

Sprint CEO visits Leawood store to launch latest promotion

BY MARK DAVIS - THE KANSAS CITY STAR

12/05/2014 2:58 PM | Updated: 12/05/2014 5:55 PM



Sprint CEO Marcelo Claure talked Friday with a company official before he spoke to the news media at the company's Leawood store. THE KANSAS CITY STAR

How often do customers get to rub elbows with a CEO?

It happened Friday at the Sprint Town Center Plaza store in Leawood. The company's new billionaire chief executive, Marcelo Claure, showed up shortly before noon.



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A few customers and a lot of alerted media were waiting as Claire personally kicked off the company's newest promotional campaign.

Sprint's deal, announced earlier this week, tells Verizon and AT&T customers to bring in their bills and let Sprint cut their wireless service costs in half. Leawood resident and Verizon customer Rusty Smith got a bit more than that — a chat with Claire.

"He asked why we were moving over," said Smith, who complained that his Verizon phone got poor service at his nearby Corporate Woods office.

Claire, he said, also wanted to know how Smith found out about the company's Cut Your Bill in Half campaign. He'd heard about it from a Sprint employee.

"He said, 'Yeah, we just started the commercial campaign,'" Smith said.

Sprint released a 30-second ad Friday.



Claire drew at least local attention to the offer by visiting the store, which sits across Roe Avenue from the company's Overland Park headquarters campus. The offer is good only for existing customers of Verizon and AT&T.

Smith didn't take the half-off offer. Instead, he got a lower-cost deal with unlimited data. He's also leasing an iPhone 6 under Sprint's iPhone for Life offer.

That's OK with Claire. He said the half-off promotion is aimed at getting customers to look past Verizon and AT&T ads to consider Sprint. Once they come to a Sprint store or see its service plans online, Claire said, they may find an even better deal than the half-off plan.

Melissa and Tyler Whitworth, AT&T customers, came to the store from Garden City, Mo. He said they were looking for the iPhone for Life leasing plan and a half-off plan from Sprint.

Claire, meanwhile, set the bar for a successful campaign.

"We're looking for one of the best Decembers Sprint has ever had," Claire told reporters at the store. "I think we sent a very strong message to Verizon and AT&T."

Others are watching with lower expectations.

Mike McCormack, a stock analyst for Jefferies LLC, said in a note to investors Wednesday that the half-off promotion probably would appeal more to legacy Verizon and AT&T customers. These are subscribers who have been under plans for some time and don't have a newer discounted plan.

And once they reach the store, he said, customers are likely to find the new promotion similar in price to Sprint's Family Share Pack that it introduced earlier.

"Given this dynamic, we expect a likely muted impact of the promotion," McCormack's report said.

A New Jersey company that scores the consumer value of wireless plans said Friday that Sprint's half-off offer fails to deliver more value than the latest shared data plans from Verizon or AT&T.

Tarifica, part of T3iGroup, uses algorithms to compare costs, services and networks of the major carriers and scores their plans for consumer value. Sprint's offer to cut in half a customer's bill suffers from the company's poorer network rankings, said Will Watts, program manager at Tarifica.

However, Sprint's half-off deal closes at least some of that gap when compared with older plans that Verizon or AT&T customers may still have, Watts said. Those customers probably are "paying more or getting less, or some combination therein" than Verizon and AT&T customers under the companies' recent plan offerings.

Sprint, besides offering its new plans, is in the process of eliminating 2,000 jobs to help it cut at least \$1.5 billion in expenses.

Claire said that his attention on cost-cutting would continue but that more mass job cuts probably won't follow this round. Sprint laid off 1,700 employees in October.

"Those bold moves, that we had to take out a couple thousand employees, I think now that's behind us, but we're always going to be looking for ways to be more efficient," Claire said.

At the same time, Sprint is adding 500 sales representatives to beef up its holiday shopping season efforts. One of those new hires, Tamboura Watson, greeted customers at the Leawood store when Claire came in. Watson, on only his second day at Sprint, got to greet and meet the CEO.

Sprint also is reopening a customer care center at its campus, which had shut down earlier this year under Claire's predecessor, Dan Hesse. Claire said the nearby call center will give him a chance to "sneak in" and listen to customer calls.

Claire said those sessions and the store visit, which he said could be repeated during the holiday season, help him know what needs to be done to improve customer service.

"The only way we get better as a company is if we face the brutal facts that there are areas of improvement," Claire said. "I like to be close to the field. I like to just understand, see the customer's experience."

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