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Hot Topics at Sales/Care Seminar

BY ANNA GIBSON

Hot topics have been the focus of RFC's sales/care channels events, such as our Fall Workshop where we had roundtable discussions on topics ranging from sales compensation to training and more. And on a quarterly basis, RFC has hosted "Hot Topic" calls providing an open forum for participants to learn what ILECs are doing regarding alternate channels, motivating for performance and training.

Now it is time for the **Sales/Care Channels & Operations 2006 seminar** in May! Here's a sampling of some hot topics to be addressed:

• **BellSouth** will talk about their sales integrity process. We will learn how they

designed an end-to-end process that measures, tracks and even predicts potential sales integrity issues. This is clearly the tool supervisors have been waiting for!

• **Qwest** will take us through their accomplishments in turning the worst center in the company into the best. We'll learn how they impacted sales, customer satisfaction and employee metrics. This accomplishment was featured in the Gallup Management Journal.

• **Embarq** will share with us how they are building a new company with the spin-off from Sprint-Nextel. Haven't we all said to ourselves, "If I could only start fresh with this organization"? Well, Embarq can really do it.

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Where is Speed Going?

BY ELLIS D. HILL

"Where Is Speed Going?" was the BMMA hot topic call for April. The guest speaker was Geoff Burke, Field Marketing Director-IP Video, from Calix, which is a large telecommunications equipment supplier. Here are excerpts from that call.

Before discussing where speed is going it is helpful to see where broadband is now. It has become a mass market phenomenon in the last few years with overall penetration at slightly below 40% nationally. It does lag other popular consumer services such as DVD players, PCs, and mobile phones, but many industry experts expect at least 70% broadband penetration by 2010.

While the most popular high speed

offerings are 0.5 Mb to 1.5 Mb, current service offerings of 6-8 Mb are becoming more common (often at premium prices) but are certainly not ubiquitous and are found more in the large cities with MSOs leading in this area.

Since the cable network is a broadcast optimized network, cable companies are carving available spectrum up among different services. The vast majority of the spectrum is devoted to analog and digital programming. Currently 60% of cable customers have analog-only relationships, which means that the analog spectrum will have to be maintained until they all go digital. And, there is considerable expense and pain associated with converting these

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REVELATIONS FROM BROADBAND 2006 SEMINAR

BY STAN ROMERO

Reflecting on our Broadband Services 2006 seminar last month in San Diego, I decided to relate a few of the many insightful key take-aways that came from the presentations and discussions. One revelation was that most telcos have moved or are in the process of moving away from the term DSL in favor of broadband products branded as "High Speed Internet" service. This allows them to somewhat blunt the cable companies' negative DSL ads and also begins to position them for the next network fiber-based architectures. To many customers DSL still has a positive image and telco reps should consider that in their contact process when customers mention the term DSL. With this in mind some telcos have kept the DSL term as part of the service's name.

We also learned that bundles are still a key marketing tool to help improve sales and retention. It was reported that broadband service churn in a bundle may be as low as half that of non-bundled broadband service, which averaged around 2.5% last year. When bundled with video services, it is reported to be even lower. Since retention is increasingly important to both telco broadband penetration gains and its profitability, cutting churn in half is very powerful. It has the same revenue impact as making 15%

more sales per year without the sales expense. If adding video to the mix can improve retention even more, that is just one more reason for the telcos to continue to work towards more video offerings. Of course, all the telcos still offer stand-alone broadband services for the bundle-resistant customers.

Telco marketing focus is also changing. The pool of dial-up customers is drying up and the telcos are beginning to focus on growth through winning customers from the competition. The MSOs have been targeting DSL customers for some time and now the telcos are beginning to directly target cable modem subscribers. Of course, since price is a key aspect of most broadband marketing messages, the telcos must highlight the packages where they have the best price advantage. Cable modem customers who self-identify themselves as such when they call the telco may be offered incentives to switch, along with the best competitively-priced package. We look forward to future reports on the success of these initiatives.

These were just a few of the "ahas" that Broadband Services 2006 seminar attendees learned. This year's seminar atten-

dees gave the event a 6.56 rating out of a possible 7 when asked how this event compared with other industry seminars they had attended. This is one of the highest ratings we have received in our 19 year seminar history. This success was largely attributed to the great presentations and the open discussions on best practices and broadband marketing successes.

Good news - you'll have another opportunity in October to learn more first-hand from broadband marketing professionals who will meet in Cincinnati for BMMA's Fall Workshop. In addition, join us for monthly BMMA hot topic calls, normally attended by 20-40 participants, where we have in-depth discussions of similar relevant topics. Finally, it's not too early to start budgeting for RFC's Broadband Services 2007 seminar and BMMA's Annual Meeting. Details will be released this summer. To learn more about any of this, just contact me at Stan@Researchfirst.com.

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Sales/Care Channels

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•**Commonwealth** has a new “C” order sales group that has been extremely successful. They are the most successful company in second line penetration. It will be great to hear how they do it!

•**Roundtable Discussions:** We will discuss what everyone has been doing with alternate channels and training, encompassing what’s new, what works, what hasn’t.

In addition, we will hear about cutting edge compensation tracking, VoIP sales hurdles, how one company is managing outbound call centers, an overview of market trends and a comparative analysis of channel metrics. Of course we thank our sponsors, **Allconnect** and **Lucent Technologies**, for helping us make this a quality event.

Plan to join us in San Diego, May 24-26 for **Sales/Care Channels & Operations 2006**. For more information or to register, [visit our website](#). I hope to see you there.

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Speed

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customers. The reality is that when looking at new services, the pipe is getting clogged. Most cable operators have devoted only a few channels of their available spectrum to high-speed data. This limits their share of band access to about 40 Mb/s downstream and 10 Mb/s up. The new DOCSIS 3.0 standard is coming in 2007/8 that will allow channel bonding and subsequently bandwidth of 120Mb/s upstream and 1 Gb/s downstream. A key takeaway according to Burke, however, is that “no matter how robust the DOCSIS technology gets, there are certainly new technologies in the telco environment to meet this head to head.”

While most of the telcos on the call stated that attempts to move customers up the speed chain were difficult at present, the need for speed will be driven as data, voice, and video convergence evolves. Current data demands will likely move to 6, 8, or even 10 Mb as more bandwidth hungry content such as pictures are emailed and gaming grows. IPTV and other new services will push the sustained bandwidth significantly higher than that. As HDTV comes to a head requiring at least 8 Mb/s per channel (MPEG4 AVC), the broadband demand for this alone is driven to 24 Mb/s assuming a 2 channel

demand and a complementary mix of standard definition channels and HSD. These demand factors will justify the FTTP, FTTN, and FTTC telco deployments. Lots of efficiencies can be gained by using this fat pipe. Speed can be ratcheted up or down depending upon the need, be it bursty data, streaming video, or VOD.

Q & A's:

Q: What is a potential competitive advantage for the telcos?

Burke: A: There are a few real advantages. On average fewer than 40% of cable subscribers have a digital relationship. Cablecos will have to move people onto the digital network. This will be costly and slow. The telco IPTV customer from day 1 can do all the digital services. This IPTV relationship is the foundation for a broadband relationship as well – 60%+ of those taking IPTV will also take high-speed Internet. The dynamic bandwidth allocation will be important as well – telcos will have a single fat pipe to market, yet the flexibility to carve up this pipe for QoS advantages.

Q: What are take rates do you see for premium services in telcos vs.

cablecos?

Burke: This follows the demographics, such as remote professionals. Overall we’re seeing a 15% take on premium and 30% on mid-tier services. Around 0.5 to 1.5 MB has the biggest take rates in terms of price/speed points.

Join us on our BMMA Hot Topic calls each month to hear more about successful service offerings, DSL news and best practice discussions. To be added to our distribution list for these calls, contact Lisa LaBorde at Lisa@ResearchFirst.com.

Ellis Hill, RFC President, founded RFC in 1987 after 12 years at BellSouth.
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