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A nightmare in store

The problems with
in-store Click & Collect
and how to solve them

Customer expectations are rising.

Today's customer expects retailers to meet them where they are: on any device, any channel, any time, and the same applies to delivery.

In-store Click & Collect, where customers order online and pick up in a bricks-and-mortar location, is widespread and its popularity is growing. It gives control to consumers by allowing them to collect at a time convenient to them. By driving footfall into the store, it also gives customers an opportunity to interact further with the brand. In addition, environmentally-conscious shoppers are using pick-up options more often as a means to reduce carbon emissions and packaging.

But from both a customer and retailer perspective, the service, at many retailers, is broken. Increasingly, the in-store experience is getting worse as retailers "cost engineer" their in-store offering which often results in existing systems stitched together by manual processes. This causes knock-on problems for customers; evidenced in the fact that year on year Click & Collect customer satisfaction rates are falling.

For most retailers, offering a seamless, engaging solution seems tricky, resulting in a poor customer experience, frustrated store associates and missed sales. When auditing some of the biggest brands, we saw manual processes, paper-based systems, and long wait times.

For multichannel retailers, Click & Collect is selected on more than **33%** of orders. Yet customer satisfaction levels have failed to keep pace with this demand and are now lagging behind. In fact, a study by JDA revealed that nearly half of all customers experienced a problem, be it a lack of notifications or long wait times because of cumbersome processes in-store.

Why is in-store
Click & Collect so hard?

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Economically, an in-store Click & Collect model makes great commercial sense," says Tom Enright, Vice President Analyst, Gartner. "On the one hand, retailers get footfall and save shipping costs. On the other hand, online shoppers visit physical stores and might be enticed to make additional purchases. The key is to tune the service and consumer experience to achieve maximum benefit for both parties."

So if it makes good sense commercially, and most retailers would agree that offering the customer the right experience is top of their list of priorities, why is this channel underinvested in?

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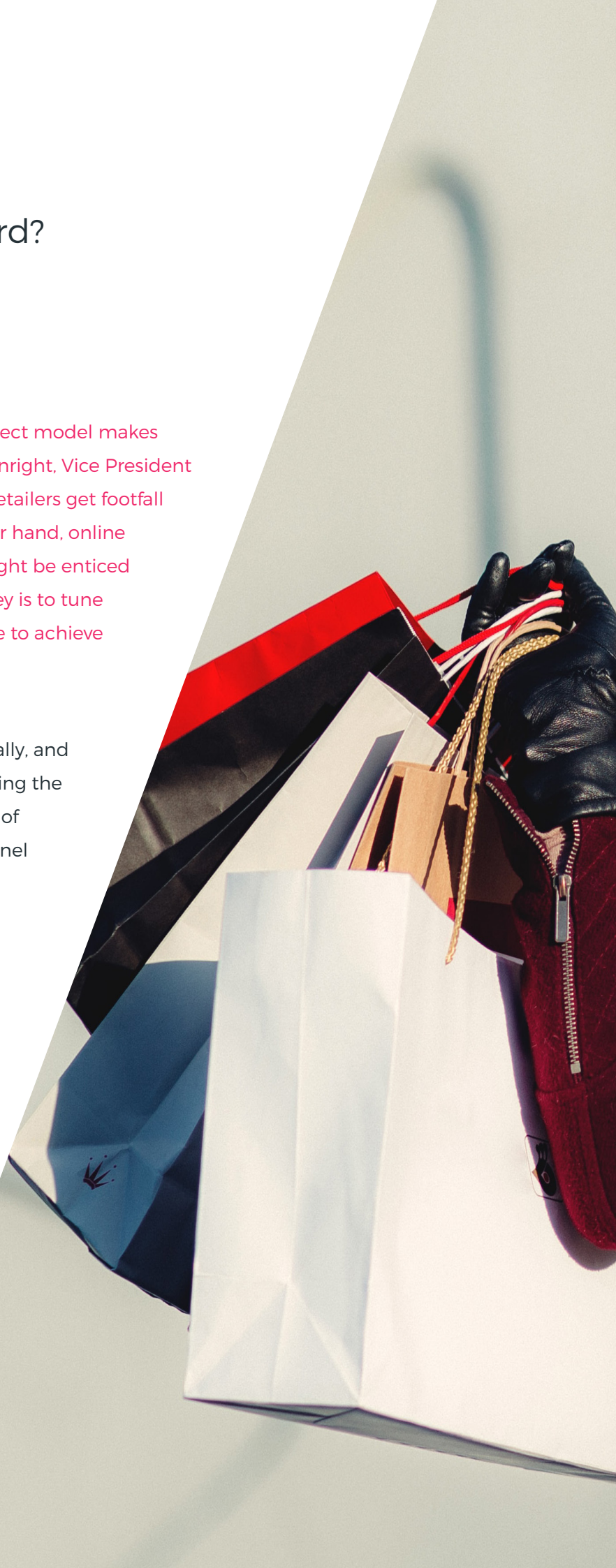
① Organisational Silos

The revenue from Click & Collect orders traditionally accrues to the eCommerce function. But if the sales don't count in-store, it can be low on the priority list for in-store staff to engage with, despite this being crucial to driving maximum benefit. On the flip side, eCommerce teams often don't feel the pain of poor process design for stores, and often under-invest in getting this right. The push-pull between Retail Operations and eCommerce teams gets in the way of a great customer experience, and consequent benefits.

Store associates will provide the best experience if their store is fully credited with the value of the Click & Collect sale and that the sale contributes to their overall and personal targets, or they recognise upsell opportunities. Training is important to create an environment in which store associates are as unconcerned with the consumer's use of shopping channels as the consumers themselves.

② Complexity

Most in-store Click & Collect options for retailers require building complex custom integrations with their webstore, or partnering with complicated ERP solutions.

In-store collection processes are often designed by a central eCommerce team to meet their requirements, with not enough thought put into how store associates in a busy store environment can complete tasks related to Click & Collect simply and quickly.

When processes and systems are cumbersome, it limits the ability of even the most well-trained associates to deliver great customer service, which exacerbates the burden of Click & Collect, and reduces any opportunity for reward.

③ Expensive to implement

Designing and building a Click & Collect system from scratch is cost and resource-intensive and can often require investment in dedicated hardware to be implemented. Ideally any solution should 'plug-and-play' into the stores existing hardware, and ROI should be easily tracked, along with upsell.

④ Pick from store challenges

Click & Collect can often be a challenge for retailers who try to pick customer orders from store stock. Customers view an accepted online order as a commitment, regardless of whether the order is delivered to store or picked from store, and therefore ensuring the availability of their order when promised is paramount. Indeed there can be upside in making customer orders available immediately, but many retailers lack the accurate in-store stock files and process to be able to deliver on this promise.

Just how bad is it?

In our conversations with retailers, we've heard that launching and growing an in-store Click & Collect proposition can quickly turn into a nightmare. Manual processes including ticking off collection orders from a printed sheet, re-keying of collection orders into back-office systems, extended customer wait times at the collection desk for an available associate, and poor or non-existent customer communications, all negatively impact the customer experience.

Click & Collect customers are pressed for time, and expect their collection to be quick and easy. The longer they wait, the less likely they are to remain and purchase additional products in-store.

Retailers who are struggling with their Click & Collect proposition are also reporting an inability to keep track of the performance of at a store level, manage capacity limits, or successfully integrate it with existing systems and store hardware.

One retailer we spoke to confessed that they discovered that the eCommerce system was automatically refunding customers if the associate didn't properly complete the complex in-store collection process.

In another retailer each store manager had to call the customer after hours on their personal mobile to tell them their item was ready to collect.

Customers are vocal when retailers get it wrong, which can cause significant damage to the brand. Here are just a small sample of tweets on the subject:

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My partner has been waiting 3 months for a refund for a click and collect you delivered to the wrong store. It's ridiculous a refund can not be sorted. It was a Christmas present which we had to purchase elsewhere and still out of pocket"

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@retailer

❝

Recently received an email asking me to rate my purchase on a click and collect order I purchased. However I've yet to receive it and when I track my order it says it's not arrived at the store yet. As it's been 2 weeks since the order, where is it?

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@retailer

❝

Without mentioning the consistently appalling click and collect. In store staff who act like click and collect is something new or somehow confusing for them?! Or an inconvenience to them!!

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@retailer

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So what do consumers want?

Online shoppers expect to be able to buy online and pick up in-store. **65% of** consumers said without this option, they would go elsewhere. But while shoppers love having the ability to pickup in-store, they aren't satisfied with the current experience, and that is hurting retail brands.

"With the customer at the heart of everything we do here at Skinnydip, we wanted to offer a service that enables them to be able to collect their order with ease." James Gold, Co-Founder, Skinnydip London

One in four consumers said the waiting time for their collection was too long, and that sites needed more staff. And **17%** said they had problems with finding the right desk to collect their products when looking in-store.

What's the solution?

Put simply, fixing the problems that cause the frustrations experienced by retailers and customers alike:

- Recognise that this is "high expectation" interaction with one of your most valuable customer segments

- Ensure Click and Collect sales accrue to the stores delivering the service, even if this means some double-counting

- Design customer centred processes based on store feedback and deliver training for in-store staff to become confident and proficient in the process freeing up time to deliver great customer service

- To drive impulse purchasing, situate Click and Collect points well inside the store

- Use a proven solution that seamlessly plugs into your eCommerce system and reuses existing in-store hardware

- As part of the whole wrapper, ensure seamless communication to the customer

- Use mystery shoppers to ensure the service quality remains high

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Why should retailers invest in improving in-store Click & Collect?

68% of shoppers say they love the convenience of buy online, pick up in-store . It combines the convenience of online shopping and the convenience of local pick up. But while it's a great idea for consumers, it's even better for retailers who can use it as an opportunity to engage with customers during collection; a major differentiator for traditional retailers in the battle against Amazon.

According to Barclaycard, over eight in ten customers (85%) say they buy additional items in store when using the service, while more than three quarters of retailers (77%) report reduced return volumes, which ultimately saves them the cost of processing refunds and restocking goods.

However, a Click & Collect solution only drives incremental revenue and brand affinity if it's done right. Done badly, it can result in unhappy customers (and they're very vocal), and further missed sales: **39%** of consumers say they would visit Click & Collect sites more frequently if the process was improved.

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HubBox Connect

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As a business we want our customers to have the best possible experience both online and in-store, and we feel like working with HubBox takes us that one step closer.

James Gold, Co-Founder, **Skinnydip London**

HubBox's In-Store Connect solution makes it easy for any retailer to offer customers in-store Click & Collect. With simple to use store technology, the ability to track results and optimise performance by store, and comprehensive training for associates, we specialise in helping retailers fix the in-store collect nightmare.

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HubBox is an award winning technology company with offices in London and Atlanta. We specialise in enabling retailers to offer parcel shop and in-store Click & Collect solutions to customers.

Our checkout software is compatible with every e-commerce platform, and our in-store software runs seamlessly on whatever hardware retailers run in-store.

Having worked with over 250 retailers, HubBox eliminates the risk of poor execution at checkout, low take-up rates and problematic in-store process.

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