Wearable Devices: The Next Big Thing in CRM

By integrating wearable computing devices with CRM systems, organizations across industries can have real-time access to account data, engage more effectively with customers, systematically identify opportunities for cross-selling and up-selling, and enrich customer relationships at every encounter.

Executive Summary

High-performing businesses know how to take control of data, optimize critical systems and equip their workforce with the technologies they need to offer customers a consistently gratifying experience. Among these are wearable devices, which hold significant potential for the consumer electronic and computer industry, as well as companies across sectors.

Today’s advanced wearable technologies enable users to enjoy the same kind of integrated digital experience that they expect from their desktop, laptop, smartphone or tablet, but with the ease and convenience afforded by watches or glasses, for example. This capability is quickly reshaping people’s understanding of how work is done and how decisions are made – especially in scenarios where safety or logistics can limit the use of common portable devices.

The wearable technology market is entering a rapid growth phase that is likely to mirror the hyper-connectivity phenomena spurred by the global smartphone revolution. Worldwide, the wearable electronics market is expected to cross US$8 billion in 2018 – increasing at a healthy CAGR of 17.7% from 2013 to 2018. Even though consumer applications accounted for the largest market share (with revenue crossing US$2 billion in 2012), the enterprise and industrial applications space is expected to expand more than 21% annually from 2013 to 2018, with APAC as the fastest-growing region (see Figure 1 on next page).

In this white paper, we will discuss the scale and scope of the wearables market, uncover key factors that are driving the technology’s integration with CRM systems, and showcase how wearable devices intersect with and create value across the sales, marketing and service continuum. We will also recommend a move-forward strategy for organizations that want to collect and make meaning from customer information generated across the “Internet of Things.”
The Global Wearables Technology Ecosystem

The global wearables technology ecosystem (i.e., the entire wearables device market and its providers) was estimated at US$4 billion-plus in 2012, and is expected to cross US$14 billion by 2018 (CAGR more than 18% from 2013). Forecasts predict that the penetration rate of wearable technology is predicted to accelerate over the next five years, reaching roughly 46% of the total addressable market (TAM) by 2018.

The wearables landscape is supported by industry-standard technology platforms and tools such as Salesforce and Microsoft CRM, which allow devices, applications, data, products and services to work together in brand new ways. Internet connectivity through Wi-Fi, telecom networks and APIs provided by standard operating platforms such as Android and iOS is further powering the market’s rapid evolution.

Key Drivers in CRM

There are several crucial developments in the CRM space that are especially relevant to wearable technologies:

- **Salesforce.com’s Salesforce Wear Developer Pack** comprises reference apps, demos, open source code and other documentation. This developer platform enables device developers to design and build wearable apps that connect to the salesforce.com CRM platform. In fact, Salesforce.com has released six end-to-end apps for wearable devices as part of its Salesforce Wear initiative.

- Other CRM vendors are collaborating with wearable device vendors to explore different business-use cases, such as generating effective leads and campaigns, and reducing lead-to-order cycles. For instance, **Microsoft Dynamics CRM** supports customization of a mobile platform compatible with Google Glass.

- Wearable devices will enable users to buy products online, directly from their device. Recently, **PayPal** announced a new app that allows users to pay for products using their Samsung Gear 2 Smart Watch.

- **Google Glass** can track a user’s eyes to see which advertisement the customer has seen. In conjunction with its patented “Pay per Gaze” advertising, this capability has the potential to transform digital marketing.

- **Real-time actionable data**, context-based content, localized content and augmented media will only propel the demand for wearables in CRM.

Figure 2 on the following page depicts how organizations are beginning to launch wearable products, and references designs that allow non-technology OEMs and brands to quickly deliver innovative, diverse, unique and stylish solutions. These devices will provide an additional channel...
How Organizations Are Launching Wearable Products

![Figure 2: Diagram of wearable devices and supporting technology](image)

What Customers Expect from Wearable Devices

- **Connectivity:** Providing and Processing Data
  - Offer connectivity options like Wi-Fi, Bluetooth, etc., for data input and data transmission.

- **Value:** Right Content
  - Extract and analyze meaningful data. Allow users to make informed decisions.

- **Communication**
  - Connect with an expanding community of wearables, devices, systems, platforms, services and software.

- **Intelligence:** Quick Response Time
  - Afford minimal interaction with the user/expedite user’s manual actions.

- **Sensors:** Recognizing User Action
  - Measure activity levels, distance traveled, etc. Contact-less control through voice activation.

- **Portability:** Minimum Charging Time
  - Allow smart portability with 24-hour access.

- **Multi-Function**
  - Augment special features with the ability to track multiple parameters while providing automated user feedback through notifications/alerts.

![Figure 3: Diagram illustrating customer expectations](image)
Clearly, wearable technology is “the next mega-trend” that will change the way we live, work and play. But meaningful innovation will only occur if customer expectations are addressed (see Figure 3, previous page).

**Types of Wearables**

Wearables can be broadly grouped into five categories: fitness, medical, lifestyle, gaming and infotainment (see Figure 4).

While smart glasses could be a starting point (i.e., transitioning from touch-screen smartphones), the entire spectrum of wearable devices will need to evolve in order to spur consumer interest. With different forms of wearable devices available, organizations should focus on ways to equip users with the digital information they need (real-time data) to support real-world actions (i.e., decision making).

It took roughly eight years for smartphones to mainstream; tablets took only three years to achieve broad adoption. In our view, it could take even less time for wearable devices to scale. The key to widespread adoption of wearables among businesses and customers will be in products that leverage the single, unique benefit of a smart device that can be worn all the time — lessening the risk of it being misplaced, lost, damaged or stolen. This is a distinct advantage over smartphones.

**Wearable Tech Meets CRM**

Unlike many technology cycles where either consumers or businesses lead the way in adoption, wearable technology is being simultaneously embraced by individuals and organizations alike (see Figure 5, next page). This dual advantage provides the perfect scenario for businesses looking to sync customer relationship management (CRM) with wearables.

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**The Spectrum of Wearable Devices**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Fitness</th>
<th>Medical</th>
<th>Lifestyle</th>
<th>Gaming</th>
<th>Infotainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>4iiii Viiiiva</td>
<td>Nubio nCG Platform</td>
<td>AIQ Smart Clothing</td>
<td>Sqord PowerBand</td>
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<tr>
<td>Adidas miCoach</td>
<td>BodyGuardian Remote Monitoring System</td>
<td>Biomon</td>
<td>TN Games 3RD</td>
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<tr>
<td>Bodymonitor Smartband</td>
<td>Fitbit BP Monitor</td>
<td>Heart Sensing Technology</td>
<td>Space Vest</td>
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<td>FitBit Flex</td>
<td>Metria Wearable Sensor Technology</td>
<td>Nike Hyperdunk+</td>
<td>GeoPalz iBlitz</td>
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<tr>
<td>Misfit Shine</td>
<td>iMec ECG</td>
<td>Everon Lyra</td>
<td>Garmin Approach S3</td>
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<tr>
<td>Nike Fuelband</td>
<td>HEadset</td>
<td>Apple iWatch</td>
<td>BPS Ninja</td>
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**Sample Products**

Figure 4
More Value for Customers and Businesses

Figure 5

Wearables offer round-the-clock, real-time access to employees, prospects, customers, product or services information, from anywhere (through interactive maps), at any time (online/offline mode). Furthermore, these devices can collect customer data on purchase behavior, location, activity, health indicators and hobbies, for example - providing companies with insights they can use to consistently enrich the customer experience at every touch point (see Figure 6).

Wearables: An All-Inclusive, Next-Generar Channel

Continued on next page.
Wearables' Impact on CRM

As shown in Figure 4 on page 4, there are a multitude of wearable devices that address various consumer needs. In our experience, different types of wearables have varied impacts on CRM across its different functional areas, as shown in Figure 7.

More specifically, wearable technologies can help deliver quantifiable benefits in:

- **Sales.** CRM systems typically provide companies with the ability to develop a 360-view of customers and generate actionable up-sell and cross-sell opportunities for sales reps to pursue - helping to improve the lead conversion rate. However, making this information available requires third-party integration with wearable devices, which extracts...

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**Gauging the Impact of Wearables**

<table>
<thead>
<tr>
<th>Wearables</th>
<th>Lead/Campaign Management</th>
<th>Account/Contact Management</th>
<th>Opportunity to Quote</th>
<th>Service/Complaint Mgt.</th>
<th>Activity Management</th>
<th>Loyalty Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Glass (Google, Vuzix M100)</td>
<td></td>
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<td>Wrist Keyboard (IKey)</td>
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<tr>
<td>Smart Watch (Apple, Sony, Samsung, Pebble)</td>
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<tr>
<td>Wearable Ear phone (Psd)</td>
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<tr>
<td>Real-time Locating System (9Solutions Systems)</td>
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<tr>
<td>Wearable Hand Bands (Amsterdam Mnemo)</td>
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**Top 3 Wearable Categories Having Highest Impact on CRM**

1. **Smart Glass** (Google, Vuzix M100)
2. **Smart Watch** (Apple, Sony, Samsung, Pebble)
3. **Wrist Keyboard** (IKey)
CRM data and displays it in real time on the device. This enables sales reps to:

» Improve the planning of customer calls and activities; significantly increase selling efficiency by having more visibility into more opportunities and better managing selling time.

» Ensure timely follow-up with customers by receiving notifications concerning tasks, events, appointments and meetings – directly from the rep’s wearable device.

» Generate quotes in real time and quickly capture customer approval and feedback.

» Immediately update account/contact information and record customer interactions.

» Access products and pricelists to close deals faster, increase the size of the deal, and provide consistent, collaborative customer management.

» View key metrics to see which marketing efforts result in profitable sales.

The Banking Industry:
Wealth Management for HNIs

1. Wearing his smart watch, a wealth manager visits an HNI* client.
2. He uses the watch to retrieve information (via a single view of the client’s total investments in deposits, equities, treasury bills, etc.)
3. Using third-party apps, he checks the equity market and informs his client about her real-time gain/loss.
4. The smart watch suggests new products (cross-sell and up-sell opportunities) that suit the client’s profile.
5. He optimizes the client’s asset allocation (new products, sell or buy existing bonds) and presents it to her.
6. The wealth manager records his acknowledgment for auditing compliance.

Benefit:
• Provides a single view of the customer across products and geographies.
• Identifies cross-sell and up-sell opportunities – potentially leading to profitable, long-term customer relationships.
• Scales to accommodate and deliver required capabilities.

* High Net Worth Individual

Figure 8

The Real Estate Industry:
Seller Experience

1. The real estate agent (wearing his smart glasses) meets the lead and visits the property to be sold.
2. The agent captures real-time video of:
   1. The house
   2. The lead’s details (reason for sale, introduction, etc.).
3. The agent enters the property location and retrieves similar property details available in and around the current location.
4. The agent shows the lead this information on his communication device and helps her evaluate the price for sale.
5. In real time, the agent composes the advertisement to be published and takes acknowledgment from the lead.
6. The agent posts this advertisement using voice commands on Web/social platforms through wearable technology.

Benefit:
• Transform every lead into a revenue-generating opportunity.
• Create a quote in real time, in front of the customer.
• Reduce turnaround time.

Figure 9

Wearables also ease the task of managing accounts and contacts in banking, as depicted in Figure 8, and reduce the “lead to order cycle” in the real estate space, as shown in Figure 9.

• **Marketing.** Using wearables, marketers can employ context-aware and real-time marketing insights to:

  » Send personalized and targeted offers directly to a customer’s wearable device, in real time.

  » Transform digital marketing by capturing information on buying preferences, location and customer profiles, when and where needed.

  » Manage and track multi-channel marketing campaigns in real time to ensure that no leads are dropped.

  » Send customized product catalogs and promotion materials to customers from the user’s wearable device.
» Leverage location-based tracking mechanisms to extract contextually relevant data that informs product/service interests.

» Send and analyze consumer surveys to automatically track feedback and gauge reactions to advertisements.

Figure 10 below reveals how wearables contribute to effective lead-generation campaigns in the telecom space.

• **Service.** Today's customers can be anywhere. Using wearable devices in service management can go beyond simply addressing and resolving customer complaints. For example, as shown in Figure 11 below, with wearables, organizations in the hotel industry can serve customers better with highly responsive, relevant and effective service, regardless of time or location. This allows them to:

  » Offer readily available literature and solutions (videos and documents) to assist service reps and increase customer satisfaction.

  » Empower service reps to collaborate globally with support teams and knowledge systems in real time, thereby decreasing the time it takes to resolve customer complaints and concerns and keep agents productive.

  » Enable service reps to acknowledge customer service requests/cases immediately, as they happen, and remain accountable.

  » Measure field service reps' activity metrics by monitoring and capturing data through their wearable device and using that data to calculate performance incentives.

Figure 12 on the following page shows how high-tech organizations can use wearables to be more attentive to service and complaint issues.

Figure 13 on the following page reveals how sales reps in the Fast-Moving Consumer Goods (FMCG) Consumer Goods industry can more effectively replenish inventory via wearables.

### The Hotel Industry: Frequent-Stay Programs

![The Hotel Industry: Frequent-Stay Programs](image)

**Benefit:**
- Sort, organize, maintain and manage target sales prospects.
- Drive increased response and sales in real time.
- Accelerate the lead-qualification process.

**The Telecom Industry: Personalizing Service Plans**

![The Telecom Industry: Personalizing Service Plans](image)

**Figure 10**

**Figure 11**

**Figure 12**

**Figure 13**

The Telecom Industry: Personalizing Service Plans

**The Hotel Industry: Frequent-Stay Programs**

A hotel staff member wears smart glasses that are integrated with the hotel hospitality app and the customer service system.

She retrieves a customer's information on the smart glasses just as the customer arrives at the hotel lobby and greets him by name.

She identifies booking details and preferences, then immediately starts the check-in process for the customer.

She tracks the existing loyalty points of the customer and gives him options to redeem/accumulate points.

She informs the hotel guest of weather and local events at his destination, then translates that information in his native language.

After check-in, the hotel staff member offers food/drinks and other services based on the customer's choice.
Looking Ahead

Today, most consumers research products and services online before they make a purchase, and conduct business with the seller (buying, contacting support services, etc.) in the same way. Thus, companies must offer Web content that makes it easy for customers to make more informed buying decisions and communicate with the organization online. By providing real-time, personalized and context-aware access to customers, wearable technology has the potential to transform the entire customer experience for the better. This makes it imperative for businesses to scale-up their CRM-specific strategies and solutions to engage with customers through their wearable devices.

Wearable technology has the potential to influence the entire CRM landscape. Hence, organizations should be ready to integrate these advancements with their overall CRM strategy by learning to:

- Identify opportunities to utilize this disruptive technology as a new channel and enhance core business processes across sales, marketing and service functions.

  - Select the right wearable devices among the many options available, and which the organization believes are the best fit for its CRM ecosystem.
  
  - Develop applications (platforms and apps) around wearable devices to help increase customer engagement.
  
  - Integrate these devices with the organization’s existing technological pillars to deliver a seamless and satisfying customer experience at every touch point.

By supporting wearable technologies in the workplace, organizations can empower both employees and customers to more effectively interact in the emerging hands-free, increasingly connected world.

Hi-Tech Engineering: Field Service Agents

1. A field-service agent (FSA) wears smart glasses to view details/SR for a scheduled work order.

2. He reaches the customer location using routes in Google Maps and conducts a preliminary diagnosis.

3. He accesses his product/services literature (videos, documents) through the smart glasses to troubleshoot the problem.

4. As part of L2 service, he starts a live-stream conversation with the back-office support team.

5. Once the problem (a defective part) is identified, the FSA places the replacement order through third-party apps.

6. The FSA captures the customer’s feedback and digital signature on his communication device—closing the work order/SR.

Benefit:

- Aid in delivering faster services that customer’s want—anytime, anywhere.
- Ensure timely response.
- Enhance the productivity of support representatives.

Fast-Moving Consumer Goods (FMCG) Industry: Inventory Replenishment

1. A sales rep wearing her smart glasses enters the hyper-mart to engage with the store manager.

2. Through her smart glasses, the sales rep identifies opportunities to sell against in the account and their monthly priorities.

3. She scans products to offer:
   1. Best-selling price (based on competitor pricing)
   2. Promotions/deals
   3. Inventory refill

4. Through her smart glasses, the sales rep then places an online order to the regional supplier.

5. The sales rep reads customer development agreements (marketing activity, shelf space and equipment placements).

6. Using her glasses, she views the best shelf display based on past sales and arranges the shelf before leaving the store.

Benefit:

- Create incremental demand on every sales call.
- Provide the right assortment, making products more visible.
- Reduce workload to maximize sales-rep productivity and optimize inventory.
Footnote


About the Authors

Avinash Bhat is a Consulting Manager with Cognizant Business Consulting’s Enterprise Applications Services (EAS) Practice. His core areas of responsibility include leading CRM strategy consulting engagements across sales transformation, marketing automation and service optimization. He has 12-plus years of experience helping companies execute critical consulting engagements, including CRM roadmaps, business cases, vendor evaluation and contact center transformation. He can be reached at Avinash.Bhat@cognizant.com.

Priya Badri is a Consultant with Cognizant Business Consulting’s Enterprise Applications Services (EAS) Practice. Her core responsibilities include working on consulting projects in the CRM space across industries. She has six-plus years of progressive experience conducting business diagnostics to help clients establish industry-leading customer service solutions and on-site evaluation of their existing technology, processes and procedures. She received her M.B.A. from the prestigious S.P. Jain Institute of Management & Research, specializing in information management. She can be reached at Priya.Badri@cognizant.com.

Uday Shankar Reddi is a Consultant with Cognizant Business Consulting’s Enterprise Applications Services (EAS) Practice. His core responsibilities include working on consulting projects in the sales, marketing and customer service domains across industries. He has five-plus years of experience in customer relationship management consulting, digital marketing and business process improvement. He has played a significant role in assisting in and driving business transformation and technology roll-out projects for multiple clients across the globe. He received his M.B.A. from the prestigious NITIE institute, Mumbai. He can be reached at Udayshankar.Reddi@cognizant.com.

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