

Lands' End Boosts New Customers by 33% YoY

ABOUT LANDS' END

Lands' End is a U.S.-based provider of clothing and home décor, which brought in revenues of \$1.5 billion in 2017. The popular retailer engaged Crealytics to build upon its strategic vision: to drive better new customer acquisition in the U.S., U.K. and E.U. markets.

CHALLENGE

Lands' End began its journey as a mass cataloger and bricks and mortar retailer. Most recently, Lands' End has re-established its online presence to better address and capture new customer targets in a highly competitive and challenging market. The first serious test of this new positioning would be during the holidays—the most competitive period in any retailer's calendar.

CREALYTICS' APPROACH

Lands' End decided to focus its efforts on a paid search marketing approach. It put its trust in Crealytics not just to oversee best practices, but to advise on a proven area of the agency's expertise: driving new customer acquisition (NCA).

Doing so required a multi-pronged approach to addressing Lands' End's business challenge:

Crealytics understood that traditional optimization metrics, such as Return On Ad Spend (ROAS), can focus too much on efficiency at the sacrifice of growth. For example, Lands' End annually sells a very popular slipper at a high-performing ROAS. Yet these slippers are typically the only item sold to this customer group, and they rarely create additional purchase behavior. In this example, while ROAS was positive, the NCA rate was low—producing a negative impact on longer term profits.

Lands' End manages a complex process for identifying new customers that have been added to its internal database.

By using an email-based ID system, Lands' End was able to report on which purchases yielded a new-to-file name, as well as which ones reflected reactivation of long-dormant customers.

Crealytics used an anonymized version of this data to map which keywords, and by extension, which products, were more likely to drive NCA. Using our own proprietary technology and business systems, Crealytics was able to use this data to properly assign bid and campaign priorities. This process effectively re-aligned Lands' End's business to better address its revenue and profitability goals.

Going down this path highlighted a significant variation between Lands' End desktop and mobile new customer acquisition strategies. Although the NCA rate for mobile seemed to lag behind that of desktop, the average order value was significantly higher than benchmarked data. As a result, Crealytics increased investment in mobile activity, particularly in mobile Shopping Ads.

“For the year, we saw high single digit overall customer file growth, driven by both adding new customers and retaining a greater number of our active customers. In 2019, as we continue our efforts to drive online sales and attract new customers, we will continue to focus our marketing and digital investments in search and smartphone.”

— Jerome Griffith, CEO

RESULTS

Because of Lands' End's aggressive approach to the holiday season and the successful collaboration between each company's data science and performance marketing teams, Crealytics generated a 33% boost in New Customers. It also delivered a 27% boost in revenue (both YoY) and at similar spend levels. Lands' End also celebrated a key victory by way of non-Brand new customers, which increased by 96% YoY.

RESULTS AT A GLANCE

+33% increase in new customers	+27% revenue increase	-2% decrease in costs
---	---------------------------------	---------------------------------