



CELEBRATING
55 YEARS

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Even monopolies maintain massive marketing - by Stanley Hurwitz

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Stanley Hurwitz

The 1890 Sherman Antitrust Act was designed “to preserve a competitive marketplace to protect consumers from abuses.” It reads, “Every person who shall monopolize..., or combine or conspire with others... to monopolize any part of trade or commerce... shall be deemed guilty of a felony.” Among famous breakups have been Standard Oil (now Exxon, Mobil, others), and old AT&T. Today the House Antitrust Subcommittee is debating breakups of Big Techs Google, Amazon, Facebook, and Apple.

Near-monopolies never stop marketing. Comcast’s annual marketing budget is \$6 billion. Verizon spends a paltry \$3 billion. Why? They want to convince you to switch to them. They worry about losing market share. A good lesson for every type or size of business.

Most of us deal with Comcast/Xfinity, Verizon, AT&T. Lots of companies are usually transparent and treat customers fairly. But often for monopolies, transparency and customer respect are an inconvenience. They have infinite resources to prop up their image, provide acceptable service, support charities.

Each of Comcast’s 20 million subscribers pays about \$120 per month. Annual revenue: \$108 billion. Their CEO makes \$36 million (plus free internet?). Their truckloads of cash are used to buy little companies like NBC, Universal Studios, theme parks, DreamWorks, MSNBC and others.

Verizon has 120 million subscribers, \$130 billion in revenues. Their CEO makes \$18 million a year and probably gets a free phone. Your fees helped them buy Yahoo, AOL, Alltel, Qwest and a dozen other companies.

How do you deal with these powerful giants? Regularly I call Comcast customer service to inquire about better plans. I innocently ask if we can pay only for the 15 channels we watch. Why must we pay for 150 including soccer, foreign languages, home shopping, cartoons? At the supermarket, we buy 40 items we need and don’t pay for the items left on the shelves. This a la carte idea is ‘under discussion’ – but, nah, it might cost Comcast a few bucks. I like the insurance company slogan, “Pay only for what you need.”

When my wife got an updated Verizon iPhone, the first bill included a \$40 ‘activation fee.’ I called customer service. The polite rep said the charge was ‘customary.’ I replied, “We’ve been customers since Verizon started. What are you ‘activating’? He instantly subtracted the sham charge. Multiply that bogus \$40 by millions of subscribers each month.

AT&T boasts revenues of \$180 billion. Their CEO scrapes by on \$28 million. (Founder Alexander Graham Bell is rolling!) To stay on the good side of the Chinese Communist government, AT&T lobbies to keep China Telecom Co. off the U.S. sanctions list, though their equipment is used to track and imprison Uighurs and Tibetans. AT&T owns CNN so you may not hear about this on that network. They also own Time Warner, DirecTV, two Mexican phone companies and more.

No matter your business size or type, you need to budget for attention-getting PR/marketing to stay top of mind.

For great ideas and interesting content, let's talk: stanhurwitz@gmail.com. Even monopolies know that 'Great PR doesn't happen by itself.'

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