

Best Practices for Revenue Optimization

Fiber Broadband
ASSOCIATION
Marketing Committee

leverage
Broadband Strategies





BEFORE WE BEGIN

- Attendees are in listen-only mode
- Use the Control Panel to access additional tools
- Please submit questions using the Questions panel
- The On-Demand Replay of today's webinar will be available within 24 hrs on the FBA website under Events / Webinars





Jeff Allinder

VP of Revenue Optimization


leverage
Broadband Strategies





Revenue Optimization for Your Network

Best Practices

February 25th, 2025

Prepared by Jeff Allinder





Welcome and Objectives

*We're going to step you through why **Revenue Optimization Matters!***

- Introduction
- Polls
- What is Revenue Optimization?
- Creating the Right Products and Packages
- Pricing and Bundling Competitively
- Conclusion and Q&A

A Little About Jeff

- VP-Client Revenue Optimization at Leverage Broadband Strategies
- Consultant to rural American operators
- BA in Finance
- MBA in Telecommunications
- 25+ Years Telecom Experience
- Expertise: Competitive Strategy, Financial Planning & Analysis, Marketing Analytics, Product, Marketing, Sales



About Leverage



Business Strategy Company

- Serves mature and novel **Broadband and Video Providers**
- Focuses on **strategic business planning, go-to-market strategy, and video product management**
- Helps operators **optimize revenue and accelerate subscriber growth**
- Fills **organizational gaps** in business expertise



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Poll #1

POLL





Quotes of the Day!

“

The essential difference in service is not machines or ‘things.’ The essential difference is minds, hearts, spirits, and souls.

Your people come first, and if you treat them right, they’ll treat the customers right.

— Herb Kelleher

”

What is Revenue Optimization?



Definition and Principles

“ Revenue optimization is about creating **sustainable profitability** by fine-tuning **pricing and product strategies** and aligning customer value with business goals.



SUSTAINABLE REVENUE



Key Revenue Performance Metrics

1) Customer Relationships to Homes Passed

Unsustainable	Lagging	Average	Thriving	Overachieving
< 30%	< 40%	45%	> 55%	> 60%

2) Product Penetration to Customer Relationships

3) Average Revenue Per Unit (ARPU)

Pricing and Bundling Competitively



Competitive Intelligence and Analysis

“ The mastery of understanding the competition as a consumer sees it. ”

WHAT AM I PAYING?

WHAT ARE MY
EXISTING PRODUCTS?

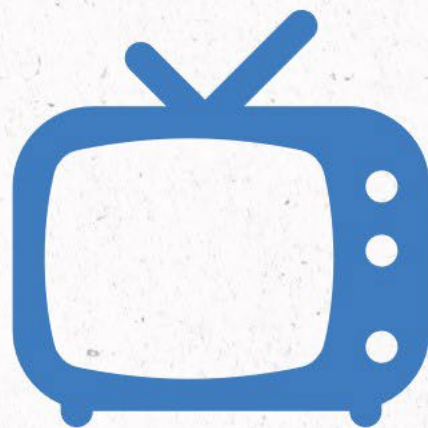
WHAT ARE MY
OPTIONS?

WHAT ARE THE
HIDDEN FEES?

WHAT HAPPENS WHEN
SOMETHING GOES WRONG?



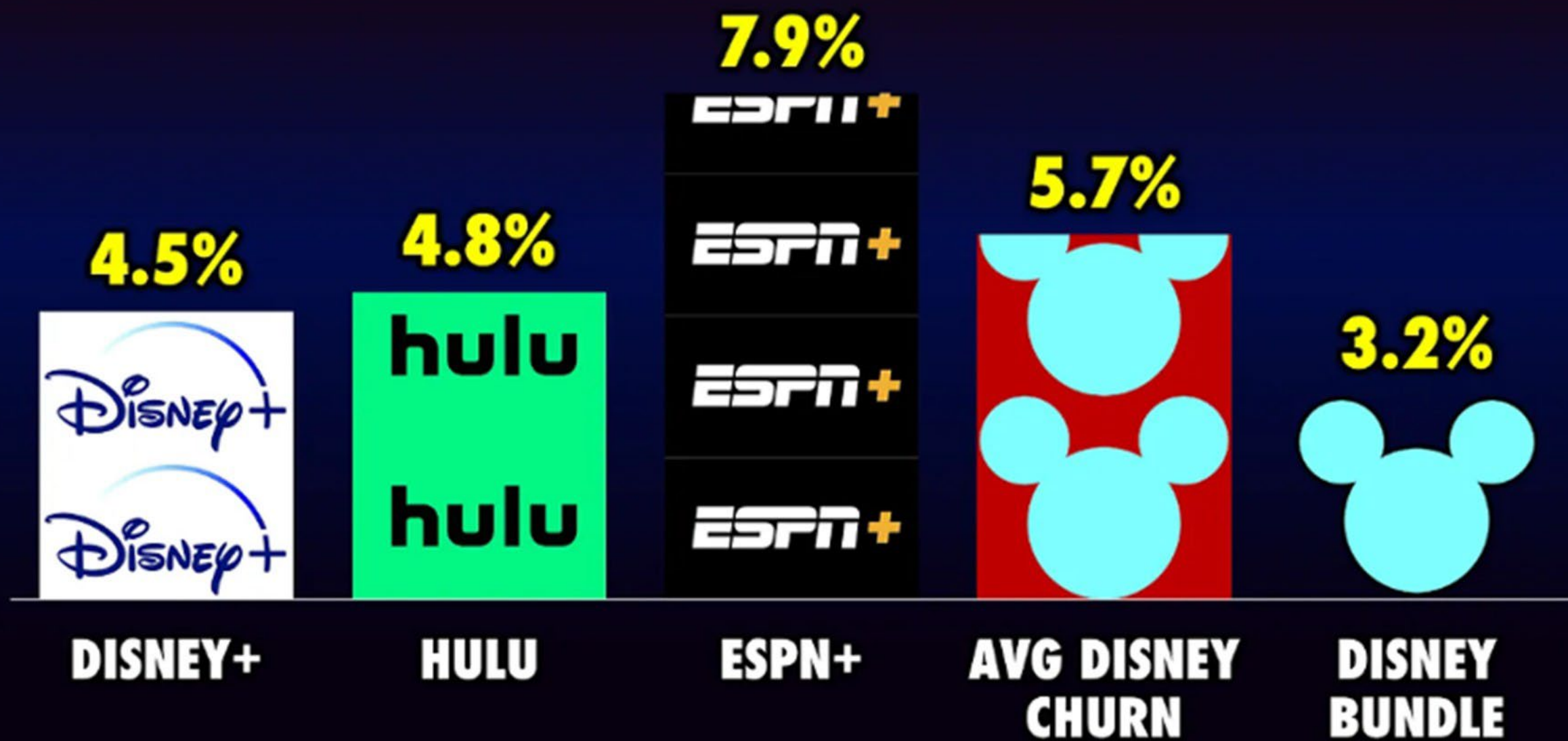
Why Bundling Works



VALUE PERCEPTION

DISNEY STREAMING: BUNDLED CHURN

SOURCE: ANTENNA | CHART BY ESHAP



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Poll #2

POLL



Creating the Right Products and Packages

What Not To Do!

Basic Package

\$59.95 / month

Up to 100 Mbps Download/Upload

Basic Email & Music Streaming

SD Video Streaming

[Get Started](#)

Premium Package

\$89.95 / month

Up to 1 GIG Download/Upload

Telecommuting

Remote Education

Streaming HD Movies

Video Calls, Email & Streaming Music

[Get Started](#)

What Not To Do!

★ Star 1 Package

Up to 3 Mbps down/
1 Mbps up

\$29.95/mo

★★ Star 2 Package

Up to 6 Mbps down/
1 Mbps up

\$44.95/mo

★★★ Star 3 Package

Up to 12 Mbps down/
1 Mbps up

\$55.92/mo

★★★★ Star 4 Package

Up to 18 Mbps down/
2 Mbps up

\$65.92/mo

★★★★★ Star 5 Package

Up to 25 Mbps down/
5 Mbps up
(Fiber Only)

\$75.92/mo

★★★★★ Star 6 Package

Up to 50 Mbps down/
25 Mbps up
(Fiber Only)

\$85.33/mo

★★★★★ Star 7 Package

Up to 500 Mbps down/
250 Mbps up
(Fiber Only)

\$115.23/mo

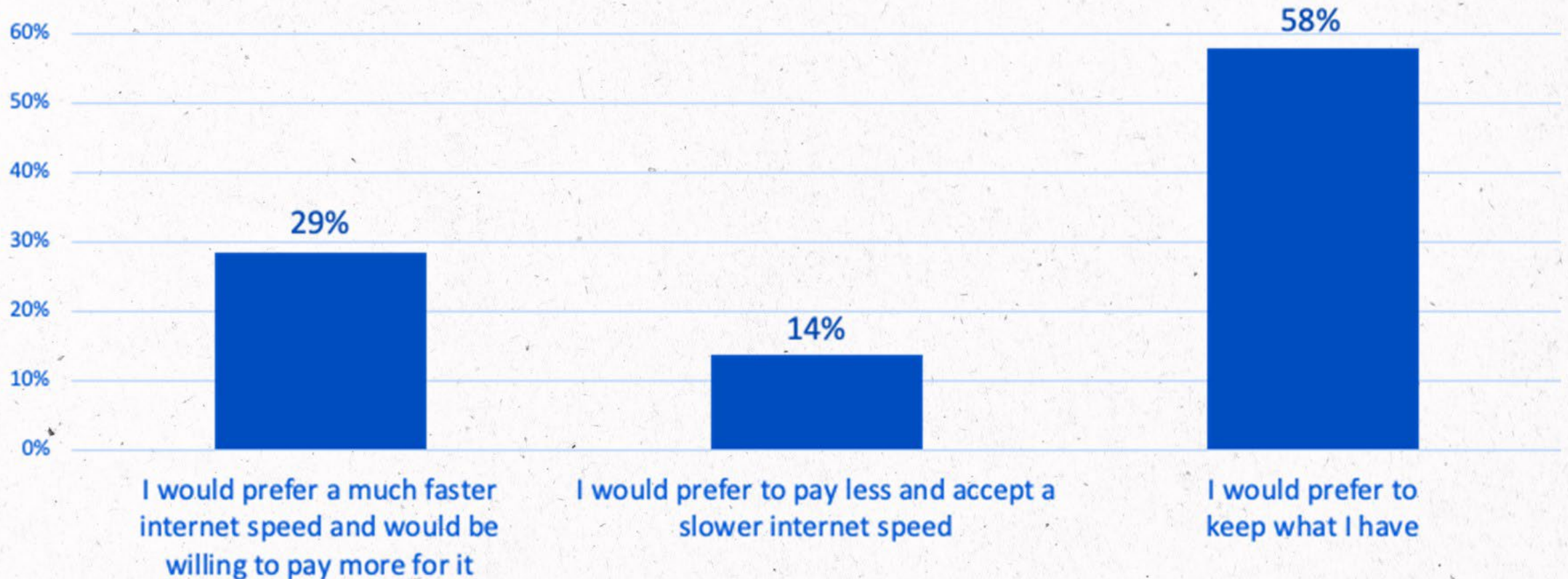
★★★★★ Star 8 Package

Up to 1 GIG down/
500 Mbps up
(Fiber Only)

\$134.29/mo

Preference for Faster Speed or Lower Price

Compared to what you're paying for internet now, which of the following would you prefer for your household?



Customer Segmentation

Segment customers by:



Internet
speeds



Pricing



Features

CUSTOMER

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Poll #3

POLL

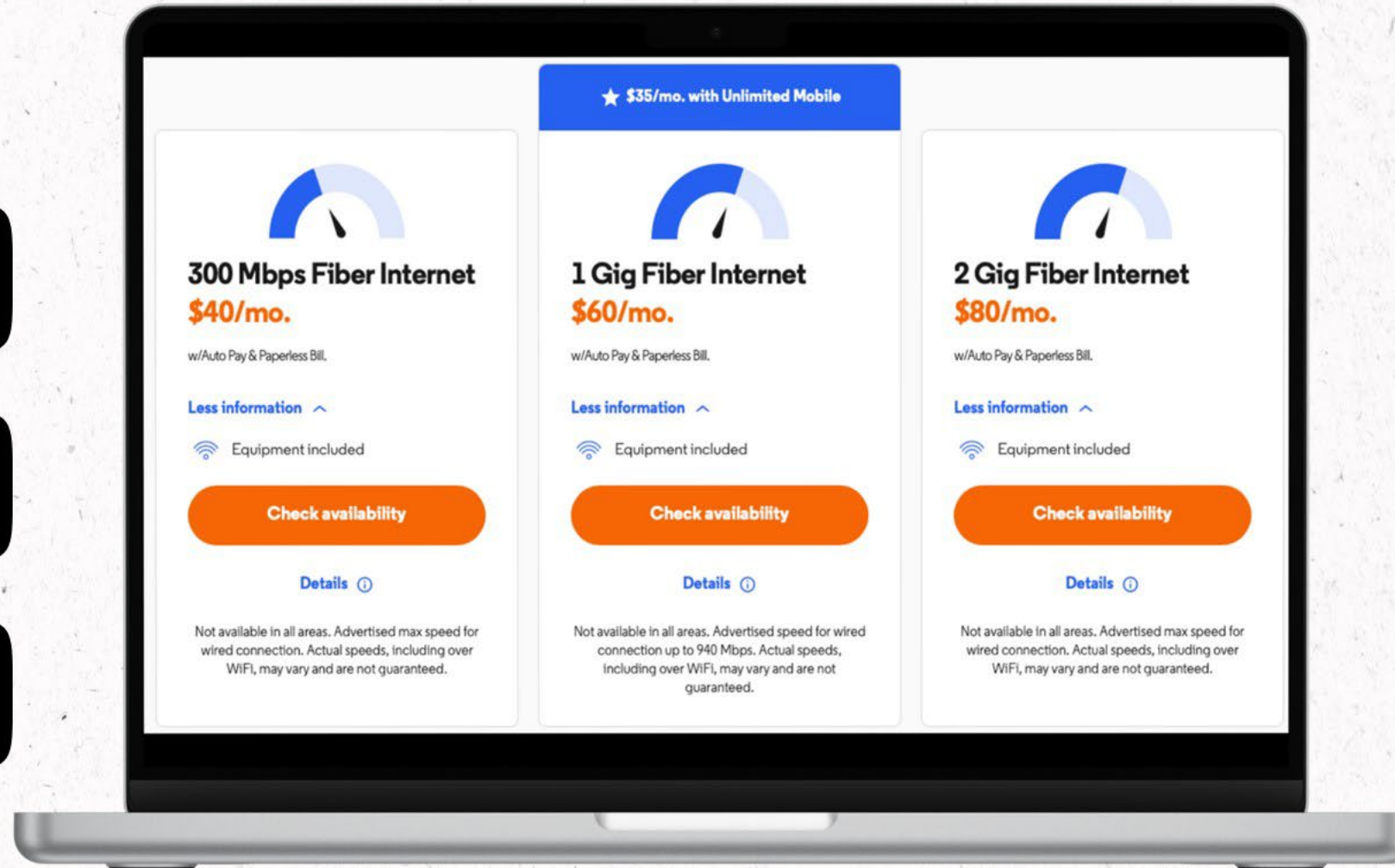


Offering the Right Speeds

Entry-level (Budget)

Mid-tier (Balanced)

Premium (High-speed)



➤ Entry-level (Budget)



Mid-tier (Balanced)



 Premium (High-speed)



The Role of Video

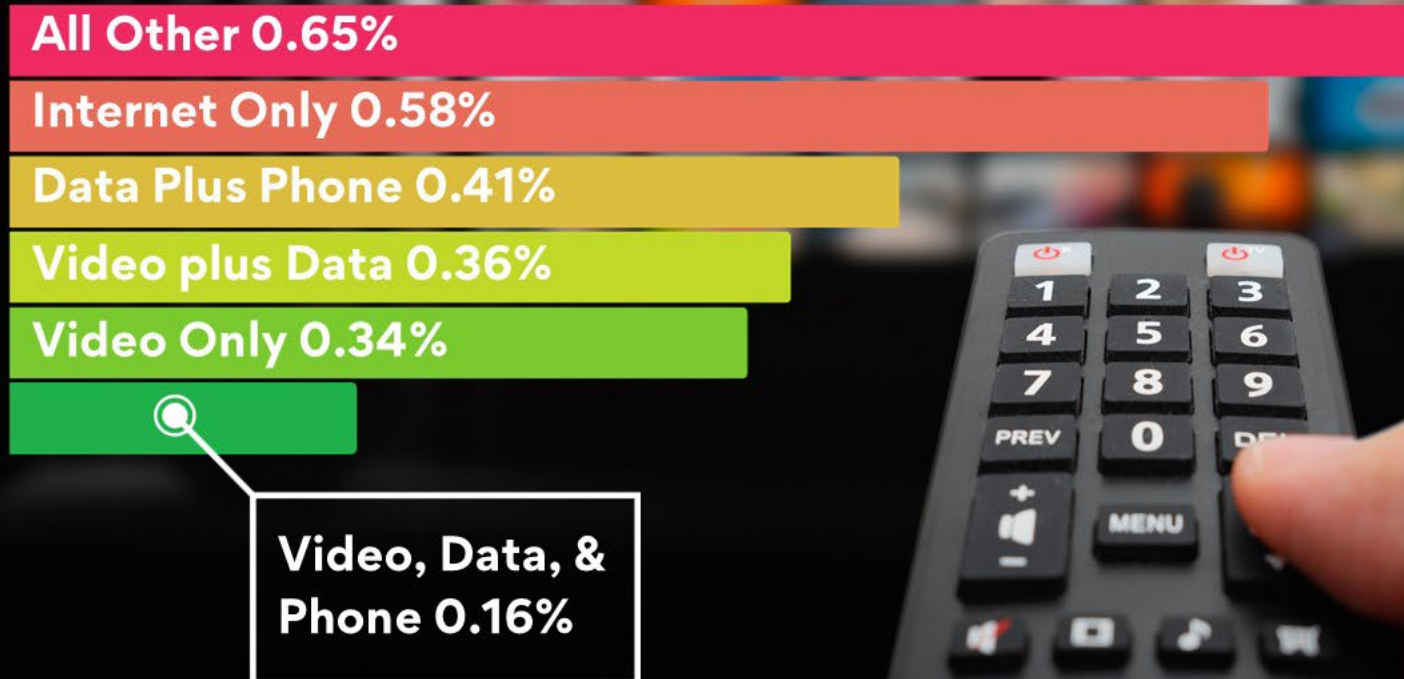
1. Does video have a **positive contribution**?
2. Does video **impact churn**?
3. Does video **affect market share**?



Does Video Impact Churn?

Those with video churn at roughly 1/2 the rate of customers with other product mixes.

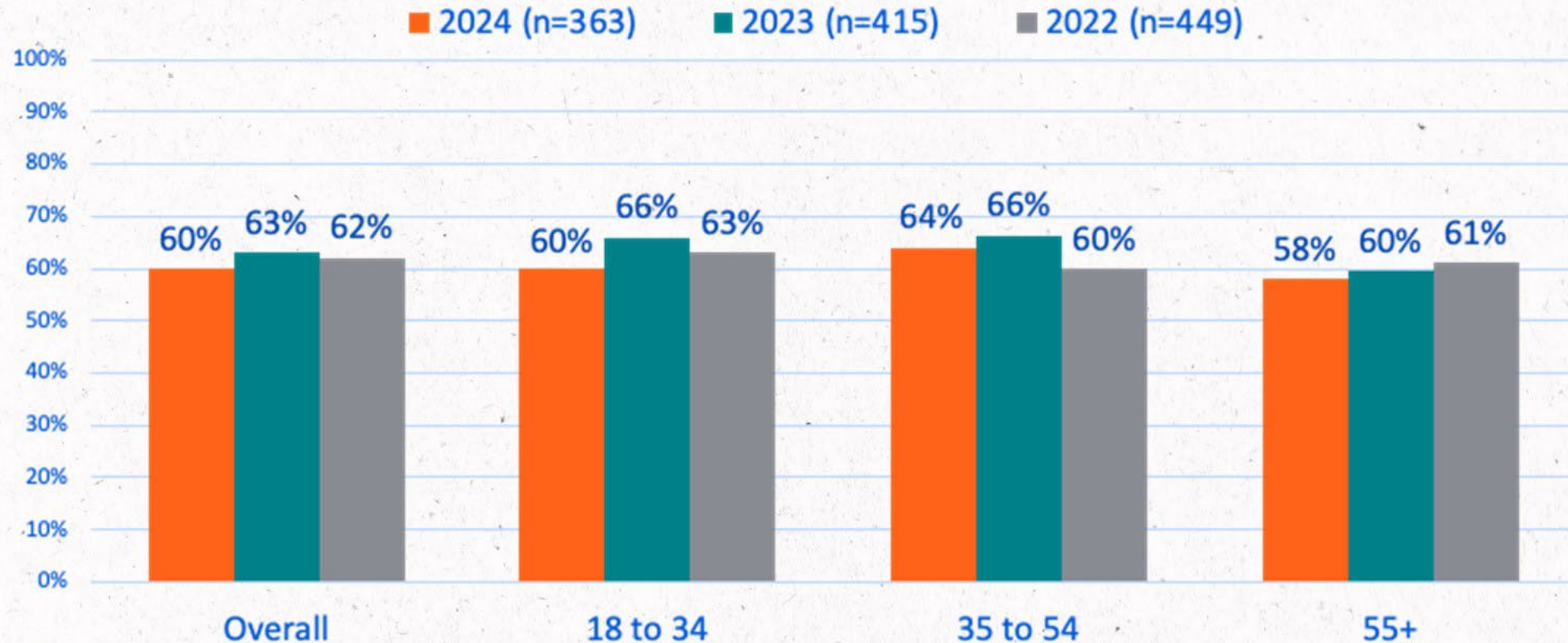
CHURN % BY PRODUCT MIX (Monthly)



Video allows us to keep Comcast, Spectrum, Hotwire and others out of the living rooms of our broadband customers.

Does Video Impact Market Share?

Is your home internet service provided by the same company that provides your TV service? (asked only of pay-TV users) Shown is the percentage answering "yes"



Add Value to the Pipe

- Video
- Managed WiFi/Parental Controls
- Circuit Cost Management
- Wireless Backhaul
- Small Business Products
- Voice
- Wireless - MVNO
- Home Automation/Security

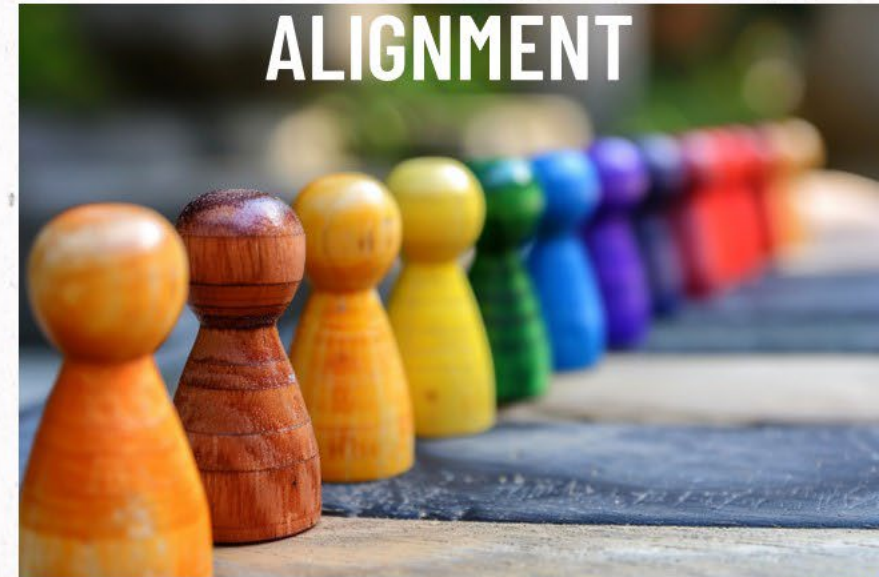


Defining Right Sizing in Broadband

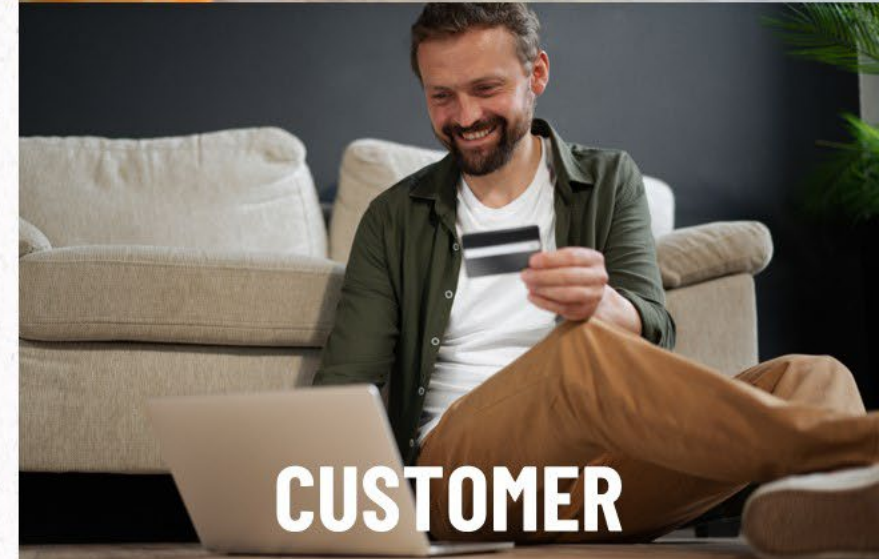


➤ What...is Right Sizing?

“Aligning your **products** with a **customer's needs** and **budget**.”



ALIGNMENT



CUSTOMER

Why?

**“Goldilocks and The
Three Bears Strategy”**



How?

Conversation structure and “consultative sales process”

- Understand customer needs
- Develop rapport
- Recognize competitive alternatives
- Make recommendations
- “**Gold plate**” the decision





**Key component to Implementing
"Revenue Optimization" is...
Your People!**



Key Takeaways



1

KNOW

Develop an objective understanding of where you are on the path toward revenue optimization - **this means metrics!**

2

PLAN

Critically review your broadband tiers to ensure that they meet the needs of your customers

3

COMPARE

Perform a competitive analysis regularly to ensure that you're positioned for success

4

PREPARE

Conduct frequent workshops with customer-facing employees

Revenue Optimization: Real World Results

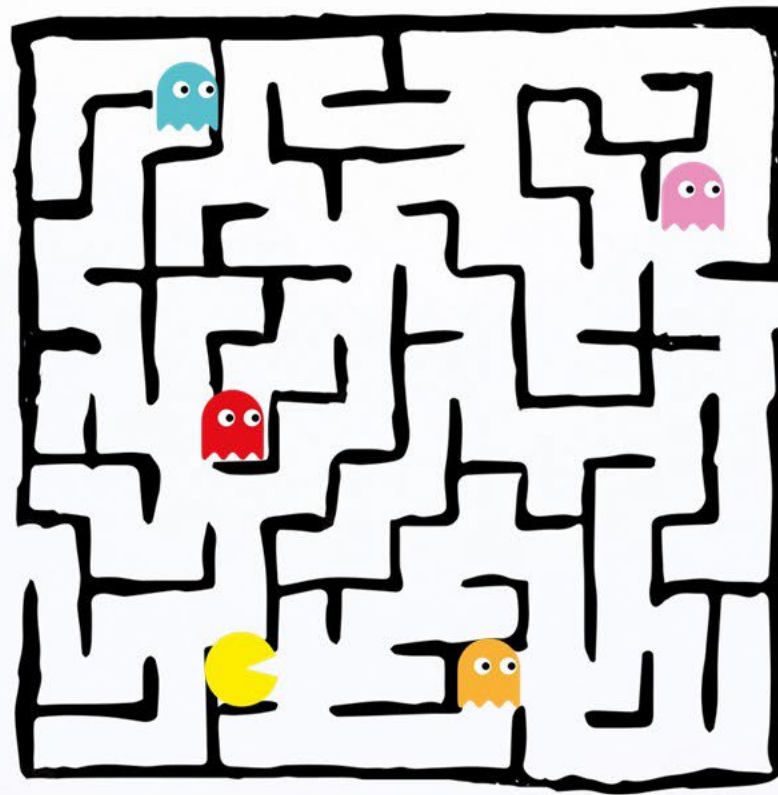


- Establish key metrics
- Measure key metrics on a recurring basis
- Implement plans for improving those metrics
- Nurture, coach and involve front-line employees in company goals

INCREASE REVENUE BY 10 - 20%



Call to Action





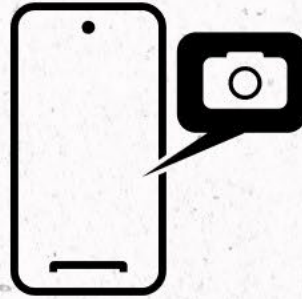
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- 1 Point camera at QR code
 - 2 Complete form
 - 3 We'll connect soon!
-



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QUESTIONS





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TUESDAY, MARCH 25, 2025
The Westin Philadelphia



REGIONAL
FiberConnect

**Fiber
Broadband**
ASSOCIATION

FIBER CONNECT 2025

June 1-4, 2025

Gaylord Opryland Resort &
Convention Center

Nashville, TN

Save the Date!



2025 Regional Fiber Connect Locations

Philadelphia, Pennsylvania - March 25 | *Digital Equity*

Anchorage, Alaska - July 17 | *Fiber and Fixed Wireless*

Toronto, Canada - August 19 | *Fibre Economics*

Spokane, Washington - September 16 | *Urban & Suburban Digital Divide*

Scottsdale, Arizona - October 16 | *Tribal Broadband*


Kansas City, Missouri - November 11 | *Demand Drivers*

Contact Lucy Green (lgreen@fiberbroadband.org) for Exhibit and Sponsorship Opportunities



Volunteer Now!

We need skilled fiber optic technicians to design, deploy and troubleshoot fiber optic networks. The FBA OpTIC Path Program is our answer to this critical need — but requires volunteers like you to instruct future fiber technicians.

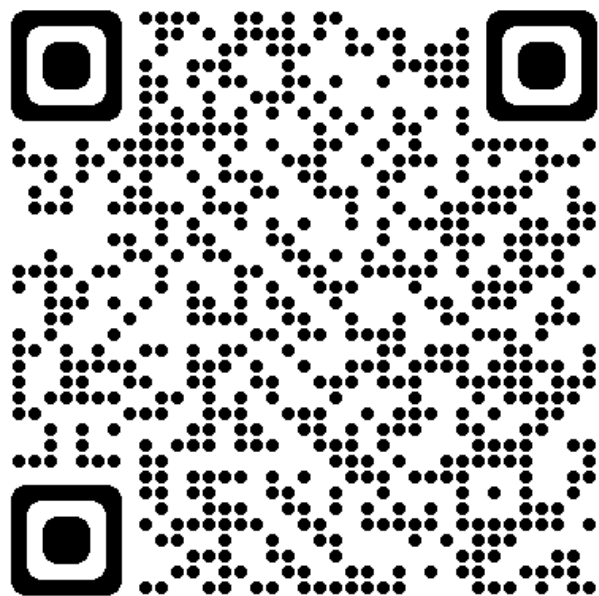


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