

# HOTEL Yearbook

## FORESIGHT AND INNOVATION IN THE GLOBAL HOTEL INDUSTRY

SPECIAL  
EDITION ON

# TECHNOLOGY

[illegible]

# Key trends in in-room technology in 2014

by **Ted Horner** 

**For the better part of three decades, Ted Horner has written and spoken on hospitality technology all over the world. Here he takes us on a quick tour d'horizon of some of the trendsetting ideas that are dominating in-room technology as we enter 2014. The landscape is changing very quickly.**

## **BYOD: Bring your own device**

Hotels are increasingly becoming places for people to plug in their own devices as hotel-provided, in-room entertainment takes a backseat to the entertainment travellers bring with them. A recent survey found digital travellers tend to own at least two devices, favoring laptops and smartphones that make it easy to pay little attention to an in-room TV or clock radio.

Hotels are responding by making it easier for guests to use their own devices in conjunction with hotel offerings, and some are even offering loaner devices for guests who may have left theirs at home. But it's not just entertainment that guests are bringing with them.

## **Pay-per-view: A thing of the past?**

Pay-per-view is becoming a casualty of our bring-your-own entertainment culture. A 2011 poll in USA Today found 81% of hotel guests weren't ordering pay-per-view entertainment. Travellers instead were opting to bring their own DVDs, watch free TV or use streaming services via their laptops. Industry figures show hotel pay-per-view revenues have slid by 39% from 2000 to 2009, and even porn hasn't been able to survive the decline.

Overall, movie rental revenues in 2011 made up 0.28% of total hotel revenue, down from 0.76% in 2002. Traditionally, half of all hotel movie rentals were of the adult genre.

## **The role of hotel TVs is changing**

Today's digital travellers are using entertainment in hotels in much the same way they do at home: via online services like Amazon Prime, Hulu and Netflix. Armed with laptops and tablets, guests are more likely than ever to leave their TVs off, and hotels are looking for new ways to incorporate the once cutting-edge devices into the guest experience.

One approach is to turn TVs into hubs for more cohesive entertainment systems that work seamlessly with guests' own devices and streaming services. For example, Hyatt Hotels Corp. envisions guests using its TVs as "fully connected, interactive entertainment centers." It sees its in-room TVs as tools to book tours, order room service and stream content from services like Netflix.

## **Hotel bandwidth is being squeezed**

Whether it's for business or pleasure, the one thing hotel guests want is faster Internet than they have at home. But travellers with their tablets are making it especially hard for hotels to keep up with demand for their bandwidth. And guests who once used hotel Internet to check e-mails are using the service now to stream movies, putting a squeeze on networks already struggling to meet the increased demand.

## **Faster Wi-Fi... for a fee**

Hotels are turning to tiered pricing to balance customers' demands for free Wi-Fi with their own desire to generate revenue and offset the costs of network upgrades.



*In 1989, **Ted Horner** established E Horner & Associates Pty Ltd, a consulting practice specializing in technology consulting to the hospitality industry, and he is now widely respected as Australia's leading consultant in this area.*

*In 2004 he was the first non-US person to be elected to the HITEC Technology Hall of Fame for his contribution to the advancement of technology in the hospitality industry.*

*Since the early 1990s, Ted has travelled extensively throughout the world to speak at many hospitality technology conferences and has written many articles on technology that have been published all over the world.*

A large percentage of hotels offer free Wi-Fi, and it is typically a very basic service. But an increasing number of hotels are adopting tiered pricing strategies that require customers to pay for faster connections or to connect multiple devices.

While more guests are opting for slower speeds over higher prices, there is increasing evidence that enough guests were selecting higher-priced options to drive revenue gains at hotels where a tiered pricing program is in place.

#### **Where is a hotel loyalty headed?**

Hotel loyalty programs may not be as generous with the perks as they once were, but they are increasingly becoming a pathway for members to obtain free Internet access. Some hotel chains, including Kimpton, Omni, Fairmont, Swissôtel and Wyndham, offer free Wi-Fi to all loyalty club members, while others like Hyatt, Hilton, Marriott and Starwood only offer free Wi-Fi to elite level members. IHG has just announced that it is going to provide free Wi-Fi to all Priority Reward members.

#### **Will smartphones become the single device that control guestroom experience?**

As hotels move toward providing guests with a single device to control everything in their room, the smartphone could emerge as the one device that does it all. At the Aloft in Bangkok, guests in certain rooms can retrieve a smartphone from the reception desk that serves as their room key. This smartphone can enable guests to lock and unlock their door but also allow guests to control all things in the room.

#### **A hotel group that is leading the way**

If you're looking for the ultimate in-room experience, look to Peninsula Hotel Group. In their flagship hotel in Hong Kong. Last year, they installed in-room entertainment systems that cost approximately \$25,000 per room. The systems feature bedside and desk tablets that allow guests to order room service and make concierge requests.

They also can control lighting, curtains and temperature. In addition, the rooms have flat-screen TVs, free HD and 3D movies, free VOIP and 450 Internet radio stations. (Read Terence Ronson's interview with Peninsula's Ingvar Herland in this HYB edition.)

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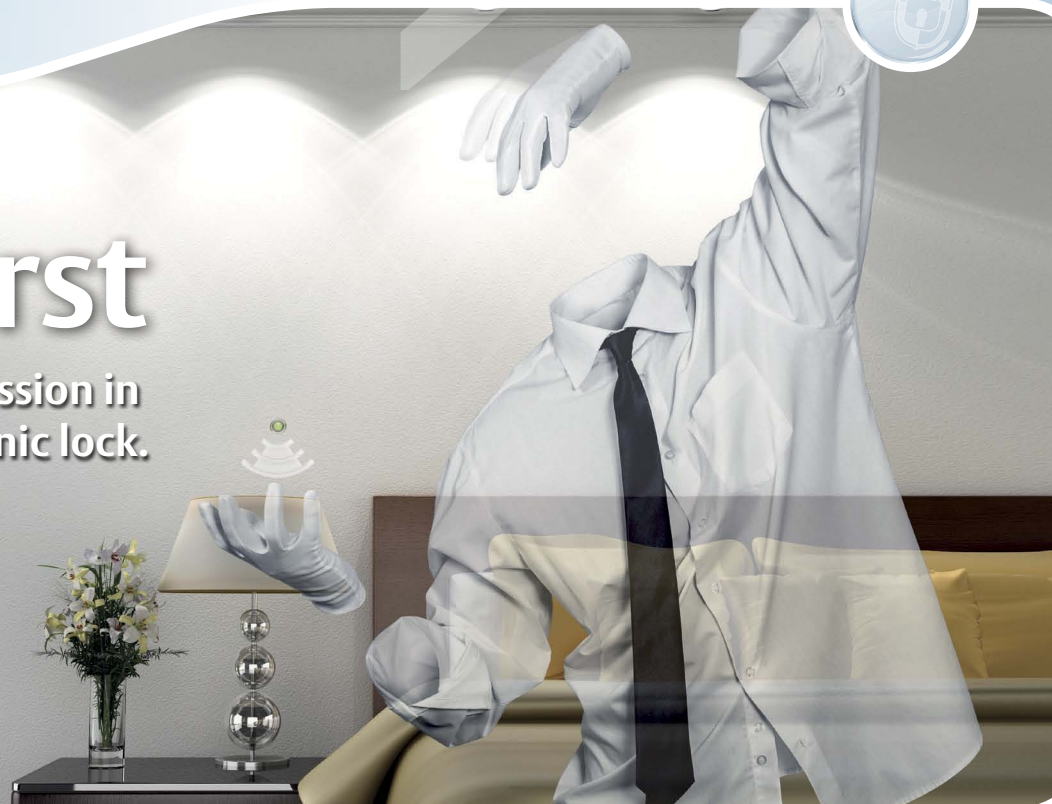
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