



Corey Bergstrom, Director, Marketing Research and Analytics

SAS® helps Cabela's reel in more customers

As Cabela's has grown from a direct-mail specialty sporting-equipment provider to a multichannel retailer, the company has employed SAS to provide targeted marketing, measure the outcome of promotional offerings, choose new store locations and drive double-digit growth.

Industry

Retail

Business Issue

Cabela's wanted a single view of customers across multiple channels to better focus its marketing and drive increased sales.

Solution

The integration of SAS® Analytics with the Teradata in-database solution allows Cabela's to personalize catalog offerings; select new store locations and estimate their first-year sales; choose up-sell offerings that increase profits; and schedule promotions to drive sales.

Benefits

With help from SAS, the company has experienced double-digit growth.

Started around a kitchen table in Chappell, Nebraska, in 1961, Cabela's has grown to become the largest direct marketer, and a leading specialty retailer, of hunting, fishing, camping and related outdoor merchandise with \$2.3 billion in sales.

For more than a decade, Cabela's has relied on SAS applications to help analyze the data it gathers from sales transactions, market research, and demographic data associated with its large database of customers. "We've tested other software packages, and SAS was able to overcome more issues than any other package," says Bruce Tillotson, Manager of Customer Analytics for Cabela's.

"Using SAS, we create predictive models to optimize customer selection for all customer contacts. Cabela's will use these prediction scores to maximize marketing spend across channels and within each customer's personal contact strategy. These efforts have allowed Cabela's to continue its growth in a profitable manner," says Corey Bergstrom, Director of Marketing Research and Analytics for Cabela's. "We're not talking single-digit growth. Over several years, it's double-digit growth."

Using SAS® and Teradata for in-database analytics

By dismantling the information silos existing in different branches, Cabela's was able to create what Tillotson calls "a holistic view of the customer. Using SAS and Teradata, our statisticians were able

to create the first complete picture of the customers and company activities. The flexibility of SAS in taking data from multiple sources, without help from IT, is critical."

To help organizations meet their needs for integrated solutions, SAS recently joined forces with data warehouse leader Teradata to create tools and techniques aimed at optimizing how their two systems work together.

Prior to the integration of SAS and Teradata, data for modeling and scoring customers was stored in a SAS data mart. This process required a large amount of time to construct, bringing together disparate data sources and keeping statisticians from working on analytics. On average, the statisticians spent one to two weeks per month just building the data.

Now, with the integration of the two systems, statisticians can leverage the power of SAS using the Teradata warehouse as one source of information rather than the multiple sources that existed before. This change has provided the opportunity to build models faster and with less data latency upon execution.

"With the SAS [and] Teradata integration we have a lot more flexibility. We can use more data and build more models to

“Our statisticians in the past spent 75 percent of their time just trying to manage data. Now they have more time for analyzing the data with SAS. And we have become more flexible in the marketplace. That is just priceless.”

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execute faster,” says Dean Wynkoop, Manager of Data Management for Cabela’s.

The integration enables Cabela’s to bring its data close to its analytic functions in seconds versus days or weeks. It can also more easily find the highest-value customers in the best locations most likely to buy via the best channels. The integrated solution reduces the need to copy data from one system to another before analyzing the most likely indicators, allowing Cabela’s to run related queries and flagging potentially ideal new prospects before the competition does.

SAS Analytics helps Cabela’s:

- **Improve the return on its direct marketing investment.**
Instead of costly mass mailings to every zip code in a 120-mile radius of a store, Cabela’s uses SAS to focus its marketing efforts within the geographies of customers most likely to generate the greatest possible incremental sales, resulting in a 60 percent increase in response rates.
- **Select optimal site locations.**
“People used to come to us with suggestions on where they’d like our next store to be built,” says Sarah

Jaeger, Marketing Statistician. “As we move forward, we proactively leverage data to make retail site selections.”

- **Understand the value of customers across all channels.**
With detailed customer activity across store, Web site and catalog purchases, SAS helps Cabela’s build models that rate customers on a five-star system. This system helps enhance the customer experience, offering customer service reps a clear understanding of that customer’s value to better personalize their interactions. “We treat all customers well, but we can develop strategies to treat higher-value customers a little better,” says Josh Cox, Marketing Statistician.
- **Design promotional offers that best enhance sales and profitability.**
With insights gained from SAS Analytics, Cabela’s has learned that while promotions generate only marginal additional customer spending over the long haul, they do bring customers into their stores or to the Internet for catalog purchases.
- **Tailor direct marketing offers to customer preferences.**
Cabela’s can identify the customer’s favorite channel and selectively send related marketing materials. “Does

the customer like the 100-page catalogs or the 1,500-page catalogs?” Bergstrom says. “The customer tells us this through his past interactions so we can send the catalog that matches his or her needs. SAS gives Cabela’s the power to conceivably personalize a unique marketing message, flyer or catalog to every customer. The only limitation is the creation of each piece,” Bergstrom says.

“SAS is a product we have never had to justify to our management. It’s because every time we use SAS it gives us such a great return,” says Ryan Coldwell, Marketing Statistician at Cabela’s.

Cabela’s is currently working on analyzing the clickstream patterns of customers shopping online. Its goal is to put the perfect offer in front of the customer based on historical patterns of similar shoppers. “It is being tested and it works – we just need to productionalize it,” Bergstrom says.

“This would not be possible without the in-database processing capabilities of SAS, together with Teradata,” Wynkoop says.



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