

Blueberries or Broadband, Consumer Shifts Are Real

Amazon just upended the grocery industry. Why didn't its competitors see that coming?

By Bryan J. Rader / *UpStream Network*

This past summer, Amazon announced it was buying Whole Foods for \$13.7 billion. Industry observers saw this move as an inflection point in the evolution of the grocery business. Every major grocery store chain was caught flat-footed, and they all experienced significant stock value declines. Experts feared the national grocery stores would lose customers to the more convenient, smarter, more nimble Amazon.

One leading broadcaster on CNBC exclaimed, "This transaction is transforming the food business overnight. Amazon Fresh will lower prices for Whole Foods' loyal customers and add same-day delivery to their already highly loved Amazon Prime business." Suddenly, the other grocers panicked and announced lower prices, same-day delivery and new loyalty programs.

But why? What did Amazon's announcement teach them about their own businesses? In all their executive meetings over the past few years, did they not discuss customers' shift to convenience, same-day order and receive, and high-quality organic products? What did they miss? It surely shouldn't have taken Amazon to tell them about the problems with their traditional business model.

Long before Amazon bought Whole Foods, the market had begun shifting. Today's grocery consumers are very busy, and they don't want to spend hours in the grocery store shopping for their families. Single parents and empty nesters with overcrowded schedules coping with traffic, weather and busy everyday lives led to consumer behavioral changes. Why didn't the grocery stores see it sooner?

In the broadband business, we see the same trends. Are we waiting for Amazon to announce it is buying Comcast, Charter or DISH Network to point out what is happening? I hope not.

Broadband consumers are angry about being told what services they must buy as packages. They hate calling after a promotional period expires to force providers to give them lower prices again. They are tired of triple-play bundling. They won't stand for four-hour service appointment windows. And they hate waiting on hold to speak with a service representative who has a limited English vocabulary.

GROCERY SHOPPERS BUY BROADBAND, TOO

The grocery store customers who buy their weekly groceries via smartphone and have them delivered to their houses

are the same people as the cable and broadband customers looking for us to change.

We can laugh about the challenges that Target, Walmart, The Fresh Market and Kroger face. Maybe we should stop chuckling and start responding more quickly to this change in our consumers.

Ask yourself these questions: How easy is it for new moves to get your services? Do they have to call? What is your response time? Does a new customer have to take a day off work? What happens when services are interrupted? Whom does the customer contact? What is that experience like? Does your packaging force customers to take services they don't want?

Broadband customers have busy schedules, tight budgets, traffic, kids, anxiety. They hate dealing with traditional cable companies. They don't like two-year commitments, drastic rate increases, add-on fees or offshore call centers.

Our customers want convenience, home delivery, smartphone flexibility. Do we provide it?

Sling and DIRECTV NOW do. So does Hulu Plus. Download the app, enter a credit card number and you've got service. Bundle it with always-on bulk broadband, and you can make this an attractive "Amazon" experience. Add actual appointment times. Keep customers apprised of your arrival time. Support them with live customer care. Support all services. Help customers with whatever entertainment devices they use – Apple TV, Roku, and so forth.

Be flexible. Nimble. Quick. Make cable transactions just like ordering organic avocados from Whole Foods to be sent to your office by 5 p.m. today. That's the world we live in. Use this same approach with property managers. One click of a button to create a work order, schedule a tech visit, resolve an issue. Property managers, too, live in this world. We don't need Amazon to teach us about our industry. We already know.

We are selling blueberries and broadband to the same time-starved, traffic-jammed, stressed-out, fiscally worried consumer. Let's do it right, unlike the grocers that weren't ready for Amazon. ❖

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