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By Donna Schwartz Mills

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Going Mobile (Part 2): How to Get In on the Wireless Revolution -- Without Credit Checks or 2-Year Commitments

by Donna Schwartz Mills
<http://ld.net/?americanglo>

In Part 1 of this series, we explored reasons why some home business owners choose wireless phones for their telephone needs, and how to find a carrier that works for you. (See Part 1 at

<http://www.family-content.com/articles/data/20020924130604.shtml>

In that article, we focused on standard wireless service plans in the United States, where the customer agrees in advance to pay for a minimum amount of airtime monthly -- for a period of one or two years. Before the customer signs a contract, he or she is subjected to a credit check and may be required to leave a hefty deposit to get started.

This could pose a problem for the new home-based entrepreneur who may be strapped for cash and credit poor, and making a one or two year commitment may not be the wisest choice for someone in the start-up phase.

These individuals may want to check out the new prepaid plans springing up in the U.S. Most of these are using a model popular in Europe, which work like this:

- * Customers buy a service package consisting of a telephone and a prepaid voucher for airtime (ranging from \$10 to \$25).
- * Users are charged for the calls they make and receive up to the amount of prepaid airtime.
- * When a customer runs out of airtime, he or she can "top up" the account, either by buying more time online or over the phone with a credit card or paying cash at a local store for another air time voucher.

This kind of service requires no credit checks or long-term commitments; customers may quit at any time.

Most of the major U.S. wireless providers have introduced their own versions of this kind of system and have recently been joined by European and Australian players getting their feet wet in the American market. In fact, industry statistics indicate that this is the fastest growing segment of the wireless market.

You should also note that even the large national carriers may not be offering their prepaid plans in your area. Do check out their websites for more information.

Here's a rundown of some of the prepaid plans currently offered in the U.S.:

AT&T Free2Go

<http://www.attws.com/personal/prepaid/index.jhtml>

The nation's largest telecommunications company offers a dizzying array of services, including this one. When you purchase a Free2Go package at \$99.99, you get a Nokia 3361 TDMA Digital multi-network phone, battery, charger & headset and a voucher worth \$10 in airtime.

Once again, you need to carefully analyze your calling patterns. AT&T offers a choice of a "Home Calling Plan," which gives you one rate for local and long distance calls and another rate for roaming... and a "Nationwide Calling Plan," which gives you a higher, blanket rate (but does not charge extra for roaming).

AT&T's pricing has an additional wrinkle in that your per-minute rate will vary depending upon the amount of your prepaid vouchers. If you buy just a \$10 Local Plan voucher, your airtime will cost you 50 cents per minute... but that decreases down to 12 cents per minute with a \$100 voucher. Be sure you do the numbers very carefully before you buy!

One nice thing about AT&T's plan is that if you have an old phone lying around that is compatible with their network, you can just go down to one of their dealers and pick up a Free2Go Starter Kit at no cost - all you pay for is your airtime to get started!

BoostMobile

<http://www.boostmobile.com/home.htm>

This Australian company is currently testing its new U.S. service in California, with plans to go national in 2003. Their youth-oriented advertising is targeted to teenagers, but that's no reason why their parents might not be interested, if the service is good.

Boost offers a nice selection of Motorola phones on the Nextel network, which means that their service also includes Nextel's nifty Direct Connect "walkie talkie" type feature (renamed by Boost to Boost2Way). The downside of using Nextel's network is the coverage, which is not as wide as some of the other major carriers. Boost's phones also feature some nifty games (as noted above, their target market is the teen segment).

Packages range from \$99 to \$399 (for a model with a color screen - the better to play those games with).

Airtime ranges from 35 cents per minute during peak times (Mon-Fri, 7:00 a.m - 9:00 p.m.) to 15 cents off-peak (anytime else). Boost doesn't charge for domestic long distance or roaming.

Cingular PrePaid

<http://www.cingular.com>

Opt for either a Nokia 3395 or an Ericsson R300z, both for \$99.99. You also get \$30 in airtime credit, which is charged at 35 cents a minute during peak hours and 10 cents a minute off-peak. You also get a 10 minute mobile-to-mobile rate when calling another Cingular customer.

Long distance and roaming is included, but only within your home network. Calls to Canada and Mexico are an additional 15 cents per minute - unless you opt for Cingular's "My Circle" plan (available to Western states customers), which gives you a break on Mexico, Central America and other international calling destinations.

TracFone

<http://www.tracfone.com>

This company has quietly been building itself into a leader in the U.S. prepaid field. They offer a selection of three

different Nokia digital phones, starting at \$79.99 (and including 30 minutes of airtime).

As with AT&T, your per-minute cost will vary according to the cost of your pre-paid voucher, ranging from 26 cents (when you purchase the -- minute card for \$79.99) to 60 cents for a \$17.99 voucher (the lowest cost card). On top of that, the lower cost cards have a shelf-life of 60 days.. which means that if you do not renew them within that time period, your phone number will be deactivated. While that would not happen to me or anyone *I* know (all talkers!), if you decide to go with TracFone as your carrier, you should look at two other card options:

The Plus3 card is good for 365 days and comes with 100 minutes. Every time you renew the card you receive an additional 20 bonus minutes. For the same price of \$94.99, you can get TracFone's Annual card, which is also good for one year and gives you 150 anytime minutes.

TracFone also offers a \$7.95 monthly autopay program which guarantees that your phone will never be deactivated.

Verizon FreeUp

<http://www.verizonwireless.com/>

Verizon's current package includes a Kyocera 2135 phone and \$15 of airtime for \$99.99. They also offer you 200 Bonus Weekend Minutes every time you "ReUp" for \$50, and 50 bonus minutes when you renew for \$30-\$49.99.

Rates are 30 cents for weekend minutes, and 15 cents for Mobile to Mobile and nights and weekends, as long as you remain within their network. Domestic long distance is included. Off network (roaming) rates are 99 cents per minute. Cards expire in 30 to 120 days, depending upon the amount of airtime purchased.

Virgin Mobile

<http://www.virginmobileusa.com>

Richard Branson, who may be the world's coolest entrepreneur, has put the Virgin logo on everything from music to soft drinks to train service and airlines. For the last couple of years he's been building a market for mobile telephone service with cachet - and has now brought his act to the U.S.

Virgin is offering two prepaid packages with names like "Party Animal" and "Supermodel." The only difference between them are the models of Kyocera phone. They also include \$10 in airtime and access to "Virgin Xtras" -- through a partnership with VH1 and MTV, you can get music news, check

show listings and vote for favorite songs and videos right over your phone. (This kind of cross-promotion makes sense for a corporation that still earns quite a bit of revenue from the music industry, and should have wide appeal to teenagers and young adults).

Virgin Mobile is on Sprint's nationwide network, so coverage is pretty good in the areas where the service is offered. Rates are good too, and refreshingly simple: 25 cents a minute for the first 10 minutes, after which it drops to just 10 cents. This rate holds throughout the U.S. and applies whether you've paid for a \$10 voucher or a \$50 voucher - it's all the same. This is one to watch.

There may be other companies currently offering prepaid service and it is certain that others will enter the market after the publication of this article.

The thing to remember with prepaid plans is that if you do choose to go this route, your airtime will cost you more per minute than if you go with a standard contract plan. It is possible that rates could come down as the field becomes more competitive -- but right now, if your credit is good and you can afford a 12 to 24 month commitment, a standard plan will be the best one for your budget.

In part 3, we'll look at some of the new phones on the market and which features may make the most sense for you.

Donna Schwartz Mills writes about the specific needs of work at home parents at her website, The ParentPreneur Club, "For Parents Who Want Choices, Not Office Politics." Tools, tips and advice you need to help grow your home based business while raising a family.

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