

## CASE STUDY



### WiFi in a hotel – luxury or necessity?

According to global surveys by Synovate, 47% of customers check if a hotel meets their technology demands before they book in.

#### Worldwide

- iPass Mobile Broadband Index 2008  
Connections from hotels make up 34% of total commercial WiFi use worldwide. The annual increase in the number of hotel sessions was 66%.
- American Hotel & Lodging Association  
In 2008, 91% of hotels in the USA offered WiFi (56% in 2004). Only 16% of them charged for WiFi in rooms (22% in 2004).
- InternetWeek (2004)  
Most guests experiencing low-quality, free-of-charge WiFi connections declare that they never return to the hotel. 44% blame the hotel and not the provider for bad quality of the service. 25% share the information with others.
- HotelChatter  
Annual ranking of the best and worst hotels in terms of WiFi.

*The quality of wireless web-access service is as important for a hotel as well-mannered staff at the reception desk, comfortable beds, good cuisine in the restaurant or quiet and efficient air-conditioning. Like all of these factors, it has great influence on guest satisfaction and, in particular, their churn rate.*

## Dozens of hotels in Western Europe profited thanks to SPARK.

### INTRODUCTION

SPARK is a complex solution providing the ability to deploy secure, reliable and fast wireless Internet connection services in various commercial buildings and in public spaces.

As the creator of the SPARK software, Verax Systems acquired knowledge and experience of several dozens of implementations in western European hotels, ranging from the cheapest ones (such as B&Bs) to the most luxurious, five-star hotels.

### BUSINESS CASE

In order to attract both private and business customers, the hotels need to provide their guests with the highest possible comfort as well as access to everyday-use facilities and services.

Given that staying in touch with the family or company and the availability of services and access to information are among the most basic needs, especially when traveling, Internet access at the “home away from home” should not be considered a luxury, but an absolute necessity.

Undoubtedly, the form of providing Internet access in hotels that guests desire most is wireless connection availability in every single room.

Surveys show that one of the most important features of wireless Internet access service in hotels is its quality. Even free-of-charge, but unreliable Internet access, similarly to poor quality of each and every other basic hotel service, such as staff attitude at the reception desk, room equipment or meals, contributes to the customers’ negative perception of the entire hotel.

Therefore, SPARK is an answer not only to a simple satisfaction of demand for wireless Internet access service in hotel rooms, but, above all, to high quality requirements, which a respectable hotel has to impose before implementing such a solution.

### REQUIREMENTS

As in the case of most technology investments, one of the main examined factors is the cost. However, identification of major requirements imposed on the solution is essential, so that the new service does not do more harm than good.

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In order to formulate the requirements, many aspects need to be considered, such as:

- Business model – Internet access payment tariffs.
- Quality of service offered – consisting of, among others, reliable and intuitive user interface, good signal quality in every room, uptime.
- Varying number of users, increasing over time.
- Requirement for telecommunications data retention, imposed by the EU directive.
- Consistent image of the hotel – the need to adjust the interface to the brand design.
- Configuration flexibility, enabling e.g. the possibility to conduct one-off events (such as conferences), restricting access to particular services, changing tariffs or business models.

### SOLUTION

SPARK meets all these requirements. Thanks to the out-of-the-box solution approach, the deployment of the service is short in time and consists of:

- business and technical analysis, e.g. signal strength site surveys,
- hardware installation, i.e. hot spots, RADIUS servers etc.,
- network services software installation,
- provision of applications for billing, customer, service and portal data management, monitoring of the network devices and service usage reporting.



### BENEFITS

The benefits gained by our customers thanks to SPARK include the following:

- **Hotel guests' satisfaction** thanks to proven reliability of the platform and services – 99,999% uptime, regular copies and backup systems.
- **Time and money savings** thanks to the easy and independent service access model configuration: unrestricted tariff management, defining zones and “walled gardens”, etc.,
- **Flexibility for the customer** – support of many different ways of payment: credit cards, SMS, pre-paid scratch cards and vouchers, charging to the room or access free of charge.
- **Decreasing the access cost** through a bandwidth management mechanism, possibility of displaying advertisements etc.
- **Consistent image of the hotel** through complete customization of the interface to the brand design.
- **Compliance with the EU data retention directive.**

### RETURN ON INVESTMENT

As SPARK is a complete “out-of-the-box” solution, the implementation takes only 3-6 days.

Based on the experience of several dozens of hotels using SPARK, the return on the investment can be estimated using the following indices:

#### Paid Internet access

In terms of the very Internet access service sale, the average period of return on investment was **6 – 18 months.**

#### Free-of-charge Internet access

- Customer churn rate **decreased by 2 pp** after implementing a more reliable access service.
- Booking rate **increased by 1 pp** after announcing free-of-charge WiFi in the hotel offer.
- After abolishing the Internet access fees, the average occupancy **increased by 1.5 pp.**

### SUMMARY

Thanks to the long-term experience and a ready-to-use technical solution, Verax Systems has provided the customers with great satisfaction of their guests and, as a result, a quick return on investment.

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systems

Verax Systems is a software house and a consultancy & solution provider specializing in advanced and innovative IT solutions for the telecommunications, banking and enterprise markets. Since its incorporation, Verax Systems has successfully provided services and delivered numerous projects on five continents.

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