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???Peter Schultz



Walmart recently announced quarterly earnings that exceeded analysts' estimates, with operating profit growing by 18 percent. Why did Walmart grow so well even though supply chain costs were over $400 million higher than expected and the surging Omicron threatened in-store shopping? Because the company is successfully adopting a total experience approach to retailing.

What Is a Total Experience Strategy?

A total experience strategy means applying technology and user experience to maximize the value of both the customer and employee experience. With a total experience approach, a retailer gives customers multiple touch points to the store and supports employees with the right tools to more nimbly service customers.

The concept of the total experience has famously taken hold with businesses that rely on efficient product delivery, such as quick service restaurants. Domino's Pizza has become renowned for reducing friction and increasing revenue with multiple platforms and delivery options. Domino's offers

customer 15 ways to order a pizza, ranging from an app to AI-powered voice interface. Domino's employees use an app that delivers a great employee experience with accurate order management data, GPS tracking, and routing. Domino's enjoys $14 billion in revenue globally, with 65 percent of sales coming from digital.

How Walmart Is Adopting a Total Experience Strategy

In recent years, retailers have sought more flexible ways to make products available to customers, including the adoption of curbside pick-up, buy-online, pick-up in store, and home delivery. In 2016, Walmart's began piloting Pickup and Fuel concept stores, where customers order online and then drive to Walmart to have their groceries loaded into their cars by employees. These developments occurred as developing its own ecommerce business and gained more efficiency through its offline infrastructure. For instance, in 2016, Walmart purchased ecommerce company Jet.com.

More recently, Walmart has improved its flexible service approach. For instance, Walmart is growing Walmart InHome, the delivery service that takes items from store aisles straight into customers' homes. Walmart are scaling this service to 30 million U.S. homes and hiring 3,000 additional associates to captain an entirely electric fleet of delivery vehicles. To pull this off, Walmart is adopting a Market Fulfillment Centers (MFC) model for its 4,700 U.S. stores. Walmart has increasingly made its stores hubs for fulfilling online orders from customers who live close by – while continuing to service customers who shop in-store and at curbside.

This all sounds great from a customer experience perspective. Customers can get what they want, where they want it, and when they want it with the help of the popular Walmart app – the leading shopping app in the United States. But this flexible model would not be possible without Walmart employees. And Walmart has been investing in its people with technology to make their jobs more rewarding.

How Walmart Aligns the Employee Experience with the Customer Experience

During a call with investors to discuss why Walmart is succeeding, the company's executives stressed the importance of aligning its people with customer needs through technology. John Furner, president and chief executive officer of Walmart U.S., said, "Having digital relationships with customers is so important. More and more, we fulfill orders from stores. This ability to interact with customers digitally is important." He added,

> Our workforce is becoming more digital. You got over a million associates who have a device in their hands from the minute they walk in until they leave, which is saving them time. And . . . we're using automation to augment the things that our associates don't want to spend as much time doing so they can spend the time on the things that are value-added, like in-stock and availability.

Those associates, armed with Walmart-supplied devices, possess real-time knowledge of inventory levels in-store. This helps them more effectively help customers in-stores find merchandise – while also servicing orders for curbside and home delivery. Without devices continuously updated with real-time data, employees would have a harder time pivoting to these multiple roles.

According to Walmart, the company is also empowering employees to become more effective with at-home delivery. For instance, its Spark Driver network is a proprietary delivery platform that connects drivers to opportunities. Customers place their orders online; orders are distributed to service providers through a Spark Driver app; and service providers accept to complete the order delivery.

Because of these and other changes, Doug McMillon, CEO of Walmart globally, said, “It's clear to me that we have years of profitable marketplace and fulfillment services growth ahead of us.”

Other Retailers Are Adopting a Total Experience Stategy

Walmart isn’t the only retailer embracing a total experience model. For instance,

- Best Buy has retrained store associates to deliver online orders to customers’ homes. The employees can choose to deliver ecommerce orders as a way of taking a break from their responsibilities in-store. The employees use official company cars to deliver packages directly to homes. The store associates are also trained to consult with customers on add-on options such as signing up for Best Buy’s membership program or recommending an in-home service associate to consult on the purchase of high-consideration products such as home electronics. This way, employees enjoy the option of getting out of the store, and they learn new skills. In addition, Best Buy is training some store associates to handle technical questions remotely via video chat.
- Target is adopting a more flexible working model with technology. A program called “Target On-Demand” caters to people seeking employment with Target but cannot commit to a regular part-time or full-time schedule. An employee simply needs to commit to is at least working one time in a 6 month period. With a mobile scheduling app, they can more easily pick up additional hours and switch available shifts. The app also makes it easy for those existing team members who opt to work on demand to pick up shifts that align with their schedules. Target On-Demand has become a popular option among team members who are full-time students, retirees, and those who want to work less frequently.
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The total experience is a journey. No single company has all the elements perfected. Many retailers are focusing on the employee empowerment aspect of the total experience right now because the Great Resignation has challenged them to attract and keep talent.

To take the total experience to another level of performance, retailers are looking at how to connect the entire store with artificial intelligence-powered data that supports both the customer and the employee. AI-powered data provides the adaptive digital fabric that ties together all four elements of the total experience. For instance, real-time data helps employees stay up to date on inventory levels across multiple stores in order to fulfill orders more accurately and faster, not to mention making it possible for customers to order products with confidence.

Ultimately, a retail store needs to have access to perfect data showing status of all inventory in order to manage every possible customer order and fulfillment option, ranging from buy-online, pick-up in store to home delivery.

Centific helps retailers act with agility as consumer behavior continues to evolve and businesses require stronger alignment between people, processes, and technology. We are a transformation

partner for clients in areas ranging from enterprise AI solutions to cloud enablement. We apply a human-centric approach to innovation, ensuring that modern enterprises build meaningful customer experiences that deliver measurable outcomes. Contact us to learn how we can help you do that.

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