**BCG Task 3 - Telco Core Strategy**

**Task1 :**

* Comparing telco plans provided by company New and existing for a customer using anyone of the plans for 2-year tenure. We can see the below calculation:

Total expense incurred by customer at the end of 2 year:

**Existing Plan:**

Monthly lease installment cost = $0

Monthly phone plan cost = $95

Upfront cost = $100

So, total expense of customer after 2 year = 95\*24 + 100

= $ 2380

**SIM Only + Lease Plan:**

Monthly lease installment cost = $59

Monthly phone plan cost = $25

Upfront cost = $0

So, total expense of customer after 2 year = 59\*24 + 25\*24

= $ 2016

So, New plan is not costing much compared to existing plan.

* Around 92% of the customer did not prefer buying insurance. In leasing plan customer is providing by default “Basic Cover” as part of insurance.
* 63% of customer are below age of 30 yrs prefer to upgrade Mobile with 12 month. Hence keeping upgrade money of $300 will increase overall cost.

**Task2 :**

* 63% of the customer having age below 30 were keen to lease handset. So, we can focus on this customer segment which frequently upgrade within 12 months.
* Durability of mobile phones should be good compared , as 38% of the customer had to replace the mobile phones due to damage.

**Task 3:**

* We can provide ‘Unlimited’ SMS service ,customer who are already using smartphone will prefer to use online communication platform (Whatsapp etc) more than compared to SMS. Hence, though we providing the SMS services to the customers for the customer satisfaction but we know they won’t be using it.
* Also, as we are providing only Basic cover in insurance section. So, apart from that we can keep charges minimal amount as Security deposit in case of any theft of leased mobile.