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Used cellphones fit the bill for many

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By Jefferson Graham, USA TODAY

LOS ANGELES — Warren Fields has dropped cellphones into a toilet and a big puddle near a parked car — even over the deck of a boat.



LowCostMattress.com store owner Warren Fields, 39, of Detroit goes through a lot of cellphones.

By William Archie, The Detroit Free Press

The Michigan resident — who owns a mattress store near Detroit with 12 delivery drivers, all of whom use company cellphones — buys a lot of phones. And he doesn't want to pay too much.

Cheap replacement phones are not readily available from major wireless carriers, unless you have insurance or are eligible to extend your contract. Without a promotional subsidy from the carrier, new phones can cost \$100 or more.

Fields found a solution online in the growing used cellphone market, where replacement handsets can be picked up for as low as \$20. "I don't care if the phone is scratched and not pretty," he says. "I just need something that has a dial tone and works."

With 200 million people in the USA using cellphones, countless thousands of phones are lost or damaged every day. Savvy entrepreneurs are finding ready customers online seeking alternatives to contracts and full-price phones.

Type "used cellphone" into a search engine, and scores of possibilities pop up. [CraytonElectronics.com](#), _____ and _____ offer online stores of used phones with guarantees and warranties.

While used phones are cheap, the downside is that you're buying someone else's castoff, says Peter Rojas, editor of the tech enthusiast website [Engadget](#).

"Anyone who has owned a cellphone knows the lifespans on these things aren't that great," he says. The first thing to go on a used cellphone will be the battery, he says. Replacement cost: around \$25.

Crayton Electronics CEO Marc Zuccato says his staff tests all phones before they get resold, and if the battery doesn't hold a charge, he'll replace it before shipping.

Pay-as-you-go

One alternative for consumers looking for cheap phones without committing to contracts: Cingular, Verizon and T-Mobile all have pay-as-you-go plans that sell air time on a per-minute basis.

The deals average around 10 cents a minute, depending on the carrier, and some tack on a \$1-per-day access fee.

Pay-as-you-go represents 11% of wireless customers, up from 5% three years ago, says Roger Entner, an analyst at market research firm Ovum. He projects that 40% of new cellphone customers this year will opt for pay-as-you-go, "because they don't have the credit, or want better control over their expenditures."

Here's a tip: Pay-as-you-go also offers Cingular and T-Mobile customers under contract a way to get cheaper replacement phones.

Because their phones work with swappable, internal SIM cards that contain your account information, you can buy a new phone, replace the SIM card and the new phone has your old phone number and contacts.

The carriers won't tell you about this option, because they make more money with contracts.

Cingular "does not encourage" store reps to advise customers under contract looking for replacement phones of the cheaper options with its no-contract Go Phones, says Cingular spokeswoman Jennifer Bowcock. Yet Jon Gales, editor of the consumer phone enthusiast website MobileTracker (mobiletracker.net), says he does it all the time. "The store isn't stoked about doing it, but they do."

—Jefferson Graham

He says his phones aren't always pretty, or up to date, but "The guy who wants the latest and greatest doesn't buy from us. My consumer just wants a phone that works and isn't willing to pay the carrier a fortune to get it."

Columbus, Ohio, resident Mark Miller lost his Samsung cellphone at a hockey game. He says that when he visited his local Sprint store he was told it would cost \$180 for a replacement. His other option was to renew his contract for another year, but he didn't want to be locked in.

So he started looking for used phones online at eBay and ended up at Crayton, where he spent \$40 for a Samsung 3500, with a charger and new battery. "I'd do it again in a heartbeat," he says. "It's not flashy, and a little dated, but I don't care."

USA TODAY visited Sprint, Cingular, T-Mobile and Verizon stores in the Los Angeles area, seeking a sub-\$100 replacement phone with no further contract commitment. Employees at each store suggested we look online at auctioneer eBay and classified ad site Craigslist. With those options, consumers have to be comfortable dealing with private parties, and in the case of Craigslist, arranging to meet in person to arrange the transaction.

In online searches for used phones, many sites pop up that appear to sell used phones but actually don't. Sites like Simplysellular.com, selloldcellphone.com, phoneiscash.com and cashmyphone.com buy used phones from the general public via their websites, and resell them to brokers, who generally move them overseas.

When shopping for a used cellphone via the Web, the first order of business is making sure it will work with your carrier. Cingular subscribers need to shop for Cingular-compatible phones, ditto for Sprint, Verizon and T-Mobile.

Subscribers to Cingular and T-Mobile service have it the easiest. Those phones store your customer information, phone number and contacts on internal, swappable SIM cards (for "Subscriber Identity Module"). So if your Cingular phone gets water damage and won't recharge, all you have to do is take the SIM card out, stick it in the new phone and you're in business.

Sprint and Verizon phones require re-activation from a company rep, which can be done over the phone or at one of the stores.

In preparing for potential loss, theft or damage to your phone, one option the carriers offer is insurance, ranging from \$3 to \$6 monthly. But Fields says that for him it doesn't make economic sense. "For me to pay that, when I could buy a used phone for \$20? Come on."

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