

Case Study: Saks Fifth Avenue

Renowned Retailer Improves
Operations with Better
Customer Data



“QAS is a major win for us. Address data coming into our CDW is more accurate and more complete, which significantly improves marketing campaigns, drives better clienteling efforts and streamlines back-end processes.”

— Kakoli Seal, Vice
President of Customer Insight and
Database Marketing,
Saks Fifth Avenue

Situation

Saks Fifth Avenue was collecting customer addresses across channels for use in clienteling efforts and marketing communications. With no front-end address verification solution in place, the retailer experienced high levels of bad addresses, resulting in expensive re-work and many completely unrecoverable addresses.

Solution

Saks solved the data quality issue in two stages. First, the retailer integrated QAS front-end address verification into its e-commerce and call center websites. Saks then launched QAS' data quality tools at the point of sale.

Results

Saks now verifies addresses as they are entered across all channels. The retailer attributes streamlined operations, a higher level of confidence in customer data and more effective clienteling efforts to the use of QAS tools.

Introduction

Saks Fifth Avenue is an American retail legend. The upscale retailer's flagship store opened on New York's Fifth Avenue in 1924, and the company has since expanded to include 53 stores across the United States. Saks also offers customers the opportunity to shop online at www.saks.com; the site is ranked #45 in the Internet Retailer Top 500 Guide.

Saks has a rich history of exceptional, personalized service and continues to seek new ways to improve.

Clienteling and the CDW

Saks developed a sophisticated clienteling strategy to provide highly

targeted marketing messages to its customers. To ensure that data collected in any channel can be leveraged for 1-1 marketing and other activities, the retailer created a Customer Data Warehouse (CDW), which aggregates customer information and supplies data to enterprise-wide systems. The CDW includes address and other information and helps Saks to create a “360° view” of each individual customer.

The Address Issue

Accurate, complete addresses are a critical ingredient in Saks' renowned service. Marketing mails catalogs and other materials to

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customers throughout the year. Store associates send special offers to their customers, or reference their specific preferences in conversations. Call center representatives use addresses for customer service assistance and delivery options.

But with no address verification solution in place, Saks found that high levels of bad addresses were entering the CDW. Causes of bad data varied by channel, and included simple human errors like mistyping or “fat fingering,” as well as accidental customer omission of address components like apartment number. Saks employees also unknowingly created many duplicate accounts, resulting in customer preferences and history scattered over multiple records.

Kakoli Seal, vice president of customer insight and database marketing at Saks, explained that the retailer was forced to rely heavily on back-end processes to try to correct or complete these addresses – and that many were completely unrecoverable. “We had text in the address fields, but no mail would ever be delivered to those addresses – they were worthless.”

Inaccurate addresses had myriad negative impacts across the Saks organization. Valuable dollars were wasted mailing expensive catalogs that could not be delivered and re-sending returned packages.

Operationally, bad data drove multiple inefficiencies related to identifying, correcting and completing addresses.

Implementing QAS

Because of the operational challenges and costs associated with back-end address maintenance, Saks “realized that it’s much better to capture cleaner data at the point of entry.” The retailer began to search for available front-end verification tools, and “QAS came out on top, both in terms of the quality of the tool and the ease of integration.”

QAS Pro was implemented in two phases. First, Saks integrated QAS Pro to www.saks.com, the website used by consumers as well as customer service representatives. Then Saks deployed QAS Pro to its web-based POS system. “Clearly, having the same system on our website and at the POS is very, very useful,” according to Seal.

A Focus at POS

Today, Saks has rolled QAS out to all stores. The QAS tool is presented whenever a store associate logs in to the clienteling tool at the POS. The customer’s address is checked and the associate is prompted to provide any missing elements while the customer is still engaged. Each address is standardized according to USPS® requirements, meaning that the data entering the CDW is formatted similarly and correctly.

Associates have the ability to bypass the screen, if a customer does not want to provide an address, for example. However, associates are tracked on address entry goals at both the store and department levels. Seal mentioned that these goals incent store associates to focus on gathering QAS-validated addresses, rather than simply skipping the address entry step.

Widespread Impact

Saks Fifth Avenue has experienced significant benefit from the use of QAS’ front-end address verification. The quality of information coming in has been dramatically improved, meaning that the retailer has higher confidence in its customer address data. The standardized data is also easier to consolidate in the CDW, which Seal calls “immensely useful” for customer analytics.

From an operational standpoint, with fewer bad addresses entering the CDW, Seal’s team is less reliant on back-end processes to fix or recover addresses. The delivery rate on marketing campaigns has increased and clienteling efforts are more effective. Store associates are also more efficient entering addresses at the POS – fewer keystrokes means less customer wait time. Seal sums up the impact succinctly, saying “QAS is really a major win for us.”

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