

9th March 2006 - Hospitality in Focus

by

Bruce Grant-Braham, FHCIMA
Senior Lecturer, Bournemouth University

IDENTITY THEFT HITS THE UK

The Internet spyware problem has grown into what is being described as a global pandemic with infection rates for the most malicious types of spyware continuing to increase. This illustrates the magnitude of potential risk posed by spyware for both businesses and domestic consumers, particularly where the threat of identity theft is concerned.

Spyware is software that covertly gathers information about an Internet user through their connection without his or her knowledge. Frequently bundled as a hidden component of freeware or shareware programs, spyware monitors user's Internet activity and transmits this information to organisations such as advertising agencies.

According to the State of Spyware Report, commissioned by Webroot Software, spyware has spread voraciously across the globe, due mostly to the increase in global access to the Internet. Rather unsurprisingly, given their high use of the Internet, the United States had the largest number of consumer spyware infections, with an average of 24.4 spies per PC scanned. Thailand had the second highest infection rate with an average of 18.7 spies per scanned PC and closer to home the UK rounded out the top three with an average of 18.1 spies per PC scanned.

The report reveals that the most malicious types of spyware - Trojans, keyloggers and system monitors - are continuing to infect online users at alarming rates. These types of insidious spyware can inflict the most damage by monitoring user behaviour and stealing sensitive information; a disturbing fact for businesses that are required to secure sensitive materials such as financial information or customer and employee records from outsiders.

The data from the report was received from professionals managing the information security compliance initiatives in various corporate organizations. Of the respondents, ninety-eight per cent considered spyware a threat to their organizations and over two-thirds categorized it as a serious threat. More than eighty per cent of respondents said the most malicious types of spyware - those types that can access confidential records such as keyloggers, system monitors and trojans - represent an immediate threat. Ninety-seven percent of respondents worried that spyware could access employee data, pilfer intellectual property or access company or customer information.

System Infiltration

However, despite these figures, many corporations surveyed have yet to protect their information with suitable anti-spyware software.

"System monitors and trojan horses pose the most significant threat for online users, especially for enterprises," said C. David Moll, CEO of Webroot Software Inc. "Spyware purveyors use these types of spyware to infiltrate a network or an individual PC to steal the very data that corporations work hardest to protect - customers' financial records, for example."

The presence of these insidious types of spyware is affecting consumers as well, fuelling consumers' online fears about identity theft and causing many to modify their online behaviour. According to a recent survey by Consumer Reports Webwatch, eighty-six percent of online consumers have made at least one change in their online behaviour because of the fear of identity theft and thirty percent have reduced their overall use of the Internet.

"The ever-increasing pervasiveness of the most malicious types of spyware has had a dramatic effect on

consumers' usage of the Internet," continued Moll. "Ten years ago consumers hailed the Internet as a helpful new medium, a new means for research, commerce and social interaction. Unfortunately, the birth of the Internet also spawned an underworld of spyware purveyors and identity thieves, and now consumers are left scared and unsure who to trust."

Webroot's State of Spyware report also examines new technologies that spyware purveyors are adopting to further increase the software's maliciousness and pervasiveness, including a recent rash of spies that utilize rootkit capabilities to hide deep within a user's PC and avoid detection.

FLEXIBLE YIELD MANAGEMENT

In today's hotel industry, the selling of a hotel room as an element of a package is a common tool for raising revenues, particularly as packages are attractive to travel consumers who perceived them as "a good deal". Packages offer advantages both to the hotel – in selling additional services and in motivating customers to stay longer – and to the customer, who obtains a great deal on an attractive package rate. In practice and appealing pricing strategy is the reason for package offers.

Being such an integral part of a hotel's overall pricing strategy, a package design must be precisely and intelligently constructed to provide better yields and maximum revenues. Yet, in the practice of yield management (also known as 'revenue management'), prices are set out in great detail, and may vary at times during the course of a single day. Nevertheless, this doesn't mean yield management is irrelevant to package creation. This is where Pelican's "Flexi-Package" feature has been designed to be of assistance

Flexi-Package makes it possible for a hotel that already has a strategic plan for yield management/revenue management to create packages that can flexibly adjust to changes. These changes might include, for example, room rates per market segment and per room type, number of adults and children, as well as other selling items that will set and track the package flexibly, without management having to be involved in recalculations or rewrites.

It is anticipated that hotels, with this system will also be able to set booking lead times, minimum/maximum lengths of stay, and closures to arrival and departures within the yielding strategy. This ability will reduce the possibility of empty rooms during high season and maximize revenue based on the guest's booking date.

"Flexi-Package" features not only offers efficiency in the designing of packages, but it also reduces the potential of human error inherent in manual calculations. Bolted on to a well-established and user-friendly hotel reservation system the additional facility should enhance efficiency.

MOBILE CHIP & PIN SOLUTION

Leading hospitality systems technology provider XN Checkout has become the first UK company to bring a fully Chip & PIN accredited mobile payment terminal that offers full payment at table to the market.

In partnership with The Logic Group and Ingenico, the world's leading supplier of secure transactions, XN Checkout is set to significantly enhance business functions and ease of payment in pubs and bars with a food offering as well as restaurants and hotels.

The solution has been developed by XN Checkout in conjunction with The Logic Group and Ingenico. As the world's leading secure payment transaction company, Ingenico has led the introduction of Chip & PIN in the UK and has around 450,000 units in use across a wide range of industries.

Unlike many of the other solutions on the market, the solution, which utilises an Ingenico 7780 Bluetooth wireless terminal allows full payment at table and staff can accept chip & PIN credit card payments as well as cash and cheques.

Importantly for hospitality operators, the solution has been developed to integrate fully with point of sale solutions and allows the operator to perform a wide range of functions including splitting bills as well as

handling gratuities, service charges, partial payment and the setting up and running of tabs.

As well as allowing hospitality operators to offer improved levels of service to customers coupled with the convenience of payment at the table, the solution also reduces the time to process transactions and on average it saves 2 minutes per bill settlement for every transaction.

The integration with point of sale solutions allows payments to be handled in such a way as to allow conventional tills to remain in full use even while a payment is being made on the hand held terminal. This functionality ensures that customer bills are correct and avoids under billing which can happen with other solutions which only handle card authorisation as opposed to full payment functionality.

The solution promises to offer hospitality operators numerous other benefits including increased speed of service and an improved customer experience as well as reducing credit card acceptance and processing costs and minimising fraud and mistakes.

According to XN Checkout's Chief Technology Officer Ed Dayan, "This solution offers a real breakthrough for hospitality operators because it combines Chip & PIN verification with actual payment technology and offers numerous benefits over existing solutions.

Hotel demand for high-speed internet access exceeds expectations

With an estimated 60 per cent growth in the number of broadband-enabled hotels worldwide, 2005 established itself as the break through year for Internet services in hotels. To meet the growing demand, Wayport is accelerating its business in Europe.

Wayport has been active in the European market since 1999 and today provides service to nearly 140 hotels in major European locations, including top brands like Radisson SAS, Four Seasons, Hilton, Accor and Choice. It has a history of serving not only venues but also operators looking to deploy WiFi networks.

The rapid development during 2005 in hotel deployments has further caused Wayport to accelerate their expansion plans in Europe. The company's objective is to gain the same market position in Europe as it today has in US and to become the leading high-end provider of guest Internet access services for the hospitality industry and the most important WiFi service partner for operators.

"After a tremendous year in 2005, experiencing nearly 10 million connections on our network globally and deploying thousands of new venues, we look forward to expanding our business in Europe in 2006", said Mr. Dave Vucina, CEO of Wayport. "We are constantly adding new locations to our network as well as looking for partnership opportunities to bring more value to the venues."

"The North American hospitality Internet market is in many respects ahead of ours in Europe" noted Hannu Hoviniemi, VP, Business development in EMEA countries. "Combining learning from that market with our long history and local presence in European markets put us in a position to provide services to the venues that not only meet their customers' expectations today but are also compatible with future developments. We have a history of bringing new solutions and business models to the market and will continue on that path to respond to the fast moving market."

Restaurantdiary.com wins account at Royal Garden Hotel in the face of fierce competition from home and abroad

Restaurantdiary.com has announced a major upgrade to its core application to coincide with Hostec. Now entering its second full year, restaurantdiary.com is gaining ground in all target markets and is widely regarded as a market leader in the provision of a 100% web-based solution for total table management,

yield management and customer relationship management.

The largest private licensed group in Scotland, G1, has such faith in Restaurantdiary's loyalty building "triggers" programme that they are carrying out a national press campaign in February to drive online business to their web site/s, thus cutting out commissions to third party booking providers and automatically retaining online customers within their own database for future marketing purposes.

Recent new accounts include the The Tenth Restaurant at the prestigious five star Royal Garden Hotel in London. This account was won despite fierce competition from other restaurant booking providers. Philip Osenton, the restaurant manager at The Tenth, saw Restaurantdiary.com as being able to provide an innovative and cost effective solution to help drive revenue and profitability in the restaurant.

Responding to feedback from customers the product now includes innovative features such as further customization of the real-time booking screens that restaurants link to from their own web sites. More flexible control over promotion booking has recently been added, along with table locking, deposit and payment in advance processing with full control and reporting, real-time payment options and much more.

Restaurantdiary.com is the only product that allows restaurants to improve revenues by up to 30% without the need for any investments in hardware or software. It does this through the smart application of yield management rules configurable by the restaurant manager.

A further selling point that is attracting restaurant owners and managers is the zero-commission model with a single monthly fee charged regardless of booking volume. With many restaurants developing web sites but being limited to booking request forms, the real-time nature and customized automatic confirmations offered by restaurantdiary.com is a real step forward.

Links:

Hostec – <http://www.hostec-eurhotec.co.uk>

Restaurantdiary.com – www.restaurantdiary.com

The G1 group – <http://www.g1group.co.uk>

The Royal Garden Hotel – www.royalgardenhotel.co.uk

Wayport - www.wayport.net

Webroot - www.webroot.com

Webroot's State of Spyware report - www.webroot.com/sosreport

XnCheckout – www.xncheckout.com