

Say goodbye to Time Warner Cable: sale leads to name change

May 18 2016, by By Marley Jay



In this Tuesday, May 17, 2016, photo, the Time Warner Cable logo appears above the post where it trades on the floor of the New York Stock Exchange. Charter Communications is closing on its \$67 billion acquisition of Time Warner Cable and Bright House Networks. The deals make Charter the second-largest home Internet provider and third-largest video provider in the U.S. Charter says its Spectrum brand will replace the Time Warner Cable and Bright House brands over the next 18 months or so. The name Time Warner will eventually be phased out and the company will be known as Charter Communications. (AP Photo/Richard Drew)

Time Warner Cable is going away, and that means you might have a new cable company to hate. But you might find one you like better instead.

Time Warner, the largest cable provider in New York and Los Angeles, among other markets, was just bought by Charter Communications Inc., which has mostly operated in the Midwest. The Stamford, Connecticut-based company also bought Bright House Networks Wednesday. That makes Charter the second-largest home Internet provider and third-largest video provider in the U.S. Over the next year and a half, Charter will phase out the Time Warner Cable and Bright House names in favor of its own brand, Spectrum.

"As consumers, we hate cable companies," said Jorge Aguilar, executive director of strategy at the branding firm Landor. "If you look at the average satisfaction scores of the industry ... they tend to be at the bottom."

New Spectrum subscribers will probably like some things. Charter will continue trying to boost Internet speeds and won't have usage-based billing or caps on how much data customers can use. Its prices are generally lower than Time Warner Cable's, and Charter says it will use its size to negotiate better deals with channel owners.

Aguilar said Time Warner Cable in particular is seen as a static, distant company that doesn't care about its customers. But Charter has an opportunity to change that now. Comcast renamed its cable business Xfinity in 2010, and Aguilar said consumers like Xfinity as a brand.



This April 1, 2015, file photo, shows a Charter Communications van in St. Louis. Charter Communications is closing on its \$67 billion acquisition of Time Warner Cable and Bright House Networks. The deals make Charter the second-largest home Internet provider and third-largest video provider in the U.S. Charter says its Spectrum brand will replace the Time Warner Cable and Bright House brands over the next 18 months or so. The name Time Warner will eventually be phased out and the company will be known as Charter Communications. (AP Photo/Jeff Roberson, File)

"If they marry the name with significant improvements in the customer experience, they could have something very interesting," he said.

But that might be tough. Over time, cable bills are likely to keep rising. The merger means Spectrum will have even less competition to keep prices down. Many of Time Warner's cheaper deals, which offer slower Internet speeds, will go away. Costs for cable companies are still rising because they pay high prices for the rights to carry channels on cable

lineups, and those increases get passed on to consumers.

Those kinds of annoyances make complaining about cable companies a fact of life for a lot of people. From rising bills to unexplained outages to long hold times on the phone and lengthy and long waits for service, there's always something to keep customers unhappy with their provider. Time Warner, which tried to merge with also-hated Comcast in 2015, had been acknowledging that lately. Its ads last year nodded toward typical cable company shortcomings, and in recent weeks the company has run an ad campaign that says it's "Changing for Good." The ads say its service has improved and 99 percent of its technicians arrive within the one-hour appointment window consumers are given.

Tom Sepanski, Landor's regional director for North America naming and verbal identity, said Charter could reap big benefits if the name change comes with an improvement in customer service and other areas where Time Warner was perceived as falling short. But Sepanski, a former New York resident who called Time Warner Cable "terrible," said that without those kinds of changes, a different name won't matter much.

"A name change is going to be met with a lot of skepticism," he said. "It's not enough. They're going to have to back it up."

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