



# Testing to thrive in today's retail landscape

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 **MarketDial**

## *Supply chain. Labor shortages. Ecommerce. Omnichannel.*

WHICH ONE (OR MORE) OF THESE IS  
KEEPING YOU UP AT NIGHT?

Even with these challenges, savvy retailers can confidently drive customer and business value as the landscape continues to shift. **The key to this confidence?** These retailers use consistent, reliable, and scalable experimentation that illuminates the way to higher sales and happier customers.

Like their ecommerce counterparts, they know they need trustworthy data from proven instrumentation to give wing to their business decisions. Without these, a retailer is flying blind.



### **BLURRING THE LINES BETWEEN ECOMMERCE AND IN-STORE**

Retail disruptors [Allbirds](#) and [Warby Parker](#) recognize the value of providing in-store experience. Both employ brick-and-mortar in their business plan. In fact, Warby Parker is opening [150+ stores](#). Even [Amazon](#) is building department stores.

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## Consider two ends of the testing spectrum



### SHUTTER FROM LACK OF TESTING

Perhaps sales exploded out of the gate and you haven't had to think about store optimization, promotions, even pricing. Now you wonder how you'll advance or even sustain your success.



### QUICK GROWTH WITH CONFIDENCE

Empowered to fail fast on a micro scale, decision makers use testing insights to accelerate exponentially.

## *Disciplined experimentation as a business culture*

By optimally measuring the impact of “*what if*” actions, you can act quickly on emerging opportunities and pivot even faster on troubling trends.

Going all in with gut instinct or what “*seems to make sense*” is risky. Similarly, that wild idea or innovative twist could take off in positive ways you didn't anticipate. Testing reveals sure success before you risk repeated failure.

# *Companies that embrace disciplined experimentation as a business culture include:*

## **Kum & Go**

What can a gas station sell at scale other than gas? Kum & Go has a vision beyond its original purpose, and iterative testing is guiding the way forward. The company's app now enables touchless fueling, mobile ordering, rewards, fresh food, and exclusive offers; all have been optimized for consumers and the company through testing.<sup>1</sup>

## **The Container Store**

How did The Container Store decide the **optimal merchandising strategy** for their highly customizable Elfa product line? Testing. How does The Container Store know which pricing strategies are most effective at **harvesting the best margins**? Testing.

## **Woolworths Supermarket**

What does it take to remain the largest online food and grocery retailer in Australia? Woolworths is an excellent example of **making testing part of your company's DNA**. MarketDial has helped improve the way that Woolworths runs in-store trials; streamlining the process to select stores and then **understanding trial performance**. Testing has supported **quicker and more confident decision-making** to get new concepts into the market.<sup>2</sup>



### **IN PRAISE OF CONSISTENCY**

A MarketDial customer shared his appreciation that our platform served as a **centralized gatekeeper** able to manage the tests. This helped keep everyone from stepping on each other's test and polluting them.

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## *The opposite of optimal*

What happens when initiatives are **based on instincts without testing**? Consider two examples that likely sound familiar:



—————> A retailer known for discounts **abandons** that hallmark for a different pricing strategy—and experiences ongoing **customer backlash**.



—————> A company makes large investments to **expand** into new markets or countries, but fails **without knowing why**.

# Foundations for optimal experimentation

Once you determine that **testing is the catalyst** needed to ignite your opportunities—or course correct impending issues—what are the foundational pillars that support actionable insights? Testing needs to be consistent, reliable, and scalable. It's that simple ... or difficult depending on the tools you use.

## What consistent means and why it matters:

- Every test used by every individual or team needs to be constructed with the same methodology.
- This consistency is the only way you can have the **confidence** that one set of results is as valid as another.
- Consistency also quashes claims about testing bias.



Testing needs to be consistent, reliable, and scalable.

## What reliable looks like and why it matters:

- The statistical modeling must have enough **depth and breadth** to produce accurate, actionable results.
- This reliability is how you know you've picked the right number of stores and the right stores.
- It **goes beyond an Excel spreadsheet** to ensure the experiment works outside the experimentation phase.

## What scalable looks like and why it matters:

- Your teams test **rapidly, regularly, and precisely**.
- If only one or two teams are testing, you won't move the dial on your objectives.
- Achieving scalability demands an **easy-to-adopt** user experience.

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# Empowering the future (and better sleep)

**Consistent, reliable, and scalable** experimentation is the fuel savvy retailers use to drive their next breakthrough idea and turbocharge multi-channel and, ultimately, omnichannel strategies. Increasingly, consumers expect and value the ability to shop how, when and where they want from the brands they trust and love.

[Allbirds](#) notes that its digital commerce experience is complemented by a thriving retail store fleet. [Warby Parker](#) has built a seamless shopping experience that meets customers where and how they want to shop—whether that’s on their website, through their mobile app, or in their retail stores.

[Amazon’s](#) expansion to physical stores is on track to become a gorilla in the brick-and-mortar retail business according to the International Council of Shopping Centers (ICSC). According to an ICSC board member, the experiments Amazon has been performing are paving the way for the ecommerce behemoth to take on its multi-channel rival, Walmart.<sup>3</sup>

Challenging times, indeed. How well are you sleeping these days? How certain are you that your experimentation can pass the test of being consistent, reliable, and scalable? Getting testing right is crucial to compete. This may seem difficult but it doesn’t have to be when you [engage the discipline of MarketDial](#).

*“Getting testing right is crucial to compete.”*

— MORGAN DAVIS



Consistent, reliable, and scalable experimentation is the fuel savvy retailers use to drive their next [breakthrough idea](#)...





## Why MarketDial

More than **100** leading companies and global brands rely on MarketDial to help them create a culture of experimentation with **intentionally easy A/B testing**. MarketDial's simple interface makes asking "*what if?*" the cost-effective protocol for intelligent action. Learn how [now](#).



## Morgan Davis

*MARKETDIAL CHIEF EXECUTIVE OFFICER, AND CO-FOUNDER.*

Morgan has extensive experience advising organizations on how to solve business problems as a management consultant and venture capital investor. As a management consultant in BCG's Consumer Practice Area, he helped leading companies across the globe in essential strategies such as: Fast Moving Consumer Goods (FMCG) go-to-market reorganization, construction and launching of pricing zones, private equity buyouts, retail transformations, and more. Morgan has a degree from BYU in Strategic Management and Economics.



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