Hello Ellise,

Here is my report for our client company: X regarding whether the team should explore the idea of handset leasing further for the client or not. My recommendation is that the team should explore this idea of handset leasing because introducing mobile handset leasing can help in increasing the annual growth of the company by around 6-7%.

Below are the reasons why I recommend this move:

**Changing customer preferences**

* Consumers no longer want to be committed to their mobile devices for a long duration as new phone models get released with improved features as frequently as once a year and customers want to go with the pace of Technology.
* Offering handset leasing plans reduces the net loss to as low as 5% per customer
* On looking at the growth comparison of two companies, company A, which has introduced handset leasing and company B, which hasn’t. We got to know that the annual average growth rate of A was 6.44% and that of B was 1.27%.

**Competitors have introduced this idea and done well**

* Handset Leasing has been successfully launched in many developed markets, including Singapore, US, and Australia.
* The inevitable migration to 5G network has made the necessity to acquire a costly new 5G compatible phone unaffordable for general consumers, as a result the handset leasing solution is making all smartphones widely affordable.
* The implementation of handset leasing mobile plan has positive financial impact on telecommunication companies.

**Overall Benefits:**

* Offering handset leasing to SIM-Only customers is estimated to reduce net losses in revenue

from 54% to just 5%.

* The present profit is making all types of smartphones regardless of their prices affordable for the consumer as well as being equipped with the latest devices.

In conclusion, looking at the above points, our hypothesis is that the team should explore the idea and it would surely be a profitable business to venture into.

**Sources:**

* <https://www.researchgate.net/publication/341655539_Handset_Leasing_and_Telecommunication_Operators_From_Implementing_to_saving_an_Entire_Industry>
* <https://www.fiercewireless.com/wireless/sprint-doubles-down-handset-leasing-new-program-for-lower-end-phones>