

# HOTELBUSINESS

## TECHNOLOGY

### In-Room Entertainment Evaluation Begins With The Basics: TVs & Content

NEW YORK— For those hoteliers canvassing the aisles here at the 2005 International Hotel/Motel & Restaurant Show for answers to their questions about how to upgrade their hotels' in-room entertainment offerings, the quest should begin with the basic tools of in-room entertainment: televisions and content. Without either of these crucial product building blocks, in-room entertainment would just be an oxymoron.

Within the television category, most of the more well known manufacturers will have a presence here, including Philips Electronics, North America; Sony Electronics Inc.; LG Electronics; Panasonic; and Samsung Electronics. Philips, in particular, will be launching new flat-panel LCD and plasma TVs at the show that are high-definition compatible and work with a variety

of pay-per-view providers.

"We're introducing our large screen LCD lineup and portfolio of fully integrated high-definition LCD and plasma TVs," said Julia Langley, Philips' vice president and general manager of business display solutions. "We'll have at the show our 32-inch and 37-inch LCD TVs and our 42-inch plasma. And what's special about these is they draw upon our slot card technology, which is one of our mainstays that allows us to offer continued upgradeability."

Langley added that on the pay-per-view front, Philips has been one of the more active manufacturers and has had a long-standing relationship with nearly all of the players in the sector, including On Command and LodeNet. She noted that Philips even works with the newest hospitality pay-per-view providers as well.

Langley also emphasized that



Technology supplier nStreams Technologies Inc.'s IRC 4.0 is a cable modem-based in-room entertainment technology solution.

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Philips' latest TV products for the hotel industry can help hoteliers with the forthcoming transition associated with a new Federal Communications Commission mandate. Under this mandate, TV manufacturers are forced to phase in integrated digital Advanced Television System Committee (ATSC) tuners into all TV sets measuring 25 inches or more by March 1, 2006. As a result, hoteliers will not be able to purchase TVs equipped with the analog National Television System Committee (NTSC) tuners after Feb. 28, 2006.

"ATSC tuners are more expensive," Langley explained. "However, those TVs with NTSC tuners will still work after February. So our role to play at the show is to help customers make this transition from using analog to high definition and from CRT to LCD. We want to drive the market and position ourselves as a partner for our customers in making this transition as smooth as possible."

That transition could be smooth because of Philips' TV slot card technology, which Langley said allows Philips to take a CRT TV and keep it from being obsolete. That technology will effectively allow for signal conversions in CRT TVs when digital broadcast replaces traditional analog transmission. That will, in turn, lead to a longer shelf life for CRT TVs that owners may have just recently purchased.

Meanwhile, over at the Sony Electronics booth, the company will be displaying its new 40-inch LCD TV as well as a 32-inch LCD TV and a 42-inch extended definition plasma TV. Neal Goldsmith, Sony's product manager for display product marketing, noted that the extended-definition TV is similar to a high-definition TV, only the resolution is slightly lower as is the price. "At normal viewing distance, however, the 42-inch extended-definition set looks better than a high-definition product," he added.

In the end, the choice for hoteliers looking to venture into the world of flat-panel TVs, inevitably comes down to LCD versus plasma. Goldsmith said that in making that decision, size will often dictate preference. For example, if someone wants a 50-inch TV, plasma must be



KoolConnect Technologies will be showcasing its Intrigue HD in-room entertainment system away from the floor at the 2005 International Hotel/Motel & Restaurant Show.

the choice because an LCD would be too expensive at the size level. However, when size is not a factor, Goldsmith said that LCDs are more expensive than plasmas now, but don't have as many image-burn issues. Nevertheless, he noted that pricing has come down across the board for the new flat-panel TVs, so LCDs are becoming more affordable for hotel owners.

"When they renovate their hotels nowadays, owners seem to want to replace their CRT TVs with flat panel TVs and new video systems to go along with it," Goldsmith said. "And business for us, as a result, has been absolutely booming. There's been phenomenal growth within the lodging industry and we expect a real good turn out at this year's show and a lot of interest in our products."

Of course, without content, TVs would just be big useless boxes. Filling that need for content at the show this year are such companies as nStreams Technologies Inc., which will be showcasing its new interactive TV product that uses cable modem-based technology.

According to Linda Ip, nStreams' marketing coordinator, this technology, called a Hospitality iTV system, offers more features with less equipment and faster installation time. It is an integrated system that

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# In-Room Entertainment Companies Offering More Than Just Movies

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provides both iTV services as well as laptop connection services. As a result, nStreams installs in each hotel guestroom one device that is designed to satisfy the entertainment needs for guests by providing them with the latest movies and allowing them to check their e-mail via the Internet on TV. Furthermore, this is all done through a small communication box that provides bi-directional communication.

"We install as little equipment as possible in the room," Ip said. "That reduces overall cost, and a lot of hotels simply don't have the space for much in the way of in-room entertainment equipment. So this works well for them. And we sell to all ranges of hotels and sizes."

Ip said that the list of services provided by the Hospitality iTV system includes video on demand, near video on demand, guest services, folio review, express TV check-out and the Internet. "The emphasis with this system is not so much on

the entertainment, though," Ip added. "It's on the value of the system to the hotel and how it promotes foot traffic to the hotel's amenities, like the pool. The other bonus is that the express check-out function frees up the lobby for guests checking in. The movies are also important and a nice feature, but they are sort of secondary."

Regarding hotel in-room entertainment in general, Ip asserted that the business has been doing very well since the last hotel industry downturn. As a result, while nStreams' business was strong in 2005, the company could see triple the business in 2006 as the hotel market continues on its upswing.

Serving the very high-end of the market in terms of in-room entertainment for some time now has been KoolConnect Technologies Inc. And while the company won't be exhibiting at this year's show per se, it will be bringing show attendees to a suite where it will present its digital and high-definition platforms and answer customers' in-room



Philips Electronics, North America will be speaking with potential hospitality clients at the IH/M&RS about a recent Federal Communications Commission mandate that will effect business going forward.

entertainment-related questions.

"We're going to demonstrate our digital platform and two high-definition platforms, which in spite of recent enhancements, remain the most widely deployed high-definition solutions in the business," explained Mike DiLeva, an executive vp and general manager at KoolConnect. "We've deployed the solutions in three Mandarin Oriental hotels as well as in the new Wynn Las Vegas. We're also going to chat with hoteliers about how this all fits into the hospitality value proposition and should it be about movies or more about guest service. Should a hotelier buy LCD TVs or other high-definition TVs? Should they wait a little longer, what should they have coming over their signal, what should they look for in general? Those are the questions we'll be answering."

Though DiLeva further asserted that in-room entertainment is about much more than simply movies, KoolConnect does have the Hollywood studio connections that provide it with today's top films. The company has agreements with what are arguably the top nine movie studios, and it is

also nearing an agreement in which it will be able to license high-definition Hollywood content.

"I kind of chuckle when I hear about a new provider establishing a big deal with one studio," DiLeva said. "We're there already and, in fact, we're ahead of the game. We've actually had the opportunity to get high-definition studio content for quite some time now, but we felt we wanted to make sure we could offer the content to hotels regardless of what kind of TVs they had."

For those hotels interested in obtaining what KoolConnect has to offer, the company's primary high-definition product is its Intrigue HD system, which incorporates a wide range of features and applications. Those features include HD video on demand, high-speed Internet access, property management system-generated message displays, express check-out, a digital art gallery, an interactive program guide, a daily hotel events directory, media cen-

ters, DVD players, guest information and language personalization, among other aspects.



Technology supplier nStreams Technologies Inc. will have on display at its booth its Full Rack interactive TV solution.



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