

VOIP? Not yet...

Did you ever meet the first person to own a cell phone? Was your neighbor the person that bought HDTV six years ago in anticipation of the next great television viewing phenomenon? Two things happened to these “early adopters”. One: They invested money in a technology that was not market ready (developed). Two: By the time the technology became mainstream, the devices they had bought were obsolete and they needed to reinvest or upgrade to make the technology worthwhile.

VOIP in the hotel industry is on a parallel path. There are internal advantages to VOIP at the roughly 1% of hotels in the US who have the budget to fully utilize the technology. For the remainder of the industry, we need to allow the technology to fully develop before assessing the ROI, product reliability, and operational advantages to make it worth the investment.

Investment in a technology needs to produce some advantage for the owner or operator – either a reduction in cost or increase in revenue. VOIP is a behind the scenes technology that offers no such advantage. For the guest, it doesn’t sell more rooms and doesn’t produce a better guest experience.

VOIP phone systems market the ability to push content to the phones using brilliant LCD screens located on the guest phone. However, the content marketplace is in its infancy and so has yet to develop any track record. Saying guests have the ability to access and order room service with the touch of a button is not the reality of will they or can they. Guests have enough problems figuring out how to use the remote control for the TV. Keep in mind the cost for IP room phones is a minimum of three times an analog phone. This significantly changes the budget for the capital cost and maintenance of the room phone without producing tangible results.

For the hotel, it doesn’t create operational efficiency...yet. Hotels are resellers, not users so they can’t take full advantage of the VOIP advantages. For example: VOIP systems point to the feature rich functionality, ease of use, and flexibility of movement (changing offices, moving buildings, or working out of the house) created by VOIP which is great for a standard business office but the reality for hotels is much different. Many of the features apply to business applications such as Microsoft integration, web interface, and robust calling features. In a hotel environment where the staff that is extremely mobile, these VOIP features provide very little benefit. Wireless VOIP (which is a targeted application to solve a specific need) becomes much more useful to the hotelier but is steps behind wired VOIP and is a topic for another article.

Investment in current VOIP for future use won't guarantee the investment will be compatible with VOIP when it's ready to be implemented. Technology changes so fast and adopts new standards that what you buy today won't necessarily be compatible with tomorrow's version of VOIP. Wait to make the investment when you can produce immediate operation and financial results.

The national average for voice uptime (time when service is working) is 97%. The national average for data uptime is 88%. US Call centers stand to save millions of dollars off of conversion to VOIP but they don't take the plunge. Why? The difference between standard voice and VOIP uptime would cost them more money than they would save. Hotels are in a similar situation. Loss of reservations, lower guest satisfaction ratings and refunds far outweigh the benefit of VOIP...for now.

VOIP systems imply capital and ongoing savings over traditional telephone systems but the implication is not reality. For a hotel application, most new standard phone systems have the ability to run both VOIP sets as well as digital sets. However, to run true VOIP the system results in a higher capital cost without any reduction in ongoing maintenance. Most importantly, the VOIP system is just for internal use, the implication of cost savings for external or outbound calling VOIP does not exist. Traditional carriers must still provide the dial tone and switching for the VOIP system just as they would for a standard phone system. With that said, hotels can take advantage of carrier grade VOIP products such as dynamic allocation while still utilizing their traditional phone system.

While VOIP might appear sexy, that doesn't make it practical. It is inevitable that VOIP will become the standard some day. The possibilities and options that come with the technology continue to develop and grow. However, it's not ready for "prime time" in the hotel industry and so is not a viable solution today. Until the benefits provide either an operational or financial advantage, it simply does not make good business sense.

How Are Your Guest Scores?

With so many hotels competing for the same guests, being responsive and managing to guest satisfaction survey scores is essential for hotels to be successful. Guests are more willing than ever to give feedback to hotels – both directly to hotels through surveys and indirectly for other travelers to view, such as on Trip Advisor, Hotels.com, Expedia.com and many other sites. This information guides buying decisions and should drive change at the hotel level.

More and more hotels readily acknowledge that technology is now playing a larger role in the overall guest experience. It is essential that guest networks and other technologies that impact the guest experience are meeting or exceeding expectations. Understanding issues or challenges that guests face today in your hotel and then how to solve them on a consistent basis is the first step. Also, evaluating new technologies before they are implemented and knowing the potential upside as well as risk to the guest experience is crucial to assuring high levels of guest satisfaction in the long-run.

So, how are your guest scores? Is technology holding you back from realizing scores that you and your staff team are seeking to attain?

Guest technologies will continue to have significant impact on hotel performance and guest satisfaction in the coming years. Planning and proactively responding well to the changes that shape guest expectations will be your best offense to ensure positive property performance results.

Improving Bandwidth for Hotels

Guests want it...Most hotels don't even realize they need it. But more and more guest networks are being bogged down by a wide range of traffic – from downloading movies and iTunes to surfing videos on YouTube to checking their home entertainment system through Slingbox. It's all happening on your guest network too and bandwidth (think speed) has become an obstacle in meeting guest demands.

The Elfiq Link Load Balancer www.elfiq.com is a device that gives hotels the ability to add different types of bandwidth circuits (i.e., T1, DSL, cable, fiber, etc.) together, aggregating total speed and giving another critical feature – redundancy. So if a circuit (say, your T1) goes down, the other added circuits will carry all the guest data traffic...And no complaints to the front desk.

Contact us today if interested in learning how the Elfiq Link Load Balancer might improve your guest network or operating performance for your hotel.