

# CLICK & COLLECT : A GREAT OPPORTUNITY FOR BUSINESS

## Introduction

Lots of people thought that online retailing would cannibalise retail store sales and that «clicks» were going to slowly kill brick-and-mortar stores. But the opposite has happened. Rather than competing with each other, the online, store and mobile sales channels actually complement each other very well. When a retailer handles it properly, the implementation of an omni-channel strategy results in a stimulus for sales. Internet has become the main way to pull traffic to stores and in this era of digital economy, «Click & Collect» represents a tremendous opportunity for speciality retail trade.

Olivier Chiono, Retail Product Management Director, Cegid



**Cegid**

Online retailing has advanced considerably in the past few years, and as a result, making it possible for online shopping to become popular. In 2013, 40% of French website visitors made at least one online purchase every month (Source: BVA-Mappy).

It's a fact: the touch points of the shopping journey have multiplied. As a consumer, you can choose «Store only» (Shopper asks the salespeople and buy in-store) or «Digital only» (Shopper can research product information online and buy what they need online). But now, there is a new shopping behavior shopper that mixes these two approaches: Research Online, Purchase Offline ("ROPO") is based on collecting information from websites and purchasing in-store. This behavior is not related to a new type of consumer, it varies according to circumstances and opportunities. In the development of ROPO behavior, stores see the clear progression of «Click & Collect,» a phenomenon which retailers can use to their advantage. This practice is used by increasingly demanding customers who are familiar with new technology. Click & Collect refers to a purchasing behavior which is deliberately multi-channel: Shopper reserves the product online from the store's stock, and then shopper picks from a store location of their choice.

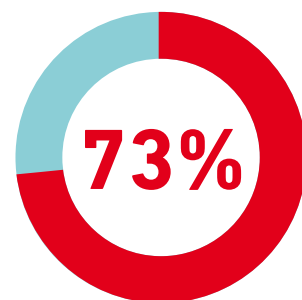
### WHAT IS CLICK & COLLECT?

Click & Collect is a service that enables consumers to make a purchase or reserve a product online, then pick up the item from a store location of their choice. The benefit of Click & Collect is that it enables shoppers to reserve a product stock already at a store location. It is essentially a Web-to-store service.

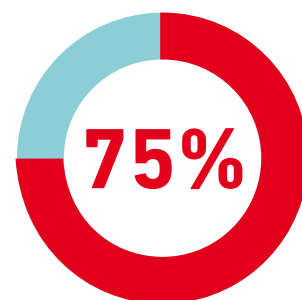
The Click & Collect term that is often confused with a simple store pick-up, which is based on sending an order from the store's e-business stock for pick-up within a few days by the consumer. In this case, the store is merely a package pick-up relay.

### IN-STORE CUSTOMER ACQUISITION BEGINS WITH AN ONLINE SEARCH FIRST

Increasingly, consumers use the digital channel to look for initial information. We know their main motivations are: price (reputed to be more attractive online), time saved and the possibility of comparing offers. This is how marketplaces have become established in this new way of doing business. Now prized by all online retailers, these digital marketplaces offer the sought-after product in the nearest stores with just a few clicks e.g. Google Shopping, Socloz, Mappy Shopping, We Are the Shops, etc.. This is an effective service for generating traffic to local stores. Therefore, it's important for stores to use the Web channel well (visibility and referencing) to maintain relationships with consumers that will prevent them from going elsewhere to look a product. In this way, the Web becomes a strong component in creating customer loyalty. It does not compete with the retail store; rather, it accelerates traffic to the store.



OF EUROPEANS WANT  
CLICK & COLLECT\*



OF STORES SAY THAT A GOOD  
WEBSITE PULLS TRAFFIC INTO  
THE STORE\*

Although **55 %**  
of website visitors use  
both stores and online  
channels, they now expect  
to see a connection  
between both channels.

***There is no longer any  
reason to separate online  
and offline\*.***

## THE STORE MUST REINVENT ITSELF

Although consumers may prefer to make purchase online more frequently than ever before, the store is irreplaceable because its ability to provide a much higher sales conversion rate. It's the key setting for a stimulating customer experience. Shoppers are able to handle the products first-hand in a visual environment with accompanying sound. Additionally, the salesperson plays an essential role in creating a personal relationship with the shopper and as a result is able to strongly influencing the act of buying.

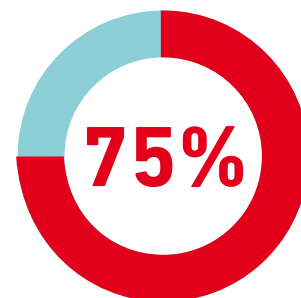
For these reasons, the store has a distinct role to play in the retail revolution, but only if it is able to reinvent itself to maintain relevance. This is because online retail has created more demanding consumers; they want to find their product immediately and don't want to make a trip to a store only to discover the item they want is not available. Shoppers are time poor and want their items, without constraints. Their expectations of a fluid customer shopping journey are known: It starts with the shopper's entry into the store; they want a personalised service, and then help in choosing and access to a broader offer.

Shoppers want quick tools, extending all the way to checkout that enables them to experience a fast online shopping-like execution – which has become the norm. Transforming the store is an essential condition for making it an even stronger link in the relationship between consumers and the brand. This gives Click & Collect the ability to make a big and measureable impact by pulling traffic to the store and encouraging additional sales (upselling) or impulse buying.

STORE TRANSFORMATION  
RATES ARE

**20X**  
plus élevés

THAN FOR E-BUSINESS\*\*



OF CONSUMERS THINK THAT THE  
ROLE OF THE SALESPERSON  
IN THE STORE IS PRIMORDIAL\*



**66%**

OF CONSUMERS THINK THAT  
THE INTERNET PUTS A BRAKE  
ON CONSUMPTION\*

## THE MAIN ADVANTAGES OF CLICK & COLLECT

### For the store:

- Makes the website profitable
- Pulls traffic to the store
- Promotes upselling, increases the average purchase
- Ensures better customer service
- Reduces logistics costs

### For the consumer:

- Ensures that the item is available (reservation from store stock)
- Test/try the product before purchasing
- Get advice from salespeople with real expertise
- Pick up the product at any time
- Save time
- Save money (no delivery fees)

## A REAL-TIME, UNIFIED VISION GUARANTEES COHERENCE OF THE CUSTOMER PATHWAY

The benefit of Click & Collect is that it enables the ability to reserve a product which is in stock at a store. This implies that the store must be able to indicate its stocks in real-time. The information system must also be able to provide a 360° view of the entire purchasing process at all times. It must ensure smooth customer shopping journey and the reliability of management data including: stocks, prices, product catalogs, purchasing histories and loyalty points.

Stock data is especially crucial and must be available in real-time at any sales consultation point. Staff at the cash desk must be able to instantly visualise and authorise online reservation requests. An information systems including omni-channel should flow in real-time and 100% integration guarantees the coherence of the customer's journey online and in-store.

## UNDERSTANDING THE PURCHASING JOURNEY IMPLIES BETTER CUSTOMER SERVICE

When witnessing new shopping behavior, retail stores must be able to capture customer data so they can understand their expectations by knowing which offers to offer and which channels to use. An integrated reporting solution enables analyses of sales from both the Web and stores, as well as the reciprocal influence of channels. This requires the ability to examine the initial sales channel in a very detailed way. Having robust indicators facilitates the ability to make the right decisions and gain the full benefit of Click & Collect.



ONLY

16%

OF STORES OFFER CLICK & COLLECT\*

## CONCLUSION

The 90s were digital, the 2000s were social and without a doubt, the 2010s will be omni-channel, Click & Collect is the cornerstone of this development. Although stores have understood the strategy of connected commerce, and particularly of Click & Collect, the use of online, store and mobile in France is still experimental, in spite of the fact that countries like England have already taken advantage of it with proven ROI.

The future will belong to retail stores because they know how to effectively mix the online and store channels, and implement the appropriate omni-channel strategy. Customer trust and satisfaction, is the key criteria for competitive differentiation, and will be measured in light of this organisational change.

## YOURCEGID RETAIL AND THE OMNICHANNEL APPROACH

Yourcegid Retail covers all the retail distribution chain needs in an omni-channel environment, including: Merchandise planning, sourcing and production, POS and store management, mobile POS, CRM, clienteling and loyalty. Yourcegid Retail offers centralised, real-time management on all retail channels, guaranteeing a smooth and connected customer journey.

Over 1,000 stores and 25,000 points of sale worldwide are equipped with Yourcegid Retail solutions.

■ This document is offered to you by Cegid Retail Insights.

\*2013 Xerfi study