

Timing Right for Battery Testing in Retail Stores

Market trends drive need for battery testing at the point of sale

Two trends in the mobile communications market are coming together to create a critical need for battery testing in retail stores. The first trend is becoming evident for anyone who has had to charge their phone twice or more in one day. The power demands of today's multi-tasking devices are outstripping the ability of their batteries to deliver, resulting in more batteries failing earlier than expected. "Handsets with dead batteries don't use very much data or talk time. That's bad news for network operators looking to drive ARPU. Similarly, consumers are unlikely to pay a premium for features that they know will only drain their battery, which places downward pressure on handset selling prices for handset OEMs," commented IMS Research analyst, Chris Schreck. (*Mobile Europe magazine – Sep 29, 2009*)

proportion of wireless customers who use the retail store location and online channels to seek customer care." (*J.D. Power and Associates 2010 U.S. Wireless Customer Care Performance StudySM – Volume 2*).

The study also noted that the results indicate "customers are notably more satisfied when they resolve their issue by visiting a retail store than they are when they utilize other methods of contact." For retail operators, battery testing is a service that will solidify customer loyalty by resolving many common complaints on the spot while also keeping those customers in their store longer, increasing the likelihood of an impulse purchase of additional accessories or services. Battery testing also allows the retailer to avoid the uncomfortable situation of being forced to send their customer to a manufacturer's service center or technical support line.

Testing handset batteries in a retail store not only yields tremendous value by improving customer care, but also has the potential to increase revenue, and in many situations, significantly reduce operating costs.

Up to 90% of all batteries returned by cellular customers claiming they are "bad" are still useful. In many cases, these batteries are simply replaced and discarded at a significant cost. By using a simple 30 second test it is possible for the retailer to determine if there is a problem with the battery, the handset, (*or the user...*). Using such a test, the retail owner will save money by not replacing those batteries that are still good and can generate additional revenue by selling a new battery for those that are not. For companies responsible for servicing handsets or ensuring their return to a 3rd party service provider (3PSP), often at significant expense, the ability to identify bad batteries, and therefore not process the device, translates into savings that

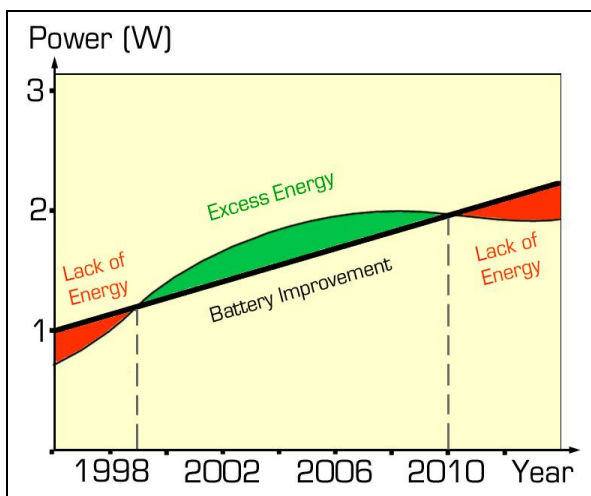


Figure 1: Battery Improvement vs. Device Demand

Secondly, customers are increasingly using retail stores as their primary channel to resolve service and equipment issues, driving store owners to seek the right tools to meet their demands. A study by JD Powers & Associates released in 2010 stated that "there have been substantial increases in the

can be surprising in magnitude for such a simple solution.

In a study of 10 corporate stores, one carrier saved approximately \$30,000 in one month by identifying nearly 2000 batteries that would have otherwise been replaced at its cost. Another carrier found that the biggest advantage to battery testing in the storefront was the ability to identify and replace bad batteries on the spot, thus saving the cost of “repairing” a perfectly good handset at its service facility - at a cost many times higher than the cost of a battery.

In addition to saving money, battery testing also has the potential to be a new source of revenue. One dealer that implemented battery testing was able to recoup its investment within two months by testing all of the batteries it had accumulated from customer returns and selling the good ones at a discount. Out of what was once a junkpile, this dealer was able to build up an inventory of batteries that could be sold or used to support an extended warranty program that included battery replacements.

It will soon be possible combine battery testing with other handset services such as data backup and transfer, firmware upgrades, and handset security protection in one system that provides retailers with a powerful set of tools to meet the demands of their customers.

Ultimately, implementing a battery testing system allows retail store owners the opportunity to create additional value and address the needs of an increasing number of consumers by providing a simple, valuable, and immediate diagnosis of handset battery problems.



Figure 2: Storefront Battery Tester



Cadex Electronics Inc.

22000 Fraserwood Way
Richmond, BC, Canada V6W 1J6
Tel: 604 231-7777; 800 565-5228; Fax: 604 231-7755

info@cadex.com www.cadex.com

Sprottaufer Strasse 12,
90475 Nürnberg, Germany
Tel: +49 (0) 911 2403 32-0; Fax: +49 (0) 911 2403 32-29