Redefining Walmart's Customer Experience

Transforming The Way Customers Shop

Walmart

TKS The Knowledge Society

Executive Summary

Problem

Although 85% of customers prefer shopping in-store, challenges faced by customers in-store and lack of personalization causes 76% of customers to shop online, resulting in a loss of $28 billion in annual revenue

- During the pandemic, people discovered the benefits of online shopping, which doesn't possess problems that customers face in-store.

- Walmart customer's face problems such as difficult navigation, inaccurate in stock inventory, and is understaffed making it difficult for customers to find help.

Solution

Attract customers back to stores by providing a personalized experience through omnichannel approach, with potential revenue gains of up to $30 billion

#01 AR: AR features added to the Walmart App that enables customers to sign up for Skill Room events, navigate in-store, get product recommendations, and let customer's contact staff members

#02 Skill Room: Experiential rooms which offer themed experiences to allow customers to interact with Walmart's products and learn from experts in different fields

Outcome

By incorporating unique in-store Omnichannel experiences, Walmart will attract new customers, increase customer loyalty and retention which will increase revenue.

Walmart would be able to attract new customers and retail long term customers with these innovative solutions. **It will increase conversion rates by 40% and Retention Rate will increase to 89%.** Walmart will be able to create a frictionless customer journey which will increase customer lifetime value and increase overall traffic in-store.

Meet Julia

For the past 10 years, Julia shopped at retailers in Europe such as Schwarz and Kaufland. She arrived to Canada 4 years ago. While shopping at Walmart, she faces many issues and doesn't have the same personalized shopping experience as she had expected **Here is the problems that Julia faces while shopping in Walmart**

★★★☆☆

"
There is no problem of going around the store, treasure-hunting for items, not being able to really interact with them and wait in long lines, when I can get everything online
"

The layout of each Walmart is different, so I spend a lot of time finding items I need and I try to go on the website, but it shows an item is available and when I go, it is not available in the store. It can be very frustrating
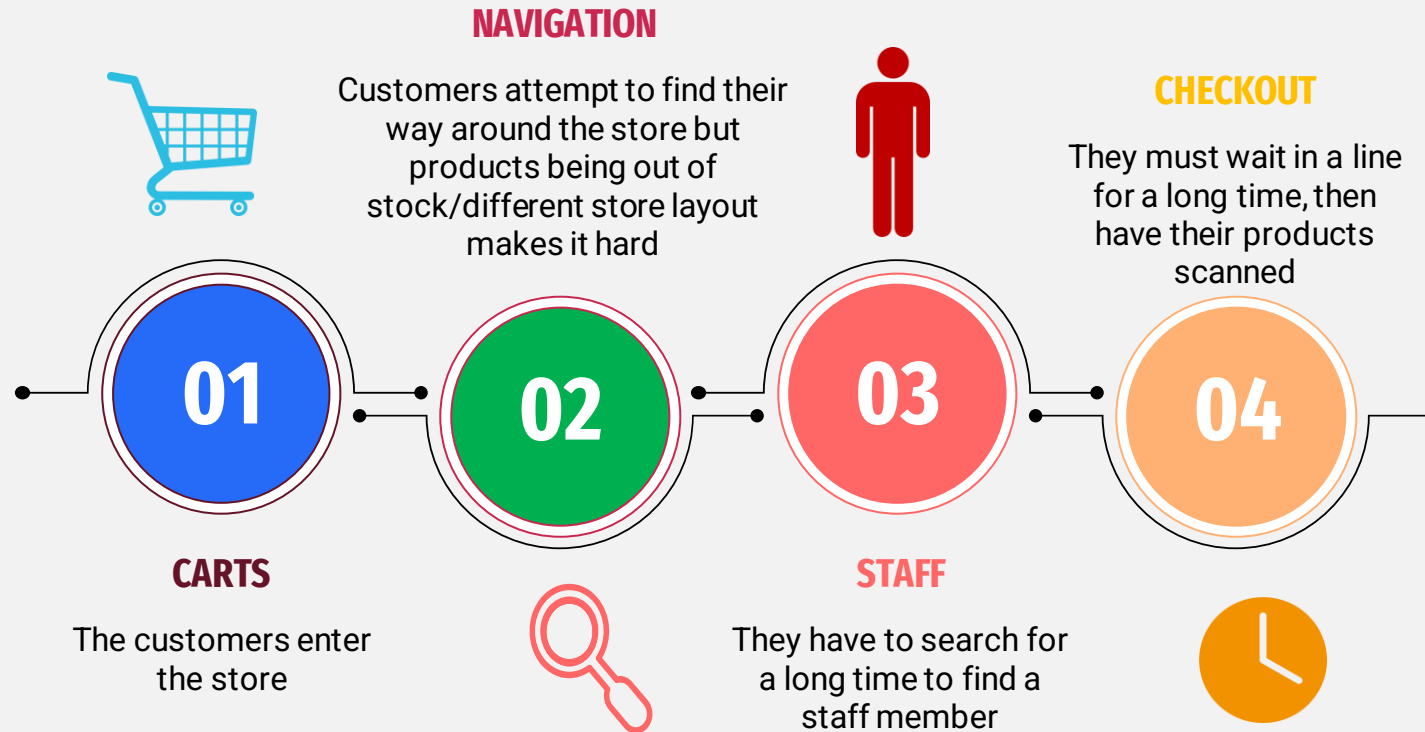
It is hard to shop with kids, they run off to an aisle when they see a cool new toy or can distract me from shopping items what I need. It feels like 70% I am invested in her more than the actual shopping.

I don't really see any value of going to Walmart in person, it takes a long time to to look for a long time for someone to help me, sometimes the products are not in stock/difficult to find, during Covid I realized with just a few clicks, I can order everything I need.

Current Customer Journey

NAVIGATION

Customers attempt to find their way around the store but products being out of stock/different store layout makes it hard

CHECKOUT

They must wait in a line for a long time, then have their products scanned

01

02

03

04

CARTS

The customers enter the store

STAFF

They have to search for a long time to find a staff member

Solution Overview

Recommendations

Walmart InVision

VISION

Walmart which is tailored towards what the customers want: A quicker, frictionless shopping experience where they no longer have to wait an excruciating amount of time in lines or seek help from associates with miniscule things like finding products.

OUR PROPOSAL

Walmart InVision → An app which will be integrated into Walmart's app. It uses AR to navigate customers precisely throughout the store, give product recommendations(84% of consumers say they are more likely to shop with brands that provide offers and recommendations that are relevant to them) as the customer browses through the aisle, displays product info, reviews, helps you find substitutions to products that are not in-stock, and let's customers try-on merchandise.

CREATE

Users can verbally say what items they want, and app displays actual Walmart products that correspond to each item they said, the list of Walmart products are filtered by best discounts and reviews

LOCATE

AR navigation feature guides customers using arrows and shows product recommendations along the way

INTERACT

Customers can visualize how they will look in a certain outfit using AR and view available associates and call them over for assistance

View Implementation Plan

Features

AR Guided Navigation

Step by Step directions will be shown using AR arrows, to guide the customer throughout the store, the route will be optimized to allow the customer to collect their items efficiently/fast.

Product Substitutions

Walmart InVision can track amount of an item left in stock and inform employees when an Item is out of stock. If an item is out of stock, the app will give suggestions for alternative products, taking into account size, type, brand, price, any preferences/restrictions/previous products customer has picked in the product category
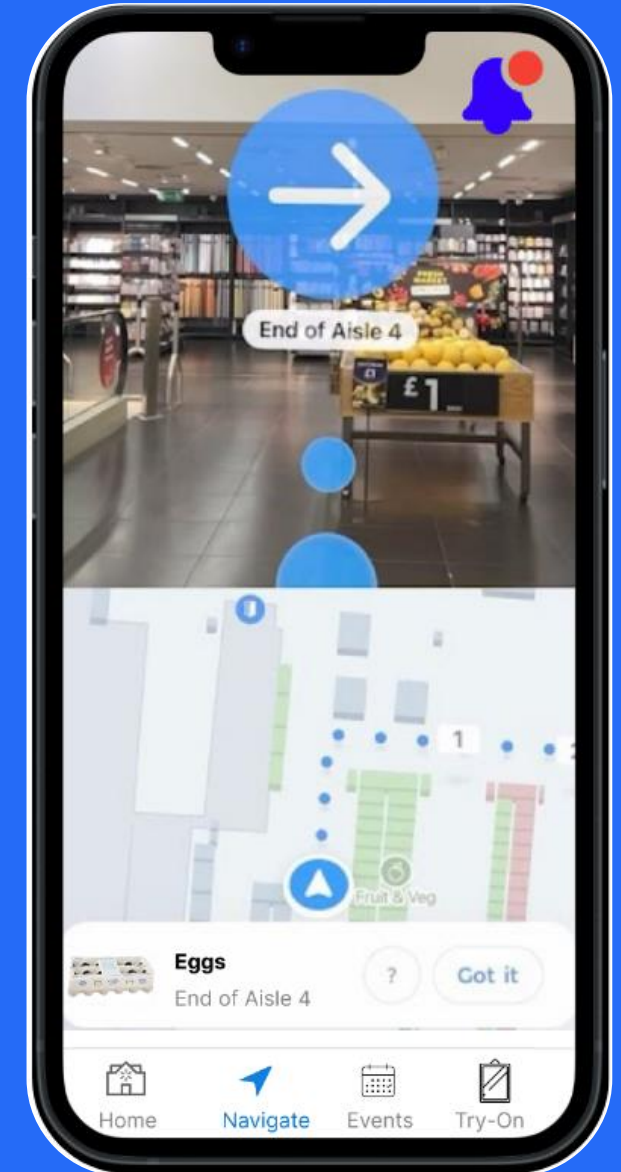
Product Info

You will be able to see information about any product just by taking a photo of it and also be able to see customer reviews

Try-On

When customers are browsing an aisle, if they see a product that they are interested in and if the object is wearable(e.g clothes, cosmetic products, etc) then they will also have option to try it on using AR

Click To View Prototype

Other Features

Event Sign Up

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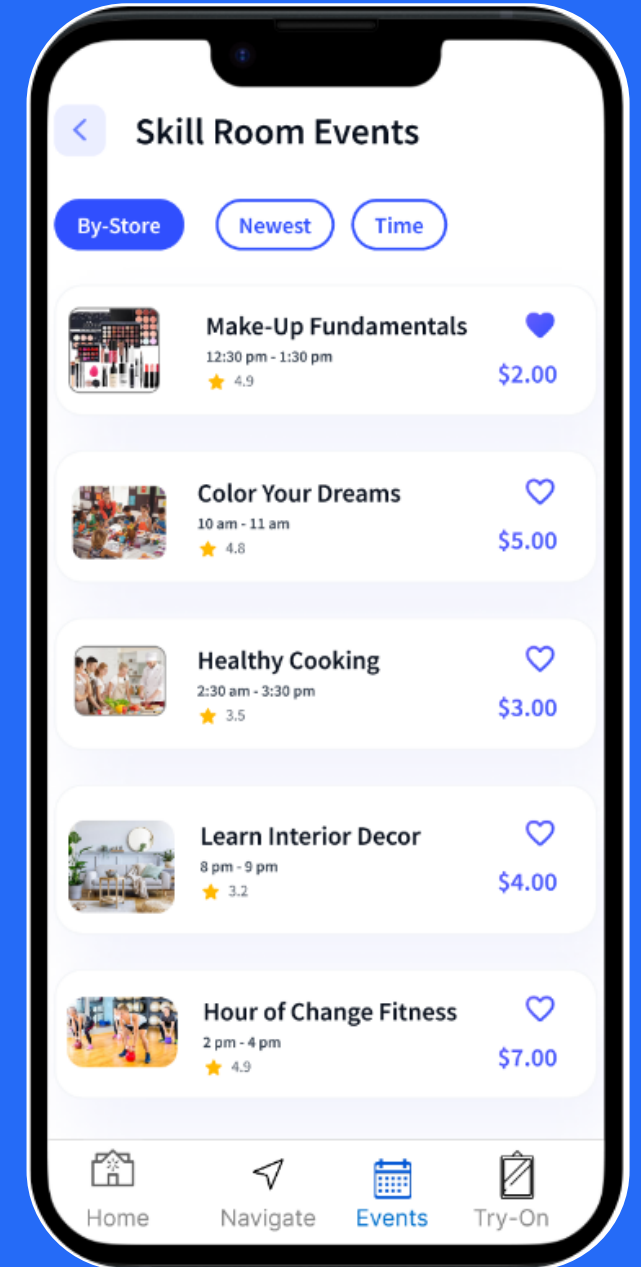
Product Recommendations

Based on your previous experiences, preferences, dislikes, what you look for in a good product, brands you like, etc. Products will be recommended to you as you walk through an aisle using beacon technology

Talk to Associate

If customer is elderly and/or unable to use the app, they can always press the help button which will let an associate know their position in the store and will be able to come to customer to help

Skill Room Events

By-Store   Newest   Time

Make-Up Fundamentals
12:30 pm - 1:30 pm
⭐ 4.9 $2.00

Color Your Dreams
10 am - 11 am
⭐ 4.8 $5.00

Healthy Cooking
2:30 am - 3:30 pm
⭐ 3.5 $3.00

Learn Interior Decor
8 pm - 9 pm
⭐ 3.2 $4.00

Hour of Change Fitness
2 pm - 4 pm
⭐ 4.9 $7.00

Home   Navigate   Events   Try-On

Opportunity

$545.75 bn

Market size growth

2022   2025

Revenue Increase from AR solution

600
750
600
450
300
150
0

Revenue (in billions)

▲ $25 billion

Now   With AR/AI

40% of shoppers would be willing to pay more for a product if they are able to experience it through AR first.

56% of shoppers

Agree that AR gives them more confidence about product quality.

60%

Of customers who said Walmart isn't their top choice as a retailer indicated their top desire would be to leverage technology to decrease time needed in store.

54% of shoppers want to readily view information about an item or product as soon as it's scanned with the phone camera.

Case Study

Problem

IKEA stores were overwhelming, they had large inventory, store size, the store was difficult to navigate. IKEA sold furniture, customers were reluctant to buy futniture because they didn't know if it would fit in the space they have at home, or how it would look

Solution

IKEA launched an AR app. Users can choose from thousands of products and visualize how it looks in their room, allowing customers to try different styles, colors and type of furniture. They also launched a navigation app by partnering up with Google Maps and were able to see floor maps and department labels

Outcome

IKEA's revenue increased by $4 billion from 2012-2013(when it implemented navigation app) and $1.4 billion from in-store customers to $5 billion from in-store during 2017-2018 from implementing AR to allow customers to visualize furniture in their rooms, their customer loyalty score increased by 20%

Skill Room

VISION

To create a fun, authentic experience that allows the customer to see if a certain product fits their needs as well as, participate in a learning experience in which you can learn from experts in the field.

PROPOSAL

The Skill Room is an experiential hands-on workshop led by the Expert of the Week who takes the customers on a journey, where they get to learn how to get the most out of the products they want to buy or guide the customers through mini-tutorials. This helps customers build a deeper connection with Walmart and have an incentive to look forward to when they visit the store.

Ideas For Skill Room Events
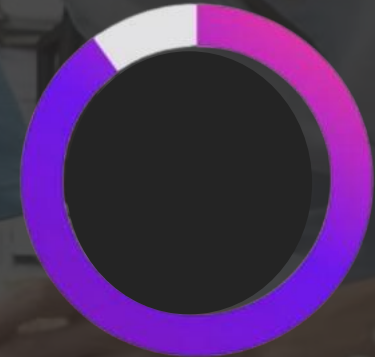
Implementation Plan

Opportunity

82%
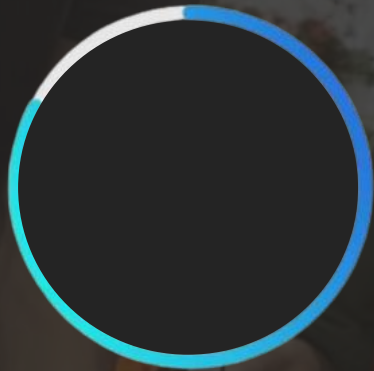
Of consumers want to view-and-feel products in-store before purchasing online

$4 Billion

Is the amount of revenue which can be increased via In-Store Workshops

90%

Customer recognition and Brand loyalty will increase to 90% after integrating Skill Rooms into Walmart

Problem

Home Depot was just a transactional hub and faced a lot of competition. Customer's did not have an strengthened connection with the store, and had low brand loyalty.

Solution

Home Depot launched a workshop for kids in store. Kids receive a kit upon arrival containing materials for the project of the week(e.g. building a wooden house). The instructor guides them through the build and they get to take it home at the end.
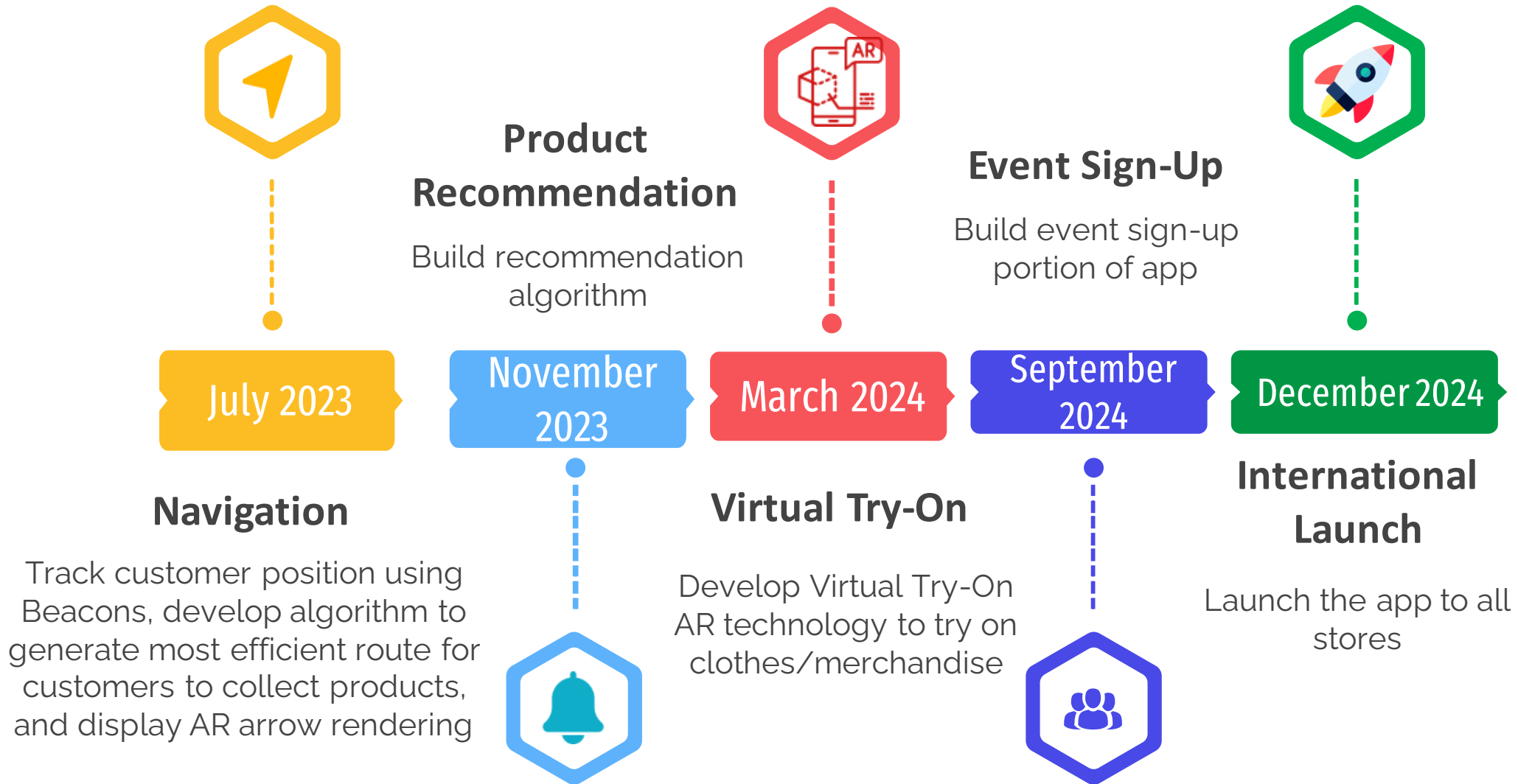
Outcome

Within a year, Home Depot's revenue increased by $5 billion. Customer Loyalty and Brand Recognition improved significantly. Home Depot was able to attract 68% more customers than what it was originally attracting

Timeline

Product Recommendation

Build recommendation algorithm

Event Sign-Up

Build event sign-up portion of app

| July 2023 | November 2023 | March 2024 | September 2024 | December 2024 |

Navigation

Track customer position using Beacons, develop algorithm to generate most efficient route for customers to collect products, and display AR arrow rendering

Virtual Try-On

Develop Virtual Try-On AR technology to try on clothes/merchandise

International Launch

Launch the app to all stores

New Customer Journey

Products/Experiences

01

Customers can visualize 3D models of products using app and participate in workshops

03

App

02

Checkout

The app greets the customer as they walk in, notifying them of events/deals, and navigates them seamlessly to find everything they need

Customers can proceed in line to checkout

EXPERT OPINIONS

Harpreet Gill

Product Manager at Walmart

"A experience that provides customers personalization, efficiency, and convenience which is delivered digitally will be the future of retail. This team's recommendation solves many key challenges facing Walmart's customers using AR which is a future many customers would be excited about"

Aaron Liu

Product Manager at Walmart

"The idea that this team proposed of using Skill Rooms is a great way to get customers to interact with the brand and it's products. It also gives customer's an incentive to come in store by creating a community-like experience which would increase retention of customers and change their opinion of Walmart as a transactional hub which could definitely boost revenue. "

Thank You

Our team is grateful for Walmart for this opportunity and appreciates Lee and executives for taking time to answer our questions

Kahn Shah

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Darren Su