

# The Marketing Rift of an Internet Service Provider.

by Sergei Freiman Nikolaev

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*Well-established companies aren't supposed to step on the tines of the same rake other companies had already stepped on. But they are. Despite the amount of critically acclaimed books on marketing available out there; despite the innumerable articles, talks, MBA programs, courses, lectures, seminars, discussions and blog posts – companies are still making the same old mistakes. One of those mistakes is the stubborn refusal to bridge the widening gap between the company and its clients.*

The problem is this – a marketing plan developed within a company looks more like a set of stitched band-aids applied to the wrong patient – the company itself, not the client.

The excuse for not attending to this problem could be justified for small businesses and start-ups. They have their hands full with more pressing issues. Smaller businesses lack resources: time, money and a certain level of astuteness to tackle with the problem. But for an established company with hundreds of employees and millions of dollars in revenue that's inexcusable.

Every sensible CEO, general manager or business owner knows that you have to give clients what they want or they will go elsewhere. Few companies, however, actually do something about it. More often than not, companies do what **they** want, not what their clients want. A typical [failure in the alignment of company values to business objectives to customer expectations](#).

Established companies are eager to build brands. If a brand is a hunch about a product or a service then it is supposed to be about the anticipated experiences across touchpoints. Touchpoints are places where clients come into contact with product or service. These places don't have to be physical. These could be emails, phone calls, websites, mobiles apps, price lists, letters and so forth. The experiences across all touchpoints shape the image of the brand.

In this article I wanted to share my personal experience with a particular company – RCN Telecom Services, LLC – an Internet service provider in my area in New York City. You will



find it insightful and relatable. My goal is to help your business with avoiding mistakes so many big companies keep making relentlessly.

Dealing with RCN I came across the following touchpoints: website, mobile app, technician, customer support chat and monthly bills.

## Clever marketing tactics

It all started when I moved to New York City in 2017. The lease agreement had a bonus — an Internet service by RCN free for 12 months. The very first contact with RCN was through their technician who came to install the Internet. It didn't go that smooth.

My apartment was supposed to have the cable but for some mysterious reason it didn't. So even though I was supposed to have the service right away I actually had to wait for two weeks before it was available to me. Sh..tuff happens, right?

RCN brand-points balance = 0.

Once the promo ended my bill was USD 50.36 per month for 250 Mbps speed. The price included all fees, taxes and modem rental. Seemed reasonable enough for NYC. The service was reliable. I had to reboot the modem every other month. But that's not a big deal and happens to most devices.

So far so good. Plus one (+1) to brand-points for being **consistently reliable**.

When I came to a conclusion that I wouldn't be using cable TV, I was able to cancel that part of the service without much of a hassle. Another plus one (+1) to RCN's brand-points.

The third year of my relationship with RCN came with a surprise. The price for the service went up by 71%. Seventy-freaking-one percent!

I had to have a chat with customer support which I did. I was shocked by the indifference to my frustration. The customer service rep wrote: *"we do apologize."* Like I haven't heard that one before. Meaningless. Soulless.

I tried to figure out why the sudden drastic increase. "Please explain why my rate went up from USD 50.36 to USD 86.36 in one month," I asked. The rep replied, *"This would be entering your 3 year of your 3 year promotion which had a small increase."* A small increase indeed.

Outrageous! Minus three (-3) brand-points to RCN.



I continued chatting. The thing that frustrated me the most was that the company refused to disclose its price lists. I asked thrice and the rep kept slithering away by giving vague explanations:

*“... there are several different things that can change that price ... There are different prices for different channels and different type of boxes. We do apologize, but we can't give an exact amount without knowing those details.”* You get the idea.

Without publicly available prices it's rather challenging for prospects to compare your services to another vendor. How convenient! A **clever marketing tactic** but that is exactly why it's a failure.

Minus one (-1) brand-point for not being **transparent**.

By the end of the chat session the rep conceded and reduced the price to USD 71.35. Did I feel good about it; did I feel like a winner? No. That whole interaction left me feeling worse. I definitely didn't win. I also figured out two extremely troubling things.

First, I have to fight these guys in order to get something from them. But I don't want to fight. And I believe I shouldn't have to.

Second, the chat rep enlightened me about their *normal* rate for the services — USD 136.99 at the time. That blew me away. It occurred to me that all of this time the company was giving me a profound favor by charging far less than their normal price.

Was that someone's another **clever** idea about making clients feel special? Well, I certainly didn't feel special — I felt worried. If my current rate is half of the base rate, when is it going to hit me hard — next year, next month or tomorrow? I felt like a child being left in the dark alone relying on the benevolence of the cable-master. That idea doesn't sit well with me.

The chat conversation also uncovered that there was a rather compelling rate available — USD 34.99, but it was only available for first-time clients. So it seemed that I was being penalized for being a client for more than three years. That made me wonder — perhaps, I should cancel the contract in order to get a better deal.

The base rate is high but there are **always** promotions. Bad idea. Clients have to **fight** for a better promotion. Bad idea. **Penalizing** clients for staying with the company. Bad idea. Drastically **raising** prices for a commoditized service without a proper heads-up. Bad idea.

Minus four (-4) brand-points for **implementing bad ideas**.



## Unfair service oversights

In 2021 the rate went up again — up to USD 74.65. Apart from noticing that, I started paying attention to other — smaller details.

The mobile app, for instance, allowed me to make payments. But there was a catch. It was impossible to pay the exact amount — no cents allowed — only whole numbers, no decimals. A small problem for someone who is OK with the service. An irritating frustration for those who aren't. This flaw is super-easy to fix but either no one cares about fixing it (which is really bad) or it's left unfixed on purpose (my guess).

You could either pay less and be in debt which no decent client would do. Or you could pay more which I always did. So instead of paying USD 74.65, I'd pay USD 75, which is a ridiculous idea. Why must I pay more than what's billed? It seems **unfair**.

The other work-around was to pay through another touchpoint — company website. But then you are charged with a one dollar service fee. Again — ridiculous.

These are not minor oversights — that is how the payment process was designed by the company. Clients notice things. Clients keep track of brand-points.

Minus one (-1) brand-point for **being greedy**.

## Focus on your core product

Eventually, I have decided to examine a monthly statement (another touchpoint) and found an unpleasant surprise. I kept renting my modem at USD 12.95 a month — that's USD 621.60 in four years. Having paid that much the thing should've become my property long ago. But I was still renting it.

I get it — they would replace the device for free should anything happen to the existing one. But, come on — there has to be some common sense in all of this.

What RCN should've done was stop charging me for a modem that's been paid for in monthly payments at a normal retail price (say, USD 129.50 — being generous here). If ever I had to replace the device I should've had a few options: rent again, buy the thing from them or procure one myself elsewhere.

The modems are not their core products. Their core **product** is Internet service.



It appears the company was focused on making money through modem rentals. What they should've done instead was to make money focusing on the service. That means — making the service better.

Minus one (-1) brand-point for being greedy yet again.

And minus one (-1) brand-point for **losing focus**.

## Enough is enough

After enduring these unpleasant experiences with RCN I decided to look for alternatives. I had to substitute my pleasant evening-marketing-reading activities with a boring Internet service provider research. The worst part of course was the fact that I already had an Internet provider that worked and didn't want to change anything. But they made me do it. The critical mass of negative brand-points has been reached.

Minus one (-1) brand-point for having me spend my leisure time when I **need not to**.

It took me a while but I found a solution that works for me: T-Mobile Home Internet. USD 50 a month — flat, no contract, no additional fees, modem rental fees included, freedom to move should I decide to move to a different area, better speed. The switching process didn't go all that smoothly as I had anticipated but, regardless — the T-Mobile has a better score on the brand-score board.

Zero is larger than a negative number. A simple equation in the mind of the client.

## A letter long due

A couple of weeks later after I have performed the switch a letter arrived. Who would have thought that it would be from RCN? I did.

There it is — on the front of the envelope — in large, bold type: "We want you back!" A few more words beneath that message: "FREE USD 200 gift card + 2 months FREE. 500 Mbps Internet for USD 34.99". It hurts to admit I was right — cancelling the service did get me a better deal.

Let's make a few simple calculations, shall we? If I accept the offer and sign a contract for 12 months, I'd be paying: USD 29.16 (2 free months) minus USD 16.66 (gift card value divided by 12



months) — a total of USD 12.60 per month plus fees and taxes. Compare that to my last rate of 49.99 plus fees and taxes for slower internet (250 Mbps). That is USD 37.39 in savings per month. That generously compensates for the monthly modem rental fees.

Let's pick my brains on this one. What happens inside my head (client's head) when I see this sort of *we-want-you-back* letter? I'll tell you how it feels — what a **fool** I've been. I should've been more pushy toward those customer (~~anti~~-)success reps. I should've asked for a supervisor. I should've threatened to tweet about them. Because there it is — in front of me — the evidence that it was possible to get a better deal.

Clients don't want to look like fools.

Minus five (-5) brand-points for making me **look like a fool**.

As a fellow customer you could say — well, that's the game you have to play because everyone is doing that. But I don't want to play this game. I don't want to keep in mind that it's about time to cancel the contract with my service provider because only then I would be able to get a better deal. I think this is a twisted way of having a relationship with clients.

I disagree. And I stop participating. I join those who, like me, refuse to play this game.

## Getting clients back

Since this "*We want you back!*" letter is obviously a standard get-client-back campaign — the question is — why wouldn't the company make an effort to prevent this churn from happening in the first place? I know the answer to that one. But don't they want to know too?

Will I switch back to RCN after having received such a lucrative offer from them? I doubt that. Unless T-Mobile manages to earn more negative brand-points than RCN already has. Or if I'm ever desperate for a cheaper Internet service. But then perhaps there are other vendors who are even cheaper.

The "*We want you back!*" campaign letter was signed by RCN New York General Manager Douglas Guthrie. His signature was machine-printed, of course.

I wonder — how many of these letters the company has to send on a regular basis to try and win clients back? Those same clients who didn't want or need to leave.



How many employees get paid to think, strategize, test and analyze those *win-back* campaigns? I'd rather devote those resources to fixing the obvious problems to prevent clients from leaving in droves.

## The right marketing intentions

RCN isn't the only company that has similar problems. Maybe that's part of the problem too.

I feel truly sorry when this sort of thing is happening to good companies, like RCN, with good quality core services. These companies have a huge marketing rift that keeps getting bigger by the day. It seems that no one is willing to bridge it properly.

Band-aids will not bring good clients back.

I am sure the marketing team at RCN has the right intentions behind their actions. It's just that they're all the wrong ones.

The awezzom question of the day:

*How much resource are we spending on winning our clients back and how much of that could be repurposed for preventing the clients from leaving?*

P.S.

A few weeks after the first "We want you back!" letter arrived, I have received a slightly different one which confirmed my presumption of this being a ***win-clients-back*** campaign. I guess the company will keep bombarding me with these letters spending more money where it shouldn't be spent. Bad idea.

Another article that describes a similar situation but from a different perspective of customer loyalty can be found here: [How the change in company culture can affect customer loyalty](#).

