



Bamboo Online

Executive Summary

Evaluation and Ratings for Twelve Online Mobile Device Trade-In/Buyback Programs

Created by **Bamboo Mobile**, a Division of **COMPASS INTELLIGENCE**
A GLOBAL CONSULTING & MARKET ANALYTICS COMPANY

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Reuse and Recycling

Bamboo Online: Ratings for 12 Device Trade-in/Buy Back Programs

- Carriers: AT&T, Cricket, Sprint, T-Mobile, US Cellular and Verizon
- Recommerce Vendors: Gazelle, MaxBack
- Retailers: Amazon, Best Buy
- OEMs: Apple, Samsung

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REUSE AND RECYCLING

INTRODUCTION AND OVERVIEW

Market Overview

- Over the last few years, carriers, retailers and others in the mobile industry have increased focus and resources on improving, updating or launching new mobile device trade-in programs.
- As resources increasingly grow scarce and devices more expensive, the mobile industry has taken on a more diligent attitude toward extending the overall device lifecycle, seeking to extract more from less. One way to do this is through device trade-in and recycling programs.
- This report helps to shed light on 12 online trade-in programs and offers ratings for each program.

In the US market, only about 21% of customers do any type of mobile phone recycling. We estimate about 44M devices were recycled in 2012.

Eight of the twelve programs analyzed in the report are either new or have been updated in the last three years.

These programs and their success are an integral part of a strategy to extend the device lifecycle and make recycling a common practice.

Definitions for the Report

Carrier— A mobile network operator or wireless provider, these companies own and operate networks and bill the customer for services either upfront or monthly.

Device Buy back—Process in which a customer sells back a device that has monetary value. Buy backs are done via carriers, recommerce vendors and retailers. Payouts vary.

OEM—Original Equipment Manufacturers are the mobile handset and device makers, like Samsung and Apple, that sell devices either to the carrier, retailer or directly to end users.

Device Trade-ins—Process where a customer upgrades to a new device and the carrier or retailer buys the old device back. Usually with a retailer or carrier. Payouts vary.

Recommerce Vendor—Companies whose core business is to acquire and resell used goods including electronics, phones, etc. usually online.

Device Trade-up—Process where a customer buys a new device and later sends the old device in for a rebate w/ proof of purchase. These are usually done with OEMs. Payouts often include prepaid Visa cards.

Retailer—Companies that sell phones and services either online or through brick and mortar store. In the mobile space these include Amazon, Wal-Mart, Best Buy, etc.

Recycling—Often reserved for those devices that do not have value, cell phone recycling programs collect idle and end of life devices and ensures they are recycled properly.

REUSE AND RECYCLING

COMPANIES/PROGRAMS

12 Online Programs were Identified

| Company Name/Online Program | Company Type | Year Started/Updated | IT/Recycling Vendor |
|-----------------------------|--------------|----------------------|---------------------|
| AT&T Trade-In | Carrier | Updated in 2012 | FlipSwap Services |
| Cricket Trade-Up | Carrier | 2012 | Clover Wireless |
| Sprint Buyback | Carrier | 2003 | TMNG |
| T-Mobile Device Recovery | Carrier | 2012 | CWork |
| Verizon Trade-In | Carrier | 2010 | Unknown |
| US Cellular Trade-In | Carrier | 2011 | CExchange |
| Amazon Trade-In | Retailer | 2011 | NorAm International |
| Best Buy | Retailer | 2011 | Dealtree; MPC* |
| Gazelle | Recommerce | 2006 | NA |
| MaxBack | Recommerce | 2010 | NA |
| Apple Reuse & Recycling | OEM | 2011 | PowerON |
| Samsung Upgrade | OEM | 2012 | Clover Wireless |

- Bamboo Mobile identified 12 companies who offer an online option to either buy back or recycle a wireless device.
- Of the 12, six are carriers; two are OEMs; two are retailers and two are recommerce vendors.

Notes: *MPC is Materials Processing Center; MaxBack parent company is Environmental Reclamation Services

Evaluations were Based on Defined Criteria

| Program Requirements | Type of Incentives | Trade-in Process |
|---|------------------------|--|
| # of devices allowed to trade in | Carrier gift card | Free shipping |
| Amount paid | Cash/Check | Free packaging |
| Types of devices | Visa gift card | Insurance and Tracking |
| Required to be a current customer to participate? (Carriers only) | 90 day gift card | # of days allowed to send in device once trade in quote accepted |
| Required to provide current phone number | PayPal credit | # of days for incentive to arrive after device received |
| Required to create account and provide additional info to participate | Credit on bill | Notification of Devices Received |
| Required to provide ID or device IMEI/ESN/Serial # | Retail store gift card | Available in Spanish |
| | Charity option | Are devices returned if T&Cs are not met? |

The ratings were based on research from:

1. Buyback and trade in testing.
2. Terms and Conditions (T&Cs) comparisons.
3. Other secondary sources.
4. Expert analysis.
5. Vendor briefings.

Bamboo Rating System

| Ratings | Definition |
|--|--|
|  | Poor: This PandA rating describes a program in need of an overhaul. Device sell back options are low; incentives are poor; too many requirements. Could not access online site, etc. Cons outweigh the pros. |
|  | Average: The 2 PandA rating describes a program that has one or two highlights but is not a leader in the industry. Two rating means a major key point is missing from the program or has too many limitations. |
|  | Good: This 3 PandA rating signifies companies on the right track (lots of device options, good incentives, high ease of use) but could use some fine tuning. Pros outweigh the cons. |
|  | Excellent: The highest PandA rating that defines a program that hits on all cylinders; however, no company in our study has reached this level. |

Note: **PandA** stands for Perception and Analysis

About Bamboo

In real life application, bamboo is renewable, biodegradable and supports local economies. In Chinese culture, bamboo is revered and considered a symbol of longevity and good luck.

- At Bamboo Mobile, we are building a strong foundation for those companies in the mobile industry that seek insights and information focused on eco-friendly efforts in the industry.
 - Device reuse and recycling, green packaging and devices with the goal of aiding the industry in creating a stronger and more resourceful mobile world are a few examples of our key topic focus.
- At Bamboo we strive to:
 - Provide insights that enable companies to achieve their eco-centered goals.
 - Research and analyze topics associated with green mobility issues.
 - Offer an advertising and vendor education platform via our platform.
- For more information, please contact Kate Pearce at kpearce@compassintelligence or at 913.219.6477
- Or Visit Bamboo Mobile at www.bamboo-mobile.com

About Compass Intelligence

- Founded in June of 2005, Compass Intelligence - A decision analytics research and consulting firm - redefines market intelligence and consulting.
- Founders: Kneko Burney and Stephanie Atkinson have more than two decades of experience guiding business decisions using in-depth segmentation research that leverages creative, unique, and dependable methodologies.
- Our services include strategy acceleration, consulting and ideation services, market segmentation, market research/intelligence, and competitive analysis in the telecom, mobile, IT, M2M, and network markets.
- Our focus is to provide individual decision analytics to clients while simplifying the research procurement process. Compass Intelligence became a certified Woman-owned business in December of 2009.
 - Coverage of multiple Geographies, specializing in U.S.
 - Research Segmentation: 10+ vertical markets/industries & 5 sizes of business (SOHO, Small, Mid-Sized, SMB, Enterprise)
 - Intelligence: market forecasts, trends and insights, announcement analysis
 - Services range from strategic consulting to end-user/decision-maker survey services to in-depth market analysis
- To find out more, please visit our site at www.compassintelligence.com