



**Chris McCann**  
President  
1-800-FLOWERS.COM

## SAS® helps 1-800-FLOWERS.COM grow deep roots with customers

### Industry

Retail

### Business Issue

1-800-FLOWERS.COM needed to make decisions in real time to increase retention, reduce costs and keep its best customers coming back year after year.

### Solution

SAS gives 1-800-FLOWERS.COM an intimate view of its customers, automates customer offers and gives the company a rapid reading on customer service and quality issues.

### Benefits

With SAS, the company increased its retention rate by more than 10 percent, reduced operating expenses, and increased the retention rate of its best customer segment to more than 80 percent.

1-800-FLOWERS.COM is one of the best-known and most-successful brands in gift retailing – and it just keeps getting better. Using SAS, 1-800-FLOWERS.COM has increased its customer retention rate by 10 percent, increased its customer base from 10 million to 30 million and increased the retention rate of its best customer segment to more than 80 percent.

“SAS business analytics help us put a laser focus on knowing our customers, reducing operating expenses and innovating for the future,” says Chris McCann, President of 1-800-FLOWERS.COM. “As our business has grown from one flower shop to an online gift retailer serving more than 30 million customers, we need SAS’ abilities to really know our customers and turn that knowledge into action.”

McCann’s company is a pioneer in direct-order e-commerce, opening its own Web site more than 14 years ago. The New York-based company continues to build on its roots with acquisitions of other direct-order gift companies and now operates 15 separate brands offering popcorn, plants, gourmet food, wine, candies and gift baskets.

“SAS has given me the ability to grow my business, whether the economy has been up or down,” says McCann. At a time when other retailers were struggling to survive, 1-800-FLOWERS has seen revenues grow, nearly doubling in the last five years.

### Reduced mailings, increased response rates

By upgrading to SAS Marketing Automation, a solution that helps organizations easily manage sophisticated, timely, personalized customer communication strategies, 1-800-FLOWERS.COM has drastically reduced the time it takes to segment customers for a mailer or catalog. “It used to take two or three weeks – now it takes two or three days,” says Aaron Cano, Vice President of Customer Knowledge Management. “That leaves us time to do more analysis and make sure we’re sending relevant offers.”



And the analysis doesn’t need to be done by someone with a PhD in statistics. 1-800-FLOWERS.COM uses SAS Enterprise BI Server to allow employees across the organization to access data and do their own analysis. “Previously, business users had to rely on IT to produce monthly reports. Now, they can access and analyze the data themselves at their desktops whenever they want,” says Ron Scala, Director of Information Management.

The company has been able to significantly reduce marketing mailings while increasing response rates and be much more selective about TV and radio advertisements. “SAS tools allow us to understand the trends; therefore, our spending is more efficient across all channels,” Cano says.

“SAS business analytics have helped us attract 20 million new customers, and repeat business has gone from less than 40 percent to greater than 50 percent.”

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### Real-time decisions = repeat customers, increased revenue

“You can go to a local florist to buy flowers or get chocolates at a department store,” says Cano. “For 1-800-FLOWERS.COM customers, it’s the experience that keeps them coming back.”



**Aaron Cano**  
Vice President of Customer  
Knowledge Management

That experience will be enhanced by real-time targeting provided by SAS Real-Time Decision Manager. This solution automates the decision-making process for high-volume, customer-facing systems. It combines SAS Analytics with business logic and contact strategies, delivering real-time decisions and recommendations to interactive customer channels such as the Web, the call center and the point of sale.

For example, when a repeat customer logs on to 1-800-FLOWERS.COM, the Web site immediately shows selections that are related to that customer’s interests. “If a customer usually buys tulips for his wife, we show him our newest and best tulip selections,” Cano says. “No one else in the business is able to connect customer information with real-time transaction data the way we can. That’s what SAS allows us to do.”

“These are the best tools in the marketplace and they’ve transformed our organization,” says Cano. “Our best customers are better today than they were three years ago. They’re returning more often and that’s the advantage that we get from SAS – we know who the customer is and what they like. We make the experience easy, relevant and can market to them at the point of contact.”

SAS also helps executives know whether personalized marketing messages are resonating with customers – all in real time. For example, on Mother’s Day, executives saw conversion rates stall at 68 percent. Reports were quickly generated and the company uncovered the issue. Adjustments were made and within one hour, the conversion rate went to 72 percent, resulting in millions of dollars of additional revenue.

“If you increase the purchases from our customers by only 10 basis points across

all our brands, that’s a \$40 million business opportunity just sitting in our hands,” McCann says.

### Consistency across 15 brands

Ultimately, McCann and Cano say speed gives executives confidence. “Our confidence in decisions is much higher today because it is based on the facts – and our data isn’t a week or month old,” Cano says. Equally important is consistency across the enterprise – a challenge when managing 15 different brands. But using SAS, a customer is counted as a customer the same way across the organization. Activation rates, retention rates and attrition rates are all calculated the same way using the same data. “Everyone speaks the same language,” Cano says.

“SAS business analytics have helped us attract 20 million new customers, and repeat business has gone from less than 40 percent to greater than 50 percent,” McCann says.

“Years ago we picked SAS, and SAS has helped us grow,” McCann continues. “They’ve helped us understand our customer. It’s been a great relationship because SAS knows what we need today and knows what we need tomorrow.”



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