



Gary King, Chief Information Officer

Chico's drives campaign success with SAS® OnDemand: Marketing Automation

Industry

Retail

Business Issue

Reduce the time it takes to create marketing campaigns, derive a single view of the customer across multiple brands, and gain insights into strategy and segmentation.

Solution

SAS® OnDemand: Marketing Automation

Benefits

Models that once took 30 days to turn around externally now take a fraction of the time. Tripled the lift on a campaign to bring back lapsed customers. Insight gained on customers who shop multiple Chico's brands resulted in more successful cross-promotion.

Women's specialty retailer Chico's FAS Inc. drives same-store sales with fewer markdowns, thanks to help from SAS OnDemand: Marketing Automation. With the SAS solution, Chico's is better able to target promotions to its middle-to-high income female clientele, dramatically reducing the time needed to produce campaigns.

Chico's, based in Fort Myers, FL, operates more than 1,000 boutiques throughout the US, US Virgin Islands and Puerto Rico under the Chico's, White House | Black Market and Soma brands. Boutiques feature chic jackets, sophisticated tops, elegant dresses, jewelry and more. The company also markets to consumers through catalog and online channels. The recent recession presented many challenges to retailers, including Chico's. Yet Chico's also knew it had a treasure trove of customer information, and company executives knew that to use this information wisely, they needed to put it in the hands of the business decision makers.

However, this proved to be difficult. The data was not aggregated across brands, the company couldn't manage large volumes of data, and customer modeling was being done externally with models out of date by the time they were returned to the company. The in-house processes were labor-intensive, and the company couldn't change direction midpromotion. Marketers relied more on intuition than solid information about their customers and what motivated them to buy clothing.

"The information wasn't in the hands of marketing," says Barb Buettin, Manager of Applications Development and Database Operations for CRM Technology.

"We couldn't automate processes, there were a lot of operational inefficiencies, it was inflexible and we were using low-level tools. It led us to look at different ways to operate our campaign management," explains Chief Information Officer Gary King.

Chico's has seen positive results since choosing SAS. "The difference for the campaign team is night and day," says King. "We are able to turn around programs much more quickly. A campaign takes four days to pull together versus 30 days prior to using SAS. This has allowed the team to create more targeted campaigns."

chico's®

Why SAS®?

Chico's wanted a solution that allowed businesspeople to work with the data, without needing help from statisticians and programmers. Additionally, Chico's wanted a product with a proven track record in managing and integrating large volumes of data and didn't require a time-consuming installation. SAS OnDemand: Marketing Automation fit these criteria.

"There are a lot of products that execute campaigns. To me the integration and ease of use of the SAS solution was the edge," Buettin says. SAS OnDemand:

“Our executives are so excited about the insights they are gaining about the customer, where she shops and the department that brought her into the brand.”

Charlie White
Vice President, Customer Relationship Marketing

Marketing Automation is an enterprise hosted solution that allows marketers to plan, test and execute marketing campaigns of any size or level of complexity. The solution includes a full set of predictive analytics and data mining tools.

Chico's soon saw validation for its SAS decision – ease of use became apparent in speed to results. “It usually takes about six months to stabilize a system. It took two months with SAS,” Buettin says. The speed allowed Chico's to use SAS to help plan its holiday promotions. That same quarter the company reported a \$17 million profit, versus a loss of \$42 million in the same quarter the previous year.

With SAS OnDemand: Marketing Automation, Chico's can:

- Segment its catalog mailings and differentiate promotion efforts for maximum impact. Customers with a propensity to buy items as soon as they are released receive full-size, full-price catalogs and mailings highlighting new merchandise. Discount shoppers get slimmer liquidation catalogs and sale fliers. Online customers receive e-mails geared to their buying habits.
- Make midpromotion corrections. If a product doesn't turn out to be a big

seller, Chico's can quickly change its promotional strategy.

- Bring lapsed customers back to Chico's – at triple the success rate of previous campaigns. “With SAS, we've been able to identify the category of merchandise that had a high affinity based on past transactions and present an offer that's relevant to that category of merchandise,” says Charlie White, Vice President, Customer Relationship Marketing.
- Discover White House | Black Market shoppers who match the typical Soma shopper and market to them to drive sales at Soma.

The work is being done by marketing managers and business analysts, not programmers or statisticians. “SAS is sophisticated, yet relatively easy to use. A lay businessperson can use the software relatively quickly,” White says.

Future plans

White is currently looking at using SAS for more predictive modeling, particularly around customer Web browsing and aligning marketing with inventory allocated at stores. “With the profiling we've done we've seen that there are clusters of stores in certain regions that do significantly better than other stores at selling certain products,” White says.



Barb Buettin
Manager of Applications Development and Database Operations for CRM Technology

“This opens up an opportunity for us to do a better job of allocating our product in certain stores.”

For now, though, the impact of the analysis Chico's has derived from SAS has delighted executives. As Buettin explains: “We were in a meeting with the president of a brand and the senior vice president of merchandising, and they wanted to hug the marketing manager.”

“Our executives are so excited about the insights they are gaining about the customer, where she shops and the department that brought her into the brand. It was an incredible moment to partner with the marketing managers and watch the work come to life,” White says.



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