

## LCACE 2/13/16 Smartphone Discussion Items

Some carriers offer free calls between customers within a shared plan. If you make lots of cell phone calls back and forth within your family or group of friends, this may be something to look into.

Competition is very strong in today's cell phone marketplace, as carriers try to entice users to switch to their service. You may be able to negotiate a price reduction from your current carrier by implying (or threatening) that you will leave them to take advantage of a better offer from a competitor. If rates continue to fall, and you prefer to remain with your current carrier, repeat the process the following year.

There seemed to be general agreement that Verizon offers the best coverage, especially in rural areas; something to consider if you spend time in the boonies.

In the same vein, there can be a benefit to having separate plans with different carriers if you and your significant other / friends travel together a lot. If one carrier doesn't connect, perhaps the other one will.

The four U.S. Mobile Network Operators (MNOs) use two incompatible cellular technologies – GSM and CDMA. AT&T and T-Mobile use GSM; Verizon and Sprint use CDMA. One is not necessarily better than the other from a consumer standpoint, but the difference is crucial when it comes to phones. Phones designed to operate on the GSM network will not work on a CDMA network, and vice versa. This is not a problem if you buy your phone directly from a carrier, through one of their franchised stores or from a wireless department at Best Buy, Wal-Mart, Target, etc. since their sales personnel will make sure the phone you are buying will work on the carrier network you intend to use. However, carriers are beginning to offer a "Bring Your Own Phone" (BYOP) option, under which you can either buy a phone and activate it on their network or activate a phone you already own and have been using with a different carrier. Be sure the phone you are "bringing" will work with your new carrier; if not, you will need to switch the phone or switch the carrier.

In the past the "big four" carriers have been criticized about cost because they would provide a "free" or low-cost phone to the customer, but lock them into a two-year contract during which the customer would be charged a high monthly rate to recover the cost of the phone. That in itself was not unreasonable; the problem was that they continued to bill at that same high rate after the two-year contract was over and the phone was paid for. Thanks in part to aggressive pricing by T-Mobile that shone a light on this practice, all four carriers are now offering unbundled phones, which you can buy on an installment plan – separate from the monthly bill for service.

Smaller “virtual” carriers (MVNOs) may be an attractive option for low-volume users. These carriers, such as Virgin Mobile, Tracfone, Straight Talk, Boost and Consumer Cellular, purchase service from the big four network operators and then re-sell it to consumers at competitive rates. Instead of charging \$35 and up per month for minutes, messages and data that exceed your needs (and which probably will not roll over at month-end), some of the MVNOs offer “pay as you go” plans that bill at month-end in varying amounts, depending on actual usage. In other cases, they offer low-volume pre-paid plans; you “top-up” your phone on a fixed schedule (monthly, quarterly, annually) choosing the mix of minutes, messages and data that best fit your anticipated needs. Some of these plans allow rollover of the unused portion of your allocation, so you can build up a reserve that may be helpful during peak usage periods.

As an example, Tracfone offers a very inexpensive pre-paid plan for low-volume users. They will allow you to bring your own smartphone, and they charge as little as \$20 for 90 day’s service. On this plan, you will receive 180 calling minutes, 180 messages and 180 MB of data to use over the 90-day period. Not much, but you can double the allocation for \$10 more, or triple it for another \$10. Whatever you don’t use rolls over. Tracfone also offers a choice of carrier networks, unlike most of the other MVNOs.

Another way to save is to look for a phone and a carrier that will allow you to use “Wi-Fi calling”. Savvy smartphone users already try to confine their data usage to times when they are connected to a Wi-Fi network, rather than a cell tower; to avoid cellular plan depletion. But some carriers also allow you to make calls and send messages through a Wi-Fi network; those will not count against your cellular plan either. (This won’t matter if you are on an unlimited talk & text plan, but it may be worth looking into if you are not.)

A mobile “hotspot” is a unique cell phone feature that allows users to create their own Wi-Fi network almost anywhere by connecting their device to a cellular service provider. The device can be your cell phone itself, if the phone includes this design feature and your carrier permits this type of usage, or a stand-alone dedicated device designed specifically for this purpose. Either way, this enables someone to use his or her computer or other W-Fi-enabled device anywhere the hotspot can connect to its cellular provider. This can provide a password-secured Wi-Fi connection while in a car, on a train, in an airport, in lieu of insecure public Wi-Fi networks, to avoid hotel Wi-Fi charges, etc.