

RAMP UP YOUR CLICK-AND-COLLECT PROGRAM FOR THE HOLIDAY RUSH



5 TACTICS THAT WILL PREDICT YOUR SUCCESS



There's no doubt about it, the holiday shopping season is going to look very different this year. Traditional doorbuster sales marked by crowded aisles no longer work in the midst of a pandemic. Retailers like Target and Walmart have even announced plans to close on Thanksgiving to avoid crowds and keep customers and employees safer.

This holiday season will be marked by an even greater increase in online shopping, but that doesn't have to negatively impact the brick-and-mortar experience. Analysts predict that retailers who have a strong click-and-collect program in place will still be well positioned to capitalize on the busiest and most profitable time of year.

Are you ready to get click-and-collect right in time for the busiest shopping season of the year? Your customers' experience with your click-and-collect capabilities can influence their loyalty and ultimately determine whether they remain a customer for the long haul or switch to another retailer.

In this white paper, we'll outline the five key areas to focus on while optimizing your click-and-collect strategy – both for the holiday rush, and beyond.

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We now expect US
click-and-collect
ecommerce sales to
grow to \$58.52 billion,
up 60.4% from our initial
forecast of 38.6% growth
... certain behaviors like
click-and-collect and
curbside pickup will
persist and suggest a
long-term trajectory of
ecommerce growth."

e-Marketer





At least 50 percent of survey respondents said they want stores to follow guidelines that will help keep shoppers and employees safe, such as the installation of plexiglass at the checkout.²

Safety: The Key to Attracting and Keeping Customers

If shoppers don't feel safe coming into your store for their orders, they'll opt for home delivery, which can be much less profitable for three reasons:

- 1. On average, companies absorb 25% of last mile (home delivery) costs¹
- 2. Failed or late deliveries cost retailers almost \$70 per order²
- 3. Retailers lose the opportunity for in-store, high-margin impulse buys

As a retailer, it is advantageous for customers to enter your store, or at least drive to it for curbside pickup. But again to get customers to your store, they must feel safe.

Three ways to achieve and convey that you take your customers' health and personal safety seriously are:

Contactless pickup options

With contactless or curbside pickup, you avoid expensive last mile delivery costs while maintaining social distancing and customer safety. Plus, you don't necessarily lose the opportunity for impulse buys. Forward-thinking retailers place <u>mobile impulse stations</u> at the curbside pickup location for last-minute, high-margin purchases.

Organized and socially-distanced queuing

If safety-conscious shoppers encounter a crowded, disorganized pickup center in your store, they're likely to turn around and never come back. From marks on the floor indicating where to stand to <u>plexiglass partitions</u>, visual cues can go a long way in creating social distance and customer safety.

Clear signage

If customers are confused by your click-and-collect pickup process, they're unlikely to use it again. Explain each step of the process while also encouraging safety and driving brand loyalty with simple, graphic <u>signs</u>.

Safety can be a competitive differentiator in today's marketplace. Retailers who convey a commitment to their customers' well-being will be better positioned to capitalize on holiday sales.





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In-store picking carts are designed to easily handle multiple orders.

Efficiency: It Can Make or Break Your Profitability

Efficiency applies to every step of a profitable click-and-collect or BOPIS program – especially during the busiest shopping season of the year when product volumes are highest. Examine each step in the process, starting at the beginning (the backroom) and working your way to the end (the customer).

Backroom

What happens when product is delivered to your stores? Manually unloading, scanning and sorting means you're missing out on efficiencies that can reduce labor costs and fulfillment times. Solutions like <u>flexible conveyors</u> can be an important tool for speeding up the unloading process. Some even have integrated scanning and sortation systems to significantly tighten inventory controls.

Picking

An activity that used to be primarily confined to the backroom or warehouse is now increasingly taking place in the front of the store. Pickers are competing for space with shoppers as they pick products for click-and-collect orders and the process adds significant labor costs.

Having pickers use a dedicated fleet of <u>in-store picking carts</u> can gain big efficiencies. Unlike shopping carts, in-store picking carts are designed to easily handle multiple orders. Picking multiple orders at once is a big deal because picking a single order typically takes $\frac{1}{2}$ an hour and can add \$10-\$254 an hour in labor costs.

And unlike traditional warehouse picking carts, <u>in-store carts</u> are ergonomically designed and configured to fit within narrow store aisles so as not to disrupt the shopping experience of your guests.



Pop-up staging areas are a smart way to implement more organized staging.



Signage that gives a number to text, a place to park or an in-store location to visit can ensure a more efficient and satisfying customer experience.

Staging

A staging area is usually the last place an order sits before reaching the customer's hands, so it's important that this area is well-organized and efficient. If your employees can't find an entire order within seconds of a customer's arrival, you're losing employee productivity, wasting your customers' time and potentially losing repeat business.

Especially during the holiday rush, <u>pop-up staging areas</u> are a smart way to implement more organized staging. These modular staging solutions are easy to set up in any area of your store and can be taken down or moved during changes in seasonal demand. These fixtures may even offer areas for secure storage of high-value items as well as space for branding opportunities.

Customer Handoff

When customers arrive at your store for their click-and-collect order do they automatically know what to do? This is where clear signage plays a key role again. Signage that gives them a number to text, a place to park or an instore location to visit can ensure a more efficient and satisfying customer experience.

Perhaps, the most important aspect of the customer handoff experience is safety – especially when the handoff occurs in the parking lot or at the curbside. Parking lots have always been prime spots for fender benders and property damage, but with curbside pickup areas competing for space in an already tight area, the opportunities for accidents are only increasing. Durable signage that is clearly visible can help denote pickup areas and direct traffic flow – keeping your customers and employees safer.



85% of customers
will buy additional items
in store when using
click-and-collect



High-margin impulse buys are not off the table simply because you have fewer customers waiting in the check-out line. When customers enter your store to pick up their orders, they experience the halo effect, which is a fancy way of saying that 85% will buy additional products.⁵

During the holiday season, it's especially important to capitalize on the halo effect by placing mobile <u>impulse fixtures</u> at your pickup points, or even integrating them into your pickup stations. Employees should also be equipped with POS systems for customers to easily buy these impulse products without waiting in another line.



Promotions: Don't Miss Out on Advertising Revenue

The addition of click-and-collect infrastructure creates multiple opportunities to advertise and drives sales – a strategy that's especially relevant during the holiday season. From <u>staging</u> area walls to queuing partitions and even to picking carts, promotional opportunities are everywhere. Take advantage of this extra real estate by working with your brands and creating <u>signage</u> to advertise holiday promotions.



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Flexibility: Solutions that Evolve with Your Needs

Holiday surges come and go. That's why flexibility in your click-and-collect infrastructure is key. Look for solutions that can flex with your evolving needs and keep up with the surges and downturns inherent in retail.

<u>Pop-up picking stations</u>, <u>mobile impulse merchandising fixtures</u> and <u>modular conveyance systems</u> are all smart investments that will ensure an optimized click-and-collect or BOPIS program during the holiday rush and beyond.

Click-and-Collect Optimization: A Long-term Recipe for Success

Retail analysts predict that click-and-collect is here to stay. That's why a click-and-collect program that creates a positive customer experience while considering safety, efficiency, impulse merchandising, promotional opportunities and flexibility will be a winning strategy for long-term success.

Ready to optimize your click-and-collect program?

Create a competitive advantage and accelerate your success

Marmon Retail Solutions leverages our combined strength and expertise to reimagine the retail experience, enhance the store environment, rethink retail automation, evolve digital display, study consumer demand and respond with solutions that create a competitive advantage and accelerate your success.

We can help you ramp up your click-and-collect program for the holiday rush (and beyond). Contact us today at hello.retail@marmon.com.



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¹Capgemini

² Periscope by McKinsey survey, Retail reimagined: The new era for customer experience; August 2020

³ Convey

⁴ Stat from Marmon deck: Click and Collect Market & Retailer Perspective

⁵ Stat from Marmon deck: Click and Collect Market & Retailer Perspective