Walmart Data Ventures

Know Your Store

Plan to succeed:

Shape better business decisions with improved forecasting capabilities from **Walmart Luminate Channel Performance Charter**

Table of Contents

Forecasting is crucial to success, and there's high demand for solutions that can improve accuracy

Factors like **seasonal demand**, **market trends**, and **economic environment** play a critical role when planning in a fast-moving retail environment. These (and many more) elements can **quickly impact demand** for existing products and especially new ones, which means suppliers **must be ready to move nimbly**.

"In the supply chain, however, **forecast accuracy matters**—especially for fulfillment activities that rely on demand predictions at the weekly-item-location level. At this level, **accuracy drops to 52%**, resulting in excess or insufficient inventory, impacting return on capital, eroding margins and putting service at risk."[*]

[*]Forecasting and Inventory Benchmark Study, E2Open.com, 2019

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Chapter 1 | According to plan

One study showed naive forecast error is 45% for new items compared to 32% for existing items*

That means new products are 1.4 X harder to forecast

New Items

Existing Items

*Forecasting and Inventory Benchmark Study, E2Open.com, 2019

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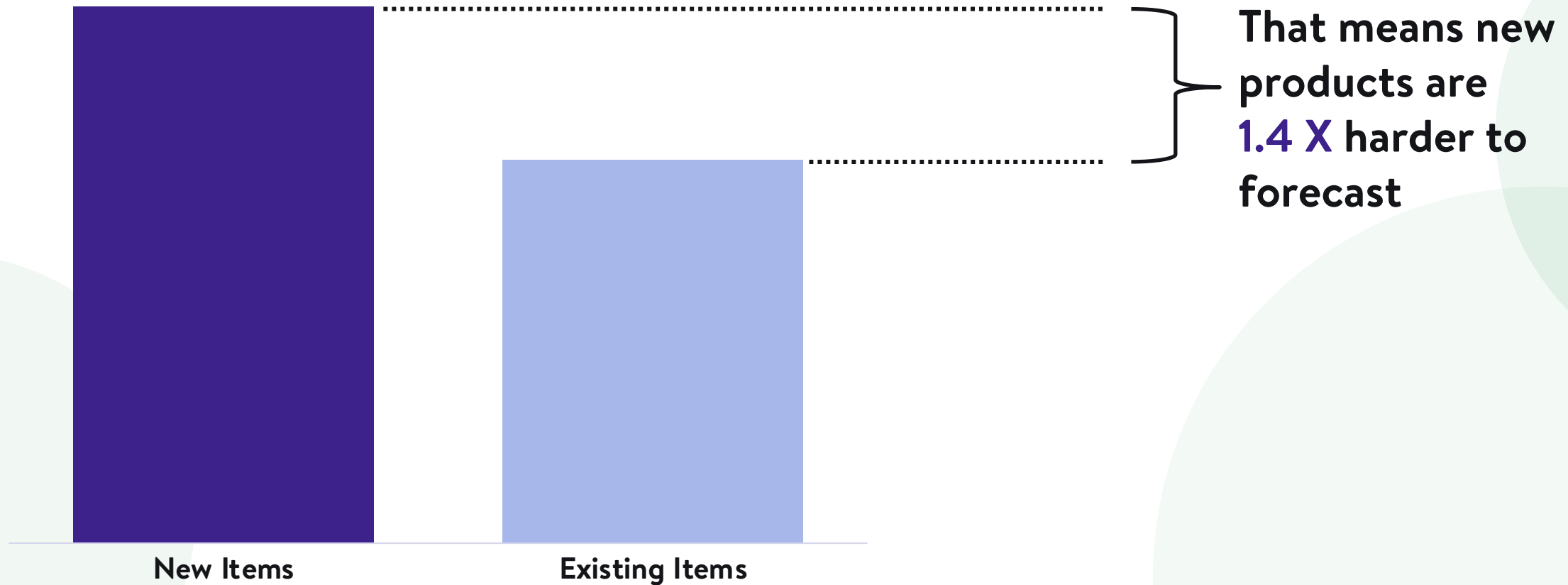
Chapter 1 | According to plan

Along with helping to increase revenue and market share, accurate forecasting plays a large role with customer satisfaction. In a recent survey, our own **Walmart Customer Spark Community** let us know about their most recent Walmart shopping experiences* in-store and online:

30%
said empty shelves left them with a poor shopping experience

11%
said product availability was most important factor in their buying decision

12%
purchased a similar item from a different brand when faced with a product shortage

And serving up a major hit to brand loyalty, a whopping **41%** responded that the **first thing** they would do if a product was out-of-stock is to **purchase the same or a similar item from a different brand**. With appropriately keyed-in forecasts, the risk of these scenarios can **greatly decrease**.

*1st party data, Walmart Luminate Customer Perception Survey, April 2023

Here's the good news: Walmart Luminate Channel Performance Charter can help power forecast accuracy

Channel Performance shines by delivering Walmart first-party sales and inventory data from every channel. When we say omni-channel, we mean it—**store**, **online**, **online-pickup** or **delivery**, **ship from store**, and **ship to store** data.

This level of granularity and ability to sort—by state, region, or across store groups—enables suppliers to gain sightline to essential context. You can then dig into store-level sales data that is refreshed daily and near real-time inventory data via API. NRT data can make all the difference when a Pay From Scan supplier is restocking shelves or removing damaged goods.

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Channel Performance Charter can tell you things like:

- How many nil picks were on your **product last week**?

- How many units were **sold online**? In store?

- Which store sold the most? What channel was **most popular**?

- So you can hone your forecasts to meet demand based on **location**, **season**, **and more**.

Chapter 2 | Predict with more precision

With Channel Performance Charter shining a light on past demand and trends, you can:

- Compare store fulfillment against sales with **Omni Service Channels**

- Access actual historical inventory levels at **Day**, **DC**, and **Store detail**

- Dig into **granular sales data** at Item, Week, and Store level performance for optimal tracking—with a full 104-week look back

And **drive overall operational decisions** with more clarity, confidence, and accuracy—which can then lower nil picks, drive category growth, and more.

| 8

Case in point

Easter on the move

When a holiday like Easter lands on a different day each year, you can use custom date ranges by week in Channel Performance Charter to pull true comp sales—not just LY— to forecast true demand for the time period and maximize in-stock and selling potential.

Forecasting the forecast

Meteorologists are calling for heavy rainstorms and shoppers will be reaching for umbrellas. Pull comparable time frames and forecast true demand. Now you can maintain in-stock with rush on product, maximize sell through, and push pallets of product from DCs to stores in effected areas.
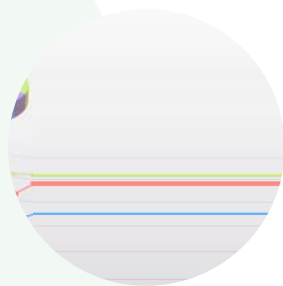
Channel surfing

So many channels, but not so much data? Pull penetration by fulfillment channel for LY/ current trend. Forecast buys and selling across all channels to match penetration with customer demand for products at different locations.

Want to dig even deeper?

When Walmart Luminate **Shopper Behavior** and **Customer Perception** work in harmony with **Channel Performance Charter** you gain not only key information, but keen insights and context that tell a more complete story of the shopping experience from the customer's perspective. For example:
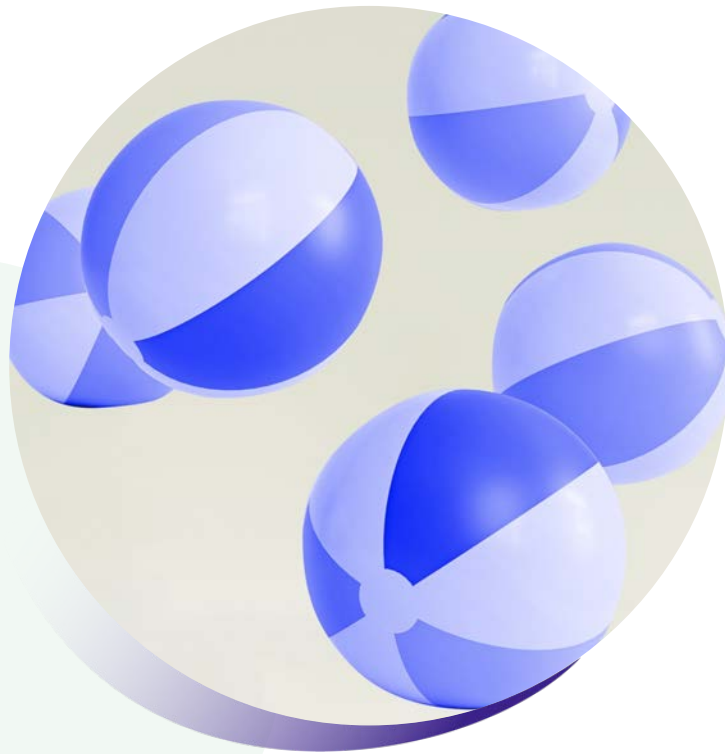
Channel Performance: Blue beach balls outsold red ones at stores in southern Florida closest to the coast.

Customer Perception: A survey of Walmart Customer Spark Community members reveals blue ranks higher in color popularity in this region.

Shopper Behavior: Customers with kids under 18 who purchased blue beach balls here also had blue kites in their baskets.

*Walmart Luminate, 2023

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Forward thinking often benefits from a look back

Tap into Channel Performance Charter's historical forecasting capability to compare a forecast to sales during certain periods historically and gauge how closely the forecast projected actual results. You can also measure forecast accuracy for various time periods out from a date, like four weeks, 13 weeks, and so on. This view can help you answer questions like:

- What is the impact of unexpected demand?

- What channels are driving sales?

- What was an item's forecast for a specific week in the past?

- What was its forecast for the current week several weeks ago?

Plus **capture trends**, **reset your forecast based on actuals**, and **create firmer forecasts at store** and **item granularity**.

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Chapter 3 | The bigger picture

When you are better prepared to make moves as demand dictates, you can stay as current as possible—or even one step ahead. And that can make all the difference to your business and brand loyalty. With Channel Performance Charter in your forecasting toolbox, you can work on improving crucial business imperatives like:

- Increasing customer satisfaction

- Maintaining brand loyalty

- Reducing inventory costs

- Optimizing cash flow

Contact us to learn how **Walmart Luminate Channel Performance Charter** can help **improve your forecasting performance**.

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