THE USE OF CUSTOMER ANALYTICS TO INFORM A RETAIL TURNAROUND

Presented by MARK CHRYSTAL CHIEF ANALYTICS OFFICER | rue21, INC. at CSCRL Fall Forum 2020.

Mark's presentation discussed Rue 21's success story described as blueprint for all future successful retail turnarounds. Rue21 used customer data and customer analytics to guide their turnaround strategy. A plan was devised with customer at the center and tasks were prioritized to get the business back on track. Mark's presentation highlights the step-by-step plan implemented at Rue 21 and focuses on the importance of analytics.

The extensive plan involved, 1. **Understanding customer perceptions** by uploading customer comments to MachineCore's CXAI solution which analyzed the customer feedback and identified highest priority problem areas. 2. **Improving Gross Margin Management and Buy Time** by developing machine learning models to forecast each category of product by channel. By aligning sales and inventory management to the forecast, inventory over buys was reduced and GMROI and profits improved. 3. **Defining the Target Customer** – insights collected from 3000 brand-familiar customers in order to gain a deeper understanding of customer psychographic segments, behaviors and product preferences which in turn helped in the strategic positioning of the Rue 21 brand. 4. **Educating the organization** by providing a tool to the merchants which helped understand which products were or were not received well. Also enabling product understanding by customer segment. 5. **New Product Acceptance and Speed to Market** – "go-to-market" decision time on winning styles improved to 48 hours vs. 4 months. 6. **Store Assortment Segmentation** – by using machine learning to cluster stores by customer segment and demand profile. Inventory was then bought and allocated to this new approach to assortment planning by location. 7. **Improving Purchase Convenience** by introducing buy online pick-up in store (order availability within 1 hour), enabling website store inventory visibility, implementing post-purchase order tracking solution. This had a strong impact on overall customer satisfaction. 8. **Improving Customer Analytics –** by implementing CRM platform to establish and maintain a single record for each customer that allows data capture, analysis. Easier to track and measure behavior changes and target communications. 9. **Improving Customer Data Capture** by implementing traffic encounters, capturing customer demographics and sentiments in stores. 10. **Improving Customer Purchase Frequency** – launch of customer loyalty program, new store design, introduction of alternate payment methods, personalization of website and multi-channel marketing content.

Rue 21 today is growth focused again and the turnaround is successfully complete.