



Creating a One-Size-Fits-One Retail Experience at Walmart

Improving the Customer Journey Through a Hyper-Personalized
Approach to Increase Company Revenue and Customer Loyalty

Walmart   TKS

Executive Summary

Problem

Retail Stores are Not Adapting to the Changing Demands of Consumers

Over **80% of customers** agree that **personalization is essential** in the modern retail experience.¹ However, with less than half of American retail stores meeting these desires, they are leaving about **\$150 billion in potential revenue** on the table annually. A survey of 1,000 U.S. retail consumers said they would **increase their in-store spending by an average of 4.7%** if they received better, **more personalized services** from retailers.

Not in stock is not good enough. **4% of retailers' revenue, so in this case, \$14.6 billion**, is lost due to stock shortages. Patience is no longer a virtue; it's a myth. When customers encounter stockouts, they take their business and valuable dollars elsewhere. These statistics highlight the problems that shoppers face in receiving a customized experience, preventing them from showing the customer loyalty that retail brands like Walmart desire.

Solution

Increased Customer Personalization Through Omni-Channel Solutions

Our recommendation is two-fold to address some of the most common customer pain points experienced in Walmart through:

1. A membership program called **MyWalmart** that suggests **specific food/products** to customers based on nutritional health data acquired through new services like spit tests to build personalized recommendations.
2. A **stock-checking update** on the Walmart app that **scans through the customer's shopping list** and informs customers if **any items are out of stock before they go to the store**. For any product stockouts, it will then provide an option for delivery, other Walmart stores where it is in-stock, and feasible substitutions in-store.

These solutions will provide a **more seamless and valuable shopping experience** for all.

Results

Additional \$47.3B in Annual Revenue and 77,531,454 New Customers

Introducing our new personalized nutrition services will place Walmart in an ideal position to be a leader in this market as a retailer. Being able to create an omni-channel experience by offering health monitoring services and food suggestions will generate **\$32.7 billion annually** or bring in **76,860,624 new customers** as a whole.

Introducing the stock-checking solution will help prevent customers from encountering stockouts, which will greatly benefit both sides. On the customer side, it will eliminate the **39% of consumers that have left a store without making a purchase due to out-of-stock items**. For Walmart, which has an annual revenue of about **\$560 billion**, it could bring back **\$14.6 billion** that is lost due to stockouts, thus resulting in an additional **1,670,830 new customers**. By reducing customer frustration and dissatisfaction, Walmart's customers will have increased loyalty and trust in the brand.

Where We Can Impact the Most People

Targeting North America for Its Demographics, Infrastructure, and Revenue Stream

North America

Walmart stands out as a retail store due to its size and scale around the world, with over 11,500 stores and clubs in over 24 countries. To make the most significant impact, North America would be the key location to target due to its:



Demographics

Walmart is a store that caters to customer demands for all ages, with the typical shopper being in their mid-50s and having an annual income of ~80k. In North America, **over 150 million shoppers** interact with Walmart on a **weekly basis**. This represents **over 60% of their total global customer base**.



Infrastructure

As of 2021, Walmart has 7,785 stores in North America (4,743 in the U.S., 408 in Canada, and 2,634 in Mexico), which represents about $\frac{2}{3}$ of their total locations worldwide. With **over 160 million different products sold**, North America is the prime Walmart retailer and distributor in-store and online.



Revenue Stream

Walmart made **\$559B in revenue globally in 2021**, of which the U.S. alone accounted for **77% of in Q4 2021**. Since almost half of their international locations are in Mexico or Canada, total revenue across North America can be assumed to be much greater.



1. The Problem of Being “One-Size-Fits-All” 4

How a Store Catered to Everyone Makes No One Feel Special

PROBLEM

01



**Walmart Has
Over 11,000 Stores**

But they all look and feel the same. Customers are not going to a local store, or a store that cares about *them*. They are going to a corporate, cookie-cutter retailer.

PROBLEM

02



**Walmart's Main
Attraction is
Their Low Prices**

And for many customers, that works. But to entice **new** customers, **new** avenues need to be pursued to provide even greater value.

PROBLEM

03



**Individualization
is Nonexistent**

62% of shoppers say they would like **personalized recommendations**. And **72%** say they **only** engage with **personalized messaging**. Walmart is not a leader in this area.

PROBLEM

04



**Walmart Loyalty
Program Provides
Generic Benefits**

The loyalty program is supposed to make members **feel good**, pleasing them with benefits that **keep them coming back**. **Right now that is NOT happening.**



“Personalization is something I always look out for while shopping. Creating a personalized experience at Walmart would improve the customer experience drastically for me, and make Walmart my go to shopping destination.” - Julia Kirby, Health Economics Analyst, Retail Consumer

Why Personalization?

Case Study in Retail to Show Why it Works

Another big brand retailer, Target, has moved into the world of personalized retail. In what was initially called the “Cartwheel” app (but now called the “Target” app), Target redesigned online platforms to more prominently feature personalized recommendations. With over \$3 billion in sales generated, it has been a tremendous success! Here are some of the main reasons why:



COMMUNITY INVOLVEMENT

Each year, Target makes a donation to a charity that is voted on by the local members. This connects Target to the local community even more.



REWARDS PROGRAMS

78% of customers are more likely to purchase personalized items, and because all members get 1% off their purchases, they buy more. In the first year Target pulled in an extra **\$200M in revenue** from this.



DEEP PERSONAL ANALYSIS

Buying patterns are used to predict customer data (even pregnancy) and put personal deals on the app’s front page.

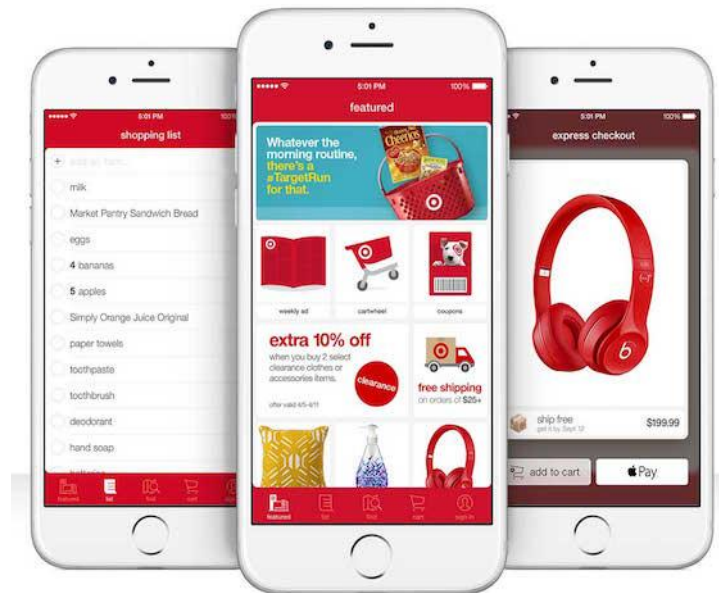


OMNI-CHANNEL EXPERIENCE

⅓ of consumers will share personal info to improve their experience, and by merging the app with the in-store shopping trip, **25M sign ups** occurred in the first 2 weeks!

By designing the Walmart personalization plan around its business model of “Great Value” while containing these key elements of success, Walmart will broaden and strengthen their customer base.

TARGET APP SPOTLIGHT



“In Hawaii, pricing on many grocery items can be very pricy at [stores like] Safeway or Foodland. The Target app is a wonderful alternative in Kapolei Hawaii. It helps me find fresh alternatives and provide greater savings. Safeway and Foodland don't come close. I recommend shopping at Target when possible!” - Anthony Calleja, Hawaiian Photographer, Loyal Target Shopper

The Future of Customized Nutrition

Interpreting Consumer Trends

1

Personalized Healthcare

Consumers are looking for personalized nutrition without sacrificing privacy, with **personalized care currently valued at \$955B, a number that will pass \$1T in 2022.**



2

More Digital Health Services

The digital marketplace has been growing, with accessibility being a main priority, this is shown by consumers in **China, Japan, the US, and Europe reporting the highest wellness spending online.**



3

Incorporating Trends

Nutrition is affected by online trends and continues to be driven by customers associating brands/faces on products, as in the US, Europe, and Japan, **10-15% of consumers say they follow a company or influencer that affects what products they buy.**



4

Allowing Variety

Consumers are looking for increased variety when they shop for nutritional goods, an example of this is when Lululemon acquired mirror to give a sense of choice but still garner all the profit.



ANALYSIS

With this data, we can see that personalization is a critical component that will need to be implemented in our solution. But we also have to make sure customer data is kept private.

This can be done by partnering with trusted brands that have the infrastructure needed to store customer health data. This can also allow for a more seamless transition between platforms since millions of customers already understand how to navigate the app, and they might also have fewer concerns when it comes to data privacy since Walmart is working with a brand that customers already trust.

Variety can be offered through acquiring brands in-store and online, as well as creating new sub-brands and revamping old ones like Great Value. Another strategy would be to make sure multiple options are offered to consumers at a low price.

The *MyWalmart* Solution

Building Hyper-Personalized Nutrition Recommendations for Customers



Signing Up

Customers can join the *MyWalmart* membership program for just **\$2/month**. This gives them access to many perks that will connect to the main goal of **creating a more personalized shopping experience** for them.



Initial Testing

Every Walmart supercentre will have a **spit analysis machine**, and a nutritionist to run the machine and help customers. The spit test machine can check for all sorts of **biomarkers**, including vitamin levels, cholesterol levels, cardiovascular health, and more. When members get their spit collected in the pharmacy, it is then **analyzed**.



Membership Perks

Customers will get **insights** into their body, and will get **personal suggestions** to help them live healthier. This will **increase** their **trust and loyalty** with the Walmart brand, while expanding their purchasing diversity.

Membership Features



FOOD JOURNALING

Members can scan and log their food from Walmart and beyond, to start getting insights into their diet.



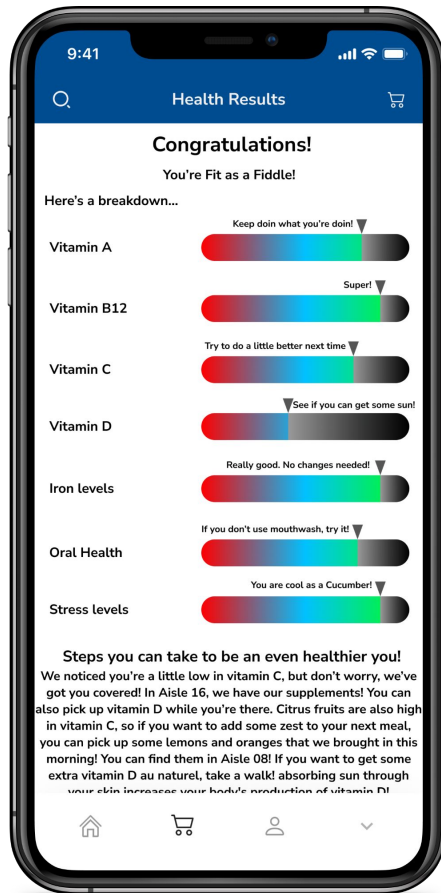
NUTRITION TESTING

Members can get a spit test every 6 months to test for nutritional deficiencies and cardiovascular health.



GOAL SETTING

Members can set goals for a target weight, muscle mass, or physical achievement.



FOOD RECOMMENDATIONS



Members will get food suggestions/substitutions to help them with their nutrition and fitness goals.

HEALTH PARTNERSHIPS



If members consistently monitor their health, they may get a discount on health insurance.

NUTRITIONIST DISCUSSIONS



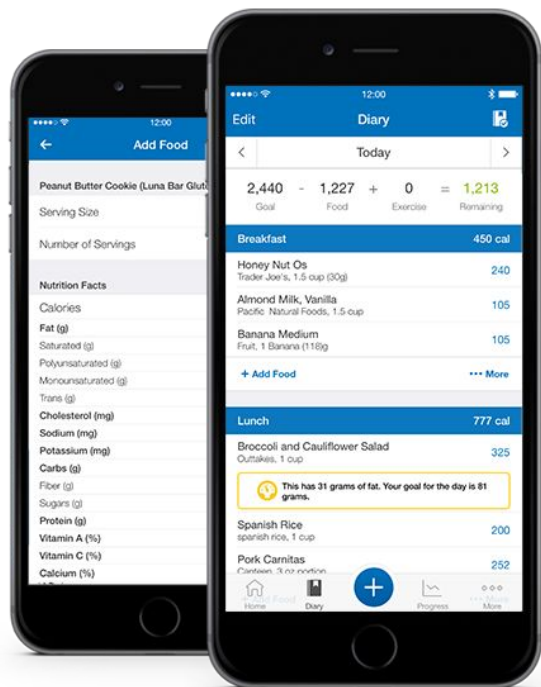
Customers will be able to ask questions virtually to nutritionists, and can book their biyearly 30-min appointments.

Health App Partnership

Making the Customer Transition Seamless with *MyFitnessPal*

MyFitnessPal has many of the features our plan calls for, so why reinvent the wheel?

Partnering with *MyFitnessPal* will be beneficial for everyone. It will allow for a more **seamless customer transition** due to the trust and confidence that has already been established with this platform. Integrating customers as Walmart members from here will bring **additional value** because of the following reasons:



MyFitnessPal members can **log their food into the app**, which uses basic user data (height, weight, gender, etc) to understand exactly how much food the person should eat, and the food tracking can show the member their nutritional health and track their vitamins, macros, carbohydrates, proteins, and more.



MyFitnessPal has made the **food logging process super easy**. Users can search a database for their food, scan a products barcode, and even take a picture of their plate, and the device records their nutritional intake.



When partnering with Walmart, this **process can get even better**. All a *MyWalmart* member has to do is buy their food products, just like normal. Walmart then gives *MyFitnessPal* a list of all food products and quantities, which can then be stored and added to a users profile whenever they log it.

How the Membership Program Works

Understanding the Steps Involved for Each Customer to Become a *MyWalmart* Member

Step 2

The customer will see a detailed breakdown of **how the membership program works**, and they get access to appointment booking.

Step 4

This account is then **paired with a *MyFitnessPal* account**, if permission is given, and food tracking can begin.



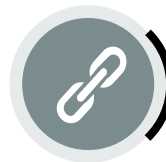
Step 1

Customers sign up to the Walmart membership and start their **\$2/month subscription**.



Step 3

Walmart unlocks the member features on the app and prompts the user to **fill out a form** about basic health info.



Step 5

Data collection can start, and the customer may use the app to track their health and diet. They will be prompted to sign up for their initial spit test if they have not yet done so. They will continue to be reminded every 6 months.

Merging Health with Walmart Retail

Evaluating Potential Customer Pain Points in Offering Personalized Healthcare and the Keys to Avoiding Them

Overview

While nutritional recommendations specifically in retail are not an entirely new concept, there are a few key aspects to providing the most valuable experience possible. When it comes to personalization (a trend that the younger demographic is leading) and integrating it with big brand retailers or big data companies, customer desires are centred around these four key pillars:



Connection

77% of people familiar with dietitians believe their advice. Having a registered nutritionist in each Walmart store to answer questions and provide the human element to healthcare is vital in connecting to customers.



Affordability

Over half of customers' biggest issues with retailers' price strategies is that there are cheaper alternatives. At only \$2/month, this membership program will continue to provide customers exceptional value at very low prices.



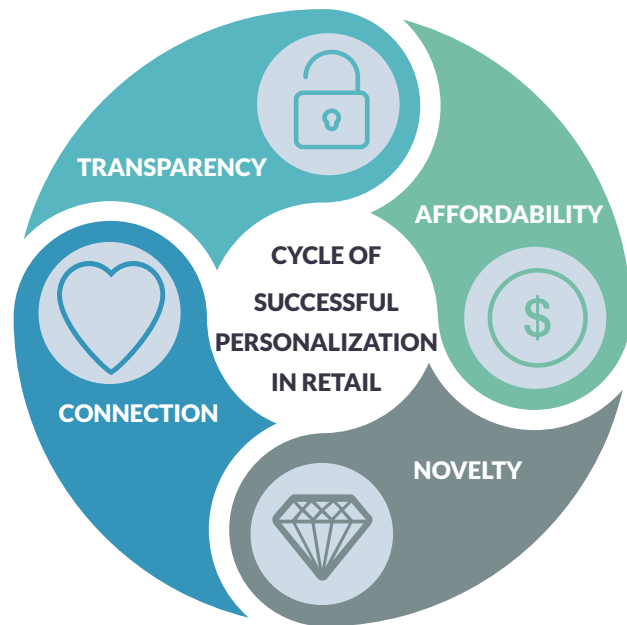
Transparency

Consumers will pay an average of 25.3% more for personalization, but 91% of them want to show what data is collected first. Visibility of what data is being used to create recommendations will benefit all parties.



Novelty

By allowing for **30-min consultations with nutritionists every 6 months**, and upgrading the food tracking app to update with each customer's shopping order, Walmart will allow for new, delightful experiences with better food tracking.

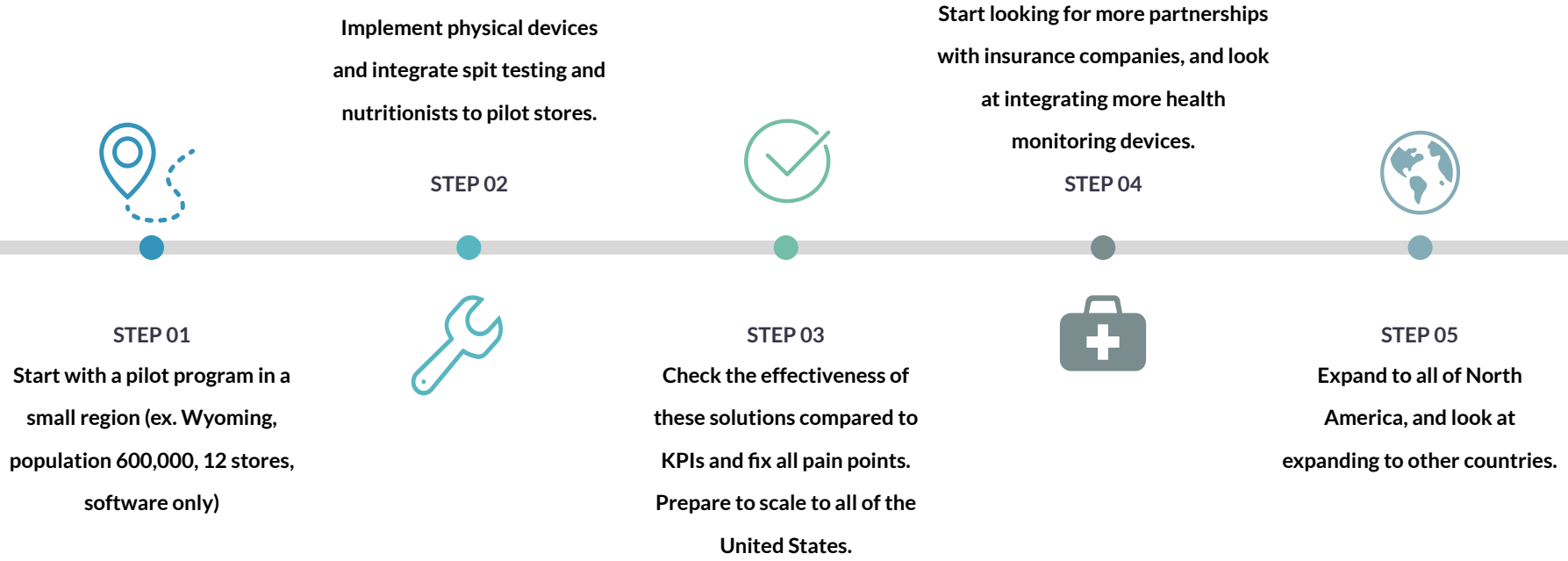


"As a nutritionist at a local grocery store, I have noticed that my client base is getting younger and more widespread, with people from the general population in their 20s and 30s seeking more nutritional services. The missing piece with stores is personalization, and this solution will definitely help in attracting more customers to retail stores like Walmart." - Andrea Bartels, Registered Nutritional Therapist, In-Store Nutritionist at Natural Food Pantry



Implementation Plan

Execution Strategy for Developing and Expanding the *MyWalmart* Customer Membership Program



Cost Analysis (USD)

Assessing the Available Market and Creating Future Projections

	Item	Description	Frequency	Price
1	Nutritionist	There to provide assistance to customers and operate the machine	Yearly	\$200,000
2	PCR Spit Testing	Able to check for nutritional deficits and other biomarkers	One time	\$40,000
3	App development	Integration of myfitnesspal and health suggestions update	One time	\$50,000
4	Storage solutions	Data server to hold user info.	Per petabyte	\$50,000
5	Disposables	Devices used to collect spit and dispose of it.	Per 10,000 people	\$1,000-2,000
6	Set up costs	Transporting and setting up equipment, clearing space.	First time	\$10,000

*One Nutritionist per store should be enough to give 30 minutes of their time to each customer.

**If we look at the number of returning customers Walmart has each year, if 8% of those customers are members for just \$2/month, that will cover all costs shown above.

MyWalmart Membership Rollout/Impact

Taking the Customer on a Hero's Journey to Bettering their Health

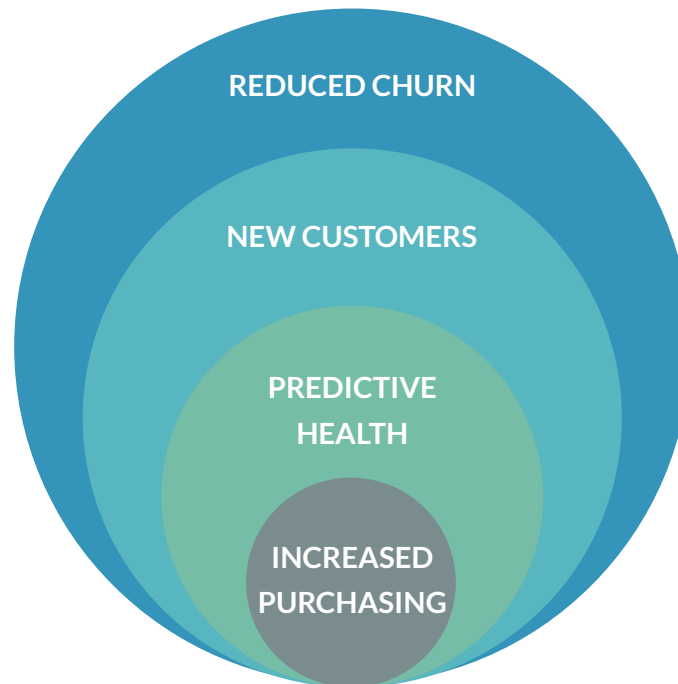
Based on the estimated market for shoppers in North America who value personalization, an estimated **76,860,624 new customers** will join Walmart due to this solution. Not only that, but based on the average money spent by shoppers at Walmart each year, an estimated **\$32,684,980,360** can be gained in yearly revenue!

The opportunity to engage in a novel experience, and one that can provide physical *and* monetary benefits will draw new customers to Walmart.

Walmart can analyze simple health data at scale to spot health trends, and use those trends to make health predictions.

Health conscious customers will be more likely to buy supplements and exercise equipment from Walmart.

The personalized experience will increase trust and loyalty in customers, reducing churn.



Current Customer Journey Map

Why Not in Stock is Not Good Enough

Thinking

Make a grocery list by hand or on phone app

Drive to store, get cart, look for items on list

Wondering why certain items weren't where they used to be

Browse around for alternatives, look at contents for items

Settle on an unideal item and go to checkout/self-checkout

Feeling

Ready to go to the grocery store

Happy that first few items easily found

Worried since lots of items are missing

Unsure if products will fit their needs, don't know what to make of all the nutritional data

Dissatisfied since they weren't able to get what they wanted

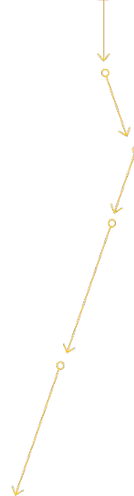
Pain Point

Unable to know what stock levels look like beforehand

Impersonalized experience based on customer data

No compensation to retain customers for their inconvenience

Happiness Level



Customers are presently dissatisfied with the retail shopping experience at Walmart. The lack of transparency with stock levels on personally recommended items is a tremendous pain point. It causes immense confusion and dissatisfaction among customers, especially since they are in no way compensated for a lack of stock availability. Customers want their needs met, and with this being one of the biggest ones, it's a direction that retail stores like Walmart must be going soon.

2. The Problem with Retail Stockouts

The Vital Essence of Trust and Consistency Needed for Retail Success

In a survey conducted on 71,000 consumers from 29 countries:

Fact 01



Losing the Newer Customer Base

75% of millennial shoppers have left a store without purchasing an item due to stockouts.

Fact 02



Losing purchases of in-stock items

The leading reason for leaving stores was stockouts: **39% of consumers leave stores without purchasing** due to the issue.

Fact 03



Losing intended purchases

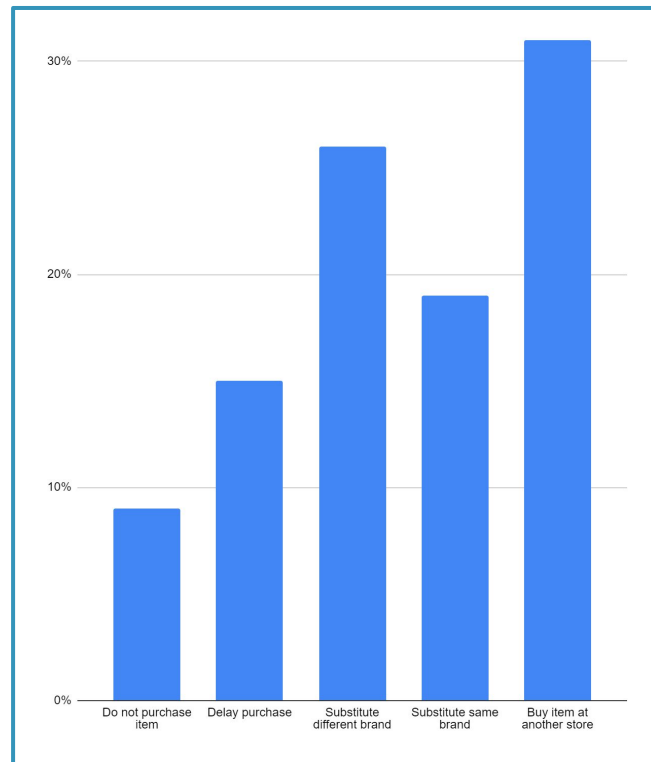
Retailers lose nearly half of intended purchases when customers encounter stockouts.

Fact 04



Helping Competitors

43% of customers will go to another retail store to buy an item that is out-of-stock, which is awful for stores like Walmart.



Stock-Checking Solution

Creating Inventory Visibility and Transparency on an Individualized Level



Personalization

Uses **machine learning** to analyze the customer's frequently bought items and creates a shopping list. Customers can **add to their list** if they are planning to buy something not on their pre-made list.



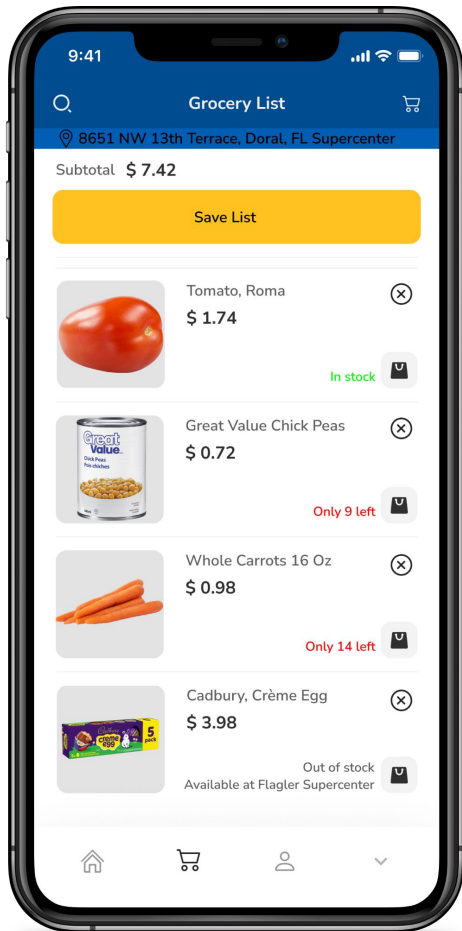
Inventory Check

If a customer is about to go to the store, the app will conduct a **stock check in the inventory management system** for all items on the customer's list. If there are any low or no stock items, the **app will inform the customer**.



Options

It will then ask if the **customer wants delivery**. If not, it will check inventories of stores within a 30 km radius of the customer and will show if any of those stores have the product. If customer doesn't want to go to another store, it will provide **substitutions** based on keywords in the product's name in the preferred location.



A mockup of what the “Grocery List” feature on the Walmart app could look like with the stockout solution

Putting the Customer First

Features:

- Uses machine learning to recognize your usual grocery items, allowing you to build off the items you usually buy
 - Can have a saved list of stuff (ex. milk, bread, eggs) to which you can add items to, for just one trip
 - Checks/makes sure you don’t want to buy something you usually do
- Notifies you when stock levels are low/empty at your local store
 - Can tell you based on the shopping lists you make on the app
- Suggests alternatives if an item on your list is missing in multiple locations
 - Ex. a different brand of ketchup or a different type of sauce

Customers that declare stock outs as their biggest shopping pain point



Customers that go to another brand after experiencing 3 stockouts

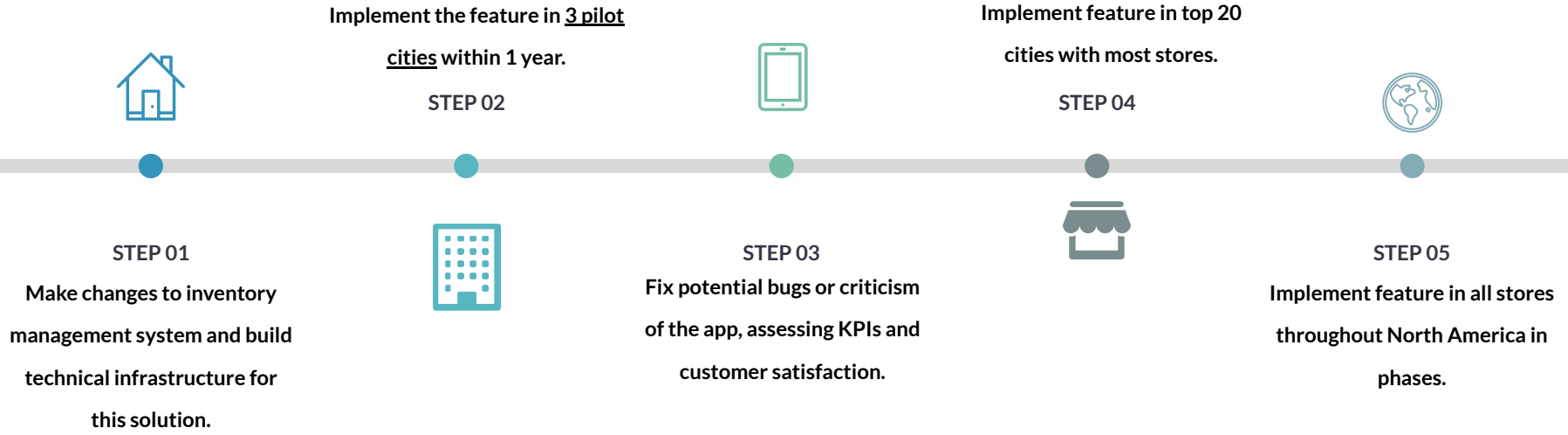


Gen Z consumers that would never go back to a store with stockouts



Implementation Plan

The Go-To-Market Strategy for the Stock-Checking Solution



Stock Visibility Rollout/Impact

Visualizing the Scale of Growth with its Impact on Revenue and Customer Loyalty

Once this solution is fully implemented, it will return 4% of lost sales, which will translate into **\$14.6 billion** extra annual revenue for Walmart. Not only that, but based on the amount of money the average shopper spends per year at Walmart, Walmart will gain **1.6 million new customers in North America!**

2023

Implement in all stores in 3 pilot cities.

2024

Implement in stores within cities that span across North America

2029

Implement in all Walmart supercentres throughout North America.

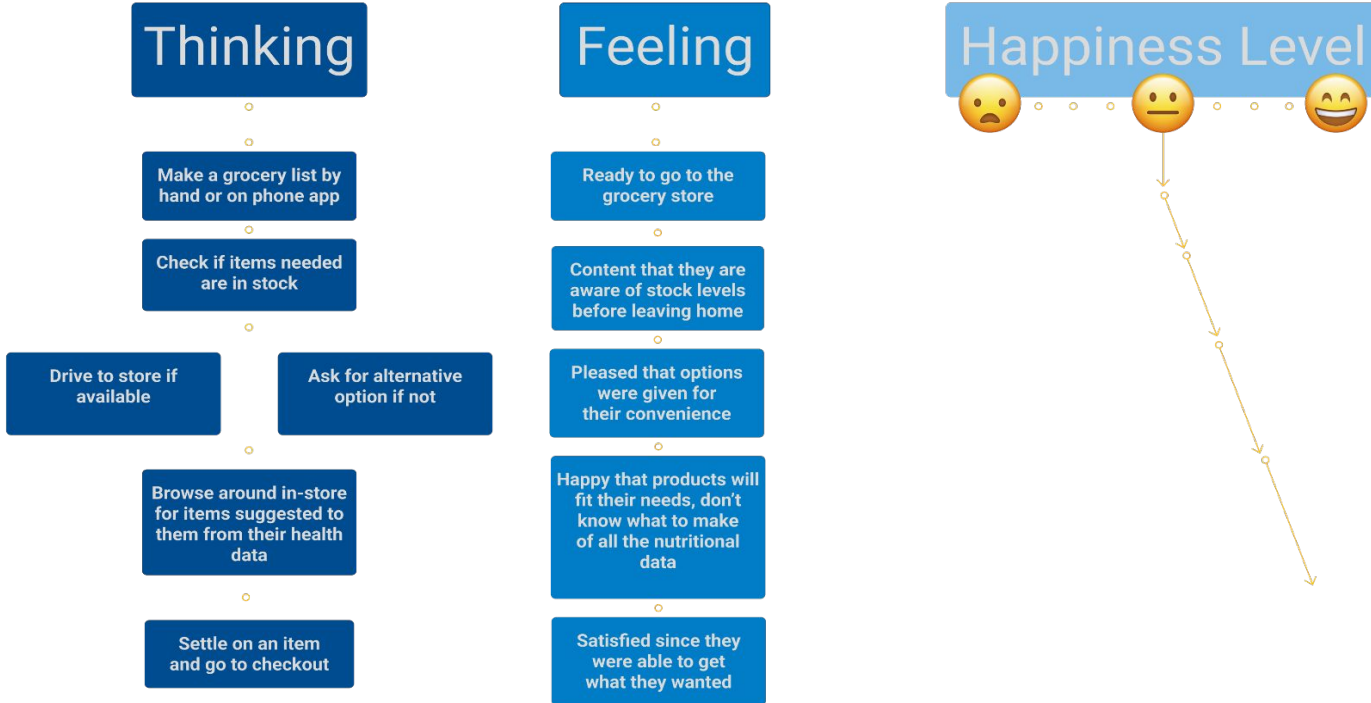
2030

Implement in all Walmart stores throughout North America.



Updated Customer Journey Map

Resolved Pain Points of the Shopping Trip



By implementing the stock-checking solution, customers no longer experience the same pain points in their shopping trips. They are constantly aware of real-time stock updates and are offered many alternatives if a particular item is not in stock. So, they can rest assured knowing that Walmart truly cares about them beyond being just a new revenue source for their business, but in being a human whose needs they want to fulfill.

Overall Summary

Understanding the Revolutionary Impact of Our Solutions

To recap:

Solution #1: MyWalmart Membership Program

- Provides personalized health/nutrition recommendations to customers based on biomarkers determined through spit tests
- Customer Impact: **75,860,624 new shoppers**
- Revenue Impact: **\$32,684,980,360/year**



Solution #2: Stock Visibility App

- Provides real-time stock level updates to customers based on shopping lists they create on the Walmart app
- Customer Impact: **1,670,830 new shoppers**
- Revenue Impact: **\$14,574,784,000/year**



PERSONALIZED WALMART SHOPPING EXPERIENCE



- A shopping experience that repeatedly delights,
- Customer Impact: **77,531,454 new shoppers**
- Revenue Impact: **\$47,259,764,360/year**

The Walmart Experience in 2030

Building a Lifestyle and Community with Customers

With our solutions, Walmart will continue to commit to its standards of being people-driven, tech-enabled business that saves customers money to help them live better. The value proposition that comes with implementing these solutions is that they:

- 1 PUT THE HUMAN ELEMENT OF RETAIL AT THE FOREFRONT**
- 2 ENABLE PERSONALIZED CONNECTIONS WITH INDIVIDUAL CUSTOMERS**
- 3 MEET CUSTOMERS WHERE, WHEN, AND HOW THEY WANT TO BE MET BY:**
 - Eliminating pain points like stockouts
 - Centralizing customer nutritional data with where they can buy food too
 - An omni-channel experience to enhance the customer journey
 - Improving shopping efficiency through real-time stock updates
 - Valuing social/environmental concerns such as public health



This solution is not just about great quality products at a tremendous price. It's not just about the in-store experience that will repeatedly delight, but more so the goal of **creating a lifestyle that customers love**. If Walmart can **create a sense of being** where millions of people around the world can unite to proudly say **"I LIVE Walmart!"**, then true disruption can be achieved in creating a retail store of the future that lasts!



"If you focus on building a COMMUNITY, you will never become a commodity!" - Lloyd Lobo, Co-Founder Traction Conf, Community-Led Growth Expert

What Experts Are Saying

Validity of a Personalized Customer Shopping Experience



ANNE MEZZENGA



Co-CEO Omni Talk, Former Director Target Store of the Future Marketing & Partnership

“These are all great ideas! We’re seeing a lot more personalized shopping now, and these solutions will help bring Walmart to the forefront of this experience. Focusing especially on partnering with companies that customers are familiar with will allow for a more seamless transition, making Walmart a continued leader in retail for years to come.”



JOSH SOOKMAN



Founder at MasterHealth, Product, Growth & Leadership Team at Ritual

“I really like this personal habit-changing style. Especially being only \$2 a month, it is a great solution that fits Walmart’s business model. I work with a lot of nutritionists in my own businesses, so it makes a lot of sense to connect it back to the human element. A lot of people try to have better habits, but the key to success is interacting with an expert.”



CHRIS WALTON



Top 100 Retail Influencer, Former VP Target Store of the Future

“Having clear availability of certain products that customers desire is a needed idea in any store of the future design. Being able to repeatedly fulfill promises to your customer base through an inventory visibility system and adapt to what their changing needs are is a requirement that comes with being a retail business in the next 10-15 years.”

People to Contact

Experts in Many Aspects of Both Solutions

PARTNERSHIPS



Diane Soranno

Strategic Partnerships & Corporate Development Lead at MyFitnessPal

NUTRITIONAL SERVICES



Nancy Tran-Kim

Registered Holistic Nutritionist, Strength & Conditioning Advocate

INVENTORY EXPERTS



Sukesh Reddy

Senior Retail Consultant at Oracle

APP DEVELOPERS



Sai Vikranth Desu

Native App Developer at silverorange



Jennifer Hartman

Director of Business Development, Healthcare Partnerships at Noom Inc.



Josh Gitalis

Clinical Nutritionist, Functional Medicine Practitioner



Mayra McGray

Inventory Management Supervisor at Zappos Family of Companies



Kevin Kaye

Mobile App Developer at Dundas Games

Addition Research & Playbooks

All the Tiny Details You Might Need

Retail Personalization

Consumer Trends

Case Studies

MyWalmart Membership

Scientific Validation

Additional Partnerships

Feature Perks

Global Expansion Plan
+ KPIs

Stock-Checking Solution

Scientific Validation

Reach out Strategy

Global Expansion Plan
+ KPIs

Other Information

Challenge Hub

Sources

Walmart



**Gabriel
Bernal**



**Surya
Sure**



**Milind
Kumar**



**Graeme
Epp**



**Alexandre
Boutoille**



Thank you, Walmart!

We're so excited by the work you're doing towards creating the in-person retail store of the future for 2030. This Challenge has allowed us to learn more than we could have ever imagined. Re-creating the in-store experience is an extremely complicated task, which forced us to be resourceful, data-driven, and communicate effectively with our group members throughout this past month. We are very humbled and grateful to have received this opportunity from your team to help in solving this problem. We hope our recommendation was valuable, and we can't wait to see what direction you follow to better the in-store experience for customers like ourselves!

[Here](#) is a thank you video we made to show our appreciation!