



The Opportunity

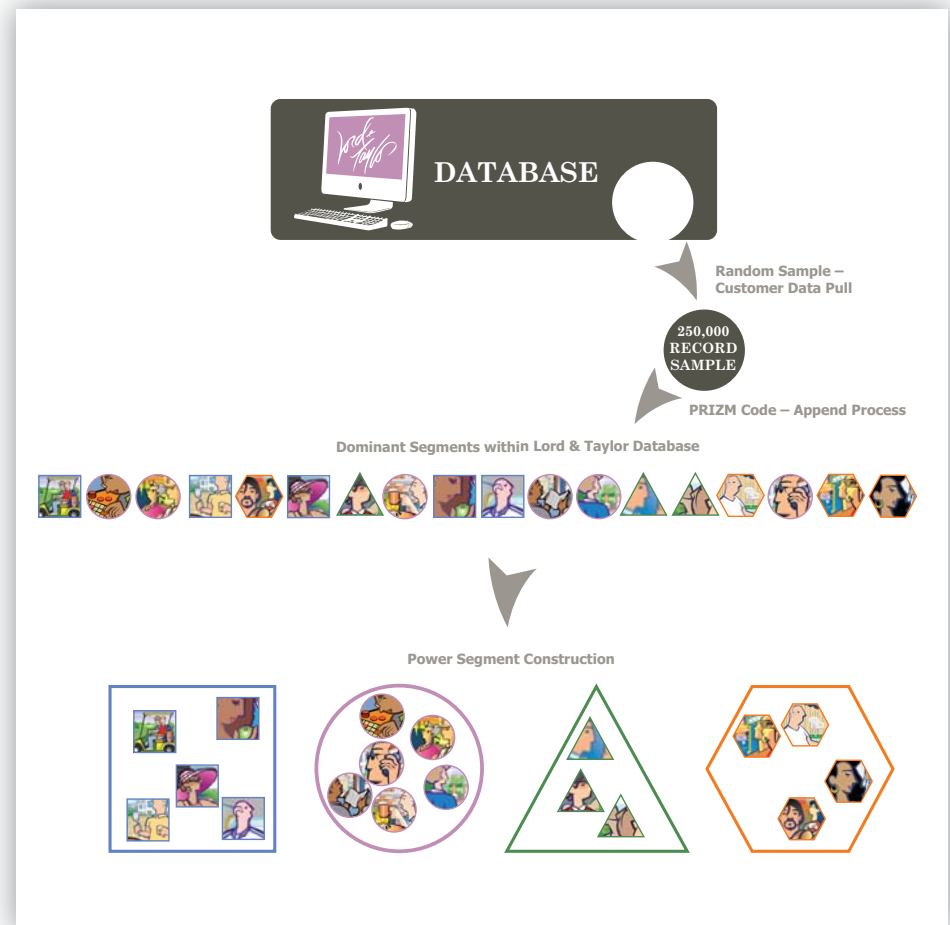
On a referral from Marty Staff, President and Chief Executive Officer of Joseph Abboud, Jane Elfers, Chief Executive Officer of Lord & Taylor, and Richard Baker, President and Chief Executive Officer of NRDC, who bought Lord & Taylor from Federated Department Stores, engaged Kanter International in a high touch, high impact strategy engagement. While the company possesses a rich heritage, Jane Elfers and Richard Baker wished to truly understand where the brand stood through the customers' eyes and what it would take to activate Lord & Taylor's full potential.

Newly independent, Lord & Taylor faced market challenges in a dynamic and fickle category. With a household name but a belief that consumer brand perceptions were outdated, the management team sought to use research data to inform market positioning, store look and feel, service offering, product assortment and promotional strategy – the key ingredients in broadening its consumer base and reinvigorating its brand. Furthermore, with 47 stores spread across multiple geographic markets, the company wished to define unifying brand and business principles to galvanize radically different population bases around each of its locations.

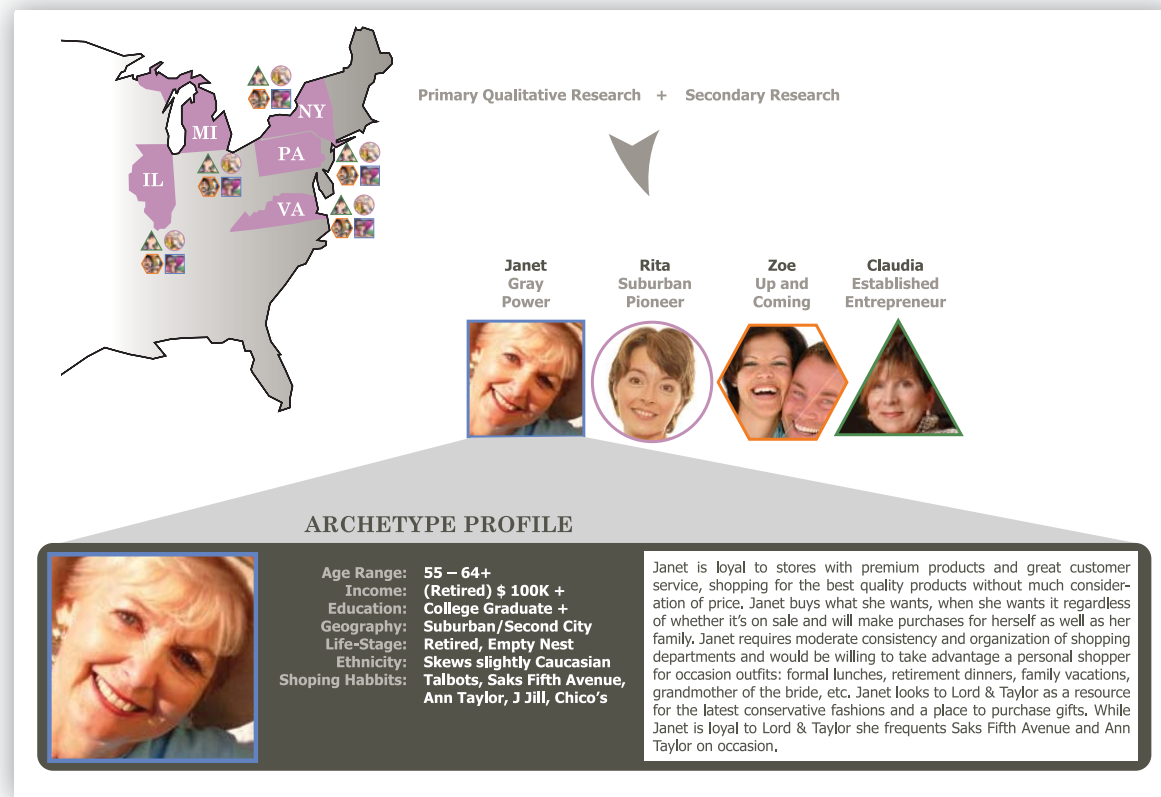
The Solutions

Our partnership commenced with the execution of a robust customer segmentation analysis to define the current characteristics of Lord & Taylor core customers, determine the sources and strength of their loyalty, and evaluate their relative role as the brand evolves. Leveraging the research expertise of partner Finch Brands, we profiled customers of key competitive department stores to determine meaningful similarities and differences. This enabled the company to fully understand the profile of those to whom its stores were appealing and understand the differences in demographics and attitudes compared to the customer bases of key competitors (both successful and unsuccessful).

Only with this data in hand could we understand exactly how the brand was perceived in the marketplace and to what degree the go-forward strategy would need to “turn over” the customer base while maintaining the loyalty of traditional constituencies. Critically, this analysis determined that the dominant Lord & Taylor customer type was a mature and long-term customer, but that we could not rely on the current consumer for sustainable long-term growth. Furthermore, as a mid-tier player in the market terrain, this initiative identified those to which the brand must appeal as Lord & Taylor approaches the next level of growth.



Beyond quantitative data, Kanter International and partner Finch Brands took its research to the next level, supplementing the statistical analysis with 20 in-store focus groups with target consumer segments across 5 representative stores. These three-hour groups uncovered the “whys” behind consumer opinion and behavior and, because of the unique in-store format, provided a glimpse into what about the Lord & Taylor store experience fed into consumer perceptions and opinions. Observing and prompting consumers in their natural shopping habitat enabled the team to not only gain additional depth and texture relative to consumer opinions but understand how consumers (both current and prospective Lord & Taylor customers) interact with the store, staff and product assortment. For example, we were able to determine how loyal customers shop the store, when they are likely to visit and why, how the promotional strategy does/does not promote revenue, gross margin and loyalty and which aspects of the product assortment and customer service alignment satisfy consumers and which do not.



These key findings related to all aspects of the brand experience, and we used the data to fuel recommendations on Lord & Taylor customer acquisition and retention including brand strategy, assortment, store design and merchandising as well as promotional and marketing strategy. A succinct, realistic, high-potential action plan was presented to Jane Elfers, Lord & Taylor CEO, and her management team.

At the conclusion of the work, Lord & Taylor possessed a comprehensive, three-dimensional view of their business through the eyes of their core and prospective consumer and they immediately set action plans into motion with the market's stamp of approval and added confidence in the company direction.

The Results

The work has informed every subsequent company initiative, including the positive evolution of the culture, product assortment, service model, brand advertising campaign and customer relationship management strategy.

Specifically, Lord & Taylor has launched a new brand advertising campaign designed to reintroduce the brand to the marketplace based on the key strengths and opportunities in the research. Additionally, the company has initiated a reevaluation of its promotional strategy (to wean customers off its legendary but frequently self-defeating coupon culture) and has used the established profiles to create a customer relationship management solution that is more motivating to shoppers and supportive of the company's financial and customer acquisition objective

