



IF GIFTS

Industry Outlook:

**Telco market
performance in an
economic downturn**

October 2022



Key trends within the telco market

1. Strong telco market resilience and YoY performance

2. Channel mix continues to shift towards digital

3. Customers are more considered in their purchase behaviour

4. Customers are moving away from smartphone sales and into sim only plans

5. Economic pressures within retail and call centres are driving a need for solutions that will reduce costs and drive performance

1. Telco market resilience and strong YoY performance



The telco market is proving resilient, with our partners seeing **strong growth** in traffic and sales YoY



Traffic



Sales

UK



Traffic



Sales

US



**2. There is a
continued shift
towards digital
channels**



The digital channel mix is growing YoY, with the UK ahead of other markets in this trend

Source: US Dept. for Commerce May 22 Q1 Report, UK Statista Retail trade e-commerce share

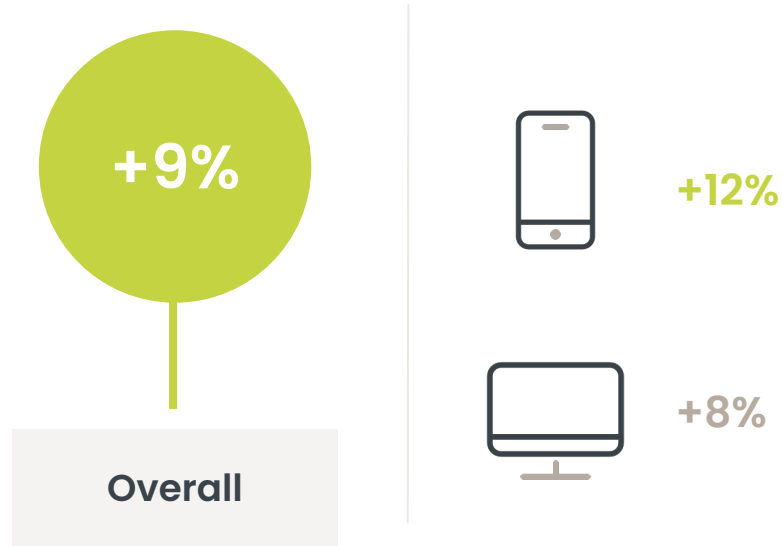


3. Customers are becoming more considered in their purchase behaviour



Current market dynamics are driving an increase in the % of consumers shopping around to find the best deal

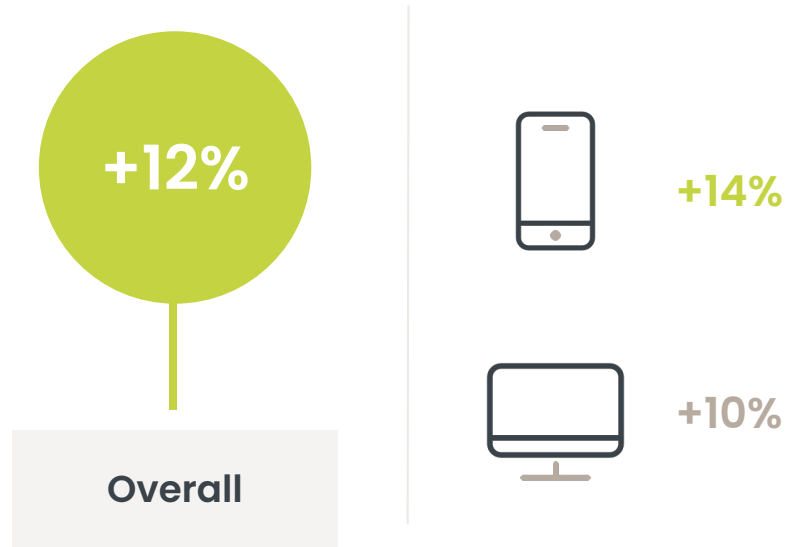
% of users self identifying as prospects within the 15gifts engine.
May-July 2022 YoY



Customers are now more likely to need assistance in finding a handset, as they look for cheaper alternatives

The diagram shows the % of 15gift engine users looking to buy a handset, who select that they need help in choosing their handset

May-July 2022 YoY



With customers becoming more considered, our partners are seeing a higher volume of users opening the 15gifts guided selling engine

May-July 2022 YoY



UK

+5%

May-July 2022

US

+20%

May-July 2022

Customers opening the engine

**4. Emerging trends
are moving away
from smartphone
sales and into sim
only plans**





The current market dynamics are driving **three emerging trends** within MNOs



+49% more customers are looking for a SIM only plan



Smartphone sales are declining **-10%** YoY as of May 22*



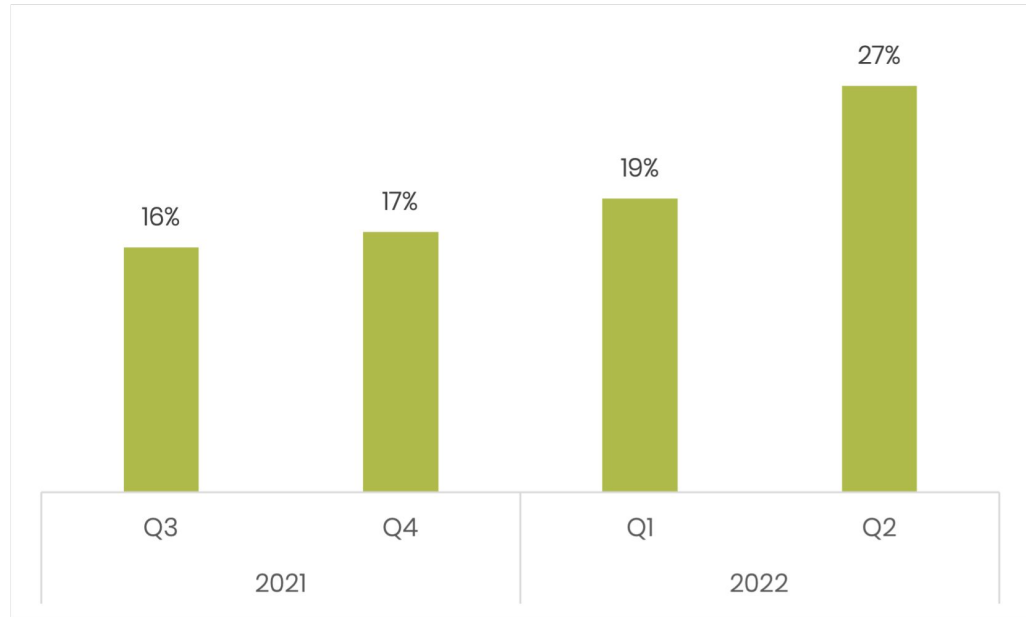
Customers aren't willing to compromise on their plan, with **-16%** fewer customers looking for <10GB, and **+11%** more looking for unlimited plans

May-July 2022 YoY

*<https://www.counterpointresearch.com/global-smartphone-sales-fall-100mn-units-may/>



The trend away from handsets and towards Sim Only accelerated in Q2 2022, likely due to the cost of living crisis.



% of SIMO/PAYM customers responding Sim Only when asked what they're looking for

5. Economic pressures are driving a need for technology within retail and call centres to reduce cost and drive performance





Case study: Call centre solution

15gifts was approached by a major UK telco provider to trial the use of the guided selling engine within their call centres to assist agents. The trial was run across two call centre locations, with 50% of agents given access to the engine and 50% acting as a control group.

The call centre trial recorded a significant increase in the number of sales generated from agents each day due to call time reduction and conversion uplift. In addition, we saw a significant uplift in overall call quality.



13%

Uplift in call to sale conversion



1.47mins

Average reduction in AHT
- a 12% reduction vs control



39.6%

Uplift in sales per agent per day