



@RENTTHERUNWAY



RENT THE

RUNWAY

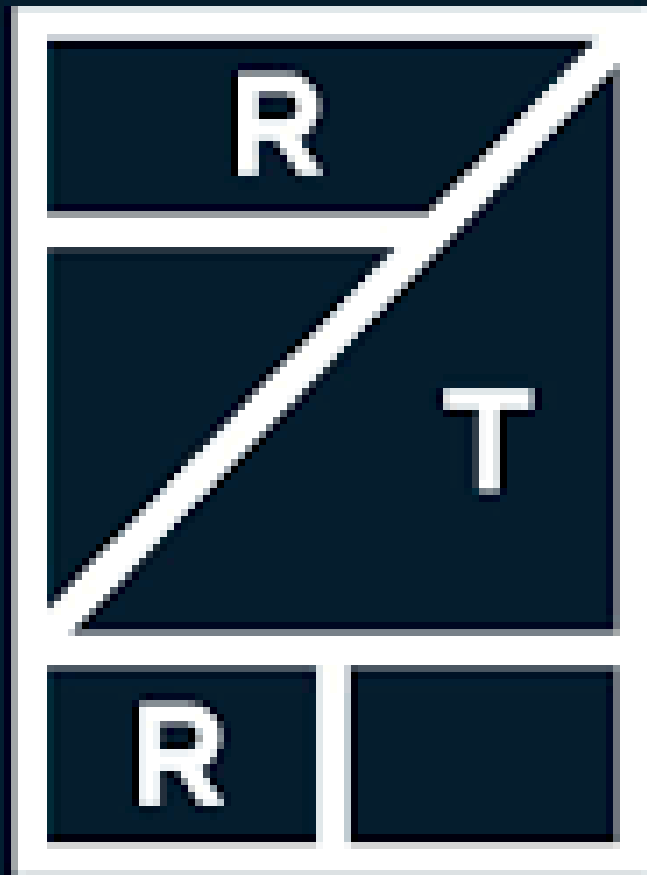
DESIGNER RENTAL FASHION

KATELYN SAWYER

IES DIGITAL MARKETING

NOV.27.2023

BACKGROUND



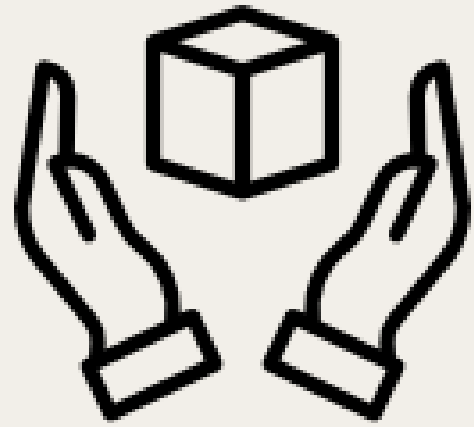
- COMPANY LAUNCHED IN 2009 WITH THE GOAL OF INTRODUCING DESIGNER ITEM RENTALS, A CONCEPT THAT HAD NOT EXISTED IN THE MARKETPLACE PRIOR
- ORIGINAL GOAL WAS TO ALLOW CUSTOMERS TO RENT CLOTHES FOR SPECIAL EVENTS FOR A CHEAPER PRICE THAN BUYING THE DESIGNER CLOTHES
 - STARTED OFFERING MORE CASUAL CLOTHES IN 2016



RTR PLACE IN THE MARKET



- RTR IS A PIONEER IN THE FASHION RENTAL INDUSTRY, INTRODUCING THE IDEA OF RENTING DESIGNER CLOTHING AND ACCESSORIES AND BRINGING IT TO FRUITION THROUGH THEIR ONLINE INTERFACE AND LIMITED STOREFRONTS
- RTR PROVIDES CUSTOMERS ACCESS TO LUXURY ITEMS THAT MAY BE FINANCIALLY OUT OF REACH OTHERWISE, THEREFORE APPEALING TO A BROADENED CUSTOMER BASE AS OPPOSED TO THE TRADITIONAL CONSUMERS OF DESIGNER PIECES
- BY INTRODUCING THE RENTAL MODEL, WHICH REDUCES THE ENVIRONMENTAL IMPACT ASSOCIATED WITH FAST FASHION, RTR TAPS INTO A GROWING CONSUMER INTEREST IN SUSTAINABLE AND ECO-FRIENDLY FASHION



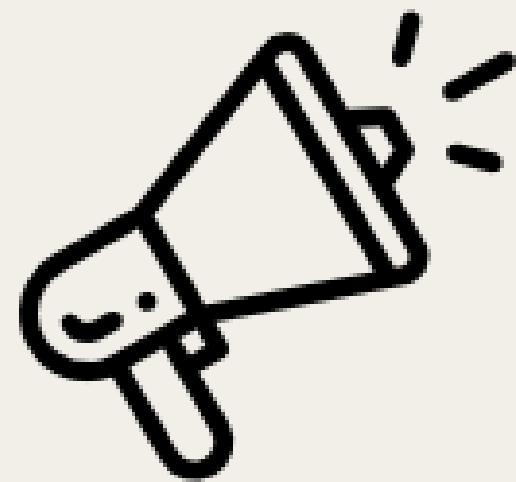
RTR OFFERS RENTAL SERVICES FOR DESIGNER BRANDS, INCLUDING CLOTHING AND ACCESSORIES



5 ITEM MEMBERSHIP: \$94/MONTH
10-ITEM MEMBERSHIP: \$144/MONTH
15-ITEM MEMBERSHIP: \$193/MONTH



RENT THE RUNWAY CAN BE PURCHASED ON THEIR WEBSITE OR 1 OF 5 RTR STORES



RTR USES A MIX OF SOCIAL MEDIA MARKETING, EMAIL MARKETING, SEARCH ENGINE MARKETING, AND INFLUENCER MARKETING

MARKETING MIX



CURRENTLY RENT THE RUNWAY TARGETS MIDDLE-AGED AFFLUENT WOMEN IN US COASTAL CITIES. THE WOMEN ARE TYPICALLY BETWEEN 25 AND 50 AND HAVE WELL-PAID PROFESSIONAL JOBS IN CITIES LIKE NEW YORK, WASHINGTON, OR SAN FRANCISCO.

TARGET SEGMENT

MARKET GROWTH



RTR HAS EXPERIENCED A **7.6%** SUBSCRIBER INCREASE IN FROM 2022 TO 2023

THE GLOBAL ONLINE CLOTHING RENTAL MARKET IS EXPECTED TO GROW **8.5%** FROM 2022 TO 2030

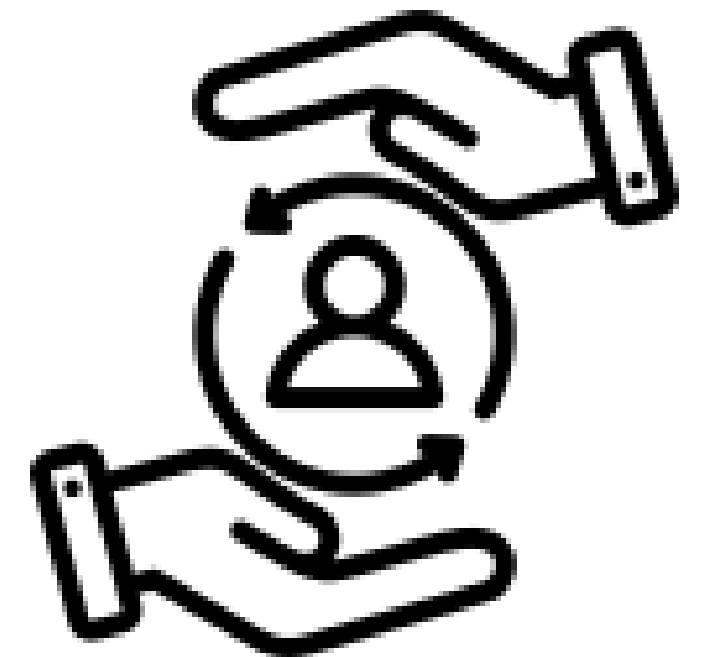
AS OF NOVEMBER 2023 RTR HAS A MARKET CAP OF **\$40.88** MILLION

CUSTOMER LIFE CYCLE

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WITH SUBSCRIPTION BASED BUSINESSES CUSTOMER RETENTION IS EXTREMELY IMPORTANT

- RTR has about **2.5 Million** lifetime customers
- As of July 31, 2021, 97.614% of customers were active which implies that 2.4 million have churned and that amounts to 96% over 12 years which is 85 annually
- COVID sparked a churn disaster, but RTR has recovered customers since then by adding 43,386 customers which is 80% YoY growth



KEY COMPETITOR: THE VOLTE

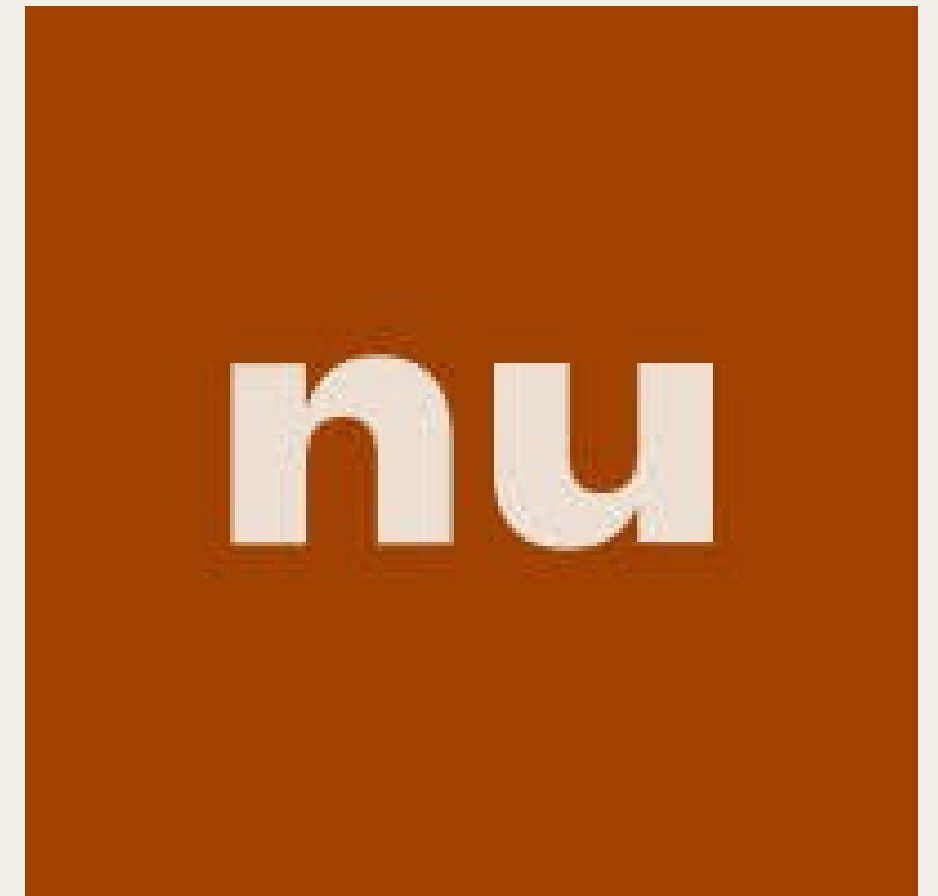
- Has an active presence on social media
- Accessible: variety in sizes, designers are listed in alphabetical order on the website
- Connects people who want to rent out clothes with people who want to rent
- Peer to Peer model promotes community and sustainable fashion

The logo for 'THE VOLTE' is displayed in a white rectangular box with a thin blue border. The text 'THE' is positioned above 'VOLTE', both in a large, black, serif font. The box is centered on the right side of the slide.

THE
VOLTE


KEY COMPETITOR: NUULY

- Clothing rental service operated by UBGN, the parent company of brands such as Urban, Free People, Anthropologie
- As of November 3, they had about 198,000 subscribers and they expect an increase
- Offers contemporary and vintage clothing



KEY COMPETITOR: LE TOTE

- Founded in 2012 and acquired Lord and Taylor in 2019
- Uses a subscription monthly based service
- Similar to other competitors, Le Tote offers clothing and accessories for different occasions
- Options for everyday, casual outfits

The logo for Le Tote, featuring the words "LE TOTE" in a bold, serif font, centered within a white rectangular box.

LE TOTE

BRAND POSITIONING STATEMENT

RENT THE RUNWAY ALLOWS WOMEN TO ELEVATE AND EXPLORE THEIR PROFESSIONAL AND EVERY-DAY WARDROBE BY PROVIDING ACCESS TO THOUSANDS OF DESIGNER PIECES WITHOUT THE FINANCIAL COMMITMENT THROUGH A SUSTAINABLE VIRTUAL RENTAL MARKETPLACE.

- TRENDSETTER
- LUXURY
- CREATIVE
- SUSTAINABLE

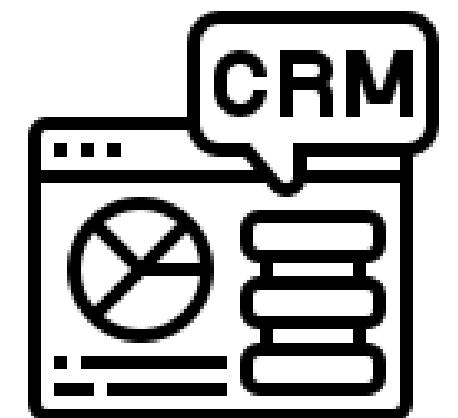


THE WORLD IS YOUR RUNWAY

RTR CURRENT CRM STRATEGY

CURRENTLY, RTR USES A VARIETY OF CRM STRATEGIES SUCH AS:

- LOYALTY PROGRAMS
- CUSTOMER SEGMENTATION
- RETURN AND FEEDBACK HANDLING
- CUSTOMER RETENTION
- CUSTOMER COMMUNICATION
- PERSONALIZATION



WHAT WE WOULD DO DIFFERENTLY

THERE ARE THREE AREAS OF RTR
CRM STRATEGY THAT SHOULD BE
RE-DEVELOPED:

1

CUSTOMER COMMUNICATION

2

CUSTOMER RETENTION

3

CUSTOMER SEGMENTATION

CUSTOMER COMMUNICATION

1.) LIVE CHAT WITH CUSTOMER SERVICE AGENT

- HIRE AGENTS FROM DIFFERENT AREAS OF THE UNITED STATES/DIFFERENT TIME ZONES IN ORDER TO WIDEN THE HOURS THAT THE CUSTOMER SERVICE CHAT IS AVAILABLE

2.) COMMUNICATING TO THE CUSTOMER THROUGH INSTAGRAM PRESENCE

- THEIR INSTAGRAM DOES NOT ALIGN WITH THEIR BRAND POSITIONING STATEMENT AND GOALS THEREFORE NOT EFFECTIVELY COMMUNICATING THE ESSENCE OF THE BRAND TO THE CUSTOMER

CUSTOMER RETENTION

1.) LOWER THE SUBSCRIPTION PRICES

- MARKET BEYOND “SPECIAL EVENT”. ENCOURAGE PEOPLE TO SHOP FOR EVERYDAY LIFE TO SHOW THAT THEIR SERVICES HAVE VALUE BEYOND ONE-TIME CIRCUMSTANCES.
- BESIDES HAVING MONTHLY SUBSCRIPTION-BASED SERVICES, RTR CAN ALSO HAVE A SUBSCRIPTION SERVICE IN WHICH YOU PAY FOR ONE YEAR AND IT IS CHEAPER THAN PAYING MONTHLY.

2.) INCENTIVIZE CUSTOMERS

- INTRODUCE LOYALTY PROGRAM THAT REWARDS CUSTOMERS FOR BEING SUBSCRIBED FOR X AMOUNT OF MONTHS OR FOR SPENDING X AMOUNT OF MONEY
- OFFERING MONETARY AND MATERIAL PRIZES FOR LOYALTY TO THE BRAND WILL INCREASE CUSTOMER RETENTION

CUSTOMER SEGMENTATION

1.) BETTER UNDERSTANDING OF AGE SEGMENTATION WHEN ADVERTISING

- MUCH OF THE EMAIL MARKETING IS NOT SPECIFIC ENOUGH TO THE CUSTOMER AGE, LEAVING CUSTOMERS TO FEEL THAT RTR IS A BRAND FOR OLDER WOMEN

2.) INCREASE COLLABORATIONS WITH MORE YOUTHFUL DESIGNER BRANDS AND INFLUENCERS

- TO ATTRACT A YOUNGER AUDIENCE, RTR SHOULD COLLABORATE WITH INFLUENCERS SUCH AS VICTORIA PARIS. SHE CAN EXPAND THE AUDIENCE OF DESIGNER FASHION BY PROMOTING THE ACCESSIBILITY TO THE YOUNGER GENERATION THROUGH RTR