**Subject:** Research on Handset Leasing Markets and Revenue Impacts

Hi Elisse,

I have reviewed several reports on handset leasing in various markets. Below is a summary of the key findings, structured for clarity.

**Changing Customer Preferences**

* Increasing demand for flexible payment options and frequent device upgrades.
* Handset leasing programs, like those implemented by Sprint and Globe Telecom, address these preferences by reducing upfront costs and allowing regular upgrades.
* Consumers prefer avoiding long-term ownership while keeping up with the latest technology

**Competitor Success with Similar Products**

* Competitors like Sprint (U.S.) and Globe Telecom (Philippines) have successfully introduced handset leasing models.
* Sprint saw increased customer acquisition and retention, while Globe differentiated itself by bundling leasing with content services (e.g., Netflix and Spotify), enhancing market share​.
* These leasing models helped telecom companies stay competitive by appealing to customers looking for flexible device ownership options.

**Small Increase in Costs**

* easing programs come with operational costs, such as managing device returns and refurbishments.
* However, companies like Sprint have effectively managed these costs by partnering for device refurbishment and extending handset lifecycles​.
* While costs rise slightly, the leasing model delivers long-term benefits, including higher customer retention, recurring revenue, and increased data usage.

Handset leasing is a viable business model, particularly given changing customer preferences and competitor success.The slight increase in operational costs is outweighed by the benefits, making this an attractive opportunity to explore further.

Regards

Sources

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