

JOANN



Group 5:

Saurabh Diwan

Raghavan Krishnan Veera

Yiyuan Guo

Yiyuan liang

Foram Gosrani

Aayushi shah

Table of contents

- Executive Summary
- Business objective and Action plan
- Cluster Overview
- Elasticity Model and financial Impact
- Holistic View

Executive Summary

Jo-Ann Stores, Inc. is an American specialty retailer of crafts and fabrics based in Hudson, Ohio. It operates the retail chains *Jo-Ann Fabrics* and *Jo-Ann Etc.* The headquarters of the company is located in the former General Motor Terex plant.

Our model suggests that a X% change in the price will yield a Y% change in the total revenue



Business Objective and Action Plan

- To Increase the total revenue and loyalty base of customers
- We have identified 6 customer segments that differ in the type of crafting products they buy



Home Enrichers



Kidizens



Keepers Stitch



Impulsive Obtainers

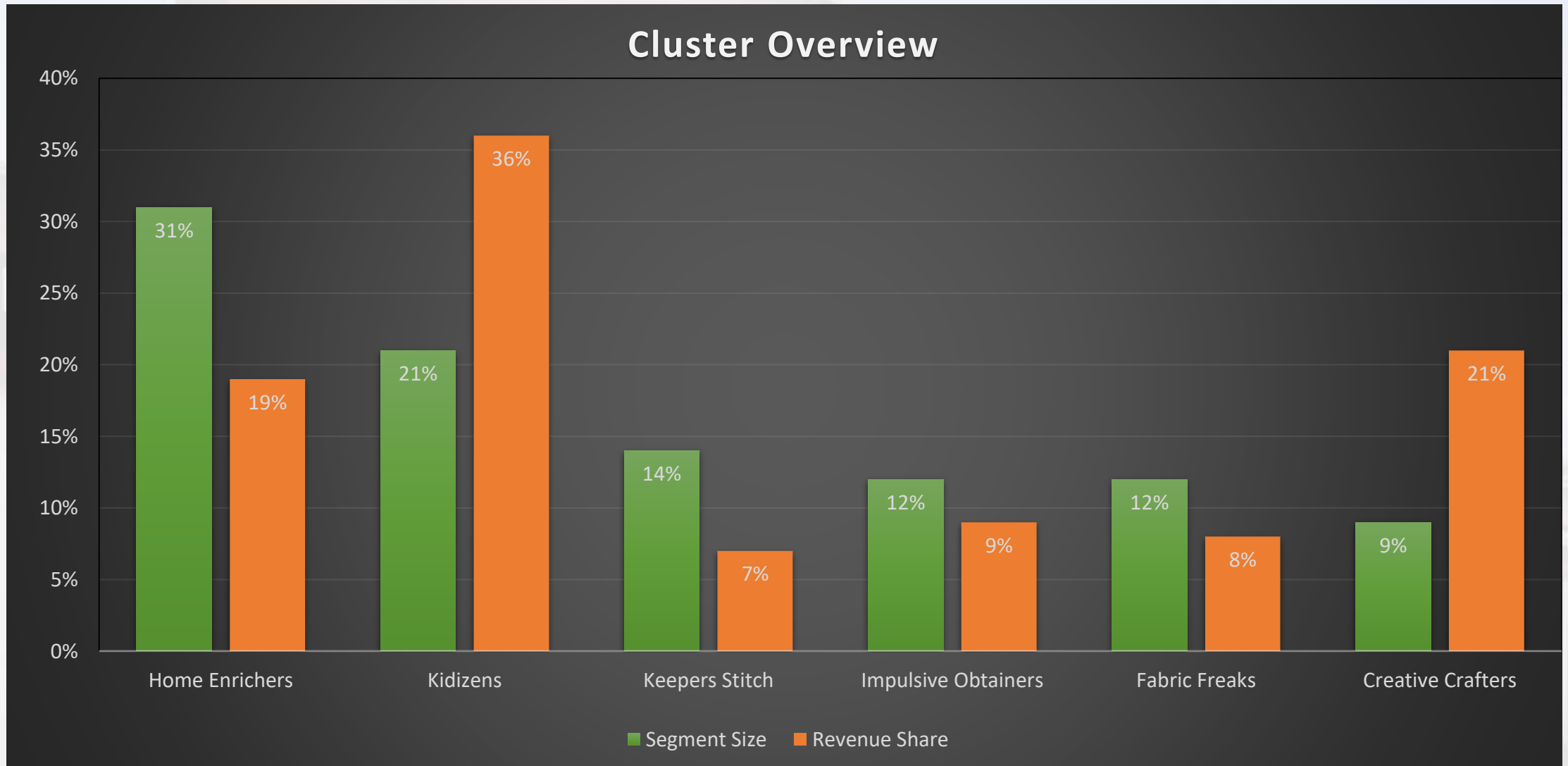


Fabric Freaks



Creative Crafters

Here is how they look like!



Cluster 1 – Home Enrichers

- General Outlook

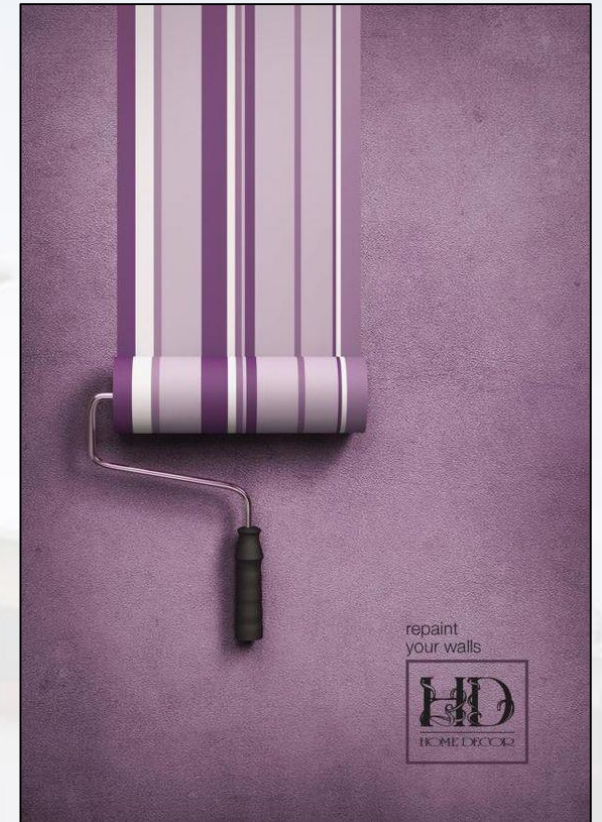
- Largest segment (31%)
- Low revenue (19%)
- Mostly purchase home décor and holiday products (florals)
- Highest email and mail count
- Fairly inelastic -0.4525

- Suggestions

- Home decors and holiday products can be bundled together and no separate promotion or discount is required
- Reduce the SMS frequency
- Email/mail content optimization
- Increase frequency of emails and mails



Sample Ads



JOANN

Cluster 2 - Kidizens

- General Look:
 - Customer share (21%)
 - Largest revenue share (36%)
 - Most inelastic -0.432
- Suggestions
 - Increase Product Umbrella – Introduce more products in kids' section
 - Increase the mail frequency
 - Run offers like distributing sample products to increase buying



Sample Ads



JOANN

Cluster 3 – Keepers Stitch

- General Outlook:
 - Customer share (12%)
 - Small revenue share (8%)
 - Fairly inelastic -0.5455
 - Mostly purchased sew products
- Suggestions
 - Add more discounts / coupons in mails to induce buying
 - Bundle needle with sewing products
 - Increase the mail frequency



Sample Ads



Cluster 4 – Impulsive Obtainers

- General Look:
 - Customers share (14%)
 - Revenue share (7%)
 - Fairly inelastic -0.7489
 - Lowest revenue per customer
- Suggestions
 - Add attractive displays at checkout queues and counters
 - Place the products next to highest selling aisles
 - Bigger attractive sign boards highlighting the prices
 - Bundle all the products to make inexpensive offers like “\$2 for 5”
 - Focus on inducing urgency, value for money and novelty
 - Send more emails & SMSs



Sample Ads



Cluster 5 – Fabric Freaks

- General Look:
 - Customers share (9%)
 - Highest revenue Share(21%)
 - Highest revenue per customer
 - Preferred mode of communication is mail
 - Fairly inelastic -0.7642
- Suggestions
 - Avoid bundling of the products
 - Add new fabrics and promote it through increased mail frequency
 - Send small samples of fabrics in mails to induce buying
 - Increase the mailing frequency
 - Increase buyers through promotions like discounts on first purchase



Sample Ads

Tue., Wed., Friday

Shop & Save Nov. 24, 25 & 27 ONLY
No special orders. No rain checks. Doorbuster items limited to stock on hand.

DOORBUSTER
75% off
Cozy Flannel
Solids & Snuggles
Flannel Prints
Reg. 5.99 & 6.99 yd
Sale 1.49 & 1.74 yd

DOORBUSTER **DOORBUSTER** **DOORBUSTER**

LOWEST PRICE of the YEAR!



ZEPHYR THE NEWEST IN FABRIC. DESIGNED TO SWEEP YOU AWAY!

- High Drapability
- Water and wind proof
- Breathe-Able

Introducing Zephyr 200, an extraordinary new fabric that will sweep you away from Kanebo. This unique fabric's combination with drapability, water and wind breaking properties, resulting in a fabric that is truly a masterpiece. Additionally, the 0.35 denier count "shows it's beautiful," bringing new life to your business. Outwear, Sportswear and Activewear collections.

Zephyr 200 is available in several finishes. The fabric drapes up to 100% with its soft and beautiful array of dye colors. The glossy finish puts new glazes into activewear and makes the look feel just of silk. And the washed silk finish adds an element of sophistication to any sportswear line.

Discover the ultimate in design inspiration... Discover ZEPHYR 200.

Kanebo, LTD.

350 Fifth Avenue Suite 2018 New York, NY 10018 Tel: 212 214-1500 FAX: 212 563-4054

West Coast Representative: Kanebo America, Inc. 10000 Wilshire Blvd. Suite 1000 Los Angeles, CA 90024 Tel: 310 770-1000 FAX: 310 770-1001

West Coast Representative: Kanebo America, Inc. 10000 Wilshire Blvd. Suite 1000 Los Angeles, CA 90024 Tel: 310 770-1000 FAX: 310 770-1001

JOANN

Cluster 6 – Creative Crafters

- General Look:
 - Customers share (12%)
 - Highest revenue share (9%)
 - Highest SMS count and lowest mail count
 - Relatively elastic -0.4458
- Suggestions
 - Promote through all the marcom methods
 - One holistic promotional scheme for all the products
 - DIY creative blogs on Instagram, YouTube channels
 - Contest among regular buyers using only Joann products



Sample Ads



**IT'S THE LAST DAY
TO USE YOUR COUPONS**

JOANN

Elasticity Model and Financial Impact

Segments	Current Revenue	Elasticity	Price Change	Revenue Increase
Home Enrichers	147K	1.45257	-10%	4.5k
Kidizens	301K	0.43204	10%	9.1k
Keepers Stitch	55K	0.54547	10%	12.1k
Impulsive Obtainers	71k	0.74891	10%	12.6k
Fabric Freaks	64K	0.7642	10%	0.9k
Creative Crafters	172K	0.44582	10%	3.3k

Holistic View

- Most of the customer segments are inelastic with a small change in the demand for the change in price
- Most of the customers do not prefer SMS, we can focus on other marketing communications
- With a small change in the price (10%), as per client's comfort, we can increase the overall revenue by 5.5%

Thank You!



JOANN