

# If I Had My Druthers

Incremental changes to service offerings won't impress today's young apartment dwellers. Better to start with a blank slate and think about what would really appeal to millennials.

By Bryan Rader / *Bandwidth Consulting LLC*

**M**any years ago, I sat in a meeting with a senior executive of a large property management firm. He asked his staff, "If you had your druthers, what new amenities would you like to add to your community? Say we gave you a blank check – how would you spend it for your residents' benefit? What would you do?"

His concept was simple. He wanted his property managers to dream about the ideal improvements for their respective apartment communities. One manager said she would like to offer her residents an Olympic-sized pool with a big outdoor deck and patio. Another said she wanted to build a stand-alone fitness center with cardio theater equipment and a yoga studio. Yet another manager wanted newer kitchen features with espresso machines for his apartment homes.

They were all great, creative ideas designed to hone a competitive edge to attract (or retain) customers. I have always liked this approach to business. If you ask property managers for practical improvements, you might get a list of basic necessities, such as resurfacing the parking lot, adding more landscaping and so forth. If you want them to dream, you need to remove any obstacles (such as cost or space) that exist in their minds.

My firm recently asked several property owners a similar question about the cable TV and Internet business: "If you had your druthers, what would you like to see your service providers offer that would truly satisfy your residents?" The answers were illuminating.

One owner said, "I'd tell 'em to stop pushing triple-play bundles with long-term contracts on my residents. What works for single-family homeowners does not make sense for my young renters."

Another one said, "Do away with expensive programming packages filled with channels they never watch. Making them put expensive set-top boxes in every bedroom with very high deposits is crazy. Most young customers barely watch traditional TV."

"Open up the spigot," said another owner. "All they want is superfast Internet anyway, for gaming, streaming or whatever."

"And can't they just get the sports channels?" Another owner stressed. "Why feed them so many news and weather channels that they never watch?"

I said, "So, your suggestions to the cable guys could be summed up as follows: Don't require bundles or term

commitments. Don't force big programming packages. Eliminate expensive in-unit equipment. And jack up the Internet speed. Is that right?"

"Yes," they all answered. "Can you do that?"

The service provider business still functions as if millennials didn't exist. However, this does seem to be changing. Recently, Comcast launched stand-alone cable packages and scaled-down Internet/lite TV packages at very low rates. Time Warner Cable followed suit, as did FiOS and U-verse.

In fact, U-verse launched a \$40 bundle of basic TV, 3 Mbps Internet, Amazon Prime and HBO GO. Better, but still not right.

## A DIFFERENT TYPE OF PRODUCT

Many solutions that large service providers offer today don't do enough to meet the demands of property owners. It's as if they threw an elliptical machine into an old maintenance closet, put a mirror on the wall and called it a state-of-the-art fitness center. It completely misses the mark.

Owners are now discussing a different type of product – one that gives young renters a very fast Internet connection with a simple, no-term commitment that includes little or no equipment and gives them access to everything on the Web, particularly live sports.

Can we do that?

Many over-the-top products, such as the one being developed by Sony and Verizon, are essentially look-alike streaming versions of linear packages. By the time providers load them up with programming, they will be too expensive for many apartment renters.

Why not start by loading up the bandwidth, including an inexpensive wireless device for access to select sports content, and keeping the price reasonable with no strings attached? That's what owners want for their residents.

Let's take this Olympic-sized idea and offer it to the rental market. If I had my druthers, we'd already be doing it. ❖

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