Hello Elisse,

Here is my report for our client companies regarding whether or not they should start this business model, handset leasing (renting new mobile phones for a monthly fee). My recommendation is that they should proceed with renting new mobile phones because it can be a profitable business and it is a need of the customers who cannot afford the high priced mobile phones

Below are the reasons why I recommend this move:

**Market Perspective:**

* A new and upgraded versions of mobile phones being introduced every year and customers want to change their old devices.
* There will be a demand of RMI or renting services until new devices being introduced.
* A great opportunity to give the services and growth in revenue when demands are high in mobile phones as it leads to high in handset leasing as well.

**Changing customer preferences**

* Our research showed that our customers are changing their phone in every six months.
* Mobile industry is growing day by day by acquiring latest technology and adding more features in their phone and sales have gone up because of leasing option as compared to retail sales or normal sales.
* Renting option allows subscribers to upgrade and keep up with the latest device, at a lower cost with flexibility.
* Some macro trends affect the decision of customer. For example, Information Technology, Social media and IOT or Internet of things
* Additionally, offer option of owning the product by paying a certain sum, post the lease period.

**Competitors have introduced similar products and done well**

* Handset leasing service seen amongst our competitors in the market.
* I found that some competitors providing this service and mainly in headset leasing. The competitors are leasing companies from small level to large level market.
* Leasing Companies has seen significant uptake in the past 5 years in this business when there was a trend of Smartphones.
* Further research showed that the competitors keep stay ahead in the competition by adopting strategies like knowing the customers’ needs, update and expand the offers, target new market, marketing promotions in various channels and platforms.

**Profit of the business**

* The most common benefit including the potential revenue increase from allowing low ARPU prepaid subscribers to use high ARPU equipment services that they can’t afford.
* There is a maintenance savings and increased expenditure from subscribers because they are able to move the latest equipment and service.
* Other potential revenue from financing charges such as interest.

In conclusion, looking at the recommended reasons my hypothesis is that this should be a profitable business to venture into and considering the long-term it will be a demand business model until the mobiles companies manufacture featured smartphones.

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