

Business Proposal

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PhoneFlex

Elevate Your Phone Experience,
On Your Terms



Executive summary

Introducing our Handset Leasing Program: affordable plans for customers to access the latest smartphones, driving profitability and enhancing loyalty

Problem

The substantial upfront cost of purchasing a mobile phone acts as a significant barrier for customer onboarding.

ADVANTAGES

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REDUCED CAPITAL EXPENDITURE



Leasing shifts the burden of handset inventory investment to customers, freeing up company resources and improving cash flow.

INCREASED REVENUE STREAMS



By offering leasing plans, the company can generate additional revenue through monthly leasing fees, data plans & device protection plans.

INCREASED CUSTOMER RETENTION



The Handset Leasing Program will enhance customer satisfaction and loyalty, reducing churn rates and increasing the lifetime value of customers

BENEFITS FOR CUSTOMERS

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FREQUENT PHONE UPGRADES



Change phones and stay up-to-date with technology without upfront costs or impacting mobile plans.

COST FLEXIBILITY



Lower monthly fees instead of high upfront costs will allow customers to be more flexible and enable them to purchase high end phones

SUSTAINABLE APPROACH



Reduced hassle of reselling or disposing of used phones. The handsets can be traded in for newer and better models.

TARGET MARKET

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CRITERIA	BELOW 30	ABOVE 30
Upgrade Frequency	High	Low
Upfront Cost Prefence	High	High
Trade-In Behaviour	High	Moderate
Insurance Purchase Behaviour	Moderate	Moderate
Sustainability Practices	High	Moderate

Based on the matrix, the target segment that seems most favorable for handset leasing plans would be customers below the age of 30, who prefer frequent upgrades, have a high preference for upfront cost, and consider upfront cost as an important factor when buying a phone and also exhibit a high trade-in behaviour. These customers are likely to value the flexibility, affordability, and device upgrade options provided by handset leasing plans.

MONTHLY PAYMENT

The monthly payment amount is a significant factor customers consider when assessing leasing plans. They compare the cost of leasing a handset with the cost of purchasing one outright or through other financing options.

UPGRADE OPTIONS

Customers look for flexibility in upgrading their handsets. They assess how frequently they can upgrade, whether there are any additional costs associated with upgrading, and what conditions or requirements need to be met for an upgrade.

TRADE-IN PROGRAM

A trade-in program enables customers to exchange their current handset for a new one when upgrading. Customers evaluate the trade-in value offered and the convenience of the trade-in process.

TOTAL COST OF OWNERSHIP

Customers assess the overall cost of the leasing plan over the entire contract period, including any upfront fees, monthly payments, and additional charges. They compare this cost with the value they perceive in having access to the latest handsets.

CONTRACT LENGTH

The length of the leasing contract is an important consideration. Customers prefer plans with shorter contract terms as it allows them to upgrade or switch plans more frequently.

DEVICE SELECTION

The availability and variety of handset options are crucial. Customers seek leasing plans that offer a range of popular and high-quality devices to choose from.

NETWORK COVERAGE AND PERFORMANCE

The reputation of the telco company's network coverage and performance may also influence the evaluation of the leasing plan. Customers prioritize plans offered by telcos with a reliable network and good service quality.

INSURANCE AND PROTECTION

Some customers may evaluate whether the leasing plan includes insurance or protection against loss, theft, or damage to the handset.

CUSTOMER SUPPORT

The quality of customer support and service provided by the telco company is considered. Customers value responsive and helpful support in case of any issues or concerns during the leasing period.



FINANCIAL RISK

Potential revenue loss if customers default on lease payments or fail to return leased phones. This can impact cash flow and profitability.



ASSET DEPRECIATION

Leased phones are considered assets on the telco's balance sheet. Over time, the value of these assets may depreciate due to technological advancements or wear and tear.



OPERATIONAL CHALLENGES

Implementing and managing a handset leasing program requires significant operational infrastructure and capabilities. Company must handle logistics, inventory management, repairs, and device maintenance, which can pose challenges and increase operational costs.

Risks

FINANCIAL RISK

Implement a thorough credit assessment process to evaluate the creditworthiness of customers before approving handset leases. This can include analyzing credit scores, payment history, and financial stability to minimize the risk of default.

ASSET DEPRECIATION

Regularly assess and adjust asset depreciation estimates to reflect market conditions and technological advancements.

OPERATIONAL CHALLENGES

There are many AI based tools and platforms available which give real time monitoring for logistics and maintenance.

Leveraging such tools might increase the CAPEX, but would significantly reduce the OPEX.

Mitigation Plan

Thank You