

Hi Elisse,

Here is my report for Client Company X regarding whether they should introduce handset leasing. I recommend proceeding with an introduction to handset leasing because this plan is worth billions in upcoming years.

Below are the reasons why I recommend this move:

Improvement in Operations:

- Our hypothesis says it will help in making real value on platforms and optimizing the network that may come to differentiate us as data usage ramps up.
- Smoothness in inventory management and storage infrastructure as there will be a great proportion of customer interaction coming through self-service.
- Call center interactions are also likely to fall with the fall of handset-related queries.

Attraction to customers:

- Low costs have to be paid by them while taking the handset, and very affordable monthly installments have to be paid along with additional network services.
- They get a chance to upgrade their phone after a year or two and will be always keeping up with the latest technology in smartphones.

Good revenues along with the increase in customer retention:

- Our Analysis shows revenues will increase from pre-paid subscribers, and leasing with contracts will help us to retain them without offering heavy discounts.
- This can also help us improve Earnings Before Interest, Taxes, Depreciation, and Amortization i.e. EBITDA up to 10%, and Customer Lifetime Values i.e. CLV by 10 to 20 percent.

Lastly, we can also manage the replaced smartphones by renting them again or selling them in secondary markets.

In Conclusion to the above points, we can say that there would be a high chance of an Increase in revenues along with an increase in customer loyalty with Company X.

Sources:

1. Handset Leasing — The new savior for telco's! By Rutuj Dodal.
2. Why Sprint Is Focusing on Handset Leasing to Accelerate Growth (marketrealist.com).
3. Handset Leasing and Telecommunication Sector and Operators By Adil Malal.

