

# Convergence is the name of the game

One of the technological challenges already facing the hotel industry in 2008 is the rapid need to align the "guest room experience" with the "living room experience". As **LEO BRAND**, CEO of Swisscom Hospitality Services, explains, upgrading guest services has been embraced only reluctantly by hoteliers. How then will they respond to the possibility of integrating their various network services?

The hospitality industry is currently undergoing a fundamental technology change. In the years to come, we will witness a massive deployment of IP-based guest services and "IP digitizing" hotel operations. Shifting consumer preferences almost oblige the industry to take leadership and meet guest expectations. However, the long-term question is probably not about individual guest services, but more fundamentally about the network architecture that these services will be built onto. Sooner or later, hoteliers will need to run their operations on an integrated, converged IP network infrastructure: wired and wireless, for public, semi-private and private use.

## The next generation of guest services

The digitalization of data and contents is presently revolutionizing the global consumer markets. Most major telecommunications providers have introduced "triple play" service offers (IP-based voice, video and data solutions) in their respective markets, for residential and business customers alike. Telecom companies like Swisscom are re-designing their fixed and mobile networks on full IP convergence to offer integrated solutions that allow their customers to be device and network agnostic.

The overall technology shift has been adopted somewhat reluctantly by the hospitality industry. Most hotels – including business and luxury properties – still operate analogue TV and voice systems. Nevertheless, the industry is now keenly aware of the need to align the "guest room experience" with the "living room experience" in terms of technology.

In 2008, digital or IP-based high-definition TV offers are likely to reshuffle the VOD / Pay-TV market. Existing analogue services are becoming obsolete as new suppliers promise a much richer entertainment experience to the guest, with hundreds of global TV channels – and especially the guest's home channels – being available in high-definition quality. Even more innovative offers allow guests to connect the TV screen to the Internet and to interact with their own preferred contents, be it web-based or their own contents. The innovation of existing voice services is likely to come right after. Hoteliers are looking for more convenient and cost effective service models based on IP, knowing that a constantly growing number of guests already

use Internet-based applications from their guestrooms to manage their lives: from home security cameras to "Skyping" and videoconferencing.

## The next generation of network services

The new generation of voice, video and Internet services – all of them based on IP technology – results in a substantial one-time service enhancement for guests and meeting attendees. In the long run, however, hoteliers will want to become more flexible to scale, refine and further personalize their guest services. A converged IP network will give them that flexibility and in addition, allow them to accommodate a range of new, innovative guest room devices, from door locks to temperature control, designed to further increase guest satisfaction and optimize operational cost.

The point is best illustrated if we look at the typical hotel network topology today. Most hotels operate a patchwork of at least six disparate networks: for guest Internet services, for guest TV services and for the phone system (PBX), plus one for reservations and POS, one for CCTV security and one for back-office administration (PMS). Each one of these systems runs on its own distinct infrastructure, on proprietary software which requires an isolated set of management tools, maintenance, monitoring etc.

The inability to interface creates inefficiency and unnecessary cost. It also seriously limits the scope and quality of service upgrades. Finally, fragmentation inhibits innovation, as each new service deployment becomes expensive and likely to further complicate the network management complexity. The only plausible way out is a migration to a fully converged IP network that accommodates multiple applications, including guest-facing as well as all hotel enterprise applications.

The continuing emergence of new, IP-based devices such as door locks, thermostats, mini-bars management, further underlines the need for a fully converged, hotel IP network. Most of these innovative devices make perfect sense in an integrated network environment. However, they may not warrant the deployment cost as long as they are isolated elements in a fragmented network infrastructure. ►

# Convergence is the name of the game cont.

## The profile of the Managed Network Services provider

A converged IP network will allow the hotelier to take control over his operations while dealing with one advanced system integrator only, as opposed to a variety of vendors and infrastructures. He will need a partner that has the vision, the financial strength and the expertise in applying latest IP network technology to the hospitality industry. This IT partner will be required to:

- design, deploy, maintain and monitor a fully converged IP network across a single hotel, an ownership group or an entire brand.

- integrate and manage a range of third-party applications in parallel with his own applications (HSIA, video, voice).
- consult his hotel clients, free of proprietary technology interests or vendor preferences, on questions such as: What is the cost of converging existing devices, or integrating new applications, into IP? What are the operational advantages and what is the top-line revenue potential?

Is all this set to happen in 2008? It is hard to say when the industry will move towards IP network convergence in a more holistic sense. However, with the next generation of guest services arriving at such high speed, the next generation of network infrastructure services seems almost round the corner. ■

