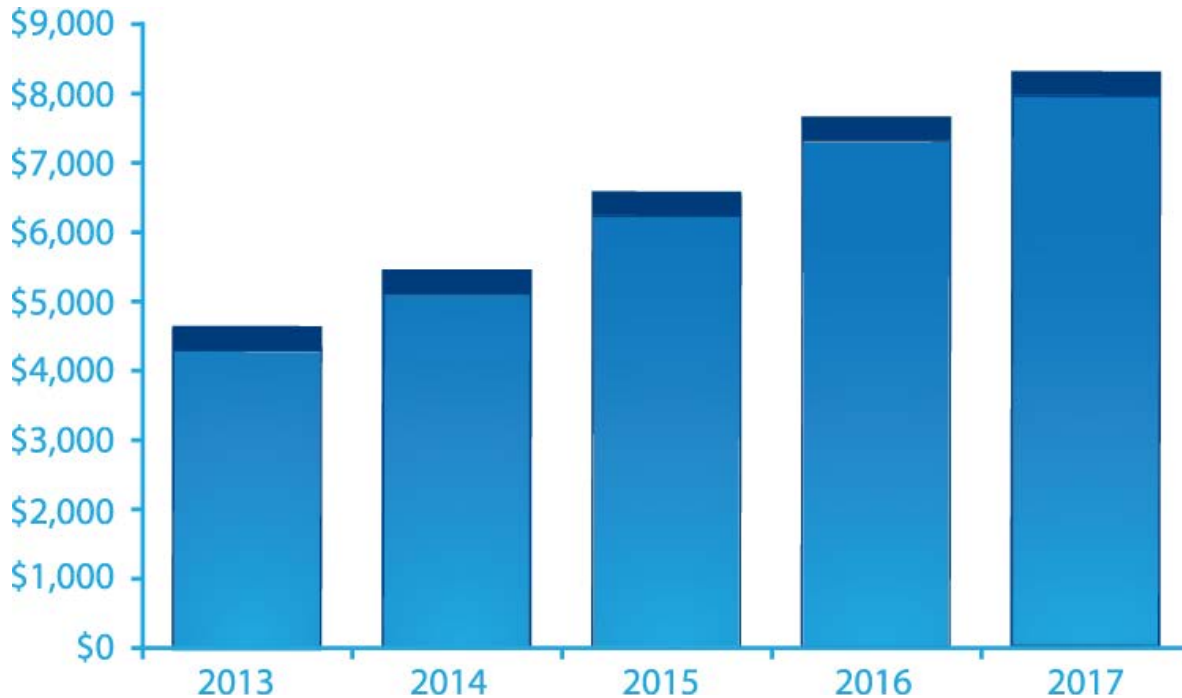
1. Who do your customers call when they are having issues with their network or networked devices?
2. How much revenue are you losing due to not offering a Technical Support solution?
3. Wouldn't you like to **Say Yes** to those customers rather than turn them away to product manufacturers?



► Developing Solutions

Consumers clearly need and want robust home networks. More importantly, they are willing to pay for them and the support needed for them.

Annual Revenue: Consumer Technical Support Services (Millions of dollars annually)



Source: Parks & Associates

► Developing Solutions

This desire creates the perfect proposition for operators to introduce value-added protection, support and warranty services.

But what does that mean for you?

Components of A Comprehensive Tech Support offering: Build or Buy A Solution?

Build (License)	Buy (Partner)
Anti-Virus/Malware Solution	One-Stop VAR Solution
Password/Data Management	
File/Data Backup Solution	
24/7 Specialized Technical Support Staff	
Warranty Coverage	

► Developing Solutions

- Ticketing system
- Knowledge base and training
- Remote access tools including mobile devices
- Hiring skilled techs who can deliver services
- Scalability
- Chat capabilities
- Marketing
- Staffing 5:30p – 10:30p



► Developing Solutions

If you decide to partner with a support provider for a connected home support solution (buy rather than build), here are some key selection criteria to keep in mind.

1. Always do a site visit
2. Inspect their knowledge base and/or decision trees
3. Ask for call recordings
4. Listen to live calls when visiting
5. Inspect service levels and confirm reputation



► Developing Solutions

“Before you can think outside of the box; you must first realize you are in one.”



The substantial desire for home network support and self management tools creates the perfect proposition for operators to introduce value-added protection, support and warranty services.





About

Security Coverage®

- Founded in 2003
- Located in Cedar Rapids, IA
- Mission: To simplify the use of technology and provide world-class customer service.
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 - Mobile and Desktop Security Software
 - Data Protection
 - File Sharing/Backup
 - Technical Support Services
 - Help Desk Support
- Nearly 400 partners across diverse markets like broadband providers, retail stores and warranty providers.



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