Improving marketing performance at an iconic fashion retailer

Client context

- Iconic NA fashion retailer with lagging performance
- Marketing key component of larger RTS engagement
- Marketing function historically lacked strong leadership, operated under siloed waterfall model, and did not focus significant time / energy on digital marketing

Client name: X
Team set-up: X
Fees Structure: X

Approach

- **Built growth agenda:** Built new marketing plan centered on growth opportunities in e-commerce conversion, digital marketing execution, brand marketing design
- **Launched war rooms:** Created five cross-functional war rooms with marketing, IT, product, and creative – launching 12+ tests per week in digital marketing and e-commerce tactics
- **Re-organized and changed operating model:** Re-organized marketing, creative, and ecommerce organizations under one CDO, and developed more efficient planning and creative process

What was unique: X

Impact

- Identified $75M opportunity in EBITA growth
- Proved $50M in EBITDA growth in first 6 months of test-and-learn program

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Launching a holistic marketing transformation at an iconic fashion retailer: What we did (1/2)

		Pre-transformation state	Post-transformation state
A Organizational agility	A1 Operating model	Traditional "waterfall" operating model with low throughput and poor coordination between functional teams	Five agile scrum teams focused on different parts of the customer journey, launching 3+ tests per week, governed by a central control tower
	A2 Creative process	Poor coordination in creative process led to significant lags in creation of artifacts	New, clarified process (informed by best practices), increased creative team efficiency >2x
B Website	B1 Product prominence and personalization	Similar products and messaging shown to most site visitors, and 3+ clicks needed to access products	Products introduced earlier in the customer journey, and product selection and messaging personalized based on prior behavior (e.g., product views, cart additions)
	B2 Site friction	Unnecessary "friction" (e.g., difficult-to-use filters) frequently present on-site	Key friction points addressed and eliminated
	B3 Messaging and navigation	Few "signposts" direct customers to popular products	Multiple tools (e.g., badges, alerts, etc.) introduced to smooth customer journey
	B4 Site performance	Aging code base slows site and reduces sales performance	Re-factored code in key parts of site (e.g., checkout flow) improves page load time by 10-20%

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Launching a holistic marketing transformation at an iconic fashion retailer: What we did (2/2)

		Pre-transformation state	Post-transformation state
C Digital marketing	C1 Email	"Mass" emails sent daily – with no personalized elements – and <5 operational triggers	Key elements of mass emails (e.g., frequency, product inclusions) personalized, and suite of 20+ triggers identified for launch
	C2 SEO	Site not optimized for SEO (e.g., no H1 tags)	"Quick fixes" (e.g., H1 tags, word clouds) implemented, and comprehensive SEO improvement plan launched
	C3 Paid search	All paid search investment focused on branded search terms	Investment focused in priority soft-brand and long-tail search terms
	C4 Paid media	Little oversight of agency led to stale paid media programs (e.g., targeting, creative not updated in 2+ years)	Comprehensive test-and-learn programs launched in social, display, and product listing adds
D Lifecycle marketing		No lifecycle programs	Plans created for key lifecycle programs: Loyalty, upsell to private label credit card, and cross-channel migration

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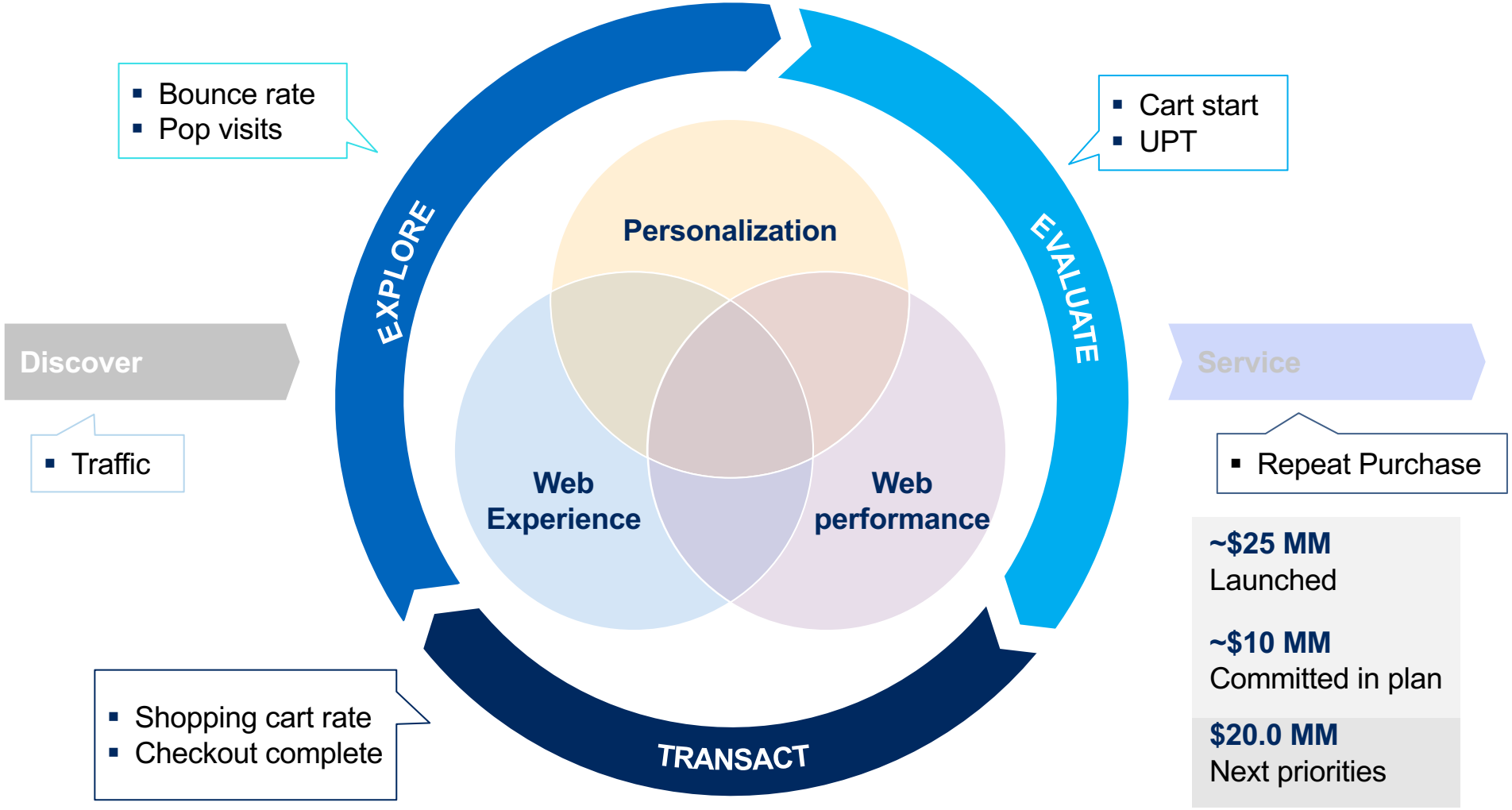
A1 Launched control tower ("marketing innovation lab") with five agile scrum teams focused on different parts of the customer journey

Enhance each part in the journey with an overarching goal to lure traffic, increase engagement, lift cart start and decrease checkout friction



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A2 Improved creative process flow with clarified RACI, new meeting cycles and meeting norms

Task/ activity | 1 A Approver | 2 R Responsible | C Consulted | I Informed

Overall accountability and ownership: Joint Planning process → Draft publishing calendar and content briefs → Creative briefs → Content shortlists → Feature styling → Photo Shoot → Monthly creative kickoff → Content design → Initial review → Business review → Asset production/Routing → Deliver assets → Asset execution → QA & launch

Functions: Planning | Concept | Create | Review | Validate | Launch

Functions	Joint Planning process	Draft publishing calendar and content briefs	Creative briefs	Content shortlists	Feature styling	Photo Shoot	Monthly creative kickoff	Content design	Initial review	Business review	Asset production/Routing	Deliver assets	Asset execution	QA & launch
Merchandising	A	R			A	I	C	C	C	A	I	I	C	R A
Content		R		R A R		I	A R	A R A	A	C		I	C	R
Creative/ Stylists		R	R	R	R	R A R		R A R	A	R	R A R A R			R A
Marketing	A	R A R A R			C	I	C	C	C	A				
Digital Content					I	I			I	I	I		A	

	Joint Planning process	Draft publishing calendar and content briefs	Creative briefs	Content shortlists	Feature styling	Photo Shoot	Monthly creative kickoff	Content design	Initial review	Business review	Asset production/Routing	Deliver assets	Asset execution	QA & launch
Meetings (3)	N/A	Publishing/content calendar review	Briefing review	N/A	Styling walk through	Internal photographer meeting to make sure all photo shoots are completed	Creative kick-off meeting to close out concept phase and start out production	N/A	Creative review Content review	Marketing review Merchandising review Round table review	Loop back meeting (only if needed)	N/A	Linking review and update	Monthly check in with eComm, Web merch., and developers
Outputs	Marketing plan Merchandising plan Finalized joint business plan Merchandising seasonal overview Marketing calendar	Fully aligned publishing/ content calendar	Creative briefs	Content shortlists	Feature line lists	Photo shoots for review	Aligned list of production and timelines	Creative feature and content across mediums	Updated creative feature and content across mediums	Final approval on creative feature and content across mediums	Retouched images Final copy	Finalized assets delivered to execution team	Final customer facing product Finalized links	Delivered product

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B Website diagnostics (1/2): Priority onsite tactics cover the five customer journeys which make up >50% of all visits

Paths	% of total traffic	Product Personalization	Site Friction	Site Stabilization
Entered Site Home Exited Site	20%	▪ Add product level recommendation containers above the fold on homepage	▪ Reduce the size of large creatives/banners ▪ Optimize homepage “category” links	▪ n/a
Entered Site Home Client site Exited Site	19%	▪ Personalize array pages using personalized logic (e.g., “top sellers”, “recently viewed”) ▪ Include “Shop the Look” on each product module	▪ Include “quick shop” functionality on all array pages to allow easy access to product	▪ Optimize the number of “badges” on each product to avoid increased page load times
Entered Site Home Sale Exited Site	7%	▪ Bucket highly engaged visitors into gender segments and send them directly to a sale array page ▪ Add product recommendations based on genders	▪ n/a	▪ n/a
Entered Site Home Client site Womens Exited Site	3%	▪ Add product level recommendation containers underneath product images ▪ Include “Shop the look” modules on product images	▪ Optimize the page template length by shifting modules with highest likelihood to make users convert to the top of the page	▪ n/a
Entered Site Home Internal Search Exited Site	2%	▪ Include “recently viewed” recommendations in the search results	▪ Ensure all search results show relevant products ▪ Add predictive search functionality when users are typing in the search box	▪ n/a
TOTAL:	51%			

*__Home__ = home page, __Client__ = all array pages, __Sale__ = sale page, __Womens__ = all womens PDP pages, __Internal Search__ = search page

SOURCE: Omniture

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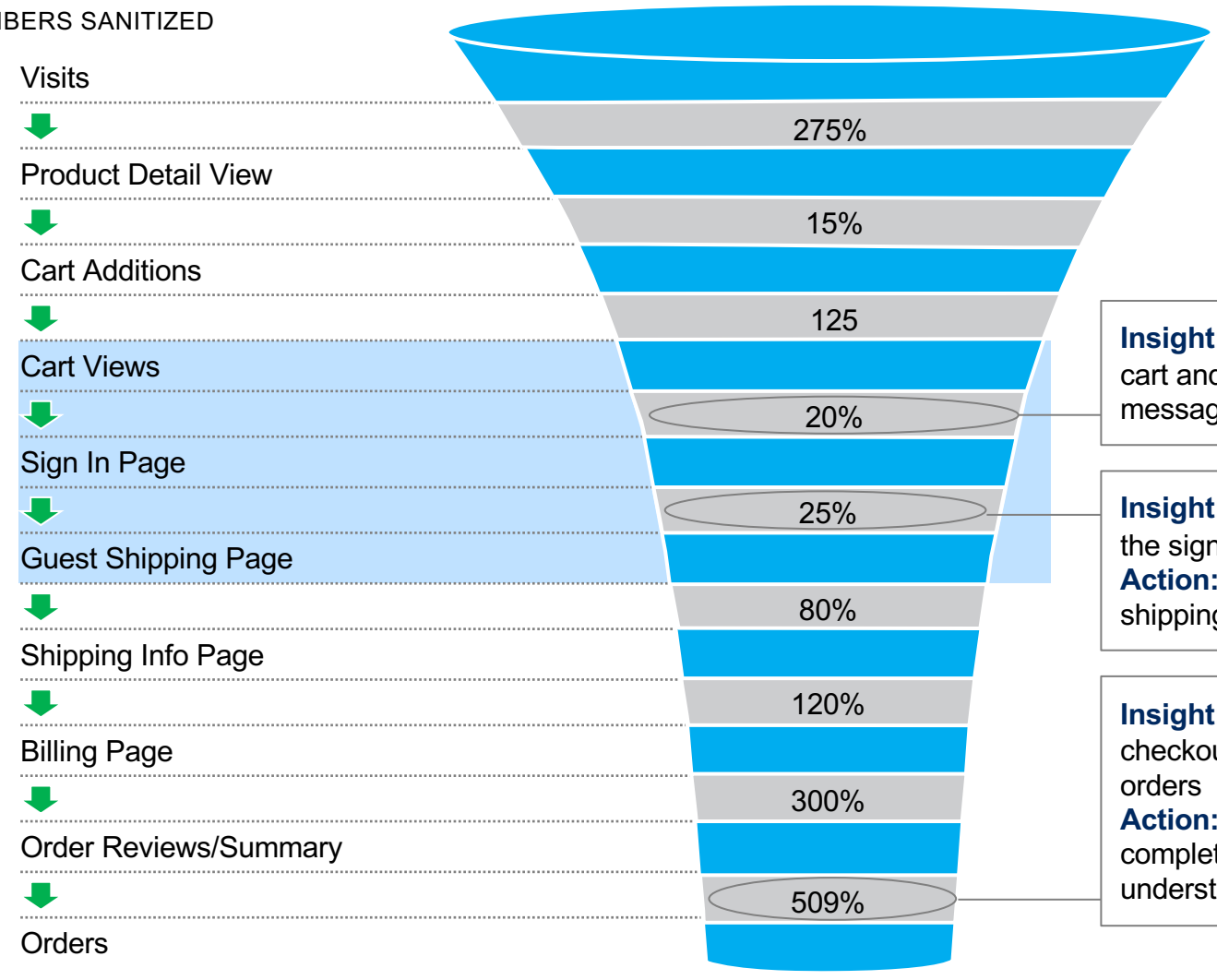
B Website diagnostics (2/2): Further down-funnel, there is significant drop-off at the sign-in stage: Need to test new CTAs / offer-reminders at this step

Traffic volumes at each step (visits)

Percentage difference between each step

NUMBERS SANITIZED



Insight: Significant drop off of users between the cart and checkout funnel. **Action:** Test messaging/CTAs to push users into checkout

Insight: Customers are potentially distracted by the sign process and not flowing into checkout **Action:** Test "sign in/sign up" as a "module" on the shipping page instead of as a standalone page

Insight: Despite reaching the last step of the checkout process, customers are not completing orders **Action:** Potentially test messaging/CTAs to complete checkout; requires further analysis to understand drop off

SOURCE: Omniture

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B1 Tests to increase product prominence and personalization across site

	Iteration 1	Iteration 2	Iteration 3	Iteration 4
Product recs on homepage	▪ Top four womens trending products placed in the homepage left tout	▪ Larger creative with more prominent messaging with additional products	▪ Target new visitors and return visitors with different product algorithms	▪ Add multiple sets of product recs above and below the fold
Global engaged items widget	▪ Widget containing wish list items anchored to the bottom of the page	▪ Widget logic expanded to include recently viewed products for return visitors	▪ New arrivals products added to the widget	▪ Recently viewed product recs to push user over free shipping limit
"Shop the Look"	▪ "Shop the look" functionality on product detail pages	▪ "Shop the look" functionality expanded to array pages	▪ Population of eligible products for "shop the look" expanded	▪ "Shop the look" functionality expanded to homepage and gender landing pages
Product recs in cart	▪ Recently viewed product recs in cart	▪ Customers who also bought product recs in cart	▪ Shop the look product recommendations in cart	▪ Multiple sets of product recs in cart with different placements

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B2 Tests to reduce site friction and enhance customer journey

	Iteration 1	Iteration 2	Iteration 3	Iteration 4
Anchor buttons/ widgets across site	▪ Make checkout button on mobile “sticky” to the bottom of the screen	▪ Make add to cart button on mobile “sticky” to the bottom of the screen	▪ Anchor login to account to the bottom of the screen	▪ Anchor mini cart to side or bottom of the page
Optimize checkout flow	▪ Sign in / checkout as a guest moved to cart page as a modal	▪ Implement apply pay for users to check out faster	▪ Enable full cart functionality for “private browsers”	▪ Shipping/billing pages combined as one page
Filters & Sorting	▪ Add color, price, size filters to array pages	▪ Include personalized functions in filters (e.g., badges)	▪ Personalized product sorting on array pages	▪ Demand based sorting of products on array pages
Site Nav Menu	▪ Making “sale” section more prominent in desktop flyout nav	▪ Demand/ conversion based sorts of products in flyout nav	▪ Removal of top nav on mobile site	▪ Removal of hamburger nav in favor of a sticky nav widget

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B3 Tests to optimize messaging, navigation & promos

	Iteration 1	Iteration 2	Iteration 3	Iteration 4
cart messages and alerts	▪ Low inventory and just reduced messaging in mini cart for cookied users	▪ Expand mini cart messaging to anonymous users	▪ Notification for $x to free shipping	▪ Badging in mini cart notifications and within mini cart
Badges on products	▪ Best seller, new arrivals, top rated badges	▪ Low inventory, just reduced badges	▪ Curated badge capability	▪ Personalized “recommended for you” badge
Global navigation alerts	▪ Expand mini cart notifications to global nav for browse behaviors	▪ Product recs in global nav (new arrivals vs. recently viewed)	▪ Brand value prop messaging to customers with items in cart	▪ Sign up/login to account for unlogged but cookied users
Free shipping messages	▪ More prominent free shipping messaging on cart page	▪ Free shipping messaging banners on PDP	▪ Free shipping messaging integration on quick shop	▪ Product recs to get users to free shipping threshold (test multiple algos)

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C1 Email: Identified multiple levers to improve efficiency of email program

Hypothesis				Top-down EBITDA sizing, $'000	Top tests
Promo/ branding emails	Promo emails	Improve effectiveness	Display products Targeting Creative/template Copy / SL Timing Landing	400	▪ Add top selling SKUs/personalized recommendations with price points ▪ Build targeted promo emails sent to segments with high propensity to buy category ▪ Send at different times
		Increase frequency		300	▪ Increase overall frequency of promo email ▪ Increase frequency of promo email per person (send more emails to 3x segment)
	Branding emails	Improve effectiveness	Display products Targeting Creative/template Copy / SL Timing Landing	200	▪ Add top selling SKUs/personalized recommendations with price points ▪ Send with different CTA copies and placements ▪ Send at different times
Promo/ branding emails	Existing trigger emails	Increase reach		350	▪ Increase reach for cart abandon and browse abandon emails
		Improve effectiveness	Display products Targeting Creative/template Copy / SL Timing Landing	200	▪ Send real-time browse abandon and cart abandon emails ▪ Refresh creative and add product images/recs/prices ▪ Add 3rd email to cart abandon email with promo offer
	Add new triggers			1,00	▪ Post purchase emails ('Next product to buy') ▪ Delivery confirmation email ▪ Category browse abandon email

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C1 Email: Launched multiple new types of trigger emails (1/2)

Trigger type	Project	Description
Browse abandon	PDP Abandon email	Creative refresh, adding image of browsed product and product recs
	Factory PDP Abandon email	
	Browse API	Enabling email to be sent out "real time" (currently lag of up to 24hrs, optimal timing to be tested)
Welcome	Welcome API	Enabling email to be sent out real time (currently lag of up to 24hrs)
	Factory Welcome API	
	Welcomes series refresh	Creative refresh, adding product recommendations/features
	Welcome series promo stacking	Allowing xx% off promo code to be stacked
Cart abandon	Cart API	Enabling email to be sent out "real time" (currently lag of up to 24hrs, optimal timing to be tested)
Order confirm-ation series	Order Confirmation refresh	Creative refresh, adding product images, marketing content
	Shipping Confirmation refresh	Creative refresh, marketing content
	Delivery Confirmation	Net new touchpoint within the order confirmation series

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C1 Email: Launched multiple new types of trigger emails (2/2)

Trigger type	Project	Description
Category abandon	Category Abandon Email	New trigger, sent to customers who browsed an array page but did not purchase
Post purchase series	Thank you email	New trigger, sent to customers who have made a purchase to thank them for their purchase
	Complete the Look email	New trigger, sent to customers who have made a purchase to recommend products based on Shop the look functionality
	Item Recommendation email	New trigger, sent to customers who made a purchase to recommend next product to buy
E-Receipt	e-Receipts redesign	Creative refresh, adding product images
Re-activation	Re-Activation refresh	Creative refresh, adding product images

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C1 Email: Identified multiple improvement areas for “mass” email (1/2)

	Description	From…	To…	Initial impact sizing
Content	▪ Layout ▪ Landing pages	▪ Top promo banners on branding, additional promo banners on promo emails ▪ Home page used for most site-wide promo emails	▪ Optimized size and placement of promo banners ▪ Image type (e.g., on-fig, EIEC etc.) optimized based on testing and insights ▪ Test using different landing pages for store-wide offers	▪ Medium
Product	▪ Products category ▪ Single Product ▪ Personalized recommendations	▪ Merchant and creative driven product choice on branding email ▪ No SKUs on promo emails ▪ No personalized recommenda-tions on promo/branding emails	▪ Data driven category and product choice ▪ More SKUs on promo emails where effective ▪ Personalized product recommendations (e.g., based on purchase history)	▪ Medium
Copy	▪ Subject line ▪ CTA ▪ Headline copy	▪ Creative driven copies	▪ Optimize copy and terminology based on tests and existing insights	▪ Low
Offers	▪ Offers communicated via email	▪ Limited personalized below-the-water promos	▪ Use of personalized below-the-water promos (while continuing to maximize traffic from above-the-water promos)	▪ Medium
Audience segmentation/ personalization	▪ Versioning of emails tailored to segments ▪ Personalized emails	▪ Basic Women/Men/… segmentation ▪ Megatemplate with personalized modules	▪ Email targeted to customers based on their product/category affinity ▪ Additional personalized content on promo and branding emails	▪ High

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C1 Email: Identified multiple improvement areas for “mass” email (2/2)

	Description	From…	To…	Initial impact sizing
Frequency	▪ Brand Affiliation ▪ Circulation per email sent ▪ # of emails sent overall	▪ Siloed Channel ▪ Customers separated randomly to 3x and 7x groups ▪ Roughly 110-150 emails a month, not including trigger emails	▪ Brand Affinity ▪ Frequency optimized on a per customer level (e.g., based on engagement) ▪ Potential shift in baseline number of sends	▪ High
Timing	▪ Time of day	▪ Emails sent at same time to everyone (branding emails x:xxam, promo emails y:xxam)	▪ Send time optimized on a per customer level	▪ High
Theme	▪ Balance between branding (editorial) content and promotional content	▪ Roughly 60:40 split between branding and promo emails for all customers	▪ Mix of branding emails and promo emails optimized on customer level (e.g., based on engagement) ▪ Potential shift in baseline mix of branding and promo emails ▪ Potential to create hybrid emails between promo and branding	▪ High
Email list[1]	▪ Size of the email list	▪ Attrition on email list and falling rates of subscription	▪ Continuously feeding new and engaged customers into the email list through email capture both in-store, online and through transactional emails	▪ High

1 Dependency: Contactability Project

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C2 SEO: Preliminary findings from mini-audit of priority pages

Large gap/ Does not exist | Minor edits/fixes | Exists but oppty to improve | No gap/ best-in-class

Key gaps identified in mini-audit of our 5 priority pages

Category page	Word clouds	Page title	H1	Page load	Meta descr	H2, H3, …	Meta keywords	Alt image text	Organic text	Open graph	Google schema
Category 1	Not found	Slight fixes	"Client Clothing"	3.3 secs	Oppty to improve	Not found	Not found	Not found	Oppty to include	Not found	Found
Category 2	Not found	Oppty to improve	"Client Clothing"	4.0 secs	Oppty to improve	Oppty to improve	Not found	Not found	Oppty to include	Not found	Not found
Category 3	Not found	Oppty to improve	"Client Clothing"	4.0 secs	Oppty to improve	Oppty to improve	Not found	Not found	Oppty to include	Not found	Not found
Category 4	Not found	Oppty to improve	"Client Clothing"	2.8 secs	Not found	Oppty to improve	Not found	Not found	Oppty to include	Not found	Not found
Category 5	Not found	Slight fixes	"Client Clothing"	2.5 secs	Oppty to improve	Not found	Not found	Not found	Found	Not found	Found

Additional site-wide gaps identified

Key gaps	Description/ examples	Recommended fix/ solution
"Global" headers, meta data, etc.	▪ Several PDP pages have 'global' page titles, meta descriptions and header tags	▪ Audit PDPs to optimize technical & content elements to be specific & relevant to product shown
High image to content ratio	▪ Having many images (390+~1300+) slow down page load and prevent key page content from being cached by Google	▪ Use lazy load process to speed load of key content to be cached by Google and improve user experience
Multiple dynamic parameters	▪ Use of many dynamic parameters slows down page load and blocks key page content from being indexed by Google	▪ Preload key page content (e.g., product description) to be indexed by Google and avoid duplicate parameters
Gaps in ADA compliance	▪ Images lack alt text, making it hard to be "read" by ADA devices nor Google ▪ Lacks anchor tag	▪ Deploy relevant & descriptive alt texts to all images ▪ Add anchor tags to links to help ADA devices & Google 'read' what content they will find on the linked page ▪ Conduct comprehensive audit against ADA design standards

SOURCE : Client.com, McKinsey Firm experts

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C2 SEO: Roadmap addresses technical, content & local elements by end of 2017 to improve organic traffic performance

In progress
Needs add'l resources
New gap, needs scoping
High impact
High LOE
Low impact
Low LOE

	Initiatives	Impact	LOE	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov/ Dec
Priority	**SEO Word clouds 2.0**										*Code freeze*
	Category Header Update (H1, H2)										
	Category Meta Tag Review + Updates										
Content	Quarterly Full Site Meta Tag Review + Updates										
	Monthly Site Refresh PDP Meta Tag Updates			*To be ongoing (monthly)*							
	Monthly Site Refresh Folder Meta Tag Updates			*To be ongoing (monthly)*							
	Keyword / Category Alignment			*To be ongoing*							
	Blog Content Calendar – Relevant Items, Keyword Focus										
Technical	Re-Platform to Demandware			*Ongoing*							
	Site Code Clean-up + site speed audit										
	Internal Linking Review and Update										
	Double Assortment / Canonical Review										
	Site Speed Audit (Responsive Design)										
	URL Parameters Restrictions										
	XML Sitemap Clean-up										
	Category / Array Pagination										
	Sidecar Development for Features / Static Pages still in JSP										
	"hreflang" Update and Clean-up										
	Google AMP Integration for Blog										
	JSON-LD Rich Snippet Update 2.0										
Local	Meta Content Review + Update - Brickwork										
	Full Local audit of Brickwork Store Locator										
	Annual keyword / Category Alignment for Local										
	Rich Snippets / Structured Data										

To be implemented as resources become available, starting with site code clean-up / speed audit

SOURCE : […] + Client SEO Action Plan (2017)

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C3 Paid Search: Key focus areas

Our leading hypotheses | New since last time

Potential opportunities	Example tactics	Analyses to verify opportunities
Geotargeting	▪ Re-allocate spend towards zip codes close to a Client retail store ▪ Re-allocate spend towards zip codes with the highest performance	▪ **Data:** Zip-code level data extract from […] or Google Account team with campaign type, spend, impressions, clicks, traffic, and sales by zip ▪ **Analysis:** Cut campaign performance (e.g., CTR, Cost per PDP, Conversion) by geographic measures (e.g., distance from store, zip code) to identify opportunities for re-allocation. Potential to geo-cluster markets (e.g., by channel, customer, and market traits) and cut performance by geo-cluster.
Optimize links	▪ Remove broken / old landing links (e.g., …) ▪ Tailor landing to keyword	▪ **Data: P**aid search performance reports by keyword ▪ **Analysis 1:** Identify keywords with low performance (esp. bounce rates) to indicate potential broken links ▪ **Analysis 2:** Identify specific-product keywords with high search volume, and check if landing is specific to product
Bid for more real-estate on key long-tail terms	▪ For long-tail terms corresponding to key Client categories and products (e.g., …) bid for both ads and PLAs	▪ **Data:** [same as data fro 1b] ▪ **Analysis.** Identify iconic Client products / categories based on Client knowledge (e.g., …) and order volume from merchants. Propose keywords corresponding to these products. Query Adwords account to see search volume and CPCs. Compare expected ROAS based on CPC and estimated conversion rate vs ROAS of words we bid on today and potentially re-allocate
Content: Personalize ad copy, PLA selection, and promo messaging for known customers	▪ Personalize ad copy and PLAs based on previously browsed products ▪ Adjust PLA promo messaging based on customer promo sensitivity ▪ Increase / decrease bids based on customer CLV	▪ **Data:** Paid search performance reports by keyword campaign type and customer type ▪ **Analysis:** Breakdown keyword performance (e.g., volume, click-through, bounces, conversions, CPC, ROAS, etc) by customer type (e.g., new, frequent visitor, recent browser, etc.) and identify areas where key customer type (e.g., recent browsers) should have higher performance. “Start small” in testing these tactics.

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C4 Paid media: Display testing priorities (1/2)

	Description	Example tests
Expand Dynamic Remarketing Program	▪ Expand dynamic program to prioritize customized creative and messaging	▪ Restructure account to prioritize budgets to dynamic creative ▪ Test audience eligibility expansion ▪ Test new dynamic formats to customize messaging and images.
Expand Creative Testing	▪ Expand creative messaging to find most effective messaging combination ▪ Optimize monthly creative deliveries with a series of A/B tests to identify winning creative approach	▪ Test mark-downs and multi-product ads in static and dynamic ▪ Test Google responsive ads ▪ Test animation in banners
Increase Mobile-Presence	▪ Explore investing in mobile to drive lower cost per click while maintaining efficiency	▪ Set mobile thresholds for top performing audience segments ▪ Run mobile-only creative sizes ▪ Cross-device targeted bidding

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C4 Paid media: Display testing priorities (2/2)

	Description	Example tests
Scale Program to Explore Reactivation Opportunitie	▪ Expand remarketing definition to expand reach of the display programs	▪ Open up to Lapsed Customer (i.e. users outside the 30 day lookback window) ▪ Utilize GSPs to run reactivation campaign against CRM lists
Increase Audience Segmentation	▪ Expand retargeting audience segmentation to ensure we're investing across the full breadth of Client's customers	▪ Test Google Analytics (GA) audiences ▪ Test additional audience exclusions ▪ Test opening up .... & women's audiences

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C4 Paid media: Product listing adds (PLA) testing priorities (1/2)

	Description	Example tests
Increase Branded Product Prioritization	▪ **Restructuring PLA brands campaign into granular category breakouts** will allow us to **control bids modifiers and scale seasonal** efficiency.	▪ **Category-specific brand campaigns** ▪ Owning click-share for KVC ▪ Test margin bidding to see impact on scale & ROI ▪ **Test model images in PLAs**
Mobile Expansion	▪ **Explore investing in mobile to drive lower cost per click** while maintaining efficiency.	▪ **Time-of-day/relation to mobile** ▪ Set mobile threshold for top performing product campaigns on mobile ▪ Layer in cross-device attribution targeting
Increase Audience Segmentation	▪ **Expand audience segmentation** to ensure we're **investing across the full breadth of Client's customers** and **strategically finding new customers.**	▪ **Gender neutral campaigns** ▪ **Audit current audience structure** ▪ Prioritize bids towards high AOV customers and lapsed purchasers. ▪ **Test similar audiences**

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C4 Paid media: Product listing adds (PLA) testing priorities (2/2)

	Description	Example tests
In-store Support	▪ **Leverage LIA (local inventory ads**), **hyper-granular zip-code bidding**, and **competitor conquesting** to expand store support.	▪ **Test LIA-only campaigns** ▪ **Refine geo bidding to use most granular data possible** ▪ Layer on competitor store locations for competitor conquesting
Paid Search Customer Acquisition Initiative	▪ **Continue to test customer acquisition tools in paid search** to ensure we're utilizing the appropriate tactics to acquire new customers and retained lapsed customers.	▪ **Test pure non-brand vs. PLA non-brand** ▪ Test RLFSA text ads against PLA text ads ▪ **Utilize lookalike audiences in non-brand**
Evolve Brand-Search Program	▪ **Leverage upcoming betas to enhance current brand campaigns** ▪ Implement sitelink and ad copy tests to further enhance CTR.	▪ **Promotions Extensions Beta** ▪ Test promo copy messaging cadence in ad copy ▪ Further expansion of extended sitelinks across Google & Bing

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C4 Paid media: Social media testing priorities (1/2)

	Description	Example tests
Expand Remarketing Program	▪ Expand remarketing efforts to continue to scale the program profitably	▪ Facebook + Catalog Lift Test ▪ Expand into category DPAs ▪ Test all product DPA categories to drive scale with the program ▪ Incorporate 1 and Done messaging ▪ Test Factory Audiences against KVCs
Increase Mobile-Presence	▪ Drive lower-cost clicks and acquisition by increasing mobile presence	▪ Test fluid mobile placement optimizations ▪ Test 100% mobile strategy on weekends
Scale New Customer/Reactivation Opportunities	▪ Identify key personas to drive profitable new customer acquisition and reactivate lapsed	▪ Define lapsed customers and begin an always-on lapsed customer remarketing approach ▪ Utilize Catalog lists to ensure we do not have lapsed Catalog users once there is no catalog send

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C4 Paid media: Social media testing priorities (2/2)

	Description	Example tests
Increase efficiencies with personalization	▪ Increase AOV and purchase frequency by personalizing creative	▪ Test product carousels/collections with outfitting messaging ▪ Test product carousels/collections with a users "next product"
Increase creative testing	▪ Optimize monthly creative deliveries with a series of A/B tests to identify winning creative approach	▪ Test Percentage off in Headlines ▪ Test pricing in DPA units ▪ Continue logo vs. no logo testing ▪ Test laydown imagery vs. model imagery ▪ Continue video vs. static for promo messaging ▪ Test video for new arrivals
Expand new platform opportunities	▪ Identify and scale new platforms to drive new customer acquisition and scale remarketing efforts	▪ Test remarketing with Outbrain ▪ Test remarketing with Pinterest ▪ Expand remarketing into Instagram ▪ Test DPA's on Instagram

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D Loyalty program: Key objectives

Key objectives	Rationale
Incentivize second purchase	▪ Only 23% of new customers make a second purchase ▪ If a customer does not make a second purchase within three months of their first purchase, they are unlikely to continue on to become loyal customers
Capture Email Addresses	▪ Client collects less than 50% of email addresses ▪ A customer's email address is highly valuable
Stimulate incremental spend	▪ There is an opportunity to incentivize increased spend ▪ Credit Card cardholders shop more than twice as much as non-cardholders
Reduce Churn	▪ Continuing churn down (30%-60%) and churn out (13-49%) among our overall top decile customers[1]
Preserve top customers	▪ 56% of sales are driven by the top decile of customers (vs. 39% average in the market)

1 Top decile customers include top 3 sales decile segments (P1) of Client's customer database, accounts for 81% of total Client sales

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D Loyalty: Elements to consider for competitive program offerings

ABC = Benefits to include in initial launch

Key elements to include	Description	Examples/ thought starters	Drive frequency	Drive spend	Strengthen bond
Tiering	Tiering of benefits granted based on purchasing activity	**Tiering based on purchasing frequency or spend**	**X**	**X**	
Indirect financial benefits	Promotional benefits that drive high perceived value (vs direct % or $ off on product prices)	**Free shipping**	**X**	**X**	
		Birthday gift			**X**
		Free monogramming	**X**	**X**	**X**
		Free return shipping	X	X	X
		Free tailoring/hemming	X	X	X
		Gift based on shopping activity over past x months	X	X	X
Enhanced services	Service features that enhance shopping experiences for customers	**Earn equivalent tier status at 'mass market fashion brand' instantly (and vice versa)**	**X**	**X**	**X**
		Expedited in-store check-out			X
		Dedicated in-store stylist		X	X
		VIP Concierge service		X	X
		Monthly curated outfits of latest trends by stylists	X	X	X
Recognition/ experiences	'Social' benefits to drive engagement behaviors with the brand	**Tier status badges for online profile and reviews**			**X**
		Early access to new arrivals	**X**	**X**	**X**
		Early access to sales	**X**	**X**	**X**
		Tier status Shopping carts for in-store purchases			
		Access to exclusive in-store events	X	X	X
		Early sign-up for store events	X	X	X
		Invitations to special events			
Targeted marketing	Benefits based on customer activity and profitability	**Triggered communications based on individual events (e.g., lapse, tier milestones, holidays, anniversaries, etc.)**	**X**	**X**	**X**
		Complete-the-look recommendations based on recent purchases	X	X	X
		Proactive handling for negative experiences (e.g., personalized response to returns, reviews, in-store experiences, etc.)			
		Delivery of tailored content based on questionnaire	X	X	X

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D Loyalty: Several tactics are underway, with opportunities to improve existing and consider additional elements to test

- Underway/ ready for launch
- Ready but w/ dependencies
- New to consider & test

	Tactics of benefits & offerings	Incr freq & spend	Incr eng	Upsell [Client] Credit Card
Financial benefits	Exclusive perks for [Client] Credit Card account holders ▪ Free alterations ▪ xx% off first purchase upon opening ▪ $xx reward card for every $x00 ▪ $xx birthday gift card	✓		✓
	Free shipping	✓	✓	
	Free monogramming	✓	✓	
	Free birthday gift item (valued up to $xx)	✓	✓	
Recognition	Top customer badge (e.g., online profile, reviews, emails, DM, etc.)		✓	
Exclusivity	Early access to new arrivals (monthly)	✓	✓	
	Extra perks (e.g., free gifts) for store events (e.g., ...)		✓	
	'In the know' DM (quarterly) on seasonal categories/collections	✓	✓	
	Seasonal gift to pick up in store (e.g., calendar)		✓	
	Branded gifts to pick in store with purchase (e.g., …)	✓	✓	
	Early access to new/special product launched (e.g., ….)	✓	✓	
	First access & gift for new product launches (e.g., …)		✓	
Enhanced services	Hotline to stylist	✓	✓	
	Monthly email newsletter (e.g., style hacks)	✓	✓	
	Monthly curated outfits of latest styles (whether emailed suggestions with link to PDPs like … or monthly delivery subscription like …)	✓	✓	
Targeted comms	DM invitation to [Client] Credit Card for prospect pool of top customers			✓
	POS recognition of top customers for invitation to [Client] Credit Card			✓
	CRM/email strategy for [Client] Credit Card upsell (e.g., include in welcome series)	✓	✓	✓

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D Private label credit card: Clientcan look to optimize in-store and online customer experience as levers to accomplish its [Client] Credit Card goals

	Opportunity	Potential goals achieved	Best Practice Examples	
1 In-store signage	Display the card benefits in locations throughout the store	▪ Increase number of applications ▪ Increase usage of the card during cardmember-only discount periods	…	Quick win: Create small benefits sign to affix to front of stand (BR)
	Make the brochure more noticeable / identifiable and feature benefits	▪ Increase number of applications	…	
2 In-store scripting	Encourage sales associate credit card promotion on the floor	▪ Increase number of applications ▪ Increase usage of the card during cardmember-only discount periods	…	Quick win: Test revised script in select stores
	Revise script at cash wrap	▪ Increase number of applications ▪ Increase usage of the card among current card members	…	
3 Online experi-ence	Consider adding additional sign-up messaging on site	▪ Increase number of applications and card usage	…	Quick win: Use Monetate to test

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D Encourage cross-channel shopping: Contactability and new customer engagement program are 2 key levers to drive retail only customers to online store

Execution plan laid out later

				Levers to test
Retail only	Contactability	No email	One-order Multiple orders	1 Optimize email capture in stores: ▪ Increase use of **e-receipts** for email capture at cash register ▪ **Signage** placed in fitting room and checkout line, and **fitting room associate** promote benefits of email sign-up ▪ Design **info capture page** with email address as the only field and convenient customer email input, easy-to-use keyboard
	New customer engagement program	No email	One-order Multiple orders	2 ▪ **Welcome email** to emphasize **being a member of** an exclusive fashion community within 2 days of in-store purchase ▪ Email **online exclusive offers** within 24 hours of in-store purchase, preferably with personalized content ▪ Engaging content focused on **brand value** and not just sales and promotion (e.g., "your next great look is only a click away")
		Opt-in email	One-order Multiple orders	3 ▪ Email **online exclusive offers** within 24 hours of in-store purchase, preferably with personalized content 4 ▪ Engaging content focused on **brand value** and not just sales and promotion (e.g., "your next great look is only a click away")

5 There are **additional levers** to consider to increase store-to-online conversion

SOURCE: Customer trend data, 2016

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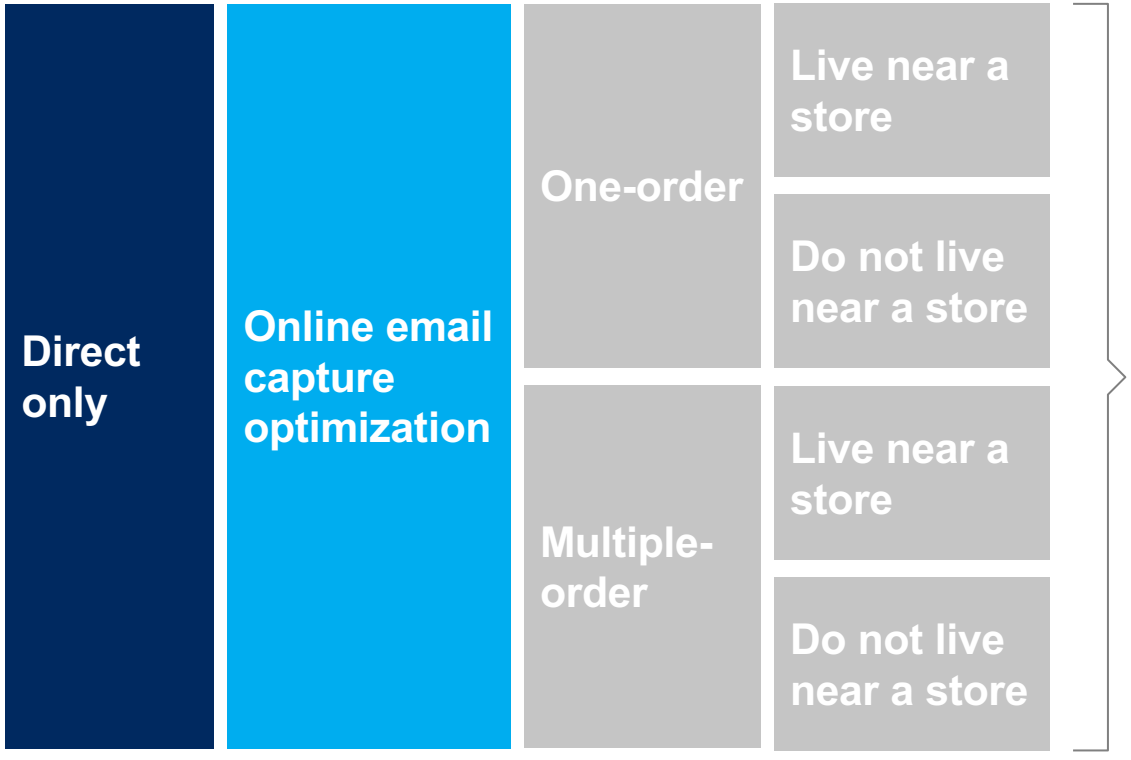
D Encourage cross-channel shopping: Online email capture optimization is the first step to engage customers and drive online-to-store conversion

Execution plan laid out later



Levers to test

6 ▪ Test layer ads to capture emails at different positions in customer journey to read the best click-rate

7 Optimize email capture pop-up box:

- Explicitly mention welcome offer (xx% discount) in pop-up box to encourage email sign-up
- Test language in pop-up box to increase email capture rate

Bounce Exchange is a potential vendor to optimize online email capture process

- Email in-store exclusive offers and events
- Promote in-store benefits and services

SOURCE: Client customer trend data, 2016

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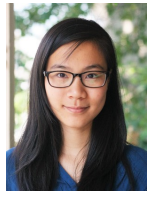

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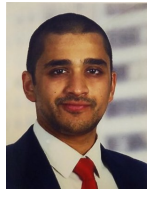

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