



IT'S BEING DONE:

How Walmart Drives Marketing Success With Data Science

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An Enterprise Retailer's Guide to Managing and Optimizing Online Promotions

FEATURING



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How should enterprise retailers run promotional campaigns?



It's interesting to me that I, as a consumer, have become so accustomed to receiving customized emails that have to do with my interests or my family—for example, emails that know the ages of my children. I take it for granted that retailers are no longer going to recommend products for 4-year-olds when they no longer apply.

Jenny Coupe, Sr. Director of Americas Marketing,
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As a retailer, how you run your promotional campaigns should vary depending on the lifecycle of your products. For example, when you have new items arriving you might have a new-arrival campaign, or do a special promotion depending on what's happening in terms of seasonality. But no campaign is going to be successful before first mastering the fundamentals.

This guide provides a holistic view of successful, data-driven promotional campaigns based on the successes of the leading enterprise retailer, Walmart. The advice and examples from Walmart's campaigns come from Walmart and Akamai's 2017 eTail conference webinar, hosted by Worldwide Business Research.

Build from the ground up
begin with your product pages and make sure they are performing.

Before considering the larger scope of a campaign, marketers must ensure each item has the correct title, the correct brand attribution, and the right content, such as:

- quality assets
- beautiful imagery
- lifestyle imagery
- in-package view
- out-of-package view
- the right videos
- user-generated content
- and more

All of these items must be properly set up and optimized before campaign preparations can begin.



Walmart's system has product page templates designed to prevent content issues, such as placement changes and formatting problems. Nonetheless, the pages require constant auditing to prevent IT-generated issues with the user interface.

Walmart uses a dashboard every week to monitor how all of their pages are doing in terms of content health. The process is automated with over 10 metrics in play. These might include reviews, number of images, titles, short descriptions, age, brand shelf, and others. The Walmart team keeps a 'scorecard' of page performance so that all pages are optimized by Q4, when the retailer does most of its business.

When determining their campaign objectives, the Walmart team will prioritize the areas in which they have the biggest investments—those for which they anticipate the highest amount of engagement and spending among their customers.

Determine your objectives

identify the rationale behind assembling your campaign and how you will measure its success.

Campaigns should be centered on customer engagement. Marketers must ask themselves, "What are the products that we're going to use to entice consumers?" and "How will we get them to come in and look at more?"

Campaign planning should also incorporate customer data and analytics. For enterprise retailers, geo-targeting should be used to personalize what shows up on consumers' screens. Consumers should see both what they want to see, and what they don't yet realize they want to see.

Build a quantitative and qualitative approach

incorporate both knowledge and expertise into your campaign strategies.

Marketing campaigns should be data-driven processes. In addition to your personal expertise, your initiatives should be based on actual user data and your understanding of what a variety of customer types are interested in.

Consider customer data first to determine which products should be promoted in what areas, to whom they should be promoted, how they should be promoted, and when those promotions should occur.



Most people in general have a very short attention span and a very short ability to trust a brand. So if I don't get it right that first time, I'm going to have to work that much harder if I want to get you back as a customer. It behooves us to make sure that we are looking at our data.

Meredith Wollman, Mgr. Customer Marketing at walmart.com, **Mattel, Inc.**

Failure to acquire accurate data can result in lost connections, where products promoted do not apply to the recipients. This can even drive customers away for good—if the products are out of line with the priorities of customers, they may lose trust in the brand.



Walmart uses influencers to help drive traffic, including bloggers and even YouTube 'un-boxers' popular among their customers.

Drive traffic across channels

take a targeted, multi-channel approach to marketing.

In the existing retail marketplace, each consumer uses a different platform for shopping, and for different reasons. That's why retailers need to invest in strategies focused on multiple channels, and be prepared—consumer habits change quickly.

In order to establish attribution when considering channels and revenue performance, one must look beyond the channel through which the purchase was made. Hypothetically, 10% of revenue could come through mobile purchases while 60% of in-store purchases are made by customers who use mobile as an aid. The notion that mobile isn't as significant as other channels, in this case, is inaccurate.

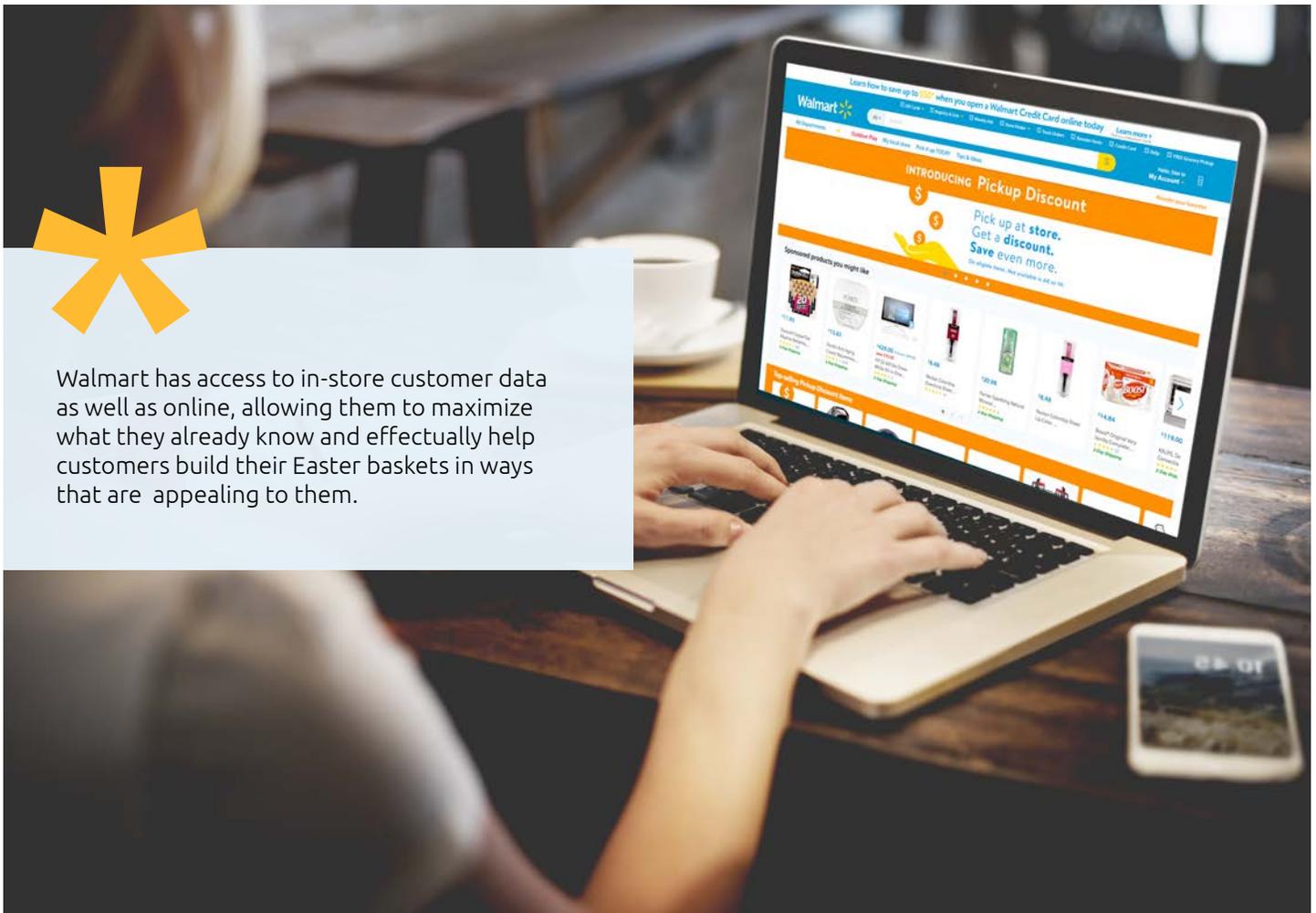


Having educational content available on other, more expensive sites is an advantage to Walmart.com. When consumers go to a Walmart, they tend to go strictly for low prices even while researching products on other websites using their mobile devices.

Inside Look at a Seasonal Campaign

Seasonal marketing campaigns should have specific parameters in terms of price range and targets. In the case of Easter, for example, Walmart will target mothers, fathers, and relatives who buy Easter presents for young children. Easter presents typically will have low price tags—Walmart considers twenty dollars and under an ideal range. This strategy has its foundation in data.

Understanding the consumer, their households, and even the ages of their children play a factor into how campaigns are targeted. Brand familiarity will play a role as well.



Walmart has access to in-store customer data as well as online, allowing them to maximize what they already know and effectively help customers build their Easter baskets in ways that are appealing to them.



Walmart Labs, Walmart's internal performance laboratory, conducted a study of their converting versus non-converting web traffic. Upon studying their load times in terms of seconds, they found that faster pages correlated to higher conversions and more revenue. In fact, one second of load-time improvement correlated to a 2 percent increase in conversion rate, and for every 100 milliseconds of improvement, they grew incremental revenue by up to 1 percent—a galvanizing statistic in the web performance field.

- **Every 1 second of load time improvement equaled a 2% conversion rate increase**
- **For every 100ms of improvement, incremental revenue grew by up to 1%**

Key Analyses from Akamai

In Akamai's *The State of Online Retail Performance report* from Spring 2017, the company measured and tested performance for 53 of the top 100 online retailers, revealing similar results. Akamai gathered one month's worth of performance data and identified a number of key insights, the most notable of which were the following:

- **A 2-second delay in load time hurt bounce rates by up to 103%**
- **Optimal load times for lowest bounce rates ranged from 700 milliseconds to 1.2 seconds across all device types**
- **Optimal load times for peak conversions ranged from 1.8 seconds to 2.7 seconds across device types**
- **Bounce rates were highest among mobile shoppers and lowest among those using tablets**

Additionally, Akamai analyzed the relationship between product type and wait time, differentiating users' expectations based on whether the site was selling general merchandise or specialty goods. Akamai found that specialty goods consumers were generally more patient when pages were slow, as opposed to consumers visiting general merchandise sites.

In some cases, consumers visiting general merchandisers visited three or four other retail sites instead of waiting for the first retailers' page to load. In the case of specialty goods sites, there is less competition and more incentive to wait.

This supports Walmart Labs' observation—just as Akamai discovered that longer wait times lead to dramatic decreases in performance for general goods retailers, even a modest reduction in wait time on general goods retailers' sites can increase conversions, according to Walmart Labs.

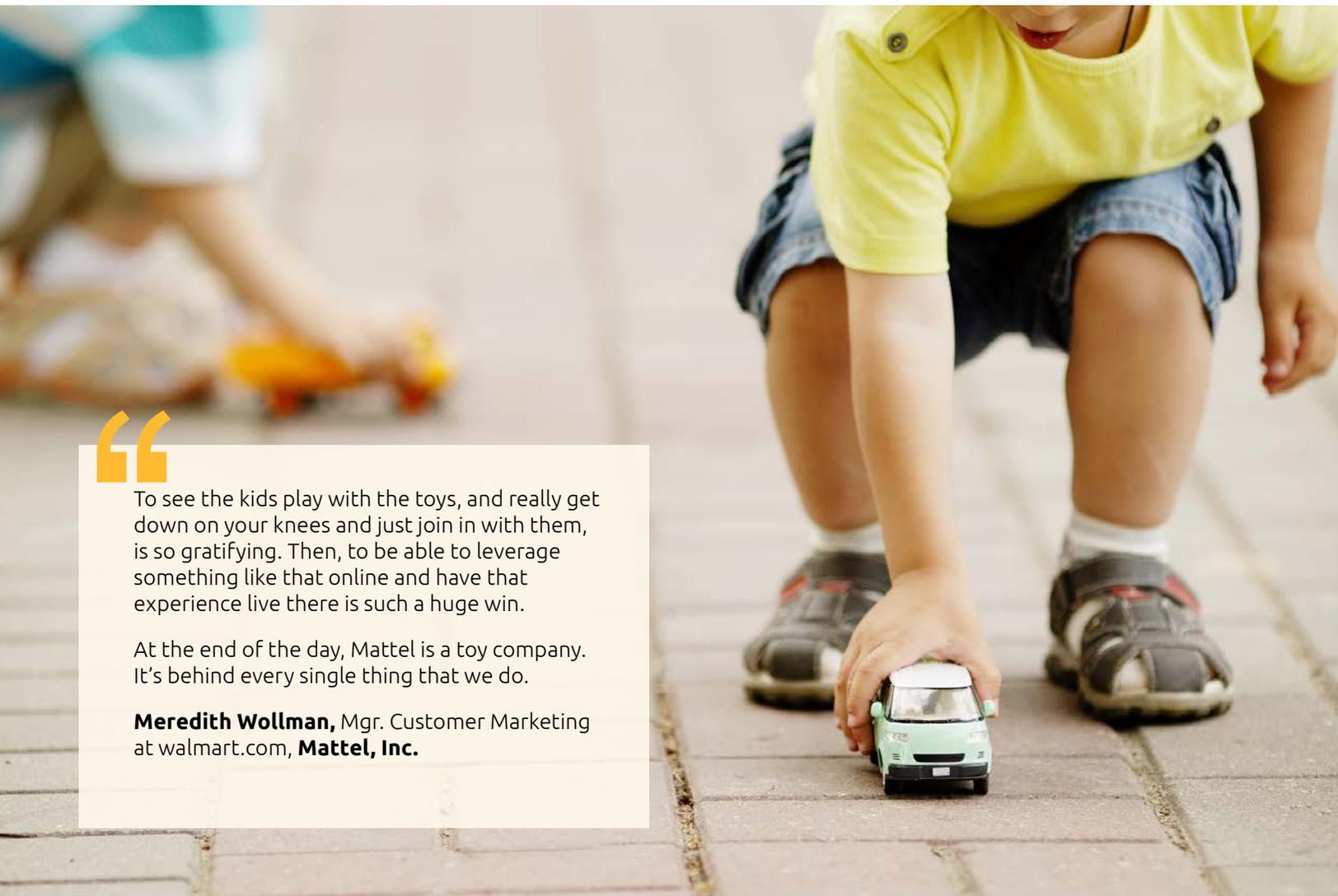
Measure campaign success and determine future efforts



Walmart performs a rigorous “deep-dive” after a campaign to check out data points and determine how successful their campaigns were in terms of conversions. Identifying at what point consumers dropped out of the customer journey also helps them determine the campaign’s success. Any features or efforts that did not contribute to the success of the campaign can be removed from future campaigns.

Consumers are savvy. As retailers want to not only get ahead of them but lead them, their challenge lies in understanding what to do at the intersection of physical and online. That means determining how they can work together—where online can lead brick and mortar and vice versa—and what that shopping experience will look like. It also requires comprehension of how emerging technologies—augmented reality, automation, and Internet of Things (IoT), for example—will contribute to that experience and differentiate retailers from their competitors. Retailers who incorporate these ideas into their strategies, who engage in continuous testing, and who take intelligent action when making improvements to their methods will succeed—and at the core of that success is knowing one’s customers.

Walmart has a program called Chosen By Kids where we invite children to a physical space where they can play with our toys and choose their favorites. Later, the children’s favorites will appear on our website in a specific category: Chosen By Kids.



To see the kids play with the toys, and really get down on your knees and just join in with them, is so gratifying. Then, to be able to leverage something like that online and have that experience live there is such a huge win.

At the end of the day, Mattel is a toy company. It’s behind every single thing that we do.

Meredith Wollman, Mgr. Customer Marketing at walmart.com, **Mattel, Inc.**

Authors



About eTail

We launched eTail in 1999, and have been dedicated to supporting the growth of the retail industry ever since. What started off as 100 people in a room discussing where this sector is headed, has led to 2,000 senior-level ecommerce executives being inspired whilst learning and developing their company as well as their careers.



About Akamai

Akamai is the world's largest and most trusted Cloud Delivery Platform, with intelligent Security, Performance, and Analytics solutions that make it easier for our customers to ensure the best and most secure digital experiences on any device, anytime, anywhere. Akamai's platform has the scale and sophistication to guarantee business continuity and resiliency during the largest usage peaks and in the face of evolving internet threats. Integrated technologies protect and accelerate your websites, apps, and endpoints automatically, with powerful machine learning and data science from the industry's leading experts in digital applications and Internet networking. With Akamai, you get closer to every user wherever, whenever, and however they choose to interact, now and in the future.



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