

# WEARABLE TECHNOLOGY

JUNE TECH BRIEF FOR RETAIL  
HOSPITALITY AND TOURISM NETWORKS



## Real time client data at *their* fingertips

*Big Data* is making its imprint on marketing, investment, drug discovery and across nearly every industry. Arguably, Big Data can offer the Retail, Hospitality and Tourism sector the greatest return on investment. RHT is inherently customer facing, and therefore dependent on customer satisfaction. Collected data can be used to deliver on guest expectations *in real time*. Imagine discerning what your guests want – and being able to deliver it – at a moment’s notice!

To make this vision a reality, the question is: how do we best gather data? The collection point is the guest. From there information must go to an aggregation point, with actionable reporting as an output. One answer is smartphone/PDA and its associated apps; examples include Virgin Hotel’s client app, and Marriott’s client apps. An even better answer is customer wearables. Think Fitbit or smart watch.

The wearables market, a subset of the IoT/Big Data phenomenon, is forecast to become the fundamental touchpoint of properties and their guests.

## Labor Force Takeaway

Employees will be needed to support a growing wearables market including, helpdesk/software support, device inventory management and maintenance, as well as ongoing applications development and expansion. A tech savvy staff will be fundamental to this initiative, and good hotel management software, like Hitec’s property manager and ServiceNOW, can be a useful repository for all device management. Certifications in a variety of areas will be needed to manage wearable tech. TAN recommends considering vetting additional Integrated Voice Communication Systems (IVCs).

Several new positions arising from wearables will be in-house technicians to troubleshoot both hardware and software problems, and contractual workers to upgrade Wi-Fi systems and/or rewire the entire property if proprietary (and encrypted) short-range data links are to be used. In addition, upskilling for front desk staff will be necessary, especially as other IoT systems are incorporated.

# Guest Wearables Revolutionizing RHT Service Capabilities

Collection points in the RHT industry have historically centered on the in-room telephone or television, where the property dedicated channel plays an endless loop of property amenity options and service ordering capabilities. More recently, collection points have expanded to include the guest-owned smartphone, property managed software applications and other apps. Recently though, wearable devices have come into its own. These can gather guest data, transmit it, and once processed, aid in providing services.

Types of wearable devices include wrist, glasses and ankle bands. Example functionality ranges from Smart Watches, able to display boarding passes, flight information, directions, and updates, to Smart Glasses (functionally equivalent to smart watches), to sleep monitors, Fitbit step counters to Disney “Magic Bands” providing privileges commensurate with your ticket selection.

With the ability to collect and communicate information such as location, purchase preferences, account information, payment information and room access permissions, wearable devices give hoteliers, entertainment venues, transportation service providers, restaurants and even retail stores, insights into their valued clientele. Harnessing trend data regarding consumer preferences – and warehousing it to predict future behaviors – is invaluable to purveyors seeking to gain loyalty and repeat business from buyers.

**Data from wearables can be used to service a specific customer *in real time*. Aggregate customer preference data (Big Data) can be used to respond to customer trends.**

**Wearable devices can be deployed in one of two ways** – as employee wearables (example: Virgin Atlantic Airways Heathrow Airport employees all have wearable devices to help direct clients), and as consumer wearable devices. The consumer versions can be either property distributed or client owned.

Many **providers** have already embraced and implemented this technology. As mentioned, Virgin Atlantic Airways, as well as the Virgin Hotel chain, have deployed wearable technology at their sites. The Walt Disney Corporation is at present the single largest collector and user of client data in the world. Their “Magic Bands” are issued to every guest at entry. “Magic Bands” are needed to enter every inside park venue or kiosk.

Other companies employing wearable devices includes JW Marriott, the Westin Hotel Chain (sleep monitors) and Starwood Hotels (Google Glass, and Keyless Entry devices). Chain restaurants such as Applebee’s and Chili’s have trialed and/or deployed client ordering devices at tables, that allow clients to order, update and pay without any server intervention other than delivering orders to tables.

In terms of numbers, **the growth is big and getting bigger**. World-wide wearable shipments at the end of the 2016 fiscal year were estimated to be at 33.9M. This is expected to increase to 560M by 2021, an almost 20-fold increase in volume in five years. Revenues associated with this growth are estimated to be ~\$95.3B by 2021. That computes to an annual growth rate of 23% between 2016 and 2021.

In summary, all businesses in the RHT sector would be wise to incorporate a wearables strategy into their planning process. In a business where service is king, these devices will most certainly be the trusted valet.