

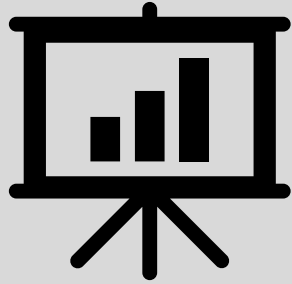


## **Sam's Club: Optimizing Customer Engagement and Conversion**

*Case Study*

Bangalore, India

21<sup>st</sup> March 2024



## AGENDA

**Campaign Overview**

**Agenda Addressing Sam's Club's Analytics Challenge**

**Challenge Understanding the Solution Approach**

**The Final Impact**

## Optimizing Customer Engagement and Conversion: Welcome Series Dashboard Revolutionizes Analytics for Sam's Club

### Campaign Overview

- **Post-August 2023**, Sam's Club launched an innovative Welcome Series Campaign to redefine new member onboarding.
- **Leveraged data analytics** and personalized offers to enhance engagement and boost revenue.
- **Objective:** Sam's Club aimed to redefine the new member onboarding experience.
- **Membership Tiers:** Two distinct tiers are offered - Club Membership (\$55/year) and Plus Membership (\$110/year) with added benefits.
- **Automatic Enrolment:** Members joining after August 28, 2023, were automatically enrolled in the Welcome Series Campaign.
- **Enhanced Onboarding:** The Welcome Series unfolded as a multi-tiered experience, starting with personalized offers on Day 0 and strategically encouraging Plus Membership upgrades.
- **Tailored Experience:** Offers and messages were tailored to individual preferences, creating a personalized onboarding journey.
- **Continuous Improvement:** The campaign aimed for ongoing optimization, leveraging insights gained from member interactions and behaviours.

## ***Addressing Sam's Club's Analytics Challenge***

### **Context**

The challenge faced by Sam's Club was the absence of an efficient mechanism to measure the effectiveness of their Welcome Series campaign, which aimed to enhance the onboarding experience for new members post-August 28, 2023. The lack of a comprehensive dashboard and analytics tool made it difficult to assess the impact of various offers and promotions on customer engagement and conversion.

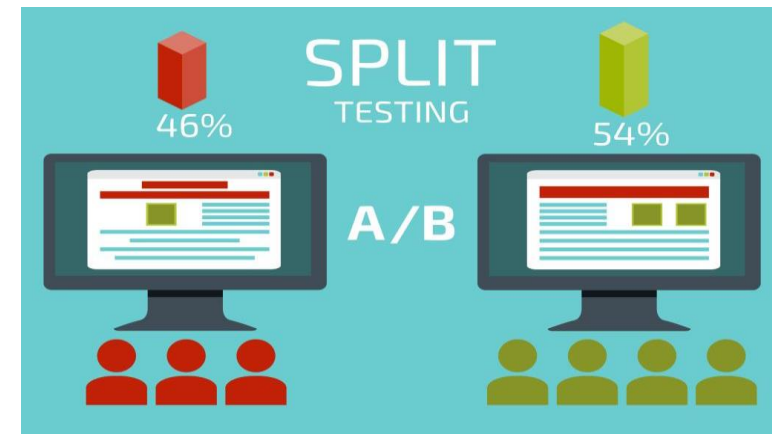
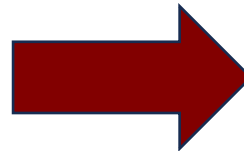
### **Objective**

- Provide a comprehensive visual representation of customer behavior over time.
- Illustrate the effectiveness of various offers, promotions, and upgrade strategies through trendlines and graphs.
- Enable detailed analysis of metrics associated with each promotion, including email distribution, conversion rates, membership upgrades, and item purchases

## Understanding the solution approach

### A/B Testing

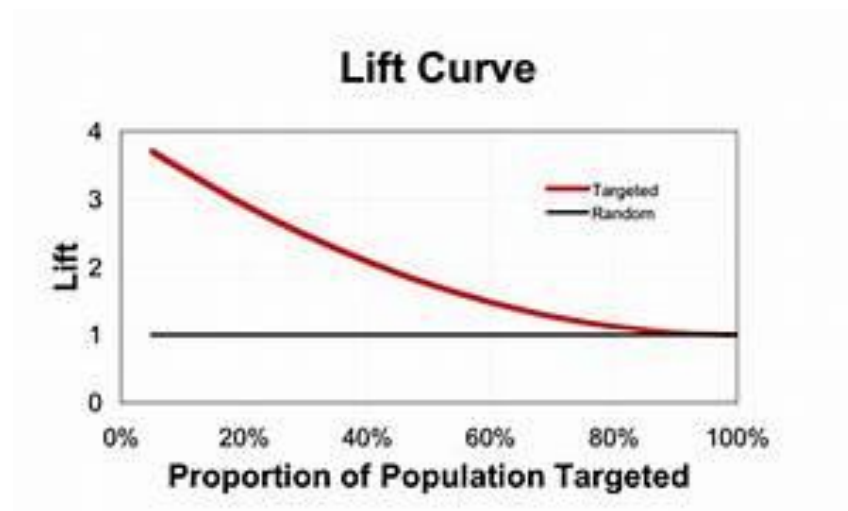
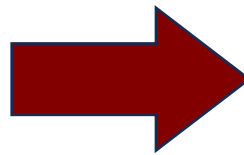
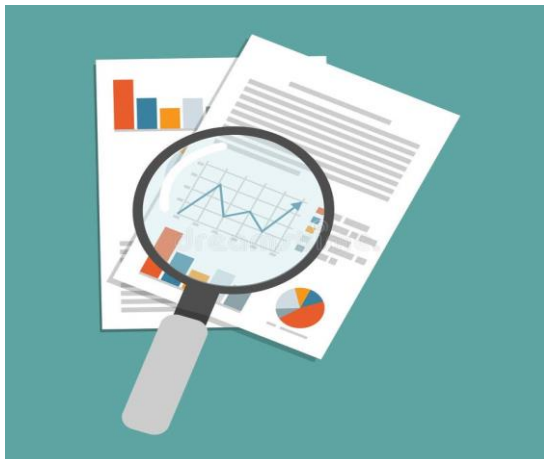
- Enabling A/B Testing and its application: A/B testing is a method used to compare two versions of a marketing campaign or strategy to determine which one performs better. By dividing customers into two groups and exposing each group to a different version of the campaign, businesses can measure the impact of changes and identify the most effective approach for achieving their goals. Here the team has considered the members enrolled for the membership post-August 2023. Then members were randomly divided in **the ratio of 95% and 5%**, the bigger group receiving an offer and the latter not.



## Understanding the solution approach

### Key Metrics

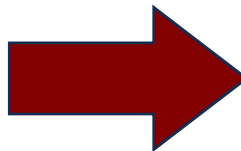
- Measurement of Key Metrics at Crucial Intervals: Tracking key metrics at specific intervals during the customer journey or campaign period allows businesses to monitor the effectiveness of their marketing efforts over time. The team uses these key metrics to understand the lift% between its test group as compared to its control group to understand the efficiency of their welcome offer and its impact on member engagement.



## Understanding the solution approach

### POWER BI

- Utilization of Power BI for raw member activity findings: The team is using Power BI to integrate daily data from the company sources into an organized table showing raw analysis of member engagement with the club over different specified periods. **These periods include 1 week,14 days,90 days,6 months, 3 months** from renewal and the **1-year** mark. The entire dashboard is updated daily by 3 pm. The Dashboard also displays differences in activity between the test group and the control group over specified thresholds across various specified factors.
- The dashboard, powered by 10 tables, sources data from Azure, encompassing membership attributes, transactional details, and predictive models (running in the backend).



## Addressing Sam's Club's Analytics Challenge



### KPIs considered

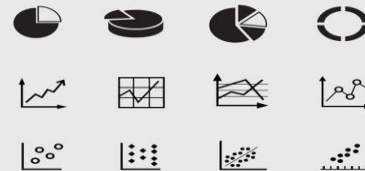
- Auto-renewal rate (credit card)
- Credit card on file
- Target members
- Holdout members
- First trips
- Box spend
- More than n trips

- 12+ categories
- 1 + Members Mark
- 1+ apply for credit
- Upgrade to Plus
- Average spend (AOV)
- 1 + omni (CPU, d2H)



### Deliverables

The Welcome Series Dashboard





## The Final Impact



### Impact



1. **Enhanced Visibility and Structuring:** Mu Sigma improved visibility into Sam's Club's operations and structured the data in a more organized manner. This allowed for better analysis and decision-making processes.



2. **Target Audience Identification:** Mu Sigma assisted in identifying the target audience more accurately, ensuring that marketing efforts were directed towards the most relevant demographics. This led to more effective campaigns and higher engagement rates.



3. **Support for Ad Hoc Analysis:** Mu Sigma provided support for ad hoc analysis, allowing Sam's Club to quickly address specific business questions or concerns as they arose. This agility in data analysis enabled timely decision-making and response to market changes.



4. **Reduction in KPI Turnover Time:** Mu Sigma's impact on Sam's Club included reducing KPI turnover time significantly. Previously, Sam's Club took approximately 3-4 days to calculate KPI performance independently. However, with Mu Sigma's assistance, this process was streamlined and accelerated to just one day.

# Impact Story | Sam's Club

## Program Objective

- Provide a comprehensive visual representation of customer behavior over time.
- Illustrate the effectiveness of various offers, promotions, and upgrade strategies through trendlines and graphs
- Enable detailed analysis of metrics associated with each promotion, including email distribution, conversion rates, membership upgrades, and item purchases

## Program Scope

- ✓ The Welcome Series is designed to enhance the onboarding experience for members.
- ✓ The deliverable of a Power BI dashboard will provide comprehensive campaign analysis and optimization insights.
- ✓ Analyzing touchpoints individually will enrich the effectiveness of the dashboard and enhance understanding.

## Mu Sigma's role

The team at Mu Sigma worked with the marketing and strategy team across the Welcome Series Campaign to create and translate business logic into a dashboard



Based on the thresholds provided (Parameters for KP|s) the team developed a timeline and flow which formed the basis for the dashboard visualization.



Multiple variations in the data raised were resolved. The team also help reduce the turnaround time by 70%. The team delivered a dashboard with daily updates capturing matrices and lift%

## Mu Sigma's Impact

Mu Sigma improved visibility into Sam's Club's operations and structured the data in a more organized manner.

Mu Sigma assisted in identifying the target audience more accurately, ensuring that marketing efforts were directed towards the most relevant demographics.

Mu Sigma provided support for ad hoc analysis, allowing Sam's Club to quickly address specific business questions or concerns as they arose.

Previously, Sam's Club took approximately 3-4 days to calculate KPI performance Independently. However, with Mu Sigma's assistance, this process was streamlined and accelerated to just one day.

**Thank You!**