

T-Mobile to allow frequent phone upgrades for fee



NEW YORK (AP) --

Ever worry about buying a new phone, only to see a better one come out just two weeks later? Phone companies normally make you wait two years before upgrading to a new device. T-Mobile will now let you upgrade twice a year for just \$10 a month.

T-Mobile US Inc. had already broken industry convention by ditching two-year service agreements and selling phones on installment plans. But T-Mobile's installment plans typically ran two years as well, so customers had to wait that long for a cost-effective upgrade.

With the new Jump plan, T-Mobile customers will be able to have those remaining payments waived. The plan includes insurance to cover lost or stolen phones, as well as damage. Think of the new Jump plan as extending the insurance to cover phone envy when something better comes out.

"We're going to attack what I believe is the single and most offensive wireless practice head on," T-Mobile CEO John Legere said at Wednesday's announcement. "Two years is too long to be locked into phones."

In new television commercials, T-Mobile proclaims, "Upgrade when you want, not when you're told."

T-Mobile, the No. 4 U.S. cellphone carrier, has been trying to differentiate itself from

T-Mobile to allow frequent phone upgrades for fee

Published on Electronic Component News (<http://www.ecnmag.com>)

bigger rivals by shattering longstanding industry practices. In March, T-Mobile dropped conventional two-year service contracts in favor of selling phones with installment plans. It has made the change a centerpiece of its marketing, calling itself the "Un-carrier."

T-Mobile said the new Jump plan was part of phase 2 of Un-carrier. Also Wednesday, T-Mobile introduced new family plans without credit checks, so households without good credit ratings won't be charged more.

The Jump plan will be available starting Sunday and will cost only a few dollars more a month than typical phone insurance plans, T-Mobile said. But under Jump, customers will still have to pay a deductible ranging from \$20 to \$170 if a phone is lost, doesn't work, has water damage or has a cracked screen.

In addition, customers who replace phones that aren't lost or damaged will still have to pay the usual price for the device, typically \$100 up front and \$20 a month for two years for high-end phones such as the iPhone 5 and the Galaxy S4. What Jump does is waive any remaining payments when someone decides to upgrade because a newer phone with better features is out. The customer does not get a refund on what was already paid.

The new plan isn't for everyone. Let's say you decide to upgrade after 18 months instead of two years. Without Jump, you'd have six months of payments to still make, or \$120. Jump would have cost you \$180 during those 18 months. You break even if you replace the phone at 16 months - you have \$160 left of payments, and you pay \$160 for Jump.

The cost is on your side if you update more frequently, but keep in mind you would still have to pay \$100 up front for each new phone, on top of the monthly payments. So if you upgrade twice a year, that's three extra phones over those two years. The fourth is the one you would have gotten anyway when the two years are up. That works out to \$540 for the luxury - \$300 for the phones and \$240 for the cost of Jump.

T-Mobile said customers who sign up for Jump will have to wait at least six months for the first upgrade. After that, there's no wait for the second upgrade or the third. There's a limit of two upgrades per 12-month period, but that clock doesn't begin until the first upgrade.

The company said there is a large market for used phones, and the company plans to refurbish phones before reselling them.

T-Mobile also launched a high-speed 4G LTE network in more than 100 markets nationwide, including New York, Los Angeles, San Francisco, Boston, Chicago and Seattle. LTE brings greater data speeds for tasks such as streaming video and gaming. T-Mobile had lagged other carriers, but it says it now covers nearly three-quarters of the nation's top 100 markets. The enhancement was aided by T-Mobile's combination with MetroPCS earlier this year, which gave T-Mobile more airwave rights.

T-Mobile to allow frequent phone upgrades for fee

Published on Electronic Component News (<http://www.ecnmag.com>)

T-Mobile also announced the availability of the Sony Xperia Z, a phone that sports a high-resolution display and water resistance. The Xperia Z is one of the first major phones that T-Mobile is getting exclusively in the United States. T-Mobile will start selling it next week, though Sony Corp. retail stores and its website started offering the phone Wednesday.

The Xperia Z is the first major phone to have water resistance as a standard feature. That means you can submerge the phone at least 3 feet deep for up to 30 minutes. You can continue recording a video or watching a movie while underwater. The phone is also protected from accidental spills. The Xperia Z comes with a screen that measures 5 inches diagonally and has a resolution of 443 pixels per inch - on par with rivals.

Source URL (retrieved on 10/24/2014 - 4:17am):

<http://www.ecnmag.com/news/2013/07/t-mobile-allow-frequent-phone-upgrades-fee>