

HITEC GUESTROOM 2010

Back to the Future

As CEO of Hospitality Financial and Technology Professionals, Frank Wolfe gets to help select products for the group's pet project, Guestroom 2010. The hotel room prototype showcases existing, cutting-edge, and future technologies as by members and nonmembers alike. The group asked for technology that would make hotel rooms more pleasing to customers and make running hotels more economical for owners. The group's first exhibit at HITEC in 2006 wowed visitors and the press. "The response has been beyond our wildest imagination," Wolfe says. "We get requests all over the world to show it and talk about it. I was in China a couple weeks ago to meet with people who were building a new hotel, and they very interested in talking about the project."

At press time, Wolfe was preparing for Guestroom 2010's second incarnation at HITEC 2007. Although he couldn't tell us about everything the room's features, he did give us a glimpse into what convention goers could expect at HITEC.

What are some of the exciting technologies in this year's room?

There are some things that you might not think of as technology—such as the Ammique bed, which has no mattress. Instead, you're sleeping on 20,000 parts, including 8,000 pistons. Some of the advantages are that it's clean, it never wears out, and it doesn't have to be rotated. That helps reduce workers compensation costs for housekeepers. In addition, we have Internet-enabled technology that adjusts the lighting to help guests overcome jet lag.

How many technologies will be featured in this year's exhibit?

We have 60 or 70 items that we'll be featuring, but we're still making the selections. Some new items this year are

green technologies, such as carpet made from corn that has nanotechnology coatings to prevent stains. There's an energy-saving, oxygen-infused showerhead that saves water. It has a continuous flow head, so that the flow remains the same even if pressure drops. Motion sensors can also be utilized in the room to turn things on and off and save energy.

Another new technology uses RFID to alert the food service staff when a guest places a room service tray in the hallway.

What's the biggest trend you're seeing in hotel technology?

It's really all over the charts. There is a voice-recognition kiosk that recognizes you when you approach it. If it has talked to you before, it will recognize you. You can ask where the pool is, and it will give detailed directions from where you are standing.

We also have a universal simultaneous translator from IBM, called MASTOR. It was originally developed for use by the army. If you speak in English and you're in Germany, it would respond in English. In addition, there's a safe that will run off thumbprints instead of keys.

Another trend is that everything is designed around the guest and in one location, so that they can run the television, lights, stereo from one remote.



Frank Wolfe is CEO of Hospitality Financial and Technology Professionals

One amusing thing that has really intrigued everyone is Clocky, the alarm clock that runs and hides. If you hit the snooze button, it jumps off the nightstand and hides somewhere the room, so when it rings again, the guest is forced to get up and find the clock to turn it off.

Are hotel rooms becoming too high tech? Can guests handle all the technology?

The old paradigm for a hotel room was the idea that you went because it was cool; guests were excited to watch the color television and have cable. Now, in some ways, we're behind the curve, because more people have high-def, flat-screen television at home. To stay ahead of the curve, it needs to be better than what the guest has at home. At the same time, it needs to be simple enough that they can understand how to use it.

One fun technology is the coffeepot, which has a wireless weather forecaster, so that when you pour your first cup of coffee, you can see whether it will rain today or not.



Bring Your Own _____

A typical item in the Guestroom 2010 is LG Electronics' new Auto-Sensing Remote Jack Pack (RJP-101M), an all-in-one hub providing guests with multiple

audio/video inputs to interface with the television and external portable devices such as DVD/CD players, laptop PCs, MP3 players, among others. It also includes four AC outlets, so guests can recharge their cell phone or laptop. We think this is a much better solution than finding a hard-to-reach outlet behind the nightstand. The test will be if there are fewer cell phone chargers in resorts' lost-and-found bins.

GET THE BUSINESS!

Make Technology Work for You

As consumers integrate the Internet into their daily lives, your business model is changing. Reservations are more dependent on the viewpoints of those who post comments on independent Web sites, but future travelers will also visit proprietary Web sites to complete transactions. Guests expect a seamless reservation process for everything from spa visits to golf tee times. And while on property, their technology demands don't quit. But meeting those demands doesn't have to mean that you must spend all your time dealing with servers and user manuals. Here, four experts tell how to make today's technology work for you.

YOUR RESPONSE REQUIRED

Internet Marketing Trends

BY MAX STARKOV AND JASON PRICE



With the growth of the online travel marketplace, how can resort operators get their fair share? An estimated 40 percent of leisure travelers and 35 percent of business travelers will book online this year. By 2010, it's expected that over 50 percent of leisure travelers will book online. The percentage of meeting planners researching and booking online is also growing rapidly. An estimated 89 percent of planners are researching event locations on the Web, and by 2008, 41 percent of all groups and meetings revenues will come from the Internet. By understanding current Internet marketing trends, including consumer expectations and perceptions, resorts can make their Web site a cost-effective marketing tool.

Here's a look at the trends, along with ideas on how you can respond.

Trend 1: The Ideological Clash: Direct Online Distribution vs. Third-Party Intermediaries

The direct online channel will continue to be the main focus for hotel brands. The shift to hotel branded distribution sites is clear.

Your Response: Work with fewer third-party intermediaries. Deal with those that

Reservation Source (USA)				
2003	2005	2007	2008	2010
Hotel Branded Web sites:				
53%	54%	60%	62%	65%
Intermediary Web sites:				
47%	46%	40%	38%	35%

(Source: Merrill Lynch, HeBS)

access inventory directly (through the booking engine, GDS, etc), work in strict rate parity, use dynamic TPI margins (higher when you need them, lower when you don't), and prohibit use of trademarked names.

Trend 2: Consumer-Generated Media

Consumer-generated media, including discussion boards, blogs, social networks like MySpace, and customer review sites such as TripAdvisor, dominate in Web 2.0 and have the credibility of "official" Web site content. Customer reviews are important but consumers still desire official hotel content.

Your Response: Monitor and react quickly to CGM postings and establish a corporate policy regarding CGM. Make sure your resort's Web site is up to date, informative, optimized, and user friendly.

Trend 3: eCRM and Customer Loyalty on the Internet

An estimated 80 percent of online bookers

belong to a travel reward program and more than 60 percent belong to a supplier-sponsored program (Forrester Research). Also, 55 percent of online hotel bookers prefer to book on the hotel's own Web site vs. a third party.

Your Response: Build a marketing strategy based on such preferences and lifestyles. Knowing the customer, sending personalized messages, being there at every touch-point (planning, purchasing, service consumption and post-stay), and providing a unique value proposition leads to increased customer loyalty.

Trend 4: Behavioral Marketing

We can now monitor consumer behavior in all the life cycle stages and personalize the brand message based on this behavior.

Your Response: Hoteliers must target their marketing messages according to specific customer behavior, specific demographics, and specific feeder markets. With the ability to geo-target marketing messages, hoteliers can stop spending valuable dollars on markets that don't produce.

Trend 5: Mobile Technology

Over 1 billion mobile devices were shipped in 2006. The majority of these new devices provide broadband Internet



access and WAP. Airlines use mobile for travel planning, alerts, and scheduling.

Your Response: Monitor this trend and provide mobile hotel reservations, mobile content, and customer service.

Trend 6: Broadband and Rich Media

With broadband access comes faster download times, faster searches, more sites and pages viewed, and the capacity for richer media and applications. At least 80 percent of Internet users have 1024x768 or higher displays.

Your Response: Offer better imagery, increase resolution, and include more rich media. Use mapping, weather, event calendars, and CGM initiatives such as blogs and photo sharing.

Trend 7: Hotel Valuation

Cash flows influenced by the online channel will be scrutinized more closely by asset managers. For those with winning strategies on the Web, the valuation can be influenced upwards of 10 to 20 percent, while those with no Web presence can expect a steep discount.

Your Response: Develop a winning online strategy!

Conclusion

Forecasting trends is a tricky business – especially in hospitality. Our goal is to simply point out trends that seem to resonate across many hotel companies. At your next strategy session, consider how these trends may influence your marketing efforts and grow the online channel. Start by applying the trends identified and seek an experienced consulting firm to help you along the way.



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WIRED FOR SERVICE

BY: CAITLIN CLINARD

Times are changing. Technology has become so commonplace in day-to-day living that guests now expect to find the same comforts in their suites that they would in their homes. That means premium technology and entertainment in resorts—and that means fiber optics.

Working Benefits:

Fiber-optic technology allows entertainment and communication services to be delivered at the speed of light. A single strand of fiber can handle telephone, Internet, television and security. But that's not all. Because of fiber's virtually unlimited bandwidth capacity, it can accommodate emerging technologies as they come to market. In other words, this state-of-the-art technology is future proof.

The ongoing rollout of industry services like Video on Demand, wireless hotspots, high-speed Internet and in-room checkout is just the beginning. Add to that the bandwidth requirements for emerging services like high-definition television, IPTV, video conferencing, on-line gaming and more and you've got a problem. Traditional coaxial/copper wiring can't keep up, but fiber-optic technology can. It's not really a question of if, but when, the fiber-optic amenity will be in most resorts.

Differentiating Benefits

Want more good news? Fiber-optic technology can help differentiate your resort, and it's becoming a selling tool as guests are beginning to demand it. Some companies may even pay you to outfit units across your property with new electronics, opening the opportunity for monthly recurring revenue arrangements. Also, the networks are aesthetically pleasing because they're built underground, they're more reliable than coaxial cable because they don't conduct electricity. The result is a

faster, better connection with fewer outages and greater customer service.

Building the Network

Over the past five years, the deployment of fiber-optic networks has soared in residential settings. Because successful strategies for the installation of reliable networks are taking form, the design and engineering process is becoming more standardized, reducing costs.

Of course, overbuilds pose their own set of challenges. Retro-fitting an existing property with a fiber-optic infrastructure is slightly more complicated but not impossible.

Real Life

Last year, Ginn Resorts had an impressive vision. The hospitality company wanted to offer its guests the best technology on the market. And it needed the most convenient way to simplify and standardize its services and equipment in properties across the globe. Ginn partnered with Connexion Technologies.

"Previously, we had contracts with multiple companies at various locations. With Connexion handling everything, it not only helps our projects, but also provides better service for our residents," says Al Jones, president of Ginn Lifestyles Group, a division of Ginn Resorts.

Before partnering with Connexion Technologies, getting those vendors and providers to work together was a daunting undertaking that resulted in inconsistent and unsatisfactory services...not to mention a lot of overhead. Connexion is retrofitting existing Ginn properties with fiber-optic networks and designing, building, installing and maintaining networks in a growing number of other Ginn properties.

"Fiber optics is probably one of the best investments a resort property can make," said Aaron Gee, senior VP of Technology for Ginn Resorts. He speaks from experience. Since partnering with Connexion Technologies, Ginn has won a *Hospitality Technology* Hotel Visionaries award for Overall Technology Innovation.

CALLING ALL STAFF

Wireless Communication Can Improve Guest Service

The Mansion on Turtle Creek, a Rosewood Hotel, is located in one of Dallas' most fashionable residential districts. With a two-to-one staff to guest ratio, it has long been recognized as one of the finest hotels in the world, as signified by its five-star and five-diamond rankings.

Management is constantly on the lookout for ways to improve guest service, streamline staff workload, and raise the benchmark for customer service among the other five-star Rosewood Hotels worldwide. Toward these objectives, The Mansion on Turtle Creek was one of the first hotels to install a robust wireless network in 2000. In 2006, to further optimize the network and increase operational efficiencies, The Mansion installed the Vocera Communications System, deploying the wireless, wearable Vocera communication badges, to allow hotel staff to communicate more effectively and better meet guest needs.

Prior to the Vocera system's installation, hotel employees—including bellmen, engineering staff, and housekeeping staff—relied on pagers, two-way radios, and in-house telephones. Using all these devices to communicate with a staff of 300 people wasn't efficient. For instance, switchboard operator Christie Moore could page staff members to pass along a request. However, using a paging system was an exercise in patience. "It was a challenge," Moore says. "If I paged someone, they might not hear it because they were vacuuming. Then, I would try to page someone else to go get them, and if no one answered their pages, we had a big problem."

Beyond the headache the pagers created for staff, their most significant disadvantage was the service delays for guests and patrons, as it could take up to 10 minutes for a page to be answered. "If we were busy with multiple tasks and got a page, we'd have to stop what we were doing, run to the phone to call the operator, and then they might put us on hold," says Donald Jones, a three-year veteran of The Mansion's housekeeping department.

Bellstaff experienced similar frustration when contacted by pagers. "I didn't know why [the pager] was going off—what the particular situation was or the urgency. I just knew that some-

one was paging me," says Thomas Fowler, a bellman at The Mansion for more than 20 years. Because Fowler and his fellow bellmen are frequently on the move, they had to go to the back of the house or locate an empty guestroom just to answer a page.

Management at The Mansion on Turtle Creek envisioned taking the customer service synonymous with The Mansion to the next level. Philippe Leboeuf, who oversees The Mansion and is vice president of operations for Rosewood Hotels & Resorts, believed it was important to be on the cutting edge of communications technology, as long as the investment resulted in an improved guest experience. The Mansion's systems manager, Carl Arnold, researched technologies that might accelerate guest service and help employees work more efficiently. He considered cell phones and other comparable devices; however, none of those systems provided immediate connectivity. Working with Wayport, who at that time was upgrading Internet and wireless connectivity at The Mansion, Arnold learned about the Vocera Communications System.

"Not only do we provide wireless access for guests at hotels, we also have the capability to maximize the scalability and security of our network to provide other services that can run over the wireless network," says Wayport's Michele Fanning. "When you're installing a system like Vocera, you need to have a robust network that can support it and other complex applications. Through our relationship with Vocera, we're able to offer The Mansion another product that increases its operational efficiencies and gives the property new capabilities, all over one seamless network."

"The Vocera System was a good tie-in to our telephone system," Arnold says. "We saw how staff could use it, and it was a much better fit than what we could have achieved with cellular technology." Although Vocera calls are primarily processed through the operator, Leboeuf and the staff noticed a significant improvement in guest response times and staff satisfaction after



the Vocera system was installed.

Hotel staff have reported a much improved workflow, ensuring guest needs are met as soon as they arise. For example, bellman Thomas Fowler finds Vocera helpful when seeing guests to their rooms and getting them settled in. "They may want a bucket of ice, some drinks, or some pressing picked up from their room," he says. "I can get all those things done without having to pick up the phone or leave the guest. This allows me to get my job done faster, and all hands-free."

Ensuring that guests have an enjoyable stay even while they are outside of the hotel also is a priority for The Mansion. Now, bellmen can assist the concierge in handling reservations for guests. "As a bellman is settling a guest into their room, it's intrusive to pick up the room phone if you're the staff member because it's the guest's amenity," Leboeuf says. "In the past, [the bellman] would have said, 'Let me go down to my desk, and I'll call the restaurant for you.' Now, as they are hanging items in the closet, they can simultaneously make dinner reservations."

Housekeeping duties have also been streamlined, according to Linda Hall, director of housekeeping. Hall is particularly fond of Vocera's "locate" function, which lets a user find another nearby Vocera Badge user. "Being able to find the closest person to a particular area helps speed up service," Hall says.

Responding to guest requests now takes only a matter of seconds because staff members are only a button's touch away from instant access to the people and resources they need to make each guest's stay memorable—for all the right reasons. "There's something to be said about perception," Leboeuf says. "Classic hotels like The Mansion aren't perceived as hip or trendy. Having this new communications technology in place lets people know that we take technology seriously because the communication is so elegantly done."

WRAP IT UP

Use Your Web Site to Provide Complete Vacation Planning

By MICHAEL SQUIRES



Resort occupancies and revenues are up, thanks to baby boomers with the time to travel and money to spend on recreation. Spas and health-oriented programs are exploding in popularity, and many destinations with one golf course are adding a second. Resort operators catering to this profitable segment are discovering an important factor that sets boomers apart from other guests: They shop and book online, and they expect the properties they chose to be fully Web-enabled.

Retired professionals are proving to be accomplished Internet users who begin shopping for their vacation months in advance of their trip. They know everything about your property before they reserve a room, and they want to schedule and confirm their itinerary of activities weeks before check in. At the property, they want to begin their activities immediately without wasting time at the guest services desk – and properties that don't provide these services are disqualified early.

Savvy resort operators are rapidly developing effective Internet marketing strategies and fine tuning their Web sites to give shoppers 360-degree tours, dining menus and the ability to book recreational activities online. The most successful destinations make it easy for guests to design a personalized activity-filled itinerary themselves so it is waiting for them when they arrive.

The results of intelligent Internet services go right to the bottom line. "Our 2004 revenue from Internet reservations was \$37,000; in 2006 we generated about half a million dollars in Internet bookings," says Dan Harris, lodge operations manager at Skytop Lodge, a resort on 5,500 acres in Pennsylvania's Poconos

Mountains. "Phone inquiries have dropped off, but our reservation-office conversions have gone up, because guests shop online and the ones who call us know what they want before they pick up the phone." Skytop Lodge installed the Maestro PMS system and ResEze online booking engine to facilitate easier Web connectivity and give guests more online options. It also hired a specialist to help with its Internet marketing. Skytop Lodge's guests book online and reserve amenities via email before they arrive. "Text messaging is probably the fastest growing means of Internet communication, and Skytop Lodge is looking into text message ads," Harris says. "This is a completely new media channel for reaching shoppers that may be important in the future."

The Marco Beach Ocean Resort, a luxury destination on Florida's Gulf Coast, has found similar success with Internet marketing. If you are flying down to the beach in your Gulfstream V executive jet and need a Four-Diamond resort with an award-winning chef and, by the way, a nearby airfield big enough to accommodate your plane, the Marco Beach Ocean Resort will probably be where you spend the night. "Guests plan activities, schedule tee times, spa appointments and dinner reservations long before they arrive," says Phillip A. Starling, the property's managing director. "Our staff uses its Internet-enabled Concierge Assistant system to create detailed itineraries and then emails them to guests as confirmations that include links to appropriate Web pages and sites that display online menus, golf course descriptions and pictures of a guest's off-property destinations." The property also provides a list of links to local airlines, (if the Gulfstream is grounded)

weather information and other key sites. The resort's concierge staff utilizes its Concierge Assistant software to review the activity history of incoming guests and then contacts them several weeks before they arrive to verify activity preferences.

Skytop Lodge's Dan Harris says that if a property wants to increase revenue from online sources, it must develop a spectrum of online channels. "We boosted online revenue by implementing a global Internet strategy. We focus on online hotel review sites such as TripAdvisor and TravelPost, and we reworked our Web site for the most appropriate seasonal keywords to attract search engines that bring shoppers to the property. We are doing more with online graphics, too. Guests tell us they value our property video tours and how easy it is to book from our site. We also have a campaign to capture guests' email addresses with an opt-in permission so we can include them in our email blasts."

A recent TravelClick study of booking trends reported a 19.9 percent increase in Internet reservations in 2006 over 2005 for the major hotel brands. Resorts can expect a similar increase. It is clear that operators who adapt their marketing and online booking efforts to connect guests with Internet-based property revenue centers will continue to be the winners.

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