



## Dutch Business Hotel Introduces Innovative Guest Services

Parkhotel Den Haag used a converged Cisco network to generate revenue, reduce costs and improve customer satisfaction

### EXECUTIVE SUMMARY

**Customer Name**

Parkhotel Den Haag

**Industry**

Real Estate

**Location**

The Hague, the Netherlands

**Number of Employees**

53

**Business Challenge:**

- Desire to differentiate the hotel from its competitors
- Need to improve the cost efficiency and effectiveness of communications
- Need to replace declining revenues from traditional telephone services

**Network Solution:**

- Converged network for voice, video and data that supports many different services
- Integration between guest communications services, and hotel and building management systems

**Business Results:**

- Created an innovative guest experience that differentiates the hotel in its market
- Reduced operational costs on IT, printing, help desk, and other items
- Achieved 10 per cent growth in revenues from Internet services, and attracted new revenue sources such as advertising

### Business Challenge

Parkhotel Den Haag is a four-star, 120-room hotel and conference centre in The Hague, the third largest city in the Netherlands and the country's seat of government. About 75 per cent of the guests are business travellers and the remaining 25 per cent are tourists and private travellers. Parkhotel is owned by the holding company of the Levi Lassen Foundation, a charitable organisation that funds social improvement projects.

A premium hotel in a sought-after location, Parkhotel nevertheless has to work hard to capture business and customer loyalty from other hotels of an equally high standard. In this kind of market, it is no longer a differentiator to provide stylish and comfortable rooms, excellent service and delicious food.

"It's increasingly difficult for us to differentiate ourselves from our competitors when the core services we offer are so similar," says Jacques Ravoo, General Manager of Parkhotel Den Haag. "As a progressive organisation, we realised that technology offered us an opportunity to create a superior and innovative guest experience that would differentiate us very clearly from the competition."

In transforming the guest experience, Parkhotel also wanted to create an environment that would help its employees to work more effectively and, if possible, reduce operating costs. The timing was perfect. The hotel's existing telephone equipment was due to be replaced because it no longer met the organisation's needs and had been subject to poor service levels. In addition, Parkhotel had been offering Internet access to guests using a third party provider. The objective was to bring this capability in house and make it part of an online hospitality service at the centre of a more integrated approach

to communications throughout the building. The solution appeared to be a converged infrastructure that could be used for a wide range of telephony, data and video services.

### Network Solution

The hotel management considered proposals from four different vendors before deciding on a wired and wireless network based on Cisco solutions. Not only did Cisco offer an end-to-end system that fulfilled all Parkhotel's requirements, the company's positive attitude also impressed Jacques Ravoo. "Cisco were proactive about setting up demonstrations that helped our evaluation process," he explains.

Cisco partner AVIT built the network around Cisco Catalyst switches and three models of Cisco Integrated Services Routers. Cisco Integrated Services Routers are specifically designed to run a range of applications - including voice, data, security, video and wireless - concurrently and at high speeds. Several functions are built in to each model, meaning that Parkhotel did not have to buy separate systems to obtain all the services it required.

Cisco® Unified Communications Manager software manages all the call processing functions that used to be done by traditional private branch exchanges (PBXs). The hotel is using another centralised application, Cisco Unified Communications Contact Centre Express, to run its help desk for guests.

All telephony services, including a wide range of facilities in the guest rooms, now operate on the converged Cisco network. Nevotek's V/IP Suite, software developed specifically for the hotel sector, provides the necessary links between the Cisco solutions, the guest services, and the hotel's own back-office and other systems such as POS (point of sale), F&B (food and beverage), and PMS (property management system).

**“We have become considerably more competitive and our guests are very happy with the new environment.”**

—Jacques Ravoo, General Manager, Parkhotel Den Haag

This level of integration enables Parkhotel to provision new services for guests, as required, and to tailor them to the individual. Thanks to a link with the hotel's MICROS-Fidelio room reservation software, for example, staff can now display a welcome message on the telephone in a guest's room and set the telephone to the appropriate language - a useful function when over 50 percent of guests come from abroad.

A Cisco Unified IP Phone in each room connects guests to an expanding range of innovative services, the majority of which are free of charge. These include wake up calls, breakfast orders, flight information, a directory of the hotel's services, real-time stock exchange information, local and international weather reports, and advertisements for local companies such as restaurants. Details are displayed on the colour screens on the Cisco handsets, providing guests with a convenient and user-friendly source of up-to-date information.

Guests can also pay a small fee to send emails via the telephone. They speak the message, which is translated into text by voice recognition software and transmitted in the usual way.

Parkhotel Den Haag has formed a productive relationship with AVIT, the Cisco partner that designed and installed the network. AVIT employees regularly attend the hotel's twice-monthly task force meetings to review operational and strategic matters. This enables managers to discuss proposed changes or developments with AVIT to ensure that any networking issues and options are understood at an early stage.



### Business Results

Creating a high-quality, unique guest experience has given Parkhotel a valuable differentiator in a competitive marketplace. In a survey carried out last year, 95 per cent of guests who responded said that they were very happy with the new services and wanted to hear about future developments. Only five per cent of guests said they were worried about using the services or did not think they were of interest. The hotel management responded to this minimal negative feedback by producing a card that is attached to each telephone handset and summarises the key features of the services available.

Parkhotel Den Haag is currently conducting a second survey to measure satisfaction again and to ask guests which additional services they would like. "We have become considerably more competitive and our guests are very happy with the new environment," Ravoo confirms.

The introduction of a converged network has generated benefits that impact not only the hotel's guests but also its staff and important processes such as building management. The financial advantages are significant. By creating one network for voice, data and video, Parkhotel Den Haag is substantially cutting its operational costs for IT. At that same time, the capacity and functionality of the Cisco solutions will help to protect the hotel's investment in the network - which was fully financed by Cisco Capital - and to reduce its total cost of ownership.

Parkhotel has further reduced its operational costs by delivering all hotel information to guests online via the IP telephones in their rooms. It is much easier to update this information, which changes frequently, and the hotel is saving significant amounts on printing. In addition, the new help desk system enables IT staff to monitor and fix equipment remotely. This saves money because the hotel no longer needs to have support staff permanently based on site.

As well as reducing its operating expenses, Parkhotel Den Haag is starting to add new services that help to increase the revenues from each occupied room. It is also creating external sources of revenue, such as advertising income from local firms whose content is delivered on the IP telephones.

The hotel is now able to offer guests the same level of technology services that they use at work or at home, and it is making the most of this strong selling point. Guests can purchase Internet access in convenient blocks of time and there are special rates for groups. The in-house capability has given the hotel more control over the marketing and pricing of the service. When added to the total package that constitutes Parkhotel's unique offer, this can be a valuable sales tool.

"Last year, we succeeded in attracting two very large groups by offering them Internet access at €1 per person per day when our competitors were charging €15 per day for the same service," explains Ravoo. "We earned over €500,000 in revenues from the two groups, which more than justified our flexibility over Internet charges, and we avoided discounting our room rates."

Since bringing the service in house, Parkhotel has enjoyed 10 per cent growth in revenues from Internet access. “The ratio of revenues from telephone and Internet services used to be 80/20 and now it’s 50/50,” says Ravoo. “Given that traditional telephone revenues are declining, this is a very positive trend.”

The hotel has also transferred some of its security systems to the IP network, including closed circuit television (CCTV) surveillance of unmanned sites. This has helped to improve the physical security of the building and it has cut costs by centralising the monitoring process. This is yet another example of how moving services from separate networks on to a single infrastructure is gradually reducing the hotel’s overheads.

### Next Steps

In the short term, Parkhotel Den Haag will transfer all TV services to the IP network and introduce IP-based video on demand in the guest rooms. This will provide greater choice for guests and make it easier for the hotel to offer customised content. Guests will also be able to view the room service menu, including images, on their

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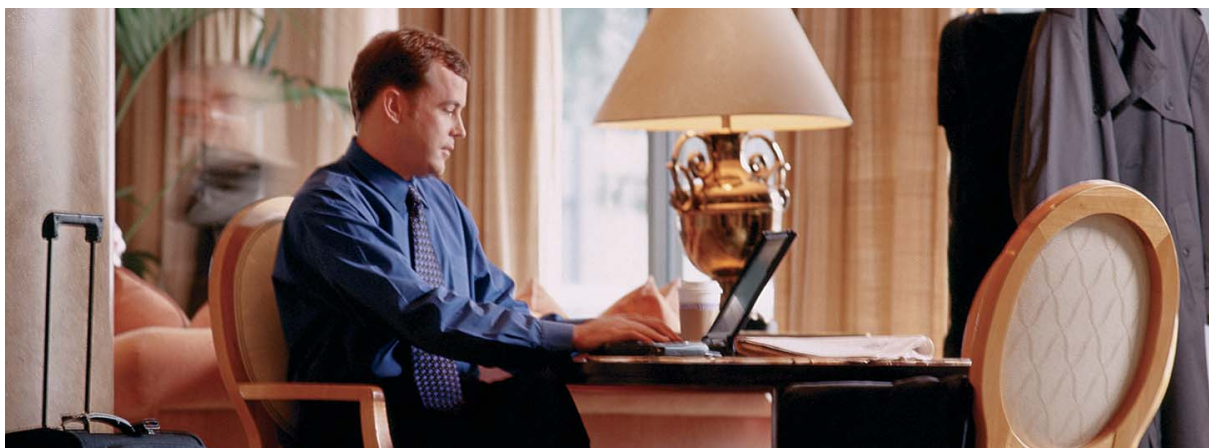
telephones and select an order which will be sent directly to the kitchen for processing. The hotel also plans to allow guests to obtain real-time views of their bill status on the telephone handsets.

The long-term vision for Parkhotel Den Haag is to transfer the majority of guest communications services to the converged network, together with other applications such as video and digital signage in public areas. That could enable the hotel to introduce applications such as the use of digital signage to direct guests to the nearest exit in the event of a fire, subject to approval by the local fire department.

Eventually the three main guest communications terminals - telephones, TVs, and plasma screens - will all be driven from a single data source. This integration will enable the hotel to introduce more intelligence into its services: for example, by automatically muting the TV when the telephone rings in a guest’s room. “Our goal is to develop the integration that now exists between guest communications and the hotel and building management systems,” concludes Ravoo. “We now have many opportunities to continue improving efficiency, reducing costs, and increasing customer satisfaction.”

### For More Information

To find out more about Cisco solutions for the hospitality sector, go to: [www.cisco.com/go/trec](http://www.cisco.com/go/trec).





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