

Three Scoops Is A Great Bundle

Offer new residents three levels of service, and forget about introductory pricing

By Bryan Rader ■ *MediaWorks*

When I was a little kid, I loved going to Baskin Robbins to order ice cream with my friends. I remember that they sold a single scoop for 39 cents, a double for 55 cents, and a triple scoop for 79 cents. The more you bought, the cheaper it got per scoop.

next few years as both cable and phone players roll out more services.

Bundled rates vary based on the provider. Cablevision charges \$89.85 a month for the first year for a cable, voice and data package. Time Warner charges \$99 in most of its markets for a similar product line. So does Comcast. Verizon

high-speed connection levels, and digital voice options. You can select from the Gold, Silver or Bronze level, and be connected by tomorrow morning." Quick, easy, and packaged to move.

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Since our typical customer stays in our apartment community for barely a year, it is important for the PCO not to deal with "introductory rates" or "year one specials." Many cable or phone company promotional rates jump up after 90 days or after the first year. Why bother? Keep it simple!

I always tried to convince my parents to let me have the triple scoop with bubble gum ice cream, rocky road and daiquiri ice. But my mom would tell me "your eyes are bigger than your stomach. You cannot eat that much."

And she was always right. So I never got to try a triple scoop. But the "trade up" was so tempting.

The Magic of Three

The three levels of products always works well in the food service industry. Remember when Taco Bell went to the 59¢/79¢/99¢ menu, and you could pick items from each category? (This menu was perfect for me when I was still in college.) The three levels didn't confuse the customer, and it was always an easy order to process. Just like it is today in the cable TV industry. Bundling can make it easy for a new customer selecting and signing up for services.

Bundling is becoming more and more important for providers today. According to Forrester Research, only 8 percent of consumers surveyed in 2004 had a package of cable, Internet and voice service from their phone or cable company. By last year, it was up to 11 percent. This is likely to double in the

and AT&T are doing the same thing by adding a satellite service to the mix.

Customers are Happier, Too

Why are these packages so important? The benefits are two-fold: Price savings and convenience. And the objectives are to improve customer loyalty and revenue. Bundles are convenient, and can lead to higher customer satisfaction. A survey by Yankee Group found that 84 percent of households that receive a bundle from their cable company were satisfied, versus 67 percent of homes without the bundle.

Think about our customer for a moment – the hurried new resident who is signing his lease, with one eye on the kids and another eye on the illegally parked moving van. Every provider wants his attention – the cable guy, phone guy, satellite guy and the ISP. Too much noise all at once. So who wins?

The winner is the single bundle that is easy to understand and quick to get. It is especially effective if the leasing consultant can explain it in a brief, easy to outline way. "Mr. New Move-In, the cable provider here offers three convenient packages – from \$79 to \$119 – with different levels of cable channels,

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My company is revising many of our rates now to offer a simplified, bundled plan with a mix of services in a low, medium and high product level, with a selection catered to the specific resident profile. Each of the packages are priced to move residents in with minimal hassle, and an easy-to-communicate approach for the leasing agent.

In an environment that is increasingly competitive, we need to keep our marketing approach focused on earning the business of every new resident, and giving them a product they value. We should follow the advice of the food service industry: Triple scoops are a smart idea.

(And for those of you who know my healthy bent, I no longer eat ice cream or fast food Mexican!) **BBP**

About the Author

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