

Beyond broadband – content is king

By **David Garrison**, CEO iBAHN

Twelve years ago, the broadband company I was with launched a campaign to build interest in the Internet. We conducted focus groups and people basically told us: "Well, why would I need the internet?" We pointed out that it delivered a wealth of information and resources but the response was that not only did they not own a computer but could also see no reason to buy one – the Internet did not cut it for them.

That really identifies for me a key point in the development of the Internet and broadband - content and devices have moved in lock-step over the past decade and created a global demand for broadband and content. The connected PC has pushed the development of content and services and vice-versa. We have also seen the cost of PCs dropping by 75-80 per cent and that has helped to create the conditions for the Internet to explode in usage over the past five years with similar spectacular growth of content.

The third factor in this revolution is the spectacular increase in connection speeds. We take for granted that ease of use today - except when we maybe get a slow connection - but you'll remember we started out at 14.4kbps, which would be laughable today; 28.8 was a big increase and then 56k we thought we were really flying high. Today we'd look at that and we'd say that was horrible using those connections.

These three elements have transformed the way we live and work - low cost devices, speed and content – you really have to look backwards to appreciate it.

While this revolution gathered pace, eight years ago iBAHN worked to differentiate between business and consumer but we learned fairly quickly that there is really no difference because we are all both in some sort of way. We don't turn on a mobile or a PC and say now I'm a consumer, turn it off and turn it back on and say now I'm a business person. Someone is as likely to get on the Internet to check the football scores as they are to check their corporate email, their business diary to see when their next appointments are, their family diary to see when the birthday party for their seven-year-old is – and so it all blends into one.

That's an important observation because fast, secure Internet access becomes a vital resource for the traveller and the further away from home they are the more vital it becomes. In the hospitality industry, we're trying to recreate as best we can a cross between the office and the home in the guest room. The Internet has become a tool that is used very differently by every user.

And the way they access the Internet has also change radically but I think we can find better words for this development than convergence. As we've gone out to talk to technology leaders around the world, we've found that convergence means a different thing to each one of them and so it's like a group of blind men describing the elephant – each will have a different description of what they perceive through touching. So at iBAHN, we look for other ideas to describe what's going on.

Another seismic change in the way people approach the Internet is the rapid movement from an expectation that everything is free to one that accepts the micro-payment model. We've seen the early green shoots of this in iTunes and

the applications around the iPhone, for example. So there are many 99p apps that people are willing to buy.

The significance of this is that we have had a generation that has expected everything on the Internet to be free but now there is a generation that is willing to pay because they perceive value in the content. There will be other experiments in changing the commercial model but they will be oriented towards micro-communities. For example, I might want to know where the postbox is so I can post my mail but I don't know because I haven't memorised where they are. So that's what I need to know and it's a service I'm willing to buy for 99p to find out.

So I think the emergence of micro-payments is a very significant step-change and one that will continue because it moves alongside a very important social trend - one of communities - and by that I mean communities in the broadest sense. If you think about it, over time we've gone from a nomadic existence, going from place to place, to fixing a place to be - one that which is going to last 500-700 years. Up to now, we've identified with the geography of the towns and cities we live in. But now that's shifting and people are identifying with interests.

Another related trend to that is there will be increasingly multiple associations for people so before you might have said, 'I'm from London' and that was your singular association. Today it could be 'I'm a gamer', or 'I have this application' or 'I have a medical condition or something medical that has happened to my family or I have a commercial interest in'. It could be that I'm a fan of Virgin Airways. So I join with other fervent fans. I think you will see a growth in this trend - there will be in multiple community associations within the same individual.

We're also seeing a third great trend, where the Internet shifts from being a radical invention to being invisible. The Internet is shifting to follow the pattern of electricity. What I mean by that is if you can imagine our forefathers and imagine them seeing electricity for the first time - it would like a miracle. It was the big event and the Big Idea.

Likewise, when the Internet came along, that was the Big Idea. But when you use electricity, you don't consciously think 'now I will turn on the dishwasher, I will turn on the electricity' - you just push the start button. You are thinking about the application. In the same way, you look at devices like Kindle - it's the very first device I've seen where it's not about the Internet, it's about getting a book for this device, which is Big Idea, it's a very important change.

When you tie that to Internet devices that basically cost £7 or £8 you suddenly enable the spread of things that aren't about the Internet. The Internet becomes invisible and I think that this will create a great wave of applications over the next 10 years.

Another icon of our present age also becomes invisible but in a different way. Television as we know it disappears. TV is blending with the Internet and I believe that the broadcast medium is now pretty much a dinosaur - it doesn't exist as we knew it a decade ago with hundreds of channels already but with thousands, maybe millions more on the way.

So, the BBC becomes a production company - a very high-priced production company but a production company none the less and I think we will have a million channels of what we used to call television. This is being enabled by very low cost digital cameras, very low cost web-hosting and very low costs of transmission which allows anyone of us to put out what used to be called

programmes. The barrier to entry has been completely demolished and people judge things for what they are. They are as happy to watch high-production value BBC programmes as they are their kids' football game from 1,000 miles away in a hotel room. I think the culture of TV is now oriented towards disposable media as opposed to everlasting, beautiful production values – 'quick and dirty' is good enough.

Content is now portable and it searches devices to deliver appropriate format. I think the idea that there is a computer, a television, a mobile –and that they are addressed separately is becoming quaint. In the hotel room environment, what this means is that you will be able to send a video file, an email, a sound file and so on to any display, whether it's a laptop monitor, a special device monitor, a mobile or a PC.

When we look at our portfolio of services, we're focussing on that trend and applying it to wherever the guest is accessing content, be that the lobby PC, the business PC, the digital TV, mobile or other Internet device. The blending of content and devices is very important for the future in the hospitality industry. It's important for hoteliers because enables them to differentiate and it's a way for them to recreate the office and home environments.

At iBAHN, we've seen in some parts of the world and in some chains the offers of "free internet" and we think this is a very interesting idea in that it creates a zero sum game that creates an uneconomical result, more for less until it's for nothing and broadband is like that because of the way it's offered today. If you offer this for free, what you end up doing is dissatisfying guests because quality, security and speed dissolve. So I think in the future in the hospitality business hoteliers will look to iBAHN to help them slice and dice the applications they offer. iBAHN is one of the few providers to provide that sort of segmentation and customisation together with an end-to-end network that is fast and secure.

I think that the worldwide thought leaders in the hospitality business absolutely do understand this change but I think the reality at the moment is in such severe economic times in the hospitality business that survival, then growth is the first priority. But I think this is also a time when iBAHN has continued its investment research and development to provide new solutions and because of that, we're seen as a trusted, long-term partner.

I think the economic benefits to the hotelier, particularly for global brands are substantial. If you expect to attract business, if you expect the guest to have a satisfactory experience in your property then it's not about the Internet but about how guests communicate. It's not just about voice, connectivity and entertainment but about how they expect to exchange information, email, do research, access their diaries and so on.

Do hoteliers need to be looking towards longer term partnerships? Absolutely. I think that there is an assumption today among some hoteliers that having the Internet in the hotel is like having a coffee pot in the room – and they say, oh yes, I have Internet, but there's no similarity between having the Internet and meeting guests' expectations. It's not about just having the Internet – it's about security, speed and stability. It's about applications and services and about how content is presented. I don't think that you can simply pick up and drop vendors and expect to deliver a consistent quality of service. Guests demand the same level of service from brands wherever they are.

Looking into the blue skies of the Internet and broadband, one of the things I've observed is that there is a very low barrier to entry and very low cost, allowing a

'thousand flowers' to bloom. But this means also means that it's very hard to get a co-ordinated approach to root and branch changes that are needed. Eight years ago IPv6 was the key to the next stage of the networks. Everybody was going to go to it but it never quite happened - because people were busy with others things - so likewise the idea of Web 3.0 is very challenging, not least in the funding issue.

If the US government committed itself to spending \$2bn into creating Web 3.0 and then governments across the world co-ordinated that funding, I think that would be very positive but I also think that it's very unlikely, despite the lofty ideals. The Internet was created and still lives in the research labs and it is very difficult to change those standards. But we can guarantee that someone will have a breakthrough idea. I think that it takes a generation that is not impressed by the very existence of the Internet, that takes the Internet for granted - and the generation coming up now will do that.

But Internet will continue to evolve slowly, not least because of its power as a cultural tool. One of the things that we're seeing right now is that Internet puts democracy truly into the hands of people. We've seen Internet and mobile services used to co-ordinate protests - it's a very powerful idea.

The challenge is going to be how this shift is managed and one of the issues we're going to need to work on is that there is no guarantee of any accuracy. The potential for disinformation is very great and can be used by people who have very evil motives. We will have to see how this aptitude for destructive intent can be managed without the heavy hand of the censor on the Internet. In regulation, you have to be especially careful to guard against that because once you start down the path of saying this content is ok and that content is not, I think that creates a threat to wealth and jobs and ideas.

Associated with that, security will become more and more of an issue as smarter and smarter criminals look to the opportunities created by companies who want their people connected where ever they find themselves. This is particularly true in the hospitality space. It worries me that I could take you around to London hotels where they basically broadcast the hard drives of their guests - and they don't even know that they are doing it. That will never happen with iBAHN's end-to-end, secure network.

Despite dire predictions, I do not believe that the internet will ever grind to a halt because the system will regulate that through pricing. However, I think that there will be first on the mobile system and then on the Internet demands that will create a tremendous slowdown in service. That will certainly happen sometime in the next five to seven years. I don't see a congestion tax applying to the Internet per se but I think the pricing of applications and getting smarter about how we respond to demand will bring improvements. It won't mean we have to stop all the existing traffic. Our MPLS network is like that, a self-healing network that reacts and reroutes traffic, and makes the Internet so much more adaptable.

That adaptability will ensure that the global communications networks will continue to evolve rapidly at the same time as they become invisible to the user, who will focus on content and services. And that is the key to a future of growth and security, not only in the hospitality industry but also in every walk of life.