

# Wireless

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PCS

## TSC Treading Carefully In Lima BTA *Licensee Awaits Results Of Quantum's Market Assessment*

By Chuck Moozakis

Whether or not the Lima, Ohio, basic trading area receives personal communications services from its F-Block licensee will hinge on the results of a market assessment conducted by Quantum Communications Group Inc.

"If the report is clearly negative, we may not do it at all," said Lonnie Pedersen, president of Wapakoneta, Ohio-based Telephone Service Co., which owns the F-Block license.

TSC awarded Eden Prairie, Minn.-based Quantum a \$50,000 contract to perform a market assessment of the Lima BTA, a sprawling, five-county area mid way between Toledo and Dayton with 250,000 POPs.

Lima's economy has been buffeted by defense industry-related cuts, but recently has transformed into a regional service and retail center. Demand for telecommunications services is changing as a result, according to local observers.

Acknowledging the financial pressures associated with launching wireless services, TSC wants to make sure the Lima market can support the entrance of new PCS offerings.

"We believe wireless local



loop is a niche we can exploit, but we must verify that customers want this type of service," he said. In addition, Pedersen expects the 90-day survey to help him decide whether or not TSC should strike agreements with another provider to offer roaming. "It is a single BTA, and for it to be successful we have to maximize the potential," Pedersen said.

Interstate 75, which bisects Lima, "is like a vein of gold running through this BTA," he said. "We don't want to miss the roaming potential there."

The study will determine how familiar Lima residents are with wireless technology and also measure TSC's reputation

in the marketplace, according to Tom Gaudreau, marketing manager at Quantum. TSC has more than 25,000 customers in counties that partially comprise the Lima BTA, but the telco does not serve the city of Lima.

As part of its assessment, Quantum will interview 400 Lima-area residents and conduct two focus groups. "We want to get a good idea of what the demographics are," Gaudreau said. "We want to examine the overall scope of what is going on in the area."

Quantum also will attempt to measure residents' attitudes toward digital technologies.

"It's important for F-Block licensees to build credibility" in the marketplace, Gaudreau said. "Today, with PCS, you have to take a good look at the market." Quantum is conducting the survey with strategic partner Compass International Research & Information Services in St. Paul, Minn. That TSC is willing to conduct a thorough market assessment is reflective of the financial and market uncertainties affecting F-Block licensees, according to Tole Hart, a senior analyst with Northern Business Information in New York.

"It is difficult to obtain financ-

ing for these types of markets," he said. "It is important for these companies to get support" and one of the best ways to do that is to acquire reliable market data.

"TSC wants to secure the financing they need to build out the system," Gaudreau said. "It's much better for them to spend money on this type of study than to spend millions on a market that may not be viable."

Gaudreau added that the TSC contract could spark other F-Block licensees to conduct similar surveys. "F-Block licensees understand the value of good market research based on careful analysis. You can go into a market and say wireless is good because nobody else is doing it. Or you can just sit on your hands and see what happens." Neither option, he said, is financially prudent.

"What we are trying to do here is talk to a carrier and tell them what's going on in these markets - what's really going on," Gaudreau said. "What will be the interest in wireless for the next five to 10 years. This is the type of consultancy we believe that other F-Block licensees will want to use." ■