

# TELECOM VANTAGE™

A view of the telecommunications consumer marketplace

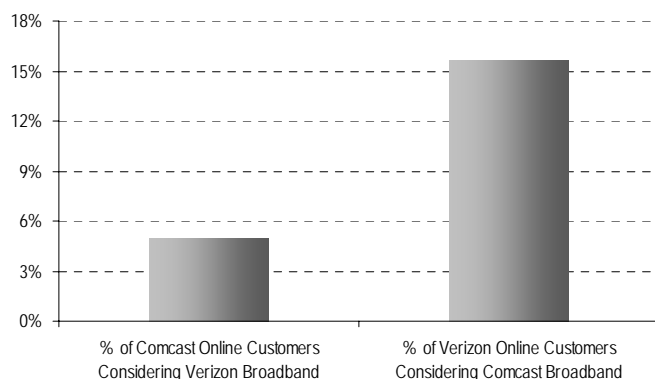
By Matthew Wainwright & Elaine Warner

## VERIZON'S FiOS v. DSL: BATTLE OF THE BRANDS

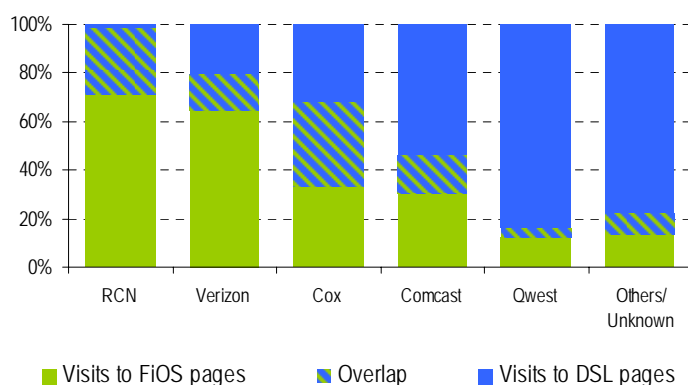
Competitive positioning is a tricky matter in any business. Verizon carved out a nice spot as a low-cost player in the broadband market by undercutting the cable providers on DSL pricing. Now, Verizon is going premium with a fiber optic service called FiOS for delivery of high-speed Internet, TV and DVR services. While FiOS presents a high-performance alternative to cable, recent Compete analysis shows that consumers may be more interested in sticking with the norm.

In July, 25% of unique visitors (UVs) to Verizon.com clicked-through to broadband FiOS and/or DSL-related pages. A healthy 88% of UVs visiting these pages did not exhibit customer-related behavior, and looked more like new prospects rather than existing Verizon customers. Many of them actually subscribed to competitors, like Cox, Comcast, Qwest or RCN.<sup>1</sup> Regional footprints play a significant role here, with Comcast having the most overlap with Verizon. 5% of Comcast's massive online customer base considered Verizon broadband services in July. Alternatively, almost 16% of Verizon online customers considered Comcast's broadband services. Within Verizon.com, DSL interest in general still dominates FiOS interest. In

**Online Customer Consideration of Competitive Broadband Services**  
(% of each provider's online customers viewing the competitor's broadband offers) July 2007



**Online Interest in FiOS and/or DSL Pages by Provider**  
(% of unique visitors viewing Verizon broadband product pages) July 2007



sites.<sup>2</sup> Prospects are engaged, but to drive conversion and higher ARPUs prospects need to understand FiOS is a top-of-the-line total entertainment solution for broadband Internet, TV & DVR. As a next step, Verizon may want to reconsider the DSL/FiOS messaging on its homepage, which focuses heavily on price. Instead, differentiating the products based on value of the total package should help build FiOS's brand as a total entertainment solution, rather than just a faster Internet connection. This could help Verizon channel interest in its products and upsell current prospects considering DSL, ultimately allowing them to capture more revenue in the growing broadband market.

**In July Verizon's DSL-related pages saw 150% more unique visitors than all FiOS-related pages combined.**

Compete's intelligence and targeting services analyze consumer behaviors and competitive best practices to help companies maximize their returns on marketing, product development, and procurement.

July, Verizon's DSL-related pages saw 150% more UVs than all its FiOS-related pages combined. Remove the Verizon subscribers (who probably already have DSL), and that figure jumps to 250%.

Verizon has been offering DSL service since 2000. With FiOS they have the opportunity to strengthen their position as a premium player in the broadband market even further. 54% of visitors who entered "fios" into a search-engine clicked through to verizon.com and affiliated

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<sup>1</sup> Measured as UVs who also logged-in to an account and/or e-mail service with a broadband provider

<sup>2</sup> from Search Analytics 9/8/07, 6/9/07 – 9/7/07

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