

Disney Relationship Magic

Before joining Disney in 2000, Tom Boyles had a career in banking, most of it in marketing. He was also what you might call a “Disneyphile.” Basically, that meant that he vacationed at Disney for the first time about 20 years ago and then returned at least once a year, every year, after that.

So, when a colleague told him that Disney was looking for someone to head its Customer Relationship Management (CRM) initiative, Tom not only jumped at the chance, but also had a pretty good idea where to start.

Knowing what to do next to make every vacation a perfect vacation — that’s how Tom Boyles is building guest loyalty at Disney Parks and Resorts.

As Tom recalls: “When Disney asked me what CRM meant, I said, ‘Well, part of it is knowing your guest well enough to be relevant to them.’

Then I said, ‘I’ve been coming here with my family every year for more than 20 years, but you all don’t really know who I am.’”

Six years later, Disney not only knows guests like Tom and his family and how often they’ve visited, but also everyone who dreams of having a perfect holiday at the Magic Kingdom.

That’s a big challenge when you consider that half of all the households in America are potential visitors. But Disney, says Tom, is getting it right by investing in the vision, and, above all, letting its customers manage the relationship.

How has CRM evolved at Disney since your arrival six years ago?

The idea is to fulfill our vision statement, which is about “creating cherished friends in the relationships we build with our guests.” Disney obviously is a great product and a great brand with an incredible cast, as we call our employees. The only real gap for us was knowledge of our guests at the individual level—before, during and after the visit.

The goal of CRM was actually reduced down to a fairly elegant statement of “know me and be relevant.” So, we went about the process of trying to figure out exactly what it meant to *know* the guest. Truly knowing the guest meant that we had to go to the best possible source for that kind of information, which are the guests themselves.

As it turned out, there were literally tens of millions of interactions that we had with guests in one form or fashion over the course of a year—just within the Walt Disney World franchise, let alone across the entire Disney company. That gave us an interesting and unique opportunity to acquire the information we knew about our guests in order to be relevant.

What were your principal challenges?

We had an interesting set of challenges because we have a relatively complex product at Disney. Most people who haven't been here don't realize the magnitude of what's here. Before I worked here, when I was visiting Disney as a guest, my wife and I would be sitting with our two kids, 8 and 10 years old, on the curb on Main Street waiting for the parade to start, and

there would be a couple sitting next to us that had similar characteristics.

We'd overhear the conversation where they were trying to decide what to do the next day. The husband would suggest going to MGM. And the wife would say, “No, that's really about movies. I don't know that the kids are going to like that.”

Well, the truth of it is, there's a ton of stuff for 8- and 10-year-olds to do at MGM. So, knowing the guest well enough that we could align those interests with what we had to offer was a pretty significant challenge, as well as an opportunity.

How did you go about executing against that?

We basically aligned all of the data collection points—whether it was the call center, the web or information we collected in the parks. We did it all with the view of wanting to make sure our guests understood what we were collecting and how that could help them get the most out of their stay.

For Disney, that turned out to be a special strength because consumers *wanted* to provide us with the information—they wanted to connect with us in a way that they typically didn't with other organizations. By comparison, if you call your local bank, odds are you're not very excited about the call. In fact, you're probably apprehensive, given the significance of that relationship



and the reason you're calling them.

But when guests call Disney, they're often very excited about going on vacation—they're interacting and they're engaged. They want to get the most out of the trip, particularly for their kids. So, they are very willing to share all kinds of information about what they're interested in doing, who their favorite characters are, and whether they've been here before.

What did that require in terms of technology and infrastructure?

Over a 3-5 year period, until about 2004, we built all the components that you might think of from a CRM perspective—data mining applications, campaign management software and contact management applications. We also pushed the idea of the use of the information across the entire organization, and not just within marketing.

So, when you think about marketing, sales, service—the whole works—we had a very successful implementation because we saw the value of the use of the information across the entire organization. We found that there was almost an endless series of opportunities to utilize this guest information to make their experiences even better while also driving value for us.

And now you don't do CRM at Disney. You do CMR. What's the difference?

In classic, Disney, storytelling manner, we didn't like CRM — *Customer Relationship Management* just didn't sound very customer-centric to us, and it certainly didn't sound very Disney-centric. We did like the acronym CRM initially from an external perspective since it conveyed what we were trying to accomplish to vendors, partners and the investor community.

So, we adopted and trademarked the term, *Creating Relationship Magic*. It's the same acronym—CRM—but it allowed us to tell the call-center agents, when they asked, that CRM was all about *Creating Relationship Magic* for our guests.

Then, about a year ago, we began talking about how to take the whole guest component of the equation to the next level. That's where *Customer Managed Relationships* came in. Fundamentally, our definition of CRM has changed from “know me and be relevant” to a fairly straightforward statement of “know the guest well enough, at any given point in time, that we know what to do next.”

Customer Managed Relationships is much more than marketing—it converges with operations when it comes to the guest experience and how we can customize and personalize their interactions with us. Everyday, our cast members help families have a great experience when they vacation with us—it's personal. So, we want to continue that relationship with every touch point.

CMR tries to connect the dots with every interaction so that we have a single view of the guest. The more we understand, the better we'll be in addressing their needs and desires. We'll also strive to carry a single voice to the guest. After all, no matter whether they're on one of our websites, at Walt Disney World or watching the movie *Cars* on DVD, it's all just “Disney” to most people, and their expectations are high.

The change to *Customer Managed Relationships* brings into greater focus the idea that our guests are taking a greater and greater amount of control in the relationships they choose to establish with us.

What does that really mean?

Well, in some cases, knowing what to do next can mean knowing to do nothing at all. Or it can mean pointing out to the guest the best experiences for their 3-year-old, a new attraction, what's changed since their last visit, which package works best for the entire family.

If you buy into the premise that the customers are really managing more and more of the interactions that you have with them, then you have to get it right as often as you can, particularly when they contact you.

So, the idea of “know me and be relevant” really plays out pretty strongly in terms of whether or not they're going to open up the emails that you're sending them, as well as when and how they're going to choose to contact you on their own.

Can you describe how that plays out?

Sure. If you contact us via the web or through the call center, 24 hours later we will have sent out an email to you that basically reinforces what you said you were interested in doing, and presents some additional information and recommendations on how to make your trip as good as it can be.

If you call us back and book, within 24 hours we send you a customized, four-page letter that reiterates the information that you shared with us. We'll also make recommendations based on what you told us—not on a series of assumptions built from appended data and weak models.

If you express an interest in thrill rides and attractions and you didn't talk about Mission Space or Tower of Terror, we'll point them out to you. If you are staying at a particular resort, we'll make you aware of the different dining options and packages that would work best for you.

We don't pick the latest thing we're trying to push. It's all very much based on what you told us, the ages of your kids, whether or not you've been here before, right down to your favorite characters and attractions.

If we can make the Disney experience really cool and interesting—if you're not walking around the park stressed out because you're not sure what to do next—not only do you get a better trip, but we get a more likely outcome that you'll return and will tell your friends about it.

What happens when the guest arrives?

Because of the pre-arrival communication, you arrive at Disney much more knowledgeable about what to do—first, second, third and beyond. You've probably made dining reservations and picked times and places to meet your favorite characters. If you used the "My Disney Vacation" folder on the web, you will have a customized set of park maps highlighting your favorite attractions.

But it also gets tricky because we don't want any distractions getting in your way. One way we do that is with Pal Mickey, which is a fun guide for your child. Pal Mickey is a small, Mickey plush, about 8 inches high, that is RFID triggered.

As you travel around the park, there are triggers that activate a voice, and Mickey speaks to the child about what's going on, providing little tips or insights. There are literally hundreds of those RFID-triggered locations around the parks.

So, once our guests arrive, it does become very "customer managed" in terms of choosing when and where and how they want to interact with us. Whether they're enjoying a well-planned visit using our customized maps—or exploring Disney using Pal Mickey—it's our guests who decide what they need to know and when.

How might that kind of communication evolve as the technology improves?

We'll be able to help you get the most out of your visit in real-time—whether through Pal Mickey, a cell phone or a PDA. For example, if you said you're interested in a certain attraction, and we know that the attraction has no wait time, there's an opportunity for us to alert you about that.

The same is true of dining reservations and bus schedules—all of that is in the vision of where we will take the next step of this CMR solution. Disney wants you to understand how to get the most out of

your vacation. And we're working to make it as customized and personalized as possible. The idea that the technology gives you the ability to manage the relationship and the experience is critically important.

How long before that happens?

We're in the process now of working with the potential partners we would need to make that work on our guests' own terms. We've put some foundational pieces in place. We are piloting the communications capability within

our resorts so we can speak with you while you're at the resort. And, as you have seen from Pal Mickey, we have already deployed some of the RFID technology within the parks.

How far can you take that?

If I told you that I would be giving away some of the magic and then it wouldn't be magical! What I can tell you is the same kind of great work done by our Imagineers, who have created this amazing destination, is focused on what our guests will want in the future.

You face a delicate balance from a privacy perspective.

We certainly do, and we have opt-in procedures like most businesses do. But again, the concept of "know me and be relevant" provides the basis for all our decisions regarding when and if we should contact you. We work very hard to make our communications



relevant and not blast around something you have no interest in.

If you are supremely relevant to your guests, does the return-on-marketing investment take care of itself?

I think it's fair to say that, and in fact we've already demonstrated that. CRM (or CMR as it's now evolved at Disney) really started out of the direct discipline, so it had strong measurement constructs around it from the very beginning.

At each iteration, we've been able to demonstrate the business problem and guest need we were solving for, the guest information we needed, as well as where it had to come from, where it had to be distributed to, and ultimately how successful it has or hasn't been.

The right way to the right business solution for Disney is through providing rich guest experiences that keep getting better, that exceed expectations, and that keep our guests coming back. That's the same philosophy that permits me, from a CMR perspective, to put our guests at the center of what we do, and try to communicate with them in relevant and meaningful ways.

How has this approach you've taken changed the Disney organization?

It's had a pretty significant impact. You will find the idea and practice of CMR across the company—frankly, many were already alive and well when I arrived here six years ago. Naturally, many of the successes of Walt Disney World are now being carried forward across the other destinations around the world as well as across other parts of our company.

Our joint efforts with Apple that allow consumers to access our movies online and download them into their iPods also applies because, again, it's all about knowing the guests well enough to know which movies to recommend. Even more important, it's about giving the guest the ability to decide not only what they want but in which format and on which devices.

What challenges lie ahead?

We need to get even smarter about the information we can and should collect and the timing and manner in which we collect it—from a guest perspective. We need to get smarter and faster about the analytics and when to and when not to apply them. We can be more creative in the way it looks and feels—particularly when it comes from us. After all I've got Mickey to work with!

I also worry a bit about whether consumers feel like what we're doing is too intrusive. But even there we're moving down the right path in developing our

sites so that our guests can decide, when, where, why, how much—and even *if*—we communicate with them in the future.

I don't worry about the technology, and I don't worry about managing the guest-centric side of the equation because it's already in place. I am fortunate because Disney understands the benefits that come from a quality installation of a CMR capability and realizes what and how long it takes to do it right.

They understand that great technology starts with the guest and not with the technology. Disney understands what it means to invest—in every sense of the word—in solutions like this.

You can probably get away with not being relevant for maybe a few more years. But I would argue that in another five years—and certainly another ten years—you had better understand what your consumers want from you.

You had better understand when you need to push things to consumers and when you need to wait and let them pull it from you. Otherwise, you're going to have a very tough time competing in the years ahead. ■



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