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CLICK AND
COLLECT

RETAIL CUSTOMER EXPERIENCE REPORT FROM BELL AND HOWELL

2017 Click and Collect
Retail Consumer Preference Study

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Overview

Retail consumers continue raising the stakes by shopping online when they want ease of use. Additionally, they want instant gratification when shopping in the store, and increasingly, a combination of the two.

During the most recent holiday season, nearly a third of shoppers purchased products online and then picked them up at the store. For example, Walmart managed to take a direct shot at Amazon.com with its Christmas Eve store pick up – giving last-minute shoppers an extra day to buy online, pick up in store (BOPUS). As a result, the world’s largest retailer saw an increase of in-store pickups during the holiday season.

From the consumers’ point of view, “click and collect” or BOPUS, makes sense. This is because it takes the convenience of online shopping and ties it to the advantages of brick-and-mortar stores – the ability to get a product quickly and to see and touch it.

From the retailers’ perspective, the strategy makes a lot of sense, too, considering Amazon’s dominance over traditional retailers when it comes to online shopping. However, these traditional stores are now being leveraged

as distribution centers where consumers take over the cost of getting the purchased items from the store to their homes. Also, in most cases, customers tend to make impulse purchases when they come into a store to retrieve their items, driving sales higher. In fact, 69 percent of shoppers who used click and collect this past holiday season purchased additional items while picking up in store. Additionally, 36 percent of shoppers using those types of services made another purchase in an adjacent store at the time of pick up.

But this strategy isn’t always foolproof and could significantly impact customer loyalty.

One point of concern is with available inventory — online ordering tells customers the item is available for pick up at their local store, when that’s not always the case. Also, offering a click and collect option adds more tasks for in-store employees, who pick and pack orders for shoppers in addition to their existing duties.

To combat this, retailers are investing time and money to improve their inventory data systems such as automated pickups.

BOPUS

“buy online,
pick up in store”

¹ International Council of Shopping Centers’ Holiday Consumer Purchasing Trends Study.

² International Council of Shopping Centers’ Holiday Consumer Purchasing Trends Study.

Currently, a small portion of total purchases are completed through click and collect, but it is growing in use, with 49 percent of Americans trying it for the first time in 2016.

To gain a better understanding of this, Bell and Howell conducted a study to examine consumer preferences when it comes to click and collect. In 2016, we randomly selected more than 530 consumers from across the U.S. to report on their click and collect experience. Among other things, the study is designed to understand the frequency of which the consumers use click and collect. Furthermore, participants also shared what's important to them when going through a click and collect experience.

This report summarizes the results.

Key Findings

More than 70 percent of respondents of this study are experienced click and collect shoppers.

Ranking Click and Collect Attributes

Speed is a consistent theme, meaning that most respondents wanted their items quickly. Of the choices presented, a quick in-and-out experience (a key requirement of click and collect) was the clear winner with 88 percent.

Reasons for Selecting Click and Collect

Saving on shipping charges was the key driver (76 percent) when selecting click and collect. Additionally, the urgency of picking up an item on the same day was equally important.

Waiting to be Notified

Speed was once again the consistent theme as 83 percent expected to hear back within 24 hours or less. Nearly 60 percent expected to hear within four hours.

Pick Up Preference

Convenience was the key driver with 77 percent not wanting to be dragged to the back of the store to pick up their item.

Time Spent Picking Up

Eighty percent expected to be able to pick up their items in under 10 minutes, with 27 percent expecting it to be less than four minutes.

Purchasing Additional Items

A majority (59 percent) said they were likely to purchase additional items some of the time when picking up their online order.

Key Attributes of an Excellent Click and Collect Retail Consumer Experience

Filling orders accurately and in time was rated the highest on a scale of 1-5 (4.5) for an excellent click and collect experience.

Click and Collect — the New Way to Shop

Click and collect takes the convenience of online shopping and ties it to the advantages of brick-and-mortar stores – the ability to get a product quickly and to see and touch it.

The main benefits of click and collect for the consumer include saving on delivery or shipping costs. Additionally, it saves time and prevents shopping in congested brick-and-mortar stores.

In some cases, click and collect also enables consumers who be weary of making an online payment, to pay directly at the store.

CLICK AND COLLECT

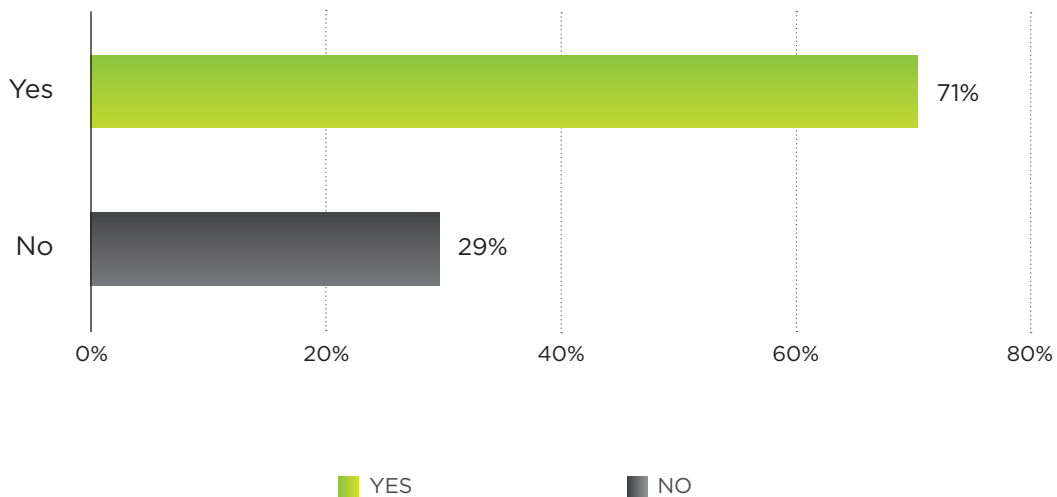
is the ability to get a product quickly and to see and touch it.

Utilizing Click and Collect

Respondents were asked if they had used the click and collect option in the past 12 months.

As shown in Figure 1 below, the majority of respondents identified themselves as experienced click and collect shoppers (71 percent). Twenty-nine percent said that they had not used click and collect as a shopping option.

FIGURE 1 Utilizing Click and Collect



Ranking Click and Collect Attributes

We wanted to understand attributes that were most important to respondents for a better click and collect experience. So, we asked our consumers to rank them.

As shown in Figure 2 below, the majority ranked a quick in and out experience as the top attribute (56 percent), with 22 percent ranking no waiting in line and 14 percent ranking ease of locating a pickup location. A dedicated pickup counter (9 percent) and designated parking spots (5 percent) rounded up the bottom. In summary, quick in-and-out is the primary theme; everything else is a method to accomplish this experience.

FIGURE 2 Ranking Click and Collect Attributes

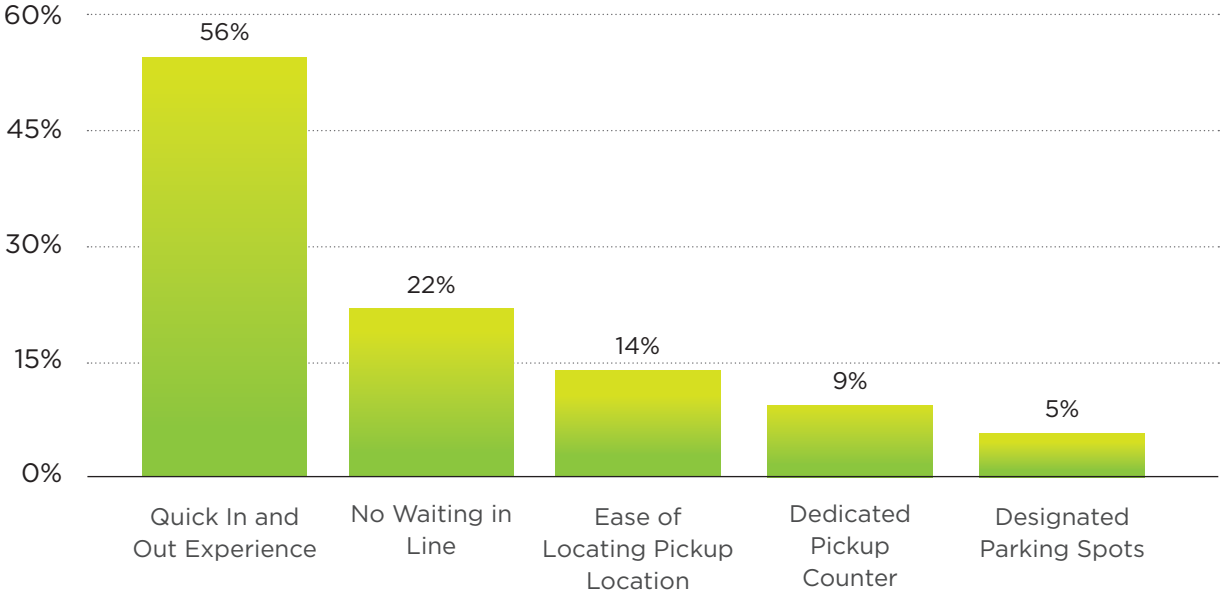


Figure 3 lists the attributes in detail in terms of importance to the participants. Although 56 percent agreed that a quick in and out experience was their number one attribute, 6 percent did note that it was not important to them.

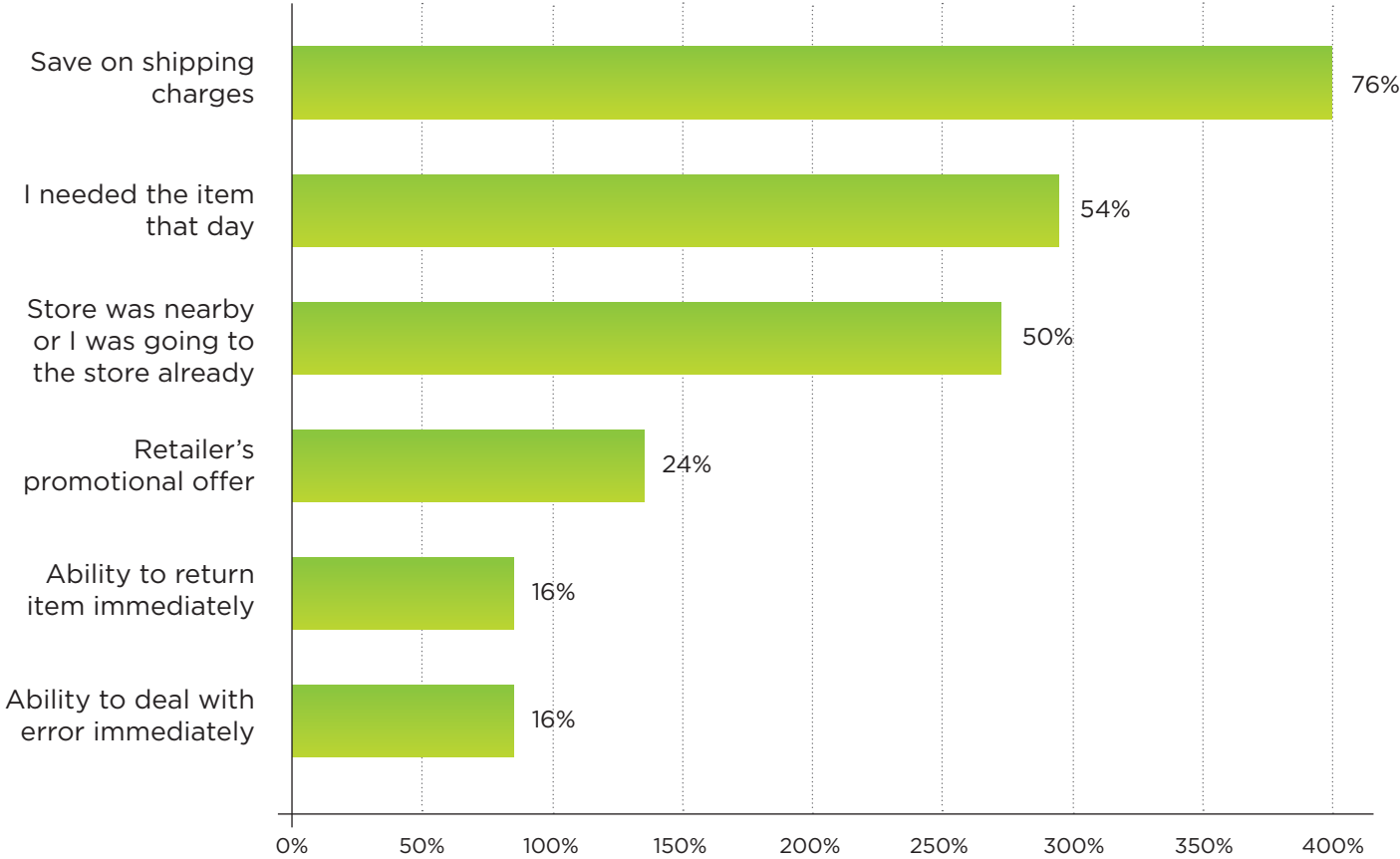
FIGURE 3 Ranking Click and Collect Attributes

	Quick In and Out Experience	Designated Parking Spots	Designated Pickup Counter	Ease of Locating Pickup Location	No Waiting in Line
Most Important	56%	5%	9%	14%	22%
Important	19%	9%	23%	24%	24%
Somewhat Important	13%	11%	24%	29%	22%
Less Important	6%	16%	32%	22%	22%
Not Important	6%	59%	13%	11%	10%

Reasons for Selecting Click and Collect

Next, we asked respondents to select up to six reasons for why they used click and collect. As shown in Figure 4, saving on shipping charges (76 percent) was the primary reason selected, followed by wanting to purchase the item the same day (54 percent). Proximity to another store they were going to ranked third (50 percent), followed by the retailer offering a promotion (24 percent). The ability to return the item immediately and the ability to deal with error immediately were 16 percent respectively.

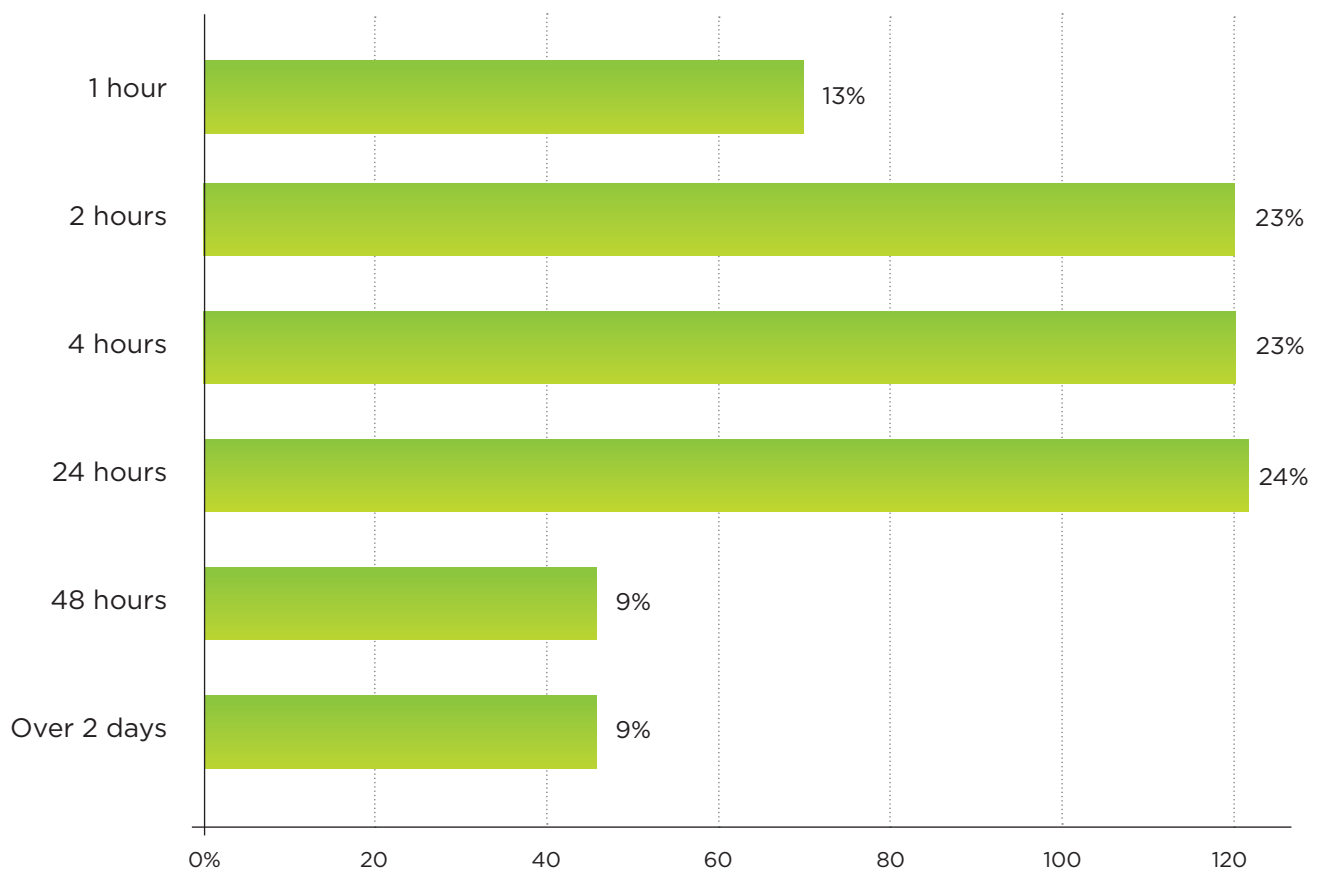
FIGURE 4 Reasons for Selecting Click and Collect



Waiting to be Notified

Respondents were asked how long they were willing to be notified that their item was ready for pick up, once they placed their order online. Speed was the consistent theme as 83 percent expected to hear back within 24 hours or less. Additionally, 60 percent expected to hear back within four hours.

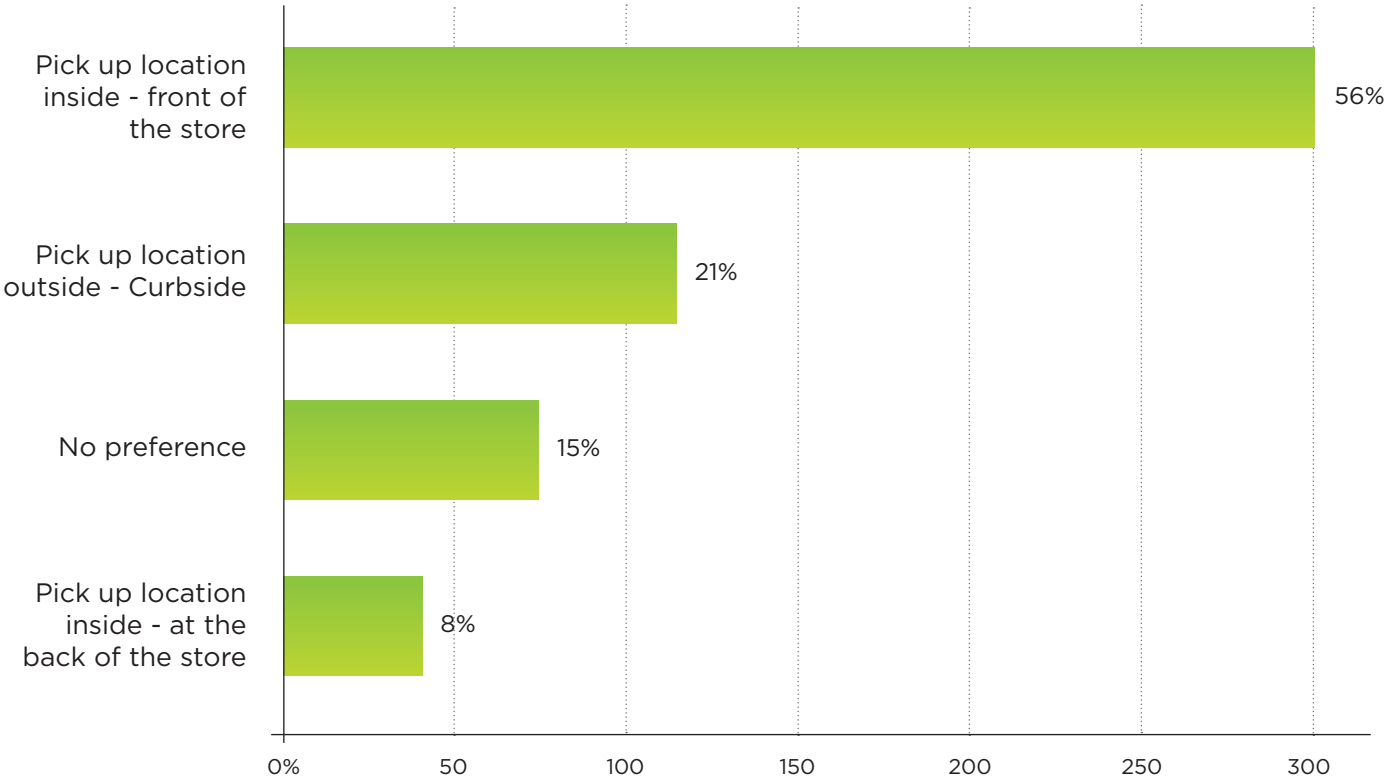
FIGURE 5 Waiting to be Notified



Pickup Preference

Next, respondents were asked to identify where they would prefer picking up their items from once they placed the order online. A pickup spot located inside at the front of the store was the number one preference (56 percent). Curbside pickup came in second at 21 percent. Interestingly, 15 percent had no preference where they pick up their item, and 8 percent wanted to pick up the item at the back of the store. In other words, 77 percent don't want to go to the back of the store to pick up an item.

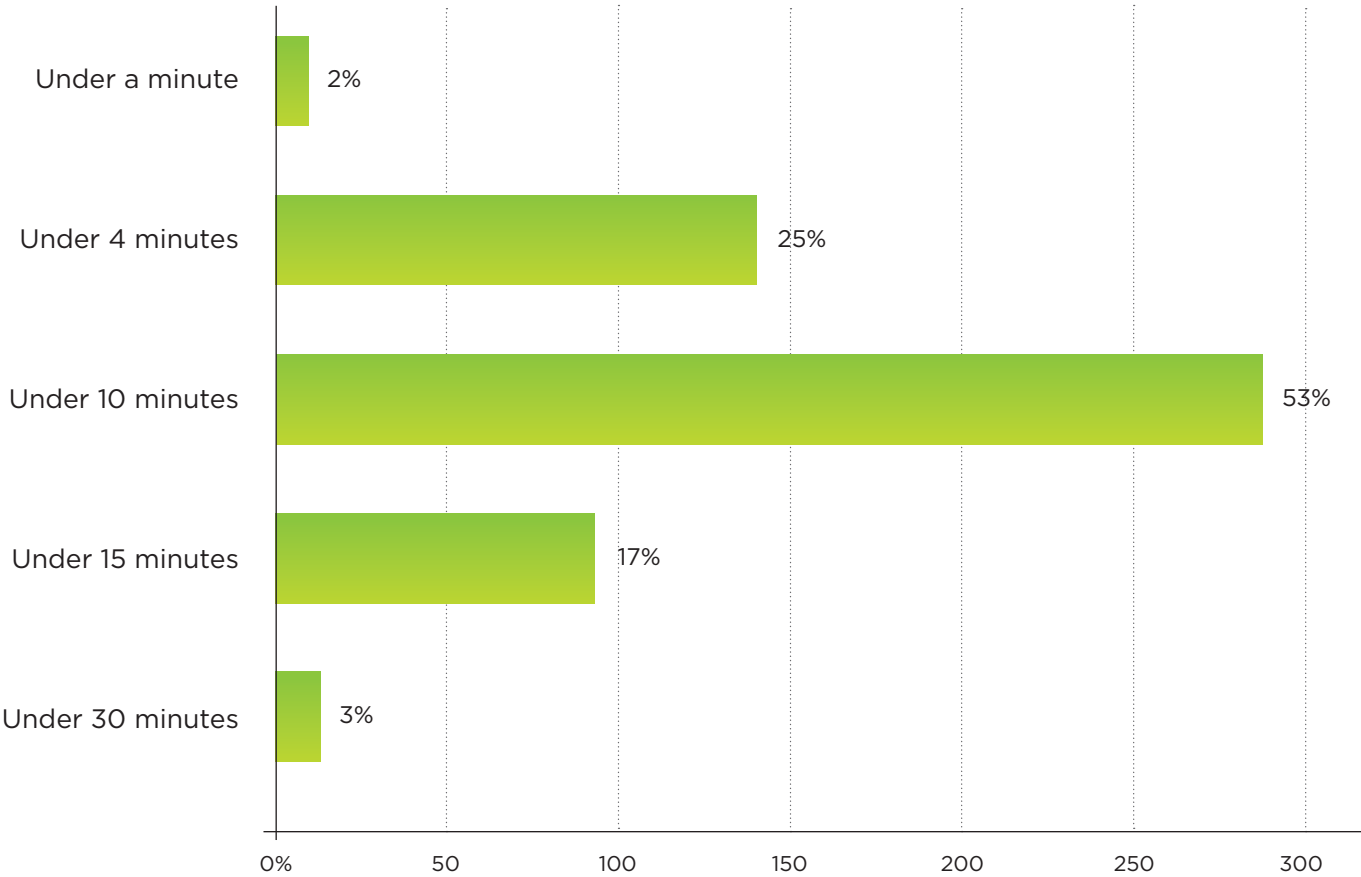
FIGURE 6 Pickup Preference



Time Spent Picking Up

We asked respondents what an acceptable duration of time was once they entered the store to pick up their item. More than 80 percent expected to be able to pick up their item in under 10 minutes, with 27 percent expecting less than four minutes.

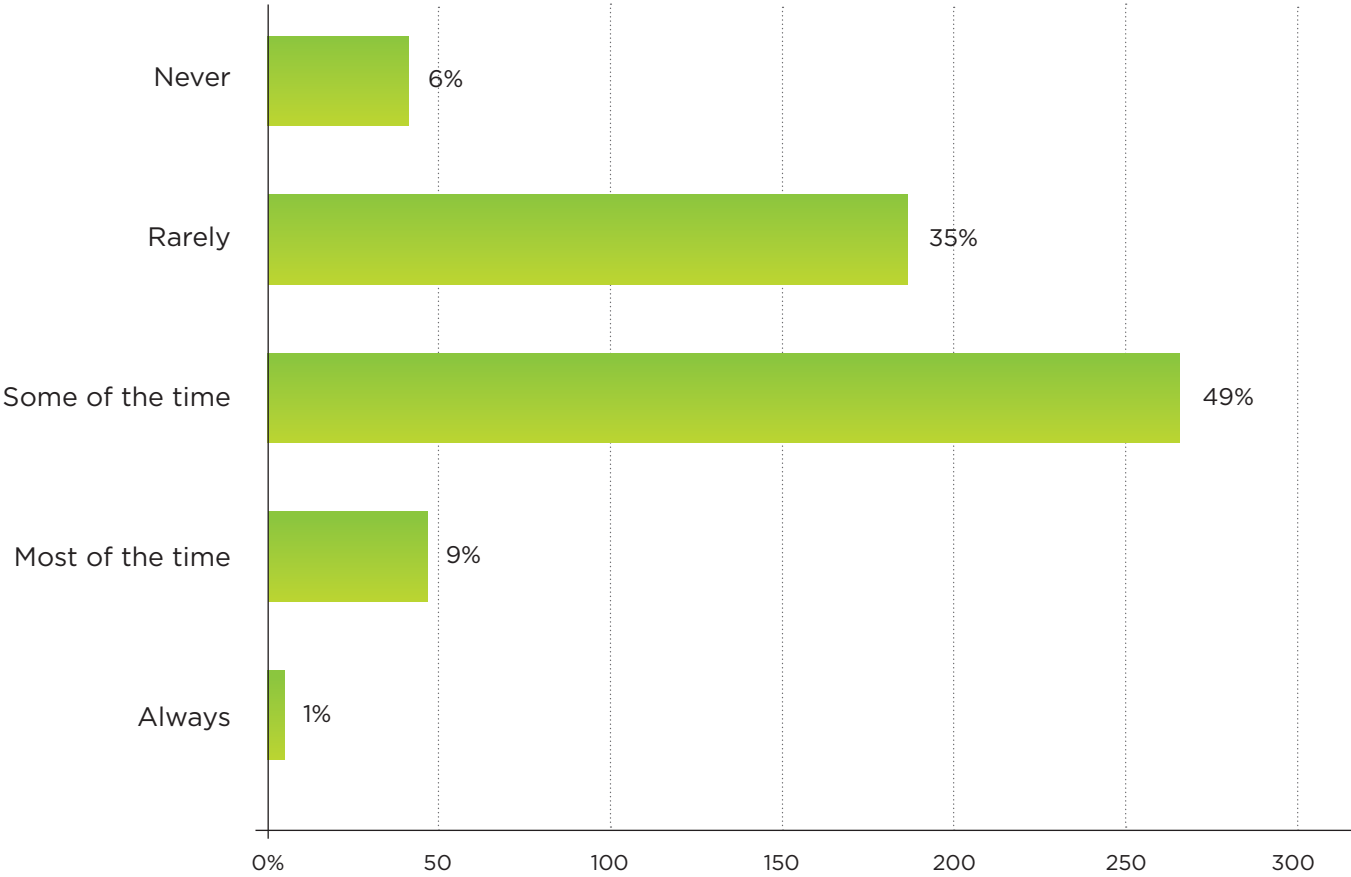
FIGURE 7 Meeting Expectations (Duration of Time)



Purchasing Additional Items

Respondents were asked how likely they were to purchase additional items while picking up their online item at the store. A majority (49 percent) said they were likely to purchase an additional item some of the time, followed by those who said rarely (35 percent). Most of the time (9 percent), never (6 percent) and always (1 percent) rounded out the bottom. A total of 59 percent expect to purchase additional items at least some of the time.

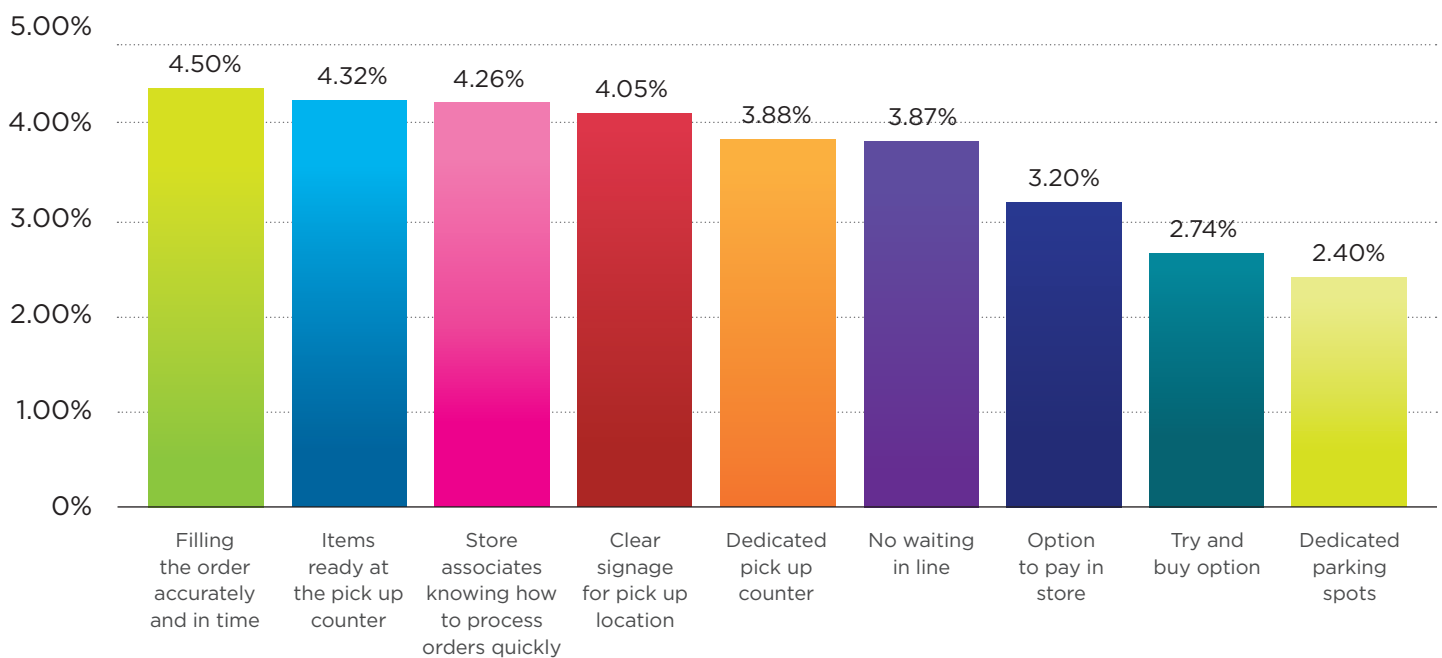
FIGURE 8 Purchasing Additional Items



Key Attributes of an Excellent Click and Collect Retail Consumer Experience

Our respondents were asked to rate the importance of the following attributes for an excellent click and collect retail consumer experience on a 1-5 scale. Filling orders accurately and in time was rated the highest (4.5) followed by having items ready at the pickup counter (4.32). The following chart details all the key attributes:

FIGURE 9 Key Attributes of an Excellent Click and Collect Retail Consumer Experience



Executive Summary

Retail consumers continue wanting ease of use when shopping online. Additionally, they want instant gratification when shopping in the store, and increasingly, a combination of the two.

Click and Collect makes sense from the consumers point of view since it takes the convenience of online shopping and ties it to the advantages of brick-and-mortar stores – the ability to get a product quickly and to see and touch it.

From the retailers' perspective, the strategy makes a lot of sense, too.

However, traditional stores are now being leveraged as distribution centers where consumers take over the

cost of getting the purchased items from the store to their homes. Also, in most cases, customers tend to make impulse purchases when they come into a store to retrieve their items, driving sales higher. In fact, 69 percent of shoppers who used click and collect this past holiday season purchased additional items while picking up in store. Additionally, 36 percent of shoppers using those types of services made another purchase in an adjacent store at the time of pick up.

Currently, a small portion of total purchases are completed through click and collect, but it is growing in use, with 49 percent of Americans trying it for the first time in 2016.

About this Research

Bell and Howell is shaping the future of communications and commerce. We deliver innovative service and technology solutions that enrich customer communications and fulfillment for the world's largest finance, industry and public sector enterprises. Our software and hardware streamlines high-volume, high-integrity production of customer communications and products, maximizes postal discounts and monetizes every customer touchpoint. Our service organization is among the most sophisticated in the world of production workflow, automation and industrial mechatronics.

Headquartered in Research Triangle Park, N.C., with offices around the world, Bell and Howell is the trusted partner of thousands of organizations globally.

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