Macy's

MKT 6352. 001 Group 3
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TABLE OF CONTENTS

01
Company Background

02
Business Objectives & Success Metrics

03
Analysis & Trends

04
Recommendations

Background & Online Presence

- Founded in **1858** by R.H. Macy & Co. in **New York City.**

- Annual Revenue (as of January 31, 2024): **$23.87B.**

- Operates *Macy's, Bloomingdale's, and Bluemercury* chains.

- Began selling goods online in **1996.**

- Macy's Marketplace - curated platform for third-party sellers.

- Implemented *Augmented Reality* for customers to visualize furniture in their homes.

- Macy's integrates online and in-store shopping with services like Buy Online, Pick Up In-Store and curbside pickup.

- Online sales contribute 32% of revenue, expanding customer reach beyond physical stores.

- Website data helps tailor product offerings, marketing, and inventory management.

"We are committed to providing sustainable and ethically produced brands, products and services for our customers, prioritizing human rights across our global value chain and reducing our environmental impact." - Macy's Mission

Business Objectives

Revenue Enhancement

Explore high performing channels to generate higher revenue

Success metrics: Revenue, Conversion & Waterfall Table Analysis

Re-engage churned customers

Reach out with targeted incentives and personalized marketing strategies

Success metrics: Cart Abandonment, Retention Rate, Bounce Rate

Improve User Experience

Analyze which pages users spent the most time on and improve the UI and UX

Success metrics: Device Traffic, Traffic by Country & User Engagement

Total Revenue

- Overall monthly revenue for October saw a large increase from 2023 to 2024. Daily fluctuations present in both years, but **overall total revenue increased YOY.**

- Revenue in **October 2023 was $126,967.20** while in **October 2024 it was $228,622.40.**

- This shows an **80.06% increase**, indicating that revenue went up by a substantial amount.

- We can uncover what trends led to this increase in revenue, to further push them and continue this positive trend in the future.

Revenue 2024 vs 2023

— Total revenue   — Total revenue (Oct 1, 2023 - Oct 31, 2023)
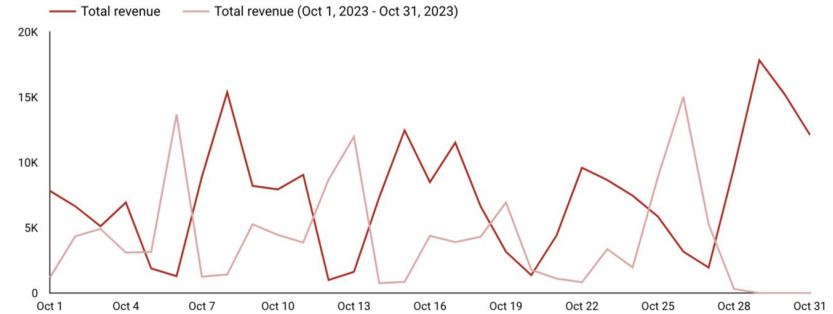
2024

Total revenue
$228,622.40
↑ 80.1%

2023

Total revenue
$126,967.20

Waterfall Table Analysis

	2024	2023	% vs ly	# vs ly		Impact on Revenue	Ratio	Adjusted Impact on Revenue
Visits	121,959	110,456	10.41%	11,503		$ 13,721.85	0.1547401	$ 15,730.14
Conversion	1.14%	0.73%	56.16%	0.41%		$ 74,003.42	0.8345303	$ 84,834.34
AOV	$ 164.59	$ 163.41	0.72%	$ 1.18		$ 951.47	0.0107296	$ 1,090.72
Revenue	$228,622.40	$126,967.20	80.06%	$101,655.20				
						$ 88,676.74		$ 101,655.20

- Revenue increased by **80.06%** compared to October 2023 where the main driver of the increase comes from Conversion with **+56.16%**.
- Overall, **AOV and Visits** also had a positive impact on revenue which states that we are receiving more visits and higher value for orders.
- This indicates that significant amount of **sessions** on our website leads to sales.
- We used **Purchase conversion rate** where it only considers e-commerce purchases.
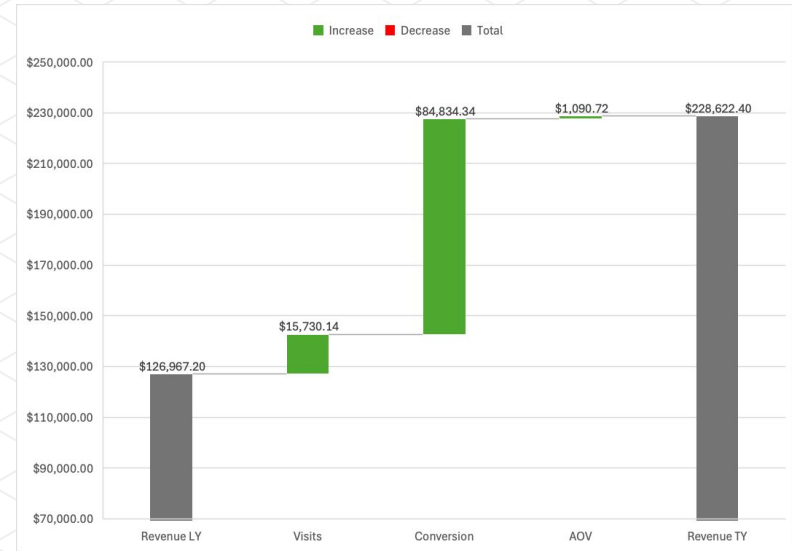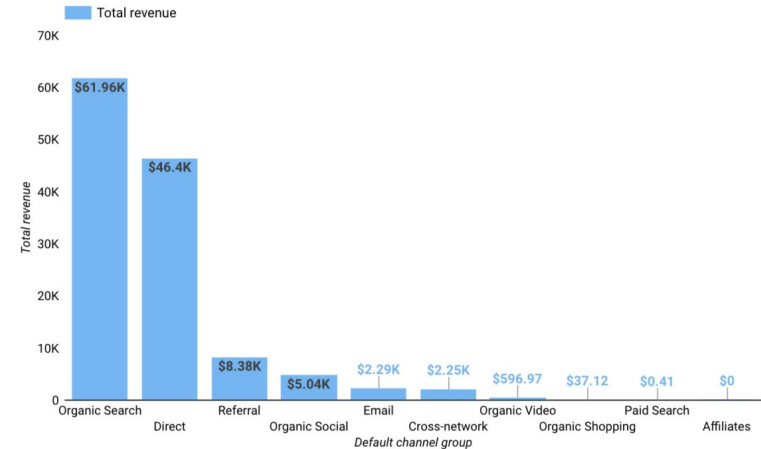
Revenue Breakdown - By Channel

**Revenue by Channel - 2024**
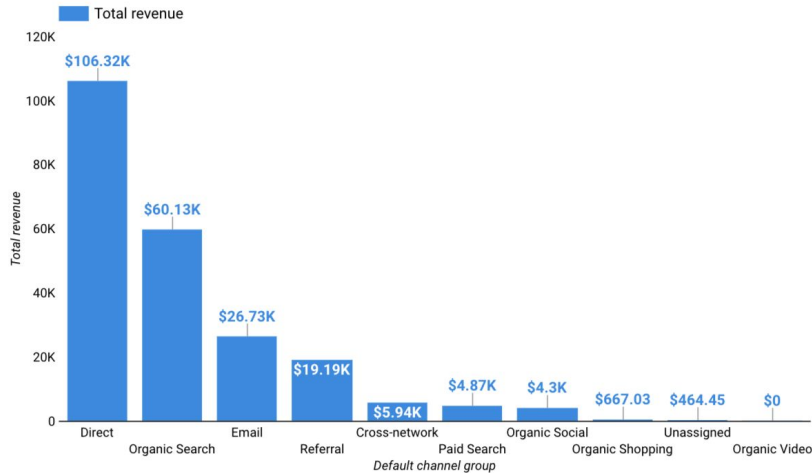
Revenue by Channel - 2023

- In both years, **organic search and direct load** represent the largest source of revenue
- **Key difference** : In 2024, email represented a larger channel source of income - jumping **up to 3rd place with an increase of $24,440**
- Referrals also played a big role in both years

Improving Digital Sales - Conversion Rate

- Purchase conversion rates represent the **conversion rate** based solely on amount of **ecommerce purchases** - given to us by GA4.
- Purchase conversion rate was fairly low both years - around or under 1% both years.
- However, there was a **55.1% increase in purchase conversion rate in 2024.**
- This indicates that **purchase conversion is improving** , but still room to grow.

Purchase Conversion Rate - 2024 vs 2023

Legend: — Purchase Conversion Rate   — Purchase Conversion Rate (Oct 1, 2024 - Oct 31, 2024)
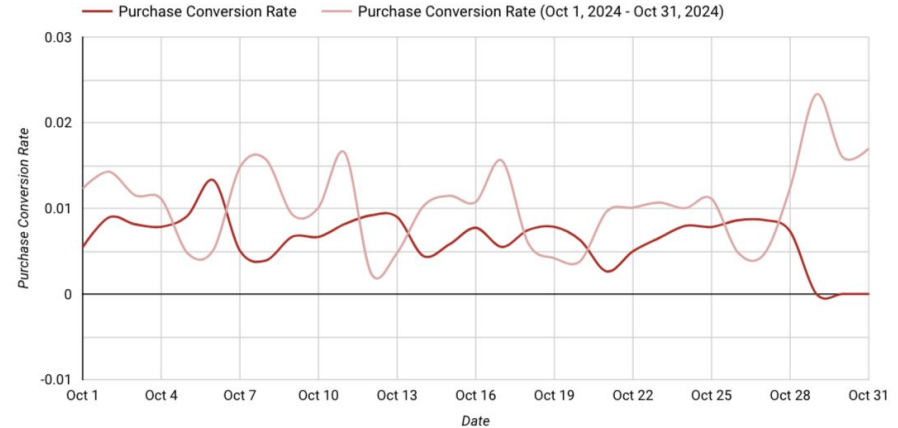
2024
Purchase Conversion Rate
1.14%
↑ 55.1%

2023
Purchase Conversion Rate
0.73%

Recommendations: Revenue Enhancement

Focus on SEO and SEM

Macy's is a well established company with a reputable presence in the industry - explaining why **Direct Load** is a top channel for revenue stream. To boost **Organic Search** revenue, we should conduct market research to better understand our audience which enables us to optimize search results by targeting relevant keywords and crafting effective titles, ultimately driving more organic traffic and conversions.

Promote more campaigns via email

In 2024, we saw a **substantial increase** in **revenue**. We also see that **email revenue** jumped up to being the **3rd highest** channel of revenue. We can tie these trends to each other and see that a large portion of our users provide revenue to us after using the email channel. We can use A/B tests to narrow down the types of emails consumer react better to, and further push out those emails.

Add incentives for users to sign up with email

Since emails represent a large amount of revenue in 2024, we can add promotions - like rewards, points to be redeemed, or discounts when users sign up with email- to **increase our database of users' emails**. This will give us a **larger audience in emails** and allow us to send out more targeted emails.

User Engagement - 2024 vs 2023

User Engagement in seconds

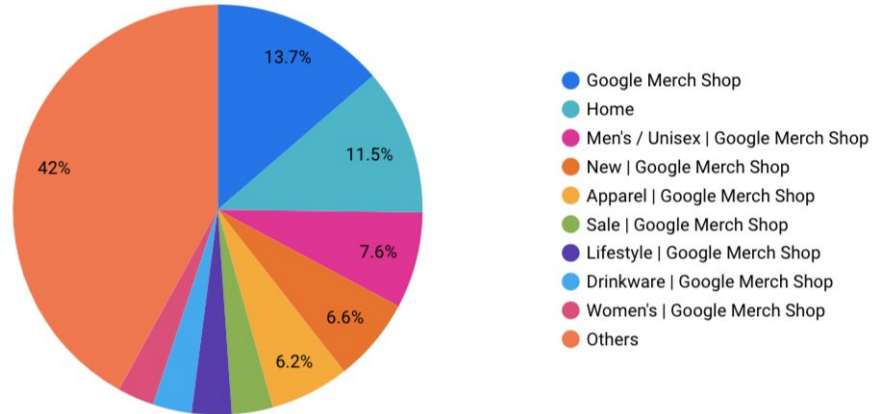- User engagement in October 2024 totaled **6,042,321** seconds of time users interacted with the page.
- This shows a **20.9% decrease in the amount of time users spent** engaged on our site compared to October 2023.
- Throughout the month, both years shows daily peaks and dips in the time users spent engaged on our site, but engagement was lower overall in 2024 - showing an **area of growth.**

User Engagement by Page

- When breaking down total user engagement by page, about **13.7% of time** spent by all users with interaction is on the "**Women's Fashion**".

- Next highest engagement time was on the **Macy's Home page,** and then on the **Men's / Unisex page.**

- We can leverage the time users spend on each page to **combat the negative trend** we saw from 2023 to 2024.

User Engagement in 2024 Across Different Pages

- Google Merch Shop
- Home
- Men's / Unisex | Google Merch Shop
- New | Google Merch Shop
- Apparel | Google Merch Shop
- Sale | Google Merch Shop
- Lifestyle | Google Merch Shop
- Drinkware | Google Merch Shop
- Women's | Google Merch Shop
- Others

13.7%
11.5%
7.6%
6.6%
6.2%
42%

*For this project, replace "Google" with "Macy's" to represent similar page names on Macy's website
*Replace "Merch" with "Women's Fashion" to represent pages on Macy's website

Traffic Across Devices and Countries

- The majority of sessions came from users using **desktops** to access our site - with an **18.4% increase** from 2023.

- **Mobile sessions decreased** compared to 2023, while **tablet sessions increased substantially** - by 85.5%.

- Broken down geographically, **United States** had the highest amount of sessions by a large margin - with **69,240 sessions.**

- **United States** sessions increased by **9.4%** from what they were in **2023**.

	Device category	Sessions	% Δ
1.	desktop	72,198	18.4% ↑
2.	mobile	43,555	-2.4% ↓
3.	tablet	7,127	85.5% ↑
4.	smart tv	7	0.0%

1 - 4 / 4 ‹ ›

Sessions by Country with % Change from 2023

	Country	Sessions ▼	% Δ
1.	United States	69,240	9.4% ↑
2.	Canada	12,420	-14.2% ↓
3.	India	7,148	-4.6% ↓
4.	Japan	2,977	32.5% ↑
5.	China	2,410	38.1% ↑
6.	Taiwan	1,939	-17.7% ↓
7.	South Korea	1,851	13.6% ↑
8.	Australia	1,763	57.6% ↑
9.	Singapore	1,365	7.1% ↑
10.	Vietnam	1,350	90.1% ↑

1 - 10 / 172 ‹ ›

Recommendations: Improve User Experience

Enhance popular pages

Since users are already highly engaged on certain pages, we can leverage this by adding features to drive sales. For example, displaying **ads** on **popular pages** can encourage additional purchases, while pop-ups reminding users to check out items in their cart can boost **conversions** .

Refine mobile interface

Though we are seeing a substantial **increase** of traffic from **Desktop and Tablet** , Mobile decreased by **2.4%** . It is not a big drop compared to other devices but it could lead to negative impact on revenue in the long run. Our Development team should look deeper into what caused these changes and fix the **user interface** .

Target users on top devices and in top locations

With a significant increase in **desktop** sessions, we should adjust our marketing strategy to **target** this audience with more **desktop** ads. Additionally, since the **US** has the highest sessions, we can focus more on US-targeted ads and reevaluate strategies in regions with lower traffic.

Cart Abandonment and Additions

- In 2024, the amount of times users added items to their carts decreased by **5.2%** from 2023.

- In 2024, the **majority of cart abandonment came from web traffic** (equivalent to desktop on GA4 segment overlap).

- Of all cart abandonments, **73.11%** were on desktops and **26.79%** were on mobile devices.

2024
Add to carts
15,067
↓ -5.2%

2023
Add to carts
15,890

Segment	Cart abandoners	Totals
Device category	Active users	↓ Active users
Totals	4,058 100.0% of total	4,058 100.0% of total
1 desktop	2,967	2,967
2 mobile	1,087	1,087
3 tablet	43	43

Active users overlap
- Web traffic
- Mobile traffic
- Cart abandoners

Mobile traffic   Cart abandoners   Web traffic
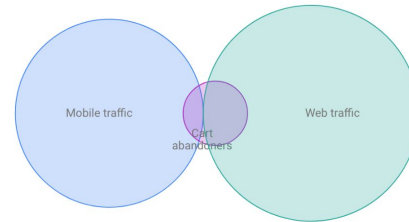
Bounce Rate - Breakdown by Landing Page

Bounce Rate 2024 vs 2023

— Bounce rate — Bounce rate (Oct 1, 2023 - Oct 31, 2023)

2024	2023
Bounce rate	Bounce rate
47.83%	13.93%
▲ 243.5%	

Highest Traffic Landing Pages with Respective Bounce Rates with % Change from 2023

	Landing page	Sessions ▾	% Δ	Bounce rate	% Δ
1.	/	75,043	114.5% ↑	46.14%	490.7% ↑
2.	(not set)	59,536	-2.2% ↓	99.41%	1.8% ↑
3.	/shop/apparel/socks	2,896	-	54.39%	-
4.	/shop/new	2,657	-	19.31%	-
5.	/canada	1,749	423.7% ↑	59.29%	157.2% ↑
6.	/shop/apparel/mens	1,733	-	56.09%	-
7.	/shop/apparel	1,296	-	32.48%	-
8.	/shop/lifestyle/bags	1,177	-	39%	-
9.	/store.html	1,079	39.9% ↑	50.14%	239.1% ↑
10.	/shop/shop-by-brand/youtube	1,009	-	34.59%	-

1 - 100 / 827 ‹ ›

- There is a bounce rate of **47.83%** in 2024

- Overall bounce rate in 2024 stayed consistent throughout the month

- However, this bounce rate was drastically higher than 2023 - by **243.5%** higher

- This reveals that the users' landing page is not keeping them engaged enough to interact with our site in almost half of the sessions

- **Home page** had the highest sessions, with a **114.5% increase** in sessions from 2023.

- The home page experienced a **490.7% increase** in bounce rate compared to 2023.

- This suggests users may prefer landing on **other pages** rather than the home page.

- Many 2024 landing pages are not compared to 2023, indicating they are likely **new landing pages**.

Retention Rate

New Users Oct 23 vs. Oct 24
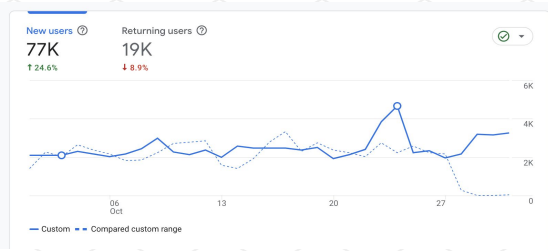
Returning Users Oct 23 vs. Oct 24
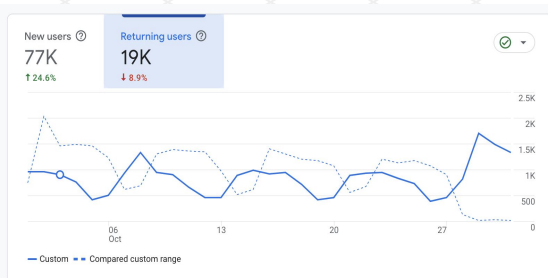
2024

Session default channel group		↓New users	Returning users
	Totals	77,115	18,648
1	Direct	53,079	11,425
2	Organic Search	13,721	4,273
3	Referral	4,107	1,200
4	Paid Search	2,363	522
5	Cross-network	2,299	692
6	Unassigned	476	321
7	Email	423	1,063
8	Organic Social	294	214
9	Organic Shopping	260	80
10	Paid Other	50	12

2023

Session default channel group		↓New users	Returning users
	Totals	61,894	20,473
1	Direct	24,487	7,819
2	Organic Search	17,647	6,784
3	Cross-network	16,242	2,654
4	Referral	2,384	1,231
5	Organic Social	785	856
6	Email	136	599
7	Affiliates	86	17
8	Paid Search	64	1,019
9	Unassigned	22	792
10	Organic Video	20	15

- New users increased by **24.6%** in Oct 2024, which can be explained by several anomalies spotted in Oct 2024. Most of the new users were brought in by increase in Direct Load, Organic Search, and Referrals .

- We also see a **8.9%** decline in returning users which can be explained by decrease in the same channels. One suggestion would be to focus more on Email for returning users, since email accounts for one of the highest revenue streams as well.

- We can further look into changes in Paid Search strategy to address the **~50%** decline in returning users from 2023 to 2024

Advertising

- Direct (41.4%) and Organic Search (33.3%) are the largest traffic sources highlighting their **SEO and brand presence.**
- Email (7.6%) shows potential for **further growth** with targeted campaigns.
- Referral (5.6%) and Paid Search (4.9%) are underutilized, presenting more chances for **expanded advertising** .

- **25-34** : +13.1 % AOV, indicating successful targeting, can focus more
- **65+:** +55.5 % AOV, tailor more campaigns for this group.
- **18-24:** -8.5% AOV, adjust strategies
- **55-64:** -77.7% AOV, revisit targeting and messaging
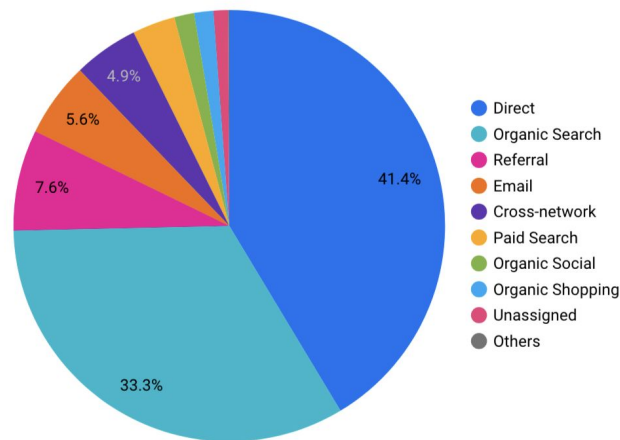
AOV in 2024 with % change in 2023

	Age ▲	Average purchase revenue	% Δ
1.	18-24	$141	-8.5% ↓
2.	25-34	$185.6	13.1% ↑
3.	35-44	$151.31	0.1% ↑
4.	45-54	$185.28	-1.4% ↓
5.	55-64	$137.18	-77.7% ↓
6.	65+	$143.66	55.9% ↑

1 - 6 / 6 ‹ ›

Recommendations: Re-engage Churned Customers

Check on and refine URLs and backlinks in Ads

With high bounce rates on top landing pages in 2024, it's crucial to ensure users land on the intended page. If users click on **product ads** , they should land directly on the **product page** , not the homepage. Monitoring **search results** to direct users to the **correct page** is essential.

Remarketing strategies

As we saw significant decrease in returning users through **Email and Paid Search** , we can further dive into changes in remarketing strategies and implement new ways to **regain** these customers.

Implement pop-up reminders to checkout

To boost conversion rates and reduce cart abandonment, we can display **pop-up** reminders encouraging users to complete their checkout. By strategically placing these reminders on popular pages with high engagement, we can prompt users to **finalize** their purchases. We can concentrate reminders on desktop - due to high abandonments there.

Refine target audience

Looking at **AOV** by **age group** showed us that we will need to target ads towards Millenials, and Gen X since they had the **highest spent** on our website. More **tailored ads** should go towards **Gen X** since we are seeing a decline compared to Oct 2023.

THANK YOU

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