

## Financing Plans Will Accelerate Growth of First-time Mobile Handset Buyers in Emerging Markets Says Vital Wave

FOR IMMEDIATE RELEASE

Palo Alto, CA (PRWEB) November 15, 2007 -- There are 1.5 billion people in emerging markets who do not currently own a mobile handset but are willing and, through appropriate business models, would be able to purchase one within the next 12 to 24 months. The key to accelerating sales to these near-term handset buyers is tapping into existing financing mechanisms, according to Karen Coppock, vice president of consulting at emerging-market analysts Vital Wave Consulting.

"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."

According to Vital Wave, handset manufacturers are facing increasing market saturation and are forced to look to lower-income segments in emerging markets for new growth opportunities. More than 75% of the near-term market for handsets reside in ten countries - China, India, Indonesia, Bangladesh, Iran, Egypt, Vietnam, Brazil, Pakistan and Mexico. China and India account for the vast majority - 838 million people, or 56% of the total market. The near-term consumer market is found in the economic strata between those who already have a mobile phone and the 1.1 billion people living on the equivalent of less than \$1 per day. These potential buyers are extremely price-sensitive and geographically dispersed.

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 finance, and lenders more willing to issue debt for, a handset if they are convinced that the device will make it feasible to repay the debt."

Vital Wave's latest report 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. Resource guides include data for 119 countries, including mobile penetration rates as of mid-2007, the annual income levels (ceiling and floor) for the near-term target market, and data on 50 financial services organizations that are potential partners for programs to extend financial services to first-time handset buyers. Using credible data and in-depth analyses, this report uncovers emerging-market growth strategies to increase market share, expand the addressable market and generate new revenue streams. Additional information is available on the Vital Wave website at <http://www.vitalwave.com>.

### **About Vital Wave Consulting**

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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