

Apparel

retailintelligence | CASE STUDY

Charming Shoppes Gets the Bugs Out

Tealeaf is helping Charming Shoppes not only reduce web site glitches but also provide a more personalized experience for online shoppers.

While always exploring ways to enrich the shopping experience for its online customers, Charming Shoppes recently realized it first had to understand why core e-commerce processes were breaking down.

"We were getting some customer complaints and we weren't able to recreate the problems that the customers were having," says Dale Espersen, vice president of Charming Technology Services Direct. "This was around Holiday 2006. So we started looking into how we could get some better insights into exactly what the customer was seeing on the site."

Charming Shoppes operates a total of 14 websites, including five linked to its retail banners (Fashion Bug, Lane Bryant, Catherine's and Petite Sophisticate) as well as another nine under its Crosstown Traders catalog division. Its catalogs include Old Pueblo Traders, Intimate Appeal, Coward Shoe, Bedford Fair Lifestyles, Willow Ridge, Lew Magram, Brownstone Studio, Monterey Bay Clothing Company and Figi's.

One of the recurring problems was "shopping cart persistence," whereby a customer would be switched from one of the company's servers and would lose the items she had in her shopping cart. But other issues would also continually crop up for the women's apparel retailer. And with 14 websites and millions of customer visits a day, tracking down these glitches was a painstaking process.



Among other benefits, Tealeaf provides Charming Shoppes with the ability to better analyze the stream of data coming from its many online sites, so that it can understand different shopping behaviors from web site to web site, such as between lanebryant.com and lanebryantcatalog.com, pictured here.

fast facts

- **2008 Sales:** \$3 billion
- **Specialty:** Women's apparel retailer, 74 percent of its 2008 sales represent plus-size apparel.
- **Retail Banners:** Lane Bryant, Lane Bryant Outlet, Fashion Bug, Catherines Plus Sizes, Petite Sophisticate, Petite Sophisticate Outlet. As of Aug. 2, it operated 2,359 retail stores in 48 states.
- **Catalogs:** Lane Bryant Women, Pueblo Traders, Bedford Fair Lifestyles, Willow Ridge, Lew Magram, Brownstone Studio, Intimate Appeal, Monterey Bay Clothing Co., Coward Shoe and Figi's.
- **Web sites:** In 2008, lanebryant.com averaged more than 2.4 million unique visitors per month; fashionbug.com averaged about 900,000 unique visitors monthly, and catherines.com, 463,000. Collectively, Charming's catalog web sites averaged approximately 777,000 unique visitors per month.
- **Rewards Programs:** Revenues of \$21.8 million were recognized from loyalty cards programs in 2008 versus \$19.1 million in 2007.

"Part of the problem was that it was the needle in the haystack," says Espersen. "It wasn't every single customer that was having the issue. It was only in certain circumstances and combinations and it made it even more difficult to try to isolate." Despite testing many, many combinations of shopping behaviors, the company was unable to recreate the problem "to help us understand what was going on."

'TiVo for e-commerce'

Charming eventually partnered with Tealeaf, an independent spin-off of SAP that focuses on the web-shopping experience. The system was up and running by February 2007.

According to Espersen, Tealeaf works like "TiVo for e-commerce." The software records or copies each customer interaction — everything from a completed purchase to someone browsing a site. It then stores and indexes each interaction so it can be replayed later.

"If we know the customer's e-mail address or some other information, it allows us to go back through those millions of visits and find that particular customer interaction. Then we can watch how they got an error," says Espersen.

As a result, the company can determine exactly what went wrong with a customer's interaction and make changes to the code to ensure it doesn't happen again.

While the company has cut down on the number of problems online shoppers were experiencing, customer service has also been enhanced.

For example, Charming Shoppes might get an e-mail from a customer claiming she didn't get the correct discount on her online purchase. Using Tealeaf's tools, a customer service representative is able to search previous interactions to verify that the customer received the right coupon code. The customer service department is also able to handle an increased number of customer inquiries that in the past were handled by the IT area.

As a result, IT is now able to focus more on development and less on researching support issues.



Before it began using Tealeaf's solution, Charming Shoppes was getting some customer complaints and wasn't able to recreate the problems that the customers were having, says Dale Espersen, vice president of Charming Technology Services Direct.

Moreover, Charming Shoppes can be proactive about finding and fixing problems rather than finding out about them from customers' e-mail, he says.

Next up: analyzing shopping behaviors

While the big initial benefit of Tealeaf's tools has been around customer service and addressing customer complaints, the next step for Charming Shoppes will be to better analyze the stream of data coming from its many online sites. In particular, Charming Shoppes is looking to understand the different shopping behaviors from web site to web site.

"All of our sites are pretty much unique," says Espersen. "So for example, we want to understand how the customer that's shopping the Lane Bryant retail site (lanebryant.com) differs from the one shopping the Lane Bryant catalog site (lanebryantcatalog.com). Or even how the Lane Bryant catalog shopper differs from that shopper at the Old Pueblo Traders site. It's kind of daunting because there are lots of data to analyze."

With 14 websites, it's particularly important for Charming to better understand and differentiate its customer segments for marketing purposes.

"It's that whole personalization aspect," says Espersen. "If we find that customer who likes the yellow dress, what else does she need to go with that yellow dress? What kind of up sell is there? We can look at all the customers who bought the yellow dress and see that all of them bought a certain pair of sandals or some piece of intimate apparel. So when the next customer comes to buy the yellow dress, let's also show her the sandal that other customers bought to go with it."

He also believes that online data reveals more about shopping behavior than data currently available at retail or through a catalog. For instance, if a person buys a blouse from a catalog, it's impossible to know her purchase decision process. Online, Charming will see a customer first went to the dresses web page before ultimately buying the blouse. This helps Charming set up the proper incentives to encourage more buying in the dress category through greater personalization.

The solution allows the company to use real-time data as the customer is shopping to understand what it can present to her, right at that moment, that will convert into a sale, says Espersen, adding that he believes the data captured through e-commerce activity will take personalization to a whole new level, where companies can better anticipate customer needs.

In the longer term, Charming will be using the knowledge it's learning from its online shoppers to enhance the shopper's experience at the brick-and-mortar level as part of an enhanced multi-channel approach.

"We know that it kind of works both ways," says Espersen. "We can do e-mail promotions and we'll drive traffic into the stores, and we also drive traffic to the sites."

The company also has the ability to identify at the store point of sale whether or not it has inventory in the e-commerce warehouse in a particular size or color that may no longer be available in the store. "Then we'll just ship it straight to the customer, and it's all handled at the register."

Espersen adds: "We're trying to give her the best experience, regardless of the channel she shops." ■

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