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## Validas study and Ting savings



By: [Michael Goldstein](#) on January 21st, 2013  
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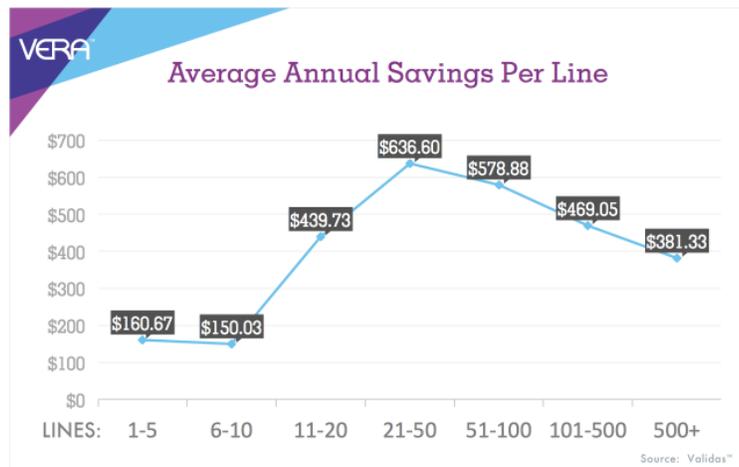
We engaged a company called [Validas](#) a couple of months ago to help us understand people's mobile usage and bills. Validas has a database of over 500,000 US mobile users who give them access to their account to help figure out if they are on the wrong phone plan. Validas is able to use all that data in the aggregate (certainly not revealing anything about any individuals) to gather some amazing insights.

The study they conducted analyzed actual voice, text and data usage over 12 months of over 50,000 accounts. They measured how usage fluctuated month to month and how average usage compared to peak usage. These measures indicate how much people might be wasting from month to month if they buy a fixed or unlimited plan rather than paying for what they use. Validas was also able to take it a step further and compare what these accounts actually spent over that year to what they would have spent on Ting with that same exact usage.

In short, the study confirmed that US mobile users, from individuals and families to small and large businesses, from light users to heavy users, are wasting hundreds to thousands of dollars a year with their current plans.

In fact, 98% of US mobile phone accounts would save money on their monthly bills by switching to Ting.

Businesses with over 10 users (or lines) per account have even greater potential savings than individuals and families. Accounts with 21-50 lines have the greatest potential savings at \$636.60 a year per line.



Again, the key to savings seems to be the switch from fixed and unlimited plans to Ting's "moving" plan.

Mobile plans are commonly designed to accommodate peak usage as a consistent norm. However, the study showed that users are not so consistent. Data usage, for one, will regularly fluctuate by up to 55%. (An account that averages 1,000 megabytes a month, for example, may vary by 550 megabytes up or down in a given month.)

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How many pair of socks have you got from your cell phone company??? Thank @tingFTW, these socks are awesome! <http://t.co/hpfO3HqN> Yesterday


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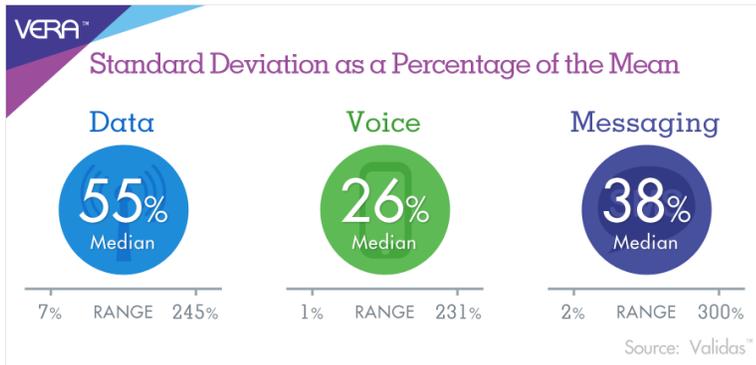
@tingFTW whats the record for number of consecutive months where referrals have totally covered a phone bill? I'm at 6 undefined


[theHannahGirl](#)

@tingFTW No questions here, highly satisfied, thank you so much! I've got my parents using your service now too, we're all big fans. :) undefined

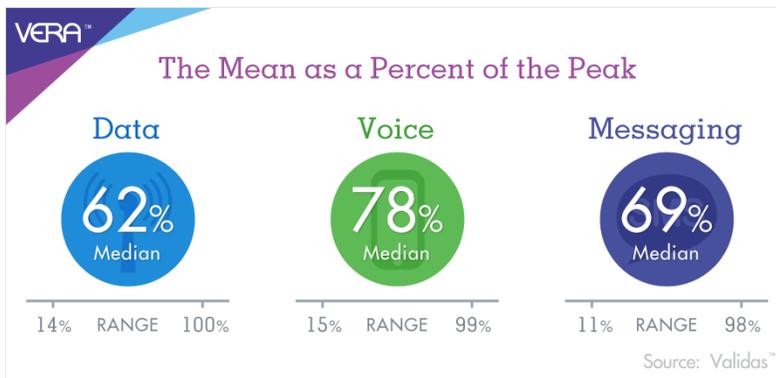

[theHannahGirl](#)

Well. @TingFTW is the best ever, you guys. Customer is out of this world! Help is



According to Validas, this ends up being a major theme in almost all the analyses they do. Mobile users aren't necessarily overpaying because rates are high. It's because their plan is not quite right for their usage. Ting is actually a great benchmark just because customers essentially pay for what they actually use.

The study also showed that mean monthly data usage tends to be just 62% of the peak. What this means is that, even on average months, mobile users are typically buying much more service than they need.



We were thrilled to see this data. It confirms that even heavy users are overspending on traditional plans because their usage varies so much from month to month. It confirms that individuals, families and businesses of all sizes would save money with Ting.

But we have to admit that the savings numbers above still seemed understated to us. Customers are telling us every day that they were able to buy a high end smartphone with Ting, often for over \$400, and recover that money in a year of savings or less. This report would suggest otherwise. So we started asking our customers about it and had a bit of an epiphany.

On their previous unlimited or bloated plans, Ting customers had unnecessarily inflated usage. They did not utilize Wi-Fi when it was available, for example, or they streamed data needlessly. They just didn't care. When they switched to the Ting plan and started tracking their usage regularly in the Ting dashboard, even the simplest attention to these behaviors greatly reduced their usage and further reduced their bill.

So simply referencing past usage numbers, as people do with our Savings Calculator or Validas did in this report, might not tell the whole story. Part of the savings with Ting comes from our rates, part comes from a moving rather than fixed plan and part comes from decreasing usage without any real sacrifice in experience.

Overall, the message is pretty clear. People will save money with Ting. If you are reading this, you probably already know that. When you get a chance, please tell someone else.

quick, satisfactory & done with such a friendly attitude. undefined



**mikerice126**

My mobile bill is halved, outstanding customer service, and includes tethering! Thanks, @tingFTW <http://t.co/ASPBSnGe> undefined

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**Sandy**

We are not typical users, but we had feature phones at \$101 a month. Now we have smart phones at \$50 a month with plenty of unused time/texts/data to loosen up a bit. I don't know how else to explain it to friends. They are all tied to expensive phones on contracts, but I will keep working on them. :)

**Ken Crawford**

I definitely agree about the savings being bigger than one thinks because once you're on a metered plan you spend the time to find ways to reduce data usage, without affecting our overall experience. The result is that comparing your usage while on an unlimited plan is a good first pass for what kind of savings you can expect, but in reality you could save a lot more with minimal amount of work. My wife and I used about 150 MB each a month on Virgin Mobile, and now we use about 50-70 MB combined on Ting. It saves us an extra \$10 a month by staying in the small data plan on top of the \$35 a month we expected to save when we left Virgin.

I've had friends who say they "can't be bothered" to do that, which frankly amazes me. Really? You're not interested in being "bothered" to save over \$100 a month (with the Big-3 rip-off plans) when it takes a remarkably little amount of work:

- Setup automatic connections to WiFi at home and work and other places that you frequent and have WiFi.
- Cache frequently used maps on the phone via googleMaps
- Reduce the polling frequency of your apps (like e-mail)

It takes all of 30 minutes to do and as an added bonus it'll generally improve your battery life (at least it did for me).

But maybe we shouldn't be complaining about our stupid friends. At some level, they're subsidizing our smartness. :)

**mickgoldstein**

I really appreciate the feedback, Ken. I think your simple list could take a big chunk out of most people's MB consumption. By the way, I'm always reluctant to include "effort" in the Ting message at all because I know most people don't love effort :) Plus, I think most people could still save a bit of money without any effort at all.

**jeadly**

I'd actually say that \$160 savings is a reasonable projection for us this year. However, not buying phones next year will blow that number out of the water and make the two year average saving per line around \$365. Annual savings is a tough comparison when the baseline is two year contracts.

**Guesty McGuesterson**

Would like to see you guys comment on this story:

<http://www.techmeme.com/130124...>

**jeadly**

I don't think that Ting phones are locked, so I doubt they'd have much to say beyond "neener-neener!"

You bought it, if you want to leave, you can take it with you.



**Guesty McGuesterson**

Well they did comment:

<https://ting.com/blog/unlockin...>

...and they added some helpful clarification, as I had a feeling they might. Thanks Ting :)



**Jay Sykes**

I've bought refurbished smart phones and ported in two numbers, for my kids. They use the cell connection for talk & Text, data through WiFi(turned off data @ Ting Dashboard). The bills run just over half of their previous talk/text provider. And, they now have a 'smartphone', when in WiFi range.

Waiting on BYOD - LTE for two more devices to join Ting. Looks like I'll miss the ETF credit promotion. Any word on the timeline for BYOD-LTE?



**mickgoldstein**

Regarding timeline on BYOD-LTE, Sprint has been projecting about a year for about six months now. So, we're hoping it's not that far off. Sorry, I wish we knew more.



**mctwnd**

I was one of those who use to complain about your data price. I re-analysed my projected cell phone use and saw that with use of wifi at work and at home, I can actually bring down my cost to between \$30 and \$36 a month - before taxes.

I'm looking to try Ting out in 3 months time with my LG Optimus S, and/or buy a Ting GNex if the price comes down



**mickgoldstein**

Kurat, you're actually absolutely right. I briefly got confused about my own billing plan there. I'm sorry. The way we currently bill, you could save a bit of money exactly as you described as long as you are certain that each individual account will go over XXL. We really never intended for the sort of "gaming" that the current system could inspire. We just wanted to step the pricing down a bit as customers used more and offer a system that doesn't elicit the sort of stress people seem to get from flat rates. But, particularly for businesses, we might end up rethinking that a bit at some point.



**Kufat**

Thanks for the updated reply. :)

Whenever I see a price structure chart or something along those lines, I always look at its strengths and weaknesses...I'm nerdy enough to find that sort of thing interesting.



**Kufat**

If you're going after businesses with dozens or hundreds of lines, would it make sense to offer multiple XXL buckets if a customer goes over 2x the size of one XXL bucket? For example, if a business with 20 lines uses 7000 minutes in a month, right now they get one XXL and 4000 minutes at 0.02 each. By splitting that up into two 10-line accounts of approximately equal usage, they'd end up saving (a little) money by buying two XXL buckets and 1000 minutes at 0.02 each. It wouldn't matter whether the split was 3500/3500 or 3100/3900.

The difference is relatively small, but you're effectively disincentivizing consolidation of all of a business's lines under one account. If a large customer was able to pay for multiples of an XXL bucket on one account, the incentive would be to put as many lines as possible on that account, simplifying your billing and their payments.

In other words:

if (usage >= XXL\_SIZE)

bill = (usage / XXL\_SIZE) \* XXL\_BUCKET\_COST + (usage % XXL\_SIZE) \*  
MINUTES\_BEYOND\_XXL\_COST



**mickgoldstein**

That's a crucial part of the equation, Christopher. I hope we never shy away from that. We build what you might have to spend on a device into the calculator at [ting.com/calculator](http://ting.com/calculator) and I did try to call it out here. Whether you're bringing your own device (\$0) or buying a used or refurbished device (<\$100) or buying a new high end device (>\$300), the total cost over 1-2 years needs to work for you. We think it works for most people.



**Christopher Spencer**

One thing not mentioned here is that the contract plans subsidize your phone. If you're a techie and get a high end phone every 18 months (or sooner if you call up and beg) then that's about \$215 a year in savings.



**Guesty McGuesterson**

I'd like to see an analysis showing savings using Ting vs other providers as a function of the amount of data I send/receive.



**mickgoldstein**

It's a good thought, Guesty. Unfortunately, I did not get the data broken down by usage. But it seems like the next step for you is to just do your own calculation at [ting.com/calculator](http://ting.com/calculator). Make sure you are not punching in what you think you use or what your current plan provides. Grab as many past bills as you possibly can to get enter a real month by month scenario. You can also try to estimate whether your usage is currently inflated a bit by the "don't care" effect but that's tough to do. I'd start with the straight calculation.

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