

# Thinking Beyond Speed and Price

Providers must recognize that MDU owners have expanded their decision-making criteria to include a host of factors, from customer support to network security.

By Bryan J. Rader / *Pavlov Media*

In the past, multiple-dwelling-unit (MDU) building owners were fixated on price and speed to the unit when considering a bulk internet provider. “How much bandwidth can I advertise my new residents will get? And how much do I have to pay each month?”

The analysis reminded me of the same paradigm used in the past for bulk cable TV: “How many channels will be included? What is the rate?”

The value equation was often based on these two variables. I remember meeting with an owner one time who said, “I can get 500 Mbps to every resident for 30 percent cheaper than what you are offering.”

Yes, price and speed are important. But considering only these two variables is like choosing a car based on comparisons of how many miles to the gallon it gets and the dealer’s best price. “\$42,000 for a car that only gets 22 miles in the city? I can do better than that.”

These variables miss so many of the core issues in the selection process. When shopping for cars, potential buyers look at the style, brand, tech package, roominess, reliability and maintenance. All of these attributes are critically important and expand the selection analysis significantly.

The same idea applies to bulk internet. Price and speed components are always important because they are the basis for the decision. But smart, independent ISPs know they are not marketing internet speeds at a good price. They are marketing a reliable, always-on internet experience.

## EXPANDED CRITERIA

As the next phase of growth for bulk internet begins, providers must realize that MDU owners have significantly expanded their decision-making criteria to include reliability and redundancy, customer support, ease of onboarding and network security. They are also evaluating how well providers support the on-site management team and residents.

Independent ISPs have to recognize this dramatic shift. They have moved far past the first phase of a simplified decision-making tree; decision-making has become much more comprehensive.

Infrastructure is another part of the analysis. Just as an automobile purchaser must decide between an electric vehicle, a gas-guzzler or a hybrid, an MDU property owner must decide between the coax-delivered solution, Ethernet fiber, or managed Wi-Fi. This will put MDU owners on a path to choose the right providers once they decide which direction they want to go.

## GROWING DEMAND

Ten years ago, the bulk internet rate of \$30 to the unit for a cable modem solution with a 50 Mbps speed might have been acceptable. The key variables once again were price and speed. There was limited consideration for upload speeds, infrastructure, security or service.

That is not the reality anymore. Why am I bringing this up now? The independent ISP industry is exploding as demand for bulk internet is accelerating across all multifamily types – conventional, student, senior and affordable housing. It is bringing dozens of new service providers into the marketplace, some of whom will be focusing on the old decision-making tree of speed and price.

Some newer providers may come back to addressing the basics of speed and price, while the rest of the industry continues to march forward. This may not present a major issue, but I suspect low-price, high-speed offerings will be coming from these newbies.

Variables will continue to expand. Providers must be ready to answer for the growing list. ❖

*Bryan Rader is the president of MDU for Pavlov Media.*

