

# The Un-Carrier Effect: AT&T Is Wide Awake, Is Verizon?

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After AT&T's [new Mobile Share plans went live Saturday](#) [1], I am absolutely certain its customer care departments have heard of T-Mobile. I say this in reference to the [Aug. 8, 2013 blog](#) [2] I wrote about a call I made to AT&T customer service. It went something like this:

*I recently had an interesting chat with my wireless provider's customer service department, when I told the rep that I was moving my four lines to T-Mobile, which offers a family plan for \$120, roughly half what I'm paying now.*

*"How can that be?" she exclaimed. "I hadn't heard of that, and usually we're pretty up to date on the market."*

*After having just listened to T-Mobile's encouraging second-quarter earnings, it seemed fitting that I would be having the conversation I was having. There's a head-in-the-sand condition that goes along with being on top. One might even say Apple has been suffering similar symptoms recently.*

*"They're not our competition," the rep continued, referring to T-Mobile, "or I should say, they're not our main competition."*

AT&T is up to date on the market and its competitors all right, and it's responding in kind. What I find most interesting about the current situation is just how effectively a wild card like T-Mobile can disrupt a market to the benefit of consumers.

How successful has T-Mobile been at rocking the boat? Well, overnight AT&T went from offering one of the priciest two-line, postpaid plans in the industry to what could possibly be the best deal available for two lines and 10 GB of data. The difference between AT&T's \$130 price for two lines (10 GB) and Verizon's \$180 (10 GB) for the same thing is significant.

But Verizon has better coverage, some might say. I'm not going anywhere near that one, but I will say that perceptions about networks used to be everything. Today, however, price wars appear to be overshadowing perceived notions about network speed, reliability and coverage. John Legere and T-Mobile have proved that. With constantly-changing roaming agreements in place and suspect coverage outside of major metropolitan areas, consumers are still willing to switch to T-Mobile for the better deal. This was absolutely and without a doubt proven by numbers from the Un-Carrier's last couple quarterly reports.

If Verizon doesn't make any moves in the near future, it would truly be a testament to their network and customer service. While Jeffries analyst Mike McCormack

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doesn't see Verizon reacting, the company's CFO Fran Shammo said during fourth quarter earnings that Verizon would [respond appropriately](#) [3] to changes in the market. Given that Verizon hasn't budged in the face of T-Mobile's antics and it still recorded 4.1 million postpaid accounts last year, amid a 7 percent ARPU increase, maybe they are the Teflon the carrier?

This appears to be the beginning of the end of the two largest carriers in the United States being able to charge whatever they want. What's happening right now goes all the way to the top and regulators are watching with glee. If this kind of dynamic continues, I'm guessing Softbank and Deutsche Telekom's dream of a Sprint, T-Mobile tie-up will be dashed.

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