

# Staying A Step Ahead of Your Guests

December 28, 2004 / By Chris Hartmann

The Wall Street Journal recently reported on a new study from PricewaterhouseCoopers which said the hotel industry will raise their spending on renovations by 37% next year. PwC said hotels will spend \$4.1 billion on upgrades and renovations in 2005, up from \$3 billion this year. They also said that this is not due to a sudden spike in revenues but a response to what they call a hotel-amenities war. According to the study, hotels are trying to stay ahead of each other in keeping up with customers who have poured money into their own homes to upgrade features, the same ones they will want in a hotel. HVS Technology Strategies has been fielding many questions with regards to hotel technology amenities, but the most common today is, "Now that I finally installed high-speed Internet access, what's the next "must have" that I need to worry about?" Our advice - Consider your guestrooms and compare the amenities to what the typical guest has at home. Many guests like to experience a hotel room that is more modern and plush than their own bedroom. When you consider the designer bedding, five-fixture bathrooms, and the trend towards high thread count linens, most upscale hotels deliver. With respect to technology however, the vast majority of hotels not only fail to impress but often grossly under perform the capabilities of the home and office from which their traveler arrived. The first amenity that presents an opportunity is fairly easy and fairly inexpensive to remedy – the clock radio. They are typically more complicated to set than a VCR and too often (thanks to the last guest) provide a loud wake-up call at 5:00 AM, invariably when the current guest planned on sleeping in. In addition to the alarm functions, few hotel rooms have even a basic audio capability which allows guests to play a CD or fill the room with music from an iPod (the hot gift this season). While it's not practical to have a Bose surround sound system in most hotels, something that plays CDs and allows for external devices at a moderate sound level and quality will be appreciated now and expected shortly. Ideally, with one of the newer hotel clock-radio-audio appliances, the front desk will also spend less time attending to wake-up calls. The next amenity to evaluate is the television. The smallest TV set most people have in their houses today is 27 inches and if you're like me, that's in a child's bedroom. The main household TV is 32 inches or larger, has a flat (and increasingly thin) screen and higher resolution than the TVs found in most hotel rooms today. In 2006, all TVs sold will contain digital tuners and many cable companies and broadcasters have already moved "high value" programming to high-definition television (HDTV). Aside from the nine fold or more increase in quality, HDTV uses a different picture aspect ratio that is closer to cinema. While it may not be an immediate problem today, replacing television sets with the same low resolution analog sets of a few years ago, will be a costly mistake. Along with the television set, there is the issue of content or what guests watch on the set. Most cable companies and broadcasters now provide some HDTV content and there are a handful of HD-exclusive providers as well. HDTV signals are in fact digital and the primary differentiator between digital and analog is a flawless signal. With digital, the screen is either blank or perfect, there is no "interference". Digital signals can be sent over current coax cable or using (Ethernet) data cables. The advantage of sending the signal over Ethernet (if it's done right) is that every room can get a different signal This means that the channels offered can vary by room, providing an ability to pause and rewind a movie without affecting any other room. When using coax cable, each room that is receiving video-on-demand must utilize its own available channel. This is not a problem if there are thirty rooms receiving unique content but if everyone wants to watch something special and use features like pause and fast forward, it is a challenge for current equipment. In the future hotels may not need coax cable at all but data wiring to the room must have some way of reaching the current, and any future TV location. If your hotel is employing a newer video service or has an upgraded LodgeNet or OnCommand system, it's likely to have a hard disk video server instead of the old space consuming racks of VHS tape players. The server-based systems allow for a greater amount of content, multiple viewings of the same copy of a movie, and a quicker load for new content – greatly reducing the labor costs associated with maintaining the older systems. Video-on-demand content is an opportunity for hotels to improve upon what's

## Summary

Staying ahead of guests in technology is as important as providing ultra comfortable bedding these days. This article explores how to impress your guests without spending a fortune.

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available to guests at home. Where hotels inevitably fall short however, is the free-to-guest programming. In the past, it was taken for granted that hotels limited the choice in stations, yet more guests are beginning to ask why they can get over a hundred channels at home and twenty (at best) while on the road. Though new release movies are expected by many guests, ultimately the hotel has to consider whether this component of the guest experience is something they want to cede to another company and if so, for how long they want to do so. Unlike high-speed Internet, if a competitor offers a significant improvement in entertainment value, it is not something that can be remedied quickly or inexpensively. The final amenity to review is the telephone. Aside from guest issues with excessive phone charges, telephony is starting to move to voice over Internet protocol, (VoIP). Essentially, this means that conversations are turned into data and use the same equipment as the Internet connection and the digital television. There are currently few advantages to a VoIP phone but as software is developed for these devices, they will become a mini-computer as well as a phone. Things like guest-specific phone directories, room service menus, or even basic information services will be facilitated with a VoIP system. For now, the important points are 1) for new hotel construction, ensure that there is a data connection near each phone location, 2) make sure that if any new wiring is performed for an existing hotel, there is a data connection by the phone and 3) ensure that your infrastructure and equipment purchases (PBX, network equipment) can support VoIP without a complete replacement. Although it is not considered a guest amenity, another technology to think closely about when building or upgrading a property is in-room energy management. These systems are relatively inexpensive and set back the thermostat whenever the room is vacant, with more sophisticated systems distinguishing an unsold room and allowing a greater set back and hence, savings. Of course in these days of high energy costs and concerns over being "green", energy management systems make not only economic sense, but practical sense as well. More sophisticated options are available which interface with the PMS system to further set back an unsold room and many occupancy detectors are also coupled with a device which allows hotel staff to know if the room is vacant or not, without disturbing the guest. The bottom line is that while these technologies may not rival the importance of a clean room or the comfort of the bed, they are clearly becoming more important to customer buying behavior. As these technologies improve and converge to digital platforms, it is expensive and risky to wait and see what "the new guy does". Running wires or even empty conduit when walls are open is far less expensive than retrofitting a solution, especially when it requires taking a room out of availability. Wireless networks may be acceptable for Internet access but they are risky for access control and simply won't do for video or voice delivery. For hotels to prosper, they have to continue to lead the traveler, not follow them. That leadership must extend beyond the bed and bath, to entertainment and amenities that allow business and leisure travelers to relax and be productive during their stay.