



Arinda Internet  
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# Case Study

## Chat Room Café & Bar

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### Wireless HotSpot Deployment

The Chat Room Café & bar  
Chevron Renaissance Centre  
Shop G37, 3240 Surfers Paradise Blvd  
Surfers Paradise QLD 4217



A small investment of just \$79 per month for a wireless hotspot delivers a massive increase in annual profit of over \$18,000 per year for this busy Gold Coast cafe, and they even provide the internet access to their customers for free!

## Business profile

The Chat Room Café & Bar is a busy contemporary restaurant and bar in the heart of Surfers Paradise on the Gold Coast in Queensland Australia. With seating for over 100, and an annual gross turn-over in excess of \$1 million, the café is very popular with international and interstate tourists, and with local residents and office workers.

## Situation

Since first opening its doors in 2004, The Chat Room has always offered free wireless internet access to their customers. All customers have to do to receive their free internet access is simply purchase any item from the menu to the value of at least \$4. Even though the minimum requirement is to spend \$4 for every 60 minutes of access, most customers actually spend much more than this.

This free wireless internet service quickly proved to be immensely popular in drawing in new customers, and in retaining customers for repeat trade over multiple visits.

The Chat Room owners deliberately chose to offer free wireless access to their customers because they know from experience that the free service attracts a larger number of new customers to their business every day. In their case, the increase in revenue from additional sales of their menu items far exceeds any revenue they could make directly selling the internet access.



## Solution

The sale process is very simple. A customer purchases something from the menu for at least \$4, and the staff issues them with a ticket. Each ticket has a unique code which the customer can use to get their free 1 hour of internet access. If they want more time they can either purchase additional time, or make another purchase from the menu.

Arinda supplied and installed a basic indoor Surf Easy Wireless HotSpot. This product is ideally suited to The Chat Room because it gives them:

- the ability to provide the free access only to genuine customers, and not to the broader public who may be sitting in adjacent cafes
- the ability to enforce minimum spends/purchases that customers must make from the menu before they can receive their free internet access
- the ability to cap each customers speed, and thus share the internet connection across all users, and preventing one user from hogging all the bandwidth
- the ability to cap individual user sessions to a set period of time and a maximum download limit
- the ability to access reports on customer usage, including time and downloads used
- the ability to up-sell longer access plans for customers who are happy to simply purchase their internet access rather than being forced to buy food or beverages from the menu
- the ability to filter inappropriate websites and content



## Benefits

The Chat Room quickly realised the following benefits:

- significant increase in revenues from the “qualifying purchase” that has to be made before a customer receives their free access
- more customers, who return more often
- greater customer satisfaction as the result of a free, reliable internet service
- greater word-of-mouth referrals attracting even more customers into the business
- control over customer usage
- reduction in download traffic and excess internet usage charges
- reduction in staff time spent dealing with the internet service
- greater reporting and easier management
- the ability to focus on their core business, and leave the technical support to Arinda Internet

## Usage Statistics and Financial Analysis

<b>Financial Analysis</b>	
Customer take-up / usage rate as a percentage of all customers	4%
Average number of new wireless internet users per day	20
Average total menu spend by each of these new customers per visit	\$8
<b>Total additional daily revenue generated by the wireless service</b>	<b>\$160 / day</b>
Average cost of goods sold (i.e. 35% profit margin)	65%
<b>Total additional annual profit generated by the wireless service</b>	<b>\$20,440 p.a.</b>
Less Surf Easy HotSpot fees (@ \$79 per month over 24 months)	\$948 p.a.
Less monthly internet fees (typically \$80 per month)	\$960 p.a.
<b>TOTAL INCREASE IN NET PROFIT PER YEAR</b>	<b>\$18,532</b>

## Products and services used

This massive increase in profit is achieved through an Arinda Surf Easy HotSpot on a service agreement of just \$79 per month.

**Imagine what you could achieve with a Surf Easy Hotspot in your business!**

