

# Why Wi-Fi?

WITH AN INCREASING NUMBER OF BUSINESS GUESTS NEEDING TO WORK FROM THEIR ROOMS AND REQUIRING INSTANT INTERNET ACCESS, WE EXPLORE THE WI-FI REVOLUTION AND WHAT MONETARY BENEFITS PROVIDING THIS SERVICE CAN OFFER YOU AS A HOTELIER

Telephony systems have always been crucial revenue generating mechanisms for hotels, as they are able to charge for the use of the facilities to make external calls. However, with an ever-increasing number of mobile workers in the UK, today's business guests require access to their company's systems as well as email services, not just from their hotel room but also from communal areas. Of course, the many meetings that are regularly conducted in hotel lobbies, conference rooms and bars are held by non-guests and these business people will also want to check their emails. As a result, hotels are increasingly expected to provide communal wireless facilities or 'hot-spots'. However, this is not just a marketing or 'added value' exercise as there are ways to actually generate extra revenue.



Graham Iliff of Bailey Telecom

Bailey Telecom's marketing and technology director, Graham Iliff, advises that the best way to provide these facilities for hotel guests and ensure they pay accordingly is to use fast and easy broadband access.

There are systems available which can sit on the hotel's existing network and use a service management platform which presents guests with a login screen when they start their web browsers, rather than allowing them to get straight on to the internet. Guests then enter their usernames and passwords and these details are checked. Once authorised by the system, access to the internet is granted, the usage is logged and can therefore be charged back.

There are a number of ways to bill guests for internet usage, suggests Graham, whether via an access point in their rooms or a wireless hotspot in one of the communal areas. It is possible to charge guests directly via their accounts by providing total integration with the hotel's Property Management System (PMS).

For non-guests it is also possible to bill using a credit card where the information is encrypted and forwarded on to the clearing house for authorisation, or to pre-pay via a subscription based feature set. There are certain pre-paid solutions which log all the user's internet time and act as a pay-as-you-go mobile which you then have to top up when all the credit has gone. Others create access codes for a specific date and time so once that



Bailey Telecom has installed Wi-Fi at Novotel ExCel

*"A recent survey by KPMG revealed that 75% of business travellers now choose their hotel based on the quality of its internet connectivity"*

period expires so does the access code. This wealth of billing choices means the internet user can pay however he or she chooses and the hotel never loses money by providing these facilities and can very often generate revenue.

## Costs

The cost of a wireless infrastructure depends on a combination of factors, says Graham, such as the size and layout of the building, the construction materials used and the extent of the existing cabling and data network infrastructure. Of course, the cost of items such as the service management platform are relatively fixed, hence the more users the lower the cost per user. It is also worth noting that the cost of wireless equipment has fallen significantly in the last 18 months with the result that, in a general commercial environment, the cost per user is getting close to that for a wired connection.

Of course, any business will be interested in new means of increasing revenue or efficiency. However, there are many more benefits to consider. Straightforward systems like this address the needs of the public access market by managing guest internet access with simple plug and play capabilities that require no laptop configuration and no IT resources to establish the connection. This last point is particularly relevant, stresses Bailey Telecom, as other sectors like fast food restaurants have launched 'Wi-Fi' only to be lambasted by the press when no-one actually knows how to use it.

The hotel is a traditional business venue, like the first class lounge in an airport or train station, where guests expect internet access to be as readily available as tea and coffee. By providing these facilities, hoteliers can increase efficiency and generate new revenue while gaining an advantage over their competitors and attracting more business guests.

Indeed, a recent survey by KPMG revealed that 75% of business travellers now choose their hotel based on the quality of its internet connectivity. Liberty Europe is an independent company which provides venues with a

complete package of public-access internet services, so the venues can sell wireless internet access (Wi-Fi) to their customers. The company's proposition offers venues a fully managed wireless internet access service for less than £2 a day. This includes the ADSL line, all the necessary hardware to turn the venue into a hotspot, and the marketing and sales support to help them sell the service to their customers.

## Venue Owners and the Value Chain

Liberty Europe believes that property owners have the opportunity to play a critical role in the wireless internet access value chain, which is estimated to be worth £5 billion by 2005. If a business traveller is sitting in a bar or hotel using their mobile phone the owner does not make any money on that call. However, if they are sitting in the venue using a Wi-Fi network the owner can be part of the value chain by selling vouchers to use the service, as well as making their core business more attractive.

"Catering for the business traveller is no longer as simple as providing a phone, fax and electric socket," says Barry Shrier, CEO, Liberty Europe. "In order to stay ahead of the competition, hotel owners that want to attract business customers need to provide them with the tools they need. Wi-Fi will boost revenue and profits by driving traffic to the property and enabling the hotel owner to sell more of their core business. It also gives the property owner an opportunity to participate in the wireless internet revenue chain. Travellers will pay for Wi-Fi access and, with an offering such as Liberty Europe's, the venue owner earns a share of the revenue. Hotel owners now have the opportunity to get involved at an early stage and lead the way in developing this exciting new technology." ■

## Further Information

• Bailey Telecom Tel: 0800 028 2229 or visit [www.baileytelecom.co.uk](http://www.baileytelecom.co.uk)

• Liberty Europe Tel: 0800 195 4548 or visit [www.libertyeurope.net](http://www.libertyeurope.net)