

ANALYSIS

CLICK & COLLECT US RETAILERS LOOK TO ENHANCE THE SHOPPER EXPERIENCE

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In their latest special report highlighting how retailers are developing innovative solutions in response to this global crisis, AlixPartners focus on some outstanding examples of best practice in the US.



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THE ENORMOUS CLICK-AND-COLLECT EXPERIMENT

In the absence of strong consumer demand, grocery retailers in the US had been slower than their counterparts elsewhere when it came to creating large-scale systems that enable click-and-collect services. But as pickup and delivery options became a necessity at the onset of the pandemic, grocers not only had to offer these options immediately but also continually improve processes to both reduce their own costs and enhance the consumer experience. **Walmart**, which had been investing in pickup infrastructure before and consequently was better prepared than some rivals, increased sales, **added new customers**, and was able to better absorb the lower margins that come hand-in-hand with these services. America's large-scale click-and-collect adoption is likely to last and evolve. Our research indicates that many customers currently using click-and-collect options will revert to shopping in store – but not all. Some store types also benefited from increased transaction values as customers preferred making fewer trips to fewer stores, often picking up fresh produce at drugstores.

GETTING CREATIVE WITH STORE SPACE

In an overstored geography like the US, the role of the store had been evolving even before the pandemic hit. Over the last few years, retailers had been experimenting with closing certain locations, transforming others into fulfilment centres, and determining the right balance between the transactional and experiential role of the store. But as retail tactics changed at the onset of closures, the role of the store evolved rapidly – transforming from a customer touchpoint location to a critical node in the supply system. Temporarily closed sites became dark stores, essentially acting as mini warehouses and/or offering click-and-collect services, helping ease the load of burgeoning online orders. **Whole Foods** and **Kroger** were among chains to test dark stores, while **Stop & Shop** and **Albertsons** tested automated fulfilment centres at the back of existing stores. Going forward, retailers will continue to take a serious look at making store space more productive not just temporarily, but both in the medium term expecting to be constrained for a while and to find long-term optimisation opportunities.



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