

# No Telephones in Guestrooms

Is the guestroom phone a phone of the past?

With ever-increasing, user-generated reviews and people reading and acting on them, the guest experience is more important than ever and will directly affect the bottom line. Does a telephone in the guestroom make a difference? Of course, new technologies are important to retaining hotel guests, but these do not play as important a role as other core elements of satisfaction such as value for price, room cleanliness, comfortable bed and furniture, friendliness of front desk staff and employees' can-do attitude. In Europe for example, according to the J.D. Power and Associates 2008 European Hotel Guest Satisfaction Index Study<sup>SM</sup>, the top must-have amenity desired by hotel guests is air conditioning followed by complimentary breakfast, wireless Internet access, soundproof windows and free parking.

The TV and telephone do not seem to play a key role anymore in growing revenues but they do impact the bottom line in terms of network and equipment maintenance.

**Network.** IP telephones require an IP network and Ethernet cabling costs are on average £100 (\$136) per data port, the switches that support QoS for VoIP applications and the VoIP aware firewall are extra. Guestrooms are often being equipped with multiple telephones, which can quickly add up to 600 telephones and data ports for a 200-room hotel. The more cost-effective CAT3 cable will no longer be compatible in an all-IP environment and with practically all IT services on the guest floors running on IP, hotels tend to install one, converged, hotel network which provides both the must-have guest Internet access, as well as the IPTV and VoIP telephony services to the administration and guest floors. A good understanding of the network bandwidth requirements and the impact of VoIP calling on the LAN is required when sharing bandwidth with data and video applications and in addition, all these eggs are in one basket. Such increased complexities as well as the higher business and security risks, will bring with it increased operating costs in terms of network maintenance, outsourced support or in-house staff and training.

**Investment and Operating Cost.** Even if nowadays the price of an IP telephone is in the range of what phones used to cost, the investment is on average 25 percent higher than five years ago and XML licenses and development for guest phone displays should be added. In addition, the telephony operating costs are set to increase by 10 percent to 20 percent per year because of IP-PBX software maintenance charges.



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It therefore begs the question: Do hotels really need a guestroom telephone? In my view there is no longer a need for a phone in the guestroom because first, the telephone revenues are minimal and telephony costs are increasing, and secondly, the role of the guestroom phone has changed from an external to an internal communication tool.

**External Communication.** Mobile phones have taken over as the world's telephone by choice, globally there is 0.6 mobile phone per inhabitant, in China this is 55 percent and Hong Kong ranks top with 1.5 mobile phone per inhabitant. These numbers are set to grow. The mobile is our personal communication device and the chance that in 2010 your hotel guest will not carry a mobile phone is minimal. Not only that, in the future our typical mobile will be a Quadband Dual Sim GPS Wi-Fi analog TV phone. However, from a business perspective, the future falls to the VoIP phones and Internet telephony. Installing a VoIP GSM gateway will enable a hotel to bridge these two worlds. A VoIP GSM gateway enables direct routing between IP, digital, analog and GSM networks. The core idea behind cost saving with VoIP GSM gateways is least cost routing and when several SIM cards and GSM modules are integrated within the VoIP GSM gateway it would also be able to make relatively cheaper GSM to GSM calls instead of more expensive IP to GSM calls. There is still work to be done to provide a smoother transition but GSM-VoIP merging will benefit both the hotel and the customer.

**Internal Communication.** Typically the guest uses the bedroom telephone for three things: as an alarm clock, to call another room, or to dial for service. None of these functions actually require a telephone. At the simplest level, an alarm clock and intercom can suffice. Another alternative, already available, is to use the TV to also support telephony services.

**Smartphone Applications.** It is more likely, however, that the guests will want to use their mobile phones for internal communications. It is still a new concept but nowadays hotels are also implementing Web-based mobile applications for the in-house guest experience. Recent examples are the SLS Hotel at Beverly Hills GoSLSHotel app that provides concierge recommendations, makes restaurant reservations and sends a message to housekeeping. And the Caesars Palace in Las Vegas recently released a smartphone app designed to fast-track hotel check-in.

The future is clear: Solutions to merge the mobile phone and the guest's internal and external hotel communication needs are set to grow. In the future the guestroom telephone will be the phone of the past.