

Make the Decision to Be Flexible

A provider that sells broadband services to multifamily communities must be able to tailor its sales and marketing strategy depending on who makes decisions for the community.

By Bryan J. Rader / *UpStream Network*

The decision-maker who selects the service provider for a multifamily community varies based on the type of community. Some providers know this and build their sales strategy around the diversity of the decision-making process. Others charge ahead using the same message, image and product regardless of their audience. This is a mistake.

Like many industries, the MDU marketplace varies in many ways. The technology needs of an apartment building are vastly different from those of a student housing development or a homeowners association (HOA) community. The selection process and motivations also differ dramatically for each vertical.

I recently met with a new entrant to our market. He asked me, “How do I reach the purchasing manager to gain a new bulk agreement?” I replied, “If only it were that easy!”

He wanted to know whether there was a person who woke up every morning thinking about which service provider would be best for each of his projects. “Isn’t there a single point of contact?” he asked. “Only in a few instances,” I explained. “And those are just the starting points with the largest property owners.”

“So where do I begin?” he asked me.

I told him, “You have to be prepared for a wild and zany process of multiple decision-makers in this business – and it’s not for everyone. If you sell enterprise security software, you would call the IT director. If you’re selling office supplies, it could be the office manager. Promotional products? Oh, yes, try the director of marketing. But bulk internet? Ahh, that’s a different answer for every single prospective property.”

When I started in this business many years ago, we targeted mostly new and recently built apartment communities in the Sunbelt. If I wanted to do business with a large property owner, there was generally an in-house expert – a director of strategic services or an ancillary income manager. Even then, that was just the beginning. The sales effort would also include the area director, the regional manager, an asset manager, and possibly the vice president of property management. Yes, winning business took a lot of hustle and diligence.

For a small apartment owner, we might work with a partner,

a senior vice president or the head of the property management company. This was a very different decision-making process, one that generally was more autocratic than democratic. Often, the real estate entrepreneur was seeking a technology provider to enhance his economics or the value of his MDU asset.

TODAY’S DECISION-MAKING SCENARIOS

Today, the business has exploded in many other verticals, leading to many more complicated decision-making scenarios.

HOA and condo projects are often led by a cable committee or the board of directors. Though this may feel like a traditional B-to-B transaction, it is really more of a B-to-C decision. The decision-makers are really consumers, and communications must be geared to this unique audience. They are focused on product, best price, infrastructure and service. Most important, they don’t want their final decision to embarrass them among their neighbors and guests.

Lately, student housing developments have become a very hot area of multifamily real estate. Many of these large developers have in-house experts who know the business as well as the providers. They know the technologies, designs, cost expectations and reputations of each provider. These decision-makers are very educated.

Smaller developers may engage consultants to guide them through this process. In this case, a provider may not even talk with the prospect directly and is compared feature by feature with five or six other providers. This decision-maker could be driven by facts, with no emotion involved at all. Senior housing deals tend to work the same way.

The bottom line is that every MDU vertical requires a special approach. The decision-maker is not a purchasing agent. You are entering the exciting world of ancillary income directors, cable committees, consultants and regional property managers. But I think it’s the best decision you’ll ever make! ❖

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