Market the Content Before the Bandwidth

By Steven S. Ross ■ *Editor-in-Chief*

How much bandwidth makes a difference to potential buyers or renters? How much does a history of reliable service count?

The quick answers are easy: Consumers want as much bandwidth as you can give them, and they want it to work 24/7. That costs money, of course, and consumers also say they want bargains.

As we run up to our Broadband Summit in Texas next month, we ponder about how those constraints make the questions harder to answer in the real world. For one thing, how do you market the content if you can't see beyond today's "triple play" of voice, data and video? How do you continue to attract that minority of consumers who already have a bandwidth need in mind, while also enlightening the profitable majority?

MSOs Turn to Marketing

This month, many of our authors offer some hints. Although they come at the problem from different angles, they agree that the answer is to sell solutions. Bandwidth is not a solution. What you do with the bandwidth is. Bryan Rader, in his column, says larger MSOs have upped their budgets for general marketing by as much as 40 percent in just the past two years. The money goes in large part to reposition the "cable company" as a data and telephone provider as well. He says smaller PCOs should be sending the same message.

Bruce Bahlmann goes further, asking, "what is more valuable to consumers – a pipe, or the water that flows through it?" He harkens back to the promises AT&T made in the early 90s. AT&T promoted a future filled with video phones, advanced high-definition and on-demand TV, and ubiquitous data.

The future is here, even if AT&T soon won't be. But many providers seem to believe that the consumer knows all that, and doesn't need to be told again. That's wrong on two counts. First, the typical consumer doesn't know all that. And even savvy consumers don't really know how much bandwidth they need for the services they crave.

Curing Consumer Confusion

Take VoIP. Different appliances (for connecting to your Ethernet) use different codecs, and different VoIP providers favor (and sell) different codecs for different levels of compression and voice quality. Consumers may need 128 Kbps for a single VoIP line, or as little as 20 Kbps (in fact, as little as 5 Kbps for terrible quality). Some appliances reserve the bandwidth whether a phone call is in progress or not. Some grab the bandwidth only when the phone is being used. All this makes 384 Kbps (a common upload bandwidth for DSL) a bit dicey for VoIP. How is a consumer to know? How does a provider even begin to simplify the answer, except by offering "great reliability and great voice quality" and noting what the bandwidth requirement will be?

And, as Bahlmann points out, once the family has more than a few megabits per second bandwidth, any extra is barely noticeable, if at all – unless the consumer wants multiple streams of HDTV through the same pipe. We've published comprehensive tables over the past year describing the requirements. They add up quickly. Given HDTV alone as it evolves over the next few years, 20 to 50 Mbps may be the minimum.

The Future is Here, Now

New devourers of bandwidth are already being deployed. In Japan, NTT Do Co Mo has made 3G mobile phones a financial success by promoting everything from transmission of video and block-by-block shopping guides to a pet-tracking service. Third parties that share revenue with the phone company develop most of these services. Everybody wins. Every issue, our news column notes a few more of these ideas.

The IEEE is worried that neither private enterprise nor lawmakers understand the potential, and what is at stake for the well-being of Americans and the American economy. Its Committee on Communications and Information Policy recently issued a white paper that lays out the issues, while quoting *Broadband Properties*. We've adapted that paper as an article in this issue.

The committee sees open-access, high-bandwidth fiber as the way to the not-so-distant future. And by discussing the millions of American jobs at stake in the nascent IPTV industry, eldercare, and distance education (to name a few), the IEEE certainly shows it can sell content.

The fear at IEEE is that Congress, in rewriting the Telecommunications Act, will heed only the immediate demands of large system operators (incumbent cable and telcos) and those who are rightly concerned about "family values" in the content we have now. The latter interests supply votes. The former plies (and, unfortunately, buys) Congress with campaign contributions.

Attendees at the Summit will hear about those issues, but their concerns will be based on the larger issues. What do we need to do to encourage the bandwidth we need, for the economy we need, in the 21st Century? Do what the IEEE is doing. Stress content. **BBP**