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Casual Male Retail Group Inc FO12009 (Qtr. End 03/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

[Operator Instructions] Our first question comes from Scott Presley

Scott Presley

Hey guys, the question on that Casual Male business, you know you acquired Rochester and you entered these direct businesses sort of to diversify revenue avenues and deter the leverage of fixed cost, but at the end of the day, I guess the issue at Casual Male is that you weren't driving enough traffic to the store to really increase the store productivity and get higher profitability there so, even once the traffic flattens out overall and we hit bottom here, how do you improve that core Casual Male business?

David A. Levin

I think we are going to win on conversion, and that continues to improve. So, we believe with our existing customer base we could still get a lot more dollars out of them. Again, it is very fragmented even within our best customers they still spend money in other channels and other retailers. And we have been, that has been our strength, it's been the ability to convert customers into a transaction to try and get a higher AUR, but we certainly are backing off of trying to generate new customers at our stores like we have in the past, because again it is a very expensive proposition and we are more concentrated on the bottom line than we ever have been

Scott Presley

So, basically traffic is going to be where it is going to be if you get 2 customers an hour, so be that if you train yourselves people to up sell and sell more stuff at the roads to higher sale. Is that correct?

David A. Levin

That is correct, we are going to that direction

Scott Presley

Okay. And then there have been talks in the past, do the hybrid stores ultimately work? Are there more opportunities for that sort of - I know you are not through with the conversion yet, but what is the thinking maybe 6 or 12 months down the road?

David A. Levin

If these hybrids perform up to our expectations, we'll change in some energy in our real estate. I think that major markets like Chicago or San Francisco type of markets but St Louis, Minneapolis, Kansas city but we may have 6 or 7 Casual Male stores to populate one hybrid in each of these markets then that would kind of be a super store of more productivity, because we believe in each one of these markets there is a big and tall guy that wants to wear Polo or Calvin Klein, but it would never happen without the full fledge Rochester store, if it can't be [culminated] but having one big store in the market, very effective.

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