

Case study

CRM Solution helps Nine West Group support multichannel vision



Nine West Group facts-at-a-glance

- Leading designer, developer, manufacturer, and marketer of quality, fashionable women's footwear and accessories
- Brands include Nine West, Easy Spirit, Enzo Angiolini, Bandolino, and Calico
- Sales channels: 630+ company-owned retail and outlet stores across the US; e-commerce websites for ninewest.com and easyspirit.com
- Using NSB's CRM Solution since May 2001

"With the Connected Retailer CRM Solution, we now have the foundation to support a multichannel strategy. It's a crucial part of the infrastructure we're building for the multichannel seamlessness we need to truly delight our customers."

DIANNE BINFORD,
DIRECTOR OF CONSUMER-DIRECT
MARKETING,
Nine West Group

**connected
retailer**

Background

To manage their old Customer Relationship Management (CRM) program, Nine West, a division of Jones Apparel Group, worked with a well-known CRM service provider. The retailer captured customer information at the stores, sent it to head office, and dispatched that information monthly to its service provider. That information would then take around three weeks to process and return to Nine West's head office.

In the latter part of 2000, it became clear that outsourcing was hindering the company's newer marketing initiatives. With the lag in communication, it couldn't respond quickly enough to customer feedback or communication. "It's one thing to tell customers it's going to take a couple of weeks to subscribe to or unsubscribe from email, but to tell them it's going to take a couple of months is just not acceptable," comments Dianne Binford, Director of Consumer-Direct, Nine West Group.

In addition, the old system only supported unidirectional data flow, so that stores could update the host database, but the host could not update the stores. Worse still, about one-third of the customer records at the outsourced database were duplicates and Nine West lacked a methodology for consolidating them.

Challenge

Nine West could not aim for the truly multichannel experience that it wanted for its customers with its current infrastructure. As the retailer moved into new CRM initiatives, such as email marketing and website enhancements, it became clear that it needed to bring its customer database in-house.

"With that architecture, we just couldn't respond to our customers as quickly as we needed to," Dianne confirms. "We simply could not have the multichannel seamlessness that we wanted when we had to wait for monthly updates on customer information."

Solution

Nine West selected NSB's Connected Retailer® Customer Relationship Management Solution to help meet its multichannel challenge. NSB's CRM Solution provides all the tools a retailer needs to capture customer information, and manage, analyze, and use it to enhance the shopping experience — whether customers shop in-store, online, or over the phone.

The components that make up Nine West's CRM Solution include Customer Information Management, Customer Analytics, In-Store Extensions, and In-Store Extensions Replication. Together, they house and synchronize customer activity across Nine West's stores and website, reveal customers' shopping patterns, manage promotions, and improve in-store service.

A clean database

To begin with, the retailer spent six months of solid work isolating and eliminating duplicates from the database. "Our database now has considerably higher integrity than what we started out with," Dianne confirms. "And, we now have two-way data

feeds so that data entered on the website and captured in stores stays in sync with the head office database."

Multichannel communication with the customer

The retailer has begun a sophisticated direct email marketing program, with personalized emails sent monthly to clients who have opted in to the program. There are eight to nine elements in each email, each of which have their own segmentation scheme. Various offers are tested, and the response is measured by customer segment. "The datamart gives us a very rich set of comparisons," comments Dianne.

They also keep close contact with their customers through surveys. Nine West has created a customer panel made up of ideal customers, which they use as a test group, consulting their responses for everything from product possibilities to website enhancements. The panel is proving to be an accurate predictor of overall customer behavior. Dianne is thrilled to say that many of their executives, "from the CEO and brand presidents to marketing managers, product developers, and merchandisers just can't wait to hear back from those surveys."

Results

Solid, successful promotions

The retailer runs consistently high-quality, successful promotions. "The ROI on our direct mail programs, which we measure using control groups, is always in the triple digits," Dianne confirms. "And our email programs enjoy open rates and click-through rates twice the retail industry standard."

These promotions generate a marked increase not just in online sales but also in store sales. "Most of our email addresses are collected at the website, but 70% of purchase response takes place at the stores," Dianne comments. "This is a mutually beneficial relationship: Our stores bring us customer information, and, in turn, we send them more traffic. All this adds up to a huge impact on our bottom line."

Data used across the enterprise

Merchandisers are also using the tracked customer information. "Buyers are using the data to assist in their decision making, especially for sizes, widths, and regions," Dianne says. "We're also using it to identify missed demand. For instance, we put size 12s on our website and tracked how many people searched for them. We were surprised by what we discovered, and have since started manufacturing size 12 shoes."

Personalized online and in-store service

Very soon, Nine West will automatically award loyalty privileges online the first time loyalty program members visit one of their websites (assuming they have already provided their email address). And, a new program, called "Perfect Fit," tailors emails to a customer's shoe size, ensuring the retailer only promotes styles that come in the recipient's size and width.

"Obviously we didn't want to wait until every single customer gave us their shoe size," says Dianne. "So, we tapped into transaction histories to obtain that information and, of course, allow customers to easily modify their profile at any time."

"We want customers to feel like we're laying out the red carpet for them when they come to our website," Dianne enthuses.

In-store, the retailer is using the CRM Solution's trigger function to prompt sales associates to update dead email or mailing addresses. They are planning to use triggers very actively in the future, to provide exceptional in-store service and to take advantage of cross-sell and up-sell opportunities.

The future of retail

"Technology has raised the bar on customer expectation," Dianne concludes. "You have to be able to meet those expectations if you're going to be a competitive leader."

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Proven solutions for connected retailers