

From Click to Collect

————— Analysing the Christmas shopping behaviours and experiences of UK mums using Click and Collect.



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Introduction



Christmas is about spending quality time with family. But it's also about finding the best deals and that must-have present for your child. Perhaps it's the reason why so many mums decided to head online in the run-up to Christmas 2015 to do their festive shopping. Even if we'd like to think it was to protect the magic of Santa, by buying gifts out of the watchful eyes of children.

Retailers continue to invest in providing a more integrated path to purchase. Instore, online, and the increasingly important space in between – Click and Collect. Now pivotal to delivering a truly 'connected' shopping experience, its popularity continues to grow amongst mums. Never more so than at Christmas. So Visual Thinking did a little research to uncover some accurate

shopper behaviours, experiences and frustrations amongst this key audience – and we also discovered there are a few areas where there's work in store for leading high street retailers if they are to deliver retail performance improvement.

It is the result of more than 100 shopper surveys of British mums who used Click and Collect as part of the purchase process for Christmas 2015, along with the experiences and observations of Visual Thinking's own retail experts.

Kirsty Kean
Senior Retail Consultant

23%
...of mums said they planned to use Click and Collect for over half of their Christmas shopping.

60%
...drop in mums shopping instore for presents over Christmas 2015.

Mum's the word

UK mums are a key shopper audience during the festive period. According to some reports, mums alone spend £275 on each of their children at Christmas*.

With Christmas typically such a stressful and hectic time, it's little wonder that more and more savvy mums are turning to retailers with a strong Click and Collect offer in order to guarantee festive cheer and make life that little bit easier – ensuring product availability, bypassing wasted journeys into store, and avoiding the need to wait in for deliveries.

Methodology

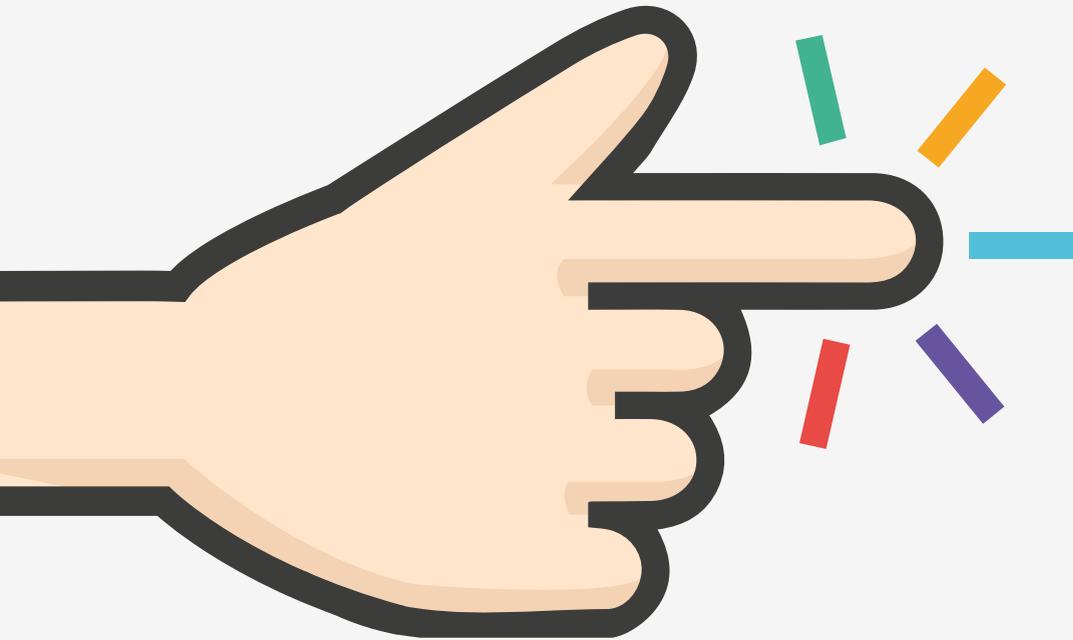
During December 2015, Visual Thinking conducted online research to explore Click and Collect shopping behaviour, experiences and expectations. 176 respondents completed the online survey. Eligibility criteria: mums who were the sole or shared purchase decision makers who had made any Christmas purchase using a UK retailer's Click and Collect service in the run-up to the festive period.

Source: *The Independent, Christmas 2014: Smart TVs, iPhones, and laptops takeover from toys, bikes and sweets on kids' wishlists, Published 21 November 2014*

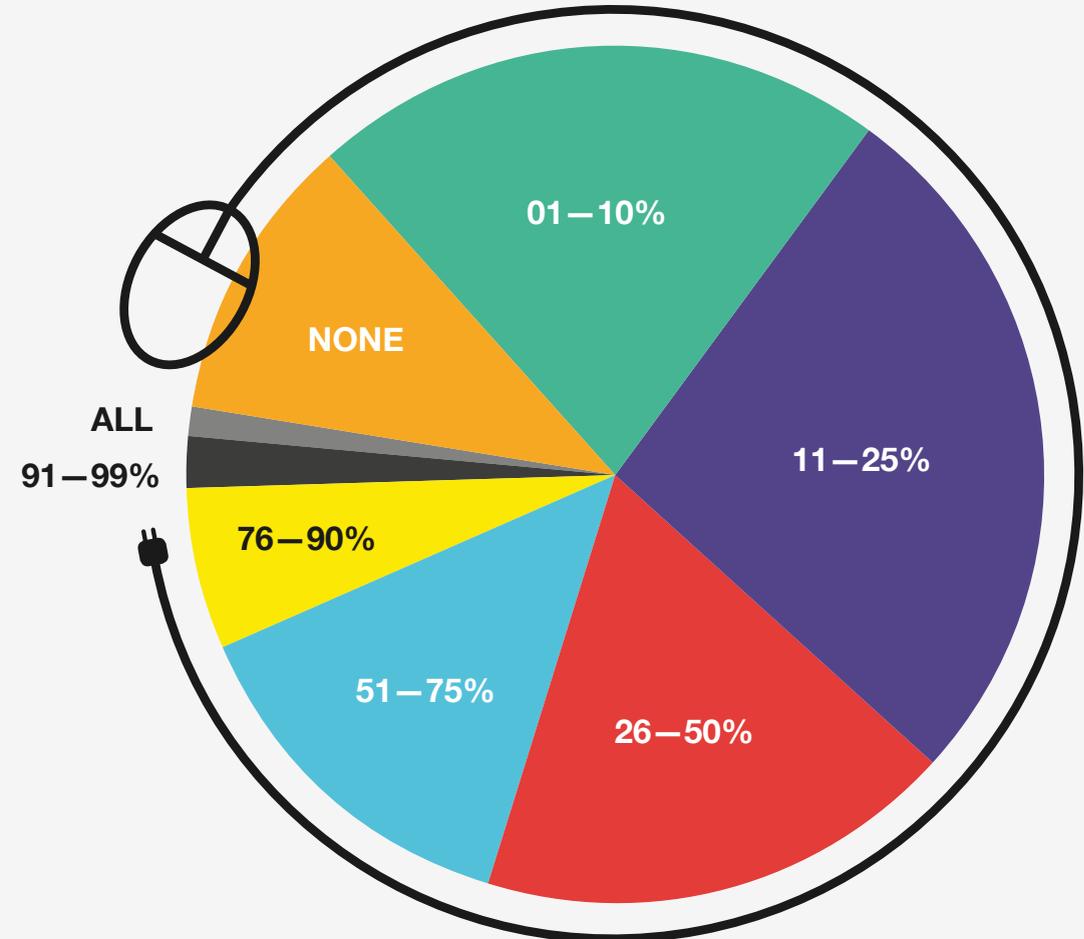
28% of mums did not use Click and Collect for Christmas shopping in 2014. A year later, that figure has fallen to just **11%**.

Growing popularity of Click and Collect

Almost a third of mums surveyed (32%), said they were opting in to use Click and Collect services for up to a quarter of their Christmas shopping in 2015, compared to just 14% the year before.



How much of your online Christmas shopping this year will be Click and Collect?



Mums Christmas top 10 for Click and Collect

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Retailer Argos ranked as the most popular for Click and Collect amongst shoppers surveyed (69% of shoppers claiming to have used the retailer's service). Tesco and M&S ranked second and third, respectively.

Our survey highlighted an interesting loophole in recent legislation changes, with Click and Collect shoppers seemingly managing to avoid the new 'plastic bag tax' charges. This is what one of our respondents had to say about it:

"The item was already bagged, so no additional 5p charge."

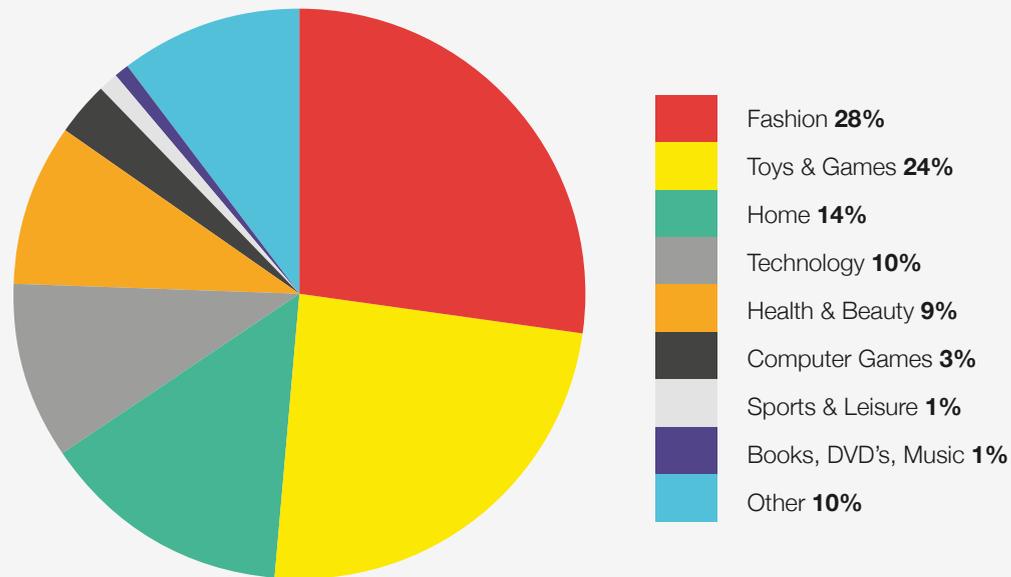
Top 10 retailers for Click and Collect, according to mums in our survey.



How mums shop Click and Collect

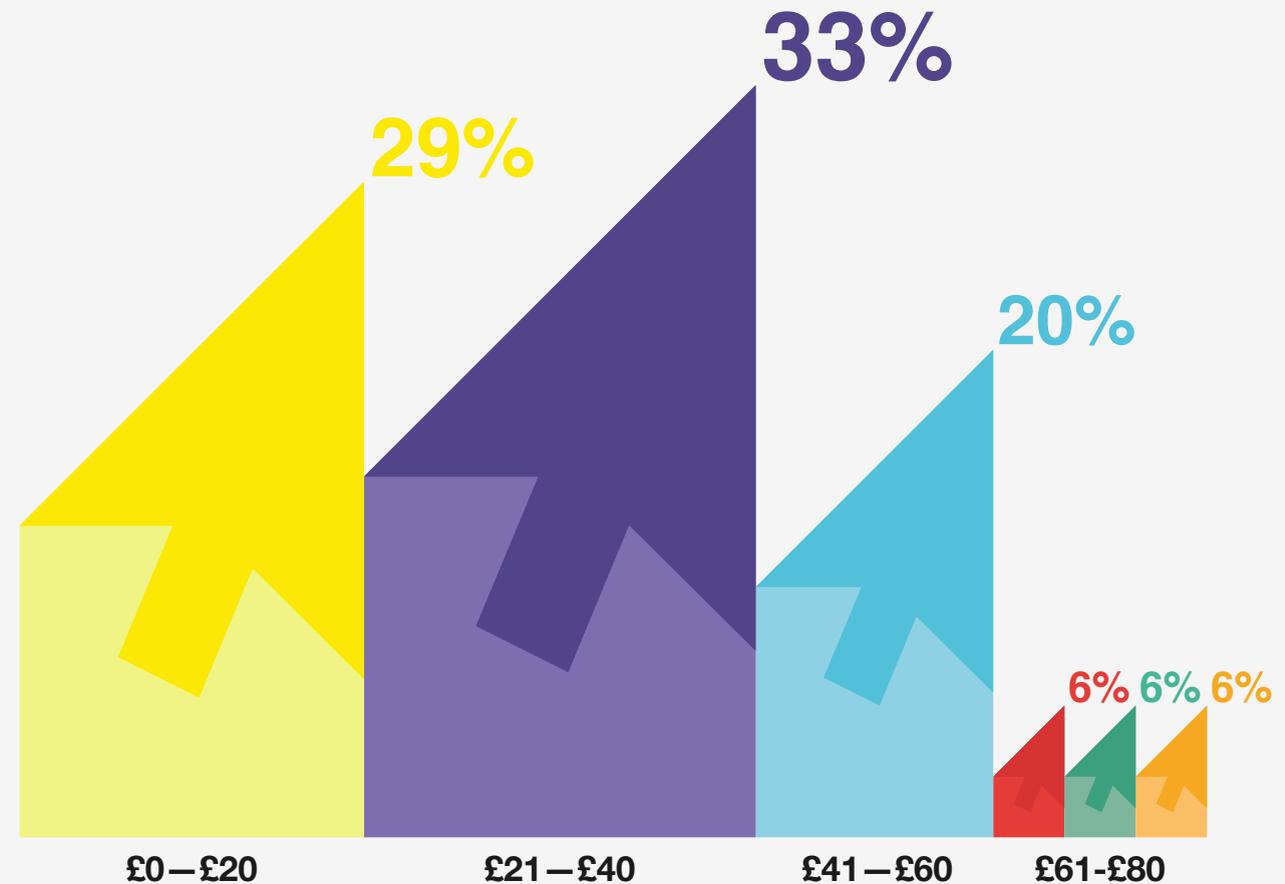
Sector spend

So far the winners seem to be fashion and toys and games, accounting for 51% of Click and Collect purchases. While home (14%) is catching up, based on the purchase behaviour of mums in our survey the penetration of spend on goods such as health and beauty, technology, computer games, and books, DVDs and music is some way behind.



Price point of Click and Collect purchases

Over a quarter (29%) of all items purchased through Click and Collect cost £20 and under, whilst a further 33% were priced between £21-£40. Only 6% of mums surveyed spent between £61-£80 on a Click and Collect item.



Reasons why mums Click and Collect

Almost half of mums (43%) said that the reason they use Click and Collect services is to save on delivery fees.

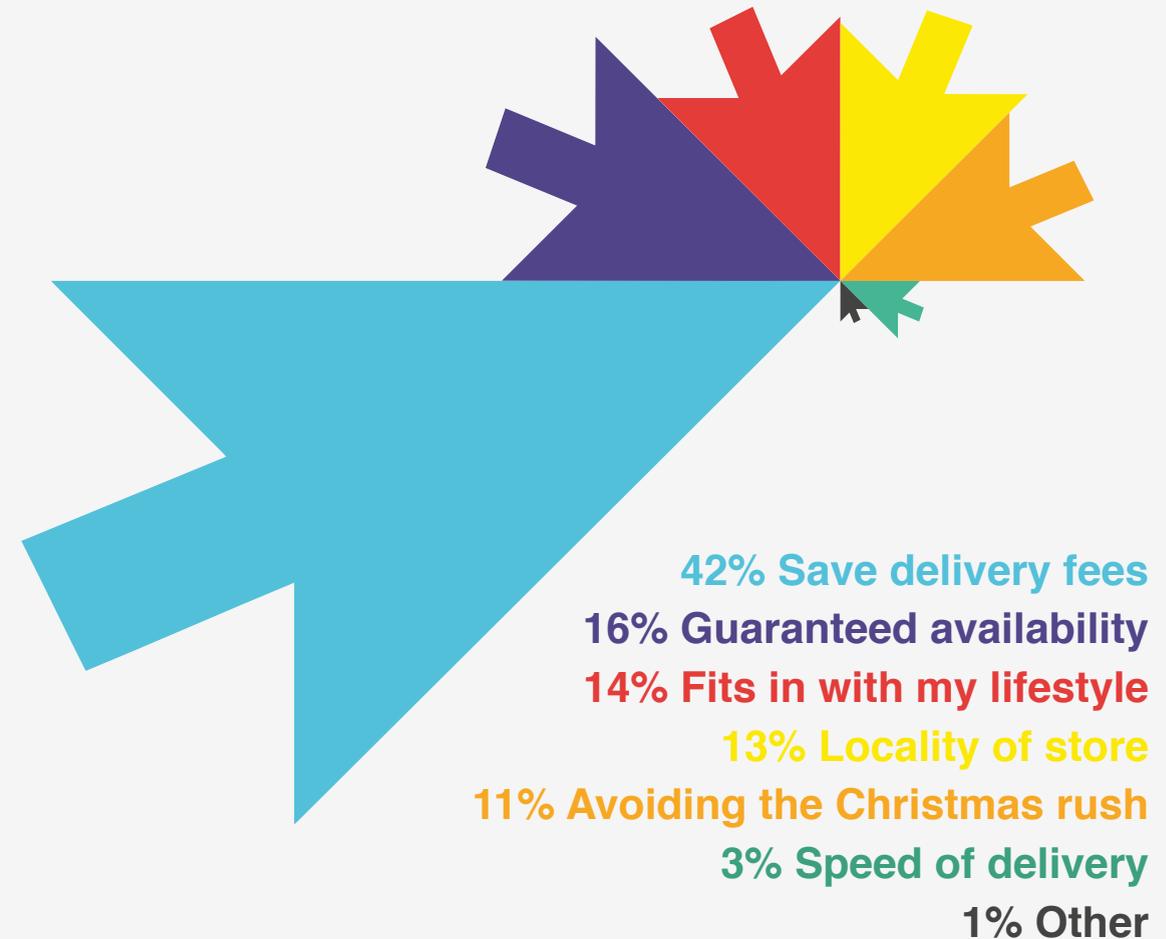
Our survey findings mirror those of a report by the retail marketing industry association, POPAI UK & Ireland, which found that 26% of shoppers cited unhappiness over delivery costs or delivery delays as the reason for not making the final purchase online.

Despite this, some retailers, notably John Lewis, have started to charge £2 for orders totalling less than £30 after finding it was not cost effective to process the six million orders it receives in a year. Retailers are becoming all too aware of the costs involved in providing this service. During intense shopping periods, when retailers are faced with a high number of returns and the cost that comes from handling these administering,

a charge seems a logical response from an operational perspective.

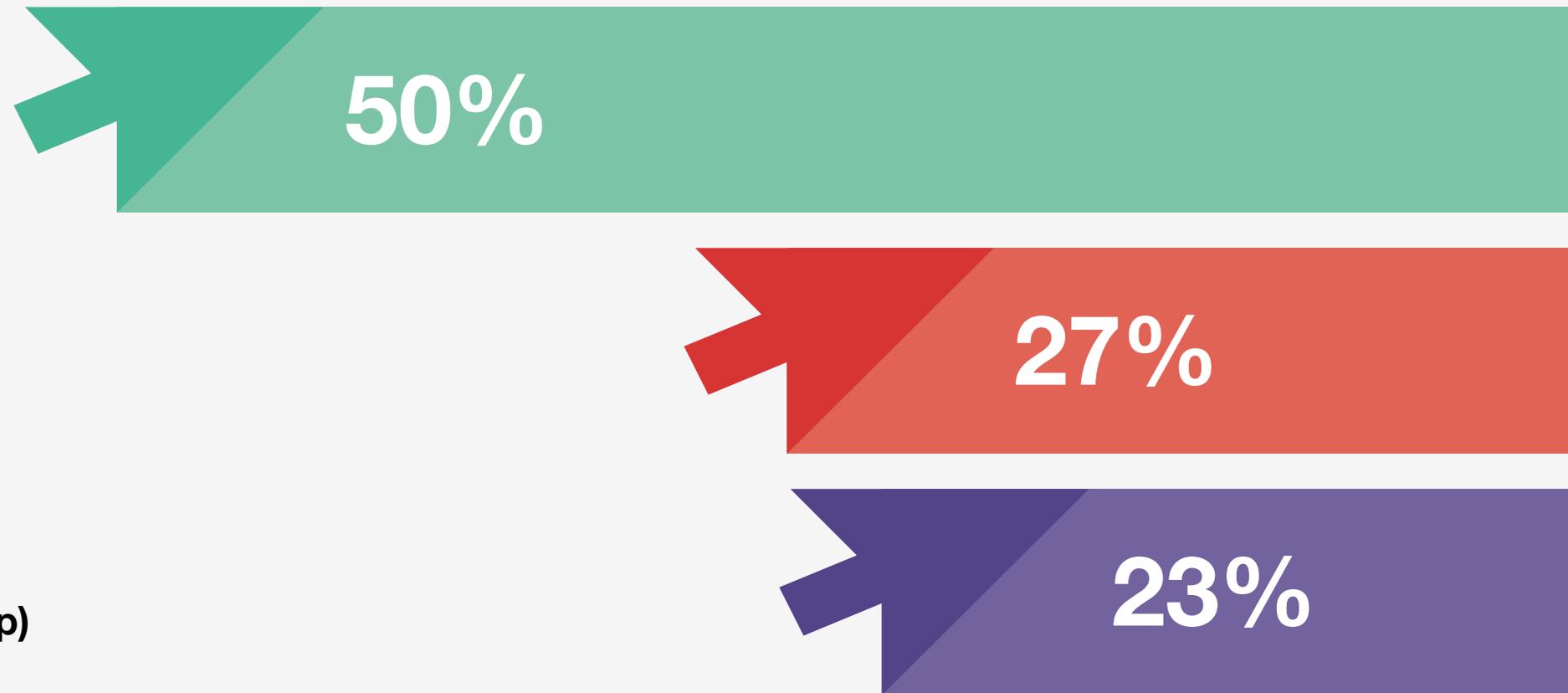
But from a shopper perspective, this feels counter productive in a number of ways. Firstly, it adds another barrier in the quest to tempt shoppers away from pure online shopping and into the store. Secondly, why would shoppers want to pay more to collect from a retailer when they will, in all likelihood, pass the item on the shelf as they walk through the store?

Main reasons for using Click and Collect for your Christmas shopping



Preferred shopping device

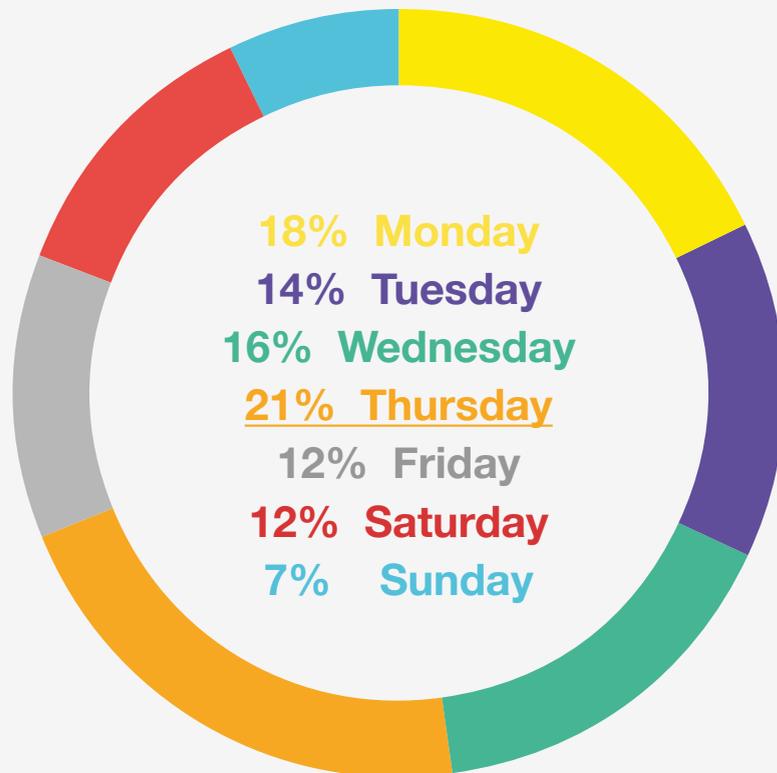
Mums are more likely to use tablets rather than smartphones to shop Click and Collect on mobile devices



- Computers (desktop/laptop)
- Tablet
- Mobile

Preferred collection time

Between 9am and 12pm on a Thursday is the most popular time for mums to visit stores for item collection



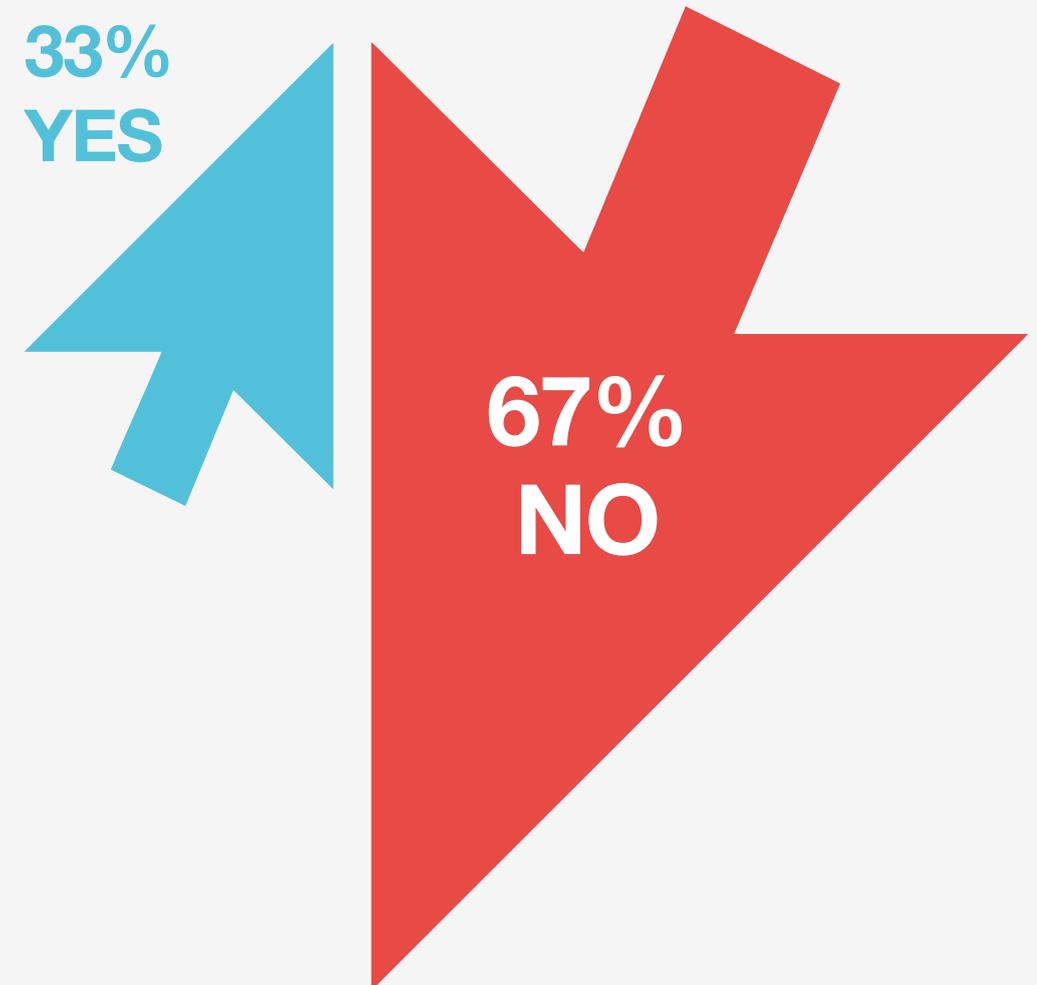
A story of missed opportunity

Convenience is always a key shopper requirement when it comes to creating great shopping experiences. Whilst there is no denying that this puts Click and Collect high on the list, it also means that retailers are missing the chance to engage shoppers with their brand. According to our survey, a staggering 67% of mums who entered a store to pick up their Click and Collect item left without buying anything else. This is what one of our respondents had to say:

“It was so fast. I went directly into store, collected my item and was out within 10 minutes.”

Clearly, this represents a huge missed sales opportunity for stores. Retailers run the risk of a growing number of visits instore becoming a mere transaction. There is a clear need for more attention to be placed on identifying ways to drive incremental and impulse sales when shoppers are on Click and Collect shopping missions, without impeding the need for a fast, efficient customer experience.

Did you buy anything else whilst you were instore collecting your item?



The instore journey

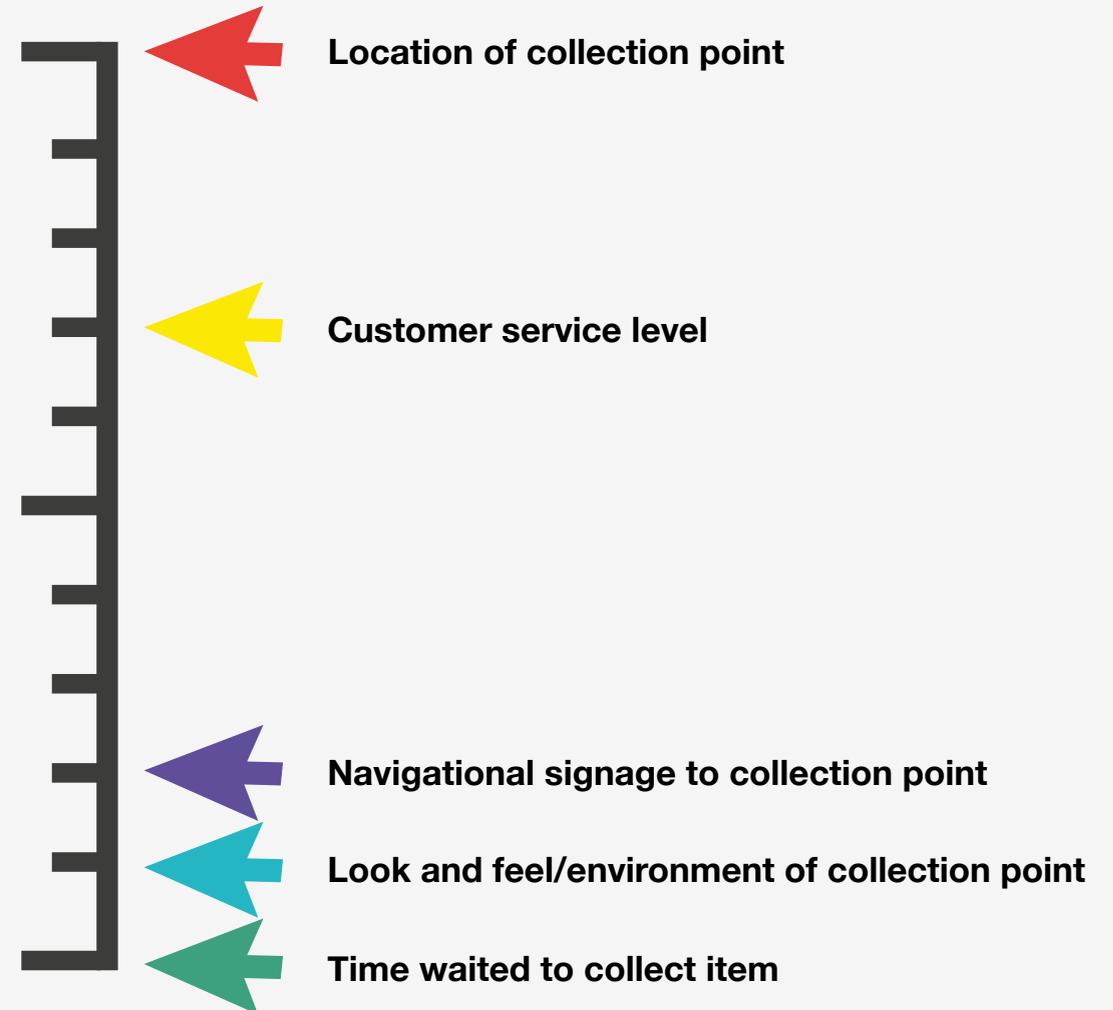
Whilst mums surveyed rated retailer's overall Click and Collect experience as 'good', some however experienced problems that highlight common issues with the current integration of the Click and Collect experience within the physical retail environment.

'Time waited to collect item' ranked bottom in the Click and Collect instore experience, with limited staff numbers at collection desks leading to areas being left unattended while staff searched for items, and long queue times. Instore navigation to designated Click and Collect areas, along with the look and feel of the collection point environment also topped the list.

“The online app is very good but you don't actually get your things quicker.”

Our findings only go to reinforce the need for retailers to not only improve efficiency of service, but also invest in identifying ways to improve queue management and develop visual merchandising practices that will further improve the shopping experience and better engage shoppers within a retail space that has naturally high dwell time.

Shopper perceptions of instore Click and Collect experience



The instore journey — Expert view

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Whilst the likes of Amazon are now providing the kind of delivery convenience that can match, and sometimes even better what shoppers are able to achieve by taking the time out to visit the physical store, many retailers remain some way off achieving a fast, reliable alternative as Christmas 2015 once again showed – with one of the UK’s largest retailers stating on its website that “due to high demand as a result of Black Friday, shoppers should allow 5-7 days for deliveries via its Click and Collect service, whilst its Express delivery was temporarily unavailable”.

There are plenty of other observed issues with current approaches related to the bridge between online and instore that is Click and Collect. So here are just a few of our own recent experiences from the team at Visual Thinking:



The instore journey — Expert view

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Kirsty Kean
Senior Retail Consultant / Mum of 3

Using: Debenhams

The order process was very easy to use, with good customer communication to update me on progress of delivery. But the experience was not without its problems. The collection point at rear of the store on the top floor was not easy to find, with navigational signage and limited POS. A returns issue highlighted the kind of disconnected brand experience that can quickly infuriate customers. Attempting to return the damaged item, staff explained that it could not be exchanged. Instead, a replacement would have to be shipped into store, as it was a Click and Collect purchase, despite the product being on display behind the counter. This resulted in a refund having to be applied by the Click and Collect team and a 'new' purchase being made instore. Thankfully, the sales assistant kindly pointed out that the same product was now available, complete with a gift with purchase, for less than the original sale price. Ultimately, a short-term result for me, the customer, but surely not for the retailer – a poor 'connected' customer experience, and reduced sale value.



Lisa Lawson
Retail Project Manager / Mum of 1

Using: John Lewis

Fast and fuss free, John Lewis is perhaps one of the only retailers to have embraced the concept that shoppers want to shop the brand, not channel, most effectively. The expediency of the shopping experience was great, as was communication throughout. Instore, the Click and Collect point was easy to locate on the ground floor. Overall, retail standards were very good, although a handmade 'ring bell for service' was a little at odds with the sophisticated fret cut lettering signage behind the desk.

The instore journey — Expert view

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Suzanne Tanner
Senior Retail Project Manager / Mum of 2

Using: Argos

Despite the process itself being easy and convenient, there was a noticeable problem however. Within store, the FastTrack POS was well used in different formats – posters behind tills, FSDUs, hanging banners and leaflets, and the FastTrack specific location was easy to differentiate between tillpoints and general collection points. But for those unaware that the retailer's Click and Collect service is actually called FastTrack it could cause confusion until its branded service becomes firmly established.



Louise McJannet
Retail Project Manager / Mum of 3

Using: Next

Despite the success of its stores and the Next directory over the years, there is room for improvement with its Click and Collect experience. To a new shopper, the instore experience would be a little confusing with no signage, from windows to tillpoint, to navigate customers to the collection point. As with some other retailers, retail standards around the Click and Collect point instore were untidy, with information about the retailer's returns policy poorly communicated.

Future challenges

Increasingly, many retailers are now offering Click and Collect via third party stores – it is becoming commonplace for people to be able to pick up goods from petrol stations and local convenience shops. This can be good for customers who do not want to visit a busy city centre store or pay high parking fees, but it also poses some interesting questions for retailers – both those selling goods to customers and those who provide the facility for customers to collect them.

In practical terms, it means that a John Lewis or M&S customer may now be walking into their local c-store, often for the first time, to pick up their parcels. In other words, such retailers are now seeing their brand being ‘delivered’ in a retail environment where their customers are not the ‘primary customer’ and they have little or no control over customer service standards.

If retailers thought managing franchisees presented difficulties, this has the potential to amplify issues like never before. But it also has ramifications for independent c-store retailers, too, as they have to consider how they will appeal to a different shopper type. Undoubtedly, that will call for range reviews and greater investment in retail presentation standards, to provide Click and Collect customers with the products and level of customer service they would typically expect to find within the retailer they’ve ordered their goods from.

Summary

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Early post-Christmas retail figures have shown huge growth in Click and Collect, and its percentage share of overall sales is surely set to grow further over the next twelve months and beyond.

This report highlights the need for retailers to pay attention to the customer experience in all its forms – as one. In short, delivering a connected and consistent customer experience matters, regardless of channel.

Online, instore and Click and Collect have a symbiotic relationship with each, ultimately, feeding the other. Today’s shoppers do not shop the channel – they shop the brand. Retailers can no longer afford to see Click and Collect as standalone from the store. Instead, they should be investing more to ensure that such services are a fully integrated, natural extension of the shopping experience, not as a substitute for it, or simply viewed as an easier operational alternative.

Having a fully functioning website and clear messaging about when the parcel will arrive are a must, but a carefully considered, supportive shopping experience instore is also essential if retailers are to avoid the final stage of the Click and Collect purchase feeling disconnected from the brand. Here, effective brand delivery, store standards excellence, and well considered

POS and cross-promotion activity must play a crucial role in framing and reaffirming overall shopper perceptions of the brand experience.

Currently, too many retailers still think in silos, with online and instore seemingly operated independent of one another. The online shopping experience has improved significantly in recent years. At the same time, retailers continue to focus on finding a new relevance for the physical space instore. What must now be addressed is the disconnect that exists between these channels, particular in respect of Click and Collect. Often, this leads to a frustrating retail experience that, ultimately, damages shopper confidence and loyalty.

The challenge for retailers is to find ways of joining up selling operations in different channels, delivering a seamless customer experience that helps maximise shopper engagement, engender greater loyalty, and maximise retailer profitability.

To find out more about delivering a great customer experience and retail best practice contact:

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