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Platinum Wireless's 360: "It's a Great Time to Be in Wireless."

by Sondra Sneed

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Platinum Wireless launched in 1998 with Nextel and its Push-to-Talk (PTT) technology. The company began as a fledging multi-carrier retailer, but ultimately found a preference for the B2B market. Nextel's technology was a great way to deliver real value to a large commercial customer base.

"Push-to-Talk wasn't anything like what it is today," explains Platinum Wireless's President Baze Melamed. "But we worked through it and built a strong relationship with Nextel." It wasn't long before Platinum became an exclusive master agent and converted all of their B2B reps into independent, subagents. By doing that, Melamed says, "our reps established their own companies, took more initiative, and made higher commissions."

Converting reps to subagents also eliminated a lot of overhead. The savings was invested into sales, product and vertical industry knowledge training, which further entrenched Platinum in its pivotal new role. Today they still maintain the consultative philosophy in all aspects of their business and for all their points of distribution.

Immediately after the Sprint Nextel merger, the B2B sales model began to lose focus however, Melamed says. The business became consumer centric and Sprint was not aggressively marketing Nextel's PTT technology, which left Nextel with little marketing support. Staying committed to their philosophy, Platinum saw that the business was changing and adapted to that change. They embraced the opportunity to develop a new customer target with a completely different set of demands and challenges, and was the consumer. With the new Sprint, Platinum could present a larger selection of phones to the consumer and grow their business and the businesses of the sub-dealers.

Platinum further adapted and established international wholesale distribution of GSM/CDMA and accessories including Bluetooth headsets in time for highway

safety laws to affect business customers. The investments in sales training and product and industry knowledge had again paid off because they were ready for the B2B multi-unit sales orders and since they controlled distribution, Platinum had no problem meeting demand.

POS Terminal Services

Platinum also acquired a new business unit offering prepaid and bill payment POS terminal services. The system eliminated liability and cash flow issues associated with hard cards. With these new terminals dealers have been able to establish themselves as locations for customers to pay utility and phone bills; buy gift cards to major restaurant chains; or lottery tickets. Platinum and its dealers were able to stretch beyond wireless, and into high-traffic retail such as gas station chains, convenience stores and malls because of the terminal services.

Platinum Wireless continues to grow this division because of its success, but Melamed sees the company coming full circle since its beginnings and returning to the technology that brought them to market in 1998. That technology marries the company once again to a single carrier. So while many retailers are choosing the multi-carrier model to capture more business and activations, Platinum is making a strong case for sticking with a single carrier.

"We have gone 360 since our beginnings," he said cheerfully. "We are rejuvenating our B2B focus with Sprint's Q-chat."

"When we started, PTT was truly a unique technology, and in a B2B environment it worked really well for the market we were developing. Business customers loved it because it cut down on minute overage costs. It cut wireless bills in half, increased efficiency immensely . . . it was just pennies for them to use. PTT was quick, immediate communication, a fantastic technology at the time." And it's making a comeback.

"I'm really excited with the new Sprint Q-chat. The Sprint CDMA network means there will be much broader coverage and the market opportunity for our dealers is limitless," he said with the same enthusiasm.

Nextel had been Platinum's first carrier of choice, "because it presented the opportunity for selling quantity." Platinum's average sale ranged from five to 200 units in a single sale. "Any salesperson will tell you that they would rather sell 50 units to one customer than 50 units to individual customers. Nextel gave us that opportunity through direct business with corporations and government agencies. Instead of just focusing on small to mid-size companies, we were able to build relationships with companies that purchased 1,000 units at a time because of PTT."

"A lot of businesses are now looking for a solid relationship with a wireless company like ours," he said.

Why Single Carrier Focused?

Platinum's reason for being exclusive with one carrier was not because of a contractual agreement, but because of their preference to master a single carrier.

"When we were a multi-carrier master agent it became very difficult to manage all the promotions, phones, and commission structures for all of the carriers we managed. We could not do a good job with any of the carriers and the carriers, in turn, don't respect the multi-carrier retailer. The retailer can't realize their

full potential. And that affects the business of the master agent. So we picked one carrier, which was Nextel, our best relationship." Platinum also helped others convert to a single carrier.

"We started with one of our locations and convinced the store that was doing 100 activations at 10 per carrier to go exclusive," he explained. "The result was their business grew to 200 activations with one carrier. So they garnered carrier respect as well as their customers because they had improved expertise and minimized the headaches related to managing many products.

"Exclusivity is easier and offers more return," Melamed continued. "If we go into a store and see a bunch of different signs and carriers, we immediately try to discuss how we can bring some of those signs down and put one carrier sign up and demonstrate how they can sell a lot more by focusing on one brand. Single carrier stores are not what they used to be. A Sprint store sells Sprint to the consumer, Nextel to the business customer and Boost Mobile as their pre-paid solution."

Platinum's New Retail Model: Flagship Locations

Platinum's recent leap has been in branded retail. "We have started building Flagship locations," says Melamed. "Starting with our headquarters in West LA, where we built a Sprint Super Center with a customer training and executive briefing facility. The effect has been absolutely astonishing. We don't want to manage a bunch of retail stores," he insisted, "but to better represent the carrier, provide the best customer experience and enhance the quality of our dealer base, we've been building out these flagship model stores. We are on our third one and excited about the potential." Melamed explains that Platinum's Flagship stores are twice the size, at 2,500 square feet, of most wireless retail stores and are designed for maximum comfort and service as well as possess a "supreme" quality about them. He said Platinum is not paying "\$10 /hour for a counter clerk to run the stores" but instead is developing business people who are capable of "sustaining a fit and dynamic operation".

"Our business model here is to bring sub-agents to the store and then offer to build a Flagship Store for them. When they see the customers waiting and the kind of volume that's possible they get excited. The Platinum strategy is that Sprint spends millions of dollars marketing their brand so that resellers can capitalize on their investment to make it a branding asset. But the independent store owner still maintains independence even as a carrier-branded store in Platinum's agent program. We are the master agent that really focuses on the dealer's success by helping them with marketing (we have our own marketing department), helping them spend their coop, help with accounting, sales training and store furnishings. "We go further than just handing out the phones and promotions, we are partnering to make everyone succeed and make money in this dynamic industry. Because as long as everyone is making money, everyone is happy!"

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