

T-Mobile looks to attract new subscribers with suite of promotions and incentives

Article

In a push to shore up 5G subscribers, T-Mobile **announced** it will let all postpaid subscribers upgrade to unlimited data plans for free. The promotion, which includes former Sprint users,

will also apply to customers with limited data plans who switch over from Verizon or AT&T. T-Mobile wasn't shy about its intent to siphon subscribers from competing firms, claiming "50 million Americans are stuck on limited data plans from Verizon or AT&T." Not one for subtlety, the telecom calls its new initiative, "The Great Unlimited Trade-Up." Unlimited plans like these are essential for the future of 5G wireless communications, which inevitably **require** large amounts of data.

The free upgrade to unlimited is just one of several new initiatives by T-Mobile to bring in more subscribers to its 5G network.

- **Home internet:** T-Mobile officially made its fixed wireless home internet **available** to 30 million Americans this week. The service, which has undergone years of limited **testing**, **runs** on T-Mobile's 5G **and** LTE networks and allegedly offers download speeds of 100 mbps.
- **Phone trade-in promotion:** This week, the telecom **announced** it would offer a free, 5G enabled Samsung device to anyone trading in a working phone. By doing this, T-Mobile hopes to try and make a dent in the **hardware gap** preventing customers from using 5G.
- **Magenta MAX:** Earlier this year, T-Mobile **announced** a "truly unlimited" plan offering a 5G-targeted data plan offering unlimited 5G and LTE service without data caps or throttling.

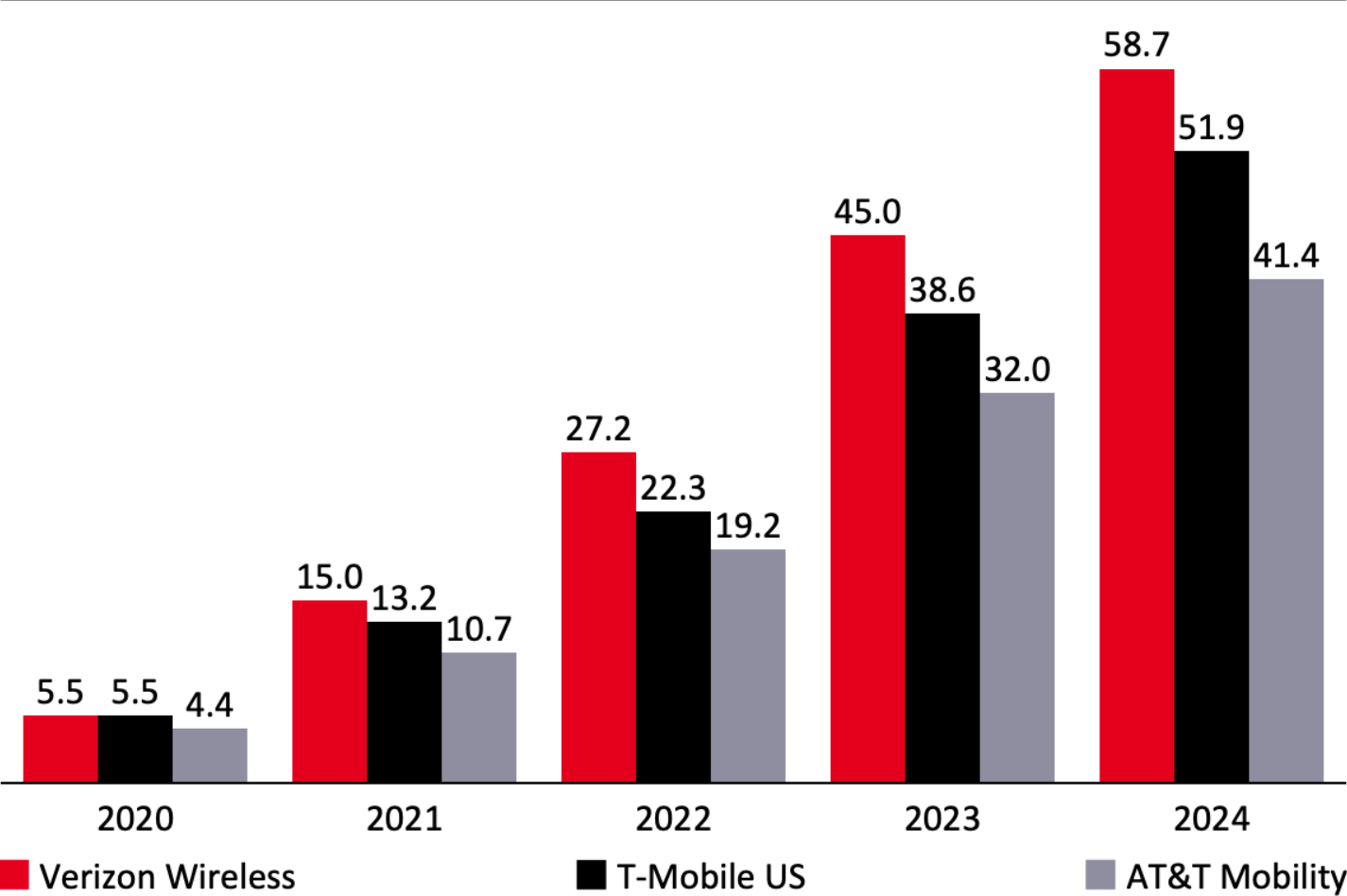
T-Mobile's free unlimited offering could pressure AT&T, Verizon, and ISPs to rethink data options or reduce prices. T-Mobile set itself apart from competitors at the offset by **focusing** more on low-band spectrum, enabling it to **cover** up to 200 million people in the US. T-Mobile's coverage area and its **gobbling** up of **spectrum** had already pressured its rivals to expand their own coverage and the free unlimited upgrades may pressure competitors to rethink their own limited plans as well. Separately, T-Mobile's wireless internet offering could pressure ISPs, especially in rural areas, to lower prices or find other ways to keep customers from considering T-Mobile.

T-Mobile is starting to press its advantage in 5G spectrum and nationwide coverage in an attempt to increase its subscriber base. T-Mobile entered 2021 as the leader in 5G coverage and expanded that even further by **spending** \$9.3 billion in the FCC's **recent** C-band spectrum auction. So far, however, all that investment hasn't translated to subscriber dominance. In 2020, **according to** eMarketer's forecast, T-Mobile and Verizon were neck and neck with 5.5 million 5G mobile phone users each. By 2024, we forecast Verizon will take the lead with 58.7 million users compared with T-Mobile's 51.9 million. Ideally, T-Mobile would prefer for its massive—and **expensive**—investment in 5G to propel it into the 5G subscription leadership

spot in the near future. With all these new 5G program offerings and incentives, that could be a real possibility.

5G Mobile Phone Service Users, by Company

US, millions



Note: Mobile device users who own a 5G-capable wireless handset and connect to a 5G network at least once per month.

Source: eMarketer, October 2020

Methodology: Estimates are based on the analysis of survey and traffic data from research firms and regulatory agencies, sales projections, historical trends, company-specific data, and demographic and socioeconomic factors.