



# Newsletter

October 2009

**All the latest products & services,  
market news, recent clients, and  
educational tips and hints**

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Arinda gives you the handle on tomorrow

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1300 882 780

# Industry News & Events

## Internet boost for indigenous communities

"THE federal government will spend \$7 million on providing public internet access facilities in remote indigenous communities over the next four years, as part of the Closing the Gap initiatives announced by the Council of Australian Governments in Darwin in July."

- Karen Dearne, *The Australian*, 2 July 2009.

*This is great news! So far this year we have setup multi-terminal internet cafes in 3 very remote indigenous communities, using satellite and 3G internet connections. We believe that there will be many more of these opportunities in 2010 to 2012 as connection options increase.*

## National Broadband Network underway

Good progress is being made on the new national broadband network (NBN).

"The government has named six broadband-deprived areas as the first recipients of its \$250 million cash injection to kickstart the \$43 billion national broadband network in rural areas.

The areas - Emerald and Longreach in Queensland, Geraldton in Western Australia, Darwin in the Northern Territory, Broken Hill in NSW, Victor Harbor in South Australia and South West Gippsland in Victoria - were identified as in most need of funding to fast-track the rollout of the government's fibre-to-the-home network."

- Mitchell Bingemann, *The Australian*  
2 July 2009.

*We can't wait. If the NBN delivers the promised speeds and improvement to regional internet access then the market demand for internet cafe systems is set to boom. Similar projects overseas have always led to a substantial increase in the demand for public-use systems.*

## Apple Growth Confirmed

Our observation of Apple market growth reported in our last newsletter has now been confirmed by Morgan Stanley analyst Kathryn Huberty, who says that in May, Apple shipments were up 25 percent over April. In comparison, PC shipments for the same period were up only 1 percent.

"In its fiscal second quarter 2009, Apple sold 2.2 million Macs, a 3% decline for the company over the year-ago quarter. While down, this isn't a significant decrease considering the economy."

- cnet

*The great divide between Apple and PC is narrowing, and we encourage operators to be prepared. The growth in Mac laptops is not only changing the support requirement, but it is also only a matter of time before we start seeing Apple Mac internet cafe terminals.*

## Michael Jackson crashes Google

The breaking news of Michael Jackson's death in June triggered an alert at Google over a potential malware attack. As millions of people started searching for news of Jackson's death on Google, the "volcanic" spike in searches caused the Google servers to think they were under attack, and thus blocked some users from searching.

## Firefox 3.5 released

Firefox 3.5 was released on July 1, and quickly reached 5.6 million downloads in less than 36 hours. Its new and extensive support for HTML 5 is making some analysts predict that Firefox may soon topple Internet Explorer to become the most popular web browser.

## Windows 7 released

The much awaited Windows 7 operating system was finally publically released on 22 October.

Windows 7 had an extensive testing program prior to release, which included the largest ever beta release in history, with millions of computer geeks (Arinda's staff included) testing the software for almost a full year.

As mentioned in previous newsletters, the Surf Easy software is already fully compatible with Windows 7.

Windows 7 is really what Windows Vista should have been. It has a very similar look and feel to Vista, only this version actually works!

*We recommend new installations now use Windows 7, but there is no need to rush out and upgrade your existing internet cafe terminals. Our philosophy has always been to "provide users with a system they are most familiar with." At the moment most home PCs are still running Windows XP.*

## New Zealand

Arinda's directors recently completed their tour of New Zealand, meeting with various internet kiosk and internet cafe operators. The visit was highly successful for Arinda, and the directors are already planning a return visit for 2010.

Arinda's CEO, Aaron Birkby, commented that "New Zealand has a well delivered and well serviced wireless hotspot market, covering both cafes and accommodation."

"However, the internet kiosk and internet cafe market is not well catered for, with low terminal numbers, minimal add-on features, and under-performing software."

"We are already negotiating with close to a dozen internet cafes and larger internet kiosk operators across New Zealand for the supply of our Surf Easy internet cafe software."

## LogMeIn Central

LogMeIn have released their new platform – LogMeIn Central. The new version has some nice new features and a much improved user interface. And it's pretty well priced at just \$299 per year with an unlimited number of LogMeIn Free installations. Go online and visit <http://www.logmein.com> for more information.

*LogMeIn remains as our recommended remote access software because it is the easiest to deploy, and incredibly cheap.*

## OpenDNS

OpenDNS have released two new levels of service – Deluxe and Enterprise. The new service plans offer more features, more detailed reporting, and greater capacity to set or block content. Visit <http://www.opendns.com> for more information.

*OpenDNS remains as our recommended internet content filtering solution because it is the easiest to deploy, and absolutely free!*

### Support call of the month....

An internet kiosk user in a large resort recently called our support team.

The very friendly gentleman reported that he wanted to use the internet kiosk, but that the screen was blank & he couldn't get it to turn on.

Our support tech stepped the user through all the normal checks, but started getting a little curious when the user said it was too dark to see the power point or to see the buttons on the monitor.

After 20 minutes our tech concluded that we would have to send someone out to the site to have a look at it.

The user then replied "It's not that important, don't worry about sending a tech out on the weekend just for me. I only wanted to use the internet because there is a power black-out in the building and I have nothing else to do."

# Market Analysis & Trends



## Market Statistics

- ❖ Arinda has now sold over 1000 Surf Easy hotspots, in-room, and internet cafe licences, which are now being used in 5 countries, including Papua New Guinea.
- ❖ Surf Easy products are generating over \$3.1 million per year in end-user gross revenues for their owners/operators.
- ❖ The average annual gross revenue from a Surf Easy internet cafe terminal in 2009 is \$5,108.
- ❖ In 2009, credit card transactions account for over 9% of all end-user revenue, up from less than 4% in 2008.
- ❖ Self-serve coin and note revenues for 2009 total \$2.1 million, or 68% of all revenues.
- ❖ The remaining 23% of revenues are manually processed by staff / operators.
- ❖ In 2009, Surf Easy products have sold over 5.5 million hours of internet access to end-users. 90% of this is from wireless systems.
- ❖ The average sale price per hour per user across all Surf Easy products is \$0.54.
- ❖ The average sale price per hour for Surf Easy internet cafe terminals (excludes all wireless and in-room) is \$4.59.
- ❖ The average internet cafe terminal or kiosk running 24/7 uses 48c worth of electricity every day.

### Want to know more?

You should attend our new Internet Cafe Entrepreneur's College. This intensive 3 day course gives you detailed analysis of the industry, market trends, and emerging opportunities. Contact our office or visit our website for more information.

## Backpacker statistics

Great news for internet cafes: Not only have backpacker visitor numbers remained static despite the economic downturn, but those who do come stay longer and spend more money, according to Tourism Research Australia's latest International Visitor Survey.

"For the year ending 31 March, 558,000 backpackers visited Australia, the same amount year on year. Though there was no increase in visitor numbers, those that visited stayed longer, with the average length of stay per backpacker increasing by three nights to 75."

"An extra \$201 million was injected into the Australian economy compared to last year, with average expenditure jumping to \$5914 per backpacker, an increase of \$359."

- *AccomNews.com, June 2009*

## How big is the internet?

Web site search engines Bing and Google have each indexed over 1 trillion discrete web addresses, meaning that there are 150 web addresses per person in the world.

"Translated: If you spent just one minute reading every website in existence, you'd be kept busy for 31,000 years. Without any sleep."

- Mark Higginson, Nielsen Online

Approximately 1.46 billion people worldwide now use the internet. The largest number by country is China, which accounts for 338 million users (22.4% of their population).

80.6% of the Australian population uses the internet, ranking us 7<sup>th</sup> in the world.

All that sounds huge, but consider the future. The estimated 1.46 billion internet users represent just 24% of the world's population, so there is substantial growth ahead.

- *news.com.au, 30 July 2009*



# New Products & Services

## Backup Service

Arinda has just launched a Surf Easy database backup service.

Our backup servers will remotely connect to your Surf Easy terminals each night and backup all the critical user accounts, access codes and revenue data.

The service is fully automated, and protects you against hardware failure, theft, or data corruption. In the event that you need to recover the data, our techs can work remotely to have you back up and running, usually in less than an hour.

Call or visit the website for more information.

## Relief Support

Want to take a break from your business, but cant because someone needs to be around to support the users?

Arinda now offers a relief support service. For a small daily fee we will provide free on-call support to your end users.

You can simply divert your current support phone to us, or change the number listed at your sites to our 1300 number.

You can choose coverage for business hours, or extended coverage for 8am to 8pm, 7 days.

Contact us for a daily price for your sites.

### Looking for a new Internet cafe business?

If you are considering purchasing or opening an internet cafe business then we can help. We can prepare a detailed Business Feasibility & Assessment Report to help you determine whether or not to proceed, and the ideal purchase price. Simply call 1300 882 780 to find out more.

## Reseller Program

Arinda has now officially launched its new Reseller and Certified Partner programs.

The Reseller Program allows retailers and wholesalers to simply and easily on-sell the Surf Easy products and services with a nice margin off the recommended retail.

The Certified Partner Program is targeted at IT professionals who have the expertise to not only sell the Surf Easy products, but who can also assist the client with product selection, configuration, installation, maintenance and support. Certified Partners must attend a 2 day training course and pass an exam to be accepted into the program. The Certified Partner logo is a sign to the market place that the operator is highly trained, with industry specific knowledge.

For more information about these opportunities please visit our website:

<http://www.arinda.com.au/reseller.asp>

## Consulting & Design

We are now offering our detailed industry knowledge and experience in the form of a consulting service. For an hourly rate, our directors and network of preferred supplies can help you with:

- ❖ Site selection and negotiation
- ❖ Floor plan and furniture design
- ❖ Business acquisitions and disposals
- ❖ Advertising, marketing & promotion
- ❖ Website design and hosting
- ❖ Profit enhancement & cost minimisation
- ❖ Staff selection and training

We can help you in all stages of the business life-cycle, from site selection and installation, through to ongoing management, and even the final sale or disposal of your business.

## New wireless hotspots

A few months ago Arinda released some new models of our Surf Easy Wireless HotSpots, which are much more powerful, and which can operate in both access point and repeater mode. Prices start from just \$599.

## Site Referral Service

If you operate in the profit-share hosted system market then you know the value of finding new sites for you to deploy your next installation.

Our Site Referral Service will help you grow your business by passing new leads and inquiries for your area directly onto you.

We have dozens of new sites approach us every week wanting internet kiosks and wireless hotspots on a profit share bases. Take advantage of our market presence and receive these site referrals so that you can grow your business faster.

The Site Referral Service is \$699 per year.

**Build your business faster by taking advantage of our market presence and experience. Our consulting and site referral services can assist you at every stage of your business. We aim to maximise your profits and minimise your workload.**

### Selling your internet business?

If you are considering selling or closing your internet cafe, wireless hotspot, or internet kiosk business then you should contact us. We have a long list of clients looking to buy new businesses or second hand equipment. Simply email us all the details and we will spread the word amongst our network of clients.

## Lease a Wireless HotSpot

How would you like to make an extra \$500 per month with no upfront outlay?

Our Surf Easy Wireless HotSpot Cafe Pack is perfect for cafes, restaurants and bars that want to offer wireless internet services to their customers.

The pack includes:

- ❖ Surf Easy Basic Indoor Wireless HotSpot
- ❖ 1000 pre-printed tickets with your logo
- ❖ Credit card billing gateway
- ❖ Web portal management & reporting
- ❖ Business hours on-call support
- ❖ Full control over pricing & plans

You can set the end-user pricing, or even give access away for free.

On our website you can find case studies of different clients that have used these packages. Some clients are earning over \$15,000 a year in new revenue simply by offering wireless internet access to their patrons.

All you need is an internet connection, and if you don't already have one then we can help you get a new connection as well.

The total package value is over \$1800, but mention this newsletter and you can purchase the pack outright for just \$1600, or you can lease the pack for a low \$77 per month (including GST) on a 2 year contract.

## Feedback Wanted!

We are inviting all our clients to provide feedback on their experiences dealing with us. To have your say, and to help shape the future direction of our products and services, please visit: <http://feedback.arinda.com.au>

### Kiosk and HotSpot Hire



Arinda now has internet kiosk terminals, information kiosks, touch-screen kiosks, and wireless hotspots available for short term hire. These are ideal for conventions, functions, conferences, and other events. Rates start from \$50 per day, and include free on-call support.

# Recent Clients & Installations

## Warringa Surf



Arinda recently installed a Surf Easy in-room wireless internet system at Warringa Surf Holiday Apartments in Surfers Paradise on the Gold Coast.

Holiday makers and permanent residents now have access to high-speed wireless internet from anywhere in their apartment.

## Video Ezy Alstonville



Video Ezy recently added two coin-operated internet kiosk terminals in their Alstonville store.

## M&S Internet Pittwater Place & Norton Plaza



M&S Internet have opened 2 new shopping centre internet cafes in Sydney, this time in Pittwater Place in Mona Vale and Norton Plaza, in Leichardt.

Both internet cafes have 11 Surf Easy user terminals and 2 self-serve payment stations, allowing customers to buy internet access on short or long term plans. Both sites also offer wireless internet access via a Surf Easy Wireless HotSpot.

## Brisbane Laundromats

Arinda recently installed several internet kiosks in Laundromats across Brisbane, including Coopers Plains, Chermside, Everton Park, Hawthorn, and Northgate.



## Apartments Inn Byron

Travellers to Byron Bay can now stay in the brand new and luxurious Apartments Inn.

Shortly before their opening night, Arinda installed a guest in-room internet system. The building has CAT6 network cable running from each apartment back to a communications cupboard on each of the 3 floors. The cupboards are cabled back to reception.

Arinda installed an Internet Access Controller, three 24-port network switches, and wireless access points in every 3<sup>rd</sup> room. Users connect and pay via credit card through the Arinda merchant gateway service.



## Internet Cafes in Emerald

Arinda recently supplied its Surf Easy internet cafe software and wireless hotspots to two internet cafes in Emerald – “The Internet Cafe Emerald” operated by Site Support, and Hoopers Food Store.

## Others

Other recent installations and clients include:

- ❖ Plantation Hotel
- ❖ Wests Leagues Club
- ❖ Newcastle Amusement Distributors
- ❖ Tasman Bay Backpackers NZ
- ❖ Rainbow Tea
- ❖ Corindi Beach Post Office
- ❖ Letsave St Kilda
- ❖ Artesian Spa Motor Inn





# Tips, Hints and Training



## Windows Steady State

We recommend that about every 3 to 6 months you turn off Disk Protection and reboot the PC. This allows the PC to reset the status of any Windows errors that have occurred. Random funnies can occur on machines that have been running with Disk Protection enabled for an extended period of time.

## Staff Training Course

Your staff can make or break your business, and good staff for your internet cafe can be hard to find. Thus it is important to develop your staff through training. We can work with you to tailor training for your staff so that they can better service and support your users. Training programs start from \$150 per hour.

## Basic Tech Training

This course provides an overview of the various internet cafe systems, their capabilities, operation, and maintenance. This course is aimed at individuals with limited previous computer knowledge or experience who want to understand the various internet cafe systems.

## Surf Easy Certification

This course is an advanced technical training course leading to a certification in our Surf Easy products and services.

This course is a prerequisite for our Surf Easy Certified Partner Program, and is aimed at individuals and businesses who are IT professionals with a level of computer knowledge or experience. It provides advanced training on system installation, deployment, maintenance and support.

## Entrepreneur Training



The purpose of this course is to help you start and build a profitable business in the internet cafe market segment. The course covers the various business models for operating internet cafes, internet kiosks, wireless hotspots and in-room broadband systems. The course also covers the different types of internet cafe billing and management systems and their associated use and operating costs.

This course covers business planning and management involved in running internet cafes systems. The course includes training and information on site selection, site negotiation, operating models and structures, seasonal trends, lease negotiations, and profitability.

You will get templates for profit-share agreements, non-disclosure agreements, business plans and more. Plus we also provide the latest information on industry trends, market pricing, competitors, future opportunities, and industry benchmarks.



## Cost Reduction Tip

One side of the profit equation is obviously to reduce your operating costs. There are literally hundreds of ways of doing this, and we cover these in our business training program.

Today's tip is to look for opportunities to share costs, such as sharing your internet connections with neighbouring businesses.

For instance, when you setup your internet cafe or kiosk you should approach surrounding businesses to see if they already have an internet connection. You may be able to negotiate to share their existing connection and save yourself a considerable amount of money by avoiding a dedicated connection.

