

Don't Miss Feasibility Study Opportunities

A feasibility study can sometimes seem like a necessary evil, but it can be a major contributor to the long-term success of a community's broadband project.

By Trevor Jones / OTELCO

One of the first steps communities are expected to take when bringing better broadband to town is a feasibility study. Usually, such a study includes an inventory of what is available already and a high-level design and cost estimate for a project that fills the gaps in existing coverage. A study will also include surveys of residents to determine if townspeople perceive a need and if there is demand for better broadband.

Attitudes toward such studies are uneven among providers and community leaders, not without cause. Certainly, I have seen communities do multiple studies and never take the next step because the community simply lacks the will to appropriate funds and make the investment. I've also seen badly done studies that didn't accomplish their goals.

But a community can get more out of a feasibility study if it starts by looking at the survey as a marketing opportunity.

Recently, OTELCO worked with Penobscot County in Maine on a community planning project to fund and build a fiber-to-the-home network in the unorganized township of Argyle. County commissioners and OTELCO were behind the project from day one, so we had a pretty good idea the new network was going ahead. Maine's revised state broadband funding process included a community planning requirement. We could have viewed the planning step as a roadblock that slowed us down. Instead, we decided to view it as an opportunity.

BUILDING COMMUNITY SUPPORT

The market research component of a feasibility study can be helpful in at least two very important ways. Many grant-scoring models, including the one used by Maine's ConnectME Authority, provide points for market demand and community support. Knowing we would need widespread community support for an eventual construction grant to score well, we didn't accept the usual 10 to 15 percent response rate for our market research study.

To increase it, we posted the survey online and encouraged residents to participate through multiple channels. Broadband committee members in the community even went door to door to encourage their neighbors to respond. In the end, Argyle and OTELCO were able to report a 69 percent response rate in the market research study.

We also found that 72 percent believed a townwide fiber network would benefit the community, and an overwhelming 91 percent supported the use of county funds to help fund construction. Strong community support such as this made for a strong application for tax increment financing to Penobscot County and will give us a lift in points on our upcoming grant application to the ConnectME Authority.

DRIVING MARKET PENETRATION

Getting the grant funds is just part of paying for the project, though. Ultimately, OTELCO is contributing a significant part of the funds. For any for-profit venture to make an investment, it's important to know that people will buy the service. It's also important to drive a new network's market penetration quickly and cost-effectively. Thanks to the survey, we know that 93 percent of survey respondents indicated that they would purchase fiber to the home if it were available.

Respondents also provided their names and contact information as part of the process, so we have a ready-made list of prospective customers who have intent to purchase. Once the network is built, we know we can drive high penetration rates quickly. Effectively, using grant funds to build a high survey response rate was like having someone else pay for the presubscription drive. In other words, it was free marketing.

COMMUNITY PLANNING

If the feasibility study process is done right, a community will know what the gaps in broadband coverage are and what it will take to close those gaps. A community also will learn whether it has broad support for the use of public funds to support a project. This is essential information for moving forward.

Don't stop there, though. A community should assume it is going to do the project and see what else it can get out of the work it is doing, especially work with the public. The effort will pay dividends in the long run. ❖

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