

Swisscom

Changing the economics of the guestroom



Through its dedicated Hospitality division, Swisscom has launched the next generation of integrated guest services. Here, CEO **Leo Brand** tells of its benefits and explains why hotels should join the convergence revolution.

Words: Catherine Martin

Tell us about Swisscom Hospitality...

We are technology specialists for hotels. We build and manage integrated network infrastructures that allow hoteliers to provide their guests with a differentiating service at a reduced cost. The concept of network convergence is central to our approach as it enables superior service quality and operational efficiency.

In simple terms, what is a 'converged network'?

With IP convergence – also known as digital convergence – we refer to the bundling of different applications on an all Internet-based network infrastructure called Internet Protocol (IP). In hospitality, as in other industries, IP convergence is clearly the way forward as more and more applications are becoming IP-based.

A well-known example for IP convergence is the so-called 'Triple Play' where users can

make phone calls, surf the Internet, watch TV and order videos through one and the same data network. Beyond these guest services there are many more applications in hotels that can converge on a single network infrastructure: heating and air conditioning, window treatments, door locks, room safes, elevators, CCTV, security alarms, and fire detection, to name but a few.

Why is IP convergence so important for the hospitality industry?

Today's status of un-integrated applications in any given hotel creates a major headache for owners and operators, not only in terms of cost and efficiency but also when it comes to keeping pace with the ever faster evolution of technology and guest expectations.

In reaction to cost pressures resulting from the economic crisis, hoteliers increasingly turn to technology to optimise their operational expenditures. However, cost improvements



remain very difficult to achieve as long as their applications operate in mutually exclusive silos. With a view to the large number of applications and cost for their maintenance and interfacing, it is fair to say that most hotels suffer from unreasonably high cost structure and a limited innovation capability.

Those hotels that do take advantage of IP convergence reap the benefits. A good example is Dutch hotel chain CitizenM, a budget brand that has won numerous industry awards. One of its keys to success lies in the cost-efficiency of its IT backbone which combines multiple guest services – door locks, room controls, IPTV, music and entertainment, the phone system – into one converged infrastructure.

So what services do Swisscom offer?

Our network services offering includes consulting, network build, and system integration, as well network management.

Consulting is an important component in our offering considering that the concept of IP networking is relatively new to most hoteliers and hotel management companies. In existing hotel buildings, this consulting process departs from a site survey in combination with an evaluation of the hotel's size and market positioning. This will allow us to design a target network infrastructure for the client and to propose a customised, needs-based roadmap to convergence. Newbuild projects can obviously be approached without legacy systems; here the challenge lies in liaising with the hotel developers at a very early stage to make sure that technology considerations enter the initial design of the hotel project.

Upon acceptance of our proposal, we integrate all of the hotel's IP application contractors into one homogenous network infrastructure. For this to happen, all vendors need to adhere to the common configuration guidelines that we as the hotel's network

manager have set. Again, in old building infrastructures, IP convergence will rarely be achieved in one leap. Rather, it's a process that requires professional guidance and a neutral party like Swisscom that interacts with all application vendors.

Finally, once the IP infrastructure is in place, we can manage it on behalf of the hotel. This puts us in a position to continuously optimise the existing applications and suggest upgrades or new products to help the hotel save money.

What sets Swisscom apart from its competitors?

We have the most experience in this business with 2,300 hotel partners whose IP networks we manage around the clock. Over the past ten years we have built a unique global workforce of 300 dedicated staff that includes skilled engineers specialised in the design and management of hotel networks. Their ►

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► expertise also allows us to design cutting-edge, IP-based guest solutions such as ConnectedHotel TV which substantially reduces the hotelier's cost to install and maintain an interactive HD TV service.

How does IP convergence benefit the guest...

A converged network that embeds a wide variety of applications allows hoteliers to reuse customer information in a different context, to personalise service delivery and provide a consistent guest experience. What a pleasant surprise for a guest to find their preferences from a previous stay reflected in the room settings and TV channel line-up. Moreover, the seamless interfacing of applications opens up a range of opportunities for hoteliers to design innovative service offerings. At the CitizenM Glasgow for example, guests have one single handheld device – a Philips Moodpad – through which they can program everything from mood lighting and music, to live-TV, movies-on-demand, window shades, heating, and air conditioning. And logically, Swisscom manages not only the hotel's IP infrastructure but also the Moodpad in every guestroom.

...and the hotel operator?

Making use of IP technology provides hotel operators with streamlined processes, lower cost structures and a scalable network infrastructure, allowing them to continuously innovate their guest services. Cost savings result from the infrastructure sharing amongst multiple applications but also from the opportunity to have all these applications managed and monitored through one party rather than several individual vendors that do not communicate with one another. Bringing together all service providers in one integrated setup, we can offer the hotel a master SLA (Service Level Agreement) which drastically reduces complexity and makes the hotelier's job much easier. After all, networks are not a core competency for hoteliers. We let them focus on what they do best, which is providing hospitality!

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St. Ermin's Hotel becomes one of first to install Swisscom's ConnectedHotel TV solution

St. Ermin's Hotel London is set to 'plug' into the world of IP television and web based guest services as it becomes the first hotel to take delivery of Swisscom's ConnectedHotel TV solution.

ConnectedHotel TV is the only interactive TV solution for the hospitality industry that delivers HD TV, video on demand, and wired and wireless Internet access to a purpose designed LG flatscreen via one converged network.

Swisscom will supply ConnectedHotel TV to a total of 328 guestrooms as part of a major refurbishment currently underway at the hotel. Swisscom already provides seamless Wi-Fi coverage throughout the St. Ermin's, a service that will be complemented by wired Internet access in all guestrooms at no additional cost once new TV install has been completed.

Steve Eckley, Senior Vice President of Amerimar Hotels that owns the property, explains why Swisscom became the preferred technology partner for this project: "We are impressed by the cost-effectiveness of the new ConnectedHotel TV solution, but also by the flexibility offered by the Swisscom system to customise the guest interface. For example, as an additional revenue stream, we can now create advertising packages to encourage partner businesses, e.g. local bars, restaurants and visitor attractions to promote their services via our TV screens."

"Also from an investment point of view the ConnectedHotel TV package that Swisscom presented is the most attractive. Not only do we save the cost of 400 set-top boxes and their ongoing energy consumption, Swisscom was also happy to adjust their pricing model to suit our business needs. We now have a transparent cost structure that we can review as new web based content and guest services becomes available to us."

Simon P'Anson, Vice President Sales EMEA for Swisscom Hospitality Services adds: "ConnectedHotel TV comes at a time when many hoteliers still struggle with a number of providers for different guest services and service elements like cabling, hardware, software and content. Typically these service providers are all mutually unconnected, resulting in unnecessary cost. We are determined to bring simplicity and savings to an industry whose operating cost structures are still way too high."