



Lane Bryant, Fashion Bug, Catherines

Charming Shoppes saves \$800,000 in direct-mail costs with SAS®

Industry

Retail

Business Issue

Improve bottom-line marketing performance in an era of cost-conscious consumers and ever-increasing costs of doing business.

Solution

SAS® provides quick and easy access to customer intelligence that allows for targeted direct mailings that save costs and improve sales.

Benefits

Since implementing SAS®, Charming Shoppes has improved incremental sales by \$300,000 and cut direct-mail costs by \$800,000.

Once upon a time, plus-sized women were the Cinderellas of the fashion world – forced to wear rags compared to the latest styles worn by their designer-favored, size 8 friends. These days, plus-sized women are no longer the neglected stepchildren of the retail fashion industry. In the United States, the average woman's dress size is 14, and a retail clothing chain called Charming Shoppes is like the fairy godmother who helps women who wear plus sizes live happily ever after – celebrating the grace, beauty and good fashion sense they had all along.

"We're delighted to be in the market position we're in, because we have a wonderful demographic and three distinct opportunities in which to serve it," says Gayle Coolick, Investor Relations Director at Charming Shoppes, the Pennsylvania-based owner of more than 2,200 clothing stores for plus-sized women – including Lane Bryant, Fashion Bug and Catherines.

At nearly \$18 billion a year, the plus-sized market is the fastest-growing segment of the \$95 billion US women's apparel business. With help from SAS Customer Relationship Management Solutions, Charming Shoppes can aggressively cater to the plus-size market to enhance its annual sales of \$2.4 billion.

SAS enables Charming Shoppes to glean customer intelligence that drives revenue generation and cost-savings strategies in an era when consumers are more value-conscious than ever. While consumers are more cautious with spending, corporations – regardless of industry – face increasing

costs, such as providing employee health insurance. "As we have rising expenses that we cannot control, we can do other things – like using SAS for customer relationship management (CRM) – to mitigate some of those costs, to help drive sales and, in the long run, to help leverage those investments," Coolick explains.

CHARMING SHOPPES, INC.

Instant success increases profitability

SAS CRM solutions deliver fast, measurable value to Charming Shoppes, allowing the company to:

- Create reliable, high-value customer intelligence to improve overall profitability.
- Gain a panoramic customer view.
- Maximize returns on marketing campaigns.
- Improve customer acquisition and retention rates.
- Increase cross-sell and up-sell revenue.
- Segment customers more effectively.
- Leverage existing investments in technology.
- Build a sustainable competitive advantage.

Charming Shoppes does much of its advertising via direct mailings, which target customers to make the right offer to the right customer at the right time. Using data collected from its own credit cards, Charming Shoppes already has extensive background information on its customers, including their purchases.

“We’ve seen instant success in being able to access the information and see how the customer is behaving, what she’s doing and how she will respond to us based on different patterns.”

Dee Ann Dunkers
Director of Database Marketing
Charming Shoppes

Based on intelligence gleaned by using SAS to access its two-terabyte Teradata warehouse, Charming Shoppes can gather the appropriate intelligence needed to send out a 25,000-piece mailing geared to customers who specifically buy accessories, instead of incurring the expenses of a mass mailing to more than 7 million customers in its database.

With SAS, Charming Shoppes builds models to determine which customers are brand-loyal and profitable in order to cut the lowest 10 percent of responders from its mailing lists.

“In nine months, we cut costs by \$800,000 in the direct-mail program while we’ve improved incremental sales by \$300,000,” says Dee Ann Dunkers, Charming Shoppes’ Director of Database Marketing. “We’ve seen instant success in being able to access the information and see how the customer is behaving, what she’s doing and how she will respond to us based on different patterns.”

SAS has helped Charming Shoppes move away from the traditional recency, frequency, monetary (RFM) mode and into behavior and

lifecycle modeling. “If we want to do a reactivation program, we can send out a direct mailing to see if contacting specific customers might add that extra lift,” Dunkers says. “SAS shows us whether the program is going to work.”

Valuable insight quickly, easily

Before turning to SAS, Charming Shoppes used Microsoft Access to retrieve seven years of data in the company’s data warehouse. The company was now rich in data but lacked the ability to use this data efficiently. “Without SAS, we couldn’t segment our customers appropriately to better target them for specific opportunities,” explains Denis Gingue, Charming Shoppes’ Chief Information Officer. “With SAS, we have begun harvesting the real value of the operational data in our data warehouse. SAS allows us to get some great customer and marketing information into the hands of the people who need it.”

Gingue credits SAS with giving Charming Shoppes the ability to tweak data and turn it on a dime. For example, he can generate reports from e-commerce activities in a

couple of hours, compared to the two weeks it took to produce the same work in the former environment.

“With SAS, we’re more productive, and we’re improving efficiency,” Dunkers says. “We’re getting more work done with fewer people.”

Ad hoc requests that once took up to three business days now take only three hours to produce, she adds. “The twofold difference in responding to ad hoc requests has been amazing,” Dunkers says. “With SAS, we can explore our data warehouse, add variables and figure out what’s valuable and what isn’t and make those changes quickly.”

“SAS is our fast-turn solution,” she adds. “It’s incomparable to anything else in this space because it is the industry leader. That makes the decision to go with SAS a lot easier.”



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