

HW20-Team: RTR Case

Instructions

Team number: Team11

Names of students who actively worked on this assignment:

- Student 1: Akash M Dubey
- Student 2: Shiqi Yu
- Student 3: Rutuja Kale
- Student 4: Dhrakshayani Priyanka
- Student 5: Divyank Jain

As a team, discuss the case and write the answers to the assignment questions below. Make sure to keep the questions above your answers. Be as detailed as practical. 2-page max for the entire assignment (not including Instructions page).

Grading: each question is 20% of total score. 10% penalty if not following the instructions (for each incident).

1. **What customer needs does RTR address? What is the product that addressed those needs? Who are the target customers and why?**

- Customer Needs addressed by RTR: Customers needed to spend less and wear more, reduce wastage of fashion and the designers wanted to reach a larger audience. RTR developed a product that addressed all these
- Product that addresses those needs: RTR developed a product that was a monthly subscription model which enabled women to get access to branded dresses and all they had to do is maintain the dress and keep the tag on the dress.
- Target customers : Females who are in their mid-twenties and women who can get access to high-end clothing which otherwise they couldn't afford.
- Reason : The idea was to fulfil the desires of young women who wanted to access high-end dresses. They wanted women to step out in the world and out of their comfort zones. They wanted women to get access to as many brands as possible at a monthly subscription.

2. **How many different MVPs did they do before the launch? Describe each trial and what did they learn from it.**

RTR had three MVPs in total before the launch.

- **First trial** was held in April at Harvard College. Around 140 women to market trials were invited to the event from which 125 attended. They held styling sessions just to assess the prices, sizes and the styles. During this trial, 34% of the Harvard college women rented the dresses. Women were invited in 2 targeting groups-undergrad finals clubs and the dance team to see how inherently social the rental experience is. They learnt about how satisfied the customers are, the extent of rental experience through this survey.
- **Second trial** was held at Yale College. The women were allowed to only view but not try the dresses. About 140 were invited out of which 125 attended the event. They organized the dresses such that the focus was on trendy styles and classics that were on demand at Harvard. In this trial, 25% of the women rented. They learnt about the maintenance, lower rental rate and high return rate.
- **Third trial** was held with random women(1000) in September. This trial was conducted to demonstrate whether women would rent the dresses online. Women were allowed to rent dresses by telephone by looking at pictures from a pdf. During this trial, 5% of the woman rented online which was lower than rental rates from previous trials and above the target rate required for profitable service

3. **As the case ends in January 2010, the co-founders are considering what option to choose (see below). What would be your recommendation to them and why?**

A] Stick with the original plan to pursue operational improvements in 2010 before raising more money in early 2011

B] Accelerate fundraising in order to expand inventory and product range, enabling RTR to serve a broader set of customer segments and usage occasions. Answer: For RTR, both solutions have advantages and disadvantages. One is to improve the plan first and then raise funds. This is undoubtedly a very safe plan for future benefits, but the disadvantage is that the benefits of this plan are wasted this year. The second is to raise funds directly to expand the market. This will immediately see the results of the plan, but will take a lot of risk and not allow failure. My suggestion is that RTR first conduct small-scale market research and randomly sample female customer groups to see if its existing products meet the needs of most target customers. Perform risk assessment on the collected data, and use the results to decide how to choose.

4. Let's assume the founders decided to expand aggressively. What option is more challenging (see below) and why? Make sure to think about all aspects of business.

A. Expanding to older demographics

B. Adding new product categories (like handbags, shoes, sunglasses, etc)

Expanding to older demographics and adding new accessories, each idea requires modification in inventory and the budget which is equally high. The idea of expansion raised a new question for the management, as the team has previously decided on their role and responsibilities. The case of the RTR cofounder focuses on the older demographic as they already have money to spend on expensive products. Cofounders felt that adding a new product that displaces one of the old products made sense to make more capital as they had a clear plan. Hence RTR founders focus on adding new products and customers.

5. Three most important things you learned from this case. Instructions: each team member to come up with three things, list them below.

Akash M Dubey:

1. In case of real-life problems one can develop innovative thinking, devising good plans to solve the pain points of target customer segments. for eg. RTR solved customer pain points etc.
2. One should always think about solutions, develop good market research and ideas, devise MVPs; and dare to implement them, and don't be afraid of failure.
3. Research should include good market research like surveys & customer emotions impact etc.

Rutuja Kale:

1. This case is good example of new aspects of business where challenges like old demographics, new product categories, new products displacing old ones to make more capital etc. are faced
2. Exploration & experimentation of MVPs is essential for product success like RTR had three MVPs before product launch at diverse locations, customer segments, situations etc.
3. For one to accelerate fundraising, company should always expand inventory and product range, which enables company to serve a broader set of customer segments and usage occasions

Shiqi Yu:

1. In the case, Hyman's sister faces many real-life problems. Therefore, Hyman developed innovative thinking and proposed a plan to solve the problem of women.
2. Any decision should be made on a large-scale market survey. It is not enough to rely solely on theoretical data. In the case, they also used the customer's emotional feedback to determine the direction of their plan.
3. Many schemes may be thought up casually, and there is not enough theoretical support. But that might be a perfect solution. Don't be afraid that it will be difficult to implement. Persevering in doing it will surely yield results.

Dhrakshayani Priyanka:

1. From this case I have learned that, sometimes you don't need a year of experience in that field to change its business, you just need good ideas or a different viewpoint to change the industry.
2. To support your ideas or decisions you need to do some research, evaluation and analysis of the large market size, which helps you to get more detailed direction towards the goal.
3. Teamwork and coordination plays an important role, as it saves a company's time and resources and always gives productivity and value.

Divyank:

1. The idea was very impressive as it addressed concerns of more than one sector like female consumers, fashion industry and other designers.
2. RTR proves to be a great example of how one should analyze their market and know their customers.
3. The founders sternly followed the plan of execution to reach new heights and fulfil more dreams.