

COLUMNS

Retailers must embrace in-store pickup

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By **John Pincott**

With the aim of creating a seamless shopping experience for omnichannel consumers, in-store pickup technology has arguably made one of the most transformational impacts within retail in recent years.

Research by PricewaterhouseCoopers and AT Kearney shows that 80 percent of customers research their purchases online, but 75 percent of consumers still prefer to buy products in a physical store. To maximize this potential, the large retail giants are constantly evolving their propositions to suit.

Despite this, home delivery will continue on as shoppers' preferred choice for order fulfillment, so what is keeping in-store pickup from taking the lead? It comes down to an underutilization by smaller and mid-sized retailers.

Picking up

Shoppers love having the ability to pickup in-store.

According to a 2013 study by Forrester Group commissioned by Accenture, 47 percent of customers surveyed said they used in-store pickup to avoid shipping fees, 25 percent so they could get their products sooner and 10 percent indicated that they found it more convenient than waiting for a delivery.

Shoppers can get orders faster by reserving a product and picking-up the same day at their favored store, avoid costly shipping and delivery fees that cause hesitation at checkout, and gain access to an easier, more convenient physical location in which to manage returns and seek expertise.

For the retailer, offering more convenient purchase options for savvy consumers means more online sales, and in-store pickup can quickly become the driving force behind bricks-and-mortar traffic due to an increased number of shoppers visiting local stores where they can make additional purchases.

According to a recent ecommerce study conducted by us, 40 percent of in-store pickup orders result in additional in-store sales.

By giving online shoppers access to the inventory and service resources of local retail stores, products that were historically too challenging for online sale can be added to the mix.

Too complicated?

Despite the obvious benefits, many retailers still hold the view that the technology is too complicated and costly to warrant investment.

Many view in-store pickup as a process of manual cogs, sending a package from a warehouse or vendor to a local store that inevitably takes too long to arrive, resulting in frustrated, impatient customers.

In truth, in-store pickup does take some effort to implement, but the positive effect on the bottom line is too

In fact, in-store pickup does take some effort to implement, but the positive effect on the bottom line is too considerable for any retailer, great or small, to ignore.

Retailers need to consider the consumer's point of view, or else risk losing out on a valuable share of the market to competitors.

Shoppers want instant access to goods. They want to know "what could I pick up from the store right now?" and will most likely favor the retailers that offer this service.

Which in-store pickup technology is right?

In-store pickup is not complicated if the retailer enables communication between its online and in-store shopping channels, and offers the ability to provide a real-time feed of available inventory to the customer. This instantly lets the customer know if she can pick up her order in the preferred store.

While gaining insight into inventory across a retail enterprise enables a smoother experience, it also unlocks other cross-channel fulfillment scenarios.

Different flavors

There are several flavors of in-store pickup.

The most sophisticated is collection from inventory that is already in the store, allowing online shoppers to see in-store inventory availability in real-time and buy products for same-day collection in as little as an hour or two.

Alternatively, ship-to-store allows an online shopper to have an item delivered to the store from a distribution center or supplier, and made available for collection when it is not possible to find an item in stock at a local store.

The simplest option, and often a stepping stone to more advanced possibilities, is to enable local search on the retailer's Web site, allowing an online shopper to simply see what is available locally.

Act now

A recent study from CFI Group says that 78 percent of consumers consider in-store pickup of online orders either important or very important, proving that the benefits of in-store pickup are clear.

There are countless possibilities to unlock for future growth and cross-channel fulfillment.

We are still at the nascent stages of truly embracing in-store pickup, but with low barriers to entry for smaller and midsized retailers making it increasingly more cost efficient, there is no doubt that its popularity will grow over the coming years as more top retailers and brands embrace the technology to boost competitive edge.

ULTIMATELY, CONSUMERS ARE creatures of habit and still want to shop at the places they know and love. That is until the service they receive becomes notably poorer in comparison to the rest of the market.

By using technology to embrace changing consumer demands, fast-moving retailers can unite physical stores with online, and meet this challenge head-on.

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