



Vail Resorts Creates Epic Experiences with Customer Intelligence

CONCLUSIONS PAPER

Insights from Forrester's Marketing Leadership Forum, 'Experience of a Lifetime – How Vail Resorts Is Redefining Targeted Marketing with the Help of SAS®'

Featuring:

Darren Jacoby, Director of Customer Relationship Marketing
at Vail Resorts

Spencer Reiss, Contributing Editor at *WIRED* magazine

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Ski resorts used to just be in the ski business. They were concerned about the slopes and weather conditions, accommodations, ski classes and the like.

Not anymore.

Today, ski resorts – along with cruise lines, theme parks, hotels and more – are in the “experience” business. These organizations are out to deepen the entire customer experience by creating a highly personalized, emotional connection. And that requires taking marketing to a whole new realm.

The focus of marketers at these organizations is to find out what kind of experience each of their customers expects and what more they want. What’s most relevant and compelling to the customer? Why did she choose you instead of a competitor? How can you deliver an experience that will keep her coming back again and again?

Relationship Marketing at Vail Resorts

To discuss how it’s done, Spencer Reiss, a contributing editor at *WIRED* magazine, interviewed Darren Jacoby, Director of Customer Relationship Marketing (CRM) at Vail Resorts.

Notably, Jacoby’s job and title didn’t even exist when he started working at Vail Resorts one-and-a-half years ago. A slight twist on the usual customer relationship management (CRM) title, Jacoby’s title of customer relationship “marketing” encompasses the notion of marketing that’s based primarily on forming relationships.

“We’ve worked hard over the last year and a half to change the definition of CRM and expand it to include how we utilize our customer intelligence and how we extend that data across all of our guests and to all of our guest touch points. It’s not just email anymore,” Jacoby said.

Through today’s sophisticated technologies, marketers like Jacoby are poised to reshape marketing – in keeping with expectations that have been influenced by social media, instant-response mentalities and global reach.

Linking Customer Information

“When I first got to Vail Resorts,” Jacoby said, “all of our customer data was in disparate systems. And none of them actually talked to each other. So we knew little bits and pieces. We might have known that you stayed in one of our lodging properties, but we might not have known that you had a lift product or a season pass or that you had taken a ski school lesson, for example. We weren’t connecting the dots on all the customer touch points.”

“We have a pretty robust customer database at this point,” Jacoby said. But it didn’t start out that way. One of his first tasks at Vail Resorts was to build a database that integrated all the points of contact. Based on that integration, Vail Resorts began to create a strong customer intelligence foundation so that it could utilize every piece of its rich customer information.

“Another thing we’ve done is migrate all of the functions that used to sit in IT,” he continued. Previously, the IT group at Vail Resorts built the campaign management applications, did all the analytics and wrote all the code. It took a really long time to get any data or information.

“We’ve migrated all that out of the IT world using the tools we have with SAS – and we’ve put it into the hands of our marketers,” he said. “Now it’s quick and easy – an automated campaign management process that even a marketer can use.”

Guests First

At the core of Vail Resorts’ marketing efforts, Jacoby said, is the desire to put guests at the center of everything. As it starts to get more details about individual guests, Vail Resorts is using the information to revamp the way marketing is done. Instead of spending money on standard ads, he said, most of Vail Resorts’ marketing is now done through one-to-one channels.

“We’re developing a two-way conversation with our guests. Vail Resorts’ mission is creating an *experience of a lifetime*. We’ve really latched onto that as a company. And we have an internal mantra underneath that experience of a lifetime of owning it, personalizing it and elevating it. Our front-line associates do that every single day with our guests.”

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Using SAS, Vail Resorts created an automated campaign management solution that moved marketing processes from the IT world directly into the hands of its marketers.

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Marketing and Emotional Connections

As its approach to marketing evolves, Vail Resorts still runs conventional marketing campaigns. Reiss asked how the resort integrates a highly personalized customer approach with a broader campaign that uses a similar message.

“We start with the guest at the core,” Jacoby explained. “We try to understand our guest and what motivates our guest. And then underneath that, we’re doing all of the micro-level segmentation to really understand the nuances and personalized pieces of content that we need to talk to that guest about.

“Then we’re taking all of that information and automating it through our marketing campaigns. Instead of sending out one email or one direct-mail piece, we’re sending out one piece that has multiple iterations – so different people get different components and pieces of the campaign.”

For example, if you’re an adventure skier, you would only receive marketing information that’s relevant and personal to you. Vail Resorts would create an emotional connection with you based on the knowledge that you want an adventure. If you’re a family person who visits Vail Resorts to spend time with your kids and family, the message to you will be very different.

Both types of customers will get the same communication, but the actual material and information that each person sees will be very different.

So how many varieties of this campaign exist? Jacoby said, “There are really an infinite number of flavors. In the year and a half that I’ve been here, we’ve gone from one or two versions of a campaign to 30, 40 or 50 versions.

“As we move forward with this automation project and really start to understand our guests and get even more personalized, individual communications, I can see hundreds or even thousands of versions of the marketing that we’re sending out.”

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Introducing: EpicMix

Although Vail Resorts is well-known and loved, the organization had to reevaluate its marketing in the age of Facebook, Twitter and other social media channels. The results revealed a missing link between resort guests and the social media world.

That's when the resort decided to create EpicMix: a groundbreaking online and mobile application that lets skiers and riders effortlessly capture and share their mountain experiences with friends, family – and the rest of the world. Through the outlet, guests can easily share stories and achievements without interfering with their powder day.

EpicMix tracks vertical feet, number of lifts ridden and days skied – and it awards digital pins for mountain exploration. Pins give the ski day a gaming aspect that motivates and challenges guests to experience the mountain like never before.

How EpicMix Works

Radio frequency (RF) technology is embedded in every pass at Vail Resorts. This technology captures data and stores it, starting with the very first lift ride. The information is accessible in real time at epicmix.com and through the resort's mobile applications.

In its first season, EpicMix was a huge success. Nearly 100,000 guests activated their EpicMix accounts. Forty percent downloaded the mobile apps and nearly 6 million digital ski pins were given out. On top of that, 45 percent of the users chose to share their accomplishments on Facebook and Twitter – resulting in more than 35 million social impressions.

“From the beginning, we knew that we were onto something special,” Jacoby said. “But we could never have imagined the passion EpicMix would evoke from our guests. We can truly say that EpicMix delivers the experience of a lifetime.”

Oddly enough, Jacoby said that the idea for EpicMix started with the simple desire to give resort guests an easier, friendlier experience. “Originally,” he said, “we put RF technology into our passes so our guests wouldn't have to fumble around and take off their glove to show their lift ticket when it was scanned.

“But then we said, ‘we've got all this great infrastructure; let's create a social game that takes this experience to the next level and ties in what you're doing on the mountain with a digital experience.’”

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- Nearly 100,000 guests activated an account.
- About 40 percent downloaded mobile apps.
- Nearly 6 million digital ski pins were awarded.
- About 45 percent of users shared accomplishments on Facebook and Twitter.
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Turning Happy Customers into Brand Ambassadors

Vail Resorts is accustomed to having happy customers, so the popularity of EpicMix was an added bonus to already positive experiences. But in the past after enjoying their powder day on the mountain, guests simply went back home to fondly reflect on their experiences.

The resort has 140 professional photographers stationed around the mountain. Guests can get their pictures taken for free, and they can automatically upload the pictures to a Facebook or Twitter account. Guests also have immediate access to pins they've earned and vertical feet stats.

The result is that happy customers now often become "brand ambassadors" through EpicMix. These people who use EpicMix freely share their day and tell the story of their experience on the mountain in their own words.

"It's really been amazing," Jacoby said. "We had almost 2 million social posts this year, and over half of those included a photo. If you take Facebook's average of 130 friends in your network, that's [potentially] 260 million impressions. Those are all people talking about our brand and sharing their experience about that brand with their family and friends."

While getting a precise measurement of the return on investment on this would be difficult, Reiss noted, Vail Resorts recognizes its value.

"It's priceless to us" Jacoby said – "the fact that people are sharing this information and getting this out there and engaging with our brand and with us in a way that's very personal and relevant."

Guests are not annoyed by being tracked around the mountain, Jacoby said. Instead, most people have been very happy and excited about it. The reason, he assumes, is that Vail Resorts is giving guests something that's valuable and important to them. "You know, part of skiing is bragging," he said. "So this gives our guests the ability to brag and compete with their friends."

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Closing Thoughts

The next step in putting guests at the center of everything that's done at Vail Resorts, Jacoby said, is to get at the core of what motivates guests to come.

"We know that people have a passion for skiing and a passion for the outdoors," Jacoby said. "But what is it that's driving them to take a vacation with us? Is it that they want to spend time with their families? Is it that they want an amazing adventure that they can't get anywhere else?"

To get answers, researchers at Vail Resorts are conducting a quantitative field study. After collecting all the research findings, Jacoby said, Vail Resorts plans to score the results via an algorithm.

"By appending all of that information to our database," he said, "we will have information not only on our guests' behavior, but also an understanding of what motivates them. Then we'll utilize that information as a relationship marketing umbrella that will be the basis for everything we do from a marketing standpoint."

Considering their technology's real-time capabilities raises the question of how Vail Resorts may be able to use it in different ways over time.

"We've just started to look into how we can utilize this from a real-time basis," Jacoby said. "We're getting a great wealth of information about our guests. They're basically telling us where they are on the mountain at any given time. So now we want to harness that information."

For example, the information could be used to help prevent congestion on the slopes. If one area of the mountain is crowded at a certain time, the resort could send out special pins or other information on EpicMix to get people excited about moving somewhere else.

Then there's the marketing aspect of having real-time information, he added. Because guests' locations around the mountain are tracked, the resort will be able to direct them to an on-mountain dining location if it's lunch time. Or the resort could send an offer that might persuade guests to visit a different location or property at specific times during their visit.

Finally, there's the news flash aspect. If there's just been a huge dump at one location, for example, Vail Resorts would be able to send out a flash through EpicMix that says, "Get up here now, kids!"

Moving forward, Jacoby said, "What we're trying to do from a marketing standpoint now is really own the customer information. To do that, we have to utilize our intelligence and understanding of a customer to personalize that connection and engagement with them; and then elevate their experience, even before they get to the mountain."

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The bottom line: Technology is an enabler at Vail Resorts. While it's tremendously helpful from a marketing standpoint, it's also extremely helpful to guests – and will become even more so over time.

That's exactly how they like it at Vail Resorts, where everything revolves around giving guests the experience of a lifetime. One that can be shared instantly, that is. And re-lived forever.

About the Presenters

Darren Jacoby

Director of Customer Relationship Marketing at Vail Resorts

Darren Jacoby and his team are responsible for customer analytics, loyalty, email and direct marketing at Vail Resorts, the premier mountain resort company in the world and a leader in luxury, destination-based travel at iconic locations. Prior to working for Vail, Jacoby was the Director of Marketing – CRM for Western Union where he led the development of Western Union's CRM road map and managed the Gold Card Rewards Program.

Spencer Reiss

Contributing Editor at *WIRED* Magazine

Reiss joined *WIRED* as a senior editor in San Francisco in 1996. A former *Newsweek* correspondent in Asia, Africa, the Middle East and Latin America, he focuses on the global impact of innovation, ranging from telecommunications and new media to energy and the environment. His numerous *WIRED* bylines include cover stories on Rupert Murdoch and Richard Branson, along with "Why \$5 Gas Is Good for America."

In his spare time, Reiss directs the program for the annual Monaco Media Forum, an invitation-only gathering of online, print and broadcast leaders in Monte Carlo. A graduate of Dartmouth College and Columbia University, he lives in Lakeville, Connecticut.

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