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Just Say Yes

Meeting consumer needs – rather than protecting existing lines of business – is the best long-term strategy.

Kodak, after inventing the digital camera, lost its first-mover advantage by trying to protect its film photography business. Kodak wanted the market to go in one direction, and consumers wanted it to go in another direction. By the time the company caught on, it was too late. History is full of such examples.

The myth that advertising creates demand is largely a myth. Consumers have minds of their own and rarely appreciate being told what they want. Companies that ignore consumer demand to protect existing lines of business may succeed in the short term, but the strategy fails in the long term.

This issue of **BROADBAND COMMUNITIES** offers many examples of shifts in consumer preferences and their implications for service providers. Young people no longer want to be told when to watch TV? Bryan Rader writes about a new breed of private cable operators that offer bulk broadband and over-the-top video without linear pay TV. Apartment dwellers no longer want landlines? Richard Sherwin writes about how to make cellphones work indoors – even in “green” multifamily buildings.

Service providers that disregard consumer preferences leave themselves open to competition, sometimes from unexpected sources. As Joan Engebretson writes, cell towers need fiber connectivity, and this opportunity encourages the creation of new fiber-based transport carriers.

Some communities are told they are too poor to appreciate robust, high-speed broadband. In Scotland, a housing cooperative built fiber to the unit in a new low-income housing development and achieved a 78 percent

take rate. Other communities are supposed to be too remote; throughout the United States, members of rural electric cooperatives are learning there is nothing to stop them from building their own broadband networks.

Municipalities are told they should be satisfied with whatever broadband services are available; as Joanne Hovis writes, they need robust broadband to deliver traditional services in today’s world – and many of them can save money by operating their own networks.

DO THE MATH

Of course, it isn’t *just* a matter of saying yes – deployers that forge ahead unprepared, whether they are established providers or new competitors, may be in for unpleasant surprises. Before making decisions, crunch the numbers, both cost and revenue. Joanne Hovis offers guidelines to help government agencies do this, and she discusses several revenue sources they may not have been aware of.

Steve Ross, **BROADBAND COMMUNITIES’** corporate editor, introduces the FTTH Analyzer models he created, which are freely available online (www.FTTHanalyzer.com). The models help potential deployers decide quickly and easily whether a fiber network is worth pursuing further – and whether a lender might be interested in funding it.

First, take the time to understand what consumers want and will pay for. Second, do the math. And finally – if the numbers work – just say yes.

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