

In-store collection services likely to pick up

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Steve Smith, head of thought leadership at Starcom MediaVest London, explains the benefits of in-store collection...

Figures released by Argos in its parent company's 2012 annual report shows that 72% of its online sales are picked up in-store.

This tells us that customers like to exert more control over their online purchase experience, namely that they can choose when to receive their goods at a time that suits them. How many times have you received a note saying the postman had tried to deliver a package, but you are out?

In-store collection can be beneficial to retailers as well as customers. Online ordering means fewer overheads. But it also means that upon collecting in-store, customers have a likelihood to buy further products upon their visit. For example, A Wal-Mart spokesperson recently told eMarketer that orders picked up at the company's stores generated an average of \$60 in additional purchases on the same shopping trip.

Some retailers have taken in-store collection a step further. House of Fraser opened its first UK click-and-collect store in Aberdeen in late 2011. This was closely followed by a store in Liverpool.

Rather than selling goods, House of Fraser uses these stores only for click and collect. The sizes of these stores are only around 1,500 square feet - much smaller than the average House of Fraser size of 100,000 square feet, reducing cost significantly. But also, House of Fraser uses these stores to facilitate a more enjoyable customer experience, by equipping them with comfortable seating, ambient surroundings, free coffee, iPads, computers and interactive screens for browsing and placing orders.

Right: House of Fraser click and collect store, Aberdeen



Many retailers have been slow to offer in-store collection, let alone the kind of standalone click and collect stores offered by House of Fraser.

The biggest reason seems to be cost, yet the research shows they can reduce costs significantly and provide customers with a convenient and enjoyable service that adds brand value.

Retailers can also use them to draw higher value customers and customers who are have less familiarity with the brand, for example in towns and cities that do not currently have those stores.

They can also use them to help differentiate themselves from competitors and to gauge possible demand for full sized stores.

Data source: eMarketer 2012

Link: <http://mediatel.co.uk/newsline/2012/06/28/in-store-collection-services-likely-to-pick-up/>