

T-Mobile turns its focus to small businesses with new offers

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In this image provided by T-Mobile, T-Mobile COO Mike Sievert announces details of the new "Un-carrier for Business" plan at the Un-carrier 9.0 event, Wednesday, March 18, 2015, in New York. T-Mobile wants to change how businesses buy phones and wireless services—two years after it changed how consumers do so in abolishing long-term contracts. (John Minchillo/AP Images for T-Mobile)

T-Mobile wants to change how businesses buy phones and wireless services—two years after it changed how consumers do so.

T-Mobile says its new business plans are about simplicity, with rates based solely on how many lines and how much data the company needs. The company believes its new plans will be particularly attractive to smaller businesses without staff trained to negotiate rates with larger carriers.

"Anybody can figure out the cost," John Legere, T-Mobile's CEO, told The Associated Press. "At the counter, on the phone, in two minutes, we can tell you exactly how much."

T-Mobile is also offering new deals for the families of those who use its business plans, along with a pledge to pay the balance of phone-installment plans for those switching from other rivals.

Two years ago this month, the Bellevue, Washington, company shattered a long-standing industry practice of tying consumers to two-year service contracts in exchange for phone discounts. Customers now pay full price for phones in installments, and the company no longer inflates rates for voice, text and data services to make up for those phone discounts. Verizon, AT&T and Sprint now have no-contract plans, too.

Since then, T-Mobile also has introduced free data roaming abroad and programs for upgrading phones more frequently.

The programs have helped T-Mobile US Inc., the nation's No. 4 wireless carrier, gain more than 4 million phone customers in the lucrative "postpaid" plans last year. Postpaid customers tend to have better credit and pay for service at the end of the billing cycle rather than in advance.

Although Wednesday's announcements were aimed at businesses, many provisions will affect consumers.

TARGETING BUSINESSES

T-Mobile says improving its network coverage and offering simplified plans will help it compete with Verizon and AT&T for business customers.

COST: The first 19 mobile lines are \$16 each, and there's a 10-line minimum. Those needing 20 to 1,000 lines pay \$15 each. Those needing more pay \$10 per line on their entire plan.

WHAT YOU GET: Each line gets unlimited voice and text and 1 gigabyte of data. Companies can buy more data per line or as a pool that can be shared. Instead of having to buy more than they need to avoid penalties for going over, companies can pay only for what they use, though there are some minimums.

EXTRAS: Businesses that buy extra data will get a free domain name and website from GoDaddy, a Web-services company. T-Mobile is also offering email and other tools through Microsoft's Office 365 Business Essentials.

Jan Dawson, chief analyst at Jackdaw Research, says the program should appeal to smaller businesses. Larger companies, though, will want additional services T-Mobile can't offer, such as landlines and device management, Dawson says.

PAYING YOU TO SWITCH

T-Mobile already pays contract-termination fees for those switching from other carriers. But with the growth of no-contract plans, many consumers are instead locked into phone-installment plans. T-Mobile

says it will now pay any balance owed—up to \$650—though the customer must turn in the device and get a new one. This offer isn't limited to business plans.

For all customers, T-Mobile will also lock in current rates, including promotions. The exception is with unlimited data plans; the guarantee is for two years only.

Rival carriers often lock in rates already, but T-Mobile says they don't always.

EMPLOYEE BENEFITS

Legere says T-Mobile will offer steeper discounts than other carriers on the service plans of the families of people in its business plans.

Here's how it works: A percentage discount is a common industry practice for families of employees. At 15 percent, your spouse's phone would cost \$42.50 per month instead of \$50, what T-Mobile charges for the first phone in a family plan. T-Mobile will instead charge \$30.

For another line, say the kid's phone, instead of applying a 15 percent discount to the \$30 cost, T-Mobile would charge \$10.

Larger families might still benefit overall from a percentage discount instead.

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