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## in the news

### OFFER THE SERVICE

**Deliver high-speed Internet access to your guests without investing a lot of money.**

Mahendra Singh & Sudesh Kumar

Today's business travelers demand high-speed Internet access (HSIA). In the past, hotel guests requested a phone line and dial-up modem to connect their laptops to an Internet Service Provider (ISP). However, due to the fact that dial-up is very slow and limited in its capabilities compared to high-speed options, travelers now request more. If guests expect HSIA, then the question for hotel owners is will they lose business if they don't offer the service?

For many hotel owners, the solution to expensive wired Internet access may be WiFi (wireless Internet access). Wireless technologies for data transmission have been around for more than a decade, and reliability has improved substantially. A standard for transmission known as 802.11x has been established, and works well for the majority of users. The size and construction of a property, and the speed desired for data transmission, determine which transmission standard should be used. A benefit of wireless Internet access is it does not require a large capital investment or expensive construction costs. A 100-room hotel can be wired for HSIA for an average investment of around \$7,000.

Some competitive service providers and wireless equipment vendors are partnering to economically address the need for voice and high-speed data service and offer service packages to hotels. For example, a service provider would provide an integrated voice and data (IVAD) circuit to the property — allowing the hotel to order 12 to 32 channels for voice service and choose data bandwidth options from 256K to 1.5M on a single IVAD circuit. The role of the equipment vendor would be to install wireless networking equipment that delivers HSIA throughout the property. Simply put, the voice and data service provider brings Internet access service to the hotel. The wireless service provider installs wireless equipment that distributes the Internet access throughout the hotel.

An example of a working relationship would be Focal Communications and I.T. Global Solutions. The two companies, although separately owned, work together to provide high-speed Internet access.

A full-service offering addresses three main concerns: How can I differentiate my property from the competition and encourage repeat business? How can I increase revenue? How can I control costs?

Pricing for an IVAD circuit varies according to which voice channel and data options are chosen. However, some service providers do offer unlimited local calling packages for a fixed price. This is attractive to hotel owners because the cost of local phone service becomes predictable and easily budgeted.

For the wireless local area network (LAN) portion of the service, the hotel pays for the hardware. The equipment, which can cost as little as \$3,000, can be leased or purchased outright as a capital expenditure. The vendor and the hotel can negotiate a revenue split of guest-user fees. For example, a guest may be charged approximately \$10 a day for HSIA. Six users per day, seven days a week, would generate \$420 per week. The hotel's portion of the revenue share can be enough to cover the monthly cost of the IVAD circuit. Therefore, it costs the hotel owner virtually nothing to provide this service to guests.

Vendor partnerships offer additional benefits to hotel owners, such as one-stop shopping for a complete communications solution. Personnel costs are reduced by not having to hire additional information technology (IT) support, as the vendors handle telecommunications and data support. And, working with a company that has a dedicated local sales and support team to provide customer service is an additional benefit. Plus, hotel owners can enjoy a consultative relationship with their account representatives. Perhaps the most important benefit is that hotel owners can concentrate on managing their properties, not their voice and data networks.

Does providing HSIA increase occupancy rates and generate revenue? Peter Bhakta, president of Premier Hotels and owner of a Country Inn & Suites in Ontario, Calif., believes it does.

"I have seen a substantial increase in occupancy from business customers at the properties where wireless HSIA solution has been installed," says Bhakta. "HSIA is simply a 'must have' for hotels catering to the business traveler." ALB

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