Hello Elisse,

Here is my report for our client company: Company X, on Market research on Handset leasing. Contains

* Situations,
* Complications,
* Questions Around Complications,
* And Strategies to solve the questions.

# Introduction To the Market of Handset Leasing:

Handset leasing has been introduced in several markets around the world, including:

* **United States:**

Handset leasing was first introduced in the United States by T-Mobile in 2013. The company's Jump! the program allowed customers to lease a new phone yearly for a monthly fee. Other carriers, such as AT&T and Verizon, have since launched similar programs.

* **Canada:**

Handset leasing was first introduced in Canada by Rogers in 2014. The company's EasyPay program allows customers to lease a new phone every two years for a monthly fee. Other carriers, such as Bell and Telus, have since launched similar programs.

* **United Kingdom:**

Handset leasing was first introduced in the United Kingdom by EE in 2015. The company's Pay As You Go plan allows customers to lease a new phone yearly for a monthly fee. Other carriers, such as O2 and Vodafone, have since launched similar programs.

* **Australia:**

Handset leasing was first introduced in Australia by Optus in 2016. The company's Flexi plan allows customers to lease a new phone yearly for a monthly fee. Other carriers, such as Telstra and Vodafone, have since launched similar programs.

Handset leasing is *becoming increasingly popular* in these and other markets. There are several reasons for this, including:

* **Flexibility:**

Handset leasing allows customers to upgrade their phones whenever they want. This contrasts traditional contracts, which typically lock customers into a two-year agreement.

* **Convenience:**

Handset leasing is a convenient way to get a new phone. Customers can simply sign up for a plan and use their new phone immediately.

# Situation:

Company X is a local Telecommunications Company which is facing loss.

The hypothesis is given that due to Handset Leasing, the company is suffering loss.

# Complications, Questions Around Complications, And Strategy/Solution of Questions

## 1)

* **Complication: High Cost**

Handset leasing can be expensive, especially over time. Customers may end up paying more for a leased phone than they would have if they had bought it outright.

* **Question**

How does handset leasing compare to other financing options, such as buying a phone outright or taking out a loan?

* **Strategy or Solution**

Offering competitive prices and Providing flexible payment options.

## 2)

* **Complication: Early termination fees**

Customers may be required to pay early termination fees if they cancel their lease early. These fees can be expensive, so it's important to make sure you're committed to the lease before you sign up.

* **Question**

What are the early termination fees for handset leasing plans, and are they demotivating customers to go for Handset leasing?

* **Strategy or Solution**

Read the fine print carefully to understand the early termination fees and damage and loss policy for any handset leasing plan you are considering. Educating customers about the benefits of handset leasing.

# Why Sprint is focusing on handset leasing:

## Promotional Opportunities:

Sprint launched a two-for-one handset leasing promotion to leverage Samsung's latest flagship phone. This promotional offer aimed to attract customers by allowing them to lease two devices for a discounted monthly price.

## High Take Rate:

Sprint experienced a significant take rate of leasing plans, reaching around 43% in fiscal 3Q16. This indicates that many customers were interested in leasing their devices rather than purchasing them outright.

## Monetizing Assets:

Sprint's CFO, Tarek Robbiati, mentioned that handset leasing allows Sprint to monetize assets multiple times over their life. After customers return leased devices, Sprint can choose to sell or recycle them, giving them a second life in the market.

## Flexibility and Technology Upgrades:

Sprint promotes handset leasing as a way for customers to benefit from always having the latest and greatest technology. Leasing plans allow customers to upgrade to a new device after a certain period, such as 12 lease payments, under programs like Sprint's Galaxy Forever plan.

# Sources:

1. [Handset Leasing and Telecommunication Sector and Operators](https://www.researchgate.net/publication/344482743_Handset_Leasing_and_Telecommunication_Sector_and_Operators#:~:text=Handset%20Leasing%20and%20Telecommunication%20Sector%20and%20Operators,-August%202020&text=leasing%20has%20been%20successfully%20launched,US%2C%20and%20Australia.&text=to%20minimize%20their%20net%20losses%20of%20revenue%20and%20shareholder%20value.)
2. [Blog: Are smartphone rentals value for money?](https://www.mobileworldlive.com/devices/blogs-devices/blogs-handset-rentals-offer-surprising-value/)
3. [Why Sprint Is Focusing on Handset Leasing to Accelerate Growth](https://marketrealist.com/2017/04/why-sprint-is-focusing-on-handset-leasing-to-accelerate-growth/)

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