



Angeline Close
Advertising/IMC

Lands' End Builds Closer Customer Relationships Through Online Direct Marketing: Solution Provides Effective Means of Communicating with Online Customers

Lands' End embraced the Internet early on, opening their e-commerce business in July of 1995 featuring only 100 products along with their familiar and humorous editorial content. "We simply viewed our launch of landsend.com as a natural extension of our wider direct marketing focus," recalled Terry Nelson, the e-commerce Marketing Manager for Lands' End. "We're very proud of the fact that Internet sales now account for approximately 20 percent of our overall sales and that we have become the leading online seller of apparel in the world." Given the dramatic rise in e-commerce over the past five years, there appears to be no end to Lands' End's presence in the global marketplace.

For over 25 years, Lands' End has been a leading direct merchant of traditionally styled, casual clothing for men, women and children, as well as soft luggage and products for the home. The site has grown consistently, offering every Lands' End product, featuring personalized shopping accounts, and hosting 38 million visits in fiscal year 2000. Known for unmatched customer service and affordable products of exceptional quality, Landsend.com extends Lands' End's one-to-one relationship with customers via personalized shopping aids such as Lands' End Live™ (talk to a customer service agent while shopping online), Your Personal Model™ (build a wardrobe based on individual shape and lifestyle), and Oxford Express™ (get help selecting dress shirts).



e-service for e-business

Due to its early entry into the online market, Lands' End quickly realized the unique advantages and challenges of e-commerce. "Our number one priority has always been serving the customer, so the most critical thing for us has been translating our distinctive customer service to the e-commerce space," explained Nelson. In order to take advantage of its rapidly growing online market, Lands' End needed an effective means of specifically accommodating increasing online customer demand. "Permission-based marketing is an interesting challenge as it flips the normal catalog business relationship 180 degrees, with the customer having direct control of the marketing process."

Solution

Lands' End found a perfect fit with Responsys Interact®, a secure, Web-hosted application that allows businesses to create, launch, and monitor permission-based marketing campaigns on the Internet. Responsys Interact's unique, advanced message personalization capabilities, one-click response option, and open architecture made it the service provider of choice for Lands' End's permission marketing foray on the Internet.

Why Responsys.com?

In realizing that they needed an external solution to help manage their rapidly expanding e-business needs, Lands' End selected Responsys Interact from among several competitors. "Originally, we designed and delivered all our e-mails ourselves," Nelson related. "What we found is as our customer list continued to grow and the technology continued to improve, there was a need for an outsourced solution and Responsys.com was ultimately that solution."

Responsys Interact provides Lands' End with flexible support to meet its changing e-commerce needs. "Our primary reason for choosing Responsys.com was that we needed a scalable solution that would allow us to continue to communicate most effectively to our customers amidst changing market contexts," Nelson commented. "Responsys Interact allows us to give our customers control of how they want to communicate with us. We're even using the Responsys platform to translate our newsletters into German and Japanese and to adapt them for the UK. When your primary business goal is customer satisfaction, that kind of flexibility is invaluable."

Personalized communication-at a fraction of the cost

With Responsys Interact's dynamic content personalization capabilities, Lands' End can deliver relevant, personalized content to each individual customer, ensuring that messages are read and acted upon. Responsys Interact allows market personnel to dynamically assemble content based on customer contact and profile data from any data source. "Obviously, e-commerce and e-mail provide much more flexibility than the catalog space does, just because it is more difficult to personalize catalogs," explained

Nelson. "That's what is really exciting about the Responsys platform -you can customize e-mails to meet the needs of each individual customer."

Marketing teams can access Responsys Interact through any Internet browser to design, schedule, and launch personalized marketing campaigns based on multiple sources of customer profile data. Responsys Interact enables Lands' End to link customer profiles to scheduled campaigns, putting its customers in control of the content they receive. "As opposed to printed catalogs, the customer in permission-based marketing is telling us what information they would like us to send them," added Nelson. "So our customers tell us the frequency with which they would like us to contact them as well as the topical information that they're interested in receiving."

Ease of use

Above all, Responsys Interact is accessible and easy to use, saving valuable time. Responsys Interact™'s powerful response management system processes incoming responses based on a sophisticated rules engine. Incoming responses can trigger multiple actions, such as providing instant feedback to customers, launching follow-up campaigns, updating profile data, or sending internal alerts-without involving marketing personnel. "One of the things that's really nice about the Responsys solution is that it's non-technical," agreed Nelson. "Everybody is constrained with technology and creative resources in the e-commerce space, and the Responsys platform gives marketers the opportunity to create, launch, and manage their own campaigns. And that frees up the creative and technical folks for other projects."

Real-time marketing

With real-time reporting, Lands' End has moved to real-time campaign management. "The real-time reporting capability within the Responsys Interact platform allows information to be updated in a matter of seconds so that you can watch the results of the campaign unfold right before your eyes," said Nelson. "In the print catalog world, you'd have to wait weeks or sometimes even months to gauge the results of a particular campaign. Responsys.com really has given us the capability to understand how a campaign is performing within minutes after launch."

Responsys Interact also helps Lands' End determine which mix of creative content, message type, promotional offer, or other incentive drives the greatest response rates and return on investment for each customer segment. "Another important advantage is that real-time reporting is critical when you do pre-testing," continued Nelson. "You can send out two campaigns to two different groups and immediately watch the open rates and the response rates and instantly determine the most effective campaign to deliver to the entire list."

Superior service

And Responsys Interact's commitment to excellence extends beyond its technology and into its unparalleled reputation for customer service. "A major reason that we selected Responsys.com really was because of the people," Nelson said. "Lands' End has always been about people, and Responsys.com was very professional, innovative, and attentive to all of our needs. They fit the bill perfectly, so Responsys.com was our natural solution."

Build customer relationships

Responsys Interact's recency, frequency, monetary (RFM) marketing model—a rules-based, event-driven system for tracking individual response patterns—allows the company to continuously satisfy customers' interests, thereby ensuring continued loyalty. "We believe in quality over quantity," said Nelson. "We really want the people that are on our e-mail list to be interested in what we send them. We may have lost a number of merchandising opportunities by putting the customer in control, but I feel that the customer experience is improved so much that it's worth it in the long run."

The innovative flexibility of Responsys Interact has also allowed Lands' End to maintain a personal touch amid large e-mail campaigns. "A number of weeks ago, we sent out an e-mail about the difficulties of our new construction here in Dodgeville," Nelson states. "It was obviously not a selling message, but we got a number of very positive responses from our customers saying that it was hilarious and they just appreciated our perspective on things. We viewed it as a way to build a closer relationship with our customers."

Retain valuable customers

Every e-business knows it is less expensive to retain a customer than to acquire one, and Lands' End is no exception. "E-mail marketing is really an excellent retention vehicle," said Nelson. Responsys Interact's RFM model provides a continuous means of specifically directing products toward those customers who are most likely to purchase them.

Yet Responsys.com understands that an effective long-term relationship also means not driving customers away with unwanted announcements. "E-mail clutter is definitely something we want to avoid," Nelson clarified. "We want to put our customers in control of exactly how much information they want to receive. Lands' End has decided to make it as easy for the customer to opt-out as it is to opt-in, and Responsys.com has given us the ability to do that."

Reduce costs while increasing effectiveness

Instead of costly catalog printing expenses, e-mail is a cost-effective medium that enables companies to increase their customer bases. A recent Forrester Research report concludes that e-mail marketing is the second most effective form of getting traffic to Web sites. "E-mail marketing has been tremendously cost-effective for us," Nelson agreed. "We have been very pleased with the performance of our Responsys marketing campaigns."

Responsys Interact's permission-based strategies enable both unprecedented scale and personalization at a fraction of the costs of other advertising formats. "Through our relationship with Responsys.com, we have been able to open a dialogue with our customers in a way that was not possible before. For a customer-focused company like Lands' End this is very exciting," said Nelson.

Source: LandsEnd