Agenda

- **Industry Overview**
  - Categories and Definitions
  - Technology Budgets and Priorities
- **Hospitality Objectives**
- **ADTRAN Positioning**
- **Solutions**
- **Speed Bumps (PMS, Certification)**
- **Sales Strategy**
- **Success Story**
- **Marketing Plan**
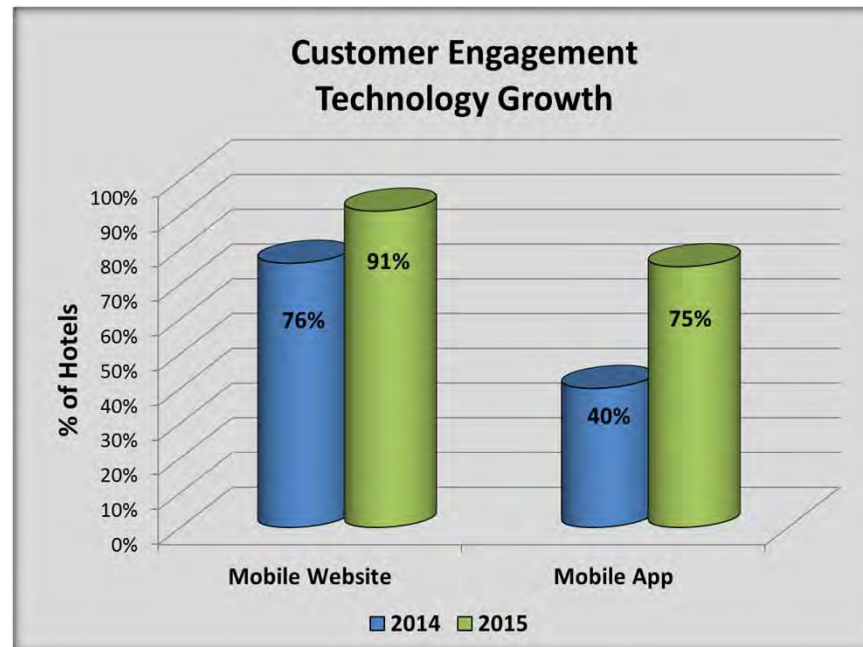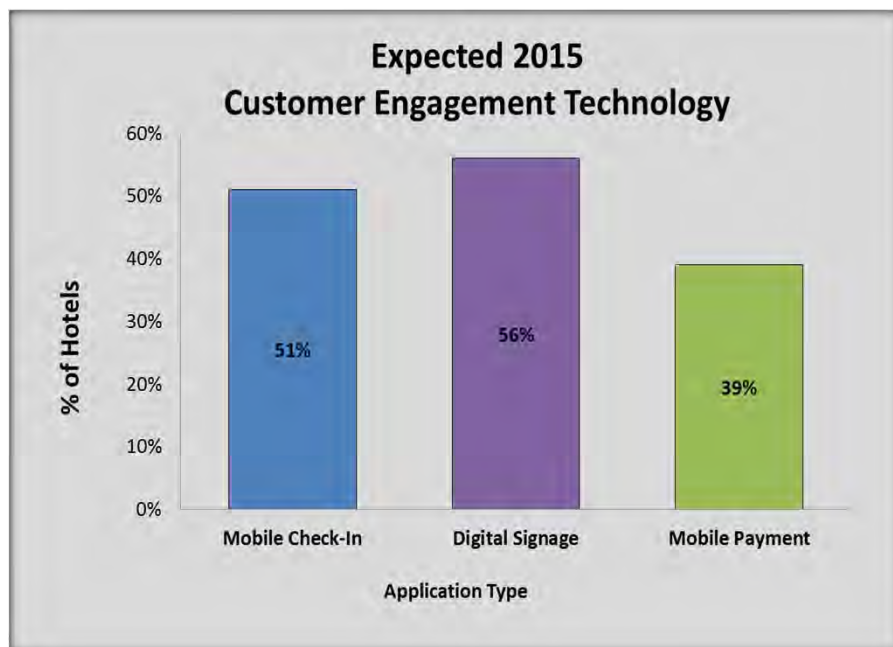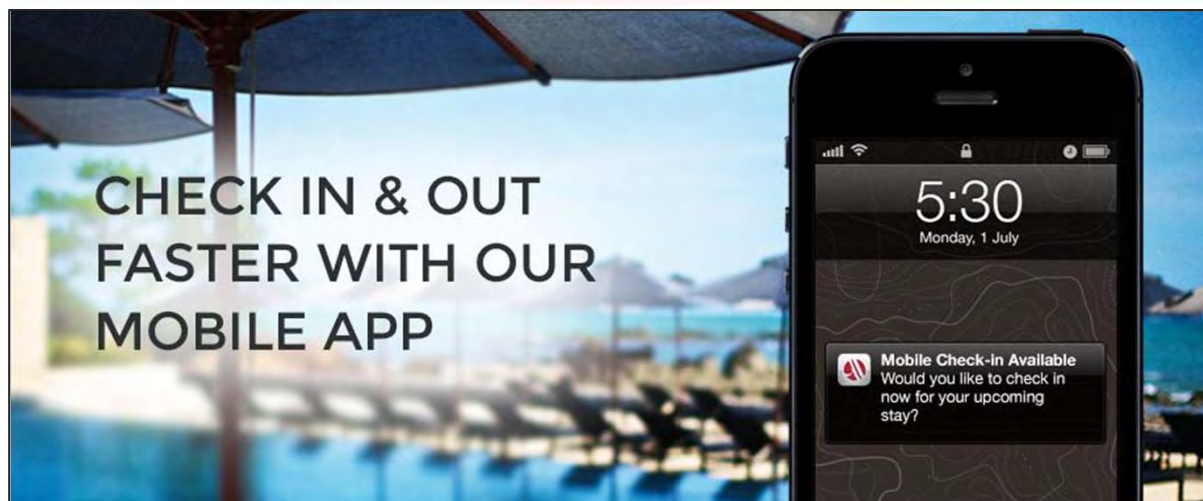
Industry Overview

- # Hotels and motels
  - Resorts
  - Full-service hotels
  - Select-service hotels
  - Limited-service hotels
  - Outside entry hotels/motels

Hotel Type Definitions

ADTRAN®

HOTEL AMENITY PORTFOLIO BY HOTEL TYPE

HOTEL TYPE	BUSINESS	EVENTS	TECHNOLOGY	RESTAURANT	OTHER	FAMILY & REC
RESORT	• Conference • Trade Shows • Meeting rooms	• Weddings • Banquets • Catering	• Luxury – HDTVs in bathrooms • High speed internet	• Multiple • Variety of Food Types • Cocktail lounges	• Fireplace • Views • Private balcony • Spas • Boutiques • Luxury Rooms/ Suites	• Golf • Beach • Hiking • Skiing • Tennis, etc.
	The Inn at Spanish Bay, Pebble Beach, CA ● Tanque Verde Ranch, Tucson, AZ ● Sanctuary at Kiawah Island Golf Resort, SC					
FULL-SERVICE	• Meeting rooms • 24 Hr Business Center	• Elaborate Banquet Rooms • Catering	• Kiosk check-in • High speed internet	• Extended Room Service • Cocktail lounge	• Spas • Boutiques • Fitness Center • Baby Services • Comfy Rooms/ Suites	• Golf • Family Activities • Pools
	Ritz-Carlton ● Hyatt ● Marriott ● Hilton ● Embassy Suites					
SELECT SERVICE	• Business Center	• Less Elaborate Banquet Rooms	• High speed internet	• Generally one restaurant	• Room quality similar to full-service	
	Hilton Garden Inn ● Courtyard by Marriott ● Hyatt Place					
LIMITED SERVICE	• Small business center		• Cable TV • Internet	• Limited options for drinking, dining	• Room microwaves & mini-fridge • Guest laundry • Basic room quality	
	SpringHill Suites ● Fairfield Inn ● Hampton Inn ● Holiday Inn Express ● Comfort Inn					

CHECK IN & OUT FASTER WITH OUR MOBILE APP

5:30
Monday, 1 July

Mobile Check-in Available
Would you like to check in now for your upcoming stay?

Expected 2015 Customer Engagement Technology

% of Hotels

Application Type	%
Mobile Check-In	51%
Digital Signage	56%
Mobile Payment	39%

Customer Engagement Technology Growth

% of Hotels

|	2014	2015
Mobile Website	76%	91%
Mobile App	40%	75%

Most Important Hotel Amenities for U.S. Travelers:
1. **Free In-Room Wi-Fi (89%)**
2. Free Parking (89%)
3. Free Breakfast (84%)
4. Free Personal Care Items (72%)
5. **Free Lobby Wi-Fi (71%)**

1. **Device and Entertainment Autonomy**
   - Hotel guests travel with personal devices, information & entertainment content

2. **The New Perks**
   - Business Bar with iPads and iPad Minis

3. **Service automation**

4. **Digital signage replacing printed signs**

5. **Meeting spaces go high tech**
   - Planners electronically communicate with hotels
   - Facilitating the conversation between planners and the hotel
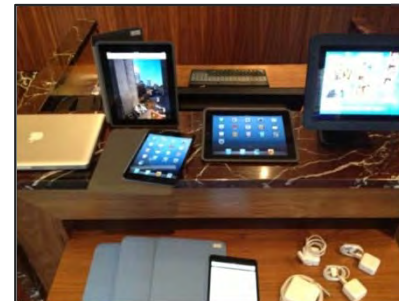
6. **Free Wi-Fi**
   - 85% of travelers believe Wi-Fi in hotels should be free
   (Source: SmartBrief poll)

7. **The lobby as a tech hub**
   - No more waiting in line for answers to simple questions

8. **The role of social media**
   - Hotels keeping up with reviews, comments, reactions

9. **Technology as luxury**
   - High-definition TVs embedded in bathroom mirrors

10. **The office away from the office**
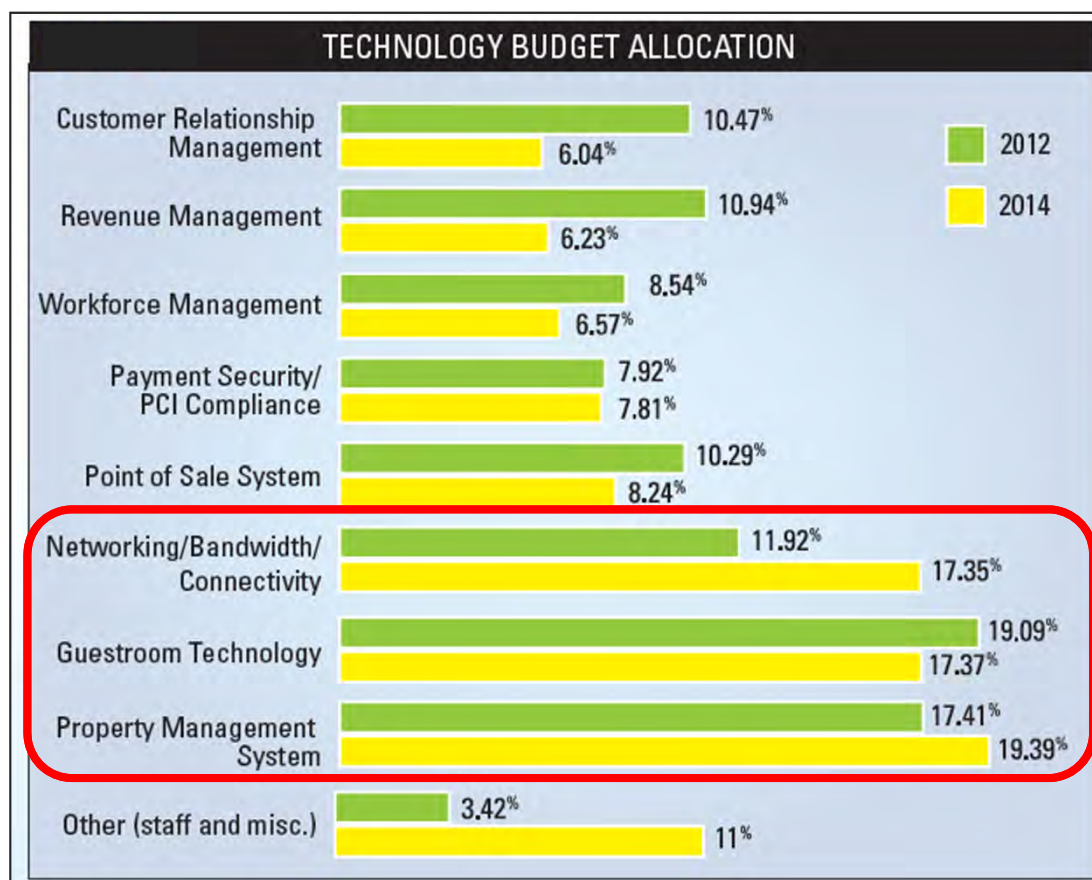   - Half-day, full-day meeting spaces

Source: http://www.hotelnewsnow.com/Article/10764/10-trends-in-hotel-technology

Technology Budgets by Hotel Type

TECHNOLOGY BUDGETS IN THE LODGING INDUSTRY

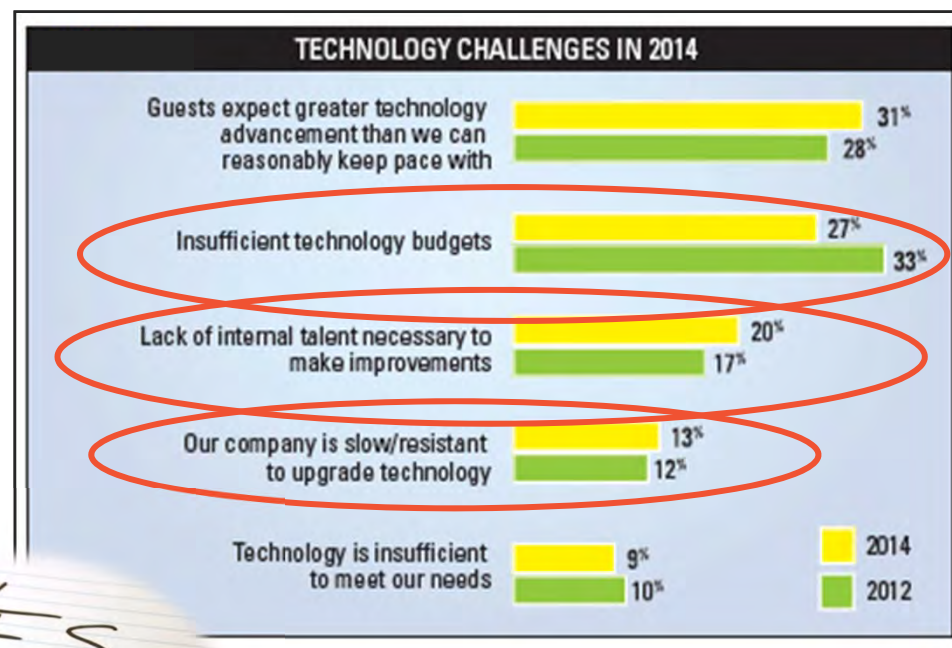| INDUSTRY SEGMENT	MEAN	MEDIAN	MINIMUM	MAXIMUM	CORPORATE-LEVEL MEAN	CORPORATE-LEVEL MEDIAN
LUXURY	$592,000	$300,000	$110,000	$2M	$22M	$7.5M
UPSCALE	$286,000	$250,000	$20,000	$700,000	$1.5M	$325,000
MIDSCALE	$148,000	$18,000	$1,000	$900,000	$450,000	$30,000
ECONOMY	$135,000	$135,000	$20,000	$250,000	$250,000	$250,000
INDUSTRY-WIDE	$290,000	$175,000	$38,000	$962,500	$7.9M	$2M

Mean: per property, per year

Source: Lodging Technology Study:
Hotel Technology in 2014: Funding a Hyper-Connection

- **Top Drivers of Hotel Technology Spend**
  - Networking/ Bandwidth/ Connectivity
  - Guestroom Technology
  - Property Management System

TECHNOLOGY BUDGET ALLOCATION

Category	2012	2014
Customer Relationship Management	10.47%	6.04%
Revenue Management	10.94%	6.23%
Workforce Management	8.54%	6.57%
Payment Security/ PCI Compliance	7.92%	7.81%
Point of Sale System	10.29%	8.24%
Networking/Bandwidth/ Connectivity	11.92%	17.35%
Guestroom Technology	19.09%	17.37%
Property Management System	17.41%	19.39%
Other (staff and misc.)	3.42%	11%

Source: Lodging Technology Study: Hotel Technology in 2014: Funding a Hyper-Connection

- Need to expand/upgrade the Wi-Fi network to support more devices
- Support high-bandwidth applications
- Migrate to VoIP to enhance guest experience and cut costs
- Enhance cabling infrastructure
- Working within technology budgets and determining priorities
- Lack of sufficient IT staff

TECHNOLOGY CHALLENGES IN 2014

	2014	2012
Guests expect greater technology advancement than we can reasonably keep pace with	31%	28%
Insufficient technology budgets	27%	33%
Lack of internal talent necessary to make improvements	20%	17%
Our company is slow/resistant to upgrade technology	13%	12%
Technology is insufficient to meet our needs	9%	10%

Source: Lodging Technology Study: Hotel Technology in 2014: Funding a Hyper-Connection

Hospitality Objectives

1. Increase Revenue

2. Enhance Guest Experience

3. Improve Operational Efficiency

4. Reduce Costs

5. Gain Competitive Advantage

Source: Lodging Technology Study: Hotel Technology in 2014: Funding a Hyper-Connection

ADTRAN Company Confidential

Reinventing the
NETWORK

- ADTRAN is reinventing hospitality networks enabling a Gigabit future. Our networking solutions are:
  - **Comprehensive –** Include VoIP, wireless, LAN, WAN, and Fiber combined with Full Lifecycle Services
  - **Carrier-class –** High Quality, Reliable, and Secure – trusted by leading service providers
  - **Competitive –** Feature-rich, cost-effective, industry-leading warranties, world-class technical support, combined with Managed Services and Help Desk

- ADTRAN solutions are focused on
  - **Enhancing Guest Experience**
  - **Improving Operational Efficiency**
  - **Reducing Costs**

- By helping in the areas above, ADTRAN will help the hospitality industry **Gain Competitive Advantage** and **Increase Revenue**

- How do we help?
With **Comprehensive, Carrier-class, Competitive** ADTRAN solutions…

Enhance Guest Experience

Improve Operational Efficiency
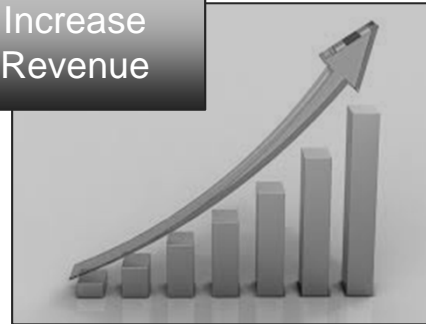
Reduce Costs

ADTRAN Solutions

SOLUTION	PRODUCT
Cloud-based Wi-Fi	Bluesocket vWLAN
Fully Managed, Worry-free Wi-Fi	ProCloud Wi-Fi with Help Desk
Enhanced Switch Infrastructure	ActivChassis
High Performance Cloud Connectivity	Routers
Migrating to VoIP	IP Business Gateways, Phones
Repurpose Existing Cabling	ActivReach
Moving to a Gigabit Future	TA5004 GPON
Full Lifecycle Services	ProServices Portfolio

ADTRAN®

Virtual Wireless LAN (vWLAN)

- Quickly and easily scale

- Centralized management for multiple properties

- Built-in Multi-tenant capability

- Business continuity with built-in high availability

- Built-in guest access and wireless IDS

- Portfolio of high-performance APs

- **Help Desk** to support guests (optional)

- **ProServices** for full Lifecycle support (optional)
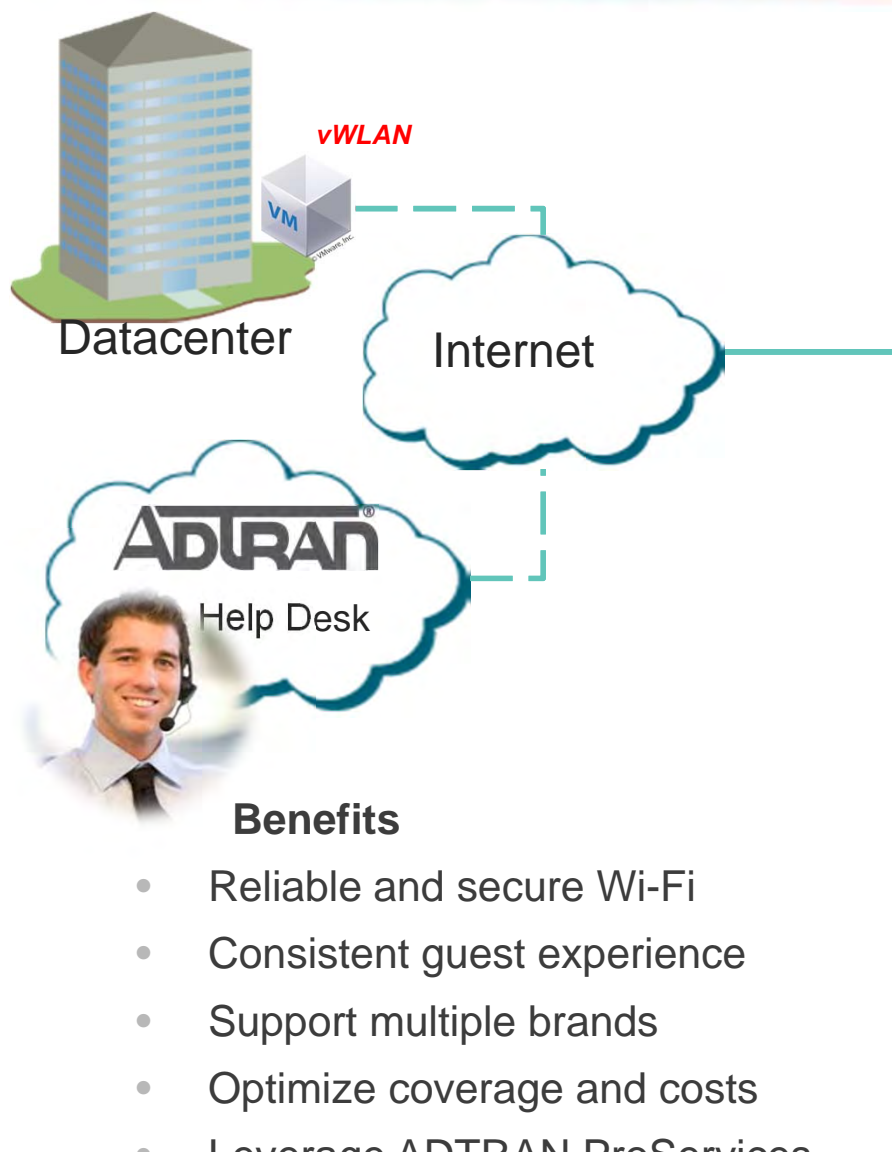
Increase Revenue

Enhance Guest Experience

Improve Operational Efficiency

Reduce Costs

Cloud-based, Scalable Wi-Fi

vWLAN

Datacenter

Internet

ADTRAN

Help Desk

Hotel

Router

Hotel

Router

Benefits

- Reliable and secure Wi-Fi
- Consistent guest experience
- Support multiple brands
- Optimize coverage and costs
- Leverage ADTRAN ProServices

ProCloud Wi-Fi – Worry-free Wi-Fi

Cloud Hosted and Fully Managed, Business-class Wi-Fi Service

- Guaranteed 99.99% uptime

- Secure, reliable Wi-Fi access for guests and staff

- Scale across multiple properties

- No Wi-Fi technical expertise needed on-site

- Optional **Help Desk**

  - 24x7 support to resolve guest connectivity issues

- Freedom to migrate

Increase Revenue

Enhance Guest Experience

Improve

ADTRAN is the only manufacturer providing Help Desk Service with Wi-Fi equipment

Worry-Free Fully Managed Wi-Fi

ADTRAN

ProCloud Wi-Fi

Help Desk

Internet

Benefits

- Highly reliable (99.99% Uptime) and secure Wi-Fi

- Exceed guest expectations

- Offload IT burdens

- Reduce CAPEX and OPEX

- Leverage ADTRAN ProServices for planning and implementation

Router

Router

Increasing Bandwidth
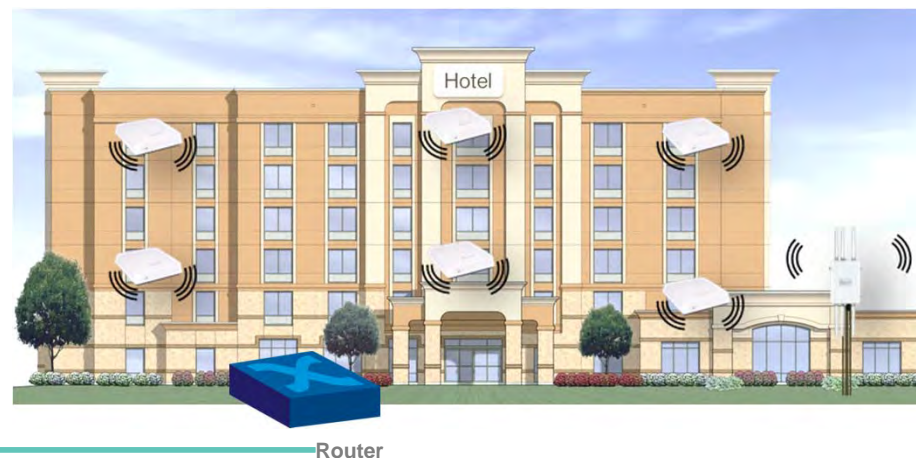
High-speed Connectivity Router/Firewall Solutions

- Higher bandwidths (up to 1 Gigabit)
- Multiple technologies (Metro Ethernet, Fiber, VDSL2 or Broadband)
- Enhanced Security (stateful firewall, VPN)
- *RapidRoute* for increased performance

Enhance Guest Experience

Improve Operational Efficiency

Internet

(100 – 750 Mbps)

NetVanta 4430

NetVanta 5410

(1 Gbps)

Benefits

- Improve guest Internet experience
- Higher bandwidths (up to 1 Gigabit)
- *RapidRoute* for increased performance
- Stateful Firewall

Router

Repurposing Existing Cabling

ActivReach on the NetVanta 1235P/1535P

- Provide high speed data and VoIP service using in-building cabling (CAT3 or Legacy Copper)
  - High speed data for video streaming
  - Unified communications features
- Connect and power access points and/or IP cameras at extended distances up to 1,600 feet
  - Provide Wi-Fi coverage for convention and large meeting areas
  - Connect IP security cameras in outdoor spaces and/or long hallways
- Avoid re-cabling costs
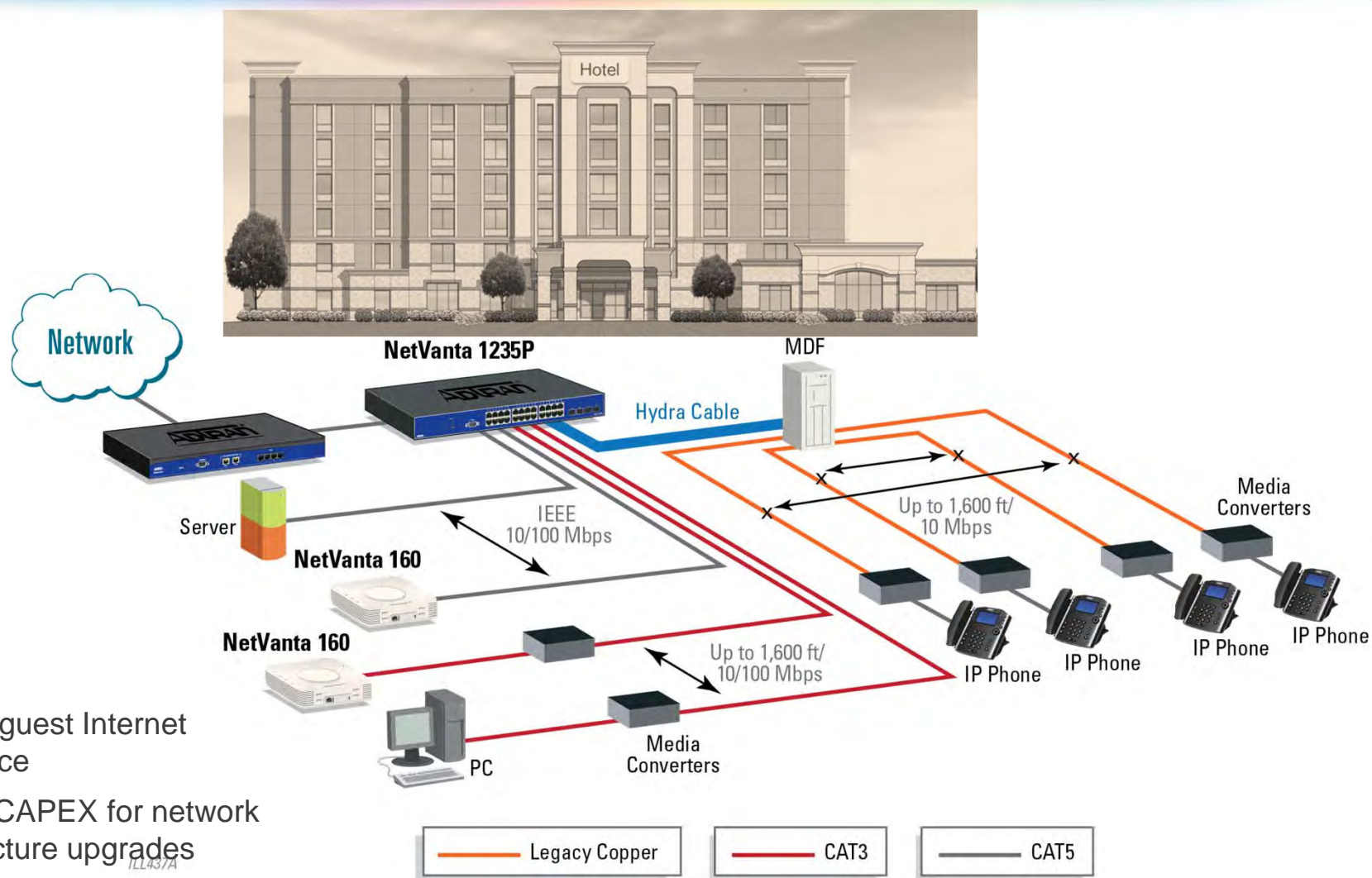- Eliminate need for repeaters, more fiber and additional switches for extended runs

Enhance Guest Experience

Reduce Costs

ADTRAN

Benefits

- Improve guest Internet experience

- Reduce CAPEX for network infrastructure upgrades

- Improve operational efficiency by repurposing existing cabling

ActivChassis on the NetVanta 1600s

- Stack and manage up to eight Gigabit Ethernet switches as a single logical switch

- Add port capacity on demand up to 400 ports

- Increase backplane capacity for providing IP video, IP TVs, video streaming, etc. up to 128 Gbps

- Manage distributed switches across a campus up to 10 km apart (6 miles)

- In conjunction the NetVanta 1131 RPS/EPS (redundant power supply), helps deliver an always-on network

Increase Revenue

Enhance Guest Experience

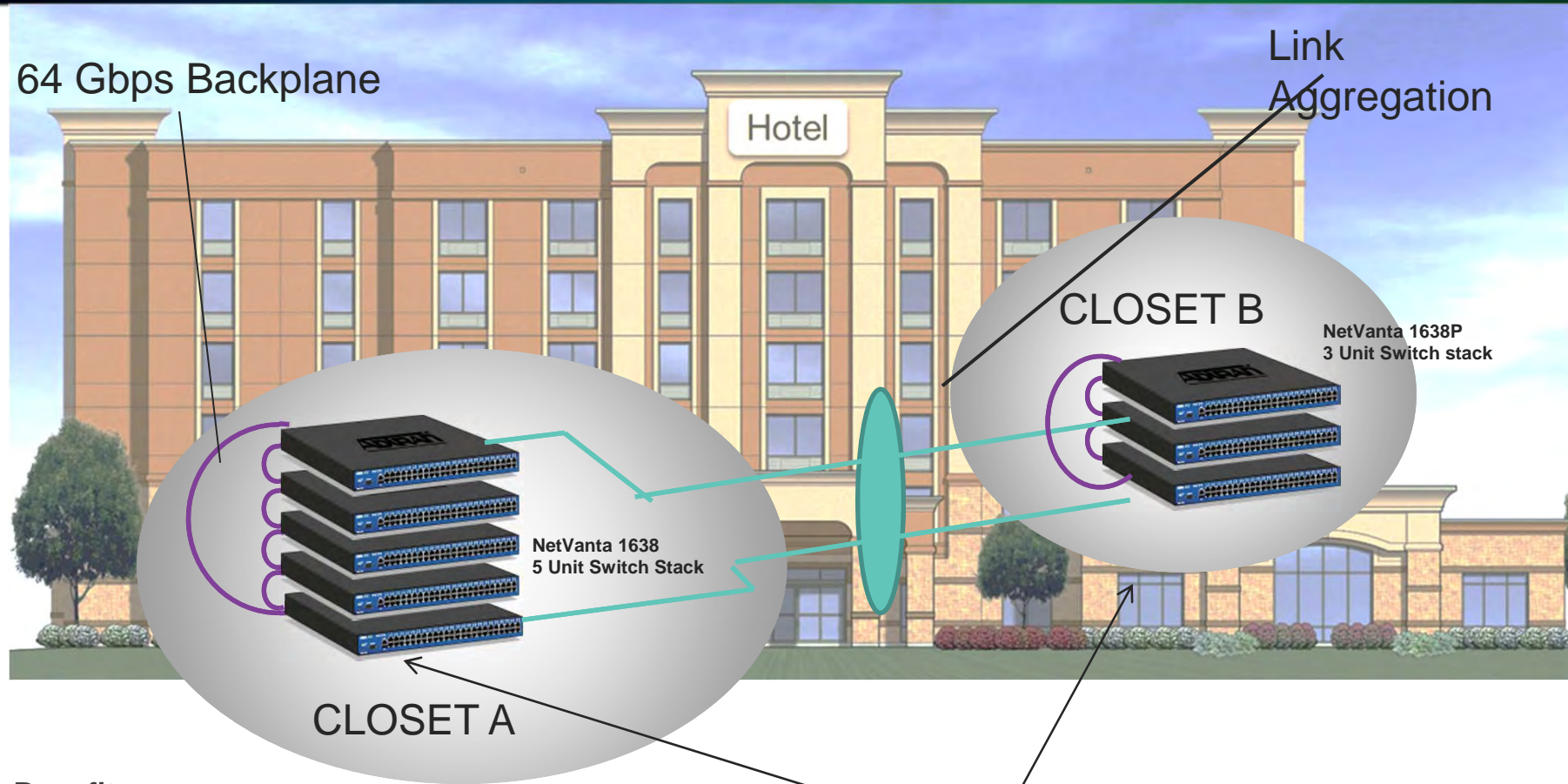Improve Operational Efficiency

Reduce Costs

Enhance Switch Infrastructure

64 Gbps Backplane

Link Aggregation

Hotel

CLOSET B

NetVanta 1638P
3 Unit Switch stack

NetVanta 1638
5 Unit Switch Stack

CLOSET A

Single Logical Switch

Benefits

- Support video streaming, digital signage, and high-bandwidth applications to improve guest experience

- Improve operational efficiency by centralizing switch management

- Enhance switch capacity on demand to optimize CAPEX

- **Option 1**
  - Keep legacy PBX and analog phones
  - Add a SIP Trunk
- **Option 2**
  - Convert to Hosted VoIP service
  - Upgrade all phones to IP
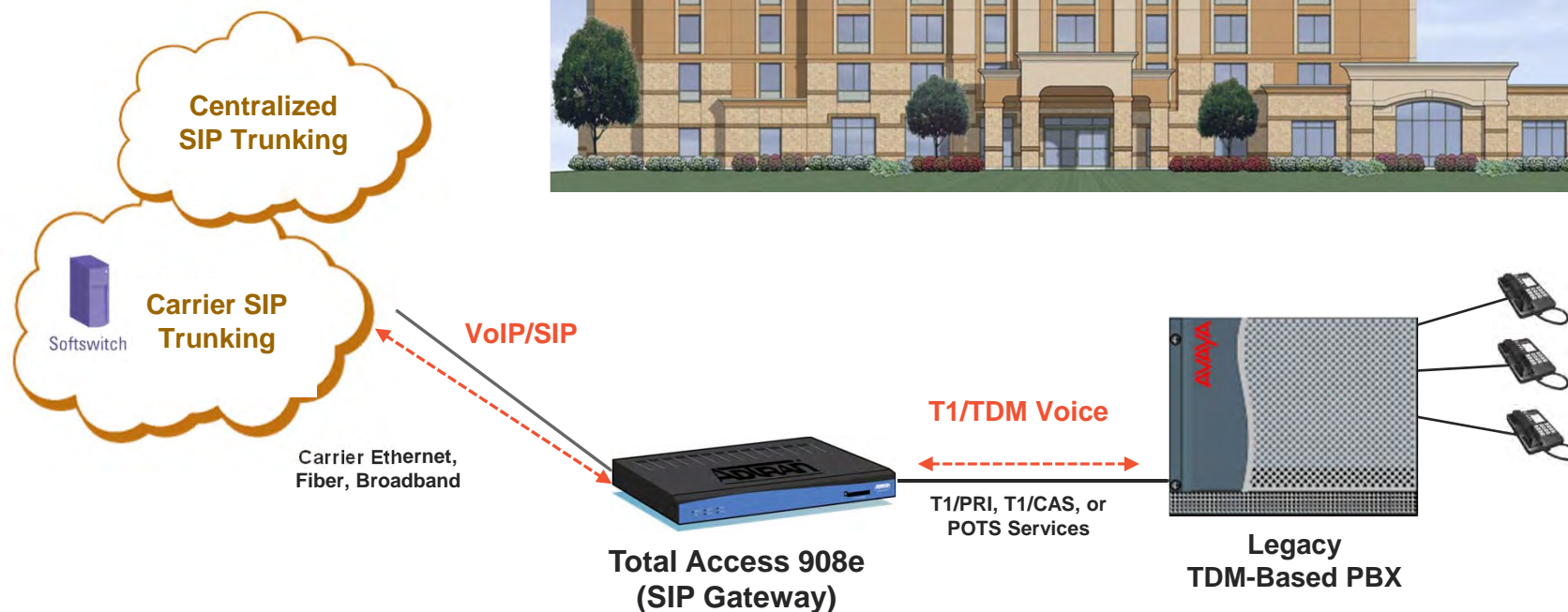
Enhance Guest Experience

Reduce Costs
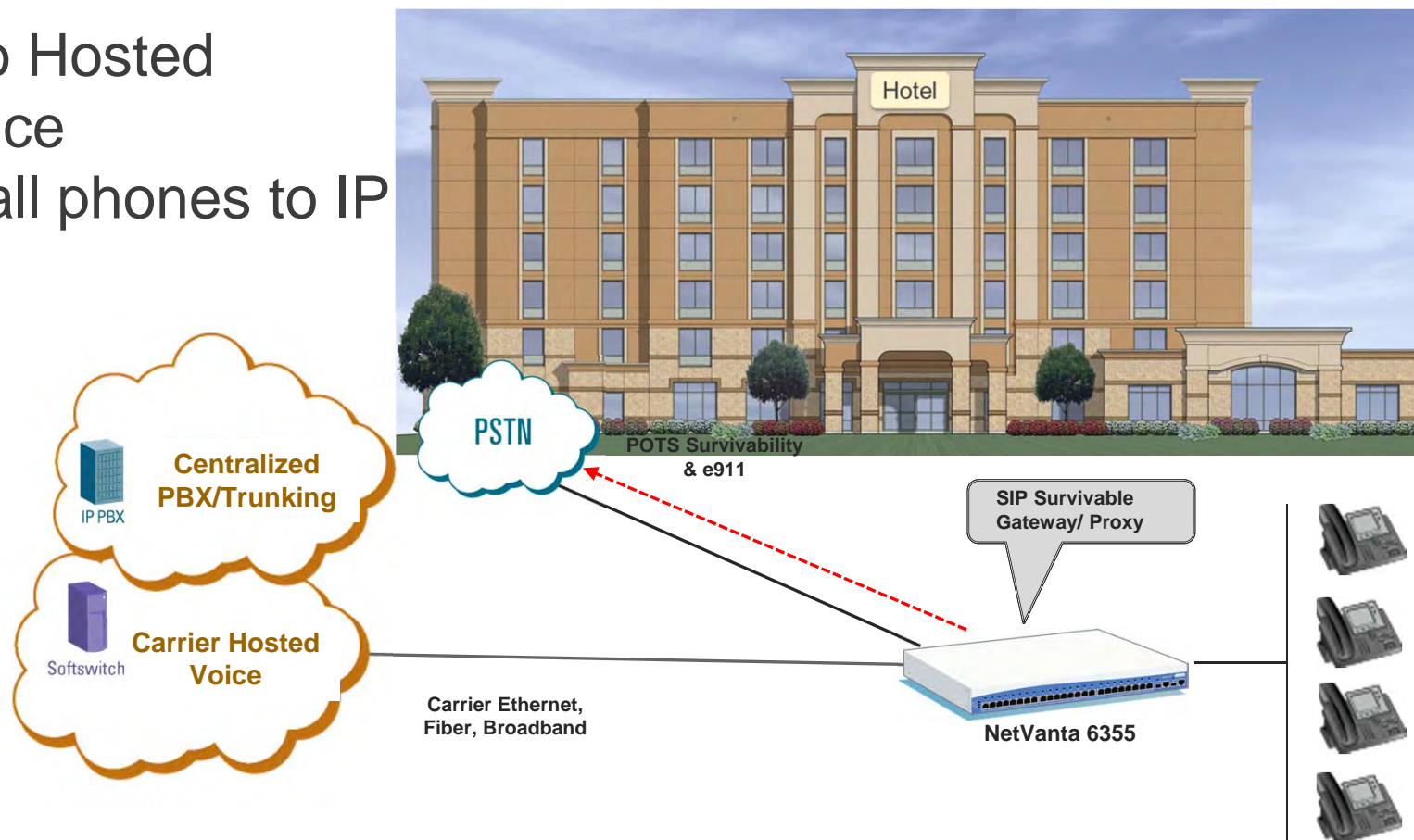
Improve Operational Efficiency

- Keep legacy PBX and analog phones
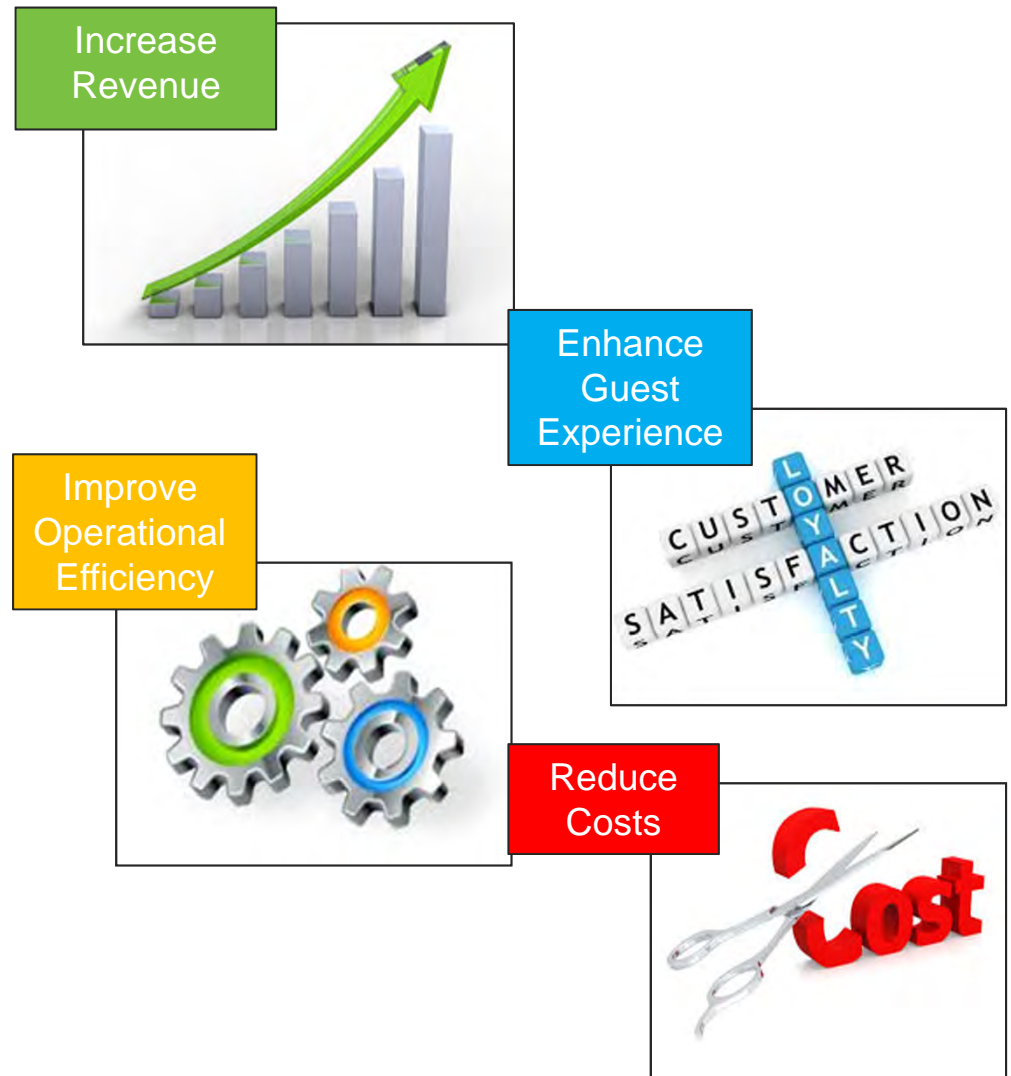- Add a SIP Trunk

Centralized SIP Trunking

Carrier SIP Trunking

Softswitch

VoIP/SIP

Carrier Ethernet, Fiber, Broadband

Hotel

T1/TDM Voice

Total Access 908e (SIP Gateway)

T1/PRI, T1/CAS, or POTS Services

Legacy TDM-Based PBX

- Convert to Hosted VoIP service
- Upgrade all phones to IP

Hotel

PSTN

POTS Survivability & e911

Centralized PBX/Trunking

IP PBX

Carrier Hosted Voice

Softswitch

SIP Survivable Gateway/ Proxy

Carrier Ethernet, Fiber, Broadband

**NetVanta 6355**

- **Option 1**: GPON termination in closet / basement Ethernet used to distribute service per floor
- **Option 2**: Media Converter style ONT used to terminate PON in each room.
- **Option 3**: Campus deployment utilizing GPON aggregation to the building and VDSL intra-building distribution
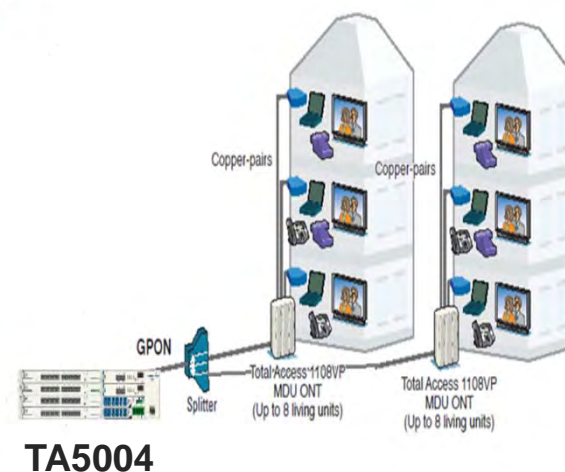
Increase Revenue

Enhance Guest Experience

Improve Operational Efficiency

Reduce Costs

TA5004

TA5004

TA5004
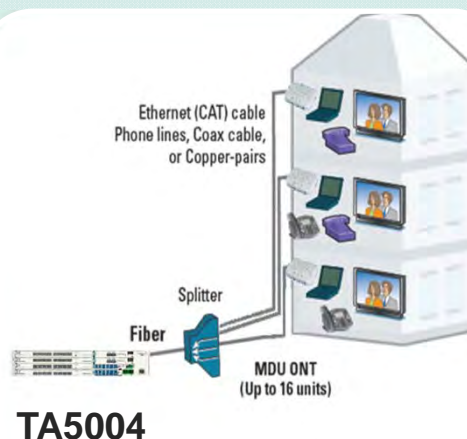
GPON termination in closet / basement	Media Converter style ONT used to terminate PON in each room.	Campus deployment utilizing GPON aggregation to the building and VDSL intra-building distribution
Ethernet used to distribute service per floor		

PROSERVICES^{SM}

- ProStart^{SM}
  - Covers **PLAN AND IMPLEMENT**
  - Site Surveys
  - Remediation Plans
  - Assisted, Express, Remote, and Onsite Implementations

- ProCare^{SM}
  - Covers **SUPPORT**
  - Maintenance offerings, Basi through 7x24x4 onsite

- ProCloud^{SM}
  - Covers **MANAGE**
  - ProCloud Wi-Fi

Sales Strategy

Sales Targets

Hotels	System Integrators	Corporate Certification Centers	Hospitality Associations

• **HSIA Properties / <125 rooms / Limited Service / Some Select Service**
• Franchise owned
• DO NOT require PMS integration or Certification
• Position ADTRAN's complete hospitality solutions
	• Hotels looking at hosted offerings
	• Engage with SIs with hosted services
	  • **Thing5 (thing5.com)**
	• Others
	  • **Windstream, CenturyLink, Frontier**
	  • **Clearview**, Arrow3, etc.
		• Marriott (Maryland)
		• Hilton (Tennessee), etc.
			• Hospitality Financial and Technology Professionals (HFTP) local chapter meetings
			  • www.hftp.org
			• American Hotel and Lodging Association (AH&LA)
			  • www.ahla.com

ADTRAN

Extended Stay Hotel

Wichita KS based company that offers the best guest experience for an affordable, clean and safe hotel.

- **The Challenge**
  - Provide Wi-Fi for 7 properties each with 121 rooms
  - Offer reliable Wi-Fi for guests
  - Limited technical resources
  - Support mobile devices
  - Bill for Wi-Fi service

- **Solution**
  - ADTRAN/Bluesocket vWLAN
  - VAR Hosted/Managed Wi-Fi solution
  - Differentiated guest access
  - Help desk support for guests

- **Benefits**
  - Revenue stream - bill for Wi-Fi service
  - No longer worry about managing the platform
  - Network performance and availability are guaranteed in the SLA
  - Easy to expand Wi-Fi service to other properties
  - Reduced company expense by not having to employ IT support personnel onsite 24/7
  - Lower CAPEX & OPEX investment

VALUE PLACE

Questions?

www.adtran.com/hospitality
(coming soon)

ADTRAN®