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## Quantum believes strategy will be key to survival for PCS firms

By Lynnette Luna

Financial uncertainty and the marketing muscle of big carriers may cloud the outlook of many C- and F-block personal communications service licensees. But Quantum Communications Group Inc. believes that with the right strategy, the market will allow these carriers to survive.

Eden Prairie, Minn.-based Quantum, which holds four C-block licenses itself, recently teamed with Compass International Research & Information of St. Paul, Minn., to provide marketing research to wireless companies, focusing on small- and medium-sized carriers.

Quantum has been a market research company since 1988 and owns several subsidiaries involved with the wireless industry. Telephone Service Co., an F block licensee, recently selected the firm to conduct a market assessment of its Lima, Ohio, basic trading area.

C- and F-block carriers cannot afford to have a "me too" attitude, said Tom Gaudreau, Quantum's marketing manager. Lending institutions tend to turn



Gaudreau

their back on these carriers, and Wall Street continues to speculate on the future of wireless. These carriers need to add more credibility in their business plans," he said. "After discussions with carrier after carrier, we sat down with Compass International and thought this out and put together a service to take a good look at the market before spending millions to build out."

The firm assesses wireless potential on a market-by-market basis. Its assessment includes studying the competition, conducting surveys, running focus groups, defining service niches and target markets and determining optimal features and pricing.

These carriers really need to pay attention to the market and to what customers want in a service," said Gaudreau. "A lot of these carriers are basing their marketing strategies clearly off of big competitors in each market."

And many are basing their technology decisions on what their competitors are choosing, while others are sitting on their licenses and waiting to see what others are doing. "That's not the right strategy, he said. "Speed to market is crucial."

As the larger carriers are focusing on rolling out service in their major trading areas, the smaller carriers have the opportunity to launch service in their BTAs before their competitors expand into those areas. Cellular carriers also are not making those areas a priority for launching digital service.

Once the large operators are "allowed to establish brands, features and prices, it's tougher for small carriers to compete," said Gaudreau.

Establishing solid niches will be key for the C- and F block carriers, which don't have big name recognition, Gaudreau said.

These niches include fixed wireless and in-building wireless services, which aren't an immediate service priority for the larger PCS carriers.

"There's no one strategy these carriers should follow. It takes hard facts and analysis of what is going on," Gaudreau pointed out. Some carriers may find that their markets aren't ready for PCS, he said. But it's better to know now than after spending millions on a system.

Quantum hasn't chosen what technology it plans to use for its network. The company currently is assessing its own markets, said Gaudreau. Quantum's founders constructed and operated several metropolitan statistical areas and rural service areas in the early cellular days. The markets later sold for millions after they flourished and achieved substantial growth and market penetration, said Gaudreau.