

Verizon hikes prices, but new options could save you money (Update)

July 6 2016, by Anick Jesdanun



In this June 6, 2013, file photo, pedestrians pass a Verizon Wireless store on Canal Street in New York. Verizon announced Wednesday, July 6, 2016, that the company is hiking prices on its cellphone plans, though the new rates come with changes that might actually save you money. (AP Photo/John Minchillo, File)

Verizon is hiking prices on its cellphone plans, though the new rates come with changes that might actually save you money.

If you do nothing, your prices won't automatically go up. But new benefits announced Wednesday—including better options when traveling in Canada and Mexico—require you to switch to the new rates, which start Thursday.

While people still make plenty of calls, plain old data—much of it for streaming video and playing games—is emerging as the most important part of your cellphone plan. Verizon's changes reflect that. Even if you're happy with your current plan, it's still a good time to review it.

THE PRICE HIKES

Verizon's prices are going up by \$5 to \$10 a month, but you'll get more data. The cost per gigabyte is going down.

Under Verizon's old plan, individuals paid \$50 a month for 1 gigabyte of cellular data. Starting Thursday, the base plan will offer 2 gigabytes for \$55. A family of four sharing 12 gigabytes previously paid \$160; now, the same family will pay \$170 for 16 gigabytes. Prices don't include the phone.

If your data needs fell somewhere between two offerings, you had to bump up to the higher plan. Now that each offering is getting more data, the lower plan might meet your needs. Let's say you need 2 gigabytes a month. Before, you had to pay \$65 for 3 gigabytes and let 1 gigabyte go to waste. Now you can buy the 2 gigabyte plan for \$55.

If you were already using up most of your 3 gigabytes, you can stick with the old plan for \$65 rather than pay the increase. Any future changes will subject you to the new prices—unless, that is, you're on a plan introduced before last year, such as "More Everything." Those older

plans will still let you change your data levels.

—

HOW MUCH DATA DO YOU NEED?

When comparing plans among carriers, estimate how much data you use with and without data-hungry streaming video. T-Mobile, for instance, exempts many leading video services and music from data quotas, so you won't need to buy as much. But it only offers that free streaming at DVD quality (lower than high definition) and for plans that include at least 3 gigabytes of data.

Verizon makes a similar exemption for its own video service, go90. But leading services such as Netflix, Hulu and Amazon will still count against your limit.



In this Sept. 19, 2014, file photo, a customer looks at the screen size on an iPhone 6 Plus while waiting in line to upgrade his iPhone at a Verizon Wireless store in Flowood, Miss. Verizon announced Wednesday, July 6, 2016, that the company is hiking prices on its cellphone plans, though the new rates come with changes that might actually save you money. Rival carriers have their strengths, too. (AP Photo/Rogelio V. Solis, File)

USING MORE DATA ... OR LESS

If you exceed your data limit, Sprint and T-Mobile won't charge you extra, but will slow your data speed to a crawl until the next billing period. You'll be able to check e-mail and post a Facebook status, but forget streaming video. Verizon is also introducing this slower option, which it counterintuitively calls Safety Mode. It's free for plans with at least 16 gigabytes of data. Otherwise, you pay \$5 a month per account for the "safety" of not getting charged even more for going over.

What if you don't use all your data? For plans of 3 gigabytes or more, T-Mobile lets you roll over up to 20 gigabytes of unused data for up to a year. Verizon, like AT&T, now also lets you roll over data. But it's a use-it-or-lose-it proposition. The rollover data disappears after a month if you don't use it—and to do that, you have to run through your monthly data allotment first.

Sound complicated? As carriers try to match each other on price and benefits, they still need to maximize revenue—and increasingly that's through higher data buckets and other fees.

MAKING THE SWITCH

Carriers typically let you switch your data allotment from month to month. Verizon is introducing an app to make it easier to monitor your data use and switch to a bigger data plan. You can also downgrade, but changes don't take effect until the next billing cycle. You can try timing your changes to your actual usage, though in practice it's easy to get burned.

You still don't get billing based on actual use. With gas and electricity, you don't choose how much energy you expect to need beforehand. You get metered and billed. Google has tried to extend this concept to the phone industry with its Project Fi service, but it hasn't caught on. Verizon's vice president of consumer pricing, Rob Miller, says the company found in testing that consumers prefer the certainty of knowing what they'll pay from month to month.

INTERNATIONAL DATA

You can use your U.S. data allotment while roaming in Mexico and Canada. There's no extra charge if you're on a Verizon plan with at least 16 gigabytes. Otherwise, you pay \$2 per day per line.

AT&T offers a similar benefit for Mexico, though only for plans with at least 15 gigabytes, while all of T-Mobile's standard plans include it for both Canada and Mexico. With Sprint, you get up to 1 gigabyte of high-speed data when traveling in Canada, Mexico and much of Latin America.

Sprint and T-Mobile also offer free roaming in other countries, but at slower data speeds.

© 2016 The Associated Press. All rights reserved.

Citation: Verizon hikes prices, but new options could save you money (Update) (2016, July 6) retrieved 17 July 2024 from <https://phys.org/news/2016-07-verizon-hikes-prices-options-money.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.