

Revenue is good, but not at the expense of profit

I came across an item in Reuters today that says that Verizon Communications had an increase in revenue (i.e more subscribers) but a decrease in profit in the third quarter of 2009. What this means is that the company's expenses are rising. Expenses could be anything from salaries to office supplies to marketing. One area where I believe Verizon is probably bleeding expenses is in marketing. I wrote before that I have received nearly five pounds of direct mail from the company during the past year. Multiply five pounds by millions and you will get a sense of the amount of paper Verizon has generated just to market one product: FIOS. In my opinion, this is wasteful and useless.

If Verizon spent as much on customer service as on their repetitious direct mail campaign, they might have a more satisfied customer base. That would strengthen their revenue and profit streams.

This is just my opinion. I do not work for Verizon or any Verizon affiliated business or with any of Verizon's competitors. My only affiliation with Verizon is as a customer.