PR1ME INSIGHT + FOCUS

*Designed for telecom directors and managers
in product, market, sales and channel management*

RFI Calendar	**Telco Sales 2013 Highlights**	**Broadband Customer Experience Research**	**BMMA 2014 Best in Class Awards**	**Breakage / Slippage Webinar Highlights**	**Major Broadband Provider in Service**
Check out our monthly hot topic calls as well as our upcoming spring 2014 in-person events	*Join us in April 2014 for more learning and networking with peers in Telco Sales Channels (inbound & alternate channels).*	*ResearchFirst performed in an depth study on US and Canadian broadband customer experience (telco and cable).*	*These BMMA awards offer an opportunity for providers and vendors to shine with the membership and in the public space.*	*13 telcos shared best practices and challenges regarding breakage.*	**Page 5**
Page 2	**Page 2**	**Page 3**	*December 16 deadline.*	**Page 4**	
			Page 4		

RFI 2014 Events

ResearchFirst has scheduled its 2014 *Telco* marketing and sales seminars to be held at **Zona Hotel & Suites** in Scottsdale, AZ.

Our events are designed for Telco Directors, Product and Marketing Managers, Sales Channel Managers and their vendors. Our interactive sessions will include presentations and roundtables covering success stories and best practices, new applications and services, converged services, loyalty and churn-reduction strategies, traditional and alternate channels, competitive overviews and strategies, and much more…

The **BMMA 2014 Annual Meeting**
March 3 - 4, 2014
The Annual Meeting will cover our industry benchmarking report, roundtable discussions on current hot topics related to broadband services marketing and product development in addition to the presentation of Best in Class Awards and election of our 2014 Board of Directors. Non-members may inquire about attending as a "guest". www.bmma.us/events

RFI's Broadband Services 2014 Seminar
March 5 – 7, 2014
This event will cover the state of the broadband industry, recent product and marketing success stories, competitive trends, IPTV, value added services, customer support challenges and opportunities, new revenue opportunities, retention initiatives, and other relevant industry information as well as the all important networking that helps match needs with solutions.

Telco Sales Channels 2014 Seminar
April 2 – 4, 2014
This event will address traditional inbound sales channels as well as alternate channels including retail, e-channels, door-to-door, outbound telemarketing, aggregators, social networking, and affinity programs. Providers will share best practices, successful sales programs, training programs, sales compensation and recruitment strategies, and other creative and tactical ideas for sales and call center management.

For information on all of our events, visit www.researchfirst.com.

Sponsorship and speaking opportunities are available for all events. Please contact me to discuss.

We look forward to seeing you this spring!

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Telco Sales Channels Seminar Highlights

By Anna Gibson

ResearchFirst's Telco Sales Channels 2013 in May focused on Telecom sales and retention strategies, product and competitive challenges, channel strategies and much more.

Our keynote speaker – Bob Sloboda, VP Business Sales for **CenturyLink** – described current and future challenges facing the small business market and shared personal keys to success. This includes changing offers every 4 months and jointly discussing with marketing what works/what doesn't; giving out quotas monthly to match seasonality and market needs; all levels of management listening to a call everyday to remain focused on the customer; looking to the future with new products such as the Cloud; and effectively and consistently managing personnel and performance issues across all centers. For CenturyLink, all strategic initiatives are business related, and SMB in particular is the growth engine of all of the channels.

TDS Telecom spoke to remote employee engagement. Not unlike work-at home, it is a challenge to stay connected with employees in remote locations ensuring that they are kept in the loop of changes and feel connected to the team. TDS utilizes e-cards from Amazon and personalized gift baskets

to incent remote reps. The "Hat" software is utilized to draw names remotely for contests.

TDS has a dedicated retention team and shared details of their systematic approach to understanding the impact of the retention activity. They track longevity of customers who are saved as well as repeat "saves". They also track retention by service area and call origination. This data gives TDS great insight into retention and churn rates as well as the means to evaluate retention activity revenues and expenses.

Cincinnati Bell shared their successes with the MDU channel. The backbone of how they manage this channel is Salesforce, a popular customer relationship management software. They enter video-qualifying addresses into Salesforce and then associate multiple property sites to an Owner Group. They then set up the leasing professional's information to track their compensation. They enter leads daily so progress can be tracked and also pull lists daily for inside sales calls.

Frontier Communications presented on channel strategies, which have been undergoing significant analysis. A recent audit of their retail channel found that some stores are not profitable. In these cases,

Broadband Customer Experience Research

By Stan Romero

ResearchFirst (RFI) recently announced the results of their Broadband Customer Experience, North American Market Research. This study explored both cable and telco residential customers' reasons for selecting a communications service provider; customer satisfaction with their provider, installation, product, tech support / repair; as well as likelihood to recommend and to purchase again; billing issues; and more. This research includes input from 449 Canadian broadband users collected in April 2013 and from 770 US users collected in 2012.

Selecting a Provider

Our research revealed that 7 out of 10 Canadian and US respondents consider high-speed Internet service (HSI) to be the most important service to them when it comes to selecting a communications service provider. TV service was a distant second place with fewer than 2 out of 10 respondents citing it as most important among both telco and cable HSI customers.

With this in mind, we need to understand the specific aspects of their HSI service that customers value highly enough to lead them to select one provider over another. We found that the top three factors that customers used to *select* a service provider in both the US and Canada were:
-*Company reliability*
-*Ease of the purchase process*
-*The HSI speed was sufficient to meet their needs.*

Other important factors included the *convenience of the purchase process* and the *bundled* or *promotional price* of the service.

Customers that were influenced by *company reliability* more often selected a telco provider in the US, but a cable provider in Canada. With regard to influence of the *ease and convenience of the purchase process*, customers were fairly evenly split between provider types in the US whereas in Canada most of these customers selected a cable provider.

Customers influenced by *product speed* tended to select a cable provider in the US and Canada. Those influenced by promotional pricing also favored cable in both countries; however, those influenced by *bundle* pricing were evenly split in the US but favored cable in Canada.

Satisfaction & Retention

Our detailed report shows how customers rate their satisfaction with their HSI provider regarding a variety of criteria. For example, with respect to *reliability of their HSI service*, telco and cable companies received similar marks. We believe the satisfaction portion of this research demonstrates that customers' provider selections have already been based on their own personal needs and preferences, which influences their satisfaction following the sale. As a result we did not find significant differences between telco and cable customer views of their own provider. Of course we need to keep our existing

customers satisfied with our services in the areas they hold important and find opportunities to appeal to potential new customers. The best options accomplish both, such as improving reliability to existing customers and ensuring that this is marketed to shoppers who may view our services more favorably. This research and additional research in specific areas can help us identify and understand these opportunities.

Opportunities

The top reason why customers were shopping for HSI service was that they were looking for higher speed and the second highest response was that they were moving. One surprising finding was that movers in the US are 60% more likely to choose cable, but in Canada they are 16% more likely to choose telco service. The implication is that the US telcos could gain significant sales by doing more to target movers.

Respondents revealed that they are not very pleased with their *perceived value of their HSI service*: only 15% of US and 18% of Canadian customers said they are very satisfied with the value they receive versus what they pay. This perception can be influenced by the advertising message, by price and promotion positioning and by product features carefully tailored to meet customer needs. An example of meeting customer needs with respect to *convenience* is the use of self-installation, which can help to reduce the price and avoid scheduling issues. We found that telcos have an advantage here in that nearly twice as many telco customers used self-install as cable customers. ResearchFirst is currently working with major telcos to help them refine their self-install processes to improve customer satisfaction while reducing costs.
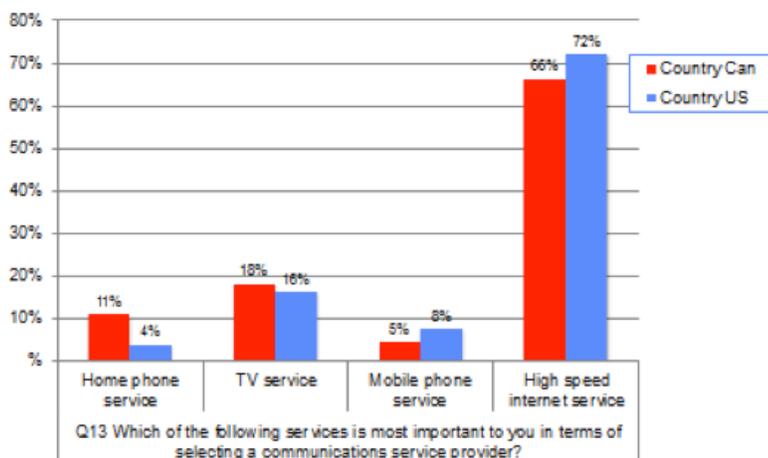
Over 90% of all respondents indicated that *good technical support* is important with respect to *staying* with their HSI provider. Of course, customers are more likely to say this if they have had to use technical support recently. Roughly half of the US respondents and about 40% of Canadian respondents said they had contacted technical support in the last 6 months. Our research also delved into their experience when they contacted technical support, what contact methods they use and their satisfaction with the experience.

To learn more about this study, visit: http://www.researchfirst.com/research/

The report price is US$495, or free for those who attended either Broadband Services 2013 or Telco Sales Channels 2013. Contact Ellis Hill at Ellis@researchfirst.com to purchase the report.

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Most Important Service

Q13 Which of the following services is most important to you in terms of selecting a communications service provider?

ResearchFirst, Inc.

Best in Class 2014

Nominations for the BMMA 2014 Best in Class Marketing awards are now being accepted, with **submissions due this year by December 16, 2013**. These awards recognize individuals or teams that demonstrate broadband marketing innovation, excellence or partnership programs. Award recipients will be announced at the 2014 BMMA Annual Meeting (March 3-4 in Scottsdale, AZ) and will be asked to present at the annual Broadband Seminar immediately following on March 5-7 at the same venue.

Awards

- *Marketing*: awarded to a service provider and a vendor member that best display innovation or excellence in broadband marketing. This may cover a leading edge product or service development, practice or operation; or marketing as it relates to execution (e.g., promotional activity, advertising, new product introduction, etc.).

- *Marketing Partnership:* awarded to two or more members that have successfully implemented a marketing program to serve the needs of their mutual customers (e.g., what might be done with an equipment vendor and a service provider).

These awards bring value to our members through:

- Peer recognition (within the BMMA and one's own organization)

- Ability to claim your product/service "Award Winning" in the public domain

- Provide the opportunity to other members to learn more about industry best

Please contact Anna Gibson (602) 670-5469 with any questions. We look forward to receiving your nomination.

Thank you and regards,

Ellis D. Hill, BMMA Executive Director

Breakage Webinar Highlights
by Anna Gibson

ResearchFirst recently hosted an interactive 1-hour webinar covering what Telcos are doing to combat breakage (slippage), an industry-wide issue of churn both preceding customer activation and during the first 30/60/90 days following activation. With cable companies becoming even more aggressive in their efforts to retain customers, this is becoming a new area of focus for many Telcos.

The webinar was a panel discussion with representatives from Bell Aliant and GVTC. Over 30 people attended from 13 Telcos. The following subjects were addressed:

- Definition of breakage / slippage
- Industry benchmarks
- Compensation
- Successes in solidifying the sale
- Port out process and its effect on breakage
- Retention queue offers
- Key learnings

Here were the key takeaways:

In most companies breakage/slippage is defined as orders that cancel before activation. The challenge is determining which process changes and interventions can be implemented to reduce breakage and therefore stem the revenue loss. These include efforts to improve the customer experience, to motivate reps to make a solid sale, and retention offers.

There was considerable discussion regarding the impact of installation due dates, their intervals and hours. For example, one company incorporated Saturday and Sunday into their installation dates where others have extended their available hours until 7 or 8 pm with a reduction in the appointment window from 4 hours to 2 hours. All of these measures have had a positive impact. Additionally, self-installation has had a positive impact as customers can activate at their convenience.

Compensation impacts breakage, particularly if sales reps are paid on orders taken rather than activations. Sales may not be as solid if the rep is compensated prior to activation. One Telco pays differently depending on the channel. For example, door-to-door sales are paid on units prior to activation and their other channels are paid on activations only. The strategy is to keep D2D agents motivated.

Examples of successful retention offers include rate reduction, gift cards, loyalty rebates, contract buyouts and many more.

ResearchFirst performed a follow up survey on breakage for the Telco webinar attendees, anonymous results of which were shared with participants. It covered metrics, challenges and successes.

Anna Gibson, VP Sales/Care Channels
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Broadband Service Provider	2013					
	1Q In Service	1Q Gain	1Q % Gain	2Q In Service	2Q Gain	2Q % Gain
Major Telco HSI						
AT&T	16,514,000	124,000	0.8%	16,453,000	(61,000)	-0.4%
Verizon	8,894,000	99,000	1.1%	8,939,000	45,000	0.5%
CenturyLink	5,917,000	69,000	1.2%	5,909,000	(8,000)	-0.1%
Frontier	1,782,599	(4,962)	-0.3%	1,812,100	29,501	1.7%
Windstream	1,361,900	(6,700)	-0.5%	1,352,500	(9,400)	-0.7%
FairPoint	330,082	5,105	1.6%	332,620	2,538	0.8%
Cincinnati Bell	260,200	800	0.3%	261,700	1,500	0.6%
Consolidated Communications	250,350	2,717	1.1%	251,306	956	0.4%
TDS Telecom	240,300	100	0.0%	243,000	2,700	1.1%
Hawaiian Telcom	109,287	1,676	1.6%	109,721	434	0.4%
Total US	35,659,718	290,736	0.8%	35,663,947	4,229	0.0%
Bell Canada	2,117,174	1,931	0.1%	2,121,075	3,901	0.2%
TELUS	1,342,000	16,000	1.2%	1,355,000	13,000	1.0%
Bell Aliant	927,111	8,697	0.9%	933,352	6,241	0.7%
SaskTel *	197,000	1,000	0.5%	198,000	1,000	0.5%
MTS Allstream *	196,643	2,953	1.5%	200,000	3,357	1.7%
Total Canada	4,779,928	30,581	0.6%	4,807,427	27,499	0.6%
Total Telco	40,439,646	321,317	0.8%	40,471,374	31,728	0.1%
Major Cable						
Comcast	19,799,000	432,000	2.2%	19,986,000	187,000	0.9%
Time Warner	11,538,000	143,000	1.3%	11,559,000	21,000	0.2%
Cox *	4,073,451	5,109	0.1%	4,078,218	4,766	0.1%
Charter	4,086,000	106,000	2.7%	4,138,000	52,000	1.3%
Cablevision	2,786,000	(269,000)	-8.8%	2,787,000	1,000	0.0%
Bright House *	1,484,354	8,853	0.6%	1,493,261	8,906	0.6%
Suddenlink	1,026,200	24,100	2.4%	1,017,200	(9,000)	-0.9%
Mediacom	940,000	25,000	2.7%	949,000	9,000	1.0%
Total US	45,733,006	475,062	1.0%	46,007,678	274,672	0.6%
Shaw	1,910,185	7,800	0.4%	1,879,942	(30,243)	-1.6%
Rogers	1,890,000	26,000	1.4%	1,930,000	40,000	2.1%
Videotron	1,397,300	9,600	0.7%	1,395,400	(1,900)	-0.1%
Cogeco	649,165	3,786	0.6%	650,325	1,160	0.2%
Total Canada	5,846,650	47,186	0.8%	5,855,667	9,017	0.2%
Total Cable	51,579,656	522,248	1.0%	51,863,345	283,689	0.6%

Sources: Quarterly reports, Cable DataCom News and ResearchFirst, Inc. research.
* Estimates.

Q3 figures will be shared in the November edition of *BMMA News*

Telco Sales
Continued from page 2

they've moved to authorized agents. Frontier has also employed an aggregator partner that specializes in web search capabilities to develop a website in both English and Spanish. In addition, they are reviewing whether the D2D channel should be in-house or contracted out.

CenturyLink talked about their latest product: the Cloud. A challenge lies with their recent acquisition of SAVVIS, which provides integrated cloud services. Currently, CenturyLink customers are referred to SAVVIS for cloud products but these will be sold and billed in-house in the near future. The question is: What is the sweet spot for cloud service needs at appropriate price points for small and medium businesses?

Customer on-boarding was the topic of our discussion that included panelists from AT&T, TELUS and ThruView. **AT&T** described a strategic initiative to audit customer self-installations of broadband and U-Verse products. Process problems, customer confusion with collateral and a number of other factors all had been contributing to a higher than acceptable cancellation rate. AT&T contracted with ResearchFirst to go into customers' homes and watch the self-installation process of their product. Results have included a significant reduction in service cancellations and truck rolls.

ThruView offers a service that enables Telcos to provide customer technical support via a smart phone. By downloading an app, the customer users his/her phone to send a video of what they are seeing to the technician who can then remotely assist the customer effectively without a truck roll.

TELUS shared details of their "Customers First" commitment, the goal of which is to establish TELUS as a global leader in customer "likelihood to recommend." To enhance the customer experience, they have implemented an auto generated summary letter that recaps the order, outlines the customer's expectations and provides an example of the first bill. Results have been significant: a 34% reduction in first month calls and a 4% reduction in missed appointments.

Afni, Inc – a leader in call center services – shared their "Common Thread", a computer-based, learner-focused and performance-based training approach. Skill acquisition is linked to job performance. Afni shared a case study, which demonstrated significant improvement in all areas, including: AHT, quality, customer satisfaction, first call resolution, courtesy, training duration and graduation rate.

Finally **Frontier** showcased their new business unit, Frontier Secure, which offers a suite of products focused on protecting digital lives. Their offer includes premium and base tech support services, computer security, cloud-based back-up and identity equipment protection products. Their technical support is 100% U.S. based.

Join us for Telco Sales Channels 2014 in Scottsdale next April!

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