The handset leasing market can have recapture its financial position. The team of X company need to explore the idea of handset leasing.

It has a high anticipated future for the handset leasing market and small telecom operator have got the related success. Various small venture company and phone company has joined into this market, but not form monopolistic market.

* The potential market size of handset leasing in China is huge, and the market penetration rate sees a long-term increase.
* Compared with the developed handset leasing market such as America, Britain, Australia (22%, 31.1%, 40%), the market penetration rate of China is relatively lower, at 4%.
* The increasing rate of 2014-2015 is 25.55%, much higher than the average value.
* The annual production of phone in China will be stable between 400 – 500 million units, and about 1 billion units of used mobile phones were deposited. The annual turnover is 100-billion-level, at$136.45 billion.
* The global smartphone refresh rate is 2.7 years in average in 2017 and see a small increase. The main reason is falling demand in china. The smartphone market is becoming stable instead of huge bonus in the previous years. Only focusing on the handset sales can’t satisfied the increment of profits.
* The social acceptance is high, so quick layout is possible. There are only a few players in the mobile rental market segment, and it has not yet formed a monopoly.
* The concept of shared economic has deeply penetrated in recent years.
* Several small entrepreneurial firms such as Lezu, Shenzhouzu, Zubaijie are financing to develop the handset leasing market and still at A-round or before.
* Handset suppliers such as iphone, Huawei and Samsung are publishing new service on handset changing and rental. The revenue of handset leasing accounts for 10% of the whole revenue of iphone in American market.
* The telecom company in America, Sprint and T-Mobile US has launch services about handset leasing, such as ‘JUMP! ON Demand’.
* The strong credit of telecom company in China can secure the market share when launching the service of handset leasing.
* 5G network development will speed up the change of mobile device, providing an extra huge market for headset leasing.
* The average 5G speed is 20.5 times faster than 4G, and smart phones are the first products in the scale development of 5G terminals, and the demand of consumers to replace them is expected to exceed expectations.
* The price of 5G package will increase. If the telecom company bundle phone leasing plans with lower-priced sim only mobile plans, it will attract more customers.
* Competition from OTT business and MVNOs is forcing the hand of incumbents.
* Lower priced SIM-Only plans have been introduced by ‘mobile virtual network operators’ (MVNOs) and gained massive popularity amongst consumers.
* Driven by OTT, global carrier voice revenue (both fixed and mobile) will decline at a compound annual growth rate of 2.4% from 2012 to 2020, from $970.4 billion in 2012 to $799.6 billion in 2020.

Thus, the company X should enter the handset market. This market can create profits that can offset the decline of the profit in its basic service. With the construction of 5G, it can easily see a wave of purchasing and leasing new phones.

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