ISHC Miami Beach

<u>Tech Trends</u>

1. Increased awareness of need for better security
    - keeping up with anti-virus, anti-spyware, security patches, back-ups, etc. always a pain
    - ditto user profile management, password procedures, etc.
    - guest profile data losses embarrassing so far, potentially far worse (e.g. European legal restrictions)
    - new legal requirements may lead to personal responsibility and liability for senior management
    – accuracy of financial data, who changed what, who's authorized, who's on the network?
    - Sarbanes-Oxley, CAN-SPAM, etc. (a compromised PC can broadcast spam from your network and may lead to your ISP shutting down your Internet connection and black-listing you)
    - too much and too complex for untrained managers
    - growing realization of value and need for outside control and central systems management

2. Converging networks
    - Cat 5/6 networks to guestrooms are converging
    – single cable for all systems (TV, phone, video, locks, mini-bar, thermostat, Internet, etc.)
    - vendor cooperation, triple play vendors
    - rapid move to wireless – hugely attractive flexibility vs. security, dead spots
    - <u>must</u> separate guest and admin networks
    - IP phones still coming, more practical as part of complete triple play package w/content on TV
    - WiFi phones, usable outside guestroom w/location detection - maybe
    - need for bandwidth monitoring, to charge for high use and adjust incoming service
    - further incentive to outsource
    - possibly completely wireless hotels in future – though power cabling still needed

3. Internet focus still growing
    - on-line bookings rose 20% over 2005, now surpass GDS bookings
    - critical importance of own Website, SEO, rich content
    - increased functionality of Website for individual/group/condo owner functions, for bookings, profiles, block management, dynamic packaging, statement access
    - mash-ups (search data plus mapping)
    - channel management becoming more automated as channels proliferate
    - monitor and respond to other sites (TripAdvisor, etc.)

4. Increasing emphasis on BI over functional content
    - many systems have rich functionality, but there's an increasing thirst for data
    - ad hoc inquiries, analysis
    - multi-property comparisons
    - more visuals – dashboards, analysis cubes

5. More complete system offerings
    - systems including more functions – spa, golf, POS, S&C, CRS, condo, members, on-the-fly package building
    - more powerful and flexible links between systems – XML, IP networks
    - more cooperation between vendors – HTNG, ad hoc partnerships
    - mergers (SoftBrands), more formal partnerships (HIS + spa, golf, POS, S&C partners)
    - interesting new vendors with comprehensive systems – Amadeus, AltiusPAR
    - central hosting increasingly attractive

6. Wider application of Yield/Revenue Management
    - not just group/transient analysis
    - includes distribution channels
    - growing to include activities (spa, golf, dining, etc.)