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**Can Voip Save Hotel Telephone Revenue?**

**By Marty R. Milette**

Introduction

As an hotelier, you must be concerned over plummeting hotel telephone service revenue. Thanks to mobile phones, what was once a sweet addition to the bottom line seems to have vanished forever - but what can be done?

The answer may lie in taking advantage of Voice-Over-IP Telephony or VoIP to put telephone revenues back on the bottom line - while at the same time offering your guests better service and lower cost than they can get from their own mobile phone operator.

This article describes VoIP and how it can be used by hoteliers to rebuild guest telephone revenue, reduce the expense of the hotel's own telephone service costs, enhance your guest service portfolio and add a differentiation factor against your competition.

Guest Perceptions of Hotel Telephone Service

As a small-business traveler with some degree of price sensitivity, I am terrified of even picking up a hotel telephone for fear of the charges. With many European hotels charging 4 to 6 per minute for international calls or even more - little wonder guests seek alternatives.

As a result, rather than using the phones in the bedrooms, guests will use their own mobile (cellular) phones because of the perception that it will be cheaper and/or more convenient.

While certainly being more convenient, when the guest returns home and sees what their mobile operator charges for connections, roaming charges and long distance service outside their home area - they discover that perhaps the hotel phone may have been a better option after all.

Recently, a European Commission investigation of roaming charge rates for European operators found that mobile operators universally overcharge their clients while roaming.

## Can Voip Save Hotel Telephone Revenue?

As an example, they cite a UK subscriber calling the UK from Italy would cost anywhere from 3.50 to 5.81 and receiving a call in Italy from the UK would be 1.75 to 5.50.

In another example, calling the UK from Malta ranged from 3.50 to 7.34 while receiving a call in Malta from the UK ranged from 1.75 to 5.50.

For the hotelier, this news actually represents a wonderful opportunity!

What is VoIP?

In simplest terms, VoIP reduces the cost of international calls by using the public Internet instead of dedicated telephone operator facilities.

The caller places the call on a special desktop telephone connected to the Internet, through a computer with "soft phone" software or through a VoIP-enabled PBX.

The voice call is converted into digital data and travels across the Internet to a VoIP service provider. The service provider converts the call back to analogue and inserts it into the traditional local telephone network nearest the called party.

The called party receives the call on their fixed or mobile telephone just as any other local call.

By using the Internet to carry the call instead of dedicated, proprietary, private telephone transmission facilities - the cost for international calls can be reduced to as little as .01 or .02 per minute.

To receive a call, the caller would dial a local number provided by the VoIP service provider.

Through the VoIP service provider, the call would be routed back through the Internet to either your hotel's PBX or operator where it may be transferred to a guest room or member of staff.

Because VoIP relies on the Internet as the carrier - call quality can be variable - dependent mostly on the VoIP service provider and the speed and quality of the caller's Internet connection.

With most hotels now having high-quality, high-bandwidth Internet connections a high quality of service can generally be offered.

### Outbound VoIP Services

>From the guest or staff perspective, using VoIP service at your property could be as easy as making any other call. For example, if you normally need to dial "8" to access an international line, you could simply offer guests the option of dialing "7" instead to try the VoIP service.

Guests can be invited to try the VoIP service and if they aren't satisfied they may use the traditional system. (Promotion of the service with tent-cards in the room is very helpful.)

## Can Voip Save Hotel Telephone Revenue?

The most striking feature of VoIP service is the low cost of International calls - calls to many international destinations can be had for as little as .01 or slightly more per minute. Some of these savings can be passed on to the guest while at the same time increasing your own profit margin.

In a very conservative example, if you assume your 'cost' for a guest call over traditional service to be 1 per minute and you charge the guest 5 per minute (500% markup) - if you put the same call over VoIP you could charge the guest just .50 per minute (10 times less) while at the same time earning a markup of 5,000% (ten times more).

In addition to reducing your monthly telephone service bills dramatically for guest calls, the same services may be used for all staff calls as well - making international telemarketing campaigns and international reservations support calls practical and affordable.

Warning: Your current telephone service provider will not be delighted with your decision to try VoIP unless they themselves offer it as an option.

### Inbound VoIP Services

Most VoIP service providers also offer inbound telephone numbers in major cities world-wide. Calls placed to these numbers can be routed through VoIP and the Internet directly to your hotel PBX or operator.

This option can dramatically increase your reservations by giving potential customers a local number to call - which is easier for them than dialing an international call and takes away the fear of placing an expensive international call.

As an extra benefit, guests can forward their home, office and/or mobile phones to these local numbers - and as long as the caller knows the guest's name or room number, your PBX or operator can forward through the call right to the guest's room. For the caller it is completely transparent and cost-free while for the guest pays highly discounted VoIP rates to receive the call.

As an additional guest service, you may rent out mobile phones and have inbound VoIP calls directed right to the guest wherever they are, or may rent the guest a Wi-Fi mobile phone allowing them to take the calls anywhere your Wi-Fi service works.

### Free Telephone Service?

A new trend in hospitality is giving guests free limited or unlimited international calls.

With traditional telephone service costs, this option wouldn't be possible - but with VoIP, it becomes both practical and affordable. It gives you a new tool to attract guests and differentiate your property from your competitors.

With many VoIP systems, you can offer guests automatic credits, and when they consume their allocation, they can go to reception and buy additional credit. You may also offer special VoIP

## Can Voip Save Hotel Telephone Revenue?

packages for groups or conferences.

### VoIP over Wi-Fi Wireless

If your property has a Wi-Fi wireless system for guests, you may offer guests the option of renting the new breed of Wi-Fi VoIP telephones. These look and work much like a normal mobile phone anywhere in your property where the Wi-Fi service is available.

Hotels are beginning to use VoIP over wireless as an alternative to traditional DECT telephone systems, pagers and regular mobile phones for hotel staff.

Unlike traditional mobile phones, all calls within the property are absolutely free and international incoming and outgoing calls are charged at VoIP prices.

### Implementing VoIP Service

For the hotelier, there are many ways to implement VoIP service - depending on which options you wish to implement and whether the service will be used for guests and/or staff.

The simplest and least expensive way to start offering VoIP service to guests is to use wireless VoIP handsets connected directly with a VoIP service provider. Handsets range upwards from 75 depending on manufacturer, model and features.

Through such a system, you would set up one account with the VoIP service provider for each mobile device - giving you itemized individual billing available the moment the phone is returned from rental.

If you have wired broadband connections to rooms and offices, you may also purchase inexpensive desktop telephone sets that connect directly to the network.

Desktop telephones look and work exactly like a normal desktop telephone set - ranging upwards of 50.

To implement VoIP service through your existing PBX is a little more complicated and may need some assistance from whoever currently supports your PBX.

The options including installing a VoIP line card that supports the protocol offered by your VoIP service provider (H.323, SIP, IAX or IAX-2).

Another alternative is to use an external device that provides appears and works like normal analogue telephone trunks to the PBX.

The last and most flexible option is to install an inexpensive VoIP PBX in conjunction with your traditional PBX. This allows you to offer guests a remarkable variety of new telephony services - for virtually no cost at all. Just a few examples include:

## Can Voip Save Hotel Telephone Revenue?

· Automated wake-up call (with or without verification). · Voicemail - with a tremendous variety of features including the ability to have voicemail forwarded to an email address. · Call forwarding - allowing the guest to have calls routed to their mobile phones at VoIP rates.

Guests can also take advantage of outbound calling features working in conjunction with their mobile phones. As an example, the guest could be walking around the city, call the VoIP PBX and receive a dial-tone from which they could call anywhere in the world at VoIP rates. For them, it costs almost nothing more than making a regular local call while the hotel receives the regular VoIP markup.

Always remember the additional revenue opportunities from renting out the wireless VoIP handsets and mobile phones to help guests take advantage of the new services.

### Avoiding Pitfalls and Problems

In my experience, the most critical question is in the selection of the VoIP service provider.

Depending which country you are in, and which countries your guests are most likely to call - you should select your VoIP service provider based on the balance between cost and quality of service for the most important called countries.

In some cases you may wish to use more than one service provider - such as if you need incoming numbers in specific countries or cities, due to cost of servicing certain countries, or due to the quality of service for specific countries.

If you operate your own VoIP PBX, this is relatively easy. You can set up dialing plans that select the most appropriate provider automatically. If you do not operate your own VoIP PBX, you may wish to work through an intermediary service provider who does offer this service.

### Ready to Try VoIP?

I hope that this article has provided you with enough information to begin thinking about implementation of VoIP at your property. While not a simple issue that can be covered fully in these few pages, I do invite you to contact me for further information at the address below. Best of luck in your VoIP projects!

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### How Important Is Voice Over Internet Protocol?

**By Robert Michael**

## Can Voip Save Hotel Telephone Revenue?

VOIP is a technology that allows us to place telephone calls without a telephone. Instead, with VOIP, you can call anyone anywhere in the world with simply your broadband internet connection.

Essentially, with VOIP, analog signals like those of the voice are converted into digital signals that are then sent over the internet and converted back.

Not all VOIP services are built alike. Some allow you to call anyone with a phone, while others restrict your calls to only other clients using the same VOIP service. You can choose between three different ways to set up a VOIP system on your computer.

You can use an ATA (analog voice adaptor) which performs the analog-to-digital conversion, and is plugged in to your computer at one end and your telephone at the other.

You can use an IP phone, a phone specifically made for use with VOIP. While the IP phone looks exactly like a normal phone, it's got special Ethernet connectors that allow it to be plugged into your router. They're even working on WIFI phones for VOIP that you can take with you to the various internet hotspots popping up all over the world.

Finally, you can make VOIP contact with your computer alone. Simply install the VOIP software, make sure you've got a microphone, speakers, an internet connection (high-speed is best, of course), and a sound card, and chat away.

One thing many VOIP-users love about it is the cost, or more accurately, the savings. By using VOIP you save yourself one unnecessary bill per month – your phone bill. VOIP charges, much cheaper usually than most people's phone bills, appear on your regular broadband bill.

Just like cell-phones, VOIP service is portable, at least as portable as your laptop. You no longer have to worry about shoddy cell phone coverage when you go away. As long as you can get internet access, you'll be able to use your VOIP.

A few disadvantages of VOIP to consider, however: VOIP may not respond well during power outages and problems with your server. If your internet connection for any reason goes out, so does your ability to place VOIP-facilitated phone calls.

When researching possible VOIP providers, keep in mind that not all of them let you make 9-1-1 or directory assistance calls. If you depend on services like these for simple peace of mind, make sure you find a VOIP provider that can accommodate.

It's a little known fact that many of the major telephone companies use VOIP technology already to be more efficient. So, unbeknownst to you, you may very well have already been making VOIP-enabled phone calls.

VOIP providers now compete to offer subscribers many of the same services we're used to getting from our telephone companies, such as call waiting, repeat dialing, return dialing, and three-way

## Can Voip Save Hotel Telephone Revenue?

calling. You can also find VOIP providers that offer to filter your calls, giving you a range of options of what to do with calls sent from numbers you select.

Maybe you send the call to your voice mail, maybe the caller hears a message informing them that your phone number is no longer in service. You can even use VOIP to check your voicemail and send voice message as attachments to emails.

VOIP is only just revving up it's engines. It may not be long before every household in your neighborhood is VOIP-enabled.

Robert Michael is a writer for Mico Voip which is an excellent place to find Voip links, resources and articles. For more information go to:

<http://www.micovoip.com>



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