

# Getting Creative with Marketing

Verizon's answer to "What am I going to do with all that bandwidth?" is "Come and see for yourself."

By Masha Zager ■ *Broadband Properties*

Smaller providers often demonstrate FTTH technology at their walk-in payment centers, at sales events or in the model homes of new housing developments. Without exception, they tell us that seeing is believing – customers are wowed by crisp HD video and blazing Internet speeds.

But when you're deploying fiber on a massive scale, cookouts and model-home demonstrations probably aren't adequate to the task (though Verizon does set up FiOS demos at some of its Verizon Wireless stores). In this month's fiber deployment roundup, we take note of Verizon's creative attempts to convey to customers the power of its FiOS-enabled products.

Also of note this month: The Chattanooga EPB municipal fiber project takes a step forward; three competitive providers in Europe are in various stages of deploying open access networks; and independent telcos in the United States continue to upgrade their networks and service offerings. For a more in-depth analysis of independent telco deployments, see page 33.

## US DEPLOYMENTS: MARKETING AND METER READING

In addition to winning a cable franchise in Virginia and rolling out FiOS TV to eight New York communities, Verizon made news last month with some unusual marketing tactics for its fiber-to-the-premises services. First it hired action filmmaker Michael Bay ("Transformers," "Armageddon") to appear in an advertisement blowing things up in order to demonstrate how FiOS "blows away" competing Internet services. While a Verizon technician installs FiOS Internet service in the home, Bay uses a

*At Jordan's Furniture in Reading, Massachusetts, consumers will be able to watch Verizon FiOS TV live on an HDTV set and test-drive FiOS Internet – something they can't do online or over the phone.*

remote detonator to blow up a barbecue grill and swimming pool. He also shows off his pet tiger and a 20-foot-tall Transformer to illustrate how "awesome" he finds the Verizon technology. Bay is apparently only the first of many celebrities slated to appear in Verizon ads.

Verizon also formed an unusual marketing agreement with the giant Jordan's Furniture store in Reading, Massachusetts, where shoppers can try out and order FiOS TV service at a "lifestyle store" within the furniture center. FiOS is being deployed in many surrounding upscale communities.

At Jordan's, consumers will be able to watch FiOS TV live on an HDTV set and test-drive FiOS Internet – something they can't do online or over the phone. There will also be Verizon kiosks at other Jordan's Furniture locations in the Boston area.

Verizon acquired the naming rights for Jordan's two IMAX Theaters, where pre-movie Verizon commercials will be shown in IMAX format, and for the company's Motion Odyssey Movie Theater. "There is great synergy between the two companies, and we are very excited about all of the future possibilities," says Jordan's president Eliot Tatelman.

EPB, the municipal electric utility in Chattanooga, Tennessee, took a step forward in its fiber-to-the-home project, authorizing a \$230 million bond issue that includes funds for building out a fiber network throughout its service area. According to local news media, the bond issue will finance fiber-enabled upgrades to the electric system, and will be repaid solely through electric utility cost savings (EPB identifies outage detection and automated meter reading as examples of efficiencies that the fiber buildout will provide).

The utility's plan to sell voice, data and video services to consumers is being delayed by a lawsuit filed by the Tennessee Cable Telecommunications Association. EPB's hope is to provide triple play services to 80 percent of its service area within three years and to 100 percent within five years.

## INTERNATIONAL DEPLOYMENTS: PARISIANS TO GET TRIPLE PLAY SERVICES FOR 1 EURO

OPAC, a social housing agency in Paris, selected competitive provider Neuf Cegetel to deliver telecommunications services to its tenants. OPAC's goal was to let tenants access broadband Internet, telephone and television at a price close to the cost of the shared antenna service currently in place. Neuf Cegetel's basic

## *Neuf Cegetel aims to pass 1 million French homes with fiber, and sign 250,000 subscribers, by year-end 2009. Its basic triple play offering in a Paris social housing development is priced at 1 euro – but the company will offer higher-priced bundles, too.*

service, for an astounding €1 per month, includes 18 digital terrestrial television channels compatible with high-definition television, Internet at a speed of 512

Kbps and a telephone line with free incoming calls.

Neuf Cegetel will also market higher-priced services to tenants. Services will gradually be rolled out starting in the second half of 2008. The fiber optic access network that Neuf Cegetel will deploy and operate for this purpose will be open to leasing by all ISPs.

This new agreement puts Neuf Cegetel on track to meet its target of passing 1 million homes with fiber, and signing 250,000 of them as subscribers, by year-end 2009. In addition to the contract with OPAC, Neuf Cegetel has already begun deployments that will pass 400,000 homes in Paris and the surrounding region.

Dutch broadband company **Reggefiber**, which is deploying an open access FTTH network to between 50,000 and 100,000 households in Brabant province, entered into a three-year agreement with PacketFront for its control and provisioning system BECS, ASR access routers, and DRG-series customer premises equipment. Reggefiber's subsidiary, NEM Brabant BV, is building and operating the network.

The first phase of the Reggefiber project is already in full swing, and includes about 10,000 connections in the towns of Geldrop and Mierlo. The next phase will begin with about 18,000 connections in three more towns.

**Sonaecom**, an alternative provider in Portugal, says it will invest €240 (about \$350) million in a next-generation FTTH network that will pass more than a million homes and cover about 25 percent of the Portuguese population. Sonaecom says the network will be the most advanced in Portugal and allow it to market converged voice, data and video services.

The network will also be open to lease by other operators under economi-

### INDEPENDENT TELCO DEPLOYER NEWS

**Webster Calhoun Cooperative Telephone Association (WCCTA)** in Gowrie, Iowa, which is deploying a GPON network to the 16 communities it serves in north central Iowa, has partnered with Clearfield, Inc. for fiber management solutions. WCCTA will make telephone, Internet and IPTV services available to all 4,700 access lines in its service area. According to WCCTA Plant Manager Don Reed, the company will be expanding its deployment at a rate of two to three exchanges a year. Reed says, "Clearfield offers an end-to-end solution. And, in the end, we appreciate that it's all contained in a neat, orderly environment."

Louisiana provider **EATEL** has doubled its upload speeds to 2 Mbps for FiberEdge high-speed Internet customers and 1 Mbps for standard customers. EATEL says upload speeds have become critical as the amount of user-generated content on the Web soars. The company expects users to welcome higher speeds so they can upload digital pictures to online storage servers and online photo sharing sites, access work files from home computers, participate in online gaming and upload videos to Web sites like YouTube, MySpace and Facebook.

**FairPoint Communications**, which proposes to acquire Verizon's wireline business in Vermont, New Hampshire and Maine, says it will use equipment from Occam Networks to upgrade those networks if and when the deal is approved.

FairPoint, which already has one FTTH deployment in the state of Washington and stands to take over some of Verizon's FiOS networks, has been reluctant to commit to building out fiber on a large scale in New England; it is more concerned with bringing DSL to areas that currently have no broadband service at all. However, VP of access networks Michael Brown notes that "the Occam equipment positions FairPoint to deliver high-speed broadband services over both copper and fiber to residential and business subscribers."

**EMBARQ**, whose broadband networks include a substantial amount of fiber-to-the-home in new housing developments, is making broadband video on demand available to its high-speed Internet customers. The EMBARQ Video Store provides access to more than 5,000 movies, 5,000 music videos and 2,000 TV shows that customers can rent on a pay-per-view basis, download to own or download to burn onto a DVD and watch on a computer or TV. EMBARQ was inspired by a Nielsen study showing that 81 million of 129 million broadband users watched TV or movies online.

EMBARQ also launched a new subscription music product. Residential high-speed Internet customers will have a selection of more than 3 million music tracks available for download, and will be able to burn the songs to a CD for an additional fee. The music service is powered by MediaNet Digital and provided through Synacor, EMBARQ's portal partner.

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## VENDOR SPOTLIGHT

Clearfield	www.clearfieldconnections.com
MediaNet Digital	www.musicnet.com
Occam Networks	www.occamnetworks.com
PacketFront	www.packetfront.com
Synacor	www.synacor.com
Tilgin	www.tilgin.com

*Portuguese provider Sonaecom says open access networks eliminate barriers to fiber-to-the-home deployment caused by the high cost of building pipelines and the inefficient duplication of investment.*

cally reasonable conditions, according to Sonaecom, which says it is following regulatory regulations and best practices by eliminating barriers to fiber-to-the-home deployment linked to the high cost of building pipelines and inefficient duplication of investment.

Reports from other sources, which we haven't been able to confirm, say Sonaecom will deploy GPON equipment from Huawei and Nokia Siemens Networks – an unusual choice for an open-access network. Most open-access networks are based on Active Ethernet technology. GPON would probably require leasing operators to co-locate their facilities in Sonaecom points of presence.

An unnamed **service provider in the United Arab Emirates** has placed a

\$1.5 million order with Tilgin to deliver IP home gateways and the VCM management solution for its FTTH-based triple play offering. The order is intended for deployment in a new luxury housing development, featuring VoIP, IPTV and high-speed Internet access. Tilgin's products are customized to meet the region's special environmental conditions.

Reports from Australia say the government is planning to solicit bids for a next-generation network that can deliver broadband speeds of at least 12 Mbps to 98 per cent of the Australian population. The government, which is prepared to subsidize the network up to a certain extent, is encouraging bids from FTTH vendors. **BBP**

## DEPLOYER SPOTLIGHT

### US DEPLOYERS

Chattanooga EPB	www.epb.net
EATEL	www.eatel.com
EMBARQ	www.embarq.com
FairPoint Communications	www.fairpoint.com
Verizon Communications	www.verizon.com
WCCTA	www.wccta.net

### INTERNATIONAL DEPLOYERS

Neuf Cegetel	www.groupeneufcegetel.fr/html/en/Home
Reggefiber	www.reggefiber.nl
Sonaecom	www.sonae.com