



## Front Office

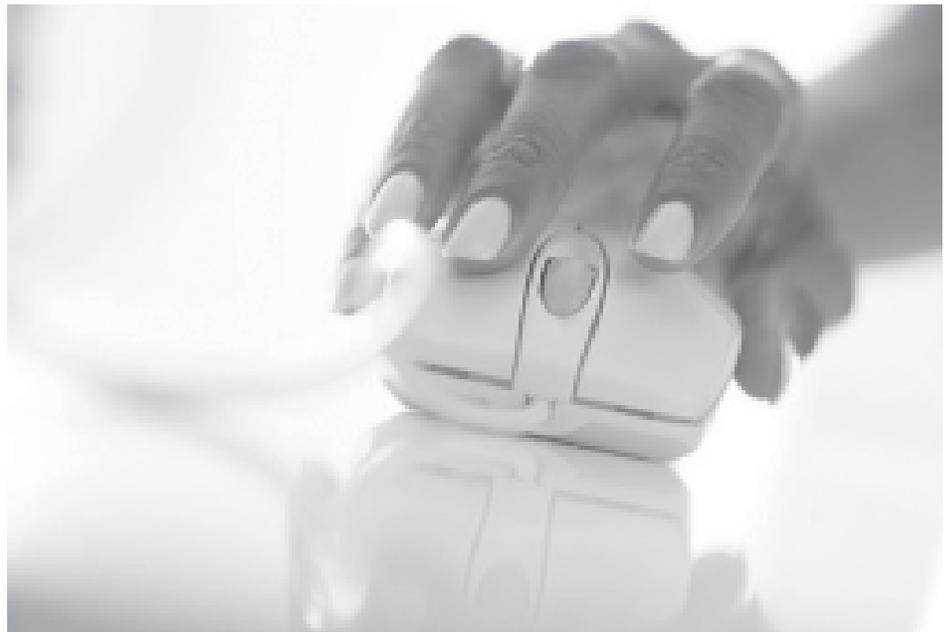
by Samantha Marks

# The prevalence and future of Internet access in hotels

*Another great article from The Rooms Chronicle® the #1 journal for hotel rooms management! \*\*\*Important notice: This article may not be reproduced without permission of the publisher or the author.\*\*\* College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com*

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The more technology becomes a necessity in today's society, whether at home or at the office, the more individuals begin to crave that same technology while on the road. This trend not only includes business travelers but leisure guests as well. It seems that while business travelers need to maintain contact with the office and their clients, leisure travelers have started to become reliant on remaining in contact via email with family and friends during their vacations. Internet access within hotels seems to be the solution for many guests to continue their traveling with the most convenience.



### Wired or wireless?

Between the two kinds of Internet access that is available, wired high-speed Internet access is the one currently provided by the majority of hotels in the United States. According to a 2006 survey conducted by the American Hotel & Lodging Association, nearly 90% of responding hotels offered high-speed Internet access in guestrooms, an increase from 50% reported in 2004. Alternatively, Wi-Fi (Wireless Fidelity) is offered in some but not all hotels, as another choice for accessing the Internet. However, it appears to be becoming more popular within the lodging industry. The same 2006 survey conducted by AH&LA revealed that 82% percent of responding hotels reported they had wireless capability, up from 35% in 2004.

### Pay to play?

Overall, many hotel guests tend to find Internet access a positive service within hotels. However, there is one minor drawback: the fee. Some hotels who offer Internet access to their guests also offer it for a fee. Today, hotels are typically offering the service for \$9.95-\$11.95 a day. Business travelers are less likely to complain about this charge due to the fact that their traveling expenses are usually taken care of by their company. Leisure travelers, on the other hand, are a different story. When vacation goes spend a great sum of their personal discretionary income on flights, hotel reservations and local attractions, many find that spending an average of \$10 a day to be obscene, especially when all they want is to check their email. In fact, according to a 2007 YPB&R survey conducted among 304 leisure travelers, only 33% were willing to pay for high-speed Internet access.



In fact, some hotels realize that not all guests are willing to pay this fee. Most economy, limited-service and select-service hotels in the United States do not charge guests for Internet access. They recognize that guests are already paying to stay there and do not want to pay for the service of "convenience." While upscale and luxury hotels offer greater levels and variety of amenities and services, they also typically charge a premium for these services. Perhaps they figure that guests are already spending so much they will not blink twice at a nominal \$9.95 charge for Internet access. According to the 2006 AH&LA survey,



18% of hotels that responded charged for Internet access at their property, a decline of four percentage points since 2004. Furthermore, according to the survey, approximately three-fourths of both deluxe and upscale hotels still charge for high-speed Internet access. There is a significant difference between lower and higher end lodging properties regarding their pricing policies of Internet access.

Despite hotels' fees, it does not change how guests perceive the importance of Internet access while on the road. When the 2007 YPB&R survey asked leisure travelers how important free wireless and wired high-speed Internet access is in a guestroom, 69% of the respondents rated it a three or higher (on a scale of one to five: not at all important – extremely important). However, when asked how important the availability of Internet access was from the guestroom when a fee is applied, the same respondents quickly changed their tune and the majority rated it as neutral to not at all important.

Internet access is a service that allows guests to socialize with family and friends in other ways besides cell phones and text messages which seem to be inundating today's society. The only aspect that stands in the guest's way is that daily charge. To emphasize this argument, the same 2007 YPB&R survey asked guests how much they were willing to pay for Internet access at a hotel/motel/resort. The results reported that 67% would not be willing to pay for Internet access and nine percent of these respondents would not stay at a lodging facility that did not offer complimentary Internet access. Twenty percent responded they would be willing to pay less than five dollars per day; 11% were willing to pay \$5-\$9.99 per day; two percent were willing to pay \$10-14.99 per day. None of the respondents were willing to pay more than \$14.99 per day. Hence, some, but not most of the leisure travelers were willing to pay for Internet access.

### **Is it profitable?**

Some hotels have seen Internet access as an alternative way to gain extra revenue since their local and long distance phone call revenues have been dropping steadily since the introduction of cell phones. While this may seem like a good idea for most hoteliers, if guests are refusing to pay for this service, how lucrative is it really? Hotels are actually only gaining a small amount of revenue that hotels which offer free wired or wireless Internet access are not getting. This outcome is less than ideal. This is one reason why general managers and owners have started to eliminate the high-speed Internet access fees altogether. This plus the finding that 23 percent of business travelers said they would switch hotel brands if an Internet access fee was charged.

### **One type over the other?**

Another posed question to hoteliers is why not change permanently over to just wireless high-speed Internet access since it seems to be a more convenient form of Internet access, especially with the proliferation of handheld PDA devices? Why are hotels still offering both wired and wireless Internet access? There are a couple reasons for this.

One of these reasons is actually because many hotels cannot do so. Older and more historic hotels are prevented from offering only wireless because of how they were built. Hotels, like the world famous Waldorf=Astoria in New York City, were built mainly with concrete. This prohibits the wireless signal from passing from room to room. In order to provide wireless Internet access at the Waldorf=Astoria, management would have to install a wireless router in almost every room. The expense of installation would cost them more than it would to just continue offering wired Internet access in the guestrooms and wireless in the lobby.

Another reason why hotels have not switched over to completely wireless Internet access is because of the guests. Not all guests prefer wireless high-speed Internet access. While wireless may provide the convenience of accessing the Internet while in bed instead of at the desk, this is usually not the guests' main priority. Guests sometimes feel that wireless Internet access is unstable, unreliable, or even poses an online security threat. Lost connections or intermittent signal strength can be even more inconvenient than not having Internet access at all. Wired Internet access is more reliable and connections are rarely disrupted.

## **Conclusion**

The presence of Internet access in hotel guestrooms is ultimately very important to guests in today's society. Email and applications such as instant messaging have become very popular and Internet access is necessary to utilize these programs. While hotels across the United States have different policies and prices for this service, multiple surveys have divulged that the trend of Internet access in hotels will eventually lead to both wireless and wired high-speed Internet access being offered throughout hotels worldwide and both being offered for free. ✧

*(Samantha Marks is an honors student in the College of Hospitality and Tourism Management at Niagara University. She has been employed at various lodging properties as a front desk clerk and is currently a sales intern at The Conference Center Niagara Falls. This article was researched and presented as part of her honors course of study. Comments or questions may be emailed to: [editor@roomschronicle.com](mailto:editor@roomschronicle.com).)*