

## Case Study: Customer Retention Strategy for Wander Luxe

### Introduction

This case study focuses on developing a strategy for Wander Luxe, a national apparel chain experiencing declining purchases and average spending in some key target groups. Your task is to leverage data from Environics Analytics to identify which customer target groups are declining and propose targeted strategies to increase the number of customers purchasing and/or average annual expenditure.

### Objective

To identify which target groups experienced a decline from 2023 to 2024 and develop targeted strategies to increase purchases and/or average expenditures for Wander Luxe.

### Data Sources

You will have access to the following Environics Analytics data:

- **Target groups and summarized demographic data:** Based on the metrics provided, identify key customer target groups that are declining.
  - **Supplementary Data: Detailed DemoStats**
    - As desired, leverage the detailed DemoStats report to supplement your understanding of each group. These detailed demographic data points were used to develop the *Target Groups: Demographic Summary & Purchasing Details* table found in this document.
- **SocialValues:** To investigate and understand customers' mindset and determine the best message to engage them.

### Key Questions

Your analysis and recommendations should address the following key questions:

1. Which target group(s) have you identified as declining among the five customer target groups? How did you make this determination?
2. What specific demographic and psychographic characteristics from the provided data have you decided to leverage for your recommended strategies? Why?
3. What strategies can be implemented to increase purchases and/or average annual expenditure? Why?

### ***Submission Requirements***

Your submission should include the following components:

1. **Executive Summary:** A brief overview of your findings and recommendations.
2. **Target Group Selection:** A summary of the selected customer target groups, including demographic and psychographic characteristics and why these target groups were selected.
3. **Retention Strategies:** Proposed strategies to increase purchases and/or average expenditure tailored to the identified target groups.
4. **Implementation Plan:** A recommendation for executing the proposed strategies, including suggestions for key performance indicators (KPIs).

### ***Evaluation Criteria***

Submissions will be evaluated based on the following criteria:

- **Depth of Analysis:** Thoroughness and accuracy of the target group selection.
- **Creativity and Feasibility:** Innovativeness and practicality of the proposed retention strategies.
- **Clarity and Presentation:** Quality of writing, organization, and adherence to submission guidelines.
- **Implementation Plan:** Reasonable and data-driven plan for executing the strategies.

### Company Background: Wander Luxe

**Company Overview:** Wander Luxe is a leading national retail chain known for its wide range of high-quality apparel, focusing on premium athletic and cozy travel wear lines. With over 100 stores nationwide and a robust online presence, Wander Luxe aims to provide a seamless shopping experience for its diverse customer base.

**Mission:** Wander Luxe's mission is to offer exceptional experience and convenience to its customers by providing a curated selection of products at competitive prices. The company is committed to enhancing customer satisfaction through innovative retail solutions and personalized services.

**Target Market:** Wander Luxe caters to a broad demographic. The company focuses on delivering products that meet the needs and preferences of various customer target groups, ensuring that everyone finds something they love at Wander Luxe.

**Competitive Advantage:** Wander Luxe differentiates itself through:

- **Exclusive Product Range:** A selection of products across multiple categories exclusive to Wander Luxe.
- **Customer-Centric Approach:** Personalized shopping experience and excellent customer service.
- **Innovative Technology:** Advanced online shopping platform and mobile app for convenient shopping.
- **Loyalty Programs:** Attractive rewards and incentives for repeat customers.

**Current Challenges:** Despite its strong market presence, Wander Luxe has faced challenges in retaining its customer base. The company has observed a decline in customer purchases, with many customers opting for competitors. Wander Luxe seeks to understand the underlying factors contributing to this trend and develop effective strategies to increase purchases and average annual expenditure.

Target Group Details

Information		Target Groups: Demographic Summary & Purchasing Details				
		Timeless Trends	Sophisticated Threads	Indie Fashionistas	Heights of Style	Country Chic
Demographics	Total Population	2,160,256	2,754,636	2,889,430	2,425,153	2,322,835
	Household Maintainer Age	Older	Middle-Aged	Younger	Middle-Aged & Younger	Middle-Aged & Older
	Income Level	Very High	High	Upper-Middle	Middle	Upper-Middle
	Cultural Index	Low	Moderate	High	High	Low
	Family Status	Families & Couples	Families	Singles & Couples	Families	Families & Couples
	Education	University	Mixed	University	University	Mixed
	Job Type	White Collar	White Collar and Service	White Collar and Service	Mixed	Blue Collar
	Dwelling Type	Single Detached	Single Detached	Apartments	Single & Semi-Detached, Row	Single Detached
Wander Luxe Metrics	2024: % of Population with a Purchase	12%	17%	19%	10%	12%
	2023: % of Population with a Purchase	17%	16%	19%	15%	13%
	2024: Average Annual Expenditure	\$1,239	\$1,265	\$896	\$598	\$956
	2023: Average Annual Expenditure	\$1,534	\$1,203	\$823	\$765	\$805

### Tips for Getting Started

1. Review the *Target Groups: Demographic Summary & Purchasing Details* to identify which Target Groups have experienced a decline in the number of purchases and/or average annual expenditure between 2023 and 2024.
2. Using the Target Groups you have identified, review their summarized demographic profile, also included in the *Target Groups: Demographic Summary & Purchasing Details* table; as desired, dig deeper into the demographic data by leveraging the *Supplementary\_DemoStats - Target Group* file, which was used to prepare the summary table.
3. Using the Target Groups you have identified, review their Social Values as found in the *Social Values - Target Group* file, pairing them with the definitions found in the *SocialValues - Glossary*.
4. Prepare your answers to the Key Questions and put together your final submission by leveraging the data provided.

### Additional Resources

- [DemoStats](#) product information
- DemoStats [how-to-read](#) guide (specifically “*Highlights - DemoStats - Target Group*”)
- [SocialValues](#) product information
- SocialValues [glossary](#) (PDF version included with case study package)
- SocialValues [how-to-read](#) guide (note: only Index has been provided for this case)