

# Billions of used smartphones set to enter the market

5G smartphone upgrades could see nearly a billion used devices enter the market across the globe in 2020. This is according to results of a global consumer research study examining consumer sentiment towards 5G smartphone upgrades and preparedness for trading in used mobile devices.

The study by Blancco Technology Group, the industry-standard in data erasure and mobile device diagnostics, titled '5G Smartphone Upgrades and the Secondary Device Deluge' found that 68% of the 5,000 global consumers surveyed would be willing to trade-in their used device at the point of 5G upgrade.

However, it also states that the collection of 810 million devices will be difficult as a result of the relative infancy of the secondary device market globally. Even if half this number is collected, it will still represent nearly double the number of used devices for resale in 2019.

Xperien IT Asset Disposal (ITAD) expert, Bridgette Vermaak says according to IDC there were 206.7 million used devices for resale last year and this market is set to be worth \$67bn in 2023.



Bridgette Vermaak

"This is fantastic news for OEMs, mobile operators and third-party logistics providers (3PLs). They stand to gain enormous additional revenue by unlocking the hidden value in these used smartphones."

According to the study, 54% of US consumers would be willing to trade-in their used device at the point of 5G upgrade and 62% of consumers wanted assurances over the secure management of their data before handing over their old device. More than 75% of global consumers were at least somewhat concerned that data stored on their old device might be compromised after trade-in.

"When replacing or disposing of any IT asset, it is necessary for the company to guarantee that the data stored on the asset is destroyed according to industry standards and government regulations. Companies need to protect their information as data breaches could result in huge losses," she warns.

Vermaak says the increased usage of new electronic devices with a decreasing lifecycle is driving the need for ITAD services worldwide.

"Xperien offers various solutions to combat this problem. Moving away from the traditional linear economy, we now support a more circular economy by keeping precious resources in use for as long as possible instead of disposing of them at an early stage."

The momentum being built by the secondary device market across the globe shows no signs of slowing down. The availability of 5G in 2020 is going to significantly increase the number of used devices returning to operators and OEMs through buy-back and trade-in programs.

"The global momentum being built by the secondary device market shows no signs of slowing down," says Russ Ernst, executive vice-president of products and technology at Blancco.

"The widespread global availability of 5G in 2020 is going to significantly increase the number of used devices coming back to operators and OEMs through buy-back and trade-in programs."

"Secondary market stakeholders must be ready to deliver an excellent customer experience, and that means securely and efficiently processing devices through various customer touchpoints and processes-from the retail store and back through to the reverse supply chain," he adds.

Ernst says it is clear, therefore, that most consumers engaging in the secondary device market in 2020 will be doing so for the first time. "It is critical that the operators, OEMs and 3PLs provide the best possible experience by offering customers the maximum amount of money back for their devices, thereby maximizing their chances of repeat business."

"To do this, they must consolidate existing procedures and improve visibility of every stage of the mobile device journey, while committing to data security and erasure best practices and trustworthy diagnostic, grading and valuation solutions," he adds.

Many business owners no longer have control over the devices that are accessing their networks and more importantly, who is accessing confidential information. They must secure their data, both internally and externally, to ensure their data is not compromised or that they fall prey to a data breach.

In most businesses, staff has access to information that they shouldn't have and this makes them vulnerable to data breaches, especially with cybercrime on the rise and companies of all sizes being targeted.

"Few businesses realise the risks associated with data that resides on personal devices like smartphones, it could result in

a data breach. They also don't understand that it's possible to recover the data from damaged hard drives, broken phones, credit card machines and even memory cards," Vermaak concludes.

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