

Delivering an effective click-and-collect strategy: A retailer case study

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Abstract How should retailers build an effective click-and-collect strategy? This paper identifies key considerations to deliver long-term business success, based on the experience of a UK retailer who has recently launched such a service. It demonstrates how change can be implemented in a multichannel retail environment, and how retailers can harness the opportunities presented. Key considerations around strategy development, service design and implementation are explored, with a particular focus on insight and drivers of multichannel shopping behaviour. A conceptual model is developed to understand the factors that drive multichannel shoppers. Data show that a click-and-collect service can drive incremental sales from additional purchases in-store, and why customers see value in such services. The findings offer a clear set of factors that managers can use to improve the customer experience and drive incremental sales. Finally, a new mode of multichannel shopping behaviour is identified and proposed — research online, purchase and research offline.

KEYWORDS: retail, e-commerce, multichannel, omnichannel, click-and-collect, digital strategy, service design, customer experience

BACKGROUND

Evans Cycles is a specialist cycling multichannel retailer, with 50 stores across the UK and a strong e-commerce offering. Established in 1921, the business introduced an e-commerce offering in 1999, a 'fulfil from warehouse and deliver to store' model in 2005, and a 'fulfil from store stock' model in 2013. Bicycles are a particularly complex product to retail: due to such issues as their bulk, complexity, sizing and compatibility, consumers often seek test rides or advice in person before

making a purchase; this makes them highly suited to multichannel retailing. Expert advice and assistance from store staff are therefore highly valued by customers. Like many retailers, over the years the business developed channels in relative silos, with teams perhaps focused more on channel objectives rather than business-wide objectives. In the early years, it was seen as relatively easy to 'bolt on' an e-commerce operation compared with the relatively high cost to expand and maintain physical stores. Due to increased customer demand

for cross-channel services, however, the business is now seeing these channels converge and is adapting appropriately. This process of change can be seen as a natural evolution of the business responding to changing customer needs, as the online channel plays an increasingly important role in the customer journey.

The growing trend for consumers to shop online and collect goods offline is evident from the company's internal sales data, which show click-and-collect orders now accounting for nearly half of all web orders. Other UK multichannel retailers are seeing similar trends. John Lewis has reported click-and-collect sales doubling from 2011/12 to 2012/13, and expects click-and-collect order volume to surpass home delivery orders in the Christmas 2014 period; meanwhile, Tesco has reported that 70 per cent of its web orders in 2012 were click-and-collect.¹

Consumers are clearly showing their preference for the convenience that this service offers. Looking to the future, Verdict Retail predicts a 63 per cent growth in click-and-collect sales during the next five years (£2.5bn in 2013 to £4.0bn in 2018).²

The predominant behaviour of a multichannel shopper is one of 'research online, purchase offline' (ROPO).³ Indeed, a large-scale study by the Internet Advertising Bureau (IAB), Taylor Nelson Sofres (TNS) and Google found that 20 per cent of consumers purchasing sporting goods in the UK conducted research online before purchasing offline.⁴ In addition, the web-to-store effect is cited as the biggest growth opportunity for multichannel retailers.⁵ For Evans Cycles, such behaviour is evident from internal web analytics data: a significant proportion of website visits result in a completed search for a store location, indicating that consumers are using the website to research products prior to visiting a store. This trend is now extended by mobile

technology, as highlighted in an Econsultancy study that found 43 per cent of UK shoppers use smartphones to compare prices and read product reviews while shopping (the 'showrooming' effect).⁷

In what follows, this paper will focus on three key stages in the development of an effective click-and-collect strategy:

1. win-win strategy development and service design;
2. implementing change and operational considerations; and
3. ongoing measurement and refinement.

WIN-WIN STRATEGY DEVELOPMENT AND SERVICE DESIGN

There are many approaches to developing strategy. This paper will focus on those the author has observed in practice, and uses real-world examples rather than theory. One can simplify the approach into three stages: gain insights, understand the customer journey, then design the service. A win-win strategy is defined as both serving the needs of customers and delivering long-term profitability for the business. This paper will examine two key areas in the development of an effective strategy: setting business goals and understanding the needs of multichannel shoppers.

Setting business goals

There is no one-size-fits-all approach to multichannel retailing. All retailers will differ in approaches due to chosen strategy, customer proposition, product category, operations, IT infrastructure and store footprint.⁷ This is a key consideration in strategy development, as any strategy needs to be built around individual business considerations. For instance, consider the differing click-and-collect offerings of a do-it-yourself retailer like Screwfix, whose

customers are largely tradesmen who need items on the day they order them ('Click and Collect in 5 Mins'), and a department store retailer like John Lewis, whose customers are happy to collect their items within two or three days. Or look at the UK's largest retailer, Tesco, whose stated multichannel proposition is 'everyday needs in one place'.⁸ By leveraging a global supply chain, together with strong own-brands, expansion into non-food categories and add-on services such as banking or telephony, Tesco aims to blend these together to create a seamless, one-stop shop for consumers.

For Evans Cycles, some high-level business goals could be defined as:

- offer the convenience of online shopping with the added value of store services;
- offer customers a wider range of choice and deals from a combined online and in-store inventory;
- make it easy for customers to begin tasks in one channel (such as research a bike purchase), and complete in another (such as test ride and purchase in-store); and
- make services available in all channels to deliver a joined-up brand experience.

For Evans Cycles, the amount of inventory held at stores is low compared with that available online and fulfilled from the warehouse. This is common for most bricks-and-mortar retailers as tying up money in unsold inventory is not good for cash flow. As such, when developing its click-and-collect service, it was important for Evans Cycles to preserve store inventory for walk-in customers, particularly as stores are replenished less frequently than the warehouse (weekly rather than daily). This was addressed by building the option of order consolidation into the online checkout process for click-and-collect orders: if the order

contains both items in stock at a store and items in stock at the warehouse, then the customer is given the choice of collecting some items immediately, or collecting all items together. If they choose to collect all items together, the entire order is shipped from the warehouse, thus avoiding the unnecessary depletion of store stock.

If cost reduction is a goal then click-and-collect can offer retailers reduced cost of sale by shifting customers away from home delivery and associated courier costs, towards using the retailer's existing infrastructure and supply chain to deliver orders to stores. Evans Cycles has seen significant reductions in cost of sale from this channel shift, ultimately driving bottom-line growth. It is also worth observing a shift in current consumer perception around delivery costs. The proposition of 'free delivery on all home delivery orders' is often seen as a must-have in order to win the last-mile battleground. However, a growing trend now is for retailers to charge a small fee for low-cost, low-margin products. In the UK, Amazon led the way in July 2013 by introducing a minimum spend of £10 to qualify for free shipping; now other retailers are following suit in order to manage costs.

As the examples above demonstrate, different businesses will have different goals, depending on the chosen strategy, customer proposition, store base and many other factors. However, common areas for investigation and questions to ask when setting multichannel objectives often focus on inventory ('where, how much?'), customer touch points ('how many, when?'), channel switching and task completion ('can I start in one channel and complete in another with ease?'). Finally, it is worth noting that the objectives of any successful strategy are most commonly grounded in goals of long-term profitability and the creation of a unique value chain for customers.⁹

Understanding the needs of multichannel shoppers

For Evans Cycles, a multichannel offering delivers the best of both worlds for customers: access to a wide range of products online, together with the convenience of collecting items either on the same day or when the customer wishes ('shopping on my terms'). The ability to touch, see, feel and check products for fit is incredibly important for cycling products, especially clothing (products that are seen as 'personal' rather than 'functional'). There is also less perceived risk (eg avoiding 'carded' home deliveries, returns costs or delays) when collecting goods in-store. Furthermore, there is greater perceived value in human interactions with store staff — advice, fit, and additional product recommendations all contribute highly to creating a distinct value proposition for customers.

These are the core drivers of current consumer behaviour that many retailers are seeing, particularly across the non-food categories. Evans Cycles has seen a growing shift away from home delivery towards click-and-collect and huge uptake in the service, with year-on-year growth as high as 200 per cent during peak periods. In addition, there are particular advantages that click-and-collect services can offer. As home delivery cut-off times get ever later, the battleground for last-minute orders during peak periods such as Christmas can be won with a same-day order collection proposition.

Drivers of multichannel behaviour

One of the critical issues for retailers is a lack of real understanding of what the drivers of multichannel shopping behaviour are, why customers prefer this method of shopping and, particularly, whether it is driving incremental sales.^{10–12} This is the 'why behind the buy'. There is plenty of evidence in the literature to suggest answers to these questions, but

what is the reality in the current retail landscape? In this next section, the paper will look briefly at the current literature, develop a framework for understanding drivers of customer behaviour, then pull out some key data-based insights to validate the framework.

Literature review

The current literature for drivers of multichannel shopping behaviour has now reached an empiric generalisation that multichannel shoppers spend more, and shop more frequently.^{12–15} According to a study by Kumar and Venkatesan, customers who shop across multiple channels provide higher revenues and higher share of wallet (purchase more frequently).¹³ Kushwaha and Shankar summarise it well by stating that multichannel shoppers are likely to spend more due to increased opportunities to spend in other channels; furthermore, as they also receive higher exposure to marketing and promotions, they have more opportunities for impulse purchasing.¹⁴ Research by Chatterjee also indicates that impulse purchasing is more likely in-store than online, where less price comparison information is available, and that it is more likely for higher-margin products.¹⁰ Neslin *et al.* put forward the theory of 'self-selection', that multichannel customers will naturally spend more, given they have more opportunities to do so.¹²

A key theme of the current literature is the hedonic vs. utilitarian nature of product category characteristics,^{14,15,17–23} and the different nature of purchasing behaviour for such products in each category. This is particularly relevant for Evans Cycles as the company's research indicates that cycling products are highly experiential and aspirational for customers, thus putting cycling product category characteristics firmly in the hedonic segment.

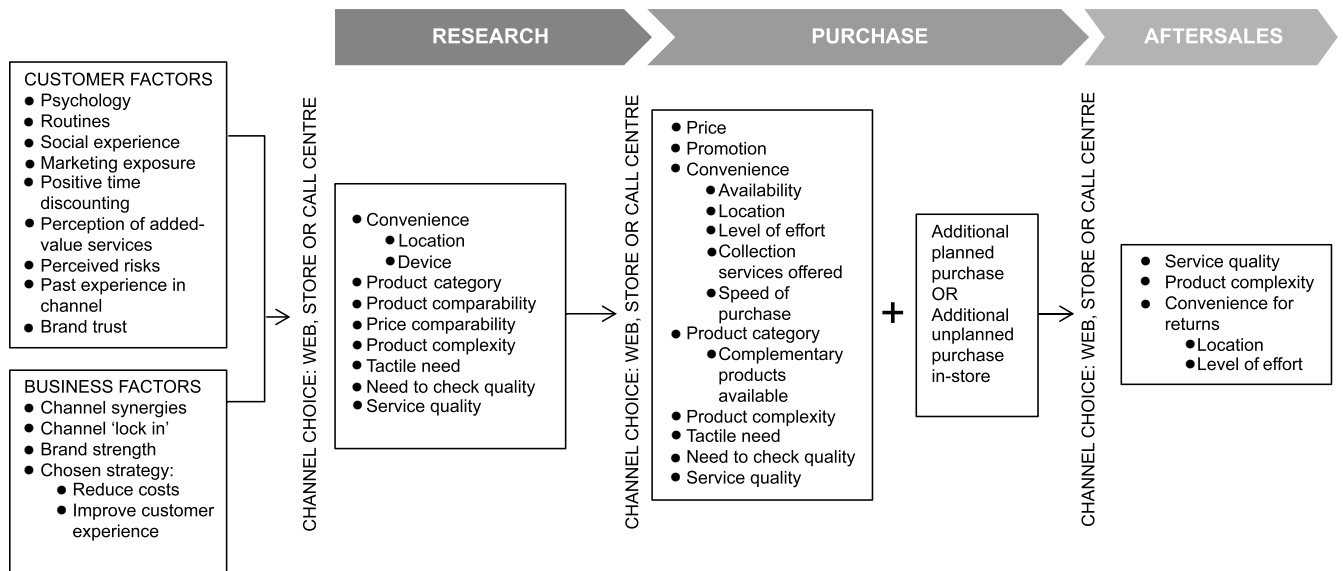


Figure 1: Conceptual framework for drivers of multichannel shopping behaviour

In short, retailers need to understand differing customer behaviours across product categories and adapt services around these drivers. If a product is complex and research-heavy, then giving customers the chance to test, see or try the product is essential. This is where many retailers are starting to recognise the benefits of a multichannel offering.

Conceptual framework

Based on the literature review, a conceptual framework was derived to provide an overview of the many factors that drive multichannel shoppers (Figure 1). The framework was subsequently tested and analysed in primary research. In what follows, the paper explores key factors and limitations of the framework in the context of the literature.

Key factors from the framework can be summarised as follows:

- *Positive time discounting:* The extent to which customers with high waiting-time costs are willing to make exceptions in other purchasing criteria

(for instance, price) in order to have a product more quickly — otherwise described as the ‘I want it now’ factor — is a key driver of customer behaviour.²¹

- *Perception of added-value services:* Customer perception of added-value services is a key behavioural driver,⁹ and also a key driver in channel choice.^{24,25}

Retailers that can offer a combination of ‘product plus service’ are seen as delivering more value to consumers. Bundling products to make choice easier is a particularly effective way of doing this.

- *Channel synergies:* The degree to which the retailer can provide synergies across channels (eg return an item bought online to the store) is a significant driver of customer behaviour.^{22–26}

Steinfeld *et al.* put forward four types of potential synergies for multichannel retailers: cost savings, improved differentiation, enhanced trust and market extension.²⁶ The degree to which retailers align their multichannel strategy to such synergies will in turn

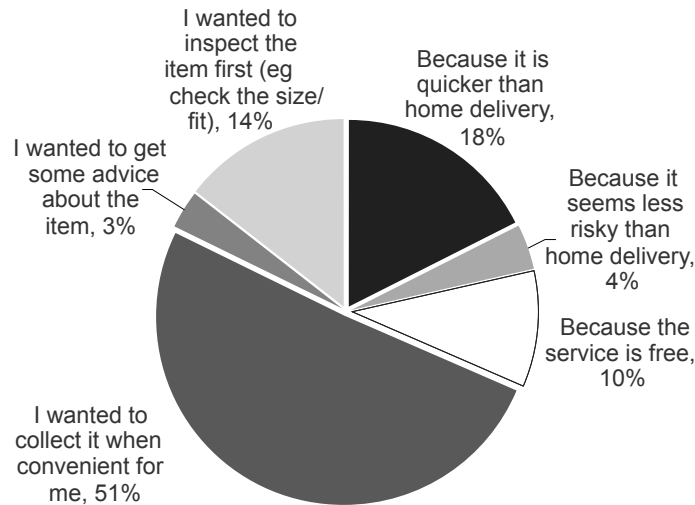


Figure 2: What was your main reason for placing a click-and-collect order?
Source: www.surveymonkey.com

drive customer behaviour and can increase customer satisfaction.²¹ Retailers that can deliver a seamless shopping experience that allows customers to move across channels with ease, beginning tasks in one channel and completing in another, are those that will deliver a superior brand experience.

- *Convenience factors:*
 - availability;
 - level of effort;
 - collection services offered;
 - speed of purchase;
 - location; and
 - device.
- Being able to collect purchases locally, with certainty of availability, at a time suited to the customer is arguably the overriding driver of multichannel shopping.^{13,20,21,27} Mobile (and location-aware) devices are playing an increasingly important role in driving footfall to stores.⁶ Convenience for returns is also another important factor.
- *Product complexity:* Consistent in the literature is the finding that as product complexity increases, so does the

customer need to talk to a staff member or seek advice through a call centre.^{13,23} This is particularly relevant for cycling retailers and other categories such as electronics where product complexity is high.

- *Product comparability:* Being able to compare product features and pricing easily is a key driver of general customer research behaviour. Research by Verhoef *et al.* indicates that the web plays a powerful role in allowing customers to compare products, and that this is a key component of the dominant web-to-store effect (ROPO).²²
- *Tactile need:* The need for customers to be able to inspect and physically touch a product prior to purchase is a key driver of purchase channel choice.^{17,28} For big-ticket purchases like bikes, being able to test for fit is incredibly important, and this is why stores often close the sale. However, it should be observed that for lower-value purchases such as clothing, customers are increasingly comfortable purchasing directly online, as demonstrated by the

significant growth of pureplay ‘fast fashion’ retailers in the last five years.

Key insights

Having developed a conceptual framework to understand drivers of behaviour, Evans Cycles then tested elements of the framework through primary research. This took the form of an online survey of customers who had recently used the click-and-collect service in order to understand the drivers of behaviour and the performance level of the service ($n=1,434$). Key highlights of the research are presented below.

What was your main reason for placing a click-and-collect order?

Figure 2 summarises the responses to this research question. As the figure shows, convenience of collection is the biggest driver of click-and-collect orders. Customers also reported a desire to avoid the risk of missing a home delivery due to being away from home during the day. The key theme is that customers see click-and-collect as shopping on their own terms; they feel empowered and in control, thus increasing satisfaction. Click-and-collect is perceived as quicker than having to collect from the local post office at the weekend, and therefore a ‘minimisation of perceived effort’ is the leading factor for customers placing a click-and-collect order. Checking for size and fit is also important.

What are the most important factors to you when making a click-and-collect purchase?

Respondents ranked a number of factors in the following order:

1. availability of product;
2. being able to physically touch/feel the product first;
3. being able to research the product details online;
4. how close the store is to me;
5. being able to talk to a staff member about the product;
6. being able to research details of the product in-store;
7. additional services in-store;
8. whether I can return the product easily;
9. being able to view similar products in store; and
10. relevant promotions.

The results demonstrate a clear guide to the factors most important to customers. Stock availability, being able to touch and feel the product, ease of research online and store proximity are the key drivers. Returns, promotions and viewing similar products in-store were considered less important.

Did you make an additional purchase in the store when you collected your order?

Thirty-two per cent of customers reported making an additional purchase in-store when they collected their order. On the face of it, this appears to indicate a healthy volume of add-on sales; however, further analysis of sales data showed actual add-on sales (defined as ‘an additional purchase by the same customer on the day of order collection’) to be closer to 16 per cent. This demonstrates the difference often seen between what people say they do and what they actually do. It is also in line with anecdotal evidence from other UK retailers, who report anywhere between 15–30 per cent incremental sales uplift. When asked why they made an additional purchase, customers stated that they needed pedals or other accessories or tools to go with the product ordered, which they then purchased in-store. Some customers browse the store while waiting and are inspired by the products in front of them to make an impulse purchase. Some customers have products in mind that they want to look at or learn more

Table 1: ‘As is’ and ‘to be’ in multichannel retailing

‘As is’	‘To be’
Various legacy IT systems	One source of data/‘one version of the truth’
Store vs web silos/channel mentality	Cross-functional teams
Different services in different channels	Same services in all channels* (alignment)
Retailer owns experience	Customer owns experience (‘on their terms’)
Store acts as one channel	Store showcases all channels and services

*Not always applicable as some services may only be relevant or possible in some channels

about by asking staff questions, so they combine order collection with further product research activity. This demonstrates the identification of a cyclical research/purchase journey.

Summary

The evidence indicates that customers are making additional, impulse purchases in-store because they see something else they like when browsing, or realise they need an additional item related to the planned purchase. This answers a key question for retailers regarding whether click-and-collect customers can drive incremental sales.

There is also clear evidence of the research shopper phenomenon,²² which interestingly shows a new cyclical mode of the customer journey: research online, purchase and research offline (for future purchases).

Service design

In this last section on strategy, the paper will examine ways of applying insight when designing a service that is aligned to both customers’ needs and business goals, in order to deliver a win-win strategy. Multichannel retailers should also consider how stores could be used to develop ‘product + service offerings’ that deliver unique value to consumers. For instance, it could prove particularly compelling for Evans Cycles customers to be able to purchase a ‘peace of mind’ bundle that includes bike, helmet, lock, lights and one year’s free servicing.²⁹

Having understood the key drivers of multichannel shopper behaviour, it is important to see the modern retailing experience through the customer’s eyes. Customers do not think in terms of ‘channels’, ‘drivers’ and ‘incremental sales’. Therefore from a customer point of view, key considerations for retailers are:

- Customers see the experience as ‘just shopping’ — channels are meaningless.
- It is a brand experience for the customer, not a channel experience.
- Experiential shopping adds immense value for some categories.
- Making life ‘easier’ for customers adds value, through innovation and marginal gains in services, such as delivering ‘the last mile’.
- Allowing customers to start tasks in one channel, complete tasks in another, or switch channels with ease, adds value.
- Consistently delivering ‘moments of truth’ is essential.
- Focusing on the touch points and contexts will deliver the seamless or ‘easy’ experience customers desire.
- Identifying and removing the pain points for customers.

For Evans Cycles, there is a simple view on the ‘as is’ and ‘to be’ in terms of focus areas for transformational activity to deliver a better customer experience, as illustrated in Table 1. This thinking could be applied to other retailers.

To assist in the design of the service, Evans Cycles has developed a simple

Table 2: Example multichannel scorecard (for illustrative purposes only)

Touch point	In-store	Desktop/tablet	Mobile	Contact centre
<i>Help and advice</i>				
Speak to an expert	Y	Y	N	Y
<i>Stock</i>				
Check warehouse stock	Y	Y	Y	Y
Check store stock	Y	Y	N	Y
Order management				
Check order status	Y	Y	Y	Y
Cancel or amend order	Y	Y	Y	Y
Return a product	Y	Y	N	Y
<i>Customer</i>				
Amend details	Y	Y	N	Y
Store services				
Book a test ride	Y	N	N	N

scorecard to track what customers can and cannot do across channels, thereby highlighting where improvements could be made (Table 2). The scorecard is aligned to:

- customer needs and context;
- service/product context (such as, treating bike purchases a bit differently); and
- business goals.

Using similar methods, businesses can define a development roadmap, aligned to their strategy, which itself must be aligned to customer needs and business goals. In order to deliver a seamless experience for customers, it is important goals are aligned across the business, and that cross-functional teams are empowered to deliver change across business units.

IMPLEMENTING CHANGE AND OPERATIONAL CONSIDERATIONS

In this section, the paper will consider the key operational aspects to delivering a multichannel strategy, focusing on the required changes in the store role and environment operational process, illustrated with key learnings from Evans Cycles' experience.

Re-evaluating the store role

As the data presented previously demonstrate, stores and store staff deliver immense value to the customer journey and are the multichannel retailer's greatest asset. Access to expert advice and knowledge, and the chance to research and interact with products are key drivers to sales and service. This was highlighted in the research: customers saw value in being able to ask for personal advice on product selection, usage and technical questions that otherwise can be difficult to address online.

Stores can now be seen as showcasing all channels, and retailers are increasingly developing ways to bring the web experience in-store. Such opportunities can be leveraged to deliver customer value beyond discounting (and subsequent margin erosion), therefore avoiding the ubiquitous 'race to the bottom' online.³⁰

For Evans Cycles, bringing the web in-store was enabled through the installation of a Wi-Fi network across stores in early 2013. This made it possible for store staff to use iPads for:

- *Assisted selling:* The iPads made it possible for staff to have better conversations with customers, away from busy till points. Customers can also consult the company website,

- compare product specs, read product reviews, compare ranges and check stock in all locations.
- *Selling products on finance*: Staff can use a branded web application calculator to talk the customer through information about loan amounts and monthly repayment amounts. Through the iPad it is also possible to digitally sign a credit agreement. Point-of-sale (POS) and iPad web applications are fully synched and capable of talking to each other to make the process more efficient for store staff.

Further improvements were made to business processes through the use of hand-held terminals running from the Wi-Fi and talking to the POS system, thus expediting stock-checking procedures and the booking in of stock arriving at the store from the warehouse. Improving back-of-house procedures such as the booking in of stock is a vital operational concern for retailers when dealing with ever-shorter lead times and a growing number of click-and-collect orders arriving at stores daily.

Arming store staff with more tools, more data and more information to assist sales is where many retailers are currently focusing their efforts. There is considerable complexity for retailers wishing to free staff completely from POS terminals, perhaps most notably the Payment Card Industry Data Security Standard compliance issues that surround the acceptance of customer-present transactions on any device other than chip-and-pin. This is likely to be an area of rapid innovation; indeed, there are already solutions available in the market that allow retailers to bypass such complexity and regulation.

Implementing click-and-collect: Key principles and learnings

Broadly, the click-and-collect models retailers are currently offering can be summarised as:

- fulfil from warehouse and deliver to store;
- fulfil from store stock; or
- a combination of the above.

The choice of model will depend on the many previously outlined factors particular to that retailer's category, inventory and store footprint. Having implemented the 'fulfil from warehouse and deliver to store' model in 2005, Evans Cycles also introduced a 'fulfil from store stock' model in 2013 by exposing store inventory levels on the web front-end, and introducing in-store processes to pick and pack web orders on in-stock items within two hours. For such orders, payment is taken at the online checkout (thus differing from retailers offering a 'reserve and collect' service, where payment is taken in-store, which can give a quicker collection time, often within one hour).

As described previously, business goals were applied to the design of the service around a set of principles to which the project team referred when developing the systems and experience. Making high-level requirements live throughout the project was essential. Table 3 outlines these requirements and some examples of how they were brought to life.

Key learnings

When implementing the new model, the project team faced a number of challenges, most notably regarding the introduction of a new process for picking stock in-store, and the required changes in behaviour to deliver this. Change management procedures, process flows and business process modelling were used. Key to the success was the creation of a cross-functional team, with representatives from all areas of the business committed to delivering the project, with a clear view of the success factors required to achieve it. This team was a good example of the transformation from a relatively siloed

Table 3: Key principles when designing the click-and-collect service

Key principle/goal	Examples of how this was manifested
Everything is in stock	If a product is not in stock at a store, the system will default to show the lead time to ship that item from warehouse to the local store.
Give customers the widest choice possible	Show all stores' inventory or lead time for collection of a product (some customers are willing to travel to collect a bike, for instance). Show home delivery options alongside store collection options, it might be better for some customers.
Preserve store stock if possible	If the order contains both items in stock at a store, and items in stock at the warehouse, then the customer is given the choice of collecting some items immediately, or collecting all items together. If they choose to collect all items together, all items are shipped from the warehouse, thus avoiding unnecessary depletion of store stock.
Focus on the touch points	A redesign of the system to contact customers collecting a bike (a key 'moment of truth'), to allow for a more personal experience to increase customer satisfaction. Mobile-friendly e-mail designs and SMS notifications when orders are ready to collect.

business to a modern cross-functional group capable of delivering change. Key learnings from the process are summarised below:

- It is essential to dedicate resources to change management — trying to combine 'change' roles with 'day jobs' is not setting up for success.
- Customers are cross-channel, so teams should be cross-functional.
- Ensure the high-level requirements live through everything.
- Give ownership to business units when implementing change.
- Focus on the details and customer touch points, as these are what deliver a 'good customer experience'.

Some key operational learnings and areas of focus were:

- Keep the customer informed if orders are delayed.
- Reduce customer waiting times when collecting orders (queue management techniques, peak period staffing levels).
- Streamline the booking in of orders and stock.
- Avoid customers having to make multiples trips to collect items.

- Back-of-house 'hygiene factors' are essential, for example, different bagging/totes for click-and-collect orders, and a robust system to find orders easily when customers arrive to collect.

Summary

The store model is evolving rapidly, and retailers are increasingly turning to technology to provide a better experience for customers. However, technology and processes can only go so far. Only truly cross-functional teams can deliver a seamless customer experience. Success in multichannel retailing therefore comes down to a combination of managing change effectively, aligning systems, processes and business goals, and engaging teams on the frontline through training and incentivisation, to deliver an excellent shopping experience for the customer.

ONGOING MEASUREMENT AND REFINEMENT

In this final section, the paper will briefly explore key considerations around the measurement and optimisation of an ongoing click-and-collect programme. At

a high level, the sample scorecard (Table 2) can be used to analyse and identify areas of development, especially around touch points, and enable customers to complete tasks across channels. This approach can be used to plan development and implement further change to improve the customer experience.

In terms of measuring success, Evans Cycles uses a number of key metrics for reporting on an ongoing programme:

- *Detailed reporting at order level:* Pick levels, failed orders, time to pick and time to collection metrics make it simple for operations teams to identify store locations where there may be issues with orders, process, inventory levels or perhaps further training required.
- *Detailed reporting on standard web key performance indicators:* Get to product, product views, add to basket and checkout flow metrics are common web metrics used by the team to measure the performance of the website click-and-collect features, and make enhancements as necessary.
- *High-level views:* Measuring order volumes and category trends, especially during peak periods, enables teams to ensure stock and resource are available to fulfil orders.
- *Customer satisfaction:* The net promoter score (NPS) is used as a key metric across the business, for both in-store and online customers, via a post-purchase e-mail. Click-and-collect customers are identified and reported on.

Finally, retailers should give consideration to a focus on leading, not lagging indicators of future performance, and aim to identify areas of cause and effect, rather than focusing on remedial action. NPS is a good example of a leading indicator of future performance; others may be repeat visit conversion rate, or profit per order

trends. Retailers could also consider a balanced scorecard specifically for their click-and-collect programme, or indeed for the wider e-commerce operation.

CONCLUSION

This paper has outlined a number of key considerations for retailers when developing their multichannel strategy, to ensure it is aligned both to customer needs and wider business goals, and will ultimately drive bottom-line growth.

It demonstrates how businesses can adapt internally to customer demand for cross-channel services through programmes of change. This does not always need to be through grand, large-scale change programmes. Experience shows this can often be achieved through smaller, incremental changes in business units, processes and ways of working.

There are some limitations to the present research which should be acknowledged. The research is inherently biased by Evans Cycles' existing marketing and trading strategy, and also the wider multichannel strategy. This aligns with the observation that there is no 'one-size-fits-all' approach to multichannel design, so it is unlikely that any studies can provide a truly generalisable result. Nevertheless, the factors identified can certainly provide managers in other product categories with guidance and assistance when designing their own strategy.

Future research should focus on longitudinal studies to understand the long-term effects on customer loyalty, long-term cost-saving benefits for multichannel retailers and competition in the market, as the more competitors synergise their channels, the less differentiation there is. Most importantly, research into the effect of mobile devices on shopper behaviour is required — specifically around the 'showrooming'

effect and how systems can deliver location-aware services for stock availability, relevancy to customer preferences or shopping history, across multiple devices and contexts.

The paper clearly shows the value that can be delivered by an effective click-and-collect strategy, and the associated store experience, with a new 'research online, purchase and research offline' mode of behaviour discovered. It shows that convenience is a key driver of this trend, and that for some product categories, a physical store presence is extremely valuable to the customer experience.

Finally, the paper demonstrates the need for retailers to integrate systems even more tightly to allow for cross-channel synergies to improve the customer experience. For example, in-store staff having visibility of a customer's online order history or wish-list in order to tailor recommendations, or linking systems for store staff scheduling to peak order collection times, or supply-chain improvements to deliver just in time. For retailers, justifying such investments to improve customer experience should first come from understanding the drivers of shopping behaviour, to which this paper has contributed.

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