

## Emerging Markets Focus of Mobile World Congress: Financing May Accelerate Growth of First-time Mobile Handset Buyers

FOR IMMEDIATE RELEASE

Palo Alto, CA (PRWEB) February 20, 2008 -- Mobile industry executives at last week's Mobile World Congress agreed that the key to expanding mobile adoption will be to offer lower-cost handsets to low-income buyers in emerging markets. However, a recent report by Vital Wave -- Strategies to Accelerate Handset Financing -- points out that corporations can address affordability and maintain margins by ensuring access to financing for handsets.

The key to accelerating sales to near-term handset buyers is tapping into existing financing mechanisms, according to Karen Coppock, vice president of consulting services at Vital Wave. "Low cost is very different than affordable," says Coppock. "Consumers who may not be able to afford even low-cost phones can purchase handsets when financing options are available. In addition, appropriate financing mechanisms may speed the adoption of more expensive, feature-rich handsets in developing countries."

Vital Wave, a global market research and consulting firm with an emphasis in emerging markets and information and communication technology, says the near-term growth market for handset purchases is found in the 1.5 million individuals living on more than \$1 per day but do not yet have a cell phone. These potential buyers are extremely price-sensitive and geographically dispersed, but research shows they are willing and able to purchase a mobile phone, spending a large percentage of their income, if the right business models are in place to accommodate their cash flow limitations.

"Many formal and informal financing programs already exist in developing countries," says Coppock, "but access by low-income individuals for the purchase of a mobile phone is extremely limited. With appropriate marketing and partnership strategies, handset manufacturers and mobile operators could facilitate first-time handset purchases through financing."

Coppock points out that access to financial services is only part of the solution. The mobile industry must also make issuing (and assuming) debt for the purchase of mobile phone more palatable by stressing the utility and income-generating capacity of a handset. "Many of these consumers perceive mobile phones as luxuries. They would be more willing to get financing, and lenders more willing to issue debt for a handset if they understand that the device will make it feasible to repay the debt."

Vital Wave's report, Strategies to Accelerate Handset Financing, provides the size, location, and characteristics of the near-term market for mobile handsets, and a comprehensive review of formal and informal financing mechanisms in the top ten near-term markets. Additional information is available on the Vital Wave Consulting website at <http://www.vitalwave.com>.

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#### ***About Vital Wave Consulting***

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Vital Wave enables accelerated revenue growth in emerging markets through strategic consulting, market research and business intelligence. Clients include multinational corporations in the information technology and telecommunications industries.

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