



Langham Place Hotel boosts efficiency and guest services with leading-edge IP Telephony

World's most advanced hotel technology comes to Hong Kong

EXECUTIVE SUMMARY

Langham Place Hotel is a 665-room, 5-star hotel opened in July 2004. Located at Langham Place, Mongkok, Kowloon, the new hotel is part of a major HK\$10 billion urban renewal development that also incorporates an office tower and a palatial shopping mall.

Mongkok is a high-density residential district strategically placed for the airport, the mainland Chinese border and the great tourist and shopping districts of Tsim Sha Tsui. "The Langham Place Hotel is part of an urban development that will change the face of Mongkok, transforming it into a center that will attract tourists, shoppers, and those seeking leisure pursuits," says Mr. Brett Butcher, managing director.

The new building is owned by Langham Hotels International, a group with three hotels in Hong Kong, and five worldwide, including its flagship, The Langham Hotel in London.

THE BUSINESS CHALLENGE

Hong Kong's hotel business has suffered from the recession and other local factors, but the Langham Hotels Group is currently having its best year since 1997, with occupancy up 25 percent. "It augurs well for the future, and I think it will continue, underpinned by mainland tourists and the economic growth of China and Hong Kong," says Mr. Butcher.

While this is a good time to launch the Langham Place Hotel, regional competition is intense, and a major new venture requires a competitive edge to succeed. Mr. Butcher's background was in IT services for the hospitality industry, and he saw in the new hotel a unique opportunity to create all-IP communications services, including wireless access for use by both guests and staff. "I was convinced that superior IP communications services would pay off in raising efficiency throughout the hotel's operations. It meant being at the forefront of the industry, and taking a calculated risk," he says. In late 2002, Mr. Butcher pitched the idea to his board of directors, with a price tag of US\$4.5 million, and received the go ahead.

"The target market for the hotel comprises 60 percent business and 40 percent leisure travelers," says Mr. Butcher. "We need to attract technologically savvy business travelers and show them that we have the technology they need to do business in today's environment."

THE NETWORK SOLUTION

The Langham Place Hotel is one of the first in the world to have telephony services based entirely on Internet Protocol, with both fixed line and wireless phones.

Based on Cisco's AVVID (Architecture for Voice, Video and Integrated Data), the IP network is powered by Cisco Catalyst 3500 and Catalyst 6500 Series switches, and a cluster of Cisco Call Manager MCS7845 server.

The broadband wireless or 'Wi-Fi' bubble (wireless LAN to IEEE 802.11b & g) is created with 540 Cisco Aironet 1200 Series wireless access points, invisibly embedded in the décor, and providing seamless coverage to virtually every location in the hotel.

Each guest room has a Cisco IP Phone 7970 with a color touch-screen and the ability to run multimedia applications. In addition, Executive Room guests are provided with a Cisco Wireless IP Phone 7920, and the majority of the 500-strong staff will carry the same model. A total of over 1,500 Cisco IP Phones are deployed.



Langham Place Hotel
in Mongkok

THE IMPLEMENTATION

After the board of directors approved the project at the end of 2002, Mr. Butcher along with his team and IT consultant-Pertlink Limited, spent almost a year conceptualizing and fine tuning the overall IT infrastructure that would re-define the positioning of the hotel. Recalls Mr. Butcher, "We looked at competitive systems, but at the end of the day, there was no other offering with the same advanced features as the Cisco solution, especially with regard to the Cisco IP Phones with color screens."

In November 2003, Cisco was signed up as the network equipment vendor for the network, which was to be designed and implemented by PCCW, the company's systems integrator for Hong Kong. The whole project was installed over a five-month period, concurrently with construction and decoration of the new hotel.

THE BENEFITS

The IP Phones in the guest rooms have large color screens, which present information very effectively, for example the maps of the locality, and photos of local attractions. The phones can be used to access selective web-based information, including weather, news, stock quotes and flight schedule. Hotel guests can also enjoy an array of multimedia and interactive features such as listening to international web-based radio, sending emails and short messages. The IP Phones also provide customization features, which enable the guests to tag specific information and instructions like showing several stock quotes continuously on screen for easy reference.

The availability of Wireless IP Phones enables guests to use them anywhere in the hotel including restaurants, swimming pool, or even the elevators.

The IP Phone also provides a valuable feature that enables business guests to connect their hotel phone to any IP Phone they may have in their home office, and use it as if they were in their own office environment.



Cisco Wireless IP Phone 7920 and Cisco IP Phone 7970



Mr. Brett Butcher
Managing Director
Langham Place Hotel

SMART GUEST SERVICES

One of the major achievements of the Langham Place Hotel in use of the IP network is the creation of a revolutionary and ultra-efficient guest service management system, called S.M.A.R.T. (Single-Touch, Multi-Action, Response Team). When a guest needs a service, he can use the Wireless IP Phone from anywhere in the hotel to scroll through, or search, a list of services, and hit a button to make a voice request. About six people man the S.M.A.R.T. Center, responding to each guest call, and making necessary arrangements by sending an electronic message to the IP Phone of the appropriate staff member.

"If the guest in room 1228 needs a socket adaptor, or wants to order a hamburger, or to extend his stay at the hotel, the S.M.A.R.T. Center sends an electronic message to the IP Phone of a member of mobile staff available to handle the request. The staff member acknowledges the request, and then carries it out. Every request stays on the S.M.A.R.T. system until a message indicating its completion is received," says Mr. Butcher.

In conventional hotels, a guest who wants to order a specific service must decide whether to call, for example, housekeeping, the front desk, room service, or a restaurant, and the response will vary according to the workload at each location. The S.M.A.R.T. system pools both the requests and the response staff, providing much better guest service, more productive use of staff time, and a task-logging system that prevents delays or service failure.

Most of the staff, including the management, have Wireless IP Phones, so they are always instantly accessible. "I can walk around the hotel, look at my emails, or have the phone read them to me, and answer the urgent ones, without going to my own office," notes Mr. Butcher.

Some staff members have PDAs (Personal Digital Assistants), which are linked to the guest database and can therefore be used for tasks such as checking-in a guest or interrogating an electronic lock to see who has entered a room on the last ten occasions. In fact, the PDA has almost as much functionality as the front office terminal, in addition to being a mobile phone.

Even the 42-inch plasma screen televisions are on the IP network, so that the hotel can use them to display interactive guest information or web services if desired. The TVs can accommodate video streaming from the World Wide Web, and can also receive any cable channel delivered over IP.

IP services are available through telephone LAN ports around the hotel, and any IP devices can be plugged into them, including IP Phones, or guests' laptop computers. These ports can also be used for CCTV cameras needed for security purposes.

Another revenue generating aspect of the IP network is web marketing. When prospective guests visit the Langham Place Hotel website (www.langhamhotels.com) from anywhere in the world, using a PC or laptop with speakers, they will be able to use a single mouse click to make a free Internet voice connection to the hotel's Reservations Agents, and if desired, make a reservation.



INVESTING IN SUCCESS

"It is our great pleasure to power Asia's first All-Wireless, All-IP Telephony enabled hotel. IP is gradually becoming a mainstream for hotels worldwide as they start to realize that apart from high-speed Internet access, it can help save costs, enhance customer service and create new revenues," remarks Mr. Frankie Sum, managing director, Cisco Systems. "By staying at the forefront of IP technology, the Langham Place Hotel has beautifully set itself apart from the competition, and established a new paradigm in Asia's hospitality industry."

Experience so far provides strong support for his group's investment in IP communications technology, according to Mr. Butcher. "You have to invest in new technology and it is not cheap. Our budget for IP-related technology totaled US\$4.5 million, but this is for a \$256 million hotel. Our best estimate is that our business traffic for the hotel will be 5-10% higher because of the IP system. We could have built the network cheaper, but for sure we would not have been able to generate as much revenue as we will with the present system."

The IP network provides a powerful communications platform for advanced management services, says Mr. Butcher. "The next logical step is to extend the system to the Eaton Hotel in Jordan and the Langham Hotel in Tsim Sha Tsui. We may eventually operate guest services for all our three hotels in Hong Kong using a single S.M.A.R.T. Center. Ultimately, we can operate with one reservations center and back office, which will be extremely cost-effective," he adds.