

Intermediate Scenario

Cell Phone Plans

Fourteen year-old Paul is excited to get his first job! He's going to be delivering the local newspaper in his hometown. He was unable to get the route closest to his home, but decided to take one that was on the other end of town. This route requires Paul to travel about a mile away from home.

His parents are also excited about his paper route but are a bit concerned about Paul being that far away from home on a daily basis. They think that getting Paul a cell phone would be a good idea. That way, he would be able to call them if he needs anything. They know that Paul is unable to get his own cell phone as he is under 18, but they are willing to work with him on getting one. Paul's parents don't have a cell phone of their own and would prefer not to get one for themselves.

Paul knows that he wants his cell phone plan to be affordable. His paper route doesn't pay a lot and he doesn't want to spend all his money on a cell phone. Paul currently doesn't spend a lot of time talking with friends on the phone, he prefers to use the Internet and e-mail; so a lot of minutes are not necessary for him. His parents like the idea of low minutes so that Paul isn't tempted to use them for purposes other than necessary while on his mail route. Paul likes a lot of features, but knows that they are not necessary, he needs a plan with the basic features that will be easy to use when he needs it.

CRITERIA:

- 1) Affordable**
- 2) Low minutes**
- 3) Basic features/easy to use**

1. SpeakEZ 2000 (pre-paid plan)

- You call from a “bank” of prepaid minutes. When you use all the money in your account, the service is turned off.
- You can add money to your account. Airtime purchased is good for 60 days after each replenishment (addition of money).
- No minimum balance.
- Three plans – 25 cents per minute
30 cents per minute
40 cents per minute
- All include - \$40 activation fee (one time fee)
No monthly access charges
Free Nationwide Long Distance from your Home Area
Basic Voice mail
Call Forward Immediate
Three-Way Calling
Call Waiting

Intermediate

2. CLEAR250

- 250 peak or off-peak airtime minutes per month.
- Monthly access charge: \$29.99 per month.
- Cost per additional minutes if you go over: 30 cents.
- Plan includes – free long distance

Caller ID

Basic Voice Mail

Voice Mail Waiting Indicator

Numeric Paging

Call Forward/Immediate Busy/No Answer

Three-Way Calling

Call Waiting

Follow-Me-Roaming

Detail Billing

Nationwide Toll Free Calling

3. POOL-A-LINE

- Use a second phone based off a first phone's plan, so two phones are using one plan.
Paul's parents would need to have a cell phone also in order to have this plan.
- 0 minutes, use only those from the first phones plan.
- Monthly access charge: \$18.99 per month.
- Cost per additional minute (if you go over) based on the existing plan you're sharing a plan with.

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4. CALLING CARD

- \$4.99 for 60-minute card.
- Can replenish the card (add more minutes).

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I placed this class of Cell Phone Plans 1 – 2 – 3 – 4. I found the top two items to meet all of the criteria and one item that did not meet any criteria.

At the top of this class I placed 1. I found 1 to meet all of Paul's criteria, it was affordable, had low minutes and has the basic features. In terms of the price, Paul would be able to choose the most affordable of the plans that is 25 cents per minute. He pays a one-time activation fee of \$40, but he does not pay a monthly access fee so that will save him money over time. His parents would be able to help him control the number of minutes he uses because Paul would only be able to pay for so many and once they're out, he'll need to add more money. I also liked the six basic features the phone offered: no monthly access charges, free nationwide long distance, basic voice mail, call forward immediate, three-way calling, and call waiting. For these reasons, I placed 1 first.

In my top pair, I placed 1 over 2. I grant that 2 is the less expensive of the two. For the charge of \$29.99 per month for 250 minutes, Paul would be paying 12 cents per minute versus 25 cents. However, if Paul were to use those minutes up, his fee would go to 30 cents per minute for each minute over the 250. I think that 250 minutes might be a bit much for Paul, that's more than four hours per month. I found the 11 plan features to probably be a bit more than what Paul would need or actually use. I still appreciate the low cost per minute of this plan.

In my middle pair, I placed 2 over 3. Option 3 would mean that Paul's parents would need to also get a cell phone so Paul could pool-a-line off their plan. Paul's parents would prefer to not have a cell phone, so I felt that ranked this option lower than the previous two. Paul would be paying \$18.99 per month to have this second phone, so overall it would cost his family more money. Paul and his parents would need to pay for a regular plan and access fee, plus pay the \$18.99 per month for the second phone.

In my bottom pair, I placed 3 over 4. Option 4 does not involve a cell phone plan and that's what Paul was looking for. Granted, a calling card would help Paul keep his cost down as it's just over 8 cents per minute,

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but he would need a phone in order to use his calling card. On a paper route, there may not be many public phones around for Paul to use. For these reasons I criticize 4 and place it at the bottom of this class.

For these reasons, I placed this class of Intermediate Cell Phone Plans 1 – 2 – 3 - 4.

Senior Scenario

Cell Phone Plans

Seventeen year-old Kyle is a high school junior. He has decided to open enroll in the neighboring school district. This will require Kyle to drive 30 miles one-way per weekday. This has Kyle and his parents concerned because he will be on the road quite a bit. Kyle participates in a variety of sports that require him to stay after school for practices. There will be times when he'll be driving home in the dark.

In family discussions, it was brought up that perhaps Kyle should get a cell phone so he can call his parents if he needs something or if he has problems. Kyle's dad has a cell phone that he uses for his home-based business, but he doesn't want to send it with Kyle to school every day. They know that Kyle cannot sign up his own cell phone as he is under 18 years old. His parents are willing to sign up with him.

Kyle is excited about getting a cell phone because he loves talking on the phone with friends and likes the idea of having his own phone. Kyle's parents don't want this phone to become solely his and are concerned that he may use up a lot of minutes. They compromise and decide that the phone should be affordable, not have too many minutes and that other family members would be able to use it when Kyle doesn't have it going to and from school. Kyle will be expected to help pay for some of the expense as he will be the primary user. Kyle is expected to use the phone for needs only, not for just talking with friends.

1. SpeakEZ 2000 (pre-paid plan)

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- No minimum balance.
- Three plans – 25 cents per minute
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Senior

2. CLEAR250

- 250 peak or off-peak airtime minutes per month.
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Senior

3. POOL-A-LINE

- Use a second phone based off a first phone's plan, so two phones are using one plan.
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Senior

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I placed this class of Cell Phone Plans 1 – 2 – 3 – 4. I found the top two items to meet all of the criteria and one item that did not meet any criteria.

At the top of this class I placed 1. I found 1 to meet all of Kyle's criteria: affordable, not have too many minutes and other family members would be able to use the phone. In terms of the price, Kyle would be able to choose the most affordable of the plans, 25 cents per minute. He pays a one-time activation fee of \$40, but he does not pay a monthly access fee so that will save him money over time. With option 2, Kyle would need to pay almost \$30. In a month and a half, he would pay more in monthly access fees than he did with his one-time activation fee of \$40 under option 1. I think that by having to pay for the minutes before using them, Kyle would keep better track of his phone usage and not use it as much to call his friends, a concern of his parents. As Kyle is expected to help pay for some of the expense, I think this plan would help him keep it affordable and only use what he pays for in advance. I like the fact that the phone will be shut off if Kyle goes over his number of minutes paid for.

In my top pair, I placed 1 over 2. I grant that 2 is the less expensive of the two. For the charge of \$29.99 per month for 250 minutes, Kyle would be paying 12 cents per minute versus 25 cents. However, if Kyle were to use those minutes up, which his parents are concerned about, his fee would go up to 30 cents per minute for each minute over the 250. I think that 250 minutes might be a bit much for Kyle, that's more than four hours per month.

In my middle pair, I placed 2 over 3. Option 3 would have Kyle sharing his dad's minutes and I think that he may be more likely to use the minutes for unnecessary things if his dad is paying the bill. In addition, option 3 would cost Kyle \$18.99 per month. Under Plan 1, he would be able to get 76 minutes for the same price on his own phone.

I criticize 4 and place it at the bottom of this class. It is not a cell phone plan and Kyle would need access to a regular or pay phone in order to use it. When he's out on the road traveling to and from school, there may not be a phone within a reasonable distance in order for him to use the card. Granted, a calling card

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would help Kyle keep his cost down as it's just over 8 cents per minute.

For these reasons, I place this class of Cell Phone Plans, 1 – 2 – 3 – 4.