



Arinda Internet  
[www.arinda.com.au](http://www.arinda.com.au)  
1300 882 780

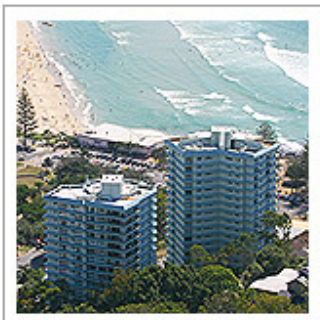
# Case Study

## Gemini Court

---

### In-Room Broadband System

**Gemini Court**  
45 Hayle Street  
Burleigh Heads QLD 4220



Replacing an existing profit-share internet system with a new system owned outright proves to be a revenue surprise for this twin-tower holiday apartment complex

## Business profile

Gemini Court Holiday Apartments are a beachfront, high-rise apartment building at beautiful Burleigh Heads on the Gold Coast in Queensland Australia. The building has 129 fully self-contained apartments across two high-rise buildings, in a mix of holiday letting and permanent residents. The business is very popular with international and interstate tourists.



## Situation

Before contacting Arinda in 2008, Gemini Court had an existing in-room internet system operated on a hosted profit-share basis by another operator. Gemini Court management could see the earning power of the system, and they were also not entirely satisfied with the level of support they were receiving from their existing supplier. They quickly came to the conclusion that they should move to a system they own and operate themselves to maximise their returns.

“After using a system for 2 years that did not cost us anything to install but didn't make us much profit either, we wanted a system that we knew would be better than the buildings around us. Arinda Internet and one other supplier were able to deliver a product of high enough quality to meet our requirements, but only Arinda had the right price.”

- Kris Racette, Manager

## Solution

The buildings have only a single standard telephone line (aka copper pair) running to most rooms, and the size and construction of the two buildings prohibited any new cabling from being run to each room. The floor layout also prevented the use of a purely wireless solution.

Fortunately, Arinda has a system that can deliver broadband internet through the existing telephone lines without interfering with the telephone service.

Arinda installed two DSLAM devices and an Internet Access Controller at the building's MDF in the telecommunications room near reception. A wireless modem was then installed in each room. With this equipment in-place, the incoming internet feed into reception is redistributed into every room, and then transmitted wirelessly within each room. The wireless modem in each room has a unique password, which is written in the in-room information compendium. This is to ensure that guests can only connect to the wireless signal for their room.

“The wireless system is superior to the cabled one as it removes the ugly cables from the room, and the modem can be placed discreetly out of sight. Plus the wireless also allows multiple laptops and computers to connect at the same time. Overall I think the wireless solution was the hidden Gem of what makes this such a good system.”

- Kris Racette, Manager

The end result is that users can access the internet on their own laptop from anywhere in their room. Guests simply connect to the wireless signal for their room, choose their preferred plan, and the charges are automatically added to their room bill for payment on check-out.

## Benefits

There are numerous benefits of this internet system for Gemini Court:

- increased revenues from the sale of internet access plans to holiday guests by moving from a profit-share model to outright ownership
- new revenue streams from newly connected rooms that did not previously receive the internet feed, especially permanently occupied apartments as permanent residents use the service as their home internet connection
- greater customer satisfaction as the result of a more reliable service
- no new cabling had to be run within the building, substantially reducing installation time and costs and removing the need for building work approvals
- the integration with the existing HiRum property management system (PMS) means there is little new training required and outside relief managers can still be used when required
- No need for body corporate approval for installation

“The cost seemed expensive, but we are already well on the way to recouping our investment after the first year. The system has delivered a 100% increase in gross revenue over our old system, and we used to only get 10% of the gross on our old system!”

“The best return is the satisfaction of our guests and the experience the service provides them. As the system is our property we don't have to have any branding through the system other than Gemini Court. Guests know the service is provided by us, and is of a high quality to match our property.”

- Kris Racette, Manager

<b>Financial Analysis</b>	
<b>Direct Revenue</b> (from the sale of internet access plans)	<b>\$11,740 p.a.</b>
<b>Indirect Revenue</b> (from new guest room rates)	
Proportion of occupied rooms which use the internet service	25%
Increase in number of room nights sold per year	300 room nights / year
Average room rate (averaged over all room types over the entire year)	\$150 / night
Average profit margin per room per night	20%
<b>Total additional accommodation net revenue per year</b>	<b>\$9,000 p.a.</b>
<b>Less monthly internet fees, service charges, Arinda support fees, etc</b>	<b>\$3402 p.a.</b>
<b>TOTAL INCREASE IN NET PROFIT PER YEAR</b>	<b>\$17,338</b>
<b>Annual return on investment</b> (total investment was \$27,050)	<b>62% p.a.</b>
<b>Time required to recover the capital invested</b>	<b>18 months</b>

### Products and services used

The following Arinda products and services were used to deliver this solution:

- 2x DSLAMs and 1x Internet Access Controller
- Server rack for mounting the server equipment in the telecommunications cupboard
- Wireless ADSL modem in each room
- Internet Content Filtering Service
- On-call business-hours support supplied by Arinda
- On-site installation and training