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## Ad blitz may help Sprint reconnect

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c(The Kansas City Star - McClatchy-Tribune Information Services via COMTEX) -- Dan Hesse is a reluctant television star.

The Sprint Nextel chief executive officer's day job of fixing the struggling wireless company had been keeping him plenty busy. Then he agreed to add acting to his duties as Sprint sought to overcome several years of ever-changing and often convoluted marketing messages.

Now Hesse is the company's new pitchman, promising improvements and new wireless services in a series of national commercials that will put a fourth ad on the air as soon as today.

"We are still on the path to turning the company around, but we continue to make steady progress," Hesse said in an interview as the company prepares for its latest financial report at the end of this week.

In black-and-white commercials featuring the lanky Hesse strolling through a stark urban landscape, standing in a train station or sitting in an old-fashioned diner, he talks of a "wireless revolution" and new ways to use high-tech phones that really are powerful mini-computers.

Sprint initially built its national brand with the iconic image of the falling pin and stars such as Candice Bergen and Sela Ward. Later, it relied on an amiable fellow in a trench coat who wandered about dispensing cell-phone advice.

The Hesse ads mark a switch from Sprint's recent reliance on flashing lights and a sprawling cast to connect with customers.

"Can you believe we still call these phones, considering all they can do?" Hesse says in one ad making the prime-time rounds in recent weeks.

Most notably, the company has stuck with the same ad theme for more than half a year -- one of several signs Sprint could be starting to stabilize.

The Kansas City region's largest private employer will offer a glimpse this week about just how much progress it has made. The financial report due to arrive Friday, however, also is likely to reveal that there is substantial work left to be done.

Rivals AT&T and Verizon Wireless each added at least 2 million new subscribers in the third quarter. Sprint executives warned this summer that customer defections still were a big problem and probably would cause trouble again in the third quarter.

More pressure on profits and another loss of hundreds of thousands of subscribers are widely expected.

AT&T has piggybacked on the success of Apple's iPhone. Verizon can hang much of its success on a relentless message that it offers the best wireless network in the country.

Settling on a focused theme has proven more problematic for Sprint.

After it bought Nextel Communications in 2005, Sprint confronted massive merger challenges, a misfiring wireless network and two substantially different niches of customers.

Customers often suffer, at least initially, after mega-mergers, said Steve Goodall, president of J.D. Power and Associates. "Acquisitions take time to get integrated," he said during recent Kansas City visit. "Most of the time, there is a period where there is a falloff in customer treatment."

Nextel was known for phones that made a distinctive chirp as contractors, taxi dispatchers and others pushed buttons that acted as high-performance walkie-talkies. Sprint tended to appeal more to soccer moms, professionals and others attracted to fancy phones and newfangled features.

Sprint cycled through such advertising taglines as "Yes, you can," "Power up" and "Sprint speed." Wall Street analysts assailed the forgettable efforts and the company's sliding fortunes in the wireless market.

"In the past, we have taken some fair criticism," said John Garcia, a president at Sprint who helps oversee marketing strategy. "First you said, 'Get it done,' then 'Sprint ahead' or whatever else we said. Those were cute lines, but it wasn't a compelling pitch."

The catchiest marketing wouldn't have worked if customers couldn't complete a clear call or get help with problems. Hesse has

made fixing Sprint's struggling service operations a top priority.

Sprint had tried before to persuade masses of consumers to try out all of the data services. Garcia conceded that the market wasn't quite ready, but nowadays many cell-phone customers send text messages more than they talk. Getting travel directions and surfing the Internet while on the go also are increasingly popular.

"As we look at the future, our best shot at distinguishing ourselves is about wireless data," Garcia said. "We do it very well."

After the company figured out what it wanted to say, the question then became how to say it. Hesse, a quick-witted and charismatic leader, had generated enthusiasm among employees. The notion emerged that he could do the same for customers.

"We had a hard time talking him into the first one, mainly because he is so busy," Garcia said. Now, though, Sprint has found that the Hesse ads attract attention, particularly with existing customers.

"They say, 'There is Sprint. They are changing things. There is the guy who is going to make things better,' " Garcia said.

The new marketing and focus is incrementally better, but data services won't solve all of Sprint's challenges, said Michael Nelson, an analyst who follows the company for the Stanford Group.

"I think the core problem remains an inferior marketing message for the mass consumer," Nelson said. "For the mass consumer, the number one most important thing is still voice. It's voice, selection of handsets, quality of the network. Data services are a nice add on, but is going to take more than that to really turn things around for Sprint."

Putting a CEO in ads generally is a bad idea, said Peter Sealey, a longtime marketing executive at Coca-Cola who now teaches at the Drucker School at Claremont Graduate University in California.

It worked for Lee Iacocca and Chrysler, and maybe it works for Steve Jobs and Apple. But few, if any, other CEOs so personify their company that they can be similarly effective, Sealey said.

Instead, Sprint should clearly deliver a simple message about what it offers, he said. As for Hesse, he is optimistic about Sprint's improvement. The company is progressing by its own measurements, as well as with a recent call-quality award from J.D. Power and a last- to first-place move in another analyst assessment.

The commercials do a good job, he said, of reinforcing the message that Sprint offers superior data services. He knows they connected at least with one potential customer, a hotel clerk who seemed a bit surprised to have a newly minted television star standing at her checkout counter.

"She looks up and says, 'You are the guy in the Sprint commercial,' " Hesse said. "I said, 'Yeah. That's me.' "

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