

*Making Sure Your*

# Message About Fiber Hits Home

Whether you are using a fiber ambassador, a door-to-door sales team, or some other method, here's how to use basic marketing principles to sell the benefits of fiber connectivity to homeowners.

by Hilde Verhaegen

## Author Profile

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**Y**ou have seen the business cases, heard the technology debates, reviewed the case studies and success stories, and have decided that fiber-to-the-home (FTTH) is indeed the perfect solution for your organization. You even figured out how to deploy FTTH and you are all set to go, but how are you going to market it to your customer?

There really are no big secrets. A good portion of common sense, some

basic marketing principles, and best practice examples and you have a recipe for success.

## Basic Marketing Principles

While it is easy to find examples of dire marketing strategies, there is no reason your FTTH marketing adventure should go awry, like General Motors' experience with its star-crossed Chevrolet Nova. In Mexico, the car was not saleable because, in Spanish,



the Nova name resembled the words "no va," which translates in English to "no go". By re-naming the car Caribe, the company sparked an immediate jump in sales. Similarly, Ford introduced the Fiera truck to Spanish markets, and discovered that the name means ugly old woman. Rolls Royce almost made the same mistake before it launched the Silver Mist car to the German market. Silver Mist translates into manure in German.

Each of these companies made the same marketing blunder based on a lack of awareness or understanding of the cultural differences in their disparate target markets. The application of some simple marketing principles could have avoided these mishaps, however.

With FTTH, too, these simple marketing principles must be applied in the pursuit of success.

### What Are These Principles?

They are: understanding and remaining true to your organization's mission and objectives, identifying the specific market segment that needs to be addressed, knowing what differentiates your services and anticipating your competitors' possible reactions.

As FTTH networks are rolled out gradually, neighborhood by neighborhood, marketing messages need to be focused specifically on those neighborhoods where the services are available, rather than broadcast to the entire community at once.

Years of waiting for the latest access services and dealing with poor customer services, have caused many communities to harbor a grudge against the traditional service providers, which are perceived as having little or no commitment to the local communities. As a result, these communities are ripe for new local network initiatives. Marketing messages that highlight the vested interest of an organization in the local community, its status as a local employer with local employees, and its desire to promote local economic development, have been proven to produce success.

Although messages that highlight opportunities for savings by customers



can motivate people to switch over to the advertised service, messages that emphasize the local-ness of the service provider are at least as effective in gaining people's confidence. Other strong messages call out the service's excellent customer services, or its latest and greatest technologies.

### Municipalities

Municipal organizations are inherently equipped to successfully market FTTH services. Normally, a municipal organization already has an established relationship with its target audience because it is the incumbent utility provider. Thus, when the municipal organization begins to offer FTTH services, it can to some extent rely on that relationship, and the inherent customer loyalty. In most cases, the municipal organization has already established a good relationship with its customers, and that relationship can be converted to customer loyalty when FTTH services are offered.

Another competitive advantage that can be leveraged is the municipal organization's identity as a local employer

whose interests match the community's interests.

Marketing tactics that are successfully used by municipalities are market research surveys, press releases and media coverage in general. In addition to providing the municipality with an understanding of the market conditions crucial to determining the optimal blend of services, these tactics can raise the awareness within the community of the FTTH services offered, and create the desire to subscribe to these services.

Other traditional and effective marketing tools range from newsletters and customer appreciation days to direct mailers and bill inserts. Given that the FTTH network cannot be rolled out everywhere at the same time, but rather is installed neighborhood by neighborhood, marketing tools that broadcast the marketing messages to the entire community at once are not efficient. Indeed, at worst, such messages can be the cause of dissatisfaction when the service cannot be provided immediately. Targeted mailing campaigns and door-to-door sales pitches to the homes

that can get the services are the best promotional tools.

### Competitive Local Exchange Carriers

A number of competitive local exchange carriers or CLECs – local telephone companies that compete with the Bells – have started to address the needs of their local customers successfully by offering "triple play" services (telephony, video and data) via an FTTH network. Although large incumbent telecommunications and cable providers already are servicing the CLECs' target customers, the CLECs are beginning to offer triple play services to their target customers. Their marketing strategy is to distinguish their triple play services by emphasizing, for example, the CLEC's technological superiority and its high quality customer service.

One cable company, for example, has gained widespread brand recognition among its customers, but because its brand name also has been associated with poor customer service, the company has earned a bad reputation. To that end, the CLEC that is targeting the same potential customers is using the cable company's bad reputation to its advantage by emphasizing its commitment to high-quality customer service in its marketing strategy and messages.

In addition to the service's value, this CLEC also uses a pricing strategy that allows it to offer substantial savings to its customers. Plus, besides disseminating this message in its marketing collateral, this CLEC has a small door-to-door sales force that visits the FTTH-ready areas armed with presentations loaded into portable computers. These presentations are designed to highlight the benefits of the FTTH services, but they also highlight the savings opportunity for potential customers. The customer tells the sales person how much he is currently paying for voice telephony service, data service and video services. Based on that information, the software calculates the actual savings opportunity presented by the CLEC's FTTH services.

Before sending out the door-to-

door sales force, the CLEC raises the potential customers' awareness of the services by sending out direct mailers and hanging flyers on home door handles. Though local newspaper and radio ads also are used, they are less efficient because they address the whole community rather than just the actual customers who can sign up for the services today.

Similar to the municipal messages in the example above, the marketing mes-

sages that pull in the most customers emphasize the local focus of the company, its vested interest in the local community, the superiority of the FTTH services, and the convenience of receiving only one bill. Also emphasized are the strong customer service, the video channel selections that are similar to those offered by cable and satellite TV services, and the idea fiber is the future available today. All of the messages have been successful at drawing in lots of new customers.

**Superwire, Inc. and Golden Rain Foundation Sign Telecommunications Services Agreement**

Superwire Inc. (OTC:SUPW) an integrated broadband services company delivering voice, video and high-speed Internet to the multi-tenant property, small to medium sized business and consumer markets is pleased to announce that it has been awarded a 15 year exclusive agreement to provide Integrated Telecommunications Services to the Golden Rain Foundation property, Leisure World Seal Beach.

Under the agreement, Superwire, through its wholly owned subsidiary, Superwire Telecommunications, Inc. will be the exclusive, non-incumbent, provider of local phone service, high speed Internet service and cable television services to the 8500 residents of LWSB. Service availability for voice and high speed Internet is expected to commence at the end of the summer, 2004, with cable television services commencing no later than the termination of the Golden Rain foundations existing cable television contract which expires in 2007.

"This contract provides the truly unique opportunity for a carrier and community to partner in the provisioning of telecommunications services to residents." Stated Tighe Merelli, CEO, Superwire, Inc. "Residents of the Leisure world Community will have an active voice in the composition of the services delivered to them as well as the economic benefit associated with cooperative purchasing." Mr. Merelli further stated "The contract, projected to provide over \$104 million in revenue during its initial term, provides for reductions in monthly telecommunications fees to residents based upon the total residents subscribed and provides for revenue participation by the community."

**About Superwire**

Superwire.com, Inc. provides broadband local loop solutions including high-speed Internet, local telephone and long distance to office buildings, MDU tenants and individual subscribers by provisioning next generation broadband access and transport technologies directly to the subscribers. Superwire's business model capitalizes on the economics derived through the provision of convergent voice, data and video services over a single telecommunications access facility.

**superwire.com**

For further information please visit our Website at <http://www.superwire.com> or give us a call at (866) 547-8737

### Developers and Property Owners

Real estate developers face a different set of circumstances. Developers do not need to concern themselves with marketing FTTH services to consumers and battling incumbent service providers. For developers, FTTH alone is the marketing tool.

Master-planned communities have always attracted new homebuyers with spacious home plans, the latest landscaping trends, award-winning designer golf courses, and high-quality amenities, such as state of the art home theaters. Today, one of the biggest selling points is the future-proof fiber infrastructure that lies beneath the landscape.

In terms of the services provided, the FTTH infrastructure both enables a developer to provide its homebuyers with better quality services than the traditional telephone service infra-

structure and video services, and provides an opportunity to offer premium services required for a high-tech automated home. In some communities, the basic service package includes a 100 megabits-per-second (mbps) fiber connection, five e-mail addresses, 50 Megabytes (Mb) of disk space, dynamically-assigned IP addresses, 5Mb of Web hosting space, a private subnet and community Intranet access, as well as phone service and 130 channels of digital cable-TV. Homeowners also can elect to upgrade to premium services, which range from home security to advanced phone and television programming features, to sophisticated home automation that enables remote control of lighting, temperature and appliances.

To market FTTH services, a developer ought to allow potential home-

buyers to experience the full range of possibilities with hands-on demonstrations. Some developers are doing so with a technology room within the development's information center. The demonstrations are of voice, video and data services, and home automation, including automated lighting and window coverings, and whole-house "good night" and "wake up" modes.

### Recipe For Success

Marketing FTTH to the consumer is not different from marketing any other product or service. For a new ice cream brand or services over FTTH, the methodology is the same. Start by identifying the target market and studying it. Then, model the marketing messages so that they appeal to the target market, and reach the target market via the most efficient communications channels. Marketing messages should emphasize the organization's vested interest in the local community. Although opportunities for savings can be very strong motivators for people to buy, equally powerful motivators are established relationships with the community and high standards for customer services.

Marketing activities should focus specifically on the people who can sign up for the services today. Broadcasting a marketing message to the entire community is inefficient and can frustrate anyone who wants to become a customer but cannot.

The tactical tools that have been used successfully by a variety of FTTH service providers are direct mailing campaigns, bill inserts, and door hangers. All of these tools become even more effective if they are complemented by marketing tools such as technology demo rooms, fiber ambassadors, educational summits, customer appreciation days and door-to-door sales teams.

Regardless of the kind of organization represented, in any endeavor to market FTTH services, the formula for success is constant and typical: adhere to basic marketing principles, follow the lead of winners and, above all else, use common sense. ♦



*Tomorrow is coming at light speed*

For more information on membership  
and FTTP consultants,  
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