BRAND SPOTLIGHT
Marriott International

Mastering the Balancing Act Between Technology, People, and Culture.

An interview with Thom McDaniel, Vice President, CEC Product & Site Services at Marriott International.

Thom leads the technology support for Marriott's Global Customer engagement teams with 6,500 associates and 20 contact centers that deliver over $5B in revenue to Marriott's shareholders. In a recent conversation with Thom, we discussed his career journey, Marriott's culture, its values, and overall mission as it applies to CX-related technology, and how the brand is influencing travelers to create their own experiences.

Execs In The Know (EITK): Tell us a little about your background and how you came to be at Marriott. What is the day-to-day focus for you in your current role?

Thom McDaniel: Interestingly, my college background was journalism. At the time, I was interested in communications and always had a curiosity in technology, which progressed into a variety of job opportunities right out of college. I'd say I started in what a lot of people call "the business." I started my career in sales operations and progressed into some leadership roles around technology initiatives with Ameritech at one point, and then with Novell. As part of my career, I spent the last seven years with eBay. That's where Andy Yasutake and I worked together prior to coming to Marriott.

Coincidentally, I have a neighbor that was a leader at Marriott, and one day while we were socializing, he mentioned there were a lot of big opportunities they were trying to look at technologically. As we were talking about what I had been doing at eBay, he was like, "Wow, we need to do that at Marriott!" It turns out that he went back to his leadership team, and they reached out to me about helping them make some transitions at Marriott's Customer Engagement Centers.

THOM MCDANIEL

Vice President, CEC Product & Site Services

At the time, they had been progressively moving toward changing their support model. Marriott's Customer Engagement Centers started off as Reservation Centers. Their entire job was just to book reservations. It has now become more of a broad customer engagement model where we service things. I had a lot of experience with both Novell and eBay that lent itself well to this Marriott experience. I had been working in Silicon Valley most of my career and thought it was time to venture out into travel and hospitality and venture into a different space.

In my day-to-day role, I have a broad set of technology teams, including an infrastructure team that supports our centers and our remote associates globally. I have several people stationed around the world in our 20 different contact centers that support the infrastructure in those centers directly. Roughly 80% of our organization today is now remote, which is crazy because we were the inverse of that when I first started at Marriott.

It was still a pilot six to seven years ago. I have a product team that is focused on product roadmaps, strategies, and initiatives related to core technologies, including voice architecture, IVR, survey platforms, workforce management platforms, and several reporting mechanisms within our business. Additionally, I have a team that drives the product focus for our reservations platform, our loyalty platform, and what I call our customer relationship management platform. They work with vendors as well as with our corporate IT functions to deliver these product-focused tools for our Customer Engagement Centers.

EITK: You've probably seen a tremendous amount of change in just the last couple of years. Can you explain these transformations?

Thom: Two weeks after I joined Marriott, they announced that they were acquiring Starwood. For the past three to four years, I had been in merger and acquisition mode for the technology space. I had just come from eBay, where I helped lead the separation of PayPal from eBay. At one point, we decided to make a case for integrating and transforming our two different customer engagement businesses into one. However, we wanted to optimize it in such a way that we could create real savings for the company while at the same time improving customer experience.

We partnered with Deloitte and began a three-year journey into expanding our use of Salesforce by using other channels such as chat, messaging, and expanding the use of Natural Language IVR. Our focus was centered around how we could provide more self-service opportunities for our customers, as well as

better routing and optimizing our occupancy within our service centers across the globe.

With Marriott's model being quite different from Starwood's, we had to look at how we could distribute volume contacts across all our centers and optimize where we were sending them. We made significant efforts over that three-year period to drive about $100 million dollars annually and savings for Marriott. It's an exciting change.

From a transformation context, the pandemic has created what I call the next catalytic event. When we think about Marriott as Customer Engagement Centers, it's becoming more about the people – where they're at, how they operate and engage, how you support them, and how they support the customer. There are a lot of new realities, both in the marketplace and when it comes to customer expectations, that have caused us to rethink our transformation.

EITK: How would you describe Marriott's culture, its values, and the overall mission when it comes to serving Bonvoy Loyalty Program Members as it applies to CX-related technology?

Thom: Marriott's Bonvoy Loyalty Program is a fundamental part of its business. It's key to Marriott's long-term strategy. The Starwood acquisition was to merge those SPG programs with the Marriott Rewards Program and take
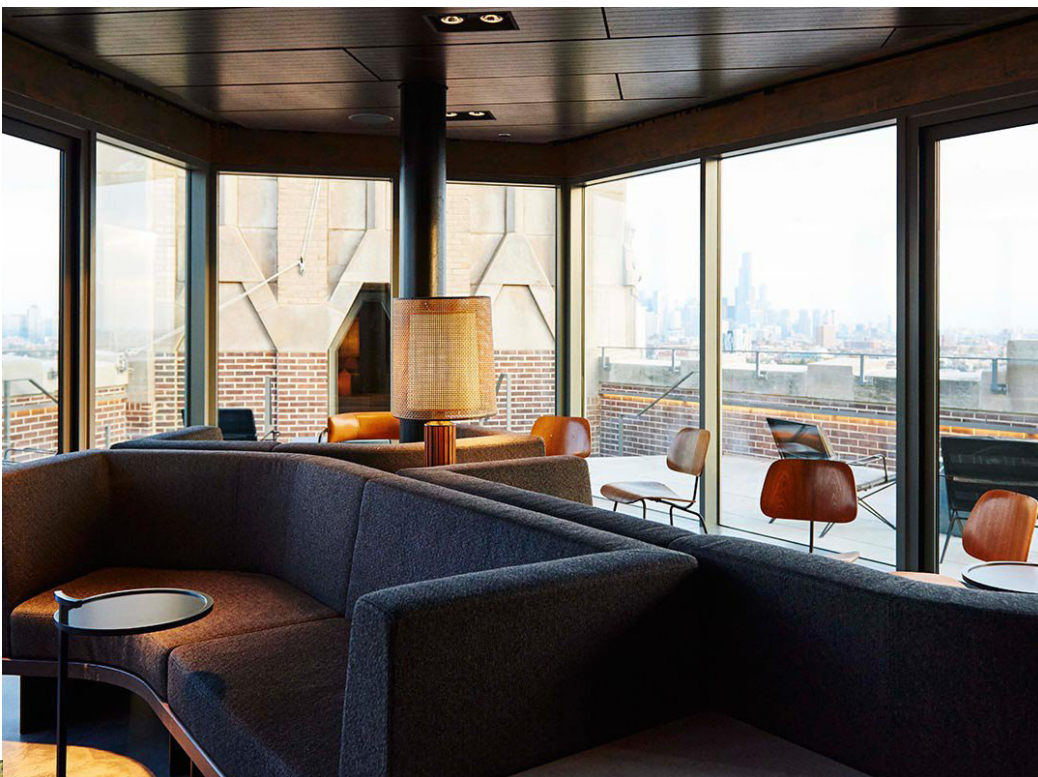
When we think about the CX strategy, it's a balancing act, particularly if you think about IVRs. I don't know anybody that likes to deal with an IVR. Also, a lot of customers don't like to deal with calling in and talking to somebody, and they don't like to wait. Although, to some degree, I think COVID did change that a little bit. What we're finding is that customers' tolerance in terms of waiting on a phone line has improved depending on the topics they're calling about.

That said, I work with my self-service teams quite a bit to balance this idea of deflecting or containing contacts from a cost perspective. How do we create an experience that allows a customer to get what they need as fast as possible? Depending on the customer and their intent, that means directing them straight to an associate. We have logic and rules in our process and tools that will push you straight to an associate. However, we are aware that there will be times when our associates can't do much more than a bot that we implement.

It's been crazy, especially for the airlines, which have been struggling. I travel quite a bit for work, and I've had four-hour wait times on some of the airlines I've called into.

Thankfully, Marriott hasn't been to that point, though we are challenged with staffing because dynamics and the surge of business has changed since people came out of COVID. There's this huge desire to travel, and so, it's been interesting, but we try to manage the customer experience in such a way that it balances the degree to which we

the best of both of those programs and, at the same time, increase the size and scope of this community. We've looked at how to differentiate service for our premier customers, and we've tried to implement that in both our soft skills and the maturity of our associates.

We have also thought about how we manage those customers as they come into our business, and then, ultimately, how we care for them through their overall engagement. From the point of initial interest in booking a stay with Marriott to the booking process and their actual stay, we are trying to improve that hand-off across the different Marriott teams that are servicing them.

Culture is a huge part of Marriott. Every time you hear any of our senior leadership, there's always a reference to culture. While we are now a multi-billion-dollar company, it's a family business at its core roots. Mr. Marriott has a famous quote about taking care of the associates, so they'll take care of our guests, which permeates through a lot of the business.

use technology to deflect or contain the IVR in a chatbot with the need to satisfy customer requests.

Expectations are definitely changing, and what people are calling about is changing on a regular basis, too. We're constantly managing that and trying to create better experiences because, as technologies improve, we are trying to make it more intuitive.

EITK: What are some of the ways Marriott is using technology to differentiate itself from its competitors to improve the customer experience?

Thom: There are a lot of different technology silos within the operation. You have the digital experience of Marriott.com, and you have the mobile app, where Bonvoy Members can interact with both properties, as well as our service organization, through those apps. We've

been trying to make that more robust and seamless across that flow.

At the same time, we're using the contact centers and the Customer Engagement Centers as a key foundation for that interaction. Tying those things together has been a huge amount of effort, but it's really paid out in terms of our customer experience.

When loyal Marriott customers find out I work for Marriott, they are always telling me how awesome the Bonvoy app is. Today, it's becoming more table stakes. We're looking at how to change out our core platform. Currently, we run on our reservations platform and our loyalty platforms, which are decades old.

Right now, we're looking at making sizeable changes in our infrastructure of our core platforms to open a lot more opportunities and influence the travel experience. Overall, we are

giving people a lot more choice in how they create their own experiences.

EITK: Can you talk about how Mariott approaches silo busting and building out cross-functional teams for large initiatives?

Thom: When we were going through the Starwood acquisition, we started to build some muscle in that space, because there was a necessity technologically but also functionally to figure out how to build those teams to address core use cases across the business. Loyalty no longer sits all by itself.

Loyalty as a program is intertwined with the digital experience, the customer engagement experience, and property experience. The technologies, functional areas, and how you talk about functional use cases and customer journeys must be connected. If you don't talk about things end-to-end, you end up dropping these customers in these silos, and it creates poor experiences for them.

As we have begun to make changes with our core reservations platform, loyalty platforms, and our property management platforms, there's been a huge investment from Marriott. The company has been focused on standing up the right organizational infrastructure to create and support the right teams. We are also spending a lot of time discussing how much to invest in maintaining and continuing to enhance our current environment at the same time as we are making transformations.

Big initiatives struggle with the devil being in the details. We are trying to get more real about the customer experience and how it applies to these tools and these processes that we are now introducing. It's easy to sell a big investment while talking about all the possibilities, but you must think about what the roadmap looks like to get to the

possibilities. That's been most of the activity over the last six months here at Marriott. We are getting better at defining that roadmap and telling the story of that progression versus what it's going to look like when we get there.

EITK: What are some of the technology changes that were put in place during the pandemic that have become a core part of the business?

Thom: The travel industry was affected significantly – it literally dried up overnight. We were scrambling at a corporate level to make sure we had a good handle on getting our cost structures under control and how we were supporting our properties, ownership, and so on. We are still trying to recover from staffing challenges.

The perspective of employees has changed regarding what type of work they want to do and how they want to do that work. Within our area, the channels themselves became extremely critical to us in how we were able to adapt to the types of topics that were coming in, the contact volume and where it went, and how we created more self-service opportunities.

We went from approximately 30% of our workforce being remote, particularly in North America, to roughly 80% of our business being remote, which changed a lot of things.

Expense structures needed to be put in place to achieve this at scale because we were losing some economies of scale with desktops. We had to be very flexible in how we delivered customer contacts to our associates and deployed technology when we made changes to telephony infrastructure and moved to a cloud-based platform because we never knew where people were going to be around the world.

I think the other part of our business that has been so challenging is the return. We expected things to come back slowly following such a dramatic dropoff. However, we just announced our Q2 numbers, and we have already exceeded our record high point in 2019. You can't do that without both technology and the right mechanisms in place.

EITK: When you look toward 2023 and beyond, what initiatives are you excited about?

Thom: I'm excited about the large-scale investments Marriott's making to change our platforms and introduce more travel marketplace capabilities as opposed to just room bookings. The fact that we'll be able to offer more integrated capabilities with our loyalty program and services that play into the digital experience, including our mobile app, speaks volumes about how we plan to move the needle for our customers and guests. Within our engagement centers there are increasingly more opportunities centered around channels and how we can add value to these channels.

The piece that's most interesting for me personally is how we create closer engagement with our remote workforce. I'm eager to learn how we provide better training and coaching capabilities and keep them engaged in the culture when everybody is remote. I think the traditional models of engagement are changing. Ultimately, technology opportunities are going to lead to better customer experiences, better engagement experiences for our associates, and better ways to work with our team.

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SELECT	COURTYARD FOUR POINTS SPRINGHILL SUITES PROTEA HOTELS. Fairfield AC HOTELS MARRIOTT Aloft moxy HOTELS	
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