

Rent the Runway renews focus on full-funnel marketing, hints at retail media potential

Article

After spending 2023 making improvements to product inventory and the [customer experience](#), Rent the Runway is turning its attention back to marketing by expanding into new

channels and tailoring its content.

“Now is the perfect time to put our foot back on the gas pedal,” co-founder, president, CEO, and chairman Jennifer Hyman said in a recent earnings call.

Rethinking the customer journey: To attract more customers, Rent the Runway is building out its top-of-the-[funnel](#) strategies.

- The company will explore new marketing channels, specifically across [social](#), and move away from “a solely bottom-of-the-funnel [Meta](#) and Google landscape,” said Hyman.
- Rent the Runway is also putting more focus on the consideration stage, which ideally will support incremental conversion.

To increase loyalty after gaining a customer, Rent the Runway has separated its base into four life stages—early term, habituated subscribers, VIP, and winback—each paired with a specific activation strategy across multiple channels including [email](#), SMS, direct mail, events, and Rent the Runway’s loyalty program.

Cross-channel creative: Rent the Runway is refining its creative strategy to help support key customer segments and their needs, including discovering new trends, saving time, and shopping based on specific use cases.

- For example, the company recently launched a workwear hub, helping customers shop for different kinds of work environments.
- “We’re speaking to the exact customer that we have, which is someone who wants a solution,” said Hyman. “She doesn't have time to spend shopping. We're able to cater to her via our content [on the hub].”

This strategy will not only be reflected on Rent the Runway’s site, but across social channels and in-person activations. For example, the company is hosting pop-up events where celebrity stylists will help customers style their workwear.

New and improved: Rent the Runway is also building on its digital product innovation.

- The company will continue to streamline the [customer experience](#) across its app and site, focusing on shopping hubs based on specific use cases like weddings, travel, or work parties.

- Rent the Runway is also planning to scale its one-on-one texting concierge service, which nearly 40% of customers used within 90 days of their first purchase in 2023.

The retail media potential: Rent the Runway sees “considerable potential” across its advertising and resale businesses.

- “We are laying the foundation for the beginnings of both in advertising and resale business,” said chief financial officer Siddharth Thacker.
- Rent the Runway’s advertising revenue comes from its sampling business, but “there is more we think we can do here,” said Thacker.
- Thacker said it’s too early to go into details, but a retail media network could be in the cards soon for Rent the Runway.

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