Buy Online Pick-Up In-Store Playbook

Introduction

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The retail industry isn't what it was five years ago, or even two years ago. Retail technology is constantly evolving to keep up with customer behavior and expectations, which has been shifting strongly towards omnichannel shopping. In order to survive in this hyper-competitive environment, retailers must adopt new strategies, processes, and technology stacks to allow for a frictionless shopping experience across both online and offline channels.

For a few years now, brands have been fearing the inevitable, so-called "retail apocalypse", as well-known brick-and-mortar retailers such as Barneys and Macy's have been forced to shut their doors after years of steady growth and cultural relevance. However, when looking at the retail industry as a whole, there are hardly any signs of apocalypticism. Many brands are opening more brick-and-mortar locations and learning to leverage these locations in order to increase sales and delight customers.

While there are many trends floating around the retail industry today, one stands out for its ability to increase profit margins whilst improving the overall shopping experience: Buy Online Pick-Up In-Store (BOPIS). This omnichannel strategy relies on a retailer's store network to enhance and improve order fulfillment, allowing brands to not only avoid the apocalypse but seriously benefit from their brick-and-mortar locations. This guide walks you through this strategy, providing you with key points and best practices to consider as you plan for implementation.

1 Customer Experience

Crafting a High-Quality Online Experience

The first step in a successful BOPIS strategy is to educate your customers. On your homepage, use banners so shoppers are aware of the different fulfillment options available. Customers appreciate choice, so educate them on the benefits of BOPIS vs. home delivery (speed, price, and convenience all play a role). Offer a frequently asked questions section (see below) on your site to make them feel comfortable with this retail process. ScrewFix provides excellent examples of FAQs for retailers beginning their BOPIS journey. Make sure the buying experience is as seamless as possible, which entails being able to filter results to view BOPIS-only items, easily identifying nearby stores with available inventory, and the ability to save default stores to reduce steps for future orders. Once the customer has ordered, send notifications when their order is ready for pick-up and reminders until they complete the process.
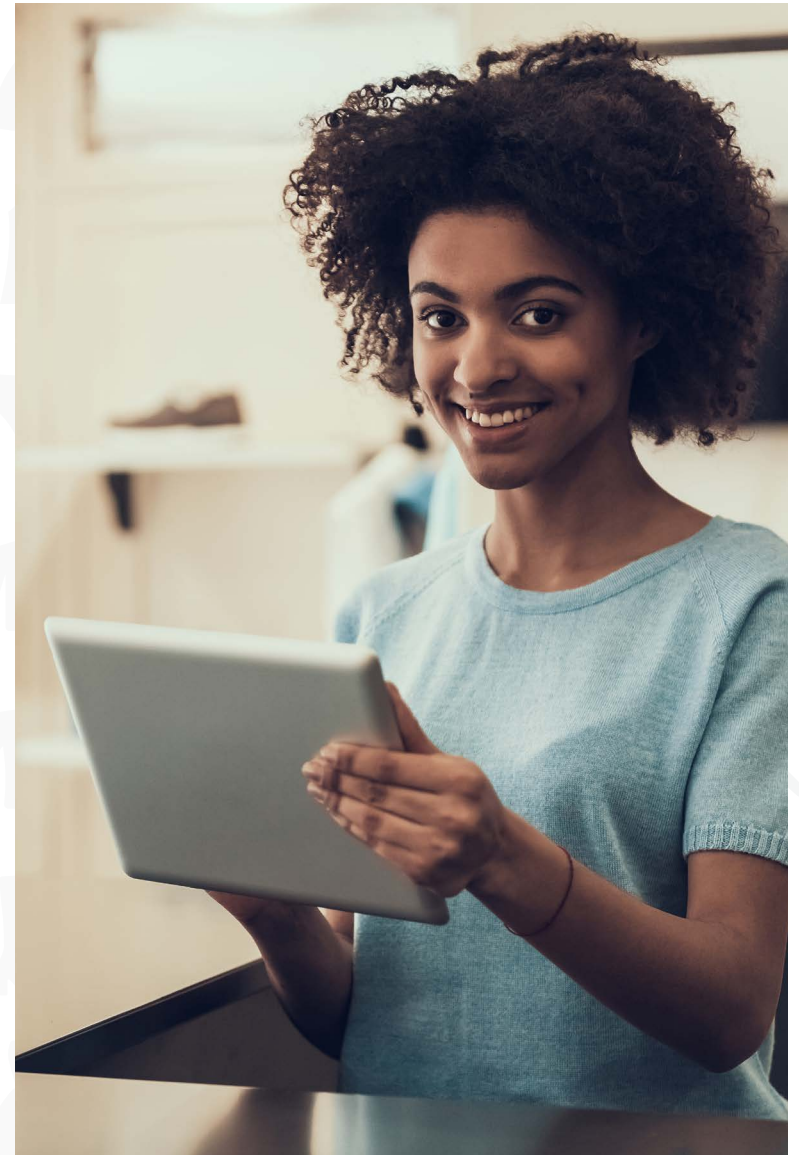
BOPIS FAQ Example

When will my order be ready to collect?

We will send you an SMS notification as soon as your items are ready to collect, please do not visit the store unless you have received an SMS. Please click here to check your local store opening information before travelling.

Collect Today

Collect Today items are in stock at your selected Screwfix Store for same day collection. Collect Today orders placed outside of store opening hours will be available when the store is next open. Please wait for your SMS notification before travelling to store.

Collect Next Day

Please note this service is taking slightly longer due to demand and current measures in place between ourselves and our delivery partners. Collect next day is where we send the item from our warehouse to your chosen store, orders using this service will be ready to collect from store within 2-3 working days. Please wait for your SMS notification before travelling to store.

Here are some additional details about our Click & Collect service.

Can I have items for collection and delivery in the same order?   +

I'm going to collect my order from store, what do I need to bring with me?   +

When I visit the store to collect my order, where do I go?   +

What happens if I don't collect my order from store or I no longer want it?   +

Want to cancel your Click & Collect Order?   +

1 Order Collection and Prioritization

Treat BOPIS orders like in-store orders. Many retailers make the mistake of processing BOPIS orders at 3-hour intervals, which creates misalignment between what your website says is available in-store and what is actually available in-store. Not only does delayed processing create logistical issues, but it also diminishes the overall customer experience. Customers want their products immediately, especially if they're close-by to a store. If it's taking your brand 3 hours to process their order, they won't be able to pick it up as desired and your brand will likely lose the sale.

Customer Service In a BOPIS World

It's important to be aware of the impact that BOPIS will have on your Customer Service operations. Omnichannel operations require your customer service team to be trained on how to handle issues, ranging from canceled orders to refunds, quickly and seamlessly. As you ramp up your BOPIS program, you may actually see an increase in inbound support calls from store associates as they have questions about customer service operations and protocols. Make sure your staff is prepared to handle an increase in inquiry volume, both from customers and associates. This may require more efficient tools and technology to support fast turnaround times.

Streamlining the Pick-Up Process

To ensure a positive BOPIS experience for the customer, create a designated order pick-up area in the store so that your BOPIS customers don't have to wait in regular queues. Furthermore, make it clear the moment the customer orders their product for pick-up what will be required from them when they come to collect. This will vary depending on the local legislation in your store's area, however most policies include order number, photo identification, and payment card to ensure all orders are going to the correct customer.

1 BOPIS Abandonment and How To Reduce It

We all understand the benefits of BOPIS by now, but there are also risks associated with this omnichannel strategy, such as BOPIS abandonment. BOPIS abandonment is when a consumer cancels or fails to collect their online purchase in-store. It can happen for several reasons, such as the customer changing their mind, forgetting they have an order to pick up, or, worst of all, finding that their order isn't ready for pick-up when they come to your store and deciding to give up.

How do you reduce abandonment? Step one is communication. Update customers as soon as their order is ready for pick-up, remind them at regular intervals, and use a variety of communication channels (email, SMS, etc). From there, give your customers incentives for completing their BOPIS order, like discounts, coupons, or other perks. Finally, incentivize store associates financially to ensure they prioritize the picking and packing of BOPIS orders to avoid a negative customer experience.

2 Store Layout & Operations

Staffing

While you do not necessarily need to hire new staff, or dedicate certain staff members only to BOPIS order fulfillment, you will absolutely need additional staff hours to support this new fulfillment method. Most store staff levels are based on store sales, which simply won't work with the addition of online sales that require manpower to fulfill. While some retailers choose to hire new staff, others simply increase the hours of their existing employees and train them on BOPIS operations.

Store Layout

You don't want your BOPIS customers waiting in line with in-store customers to pick up their orders. This creates a negative and cumbersome experience, so ideally you would have a separate BOPIS order pick-up desk to streamline the process. Ultimately, it's up to your brand to decide how much real estate you want to devote to this pick-up desk and where it should be located.
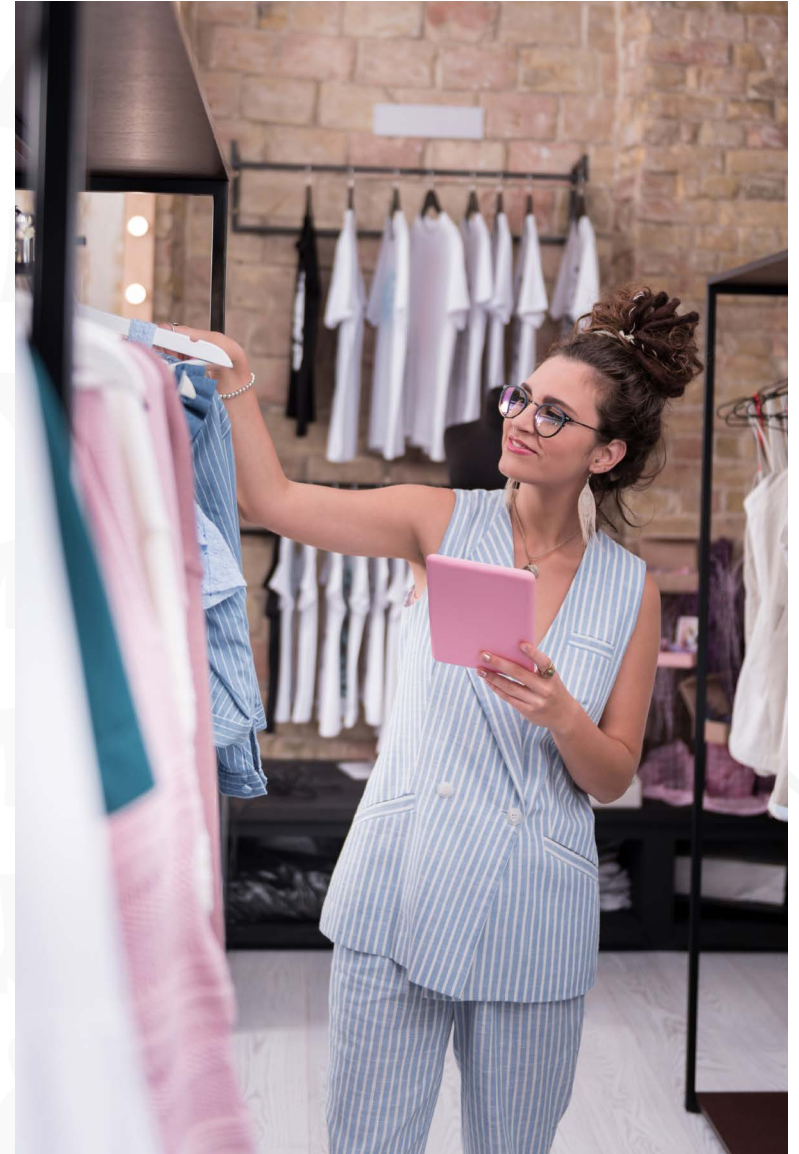
3 Technology & Data

Why Legacy Systems Don't Cut It

Real-time inventory visibility is a must for Buy Online Pick-Up In-Store, and unfortunately, companies' legacy eCommerce systems aren't typically designed to keep track of inventory at the store level, which often results in eCommerce platforms showing items out of stock even though they are available at one or more brick-and-mortar locations. Other businesses face hurdles because their eCommerce platforms don't integrate with their point-of-sale (POS) systems, which make it difficult or impossible to successfully fulfill orders in-store and make them available for pick-up.

### Why You Need A Distributed Order Management System (DOM)

In order to enable BOPIS for your brand, it's imperative to implement a Distributed Order Management system equipped with application

3 programming interfaces (APIs). This capability will ensure your Point of Sale and Warehouse Management systems can be connected to provide real-time product inventory to online shoppers and enable store associates to quickly and efficiently prepare online orders for pick-up in-store.

In-Store Applications For Employees

It's important to equip your associates with mobile applications that can be used to easily locate, pick, and pack orders within a matter of minutes. Mobile Point of Sale (POS) allows sales associates to access customer, inventory, and product data on devices such as iPhones, iPads, iPods, and Androids in order to engage and check out customers anywhere in the store. It's important to invest not only in a mobile app, but a complete suite of mobile applications that support services like Buy Online Pick Up In Store, Buy Online Return In Store, Endless Aisle, and Store Fulfillment, empowering sales associates to run their brick-and-mortar location like an eCommerce store.
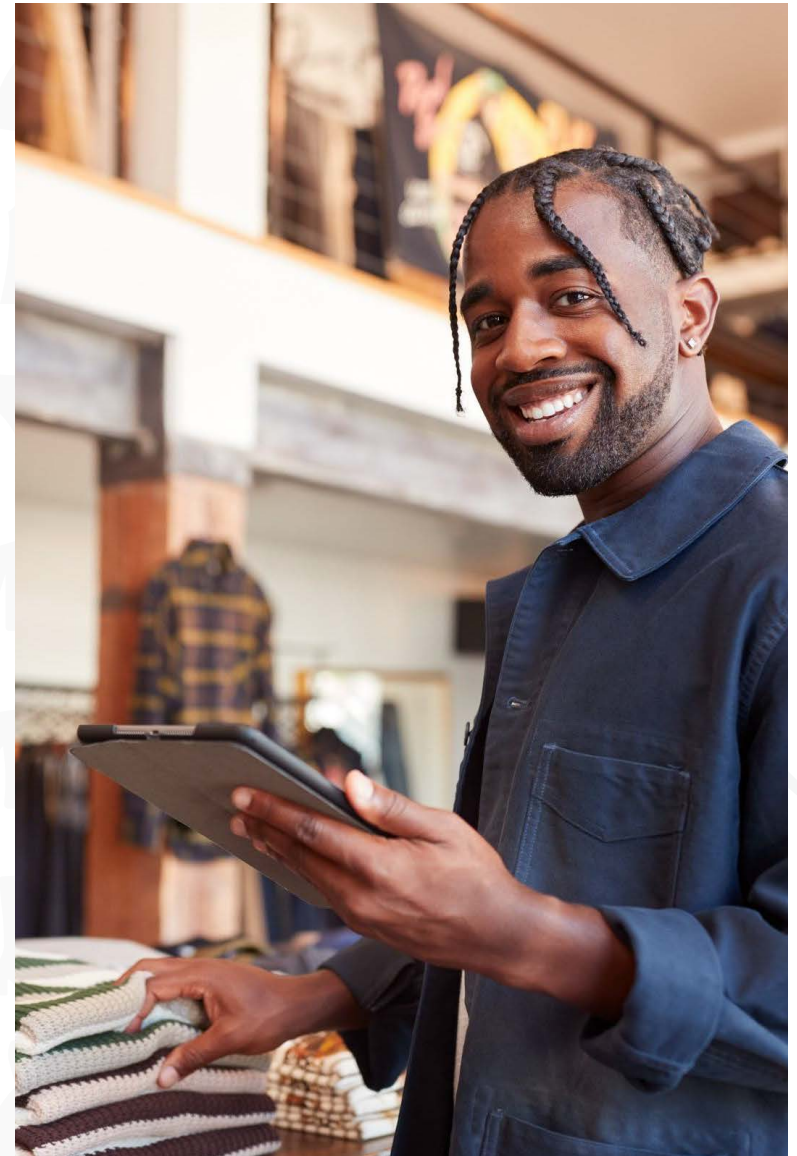
4 Store Incentives & Training

Incentivizing Positive Store Associate Behavior

There is one significant barrier to the successful implementation of a BOPIS strategy: resistance from your store associates, who might feel threatened by online orders, and be incentivized to sabotage your omnichannel strategies. BOPIS requires store fulfillment of online orders, which means your associates are directly involved in the customer's shopping experience. Without the proper structures in place, your store associates are not incentivized to propose omnichannel fulfillment options to customers, since they won't receive commissions for orders that are placed online. As a result, your brand needs a crediting policy that motivates store associates to use the full scope of shopping methods available to make a sale.

4 Framework for Crediting Stores

HotWax recommends a store crediting framework that gives full credit for online orders placed within a certain radius of a brick-and-mortar location to that store's personnel, exactly the same as if they had placed the order in-store. A sample framework for crediting and incentivizing stores is illustrated below:

ONLINE ORDERS

Omnichannel Journey	Fulfilment Flow	Sales Crediting
Standard online order	Item is shipped from DC/supplier to customer's address, which is in the geographical territory of Store A	Store A gets 100% sales credit
Click and Collect/BOPIS/ Try and Buy	Store A uses its inventory to fulfill the order	Store A gets 100% sales credit
Fulfill From Store	**(A)** Store A ships the item to a customer in its geographical territory **(B)** Store B ships the item to a customer in Store A's geographical territory	**(A)** Store A gets the 100% sales credit **(B)** Both Store A and Store B get 50% of the credit.
Ship To Store for pick-up (Stock transfer from another store)	Store B transfers its inventory to Store A for pick-up	Both Store A and Store B get 50% of the credit.
Ship To Store for pick-up (Stock transfer from DC)	DC transfers its inventory to Store A for pick-up	Store A gets 100% sales credit.

IN-STORE ORDERS/ENDLESS AISLE

Omnichannel Journey	Fulfilment Flow	Sales Crediting
Order captured in-store and fulfilled from DC/ Supplier	Store A captures the order and DC/Supplier ships the item to the customer's address	Store A gets 100% of sales credit.
Order captured in-store and fulfilled from another store	Store A captures the order and **(a)** Store B ships the item to the customer or **(b)** the customer picks the item up from Store B	Both Store A and Store B get 50% of the credit.

4 Training On How To Pick and Pack

Appropriate training needs to take place to ensure your staff knows how to use new technology and processes efficiently and effectively. Provide hands-on training to show store staff how to execute the new operations and build confidence. Combine this with process training and training manuals to ensure associates understand why the process exists and why it's important to follow. Finally, keep track of which associates have been trained, especially when it comes to new hires, so no one gets left out.

Training On How To Deal With Order Issues

Even with a best-in-class Distributed Order Management system, issues can arise. For example, say there is only one Extra Large shirt left in-store, and a customer orders the item online at the same time that a customer purchases the item in-store. Even the most advanced DOM will not eliminate this possibility. So, when order issues do arise, your associates need to be trained on how to handle them. When the store associate finds that in reality,

the inventory is not available in-store, they should immediately cancel the order or call the customer and ask what their preferred fulfillment option is (home delivery from a warehouse, for example).

What Happens When Orders Are Not Collected?

BOPIS abandonment happens. How do you know when to let go? Generally, retailers offer a window of about 2 weeks for customers to collect their orders, during which time said customer is sent multiple notifications and reminders. If the customer fails to pick up their order, retailers are best off automatically canceling the order and refunding the money.

5 Profitability Considerations

Developing a Business Case

Before rolling out BOPIS across your entire organization, you might want to start with a few stores to test viability. Many technology providers allow for a free trial in order to let you do just that. There are a few factors to consider as you decide which stores should be rolled out first in order to develop a business case. You'll want to look at online sales data across different geographic regions, as well as existing staff availability, and storage space.

Inventory Planning

In some cases, retailers want to hold a certain amount of inventory in their stores as "safety stock" in order to avoid inventory depletion. While keeping safety stocks can certainly be a good

strategy in order to ensure stores can satisfy the demand of their walk-in customers, it's important not to hold onto inventory unnecessarily when customers elsewhere are eager to buy. In order to avoid this scenario, it's best to invest in an endless aisle solution that allows store associates to fulfill orders for out-of-stock items by leveraging excess stock from other locations. This approach allows retailers to limit the amount of safety stock needed whilst ensuring all customers receive the items they want as quickly as possible.

Staff and Training Costs

While the technology required to enable Buy Online Pick-Up In-Store call under the Capital Expenditure (Capex) category, your organization will need to plan for and monitor impact on your Operating Expenses (Opex) as well. Increased wage costs will be incurred for stores that participate in BOPIS due to increased workload, whether you hire new staff or simply increase the

hours for your current staff. Furthermore, BOPIS training and the distribution of training materials will represent a necessary new line item to ensure a seamless rollout.

Key KPIs

In order to track the profitability of your BOPIS initiative, you'll need to create a set of metrics that you can monitor and use to make key strategic decisions. HotWax recommends keeping track of the following metrics:

- Average cost per BOPIS customer
- loyalty/retention rates for BOPIS customers
- BOPIS order rates
- BOPIS order collection rates
- Average time spent fulfilling BOPIS orders

There are many factors to consider as you begin planning for or rolling out your BOPIS program. However, the most important component of a successful BOPIS strategy is undoubtedly your tech stack. A Distributed Order Management System, in particular, is necessary in order to ensure accurate inventory visibility across the organization and a seamless customer experience.

Contact our experts to discover our best-in-class Distributed Order Management solution.

CONTACT US