

Wireless

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Cellular One Offers Internet Access

By Bruce Felps

DALLAS—Cellular One Group last week stepped into the cyberspace business with an eye toward attracting a built-in customer base.

The company signed a two-year reseller agreement with Quantum Communications Group Inc., which allows Cellular One member carriers to offer wireline Internet access along with established cellular service.

The agreement is open to all Cellular One member carriers. The company will market the service under the name "Internet by Cellular One."



Cellular One opted to become an Internet service provider based on results of a survey conducted by Roper Starch Worldwide of New York. "Cellular customers tend to use other types of technology," said Dick Lyons, president of Dallas-based Cellular One

Group. "A survey we commissioned shows that more than 42 percent of wireless customers also own a computer modem. We want to ride the wave of Internet growth. Estimates show that 50 million households in the [United States] will have Internet access by the year 2000."

June Wallach, account director with Roper Starch, confirmed the likelihood of cellular subscribers becoming Internet customers.

"Four in 10 people who own car phones have computer modems. That's twice the national average of people in the general population who say they have modems. With wireless customers, you have a more ready market. Potential customers for Internet service are more interested in the market and more prepared for the market."

Lyons also pointed to additional business options available to Cellular One member companies as a reason for entering the ISP business. "This alliance with Quantum allows us ... to offer a broader range of service to their customers. And with the aspect of revenue



dropping in wireless markets, this is a way to increase the revenue stream. We're looking for any way to establish customer loyalty and reduce the 30 percent churn rate. More services means more loyalty."

The deal with Quantum reduces Cellular One's investment in becoming an ISP, according to Lyons. "By reselling Quantum's Internet, Cellular One members can be providers without infrastructure expense. They won't have to buy and maintain the equipment, but they can provide a full range of Internet services."

Michael Clough, president

and CEO of Quantum Communications, said Cellular One contracted for the Mir@ge program of Internet services. "Mir@ge doesn't include wireless access to the Internet. We're working toward wireless access, but the technology leaves a little to be desired. Mir@ge is basically Internet access and e-mail. We make whoever uses it look like a full-fledged ISP, but we're running the server. All of the account set-up and the domain name will be Cellular One. Technical support calls go to Quantum people, but they answer the calls using the Cellular One name."

Cellular One also will provide services beyond Web access and e-mail services through the agreement with Quantum, Clough said. "Mir@ge is only one of the products offered by Cellular One. Net Propulsion is a way to tie in to the small business community by designing and maintaining Web sites. We have 150 templates of Web pages that can be customized to a particular business. The average design fee is \$800, which is shared evenly between [Cellular One and Quantum]." □