AIHE Presentation August 2012

GUEST ROOM TECHNOLOGY: WHAT GUESTS WANT!

BY BRENDAN GRANGER

In this series of articles I am going to discuss "Guestroom Technology" and in particular what guests want.

We will look at some of the biggest trends in technology across the globe right now and talk about how they impact us as hoteliers

There are a lot of changes in technology at this point in time and we can probably talk for days, but, we won't. I will focus on those that mainly affect individuals as hospitality is about being hospitable to individuals.

I've broken the trends down into the 5 Key areas, and they are:

Ubiquity – internet access is now common place;

Mobility – internet access from the palm of your hand;

Cloud – private data accessible via the internet;

Social Media – you probably go to Facebook; and

iVideo and iTV – we've probably made this one up, I'm not sure. What we're talking about here is video and TV over the internet and the fact that guests are bringing their own devices and content. In a sense their own entertainment.

I'll cover the first three trends in the article and the remaining two in a future article.

Ubiquity

So, let's look at the first one, Ubiquity. The meaning of ubiquity has been around since the 1500's but today, it's used to mean that the status of something is extremely common. Something found everywhere. It is normally used when talking about technology and often in reference to the internet.

Internet accessibility – there are 2.3 billion people that have access to the internet, about 33% of the entire population. 70% of those in Oceania and Australia have internet access, 80% of people in North America, and 26% of people in Asia. Asia represents a substantial growth opportunity. Asia currently represents 45% of the total

worldwide internet users and it has grown eightfold in the last 10 years. However, only 26% of the Asian population have access to the internet. Over the last 10 years, there has been more than a fivefold growth in those who have access to the internet. Internet access today is so common place – it's now viewed almost as a standard utility.

So what does this mean for your guests?

Well, probably nearly all your guests have access to great internet connectivity at home and the office and they expect the same level of internet access at your property no matter what your star rating is and they have a low tolerance to poor bandwidth.

Mobility

The next trend is Mobility. What we mean by mobility is literally mobile computing. Hand held portable computing that are internet capable, smart phones and tablets, and they don't all start with "i."

87% of the population have mobile phones. More people own a mobile phone than own a toothbrush. There are currently 1.08 billion smart phones out there and that's about 20% of the entire mobile phone market. As we said, not all of those smart phones are iPhones, in fact, just under 30% are iPhones. Smart phones that use the Android platform (Samsung, LG HTC, Sony Ericsson etc) are the most common at just under 50%, followed by Blackberry with 16%, Microsoft at 5% and the Symbian operating system (Nokia etc) at under 2%.

Of the 1.08 billion smart phone users out there, 89% of them use their phone throughout the day not just for making calls of course. 84% use a smart phone for internet browsing. Tablets are now the fastest selling consumer electronic device in history. There are now 145 million tablets out there and 84.1 million are iPads, that's about 58% of the market.

The big thing about smart phones though is the Apps. Basically, an apps takes the information from the internet and presents it in small usable chunks. There are now Apps for just about everything you would want to do. There are over 1 million apps on Apple and Google and over 45 billion apps have been downloaded.

Coupled with mobile devices are the predictions with regards to wireless internet

access. They're predicting that wireless internet access will exceed desktop based access in 2016 and in the same year, tablet sales will exceed notebook sales.

So what is the impact on hotels?

Well, hotel guests are now checking in with more devices. 40% of your guests have 2 or more Wi-Fi devices. 25% have 3 or more Wi-Fi devices. Most of these devices need charging so there's an increased demand for power outlets. Most of these devices are used to access the internet which puts an increased demand on bandwidth.

Guests are now also bringing their own content on these devices as well or access it on the internet on the device within in your property. As a result there is less dependence on the in-house video-on-demand solution to the point where new built properties are seriously considering if they need a video-on-demand solution or not.

There's an increased demand to enable guests to readily access their own content just as they do when at home. They want to play/watch what they want, when they want and if they're in a hotel room and they've got an 8-inch tablet and the room has a 42 inch TV, it would be great if they could connect their device to the TV and watch it on the TV.

Tablets and smart phones are great for video but of course video uses more bandwidth. The other thing about video is it is a continuous stream. Hotels are seeing bandwidth consumption rates increase as a result of mobile devices and it's only going to continue.

Mobile devices also have a dramatic impact on a hotels wireless network, because these devices depend on wireless. So there is an increased demand for wireless but not only that, there is an increased demand for wireless across the entire hotel, not only in the guest room but by the pool and in all the public areas and restaurants.

The other thing to keep in mind is that wireless antennas on tablets and smart phones are weaker than those on a laptop. So, your existing wireless infrastructure may not be adequate enough to cover the entire property when it comes to a tablet or a smart phone.

Cloud Computing

The thirds trend is Cloud computing. Cloud computing is private or business information that you control and accessed via the internet. It could be things like data storage, programs like SkyDrive. It could be email, for example Gmail. There are personal and business applications; Microsoft 365 is a Cloud based version of Microsoft office. There are customer relationship management products like Sales Force as well accounting packages etc. Having your application and information in the Cloud means you can access it from anywhere that you have internet access.

Cloud computing is becoming common place and it is predicted to increase at a 50% annual compound growth over the next 3 years.

So, what's the impact of Cloud computing on hotels?

Many guests will need to access the Cloud in order to conduct business. So once again, we see an increased demand for internet access. It's also going to put more pressure on bandwidth than traditional business email and web browsing.

Your guests will need to access their applications/information in the Cloud to be productive. Since it is business related they will pay to be more productive and will have low tolerance for a poor internet service or bandwidth.

To summarise, I have discussed, 3 of three 5 major trends that we are seeing being; Ubiquity, Mobility and Cloud computing. These are all changing the way we as individuals and companies do things and of course, how hotel guests do things and what they expect from hotels. The trends above mean that guests expect great internet connectivity, increasing demand for wireless and increasing demand for more and more band width. As businesses provide access to business tools via the internet, guest tolerance for a poor internet experience is diminishing. The increase prevalence of smart phones and tablets is not only put increasing demand on wireless availability but also wireless signal strength as antennas in tablets and smart phones are weaker than those in tablets so existing wireless infrastructure may be insufficient for today, let alone tomorrows guests.

Next time we'll look at Social Media and iTV and iVideo. ∎