

The logo for PET SMART features the word "PET" in red and "SMART" in blue, with a stylized blue and red graphic above the "S".

PET SMART



CASE STUDY

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I. Understand PetSmart

PetSmart is a major retail player that sells pets and pet animal products, currently a 72.56 billion dollar market in the US. They are a privately-owned corporation with over 1,600 retail locations and a digital presence that encompasses two e-commerce stores **PetSmart.com**, and **PetSmart.ca**, two websites for booking services services.petsmart.com & services.petsmart.ca, and an app, available on iOS and Android, that offers a more intimate experience for booking services on mobile devices. For this case study, I wanted to focus specifically on their e-commerce store PetSmart.com.

To understand that particular part of their business, we need to look at what the company's doing and where it's headed.

Vision: *We love pets, and we believe pets make us better people. PetSmart is the trusted partner to pet parents and pets in every moment of their lives.*

Mission: *Every day, with every connection, PetSmart's passionate associates help bring pet parents closer to their pets so that they can live more fulfilled lives.*

What sticks out to me from these statements is "trusted partner," "every connection." These phrases stick out because that philosophy extends very well to the web. The web allows us to deliver white-glove user experience in a very scalable way.

Here are some figures to illustrate how great the opportunity to deliver on this brand promise digitally vs. brick-and-mortar:

- Pet care is the second-largest consumer packaged goods market in the United States in terms of e-commerce sales.
- In 2017, the e-commerce sales of pet care products grew by about 3.4 billion dollars, while traditional brick-and-mortar stores reported only about 317 million dollars in sales growth.
- A recent survey among U.S. consumers found that the number of households to purchase pet products online has increased from around 10,000 in 2014 to nearly 15,000 in 2016, further evidence of the growing popularity of this online market.



II. High-Level Features

Since we're dealing with an eCommerce site, It can be helpful to evaluate the features through a sales process lens to understand how each feature contributes to progressing the customer through the sales cycle.

With that said, we have two (2) goals our features in the sales funnel should help us achieve.

- 1.) *Get the customer who has been directed to the site to make a purchase.*
- 2.) *Promote that customer's lifetime value by increasing:*
 - a. *The frequency and amount in which they purchase*
 - b. *The length of buying relationship*

To understand how the funnel stages apply here, we need to know how they translate digitally.

1. **Discovery** – The customer uses site features to discover products, or on-site marketing directs them to a product.
2. **Evaluation** – The customer compares products to narrow choices, and “Negotiates” with filters, sorting, and customization.
3. **Intent** – Customer adds the item to cart, and either proceeds to *Step 4* or repeats cycle from *Step 1*.
4. **Purchase** – Customer proceeds through the checkout process and purchases item(s) in cart.
5. **Loyalty** – Customer is encouraged to make additional purchases via targeted initiatives.



Let's look at the features within their respected stage.

Discovery

My Store – Closest store to your geo-location or find the nearest store.

Order Tracking- allows user to track orders with an order number

Articles – These articles give “pet parents” information about how to leverage site products to support their animals better.

Product Search

- Elastic Search

Evaluation

Product filtering & sorting

- Filter by: Type, Brand, Availability (in-store, online), Product Rating, Life-stage, Flavor, Nutritional Option, Health Consideration, Kibble Size, Series

Intent

Scheduled Delivery- Allows users to have items delivered to them in select locations.

Buy Online Pick-Up in Store (BOPUS) – Allows users to buy a product online and pick it up at their preferred PetSmart location.

Purchase

PayPal checkout – Sign in with your PayPal account to pay for items.

Loyalty Sign-up – Use checkout information to create your loyalty account.

Credit Card Scan (mobile)– Use the camera on the device to capture credit card info and fill out the form info.

Auto-Ship – Set up a monthly re-occurring purchase.

Loyalty

Login - Treats Loyalty Program

- Points for every purchase including services
- Redeemed at checkout
- Birthday gifts and shipping perks
- Exclusive deals and discounts

III. Opportunity Focus

In the most basic sense, the goal of any e-commerce site is to make as much money as possible. Unlike Margin Dollars, Revenue doesn't necessarily show us how profitable we are because we can always sell things at a loss. However, it is the straighter path forward and an excellent place to start.

It's essential to understand the leading indicators that drive and roll into revenue to boost it. We need to be able to strategize features that can move the needle in these specific areas to catalyze that growth.

An increase in these areas will drive revenue; all things held constant:

- Dollar amount per purchase (Average Order Value)
- Purchase Frequency
- Site traffic
- Site conversion

The features covered in the last section ultimately drive revenue by supporting the areas above. Marketing and Loyalty drive the top three areas of focus, so we're going to be spending our time focusing on the field we can impact best: conversion. People generally prefer to shop digitally because of speed and ease. That very mindset can empower and also work against site conversion.

E-commerce sites deal with unique issues such as:

- If the page loads slowly, customers churn.
- If the user experience is frustrating, customers will churn as well.
- If people are surprised by the checkout total, they can quickly abandon the cart, unlike a traditional store.
- If the checkout process is too long and complicated, people won't complete purchases.

Ultimately everything we need to address should help the customer close the gap between what they want when they land on the site and what they end up purchasing. If we can speed that process up in an intelligent way for the user, we improve their experience, and our conversion should improve as a result.

The company's vision touched on being a "trusted partner," and a partner is a very personal relationship. The amount of filtering and sorting indicated an opportunity to gain a better understanding of "who" and "what" that customer is and what they expect from their shopping experience. These potential opportunities touch on ways to close the gap.

Potential Opportunities:

- ✓ Chat Support
- ✓ Personalization
- ✓ Responsiveness
- ✓ Site-Speed
- ✓ Accessibility

I use a hybrid of two methods to help me prioritize features. First, I assign them values from three buckets: Metrics Movers, Customer Requests, Customer Delight.

The logic of these buckets breaks down in this way:

1. **Metric Movers** – feature directly impacts a given metric /signal
2. **Customer Requests** – feature has been directly requested by users**
3. **Customer Delight** – feature is a cool addition to the product**

** may indirectly affect metrics/signals

Access to user feedback and requests would significantly impact the way these values are assigned. At this point, I'll make some common assumptions for that bucket.

Metric Movers	Customer Requests	Customer Delight
		Chat Support
Personalization	Personalization	Personalization
Site Speed		
Accessibility	Accessibility	
	Responsiveness	

To decide the best use of our time and resources, I'll prioritize these opportunities by risk and difficulty while using our buckets to stay mindful of impact. We'll define these as:

- **Risk** = The opportunity cost of NOT implementing this feature where (1) would indicate low risk, and (5) would indicate high risk.
- **Difficulty** = The barriers/ constraints to accomplishing this feature (time, personnel, budget) where (1) would indicate the most considerable pain and (5) would mean the lowest.
- **Impact** = The number of buckets our feature falls into where (1) would be the lowest, and (3) the highest.

We want to address opportunity costs and the impact of capitalizing on where we see them. It's also essential to understand the feasibility of these types of undertakings to properly understand the organizational context.

The formula I use would be: **(Risk + Difficulty) x Impact = Score**

Score

Chat Support $(2+2) \times 1 = 4$

Personalization $(4+4) \times 3 = 24$

Responsiveness $(4+3) \times 1 = 7$

Site Speed $(5+4) \times 1 = 9$

Accessibility $(3+3) \times 2 = 12$



List Prioritized

Personalization

Accessibility

Site Speed

Responsiveness

Chat Support

With this formula in mind, I was able to weigh these opportunities and come up with a prioritized list that reflected my concerns.

1. Personalization
2. Accessibility
3. Site-Speed
4. Responsiveness
5. Chat Support

For the duration of this case study, we're going to follow our prioritization and move toward the path of personalization because of the size of the opportunity and relevance to what competitors are offering in the space.

IV. Initial Assumptions

Before we dive further into the process of figuring out how and what to personalize on the site, it's essential to understand what personalization is and what it requires.

"eCommerce personalization means showing individualized offers, product recommendations, and other content to your visitors based on their previous actions, demographics, and other personal data." - Optinmonster

In short, when we make our content more relevant, we can help close the buying gap with site visitors.

To do that, we need lots of data from our users and technology to help us use that data effectively. For us to be successful, we need to make the following organizational and user assumptions.

Organizational

- PetSmart developers have constructive access to customer information collected from all digital outlets.
- PetSmart's front-end build stack can implement a modern JavaScript framework.
- Customer data is accessible and stored in a usable format.

User

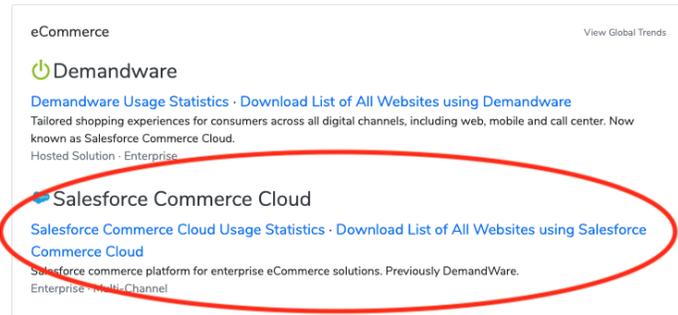
- Customers are willing to fill out additional personal information about pets they own.
- Customers that use other digital outlets from PetSmart are comfortable with PetSmart collecting and using their data.
- Customers want to have a personalized experience based on their profile and history when they visit the site.
- Personalized content is preferred vs. exploring the site offerings organically.



V. Initial Research

Organizational Assumptions

I was able to find out through research PetSmart.com is powered by Demandware (now known as Salesforce Commerce Cloud).



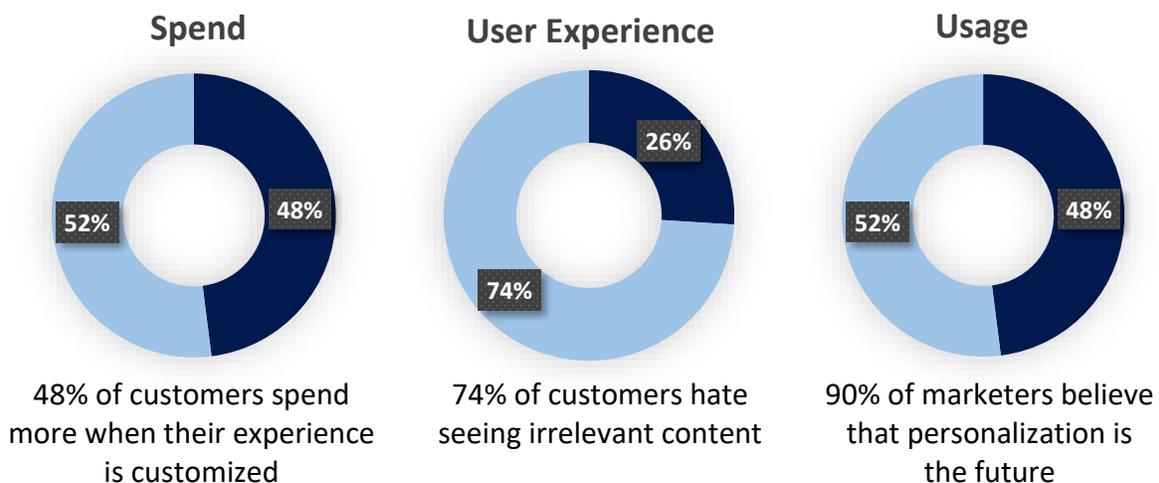
Digging a bit further into Salesforce Commerce Cloud, I found there was a built-in personalization tool called Einstein. The licensing for Commerce Cloud indicates it includes this at no additional fee; in theory, this should give us the framework we need to access customer data to fuel our personalization experiences.

I also was able to validate a modern JavaScript framework called React is currently being used on PetSmart.com as well. Knowing we should have what we need to create these experiences is one thing, we next need to validate if we are creating something of value to our end-users.

User Assumptions

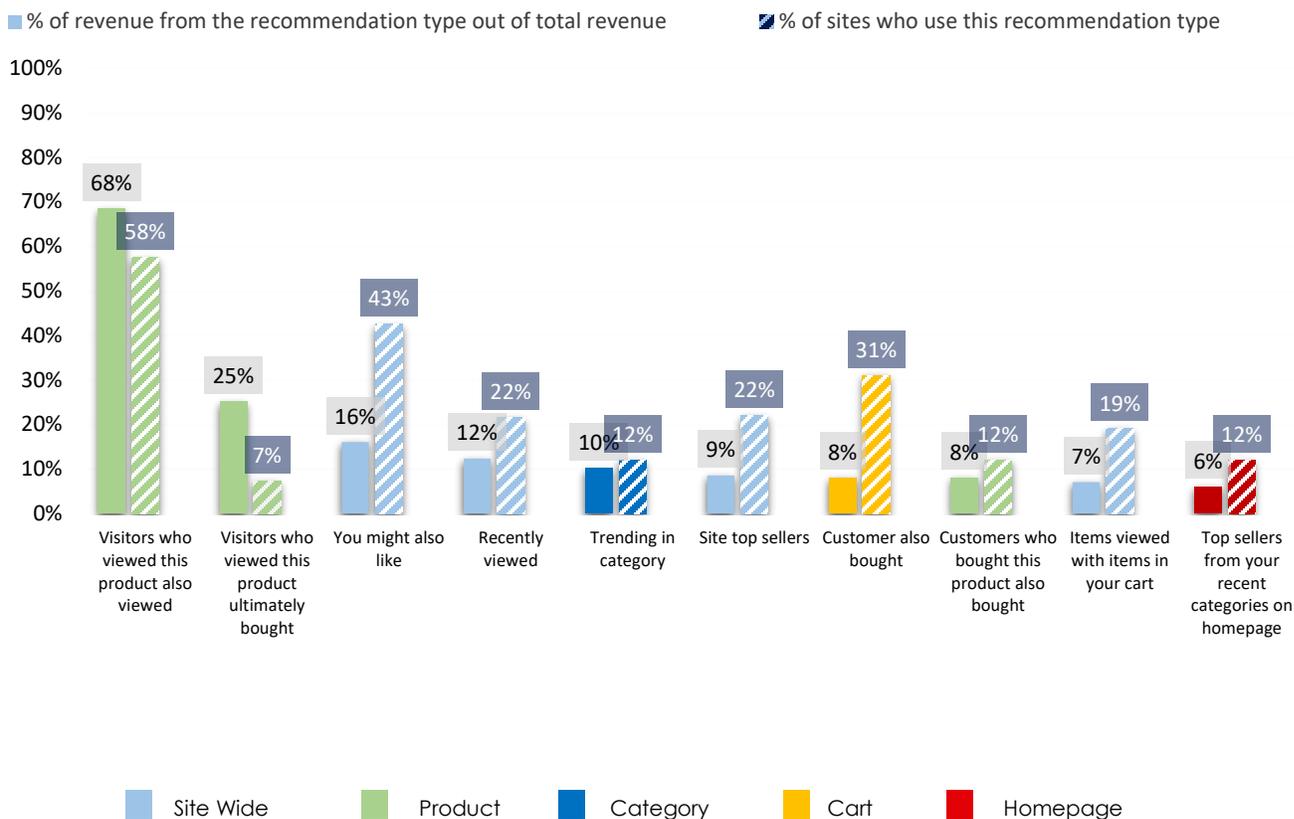
Personalization has been around for a long time on the web, so with a little research, I was able to find data that validated how valuable this has been to eCommerce.

Janrain (now Akamai) did a study that showed the following:



This chart is an excellent tool for better understanding how different types of personalization have been contributing to the bottom line of various sites as well as the percentage of sites currently taking advantage of this opportunity. A critical takeaway is - PetSmart is not taking advantage of any high revenue-driving and widely adopted recommendations

Personalized Product Recommendation Type Usage and Revenue Q2 2015



Although studies say as many as 38% of households have cats as opposed to 48% with dogs, the messaging on the homepage is overwhelmingly dog focused. Data shows dog owners tended to spend more on average than cat owners, but the delta between the spending doesn't merit the level of exclusion from messaging for cats or other animals.

In the next section, we'll touch on some of the opportunities to realize the power of their customer data better.

VI. Brainstorm Solutions

Excellent marketing creates a need that a product satisfies. Personalization allows us to anticipate that need and meet the customer where they are. We're going to look at solutions that ultimately aim to achieve that while attempting to uncover missed opportunities

1. Deliver Weather-Sensitive Personalization
 - The weather differs from region to region. Providing product recommendations that address things customers may be experiencing at the moment allows us to “meet them where they are.”
2. Adjust Navigation to Visitors' Interests
 - Customers that shop for cats or dogs can be pre-navigated or redirected to pet-specific offerings by using cookies.
3. Recommend Product Categories Based on Browsing Behavior
 - Product category recommendations would help boost the attach rate by recommending product compliments and promoting a holistic approach to pet care.
4. Personalize Search Results
 - Allowing customers to see product recommendations in the search bar gives them the ability to add the product to their cart without having to load another screen, saving time, and reducing churn.
5. Use Geo-Location Targeting
 - Acknowledging the different needs present in various geographical locations allows us to better segment and position products that are more relevant to the customer.
6. Show Category-Specific Discount Coupons
 - Directly targeting customers that tend to shop in certain categories with specific site promotions is an effective way of managing site real-estate and using data to be more efficient.
7. Sort Recent Products by Interest Level
 - Showing products based on the amount of time spent on PDP (product display pages) would be ideal for retargeting a customer with products they previously engaged.
8. Suggest Complementary Products
 - Suggesting complimentary products targets the attach rate in a more direct way than suggesting categories. You typically see this done as variations of “People who bought this also bought.”
9. Personalize the Site-wide Banner by Category
 - Personalizing a banner that customers see globally allows you to offer better deals based on where customer navigates and makes excellent use of site real-estate.
10. Show Personalized Offers to Returning Visitors
 - Using cookies to position products to returning visitors is a way to maximize their time on the site and potentially move them further along in the sales funnel.



VII. Next Steps Explained

At this point, I would want to identify the low-hanging fruit and figure out the least labor-intensive way to get real feedback from users. I mentioned the lack of messaging for non-dog pet owners on the site, and prioritization led me to pursue personalizing the site-wide banner as a potential area of opportunity.

I would create a low fidelity mockup to share with UX and Development to better communicate the opportunity and get feedback from them. Once we've talked through the experience and the difficulty, I'd take notes and start solidifying business requirements.

Positioning this well would require working in partnership with UX & Analytics to dive into the personas and user journeys of these various pet parents. I would need to collaborate with marketing to understand the current promotions they think would be best to posture and the best ways to support it with this experience. Ultimately, my assumption would be the best groups to target, for impact and market-size would be the dog and cat owners.

I would then work with the analytics and development teams to figure out the best way to record the banner click events for the respective categories, and finish writing my business requirements.

I'd conclude this effort by turning the business requirements into a feature with associated user stories.

Example Experiment

Pursuing this feature assumes there will be more engagement with the site-wide banner because it will be showcasing relevant offers when users navigate to high traffic dog and cat areas on the site.

Fundamentally, we believe there is an opportunity to increase engagement in the sitewide banner by personalizing it, which would attract more customers to our promotions increasing conversion.

A simple way of measuring this engagement would be to A/B test experiences where:

- A. This split would be a typical experience without personalization.**
- B. This split would be a personalized experience with standard sitewide banner promotion.**

Ultimately, this effort should ladder up into the promotion metrics, but measuring engagement at this level would give us a good idea of whether or not adapting these messages is achieving the desired result. From here, we can begin targeting other areas, or we can re-assess from our learnings how to better proceed.