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Building the Business Case

Evaluating the market for video

- Competitive market evaluation
 - Competitive market – ‘defend and grow’.
- Non-competitive market evaluation
 - Non-competitive market - video may mean additional revenue but margins are thin.

Ntelos Video - Background

‘What a long strange trip it’s been’ Grateful Dead

- 2Q05 – Business model approved (projected launch date 8/1/06).
- 3Q05 – Headend, network, platform development and build begins.
- 2/06 – Installation of first field test customers.
- 9/06 – LFA agreements secured, FCC filings completed.
- 12/06 - Retransmission agreements, Must Carry and programming agreements 100% secured.
- 1/07 – Switch to new middleware platform and new set tops.
- 7/07 – Begin conversion of all existing customers to new set tops and new platform – soft launch begins.
- 9/07 – New platform operational and approved for final test run.
- 10/24/07 – Full market launch (remember the projected date).



Brave New World

- Changing the culture
 - Video customers are less tolerant of outages and issues than any other product. (24/7/365)
 - In-home collateral and product education will save \$\$\$ and diminish dissatisfaction.
 - Service techs need to assist in the education.
 - Same people – new skill sets.



Content is King and Communication is Key

- Don't underestimate the power of programming content and advanced features
 - Must haves vs. want to haves vs. 'can we really afford this'
 - Your customers will tell you what's missing.
 - Music, sports packages, premiums, HD, VOD, DVR
- Communicate, communicate, communicate
 - Train early and often
 - Winning the hearts and minds of the teams
 - When is the sale over – NEVER!!!



Marketing and Sales

- Marketing culture shock
 - Product awareness and education vs. marketing glitz.
 - Cable companies have deep pockets – be smart with your marketing (grass roots marketing tactics).
- Selling the Video product
 - Sell the value of the product – triple play, one bill, one stop shop.
 - Right sell the customer – make ‘em happy
 - Don’t nickel and dime your way to ARPU



In The Weeds

We're not alone

- Cable companies will launch switched digital technology and/or IP at some point to expand bandwidth and offerings.
- They will add more HD, HD VOD and programming content.
- They will open the bandwidth pipes.
- Look at the 'long tail' and local content – this could be your competitive edge.
- Their weakness is our strength – our people! 'Our technology comes with people'.
- Churn can kill your model - Look at retention focused add-ons – caller ID, whole home DVR, media sharing, multi-service discounts.
- Replicate, integrate and innovate.

