CPA CHARTERED PROFESSIONAL ACCOUNTANTS

FINANCIAL LITERACY

Tips on negotiating a cheaper phone plan

If you're looking for ways to save money, reducing the cost of your monthly household expenses can help – for example, getting a cheaper monthly plan for your cell phone or Internet package.

Here are some tips on approaching this conversation with your cell phone provider. If you have the support of a financial coach or trusted advisor, ask them to walk through a practice conversation with you first to help you prepare.

Before you call: Prepare ahead

1. **Know what you need.** Collect your information. Review your own phone use and current contract. Write down this information to use later:
   - How much data do you need each month? How many minutes do you need for calls or texting? (So you won't be tempted by offers for "unlimited" usage that cost more than what you are able to pay).
   - Where are you at in your current contract, and what would be the cost of cancelling it now? (In case it would be cheaper to change to a new company outright).
   - How long have you been a customer with the company? (Useful to mention during your conversation with them later).
2. **Research and compare.** Even a few minutes of online searching can give you enough information about what you would save if you switched to a different company for a similar plan. Make sure to check both large and small companies, as well as secondary sellers such as Walmart or Costco. Make a note of deals being offered by competitors for new customers.
   - This should give you a realistic ballpark figure of what you can ask for
   - If you can get a better deal simply by changing to a different company, this would be an easier step than trying to renegotiate your current contract. Before you do this, review what the cancellation fee would be with your current contract - if it's too high, the cost savings of a new plan might not be worth it yet.
3. **Make time to make your call.** It's likely you'll speak to multiple people or be put on hold. Set aside time when you know you won't be distracted.
   - Try to hold at least half an hour, if not a full hour
   - Have pen and paper handy, to write down names and information
4. Be respectful and patient. Angry customers aren't likely to get what they want. When speaking with the company on the phone, remember to be calm and polite.
   - If you find yourself getting frustrated, you can always hang up and try again later with a new person.

Source: Prosper Canada

Making the call: Talk to your phone company and ask what they can do for you

1. Navigate the automated phone system and then ask to talk to a representative about your current cell phone plan. You may get the best results if you ask to speak to the customer loyalty department.
2. Explain: "I've been a loyal customer with your company for [X years] and am not happy with rates I'm paying. I'd like you to tell me what you can offer me that will be an improvement."
3. Listen to what they offer and write it down. It's likely to be one of their promotional plans, or a plan offering more than what you need to pay for.
4. Explain: "That's more than I am able to pay," or "That's more than what I need. I need a plan that will give me [Y minutes] or up to [Z data GB] per month. What can you offer me that will meet those needs?"
5. If their offer does not improve, ask to speak to someone else: "This isn't as good as what I can get from [ABC company]. I'd like to speak to a loyalty representative, or a higher level manager."
   a. Asking for a "warm transfer" means they will explain the situation to the next person, rather than you having to do it
   b. Remind them that if they can't get a better deal for you, you could cancel your contract
6. Explain: "I've had a good relationship with [current company] for [X years] but I need to save some money. I know I can get a better plan at [ABC company], but I'd like to stay with you if we can come to a new agreement."
7. Describe the better package you know you can get elsewhere.
   a. "If we can't make a new plan that's closer to that one, then I'll need to make a switch and cancel my contract with you. What can you do to improve this for me?"
8. If they improve their offer and it meets your needs, then you can decide to accept it.
   a. Write down all the information they give you.
   b. Confirm the date this will be reflected on your current bill, and what amount will be shown on your bill, including taxes.
   c. Confirm that there are no other service fees or charges associated with this new plan.
   d. Confirm the duration of this new negotiated rate and how it will be reflected on your contract.
   e. "Thank you, I'm glad we could come to a new arrangement that will meet my budget."
9. If you don't get the answer you want, you have a few options:
   a. Try to speak to someone else in the company.
   b. End the call and try again later with a new representative.
   c. Cancel your contract and move to a different service provider.

Source: Prosper Canada