The travel and hospitality business is one of the fastest growing sectors in India. At present, it accounts for about 6.23 per cent of the GDP and 8.78 per cent of the total employee base in the country. According to the Department of Industrial Policy and Promotion, Ministry of Commerce, the Indian hotel and tourism sector witnessed a foreign direct investment of $6,561.78 million between April 2000 and January 2013. {K2Splitter}

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Considering the business opportunities offered by this growth, players in this industry are extensively using telecom and IT as tools to achieve organisational efficiency and reduce operational costs. Leading hotel and restaurant chains deploy telecom solutions for upgrading and transforming their IT and telecom legacy system, process re-engineering, hotel reservations and booking, transaction processing systems and loyalty management. In addition, the majority of companies in this segment completely outsource their life-cycle management functions such as welcome calling, complaint management, query resolution and inbound customer service.

Considering the large number of daily customer-led interactions, the travel and hospitality industry has been pursuing automation on a large scale. Companies are using telecom and IT for services such as check-in, check-out, sales accounting and billing. Leading players in the hospitality sector have automated all these functions using solutions offered by operators and enterprise solution providers like Aegis and Tata Consultancy Services. In order to track and maintain a record of the numerous daily transactions, industry players have deployed fully automated property management, central reservation and point-of-sales systems.

Like other industries, the hospitality sector has adopted telecom-based applications and solutions to streamline operations. It has adopted various tools like customer relationship management (CRM) systems, centralised reservation systems, and information management systems, among others. Ensuring security is a key priority for the hospitality industry, and, therefore, players have deployed surveillance and access control solutions. Video recording and intelligent video analytics are being extensively used to address security threats.

Further, the travel and tourism industry has adopted telecom solutions to strengthen its value chain. Solutions adopted by the industry include workforce management systems, e-commerce, guest recognition systems, customer interaction management, mobility for enhanced guest experience, loyalty bonus programme administration, hotel database maintenance, fraud detection, finance and accounting systems, human resource systems, knowledge process outsourcing and quality assurance systems.

The industry relies heavily on the internet to provide information regarding properties, their location, the facilities offered, etc. Today, a large number of players maintain websites offering interactive services to customers. Users can have a 360 degree view of rooms and related services being provided by the hotel. Moreover, leading hotel chains are providing services such as wired and Wi-Fi internet, telephony as well as guest interfaces such as a tablet-based service as per the requirement of customers.

For providing connectivity on the premises, hotels deploy technologies like VPNs, leased lines, Ethernet and optic fibre connectivity. Further, for wide area network connectivity, technologies like ISDN, DLC (local loop), DLC (NLD), MPLS, IP-VPNs, point-to-point Ethernet and VSATs are being used. For international connectivity, hotels deploy technologies such as IP-VPNs, MPLS and IPLCs. Also, major hotels have converted their premises into Wi-Fi hotspots, providing guests 24x7 internet services in areas like lobbies, restaurants, swimming pools and business centres.

Going forward, the industry will see greater adoption of big data. The travel and hospitality industry will have to handle and manage a large volume of information and data. It is looking at ways to leverage this data into a useful, consumer-centric stream. It is here that big data and data analytics can emerge as the most useful tool for the tourism and hospitality industry to use the available data for determining consumer preferences and lifestyles. With extensive information available to the industry about a particular consumer, transaction or destination, organisations in the tourism and hospitality business need to use big data to arrive at accurate personalisation of a customer. This would help the industry deliver a richer consumer experience.

tele.net surveyed various companies in the travel and hospitality segment to assess their telecom requirements and solutions.

The following questions were asked as part of the survey:

What are the company's key technology requirements?

What mix of service providers and vendors is used?

What are the biggest concerns with respect to telecom infrastructure?

What are some of the mobility and enterprise applications implemented by the company?

Which network security tools are being used?

Which redundancy tools are being used?

Which new product or service holds the most interest or relevance for the company?

Key technology requirements

According to the survey, the key technology requirements of companies in the travel and hospitality segment are twofold – deploying mobility solutions and ensuring effective data management.

The respondents are of the opinion that adopting mobility applications is a must for all players in this segment, as most day-to-day businesses are undertaken in real time and across geographically dispersed locations. However, the challenge in deploying such solutions is integrating all systems and providing a unified collaborative experience across platforms.

Also, managing all data from a “master” platform is a priority for companies in this segment, which is important for creating a main database.

To achieve these targets, travel and hospitality majors have deployed a multi-tiered, robust and flexible communications set-up. Typically, such a set-up comprises internet connectivity, MPLS, core switches and routers, Centrix EPABX systems, unshielded twisted pair cables, optic fibre cables, Cat 6 cables, ADSL-2-based systems, primary rate interface (PRI) lines and dedicated leased lines.

Transport company Meru Cabs, for example, uses leased lines, which have built-in redundancy. The medium connects the company’s operations in each city to the central data centre in Mumbai. These leased lines are a combination of 2 MB and 45 MB links. The company has opted for three last mile technologies, which are deployed based on the office location. In most cases, an optic fibre network is used for last mile access. Other locations use copper or wireless technologies.

Similarly, cab service Super Cabz and the Ashok Group of Hotels has deployed leased lines. Super Cabz has deployed an internet-based leased line network, along with PRI lines. As per the respondent, the leased line infrastructure is used to connect the company’s servers with the hardware used by its fleet of cabs and the PRI lines are provided by Bharti Airtel.

The Ashok Group of Hotels uses leased lines to connect various hotels. A 150 Mbps leased line with a 4 Mbps line backup connects the Ashok and the Samrat, while the Ashok and the Janpath are connected via a 2 Mbps leased line. Agra-based Hotel Marina also uses leased lines to exchange data related to sales, room occupancy, special promotions, etc., across its branches.

Meanwhile, Jaypee Hotels and JourneyMart.com, an online travel portal, have opted for a cable-based telecom infrastructure. Jaypee Hotels uses unshielded twisted pair cables, which are a cost-effective connectivity medium.

JourneyMart.com has established high speed telecom infrastructure based on Cat-6 cables. The network speed ranges from 10 kbps to 100 Mbps, and the connectivity mediums used conform with Electronic Industries Association and Telecommunication Industries Association

specifications. The travel major also uses ADSL 2-based systems with a dedicated bandwidth of 2 Mbps. Its load sharing and redundancy systems have a dedicated bandwidth of 2 Mbps, provided by Bharti Airtel.

Other players such as Mahindra Holidays & Resorts India Limited (MHRIL), the Taj Group of Hotels and Prime Air Global Limited (Prime Travels) have opted for a multi-tiered communications set-up. MHRIL has deployed a high speed internet connection and an MPLS port of 40 Mbps bandwidth each. The MPLS port offers a speed of up to 2 Mbps at remote locations. Over 2,000 employees can currently access this network. MPLS is also used to connect its offices at various locations. Moreover, all offices are integrated using Centrix EPABX systems, and communication and collaboration between offices is further streamlined through chat and videoconferencing solutions.

A key initiative by the Taj Group of Hotels is the launch of a converged network with high bandwidth across all new hotels and those under renovation. The gigabit passive optical network (GPON) is a viable solution to address issues related to logistics, owing to its high bandwidth architecture and ease of implementation. GPON supports 2.5 Gbps of bandwidth per optical line terminal port. This network will be used by the hospitality major to improve content delivery to its rooms and enable guests to stream high definition videos and watch movies on demand, without facing any bandwidth crunch.

Meanwhile, Prime Air Global Limited uses an internet leased line set-up, in conjunction with a PBX system, PRI lines, VoIP and a unified communication module to connect all its offices.

Apart from standard telecom tools, several IT platforms have been deployed by the respondents. For example, Jaypee Hotels has deployed various Oracle and SQL-based applications that function on the Windows server platform. Carzonrent India Limited, a cab company, has automated its car rental and leasing businesses via an IT application. The company has also deployed a global positioning system and GPRS technology in its vehicles.

Service providers and vendors

As per the survey, the services of companies such as Bharat Sanchar Nigam Limited, Tata Communications, Reliance Communications, Bharti Airtel, Websense, BlackBerry, Oracle,

Mahanagar Telephone Nigam Limited, Sify Technologies, Cisco, IBM and Sun are being used.

Key issues and concerns

The lack of specific products, opting for the appropriate technology, working with multiple vendors, outsourcing network requirements to third parties, the increasing cost of telecom equipment and rapid technology obsolescence are the key issues for the segment.

“The biggest concern today is the lack of telecom products and services for the hospitality segment. Also, the IP PBXs and IP end-points are not commercially competitive, and, therefore, cannot be used for mass deployment,” says the respondent from the Taj Group of Hotels.

Mobile and enterprise applications

Players in the hospitality segment use several enterprise applications, among which enterprise resource planning (ERP) and CRM have witnessed large-scale adoption. As per the respondents, ERP is being used to develop a unified database for various functions. Also, most respondents have deployed group-specific applications that cater to each department of a company.

The respondents are also using various web- and mobile-based applications, which are integrated with existing applications. For Super Cabz, for instance, these platforms offer instant information updates and features such as automatic SMSs and allocation of duties. The company also offers a mobile-based application for new bookings.

Other mobility applications include BlackBerry devices, IPad devices and the ActiveSync facility on handsets.

Network redundancy

Companies in this segment use multiple redundancy options. MHIL, for instance, has added redundancy to its system's core switches and routers by adopting auto failover mechanisms and streamlined inter-branch connectivity.

Network security

All surveyed players have deployed multiple security mediums. The Ashok Group of Hotels uses two levels of network security for the back and front office functions respectively, while MHIL uses several mediums – security solutions from Websense, Cisco's ASA series of adaptive security appliances (for firewalls), the Symantec Endpoint Protection antivirus system, etc.

The way forward

Most players in this segment plan to enhance or upgrade their communications infrastructure.

The Taj Group of Hotels plans to enable multiple IP-based services on its networks. It will also implement more IP-based systems to offer high speed internet access, IPTV, telephony, room management facilities, video-on-demand and for ensuring network security. Optimising the network infrastructure and rolling out the GPON network are also a priority.

The Ashok Group of Hotels plans to upgrade its existing telephone exchange to an IP-based one.

Meanwhile, CIL is looking to establish a seamless and technology-driven set-up, with emphasis on web, voice and SMS-based applications which are scalable and capable of working on various platforms to meet the company's business requirement.

In sum, telecom has permeated every level of functioning in the travel and hospitality sector. Companies in this sectors are pulling out all stops to deploy the latest and most cost-effective technologies.

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