

## Jack Gets His Walking Papers

Ma Bell has put its stamp on Cingular. Will that work in the wireless space?

By Rhonda Wickham, Editor-in-Chief  
February 1, 2007  
Wireless Week

AT&T is shorter than Cingular. Right now, that's about all I can say about the name that so unceremoniously dismissed Cingular. Perhaps I resist name changes. I remember being somewhat shaken back in 1996 when Lucent was introduced as the new name replacing bellwether AT&T Networks. And even when BellSouth renamed its wireless division Cingular, I was a little challenged. But in time, both names grew to fit the companies' images. Both names seemed poised to take the established companies into the future. And over time, I came to view Cingular as the name of a service provider that embodied technology, edginess and personalization in wireless.

Now, the company formerly known as Cingular will be known as AT&T. My personal disgruntlement aside, I believe this name change presents huge challenges with consumers. From establishing brand recognition and respect to overcoming the perception of an old company and to competing against other wireless brands, AT&T in the wireless space will have its hands full.

In the six years since the Cingular name entered the wireless space, it has spent millions of dollars to develop recognition and brand value in its name, image and symbol. And from most research I have seen, it seems the company was pretty successful.

For instance, according to research and consulting group **Keller Fay**, Cingular has achieved a high level of positive talk and recognition. In research that measured positive telecom talk about wireless companies, Verizon Wireless held the No. 1 spot with 32%, while Cingular followed with 19%. This placement was no small feat for a distinctly new brand in the market. In the same comparison, AT&T received the lowest level of positive "Talkshare."

When compared with AT&T, Cingular earned higher Net Advocacy scores, thanks to higher levels of "mostly positive talk" and lower levels of "mixed" talk associated with the Cingular brand.

Although this research was conducted at the end of last year before word of the rebranding hit the streets, a lesser brand name overtaking a stronger brand seems like two steps back and a waste of energy in establishing the Cingular brand. The AT&T name harkens back to the 1880s – American Telephone & Telegraph – and was responsible for such businesses as American Bell, Bell Labs, Graybar Electric, Lucent and Western Electric. Later, Ma Bell was at the center of the industry-famous 1984 divestiture. Following the divestiture, the AT&T name increasingly faded from view and was largely relegated to one of a few surviving long-distance carriers as well as the name on Craig McCaw's wireless service.

However, in recent years, the name began resurfacing as the face on a host of smaller local exchange carriers and then onto larger companies such as SBC, BellSouth and now Cingular.

Besides a dated brand name, I believe consumers still feel antipathy toward conglomerates and huge corporations. The painful memories of Enron, MCI and other major U.S. corporate failures still linger. These mismanaged companies crashed and burned, taking shareholders investments with them. Consumer suspicions and sentiments toward behemoth established entities can't be ignored.

Although the AT&T name may conjure familiarity for an older generation that remembers the reliability of the rotary-dial landline phones, it remains a legacy brand that was all but scuttled in telecom. For the generations that don't share those memories, the question remains if AT&T will be able to engender the same feeling of youthfulness, personalization and edginess as Cingular. Or will it be shunned because it is viewed as the telephone company for Mom and Pop – or worse, Grandma and Grandpa?

Apart from the brand name, the power of any company really comes from financials and quality products and services. And for customers, it's about getting those products and services for a reasonable price. I suppose once AT&T changes out all of the customer-facing, formerly Cingular signs, it will begin to realize savings there. According to AT&T, 20% of the operating expense savings from the AT&T-BellSouth merger will come from advertising as all operations are combined under a single brand.

Out of the gate under the single brand, AT&T is offering its Unity plan, which encourages customers to combine their residential and wireless plans without incurring additional wireline fees or using wireless minutes. Although

interesting, it seems to me like an effort to prop up the local telephone business by tying it to the more successful wireless business. In the last three years, more wireless customers have disconnected their wireline services in favor of wireless. Moving forward, I suppose AT&T will add other features under its multiple-play umbrella.

And that is where price likely will play a role. But AT&T will have to tread lightly or risk earning a perception of low-cost leader. And that perception is a far cry from the Cingular Jack we currently know.