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## BMMA Undertakes DSL Benchmarking

BY STAN ROMERO

The BMMA (Broadband Multimedia Marketing Association) Board of Directors resolved to undertake a DSL benchmarking project in 2005 and to report the results at the 2006 BMMA Annual Meeting in San Diego. The first step of this project involved agreeing on a common set of definitions and measurement methods so that all companies' data could be compared on an equal basis.

Research First, as the Executive Director of the BMMA, was charged with coordinating this effort. After a review of the methodologies used by several companies, a common set of definitions was produced, published and discussed as we gathered 3Q 2005 results to test the system. In the process, we not only refined the definitions and calculation algorithms but also produced some very interesting results that were shared with the seven companies that provided 3Q results.

Reports provided to participating companies showed each company's results in a disguised format to avoid divulging company-specific data. The chart on page 3 displays only the average churn results for the participating companies. However, even this average information is very informative. We can see that average DSL churn is still fairly high for a product that is somewhat difficult to move to a different supplier, meaning that a customer has to invest quite a bit of work to change a working DSL connection to a cable modem connection.

We also see that total company DSL churn is on the rise, if ever so slightly. This could be attributed to several factors, such as:

1. Competition for broadband services is hot with every provider offering

*(Continued on page 3)*

## Training is "Hot Topic"

BY ANNA GIBSON

Research First now sponsors bi-monthly, interactive "hot topic" calls covering specific issues and best practices relative to sales care channels or operations support. These calls are chaired by a guest representative from a service provider company. Following a brief presentation is an open roundtable discussion on the topic in which all the attending companies are welcome and encouraged to participate. It is a wonderful opportunity to share information, learn what common issues exist, and take away many useful ideas.

Our most recent *hot topic call* addressed new hire training and steps to proficiency, which was chaired by Margie Dawson-Elliott of Embarq, Sprint's new local company. Margie covered many facets and following are some highlights:

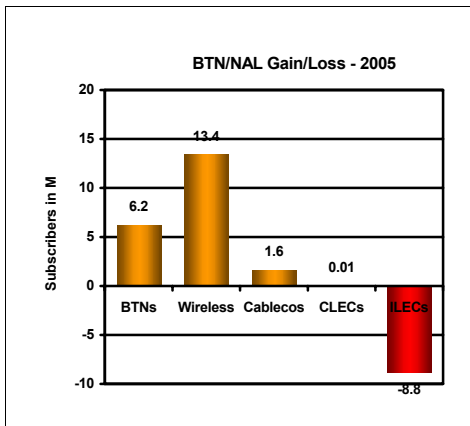
1. Length of new hire training is 8 weeks, which includes a "do-it" center where they are on-line with additional coaching.
2. All content is developed on-line. Some is delivered instructor-led. Most is CBT.

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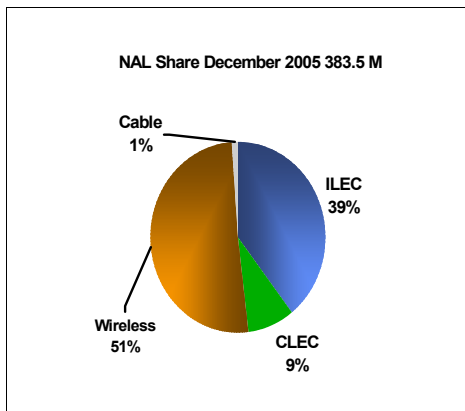
# BILLED TELEPHONE NUMBER & ACCESS LINE UPDATE

## BY ELLIS D. HILL

The total Billed Telephone Numbers (BTNs) for 2005 grew by 1.6% in 2005. ILECs lost 5.4% of their access lines; wireless gained 4.4%; CLECs remained almost level gaining 0.1%; and Cablecos increased their telephone service customers by 50% although at this time it only represents 1.6M subscribers. The graph below depicts the actual subscriber gain or loss.

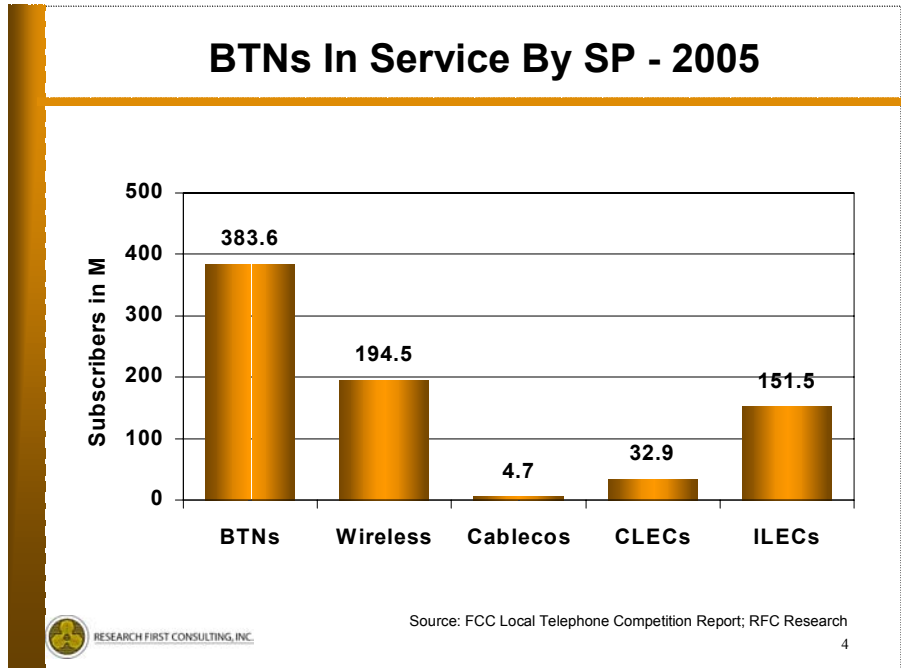


The graph to the right shows the total BTNs and the number of subscribers for each type service provider. The pie chart shows the market share of each respective service



provider type.

Network Access Line (NAL) growth averaged just over 2% from 1984 (the year of AT&T's divestiture) to 1999 at which point ILEC NALs were at its historical high of 181.3M. After that point wireless replacement and CLEC competition began eroding market share.



BTN growth averaged 6.7% from 1999 to 2005. Last year's 1.6% BTN growth shows a decline in overall demand for telephone voice service which is an indication of wireless service reaching a mature stage in its product life cycle.

This data does not capture non cable VoIP services such as Vonage, nor Skype, a free download software program that uses broadband connections for voice service. Users can then use their PC headsets to talk or send IM messages using their keyboards. The number of Skype users skyrocketed from 1.2 million in March 2005 to 5.4 million on March 6, 2006.

So what does the immediate future hold? I believe the distinction between voice and broadband services will continue to blur as subscribers use both over the same connection be it mobile (traditional wireless & EVDO), wireline broadband (DSL & cable modem), or fixed wireless broadband (WiMAX). As a result traditional access lines will continue to decrease, wireless subscribers will increase at a decreasing rate, and DSL and cable modems will continue their respective growth curves at about an equal rate. ILECs and Cablecos will battle for broadband market share, which will bring the

market price at or below cost in order to win the opportunity to provide higher margin content products such as gaming and video entertainment.

The RBOCs and other ILECs will continue their relationships with satellite companies in the near term to meet current demand for entertainment products; and in the long term to have an offering for their 20-25% customer base that cannot be served broadband/entertainment services economically with fiber or copper. It is very likely that Dish and DirecTV will both be purchased by large service providers (Dish by AT&T after the BellSouth deal is complete & DirecTV by Verizon or another large SP).

There will be a great opportunity to learn more about what is happening in the broadband market space at our **Broadband Services seminar** in San Diego, March 28-31. Please check our website for details.

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# Benchmarking



## DSL Churn Benchmarking 2005

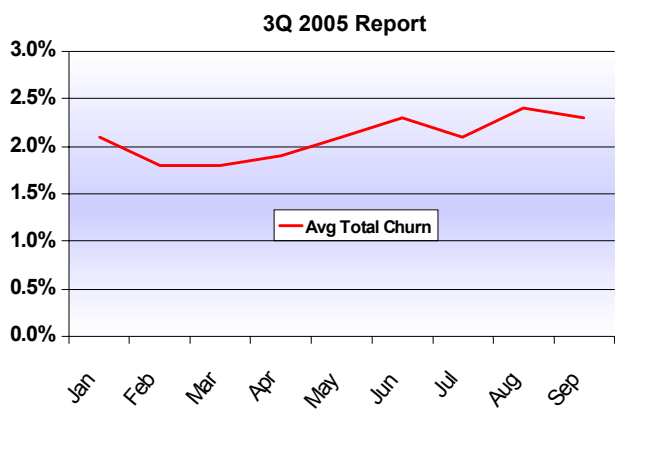
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- inducements such as free installation, very low prices for the first 6-12 months, etc. These inducements often attract some marginal customers who soon realize that the product does not meet their needs or budget at this time.
- 2. Promotional pricing, which is very prevalent, often results in high churn when customers come off the promotion.
- 3. Ever-higher speed options are being offered by competitors to lure customers from DSL.
- 4. MSOs are packaging their broadband offers with video, VoIP and now wireless service to capitalize on the consumer preference for packaged services.
- 5. Ever-lower priced offers and packages are being advertised extensively and customers who may be paying \$40 or more for their DSL service see the \$19.95 offers from MSOs or other suppliers as a way to save some money.

We are now collecting year-end 2005 DSL data and will be going over the YE'05 benchmarking study results at our **BMMA Annual Meeting** in San Diego, March 27-28. We will look at data from at least ten telcos and examine not only total churn but also DSL availability and penetration data as well as compare breakage, sales churn, controllable churn, non-controllable churn, etc. We will also discuss effective retention initiatives, save offers, etc.

- 5 of 7 companies have churn in the 1% - 2.5% range
- Average total churn is 2% - 2.5%
- Trending upward

Average Total DSL Churn for 7 Participating Companies



At the **Broadband Services 2006** seminar that follows the BMMA Annual Meeting, March 28-31, we will hear about successful retention initiatives and discuss this along with a number of other very timely and interesting topics that can give you some good ideas, help you be more successful and avoid some product/marketing mistakes back at your job. So, make your plans to join us in San Diego for both the **BMMA Annual Meeting** and the RFC's **Broadband Services 2006** seminar.

If you are not a BMMA member, we invite you to join us and help us all be more successful. Just go to [www.BMMA.us](http://www.BMMA.us) and send in your membership application. We would love to have you be a part of this great organization.

**Stan Romero**  
 RFC VP & BMMA Executive Director  
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If you would like to participate in the BMMA DSL benchmarking project, just let me know.

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# Training

*(Continued from page 1)*

3. As Embarq reps are universal, training covers sales skills, product training, provisioning, systems and billing.
4. Metrics: At 30 days (on floor) reps much achieve 70% of their revenue target as well as other metrics. By 60 days they need to be at 100% of quota.
5. Employee churn is a problem in training. Embarq feels that reps don't get an adequate feel for job complexity.

A major issue that each company wrestles with is one of quota expectations. Do the complexity of the curriculum and the enormity of learning requirements (technology, sales skills, product knowledge, etc) make it very difficult for a trainee to master all sufficiently enough to perform at 70% of quota within 30 days? According to one company, the answer is no. They train for 2-3 weeks and allow the rep to gain

mastery before learning additional subjects. Using such a model could be fairly high risk financially for companies with large centers and substantial turn-over.

The impact that trainees can have on the overall health of the center can be huge. With a high rate of turnover, many centers are looking for trainees to be proficient straight away in order to contribute to the revenue commitment of the center. The downside is the high rate of turnover among trainees who are unable to perform to expectations as quickly as desired. This brings us a full circle. *What really is the best strategy for the learning and education environment?* This and many other training related topics will be better understood through more in-depth discussions among the telcos.

Training, in addition to sales

strategies, alternate channels, employee motivation and development, a process for managing sales integrity will be covered at RFC's **Sales/Care Channels 2006 seminar** to be held in San Diego, May 24-26 at Loews Coronado Bay Resort. For more information regarding the seminar, please visit [www.researchfirst.com](http://www.researchfirst.com).

I hope to see you there.

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