Massucci's Take: Verizon FiOS gets the picture, not the installation.

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Having moved into a new neighborhood offering Verizon's (\underline{VZ}) FiOS television service, I was eager to shed my cable company and try FiOS, which boasts a better picture at a cheaper price.

After trying it for about a month, I find the picture quality to be superior to cable television. However, a big strike against FiOS is how long it takes to install. In my case, the installation took 16 hours, spread over two days.

To be fair, I'll point out that I elected to take the <u>triple-play bundle</u>, which consists of TV, internet and phone service. So Verizon had to install the wires and boxes for all three products. Still, 16 hours to get it right was excessive.

"It sounds to me it like it was an extraordinary installation," Verizon FiOS spokesman Eric Rabe said. "I hope we don't have too many more like it." Typically, it takes four to five hours to install all three services, he said. When FiOS was first sold in 2005, it took seven to eight hours to install, but Verizon has "done a number of things to shorten that time, including designing new equipment that is easier and quicker to install, and pre-programming equipment before we come out," Rabe said in a phone conversation.

During my installation, many issues popped up that turned it into a marathon. I had taken a Monday off to unpack from a recent move and babysit the FiOS installer, who arrived at 9:30 a.m. Having the wrong address and activating the service for the wrong apartment were the first two problems, and things mushroomed from there. Verizon also hadn't mentioned that many holes needed to be drilled to get wires to the TV and phone. After dealing with those problems among others, the installer finally left at 8:30 p.m.

"I've heard folks say it takes four, six, or eight hours to install the service," said <u>Chandan</u> <u>Sarkar</u>, telecom analyst at <u>Auriga USA</u> in New York. "I also heard that once it's in, people really like it, that is, until the bill comes."

My first bill has yet to arrive. When I stopped by the Verizon FiOS store to ask about the bill and be sure they had my correct address, they weren't able to check because the store's Verizon internet service was down.

I asked three Verizon installers, five FiOS customers and workers at a Verizon store in New York, who said it's rare for a FiOS installation to take five hours or less. I'm inclined to believe them over the company's released figures. Airlines often brag about their outstanding on-time performance too. Those who fly often, simply chuckle. In Verizon's defense, Rabe said folks expect it to take hours to get a room painted, but think installing TV, phone and Web services should take "a few minutes." He also pointed out FiOS-TV doesn't randomly shut down like cable or satellite television. A survey released last week by J.D. Power & Associates showed that Verizon customers were more pleased with Verizon's FiOS-TV service than DirecTV (DTV) or cable TV.

Installing high-speed fiber isn't like installing cable TV lines, said <u>Edward Snyder</u>, <u>principal analyst covering telecom at Charter Equity Research</u> in San Francisco. The installer has to make sure the link between the box and the television, for example, is seamless. "If any part of the link is lousy, it's basically useless," he explained. In my case, the service person did spend time checking the integrity of the connections.

The customer service experience with Verizon FiOS has proven to be more frustrating than the many times I dealt with <u>Time Warner Cable</u> in New York City over the past eight years. Calling Verizon's help line is as ponderous as calling most help lines. More frustrating was the lack of knowledge about Verizon's products by the folks I dealt with both at the store and on the phone. In hindsight, knowing what I know now, would I have gotten FiOS installed over cable? No. So why do FiOS customers put up with such headaches?

"Given how much people in America like their televisions, I think for a one-day investment, or in your case a two-day investment, most people would say it's worth it," Sarkar said in a phone interview. "Once FiOS is in, people really like it. Verizon has gotten smarter about the installations as it learns from its mistakes."

It's worth noting that the FiOS installer was one of the nicest service people I've met in years. He was apologetic when he had to come back because of a flawed box that died each time the TV was turned off. What he thought would be a quick fix turned into another mini-marathon service call. We became pals the way you might befriend someone you were stuck with in an elevator. He left me his cell number and offered to help troubleshoot future problems.

Unfortunately for FiOS, the hours it took to get the installation done, coupled with the bill, phone and Wi-Fi problems are large enough detractors to cancel out the benefits of improved TV picture clarity. About once a week, folks say they can't hear me well on my home phone. The internet service is spotty, especially late at night or early in the morning, when the connection is just plain slow.

In all, the TV service gets an A, the phone service a C and the Internet service a D. That's an average of C+. Enough that FiOS isn't a failure, but for customers who have yet to decide whether to buy it or not, I'd advise waiting until Verizon works out these problems and becomes more efficient with the installation.

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