

Team Mobile Turns Industry on its Ear

Over the last year T-Mobile has been making large strides to compete with other large carriers such as AT&T and Sprint. T-Mobile made headlines when they dropped their traditional two-year contract; now T-Mobile plans come without customer “lock in.” T-Mobile also dropped early termination fees. The company was approached by AT&T to be bought out for 39 billion, but this was shot down by the department of justice because this would have created a monopoly. The cancellation of this deal gave new life to the CEO John J. Legere and spurred him to revamping the company. The changes within the customer contract have been in effort to encourage customers to go with T-Mobile to avoid being tied to certain company for an extended period of time.

T-Mobile used the attribution theory to pin point faults in customers’ contracts by finding out certain requirements within the contract that customers do not like. For example, T-Mobile moved away from the two- year contract requirement. This gave the customer the ability to stop using the service whenever they wanted. Locus of control is seen by T-Mobile not having any control over the outside effect of AT&T not being able to buy them and having an internal effect of deciding to turn this into a good thing and revamp their company and start innovating the cell phone industry. T-Mobile realized that their organizational culture needed to be changed after the acquisition with AT&T fell through. This also helped them realize that they need to alter the basic values that once drove the organization. With the constant improvement of technology, each day everyone is wanting the latest and greatest thing. Therefore T-Mobile offers no contracts so customers can purchase the new phones right away.