

Funambol Address Book Synchronization

Mobile phones have become an essential part of everyday life. More than 80% of people in the western world own a mobile, and in some countries, coverage exceeds 110%, as users have multiple devices. At the same time, mobile phones are evolving into highly capable Smartphones which store an ever increasing amount of personal data.

When devices are lost or stolen, it often results in the loss of data such as phone numbers. When migrating to a new phone, users must often manually reenter their contacts – a tedious and frustrating task. According to a study¹, a phone is stolen every 12 seconds, costing UK insurance companies \$734 million annually. While phones can be replaced, their data is often gone forever.

By using a service that synchronizes address book information, subscribers can easily migrate data from one device to another. And as people store their digital contact data in multiple places, a server based address book can unify their contacts and keep them all in sync. By integrating this into an online portal, operators can provide a new and valuable service to their subscribers.

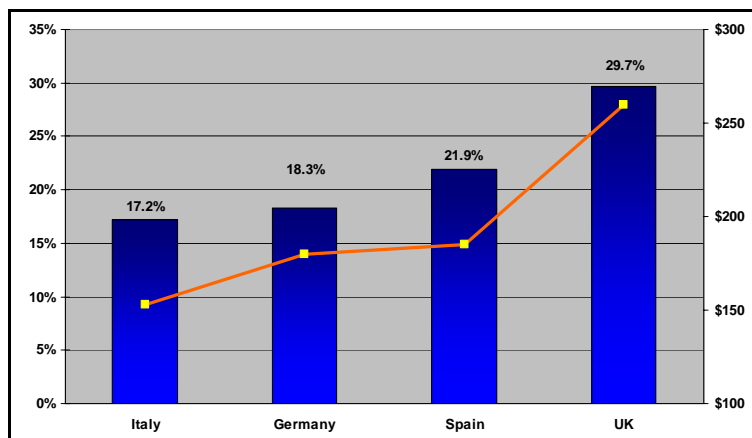
Address Book Synchronization – Consumer Benefits

- Access all personal contact data – anywhere, anytime
- Address and contact details are always up to date
- Information is unified and safely stored
- Manage using device of choice and operator portal

Why Operators Should Offer Address Book Synchronization

Subscriber churn was once the key metric by which mobile operators were judged. With new mobile data services and the pressure to demonstrate data revenue, churn has taken a backseat to ARPU. But churn has not disappeared, and churn levels in developed markets remain high.

The chart below shows Vodafone churn in 2005 ranging from 17% in Italy to 30% in the UK². It also shows the correlation between churn and subscriber acquisition cost (SAC) – the higher the churn, the greater the SAC. For example, in Italy, SAC was \$160 while in the UK it was \$260.



Mobile Operator Churn (%) and Subscriber Acquisition Cost (SAC – \$)



Operators in saturated mobile markets are experiencing revenue erosion for both voice and data as competition intensifies and data services are gradually adopted. While operators aggressively aim to grow ARPU, many struggle to maintain current levels.

To increase income, operators must do at least one of two things: (1) raise ARPU by increasing revenue from existing services or introducing new revenue-generating services; (2) introduce compelling services that discourage churn. Today, most operators concentrate on ARPU.

Despite this, operators may be better off reducing SAC through improved subscriber retention. But operators must realize that this goes beyond marketing gimmicks and cutthroat pricing. They need to look at compelling offerings which lock in subscribers and increase switching costs.

Address book synchronization is a compelling new service that accomplishes these objectives. It makes life easier for subscribers by allowing them to simply migrate their contacts to a new phone – something they can only do while getting service from their current operator.

Springboard for New Services

One of the today's hot topics is mobile email. Supported by most mobile phones, it is becoming an important revenue generator for operators. But users need email addresses on their mobiles that are usually only in their address books on the web or a PC. By synchronizing their address books, users can have email addresses on their mobiles as well as mobile contact phone numbers on the web and PC where they can be used for new services like VoIP.

Address Book Synchronization – Operator Benefits

- Increase loyalty – reduce churn and SAC
- Provide premium solution for all customers
- Add extra services that leverage contact info
- Drive data consumption and portal visits
- Stimulate use of email, VoIP and other apps

Funambol Address Book Synchronization and Push Email

Funambol enables operators to quickly deploy low cost address book synchronization. Funambol open source provides two major operator benefits. First, the availability of source code minimizes risk and provides ultimate flexibility and control, making integration, customization, localization and support easier than with proprietary solutions. Secondly, Funambol is the world's largest mobile open source project, with more than 1 million downloads by 10,000 developers and users in over 200 countries. This provides the world's greatest device compatibility, as the community constantly tests and enhances Funambol on mobile devices. Funambol is also the leading open source implementation of SyncML, enabling it to support the vast majority of mobile phones.

In addition, Funambol provides open source push email, for a natural upgrade path from address book synchronization. The result is a clear path to increased ARPU and lower churn and SAC. For more information, visit www.funambol.com or contact a Funambol sales representative.

References: (1) Halifax Home Insurance; (2) Bear Stearns.

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