

The Choice of a New Generation

Should residents be able to choose a service provider – or might they be happier with the property owner’s choice?

By Bryan Rader ■ *Bandwidth Consulting LLC*

These days, a lot of my meetings with property owners start with, “I just want to be able offer choice to my residents.”

“You mean like a swimming pool, walking paths, a big fitness center?” I ask, knowing very well what they are thinking.

“No, just good options in TV services,” they say. “I want them to have the best cable and Internet products around, and they can choose what they want. I’ll give them you guys, the other guys – it’s an open market.”

Choice sounds ideal to the property owner. Multiple providers marketing to every resident. Clubhouse parties, direct-mail campaigns, door-to-door sales reps. The leasing office begins to look like a rest-stop brochure holder with all the promotional materials. If a new move-in asks, “Who serves your community?” the leasing agent points to the messy rack of brochures and says, “All those guys.”

“But I just want a good Internet connection and basic cable at a great price,” the new resident explains. “And I want it installed before the weekend.”

“Well, I’m sure someone on that rack has a good package for you,” the leasing agent says. “Good luck with your selection. We don’t endorse any of them.”

“Where do I begin?” the new resident asks himself as he walks out of the clubhouse.

SOMEHOW, IT DOESN’T WORK

Even if the new resident finds a cable company to do the install before the weekend, his problems are just beginning. He probably isn’t imagining a scenario like this one:

“I can’t get into the box,” says the technician at the new resident’s front door. “I am sorry.”

“What do you mean, you can’t get into the box?” the resident answers. “Aren’t you a cable installer? Don’t you have a tool?”

“Yes, but not to that box,” the tech explains. “And if I break into it, I might cause problems for my company.”

“So what do we do now?”

“Well, I’ll tell my dispatcher I couldn’t complete the order, and you call your leasing office to get me permission to open the box next week. Hope we’ll see you at the cable sign-up party this weekend!”

“I called you guys because you could get here fastest,” says the unhappy resident, closing his door.

“Choice” sounds great in the conference room and when you are strategizing in the marketing department. But somehow, it doesn’t really work.

At a recent national real estate conference, the owner of a number of properties in the Midwest discussed the many problems experienced at multiple-provider properties: Technicians break into one another’s boxes, creating damage and outages. Responsibility for wiring repairs is uncertain. Multiple reps don’t really know the community’s needs. Service providers attack residents with promotional offers in the parking

lot. Choice can create a whole new management problem.

Choice also reduces miscellaneous income, as revenue-share payments drop to smaller and smaller amounts. With several operators, revenues are spread across too many companies, leaving property owners with little miscellaneous income. “I used to count on that money,” they tell us. “It used to equate to one or two occupied units a month. In this soft economy, that’s important.”

I understand the desire for choice. For years, owners complained that Time Warner Cable or Cox was the “only game in town.”

But in certain cases, choice may not be the best option. Private cable operators (PCOs) can do so many amazing things to tailor packages to the needs of a community, while still offering choice in options. They can get the install done before the weekend. And the leasing office won’t look like a rest stop.

Good PCOs know that forgoing choice imposes very high expectations, including strong performance and service standards. When the right option presents itself, I encourage owners to consider operators that can offer another kind of “choice”: more packages, more options, more features. And more revenue for you.

I hope this is the “choice” of a new generation. Best wishes for a great and successful 2010! **BBP**

About the Author

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