

#Task 4 -

Understanding Consumer Needs

Sub-Task 1:

Evaluation of Attractiveness:

- 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 which will always keep them motivated to **use the latest technology** in smartphones.

Criteria for Customers to go for it:

- Most **economical offers**, where they get good handsets at good prices, as the lowest price in the market always referred to as an average service product. *(which can cost a high attrition rate after the completion of contracts and high losses after a year or two).*
- Most customers will keep an eye on the **upgrade fee** they will be going to pay year by year to upgrade their devices.

Most Attracting Data Points:

- **Zero upfront cost** paid by customers, which is getting a handset with paying right away is going to be the most attractive point for customers.
- A **low upgrade fee** year by year will attract them to continue the contract, where they will not lose as much money as they lose after buying premium handsets by themselves after a year or two.

Sub-Task 2:

Evaluation Matrix:

- Leasing handsets always require an **insurance policy**, which has another potential of making this business huge, as most people take care of premium phones when they use them, where it doesn't matter when they have to pay, as there are 92% of people who never buy insurances for handsets, have never entered this insurance market.

- Low Upfront Cost in handset leasing is one of the major evaluation matrices, as 60% of people do not buy costly handsets because of very high upfront costs, and 46% of people do not like to pay \$500 upfront cost where small monthly installments will push them to have a premium handset.

Sub-Task 3:

Three segments of the upgrade contract can help us capture up to 80% of the audience looking to lease a handset from Company X, 74% of the audience looks to upgrade handsets in 12 or 24 months, whereas people below 30 are looking for 12 months segment where market capture can go up to 63% according to the survey. Apart from these two segments, 18 months i.e. year and a half can capture the confusing market, as 6 more months are enough for changing technology in smartphones.