

SAS Solutions for Customer Relationship Management

SAS Improves Evaluation of Campaign Segments for Newport News

CATEGORY: CRM Analytics

REVIEWER: Van Rhodes, manager of marketing decision support for Newport News.

BACKGROUND: Newport News is a leading direct marketer offering moderately priced women's fashions and home decor through catalogs and the Internet. The Newport News easy style philosophy addresses the modern woman's desire for lifestyle-enhancing merchandise that combines a youthful, feminine, spirited image with versatility, comfort and affordability. Newport News is a wholly owned subsidiary of The Spiegel Group.

PLATFORMS: We are running SAS 8.2 on three hardware platforms. We extract data from DB2 and VSAM, and sequential files from our operational systems on an IBM OS-390 mainframe, and transfer our extracts to a Sun Microsystems E-450. There we perform data cleansing and update of a 300GB SAS data warehouse. We run the SAS desktop environment in a Windows 2000 network on a Citrix server farm for point-and-click reporting.

PROBLEM SOLVED: With more than 80 catalogs to track, we needed a solution that would help us evaluate and predict customer behavior across a season or an entire year to maximize profitability. Before SAS, we used a series of spreadsheets to analyze between 3,000 and 4,000 customer-mailing segments per campaign. Looking beyond individual campaigns and analyzing mailing segments across a season or a year was practically impossible. It took two analysts as long as a month to gather the data and crunch the numbers. Today, using SAS Solutions for Customer Relationship Management, which include capabilities for multidimensional analysis, the job can be done in less than 30 seconds for any combination of mailing segments.

PRODUCT FUNCTIONALITY: SAS Solutions for Customer Relationship Management brought

MANUFACTURER



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us the ability to better evaluate the success of campaign segments targeting customers who had not made purchases in more than 12 months. Now we can also answer questions such as: How well do these customers perform subsequent to a promotional mailing? If they respond only to the special mailing, will they sink down in recency until the next special promotion? Is the revenue hit taken by offering the promotion offset by the reactivation within a reasonable time period? To answer these questions, our analysts use SAS to select customers in targeted segments who responded to a specific campaign then analyze their subsequent activity. SAS was used to export the customer history tracking system from mainframe to an environment where it could be integrated with summarized campaign data.

STRENGTHS: The flexibility of SAS software is very important, along with its ability to connect seamlessly between our three hardware platforms for data access and transfer. It is extremely easy to move data from one platform to another, whether automated or ad hoc. The integration of SAS's wide range of components has allowed us to develop a robust decision support environment that

interfaces with our knowledge workers where they are most comfortable. Within that environment, these knowledge workers can take advantage of SAS's capabilities no matter what their level of expertise.

WEAKNESSES: While Version 8 now is able to multitask across platforms, it still cannot multi-thread. However, I understand that SAS will rectify this weakness in Version 9.

SELECTION CRITERIA: Obviously the power of the SAS Solutions for Customer Relationship Management was a major factor in our selection – its ability to manage and analyze huge amounts of data is impressive. We also wanted a vendor that could provide a suite of products, and we believe that the range of products within the SAS Solutions for Customer Relationship Management makes them an overall best of breed for CRM. In addition, we respect SAS Institute's business philosophy of developing a win/win solution with its customers. SAS Institute has an impressively high percentage of revenue devoted to R&D – and we can tap into that base of knowledge.

DELIVERABLES: Using SAS, we built a dimensional data warehouse using a star schema model of fact and dimension tables. With the data structured this way, we surface it via highly customized GUI screens with point-and-click capabilities for generating a wide range of standard reports.

VENDOR SUPPORT: The technical support from the SAS group is outstanding. From basic questions to technical glitches, they have never let us down in eight years of heavy usage.

DOCUMENTATION: Documentation is incredibly comprehensive, both in traditional paper manuals and now online at their Web site or via CD. In addition, the Web site is extremely good for finding problem-specific patches and FAQs.