



PRIME INSIGHT + FOCUS

Vol. 3, 2008

MARK YOUR CALENDARS...

RFC's 2008 FALL EVENTS

... designed for telecom directors and their managers in product, market, sales and channel management.

Small / Medium Business Workshop TBD September 2008

[Details](#)

BMMA Fall Workshop Broadband Multimedia Marketing Association September 23–25, 2008

[Register](#)

Alternate Channels Workshop Sept 30–Oct 1, 2008

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For details visit

www.researchfirst.com

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Small/Medium Business Workshop Plans

BY ELLIS D HILL

Many of you have expressed interest in participating in a SMB workshop or seminar to support sales and marketing initiatives to that segment. Research First would like to offer this service to you.

We did in fact have a seminar for SMB that we stopped about 8 years ago but believe the time is right to conduct them once again.

Our plan is to design a workshop to be held this September 2008 with a full seminar in the spring of 2009. For the workshop we anticipate using a 2 day format with most of the time spent in round table discussions with some formal presentations being given.

For the SMB seminar we believe that a 2 ½ day format similar to our Consumer Services, Broadband, and Sales/Care Channels seminars will work well.

To ensure the workshop's success, **we need your input regarding topics that you would like covered** to help us plan the format and agenda. Therefore, please [take this brief online survey](#).

Following are some agenda items that your peers have already recommended:

- Customer retention
- Competition

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Characteristics of High Performers

BY ANNA GIBSON

RFC's Sales/Care seminar that was recently held in Tucson, Arizona was a huge success! The presentations were terrific with many key learnings. One of those presentations was given by Jane Brimmer, Executive Director Channel Development from Telstra (Australia).

Jane has an extensive background in sales channel performance in several companies both domestic and international. She shared information regarding a high performance sales model and which characteristics and behaviors are exhibited by high performing reps and managers. There are many characteristics that the high performing rep exhibits consistently. Some are intuitive, others are not. Here are a few of the behaviors:

- Prepares with a sale in mind
- Speaks with enthusiasm and confidence
- Positions solutions and value/benefits
- Presents products with benefits
- Bridges to sales-60% of contacts or more
- Hears customer cues for additional opportunities
- Handles orders fully and correctly

Jane stressed that high performers do all of these things and more on every contact. A key to success is consistency on every call.

The most highly successful managers also have several common traits and attributes. These key attributes are confidence, collaborative nature, optimism and

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BMMA Elects 2008 Board of Directors

The BMMA Annual Meeting, held in Tucson on April 14-15, was a great success with discussions including broadband usage growth, the BMMA broadband and churn benchmarking report, WiFi and other service offerings.

Participants at the Annual Meeting set aggressive 2008 goals for the association, including: increasing service provider membership; expanding the Fall Workshop to allow more time for deep dive roundtable discussions; laying out a full year of hot topics for the monthly calls; regularly addressing business broadband topics; updating the website; and updating the benchmarking report.

Part of the meeting was devoted to the election of the new 2008 Board of Directors. We are proud to announce the new board:

Co-Chair - Jill Callahan, Consolidated Communications

Co-Chair - Brian Farley, MTS Allstream

Secretary - Todd Price, Bell Aliant

Treasurer - Eric Wolbach, AT&T

At large - Greg Owens, Alcatel-Lucent

At large - William Begy, Synacor

At large - Shane Kaatz, TDS Telecom

Of course we would like to thank the outgoing 2007 Board of Directors for their outstanding devotion and leadership



The new 2008 BMMA Board of Directors with the BMMA Executive Directors at the Annual Meeting in Tucson, AZ (left to right): Stan Romero, RFC; Eric Wolbach, AT&T; Brian Farley, MTS Allstream; Shane Kaatz, TDS Telecom; Jill Callahan, Consolidated Communications; Greg Owens, Alcatel-Lucent; Todd Price, Bell Aliant; Ellis Hill, RFC; William Begy, Synacor.

throughout the past year: Mike Flynn, AOL / InfoInterActive; John Walsh, Bell Aliant; Jill Callahan, Consolidated Communications; John Eberle, CT Communications; Dane Folster, Embarq; Brian Farley, MTS Allstream; Shari Mombourquette, SaskTel.

In addition, we'd like to give a special thanks to Stuart Chowning, formerly with Cincinnati Bell. Stuart was one of the founding members of the association and

served as co-chair until December 2007.

For more information on the BMMA visit www.bmma.us or contact me directly.

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BMMA 2008 Fall Workshop

Join your telco broadband marketing and vendor peers for deep dive discussions covering best practices and other relevant topics

Location: Ottawa, Ontario, Canada (*remember your passport!*)
Host: Alcatel-Lucent
Dates: September 23-25, 2008
To register: Visit www.bmma.us

bb usage · marketing to smb · service offerings · poor credit customers · customer education · etc

Embarq Shares Successful Programs at BB'08

BY STAN ROMERO

Broadband Services 2008 (BB08) was a huge success judging from the great interaction and the attendee feedback forms in which nearly 100% of responses indicated "definitely yes" when asked if they would attend another RFC seminar. What made BB08 so good and useful? You did, the attendees and speakers! Through your participation in the roundtable discussions, Q&A sessions and presentations, you unselfishly shared your knowledge and experience regarding best practice marketing tactics that work and also warned of some that have not done so well. This interaction is what makes Broadband Services unique in the industry.

One of the highest rated presentations was Dane Folster's of Embarq: "Core Marketing and Up-Selling Advanced Services." Dane told us about their permanent pricing campaign that appeals to customers as a common sense approach. This campaign has increased sales, reduced churn and at the same time simplified their billing and sales processes and resulted in fewer billing errors and an all time low in billing adjustments.

Embarq has also implemented a \$5 upgrade path for their high-speed Internet service (HSI) so that existing customers can go from each speed category up to the next one for just \$5 per month. Their upgrade campaign built around this pricing structure has resulted in significant upgrade activity and a significant increase in the premium speed product portion of their mix.

Embarq has also implemented several "Web Packs" to appeal to various customer segments with value-added products. For example, their "Learning Pack" includes homework help, test prep and learning games and the "Variety Pack" includes e-Cards, learning tools, games and sports. These new packages have enjoyed a high attachment rate to new High-Speed Internet HSI sales and are helping increase ARPU while helping customers receive more value from their HSI product than simply e-mail and web surfing.

Advanced computer support and their new "eGo" broadband phone help Embarq meet the needs of additional cross-market segments who either need help with their computing experience or are looking for a

high-tech CPE product that is available at retail and integrates voice, text, voice mail, internet and contact management.

Embarq is doing some very interesting things and we appreciate Dane sharing these best practice ideas with us.

To hear more about these and other best practice success stories, join us every month on our BMMA Hot Topic calls, our Fall Workshop in September in Ottawa, Canada, and other BMMA and RFC events throughout the year. To apply for BMMA membership or learn more about it, please go to www.BMMA.us, or go to www.researchfirst.com to learn more about other Research First supported learning opportunities.

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Research First Consulting Proudly Thanks Our 2008 Seminar Sponsors:



The Impact of Security as a Service

BY CURTIS CRESTA, F-SECURE

There's no question that the rapid evolution of the Web has drastically changed the way we live, learn and work. However, the collaborative technologies, the proliferation of broadband and the flattening of the world have sparked the emergence of a new breed of cyber-criminal. Today's cyber-criminals are backed by fully funded syndicates, and motivated strictly by profit; these criminals use service provider pipes to carry out targeted attacks.

Service providers worldwide are addressing these ever-evolving security threats. As the gateway provider, it only makes sense that service providers equip their users with the armor needed for traversing the Web safely. More and more are now offering security as a value-add to their subscribers, partnering with security vendors to bundle basic and advanced Internet security tools alongside broadband access.

Here are some advantages and tips for delivering security as a service followed by some of the most salient Internet threats hitting online users and what service providers can do to address them.

Security as a Service vs. Traditional Software

Easy to Manage—Security as a service enables service providers to manage rules to streamline traffic through specific ports or protocols. This enhances the customer experience while reducing support calls.

Ease of Installation—Security as a service ensures a simple "set it and forget it" installation for consumers. However, the service must be easy to find and needs to require minimal clicks for the user wishing to subscribe. The ability to predefine rules and adjust the settings of the product removes configuration complexity and are two key advantages over traditional boxed versions.

Immediate Upgrades—Service provider-delivered security ensures subscribers receive immediate updates. It's critical that these updates and upgrades be completely transparent as most end users wish to install the service without having to worry about installing new versions. The ability to phase upgrades in specific increments means the impact on support organizations

can be managed.

Speed of Response—Security as a service means that end users are protected based on vendor updates to the software, not based on the next time they purchase and install a new version. The threat of complex malware is continually growing, making the speed of response to emerging threats imperative to protecting users.

What Security Ensures

Churn Reduction—A study conducted with top service providers in North America found that after delivering a robust security as a service solution, customer churn for those users with the service was significantly reduced. The ability to offer consumers a service that requires minimal intervention during installation as well as transparent and seamless regular real-time updates was found to be imperative in achieving the best possible user experience. The study further highlighted the users' need for security as a service versus the traditional security offerings. The addition of security services created that extra stickiness with those users.

Reduce Support Calls—When an Internet user finds that his computer has been infected with a virus or is running slowly, they often turn to the service provider. Studies have revealed that after implementing a robust security as a service solution, support call volumes and call durations significantly decrease (in one specific case, by as much as 80 percent). This enables the service provider to focus on other customer service needs, reduce costs and build a trusting relationship with its customers.

Less is More—Service providers should partner with vendors who understand how to streamline the basic download process for their subscribers. Take-up rates have increased as much as 60 percent for a large service provider by implementing technologies that completely streamline the customer acquisition process to 2 or 3 clicks from start to finish.

The Threat Landscape

Botnets—Botnets (a.k.a bots) are networks of compromised computers used for cyber

crime activity. From a customer experience standpoint, botnets represent one of the largest costs for service providers. The experience that users go through when their computers become part of a botnet is a scary one. A user's service can be shut down and often, they're baffled as to why. This can often lead to a hostile environment between the customer and the service provider. Service providers must ensure they have processes in place for handling such instances and educating customers on how they can get back up and running.

Drive-by Downloads—Drive-by downloads are one of the fastest growing ways to deliver malware. A drive-by download occurs when an Internet user, without knowing, automatically downloads malware simply by visiting a malicious site. This is one of the newest threats for Internet users and the scary thing is that education doesn't work. You can teach people to avoid tell-tale signs of phishing, but when it simply comes down to visiting a site, the only line of defense is security software.

Because many Internet users don't take Internet security into their own hands, it's critical for service providers to take the steps to ensure their users are protected. Delivering security as a service and partnering with experienced security vendors that are in tune with the needs of broad Internet users will pay significant dividends. In the end, it's about enabling service providers to focus on their core business and security as a service allows that to happen.

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F-Secure, a leader in global Internet security, which has built its business around partnerships with service providers by offering "security as a service" to over 160 providers worldwide. F-Secure Protection Service for Consumers includes tailor-made solutions to meet the business needs of service providers and mobile operators by enabling them to offer Security as a Service to their subscription base.



Selling with Chat

BY KENN MACKAY, INQ

Welcome to the telco world where sharply increasing goals coexist with barely growing budgets and hiring freezes! You need to deliver new customers, increase ARPU, reduce churn, and renew contracts, all in a landscape where the traditional store and call center channels are shrinking. In this context, it makes sense to increase your presence on the ever more popular and lower cost web channel where consumers expect you.

One effective online innovation comes from repurposing chat, an instant-messaging-like technology that has been used for several years in customer service. Forward-thinking carriers like AT&T, Sprint, Virgin Mobile, Vonage, Comcast and others are now deploying chat as a sales channel. Their implementations go substantially beyond customer service and have specific, and often ambitious, sales goals.

Chat may be leveraged in several ways in a sales environment including acquisition, up-selling/cross-selling both to new and existing customers, and churn reduction, to name a few. Instead of waiting for visitors to click on a chat button, smart chat programs take control and engage the visitor.

Of course, some procedures do *not* work well, such as having phone agents engage in chat (which requires the use of two different skills), or managing chat selling like customer service, with handle-time goals.

Results

Overall for our clients, the results from deploying chat have been significant*.

- 20% increase of total web sales in 90 days
- Two-fold (100%) increase of web sales
- High CSAT ratings (85%+)

* inQ commissioned a research firm to document the results in an impartial manner.

Results like these may be challenging but are achievable. They demand a commitment, great software and great agents, and also a team of experts: trainers,

chat supervisors, chat script writers, artists that design branded interface, chat analysts that constantly test and optimize the system; the list goes on.

Assembling such a team internally may or may not be feasible. Some chat companies offer turnkey solutions, which will allow you to get started without assembling such a team. You will want to evaluate at least two potential business models: pay-for-resource and pay-for-performance.

Pay-for-resources makes it your project end-to-end. You will pick the software, hire the team of chat experts, supervisors, and agents, integrate, design the program, write the scripts, train the agents, launch, let everybody climb up the learning curve, gradually optimize, and see the results. This solution delivers total control, but requires time, capital, real estate, and staffing – along with loaded salaries and labor issues that come with this headcount.

Pay-for-performance is a shortcut: faster, with little or no staff or capital requirement. Chat vendors supply their technology, Operations and Analytics & Optimization experts, as well as agents to get a program running quickly. These vendors get paid only when they sell something on their clients' behalf – essentially a self-funded

solution. With an assigned Account Team and a strong partnership, your objectives and strategic goals are incorporated into the overall chat campaign solution. And with strong QA processes that validate every sale and monitor overall chat quality, brand control remains in your hands. And good vendors will actually boost your overall web site CSAT.

The pay-for-performance model is best if your budget is tight (self funded solution), and if you need sales results quickly. Regardless of the model you select, if your goals this year include increasing revenue, LTV, and CSAT, chat should certainly be part of your portfolio.

Kenneth MacKay, Senior Director inQ, a leader in chatCommerce™
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Kenn is a veteran of the Telecom industry with over 26 years of experience, mostly at BellSouth (now AT&T) where he first had responsibilities over Electronic Bill Presentment and Payment (EBPP) and was most recently responsible for the redesign of their online acquisition and product ordering applications, which is currently patent pending.



Customer acquisition	Proactively offer assistance to visitors who are shopping seriously but exhibiting signs of abandonment in the shopping process or during the order flow stage
Up-sell and cross-sell new customers (increase acquisition ARPU)	Proactively intervene with visitors engaged in the order process and suggest relevant accessories, and/or move them up the good-better-best scale as appropriate
Increase existing customers ARPU	Proactively offer assistance when an existing customer logs in her account, at the appropriate time and location. A user of a family plan with only 1 phone may be offered additional phones
Churn reduction	Proactively intervene when an existing customer is logged in his account and the contract term is near. Offer a service renewal promotion.

BMMA Announces Best in Class Award Winners

BY STAN ROMERO

The Broadband Multimedia Marketing Association (BMMA) has announced the winners of its inaugural Best-in-Class Marketing Awards. There are 2 distinct categories of awards. The Marketing Trailblazer Award goes to the person or group that best displays *innovation* in marketing theory, practice or operations. There is a Service Provider and a Vendor category for the Marketing Trailblazer Award. The Marketing Excellence Award is presented to those that best display *excellence* in the field of marketing as it relates to *execution* (Vendor or Service Provider). This award may be granted for excellent execution in the area of promotional activity, advertising, new product introductions or for overall excellent execution of a total marketing campaign.

This year's BMMA Best-in-Class Award winners are:

Marketing Trailblazer Award Winner – Service Provider

Name: Embarq
For: MyEMBARQ.com

Embarq launched a new customer internet portal, email and security services to replace existing services. MyEMBARQ.com was built with new web 2.0 features and functionality - including a fully loaded web mail service, with full preview pane, advanced calendar features, image previews and unlimited email storage provided by Synacor, Inc. It also provides 40 channels of commercial free radio, music-news -entertainment videos and space for targeted advertising and Google Search for revenue generation. Not only is the product innovative but Embarq blazed new trails by being the first in the industry to successfully perform a mass email transfer & portal migration to a new domain.

Marketing Trailblazer Award Winner - Vendor

Name: John Gable, ZoneAlarm
For: ZoneAlarm ForceField

ZoneAlarm's John Gable accepts the Marketing Trailblazer Award from Stan Romero, Executive Director of BMMA for its new ForceField product.



ForceField is the first virtual, on-demand browser security solution to allow the end-user to use any PC, anywhere with impunity. This saves Telco ISPs money via reduced level 1 customer support costs by eliminating spyware, malware, etc. Not only is the product innovative but it also allows for innovative distribution because the ISP can instantly deploy ForceField to any PC without traditional installation technologies.

Marketing Excellence Award Winner #1

Name: Janet Guliani, MTS Allstream
For: Xbox/PC High Speed Offer Program

Janet Guliani accepts BMMA's Inaugural Marketing Excellence Award from Stan Romero, BMMA's Executive Director, at their annual meeting in Tucson, AZ for MTS's Xbox/PC High Speed Offer program.



This program enabled customers to package together High Speed Internet (HSI) Lightning or Lightning MAX service with customer's choice of an Xbox 360 Elite Package (featuring the market's hottest game - Halo 3!), a Compaq PC, or an HP Notebook, delivered to their door. MTS offered Halo 3! as part of the Xbox High Speed program timed for the holiday gift-giving season!

Marketing Excellence Award Winner #2

Name: Paul Norris, MTS Allstream
For: Total Home Phone Package

MTS developed a service package to meet customers' needs and was highly successful in winning back local customers by providing them with a complete, easy to understand package for one monthly price.

By linking the Total Home Phone Package (THPP) to TV and/or High Speed Internet MTS was able to ensure that they had multiple services within the household and had the potential to up-sell and engage with these other MTS services.

Due to their exceptional execution, MTS was successful at positioning their voice services as competitive in the Manitoba marketplace. (The Manitoba market was being hit with the most aggressive cable voice offers in North America: line, features, unlimited North America LD and 1,000 international minutes for \$40 per month, a 27% discount over the same service sold in Alberta and BC). This success is demonstrated by the fact that ending 2007, MTS was 18% above their 2007 objective of THPP subscribers and the effects of re-price were 30% lower than budget.

About the BMMA:

The Broadband Multimedia Marketing Association (www.bmma.us) is an international organization formed to enhance the business of service providers and vendors in the ILEC broadband services industry.



1Q'08 Major Provider Broadband In Service

Broadband Service Provider	2008		
	1Q In Service	1Q Gain	1Q % Gain
Major Telco DSL			
AT&T	14,647,000	491,000	3.5%
Verizon	8,501,000	266,000	3.2%
Qwest	2,701,000	90,000	3.4%
Embarq	1,340,000	63,000	4.9%
Windstream	911,000	39,600	4.5%
Frontier	543,020	19,175	3.7%
CenturyTel	586,000	31,000	5.6%
FairPoint	295,578	5,001	1.7%
Cincinnati Bell	227,900	6,400	2.9%
TDS Telecom	154,800	11,300	7.9%
Total US	29,907,298	1,022,476	3.5%
Bell Canada	2,014,000	10,000	0.5%
TELUS	1,040,500	20,300	2.0%
Bell Aliant	711,093	22,380	3.2%
SaskTel *	168,905	2,905	1.8%
MTS Allstream	169,795	3,624	2.2%
Total Canada	4,104,293	59,209	1.5%
Total Telco	34,011,591	1,081,685	3.3%
Major Cable			
Comcast	14,078,000	492,000	3.6%
Time Warner	8,204,000	304,000	3.8%
Cox *	3,873,611	81,144	2.1%
Charter	2,768,200	85,700	3.2%
Cablevision	2,343,000	61,000	2.7%
Bright House *	1,174,232	45,163	4.0%
Mediacom	688,000	30,000	4.6%
Insight	412,200	26,200	6.8%
Total US	33,541,243	1,125,207	3.5%
Shaw	1,517,992	31,517	2.1%
Rogers	1,510,000	45,000	3.1%
Videotron	965,100	32,100	3.4%
Cogeco	456,188	40,352	9.7%
Total Canada	4,449,280	148,969	3.5%
Total Cable	37,990,523	1,274,176	3.5%

Source: The companies, Cable DataCom News and Research First Consulting Inc. research.

* Estimated

SMB Workshop

(Continued from page 1)

- Customer satisfaction
- Alternate channels
- Strategic products
- Product benchmarking
- Sales benchmarking
- Sales compensation plans
- Training
- New services / revenue opportunities
- Security issues
- Wireline and wireless broadband review
- Convergence

Of course please contact me directly to discuss questions or opportunities related to either of these events.

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

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High Performers

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passion. The best coaches always have the customer as a priority, observe extensively, give their reps encouragement, are always available, and have a strong focus on the goals with good result tracking and analysis.

Those of us who have managed call centers have at one time or another said that we would like to clone certain individuals. Actually, that may not be necessary as coaching to the key attributes will undoubtedly bring the desired results.

Our thanks to Jane for sharing her expertise!

Anna Gibson, RFC Vice President

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RESEARCH FIRST CONSULTING, INC.

RFC specializes in research and consulting of consumer and business network services and new telecommunications technologies.

Our suite of services includes:

- ❑ **Marketing consulting, including**
 - Churn measurement and reduction strategies
 - Sales and operations planning and strategies
 - Product planning and introduction
- ❑ **Market research**
 - Customer satisfaction
 - Competition analysis
 - Benchmarking
- ❑ **Telecom seminars & workshops**
- ❑ **Association management**
- ❑ **Sales training & certification**