

Casual Male Crunches Data Faster with Netezza's Retail Analytic Appliance

By Justin Fenner

For the Casual Male Retail Group, size really does matter. The company, which operates more than 500 stores in the United States, Canada and England, in addition to sizeable ecommerce and catalog operations, is one of the largest specialty retailers of big and tall menswear.

The chain is even attuned to the psychology of purchasing clothing at a big and tall store. In 2005, a reporter who was also a Casual Male customer told president and CEO David Levin that the store's name, then Casual Male Big and Tall, was offensive. At the time of the company's first quarter earnings call in May 2006, Levin announced that the group would change the name of its stores to Casual Male XL, in addition to overhauling the logo on bags, business cards, direct mail pieces and catalogs.

But keeping the customers' feelings in mind wasn't enough to make the company successful. Managing all of its channels and making sure the right sizes were in the right place at the right time — available for the right customer — posed a bit of a challenge. Casual Male knew it needed insight, and a lot of it, to do a better job of keeping pace with customer needs and optimizing its practices.

Netezza, the missing piece of a technology puzzle

To get a better idea of which customers would need which products when, and at what price, the chain needed a more detailed understanding of performance in each of its retail channels. So, initially, a combo treatment of QuantiSense's retail application built on MicroStrategy's business intelligence platform did the trick.

Working together, the two solutions helped to create an "intelligence warehouse ... that

collects and helps analyze within the data warehouse all of our merchandising intelligence, whether it be style performance, size management or inventory management," said Dennis Hernreich, Casual Male's executive vice president, COO and CFO. "We now have one repository for all of our merchandising intelligence."

And while that information was beneficial, Hernreich said better insight came with its own set of challenges.

"What we found was as we absorbed this information and wanted more and more and developed more applications with QuantiSense in using this data, we started to outstrip the operating system and the power of the hardware itself, to process the magnitude of information that we stored."

To be able to keep pace with the amount of data the QuantiSense solution collected, Casual Male turned to Netezza, a company known for producing information technology solutions for a variety of industries. Netezza's retail analytics appliance, or RAA, had the power Casual Male needed to power through all the details.

"It processes [the data] much more effectively and efficiently and more quickly than the Sequel server that we were on prior to this," Hernreich said.

"What Netezza brings with QuantiSense and within the RAA is a lot beefier performance. And that performance uniquely enables the loading of the data much faster at a more granular level," said Jim Kelly, the vice president and general manager of retail at Netezza.

That means that Casual Male can access information about all of its channels at a very specific level. This insight allows the company to understand its customer activities and demand for product, optimizing inventory, pricing, allocation and assortment across those channels.

But Hernreich said the benefits didn't come overnight.

"It took a couple months to change over, including all of the testing," Hernreich said, adding that Casual Male employees didn't have to jump through any hoops to get used to the RAA. Instead, Quantisense had to make a few minor adjustments for Netezza to work.

"I believe this was one of the first implementations of Netezza with the QuantiSense application on it," he said. "And so it took some fine-tuning by QuantiSense to kind of optimize the efficiency of ... how the hardware operating system and the software were operating with each other."

The size issue

Hernreich said the insight Casual Male now receives has benefited the business immeasurably. He added, however, that his company hasn't changed that much about the way it does business.

"Our ability to manage our sizes and stay in stock, our ability to do store assortment planning, our ability to assess the performance of our styles across our chain — we were doing all of that before, but we're doing it much better; it's more transparent than it was before," Hernreich said. "And so we're making better decisions."

Decisions, for example, such as adding sizes or trimming down inventory.

"It's giving us transparency into our past selling and our current inventory position, which identifies weaknesses on the size side and enables action points on our size," Hernreich said.

"That kind of information was very difficult to drill down to on a regular basis prior to this. Our size management is much better as a result because of this."

Scenarios, playbooks and predictions

But the understanding isn't the height of what Netezza's RAA can do for its users. In addition to the faster and more efficient fact-based reporting, it also has predictive capabilities.

"That's really core to Netezza," Kelly said. "These kinds of applications in retail are evolving from kind of fact-based reporting and business intelligence into predictive analytics."

Hernreich said Casual Male hasn't started using this capability yet, but that it is something that the company is looking into.

"It gives us the ability to do more complicated application scenarios that we couldn't

have thought about before; because of Netezza we're now starting to," Hernreich said.

For example, the RAA might provide "a list of stores that are forecasting to go out of stock of a particular sweater in six months. Or three months, or two months," he said.

Another one of the technology's capabilities comes from concept of playbooks — Netezza's RAA uses QuantiSense playbooks — which help stores replicate the best practices of high performing stores, as well as analytics for making action recommendations based on data that's already been collected.

"So, specifically, with the role of a merchant and the business function of doing markdowns, the RAA has a role-based workflow and set of analytics that will guide the merchant through identifying candidates for

markdowns, and then recommending markdowns at the store item level and then helping the merchant take those markdowns as an action," Kelly said. "That's the high level position of the RAA against the needs that Casual Male has."

But for Casual Male, the bump in sales (which Hernreich said he could not quantify) and the increase in efficiency are enough at the moment.

"It's made our inventory more efficient and effective and I can't quantify that, but this is not an ROI type investment. This is an investment you can't afford not to make for your business," Hernreich said. "It's essential."

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