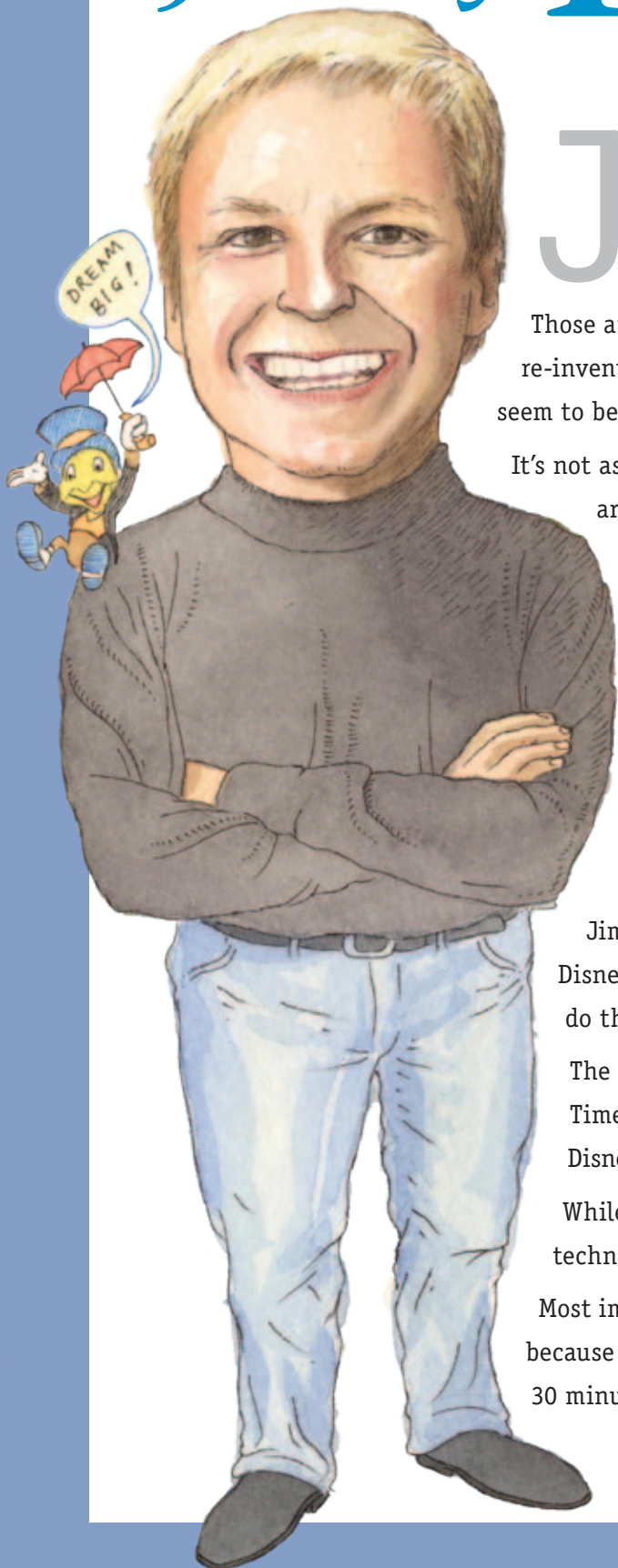


Jiminy Disney!



Jim Fielding likes to quote Walt Disney, and, these days, one of his favorite Disney quotes is: “I dream. I test my dream against my beliefs. I dare to take risks and I execute my vision to make those dreams come true.”

Those are indeed words to live by, as Jim leads the global team that’s re-inventing Disney Stores at a time when so many other merchants seem to be more occupied by nightmares than dreams.

It’s not as though Jim hasn’t navigated through tough times. Before arriving at Disney, he turned out the lights at the J. Peterman Company. His retail travels had also wended through Dayton Hudson, the Gap and Land’s End, in good times and bad. Even after joining Disney, some nine years ago, he executed the ill-fated licensing of Disney Stores to Children’s Place. So, when Jim got the call to re-launch Disney Stores as its president, he knew he did indeed have his dream job ... even if it was during the worst economy since Mickey Mouse piloted *Steamboat Willie*.

Jim and his team see only opportunities to elevate the Disney brand through retail, and do things as only Disney can do them: With magic (and a little help from Steve Jobs and Apple).

The first of the new Disney Stores will open this summer, with a Times Square location to follow in the fall. Eventually, every store in Disney’s chain worldwide will be treated to a million-dollar makeover.

While details remain top-secret, Jim says the magical mix blends technology, stagecraft and good old-fashioned customer service.

Most important, everything is designed from a kid’s perspective, because the goal, as Jim likes to say, is to create “the best 30 minutes of a child’s day.”

Disney Stores president Jim Fielding casts magic on retail as media.

Where is the magic in retail today?

There are really three camps: There's magic in being unique and special; there's magic in fast-fashion; and there's magic in being a value player. In the unique and special category, I think the magic is at Apple. But I also think there is magic at J. Crew.

I also love what Lululemon has done with the yoga athletic-wear experience and their yoga classes. They have a great story.

In fast-fashion, there are a lot of interesting players right now, like Uniqlo, Zara and Topshop. In value, I like Family Dollar and Dollar General. But this economy has caused a lot of retailers to become very risk-averse. To be really successful in this new decade, we're going to have to push innovation, creativity and magic.

How do you hope to do that for Disney Stores?

For us, it's really about focusing on our core strengths and a little bit of back-to-basics. So, it's the right store designs, the right product, the right people and the right real estate.

That is not a truly magic formula—it's the formula for anybody in specialty retail. But we're working very hard on guest service in the field, and at creating magical experiences for our guests in the store. We've completely upgraded and elevated the product assortment over the last 18 months.

Now we're getting ready to launch the new store design—not only in some remodeled stores in current locations but also in new locations, such as Times Square.

How will the new stores be different from the old ones?

The biggest difference from the old stores is the way that we're using technology to create interactivity and unique guest experiences. The second thing is that these stores are quintessentially Disney in that they have lots of surprises and magic in them.

At the same time, they are extremely flexible and dynamic so that our guests always see and feel

something different every time they come into the store. That will allow the store to change, modernize and update as the content that Disney creates changes and evolves.

Why is technology so prominent in your stores?

That's because, at its core, Disney is a content company. We work for an incredible brand that creates content—live and animated film, television and music content. I want to deliver that content to guests in new and unique ways, and the way to do that is to leverage technology.

Will the product assortment also be high-tech?

There are some products in the store that I would say will have some high-tech features, but it's more about the experience. Some of the products will actually trigger experiences in the store through the use of technology, but the product itself is going to be more about the storytelling and the quality than about the technology.

Will the product assortment be much different than before?

Yes. That's fair to say, but partially that was happening even before the new store design. We completely upgraded and changed the product mix to reflect the magical stories and all the newness that we have going on at Disney. You'll find products in these new stores that you won't find anywhere else.

Other than the technology, what will make the stores an experience?

The store layout and the fixtures are new, unique and have never been seen before. Probably most important, it's the cast in the store. The people who work in our stores day in and day out really help create the magic and the experience. One of our strongest competitive advantages is that we attract, retain and develop really, really good store talent.

Will the new stores change Disney's image in any way?

From what I call the "Big Disney"—I don't think it'll change at all. The new stores are just going to continue to strengthen and enhance Disney. But I think it will improve the perception of Disney's stores because in the United States, in particular, it has had a spotty run the last six or seven years. What we're focusing on is just supporting and enhancing the incredible Disney brand.

Is it true you are re-branding the stores as "Imagination Park"?

No. We're not going to put the Imagination Park branding on the front of the store. Imagination Park is the design type for this store. For us, internally, Imagination Park has become a rallying cry for what the Disney store-of-the-future is about.

When we say "Imagination Park" internally, it tells our people that it's about the game changing, elevating nature of these new store designs. But they will be branded Disney—on the front of the store, it will say Disney.

But are you trying to create something like your theme parks in a retail environment?

Anything you do at Disney obviously has a foot in the heritage and culture of the company, which comes from animation and theme parks. So, when you work here, you're influenced greatly by the theme-park experience, the creativity and the guest service.

However, we know we can't replicate that experience in more than 300 stores around the world on a daily basis. Hopefully, what people will feel is that they are having a Disney-class and Disney-level experience in a specialty retail environment.

It's not really about massive size or scale. It's about being special and unique. Our focus is on creating destinations, and not just stores that sell Disney products.

What is the single-most innovative thing about the new stores?

The single biggest difference people are going to feel is that we are merchandising and laying out the store by storytelling neighborhoods.

So, if you have a daughter who loves Minnie Mouse, she's going to walk into a neighborhood that celebrates Minnie Mouse. If she's into princesses, there will be a princess neighborhood. That's going to be unique in retail; it's how we lay the store out and the experiences that happen by neighborhood.

The other thing that's truly innovative is that we're delivering and projecting content in a way that people will have never seen before. It's the same content that you could see in other places, but you're going to see it in a new and unique way.

How so?

There's an area in the store that we're calling Disney Store Theatre, where families will be immersed in content. I'm trying to say it in a way that's not giving away the whole thing because we're still several months away!

Right now we have television screens delivering content. The screen in the new store is a custom-designed screen that is 100 percent proprietary to us that delivers content in a way that has never been seen before.

The *New York Times* said the stores are like a "mall-based television channel." (see sidebar)

I thought that was very perceptive. There are so many different ways and places in the store where we're delivering content. There is going to be a constant flow of updates and freshness in the content, similar to a television channel.

That suggests a new dimension of "retail as media."

It does because we think celebrating content is our marketing. We believe that our content is our marketing. We don't need to create commercials or ads. We just need to celebrate, deliver and promote our content.

How will that align with your online presence?

Some of the experiences align with DisneyStore.com, which will also be updated to reflect the new look and feel of the stores. It's a constant challenge. Every retailer is working on creating a seamless linkage between online and offline. I'm not saying that we're perfect at it yet, but the link is going to be much stronger than it is today.

Imagination Park

Disney Stores Worldwide will soon launch what is essentially “a mall-based television channel.” The new store format, which Disney has dubbed “Imagination Park,” represents a dramatic makeover, costing “about a million a store to redecorate, reorganize and install interactive technology.”

Among other things, the stores will feature theaters where children can “watch film clips of their own selection, participate in karaoke contests or chat live with Disney Channel stars via satellite.”

Packages will be embedded with computer chips, so that if you walk past a “magic mirror” with a princess tiara, “Cinderella might appear and say something to you.” If “A Christmas Carol” is “playing in the theater,

the whole store might suddenly be made to smell like a Christmas tree.”

The stores also borrow touches from the Apple Store (the theater “is an extension of Apple’s lecture spaces,” for example). That’s no coincidence, as Steve Jobs “and his retailing team at Apple” have urged them not only to think different but also to dream big.

Currently in prototype in an unmarked warehouse in Glendale, Calif., the new format will debut in Southern California, Madrid and Long Island, with a Times Square store in the works. Eventually every Disney store in the U.S. and Europe will adopt the new look.

[SOURCE: Brooks Barnes, *New York Times*, 10/13/09]

Will the stores link up with other Disney properties?

Yes. We’re going to have an area in the store that is basically a virtual Disney concierge desk where you can get information about all the other things going on at Disney.

Sometimes it will just be an information kiosk on cruise lines, for example. We are not going to sell cruises in the store, but the concierge desk will help if you want to register to receive an information packet, for instance.

There is so much going on in this incredible company right now that it’s hard for us to train our teams in the store on every new movie, home entertainment offering and TV show. So, we are working with technology to create a virtual concierge desk.

What was Apple’s role in Disney Stores?

Apple’s role was to inspire us to think big and to think new. We were blessed to spend time with Apple’s retail group in Cupertino. We listened and learned about the steps they went through when they launched their retail concept.

If you read the *Fortune* magazine article about (Apple CEO) Steve Jobs that (Disney CEO) Bob Iger was quoted in, one thing that he took away from that was to take our time, be patient and do it right. The

other was to build a prototype in a warehouse and then play with it, tweak it and get it perfect before unveiling it to the public.

Will the stores resemble Apple stores in any way?

No. Absolutely not. Apple will be the first to tell you that they did not design the store, even though some news outlets have intimated that. What they did was help provide us with inspiration and vision, and expose us to a framework for how to think about doing something new and something big.

What did you learn from the prototype store?

That was probably one of the wisest investments we’ll ever make. We have a full-size, functioning prototype, built in a secret, warehouse location in Glendale, California, that has live inventory and a live checkout system. It’s where we’re doing all of our training, education, fixture development and visual elements. It’s an incredible tool.

The number-one thing we learned is that quality takes time and patience, and you have to pay very high attention to detail. The other is that you can’t rush the creative process. Sometimes you have to live with something for a few days or weeks and really

drink it in. The third thing is that it's all about open, honest communication and collaboration, and there can be no ego in this type of process.

Will the stores be different locally and around the world?

The store design, because of its flexible and dynamic nature, does allow for some localization. But the core design, fixtures and experiences are global—although they'll be localized for language, as well as cultural and character preferences.

Are product sales the most important goal?

That's a great question. Product sales are not the primary focus of this new store design. The primary focus is to create a destination and experience that gives children the best 30 minutes of their day. That was our big focus—the best 30 minutes of a child's day.

What could we do in Disney Stores that lets children be children? How do we let them interact, touch and play? Our feeling was that if we could create that type of environment and feeling in a community, then the product sales would come.

Is Times Square a flagship store?

We don't use the word "flagship." Flagship, in the industry, tends to connote a very large store that's built for marketing purposes and is not necessarily profitable. And that is not what Times Square is for us.

Times Square will be one of our largest square-footage stores in the world and is one of our most significant stores in an incredible, premier location, but it is not a flagship store.

What's your formula for measuring return-on-investment?

We are held to traditional return-on-investment calculations by our internal finance team and the corporate finance team. So, we look at all the traditional retail measures. We look at sales-per-square foot. We look at conversions. We look at dollars-per-store, dollars-per-average transaction and traffic count. We look at return-on-invested capital.

We have very traditional, quantitative measures and then qualitatively, we will listen to guests and watch and see reactions to this new store. Because the

qualitative brand experience is also something that's very important.

What is your biggest challenge?

Talent. Everybody always thinks that retail is a capital-intensive business because you're building and maintaining brick-and-mortar stores. That's obviously a huge part of it, but honestly it's people.

One of my favorite Walt Disney quotes is: "You can dream, create, design and build the most wonderful place in the world, but it requires people to make that dream a reality." So, are we attracting the right kind of people? Are they growing and do we have the pool of human resources that we need to take the Disney Store experience to the next level? That's definitely my teeth grinder.

What would you like people to think of when they think of Disney Stores?

I hope that they feel that we brought the magic back to retail and that it was just fun to shop again. I hope they will say that this is something that only Disney could do.

Shopping can be fun, it can be social and you can build community. It doesn't have to be seen as mundane or as a chore. You used to go into department stores on Fifth Avenue, and it was something that you planned and prepared for. In a way, it's even back to the way that the mom-and-pop specialty stores were run. There was tremendous sense of ownership and pride.

There's always talk about whether e-commerce is going to kill brick-and-mortar stores. I love our e-commerce business, but it's different than the brick-and-mortar business. It serves different needs, and I embrace that. But I don't think e-commerce replaces the need around the world for brick-and-mortar stores.

People still want to go out of their house and experience something different than what they can experience at home. ■



JIM FIELDING is president of **Disney Stores Worldwide**, overseeing global operations, merchandising, sales and marketing. He previously held a variety of other posts with Disney, as well as with Land's End, J. Peterman, Gap and Dayton Hudson.