

# A New Premium Customer Plan

Every customer is valuable and deserves great service – but some are more valuable than others.

By Bryan J. Rader / *UpStream Network*

**H**ow do you treat priority customers? No, really, do you treat them any differently from average-paying basic customers, or do you differentiate them based on certain metrics?

In the travel industry, customers are treated differently based on loyalty, recent hotel stays or the number of one-way airline segments flown on expensive, cross-country routes.

For many years, I was a platinum frequent flyer with Delta Airlines. I was always upgraded to first class, bumping entry-level customers to standby status, and I enjoyed free access to the Crown Room. Platinum customers had a special toll-free number with no hold time, even in a snowstorm. The more loyal customers were, the better Delta treated them.

Delta is not the only one. Southwest Airlines lets priority customers board early. Marriott puts them on the private concierge club floor. And Hyatt lets them check in earlier or stay longer at no charge.

Regular customers at a high-end restaurant are often seated first and get the best view of the place. Certain credit card holders can buy concert tickets ahead of others.

But what about the broadband industry? Do companies elevate high-paying, loyal customers to the front of the queue for service appointments or call center priority? Is it fair to have a \$20-a-month, limited basic account in line ahead of a \$200-a-month, triple-play subscriber? Worse yet, what about the board member for a 500-unit, high-end, double-play, bulk account? Where should she be on the priority list?

Broadband providers have not dealt well with customer prioritization. I can think of only one good example. Several years ago, Time Warner Cable announced a “white glove” package called Signature Home. Customers who spent \$200 or more per month were given a different set of commitments, such as a “Personal Solutions Advisor” and a “Connections Specialist.” TWC’s view was that customers at this level were priority accounts that merited a special number with no hold times as well as same-day service.

But I’ve been a customer of every large cable provider, and none has ever said, “Thank you for being a triple-play, multi-premium, whole home DVR–subscribing customer since 2012.” They’ve never offered free video on demand movies to thank me for my loyalty. And I’m certain my on-hold times

were not affected by my household’s insanely high ARPU (monthly revenue). I waited in line with every other subscriber – local broadcast, internet only or triple-play blast, max, plus, super-duper package.

## WHAT’S FAIR TO CUSTOMERS?

Lately, multifamily broadband providers have grappled with the right approach for the industry segment. MDU communities vary in size (from 50 to 1,000 units), revenue is across the board (\$30 to more than \$100 a unit), and margins range from low to high. Should every property be treated the same?

I hear many MDU providers say things such as “we treat every customer the same. Customers are customers, whether they spend \$100 a year or \$50,000.” But I don’t believe they are being truthful.

On a Friday afternoon when the call center is lighting up before a long holiday weekend, to whom are you dispatching first – Ms. \$100 or Mr. \$50,000? Exactly – you’ve prioritized, whether you admit it or not. Techs do it; dispatch does it. It happens all the time.

There should be a fair way to prioritize customers that actually elevates priority accounts without hurting standard, average, good-quality, middle-of-the-road customers. This is the same process the hospitality industry has gone through for years. Most customers get a very nice hotel room with all the standard amenities. But Ms. Premium Customer, who stays 50 nights per year, gets upgraded to the big suite on the top floor overlooking the park.

Broadband service providers need to develop a thoughtful plan for handling their premium customers that fits the industry and the need to deliver competitive, high-quality service. They should manage standard customers well but should also have a way to treat special customers (heavy users, large accounts, board members) with a “front-of-the-line” approach that builds long-term loyalty. I’m confident we can do better than the airlines and hotels. ❖

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