

How Service-Assured IPTV is Helping Local Telcos Reclaim Competitive Advantage

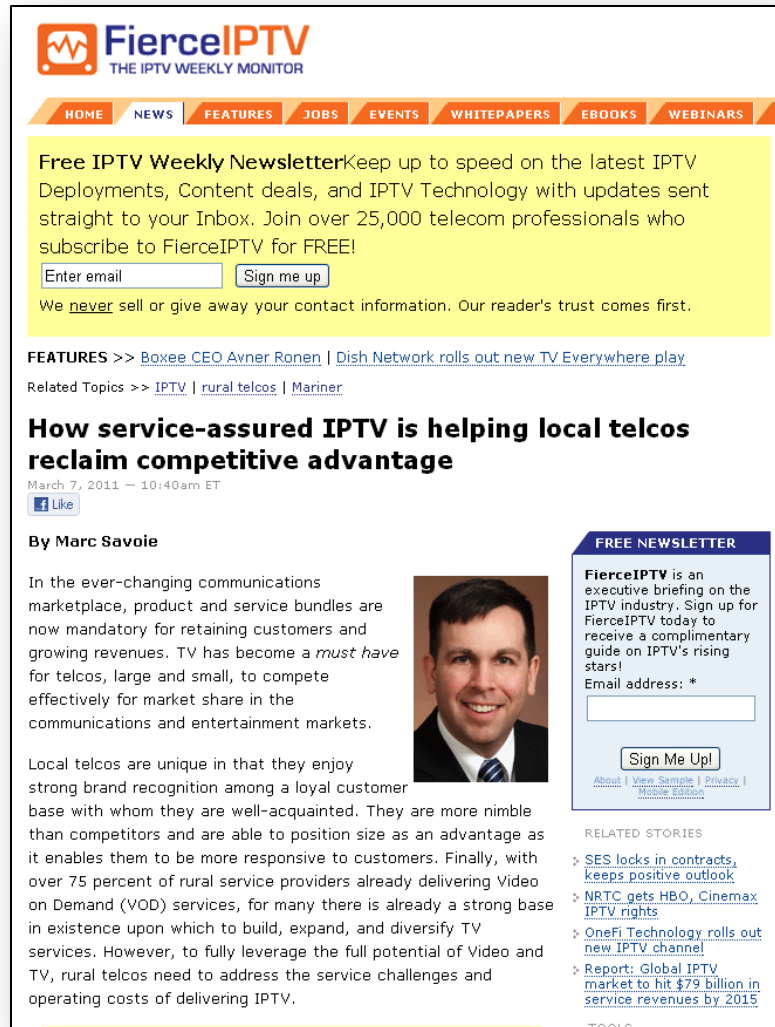
FierceIPTV

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In the ever-changing communications marketplace, product and service bundles are now mandatory for retaining customers and growing revenues. TV has become a *must have* for telcos, large and small, to compete effectively for market share in the communications and entertainment markets.

Local telcos are unique in that they enjoy strong brand recognition among a loyal customer base with whom they are well-acquainted. They are more nimble than competitors and are able to position size as an advantage as it enables them to be more responsive to customers. Finally, with over 75 percent of rural service providers already delivering Video on Demand (VOD) services, for many there is already a strong base in existence upon which to build, expand, and diversify TV services. However, to fully leverage the full potential of Video and TV, rural telcos need to address the service challenges and operating costs of delivering IPTV.



The screenshot shows the FierceIPTV website interface. At the top is the logo and navigation menu (HOME, NEWS, FEATURES, JOBS, EVENTS, WHITEPAPERS, EBOOKS, WEBINARS). A yellow banner promotes a free IPTV weekly newsletter. Below is the article title "How service-assured IPTV is helping local telcos reclaim competitive advantage" by Marc Savoie, dated March 7, 2011. The article text is partially visible, matching the main document. A "Like" button is present. On the right, there is a "FREE NEWSLETTER" sign-up box and a "RELATED STORIES" section with links to other articles.



There was a time when customer experiences with telco-delivered TV were characterized by a range of issues, emotions and complaints. Poor quality of service (QoS) and quality of experience (QoE) overall have led to customers often being less than impressed by IPTV.

This no longer needs to be the case. With the evolution of IPTV delivery systems, the emergence of industry leaders in the middleware space and the advancement of next generation service assurance tools, service providers are successfully deploying IPTV and experiencing the resulting revenue lift.

Rather than becoming "digital dustbowls" as many feared, leading rural telcos are energizing their local brands, matching the service offerings of the TV leaders, and doing so with existing staff complements and within targeted budgets.

Proactive service assurance is a key ingredient in rural telcos' recipe for success because it cost-effectively solves and manages the issues related to consistency and customer support. TV, regardless of form, has raised the bar on high quality service delivery. While numerous advancements have been made across the ecosystem of IPTV, leading service providers now have access to service monitoring solutions that are able to detect and monitor problems all the way to the home, and measure service quality on customer terms. This means the rapid isolation of the actual source of the problem, leading to improvements in first call resolution and a reduction in key operational cost drivers like unnecessary dispatches, STB swaps and change management downtime. This combination of better service consistency, faster resolution and reduced operational costs is a triple whammy.

Smithville Digital, an affiliate of Smithville Communications, a family owned telecommunications broadband provider serving southern Indiana, is one example of a rural telco that has experienced tremendous success through its ability to deliver high quality TV service to their customers. Upon deploying their IPTV service, Smithville used proactive service assurance to quickly identify and resolve network disturbances often before the customer was even aware. These capabilities enable Smithville, as well as other IPTV providers using proactive service assurance solutions, to consistently deliver high quality of experience to their customers and improve their customer retention. With estimates that upwards of 65 percent of all customer churn is triggered by service quality issues, there is no question how crucial delivering superior customer experience is to the success and growth of rural telcos.

IPTV network disturbances, the majority of which originate in the "last mile" of the network into the home, can cause distortion on the TV screen which dramatically degrades the viewing experience. If it happens more than once, the service desk is likely to get a call and may need to deploy a maintenance truck to the house. With the average truck roll costing \$250, these expenses can increase quickly. Thus, truck rolls are a major example of operational cost drivers that could offer considerable opportunity for savings if providers had access to proper network insight and were able to determine whether a truck roll is necessary for each situation.





The granularity of user information provided by proactive service monitoring solutions also helps rural telcos to improve the quality and relevance of local programming services. BEK Communications Cooperative is an innovative telecommunications company serving south-central North Dakota. BEKTV packages include more than 300 digital channels, 50 HD channels, DVR, Pause-to-Live TV and On-screen Caller ID. The adoption of a proactive service assurance solution helped BEK Communications to further refine their unique strategy of exclusive hometown programming, and the intimate and detailed information on local viewership trends is helping the company to deliver even better and more specialized local features on its various channels.

Amid a competitive market led by cable companies and satellite providers, rural telcos such as Smithville and BEK have been able to differentiate themselves in the market by providing top quality content and utilizing innovative performance support tools. The combination of these is improving overall customer satisfaction and increasing customer loyalty, while still containing OPEX; certainly a winning formula.

Looking at the successful deployment of TV services by rural and small market telephone companies across the U.S., as well as in the Pacific Rim and Caribbean markets, there are some clear characteristics that are shared. Most importantly is clear end-to-end ownership of service incidents and problems, which is critical to ensuring that issues are always addressed immediately and accurately. A focused commitment to first call resolution, the creation of a knowledge database, limited hand offs, the presence of a quality service description, a disciplined change management process, proactive network analysis, and a focus on continuous training are other important factors.

Challenges clearly remain in the delivery and support of bundled communication and entertainment services, particularly for resource-strapped rural players. Bullish local telcos are able to retain customers, grow average revenue per customer and engage their employees through the addition of TV to their product offerings.

When done with trained, empowered employees, solid technology and next generation caliber support tools, the TV experience can help bring new energy to the rural telco and its brand image in the market.

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As Vice President of Product Management, Marc Savoie is responsible the management and product evolution of Mariner's award winning IPTV service monitoring tool suite, xVu. Formerly with Nortel Networks, Marc leads a team responsible for the deployment of xVu globally. In addition to working with several Tier 1 leaders in IPTV, Marc and his team have extensive experience with rural market telcos as well. Marc is often a featured speaker at industry events, sharing case studies and insights into the opportunities and challenges of IPTV in an increasingly competitive marketplace.

