QMATIC

CLICK AND COLLECT – THE NEW WAY TO GO SHOPPING
HOW TO IMPROVE CUSTOMER EXPERIENCE AND OPERATIONAL EFFICIENCY IN RETAIL

A QMATIC WHITEPAPER

Abstract

The internet retail revolution has taken a surprising turn – in which store owners can play a happy and prosperous role.

Shopping online conveniently, but meeting chaos at pickup is not what you expect as a consumer of today. Queuing and waiting is after all what you tried to avoid when shopping online in the first place.

People standing in line, waiting to pick up their goods without knowing their turn, don't know when to be served or by whom. Overall a bad experience with the risk of customers walking out and not coming back at all is what you are facing.

Instead you can have an organized, calm situation where customers are given the opportunity to browse the store while waiting for collection, creating not only a positive customer experience but also driving sales. Staff can prepare the order once the customer arrives and checks-in at the store and suggest add on sales based on the products ordered online. When goods are ready – an alert is sent to the customer to make them aware that their order is ready for collection. .

Connecting the online and physical world, creating a unique and consistent experience through the complete customer journey – from the online ordering process through to the in store collection.

"In-store pickup accounted for 31% of total sales for Argos, one of the UK's biggest retailers, in 2013"

Introduction

Click and Collect is a great opportunity for online retailers to improve their customers' shopping experience. By mixing channels and having an online-to-offline strategy, Click and Collect offers a more flexible approach with customers able to collect their orders in store. The topic is increasingly salient given the increase in the number of brands offering Click & Collect, and the potential for brands to extend collection points beyond their own stores. However, is Click and Collect really a solution to overcome issues found in online/offline shopping? Or is it just a temporary patch that helps bring together the two previously divorced offline & online worlds?

Until recently, there has been a fairly clear distinction between shopping online and bricks and mortar retail. The Click and Collect concept blurs this division and enables consumers to purchase online and collect at a local store or collection point. It means that you can search and buy your products on the internet and collect them from a selected location.

As customers increasingly want to be able to shop in a way that is convenient for them, strategies such as the Click and Collect concepts are emerging as a popular means for retailers to increase sales and improve Customer Experience.

Previously, Click and Collect was perceived as the domain of large retailers who could afford to invest in the necessary technology to make it work. This is now changing.

Qmatic supports the full customer experience of the services initial contact through to service delivery and after service support.

"Shopper who use the store and websites spend more than twice as much as those who shop only in store or only online"

Challenges

Click and Collect is a growing trend that undoubtedly generates sales. Before establishing such a service, however, we need to assess the end-to-end process. Specifically, our goals for "Click and Collect" are to provide excellent cross-channel interaction and offer an exciting online as well as offline customer experience.

The logistical and technical requirements of establishing a "Click and Collect" service also present a serious challenge. We need to consider all the interactions that make this concept possible, from the online and offline world.

Customers expect a quick turnaround from the time they order to the time they can physically collect their items. Moreover, paying and order online guarantees that product is available for delivery at arrival.

Of course, the Click and Collect phenomenon is far from perfect and there are areas which Qmatic can add value to help smooth out the process. Poor in store navigation and long queues are some areas which deliver a bad customer experience. .

According to a survey conducted by Qmatic, customers often see problems in the following Click and Collect phases:

- Once the order is placed online, customers often have problems locating the collection point upon arrival in store. What's worse is that the notification process via text and email is not consistent and sometimes fails. The customer experience is also sometimes inconsistent between the online and physical channels. This leads to confusion.
- In some stores, the collection point is at the entrance and shared with the customer service desk. In other cases, it is located at the back of the store and in extreme cases in another building.
- Poor in-store signage is preventing quick and easy navigation.
- There is also often no clear and easy to use check-in process to allow the staff to be notified in advance that the customer has arrived so they can prepare the order.
- There is a lack of seamless integration with the on-line experience, and in store.
- Customers are not actively encouraged or given the opportunity to browse and shop in the store.
- Orders are sometimes not ready for collection. Customers expect that staff to prepare the order in advance of their arrival at the Collection area which saves time.

- Queues in the store may become a problem when many customers arrive to collect their order at the same time.
- The collection service is often shared with customer service, this can lead to long waiting times. A virtual queuing can reduce this problem significantly. Separating the delivery service from customer service can also be a good solution to this problem.
- An additional problem from the retailer's point of view is that the opportunity to sell additional goods is not fully exploited when customers are not given the opportunity to browse the store.
- Finally, it appears that many Retailers are not actively seeking customer feedback on the Click and Collect service. Therefore, how they can actively look to improve the customer experience?

Meeting the challenges

Internet shopping was meant to revolutionize how we bought things. Our sitting room would become the new retail park, our kitchen the new checkout till. Cars would be abandoned; the world would become an easier, happier place. But it didn't work out like that, mostly because delivery services were not up to scratch. Customers were bedeviled by the dreaded "Sorry, you were out" cards, missed deliveries and crashed websites.

Another issue is that many consumers with full time jobs are usually not around at a time when deliveries are normally made. If you are able to collect your goods from the retailer at your convenience, these issues don't exist.

Despite these drawbacks, shopping online has many advantages. Shoppers can research products by browsing a huge number of stores from the comfort of their own home and at a time that is convenient for them. It's also argued that online retail delivers better value for the consumers because there are fewer overheads connected with distribution and it's easier for them to compare products. The Click and Collect concept enables you to take advantage of the benefits of shopping online, whilst being able to get immediate access to the goods at no additional cost.

Illogical as it sounds, most shoppers would actually prefer to incur the cost and hassle of going into town and picking up the pair of trousers or food blender than wait at home or visit the shop, unsure that it will be in stock. Among click and collect's attractions is the certainty that your item will actually be there, waiting for you.

"The concept is very simple and yet very counter-intuitive. You, the customer, buy something online. Then, rather than wait for the postman to ring the doorbell three days later, you go to the shop and collect it yourself. Delivery charges are generally cheaper than by post, or even waived."

The introduction of the smart phone now makes it possible to do all this on the move, which means that the demand for click and collect is likely to grow substantially. According to a recent survey by online research company, OnePoll, one in five smart phone owners now shop through mobile apps and spend an average of £30 a month. In total, it's estimated that £581 million per year is now spent through apps by UK consumers.

Realizing the benefits of a true multi-channel strategy no longer has to be limited to the tier one retailers who can afford to invest millions of pounds in different systems that then need to be integrated in order to get the functionality they need. Now, there are solutions out there that offer all that functionality and more in just one system. This development in multi-

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channel software will enable tier two retailers to meet customer needs by offering a consistent service across all sales channels, and ultimately compete more effectively in today's challenging market.

The Qmatic offer is for Retail Stores with a face-to-face and online business that needs a solution to handle customers coming into the store to collect their order. We offer a solution which creates a positive and consistent customers experience, equally across the online and physical store. Our solution encourages the customer to browse the store which can drive incremental sales.

Our solutions also provide the means for customers to check in by scanning their order confirmation, or manually keying in the order number. An individual id number ensures customers get served fairly, without having to wait in line and can be informed on how the progress of their order. Alerts can be sent to customers when their order is available for collection while they are browsing the store. We also offer the ability for staff to use the information captured at check in to inform customers about other suitable products.

The QMATIC Click and Collect solution is flexible, scalable and can be adapted to effectively meet the needs of any client. The system can expand from a standalone check in solution to a customer journey application that includes multi-department, multi-discipline, multi store, mobile applications, and analytics – all with centralized administration.

Results / Conclusion

There are many benefits to "Click and Collect". First, it drives in-store traffic. Not only are customers "locked in" to their earlier online purchase, but they might make an unplanned, additional purchase when they go to pick up their item as well. Second, having a retail presence offline and online gives retailers an advantage over competitors who do not offer "Click and Collect". As proof of this concept's power, many online-only retailers are now turning to third parties to set up, for a fee, collection points in local convenience.

From a customer's point of view:

- Pay online or Reserve online without payment then pay and collect in store.
- Items will be ready for collection from your chosen store within a short timeframe
- You will be contacted when your product is ready for collection.
- Beat the queues! Pick up the item from the service desk in a calm and controlled way.

" An effective Click and Collect service can drive incremental sales by 15%."

Our solution

CLICK AND COLLECT- STANDALONE SOLUTION

A local, standalone solution, quickly and easily deployed. It includes a kiosk with scanner/reader, signage and queue management logic to serve as basic self-check in and queuing solution. Solo allows for customers to check in and being placed in a queue for the appropriate service. When called to get served, an SMS notification can be sent. Solo is upgradable and can reuse the core HW components in an Orchestra solution.

CLICK AND COLLECT ENTERPRISE SOLUTION

A modularised enterprise platform with a seamless integration to the CRM system. It includes a kiosk with scanner/reader, signage and customer journey logic to serve as an advanced self-check in solution. Orchestra allows for customers to check in and being placed in a queue for the appropriate service. When called to get served, an SMS notification can be sent. Orchestra can be deployed on a server or in the Cloud and can expand far beyond the check-in process becoming a platform spanning the entire customer journey allowing for significant resource optimisation and greater customer experiences through all departments and stores.

Best Practices

There are some critical points need to be in hand to be able to realize the full benefit of the Click and Collect concept for retailers.

MAKE THE PROCESS EASY

If "Click and Collect" is easier than ordering a home delivery, people will be more likely to adopt it over regular delivery and will feel more at peace with the process in general; making them more likely to return and to refer other people to the service.

GO MOBILE

People increasingly use their phones for everything, and if we can provide access to the same information through a phone as through a computer, such as stock information, then customers will begin to make orders on the go that they can pick up later that day as they need it or have time.

BRING THE ONLINE IN-STORE

Offer a truly integrated digital and physical consumer experience and let the customer choose which channel they want to use, to reach the brand is key. Equip employees with iPads, introduced interactive kiosks to help ease customer buying experience and educate them about products. In addition, exploit new technologies in order to improve existent mobile, tablet and in-store technologies and find the best solutions in offering a true omnichannel experience to customers

MANAGE EXPECTATIONS

The online experience should be aligned with what customers expect to find in the store and vice versa. For example, customers should have the possibility to check the stock available in-store while online and when in-store, to have the ability to check the stock in other stores and also online

IN STORE EXPERIENCE

Brands should bring the online experience into the store and move some of the in-store experience to the virtual world (e.g. encourage products reviews; send emails with in-store offers, articles about in-store events).

ELIMINATE WAITING TIMES

Prevent long queues to collect online orders by implementing a customer flow management system that allows seamless integration with your online presence. Qmatic offers market leading solutions within the Customer Experience Management (CEM) category designed to support great face-to-face experiences in your store

About Qmatic

"There is only one boss - the customer. And he can fire everyone from the chairman down, simply by spending his money somewhere else".
Sam Walton, 1977

Qmatic's vision is to realize the full potential of every meeting. We help our clients engage and interact with their customers from the very first touch point. We gather information around the customer journey and help create brand value from improved customer experiences. By creating a seamless customer journey from online channels through to face-to-face meetings, we increase customer experiences and strengthen our clients' brands.

Qmatic holds a market leading positions in the public sector, financial services, retail, and healthcare applications and it is estimated that more than a quarter of the world's population pass through a Qmatic system every year.

Qmatic has a truly global footprint and operates in over 120 countries through own subsidiaries and partner network. The Qmatic Group has a turnover of EUR 60 million and employs some 300 people. The company's main owners are Altor Fund II GP Limited and ICG.

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