

Consumers can save dramatically on wireless by skipping unlimited

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If you're wondering how a tiny local wireless startup can afford to offer monthly wireless service that's a good two-thirds less than comparable plans from Verizon, AT&T and other carriers, it comes down to this: location, location, location.

Or make that, lack of one.

Costa Mesa-based Mint Mobile, which perhaps you never heard of until it ran the chunky milk ad on Sunday's Super Bowl game, says that bypassing retail stores, rents and associates to work there saves it a bundle.

"We're an online-only business," says Aron North, the senior vice-president of Mint. "And because of that, we've removed one of the largest cost items. So we give it back to the consumer in lower costs."

Verizon offers unlimited talk and texts and 8 GB of data for \$70 monthly; Mint's offer is \$20 for the same terms. Verizon could argue that its network is stronger and available in more places. Mint piggy-back's on the T-Mobile network, whose service it offers as Mint. (Verizon gets the price down when four lines are ordered at the same time for a family plan, which [costs](#) around \$40 per line monthly, or \$120 monthly, with unlimited service.)

North believes that buying unlimited plans cost consumers way too much money because most, he says, don't really use all that data. He says the

average consumer uses 6 GB monthly, before adding in wifi for work and at home.

"The idea of unlimited is ridiculous," he says. "I wouldn't buy an unlimited gas card for \$1,000 a month because I couldn't make it pay out. You're paying for the heavy user. Most just need data for their commute and on the weekend, and it's usually music and maps driven. They're not watching video as they drive."

He ran the Super Bowl ad, at a cost of \$5.5 million because too many people had questions about how Mint could get away with being so affordable. That, and they were reluctant to sign up with a brand they knew little about. The Bowl ad gave the company more validity, he says. "They want to make sure the brand will still be around."

Remember that there's fine print in signing up for Mint. While the deal is \$20 monthly, it's a three-month trial that rolls over to \$35 monthly unless you opt to pre-pay for the entire year.

"It's the buy in bulk, Costco and Sam's Club theory," he says. "The more you buy, the more you save."

His business is about retaining customers and not having to chase after new ones, so it pays off, he says.

In the Mint checkout, once you've signed up for the three-month trial, Mint doesn't offer the year option, because he wants customers to try out the service first.

North won't reveal numbers on Mint's customer base, only saying it's double what it was last year.

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