

# RENT THE RUNWAY

## Baseline Qualitative Exploration

**CASE STUDY**  
June/July, 2013



# Background

**Rent the Runway** revolutionized the fashion industry by making runway clothing a reality for mass consumers. In less than four years, Rent the Runway had partnered with over 170 top designers and had registered more than 3.5 million members establishing strong word-of-mouth growth.

**In light of its rapid success**, Rent the Runway's management team recognized that getting to know customers and members more intimately would be an essential step in strengthening engagement with them, continuing to increase conversion rates and grow the company.

**As a result**, Rent the Runway commissioned **SayWhat** to execute a comprehensive qualitative exploration to deepen its knowledge about customers, members and its business opportunities.

# Objectives

This baseline research was designed to illuminate the types of women (e.g., personas or archetypes) who comprise the RTR Customer and Member base.

Specifically, the objectives were to explore in-depth:

- ❖ Attitudes, lifestyles and behaviors with respect to fashion and RTR
- ❖ Barriers to renting among both Customers and Members
- ❖ The role of occasions in triggering or hindering rental behavior
  - Consumer perceptions of the alignment between occasions and the RTR proposition
- ❖ The rental experience itself among Customers
  - Drivers of repeat and “habitual” rental

Additionally, feedback was gathered on prototyped concepts for promotions and loyalty program features.

# Study Design and Methodology

Nine two-hour Focus Groups were conducted in three major metropolitan markets.

## ❖ **Segments:**

- 4x Customers → rented 4+ times
- 1x Customers → had rented 1 time more than 60 days ago
- Active members → joined in the past year and have “hearted” but not rented

**Important Note:** The findings summarized below are based upon qualitative research conducted among a small sample of the whole target population (i.e., Customers and Members).

Qualitative research uncovers the *range* of attitudes and behavior *not their prevalence*. These findings are directional and should not be considered conclusive or projectable.

**Confidentiality:** Due to the proprietary nature of the study, this case study highlights general findings only.

# Executive Summary

- ❖ Attitudes about presentation of self and indulgence play a role in attraction to this new business model.
- ❖ Lifestyles and behaviors across the segments differ by the volume of 'dress up' occasions, and the level of shopping expertise.
- ❖ Rent the Runway's brand is broadly perceived to be unique, fun, colorful and smartly indulgent.
- ❖ The basis of loyalty and repeat rental was associated with good customer experiences and interactivity with reviews and photos on the site.
- ❖ Motivations for engaging with RTR included situations (e.g., weddings, cocktail parties) as well as emotional rewards (e.g., freedom to step outside her comfort zone).
- ❖ How one defines occasions for dressing up may be changing as expanded options for what to wear increase.

# Detailed Findings



# Who are the RTR women?

RTR customers who participated came from a wide range of occupations and walks of life.

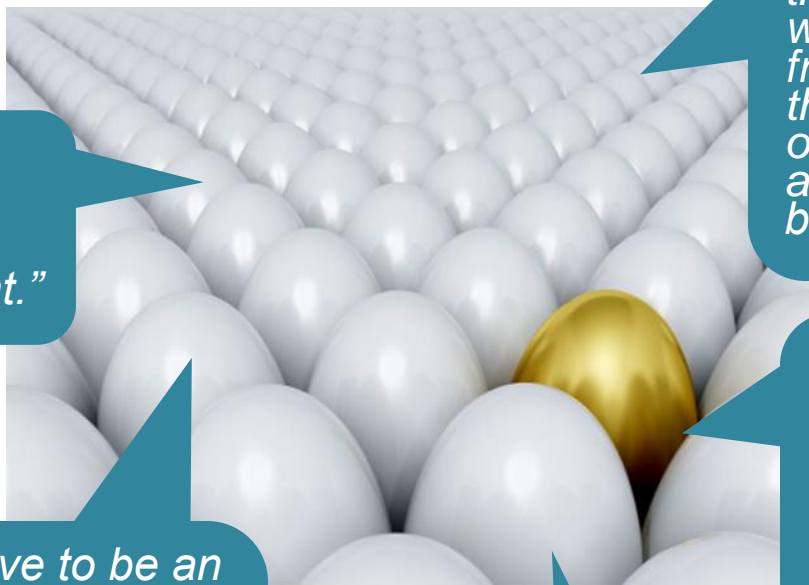
- Sales
- School Teachers
- Graphic Designer
- Operations Manager
- Human Resources
- Attorneys
- Audiology Researcher
- Students
- Non-profit Healthcare
- Accounting
- Forensic Chemist
- Stay-at-home Moms
- Business Development for IT
- Paralegal
- Theater Director
- Urban Ecologist
- Unemployed
- Medical Sales
- Event Planner
- Wedding Planner
- Starwood Hotels
- NY Cosmos Operations
- JP Morgan
- Public Health Research
- Administrator
- Nurse

# Confidence matters when it comes to style

- ❖ Confidence in one's creative competence plays a role:
  - *“I see fashion as an extension of being creative, having fun with the way you present yourself to the world.”*
- ❖ Confidence in one's ability to “compete” on the style playing field is an influence:
  - *“I think [the RTR woman] is a better version of me. When I'm at those [dress up] events, I have this vision that that's what I could look like all the time. Wouldn't that be nice to look like that all the time...even though I don't.”*
  - *“I'm not super outgoing, and when I get dressed...Really I'm just not very outgoing when it comes to fashion.”*



# RTR's Brand: Unique and Memorable



*"It's unique. It's different."*

*"Why not be the gold woman in front of all the other ones who are wearing black."*

*"Elevated confidence. You feel like you shine."*

*"You have to be an individual to make the dress your own. An individual who's not afraid of expressing themselves."  
Member*

*"Represents the perfect dress. I felt amazing, like I'm shiny, standing out."*

*"Looking for the perfect dress. You don't follow the crowd."*

*"Makes me feel like I stand out in the crowd."*

# Creative, Fun, Colorful



*“Super cute, a saucer of sprinkles, it’s amazing! A treat, it’s fun and colorful and it’s adorable.”*

*“Fancy...you could get a fancy dress. Fun, colorful, happy.”*

*“Frivolous, fun, get something cute. Don’t think too hard...get a dress if you want one.”*

*“Very fun and girly—those are words I associate with Rent the Runway. Sprinkles are indulgent. An extension of being creative, having fun with the way you present yourself to the world.”*

*“Rent the Runway gives me the opportunity to be a little more outgoing, and I always pick a bright color. A chance to go outside my comfort zone.”*

# How loyalty is earned

- ❖ **Consistency** → knowing each experience will be the same
  - Knowing the assortment will always have “*something for me*”
- ❖ **Efficiency** inspires confidence → Rent the Runway “*has it down to a science*”
- ❖ Addition of the showroom → this was seen as a big improvement
- ❖ **Growth** strengthens attachment → more customers leads to more reviews which increases the value of the overall proposition
- ❖ Some want more **acknowledgement** for being a frequent (loyal) customer
  - “Give me full credit if dress does not work out.” (including shipping & insurance)
- ❖ **Trust** → leads to word-of-mouth because “I know whoever I tell will have a good experience.”
- ❖ **Customer service** → Most indicate Rent the Runway’s Customer Service is responsive and competent; “Someone I can actually talk to.”
- ❖ **Desirable product** → “*For me, [my loyalty is based on] the product they offer.*” “*When I want something different, I’m 99% sure that I can get a successful rental from Rent the Runway.*”

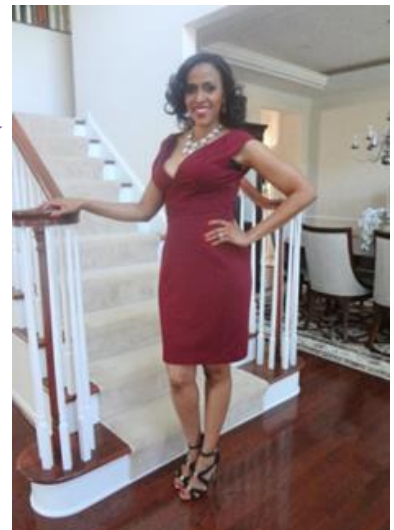
# Motivations for engaging with RTR

*“I had ten weddings one summer. I was like, I can’t buy ten dresses in one summer, so that’s how I started.”*

*“It was a trifecta weekend. I had three big events I needed to attend and I was like I can’t wear the same thing to each one.”*



*“I just thought this would be something to treat myself to every once in a while, and when I’m going to wear something really nice, but not something I’m going to spend all that money on, and for special occasions, to give myself a little confidence boost. Every time I’ve rented, I just felt really fabulous.”*



# Consumer-Defined Occasions

This occasion list is comprised of events worthy of 'dressing up' which surfaced in our conversations that went beyond RTR's occasion list.

Vacation "Day Drinks"  
Film Festival Screening  
Fundraiser  
Weekend Nights Out  
Charity Dinner  
Change-out dress (bride)  
Wedding Reception  
Destination Wedding  
Pool party  
Bridal shower  
Major life occasions  
Casual but dressy  
Anniversary

Graduation  
Business Gala  
Vacation  
First Communion  
Wedding rehearsal dinner  
Quinceanera  
Baptism  
Little fundraiser for my daughter's school  
Milestone birthday  
Work party  
Sorority Formal



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