

Ralph Lauren Executive Summary

Situation

The purpose of this project was to determine the key attributes that influence SKU productivity. Productivity in this case is a broad measure of performance, considering a product's gross margin, revenue, and sales velocity. Products with productivity scores 1 - 4 are labeled as productive while others are labeled as unproductive.

A dataset of over 70,000 SKU's for analysis is curated by selecting attributes that were most likely to impact productivity, landing on key product descriptors, and dividing them up into 5 core categories. These categories include men's and women's tops, bottoms as well as the growth market, outerwear.

Working with Ralph Lauren's Advanced Analytics Team, we as the WFU graduate consulting team developed a classification modeling system to measure the marginal impact that individual levels within a given attribute (i.e., red is a level in the attribute super color) have on the overall predicted probability of productivity. In addition, we related our findings to the real world by associating the trends in the data to the trends in the fashion industry, elevating both the impact and trustworthiness of our work.

		Profitability Revenue & Margin Rate			
		A		B	
		High: Revenue High: GM Rate	Low: Revenue Low: GM Rate	High: Revenue High: GM Rate	Low: Revenue Low: GM Rate
Consumer Engagement Sales Velocity (# of Weeks to 60% S/T)	High	1 Raise Price & Buy Fabrics	2	7	8
	Medium	3 Buy Fabrics	4	9	10
	Low	5 Make Less & Buy Less	6	11	12
Actions to Increase Next Seasons Productivity Score					

Results

Ralph Lauren has thousands of products, thus, being able to identify some of the key driving attributes for success will allow the company to make more informed production decisions in the future. The key questions that we aim to answer are:

1. What specific attributes or combinations of attributes can impact the overall productivity metrics for a given SKU?
2. Are these insights actionable such that they can drive future business decisions to improve overall operational performance and efficiency?

Key Insights

1. The seasonal campaign of Spring 2022 focused on lighter clothing items and accessories. Therefore, the productivity of the growth market, especially outerwear, was not boosted by the seasonal trends.
2. We found through our analysis that variables that were related to the Spring 2022 campaign ended up being the most important variables when identifying productive SKUs. We are able to conclude and give the recommendation that Polo should embrace seasonal campaigns rather than shying away from campaigns that may have variables that appear to be unknown or unfamiliar.