# Case study





# Fairytale Brownies

## Fairytale Brownies was able to reduce address correction fees

Inaccurate addresses provided by customers caused Fairytale Brownies to experience unnecessary shipping expenses due to order re-processing and address correction fees. Furthermore bad addresses led to delays in the delivery of orders which resulted in unhappy customers.

#### Objective

Fairytale Brownies began in 1992 when two childhood friends started selling delicious gourmet brownies at local farmers' markets. Now more than 15 years later, Fairytale Brownies is a \$10 million multichannel retailer shipping more than 200,000 orders annually. As its retail operations grew, the company increasingly incurred costs when customers provided incomplete shipping addresses.

The majority of Fairytale Brownies' customers purchase brownies as gifts, having them shipped directly to friends and loved ones. Since customers ship to addresses other than their own, they often forget important delivery information such as the apartment number and may incorrectly spelled street and city names.

## Solution

Fairytale Brownies chose Experian's address verification software to prevent these costs and improve their customers' purchasing experience. Experian's software has since helped more than 800,000 gifts reach their destination and saved Fairytale Brownies more than \$100,000 in unnecessary shipping expenses.

"Address errors were costing us \$30,000 annually in address correction fees and causing delivery delays, which resulted in unnecessary expenses and unhappy customers," said Fairytale Brownies co-founder David Kravetz. "As a growing online retailer, we needed a solution to reduce these fees and improve customer satisfaction. Experian did both."

Before turning to Experian, the company tried to develop its own solution by writing an automated web script that interfaced with FedEx's® address verifier; this proved slow and ineffective. At the time, Fairytale Brownies was implementing Escalate Retail's order management platform so it turned to that user community for advice. The overwhelming feedback from other Escalate users was that address verification was the solution to Fairytale Brownies' problem.

Fairytale Brownies installed a trial version of our address software in their call center and purchased the solution after several months of rigorous testing. After

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implementation, the company realized an immediate improvement in the quality of addresses being taken in through their call center but found that bad addresses were still being submitted through their website and in bulk orders submitted by larger customers.

To rectify this problem, Fairytale Brownies added realtime verification to its online checkout and batch address validation to its bulk order processing system to ensure that addresses were being verified and corrected at all points of entry.

## Results

"We've seen a dramatic drop in the number of re-routes," said Kravetz. "Many addresses provided by our customers need to be corrected, and with Experian we're doing that proactively. You need to remember that it's not just the expense of address correction fees; it's the operational cost of having to reach back to customers that add up. In addition to the cost savings, Experian has also provided a definite benefit to our online checkout experience." Since purchasing Experian's address validation solutions, Fairytale Brownies has been a three-time recipient of BizRate's Circle of Excellence Gold Honoree Award. You need to remember that it's not just the expense of address correction fees; it's the operational costs of having to reach back to customers that add up.

—David Kravetz Catalog & Web Team Leader, Fairytale Brownies

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